

2014 Irish Motor Market Returns

Market Returns

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22 September 2015

Contents

- Data Sources
- Motor Market Size
- Expenses
- Profitability
- Frequency
- Average Cost

Data Sources

- Benchmarks

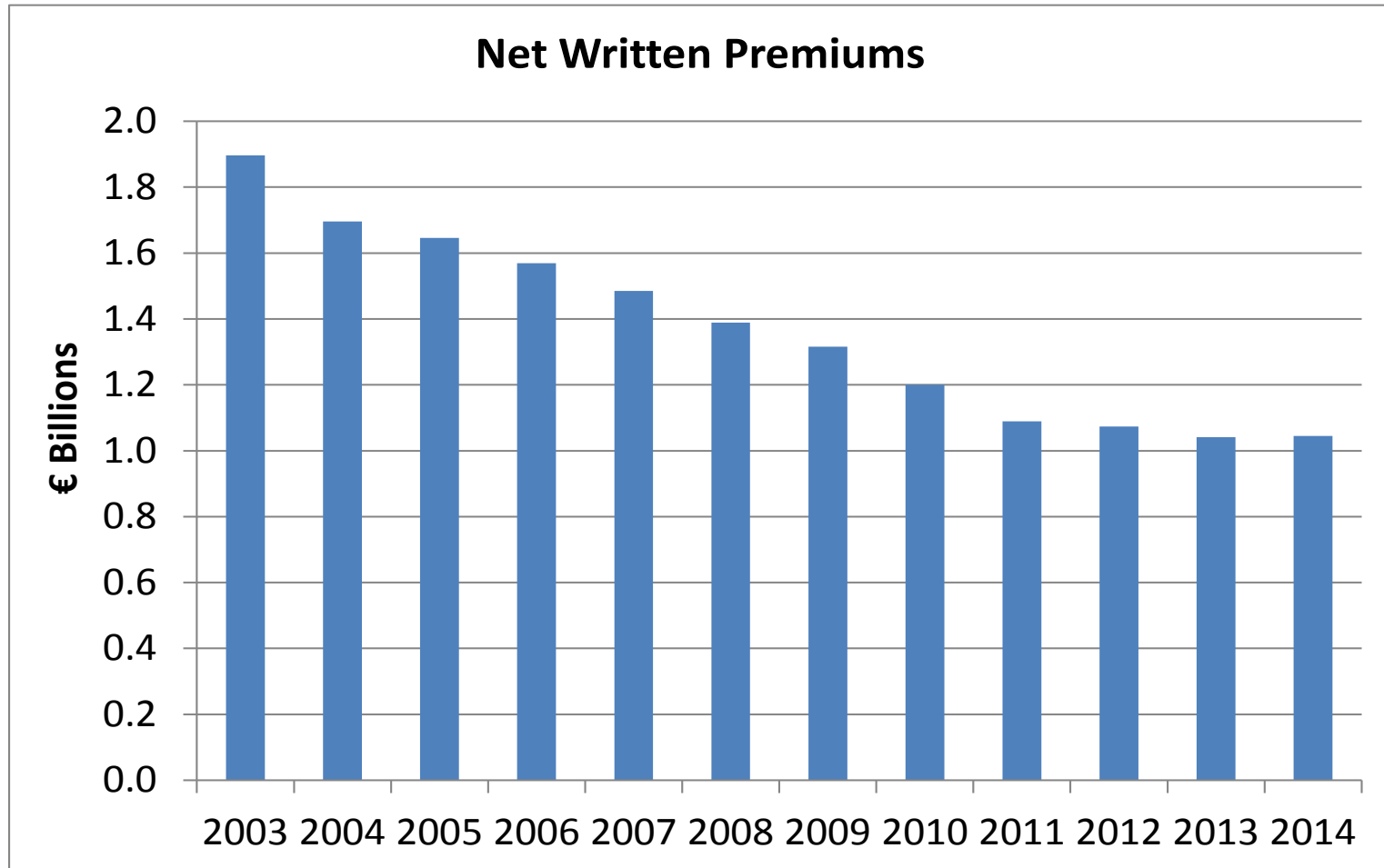
- Some issues with Market Returns
 - Data is sourced from early release by major companies to Risk Intelligence
 - (all major companies except Liberty were available)
 - Difficult to reconcile Form 2 data (net revenue accounts) and Form 8 (claims settlement analysis)
 - More closed claims than reported claims in the Form 8
 - Companies moving to branch structures – AIG, Aviva

- Other possible data sources
 - Society of Actuaries in Ireland might try replicate the work of the UK Third Party Working Party
 - Insurance Ireland also collecting data

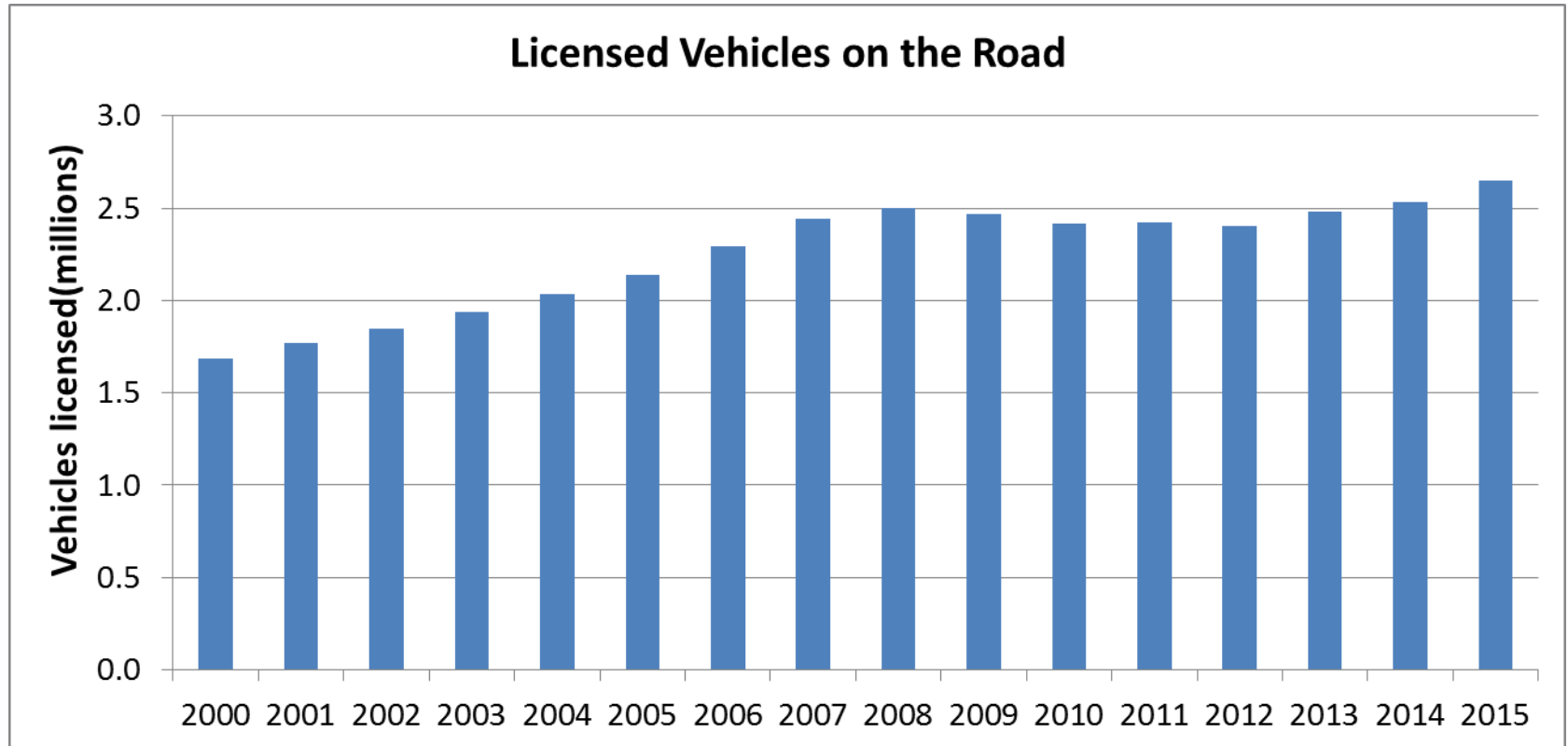
Contents

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Irish Motor Market Size

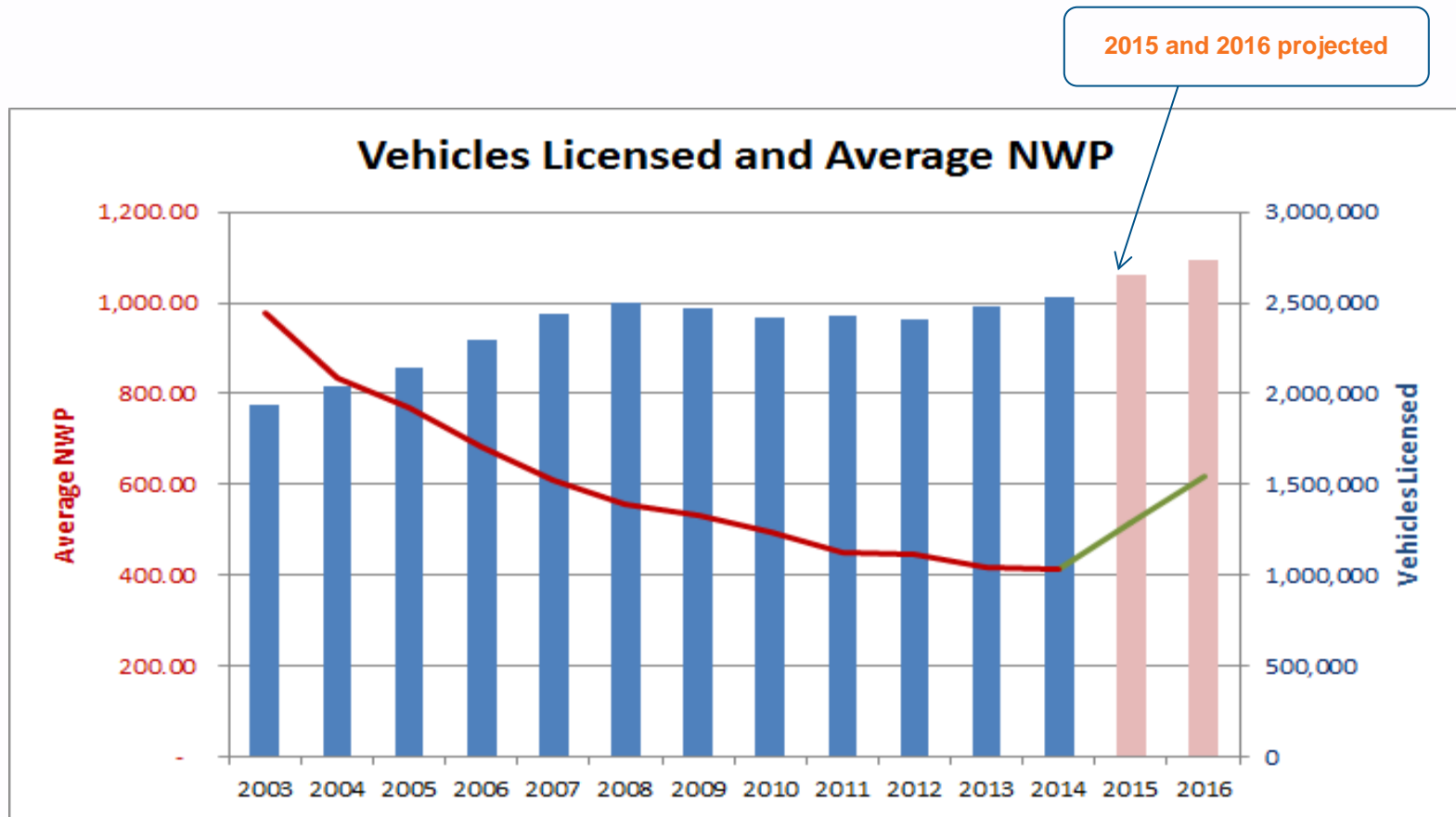


Irish Motor Market Size



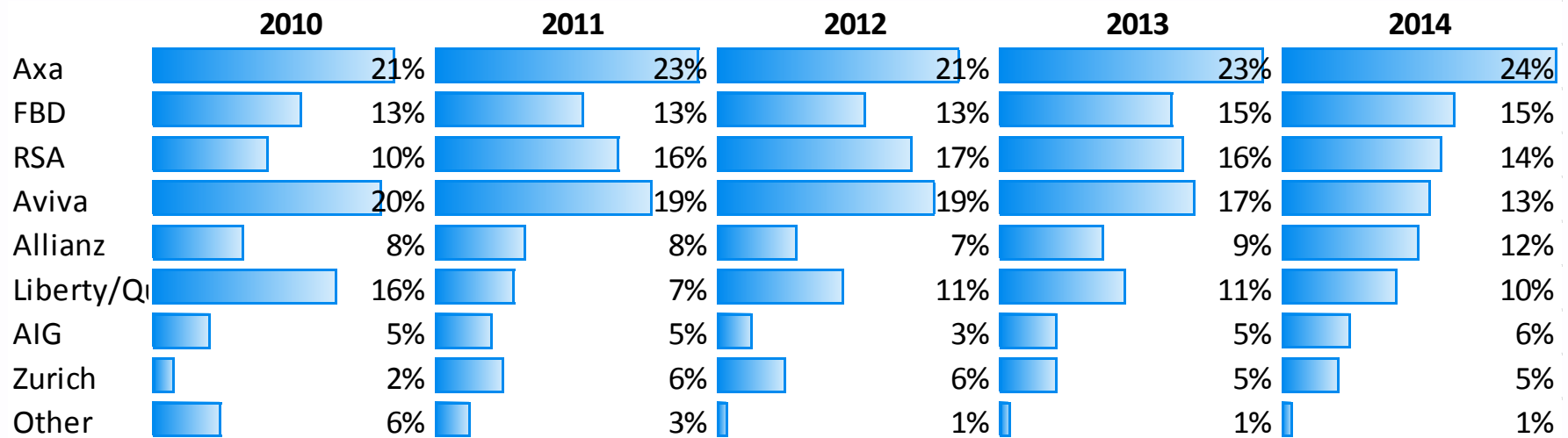
2014 number is estimated

Average Net Written Premiums



August year to date motor insurance increase is 24% per CSO
NWP impacted by increased RI in the market in 2014

Market Share by Company (based on NWP)

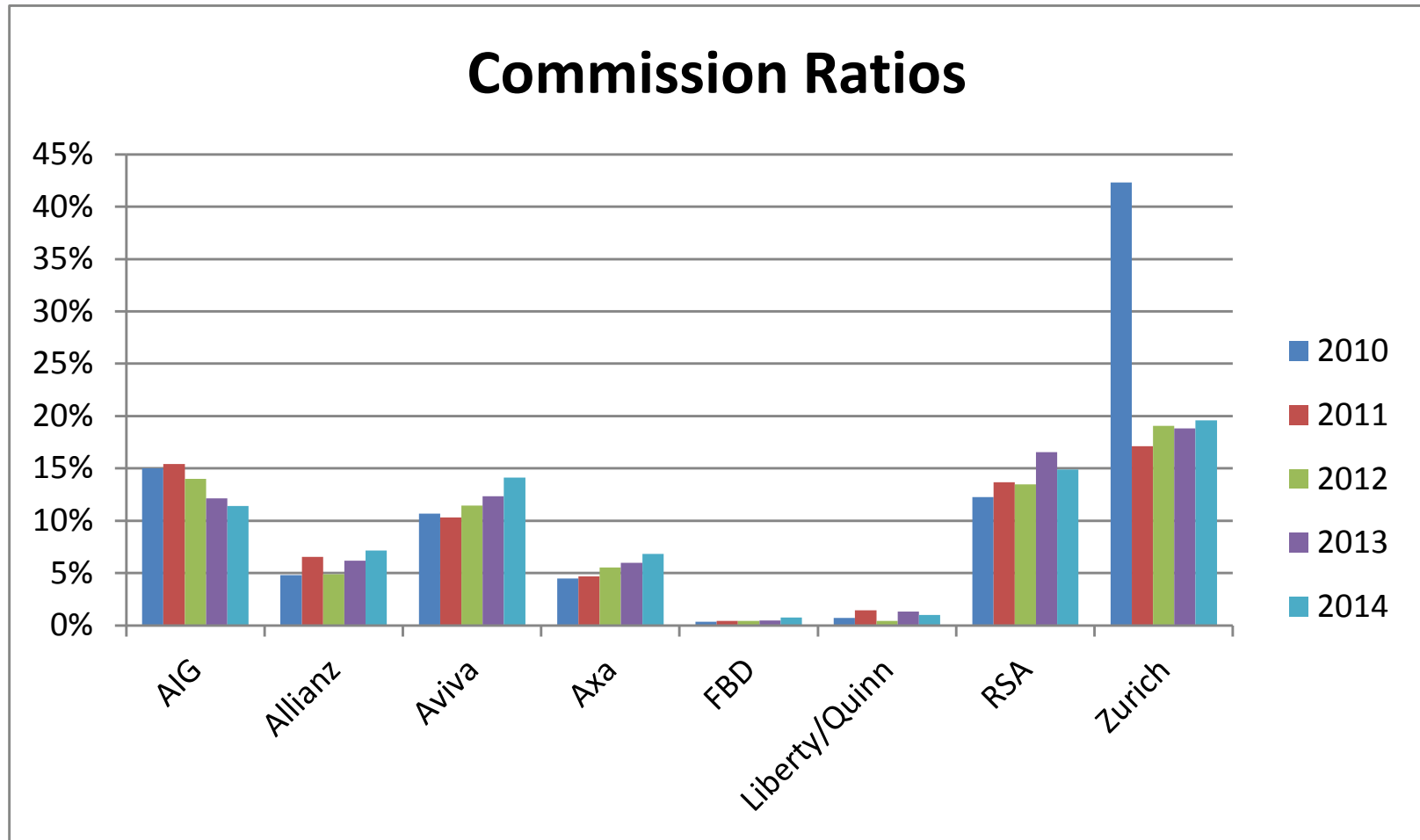


NWP impacted by increased RI in particular Aviva and Zurich

Contents

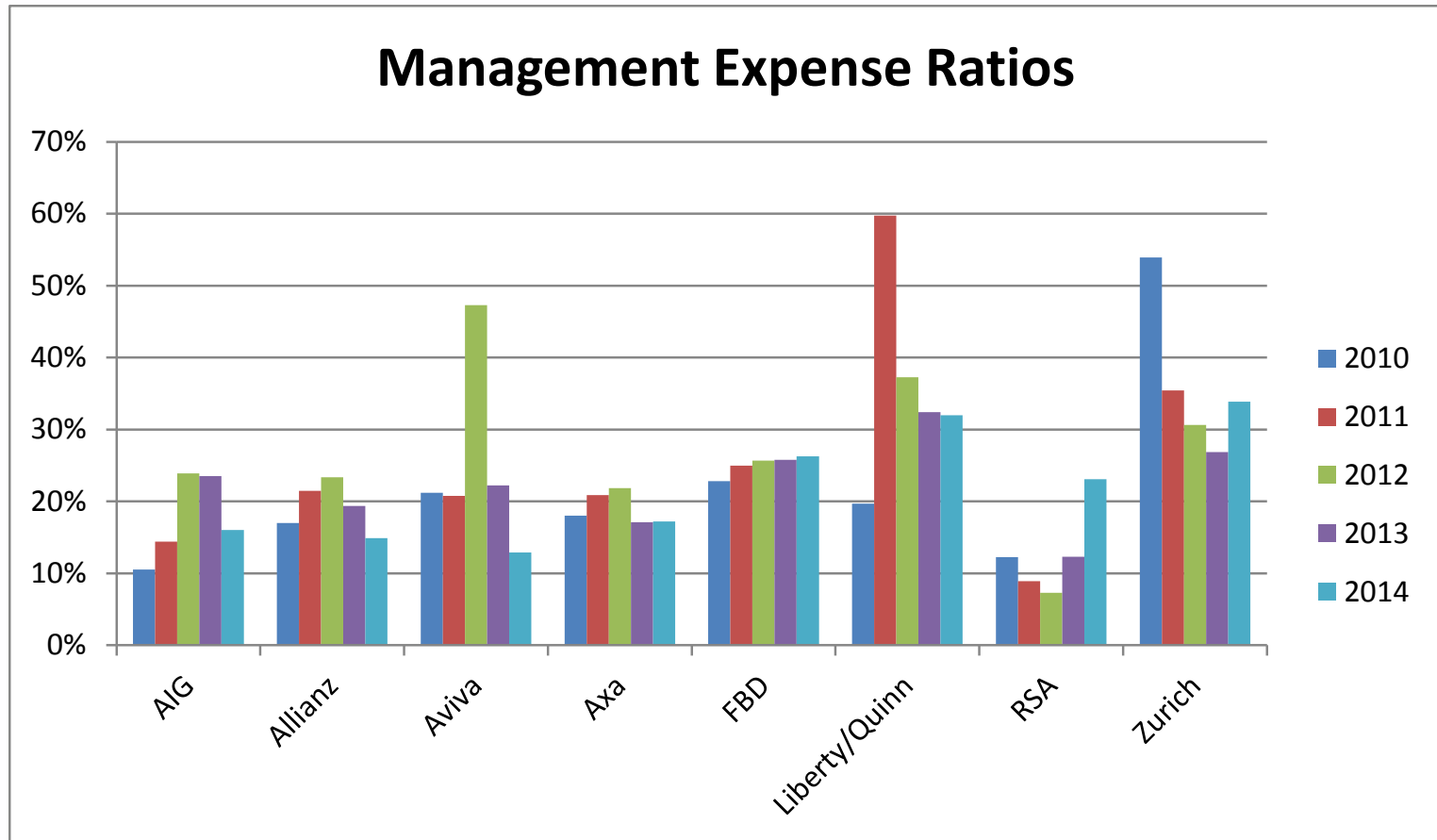
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Commissions



NWP impacted by increased RI in particular Aviva

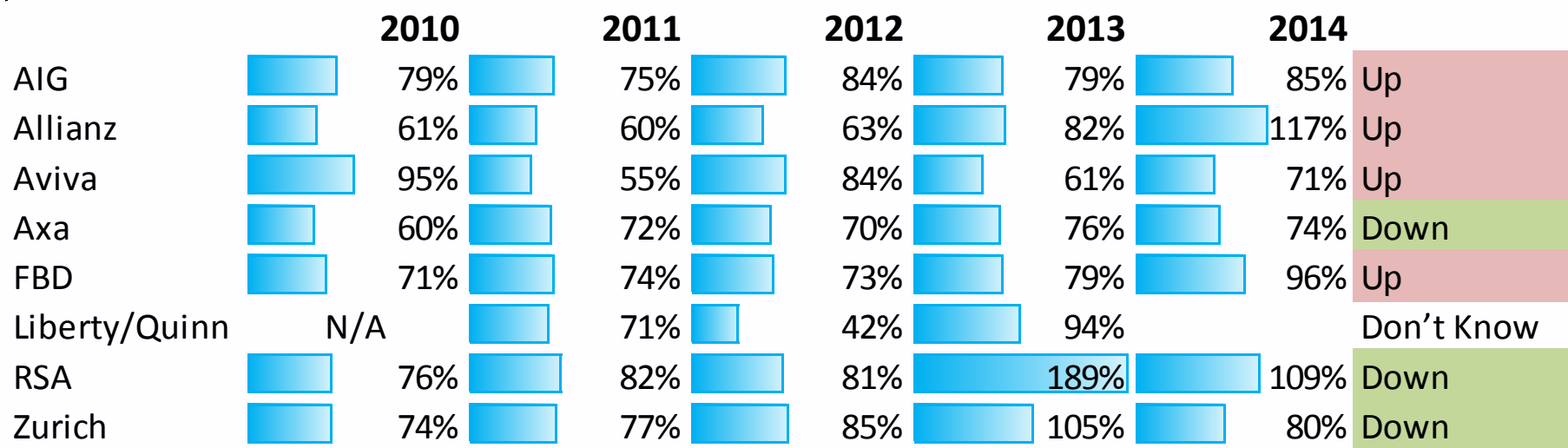
Expenses



Contents

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- Motor Market Size
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Financial Year Booked Loss Ratios



Total Motor Industry Performance

Total Industry less RSA						
	2010	2011	2012	2013	2014	Total
Loss Ratio	86%	68%	71%	78%	87%	
Expense Ratio	20%	26%	31%	23%	19%	
Commission Ratio	6%	7%	7%	7%	8%	
Combined Operating Ratio	113%	100%	109%	108%	114%	
Prem inc RSA (€m)	€1,147	€1,130	€1,076	€1,029	€1,022	€5,404
Target	95%	95%	95%	95%	95%	
UW Loss (€m)	-€145	-€1	-€92	-€77	-€141	-€457
Loss / Premium	-13%	0%	-9%	-8%	-14%	-8%

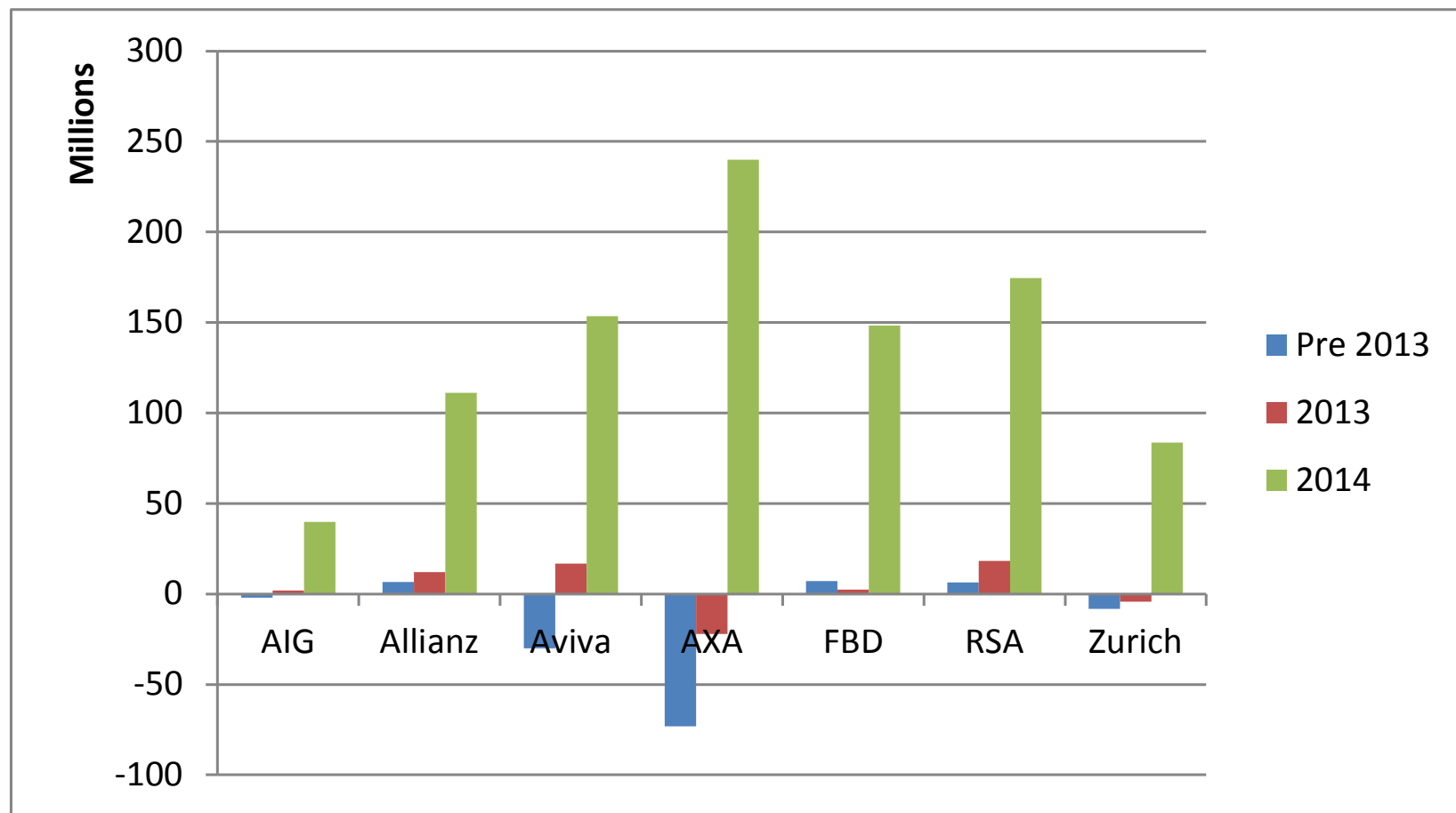
Prior Year Releases (Gross): '13 versus '12 – (last year's Slide)

	Pre '12 €M	2012 €M	2013 €M
Axa	-72	11	211
% of 2013	-34%	5%	
Zurich	-4	-2	94
% of 2013	-4%	-2%	
FBD	-7	2	118
% of 2013	-6%	2%	
Allianz	-3	10	68
% of 2013	-4%	14%	
RSA	50	52	219
% of 2013	23%	24%	

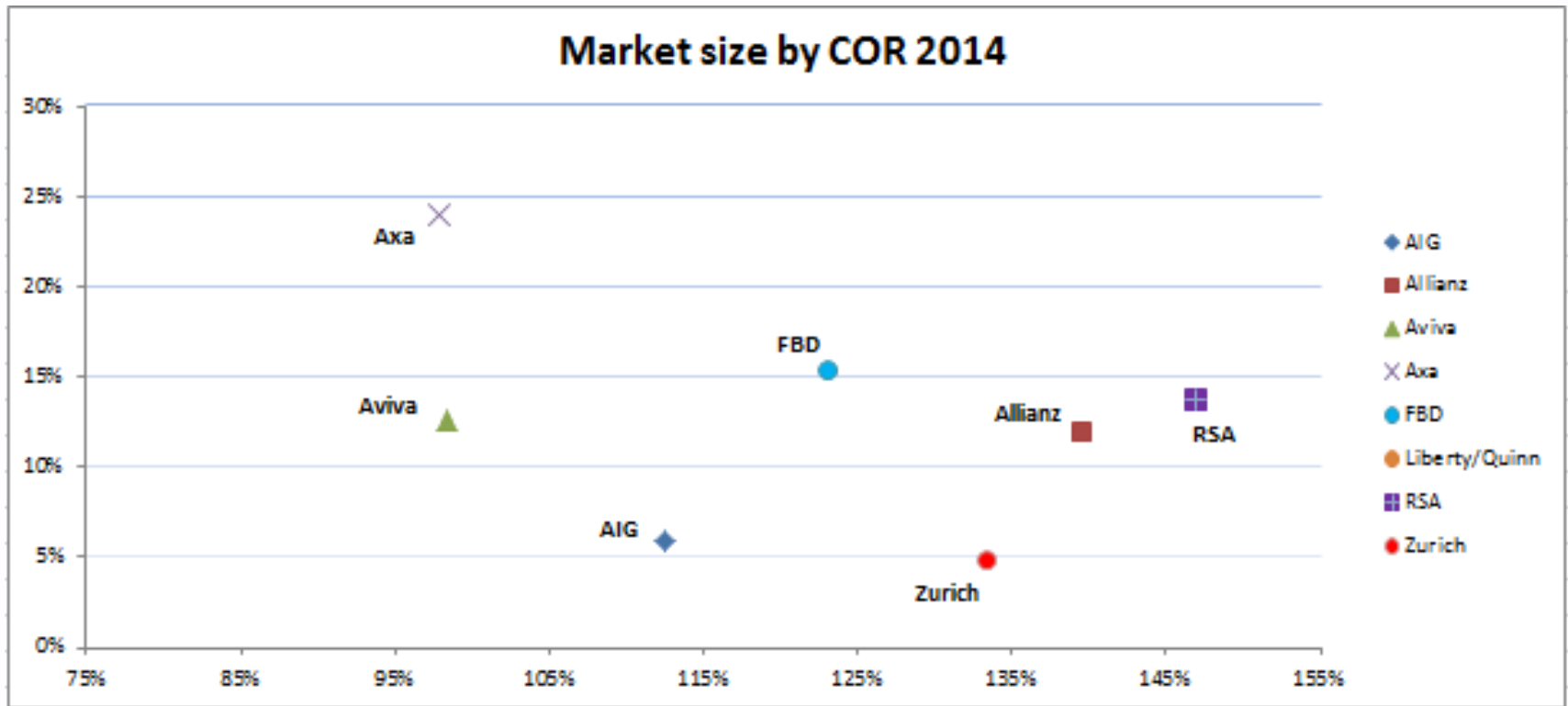
Prior Year Movements (Gross)

Gross AY Incurred	Pre '13 €m	2013 €m	2014 €m	Total €m	Current Yr / Total incurred
Allianz	7	12	111	130	86%
% of 2014	6%	11%			
Aviva	-30	17	153	140	109%
% of 2014	-20%	11%			
AXA	-73	-22	240	145	166%
% of 2014	-30%	-9%			
FBD	7	2	148	158	94%
% of 2014	5%	2%			
RSA	6	18	174	199	88%
% of 2014	4%	10%			
Zurich	-8	-4	84	71	118%
% of 2014	-10%	-5%			
Total of above	-91	23	911	843	108%
% of 2014	-10%	3%			
Total Ex AXA	-18	45	671	698	96%
% of 2014	-3%	7%			

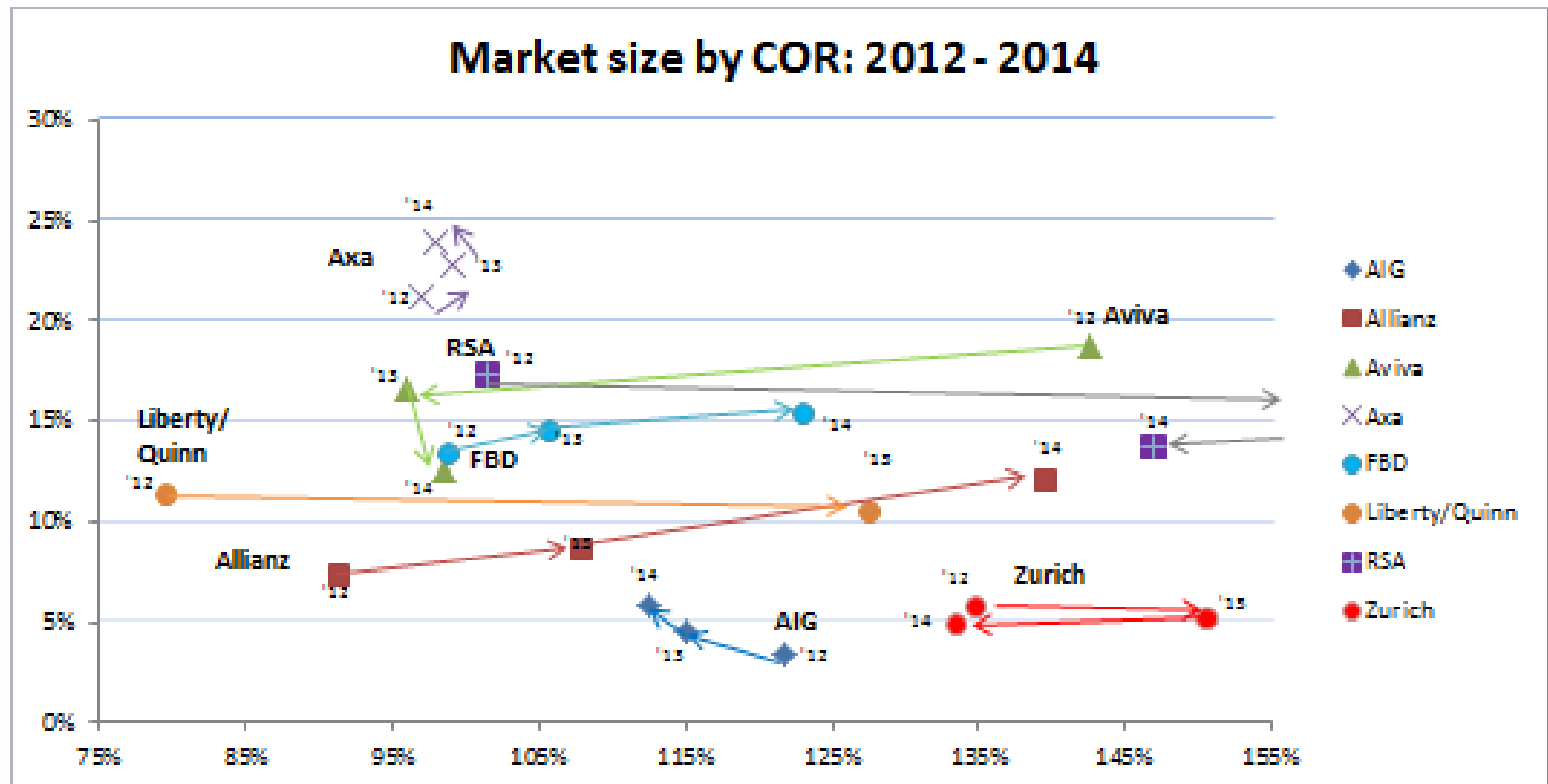
Prior Year Movements (Gross)



Market Size Combined Operating Ratio



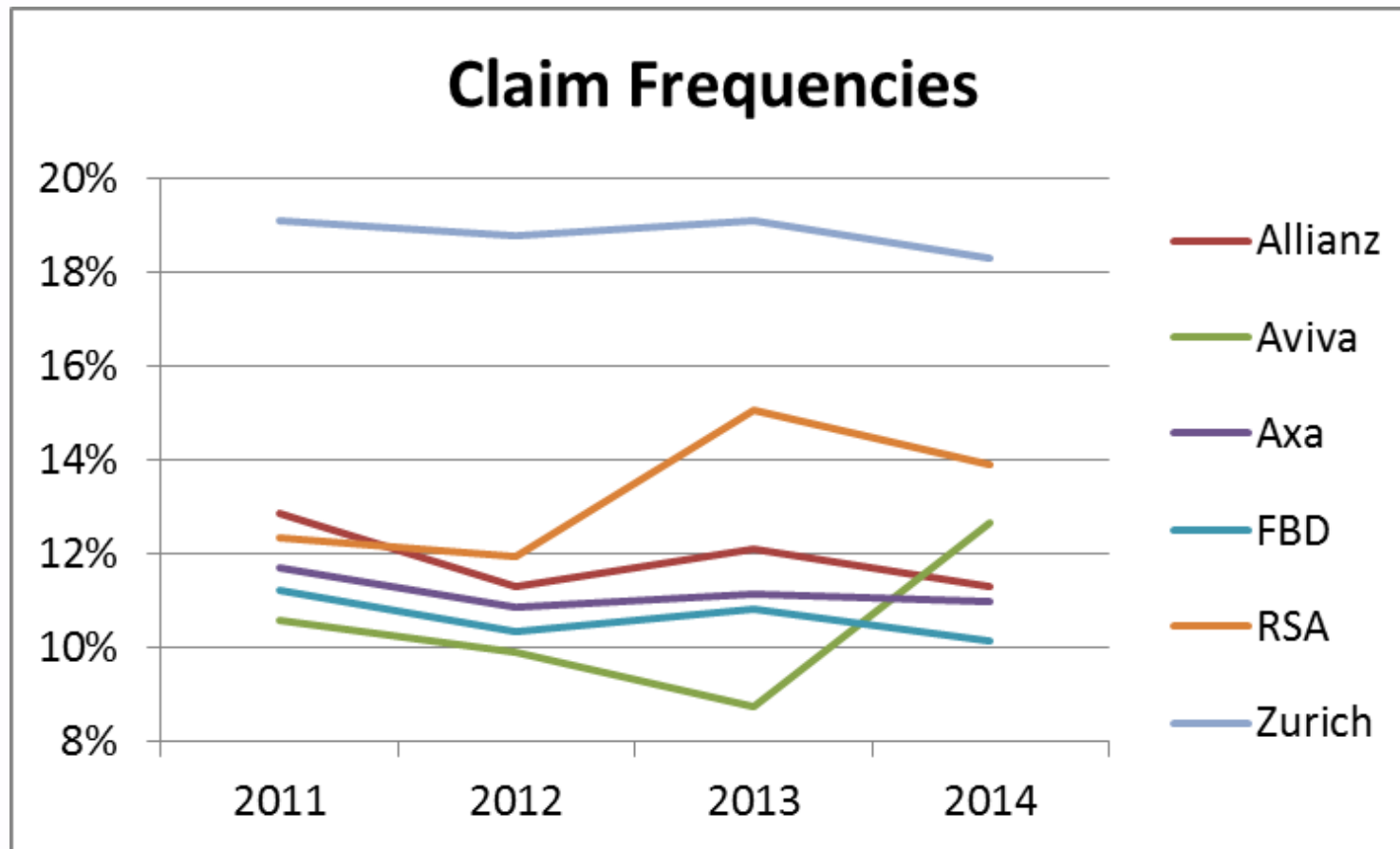
Market Size Combined Operating Ratio Trends



Contents

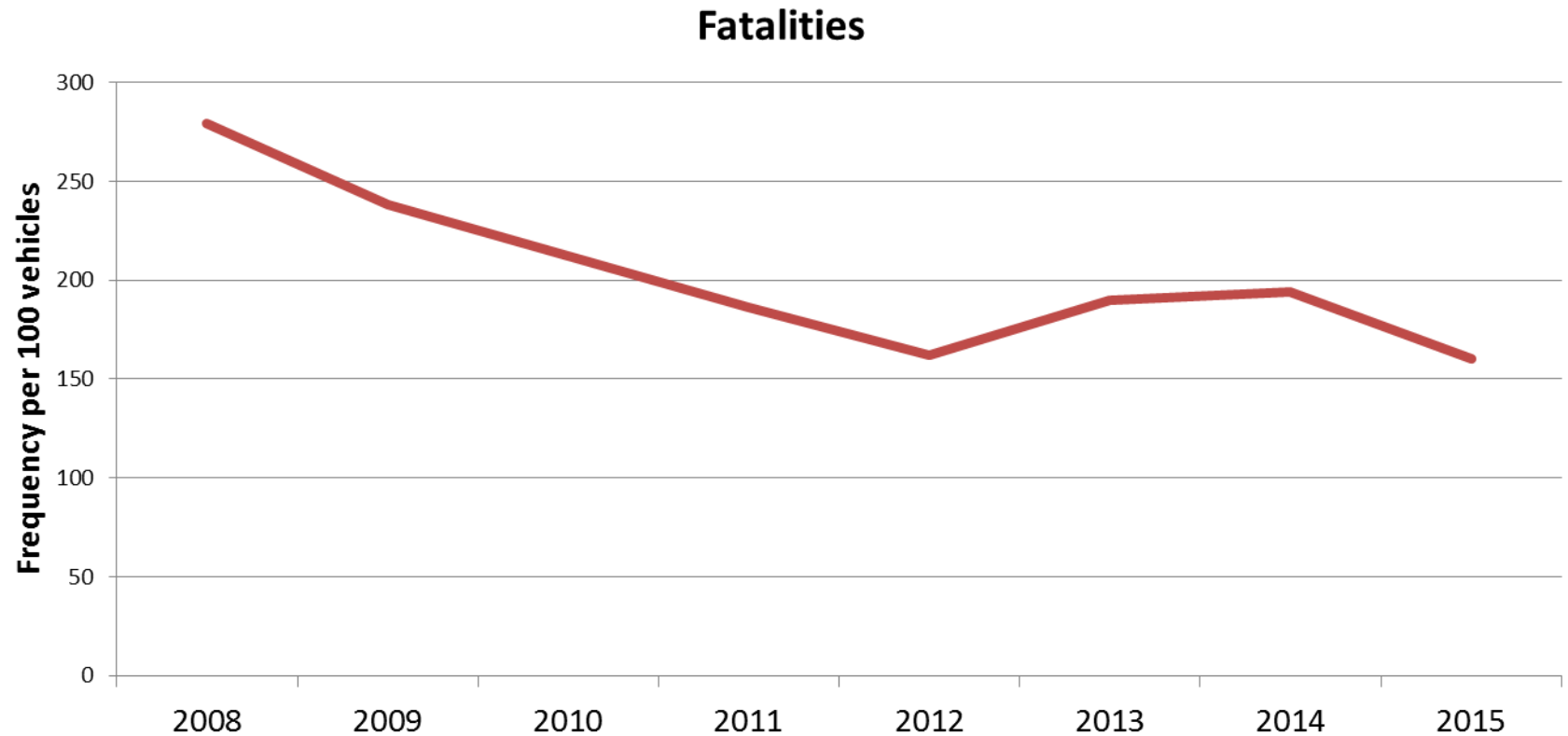
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- Motor Market Size
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Ultimate Claim Frequencies

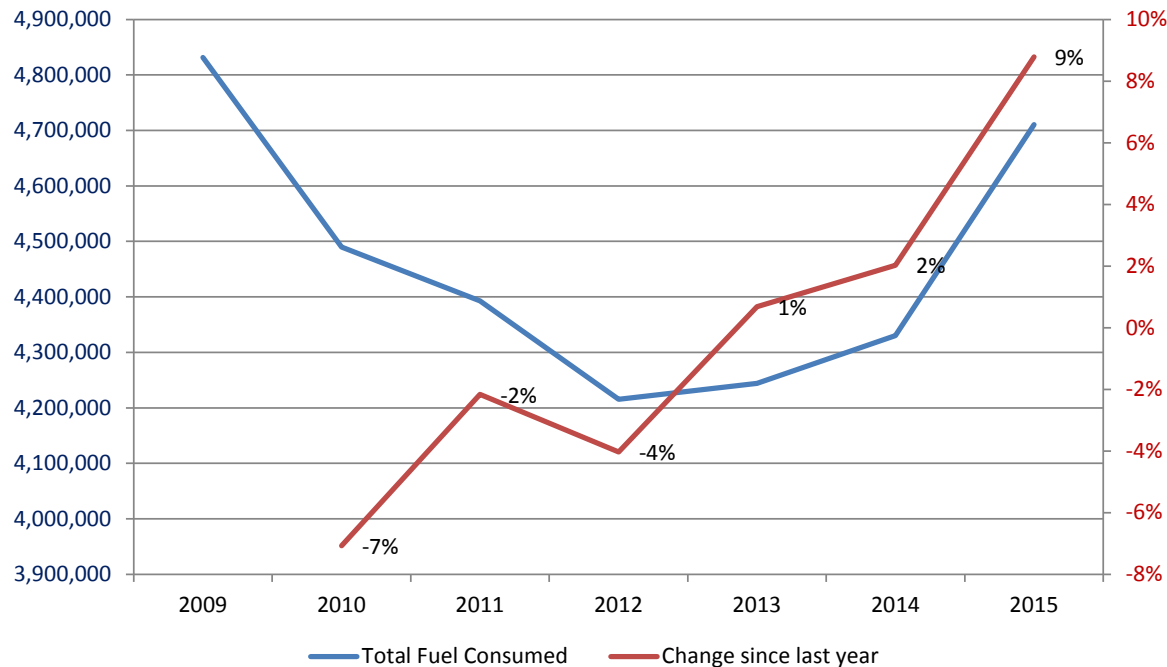


Frequency expressed as ultimate claims numbers / NWP
(therefore Aviva appears to increase – but distorted by increased reinsurance)

Road Fatalities (2015 projected)



Kilolitres of Fuel Consumed (Petrol plus Diesel)

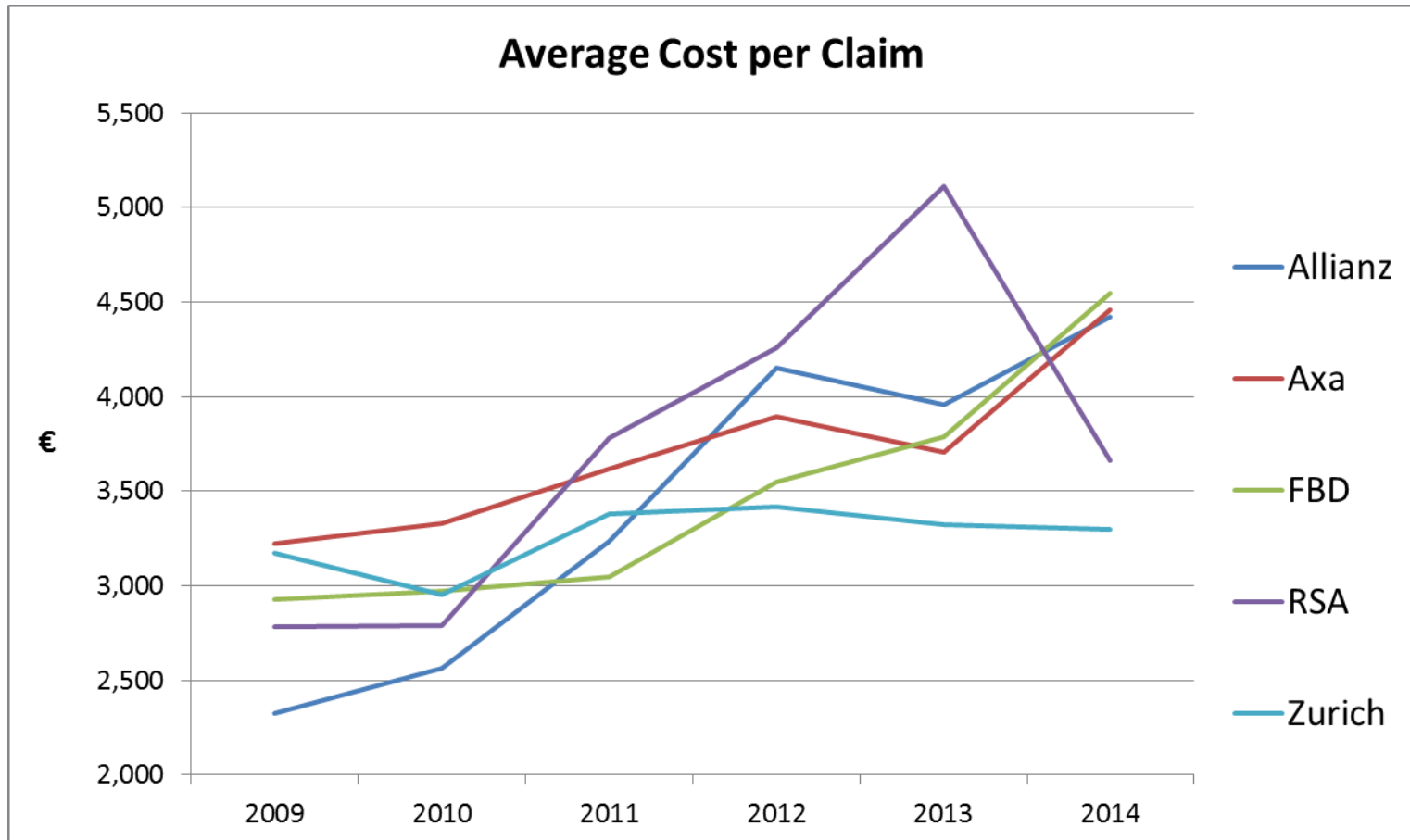


- After years of decline to 2012, the 2015 sales are up 9% on last year
- (2014 and 2015 are still provisional numbers; full year 2015 a projection based on June to-date)

Contents

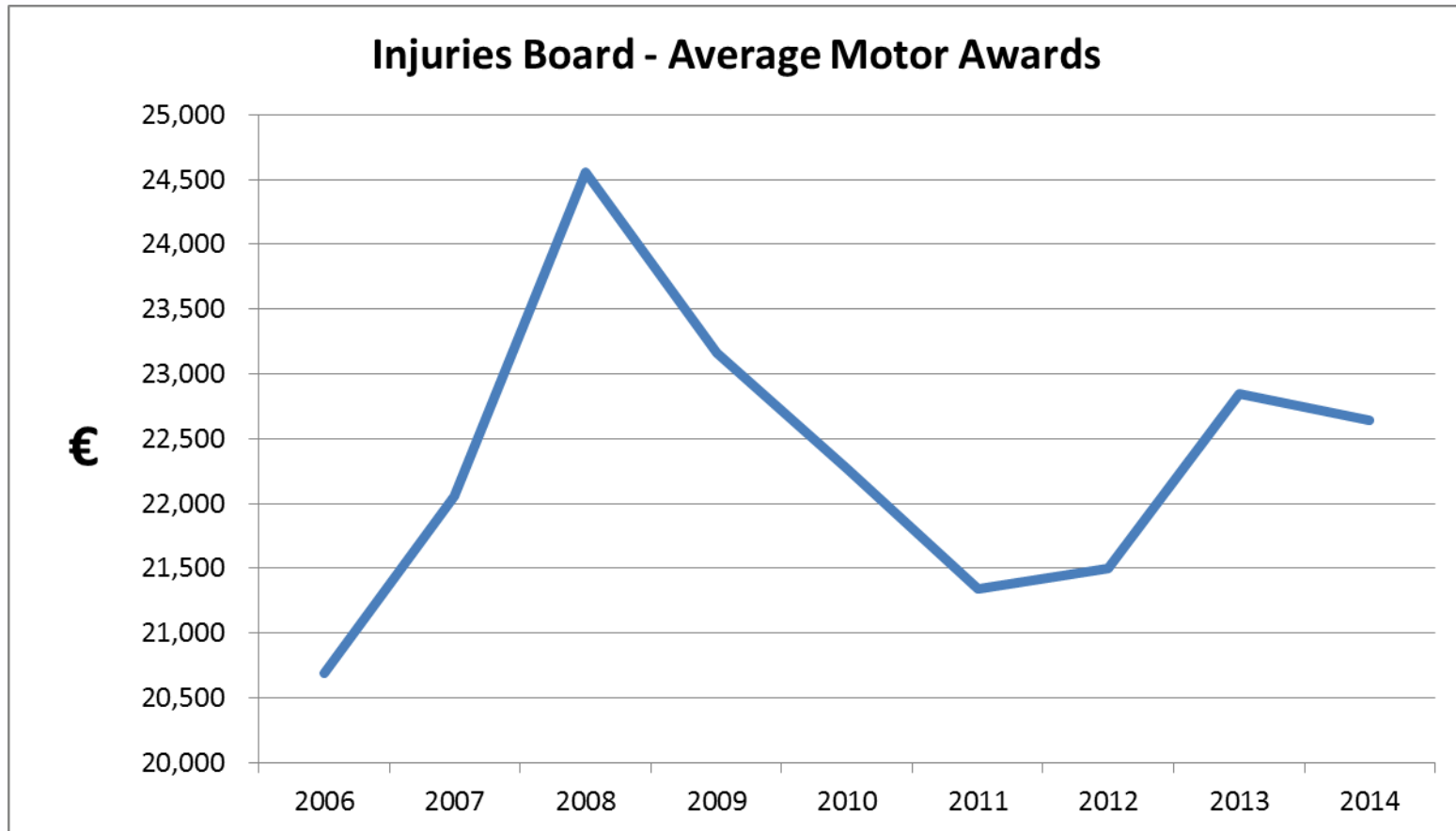
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Average Ultimate Cost by Settlement Year



RSA Data looks unusual

PIAB Average Settled Costs



Reliances and Limitations

- These slides are for general information purposes only.
- Action should not be taken solely on the basis of the information set out herein without taking specific advice.
- Information based on data available to 22 September 2015.