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# Update from the UK Asbestos Working Party

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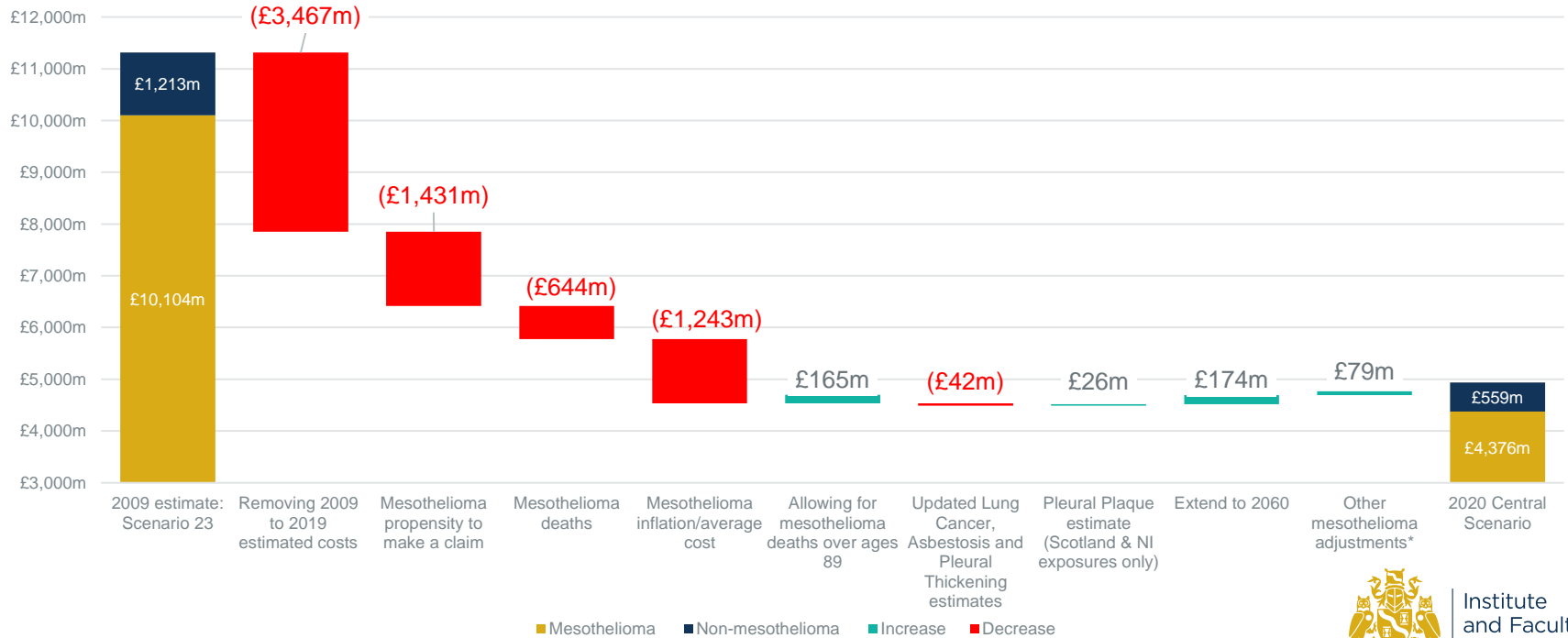
## UK asbestos working party

# New Market estimate

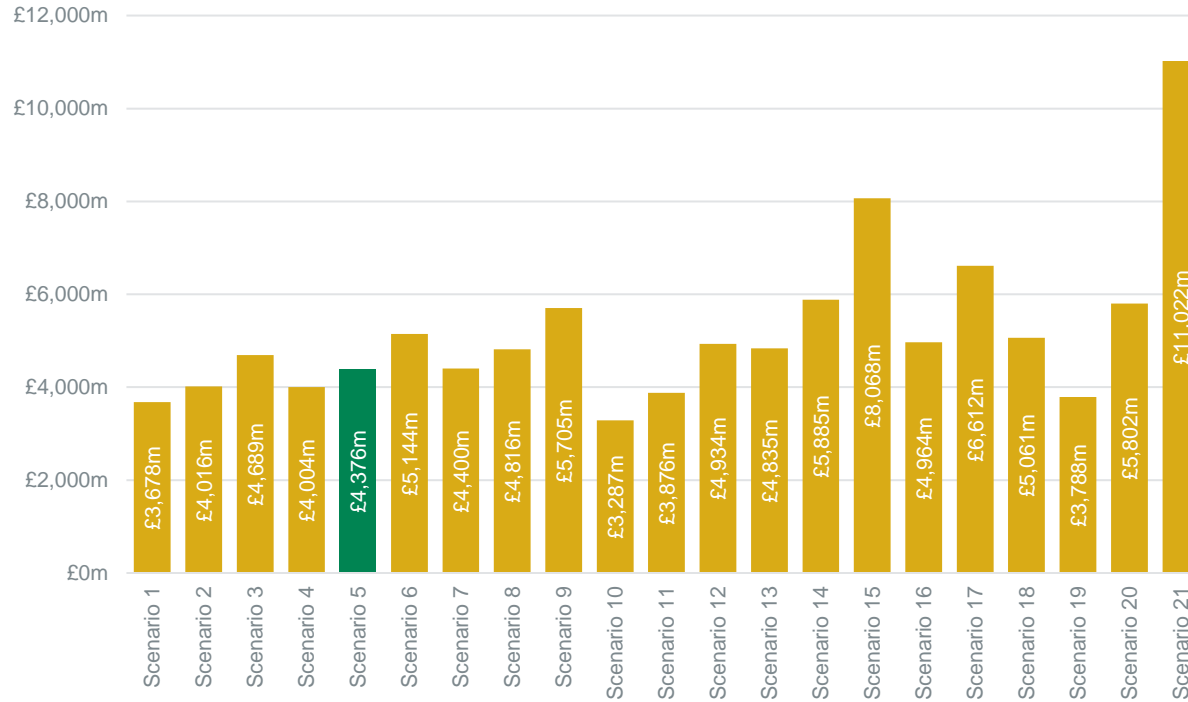
What drives the change



# Key movements in central estimate



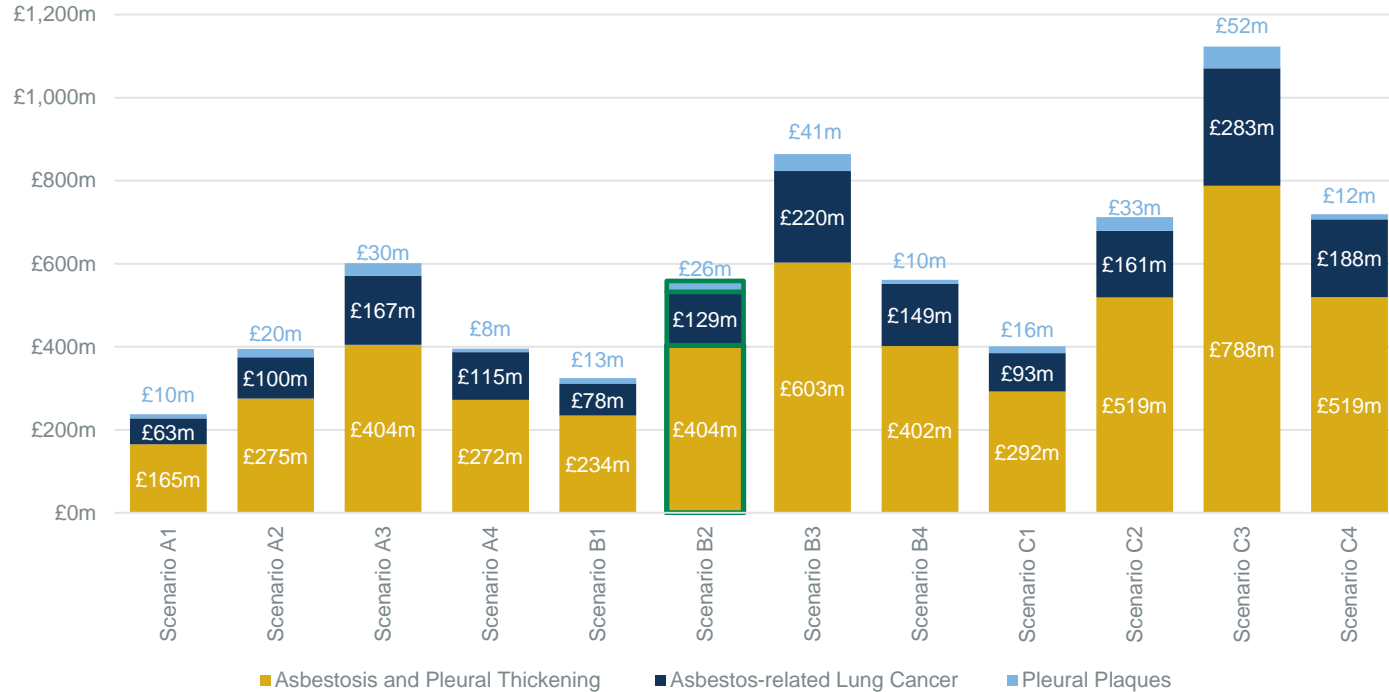
# Range of estimates: Mesothelioma



Deaths model / scenario	Propensity for a mesothelioma suffer to make a claim scenario	Average cost / inflation scenario
1 Adjusted HSE: 2 (Central)	Low	Low
2 Adjusted HSE: 2 (Central)	Central	Low
3 Adjusted HSE: 2 (Central)	High	Low
4 Adjusted HSE: 2 (Central)	Low	Central
5 Adjusted HSE: 2 (Central)	Central	Central
6 Adjusted HSE: 2 (Central)	High	Central
7 Adjusted HSE: 2 (Central)	Low	High
8 Adjusted HSE: 2 (Central)	Central	High
9 Adjusted HSE: 2 (Central)	High	High
10 Adjusted HSE: 3 (Low)	Low	Low
11 Adjusted HSE: 3 (Low)	Central	Central
12 Adjusted HSE: 3 (Low)	High	High
13 Adjusted HSE: 1 (High)	Low	Low
14 Adjusted HSE: 1 (High)	Central	Central
15 Adjusted HSE: 1 (High)	High	High
16 Adjusted HSE: 2 (Central) + background	Central	Central
17 Adjusted HSE: 2 (Central)	Jump	Central
18 Adjusted HSE: 2 (Central)	Central	Jump
19 GLM Age-Birth: Low	Low	Low
20 GLM Age-Birth: Central	Central	Central
21 GLM Age-Birth: High	High	High



# Range of estimates: Non-mesothelioma



Scenario	
1	Adjusted HSE: 3 (Low)
2	Adjusted HSE: 2 (Central)
3	Adjusted HSE: 1 (High)
4	AWP2009 Scenario Number 2
A	Low ACPC and 1% inflation
B	Central ACPC and 3% inflation
C	High ACPC and 5% inflation



## UK asbestos working party

# Key areas of uncertainty

Mesothelioma and non-mesothelioma



# Mesothelioma deaths

## How mesothelioma deaths will run-off

- Limited data
- Population exposed to asbestos and the levels of their exposure (1980s and 1990s)
- Deaths at older ages 85+
- Latency and intensity
- COVID-19 impacts on asbestos exposed individuals



# Propensity of a mesothelioma sufferer to make an EL insurance claim

Reducing propensity as the age of the sufferer increases

In more recent years it appears that the propensity at a given age has also been slightly reducing

Consider:

- Different generational behaviours; and
- Legal developments: Think adoption by the NHS of the National Mesothelioma Framework





# Mesothelioma claims inflation

- Medical advances leading to new treatments or even a cure for mesothelioma;
- Changes in the take-up of current medical treatments (like Immunotherapy);
- Legal developments, different legislation;
- New guidance on costs from the Judicial Studies Board Guidelines on general damages and Ogden multipliers on future loss of income and dependency;
- Economic impacts affecting CPI, RPI and Earnings;
- Short, medium and long-term views around CPI / RPI / Earnings; and
- Inflation shocks (one off inflation shocks and long-term impacts)



# Non-mesothelioma claims

- No publicly available epidemiological models exist for non-mesothelioma claims;
- Propensity to make a claim for these disease types;
- Inflation;
- Nil rates;
- Legal changes: Pleural Plaques ‘de minimis’ in England and Wales; and
- COVID-19 impacts



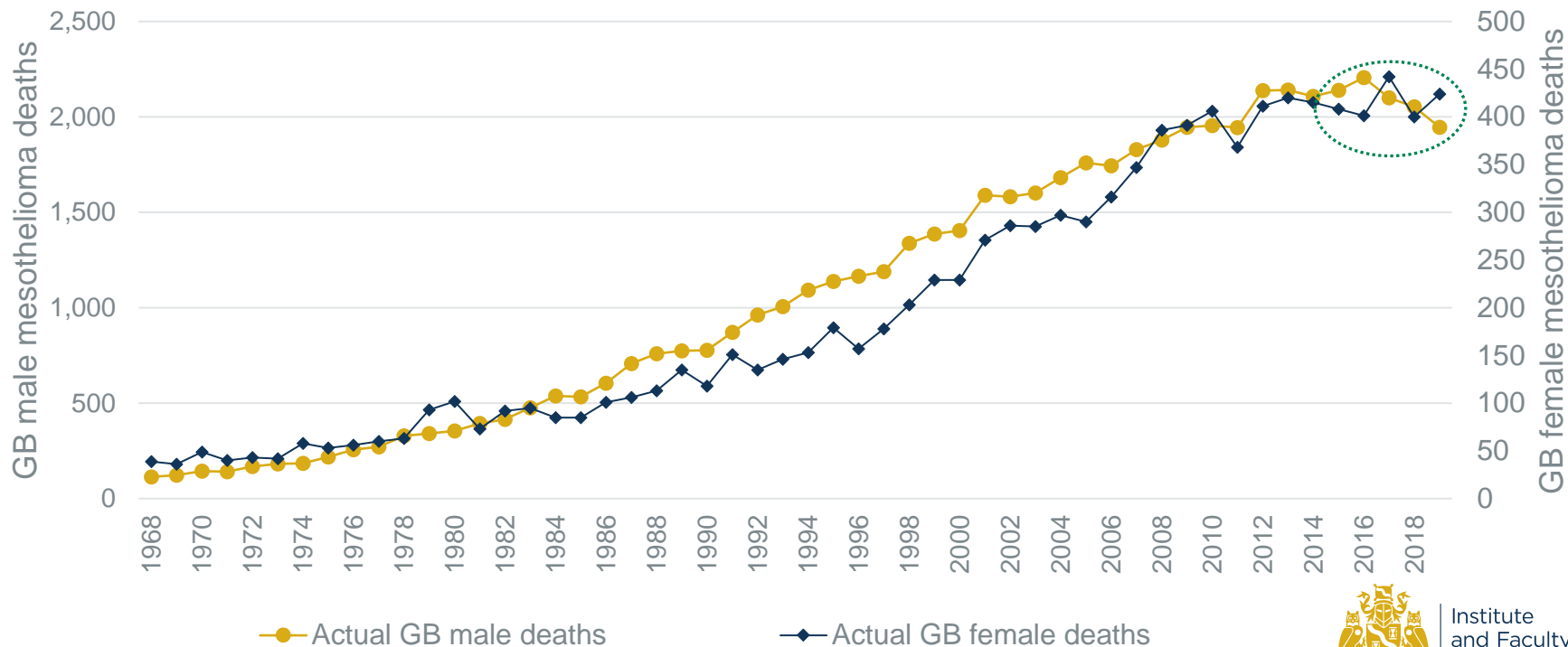
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# GB mesothelioma deaths

Have we peaked?



# GB male and female mesothelioma deaths



Source: <https://www.hse.gov.uk/statistics/tables/>



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## HSE statement on Impact of COVID-19

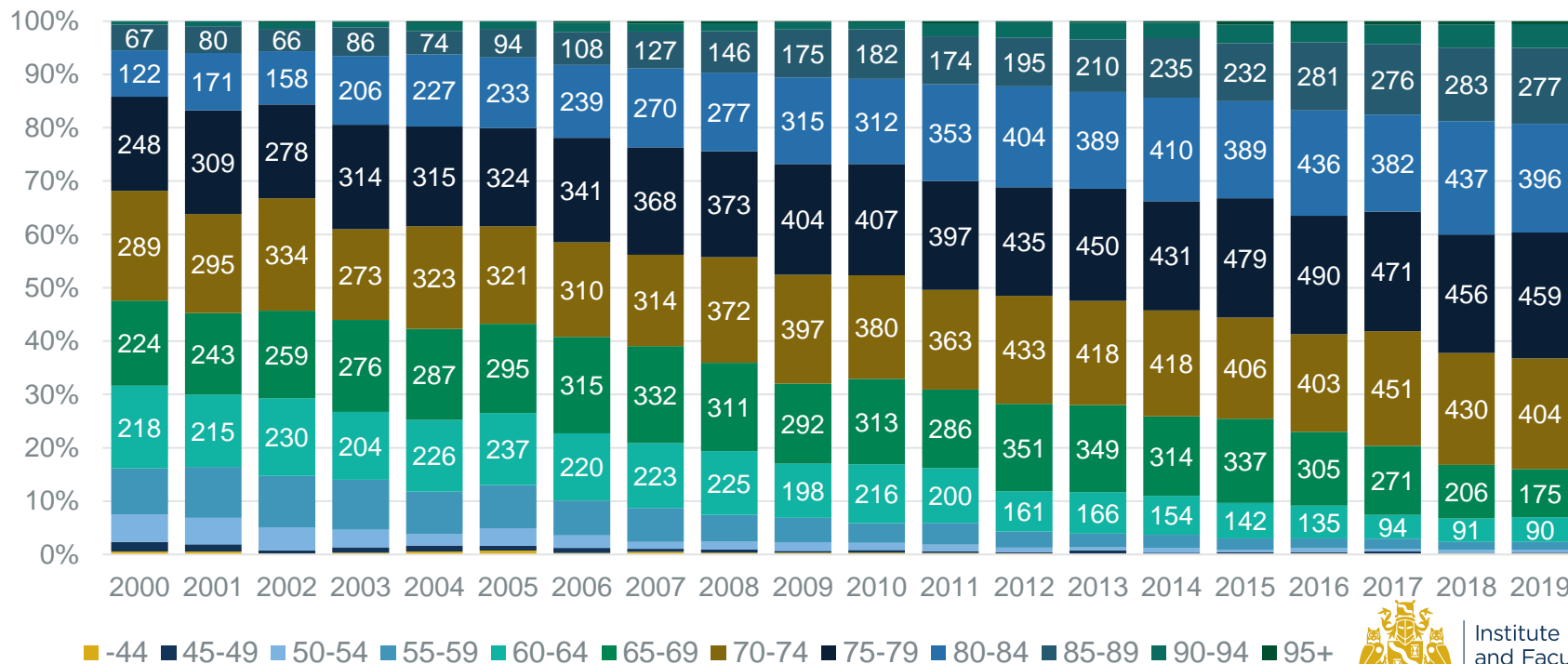
“The provisional figure for mesothelioma deaths in 2019 will be updated to take account of any deaths registered beyond March 2021 at the time of subsequent statistical releases. Although a disproportionate increase in the number of late registrations beyond March 2021 cannot be ruled out, this analysis suggests this is not likely to have a large impact on the provisional figure for 2019.”

Source: <https://www.hse.gov.uk/statistics/causdis/mesothelioma/mesothelioma.pdf>



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# GB male mesothelioma deaths by age at death

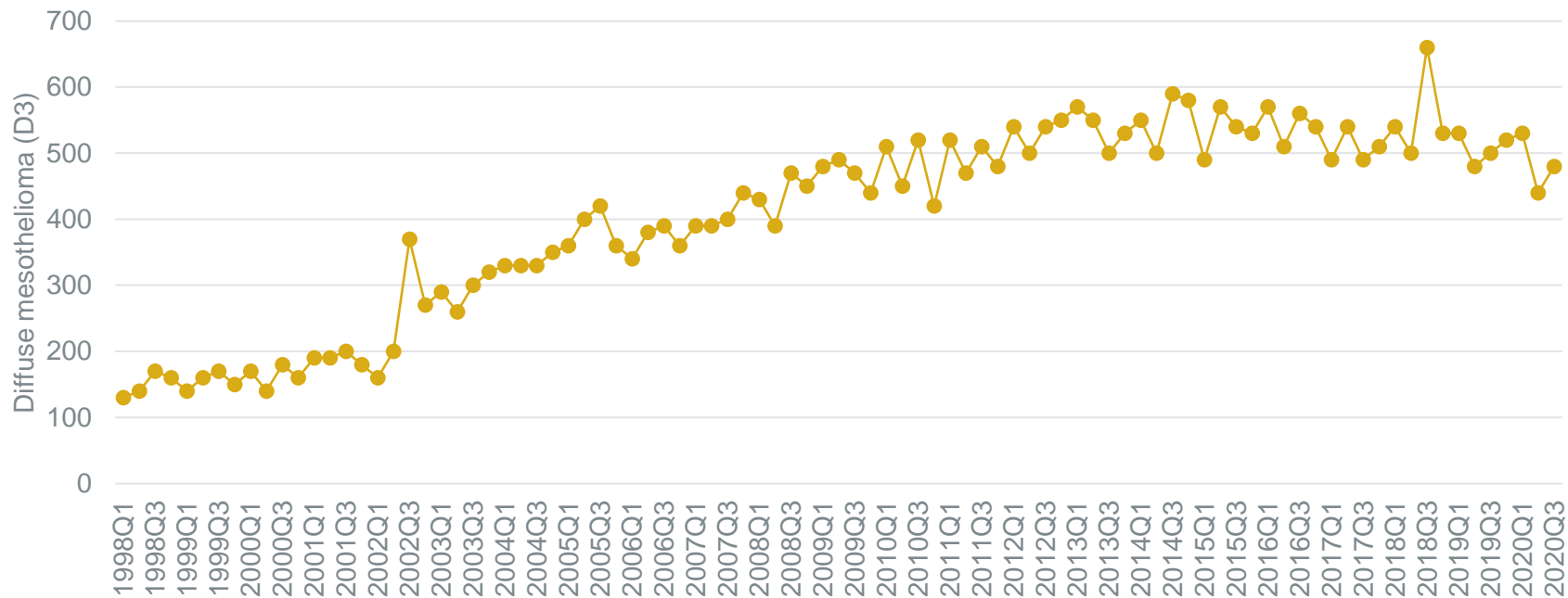


Source: <https://www.hse.gov.uk/statistics/tables/>



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# Table 1.10 Industrial Injury first diagnosed prescribed diseases all assessments by type of disease (Sep 2020)

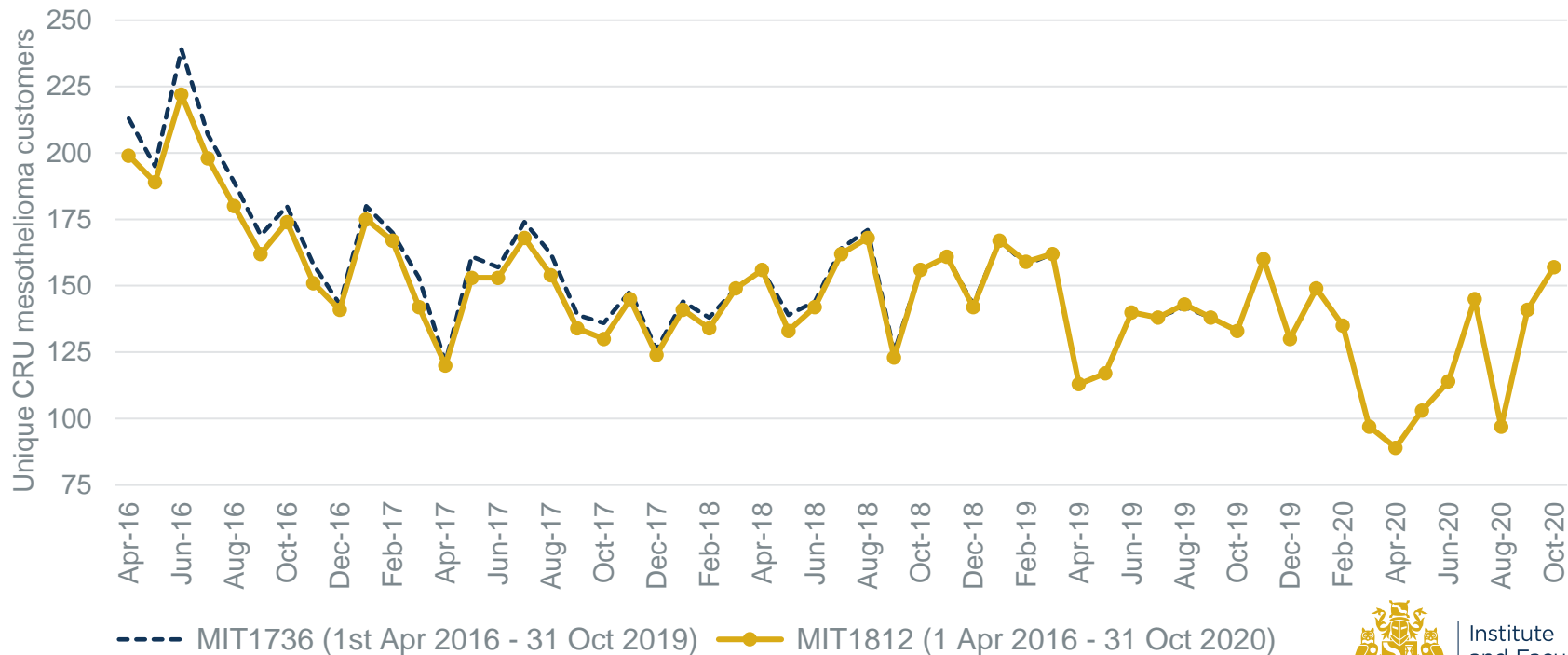


Source: <https://www.gov.uk/government/statistics/industrial-injuries-disablement-benefit-quarterly-statistics-data-to-september-2020>



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# Mesothelioma Claims Registered by the Compensation Recovery Unit (CRU): Earliest Date for each Customer Number



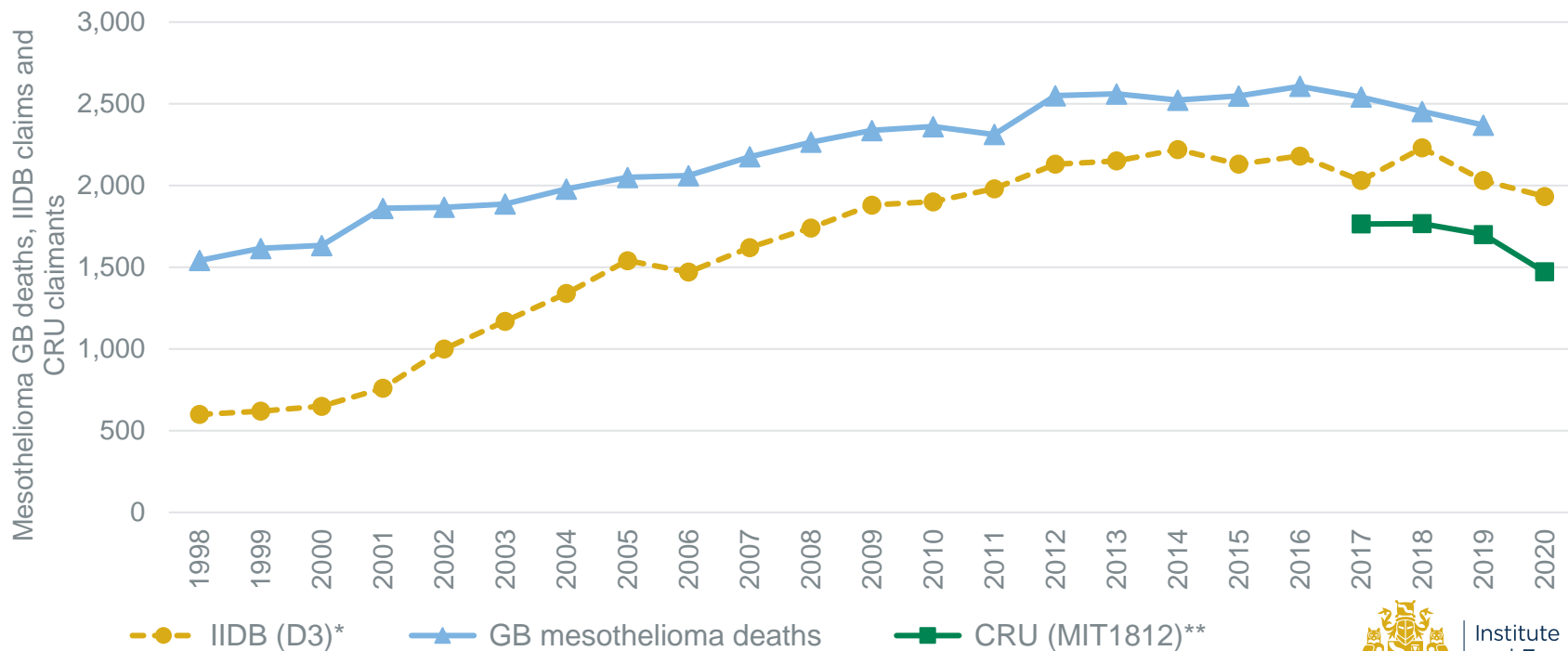
Source: CRU Information of Freedom request



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# Comparing trends in GB deaths, IIDB claims and CRU claimants



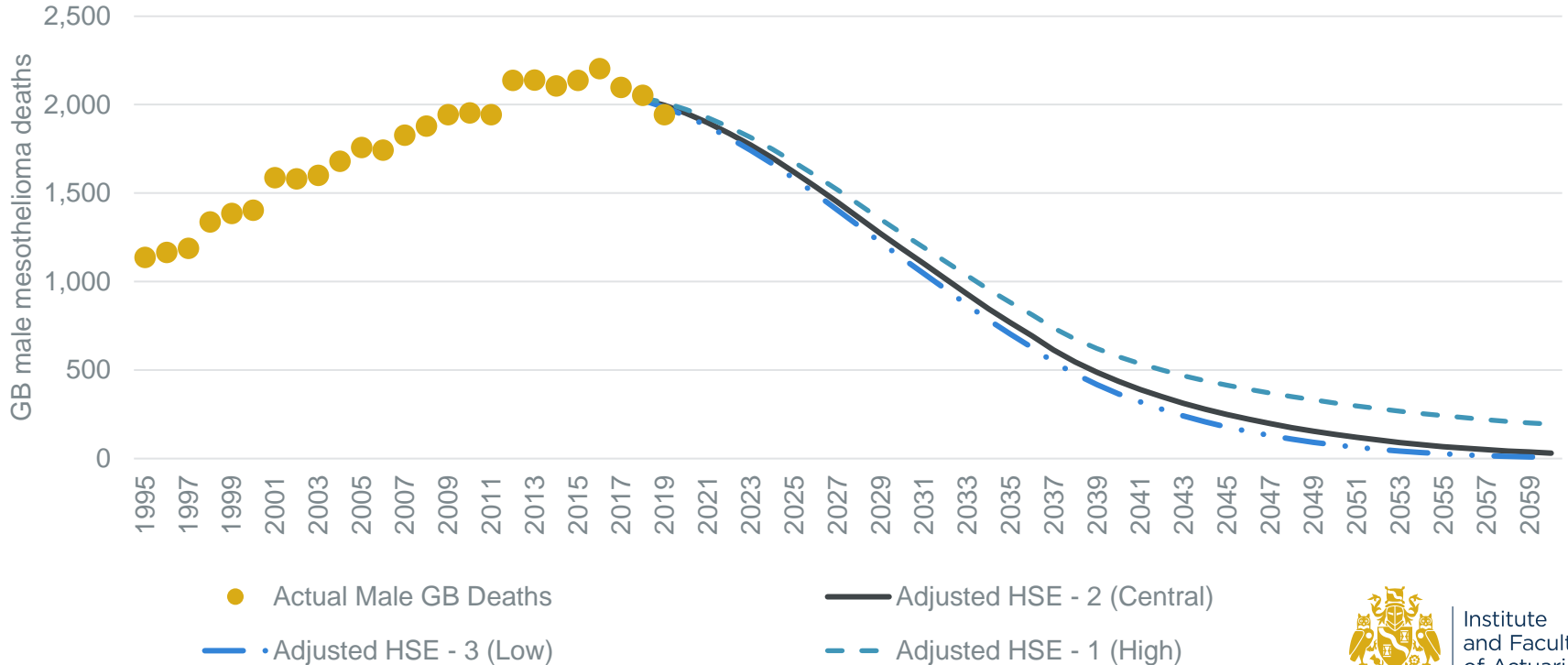
\* IIDB: Sep 2020 grossed up using ¾

\*\* CRU: 2020 grossed up using 10/12

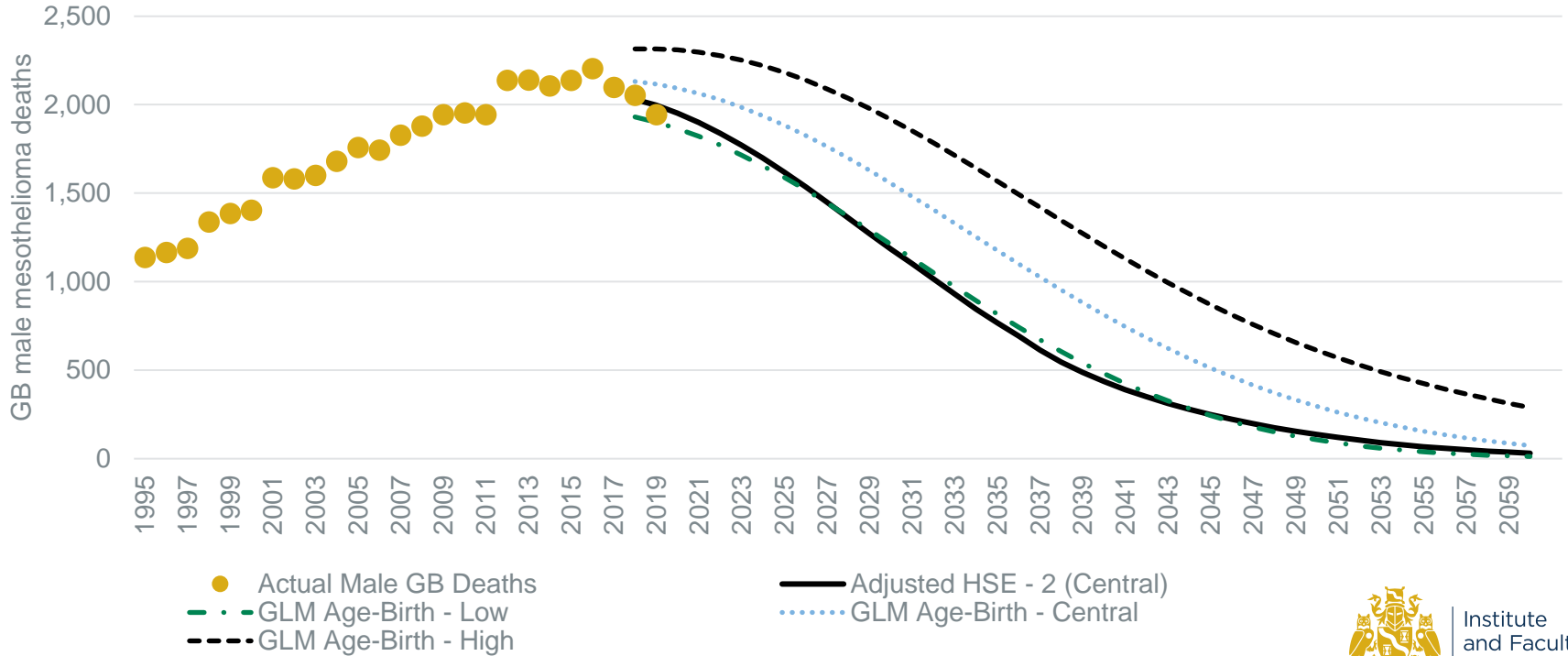


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# GB male mesothelioma deaths



# GB male mesothelioma deaths

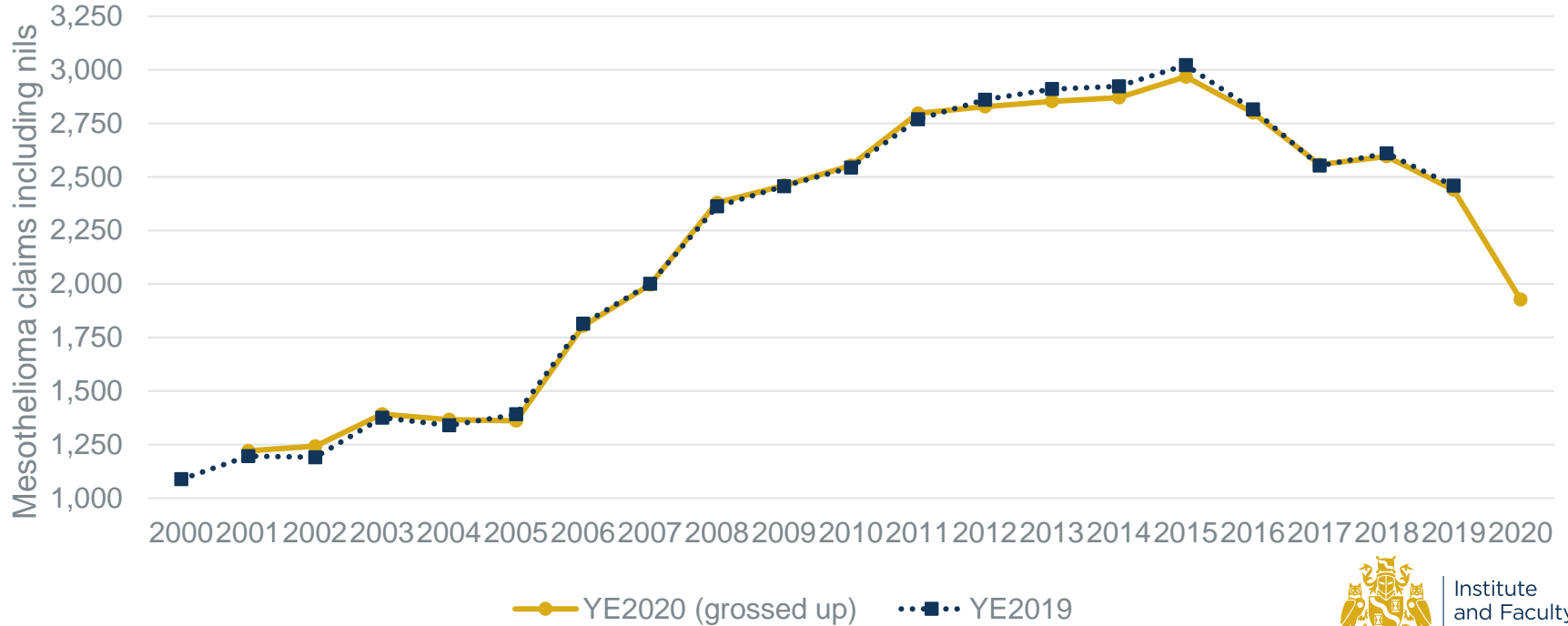


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# UK survey experience



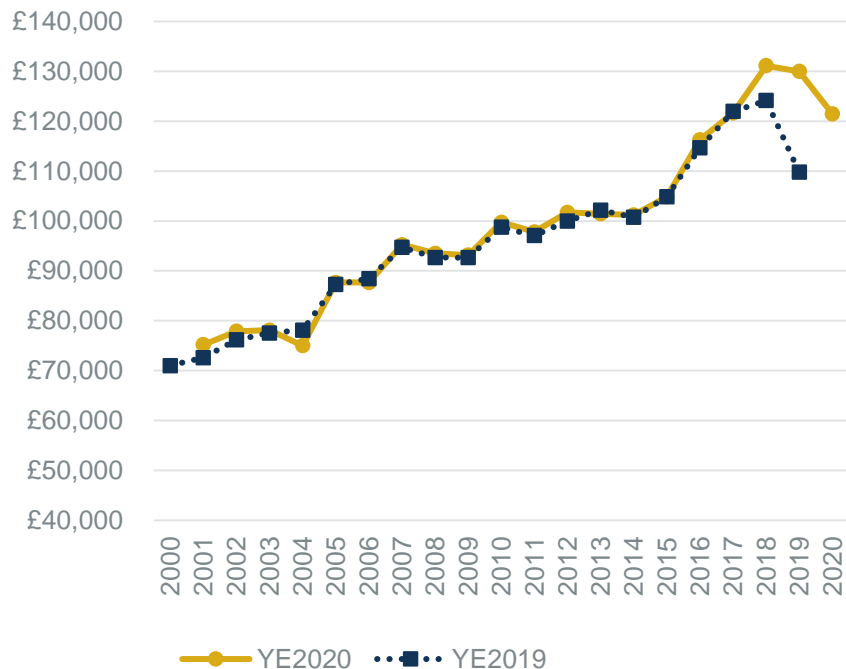
# Mesothelioma notifications by notification year



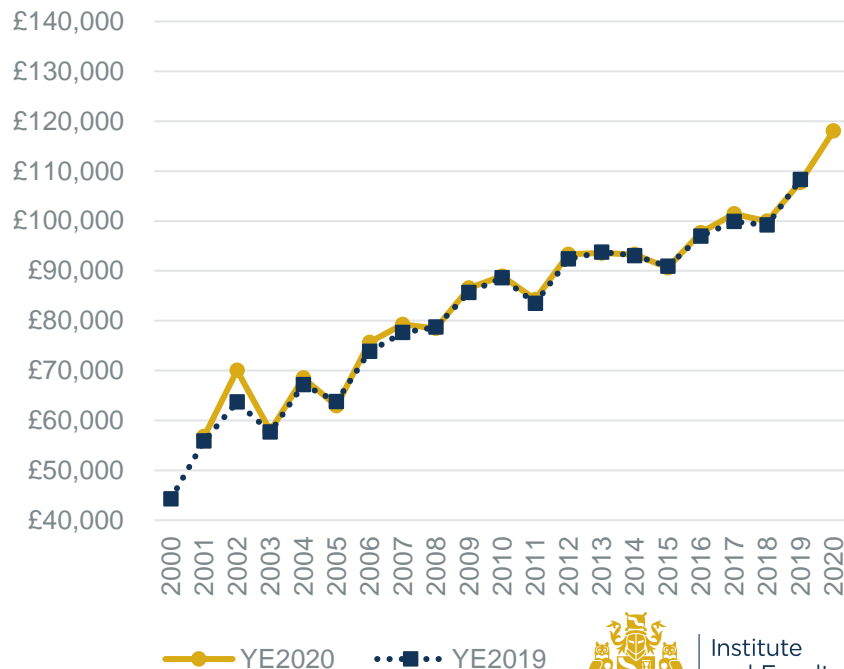
Source: IFoA UK Asbestos Working Party Survey's, notifications including nils

# Mesothelioma average cost per claim (excluding nils)

## Incurred average cost by report year



## Settled average cost by settlement year

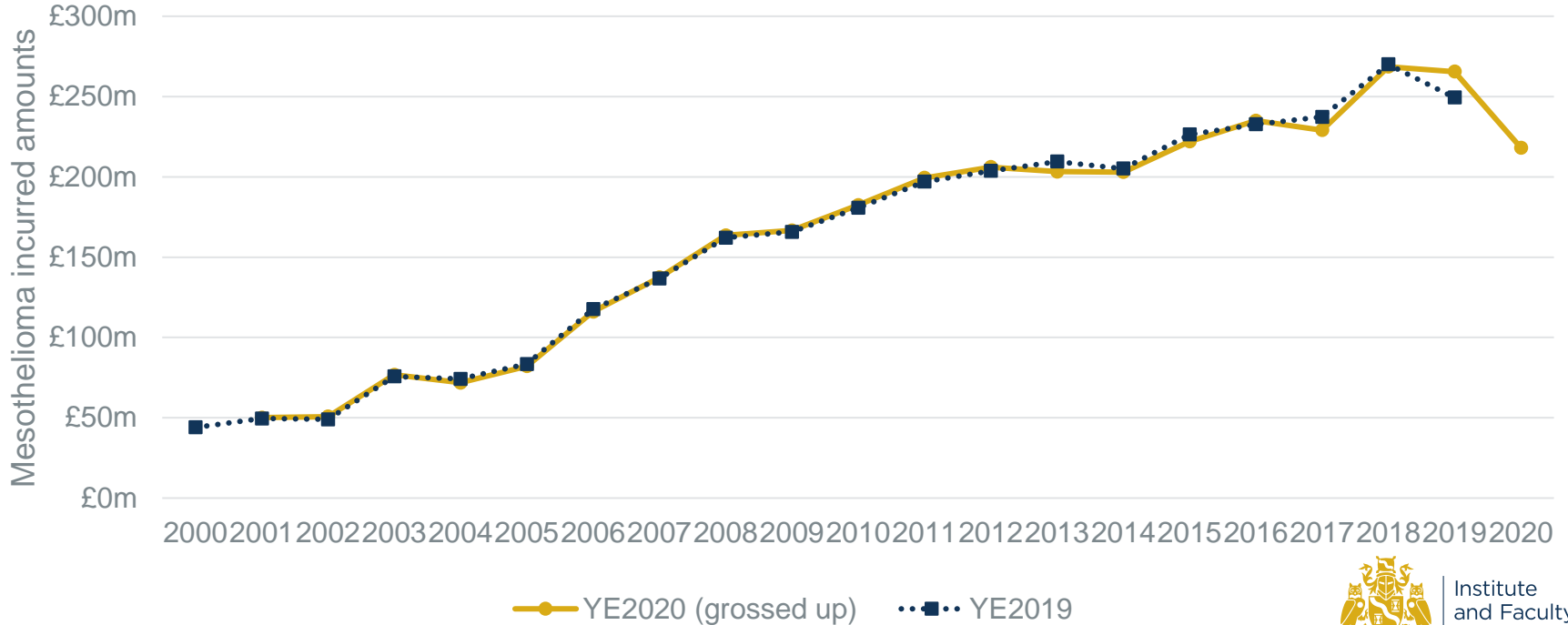


Source: IFoA UK Asbestos Working Party Survey's



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# Mesothelioma Incurred by notification year



Source: IFoA UK Asbestos Working Party Survey's



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# Immunotherapy

Survey	Claims reported / settled in	Request on Immunotherapy (including nils)	Request on Immunotherapy (excluding nils)	Agreed settlement on Immunotherapy treatment (including nils)	Agreed settlement on Immunotherapy treatment (excluding nils)
YE2020	2020				
YE2019	2019	7.4%	7.4%	3.4%	3.4%
YE2018	2018	8.8%	9.5%	1.0%	2.0%

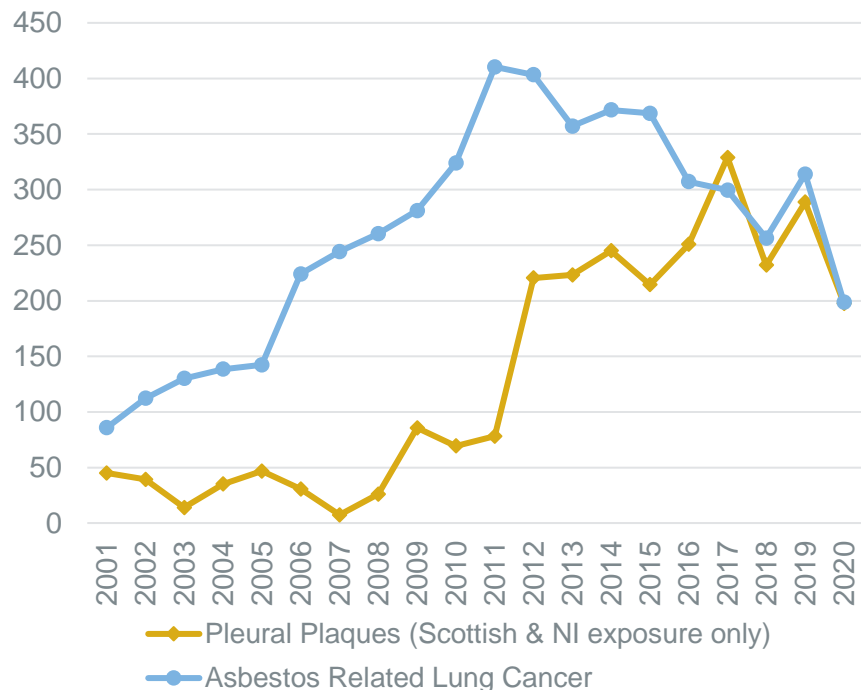
Source: IFoA UK Asbestos Working Party Survey's, averages are weighted averages



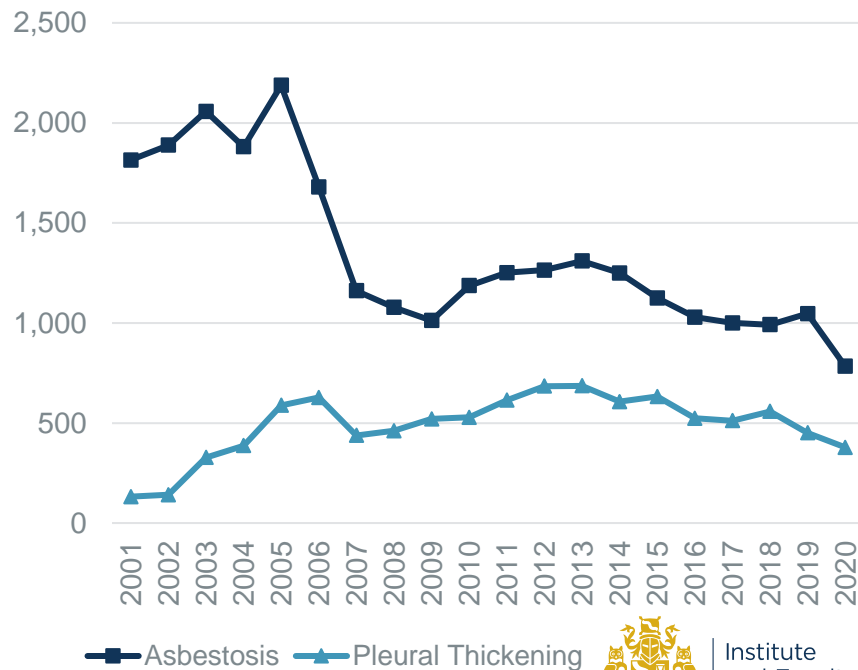
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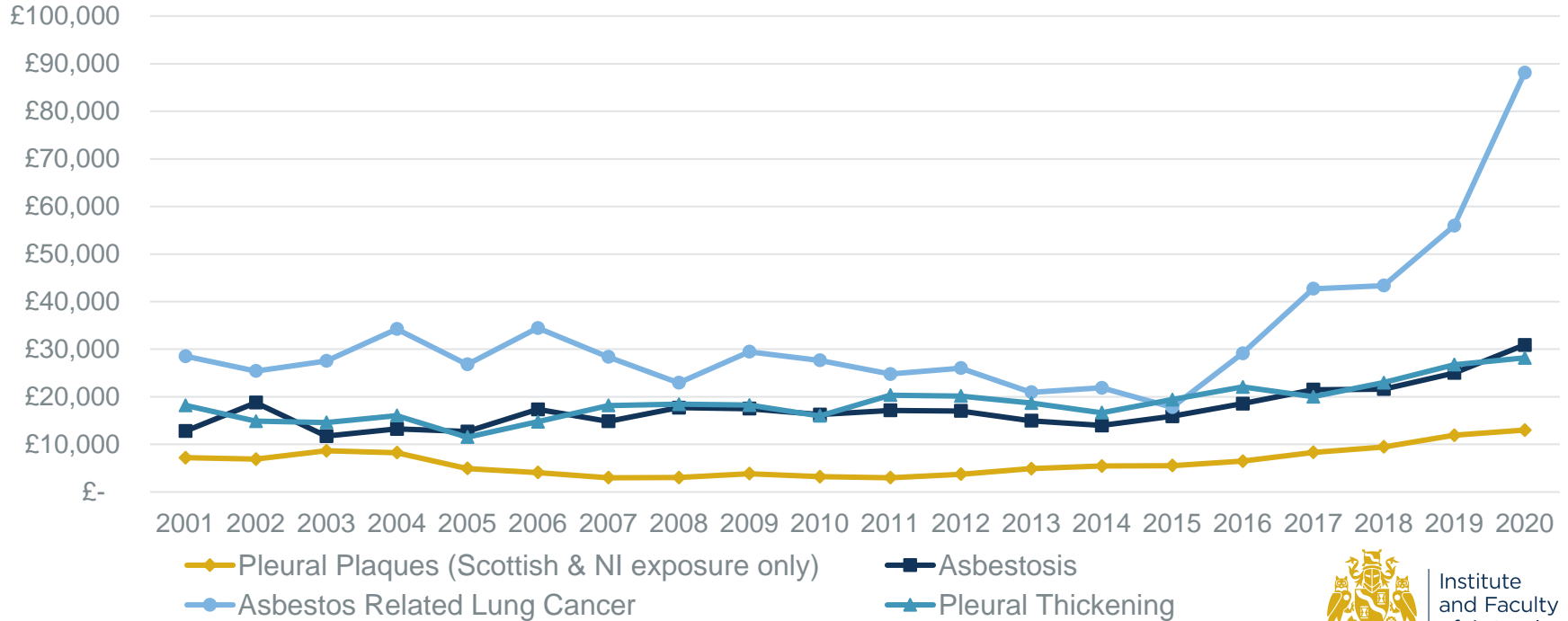
# Non-mesothelioma notifications by notification year



Source: IFoA UK Asbestos Working Party YE2020 Survey, notifications including nils

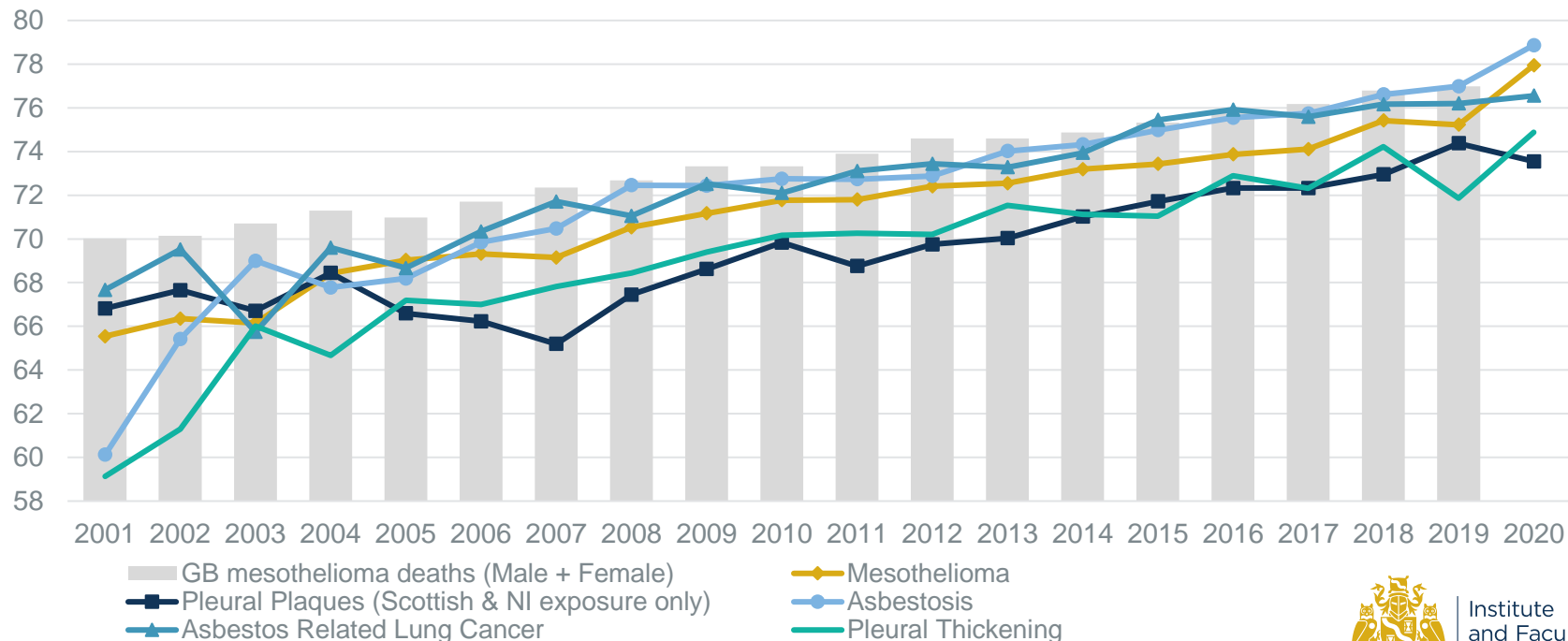


# Non-mesothelioma average incurred cost by notification year - includes settled nil claims



Source: IFoA UK Asbestos Working Party YE2020 Survey

# Average age by notification year and year of death



Source: IFoA UK Asbestos Working Party YE2020 Survey and <https://www.hse.gov.uk/statistics/tables/>

## UK asbestos working party

# Summary and Next steps

Working Party enters a monitor phase



# Uncertainty remains

- Deaths and claims reducing, but how faster will they run-off
- Propensity stable, but generational or legal changes
- Immunotherapy
- Inflation
- COVID-19, are individuals exposed to asbestos higher risk?
- COVID-19, has it affected reporting?

**Practitioners should consider the experience and trends, making adjustments to take into account new information and their own views around uncertainty**



# Monitoring phase (and new Chair)

- Actual Male and Female GB deaths (possible COVID-19 impacts)
- Updated HSE deaths projections
- New CRU data and claims to deaths relationship
- Insurance survey data
  - Notification of claims
  - Average cost / nil rates
  - Average age
- JSB Guidelines (court inflation)
- Changes to Ogden Tables (special damages)



# Questions

# Comments

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