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## Update from the Third Party Working Party

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This handout supports the research effort of the Institute and Faculty of Actuaries Third Party Working Party and is not written advice directed at the particular facts and circumstances of any given situation and/or data.

The materials contained in this presentation pack and any oral representation of it by the working party are explicitly outside the scope of the TAS.



# Third Party Working Party

- Thirteenth iteration of the Institute and Faculty of Actuaries Third Party Working Party (TPWP), which investigates motor claims (injury and property damage).
- Scope focused on private car comprehensive (PCC) and includes accidental damage analysis for the third year.
- Data representing earned premium for accident year 2021 of £7.4 billion for private car comprehensive.
- This pack contains this year's research to be presented at the GIRO conference in November 2022.



# Acknowledgements

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# Market statistics

## Notes on data

- The collection of contributing insurers has changed materially over the years. Relative to last year's study this year's includes additional data from some contributors (generally relating to more accounts) and, in some cases, less data from other contributors.
- In addition, in each year it is common for a number of insurers to make relatively subtle changes to their definitions of claim statistics. In the aggregate, these lead to distortions when comparing the market studies between different years.
- Not all contributors are able to supply data to support every claim statistic in each study. There are generally (but not always) improvements in the availability of data from year to year, and as such, the results of the most recent study will be based upon data from an increased proportion of the contributor companies (and not just new contributors). Again, this introduces a material distortion into any analysis which attempts to compare the results across different studies.
- It is reasonably common for insurers to restate the claims statistics of prior accident years (and prior periods of development), particularly in the case where portfolios (including movements on prior year liabilities) have been acquired or disposed of by the contributor(s) in question. Other reasons for such changes can be changes in the availability of granular data pertaining to (potentially large) segments of portfolios (such as in the case where data is provided by bordereaux rather than being integrated in insurer administration systems) or in some cases changes in the mapping of data to classes.
- **For this reason, we would recommend that if the user of the research wishes to understand how trends have evolved over time, then they should focus on looking at trends by accident year within the latest study, rather than attempting to compare the results across studies. This is particularly true this year where there has been more movement in the data between studies than in previous years.**
- Likewise we do not consider statistically valid any back engineering of individual contributors' contributions.





## 1. Market Environment

## 2. Industry Statistics

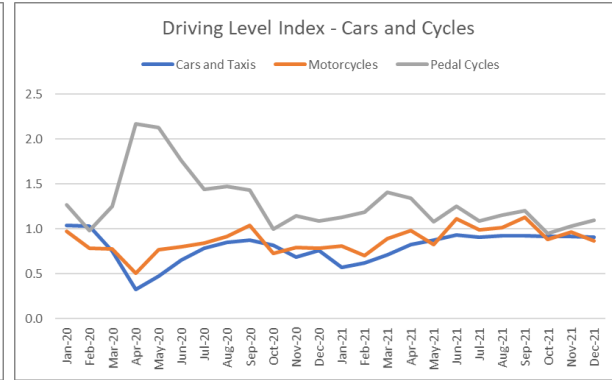
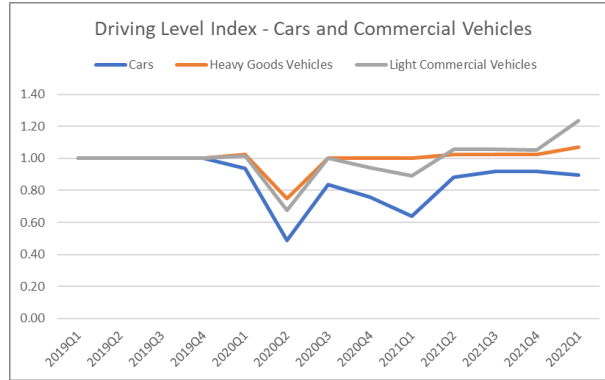
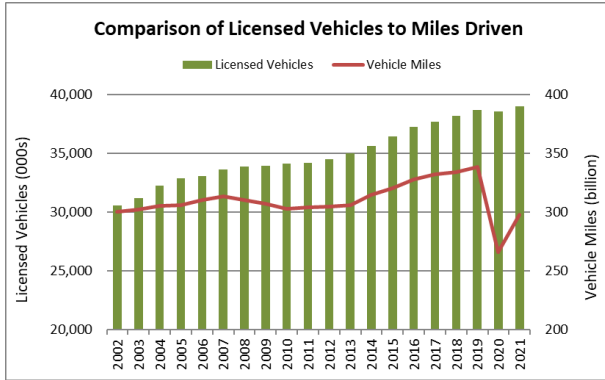
- AD
- TPPD
- Capped TPI
- Excess TPI

## 3. Conclusions

## 4. Appendix

# Market environment

## Impact of COVID-19 pandemic on driving levels



- The number of licenced vehicles increased by 27% between 2002 and 2019 whilst the total number of vehicle miles increased by 19%.
- The average miles per vehicle has been steadily reducing since 2002, perhaps related to more households having more than one vehicle.
- The total number of vehicle miles driven reduced during the last recession, so a similar effect might be seen in 2023 due to economic challenges.
- There was a material reduction in vehicle miles driven during the COVID-19 pandemic, particularly during 2020Q2 and 2021Q1.
- Car miles reduced more than commercial vehicle miles, and car miles remain below pre-pandemic levels.
- There was a significant increase to pedal cycle miles in 2020, with 2021 continuing to show more pedal cycle miles, particularly outside of the winter months.

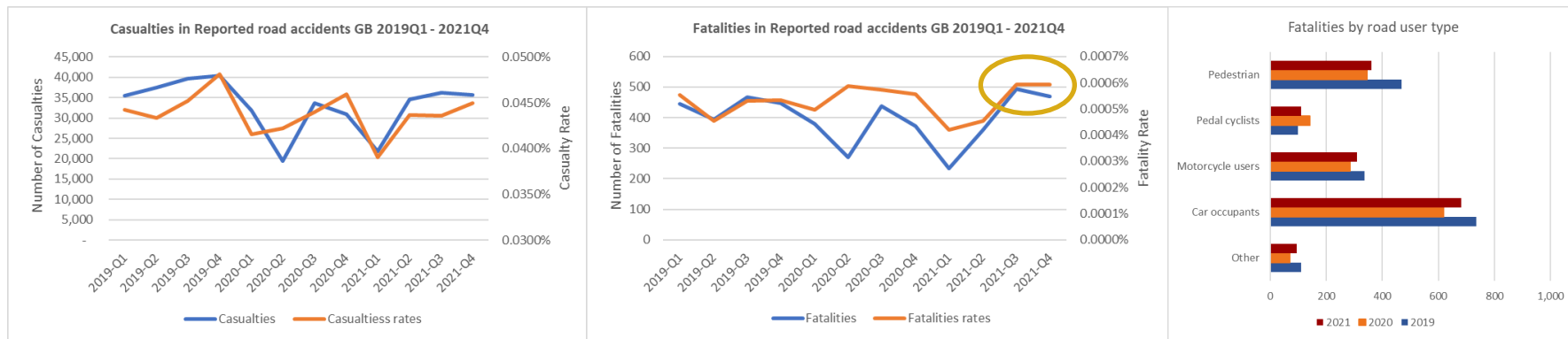
Indices presented are relative to the equivalent month or quarter in 2019



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# Market environment

## Casualty, Fatality and Mileage Statistics (per Vehicle Mile)



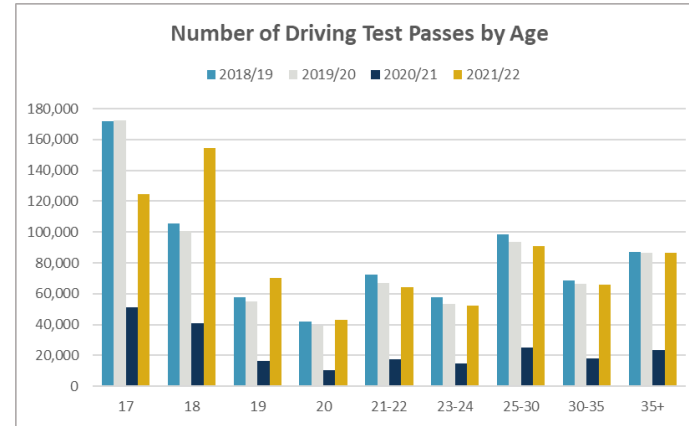
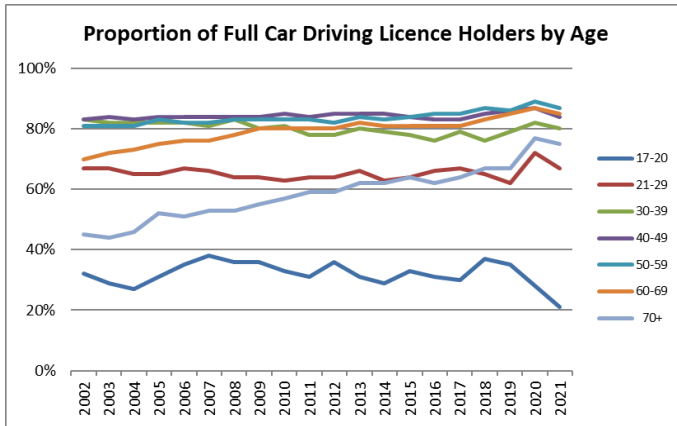
- There were 1,558 reported road deaths in 2021, an increase of 98 deaths (or 7%) from 2020, but a 194 reduction (or 11%) compared to 2019. There were also 128,209 casualties in reported road traffic accidents, an 11% increase from 2020 but a decrease of 16% compared to 2019.
- The vehicle miles driven was 12% higher in 2021 than in 2020, therefore 2021 saw the rate of casualties and fatalities per mile decrease. The reduction in fatalities per mile was driven by 2021 Q1 and 2021 Q2. 2021 Q3 and 2021 Q4 rates were 3.6% and 6.7% higher than 2020 Q3 and 2020 Q4.
- All road user types saw an increase in the number of fatalities in 2021 with the exception of pedal cyclists which saw a 21% reduction in fatalities.





# Market environment

## Changing driving habits



- National Travel Survey data was used to provide a view of the trends in the proportion of full car driving licences held.
- The proportion of those aged 70+ with a full car licence had been steadily increasing prior to the COVID-19 pandemic, with an apparent uptick in 2020.
- The proportion of 17-20 year olds with a full car licence shows a significant reduction following several suspensions to driving tests during the pandemic.
- Driving test data shows that the number of 17 year olds passing their test remains significantly lower in the year to March 2021

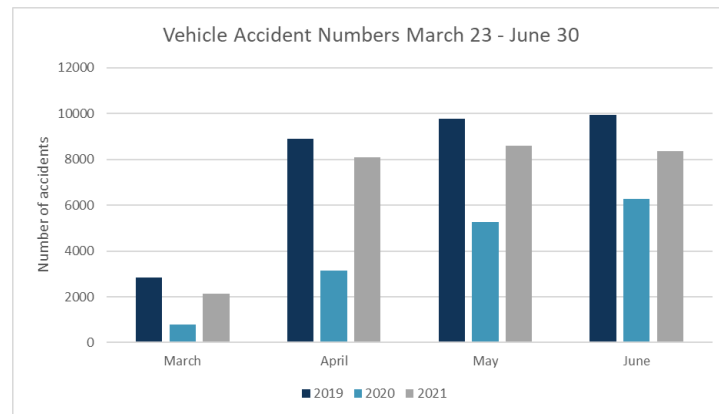


# 2022 Market Environment

## Driving habits and the reduction of Rush Hour traffic?

Distribution of accidents measured between March 23 - June 30

	Weekday			Weekend		
	2019	2020	2021	2019	2020	2021
12am-8am	7.6%	7.3%	7.1%	3.7%	2.6%	2.5%
8am-9am	5.9%	3.0%	5.5%	0.7%	0.5%	0.6%
9am-10am	3.6%	2.7%	3.4%	0.9%	0.8%	0.9%
10am-11am	3.2%	3.2%	2.9%	1.3%	1.1%	1.3%
11am-12pm	3.5%	4.0%	3.8%	1.8%	1.5%	1.7%
12pm-1pm	4.0%	4.7%	4.4%	2.1%	1.7%	2.0%
1pm-2pm	4.4%	5.3%	4.6%	2.1%	2.0%	2.1%
2pm-3pm	4.3%	5.5%	5.1%	1.9%	2.1%	1.9%
3pm-4pm	6.2%	6.1%	7.4%	2.0%	2.1%	2.0%
4pm-5pm	6.7%	6.9%	6.8%	1.8%	2.2%	2.0%
5pm-6pm	6.9%	6.6%	6.9%	1.7%	1.9%	1.9%
6pm-7pm	5.2%	5.9%	5.2%	1.7%	1.8%	1.7%
7pm-12am	11.7%	13.1%	11.2%	5.0%	5.2%	5.1%



This graphic shows the distribution of accidents during the first lockdown relative to the same period in 2019 and 2021. (The first lockdown was announced on 23<sup>rd</sup> March 2020, with most businesses allowed to reopen in early July.)

Key observations are:

- Weekday accident distributions in 2021 largely lay between the 2019 and 2020 distributions, but there is a noticeable increase between 3-4pm, perhaps linked to the school run.
- Weekend accidents have broadly remained similar in distribution throughout the pandemic.
- Accident numbers in 2021 were much closer to 2019 levels, compared to the start of the pandemic in 2020.
- The longer term impact of the pandemic in the 'new normal' is still unknown, though it appears that accident distributions are returning to pre-pandemic patterns.



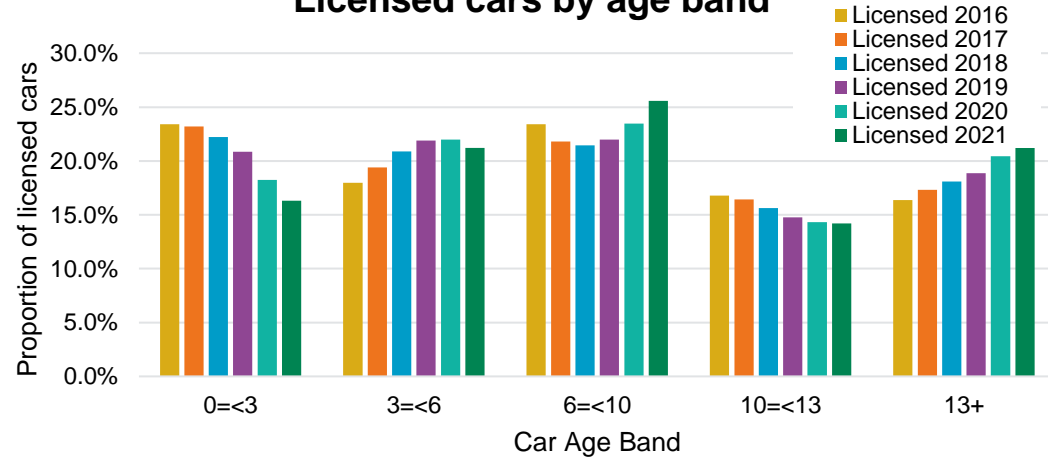
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# 2022 Market Environment

## Car park

- Car sales are falling, resulting in an increasing average licensed vehicle age.
- In 2021 the total number of new car registrations remained similarly low to 2020 (which experienced a 29% fall from 2019).
- Reduction in rate of newer cars may impact improvements to accident frequency.
- ULEV (Ultra Low Emission Vehicles) form an increasing proportion of new registrations. In 2021, 18% of new car registrations were ULEV, nearing twice that of the previous year.
- ULEV represent a small proportion of total cars on the road. However, they have increased as a proportion of total cars, from 0.3% in 2016 to 2.1% in 2021.
- The new petrol and diesel car sale ban comes into force in 2030.

### Licensed cars by age band



	2016	2017	2018	2019	2020	2021	Q2 2022
<b>Total cars registered in year (m)</b>	2.7	2.6	2.4	2.3	1.7	1.7	0.8
<b>% of which are ULEV cars</b>	1.5%	2.0%	2.5%	3.1%	10.3%	17.8%	20.0%
<b>Total registered cars (m)</b>	31.8	32.2	32.5	32.9	32.7	32.9	33.1
<b>% of which are ULEV cars</b>	0.3%	0.4%	0.6%	0.8%	1.2%	2.1%	2.6%



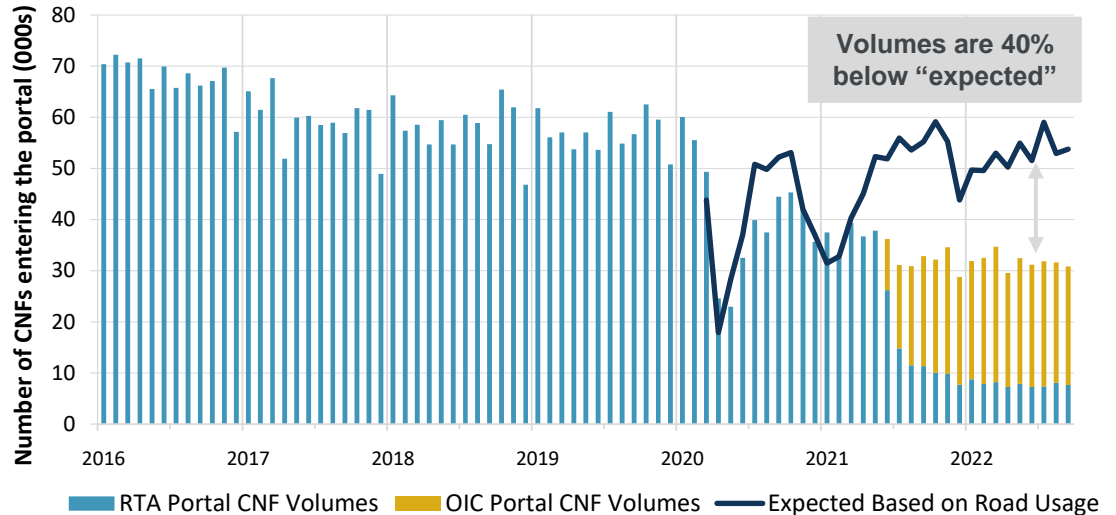
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# Market Environment

## MoJ Portal and OIC Notifications

- RTA Claim Notification Forms (CNFs) broadly followed “expected” patterns during COVID-19 lockdowns (based on 2019 RTA volumes following road usage trends, blue line), up until the OIC portal went live in June 2021.
- Since the inception of the OIC portal, RTA volumes have dropped substantially, with OIC notifications building up throughout the second half of 2021.
- Combining both the RTA and OIC portal CNFs, the overall volume remains **45% below 2019 levels** due to the impact of the Whiplash Reforms and “New Normal” frequency levels following the pandemic.
- The number of notifications has departed from “expected”, with around **40% lower volumes than expected** on average. It is uncertain as to the extent to which this is indicative of a genuine fall in frequency following the Reforms versus potential incubation of cases that are yet to be submitted.

### MoJ Portal and OIC Notifications



# Market environment

## Whiplash Reforms

### Details of Reforms

- Fixed tariff based costs
- Ban on pre-medical settlement offers
- Increased Small Claims Track limit
- Introduction of simplified online process: Official Injury Claim Portal (OICP)
- Implemented 31 May 2021

### Estimates of savings

- 2019 MoJ impact assessment: £1.3bn saving for insurance industry which equates to c £33 per policy
- Consultants' estimates in 2022 vary between £10-£25 per policy

### Data from OICP 31/05/21 to 30/09/22

- Claims submitted are around 23k per month with 350k in total since launch; 54k of these cases are now settled
- Although the OICP was designed to be simple, only 9% of claims are from unrepresented claimants;
- 30% of claims are for tariff only with 67% for mixed tariff; there has been a modest increase in the proportion of mixed tariff over the reporting periods.
- OICP acknowledges that *“a more settled picture is unlikely to emerge for some time yet”*

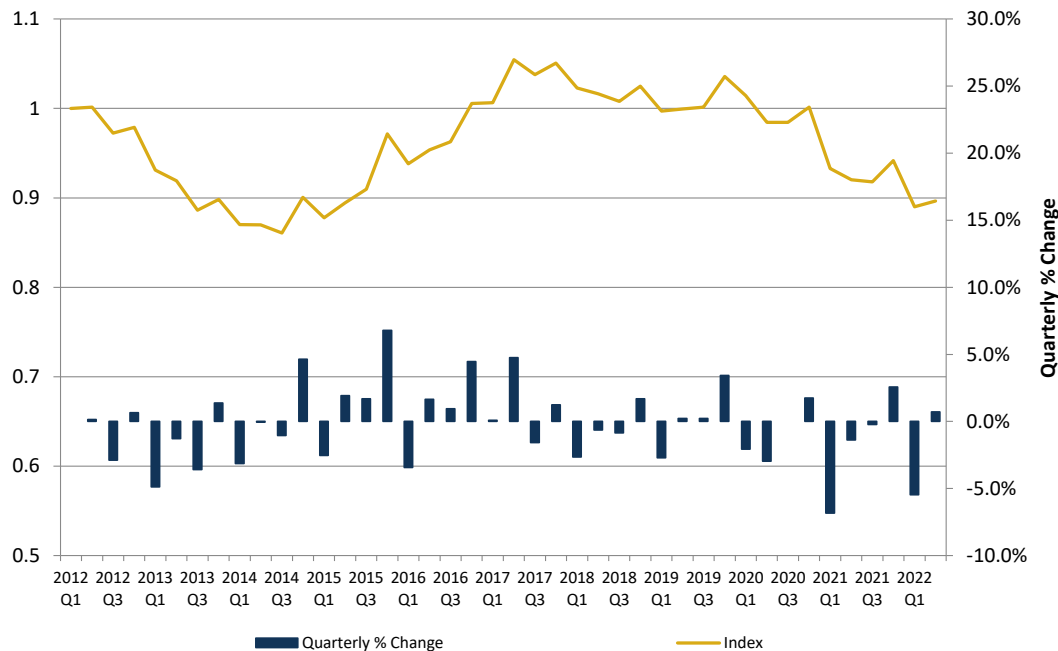
	Represented	Unrepresented
Settlement Rate	10%	33%
Uplift for exceptional injury	23%	43%
Average Settlement - Tariff	£693	£691
Average Settlement – non-Tariff	£891	£925
Average Settlement – Tariff uplift	£214	£153



# Market Environment

## Premium Rates

ABI Premium Tracker (exc IPT)



- Premiums fell from £416 in 2020 to £387 in 2021 exc IPT.
- Premium rates have fallen again in 2022 with premiums in 2022 Q2 2.6% lower than 2021 Q2.
- Current premium rates approximately the same as in 2015 H1.
- On an earned basis, premiums in 2021 were 4.7% lower than in 2020.

# Market environment

## Market Commentary

**ABI:** Higher costs for insurers :

- Continued global **shortage of semiconductors** ...impacts on **vehicle repair times**
- Rising **used car prices**
- More **expensive repairs**, coupled with rises in the **costs of raw materials**.
- A **shortage of skilled labour** in the vehicle repair sector.

**EY:** UK motor insurers achieve profit for second year running in 2021, but losses are predicted in 2022 and 2023.

**Inflation**, already growing due to **supply chain issues** affected by COVID-19, is **expected to climb even higher in 2022 as material, labour and energy price rises** feed through into claims costs.

Premiums set for small 2% rise in 2022 but predicted to rise by 18% next year due to inflation.

### Key Themes

- Higher claims inflation due to **used car prices, repair costs, and settlement delays**.
- Evidence of motor rates hardening as insurers **increase prices in line with or ahead of inflation**.
- Most insurers noted impacts on **damage claims**. Injury claims less impacted, but **potential for wage inflation to impact injury claims**.

Estimate of claims inflation for H1 2022 at ~11%.

- Combination of **continued high repair inflation, including labour shortages, and high used vehicle prices**.

Currently **no major surprises in large BI settlements**. Increase in **wage inflation** likely to impact the **cost of care**.

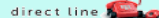
...increased new business & renewal prices by ~16% since March to account for inflation.



- **Used car prices** increased c.30% in Q2.
- Retail motor rating **+12-13pp YTD**.



- Market wide **pressure on repairs**
- **Claims inflation has been ahead of our pricing assumptions...**
- **estimate claims inflation in 2022 of around 10%**.
- claims frequency to remain broadly flat and **supply chain disruption to last into 2023**.



... [Loss Ratios] increase on prior year being driven by a **reduction in COVID-19 related effects** and **elevated claims inflation**. The latter is driven by increasing **general inflation across all claim types including repairs, total losses, theft, third party costs and bodily injury**. .... with motor now experiencing **claims inflation of 10-12%**.



The market environment remains complex with **high claims inflation and continued unsustainably weak pricing** evident in the market.



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## 1. Market Environment

## 2. Industry Statistics

- AD
- TPPD
- Capped TPI
- Excess TPI

## 3. Conclusions

## 4. Appendix

Expertise  
Sponsorship  
Thought leadership  
Progress  
Community  
Sessional Meetings  
Education  
Working parties  
Volunteering  
Research  
Shaping the future  
Networking  
Professional support  
Enterprise and risk  
Learned society  
Opportunity  
International profile  
Journals  
Supporting



# Industry Statistics - AD

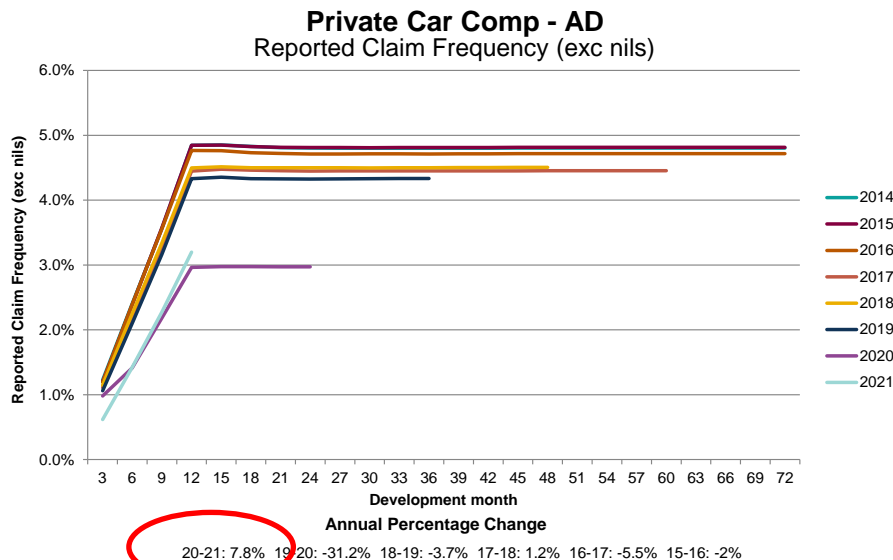
## Notes on data

- For this year's TPWP study we have received a subset of data as at 30 June 2022, as well as our full dataset as at 31 December 2021.
- In the following sections we show results from both sets of data. In the subheading of each slide we include 'YE 2021' or 'HY 2022' to indicate the as at date of the data used to produce the analysis shown.
- The data we have received as at 30 June 2022 is not as comprehensive as that at 31 December 2021. Therefore, where we have produced projected results, we have only done so using the 31 December 2021 dataset.

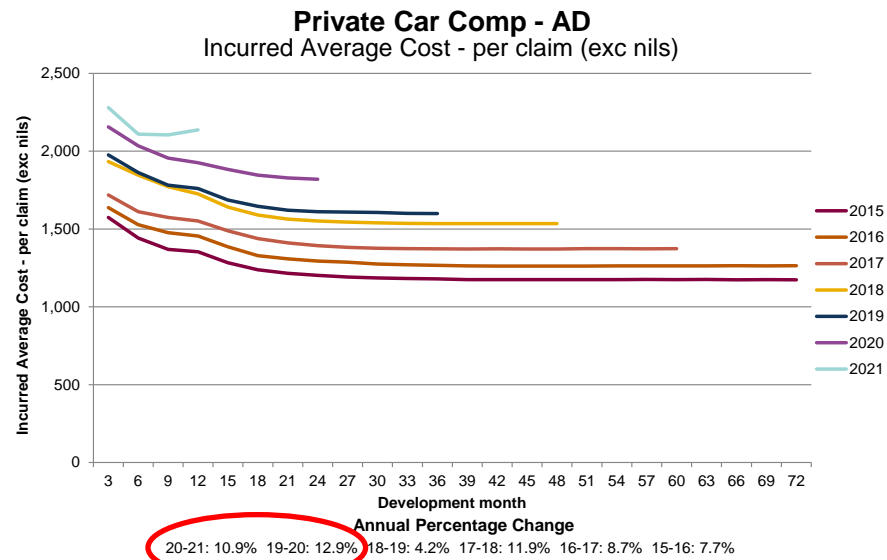


# Industry Statistics - AD

## Frequency and Severity YE 2021



2021 frequency up from 2020 but still substantially below pre-COVID-19 levels



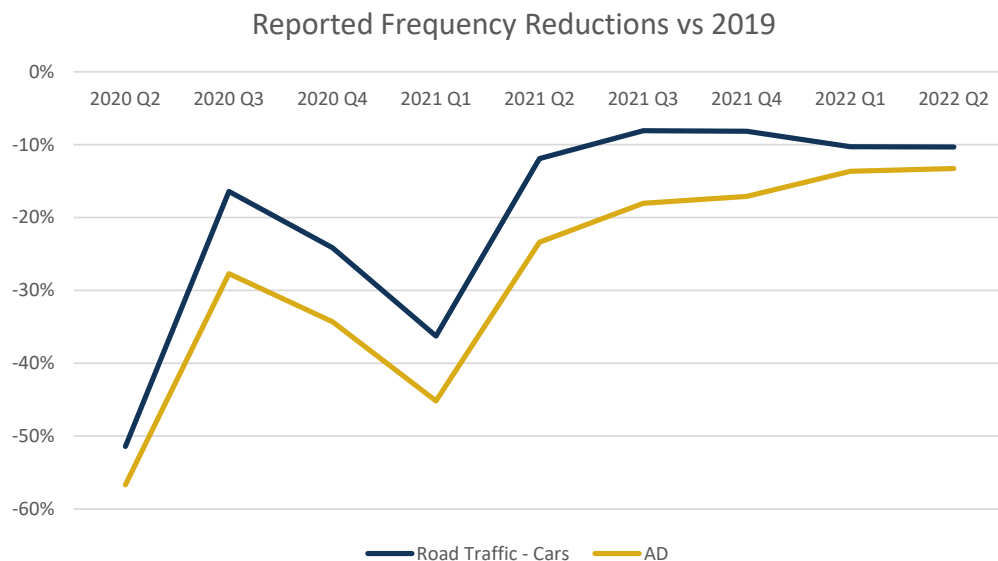
Inflation 11% and over in 2020 and 2021



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# Industry Statistics - AD

## Frequency HY 2022



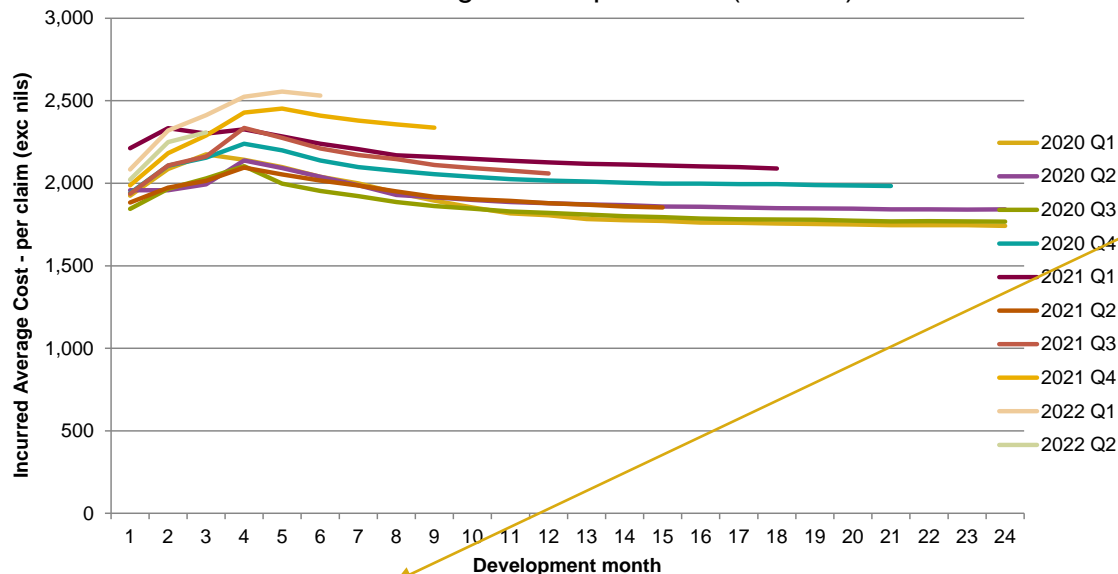
Accident Quarter	Change in Car Traffic	Change in AD Frequency
2020 Q2	-51.4%	-56.7%
2020 Q3	-16.4%	-27.7%
2020 Q4	-24.2%	-34.3%
2021 Q1	-36.3%	-45.2%
2021 Q2	-11.9%	-23.4%
2021 Q3	-8.1%	-18.1%
2021 Q4	-8.2%	-17.1%
2022 Q1	-10.3%	-13.6%
2022 Q2	-10.3%	-13.3%

- Reduction in AD frequency around 10% larger than the reduction in car traffic volumes in 2020 and 2021. In 2022 H1 gap between frequency and traffic volumes has reduced.

# Industry Statistics - AD

## Severity HY 2022

**Private Car Comp - AD**  
Incurred Average Cost - per claim (exc nils)



Inflation 13% to 15% from 2021 Q3 onwards.

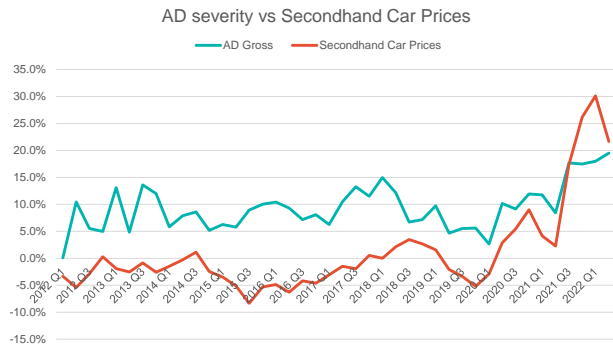
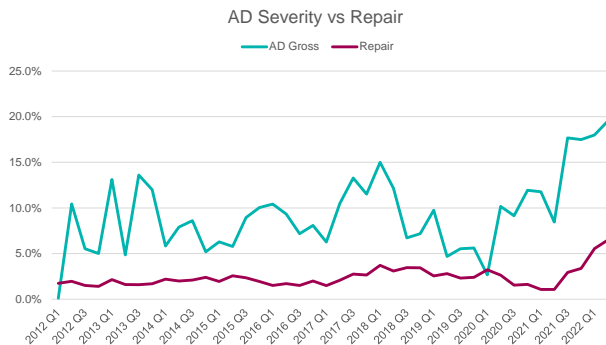
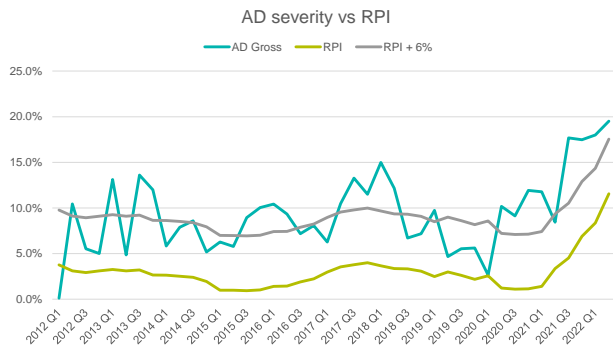
**Annual Percentage Change**

2022 Q2: 14.6% 2022 Q1: 13% 2021 Q4: 13.7% 2021 Q3: 13.2% 2021 Q2: -0.3% 2021 Q1: 19%



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# Industry Statistics - AD Severity HY 2022



## Methodology

Projection of AD Gross severity excluding nils severity triangle.

Compare accident quarter inflation rates (e.g. 2021 Q4 vs 2020 Q4) against RPI, 'Secondhand Car Prices – CPI' and 'Repair – CPI Vehicle Transport and Repair'.

A limitation of the analysis is comparing an accident period inflation rate to a calendar period economic inflation measure.

- Projections of AD Gross severity have inflation increasing significantly in 2021 Q3 up to around 19% pa in 2022 H1.
- There is a 57% correlation between RPI and claims inflation with claims inflation on average 6% higher than RPI from 2012 to 2022 H1.
- Claims inflation in 2020 Q2 to 2021 Q1 was higher than RPI + 6% due to impact of COVID-19. Inflation rates in last four quarters are also considerably above RPI + 6%.
- Secondhand Car Price inflation has a 69% correlation and Repair inflation a 50% correlation with claims inflation.

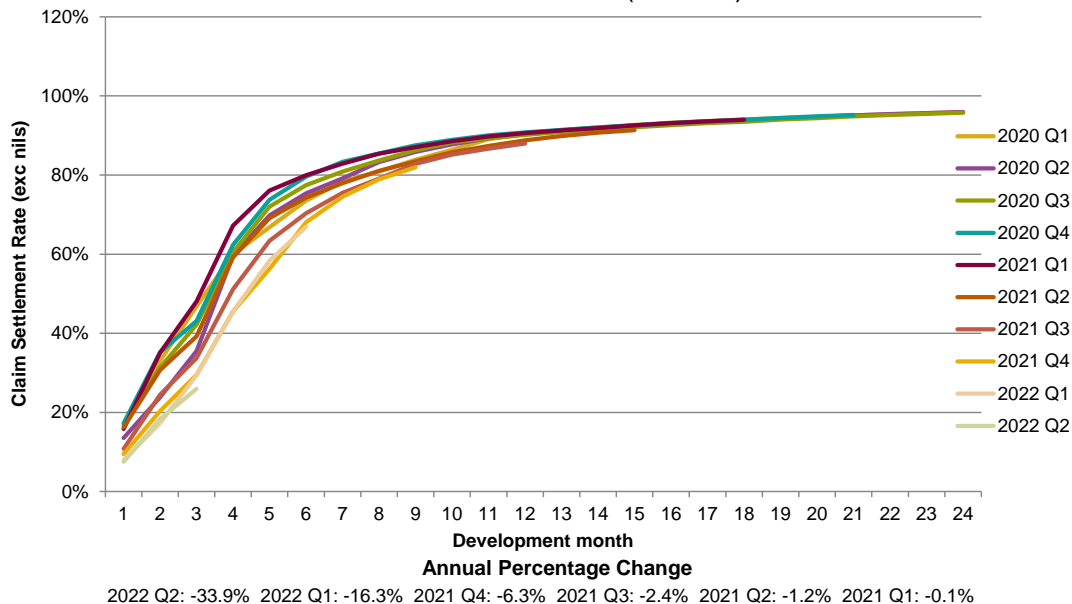


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# Industry Statistics - AD

## Settlement Rate HY 2022

**Private Car Comp - AD**  
Claim Settlement Rate (exc nils)



Settlement rates getting considerably slower from 2021 Q3 onwards with levels of slowdown increasing in 2022.



# Industry Statistics - AD

## Projected AD Results YE 2021

Projected Ultimate AD Results for Private Car Comprehensive

Accident Period	Earned Exposure  (millions of vehicle years)	Ultimate AD Claim Frequency  (Non-nil claims per million vehicle years)	Ultimate AD Gross Claim Severity  (£)	Ultimate AD Recovery Rate  (%)	Ultimate AD Net Claim Severity  (£)	Ultimate AD Net Burning Cost  (£)	Year-on-Year Change in Frequency  (% pa)	Year-on-Year Change in AD Gross Severity  (% pa)	Year-on-Year Change in AD Recovery Rate  (% pa)	Year-on-Year Change in AD Net Severity  (% pa)	Year-on-Year Change in AD Net Burning Cost  (% pa)
2014	16.4	49,148	1,888	43.1%	1,075	52.8	0.2%	5.7%	1.6%	4.5%	4.7%
2015	17.0	49,352	2,018	42.2%	1,167	57.6	0.4%	6.9%	-2.1%	8.6%	9.0%
2016	18.0	48,246	2,229	43.2%	1,266	61.1	-2.2%	10.4%	2.5%	8.4%	6.0%
2017	18.7	45,423	2,454	43.7%	1,381	62.7	-5.9%	10.1%	1.2%	9.1%	2.7%
2018	19.1	45,817	2,680	42.8%	1,534	70.3	0.9%	9.2%	-2.2%	11.1%	12.1%
2019	19.1	44,012	2,847	43.9%	1,599	70.4	-3.9%	6.2%	2.6%	4.2%	0.1%
2020	18.8	30,254	3,096	41.6%	1,807	54.7	-31.3%	8.7%	-5.0%	13.0%	-22.3%
2021	18.2	32,490	3,441	40.7%	2,039	66.2	7.4%	11.1%	-2.2%	12.8%	21.2%
Average (2014 to 2021)							-5.7%	9.0%	-0.8%	9.6%	3.3%
Average (2016 to 2021)							-7.6%	9.1%	-1.2%	10.0%	1.6%
Average (2018 to 2021)							-10.8%	8.7%	-1.6%	9.9%	-2.0%

£12 increase in burning cost in 2021 but still below 2019 levels.

2020 and 2021 inflation at around 13%.

- Note – No adjustments have been made for potential distortions / impact of COVID-19 or claims inflation on claims experience.



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# Industry Statistics - AD

## Projected AD Results YE 2021

Projected Ultimate AD Results for Private Car Comprehensive

Accident Period	Earned Exposure  (millions of vehicle years)	Ultimate AD Claim Frequency  (Non-nil claims per million vehicle years)	Ultimate AD Gross Claim Severity  (£)	Ultimate AD Recovery Rate  (%)	Ultimate AD Net Claim Severity  (£)	Ultimate AD Net Burning Cost  (£)	Year-on-Year Change in Frequency  (% pa)	Year-on-Year Change in AD Gross Severity  (% pa)	Year-on-Year Change in AD Recovery Rate  (% pa)	Year-on-Year Change in AD Net Severity  (% pa)	Year-on-Year Change in AD Net Burning Cost  (% pa)
2019 Q1	4.7	44,133	2,916	46.3%	1,565	69.1	-8.2%	8.5%	11.2%	-0.2%	-8.3%
2019 Q2	4.8	41,626	2,747	43.6%	1,550	64.5	-6.2%	5.0%	1.3%	4.0%	-2.5%
2019 Q3	4.8	42,552	2,780	44.2%	1,552	66.1	-2.7%	5.6%	0.6%	5.0%	2.2%
2019 Q4	4.8	47,755	2,933	41.6%	1,714	81.8	1.3%	5.7%	-2.4%	7.6%	9.0%
2020 Q1	4.7	39,948	3,032	42.9%	1,730	69.1	-9.5%	4.0%	-7.3%	10.6%	0.1%
2020 Q2	4.7	17,958	3,023	40.0%	1,814	32.6	-56.9%	10.1%	-8.2%	17.0%	-49.5%
2020 Q3	4.7	31,213	3,047	42.3%	1,757	54.8	-26.6%	9.6%	-4.1%	13.1%	-17.0%
2020 Q4	4.7	31,737	3,266	40.3%	1,948	61.8	-33.5%	11.4%	-3.0%	13.7%	-24.4%
2021 Q1	4.6	25,245	3,363	38.9%	2,056	51.9	-36.8%	10.9%	-9.5%	18.8%	-14.9%
2021 Q2	4.6	31,538	3,225	42.7%	1,847	58.3	75.6%	6.7%	6.8%	1.8%	78.8%
2021 Q3	4.5	34,373	3,479	42.0%	2,017	69.3	10.1%	14.2%	-0.8%	14.8%	26.4%
2021 Q4	4.4	39,216	3,642	39.3%	2,210	86.7	23.6%	11.5%	-2.5%	13.4%	40.2%

High inflation in 2021 H2.

- Note – No adjustments have been made for potential distortions / impact of COVID-19 or claims inflation on claims experience.



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## 1. Market Environment

## 2. Industry Statistics

- AD
- TPPD
- Capped TPI
- Excess TPI

## 3. Conclusions

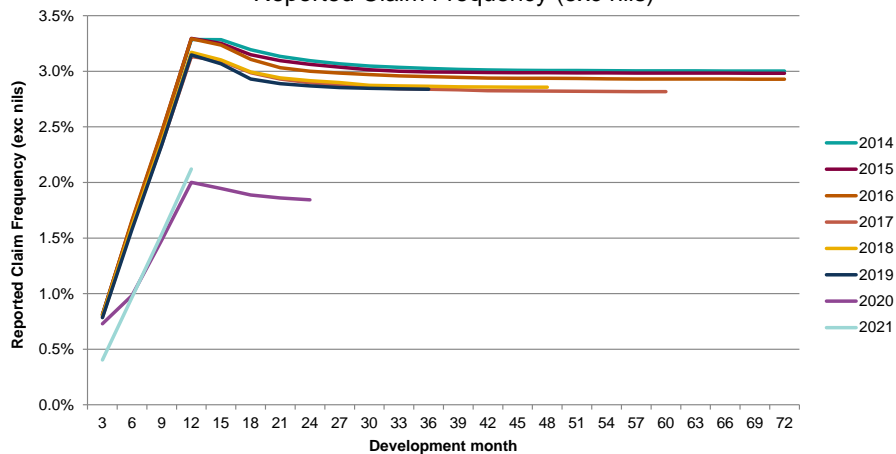
## 4. Appendix

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# Industry Statistics - TPPD

## Frequency and Severity YE 2021

**Private Car Comp - TPPD**  
Reported Claim Frequency (exc nils)

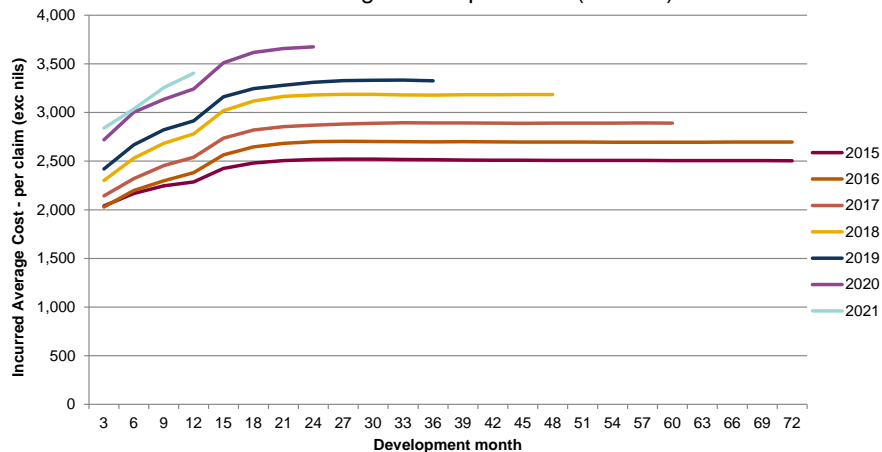


Annual Percentage Change

20-21: 6.1% 19-20: -35.7% 18-19: -0.9% 17-18: 1.2% 16-17: -3.9% 15-16: -1.8%

As with AD, 2021 frequency up from 2020 but still substantially below pre-COVID-19 levels

**Private Car Comp - TPPD**  
Incurred Average Cost - per claim (exc nils)



Annual Percentage Change

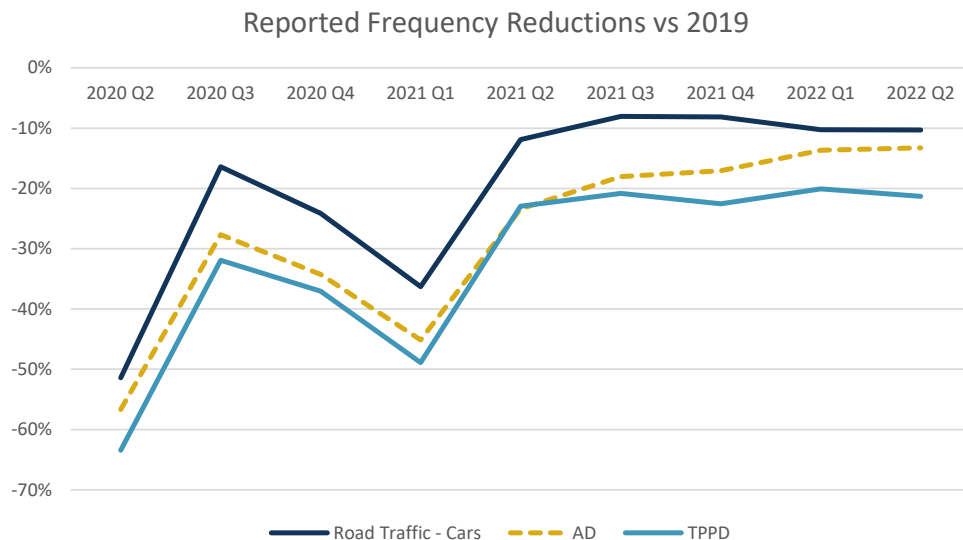
20-21: 5% 19-20: 11% 18-19: 4.6% 17-18: 10.2% 16-17: 7.3% 15-16: 7.7%

Inflation reasonably low in 2021



# Industry Statistics - TPPD

## Frequency HY 2022



Accident Quarter	Change in Car Traffic	Change in TPPD Frequency
2020 Q2	-51.4%	-63.4%
2020 Q3	-16.4%	-31.9%
2020 Q4	-24.2%	-37.1%
2021 Q1	-36.3%	-48.9%
2021 Q2	-11.9%	-22.9%
2021 Q3	-8.1%	-20.8%
2021 Q4	-8.2%	-22.6%
2022 Q1	-10.3%	-20.1%
2022 Q2	-10.3%	-21.3%

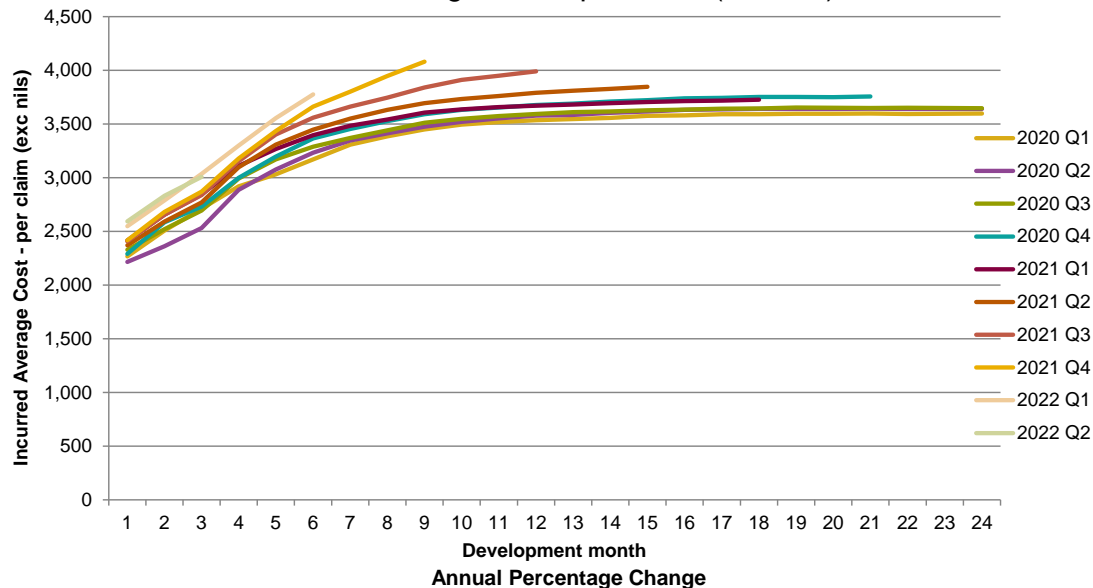
- Reduction in TPPD frequency larger than for AD and around 16% larger than the reduction in car traffic volumes. Frequencies around 20% lower than for 2019 for 2021 Q2 to 2022 Q2.



# Industry Statistics - TPPD

## Severity HY 2022

**Private Car Comp - TPPD**  
Incurred Average Cost - per claim (exc nils)



Severity inflation increases during 2021 to 13.7% in Q4. Inflation in 2022 9% to 11%. Some evidence of severity 'fanning out' or increasing as an accident period develops.

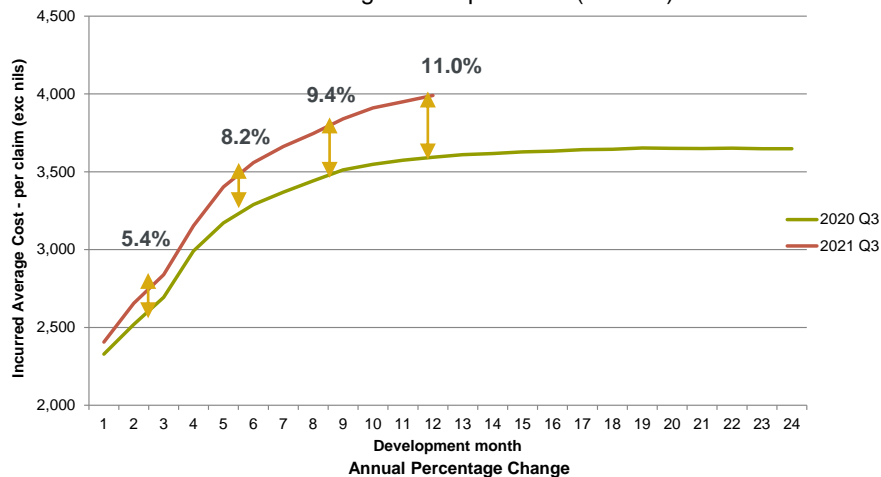


# Industry Statistics - TPPD

## Severity HY 2022

### Private Car Comp - TPPD

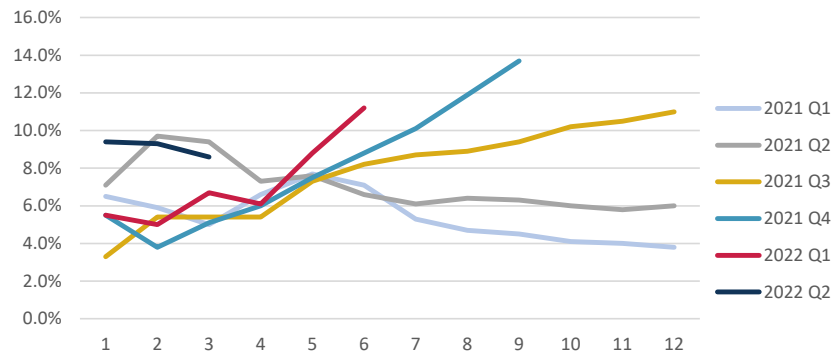
Incurred Average Cost - per claim (exc nils)



2022 Q2: 8.6% 2022 Q1: 11.2% 2021 Q4: 13.7% 2021 Q3: 11% 2021 Q2: 6.4% 2021 Q1: 3.7%

Taking 2021 Q3 as an example we can see that the inflation rate started 5.4% after 3 months of development but increased to 11.0% at 12 months development. Overall 2021 accident year incurred inflation increased from 6% as at YE 2021 to 9% at HY 2022.

### Development of TPPD Incurred Severity Inflation Rate



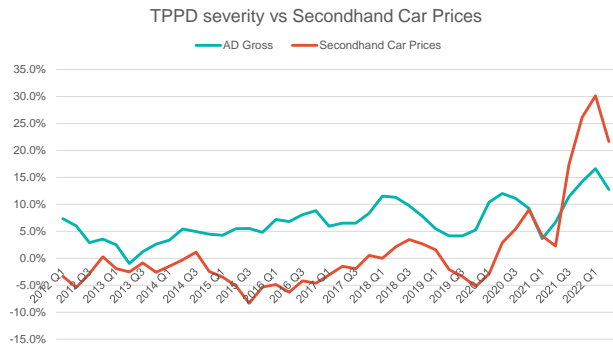
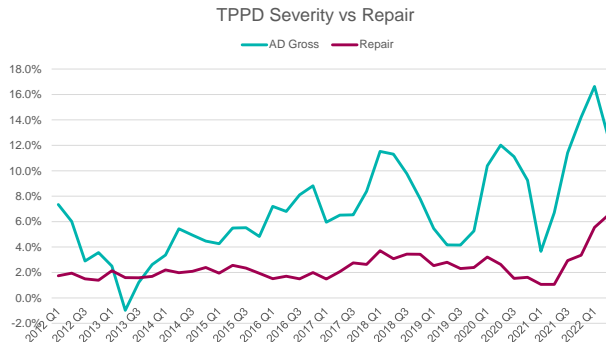
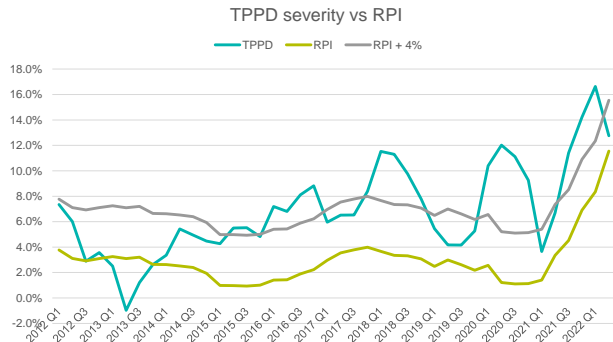
The graph shows the increasing inflation trends over development period can be seen for accident periods 2021 Q3 onwards.



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# Industry Statistics - TPPD

## Severity HY 2022



### Methodology

Projection of TPPD severity excluding nils severity triangle.

Compare accident quarter inflation rates (e.g. 2021 Q4 vs 2020 Q4) against RPI, 'Secondhand Car Prices – CPI' and 'Repair – CPI Vehicle Transport and Repair'.

A limitation of the analysis is comparing an accident period inflation rate to a calendar period economic inflation measure.

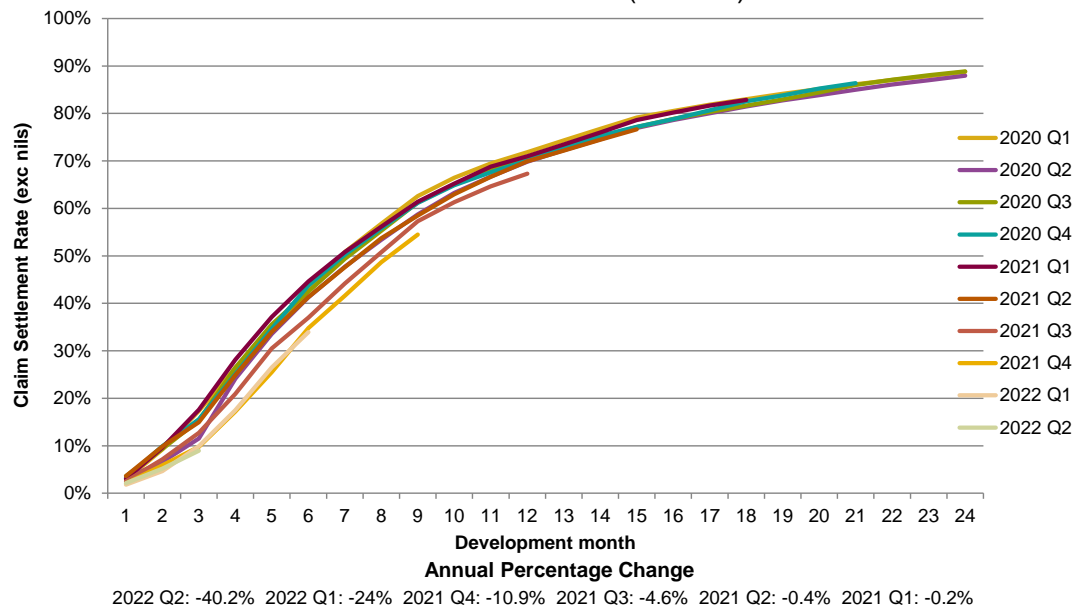
- Projections of TPPD severity have inflation increasing significantly in 2021 Q3 up to around 15% pa in 2022 H1.
- There is a 49% correlation between RPI and claims inflation with claims inflation on average 4% higher than RPI from 2012 to 2022 H1.
- Claims inflation was significantly higher than RPI + 4% for accident periods 2018 Q1 to 2018 Q3 and 2020 Q1 to 2020 Q4.
- Secondhand Car Price inflation has a 69% correlation and Repair inflation a 65% correlation with claims inflation.



# Industry Statistics - TPPD

## Settlement Rate HY 2022

**Private Car Comp - TPPD**  
Claim Settlement Rate (exc nils)



As with AD, increasing levels of slowdown from 2021 Q3 onwards.

# Industry Statistics - TPPD

## Projected TPPD Results YE 2021

Projected Ultimate TPPD Results for Private Car Comprehensive

Accident Period	Earned Exposure  (millions of vehicle years)	Ultimate TPPD Claim Frequency  (Non-nil claims per million vehicle years)	Ultimate TPPD Claim Severity  (£)	Ultimate TPPD Burning Cost  (£)	Year-on-Year Change in Frequency  (% pa)	Year-on-Year Change in Severity  (% pa)	Year-on-Year Change in Burning Cost  (% pa)
2014	17.0	30,458	2,391	72.8	0.9%	4.9%	5.9%
2015	17.7	30,268	2,520	76.3	-0.6%	5.4%	4.7%
2016	18.6	29,740	2,711	80.6	-1.7%	7.6%	5.7%
2017	19.1	28,573	2,905	83.0	-3.9%	7.1%	2.9%
2018	19.5	28,904	3,195	92.4	1.2%	10.0%	11.3%
2019	19.3	28,559	3,334	95.2	-1.2%	4.3%	3.1%
2020	19.0	18,366	3,702	68.0	-35.7%	11.0%	-28.6%
2021	18.4	19,432	3,945	76.7	5.8%	6.6%	12.7%
Average (2014 to 2021)					-6.2%	7.4%	0.7%
Average (2016 to 2021)					-8.2%	7.8%	-1.0%
Average (2018 to 2021)					-12.4%	7.3%	-6.0%

TPPD burning cost increased by £9 in 2021, but still £19 below 2019 levels.

2021 severity of 6.6% is slightly below the long-term average. This doesn't reflect the increase in inflation rate on 2021 accidents observed during the first half of 2022

- Note – No adjustments have been made for potential distortions / impact of COVID-19 or claims inflation on claims experience.





# Industry Statistics - TPPD

## Projected TPPD Results YE 2021

### Projected Ultimate TPPD Results for Private Car Comprehensive

Accident Period	Earned Exposure  (millions of vehicle years)	Ultimate TPPD Claim Frequency  (Non-nil claims per million vehicle years)	Ultimate TPPD Claim Severity  (£)	Ultimate TPPD Burning Cost  (£)	Year-on-Year Change in Frequency  (% pa)	Year-on-Year Change in Severity  (% pa)	Year-on-Year Change in Burning Cost  (% pa)
2019 Q1	4.8	27,860	3,293	91.7	-4.1%	5.3%	1.0%
2019 Q2	4.8	27,684	3,261	90.3	-2.3%	3.4%	1.0%
2019 Q3	4.9	27,976	3,306	92.5	0.1%	3.7%	3.7%
2019 Q4	4.8	30,722	3,462	106.4	1.5%	4.9%	6.5%
2020 Q1	4.8	24,858	3,622	90.0	-10.8%	10.0%	-1.9%
2020 Q2	4.7	10,060	3,692	37.1	<b>-63.7%</b>	13.2%	<b>-58.9%</b>
2020 Q3	4.8	19,020	3,712	70.6	<b>-32.0%</b>	12.3%	<b>-23.7%</b>
2020 Q4	4.8	19,418	3,798	73.7	<b>-36.8%</b>	9.7%	<b>-30.7%</b>
2021 Q1	4.7	14,092	3,794	53.5	<b>-43.3%</b>	4.8%	<b>-40.6%</b>
2021 Q2	4.7	20,009	3,879	77.6	<b>98.9%</b>	5.0%	<b>108.9%</b>
2021 Q3	4.6	21,208	3,984	84.5	11.5%	7.3%	19.7%
2021 Q4	4.4	22,614	4,067	92.0	16.5%	7.1%	<b>24.7%</b>

- Note – No adjustments have been made for potential distortions / impact of COVID-19 or claims inflation on claims experience.





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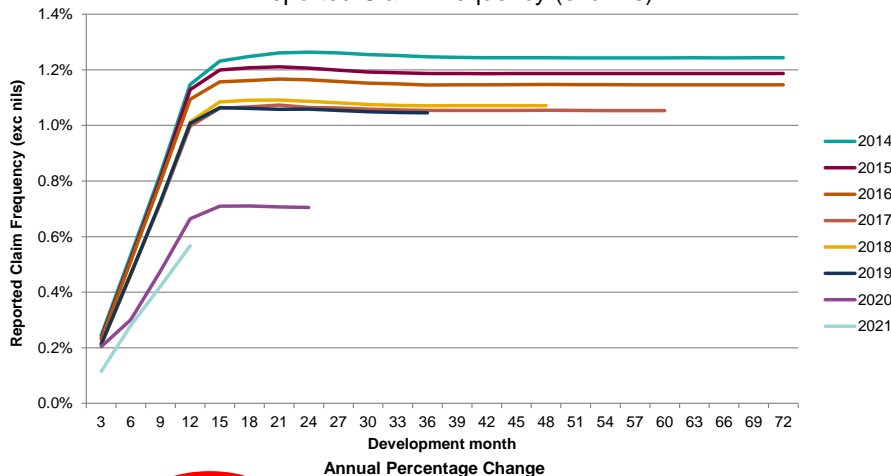
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# Industry Statistics - Capped TPI

## Frequency and Severity YE 2021

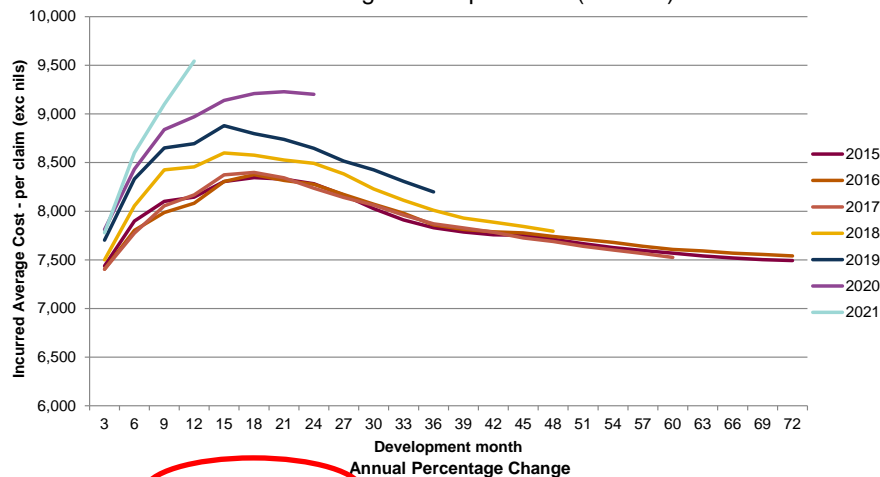
**Private Car Comp - TPI Capped**  
Reported Claim Frequency (exc nils)



20-21: -14.7% 19-20: -33.4% 18-19: -2.4% 17-18: 1.6% 16-17: -8.1% 15-16: -3.4%

Further frequency reduction in 2021 of 15%.

**Private Car Comp - TPI Capped**  
Incurred Average Cost - per claim (exc nils)



20-21: 6.4% 19-20: 6.4% 18-19: 2.4% 17-18: 1.4% 16-17: -1.1% 15-16: 0.6%

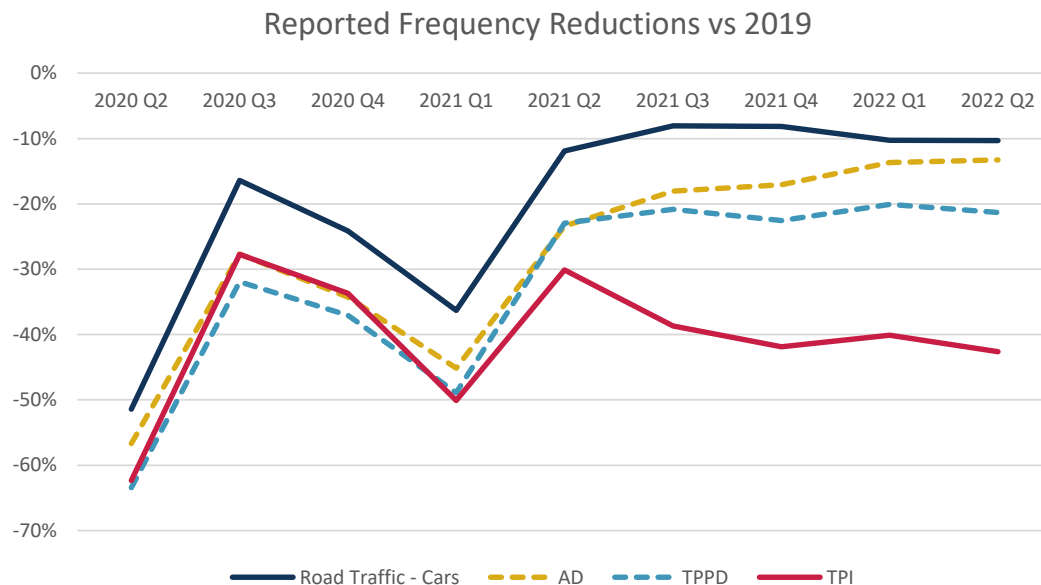
Inflation 6% in 2020 and 2021.



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# Industry Statistics - Capped TPI

## Frequency HY 2022

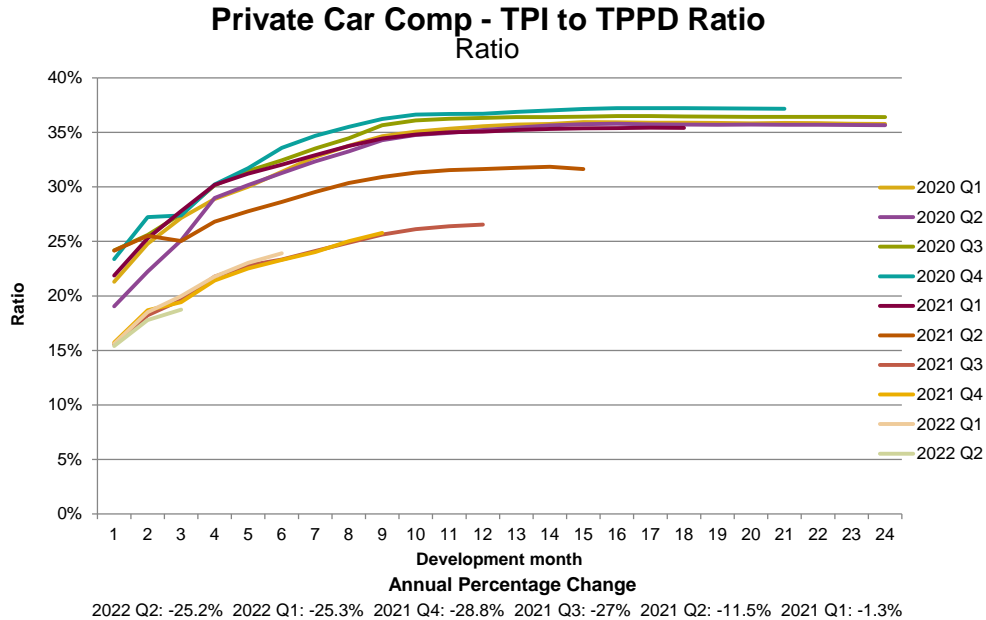


Accident Quarter	Change in Car Traffic	Change in TPI Frequency
2020 Q2	-51.4%	-62.3%
2020 Q3	-16.4%	-27.7%
2020 Q4	-24.2%	-33.7%
2021 Q1	-36.3%	-50.1%
2021 Q2	-11.9%	-30.1%
2021 Q3	-8.1%	-38.7%
2021 Q4	-8.2%	-41.9%
2022 Q1	-10.3%	-40.1%
2022 Q2	-10.3%	-42.6%

- Reduction in Capped TPI frequency from 2021 Q3 to 2022 Q2 is 39% to 43%. This is reasonably consistent with the 45% reduction in combined claim notifications from the MoJ and OIC portals.

# Industry Statistics - Capped TPI

## TPI to TPPD Ratio HY 2022

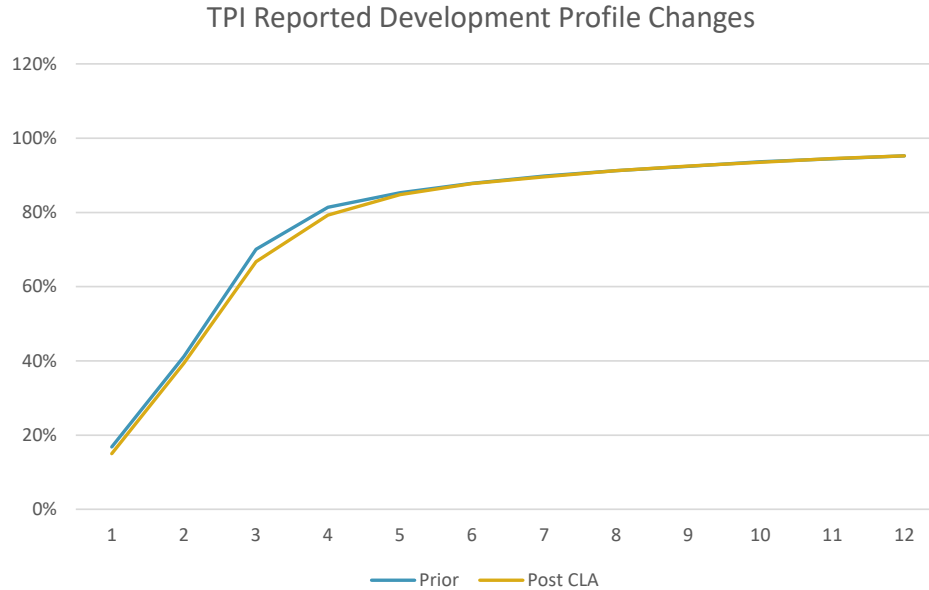


- Post Whiplash Reforms TPI to TPPD ratio has reduced by 25% to 29%.



# Industry Statistics - Capped TPI

## TPI Frequency HY 2022

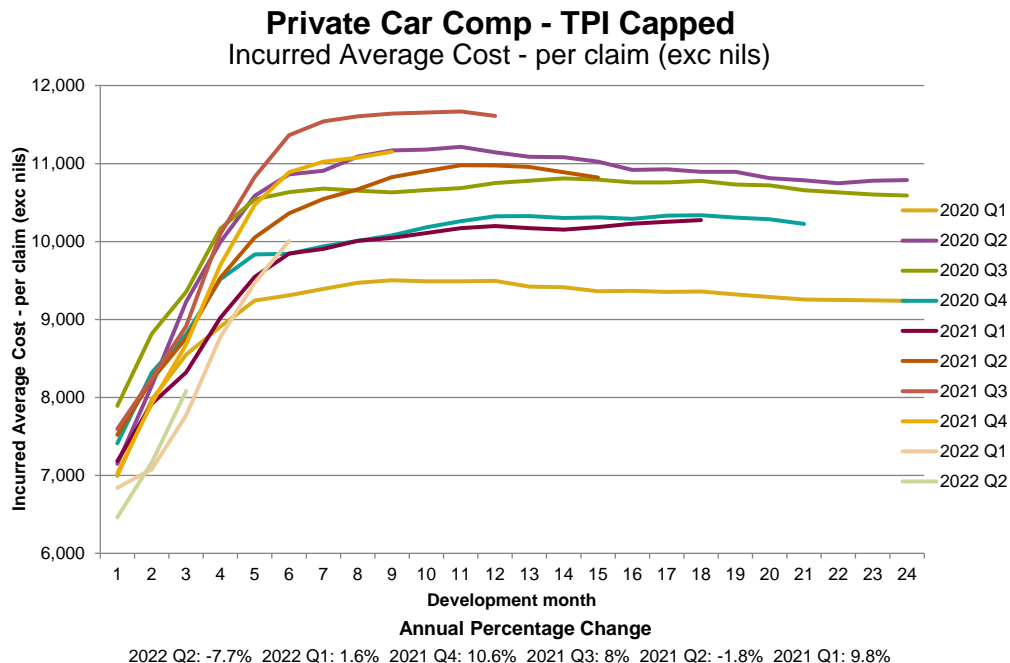


- Evidence of slightly slower reporting pattern post Whiplash Reforms (or “CLA”) for first six months of development.



# Industry Statistics - Capped TPI

## Severity HY 2022



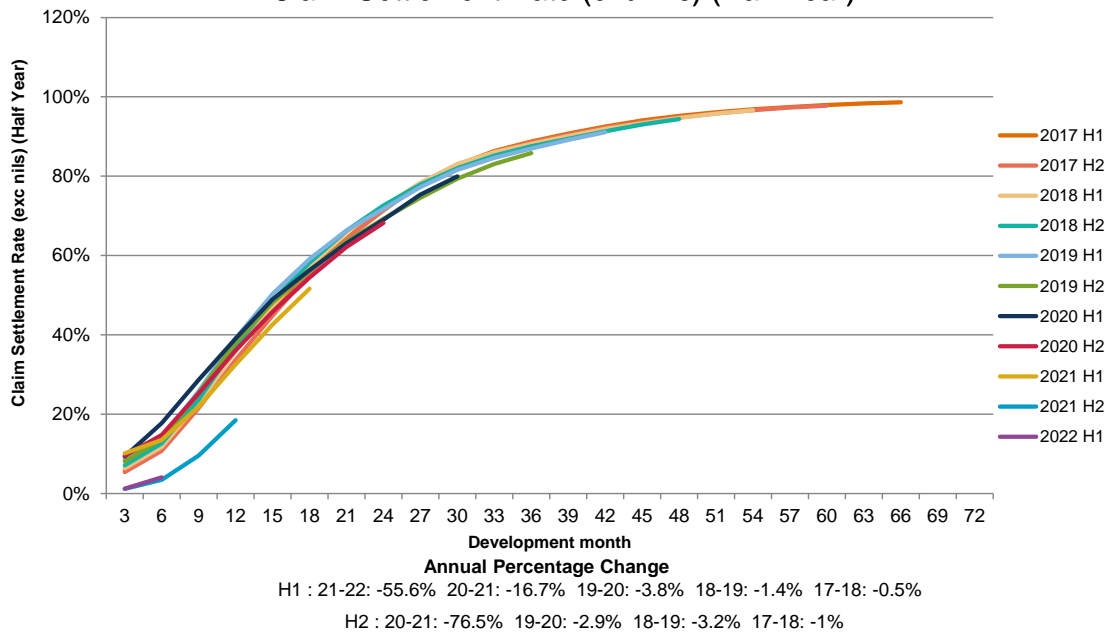
No clear pattern in severity by quarter or obvious impact of CLA on incurred severity.  
2022 severity appears to start lower and then increase more than prior periods.



# Industry Statistics – Capped TPI

## Settlement Rate HY 2022

**Private Car Comp - TPI Capped**  
Claim Settlement Rate (exc nils) (Half Year)



Slowdown in settlement rates during 2020 persist in 2021. Significant reduction in settlement rate post CLA.





# Industry Statistics - Capped TPI

## Projected Capped TPI Results - Methodology

- As with previous iterations of the TPWP we have analysed Capped TPI by bands. This year we have split to £1k to £10k band into £1 to £5k and £5k to £10k. We have used an indexation of 1% p.a. The exception is for the 100k limit which is still indexed at 7% p.a. The bands are defined as below in 2010 accident year years and indexed at 1% p.a.
  - £0 to £1k (*£1.1k in 2021 accident year*)
  - £1k to £5k (*£6k in 2021 accident year*)
  - £5k to £10k (*£11k in 2021 accident year*)
  - £10k to £20k (*£22k in 2021 accident year*)
  - £20k to £50k (*£56k in 2021 accident year*)
  - £50k to £100k (*£210k in 2021 accident year*)
- We have maintained the same band definitions as previously for Excess TPI.



# Industry Statistics - Capped TPI

## Projected Capped TPI Results - Methodology

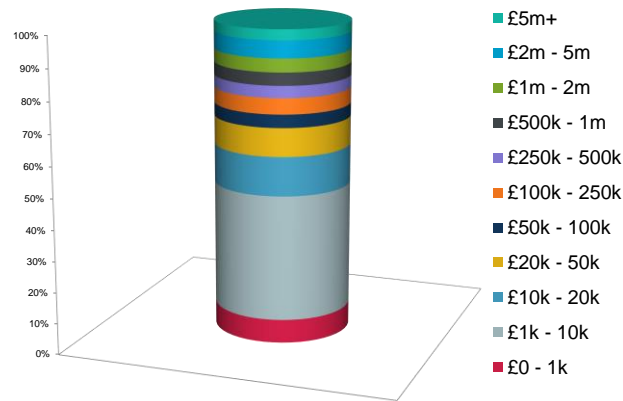
- When presenting results of a layered analysis, there is a choice in how to partition the claim amounts:
  - Type 1: In which claims that exhaust the width of a particular layer contribute an amount equal to the layer's width
  - Type 2: In which claims that exhaust the width of a particular layer are removed from that layer, and the full claim amounts “from ground up” (“FGU”) are allocated to the next layer up



# Industry Statistics - Capped TPI

## Projected Capped TPI Results - Methodology

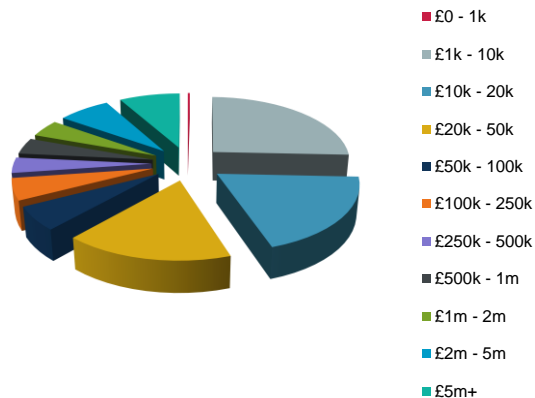
- Using the Type 1 definition, a claim of £15,000 from accident year 2010 contributes:
  - £1k to Layer 1 (0 – £1k)
  - £9k to Layer 2 (£1k – £10k)
  - £5k to Layer 3 (£10k – £20k)
  - £0 to all other layers
- The chart shows the projected total TPI burning cost split by layer using Type 1 definition.
- In this presentation, any charts which use this definition will be accompanied with a version of this graphic. Shading represents the portion(s) of the claim that is relevant to the given statistic.



# Industry Statistics - Capped TPI

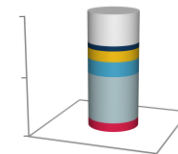
## Projected Capped TPI Results - Methodology

- Using the Type 2 definition, a claim of £15,000 from accident year 2010 contributes:
  - £15k to Layer 3 (£10k – £20k)
  - £0 to all other layers
- The chart shows the projected total TPI burning cost split by layer using Type 2 definition.
- In this presentation, any charts which use this definition will be accompanied with a version of this graphic. Shading represents the portion(s) of the claim that is relevant to the given statistic.



# Industry Statistics - Capped TPI

## Projected Capped TPI Results YE 2021



Projected Ultimate Capped TPI Results for Private Car Comprehensive

Accident Period	Earned Exposure  (millions of vehicle years)	Ultimate Capped TPI Claim Frequency  (Non-nil claims per million vehicle years)	Ultimate Capped TPI Claim Severity  (£)	Ultimate Capped TPI Burning Cost  (£)	Year-on-Year Change in Frequency  (% pa)	Year-on-Year Change in Severity  (% pa)	Year-on-Year Change in Burning Cost  (% pa)
2012	8.9	17,467	8,773	153.2	2.9%	2.9%	5.9%
2013	11.5	12,254	8,215	100.7	-29.8%	-6.4%	-34.3%
2014	12.1	12,057	8,129	98.0	-1.6%	-1.0%	-2.6%
2015	12.8	11,315	7,993	90.4	-6.2%	-1.7%	-7.7%
2016	15.8	10,363	8,240	85.4	-8.4%	3.1%	-5.6%
2017	18.2	9,374	8,166	76.5	-9.5%	-0.9%	-10.4%
2018	18.6	9,654	8,235	79.5	3.0%	0.9%	3.9%
2019	18.5	9,563	8,349	79.8	-0.9%	1.4%	0.4%
2020	18.3	6,379	8,869	56.6	-33.3%	6.2%	-29.1%
2021	18.2	5,516	9,153	50.5	-13.5%	3.2%	-10.7%
Average (2014 to 2021)					-10.6%	1.7%	-9.0%
Average (2016 to 2021)					-11.8%	2.1%	-10.0%
Average (2018 to 2021)					-17.0%	3.6%	-14.0%

Further £6 reduction in burning cost in 2021.

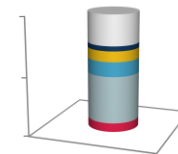
2021 frequency fell 13.5%.  
No CLA severity benefit seen in data to date.

Projections make no allowance for any other distortions in claim developments or experience such as more widespread COVID-19 impact, changes due to CLA or recent economic inflationary environment. Estimates of the impact of CLA will be highly dependant on the case reserve changes introduced by companies following the reforms.



# Industry Statistics - Capped TPI

## Projected Capped TPI Results YE 2021



Projected Ultimate Capped TPI Results for Private Car Comprehensive

Accident Period	Earned Exposure  (millions of vehicle years)	Ultimate Capped TPI Claim Frequency  (Non-nil claims per million vehicle years)	Ultimate Capped TPI Claim Severity  (£)	Ultimate Capped TPI Burning Cost  (£)	Year-on-Year Change in Frequency  (% pa)	Year-on-Year Change in Severity  (% pa)	Year-on-Year Change in Burning Cost  (% pa)
2019 Q1	4.6	9,591	8,187	78.5	-0.3%	3.3%	2.9%
2019 Q2	4.6	9,129	8,299	75.8	2.6%	2.5%	5.1%
2019 Q3	4.7	9,163	8,577	78.6	2.6%	1.3%	3.9%
2019 Q4	4.6	10,375	8,339	86.5	3.4%	2.1%	5.5%
2020 Q1	4.5	8,501	8,146	69.2	-11.4%	-0.5%	-11.8%
2020 Q2	4.5	3,410	9,398	32.0	-62.7%	13.2%	-57.7%
2020 Q3	4.6	6,639	9,501	63.1	-27.6%	10.8%	-19.7%
2020 Q4	4.6	6,924	8,885	61.5	-33.3%	6.5%	-28.9%
2021 Q1	4.6	4,821	8,657	41.7	-43.3%	6.3%	-39.7%
2021 Q2	4.6	6,187	9,130	56.5	81.5%	-2.9%	76.3%
2021 Q3	4.6	5,391	9,574	51.6	-18.8%	0.8%	-18.2%
2021 Q4	4.4	5,665	9,200	52.1	-18.2%	3.5%	-15.3%

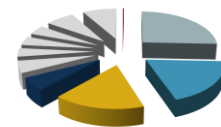
Large reduction in frequency post CLA. TPI to TPPD ratio has reduced 24%.

No CLA severity benefit seen in data to date.

Burning cost in 2021 H2 is around £31 less than in 2019 H2. Adjusting for reductions in TPPD frequency over this time suggests a CLA benefit of £12 per policy.

# Industry Statistics - Capped TPI

## Projected Capped TPI Results YE 2021



TPI Band	Change in Freq vs 2019
£0 - 1k	-29%
£1k - 5k	-45%
£5k - 10k	-50%
£10k - 20k	-53%
£20k - 50k	-45%
£50k to £100k	-17%

- Question: where are the reductions in TPI claims frequency coming from?
- The table shows the change in frequency for 2021 H2 accident periods vs 2019 H2 accident periods.
- Bands £1k to £5k, £5k to £10k, £10k to £20k and £20k to £50k are all seeing similar reductions in frequency.
- Bands £0 to £1k and £50k to £100k are seeing less of a reduction.
- Its somewhat surprising that the frequency above £10k appears to have been impacted by the reforms. This may be a timing issue with case reserves not reflecting the full impact of the reforms and the significant slowdown in settlement rate meaning payments are low so far.





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# Industry Statistics – Excess TPI

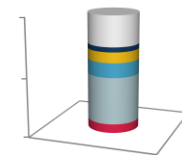
## Projected Excess TPI Results - Methodology

- We have maintained the same band definitions as previously for Excess TPI. The bands are defined as below in 2010 accident year years and indexed at 7% p.a.
  - £100 to £250k (*£526k in 2021 accident year*)
  - £250k to £500k (*£1.1k in 2021 accident year*)
  - £500k to £1m (*£2.1m in 2021 accident year*)
  - £1m to £2m (*£4.2m in 2021 accident year*)
  - £2m to £5m (*£10.5m in 2021 accident year*)
  - >£5m
- Projections undertaken by layer with companies grouped into three levels of case reserving strength.
- Open claims data at an Ogden -0.25% basis and hence results presented assuming future claim settlements are at Ogden -0.25%.
- In general, the development profile is based on data for the last few calendar years with calendar periods impacted by the Ogden rate change removed as well as some accident periods particularly impacted by COVID-19.
- For the > £5m layer there is a significant distortion from the change in Ogden rate and so chain-ladder models are no longer appropriate.
- Therefore the total TPI Excess has been projected in total by group.
- The >£5m layer is then calculated as the difference between the total and the sum of the other layers.
- Approach is mechanical with judgement generally limited.



# Industry Statistics – Excess TPI

## Projected Excess TPI Results YE 2021



Projected Ultimate Excess TPI Results for Private Car Comprehensive

Accident Period	Earned Exposure  (millions of vehicle years)	Ultimate Excess TPI Claim Frequency  (Non-nil claims per million vehicle years)	Ultimate Excess TPI Claim Severity  (£)	Ultimate Excess TPI Burning Cost  (£)	Year-on-Year Change in Frequency  (% pa)	Year-on-Year Change in Severity  (% pa)	Year-on-Year Change in Burning Cost  (% pa)
2012	8.9	94	529,939	49.9	-1.0%	14.5%	13.4%
2013	11.5	69	594,244	41.2	-26.3%	12.1%	-17.4%
2014	12.1	66	737,064	48.8	-4.6%	24.0%	18.4%
2015	12.8	59	725,740	42.9	-10.7%	-1.5%	-12.1%
2016	15.8	61	866,762	52.7	3.0%	19.4%	23.0%
2017	18.2	52	906,080	47.1	-14.6%	4.5%	-10.7%
2018	18.6	53	840,743	44.9	2.7%	-7.2%	-4.7%
2019	18.5	51	916,281	46.5	-4.8%	9.0%	3.8%
2020	18.3	41	1,071,102	43.8	-19.5%	16.9%	-5.9%
2021	18.2	42	1,070,672	45.4	3.6%	0.0%	3.6%
Average (2014 to 2021)					-6.2%	5.5%	1.0%
Average (2016 to 2021)					-7.0%	4.3%	-3.0%
Average (2018 to 2021)					-7.4%	8.4%	0.4%

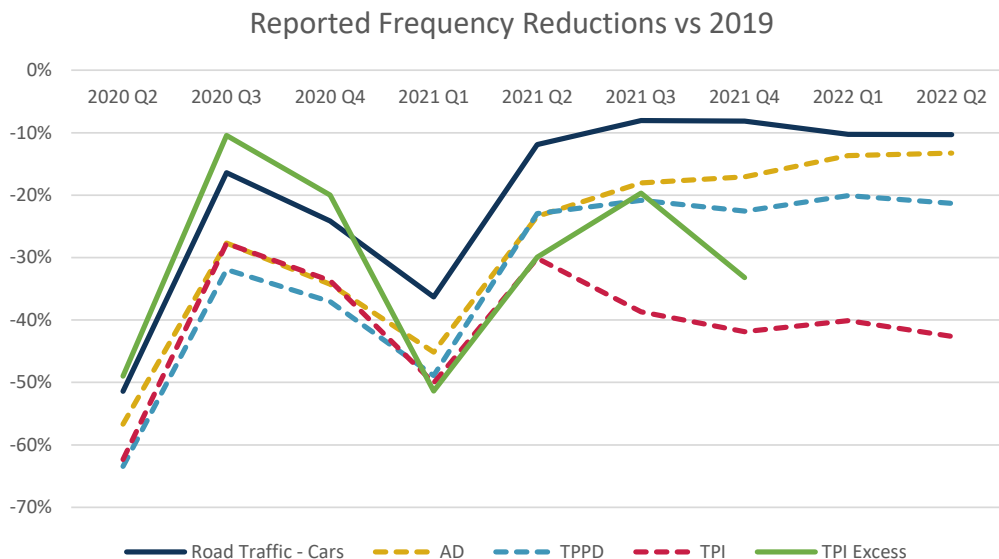
Frequency in 2021 slightly higher than in 2020 but considerably below 2017 to 2019 levels

Year-on-year severity is volatile but the averages are in the range 5% to 8% p.a. Some of this will be due to the change in Ogden rate.

Projections make no allowance for any other distortions in claim developments or experience such as more widespread COVID-19 impact or recent economic inflationary environment.



# Industry Statistics - Excess TPI Frequency YE 2021



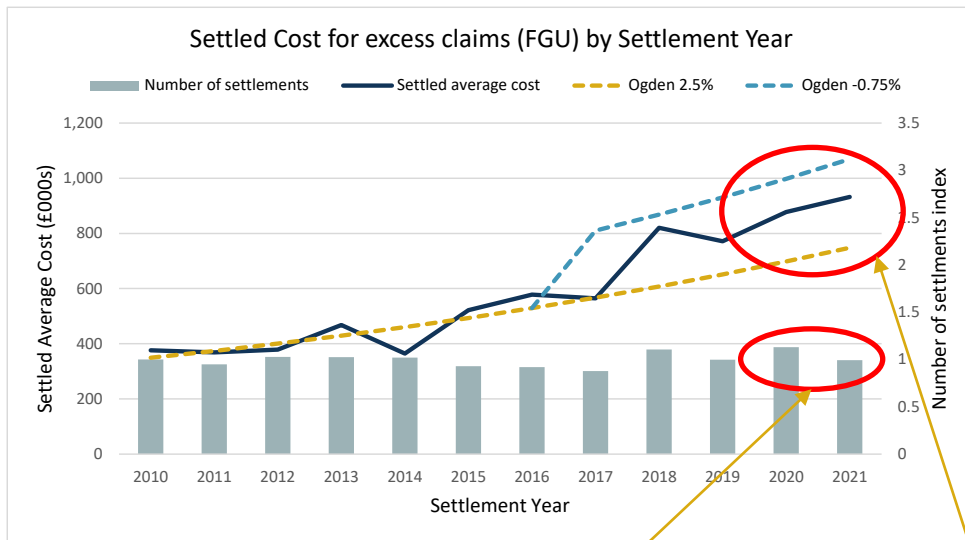
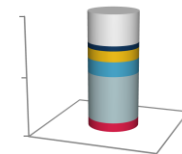
Accident Quarter	Change in Car Traffic	Change in TPI Frequency
2020 Q2	-51.4%	-49.0%
2020 Q3	-16.4%	-10.4%
2020 Q4	-24.2%	-20.0%
2021 Q1	-36.3%	-51.4%
2021 Q2	-11.9%	-29.9%
2021 Q3	-8.1%	-19.7%
2021 Q4	-8.2%	-33.2%

- In 2020, the reductions in reported TPI Excess frequency were significantly less than for TPI possibly due to the increased level of cycling in this period.
- In 2021, reductions in TPI Excess frequency are more consistent with reductions in TPPD.



# Industry Statistics – Excess TPI

## Ogden – Settled average cost YE 2021



- The graph shows the settled average cost of all excess claims by settlement year. Claims are defined as settled when paid is greater than 80% of incurred
- The dotted gold line shows a trend line fitted to the data from 2010 to 2016 and projected forward as an estimate of the expected Ogden 2.5% severity in 2017, 2018 and 2019. The fitted inflation rate is 7.5%.
- The blue dotted line is the gold line uplifted by 43%, the estimated impact from Ogden 2.5% to Ogden - 0.75% from last year's study.
- The grey bars are the number of settlements in the data indexed to 2010.

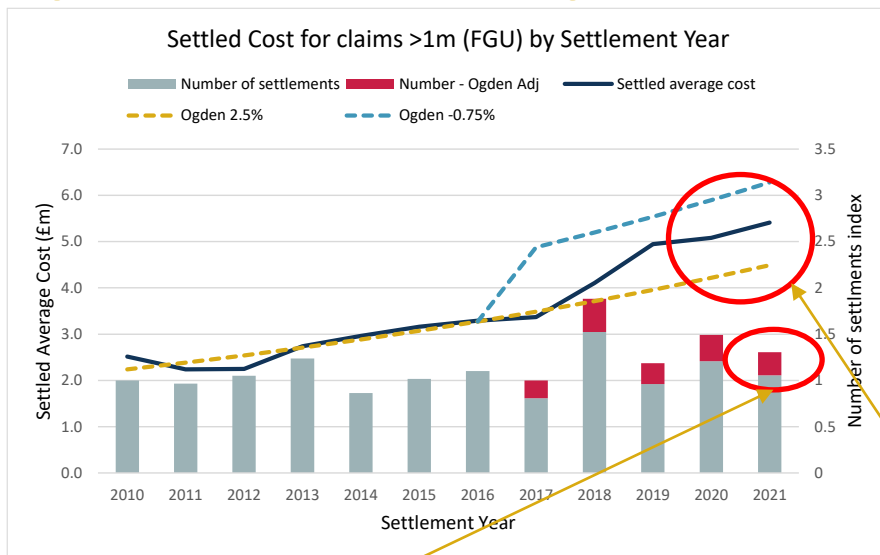
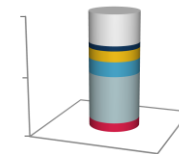
Number of settlements in 2021 lower than in 2020 and more in line with both 2019 and the average from 2010 to 2015.

Actual settled severity in 2021 was 6.2% higher than in 2020 and is approximately halfway between the hypothetical 2.5% and -0.75% values.



# Industry Statistics – Excess TPI

## Ogden – Settled average cost YE 2021



- The graph shows the settled average cost of claims greater than £1m by settlement year.
- The estimated Ogden uplift to severity is 40% (from last year's study). This allows for the fact that at Ogden -0.75% there are more claims above £1m than at Ogden 2.5%.
- The red bars are the proportion of additional claims due to the change in Ogden rate to -0.75%.

Level of settlements in 2021 lower than for 2020.

Actual settled severity in 2021 is 6.5% higher than in 2020. Claims in 2019 to 2021 settled for 21% more than the 2.5% estimate.





## 1. Market Environment

## 2. Industry Statistics

- AD
- TPPD
- Capped TPI
- Excess TPI

## 3. Conclusions

## 4. Appendix

Expertise  
Sponsorship  
Thought leadership  
Progress  
Community  
Sessional Meetings  
Education  
Working parties  
Volunteering  
Research  
Shaping the future  
Networking  
Professional support  
Enterprise and risk  
Learned society  
Opportunity  
International profile  
Journals  
Supporting

# Conclusions

Accident Year	Burning Cost (£)				
	AD	TPD	Capped TPI	Excess TPI*	Total AD + TP
2012	49	72	153	50	324
2013	50	69	101	41	261
2014	53	73	98	49	272
2015	58	76	90	43	267
2016	61	81	85	53	280
2017	63	83	77	47	269
2018	70	92	80	45	287
2019	70	95	80	47	292
2020	55	68	57	44	223
2021	66	77	50	45	239

\*Note – Excess TPI burning cost assumes future claims settle at Ogden -0.25%.

- Damage frequencies in 2021 around 6% higher than 2020 but considerably lower than 2019, continuing to benefit from COVID-19 related reductions in driving.
- AD severity inflation 13% to 15% in 2021 Q3 to 2022 Q2. TPPD severity inflation 11% to 14% in 2021 Q3 to 2022 Q2.
- TPI to TPPD ratio fell by 25% following introduction of the CLA. No clear impact on TPI Capped incurred severity at this point in time.
- CLA benefit of around £12 per policy (although this is heavily reliant on companies' approach to case reserving whiplash claims).
- TPI Excess frequency in 2021 a small increase from 2020.
- The burning cost in 2021 is estimated to increase by 7% or £16 per policy.

**Projections based on data as at 31 December 2021 and make no allowance for any distortions in claim developments or experience due to COVID-19, CLA or recent economic inflationary environment other than that already within the claims data.**



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# Conclusions

- New normal?
  - Overall levels of miles driven have been relatively stable for around a year at around 10% below pre-pandemic levels. However, reductions in claim frequency are considerably below this suggesting other changes in behaviour are also reducing the number of accidents.
  - Some other changes observed during the pandemic appear to have persisted:
    - Changes in when accidents are occurring, with fewer occurring in the 8am to 9am rush hour and an increase between 3pm and 4pm on weekdays;
    - Increased cyclist mileage although not to the extent seen in 2020;
    - Increasing age of car park as new registrations have reduced; and
    - Reduction in proportion of young people holding licences.
- Claims inflation
  - Damage inflation increased from 2021 Q3 onwards with a high correlation between AD and TPPD severity inflation with both RPI and Secondhand Car Prices.
  - Inflation impacting claim development trends on TPPD.





# Contact Details

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## 1. Market Environment

## 2. Industry Statistics

- AD
- TPPD
- Capped TPI
- Excess TPI

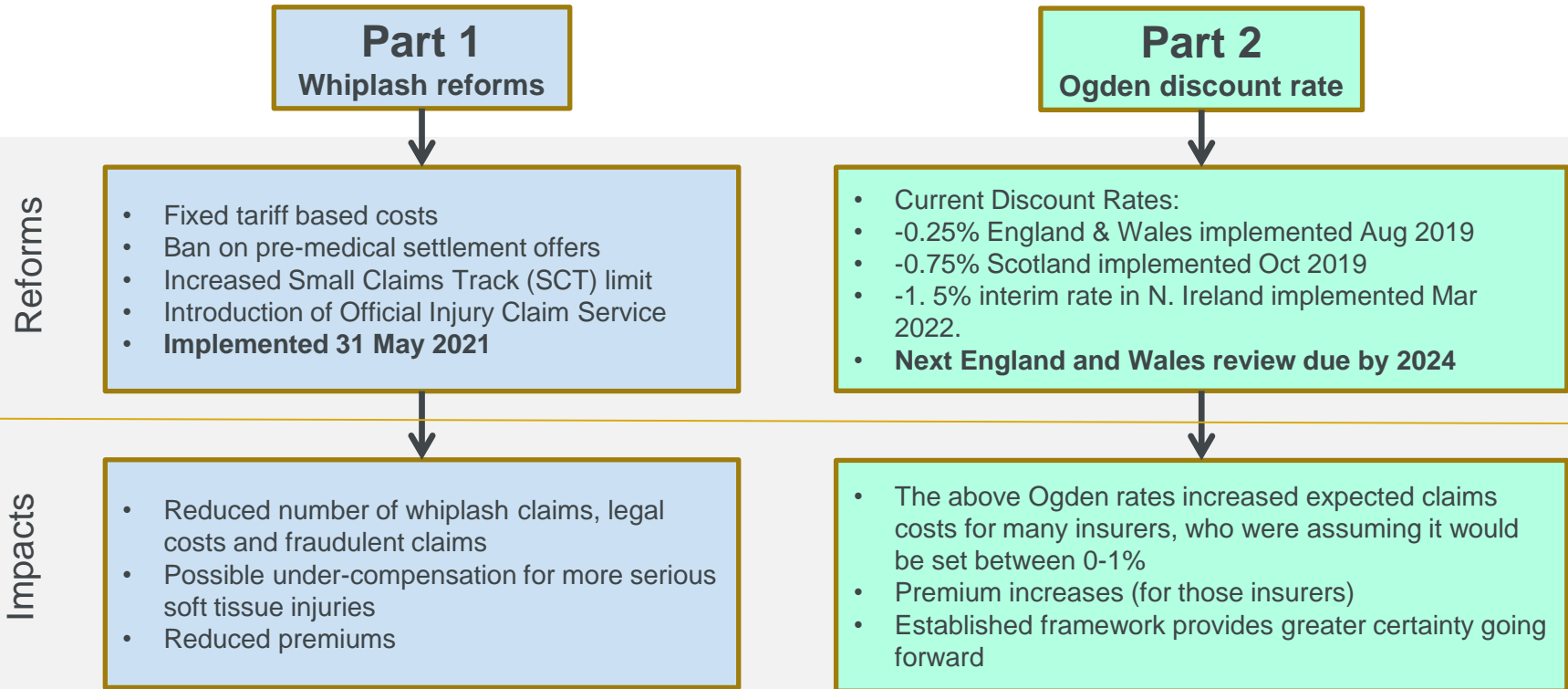
## 3. Conclusions

## 4. Appendix

Expertise  
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# Appendix

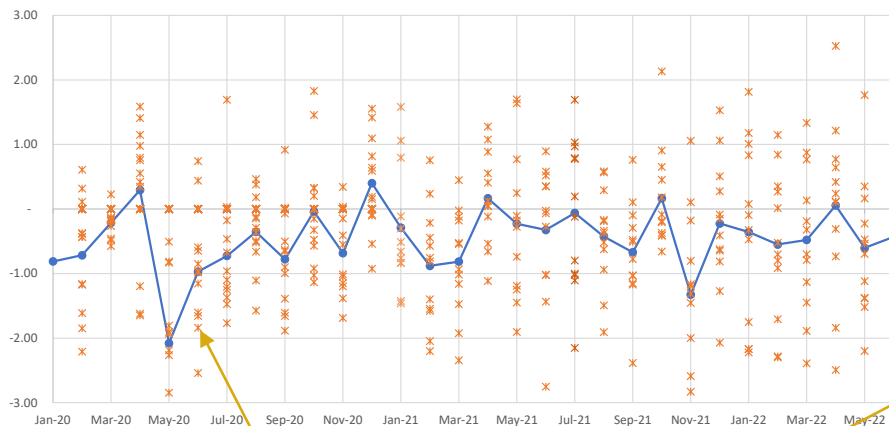
## Whiplash Reforms and Ogden Discount Rate



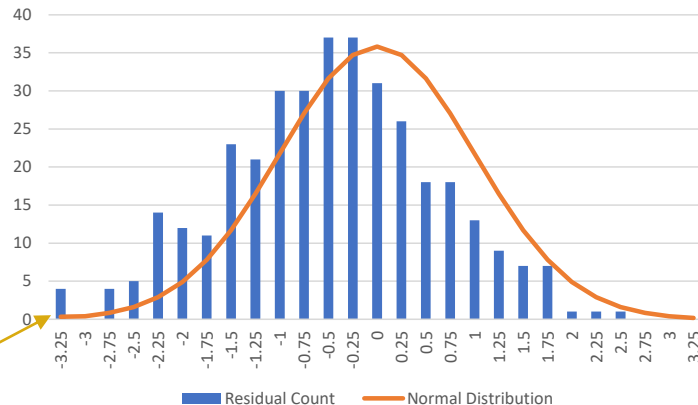
# Appendix – TPI Capped Incurred development

- We have investigated reporting delays by considering link ratio residuals during calendar periods 2020 to 2022 Q2 vs the 2019 calendar year development pattern.

TPI - Incurred Claims Residuals



Residuals Distribution - Total



Generally slower development post 2019 than pre 2019.

Negative skew on residual distribution.

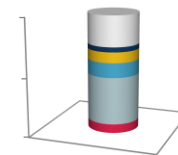
This could be due to change in development or COVID-19 distortions.



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# Appendix – TPI Capped

## Type 1 KPIs YE 2021



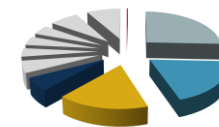
Private Car Comprehensive TPI Capped Results in Layer (all layers given in 2010 money, indexed at 1% pa)

Accident Year	£0 - 1k	£1k - 5k	£5k - 10k	£10k - 20k	£20k - 50k	£50k - £100k	<100k
<b>Frequency exc Nils (in layer and above) (claims per million vehicle years)</b>							
2012	17,467	15,280	8,911	4,229	1,418	273	17,467
2013	12,254	10,870	5,745	2,563	809	179	12,254
2014	12,057	10,727	5,584	2,426	709	175	12,057
2015	11,315	10,082	5,097	2,108	605	160	11,315
2016	10,363	9,203	4,648	1,890	549	164	10,363
2017	9,374	8,244	4,018	1,622	480	145	9,374
2018	9,654	8,397	4,040	1,629	497	155	9,654
2019	9,563	8,239	3,894	1,606	504	160	9,563
2020	6,379	5,456	2,637	1,112	356	121	6,379
2021	5,516	4,608	2,148	898	325	127	5,516
<b>Average Cost (£)</b>							
2012	942	3,379	3,547	5,958	13,098	35,674	8,773
2013	959	3,238	3,490	5,868	13,648	42,247	8,215
2014	969	3,243	3,477	5,700	14,194	47,078	8,129
2015	980	3,246	3,438	5,695	14,834	50,778	7,993
2016	986	3,307	3,454	5,741	15,946	55,322	8,240
2017	985	3,324	3,480	5,832	16,078	60,130	8,166
2018	980	3,350	3,511	5,971	16,442	63,601	8,235
2019	985	3,344	3,575	6,113	16,826	66,493	8,349
2020	989	3,373	3,646	6,226	17,600	74,617	8,869
2021	989	3,330	3,600	6,446	18,652	79,645	9,153
<b>Burning Cost (£)</b>							
2012	16.5	51.6	31.6	25.2	18.6	9.8	153.2
2013	11.8	35.2	20.0	15.0	11.0	7.6	100.7
2014	11.7	34.8	19.4	13.8	10.1	8.2	98.0
2015	11.1	32.7	17.5	12.0	9.0	8.1	90.4
2016	10.2	30.4	16.1	10.9	8.7	9.1	85.4
2017	9.2	27.4	14.0	9.5	7.7	8.7	76.5
2018	9.5	28.1	14.2	9.7	8.2	9.8	79.5
2019	9.4	27.5	13.9	9.8	8.5	10.7	79.8
2020	6.3	18.4	9.6	6.9	6.3	9.1	56.6
2021	5.5	15.3	7.7	5.8	6.1	10.1	50.5



# Appendix – TPI Capped

## Type 2 KPIs YE 2021



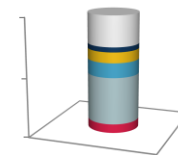
Private Car Comprehensive Capped TPI Type 2 Layered Results (all layers given in 2010 money, indexed at 1% pa)

Accident Year	£0 - 1k	£1k - 5k	£5k - 10k	£10k - 20k	£20k - 50k	£50k to £100k	< 100k
<b>Frequency exc Nils</b> (claims per million policy years)							
2012	2,186	6,369	4,682	2,811	1,145	179	17,373
2013	1,384	5,125	3,182	1,755	629	110	12,184
2014	1,329	5,143	3,158	1,717	534	109	11,991
2015	1,233	4,985	2,989	1,503	445	101	11,256
2016	1,160	4,555	2,758	1,341	385	103	10,302
2017	1,130	4,226	2,397	1,141	335	93	9,322
2018	1,257	4,357	2,411	1,132	342	101	9,601
2019	1,324	4,345	2,288	1,102	344	109	9,513
2020	923	2,819	1,524	757	234	81	6,338
2021	908	2,460	1,250	572	198	84	5,474
<b>Average Cost (£)</b>							
2012	397	3,419	7,244	14,019	29,319	78,634	8,268
2013	398	3,279	7,302	14,127	29,332	87,926	7,675
2014	395	3,286	7,353	14,163	29,436	96,093	7,600
2015	400	3,318	7,411	14,266	29,858	102,291	7,484
2016	388	3,411	7,491	14,363	30,395	109,722	7,662
2017	351	3,479	7,568	14,496	30,540	117,366	7,613
2018	291	3,522	7,640	14,668	30,850	122,726	7,679
2019	308	3,514	7,715	14,845	31,243	126,655	7,810
2020	305	3,500	7,799	15,007	31,638	139,698	8,213
2021	348	3,456	7,758	14,926	31,491	147,404	8,360
<b>Burning Cost (£)</b>							
2012	0.9	21.8	33.9	39.4	33.6	14.1	143.6
2013	0.6	16.8	23.2	24.8	18.5	9.7	93.5
2014	0.5	16.9	23.2	24.3	15.7	10.4	91.1
2015	0.5	16.5	22.1	21.4	13.3	10.3	84.2
2016	0.4	15.5	20.7	19.3	11.7	11.3	78.9
2017	0.4	14.7	18.1	16.5	10.2	11.0	71.0
2018	0.4	15.3	18.4	16.6	10.6	12.4	73.7
2019	0.4	15.3	17.6	16.4	10.7	13.9	74.3
2020	0.3	9.9	11.9	11.4	7.4	11.2	52.1
2021	0.3	8.5	9.7	8.5	6.2	12.5	45.8



# Appendix – TPI Excess

## Type 1 KPIs YE 2021



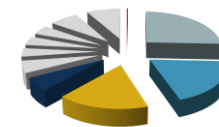
Private Car Comprehensive TPI Capped Results in Layer (all layers given in 2010 money, indexed at 7% pa)

Accident Year	£100k - 250k	£250k - 500k	£500k - 1m	£1m - 2m	£2m to 5m	> £5m	>100k
<b>Frequency exc Nil's (in layer and above) (claims per million vehicle years)</b>							
2012	94.1	36.4	19.1	10.5	5.2	1.8	94.1
2013	69.3	25.7	13.3	7.1	3.6	1.6	69.3
2014	66.1	26.9	14.7	8.6	4.6	1.7	66.1
2015	59.1	24.2	12.2	6.6	3.8	1.3	59.1
2016	60.8	26.4	14.0	8.0	4.6	1.6	60.8
2017	52.0	24.2	14.1	7.5	4.1	1.1	52.0
2018	53.4	23.1	12.1	6.1	3.4	1.1	53.4
2019	50.8	22.8	11.4	6.8	3.8	1.3	50.8
2020	40.9	18.0	10.5	6.2	3.6	1.2	40.9
2021	42.4	17.3	9.2	4.9	2.8	0.9	42.4
<b>Average Cost (£000s)</b>							
2012	103	197	404	781	2,042	3,624	530
2013	109	213	433	845	2,401	5,024	594
2014	124	237	489	925	2,510	4,574	737
2015	131	244	522	1,062	2,623	4,535	726
2016	144	260	553	1,130	2,697	5,025	867
2017	160	300	553	1,134	2,319	5,088	906
2018	163	309	596	1,225	2,526	5,443	841
2019	173	310	687	1,297	2,535	3,350	916
2020	181	361	733	1,446	3,028	2,061	1,071
2021	189	369	754	1,479	3,458	7,324	1,071
<b>Burning Cost (£)</b>							
2012	9.7	7.2	7.7	8.2	10.6	6.5	49.9
2013	7.6	5.5	5.8	6.0	8.6	7.9	41.2
2014	8.2	6.4	7.2	8.0	11.4	7.6	48.8
2015	7.7	5.9	6.4	7.0	9.9	6.0	42.9
2016	8.7	6.8	7.8	9.0	12.4	8.0	52.7
2017	8.3	7.3	7.8	8.5	9.5	5.7	47.1
2018	8.7	7.1	7.2	7.5	8.6	5.8	44.9
2019	8.8	7.0	7.8	8.8	9.7	4.4	46.5
2020	7.4	6.5	7.7	8.9	10.8	2.5	43.8
2021	8.0	6.4	7.0	7.3	9.8	6.9	45.4



# Appendix – TPI Excess

## Type 2 KPIs YE 2021



Private Car Comprehensive Excess TPI Type 2 Layered Results (all layers given in 2010 money, indexed at 7% pa)

Accident Year	£100k - 250k	£250k - 500k	£500k - 1m	£1m - 2m	£2m to 5m	> £5m
<b>Frequency exc Nils (finishing in layer) (claims per million policy years)</b>						
2012	57.7	17.4	8.6	5.3	3.4	1.8
2013	43.6	12.4	6.3	3.5	2.0	1.6
2014	39.2	12.3	6.0	4.1	2.9	1.7
2015	34.9	12.0	5.7	2.8	2.4	1.3
2016	34.5	12.3	6.1	3.4	3.0	1.6
2017	27.8	10.1	6.6	3.4	3.0	1.1
2018	30.3	11.0	5.9	2.7	2.3	1.1
2019	28.0	11.4	4.6	3.0	2.5	1.3
2020	22.9	7.6	4.3	2.6	2.4	1.2
2021	25.1	8.1	4.3	2.1	1.9	0.9
<b>Average Cost (£000s)</b>						
2012	174	385	770	1,570	3,589	9,348
2013	188	418	843	1,681	3,853	11,149
2014	206	456	909	1,804	4,319	11,128
2015	216	485	1,017	2,004	4,566	11,548
2016	231	503	1,044	2,124	4,752	12,529
2017	250	559	1,075	2,161	4,599	13,117
2018	262	607	1,185	2,331	4,752	14,034
2019	274	619	1,260	2,447	4,642	12,542
2020	288	671	1,358	2,703	5,515	11,897
2021	312	716	1,467	2,734	6,228	17,848
<b>Burning Cost (£)</b>						
2012	10.0	6.7	6.6	8.3	12.1	16.9
2013	8.2	5.2	5.3	5.9	7.7	17.5
2014	8.1	5.6	5.5	7.3	12.5	18.4
2015	7.5	5.8	5.8	5.6	11.1	15.3
2016	8.0	6.2	6.4	7.1	14.4	19.8
2017	6.9	5.6	7.1	7.2	13.8	14.7
2018	7.9	6.7	7.0	6.4	11.0	15.0
2019	7.7	7.1	5.8	7.3	11.6	16.5
2020	6.6	5.1	5.9	7.1	13.1	14.2
2021	7.8	5.8	6.3	5.7	11.7	16.9

