



Institute  
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# IFoA GIRO Conference

Welcome to UK Asbestos working party update 2025

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# GIRO 2025: UK Asbestos Working Party Update

## A. Background

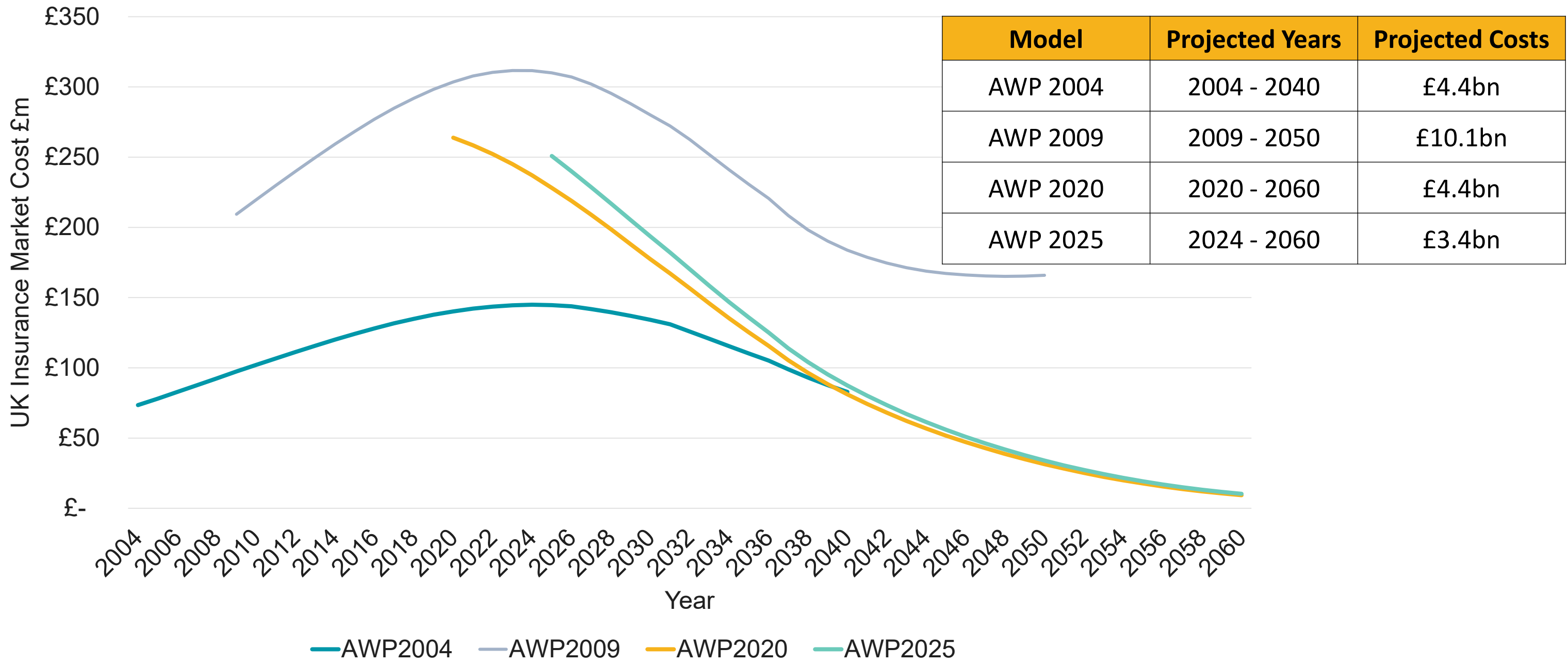
## B. AWP 2025 update

- 1) Mesothelioma Deaths Update
- 2) Claims Update – Claims notifications
- 3) ONS Population Projections
- 4) Claims Update – ACPC
  
- 5) Inflation
- 6) Judicial College Guidelines
- 7) Personal Injury Discount Rate
  
- 8) Updated AWP projections
- 9) Updated Industry Estimate

## C. Now, Next and Beyond

# Background

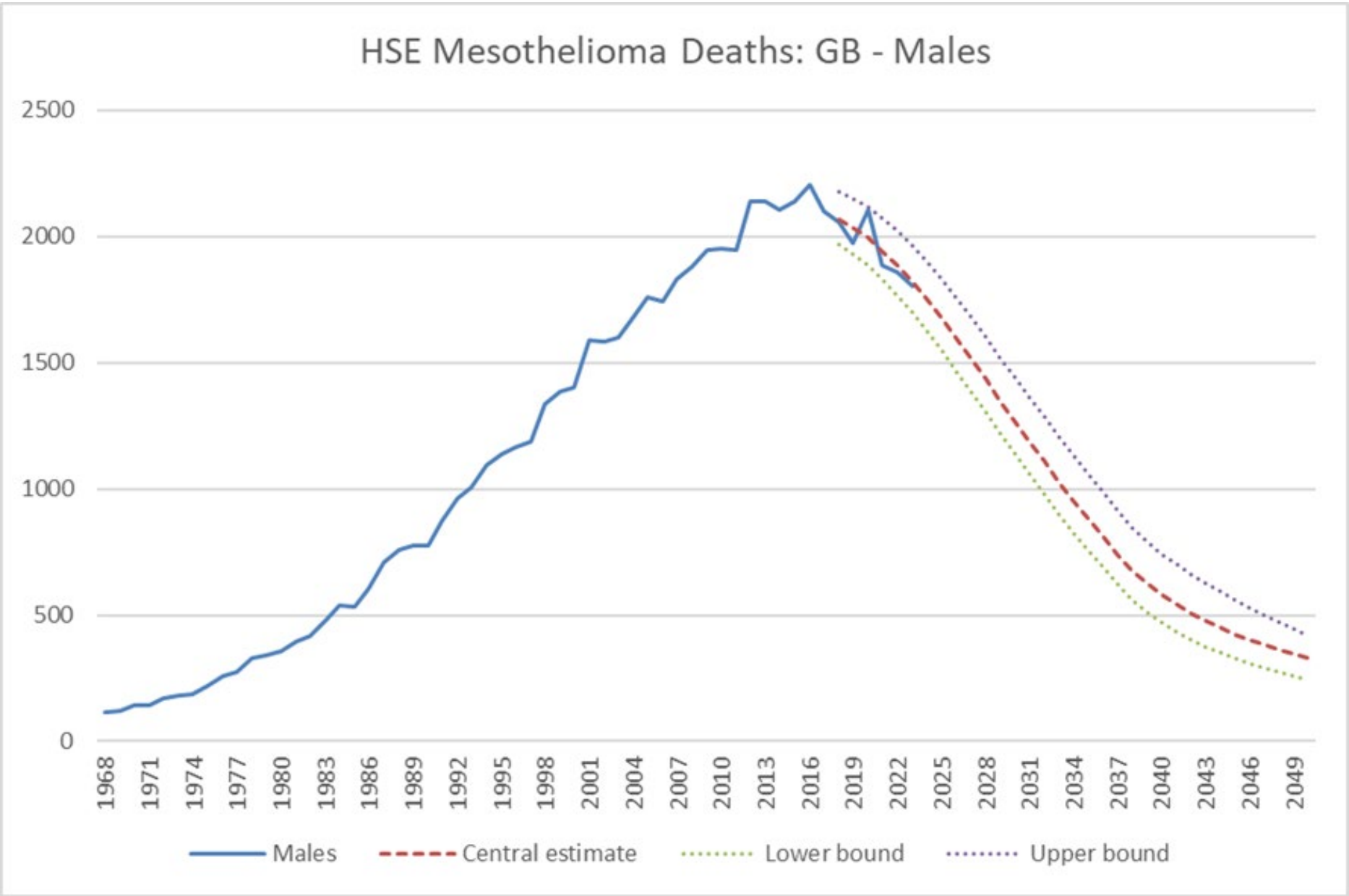
UK Asbestos working party: UK Mesothelioma Cost projections £m



# AWP2025 Update: Mesothelioma Deaths Update

In July 2025 the Health and Safety Executive (“HSE”) released an update of their Mesothelioma statistics for Great Britain

<https://www.hse.gov.uk/statistics/assets/docs/mesothelioma.pdf>

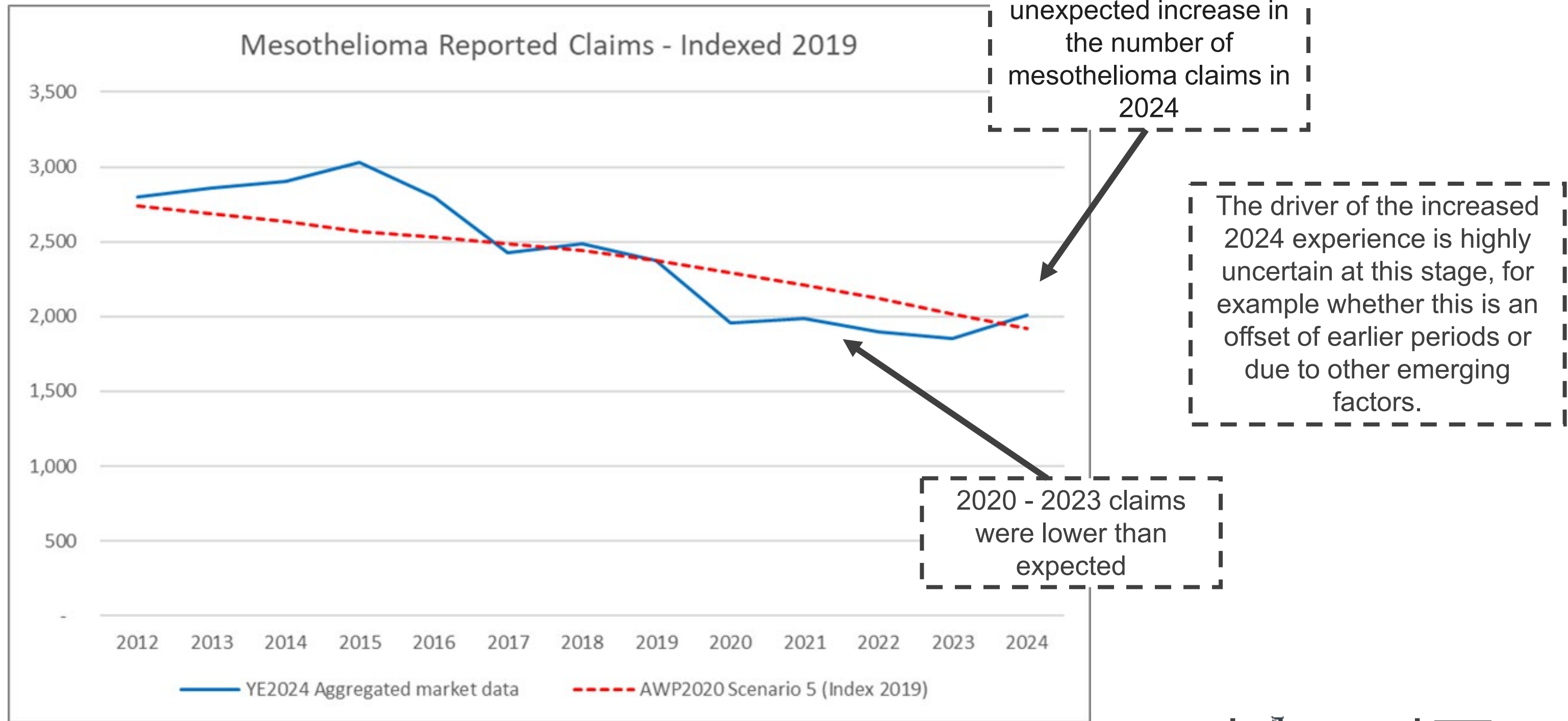


1. Revised the provisional estimate of male deaths attributable to mesothelioma during 2022 **upwards by 18** to 1,856. It also gives a provisional estimate for 2023 male deaths of 1,802.
2. The 2023 provisional estimate for male mesothelioma deaths in 2023 of 1,802 is **close to the earlier HSE predicted central estimate** of 1,822.
3. The HSE report says the male 2023 deaths are **consistent with earlier projections** that annual deaths in males would reduce during the 2020s. It is also the view of the AWP that the wider projections are not invalidated by these estimates.



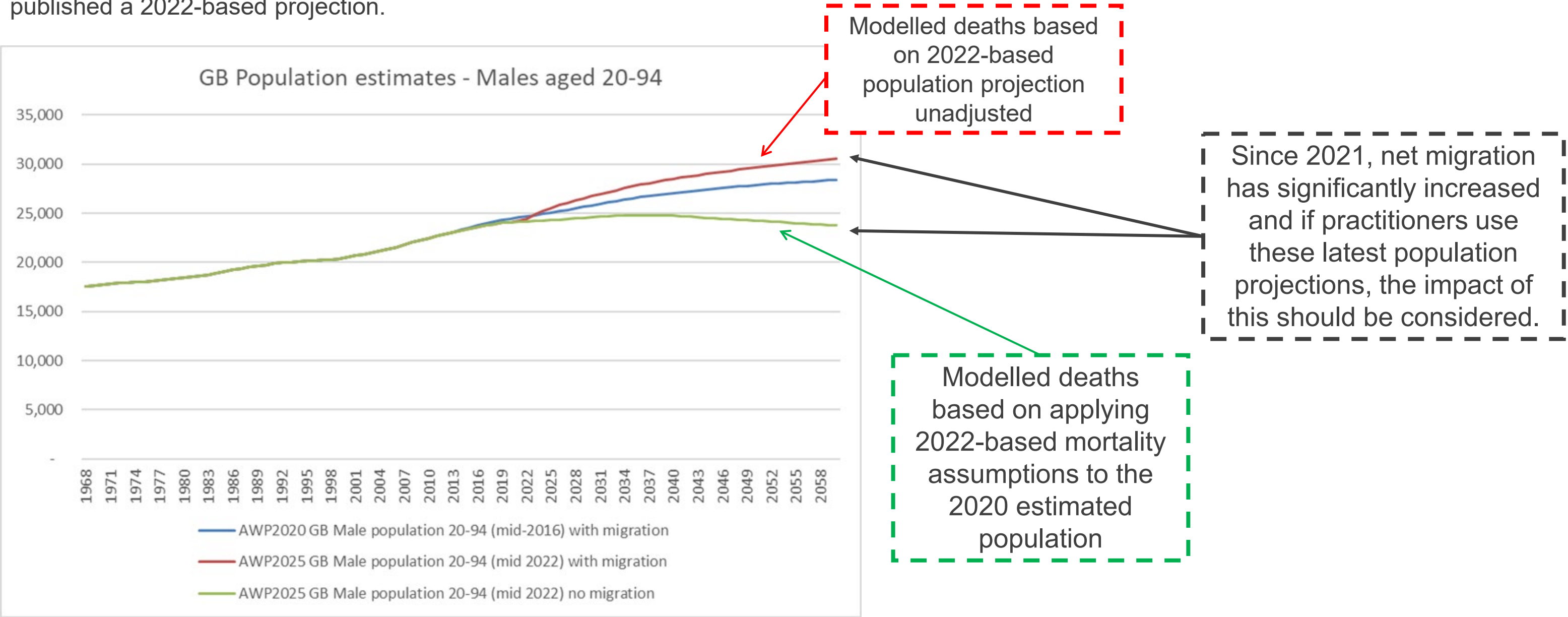
# AWP2025 Update: Claims Update – Claim notifications

The AWP continue to collect and summarise aggregated market data.



# AWP2025 Update: ONS Population projections

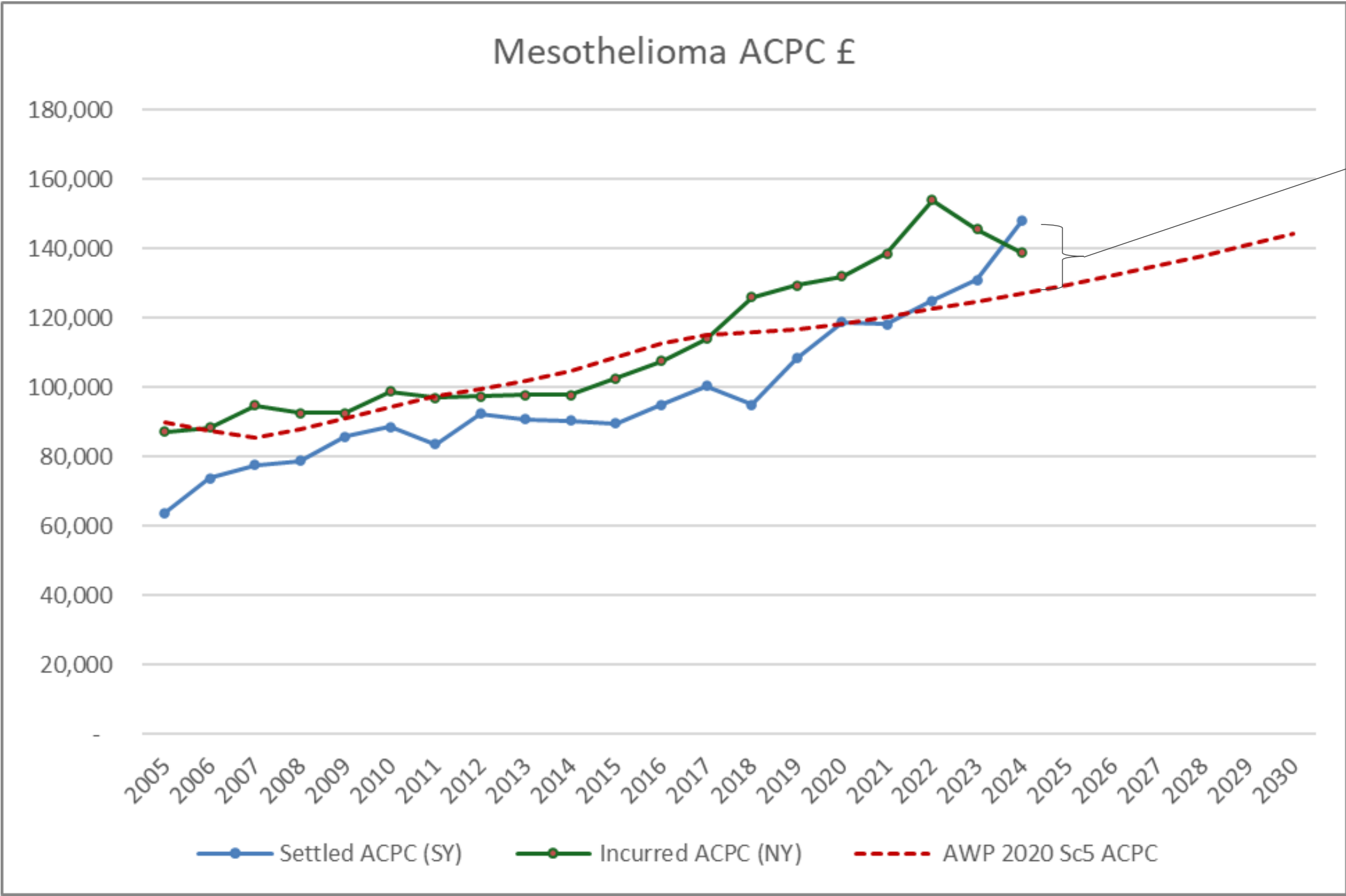
The AWP 2020 Paper was based on the 2016-based population projections. In January 2025 the Office for National Statistics (“ONS”) published a 2022-based projection.



The 2022-based projections reflect recent experience in UK mortality, with lower improvements in life expectancy observed than forecast and an allowance for the impact of the coronavirus pandemic. In general, higher mortality (as observed) will result in a decrease in the predicted number of future claims on UK EL policies.

# AWP2025 Update: Claims Update - ACPC

The AWP continue to collect and summarise aggregated market data.



There has been an increase in the mesothelioma ACPC

# AWP2025 Update: Inflation and Judicial College Guidelines

Inflation index	AWP 2020 Projections	AWP 2025 Update
CPI	2.0%	3.0%
RPI	2.5%	3.0%
Wage	3.0%	3.0%
Court	2.9%	3.0%

Judicial College Guidelines	Date Published	Increase since prior edition
16 <sup>th</sup> Edition	11 <sup>th</sup> April 2022	
17 <sup>th</sup> Edition	15 <sup>th</sup> April 2024	22% for all asbestos related diseases

Since the publication of the AWP 2020 Paper, the UK has experienced a period of **elevated inflation** (2022–2024).

Care should be taken when selecting the **averaging period**. Although inflation has somewhat stabilised in 2025, it **remains above** the levels observed between 2015 and 2020.

These guidelines are commonly used as the **starting point** for negotiating levels of payment for general damages.

Increase is **in line with movements in RPI** between September 2021 and August 2023.

The lower and upper ends of the mesothelioma bracket are currently £77,680 and £139,680.



# AWP2025 Update: Personal Injury Discount Rate (PIDR)

## Overview

- The PIDR impacts asbestos claims, though the effect is dampened given older claimant ages and shorter life expectancy.
- Future PIDR changes are outside the AWP's remit but updates are tracked for projection purposes.

Jurisdiction	Prior PIDR	Current PIDR	Effective date of current PIDR
England & Wales	-0.25%	+0.50%	11 <sup>th</sup> January 2025
Scotland	-0.75%	+0.50%	1 <sup>st</sup> July 2024
Northern Ireland	-1.50%	+0.50%	27 <sup>th</sup> September 2024

## AWP Modelling Assumptions

- Prior AWP 2020 assumed Ogden Tables updated every 4 years.
- The current edition is the 8th edition and was published in 2020. For the AWP 2025 projections we have assumed the Tables will be updated every five years and that the next update will be published in 2026.
- Assumed that it will be based on life expectancy implied by the ONS 2022-based projections.
- PIDR multipliers refreshed every five years to reflect expected mortality improvements.

# AWP2025 Update: Updated AWP projections

The AWP's projection of insurance industry costs relating to mesothelioma claims is made up of three main components:

1. Projected numbers of mesothelioma deaths

2. Propensity of those deaths to give rise to insurance claims

3. Average costs of those claims.

# AWP2025 Update: Mesothelioma deaths

Scenario (2025 - 2060)	GB Male Deaths	UK Insurance Claims	Undiscounted Cost (\$bn)
Prior	18,988	9,762	3.119
Scenario A	17,728	9,175	2.944
<b>Change</b>	<b>(6.6%)</b>	<b>(6.0%)</b>	<b>(5.6%)</b>
Scenario B	17,499	9,056	2.900
<b>Change</b>	<b>(7.8%)</b>	<b>(7.2%)</b>	<b>(7.0%)</b>

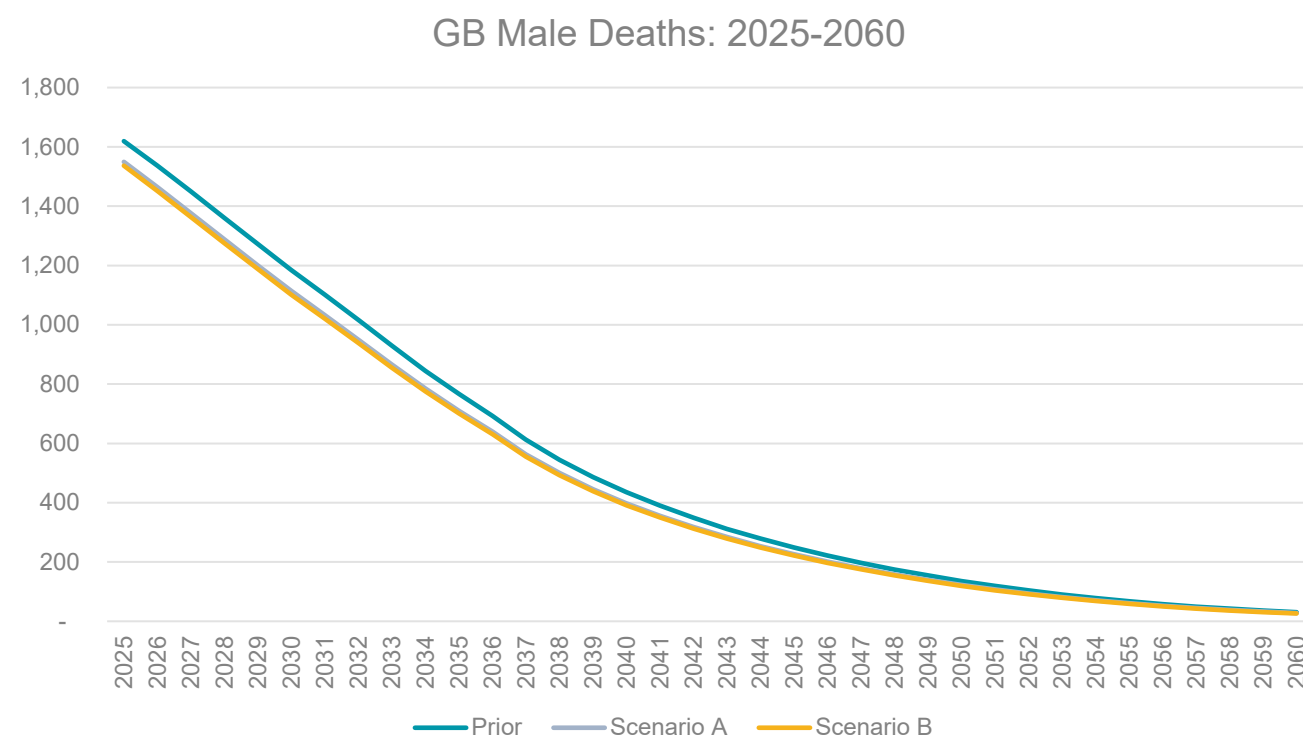
## Mesothelioma Deaths Scenarios:

- **Prior Scenario:** Modelled deaths from AWP 2020 Central Scenario 5
- **Scenario A:** Modelled deaths based on updated 2022 population projection.
- **Scenario B:** Modelled deaths based on applying 2022 based mortality assumptions to the 2020 estimated population (migration adjustment).

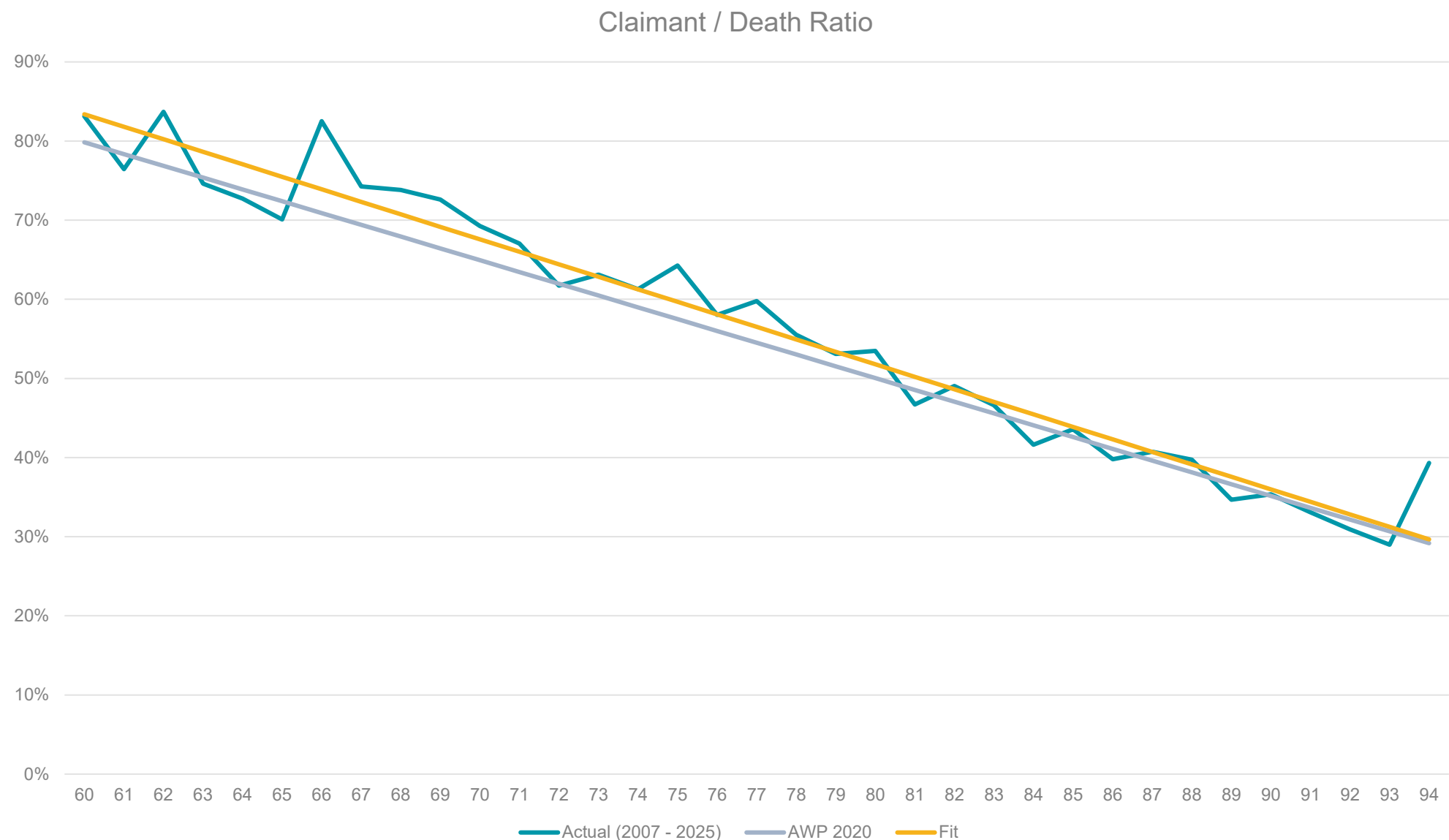
After updating for the 2022 ONS projections of future population we see a reduction in future modelled deaths.

The driver of this change in modelled deaths is the improvement in life expectancy over time is lower in the 2022 ONS projections.

The impact of adjusting for migration is relatively immaterial, as migration primarily impacts the younger age groups who are less likely to have mesothelioma claims.



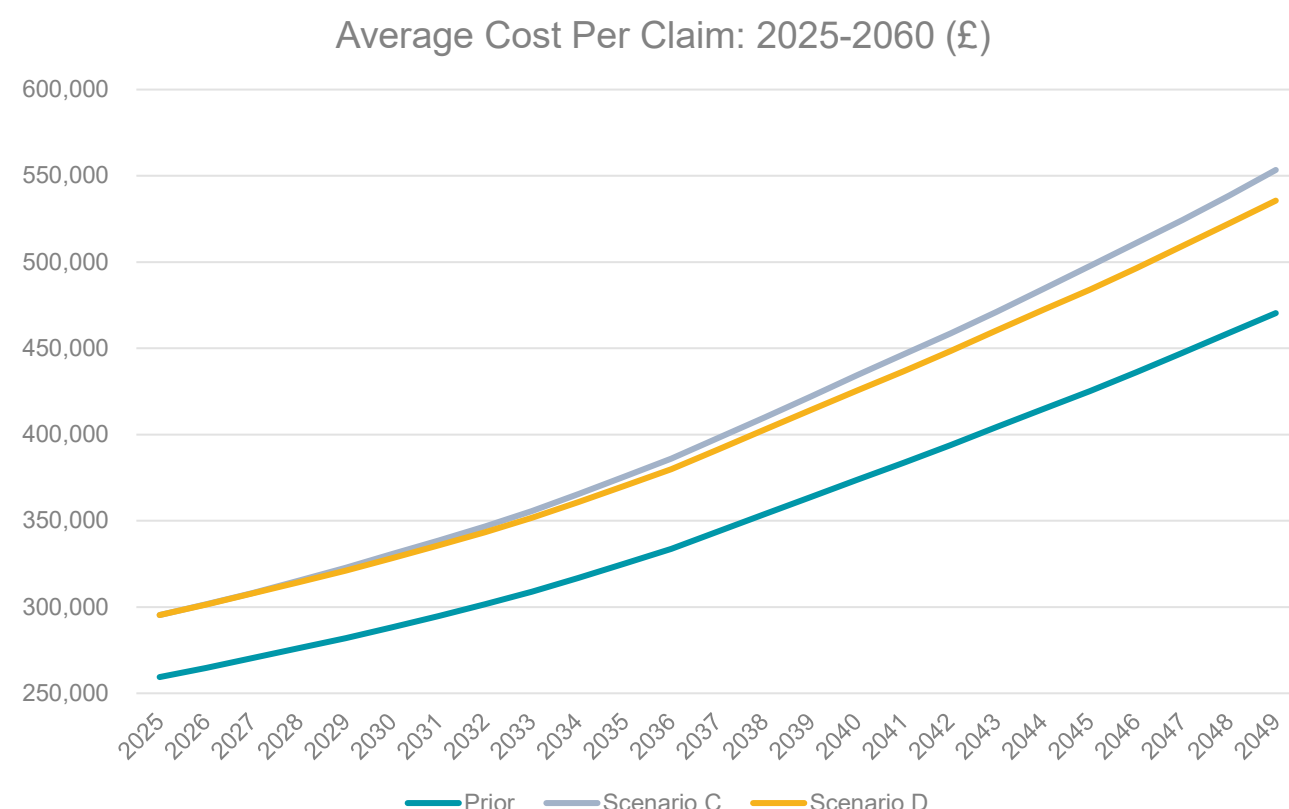
# AWP2025 Update: Propensity to claim



- Within the 2025 update we have held the assumption for the Propensity to Claim.
- The selected Propensity by age continues to be a reasonable fit against the actuals.
- In particular for the older ages, where we see the majority of claims, the observed Propensity is in line with the expected.

# AWP2025 Update: Average Cost per Claim (ACPC)

Scenario	ACPC (2025)	ACPC (2025 - 2060)	Undiscounted Cost (\$bn)
Prior	£259.4k	£319.5k	3.119
Scenario C	£295.4k	£368.6k	3.598
<b>Change</b>	<b>13.9%</b>	<b>15.3%</b>	<b>15.3%</b>
Scenario D	£295.4k	£363.8k	3.552
<b>Change</b>	<b>13.9%</b>	<b>13.9%</b>	<b>13.9%</b>



## Mesothelioma ACPC Scenarios:

- **Prior Scenario:** ACPC from AWP 2020 Central Scenario 5
- **Scenario C:** Revised ACPC for 2025 and increase in future inflation assumptions.
- **Scenario D:** Revised ACPC for 2025 with prior future inflation assumptions.

Revised ACPC for 2025 includes adjustments to allow for the following changes:

- The actual inflation rates observed since 2020
- The update to the Personal Injury Discount Rate in January 2025
- The impact on the Personal Injury Discount Rate multipliers of the revised life expectancies implied by the ONS 2022-based projections.

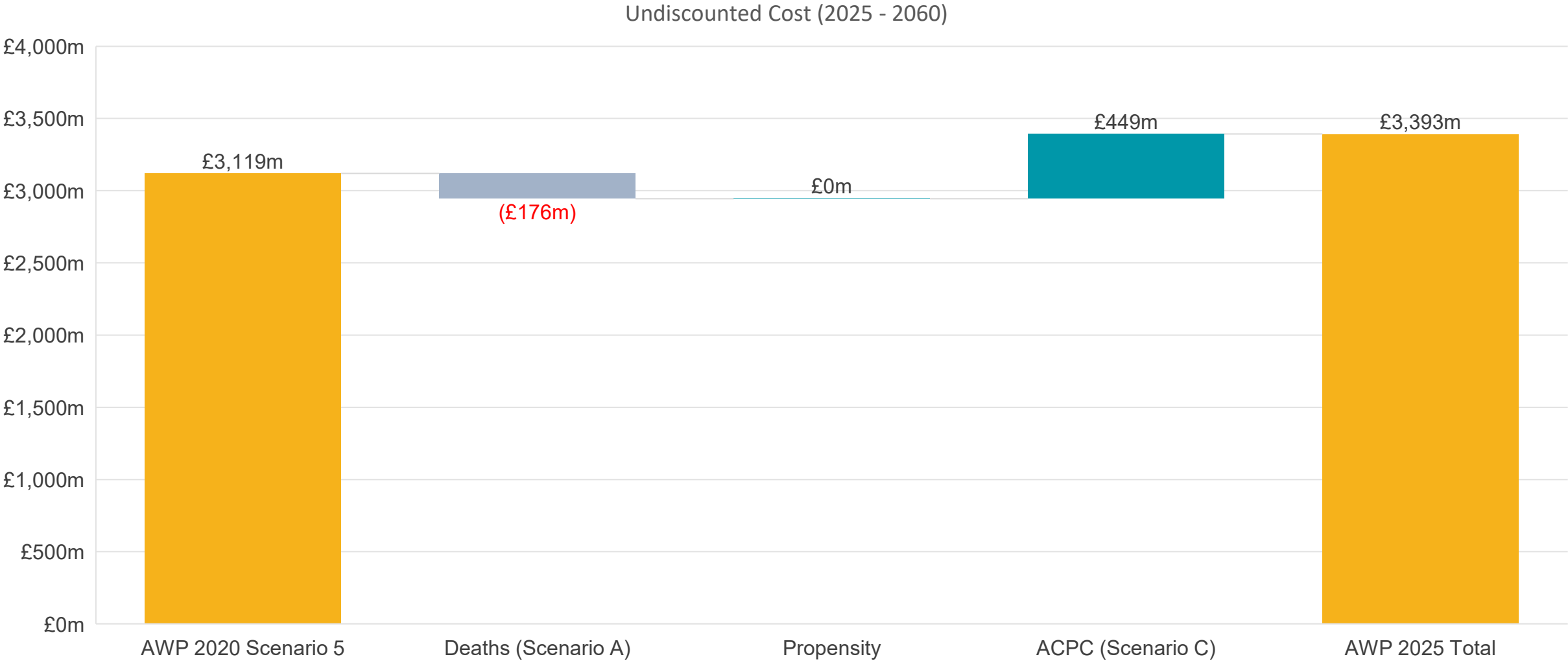
In Scenario C we have also adjusted for the future inflation, selecting 3% for each head of damage.

The primary driver of the increase in severity has been the inflation seen between 2020 and 2025.



# AWP2025 Update: Updated Industry Estimate

Impact of revised projections on central estimate of insurance industry costs for mesothelioma 2025-2060.



An increase in the estimate of industry costs of £274 million, or 9% from £3.12 billion to £3.39 billion.

# Now, Next and Beyond

## NOW

Updated UK Mesothelioma deaths projections and ACPC projections. The UK Asbestos working party will publish their Update paper along with their other resources

## NEXT

The next UK Asbestos claims survey will take place after 2025 year end. The working party will continue to monitor the development of UK asbestos-related claims.

## BEYOND

Due to their long latency, UK asbestos-related claims are expected for many decades to come.

# Q&A





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# Thank you

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