



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Private Motor Insurance Mid-Year 2023 Data Release

National Claims
Information Database

July 2024

Mid-Year Private Motor Insurance Data Release

Introduction

The focus of this Mid-Year Private Motor Insurance Data Release is to provide updated information on:

- Premium Trends
- Settled Claims Trends, and
- The Personal Injuries Guidelines

This data release is based on data up to and including the first half of 2023.

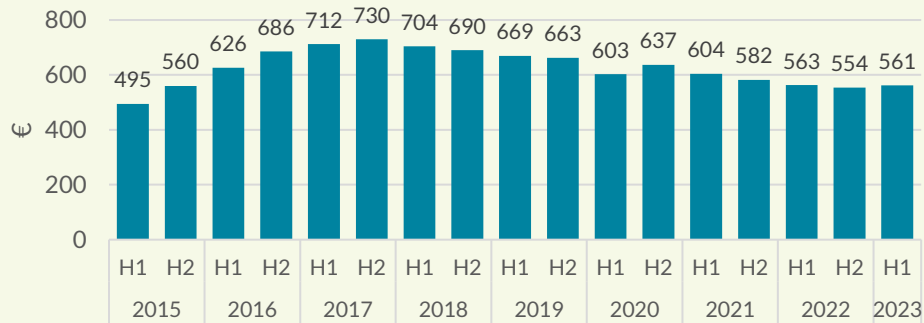
The term “H1 2023” is used throughout to refer to the period 1 January 2023 to 30 June 2023. This report highlights key findings and emerging trends, while the accompanying data annex¹ provides an update to the underlying data.

Supporting documentation, market coverage and the list of participating insurers can be found in the appendices.

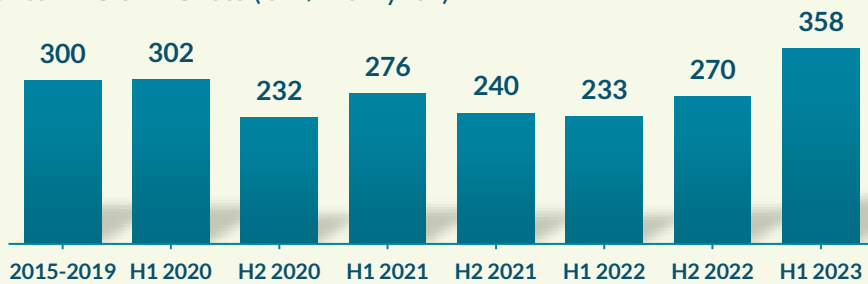
¹ The data annex is published alongside the report on the [NCID Private Motor Insurance webpage](#).

Key Findings

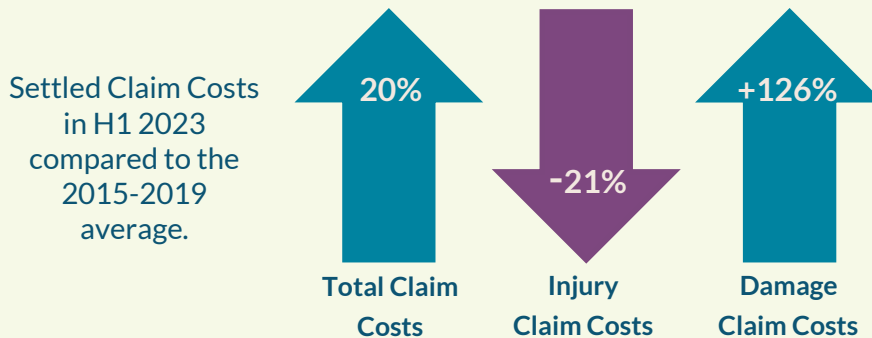
Average Written Premium increased by **0.5%** in H1 2023 compared to 2022, following a decreasing trend since H2 2017.



Settled Claim Costs (€m / Half year)



Settled claim costs in H1 2023 were notably higher than the 2015-2019 half year average. This followed a period from H2 2020 to H2 2022 where settled claims cost were lower due to the impact of COVID-19.



Personal Injuries Guidelines

The Guidelines have had a significant impact on the average settled cost for claims settling directly with an insurer, or through PIAB in H1 2023.

However, the Personal Injuries Guidelines have not yet materially impacted the cost of claims settled via litigation. Claims settled via litigation represent the largest proportion of the total injury claims cost.

Premium Trends

Key Findings

The average written premium, which reflects premium trends faster than the average earned premium, increased by 0.5% in H1 2023 compared to 2022.

For firms that made up 98% of the private motor insurance market in H1 2023, gross earned premium totalled €614m across 1.1m policies.

The proportion of comprehensive policies continued to increase, making up 92% of all policies earned in H1 2023 up from 80% in 2009.

Figure 1 shows the trend in average earned and written premiums from 2009 to H1 2023. The average earned premium decreased by 2% in H1 2023 compared to 2022. At €555 in H1 2023, this is now 21% lower than its highest point in 2018.

The average written premium shows the average premium of policies sold over the period, which reflects premium trends faster than the average earned premium. The average written premium increased by 0.5% in H1 2023 compared to 2022.

Figure 1: Average written and earned premium from 2009 to H1 2023.

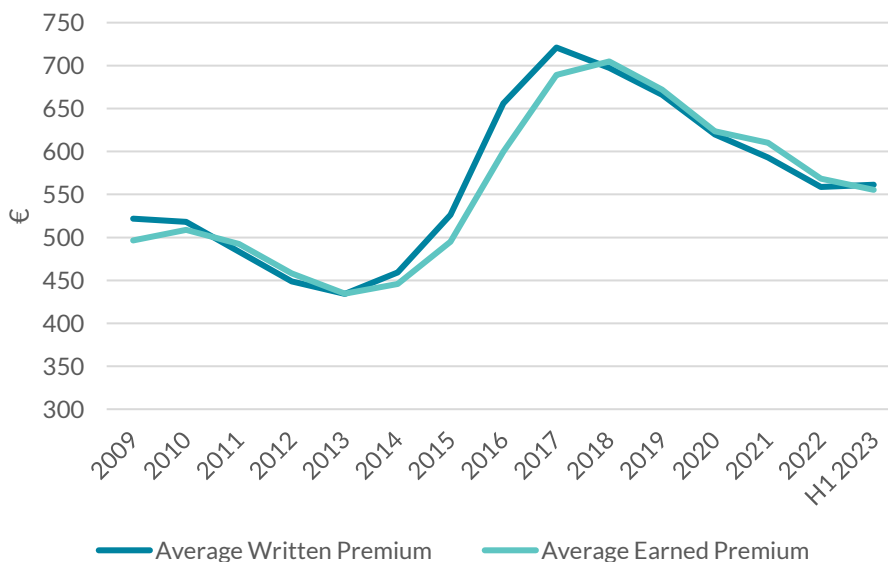
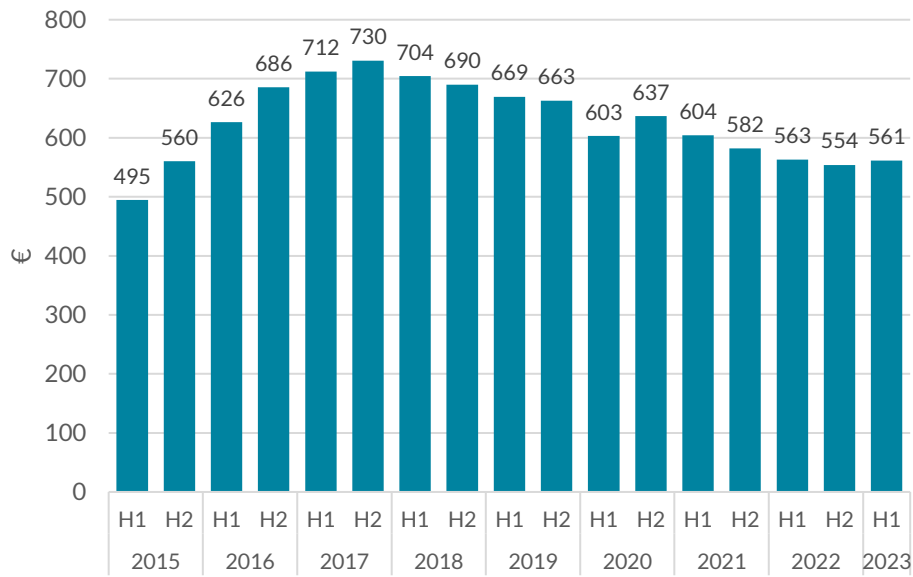


Figure 2 shows the average written premium by half year between H1 2015 and H1 2023. It can be seen that the average written premium decreased by 24% from €730 in H2 2017 (the highest point in the time series) to €554 in H2 2022. It then increased 1% to €561 in H1 2023.

Figure 2: Average written premium per policy for all policy types H1 2015-H1 2023.



Settlement Claims Trends

Key Findings

H1 2023 had the largest total settled claim costs of any half year in the time series, 20% above the 2015 to 2019 pre-COVID average.

The total cost of damage claims settled in H1 2023 was 126% higher than the 2015 to 2019 average while the number of settled damage claims was 25% higher.

The total cost of injury claims settled in H1 2023 was 21% lower than the 2015 to 2019 average. However, the number and cost of settled injury claims have been following an increasing trend since H1 2022.

Table 1 shows that for 90% of the market, the cost of all private motor insurance claims that settled in the period H1 2023 totalled approximately €358m, and this was spread across 73,400 claims.

Table 1: Total number of damage and injury claimants settled and total cost of these settlements for settlement periods H1 2015 to H1 2023, excluding claims where no compensation was paid.

Settled Period	Settled Claimant Numbers (000)			Settled Claim Costs (€m)		
	Damage	Injury	Total	Damage	Injury	Total
2015 H1	66.5	6.1	72.6	97	203	300
2015 H2	58.5	6.3	64.8	85	211	296
2016 H1	59.7	6.1	65.8	91	203	294
2016 H2	55.6	6.2	61.7	76	214	289
2017 H1	51.5	5.8	57.3	74	244	317
2017 H2	49.5	6.0	55.5	73	220	293
2018 H1	55.7	5.9	61.6	88	218	305
2018 H2	53.5	5.6	59.0	78	211	289
2019 H1	53.0	5.8	58.8	85	227	312
2019 H2	52.1	6.0	58.1	84	218	303
2020 H1	46.6	5.5	52.1	88	214	302
2020 H2	47.8	4.3	52.1	70	162	232
2021 H1	46.3	4.8	51.0	74	202	276
2021 H2	50.8	3.6	54.4	84	156	240
2022 H1	55.7	3.3	59.1	110	123	233
2022 H2	58.0	3.6	61.6	127	143	270
2023 H1	69.5	3.9	73.4	188	171	358

H1 2023 had the largest number of settled claims and total settled cost of any half year period in the time series. This is driven by increases to the number and cost of damage claims, while the number and cost of settled injury claims are still below the 2015-2019 pre-COVID average.

It is important to note that damage claims settle much faster than injury claims. In H1 2023 the average time taken to settle damage claims was 0.4 years compared to 3.2 years for injury claims. Therefore, trends seen in the number of claims being reported to insurers will take longer to emerge in injury claim settlements compared to damage claims. This is relevant considering the impact of COVID-19 on reported claim numbers in 2020 and 2021.

Table 2: Breakdown of claimant numbers and claim costs for injury and damage claims from 2015 to H1 2023.

Year	2015	2016	2017	2018	2019	2020	2021	2022	H1 2023
Settled Claimant Numbers									
Damage	91%	90%	90%	91%	90%	91%	92%	94%	95%
Injury	9%	10%	10%	9%	10%	9%	8%	6%	5%
Settled Claim Costs									
Damage	31%	29%	24%	28%	28%	29%	31%	47%	52%
Injury	69%	71%	76%	72%	72%	71%	69%	53%	48%

From Table 2 it can be seen that the proportion of damage claims increased to 95% of all settled claimants in H1 2023, from 90% of claimants in 2019. The proportion of settled costs related to damage claims increased from 28% to 52% of total settled costs over the same period.

Damage Claims

The total cost of damage claims settled in H1 2023 was €188m across approximately 69,500 claims, which was significantly higher than any other half year period in the data set.

Both the number of settled damage claims and the average cost of those claims increased in H1 2023 compared to previous years.

Table 3: Number of damage claims settled by claim type, including the average per half year over 2015-2019 and from H1 2020 to H1 2023.

Settled Period	Accidental Damage	Fire and Theft	Third Party Damage	Windscreen	All Damage Claims
2015-2019	13,110	3,139	11,846	27,462	55,558
H1 2020	11,448	2,584	10,955	21,578	46,565
H2 2020	8,915	2,003	8,739	28,104	47,761
H1 2021	9,495	2,003	8,381	26,395	46,274
H2 2021	9,968	1,754	8,963	30,119	50,804
H1 2022	12,746	2,215	10,562	30,215	55,738
H2 2022	13,907	3,013	11,737	29,330	57,987
H1 2023	19,263	3,963	14,804	31,464	69,494

Figure 3: Index of the number of settled damage claims by claim type, relative to the average per half year over 2015-2019.

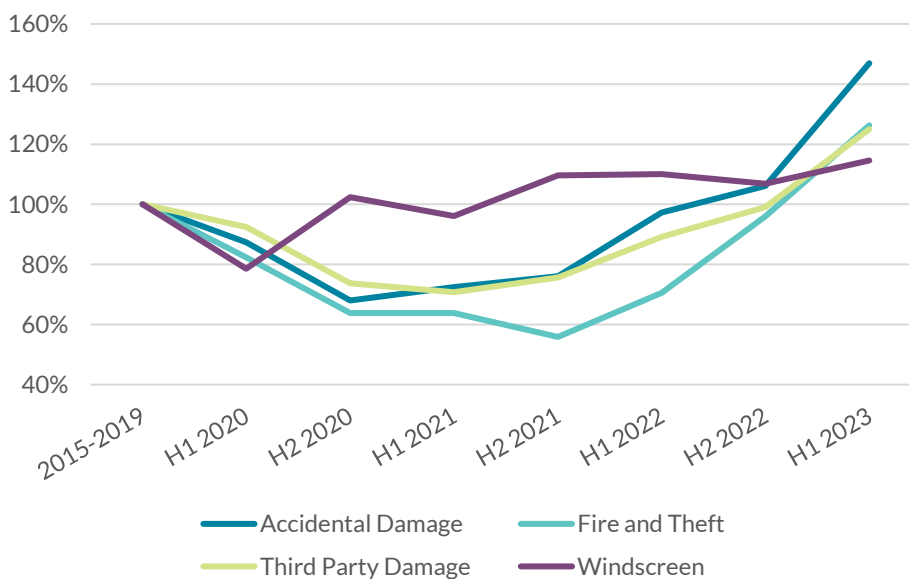


Table 3 and Figure 3 show the trend in the number of damage claims settled by claim type. The number of claims settled is higher than the 2015-2019 pre-COVID average across all claim types. In particular, the number of accidental damage, third party damage and fire and theft claims have increased by 39%, 26% and 32% respectively between H2 2022 and H1 2023, following an increasing trend since H2 2021.

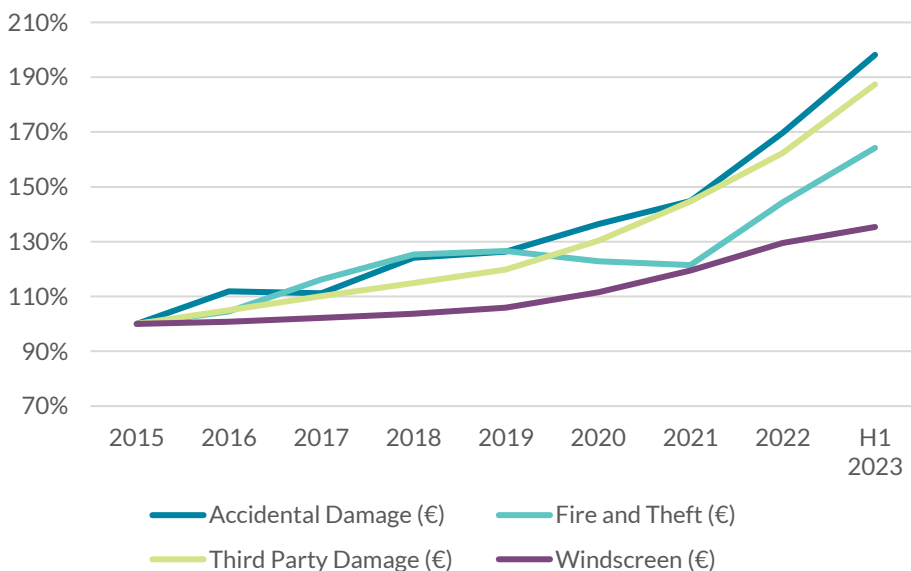
There have also been significant increases to the average cost of damage claims over this period, across all claim types. Table 4 and Figure 4 show the average cost of damage claims and the trend in these values, by claim type.

The average cost of settled accidental damage, third party damage and fire and theft claims increased by 17%, 15% and 14% respectively in H1 2023 compared to 2022, while the average cost of windscreen claims increased by 4%. This follows similar large increases to average costs in 2022.

Table 4: Average cost of settling damage claims in the years 2015 to H1 2023, by claim type.

Settled Period	Accidental Damage (€)	Fire and Theft (€)	Third Party Damage (€)	Windscreen (€)	All Damage Claims (€)
2015	2,565	1,907	2,450	227	1,455
2016	2,869	1,993	2,573	228	1,449
2017	2,853	2,216	2,699	232	1,452
2018	3,184	2,390	2,816	235	1,521
2019	3,240	2,414	2,937	240	1,611
2020	3,499	2,343	3,192	253	1,669
2021	3,714	2,317	3,544	271	1,625
2022	4,352	2,754	3,978	294	2,080
H1 2023	5,083	3,132	4,592	307	2,705

Figure 4: Index of the average cost of settled damage claims by claim type, compared to 2015.



The combined effect of increases to both the number and average costs of damage claims is that the total cost of damage claims settled in H1 2023 was 126% or €105m higher than the H1 2015-H2 2019 average. This is likely reflective of the high inflationary environment over this period and may also be influenced by an increased willingness of policyholders to make

damage claims due to changes in the uptake of no claims discount protection, cost of living pressures and lower average premiums.

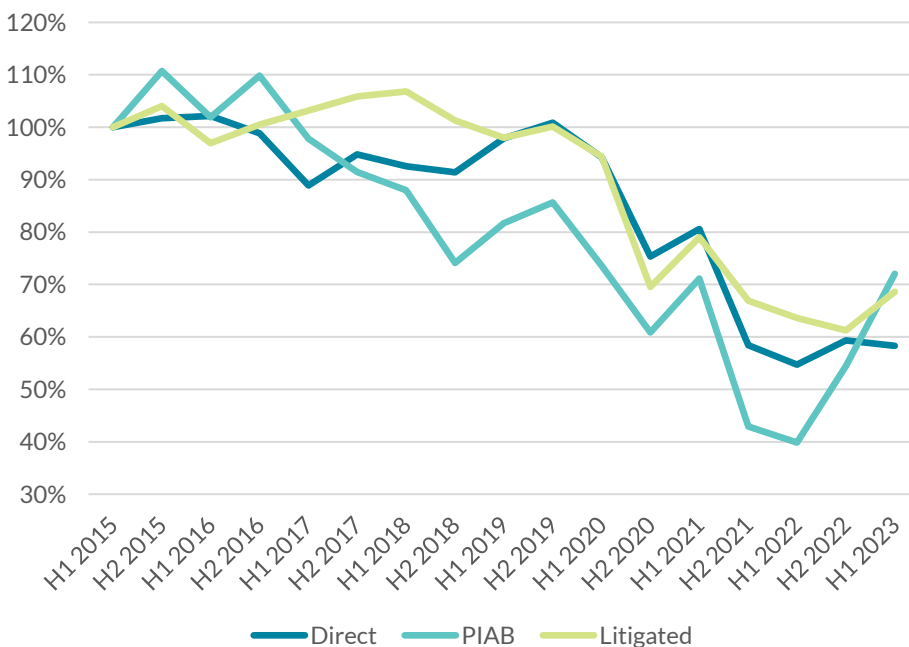
The increase in comprehensive policies in the market will also contribute to the increased number of accidental damage claims as these claims are only covered under comprehensive policies. Accidental damage claims account for €60m of the €105m increase in total damage claim costs in H1 2023 compared to the H1 2015-H2 2019 average.

Injury Claim Settlements

From Table 1 it can be seen that the number and total cost of injury claims settled in H1 2023 are lower than the average over H1 2015 to H2 2019. However, the number and total cost of injury claims settled in H1 2023 have increased by 17% and 38% respectively since H1 2022, when injury claim volumes were at their lowest following the COVID-19 pandemic.

Figure 5 provides further insight on this, showing an index of the number of injury claims settled in each channel per half year period, relative to H1 2015. For context, the total number of injury claims settled through the Direct, PIAB² and Litigation channels in H1 2023 was 1,731, 799 and 1,376 claims respectively.

Figure 5: Index of the number of injury claims settled in each channel in each settlement period, compared to H1 2015.



²PIAB changed its name to the Injuries Resolution Board in December 2023 in recognition of their enhanced role and expansion of their service to include mediation.

Overall, the number of injury claims settled in H1 2023 was 36% lower than in H1 2015; there was a 31% decrease in the number settling through litigation, a 42% decrease in the number settling directly and a 28% decrease in the number settling through PIAB.

Across all settlement channels, fewer claims settled in H1 2022 than in any other half year period in the time series. Between H1 2022 and H1 2023, there was a 7% increase in the number of claims settling directly, and an 81% increase in the number of claims settling through PIAB. The number of claims settling through litigation continued to decrease to H2 2022 and has since increased by 12% in H1 2023.

Similar to the comparison between injury and damage claims, it is important to note the different time taken to settle injury claims through these channels. In H1 2023, the average time taken to settle claims directly was 1.8 years, it was 2.7 years for claims settling through PIAB and 5.2 years for claims settling through litigation.

Figure 6: The proportion of settled claimants and total cost of injury claims through each of the five settlement channels from 2019 to H1 2023.

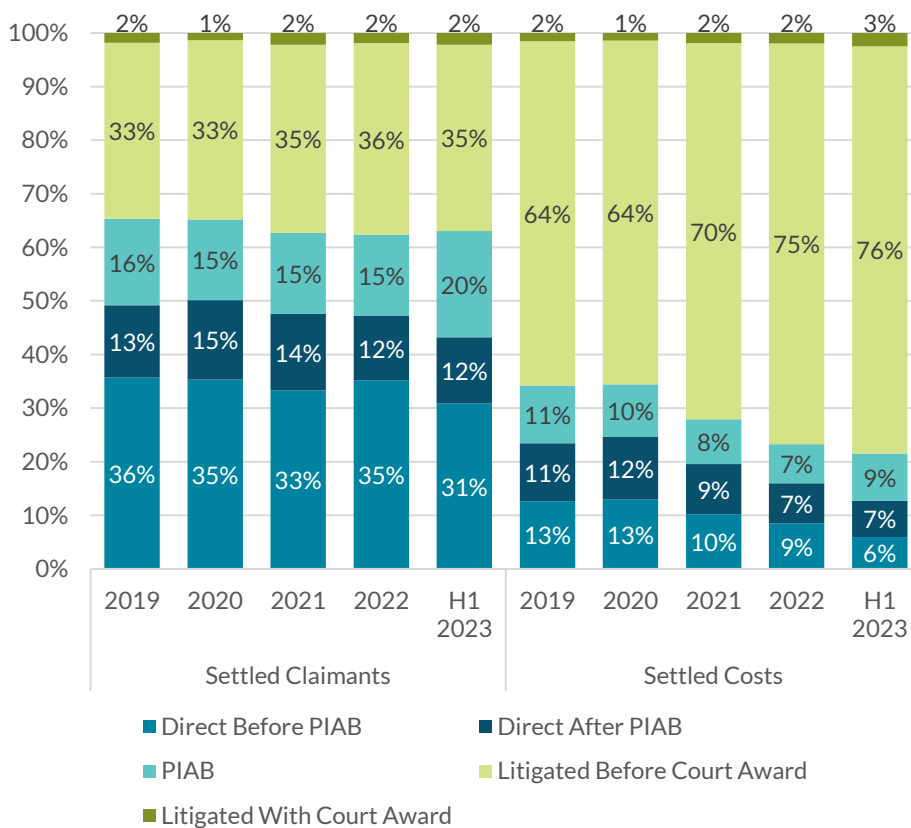


Figure 6 shows the proportion of settled injury claims and costs by settlement channel. This shows that the proportion of injury claims settled through PIAB increased from 15% in 2022 to 20% in H1 2023, while the

proportion settling directly before PIAB has decreased from 35% to 31% in the same period.

Figure 6 also shows the proportion of settled costs by channel. Litigated injury claims make up a much larger proportion of costs than they do numbers as a result of larger claims tending to settle in this channel.

The increasing trend in the proportion of litigated claims costs likely reflects the impact of the Personal Injuries Guidelines which were introduced in April 2021 and have reduced average claims costs in the direct and PIAB settlement channels, but which have not yet had a measurable impact on claims in the litigated channel.

This can be seen in Table 5, which shows the average costs of settled injury claims by channel, for claims that settled for less than €100,000. The average cost is split into compensation paid to the claimant, legal fees and other costs (e.g., the cost of medical assessment).

Across the time series, 94% of claims across all channels settled for a total cost less than €100,000. This was 99% of claimants that settled directly or through PIAB and 85% of claimants that settled through litigation.

Table 5: Average cost of settling injury claims in the years 2015 to H1 2023 for claims less than €100,000.

Year	Compensation €	Legal €	Other €	Total €
Direct				
2015-2019	13,763	1,350	571	15,684
2020	14,984	2,154	706	17,843
2021	13,678	2,239	678	16,594
2022	9,720	2,100	489	12,308
H1 2023	9,716	2,167	602	12,485
PIAB				
2015-2019	22,026	635	969	23,631
2020	21,738	765	917	23,419
2021	20,615	1,023	1,088	22,726
2022	15,550	752	1,222	17,524
H1 2023	16,361	564	1,447	18,372
Litigated				
2015-2019	24,037	15,308	877	40,223
2020	25,028	16,489	642	42,159
2021	24,443	16,204	576	41,223
2022	22,622	17,916	761	41,299
H1 2023	20,453	17,837	776	39,066

Following an increasing trend in the average cost of claims settled directly, where it increased from €13,824 in 2015 to €17,843 in 2020, the average

cost for claims less than €100,000 has decreased by 30% to €12,485 in H1 2023.

The average cost of claims less than €100,000 settling through PIAB is down 22% in H1 2023 compared to 2020, while the average cost of these claims settling through litigation is down 7% compared to the 2020 figure.

The average legal cost for litigated claims has increased over the period and was 17% higher in H1 2023 compared to the 2015-2019 average. For litigated claims that settled for less than €100,000 in H1 2023, legal costs made up 46% of the total claim cost (or 87% of the compensation cost) on average.

Personal Injuries Guidelines

Key Findings

Across all channels, 61% of claims settled in H1 2023 settled under the Personal Injuries Guidelines, including 18% of litigated claims.

The average cost of claims that settled under the Guidelines in H1 2023 were:

- 48% lower for claims that settled directly before PIAB
- 29% lower for claims settling directly after PIAB and
- 25% lower for claims settling through PIAB

when compared to claims that settled in the same channel under the Book of Quantum in 2020.

The Personal Injuries Guidelines have not yet materially impacted the cost of claims settled via litigation. Claims settled via litigation represent the largest proportion of the total injury claims cost.

The Personal Injuries Guidelines set out the level of general damages that may be awarded in respect of varying types of personal injuries. They were introduced in April 2021 and apply to all claims reported after their introduction. Claims may still settle under the Book of Quantum after this date if they had been assessed by PIAB, or if legal proceedings had been commenced before the introduction of the guidelines.

Settlements under the Guidelines

It may take many years for injury claims to settle and the average time to settlement varies significantly by settlement channel. Therefore many of the claims that have been assessed under the Guidelines may not have

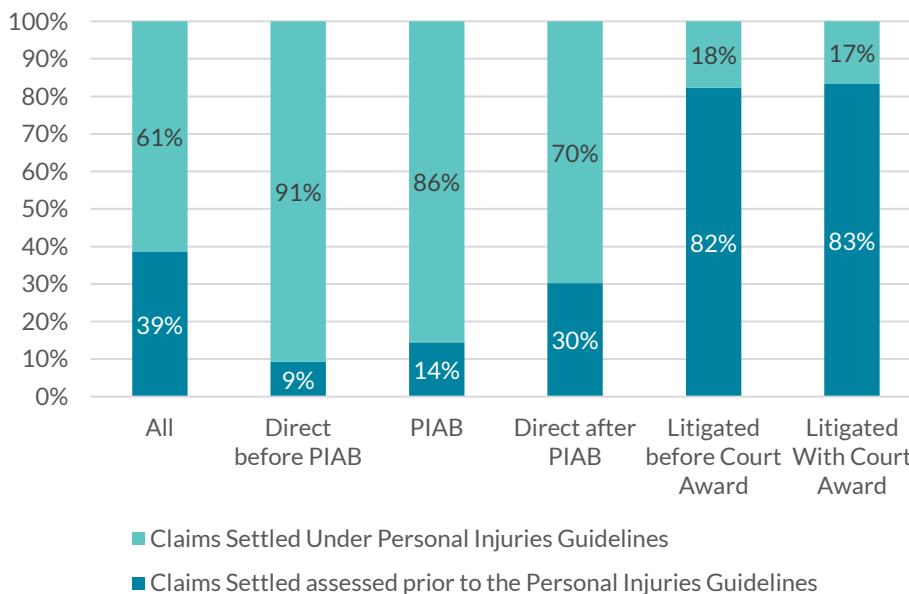
settled by H1 2023, and so will not yet feature in this data. It will take some time for insight on the impact of the Guidelines to be fully available.

Across all settlement channels, 61% of injury claimants settled under the Personal Injuries Guidelines in H1 2023 compared to 54% in 2022 and 18% in 2021.

As can be seen from Figure 7, a high proportion of claimants settled under the Guidelines in the direct and PIAB channels where it takes less time on average to settle claims. Conversely a smaller proportion of litigated claims settled under the Guidelines where it takes much longer to settle claims.

The proportion of claims settling under the Guidelines has been increasing over time in all channels. This increase is most evident in the litigated settlement channel where 18% of claimants settled under the Guidelines in H1 2023 compared to 6% in 2022.

Figure 7: Proportion of claimants settled in H1 2023 under the Personal Injuries Guidelines and the Book of Quantum, i.e., assessed prior to the Guidelines.³



Impact of the Guidelines on Average Claim Costs

To assess the impact of the Guidelines, the average cost of claims settled under the Personal Injuries Guidelines is compared to the average cost of

³ In H1 2023 14% of claims settled via PIAB were reported as having been assessed prior to the Guidelines. It should be noted that settled claims can be re-opened and closed after their initial settlement, for example if additional payments from the insurer or repayments to the insurer are required. The majority of the claims settling via PIAB in H1 2023 that were assessed prior to the Guidelines are older claims that have been re-opened.

claims settled under the Book of Quantum in 2020, prior to the introduction of the Guidelines.

As the Guidelines apply to claims reported after April 2021, the average claim that settled under the Guidelines in 2021 or 2022 is likely biased towards claims that are less complex or severe when compared to the average across all claims that settled in 2020. Claims that take less time to settle would generally be expected have lower average awards compared to claims that take longer to settle.

For this reason, the average settlement time has been used as a proxy to determine how reasonable it is to compare the average settled costs of claims settled under the Guidelines against claims settled under the Book of Quantum in 2020, and how this has changed over time.

Table 6: The average time (years) between a claim being reported to the insurer and settled, for claims settled under the Book of Quantum in 2020 and settled under the Personal Injuries Guidelines in 2021-H1 2023.

	Settled under Book of Quantum	Settled under Personal Injuries Guidelines		
Settlement Channel	2020	2021	2022	H1 2023
Direct before PIAB	1.1	0.7	0.8	0.9
PIAB	2.1	2.0	2.2	2.2
Direct after PIAB	2.3	1.6	2.1	2.4
Litigated before and with Court Award	4.1	2.3	2.6	3.1

Table 6 shows that for claims settling under the Guidelines in 2021, the average settlement time was lower than for claims settling in 2020. As a higher proportion of claims have settled under the Guidelines in 2022 and H1 2023, the average settlement time has trended back towards the 2020 averages. By H1 2023, the average settlement time for claims settled directly or through PIAB is similar to those settled under the Book of Quantum in 2020. This suggests that the comparison may be reasonable for these channels.

At H1 2023 there are still an insufficient number of claims settling under the Guidelines in the litigated channel for a credible comparison.

Table 7: Comparison of the average cost of claims settled under the Personal Injuries Guidelines in 2021-H1 2023 and those settled under the Book of Quantum in 2020.

Settlement Channel	Settled under Book of Quantum	Settled under Personal Injuries Guidelines			Difference H1 2023 vs 2020 (%)
	2020	2021	2022	H1 2023	
Direct before PIAB	14,002	7,638	7,395	7,212	-48%
PIAB	24,996	17,532	17,174	18,847	-25%
Direct after PIAB	28,706	16,898	18,196	20,428	-29%

Table 7 provides a comparison of the average cost of claims that settled through the Direct before PIAB, PIAB, and direct after PIAB settlement channels under the Personal Injuries Guidelines from 2021 to H1 2023 against those that settled in 2020 with reference to the Book of Quantum.

While the average time taken to settle claims is similar, there may still be differences between the claims settled under the Book of Quantum in 2020 and those settled under the Personal Injuries Guidelines in H1 2023. As such, the comparison shown in Table 7 provides an indication of the impact of the Guidelines only.

The average cost of settled claims was 48% lower for claims that settled directly before PIAB, 29% lower for claims settling directly after PIAB and 25% lower for claims settling via PIAB under the Personal Injuries Guidelines in H1 2023 compared to claims settled under the Book of Quantum in 2020.

The Personal Injuries Guidelines have not yet materially impacted the cost of claims settled via litigation. It will likely take time for the Personal Injuries Guidelines to take effect in the Litigated settlement channel due to the long duration between the accident being reported and the settling of a claim (5.2 years on average for claims settled in H1 2023).

Claims settled via litigation represent the largest proportion of the total claims cost. Consequently, whilst the impact of the Personal Injuries Guidelines on claims settled directly and via PIAB is significant, they have not yet had a significant impact on the overall claims settlement cost.

Appendix 1 – Supporting Documentation

Background to the NCID reports and data releases can be found here:

- [Background to the National Claims Information Database](#)

An explanation NCID key terms and concepts used in this data release can be found here:

- [Key Terms - National Claims Insurance Database](#)

Appendix 2 – Market Coverage

Table 8: Overview Private Motor Insurance Mid-Year Report 2

Part	Content	Market Coverage (%) ⁴
1	Considers premiums for private motor insurance between 2009 and H1 2023	98%
2	Analyses how claims were settled between 2015 and H1 2023, and the various associated costs (claimant compensation, legal fees and other costs)	90% ⁵
3	Analyses the impact of the Personal Injuries Guidelines on claims settlements.	81%

⁴ Market coverage is measured by the ratio of H1 2023 private motor gross earned premium of included submissions to the H1 2023 gross earned premium of all submissions. Certain submissions were excluded from the analysis due to insufficient quality of, or granularity in, the data.

⁵ Analysis is based on 90% market coverage, with the exception of Figure 6 which is based on 94% market coverage.

Appendix 4 - List of Participating Insurers

The NCID referred to the list of Motor Insurance Bureau Ireland (MIBI) members in order to identify firms in scope. Only those firms who write private motor insurance were required to participate. MIBI members who write commercial motor insurance only were not in scope of this report. Here we list those firms that submitted data to the NCID.

Table 9: Firms that submitted data for the NCID 2023 Mid-Year Data Release.

Authorisation Status	Undertaking Name
Irish Authorised	Allianz PLC
	Arch Insurance (EU) DAC
	Aviva Insurance Ireland DAC
	AXA Insurance DAC
	FBD Insurance PLC
	Irish Public Bodies CLG
	RSA Insurance Ireland DAC
	Zurich Insurance Company
EU/EEA Authorised, Freedom of Establishment basis	AIG Europe S.A. (Irish Branch)
	Generali Seguros Y Reaseguros S.A. trading as Liberty Ireland.
EU/EEA Authorised, Freedom of Services basis	Accredited Insurance (Europe) Limited
	Ageas Insurance Limited
	Chubb European Group PLC
	WAKAM



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