



**Information release**

**19 April 2012**

### ***Private Motor Insurance Statistics 2009***

The Central Bank today (19 April 2012) published the Private Motor Insurance Statistics for 2009. The primary objective of the report is to examine the level of accident frequency and claim costs, and to assess their impact on premiums paid by different categories of drivers.

The main findings of the report show:

- The downward trend in average premiums was maintained in 2009 with decreases of 2 per cent and 3 per cent reported for comprehensive cover and third party fire and theft cover, respectively. Since 2002 average premiums have fallen by 40 per cent for both comprehensive and third party fire and theft cover.
- Accident frequency in 2009 reduced from 8.6 to 7.8 accidents per 100 policies for comprehensive cover, and from 6.5 to 5.9 for third party fire and theft cover.
- Average cost, measured on a per claim basis, decreased by 25 per cent, to €4,218, for comprehensive cover and by 32 per cent, to €5,391, for third party fire and theft cover between 2002 and 2009. Recent years' results suggest a levelling off of the downward trend in this statistic.
- Meanwhile, average cost, measured on a per policy basis, for year 1 development, decreased substantially for both cover types in 2009, after recording substantial increases in 2008. In 2009 average cost per policy fell by 11 per cent for comprehensive cover, similarly, third party fire and theft cover declined by 9 per cent. The decreases are explained primarily by general reductions in accident frequency and average claim cost.

- Average surplus per policy, which is an indicator of industry profitability, reported an increase for both types of cover in 2009 based on year 1 development. For comprehensive cover, average surplus per policy increased over the year by 21 per cent to €188. Third party fire and theft cover reported a rise of 5 per cent to €295 per policy.
- The average premium for female and male policyholders in 2009 was €479 and €593, respectively, about a 24 per cent differential.

### **Further information**

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### **Note for Editors:**

This report is based on the analysis of policy and claims data for 2009 submitted by the Irish Insurance Federation (IIF) to the Central Bank of Ireland. The submissions were provided in raw disaggregated format, listing individual policy and claims records for all categories of cover i.e. comprehensive; third party fire and theft; and third party only. A total of 20 variables were associated with each individual record in accordance with the Motor Insurance Advisory Board (MIAB) specification (as described in Appendix 2 of the report). The data set has information on individual policies in terms of premium income and the evolution of claim costs over a five-year period.