

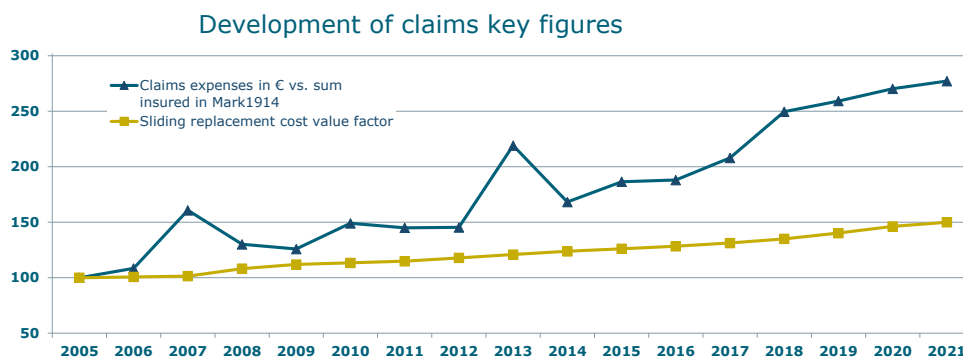
Premium Adjustments in Property & Casualty Insurance

Accident, legal expenses, liability and comprehensive home insurance lines policies are generally written for one year. Contracts are renewed on the same terms and conditions if neither the insurer nor the policyholder cancels the contract.

However, insurers face increasing benefit obligations due to changing risk profiles, inflation, climate change and possibly also changes in case law.

Example: Comprehensive Home Insurance

In comprehensive home insurance, market-wide claims payments have been rising steadily for decades.



In many policies, the premium is automatically adjusted annually by the change in the sliding replacement cost value factor [RCV]. This takes into account the impact of inflation on the construction industry. However, the frequency of claims has been increasing for years.

The RCV has increased by 50% between 2005 and 2021. Meanwhile, the claims expenses (in €) per 1,000 Mark 1914 sum insured, which is used as the basis for calculating premiums in homeowners' comprehensive insurance, has more than doubled.

The use of a premium adjustment clause ensures the equivalence ratio of premium and claims in the long term!

Benefits of an Independent Trustee

- › High credibility as an objective authority
- › Fulfilment of actuarial methodology requirements
- › Documentation from the outset
- › Great market overview and recognition of future trends
- › Early involvement ensures clear wording.

Special Suitability of Meyerthole Siems Kohlruss

- › Proven actuarial expertise in the property and casualty insurance
- › Access to high-level data sources such as the German Insurance Association (GDV) and data pools
- › Many years of experience as an actuarial trustee

Meyerthole Siems Kohlruss

Meyerthole Siems Kohlruss was founded in Cologne in 1998 as the first German actuarial consultancy and supports property and casualty insurers in strategic and operational matters. The focus is on data pools, pricing, telematics, cyber, sustainability, balance sheet valuations, reinsurance and Solvency II.

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