

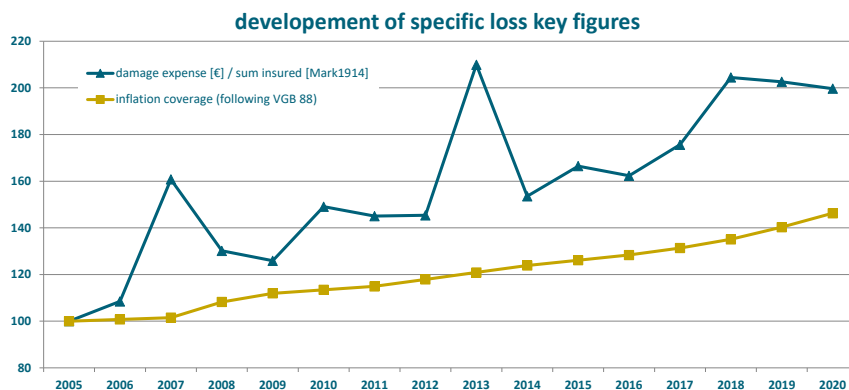
Premium adjustments in property/casualty

In the insurance fields of casualty, legal protection, liability and VGV, contracts are generally established for a term of one year. They are renewed with the same conditions if neither the client nor the company terminate the contract.

However, the insurer is faced with increasing obligations due to changing risk profiles, inflation and possibly also changes in case law.

Example homeowners comprehensive insurance

In homeowners comprehensive insurance, market-wide claim payments have been rising steadily for decades.



In many contracts, the premium is automatically adjusted annually by the change in the sliding replacement value factor [consideration of inflation, in German called GNF]. This takes into account effects from inflation in the construction industry.

However, the frequency of claims has been increasing for years, especially for water damages (aging of the portfolio) and weather damages (more severe and more frequent storms).

The sliding replacement value factor has increased by approx. 50% from 2005 to 2020. However, the claims requirement per 1,000 Mark 1914 sum insured as the basis for the rate calculation in homeowners comprehensive insurance has almost doubled.

By using a premium adjustment clause, the equivalence ratio of premium and damage is permanently ensured!

Advantages of an independent trustee

- > High credibility as an objective authority
- > Fulfillment of actuarial methodology requirements
- > Documentation from the beginning
- > Good market overview and recognition of future trends
- > Early involvement ensures clear formulations.

Special suitability of Meyerthole Siems Kohlruss

- > Proven actuarial expertise in the property/casualty segment
- > Access to higher-level data sources such as 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 consulting firm and supports insurance companies in strategic decisions and operational processes. The focus is on data pools, pricing, reserve valuation, risk modeling and Solvency II.

Contact

Johannes Paschetag

Meyerthole Siems Kohlruss
Phone: +49(0)221 42053-0
E-mail: johannes.paschetag@aktuare.de

Dr. Andreas Meyerthole

Meyerthole Siems Kohlruss
Phone: +49(0)221 42053-0
E-mail: andreas.meyerthole@aktuare.de