

Webinar on Covid-19 Impact on Motor TP Claims

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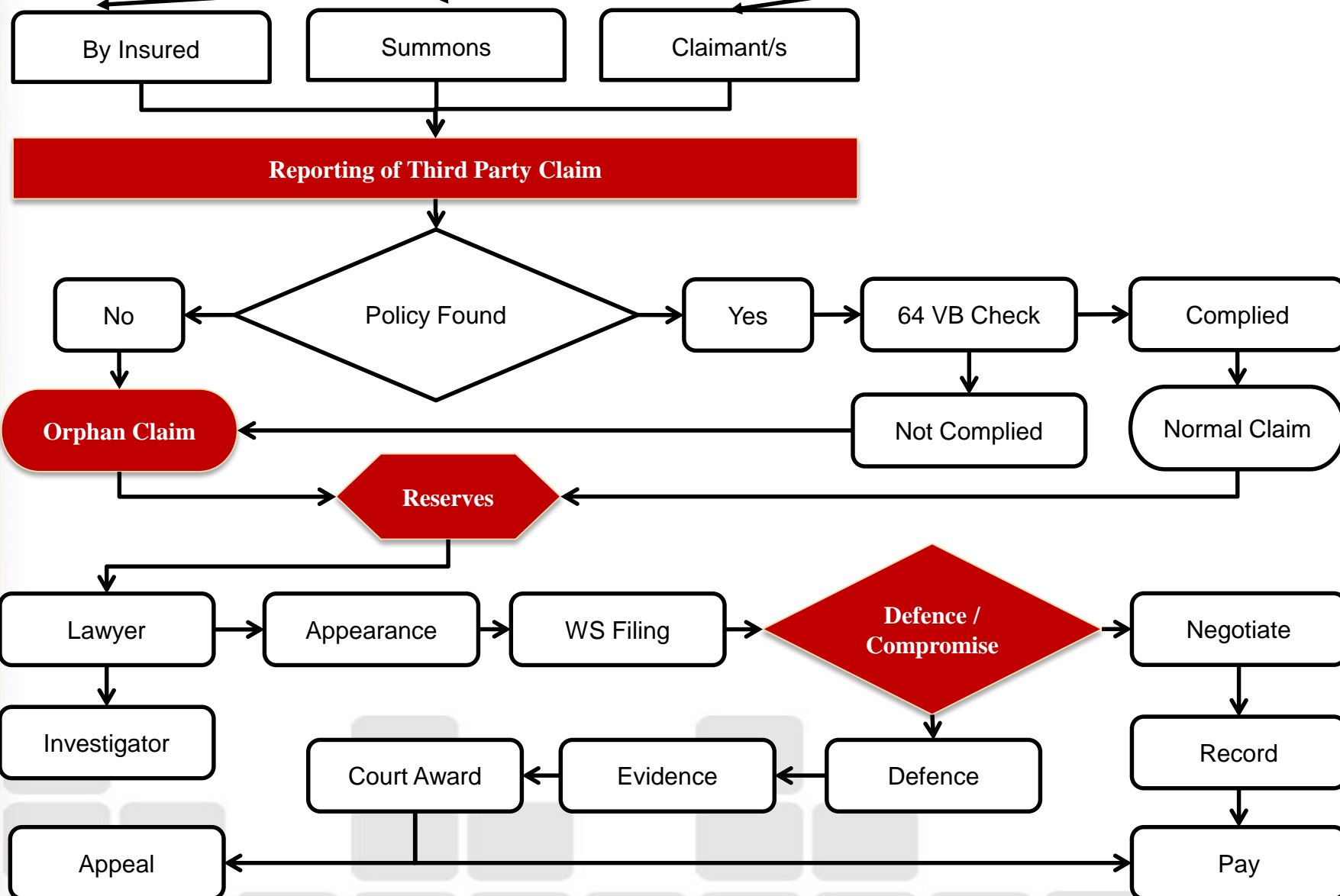
A Reserving Actuary's View

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Motor TP Claim Flow Chart – Insurer View



Occurrence of Accident

- Lesser Traffic...Reduced Exposure....Extent?
- Accident Frequency ...Reduction?...Increase?
- Changing vehicular traffic Month on Month
- Changing mix of vehicles on roads
- Changes in Death/Injury mix?
- Delays in claims reporting further complicates it
- Distortion in some cells of your triangles/trends



Claim Reporting



- Mix of claims reporting from policyholder, claimant, court summons
- Courts closed during lockdown.....Still not functioning fully.....Slowdown in claims reporting from there
- Uncertainty about courts fully opening/e-courts
- Distorted Reporting patterns...
- Even for claims that happened a few years in the past



Orphan Claims



- Dis-honoured Cheques...
- Fake Covernotes.....
- Predating of Cover.....

How have these trends changed due to Covid-19?



Reserves



- Default reserves or Case by Case reserves
- Potential Impact on reserves due to
 - Job losses
 - Salary cuts
 - Business closures
 - Accident severities
 - Potential changes in out of court settlement trends
 - Potential changes in courts' views on compensation
 - Longer tail than usual



Defence / Compromise



- Uncertain how long will courts remain closed
- Impact on settlement speeds.....tail of claims
- Uncertainty about courts' views on compensation....impacting severities
- Changes in compromise frequencies/severities??



Thank You