



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# **Employers' Liability, Public Liability and Commercial Property Insurance Report 5**

## National Claims Information Database (NCID)

December 2025

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# Introduction

The Central Bank is publishing the fifth National Claims Information Database (NCID) Employers' Liability (EL), Public Liability (PL) and Commercial Property Insurance Report in an effort to improve transparency in the insurance claims environment.

## Overview of the Report

This report is organised as follows:

**Part 1** considers earned premiums for EL, PL and Commercial Property insurance between 2010 and 2024 and is based on data from firms that collected 79% of the EL, PL and Commercial Property insurance premiums in Ireland in 2024 (market coverage)<sup>1</sup>.

**Part 2** examines claims related to EL, PL and Commercial Property accidents that occurred between 2010 and 2024 and compares earned premiums and claims costs between 2010 and 2024. This is predominantly based on 75% market coverage.

**Part 3** gives a breakdown of insurers' income and expenditure for EL, PL and Commercial Property insurance for financial years 2010 to 2024 and is predominantly based on 77% market coverage. Profit and operating profit figures are after tax unless stated otherwise.

**Part 4** analyses how EL and PL claims were settled between 2015 and 2024 and the various associated costs (claimant compensation, legal costs and other costs). This is predominantly based on 71% market coverage.

**Part 5** analyses the impact of the Personal Injuries Guidelines on settled claim costs and is based on 69% market coverage.

**Part 6** analyses the change in the ultimate cost of claims for EL, PL and Commercial Property insurance from 2019 to 2024, and provides information on claim development patterns from 2010 to 2024. This includes sections based on 68% and 74% market coverage.

**Appendices** provide further information including supporting documentation on the background to the NCID and key concepts, trends in premium costs for Standalone policies, an overview of recent changes to

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<sup>1</sup> As measured by the ratio of 2024 gross earned premium of included data to the 2024 gross earned premium of the total market.

income and expenditure data, background on the Personal Injuries Guidelines and a list of participating insurers.

## Data Contained within the Report

All insurers selling EL or PL insurance in Ireland were required to meet the same data submission requirements, regardless of country of authorisation - captive insurance undertakings were not in scope. The insurers that submitted data for this report are listed in Appendix 5.

The data collected for the purpose of this report relates to the time period up to 31 December 2024.

The market coverage varies across the report based on the availability and granularity of the data required for different analyses. Data is excluded where it is not deemed to be of sufficient quality. It should be noted that market coverage is calculated based on gross earned premium in 2024. The proportion of the market captured in this data may be different for 2024 compared to earlier years in the time series.

Data collected in this report does not include detail on the levels of excess, deductibles or limits on EL, PL or Commercial Property policies or how these have changed over time.

## Note on the Grouping of Claims

Liability and Commercial Property insurance claims are discussed in Parts 2, 3 and 6 of the report with liability only claims analysed in Part 4 and 5 of this report. It is important to note the basis under which the data was collected, this is explained below:

**Accident year (Parts 2 and 6):** the year in which the accident occurred. It may take several years for all claims to be fully paid. In the interim period, insurers need to estimate how much it will ultimately cost to pay all claims that occurred in a particular accident year. This estimate is called the ultimate claims cost<sup>2</sup>. Estimates of ultimate claims costs are regularly updated based on the most recent data available.

**Financial year (Part 3):** the year for which financial accounts are stated. When stating the claims incurred in a financial year, insurers include: claims which were paid in the year; reserves that they put aside for claims that happened that year; and changes to the reserves put aside for claims that happened in previous years.

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<sup>2</sup> Key concepts including ultimate claims costs can be found on the NCID webpage - [https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-\(ncid\)](https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-(ncid)).

**Settlement year (Part 4 and 5):** the year in which the final payment is made in respect of a claim. Claims settled in a particular settlement year may be in respect of accidents that happened in prior years.

## Additional Factors to Consider

### Personal Injuries Guidelines

A statutory review of the Personal Injuries Guidelines was conducted by the Board of the Judicial Council in December 2024 (in line with the Judicial Council Act 2019). The Council published Draft Amendments, which recommended an uplift of 16.7% to the 1<sup>st</sup> Edition of the Personal Injuries Guidelines to reflect inflation experienced since the original introduction of the Guidelines.

However, proposed amendments cannot come into operation until a Resolution approving them is passed by both Houses of the Oireachtas. In July 2025, the Minister for Justice, Home Affairs and Migration confirmed the decision to not seek Oireachtas approval for the amendment. Therefore, no uplift will be applied, and the 1<sup>st</sup> Edition of the Guidelines will remain in place.

Given the data collected for this report has a reporting date of 31 December 2024, the draft amendments to the Guidelines provide important context. Any expectation of an increase to the Personal Injuries Guidelines may have been reflected in insurer's estimates of ultimate claim costs as at 31 December 2024.

### Inflationary Environment

In recent years there have been higher levels of inflation in Ireland and many other countries, driven by a range of factors including disruptions to supply chains from the COVID-19 pandemic, the Russian invasion of Ukraine and general economic uncertainty. As reported by the CSO<sup>3</sup>, the Consumer Price Index (CPI) rose by 19.9% between 2020 and 2024.

This high inflation has impacted on the insurance sector. For example, higher costs for building materials have led to an increase in the cost of certain claims. The high inflationary environment provides an important context to the cost of premiums and claims in 2024 and is referenced at times in this report.

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<sup>3</sup> CSO website, Consumer Price Index December 2024 release:  
<https://www.cso.ie/en/releasesandpublications/ep/p-cpi/consumerpriceindexdecember2024/>

# Executive Summary

## Key Findings – 2024

### Cost of Insurance

When addressing the cost of EL, PL and Commercial Property insurance, it is important to recognise the broad variety of risks covered.

An overall average premium may not reflect the reality experienced by policyholders in individual sectors or subsectors.

#### How consumers purchased EL, PL and Commercial Property Insurance in 2024

Policy types:

- 87% Package policies
- 13% Standalone policies

Policies less than €5,000:

- 90% of policies
- 22% of premium

Policies greater than €25,000:

- 2% of policies
- 58% of premium

#### Trend in Average Premium per Policy for Package Policies

The overall average premium for Package policies increased by 4% in 2024.

### Claims by Accident Year

#### Claims as % of Premium (Loss Ratio) for EL, PL and Commercial Property Insurance combined

The loss ratio across all EL, PL and Commercial Property policies was 50% in 2024.



## Income & Expenditure

For EL, PL and Commercial Property Insurance combined in 2024:

- **Operating profit (after tax)** was **10%** of total income.
- The **Combined Operating Ratio (COR)**<sup>4</sup> was **73%** gross, and **78%** net of reinsurance.
- The **Net Cost of Reinsurance** was **15%** of total income.
- **Investment income** was **5%** of total income.
- **Reserve releases** on prior year claims contributed to the operating profit in 2024.

Over the period 2010 to 2024, **operating profit (after tax)** was **2.1%** of total income and the **COR** was **92%** gross and **102%** net of reinsurance.

## Injury Claim Settlements 2024

The complexity or severity of the injury claims settled in the different channels could vary significantly. This should be borne in mind when comparing the cost and time of settling injury claims in the different channels.

<b>Method of Claimant Settlement by Channel</b>	% of injury claimants settled by channel: <ul style="list-style-type: none"> <li>• <b>11%</b> directly, before Injuries Board</li> <li>• <b>12%</b> via the Injuries Resolution Board</li> <li>• <b>6%</b> directly, after Injuries Board</li> <li>• <b>68%</b> via litigation, before court award</li> <li>• <b>3%</b> via litigation, with court award</li> </ul>
<b>Method of Settlement (by Cost)</b>	% of injury costs settled by channel: <ul style="list-style-type: none"> <li>• <b>3%</b> directly, before Injuries Board</li> <li>• <b>6%</b> via the Injuries Resolution Board</li> <li>• <b>3%</b> directly, after Injuries Board</li> <li>• <b>85%</b> via litigation, before court award</li> <li>• <b>3%</b> via litigation, with court award</li> </ul>

<sup>4</sup> The Combined Operating Ratio is a key measure of the profitability of an insurance business. It is defined in Part 3.

	EL/PL Combined: Claims <€150k (92% of claims)	EL/PL Combined: All Claims
<b>Direct Settlements</b>	Average compensation <b>€19,295</b>  Average legal costs <b>€3,688</b>	Average compensation <b>€20,800</b>  Average legal costs <b>€3,836</b>
<b>Injuries Board Settlements</b>	Average compensation <b>€25,484</b>  Average legal costs <b>€694</b>	Average compensation <b>€27,538</b>  Average legal costs <b>€709</b>
<b>Litigated Settlements</b>	Average compensation <b>€25,935</b>  Average legal costs <b>€25,055</b>	Average compensation <b>€43,361</b>  Average legal costs <b>€33,550</b>

## Personal Injuries Guidelines 2024

### Impact on Claims Cost for Direct and Injuries Board Channels

% change in average injury claim cost for claims settled under the Guidelines in 2024 compared to claims settled under the Book of Quantum in 2020.

Employer's Liability claims:

- **-8%** for claims settled directly before Injuries Board
- **-9%** for claims settled through Injuries Board
- **-17%** for claims settled directly after Injuries Board

Public Liability claims:

- **-25%** for claims settled directly before Injuries Board
- **-17%** for claims settled through Injuries Board
- **-15%** for claims settled directly after Injuries Board

**37%** of litigated claims settled under the Personal Injuries Guidelines in H2 2024.

When compared to a similar cohort of claims settled in 2020, the average cost of claims settled through litigation and under the Guidelines in 2024 was **10%** lower for EL claims and **1%** higher for PL claims.

# PART 1 - Premiums

Data was collected on premiums, the number of policies and the number of insurance covers provided under those policies between 2010 and 2024. Policies were split into Package and Standalone policies, and premium was split by the Employers' Liability (EL), Public Liability (PL) and Commercial Property components of those policies.

## Key Insights and Findings

### *2024 Findings*

The large majority (87%) of EL, PL and Commercial Property insurance policies earned in 2024 were taken out as part of a Package policy.

57% of Package policies were for a premium of less than €1,000, 90% had a premium less than €5,000 while 98% were for a premium of less than €25,000. These percentages vary across different sectors.

The average premium for Package policies increased by 4% in 2024.

### *Premium Trends 2010-2024*

For Package policies, the average premium decreased by 10% from €2,082 in 2010 to €1,871 in 2013. It then increased by 32% to €2,476 in 2019. The average premium increased by 23% between 2020 and 2024, to €3,043.

The decrease in premium from 2010 to 2013 is seen across the EL, PL and Commercial Property covers within these policies.

The increase in premium from 2013 to 2020 is driven mostly by the EL and PL components of policies. The average premium for all covers increased from 2020 to 2024.

## Overview of the Market

EL, PL and Commercial Property insurance cover is bought by a wide range of policyholders and businesses. This can vary from small farmers or corner shop owners to major manufacturing, construction or pharmaceutical companies. As a result, the insurance policies provided can vary significantly in size and coverage.

Policies can include cover for one of EL, PL or Commercial Property as a Standalone policy; or they can include a combination of these covers sold as a Package policy. A Package policy can include any combination of two or three of EL, PL and Commercial Property insurance covers under a single policy.

**Figure 1: The proportion of earned policy count and gross earned premium by policy type for 2024.**

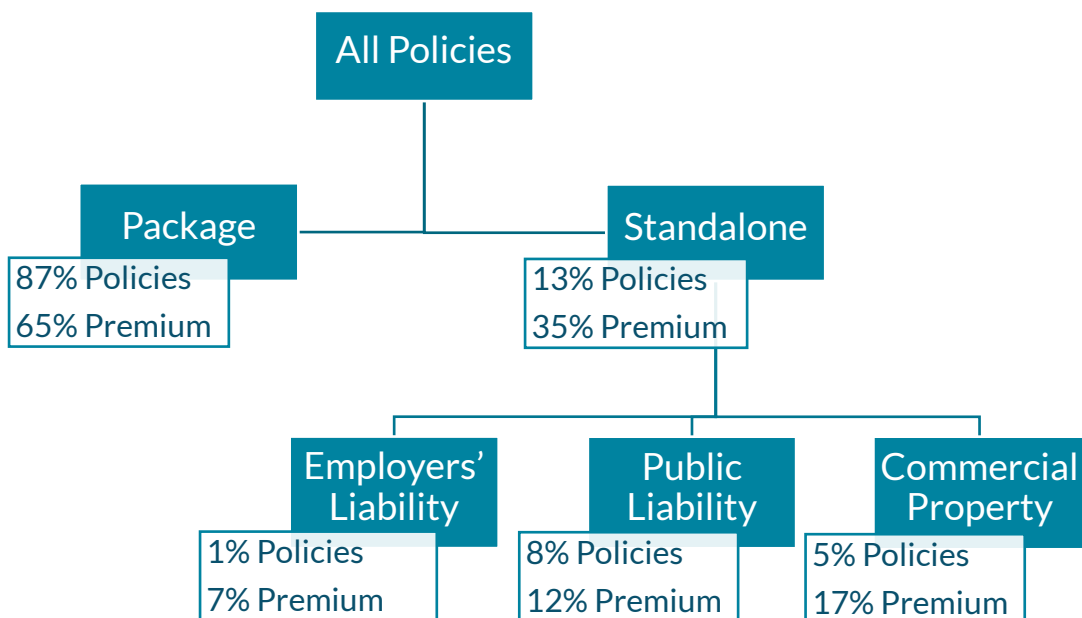


Figure 1 shows that in 2024, 87% of policies earned were Package policies which accounted for 65% of the gross earned premium. Standalone policies made up 13% of all policies, with most of these being PL or Commercial Property policies. Although Standalone policies made up 13% of policy count, these accounted for 35% of earned premium, highlighting that larger policies may be more likely to be purchased as a Standalone policy. This breakdown was reasonably consistent across the data series from 2010 to 2024.

Table 1 shows that for 79% of the market there were approximately 334,000 earned policies and €1.358bn in premium earned in the EL, PL and Commercial Property market in 2024.

**Table 1: Total earned policy count, earned subclass count and gross earned premium for 2010 to 2024.**

Year	Earned Policy Count (000's)	Earned Subclass Count (000's)	Gross Earned Premium (€m)
2010	316	734	804
2011	308	710	759
2012	302	700	719
2013	295	688	693
2014	294	686	705
2015	307	720	748
2016	301	707	796
2017	296	694	836
2018	295	698	906
2019	299	705	955
2020	303	725	973
2021	306	738	1,032
2022	316	758	1,176
2023	330	790	1,297
2024	334	800	1,358

As a Package policy includes more than one insurance cover within each policy, the earned subclass count shown in Table 1 gives a count of the number of individual insurance covers provided. For instance, if a Package policy includes cover for EL and PL, this will count as one policy with two subclasses. If the Package includes EL, PL and Commercial Property insurance, this will count as one policy with three subclasses. Each Standalone policy will have a subclass count of one as it only includes one insurance cover. For 2024, we can see that there were approximately 800,000 insurance subclasses (covers) provided through 334,000 individual policies.

Between 2010 and 2024, EL made up 29% of insurance covers (earned subclass counts) and 25% of gross earned premium; PL made up 39% of insurance covers and 34% of gross earned premium; and Commercial Property made up 33% of insurance covers and 41% of gross earned premium.

It should be noted that the proportion of the market captured in the data may be higher or lower in previous years than it is in 2024 (79%) as a result of firms having entered or left the market over that time or due to the changing market share of firms over the time period.

## Type of Policies

As Package policies can include different combinations of EL, PL and Commercial Property insurance covers, Table 2 shows the proportion of

Package policies that include each insurance cover and the average number of insurance covers per Package policy.

**Table 2: The proportion of Package policies that include each insurance cover and the average number of insurance covers per policy for 2010-2024.**

Year	Employers' Liability	Public Liability	Commercial Property	Average No. Covers per Policy
2010	76%	97%	84%	2.57
2011	76%	97%	80%	2.53
2012	77%	97%	80%	2.53
2013	77%	97%	79%	2.53
2014	78%	97%	79%	2.54
2015	80%	97%	79%	2.56
2016	80%	98%	78%	2.56
2017	81%	98%	79%	2.57
2018	81%	98%	82%	2.61
2019	81%	97%	86%	2.64
2020	80%	98%	87%	2.65
2021	80%	98%	87%	2.65
2022	79%	97%	85%	2.62
2023	79%	96%	86%	2.61
2024	78%	96%	86%	2.61

The average number of insurance covers per Package policy increased from 2.57 in 2010 to 2.65 in 2020, before decreasing to 2.61 in 2023 and 2024. EL insurance was included in 78% of Package policies in 2024, 96% of policies included PL insurance and 86% included Commercial Property insurance.

As highlighted in Figure 1, 13% of all policies were Standalone policies in 2024. EL, PL and Commercial Property policies make up 4%, 54% and 42% of these Standalone policies respectively.

## Size of Policies

There is a large spread in the size of policies earned in the EL, PL and Commercial Property market, as measured by premium, reflecting the large range of policyholders and diverse set of risks which fall under this insurance cover. Table 3 shows that in 2024, 57% of Package policies and 73% of Standalone policies had a premium of €1,000 or less. 90% of all policies had a premium of €5,000 or less.

Policies with a premium greater than €25,000 made up 2% of Package and 5% of Standalone policies. These policies accounted for 42% of the gross

earned premium on Package policies and 88% of the gross earned premium for Standalone policies.

The distribution of policies in premium bands will vary across different sectors. For example in 2024, 54% of all policies in the Manufacturing sector (NACE code C) have a premium less than €5,000, whereas 98% of policies in the Agriculture sector (NACE code A) are below €5,000 (see Table 5).

**Table 3: The proportion of earned policy count and gross earned premium by premium size band for Package and Standalone policies, 2024.**

Premium Band	Package		Standalone		Total	
	% of Policies	% of Premium	% of Policies	% of Premium	% of Policies	% of Premium
€1-€1,000	57%	8%	73%	2%	59%	6%
€1,001-€2,000	19%	9%	8%	1%	17%	6%
€2,001-€5,000	14%	14%	7%	2%	13%	10%
€5,001-€10,000	5%	11%	3%	2%	5%	8%
€10,001-€25,000	3%	15%	3%	5%	3%	12%
>€25,000	2%	42%	5%	88%	2%	58%

## Basis of Cover

Policies can be written on a Losses Occurring or a Claims Made basis. A policy written on a Losses Occurring basis insures claim events that occur during the period that the insurance policy is in force, i.e., events that occur after the inception and before the expiry of the policy, irrespective of when the claim is reported. A policy written on a Claims Made<sup>5</sup> basis insures claims that are reported to the insurer during the period that the policy is in force, irrespective of when the claim event occurred.

The vast majority of policies earned between 2010 and 2024 were written on a Losses Occurring basis with only a very small proportion being Claims Made.

## Trends in Premium Costs

The cost of EL, PL and Commercial Property insurance will vary considerably as a result of the different type and size of policies bought by consumers. This section will focus on trends in the cost of Package policies as this is the most common type of policy taken out accounting for 87% of

<sup>5</sup> Under a Claims Made policy, a claim can be made as a result of an event that occurred many years before the inception of the insurance policy.



all policies, or 95% of all insurance covers in 2024. Detail on the cost of Standalone policies is shown in Appendix 2.

As can be seen in Table 4, the proportion of Package policies with a premium of less than €2,000 increased from 78% in 2010 to 84% in 2015 and subsequently reduced to 76% by 2024.

The percentage of Package policies with a premium less than €5,000 has followed a similar trend, varying between 90% and 94% between 2010 and 2024. The proportion of policies with a premium greater than €50,000 increased from 0.3% to 0.8% from 2010 to 2024.

**Table 4: The proportion of earned policy count in each premium cost band for Package policies and years 2010-2024.**

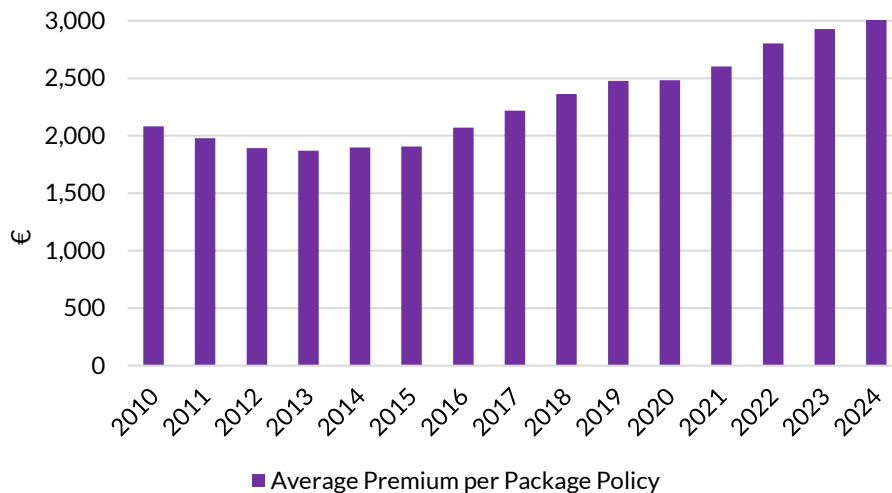
Year	€1- €2,000	€2,001- €5,000	€5,001- €10,000	€10,001- €25,000	€25,001- €50,000	>€50,001
2010	78%	15%	5%	2%	0.5%	0.3%
2011	81%	12%	4%	2%	0.5%	0.3%
2012	82%	12%	4%	2%	0.4%	0.3%
2013	83%	11%	4%	2%	0.4%	0.3%
2014	83%	10%	4%	2%	0.4%	0.3%
2015	84%	10%	4%	2%	0.5%	0.3%
2016	83%	11%	4%	2%	0.5%	0.4%
2017	82%	11%	4%	2%	0.6%	0.4%
2018	81%	12%	4%	2%	0.7%	0.4%
2019	80%	12%	4%	2%	0.7%	0.5%
2020	79%	13%	4%	3%	0.8%	0.5%
2021	79%	13%	4%	3%	0.8%	0.6%
2022	78%	13%	5%	3%	1.0%	0.7%
2023	76%	14%	5%	3%	1.0%	0.7%
2024	76%	14%	5%	3%	1.0%	0.8%

The proportion of policy count for package policies with a premium greater than €25,000 has increased from 0.8% in 2010 to 1.8% in 2024. The proportion of total premium earned by these policies has also increased from 26% to 42% of all Package premium over the same period.

Figure 2 shows the average earned premium for Package policies from 2010 to 2024. It is important to stress that calculating an average premium metric that accurately reflects market price movements in liability and commercial insurance markets is very challenging due to changes in the mix of policies, lines of business and sectors, as well as changes in the size of policies, policy excesses, limits, risk and covers. These can all significantly impact the average premium so that this may not accurately reflect the change in rate charged per unit of risk by insurers, or the average premium experience of insured customers in particular sectors.

As highlighted previously, there may be a large spread in the type of risk encountered by insurers across different sectors. Moreover, there are very significant differences in business size within sectors, for example, from small convenience stores to large shopping centres. While an average premium metric is a crude measure, this metric represents the best available indicator of overall average premiums from the data captured.

**Figure 2: The average earned Package premium per policy for years 2010-2024.**



The average earned premium for all Package policies increased by 46% from €2,082 in 2010 to €3,043 in 2024. Over this time period, the average earned premium:

- Decreased by 10% from 2010 to 2013, to €1,871
- Increased by 32% from 2013 to 2019, to €2,476
- Remained relatively stable between 2019 to 2020, and
- Increased by 23% between 2020 and 2024, with 4% in 2024.

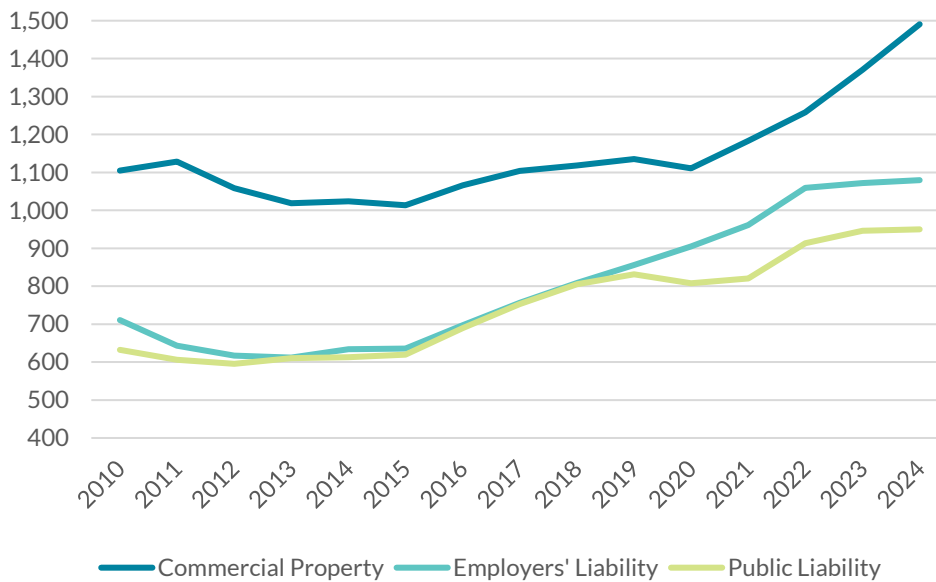
Changes to the average cost of Package policies will be driven by the number and cost of the underlying insurance covers within that policy.

Figure 3 shows the average earned premium for each individual insurance cover under a Package policy, where the average is taken across policies that included that cover. The average earned premium for the Commercial Property cover (€1,491 in 2024) was higher than the EL and PL covers which had an average earned premium of €1,080 and €950 respectively in 2024.

It should be noted that while premium has been reported per insurance cover, pricing for Package policies may be carried out at a policy level, i.e., for the combination of covers. The allocation of this total premium to

insurance cover may not always be proportional to the expected cost of insurance cover.

**Figure 3: Average earned premium per insurance cover for Package policies and years 2010-2024.**

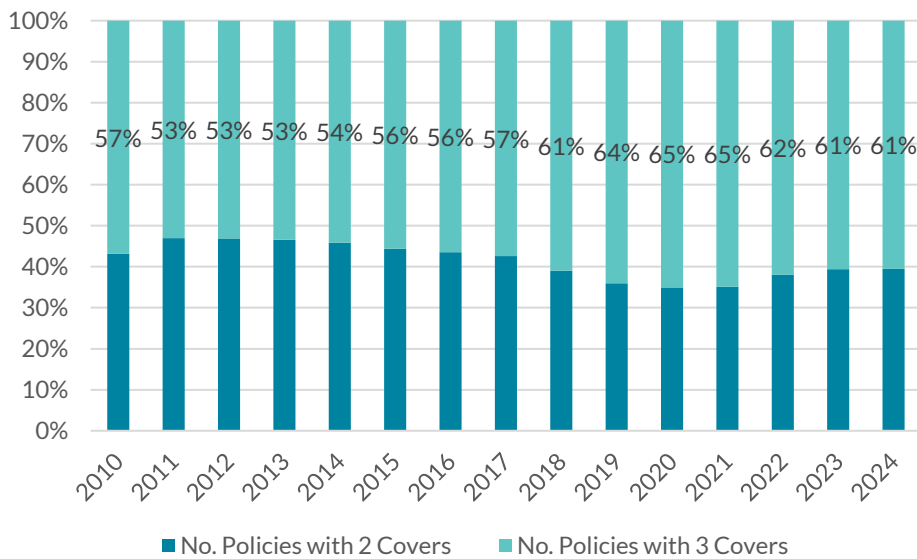


The average earned premium for the EL and PL components of Package policies decreased by 10% and 3% respectively from 2010 to 2013 and then increased by 40% and 36% respectively between 2013 and 2019. EL average premiums increased by 18% from 2020 to 2023, with a 1% increase in 2024. PL average premiums have followed a similar trend, increased by 17% from 2020 to 2023, with no change in 2024.

The average earned premium for the Commercial Property component of a Package policy decreased by 7% from €1,105 in 2010 to €1,024 in 2014 and then increased by 9% to €1,111 in 2020. Commercial Property average premiums increased by 6% in both 2021 and 2022, and 9% in both 2023 and 2024 to €1,491.

The increase in Package premium from 2014 to 2020 can therefore be attributed to the EL and PL insurance covers within Package policies, the increase from 2020 to 2021 can be attributed to EL and Commercial Property, and the increase from 2022 to 2024 attributed to Commercial Property.

**Figure 4: The proportion of Package policies split between those that include two insurance covers and those that include three insurance covers for years 2010 to 2024.**



As shown in Figure 4, the proportion of Package policies with three insurance covers, compared to those with two, has increased from 57% of policies in 2010 to 65% of policies in 2021, before decreasing to 61% in 2024.

The change in the proportion of Packages with three insurance covers would naturally impact the average earned premium per Package policy.

## Trends in Premium Costs by Sector

From Figure 2 in the previous section it was seen that the average earned premium for Package policies decreased by 10% from 2010 to 2013, increased by 32% from 2013 to 2019 and increased by 23% from 2020 to 2024.

This is the average experience across 87% of all policies. However, the experience of individual policyholders will vary considerably for many reasons. As an example, Table 5 shows the proportion of earned policy counts for Package policies in 2024 and the 2018 to 2023 period, split by total policy cost band and sector<sup>6</sup>.

It can be seen that the size of premiums for policies within different sectors is varied as is the extent to which policies have moved between size bands. It is worth noting that the activities of businesses within each sector can

<sup>6</sup> Sectors as defined by Level 1 of the Statistical Classification of Economic Activities in the European Community ("NACE") system, Rev. 2 (2008) (<https://ec.europa.eu/eurostat/web/nace-rev2/overview>).

also be very different and so the experience of consumers within an individual sector may also vary.

**Table 5: The proportion of earned policy counts for Package policies in 2024 and the 2018 to 2023 period, split by total policy cost band and sector.**

Sector (NACE Level 1)	Sector (NACE Level 1)	Total Policy Band							
		<€5k	€5k-€10k	€10k-€25k	>€25k	<€5k	€5k-€10k	€10k-€25k	>€25k
		2018-2023				2024			
A	Agriculture	99%	1%	0%	0%	98%	1%	0%	0%
C	Manufacturing	57%	17%	14%	12%	54%	17%	15%	14%
F	Construction	84%	8%	5%	3%	83%	9%	5%	3%
G	Wholesale and Retail Trade	84%	8%	5%	2%	82%	9%	6%	3%
H	Transportation and Storage	80%	8%	6%	5%	75%	10%	8%	7%
I	Accommodation and Food Service Activities	78%	12%	7%	3%	75%	13%	8%	4%
J	Information and Communication	84%	9%	5%	2%	83%	8%	7%	2%
K	Financial and Insurance Activities	92%	3%	3%	3%	91%	3%	2%	3%
L	Real Estate Activities	85%	8%	5%	2%	82%	9%	6%	3%
M	Professional Scientific and Technical Activities	96%	2%	1%	1%	96%	2%	1%	1%
N	Administrative and Support Service Activities	88%	5%	4%	2%	88%	6%	4%	3%
Q	Human Health and Social Work Activities	84%	5%	6%	5%	82%	6%	6%	5%
R	Arts Entertainment and Recreation	74%	11%	10%	5%	72%	11%	11%	6%
S	Other Service Activities	93%	4%	2%	1%	93%	4%	2%	1%

Please note that that it is not possible to publish information on all sectors due to statistical confidentiality rules which are applied to ensure that individual insurance undertakings are not identified as per the Central Bank (National Claims Information Database) Act 2018<sup>7</sup>.

<sup>7</sup> Section 12, subsection 2 of the Central Bank (National Claims Information Database) Act 2018 states that: "Data shall not be provided to a person under this section such that there is identifiable from the data, any insurance undertaking or individual."

## PART 2 - Claims

Data was collected on the ultimate number and cost<sup>8</sup> of EL, PL and Commercial Property claims between 2010 and 2024. This was reported separately for claims relating to Losses Occurring policies and claims relating to Claims Made policies.

### Key Insights and Findings

#### *2024 Findings*

Total ultimate claims costs for the 2024 accident year are expected to be €608m across 30,593 claims.

The average expected cost of EL and PL claims increased by 6%, and 7% respectively compared to 2023. The average expected cost of Commercial Property claims remained stable in 2024.

The expected loss ratio (claims as a percentage of premiums) across all EL, PL and Commercial Property policies was 50% for the 2024 accident year.

The expected loss ratio averaged 64% between 2010 and 2024.

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<sup>8</sup> Premiums and claims were collected and aggregated on the same accident and reporting year bases enabling a like-for-like comparison over time. Claims costs are insurers' latest view (as calculated at 31 December 2024) for each of the fifteen accident years.

## Total Claims

When analysing claims trends by year, the characteristics of Losses Occurring policies and Claims Made policies are different. Claims under Losses Occurring policies are grouped by accident year (the year in which the claim event occurred) while claims under Claims Made policies are grouped by reporting year (the year in which these claims were reported to the insurer).

Due to these differences, it is necessary to analyse claims from these policy types separately. As highlighted in Part 1, Losses Occurring policies make up the vast majority of policies. For this reason, Part 2 of the report will focus on Losses Occurring policies only, hence claims are analysed on an Accident Year basis.

**Table 6: Total ultimate claims costs and ultimate claim numbers for all Losses Occurring policy types over accident years 2010-2024.**

Accident Year	Ultimate Claim Costs (€m)	Ultimate Claim Numbers
2010	617	50,845
2011	540	38,930
2012	483	34,222
2013	514	34,926
2014	533	41,070
2015	522	31,752
2016	462	27,958
2017	436	30,324
2018	490	30,285
2019	427	26,625
2020	679	39,311
2021	439	27,111
2022	497	29,047
2023	595	31,261
2024	608	30,593

Table 6 shows the total ultimate claims costs and numbers for losses occurring policies and 75% of the EL, PL and Commercial Property market in 2024. It is estimated that the total ultimate claims costs for 2024 will be €608m across 30,593 claims. This represents an increase of approximately €13m in claim costs and a decrease of 668 claims compared to the 2023 accident year.

The increase in ultimate claims costs in recent years may be influenced by the high inflationary environment over that period. Ultimate claim numbers have decreased in 2024, although they remained higher than the expected number of claims in 2021 and 2022. There has been an increase in the

number of policies in the market in recent years which would also naturally lead to an increase in the number and cost of claims.

Overall, claim costs in 2020 and 2010 were higher than any other accident year. It can be seen from Table 7 and Table 8 that this was driven primarily by Commercial Property claims experience. Commercial Property insurance can include cover for business interruption and there was a significant increase in business interruption claims in 2020 as a result of COVID-19 related restrictions. Commercial Property claims experience can also be significantly impacted by major weather events such as the significant freeze and flood events that occurred in 2010.

**Table 7: Ultimate claims costs and ultimate claims numbers for Commercial Property policies over accident years 2010-2024.**

Accident Year	Commercial Property	
	Ultimate claims Costs (€m)	Ultimate claims Numbers
2010	258	29,512
2011	186	19,096
2012	139	16,231
2013	164	18,141
2014	160	24,350
2015	146	15,780
2016	126	12,178
2017	121	13,737
2018	169	13,439
2019	147	11,905
2020	429	27,897
2021	160	16,211
2022	165	16,960
2023	236	18,241
2024	229	17,672



**Table 8: Ultimate claims costs and ultimate claims numbers for Employers' Liability and Public Liability policies over accident years 2010-2024.**

Accident Year	Employers' Liability		Public Liability	
	Ultimate claims Costs (€m)	Ultimate claims Numbers	Ultimate claims Costs (€m)	Ultimate claims Numbers
2010	164	6,145	195	15,188
2011	179	5,575	176	14,259
2012	179	5,608	165	12,383
2013	181	5,359	168	11,426
2014	207	5,492	166	11,227
2015	193	5,486	183	10,486
2016	182	5,382	154	10,398
2017	175	5,873	140	10,715
2018	170	5,879	150	10,967
2019	145	5,284	134	9,436
2020	141	4,147	109	7,268
2021	145	4,345	134	6,555
2022	163	4,611	169	7,477
2023	191	4,634	169	8,386
2024	198	4,559	181	8,361

## Average Cost of a Claim

Figure 5 and Figure 6 show the average ultimate cost per claim between 2010 and 2024 for EL, PL and Commercial Property claims. As can be seen in Figure 5, the average cost of EL and PL claims followed similar trends over the period, with average costs increasing from 2010 to 2015, followed by a period of falling costs before average costs started increasing again in 2019.

Average costs for EL and PL claims increased by 32% and 36% respectively between 2010 and 2015. From 2015 to 2019, the average cost of EL and PL claims decreased by 22% and 18%. Since 2019, the average cost of claims has increased by 58% for EL and 52% for PL.

In 2024 the average cost of EL claims increased 6% from €41,129 to €43,426, and average PL claim costs increased 7% from €20,147 to €21,613. Over the whole time series from 2010 to 2024, the average cost of EL and PL claims increased by 63% and 69% respectively.

It should be noted that there is significant uncertainty in the estimated average cost per claim for recent accident years, considering in particular the impacts of the introduction of the Personal Injuries Guidelines and the high inflationary environment in which claims are settling.

**Figure 5: Average cost per claim for Employers' Liability and Public Liability claims over accident years 2010-2024.**



The average cost of Commercial Property claims has been volatile over the period. Given the large variety of Commercial Property claims that can be incurred under these policies, the average cost per claim depends on the type of claims reported in any given year. As shown in Figure 6, from 2010 to 2014 the average cost of Commercial Property claims decreased by 25% from €8,753 to €6,596, before increasing by 97% to €12,957 in 2024.

The levels of excesses on policies earned over each accident year can influence the average cost per claim trends. For instance, increasing levels of excess will reduce the cost of each claim to the insurer and hence reduce insurers' ultimate claims cost. This may lead to a lower average cost per claim to an insurer in relation to these claims. However, there may be an offsetting influence where increasing levels of excess leads to fewer lower value claims (those under the excess) being handled by the insurer, therefore increasing the overall average cost per claim. The converse is true for decreasing levels of excess.

**Figure 6: Average cost per claim for Commercial Property claims over accident years 2010-2024.**



## Comparison of Premiums and Claims Costs<sup>9</sup>

The trends in claims costs shown in this Part are based on an estimate of ultimate claims costs<sup>10</sup> calculated as at 31 December 2024. This may differ from insurer's estimates at the time they were setting their premium levels. This is due to the fact that ultimate costs are an estimate based on current available information. As more information becomes available, the view of ultimate costs may change. This concept is explored further in Part 6.

Figure 7 shows the loss ratio (ultimate claims costs as a percent of premium earned) for all policies and split by cover type. It should be borne in mind that as the majority of policies are Package policies, pricing may be determined at the policy level and not by cover type; hence, profitability is most accurately considered for all cover types combined ("All Policies" line in Figure 7).

<sup>9</sup> This section of the report shows the premium and claims costs for 79% of the market in 2023.

<sup>10</sup> Key concepts including ultimate claims costs can be found on the NCID webpage - [https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-\(ncid\)](https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-(ncid)).

**Figure 7: The ratio of ultimate claims costs to earned premiums (loss ratio) by policy type for accident years 2010-2024.**



Since 2010, claims costs as a percentage of premiums for all policies have generally been decreasing apart from a period between 2013 and 2015. There was also a large spike in the loss ratio in 2020 which was driven by business interruption claims on commercial property policies during COVID-19.

Across all policies, the loss ratio:

- Decreased from 81% in 2010 to 71% in 2012,
- Increased to between 78% and 82% over the period 2013 to 2015, and
- Decreased to 66% for 2016 and to 60% and 62% for the 2017 and 2018 accident years.
- With the exception of 2020 (81%), has been relatively stable at between 49% and 54% from 2019 to 2024 and was 50% in 2024.

Between 2010 and 2024, the average loss ratio was 83% for EL, 64% for PL and 53% for Commercial Property. The increase in overall loss ratio for the 2020 accident year is driven by Commercial Property which has a loss ratio of 123% for this year.

The cost of claims is just one element of the total cost to insurers of servicing insurance policies. Other costs that impact industry profitability include management expenses, commissions and reinsurance costs. These elements will be addressed in the following chapter.

## PART 3 - Income and Expenditure

Statements of income and expenditure were collected from firms for financial years 2010 to 2024. Data was collected for the different coverage types individually: Employers' Liability, Public Liability and Commercial Property.

### Key Insights and Findings

#### *2024 Findings*

Insurers made an operating profit (after tax) of 10% of total income across EL, PL and Commercial Property for the 2024 financial year.

The Combined Operating Ratio (COR) for 2024 was 73% gross of reinsurance and 78% net.

Reserve releases on prior year claims contributed to profitability from 2021 to 2024. Excluding reserve releases, the market was profitable on a gross basis with a Gross Current Year COR of 78% and a Net Current Year COR of 86% for 2024.

#### *Income and Expenditure Trends 2010-2024*

Across all years 2010 to 2024, insurers' operating profit (after tax) was 2.1% of total income. Profitability has varied over time, with three distinct periods:

- 2010-2011: profitable (11.4%), due in part to large investment income;
- 2012-2020: loss-making (-6.5%), due to large net insurance related losses;
- 2021-2024: profitable (11.8%), due to improved net insurance related profit and investment income.

Profitability also varies between insurers, depending on their specific business.

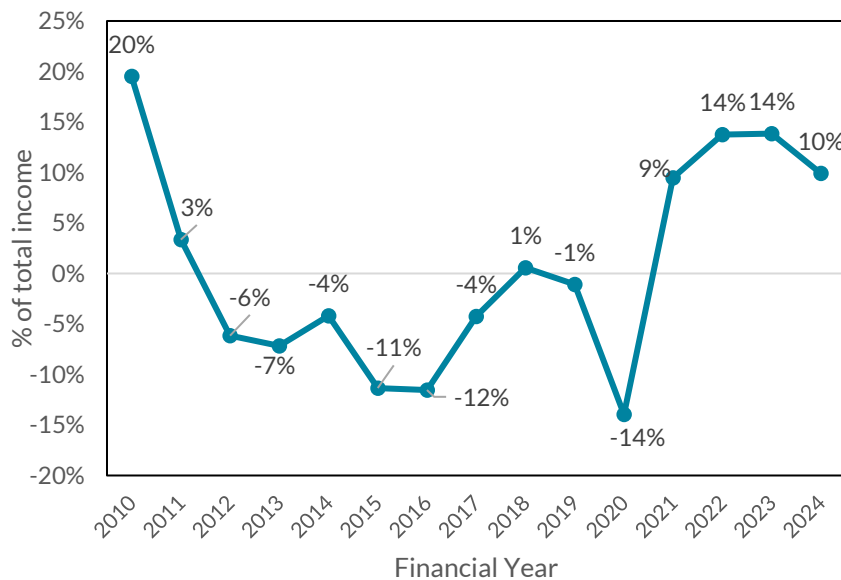
## Aggregate trends

Figure 8 shows operating profit after tax as a percentage of total income between 2010 and 2024 for all firms writing EL, PL and Commercial Property insurance. Profit and operating profit figures are after tax unless stated otherwise.

As shown below, a profit after tax of 10% of total income was reported for the 2024 financial year. This follows profit of 14% reported for both 2022 and 2023 financial years. A loss after tax of 14% was reported in 2020, which was primarily driven by Commercial Property and COVID-related business interruption claims.

Prior to 2021, the industry had not recorded a material profit since 2011.

**Figure 8: Profit after tax as a percentage of total income 2010-2024.**



Across the entire time series (2010 to 2024), the industry recorded a profit (as a percentage of total income) of 2.1%.

Table 9 provides further insight on this result, highlighting how the profitability of the industry, and the drivers of this profitability, varied across the three distinct periods, 2010-2011, 2012-2020 and 2021-2024:

- During the period 2010-2011, the industry reported a profit of 11.4% (of total income), with a large investment income (9.2%) and a net insurance related profit (4.0%).
- During the period 2012-2020, the industry reported a loss of 6.5% (of total income). Investment income was lower during this period (4.6%) and was not sufficient to offset the large net insurance related loss (11.1%), resulting in an overall loss.

- During the period 2021-2024, the industry reported a profit of 11.8% due to a combination of a net insurance related profit (11.6%) and stable investment income (3.4%).

**Table 9: Summary of total income and expenditure from 2010 to 2024.**

Period	2010-2011	2012-2020	2021-2024	All Years
Gross Insurance Related Result	10.0%	-6.2%	27.5%	7.8%
Reinsurance	-6.0%	-4.9%	-15.9%	-9.0%
Net Insurance Related Result	4.0%	-11.1%	11.6%	-1.2%
Investment Income	9.2%	4.6%	3.6%	4.8%
Other Earnings, Tax and Expenses	-1.7%	-0.1%	-3.4%	-1.5%
Operating Result	11.4%	-6.5%	11.8%	2.1%

It is important to highlight that the results shown above reflect the industry in aggregate, rather than the experience of any one individual insurer. It is clear from the underlying data that results can vary markedly between insurers, depending on their specific business.

## Breakdown of Income and Expenditure

Table 10 and Table 11 provide the breakdown of the income and expenditure components for 2023 and 2024.

**Table 10: Breakdown of total income and expenditure for 2023 and 2024.**

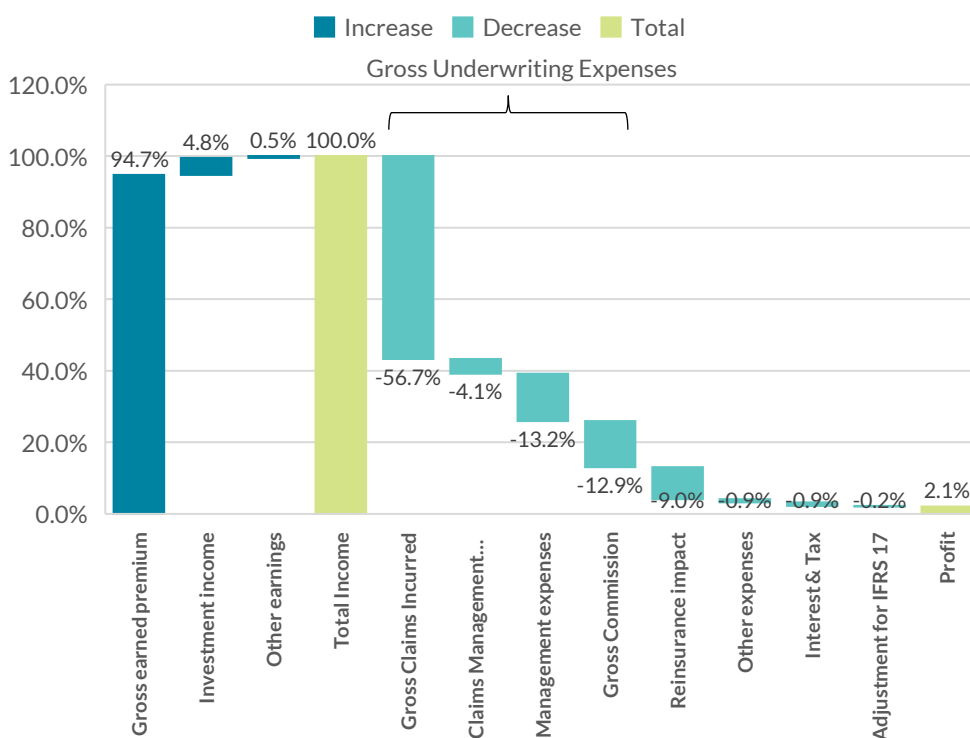
Category	2023	2024
<b>Income (€ Millions)</b>		
Gross earned premium / Insurance Revenue	1,277	1,312
Investment income	46	68
Other earnings	2	2
<b>Expenses (€ Millions)</b>		
Gross UW expenses	-812	-964
Reinsurance impact	-261	-211
Other expenses	-32	-31
Adjustment for IFRS 17 <sup>11</sup>	-15	-10
<b>Profit (€ Millions)</b>		
Profit before Tax	205	167
Interest & Tax	-22	-30
Profit after Tax	183	137
Profit after Tax (%)	14%	10%

<sup>11</sup> The Adjustment for IFRS 17 includes the impact of differing treatment of reinsurance, Net Insurance Finance Expenses and Other Expenses captured under IFRS 17.

**Table 11: Breakdown of gross underwriting expenses for 2023 and 2024.**

Category	2023	2024
<b>Gross Underwriting Expenses (€ Millions)</b>		
Gross Claims Incurred	-447	-571
Claims Management Expenses	-57	-47
Management Expenses	-126	-144
Gross Commission	-181	-202
<b>Total (€ Millions)</b>		
Total - Gross UW expenses	-812	-964

Figure 9 shows the total income and expenses across all firms over the period 2010 to 2024. These results are limited to those firms writing liability insurance in Ireland since 2019. The profitability figures will therefore have an element of survivor bias; they will not include the results of those firms that exited the market prior to the introduction of the NCID.

**Figure 9: Breakdown of total income and expenditure from 2010-2024.**

The combined operating profit as a percentage of total income of EL, PL and Commercial Property insurance between 2010 and 2024 was 2.1% of total income.



## Profitability of EL, PL and Commercial Property

Table 12 shows the varying operating profit or loss between EL, PL and Commercial Property coverages and across the time series.

**Table 12: Operating result by coverage type and financial year.**

Year	Employers' Liability	Public Liability	Commercial Property	Total
2010	28%	23%	12%	20%
2011	7%	2%	2%	3%
<b>2010 - 2011</b>	<b>17.7%</b>	<b>12.8%</b>	<b>6.9%</b>	<b>11.4%</b>
2012	1%	-21%	-1%	-6%
2013	-4%	-20%	0%	-7%
2014	-10%	1%	-5%	-4%
2015	-55%	8%	2%	-11%
2016	-35%	-20%	9%	-12%
2017	-11%	-10%	5%	-4%
2018	-16%	7%	7%	1%
2019	-11%	-1%	4%	-1%
2020	-2%	-1%	-32%	-14%
<b>2012 - 2020</b>	<b>-14.9%</b>	<b>-5.2%</b>	<b>-2.0%</b>	<b>-6.5%</b>
2021	5%	12%	10%	9%
2022	18%	16%	10%	14%
2023	12%	14%	15%	14%
2024	10%	9%	10%	10%
<b>2021 - 2024</b>	<b>11.5%</b>	<b>12.8%</b>	<b>11.3%</b>	<b>11.8%</b>
<b>2010-2024</b>	<b>-2.0%</b>	<b>3.1%</b>	<b>3.9%</b>	<b>2.1%</b>

There are three distinct periods in the data: 2010-2011, 2012-2020 and 2021-2024:

- During the period 2010-2011, there was a combined operating profit of 11.4% across all coverage types. All three cover types had an operating profit (EL 17.7%, PL 12.8% and Commercial Property 6.9%).
- During the period 2012-2020, there was a combined operating loss of 6.5% across all coverage types. EL was mostly unprofitable averaging a loss of 14.9% in this period. PL averaged a loss of 5.2%, whilst Commercial Property recorded a loss of 2.0% in this period, despite having five profitable years because of large losses in 2020 (32%) due to COVID-related business interruption claims.

- During the period 2021-2024, there was a combined operating profit of 11.8% across all coverage types. All three cover types had an operating profit (EL 11.5%, PL 12.8% and Commercial Property 11.3%).

The key drivers of operating profit/loss are the gross earned premium and investment income components of total income, and the gross underwriting expenses and reinsurance components of total expenditure.

The remainder of this section will go into more detail on these key elements. This will include the following breakdowns:

- (i) Operating performance split by key components (underwriting result, investment income and reinsurance).
- (ii) A breakdown of the impact of reinsurance split between reinsurance cover from third party reinsurers i.e., external reinsurance arrangements; and related reinsurers i.e., from entities that are part of the same group as the firm.
- (iii) Combined Operating Ratio performance (COR based on earned premium and underwriting expenses).
- (iv) A breakdown of individual underwriting expenses (i.e., gross claims incurred, claims management expenses, gross commission and management expenses).
- (v) An analysis of the impact of reserve movements on profitability.
- (vi) A further breakdown of the gross commission expenses between third party distribution channels i.e., brokers and comparison websites; and related distribution channels i.e., the firm's own distribution networks or distribution through related companies.

## Operating Performance split by Key Components

Table 13 shows the key components of operating performance as a percentage of total income split between the net insurance-related result (including reinsurance impact), investment income and other earnings, tax, expenses and adjustment for IFRS 17.

**Table 13: Profit, investment income and other earnings and expenses for years 2010-2024 as a proportion of income.**

Year	Gross Insurance-Related Result <sup>12</sup>	Reinsurance	Net Insurance-Related Result	Investment Income	Other Earnings and Expenses	Operating Result
2010	17%	-5%	12%	9%	-2%	20%
2011	3%	-7%	-4%	9%	-1%	3%
2012	-10%	-5%	-15%	9%	0%	-6%
2013	-6%	-7%	-13%	6%	-1%	-7%
2014	-3%	-7%	-10%	7%	-1%	-4%
2015	-12%	-6%	-18%	6%	1%	-11%
2016	-12%	-4%	-16%	4%	1%	-12%
2017	3%	-11%	-8%	3%	1%	-4%
2018	7%	-8%	-1%	3%	-1%	1%
2019	8%	-10%	-3%	3%	-1%	-1%
2020	-29%	12%	-17%	2%	0%	-14%
2021	16%	-8%	8%	3%	-1%	9%
2022	31%	-19%	12%	3%	-2%	14%
2023	35%	-20%	15%	3%	-5%	14%
2024	25%	-15%	10%	5%	-5%	10%
<b>Total</b>	<b>7.8%</b>	<b>-9.0%</b>	<b>-1.2%</b>	<b>4.8%</b>	<b>-1.5%</b>	<b>2.1%</b>

#### Insurance-Related Results

The gross insurance-related result indicates if there is a profit or loss in relation to insurance activities, gross of reinsurance; this is shown as a percentage of total income. This includes the performance of premiums, claims, and insurance-related expenses.

Across all years, there has been a gross insurance-related profit of 7.8% as a proportion of total income (10.0% from 2010-2011, -6.2% from 2012-2020 and 27.5% from 2021-2024). The 2023 financial year had the largest gross insurance-related profit (35%) across the time series.

The net insurance-related result indicates if there is a profit or loss in relation to insurance activities net of reinsurance costs; this is shown as a percentage of total income. This calculates the insurance-related result highlighted in the previous paragraph net of any reinsurance impact, i.e., using premiums, claims and insurance-related expenses net of reinsurance.

Across all years, there has been a net insurance-related loss of 1.2% as a proportion of total income (4.0% from 2010-2011, -11.1% from 2012-2020 and 11.6% from 2021-2024). Aside from 2020, the impact of reinsurance

<sup>12</sup> Gross Insurance-related result = (Gross Earned Premium - Gross UW Expenses) / Total Income (including Investment Income)

has been to reduce profitability. However, it is worth noting that there are benefits to reinsurance not considered here. The reinsurance impact is discussed in more detail in the next section.

Movements in reserves also contribute to the insurance-related results. These will be discussed in more detail in the Reserve Movements section.

### Investment Income

Investment income as a percentage of total income across all years has averaged 4.8% (9.2% from 2010-2011, 4.6% from 2012-2020 and 3.6% from 2021-2024). As detailed in Table 13, investment income is notably larger for the years 2010-2015, and drops off from 2016 onwards.

**Figure 10: Interaction between profit and investment income for 2010 - 2024.**

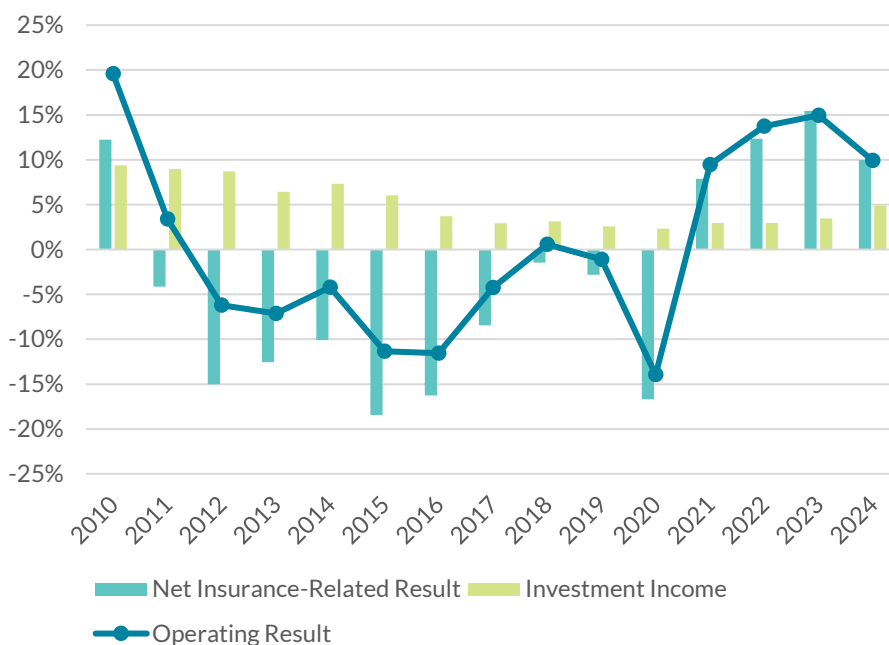


Figure 10 shows the interaction of the net insurance-related result, investment income and the operating result from 2010 to 2024.

Initially, investment income was large and contributed to profits and/or largely offset any net insurance-related losses. However, investment income then reduced over time, coinciding with years of net insurance-related losses, resulting in overall losses for the industry.

Whilst investment income has remained low in recent years, the net insurance-related results have become profitable from 2021, driving an overall profit for the industry in these years.

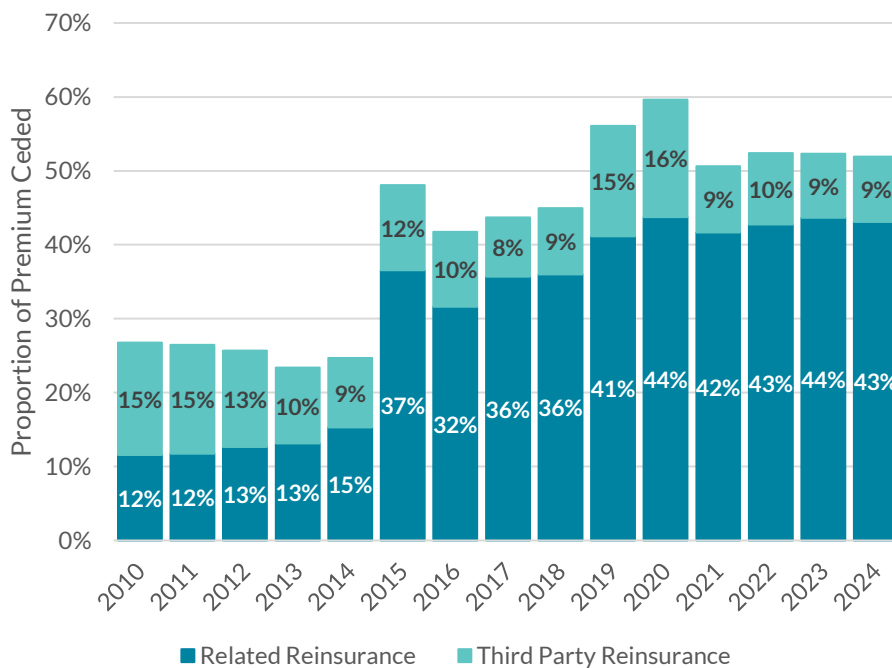
## Reinsurance

Figure 11 below shows how the proportion of premium ceded to reinsurers has changed from 2010-2024. Premiums ceded refers to the premium paid by an insurer for a reinsurance contract. In exchange, the reinsurer covers an agreed level of claim experience therefore reducing the claims risk borne by an insurer. The reinsurer may also cover a proportion of the expenses incurred by the insurer for writing and managing the business. Premiums can be ceded to a third party reinsurer, i.e., an external provider of reinsurance cover; or to a reinsurer within the same group as the firm, which is defined here as related reinsurance.

The percentage of premium ceded by insurers increased from an average of 25% for 2010-2014 to 51% for 2015-2024. This increase is driven by an increase in related reinsurance cover, which has increased from 13% on average during 2010-2014 to 40% during 2015-2024.

This metric can be influenced by one-off reinsurance arrangements that are put in place to cover losses for previous accident years e.g., following a merger or re-structure. This would result in firms ceding large volumes of premium compared to the actual premium received for a particular financial year.

**Figure 11: Proportion of premium ceded by insurers to cover reinsurer costs for all cover types and years 2010-2024.**

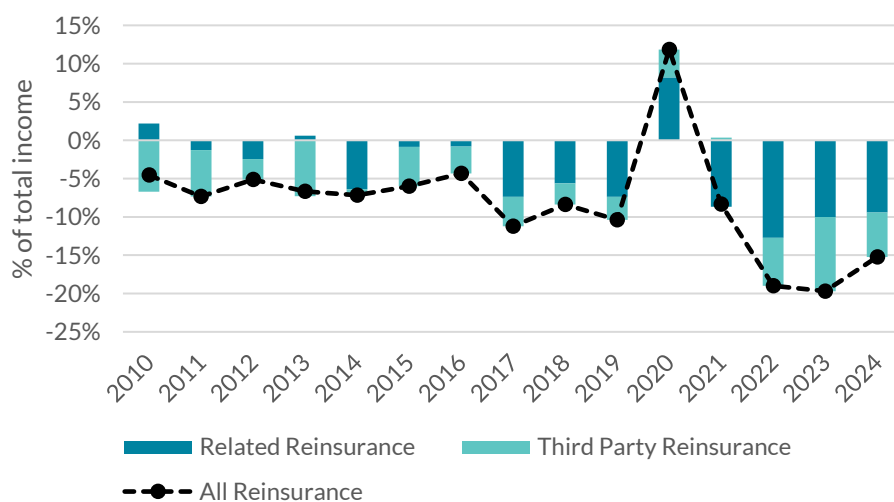


For the most part, the increase in related reinsurance cover from 2015 is attributable to the use of quota share reinsurance arrangements which are used to share premiums, claims and expenses between the insurer and a reinsurer in pre-determined proportions. This facilitates the sharing of losses in unprofitable years and profits in profitable years. These arrangements can reduce the level of risk within each firm and provide benefit through a reduction in the amount of capital that an individual firm, or a group, has to hold to satisfy regulatory requirements.

Figure 12 illustrates the net cost of reinsurance each year from 2010 to 2024 for related and third party reinsurance. Across EL, PL and Commercial Property insurance and all financial years 2010-2024, the net cost of reinsurance was 9% of total income; this is shown as -9% to signify that reinsurance was an expense to the insurer. This is the case where the insurer paid more money to a reinsurer in premium than they received back in claims and expense payments. This varies across the time period for related and third party reinsurance.

Where the net cost is positive, this signifies that reinsurance was an income to the insurer, with claims and expense payments from the reinsurer being larger than the premium paid to the reinsurer; this has been the case for the 2020 financial year.

**Figure 12: Net cost of related and third party reinsurance cover for years 2010-2024.**



In 2024, the net cost of reinsurance was -9% for related reinsurance and -6% for third party reinsurance. The net cost is larger in 2022, 2023 and 2024 than other years as a result of both the level of profitability in the market in these years, as well as the impact of reserve releases for reinsured COVID-related business interruption claims – prior year reserve releases for claims that are reinsured offsetting the increase in reinsured reserves for current year claims. This contrasts with 2020 when the market

was loss making and insurers received a net benefit of 12% of total income from having reinsurance in place.

Table 14 and Table 15 show how the net cost of reinsurance varies for related and third party reinsurance cover across the various time periods and coverage types.

**Table 14: Net cost of related reinsurance by coverage type.**

Period	2010-2011	2012-2020	2021-2024	All Years
Employers' Liability	-1%	2%	-4%	-1%
Public Liability	4%	-2%	-6%	-2%
Commercial Property	-1%	-5%	-17%	-9%
<b>Total</b>	<b>0%</b>	<b>-2%</b>	<b>-10%</b>	<b>-5%</b>

The total net impact for related and third party reinsurance over the period 2010-2024 was -5% and -4% respectively, i.e. on average, related and third party reinsurance each cost insurers 5% and 4% of their total income respectively over the period 2010-2024.

**Table 15: Net cost of third party reinsurance by coverage type.**

Period	2010-2011	2012-2020	2021-2024	All Years
Employers' Liability	0%	1%	-2%	0%
Public Liability	-7%	-2%	-4%	-3%
Commercial Property	-10%	-5%	-9%	-7%
<b>Total</b>	<b>-6%</b>	<b>-3%</b>	<b>-6%</b>	<b>-4%</b>

## Combined Operating Ratio

The operating result in the earlier section looked at the split of the key components of income and expenditure as a percentage of total income, with a particular focus on the net cost of reinsurance. However, a key ratio used by insurers to measure the underlying performance of their insurance-related activities is the Combined Operating Ratio (COR). The COR describes insurance-related outgoings as a proportion of earned premium.

The COR is defined as:

$$\text{COR} = \frac{\text{Claims incurred}^{13} + \text{Other underwriting expenses}^{14}}{\text{Earned premium or Insurance Revenue}}$$

This metric is an important performance indicator used by insurers in making pricing and underwriting decisions. The COR can be calculated either gross (before the effect) or net (after the effect) of reinsurance, and is less affected by standard quota share reinsurance arrangements described previously in the reinsurance section. The Net COR will differ from the Gross COR primarily as a result of other types of reinsurance arrangements.

Further information on gross underwriting expenses is provided in subsequent sections.

From an insurer's perspective, a high COR represents an unfavourable result. A COR greater than 100% represents a higher level of insurance-related outgo than insurance-related income.

Figure 13 provides the Gross and Net COR from 2010 to 2024. The total Gross COR was 92% across all financial years; the Net COR was 102%.

The Net COR was greater than 100% every year from 2011 to 2020 i.e., between 2011 and 2020, the net underwriting result was unprofitable. The Gross COR was greater than 100% between 2012 and 2016 and in 2020.

Both the Gross and Net COR are below 100% for 2021, 2022, 2023 and 2024. The Gross and Net CORs for 2024 are 73% and 78% respectively.

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<sup>13</sup> Incurred claims include: claims paid in the year; reserves for claims which occurred in the year; and changes in reserves for claims which occurred in prior years.

<sup>14</sup> Other underwriting expenses include: commissions; other acquisition costs; policy administration; and claims handling expenses.



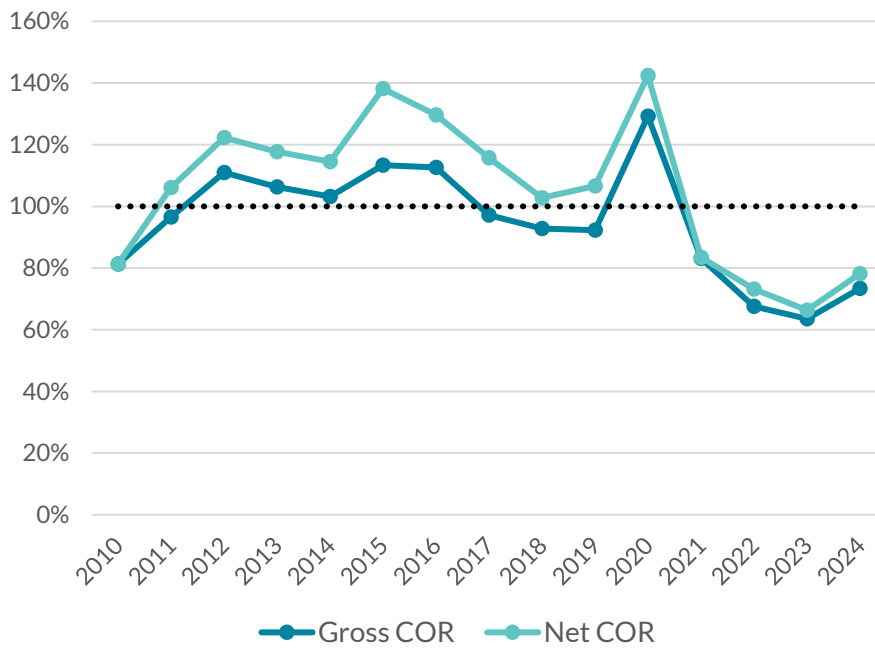
**Figure 13: Total Gross and Net COR for 2010-2024.**

Table 16 provides the Gross and Net CORs split by coverage type across a number of distinct periods through 2010 to 2024.

For EL, the Gross and Net CORs across all years were 107% and 114% respectively. The CORs for EL have noticeably reduced in recent years. For example, the Gross EL COR has fallen from 127% (in 2012-2020) to 82% (in 2021-2024).

**Table 16: Gross and Net COR by coverage type.**

Cover Type		Period			
		2010-2011	2012-2020	2021-2024	All Years
Employers' Liability	Gross	94%	127%	82%	107%
	Net	93%	142%	77%	114%
Public Liability	Gross	94%	107%	77%	95%
	Net	97%	118%	74%	102%
Commercial Property	Gross	84%	93%	61%	80%
	Net	93%	108%	74%	95%
All Policies	Gross	89%	106%	71%	92%
	Net	94%	120%	75%	102%

For PL, the Gross and Net CORs across all years were 95% and 102% respectively. Similar to EL, there has been a reduction in recent years, as the Gross COR has fallen from 107% (in 2012-2020) to 77% (in 2021-2024).

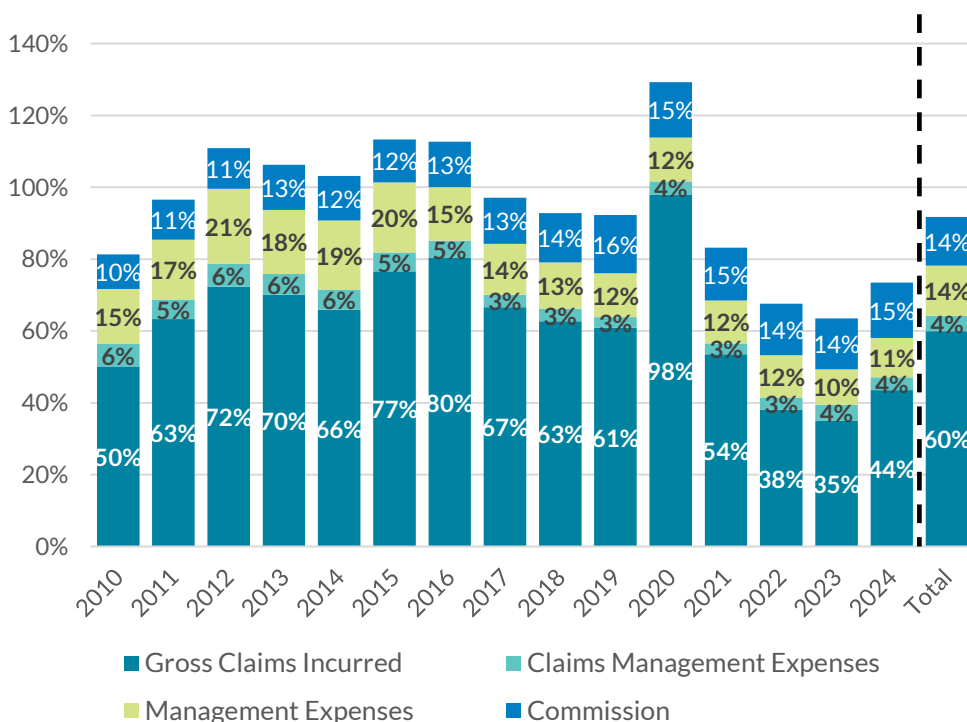
For Commercial Property, the Gross and Net CORs across all years were 80% and 95% respectively. The Gross COR for Commercial Property is below 100% for all years except for 2020 which was impacted by COVID-related business interruption losses.

## Underwriting Expenses

Figure 14 provides a breakdown of the underwriting costs as shown in the Combined Operating Ratio section above.

Management expenses are the expenses related to product development, system improvements, salaries, auditing costs and regular day-to-day costs i.e., electricity bills, rent for accommodation, and IT costs. Claims management expenses are the expenses related to the processing and resolving of claims, including certain legal and adjusters' fees and internal costs of processing claims payments.

**Figure 14: Breakdown of the gross underwriting costs for 2010-2024 across all Coverage Types as a percentage of Gross Earned Premium or Insurance Revenue.**



The amount shown here is the share of total management expenses and claims management expenses that have been apportioned to EL, PL and Commercial Property insurance business by insurance companies.

Figure 14 shows that gross claims-related costs (i.e., claims incurred and claims management expenses) were the greatest expenditure accounting for, on average, 64% of gross earned premium across 2010 to 2024.

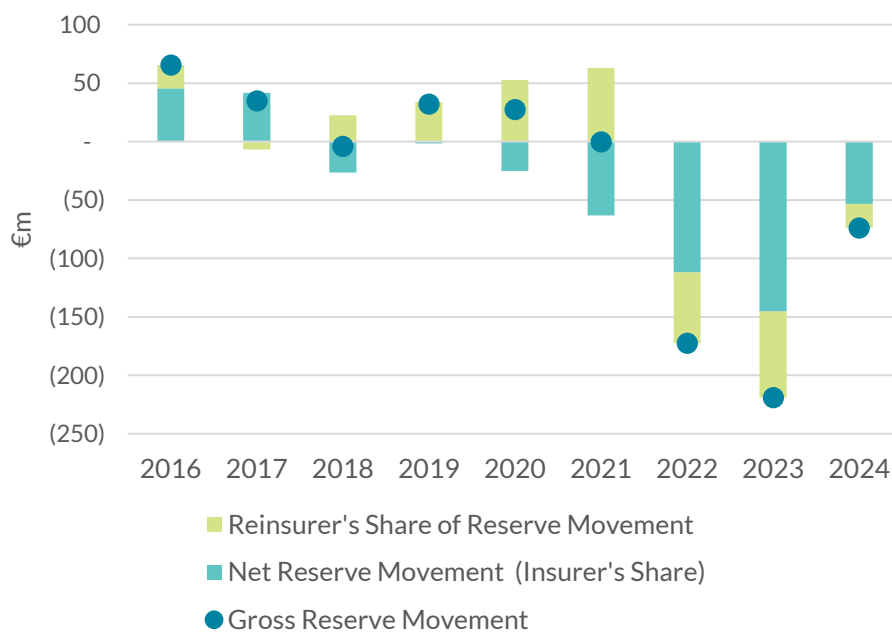
The other key underwriting expenses were management expenses and commission, which both amounted to 14% of gross earned premium.

## Reserve Movements<sup>15</sup>

Over time insurers will revise their estimates of the ultimate cost of claims for a given accident year as more information becomes available and the results become more certain. When the ultimate cost of claims are revised upwards or downwards for a given accident year, or across multiple accident years, this will lead to an overall increase or decrease in reserves for prior years. Movements in reserves for prior years will contribute to the profit or loss for the financial year in which those movements occur.

A reduction in the estimate of ultimate claims cost for prior years will increase profitability (or reduce losses) in a given financial year as reserves are released, while an increase in the estimate of ultimate claims cost for prior years will reduce profitability (or add to losses) in a given financial year as reserves would be increased to match the revised ultimate claims cost.

**Figure 15: Movement in reserves for prior years that were recognised in financial years 2016-2024, split between the insurer's and reinsurer's share of the reserves.**



The claims incurred in a financial year includes both the expected cost of claims for the current year and movements in reserves for prior years. An

<sup>15</sup> This section is based on data from firms that insured 67% of the EL, PL and Commercial Property insurance market in Ireland in 2024.

enhancement to the NCID for 2023 has allowed current year claims cost and the movement in reserves for prior years to be shown separately.

Figure 15 shows the movement in reserves for prior years that occurred in each financial year from 2016 to 2024. The total or gross movement in reserves is split into the reinsurer's share, i.e. claim costs that are expected to be covered by the reinsurer, and the insurer's share, i.e. the movement in reserves net of reinsurance. A positive movement implies an increase to reserves, and a negative movement implies a reserve release.

In 2024, insurers had a combined reserve release of €53m net of reinsurance. The largest movement in prior year reserves occurred in 2023 where insurers had a combined reserve release of €146m net of reinsurance. This followed another large net reserve release of €112m in 2022.

Prior year reserves were increased by €46m in 2016 and €42m in 2017, net of reinsurance, while reserves for claims that were reinsured increased by between €22m and €63m over each year from 2018 to 2021.

**Table 17: Movement in reserves for prior years that were recognised in financial years 2016-2024, split gross and net of reinsurance, and for EL, PL and Commercial Property separately.**

Coverage Type	Reserve Movement (€m)	2016	2017	2018	2019	2020	2021	2022	2023	2024
Employers' Liability	Gross	54	10	11	46	-22	-18	-73	-55	-35
	Net	37	7	1	21	-25	-23	-58	-52	-35
Public Liability	Gross	49	21	-9	-3	55	-17	-58	-38	2
	Net	20	31	-11	-10	5	-27	-41	-35	-3
Commercial Property	Gross	-37	3	-5	-11	-5	34	-42	-126	-41
	Net	-12	4	-16	-13	-5	-13	-13	-59	-16
All Policies	Gross	65	35	-4	32	28	0	-173	-219	-74
	Net	46	42	-26	-2	-25	-63	-112	-146	-53

Table 17 breaks this down further, splitting the reserve movements by coverage type. This shows that reserve releases for each of EL, PL and Commercial Property have been higher in 2022 and 2023 than in previous years. However, in 2024, the reserve releases have started to decrease.

In particular, there were very large reserve releases for Commercial Property insurance in 2023. It can also be seen that much of the reserve movements for Commercial Property over the 2021 to 2023 financial years are for claims that are reinsured, hence the movement is less on a net basis.

The reinsurer's share of Commercial Property reserves for prior years increased by €47m in 2021 and then decreased by €29m in 2022, €67m in 2023 and €26m in 2024. These reserve movements primarily relate to COVID-19 related business interruption claims.

COVID-19, the Personal Injuries Guidelines and provisions for large claims have all contributed to reserve releases for EL and PL. Part 6 provides detail on how insurer's estimates of the ultimate cost of claims for each accident year have changed over time.

**Figure 16: Operating profit split between the contribution from the current year and the contribution of the movement in reserves for prior years, for 2016-2024 financial years<sup>16</sup>.**

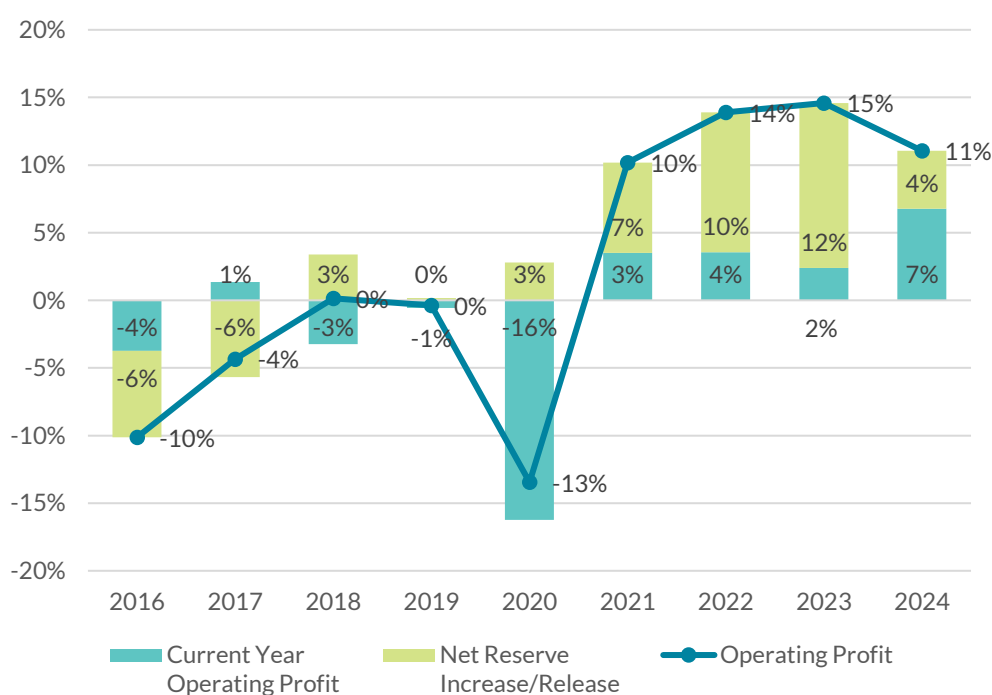


Figure 16 shows how movements in reserves have contributed to profitability from 2016 to 2024 across EL, PL and Commercial Property insurance. The operating profit in each financial year is split into the operating profit based on current year claims only, and the contribution of the net movement in reserves to profit or loss.

Based on the estimate of claims for the current year only, the market was loss-making between 2016 and 2018-2020, and started making profit from 2021 onwards. The market made an operating profit of 7% in 2024.

However, reserve releases on claims from previous years have contributed significantly towards profitability in each financial year since 2021 -

<sup>16</sup> The operating profit percentages in the Reserve Movements section deviate slightly from the rest of Part 3 due to the market coverage being 67% here and 7780% elsewhere.

contributing between 4% and 12% towards the overall operating profit for 2021 to 2024. This suggests that claims costs in previous years were less than originally expected.

**Table 18: Operating profit split between the contribution from the current year and the contribution of the movement in reserves for prior years, for EL, PL and Commercial Property and the 2016-2024 financial years.**

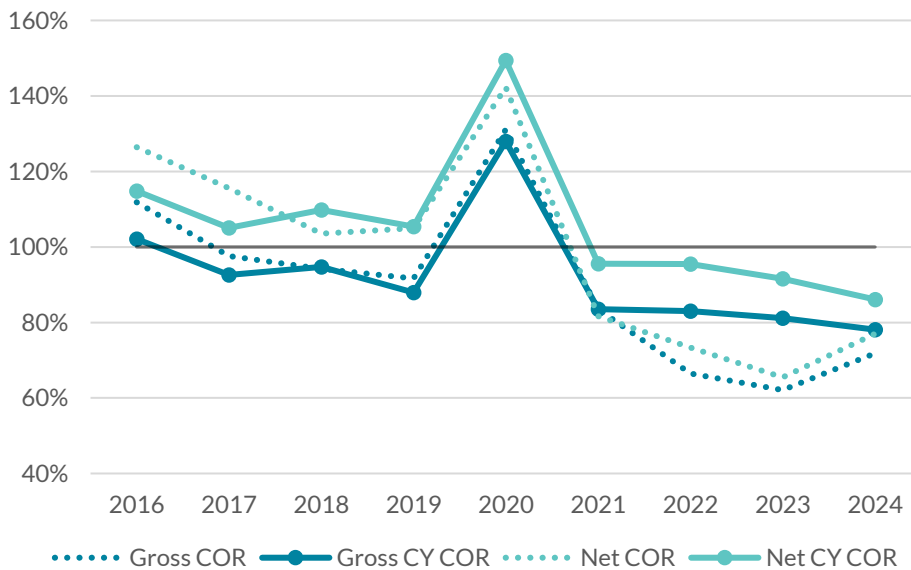
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Employer's Liability</b>									
Current Year Profit	-14%	-6%	-15%	-2%	-6%	-2%	-2%	-2%	0%
Reserve Movements	-20%	-4%	0%	-9%	10%	9%	20%	17%	11%
<b>Operating Profit</b>	<b>-34%</b>	<b>-9%</b>	<b>-15%</b>	<b>-11%</b>	<b>4%</b>	<b>8%</b>	<b>18%</b>	<b>14%</b>	<b>11%</b>
<b>Public Liability</b>									
Current Year Profit	-11%	2%	2%	-1%	1%	5%	4%	4%	10%
Reserve Movements	-9%	-13%	4%	3%	-2%	10%	13%	10%	1%
<b>Operating Profit</b>	<b>-20%</b>	<b>-11%</b>	<b>6%</b>	<b>3%</b>	<b>-1%</b>	<b>15%</b>	<b>17%</b>	<b>14%</b>	<b>11%</b>
<b>Commercial Property</b>									
Current Year Profit	9%	6%	0%	0%	-34%	6%	7%	4%	9%
Reserve Movements	4%	-1%	5%	4%	1%	3%	3%	11%	3%
<b>Operating Profit</b>	<b>12%</b>	<b>5%</b>	<b>5%</b>	<b>4%</b>	<b>-33%</b>	<b>9%</b>	<b>9%</b>	<b>15%</b>	<b>11%</b>
<b>All Policies</b>									
Current Year Profit	-4%	1%	-3%	-1%	-16%	3%	4%	2%	7%
Reserve Movements	-6%	-6%	3%	0%	3%	7%	10%	12%	4%
<b>Operating Profit</b>	<b>-10%</b>	<b>-4%</b>	<b>0%</b>	<b>0%</b>	<b>-13%</b>	<b>10%</b>	<b>14%</b>	<b>15%</b>	<b>11%</b>

Table 18 shows this breakdown separately for EL, PL and Commercial Property. Excluding reserve releases; EL was unprofitable for each year between 2016 and 2024, PL has become more profitable since 2021, and the experience of Commercial Property has been mixed – with some profitable years, some closer to break-even, and a large loss for 2020 financial year.

However, reserve releases have contributed towards an overall operating profit across each coverage type in recent years with the most significant impact being on EL and PL insurance.

Figure 17 shows the gross and net COR for current year claims only, stripping out the impact of movements in reserves. This shows that the COR for the current year in 2024 was 78% gross of reinsurance and 86% net of reinsurance. The gross and net current year COR were at its lowest for 2024 financial years and has been relatively stable since 2021.

**Figure 17: Gross and Net COR based on current year (CY) claims only and for all claims, including reserve movements, for EL, PL and Commercial Property and the 2016-2024 financial years.**



## Commission

Figure 18 provides a breakdown of gross earned premium between policies sold through third party distribution channels, i.e., brokers and comparison websites, or direct and related distribution, i.e., sold directly by the firm or distribution through companies related to the firm. Policies sold through third party intermediaries made up 81% of gross earned premium across the 2016 to 2024 financial years. The proportion sold through this channel has varied slightly over time, increasing from 79% in 2016 to 84% in 2024. The proportion of premium earned through the direct and related distribution decreased from 21% to 16% over the same period.

**Figure 18: Split of gross earned premium between third party and related distribution channels, for EL, PL and Commercial Property and the 2016-2024 financial years.**

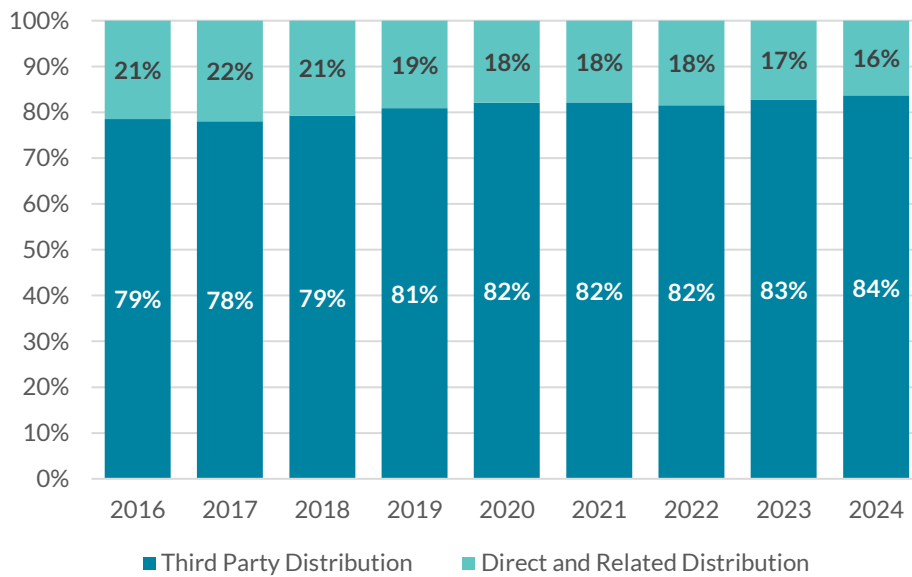
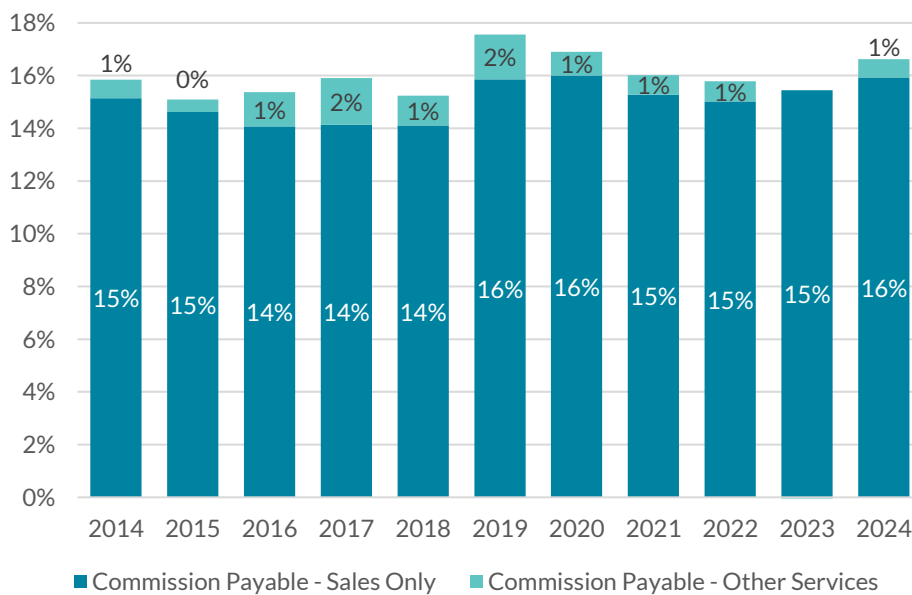


Figure 19 highlights commission costs as a percentage of premium on policies sold through third party intermediaries. On average, the total amount of commission as a percentage of premium sold through third party intermediaries was 15% from 2014 to 2024.

**Figure 19: Commission as a percentage of earned premium for policies sold through third party intermediaries, for EL, PL and Commercial Property and the 2014-2024 financial years.**





## PART 4 – Claim Settlements

Data was collected on claimants who settled liability claims between 2015 and 2024. The number of claimants and the aggregate cost of settling their claims was collected by claim type and settlement channel. This gave insight into trends in the settlement channel used, and the various costs associated with settling claims.

### Key Insights and Findings

#### 2024 Findings

For injury claim settlements in 2024:

- 11% settled direct before Injuries Board, 12% settled through the Injuries Board and 6% settled direct after Injuries Board.
- 68% settled through litigation before a court award, and 3% settled through litigation with a court award.

For EL and PL injury claims that settled with a total cost less than €150,000 in 2024, the average cost by channel and cost type was:

- Direct: compensation of €19,295 and legal costs of €3,688
- Injuries Board: compensation of €25,484 and legal of €694
- Litigated: compensation of €25,935 and legal of €25,055

For all EL and PL injury claims settled in 2024, the average cost by channel and cost type was:

- Direct: compensation of €20,800 and legal costs of €3,836
- Injuries Board: compensation of €27,538 and legal of €709
- Litigated: compensation of €43,361 and legal of €33,550

The average duration of an injury claim from reporting to settlement in 2024 was 1.8 years for claims in the direct channel, 2.1 years in the Injuries Resolution Board channel and 5.7 years in the litigated channel.

Damage claims settled in 0.6 years on average.

## Background

### Grouping of Claims

Liability insurance claims are discussed in this section. These claims were collected and are discussed on a settlement year basis i.e., the settlement year refers to the year in which the final payment is made in respect of a claim. Claims settled in a particular settlement year may be in respect of accidents that happened in prior years.

### Structure of Part 4

In this part of the report, information is first provided on the total number and cost of settled claims, before damage and injury claims are then analysed separately.

Injury claims are analysed in detail, exploring differences in the number and cost of claims settled across the various settlement channels, the distribution of the cost of these claims and the time taken to settle.

### Settlement Channels

#### Data Collected

The settlement channels analysed in this report are of two types. For claims settled in 2019 onwards, claims are collected in five settlement channels:

- **Direct before Injuries Board:** Claims settled directly between claimant and insurer before Injuries Resolution Board involvement and before the initiation of legal proceedings.
- **Direct after Injuries Board:** Claims settled directly between claimant and insurer after Injuries Resolution Board involvement but before the initiation of legal proceedings.
- **Injuries Resolution Board:** Claims settled through the Injuries Resolution Board<sup>17</sup>.
- **Litigated before Court Award:** Claims settled following the initiation of legal proceedings, but which did not proceed to an award set by a judge.
- **Litigated with Court Award:** Claims settled following the initiation of legal proceedings, for which the compensation award was set by a judge.

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<sup>17</sup> The Personal Injuries Assessment Board (PIAB) 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. Where the Injuries Resolution Board or the Injuries Board is used to describe a settlement channel this includes claims settled through PIAB or the Injuries Resolution Board.

For years 2015 to 2018, claims are collected in three settlement channels only:

- **Direct:** both before and after Injuries Resolution Board.
- **Injuries Resolution Board**
- **Litigated:** both before and with court award.

## Settlement of Claims

The least complex claims are expected to be settled early between a claimant and insurer. If settlement is not reached, all injury claims then pass through the Injuries Resolution Board.

The Injuries Resolution Board releases cases where an insurer does not consent to it assessing the case, the injury is of a nature that is not appropriate for the Injuries Board to assess, or an insurer/claimant rejects the Injuries Board's award. In these instances, the claimant may pursue the case through litigation. It is common for complex cases or claims where liability is contested to be settled through litigation.

## Basis for Compensation Award

Up until April 2021, the Injuries Resolution Board calculated compensation amounts using the ranges set out in the Book of Quantum<sup>18</sup>, with additional consideration given to any financial loss incurred by the claimant. From April 2021, the Book of Quantum was replaced by Personal Injuries Guidelines adopted by the Judicial Council. This is discussed in more detail in Part 5 of the report.

From April 2021 and onwards, some claims were settled under the Personal Injuries Guidelines and some with reference to the Book of Quantum. A particular injury assessed under the Personal Injuries Guidelines may be awarded a different compensation amount than if it was assessed using the Book of Quantum.

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<sup>18</sup> The Book of Quantum provided data on the range of compensation payments for an assortment of injuries, based on actual figures from court cases, insurance company settlements, State Claims Agency cases and Injuries Resolution Board data. It provided compensation ranges for six categories and 34 sub-categories of injury, and for four levels of injury severity.

## Settlement of Claims

Table 19 shows the total number, cost and sub-costs of EL and PL claims settled between 2015 and 2024 and the average values for the period 2015 to 2019. Table 19 includes claims where the claimant didn't receive compensation but insurers incurred claim costs, i.e. nil compensation claims. Sub-costs are defined as compensation costs, legal costs and other costs, with the cost of medical assessments being an example of other costs.

This data is based on 75% of the EL, PL and Commercial Property insurance market in 2024. It can be seen that the cost of claims that settled in 2024 totalled approximately €295m spread across approximately 10,260 claimants. Total claim cost and number of claims in 2024 were lower than the average of the 2015 to 2019 period but higher than the years 2021 and 2022 which were impacted by COVID-19. Total claim costs in 2024 were 8% lower than the 2015 to 2019 average with the number of claims being 5% lower. Compensation costs were 17% lower in 2024 than the 2015 to 2019 average, while legal costs were 10% higher.

**Table 19: Total number of claimants settled and total cost of settlements for settlement years 2015-2024.**

Settled Year	Total Claimants (000's)	Sub Costs (€m)			Total Cost (€m)
		Compensation Cost	Legal Cost	Other Cost <sup>19</sup>	
2015	10.8	182	99	13	294
2016	11.1	222	104	6	332
2017	10.5	215	105	11	331
2018	11.1	217	98	10	325
2019	10.8	211	108	11	330
2020	9.5	204	96	7	306
2021	9.2	174	95	10	279
2022	8.7	155	93	8	255
2023	10.2	181	114	9	304
2024	10.3	173	113	9	295
2015-2019 Average	10.8	209	103	10	322

<sup>19</sup> Other costs include all other expenses incurred in settling a claim. This may include the cost of assessing claims (e.g., medical or engineering reports), administration costs or recovery of costs in the case that another party is found (partially) liable for the claim.

## Nil Compensation Claims

Table 20 shows that for the 2024 settlement year, approximately 3,200 claimants settled their claims without receiving compensation, with a total cost to insurers of €12.3m. Claims where no compensation was paid to the claimant represented 31% of insurers total claims and 4% of their total settlement costs.

**Table 20: Total number of claimants that settled without compensation and the total cost of settling those claims, for settlement years 2015 to 2024.**

Settled Year	Number of Claimants Settled (000's)	Legal Cost (€m)	Other Cost (€m)
2015	3.0	5.8	7.8
2016	3.1	6.9	4.0
2017	3.3	8.0	9.3
2018	3.2	6.6	5.4
2019	3.6	7.6	6.4
2020	3.2	7.6	4.0
2021	3.4	7.9	5.7
2022	3.3	8.1	3.3
2023	3.3	8.5	5.0
2024	3.2	9.5	2.8

These claims will be removed for the remainder of the claim settlement analysis to focus on claims where compensation was paid, which is consistent with previous reports.

## Injury vs. Damage Claims

Table 21 shows the distribution between damage and injury claims for claimant numbers and total settled costs. In 2024, 58% of claimants made injury claims, which accounted for 92% of total settled costs. The proportion of damage claims increased from 35% in 2022 to 42% in 2023 and 2024. These accounted for 8% of settled claim costs in 2024.

**Table 21: Breakdown of claimant numbers and claim costs for injury and damage claims for 2015 to 2024.**

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Settled Claimant Numbers</b>										
Injury	65%	66%	70%	61%	65%	65%	65%	65%	58%	58%
Damage	35%	34%	30%	39%	35%	35%	35%	35%	42%	42%
<b>Settled Claim Costs</b>										
Injury	92%	91%	94%	91%	93%	89%	94%	92%	91%	92%
Damage	8%	9%	6%	9%	7%	11%	6%	8%	9%	8%

## Damage Claims

Damage claims account for 42% of all claimants that settled, and 8% of the total settlement costs in 2024. 95% of damage claims settled from 2015 to 2024 were settled directly with the insurer. Therefore, comparison of damage claims by settlement channel was not meaningful.

**Table 22: Average cost of settling damage claims in the years 2015-2024.**

Cost Component (€)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Compensation	5,540	7,417	6,836	6,836	6,534	12,682	6,222	8,235	6,842	6,459
Legal	2,143	3,306	2,346	1,794	2,194	1,874	1,244	1,455	1,958	1,240
Other	179	-5	-2	336	215	316	-42	173	268	285
Total	7,862	10,718	9,181	8,966	8,943	14,872	7,424	9,863	9,069	7,984

Table 22 highlights that the average cost of settling damage claims has been volatile over the period 2015 to 2024. The majority of damage claims arise from PL policies which have more of a mix of bodily injury and damage claims. Claims within EL policies are predominantly injury claims. On account of their significance to overall claim costs, the remainder of Part 4 focuses on injury claims.

## Injury Claims

### Settlement Channels

Figure 20 shows how the number of injury claimants settling has changed between 2015 and 2024, by half-year. The figures show the change compared to H1 2015 for claims settling directly with the insurer, via the Injuries Resolution Board or through litigation. Since H1 2015, the number of claims settling through the Direct and Injuries Resolution Board channels has declined by 59% and 26% respectively by H2 2024.

The number of claims settling via the Injuries Board reached a low point in H2 2021 when claim numbers had fallen 47%. They then increased, peaking in H1 2023 at just 7% below the H1 2015 figure before falling again to 26% below the H1 2015 figure in H2 2024. In contrast, the number of claims settling through litigation has remained relatively stable and was 15% higher in H2 2024 compared to H1 2015.

**Figure 20: Index of the number of injury claims settled in each channel in each settlement period, compared to H1 2015.**

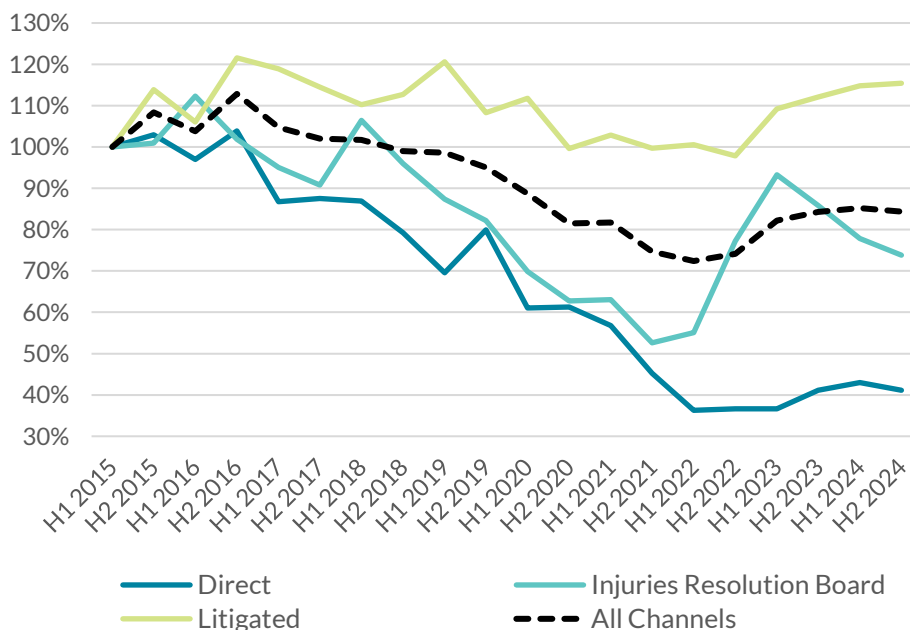
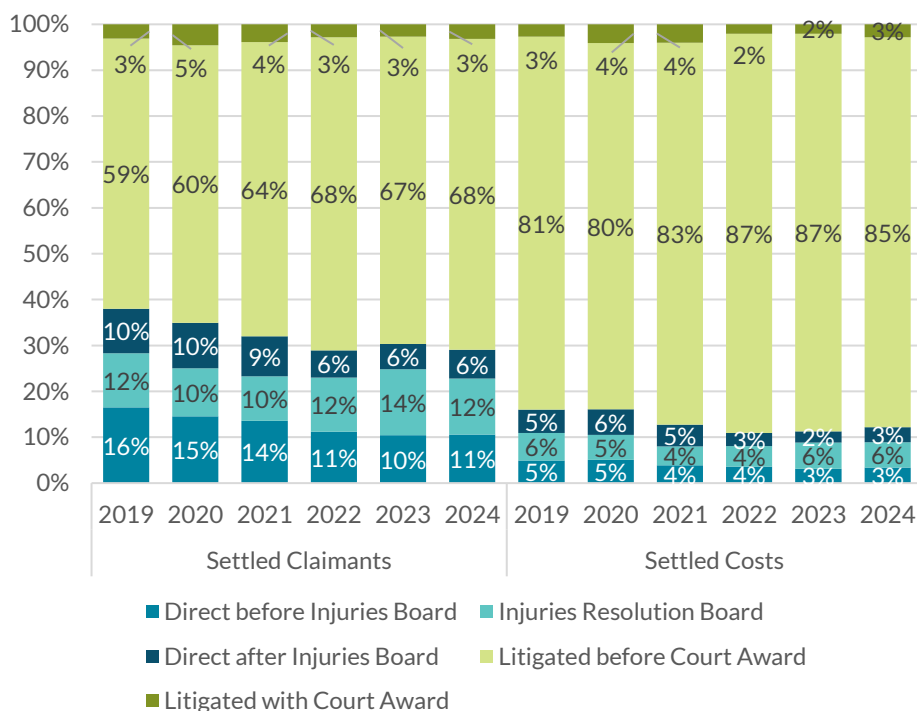


Figure 21 shows the proportion of settled claimants and total cost of injury claims through each of the five settlement channels between 2019 and 2024. Litigated settlements made up 71% of claimants in 2024, which can be divided into 68% who settled before a court award and 3% who settled with a court award. The proportion of claimants that settled through litigation before court award has increased from 59% in 2019 whereas the proportion settled through litigation with court award has remained relatively stable between 2019 and 2024. Claims settled through the Injuries Board made up 12% of claimants in 2024.

As illustrated in Figure 21, claims settled either directly or through the Injuries Board make up a lower proportion of total settlement costs than they do of claimant numbers. In contrast to this, the 68% of claimants who settled through litigation before a court award in 2024 accounted for 85% of total settlement costs in that year.

**Figure 21: The proportion of settled claimants and total cost of injury claims through each of the five settlement channels between 2019 and 2024<sup>20</sup>.**



## Distribution of Injury Compensation Awards

As the number and proportion of claims settling in the different settlement channels has changed over time, we can also examine how the size of claims settled within settlement channels has changed over this period though the distribution of compensation awards.

Changes in the value of compensation awards for claims settled within different settlement channels may be as a result of changes in the types of claims settling within a settlement channel, or changes to the level of compensation awarded for certain types of claims – for example through the introduction of the Personal Injuries Guidelines.

Figure 22 shows the proportion of claimants that settled within different compensation bands for each settlement channel, comparing the distribution for claims settled over 2015 to 2019 against the distribution for claims settled in 2024.

In the Direct channel, the proportion of claims settled with compensation between €15,001 and €45,000 reduced from 33% to 27% of claims settled in 2024. The proportion of claims settled with compensation in all other bands increased, both above and below the €15,001 to €45,000 band.

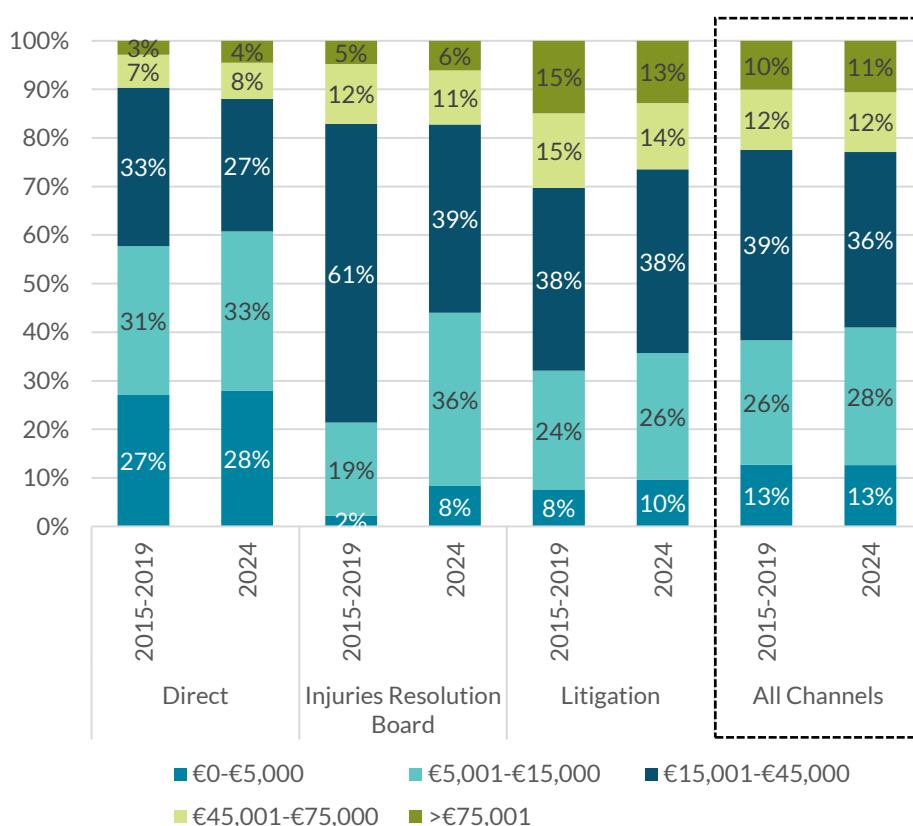
<sup>20</sup> Figure 21 is based on data from firms that insured 69% of the EL, PL and Commercial Property insurance market in Ireland in 2024.



The largest difference can be seen for claims settling via the Injuries Resolution Board. There was a reduction from 61% to 39% in the proportion of claims settling in the €15,001 to €45,000 compensation band, an increase from 19% to 36% in the proportion of claims settling in the €5,001 to €15,000 band, and an increase from 2% to 8% in the €0 to €5,000 band.

For claims settled through litigation, the proportion of settled claimants by compensation band remained relatively, with a small decrease for claims settled with compensation greater than €45,001 and a small increase for claims settled with compensation less than €15,001.

**Figure 22: The distribution of settled claimants by compensation cost through each settlement channel, for the 2015 to 2019 average and 2024.**



### Average Costs of Injury Claims

Table 23 shows the average cost for EL and PL injury claims combined that settled with a total settled cost less than €150,000 using the three-way settlement channel split. The average cost is split into compensation paid to the claimant, legal costs and other costs.

Between 2015 and 2024, 93% of claimants across all channels and 89% of claimants who settled through litigation settled for a total cost less than €150,000. The complexity or severity of injury claims settled in the different channels can vary significantly and should be borne in mind when

comparing the average cost of settling injury claims in the different channels.

**Table 23: Average injury settlement costs for EL and PL combined for claims that settled for less than €150,000 in each settlement channel, for the 2015-2019 average and 2020 to 2024.**

Year	Compensation €	Legal €	Other €	Total €
<b>Direct</b>				
2015-2019	18,042	2,203	317	20,562
2020	22,342	3,353	350	26,045
2021	19,367	3,689	607	23,663
2022	17,066	2,977	444	20,488
2023	17,167	3,493	479	21,139
2024	19,295	3,688	448	23,431
<b>Injuries Resolution Board</b>				
2015-2019	29,111	1,274	539	30,923
2020	28,444	1,263	292	29,998
2021	27,024	905	1,032	28,962
2022	21,986	537	1,061	23,585
2023	23,392	660	1,060	25,112
2024	25,484	694	966	27,144
<b>Litigated</b>				
2015-2019	29,630	21,063	352	51,045
2020	30,323	21,121	411	51,855
2021	28,770	21,773	821	51,364
2022	27,084	22,777	964	50,825
2023	26,853	24,130	896	51,880
2024	25,935	25,055	1,207	52,196
<b>All Channels</b>				
2015-2019	25,902	12,429	366	38,698
2020	28,009	14,219	381	42,610
2021	26,317	15,158	792	42,267
2022	24,590	16,238	883	41,711
2023	24,640	16,889	850	42,379
2024	24,662	17,975	1,037	43,673

For claims that settled for less than €150,000, the average total cost of claims settling directly with an insurer (€23,431), and through the Injuries Resolution Board (€27,144) have both increased by 11% and 8% respectively in 2024 compared to 2023. For both channels, this increase follows a reduction in the average cost between 2020 and 2022 and an increase in 2023. Overall, the average cost for claims settled either directly

or through the Injuries Board in 2024 are both 10% lower than the average for claims settled in the same channel in 2020.

As shown in Figure 21, claims settled through litigation make up the majority of EL and PL injury claim numbers and total costs. For claims that settled for less than €150,000 through litigation, the average total cost has been relatively stable between 2020 and 2024 at approximately €51,000. Over this period, the average compensation cost decreased by 14% but this was offset by a 22% increase in legal and other costs.

Across all channels, the average compensation cost for claims that settled for less than €150,000 was 12% lower in 2024 compared to 2020. While the average total cost for these claims increased by 2% from €42,610 in 2020 to €43,673 in 2024.

**Table 24: Average injury settlement costs for EL and PL combined for all claims, for the 2015-2019 average and 2020 to 2024.**

Year	Compensation €	Legal €	Other €	Total €
<b>Direct</b>				
2015-2019	19,430	2,610	833	22,873
2020	23,533	3,519	639	27,692
2021	20,541	3,979	1,132	25,651
2022	19,468	3,705	1,082	24,255
2023	18,440	3,825	751	23,016
2024	20,800	3,836	457	25,092
<b>Injuries Board</b>				
2015-2019	30,643	1,309	527	32,479
2020	32,170	1,640	-150	33,660
2021	27,138	1,149	1,062	29,349
2022	22,449	535	1,075	24,060
2023	24,457	665	1,093	26,214
2024	27,538	709	979	29,226
<b>Litigated</b>				
2015-2019	50,769	29,988	612	81,370
2020	51,844	30,089	504	82,438
2021	52,444	31,895	1,023	85,362
2022	47,135	31,871	1,259	80,265
2023	48,397	34,955	843	84,194
2024	43,361	33,550	1,613	78,525
<b>All Channels</b>				
2015-2019	38,844	18,149	667	57,660
2020	42,807	20,557	469	63,832
2021	42,785	22,584	1,051	66,420
2022	39,406	23,246	1,207	63,859
2023	40,123	24,989	864	65,977
2024	37,617	24,535	1,340	63,492

Table 24 shows the average costs of settling all injury claims, for all EL and PL claims combined. This table includes the volatile cohort of large claims with a total cost greater than €150,000.

Considering all claims, the average cost of claims settling directly with an insurer was 9% lower in 2024 compared to 2020. Claims settling via the Injuries Board have seen a larger decrease of 13% in average claims cost, from €33,660 in 2020 to €29,226 in 2024.

Where the average cost of litigated claims settling for less than €150,000 was stable, when including all claims the average cost in this channel decreased by 5% from €82,438 in 2023 to €78,525 in 2024. This difference highlights the impact that movements in larger more volatile claims can have on the average cost.

Legal costs are most significant for claims settled through litigation and have shown an upward trend in recent years reaching 43% of total costs (or 77% of the compensation award) in 2024. This compares with the direct channel where legal costs were 15% of total cost and the Injuries Resolution Board where legal costs were 3% of total costs.

It is important to note that the types of claims settled in each channel may change over time, particularly as a result of changes to the claims environment such as the introduction of the Personal Injuries Guidelines. For example, the Injuries Board report<sup>21</sup> for 2024 shows that, based on the most common injury types, the proportion of awards made for moderate to severe injuries has increased from 15% of awards made between April to December 2021 to 25% of awards made in H2 2024. This likely explains the increase in average claim cost for claims settled through the Injuries Board in 2023 and 2024, as seen in Table 23 and Table 24.

Table 25 shows the average costs of settling injury claims per claimant, using the 5-way settlement channel and cost type split for liability claims for 2023 and 2024 combined. Here, compensation costs are split into general damages and special damages. General damages are those that compensate for non-monetary loss suffered by the claimant, e.g., pain and suffering; and special damages are those that compensate for financial loss, e.g., loss of earnings or medical expenses. Legal costs are split into insurers' own legal costs and third party legal costs. Own legal costs are the legal costs incurred by the insurer in settling a claim and third party legal costs

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<sup>21</sup> Personal Injuries Award Values Report No. 8 H2 2024:  
<https://www.injuries.ie/eng/about-injuries-resolution-board/reports/personal-injuries-awards-values-report-h2-2024.pdf>

are those incurred by the claimant in the course of settling a claim and which were paid by the insurer.

**Table 25: Average settlement costs of injury claims (EL and PL combined) by settlement channel, using the 5-way settlement channel and cost splits, for 2023 and 2024<sup>22</sup>.**

Settlement Channel	Comp - General Damages (€)	Comp - Special Damages (€)	Legal Own (€)	Legal Third Party (€)	Other (€)	Total (€)
<b>All Claims</b>						
Direct before Injuries Board	13,774	3,412	2,855		791	20,832
Injuries Board	22,866	2,661	801		1,589	27,916
Direct after Injuries Board	21,742	4,153	669	5,423	677	32,665
Litigated before Court Award	35,549	9,319	12,461	22,929	1,204	81,462
Litigated with Court Award	19,922	1,993	9,068	19,832	1,790	52,605
<b>Claims &lt;€150k</b>						
Direct before Injuries Board	12,904	2,975	2,795		559	19,233
Injuries Board	22,267	2,318	795		1,564	26,944
Direct after Injuries Board	20,837	4,143	622	5,157	672	31,432
Litigated before Court Award	24,204	1,923	9,026	16,365	1,112	52,629
Litigated with Court Award	17,513	781	7,775	19,198		45,267

Table 25 shows that in 2023 and 2024, for all injury claimants who settled directly after the Injuries Board had an average total settlement cost of €32,665, compared to €20,832 for those who settled directly before the Injuries Board, and €27,916 for those who settled through the Injuries Board.

Legal costs made up the largest difference between the average total costs of claims settled through the Injuries Board and claims settled directly after the Injuries Board. The average legal costs for claims settled directly after the Injuries Board were €6,093 compared to €801 for claims settling through the Injuries Board.

<sup>22</sup> The statistics in Table 25 are based on data from firms that insured 58% of the EL, PL and Commercial Property insurance market in Ireland in 2024. Please note that it is not possible to publish information on all data points due to statistical confidentiality rules applied to the data.

Liability claimants that settled through litigation before a court award in 2023 and 2024 had an average total cost of €81,462 compared to €52,605 for those who settled with a court award.

For claimants who settled through litigation before a court award, legal costs totalled 43% of the total settled cost (or 79% of compensation cost), split 15% own legal costs and 28% third party legal costs. For those who settled with a court award, legal costs totalled 55% of total cost (or 132% of compensation cost), split 17% own legal costs and 38% third party legal costs.

Table 26 shows the average legal costs for claims settling via litigation between 2019 and 2024. Average third party legal costs increased by 13% from €19,668 in 2019 to €22,129 in 2024. In the same period insurers own legal costs decreased by 3% from €12,291 to €11,970.

**Table 26: Average legal costs for claims settling via litigation across years 2019-2024.**

Average Legal Cost	2019	2020	2021	2022	2023	2024
Legal Own Costs (€)	12,291	11,959	11,842	11,902	12,623	11,970
Legal Third-Party Costs (€)	19,668	19,556	21,000	21,053	23,425	22,129

## Duration of Injury Claims

Settlement duration is the time lag between the accident being reported to an insurer and the claim being settled. Table 27 shows the average number of years from when the claim event was reported until the claim was settled for all claims settling in years 2015 to 2024.

Damage claims settle much faster than injury claims, with an average duration from the reported quarter to the settled quarter of 0.6 years compared to 4.6 years for an injury claim in 2024. Of the injury claims, litigated claims took the longest to settle, with an average duration of 5.7 years in 2024. Claims settled directly and via the Injuries Board had an average duration of 1.8 and 2.1 years respectively in 2024.

Settlement durations by settlement channel remained relatively consistent for injury claims over the period 2015 to 2019. The average settlement durations for injury claimants increased in 2020 and later years across all settlement channels, but has decreased in 2024.

**Table 27: The average time (years) between claims being reported to the insurer and claims being settled between 2015 and 2024 by channel.**

Years	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Injury Claims</b>										
Direct	1.5	1.4	1.7	1.8	1.5	1.9	2.2	2.1	2.3	1.8
Injuries Board	1.6	1.7	1.7	1.7	1.7	2.1	2.1	2.1	2.2	2.1
Litigated	4.4	4.5	4.4	4.4	4.4	4.5	5.1	5.2	5.8	5.7
<b>All Claims</b>										
Injury	3.1	3.1	3.3	3.3	3.3	3.6	4.1	4.3	4.7	4.6
Damage	0.8	0.9	0.9	0.7	0.7	0.7	0.7	0.7	0.6	0.6

As can be seen in Table 28, in 2024 claims settled directly before the Injuries Board had the shortest settlement duration (1.5 years). Claims settled directly after the Injuries Board had a longer average settlement duration (2.3 years) compared to those that were settled through the Injuries Board (2.1 years).

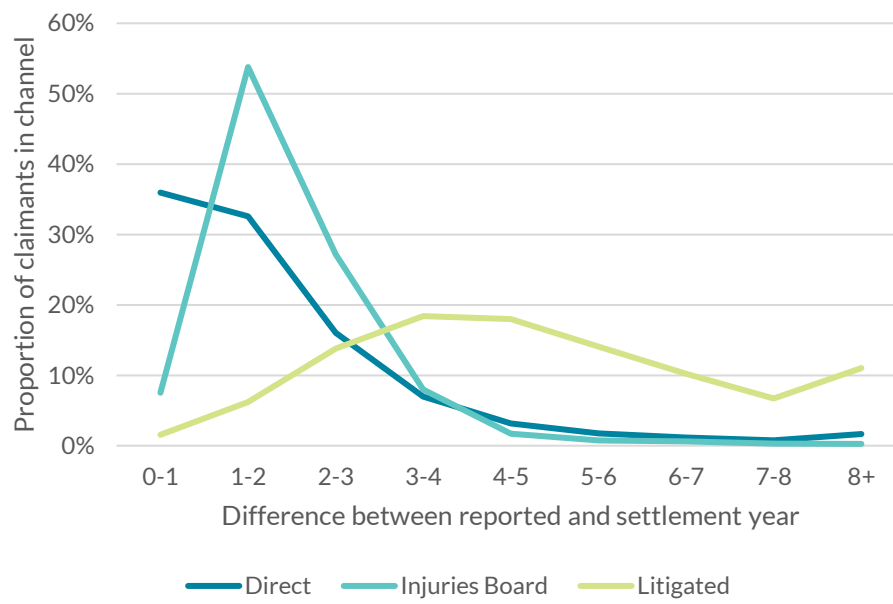
**Table 28: The average time in years since the claim event was reported, for injury claims settled between 2019 and 2024.**

Settlement Channel	2019	2020	2021	2022	2023	2024
Direct before Injuries Board	1.4	1.7	1.8	1.7	1.9	1.5
Injuries Board	1.7	2.1	2.1	2.1	2.2	2.1
Direct after Injuries Board	1.9	2.1	2.8	2.6	2.9	2.3
Litigated before Court Award	4.4	4.5	5.1	5.2	5.8	5.7
Litigated with Court Award	4.0	4.5	4.8	5.1	5.5	5.6

On average, claims settled through litigation before a court award had a slightly longer duration (5.7 years) compared to litigation with a court award (5.6 years) in 2024. The average settlement duration across all channels except Litigated with Court Award has decreased in 2024 when compared to previous years.

Figure 23 shows how the distribution of time taken to settle injury claims varies by settlement channel. It can be seen that litigated claims have a greater spread of settlement delays. Although nearly half of claimants (40%) who settled through litigation had their claim settled within four years of the accident being reported, 28% of claimants took six or more years to have their claim settled. For direct settlements, 4% of claimants and for the Injuries Board, 1% of claimants took six or more years to settle.

**Figure 23: Distribution of injury claimants by duration of settlement process for injury claims settled between 2015 and 2024.**





# PART 5 – Personal Injuries Guidelines

Claim settlement data was collected identifying claims that settled with reference to the Personal Injuries Guidelines following their introduction in April 2021.

## Key Insights and Findings

The average cost of claims that settled under the Guidelines in 2024 compared to claims that settled in the same channel under the Book of Quantum in 2020 were:

EL claims:

- 8% lower for claims that settled directly before the Injuries Resolution Board
- 9% lower for claims settling through Injuries Resolution Board and
- 17% lower for claims settling directly after the Injuries Resolution Board.

PL claims:

- 25% lower for claims that settled directly before the Injuries Resolution Board
- 17% lower for claims settling through Injuries Resolution Board and
- 15% lower for claims settling directly after the Injuries Resolution Board.

37% of litigated claims settled under the Personal Injuries Guidelines in H2 2024.

When compared to a similar cohort of claims settled in 2020, the average cost of claims settled through litigation and under the Guidelines in 2024 was 10% lower for EL claims and 1% higher for PL claims.

## Background

### Grouping of Claims

Similar to Part 4, claims discussed in this section have been collected on a settlement year basis i.e., the year in which the final payment is made in respect of a claim. Claims settled in a particular settlement year may be in respect of accidents that happened in prior years.

### Background to the Guidelines

The Personal Injuries Guidelines were adopted by the Judicial Council on the 6<sup>th</sup> of March 2021 and implemented with effect from the 24<sup>th</sup> of April 2021. They provide the basis for determining compensation awards. Additional background to the Personal Injuries Guidelines can be obtained in Appendix 4.

### Important Points to Note

Given the relative recentness of the introduction of the Personal Injuries Guidelines, there are limitations to the insight that can be derived from the data as at 2024 which should be considered when looking at the results.

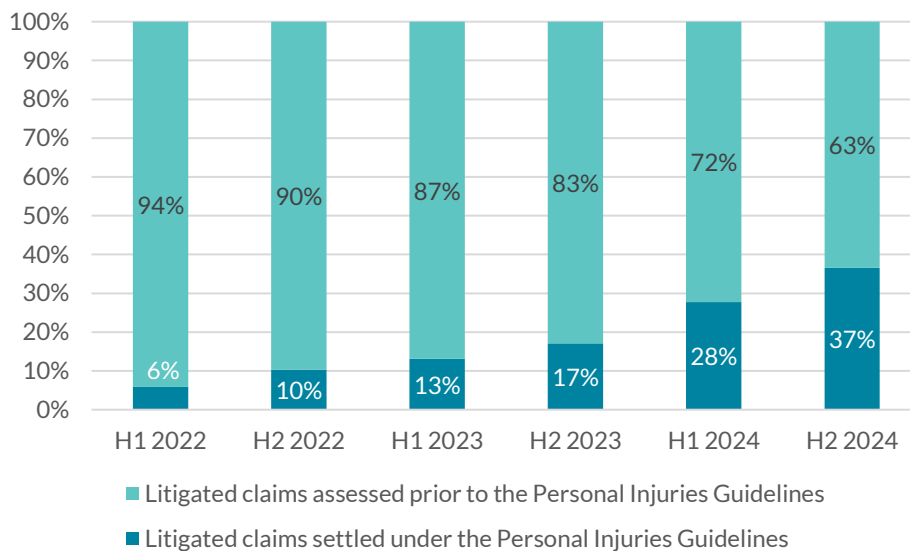
- (1) A comparison is provided for the cohort of litigated claims that took less than 5 years to settle. There is an insufficient number of claims settled through litigation under the Guidelines to provide a consistent comparison against all litigated claim settlements prior to the Guidelines.
- (2) The current sample of claims that settled under the Guidelines between 2021 and 2024 is biased towards claims that took less time to settle, which may be an indication of less severe or less complex cases.
- (3) A high proportion of injury claims that have occurred since the introduction of the Guidelines may not have been settled by 2024, and so will not yet feature in this data.
- (4) The relative mix of claim types settled within each channel may change over time, and in particular following a change such as the introduction of the Guidelines.

### Settlements under the Guidelines

The average time to settle injury claims varies significantly by settlement channel (see Table 28). For claims settled directly with insurers or via the Injuries Board, where claims settle faster compared to litigation, virtually all settled claims in 2024 had awards settled using the Guidelines. As can be seen from Figure 24, the proportion of litigated claims settling under the

Guidelines has been increasing since their introduction, from 6% of claims settled in H1 2022 to 37% of claims settled in H2 2024.

**Figure 24: Proportion of litigated injury claimants settled under the Personal Injuries Guidelines and the Book of Quantum over 2022-2024.**



## Impact of the Guidelines on average claim costs

To assess the impact of the introduction of the Guidelines, the average cost of claims settled under the Personal Injuries Guidelines between 2021 and 2024 is compared to the average cost of claims settled under the Book of Quantum in 2020. 2020 was chosen as the base year for this comparison as it was the last full year of data prior to the introduction of the Guidelines<sup>23</sup>.

## Impact of Guidelines on Direct and Injuries Board Channels

Table 29 provides a comparison of the average cost for claims that settled through the Direct before Injuries Board, Injuries Board, and Direct after Injuries Board settlement channels in 2024 under the Personal Injuries Guidelines against those that settled in 2020 with reference to the Book of Quantum.

The average cost of claims was 8% lower for Employers' Liability claims that settled directly before the Injuries Board, 17% lower for EL claims settling directly after the Injuries Board and 9% lower for EL claims settling via the Injuries Board under the Personal Injuries Guidelines compared to the Book of Quantum.

<sup>23</sup> 2019 was also considered as the base year for this comparison. However, it was shown to be relatively similar to 2020.

For Public Liability claims that settled directly before the Injuries Board, the average cost was 25% lower under the Personal Injuries Guidelines in 2024 compared to the Book of Quantum in 2020, 15% lower for PL claims settling directly after the Injuries Board and 17% lower for PL claims settling via the Injuries Board.

**Table 29: Comparison of the average cost of claims settled under the Personal Injuries Guidelines in years 2021-2024 and those settled under the Book of Quantum in 2020.**

Settlement channel	Settled under Book of Quantum	Settled under Personal Injuries Guidelines				% Difference 2024 vs 2020
	2020	2021	2022	2023	2024	
Employers' Liability						
Direct before Injuries Board	29,097	15,330	21,154	20,738	26,868	-8%
Injuries Board	33,258	22,220	27,039	27,599	30,425	-9%
Direct after Injuries Board	43,517	23,705	30,790	31,807	36,310	-17%
Public Liability						
Direct before Injuries Board	16,161	10,823	9,391	12,644	12,053	-25%
Injuries Board	33,302	19,395	22,323	25,693	27,722	-17%
Direct after Injuries Board	31,421	18,233	17,800	19,660	26,783	-15%

## Impact of Guidelines on the Litigated Channel

While Litigated claims account for the highest proportion of total injury claim costs at 88% in 2024, the impact of the Guidelines will be most uncertain in this channel.

This is due to the generally long duration between the accident being reported and the settling of a claim (5.7 years on average for litigation claims settled in 2024), and as a result only 37% of claims settled via litigation in 2024 were settled under the Guidelines.

The sample of litigated claims that have settled under the Personal Injuries Guidelines will be biased towards claims that took less time to settle, which may be an indication of the severity or complexity of the claims. Therefore, it would not be accurate to compare the average cost of all litigated claims settled in 2020 against litigated claims settled under the Guidelines.

However, by limiting claims settled through litigation in 2020 to only those claims that took less than 5 years to settle, this can provide an indication of the impact of the Personal Injuries Guidelines on litigated claims.

**Table 30: Comparison of the average total cost and compensation cost of litigated claims settled under the Personal Injuries Guidelines and those settled under the Book of Quantum in 2020, for claims that settled with less than €150,000 compensation cost and within 4 or 5 years from reporting, for EL and PL separately.**

Litigated Claims	Settled under Book of Quantum in 2020		Settled under Personal Injuries Guidelines in 2023 and 2024		Difference (%)	
	<4 years	<5 years	<4 years	<5 years	<4 years	<5 years
<b>Employers' Liability</b>						
Average Total Cost (€)	58,837	64,969	50,729	58,529	-14%	-10%
Average Compensation Cost (€)	38,296	41,555	28,037	31,617	-27%	-24%
<b>Public Liability</b>						
Average Total Cost (€)	43,261	44,458	42,228	45,000	-2%	1%
Average Compensation Cost (€)	26,023	25,791	19,912	20,918	-23%	-19%

Table 30 shows a comparison of the average costs of litigated claims for claims settled within 4 or 5 years of being reported. For claims settled through litigation and under the Personal Injuries Guidelines in 2024, the average compensation cost was 24% lower for EL claims and 19% lower for PL claims than for EL or PL claims settled in 2020 within the same timeframe.

However, as shown in Table 23 and Table 24, legal and other costs also contribute a significant proportion to the total cost of a litigated claim and these will not be directly impacted by the Guidelines. Therefore, the difference in the average total cost of a litigated claim in 2024 is smaller with a 10% reduction in the total cost for EL claims and a 1% increase in the total cost for PL claims when compared to claims settled in 2020.

It is also important to note that this reduction would be expected to be smaller if large claims were included in the analysis. This is because compensation for general damages, which are the component impacted by the Guidelines, generally make up a smaller proportion of the total claim cost for larger claims.

The comparison provided here assumes that for similar claims, the time taken to settle a claim through litigation has not changed between 2020 and 2024.

While Table 29 and Table 30 have shown reductions in the average cost of claims settled under the Personal Injuries Guidelines, it is important to note that a large proportion of claim costs settled in 2024 were not settled under the Guidelines.

Table 31 provides a breakdown of total claims cost between each settlement channel in 2020 (before the introduction of the Personal Injuries Guidelines) and 2024. In 2020, the direct and Injuries Board channels accounted for 16% of the total claims cost. As such, a large reduction in average claim costs in these channels, such as that shown in Table 29, would have a smaller impact on the total cost of claims. The largest proportion of costs settled in 2024 at 68% relate to claims settled through litigation and under the Book of Quantum, i.e. claims reported prior to the introduction of the Personal Injuries Guidelines.

**Table 31: Breakdown of the proportion of total claims costs settled through each settlement channel and under the Personal Injuries Guidelines and Book of Quantum in 2020 and 2024.**

Settlement channel	2020	2024	
	Settled under Book of Quantum	Settled under Book of Quantum	Settled under Personal Injuries Guidelines
Direct before Injuries Board	5%	0%	3%
Injuries Board	5%	0%	5%
Direct after Injuries Board	6%	0%	3%
Litigated	84%	68%	20%
Total across all settlement channels	100%	69%	31%

## PART 6 – Claim Development

Data on the development of claims was collected for accident years 2010-2024. This data forms the basis for insurers' estimates of ultimate claims numbers and costs, as discussed in Part 2. As new data emerges, estimates are updated. Part 6 discusses how estimates of ultimate claims costs have changed from 2019 to 2024. It also provides insight into the underlying claims development patterns.

### Key Insights and Findings

In 2024, insurers' best estimate of total claims costs for EL, PL and Commercial Property decreased by approximately €124m (or 1.9% of total claims cost) across accident years 2010 to 2023. This made a significant contribution to the industry's profit as reported in Part 3.

As at 31 December 2024, 13% of the expected ultimate claims costs for accident year 2024 are paid, 37% are claim reserve estimates and 50% are estimates of the cost for claims that have not yet been reported.

The development of claims costs varies significantly by policy type, with Commercial Property claims developing and being paid faster than EL or PL claims. This is driven by Commercial Property primarily covering Damage claims which tend to be reported and settled much faster than Injury claims.

## Premium and Claims Cost by Reporting Year<sup>24</sup>

The trends in claims costs shown in Part 2 of this report are based on estimates of ultimate claims costs<sup>25</sup> for each accident year, calculated as at 31 December 2024. Not all of these claims will be paid yet. Some claims, injury claims in particular, can take many years to be fully paid.

In order to calculate the ultimate cost of claims for a particular accident year, insurers estimate the cost of claims that have not yet been paid. This is added to the paid claims to give an ultimate claims cost, which represents the insurers' best estimate of total claims cost for a given accident year.

The ultimate claims cost is recalculated regularly, based on the most up-to-date information available. The more time that has passed since the accident year, the more certain the ultimate claims cost. For more recent accident years, the ultimate cost is more uncertain and there is greater reliance on judgement.

In 2024, insurers' best estimates of total claims costs across EL, PL and Commercial Property insurance and accident years 2010-2023 decreased by €124m (1.9% of total claims costs).

A decrease to an insurer's total estimate of ultimate claims cost will result in reserve releases which add to profitability (or reduce losses) in the year they are released. Similarly, increases to an insurer's estimates of ultimate claims costs typically lead to an increase in reserves which reduce profitability (or add to losses) in the year they are increased.

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<sup>24</sup> This section is based on 68% market coverage to provide a consistent comparison against the ultimate claims costs reported for previous EL, PL and Commercial Property NCID reports.

<sup>25</sup> Key concepts including ultimate claims cost can be found on the NCID webpage - [https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-\(ncid\)](https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-(ncid)).



**Figure 25: The ratio of ultimate claims costs to premiums (loss ratio) for Employers' Liability as at 31 December 2019-2024 and for accident years 2010-2024.**

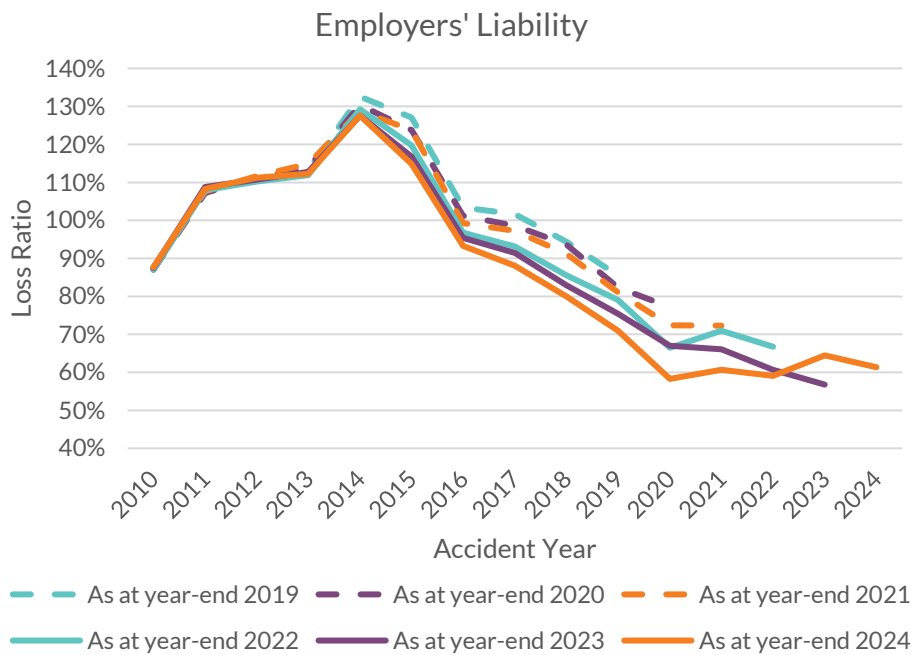


Figure 25 shows the loss ratio for EL claims using ultimate claims costs calculated at each year-end from 2019 to 2024. The loss ratio increased from 88% in 2010 to 128% in 2014 before reducing to 61% in 2024 (year-end 2024 values). In recent years the recalculation of the ultimate claims cost has generally been to reduce the value and release reserves. For example, the loss ratio estimated for accident year 2020 was 77% when reported as at year-end 2020. Subsequently the value was revised to 66% as at year-end 2022, increased to 67% as at year-end 2023 before being revised down to 58% when reported in the 2024 data submission (as at year-end 2024). However, the estimated loss ratio for the 2023 accident year increased from 57% as at year-end 2023 to 64% as at year-end 2024.

Figure 26 shows the loss ratio for PL claims. The loss ratio has been falling since 2015 when it was 93%, reaching 48% in 2024 (year-end 2024 values). Similar to EL, ultimate claims costs have primarily been revised downwards in recent years, but have been revised upwards for some accident years. This will be influenced by the impact of COVID-19 and the introduction of the Personal Injuries Guidelines.

Data reported in respect of 2024 shows that the expected loss ratio for accident year 2020 was 39%, whereas as at year-end 2023 insurers were estimating it to be 44%. There was a movement in the opposite direction for accident year 2022: the estimated loss ratio was increased to 52% in the 2024 data, from 50% reported the year before.

**Figure 26: The ratio of ultimate claims costs to premiums (loss ratio) for Public Liability as at 31 December 2019-2024 and for accident years 2010-2024.**

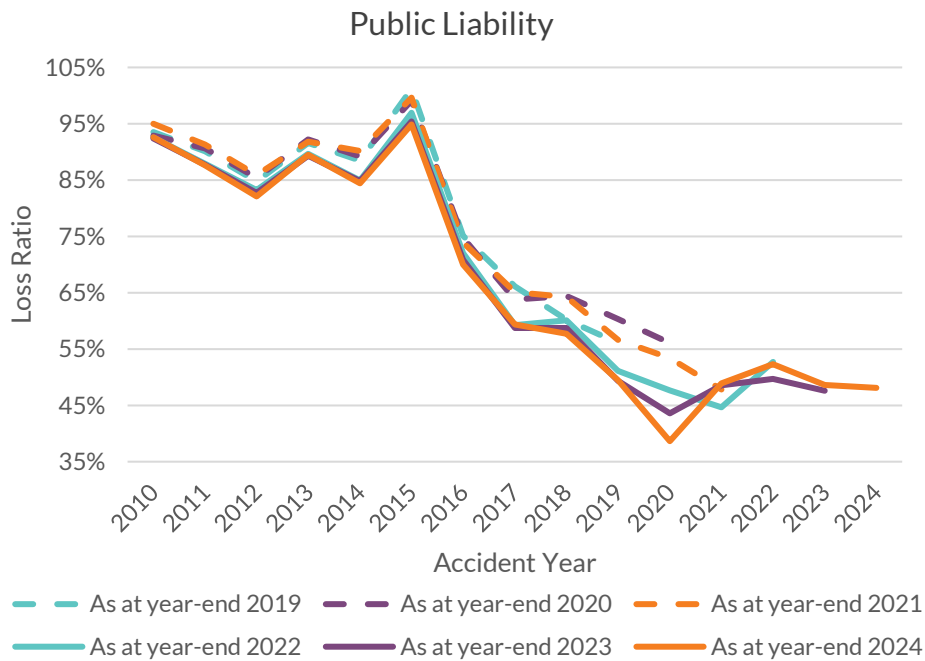


Figure 27 shows the loss ratio for Commercial Property claims. From 2011 onwards, the loss ratio was within a range of 39% to 57%, with the exception of 2020. The loss ratio in 2020 increased markedly because of Business Interruption claims resulting from COVID-19 related restrictions. However, the estimated loss ratio for accident year 2020 fell from 148% as at year-end 2021 to 124% as at year-end 2024 data.

Overall, the estimates of total ultimate claims costs have remained relatively stable over the years, with the combined EL, PL and Commercial Property loss ratio being within the 48-51% range for each year from 2020 to 2024, with the exception of 2020 which is an outlier at 81% (year-end 2024 values).

**Figure 27: The ratio of ultimate claims costs to premiums (loss ratio) for Commercial Property as at 31 December 2019-2024 and for accident years 2010-2024.**



## Claim Development Patterns<sup>26</sup>

Analysis of claim development patterns can provide insight into changes in the claims environment over time, and into how claims might develop in future. The results of this analysis are usually a key input in the estimation of insurers' ultimate claims cost.

Table 32 and Table 33 show the proportion of ultimate claims costs that are incurred for each accident year across development years for EL and PL. The development year measures the number of years that have passed since the start of the relevant accident year.

Incurred claims costs consist of the cost of claims that are paid added to case estimates for claims that have been reported to the insurer but not yet paid.

<sup>26</sup> This section shows claim development patterns for 74% of the EL, PL and Commercial Property market (based on the proportion of 2024 gross earned premium).

**Table 32: Incurred claims costs as a percentage of current ultimate claims costs for each accident year across development years, for Employers' Liability.**

[illegible]

**Table 33: Incurred claims costs as a percentage of current ultimate claims costs for each accident year across development years, for Public Liability.**

[illegible]

From Table 32 and Table 33 it can be seen that PL claims generally develop to their ultimate claims costs faster than EL claims. Across all accident years, at least 37% of ultimate claims costs for PL are incurred in development year 1, 48% are incurred by development year 2 and 67% by development year 3. In contrast, these figures are 27%, 42% and 62% respectively for EL.

Where the incurred claims costs as a percent of ultimate claims costs is greater than 100%, this suggests that insurers' estimates for incurred claim costs at that time were greater than what they ultimately settled for, or what they currently expect these claims to ultimately settle for.

**Table 34: Incurred claims costs as a percentage of current ultimate claims costs for each accident year across development years, for Commercial Property.**

Commercial Property															
Accident Year	Development Year														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2010	85%	106%	103%	103%	104%	103%	102%	99%	99%	99%	99%	99%	99%	99%	99%
2011	108%	102%	101%	101%	100%	100%	100%	100%	99%	99%	99%	99%	99%	99%	
2012	115%	104%	103%	103%	101%	102%	102%	101%	102%	102%	101%	98%	98%		
2013	110%	108%	104%	104%	105%	104%	104%	103%	103%	103%	103%	99%			
2014	107%	102%	100%	100%	100%	100%	100%	100%	100%	99%	99%				
2015	100%	105%	103%	102%	103%	102%	102%	101%	101%	99%					
2016	102%	98%	99%	99%	99%	99%	99%	99%	99%						
2017	106%	100%	100%	100%	100%	99%	99%	98%							
2018	104%	101%	100%	99%	99%	99%	99%								
2019	94%	101%	100%	100%	99%	101%									
2020	63%	98%	100%	104%	95%										
2021	93%	96%	97%	97%											
2022	89%	95%	96%												
2023	89%	94%													
2024	74%														

Table 34 shows the proportion of ultimate claims costs that are incurred by accident year and development year for Commercial Property. Commercial Property claims tend to develop much faster than EL or PL claims as a result of Commercial Property business primarily covering damage claims, the costs for which can be reasonably accurately estimated faster than injury claims. Property claims tend to settle much faster than EL or PL claims.

The 2020 accident year is an outlier here for Commercial Property as it is unusually uncertain as a result of COVID-19 and the consequent business interruption claims in this year.

Table 35, Table 36 and Table 37 show the proportion of ultimate claims costs that are paid for each accident year across development years for EL,

PL and Commercial Property claims. This differs from incurred cost as paid cost does not include case estimates for claims that have been reported but not yet paid.

**Table 35: Paid claims costs as a percentage of current ultimate claims costs for each accident year across development years, for Employers' Liability.**

[illegible]

**Table 36: Paid claims costs as a percentage of current ultimate claims costs for each accident year across development years, for Public Liability.**

Public Liability															
Accident Year	Development Year														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2010	5%	15%	30%	48%	60%	74%	81%	87%	90%	93%	94%	95%	96%	96%	96%
2011	5%	14%	28%	42%	57%	68%	76%	81%	84%	87%	94%	95%	97%	98%	
2012	5%	16%	31%	46%	60%	72%	78%	83%	86%	88%	90%	92%	95%		
2013	4%	14%	27%	45%	59%	71%	78%	84%	87%	89%	91%	92%			
2014	7%	17%	32%	47%	61%	71%	75%	82%	84%	87%	89%				
2015	4%	14%	25%	37%	49%	58%	64%	71%	74%	76%					
2016	4%	15%	29%	42%	53%	63%	69%	75%	78%						
2017	4%	14%	28%	39%	50%	58%	65%	73%							
2018	4%	13%	24%	34%	43%	57%	64%								
2019	5%	11%	20%	30%	40%	51%									
2020	5%	10%	17%	26%	37%										
2021	3%	7%	12%	20%											
2022	3%	7%	16%												
2023	3%	9%													
2024	4%														

Paid costs are much slower to develop to ultimate due to the time lag between when claims are reported and their costs are estimated, to when claims are settled and paid. For example, while incurred costs for EL and PL claims are between 79% and 109% of ultimate claims costs by development year 5, only between 31% and 61% of EL and PL ultimate claims costs have been paid by this time.

Table 37 shows that, as with incurred claims cost as a percentage of ultimate claims, paid costs develop to ultimate much faster for Commercial Property claims than they do for EL or PL claims. On average, 42% of Commercial Property ultimate claims costs are paid in development year 1, 82% by development year 2 and 97% by development year 5.

It should be noted that the ultimate cost of claims for more recent accident years are uncertain and that the percentages shown in this section may change if the expected ultimate claims costs were revised upwards or downwards in future.

As mentioned previously, the 2020 accident year for Commercial Property will be particularly uncertain given the unique nature of this year as a result of COVID-19 and business interruption claims. The difference in values for 2020 compared to other accident years highlights this uncertainty.





# Appendix 1 – Supporting Documentation

Background to NCID reports:

- [https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/background-to-the-national-claims-information-database-\(ncid\)](https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/background-to-the-national-claims-information-database-(ncid))

Key Concepts

- [https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-\(ncid\)](https://www.centralbank.ie/statistics/data-and-analysis/national-claims-information-database/key-terms---national-claims-information-database-(ncid))

## Appendix 2 -Trends in Premium Costs - Standalone Policies

Standalone policies are policies which include only one of EL, PL or Commercial Property insurance covers. In 2024, Standalone policies made up 13% of all policies, or 6% of all insurance covers. The 13% of policies consists of 1% EL, 8% PL and 5% Commercial Property policies. Standalone policies make up 35% of total earned premium.

**Table 38: The proportion of policies and gross earned premium by premium band and policy type, for Standalone policies in 2024<sup>27</sup>.**

Premium Band	Employers' Liability		Public Liability		Commercial Property	
	% of Policies	% of Premium	% of Policies	% of Premium	% of Policies	% of Premium
€1-€1,000	17%	0%	84%	4%	64%	2%
€1,001-€2,000	15%	0%	6%	1%	11%	1%
€2,001-€5,000	19%	1%	4%	2%	9%	2%
€5,001-€10,000	11%	2%	2%	2%	4%	2%
€10,001-€25,000	14%	5%	2%	5%	4%	5%
€25,001-€50,000	8%	7%	1%	5%	3%	8%
€50,001-€100,000	6%	11%	1%	7%	2%	9%
>€100,000	10%	73%	1%	74%	2%	71%

Table 38 shows the distribution of policies and premium across premium size bands and policy types. For each policy type the majority of gross earned premium is attributed to the proportion of policies with a premium greater than €5,000. This reflects the very large Standalone policies which can be found in the EL, PL and Commercial Property insurance markets.

As highlighted for Package policies, the average earned premium may be significantly influenced by changes to the underlying mix of policies over time. This is particularly relevant for Standalone policies given that they make up a much smaller proportion of the market and include some very large policies. Policies entering or leaving the dataset will have a greater influence on the average for Standalone policies than they will for Package policies.

As shown in Figure 28, the average earned premium for EL policies increased by 98% from €22,095 in 2010 to €43,729 in 2020, decreased by 9% to €39,661 in 2022 before increasing 11% to €44,097 in 2024. There were much fewer Standalone EL policies earned over the period compared

<sup>27</sup> Table 38 is based on 84% market coverage.

to PL or Commercial Property and the premium for these policies was higher on average.

The average earned premium for Standalone PL policies increased by 77% from €3,546 in 2010 to €6,261 in 2024. The average earned premium for Commercial Property increased by 185% for from €4,966 in 2010 to €14,163 in 2024, with an 154% increase between 2019 and 2024.

**Figure 28: The average earned premium for Standalone policies by policy type, for years 2010 to 2024.**





## Appendix 3 - Recent Changes to Income and Expenditure Data

### IFRS 17

A new accounting standard for insurance contracts, IFRS 17, became effective on 1 January 2023, replacing IFRS 4. This has led to a change in the accounting basis used by some insurers in producing their Income and Expenditure data for the 2023 financial year.

For the most part, this has not had a significant impact on how the aggregate operating profit is calculated for 2023 and 2024 compared to previous financial years.

However, the more material changes include:

- The basis for Claims Incurred has changed for some insurers as a result of a risk adjustment and discounting for the time value of money under IFRS 17.
- Within this report, an explicit IFRS 17 adjustment has been included to capture changes which don't naturally fall under headings included in the breakdown of income and expenditure. This includes the impact of differing treatment of reinsurance, Net Insurance Finance Expenses and Other Expenses captured under IFRS 17.

### Reserve Movements

The NCID data specification was enhanced in 2023 to separate Claims Incurred as reported in the income and expenditure data into claims incurred relating to the current year and claims incurred relating to prior years.

Claims incurred relating to the current year is the expected cost of claims for the current accident year. This is similar to the ultimate cost of claims as described in Part 2, with some differences in accounting treatment.

Claims incurred relating to prior years reflects changes to insurer's estimates of the expected cost of claims for years prior to the current accident year. It describes increases or decreases to reserves for prior years that were made during the financial year. This occurs when insurers update their estimates of claims cost as more information becomes available, and more claims are settled. Reserve movements can be significant and contribute to profit or loss for the financial year in which they occur. More detail is provided in the Reserve Movements section.

## Appendix 4 – Personal Injuries Guidelines

The Personal Injuries Guidelines were adopted by the Judicial Council on the 6th of March 2021 and implemented with effect from the 24th of April 2021.

The Guidelines set out the level of general damages that may be awarded in respect of varying types of personal injuries. They apply to new claims reported after the 24th of April 2021, or where claims were already reported, the Guidelines apply to claims where the Injuries Resolution Board had not made an assessment of damages, or where legal proceedings had not been commenced before the 24th of April 2021.

Prior to this date, claims were assessed with reference to the Book of Quantum. This provided data on the range of compensation payments for an assortment of injuries, based on actual figures from court cases, insurance company settlements, State Claims Agency cases and the Injuries Resolution Board data.

In 2021 and 2022, some claims were settled under the Personal Injuries Guidelines and some with reference to the Book of Quantum which was in force before the Personal Injuries Guidelines. A particular injury assessed under the Personal Injuries Guidelines may be awarded a different compensation amount than if it was assessed using the Book of Quantum.

It is worth noting that claims that settle outside of the Injuries Resolution Board or Litigated with Court Award settlement channels are settled after negotiations between the relevant parties. Claims labelled in this report as having settled under the Guidelines in the Direct before the Injuries Resolution Board, Direct after the Injuries Resolution Board or the Litigated before Court Award settlement channels refer to claims that would have been assessed under the Guidelines if they were assessed by the Injuries Resolution Board or settled through litigation with a court award.

A statutory review of the Personal Injuries Guidelines was conducted by the Board of the Judicial Council in December 2024 (in line with the Judicial Council Act 2019). The Council published Draft Amendments, which recommended an uplift of 16.7% to the 1<sup>st</sup> Edition of the Personal Injuries Guidelines to reflect inflation experienced since the original introduction of the Guidelines.

However, proposed amendments cannot come into operation until a Resolution approving them is passed by both Houses of the Oireachtas. In July 2025, the Minister for Justice, Home Affairs and Migration confirmed

the decision to not seek Oireachtas approval for the amendment.

Therefore, no uplift will be applied, and the 1<sup>st</sup> Edition of the Guidelines will remain in place.

## Appendix 5 - List of Participating Insurers.

Table 39: Firms who contributed data to this report.

Authorisation Status	Undertaking Name
Irish Authorised	Allianz PLC
	Allied World Assurance Company (Europe) DAC
	Arch Insurance (EU) DAC
	Aviva Insurance Ireland DAC
	AXA Insurance DAC
	AXIS Specialty Europe SE
	Berkshire Hathaway European Insurance DAC
	Chaucer Insurance DAC
	Everest Insurance (Ireland) DAC
	FBD Insurance PLC
	Hamilton Insurance DAC
	IPB Insurance CLG
	Markel International Insurance Company Ltd
	PartnerRe Ireland Insurance DAC
	RSA Insurance Ireland DAC
	Travelers Insurance DAC
	XL Insurance Company SE
	Zurich Insurance PLC
EU/EEA Authorised, Freedom of Establishment basis	Accéléran Insurance Europe SA/NV (Irish Branch)
	AIG Europe S.A. (Irish Branch)
	Chubb European Group SE (Irish Branch)
	Ecclesiastical Insurance Office PLC
	Generali Seguros y Reaseguros S.A.U - Ireland Branch
	HDI Global SE
	Hiscox S.A (Irish Branch)
	HSB Engineering Insurance Limited
	Liberty Mutual Insurance Europe SE
	Liberty Seguros Compania de Seguros y Reaseguros



EU/EEA Authorised, Freedom of Services basis	Allianz Risk Transfer AG
	Allianz Versicherungs AG
	ArgoGlobal SE
	Baloise Belgium NV/SA
	CNA Insurance Company (Europe) S.A. (UK)
	Cowen/Steadfast
	ERGO Versicherung AG
	Generali Espana S.A. de Seguros y Reaseguros
	Generali Italia S.P.A
	HDI Versicherung AG
	IDA Insurance Ltd
	If P&C Insurance Ltd (publ)
	Lloyd's of London
	Mitsui Sumitomo Insurance Company (Europe) Limited
	QBE Europe SA/NV
	SI Insurance (Europe), SA
	Starr International (Europe) Limited
	Tokio Marine Europe S.A. (UK)
	Unipol Assicuraziono S.P.A.
	WAKAM
	Wurttembergische Versicherung AG
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