

## Data pool for legal protection insurance

### Success with a vision

The business of legal protection insurance is under pressure. Low interest rates and falling investment incomes are a burden to the business. The same holds for Solvency II's solvency capital requirements. Underwriting comes into focus. The statistics of single companies are often not significant enough to assess actuarial risks.

Meyerthole Siems Kohlruss has operated a data pool for legal protection insurance since 2014. Individual contracts of various companies are collated and evaluated using actuarial standards. The resulting statistics are comparable to those of market leaders.

Currently the pool embraces 13 insurers with a market share of approximately 32 %.

### Detect risks early, seize opportunities quickly

- › Improvement of data quality: Data of participating companies is subjected to plausibility checking – a high-quality validation that helps to detect errors in time.
- › Increasing statistical significance: The extensive data base of the pool also allows a reliable assessment of actuarial risks concerning small segments.
- › An extension to the statistics of the German Insurance Association (GDV): The GDV supplies their members only with basic information. The pool's evaluation tool takes the GDV's statistics as a foundation offering an extensive spectrum of analyses, e.g. for restructuring the portfolio.
- › New horizons: Data characteristics like the duration of absence of claims, the age of insured person or regional zoning models offer a high potential for the development of risk adequate tariffs.
- › Analysis of distribution channels: The comparison between results of different distribution channels – for instance related to claims experience, cancellation and new contracts – offers information on its efficiency. What is the real profitability of contracts offered in comparison portals?



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## Further benefits of the data pool

- Companies get access to well-structured pool data for their own analyses. Additionally, companies are supplied with our software tool 'RS-Analyzer'.
- Anonymized benchmarking of various indicators – for example claims frequency, cancellation rate – delivers a significant market comparison.
- Regular analyses of claims management by phone consultation, mediation, online consultation or networks of lawyers.
- Early identifications and evaluation of accumulation risks. How do claims expenses for existing accumulation risks develop and what accumulation risks are about to occur?
- Employing the insights for further calculations, e.g. by creating a differentiated single case claims reserve in order to address development of claims early on.
- Regular opportunities for exchange with other managers and specialists who participate in the data pool.



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## References

A data pool for private lines was established in the German market in 2002; in 2008 we expanded our activities to corporate customers and in 2010 we set up the first data pool in Austria. More than 60 insurers deliver data to our pools. We are happy to put you in touch with the participants.

## Data protection and data security

The DEKRA certificate ISO 27001:2017 is a confirmation from an independent party that Meyerthole Siems Kohlruss (MSK) continuously keeps a very high level of data security. The employed methods are in line with current legal requirements concerning basic regulation of data security, antitrust law and Code of Conduct.

## Contact

**Michael Behnes**

Meyerthole Siems Kohlruss

Phone: +49(0) 221 42053-0

E-mail: michael.behnes@aktulare.de

**Thomas Lorentz**

Meyerthole Siems Kohlruss

Phone: +49(0) 221 42053-0

E-mail: thomas.lorentz@aktulare.de