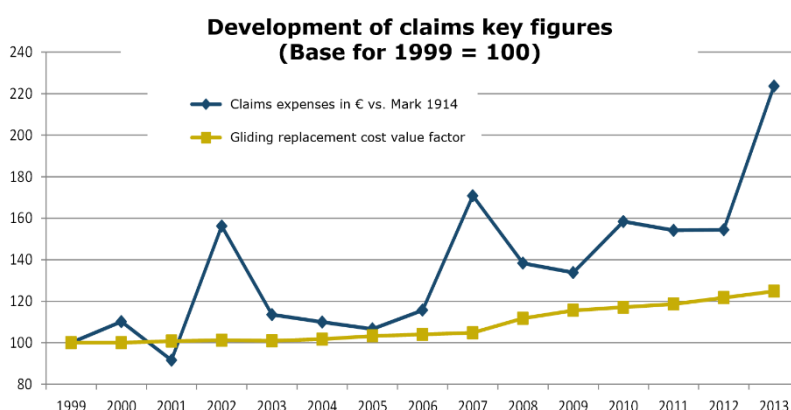


Premium adjustments in property & accident insurance

In the accident, legal protection, liability and comprehensive home insurance lines, contracts are generally concluded for a term of one year. These are renewed at the same conditions if neither the insurer nor the insured terminate the contract.

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

Example: comprehensive home insurance



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

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

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

The GNF has increased by approx. 50% from 2005 to 2020. However, the claims requirement per 1,000 Mark 1914 sum insured as the basis for the rate calculation in comprehensive home insurance has more than doubled.

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

Advantages of an independent trustee

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

Special suitability of Meyerthole Siems Kohlruss

- > Proven actuarial expertise in the property/accident insurance
- > Access to higher-level data sources such as The German Insurance Association (GDV) and data pools
- > Many years of experience as an actuarial trustee

Meyerthole Siems Kohlruss

Meyerthole Siems Kohlruss was founded in Cologne in 1998 as the first German actuarial consulting firm and supports insurance companies in strategic decisions and operational processes. The focus is on data pools, pricing, reserve valuation, risk modeling and Solvency II.

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