

MEF 2017

Putting Members First

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George Jones
CHAIRMAN



AGENDA

ORDER OF BUSINESS

- CHAIRMAN WELCOME & INTRODUCTION
- FINANCIAL PERFORMANCE YTD
- MARKET DEVELOPMENTS
- TARGETED USE OF RETAINED EARNINGS
- INCREASED FOCUS ON ADDRESSING CLAIMS
- 2018 PRICING & NEW PRODUCTS
- CSE SOCIAL ENTERPRISE DEVELOPMENT FUND
- QUESTIONS & ANSWERS

MEF PURPOSE

ENGAGING OUR MEMBERS

- **THE FORUM IS AN ENHANCED WAY TO ENGAGE MEMBERS**
- AS A MUTUAL, WE EXIST FOR OUR MEMBERS' BENEFIT – ENGAGEMENT IS KEY
- **OUR AIM IS TO PROVIDE SIMPLE, EFFECTIVE AND MEANINGFUL ENGAGEMENT**
- BROAD DISCUSSION ON MATTERS RELATING TO YOUR INSURANCE ORGANISATION
- **THIRD ENGAGEMENT SINCE MARCH 2016**
- ANNUAL EVENT GUARANTEES NOMINEE ENGAGEMENT HALF-YEARLY

INTRODUCTION & RECAP

OUTPUTS FROM RECENT MEETINGS

- **CONCENTRATE FOCUS ON PROTECTING MEMBERS**
- INCREASE FOCUS ON ADDRESSING CLAIMS
- **TARGETED USE OF RETAINED EARNINGS**
- MAINTAIN CORPORATE SOCIAL ENGAGEMENT ELEMENT

FINANCIAL PERFORMANCE

YTD Performance* (9 months) (Budgeted full year target figures noted in orange text)



€141.5m



+€3.6m



96.9%



+€11.7m

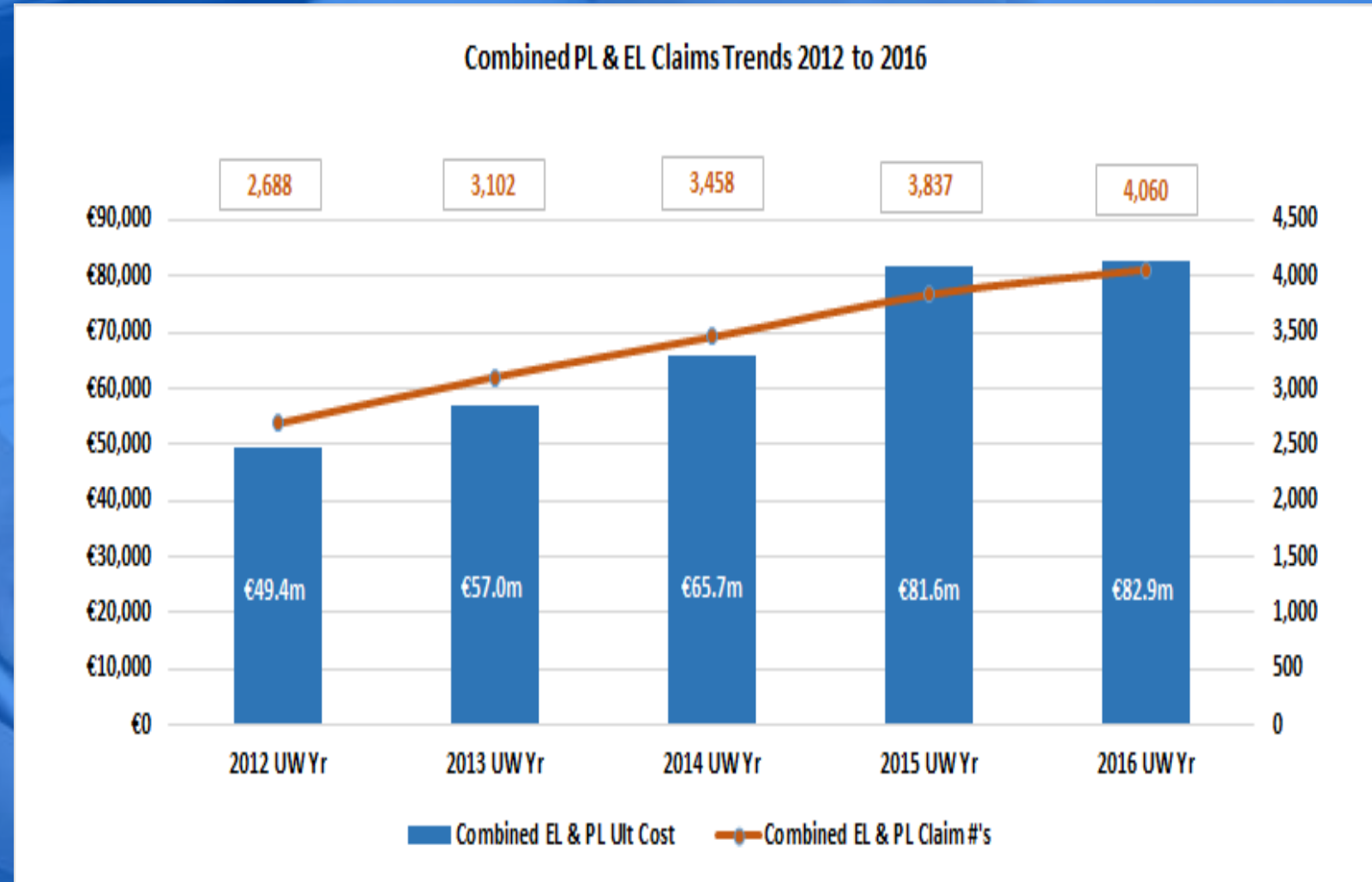


+€13.4m

INCREASING CLAIMS COSTS

Combined PL & EL

- The number of Liability claims has increased by 51% from 2012 (2,688) to 2016 (4,060)
- The cost of claims has increased by 68% from 2012 (€49.4m) to 2016 (€82.9m)



MARKET DEVELOPMENTS

Cost of Insurance Working Group – Phase 2 (Liability Insurance)

All major liability insurers were invited to attend.

Key points highlighted by IPB that are driving up the cost of claims.

Injuries Board

Book of Quantum

Court Awards

Legal Costs

Recoverable Benefits Scheme

Discount Rate
3% to 1%-
1.5%

MARKET DEVELOPMENTS

COST OF INSURANCE WORKING GROUP

INSURANCE FRAUD

Fraud Costs
€200m
Per annum

MIBI
1 in 8
Suspicious

7.2m
PPS No.'s
For a
population
of 4.6m

Shift from Motor: Fraudulent claimants move to areas of least resistance.

Criminal activity: Focus on PI claims as a basis for legitimate income to justify lifestyle with children now a feature in claims by criminals.

Perjury: Absence of an offence of perjury in Irish Law

So, what are we doing to tackle the cost of claims?

- Increasing awareness of causes through better claims management information
- Identification of Claims Hotspots
- Remediation through streets and footpaths surveys
- Proactive risk management
- Proactive engagement in selection of materials for footpaths and pedestrian areas
- Claims Process Enhancements
- Focus on fraud and exaggeration
- Reduction in claims and costs of claims

MAPPING CLAIMS HOTSPOTS

Specific pathway reporting multiple accidents

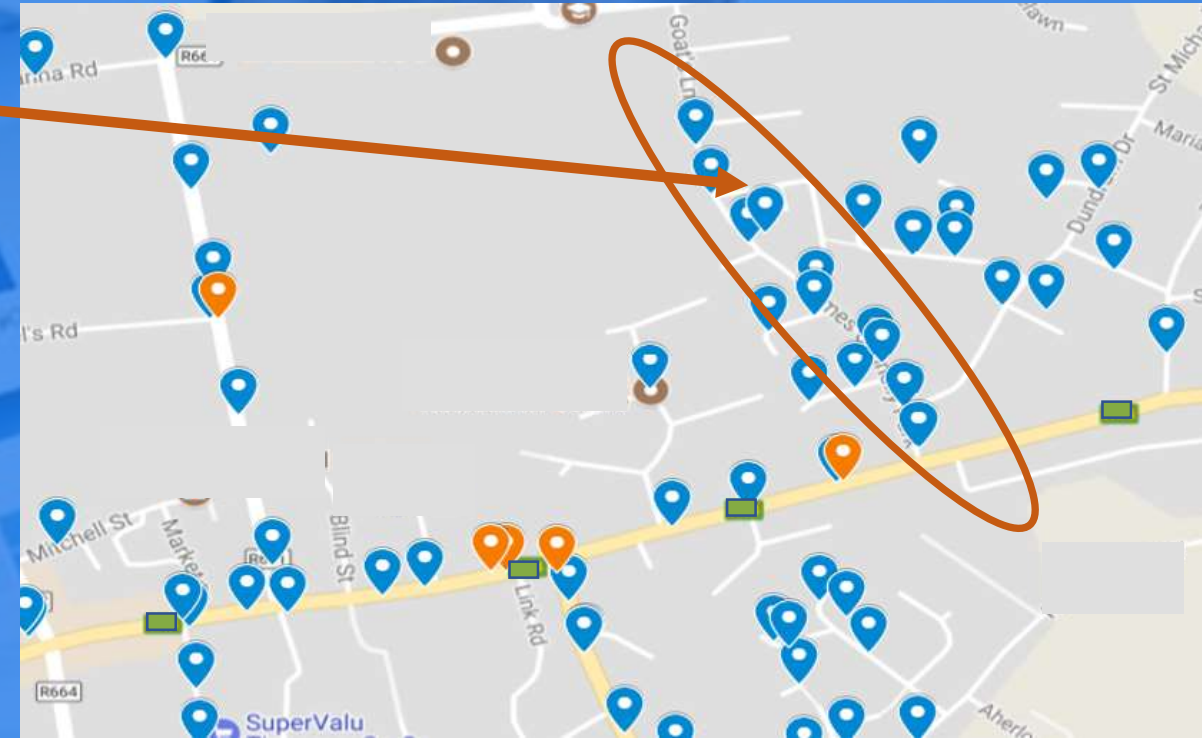
- Limited footfall area (non commercial area (housing))
- High frequency of slips and trips
- Prompts further investigation

Risk Remediation of Targeted Claims Hotspots

- All Local Authorities Claims Mapped
- Hotspots Identified and Shared with Members
- Remediation works have commenced in several local authorities

Accident Hotspots

- Identification of high frequency accident areas
- Geo-coded hotspots assist in identifying areas requiring remediation or possible fraudulent activity



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PROACTIVE ENGAGEMENT IN SELECTION OF MATERIALS FOR FOOTPATHS AND PEDESTRIAN AREAS

Asset Management – New Innovative Materials



Innovative Materials

Interlocking paving effect

- Cost effective
- Hard Wearing
- Shift Protection
- Visually appealing

PROACTIVE ENGAGEMENT IN SELECTION OF MATERIALS FOR FOOTPATHS AND PEDESTRIAN AREAS

Asset Management – New Innovative Solutions



Innovative Materials

Tarmac with paving effect

- Load Bearing
- Hard Wearing
- Cost Effective
- Visually more appealing

PROACTIVE ENGAGEMENT IN SELECTION OF MATERIALS FOR FOOTPATHS AND PEDESTRIAN AREAS

Asset Management – Appropriate Materials

- Greatly improved grip
- Cost effective
- Manufactured Material
- Sourced locally



French Limestone

**Natural Stone
Material**



Kilsaran Stone

**Manufactured
Material**

PROACTIVE ENGAGEMENT IN SELECTION OF MATERIALS FOR FOOTPATHS AND PEDESTRIAN AREAS

Asset Management – Remediation of existing surfaces



Treating Existing Assets

- Quick remediation
- Visually appealing
- High grip
- Bright surface

Granite drainage channel
with anti-slip resin and dressing applied

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Claims Process Enhancements (early investigation)

23 Local Authorities Now USE IPB Appointed LLAs

Review of
10 Local
Authorities
using LLAs

150
Investigation
Reports
Completed by
LA Engineer

320 Days
Average
Completion
Time

180 – 510
Days
Completion
Time Range

**REDUCED CLAIM
LIFE CYCLE =
LOWER CLAIMS
COST**

150
Claims
Investigation
Reports by IPB
appointed LLA

60 Days
Average
Completion Time

30 – 75
Days
Completion
Time Range

IPB Focus on Fraud



IPBs policy holders
real-estate can involve
supervision & CCTV
exposures



A view that an injury
and a defect equals
a reasonable
prospect of success



Late Notification:
Altered locus and any
subsequent repairs
makes investigation
difficult

IPB Focus on Fraud

TARGETING ORGANISED FRAUD

Preliminary
Review of
8,000 claims

Fraud
Consultant
Ex CAB

Dedicated
Specialist
Fraud Team

Identified
fraud
indicators

Targeted
Trawl of
Open
Claims

=

775
Suspicious
Claims

IPB Focus on Fraud

Criminal
Gangs
using
women and
minors

Slips
&
Trips

Relationship
Clustering
(Families)

Solicitor
Clustering

Geographic
Clustering

Specific
Traits

False
Names &
Multiple
identities

Multiple
Addresses



IPB launched an internal
fraud awareness campaign
in September

IPB Focus on Fraud

1st Grouping Identified

33
Claims

€958,000

TRAITS

False Names – False PPS Numbers -

Swapping Addresses

Maiden Names - Historical Addresses

- False Dates of Birth

Multiple spellings of surnames

CASE

Meet Paddy

He has made claims in his own name and also under the names of Kieran & Brian. Paddy's Sister has claims in name of Anne & Caroline, both for the same injuries. Son, Daughter-in-Law, six grandchildren.

Total Impact: 10 claims

This family have already successfully made claims and been paid by:



IN SUMMARY

INTEGRATED CLAIMS STRATEGY

Enhanced MI identifies sites of potential fraud and requiring remediation

Improved processes reduces life cycles of claims

Fraud initiatives remove cost and assist in discouraging fraudulent claimants

Better litigation strategies result in better outcomes

Heightened engineer engagement enables greater focus on areas needing attention

Risk improvement eliminating claims hotspots



These six areas work effectively to produce cumulatively much greater results

RETAINED EARNINGS DISTRIBUTION (RED) UPDATE

- High Level of Member Engagement
- Key areas of focus on removing historic insurance debts and transferring insurable risks from Members' balance sheets to IPB
- Remediating hazards that are causing claims
- Ring-fencing of these funds for insurance-related issues is crucial to future pricing

2018 NEW PRODUCTS

PRODUCTS



Responding to Members Feedback

New Cyber Product

Providing cover against loss due to cyber fraud and hacking



New Environmental Impairment Product

EIL 'GO' (General Operations) Product Provides for gaps in cover relating to environmental impairment as a result of day to day activities



CSE

Supporting Regional Social Enterprises

PRESENTATION BY

Deirdre Mortell
Chief Executive

Social Innovation Fund Ireland



SOCIAL ENTERPRISE DEVELOPMENT FUND SUPPORTED BY IPB INSURANCE AND SIFI

*Social Innovation Fund Ireland
in partnership with
Local Authorities' LEO network,
through funding from
IPB, matched by Government,
will create a fund that will have
a transformative effect on Ireland's
Social Enterprise landscape.*



SOCIAL ENTERPRISE DEVELOPMENT FUND OBJECTIVE



Fund Objective Find and back innovative social enterprises that are adding to the social and economic fabric of their community by way of social impact

Funded by IPB Insurance will make a €800,000 donation per annum over 2 years to SIFI.* Government will match this donation to create €1.6m fund over 2 years delivering both cash awards and expertise to support developing Social Enterprises to create jobs.

*Subject to on-going satisfaction of terms & conditions

SOCIAL ENTERPRISE DEVELOPMENT FUND COMPONENTS


Annual fund over 2 years: €800,000 p.a.

Up to 8 awards

3 categories for best Social Enterprises

1. Urban 2. Town 3. Rural

Capacity Building: Most promising Social Enterprises

Local Enterprise Office 



€400,000 IPB Insurance

€400,000 Dept. of Rural & Community Development

8 awards of €50,000 and bespoke non-financial supports.
Accelerator Programme run in 5 regional centres

Places on Accelerator Programme (numbers based on demand and fit)

SOCIAL ENTERPRISE DEVELOPMENT FUND COMPONENTS

Jan - March 2018	March - May 2018	June 2018	June - December 2018	January 2019
<ol style="list-style-type: none"> 1. Regional Events 2. National & Regional Promotional Campaign 	<ol style="list-style-type: none"> 1. Thorough Screening 2. Process Interviews 3. Due diligence 	<ol style="list-style-type: none"> 1. High Profile National Event 2. PR Campaign 	<ol style="list-style-type: none"> 1. Mentoring 2. Non-financial supports 3. Strategic planning 	<ol style="list-style-type: none"> 1. Showcase Event 2. Fund Evaluation



€1.6 million
Funding committed to programme

31 LEOs
providing opportunity to local social enterprises to participate in Fund Awards Programme

€800,000
in cash awards



SOCIAL ENTERPRISE DEVELOPMENT FUND

BENEFITS TO LOCAL AUTHORITIES & LEOs

- A programme to **direct social enterprises for support**
- Establish a **support package for developing social enterprises**
- Create a national pipeline of social enterprises
- **Mentoring programme developed**
- Social enterprise development programme developed
- Create a strong **viable network of social enterprises**
- Create awareness of, and promoting access to, **EU funding for social enterprise development**
- **Job creation affiliated to LEOs** (does not fall under EI remit)
- **Aligns with local authority LECF plans**

SOCIAL ENTERPRISE DEVELOPMENT FUND

SUPPORTING THOSE WHO SERVE THE COMMUNITY



FUNDED BY:



Conclusion and Questions & Answers

Chairman
George Jones