

Thriving on Change

16th

**General
Insurance
Seminar**



9-12th Nov 2008
Hyatt Regency Coolum

The role of industry statistics in Australian insurance portfolio management

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Presented by David Minty



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“What gets measured gets managed”

“If you can't measure it you can't manage it”

– W. Edwards Deming quoted by Peter Drucker



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“Insurance: An ingenious modern game of chance in which the player is permitted to enjoy the comfortable conviction that he is beating the man who keeps the table.”

– Ambrose Bierce (1842-1914)



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“In the fields of observation, chance favours only those minds that have been prepared.”

– Louis Pasteur (c 1848)

**“Invest in preparedness, not in prediction.
Remember that infinite vigilance is just not possible”**

– Nassim Nicholas Taleb, *The Black Swan*, 2007



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Outline of paper

1. Introduction
 2. Why and how collect insurance data?
 3. Sources of information about performance of insurance business in Australia
 4. How is this data used?
 5. What interest does the rest of the community have in insurance industry data?
 6. What makes a successful industry data collection?
- Appendix A Summary of industry data available
- Appendix B Use of ISA statistics



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Sources of insurance industry data

- Primary sources
- Secondary sources



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Potential sources of data on performance

- Industry association initiatives
- Nationally mandated collections
- State mandated collections
- Other non-government initiatives



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How industry data is used by insurers

- Portfolio benchmarking
- Premium rating and reserving
- Market share estimation
- Understanding relativities between groups



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How industry data is used by others

- Industry promotion
- Help in selection of insurers
- Economic impact of the industry
- Competition within the industry



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What makes for successful collection?

- Clear benefits to insurers balancing information given away to competitors
- Compulsory collection / regulator pressure / simple specifications



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Discussion

- How could we address issues for future collections?
- What new industry collections would add value?
- Are you using the data that *is* available to the maximum extent possible for your clients?



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Reliances and limitations

- This presentation is general in nature and does not address the specific requirements of any person or organisation
- If you have any questions, please contact one of the authors
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