



# Concurrent Session 3: International Casualty

**CAS/CARe Seminar, Bermuda, June 6-7, 2013**  
**John Buchanan, ISO – Excess and Reinsurance**

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## Concurrent Session 3

### International Casualty

This session will provide a survey of the various European and worldwide markets and hot topics. The session will explore various localized issues and trends in liability in Europe including claims inflation and propensity to sue in most relevant lines and countries including medical malpractice and European sourced asbestos. Presenters will also provide an overview of the continuing impact that the introduction of annuity-type settlements for large UK bodily injury claims (Periodic Payment Orders or PPOs) has had on insurance and reinsurance markets, including the challenges of introducing "life" aspects to a GI insurance and reinsurance product. The resulting disconnect between insurers and reinsurers, and implications for other European territories will be explored.

**Moderator:**

John W. Buchanan, Principal, Excess & Reinsurance, Insurance Services Office

**Speakers:**

Dave Sandeman, Director of Operations, Axco Insurance Information Services

Alessandro Santoni, Director, Towers Watson

Michael Cane, Actuary, Guy Carpenter & Company, LLC

Amit Parmar, Senior Vice President, Actuary, Guy Carpenter & Company, LLC

# Agenda – International Casualty CS3

- **Overview – John 5 mins**
- **Survey of International Casualty Markets – Dave 20 mins**
  - Comparison of Mature, Emerging, and Nascent markets
  - North America, Europe, BRICS, CIVETS
  - Statistical and non-statistical factors
- **Casualty Trends in Europe – Alessandro 20 mins**
  - Hot topics, Focus on inflation and different compensation levels
  - Medical Malpractice – Focus on Italy
  - Asbestos in Europe – Focus on UK
- **International casualty– Michael / Amit 20 mins**
  - UK – Periodic Payment Orders
  - When General Insurance Comes to Life
- **QA 10 mins**

## Quote from Catlin Group Casualty Actuary

**“Global casualty pricing is straightforward, 😊**

**you only need to consider how the legal, social & cultural differences in approximately 200 different environments may affect the base rates and ILFs.**

**Also, don’t forget to allow for different currencies and exchange rate fluctuations. And inflation. And wordings.**

**And possible changes in legal trends & political influence after elections.**

**And availability of data.**

**Oh and different languages, that can make things tricky.”**



**From CAS Presentation – Vancouver, May 2013 (Beth Fitzgerald – ISO)**

# Global Litigation Rates

Country	Cases per 1,000 Population in 1998*
Germany	123.2
Sweden	111.2
Israel	96.8
Austria	95.9
USA	74.5
UK	64.4
Denmark	62.5
Hungary	52.4
Portugal	40.7
France	40.3

From Christian Wollschlager “Exploring Global Landscapes of Litigation”

# Global Litigation Comparison

Country	Litigation Cost as % of GDP	Loser Pays?	Class Action Mechanism?	Civil Jury Trials?
USA	2.2	no	yes	yes
Canada	0.8	yes	yes (in some provinces)	yes (in some provinces)
UK	0.7	yes	no	Almost none
Germany	1.1	yes	no	No
France	0.7	yes	no	No
Australia	1.1	yes	yes	Yes (in some states)

2008 Civil Justice Report by Marie Gryphon “Greater Justice, Lower cost: How a “Loser Pay “ Rule Would Improve the American Legal System”

