

Template for provision of information required under Civil Liability Act 2018

August 2023

Introduction

Firm Name	
Firm Reference Number	

This survey has been issued to facilitate the provision by relevant insurers of information required under the Civil Liability Act 2018 (the Act). The detail of the information requirements was set out in the Civil Liability (Information Requirements) and Risk Transformation (Amendment) Regulations 2020 (the Regs). Definitions of what comprises a relevant insurer and of the data provision requirements are given below. Further guidance is provided in the "Basis of Preparation" sections.

The data being collected from firms will be aggregated before submission to HMT, There is no intention to identify any individual firm in the report to Parliament that will be prepared by HMT, with the assistance of the FCA.

Definitions

These definitions apply solely and exclusively for the purposes of this data provision exercise.

The Act	The Civil Liability Act 2018.
The Regulations	Civil Liability (Information Requirements) and Risk Transformation (Amendment) Regulations 2020.
Private Motor Insurance Policy	<p>A relevant third party personal injury policy of insurance which is a policy of insurance against losses arising from the death of, or bodily injury to, any person, or damage to property that is supplied to, or acquired by, the user of a privately owned motor vehicle which—</p> <p>(a) restricts the insurance of the person insured by the policy to use of the vehicle for specified purposes (in particular, social, domestic and pleasure purposes) of a non-commercial character; or</p> <p>(b) which excludes—</p> <p>(i) use of the vehicle for hire or reward;</p> <p>(ii) business or commercial use of the vehicle; or</p> <p>(iii) use of the vehicle for specified purposes of a business or commercial character.</p> <p>For the purposes of this data collection, policies that include cover for commuting and/or incidental business usage are included. The key point is that they are not business/commercial policies.</p>
Report Year	Any one of the three 12-month periods commencing 01/04/2020, 01/04/2021 and 01/04/2022. If the firm wishes it may provide data for the year commencing 01/04/2019 to present the position before the commencement of the reforms.
Relevant Insurer	<p>A "relevant insurer" is an insurer who—</p> <p>(a) has effected or carried out contracts of insurance in England and Wales for a period including at least one Report Year; and</p> <p>(b) has issued 100,000 or more private motor insurance policies where the period of cover for those policies began in a single Report Year.</p>
Settled	Settled means that there is no reserve left outstanding on the claim although there may be amounts not yet paid. Settled third party personal injury claims should be excluded where no payments were made in settlement or part settlement of the injury claim. In the case of PPOs, settled means that the PPO has been agreed in court - the amount to be included in this submission should be the total value of the PPO including all estimated future payments. Property damage payments should be excluded where possible. Where it is not possible to exclude property damage payments, they should be included in the amount disclosed, and a note should be added to Question 6c to state this fact. All claims settled in the period are to be reported irrespective of when they were first reported.
Gross Premium	The amount charged to the customer for their policy at inception - excluding the premium for any optional add-ons and excluding IPT. Therefore also excluding any mid-term adjustments and cancellations.
Qualified Auditor	Means a person who is eligible for appointment as a statutory auditor under part 42 of the Companies Act 2006.

Firm attestation

I confirm that the attached data has been prepared in accordance with the requirements of Section 11 of the Civil Liability Act 2018, and of The Civil Liability (Information Requirements) and Risk Transformation (Amendment) Regulations 2020.

I also confirm that the additional information provided is relevant to the aim of assessing whether benefits from such savings made from the reforms under the Act have been passed on to individuals purchasing private motor insurance policies during the report period.

Senior Manager name and title

Date _/_/ 2023

This attestation relates to the Data Provision and to the Additional Information sheets and must be made by a holder of a Senior Management Function (SMF)

Data provision

Questions		Answers			
1. Is the firm a Relevant Insurer?		Yes/No (If "No" then proceed straight to final page and submit this questionnaire)			
Factual information (Please see "Factual basis of preparation" for instructions)		2019/2020 (optional)	2020/2021	2021/2022	2022/2023
2. For each Report Year in which the firm is a Relevant Insurer please provide the following data:					
a	Total gross amount of the ultimate value of claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally <i>Settled</i> during the <i>Report Year</i> where the gross amount of each claim was more than £100,000				
b	Total number of such claims				
c	Mean amount of such claims				
d	Total gross amount of the ultimate value of claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally <i>Settled</i> during the <i>Report Year</i> where the gross amount of each claim was £100,000 or less.				
e	Total number of such claims				
f	Mean amount of such claims				
g	Total <i>Gross Premium</i> for <i>Private Motor Insurance Policies</i> that incepted in the <i>Report Year</i>				
h	Total number of such policies				
i	Mean premium per policy				
3. Assurance requirements					
a	For each <i>Report Year</i> please provide a statement from a <i>Qualified Auditor</i> verifying (in line with ISAE 3000), that the information provided in response to Question 2 has been audited. Please also provide the name(s) of the auditor for each <i>Report Year</i> .				
Counterfactual information (Please see "Counterfactual basis of preparation for instructions)		2019/2020 (optional)	2020/2021	2021/2022	2022/2023
4. For each Report Year in which the firm is a Relevant Insurer please provide the following data as if the Act had not been enacted:					
a	Total gross amount of the ultimate value of claims that the <i>Relevant Insurer</i> might reasonably have been expected to pay for all claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally <i>Settled</i> during the <i>Report Year</i> where the gross amount of each claim was more than £100,000				
b	Total number of such claims				
c	Mean amount of such claims				
d	Total gross amount of the ultimate value of claims that the <i>Relevant Insurer</i> might reasonably have been expected to pay for all claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally settled during the <i>Report Year</i> where the gross amount of each claim was £100,000 or less.				
e	Total number of such claims				
f	Mean amount of such claims				
g	Expected <i>Gross Premium</i> which might reasonably been written for policies that incepted in the <i>Report Year</i>				
h	Total number of such policies				
i	Mean premium per policy				
5. Assurance requirements					
a	For each <i>Report Year</i> please provide a statement from a <i>Qualified Auditor</i> confirming that nothing has come to the auditor's attention to indicate that the methodology in 4 d) or the discount rate specified for Question 4 was not used in preparing the information provided in response to Question 4.				

Note: Words in *Italics* are defined in the Introduction section of this template

Additional information

Questions	Answers	
6. Additional information which may be taken into account:		
a Please provide a description of benefits, other than a reduction in premium price, which, due to savings resulting from the Act, have been passed on during the <i>Report Year</i> to individuals purchasing <i>Private Motor Insurance Policies</i> .		This question is compulsory
b You may provide any other information which is, in your reasonable opinion, relevant to the aim of assessing whether benefits from such savings made from the reforms under the Act have been passed on to individuals purchasing private motor insurance policies during the report period.		This question is optional but may include information about one or more of the following: i) trends in the motor insurance market; ii) third party costs such as reinsurance or intermediary costs; iii) pricing or reserving actions taken in response to events which may have affected the price of premiums offered to purchasers of <i>Private Motor Insurance Policies</i> where those events occurred during the report period or the two years immediately preceding the report period; iv) wider economic factors; v) any other factors
c Where it was not possible to exclude property damage payments, please confirm whether your submission includes this information.	Yes/No	This question is compulsory

Basis of Preparations: Factual

Questions (Factual information)	Basis of preparation (the FAQs also form part of the basis of preparation)
2. For each Report Year in which the firm is a Relevant Insurer please provide the following data:	NB - only include data for policies governed by the law of England and Wales
a Total gross amount of the ultimate value of claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally <i>Settled</i> during the <i>Report Year</i> where the gross amount of each claim was more than £100,000	<i>Settled</i> means that there is no reserve left outstanding on the claim although there may be amounts not yet paid. Settled third party personal injury claims should be excluded where no payments were made in settlement or part settlement of the injury claim. In the case of PPOs, settled means that the PPO has been agreed in court - the amount to be included in this submission should be the total value of the PPO including all estimated future payments. Property damage payments should be excluded where possible. All claims settled in the period are to be reported irrespective of when they were first reported.
b Total number of such claims	Where there are a number of claims recorded on the firm's systems which all arise from one incident then they should be aggregated and treated as one claim.
c Mean amount of such claims	calculated as a/b
d Total gross amount of the ultimate value of claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally <i>Settled</i> during the <i>Report Year</i> where the gross amount of each claim was £100,000 or less.	<i>Settled</i> means that there is no reserve left outstanding on the claim although there may be amounts not yet paid. Settled third party personal injury claims should be excluded where no payments were made in settlement or part settlement of the injury claim. In the case of PPOs, settled means that the PPO has been agreed in court - the amount to be included in this submission should be the total value of the PPO including all estimated future payments. Property damage payments should be excluded where possible. Where it is not possible to exclude property damage payments, they should be included in the amount disclosed, and a note should be added to Question 6c to state this fact. All claims settled in the period are to be reported irrespective of when they were first reported.
e Total number of such claims	Where there are a number of claims recorded on the firm's systems which all arise from one incident then they should be aggregated and treated as one claim.
f Mean amount of such claims	calculated as d/e
g Total Gross Premium for <i>Private Motor Insurance Policies</i> that incepted in the <i>Report Year</i>	Being the amount booked onto the firm's underwriting systems at the inception of all new or renewal private motor insurance policies incepting during the <i>Report Year</i> .
h Total number of such policies	-
i Mean premium per policy	calculated as g/h
3. Assurance requirements	
a For each <i>Report Year</i> please provide a statement from a <i>Qualified Auditor</i> verifying (in line with ISAE 3000), that the information provided in response to Question 2 has been Audited. Please also provide the name(s) of the auditor for each <i>Report Year</i> .	The <i>Qualified Auditor</i> has provided assurance over the data.

Basis of Preparation: Counterfactual

Questions (Counterfactual information)	Basis of preparation (the FAQs also form part of the basis of preparation)
4. For each Report Year in which the firm is a Relevant Insurer please provide the following data as if the Act had not been enacted:	Where any of the information provided for this question relates to the personal injury discount rate provision in Part 2 of the Act, for the purposes of this regulation the underlying assumption must be that the discount rate which would apply had the Act not been enacted is the discount rate set by regulation 2 of the Damages (Personal Injury) Order 2017(3) - i.e. minus 0.75 per cent.
a Total gross amount of the ultimate value of claims that the <i>Relevant Insurer</i> might reasonably have been expected to pay for all claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally <i>Settled</i> during the <i>Report Year</i> where the gross amount of each claim was more than £100,000	Please provide an explanation of the methodology that has been used in preparing these figures. This data item, however, and the associated data items for the number of policies and the mean per policy, are excluded from the assurance requirement.
b Total number of such claims	Where there are a number of claims recorded on the firms systems which all arise from one incident then they should be aggregated and treated as one claim.
c Mean amount of such claims	calculated as a/b
d Total gross amount of the ultimate value of claims that the <i>Relevant Insurer</i> might reasonably have been expected to pay for all claims under its <i>Private Motor Insurance Policies</i> , in respect of personal injuries sustained by third parties, finally settled during the <i>Report Year</i> where the gross amount of each claim was £100,000 or less.	<p>Please use this methodology if possible - an example calculation using this methodology is on the next page. Otherwise please provide an explanation of the methodology that has been used.</p> <p>i) Average Cost Per Claim (ACPC) (bodily injury) by age band (12 month periods). This is at claim level (not claimant) and relates to average settled cost in respect of personal injuries sustained by third parties, where the gross amount of each claim was less than £100,000. <i>Settled</i> third party personal injury claims should be excluded where no payments were made in settlement or part settlement of the injury claim. Property damage payments to be excluded. Where it is not possible to exclude property damage payments, they should be included in the amount disclosed, and a note should be added to Question 6c to state this fact.</p> <p>ii) Baseline is average cost of 2020/21 FCA Year (Pre CLA claims)</p> <p>iii) Split claims with post CLA accident date age bands and apply ACPC of baseline to each cohort. ACPC would include all damages / costs settled in relation to bodily injury exposures for that claim</p> <p>iv) Age band is defined from the date of accident e.g. 12 month from date of accident, 12-24 month from date of accident, 24-36 month from date of accident, > 36 month from the date of accident</p> <p>v) Value band based on overall < £100k (see comments)</p> <p>vi) Add to Pre CLA claim total to obtain new total for <=£100k</p> <p>Comments:</p> <ul style="list-style-type: none"> To enable a counterfactual calculation on claims impacted by the CLA reforms, data should be split to identify the ACPC by age banding, of those with a post CLA accident date and those pre dating the CLA. The baseline ACPC by age profile should be applied to the post CLA volume ONLY in the comparative age profile banding. This new total should be added to the pre CLA sum, to arrive at the counterfactual for the <i>Reporting Year</i>.
e Total number of such claims	Where there are a number of claims recorded on the firms systems which all arise from one incident then they should be aggregated and treated as one claim. When using the suggested methodology this number will be the same as the number provided as the answer to Factual Question 2 e)
f Mean amount of such claims	calculated as d/e
g Expected <i>Gross Premium</i> which might reasonably been written for policies that <i>incepted</i> in the <i>Report Year</i>	Please provide an explanation of the methodology that has been used in preparing these figures.
h Total number of such policies	-
i Mean premium per policy	calculated as g/h
5. Assurance requirements	
a For each <i>Report Year</i> please provide a statement from a <i>Qualified Auditor</i> confirming that nothing has come to the auditor's attention to indicate that the methodology in 4 d) or the discount rate specified for Question 4 was not used in preparing the information provided in response to Question 4.	The statement should include the details of the <i>Qualified Auditor</i> who has provided the assurance.

Counterfactual calculation example

We have set out an example as guidance to help firms quantify counterfactual information. We have made the formula available with some notes below:

Claim Age Banding	Age band calculated from the date of loss. For example; 0-12 months, 12-24 months, 24-36 months and 36 months plus
<100k ACPC Baseline 20/21	The overall cost per claim should be the same as the mean number reported in Question 2
Post CLA Settled Claims Volume	Assumption applied of all claims with a loss date on or after 31st May 2021
Post CLA Counterfactual Gross Sum Paid	21/22 Post CLA Volume x 20/21 Baseline ACPC
CLA Saving (Difference)	Counterfactual less actual to derive gross saving by age band
Total Actual Gross Sum Paid	The overall figure here should match the actual overall paid reported figure in 2f. Post CLA actual gross sum paid plus Pre CLA actual gross sum paid
Counterfactual Sum 21/22	Actual sum paid plus calculated CLA Saving and sum recorded in reported figure in 4f
Post CLA Settled Claims Volume	Assumption applied of all claims with a loss date on or after 31st May 2021
Post CLA Counterfactual Gross Sum Paid	22/23 Post CLA Volume x 20/21 Baseline ACPC. Gives us a view of what we would have paid on this cohort of post CLA cases as if the act had not been enacted
CLA Saving (Difference)	Counterfactual less actual to derive gross saving by age band
Total Actual Gross Sum Paid	The overall figure here should match the actual overall paid reported figure in 2f. Post CLA actual gross sum paid plus Pre CLA actual gross sum paid
Total Volume	Needed for mean
Counterfactual Sum 22/23	Actual sum paid plus calculated CLA Saving and sum recorded in reported figure in 4f

	A	B	C	D	E	F	G
1	Scope: < £100k						
2	Post CLA Volume based on cases with a loss on or after 31/05/21						
3							
4							
5							
6	<100k ACPC Baseline 20/21	Input (£)	0	0	0	0	0
7							
8	Reporting year: 2021/2022						
9							
10	Post CLA Settled Claims Volume	Input (#)					
11	Post CLA Actual Gross Sum Paid	Input (£)					
12	Post CLA Counterfactual Gross Sum Paid	Calculated cell	=C10*C6	=D10*D6	=E10*E6	=F10*F6	=C12+D12+E12+F12
13	CLA Saving (Difference)	Calculated cell	=C12-C11	=D12-D11	=E12-E11	=F12-F11	=C13+D13+E13+F13
14	Pre CLA Volume	Input (#)					
15	Pre CLA Actual Gross Sum Paid	Input (£)					
16	Total Actual Gross Sum Paid	Calculated cell	=C15+C11	=D15+D11	=E15+E11	=F15+F11	=C16+D16+E16+F16
17	Total Volume	Calculated cell	=C10+C14	=D10+D14	=E10+E14	=F10+F14	=C17+D17+E17+F17
18	Counterfactual Sum 21/22	Calculated cell	=C12+C15	=D12+D15	=E12+E15	=F12+F15	=C18+D18+E18+F18
19							
20	Reporting year: 2022/23						
21							
22	Post CLA Settled Claims Volume	Input (#)					
23	Post CLA Actual Gross Sum Paid	Input (£)					
24	Post CLA Counterfactual Gross Sum Paid	Calculated cell	=C22*C6	=D22*D6	=E22*E6	=F22*F6	=C24+D24+E24+F24
25	CLA Saving (Difference)	Calculated cell	=C24-C23	=D24-D23	=E24-E23	=F24-F23	=C25+D25+E25+F25
26	Pre CLA Volume	Input (#)					
27	Pre CLA Actual Gross Sum Paid	Input (£)					
28	Total Actual Gross Sum Paid	Calculated cell	=C27+C23	=D27+D23	=E27+E23	=F27+F23	=C28+D28+E28+F28
29	Total Volume	Calculated cell	=C22+C26	=D22+D26	=E22+E26	=F22+F26	=C29+D29+E29+F29
30	Counterfactual Sum 22/23	Calculated cell	=C24+C27	=D24+D27	=E24+E27	=F24+F27	=C30+D30+E30+F30

