

Swiss Re



Components of Bodily Injury Claims- General Principles



Isabella Dolana, 14 February 2012, Bulgaria

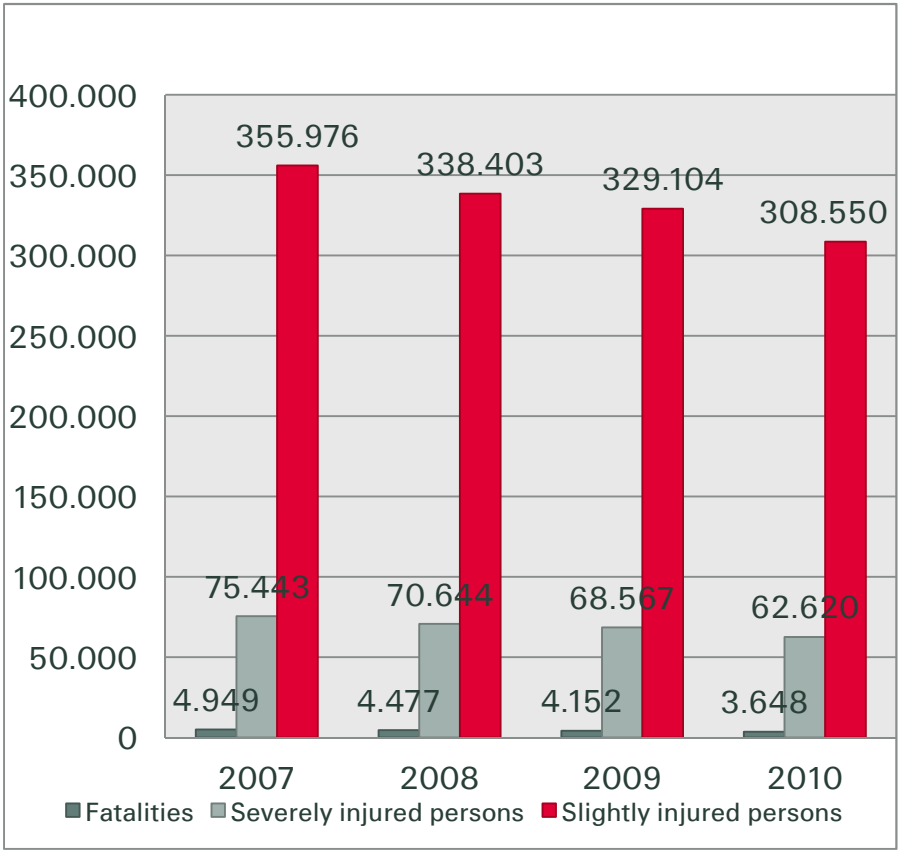
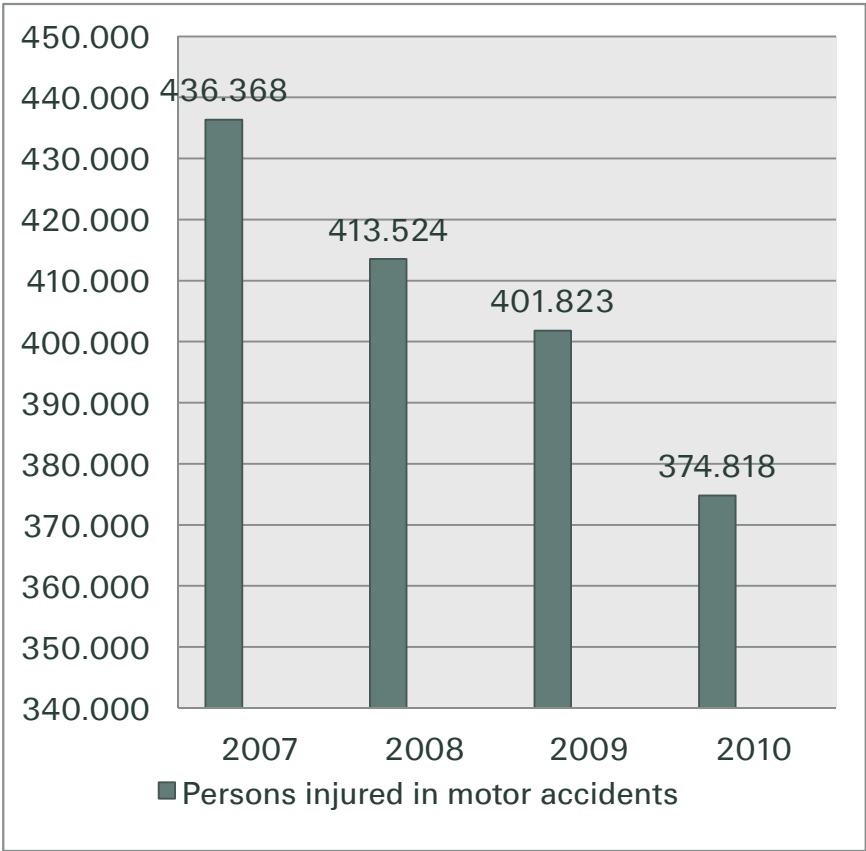
Agenda

- Motor accidents
- Development BI claim
- Key drivers in increase of BI claims
- Example of Claim
- Loss of earnings
- Medical treatment and rehabilitation, care costs
- Additional needs
- Pain and suffering and harm of social status
- Compensation for the loss of family maintenance
- Funeral expenses



Motor accidents, Germany

50,9 m motor vehicles in 2011

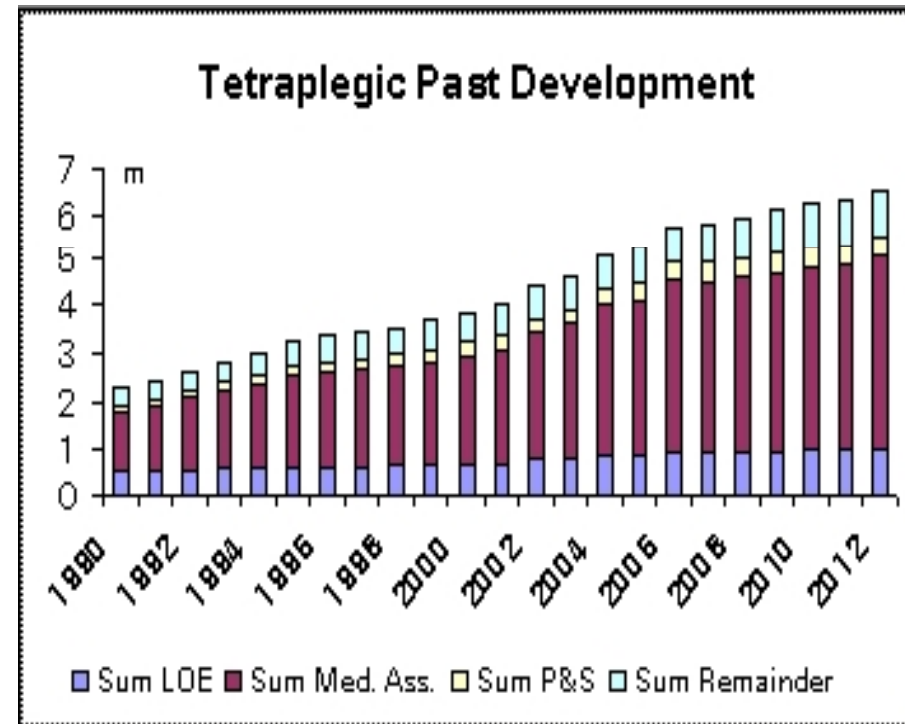
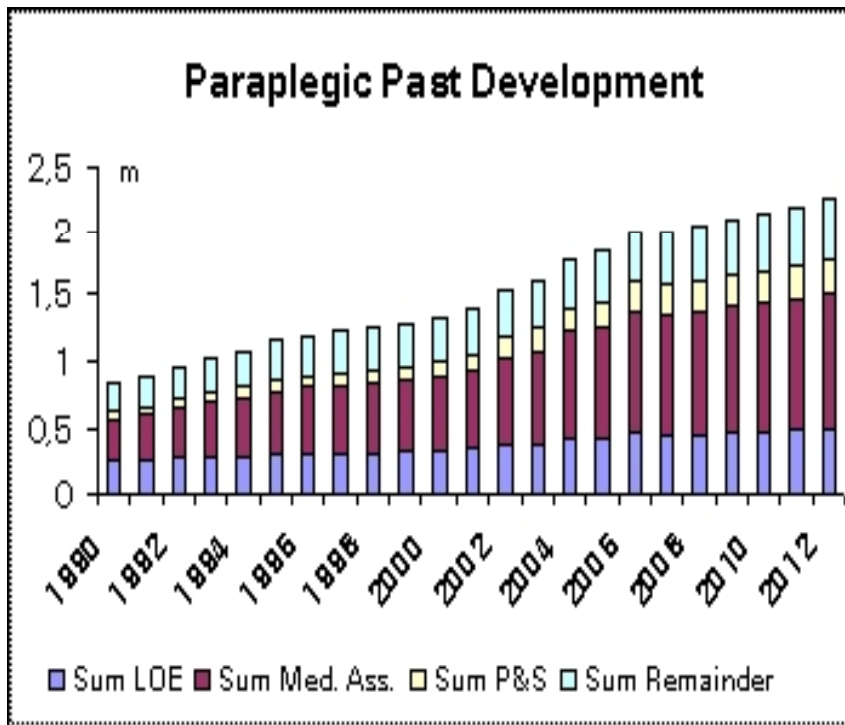


Source: Statistisches Bundesamt Deutschland

Development components BI claim, Germany, in m EUR

Scenario case with hypothetical victim:

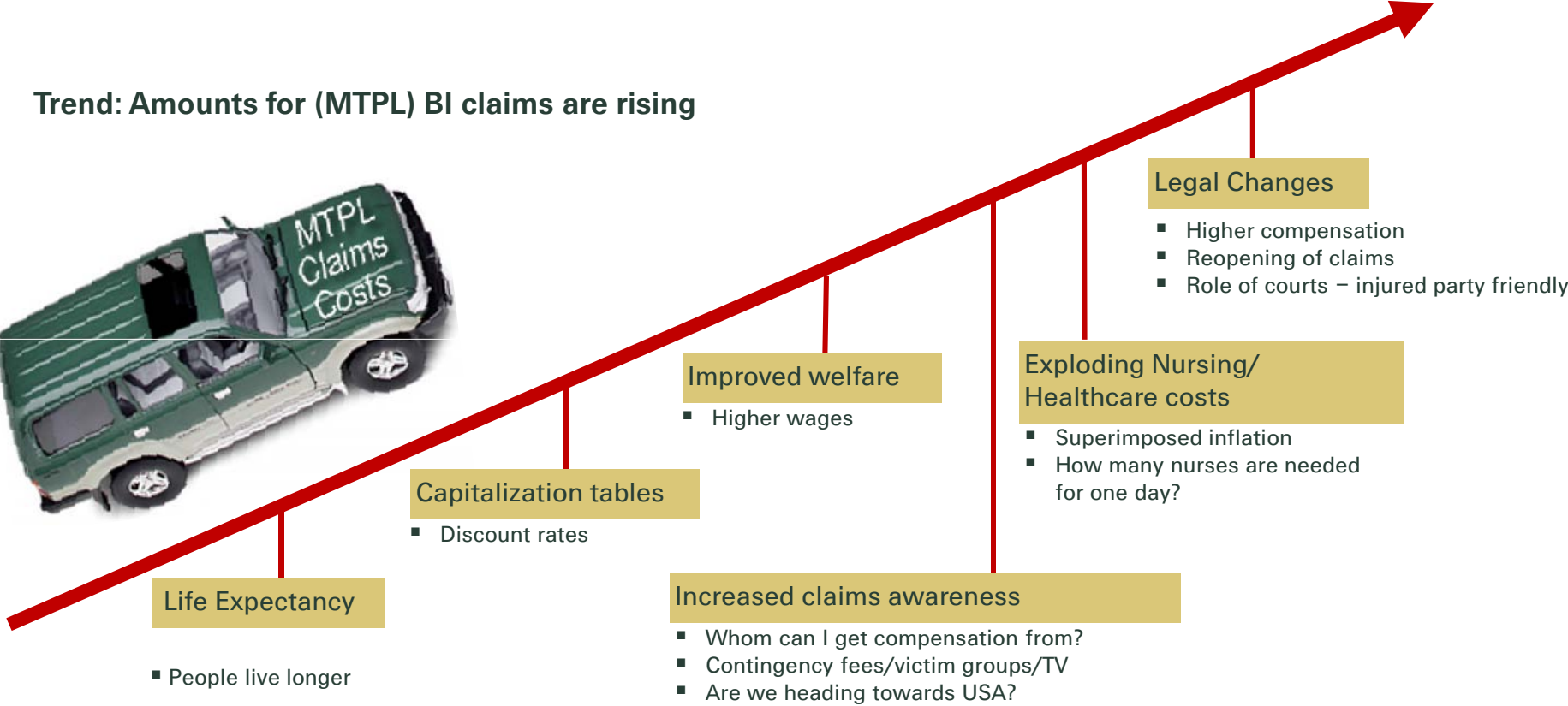
- 30 years old man
- wife without own income
- 2 children



LOE: loss of earnings
 Med. Ass.: medical assistance
 P&S: pain and suffering

Key Drivers in Increase of Severe BI Claims

Trend: Amounts for (MTPL) BI claims are rising





Car accident Germany – Tetraplegic child

Data:

- dol: 2007
- born: 1998, 9 years old girl
- injury: tetraplegic



Reserve settings by cedent:

- medical treatment: EUR 250.000
- pain and suffering: EUR 500.000
- additional needs: EUR 1.300.000 (2 special cars, handicapped accessible home)
- home care costs: EUR 650.000 (for 20 years. 2.700 EUR per month)
- special-care home costs: EUR 1.800.000 (further 40 years, EUR 3.700 per month)
- loss of earnings: EUR 1.500.000



EUR
6.000.000

Loss of earnings

Loss of earnings includes:

loss of income

all other economical damages suffered by the injured person due to the fact that he/she is not able to work any more because of the injury

Compensation:

salary (incl. vacation money, supplementary payments etc.), unemployment compensation, auxiliary income, tip, apprenticeship pay, training costs, increase of insurance premium because of the injury e.g. life insurance, lost of no-claim bonus in health insurance

No Compensation:

illegal employment income, bribe money, other illegal income (e.g. drugs, smuggling, dealing with weapons)



Duty to minimize loss

The injured person is obligated to minimize the loss by working in a part-time job if reasonable, depending on his: health status, personality, talent, place of residence, mentally and bodily adaptability etc.

If the injured person is not able to work in his old job any more, he is obligated for occupational redeployment and retraining for a new adequate job.

Housekeeping Expenses

The injured person has the burden of proof for all workings he cannot do any more in the household.

Compensation for a replacement person (even if a family member) who will do the household. Cost per hour EUR 7.50 – EUR 10.

The injured person has the duty to minimize the loss by buying special household appliances. The cost for this are compensated by insurance.



Medical treatment and rehabilitation, care costs

Compensation:

medical assistance, medicine, dressing, massage, physiotherapy

travel expenses to doctors or physiotherapists, travel cost abroad if there is no specialist in the own country, travel expenses for relatives if the doctor decided that this is supporting for the healing process

aesthetic surgery

Expenses paid by public or private health insurance are subrogated by health insurer from motor third party insurer.

Duty to minimize loss

The injured person is obligated to minimize the loss by regular participation on the prescribed therapy, even to make diet, if necessary.



Additional Needs

- ❑ Compensation to injured person for his physical permanent constrains/handicap
- ❑ Compensation:

accompanying person for visits to: doctors, physiotherapy, cultural events

cost: for the conversion of the car, electronic writing instrument for invalids, orthopedic footwear, prosthesis, private lessons especially in case of children, modification of flat into an handicapped accessible home

Pain and suffering and harm of social status

❑ Role of pain and suffering :

compensation for all non financial damages/disadvantages

compensation for pain & suffering aims at the purpose of the victim's satisfaction

❑ Compensation for non financial damages:

important for the evaluation of the pain and suffering amount are: duration of pain, age of injured person, gender, estimate time of suffering, profession, unrealized marriage (especially women), anxiety, family breakdown, changes in social life

other important items which influence the amount of pain and suffering are: the contributory negligence of the injuring party (alcohol), economic situation of the injuring party etc.

❑ Regulation of pain and suffering

The judge is free to decide about the amount of pain and suffering but he has to respect a margin and has to compare the case with similar cases and to consult the pain and suffering tables.

The highest amount of pain and suffering decided by court in Germany is EUR 500.000.





Compensation for the loss of family maintenance/maintenance expenses

In case of death of the family member who was obliged by law to family maintenance, compensation for the family maintenance should be paid.

Compensation :

dependant persons defined by law: husband and wife, civil partnership, children and adopted children

No Compensation:

not registered partners, brothers and sisters, stepchildren, engaged persons, in-laws persons

Maintenance expenses are:

salary, housekeeping costs, assistance and education costs for children

Funeral Expenses

To be considered:

economic circumstances, customs and practices, family background

Compensation:

obituary notice in newspaper, funeral expenses, priest, first planting of the grave, costs of funeral meal for people attending the funeral, flowers, funeral wreaths, coffin, gravestone, mourning dress, etc.

Personal Data

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