

Motor Insurance Commission

Working Group - Reinsurance and bodily injury compensation in Europe as at 2022

June 2022

Reproduction of criteria tables by criterion

In this section, we present the differences between the following criteria for each country:

- Scope of reinsurance coverage
- Purpose of the cover
- Claims compensation : Annuity vs. Capital
- Annuity clause: capitalised and uncapitalised of annuities, revaluation treatment
- Adequacy between claims notification and the reinsurer's commitment
- Capitalisation tables (mortality table, technical rate)
- Coverage limits (excluding green cards)
- Head of damage
- Recourse by Social Security organisations
- Possibility of reopening a claims
- Indexation clause

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Scope of reinsurance coverage

	Reinsurance	Insurance
France	Reinsurance treaties cover motor liability and may also cover the motor damage, as well as other general liability (professional liability, private life liability, medical liability, etc.)	Motor + motor damage liability: the motor damage component is optional for policyholders (possibility of only taking out the basic formula known as “third party” also known as “liability”). Not all ancillary cover is necessarily assigned in reinsurance.
Belgium	Reinsurance treaties cover motor third party liability and may also cover motor own damage, as well as other general third party liability (professional liability, Household liability, medical malpractice, etc.) and Workers’ Compensation (occasionally).	Motor third party liability + motor own damage: the motor own damage component is optional for policyholders (possibility of only taking out the basic formula known as “third party” also known as “liability”). Some of the guarantees are not reinsured.
Italy	The majority of treaties cover motor liability, which is very often accompanied by recreational boating liability (natanti liability). Most of the time, small companies buy combined motor liability/general liability treaties, often with a specific underlying layer of general liability. Motor damage is covered separately.	Motor Liability + Motor damage: the motor damage component is optional for policyholders Not all collateral protection coverage necessarily covered in reinsurance.
Israel	Reinsurance treaties cover MBI, i.e. personal liability exclusively (material liability and motor damage are excluded). Note that in the case of a quota share treaty, a participation in the motor pool “Motor Vehicle Insurance Regulation” can be covered.	In Israel, MBI (Motor Bodily Injury) insurance is mandatory. It covers the owner and driver of the vehicle for any damage within the scope of the CRAV law (see damage items tab) either caused to them, the passengers of the vehicle or third-party pedestrians (and any other means of non-motor locomotion). Material liability and motor damage are covered in separate policies. The principle of faultless liability applies: each insured party involved is compensated by their own insurer, without seeking liability. However, when vehicles of different categories are involved in a claim (e.g. car vs. truck), a fixed portion of the compensation for “light” vehicles is paid by the insurer of “heavy” vehicles (which depends on the category of the vehicle).
UK	Reinsurance treaties cover motor liability and motor damage.	Motor liability + motor own damage liability: the motor damage component is optional for policyholders. The third party policy is called “Third Party Only” (“TPO”) and the all-risk policy “Comprehensive”. There is also a policy covering vehicle fire and theft (“Third Party Fire and Theft” or “TPFT”). Not all ancillaries covers are necessarily ceded to the reinsurance treaty .

Scope of reinsurance coverage

	Reinsurance	Insurance
Germany	Reinsurance treaties cover motor liability and may also cover motor own damage.	Motor third party liability + motor own damage
Spain	Reinsurance treaties cover motor liability and may also cover motor damage.	Motor + motor damage liability: the motor damage component is optional for policyholders (possibility of only taking out the basic formula known as “third party” also known as “liability”). All ancillary cover is assigned under reinsurance except motor damage, which is not automatically assigned.
Greece	Reinsurance treaties cover motor liability, may cover liabilities and may also cover motor own damage.	Motor + motor damage liability: the motor damage component is optional for policyholders (possibility of only taking out the basic formula known as “third party” also known as “liability”). Not all ancillary cover is necessarily assigned in reinsurance.

Purpose of the cover

	Reinsurance	Insurance
France	The reinsurer follows the fortunes of the cedant.	Principle of full compensation for bodily injury. The losses of direct and indirect victims are compensable.
Belgium	The reinsurer follows the fortunes of the cedant.	Principle of full compensation for bodily injury. The losses of direct and indirect victims are compensable.
Italy	The reinsurer follows the fortunes of the cedant.	Principle of full compensation for current losses, without taking into account any future losses (e.g. loss of earnings for a victim who has never worked). Only losses that can be calculated on the day of the compensation are compensated. The life of the victim is not projected in the future.
Israel	The reinsurer follows the fortunes of the cedant.	Compensation for bodily injury is limited in practice (see criteria #7 & #8). The losses of direct and indirect victims are compensable.
UK	Claim definition clause	Principle of full compensation for bodily injury. The losses of direct victims are compensable; the losses of indirect victims are not. However, compensation may be reduced in the event of victim's negligence ("contributory negligence"), for example if a seatbelt is not worn or if the victim did not cross correctly according to the legal provisions. There is no protection for victims without discernment.

		Purpose of the cover	
		Reinsurance	Insurance
Germany	The reinsurer follows the fortunes of the cedant.		Principle of full compensation for bodily injury. The losses of direct and indirect victims are compensable. With regard to indirect victims, only economic losses are compensable.
Spain	The reinsurer follows the fortunes of the cedant.		Principle of full compensation for bodily injury, reinforced with the entry into force on 01/01/2016 of the law establishing the new <i>Baremo</i> mandatory motor insurance, replacing the previous law in 1995.
Greece	The reinsurer follows the fortunes of the cedant.		<p>Compensation for bodily injury in Greece is not strictly regulated or governed by law, as a result it cannot be mentioned that the principle of full compensation for bodily injury is strictly applied. Judges decide on a case-by-case basis and lawyers may claim compensation for any type of damage suffered by the victims, provided that they are able to prove this.</p> <p>The losses of direct victims are compensable, as well as those of the only indirect victims subject to a relationship with the direct victim.</p>

Claims compensation : Annuity vs. Capital

	Reinsurance	Insurance
France	The Reinsurer follows the Cedant's situation with respect to claims paid in the form of capital. Treaty reinsurance does not provide for a specific clause or scale. For annuities, there is a specific clause (see dedicated tab).	<p>In practice, the victim has the choice of method of compensation (capital or annuity), as the payment of a lump sum is encouraged by insurers in settlements, particularly when the annuity is low or the victim is elderly, for reasons of reducing management costs.</p> <p>In the case of heavy bodily injury claims (particularly when the victim is young), the courts and most insurers prefer the allocation of an annuity for the items of loss of property and, in particular, the third party. Non-financial loss items are paid in capital, as are temporary financial loss items, as well as loss of future earnings up to a certain amount.</p> <p>Annuities are indexed (Article L. 434-17 of the Social Security Code provides that the indexing of the motor liability annuity is based on the annual increase rate of annuities paid in respect of accidents at work) and, since 01/01/2013, their revaluation is the responsibility of insurers.</p>
Belgium	The Reinsurer follows the fortunes of the Cedant with respect to claims paid in the form of a lump sum. There is no clause. For annuities, there is a specific clause (see dedicated tab).	The allocation of an annuity is subject to case law and the wishes of the victims, who may also opt for compensation in the form of lump sum. There are Annuities for young victims and serious claims, but capitalisation has historically remained the most common method.
Italy	Claims are paid in capital and the Reinsurer follow the fortune of the cedent. Treaty reinsurance does not provide for a specific clause or specific table.	Except in exceptional cases of payments spread over time, there is no compensation in the form of an annuity in Italy. Claims are mainly paid in capital.
Israel	Claims are paid in capital and the Reinsurer monitors the ceding entity situation. Reinsurance treaty does not provide for a specific clause or capitalisation scale.	Claims are 100% compensated in capital according to the CRAV law, which is the reference system and nomenclature in force (except in very rare historical cases, no MBI claim has been compensated in the form of an annuity).

Claims compensation : Annuity vs. Capital

	Reinsurance	Insurance
UK	The Reinsurer follows the cedant's fortune with respect to claims paid in capital. Reinsurance treaty does not provide a specific clause or a table.	<p>In practice, the victim can chose the compensation method (capital or annuity), usually lump sum payments are encouraged by insurers. These head of damages are often settled in accordance with the JC Guidelines (Judicial College).</p> <p>Some head of damages may be settled as an annuity or lump sum. The allocation of an annuity is not regulated, and is subject to the wish of the victims or their inability to make this decision. The victim's wish to obtain an annuity must be approved by the court.</p> <p>Annuities are mostly indexed to the salaries of health workers index (ASHE 6115). Annual Survey of Hours and Earnings) produced by the ONS, the 80th percentile of which is the most widely used.</p>
Germany	The Reinsurer follows the Cedant's situation, and claims are settled according to the Cedant's provisions.	<p>The allocation of an annuity is subject to case law and the insurer's compensation policy. Annuities are very common for young victims and/or serious claims. These claims are systematically compensated as an annuity according to a method established by literature and case law (there are 2 methods: Küppersbusch/Höher, 20th edition 2020 or DAV 2006 HUR). In general, victims cannot choose capital compensation for life injury items, and some annuities are imposed. Annuities are allocated by third-party payers of social security and are indexed, but future additional compensation due to the indexation effect is part of the third-party payers' claims against the insurer of the person responsible for the accident.</p>
Spain	The Reinsurer follows the Cedant's situation with respect to claims paid in the form of capital. Treaty reinsurance does not provide for a specific clause or scale.	<p>Before 01/01/2016, annuities were not provided for: the new Law provides for the possibility of negotiating the partial or total settlement of compensation in the form of a life annuity.</p> <p>For indexed annuities, the revaluation index is the average of the annual CPI (Consumer Price Index) of the 36 months preceding the maturity date of the first annuity.</p>
Greece	The Reinsurer follows the Cedant's situation with respect to claims paid in the form of annuities. Treaty reinsurance does not provide for a specific clause capitalisation or scale.	<p>Compensation in the form of annuities has very rarely been listed, and compensation in the form of lump sum is almost exclusively used.</p>

Annuity clause: capitalised and uncapitalised annuities, revaluation treatment

	Reinsurance	Insurance
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France	<p>An annuity clause is included in the treaties in order to define the method for calculating the final net loss. There are mainly 4 types, the main characteristics of which concern the payment method (capitalized/uncapitalized), provisioning (mortality table and technical rate), and the extent of coverage (with or without the indexing of annuities):</p> <ul style="list-style-type: none"> - RR: Immediate annuity redemption - SR: Monitoring of annuities without revaluation, according to two methods (additional or proportional) - SR+INF: Monitoring of annuities with limited coverage (at a certain multiple of CCR, or even unlimited) of the revaluation - RRD: Redemption deferred after the first few years in Following <p>In the case of redemption agreements, the clause specifies the mortality table and the discount rate, which may be either fixed or stipulated as the one in force on the date of allocation of the annuity. The clause specifies whether the indexation of annuities has to be included or not. In the event of redemption, the expense of the reinsurer does not correspond to the claim actually paid to the victim.</p>	<p>In practice, the Cedant follows the fate of the victims and compensates them by type of head of injury, with an annuity or a lump sum. Annuities are revalued each year.</p>
Belgium	<p>All reinsurance treaties have an annuity clause, defining the method for calculating the actuarial present value of the annuity eligible to reinsurance, using a mortality table and a discount rate stipulated as the one in force on the date of allocation of the annuity.</p> <p>However, we note that Schryvers mortality tables are often used. In some cases, the treaties specify the date of the table to be used (they are updated annually). In other cases, the choice of the table is at the discretion of the cedant. These tables are forward-looking and are gender-based.</p> <p>The expense borne by the reinsurer does not correspond to the claim actually paid to the victim.</p>	<p>In practice, the Cedant follows the fortunes of the victims and compensates them for loss per loss item, with an annuity or a lump sum.</p>
Italy	<p>No annuity clause.</p>	<p>There is no annuity allocated to a victim of a traffic accident.</p>
Israel	<p>No annuity clause.</p>	<p>There is no annuity allocated to victims of traffic accidents (under the CRAV law).</p>

Annuity clause: capitalised and uncapitalised annuities, revaluation treatment

	Reinsurance	Insurance
UK	<p>The annuity clause is contractual, and defines the way the ultimate net loss is calculated i.e. life expectancy assessed in the context of a medical debate between experts (instead of a mortality table) and a discount rate set out in the treaty.</p> <p>There are mainly 3 types of annuity clause, the main characteristics of which define the payment method (capitalised/non capitalised) and provisioning (discount rate):</p> <ul style="list-style-type: none"> - <i>Capitalised</i>: often at a discount rate of 1.5% - <i>Uncapitalised</i>: f annuities are indexed - <i>Delayed (15 or 20y)</i>: uncapitalised first and then capitalised after 15 or 20 years <p>In the case of a capitalised clause, the expense borne by the reinsurer does not correspond to the claim actually paid to the victim.</p>	<p>In practice, the cedant follows the the victims fortune and compensates them for each head of damages , with an annuity or a lump sum. Annuities are revalued each year.</p>
Germany	<p>There is no clause dedicated to annuities in treaties: except in a few special cases where there is a redemption clause (“Rentenablösungsklausel”), all reinsurance treaties follow the fortunes of the Cedant with regard to annuities, including their revaluation.</p>	<p>In practice, the Cedant follows the fate of the victims and compensates them for loss per loss item, with an annuity or a lump sum.</p>
Spain	<p>The annuity clause is contractual and is mainly provided for in Monitoring. A contractual redemption per claim is also possible even if the Treaty has been signed with a Following clause. The switching procedures are then negotiated on a case-by-case basis with the Lead Reinsurer, or even in rare cases, specified in the Treaty.</p> <p>In the event of redemption, the expense borne by the reinsurer does not correspond to the claim actually paid to the victim.</p>	<p>In practice, the Cedant follows the fate of the victims and compensates them for loss per loss item, with an annuity or a lump sum. Annuities are revalued each year.</p> <p>In the case of claims settled in the form of annuities, the method used is the method defined by “Ley 35/2015”, which calculates its amount using a mortality table and a discount rate stipulated as being the one in force on the date the annuity is awarded.</p>
Greece	<p>There are almost no claims paid or awarded in the form of annuities, therefore most reinsurance treaties do not contain any provision on this point. One of the rare annuity clauses found in the market establishes that the discount rate, the mortality table and the index to be applied to an annuity must be agreed with the leading reinsurer. On treaty wordings can be also found the option to capitalise annuities using the cedant’s own discount rate.</p>	<p>As stated, there is virtually no compensation in the form of an annuity. In the event of an annuity, no law or scale is required, either in terms of payment or in terms of reserving for the claim.</p>

Adequacy between claims notification and the reinsurer's commitment		
	Reinsurance	Insurance
France	<p>Assigning companies assess claims based on their own provisioning. As a result, the calculation method used for the capitalisation of the annuity does not systematically correspond to the terms of the reinsurance treaty.</p> <p>A provisioning gap may therefore appear in the Reinsurer if it does not re-evaluate the claim itself under the conditions of the treaty. However, the amount is readjusted in the annual financial statements.</p>	<p>The provisioning method of an annuity served is governed by the Regulation of the French Accounting Standards Authority (ANC) (Art. 143-2 of the ANC Regulation - former Art. 331-10 of the Board of Directors) and is particularly regulated.</p>
Belgium	<p>Claims are valued according to the Cedant's reserving method and not according to the annuity clause. A provisioning gap may therefore appear in the Reinsurer if it does not re-evaluate the claim itself under the conditions of the treaty. However, the amount will be readjusted in the annual financial statements from the time the annuity is opened.</p> <p>It should be noted that the interest-sharing clause provides for the payment of 1.50% of the total amount of the claim (between the date the action is initiated and the date of the decision).</p>	<p>The method for reserving an annuity is not governed by a regulatory text.</p>
Italy	<p>Claims are valued according to the cedant provisioning methodology, which itself relies on courts calculation rules , therefore there is a total match between the loss advice sent by the cedents and the reinsurers' annual commitments.</p>	<p>The Cedant's provisioning method is based on the calculation rules of two courts (Rome and Milan) depending on the death or survival of the direct victim.</p>
Israel	<p>Claims are valued according to the ceding entity reserving method. There is a total match between the claims notices sent by the Cedants and the reinsurers annual commitments for the XS treaties, and a special rule for QS treaties through a "deposits" method.</p>	-
UK	<p>The cedant assess claims based on their own reserving based on the Ogden rate. As a result, the calculation method used for the capitalisation of the annuity does not systematically correspond to the terms of the reinsurance treaty, for which the rate provided is different. A reserving gap may therefore appear by the Reinsurer if it does not re-evaluate the claim itself under the conditions of the treaty, and the Reinsurer may therefore observe a release of reserves at the time of capitalisation.</p>	<p>The reserving method is not governed by a regulatory text.</p>

Adequacy between claims notification and the reinsurer's commitment

	Reinsurance	Insurance
Germany	<p>Claims are evaluated according to the Cedant's provisioning method. There is a total match between the claims notices sent by Cedants and the reinsurers' annual commitments.</p>	<p>The method for provisioning an annuity is not governed by any regulatory text.</p>
Spain	<p>Claims are valued according to the Cedant's provisioning method. There is a total match between the claims notices sent by Cedants and the reinsurers' annual commitments.</p>	<p>The method for provisioning an annuity (potential or served) is not governed by a regulatory text.</p>
Greece	<p>Claims are valued according to the Cedant's own reserving methodology mainly reserved as a lump sum. There is a good match between the claims notified amount sent by cedants and the reinsurers' commitments.</p> <p>It should be noted that the interest-sharing clause provides for the payment of 7.25% of the total amount of the claim (between the date the action is initiated and the date of the decision). This applies only if a claim is heard in court.</p>	<p>The method for provisioning an annuity (potential or served) is not governed by any regulatory text.</p>

Capitalisation tables (mortality table, technical rate)

	Reinsurance	Insurance
France	In the event of payment of a capital loss item, and pursuant to the Cedant's Fortune-Sharing Clause, the Reinsurer has no control over the capitalisation method used.	<p>There are scales but they are not regulatory and are subject to market practice, mainly:</p> <ul style="list-style-type: none"> - Gazette du Palais, created by victims' lawyers - BCRIV, created by insurers <p>Mortality tables are increasingly recent, and technical rates are increasingly close to 0%.</p> <p>The capitalisation method of items of lifetime loss not settled in annuities is either decided in discussions between victims and insurers or a court decision. No mortality table or regulatory capitalisation rate.</p>
Belgium	The payment is made in lump sum.	<p>Ceding companies follow the recommendation of a discount rate for the capitalisation of life injury items, published in the Belgian Indicative Table, and apply a recent mortality table of their choice, often Schryvers or C. Jaumain (forward-looking tables). Since 2017, the rate recommended by the Table has been 1%. Its use is not contractual but is part of market practice, it is a compensation guide used to assess bodily injury. It is established by the <i>Union Nationale des Magistrats de Première instance</i> and by the Royal Union of Justices of Peace and Police.</p> <p>The capitalisation method of permanent heads of damage not settled as annuities is either decided in discussions between victims and insurers or a court decision. There is no mortality table or regulatory capitalisation rate.</p>
Italy	The payment is made in capital.	<p>There is no capitalisation table. On the other hand, the Insurance Code ("Codice delle Assicurazioni") incorporates the calculation rules produced by the courts of Milan and Rome, which allow for the payment of compensation for biological harm and the moral harm of indirect victims.</p>
Israel	The payment is made in lump sum.	<p>The capitalisation of certain loss of earnings is based on current legislation (CRAV law) and is valued in NPV (Net Present Value) at a rate of 3%.</p> <p>It should be noted that the insurer will only compensate for the loss of future earnings until the victim's retirement age (after which the pension will be paid by the related organisation).</p>
UK	In the event of payment of a capitalised head of damage, and pursuant to the cedant's claim definition clause, the Reinsurer follows the cedant and has no control over the capitalisation method used.	<p>The use of Ogden tables (published by the Department of Justice) is a matter of market practice. These tables are equivalent to a capitalisation scale, including a discount rate and mortality tables published by the ONS updated every three years.</p> <p>The discount rates are -0.25% for England and Wales, -0.75% for Scotland and -1.75% for Northern Ireland (temporary rate to be discussed later by the Parliament of Northern Ireland).</p> <p>These tables are used to calculate the lump-sum compensation for bodily injury and fatal accidents.</p> <p>Their latest update in 2021 is based on the latest mortality tables published by the ONS in 2019 and on the latest rates in force.</p>

Capitalisation tables (mortality table, technical rate)

	Reinsurance	Insurance
Germany	Reinsurers follow the Cedant.	No mortality table or regulatory capitalisation rate. Cedants apply a recent capitalisation scale of their choice by determining the PERV, often Küppersbusch/Höher (“Ersatzansprüche bei Personenschaden”). The indicative rate is the maximum cover rate authorised for life insurance (0.25% from 1/1/2022). The use of this indicator scale is neither regulatory nor contractual, but is subject to market practice.
Spain	Reinsurers follow the Cedant.	The capitalisation scale is fixed by “La Ley 35/2015, de 22 de septiembre, de reforma del sistema para la valoración de los daños y perjuicios causados a las personas en accidentes de circulación”. It is re-assessed each year according to the pensions revaluation index (Law 11/2020 of 30 December on general government budgets). That of 2022 was revalued by 2.50% compared to 2021. It should be noted that a new reform is underway and aims to change the technical interest rate of the New <i>Baremo</i> from 3.50% to 2.50%, maintaining the mortality tables currently provided for by the law (PEB and PEIB 2014).
Greece	The payment is made in lump sum.	There is no compensation scale for bodily injury.. The split of heads of claims and the amounts is at the judge’s free will, or is to be negotiated on a case-by-case basis during out of court settlements.

Coverage limits (excluding green cards)

	Reinsurance	Insurance
France	<p>Unlimited compensation for bodily injury Compensation limited to €100 m for material and non-material damage not resulting from natural events (material liability). Optional coverage defined by the treaty for material and non-material damage resulting from natural events (motor damage).</p>	<p>Unlimited compensation for bodily injury to third parties, limited to the driver. Deductibles and limits for material damage. Article A211-1-3 of the French Insurance Code provides that the mandatory minimum limit for compensation in material civil liability provided for in a motor insurance policy is €1,220,000. However, it is common for insurers to provide for much higher amounts.</p>
Belgium	<p>Unlimited compensation for bodily injury Compensation limited to €100 m (2007 face value) indexed to inflation, for third party property damage not resulting from natural events (material liability). Optional coverage defined by the treaty for material and non-material damage resulting from natural events (motor damage).</p>	<p>Third Party Property Damage: €100 m (2007 value) indexed to inflation. Third Party Bodily Injury: unlimited</p>
Italy	<p>Limited compensation, according to the terms of the treaty.</p>	<p>In 2012, the regulatory minimum limit for a policy ("massimale") was €6 m (€5 m for bodily injury, €1 m for material damage). This limit is indexed by changes in the European CPI (European directive transcribed in Art. 128 paragraph 3 of 11/06/2012 of the Italian Private Insurance Code). In 2021, this limit was €7.29 m (€6.07 m in personal liability, €1.22 m in material liability). These same limits are applied to <i>natanti</i> liability.</p>
Israel	<p>Although some entities on the market are covered with unlimited capacity, most of the treaties are limited.</p>	<p>In theory, compensation is not limited. However, in practice, most of the components of the compensation are: for example, the salary used to estimate the loss of future earnings is limited to 3 times the national average.</p>
UK	<p>Unlimited compensation for bodily injury. Compensation for material damage is limited to £25 m per vehicle and £60 m per claim in most cases.</p>	<p>Unlimited compensation for bodily injury to third parties (no compensation for the responsible driver). For the material liability, the minimum coverage limit remains £1.2 m.</p>

Coverage limits (excluding green cards)

	Reinsurance	Insurance
Germany	<p>Cover limited to 100 m/claim all damage combined.</p> <p>Optional coverage defined by the treaty for material and non-material damage resulting from natural events (motor own damage).</p>	<p>According to Appendix 4.2 of the Law on the mandatory insurance of motor vehicle owners (available at https://www.gesetze-im-internet.de/pflvg/anlage.html):</p> <p>Personal liability: legal minimum limit of €7.5 m/material liability claim: legal minimum limit of €1.22 m/claim</p> <p>Incidentally, the limit per claim is €50,000 for pure financial losses.</p>
Spain	<p>Unlimited compensation for bodily injury.</p> <p>Compensation for material damage limited to €100 m</p>	<p>Unlimited compensation for bodily injury to third parties. Deductibles and limits for material damage.</p> <p>Ley 35/2015 provides that the mandatory minimum compensation ceiling provided for in a motor insurance policy is €70 m/claim for bodily injury and €15 m/claim for material damage.</p>
Greece	<p>Although some cedants in the market are covered on an unlimited basis, most of the treaties are limited.</p>	<p>The statutory minimum limit is EUR 1.3M for bodily injury per victim and 1.3M for material damage per event.</p>

		Head of damage	
		Reinsurance	Insurance
France	The Dintilhac Nomenclature is neither regulatory nor contractual, and lists the various potentially compensable loss items. In any event, the reinsurer settles the loss in the amount of its share under the treaty without distinguishing between the various loss items.		<p>The Dintilhac Nomenclature, which is non-regulatory, is used in practice to list the various categories of potentially compensable damages for direct and indirect victims.</p> <p>It includes 26 head of injuries and is divided into financial and non-financial loss items, which are themselves broken down into temporarily and permanent.</p> <p>Indirect victims (family, employers) have a right to compensation.</p> <p>The costs and fees of lawyers and medical experts are covered by the opposing party, within the framework of Article 700 of the French Civil Procedure Code, on a flat-rate basis, which never covers the entire amount paid by the victim in the context of his or her defence.</p> <p>The claim of third-party payers (medical expenses, daily allowances, etc.) is covered by the insurer, which is the debtor of the social organisations on request. In the event of a settlement, the latter have a period of 4 months to make a detailed complaint. Beyond that, forfeiture. In the event of legal proceedings - common law (10 years).</p> <p>The main items that weigh most heavily in the compensation of a claim are assistance by third parties, loss of future earnings and future health expenses (mostly paid as an annuity).</p>
Belgium	The reinsurer settles its share of the loss under the treaty without distinguishing between the various heads of damage.		<p>The new Indicative Table (version 2020) for calculating bodily injury was published in July 2021. This table consists of a list compensations.</p> <p>It contains the following damages:</p> <ul style="list-style-type: none"> - Economic harm in the event of temporary incapacity for work; - Economic harm in the event of permanent incapacity for work; - Economic loss in the event of death; - Economic value of household work; - Assistance of a third party; - Moral damage; - Aesthetic damage.
Italy	The reinsurer settles the loss in the amount of its share under the treaty without distinguishing between the various head of damage.		<p>The losses of direct victims are estimated according to 3 main head of damage:</p> <ul style="list-style-type: none"> - Financial damage: loss of earnings - miscellaneous expenses - Physiological injury - assessed according to the criteria of the Milan table (annual update) - temporary physiology injury - assessed according to the criteria of the Milan table <p>When the direct victim is deceased, the moral damage of the indirect victims of the <i>de cuius</i> (parents, children, grandparents, brother, uncle, nephew, cousin) is assessed according to the table of the court of Rome (2019).</p> <p>These two tables (Milan and Rome) operate on a system of points whose value is regularly reviewed, and take into account the information of the victim and the beneficiaries.</p> <p>The judge has the freedom to opt for an increase in the reference compensation from 33% to 50%.</p>

		Head of damage	
		Reinsurance	Insurance
Israel	<p>The reinsurer settles the loss in the amount of its share under the treaty without distinguishing between the various loss items.</p> <p>Note that in addition to this, participation in the ceding entity motor pool may be added to the share.</p>		<p>Compensation for bodily injury in Israel is governed by the CRAV (Compensation for Road Accident Victims Law, 5735-1975). The latter defines, among other things, what is a road accident, compensable loss items, and their calculation method.</p> <p>Apart from the loss of future earnings and medical follow-up, which are compensated in the form of capitalized annuities (NPV 3%), the loss items (pain and suffering, accommodation adjustment costs, etc.) result from the lump sum amounts applied to the disability rate. Loss of income is limited to 3 times the median salary.</p> <p>Since 1 January 2010, certain health costs (for example hospitalisation or physiotherapy care, and which are defined by law) are directly borne by the NII (National Insurance Institute, equivalent of French social security) and are therefore not supported by insurers.</p> <p>The costs and fees of lawyers are covered by the insurer and are set by the "Compensation for Victims of Car Accidents Act" 1975, section "16(a)" depending on the type of procedure: they amount to 8% of the settlement amount without filing a case before the Court, or 11% of the settlement amount with a case file before the Court, or 13% of the amount granted by a Judge, in the event of a court decision.</p>
UK	<p>The Judicial College Guidelines are neither regulatory nor contractual, and serve as a reference for calculating the claim amount. In any event, the reinsurer settles the loss in the amount of its share under the treaty without distinguishing between the various head of damages.</p>		<p>The head of damage follows the Judicial College Guidelines for the assessment of general damages in bodily injury cases.</p> <p>Past losses (income/care) are calculated as actual losses on the settlement date in the form of a lump sum.</p> <p>Future losses are calculated according to the Ogden tables. The main items are future care costs and loss of earnings.</p> <p>Legal fees and expenses are covered by the insurer and may be very high because they are calculated on the total loss amount (on average 10% of the amount of the loss). Settlements are encouraged because the opposing lawyer's fees are calculated on the highest compensation. Appraisal fees are also an important part of the calculation of the compensation.</p> <p>Medical expenses and care are generally covered by the State, but the recovery of medical treatment by the NHS is currently capped.</p> <p>Indirect victims do not have a right to compensation.</p>
Germany	<p>The reinsurer settles the loss in the amount of its share under the treaty without distinguishing between the various loss items.</p>		<p>Claims are compensated on a case-by-case basis according to a method established by literature and case law (Küppersbusch/Höher, 20th edition 2020). German law of reparation provides for compensation for the following heads of damage for bodily injury:</p> <ul style="list-style-type: none"> – professional or economic harm – household damage – medical, pharmaceutical and hospital expenses – additional needs/expenses – pretium doloris – economic harm to loved ones – funeral expenses <p>The costs and fees of lawyers are covered by the responsible insurer, with no limit on the amount.</p> <p>Importantly, there is a sharing of responsibility that applies to all compensation allocated to victims, depending on their fault in the accident, even for vulnerable victims such as cyclists, pedestrians and even children (over 10 years of age).</p>

Head of damage

		Reinsurance	Insurance
Spain	The compensation is globalised: the reinsurer settles the loss in the amount of its share under the treaty without distinguishing between the various loss items.		<p>The <i>Baremo</i> is used to assess the damage caused to people injured in a traffic accident.</p> <p>The <i>Baremo</i> used to calculate the loss is that of the year of consolidation and not the year of the accident.</p> <p>The new <i>Baremo</i> is a series of mandatory tables for judges, in order to determine the amount of all compensable damages. These tables, as well as the methodology, are an integral part of "Ley 35/2015, de 22 de septiembre, de reforma del sistema para la valoración de los daños y perjuicios causados a las personas en accidentes de circulación".</p> <p>It has integrated the systematisation of the compensation for loss of earnings, and it also provides for compensation for temporary damages, both physiological and financial.</p> <p>The law also determines the obligation to cover medical, hospital and pharmaceutical expenses until healing or consolidation of the after effects, as well as funeral costs in the event of death.</p> <p>One of the contributions of the new <i>Baremo</i> is the creation of a new category of compensable victims, "<i>allegados</i>" or indirect victims, family members of the victims, economically dependent on the insured party (who have lived with the victim over the past 5 years), with no family relationship or having a special relationship other than being a relative. At the same time, there is a reinforcement of the supporting documents to be provided to justify losses and claim the right to compensation.</p> <p>In addition, the extension of compensation for indirect victims (close relation of the victim) and systematisation of temporary and definitive economic losses.</p> <p>Indirect victims are also compensable both for their moral harm and for their financial harm.</p>
Greece	Global compensation: the reinsurer settles the loss in the amount of its share under the treaty without distinguishing between the various heads of claim..		<p>(Full) compensation for loss items (including future losses) but subject to Greek statutory limits. Loss of earnings and pain and suffering are the two major heads of compensation.</p>

Recourse by Social Security organisations

	Reinsurance	Insurance
France		<p>Subrogatory recourse of third-party payers in the victim's rights as regards the liable party's insurer, for the benefits of an indemnity nature.</p> <p>The Memorandum of Understanding of Social Organisations (PAOS) governs relations between Social Organisations and Insurers</p>
Belgium		<p>Subrogatory recourse of third-party payers in the victim's rights as regards the liable party's insurer.</p> <p>A framework agreement between Third-Party Payers and Insurers is in place: this is the 'Assuralia' Agreement (Social Organisations/Insurers).</p>
Italy		<p>No recourse by third-party paying organisations. The cost of the social benefits paid to the victim is thus borne by the collectivity of insured parties and taxpayers.</p>
Israel		<p>The NII has 7 years (from the date on which the claim was fully settled) to exercise its right of recourse against insurance companies. Note that in July 2020, the NII and the Israeli insurance market agreed to cancel this future subrogation right in exchange for a forward-looking fee, which will be set as a percentage of the premium. An agreement signed in August 2021 provides that, as of January 2023, insurance companies will forward 10% of the gross premium taken out of motor insurance in the form of a direct debit to the NII instead of the subrogation right on all claims occurring from that date. The premium deduction will increase to 10.95% from 2025.</p>
UK		<p>Subrogatory recourse by third-party payers in the victim's rights to the insurer of the person responsible for medical expenses are limited to £54,566.</p>

Recourse by Social Security organisations

	Reinsurance	Insurance
Germany		<p>Subrogatory recourse of third-party payers in the victim's rights as regards the responsible party's insurer.</p> <p>The three main schemes are the health and long-term care insurance scheme (Kranken- und Pflegeversicherung), the disability pension scheme (Berufsunfähigkeitsrenten) and the workers' compensation scheme (Berufsunfallrenten).</p>
Spain		<p>Spanish third-party payers' recourse is limited to medical and hospital expenses. Economic benefits due to loss of earnings are not included in the recourse.</p> <p>To speed up the administrative process of appeals, agreements are signed between insurers and autonomous communities ("<i>Comunidades Autonomas</i>") for example (in the case of the public sector), and with private sector entities.</p>
Greece		<p>Third-party organisations (social security, pension funds, etc.) can exercise their right of recourse against insurers. Although subrogations are possible in theory, they remain fairly rare in practice. Specially health cost are not recoured since public health is free in Greece (there may be recourses by private health companies, if a victim decides to receive care from a private structure).</p>

Possibility of reopening claims

	Reinsurance	Insurance
France	<p>- In case of Annuity Capitalisation : Aggravation/Improvement are 2 cases that give rise to the reopening of the claim if the annuity allocated by the Cedant is modified within 10 years from the date of its allocation. Furthermore, in the event of the death of the victim within 10 years of the date of allocation of the annuity, the file will be reopened and the amount payable by the Reinsurer will be adjusted taking into account the arrears actually paid;</p> <p>- In case of Annuity Uncapitalisation : the victim's situation is followed and then the payment is adjusted in all cases.</p>	<p>- Impossibility of reopening in the event of medical or situational improvement of a victim after their compensation according to the principle of authority of the matter judged.</p> <p>- Possibility of reopening in the event of a medical or situational aggravation.</p>
Belgium	<p>There are no possible cases of reopening provided for in the reinsurance treaties, except in the case of annuities. Annuity claims are most generally closed by a commutation occurring 5 years after the allocation of the annuity (whether resulting from a final court decision or a settlement) without taking place less than 10 years from the date of the claim. The file will be reopened if the victim dies within five years (after the date of commutation), or if an amicable settlement based on a lump sum has been found, and the amount payable by the Reinsurer will be adjusted taking into account the arrears actually paid.</p>	<p>Res judicata attached to amicable settlements and judgements prevents the introduction of a new compensation procedure, and therefore opposes any revision of the compensation granted. As a result:</p> <p>There is a possibility of reopening in the event of a medical or situational aggravation of a victim, but only allowed if the settlement or judgement refers to it and allows it through a medical reserve.</p>
Italy	<p>There is no possible reopening of motor claims.</p>	<p>There is no possibility of reopening motor claims in Italian civil law.</p>
Israel	<p>No reopening of a claim has been observed on the market.</p>	<p>No reopening of a claim has been observed on the market: at the time of liquidation, the victim must sign a liability waiver for the insurer, the latter wishing to be waived of further recourse.</p>
UK	<p>No reopening of reinsurance claims since it's not provided for insurance claims.</p>	<p>No full and final reopening possible. However, in some cases it is possible to leave the compensation for any worsening of the victim's health in question for a limited period of time decided by the parties, and therefore not to terminate the compensation process.</p>

Possibility of reopening a claims

	Reinsurance	Insurance
Germany	The reinsurer follows the victim's situation, so adjustment in all cases	The authority res judicata doctrine with regard to amicable settlements and judgements prevents the introduction of a new compensation procedure. It therefore opposes any revision of the compensation granted: there is a possibility of reopening in the event of a medical or situational aggravation of a victim, but only allowed if the settlement or judgement refers to it and allows it through a medical reserve.
Spain	No reopening provided for in the contract in the event of a one-off Redemption. In the event of the victim's death within five years from the date of the judgement or settlement, or before ten years from the date of the accident, the file will be reopened and the Cedant shall reimburse the Reinsurer for its share of the constituting capital.	Possibility of changing the amount of the annuity in the event of a change in the circumstances that determined the annuity or due to a worsening of the victim's state of health, but only allowed if the expert physician makes reference to it in his/her report and it occurs before the initial final compensation.
Greece	No contractual mention.	Only very few claims have been reopened in insurance (few cases of minor victims at the time of the decision). Specifically, for out of court "amicable agreements", a clause is provided for the release of insurers' liability in the event of a worsening of a victim's health situation, who can no longer reopen their claim later after it has been closed.

Indexation clause

	Reinsurance	Insurance
France	<p>Two stability clauses are mainly used:</p> <ul style="list-style-type: none"> - FIC 10% clause mostly, - SIC 10% clause more rarely. <p>In order to maintain the deductible and the limit of the Treaty at their value on the date it takes effect, their amount is stabilised according to an index-based calculation formula. The change in this index also affects the amount of the claim (payments and cumulative reserves). These three adjustments then determine the distribution of the claim expense between the Cedant and the Reinsurers.</p> <p>In most cases, the benchmark index is the "INSEE 010562727" index (therefore with a margin of 10%).</p>	
Belgium	<p>Two index clauses are mainly used:</p> <ul style="list-style-type: none"> - FIC 10% clause mostly, - SIC 10% clause more rarely. <p>In order to maintain the deductible and limit of the Treaty, their relative value on the date it takes effect, their amount is stabilised according to an index-based calculation formula. The change in this index also affects the amount of the claim (payments and cumulative reserves). These three adjustments then determine the distribution of the claim expense between the Cedant and the Reinsurers.</p> <p>In the majority of cases, the benchmark index is the conventional wage index, the average wages of workers and employees established quarterly by the Ministry of Employment (i.e. with a margin of 10% mainly).</p>	
Italy	<p>Two indexation clauses are used:</p> <ul style="list-style-type: none"> - Mainly the FIC 10% clause, - Anecdotally FIC 0%, and SIC 20%. <p>Priorities and limits of the Treaty are indexed in order to keep their relative value at the date of inception of the treaty. These amounts are indexed according to an index-based calculation formula. The change in this index also affects the amount of the claim (payments and cumulative reserves). These adjustments then determine the distribution of the loss between the cedents and the Reinsurers.</p> <p>The referenced index is the index of contractual wages by economic sector published by the ISTAT (Italian Statistics Institute, so with a margin of 10% mainly).</p>	
Israel	<p>The entire market has a FIC 10% stability clause.</p> <p>In order to maintain the priorities and limit of the treaty, their relative value at inception date, their amount is stabilised according to an index-based calculation formula. The change in this index also affects the amount of the claim (payments and cumulative reserves). These three adjustments then determine the distribution of the claim expense between the ceding entity and the reinsurers.</p> <p>The benchmark index is the CPI (with a 10% margin).</p>	
UK	<p>The majority of the market has a FIC 0% type indexation clause, but there are a few SIC cases (20%, 25%, 30%).</p> <p>Priorities and limits of the Treaty are indexed in order to keep their relative value at the date of inception of the treaty. These amounts are indexed according to an index-based calculation formula. The change in this index also affects the amount of the claim (payments and cumulative reserves). These adjustments then determine the distribution of the loss between the cedents and the Reinsurers.</p> <p>In most cases, the benchmark index is the "Average Weekly Earnings - Series KASH" index (so without a margin in most cases).</p>	

Indexation clause

	Reinsurance	Insurance
Germany	<p>Two stability clauses are mainly used:</p> <ul style="list-style-type: none"> - FIC 10% clause mostly, - SIC 30% clause more rarely. <p>In order to maintain the deductible and limit of the Treaty, their relative value on the date it takes effect, their amount is stabilised according to an index-based calculation formula. The change in this index also affects the amount of the claim (payments and cumulative reserves). These three adjustments then determine the distribution of the claim expense between the Cedant and the Reinsurers.</p> <p>The benchmark index is the wages index published by the German Federal Statistics Office, (so with a margin of 10% mainly).</p>	
Spain	<p>The stability clause mainly used is the FIC 10% (with the FIC 15% clause from time to time).</p> <p>In order to maintain the deductible and limit of the Treaty at their value on the date it takes effect, their amount is stabilised according to an index-based calculation formula. The change in this index also affects the amount of the claim (payments and cumulative reserves). These three adjustments then determine the distribution of the claim expense between the Cedant and the Reinsurers.</p> <p>The benchmark is the consumer price index published in the Bimonthly Statistics Bulletin, issued by the Madrid National Statistics Institute (so with a margin of 10% mainly).</p>	
Greece	<p>The entire market has a FIC 10% index clause.</p> <p>Reinsurance excess of loss (XOL) treaties allow for the attachment point and the limit to be indexed in order to preserve part of their value as inflation develops over the years. The index starts running since the date of commencement of the reinsurance treaty and the index more widely used across the market is the Consumer Price Index (CPI) as published by the Hellenic Statistical Authority (ELSTAT) or by the International Monetary Fund (IMF), always with an inflation franchise of 10% (FIC 10%).</p>	