

GI Forum

EU Gender Non-Employment Directive

17 May 2007



EU Directive on Gender Differentiation

- Dec 2004 Directive adopted
- Dec 2007: Member States implement
- Allowable
 - proportional differences
 - limited instances
- Ireland: Working party & Report to Minister of Justice
- UK: House of Lord Committee Report
- SAI: submission to Irish Report
- IA: Life & GIRO Working Party
- EU: Group Consultatif Survey



Report on EU practice regarding Gender Differentiation

Non-life questions:

- 1.3 Who elaborates the accident rates used by insurers? Do they differentiate by sex?
- 2.4 Differentiation of insurance premiums by sex? Other Non-life (Motor, Accident, Critical illness.....



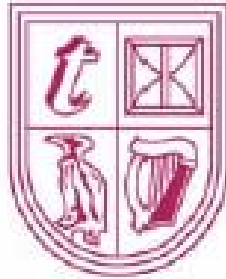
Country	Sect 1.3	Sect 2.4
Austria	some differentiation by sex	nil return
Belgium	some differentiation by sex particularly under age 30	differentiation very small order of 1% to 5%
Cyprus	no comment	no differentiation by sex
Czech	differentiation by sex	nil return
Denmark	no comment	no differentiation by sex
Estonia	no comment	no differentiation by sex
Finland	no comment	no differentiation by sex
France	differentiation by sex	nil return
Germany	differentiation by sex	nil return
Greece	no comment	Normally no differentiation by sex. There may be extra premium for young males.
Hungary	no comment	differentiation very small not significant
Ireland	private cover sex differentiated, commercial on unisex rates	small table ages 25 to 55 showing differentiation in the range of 77% to 21%
Italy	implied nil differentiation	nil return
Latvia	nil differentiation	nil return
Lithuania	some differentiation by sex	nil return
Luxembourg	no comment	nil return
Malta	no comment	nil return
Netherlands	no comment	nil return
Poland	no comment	nil return
Portugal	nil differentiation	differentiation by some companies in the area of No Claims Bonus rates
Slovak	differentiation occurs	only 2 companies out of 9 differentiate and order is small in the range 5% to 10%
Slovenia	no comment	nil return
Spain	some differentiation by sex	no values given - many companies differentiate
Sweden	experience based differentiation (no statement about sex specific)	Motor - differentiated premiums (normally lower for females)
United Kingdom	differentiation by sex	table ages 17 to 80 showing differentiation in the range of 56% to -21%



EU Gender Directive – Extract from report on Gender Differentiation

Differentiation	% of countries (25 in Total)
Large	8%
Some	40%
Nil	32%
No comment	20%

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Practical Issues in Estimating Uncertainty

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Section 8.1 reads

The report *should normally* indicate the nature, degree and sources of uncertainty surrounding the results and sensitivities to key assumptions. Uncertainty *should normally* be quantified where practicable, but otherwise *should normally* be reported using an appropriate descriptive summary



What does this mean?

- Don't ignore uncertainty
- Make some comment
- Make an estimate if possible or practicable

Failure to consider or comment could be regarded as “non-compliance”



Challenges

- Data
- Classes of business
- Knowledge of Methods
- Familiarity with Methods
- Choice of Methods
- Technology



Advantages

- Wider thinking on reserve values
- Gives comfort on own estimate
- Helps to explain variability to non-actuaries
- Ensures better understanding of point estimate



Uncertainty

What are you doing?

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