

News Release



09 March 2023

Aviva Insurance Ireland: Full Year Financial Results 2022

IFRS operating profit	■ General Insurance Operating Profit €32 million (2021: €43 million)
Combined operating ratio	■ Combined Operating Ratio 95.8% (2021: 91.7%)
Growth	■ GWP (Gross Written Premiums) of €495million (2021: €474 million)

Declan O’ Rourke, Aviva Insurance Ireland Chief Executive Officer said:

“Aviva’s general insurance business in Ireland performed positively in a challenging market in 2022. Our Combined Operating Ratio for 2022, our key measure of profitability in general insurance, moved to 95.8% (2021: 91.7%) and represents an underwriting profit margin of 4.2% (2021: 8.3%) The principal reasons for the reduced margin were a return to higher, more normalised, claims frequency after Covid restrictions were lifted and rising inflationary pressures. Operating profit reduced to €32m (2021: €43m).

“Gross written premiums increased by 4.4% to €495m (2021: €474m), due to strong growth in our commercial lines business offset by a reduction in personal lines motor business. Commercial lines grew in construction, financial lines and large commercial accounts. We continued to invest in delivering a market leading SME online platform for brokers and we are growing in this segment for the first time in many years. We supported the local economy and customers by carefully offering insurance in areas where insurance capacity reduced, for example, forestry, manufacturing, leisure, charity, and community sectors. We also launched new products for management liability, crime, cyber and renewables insurance. We entered the high net worth insurance market in 2022 through our acquisition of Azur and partnership with Dual.”

“In personal lines insurance, average car insurance premiums declined by 9% in 2022 and average prices are now 40% lower than the peak in 2016. We dropped prices in anticipation of both reduced compensation payments and reduced litigation following the introduction of the new Personal Injury Guidelines by the Judicial Council nearly two years ago. Our long term expectation was that the Guidelines would bring consistency to court awards and assessments from the Personal Injuries Assessment Board (PIAB) and reduce the number of PIAB assessments being rejected and litigated to 5%. The number of PIAB rejections in litigation has in fact increased from 50% to 61% for motor claims, eroding the benefits of reform. The average legal costs in a litigated case involving minor injuries is over €16,000 versus €0 if the case is settled in PIAB. Aviva urges the government to review their reforms in order to address the high rejection rates of PIAB assessments and significant inconsistencies between PIAB assessments and court awards.”

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