

Claims trends: insights from a year like no other

How are these external factors impacting claims trends, and what does this mean for you and your clients?



Travel

External factor: Fewer people driving¹ and more people cycling.²

Claims trends we're seeing: Fewer traffic incidents, fewer low-value injury claims, increased number of large claims from vulnerable road users (e.g. cyclists).

What this means: Cyclists are more likely to claim for more serious injuries – breaks and fractures rather than whiplash – leading to higher average claim costs.



Weather

External factor: Weather is becoming more extreme and unpredictable.³

Claims trends we're seeing: More flood- and storm-related claims all year round.

What we're doing about it: We're focusing on 'building back better' – carrying out more resilient and resistant repairs, and continuing to lobby the Government to enforce more effective resilient repair rules.



Vehicle tech

External factor: Vehicles are becoming more sophisticated.⁴

Claims trends we're seeing: Fewer low value and more higher value damage claims due to increased vehicle complexity.

What this means: With the UK set to ban sales of all non-zero-emission cars (except certain hybrids) by 2030, the number of electric vehicles on the road is set to increase. Repairing these vehicles is currently more expensive due to the specialist skills and materials required, increasing the cost of claims.



Livelihoods

External factor: Businesses are closing and people are losing their jobs, especially in arts, entertainment and recreation.⁵

Claims trends we're seeing: An increase in business interruption claims.

What this means: There is currently a large amount of unused commercial office space which should still be maintained by the property owner. We are also aware that there could be an increase in insurance fraud due to the financial strain faced by individuals and businesses.



Theft

External factor: Fewer people are commuting and more people are working from home. This didn't impact the construction industry.

Claims trends we're seeing: Decrease in small claims for items such as phones and laptops, stolen on the way to work. No impact on theft of plant and tools.

What this means: Overall reduction in low-value claims has resulted in higher average claim costs.



Digital tech

External factor: More people shopping online, communicating and staying in touch with family in a digital capacity.⁶

Claims trends we're seeing: Changes in customer behaviour with more customers self-serving their claims, settling quicker with the use of video and drone technology.

What this means: There is an opportunity for Aviva to develop this digital capability further.



Supply and demand

External factor: COVID-19 and new border requirements relating to Brexit have created challenges to businesses.⁷

Claims trends we're seeing: Increases in claims costs due to increased repair and reinstatement costs.

What this means: Restrictions have meant demand is higher than supply, inflating costs of materials.



Claimant solicitor behaviour

External factor: Fewer people in offices and on the roads so fewer slip-and-trip injuries and injuries resulting from traffic incidents.

Claims trends we're seeing: Increase in average settlement costs for casualty claims, an increase in Aviva Portal retention rates and fewer low-value claims.

What this means: Future Employers' Liability claims are likely to be for musculoskeletal disorders as a result of working from home, or for work-related mental health issues. Claimant solicitors may also be looking for alternative sources of revenue following the Whiplash Reform Programme.

We can help you by:

- Building strong professional relationships with you and our shared clients
- Disseminating high-quality information
- Giving you access to our Aviva Risk Consultants and Claims Service Managers
- Encouraging early engagement with claimants
- Working with you to fight fraud and defend our clients
- Offering you all the benefits of our claims proposition

For more information speak to your Claims Service Manager or visit us [here](#).

Information is based on our own claims trends data unless otherwise stated.

1 Provisional Road Traffic Estimates report, Department for Transport, December 2020

2 Gear change: a bold vision for cycling and walking, Department for Transport, July 2020

3 Climate change explained, Department for Business, Energy & Industrial Strategy, July 2019

4 Plug-in car, van and truck grant to be targeted at more affordable models to allow more people to make the switch, Department for Transport, March 2021

5 The impact of COVID-19 on culture, leisure, tourism and sport, Local Government Association, July 2020

6 Internet access – households and individuals, Great Britain: 2020, ONS, August 2020

7 Timeline for border control processes, gov.co.uk press release, March 2021

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