

# Updated reserve development in Lloyd's 2024 syndicate data

Leveraging market-level observations to enhance syndicate claims reserve estimates given the uncertainties of social inflation

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Last year Milliman published a [paper](#) on reserve development in Lloyd's syndicate data heavily influenced by social inflation, a key driver of adverse development (AD). It highlighted AD in the aggregate loss ratio performance for years of account (YoAs) 2015 through 2019 through year-end 2023 for three specific supergroups with exposures from the United States.<sup>1</sup> Our paper went on to discuss how individual syndicates might use the aggregate Lloyd's information to assess their own performance. This paper updates our prior paper with observations regarding an additional calendar year of Lloyd's experience and regarding new research with respect of social inflation.

Social inflation<sup>2</sup> is a driver of higher-than-expected claim costs, having a material impact on claims reserve adequacy, especially in lines of business such as liability. Social inflation was identified as a [key area of consideration](#) for Lloyd's chief actuaries and signing actuaries, which motivated our research.

The adequacy of claims reserves is a critical issue for the property and casualty insurance industry, as it affects the profitability, solvency and reputation of insurers. Reserve estimates are always subject to uncertainty, the indicated measurement of which may change over time due to various factors, such as claim frequency and severity trends, legal environments, social attitudes and economic conditions. As exogenous factors, such as social inflation, are uncontrollable and external, they tend to elevate the inherent uncertainty of reserve estimates.

## Why social inflation complicates actuarial reserving?

Actuarial reserving is heavily reliant on past data, and most actuarial reserving methodologies assume that past experience is a reliable predictor of future performance. It is challenging but important that actuaries assess the appropriateness of this assumption by considering available information such as underwriter perspectives regarding how portfolios have been changing over time, changes in premium rates and levels of inflation both experienced and expected.

Social inflation exacerbates the existing challenge for insurers and actuaries, adding a component to the inflation assessment which is more difficult to quantify. The enhanced difficulty in quantification stems from uncertainty as to whether social inflation, as yet observed, has been adequately allowed for through changes in premium rates. Adding to the complexity, the manifestation of higher claim costs related to social inflation has been occurring during a period where economic inflation has been both more volatile and elevated relative to the past two decades. The COVID-19 lockdowns and subsequent inflationary environment compounded this challenge in that the underlying uncertainty in the loss ratios was elevated by real changes in workplace and societal behaviours and anecdotes about backlogs in the US legal courts.

1. General Liability Occurrence US (risk code UA), General Liability Claims Made US (risk codes D6 and UC) and Automobile Liability US (risk codes MH and MI). Note that Milliman's annual benchmarking exercise of Lloyd's data shows that AD is not limited to these three supergroups. Nevertheless, we have limited our discussion here to the lines discussed in the prior Milliman publication.

2. Social inflation refers to the phenomenon of rising litigation costs, higher jury awards and broader contract interpretations that increase insurers' liabilities beyond their original expectations. Social inflation is considered an exogenous factor in claims reserving because it arises from uncontrollable societal, legal and behavioural changes.

The challenge becomes acute when market conditions transition from soft to hard. YoAs 2015 through 2019, written during soft market conditions, were already likely to exhibit AD during calendar years 2020 through 2023, characterised by higher-than-previously-seen loss development factors. Actuarial methodologies applied indiscriminately may overestimate future development associated with post-transition YoAs. At the same time, underwriters observing hardening market conditions will expect forecast performance to immediately reflect stronger premium rates. Social inflation is considered to have persisted through the insurance market cycle.

Since roughly 2020, actuaries (and syndicate business planning teams) have been walking a tightrope with respect to reserving (and business planning) decisions on YoAs 2020+ perceived to be hard market years, having to balance two contradictory pressures:

1. The pressure to decrease loss ratios from underwriters, executives and third-party capital providers to reflect the rating improvements achieved during the harder market
2. The pressure to increase loss ratios, based on the further observed AD, to allow for expected levels of social inflation

Each calendar year of further AD increases the actuarial weight given to item two.

## How have the 2015 through 2019 YoAs progressed during 2024?

Lloyd's syndicates report premium and loss data by YoA,<sup>3</sup> risk code and currency to a single source. As we did last year, we focus on YoAs 2015 to 2019 and evaluate YoA performance.

Figures 1 through 3 show aggregated Lloyd's data for 2015 through 2019 for the three supergroups, respectively, updated to show performance through year-end 2024.<sup>4</sup> As discussed last year, through 2023, estimated ultimate loss ratios for 2015 through 2019 experienced AD in nearly every calendar year since 2020. During 2024, however, estimated ultimate loss ratios for 2015 through 2019 experienced AD in significantly fewer YoAs across the three supergroups.

The generally benign performance could be a sign that AD related to social inflation for 2015 through 2019 has begun to subside. This does not mean that social inflation is no longer an issue. Indeed, a recent study discussed later indicates that juror sentiment continues to reflect a plaintiff-friendly perception. Rather, the performance suggests that either 2015 through 2019 are coming closer to finality such that fewer claims remain open and vulnerable to AD or the actuarial models whose loss development parameters have been increasing since 2020 have caught up to the underlying social inflation trends.

Consistent with last year and discussed in detail in the technical appendix, we specifically monitor the amount of AD since 36 months<sup>5</sup> and quantify an amount of missing information<sup>6</sup> (on average) in initial loss ratio expectations based on the amount of AD observed since the initial estimates were prepared.<sup>7</sup> Actuaries often use older YoAs' ultimate loss ratios to estimate ultimate loss ratio results for more recent years (after adjusting for premium changes and loss trends). The missing information (on average), as quantified, can then be used by individual syndicates as a comparative benchmark in comparison with performance in their own portfolios.

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3. All dates in tssshis study refer to YoA unless otherwise noted.

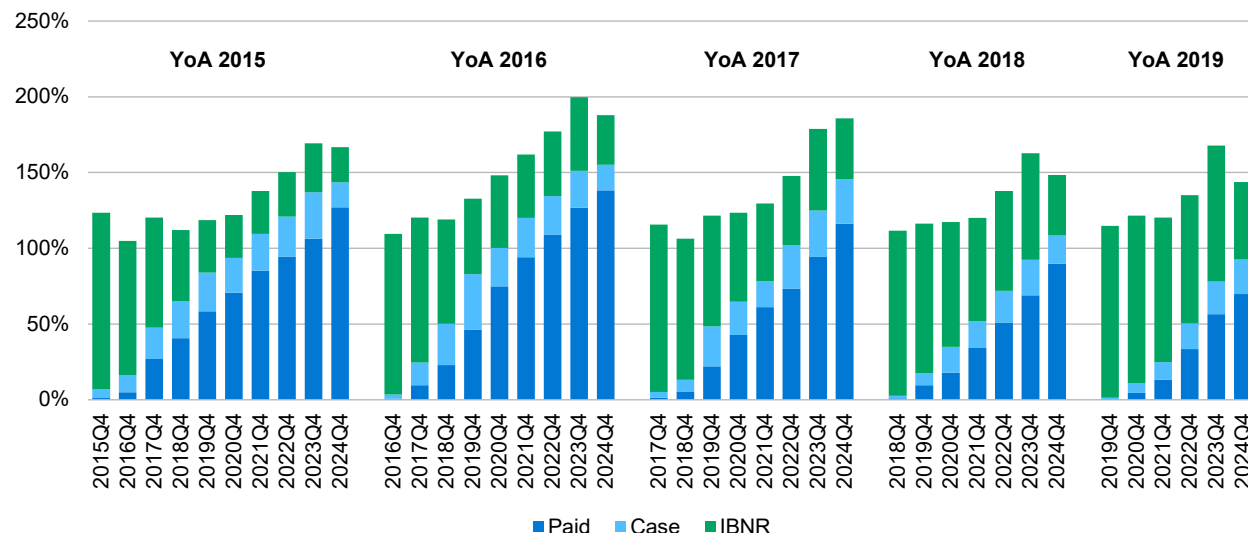
4. Compared to our prior paper, the only difference to Figures 1 through 3 is the final column for each YoA displayed.

5. Recall that Lloyd's waits at least three years to close a YoA and calculate a profit or loss, represented by the third column at 36 months of development in Figures 1 through 3.

6. "Missing information" here and throughout refers to the knowledge gain since initial loss ratio expectations were set, which includes but is not limited to the observed AD.

7. An estimate of the missing information would in practice be offset by any adjustments made to date by syndicate reserving teams to recalibrate loss ratio expectations for YoAs 2020 through 2023.

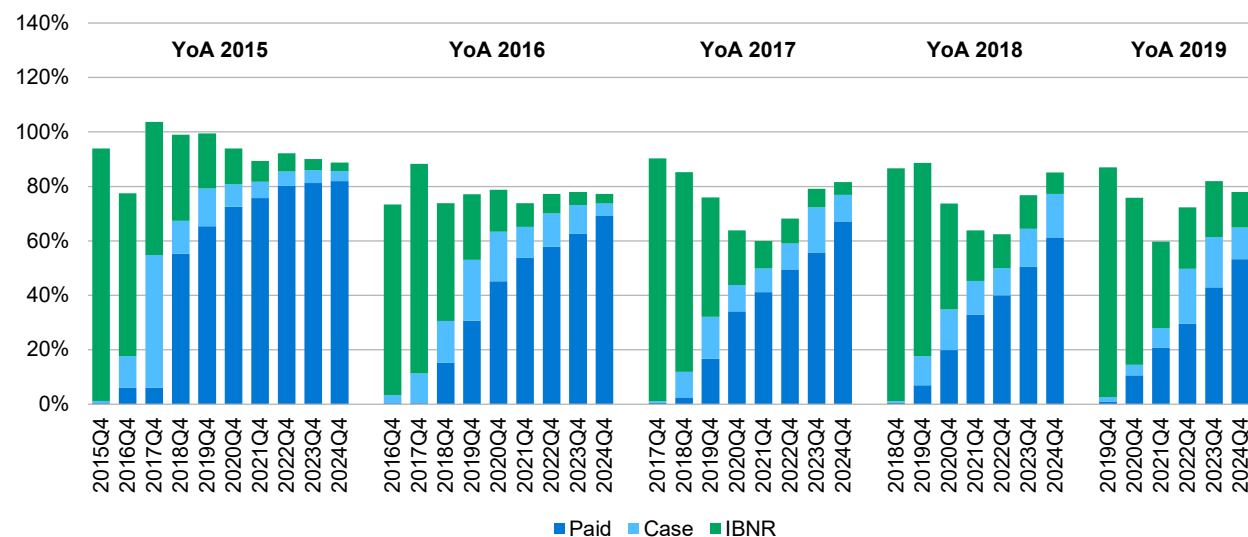
**FIGURE 1: AGGREGATED DATA FOR YOAS 2015 THROUGH 2019 ASSOCIATED WITH GENERAL LIABILITY OCCURRENCE US RISK CODES, VALUED AT 2015 THROUGH 2024 YEAR-END**



During 2024, the ultimate loss ratios for the General Liability Occurrence US supergroup have decreased in 4 of the 5 YoAs with the performance of business written during 2017 still showing an increase. The sizes of the ultimate loss ratio decreases are material, particularly for YoAs 2018 and 2019, reflecting the inherent uncertainty in the ultimate loss ratio estimates and potentially the correction to an overreaction to the significant AD observed during calendar years 2023 and prior.

Depending on the YoA, the ultimate loss ratios from 2015 through 2019 have increased 23 to 69 loss ratio points between the estimate after 36 months of development and the most recent estimate at year-end 2024 (an improvement compared with 45 to 81 loss ratio points of AD observed as at year-end 2023).

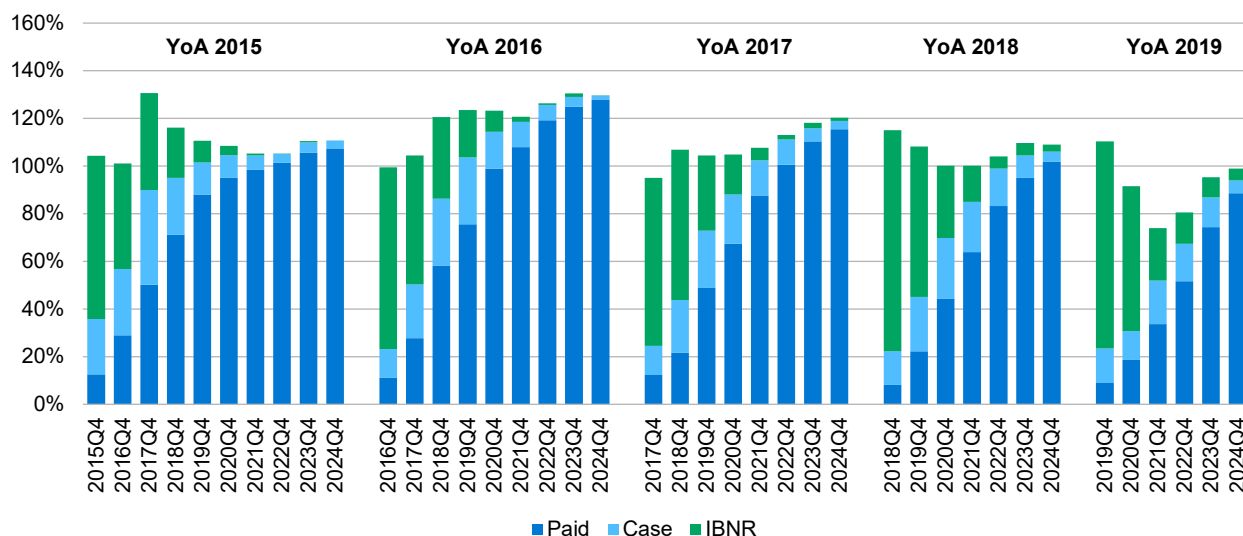
**FIGURE 2: AGGREGATED DATA FOR YOAS 2015 THROUGH 2019 ASSOCIATED WITH GENERAL LIABILITY CLAIMS MADE US RISK CODES, VALUED AT 2015 THROUGH 2024 YEAR-END**



During 2024, the ultimate loss ratios for the General Liability Claims Made US supergroup have decreased in 3 of the 5 YoAs with the performance of business written during 2017 and 2018 still showing increases. The sizes of the ultimate loss ratio increases are less material than observed for General Liability Occurrence US, reflecting the shorter development pattern for Claims Made.

Depending on the YoA, the ultimate loss ratios from 2016 through 2019 have increased 3 to 18 loss ratio points between the estimate after 36 months of development and the most recent estimate at year-end 2024 (an improvement compared with 3 to 22 loss ratio points of AD observed as at year-end 2023). Unlike General Liability Occurrence US as indicated by the U-shaped columns in Figure 2, the ultimate loss ratio AD for 2017 through 2019 was delayed, following a few initial years of seemingly benign development.

**FIGURE 3: AGGREGATED DATA FOR YOAs 2015 THROUGH 2019 ASSOCIATED WITH AUTOMOBILE LIABILITY US RISK CODES, VALUED AT 2015 THROUGH 2024 YEAR-END**



During 2024, the ultimate loss ratios for the Automobile Liability US supergroup have decreased in only 2 of the 5 YoAs with the performance of business written during 2015, 2017 and 2019 still showing small increases.

While less pronounced than the General Liability Occurrence US supergroup, estimated ultimate loss ratios for the Automobile Liability US supergroup from 2016 through 2019 have increased 9 to 25 loss ratio points between the estimate after 36 months of development and the most recent estimate at year-end 2024 (a worsening compared with 10 to 21 loss ratio points of AD observed as at year-end 2023).

## Social inflation: An update on the drivers of AD

As described in our prior paper, the AD in claims reserve estimates associated with the US liability supergroups in older YoAs stems, at least in part, from components of social inflation such as juror sentiments, nuclear verdicts, third-party litigation funding (TPLF) and evolving legal tactics.

A 2025 Swiss Re [behavioural study](#) on social inflation has provided some quantification regarding the shift in juror sentiment towards plaintiffs which is influencing verdicts. According to the survey of more than 1000 adults presented with a series of randomized legal simulations, only 56% of respondents voiced that there are too many lawsuits in the US, which is a sharp reduction from 90% in 2016.

They infer that this constitutes a major shift in perception, with lawsuits increasingly seen as a legitimate remedy for justice with “higher awards becom[ing] not just permissible but expected.”<sup>8</sup> Further, compensation was more likely to be recommended by respondents even in ambiguous scenarios, which suggests more jurors carry a mindset into the courtroom where corporate responsibility is a default assumption. The study asserts that the strongest driver of verdict behaviour is the severity of the injuries, rather than company size, but that the suggestion of higher awards by plaintiffs’ attorneys (referred to as an “anchor<sup>9</sup> point” in the research) and defence attorneys “counter-anchors” have a statistically significant impact on the risk of extreme verdicts. Lastly, the study explored how various demographic groups which make up jury pools perceive compensation and liability, suggesting that political affiliation, age and income levels were the key differentiators.

Estimates of assets under management for TPLF activity in the US as of 2024 are more than \$15 billion. TPLF in the US received significant attention in US Congress during 2025, as identical bills in the House and Senate attempted to impose a tax on the litigation proceeds.<sup>10</sup> The measure failed to progress and was ultimately excluded from the final version of the Republican tax package referred to as the One Big Beautiful Bill Act. There is also movement to impose disclosure requirements in federal civil cases about investors and the amount of remuneration, which is still underway and complements the regulation of these practices by individual states.

TPLF is not limited to the US. In the UK, TPLF is well established and self-regulated through the Association of Litigation Funders.<sup>11</sup> The UK Supreme Court’s 2023 landmark ruling<sup>12</sup> disrupted the TPLF market, rendering most litigation funding agreements unenforceable. Since then, a Civil Justice Council working group held a public consultation and published a [final report](#) on litigation funding in 2025. The key recommendations are focused on transparency and disclosure, prohibition and resolution of conflicts of interest, recoverability of litigation funding costs, and that funders should be subject to Financial Conduct Authority (FCA) oversight with respect of Consumer Duty.<sup>13</sup> It is yet to be determined whether the current self-regulation of funding will be replaced with a statutory regime for litigation funding in the UK.

Meanwhile after publishing its [mapping research study](#) on TPLF legal frameworks and practices across European Union member states, the European Commission recently confirmed that it will not progress TPLF regulation in the short term. The European Parliament had initially called for regulation in 2022 to address ethical risks and conflicts of interest. It is worth noting that Ireland is an outlier in Europe with its near prohibition of TPLF.<sup>14</sup>

## Takeaways for 2026 and beyond

Social inflation’s influence has been prevalent in the risk codes that make up the supergroups General Liability Occurrence US, General Liability Claims Made US and Automobile Liability US. In recent years, these supergroups have experienced AD, most evident in the 2015 through 2019 YoAs. During 2024, however, estimated ultimate loss ratios for these YoAs experienced AD in fewer cases across the three supergroups. This benign performance could be a sign that social inflation has begun to moderate.

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8. Boarlin, M., & Gupta, S. (24 September 2025). Verdicts on trial: The behavioral science behind America’s skyrocketing legal payouts. Swiss Re. Retrieved 18 May 2026 from <https://www.swissre.com/reinsurance/insights/verdicts-on-trial.html>.
  9. [Anchoring](#) is a strategy typically deployed by plaintiffs’ attorneys where they ask for numbers well beyond what they believe the jury will award with the expectation that the net effect will be an amount larger than what the jury would have otherwise awarded absent the anchor.
  10. Hillmon partners. (24 October 2025). The end of third-party litigation funding in the United States? CEE Legal Matters. Retrieved 18 May 2026 from <https://ceelegalmatters.com/briefings/31001-the-end-of-third-party-litigation-funding-in-the-united-states>.
  11. Winckler, B. (25 April 2024). Third party litigation funding in the UK: Is access to justice fair game? Kennedys. Retrieved 18 May 2026 from <https://www.kennedyslaw.com/en/thought-leadership/article/2024/third-party-litigation-funding-in-the-uk-is-access-to-justice-fair-game/>.
  12. R (PACCAR Inc.) v Competition Appeal Tribunal (2023) UKSC 28. Retrieved 18 May 2026 from <https://www.supremecourt.uk/cases/uksc-2021-0078>.
  13. Civil Justice Council. (2 June 2025). Review of litigation funding: Final report. Retrieved 18 May 2026 from <https://www.judiciary.uk/wp-content/uploads/2025/06/CJC-Review-of-Litigation-Funding-Final-Report.pdf>.
  14. McCann FitzGerald. (18 December 2025). EU hits pause on third-party litigation funding: What’s next? Retrieved 18 May 2026 from <https://www.mccannfitzgerald.com/knowledge/disputes/eu-hits-pause-on-thirdparty-litigation-funding-whats-next>.
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Notwithstanding this, social inflation will continue to remain a significant factor of claims costs and the performance of portfolios with US liability exposures. But at least in aggregate, 2024 performance suggests that either the YoAs are coming closer to finality or the actuarial models have caught up to the underlying social inflation trends.

Tracking market-level AD, experienced since the calibration of the initial syndicate business forecast for each YoA, can unlock valuable insight regarding how a syndicate's performance compares to the rest of Lloyd's. The concept of missing information, capturing the market aggregate AD after the 36-month valuation, offers a practical way to contextualise changes in expected loss ratios. This approach, which is described in detail in the technical appendix, allows reserving actuaries affected by social inflation at syndicates to assess the robustness of their estimates compared with the rest of Lloyd's and create more accurate projections.

## Technical appendix: Using the market-level benchmark

How can claims reserve estimates be more accurately gauged despite the elevated uncertainty from social inflation?

In this technical appendix, as in our prior paper, we demonstrate how a benchmark calibration of Lloyd's aggregate data (complementing the limited data available to individual syndicates) can provide valuable insight to overcome important challenges faced by reserving actuaries.<sup>15</sup> Our benchmark calibration, the underlying approach of which being described in our prior paper, is simple but still useful for syndicates.

### What can we learn from this?

The observed AD trends in the US liability supergroups for 2015 through 2019 suggest we should expect AD in the more recent YoAs. We know that a primary driver of AD, social inflation, is not limited to the older years. We also know that the market hardened in and around 2020 for many classes, leading to higher premiums for coverage and better expected loss ratio performance.

At the syndicate level, initial loss ratio expectations associated with each YoA are linked to the syndicate business forecast (SBF) submitted to Lloyd's during the summer prior to the YoA. For reserving an immature YoA, the SBF is an important input, as very little information can be gleaned from the actual paid and incurred claim data. For reserving a mature YoA, the change in expected loss ratio relative to the initial SBF reflects how perceptions of expected performance have changed since the business was written.

It can be instructive to consider the amount of AD which has been experienced in the aggregate Lloyd's data since SBFs were initially set. Observations of market-level AD (i.e., a benchmark analysis) can supplement the syndicate experience, which all else equal would typically be more volatile.

In the best case, there is a two-year lag of information when initially setting the SBF, for example, historical data as at year-end 2018 was likely to have been available for the YoA 2020 SBF calibration. To the extent that the initial SBFs still contribute to updated ultimate loss ratio estimates,<sup>16</sup> actuaries can quantify an amount of missing information that still needs to be accounted for with respect to both the benchmark and syndicate indications.

Actuaries often use averages across a number of older YoAs to set expectations for more recent years (after adjusting for premium changes and loss trends). Figures 4 through 6 quantify the average AD since the calibration of the initial SBF for the three supergroups, respectively, based on averages across two, three and four YoAs.<sup>17</sup>

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15. Data has been compiled by Xchanging, the details of whssich (and how we use it) are described in an appendix to our prior paper.

16. Adjusted for the internal view regarding the observed AD for a syndicate's portfolio driven by social inflation.

17. Compared to our prior paper, the difference to Figures 4 through 6 is the inclusion of row (m), which updates the calculation of rows (a) through (f) and the average AD metrics for two, three and four YoAs.

**FIGURE 4: AD IN ESTIMATED ULTIMATE LOSS RATIOS ASSOCIATED WITH GENERAL LIABILITY OCCURRENCE US RISK CODES**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
GENERAL LIABILITY - OCCURRENCE - US											AVERAGE AD SINCE SBF USING METRIC BASED ON			
YEAR OF ACCOUNT											SBF FOR YOA			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2 YOAS	3 YOAS	4 YOAS	
(a)=(m)-(g) AD since 2018	55%	69%	80%	36%							2020	58%	62%	60%
(b)=(m)-(h) AD since 2019	48%	55%	64%	32%	29%						2021	31%	42%	45%
(c)=(m)-(i) AD since 2020	45%	40%	62%	31%	22%	-1%					2022	11%	17%	29%
(d)=(m)-(j) AD since 2021	29%	26%	56%	28%	24%	-7%	12%				2023	3%	10%	14%
(e)=(m)-(k) AD since 2022	17%	11%	38%	10%	9%	-7%	0%	-7%			2024	-4%	-5%	-1%
(f)=(m)-(l) AD since 2023	-2%	-12%	7%	-15%	-24%	-20%	-16%	-25%	-31%					
(g) 2018 year-end	112%	119%	106%	112%										
(h) 2019 year-end	119%	133%	122%	116%	115%									
(i) 2020 year-end	122%	148%	124%	117%	122%	129%								
(j) 2021 year-end	138%	162%	130%	120%	120%	135%	141%							
(k) 2022 year-end	150%	177%	148%	138%	135%	135%	153%	156%						
(l) 2023 year-end	169%	200%	179%	163%	168%	148%	169%	174%	182%					
(m) 2024 year-end	167%	188%	186%	148%	144%	128%	153%	149%	151%	158%				

The average AD since the calibration of the SBF for a YoA depends on the number of prior YoAs in the calculation. As an example (using Figure 4) for the General Liability Occurrence US supergroup: The average AD since the calibration of the SBF for 2020 based on two YoAs (58%) would account for AD in 2017 and 2018 since year-end 2018 (80% and 36%, respectively; or 186% less 106% and 148% less 112%, respectively), while the average AD since the calibration of the SBF for 2020 based on three YoAs (62%) would account for AD in 2016, 2017 and 2018 since year-end 2018 (69%, 80% and 36%, respectively). The blue shading indicates the first opportunity to estimate the ultimate loss ratio for each YoA, 12 months after inception.

The missing information for the General Liability Occurrence US supergroup has been quantified for every YoA from 2020 through 2024. The basis for each SBF available at each year-end has since deteriorated as follows (refer to columns (11) through (13)):

- For the 2020 SBF (based on information available at year-end 2018): AD between 58% (based on two YoAs) and 62% (based on three YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2021 SBF (based on information available at year-end 2019): AD between 31% (based on two YoAs) and 45% (based on four YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2022 SBF (based on information available at year-end 2020): AD between 11% (based on two YoAs) and 29% (based on four YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2023 SBF (based on information available at year-end 2021): AD between 3% (based on two YoAs) and 14% (based on four YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2024 SBF (based on information available at year-end 2022): No AD has been recognized in the aggregate benchmark through year-end 2024.

Each syndicate can align the market-level results with their own observed AD in order to assess how the syndicate has performed relative to the aggregate benchmark. As an example (using Figure 4 and the indicative AD experienced by an individual syndicate), if a syndicate's original SBF for 2020 was 80% and the 2020 ultimate loss ratio through year-end 2024 was 105% (an indicative AD of 25% for the syndicate), the syndicate would observe that their YoA experienced smaller AD than Lloyd's in aggregate (which indicates missing information between 58% and 62%) through year-end 2024, and, with additional internal information (e.g., the status and case reserve adequacy of the syndicate's remaining open claims), conclude that either its portfolio performed much better than market-level indications or its portfolio may anticipate some further AD in the coming calendar years as experienced by other syndicates.<sup>18</sup>

**FIGURE 5: AD IN ESTIMATED ULTIMATE LOSS RATIOS ASSOCIATED WITH GENERAL LIABILITY CLAIMS MADE US RISK CODES**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
GENERAL LIABILITY – CLAIMS MADE - US											AVERAGE AD SINCE SBF USING METRIC BASED ON			
YEAR OF ACCOUNT											SBF FOR YO A	2 YOAS	3 YOAS	4 YOAS
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024				
(a)=(m)-(g) AD since 2018	-10%	3%	-3%	-2%							2020	-3%	-1%	-3%
(b)=(m)-(h) AD since 2019	-11%	0%	6%	-4%	-9%						2021	-7%	-2%	-2%
(c)=(m)-(i) AD since 2020	-5%	-2%	18%	11%	2%	-37%					2022	-18%	-8%	-2%
(d)=(m)-(j) AD since 2021	0%	3%	22%	21%	18%	-20%	-16%				2023	-18%	-6%	1%
(e)=(m)-(k) AD since 2022	-3%	0%	14%	23%	6%	-15%	-11%	28%			2024	9%	1%	2%
(f)=(m)-(l) AD since 2023	-1%	-1%	3%	8%	-4%	-13%	-9%	13%	-12%					
(g) 2018 year-end	99%	74%	85%	87%										
(h) 2019 year-end	100%	77%	76%	89%	87%									
(i) 2020 year-end	94%	79%	64%	74%	76%	76%								
(j) 2021 year-end	89%	74%	60%	64%	60%	59%	65%							
(k) 2022 year-end	92%	77%	68%	62%	72%	54%	60%	66%						
(l) 2023 year-end	90%	78%	79%	77%	82%	52%	58%	81%	79%					
(m) 2024 year-end	89%	77%	82%	85%	78%	39%	49%	94%	67%	69%				

The missing information for the General Liability Claims Made US supergroup has been quantified in Figure 5 for every YoA from 2020 through 2024. While the uncertainty in metrics based on only two YoAs is noteworthy, the basis for the 2000 through 2023 SBF is largely back where it began, after a few calendar years of optimistic estimates. The basis for the 2024 SBF (based on information available at year-end 2022) has since deteriorated as follows (refer to columns (11) through (13)): AD between 1% (based on three YoAs) and 9% (based on two YoAs) has been recognized in the aggregate benchmark through year-end 2024.

18. Note that conclusions are rarely binary, and observation with respect of alignment of its risk profile with the market-level portfolio and the comparative robustness of a syndicate's process for estimating the SBF should also be taken into consideration.

FIGURE 6: AD IN ESTIMATED ULTIMATE LOSS RATIOS ASSOCIATED WITH AUTOMOBILE LIABILITY US RISK CODES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
AUTOMOBILE LIABILITY - US											AVERAGE AD SINCE SBF USING METRIC BASED ON			
	YEAR OF ACCOUNT													
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	SBF FOR YOA	2 YOAS	3 YOAS	4 YOAS
(a)=(m)-(g) AD since 2018	-5%	9%	13%	-6%							2020	4%	5%	3%
(b)=(m)-(h) AD since 2019	0%	6%	15%	1%	-11%						2021	-5%	2%	3%
(c)=(m)-(i) AD since 2020	2%	7%	15%	9%	7%	-7%					2022	0%	3%	6%
(d)=(m)-(j) AD since 2021	6%	9%	12%	9%	25%	8%	-4%				2023	2%	10%	10%
(e)=(m)-(k) AD since 2022	6%	4%	7%	5%	18%	11%	-2%	-5%			2024	-4%	1%	6%
(f)=(m)-(l) AD since 2023	0%	-1%	2%	-1%	4%	-5%	-15%	-20%	-17%					
(g) 2018 year-end	116%	121%	107%	115%										
(h) 2019 year-end	111%	124%	105%	108%	110%									
(i) 2020 year-end	109%	123%	105%	100%	92%	101%								
(j) 2021 year-end	105%	121%	108%	100%	74%	86%	89%							
(k) 2022 year-end	105%	126%	113%	104%	81%	83%	87%	87%						
(l) 2023 year-end	111%	131%	118%	110%	95%	99%	100%	102%	101%					
(m) 2024 year-end	111%	130%	120%	109%	99%	94%	85%	82%	84%	90%				

The missing information for the Automobile Liability US supergroup has been quantified for every YoA from 2020 through 2024. The basis for each SBF available at each year-end has since deteriorated as follows (refer to columns (11) through (13)):

- For the 2020 SBF (based on information available at year-end 2018): AD between 3% (based on four YoAs) and 5% (based on three YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2021 SBF (based on information available at year-end 2019): AD up to 3% (based on four YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2022 SBF (based on information available at year-end 2020): AD between 0% (based on two YoAs) and 6% (based on four YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2023 SBF (based on information available at year-end 2021): AD between 2% (based on two YoAs) and 10% (based on three YoAs) has been recognized in the aggregate benchmark through year-end 2024.
- For the 2024 SBF (based on information available at year-end 2022): AD up to 6% (based on four YoAs) has been recognized in the aggregate benchmark through year-end 2024.

## The most recent observations for the least mature YoAs

Generally, Lloyd's waits three years to calculate a profit or loss. Nevertheless, the development experience during 2024 for the least mature YoAs has been benign, based on our simple but useful benchmark calibration.

Figure 7 shows the change in estimated ultimate loss ratios in the last 12 months as at year-end 2024 for the three supergroups, based on Milliman's annual benchmarking exercise of Lloyd's data. For all three supergroups, estimated ultimate loss ratios for the least mature YoAs are largely based on Bornhuetter-Ferguson (BF) techniques, so the observed improvement is primarily driven by the improvement in loss ratios associated with older YoAs used to calibrate the BF loss ratios.

- Average of loss ratios from YoA 2017-2019 (the BF loss ratio for General Liability Occurrence US) being better than YoA 2015-2017 (the previously used BF loss ratio for General Liability Occurrence US).
- Average of loss ratios from YoA 2018-2020 (the BF loss ratio for General Liability Claims Made US) being better than YoA 2017-2019 (the previously used BF loss ratio for General Liability Claims Made US).
- Average of loss ratios from YoA 2019-2021 (the BF loss ratio for Automobile Liability US) being better than YoA 2018-2020 (the previously used BF loss ratio for Automobile Liability US).

**FIGURE 7: DEVELOPMENT OF GROSS ULTIMATE LOSS RATIOS FOR LESS MATURE YOAS**

	(1)	(2)	(3) = (2)-(1)	(4)	(5)	(6) = (5)-(4)	(7)	(8)	(9) = (8)-(7)
	GENERAL LIABILITY - OCCURRENCE - US			GENERAL LIABILITY - CLAIMS MADE - US			AUTOMOBILE LIABILITY - US		
YEAR OF ACCOUNT	31 DEC 2023	31 DEC 2024	ONE-YEAR DEVELOPMENT	31 DEC 2023	31 DEC 2024	ONE-YEAR DEVELOPMENT	31 DEC 2023	31 DEC 2024	ONE-YEAR DEVELOPMENT
2020	148%	128%	-20%	52%	39%	-13%	99%	94%	-5%
2021	169%	153%	-16%	58%	49%	-9%	100%	85%	-15%
2022	174%	149%	-25%	81%	94%	13%	102%	82%	-20%
2023	182%	151%	-31%	79%	67%	-12%	101%	84%	-17%
2024		158%			69%			90%	

Observations from less mature YoAs should be treated with caution. Indeed, in our prior paper the least mature YoAs indicated AD, not benign development.

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