

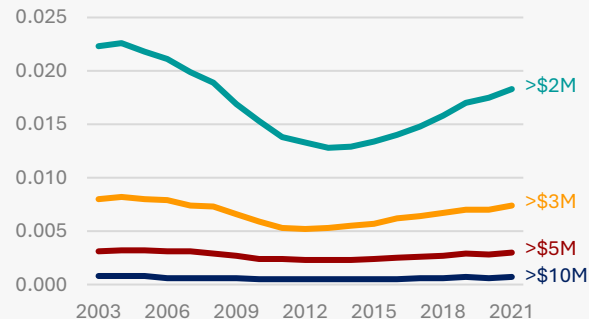


Countrywide Mega Claims—A Multi-Bureau Collaboration

Have mega claims become more or less frequent in recent years?

Frequency of mega claims is increasing, whether it is estimated relative to premium or indemnity claims. The most notable increase is seen in construction.

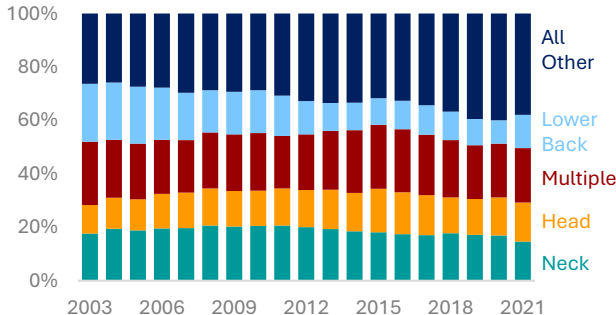
Mega Claim Frequency per \$1M of Premium
(By Threshold Across Accident Years; 3-Year Moving Average)



What are common characteristics of mega claims, and have they shifted over time?

Generally, the distribution of mega claims remains relatively stable. However, the shares of lower back and sprain injuries are decreasing over time.

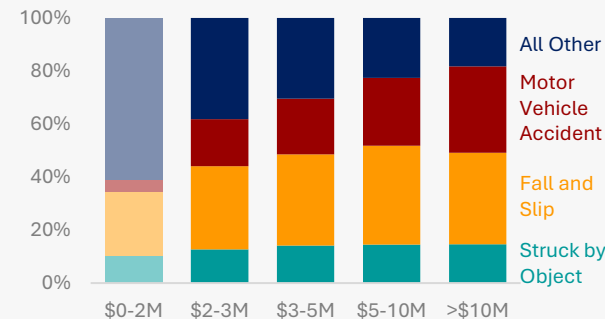
Shares of Ultimate Claims in Excess of \$2M
(By Part of Body Across Accident Years; 3-Year Moving Average)



Is there a cause of injury that is more likely to result in a mega claim?

Injuries from motor vehicle accidents tend to be more costly. Despite representing 5% of indemnity claims, they account for 33% of claims exceeding \$10M.

Shares of Mega Claims by Cause of Injury
(Accident Years 2001–2021)



Contributing Factors to Consider in Frequency Increase

- Mega claims are being recognized faster in more recent years
- More large claims are being identified earlier and are less likely to emerge over time

This speed-up in emergence is seen across thresholds and industry groups, which could lead to overstated estimates of ultimate claim frequency, particularly for the latest years.