**Table 1: Explanatory variables and descriptive statistics**

|  |  |
| --- | --- |
|  | **Mean SD** |
| Accident year (1=2003; 2=2004; ...; 12=2015) | \_ \_ |
| Delay (number of years) | 0.9341546 1.104947 |
| Number of incidents: 1 if an incident occurs; 0= otherwise | 0.5960068 0.4908004 |
| Estimated compensation when the incident occurred | 57771.96 305401.9 |
| What was eventually paid by the insurance company | 29449.85 140109 |
| The RBNS reserve put aside by the company | 97951.09 309500.2 |

**Table 2:** **The mean and the standard deviation of what was eventually paid and the RBNS reserve put aside by the company according to the number of years (delay).**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year7 |
| The mean amount paid | 5751.82 | 20689.40 | 79753.05 | 96716.71 | 75295.77 | 212739.36 | 159316.50 | 0.00 |
| The Sd. of the amount paid | 26775.12 | 82513.88 | 296609.27 | 219819.06 | 203625.79 | 311475.82 | 224324.68 | NA |
| The mean of the RBNS reserve | 62789.68 | 84581.28 | 157145.97 | 206959.54 | 252340.11 | 257409.82 | 341022.00 | 500000.00 |
| The SD of the RBNS reserve | 320066.72 | 235519.87 | 376636.54 | 346056.66 | 392447.12 | 294466.54 | 83407.49 | NA |

The data set contains information from 2354 customers. They are from RBNS-type and come from one of the property insurance companies in Oslo. Each customer is identified by an incident number allocated by the insurance company. The data are divided in eight categories*: incident number, year of incident, delay, number of incidents (0 or 1), estimated compensation when the incident occurred, regress from the company, what was eventually paid, the RBNS reserve put aside by the company.*

The years the incidents were reported vary between 2003 and 2015 and the maximum number of year it took to cover all the claims is 7 years. The scatter-plot of the delay in figure 1 gives us information about the number of claims that were settled according to delay. We can see that the graph decreases considerably from the first period to the last period. For the first period we have 1022 claims that were settled versus 1 during the last period. That is why the mean of the delay of settlement is under 1 year (0.9341546). The number of claim that was settled during each period is as follow: 1022 811 292 141 63 22 2 1

http://stattrek.com/statistics/charts/scatterplot.aspx

From table 2 we can see that the smallest mean (expected?) amount that was paid by the insurance company is 5751.82 and that was at the beginning. The biggest mean (expected?) amount paid is during the 6th year and that was 212739.36. We see that the mean of the RBNS reserve put aside by the company increase with the delay. In the beginning, the amount that was put aside by the company is 62789.68. After a delay of 7 years the amount is 500000.