European Insurance in Figures

2017 data

Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of more than €1 200bn, directly employ over 950 000 people and invest over €10 200bn in the economy.

www.insuranceeurope.eu

Contents

Member associations and country codes

Austria (AT) — Verband der Versicherungsunternehmen Österreichs (VVO)

Belgium (BE) — Assuralia

Bulgaria (BG) — Association of Bulgarian Insurers (ABZ)

Croatia (HR) — Hrvatski ured za osiguranje (HUO)

Cyprus (CY) — Insurance Association of Cyprus

Czech Republic (CZ) — Česká asociace pojišťoven (ČAP)

Denmark (DK) — Insurance & Pension Denmark

Estonia (EE) — Eesti Kindlustusseltside Liit

Finland (FI) — Finanssiala ry

France (FR) — Fédération Française de l'Assurance (FFA)

Germany (DE) — Gesamtverband der Deutschen Versicherungswirtschaft (GDV)

Greece (GR) — Hellenic Association of Insurance Companies

Hungary (HU) — Magyar Biztosítók Szövetsége (MABISZ)

Iceland (IS) — Samtök Fjármálafyrirtækja (SFF)

Ireland (IE) — Insurance Ireland

Italy (IT) — Associazione Nazionale fra le Imprese Assicuratrici (ANIA)

Latvia (LV) — Latvijas Apdrošinātāju asociācija (LAA)

Liechtenstein (LI) — Liechtensteinischer Versicherungsverband

Luxembourg (LU) — Association des Compagnies d'Assurances et de Réassurances du Grand-Duché de Luxembourg (ACA)

Malta (MT) — Malta Insurance Association (MIA)

Netherlands (NL) — Verbond van Verzekeraars

Norway (NO) — Finans Norge

Poland (PL) — Polska Izba Ubezpieczeń (PIU)

Portugal (PT) — Associação Portuguesa de Seguradores (APS)

Romania (RO) — Uniunea Națională a Societăților de Asigurare şi Reasigurare din Romania (UNSAR)

Slovakia (SK) — Slovenská asociácia poisťovní (SLASPO)

Slovenia (SI) — Slovensko Zavarovalno Združenje (SZZ)

Spain (ES) — Unión Española de Entidades Aseguradoras y Reaseguradoras (UNESPA)

Sweden (SE) — Svensk Försäkring

Switzerland (CH) — Schweizerischer Versicherungsverband (ASA/SVV)

Turkey (TR) — Türkiye Sigorta, Reasürans ve Emeklilik Şirketleri Birliği

United Kingdom (UK) — The British Insurers' European Committee:

Association of British Insurers (ABI)

International Underwriting Association of London (IUA)

Lloyd's

Methodological note

Insurance Europe compiles and analyses annually a substantial amount of general, financial and technical data relating to insurance obtained from its members. This financial information is collected in each market's national currency.

Currency and calculation of growth rates

For non-eurozone countries, the data is converted into euros with the end-of-year exchange rate, as published by Eurostat. All absolute figures are converted with the current end-of-year exchange rates. All growth rates and ratios are calculated using constant (2017) end-of-year exchange rates.

Samples

Data, and in particular historical data, is not available for all markets. For each indicator, samples contain only those countries for which the entire historical data series is available. In some cases, therefore, data in the charts depicting 10-year series differs from the figures quoted in the text as well as from the charts based on two-year samples due to different sample sizes. Samples for all charts and tables are listed in the Reporting countries section on p52.

Premiums

Unless otherwise stated in the Notes on p55, premiums are gross written premiums (direct business) on home territory underwritten by domestic companies and third-country branches.

A full data set is available on the Insurance Europe website (www.insuranceeurope.eu).

Special note: comparability with previous years' data

In 2016 and 2017, a number of countries started reporting data based on the definitions in the EU's new Solvency II regulatory regime. This may mean that the 2016 and 2017 figures are not directly comparable with those of earlier years, primarily for health and property & casualty business.

Abbreviations

bps	basis points
EEA	European Economic Area
EU	European Union
GDP	gross domestic product
GWP	gross written premiums
MTPL	motor third-party liability
na	not available
P&C	property & casualty
p.p.	percentage point

Foreword

Insurance is a cornerstone of modern lives and economies. Without it, many aspects of today's society could not function. This publication shows the size and strength of Europe's insurers and demonstrates their dual role as providers of protection and long-term savings products and as long-term, stable investors underpinning the economy.

The report sets out data on the European insurance industry's property & casualty, life and health premiums, together with the related benefits and claims paid. It also contains figures for the industry's investment portfolio, as well as information on the sector's structure. A more extensive dataset is available free of charge on Insurance Europe's website at www.insuranceeurope.eu.

In 2017, Europe's insurers generated total premium income of €1 213bn and had €10 226bn invested in the economy. Insurers paid out the equivalent of €2.8bn a day in claims to help businesses and individuals through difficult events and in benefits to long-term savers.

Life premiums increased 5% year-on-year in 2017, albeit with significant differences between individual countries. Meanwhile the premiums in most P&C business lines — which are more affected by levels of economic activity — increased by 4.4%. Health insurance premiums rose 4%. In total, premium income registered solid growth of 4.7%.

These results were against the background of a clearly improving economic environment and well-performing financial markets. The EU economy grew 2.4% — its fastest pace since the financial crisis — while the US economy grew only slightly less (2.3%) and the Chinese economy grew 6.9%. Ongoing low interest rates, however, continue to create a challenging environment for insurers in terms of providing long-term savings products.

Insurance Europe is committed to working with European and global policymakers, regulators and supervisors to ensure that Europe's insurers have a regulatory framework in which they can continue to innovate and thrive. Only then can they help their policyholders meet the many and evolving challenges in today's uncertain world.

Michaela Koller
Director General

Economic environment

The macroeconomic environment for European insurers improved noticeably in 2017. The EU economy grew at its fastest pace since the financial crisis as the real (ie inflation-adjusted) GDP of the 28 EU member states increased 2.4%, up from 2% growth in 2016. This rather strong economic performance was mirrored in the US, where real GDP increased 2.3% in 2017, compared to a 1.5% growth rate the previous year. Meanwhile China's real GDP grew at a broadly stable rate of 6.9% in 2015 and 6.7% in 2016.

EU GDP increased by 2.4% in 2017

Within the EU, economies grew at very different speeds, ranging from an impressive 7.2% in Ireland and 7.3% in Romania to a much more subdued 1.6% in Italy, 1.7% in Belgium and 1.5% in Greece. The growth in Greece was, however, its first since 2014. In contrast, UK growth continued its downward slide, going from 1.8% in 2016 to 1.7% in 2017.

In 2017, the EU-28's government deficit-to-GDP ratio continued the steady decrease that began in 2009 and was brought about by the implementation of policies (increased taxes, lower public spending or both) aimed squarely at reining in deficit and debt levels. In addition, the improved economic growth prospects described above contributed to a drop in the EU's deficit to 1% of GDP from 1.7% in 2016. The average ratio of government debt to GDP also decreased, from 83.3% at the end of 2016 to 81.6% at the end of 2017. Meanwhile, the EU's unemployment rate fell from 8.1% in 2016 to 7.2% at the end of 2017.

During the course of the year, the euro appreciated in value against the US dollar, going from \$1.06 in January to \$1.2 at the end of the year, which was also its highest value of the year. This trend was not reflective of interest rate spreads

(in general, investors earned more on US government debt than on European government debt, which would have been expected to lead to an appreciation of the dollar).

As the economy grew more in the EU than in the US, this probably led to a reallocation of investments away from the dollar. Furthermore, as the US Federal Reserve was the central bank furthest along in the normalisation process and rate-hiking cycle, this created more opportunities for gains on other currencies. These two elements go a long way to explaining the euro's appreciation in 2017.

> Core inflation in Europe remained broadly stable in 2017 at 1% on average

The robust economic recovery in the EU was not matched by higher levels of inflation. While headline inflation — as measured by the Harmonised Index of Consumer Prices (HICP) — recovered from its previous lows and averaged 1.5% over the year, underlying inflation pressures did not materialise, as evidenced by core inflation (which excludes highly volatile prices) that remained broadly stable at 1% on average.

In the absence of significant pressure from inflation, which remains under the target of "below, but close to, 2%", the monetary policy of the European Central Bank (ECB) continued to be very accommodative. All of the bank's key interest rates were maintained at the same historically low levels throughout the year:

- 0% on main refinancing operations, which provide the bulk of liquidity to the banking system
- 0.25% on the marginal lending facility, at which overnight credit is offered to banks
- -0.4% on the deposit facility that banks use to make overnight deposits with the Eurosystem

Nevertheless, the ECB reduced the pace of its asset purchase programme from €60bn to €30bn per month in October 2017, but extended the programme by at least nine months until September 2018. Taken together, the ECB's measures resulted again in very favourable financing conditions in the eurozone.

The European stock market performance was very good and only mildly volatile throughout the year. This was at least partly driven by firms taking advantage of low borrowing costs to fund share buybacks. The Euro Stoxx 50 index increased from 3 321 in January to 3 524 in December (+6.5%), whereas the MSCI Europe Index started 2017 at a value of 1 501 and ended it at 1 892 (+26%).

Overall, the combination of strong economic growth and well-performing financial markets resulted in a good macroeconomic environment for insurers, even though the continued low interest rates in the eurozone continued to cause difficulties.

1. European insurance in 2017

€1 213bn

Total gross direct written premiums

€1 014bn

Total claims and benefits paid

€2 030

Average spent per capita on insurance

1.1 Overview

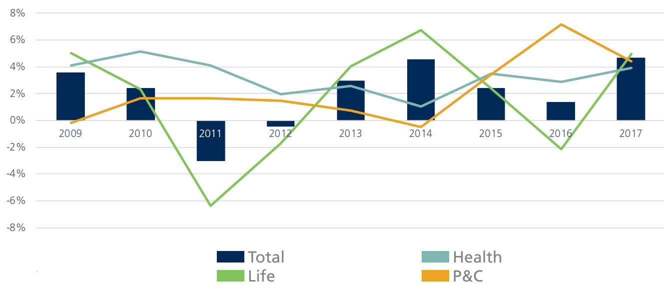
Premiums

In 2017, total premiums in Europe increased 4.7% to €1 213bn, with relatively strong growth in all business lines — life +5.0%, health +4% and P&C +4.4%. Total premiums in Europe rose for the five years to 2017 at an average rate of 3.2% each year.

Table 1: Premiums — 2016–2017 (€bn)

	Gross written premiums (€bn) at current exchange rates		Growth rate
	2016	2017	
Life	**686**	**710**	**5.0%**
Health	**128**	**132**	**4.0%**
Property & casualty (P&C)	**361**	**371**	**4.4%**
Motor	134	138	4.2%
Property	99	100	3.6%
General liability	38	40	5.4%
Accident	35	36	4.2%
Total	**1 175**	**1 213**	**4.7%**

Chart 1: Premium growth rates — 2009–2017



The robust growth in 2017 was mainly driven by the three largest European markets — led by the UK and supported by France and Germany. The three largest markets together accounted for 57.2% of the total premiums in Europe. Nordic and central and eastern European markets also contributed to the growth. In Italy, Europe's fourth largest market, a decline in premiums continued in 2017 (-2.5%) but was less than in 2016 (-8.7%). In a number of other markets, total premiums remained relatively stable, namely the Netherlands (+0.6%), Spain (-0.4%), Switzerland (-0.9%), Belgium (-0.3%) and Austria (+0.4%).

Meanwhile, global premiums continued to expand in 2017, growing 4% to $4 892bn, which was faster than the 2.9% increase in 2016[1]. Asia remained the main growth engine of global expansion, although at a slower pace (+7% in 2017, +9.6% in 2016). North America continued to grow steadily (+2.3% in 2017, +2.1% in 2016), while Latin America rebounded from a plunge (+9.9% in 2017, -3.4% in 2016). Premiums in Oceania continued to decline, but nevertheless showed signs of improvement (-1.5% in 2017, -5.2% in 2016).

Claims and benefits paid

Total claims and benefits paid to customers by European insurers increased 8.8% to €1 014bn in 2017, after growth of 1.8% in 2016. The total paid in claims and benefits in 2017 is equivalent to €1 697 per capita or €2.8bn per day.

The four largest European markets (the UK, France, Germany and Italy) accounted for 76% of all claims and benefits paid in 2017, up 7% on 2016.

Density and penetration

In 2017, the average amount per capita spent on insurance (known as insurance density) in Europe grew €83 or 4.3% to €2 030, of which €1 188 was spent on life insurance, €221 on health insurance and €621 on P&C insurance.

Chart 2: Premium growth rates — 2017

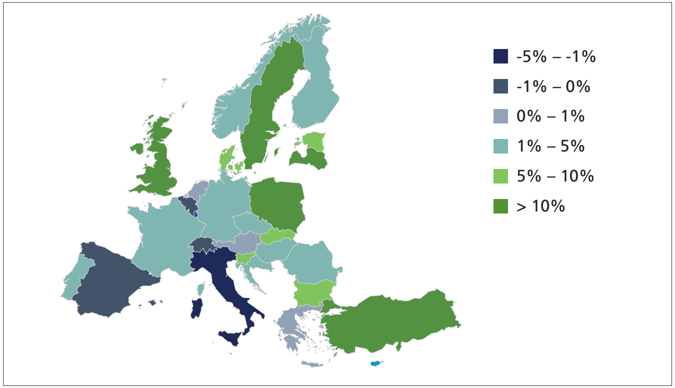
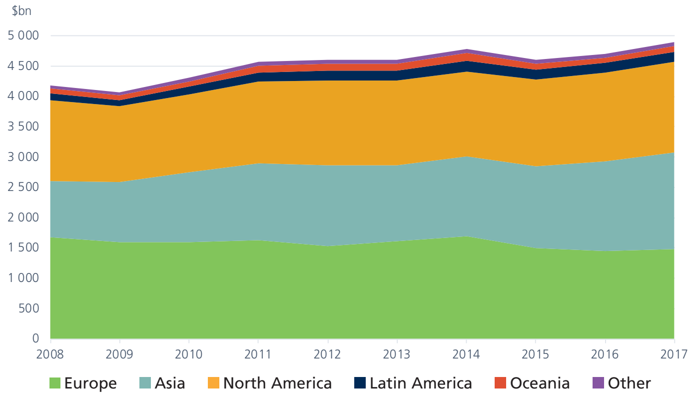


Chart 3: World insurance premiums — 2008–2017 ($bn)



1 Global gross written premiums in nominal (unadjusted for inflation) US dollars are from Swiss Re's Sigma world insurance database. Global premium growth rates are US dollar denominated.

Table 2: Claims and benefits paid — 2016–2017 (€bn)

	Claims and benefits paid (€bn) at current exchange rates		Growth rate
	2016	2017	
Life	**610**	**669**	**11.4%**
Health	**103**	**105**	**3.1%**
Property & casualty (P&C)	**233**	**239**	**4.0%**
Motor	99	99	1.0%
Property	56	63	13.9%
General liability	25	26	3.5%
Accident	19	20	2.4%
Total	**945**	**1 014**	**8.8%**

Insurance penetration — gross written premiums as a percentage of the area's gross domestic product — is an indicator of insurance activity in the economy. Average insurance penetration in Europe amounted to 7.53% in 2017, an increase of 0.14 of a percentage point compared with 2016.

Life insurance penetration, which increased 0.1 of a percentage point to 4.44%, contributed mostly to the rising penetration. Health and P&C penetration increased by 0.01 and 0.04 to 0.82% and 2.22% respectively.

Table 3: Density — 2016–2017 (€)

	2016	2017	Growth rate
Life	**1 137**	**1 188**	**4.5%**
Health	**213**	**221**	**3.5%**
P&C	**597**	**621**	**4.0%**
Motor	226	230	2.1%
Property	163	168	3.2%
General liability	63	66	5.0%
Accident	59	62	3.8%
Total	**1 947**	**2 030**	**4.3%**

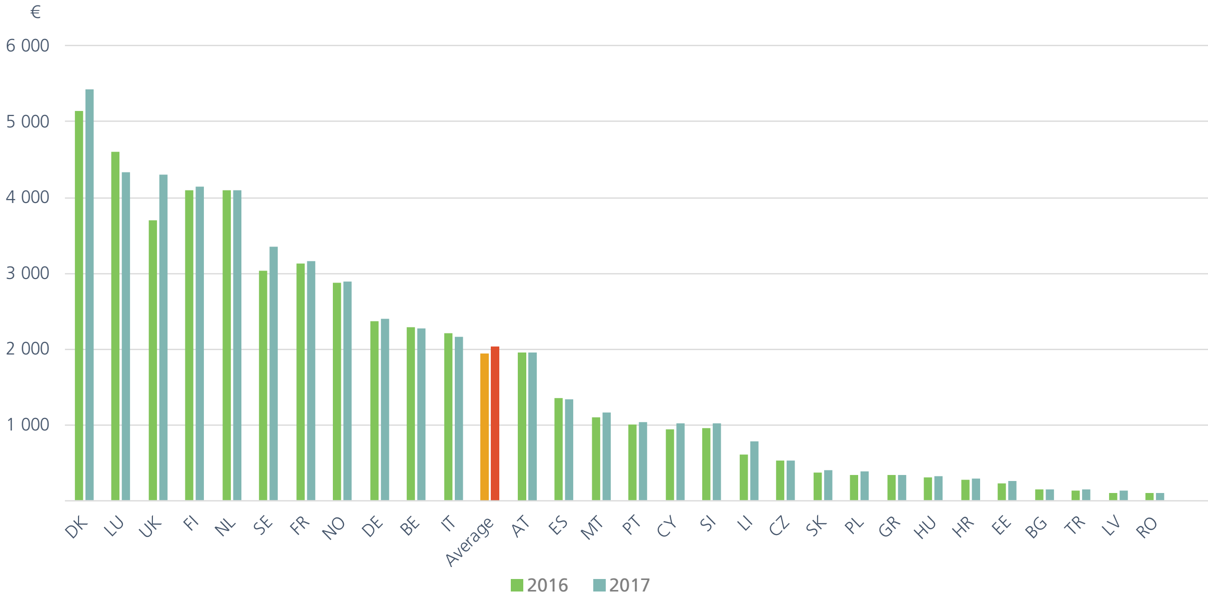
Table 4: Penetration — 2016–2017 (% of GDP)

	2016	2017	Change in percentage points (p.p.)
Life	**4.34**	**4.44**	**0.1**
Health	**0.81**	**0.82**	**0.01**
P&C	**2.17**	**2.22**	**0.04**
Motor	0.82	0.82	0.01
Property	0.59	0.60	0.01
General liability	0.23	0.24	0.01
Accident	0.22	0.22	0.0
Total	**7.39**	**7.53**	**0.14**

The average amount spent per capita on insurance in Europe in 2017 was €2 030

€1 188 was spent on life insurance, €221 on health and €621 on property and casualty insurance

Chart 4: Total premiums per capita (density) by country — 2016–2017 (€)



Insurance penetration is an indicator of insurance activity in the economy

Average insurance penetration in Europe amounted to 7.53% in 2017

Chart 5: Total premiums as % of GDP (penetration) by country— 2016–2017

Life insurance in Europe

Premiums

2016	2017	Growth rate
€686bn	€710bn	5.0%

Benefits paid

2016	2017	Growth rate
€610bn	€669bn	11.4%

Density

2016	2017	Growth rate
€1 137	€1 188	4.5%

Penetration

2016	2017	Growth rate
4.34%	4.44%	0.1 p.p.

1.2 Life insurance

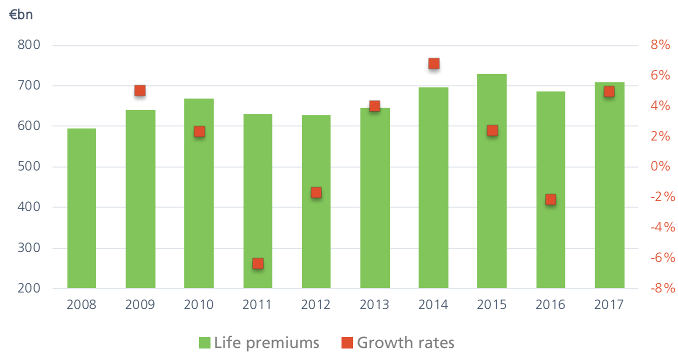
Premiums

Total life premiums in Europe increased 5% in 2017 to €710bn, after a contraction of 2.1% in 2016. Of total life premiums, 73.4% were written in Europe's four largest markets: the UK, France, Italy and Germany. Their combined share of Europe's total life premiums in 2017 increased by 1%.

In 2017, the European Central Bank maintained its monetary policy and the protracted low interest rate environment continued to affect life insurance in some markets. Life premiums declined in Italy (-3.6%), Spain (-4.3%), Switzerland (-3.5%) and the Netherlands (-5.7%). Other markets remained broadly stable, notably Germany (-0.1%) and France (+0.5%). Nordic and eastern European markets showed signs of resilience by registering growth.

Besides interest rates, regulations, tax incentives, distribution schemes and other factors can affect the development of life insurance markets. In the UK, for example, life premiums surged 21.1% largely due to an increase in single premiums as a result of pension transfers from one provider to another, as well as from defined benefit to defined contribution schemes. Pension auto-enrolment also contributed to the increase; since its introduction in 2012, 9.2m employees had been automatically enrolled into a workplace pension scheme by the end of 2017[2].

Chart 6: Life premiums — 2008–2017 (€bn)



In the Czech Republic, the volume of life premiums shrank 7.2% in 2017, to some extent due to new tax restrictions on private life insurance policies.

In Norway, growth in life premiums in 2017 was only marginal (+0.5%), but with a significant shift from defined benefits schemes (-29%) to defined contribution schemes (+15%).

2 "Automatic enrolment declaration of compliance", The Pensions Regulator, UK, November 2018

In Slovenia, life premiums leapt 7.8%, partly as a result of an adjustment in the supplementary pensions of public sector employees.

In the last few years, unit-linked products have outperformed guaranteed products in terms of premium growth, but they are still smaller in volume. In general, this shift was driven by one or both of the following reasons:

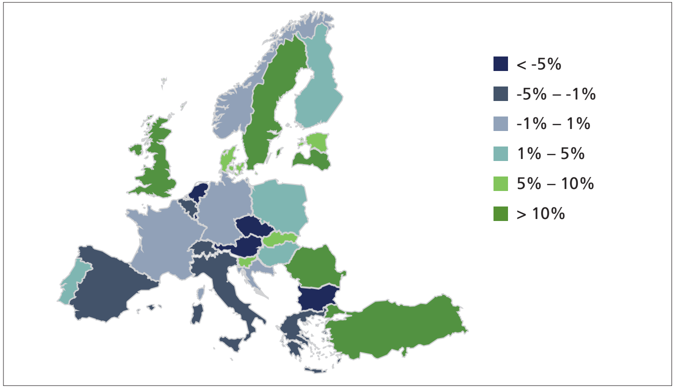
- Low interest rates, which make guaranteed products less attractive.
- The increased cost of capital for guaranteed products as a result of their treatment under the EU's Solvency II regulatory regime.

In Belgium, unit-linked products brought in around 40% more premiums in 2017 than in 2016, but their share was still modest at only around 22% of total life premiums.

In France, 2017 was characterised by a rise in unit-linked premiums (+36.7%) and a fall in guaranteed contracts (-9.1%). Unit-linked contracts represented 29% of life premiums in 2017, a substantial jump from the 21% reported in 2016.

In Croatia, unit-linked contracts, which accounted for 24.5% of life premiums (up from only 16.6% in 2016), grew 13.7% in 2017.

Chart 7: Life growth rates in Europe — 2017



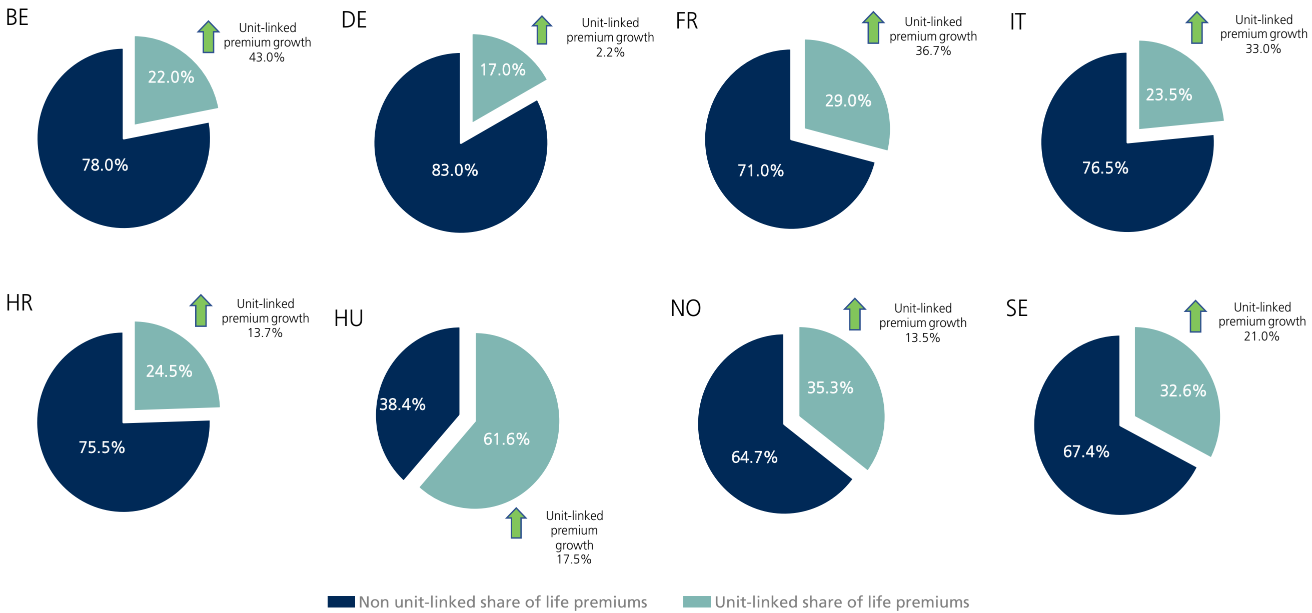
Guaranteed contracts, on the other hand, decreased 1% compared with 2016.

In Italy, while premiums for guaranteed contracts decreased approximately 18% to €48bn, unit-linked contracts performed strongly, totalling more than €23bn in premiums after a 31% year-on-year increase.

In Poland, unit-linked products were the main driver of the 3% growth of life premiums in 2017.

In Sweden, similarly, the 14.1% growth in life premiums in 2017 was mainly due to an increase in unit-linked contracts (+21%).

Chart 8: Unit-linked share of life premiums — 2017



DE, HU, NO: unit-linked growth rates are 2016 data. SE: share of unit-linked premiums is 2015 data.

Benefits paid

Life benefits paid increased steeply by 11.4% to €669bn in total, or €1 158 per capita in 2017. Compared to 10 years ago, life insurers paid out 14.8% more in benefits, equivalent to an additional €149 per person. The four largest markets — the UK, France, Germany and Italy — accounted for 74.7% of all benefits paid, up 2.2 percentage points on 2016.

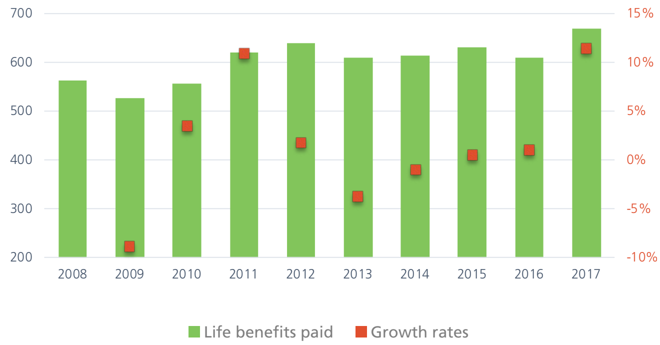
The sharp increase in life benefits paid in 2017 was the result of strong dynamics in some markets, notably in terms of tax incentives, which have led to a dramatic shift in behaviour.

In 2017 life insurers paid out €1.83bn a day in benefits

In the UK, life benefits paid were 35.2% higher in 2017 than the previous year due to significant pension withdrawals. To some extent, this is the result of the "pension freedom" reform introduced in 2015, which allows pensioners to cash out their pension pot, with 25% of the pot tax-free and a marginal tax rate on the rest. Since the reform, a significant number of people have favoured products that allow them to withdraw some income as cash. £8.2bn (€11.2bn) and £5.7bn were withdrawn from pensions in 2015 and 2016 respectively[3].

In Latvia, a massive 30.3% rise in life benefits paid was recorded in 2017 as a result of people being eager to cash out their benefits before the introduction of a tax reform with stricter allowances on insurance income at the beginning of 2018.

Chart 9: Life benefits paid — 2008–2017 (€bn)



3 "UK Insurance & Long-Term Savings: Key Facts", Association of British Insurers, 2016 & 2017

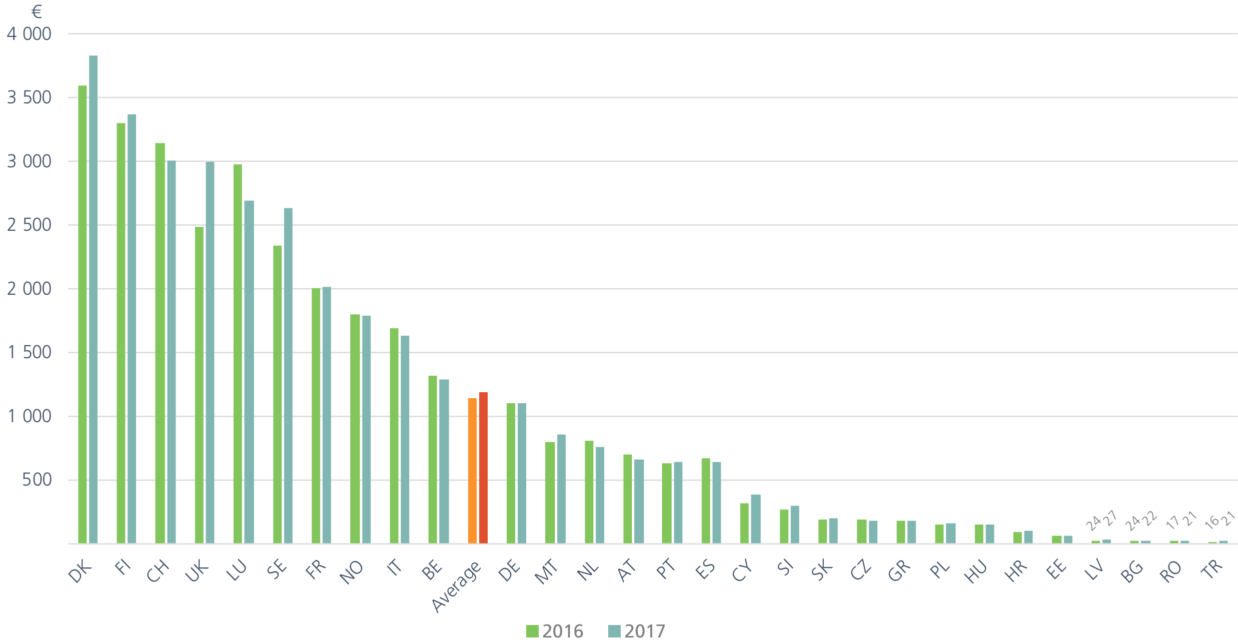
Density and penetration

In 2017, an average of €1 188 per capita was spent on life insurance in Europe, up from €1 137 in 2016.

The penetration of life premiums also increased to 4.44% in 2017 from 4.34% the previous year.

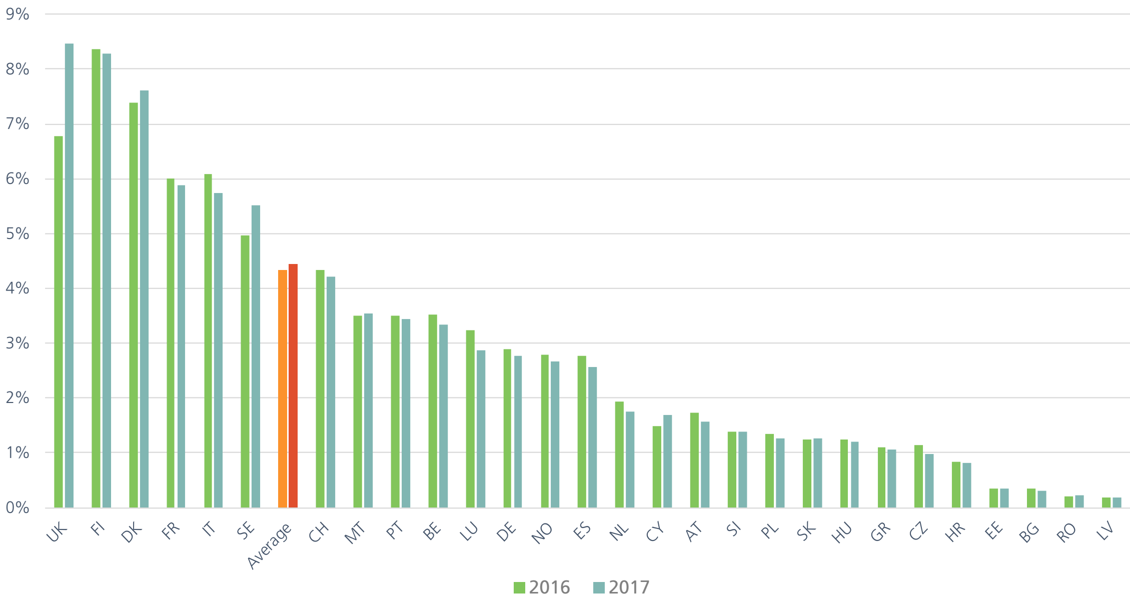
An average of €1 188 per person was spent on life insurance in Europe

Chart 10: Life premiums per capita (density) by country — 2016–2017 (€)



The penetration of life premiums increased to 4.4% in 2017

Chart 11: Life premiums as % of GDP (penetration) by country — 2016–2017



Health insurance in Europe

Premiums

2016	2017	Growth rate
€128bn	€132bn	4.0%

Claims paid

2016	2017	Growth rate
€103bn	€105bn	3.1%

Density

2016	2017	Growth rate
€213	€221	3.5%

Penetration

2016	2017	Growth rate
0.81%	0.82%	0.01 p.p.

1.3 Health insurance

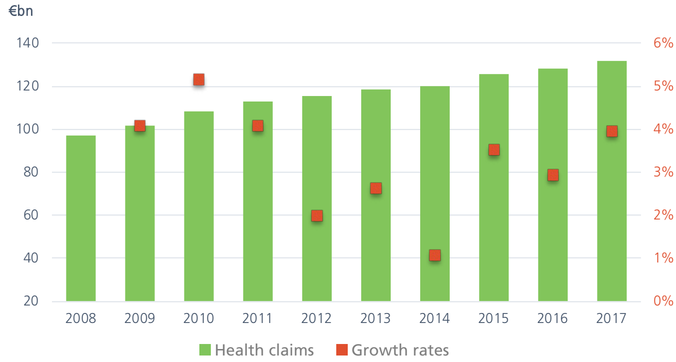
Premiums

Private health insurers provide individuals or groups not only with cover for the medical costs of illness or accidents but also with other products, such as critical illness cover and disability or long-term care insurance.

National healthcare systems in Europe are finding it challenging to meet the needs of ageing populations. Between 2008 and 2017, there was an average increase of 2.3 percentage points in the share of the population aged 65 and above in the EU, taking the total to 19% of the population or almost one person in five[4]. In line with this demographic trend, healthcare expenditure and the use of healthcare goods and services rose significantly between 2007 and 2016 (the latest years available) in a number of EU countries, for example: 13.5% in Hungary, 18.5% in Spain, 39.8% in Germany and 76.8% in Sweden[5].

Almost 63% of European health premiums are written in the Netherlands and Germany

Chart 12: Health premiums — 2008–2017 (€bn)



The market for private health insurance is likewise growing. Between 2008 and 2017, health premiums grew steadily at an average of 3.3% a year. In 2017, health premiums were 33.5% higher than in 2008, totalling €132bn. Most European markets continued to expand in 2017.

Of total health premiums, almost 63% were written in the two largest markets, the Netherlands and Germany. In the Netherlands, where private health insurance is mandatory, health premiums represented 63% of all premiums and increased by 2.2% in 2017. Adjustment of the health tariffs in Germany also led to an increase of 4.8% in premiums in 2017.

4 "Proportion of population aged 65 and over", Eurostat
5 "Healthcare expenditure statistics", Eurostat

In Switzerland, as in the Netherlands, private health insurance is mandatory. In 2017, premiums grew 4.3% due to an adjustment of the tariffs to reflect rising medical costs.

Premiums grew 4.9% in France in 2017, largely as a result of companies becoming legally obliged to provide health insurance for employees in 2016.

In Italy, innovative insurance products introduced by private insurers on top of statutory health insurance continued to be attractive, leading health premiums to increase 9.5% in 2017 (+9.6% in 2016).

Similarly, in Finland, innovative insurance products proved successful, creating solid growth of 7.8% in 2017. "Healthtech" companies in Finland use digital means to offer new kinds of insurance products, such as those including remote diagnostics, patient-reported treatment outcomes and instant clinical cooperation.

In Malta, where the increase in the share of the population aged over 65 was the highest in Europe (4.9% between 2008 and 2017), health premiums grew 22.1% in 2015, 10% in 2016 and 17.3% in 2017.

In eastern European markets, substantial increases in health premiums continued to be observed due to the growing popularity of supplementary healthcare systems, particularly in Bulgaria (+20.1%), Estonia (+20%) and Croatia (+19.3%). A similar trend was observed in Turkey (+18.9%). The Romanian

National differences

The role of private health insurance differs significantly between markets due to the differences in national health and social security systems. Private health insurance in Europe takes four basic forms, or a combination thereof:

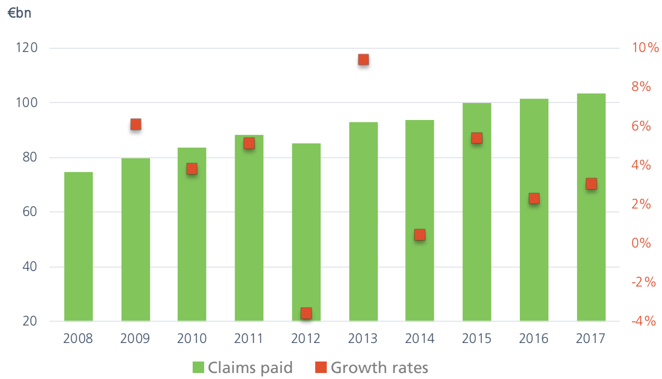
- **Additional** (complementary and supplementary) insurance is voluntary cover to complete the health insurance needs of the statutory insured (as in Denmark, France or Italy).
- **Substitute** insurance replaces publicly funded healthcare (as in Germany for the self-employed).
- **Duplicate** insurance operates as a private alternative in parallel to the public system (as in the UK, Spain and Portugal).
- **Mandatory** private health regimes include some public aspects and fully private complementary cover (as in the Netherlands and Switzerland).

market has also experienced robust growth figures (+60.2% in 2016 and +20.2% in 2017) in recent years, bolstered by a new tax code providing tax incentives for purchasing private health insurance products.

Claims paid

Total European health claims paid totalled €105bn in 2017, a 3.1% increase on 2016. Around 82% of the total claims were paid in the Netherlands (+3.9%), Germany (+2.2%), France (+2.2%) and Switzerland (+1.2%).

Chart 13: Health claims paid — 2007–2016 (€bn)

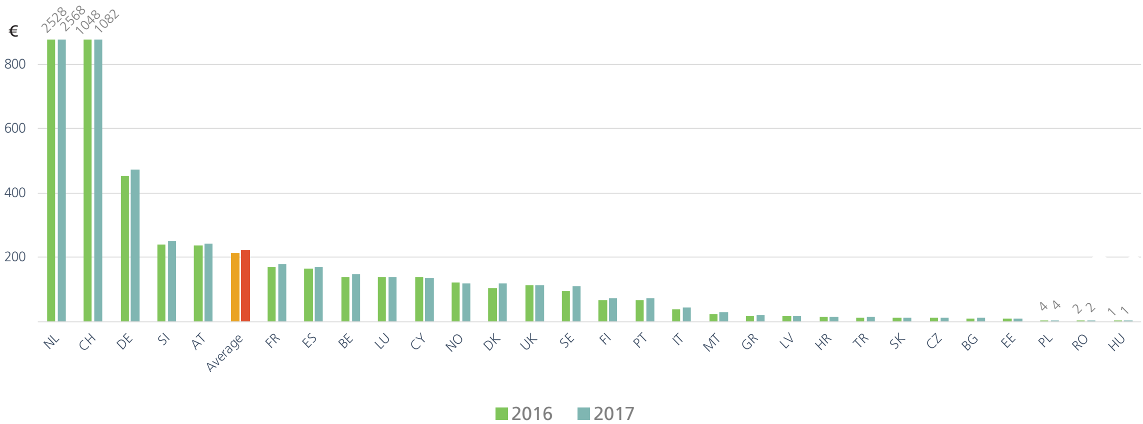


Density and penetration

On average, the amount spent per capita on private health insurance in Europe in 2017 was €221, or €8 more than in 2016. Health insurance penetration in Europe inched up to an average of 0.82%. The vast differences observed between countries to a large extent reflect differences in national health and social security systems and the role of private insurers.

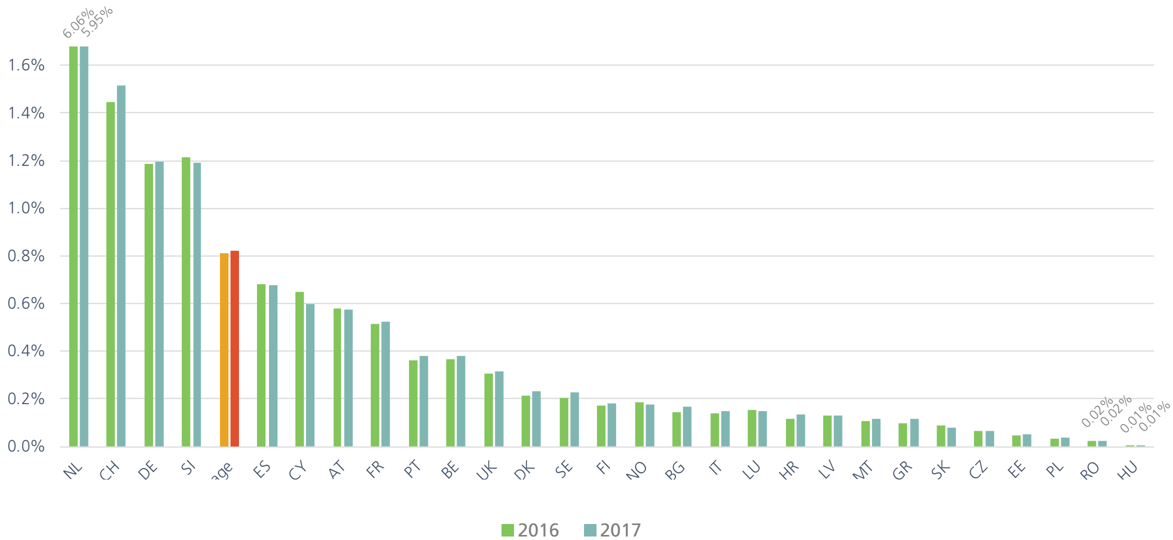
The average amount per capita spent on health insurance in Europe in 2017 was €221

Chart 14: Health premiums per capita (density) by country — 2016–2017 (€)



Health insurance penetration in Europe inched up to an average of 0.82%

Chart 15: Health premiums as % of GDP (penetration) by country — 2016–2017



Property & casualty (P&C) insurance in Europe

Premiums

2016	2017	Growth rate
€361bn	€371bn	4.4%

Claims paid

2016	2017	Growth rate
€233bn	€239bn	4.0%

Density

2016	2017	Growth rate
€597	€621	4.0%

Penetration

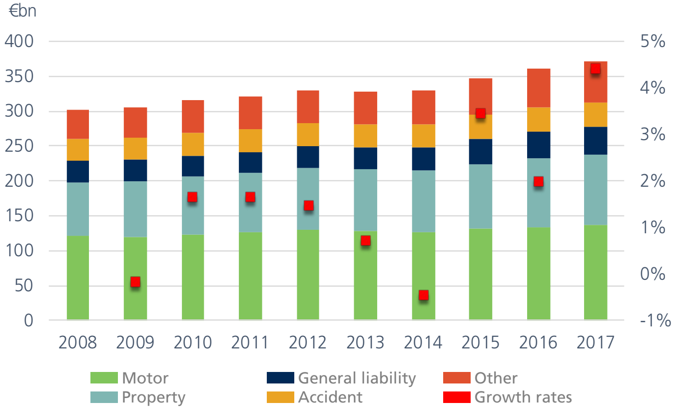
2016	2017	Growth rate
2.17%	2.22%	0.04 p.p.

1.4 Property & casualty (P&C) insurance

Economic conditions tend to affect the performance of the P&C sector, since they have a strong impact on the demand for protection products. As a result, P&C insurance is characterised by cycles of intense competition creating downward movements in premiums and a soft market followed by a hardening market in which reserves can be accumulated.

The four main P&C business lines are motor (37%), property (27%), general liability (11%) and accident (9%), which together account for around 84% of all P&C premiums.

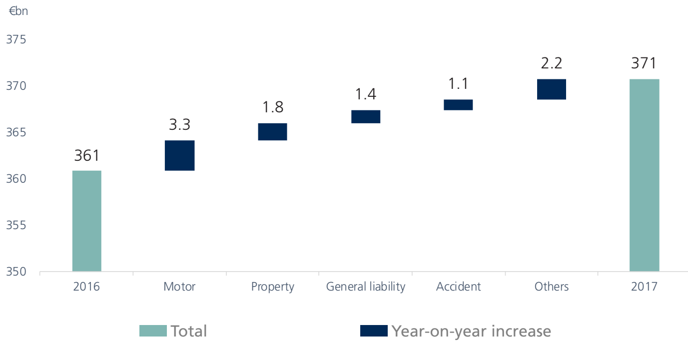
Chart 16: P&C premiums — 2008–2017 (€bn)



Premiums

Supported by economic growth, P&C premiums in Europe experienced an upswing of 4.4% in 2017 to €371bn. Motor premiums grew, year-on-year, 4.2% to €138bn, property premiums 3.6% to €100bn, general liability premiums 5.4% to €40bn and accident premiums 4.2% to €36bn. Motor continued to be the growth engine in the P&C sector.

Chart 17: Year-on-year increase in premiums by business line



Growth in P&C premiums was observed in the vast majority of European markets. The four largest markets, together accounting for 65.3% of the market, all experienced growth: the UK market grew considerably (+9.7%), while Germany (+3.1%), France (+2.7%) and Italy (+0.3%) all charted lower growth.

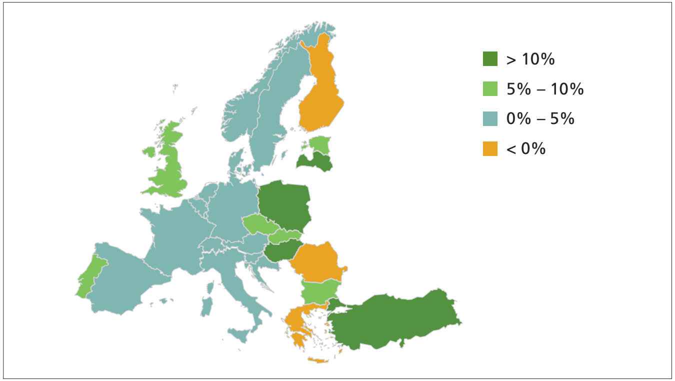
In the UK, the robust growth in P&C premiums was primarily driven by marine, aviation and transport (MAT) insurance, which contributed 30.4% of the total increase, while general liability accounted for 22.6% of the total increase and motor 22%.

In both Germany and France, growth in P&C premiums was largely driven by motor insurance, which accounted for 51.2% and 33.5% of their total increases respectively, followed by property insurance which represented 34.7% and 17.9% of their total growth. In these two markets, P&C insurance has expanded steadily over the past decade. In Germany, this is largely the result of a shift from competition based on price to competition based on more differentiated products made possible by digitalisation.

In Italy, 2017 reversed five consecutive years of contraction in P&C premiums. Indeed, between 2008 and 2017, P&C premiums fell by 15.8%. In 2017, however, a decrease in motor premiums was offset by an increase in property and general liability premiums.

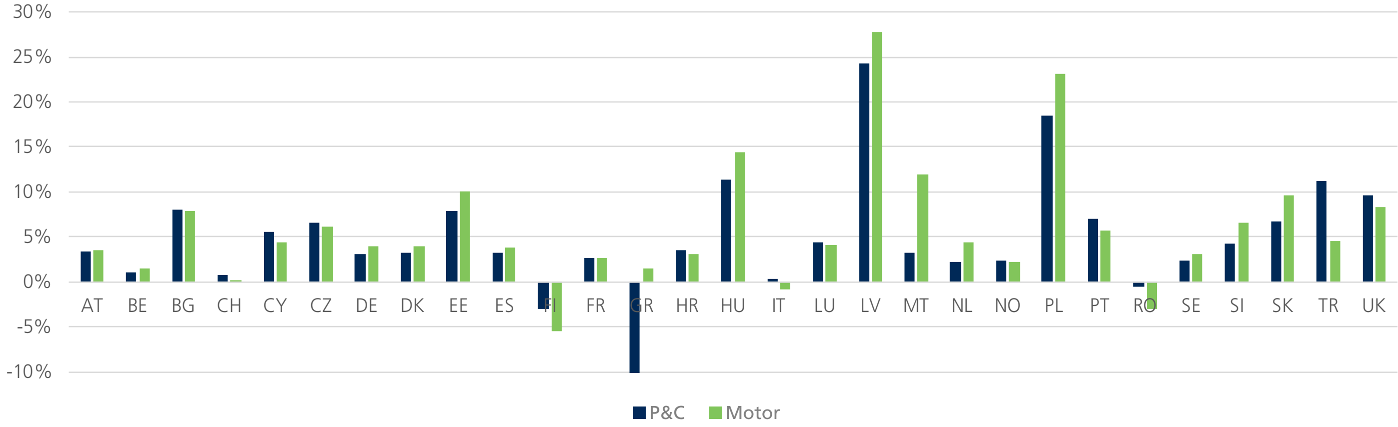
In many other markets, motor insurance was also the catalyst for the solid performance of P&C insurance as a category in 2017: the Czech Republic (+6.6%), the Netherlands (+2.2%), Spain (+3.3%), Austria (+3.3%) and Belgium (+1.1%). In eastern European markets, motor insurance led to particularly robust growth, particularly in Latvia (+24.3%), Poland (+18.4%) and Hungary (+11.4%). In Poland, growth was boosted by an increase in the price of MTPL policies. In Turkey, significant growth of 11.2% in P&C premiums as a result of an increase in the number of motor policies sold continued in 2017, but at a slower pace than the 32.1% seen in 2016.

Chart 18: P&C growth rates in Europe — 2017



A decline was, however, observed in Greece (-9.3%), Finland (-3%) and Romania (-0.5%). In Greece, the downturn started in 2010 and totalled about 40% between 2010 and 2017. Although a slight recovery was seen in motor insurance in 2017, recovery in the property and general liability lines failed to materialise. In Finland and Romania, meanwhile, the decline in P&C premiums was due to falling motor premiums.

Chart 19: P&C and motor growth rates by country — 2017

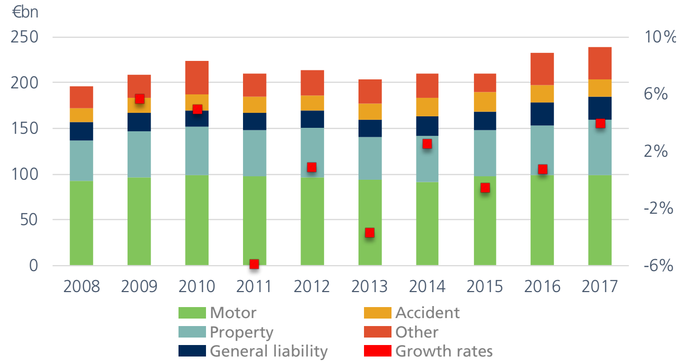


Claims paid

P&C claims paid grew 4% in 2017, reaching an all-time high of €239bn. The five largest markets — the UK (+7.9%), Germany (+1.8%), France (+2.0%), Italy (+0.7%) and Spain (+4.5%) — accounted for 75.8% of the total claims paid and 74% of the total increase in claims paid in 2017.

Markets with negative growth in P&C claims paid in 2017 were the Netherlands (-6.2%), Belgium (-4.0%) Cyprus (-3.1%) and Estonia (-1.6%).

Chart 20: P&C claims paid — 2008–2017 (€bn)

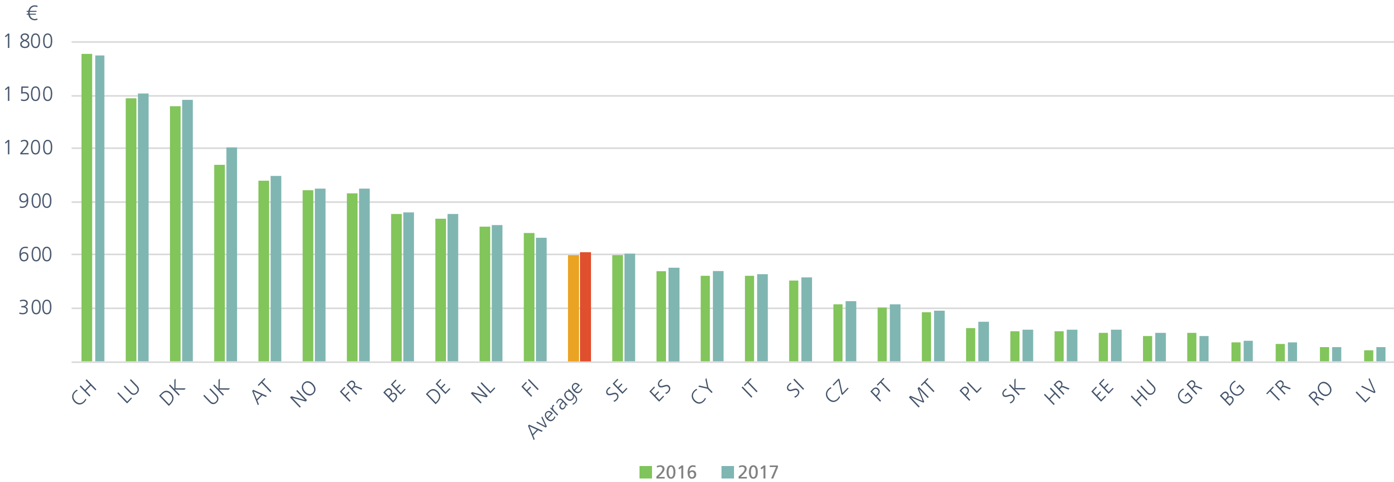


Density and penetration

Average P&C premiums per inhabitant in Europe stood at €621 in 2017, which is €24 or 4% more than in 2016. The ratio of P&C premiums to GDP in Europe increased to 2.22%, 0.04 percentage points higher than in 2016.

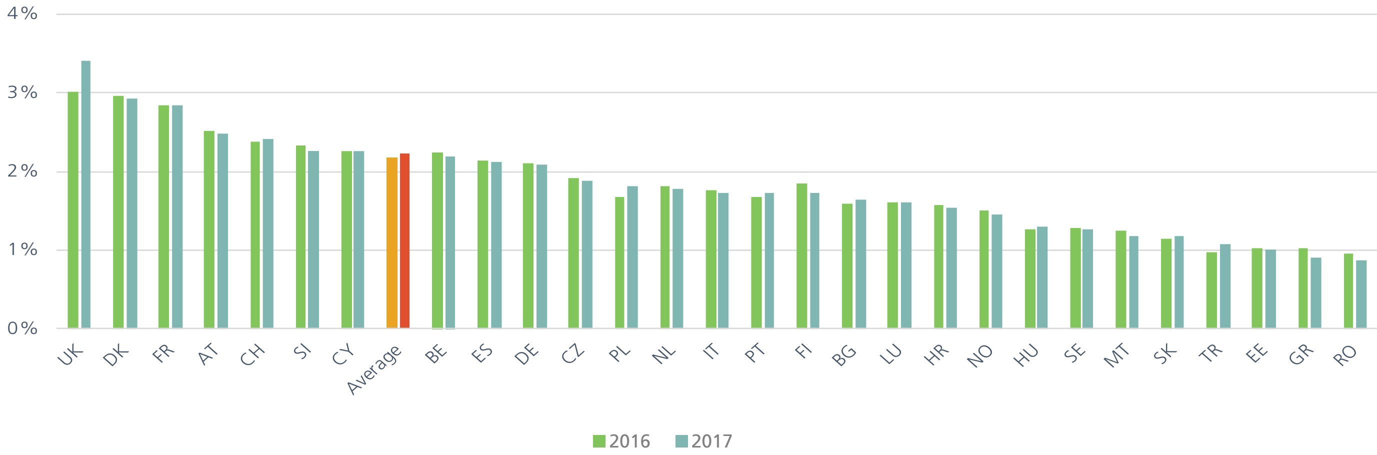
The average amount per capita spent on P&C insurance in Europe in 2017 was €621

Chart 21: P&C premiums per capita (density) by country — 2016–2017 (€)



P&C insurance penetration in Europe crept up to 2.2%

Chart 22: P&C premiums as % of GDP (penetration) by country — 2016–2017



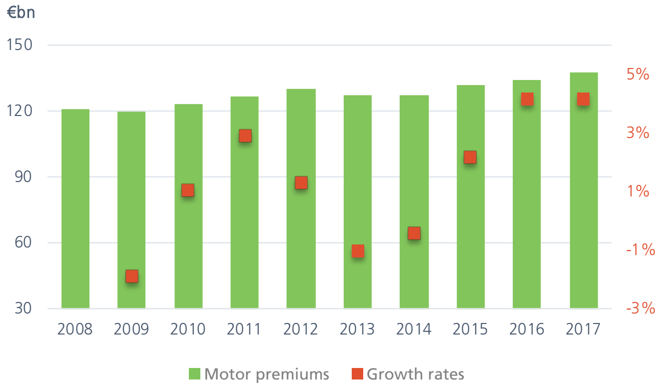
1.4.1 Motor insurance

Motor insurance is the most widely purchased P&C insurance product in Europe, representing 37% of total P&C premiums in 2017.

Table 5: Motor insurance overview — 2016–2017

	2016	2017	Growth rate
Premiums	€134bn	€138bn	4.2%
Claims paid	€99bn	€99bn	1.0%
Density	€226	€230	2.1%
Penetration	0.82%	0.82%	0.01 p.p.

Chart 23: Motor premiums — 2008–2017 (€bn)



Premiums

Between 2015 and 2017, the European motor insurance sector expanded steadily at an average of 3.5% a year. In 2017, motor premiums grew 4.2% year-on-year, reaching an all-time high of €138bn, with growth recorded in the majority of national markets.

The three largest motor insurance markets, Germany (+4.0%), France (+2.7%) and the UK (+8.3%) accounted for almost 50% of total motor premiums and 57% of the total increase in motor premiums in 2017. All three markets recorded negative growth rates when hit by the economic crisis between 2008 and 2009 but started to show signs of improvement in 2010. Since then, the German and French motor markets have seen continuous expansion while the UK market, after a slump in 2013 and 2014, rebounded in 2015 and also performed strongly in 2016 and 2017.

In the fourth largest motor market, Italy, motor premiums registered a 0.8% decline in 2017, albeit less than the 3.1% decline in 2016. The small drop in 2017 reflected the combination of MTPL premiums decreasing by 2.7% and damage premiums increasing by 6.6%.

The ongoing shrinkage of the Italian motor market overall (-23.1% between 2008 and 2017) is to some extent the consequence of the economic recession. The introduction of in-vehicle telematics, or "black boxes", has led to a reduction in the number of accidents and helped to reduce the risk of uninsured driving and the number of fraudulent motor claims. In turn, this has led to a reduction in average motor premiums. Tough competition and a reduction in compensation for minor bodily injuries has also affected motor premiums.

In the Czech Republic, MTPL and damage insurance grew 4.1% and 8.4% respectively in 2017. Although MTPL premiums have grown continuously over the last few years, the increase is still insufficient to improve underwriting results, since the number of insured vehicles has also grown considerably over the same period.

In Finland, a new traffic insurance act introduced at the beginning of 2017 has had an impact on motor premiums, which fell 5.5%. The new act permits more flexibility in pricing motor premiums and results in strong price competition. New products enabled by digitalisation, such as those involving connected in-vehicle devices, fuelled price competition further.

In Spain, in 2017, MTPL insurance continued to recover from the economic recession of a few years earlier both in terms of written premiums and profitability, with motor premiums increasing by 3.8%. Growth in the number of insured vehicles also contributed to this increase in motor premiums.

In Poland, MTPL premiums were raised to compensate for the negative underwriting results accumulated before 2016. Total motor premiums in 2017 rose 23.2%. The rapid expansion of motor insurance in recent years has made Poland the sixth largest motor insurance market in Europe.

Claims paid

European motor insurers paid €99bn in claims in 2017, 1% more than in 2016 and 6.5% more than a decade earlier.

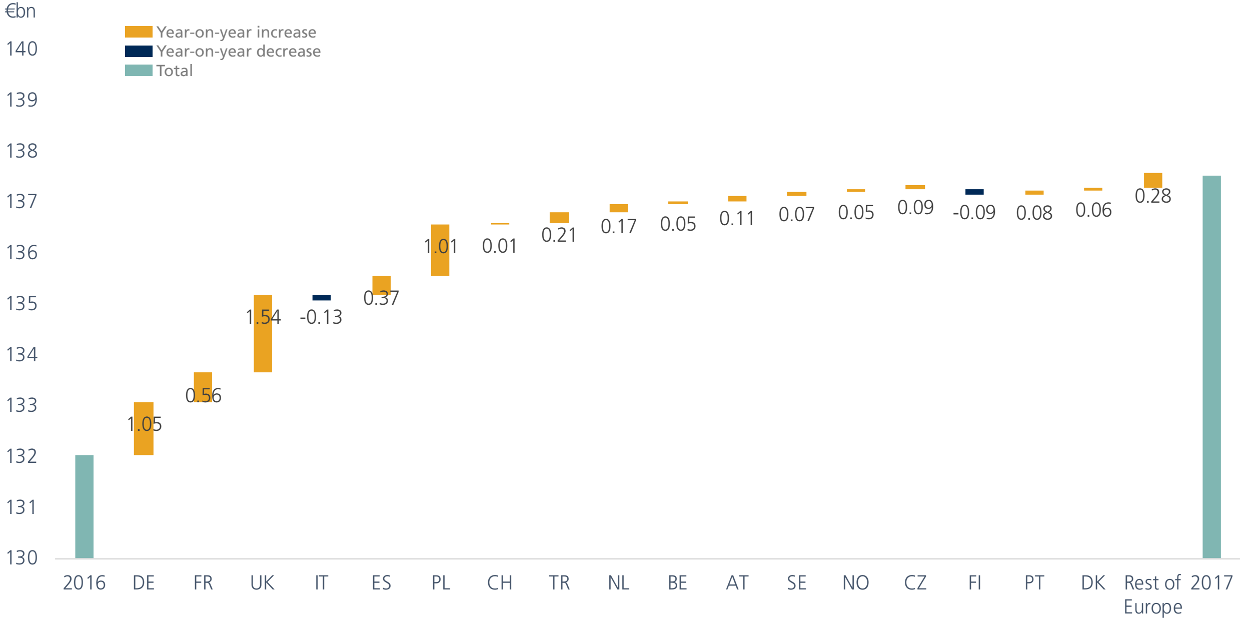
Of all motor claims paid in Europe, almost 67% were in the four largest markets in 2017: Germany, France, the UK and Italy.

In the UK, claims paid decreased by 9.7% as a result of a change in the methodology for calculating bodily injury claims. In Germany and in France, motor claims paid increased by 3.9% and 3.5% respectively, while in Italy they decreased 0.7%.

European motor insurers paid €99bn in claims in 2017

European motor insurance premiums grew to €138bn in 2017

Chart 24: Year-on-year difference in premiums by country (€bn)[6]



6 Countries in descending order of motor insurance market size

Chart 25: Motor claims paid — 2008–2017 (€bn)

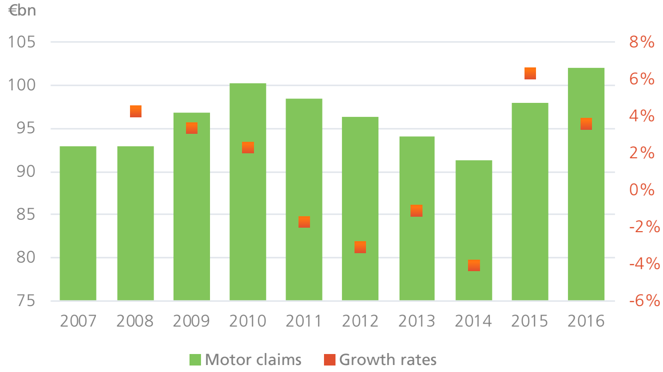
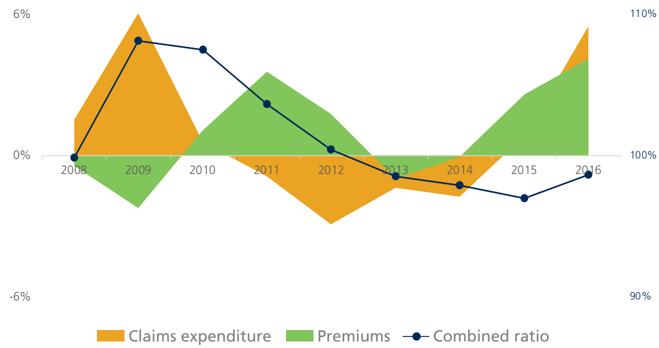


Chart 26: Combined ratio vs growth rates of premiums and claims expenditure —2008–2016[7]



Combined ratio

The economic crisis rendered the motor insurance sector in Europe barely profitable in 2009 and 2010. The combined ratio reached 108% in 2009 but began to improve from 2011. Between 2011 and 2015, the combined ratio continued to recover due to an upturn in premiums and a downturn in claims, dropping from 103.6% to 96.9%. In 2016, it rose slightly again to 98.6%.

Density and penetration

An average of €223 was spent on motor insurance in Europe in 2016, a 3.5% increase on the year before. Motor insurance penetration was 0.83% of GDP in 2016, up by 0.03 percentage points on 2015.

7 Growth rates of premiums and claims are different from Charts 23 and 25 due to differences in reporting countries. See p52 for more details.

1.4.2 Property insurance

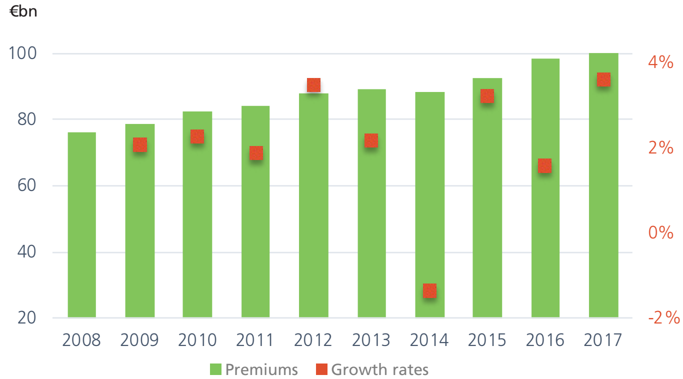
Property insurance includes a variety of policies that protect against risks to property such as fire, theft and some types of weather damage.

European property insurance premiums grew to a record €100bn in 2017

Table 6: Property insurance overview — 2016–2017

	2016	2017	Growth rate
Premiums	€99bn	€100bn	3.6%
Claims paid	€56bn	€63bn	13.9%
Density	€163	€168	3.2%
Penetration	0.59%	0.60%	0.01 p.p.

Chart 27: Property premiums — 2008–2017 (€bn)



Premiums

In 2017, property premiums grew 3.6% to reach a record high of €100bn. The four biggest property markets, accounting for 66% of total property premiums, all experienced growth in 2017 — the UK up 6.8%, Germany 3.8%, France 1.8% and Spain 1.7%.

Solid growth was observed in some smaller European markets, including Turkey (+21.3%), Latvia (+13.8%) and Poland (+12.5%). Property premiums fell in Cyprus (-8.6%), Greece (-3.5%) and Finland (-2%).

Claims paid

€63bn in property claims was paid by insurers in 2017, 13.9% or €8bn more than in 2016. The four largest property markets in Europe — the UK, Germany, France and Spain — paid out 73% of all European property claims in 2017.

Natural catastrophes in Europe – 2017

2017 was a record-breaking year for global natural catastrophes. Europe accounted for 15% of global natcat events and 8% of insured losses. Around $12bn (€14bn) was estimated to be paid by European insurers to cover damages caused by natural catastrophes[8] — an amount significantly higher than in previous years in affected countries.

In Italy, insurers paid 14.3% or €400m more in claims than in 2016 after earthquakes in central Italy.

In Portugal, 17.9% or €64m more was paid out by insurers than the previous year, mainly due to wildfires.

In northwest Turkey, floods caused by heavy rainfall in mid-July led to anticipated insured losses of TRY 116m (€19m)[9] and hailstorms later in the month led to insured losses of around TRY 1.2bn[10].

Hurricane Irma in September 2017, one of the most destructive storms in Caribbean history, severely destroyed the French Caribbean islands and cost French insurers around €2bn.

In Greece, infrastructure and properties were damaged by floods in November 2017. In Katerini, for example, railways and 100 houses were affected[11].

In the UK and Ireland, insured losses caused by Hurricane Ophelia were estimated at €60m[11]. UK (re)insurers also covered a considerable amount of global natcat losses, especially those from the north Atlantic hurricanes Harvey, Irma and Maria.

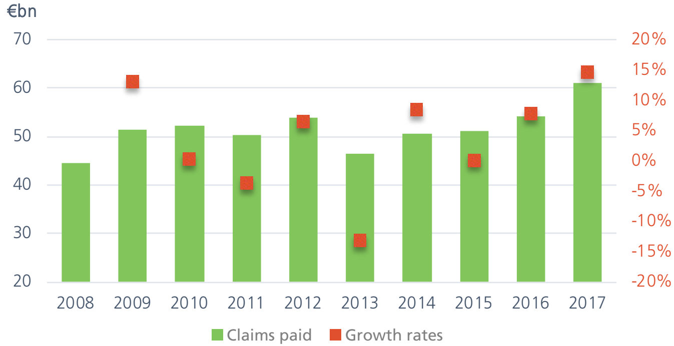
Property claims also rose significantly in central Europe because of storms in autumn 2017: in Austria by 14.1%, in the Czech Republic by 18.0% and in Hungary by 30.5%.

8 "Natural catastrophes and man-made disasters in 2017: a year of record-breaking losses", Swiss Re, February 2018
9 "Summary of natural catastrophe events 2017", Willis Re, February 2018
10 "Turkey: storms cause estimated insurance loss of > US$440 mln", Asia Insurance Review, 10 August 2017
11 "EUR 49m for Ireland, GBP 10m for UK — Insured Market Loss for Ex-Hurricane Ophelia", PERILS loss announcement, 27 November 2017

The average spent per capita on property insurance in Europe in 2017 was €168

European property insurers paid €63bn in claims in 2017

Chart 28: Property claims paid — 2008–2017 (€bn)



Density and penetration

In 2017, €168 per capita was spent on property insurance, €5 more than in 2016. Property insurance penetration grew to 0.60%, up by 0.01 of a percentage point from the year before.

1.4.3 General liability and accident insurance

After four years of annual average growth of 3.3% between 2012 and 2015, general liability premiums decreased by 5.8% in 2016. In Germany, premiums grew 1.9% and they rose 0.7% in Italy, while in France they fell 0.9%. Total claims paid for general liability insurance fell 2.5% to €21bn in 2016.

Accident insurance — which provides financial help to an insured in the event of a serious accident or injury, or to their beneficiaries in the event of a fatal accident — grew 0.9% in 2016 to reach €35bn. France, the largest market in accident insurance in Europe, recorded a 3.3% increase in accident premiums in 2016. Germany and Italy, the two other largest markets, reported 1.3% and 1.6% growth respectively.

Claims paid for accident insurance grew 1.0% in 2016, reaching €22bn. Claims in this sector have been on the rise throughout the past decade at an average rate of 3.4% a year.

2. Insurers' investment portfolio

€10 226bn

Total value of insurers' investment portfolio

64%

Ratio of the investment portfolio to EU GDP

43%

of insurers' assets are government and corporate bonds

2.1 Evolution of the portfolio[12]

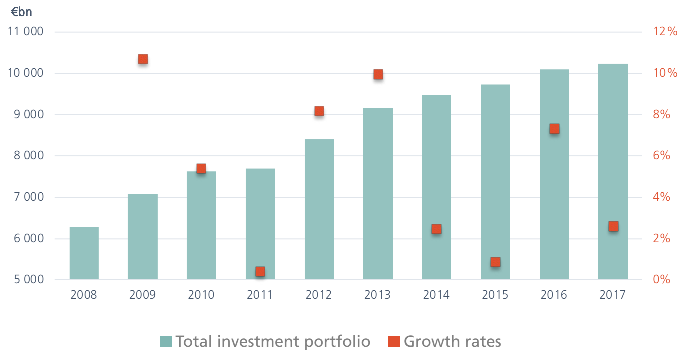
Investments are a key component of the insurance business model, in which premiums paid to insurers are invested until liabilities fall due. There are a number of elements that play a role in insurers' investment decision-making. The profile of insurers' liabilities is a key driver of their asset allocation. For example, the liquidity profile and the duration of liabilities, as well as the presence of guarantees in products, are key in determining the appropriate assets.

In addition, capital requirements for investment assets (as defined by Solvency II) can play a role in investment decision-making, in particular in cases where their calibration does not reflect the actual risks that insurers are exposed to when investing. Specifically, higher than justified capital requirements for particular assets will create a disincentive for insurers to invest in those assets.

The insurance industry is the largest institutional investor in Europe, making it an important provider of the investment needed for economic growth. Since most of insurers' assets back long-term liabilities, they tend to invest long-term. How their investment portfolio evolves is therefore closely linked to a range of (macro-) economic factors and developments in financial markets.

12 Portfolio is defined as: investments + assets held for index-linked & unit-linked funds + loans & mortgages

Chart 29: Insurers' investment portfolio — 2008–2017 (€bn)



(Macro-)economic developments — and a range of other factors such as monetary policy rates — can affect the levels of premiums insurers receive to invest, while developments in financial markets directly affect the performance of their assets.

The total investment portfolio managed by insurers in Europe grew by 1.2% in 2017 to €10 226bn, driven by an increase in the portfolios managed by insurers in France (+3.3%), the UK (+3.5%), Italy (+5.1%) and Switzerland (+1.2%).

The total investment portfolio grew 1.2% in 2017 to €10 226bn

2.2 Impact of financial market performance on insurers' portfolios

In 2017, financial markets performed positively in response to a number of important political events and macroeconomic indicators in Europe. GDP, driven by investment and household consumption, grew above 2% in a number of European countries and the overall confidence levels of businesses and consumers in Europe rose.

The equity markets were significantly less volatile than in 2016 and reported positive results in 2017. The Euro Stoxx 50 index in the eurozone recorded a positive performance of 6.5%. Other key European stock markets also posted significant gains: the UK FTSE 100 increased 7.6%, the German DAX by 12.5%, Italy's FTSE MIB by 14% and France's CAC 40 by 9.2%.

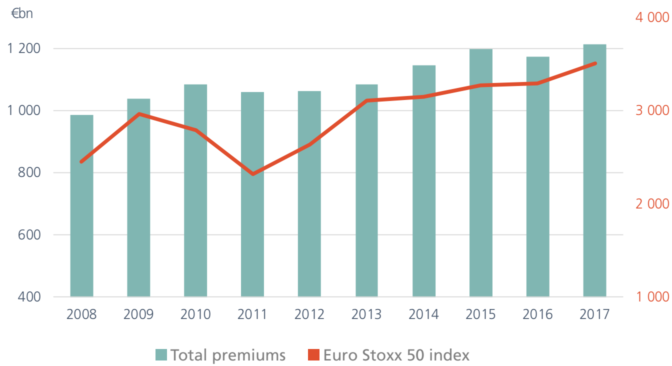
Overall, government bond yields saw slight increases compared to December 2016, leading to a decrease in bond prices:

- the 10-year German Bund yield increased by 22 bps to 0.43%
- the 10-year French government bond yield increased by 10 bps to 0.78%
- the 10-year Belgian government bond yield increased by 10 bps to 0.64%

Similar upward trends were observed in Italy (+18 bps to 2%) and Spain (+18 bps to 1.57%). In contrast, yields decreased in Portugal (-183 bps to 1.93%), Greece (-300 bps to 4.12%) and Ireland (-9 bps to 0.68%).

The annual growth in insurers' total investment portfolio can be explained by the general increase in total premiums in Europe and by the overall positive performance of stock markets, which counterbalanced the decreases in bond prices. Moreover, the current low interest rates and the overall positive economic environment have led insurers to moderately increase their exposure to investments that could fulfil their diversification objectives and book higher returns in 2017.

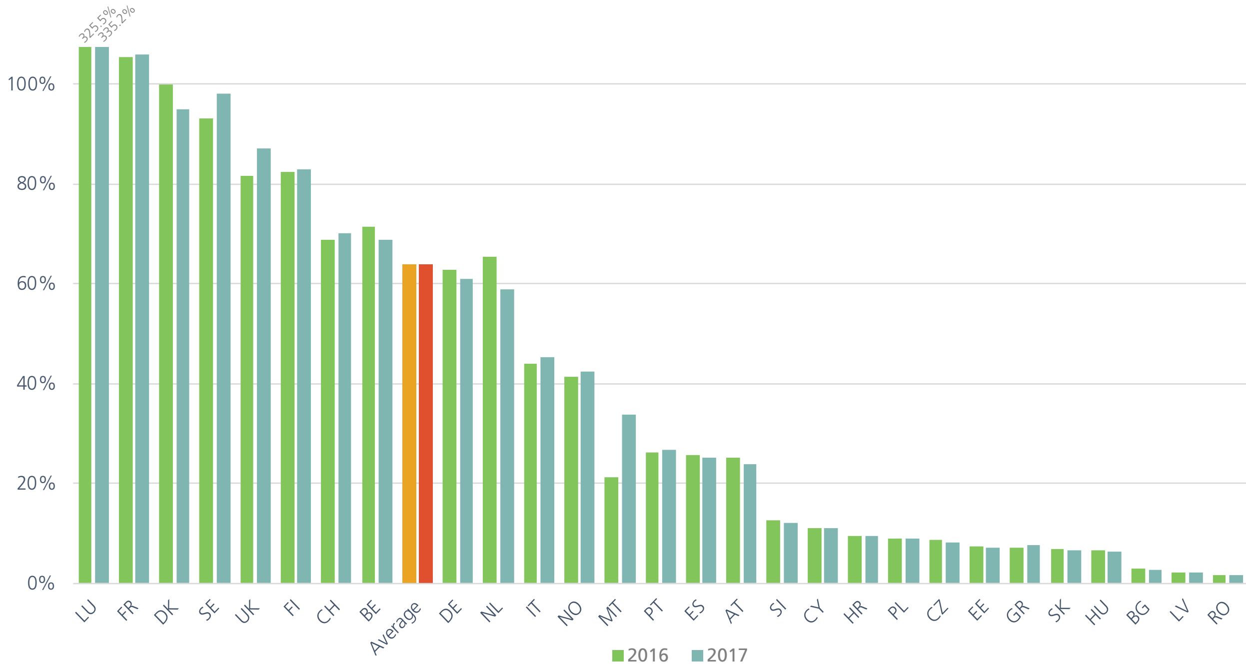
Chart 30: Premiums provide a stable source of funding



The increase in total premiums contributed to a larger asset base for investments, especially in the UK, France, Germany and central and eastern Europe. For example, the 3.3% increase in French insurers' portfolio against stable premiums can be explained by the growth in premiums (+1.4% in 2017) as well as the positive performance of the equity markets.

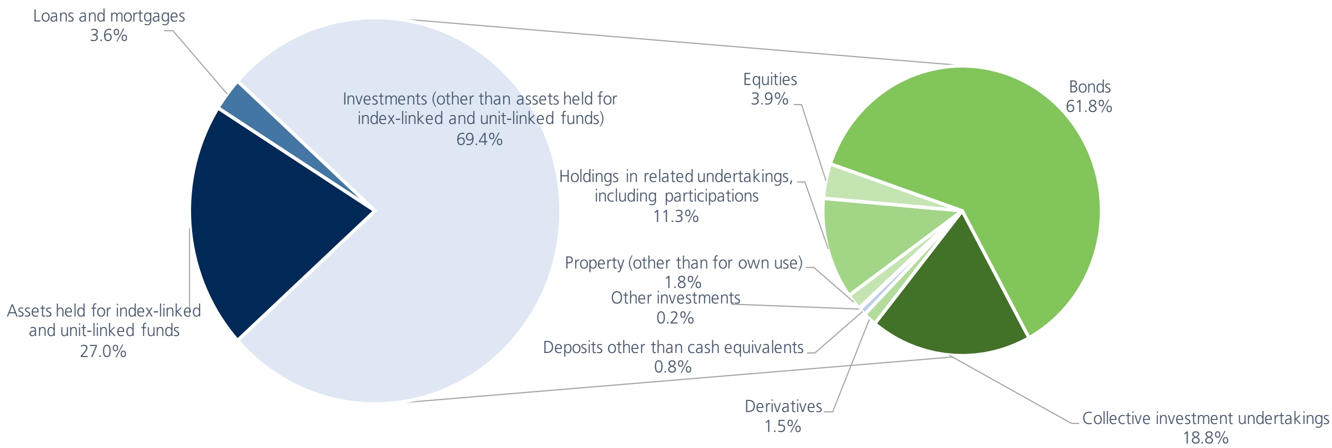
European insurers' investment portfolio has been largely stable over the last few years and was equivalent to 64% of the EU's GDP in 2017.

Chart 31: Insurers' investment portfolio as % of GDP — 2016–2017



The strategic asset allocations of insurers' portfolios did not change significantly in 2017 compared with the previous year. Insurers continued to invest predominantly in debt-like products, notably government and corporate bonds.

Chart 32: Structure of insurers' investment portfolio — 2017



Source: EIOPA Solvency II Solo Annual Balance Sheet Report

3. Market structure

3 400

insurance companies

950 000

direct employees

Distribution structures across EU markets are diverse, adapted to consumers' needs and constantly evolving

3.1 Companies and employees

Companies

Consolidation dominated the insurance industry in 2017, with most countries seeing a decrease in the number of companies. The biggest year-on-year changes were observed in Bulgaria (-21.4% or 9 companies fewer), Latvia (-14.3% or 1 company fewer), Italy (-8.0% or 9 companies fewer) and the Netherlands (-6.0% or 10 companies fewer). For some markets, this trend has been underway for longer than others. In Italy, for example, the number of companies has decreased every year since 2009 and in the Netherlands the decrease has been underway since 2007.

Over 3 400 insurance companies were active in Europe in 2017, a decline of 2.5% on the previous year. This figure refers to the number of domestic companies and branches of non-EU/EEA (European Economic Area) country companies.

Germany was the market with the highest number of companies in 2017 (528), down 1.1% (or 6 fewer) on 2016. In the UK, the second highest, the number of companies decreased for the fifth consecutive year in 2017 to 436 companies. The next two countries — France and Sweden — also experienced a decrease in their company numbers, by 2.2% (or 6 fewer) and 1.9% (or 6 fewer) respectively.

Table 7: Top 15 European companies by gross written premium — 2017 (€m)

	Group	Country	Gross written premiums (€m)
1	Axa	France	92 050
2	Allianz	Germany	77 345
3	Generali	Italy	68 537
4	Zurich	Switzerland	50 236
5	Prudential	UK	41 391
6	Talanx	Germany	33 060
7	CNP	France	32 077
8	Aviva	UK	31 515
9	Crédit Agricole Assurances	France	30 426
10	Mapfre	Spain	23 481
11	Aegon	Netherlands	22 826
12	BNP Paribas Cardif	France	22 188
13	Poste Vita	Italy	20 405
14	Ergo	Germany	17 546
15	Covéa	France	16 474

Source: "2017 Ranking of the largest European insurance groups", MAPFRE Economic Research, July 2018

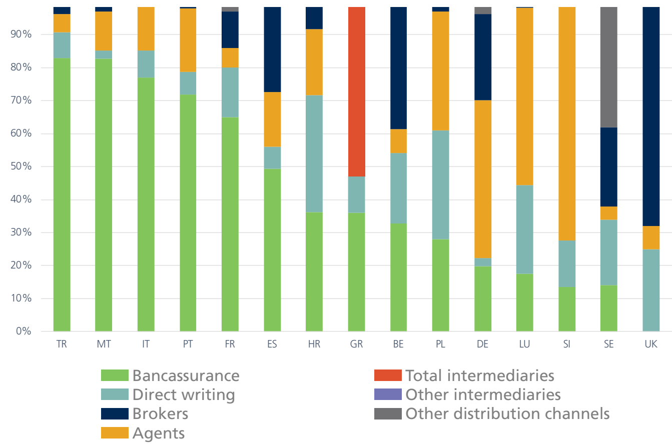
Employment

In 2017, there were more than 950 000 employees in the European insurance sector, a slight decrease of 0.9% on 2016. At national level, the most significant increases in employment levels were in Austria (+7.6%) and Greece (+7.7%), while the biggest reductions were in Denmark (-15.3%) and the Czech Republic (-7.2%).

3.2 Distribution channels

Insurance is sold either directly by insurers or through several different channels, the most common of which are brokers, agents and bancassurance. The popularity of each channel varies depending on both the market and the insurance product. This diversity of channels, which makes it possible for insurers to adjust to differing cultures, needs and preferences in different markets, is in the interest of consumers.

Chart 33: Life distribution channels (% of GWP) — 2016



Life insurance

Among the largest life insurance markets, most products were sold via bancassurance in Italy (77% of gross written premiums in 2016), France (65%) and Spain (49%), while in the UK most life products were sold by agents and brokers (68%).

The other European markets in which bancassurance was most dominant were Malta and Turkey (83% each) and Portugal (72%).

Agents alone were the main distribution channel in Slovenia (72%), Luxembourg (54%) and Germany (48%).

Bancassurance is the main life distribution channel in Europe

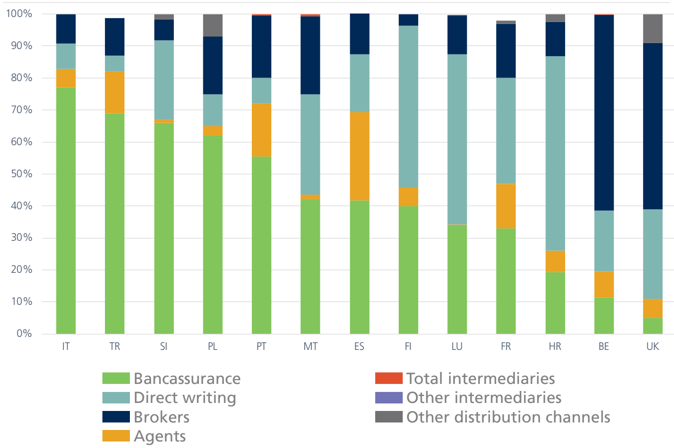
Non-life insurance

In both large and small markets, non-life insurance policies are mainly distributed through agents and brokers.

Agents predominate in Italy (77%), Turkey (69%), Slovenia (66%), Poland (62%) and Portugal (55%). Meanwhile, brokers account for 61% of non-life premiums in Belgium and 52% in the UK.

In contrast, Croatia had the largest proportion of non-life products sold directly (61%), followed by Finland (51%) and France (33% each).

Chart 34: Non-life distribution channels (% of GWP) — 2016



Non-life insurance policies are mainly distributed through agents and brokers in Europe

Developments in distribution

Advances in distribution are driven by changes in consumer needs and preferences, as well as by regulatory and technological developments.

On the regulatory side, recent EU legislation — such as the Insurance Distribution Directive and the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation — is likely to have an impact on existing distribution structures, as are regulatory developments in individual EU countries.

Technological advances are significantly changing consumers' expectations of insurance and will have an impact on the market structure. Consumers are embracing innovation in financial services; they want new products and services that respond to their needs and the added convenience of interacting with their insurers when, how and where they want.

Likewise, the digital environment enables both established companies and insurtech start-ups to bring new products and services to the market much faster and to better meet consumers' emerging needs.

Alternative communication channels, such as social media, make choosing or buying insurance more efficient. No longer an annual transaction, the consumer/insurer relationship in the digital age is more of a day-to-day experience.

It is crucial that the EU regulatory framework remains conducive to innovation and allows consumers, established companies and new market entrants/start-ups to benefit from the opportunities that digitalisation can offer. Regulation and supervision should therefore be activity-based to ensure that consumers are effectively and equally protected whether they purchase their insurance products from established insurers or from new market entrants.

Reporting countries

Chapter	Indicator	Missing countries	Sample size
1.1 Overview			
Table 1	Life premiums	IE, IS	98.7%
	Health premiums	IE, IS, LI	98.7%
	P&C premiums	IE, IS, LI	98.7%
	Motor premiums	IE, IS, LI	98.7%
	Property premiums	IE, IS, LI	98.7%
	General liability premiums	IE, IS, LI	98.7%
	Accident premiums	BG, IE, IS, LI, SK	98.4%
	Total premiums	IE, IS	98.7%
Table 2	Life benefits paid	IE, IS, LI, RO	98.5%
	Health claims paid	GR, IE, IS, LI, RO	98.2%
	P&C claims paid	GR, IE, IS, LI	98.4%
	Motor claims paid	GR, IE, IS, LI	98.4%
	Property claims paid	GR, IE, IS, LI	98.4%
	General liability claims paid	GR, IE, IS, LI, RO	98.2%
	Accident claims paid	BG, GR, IE, IS, LI, RO, SK	98.0%
	Total claims paid	IE, IS, LI	98.7%

Chapter	Indicator	Missing countries	Sample size
1.2 Life insurance			
Chart 6	Life premiums (10-year sample)	IE, IS	98.7%
Chart 9	Life benefits paid (10-year sample)	IE, IS, LI, RO	98.5%
1.3 Health insurance			
Chart 12	Health premiums (10-year sample)	IE, IS, LI	98.7%
Chart 13	Health claims paid (10-year sample)	DK, FI, GR, IE, IS, LI, NO, RO	92.6%
1.4 P&C insurance			
Chart 16	P&C premiums (10-year sample)	IE, IS, LI	98.7%
	Motor premiums (10-year sample)	IE, IS, LI	98.7%
	Property premiums (10-year sample)	IE, IS, LI	98.7%
	Accident premiums (10-year sample)	BG, CY, IE, IS, LI, SE, SK	95.6%
	General liability premiums (10-year sample)	IE, IS, LI	98.7%
Chart 20	P&C claims paid (10-year sample)	GR, IE, IS, LI	99.78%
	Motor claims paid (10-year sample)	GR, IE, IS, LI	99.96%
	Property claims paid (10-year sample)	DK, GR, IE, IS, LI	78.61%

Chapter	Indicator	Missing countries	Sample size
	General liability claims paid (10-year sample)	DK, GR, IE, IS, LI, NO, RO	76.76%
	Accident claims paid (10-year sample)	BG, CY, CZ, DK, GR, IE, IS, LI, RO, SK	92.35%
Chart 26	Motor combined ratio	IE, IS, LI, LU, LV, MT, NO, RO, SE, SI, SK	79.9%
2.1 Evolution of the portfolio			
Chart 29	Insurers' investment portfolio (10-year sample)	IE, IS	98.7%
3.1 Companies & employees			
	Number of insurance companies	IS	99.9%
	Number of employees	BG, EE, IS, LV, MT, NO, PL	97.4%

Notes

1. European insurance in 2017

Total premiums in domestic market

- For CH, figures for life business include private insurers’ pension products but no occupational pension funds; figures for health business include supplementary insurance only, and no compulsory health insurance
- For DE, figures include “Pensionskassen” and pension funds, and are for the total market
- For ES, figures are for the total market
- For GR, 2016 and 2017 figures are not comparable with previous years because lines of business are now classified according to the Solvency II Directive
- For HU, PT, SK and UK, figures for 2016 and 2017 are based on Solvency II templates

Total claims and benefits paid in domestic market

- For CH, figures for life business include private insurers’ pension products but no occupational pension funds; figures for health business include supplementary insurance only, and no compulsory health insurance
- For DE, life benefits paid include “Pensionskassen” and pension funds. P&C claims paid are gross claims expenditure (ie claims paid plus provision for claims). Figures are for the total market
- For DK, figures are domestic market plus cross-border business of national enterprises
- For HU, PT, SK and UK, figures for 2016 and 2017 are based on Solvency II templates
- For NO, P&C claims paid are gross claims expenditure reported (ie claims paid plus provision for claims)
- For SE, 2016 figures are used for 2017

Life benefits paid in domestic market

- For CH, figures for life business include private insurers' pension products but no occupational pension funds
- For DE, figures include "Pensionskassen" and pension funds, and are for the total market
- For DK, figures are domestic market plus cross-border business of national enterprises
- For HU, PT, SK and UK, figures for 2016 and 2017 are based on Solvency II templates
- For LU and SE, 2016 figures are used for 2017

Health claims paid in domestic market

- For CH, figures for health business include supplementary insurance only, and no compulsory health insurance
- For DE, figures are for the total market
- For DK, figures are domestic market plus cross-border business of national enterprises
- For GR, 2016 figures are not comparable with previous years because lines of business are now classified according to the Solvency II Directive
- For HU, PT, SK and UK, figures for 2016 and 2017 are based on Solvency II templates
- For SE, 2016 figures are used for 2017

P&C claims paid in domestic market

- For DE, gross claims expenditure is reported (ie claims paid plus provision for claims) and figures are for the total market
- For DK, figures are domestic market plus cross-border business of national enterprises
- For GR, claims paid in 2017 are not available
- For HU, PT, SK and UK, figures for 2016 and 2017 are based on Solvency II templates
- For NO, gross claims expenditure is reported (ie claims paid plus provision for claims)
- For SE, 2016 figures are used for 2017

2. Insurers' investment portfolio

Total investment portfolio in domestic market

- For BE, investment portfolio data is for the domestic market, including foreign activity of domestic companies
- For DE, figures are for the total market and the reinsurance part of the portfolio in 2016 is an estimate
- For GR, LU, RO and SE, 2016 figures are used for 2017
- For HU, PT, SK and UK, figures for 2016 and 2017 are based on Solvency II templates

3. Market structure

Number of companies

- For BE, IE and PL, 2016 figures are used for 2017
- For DE, figures are for companies under federal supervision (including reinsurers, "Pensionskassen", funeral expenses funds and non-EEA branches) and exclude companies under Land supervision and pension funds
- For NL, figures refer to licenced companies (active and not active) under Dutch supervision and exclude funeral-in-kind insurers

Number of direct employees

- For ES, HU, IE, and SE, 2016 figures are used for 2017
- For DE, figures refer to employees subject to social security contributions in primary insurance and reinsurance companies and insurance intermediation firms as at 30 June of the respective year
- For SK, figures are for the 14 SLASPO member companies, not the full domestic market (16 companies)

Life distribution channel

- For DE, SE and UK, life distribution channels are new business only

European Insurance in Figures and its dataset are available on the Insurance Europe website: www.insuranceeurope.eu

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