



## European Insurance in Figures

2014 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 almost €1 170bn, employ a little under one million people and invest nearly €9 600bn in the economy.

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## **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. For non-eurozone countries, it is then converted into euros at the end-of-period exchange rate of each year, as published by Eurostat.

Growth rates are calculated in nominal term but at constant exchange rates (2014) in order to remove the impact of variations in exchange rates on the growth rate calculation. Year-on-year changes have been calculated in nominal terms at constant exchange rates and for comparable samples (ie by subtracting from the total amount countries for which there is no information for the previous or following year). The list of countries included in each sample can be found on p33.

Unless otherwise stated, premiums are gross written premiums (direct business) on home territory underwritten by domestic companies.

A full data set is available on the Insurance Europe website.

## Foreword

Insurance underpins every aspect of life and business in developed economies and in 2014 Europe's insurance industry was the largest in the world, with a 36% share of the global market. As this edition of "European Insurance in Figures" shows, European insurers generated total premium income of €1 167bn. They were also the region's largest institutional investors, with €9 574bn invested in the economy.

The global life insurance sector returned to growth in 2014, while the non-life sector remained stable. Insurers achieved their results in a difficult global economic environment that improved only marginally compared to the previous year. And in Europe, despite the challenging environment, insurers paid out a total of €949bn in claims and benefits in 2014, or €2.6bn every day.

The size and importance of the European insurance industry is shown clearly in this report, which includes data on insurers' life, health and non-life premiums, benefits and claims paid and portfolios, as well as market structure information. There is also a separate, more extensive dataset available on our website, [www.insuranceeurope.eu](http://www.insuranceeurope.eu).

Economies need an innovative and well-functioning insurance industry capable of responding to changing consumer demands,

since insurance is essential to provide individuals and businesses with the confidence they need to engage in their daily activities. It also provides the long-term investments that stimulate growth and create stability.

To remain vibrant and responsive, our sector requires a robust and workable regulatory framework. That framework must, of course, protect policyholders. It must also allow insurers to provide the products and services those policyholders need and to make the investments that benefit the European economy as a whole.



A handwritten signature in black ink, appearing to read 'Michaela Koller'.

**Michaela Koller**  
Director General

## Economic environment

The macroeconomic environment for European insurers improved only marginally in 2014. The European economy returned to modest growth, with the real gross domestic product (GDP) of the 28 European Union (EU) member states increasing by 1.2%<sup>1</sup>, after zero growth in 2013. This small revival in the EU helped the global economy to slightly faster growth in 2014, offsetting slowdowns in China and Japan.

Growth in the EU was, however, uneven. The real GDP growth in the UK was the highest among the world's advanced economies. The economies of Germany, Spain, the Netherlands and Belgium also grew, albeit more slowly, but momentum in France was slower and Italy remained in recession.

As EU countries continued their efforts to rebalance their budgets through increased taxes, lower public spending or both, the overall ratio of deficit to GDP in the EU fell slightly from 3.3% to 3%<sup>1</sup>. The ratio of government debt to GDP remained high, however, rising from 85.5% to 86.8%<sup>1</sup>.

After appreciating in 2013, the euro fell against the dollar in 2014, going from a high of \$1.36 to finish the year at \$1.25, helping the EU's export market.

The European Central Bank's monetary policy continued to be driven by a desire to stimulate the eurozone's sluggish economies. Its key interest rates sank even lower in 2014, as it reduced the reference rate for refinancing operations — which provide the bulk of liquidity to the banking system — from 0.25% at the start of the year to 0.05% in September. The marginal lending facility rate, at which overnight credit is offered to banks, started the year at 0.75% and ended at 0.3%, while the rate on the deposit facility that banks use to make overnight deposits with the eurosystem started at 0% and fell to -0.2%.

Having reached historic lows in 2013, European interest rates therefore dropped still further in 2014, while inflation started below 1% and continued to fall throughout the year. Meanwhile, unemployment fell in the EU from a record high of 10.9% in early 2013 to 9.9% by the end of 2014, although this overall drop masked a rise in six member states.

In the financial markets, equity markets remained broadly stable. The Euro Stoxx 50 index of the 50 most important shares in eurozone countries grew just 1.2%, after a significant increase of 18% a year earlier.

Overall, the combination of sluggish growth, low interest rates and stable financial markets created an environment that — while improving — remained unfavourable for insurers.

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<sup>1</sup> Source: Eurostat

# European insurance in 2014

€1 167bn

Total gross written premiums

€950bn

Total benefits and claims paid

€1 964

Average spent per capita on  
insurance



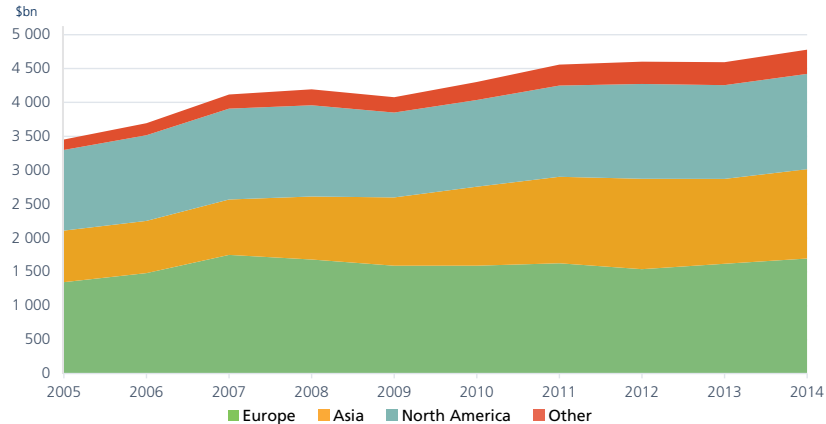
# 1. Overview

## Premiums

Total gross written premiums amounted to €1 167bn in Europe in 2014, growing 3.4% over 2013. Overall, premiums grew 19% between 2005 and 2014.

Globally<sup>2</sup>, after a year of stagnation in 2013, premiums grew 4.0% in 2014, reaching \$4 780bn (€3 936bn). The highest growth rate was in Oceania (11.8%), Asia and Latin America grew 5.2% and 5.3% respectively, while North American markets increased by 2%.

## Worldwide premiums — 2005–2014 (\$bn)<sup>2</sup>

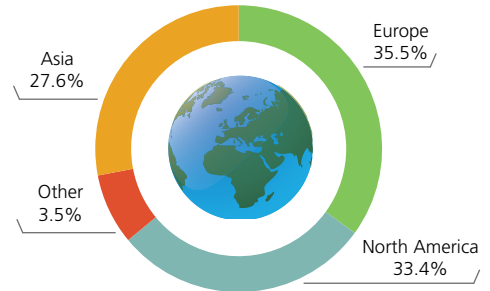


2 Source: Swiss Re Sigma No.4/2015, "World insurance in 2014"

## Premiums and growth (at constant exchange rates) — 2012–2014

	Gross written premiums (€bn)			Nominal growth (%)	
	2012	2013	2014	2012/2013	2013/2014
<b>Life</b>	<b>640</b>	<b>676</b>	<b>713</b>	<b>5.6%</b>	<b>5.4%</b>
<b>Health</b>	<b>114</b>	<b>117</b>	<b>120</b>	<b>3.4%</b>	<b>2.2%</b>
<b>Non-life</b>	<b>327</b>	<b>330</b>	<b>329</b>	<b>0.8%</b>	<b>-0.2%</b>
Motor	131	130	131	-0.4%	0.1%
Property	88	89	91	1.0%	2.0%
General liability	35	32	32	-7.6%	-0.6%
Accident	33	33	34	1.8%	1.7%
Other non-life	41	45	42	10.7%	-6.8%
<b>Total</b>	<b>1 086</b>	<b>1 129</b>	<b>1 167</b>	<b>3.9%</b>	<b>3.4%</b>

## Distribution of worldwide insurance premiums — 2014<sup>2</sup>



## Benefits and claims paid

Total benefits and claims paid to customers by European insurers decreased by 1.7% in 2014 to €950bn, after two years of slight growth. Looking more broadly at the last decade, benefits and claims paid grew substantially: up 43% between 2005 and 2014.

The four largest European economies both in terms of size and population (the UK, France, Germany and Italy) accounted for 67% of benefits and claims paid in 2014. While the amount of claims paid in France and Germany remained stable, it decreased by 4% and 9% in Italy and the UK respectively.

## Density

In 2014, the average per capita spent on insurance in Europe increased €60 on the previous year. In total, €1 964 per capita was spent on insurance: €1 200 on life insurance, €206 on health insurance and €564 on non-life insurance<sup>3</sup>.

<sup>3</sup> The total density differs from the sum of the life, non-life and health densities due to differences in the sample sizes

## Benefits and claims paid and growth (at constant exchange rates) — 2012–2014

	Benefits and claims paid (€bn)			Nominal growth (%)	
	2012	2013	2014	2012/2013	2013/2014
<b>Life</b>	<b>655</b>	<b>640</b>	<b>636</b>	<b>-2.3%</b>	<b>-0.6%</b>
<b>Health</b>	<b>85</b>	<b>96</b>	<b>95</b>	<b>13.3%</b>	<b>-1.8%</b>
<b>Non-life</b>	<b>188</b>	<b>201</b>	<b>188</b>	<b>6.7%</b>	<b>-6.1%</b>
Motor	99	104	99	5.1%	-4.6%
Property	54	58	51	8.9%	-12.3%
Other non-life	35	38	38	7.6%	-0.6%
<b>Total</b>	<b>955</b>	<b>966</b>	<b>949</b>	<b>1.1%</b>	<b>-1.7%</b>

## Density (at constant exchange rates) — 2012–2014 (€)

	2012	2013	2014
<b>Life</b>	<b>1 084</b>	<b>1 141</b>	<b>1 200</b>
<b>Health</b>	<b>196</b>	<b>202</b>	<b>206</b>
<b>Non-life</b>	<b>564</b>	<b>567</b>	<b>564</b>
Motor	222	220	220
Property	150	151	153
General liability	59	54	54
Accident	57	58	59
<b>Total</b>	<b>1 839</b>	<b>1 904</b>	<b>1 964</b>

## Penetration (at constant exchange rates) — 2012–2014 (%)

	2012	2013	2014
<b>Life</b>	<b>4.29</b>	<b>4.50</b>	<b>4.55</b>
<b>Health</b>	<b>0.79</b>	<b>0.80</b>	<b>0.81</b>
<b>Non-life</b>	<b>2.23</b>	<b>2.24</b>	<b>2.14</b>
Motor	0.88	0.87	0.83
Property	0.59	0.59	0.58
General liability	0.23	0.21	0.20
Accident	0.23	0.23	0.23
<b>Total</b>	<b>7.28</b>	<b>7.51</b>	<b>7.44</b>

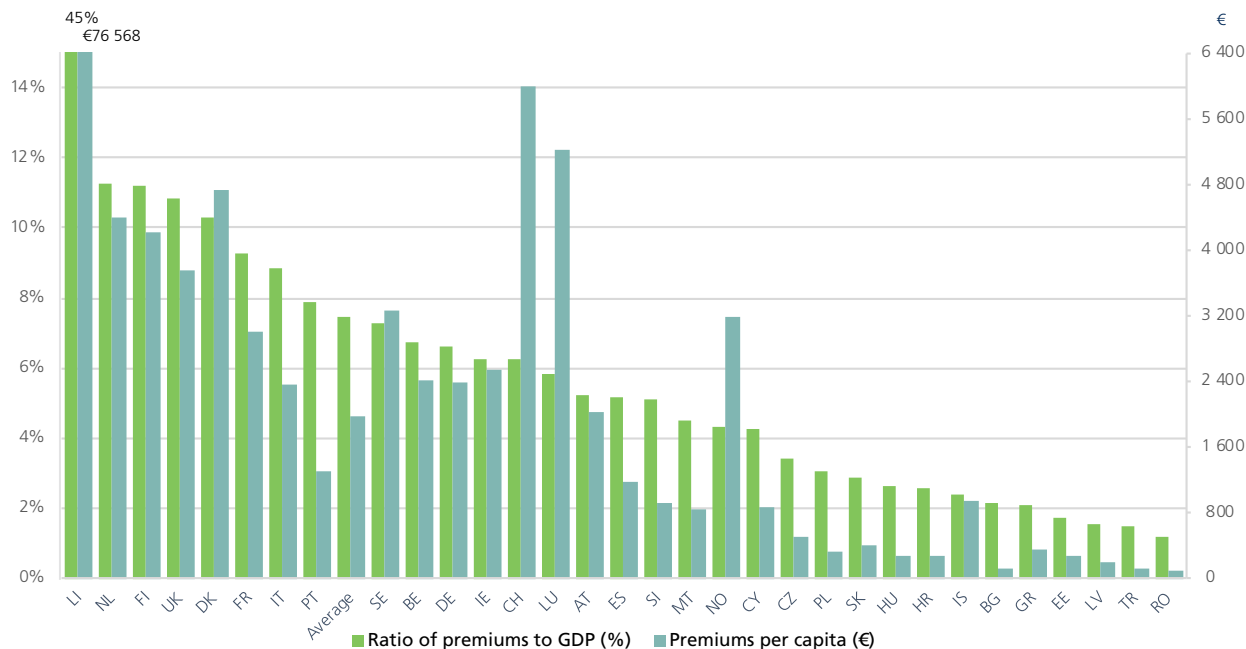


## Penetration

Insurance penetration is a commonly recognised indicator of insurance activity, expressed by gross written premiums as a percentage of GDP. Average insurance penetration in Europe decreased slightly from 7.51% in 2013 to 7.44% in 2014<sup>4</sup>. Non-

life insurance penetration decreased from 2.24% to 2.14% over the same period, while life insurance penetration increased slightly from 4.50% to 4.55%. As the chart below shows, insurance penetration and density can differ significantly between countries.

### Penetration and density by country — 2014



<sup>4</sup> The total penetration differs from the sum of the life, non-life and health penetrations due to differences in the sample sizes

## Premiums

2013	2014
€676bn	€713bn  5.4%

Individual contracts



75%

Group contracts



25%

Traditional life contracts




82%

Unit-linked contracts



18%

## Benefits paid

2013	2014
€640bn	€636bn  0.6%



In 2014 life insurers paid out €1.74bn a day in benefits

## Density

2013	2014
€1 141	€1 200  5.1%



An average of €1 200 was spent on life insurance in Europe in 2014

## Penetration

2013	2014
4.50%	4.55%



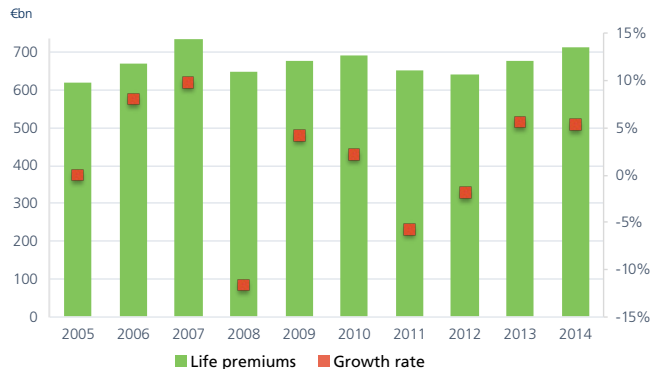
In 2014 average life insurance penetration was 4.55% in Europe

## 2. Life insurance

Despite the prolonged low interest rate environment, the European life insurance industry fared well in 2014, with growth of 5.4% taking premiums to €713bn. Benefits paid remained stable (-0.6%) at €636bn.

The four largest European life insurance markets (the UK, France, Italy and Germany) maintained their dominance, accounting for 71% of total premiums despite a slowdown in their growth compared to 2013 (6.2% in 2014, against 8.1% in 2013).

### Life premiums — 2005–2014 (€bn)



### Life benefits paid — 2005–2014 (€bn)



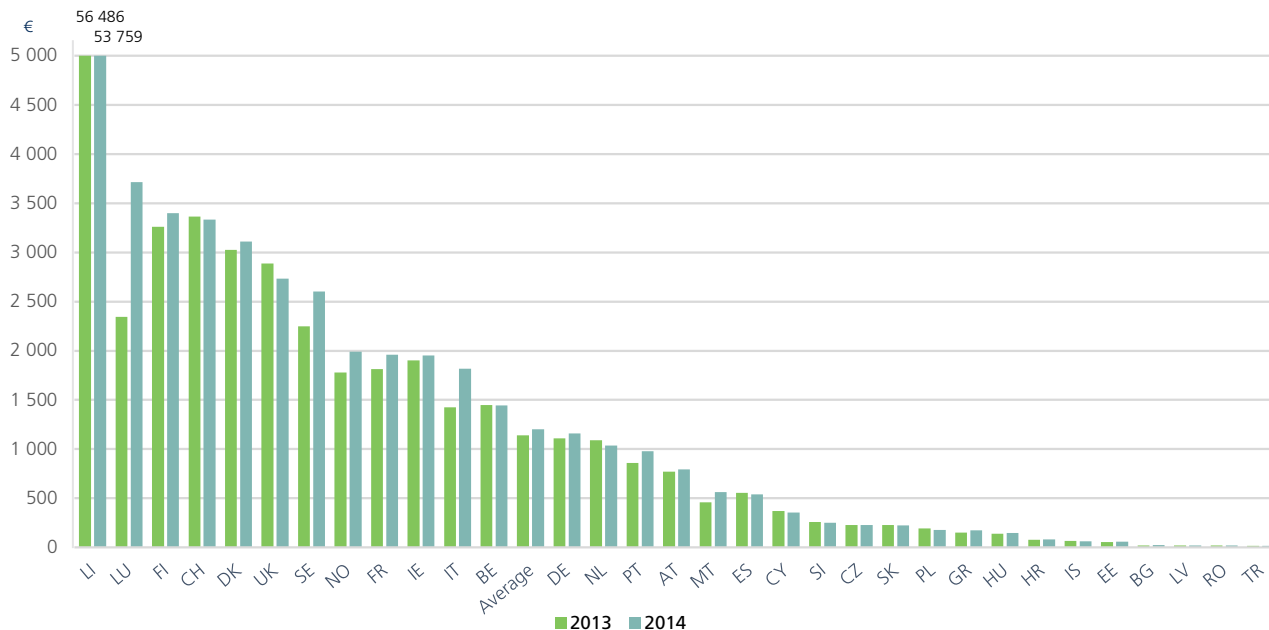
There were, however, big differences between the four largest markets. Growth was mostly driven by Italy (29.9%), which grew even more strongly than in 2013 (22.1%). Italy's growth was the result of higher average returns being offered on life insurance products than on alternative savings products. Another factor was the bancassurance channel, which distributed a wide range of life policies with minimum guarantees.

The UK market, on the other hand, experienced its first decrease (-4.7%) since 2010. Meanwhile, life premium growth accelerated in France in 2014 (8.5% compared to 4.9% in 2013), while in Germany premium growth slowed slightly from

4% in 2013 to 3.1% in 2014. The 3.1% increase in Germany is due to a boost from single premiums (12.9%). The growth in premium income benefited also from the positive economic situation experienced by German households and a decrease in the guaranteed interest rate for newly signed insurance contracts taking effect in 2015.

In smaller markets, particularly positive premium growth was recorded in Malta (24%), Sweden (17%) and Luxembourg (62%). The exceptional growth in Luxembourg was due to some companies, which are traditionally rather active in cross-border life insurance business, collecting a one-off premium in the national market, while Sweden's increase was driven by

### Life premiums per capita by country — 2013–2014 (€)

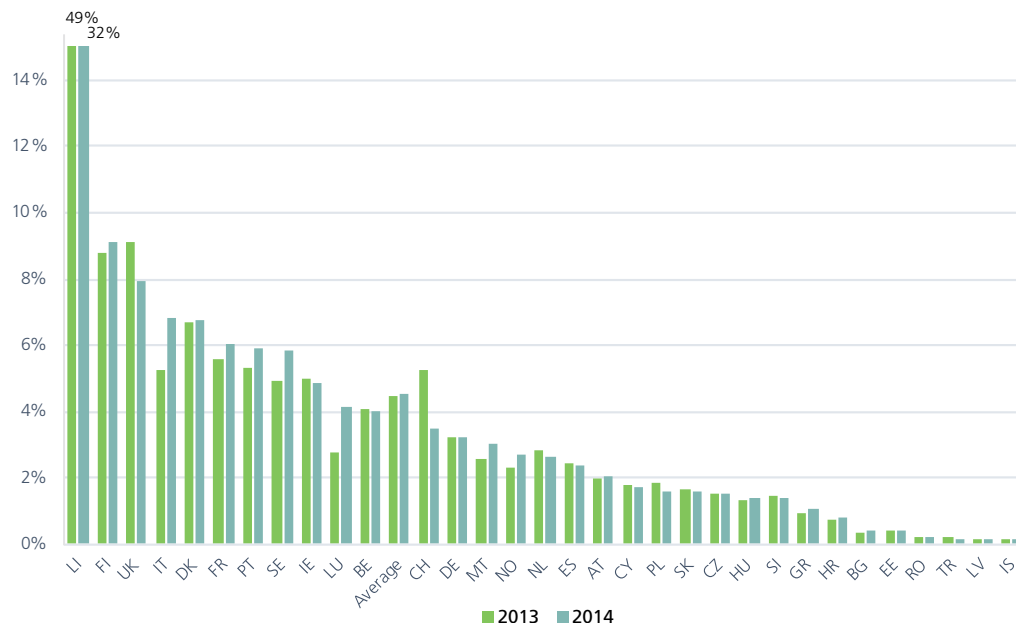


endowment insurance. Life premiums decreased significantly in Poland (-8.3%), albeit less than they had in 2013 (-14.1%) due to the reduced appeal of short-term life products with an investment component, mostly because of changes in their tax treatment. The other markets with the largest decrease in premiums were Cyprus (-4.8%), the Netherlands (-4.4%) and Spain (-2.7%).

An average of €1 200 per capita was spent on life insurance in Europe in 2014; the highest amount since 2008 and a year-on-year increase of 5.1%.

Overall life insurance penetration in Europe remained stable at 4.5%.

### Life premiums as a share of GDP by country — 2013–2014 (%)




### Premiums

2013	2014
€117bn	€120bn  2.2%



Health premiums grew in most markets in 2014


### Benefits paid

2013	2014
€96bn	€95bn  1.8%



In 2014 health insurers paid out €260m a day in benefits

### Density

2013	2014
€202	€206  2.0%



An average of €206 was spent on health insurance in Europe in 2014

### Penetration

2013	2014
0.8%	0.8%



In 2014 average health insurance penetration was 0.8% in Europe

### 3. Health insurance

European health premiums totalled €120bn in 2014, up 2.2% year-on-year. Most markets registered growth, as ageing populations and increasing medical costs drive demand for private health insurance, which provides individuals or groups with cover for the medical costs of illness or accidents. Health insurers also offer other products, such as critical illness cover, and disability or long-term care insurance.

Among the largest markets, the UK recorded the highest growth in premiums, up 9.9% in 2014. France also showed a strong growth rate (4.0%), while Germany (0.8%), the Netherlands (0.3%) and Switzerland (-0.4%) remained fairly stable.

Most Nordic countries performed strongly; Denmark saw premium volumes rise 16.4%, while in Finland the rise was 12.6% and in Norway 6.3%.

In general, the young private healthcare systems developing in parallel with public ones in central and eastern Europe continued to grow strongly. Examples include Bulgaria with 18.9% growth in premium volumes year-on-year, Croatia up 11.6%, Latvia up 10.5% and Turkey up 18.5%. Romania, however, saw a fall of 25.3% due to the special supervisory measures imposed on one of its largest insurers.

Total European health benefits paid amounted to €95bn in 2014. This is a 1.8% decrease on the year before. Over 80% of all European health claims and benefits were paid in the Netherlands (42.0%), Germany (26.0%), France (8.3%) and Switzerland (6.3%).

On average, the amount spent per capita on private health insurance (insurance density) in Europe in 2014 was €206, which is €4 more than in 2013. Health insurance penetration in Europe remained stable at an average of 0.8% over the past four years.

#### National differences

Differences between national health insurance markets can largely be explained by the different roles of health insurance as a result of different health and social security systems. Private health insurance in Europe takes four basic forms:

- **Additional** (complementary and supplementary) insurance is voluntary cover to complete the health insurance needs of the statutory insured
- **Substitute** insurance replaces publicly funded healthcare
- **Duplicate** insurance operates as a private alternative in parallel to the public system (as in the UK and Spain)
- **Mandatory** private health regimes, such as the Dutch and Swiss health systems, include some public aspects and fully private complementary cover

### Premiums

2013	2014
€330bn	€329bn ↓ 0.2%



Germany, the UK, France and Italy accounted for 63.3% of non-life premiums in 2014

### Claims paid

2013	2014
€201bn	€188bn ↓ 6.1%



In 2014 non-life insurers paid out €515m a day in claims

### Density

2013	2014
€567	€564 ↓ 0.5%



An average of €564 was spent on non-life insurance in Europe in 2014

### Penetration

2013	2014
2.2%	2.1%



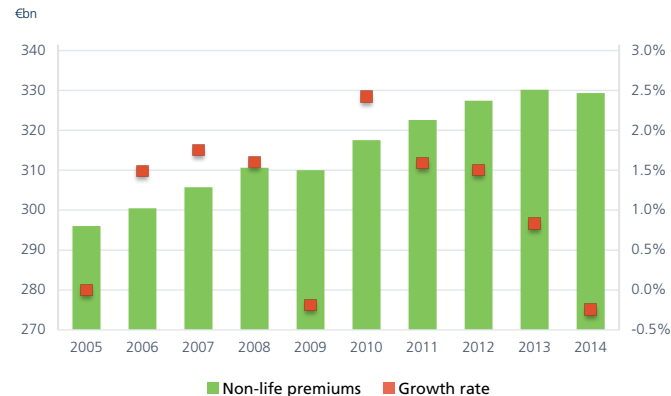
In 2014 average non-life insurance penetration was 2.1 % in Europe



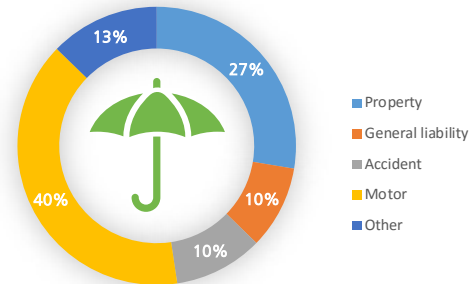
## 4. Non-life insurance

The non-life insurance market, whose four main business lines are motor, property, accident and general liability, is closely linked to economic conditions, since higher levels of economic activity typically result in higher demand for protection products. Premiums in the non-life sector also reflect the stage of the insurance cycle (when the price of risks is high, new capital is attracted into the market, but the increased competition then pushes prices down and some players exit, thus creating cycle).

### Non-life premiums — 2005–2014 (€bn)



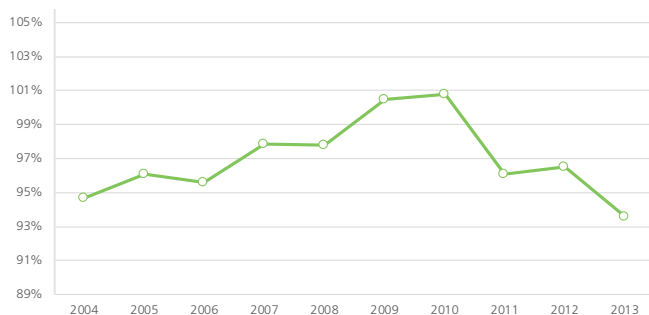
### Breakdown of non-life premiums — 2014



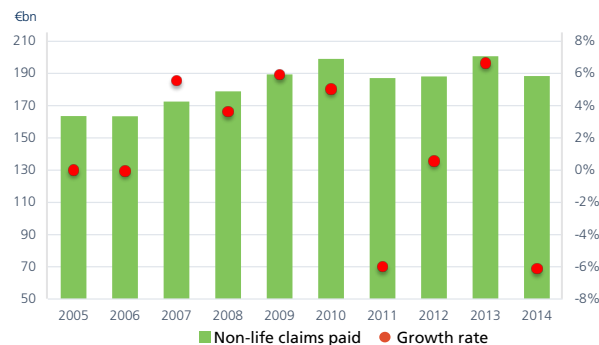
European non-life premiums totalled €329bn in 2014, stable compared to 2013. Motor accounted for 39.6% (€131bn) of the total and property 27.6% (€91bn).

Collectively, the four largest non-life insurance markets (Germany, the UK, France and Italy) remained stable, accounting for 63.3% of total premiums. While the German and French markets continued to enjoy growth in 2014, in Italy and the UK premiums decreased by 3% and 6% respectively, year-on-year.

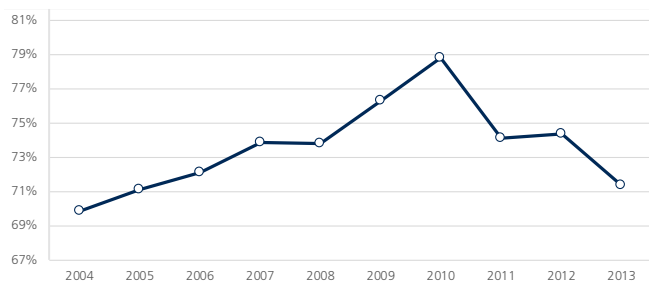
### Non-life combined ratio — 2004–2013



### Non-life claims paid — 2005–2014 (€bn)



### Non-life loss ratio — 2004–2013



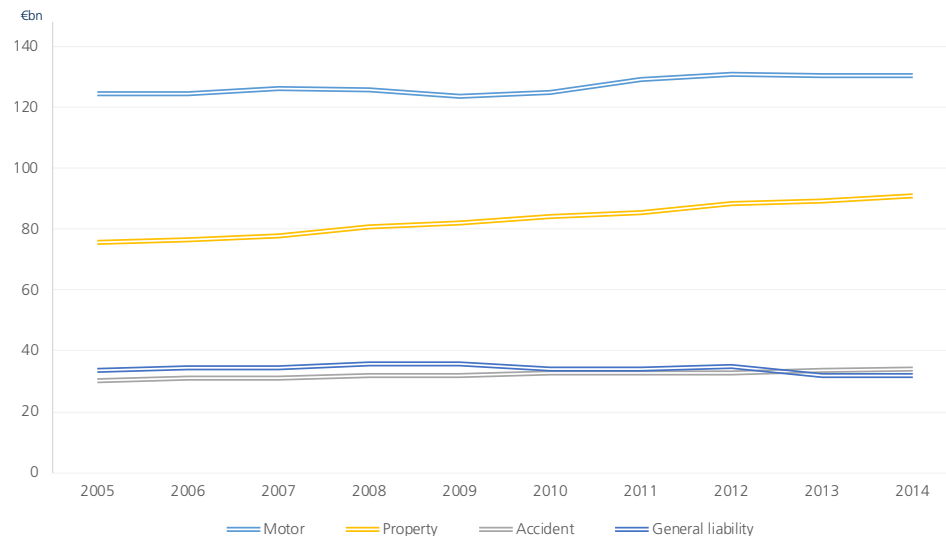
In Germany, non-life premiums grew 3.3% in 2014, mainly due to steady growth in contracts. Its motor sector showed the strongest growth (4.8%).

The 1.4% increase in French non-life gross written premiums can mainly be attributed to increases in property (3.8%) and accident insurance (2.4%).

In Italy, the 2.8% decrease was largely due to a decrease in motor premiums and contracts as a result of strong competition and fewer vehicles.

Turning to claims, non-life claims paid decreased by 6.1% in 2014 to €188bn. In Germany, the UK and Italy the level of claims

## Non-life premiums by business line — 2005–2014 (€bn)

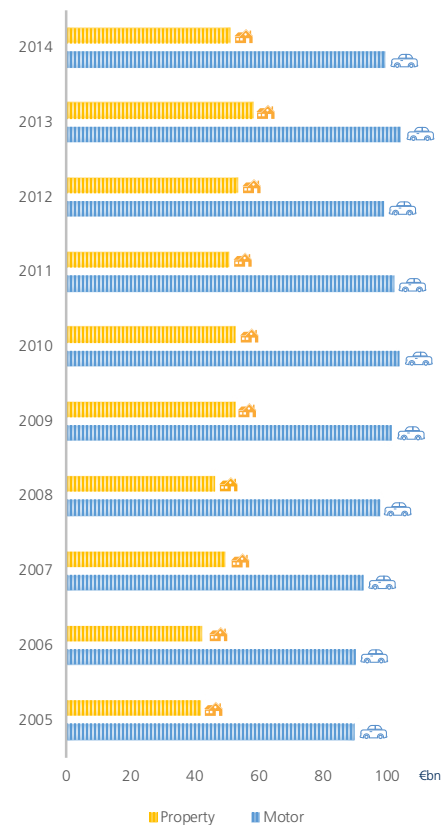


paid<sup>5</sup> decreased by 8.6%, 14.5% and 6.7% respectively, while claims slightly increased in France (1.5%). In Germany and in the UK, the non-life decrease is mainly due to a normalisation of property claims expenditure after significant increases in earlier years due to natural catastrophes.

An average of €564 per capita was spent on non-life insurance in 2014; stable compared to 2013. Non-life insurance penetration in Europe remained stable too, at 2.1%.

<sup>5</sup> For Germany, gross claims expenditure

## Motor and property claims paid — 2005–2014 (€bn)

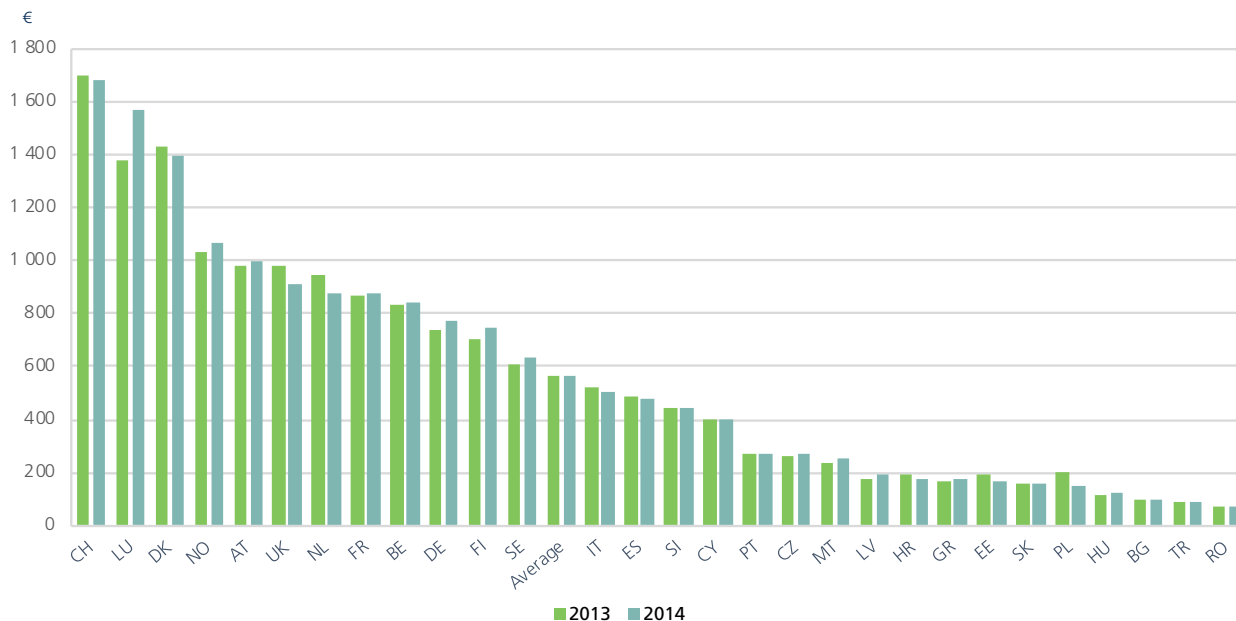


## Motor insurance

Total motor premiums remained stable in 2014 at €130.5bn. This includes both compulsory motor third-party liability (MTPL) and optional damage cover. Steady growth was registered in motor premiums between 2005 and 2014 (5.1% over the period),

although this was interrupted by two years of decline in 2008 and 2009. However, the European motor insurance market has since recovered from the financial and economic crisis, growing by 5.8% between 2009 and 2014.

## Non-life premiums per capita by country — 2013–2014 (€)



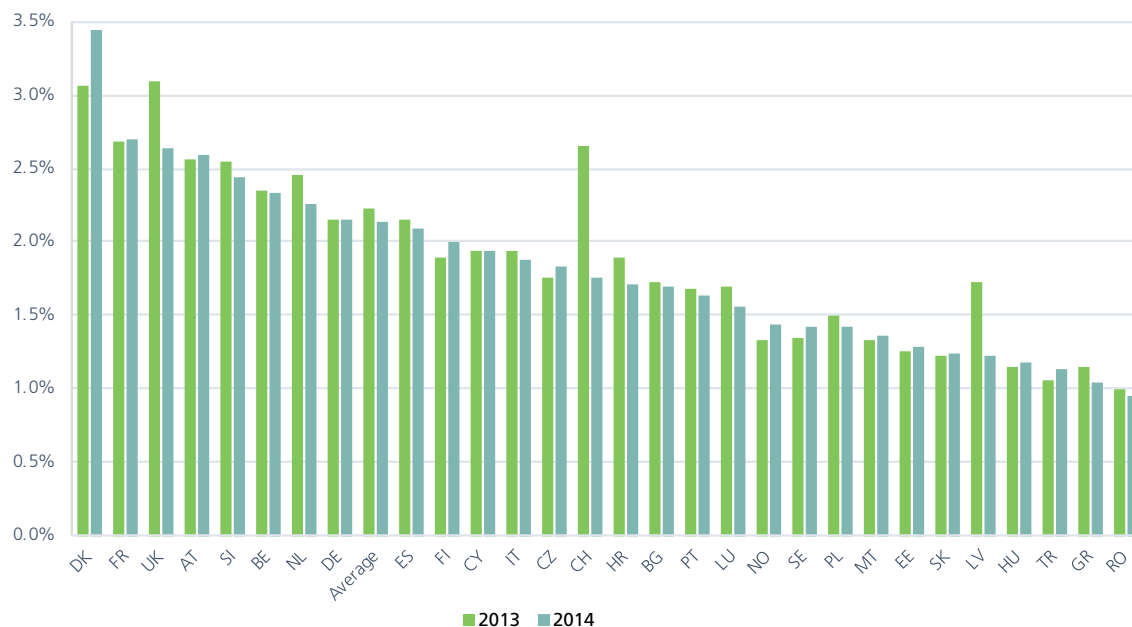
Motor insurance remains the largest of Europe's non-life business lines, although its share of the non-life market fell 2.3 percentage points between 2005 and 2014 to 39.6%.

European motor insurers paid €99.4bn in claims in 2014, down

4.6% on the year before. Between 2005 and 2014, claims expenditure grew by 10.6%.

On average, the amount spent per capita in the EU in 2014 was €220, stable compared to the year before. Motor penetration

### Non-life premiums as a share of GDP by country — 2013–2014 (%)



remained stable at an average of 0.9% over the past 10 years.

Average motor premiums differ between EU member states due to differences in each state's regulatory, risk and economic environment, which affect the cost of claims and the frequency and severity of accidents. Insurers must take account of these differences when calculating their premiums.

The leading markets — Germany, France, the UK and Italy — accounted for 62% of all European motor premiums and for 65% of all claims paid in 2014.

The largest motor market in Europe, Germany, registered a 4.8% growth in premiums in 2014, following a 5.8% growth the year before. After five years of negative growth between 2005 and 2009 and one year of stagnation in 2010, Germany's premium levels recovered between 2011 and 2014. After a sharp increase of 7.7% in 2013, Germany's claims expenditure decreased by 5.1% in 2014.

France, the second largest market, reported a 2.0% growth in premiums, up from 1.0% the year before. Claims expenditure grew by 5.6% in 2014. Claims paid in France grew by 52.0% between 2005 and 2014 due to an increase in MTPL claims above the legal threshold of "serious personal damage", ie damage that

has a significant physical or psychological impact. Such accidents, although they affected only 2% of claimants in 2013, accounted for more than 50% of the amounts paid by insurers to settle motor losses.

The third largest motor market, the UK, registered its second consecutive year of reduced premium income (-1.4% in 2014 after -3.3% in 2013).

Italy, the fourth largest motor market, experienced a decline of 5.8% in premiums in 2014. The market is therefore not recovering from the sharp 7.7% decline in 2013, when lower registrations of new cars resulted in a slight decrease in the profitability of the sector.

### Property insurance

Property insurance includes a variety of policies that provide protection against risks to buildings and sometimes their contents, such as fire, theft and some weather damage.

In 2014, total property premiums were €91bn, a 2.0% increase on 2013. Property premiums have been increasing since 2005 (20.4% over the period), partly due to the need to cover the increasing frequency and severity of natural disasters as a result of climate change.

Total European property claims in 2014 were €51bn, a 12.3% decrease compared to 2013, following a 8.9% increase in 2013. The significant losses in 2013 were largely due to violent hailstorms in Austria, Germany and the Czech Republic — the year's most costly natural catastrophe event in Europe — and heavy flooding in the UK, France and Germany.

The leading markets — Germany, the UK, France and Spain — collectively accounted for 63.4% of all European property premiums and for 68.5% of all claims paid in 2014; a share largely unchanged in recent years.

The largest property market in Europe, Germany, registered a 3.4% increase in premiums in 2014, following 4.5% growth the year before. Property premiums in Germany have grown every year since 2005, except in 2007. Overall, premiums grew 22% in the period. Claims paid decreased by 19.4% in 2014 after the substantial increase of 29.6% in 2013 due to natural catastrophes. Overall, property claims paid grew by 31.2% in Germany between 2005 and 2014.

The second largest property market, the UK, remained stable in 2014, after a decrease of 2.2% in 2013. Overall, property premiums grew by 2.3% between 2005 and 2014. UK claims paid decreased by 9.3% between 2005 and 2014. However,

in 2013 claims paid grew 51.6% due to the floods before decreasing 31.4% in 2014 back to a more normal level.

Property premiums in France, the third largest market in Europe, grew constantly over the last decade (33.8%). In 2014, premiums grew 3.8%, compared to 2.2% the year before. Claims paid, however, decreased by 1.7% following a decrease of 18.9% in 2013.

### Accident and general liability insurance

General liability premiums totalled €32bn; just 0.6% down on 2013, which had seen a 7.6% decrease.

Premiums for 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 — totalled €34bn, a 1.7% increase on 2013. Since 2005, accident premiums have increased by 12.8 %.

With a 27.3% market share, France is the leading accident market. Its premiums grew by 2.4% in 2014, following a 5.5% increase in 2013. The second largest market, Germany, remained largely stable in 2014, growing just 0.9%. The third largest, the Netherlands, saw premiums decrease by 5.2%, after a 5% decrease in 2013.

# Insurers' investment portfolio

€9 574bn

Total value of insurers' investment portfolio

62%

Ratio of the investment portfolio to EU GDP

47%

of insurers' assets are government and corporate bonds





# 1. Evolution of the portfolio

Investments are an integral part of the insurance business model, in which the premiums insurers receive are invested until claims or benefits become due.

The insurance sector is the largest institutional investor in Europe and is therefore a key source of the investment needed to support growth in the economy and to supply the funds required to pay for retirement.

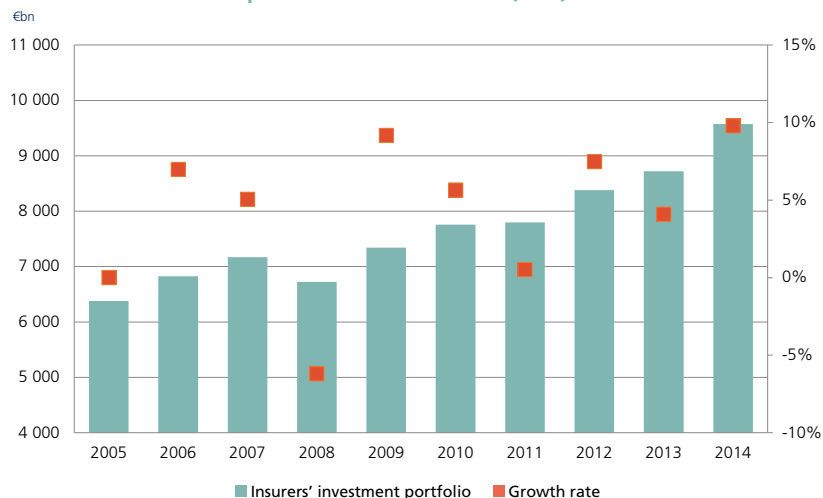
Since most of their assets back long-term liabilities, insurers have a long investment horizon. Their investment portfolio is closely linked to a range of (macro-)economic factors and the evolution of financial markets. (Macro-)economic developments affect the inflow of premiums to be invested, while developments in financial markets directly affect the performance of existing assets.

Low interest rates were a key factor in 2014<sup>6</sup>, creating a challenging environment for insurance business but translating into higher bond prices. The effect of tightening spreads and the European Central Bank's lowering of interest rates led to

a significant increase in the value of most fixed-income investments.

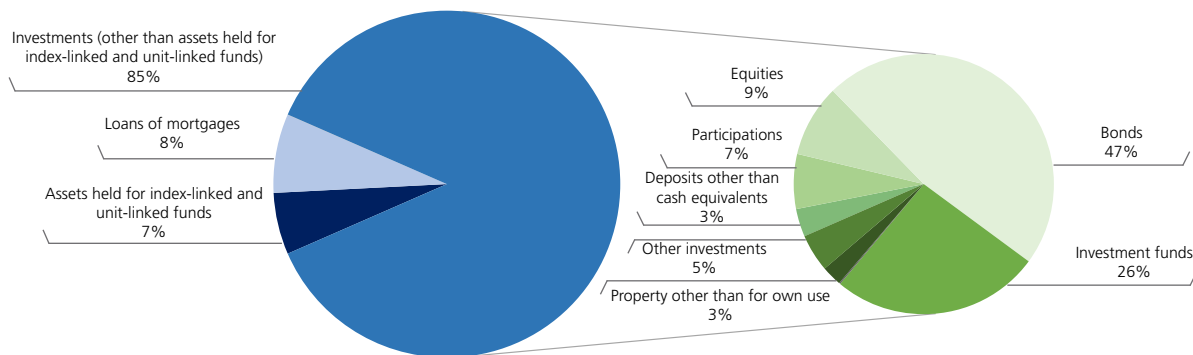
The total investment portfolio managed by Europe's insurance companies grew by 9.8% in 2014 to €9 574bn. This can be largely explained by a 3.4% increase in premiums, as well as by an increase in the prices of fixed-income products (government and corporate bonds) and a mixed performance in equities.

Insurers' investment portfolio — 2005–2014 (€bn)



<sup>6</sup> See p7 for more detail on the economic environment in 2014

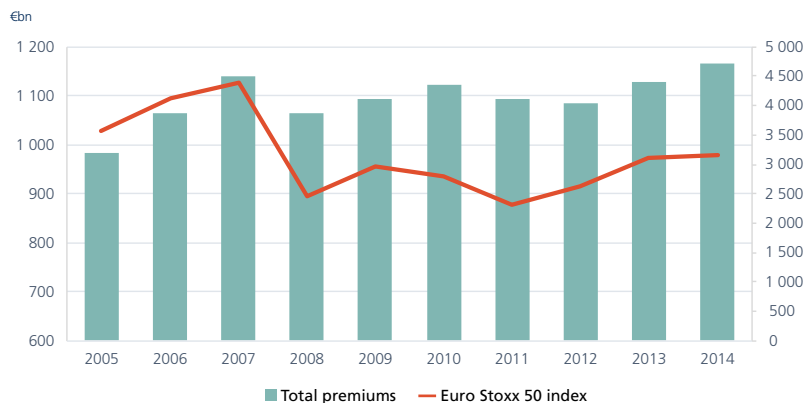
## Structure of insurers' investment portfolio — 2013 (%)



As shown in the chart above, insurers' allocations to debt-like products are generally significantly higher than to equity. Changes in yield and spread levels therefore have an impact on overall investment performance, especially in the case of long-term, life and savings products, where the duration of debt assets is higher and their sensitivities to changes in interest rates is higher.

Overall, both the short-end and the long-end of the euro interest rate curve experienced decreases in 2014. A decrease in the yields of government bonds was observed in all major markets. Corporate bonds

## Premiums provide a stable source of funding



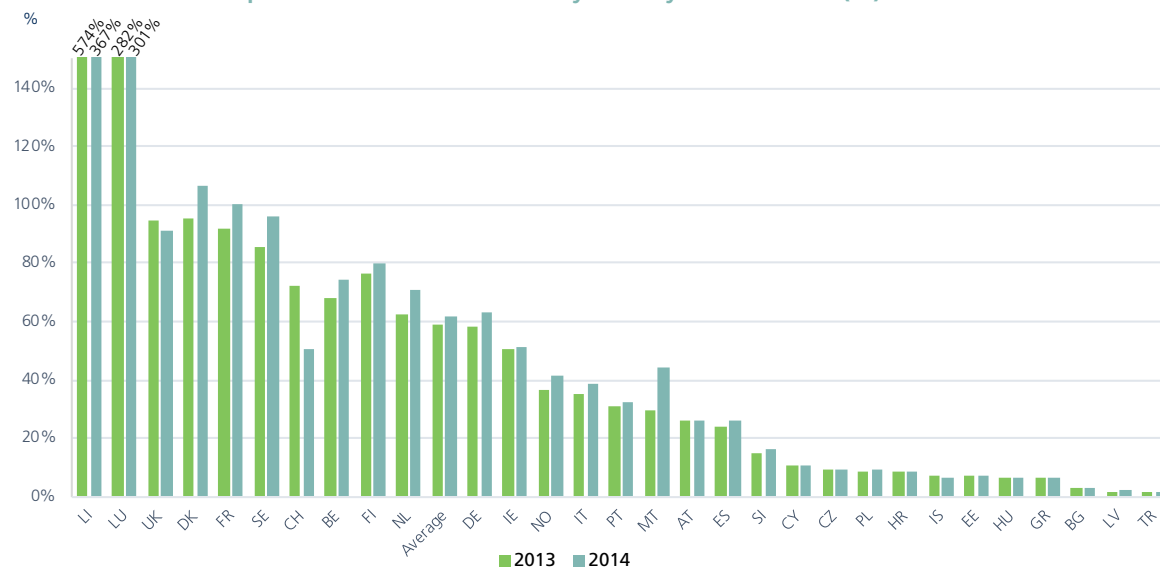
also registered a positive price performance, as spreads narrowed further from 70 basis points at the end of 2013 to 63 basis points at the end of 2014<sup>7</sup>.

At national level, among the largest insurance markets it was the investments of Dutch insurers that grew the most in 2014, increasing 15.4% on the back of positive developments

in the Dutch equity market and a decrease in government bond yields.

In the UK, the largest market in terms of assets, the value of insurers' investments grew more slowly — by 6.5%. This was despite a slight decrease in premiums and was caused primarily by decreased yields on government debt.

### Insurers' investment portfolio as a share of GDP by country — 2013–2014 (%)



<sup>7</sup> Reference index: iTRAXX main

# Market structure

3 800

insurance companies

995 000

direct employees

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



## 1. Companies and employees

There were around 3 800 insurance companies operating in Europe in 2014, down just 1.2% on the previous year but hiding more significant reductions of 10.1% in the Netherlands, 7.5% in Italy and 3.8% in Spain.

This total refers to the number of domestic companies and includes branches of non EU/European Economic Area (EEA) country companies. European companies can offer cross-border services either through freedom of establishment or freedom of services. In 2014, 540 branches of EU/EEA companies were operating in the EU and around 7 400 licensed insurance operations were overseen by national supervisory authorities, on the basis of freedom of services.

The UK was the market with the highest number of companies in 2014 (559), stable compared to 2013. Second highest was Germany with 548 companies, followed by Sweden and France with 327 and 313 respectively.

In 2014, the number of employees in the European insurance sector decreased by 1.5% to 995 000. At national level, the most significant increases in employment were in Denmark (10.9%) and Luxembourg (19.0%), while the biggest reductions were in Romania (-24.0%), Cyprus (-17.9%), Greece (-6.3%) and the UK (-3.7%).

### Top 10 insurance groups by gross written premiums — 2014 (€m)

1	Axa	France	86 267
2	Allianz	Germany	73 883
3	Generali	Italy	70 430
4	Zurich	Switzerland	47 262
5	Prudential	UK	44 602
6	CNP	France	30 589
7	Aviva	UK	30 173
8	Crédit Agricole	France	29 377
9	Talanx	Germany	28 994
10	Mapfre	Spain	22 401

Source: L'Argus de l'Assurance

## 2. Distribution channels

Insurers sell their products directly or through a variety of other distribution channels, of which the most familiar are brokers, agents and bancassurance.

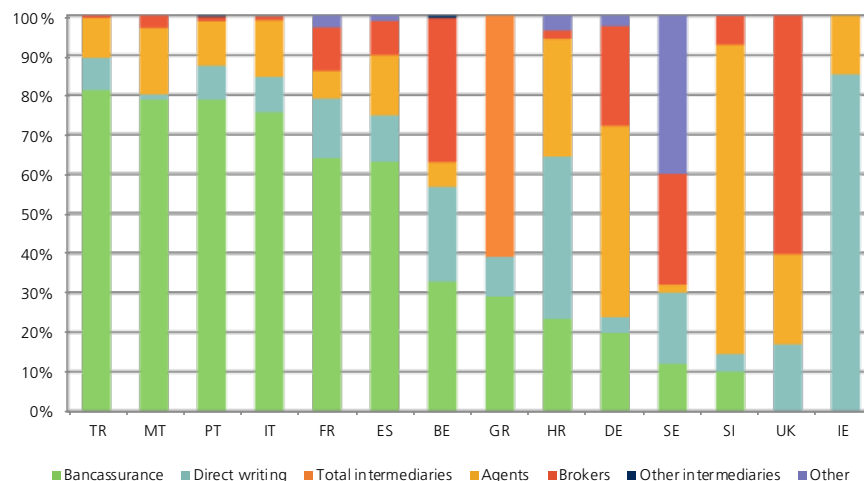
The size of each channel varies significantly depending on the market or product. This diversity benefits consumers, whose cultures, needs and preferences differ across markets. It should be noted that the distinction between different types of distribution channels is not always clear.

### Life insurance

Looking at the large life insurance markets, the latest, 2013, figures show that in Italy and France most products are sold through bancassurance, at 75.8% and 64.0% of premiums respectively.

In Germany and in the UK<sup>8</sup>, however, most life insurance products are sold through agents and brokers (73.5% and 83.1% respectively).

### Life distribution channels — 2013



Note: New business for SE, DE, IE and UK (IE and UK 2012 data)

The markets in which bancassurance is the largest distribution channel for life products are Turkey (81.2%) and Portugal (78.7%).

For agents and brokers it is Slovenia (84.3%), Bulgaria (81.3%) and Belgium (42.6%).

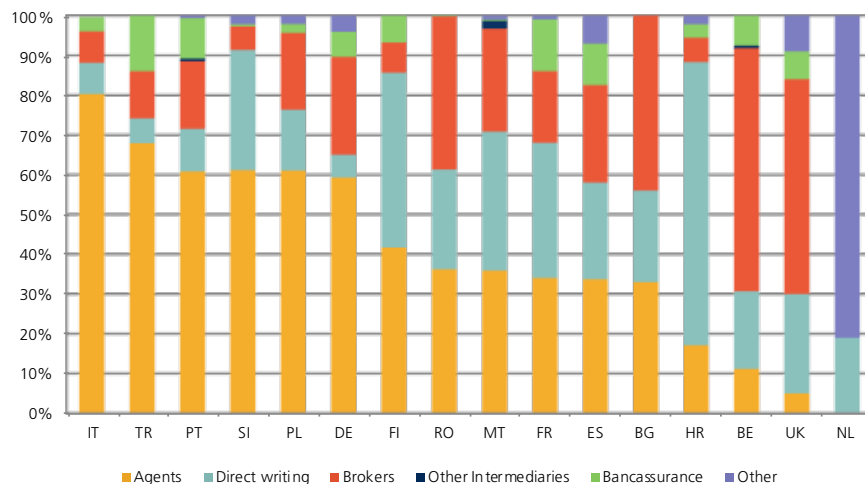
<sup>8</sup> For DE and UK, data is for new business only

## Non-life insurance

The distribution of non-life insurance policies in Europe is mainly through agents and brokers.

This holds true in the large non-life markets: 88.0% in Italy, 83.9% in Germany, 60% in the UK and 52.0% in France. Croatia, meanwhile, is the market in which the most non-life products are sold direct (71.2%).

## Non-life distribution channels — 2013



## Developments in distribution

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

Insurers continue to develop multi-channel strategies and to offer innovative ways of selling products, to better respond to consumer demands.

On the regulatory side, it is expected that recent legislation adopted at European level, such as the Insurance Distribution Directive and the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation, will have an impact on existing distribution structures. Ongoing regulatory developments at national level will also affect insurance distribution.

## 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

**Cyprus (CY)** — Insurance Association of Cyprus

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

**Denmark (DK)** — Forsikring & Pension (F&P)

**Estonia (EE)** — Eesti Kindlustusseltside Liit

**Finland (FI)** — Finanssialan Keskusliitto

**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)** — Finance Norway

**Poland (PL)** — Polska Izba Ubezpieczeń (PIU)

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

**Romania (RO)** — Uniunea Națională a Societăților de Asigurare și 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



## Notes

Chapter	Indicator	Reporting countries	Sample size
<b>Overview</b>	Total premiums	Full sample	100.0%
	Total benefits and claims	Missing: BG, HU, IE, IS, LI, LU	98.2%
	Total investment portfolio	Missing: RO, SK	99.7%
	Total premiums		
	Life	Full sample	100.0%
	Health	Missing : IE, IS, LI, SK	98.6%
	Non-life	Missing: IE, IS, LI, SK	98.6%
	Motor	Missing: LI	99.8%
	Property	Missing: LI	99.8%
	General liability	Missing: LI	99.8%
	Accident	Missing: CY, IE, LI, SE	96.0%
	Total benefits and claims paid		
	Life	Missing: BG, IS, LI, LU	99.4%
	Health	Missing: CY, CZ, DK, FI, GR, IE, IS, LI, NO, SE, SK	89.4%
	Non-life	Missing: DK, FI, HU, IE, IS, LI, LU, NL, NO, SE, SK	83.4%
	Motor	Missing: LI	99.8%
	Property	Missing: DK, GR, IE, LI	96.2%
<b>Life insurance</b>	Life premiums	Full sample	100.0%
	Life benefits paid	Missing: BG, IS, LI, LU	99.4%

Chapter	Indicator	Reporting countries	Sample size
<b>Health insurance</b>	Health premiums	Missing : IE, IS, LI, SK	98.6%
	Health benefits paid	Missing : CY, CZ, DK, FI, GR, IE, IS, LI, NO, SE, SK	89.4%
<b>Non-life insurance</b>	Non-life premiums	Missing: IE, IS, LI, SK	98.6%
	Motor	Missing: LI	99.8%
	Property	Missing: LI	99.8%
	Accident	Missing: CY, IE, LI, SE	96.0%
	General liability	Missing: LI	99.8%
	Non-life claims paid	Missing: DK, FI, HU, IE, IS, LI, LU, NL, NO, SE, SK	83.4%
	Motor	Missing : LI	99.8%
	Property	Missing : DK, GR, IE, LI	96.2%
	Accident	Missing: CY, CZ, DK, FI, GR, IE, LI, NO, SE, SK	89.4%
<b>Investment portfolio</b>	Total investment portfolio	Missing: RO, SK	99.7%
	Life investment portfolio	Missing: CY, RO, SK	99.6%
	Non-life investment portfolio	Missing: CY, RO, SK	99.6%
<b>Market structure</b>	Number of companies	Full sample	100.0%
	Branches of EU/EEA companies	Missing: CH, DK, HR, IE, IS, LI, LU, NL, NO, PL, RO, SK, UK	62.1%
	Companies operating through FOS	Missing: AT, CH, DK, EE, GR, HR, HU, IE, IS, LI, LU, NL, NO, PL, RO, SE, SK, TR, UK	56.6%
	Number of employees	Missing: BG, EE	99.9%

European Insurance in Figures and its dataset are available on the Insurance Europe website: [www.insuranceeurope.eu](http://www.insuranceeurope.eu).

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