



European Insurance — Key Facts

August 2012

Member associations

- Austria (AT)** — Versicherungsverband Österreich (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 des Sociétés d'Assurances (FFSA)
- 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)** — Irish Insurance Federation (IIF)
- 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 du Grand-Duché de Luxembourg (ACA)
- Malta (MT)** — Malta Insurance Association
- Netherlands (NL)** — Verbond van Verzekeraars
- Norway (NO)** — Finansnæringens Fellesorganisasjon (FNO)
- Poland (PL)** — Polska Izba Ubezpieczeń (PIU)
- Portugal (PT)** — Associação Portuguesa de Seguradores (APS)
- Romania (RO)** — Uniunea Națională a Societăților de Asigurare și Reasigurare (UNRAR)
- 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 ve Reasürans Şirketleri Birliği
- United Kingdom (UK)** — The British Insurers' European Committee:
Association of British Insurers (ABI)
International Underwriting Association of London (IUA)
Lloyd's

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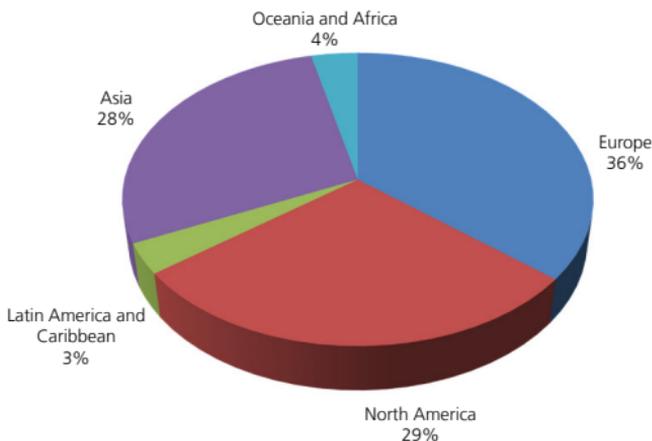
This booklet provides key facts about the European insurance market and the contribution of European insurance to society and the economy. All figures are the latest available, with 2011 data being provisional.

The figures do not include the small insurance associations under regional “Land” supervision in Germany, the mutual insurers (“Mutuelles 45”) in France, the Belgian mutuals and the companies under regional supervision in Spain.

I. European insurance in the world

With a 36% share of the global market, the European insurance industry is the largest in the world, followed by North America (29%) and Asia (28%).

Distribution of insurance premiums — 2011



Source: Swiss Re, Sigma No.3/2012: “World insurance in 2011”

NB: “Europe” covers western, central and eastern Europe and therefore includes Russia and Ukraine (which together account for 1% of global premiums)

II. Insurance in the economy

Insurance enables households and corporations to live and operate in a stable environment.

Insurance not only facilitates economic transactions by providing risk transfer and indemnification, it can also promote financial stability, mobilise savings, enable risks to be managed more efficiently, encourage loss mitigation and foster efficient capital allocation.

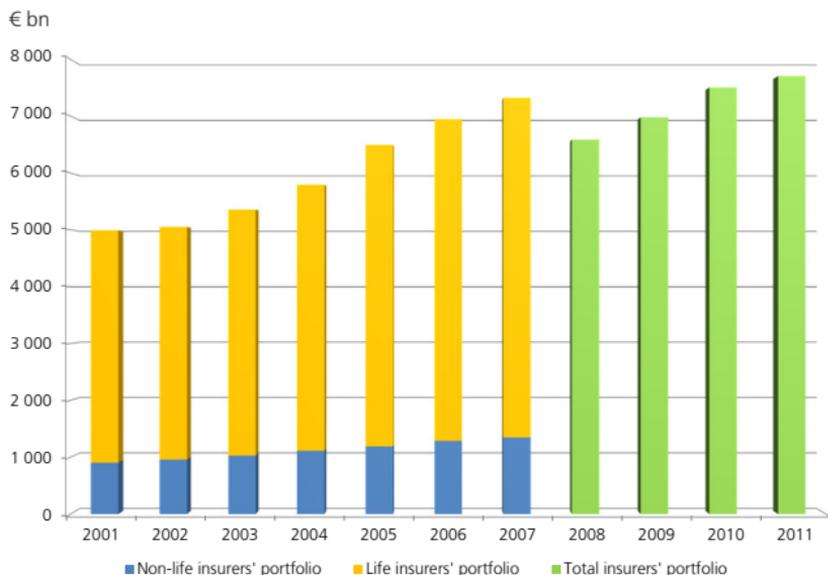
- Life insurers paid out about €615bn in benefits to insureds in 2011, providing them with capital, annuities, pension revenue and death benefits.
- Non-life insurers paid out more than €305bn in claims to insureds in 2011, of which about €100bn was for motor insurance, circa €85bn for health insurance and in excess of €55bn for property insurance claims.
- Roughly a quarter of EU citizens are covered by private medical insurance.
- European insurers had more than €7 700bn invested in the global economy in 2011. This is equal to 55% of the GDP of the European Union.
- The European insurance industry employs approximately 950 000 people directly¹.

1 There are also around 1 million outsourced employees and independent intermediaries

III. Insurers' investment portfolio

As at 31 December 2011, the European insurance industry had more than €7 700bn invested in company shares, bonds and other assets on behalf of millions of savers and non-life insurance customers.

European insurers' investments — 2001–2011 (€bn)



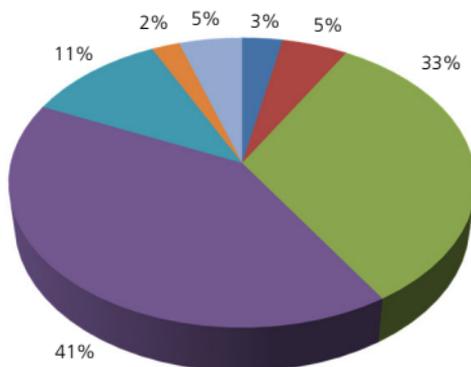
NB: Health business is included in non-life

Developments in the total investment portfolio are mainly driven by life business, since the investment holdings of the life insurance industry account for more than 80% of the total.

The UK, France and Germany are the most significant market players, illustrated by the fact that they jointly account for over 60% of all European life insurers' investments.

In 2010, the largest components of European insurers' investment portfolio were debt securities and other fixed income assets (41%), followed by shares and other variable-yield securities (33%). Loans represented 11% of the total.

European insurers' investment portfolio — 2010



- Land and buildings
- Investments in affiliated undertakings and participating interests
- Shares and other variable-yield securities and units in unit trust
- Debt securities and other fixed-income securities
- Loans, including loans guaranteed by mortgages
- Deposits with credit institutions
- Other investments

IV. Premiums

Total gross written premiums for the whole European market have increased by an average of around 3% a year over the last decade and amounted to €1 074bn in 2011. The total breaks down as follows:

- Life 59%
- Property, casualty (P&C) and accident 30%
- Health 11%

However, this breakdown varies widely between countries.

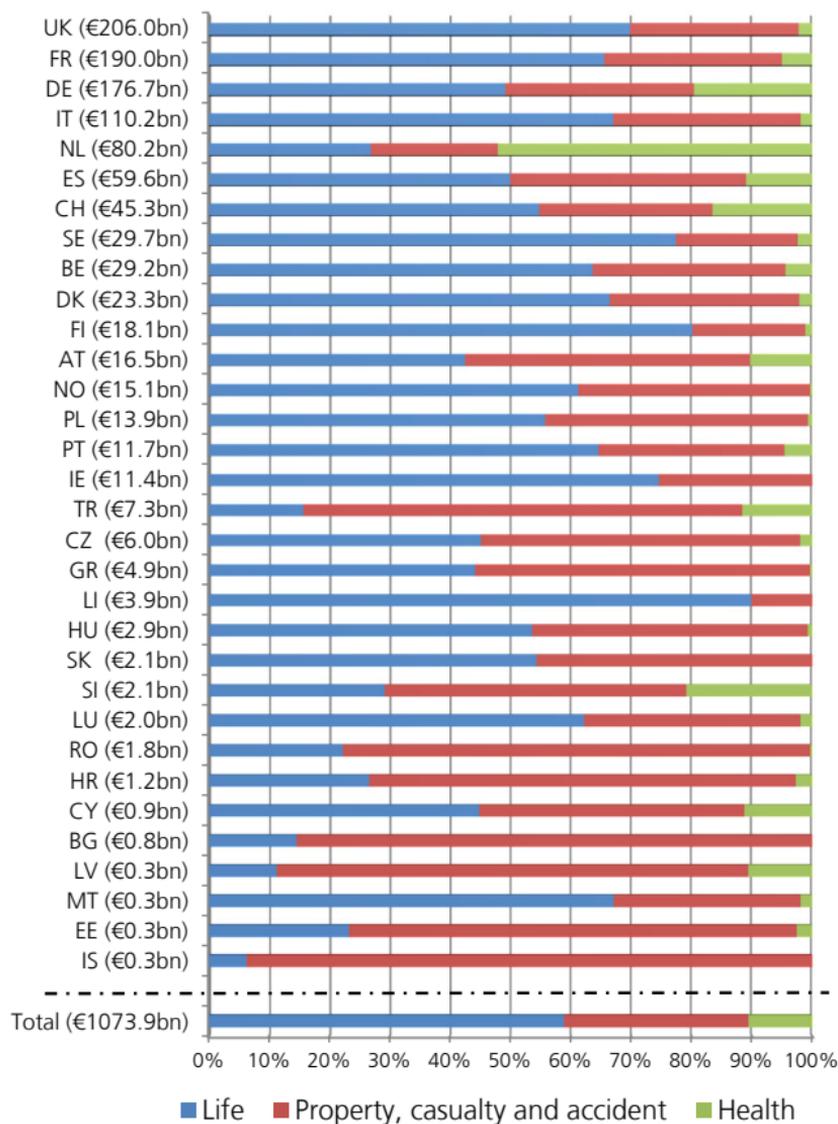
In 2011, the average premium per capita amounted to €1 818 compared to €1 530 ten years earlier². The 2011 figure breaks down as follows:

- Life €1 070
- Property, casualty (P&C) and accident €555
- Health €193

In 2011, the premium to GDP ratio decreased to 7.6%. This ratio varies considerably from country to country, ranging from 1.3% in Turkey to 13.3% in the Netherlands.

² In nominal terms

European insurance premiums by country — 2011



NB: For Greece, a large part of health business is included in life

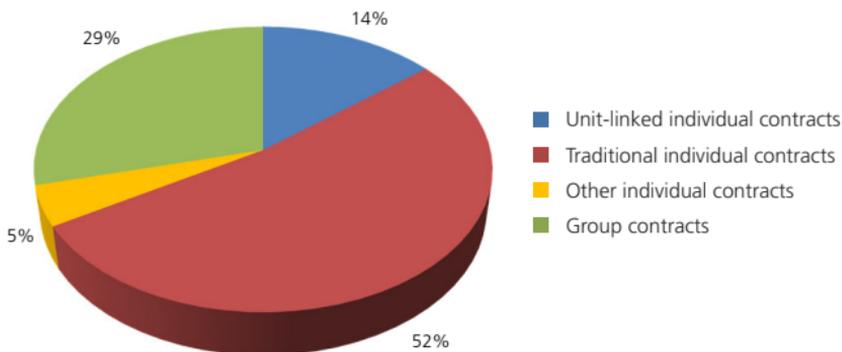
IV.1 Life insurance

The main value of a life insurance policy is that it is both a “pure insurance” and a savings product. Life insurance policies can be purchased either by individuals or in the form of group policies, mostly by employers.

In Europe in 2010:

- individual contracts accounted for more than 70% of life premiums;
- almost three quarters of individual premiums related to traditional life products, which offer capital and/or return guarantees, while the remaining individual life premium income stemmed mainly from unit-linked products, in which the risk is borne by the policyholder.

European life premiums by type of contract — 2010

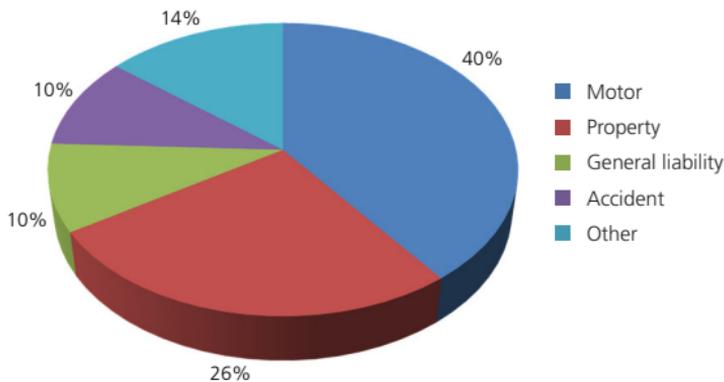


IV.2 Property, casualty and accident insurance

Property and casualty (P&C) insurance includes a wide range of cover for homes, cars, and businesses.

- With €130bn of premium income, motor insurance is the biggest class of P&C and accident business, accounting for 40% of premiums.
- The second largest class is property, with a 26% market share.
- The third largest classes are general liability and accident with a 10% market share each.

European P&C and accident premiums by product — 2011



NB: "Other" includes marine, aviation and transport (MAT), legal expenses, credit insurance and travel insurance

V. Companies

Around 5 500 insurance companies³ were operating in Europe in 2011. The majority were joint stock companies and mutual insurers, but they can also be public institutions, cooperatives, etc.

The number of insurance companies has been fluctuating over the last 10 years, reflecting the wave of mergers and acquisitions that took place at the end of the 1990s following the liberalisation and deregulation of the EU market.

VI. Distribution channels

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

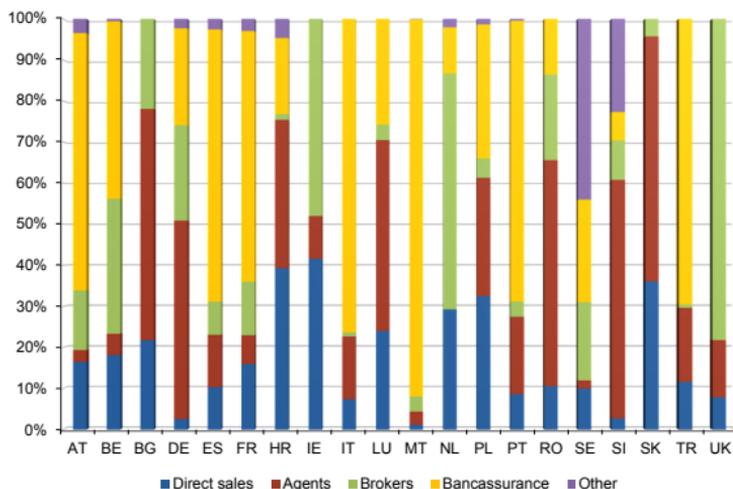
The distribution of insurance products has evolved significantly. Technological developments, such as the internet and mobile phones, have opened up new distribution channels and insurers are increasingly developing multi-channel strategies.

³ Not including the small regional German insurance associations, France's "Mutuelles 45", Belgium's "mutuelles" and Spain's regionally supervised insurers

VI.1 Life insurance

- Bancassurance has developed in parallel with life insurance business over the last decade and is today the main distribution channel in many European countries.
- Agents and brokers also play an important role in the distribution of life policies.
- Direct sales through employees or distance-selling are less developed in life than in non-life insurance.

Life insurance distribution channels (gross written premiums) — 2010



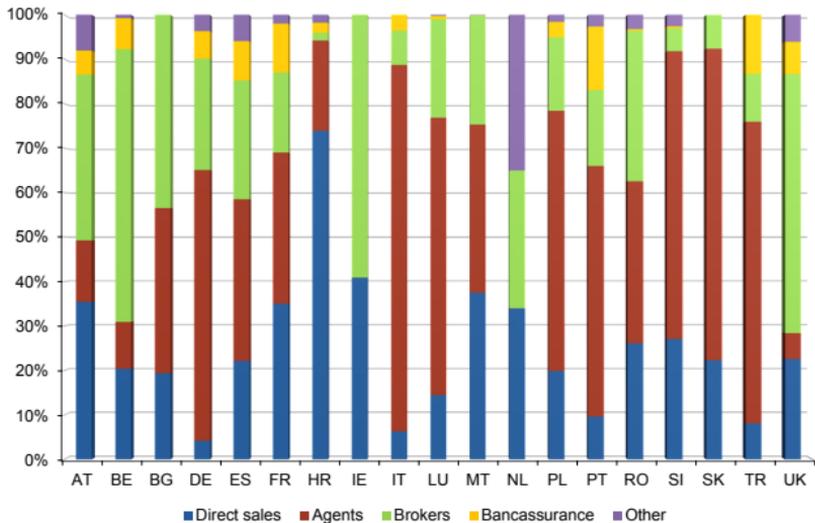
Notes:

1. Data for Germany, Sweden and the UK refers to new business only
2. For the UK, bancassurance sales are included in each of the other channels and cannot be identified separately
3. For the Netherlands, agents are included with brokers
4. Data for Poland and Spain is from 2009

VI.2 Non-life insurance

The distribution of non-life policies in Europe relies mainly on intermediaries (agents and to a lesser extent brokers) and on direct sales by employees and distance-selling.

Non-life insurance distribution channels (gross written premiums) — 2010



Notes:

1. For the Netherlands, agents are included with brokers and bancassurance is included in "Other"
2. Data for Poland and Spain is from 2009

“European Insurance – Key Facts” is available to download from the Insurance Europe website. Also available at www.insuranceeurope.eu is the annual detailed statistical publication “European Insurance in Figures”.

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