



European Insurance — Key Facts

August 2014

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 110bn, employ almost one million people and invest over €8 500bn in the economy.

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All figures in this booklet are the latest available, with 2013 data being provisional, and not adjusted for inflation. Growth rates of all euro-denominated values are calculated at constant (2013) exchange rates, unless otherwise stated.

Abbreviations

GDP = gross domestic product

GWP = gross written premiums

P&C = property and casualty

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 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 Fjármálaflayrirtækja (SFF)

Ireland (IE) — Insurance Ireland

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

Latvia (LV) — Latvijas Apdrošinātāju Asociācija (LAA)

Lichtenstein (LI) — Liechtensteinischer Versicherungsverband

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

Malta (MT) — Malta Insurance Association (MIA)

Netherlands (NL) — Verbond van Verzekeraars

Norway (NO) — Finans Norge (FNO)

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 (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)

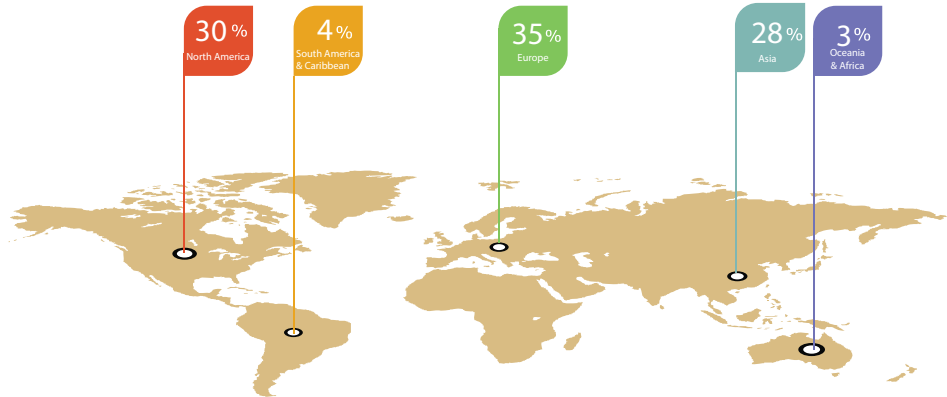
Turkey (TR) — Türkiye Sigorta, Reasürans ve Emeklilik Şirketleri Birliği

United Kingdom (UK) — The British Insurers' European Committee:
Association of British Insurers (ABI)
International Underwriting Association of London (IUA)
Lloyd's

I. European insurance in the world

With a 35% share of the global market, the European insurance industry is the largest in the world, followed by North America (30%) and Asia (28%).

Distribution of insurance premiums — 2013



Source: Swiss Re, Sigma No.3/2014: "World insurance in 2013"

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



Insurance makes a major contribution to economic growth and development.

It facilitates economic transactions by providing risk transfer and indemnification.

It encourages risk management and the promotion of safe practices.

It promotes financial stability by providing long-term investment in the economy.

It encourages stable and sustainable savings and pension provision.

II. European premiums, benefits and claims paid in 2013



€1 119bn

Total premiums

€943bn

Total benefits and
claims paid



€667bn

Life premiums

€618bn

Life benefits paid



€334bn

Property, casualty and
accident premiums

€229bn

Property, casualty and
accident claims paid



€118bn

Health premiums

€96bn

Health claims paid

II.1 Premiums

Total European gross written premiums increased by 2.7% in 2013 amounting to over €1 119bn. Life premiums grew by 4.7% to reach €667bn. Property, casualty (P&C) and accident premiums marginally reduced by 0.1% amounting to €334bn, while health insurance premiums grew by 4.9% to €118bn last year.

In 2013, the penetration (gross written premiums as a percentage of GDP) increased by 0.1 of a percentage point, to 7.7%, varying from 1.3% in Romania, to 13.0% in the Netherlands.

An average of €1 887 per capita was spent on insurance in Europe in 2013, compared to €1 541 ten years earlier (in nominal terms). Of the per capita spent in 2013, €1 124 was on life, €564 on P&C, and €199 on health insurance.

Total European GWP — 2013

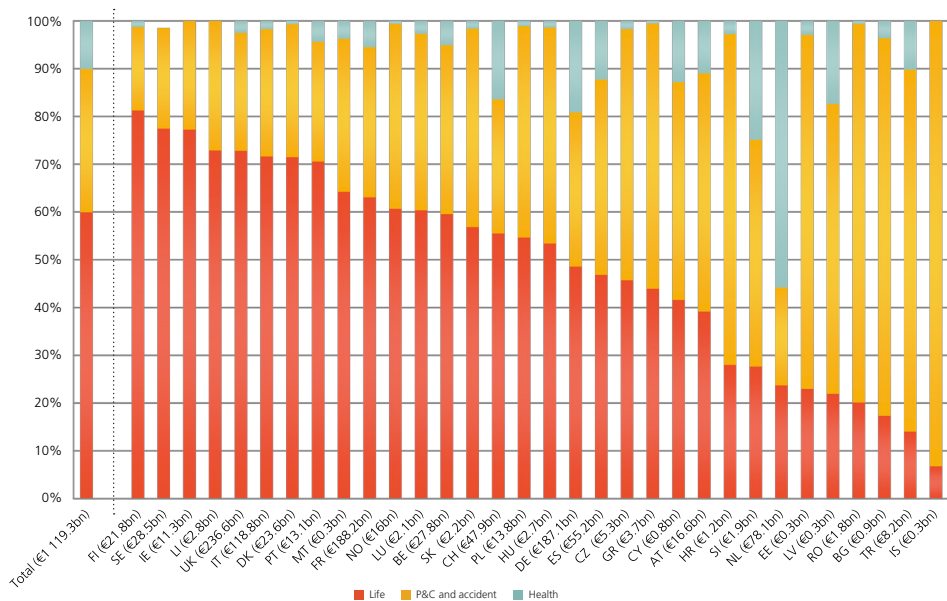


Average premium per capita — 2013



European insurance premiums by country — 2013

See p30 for notes



II.2 Benefits and claims paid

Life insurers paid out almost €618bn in benefits to insureds in 2013, providing them with capital and/or annuities. This represents a drop of 2.5% in life benefits compared with the previous year.

European benefits and claims paid — 2013 (€bn)

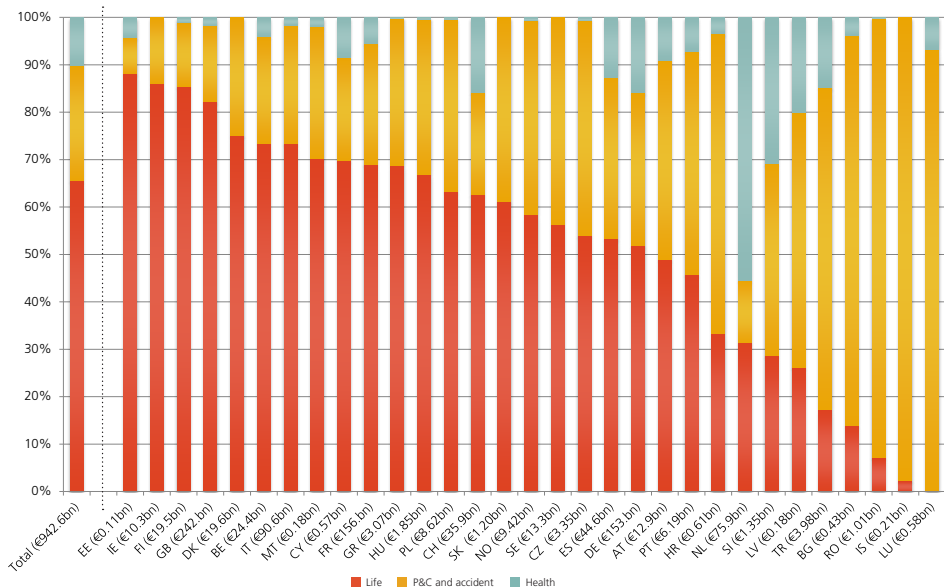


Over the same period, non-life insurers paid out over €325bn in claims to insureds, a 4.4% increase compared with the year before.

Of that amount, some €98bn was for motor insurance (a slight drop of 0.5% from 2012), €96bn for health insurance which experienced a 12% increase and over €52bn for property insurance claims, which represents a 5% growth compared to the year before.

European benefits and claims paid by country — 2013

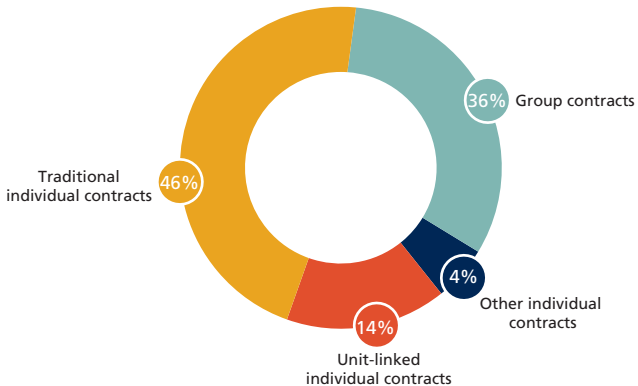
See p30 for notes



II.3 Life insurance

Life insurance policies can be either “pure insurance” products, savings products, or a combination of both. Life insurance policies can take the form of an individual or a group contract.

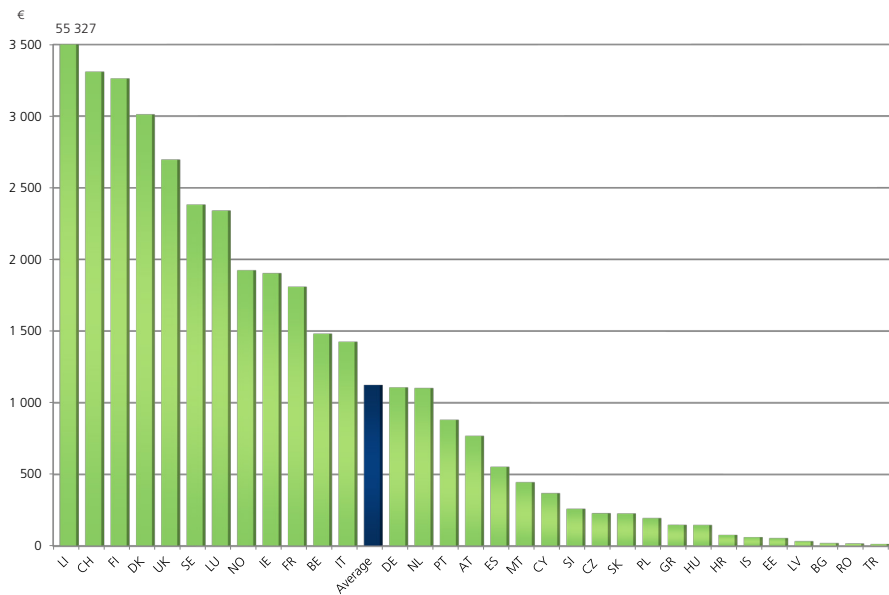
European life premiums by type of contract — 2012



In Europe in 2012:

- Individual contracts accounted for nearly 65% 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.

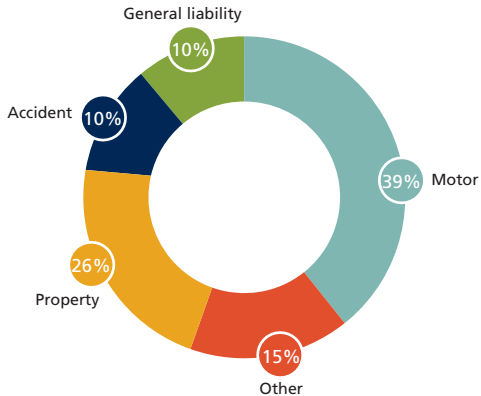
Life premiums per capita — 2013 (€)



II.4 Property, casualty and accident insurance

P&C insurance refers to the non-life insurance business, excluding health insurance. It includes a wide range of cover for individuals, homes, cars and businesses.

European P&C and accident premiums by product — 2013

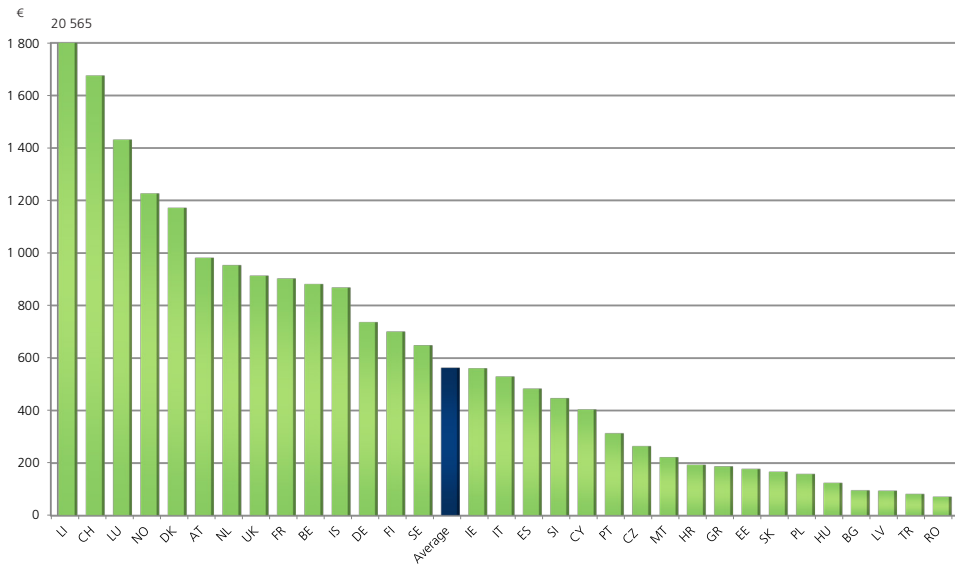


NB: "Other" includes marine, aviation and transport (MAT), legal expenses, credit insurance and travel insurance

In 2013, motor insurance was the biggest class of P&C and accident business in Europe, with €129bn of premium income, accounting for 39% of premiums.

The only P&C class in which premiums grew in 2013 was accident insurance. These premiums increased by 1.9% compared to 2012. Property insurance premiums decreased by 0.3%, while general liability insurance premiums dropped by 1.8% and motor insurance premiums decreased by 0.5% compared to the year before.

P&C premiums per capita — 2013 (€)



II.5 Health insurance

Health insurance premiums grew by 4.9% reaching €118bn in 2013. Average health insurance premiums per capita equalled €199 in 2013. This means that each European citizen spent, on average and in nominal terms, €7 more on their health insurance compared to 2012.

The Dutch and the Swiss healthcare systems are similar as they require individuals to purchase health insurance on the private market. This explains why both countries are top performers in terms of health premiums per capita.

Sweden's health insurance premiums were negative in 2013 as a result of AFA Insurance, owned by the organisations involved in Sweden's labour market, paying out SEK 11bn (€1.2bn) to its policyholders.



€199

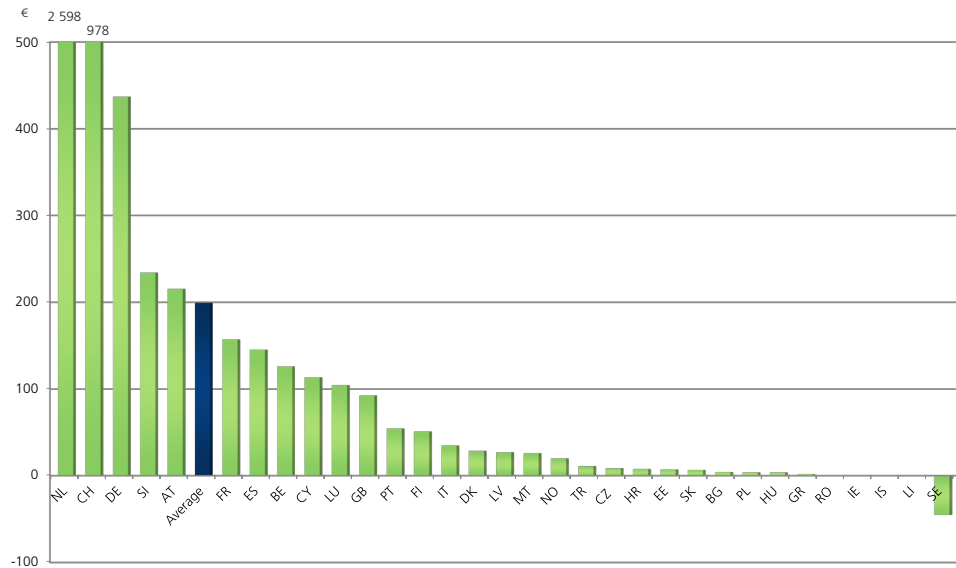
average health premiums per capita



€162

average health claims paid per capita

Health insurance premiums per capita — 2013 (€)





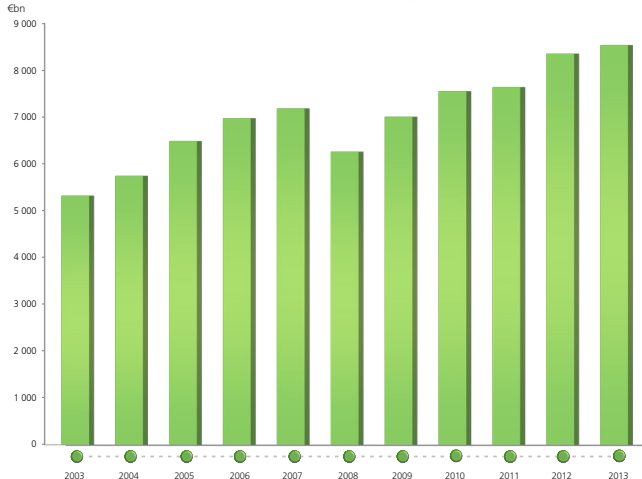
The insurance sector is the largest institutional investor in the European Union, with over €8 500bn of assets under management invested in the economy in 2013.

This represents 60% of the GDP of the EU.

III. Insurers' investment portfolio

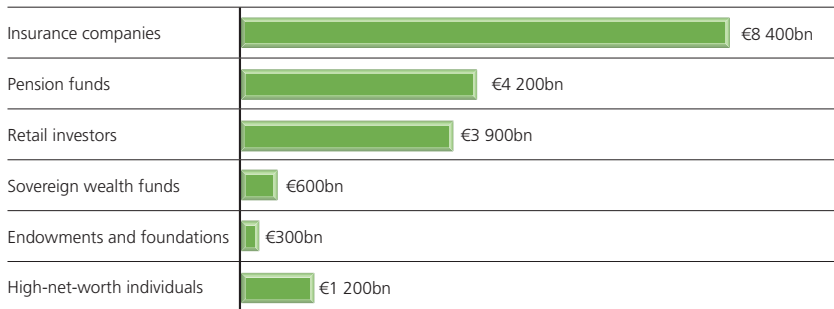
As at 31 December 2013, the European insurance industry had over €8 500bn invested in bonds, company shares and other assets on behalf of millions of future pensioners and non-life insurance customers. This represents a 3.2% growth compared to 2012.

Total European insurers' investment portfolio — 2003–2013 (€bn)



The insurance sector is a key source of the investment needed to support growth in the economy and to supply the funds required to pay for the present working generation's retirement. It is the largest institutional investor in Europe, representing roughly a half of all (estimated) European institutional assets under management in 2012¹.

European institutional assets under management — 31 December 2012



Sources: Insurance Europe, OECD, EFAMA, SWF Institute, Forbes

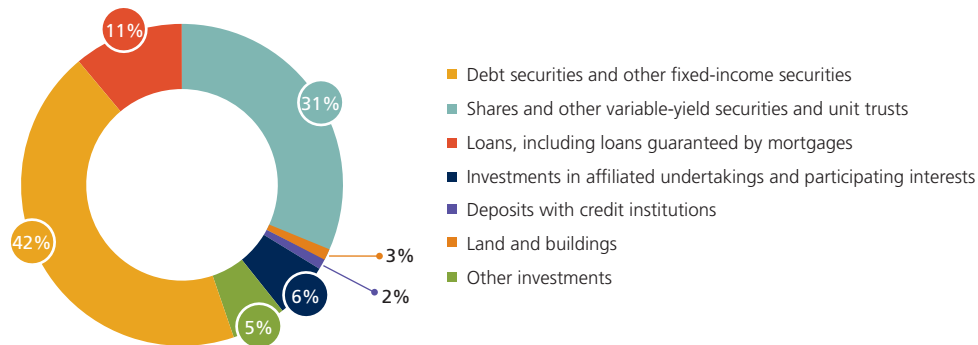
¹ Banks held total assets of approximately €45.5trn at the end of 2012, but are not considered institutional investors. The Organisation for Economic Co-operation and Development (OECD) statistical yearbook identifies institutional investors as pension funds, insurance companies and investment companies, such as sovereign wealth funds.

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

The UK, France and Germany jointly account for over 60% of all European insurers' investments.

In 2012 the largest components of European insurers' investment portfolio were debt securities and other fixed income assets (42%), followed by shares and other variable-yield securities (31%). Loans represented 11% of the total.

European insurers' investment portfolio — 2012





**The European insurance sector is a significant employer,
both in terms of direct and indirect employment.**

IV. Companies and employees



5 100
insurance companies
in Europe



995 000
direct employees in
Europe

More than 5 100 insurance companies² were operating in Europe in 2013. The majority of the companies are joint stock companies and mutual insurers, but some also take a different form such as public institutions or cooperatives.

The European insurance industry employs more than 995 000 people directly. There are also around a million outsourced employees and independent intermediaries.

² Not including the small regional German insurance associations, France's "Mutuelles 45", Belgium's "mutuelles" and Spain's regionally supervised insurers



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

V. Distribution channels

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

The diversity of distribution channels benefits consumers, whose cultures, needs and preferences vary across markets. It ensures that consumers have better access to insurance products and stimulates competition in the price and quality of products between providers and distributors.

Bancassurance has developed in parallel with the life insurance business over the last decade and is today the main life distribution channel in many European countries. Agents and brokers also play an important role in the distribution of life policies. However, direct sales through employees or distance-selling are less developed in life than in non-life insurance. The distribution of non-life policies in Europe is mainly carried out through intermediaries (agents and to a lesser extent brokers) and direct sales by employees and distance-selling.



Bancassurance

is the main life distribution channel

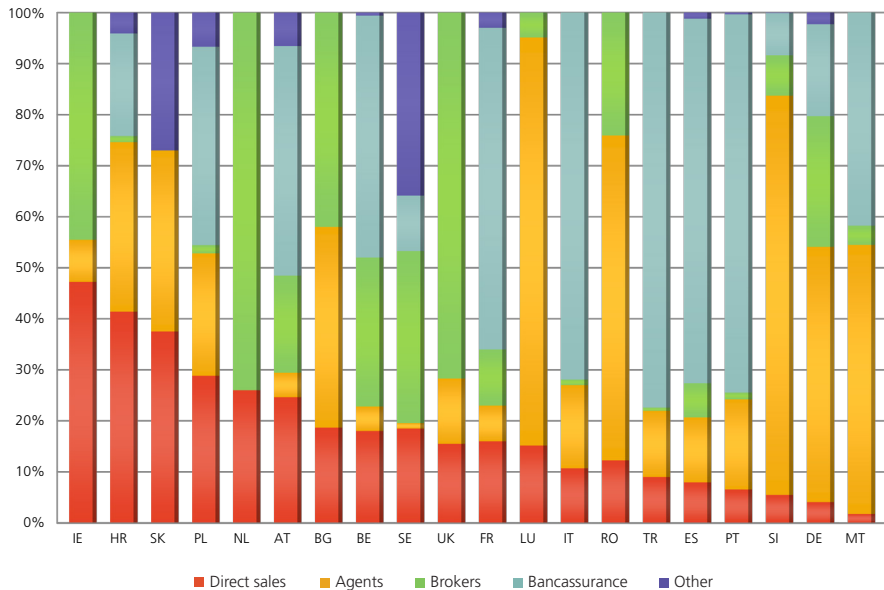


Agents and brokers

are the main non-life
distribution channel

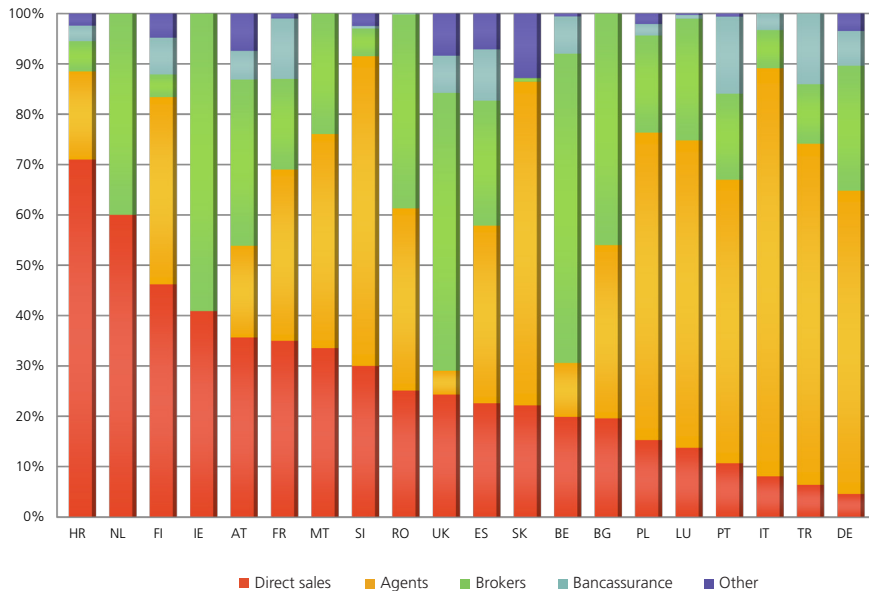
Life distribution channels (% of GWP) — 2012

See p30 for notes



Non-life distribution channels (% of GWP) — 2012

See p30 for notes



Notes to charts

p11: European insurance premiums by country — 2013

DE, GR: preliminary figures

For NL: preliminary figures include direct and indirect, domestic and foreign business

p13: European benefits & claims paid by country — 2013

DE excludes "Pensionskassen" and the pension funds covered by GDV statistics

SI includes data for SZZ member companies only. Branches are excluded.

p28: Life distribution channels (% of GWP) — 2012

DE, SE and UK, figures refer to new business.

For NL and SK, no distinction between agents and brokers is made.

SI includes data for SZZ member companies only. Branches are excluded.

p29: Non-life distribution channels (% of GWP) — 2012

NL includes agents and brokers

SI includes data for SZZ member companies only. Branches are excluded.

“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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Insurance Europe aisbl
rue Montoyer 51
B-1000 Brussels
Belgium
Tel: +32 2 894 30 00
Fax: +32 2 894 30 01

www.insuranceeurope.eu