



EIOPA Statistics - Accompanying note

Publication references: Solo/Annual/Published 20200903/Data extracted 20200820

Published statistics: [Balance sheet], [Premiums, claims and expenses], [Own funds and SCR]

Disclaimer: Data is drawn from the published statistics as of the extraction date (revision of historical series may occur). However, in order to produce the graphs and charts used in this note for illustrative or analytical purposes, certain calculations have been carried out. These are documented or available (as formulas) in the data source on EIOPA's website, unless they represent pure summation or aggregation. Any calculation or formula used for this report should not be interpreted to signify any official EIOPA methodology.

1. Balance sheet structure, main items¹

Assets

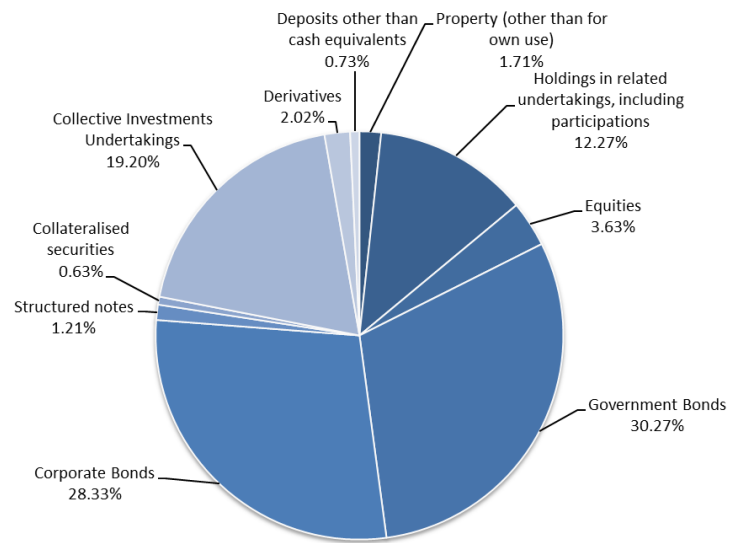
The asset side of the Solvency II balance sheet is split into investments, assets held for unit-linked business and other assets. Investments represent those held by insurers in order to be able to fulfil the promises made to the policy-holder on an on-going basis. This excludes unit-linked business for which the investment risk is assumed by the policyholder. On an EEA wide basis², **Error! Reference source not found.** shows that the investment portfolio of insurers is dominated by bonds. Corporate and government bonds together account for around 60% of the portfolio.³

¹ Note that some undertakings are exempted from quarterly reporting in accordance with Art. 35(6) of Directive 2009/139/EU. This means that the values in this note, which are based on annually reported data, may vary slightly from figures reported based on quarterly reporting.

² Data covers the EU plus Norway and Liechtenstein.

³ Certain categories of investments, such as equity and bond investments are categorized and identified under Solvency II reporting of the balance sheet under "Investments (other than assets held for index-linked and unit-linked contracts)". However, where insurers hold such assets indirectly via "Collective Investment Undertakings" or where those investments represent "Holdings in related undertakings, including participations", they will be reported under those categories instead. In addition, insurers could hold additional investments of these asset classes under "Assets held for index-linked and unit-linked contracts" (where the Solvency II reported main balance sheet does not provide an asset breakdown).

Figure 1: Investment mix by insurers in EEA following S.02 Balance sheet. End 2019. %



Source: EIOPA [Solo/Annual/Published 20200903/Data extracted 20200820]

Note: Figure does not include unit-linked business.

However, the investments shown in these figures represent only part of the balance sheet. There is also a considerable share of investments for unit-linked business. Table 1 shows the breakdown of total assets into three main categories (investments as shown above, assets held for unit-linked business and other assets).

Table 1: Main categories of total assets by insurers in per country. End 2019. EUR million and %

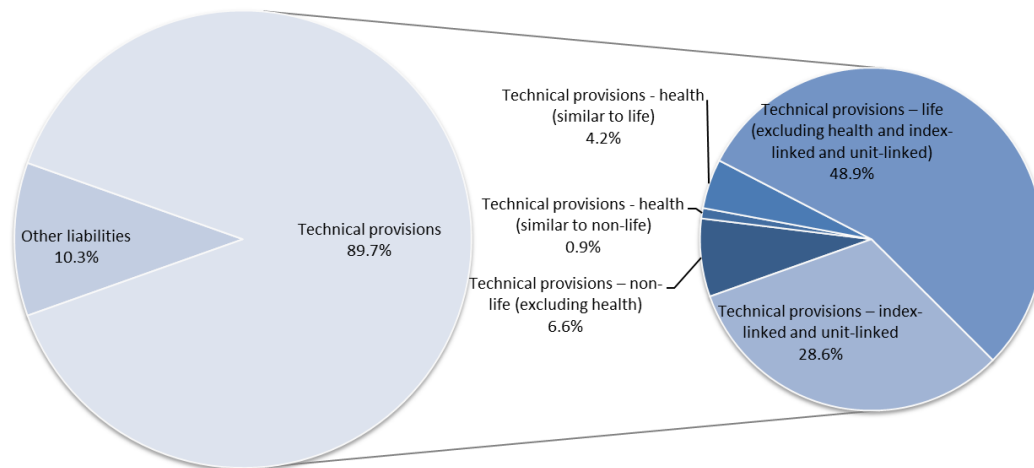
	Investments (other than assets held for index-linked and unit-linked contracts)		Assets held for index-linked and unit-linked contracts		Other assets		Total assets
	Eur mn.	%	Eur mn.	%	Eur mn.	%	Eur mn.
AUSTRIA	104 403.33	75.1%	19 109.84	13.7%	15 522.21	11.2%	139 035.38
BELGIUM	254 440.75	70.7%	44 485.61	12.4%	61 021.05	17.0%	359 947.41
BULGARIA	2 661.25	62.3%	163.95	3.8%	1 445.37	33.8%	4 270.57
CROATIA	4 619.25	77.6%	295.43	5.0%	1 036.20	17.4%	5 950.88
CYPRUS	1 897.69	46.4%	1 409.59	34.4%	786.46	19.2%	4 093.74
CZECH REPUBLIC	11 508.42	64.6%	2 976.11	16.7%	3 321.12	18.7%	17 805.65
DENMARK	247 083.56	56.9%	170 686.31	39.3%	16 540.14	3.8%	434 310.01
ESTONIA	1 084.77	54.4%	619.96	31.1%	290.71	14.6%	1 995.44
FINLAND	31 516.45	40.2%	40 873.12	52.2%	5 974.76	7.6%	78 364.33
FRANCE	2 310 624.28	76.6%	402 385.06	13.3%	302 029.53	10.0%	3 015 038.87
GERMANY	2 037 843.75	82.4%	126 706.26	5.1%	308 484.59	12.5%	2 473 034.60
GREECE	13 813.98	73.2%	2 730.42	14.5%	2 330.84	12.3%	18 875.24
HUNGARY	4 589.66	49.7%	3 886.61	42.1%	749.90	8.1%	9 226.17
ICELAND	913.28	71.5%	52.55	4.1%	311.84	24.4%	1 277.67
IRELAND	95 936.67	20.6%	255 990.76	55.0%	113 297.20	24.4%	465 224.63
ITALY	768 196.34	75.3%	179 225.03	17.6%	72 255.29	7.1%	1 019 676.66
LATVIA	743.35	52.6%	400.83	28.3%	269.89	19.1%	1 414.07
LIECHTENSTEIN	3 731.63	11.8%	20 034.12	63.2%	7 933.77	25.0%	31 699.52
LITHUANIA	779.65	62.7%	300.31	24.1%	164.31	13.2%	1 244.27
LUXEMBOURG	64 698.72	22.2%	145 785.07	50.0%	81 335.70	27.9%	291 819.49
MALTA	7 013.44	51.2%	548.01	4.0%	6 132.78	44.8%	13 694.23
NETHERLANDS	300 690.92	57.7%	84 885.51	16.3%	135 921.88	26.1%	521 498.31
NORWAY	133 250.43	68.2%	39 964.01	20.5%	22 106.06	11.3%	195 320.50
POLAND	30 284.35	66.9%	10 691.47	23.6%	4 281.46	9.5%	45 257.28
PORTUGAL	39 070.30	70.4%	12 775.70	23.0%	3 638.58	6.6%	55 484.58
ROMANIA	2 403.47	51.7%	778.81	16.8%	1 463.70	31.5%	4 645.98
SLOVAKIA	4 813.12	69.4%	1 276.63	18.4%	847.87	12.2%	6 937.62
SLOVENIA	6 051.28	69.7%	1 699.44	19.6%	931.34	10.7%	8 682.06
SPAIN	269 173.21	79.5%	22 614.60	6.7%	46 936.58	13.9%	338 724.39
SWEDEN	168 616.32	50.1%	147 883.73	43.9%	20 353.29	6.0%	336 853.34
UNITED KINGDOM	967 785.36	34.5%	1 304 053.38	46.5%	532 873.56	19.0%	2 804 712.30
TOTAL	7 890 238.98	62.1%	3 045 288.23	24.0%	1 770 587.98	13.9%	12 706 115.19

Source: EIOPA [Solo/Annual/Published 20200903/Data extracted 20200820]. Other assets include items such as loans and mortgages, re-insurance recoverables/receivables and own shares. See the balance sheet statistics for a full overview.

Liabilities

Total liabilities consist of technical provisions and other liabilities. This is illustrated on an EEA level in the Figure below. Technical provisions represent the amount of resources to be set aside to pay policyholder claims and are split into 5 main categories. Other liabilities include debt such as subordinated liabilities and financial liabilities other than debts owed to credit institutions, but also other liabilities such as, for example, deposits from reinsurers.

Figure 2: Liability profile insurers in EEA. End 2019. %



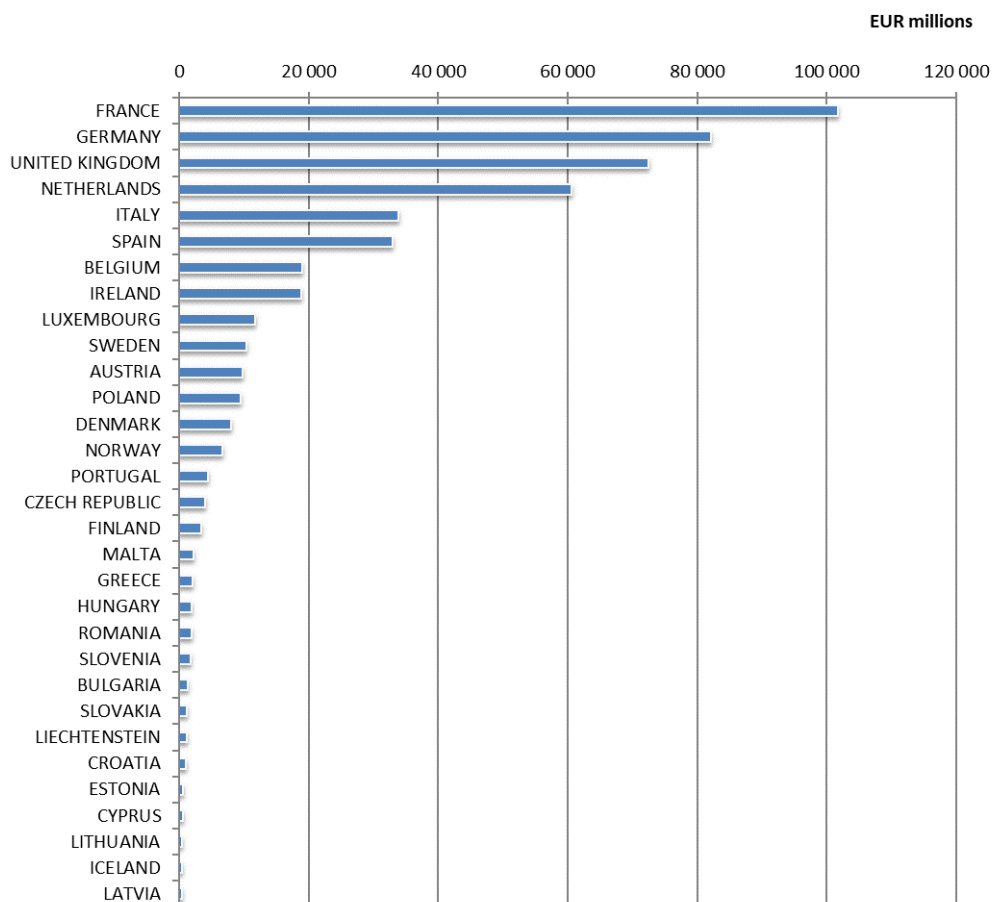
Source: EIOPA [Solo/Annual/Published 20200903/Data extracted 20200820].

2. Premiums (Non-life)

Gross written premiums

One way of assessing market size is to look at the gross (i.e. before reinsurance) written premiums by country.⁴ The figures below rank the countries according to the gross premiums written by undertakings in their jurisdiction, for non-life and life respectively.

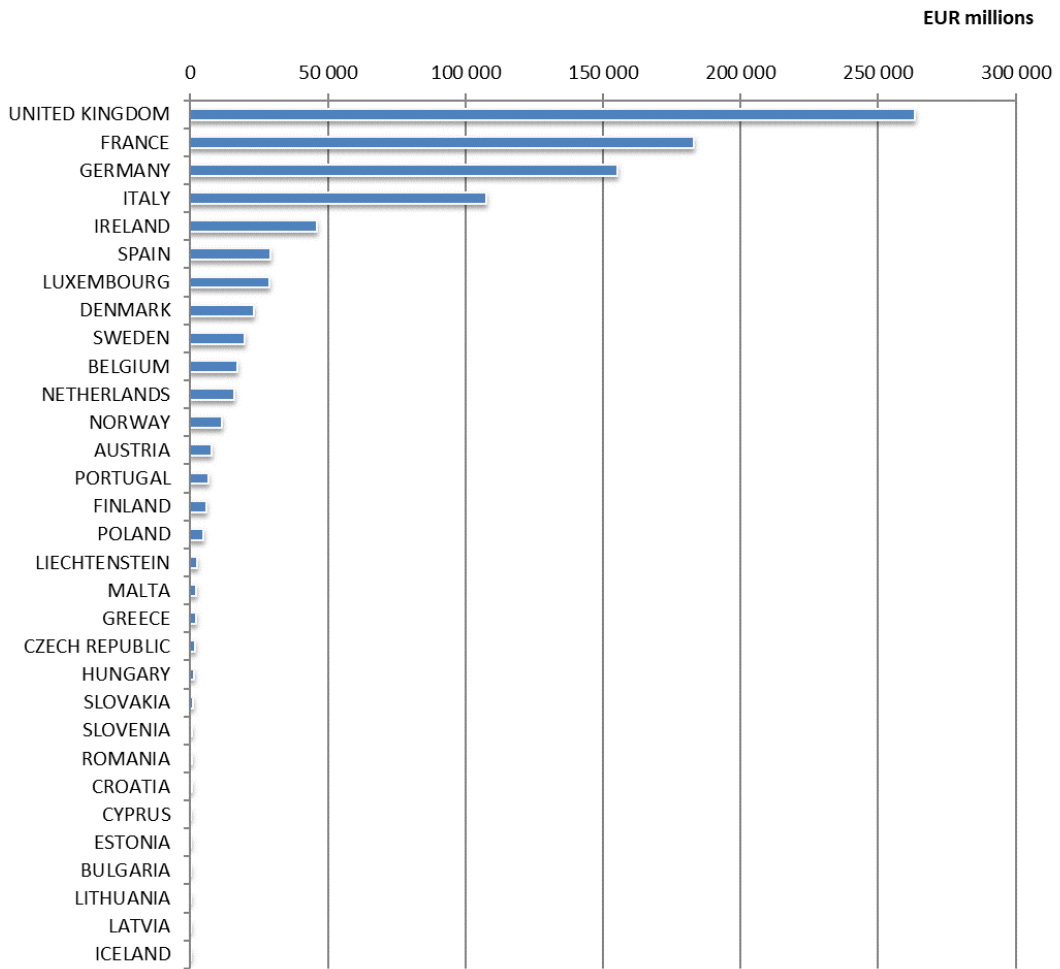
Figure 3: Non-life GWP (gross written premiums direct business) per country. End 2019 Year to date.



Source: EIOPA [Solo/Annual/Published 20200903/Data extracted 20200820]. Excluding undertakings with non-standard financial year-end. Reinsurance premiums not included.

⁴ Note that written premiums do not represent exact market size as there could be cross-border activities not captured in the solo data (e.g. premiums written outside the national market under freedom to provide services).

Figure 4: Life GWP (gross written premiums) per country. End 2019 Year to date.



Source: EIOPA [Solo/Annual/Published 20200903/Data extracted 20200820]. Excluding undertakings with non-standard financial year-end. Reinsurance premiums not included.

3. Own funds and MCR/SCR ratios

Insurance undertakings are required by the Solvency II regulation to hold a certain amount of capital of sufficient quality in addition to the assets they hold to cover the contractual obligations towards policyholders. The amount of capital (called eligible own funds) required is defined by the Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR), which depend on the risks to which the undertaking is exposed. If the amount of eligible own funds falls below the MCR, the insurance license should be withdrawn if appropriate coverage cannot be re-established within a short period of time.⁵ Holding enough eligible own funds to cover the SCR enables undertakings to absorb significant losses, even in difficult times. Undertakings' compliance with the SCR therefore gives reasonable assurance to policyholders that payments will be made as they fall due. The SCR is calculated either by using a prescribed formula (called the standard formula) or by employing an undertaking-specific partial or full internal model that has been approved by the supervisory authority. Being risk-sensitive the SCR is subject to fluctuations and undertakings are required to monitor it continuously, calculate it at least annually and re-calculate it whenever their overall risk changes significantly.

As non-compliance with the MCR jeopardizes policyholders' interests, the MCR has to be re-calculated quarterly according to a given formula. The ratios shown in Table 2 are computed by dividing the respective eligible own funds by the SCR and MCR figures as reported by the insurance undertakings at the end 2018.

⁵ If the amount of eligible own funds falls below the MCR and the undertaking fails to re-establish compliance with the MCR within three months, a withdrawal of the insurance license is mandatory in order to guard the interests of policyholders.

Table 2: MCR and SCR ratios by country. Weighted average and interquartile distribution. End 2019.

	SCR Ratio				MCR Ratio			
	Weighted average	Percentiles			Weighted average	Percentiles		
		25th	50th	75th		25th	50th	75th
AUSTRIA	267%	193%	230%	278%	768%	510%	671%	914%
BELGIUM	204%	156%	189%	244%	454%	333%	467%	689%
BULGARIA	200%	123%	175%	239%	502%	160%	282%	501%
CROATIA	222%	174%	191%	255%	621%	265%	408%	716%
CYPRUS	295%	145%	181%	234%	799%	213%	331%	658%
CZECH REPUBLIC	228%	154%	209%	298%	624%	208%	351%	515%
DENMARK	268%	201%	279%	343%	698%	356%	546%	961%
ESTONIA	182%	151%	170%	213%	541%	469%	502%	603%
FINLAND	209%	193%	219%	238%	706%	634%	811%	925%
FRANCE	267%	190%	263%	383%	651%	421%	597%	1023%
GERMANY	310%	204%	294%	449%	881%	498%	766%	1142%
GREECE	179%	153%	181%	223%	471%	303%	416%	522%
HUNGARY	205%	175%	202%	270%	549%	375%	500%	670%
ICELAND	170%	151%	174%	224%	380%	189%	324%	366%
IRELAND	183%	155%	196%	285%	525%	384%	557%	746%
ITALY	231%	157%	192%	248%	569%	344%	449%	612%
LATVIA	163%	124%	140%	170%	371%	166%	285%	377%
LIECHTENSTEIN	223%	158%	222%	284%	647%	346%	571%	778%
LITHUANIA	182%	160%	181%	214%	436%	284%	347%	566%
LUXEMBOURG	202%	158%	217%	348%	581%	422%	635%	916%
MALTA	281%	157%	214%	279%	715%	211%	426%	634%
NETHERLANDS	185%	159%	201%	264%	430%	347%	436%	776%
NORWAY	231%	175%	246%	368%	548%	348%	486%	721%
POLAND	252%	176%	215%	275%	705%	307%	495%	741%
PORTUGAL	178%	143%	174%	249%	495%	301%	450%	620%
ROMANIA	167%	136%	167%	265%	421%	203%	318%	522%
SLOVAKIA	190%	164%	180%	196%	524%	376%	457%	676%
SLOVENIA	229%	156%	220%	268%	671%	412%	621%	726%
SPAIN	237%	188%	240%	316%	630%	433%	652%	903%
SWEDEN	260%	164%	206%	292%	934%	387%	606%	823%
UNITED KINGDOM	160%	157%	206%	333%	463%	327%	536%	778%
TOTAL	242%	167%	223%	337%	648%	359%	546%	853%

Source: EIOPA [Solo/Annual/Published 20200903/Data extracted 20200820]. The weighted average represents the aggregate own funds (sum of all undertakings) divided by aggregate SCR or MRC respectively. The percentiles represent the interquartile range (25th to 75th percentile) and the median (50th percentile).