



EIOPA Statistics - Accompanying note

Publication references: Solo/Quarterly/Published 20230203

Published statistics: [Balance sheet], [Premiums, claims and expenses], [Own funds and SCR], [Asset exposures], [FS Indicators]

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

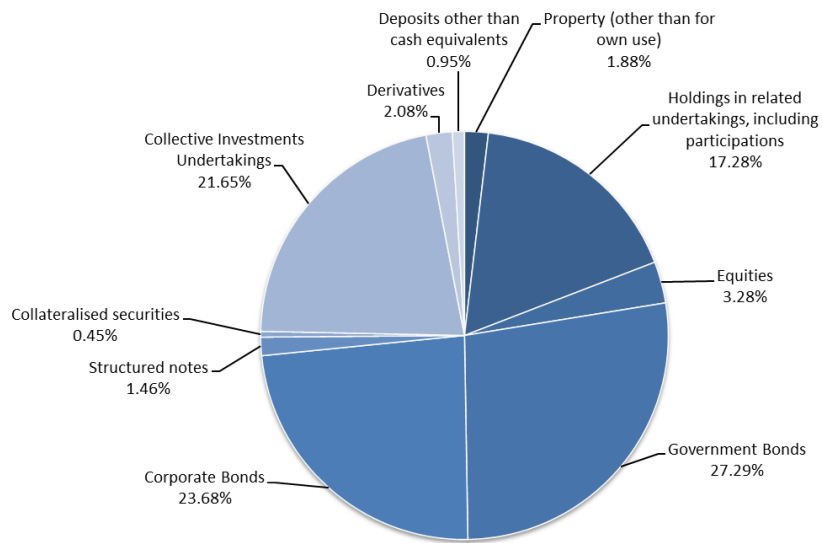
The asset side of the Solvency II balance sheet is split into investments, assets held for unit-linked business and other assets. Investments represent those held by insurers in order to be able to fulfil the promises made to the policy-holder on an on-going basis. This excludes unit-linked business for which the investment risk is assumed by the policyholder. On an EEA wide basis², Figure 1 shows that the investment portfolio of insurers is dominated by bonds. Corporate and government bonds together account for about 50% 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 quarterly reported data, may vary slightly from figures reported based on annual reporting. The date of extraction provides the date the extraction process was initiated. Resubmissions may have been included after that date up to the publication date.

² Data covers the EU plus Norway, Iceland 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. 2022 Q3. %



Source: EIOPA [Solo/Quarterly/Published 20230203]

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. Figure 2 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. 2022 Q3. EUR million and %

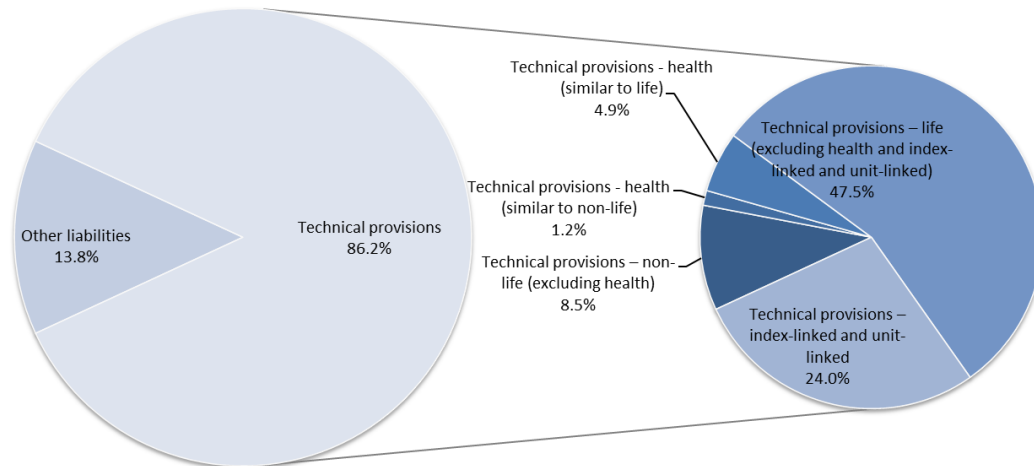
	Investments (other than assets held for index-linked and unit-linked contracts)		Assets held for index-linked and unit-linked contracts		Other assets		Total assets
	Eur mn.	%	Eur mn.	%	Eur mn.	%	Eur mn.
AUSTRIA	94,912.71	73.9%	15,464.09	12.0%	18,119.80	14.1%	128,496.60
BELGIUM	206,340.25	63.3%	44,992.28	13.8%	74,868.53	23.0%	326,201.06
BULGARIA	2,819.57	56.2%	355.31	7.1%	1,838.24	36.7%	5,013.12
CROATIA	4,151.62	71.7%	264.26	4.6%	1,371.55	23.7%	5,787.43
CYPRUS	1,886.83	43.0%	1,535.50	35.0%	962.59	22.0%	4,384.92
CZECH REPUBLIC	10,232.96	58.6%	3,014.58	17.3%	4,223.43	24.2%	17,470.97
DENMARK	315,083.89	55.4%	219,398.91	38.6%	34,085.77	6.0%	568,568.57
ESTONIA	998.85	47.8%	791.33	37.9%	298.08	14.3%	2,088.26
FINLAND	28,643.84	36.0%	44,813.35	56.3%	6,142.60	7.7%	79,599.79
FRANCE	2,055,756.52	72.6%	439,320.65	15.5%	338,155.36	11.9%	2,833,232.53
GERMANY	1,745,229.59	79.1%	137,848.29	6.3%	322,435.65	14.6%	2,205,513.53
GREECE	12,356.75	66.8%	3,663.41	19.8%	2,473.98	13.4%	18,494.14
HUNGARY	3,065.44	41.8%	3,527.69	48.1%	742.86	10.1%	7,335.99
ICELAND	1,108.97	75.3%	50.22	3.4%	312.57	21.2%	1,471.76
IRELAND	95,485.67	19.5%	269,730.83	55.0%	125,336.83	25.6%	490,553.33
ITALY	685,539.91	70.2%	210,783.59	21.6%	80,477.36	8.2%	976,800.86
LATVIA	748.35	53.5%	407.18	29.1%	242.73	17.4%	1,398.26
LIECHTENSTEIN	3,354.92	10.2%	18,856.82	57.6%	10,534.31	32.2%	32,746.05
LITHUANIA	878.67	54.5%	496.15	30.8%	236.39	14.7%	1,611.21
LUXEMBOURG	56,139.64	20.1%	150,362.80	53.8%	72,773.18	26.1%	279,275.62
MALTA	5,978.68	50.0%	641.32	5.4%	5,348.69	44.7%	11,968.69
NETHERLANDS	246,998.37	55.0%	74,601.36	16.6%	127,604.13	28.4%	449,203.86
NORWAY	130,005.44	64.8%	49,120.00	24.5%	21,501.40	10.7%	200,626.84
POLAND	24,438.20	67.2%	6,813.24	18.7%	5,094.37	14.0%	36,345.81
PORTUGAL	28,978.73	59.6%	15,028.57	30.9%	4,627.30	9.5%	48,634.60
ROMANIA	2,987.74	57.3%	736.28	14.1%	1,486.54	28.5%	5,210.56
SLOVAKIA	3,537.89	67.7%	987.65	18.9%	701.09	13.4%	5,226.63
SLOVENIA	5,685.78	67.6%	1,557.16	18.5%	1,165.54	13.9%	8,408.48
SPAIN	222,076.36	74.7%	30,138.97	10.1%	44,929.23	15.1%	297,144.56
SWEDEN	153,903.35	43.7%	173,792.17	49.3%	24,506.86	7.0%	352,202.38
TOTAL	6,149,325.49	65.4%	1,919,093.96	20.4%	1,332,596.96	14.2%	9,401,016.41

Source: EIOPA [Solo/Quarterly/Published 20230203]. 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. 2022 Q3. %



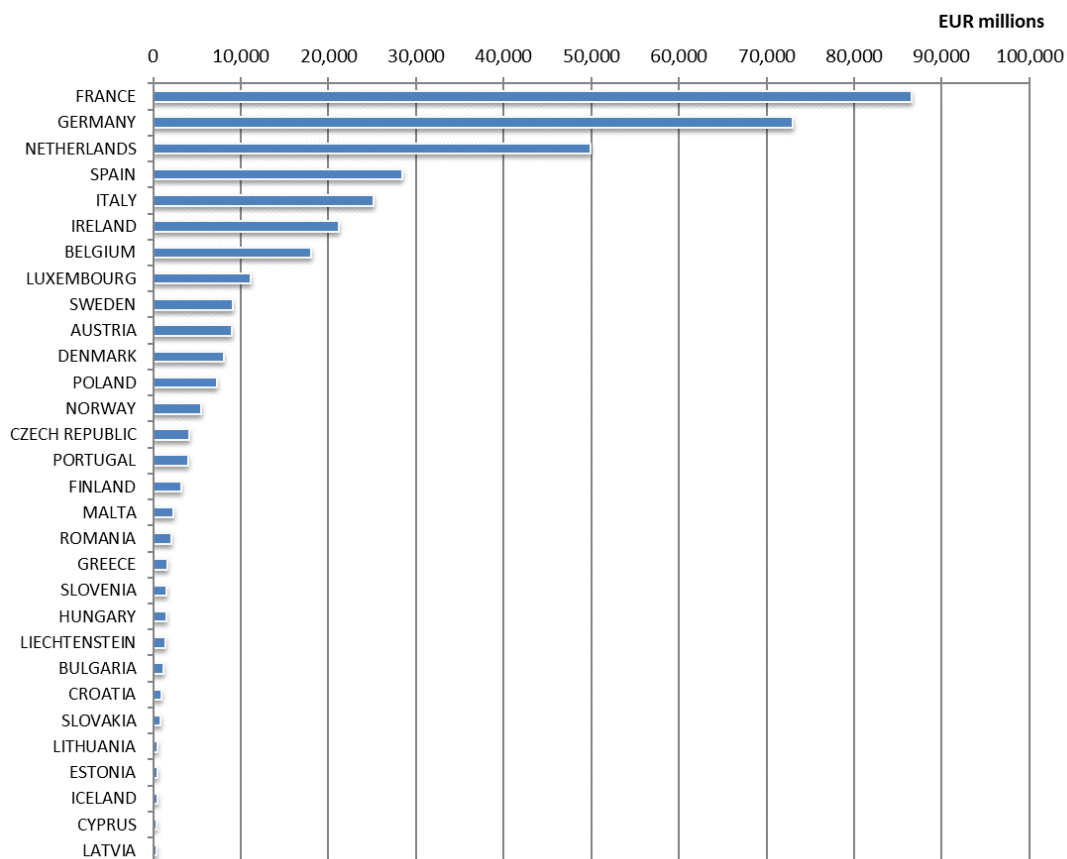
Source: EIOPA [Solo/Quarterly/Published 20230203]

2. Premiums, claims and expenses

Gross written premiums

One way of assessing market size is to look at the gross (i.e. before reinsurance) written premiums by reporting 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.

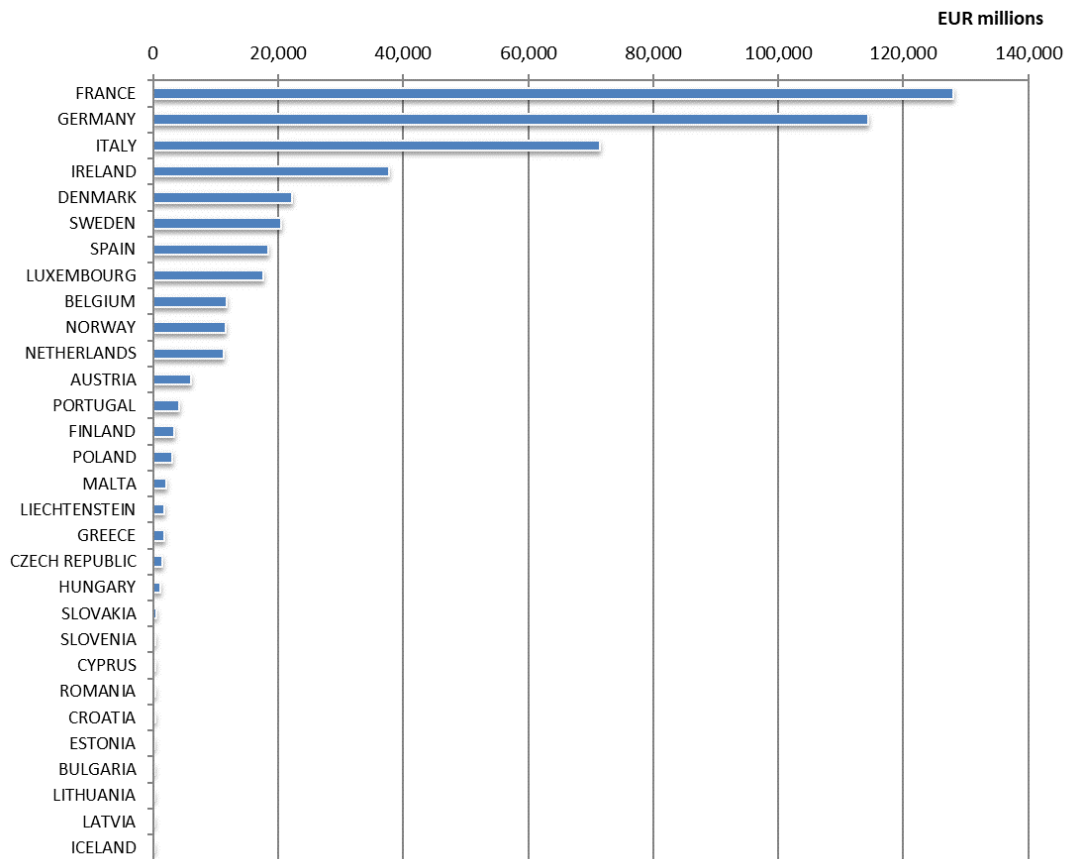
Figure 3a: Non-life GWP (gross written premiums – direct business) per country. 2022 Q3 Year to date.



Source: EIOPA [Solo/Quarterly/Published 20230203]. 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 3b: Life GWP (gross written premiums) per country. 2022 Q3 Year to date.

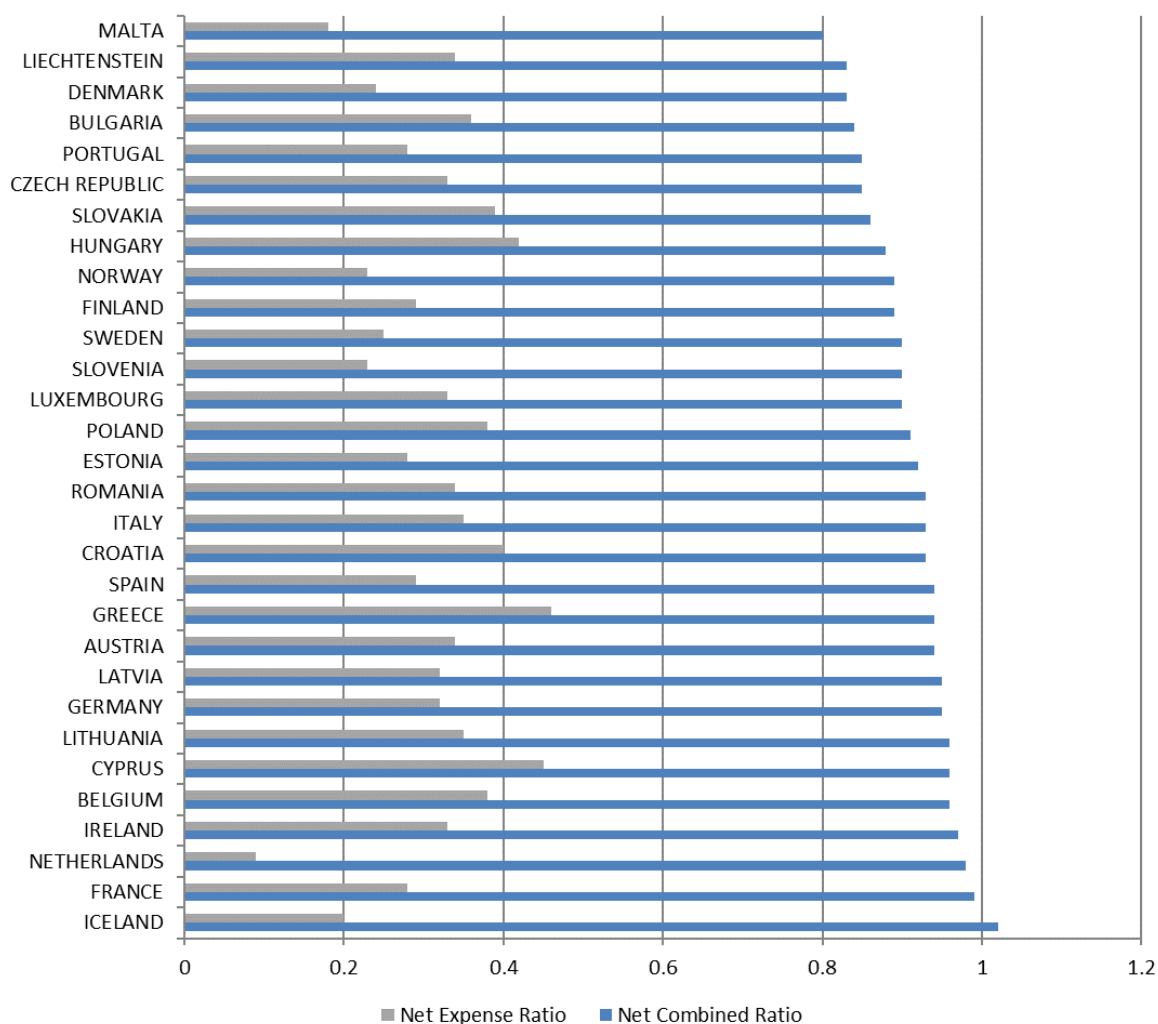


Source: EIOPA [Solo/Quarterly/Published 20230203]. Excluding undertakings with non-standard financial year-end. Reinsurance premiums not included.

Net combined ratios and net expense ratios

Combined ratios are a traditional measure of profitability in the (non-life) insurance sector. Figure 4 ranks the countries according to their net combined ratio from lowest to highest; also displayed is the expense ratio of each country. Net combined ratio is calculated as the sum of net claims incurred and expenses incurred divided by net earned premium $([R0400 + R0550] / R0300)$. The net expense ratio is expenses incurred divided by net earned premium $(R0550/R0300)$.⁵ The ratios do not include the investments' income. A ratio below 1 indicates underwriting profit while a ratio above 1 means that the pay-outs due to expenses and claims exceed the earned premiums.

Figure 4: Net combined ratio and net expense ratio by country. Non-life. 2022 Q3.



Source: EIOPA [Solo/Quarterly/Published 20230203]. Excluding undertakings with non-standard financial year-end. Reinsurance premiums not included.

⁵ The net combined ratio is used rather than gross combined ratio as the data provided in quarterly returns is not sufficient to compute a gross combined ratio.

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.⁶ 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 of the reference quarter.

⁶ 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. 2022 Q3

	SCR Ratio				MCR Ratio			
	Weighted average	Percentiles			Weighted average	Percentiles		
		25th	50th	75th		25th	50th	75th
AUSTRIA	288%	207%	235%	312%	938%	674%	820%	964%
BELGIUM	221%	172%	217%	254%	490%	384%	539%	758%
BULGARIA	183%	136%	157%	204%	508%	244%	370%	519%
CROATIA	221%	158%	189%	251%	703%	323%	499%	736%
CYPRUS	310%	165%	218%	266%	837%	233%	463%	731%
CZECH REPUBLIC	207%	141%	188%	254%	514%	227%	331%	489%
DENMARK	275%	215%	280%	345%	711%	398%	634%	1002%
ESTONIA	176%	154%	180%	197%	510%	220%	508%	592%
FINLAND	281%	245%	284%	322%	956%	725%	1112%	1262%
FRANCE	249%	166%	234%	315%	648%	405%	658%	1048%
GERMANY	325%	202%	308%	482%	934%	491%	777%	1478%
GREECE	198%	161%	182%	211%	521%	294%	354%	639%
HUNGARY	169%	161%	173%	221%	505%	347%	473%	624%
ICELAND	161%	157%	185%	215%	354%	253%	349%	383%
IRELAND	184%	163%	199%	274%	515%	413%	576%	764%
ITALY	247%	163%	204%	265%	607%	367%	490%	676%
LATVIA	162%	128%	169%	213%	354%	191%	276%	429%
LIECHTENSTEIN	211%	173%	217%	287%	663%	428%	583%	817%
LITHUANIA	169%	160%	182%	217%	428%	237%	344%	697%
LUXEMBOURG	188%	151%	193%	250%	516%	435%	616%	793%
MALTA	261%	140%	188%	210%	648%	186%	390%	555%
NETHERLANDS	194%	165%	202%	271%	471%	357%	439%	713%
NORWAY	226%	192%	252%	333%	561%	419%	518%	773%
POLAND	235%	157%	204%	242%	633%	326%	429%	645%
PORTUGAL	201%	161%	208%	246%	558%	389%	566%	736%
ROMANIA	159%	142%	177%	218%	370%	251%	303%	549%
SLOVAKIA	200%	146%	184%	233%	520%	294%	388%	586%
SLOVENIA	240%	201%	240%	274%	740%	429%	588%	948%
SPAIN	243%	189%	245%	332%	664%	451%	666%	1041%
SWEDEN	232%	190%	228%	261%	849%	464%	656%	948%
EEA	261%	172%	222%	308%	711%	389%	591%	893%

Source: EIOPA [Solo/Quarterly/Published 20230203]. The weighted average represents the aggregate own funds (sum of all undertakings) divided by aggregate SCR or MCR respectively. The percentiles represent the interquartile range (25th to 75th percentile) and the median (50th percentile).