



Facts and figures

Mutual and cooperative insurance in Europe
Vol 2

Facts and figures: Mutual and cooperative insurance in Europe Vol 2

Published May 2018

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Foreword

Europe's mutual and cooperative insurers have seen a resurgence in business in recent years. Statistical data sourced and analysed for this report by the International Cooperative and Mutual Insurance Federation (ICMIF) demonstrates that the period between 2007 and 2015 witnessed a renewed interest from members/policyholders in mutual and cooperative insurance, turning the trend from the previous edition of this report covering the years 2004-2008.

The mutual and cooperative insurance sector across Europe is characterised by its diversity; there are small mutuals operating in a very localised area and overseen at that level, while some of the largest mutuals operate in multiple jurisdictions across Europe and beyond. This report focusses on the European elements of the sector over the nine years under analysis, encompassing as much data about the hugely varied members of this community as possible. Inevitably there will be some inaccuracies, and where these come to light, we will update this report accordingly.

The legal landscape elements of the report have been developed through desk research by AMICE, supported by our members, national supervisors, national associations and other trade bodies. We thank everybody who has helped with verifying the legal information and assisted us with developing an extensive database of the legal requirements currently in place for mutual and cooperative insurers in the 28 EU Member States and four EFTA countries.

Each country chapter contains an overview of the legal environment as it stands in 2017/2018, reflecting the period in which the legal research was undertaken. Although this does not match with the timescale for the statistical data (2007-2015), there would be little value for the reader in describing the various legal and regulatory systems before the implementation of Solvency II at the beginning of 2016, so the information within these sections describes the systems prevailing at the time this report was released in June 2018.

At the heart of mutuality is the focus on maximising stakeholder benefit, primarily that of their members/policyholders, but also for employees and society. More information on other areas in which this is exemplified is available in the AMICE publication *Good practices vis-à-vis staff, member-policyholders and society*,¹ giving an insight into the way mutual and cooperative insurers operate alongside this report on their dimensions and scale.

I would like to thank AMICE's Promoting Commission, and in particular the Promoting and Communications Working Groups, for supporting and overseeing this project. This research has given us an even better understanding of the sector which AMICE represents, and the support of the working group members has enabled us to proudly publish the biggest longitudinal study to date on European mutual and cooperative insurers.



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¹ AMICE (2017) *Good practices vis-à-vis staff, member-policyholders and society*.

Executive summary

The fundamental distinguishing feature of mutual and cooperative insurers, setting them apart from listed insurance companies, is that they operate for the benefit of their members/policyholders rather than for the benefit of external investors. One consequence of this is that mutual and cooperative insurers have a stronger focus on the longer-term time horizon than their listed counterparts, notably in respect to their relationship with members/policyholders. This also manifests itself in many mutual and cooperative insurers' approach towards products and claims, socio-economic responsibilities, democratic governance and sustainability.

Prior to the period covered in this report, the mutual and cooperative model had somewhat fallen out of favour, being perceived as anachronous in the prevailing business environment of the time. Demutualisations and other legal form changes, as well as M&A and other consolidation activity, had reduced the number of mutual/cooperative insurers in Europe and led to a decrease in market share, as shown in AMICE's previous *Facts & Figures* publication covering the period from 2004 to 2008.¹

This trend subsequently and significantly reversed with the onset of the global financial crisis. European mutual and cooperative insurers reported premium income increases at a much higher rate than the rest of the European insurance market in the period covered in this report, reflecting a flight to quality and security in the face of profound economic instability. This increase in premium income came at the same time as a decline in overall numbers of mutual/cooperative insurers, falling from more than 3,500 in 2007 to less than 2,500 in 2015 for mutual/cooperatives in the legal form ("definition 1").² Subsidiaries of mutual/cooperatives insurers in the legal form ("definition 2") also recorded an overall increase in premium income (though not as marked as for the definition 1 entities) and a much smaller relative decline in numbers of entities. Mutual/cooperative-type insurers ("definition 3") reported the most significant increase in premium income over the period of 2007 to 2015, with the numbers of entities remaining steady over the period. Overall market share encompassing all three definitions for the period of the study increased from just over 24% to more than 31%.

The three different definitions referenced reflect the lack of consistency across the countries included in this report – the 28 EU Member States and four EFTA countries – on the legal recognition and attendant regulatory treatment of mutual/cooperative insurers. Most European countries legally foresee an element of mutual and/or cooperative insurance, though five countries in this study have no form of legal recognition of the structures. Only one country – Cyprus, which legally foresees mutual insurance – has no mutual/cooperative-related insurance activity in the country. Market penetration of definition 1 insurers – mutual/cooperatives in the legal form – was unsurprisingly strong in countries with a long traditional of mutual/cooperative insurance, with the greatest penetration in Sweden. By contrast, many of the newer EU Member States do not have any mutual/cooperative insurers in the legal form participating in their market.

If the global economic crash of 2007-2008 was the defining feature of business activity for European insurance in recent years, for those insurers operating in the EU, the implementation of Solvency II³ was the defining feature from a regulatory perspective. Although the Solvency II Directive allows the smallest of insurers to be outside its remit under the provisions of Article 4, in practice this provision has been applied in a piecemeal fashion in EU Member States. This piecemeal approach is also reflected in the diverse attitudes of national supervisory authorities across the EU to the practical implementation of the principle of proportionality, which, alongside the diversity of legal recognition, is creating an unbalanced environment for the regulation of mutual/cooperative insurers. Ultimately, this results in an inconsistent and potentially unfair impact on members/policyholders in different Member States, and has an additional consequence of creating barriers to entry for cross-border activities. Unnecessarily onerous regulation, to the detriment of the member/policyholder, is a consistent worry for European mutual/cooperative insurers, irrespective of size.

¹ AMICE (2012) *Facts and figures: Mutual and cooperative insurance in Europe*.

² See methodology for explanation of the different definitions of mutual/cooperative insurers used in this report.

³ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance - Solvency II.

From a socio-economic perspective, the sector plays an important role in EU stability and continuity. In 2015, around 414 million members/policyholders⁴ were protected by mutual/cooperative insurers in one form or another. The decision of many policyholders to turn to the sector for their insurance needs when the economic environment was at its most challenged in living memory is a clear indicator of the trust which is placed in the sector and its reputation for long-term security.

Also in 2015, around 438,000 people were employed by EU mutual/cooperative insurers. Across the whole of Europe, mutual/cooperative insurers reported 2.78 trillion in total assets, reflecting the sector's importance as investors as well as providers of insurance cover.

Whether the upwards trends identified in this report will continue remain to be seen. There are significant changes taking place in the wider European insurance industry, as well as new competition developing from technological innovation. The flexibility of mutual/cooperative insurers to respond to external factors and of regulators to recognise their unique features will play a large part in their future success.

⁴ See methodology for an explanation of the term members/policyholders.

Landscape & evolution of the European mutual & cooperative insurance sector

Mutual and cooperative insurers are well-established within Europe, many having been formed many decades – or indeed centuries – ago. Following on from AMICE's original *Facts & Figures* publication issued in 2012 which studied the development of mutual and cooperative insurance in 27 EU Member States in the years 2004-2008, this updated study has enlarged both the number of countries included in its remit and the longitudinal nature of the data included to provide a comprehensive analysis of Europe's mutual and cooperative insurance sector.

This updated version of *Facts & Figures* covers the period from 2007 to 2015. Over these years, the European Union's insurance regulatory system was in the process of a fundamental restructure into a common system under the Solvency II¹ project. At the same time, European financial institutions were feeling the profound effects of the global financial crisis 2007-2008. Weak macroeconomic conditions persisted across many of these years, characterised by low levels of economic growth in the Eurozone coupled with a low interest rate environment and rising unemployment levels. Although the European insurance market overall proved resilient to the prevailing challenges, concerns over the sector's potential to negatively impact economic conditions and aspects of policyholder protection increased the breadth and depth of the Solvency II requirements, with a concomitant threat to the sustainability of insurance entities operating in Europe. The mutual and cooperative insurance industry ranges in size and activity from some of the smallest European insurers to some of the largest, sharing the principles of solidarity and satisfying their members' needs rather than providing a return on capital to external investors. Challenges emanating from the changes to the regulatory system are faced by the whole sector, irrespective of size. It is, however, the smaller entities which are facing the greatest challenge from the Solvency II requirements. Future studies will show how this impact may have changed the mutual insurance landscape in Europe as those challenges force small mutual insurers to follow a variety of adaptation strategies.

It is also worth noting the heterogeneous nature of the mutual and cooperative insurance sector across Europe, with some established around the specific needs of professional affinity groups or farming associations, for example, while others have responded to more general market needs. The variety of the types of insurance business included within the sector and the reasons for their establishment and continuation are reflected in the variation on a country-by-country basis on market share and treatment.

Over the period of time covered in this report, the European mutual and cooperative sector experienced substantial growth in premium incomes in contrast to the general experience of the European insurance market. Market share for the mutual and cooperative sector increased for most of the years covered by this study, though that trend slowed slightly in 2014 and 2015. Despite this slowdown, the statistics show that mutual and cooperative insurers in Europe continue to be the insurers of choice of a substantial proportion of European policyholders in the post-financial crisis era, disproving suggestions that the "flight to quality" and security by policyholders as a result of the financial crisis could have been superseded by other factors including competition from listed insurers which may have resulted in the mutual and cooperative insurers' market share declining sharply. Against this background, there have been warnings that mutuals may face into competitive disadvantages from increased compliance demands in a post-crisis environment, which would disproportionately impact on the smaller mutuals across Europe.²

Other suggestions are that the traditional basis of the mutual and cooperative model, although resilient due to the close relationship between the mutuals and their members, may be challenged by a lack of speed and agility to respond to the changing market.³ An ability to innovate and increase efficiency are seen as important factors in the ability to counter this challenge, though the close nature of relationship between the insurers and their members/policyholders may provide a degree of protection from other aspects of competition.

¹ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance - Solvency II.

² Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

³ A.M. Best (2016) *Market Review - Future Proofing European Mutuals*.

Nevertheless, concerns remain that future growth may be somewhat impacted by the myriad regulatory changes which have been implemented across the EU, particularly Solvency II which “went live” at the beginning of 2016. The increasingly complex regulatory environment within Europe has ongoing resource implications for all insurers, but disproportionately impact the smallest organisations.

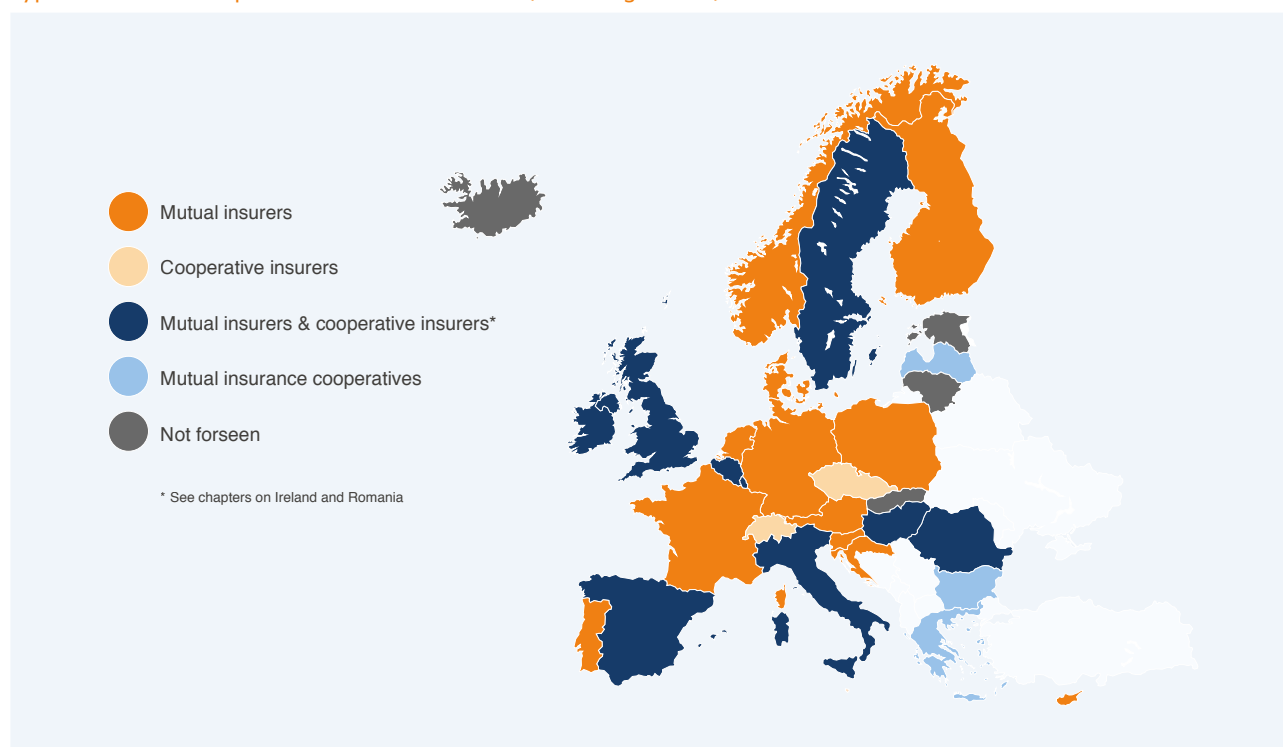
The statistical elements of this report analyse the changes in the mutual and cooperative insurance sector in the years running up to the implementation of Solvency II. Although some structural arrangements had been put into place towards the latter end of the period of time under analysis, there may be some further structural changes which have subsequently been implemented because of Solvency II but aren’t fully reflected in the numbers presented in this report. For example, horizontal groupings in Europe such as the French Mutual Insurance Group Societies (SGAM) are now, under Solvency II, required to become either formally integrated within a financial solidarity mechanism impacting their regulatory risk requirements or maintain separate supervision and capitalisation under a different form of collaboration.⁴

Legal landscape

The European legal landscape post-Solvency II is detailed in each chapter as it is applied in that country in this report. This therefore does not directly equate with the detailed statistics, which all related to the pre-Solvency II environment and in which the regulatory systems differed widely under local requirements. These differences were both between and within the countries under the timeframe covered in the report; this is complex historic information which although it demonstrates the fragmented legal system across Europe before 2016, has little relevance now that a maximum harmonisation system has been implemented. The report notes that there are, however, variations in treatments under Solvency II, particularly in the application of the Article 4 provisions for the smallest insurers in Europe, as well as indicating in which countries the mutual and/or cooperative form is legally foreseen (see Figure 1).

From the perspective of mutuality, although most European countries recognise the mutual and/or cooperative form to one degree or another, this is still not the case across all European countries. Variations in structures foreseen in local legislation are: mutual insurance cooperatives only; cooperative insurers only; mutual insurers only; mutual insurers and cooperative insurers (with some local anomalies); and no structures foreseen.

Figure 1
Types of mutual/cooperative insurers foreseen (in the legal form)⁵



⁴ Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

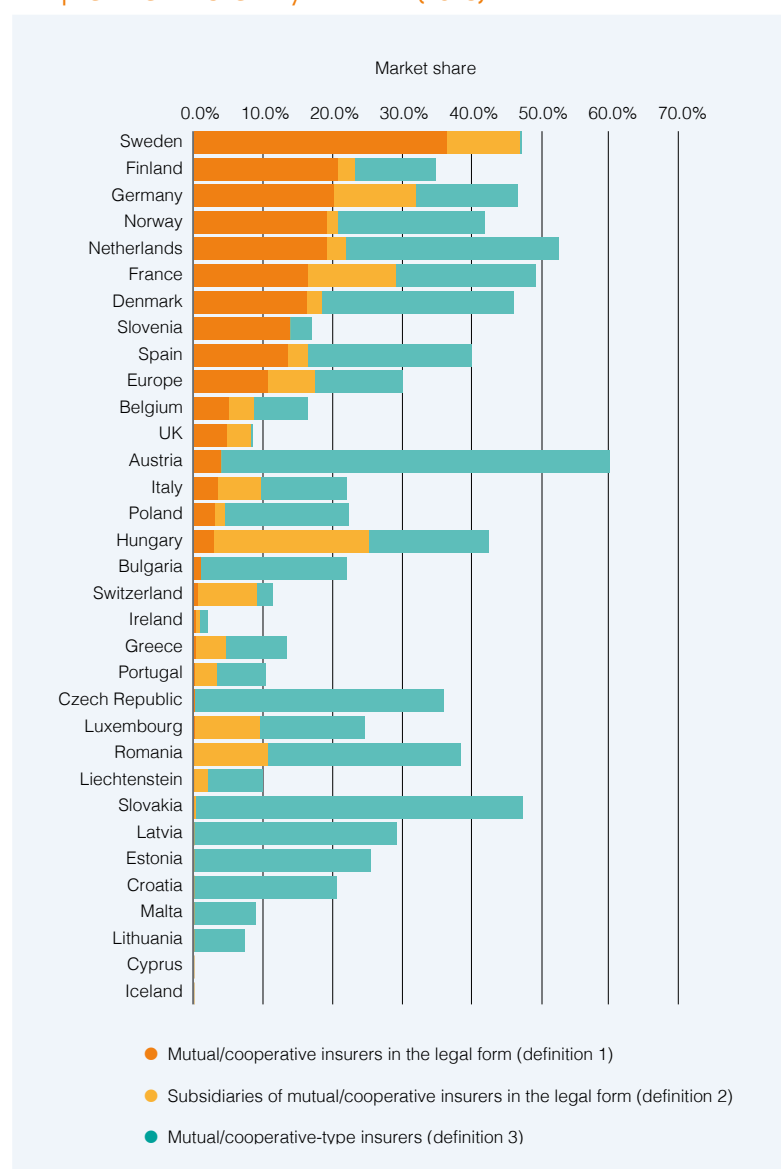
⁵ See methodology for explanation of different legal treatments.

By definition,⁶ the top 16 countries in terms of mutual/cooperative market share all have legal systems which foresee the mutual and/or cooperative model, but this is not necessarily an indicator of either the scope of the legal recognition or the market share when a wider definition of mutual/cooperative insurer is taken into account (see Figure 2). For example, Austria was the largest insurance market in the world in terms of mutual/cooperative market share in 2015, with more than 60% of the national market. Less than 4% of the market share was held by mutual/cooperative insurers in legal form, although Austrian legislation contains special rules for mutual insurance companies regarding their establishment, organisation, finances, winding up and mergers, and foresees special provisions for small mutual insurance companies, but does not provide for insurance cooperatives. Subsidiaries of mutual/cooperative insurers also held less than 4% market share, but the overall market share of the sector shot up to 60.5% when mutual/cooperative-type insurers were included in the overall numbers.

By contrast, Sweden recognises the mutual insurance and European Cooperative Society legal forms, and these represented 36.8% of market share in 2015, the largest in Europe for legal form entities. That market share extended to 47.6% when widening the definition, making it the fifth largest European market in terms of total mutual/cooperative market share.

Slovakia proves an outlier in terms of mutual/cooperative insurer market share and the recognition of the legal form. Although Slovakian law does not foresee either mutual or cooperative insurance, 47.8% of the insurance market in 2015 was held by the sector, overwhelmingly by mutual/cooperative-type insurers.

Figure 2
European Market Share by definition (2015)



⁶ See methodology for explanation of different definitions of mutual/cooperative insurers used in this report.

The variations in local legislation have further implications, in particular proving a barrier to cross-border activities as a consequence of the different legal systems across Europe. This report includes statistical data on the activities of subsidiaries of mutual/cooperative insurers, including their activities in countries where the parent company's form is not legally foreseen.

Solvency II accommodates an alternative regulatory approach for the smallest insurers in Europe. These so-called "Article 4" insurers do not have a specified alternative regulatory system under the Solvency II Directive; treatment of insurers with annual gross written premium income not exceeding EUR 5 million, technical provisions not exceeding EUR 25 million and not undertaking liability, credit and suretyship insurance is the decision of the national authorities. In practice, Article 4 has been implemented in a piecemeal way, ranging from no specific provisions relating to the size of the entity to a note that small insurers are included within the legislation but have no different treatment from other insurers, to a full exemption regime. Where an exemption regime has been put into place, there are wide variations in its requirements; each country chapter includes information about the local regime and exemptions within it.

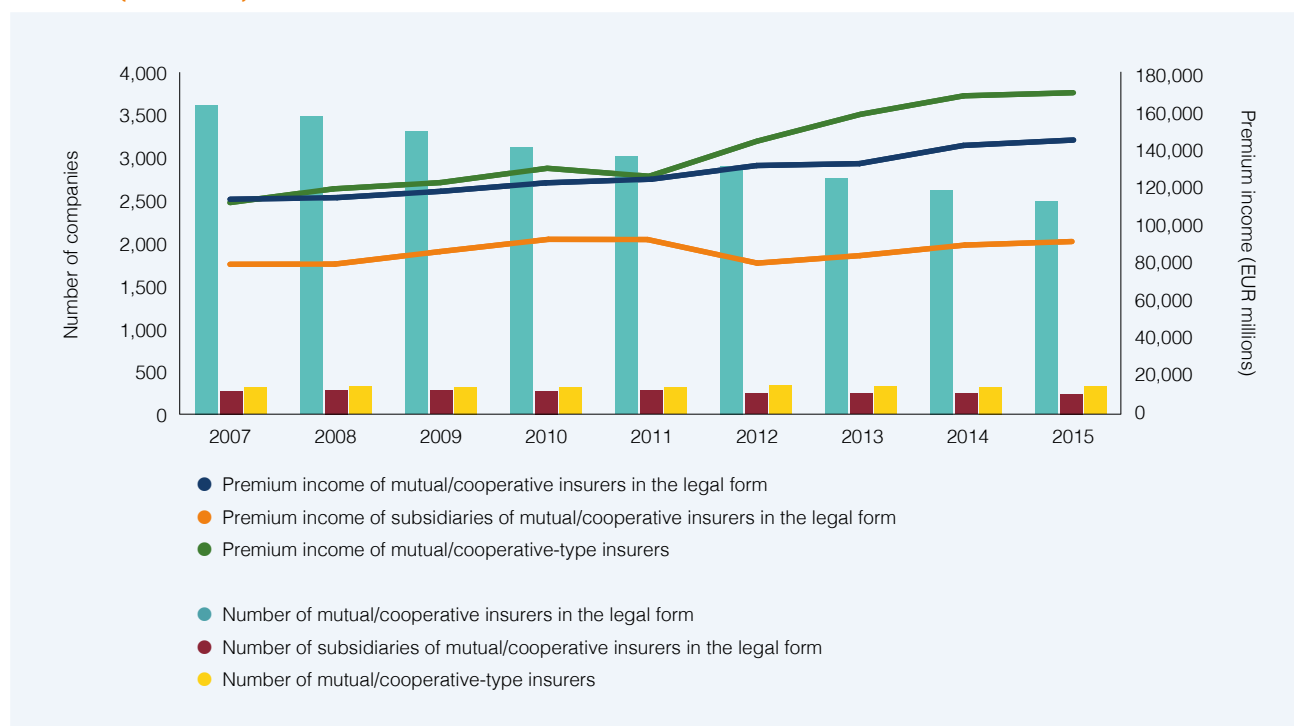
Among the changes implemented by the coming into force of Solvency II is the ability to carry on composite insurance. Article 73 of the Solvency II Directive specifically states that insurance undertakings are not permitted to pursue both life and non-life activities simultaneously. It does, however, permit the simultaneous pursuit of life and non-life activities for insurers which had been authorised as composites by dates specified on a country-by-country basis in the Directive, on the proviso that each activity is separately managed in accordance with Article 74. Article 74 details requirements including the separate treatment of minimum financial obligations, separate accounts and own funds requirements.

Statistical landscape

On a longitudinal basis, the number of mutual/cooperative insurers in Europe has fallen substantially over the period of time of the study (see Figure 3), reflecting the experience of the wider insurance market over the same period and in particular a result of consolidation in the industry. Over the same period, despite declining numbers of market participants, mutual/cooperative insurers registered a significant increase in premium income, particularly notable for mutual/cooperative insurers in the legal form.

Figure 3

Number of mutual/cooperative insurers in Europe by definition and total mutual/cooperative premium income by definition (2007-2015)



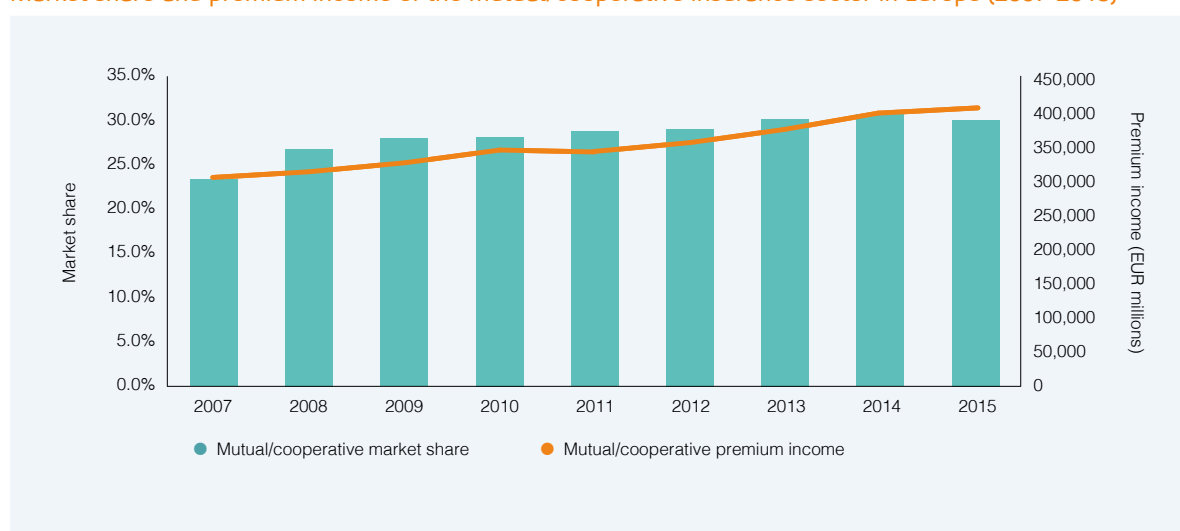
Recent years have seen notable activity in consolidation, and there are predictions that such activity may increase.⁷ Prior to the period of time covered in the report, there had been significant demutualisation activity in some European countries. Again, some commentators have suggested that there could be an increase in demutualisations in the period following the timescale of this study, for example with the aim of boosting capital or to benefit from scales of economy. The ability to demutualise is not necessarily an easy option, as it may be hampered under the local legislation and can be a complicated process.

In the period 2007-2015, premiums in the total European insurance market increased by 4.1% overall.⁸ During the same period, the premium income levels of European mutual/cooperative insurers showed an aggregate growth of 33.5% over the same timeframe, equivalent to a compound annual growth rate of almost 4% (total European market CAGR was 0.5% for the same period). Factors ascribed to this outperformance include a flight to quality, particularly for life and investment-related products where customers were anxious to ensure security and trustworthiness.⁹

As a result, the market share for European mutual/cooperative insurers between 2007 and 2015 increased from about 23% to 30% (see Figure 4).

Figure 4

Market share and premium income of the mutual/cooperative insurance sector in Europe (2007-2015)



This uplift in market share was experienced in most European countries. More detail on individual country market shares and changes in premium income levels is available in the relevant country chapter.

Although cross-border opportunities for European expansion are limited for mutual/cooperative insurers, activity during the period of the report included Achmea entering the Bulgarian market in 2008, Groupama expanding to Bulgaria (2008), Greece (2007), Hungary (2009), Italy (2007) and Romania (2008), Talanx expanding into Poland (2012), Uniqa expanding into Romania (2008) and VIG expanding into Bulgaria (2007), Croatia (2008), Estonia (2007), Latvia (2007), Lithuania (2008), Poland (2012) and Romania (2008).¹⁰ Life insurance business for mutual/cooperative insurers located in Eastern Europe grew by more than 10% between 2007 and 2014, outstripping growth levels for all other types of insurance provided by mutual/cooperatives across the whole of Europe.¹¹

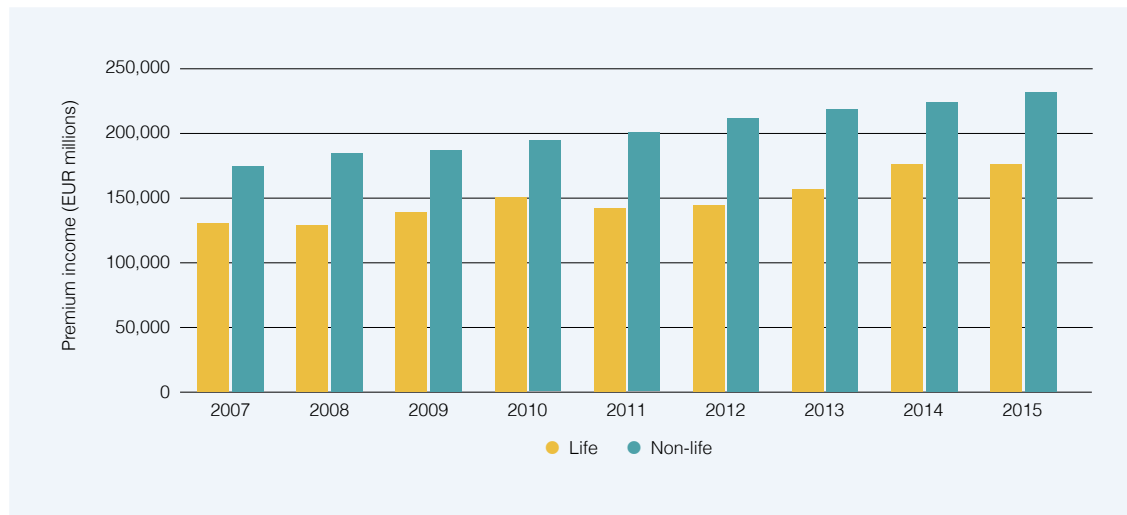
Over the period of the study, and on a pan-European basis, life insurance premiums registered an overall upwards growth, though they remained at about the same level between 2014-2015. Collectively, in 2015 mutual life insurers more than EUR 175 billion, 35% higher than in 2007 (see Figure 5).

⁷ Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

⁸ ICMIF and AMICE (2017) *Market InSights 2015*.

⁹ ¹⁰ ¹¹ Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

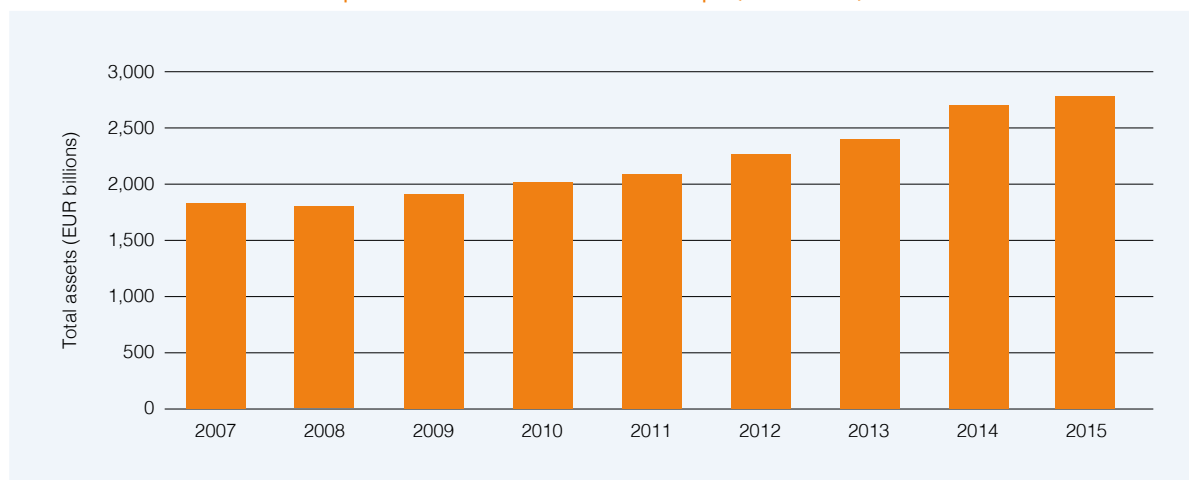
Figure 5
Premium income of the mutual/cooperative insurance sector in Europe (2007-2015)



As shown in Figure 5, European mutual/cooperatives insurers' non-life premiums showed a consistent upwards trend for the period of the report. In total, the sector recorded non-life premiums of more than EUR 230 billion in 2015, increasing by about 30% during the period of time of the study. Non-life insurance business performance was strongest in countries where mutual/cooperative insurers have a substantial market share, including France, Germany, the Netherlands and Spain.

As would be expected with this growth in core insurance business activity, the assets of European mutual/cooperative insurers have risen in line (see Figure 6). Asset values of EUR 2.78 trillion were reported in 2015, a more than 50% increase on the 2007 total (EUR 1.82 trillion). Unsurprisingly, increases in assets are more notable in countries where insurance activity has been rising; see individual country chapters for more detailed information.

Figure 6
Total assets of the mutual/cooperative insurance sector in Europe (2007-2015)



Further studies will be needed to ascertain the impact of Solvency II requirements on the assets of mutual/cooperative insurers since it first applied in 2016, which is outside the scope of this study.

Overall, this study shows the harmonisation of the regulatory framework governing insurance across Europe under Solvency II has brought many regimes into closer alignment, though there are different treatments for the smallest insurance entities. There remains a varying approach country-to-country to the legal recognition of mutual/cooperative insurers, which has limited opportunities for mutual/cooperative insurance solutions to be provided in a number of European countries. Nevertheless, the sector has shown a general increase in activity across Europe, increasing the number of members/policyholders protected to more than 420 million in 2015.

Methodology

Geographical scope

The study covers the 28 Member States of the European Union (EU), plus the four countries which are members of the European Free Trade Association (EFTA).

Business scope

The study focuses on the direct insurance sector and does not in principle include reinsurance. Therefore, the report is based on direct (gross) premiums written by insurance companies (in both the total market and mutual/cooperative market) and reinsurance premiums have, where possible, been eliminated.

Types of insurers included

The main purpose of the study is to describe the mutual and cooperative insurance sector in Europe by highlighting the size, relevance and socio-economic importance of mutual and cooperative insurers in the region.

The definition of the “total mutual/cooperative insurance sector” in this report¹ includes insurance undertakings whose legal status is classified as “mutual” or “cooperative” in their national law, as well as insurers whose structure and values reflect the mutual/cooperative form (see definition 3 below).

Extending the definition in this way has enabled the study to include all organisations which operate on mutual/cooperative principles, in line with the report’s research objectives, without being restricted by legal definitions, of which there is a wide variety across Europe.

In order to gain a further insight into the nature of mutual/cooperative insurance in Europe, insurance companies included in this study have been categorised by three definitions relating to their legal structure and ownership.

1. Mutual/cooperative insurers in the legal form (definition 1)

Mutual and cooperative insurers in a legal form of a (insurance) mutual or cooperative.

In addition, insurance undertakings whose legal structure corresponds to or is in some way aligned with the mutual/cooperative model and whose legal structure is different to a joint-stock (limited) company. These include friendly societies, community benefit societies² and protection and indemnity (P&I) clubs.³⁴

2. Subsidiaries of mutual/cooperative insurers in the legal form (definition 2)

Subsidiaries of a (definition 1) mutual or cooperative insurer in the legal form.⁵ These are commonly operated in the legal form of a joint stock or limited company. In any given market, insurance companies within this definition include

¹ Note that while this definition is the same as the definition used by ICMIF in its *Global Mutual Market Share* reports, there are a number of instances where various companies’ data included in the ICMIF research have been excluded (or classified differently) in this study. These differences will be noted.

² See chapter on the UK.

³ A P&I club is a mutual insurance association that provides risk pooling, information and representation for its members. Unlike a marine insurance company, which reports to its shareholders, a P&I club reports only to its members. Originally, P&I Club members were typically ship owners, ship operators or demise charterers, but more recently freight forwarders and warehouse operators have been able to join.

⁴ Due to the international nature of P&I Clubs, premium data on domestic risks only (if known) are included in each chapter’s figures. For this reason, P&I Clubs in Europe (either registered in or operating within) have been excluded from the ranking of the largest mutual/cooperative insurers (see Top 100 chapter).

⁵ The main condition for inclusion in this category is that the ultimate parent company is itself actively engaged in insurance activities, even if only to a limited extent.

subsidiaries of both domestic and foreign-based (including markets outside the scope of this study i.e. non-European) mutual/cooperative insurers in the legal form.

3. Mutual/cooperative-type insurers (definition 3)

This encompasses the remaining mutual/cooperative insurance companies not classified by definition 1 or definition 2. It includes companies that:

- are owned by, governed by and operated in the interests of their members or policyholders;
- are inspired by mutualist and/or cooperative ideas; and/or
- are structured in such a way that they are not (majority) controlled by outside capital interests.

It features a range of different company structures, often in the legal form of a limited insurance company,⁶ which is majority-owned by a non-insurance mutual or cooperative organisation or group (including banks). It also includes insurance undertakings that are owned by or governed by a membership or community organisation, charitable trust, foundation, union or other non-profit organisation.

Note that when reference is made throughout the report to the “total mutual/cooperative insurance sector (or market)” or the “total number of mutual/cooperative insurance companies”, this refers to all definitions (1-3) of insurers categorised above.

Legal research

Desk research was carried out to produce the legal sections of the report. When information was not readily available, national supervisors, national insurance associations and trade bodies have been consulted where possible.

The ECB annual average exchange rates have been used in the legal part of the report where necessary.

Total insurance market figures

In each chapter, the total number of licensed insurance undertakings has been taken from the national insurance regulator or supervisory body where available. In certain instances, the totals have been adjusted to include insurance undertakings that are licenced and operating within the market, but were not included in the figures produced by the supervisor. Where data was not available from the national supervisor, national insurance associations and trade bodies have been consulted where possible.

To ensure consistency across all markets in this study, figures on the total insurance market in each country have been taken from Swiss Re's *sigma* data.⁷ These have also been compared against additional data obtained from national supervisors/regulators, although some differences between Swiss Re's data and supervisory data may be noted. In certain instances, figures produced by Swiss Re have also been adjusted to ensure reporting year consistencies and to include insurance business that is not covered in their data.

Life and non-life business in this study are categorised according to standard EU conventions, which is the same categorisation as in Swiss Re's data. In relation to health insurance, this is classified as non-life insurance throughout the study, even where it is classified differently in individual markets.⁸

For the statistical part of the report, variable currency exchange rates have been used for the different years, with all figures converted into euros (EUR). To allow for more accurate market share calculations, exchange rates used for the mutual/cooperative insurance sector are the same as those used by Swiss Re in order to be consistent with the euro conversion of the total market figures.

Growth figures of individual markets have been calculated in local currency terms throughout the report unless otherwise stated in order to eliminate misleading effects of exchange rate fluctuations and thus ensure accurate year-on-year comparisons.

⁶ In certain markets where insurance companies cannot take the legal form of a mutual or cooperative (or have restrictions on the line of business which they can offer), figures may nevertheless be indicated for the mutual/cooperative insurance market due to the presence of definition 2 and definition 3 insurers. These insurers hold a significant share of the national market in some of the smaller countries featured in this study (see chapters on Slovakia, Czech Republic, Latvia, Estonia and Croatia).

⁷ Data has been taken from updated statistics, originally published in Swiss Re Institute's *sigma World Insurance* reports. The most recent report was Swiss Re Institute, *03/2016 World insurance in 2015: steady growth amid regional disparities*.

⁸ The major example of this is in Germany, where health insurance is classed as a life insurance product.

Number of members/policyholders

The definition of “members/policyholders” in this instance may refer to the number of customers, clients or people insured by mutual/cooperative insurers, as there is no consistency between markets or companies regarding which figure (if any) is reported.

However, it should be noted that each policy issued by a mutual/cooperative insurer equates to a single member/policyholder. If an individual person or entity purchases more than one insurance product from mutual/cooperative insurers, that multiplicity of policies will be recognised in the overall member/policyholder figures for each country.



Mutual/cooperative insurance companies

Landscape

The Financial Market Authority of Austria – FMA (*Finanzmarktaufsicht Österreich*) is the independent, autonomous and integrated supervisory authority for the Austrian financial market.¹ The FMA monitors all business activities of insurance and reinsurance undertakings, in accordance with the scope of the licences granted pursuant to Article 6 of the 2016 Insurance Supervision Act – VAG 2016 (*Bundesgesetz über den Betrieb und die Beaufsichtigung der Vertragsversicherung*).² Moreover, the FMA exercises powers that are assigned to it by various other pieces of legislation, such as the 1994 Motor Insurance Act – KHVG (*Kraftfahrzeug-Haftpflichtversicherungsgesetz*) and the Act on the Compensation of Road Accident Victims – VOEG (*Verkehrsoffer-Entschädigungsgesetz*).

With the entry into force of the VAG 2016, transposing Directive 2009/138/EC into Austrian law, the Solvency II supervisory regime for insurance undertakings became fully applicable in Austria. The VAG 2016 follows the exemption regime contained in Article 4(1) of Solvency II, in relation to small insurance undertakings.³ Insurance undertakings which fulfil the listed criteria (premium income does not exceed EUR 5 million, total of technical provisions does not exceed EUR 25 million, etc.) are exempt from the general provisions regarding licensing, governance and solvency margin. They are granted a license which is only valid in Austria and can solely operate in the legal form of a joint stock company or a mutual insurer.⁴ Chapter 3 of the VAG 2016 includes special provisions on the governance of small insurance undertakings.

The VAG 2016 excludes from its scope pension companies, activities in insurance classes belonging to personal insurance by corporations under public law and assistance activities provided in the event of accident or motor vehicle breakdown.⁵

Insurance and reinsurance undertakings in Austria can operate with the legal form of:⁶

- a joint stock company (*Aktiengesellschaft*)
- a European Company (*Europäischen Gesellschaft*)
- a mutual insurance company (*Versicherungsverein auf Gegenseitigkeit*)

The Austrian legislation does not foresee the possibility of establishing an insurance cooperative.

The license for the insurance classes of life assurance and the license for other insurance classes, except for accident insurance, health insurance and reinsurance, are mutually exclusive.⁷

Chapter 2 of VAG 2016 contains special rules for mutual insurance companies regarding their establishment, organisation, finances, winding up and mergers. The Austrian legislation also foresees special provisions for small mutual insurance companies.

¹ FMA's [website](#).

² Federal Act on the operation and supervision of contractual insurance – VAG 2016.

³ Article 83 of the VAG 2016.

⁴ Article 83(1) of the VAG 2016.

⁵ Articles 2-3 of the VAG 2016.

⁶ Article 8 of the VAG 2016.

⁷ Article 7(3) of the VAG 2016.

Mutual insurance companies are allowed to be active in all insurance classes, both life and non-life. However, small mutual insurers are restricted to some non-life lines and subject to additional restrictions (see below).

In terms of governance, mutual insurance companies consist of three bodies: a management board, a supervisory board, and a supreme board (general meeting of members).⁸

A mutual insurance company can transform into a joint stock company⁹ or transfer its insurance activities to the latter.¹⁰ A transfer requires the consent of the supreme body, with a majority of at least three-quarters of the votes cast. Upon transfer, the mutual insurance company continues to exist with its objective being limited to asset management, and membership is tied to the existence of an insurance relationship with the joint stock company to which the insurance activities are transferred. In a situation where the share of a mutual insurance company in a joint stock company falls below 26%, the FMA is notified immediately, and in case of non-restoration of compliance, it dissolves the insurance company and adopts a winding-up plan.

Mutual insurance companies that have transferred their entire insurance activities to joint stock companies can also, by resolution of the supreme body, be transformed into a private foundation for an indefinite period, pursuant to the Private Foundation Act – PSG (*Privatstiftungsgesetz*).¹¹ The arrangements between the private foundation and the operative joint stock company determine whether insurance customers obtain beneficiary status within the private foundation when taking out an insurance contract with the operative company.

Section 2 of Chapter 2 of VAG 2016 sets out provisions in relation to small mutual insurance companies. These companies enjoy lighter reporting and accounting/disclosure requirements, as well as less strict governance rules. A mutual insurance company may be considered as small when the following conditions concerning territory, type of business and group of persons apply:¹²

- the mutual insurance company's activity extends to the federal province in which it has its head offices as well as to certain immediately neighbouring regions.
- the mutual insurance company's activities cover the risks specified in their licence, restricted to the risks of fire, storm, hail and other natural forces other than storm, and theft,¹³ with the exception of damage caused by nuclear energy.
- the mutual insurance company does not comprise more than 20,000 members.

The FMA is responsible for designating a mutual insurer as 'small'.¹⁴ The licence of a mutual insurance company is only valid within the territory of Austria. Any coverage of risks situated in another country is excluded.¹⁵

Number of licensed insurance undertakings

At the end of 2015, 93 domestic insurance undertakings supervised by the FMA were pursuing activities in Austria.¹⁶ Of these, six were life insurers and 67 were non-life insurers. Composite insurers accounted for a further 20 insurance companies active in 2015.

Of the total 93 insurance undertakings, 35 were joint stock companies, six were (large) mutual insurance companies and 52 were small mutual insurance companies.

The total number of insurance companies active in the Austrian market has fallen by 13 since 2007 (106 insurance undertakings).

⁸ Article 48(1) of the VAG 2016.

⁹ Article 61 of the VAG 2016.

¹⁰ Article 62 of the VAG 2016.

¹¹ Article 66 of the VAG 2016.

¹² Article 68(1) of the VAG 2016.

¹³ Nos. 8 and 9 of Annex A to the VAG 2016.

¹⁴ Article 68(2) of the VAG 2016.

¹⁵ Article 68(3) of the VAG 2016.

¹⁶ FMA, *Annual Report of the Financial Market Authority 2015*.

Number of mutual/cooperative insurers

There was a total of 72 insurers that were part of the Austrian mutual/cooperative insurance sector in 2015. This figure comprised one life insurer, 57 non-life insurers and 14 composite insurers.

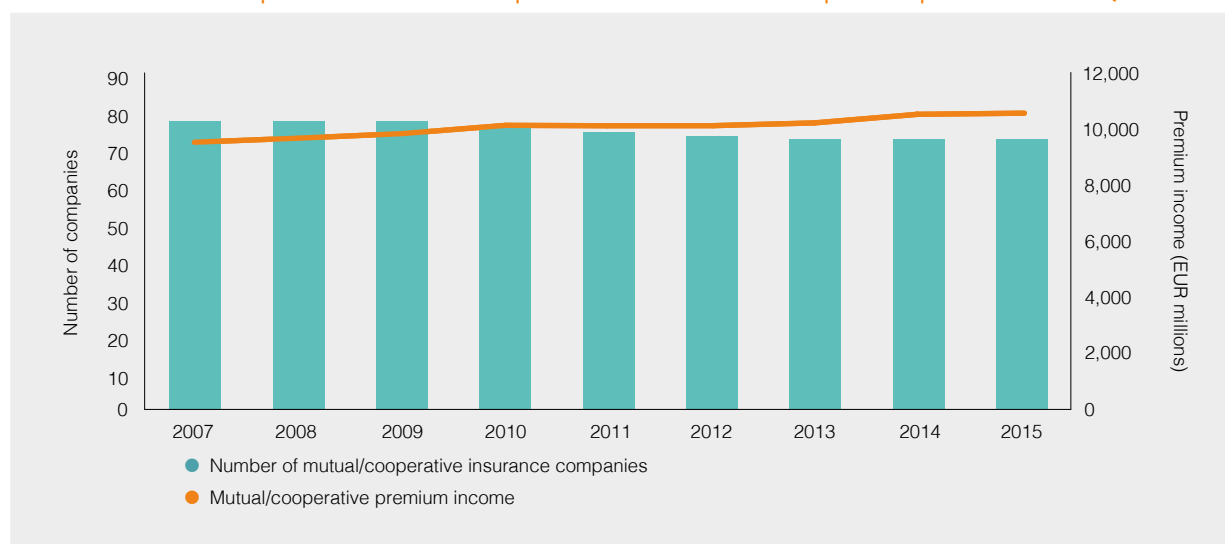
There were 58 mutual insurers in the legal form present in 2015. Of these, 52 were designated small mutual insurers, all of which were engaged in non-life insurance. Of these, two-thirds (34) were active in fire insurance, 17 in animal insurance and there was one reinsurance mutual. Of the six mutual insurers not designated as small, two were non-life insurers and four were composite insurers.

The remaining 14 insurance undertakings were mutual/cooperative-type insurers, of which one was a life insurer, three were non-life insurers and ten were composite insurers. These insurers made a significant contribution to the total level of mutual/cooperative insurance premium in the Austrian market,¹⁷ and also had a presence in a number of other European markets through subsidiary companies.

Since 2007, there has been a loss of five mutual/cooperative insurers from the Austrian market (see Figure 1). Four small and one regular sized mutual insurance company have left the market between 2007 and 2015.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



¹⁷ Austrian mutual/cooperative-type insurers contributed EUR 9.9 billion to total mutual/cooperative premium income in 2015 (equivalent to 94%). The largest of these include Wiener Städtische Versicherung (VIG Insurance Group), UNIQA, Grazer Wechselseitige (Grawe) and Wüstenrot Versicherung. Also included in this study as a mutual/cooperative-type insurer is Niederösterreichische Versicherung AG, which is owned indirectly by the Austrian province of Lower Austria, but managed according to mutualist principles.

Size and growth of the mutual/cooperative insurance sector

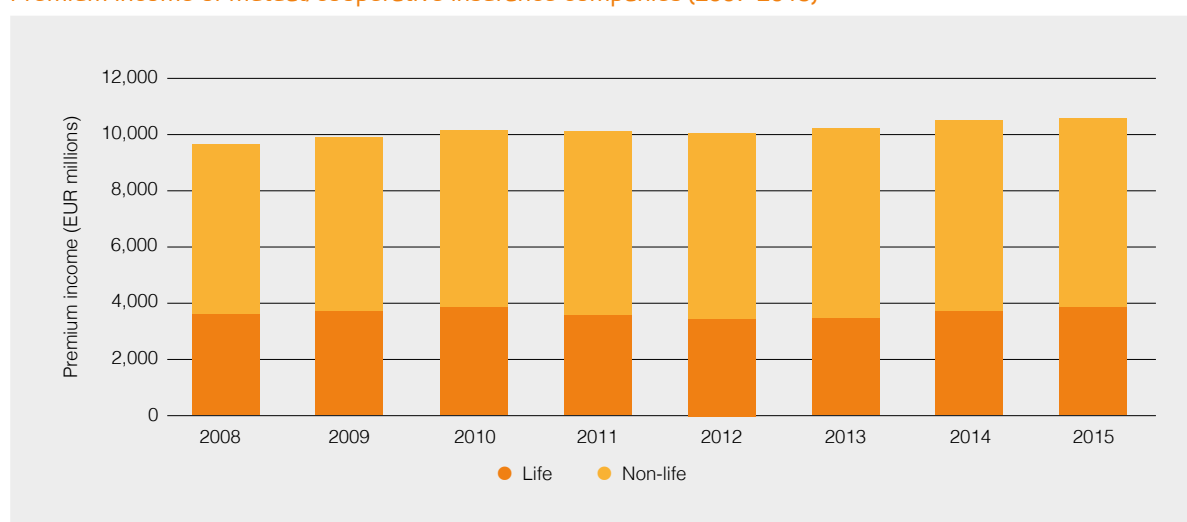
Total

The total Austrian insurance market wrote EUR 17.5 billion in insurance premiums in 2015, an overall growth of 10.2% since 2007 (EUR 15.9 billion). In 2015, EUR 6.8 billion of premium income was written in life insurance and EUR 10.7 billion was written in the non-life sector.

Mutual/cooperative insurers in Austria collectively wrote EUR 10.6 billion in premiums in 2015 (see Figure 2). The life sector contributed 36% of mutual/cooperative total business in 2015, but the majority (64%) was written in non-life insurance. Total premiums have grown steadily since 2007, equating to a CAGR of 1.3%, which was slightly more than the total market CAGR (1.2%). Overall, premium volumes in 2015 were 11.3% greater compared to 2007 levels (EUR 9.5 billion).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The life insurance sector in Austria contracted by 6.1% between 2007 and 2015, falling from EUR 7.2 billion. In contrast, the mutual/cooperative sector reported a 3.1% increase in life business during this period, growing from EUR 3.7 billion in 2007 to EUR 3.8 billion in 2015. The eight-year CAGR of the mutual/cooperative life sector was 0.4% compared to -0.8% for the total market.

Non-life

In comparison to the life segment, Austrian non-life insurers have performed more robustly since 2007 and recorded an overall premium development of 23.7% since 2007 (EUR 8.7 billion). Mutual/cooperative insurers also posted stronger growth figures in non-life business and reached premium volumes of EUR 6.8 billion in 2015, a growth of 16.5% from EUR 5.8 billion in 2007. The mutual/cooperative sector registered a CAGR of 1.9%, weaker than the market average CAGR (2.7%).

Market share of mutual/cooperative insurance sector

Austria was the largest insurance market in the world¹⁸ in terms of mutual/cooperative market share in 2015, accounting for 60.5% of the national market (see Figure 3). The majority of this market share was held by mutual/cooperative-type insurers, which held a 56.6% share of the Austrian market in 2015.

Mutual insurers in the legal form represented 3.9% of the total market in 2015. These insurers had a slightly higher share of the non-life market (4.3%) compared to the life market (3.3%).

In the life insurance sector, mutual/cooperative market share gained a further five percentage points since 2007, rising from 51.4% in 2007 to 56.4% in 2015. The mutual/cooperative insurance sector held a larger share of the non-life market in 2015 (63.0%) compared to the life market, although their share had fallen from 66.9% in 2007 (and a peak of 69.2% in 2011).

In terms of growth (see Figure 4), the overall market share of the Austrian mutual/cooperative insurance sector has remained consistent since 2007 (59.9%). Both mutual insurers in the legal form and mutual/cooperative-type insurers have gained extra market share since 2007 (from 3.0% and 55.9% respectively).

Figure 3
Market share of mutual/cooperative insurance companies (2015)

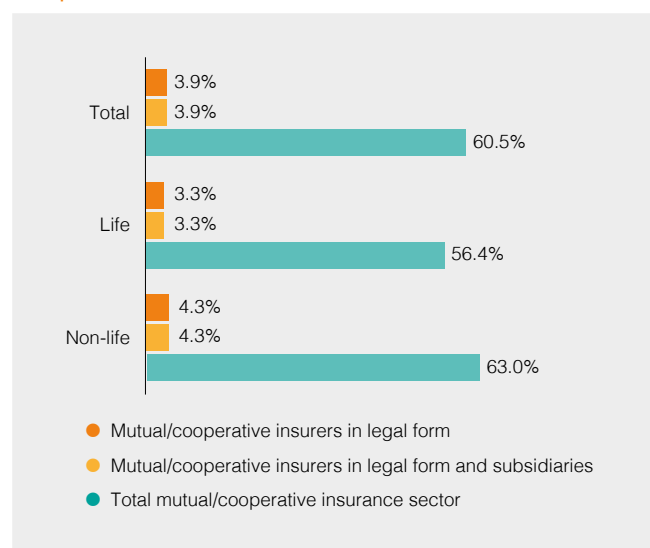
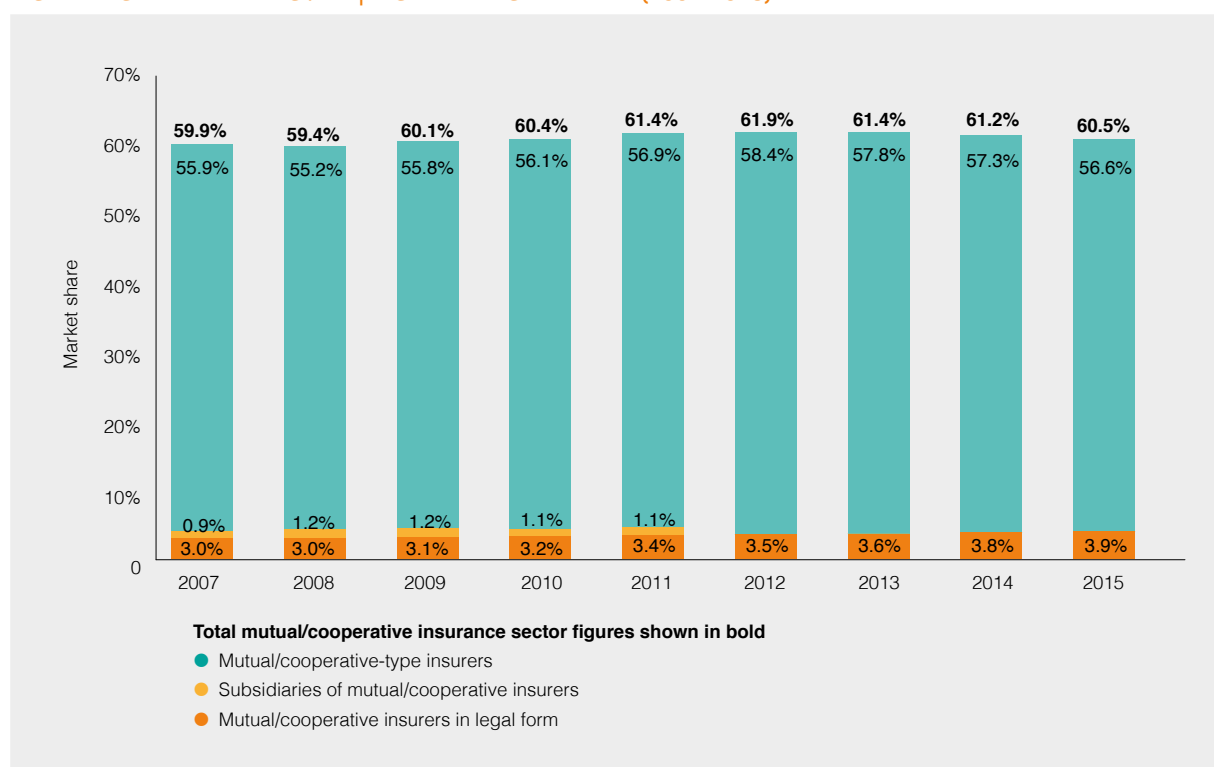


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)



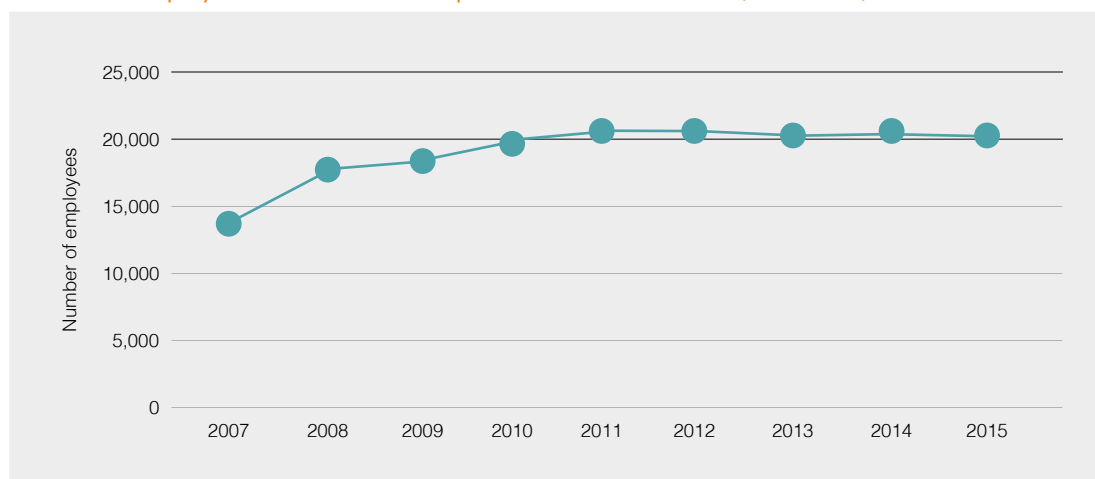
¹⁸ ICMIF (2016) *Global Mutual Market Share 2015*.

Number of employees

More than 20,000 people were employed by the mutual/cooperative insurance sector in 2015 (see Figure 5). Even though employment levels have remained consistent since 2011, this figure represents an increase of 47% from the number of employees in 2007 (13,712). The majority of this growth occurred in 2008, as the number of people employed rose by 29% from the previous year to 17,741.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



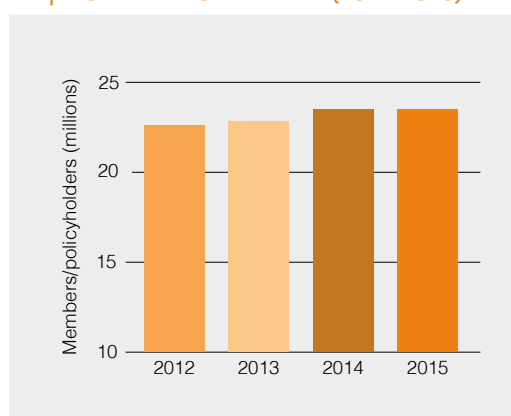
Number of members/policyholders

In total, there were 23.5 million members/policyholders* of the Austrian mutual/cooperative sector in 2015 (see Figure 6).

Membership numbers have steadily increased since 2012 (22.6 million), accumulating to an overall growth of 4.2% over this three-year period.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



* See methodology.

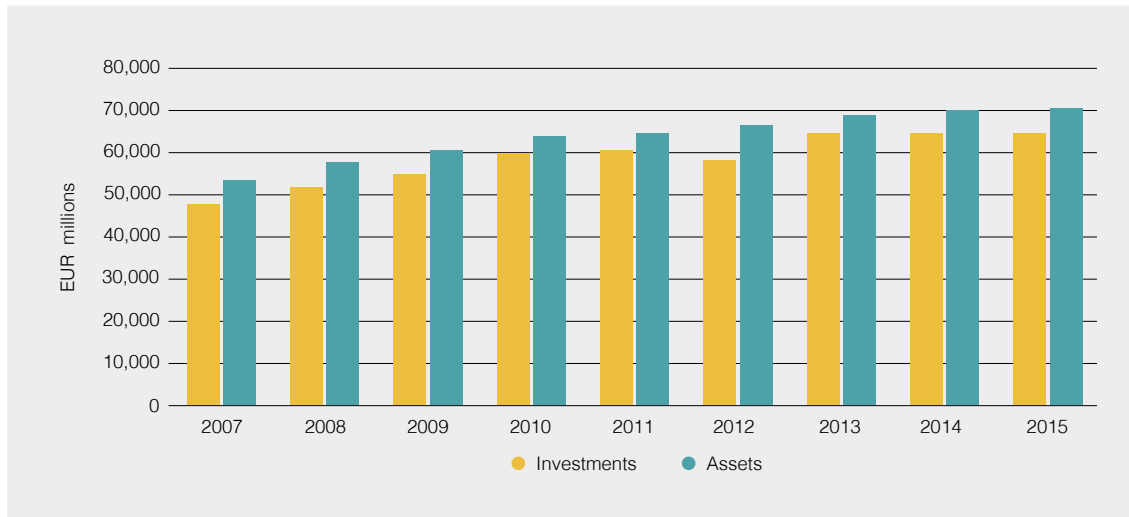
Assets and investments

Total assets held by the mutual/cooperative insurance sector surpassed the EUR 70 billion mark for the first time in 2015 (see Figure 7). Since 2007, assets values of the sector have increased by a total of 32% from EUR 53.3 billion to EUR 70.3 billion.

In terms of invested asset values, these have grown by 35% over the same period, rising from EUR 47.6 billion to EUR 64.4 billion in 2015.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Belgian insurance market is regulated by a dual governance system, whereby responsibility is split between the National Bank of Belgium – NBB (*Nationale Bank van België – Banque nationale de Belgique*)¹ and the Financial Services and Markets Authority – FSMA (*Autoriteit voor Financiële Diensten en Markten – L'Autorité des services et marchés financiers*).² The NBB is in charge of the microprudential supervision of the insurance market, whereas the FSMA is responsible for the supervision of codes of conduct and consumer protection, and the supervision of insurers and intermediaries.

Belgian insurance and reinsurance undertakings must be licensed by the NBB.³

The insurance market in Belgium is governed by the Law of 4 April 2014 on insurance (*Wet betreffende de verzekeringen – Loi relative aux assurances*) and the Law of 13 March 2016 on the status and supervision of insurance or reinsurance undertakings (*Wet op het statuut van en het toezicht op de verzekerings- of herverzekeringsondernemingen – Loi relative au statut et au contrôle des entreprises d'assurance ou de réassurance*). Both pieces of legislation transpose the Solvency II Directive into Belgian Law.⁴

The 2016 Act incorporates the same exclusions from its scope as Solvency II, concerning statutory systems of social security, pension funds, road-side assistance, etc.⁵

The 2016 Act implemented Article 4 of Solvency II Directive by providing for three simplified supervisory regimes:

- a lighter regime for non-life and life insurance companies that meet certain criteria of size and limitation of their activities.⁶
- an exemption scheme for insurance undertakings which, in addition to the criteria of size and limitation of activities, have concluded an agreement involving the full and systematic reinsurance of the insurance contracts they subscribe to or the assignment of contractual commitments.⁷
- a simplified supervisory system for local insurance companies, i.e. those which limit their activities to cover certain non-life risks located in the municipality of their head office or in the neighbouring Belgian municipalities.⁸

Article 11 of the 2016 Act introduces a new exclusion in relation to mutual insurers. Mutual insurance associations which pursue non-life insurance activities, and which are completely reinsured by another mutual undertaking which is subject to the rules of the 2016 Act, fall outside the scope of the 2016 Act.

In Belgium, insurance undertakings cannot exercise both life and non-life activities at the same time.⁹ Life insurance undertakings may be licensed to carry out accident and sickness insurance, while insurance undertakings carrying out accident and sickness insurance can obtain a licence to underwrite life insurance.

¹ National Bank of Belgium's [website](#).

² Financial Services and Markets Authority's [website](#).

³ Article 22 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

⁴ Article 2 of the Insurance Law 2014 and Article 2 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

⁵ Articles 8-14 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

⁶ Article 272 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

⁷ Article 275 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

⁸ Article 294 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

⁹ Article 222 of the Law on the status and supervision of insurance and reinsurance undertakings 2016. Pursuant to Article 223, this provision does not apply to undertakings which on 15 March 1979 exercised simultaneously life and non-life activities.

Insurance undertakings in Belgium can have the legal form of:¹⁰

- a joint-stock company (*naamloze vennootschap – société anonyme*)
- a cooperative company (*coöperatieve vennootschap – société coopérative*)
- a mutual insurance association (*onderlinge verzekeringsvereniging – association d'assurance mutuelle*)
- a mutual assistance/benefit society (*verzekeringsmaatschappij van onderlinge bijstand – société mutualiste d'assurance*)¹¹
- a workers' compensation mutual (*gemeenschappelijke verzekeringskas – caisse commune d'assurances*)¹²
- a European Company (*Europese vennootschap – société européenne*)
- a European Cooperative Company (*Europese coöperatieve vennootschap – société coopérative européenne*)

Mutual insurance associations can be active in all insurance classes, both in life and non-life.

Mutual insurance associations have a civil personality and they fall under the jurisdiction of the civil branch of the Court of First Instance.¹³ They have the possibility, under certain conditions, to transform into any other of the legal forms mentioned above.¹⁴ Cooperative companies are governed by the Belgian Companies' Code and are considered trading companies.¹⁵

Workers' compensation mutuals are mutual insurance associations specific for workers' compensation cover¹⁶ and pension insurance. They are considered to be mutual insurance companies for prudential supervisory purposes and are supervised by the National Bank of Belgium.

Number of licensed insurance undertakings

There were 65 insurance undertakings authorised by the FSMA in 2015.¹⁷ Of these, 16 were life insurers, 33 were non-life insurers and 16 were composite insurers.

The number of insurers supervised by the FSMA has declined by more than a third, from more than 100 insurance undertakings authorised in 2007.

Number of mutual/cooperative insurers

In 2015, of the 65 insurance undertakings authorised in Belgium, six were cooperative companies and 14 were mutual insurance companies or workers' compensation mutuals. Both of these are classified as mutual/cooperative insurers in the legal form.

In total, the Belgium mutual/cooperative insurance sector comprised 27 companies in 2015 (there were seven insurers classed as subsidiaries of mutual/cooperative insurers or mutual/cooperative-type insurers). The majority of mutual/cooperative insurers were non-life insurance companies (18), while there were five life insurance companies and four composite insurance companies.

Since 2007, there had been little change in the number of mutual/cooperative insurance companies active in the Belgium market (see Figure 1).

¹⁰ Article 33 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

¹¹ The Law of 26 April 2010 concerning the organisation of complementary health insurance (*26 april 2010 - Wet houdende diverse bepalingen inzake de organisatie van de aanvullende ziekteverzekering – 26 avril 2010 - Loi portant des dispositions diverses en matière d'organisation de l'assurance maladie complémentaire*) obliges the providers of obligatory health insurance to separate their (private) insurance business (health/medical costs and assistance insurance) from their other activities as administrators of social security-related health benefits. These mutuals are supervised and controlled by the Mutual Health Societies Supervision Authority and not by the NBB and the FSMA.

¹² Article 246 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

¹³ Article 245 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

¹⁴ Article 248 of the Law on the status and supervision of insurance or reinsurance undertakings 2016.

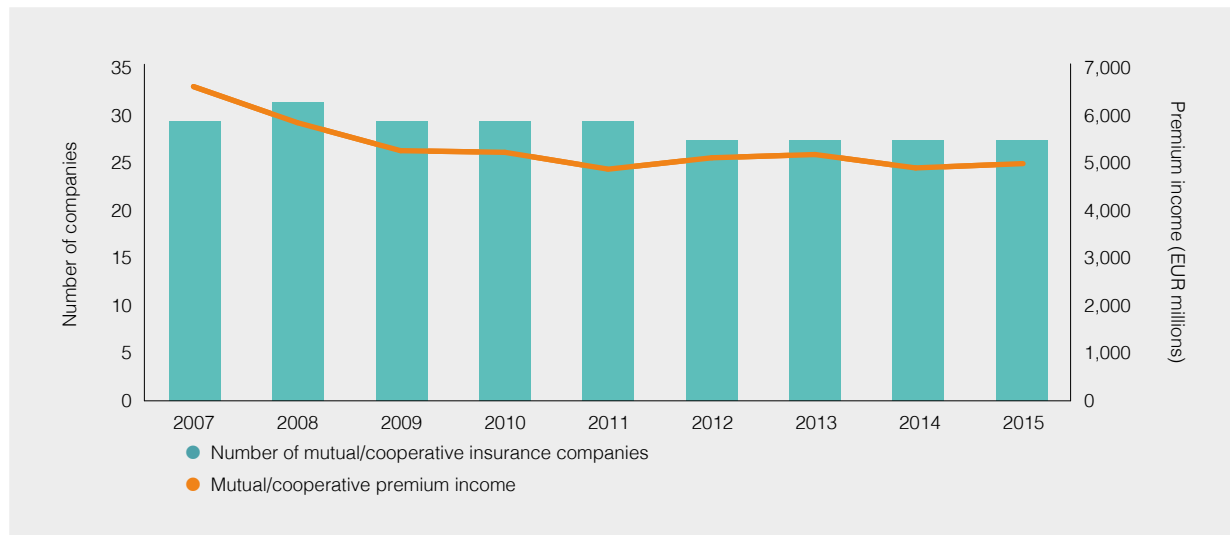
¹⁵ Article 350 of the Companies' Code (*7 mei 1999 - Wet houdende het wetboek van vennootschappen – 7 mai 1999 - Loi contenant le Code des sociétés*).

¹⁶ Law of 10 April 1971 on workers' compensation (*10 april 1971 - Arbeidsongevallenwet – 10 avril 1971 - Loi sur les accidents du travail*).

¹⁷ Financial Services and Markets Authority's [website](#), *Authorised insurance undertakings*.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

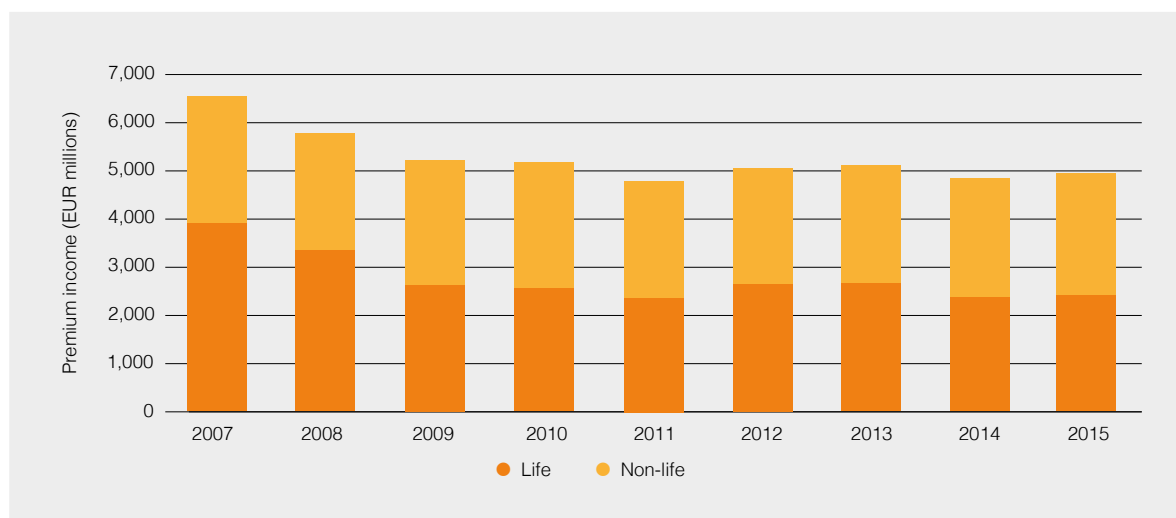
Total

The total Belgium insurance market was worth EUR 29.8 billion in premiums in 2015. About 52% of total premiums in 2015 were written in the life sector (EUR 15.5 billion) and the remaining 48% in non-life insurance (EUR 14.3 billion). Over the eight-year period since 2007, the Belgium market declined by a total of 9.1% from EUR 32.8 billion (CAGR of -1.2%).

The mutual/cooperative sector wrote EUR 4.9 billion in total premium income in 2015 (see Figure 2), evenly split between the life and non-life sectors. Premiums volumes in 2015 were almost a quarter less in comparison with 2007 levels (EUR 6.5 billion), equivalent to a CAGR of -3.5% over this period.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Contraction in the total Belgium life market was the main contributor to the overall drop in total premiums since 2007. Life premium volumes in 2015 were 30% lower than in 2007 (EUR 22.2 billion). In the mutual/cooperative sector, life premium development has also suffered since 2007, declining by a total of 38.2% from EUR 3.9 billion to EUR 2.4 billion in 2015. As a result, the contribution of life business to total mutual/cooperative premiums fell from 60% in 2007 to just 49% in 2015.

Non-life

The total Belgium non-life market has performed far stronger relative to the life market since 2007. Non-life premiums increased by 34.5% between 2007 and 2015, equivalent to a CAGR of 3.8% (in comparison the CAGR of the life market was -4.3%). However, premium growth since 2007 for mutual/cooperative insurers was also negative in non-life business, albeit not as severe as in the life sector. Non-life premiums had decreased by 4.4% since 2007 (EUR 2.6 billion) to EUR 2.5 billion in 2015, resulting in a CAGR of -0.6%.

Market share of mutual/cooperative insurance sector

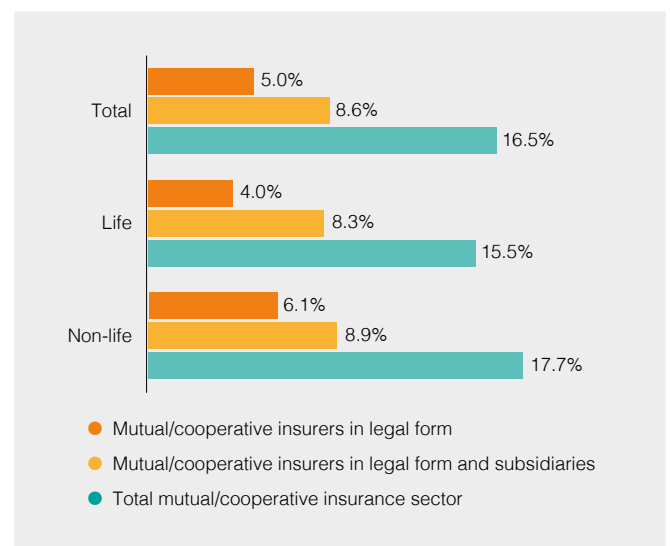
The mutual/cooperative insurance sector had a total market share of 16.5% in 2015 (see Figure 3). In the life market, mutual/cooperative insurers accounted for 15.5% and in the non-life market this was slightly higher at 17.7%.

The total market share of mutual/cooperative insurers in the legal form was 5.0% in 2015. Again, the market share of legal form mutual/cooperative insurers was greater in the non-life sector (6.1%) compared to the life sector (4.0%).

The overall market share of the mutual/cooperative insurance sector in 2015 had fallen from a peak of just below 20% (19.9%) in 2007 to 16.5% in 2015 (see Figure 4). The market share of mutual/cooperative insurers in the legal form saw the greatest loss of market share, dropping from 12.3% in 2007 to 5.5% in 2015 (and life market share decreasing from a 14.3% share in 2007 to 4.0% in 2015). This loss in market share can largely be attributed to the restructuring of the Ethias group¹⁸ in 2008.

In life insurance, the mutual/cooperative sector's market share fell by more than two percentage points from 17.6% in 2007. However, the loss in market share was more severe in the non-life sector, as this fell from 24.9% in 2007 to 17.7% in 2015 (a proportional decrease of almost 30%).

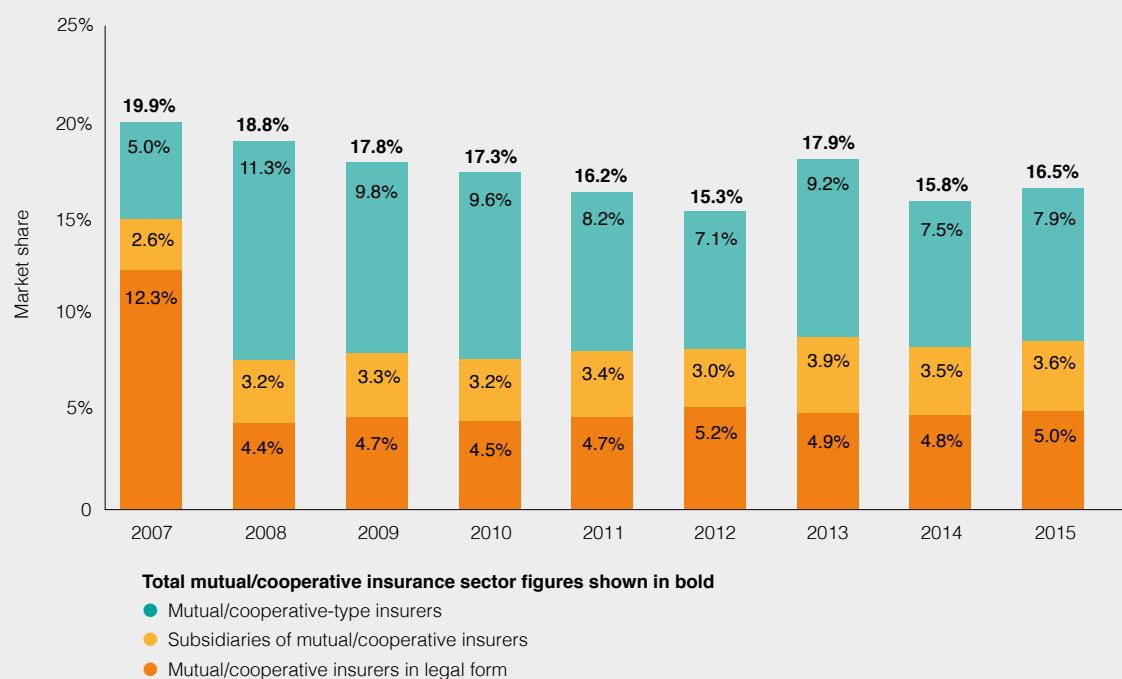
Figure 3
Market share of mutual/cooperative insurance companies (2015)



¹⁸ In 2008, most of the life and non-life business of the Ethias group was transferred to Ethias S.A. (a limited company) and so the majority of Ethias' premiums were classified as a mutual/cooperative-type insurer rather than a mutual/cooperative insurer in the legal form.

Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

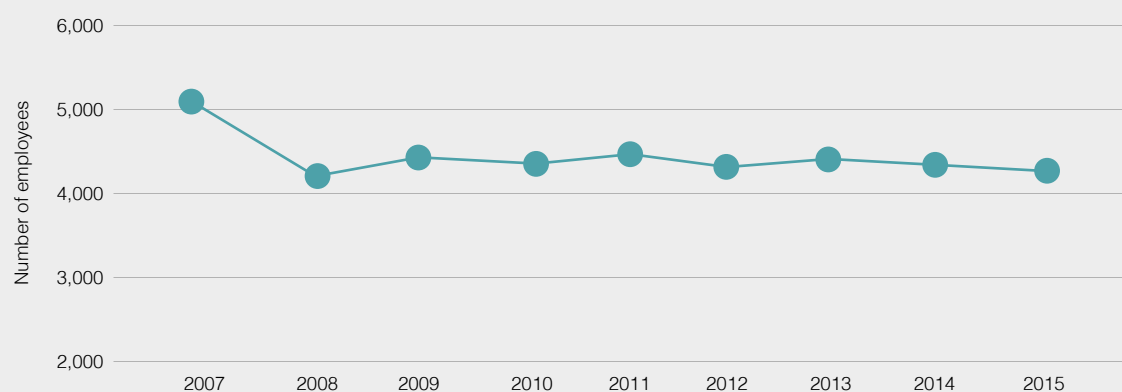


Number of employees

There were 4,293 employees of mutual/cooperative insurers in 2015 (see Figure 5). This represents a fall in employment numbers of 15% since 2007, when the Belgium mutual/cooperative sector employed in excess of 5,000 people. However, since 2008, employment levels have been relatively consistent.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



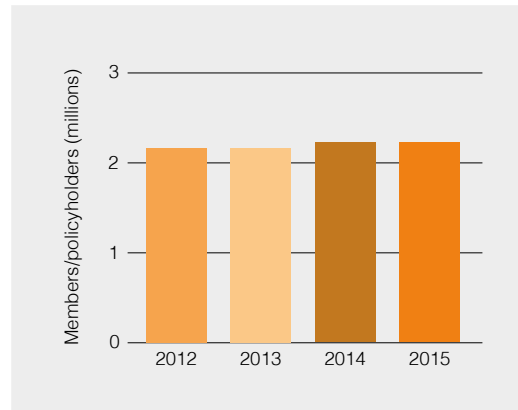
Number of members/policyholders

In 2015, Belgium mutual/cooperative insurers served 2.2 million members or policyholders (see Figure 6).

Despite the decline in the amount of premiums written by Belgium mutual/cooperative insurers, the number of members/policyholders has increased by a total of 2.6% since 2012.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



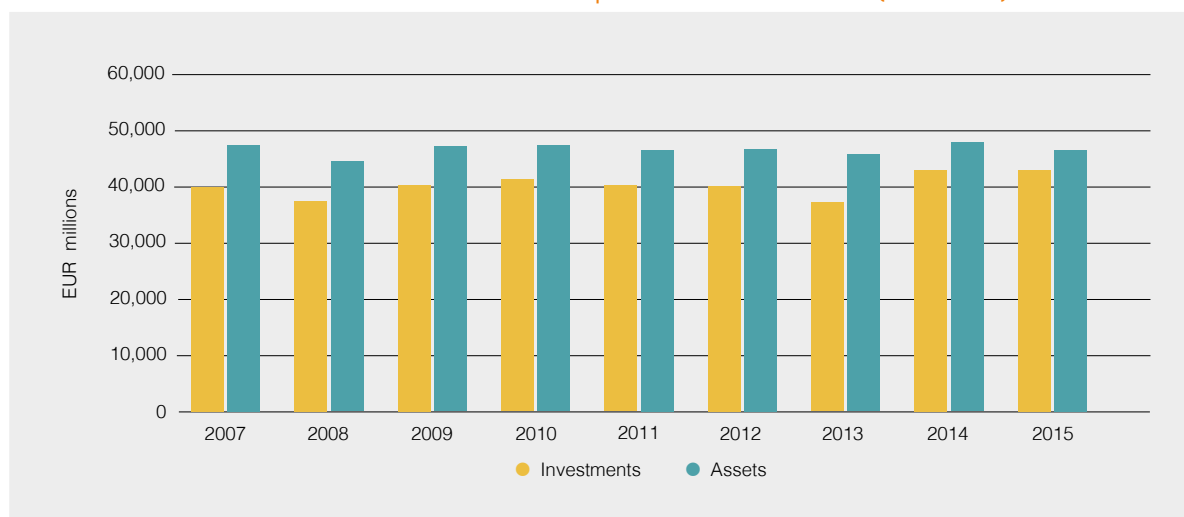
Assets and investments

Mutual/cooperative insurers in Belgium held total assets amounting to EUR 46.4 billion in 2015 (see Figure 7). Since 2007, asset values have declined slightly (-2.0%) from EUR 47.4 billion.

In contrast, investments of the Belgian mutual/cooperative sector grew by 7.6% in the period between 2007 and 2015, from EUR 39.9 billion to EUR 42.9 billion. As a result, invested assets represented more than 90% of mutual/cooperative insurers' aggregate assets in 2015, compared to just 84% in 2007.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Bulgaria

Mutual/cooperative insurance companies

Landscape

Insurance undertakings in Bulgaria are permitted to engage in insurance activities once they have been granted a license from the Financial Supervision Commission¹ – FSC (*Комисия за Финансов Надзор*).² The FSC is an independent government body, responsible for the regulation and oversight of the Bulgarian insurance market.

The activities of life and non-life (re)insurance companies are regulated by a new Insurance Code which entered into force on 1 January 2016 and repealed the Insurance Code of 2005 (*Кодекс за застраховането*). This latest version of the Insurance Code transposes the Solvency II Directive³ into Bulgarian law, following the same regime in relation to the right of access to the EU and EEA market. The Insurance Code excludes insurers from accessing the EU/EEA market if they simultaneously meet five criteria:⁴

- the insurer's annual gross written premium income does not exceed the BGN equivalent of EUR 5 million.
- the gross amount of its technical provisions, without deducting the shares of reinsurers or special purpose vehicles, does not exceed the BGN equivalent of EUR 25 million.
- where the insurer belongs to a group, the gross amount of the technical provisions of the group, without deducting the shares of reinsurers or special purpose vehicles, does not exceed the BGN equivalent of EUR 25 million and if the following additional conditions are met:
 - the group does not have another insurer that has access to the single market, or a reinsurer.
 - all insurers in the group have their head offices in the Republic of Bulgaria.
 - the business of the insurer does not include insurance or inward reinsurance of risks under points 10 to 15, Section II, letter "A" of Annex No 1 of the Insurance Code, unless they are covered as ancillary risks within the meaning of Article 30.
- regarding the business of inward reinsurance of the insurer:
 - its premium income does not exceed the BGN equivalent of EUR 500,000 or 10 % of the gross written premium income, respectively.
 - its technical provisions, without deducting the shares of reinsurers or special purpose vehicles, do not exceed the BGN equivalent of EUR 2,500,000 or 10% of the gross technical provisions, without deducting the shares of reinsurers or special purpose vehicles.

An insurer is not permitted to perform both life and non-life insurance operations, except in cases where a life insurer wants to perform accident and sickness insurance operations or *vice versa*.⁵ An insurer engaged in both life insurance, and accident and sickness insurance must be organised in such a way that the life insurance activity is distinct from non-life insurance activity.⁶

¹ FSC's [website](#).

² Article 28 of the Insurance Code of 29 December 2015.

³ Directive 2009/138 EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) [2009] OJ L335.

⁴ Article 16 of the Insurance Code.

⁵ Article 24(1) of the Insurance Code.

⁶ Article 141(1) of the Insurance Code.

An insurance undertaking in Bulgaria can take the following forms:⁷

- a joint stock company (*акционерно дружество*)
- a mutual insurance cooperative (*взаимозастрахователна кооперация*)
- a European Company (*Европейско дружество*)

Bulgarian legislation does not provide for any legal type of mutual insurance other than a mutual insurance cooperative. A mutual insurance cooperative is established and operates under the Cooperatives Act,⁸ unless the Insurance Code provides otherwise.⁹

Mutual insurance cooperatives can only underwrite life insurance, with or without accident and/or sickness insurance.¹⁰

Number of licensed insurance undertakings

In 2015, there were 65 insurance companies authorised by the FSC. This included 30 non-life insurance companies and 15 life insurance companies. There were approximately 20 health insurance companies active which, due to amendments in Bulgarian legislation, had been required to obtain a license as a non-life insurance joint-stock company by mid-2013.¹¹

The number of insurance undertakings has increased since 2007, when there was a total of 57 licensed insurance companies (20 non-life insurers, 17 life insurers and 20 health insurers).

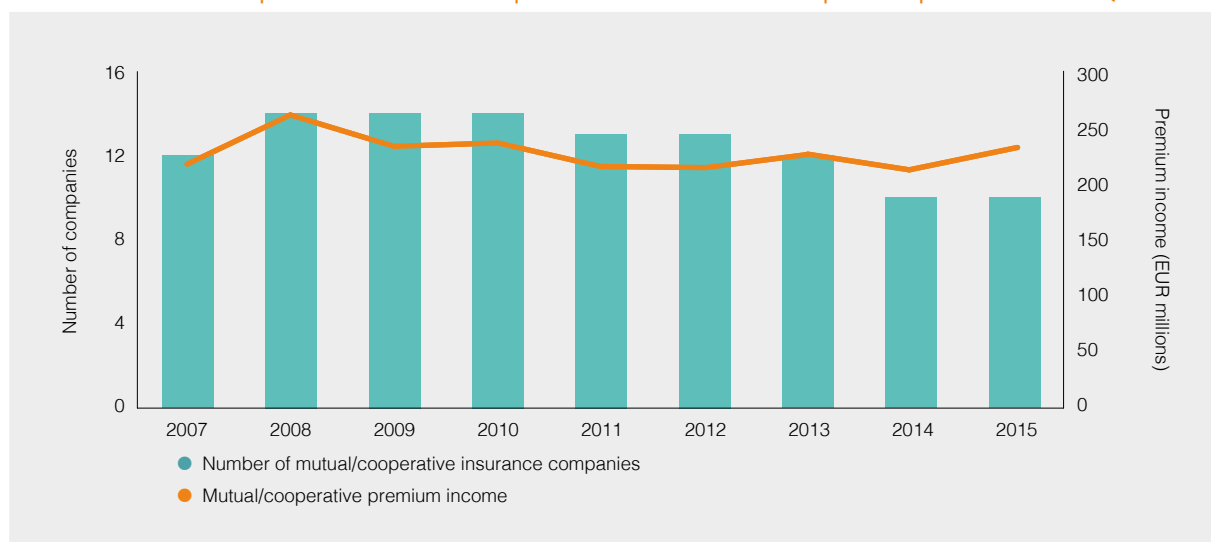
Number of mutual/cooperative insurers

There were ten mutual/cooperative insurance undertakings in 2015. This included two mutual insurance cooperatives (legal form), both in the life sector, and eight subsidiaries of foreign mutual/cooperative insurers and mutual/cooperative-type insurers.

The total number of mutual/cooperative insurance companies in Bulgaria was two fewer than in 2007 and down from a peak of 14 insurance undertakings active in the market between 2008 and 2010 (see Figure 1).

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



⁷ Article 12(1) of the Insurance Code.

⁸ The Cooperatives Act of 28 December 1999.

⁹ Article 17(2) of the Insurance Code.

¹⁰ Article 17(5) of the Insurance Code.

¹¹ These health insurers were listed as a separate category to life or non-life insurers by the FSC until 1 September 2013, from which date they have been listed as non-life insurance joint stock companies.

Size and growth of the mutual/cooperative insurance sector

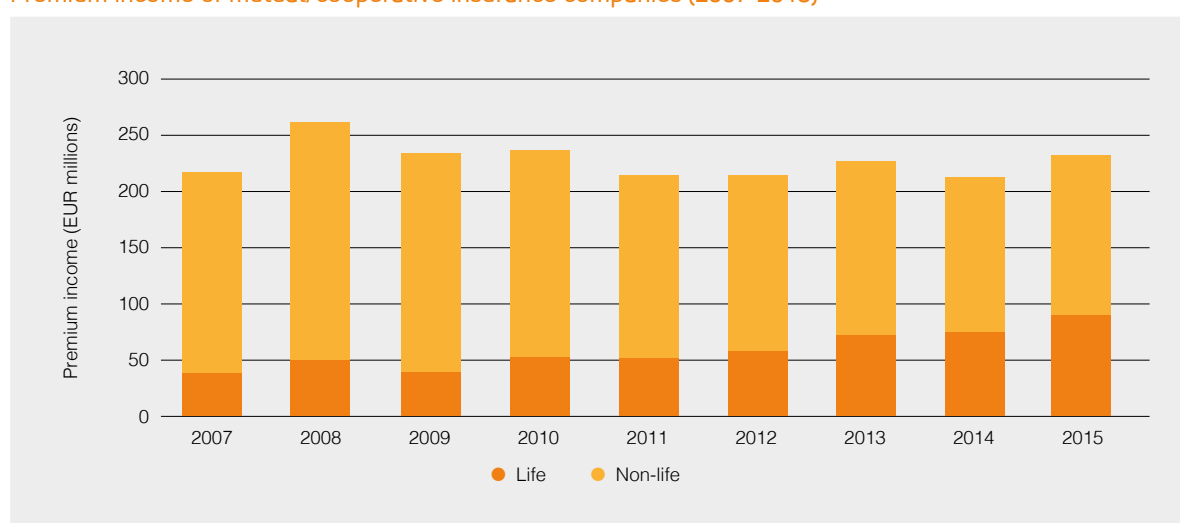
Total

The entire Bulgarian insurance market wrote EUR 964 million in insurance premiums in 2015, the majority (82%) of which was in non-life insurance (EUR 795 million). The total market grew by 24.1% (in local currency terms¹²) since 2007 (EUR 776 million), equivalent to a CAGR of 2.7%.

Mutual/cooperative insurers in Bulgaria wrote EUR 232 million in aggregate premiums in 2015, a growth of 6.7% from 2007 levels (EUR 217 million). Mutual/cooperative growth was weaker than the market average in the period between 2007 and 2015, resulting in a CAGR of 0.8%, despite premium growth of more than 20% in 2008 (see Figure 2). Like the total market, the majority of mutual/cooperative insurance premiums were written in the non-life sector (62%), however, the proportion of total mutual/cooperative insurance business written in the life sector increased to 38% in 2015 from just 18% in 2007.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The total life market in Bulgaria has grown by 45.3% since 2007, rising from EUR 116 million in premiums written to EUR 169 million in 2015. Life premiums in the mutual/cooperative sector grew by 130% during this period, increasing from EUR 38 million in 2007 to EUR 89 million in 2015. The CAGR of the mutual/cooperative sector during this period was 11.0%, more than double the total market CAGR (4.8%).

Non-life

Non-life premiums of Bulgarian insurers grew by more than 20% between 2007 (EUR 660 million) and 2015 (EUR 795 million), representing a CAGR of 2.3%. However, in contrast, aggregate premiums of mutual/cooperative insurers fell by 20% during the same period (CAGR of -2.7%). Premium levels dropped from EUR 178 million in 2007 to EUR 143 million in 2015, with six years of negative premium development between 2008 and 2014.

¹² All growth figures are in local currency (Bulgarian lev) terms to avoid any misleading effects of exchange rate fluctuations.

Market share of mutual/cooperative insurance sector

The mutual/cooperative insurance sector represented 24.0% of the total Bulgarian insurance market in 2015 (see Figure 3).

The market share of mutual/cooperative insurers in the legal form was considerably less, at only 0.9%. The majority of the total mutual/cooperative market share in 2015 was held by mutual/cooperative-type insurers (21.3%). A similar trend was observed in the life and non-life sectors, although there was a small mutual/cooperative market share (5.2%) of legal form insurers in the life segment.

As a result of the stronger premium growth in the total market compared to the mutual/cooperative sector, overall market share fell from 27.9% in 2007 to 24.0% in 2015, following a peak of 28.8% in 2010 (see Figure 4). The market share of mutual/cooperative insurers in the legal form in 2015 had also reduced from a peak of 1.7% in 2010, although they still held a larger share in 2015 compared to 2007 (0.4%). Mutual/cooperative-type insurers have experienced a consistent loss in their share of the market since 2007, declining from 26.1%.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

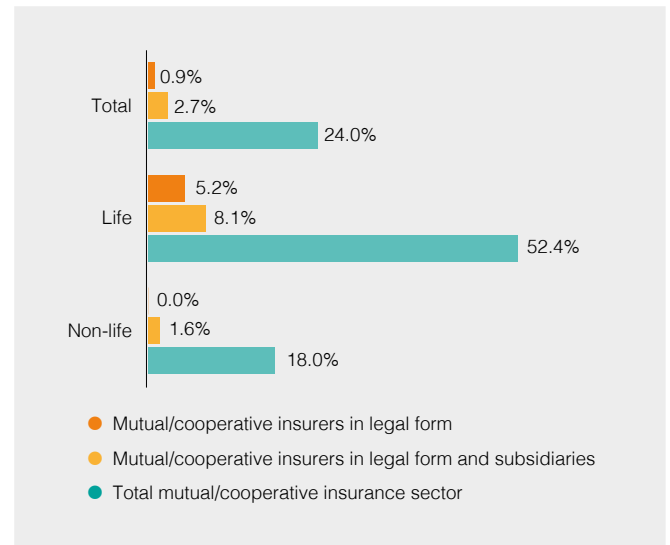
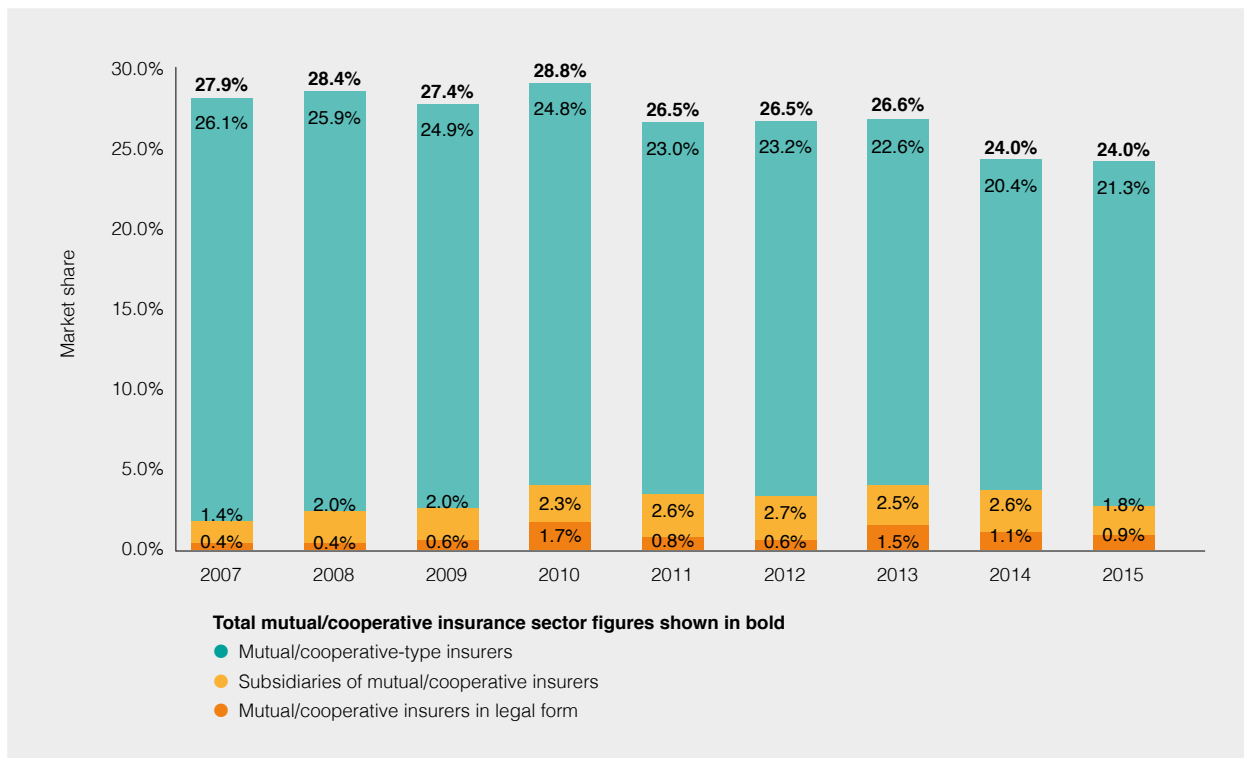


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

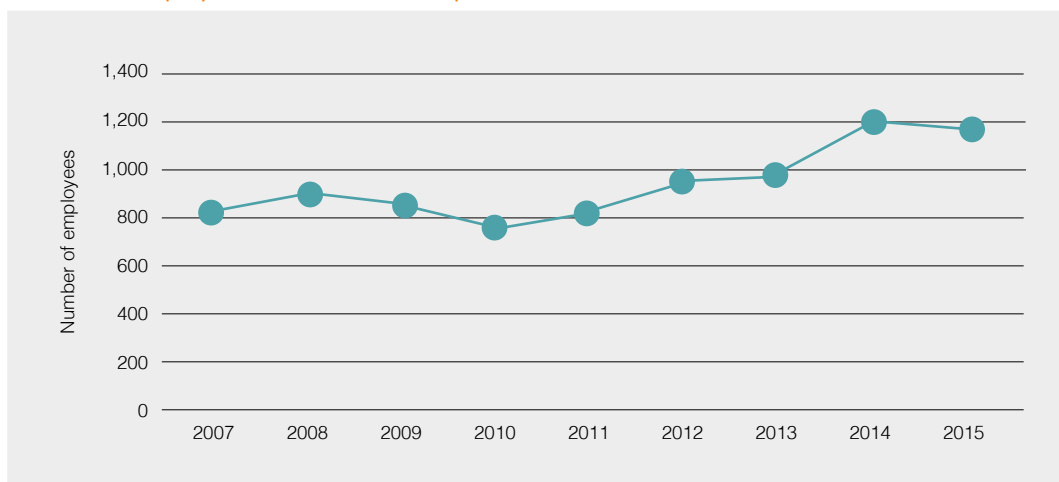


Number of employees

In total, 1,169 people were employees of Bulgarian mutual/cooperative insurance companies in 2015 (see Figure 5). This represented an increase of 41.5% from the number of people employed by the mutual/cooperative sector in 2007 (826).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



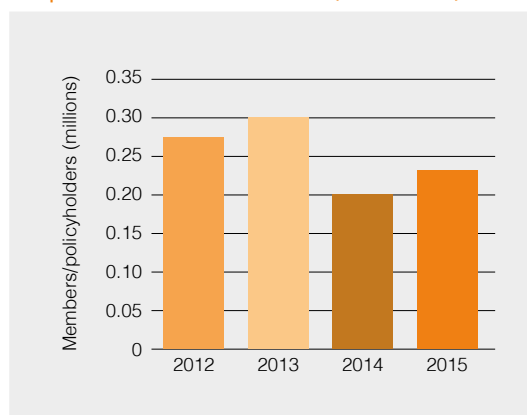
Number of members/policyholders

There was a lack of information about the number of members/policyholders for the Bulgarian mutual/cooperative insurance sector, with data available for just two of the ten mutual/cooperative organisations.

The data available reported that just over 200,000 people were members or policyholders of mutual/cooperative insurers in 2015 (see Figure 6). However, membership numbers had decreased by 15% since 2012, when there were almost 275,000 members/policyholders.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

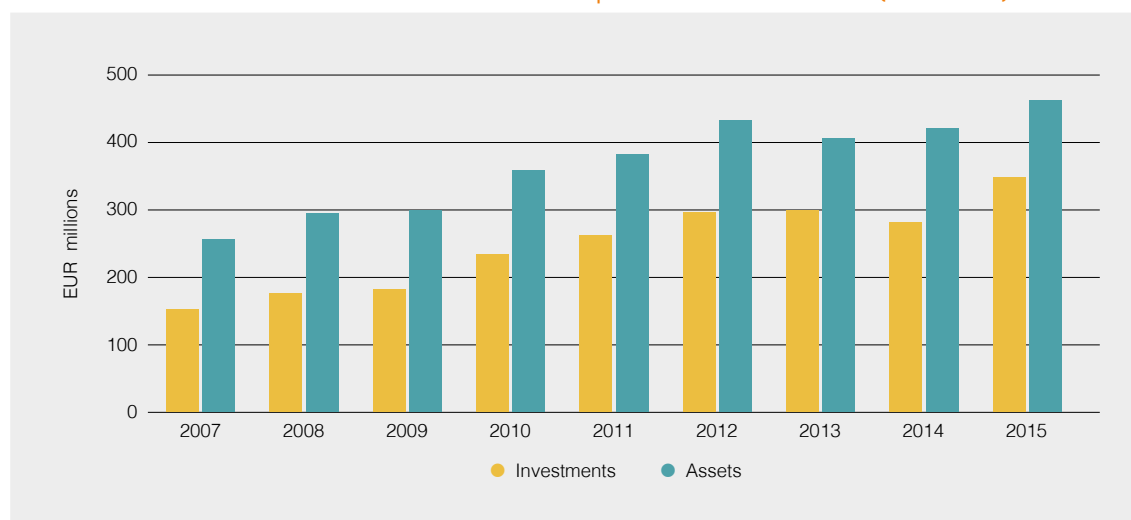


Assets and investments

In 2015, the mutual/cooperative insurance sector in Bulgaria held record total assets of EUR 462 million (see Figure 7). Total asset values grew consistently since 2007, reporting positive asset growth in seven of the previous eight years. This steady growth accumulated to a total increase of 80% between 2007 and 2015 (equivalent to a CAGR of 7.6%). The growth of investment assets was even stronger, as total invested assets held by mutual/cooperative insurers grew from EUR 152 million in 2007 to EUR 347 million in 2015 (a significant increase of 127%).

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Croatia

Mutual/cooperative insurance companies

Landscape

The Croatian Financial Services Supervisory Agency – HANFA (*Hrvatska agencija za nadzor financijskih usluga*)¹ is an independent public authority, responsible for the supervision of financial markets including the insurance sector, financial services and entities providing those services. It was established in 2005, integrating three existing supervisory institutions: the Croatian Securities Commission, the Agency for Supervision of Pension Funds and Insurance, and the Insurance Companies Supervisory Authority. HANFA is accountable to the Croatian Parliament. Insurance companies need to obtain an authorisation from HANFA before being able to operate in the Croatian insurance market.²

On 1 January 2016, the new Insurance Act (*Zakon o osiguranju*) entered into force. The Act transposes the provisions of Solvency II into domestic law.³ Pursuant to Article 4 of Solvency II, the Insurance Act incorporates special provisions in relation to small insurance undertakings.⁴ These provisions relate for example to the undertaking's annual written premium income (does not exceed HRK 39 million⁵) and the total of the undertaking's technical provisions (does not exceed HRK 195 million⁶). These small insurance undertakings are not excluded from the scope of the Insurance Act, but they fall under a lighter supervision regime when it comes to risk management, internal control, solvency assessment, etc.

The Insurance Act does not apply to:

- savings and mutual assistance institutions whose remuneration varies depending on the available funds and where members' contributions are fixed on a flat-rate basis.⁷
- activities performed by non-legal entities with the aim of providing mutual coverage to their members without paying premiums or creating technical reserves (for non-life insurance).⁸
- assistance operations in relation to road accidents (subject to certain conditions).⁹
- mutual insurance undertakings which pursue non-life insurance activities, and which are completely reinsured by another mutual undertaking.¹⁰

With regard to composite companies, the Insurance Act states that an insurance undertaking which on 1 July 2013 simultaneously carried out life and non-life insurance operations can continue doing so, provided that these operations are managed separately.¹¹

¹ HANFA's [website](#).

² Article 15(1) of the Insurance Act (Official Gazette 30/15).

³ Article 2(5) of the Insurance Act.

⁴ Article 6 of the Insurance Act.

⁵ EUR 5.2 million at ECB annual average exchange rate for 2016.

⁶ EUR 25.8 million at ECB annual average exchange rate for 2016.

⁷ Article 4(4)(2) and 4(5)(1) of the Insurance Act.

⁸ Article 4(4)(3) of the Insurance Act.

⁹ Article 4(5) of the Insurance Act.

¹⁰ Article 4(4)(6) of the Insurance Act.

¹¹ Article 453(2) of the Insurance Act.

An insurance undertaking may only be formed as:¹²

- a joint stock company (*dioničko društvo*)
- a European Company (*europsko društvo*)
- a mutual insurance company (*društvo za uzajamno osiguranje*)

Chapter I of Title XIX of the Insurance Act contains special provisions with regard to mutual insurance companies. Mutual insurance companies can undertake most types of insurance, both life and non-life, with the exception of some types of health insurance.¹³ The Supervisory Board of a mutual insurance company must have at least three members.¹⁴ There is also the possibility of transformation into a joint-stock company, whereby if not otherwise specified, the members of the mutual insurance company participate in the share capital.¹⁵

The establishment of insurance cooperatives is not foreseen by Croatian Legislation.

Number of licensed insurance undertakings

At year-end 2015, there were 23 insurance companies (plus one reinsurance company) supervised by HANFA¹⁶ operating in Croatia.¹⁷ Out of these insurance companies, six were life insurers, nine were non-life insurers, and eight were classed as composite insurers.

In 2007, there was the same number (23) of insurance companies¹⁸ active in the Croatian market (plus two reinsurance companies).

Number of mutual/cooperative insurers

There were five mutual/cooperative insurers present in Croatia in 2015, of which two were life insurers and three were composite insurers. There was one less mutual/cooperative insurer active in the market in 2015 compared to 2007 (see Figure 1).

All five mutual/cooperative insurers in 2015 were classed as mutual/cooperative-type insurers as subsidiaries of foreign mutual/cooperative-type insurers. Although mutual insurers in the legal form are allowed by Croatian insurance law, there were none present in the market in 2015.

¹² Article 19(1) of the Insurance Act.

¹³ Article 355(2) of the Insurance Act.

¹⁴ Article 366(1) of the Insurance Act.

¹⁵ Article 373(2) of the Insurance Act.

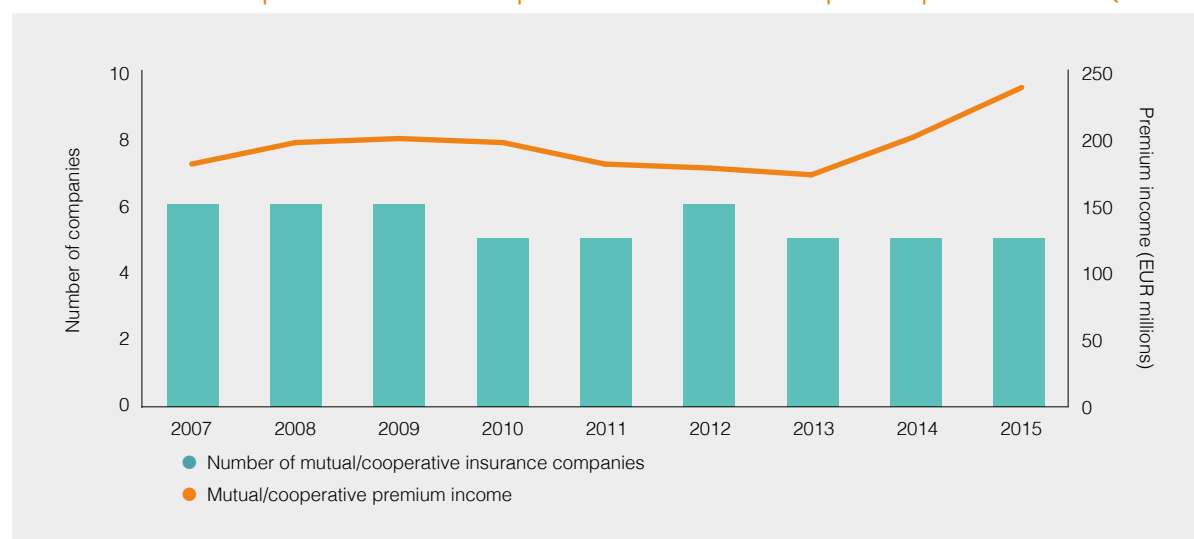
¹⁶ HANFA (2016) *Croatian Financial Services Supervisory Agency Annual Report 2015*.

¹⁷ In addition, HANFA also includes the Croatian Insurance Bureau (as an association of Croatia-registered insurance companies) and the Hrvatski Nuklearni POOL GIU (Croatian Nuclear Insurance and Reinsurance Pool EIG) as separate insurance market participants in Croatia. The Croatian Nuclear Insurance and Reinsurance Pool EIG consisted of five members as at 31 December 2015 (four insurance companies and one reinsurance company). Members of the pool jointly accept extraordinary risks with respect to insurance, co-insurance and reinsurance of nuclear plants, i.e. risks related to the exploitation of nuclear power for peacetime purposes.

¹⁸ At year-end 2007, there were 5 life insurers, 8 non-life insurers and 10 composite insurers present.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

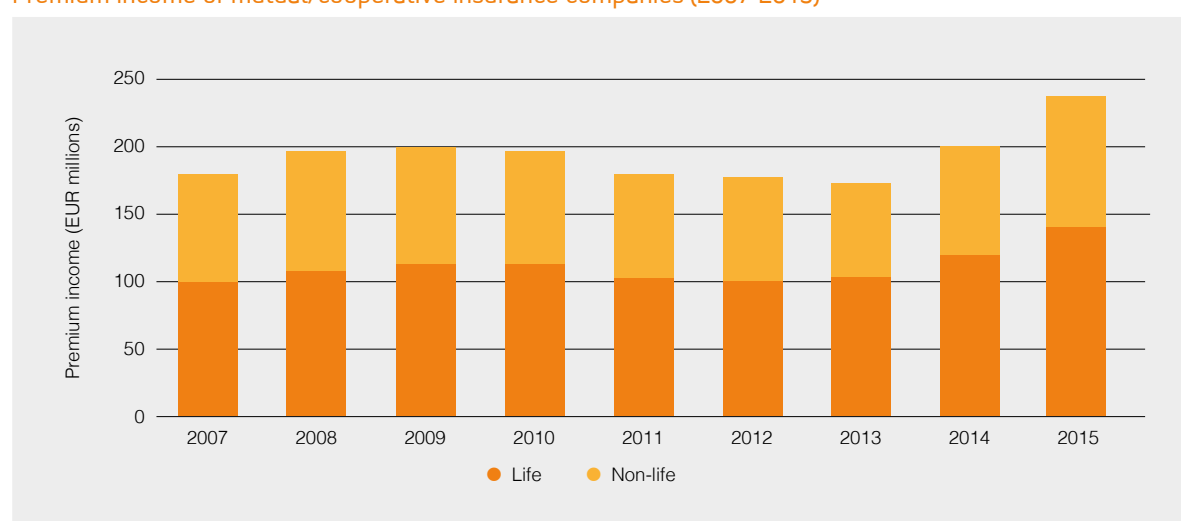
Total

The total insurance market in Croatia was worth EUR 1.1 billion in 2015, of which EUR 384 million was in life insurance and EUR 761 million was in non-life insurance. Since 2007, the Croatian insurance market has shrunk by 3.9%,¹⁹ falling from EUR 1.2 billion.

The mutual/cooperative insurance sector has posted a 36.7% growth in premium levels since 2007 (EUR 180 million), rising to EUR 237 million in 2015 (see Figure 2). This resulted in a CAGR of 4.0% for the mutual/cooperative sector, compared to a market average CAGR of -0.5%.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



¹⁹ All growth figures are in local currency (Croatian kuna) terms to avoid any misleading effects of exchange rate fluctuations.

Life

Premiums of the life insurance sector in Croatia grew by 17.6% between 2007 (EUR 338 million) and 2015.

Life premiums of the mutual/cooperative sector increased to EUR 140 million in 2015, from EUR 99 million in 2007 (a growth of 46.3%). The eight-year CAGR of the mutual/cooperative life sector was 4.9%, more than double the total market CAGR (2.0%).

Non-life

In the non-life market, premium levels were 12% lower in 2015 compared to 2007 (EUR 895 million). Mutual/cooperative insurers experienced a growth of 24.8% in premium levels since 2007, rising from EUR 80 million to EUR 97 million in 2015. This represented a CAGR of 2.8%, almost three percentage points ahead of the total market average (-1.6%).

Market share of mutual/cooperative insurance sector

The mutual/cooperative insurance sector held a 20.7% share of the total Croatian market in 2015 (see Figure 3). In life insurance, mutual/cooperative insurers accounted for more than a third (36.6%) of the total life market, and in the non-life market, mutual/cooperative market share was 12.7%.

As there were no mutual/cooperative insurers in the legal form (or subsidiaries) present in the Croatian market, these market share figures were made up solely of mutual/cooperative-type insurers.

The market share of the mutual/cooperative insurance sector has seen an overall increase since 2007 (14.6%). The previous two years saw the strongest growth in market share (see Figure 4), which rose sharply in consecutive years from 14.3% in 2013 and 17.8% in 2014.

Since 2007, the market share of mutual/cooperative insurers in the Croatian life insurance market has increased from 29.4%. In non-life business, mutual/cooperative share has risen from 9.0% in 2007.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

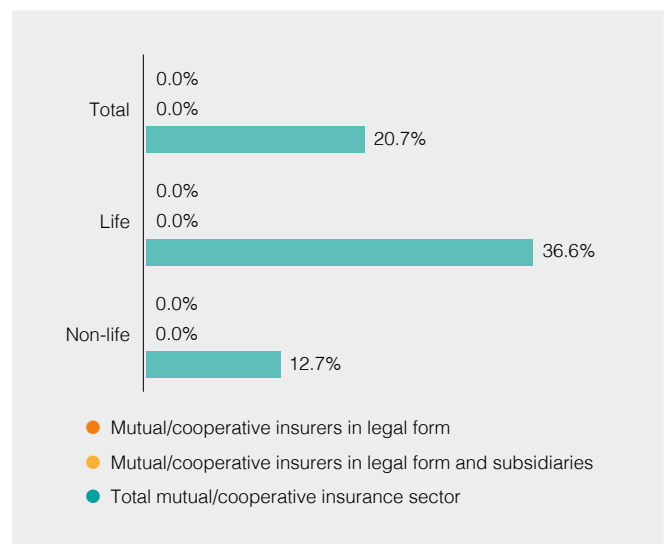
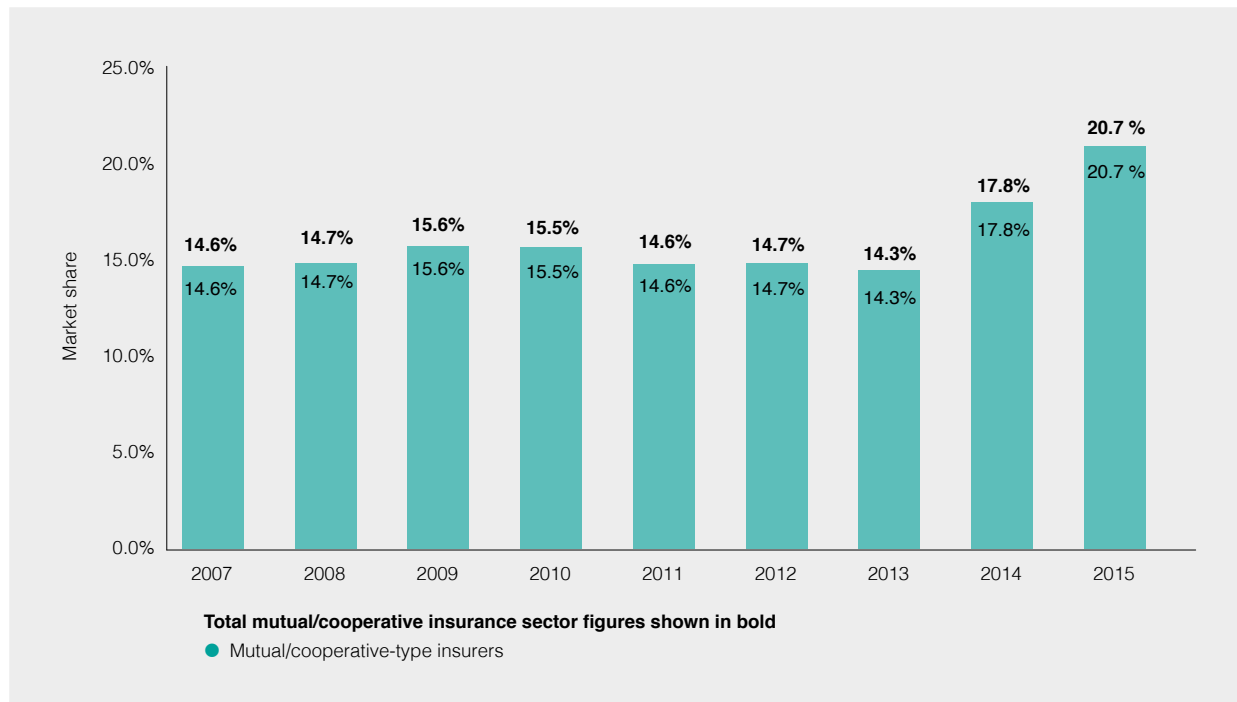


Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

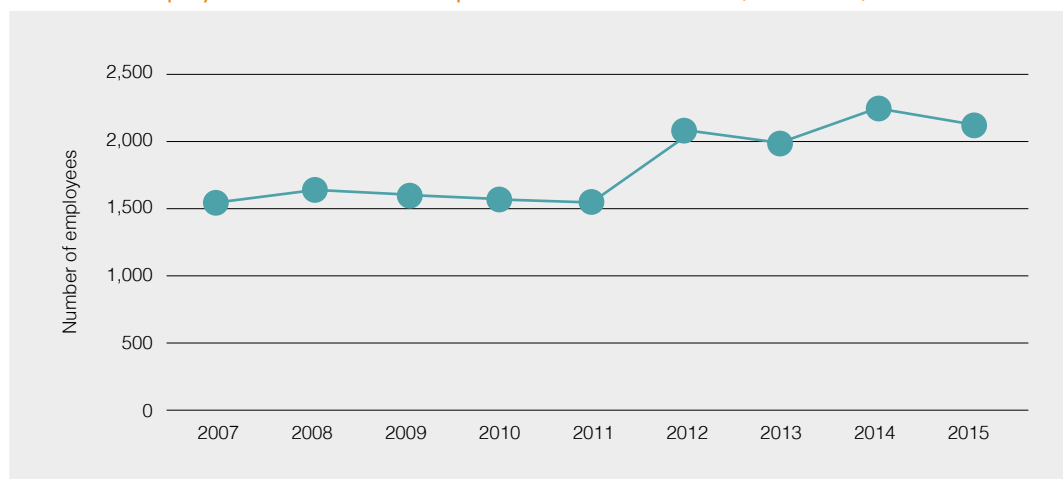


Number of employees

There were just over 2,000 employees of the Croatian mutual/cooperative insurance sector in 2015 (see Figure 5). This represented an overall increase of 37.5% from just over 1,500 employees in 2007.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



Number of members/policyholders

There were only two years' worth of (limited) data available on the number of members/policyholders of mutual/cooperative insurers in Croatia. In 2015, there were just under 700,000 members/policyholders (compared to 600,000 in 2014).

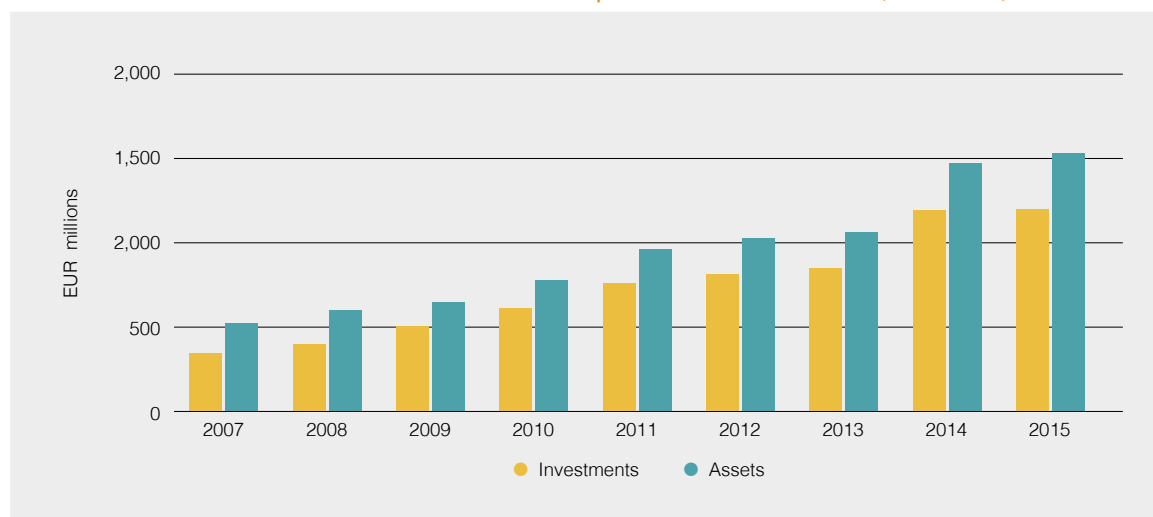
Assets and investments

Total assets held by the mutual/cooperative insurance sector were valued at EUR 1.5 billion in 2015 (see Figure 6). Asset values had almost tripled compared to 2007 (EUR 520 million).

Invested assets of mutual/cooperative insurers in Croatia reached EUR 1.2 billion in 2015, more than EUR 850 million greater in comparison with 2007 (EUR 340 million).

Figure 6

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Cyprus

Mutual/cooperative insurance companies

Landscape

The Superintendent of Insurance (*Έφορος Ασφαλίσεων*) is the head of the Insurance Companies Control Service – ICCS (*Υπηρεσία Ελέγχου Ασφαλιστικών Εταιρειών*)¹ in the Republic of Cyprus. It is the competent authority of the insurance sector and it exercises all the powers granted by the Law 38(I)/2016 on Insurance and Reinsurance Services and other Related Issues of 2016, as amended (*Ο περί Ασφαλιστικών και Αντασφαλιστικών Εργασιών και Άλλων Συναφών Θεμάτων Νόμος του 2016, όπως εκάστοτε τροποποιείται*).² All insurance and reinsurance undertakings that wish to operate in the Cypriot market are subject to prior authorisation by the Superintendent of Insurance.³

The Law of 2016 transposes the Solvency II Directive into Cypriot legislation. Following Article 4 of Solvency II, the 2016 Law on Insurance exempts certain insurance undertakings from the authorisation requirement due to their size.⁴ These provisions relate, for example, to the undertaking's annual gross written premium income (does not exceed EUR 5 million⁵) and the total of the undertaking's technical provisions (does not exceed EUR 25 million).⁶

The Law of 2016, as amended, also excludes compulsory social security systems⁷ from its scope of application, as well as provident and mutual benefit institutions whose benefits vary according to the resources available and in which the contributions of the members are determined on a flat rate basis.⁸

Finally, the Law does not apply to mutual undertakings which pursue non-life activities and have concluded with other mutual undertakings an agreement which provides for the full reinsurance of the insurance policies issued by them or in which the accepting undertaking is to meet the liabilities arising under such policies in the place of the ceding undertaking.⁹

A (re)insurance undertaking in Cyprus can operate as:¹⁰

- a Cypriot insurance undertaking which is a limited liability company, with or without shares (*εταιρεία περιορισμένης ευθύνης, με ή χωρίς μετοχές*), operating for the sole purpose of pursuing insurance and/or reinsurance activities, registered under the Companies Law and licensed to pursue such activities under the provisions of the Insurance and Reinsurance Services and other Related Issues Law.¹¹
- a Cypriot reinsurance undertaking which is a limited liability company with shares (*εταιρεία περιορισμένης ευθύνης με μετοχές*) operating for the sole purpose of pursuing reinsurance activities, registered under the Companies Law and licensed to pursue such activities under the provisions of the Insurance and Reinsurance Services and other Related Issues Law.¹²

¹ Ministry of Finance's [website](#).

² Article 30(1) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

³ Article 14 of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

⁴ Article 6(1) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended. These undertakings are however subject to a specific licensing requirement under Article 350(1) of Law 38(I)/2016 as amended.

⁵ Article 6(1)(a) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

⁶ Article 6(1)(b) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

⁷ These provident funds are funds providing retirement benefits paid as lump sum payments. They are governed by the Law providing for the establishment, activities and supervision of funds for occupational retirement benefits and related matters of 2012, as amended, and they are supervised by the Registrar of Funds for Occupational Retirement Benefits.

⁸ Articles 7(b) and 10(a) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

⁹ Article 9 of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹⁰ Article 17 of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹¹ Article 17(1) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹² Article 17(2) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

- a Cypriot mutual insurance undertaking which is a limited liability company by guarantee, without share capital (*εταιρεία περιορισμένης ευθύνης με εγγύηση, χωρίς μετοχικό κεφάλαιο*), operating for the sole purpose of pursuing mutual insurance activities, registered under the Companies Law and licensed to pursue such activities under the provisions of the Insurance and Reinsurance Services and other Related Issues Law.¹³
- a third country (re)insurance undertaking which pursues insurance or reinsurance activities in the Republic in the form of a branch or representation (agent) and is registered as an overseas company under the provisions of the Companies Law for the sole purpose of pursuing insurance and/or reinsurance activities.¹⁴
- a (re)insurance undertaking of an EU Member State which pursues insurance activities in the Republic under the freedom of establishment or services and adopts one of the legal forms specified in the Third Appendix of the Law.¹⁵

Limited liability (re)insurance companies are governed by the provisions of the Law of 2016 and the Companies Law. In case of conflict between the two, the former prevails. The establishment of insurance cooperatives is not foreseen by Cypriot Legislation.

There are no special provisions regarding the classes of activity that mutual insurers can pursue. Generally – subject to a derogation regarding accident and illness insurance – the authorisation to pursue insurance business is solely granted for the pursuit of either non-life or life insurance activities.¹⁶ By way of derogation, certain undertakings authorised to pursue life insurance activities may also obtain authorisation for non-life activities for risks that fall under the classes of accident or illness¹⁷ or undertakings authorised solely for the risks listed in the classes of accident and illness may obtain authorisation to pursue life insurance activities.¹⁸

Number of licensed insurance undertakings

There were 33 (re)insurance undertakings under the supervision of the ICCS in 2015.¹⁹ This comprised 32 Cypriot undertakings (of which 25 were domestic business undertakings and seven were international business undertakings)²⁰ and one foreign business undertaking.

Of the 33 (re)insurance companies licensed in 2015, eight were life insurers, 21 were non-life insurers²¹ and three were composite insurers.

Number of mutual/cooperative insurers

In 2015, there was one mutual/cooperative insurance company licensed in Cyprus, Grawe Reinsurance Ltd, a subsidiary of Austrian mutual-type insurer Grazer Wechselseitige Versicherung AG (Grawe).²² However, as Grawe Reinsurance only transacted reinsurance business, the premiums from this company fall outside the scope of this study.

Between 2007 and 2010, there was another mutual/cooperative present in the Cypriot market, Interlife Insurance, a composite insurer owned by Dutch cooperative-type insurer Eureko (now known as Achmea).²³ Eureko disposed of its shareholding in Interlife in May 2010.

¹³ Article 17(3) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹⁴ Article 17(4) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹⁵ Article 17(6) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹⁶ Article 75(1) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹⁷ Article 75(2)(a) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹⁸ Article 75(2)(b) of the Law on Insurance and Reinsurance Services and other Related Issues of 2016 as amended.

¹⁹ ICCS (2016) *Report on Insurance in Cyprus in 2015*.

²⁰ Cypriot undertakings are undertakings which are incorporated in Cyprus, while the foreign undertakings are branches of undertakings which are incorporated abroad and outside the EU.

²¹ One non-life insurer, KLPP Insurance & Reinsurance Co Ltd, received a license to carry out insurance business on 30 December 2015 and so is included in the number of insurance undertakings in 2015, despite writing no insurance business during 2015.

²² See chapter on Austria.

²³ See chapter on Germany.

Size and growth of the mutual/cooperative insurance sector

Total

The total Cypriot insurance market wrote EUR 726 million in premium income in 2015, of which EUR 301 million was written in life insurance and EUR 425 million was in non-life insurance. The total market recorded an overall growth of 7.6% since 2007 (EUR 675 million).

In 2015, there were no (direct) insurance premiums written by Cypriot mutual/cooperative insurers. Before its acquisition in 2010, Interlife Insurance reported total premiums in 2009 of EUR 33 million (EUR 23 million in life premiums and EUR 10 million in non-life premiums).

Life

Cypriot insurers wrote a total of EUR 302 million in life insurance business in 2015, representing a 2.6% decline in premium volumes compared to 2007 (EUR 310 million). There were no mutual/cooperative insurers present in the Cypriot life market in 2015.

Non-life

In contrast, total non-life insurance in Cyprus expanded by 16.3% between 2007 (EUR 365 million) and 2015 (EUR 425 million). There were no mutual/cooperative insurers present in the Cypriot non-life market in 2015.

Market share of mutual/cooperative insurance sector

Since there were no mutual or cooperative insurers present in the Cypriot (direct) insurance market in 2015, there was a zero market share for the mutual/cooperative sector.

In 2009, before the sale of Interlife, the total mutual/cooperative market share was 4.3%. In life business, the market share was 6.6% and in non-life business, the mutual/cooperative market share was 2.4%.

Number of employees

Although one reinsurance company (Grawe Re) owned by a foreign mutual/cooperative-type insurer was active in the Cypriot market in 2015, no data is available on the number of employees in Grawe Re.

Number of members/policyholders

No data on the number of members/policyholders was available.

Assets and investments

No data on total assets or investments was available.



Czech Republic

Mutual/cooperative insurance companies

Landscape

The Czech National Bank – CNB (*Česká národní banka*) is the supervisory authority of the financial market in the Czech Republic. It therefore regulates and supervises – among others – the insurance market.¹ All insurance undertakings must obtain a licence from the CNB in order to conduct business in the Czech Republic.²

The Act No. 277/2009 Coll. on Insurance Activity, as amended – Insurance Act (*Zákon o pojišťovnictví*) is the main legal instrument governing the insurance market and transposing the Solvency II Directive into national law.³

Article 2(2)(a) of the Insurance Act states that “insurers acting on a reciprocal basis (mutual insurance undertakings), in respect of which the indemnity varies according to the resources available and which require that each and every of their members pays the same contribution” fall outside the scope of the Act. This provision transposes Article 9(1) of the Solvency II Directive, which excludes mutual-benefit institutions of the flat-rate type from insurance legislation but does not exclude the mutual society form from insurance.

Insurance undertakings in the Czech Republic can have one of the following legal forms:

- a joint-stock company (*akciová společnost*)
- a cooperative company (*družstvo*)
- a European Company (*Evropská společnost*)

An insurance undertaking cannot be granted a licence for the simultaneous pursuit of both life and non-life insurance.⁴ However, an undertaking performing life insurance operations can obtain a licence for the exercise of accident or sickness insurance, and *vice versa*.

There are no provisions in the Insurance Act for the establishment of mutual insurers.

The activities of cooperatives are governed by Law No. 90/2012 Coll. on commercial companies and cooperatives – Business Corporation Act (*Zákon o obchodních korporacích*). The Czech law distinguishes between two forms of cooperatives: cooperative and a European Cooperative Society.⁵

¹ CNB's [website](#).

² Article 13(1) of the Act No. 277/2009 Coll. on Insurance Activity, as amended – Insurance Act.

³ Article 1(1) of the Insurance Act.

⁴ Article 13(7) of the Insurance Act.

⁵ Section 1(3) of the Law No. 90/2012 Coll. on commercial companies and cooperatives – Business Corporation Act.

Number of licensed insurance undertakings

In 2015, there were a total of 56 insurance “corporations”⁶ supervised by the CNB,⁷ of which seven were life insurers and 34 were non-life insurers. The balance comprised 14 composite insurers and one reinsurer.

In terms of domestic insurance corporations, there were 33 insurance undertakings present in the Czech market in 2015, comprising two life insurers, 16 non-life insurers, 14 composite insurers and one reinsurance company. There were 23 branches of foreign-owned insurers in 2015.

The total number of insurance corporations increased from 52 undertakings in 2007. However, there was a loss of four domestic insurance companies (2007: 37) over the eight-year period.

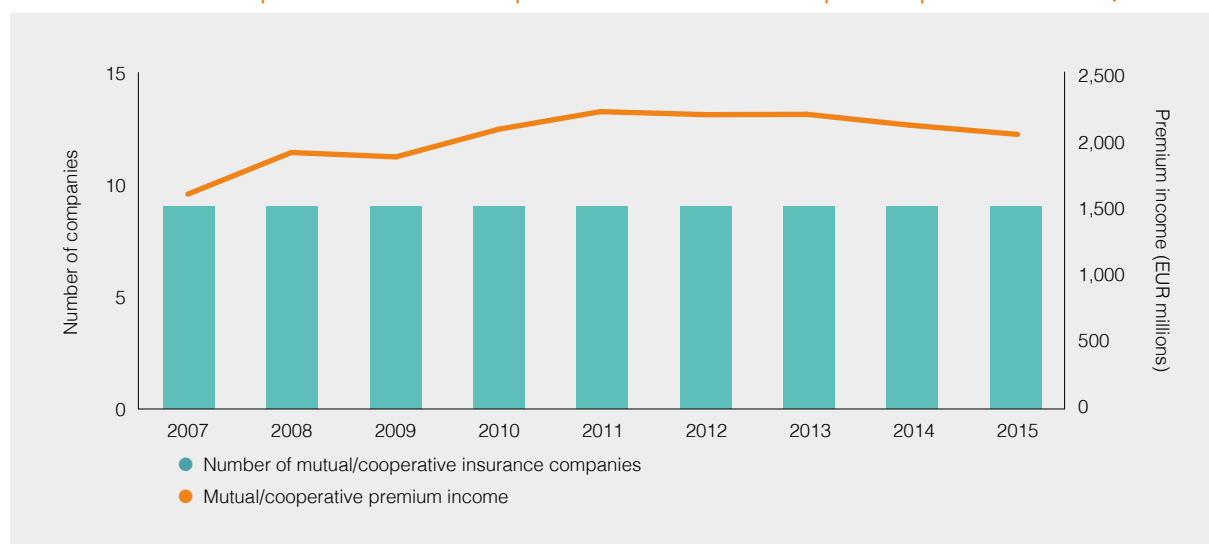
Number of mutual/cooperative insurers

In 2015, there were nine mutual/cooperative insurers active in the Czech market, the same number as in 2007 (see Figure 1).

Of the nine mutual/cooperative insurance companies, one was a life insurer, three were non-life insurers, four were composite insurers and one was a reinsurer. There was only one mutual/cooperative insurer in the legal form present in 2015 (a non-life insurer).⁸ The remaining mutual/cooperative insurers in the Czech Republic were subsidiaries of foreign mutual/cooperative-type insurers.⁹

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



⁶ For the purposes of the CNB's monetary and financial statistics, "insurance corporation" shall mean insurance companies, reinsurance companies and branches of insurance or reinsurance companies, which carry on financial activities pursuant to the Insurance Act and are residents in the Czech Republic.

⁷ CNB (2017) *List of Insurance Corporations in the Czech Republic*.

⁸ Cooperative insurer Cestovní pojišťovna ADRIA Way družstvo. As of 1 January 2017, the business of ADRIA Way družstvo was transferred to UNIQA pojišťovna, a subsidiary of UNIQA (a mutual/cooperative-type insurer in Austria).

⁹ Vienna Insurance Group (VIG), a mutual/cooperative-type insurer from Austria (see chapter on Austria), owned four of the mutual/cooperative insurers present in the Czech market in 2015.

Size and growth of the mutual/cooperative insurance sector

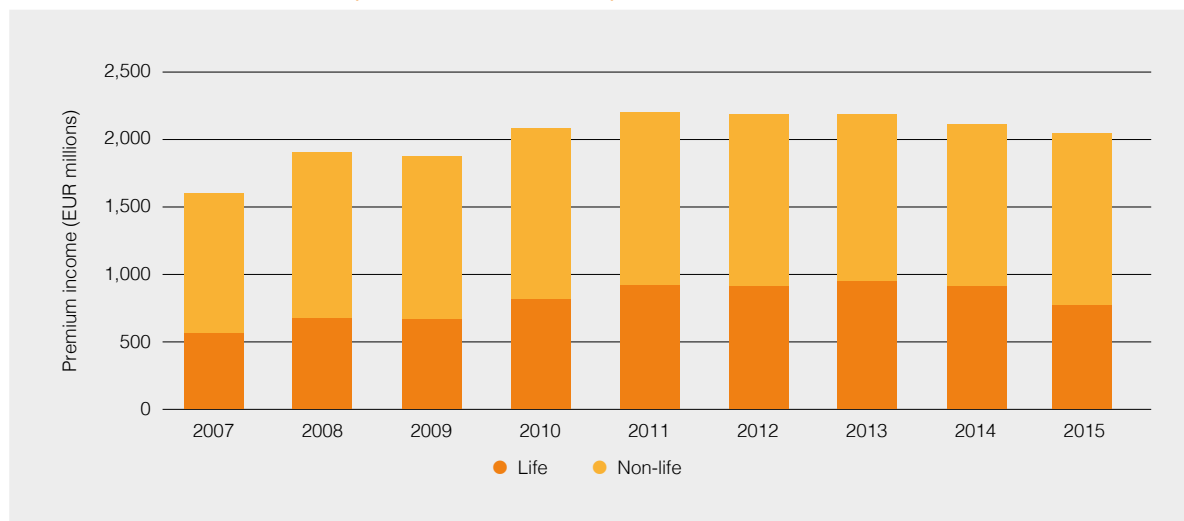
Total

In 2015, the Czech Republic insurance market wrote premiums of EUR 5.6 billion, of which EUR 2.3 billion was in life insurance and EUR 3.3 billion was in non-life insurance. Between 2007 and 2015, the total insurance market grew by a total of 16.3% (2007: EUR 4.7 billion).¹⁰

The Czech mutual/cooperative market wrote insurance premiums of EUR 2.0 billion in 2015 (see Figure 2), of which 62% (EUR 1.3 billion) was written in the non-life sector. Since 2007, mutual/cooperative insurers have collectively grown by just over a quarter (from EUR 1.6 billion in premium income). This has resulted in a 2.9% CAGR for the mutual/cooperative sector, one percentage point higher than the total market average (1.9%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life insurance business in the Czech Republic increased by 15.3% between 2007 (EUR 1.9 billion) and 2015 (EUR 2.3 billion).

The mutual/cooperative life sector outperformed the rest of the life market over this period in terms of premiums written. Premium levels grew to EUR 768 million in 2015, an increase of 34.1% from EUR 562 million in 2007. As a result, the CAGR of the mutual/cooperative life sector (3.7%) was more than double the market average (1.8%).

Non-life

Czech non-life premiums in the total market rose to EUR 3.3 billion in 2015 (from EUR 2.8 billion in 2007). This represented an overall growth of 16.9% from 2007 levels and a CAGR of 2.0% over this period.

Mutual/cooperative insurers reported non-life premiums of EUR 1.3 billion in 2015, representing a 20.9% increase from 2007 levels (EUR 1.0 billion). This resulted in a CAGR of 2.4%, slightly more than the total market average.

¹⁰ All growth figures are in local currency (Czech koruna) terms to avoid any misleading effects of exchange rate fluctuations.

Market share of mutual/cooperative insurance sector

The mutual/cooperative sector held a 36.2% share of the Czech insurance market in 2015 (see Figure 3). The mutual/cooperative sector held a slightly higher proportion of the non-life market at 38.1%, compared to the life market at 33.6%.

In the legal form, the total mutual/cooperative market share in 2015 was negligible (less than 0.01%).

Overall mutual/cooperative market share has increased from a share of just over a third (33.6%) in 2007 (see Figure 4).

In life insurance, mutual/cooperative insurers' market share increased from 28.9% in 2007 to 33.6%. In non-life business, mutual/cooperative share rose from 36.8% to 38.1% over the same period.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

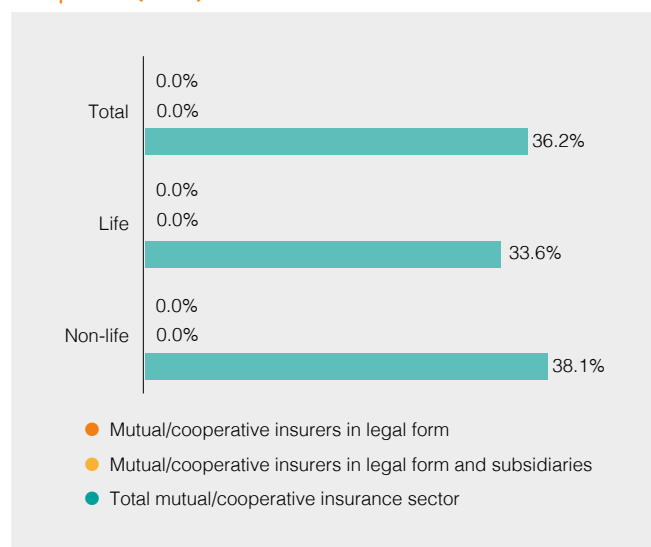
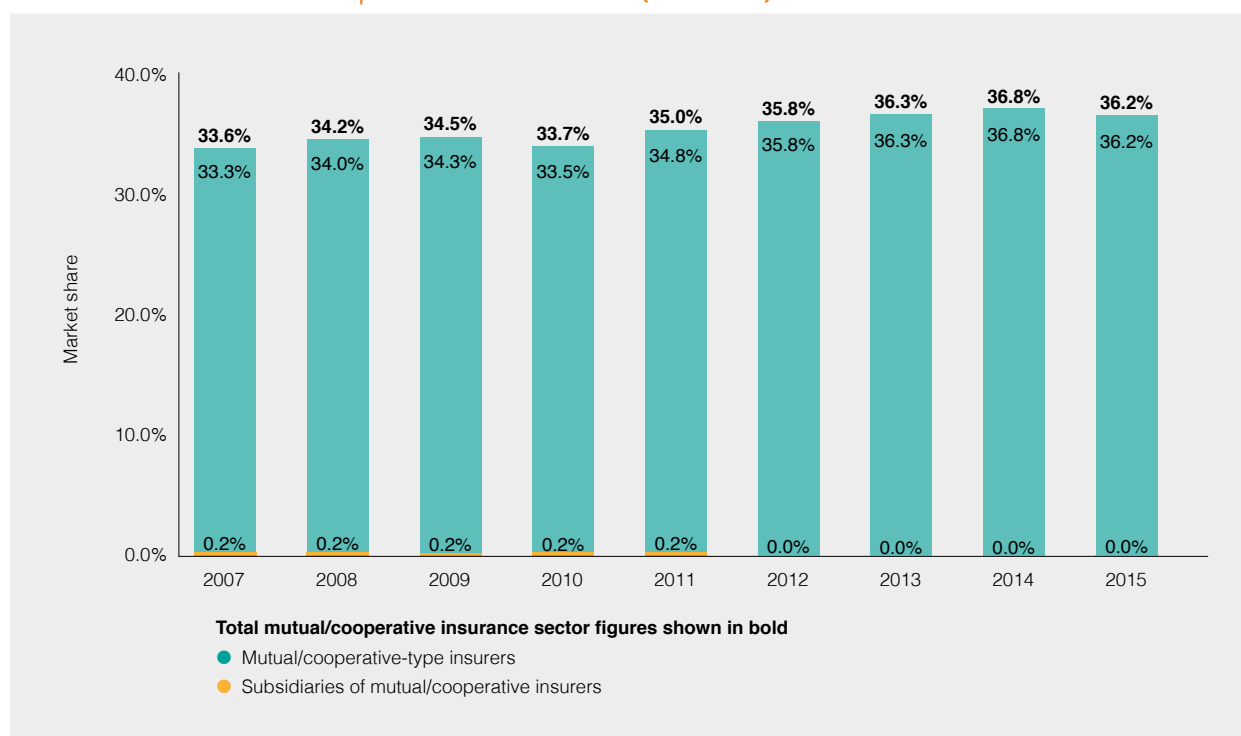


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

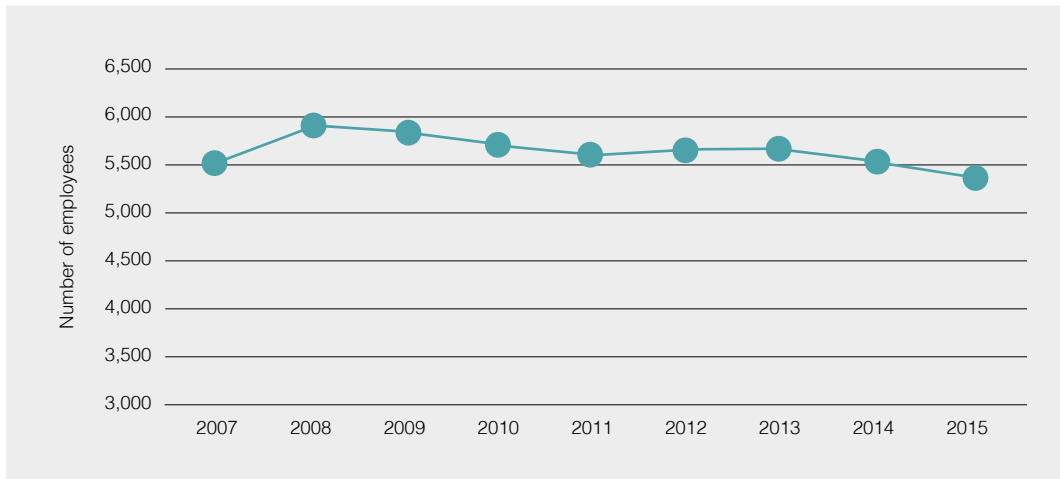


Number of employees

There was a slight decline in the total number of people employed by the mutual/cooperative insurance sector in the Czech Republic over the eight-year period from 2007 (see Figure 5), falling to 5,369 in 2015 from 5,510 in 2007 (-2.6%).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)

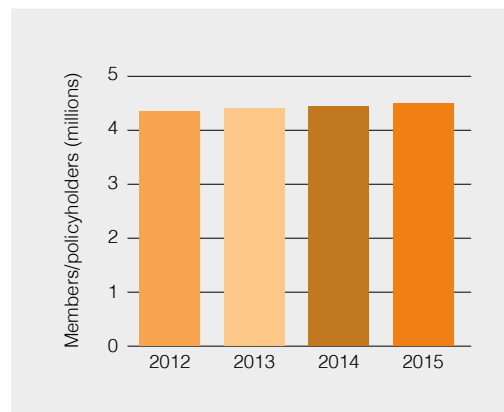


Number of members/policyholders

A total of 4.5 million members/policyholders were served by Czech mutual/cooperative insurers in 2015 (see Figure 6). Membership numbers have increased annually since 2012 (4.3 million), resulting in an overall increase of 3.3%.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



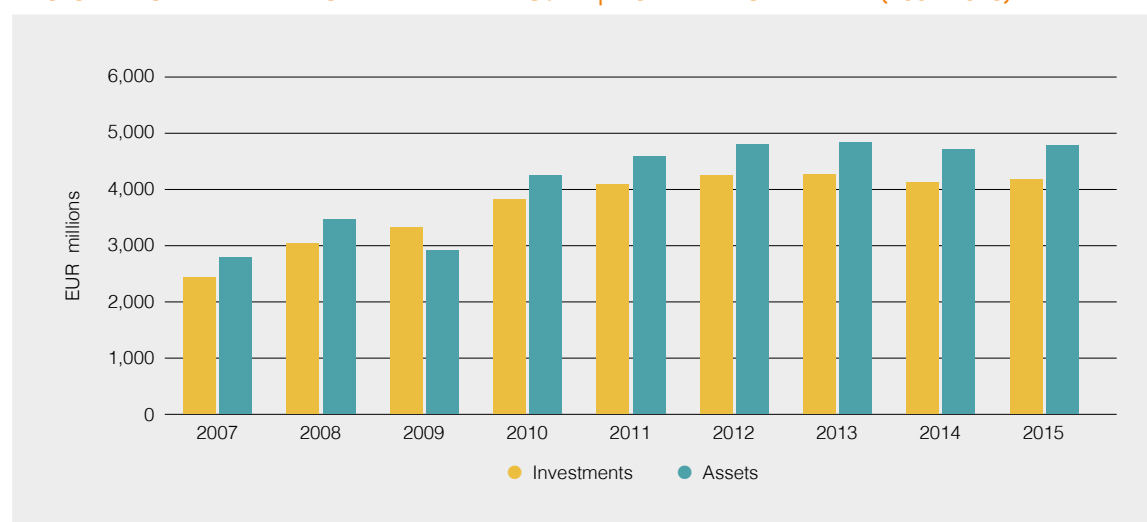
Assets and investments

The total assets held by Czech mutual/cooperative insurers increased to EUR 4.8 billion in 2015, a growth of 69.1% from EUR 2.8 billion in assets held in 2007 (see Figure 7).

The total amount of invested assets held by the mutual/cooperative sector also grew by a similar amount (68.2%) compared to 2007 figures, increasing to EUR 4.2 billion in 2015 from EUR 2.4 billion in 2007.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

Undertakings which carry out insurance and reinsurance activities in Denmark are required to be licensed by the Danish Financial Supervisory Authority – Danish FSA (*Finanstilsynet*).¹ The Danish FSA is an agency under the Ministry of Industry, Business and Financial Affairs, responsible for the supervision and regulation of financial corporations and markets.²

The primary law governing the insurance market in Denmark and transposing the provisions of Solvency II into domestic legislation is the Financial Business Act – Consolidating Act no. 174 of 31 January 2017 (*Lov om finansiel virksomhed*). Insurance companies with less complex business models and whose annual gross premium do not exceed EUR 5 million and whose gross technical provisions do not exceed EUR 25 million are subject to a more moderate supervision regime. These companies are called ‘Group 2 insurance companies’ and they are regulated by special provisions on capital requirements, solvency, own funds, licensing, etc.³

The Financial Business Act excludes from its scope:⁴

- pensions funds with the objective of securing pensions schemes on employment in a private undertaking, including an insurance undertaking, or on employment in such an undertaking within the same group.
- funeral expenses funds and cremation societies.
- unemployment insurance funds, etc. under supervision by the state.
- undertakings which only provide assistance within a limited area and whose annual premium income does not exceed an amount laid down by the Danish FSA.

Life insurance activities cannot be combined with other insurance activities in the same company. However, life insurance companies can carry out accident and sickness insurance, in addition to life insurance activities.⁵

Insurance companies in Denmark can have the legal form of:⁶

- a limited company (*Aktieselskaber*)
- a mutual company (*Gensidige Selskaber*)
- a multi-employer occupations pension fund (*Tværgående Pensionskasser*)

There are no provisions for establishing a cooperative insurance company in Denmark.

¹ Article 11(1) of the Financial Business Act – Consolidating Act no. 174 of 31 January 2017.

² Danish FSA's [website](#).

³ Article 126 of the Financial Business Act.

⁴ Article 11(2) of the Financial Business Act.

⁵ Article 19(1) of the Financial Business Act.

⁶ Article 12(1) of the Financial Business Act.

Mutual insurers are permitted to operate in all insurance classes, both life and non-life. The Financial Business Act contains special provisions for mutual insurance companies regarding establishment,⁷ management,⁸ liability,⁹ payment of guarantee interests,¹⁰ etc. Articles 295-303 of the Act consist of special regulations for mutual non-life insurance companies with limited objects. The Danish FSA can exempt such mutual companies if the total value of contracts of insurance does not exceed DKK 6 million¹¹ and the company's risk on a single contract of insurance does not exceed 3% of its annual premium income, or the company only effects contracts of insurance within a limited geographical area and only for a single type of insurance.¹² Apart from the Financial Business Act, mutual insurance companies are also subject to certain parts of the Companies Act (*Selskabsloven*).

Number of licensed insurance undertakings

There were 104 insurance companies¹³ present in the Danish market in 2015. Of that figure, 33 were life insurance undertakings, split between 18 life insurers and 15 sector and company pension funds. There were 71 non-life insurance companies active in 2015.

The total number of insurance companies in the Danish market has declined by more than 40% since 2007, when there was a total of 179 active insurers. This figure included 61 life insurance companies (33 life insurers and 28 pension funds) and 118 non-life insurance companies.

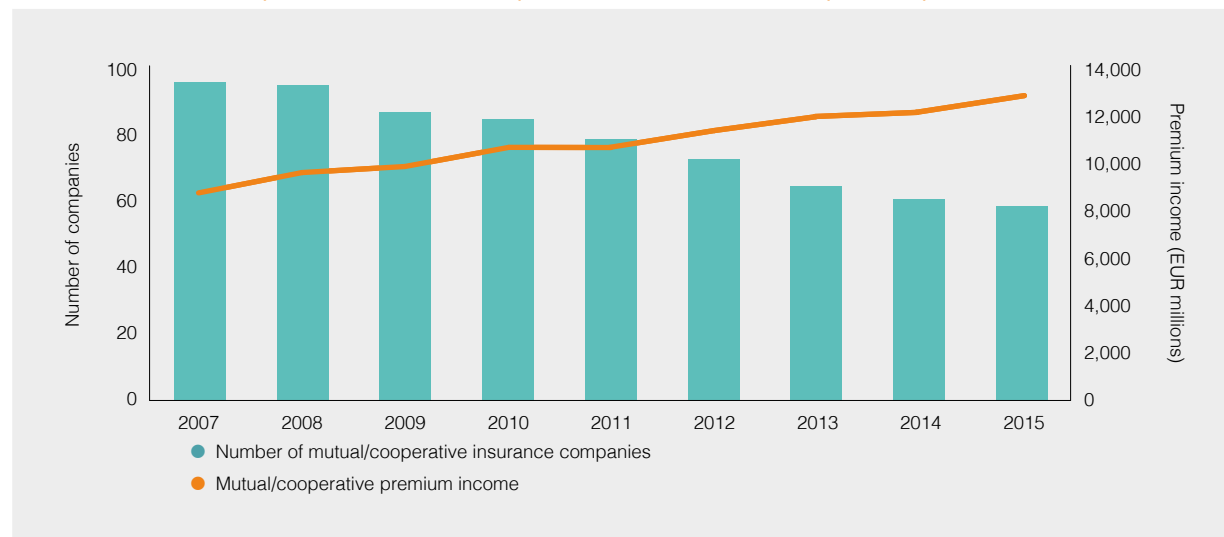
Number of mutual/cooperative insurers

There were 58 mutual/cooperative insurance companies present in Denmark in 2015, of which 26 were life insurers (including 15 sector and company pension funds) and 32 were non-life insurers. In the legal form, there were 43 mutual companies active in 2015: 15 pension funds and 28 mutual non-life insurers.

Since 2007, there has been a loss of 37 mutual/cooperative insurers, equivalent to a 39% decrease (see Figure 1). In 2007, there were 95 companies active, of which 38 were life insurance companies and 57 were non-life insurance companies. There were 76 mutual/cooperative insurers in the legal form present in the Danish market in 2007.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



⁷ Article 23 of the Financial Business Act.

⁸ Article 11 of the Financial Business Act.

⁹ Article 284 of the Financial Business Act.

¹⁰ Article 287 of the Financial Business Act.

¹¹ EUR 805,888 at ECB annual average exchange rate for 2016.

¹² Article 302 of the Financial Business Act.

¹³ Danish FSA (2016) *Key figures for financial undertakings under supervision 2011-2015*.

Size and growth of the mutual/cooperative insurance sector

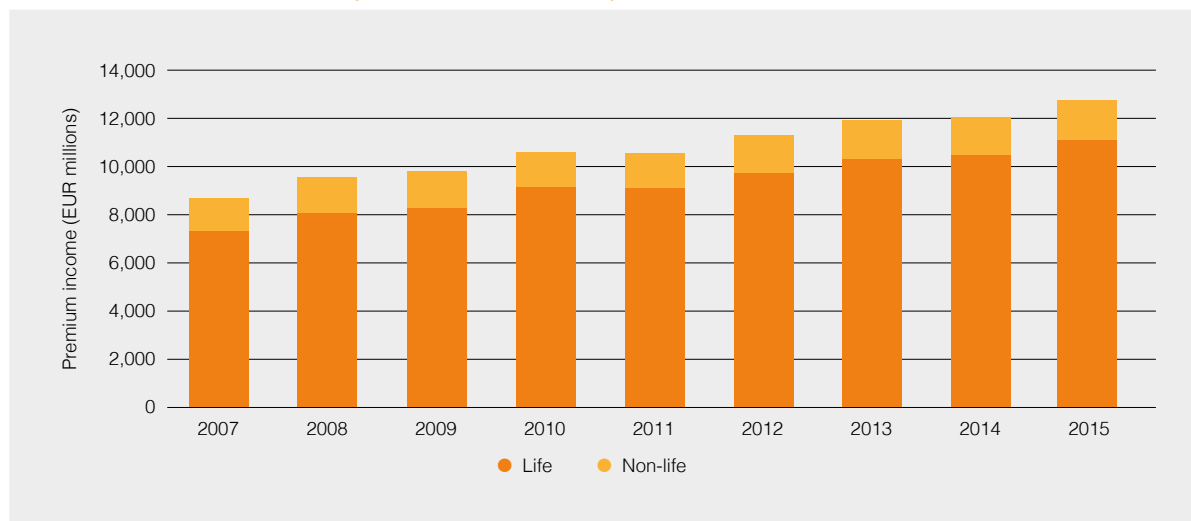
Total

The total insurance market in Denmark amounted to EUR 27.4 billion in insurance premiums in 2015, an overall growth of 32.2%¹⁴ since 2007 (EUR 20.7 billion). In life insurance, EUR 17.9 billion was written by Danish insurers (growth of 36% since 2007) and in the non-life insurance sector, premium volumes totalled EUR 9.5 billion (growth of 25.2%).

Mutual/cooperative insurers collectively wrote a total of EUR 12.7 billion in premium income in 2015 (see Figure 2), of which 87% was generated in the life sector. Since 2007, total premiums written by the Danish mutual/cooperative insurance sector have increased by 47.1% (2007: EUR 8.7 billion). This was equivalent to a CAGR of 4.9%, compared to a market average CAGR of 3.5% over the same period.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The Danish life insurance market grew by CAGR of 3.9% since 2007, increasing from EUR 13.2 billion. The mutual/cooperative industry recorded a growth of 52% in life business over the same period, rising from premium levels of EUR 7.3 billion in 2007 to EUR 11.1 billion in 2015 (CAGR of 5.4%).

Non-life

Since the crisis, aggregate premium levels in non-life insurance increased by a CAGR of 2.8%, up from EUR 7.6 billion (2007). The mutual/cooperative sector grew at a similar rate, increasing by a quarter over this period, from EUR 1.4 billion in 2007 to EUR 1.7 billion in 2015 (CAGR of 2.5%).

¹⁴ All growth figures are in local currency (Danish krone) terms to avoid any misleading effects of exchange rate fluctuations.

Market share of mutual/cooperative insurance sector

The mutual/cooperative sector accounted for 46.5% of the Danish insurance market in 2015 (see Figure 3). Mutual/cooperative insurers in the legal form represented 16.3% of the total market in 2015 and rose to an 18.5% market share when subsidiaries of mutual/cooperative insurers were included.

Denmark had the highest mutual/cooperative life market share of any European country in 2015 (61.7%). In the legal form, mutual/cooperative market share was 20.4%. Non-life market share of the Danish mutual/cooperative sector was 17.8% in 2015. This included an 8.6% market share held by non-life mutual/cooperative insurers in the legal form.

The total market share of the mutual/cooperative sector has increased by just under five percentage points since 2007 (41.8%). Mutual/cooperative insurers collectively outgrew the market average in six of the previous eight years (see Figure 4), resulting in six years of positive growth in mutual/cooperative market share.

The market share of mutual/cooperative insurers in the legal form was greater in 2015 compared to 2007 (15.3%), although had fallen from a peak market share of 18.4% in 2010.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

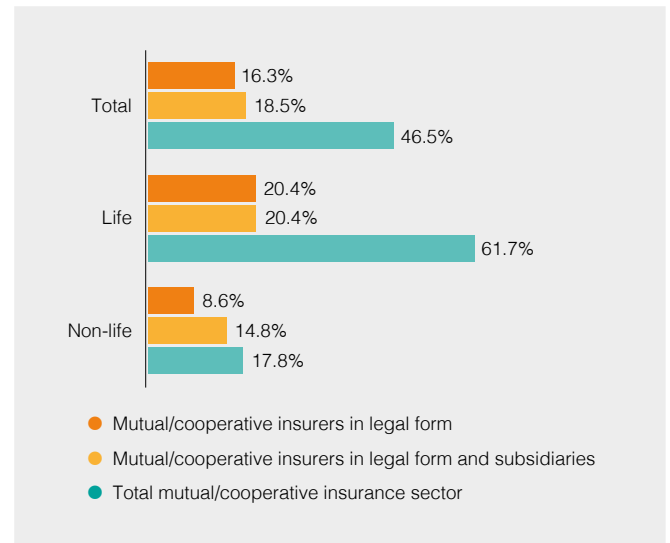
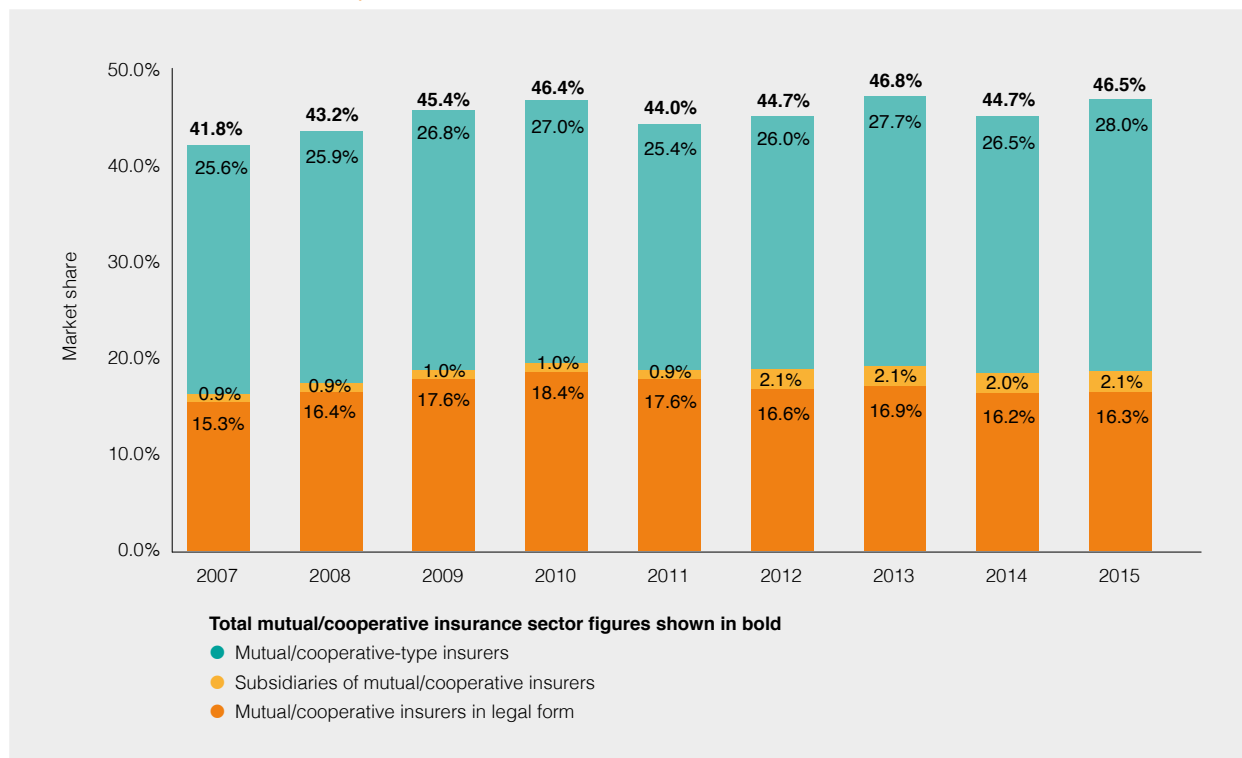


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)



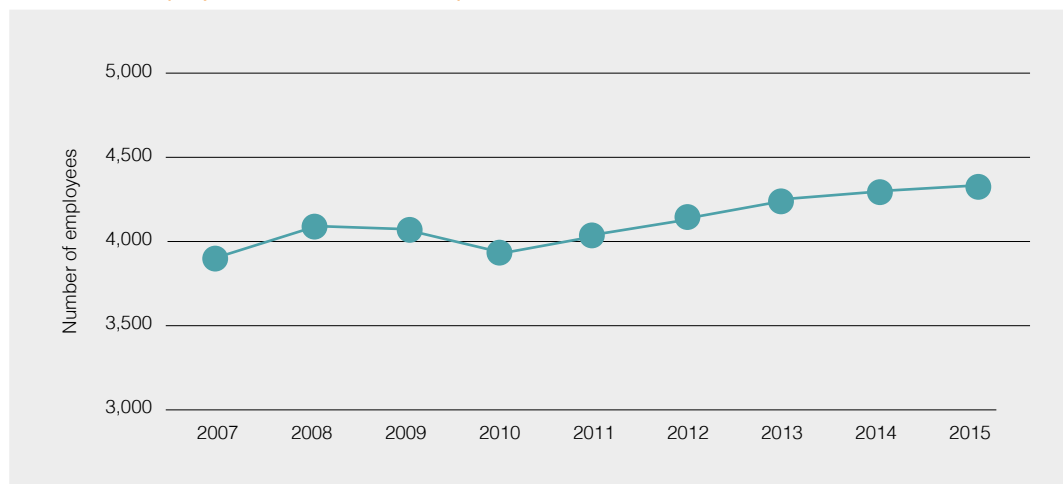
In terms of life business, mutual/cooperative insurers' share of the market has gained a further six percentage points of the market, growing from 55.3% in 2007 to a record high level in 2015. In the non-life market, mutual/cooperative share saw a slight fall during this period, decreasing from 18.3% in 2007.

Number of employees

Danish mutual/cooperative insurers collectively employed over 4,300 people in 2015 (see Figure 5). This represented an overall increase of 11% (equivalent to more than 400 people) compared to 2007 (3,900 employees).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



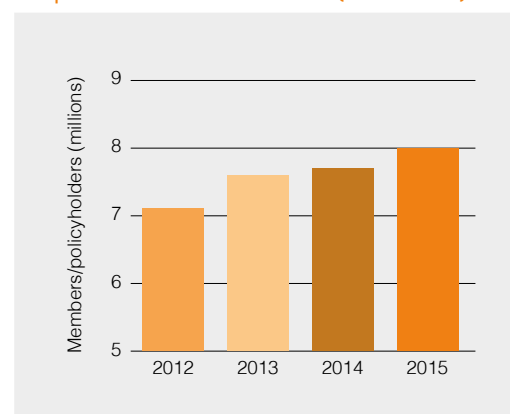
Number of members/policyholders

In 2015, 8 million people were members/policyholders* of mutual/cooperative insurers in Denmark (see Figure 6).

This represented a total growth of 11.8% from 2012 (7.1 million) and was equivalent to a CAGR of 3.8% over the three-year period.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



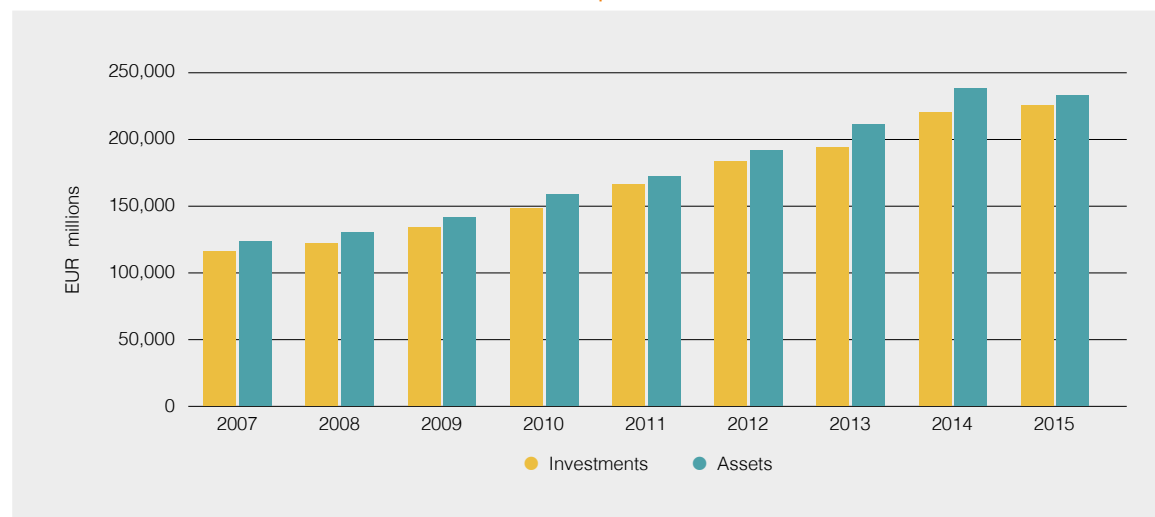
* See methodology.

Assets and investments

The Danish mutual/cooperative sector held total assets valued at EUR 232.6 billion in 2015 (see Figure 7). Total assets values have increased by 88% since 2007 (EUR 123.4 billion). Aggregate investment assets held by mutual/cooperative insurers increased by 95% between 2007 and 2015, growing from EUR 115.8 billion to EUR 225.6 billion.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Financial Supervision Authority (*Finantsinspeksioon*) is a financial supervision institution with autonomous competence and separate budget, responsible for the supervision of the insurance market in Estonia.¹

The Insurance Activities Act of 10 June 2015 (*Kindlustustegevuse seadus*) governs the insurance market in Estonia and transposes the Solvency II Directive into national legislation.

All insurance undertakings that wish to operate in the Estonian market are required to obtain an authorisation from the *Finantsinspeksioon*.²

Insurance undertakings are not allowed to be engaged in life insurance and non-life insurance simultaneously.³ However, an insurer engaged in life insurance may simultaneously engage in accident and sickness insurance.⁴

An insurance undertaking in Estonia can only operate in the legal form of:⁵

- a public limited company (*aktsiaselts*)
- a European Company (*Euroopa äriühing*)

Insurance companies in Estonia cannot be established as mutuals or cooperatives.

Number of licensed insurance undertakings

There was a total of 12 licensed insurance undertakings present in the Estonian market in 2015.⁶ Of these, four were life insurance companies and eight were non-life insurers. In addition, there was one affiliated branch of a foreign life insurance institution and four branches of foreign non-life insurers authorised by the *Finantsinspeksioon* in 2015.

¹ *Finantsinspeksioon*'s [website](#).

² Article 15(1) of the Insurance Activities Act.

³ Article 16(5) of the Insurance Activities Act of 1 January 2016. However, Article 16(6) of the Insurance Activities Act of 1 January 2016 foresees that an insurance undertaking engaged in life insurance may be simultaneously engaged in life insurance and the classes of non-life insurance specified in clauses 12(1)(1) and (2) of the Insurance Activities Act (term and whole life insurance and insurance on survival to a stipulated age).

⁴ Article 16(6) of the Insurance Activities Act.

⁵ Article 11(1) of the Insurance Activities Act.

⁶ *Finantsinspeksioon*'s website, *Aggregated Data of Insurers (from 31.03.2008 to 31.12.2015)*.

Number of mutual/cooperative insurers

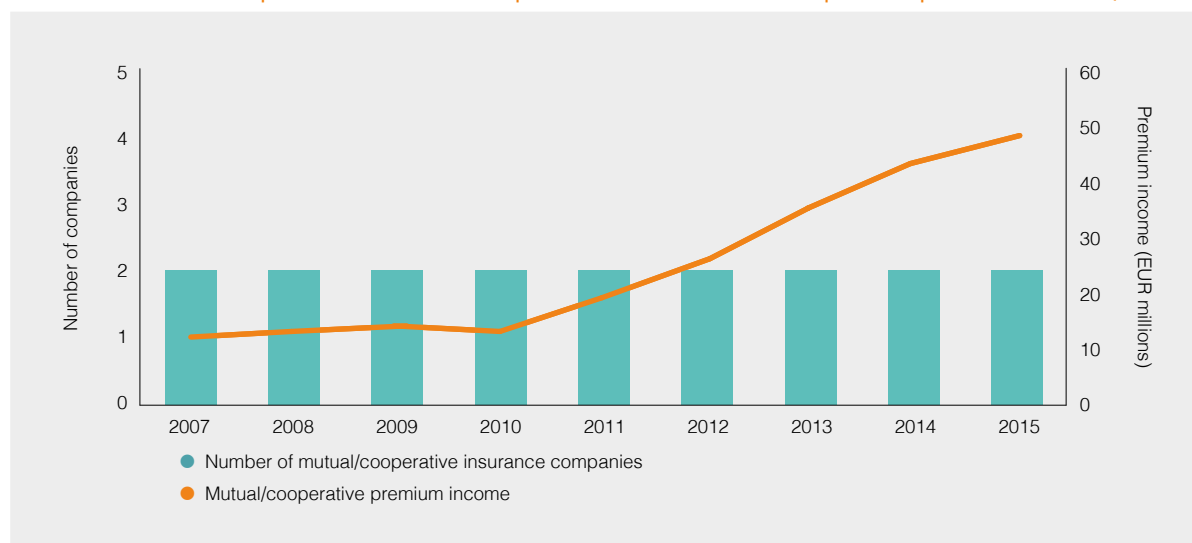
In 2015, there were two mutual/cooperative insurers active in Estonia (see Figure 1), both classified as mutual/cooperative-type insurers.

Life insurer Compensa Life Vienna Insurance Group SE is a subsidiary of Austrian mutual/cooperative-type insurer Vienna Insurance Group (VIG). Compensa Life was ranked as the largest life insurer in the Estonian market in 2015. In addition, Norwegian insurer Gjensidige (also a mutual/cooperative-type insurer) was present in the Estonian market through an affiliated branch (AAS Gjensidige Baltic Eesti filial).

There were no mutual or cooperative insurers in the legal form present in Estonia in 2015.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

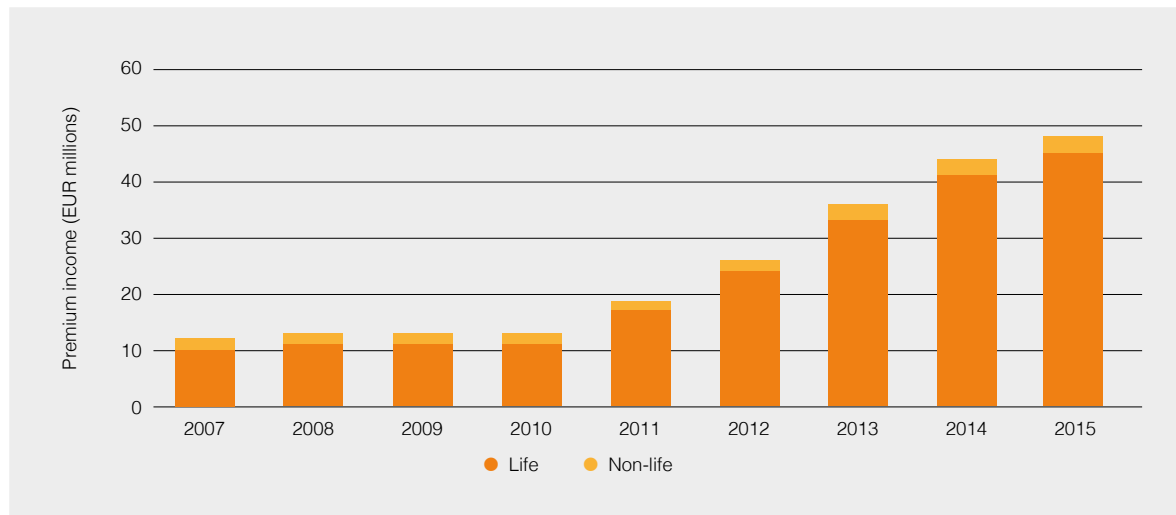
Total premiums of the Estonian insurance industry amounted to EUR 489 million in 2015, of which EUR 94 million was in life insurance and EUR 395 million (equivalent to 81%) was in non-life insurance. Premium revenues were 25.8%⁷ greater in 2015 compared to 2007 levels (EUR 389 million).

The mutual/cooperative insurance sector has expanded significantly since 2007, rising from EUR 12.0 million in premiums in 2007 to EUR 47.8 million in 2015 (see Figure 2). This resulted in a CAGR of 18.8%, compared to a market average CAGR of 2.9%. Just under 95% of mutual/cooperative business in 2015 was written in the life market.

⁷ Estonia adopted the euro on 1 January 2011. As a result, because no comparison can be made in local currency (Estonian kroon pre-2011) terms over the period between 2007 and 2015, all growth figures are in euro terms.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life insurance premiums across the whole market in Estonia decreased between 2007 and 2015, falling by 27.6% from EUR 130 million. In contrast, the mutual/cooperative sector recorded a strong growth during the period, and aggregate life premiums were more than four times greater in 2015 (EUR 45.1 million) compared to 2007 (EUR 10.3 million). The eight-year CAGR of the mutual/cooperative life sector was 20.2%, compared to -4.0% for the total market.

Non-life

Estonian non-life insurance grew substantially, reporting a 52.6% increase since 2007 (EUR 259 million). Mutual/cooperative insurers experienced a similar overall growth (59%), increasing from EUR 1.7 million in premiums written in 2007 to EUR 2.7 million in 2015. The mutual/cooperative sector registered a CAGR of 6.0%, just ahead of the total non-life market (5.4%).

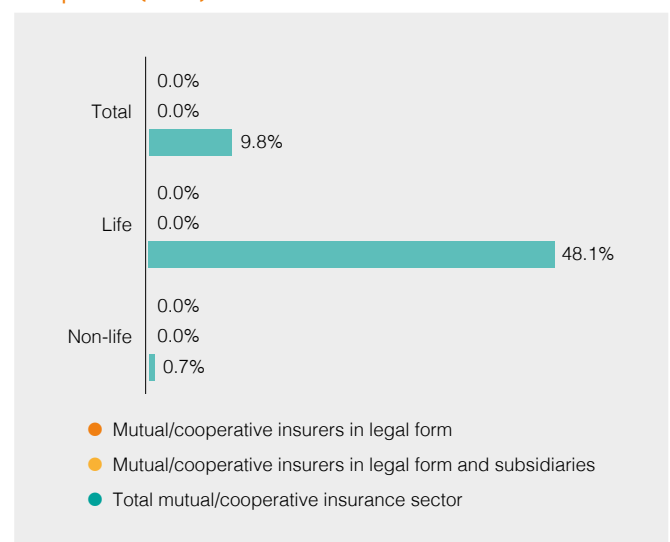
Market share of mutual/cooperative insurance sector

The mutual/cooperative sector accounted for 9.8% of the total insurance market in Estonia in 2015 (see Figure 3). Mutual/cooperative insurers were responsible for almost half (48.1%) of the total Estonian life insurance market in 2015, although they had a very small market share in non-life business (0.7%).

As there were no mutual or cooperative insurers in the legal form (or subsidiaries) present in the Estonian market, these market share figures comprise solely mutual/cooperative-type insurers.

Figure 3

Market share of mutual/cooperative insurance companies (2015)

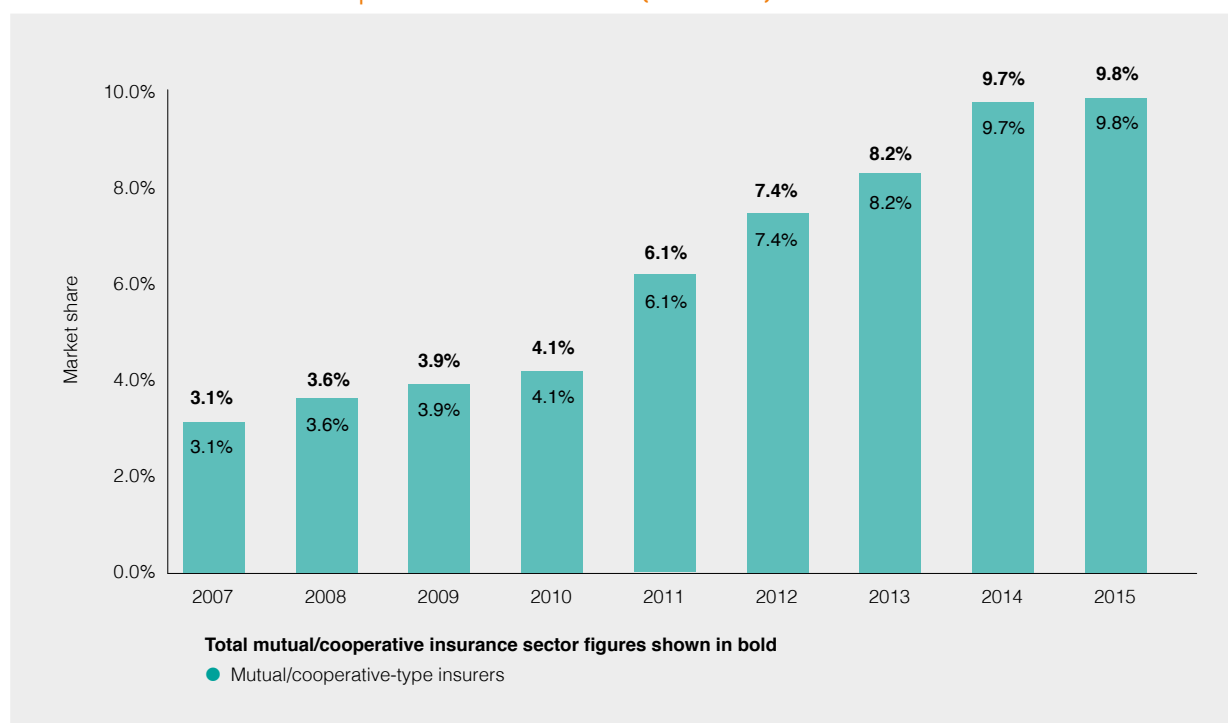


The overall market share of the mutual/cooperative insurance sector has grown year-on-year since 2007, up from 3.1% (see Figure 4). Market share grew fastest between 2011 and 2014, where it rose from 6.1% to 9.7% over this three-year period.

Growth in life market share was the main contributor to the overall growth in mutual/cooperative market share since 2007. The mutual/cooperative sector gained a further 40% over this period, growing from 8% market share in 2007. In contrast, non-life market share remained low during this period.

Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

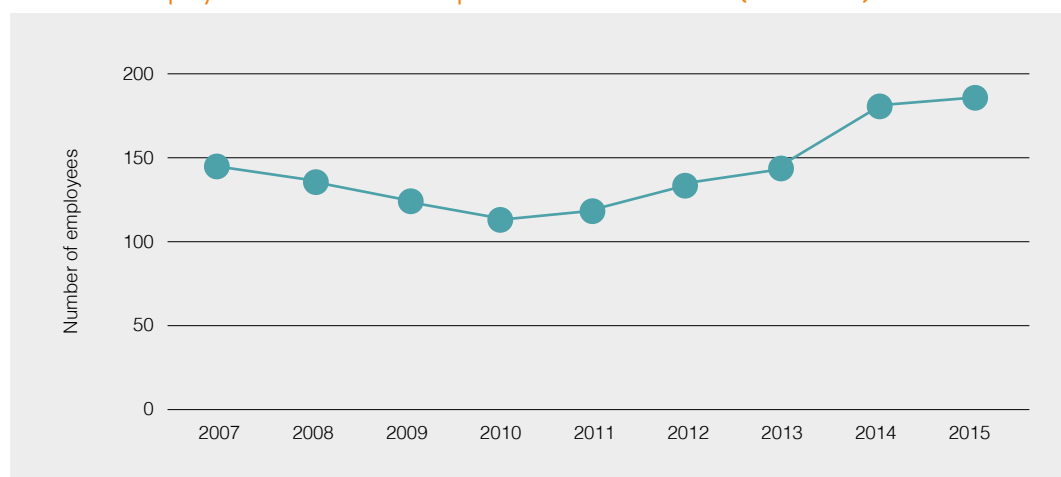


Number of employees

There were 186 employees of the Estonian mutual/cooperative sector in 2015 (see Figure 5). This represented an increase from 145 employees in 2007.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



Number of members/policyholders

There were no data available on the number of members/policyholders of mutual/cooperative insurers in Estonia.

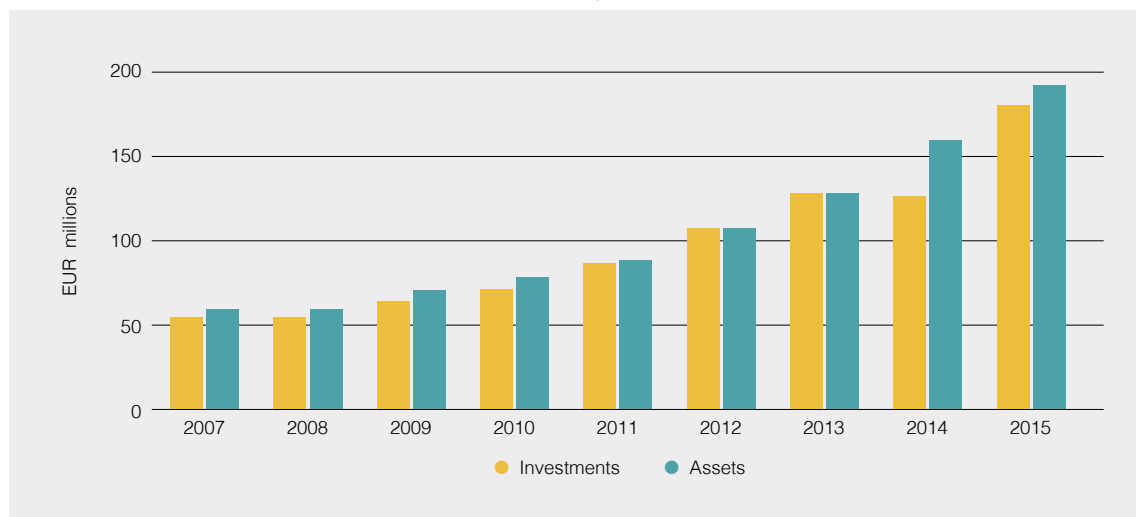
Assets and investments

Total assets held by the mutual/cooperative insurance sector were valued at EUR 192 million in 2015 (see Figure 6). This represented a significant increase compared to EUR 59 million in assets held in 2007. Asset values had grown rapidly in the previous four years (CAGR of 21.6% between 2011 and 2015).

Investments of mutual/cooperative insurers experienced a similar growth, increasing from EUR 54 million in 2007 to EUR 180 million in 2015.

Figure 6

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Financial Supervisory Authority – FIN-FSA (*Finanssivalvonta*) is both the authority for supervision of financial and insurance sectors and the macroprudential authority in Finland.¹

The Insurance Companies Act 521/2008 (*Vakuutusyhtiölaki*) is the law governing the insurance market in Finland,² amended in order to transpose the Solvency II Directive into national law.³ The amendments entered into force on 1 January 2016.

A new definition, which corresponds to the definition of undertakings excluded from the scope of Solvency II due to their size, has been introduced in relation to small insurance undertakings in Finland (premium income does not exceed EUR 5 million, total of technical provisions does not exceed EUR 25 million, etc.).⁴ All provisions of the Insurance Companies Act apply to small insurance undertakings. Nevertheless, small insurance undertakings in Finland maintain the right not to observe the detailed provisions in the Commission Delegated Regulation 2015/35 supplementing Solvency II, and the technical standards, to the extent that they concern the provisions on the governance system or the disclosure of information, laid down in the Insurance Companies Act.⁵

An insurance undertaking in Finland can have the legal form of:

- a joint stock company (*Vakuutusosakeyhtiö*)
- a mutual company (*Keskinäinen Vakuutusyhtiö*)
- a mutual insurance association (*Vakuutusyhdistys*)
- a European Company (*Eurooppayhtiö*)

Insurers with a cooperative legal form are not foreseen in Finland and thus there are no cooperative insurance companies. However, there are subsidiaries of cooperative banks or cooperative-controlled groups active in the Finnish market, which are classified in this report as definition 3 insurers.

A life insurance undertaking can also carry out the non-life classes of accident and health insurance.⁶ Similarly, non-life undertakings that carry out only accident and health insurance can provide life insurance.⁷

Mutual insurance companies can be active in life insurance, non-life insurance and reinsurance. The Insurance Companies Act includes special regulations for mutual insurance companies with regard to establishment, organisation, financing, mergers, demutualisation and winding up.

¹ FIN-FSA's [website](#).

² Insurance Companies Act 521/2008 (as amended by the Statutes of Finland 303-314/2015).

³ Chapter 1 Section 2(a) of the Insurance Companies Act 521/2008.

⁴ Chapter 1 Section 3(b) of the Insurance Companies Act 521/2008.

⁵ Chapter 1 Section 2(a) of the Insurance Companies Act 521/2008.

⁶ Chapter 1 Section 15 of the Insurance Companies Act 521/2008.

⁷ Chapter 1 Section 15 of the Insurance Companies Act 521/2008.

Insurance associations are companies based on mutual accountability and are governed by the Law on Insurance Associations.⁸ They operate in no more than 40 municipalities within a single area or are exclusively engaged in the insurance of fishing equipment. Moreover, they can only underwrite voluntary non-life insurance. The Insurance Association Act follows the exclusion regime of Solvency II in the sense that if an insurance association exceeds the amounts stipulated in Article 4(1) of Solvency II then the association meeting shall take a decision to change the insurance association to a mutual insurance company.

Number of licensed insurance undertakings

In total, there were 55 licensed insurance undertakings present on the Finnish market in 2015.⁹ This figure was composed of 11 life insurance companies and 38 non-life insurance companies.¹⁰ There were also six statutory pension insurance companies active in the Finnish market in 2015.¹¹

The total number of insurance undertakings in the Finnish market has declined by almost 60% since 2007. There was a total of 135 insurance undertakings active in 2007, of which 12 were life insurers, seven were statutory pension insurers and 116 were non-life insurers (including 94 local mutual insurance associations).

Number of mutual/cooperative insurers

There were 40 mutual/cooperative insurance companies present in Finland in 2015, of which five were life insurers and 31 were non-life insurers (including 20 regional mutual insurance companies of the LocalTapiola / LähiTapiola group). Four of the six statutory pension companies¹² in Finland were also mutuals¹³ (in the legal form). There were further 30 mutual/cooperative insurers in the legal form operating in 2015. Three of these were engaged in life insurance activities and 27 were engaged in non-life insurance.

Since 2007, there has been a loss of 77 companies, equivalent to decrease of almost two-thirds in the number of mutual/cooperative insurers (see Figure 1). In 2007, there were 117 mutual/cooperative companies active, of which six were life insurance companies, six were statutory pension companies and 105 were non-life insurance companies.

The main contributor to the decline in the number of mutual/cooperative insurance companies was consolidation in the number of local mutual insurance associations since 2007. This figure fell from 94 in 2007 to 57 in 2012. Then, following the completion of the merger of Tapiola and Localinsurance (LähiVakuutus) on 1 January 2013, these mutual associations were consolidated into 19 regional mutual insurance companies of the newly-formed merged group, LocalTapiola.

Overall, the number of mutual/cooperative insurers in the legal form has declined by 79 companies since 2007 (from 113 insurers). However, excluding the drop in the number of local/regional mutual insurance companies (-74), there were only five fewer mutual/cooperative insurers in the legal form in 2015 compared to 2007.

⁸ Law on Insurance Associations of 31 December 1987/1250.

⁹ Federation of Finnish Financial Services – FFI (2016) *Finnish Insurance in 2015: Financial overview of Finnish insurance companies*.

¹⁰ In addition, there were 14 branches of foreign insurance companies operating in Finland.

¹¹ Statutory earnings-related pension insurance companies are subject to the Act on Pension Insurance Companies (354/1997) and the Insurance Companies Act (521/2008). They are able to take the form of a joint stock company or mutual insurance company. Pension insurance companies may not handle any type of insurance activities other than insurance under the Employees Pensions Act and the Self-Employed Persons' Act and related reinsurance. Their business is therefore not classified as life insurance according to Finnish insurance law (see the Finnish Centre for Pensions – ETK (*Eläketurvakeskus*) [website](#)).

¹² Mutual statutory pension companies wrote EUR 12.7 billion in premiums in 2015 and represented 96% of the total Finnish statutory pension market (EUR 13.2 billion).

¹³ Although statutory pension insurance companies have been included in the number of insurance companies (in the total market and mutual/cooperative market), their business is not included in the premium or market share data in this report. Note that this business is included in Swiss Re's figures, and so these have been adjusted. In ICMIF's *Global Mutual Market Share* report, statutory pension insurance premiums are also not included in the market share figures for Finland, but are included in aggregate figures on premiums and assets, and so some differences may be noted.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

The total insurance market in Finland totalled EUR 11.3 billion in insurance premiums in 2015.¹⁴ This represented an overall growth of 91% since 2007 (EUR 5.9 billion). Total Finnish premiums in 2015 were split 60% in life insurance business and 40% in non-life insurance business.¹⁵

Mutual/cooperative insurers collectively wrote EUR 4.0 billion in insurance premiums¹⁶ in 2015, the majority of which (79%) was written in non-life business¹⁷ (see Figure 2). Total premiums written by the mutual/cooperative insurance sector have grown year-on-year since 2007, resulting in premium levels in 2015 that were more than double in comparison with 2007 premium volumes (EUR 1.8 billion). Between 2007 and 2015, the mutual/cooperative market registered a CAGR of 10.0%, compared to a market average CAGR of 8.4%.

2014 saw a surge in mutual/cooperative premium levels, increasing by 54.5% to EUR 3.9 billion (from EUR 2.6 billion in 2013). This growth was driven by the re-entrance of OP into the mutual/cooperative sector's figures.¹⁸

¹⁴ This figure is adjusted from the figures quoted in Swiss Re's *sigma* data, to exclude the premiums from statutory pension insurance companies. If this business was included, the total Finnish market would be EUR 24.0 billion in 2015.

¹⁵ If statutory pension insurance was included, the business split in the total market would be: 26% in life insurance, 19% in non-life insurance, and 55% in statutory pension insurance.

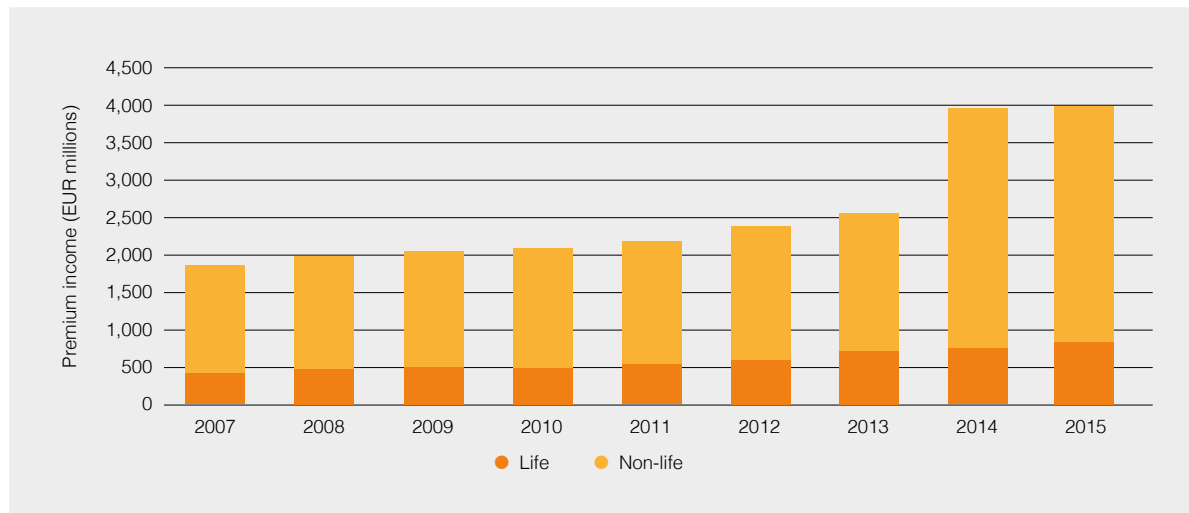
¹⁶ If premiums from mutual statutory pension insurers were included, the total mutual/cooperative market would have amounted to EUR 16.6 billion in premiums in 2015.

¹⁷ If statutory pension insurance was included, the business split for the mutual/cooperative market would be: 5% in life insurance, 19% in non-life insurance, and 76% in statutory pension insurance.

¹⁸ During 2014, cooperative banking group OP-Pohjola Group completed the acquisition of the remaining shares it did not own in Pohjola Bank, a banking, asset management and insurance company. Pohjola was subsequently delisted from the Helsinki Stock Exchange on 30 September 2014 and rebranded under the name OP, restoring it to a customer-owned financial group. The insurance business of subsidiaries of OP-Pohjola – OP Insurance Ltd (non-life), A-Insurance Ltd (non-life) and OP Life Assurance Company Ltd (life) – were included in the mutual/cooperative market figures from 2014, classified as mutual/cooperative-type insurers.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Finnish life insurance premiums amounted to EUR 6.8 billion in 2015, more than double compared to 2007 (EUR 2.8 billion).

The mutual/cooperative industry recorded a similar expansion in life business over the same period, as premium levels rose to EUR 830 million in 2015 (from EUR 413 million in 2007). However, the CAGR of the mutual/cooperative market since 2007 (9.1%) was slightly weaker than the total market average (11.8%).

Non-life

Aggregate premiums of the Finnish non-life insurance sector reached EUR 4.5 billion in 2015. Business levels have increased annually since 2007 (EUR 3.1 billion), accumulating to an overall growth of 43.7%.

The mutual/cooperative non-life market wrote EUR 3.1 billion in premium revenues in 2015, significantly greater compared to 2007 premium income (EUR 1.4 billion). The majority of this growth was concentrated in 2014, as the inclusion of OP in the mutual/cooperative figures enlarged non-life premium volumes by EUR 1.4 billion. As a result, the overall CAGR of the mutual/cooperative sector between 2007 and 2015 (10.3%), was more than double the total market CAGR of 4.6%.

Market share of mutual/cooperative insurance sector

The mutual/cooperative sector accounted for more than a third (35.1%) of the total Finnish insurance market¹⁹ in 2015 (see Figure 3). Mutual/cooperative insurers in the legal form represented 20.9% of the total market in 2015. Market share rose to 23.4% with the addition of subsidiaries of mutual/cooperative insurers in the legal form.

Finland had the highest total market share in non-life business in Europe in 2015 (69.7%). In the life sector, total mutual/cooperative market share was lower at 12.2% in 2015. In the legal form, the mutual/cooperative sector accounted for 7.5% of the life market and 41.0% of the non-life market (also the highest legal form non-life market share in Europe). Including subsidiaries, market share increased in both segments to 10.5% and 42.8% respectively.

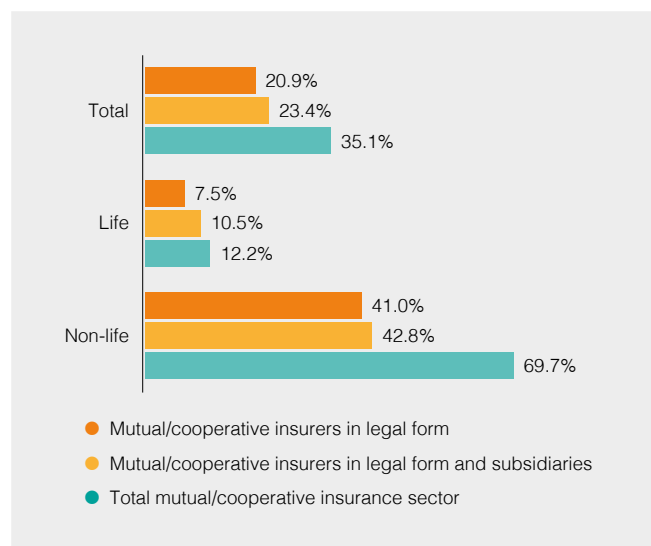
The total mutual/cooperative sector gained four percentage points of the Finnish market since 2007, when it held a 31.1% share (see Figure 4). Market share levels were somewhat erratic between 2007 and 2013, before a sizeable upturn in 2014 which increased the sector's market presence to a peak share of 38.1% (from 26.8% in 2013). The market share of mutual/cooperative-type insurers grew also grew in 2014, rising to 13.2% from 1.0% in the previous year.

The market share of mutual/cooperative insurers in the legal form has dropped compared to 2007 (28.6%), and also from a peak market share of 29.3% in 2011.

In terms of life business, mutual/cooperative insurers have lost market share since 2007, declining from a 14.8% share. In the legal form, market share has also fallen in this period, from 9.8% to 7.5% in 2015.

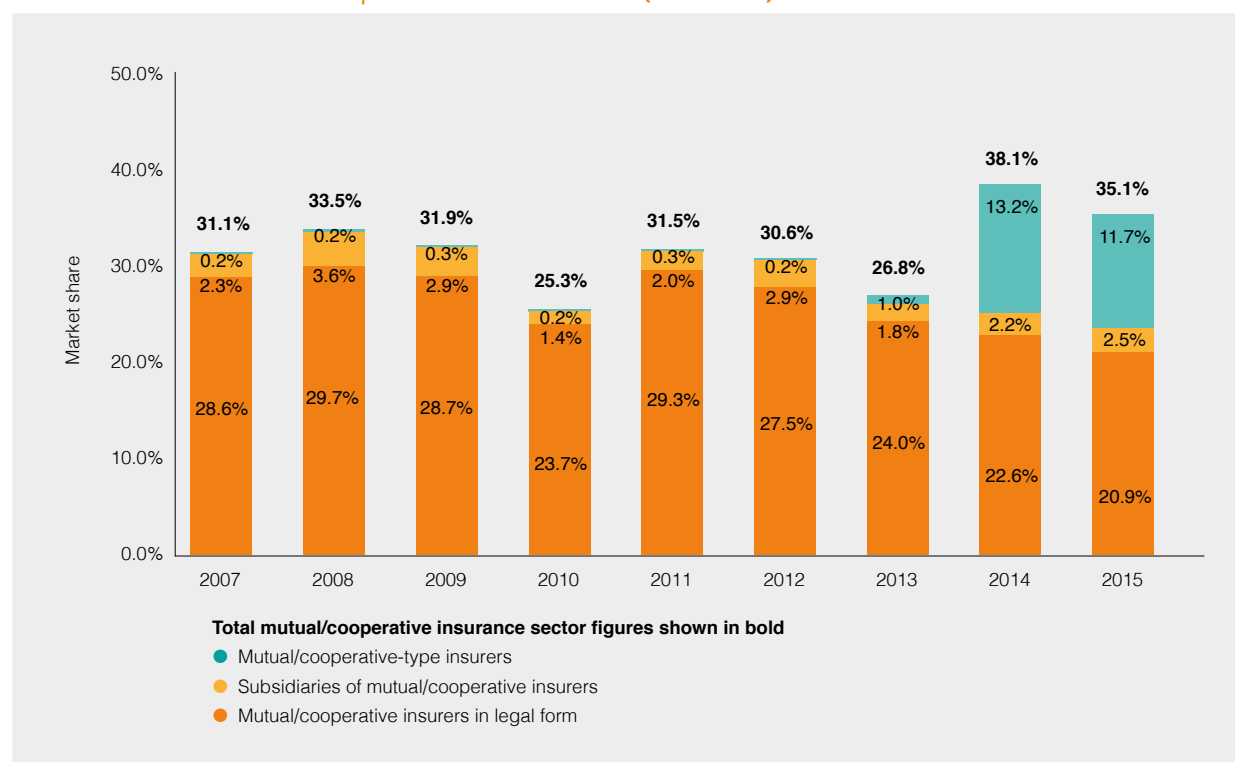
In contrast, total mutual/cooperative market share in non-life business grew from 45.7% in 2007. However, non-life market share of legal form mutual/cooperative insurers had declined from 45.3% in 2007.

Figure 3
Market share of mutual/cooperative insurance companies (2015)



¹⁹ If statutory pension business was included in the mutual/cooperative market figures, the mutual/cooperative market share would have been 67.7% of the total market and 67.3% of the life insurance market in 2015.

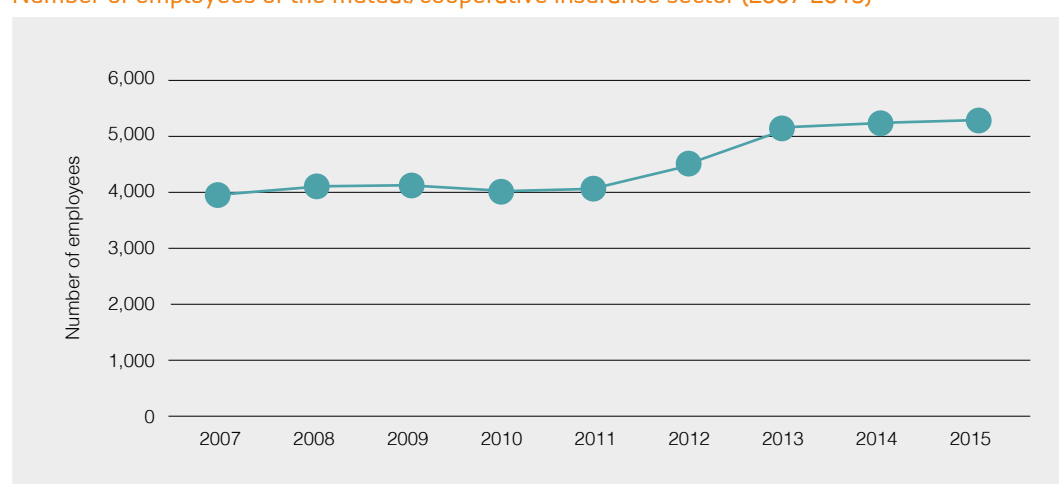
Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)



Number of employees

There were just under 5,300 people employed by Finnish mutual/cooperative insurers²⁰ in 2015 (see Figure 5). This represented an overall increase of just over one-third (equivalent to more than 1,300 employees) compared to employment levels in 2007, when the sector employed just under 4,000 people.

Figure 5
Number of employees of the mutual/cooperative insurance sector (2007-2015)



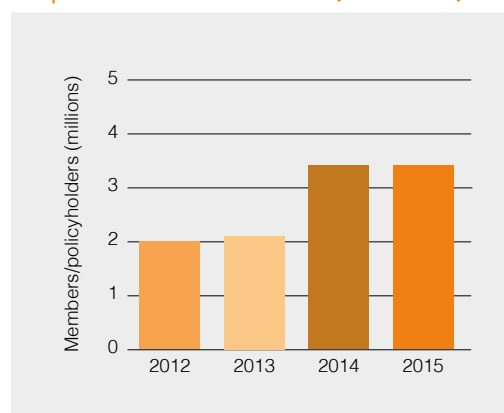
²⁰ Note that for the number of employees, number of members/policyholders and total assets and investments, data from mutual statutory pension companies has been excluded. Differences will be noted from figures quoted in ICMIF's *Global Mutual Market Share* data.

Number of members/policyholders

In 2015, there were 3.4 million members/policyholders of mutual/cooperative insurers in Finland (see Figure 6).

This represented a total growth of 70% from membership numbers in 2012 (2.0 million).

Figure 6
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



Assets and investments

The Finnish mutual/cooperative sector held total assets valued at just over EUR 20.7 billion in 2015 (see Figure 7). Total assets values increased by 48.8% since 2007 (EUR 13.9 billion).

Aggregate investment assets held by mutual/cooperative insurers reported a similar increase (55.6%) between 2007 and 2015, growing from EUR 11.4 billion to EUR 17.8 billion.

Figure 7
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The French Prudential Supervision and Resolution Authority – ACPR (*Autorité de contrôle prudentiel et de résolution*) is responsible for the supervision of the banking and insurance sectors. It ensures the stability of the financial system and the protection of customers.¹ It is an authority operating under the auspices of the French Central Bank. Insurance undertakings cannot commence operations in the French market until they have obtained an administrative authorisation from the ACPR.²

The primary law governing the insurance market in France is split into three different Codes, depending on the status of the insurance organisation (mutual, insurance company and provident institutions). The Insurance Code – Consolidated version of 29 November 2017 (*Code des assurances*) which incorporates the provisions of Solvency II into national law, is usually used as the reference code (“leading code”). The Insurance Code adopts the definitions set out in Article 4 of Solvency II in relation to undertakings that are not covered by the so-called Solvency II regime.³ These small insurance undertakings are subject to a special prudential regime which adopts an adjusted approach to their regulation, corporate solvency and internal control.

The Insurance Code stipulates that insurance undertakings can simultaneously carry out life insurance activities and non-life accident and sickness insurance, as long as these activities are managed separately.⁴

Insurance undertakings directly regulated by this Code can be established in the legal form of:⁵

- a joint-stock company (*société anonyme*)
- a mutual insurance company (*société d'assurance mutuelle*)
- a European Company (*société européenne*)

Mutual insurance companies, as defined in the Insurance Code are not for profit organisations. They are established to insure the risks of their members, against payment of a fixed or variable fee. However, mutual insurance companies engaged in the operations of life insurance or capitalisation cannot receive variable contributions. These companies function without shareholder capital, with fixed premiums.⁶ Mutual insurance companies can be active in both life and non-life classes.

A Mutual Insurance Group Company – SGAM (*Société de Groupe d'Assurance Mutuelle*), a UMG (*Union Mutualiste de Groupe*) and a SGAPS (*Sociétés de groupe assurantiel de protection sociale*) are legal entities which enable the grouping and cooperation of mutual insurance companies, health mutuals and provident institutions.⁷ The concept was created by the Ordinance of 29 August 2001 in order to provide the option for mutual insurance companies to consolidate without demutualising and to retain their mutualistic principles. The Insurance Code entails provisions in relations to SGAMs in Articles R322-160 to R322-166.

¹ ACPR's [website](#).

² Article L321-1 of the Insurance Code.

³ Article L310-3-1 of the Insurance Code.

⁴ Article 321-1-1 of the Insurance Code.

⁵ Article L322-1 of the Insurance Code.

⁶ Article L322-26-1 of the Insurance Code.

⁷ Article L322-1-3 of the Insurance Code.

Apart from the mutual insurance companies mentioned above, the Insurance Code mentions two other forms of mutual insurance:⁸

- Companies or funds of mutual agricultural insurance and reinsurance (*sociétés ou caisses d'assurances et de réassurances mutuelles agricoles*)⁹
- tontines (*tontines*)¹⁰

Insurers with a cooperative legal form are not foreseen in France and thus there are no cooperative insurance companies. However, there are a number of subsidiaries of cooperative banks or cooperative controlled groups active in the French market which are classified in this report as definition 3 insurers.

The following undertakings do not directly fall within the scope of the Insurance Code¹¹ but they are included in this study, as they are either mutuals by legal status or other institutions qualifying as definition 3 insurers:

- mutuals and unions (*Mutuelles 45*) governed by the Mutuality Code (*Code de la Mutualité*).¹²
- provident institutions and unions governed by the Social Security Code (*institutions de prévoyance régies par le Code de la sécurité sociale*).
- provident institutions and unions governed by the Rural and Sea Fisheries Code (*institutions de prévoyance régies par le Code rural et de la pêche maritime*).

Number of licensed insurance undertakings

There were 826 authorised insurance companies¹³ supervised by the ACPR in 2015.¹⁴ This represented a decline of almost 700 (equivalent to 46%) from the number of insurers in 2007 (1,522).¹⁵

A total of 301 (36%) French insurance companies were subject to the Insurance Code in 2015. This comprised 90 mixed life insurers,¹⁶ 191 non-life insurers, 16 reinsurance companies and four third country branches. They were 37 provident institutions (4%) that were subject to the Social Security Code and 488 (59%) insurers that were subject to *Livre II* of the Mutuality Code including 149 substituted mutual insurers (*mutuelles substituées*)¹⁷ and 339 non-substituted mutual insurers.

Number of mutual/cooperative insurers

Mutual insurance companies have a significant presence in the French market. There were a total of 741 mutual/cooperative insurance companies active in 2015, representing almost 90% of all total insurance undertakings in the market.

The majority (66%) of these were *Mutuelles 45* companies.¹⁸ A total of 201 mutual/cooperative insurance companies were subject to the Insurance Code, which included mutual insurance companies (SAM), mutual insurance societies (SMA) and stock companies (S.A.) that were subsidiaries of mutual insurance companies/societies and cooperative banks or organisations.

⁸ Article L322-26-4 of the Insurance Code.

⁹ According to Article L322-27 of the Insurance Code, their establishment is governed by Article L771-1 of the Rural and Sea Fisheries Code. Special provisions on the governance of these companies or funds can be found in Articles R322-118 to R322-138 of the Insurance Code.

¹⁰ According to Article R322-139 of the Insurance Code, companies in this form assemble their members in distinct groups called associations and, upon the expiry of each of these associations, distribute the funds from the common capitalisation of their contributions between the survivors of the associations in the event of life, or between the beneficiaries of the deceased persons of the associations in case of death, taking into account the age of the members and their payments. Special provisions on the governance of tontines can be found in Articles R322-139 to R322-159 of the Insurance Code.

¹¹ Subject to the provisions of the Insurance Code which treat these undertakings as insurance undertakings within the meaning of the Insurance Code.

¹² According to article L111-1 of the Mutuality Code, mutuals are not-for-profit legal entities under private law. They carry out provident, solidarity and mutual aid-based work by means of including contributions paid by their members, and in the interests of these latter and their beneficiaries, in order to contribute to the cultural, moral, intellectual and physical development of their members and to improving their living conditions. They are active predominantly in the field of complementary health insurance.

¹³ Including reinsurance companies and local branches.

¹⁴ ACPR (2015) *The French banking and insurance market in figures in 2015*.

¹⁵ Autorité de Contrôle des Assurances et des Mutuelles – ACAM (2007) *Rapport 2007 – Les chiffres du marché français de de l'assurance*.

¹⁶ Mixed life insurers (*Sociétés d'assurance vie et mixte*) are life companies which can also underwrite bodily injury risks (*dommages corporels*).

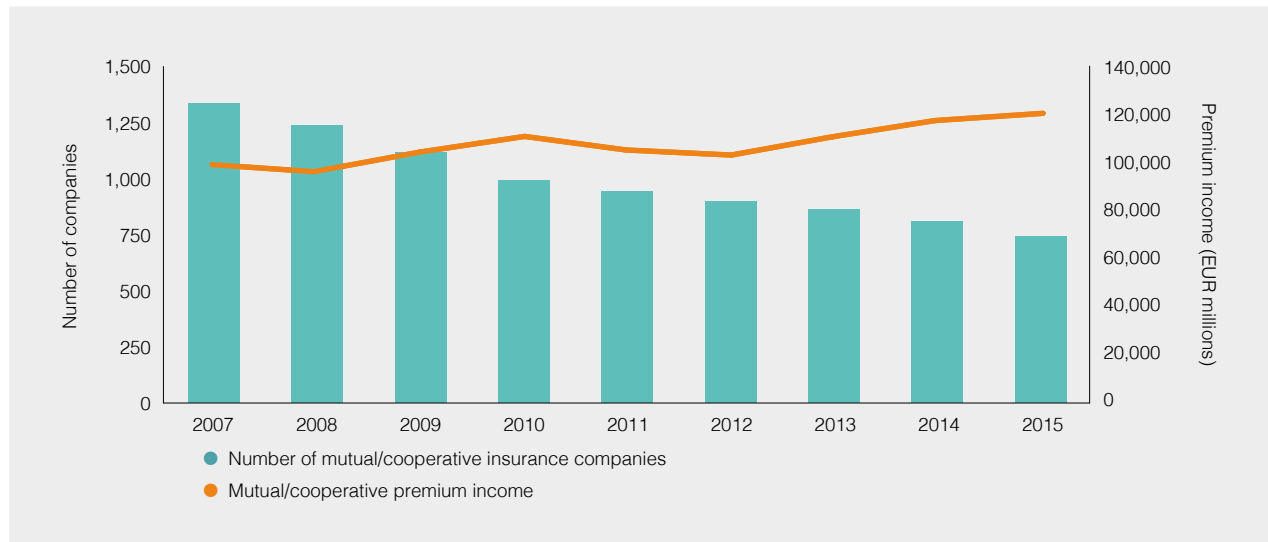
¹⁷ An agreement on substitution allows a mutual entity to transfer all or part of its insurance risk to another mutual entity known as the "substituent", while keeping its legal autonomy and relationship with its members.

¹⁸ *Mutuelles 45* are mainly complimentary health mutual subject to the Mutuality Code.

There has been a considerable amount of consolidation in the French mutual/cooperative market over the previous eight years, notably among the *Mutuelles 45* companies. In 2015, there were 582 fewer *Mutuelles 45* insurers than in 2007 (1,070), representing a decline of 54%. In total, the number of mutual/cooperative insurance companies had fallen by 44% from 2007 (1,334). Despite this high level of consolidation among mostly smaller mutual insurance companies, the aggregate level of premium income written by the mutual/cooperative sector has increased by more than 20% over the eight-year period (see Figure 1).

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

The French insurance market is the fifth largest in the world. In 2015, it was the second largest market in Europe, ranking second in the life sector and was the largest non-life market in the region.¹⁹

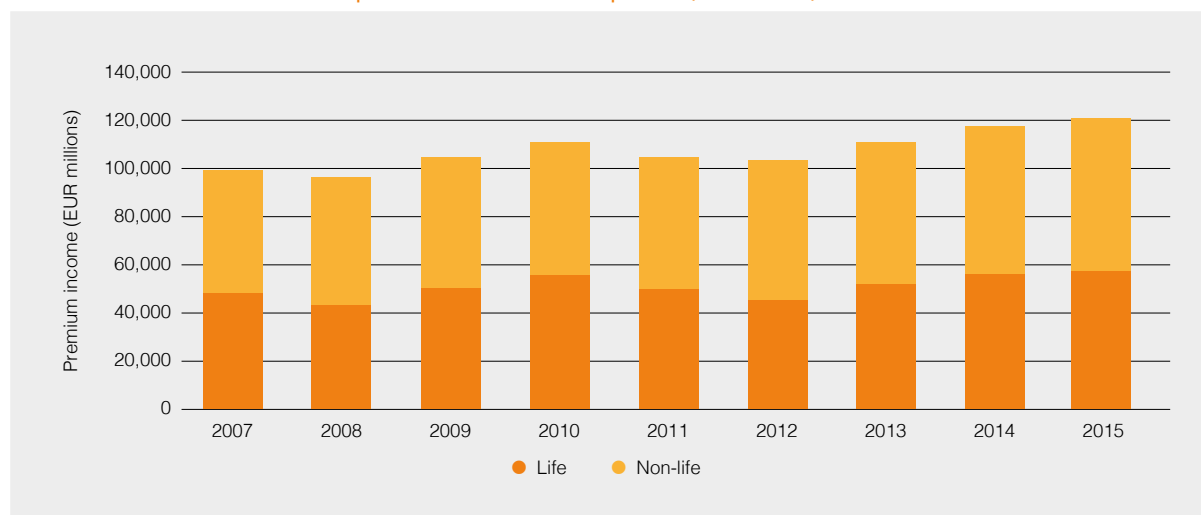
The total French insurance market wrote EUR 242.2 billion in premium income in 2015, of which EUR 135.3 billion was written in life insurance (representing 56% of the total) and EUR 106.9 billion in non-life insurance (44%). Total premiums had grown by 7.4% since 2007 (EUR 225.4 billion), equivalent to a modest CAGR of 0.9% over the eight-year period.

The mutual/cooperative sector wrote record premium levels of EUR 120.4 billion in 2015 (see Figure 2). Growth since 2007 had been much stronger in the mutual/cooperative sector compared to the total market as total premiums were 21.6% greater in 2015 than pre-crisis volumes. The CAGR of the mutual/cooperative sector in this period was 2.5%, more than double the total market average. Just over 47% of mutual/cooperative premium income in 2015 was derived from the life sector, although the majority of premiums were from the non-life sector (53%).

¹⁹ Swiss Re does not include premiums from complimentary health mutuals (known as *Mutuelles 45*) and non-profit provident institutions in their figures on the total French market. Therefore, Swiss Re's total market data has been adjusted to include all complimentary health insurance written in the French market.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The French life insurance market in 2015 had contracted by 1.6% from 2007 premium levels (EUR 137.5 billion). In contrast, the mutual/cooperative life sector grew by 19.5% in the same period to EUR 57.0 billion in 2015 (from EUR 47.8 billion in 2007). This represented a positive CAGR of 2.2%, significantly greater than the total market average (-0.2%).

Non-life

French non-life insurers' performance has been far stronger than that of the life sector in the period commencing 2007. Total non-life premiums in 2015 had grown by 21.6% from 2007 levels (EUR 87.9 billion), resulting in a CAGR of 2.5%. Aggregate growth of the mutual/cooperative non-life market since 2007 was four percentage points ahead of the total industry (+23.7%), as premium income rose to EUR 63.3 billion in 2015 (2007: EUR 51.2 billion).

French mutual/cooperative non-life premiums in 2015 included EUR 34.4 billion in complimentary health insurance written by the *Mutuelles 45* and non-profit provident institutions.²⁰ This represented a market share of just under three-quarters of all complimentary health business written in the French market in 2015.

²⁰ *Mutuelles 45* wrote EUR 18.2 billion and provident institutions wrote EUR 6.2 billion in complimentary health insurance in 2015. *Mutuelles 45* were also active in life insurance amounting to EUR 2.4 billion in premiums in 2015 and provident insurance (non-life) amounting to EUR 1.1 billion.

Market share of mutual/cooperative insurance sector

Mutual/cooperative insurers accounted for almost half (49.7%) of the total French insurance market by premiums in 2015 (see Figure 3).

The total market share of mutual insurers in the legal form was 16.6%, but was considerably higher in the non-life (31.3%) sector compared to the life (5.0%) sector. However, there was a higher proportion of premiums written by mutual/cooperative-type insurers in the life market than the non-life market, mostly by subsidiaries of cooperative banks.²¹

The overall market share of the mutual/cooperative insurance sector in 2015 has grown from 43.9% in 2007 (see Figure 4), a proportional growth of 13% (or 5.8 percentage points). Premium growth of the mutual/cooperative sector outperformed the market average growth in seven of the previous eight years, resulting in seven years of positive market share growth since 2007. 2009 was the only year of negative growth as market share dropped by 0.1%.

In the life insurance market, the mutual/cooperative sector experienced a sizeable gain in market share, up to 42.2% in 2015 from 34.7% in 2007 (proportional growth of 22%). Mutual/cooperative insurers held more than half the total non-life market at 59.3% in 2015, although this was a relatively moderate rise from 2007 share (58.3%).

Figure 3
Market share of mutual/cooperative insurance companies (2015)

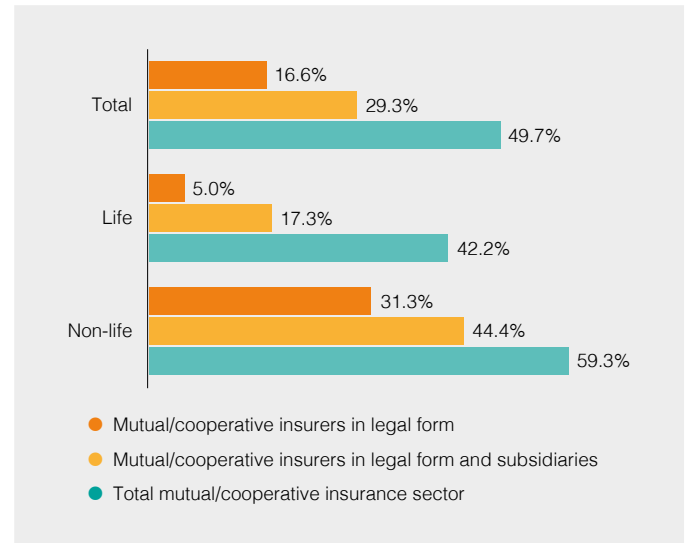
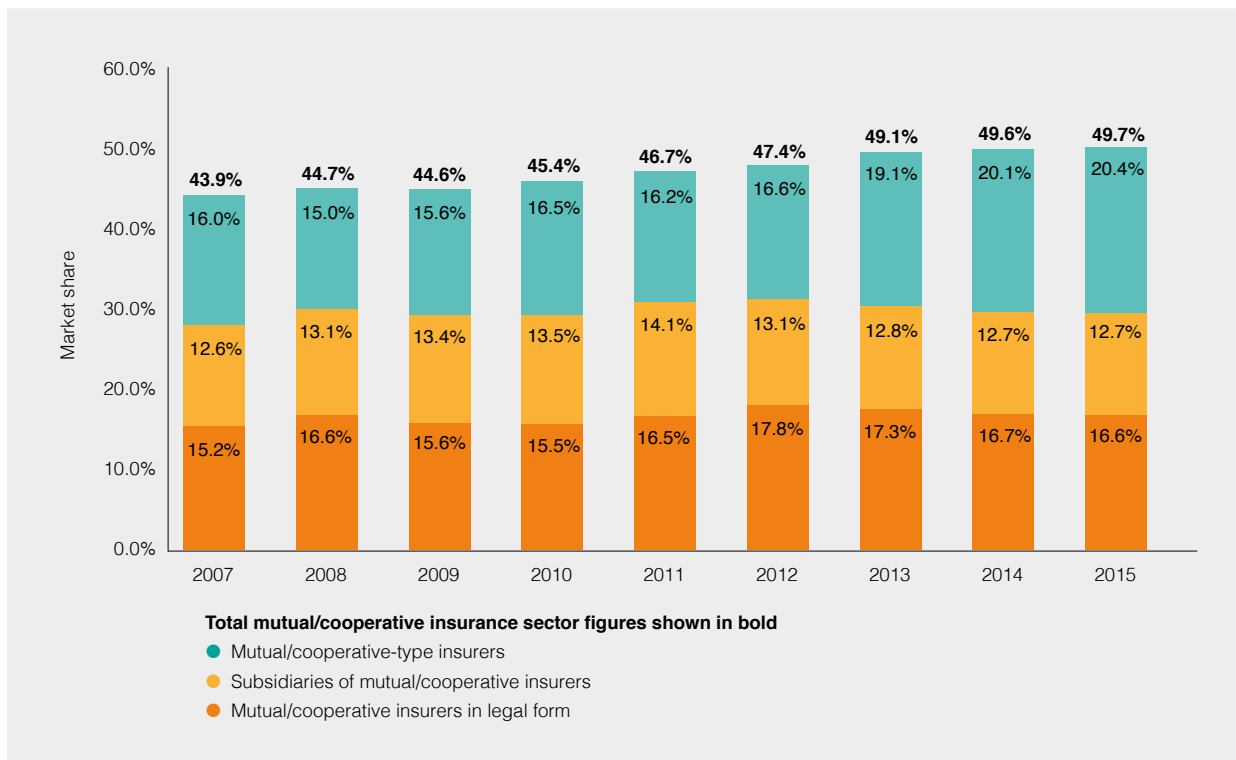


Figure 4
Market share of the mutual/cooperative insurance sector, by definition of insurer (2007-2015)



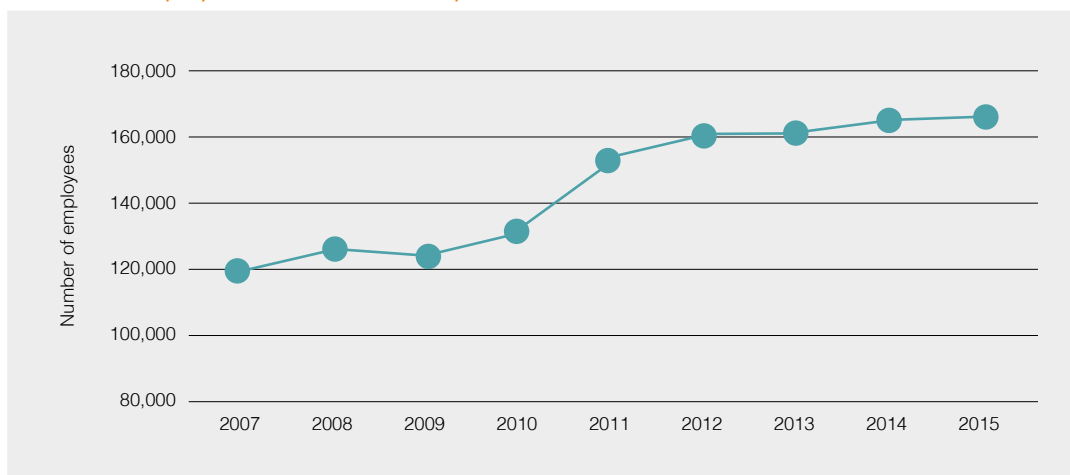
²¹ Subsidiaries of cooperative banks wrote approximately EUR 32 billion in insurance premiums in 2015 (mostly through bancassurance channels), of which EUR 28 billion was in the life sector.

Number of employees

In 2015, more than 166,000 people were employed by mutual/cooperative insurance sector. Since 2007, employment levels of the French mutual/cooperative sector have increased by a total of 47,000 people, equivalent to a 40% growth (see Figure 5).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



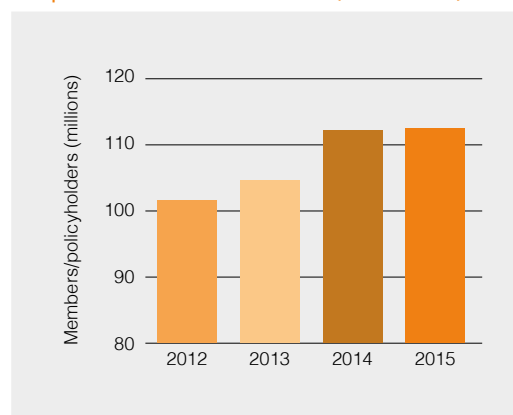
Number of members/policyholders

More than 112 million people were members or policyholders of French mutual/cooperative insurers in 2015 (see Figure 6). This represented a total growth of 10.6% from 2012 (101.6 million), and a CAGR of 2.6% over the three years.

Approximately 97 million members/policyholders were served by legal form mutuals and subsidiaries²² in 2015, including 38 million people who were members of *Mutuelles* 45 companies.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



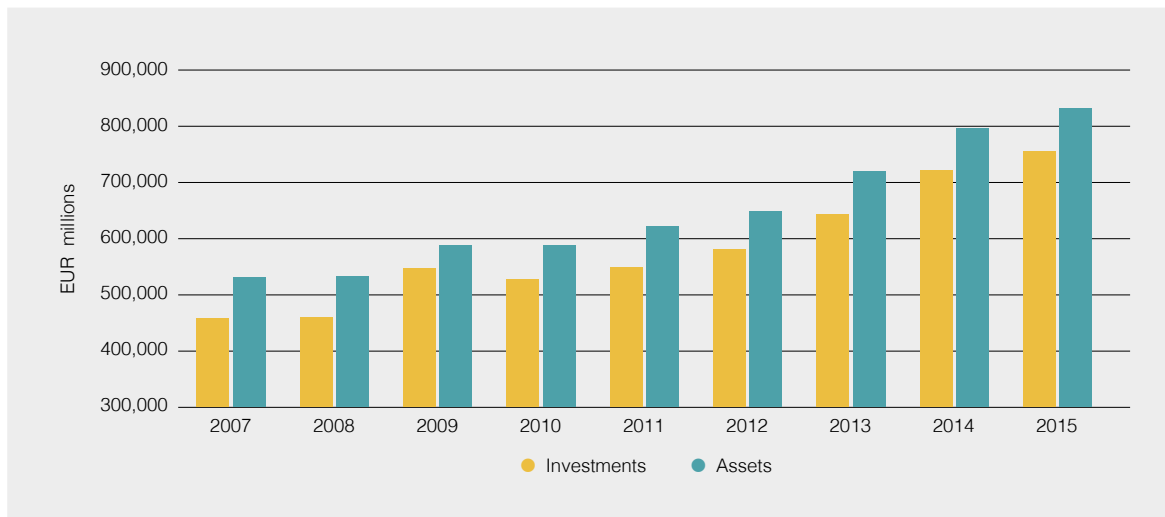
²² Due to the consolidating reporting of many French mutual groups, figures on number of members (*sociétaires*) cannot be split between mutual insurers in the legal form and subsidiaries of mutual insurers

Assets and investments

French mutual/cooperative insurers held record total assets of more than EUR 800 billion in 2015, valued at EUR 830 billion (see Figure 7). Assets values increased by 56% between 2007 (EUR 531 billion) and 2015, equivalent to a CAGR of 5.7% during this period. Invested assets represented more than 90% of French mutual/cooperative insurers' aggregate balance sheet in 2015. Investments grew by a total of 65% in the period since 2007 (CAGR of 6.4%), from just under EUR 460 billion to EUR 754 billion in 2015.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

Insurance supervision in Germany is divided between the Federal Government and the Federal States, in accordance with the federalist system of the Republic of Germany. The Federal Financial Supervisory Authority – BaFin (*Bundesanstalt für Finanzdienstleistungsaufsicht*) supervises, on behalf of the Federal Government, private insurance undertakings which are of material economic significance, and public insurance undertakings engaging in open competition which operate across the borders of any Federal State.¹ The supervisory authorities of the Federal States are mainly responsible for supervising public insurers whose activities are limited to the Federal State in question and those private insurance undertakings which are of lesser economic significance. All insurance undertakings must be granted an authorisation by BaFin or by the supervisory authorities of the Federal States in order to start operations.²

The Insurance Supervision Act of 1 April 2015 – VAG 2015 (*Versicherungsaufsichtsgesetz*) is the primary piece of legislation governing the insurance market in Germany. The VAG 2015 transposes Solvency II into national law and thus implements, *inter alia*, Article 4 of the Directive relating to small insurance undertakings.³ Chapter 5 of the VAG 2015 includes special provisions on solvency, minimum capital requirements, own funds and authorisations for small insurance undertakings.

Additionally, Section 5 of the VAG 2015 grants BaFin the power to exempt mutual insurance companies from supervision if it does not appear necessary. This is the case for death benefit funds and companies with a local sphere of activity, a small number of members and low premium income.

The VAG 2015 excludes mainly the following from its scope:⁴

- activities performed by non-legal entities providing assistance to their members, in particular the support organisations of professional associations.
- corporations and institutions under public law where insurance relationships are created directly by law or must be entered into as a result of legal compulsion.
- pension institutions of the federal and state governments.

Insurance undertakings cannot perform both life and non-life operations at the same time. Licences for life insurance classes and licences for non-life insurance classes are mutually exclusive.⁵

An insurance undertaking can be established in one of the following legal forms:

- a joint-stock company (*Aktiengesellschaft*)
- a mutual insurance company (*Versicherungsvereinen auf Gegenseitigkeit*)
- a public law entity (*Körperschaften und Anstalten des öffentlichen Rechts*)
- a European Company (*Europäischen Gesellschaft*)

¹ BaFin's [website](#).

² Section 8(1) of the Insurance Supervision Act of 1 April 2015 – VAG 2015.

³ Section 211 of the VAG 2015.

⁴ Section 3 of the VAG 2015.

⁵ Section 8(4) of the VAG 2015.

Mutual insurers are permitted to be active in all insurance classes, both life and non-life. Pursuant to Section 8, paragraph 4 and Section 15 of the VAG, insurers and reinsurers are not allowed to carry on non-insurance business unless such business is directly related to insurance business, for example, investment and asset management.

Insurers offering life insurance or private health insurance are excluded from offering any other type of insurance pursuant to Section 8, paragraph 4 of the VAG. Furthermore, although an insurer can seek authorisation from BaFin to conduct insurance business in general, if the application is limited to certain types of insurance, a licence is limited accordingly.

Mutual insurance companies are governed by Chapter 4 of the VAG 2015, which contains provisions on liability, initial capital, contributions, registration, etc. Mutuals are also subject to the provisions of Books 1 and 4 of the Commercial Code (*Handelsgesetzbuch*), unless provided otherwise by the VAG 2015.⁶

Cooperative insurers are not legally foreseen in the German market. However, there are a number of insurance companies that are subsidiaries of entities in the cooperative banking sector.⁷

Number of licensed insurance undertakings

There were 1,280 licensed insurance undertakings⁸ active in the German market in 2015. This represented a decline (-9.9%) from the number of insurers in 2007 (1,421).⁹

According to year-end statistics produced by BaFin, there were 542 direct insurance undertakings¹⁰ under supervision¹¹ in 2015. Of these, 276 were active in life insurance (including 144 pension funds and 36 funeral insurers). A total of 266 insurance undertakings were active in the non-life market, including 47 private health insurers.¹²

There were 738 insurance undertakings that were supervised by individual supervisory authorities of Federal States.¹³ This represented a decline of 154 insurers from the number in 2007 (892).¹⁴

Number of mutual/cooperative insurers

Germany was the largest European market in terms of number of mutual/cooperative insurance companies active in 2015, with 925 (see Figure 1). This represented 72% of all insurance undertakings in the market. Since 2007, the number of mutual/cooperative insurers fell by 14% from 1,078.

A total of 335 mutual/cooperative insurers were under BaFin supervision in 2015. Almost half (49%) of these were small mutual companies (165) and a further quarter were large mutual insurance companies (84), both classified as mutual insurers in the legal form. The remaining total was made up of stock insurers (AG) owned by mutual insurance companies (subsidiaries) or controlled by larger mutual or cooperative groups, such as cooperative banks (mutual/cooperative-type insurers).

Under federal supervision, 202 were active in the life insurance sector (2007: 223) and 133 were active in the non-life sector (2007: 141). Within the total for mutual life insurance in 2015, 41 were life insurers, 126 were pension insurers and 25 were funeral insurers. The total number of mutual non-life insurers in 2015 included 35 private health insurers.

According to BaFin,¹⁵ the majority of insurance undertakings under supervision by the authorities of Federal States were small mutual insurers.¹⁶

⁶ Section 172 of the VAG 2015.

⁷ These are classified as definition 3 insurers.

⁸ BaFin (2016) *Statistics 2015 - Primary Insurance Companies and Pension Funds*.

⁹ BaFin's website, *Statistics - Primary insurance companies*.

¹⁰ There were also 33 reinsurance companies (*Rückvers*) supervised by BaFin, although reinsurers are not included in this study.

¹¹ This figure included 26 insurance companies that were non-active during 2015 but were still under federal supervision.

¹² Note that supplementary health insurers (*Gesetzliche Krankenkassen*) are excluded from this study as they are non-insurance entities, which pay social benefits sourced from third party underwriters.

¹³ BaFin (2018) *Statistics 2016 - Primary Insurance Companies and Pension Funds*.

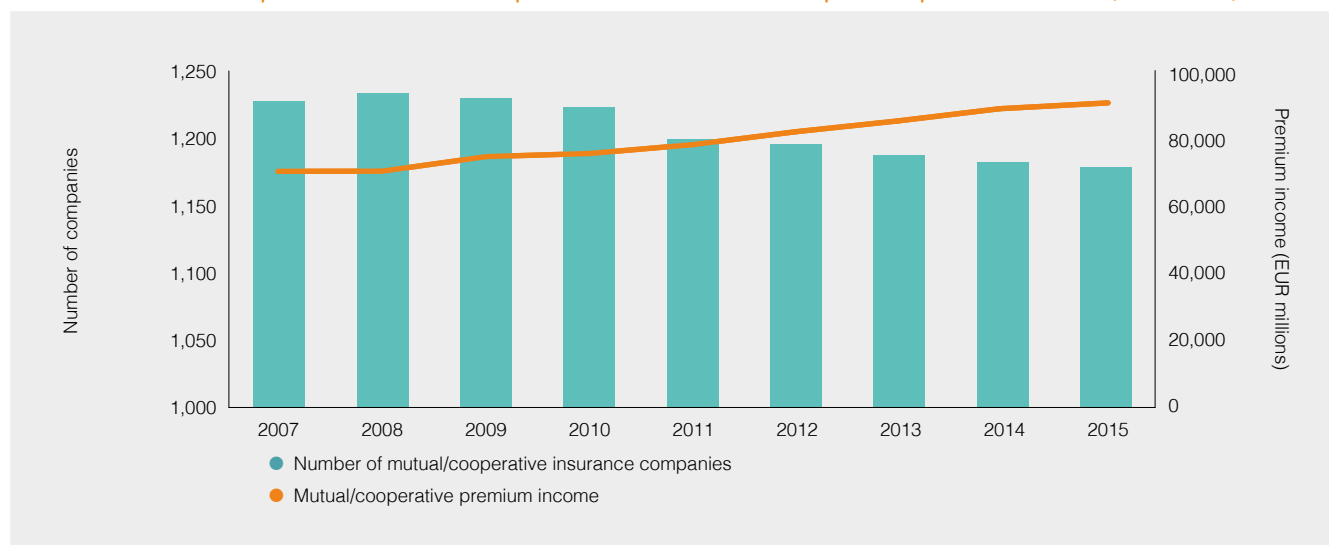
¹⁴ Note that BaFin reports the number of locally supervised insurers with a one-year delay.

¹⁵ BaFin's website, *Insurance undertakings & pension funds*.

¹⁶ No exact figures were available, however it is estimated that 80% of the total number of small locally supervised were mutual insurance associations (approximately 590 in 2015). Note that in the previous edition of *Facts and Figures*, locally supervised mutual companies were included in the market total and market shares, but were not included in the number of mutual insurance companies.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

Germany was the third largest insurance market in Europe in 2015 (and sixth largest in the world). It also ranks as the third largest European life market and the second largest non-life market.¹⁷

The total German market wrote EUR 192.2 billion in insurance premiums in 2015, an aggregate growth of 17.8% since 2007 (EUR 163.1 billion). The German market has performed relatively well compared to other larger European markets,¹⁸ notably in the life sector, since 2007. There was only one year of premium contraction between 2007 and 2015, resulting in a CAGR of 2.1% during this period. In 2015, EUR 87.2 billion of premium income was written in the life insurance sector and EUR 105.0 billion was written in the non-life sector.

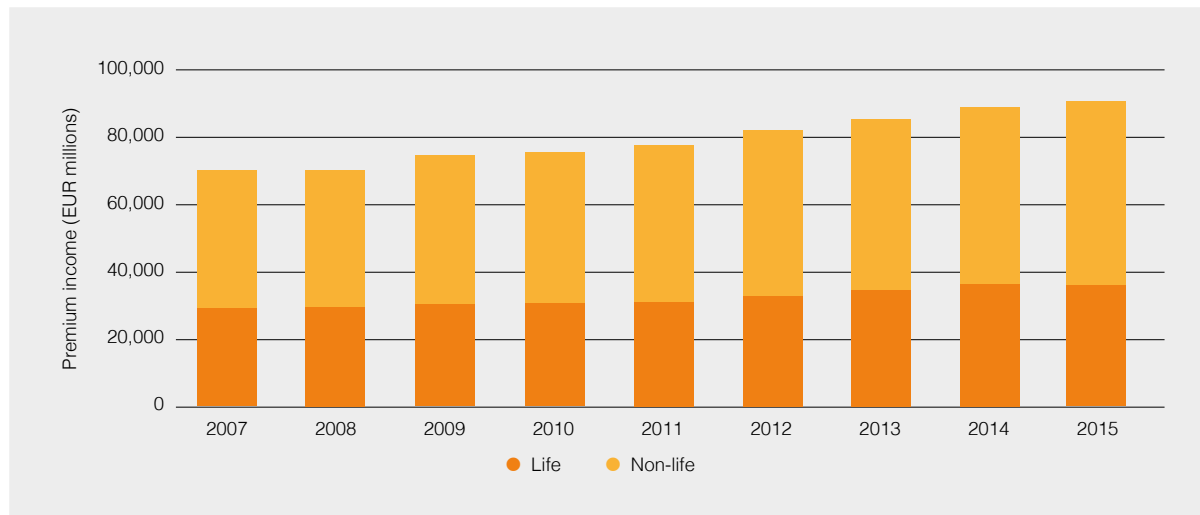
Mutual/cooperative insurers in Germany collectively wrote EUR 90.4 billion in premiums in 2015 (see Figure 2), almost 30% greater than premium volumes in 2007 (EUR 70.0 billion). Premiums grew year-on-year between 2007 and 2015, resulting in a CAGR of 3.2%, more than one percentage point greater than the total market average. The life sector contributed 40% of mutual/cooperative total business in 2015, but the majority (60%) was derived from non-life insurance premiums.

¹⁷ Swiss Re (2016) *Q3/2016 World insurance in 2015: steady growth amid regional disparities*.

¹⁸ In comparison with total premium growth between 2007 and 2015 in the UK (-22.3%), France (4.9%), Netherlands (-2.5%), Spain (2.6%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The life insurance sector in Germany grew to EUR 87.2 billion in 2015, an increase of 17.0% since 2007 (EUR 74.5 billion). The mutual/cooperative sector experienced stronger growth than the market average, registering a total growth of 23.5% between 2007 (EUR 29.0 billion) and 2015 (EUR 35.9 billion). The CAGR of the mutual/cooperative life sector was 2.7% during this period, ahead of the 2.0% CAGR of the total market.

Non-life

Aggregate premiums of German non-life insurers reached EUR 105.0 billion in 2015, an 18.5% increase compared to 2007 premium levels (EUR 88.6 billion). Mutual/cooperative non-life insurers outperformed the total market, reporting record premium volumes of EUR 54.5 billion in 2015, a growth of just under one-third from 2007 (EUR 41.0 billion). The CAGR of the mutual/cooperative sector was 3.6% compared to the total market average of 2.1%.

Market share of mutual/cooperative insurance sector

In 2015, the total market share of the mutual/cooperative insurance sector in Germany was a record high 47.0% (see Figure 3).

The market share of mutual/cooperative insurers in the legal form was 20.3%. These insurers had a slightly higher share of the non-life market (21.7%) compared to the life market (18.5%), however there was a notably higher proportion of subsidiaries of mutual/cooperative insurers and mutual/cooperative-type insurers in the non-life sector compared to the life sector.

Since 2007, the total market share of the mutual/cooperative sector has increased by four percentage points from 42.9% in 2007 (see Figure 4). Mutual/cooperative insurers collectively outgrew the market average in six of the previous eight years, resulting in six years of positive growth in mutual/cooperative market share. The market share of mutual/cooperative insurers in the legal form grew steadily between 2007 and 2015. However, there was greater change for subsidiaries of mutual/cooperative insurers, whose market share decreased from 15.9% in 2007 to 12.0% in 2015, and mutual/cooperative-type insurers whose share grew from 8.2% to 14.8% during the same period.¹⁹

In the life insurance sector, mutual/cooperative market share increased to 41.1% in 2015 from 39.0% in 2007. Market share in the non-life sector has expanded since 2007, growing to 51.9% in 2015 from 46.2% (a proportional growth of 12%).

Figure 3
Market share of mutual/cooperative insurance companies (2015)

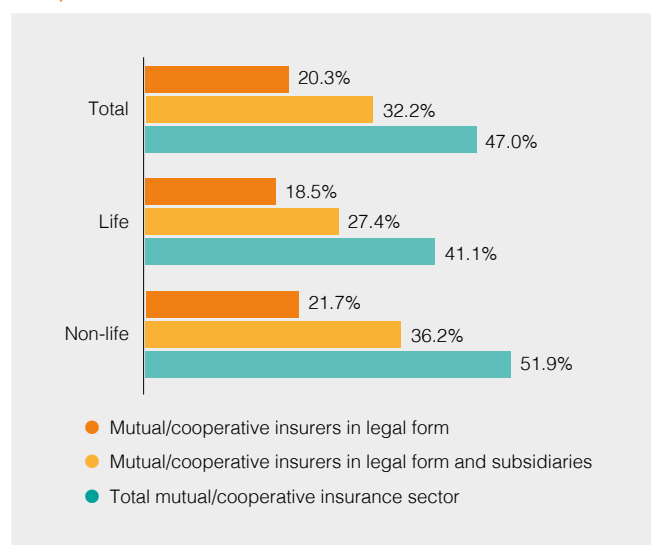
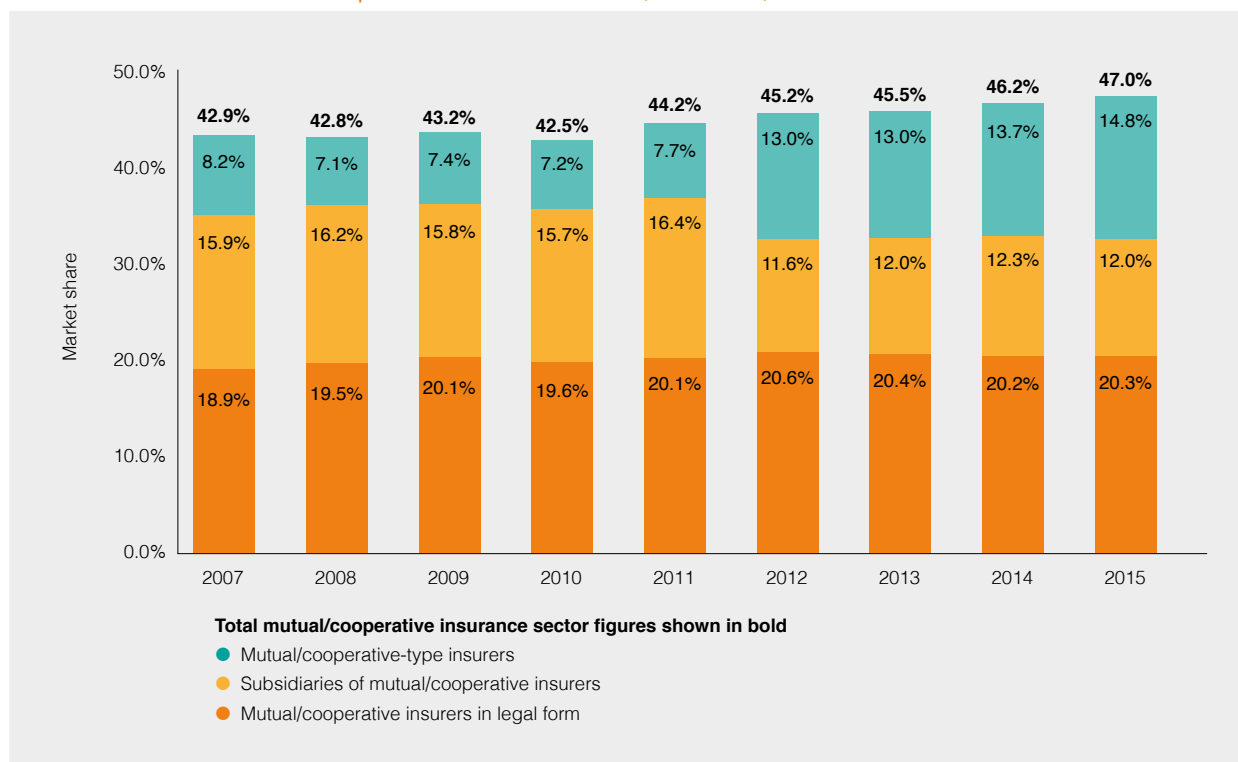


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)



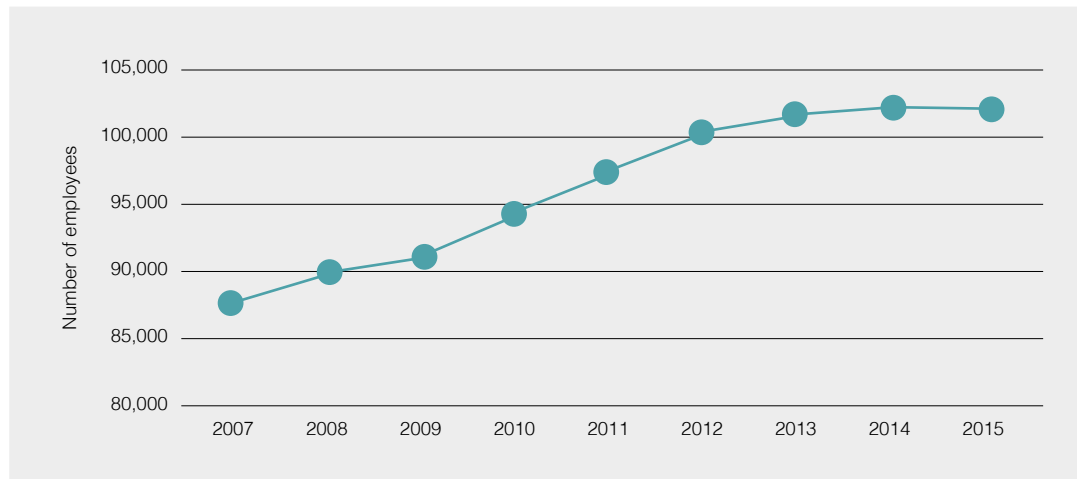
¹⁹ In 2012, Talanx AG, the holding company for the HDI Group, completed an initial public offering and listed on the Frankfurt Stock Exchange. As a result, Talanx AG was no longer 100%-owned by HDI VVaG (a mutual insurance company) and so subsidiaries of the HDI/Talanx group became definition 3 insurers rather than definition 2 insurers.

Number of employees

The German mutual/cooperative insurance sector employed more than 102,000 people in 2015 (see Figure 5). Employee numbers have seen a significant upward trend since 2007, accumulating to a total growth in staff numbers of 16.6% since 2007 (87,604).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



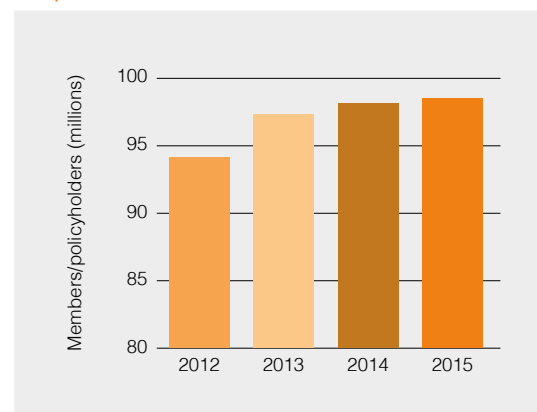
Number of members/policyholders

In 2015, just under 100 million (98.5 million) people were members/policyholders* of German mutual/cooperative insurers (see Figure 6).

This represented a total growth of 4.7% from 2012 (94.1 million) and was equivalent to a CAGR of 1.5% over the three-year period. Data cannot be sourced for the number of members/policyholders of the small mutual insurers supervised by individual supervisory authorities of Federal States, so the figures reported are likely to be lower than the actual figures.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



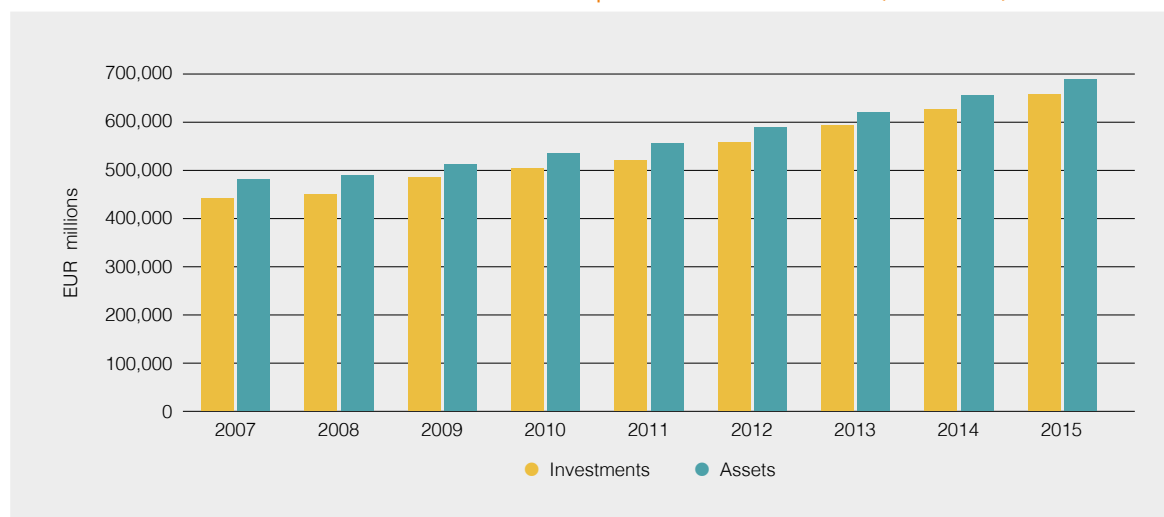
* See methodology.

Assets and investments

The German mutual/cooperative sector held total assets valued at EUR 687.4 billion in 2015 (see Figure 7). Total asset values have increased by 43.2% since 2007 (EUR 480.2 billion), equivalent to a CAGR of 5.1% during the eight-year period. Aggregate investment assets held by mutual/cooperative insurers followed a similar trend to total assets. In 2015, invested assets totalled EUR 656.2 billion and were almost 50% greater than 2007 investment levels (EUR 441.5 billion).

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Bank of Greece (*Τράπεζα της Ελλάδος*) is the body responsible for the supervision of the private insurance system in Greece.¹ The supervisory duties are carried out by the Department of Private Insurance Supervision – DEIA (*Διεύθυνση Εποπτείας Ιδιωτικής Ασφάλισης*), which is in charge of the prudential supervision of Greek (re)insurance undertakings with respect to their total business in Greece. Insurance undertakings that wish to start operations are required to obtain an authorisation from the Bank of Greece.²

The insurance industry in Greece is governed by Law 4364/2016 (*Νόμος 4364/2016*) which transposes Solvency II into national legislation.³ Following Article 4 of Solvency II, Law 4364/2016 applies a special regime to certain small insurance undertakings (premium income does not exceed EUR 5 million, total of technical provisions does not exceed EUR 25 million, etc.), and to mutual insurance cooperatives which pursue non-life insurance activities and which are completely reinsured by another mutual insurance cooperative.⁴ According to Article 12 of Law 4364/2016, these undertakings are exempt from the general provisions relating to the liability status of the administrative or management body, the governance system, public disclosure and the rules relating to technical provisions, own funds, capital solvency requirements and minimum capital requirements. In addition, these undertakings are only authorised to operate in Greece.

Law 4364/2016 excludes from its scope the following operations:

- national compulsory social security schemes.⁵
- provident and mutual benefit institutions whose benefits vary according to the resources available, and in which the contributions of the members are determined on a flat rate basis.⁶
- activities performed by non-legal entities with the aim of providing mutual coverage to their members without paying premiums or creating technical reserves (for non-life).⁷

An insurance undertaking cannot be granted a licence for the simultaneous pursuit of both life and non-life insurance.⁸ However, an undertaking performing life insurance operations can obtain a licence for the exercise of accident and sickness insurance, as long as the management of the two classes of activities is performed separately.⁹

Insurance undertakings can have one of the following legal forms:¹⁰

- joint-stock company (*ανώνυμη εταιρεία*)
- mutual insurance cooperative (*αλληλασφαλιστικός συναιτερισμός*)
- European company (*ευρωπαϊκή εταιρεία*)

¹ Bank of Greece's website.

² Article 10(1) of the Law 4364/2016.

³ Article 1 of the Law 4364/2016.

⁴ Article 7 of the Law 4364/2016.

⁵ Article 6 of the Law 4364/2016.

⁶ Article 8(1)(b) of the Law 4364/2016.

⁷ Article 8(1)(c) of the Law 4364/2016.

⁸ Article 48(1) of the Law 4364/2016.

⁹ Article 48(2) of the Law 4364/2016.

¹⁰ Article 14(1)(b) of the Law 4364/2016.

Mutual insurance cooperatives are permitted only to underwrite non-life insurance.¹¹ Although Law 4364/2016 does not include any special provisions for them, the preceding insurance legislation, Presidential Decree no 400/1970 stated that 'mutual insurance cooperatives provide mutual insurance exclusively to their member policyholders'. Mutual insurance cooperatives have the legal form of a cooperative and are therefore subject to Law 1667/1986 on Civil Cooperatives, which permits the activities of cooperatives to include the provision of insurance to their members.¹²

Number of licensed insurance undertakings

There was a total of 62 insurance undertakings operating in the Greek insurance market¹³ and supervised by the Bank of Greece in 2015. This Figure included 18 branches of foreign insurance companies. The remaining 44 insurance undertakings were domestic private insurance companies, of which 41 were joint-stock companies and three were mutual insurance societies.

Of the 62 undertakings present in 2015, 12 were life insurers, 39 were non-life insurers and 11 were composite insurers. Split by establishment, the 41 joint-stock companies comprised 11 life insurers, 19 non-life insurers and 11 composite insurers. All but one of the branches of foreign insurers were engaged solely in non-life insurance, with the other being a life insurer.

Since 2007, there has been a loss of 24 insurance undertakings from the Greek market (equivalent to a 28% reduction). In 2007, there were 86 insurance undertakings active (including 23 branches of foreign insurance companies), split between 16 life insurance companies, 57 non-life insurance companies and 13 composite insurance companies.

Number of mutual/cooperative insurers

In total, nine mutual/cooperative insurance companies were present in the Greek market in 2015, comprising five non-life insurers and four composite insurers (although one of these composite insurers which was a mutual/cooperative-type insurer, was only engaged in life insurance activities).¹⁴

Three of the mutual/cooperative insurers were mutual insurance societies (in the legal form). These (non-life) mutual associations were focused on motor vehicle liability of mass transport vehicles, such as buses. There is a large number of these mutual associations conducting business in the Greek private insurance market, however, in 2015, only three were subject to all of the provisions of Greek insurance legislation. The rest are subject to specific provisions depending on their size, type and mode of activity.¹⁵

Since 2007, the total number of mutual/cooperative insurers active in Greece reduced by two (see Figure 1).

¹¹ Article 14(1)(b) of the Law 4364/2016.

¹² Article 2(e) of the Law 1667/1986.

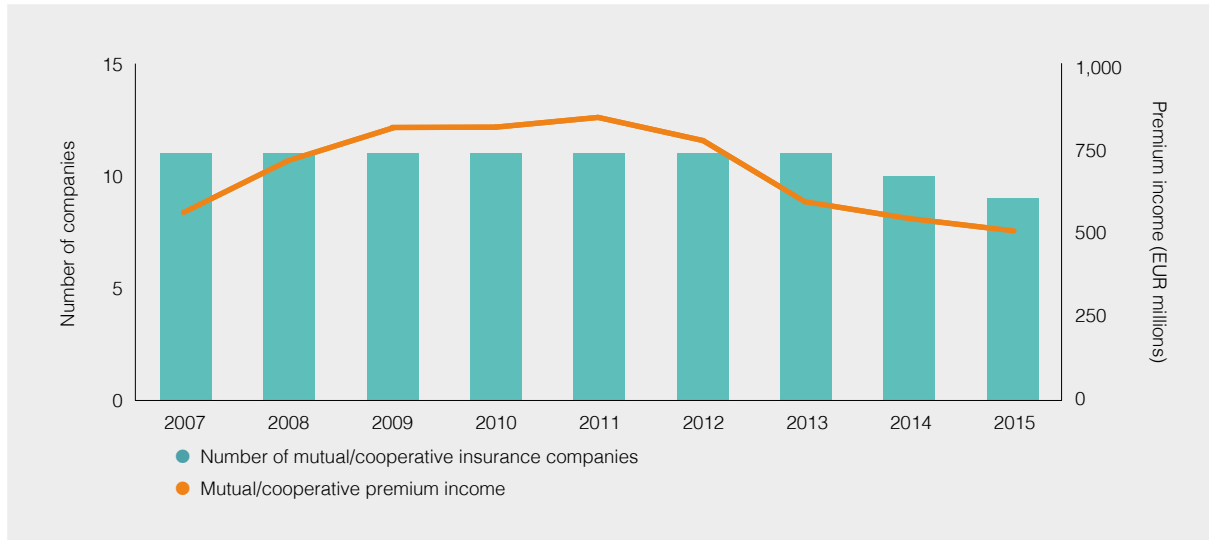
¹³ Hellenic Association of Insurance Companies (2016) *HAIIC Annual Statistical Report: Private Insurance in Greece 2015*.

¹⁴ Credit Agricole Life Insurance S.A. (CA Life).

¹⁵ Bank of Greece's website, *Private Insurance Firms*.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

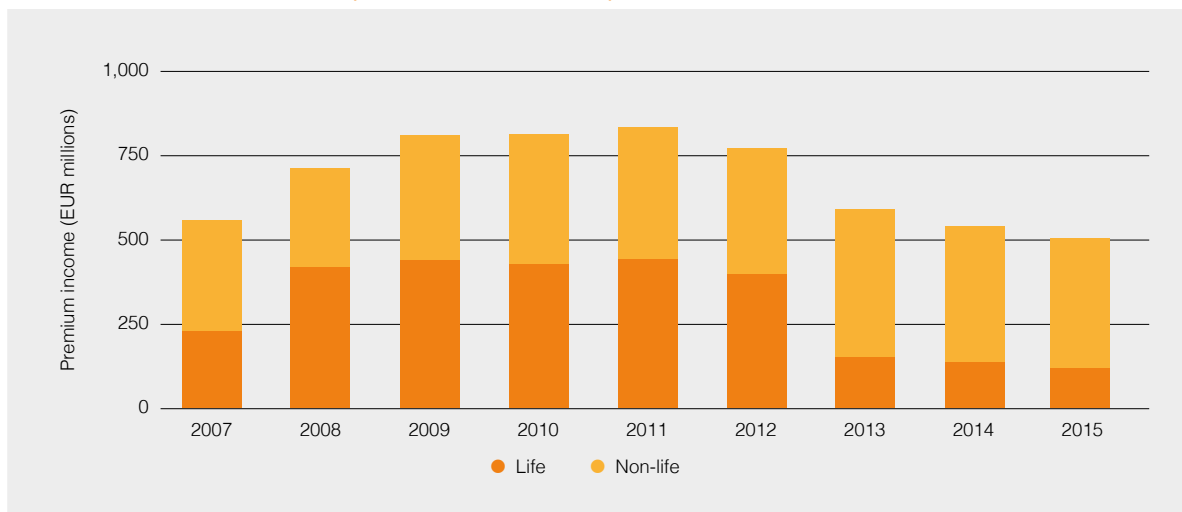
Total

The Greek insurance market wrote a total of EUR 3.7 billion in insurance premiums in 2015, split between EUR 1.7 billion in life business and EUR 2.0 billion in non-life business. It was particularly impacted by weak economic conditions following the global financial crisis and Eurozone sovereign debt crisis. As a result, premium levels in 2015 were 21% lower compared to 2007 (EUR 4.7 billion) and 32% lower compared to 2009 (EUR 5.5 billion).

The mutual/cooperative sector in Greece recorded premiums of EUR 502 million in 2015, of which three-quarters were derived from non-life insurance (see Figure 2). The mutual/cooperative sector has also shrunk (-9.8%) since 2007, although at a less severe rate than the total market. Between 2007 and 2015, the mutual/cooperative sector recorded a CAGR of -1.3%; in comparison, the total Greek market CAGR was -3.0%. However, over the six-year period since the onset of the Eurozone crisis at the end of 2009, the CAGR of the mutual/cooperative sector (-7.7%) was weaker than the total market average (-6.3%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life insurance premiums in Greece experienced a considerable decline in business volumes since 2007, dropping by almost a third from EUR 2.5 billion.

Mutual/cooperative life insurers reported a sharper drop in life premiums over this period, declining from EUR 228 million in 2007 to EUR 118 million in 2015 (-48%). The largest year-on-year premium contraction took place in 2013, declining by 62.1% to EUR 150 million (from EUR 396 million in 2012).¹⁶

Non-life

Greek non-life insurance premiums have also been in decline since 2007 (EUR 2.2 billion), although the overall fall in premiums (-10.0%) was not as harsh as that experienced by the life sector.

Mutual/cooperative insurers collectively wrote EUR 384 million of non-life business in 2015, representing a positive increase of 16.6% compared to 2007 (EUR 329 million). As a result, the mutual/cooperative sector's CAGR over this period was 1.9%, more than three percentage points ahead of the total market average (-1.3%).

Market share of mutual/cooperative insurance sector

Overall, Greek mutual/cooperative insurers accounted for 13.5% of the market in 2015 (see Figure 3). The mutual/cooperative sector's market share of non-life insurance reached 19.0% in 2015, compared to a lower market share in life insurance (6.9%).¹⁶

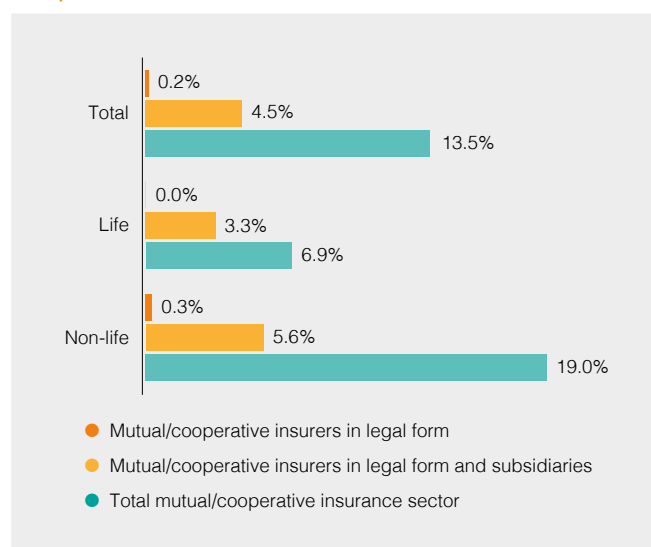
In the legal form, the total mutual/cooperative market share in 2015 was just 0.2% (and 0.3% in the non-life market). When subsidiaries of mutual/cooperative insurers in the legal form were also included, this increased to a 4.5% total share (and 3.3% and 5.6% market share in the life¹⁶ and non-life segments respectively).

The total Greek mutual/cooperative sector has a small rise in its overall market share compared to 2007, increasing from a 7.6% share to 8.9% in 2015 (see Figure 4). However, market share has fallen annually since 2012, when the sector had a peak share of 17.5%.

The life market's¹⁶ share of the mutual/cooperative sector was lower in 2015 compared to 2007 (9.1%), although it had lost an even more significant proportion of the market since 2010 and 2011, when the mutual/cooperative sector accounted for more than 20% of the Greek life market.

In contrast, the mutual/cooperative share of the non-life market was at a record level in 2015, having increased year-on-year since 2008, resulting in a gain of more than four percentage points compared to 2007 (14.7%).

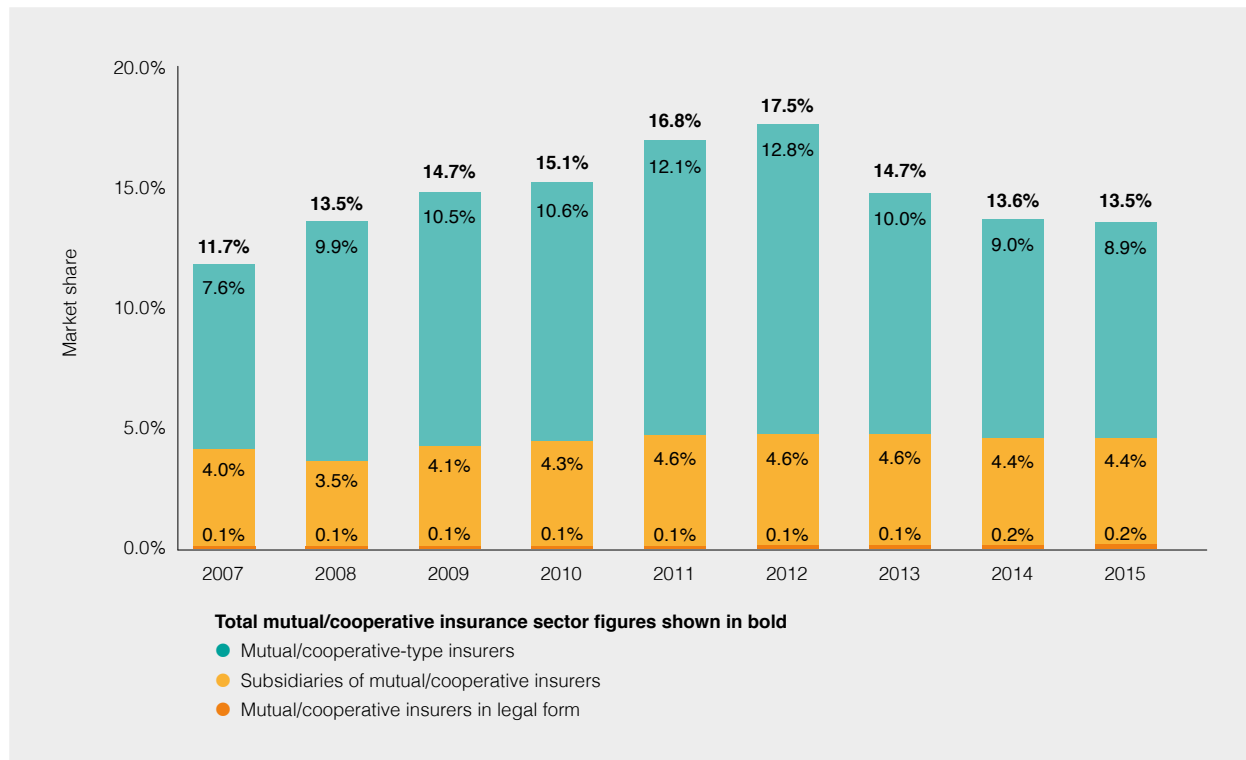
Figure 3
Market share of mutual/cooperative insurance companies (2015)



¹⁶ Only mutual/cooperative-type insurers are permitted to underwrite life insurance in Greece.

Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

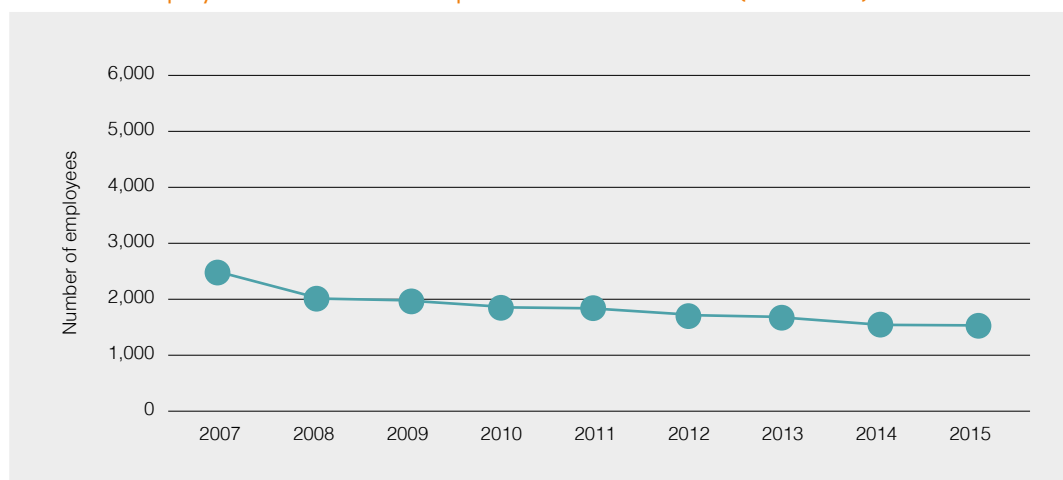


Number of employees

The total number of people employed by the mutual/cooperative sector in Greece has declined annually since 2007 (see Figure 5), falling from 2,500 employees in 2007 to just over 1,500 in 2015 (an overall decrease of 38.7%).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



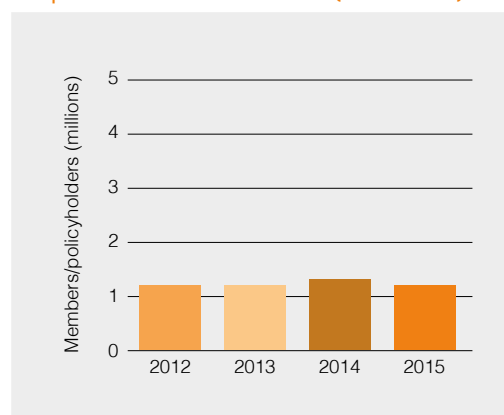
Number of members/policyholders

There were 1.2 million members/policyholders of Greek mutual/cooperative insurers in 2015 (see Figure 6).

Despite the fall in premium levels since 2012, aggregate membership numbers of the mutual/cooperative have remained consistent.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



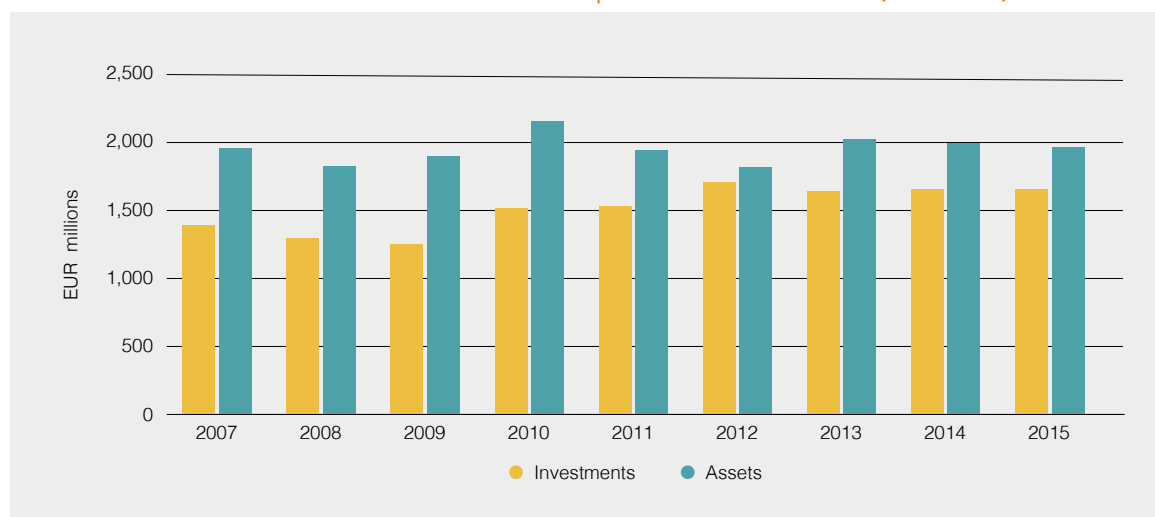
Assets and investments

The collective assets of Greek mutual/cooperative insurers were slightly less than EUR 2 billion in 2015, and were only marginally higher than in 2007 (see Figure 7). Asset values have fluctuated since 2007, and exceeded the EUR 2 billion mark in 2010 and 2013.

Investment assets of the sector have performed much better and were 19% greater (2015: EUR 1.7 billion) in comparison to 2007 (EUR 1.4 billion).

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Hungarian financial sector, including the insurance sector, is supervised by the Hungarian National Bank – MNB (*Magyar Nemzeti Bank*).¹ The purpose of the supervision is to ensure timely recognition and appropriate management of risks, in order to avoid jeopardising the stability of the system and the confidence of the financial intermediary therein. Insurance and reinsurance activities can be performed in Hungary, subject to authorisation by the MNB.²

The insurance market in Hungary is governed by the Act LXXXVIII of 2014 on the Business of Insurance – Insurance Act (*2014. évi LXXXVIII. törvény a biztosítási tevékenységről*). The Insurance Act entered into force on 1 January 2016 and it transposes the provisions of Solvency II into domestic law.³ To that end, it contains special provisions in relation to small insurance companies, as defined in Article 4 of Solvency II.⁴ Small insurance companies are exempt from certain provisions regarding management, governance and the risk management system.⁵

The Insurance Act excludes from its scope:⁶

- insurance forming part of the compulsory social security system.
- operations of provident, mutual benefit and mutual assistance institutions whose benefits vary according to the resources available and in which the contributions of the members are determined on a flat-rate basis.
- the activities of voluntary mutual insurance funds, private pensions funds and institutions for occupational retirement provision.
- operations carried out by organisations that do not have legal personality with the purpose of providing mutual cover for their members without payment of premiums or maintenance of technical provisions.

Insurance companies in Hungary cannot be active in non-life and life insurance concurrently, with the exception of life insurance companies which want to pursue accident and sickness insurance and *vice versa*.⁷ Nevertheless, the Insurance Act states that any insurance company that was authorised to conduct both life and non-life insurance business on 1 January 2016 is entitled to conduct both classes simultaneously, as long as these activities are managed separately.⁸

An insurance company can be incorporated as:⁹

- a limited company (*részvénytársaság*)
- a European public limited-liability company (*részvénytársaság*)
- a cooperative society (*szövetkezet*)
- a mutual association (*egyesület*)
- a branch of an insurance company established in another Member State or of a third-country insurance company.

¹ MNB's website.

² Section 41(1) of the Act LXXXVIII of 2014 on the Business of Insurance – Insurance Act.

³ Section 453(7) of the Insurance Act.

⁴ Sections 209-211 of the Insurance Act.

⁵ Section 208(2) of the Insurance Act.

⁶ Section 2 of the Insurance Act.

⁷ Section 43 of the Insurance Act.

⁸ Section 446 of the Insurance Act.

⁹ Section 6(1) of the Insurance Act.

Cooperative insurance companies can provide the full spectrum of insurance activities within the branch and class of insurance for which they are authorised.¹⁰ The provisions of the Civil Code on cooperative societies apply for insurance companies set up as cooperative societies.¹¹ A cooperative insurance company can only be transformed into a limited insurance company.¹²

Mutual associations can also provide the full spectrum of insurance activities within the branch and class of insurance for which they are authorised.¹³ The relevant provisions of the Civil Code and the Civil Societies Act apply to mutual insurance associations.¹⁴ A mutual association can be transformed into a limited company.¹⁵

The Insurance Act includes special provisions concerning small insurance companies operating in the form of mutual associations.¹⁶ These are mutual associations whose premium income and revenues from membership fees for a year does not reach HUF 300 million¹⁷ in three consecutive years. They are subject to certain derogations in terms of organisation and activities, such as the derogation exempting them from the requirement to employ an internal controller and a senior risk management officer.

Number of licensed insurance undertakings

In 2015, there were 47 licensed insurance undertakings active in the Hungarian market,¹⁸ of which 26 were private joint stock insurance companies and 21 were (mutual) insurance associations.¹⁹ This represents a decline of 27% (or 18 companies) from the number of insurance undertakings in 2007 (66).

Number of mutual/cooperative insurers

A total of 30 mutual/cooperative insurers were present in the Hungarian market in 2015. Three of these were life insurers, 22 were non-life insurers and five were composite insurers.

Of the 21 mutual insurance associations (mutual insurers in the legal form) in 2015, one was a composite insurer and 20 were non-life insurers.²⁰ The remaining nine insurers were subsidiaries of foreign-owned mutual/cooperative insurers and mutual/cooperative-type insurers. There were no cooperative insurance undertakings present in the Hungarian market.

The number of mutual/cooperative insurance undertakings declined by over 30% since 2007 (see Figure 1). There were 44 mutual/cooperative insurers operating in 2007, including 35 mutual insurance associations.

¹⁰ Section 9(1) of the Insurance Act.

¹¹ Section 6(3)(c) of the Insurance Act.

¹² Section 16 of the Insurance Act.

¹³ Section 20 of the Insurance Act.

¹⁴ Section 6(3)(d) of the Insurance Act.

¹⁵ Section 28(1) of the Insurance Act.

¹⁶ Sections 230-236, Chapter XIX of the Insurance Act.

¹⁷ EUR 963,267 at ECB annual average exchange rate for 2016.

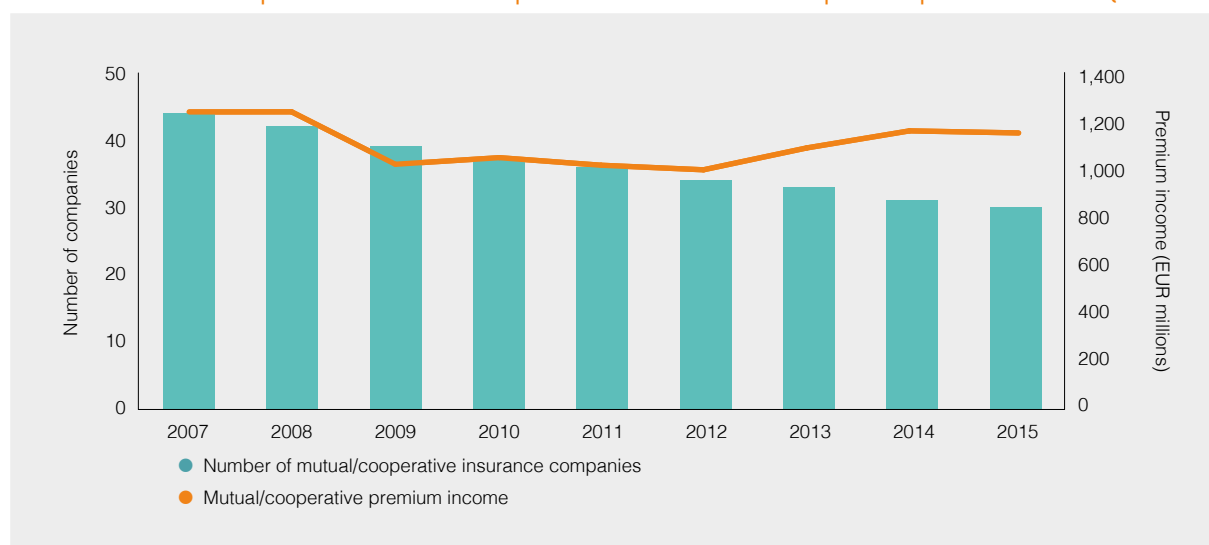
¹⁸ Magyar Biztosítók Szövetsége - MABISZ (2016) *Hungarian Insurers' Yearbook 2016*.

¹⁹ 24 of the 26 joint stock insurance companies registered in Hungary were members of MABISZ, the Hungarian national insurance association. Two (Dimenzió and KÖBE) of the 21 mutual insurance associations were also MABISZ members.

²⁰ The majority of these (19) were small (agricultural) mutual insurance associations, classified as mutual insurers in the legal form.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

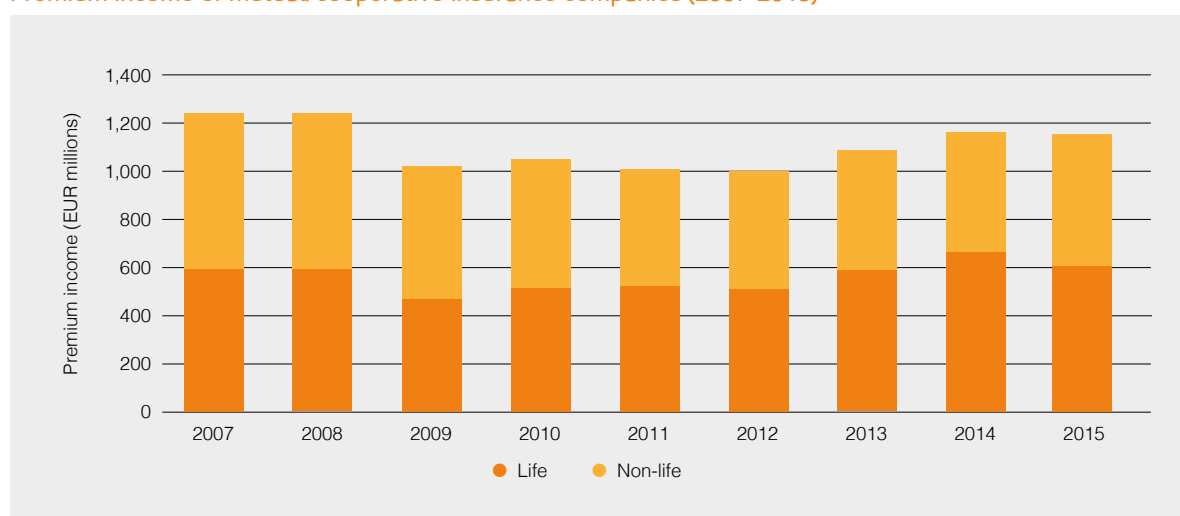
Total

Total premiums written by the Hungarian insurance sector amounted to EUR 2.7 billion in 2015, a decrease of 7.9%²¹ from 2007 premium levels (EUR 3.6 billion). Just over half (54%) of insurance premiums in 2015 were written in the life sector and 46% written in the non-life sector.

The mutual/cooperative market in Hungary experienced a 14.5% premium growth in local currency terms, although premium volumes in EUR terms²² fell to EUR 1.1 billion in 2015 from EUR 1.2 billion in 2007 (see Figure 2). The collective CAGR of mutual/cooperative insurers in this period was 1.7%, a reverse of the negative CAGR of -1.0% for the total insurance market.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



²¹ All growth figures are in local currency (HUF) terms to avoid any misleading effects of exchange rate fluctuations.

²² In EUR terms, premium levels decreased by 7.2% between 2007 and 2015 due to the depreciation of the forint.

Life

In 2015, the EUR 1.4 billion in life insurance business in the Hungarian insurance market represented a decline of 11.3% from 2007 premiums (EUR 2.0 billion). This was equivalent to a CAGR over the eight-year period of -1.5%.

Life premiums of the mutual/cooperative sector expanded by over a quarter since 2007, increasing to EUR 603 million in 2015 (2007: EUR 592 million). Premiums grew by a CAGR of 2.9% during this period, more than four percentage points greater than the market average.

Non-life

Similar to the life sector, non-life premiums of the total Hungarian market declined by 3.6% between 2007 (EUR 1.6 billion) and 2015 (EUR 1.2 billion).

The mutual/cooperative sector wrote EUR 545 million in non-life insurance premiums in 2015, representing a growth of 4.2% from 2007 levels (EUR 645 million). The CAGR of the mutual/cooperative sector was moderate at 0.5% between 2007 and 2015, although it was greater than the total market CAGR (-0.5%).

Market share of mutual/cooperative insurance sector

The mutual/cooperative insurance sector accounted for 42.8% of the total Hungarian market in 2015 (see Figure 3).

Mutual/cooperative insurers in the legal form held a 2.9% share of the total market in 2015. They held a greater market share in the non-life sector (5.5%) compared to the life sector (0.7%), although overall market share of the mutual/cooperative insurance sector was only marginally greater in the non-life market compared to the life market (43.9% compared to 41.8%).

The overall market share of mutual/cooperative insurers in Hungary had grown consistently since 2007 (34.4%), rising by a proportional market share growth of 24% (see Figure 4). In 2015, there was a small decline in market share from the record share held in the previous year (2014: 43.9%). 2015 was the first year of market share loss since 2010 (34.9%). The market share of mutual/cooperative insurers in the legal form saw a small drop since 2007, falling from 3.3% to 2.9% in 2015. This was more than offset by strong growth by subsidiaries of mutual/cooperative insurers and mutual/cooperative-type insurers during this period.

Overall growth in mutual/cooperative market share since 2007 was stimulated by the life sector. Life market share grew from 29.5% in 2007 to 41.8% in 2015. Subsidiaries of mutual/cooperative insurers recorded the largest gain in market share over this period, growing from 16.0% in 2007 to 24.0%.

The mutual/cooperative insurance sector held a slightly larger share of the total non-life market in 2015 (43.9%) compared to the life market. Even though growth was not as strong as for the life sector, the mutual/cooperative non-life insurers collectively gained a further three percentage points of the market compared to 2007 share (40.6%). However, non-life market share of mutual/cooperative insurers in the legal form fell from 6.0% in 2007 to 5.5% in 2015.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

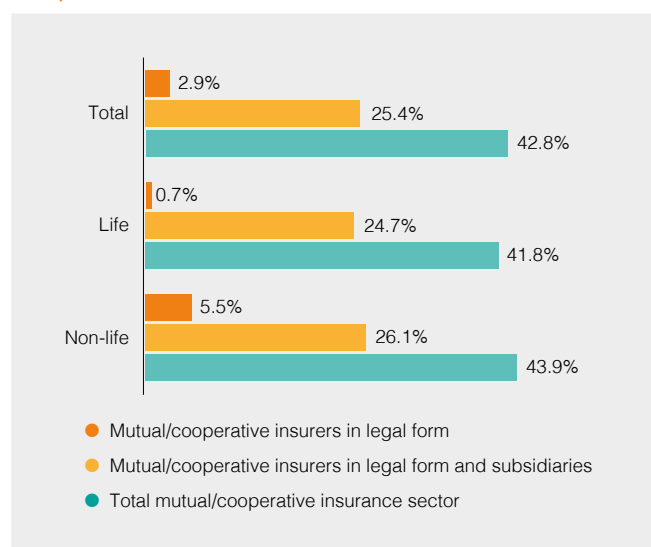
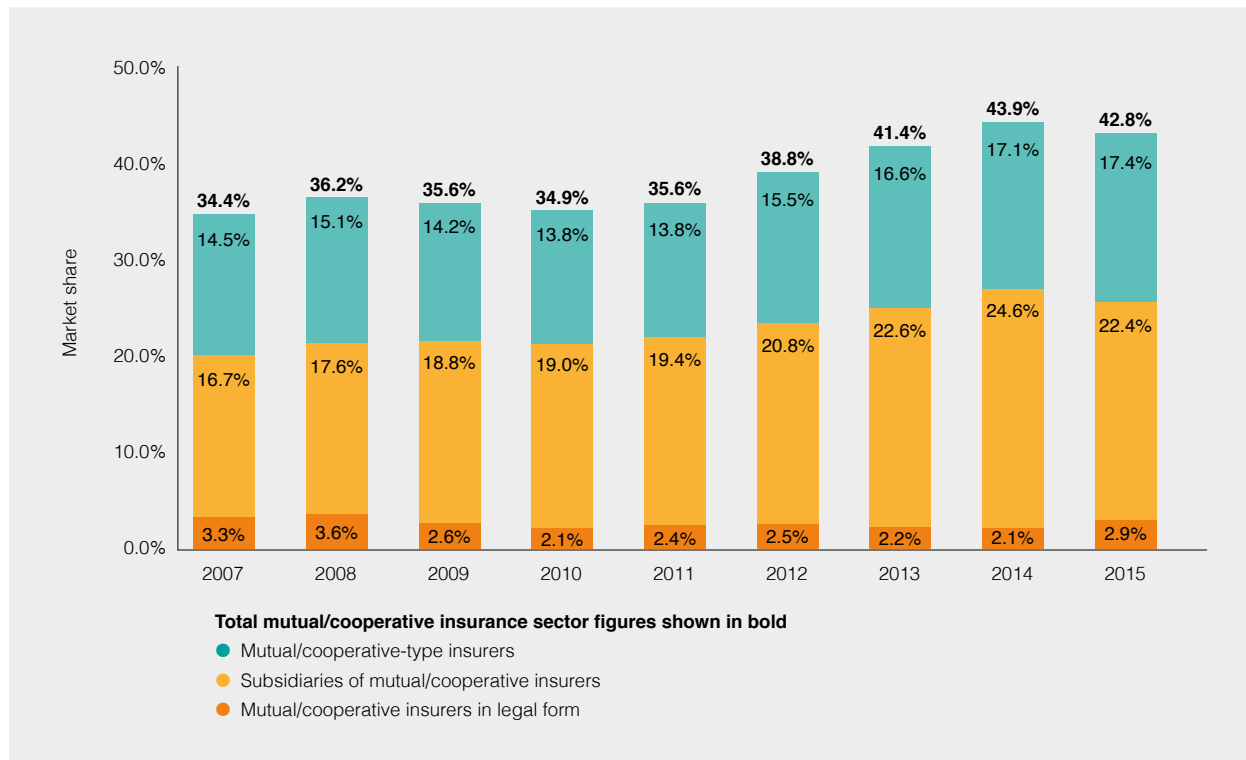


Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

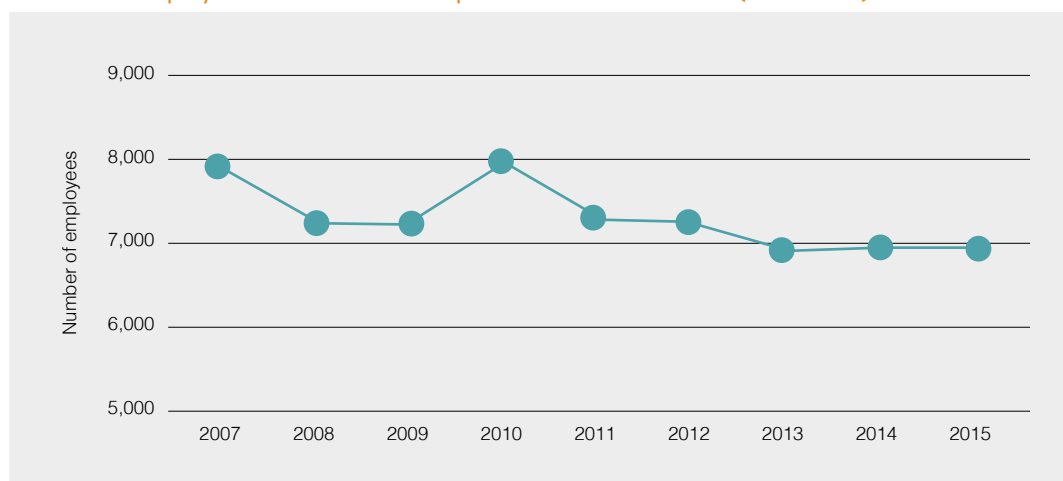


Number of employees

The number of employees of Hungarian mutual/cooperative insurers in 2015 (6,948) was 12% lower than in 2007 (7,936). Despite this, employment numbers have been relatively consistent since 2007, with a peak at just below 8,000 employees in 2010 (see Figure 5).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)

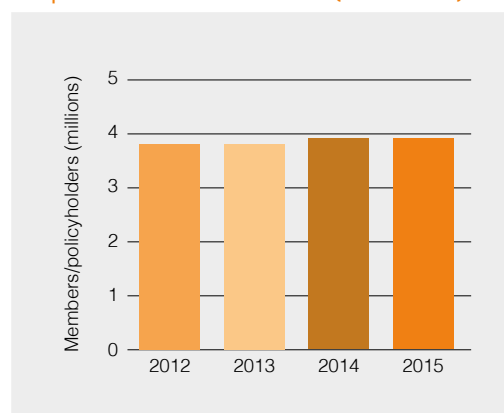


Number of members/policyholders

In 2015, there were just under 4 million members/policyholders* of mutual/cooperative insurance companies (see Figure 6).

This figure has grown year-on-year since 2012, increasing from 3.8 million. The aggregate growth during this three-year period was 3.5%, although the majority of this growth stemmed from the 2.6% annual increase (equivalent to just under 100,000 members/policyholders) recorded in 2014.

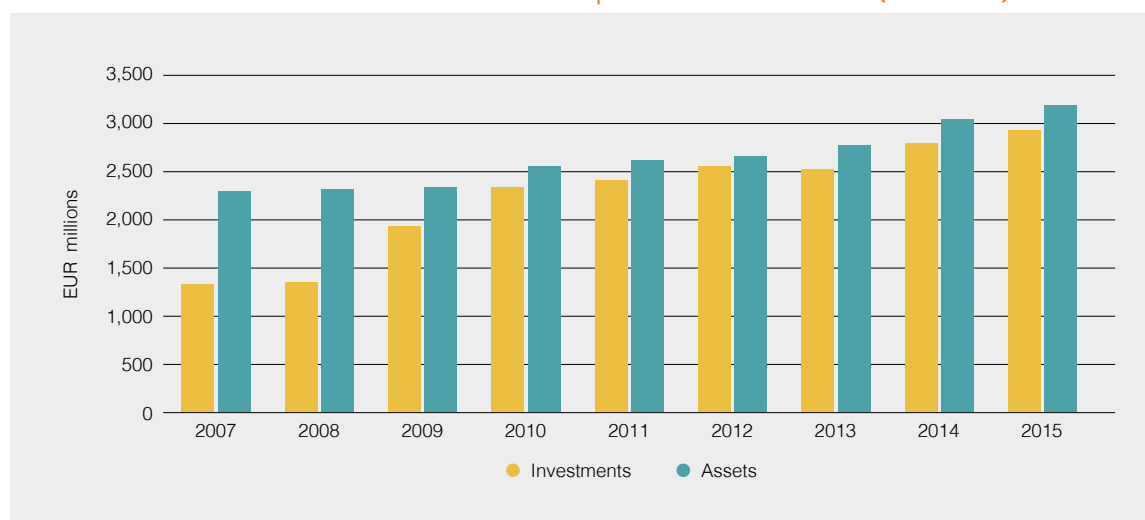
Figure 6
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



Assets and investments

Hungarian mutual/cooperative insurers collectively held assets of EUR 3.2 billion in 2015 (see Figure 7). Total assets increased by 71% compared to 2007 values (EUR 2.3 billion). Invested assets experienced even stronger growth over the eight-year period, growing to EUR 2.9 billion in 2015 from EUR 1.3 billion in 2007 (a 172% increase).

Figure 7
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)



* See methodology.



Mutual/cooperative insurance companies

Landscape

The Financial Supervisory Authority – FME (*Fjármálaeftirlitið*) is an independent public regulatory organisation charged with the task of supervising financial enterprises, including insurance undertakings, in Iceland.¹ The FME grants an operating licence to insurance companies that wish to commence business in Iceland.²

On 15 September 2016, the Parliament of Iceland adopted a new Act on Insurance Activities (*Lög um váttryggingastarfsemi*). The Act transposes the provisions of Solvency II into national law.³ In view of that, it uses the same definitions regarding small insurance undertaking as in Article 4 of Solvency II, and exempts these undertakings from the general provisions on solvency requirements, minimum capital and establishment of branches.⁴

The Act on Insurance Activities excludes from its scope pension funds, sickness funds of individual occupational groups, social insurance schemes, unemployment insurance funds and similar schemes operating under special legislation.⁵

Life insurance activities cannot be carried out concurrently with non-life insurance activities. However, a life insurance company can be granted an operating licence for accident and sickness insurance and *vice versa*.⁶ Nevertheless, life insurance activities must be kept separate from non-life insurance activities.⁷

An insurance company in Iceland can be established as:

- a limited company (*hlutafélag*)
- a European Company (*evrópufélag*)

Mutual or cooperative insurance is not legally foreseen.

¹ FME's [website](#).

² Article 17 of the Act on Insurance Activities 100/2016 (*Lög um váttryggingastarfsemi*).

³ Article 173 of the Act on Insurance Activities.

⁴ Article 3 of the Act on Insurance Activities.

⁵ Article 3 of the Act on Insurance Activities.

⁶ Article 72 of the Act on Insurance Activities.

⁷ Article 73 of the Act on Insurance Activities.

Number of licensed insurance undertakings

At year-end 2015, 12 (re)insurance companies had an operating licence from the FME.⁸ This figure comprised five life insurance companies and seven non-life insurance companies.⁹

In 2007, there were 12 insurance companies present in the Icelandic market, of which three were life insurers and eight were non-life (re)insurers.

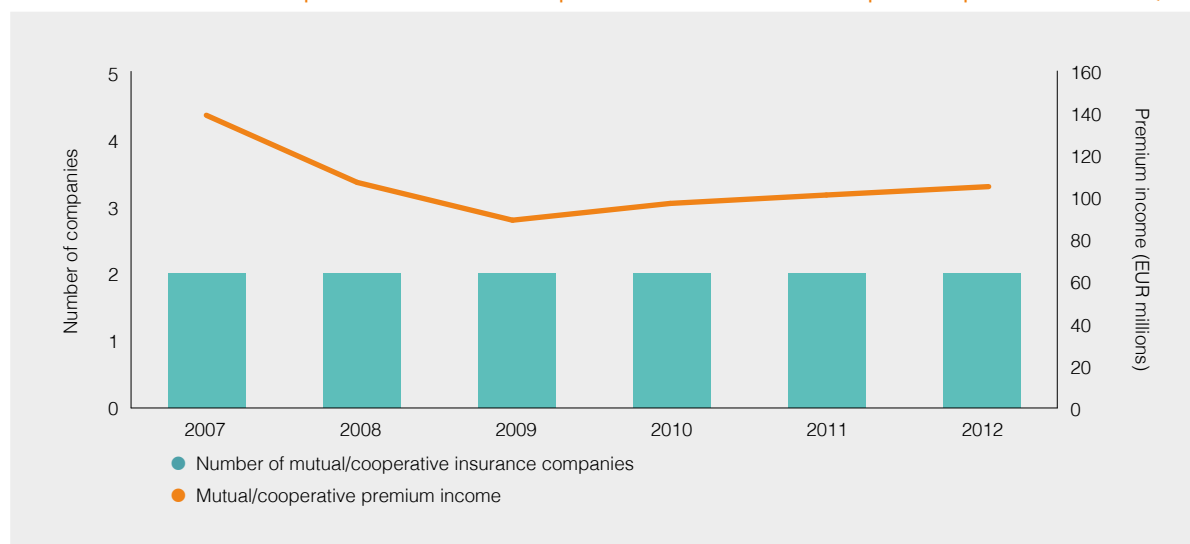
Number of mutual and cooperative insurers

In 2015, there were no mutual and cooperative insurers active in the Icelandic market (see Figure 1).

Previously, Vátryggingafélag Íslands hf. (VÍS Insurance) and its life subsidiary Líftryggingafélag Íslands hf. had been classified as mutual and cooperative-type insurers until 2013, when the company listed on the NASDAQ OMX Iceland stock exchange and was no longer majority-owned by cooperative organisations.

Figure 1

Number of mutual and cooperative insurance companies and total mutual/cooperative premium income (2007-2012)



Size and growth of the mutual/cooperative insurance sector

Total

Insurers in Iceland collectively wrote EUR 369 million in insurance premiums in 2015, representing a 47.1% growth¹⁰ (CAGR of 4.9%) from 2007 premium levels (EUR 419 million).¹¹

In 2012 (the last year of a mutual presence in Iceland), the mutual and cooperative sector wrote EUR 105 million in premium income, of which EUR 5 million was in life insurance and EUR 100 million was in non-life insurance (see Figure 2). Between 2007 and 2012, the mutual and cooperative sector grew at a CAGR of 6.7% (the market average CAGR over this period was 6.1%).

⁸ FME (2016) *Annual Report of the Financial Supervisory Authority 2016*.

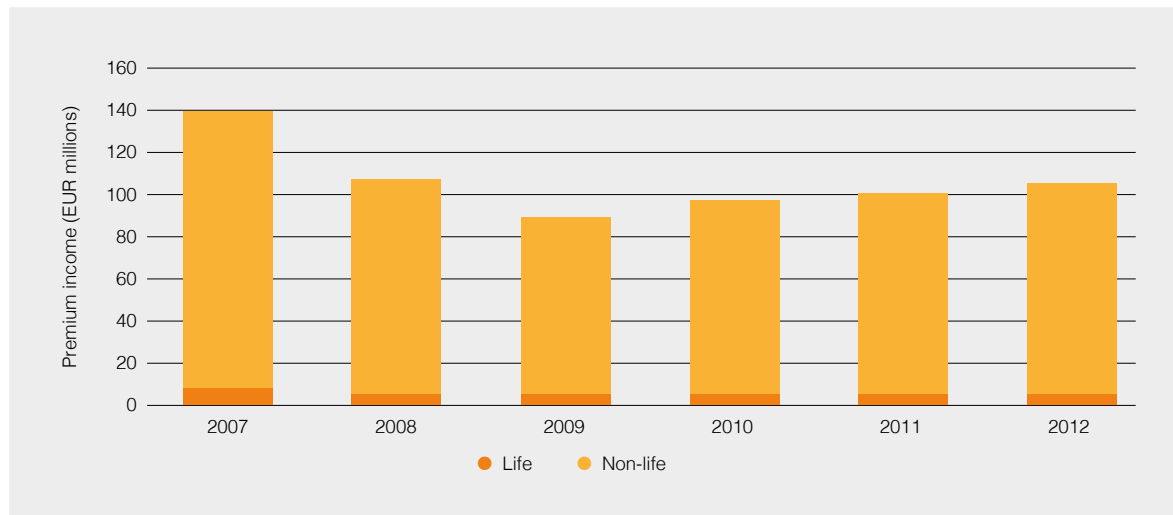
⁹ The number of non-life insurance companies includes two reinsurance companies (Íslensk endurtrygging hf. and Trygging hf.) and Viðlagatrygging Íslands (Iceland's Natural Catastrophe Insurance), which operates in accordance with special legislation.

¹⁰ All growth figures are in local currency (Icelandic króna) terms to avoid any misleading effects of exchange rate fluctuations.

¹¹ Due to the depreciation of the Icelandic króna against the euro since 2007, in euro terms premium volumes were 11.8% lower in 2015 compared to 2007.

Figure 2

Premium income of mutual and cooperative insurance companies (2007-2012)



Life

Premiums of the life insurance sector in Iceland grew by 52.1% between 2007 and 2015, rising to EUR 31 million.

Non-life

Since 2007, non-life business written by Icelandic insurers has increased by 46.6%, up to EUR 338 million in 2015 (decreasing in euro terms by 12.0% from EUR 384 million).

Market share of mutual and cooperative insurance sector

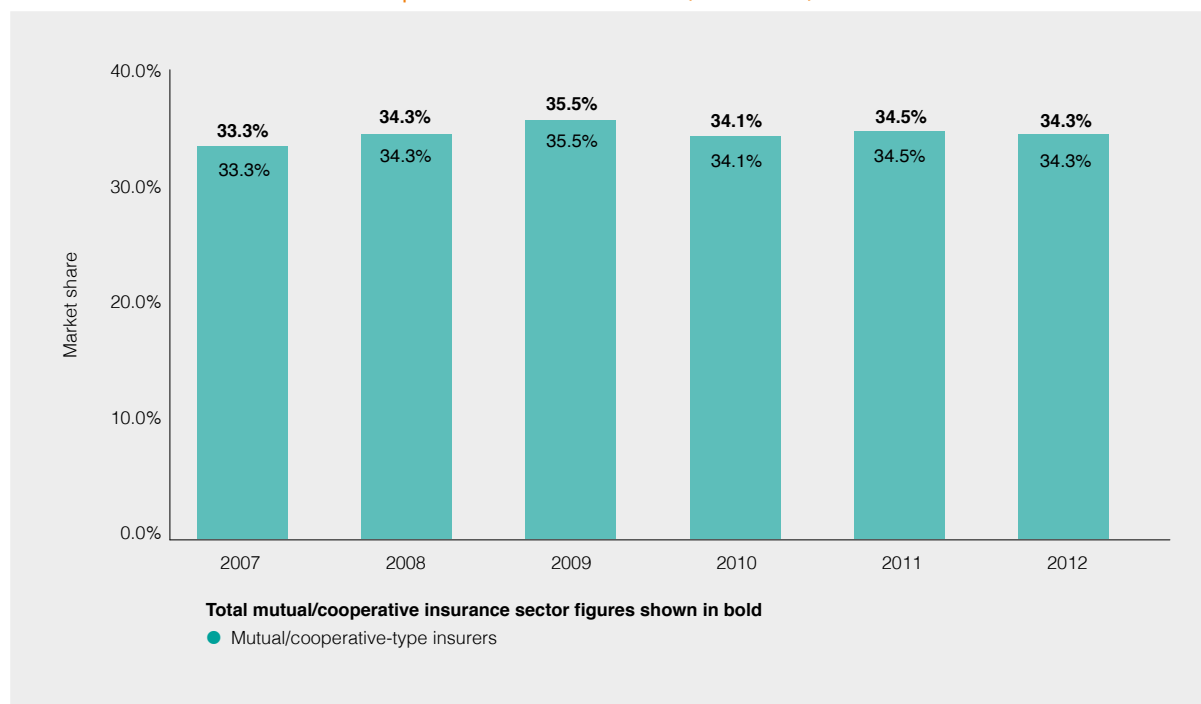
There was no presence of the mutual and cooperative sector on the Icelandic insurance market in 2015.

Before the listing of VíS Insurance, the mutual and cooperative sector accounted for 34.3% of the total insurance market in 2012 (see Figure 3). The market share of the mutual and cooperative sector experienced a small increase between 2007 and 2012, rising from a third. However, market share had fallen from a peak share of 35.5% in 2009.

In 2012, mutual and cooperative insurers held a 23.7% share of the life market and 35.1% of the non-life market.

Figure 3

Market share of the mutual and cooperative insurance sector (2007-2012)

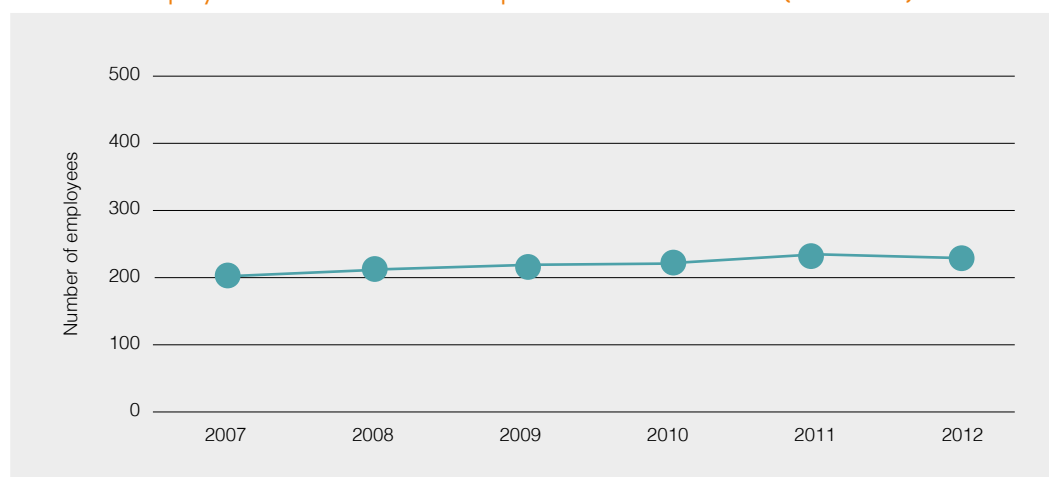


Number of employees

In 2015, there were no employees of mutual and cooperative insurers. In 2012, more than 200 (229) people were employed by the mutual and cooperative sector (see Figure 4).

Figure 4

Number of employees of the mutual and cooperative insurance sector (2007-2012)



Number of members/policyholders

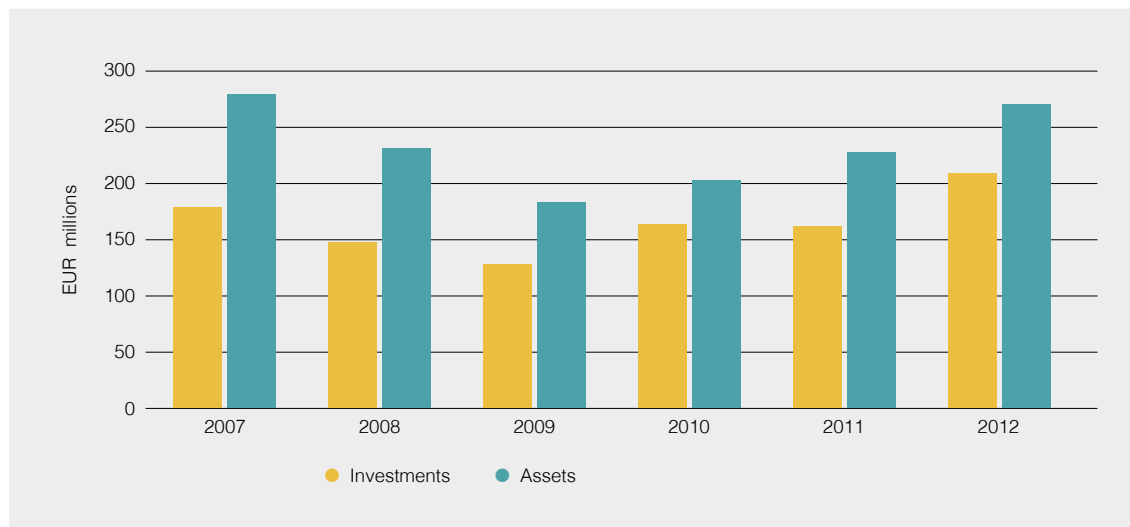
There were no members/policyholders of mutual and cooperative insurers in 2015. No data was available for previous years when there was a mutual/cooperative presence in the Icelandic market.

Assets and investments

In 2012, the total assets held by the mutual and cooperative sector were valued at EUR 270 million (see Figure 5). Total invested assets in this year amounted to EUR 209 million.

Figure 5

Total assets and investment assets of the mutual and cooperative insurance sector (2007-2012)





Mutual/cooperative insurance companies

Landscape

The Insurance Supervision Directorate of the Central Bank of Ireland is responsible for the prudential supervision of insurance and reinsurance undertakings authorised in Ireland.¹ It carries out this role by monitoring the risks posed by insurance undertakings and by issuing standards, policies and guidance which insurance undertakings are expected to meet. Undertakings in Ireland cannot carry on the business of insurance unless they hold an authorisation from the Central Bank.²

The insurance industry in Ireland is governed by a number of Acts and Statutory Instruments (S.I.s). S.I. No. 485/2015 – European Union (Insurance and Reinsurance) Regulations 2015, which entered into force on 1 January 2016, transposes Solvency II into national law.³ The adopted regulations follow the definitions set out in Article 4 of Solvency II, and as a result exclude small undertakings (annual gross premium less than EUR 5 million, total of technical provisions less than EUR 25 million, etc.) from their scope.⁴ Such undertakings remain subject to a regulatory regime broadly similar to the legislative regime that was in place prior to the introduction of Solvency II.⁵ The Central Bank of Ireland has issued requirements, guidance and correspondence with regard to insurance undertakings not subject to Solvency II.⁶

In addition, the EU Insurance Regulations exclude from their scope the following operations:

- mutual undertakings which pursue non-life insurance activities (ceding undertakings) and which have concluded with another mutual undertaking (accepting undertakings) an agreement which provides for the full reinsurance of the insurance policies issued by the ceding undertaking or under which the accepting undertaking is to meet the liabilities arising under such policies in the place of the ceding undertaking.⁷
- operations of provident and mutual benefit institutions whose benefits vary according to the resources available and in which the contributions of the members are determined on a flat rate basis.⁸
- operations carried out by organisations not having a legal personality with the purpose of providing mutual cover for their members without there being any payment of premiums or constitution of technical reserves.⁹

With regard to the simultaneous pursuit of life and non-life insurance activity, the Central Bank can authorise life insurers to carry on the non-life classes of accident and sickness insurance.¹⁰ Nevertheless, the two businesses must be managed separately.¹¹

¹ Central Bank of Ireland's [website](#).

² Regulation 12 of S.I. No. 485/2015 – European Union (Insurance and Reinsurance) Regulations 2015 – EU Insurance Regulations.

³ Regulation 2 of the EU Insurance Regulations.

⁴ Regulation 4 of the EU Insurance Regulations.

⁵ Central Bank of Ireland's website, *Non-Solvency II Regime – "the Alternative Regime"*.

⁶ Central Bank of Ireland's website, *Requirements and Guidance for Life, Non-Life and Reinsurance Undertakings not subject to Solvency II*.

⁷ Regulation 5(1) of the EU Insurance Regulations.

⁸ Regulation 7(b) and 9(a) of the EU Insurance Regulations.

⁹ Regulation 7(c) of the EU Insurance Regulations.

¹⁰ Regulation 79 of the EU Insurance Regulations.

¹¹ Regulation 80 of the EU Insurance Regulations.

Insurance undertakings in Ireland can have one of the following legal forms:¹²

- a designated activity company
- a public limited company
- a company limited by guarantee
- an unlimited company
- a European Company

There are no provisions for the establishment of a mutual insurance company in either the EU Insurance Regulations, the previous Insurance Acts of Ireland or the Companies Act of 2014. The only Irish mutual insurance company currently in existence (Irish Public Bodies Insurance CLG – IPB Insurance) was established in 1926 by virtue of the Local Authorities (Mutual Assurance) Act 1926, which was created to facilitate the establishment of mutual insurance companies by local authorities.

Friendly societies constitute mutual-type organisations that can underwrite insurance. They are registered under the Friendly Societies Act 1896 to 2014 and they are established for various purposes.¹³ Friendly societies can only underwrite life insurance and the Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Act 2014 provides for the cessation of new friendly societies.¹⁴

Although cooperative insurance is not legally foreseen in Ireland, a credit union is a type of a financial cooperative that can offer insurance services to its members. Credit unions are governed by the Credit Union Act 1997. They can provide loan protection, life savings insurance, death benefit insurance, repayment protection insurance, home insurance, car insurance, travel insurance and private health insurance schemes.

Number of licensed insurance undertakings

In 2015, there were 147 Irish authorised undertakings in Ireland,¹⁵ comprising 48 life insurance and 99 non-life insurance companies. In addition, there were 38 branches of undertakings with their head offices located in other EU Member States (9 life insurance and 29 non-life insurance companies).

Compared to 2007, the number of authorised insurers in Ireland fell by 42; in 2007, there were 189 insurance undertakings (with head offices in Ireland), of which 54 were life insurers and 135 were non-life insurers.¹⁶

Number of mutual/cooperative insurers

There were 15 mutual/cooperative insurers present in the Irish market in 2015. This figure included eight life insurers, of which six were undertakings with head offices in Ireland and two were undertakings with head offices in other EU Member States.

The remaining seven mutual/cooperative companies were non-life insurance undertakings (two based in Ireland and five based in other EU countries) and included the only mutual/cooperative insurer in the legal form present in the Irish market: IPB Insurance. There were six subsidiaries of (foreign) mutual/cooperative insurers in the legal form active in the Irish market in 2015, in both life (3 companies) and non-life (3) insurance.

There has been a small increase in the number of mutual/cooperative insurers in the Irish market since 2007, when there were 13 companies active (seven life and six non-life insurers). However, this has dropped from a peak of 18 companies in both 2011 and 2012 (see Figure 1).

¹² Regulation 17(1) of the EU Insurance Regulations.

¹³ Friendly societies are mostly established to provide small life insurance benefits, sick benefits and death benefits to members, to provide benefits to non-members or to promote particular activities or interests.

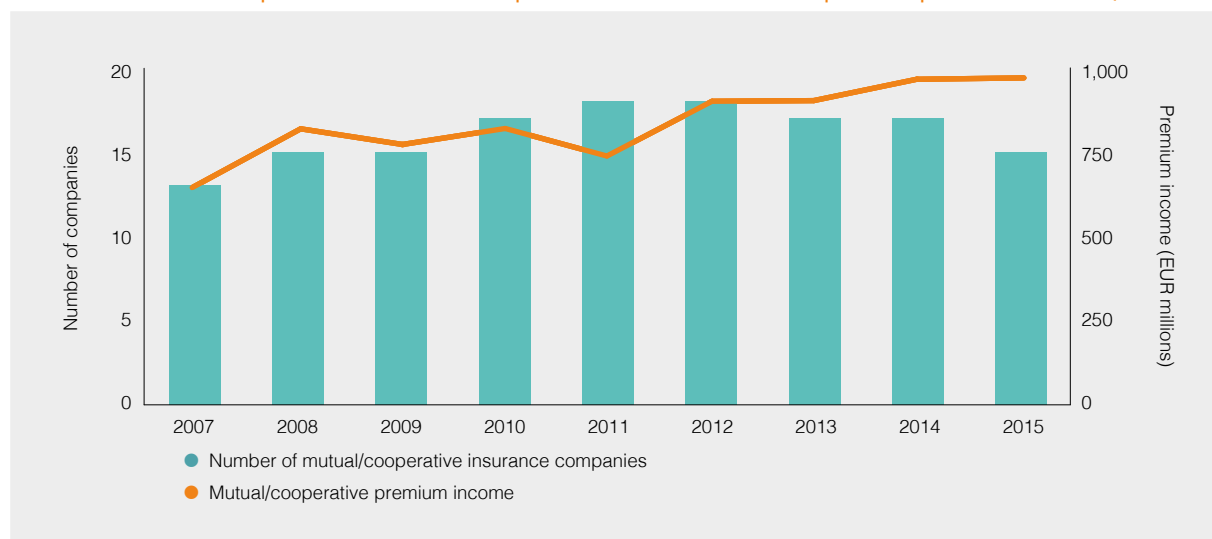
¹⁴ Article 5 of Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Act 2014.

¹⁵ Central Bank of Ireland (2016) *Central Bank Insurance Statistics 2015*.

¹⁶ In addition there were 42 branches of undertakings with their head offices located in other Member States (11 life and 31 non-life insurance undertakings).

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

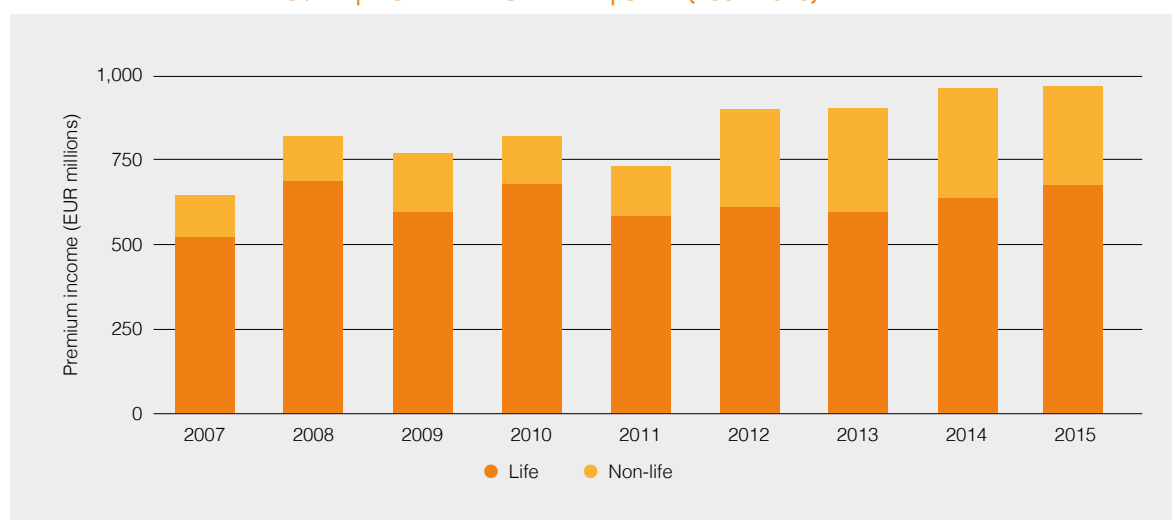
Total

The total Irish insurance market was worth EUR 49.7 billion in premiums in 2015, of which 86% was written in the life sector (EUR 42.7 billion). 2015 was the first year since the onset of the global financial crisis 2007-2008 that annual premium volumes exceeded pre-crisis levels (2007: EUR 46.0 billion), representing an overall increase since 2007 of 8.0%.

Mutual/cooperative insurers wrote aggregate premiums just less than EUR 1 billion in 2015 (EUR 967 million), representing an increase of more than 50% compared to 2007 premium levels of EUR 644 million (see Figure 2). This has resulted in a CAGR since 2007 of 5.2%, significantly ahead of the market average (1.0%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life premium volumes in the total Irish market amounted to EUR 42.7 billion in 2015. Between 2007 and 2011, life premiums had been under pressure due to the weak Irish economy, although they performed far better from 2012 onwards. Overall, premium levels experienced growth since 2007 (EUR 38.6 billion), increasing by a total of 10.7%.

Between 2007 and 2015, the mutual/cooperative life sector outperformed the total market, growing by 29.2%. Life premiums reached EUR 673 million in 2015, compared to EUR 521 million in 2007. Average annual growth of the mutual/cooperative life market (CAGR of 3.3%) was more than two percentage points faster than the total Irish market (1.3%).

Non-life

Total Irish non-life premiums, worth EUR 7.0 billion in 2015, continue to be impacted by weak market conditions. This led to an overall decline (-6.2%) in business volumes compared to 2007 (EUR 7.5 billion). However, as only 14% of total Irish business was written in non-life insurance (in 2015), this had a limited contribution to overall premium development in the Irish market.

The mutual/cooperative sector has performed far stronger relative to the total non-life market since 2007. Non-life premiums more than doubled between 2007 (EUR 123 million) and 2015 (EUR 294 million), albeit from a lower base. The resulting CAGR of the mutual/cooperative sector since 2007 was 11.5%, considerably higher than the market average CAGR of -0.8%.

Market share of mutual/cooperative insurance sector

The mutual/cooperative insurance sector had a 1.9% share of the total Irish market in 2015 (see Figure 3). In life insurance, mutual/cooperative insurers accounted for 1.6% of the market, while in non-life insurance this increased to a market share of 4.2%.

The total market share of mutual/cooperative insurers in the legal form was 0.2% in 2015. In non-life business, market share (in the legal form) was 1.6%. Including subsidiaries of mutual/cooperative insurers in the legal form, total market share rose to 0.7% (and 3.5% in the non-life market).

The overall market share of the mutual/cooperative insurance sector experienced modest growth from a 1.4% share in 2007 (see Figure 4), though the 2015 market share was lower than that of every other year from 2008. The market share of mutual/cooperative insurers in the legal form (and subsidiaries) saw little change. The main driver for the small increase in market share was mutual/cooperative-type insurers, whose market share grew from 0.7% in 2007 to 1.2% in 2015.

In life insurance, the mutual/cooperative sector's market share saw little change, increasing slightly from 1.4% in 2007. Non-life market share saw a greater gain over this period, growing from a 1.6% share in 2007. Subsidiaries of mutual/cooperative insurers in the legal form contributed the most to this growth, as their non-life market share increased from 0.1% to 1.9%.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

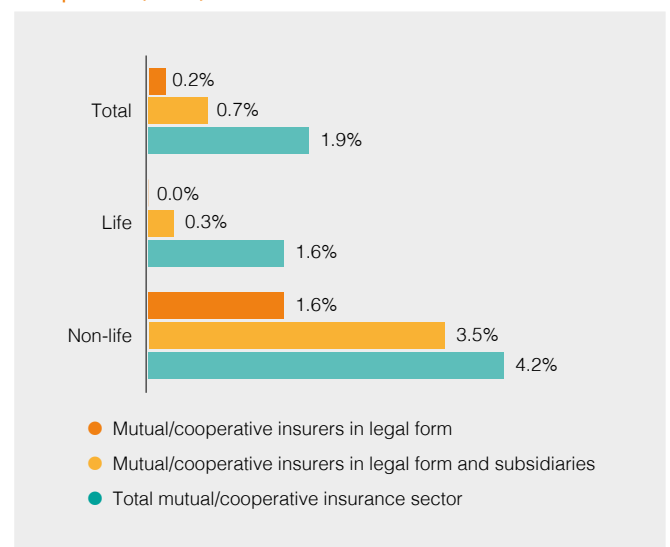
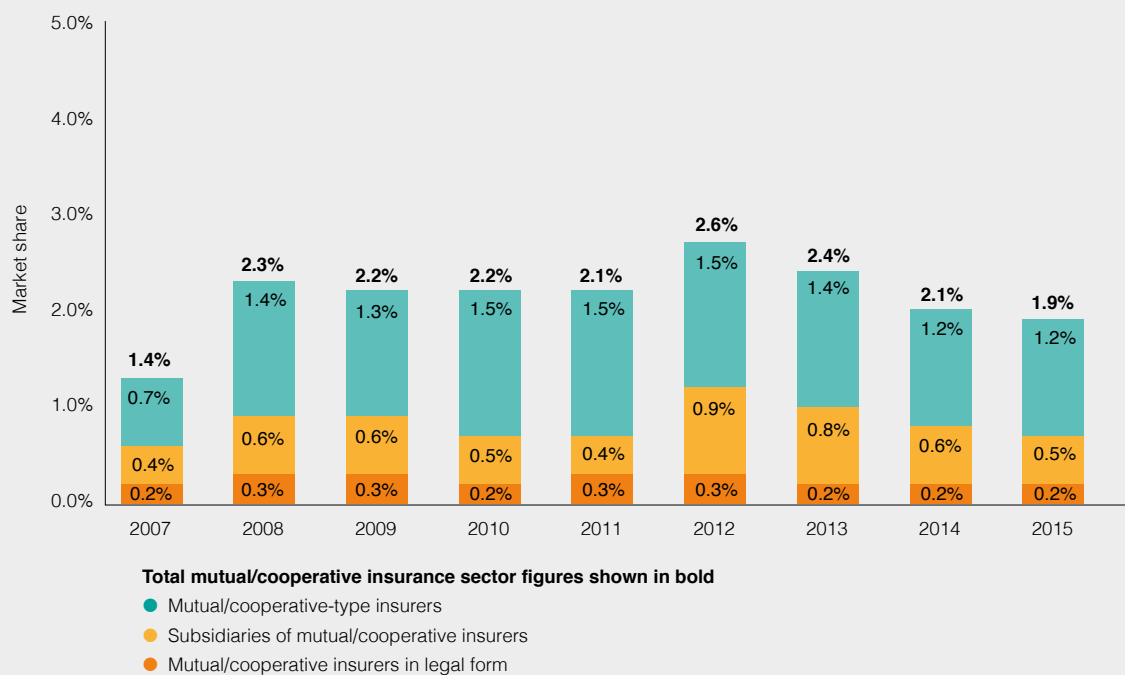


Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

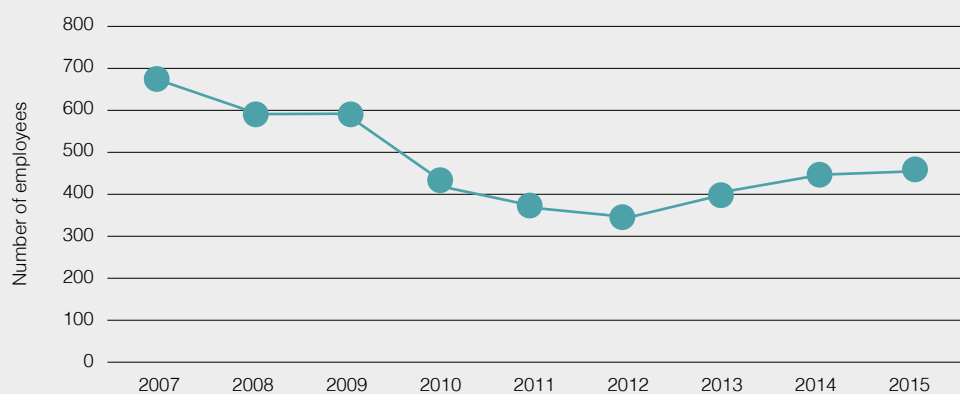


Number of employees

There were 455 employees of mutual/cooperative insurers in 2015 (see Figure 5). This represented a fall in employment numbers of almost a third since 2007, when 675 people were employed. However, employment levels rose at a modest rate from 2012.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)

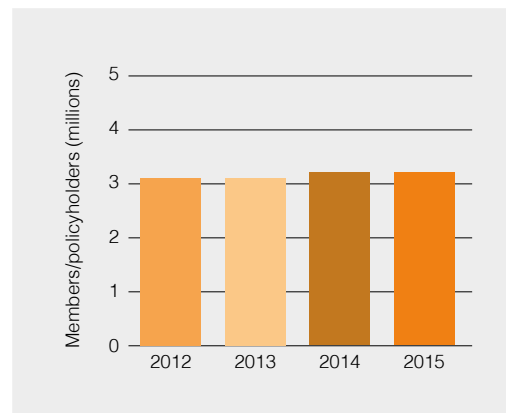


Number of members/policyholders

In 2015, Irish mutual/cooperative insurers served 3.2 million members/policyholders (see Figure 6).

There has been a small growth in the number of members/policyholders of mutual/cooperative insurers, increasing from 3.1 million in 2012 (equivalent to a 2.5% growth).

Figure 6
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

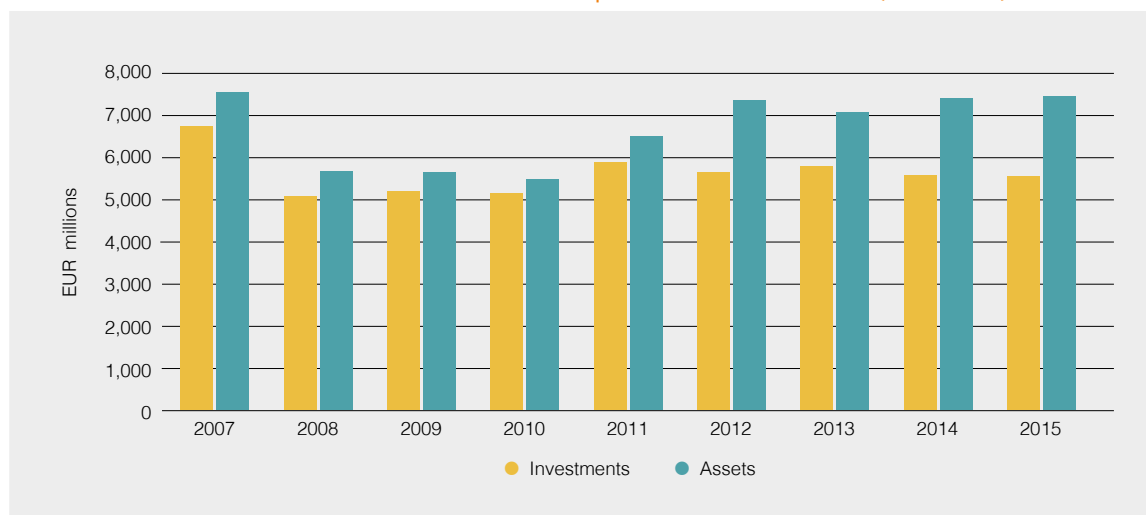


Assets and investments

Assets and investment values of the mutual/cooperative sector were impacted by the global financial crisis, particularly in 2008 when values fell by a quarter from 2007 levels (see Figure 7). In 2015, total assets of the mutual/cooperative sector amounted to EUR 7.4 billion, an overall decrease of 1.4% compared to 2007 (EUR 7.5 billion).

Investments of the Irish mutual/cooperative saw an even more severe drop over the eight-year period, falling by 17.6% to EUR 5.5 billion in 2015 (from EUR 6.7 billion). In the latter years of the crisis, the value of investments did not recover to the same degree as asset values, and declined year-on-year from 2011.

Figure 7
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Institute for the Supervision of Insurance – IVASS (*Istituto per la vigilanza sulle assicurazioni*) is a public body responsible for the protection of insured persons, with a view to the sound and prudent management of insurance and reinsurance undertakings.¹ Undertakings that wish to pursue insurance activities in Italy need to obtain an authorisation from IVASS.²

The legal instrument governing the insurance market in Italy is the Code of Private Insurance; Legislative Decree n.209 of 7 September 2005 – Insurance Code (*Codice delle Assicurazioni Private*). On 15 June 2015, the Legislative Decree No.74 of 12 May 2015 was published in the Official Gazette, making necessary amendments to the Insurance Code, in order to implement the new requirements introduced by Solvency II. In accordance with Article 4 of Solvency II and the thresholds contained therein, in relation to small-sized insurance undertakings, the Insurance Code sets out special provisions with regard to the so-called local insurance undertakings.³ The Insurance Code stipulates that the IVASS must, by its own regulation, lay down the conditions for the taking-up and pursuit of business and the other provisions of the code, applicable to local undertakings.⁴

Public administrations, social security institutions administered by law by the Ministry of Economy and Finance, institutions, bodies and funds – however named – which manage provident and mutual-benefit schemes included in a statutory social security system for the benefit of workers or of specific professional categories, are excluded from the scope of the Insurance Code.⁵ Additionally, mutual assistance societies set up under law n. 3818 of 15 April 1886 which directly pay capitals or annuities of any amount to their members, fall outside the scope of the Insurance Code (subject to conditions).⁶ Finally, certain types of farmers' mutual associations are not covered by the Insurance Code.⁷

Insurance undertakings cannot pursue both life and non-life activities simultaneously.⁸ However, the concurrent pursuit of both life insurance and the sole accident and sickness insurance classes is allowed, as long as these activities are managed separately.⁹

Insurance undertakings can have the legal form of:

- a company limited by shares (*società per azioni*)
- a cooperative company (*società cooperativa*)
- a mutual undertaking (*società di mutua assicurazione*)
- a European Company (*società europea*)
- a European Cooperative Society (*società cooperativa europea*)

¹ IVASS' [website](#).

² Article 13(1) of the Code of Private Insurance – Insurance Code.

³ Article 51 of the Insurance Code.

⁴ In this regard, IVASS Regulation n. 29 of 6 September 2016 was published.

⁵ Article 345(1)(a) of the Insurance Code.

⁶ Article 345(1)(f) of the Insurance Code.

⁷ Article 345(1)(g) of the Insurance Code.

⁸ Article 11(2) of the Insurance Code.

⁹ Article 11(3) of the Insurance Code.

Mutual/cooperative insurers are permitted in all classes, both in life and non-life insurance. Specific provisions governing cooperative companies and mutual insurance companies are contained in the Civil Code, more specifically in Articles 2511-2545 and 2546-2548 respectively.

Life mutual insurers whose annual premiums are not higher than EUR 500,000, and non-life mutual insurers whose annual premiums are not higher than EUR 1 million, at least half of which emanates from members, can pursue activities only in the territory of the Italian Republic.¹⁰ These mutual undertakings are termed as 'particular' in the Insurance Code and they are not subject to the rules on the taking up of insurance business under Chapter II of Title II, which foresees the general obligation to request an authorisation from the IVASS. However, Article 55 of the Insurance Code establishes that the IVASS (or a relevant regional body) must authorise these mutual insurance undertakings, based on a specific procedure set out by the IVASS.

Particular mutual life insurance undertakings can only carry out life, marriage and birth insurance.¹¹ Particular mutual non-life insurance undertakings can carry out all non-life insurance classes except motor vehicle liability, aircraft liability, ship liability, general liability, credit, suretyship, legal expenses and assistance.¹²

Number of licensed insurance undertakings

In 2015, there were 114 domestic undertakings authorised by IVASS to pursue (re)insurance business in Italy.¹³ There were also three branches of foreign undertakings with a head office in a non-EU country that were authorised to write (re)insurance in the Italian market.¹⁴

Of these undertakings, 44 were life insurance undertakings, 58 were non-life insurers and 12 were composite insurers. The three branches of non-EU foreign insurers were engaged in non-life business.

Since 2007, the number of licensed insurers in the Italian market has declined by 43% (2007: 163).

Number of mutual/cooperative insurers

There were 44 mutual/cooperative insurance companies present in Italy in 2015. The majority of these (24) were non-life insurers, 13 were life insurers and seven were composite insurance companies. There were five mutual or cooperative insurers in the legal form active in 2015: three non-life undertakings and two composite insurers. There was no change in the overall number of mutual/cooperative insurance companies since 2007 (44), although premium income has more than doubled (see Figure 1).

The largest mutual/cooperative insurer active in the Italian market was the Unipol Group, a mutual/cooperative-type insurer by virtue of being controlled by companies in the cooperative movement belonging to Legacoop (the biggest Italian cooperative federation). In 2012, Unipol acquired Premafin and subsequently completed a merger with Fondiaria-Sai in January 2014, resulting in a surge in premiums written by the Italian mutual/cooperative insurance sector as a whole in this period. In 2015, the Unipol Group was the fourth largest insurer in the total Italian market and the largest non-life insurer.¹⁵

¹⁰ Article 52(1) of the Insurance Code.

¹¹ Article 53(1) of the Insurance Code.

¹² Article 53(2) of the Insurance Code.

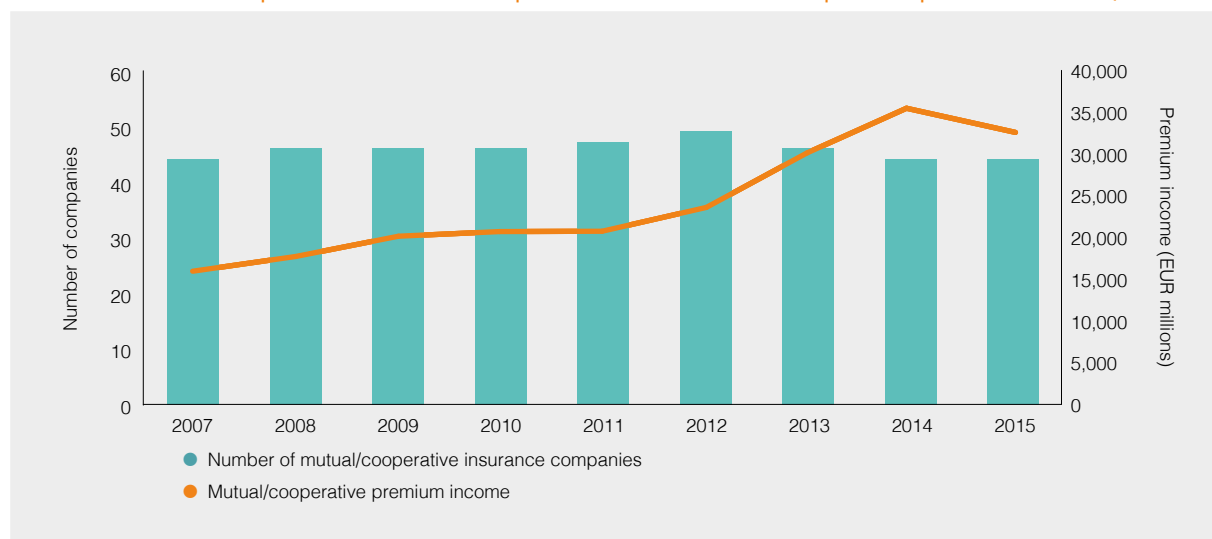
¹³ IVASS (2016) *Relazione sull'attività svolta dall'Istituto nell'anno 2015*.

¹⁴ There were also 96 branches of undertakings with their head office in another EU member state operating in the Italian market (supervised by the supervisory authorities of their respective countries of origin) under the right of establishment and 1,007 undertakings with head office in an EU member state or in another country of the EEA that were licensed to pursue business in Italy under the freedom to provide services.

¹⁵ Associazione Nazionale fra le Imprese Assicuratrici – ANIA (2016) *Premi del lavoro diretto italiano 2015*.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

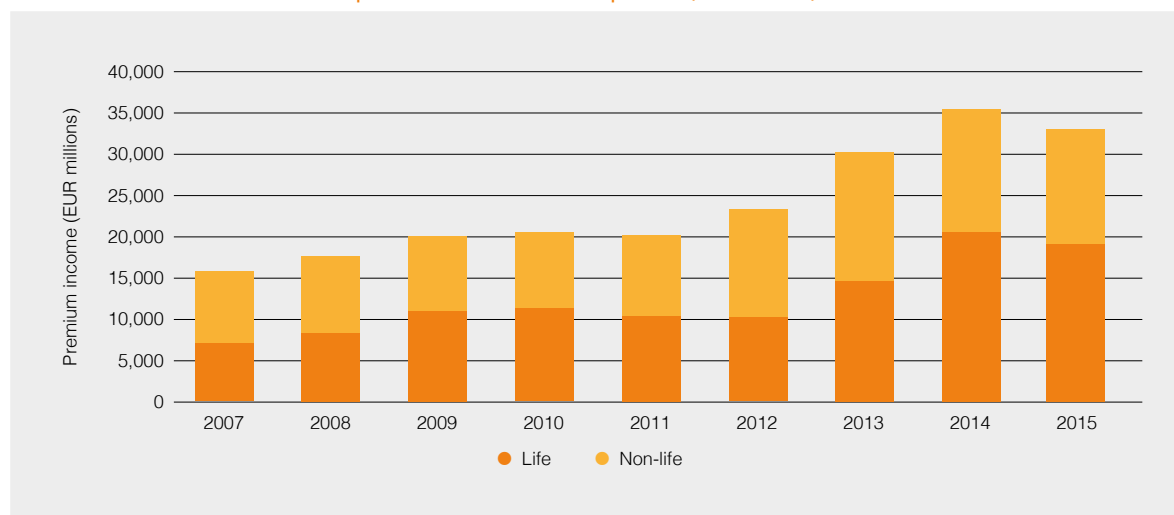
Italy was the fourth largest insurance market in Europe in 2015. Since 2007, it has been one of the fastest-growing insurance markets in Western Europe, although annual premium growth has been volatile during this period.

The total Italian insurance market amounted to premium income of EUR 148.7 billion in 2015, of which EUR 112.5 billion was written in the life market and EUR 36.2 billion in the non-life market. Total premiums have increased significantly by 43.1% since 2007 (EUR 103.9 billion), although annual premium growth has fluctuated during this period with three years of both negative and double-digit premium development over the previous eight years.

The mutual/cooperative sector reported premium volumes of EUR 32.9 billion in 2015 (see Figure 2), representing growth of 109% from 2007 (2007: EUR 15.8 billion). The 9.6% CAGR of the mutual/cooperative sector was five percentage points greater than the market average (4.6%). The Unipol/Premafin/Fondiaria acquisition and merger was the greatest contributor to this aggregate growth, with the largest spike in premium growth occurring in 2013 and 2014.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The overall growth of the total Italian insurance market was driven by the life sector. Since 2007, life premiums grew by 74.7% from EUR 64.4 billion in 2007. As a result, 76% of total Italian business was written in the life insurance sector in 2015 compared to 62% in 2007. Mutual/cooperative life insurers experienced an even greater growth during this eight-year period, as premium income reached EUR 19.1 billion in 2015 (from EUR 7.0 billion in 2007), an escalation of 172%. As a result, the CAGR of the mutual/cooperative life sector (13.3%) was almost twice as strong as the market average (7.2%).

Non-life

In contrast to the life segment, the total non-life market in Italy contracted between 2007 and 2015. Business volumes fell by 8.3% from EUR 39.5 billion in 2007. By contrast, non-life premium growth in the mutual/cooperative sector was strong, though weaker than the growth in the life market. Premium volumes expanded by a total of 58.1% between 2007 (EUR 8.8 billion) and 2015 (EUR 13.9 billion), and resulted in a CAGR of 5.9% compared to -1.1% for the total market.

Market share of mutual/cooperative insurance sector

Italian mutual/cooperative insurers collectively held a market share of 22.1% in 2015 (see Figure 3).

More than half of the 22.1% share held by the mutual/cooperative sector came from mutual/cooperative-type insurers (12.4%). Mutual/cooperative insurers in the legal form held a relatively lower market share of 3.5% in 2015. The market shares of legal form, subsidiaries and mutual/cooperative-type insurers were all higher in the non-life sector compared to the life sector. Notably, the combined market share of mutual/cooperative insurers in the legal form plus their subsidiaries was 7.6% in life business compared to 16.2% in non-life business and mutual/cooperative-type insurers was 9.3% compared to 22.1%.

Mutual/cooperative insurers' total market share in 2015 had risen from 15.2% in 2007 to 22.1% in 2015 (see Figure 4). The majority of this growth had come in the previous five years as market share increased from 15.6% in 2010. Much of this growth, especially in the market share of mutual/cooperative-type insurers (which increased from 7.3% in 2010 to 12.4% in 2015), can be attributed to the Unipol/Fonditalia merger.

In the life insurance sector, mutual/cooperative insurers recorded a total gain of six percentage points in market share since 2007, growing from 10.9% to 16.9% in 2015. In non-life business, the market share gain was even greater, as mutual/cooperative share rose significantly from 22.2% to 38.3% over the eight-year period.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

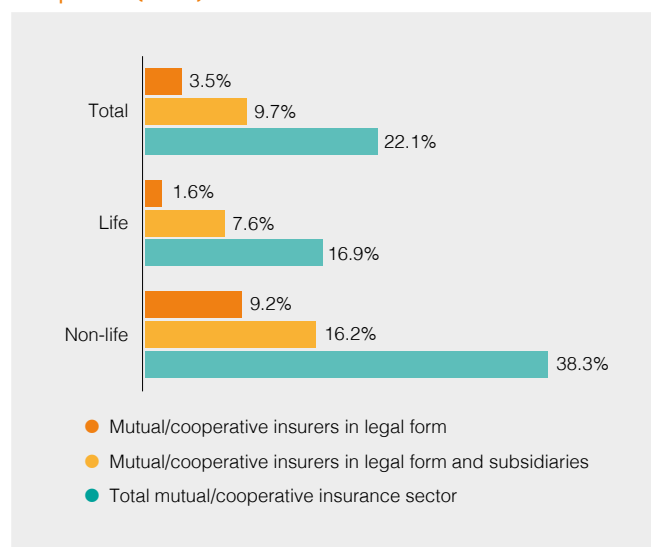
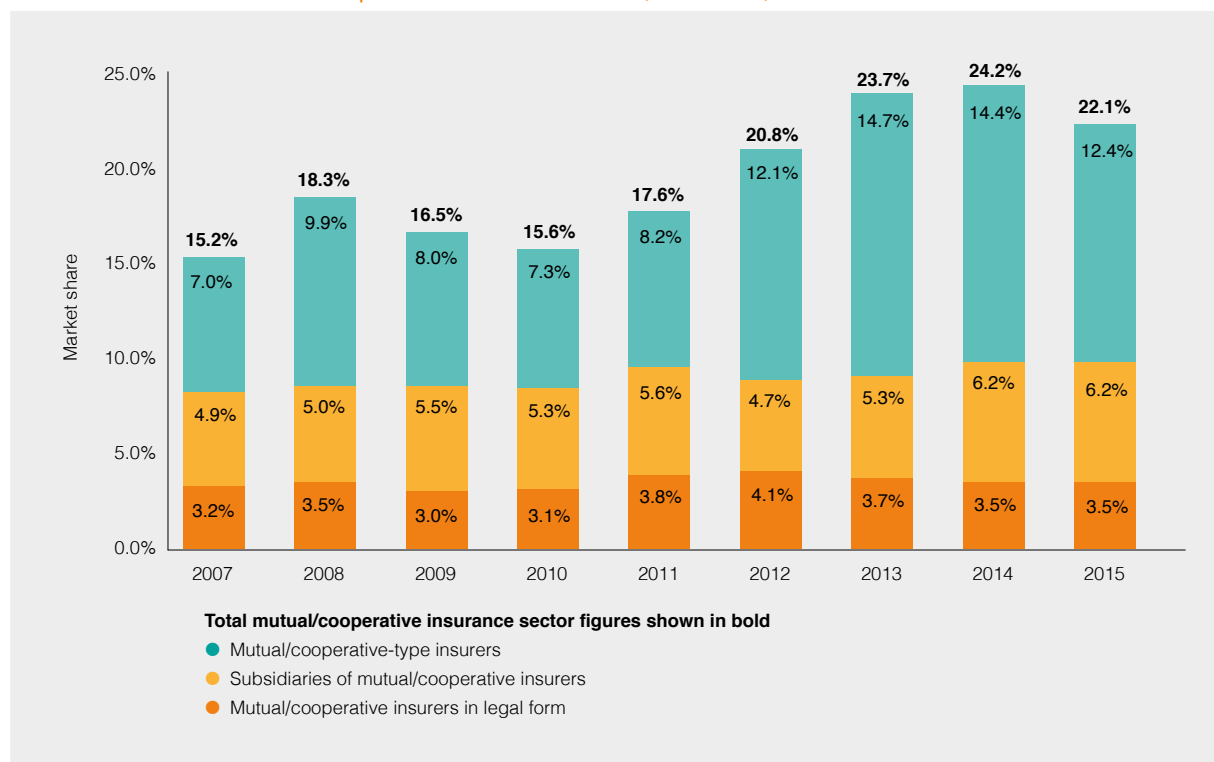


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

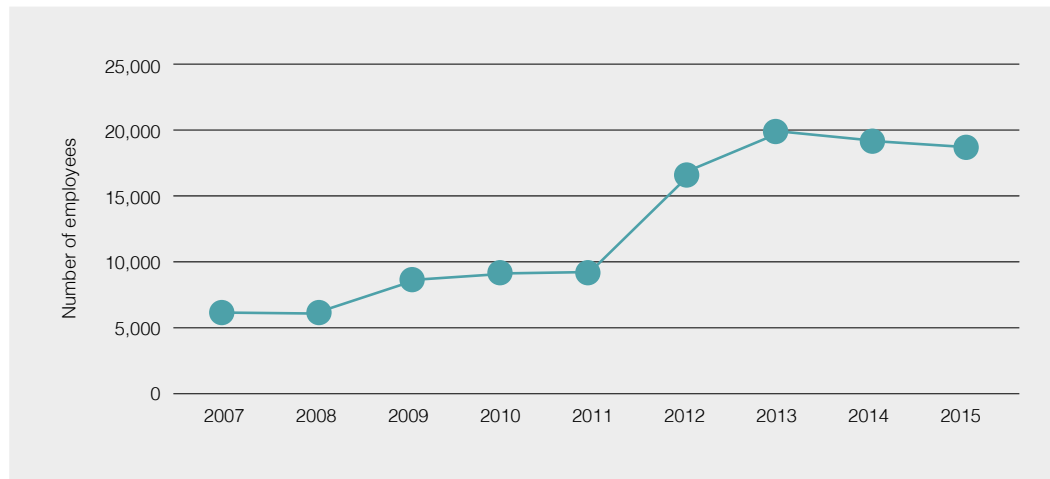


Number of employees

The total number of employees of mutual/cooperative insurers in Italy in 2015 (18,699) was more than three times greater than 2007 employment levels (2007: 6,158). The acquisition of new business by the Unipol Group was the main driver for this growth, as the number of people employed increased by over 10,700 in the two-year period between 2011 and 2013 (see Figure 5).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



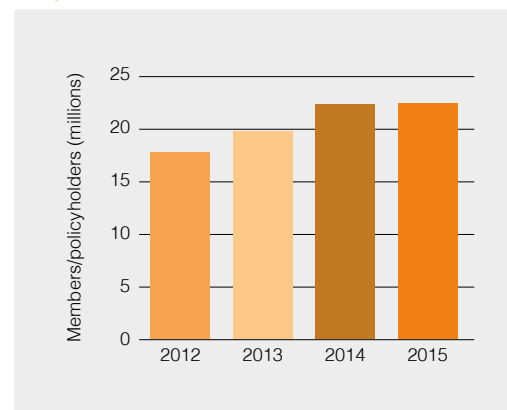
Number of members/policyholders

A total of 22.4 million members/policyholders were served by mutual/cooperative insurers in Italy in 2015 (see Figure 6). Members/policyholders numbers have grown by more than 26% since 2012 (17.7 million), largely due to double-digit annual growth in 2013 and 2014.

The increase in the aggregate number of members/policyholders between 2014 and 2015 (0.6%) was slower than the CAGR over the previous three-year period (8.1%), although was relatively robust considering the 7% decrease in mutual/cooperative business volumes recorded from 2014.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

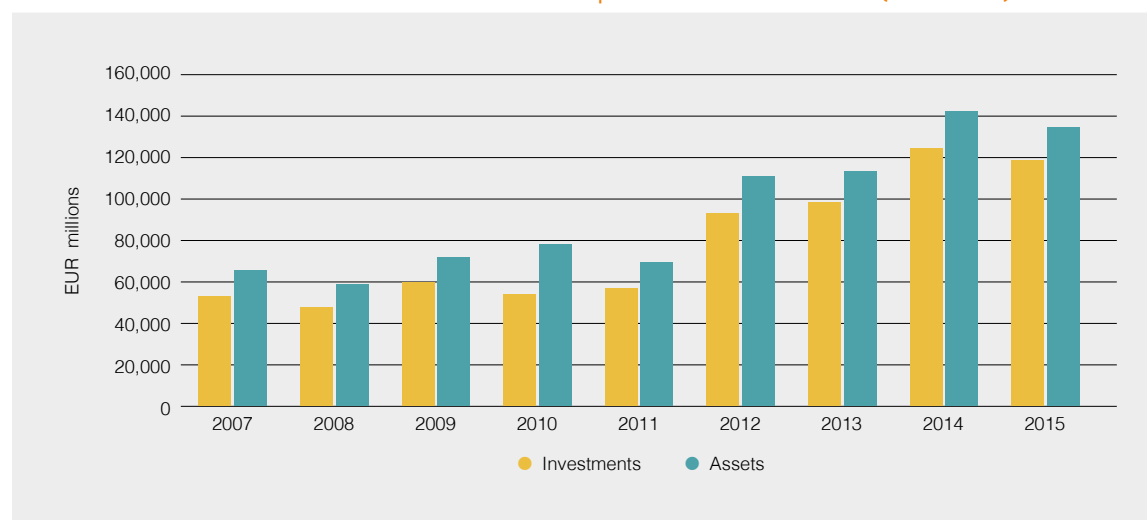


Assets and investments

The total assets held by Italian mutual/cooperative insurers were worth a combined EUR 134.3 billion in 2015 (see Figure 7). The total amount of invested assets held by the mutual/cooperative sector was valued at EUR 118.6 billion. Assets and investment values in 2015 were more than double compared to 2007 values (EUR 65.3 billion and EUR 53.0 billion respectively) despite a small decrease reported from peak levels in 2014. Growth of investments has been slightly stronger than asset growth since 2007, with a CAGR of 10.6% compared to 9.4%.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Financial and Capital Market Commission – FKTK (*Finanšu un kapitāla tirgus komisija*) is an autonomous public institution which carries out the supervision and regulation of Latvian insurance companies, as well as banks, credit unions, pension funds and payment institutions.¹ Insurance undertakings in Latvia are required to obtain a licence from the FKTK in order to provide insurance services.²

The Latvian insurance market is governed by the Insurance and Reinsurance Law of 2015 – Insurance Law (*Apdrošināšanas un pārapdrošināšanas likums*) which transposes the Solvency II Directive into domestic law.³

The Insurance Law excludes from its scope the following operations:⁴

- national social insurance.
- the transactions of self-assistance funds, the amount of the disbursed indemnity of which is dependent on the available funds, and the contribution of the members of which is determined based on a single rate.
- operations carried out by organisations other than legal persons in order to provide mutual insurance to the members thereof without making premium payment or establishing technical provisions.
- certain mutual insurance cooperative companies, which are small in size (gross revenue not in excess of EUR 5 million, gross technical provisions not in excess of EUR 25 million), pursue insurance only in some non-life classes, and are completely reinsured by another mutual insurance cooperative company.

Insurers in Latvia cannot pursue life and non-life insurance concurrently, except for the cases where life insurers want to also pursue accident and health insurance.⁵ Nevertheless, an insurance company must ensure that life insurance is separated from non-life insurance.⁶

An insurance undertaking in Latvia can have one of the following legal forms:⁷

- a joint stock company (*akciju sabiedrība*)
- a European Company (*Eiropas komercsabiedrība*)
- a mutual insurance cooperative society (*savstarpējās apdrošināšanas kooperatīvā sabiedrība*)

Mutual insurance cooperative societies are permitted to underwrite either life or non-life insurance. Cooperative companies in Latvia are governed by the Law of 5 February 1998 on Cooperative Companies (*Kooperatīvo sabiedrību likums*).

¹ FKTK's [website](#).

² Section 4(1) of the Insurance and Reinsurance Law of 2015 – Insurance Law.

³ Informative Reference to EU Directives, Insurance Law.

⁴ Section 3 of the Insurance Law.

⁵ Section 16 of the Insurance Law.

⁶ Section 17 of the Insurance Law.

⁷ Section 5 of the Insurance Law.

Number of licensed insurance undertakings

At the end of 2015, there were eight insurance companies operating in Latvia,⁸ of which two were life insurers and six were non-life insurers. In addition, there were 14 branches of foreign insurance companies (four life insurers and 10 non-life insurers) present in the Latvian market.

In comparison, at year-end 2007, there were 15 insurance companies operating in Latvia: four life insurers and 11 non-life insurers (plus seven insurance companies operating as subsidiaries of foreign insurers).⁹

Number of mutual/cooperative insurers

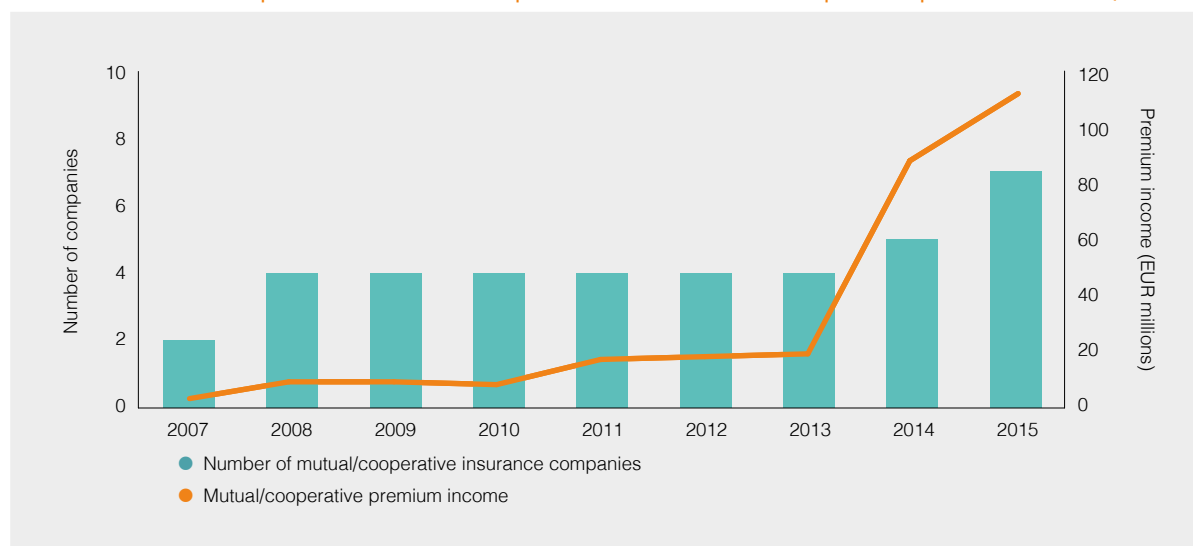
In total, there were seven mutual/cooperative insurance companies present in the Latvian market in 2015. Of these, two were non-life insurance companies (both wholly-owned subsidiaries of foreign mutual/cooperative-type insurers) and five were branches of foreign mutual/cooperative insurance companies (one engaged in life insurance and four in non-life activities).

Up until 2012, there was one mutual/cooperative insurer in the legal form operating in Latvia: Lauto Klubs (Mutual Insurance Cooperative Union – MICU), a non-life mutual insurance cooperative society.¹⁰

Overall, there were an additional five mutual/cooperative insurance companies operating in 2015 compared to 2007 (see Figure 1), when there were only two mutual/cooperative insurers present (one non-life mutual/cooperative insurer in the legal form and one non-life branch of a foreign mutual/cooperative-type insurer).

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



⁸ FKTK (2016) *Annual Report and Activity Report of the Financial and Capital Market Commission for 2015*.

⁹ FKTK (2008) *Annual Report of the Financial and Capital Market Commission for 2007*.

¹⁰ In 2012, the Financial and Capital Market Commission revoked the insurance licence issued to Lauto Klubs.

Size and growth of the mutual/cooperative insurance sector

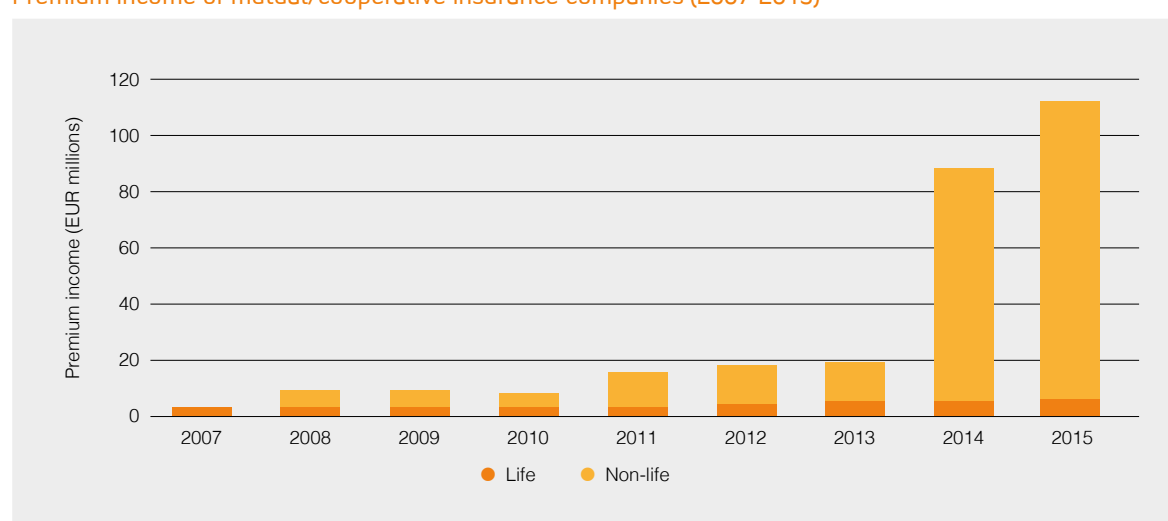
Total

The Latvian insurance market amounted to EUR 379 million in premiums in 2015, of which the majority (88%) was written in the non-life sector (EUR 333 million). Since 2007, the total market has contracted by 13.1%,¹¹ dropping from an aggregate premium income of EUR 436 million in 2007.

The mutual/cooperative insurance sector in Latvia have seen considerable development since 2007, increasing total premiums levels from EUR 3 million to EUR 112 million in 2015 (see Figure 2). Rapid premium growth was particularly notable in the two years from 2013, following the new inclusion of business from two further mutual/cooperative-type insurers in the Latvian mutual/cooperative market figures.¹²

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life insurance premiums in Latvia reached EUR 46 million in 2015. This represented a 76.5% growth from EUR 26 million of life business reported in 2007.

There was only one company (a mutual/cooperative-type insurer) that contributed to the life insurance figures for the mutual/cooperative sector. In 2015, premiums for this entity amounted to EUR 6 million (2007: EUR 3 million).

Non-life

In the non-life sector, total premiums of the Latvian market declined in the period since 2007 (EUR 410 million), falling by 18.7% to EUR 333 million in 2015.

Over 94% of total Latvian mutual/cooperative business was written in the non-life insurance sector in 2015. Premium volumes exceeded EUR 100 million for the first time in 2015 (EUR 106 million) and showed massive growth since 2007, when just EUR 0.2 million of premiums were written.

¹¹ As Latvia adopted the euro on 1 January 2014, all growth figures are in euro terms.

¹² In 2014, the business of non-life insurer branch Seesam Insurance AS Latvijas filiāle was included in the total mutual/cooperative insurance figures following the "mutualisation" of its ultimate parent company, OP-Pohjola (see chapter on Finland); and in 2015, Vienna Insurance Group (Austria) completed the acquisition of Latvian non-life insurer Baltikums (subsequently renamed, Baltikums Vienna Insurance Group).

Market share of mutual/cooperative insurance sector

The market share of the mutual/cooperative insurance sector in Latvia reached 29.5% in 2015 (see Figure 3). The mutual/cooperative sector held a 12.5% share of the Latvian life market and a 31.8% share of the non-life market.

Market share figures in 2015 (for both life and non-life business) were made up solely of mutual/cooperative-type insurers (see Figure 4). In 2011, the last year that Lauto Klubs was active, the market share of mutual/cooperative insurer in the legal form was just 0.1%.

The overall market share of the mutual/cooperative sector grew significantly from a negligible market share in 2007 (0.8%). In the life sector, market share remained similar compared to 2007 (12.1%), however there was sizeable growth in the non-life sector since 2007 when less than 0.1% of the market was held by mutual/cooperative insurers.

Figure 3

Market share of mutual/cooperative insurance companies (2015)

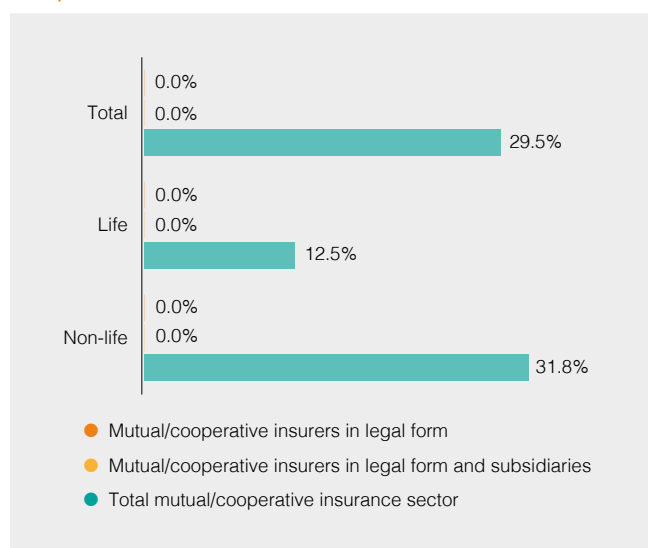
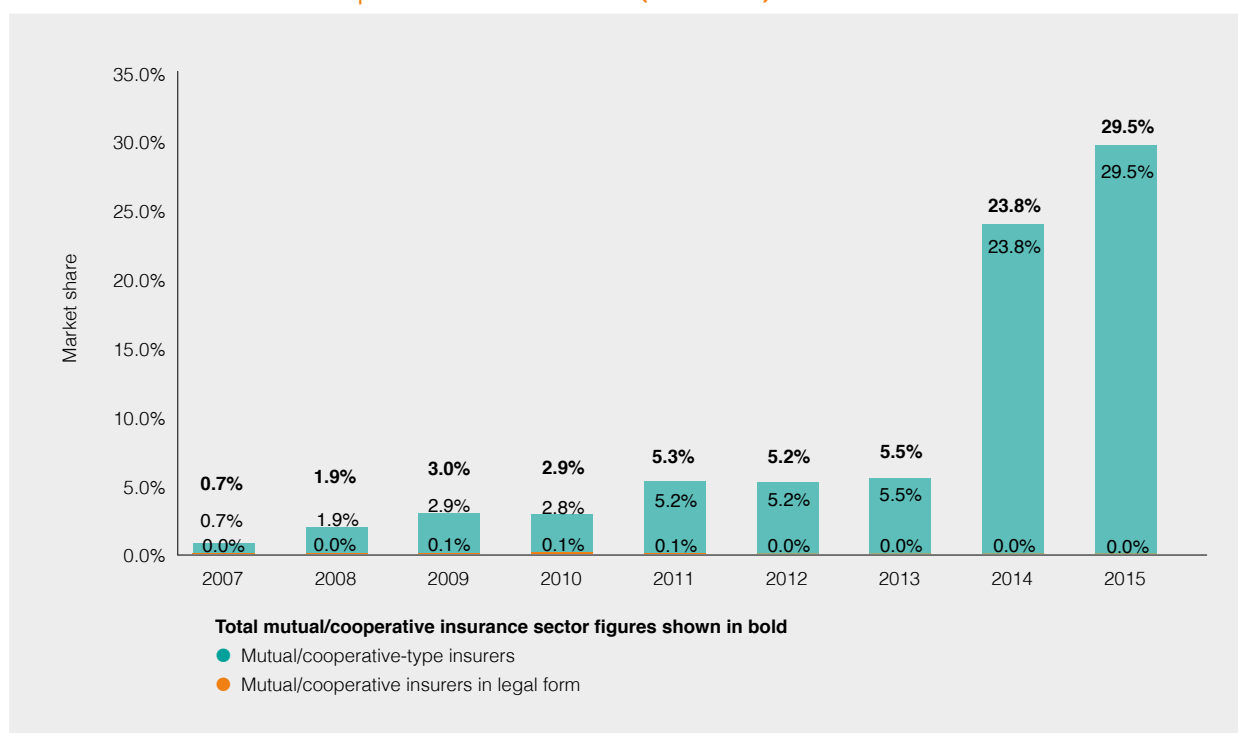


Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)



Number of employees

Data on the number of employees of the Latvian mutual/cooperative sector were only available for the two most recent years and from just two companies. In 2015, there were 376 employees (2014: 116).

Number of members/policyholders

No data were available on the number of members/policyholders of mutual/cooperative insurers in Latvia.

Assets and investments

Data on the total amount of assets and investments of mutual/cooperative insurers in Latvia were also only available for 2014 and 2015. In 2015, mutual/cooperative insurers held EUR 114 million in assets (2014: EUR 71 million) and EUR 90 million (EUR 69 million) in investments.



Liechtenstein

Mutual/cooperative insurance companies

Landscape

The Financial Market Authority Liechtenstein – FMA (*Finanzmarktaufsicht Liechtenstein*)¹ is an integrated independent public institution responsible for the supervision and regulation of the insurance sector and the financial market in general, in Liechtenstein. Insurance undertakings subject to supervision must require a licence by the FMA for the taking-up of business activity.²

The Law of 12 June 2015 on the Supervision of Insurance Undertakings – Insurance Supervision Act (*Versicherungsaufsichtsgesetz – VersAG*) and the Ordinance of 25 August 2015 on the Supervision of Insurance Undertakings – Insurance Supervision Ordinance (*Versicherungsaufsichtsverordnung – VersAV*) set out the legal preconditions of insurance supervision for assuming business activities in Liechtenstein. Both acts transpose the provisions of Solvency II into domestic law.³

Following Article 4 of Solvency II, the Insurance Supervision Act introduces special provisions in relation to small insurance companies (premium income does not exceed EUR 5 million, total of technical provisions does not exceed EUR 25 million, etc).⁴ However, unlike Solvency II, the Insurance Supervision Act does not exempt small insurance undertakings from supervision, but rather it gives the FMA the possibility to simplify rules for such small companies with regard to governance and risk management, as well as the extent and complexity of the company's operations.⁵

The Insurance Supervision Act does not apply to:

- any of the statutory social security systems.⁶
- provident and mutual benefit institutions whose benefits vary according to the resources available, and in which the contributions of the members are determined on a flat rate basis.⁷
- activities performed by non-legal entities with the aim of providing mutual coverage to their members without paying premiums or creating technical reserves (for non-life).⁸
- mutual insurance undertakings which pursue non-life insurance activities and which are completely reinsured by another mutual undertaking.⁹

¹ FMA's website.

² Article 12(1) of the Insurance Supervision Act 2015.

³ Article 1(3)(a) of the Insurance Supervision Act 2015 and Article 1(2)(a) of the Insurance Supervision Ordinance 2015.

⁴ Article 3 of the Insurance Supervision Act 2015.

⁵ Article 4(1) of the Insurance Supervision Act 2015.

⁶ Article 5 of the Insurance Supervision Act 2015.

⁷ Article 6(b) of the Insurance Supervision Act 2015.

⁸ Article 6(c) of the Insurance Supervision Act 2015.

⁹ Article 6(2) of the Insurance Supervision Act 2015.

Insurance undertakings cannot operate in life and non-life insurance simultaneously,¹⁰ with the exception of life insurance undertakings that want to underwrite accident and sickness insurance, and *vice versa*.¹¹

Insurance undertakings in Liechtenstein can have the legal form of:¹²

- a company limited by shares (*Aktiengesellschaft*)
- a European Company (*Europäischen Gesellschaft*)
- a cooperative society (*Genossenschaft*)
- a European Cooperative Society (*Europäischen Genossenschaft*)
- a special purpose entity (SPE) in the form of a trust company (*Zweckgesellschaft*)

Liechtenstein's Persons and Companies Act (*Personen- und Gesellschaftsrecht*) contained provisions for mutual insurance companies (*Versicherungsverein auf Gegenseitigkeit*), which were defined as legal entities whose purpose was primarily to meet the needs of their members, and possibly other persons according to the principles of mutuality.¹³ However, these provisions have been abolished and there is no reference to mutual insurers in the Insurance Supervision Act of 2015, thus the possibility of establishing a mutual insurance undertaking is not legally foreseen.¹⁴

Cooperative societies are defined as associations of persons or companies whose principal purpose is to promote or safeguard the economic interest of their members.¹⁵ They are governed by Part 6 of the Persons and Companies Act and they can be active in both life and non-life insurance.

Number of licensed insurance undertakings

At the end of 2015, there were 38 direct insurance companies operating in Liechtenstein.¹⁶ Of these, 21 were life insurance companies and 17 were non-life insurance companies. In comparison, there were 32 direct insurers active in 2007: 19 engaged in life insurance business and 13 in non-life business.¹⁷

Number of mutual/cooperative insurers

In 2015, there were three mutual/cooperative insurers in the Liechtenstein market (see Figure 1). One of these was a subsidiary of a German mutual insurer¹⁸ and two were subsidiaries of foreign-owned mutual/cooperative-type insurers.¹⁹

There were no cooperative insurance companies in the legal form operating in the Liechtenstein market.

¹⁰ Article 25(1) of the Insurance Supervision Act 2015.

¹¹ Article 25(2) of the Insurance Supervision Act 2015.

¹² Article 14 of the Insurance Supervision Act 2015.

¹³ Article 496 of the Persons and Companies Act.

¹⁴ European Commission (2012) *Study on the current situation and prospects of mutuals in Europe*.

¹⁵ Article 428 of the Persons and Companies Act.

¹⁶ FMA (2016) *Liechtenstein Financial Market: Facts and figures on the financial intermediaries supervised by the FMA*.

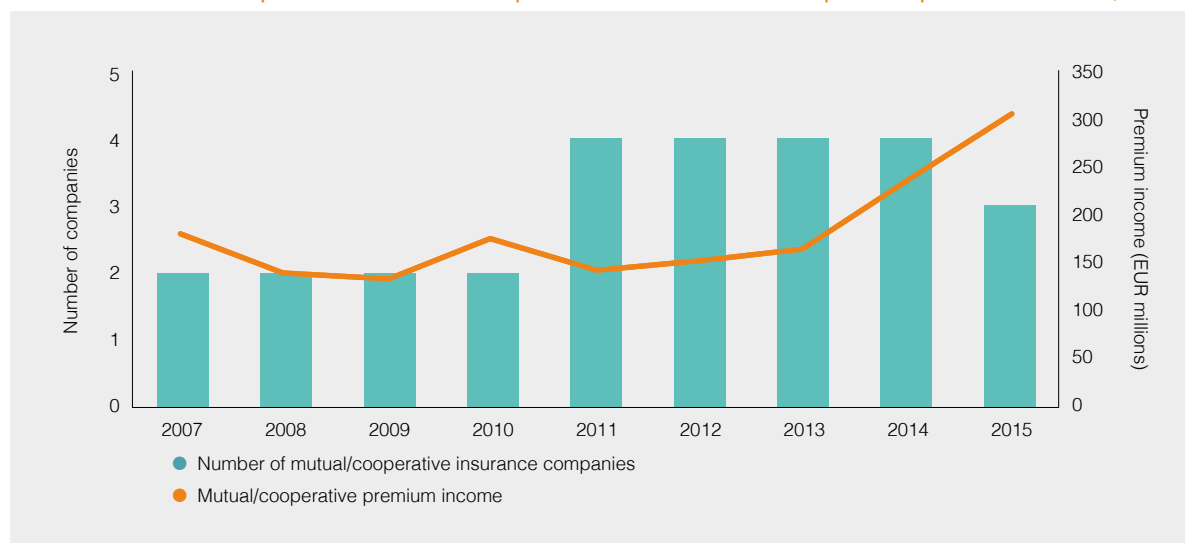
¹⁷ FMA (2012) *Liechtenstein Financial Market: Facts and figures on the financial intermediaries supervised by the FMA*.

¹⁸ LV 1871 Private Assurance AG is a subsidiary of German mutual insurer Lebensversicherung von 1871.

¹⁹ UNIQA and Vienna Insurance Group (VIG) in Austria.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

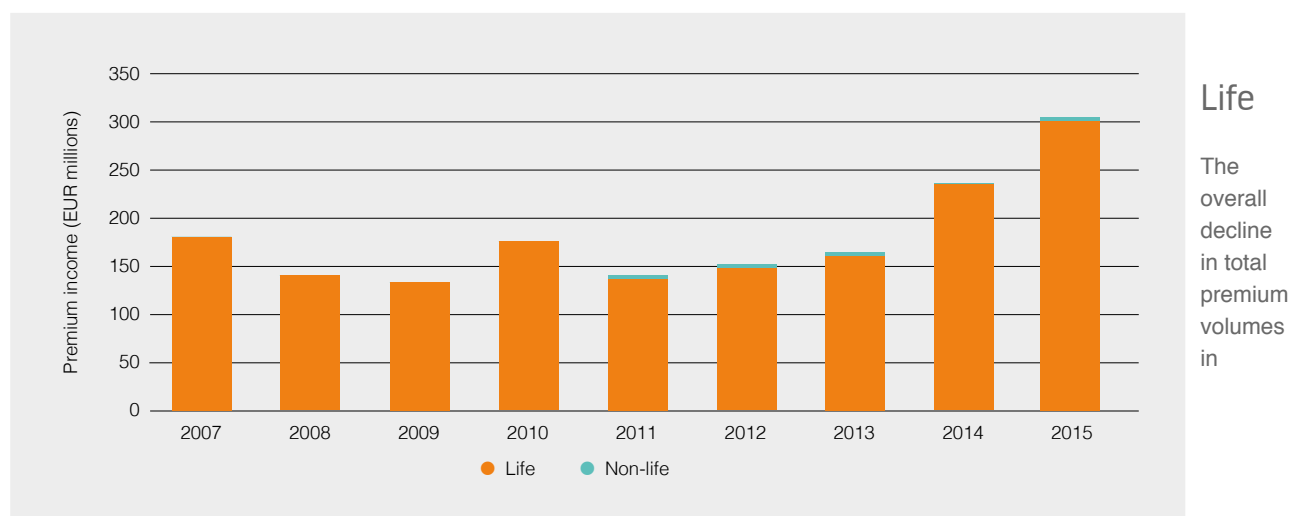
Total

Insurers in Liechtenstein wrote an aggregate of EUR 3.1 billion in insurance premiums in 2015, of which EUR 2.1 billion was written in the life sector and just under EUR 1.0 billion in the non-life sector. Total premium volumes have declined by 52%²⁰ since 2007 (EUR 4.2 billion), equivalent to a CAGR of -8.8% over the eight-year period.

The mutual/cooperative sector experienced a positive premium growth of 9.6%²¹ in the same period. Premium levels reached EUR 305 million in 2015, growing by a CAGR of 1.1% since 2007 (EUR 181 million). Virtually all of the mutual/cooperative sector's premium income in 2015 was derived from the life sector in 2015 (see Figure 2).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



²⁰ All growth figures are in local currency (Swiss franc) terms to avoid any misleading effects of exchange rate fluctuations.

²¹ In euro terms, this growth was 68.9% due to the appreciation of the Swiss franc.

Liechtenstein can be attributed to the life insurance market, which shrank by two-thirds from EUR 4.0 billion in 2007 to EUR 2.1 billion in 2015.

Life premiums of the mutual/cooperative insurance sector totalled over EUR 300 million (EUR 301 million) for the first time in 2015. Premium levels were 8.0% greater in 2015 compared to 2007 (EUR 181 million), resulting in a CAGR of 1.0% (compared to a market average of -12.5%).

Non-life

In contrast to the life market, non-life premiums in Liechtenstein in 2015 (EUR 943 million) had experienced a significant development since 2007 (EUR 141 million), albeit from a lower level. The CAGR during this eight-year period was over 20%.

In the mutual/cooperative sector, only EUR 4 million of premium income was written in non-life insurance in 2015. There was no non-life business written by mutual/cooperative insurers in 2007.

Market share of mutual/cooperative insurance sector

The mutual/cooperative sector in Liechtenstein held a market share of 9.9% in 2015 (see Figure 3). As there were no mutual/cooperative insurers in the legal form in Liechtenstein, this was made up of subsidiaries of mutual/cooperative insurers and mutual/cooperative-type insurers. Subsidiaries of mutual/cooperative insurers represented 2% of the total market (and 2.9% in the life market) and (subsidiaries of) mutual/cooperative-type insurers held the remaining 7.9% share (11.2% in the life market) in 2015.

The market share of mutual/cooperative insurers more than doubled from 4.3% in 2007 (see Figure 4). The mutual/cooperative sector had seen year-on-year growth in market share in the previous six years, growing from a 2.3% market share in 2009.

In the life market, mutual/cooperative insurers' market share was 14.1%, a substantial increase from 4.5% in 2007. By contrast, in the non-life segment, there was a very low penetration of mutual/cooperative insurance, with a market share of just 0.5%.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

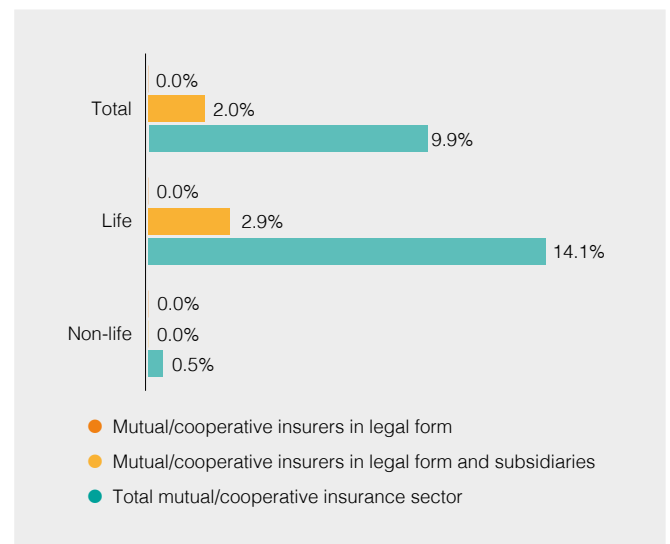
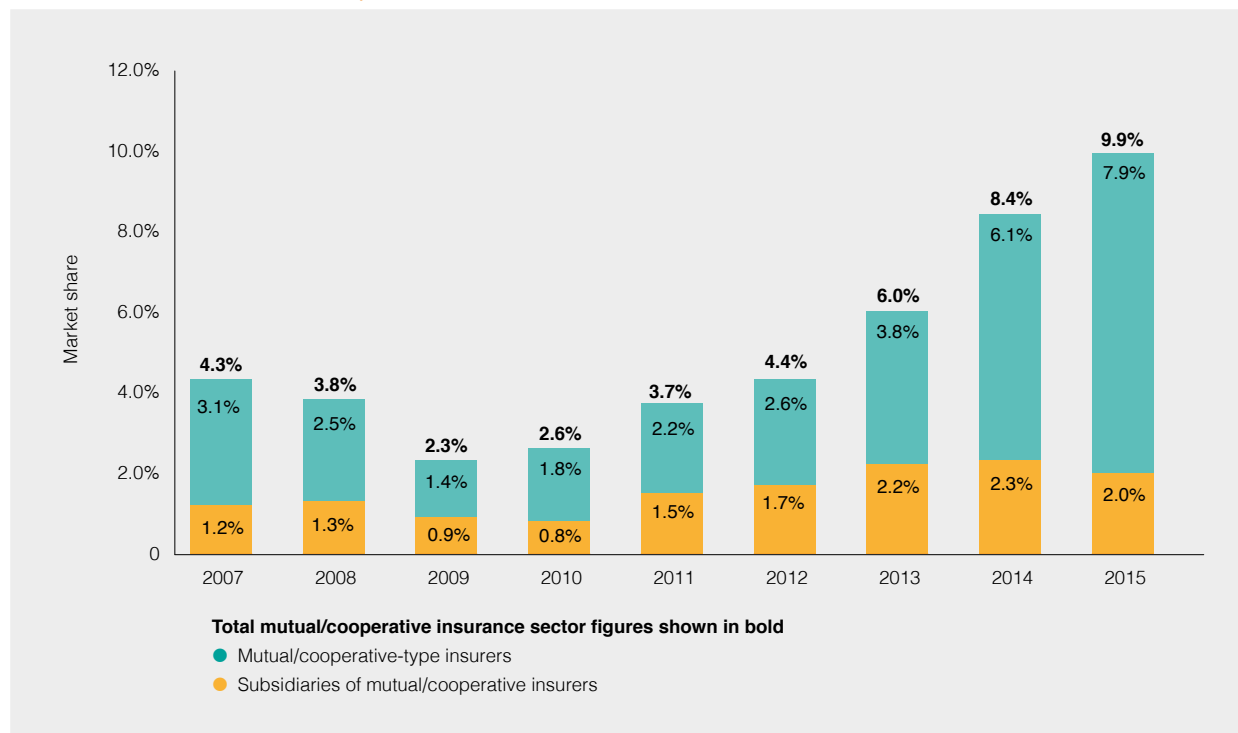


Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

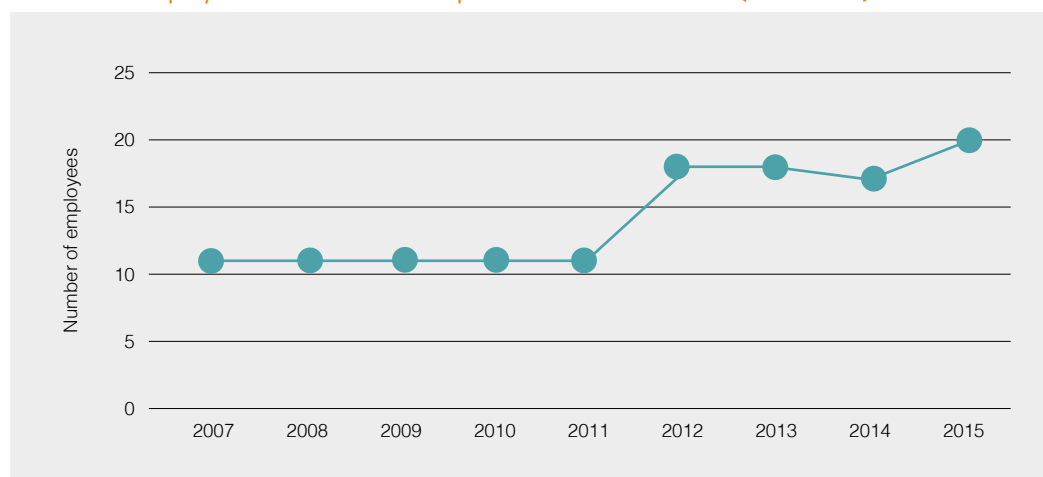


Number of employees

Data on the number of employees of was only available for two of three mutual/cooperative insurance undertakings in Liechtenstein. These two companies employed a total of 20 people in 2015, an increase from 11 employees in 2007 (see Figure 5).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



Number of members/policyholders

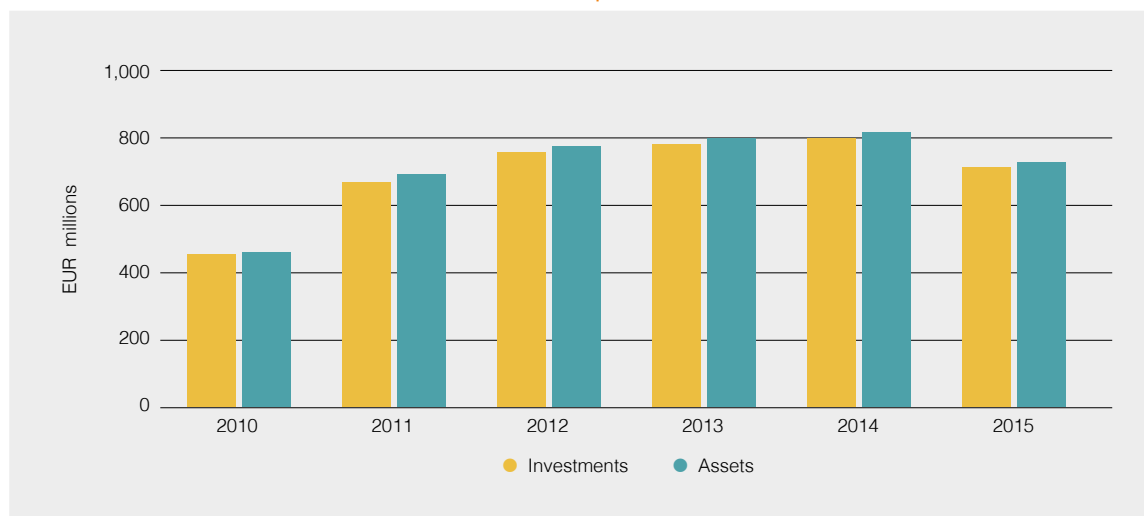
There was no data available on the number of members/policyholders of mutual/cooperative insurers in Liechtenstein.

Assets and investments

Data on the total assets and investments held by the Liechtenstein mutual/cooperative sector was only available as far back as 2010 (see Figure 6). However, during this five-year period there was just under a 60% growth in asset values (from EUR 459 million in 2010 to EUR 724 million in 2015) and investment values (EUR 451 million in 2010 to EUR 711 million in 2015).

Figure 6

Total assets and investment assets of the mutual/cooperative insurance sector (2010-2015)





Mutual/cooperative insurance companies

Landscape

The Bank of Lithuania (*Lietuvos bankas*) is responsible for the supervision and regulation of financial market participants in Lithuania, including insurance undertakings.¹ Insurance undertakings that have been assessed as reliable by the Bank of Lithuania can be granted an operating licence.²

The Insurance Law of 18 September 2003 – Insurance Law (*Draudimo įstatymas*) is the main legal act governing the insurance industry in Lithuania. The consolidated version of 1 March 2017 implements the Solvency II Directive into Lithuanian law.³ The Insurance Law contains no provisions to exclude insurance undertakings from its scope due to their size. However, it does exclude state social insurance schemes from its scope.⁴

Insurance undertakings in Lithuania cannot simultaneously carry out life and non-life insurance activities.⁵ However, life insurers can obtain a licence to underwrite accident and sickness insurance, provided that these activities are managed separately.

An insurance undertaking in Lithuania can be established as:⁶

- a public limited liability company (*Akcinė bendrovė*)
- a private limited liability company (*Uždaroji akcinė bendrovė*)
- a European Company (*Europos bendrovė*)

The insurance legislation does not explicitly recognise mutual or cooperative insurers. However, Article 6.1017 of the Civil Code of the Republic of Lithuania (*Lietuvos Respublikos civilinis kodeksas*) contains the following provisions on mutual insurance:

- natural and legal persons may insure property interests on a mutual basis, joining the funds necessary for such insurance in self-insurance societies.
- the activities of self-insurance societies shall be regulated by law.
- the rules shall apply to mutual insurance unless other laws provide for otherwise.

Since the adoption of the Civil Code in 2000 there has been no further legislation specifically in relation to mutual/cooperative insurers.

¹ Bank of Lithuania's [website](#).

² Article 12(1) of the Insurance Law of 18 September 2003 as amended – Insurance Law (*Draudimo įstatymas*).

³ Article 1(9) of the Insurance Law.

⁴ Article 1(3) of the Insurance Law.

⁵ Article 8 of the Insurance Law.

⁶ Article 13(1)(1) of the Insurance Law.

Number of licensed insurance undertakings

As of year-end 2015, there were 23 insurance companies established in the domestic Lithuanian market,⁷ of which 10 were insurance undertakings registered in Lithuania (and subject to supervision by the Bank of Lithuania) and 13 were branches of insurance undertakings established in other EU countries.

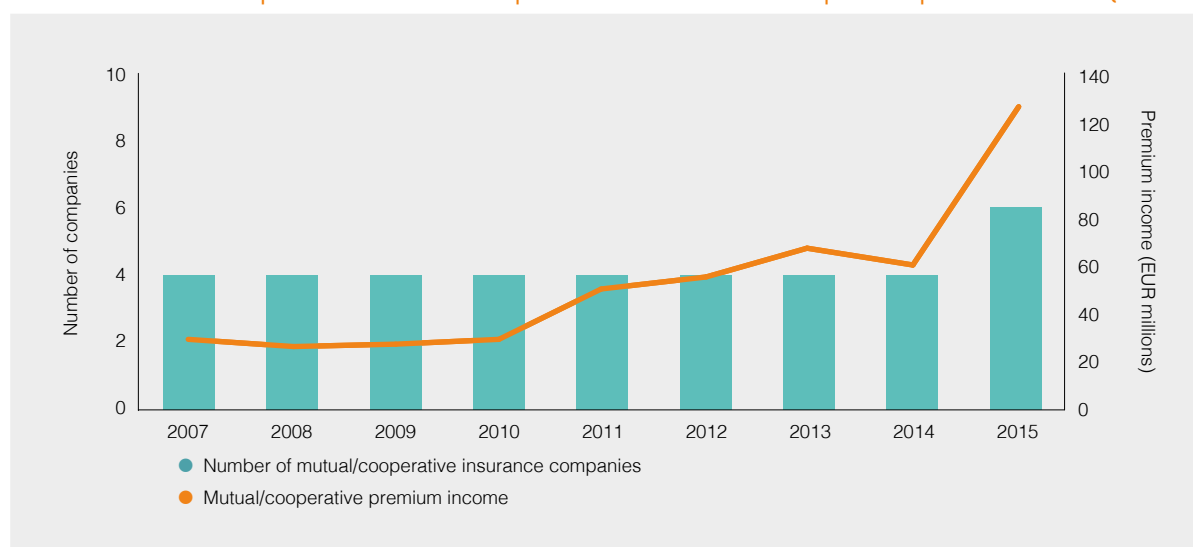
Of the 23 insurers operating in Lithuania in 2015, eight were engaged in life insurance and 15 in non-life insurance.

Number of mutual/cooperative insurers

In 2015, there were six mutual/cooperative insurance companies operating in Lithuania (see Figure 1), all classified as mutual/cooperative-type insurers. This included four branches of foreign-based insurance undertakings in 2015 and two Lithuanian insurance undertakings.⁸ Of these, one was a life insurer and five were non-life insurers.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



⁷ Bank of Lithuania (2015) *Review of Lithuania's Insurance Market of 2015*.

⁸ Both Lithuanian insurance undertakings in 2015 were owned by foreign mutual/cooperative-type insurers. ADB Gjensidige (previously known as UAB DK PZU Lietuva) was acquired by Gjensidige Forsikring (a Norwegian-based mutual/cooperative-type insurer) on 30 September 2015. UADB Compensa Vienna Insurance Group was formed as a private limited liability company on 30 July 2015, owned by Austrian-based Vienna Insurance Group (a mutual/cooperative-type insurer). However, the new company was not active during 2015; VIG still operated in the Lithuanian market through two branches: Compensa Life VIG (life insurance) and Compensa TU VIG (non-life).

Size and growth of the mutual/cooperative insurance sector

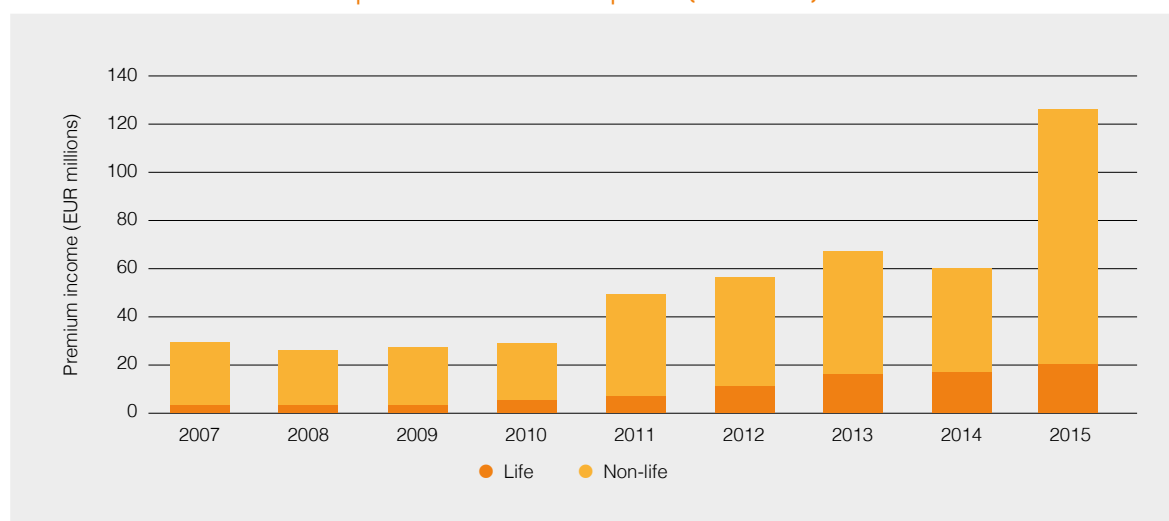
Total

The total insurance market in Lithuania wrote premium volumes of EUR 645 million in 2015. Since 2007, premium revenues grew by 14.4% (2007: EUR 564 million).⁹

Collectively, mutual/cooperative insurers in Lithuania experienced a significant surge in premiums written over the period since 2007 (see Figure 2), rising to EUR 126 million in 2015 (from EUR 29 million). In total, the CAGR of the mutual/cooperative sector since 2007 was 20.2%, significantly greater than the total market average (1.7%) over the same period. The acquisition of ADB Gjensidige⁸ in 2015 resulted in premium levels more than doubling from the previous year (2014: EUR 60 million).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The life insurance sector in Lithuania reported premiums levels of EUR 236 million in 2015. This represented a 17.4% growth since 2007 (EUR 201 million), equivalent to a CAGR of 2.0%.

Just under EUR 20 million in life insurance premiums were written by the mutual/cooperative sector in 2015. This was a sizeable increase in comparison to 2007 levels of EUR 3 million (CAGR of 17.4%).

Non-life

In non-life business, total premiums in 2015 amounted to EUR 409 million, a 12.7% growth from EUR 363 million written in 2007.

Mutual/cooperative insurers collectively wrote EUR 106 million in non-life business in 2015, a four-fold expansion from 2007 volumes (EUR 26 million). This resulted in a CAGR of 19.3%, ahead of the total market CAGR of 1.5%.

⁹ As Lithuania adopted the euro on 1 January 2015, all growth figures are in euro terms.

Market share of mutual/cooperative insurance sector

Mutual/cooperative insurers in Lithuania held an aggregate market share of 19.5% in 2015 (see Figure 3). In the life insurance sector, market share was only 8.4%. However, in non-life business, the mutual/cooperative sector held a higher proportion of the total market in 2015, reaching 25.9%.

As there were no mutual/cooperative insurers in the legal form (or subsidiaries) present in the Lithuanian market, these market share figures were made up solely of mutual/cooperative-type insurers.

The mutual/cooperative insurance sector saw an overall increase in market share from 5.1% in 2007 (see Figure 4) to 19.5% in 2015. 2015 saw the largest upturn in market share, gaining a further nine percentage points from the share held in 2014 (10.8%).

Since 2007, the market share of mutual/cooperative insurers in the life market increased from just 1.5% to 8.4% in 2015. In non-life business, mutual/cooperative share rose from 7.1% in 2007 to more than 25% in 2015.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

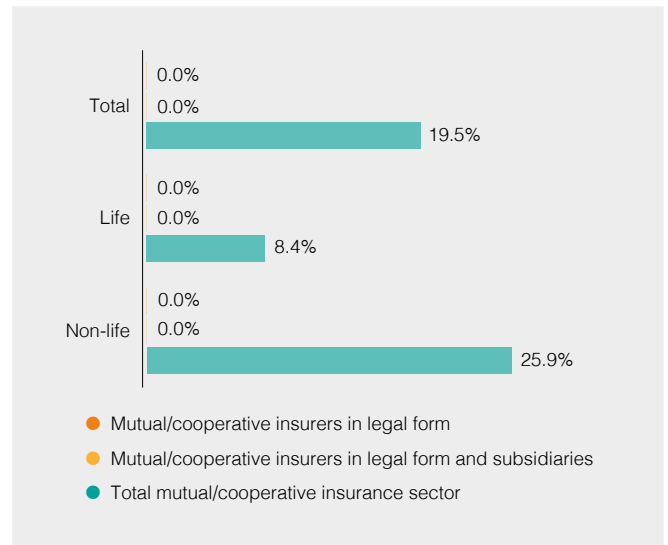
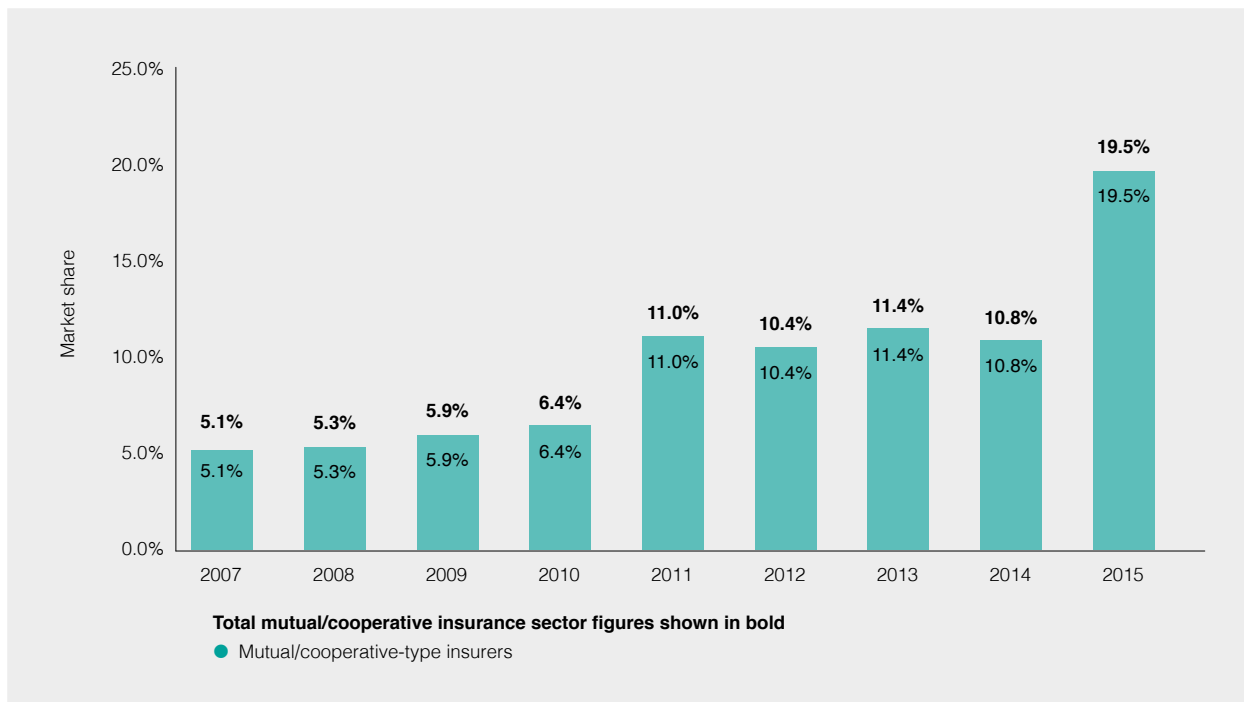


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)



Number of employees

Data on employment levels were only available for one of the mutual/cooperative insurers in Lithuania, which had a total of 332 employees in 2015.

Number of members/policyholders

There were no data available on the number of members/policyholders of mutual/cooperative insurers in Lithuania.

Assets and investments

There were no data available on the total assets or investments of mutual/cooperative insurers in Lithuania.



Mutual/cooperative insurance companies

Landscape

The Insurance Commission – CAA (*Commissariat aux Assurances*) is the official Luxembourg regulatory authority responsible for the prudential supervision of the insurance sector.¹ The CAA is a public institution under the authority of the Ministry of Finance. It has distinct legal personality and enjoys financial autonomy. Insurance undertakings in Luxembourg must obtain an authorisation from the CAA in order to commence their operation.²

The Law of December 2015 on the insurance sector – Insurance Law (*Loi sur le secteur des assurances*), as amended, is the primary legal instrument governing the insurance industry in Luxembourg. It also transposes the provisions of Solvency II into national law. The Insurance Law does not contain any excluding provisions in relation to small insurance undertakings, and therefore does not bring into effect Article 4 provisions of Solvency II.

The following operations are excluded from the scope of the Insurance Law:³

- insurances that are part of statutory social security schemes, except certain types of pension funds.
- operations of provident and mutual benefit institutions whose benefits vary according to the resources available and in which the contribution of the members are determined on a flat-rate basis.
- operations carried out by an organisation not having legal personality with the purpose of providing mutual cover for their members without there being any payment of premiums or constitution of technical reserves (for non-life).
- mutual undertakings which pursue non-life activities and which have concluded with other mutual undertakings an agreement which provides for the full reinsurance of the insurance policies issued by them or under which the accepting undertaking is to meet the liabilities arising under such policies in the place of the ceding undertaking.

Simultaneous performance of life and non-life insurance is not allowed under the Insurance Law, except for the cases where life insurance undertakings pursue accident and sickness insurance.⁴ Nevertheless, even in the latter scenario, the two classes of insurance activity need to be managed separately.⁵

¹ CAA's [website](#).

² Article 2(1)(a) of Law of 7 December 2015 on the insurance sector – Insurance Law.

³ Article 37-42 of the Insurance Law.

⁴ Article 96 of the Insurance Law.

⁵ Article 97 of the Insurance Law.

Luxembourg insurance undertakings can have the legal form of:⁶

- a European Company (*société européenne*)
- a limited company (*société anonyme*)
- a corporate partnership limited by shares (*société en commandite par actions*)
- a cooperative society or a cooperative society organised as limited company (*société coopérative ou société coopérative organisée comme une société anonyme*)
- a mutual insurance association (*association d'assurances mutuelles*)
- a European Cooperative Society (*société coopérative européenne*)

There is no specific legislation in relation to mutual insurance associations.⁷ They are covered by the Insurance Law, which includes special provisions regarding their establishment and organisation.⁸ There is no *de minimis* regime for small mutual insurance associations in Luxembourg.

Mutual insurance associations and cooperative insurance undertakings can be active in both life and non-life operations.

Number of licensed insurance undertakings

There were a total of 75 insurance undertakings and pension funds governed by Luxembourg law and authorised by the CAA in 2015,⁹ of which 43 were life insurers (including 3 pension funds) and 32 were non-life insurers.¹⁰

More than 90% of these undertakings (69) were joint stock companies, three were mutual insurance associations and three were pension funds.

In 2007, there were 79 active insurance companies, comprising 52 life insurers (4 pension funds) and 27 non-life insurers.

Number of mutual/cooperative insurers

In 2015, there were 14 active mutual/cooperative insurance companies. Nine of these were engaged in life insurance activities and five were engaged in the non-life sector. There was one fewer mutual/cooperative insurer active in 2015 compared to 2007 (see Figure 1).

The three (legal form) mutual insurance associations in 2015 were all non-life insurers and were Protection and Indemnity (P&I) Clubs.¹¹ The number of mutual insurance associations was also one fewer than the four operating in 2007.

There were no insurers with a cooperative legal form in Luxembourg in 2015.

⁶ Article 47 of the Insurance Law.

⁷ At the time of drafting this report (March 2018), a new draft law is in elaboration, covering non-CAA supervised mutuals (*Projet de loi 7058 concernant les mutuelles*). These are entities which fall outside the scope of Solvency II.

⁸ Article 48 of the Insurance Law.

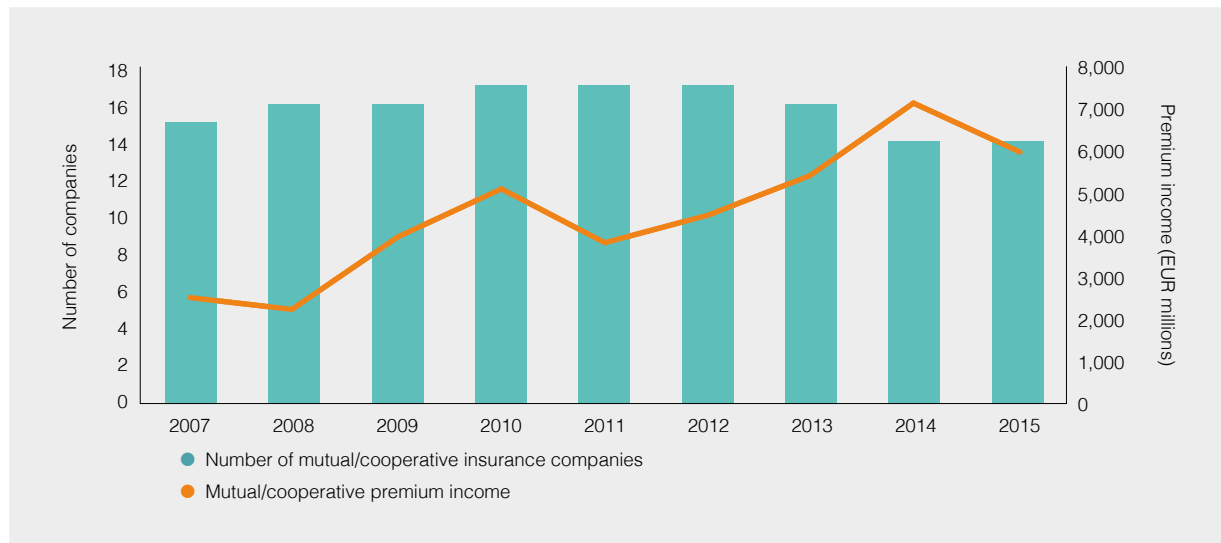
⁹ In addition, there were also branches of 16 foreign insurance companies and 216 reinsurance undertakings governed by Luxembourg law active in 2015.

¹⁰ CAA (2016) *Rapport annuel 2015/2016 and Annexe au Rapport annuel 2015/2016*.

¹¹ Due to the international nature of P&I Clubs, only figures for national insurance business (written in Luxembourg) were used.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

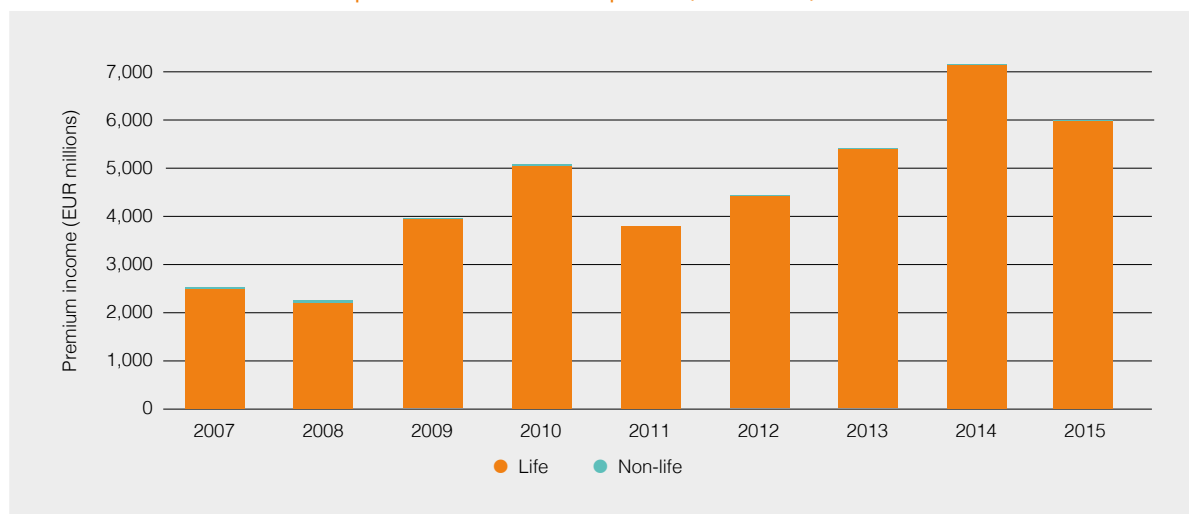
Total

The total insurance market in Luxembourg wrote EUR 24.2 billion in premium income in 2015, of which EUR 21.0 billion was in life premiums and EUR 3.2 billion in non-life business. Total premium volumes in 2015 were more than 90% greater than 2007 levels (EUR 12.4 billion), equating to an 8.7% CAGR.

The premium income of the mutual/cooperative insurance sector amounted to just under EUR 6 billion in 2015 (see Figure 1). Collectively, mutual/cooperative insurers reported positive premium growth in five of the previous eight years (since 2007), accumulating to a total growth of 137% (CAGR of 11.4%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The total life market in Luxembourg (which contributed 87% of total premiums) experienced a similar growth to the total market, as premium levels surged from EUR 11.0 billion in 2007 to EUR 21.0 billion in 2015 (an increase of 91%). Premium volumes in the mutual/cooperative sector more than doubled in the same period, increasing from EUR 2.5 billion to EUR 6.0 billion in 2015. The CAGR of the mutual/cooperative sector since 2007 was 11.6%, more than three percentage points greater than the total market CAGR (8.4%).

Non-life

Non-life business in the total Luxembourg market also recorded a sizeable growth between 2007 (EUR 1.4 billion) and 2015 (EUR 3.2 billion). For mutual/cooperative insurers, the amount of non-life business written fell sharply over this period, decreasing from EUR 41 million in 2007 to just under EUR 3 million in 2015. This drop was due to the largest non-life mutual/cooperative insurer¹² being acquired by a joint-stock company in 2014.

A very small amount (EUR 200,000) of non-life insurance was written by mutual/cooperative insurers in the legal form in 2015, with the majority of business coming from mutual/cooperative-type insurers.

Market share of mutual/cooperative insurance sector

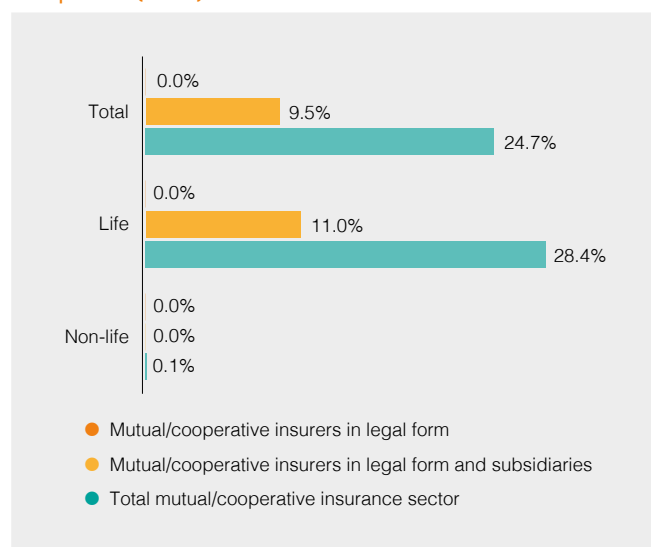
The mutual/cooperative insurance sector in Luxembourg held just under a quarter (24.7%) of the national market in 2015 (see Figure 3). In the life sector, market share was 28.4%, although market share was only 0.1% in the non-life sector.

Due to the very small amount of premiums written by mutual/cooperative insurers in the legal form, market share was negligible. Subsidiaries of mutual/cooperative insurers accounted for 9.5% of the total insurance market in 2015 (and 11.0% of the life market).

The market share of the mutual/cooperative insurance sector experienced a gain of four percentage points since 2007, rising from 20.2% (see Figure 4). Subsidiaries of mutual/cooperative insurers recorded a small increase in their market share over this period (2007: 8.1%), although it was mutual/cooperative-type insurers who posted the strongest growth in market share, up from 12.2% in 2007 to 15.2% in 2015.

In the life market, the mutual/cooperative insurance sector's market share grew from 22.5% in 2007 to 28.4% in 2015, a proportional increase of more than a quarter. In the non-life sector, due to the sale of P&V Assurances S.A., mutual/cooperative market share fell from 2.8% in 2007 to just 0.1%.

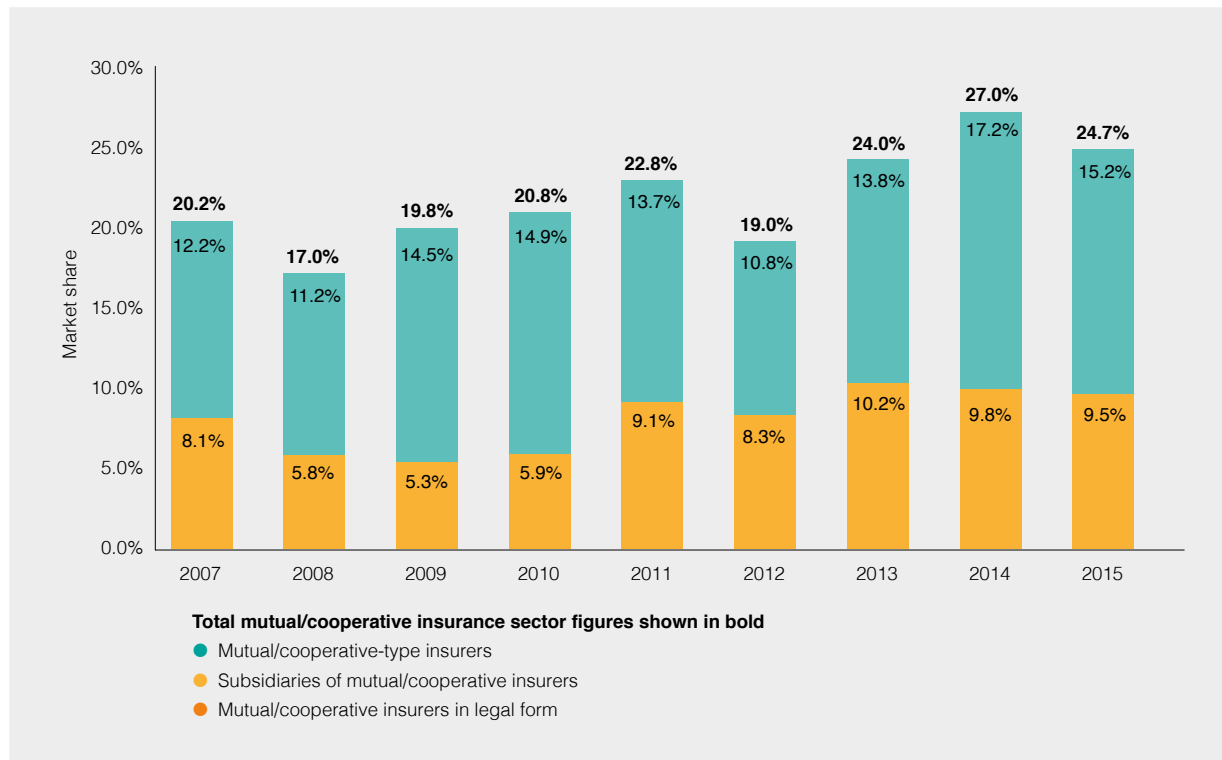
Figure 3
Market share of mutual/cooperative insurance companies (2015)



¹² Swiss insurer Balaise completed the acquisition of the P&V Assurances S.A., the Luxembourg business of Belgian cooperative insurer P&V Assurances in May 2014 (the deal was first announced in December 2013).

Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

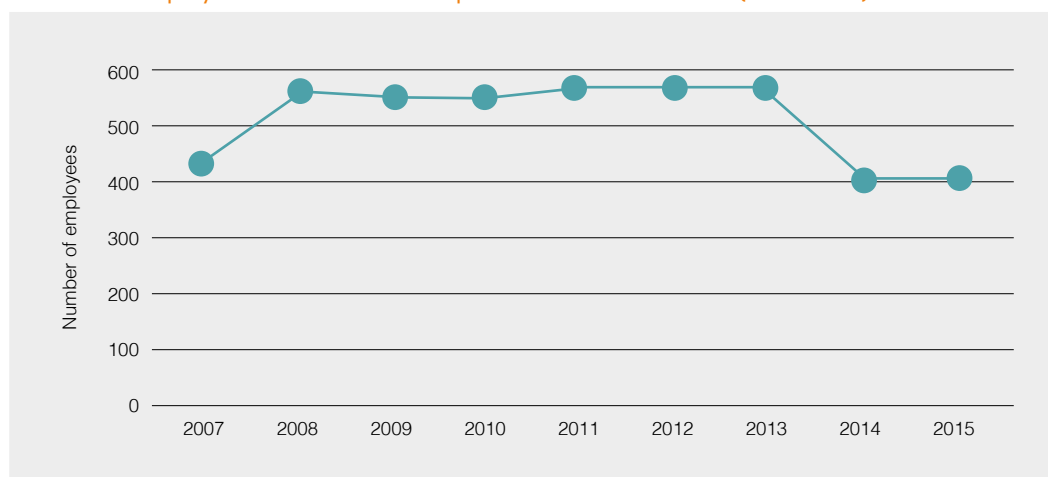


Number of employees

There were just over 400 people employed by mutual/cooperative insurance companies in Luxembourg in 2015. The number of employees of the mutual/cooperative sector had declined since 2007 (432 employees), with the sharpest drop in 2014 (from 569 employees in 2013) after the sale of P&V Assurances S.A. was completed.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



Number of members/policyholders

There was very limited data on the number of members/policyholders of mutual/cooperative insurance companies in Luxembourg. Approximate data from only one insurer was available, which had 20,000 members/policyholders in 2015.

Assets and investments

The mutual/cooperative insurance sector in Luxembourg held total assets of EUR 4.7 billion in 2015 (see Figure 6). This represented a significant increase of almost 300% from asset levels in 2007 (EUR 1.2 billion), equivalent to a CAGR of 18.7% during this eight-year period.

No data on investment assets of mutual/cooperative insurers in Luxembourg was available.

Figure 6

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Malta Financial Services Authority – MFSA is the institution which regulates and supervises the Maltese insurance and financial services sector in general.¹ It is a fully autonomous and public body, reporting to the Parliament on an annual basis. Undertakings must obtain an authorisation from the MFSA in order to carry on insurance business in Malta.²

The Maltese insurance industry is governed by the the Insurance Business Act Cap. 403 of 1 October 1998, as amended – Insurance Business Act. It has been amended accordingly with the aim of transposing Solvency II into national law.³ Although the Insurance Business Act provides no exemption regime in relation to small insurance undertakings, such regime can be found in Subsidiary Legislation 403.22 Insurance Business (Exemptions) Regulations. The Regulations follow the definitions set out in Article 4 of Solvency II, and as a result, exempt small undertakings (annual gross written premium less than EUR 5 million, total of technical provision less than EUR 25 million, etc.) from the requirements of the Directive.⁴

In addition, the Exemptions Regulations exclude the following operations from the scope of the Insurance Business Act:⁵

- insurance forming part of statutory system of social security.
- operations of provident and mutual benefit institutions whose benefits vary according to the resources available and in which the contributions of the members are determined on a flat-rate basis.
- operations carried out by organisations not having a legal personality with the purpose of providing mutual cover for their members without there being any payment of premiums or constitution of technical reserves.
- mutual undertakings which carry on general business of insurance and which have concluded with other mutual associations an agreement which provides for full reinsurance of the insurance policies issued by them or under which the accepting undertaking is to meet the liabilities arising under such policies in the place of the ceding undertaking.

Insurance undertakings in Malta cannot carry on both ‘long-term’ (life) and ‘general’ (non-life) insurance business.⁶ However, a long-term business undertaking can be granted an authorisation to carry on accident and sickness insurance, provided that the two businesses are managed separately.⁷

An insurance undertaking can be established as:

- a limited liability company
- a European Company

The Insurance Business Act does not foresee the possibility of mutual or cooperative insurance.

¹ MFSA's [website](#).

² Article 6(1) of the Insurance Business Act Cap. 403 of 1 October 1998, as amended – Insurance Business Act.

³ Article 2(2)(a) of the Insurance Business Act.

⁴ Article 3(1) of the 403.22 Insurance Business (Exemptions) Regulations.

⁵ Article 4 of the 403.22 Insurance Business (Exemptions) Regulations.

⁶ Article 9(1) of the Insurance Business Act.

⁷ Articles 9(2) and 9(4) of the Insurance Business Act.

Number of licensed insurance undertakings

In 2015, there were a total of 58 insurance undertakings authorised to carry out insurance business in Malta.⁸ These included seven life insurers, 42 non-life insurers, two composite insurers and seven reinsurance companies.

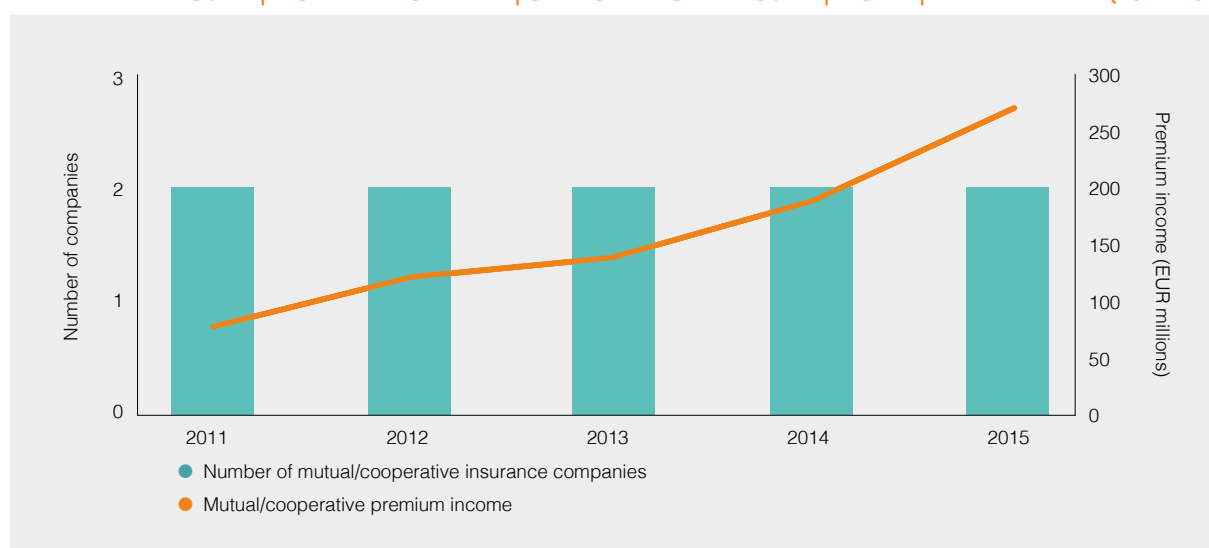
Number of mutual/cooperative insurers

There were only two mutual/cooperative insurers active in Malta in 2015. MAPFRE Middlesea Insurance is a non-life insurer and is a majority-owned subsidiary of MAPFRE in Spain (a mutual-type insurer majority-owned by a non-profit foundation⁹). MAPFRE Middlesea also offers life insurance through its subsidiary life company MAPFRE MSV Life, a joint venture between MAPFRE and the Bank of Valletta (the minority shareholder in MAPFRE Middlesea).

MAPFRE acquired its shareholding in both these insurers in 2011 (see Figure 1). Both insurers are classified as mutual/cooperative-type insurers in this study.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2011-2015)



⁸ MFSA *Annual Report 2015*.

⁹ See chapter on Spain.

Size and growth of the mutual/cooperative insurance sector

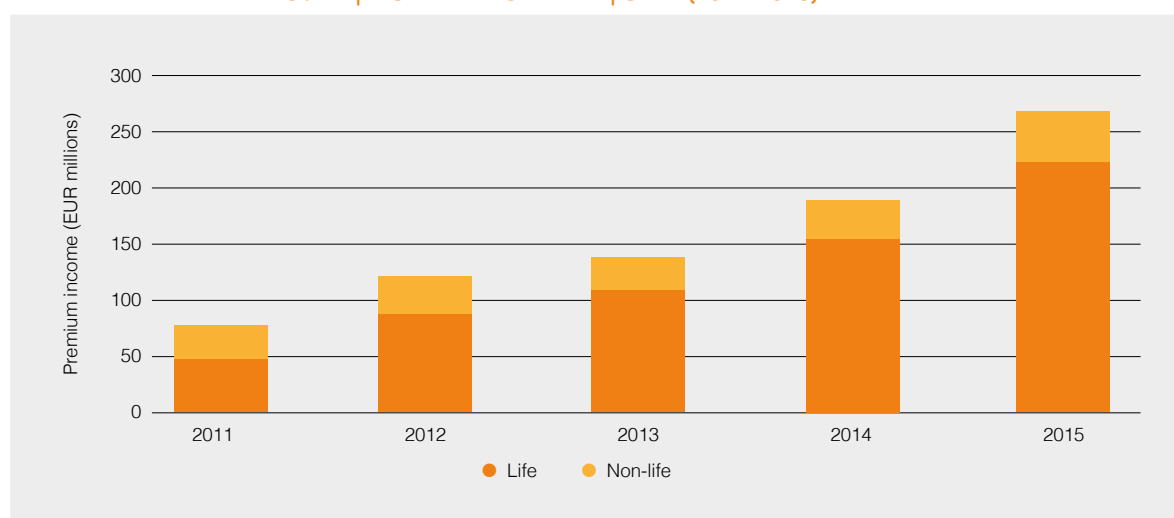
Total

The total insurance market in Malta amounted to just under EUR 3 billion in premiums in 2015, of which EUR 1.2 billion was written in life insurance and EUR 1.8 billion in non-life insurance. Between 2007 and 2015, the Maltese insurance market more than tripled in terms of total premiums written, increasing from EUR 753 million in 2007 (with EUR 244 million in life and EUR 509 million in non-life insurance).

The mutual/cooperative sector wrote EUR 270 million in total premium income in 2015 (see Figure 2), the majority (82%) of which was in life insurance. Premiums in 2015 were two-and-a-half times greater than in 2011 (EUR 77 million), the first year there was a mutual presence in Malta. Since 2011, the CAGR of the mutual/cooperative sector was 36.7%, compared to the total market CAGR of 8.0% over this four-year period.

Figure 2

Premium income of mutual/cooperative insurance companies (2011-2015)



Life

In terms of mutual/cooperative life business, premiums of EUR 222 million were generated in 2015, almost four times larger than in 2011 (EUR 47 million). Between 2011 and 2015, mutual/cooperative life premiums grew at a CAGR of 36.6%, significantly faster than the market CAGR of 4.2%.

Non-life

In the non-life sector, the mutual/cooperative sector wrote EUR 47 million in premium income, a total growth of 55% since 2011 (EUR 30 million). The CAGR of mutual/cooperative non-life business was 11.6% between 2007 and 2015, just ahead of the total market CAGR of 10.9%.

Market share of mutual/cooperative insurance sector

Mutual/cooperative insurers held a 9.0% share of the total insurance market in 2015 (see Figure 3). This comprised solely mutual/cooperative-type insurers as there were no mutual/cooperative insurers in the legal form (or subsidiaries) present in the Maltese market.

In 2015, mutual/cooperative insurers accounted for 18.5% of the life insurance market, while their share of the non-life market was significantly lower, at 2.6%.

Between 2011 and 2015, the mutual/cooperative sector gained 5.5% of the market, rising from a share of 3.5% in 2011 (see Figure 4).

The life sector saw the largest growth in mutual/cooperative market share, increasing from a 4.6% share in 2011. In non-life business, market share has remained consistent over the four-year period (2011: 2.6%).

Figure 3
Market share of mutual/cooperative insurance companies (2015)

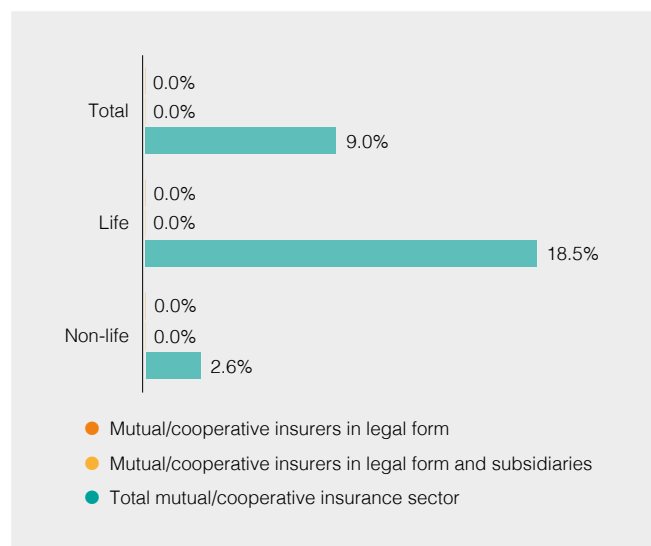
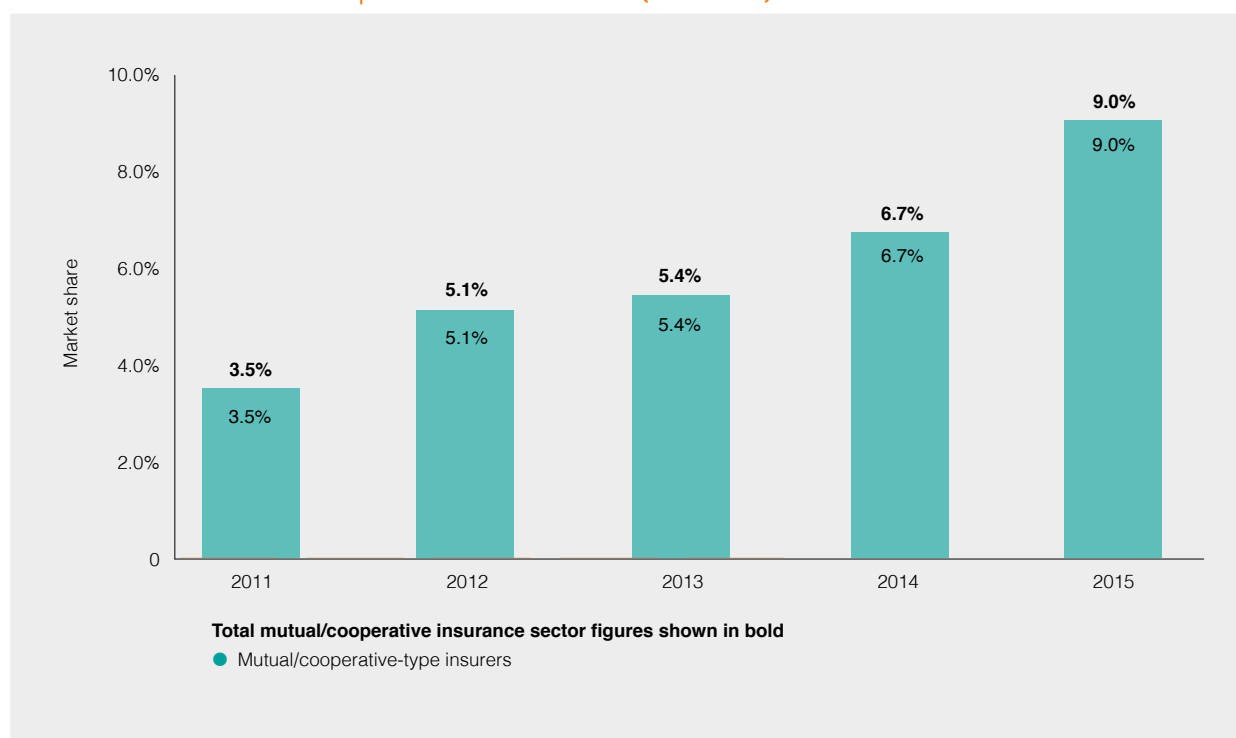


Figure 4
Market share of the mutual/cooperative insurance sector (2011-2015)

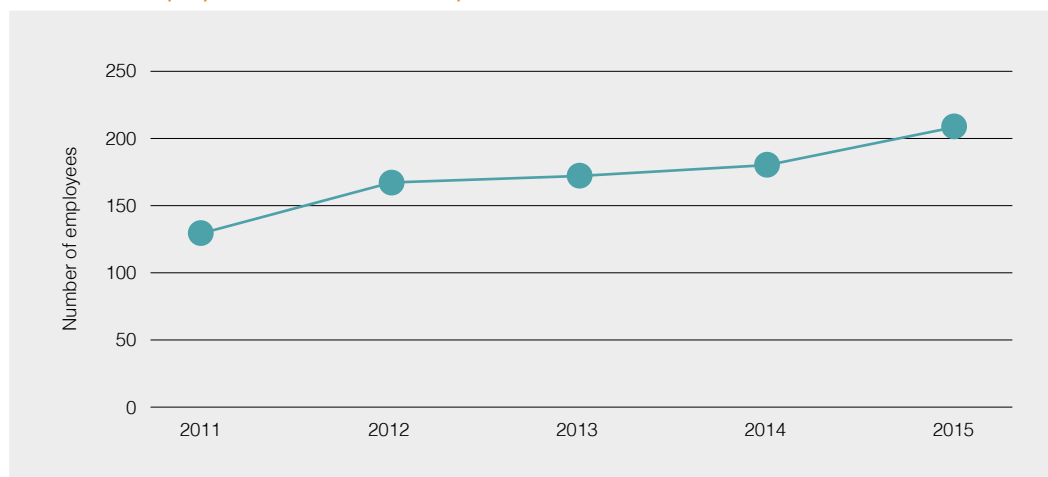


Number of employees

The two mutual/cooperative insurance companies in Malta employed a total of 209 people in 2015, an increase from 130 employees in 2011 (see Figure 5).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2011-2015)



Number of members/policyholders

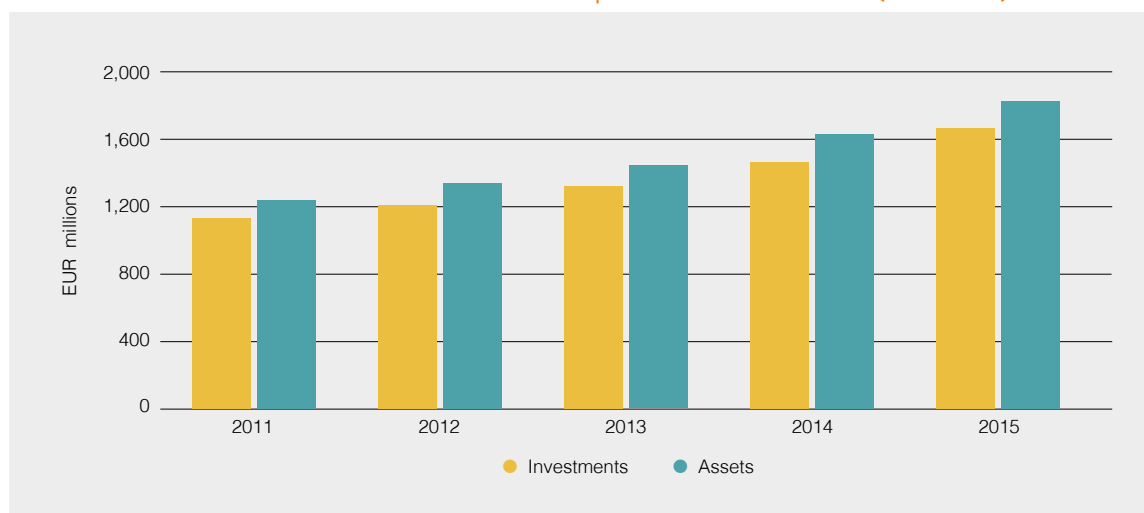
There was no data available on the number of members/policyholders of mutual/cooperative insurers in Malta.

Assets and investments

Mutual/cooperative insurers in Malta held total assets of EUR 1.8 billion in 2015 (see Figure 6). Assets values increased by 48% between 2007 (EUR 1.2 billion) and 2015. Investments grew by 47% during the same period, from EUR 1.1 billion to EUR 1.6 billion.

Figure 6

Total assets and investment assets of the mutual/cooperative insurance sector (2011-2015)





Mutual/cooperative insurance companies

Landscape

The Dutch supervisory model for the financial markets, known as the Twin Peaks model, relies on two supervisory authorities: The Dutch Authority for the Financial Market – AFM (*Autoriteit Financiële Markten*) which is the supervisory authority for the conduct-of-business supervision of insurance undertakings;¹ and the Dutch Bank – DNB (*De Nederlandsche Bank*) which is responsible for the prudential supervision of financial institutions, including insurance undertakings.² Insurance undertakings are prohibited from carrying out the business of insurance without a licence granted for that purpose by the DNB.³

The Financial Supervision Act of 28 September 2006 – Wft (*Wet op het financieel toezicht*) governs the supervision of almost the entire financial sector in the Netherlands, including the insurance sector. Solvency II was implemented into Dutch law by the Act implementing the Solvency II Directive,⁴ the Omnibus II Implementation Act⁵ and the Decree implementing the Solvency II Directive and Regulation.⁶ The Wft was amended accordingly in order to introduce the Solvency II requirements. The implementing legislation came into force on 1 January 2016.

Reflecting Article 4 of Solvency II, certain small insurers may be exempted from DNB supervision. This exemption⁷ only applies to small funeral service insurers and small non-life insurers that do not offer insurance services in the sectors of liability of motor vehicles, road transport, air vehicles, sea and inland vessels, general liability, credit risks and bail risks. These insurers must have an annual gross premium not exceeding EUR 2 million and technical provisions not exceeding EUR 10 million.⁸ If the insurer is part of a group, the total technical provisions shall not exceed EUR 25 million and no other insurer within Solvency II falls within the group. The reinsurance activities shall not exceed EUR 500,000 of the gross written premium income or EUR 2.5 million of the technical provisions or do not represent more than 10% of the gross written premium income or technical provisions.

The insurer may not pursue any business other than the non-life insurance or funeral services business, with the exception of trading activities arising from that business and activities in the context of non-life reinsurance or funeral services reinsurance.

The following additional conditions apply to a non-life insurer:

- The insurer may not take out insurance with a coverage of more than EUR 12,500 per beneficiary per potential claim.
- The insurer may not insure a war disaster.

For a funeral expenses and benefits in kind insurer the following additional condition applies:

- The insurer may not take out insurance with a coverage of more than EUR 12,500 per death.

¹ AFM's [website](#).

² DNB's [website](#).

³ Article 2:27(1) of the Financial Supervision Act – Wft.

⁴ Act of 13 December 2012 amending the Financial Supervision Act and the Civil Code to implement the Solvency II Directive and the introduction of a regime based on this for certain smaller insurers (*Wet van 13 december 2012 tot wijziging van de Wet op het financieel toezicht en het Burgerlijk Wetboek ter implementatie van de richtlijn solvabiliteit II en invoering van een daarop gebaseerd regime voor bepaalde kleinere verzekeraars*).

⁵ Act of 24 June 2015 implementing Omnibus II Directive (*Implementatiewet Omnibus II-richtlijn*).

⁶ Decree of 10 July 2015 implementing Solvency II Directive and Regulation (*Implementatiebesluit richtlijn en verordening Solvabiliteit*).

⁷ Article 1f(1) of the Exemption Regulation Wft (*Vrijstellingsregeling Wft*) in relation to Article 2:48(1) of Wft.

⁸ DNB's website, [Exemption from the authorisation requirement](#).

Funeral and funeral expenses and benefits in kind insurers which meet the exemption conditions are exempted from the prohibition to perform insurance activities without a licence from the DNB. For exempt insurers, the rule remains that the company must be a public limited company, mutual insurance company or a European company. Finally, an exemption from DNB supervision does not mean that the insurer is also automatically exempted from supervision by the AFM. In order to be able to advise or mediate as an insurer, the obligation to obtain a licence from the AFM remains.⁹

The Wft excludes from its scope the following operations:¹⁰

- operations of the Social Insurance Bank (*Sociale Verzekeringsbank*).
- operations of the Employee Insurance Agency (*Uitvoeringsinstituut Werknemersverzekeringen*).
- mutual insurance companies with their registered office in the Netherlands and companies based on mutual relationships with their registered office outside the Netherlands that only carry out non-life insurance with regard to damage caused by or arising from armed conflict, civil war, insurrection and riots.
- companies that only pursue activities in the assistance sector and only provide cover in the event of an accident or defect to a motor vehicle (subject to certain conditions).

An insurance undertaking in the Netherlands can operate as:¹¹

- a joint-stock company (*naamloze vennootschap*)
- a mutual insurance company (*onderlinge waarborgmaatschappij*)
- a European Company (*Europese vennootschap*)

According to the Civil Code of the Netherlands, the purpose of mutual insurance companies is to conclude insurance agreements with their members in the course of their insurance business, which they conduct for the benefit of their members.¹² Mutual insurance companies are permitted to operate in either life or non-life insurance classes. Title 3 of Book 2 of the Civil Code contains special provisions on the establishment and management of mutual insurance companies.

Although the cooperative form exists in the Netherlands and is governed by Title 3 of Book 2 of the Civil Code, cooperative insurance is not specifically foreseen under Dutch law.

Number of licensed insurance undertakings

In 2015, there was a total of 188 insurance companies under supervision by the DNB present in the Dutch market. Of these, 65 were life insurers, comprising 39 life insurance companies and 26 in-kind benefits and funeral expenses insurance undertakings. The remaining 123 insurance companies present in 2015 were non-life insurers.

The Dutch insurance market experienced significant consolidation since 2007, and as a result, the total number of insurance companies under supervision fell from 352 undertakings (a decline of 47%). In 2007, there were 109 life insurance companies (73 life insurers and 36 funeral insurers) and 243 non-life insurance companies.

⁹ Unless the insurer is also exempted from this requirement.

¹⁰ Article 1:6 of the Wft.

¹¹ Article 3:20 of the Wft.

¹² Article 53(2) of Title 3 of Book 2 of the Civil Code.

Number of mutual/cooperative insurers

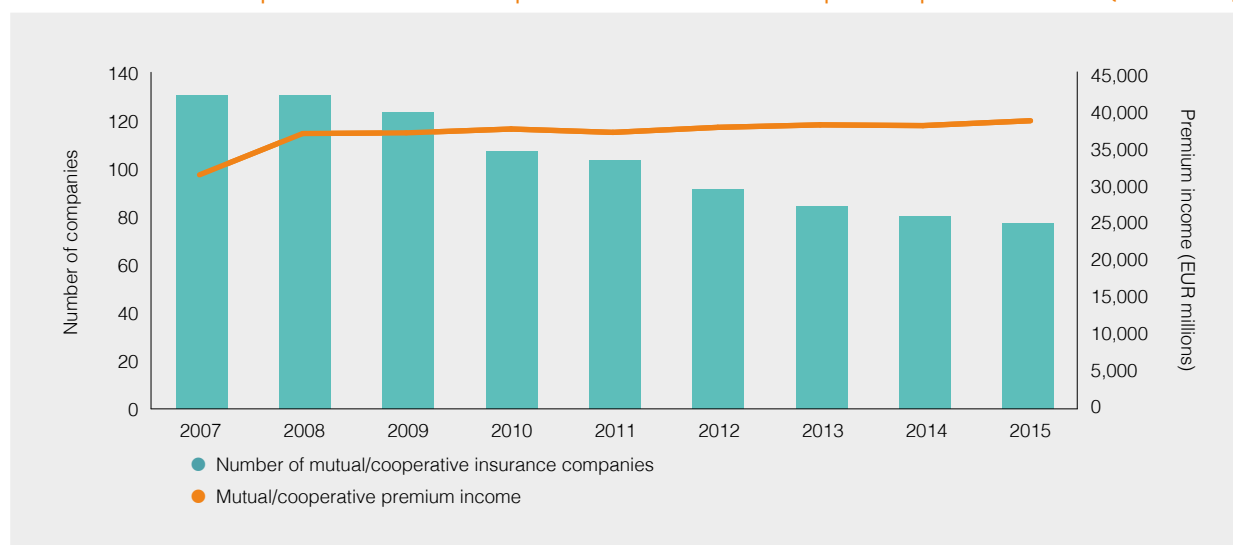
In 2015, 77 mutual/cooperative insurers were active in the Dutch market, comprising 25 life insurers (including 18 funeral insurers) and 52 non-life insurers. The number of mutual/cooperative insurers in the legal form totalled 60 in 2015, with 21 life insurers and 39 non-life insurers.

The number of mutual/cooperative insurance undertakings present in the Dutch market declined since 2007 (see Figure 1), with a loss of 53 mutual/cooperative insurers from 2007 (130 insurers), representing a 41% decrease. These were mostly non-life insurers, for whom the numbers fell by 47% from 99 undertakings in 2007.

The total number of mutual/cooperative insurers in the legal form had also fallen by a similar proportion (–48%), down from 108 insurers in 2007.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

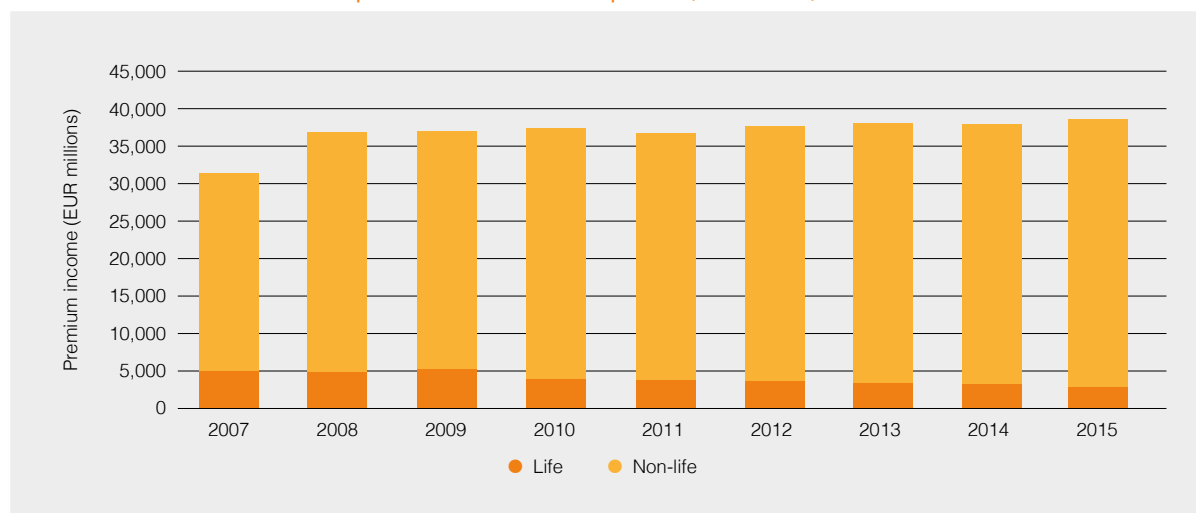
The Dutch insurance market was the fifth largest in Europe in 2015. In total, EUR 72.6 billion of insurance premiums were written in 2015. The majority (78%) of this was written in the non-life sector (EUR 56.6 billion), with a relative lower amount of life insurance written in the Netherlands (EUR 16.0 billion). In fact, the Dutch non-life market ranked as the fourth largest in Europe in 2015, while its life insurance market only ranked as the 12th largest.

Premium growth of the Dutch insurance market has fluctuated since 2007, with four years of annual premium growth and four years of contraction. Overall, premium development has been flat as total volumes in 2015 were 2.5% lower in comparison with 2007 (2007: EUR 74.5 billion).

The mutual/cooperative insurance sector in the Netherlands reported EUR 38.5 billion in insurance premiums in 2015 (see Figure 2). Almost 93% of this business was written in the non-life sector. In terms of growth, premium revenues had risen by a total of 23.2% since 2007 (EUR 31.2 billion), equating to a CAGR of 2.6% (compared to a market average CAGR of -0.3%). However, the majority of the premium growth over this period was concentrated in 2008 (annual growth of 17.7%), with a stagnation in growth rates in the following years.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Since 2007, the total Dutch life market has suffered due to increased competition from tax-efficient bank saving (*banksparen*) products, leading to an overall premium decrease of 39.3%.

The premium decay was in the first place caused by the usury affair (*woekerpolisaffaire*) caused by high and concealed costs, disappointing results on the stock market and a number of special effects (> 2006). The Dutch government has intervened by making bank savings fiscally attractive (2008). This led to a sharp fall in premium that was further reinforced by the economic crisis.

As a result, the Netherlands has fallen from being the sixth largest life insurance market in Europe in 2007 (EUR 26.4 billion).

The mutual/cooperative life sector has also suffered in the period since 2007, with premium volumes declining by 43.3% from EUR 4.9 billion in 2007 to EUR 2.8 billion in 2015.

Non-life

The total Dutch non-life insurance sector performed much more robustly in the period commencing 2007. Premium levels grew by 17.7% between 2007 (EUR 48.1 billion) and 2015, equivalent to a CAGR of 2.1% over the eight-year period.

Mutual/cooperative insurance premiums in the non-life segment performed better than in the life sector, increasing by 35.5% to EUR 35.7 billion in 2015 (2007: EUR 26.3 billion). The CAGR of the mutual/cooperative sector (3.9%) was greater than the market average in this period.

Growth rates were relatively stable between 2007 and 2015 (only two years of negative growth), with the exception of 2008 when there was a sizeable spike in annual growth rates (37.3%) due to changes in the Dutch health insurance system stimulating insurance sales and supported by a major acquisition in the health sector.

Market share of mutual/cooperative insurance sector

Mutual/cooperative insurers accounted for more than half (53.0%) of the total Dutch insurance market in 2015 (see Figure 3). The mutual/cooperative sector held an even higher proportion of the non-life insurance market, with a share of 63.1% in 2015. In life business, the mutual/cooperative market share was 17.3%.

In the legal form, mutual/cooperative insurers held a 19.3% share of the total market. Including subsidiaries, the market share in 2015 was 21.9%. In the non-life market, legal form mutual/cooperative insurers represented almost a quarter of the market (24.5%), although had a much smaller portion of the life market (0.8%).

The largest contributor to total mutual/cooperative market share was mutual/cooperative-type insurers (including Achmea), which held a 31.0% market share in 2015 (36.0% in non-life and 13.6% in life).

The total mutual/cooperative insurance sector has seen impressive growth in market share since 2007 (see Figure 4), gaining more than 11 percentage points of the Dutch insurance market (2007: 41.9%). The majority of this growth came from mutual/cooperative type-insurers, gaining almost seven percentage points since 2007 (23.4%) and five percentage points in 2008. Mutual/cooperative insurers in the legal form also posted consistent growth over this period, as market share rose by 2.5 percentage points from 16.8% in 2007.

In the life sector, mutual/cooperative insurers' share of the total life market dropped from 18.5% in 2007 to 17.3% in 2015. However, in non-life business, mutual/cooperative market share rose significantly from 54.8% to a record high 63.1%.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

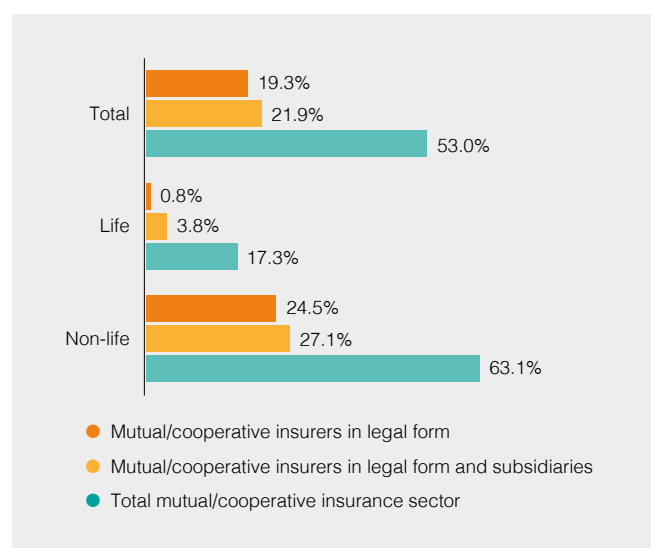
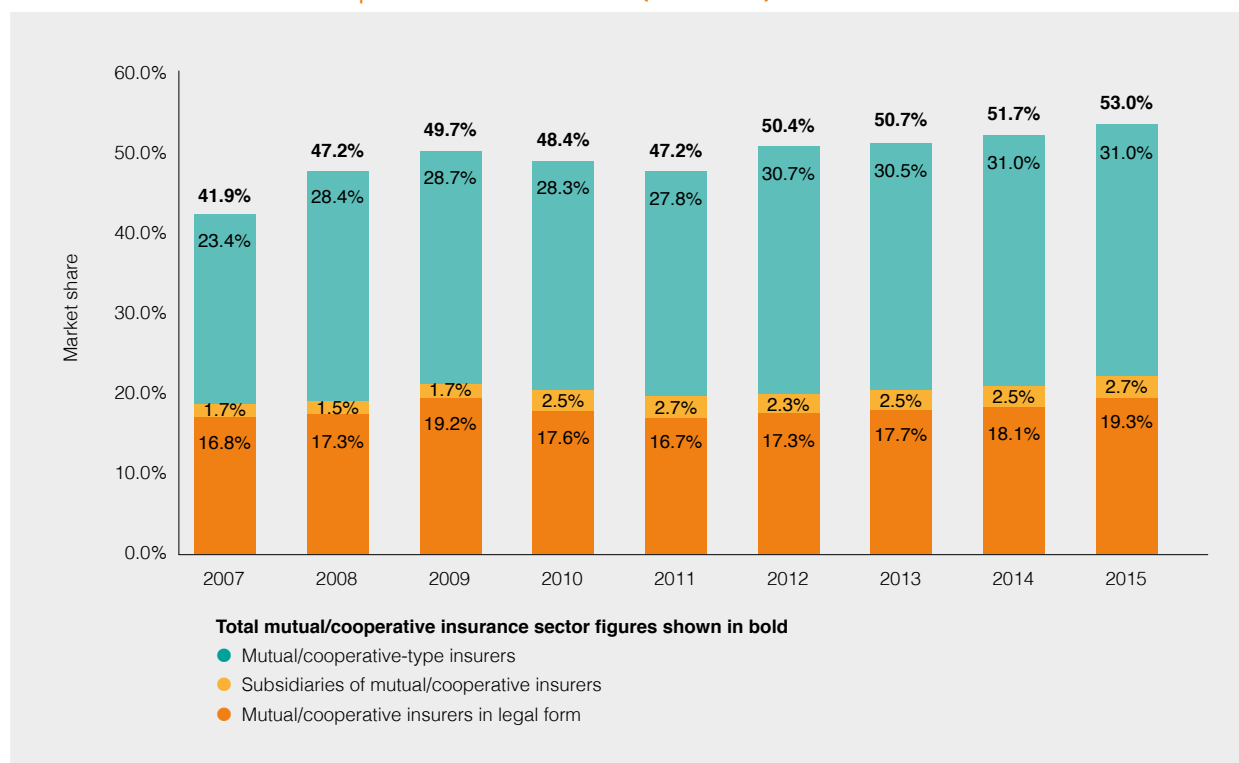


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

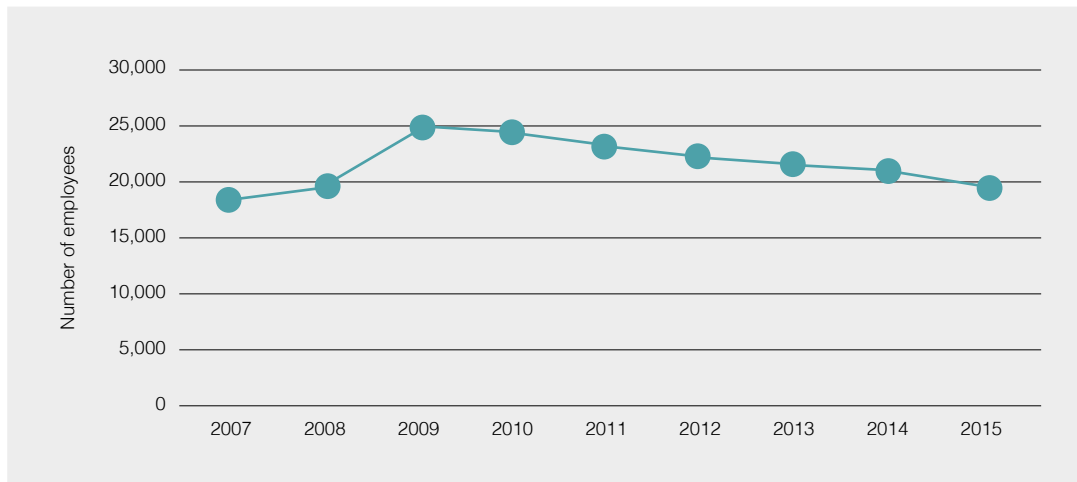


Number of employees

Just under 20,000 people were employed by the mutual/cooperative insurance sector in the Netherlands in 2015 (see Figure 5). Despite an overall moderate increase (6.4%) in employment levels compared to 2007 (18,400 employees), employee figures declined in the six years from 2009, down from a peak level of 25,000 employees.

Figure 5

Number of employees in the mutual/cooperative insurance sector (2007-2015)



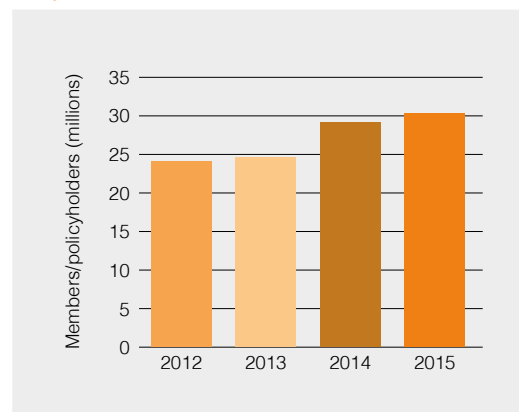
Number of members/policyholders

Since 2012, there has been a 25.7% increase in the number of members/policyholders of mutual/cooperative insurance companies in the Netherlands (see Figure 6).

There were over 30 million people served as members/policyholders for the first time in 2015 (30.3 million), 6 million more than in 2012 (24.1 million). There were increases in membership numbers in the mutual/cooperative sector year-on-year since 2012.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



Assets and investments

There was very little change (0.1%) in the aggregate assets of the Dutch mutual/cooperative insurance sector in 2015 (EUR 94.0 billion) compared to 2007 (EUR 93.9 billion). However, during this eight-year period asset values fluctuated.

In contrast, the total investment assets held by mutual/cooperative insurers recorded an overall growth since 2007 of 12.4%. In 2015, invested assets totalled EUR 76.5 billion compared to EUR 68.1 billion in 2007.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Financial Supervisory Authority of Norway (*Finanstilsynet*) is a Norwegian government agency responsible, *inter alia*, for the supervision of the insurance sector in Norway.¹ Insurance business can only be carried out in Norway by insurance undertakings and pension funds that are licensed under the Financial Institutions Act 2015 – 2015 Act (*Lov om finansforetak og finanskonsern*).²

The 2015 Act and the Insurance Act of 10 June 2005 as amended (*Lov om forsikringsvirksomhet*) govern the insurance sector in Norway. The 2015 Act, which entered into force on 1 January 2016, transposes the main elements of Solvency II into Norwegian law. In addition, in August 2015, the Ministry of Finance of Norway adopted the Regulation implementing Solvency II, which transposes detailed rules of the EU directive into domestic law.³

The 2015 Act does not apply to the Norwegian Public Service Pension Fund or state-owned entities funded from the state budget that are subject to special rules under other legislation.⁴ The Ministry of Finance can decide in cases of doubt whether an insurance undertaking (or other financial institution) requires a licence under the 2015 Act.⁵ In special cases, the Ministry of Finance can exempt insurance undertakings (or other financial institutions) from one or more provisions of the 2015 Act, and can attach conditions to such exemptions. Even in this case, the Ministry of Finance can decide that the undertaking will still be subject to supervision by the Finanstilsynet.⁶

Insurance undertakings in Norway can be organised as:

- public limited companies (*allmennaksjeselskap*)
- private limited companies (*aksjeselskap*)⁷
- mutual companies (*gjensidig forsikringsselskap*)
- pension funds (*pensjonskasse*)⁸

Cooperative insurance is not legally foreseen in Norway.

A life insurance undertaking can write insurance considered to be life insurance, as well as other personal insurances specified in the license.⁹ A non-life insurance undertaking can also write life insurance in the form of pure risk insurance, which by agreement is of a maximum duration of one year and confers the right to disbursement of compensation as a lump sum, or which meets other product requirements established by the Ministry of Finance.¹⁰

¹ Finanstilsynet's [website](#).

² Section 2-6 of the 2015 Act.

³ Ministry of Finance of Norway's website, [Regulation on Solvency II](#).

⁴ Section 1-6(1) of the 2015 Act.

⁵ Section 1-6(2) of the 2015 Act.

⁶ Section 1-6(3) of the 2015 Act.

⁷ Only in cases where an insurance undertaking is a subsidiary of a financial group or where according to its articles of association it can only write direct insurance for entities in the group of which it is to form a part (Section 7-2(2) of the 2015 Act).

⁸ A pension fund can provide collective pension schemes for entities and municipalities that have established and participate in the pension fund. It can also operate as a group pension fund, intermunicipal pension fund or joint pension fund. A license may confer on a pension fund the right to either provide pension schemes deemed to be life insurance, or to provide pension schemes with no insurance element (Section 2-16 of the 2015 Act).

⁹ Section 2-13(1) of the 2015 Act.

¹⁰ Section 2-14(2) of the 2015 Act.

The 2015 Act has special provisions in relation to mutual insurance undertakings regarding their articles of association,¹¹ the liability of members,¹² winding up¹³ and the establishment of financial groups.¹⁴ A mutual insurance undertaking can convert to a private limited company or a public limited company after authorisation from the Ministry of Finance.¹⁵ Upon conversion, a financial foundation is established which becomes the owner of all the shares of the new company.¹⁶ In special cases, the Ministry of Finance can consent to the shares being distributed instead among the undertaking's customers, with a basis in the nature, scope and duration of the customer relationships.¹⁷

Number of licensed insurance undertakings

At the end of 2015, 82 insurance companies were licensed by Finanstilsynet¹⁸ to operate in Norway.¹⁹ This figure encompassed 13 life insurers and 69 non-life insurers, including 15 fire insurers and nine marine insurance associations.

Compared to 2007, the number of insurance companies authorised in the Norwegian insurance market has seen little change, with a small decline of 5.7% from 87 insurance undertakings in 2007.²⁰

Number of mutual/cooperative insurers

In 2015, there were 33 mutual/cooperative insurers present in the Norwegian market. Six of these were life insurance companies and 27 were non-life insurance companies, of which 15 were local fire insurers and nine were marine insurance associations.

Of the 33 mutual/cooperative insurance companies in 2015, 25 were mutual/cooperative insurers in the legal form: one life insurer and 24 non-life insurers.

The total number of mutual/cooperative insurers active in Norway has decreased by 21% since 2007, when there were 42 mutual/cooperative insurers in the market (including 34 mutual/cooperative insurers in the legal form). Despite this fall, the aggregate premium income of the total mutual/cooperative sector has grown steadily since 2007 (see Figure 1).

¹¹ Section 7-8 of the 2015 Act.

¹² Section 11-3 of the 2015 Act.

¹³ Section 12-8(4) of the 2015 Act.

¹⁴ Section 17-4 of the 2015 Act.

¹⁵ Section 12-13(1) of the 2015 Act.

¹⁶ Section 12-15(3) of the 2015 Act.

¹⁷ Section 12-15(4) of the 2015 Act.

¹⁸ Finanstilsynet (2016) *Annual Report 2015*.

¹⁹ A further 32 Norwegian branches of foreign insurers, 49 private pension funds and 39 municipal pension funds also held a licence to operate in Norway at year-end 2015.

²⁰ In addition, there were a further 46 Norwegian branches of foreign insurers, 86 private pension funds and 29 municipal pension funds at year-end 2007.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

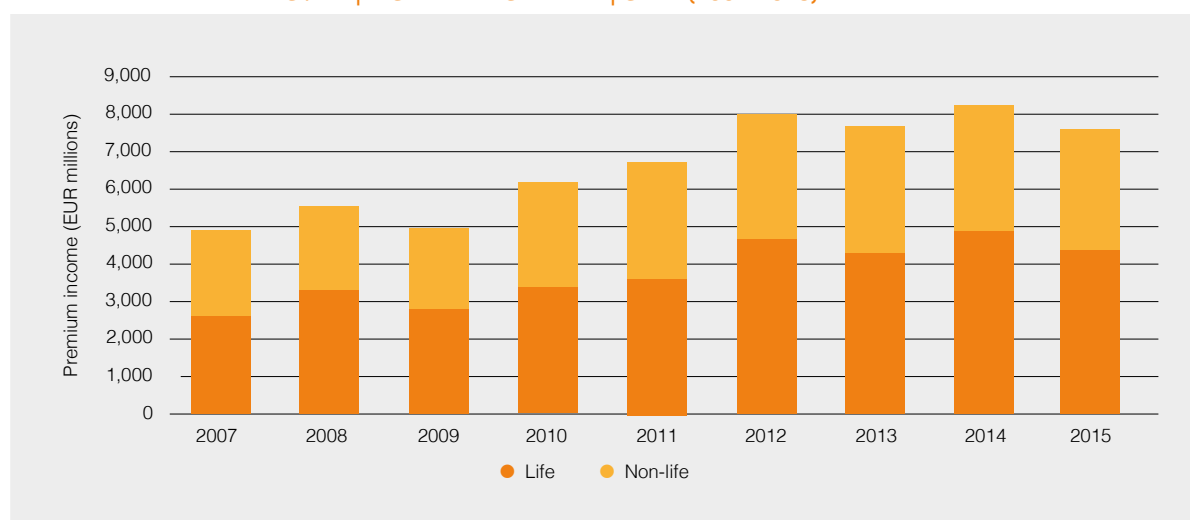
Total

The insurance sector in Norway as a whole wrote EUR 17.9 billion in insurance premiums in 2015. Growth had been very consistent in the Norwegian market since 2007, with only one year of negative premium growth (in 2009) during this eight-year period. As a result, premium volumes have increased by an aggregate of 40.5%²¹ since 2007 (EUR 14.2 billion), equivalent to a CAGR of 4.3%.

The mutual/cooperative market in Norway recorded premium levels of EUR 7.6 billion in 2015 (see Figure 2). Since 2007, the Norwegian mutual/cooperative has registered four years of double-digit premium growth, compared to just one year in the total market. Overall, the collective growth of mutual/cooperative insurers since 2007 (EUR 4.9 billion) was 73.1%, resulting in a CAGR (7.1%) that exceeded the market average by almost three percentage points.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



²¹ All growth figures are in local currency (Norwegian krone) terms to avoid any misleading effects of exchange rate fluctuations.

Life

Since 2007, life insurance business in Norway increased by a total of 39.5% to EUR 10.5 billion in premiums in 2015 (2007: EUR 8.4 billion).

Mutual/cooperative life insurers reported even stronger growth during this eight-year period. Collective premium income rose to EUR 4.4 billion in 2015 (from EUR 2.6 billion in 2007), a growth of 87.5%. As a result, the CAGR of the mutual/cooperative life sector (8.2%) was almost four percentage points stronger than the market average (4.3%).

Non-life

Norwegian non-life premiums rose to EUR 7.4 billion in 2015. This represented a total growth of 41.9% (2007: EUR 5.8 billion).

Mutual/cooperative insurers recorded non-life premium levels of EUR 3.2 billion in 2015, representing a 56.7% increase from 2007 volumes (EUR 2.3 billion). This resulted in a CAGR of 5.8%, just ahead of the total market CAGR of 4.5%.

Market share of mutual/cooperative insurance sector

The mutual/cooperative sector held a 42.3% share of the Norwegian insurance market in 2015 (see Figure 3), ranking it as one of the 10 largest insurance markets in the world by mutual/cooperative market share.²² In the life insurance sector, mutual/cooperative market share was 41.7%. In non-life business, the mutual/cooperative sector held a slightly higher proportion of the total market at 43.3%.

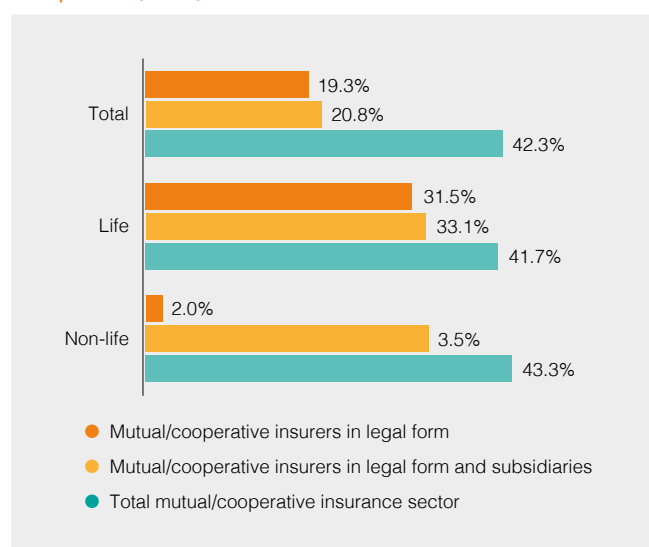
In the legal form, the total mutual/cooperative market share in 2015 was 19.3%. In life business, the one mutual/cooperative insurer in the legal form²³ accounted for a 31.5% market share. However, in the non-life market, the comparative share of legal form mutual/cooperative insurers was only 2.0% in 2015.²⁴

The majority of Norway's mutual/cooperative market share was held by mutual/cooperative-type insurers²⁵ in 2015 (21.5%), especially in the non-life sector (39.7%).

Overall mutual/cooperative market share has increased from 34.4% in 2007 (see Figure 4). Mutual/cooperative insurers in the legal form have seen the most substantial advance in market share, gaining a further five percentage points of the market since 2007 (14.0%).

In life insurance, mutual/cooperative insurers' (in the legal form) market share grew from 22.8% to 31.5% over this period. Total mutual/cooperative share in the life market increased as significantly, from 31.0% in 2007 to 41.7% in 2015. In non-life business, mutual/cooperative market share rose from 39.2% to 43.3% over the eight-year period.

Figure 3
Market share of mutual/cooperative insurance companies (2015)



²² ICMIF (2017) *Global Mutual Market Share 2015*.

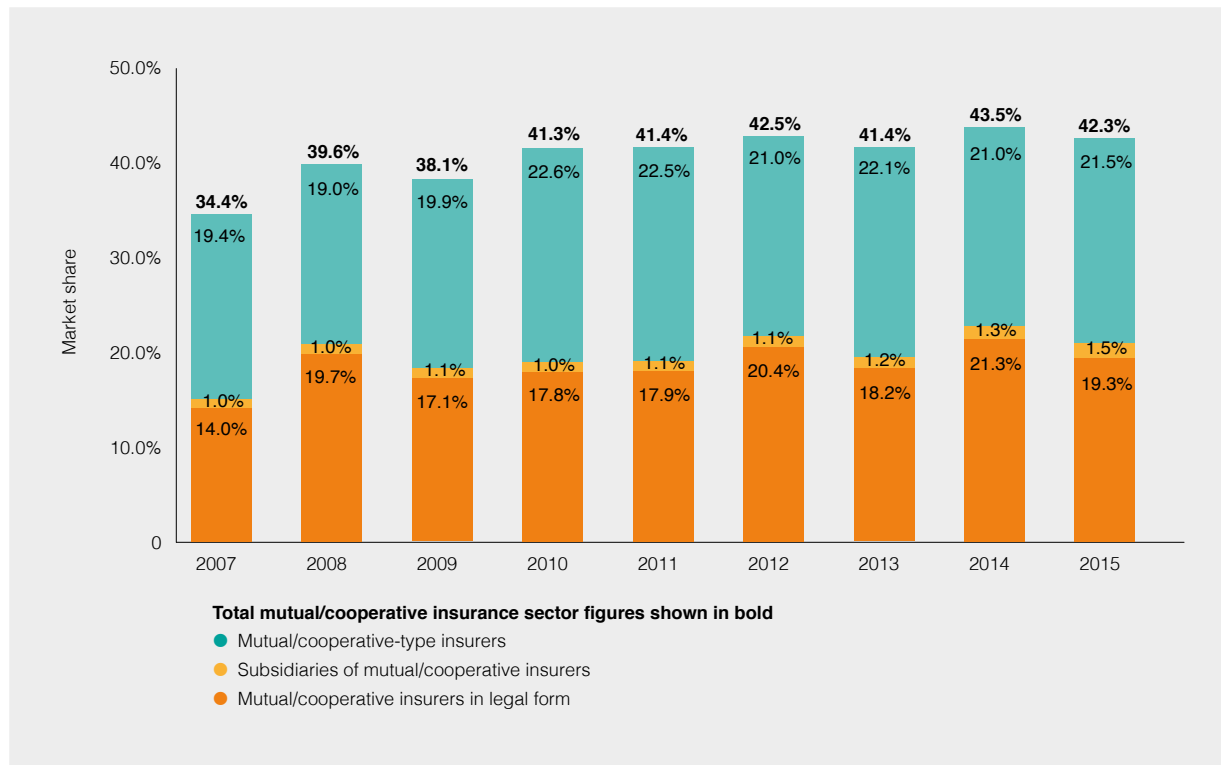
²³ Kommunal Landspensjonskasse Gjensidig Forsikringsselskap (KLP).

²⁴ There were a number of mutual marine insurance associations (Sjøtrygdslag Gjensidige) in Norway, classed as mutual/cooperative insurers in the legal form. However, premiums from these insurers were only included in the figures for insurance risks located in the national Norwegian market, thereby excluding any international business (similar to how the majority of business from P&I clubs is excluded in the market share figures throughout the report).

²⁵ The most significant mutual/cooperative-type insurer in Norway in 2015 was Gjensidige Forsikring. Gjensidige was originally a (legal form) mutual insurance company, however it restructured in 2007 to become majority-owned by the Gjensidige Foundation prior to listing on the Oslo Stock Exchange in 2010. In 2015, Gjensidige Forsikring was 62.2%-owned by the Gjensidige Foundation, which manages the ownership of Gjensidige on behalf of its non-life insurance customers in Norway.

Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

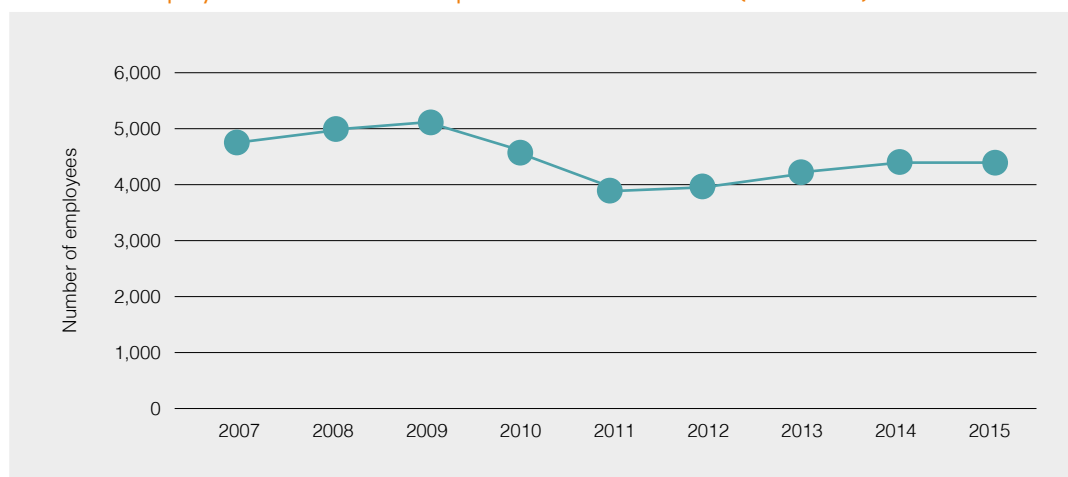


Number of employees

The total number of people employed by the mutual/cooperative sector in Norway (4,400) fell by 7.5% between 2007 and 2015 (see Figure 5). The reduction in employment levels was concentrated in the years between 2009 and 2011; the number of employees has increased steadily since 2011.

Figure 5

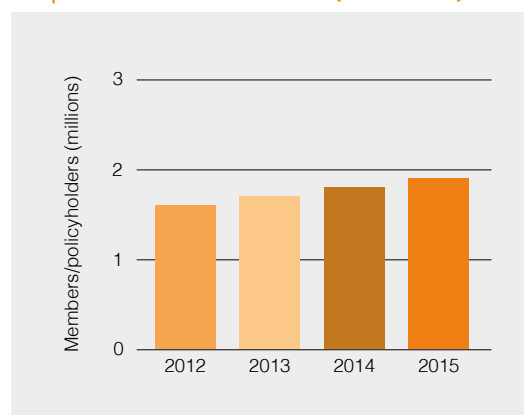
Number of employees of the mutual/cooperative insurance sector (2007-2015)



Number of members/policyholders

A total of 1.9 million members/policyholders were served by mutual/cooperative insurers in Norway in 2015 (see Figure 6). Membership numbers have grown year-on-year since 2012 (1.6 million), resulting in an overall increase of 16.8%.

Figure 6
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

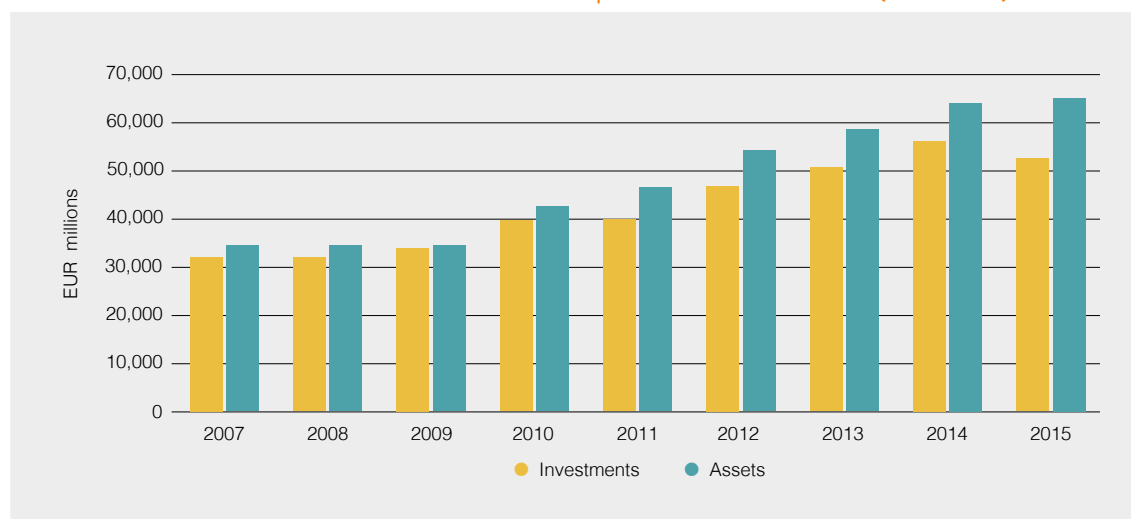


Assets and investments

The total assets held by Norwegian mutual/cooperative insurers reached record levels of EUR 65.0 billion in 2015 (see Figure 7). Asset values grew annually between 2008 and 2015 and were more than double the total asset figure in 2007 (EUR 34.4 billion).

The total amount of invested assets held by the mutual/cooperative sector grew by 82.5% during the same period, increasing from EUR 32.0 billion in 2007 to EUR 52.4 billion in 2015.

Figure 7
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Polish Financial Supervision Authority – KNF (*Komisja Nadzoru Finansowego*) supervises the financial market in Poland, including the insurance market.¹ It commenced its activities in 2006 and is itself supervised by the President of the Polish Council of Ministers. The pursuit of insurance business in Poland requires KNF authorisation.²

The Law of 11 September 2015 on Insurance and Reinsurance Activity – Insurance Law (*Ustawa z dnia 11 września 2015 r. o działalności ubezpieczeniowej i reasekuracyjnej*) is the primary legislation governing the insurance industry in Poland and transposing Solvency II into national law. The Insurance Law adopts the definitions regarding small insurance undertakings set out in Article 4 of Solvency II for small joint-stock companies in Poland. These small joint-stock companies are exempt from the general provision on minimum capital requirements.³ On the other hand, small mutual insurance companies are defined as having a limited scope of activity, only insuring their members and having a limited annual gross written premium and technical provisions. Small mutual insurance companies are exempt from the general provisions concerning supplementary and reserve capital, share capital, solvency capital and minimum capital requirements.⁴

The Insurance Law applies to insurance undertakings which provide assistance in the event of accident or breakdown of motor vehicles but does not apply to other types of entities providing this type of assistance, subject to the conditions set out under Article 2 of the Insurance Law.⁵

Insurance companies cannot simultaneously perform both life and non-life activities.⁶ The Insurance Law does not provide any exceptions to this rule.

An insurance undertaking can have one of the following legal forms:⁷

- a joint-stock company (*spółka akcyjna*)
- a mutual insurance company (*towarzystwo ubezpieczeń wzajemnych*)
- a European Company (*spółka europejska*)

Cooperative insurance is not legally foreseen.

Mutual insurance companies can be active in life and non-life insurance. Chapter 5 of the Insurance Law contains special provisions on mutual insurance companies. These provisions relate to aspects including membership, share capital, management and authorisation.

¹ KNF's website.

² Article 7(1) of the Law on Insurance and Reinsurance Activity – Insurance Law.

³ Article 101 of the Insurance Law.

⁴ Article 109 of the Insurance Law.

⁵ Article 2 of the Insurance Law.

⁶ Article 9 of the Insurance Law.

⁷ Article 6(1) of the Insurance Law.

Number of licensed insurance undertakings

In 2015, 57 domestic insurance undertakings⁸ were authorised to conduct insurance activities in Poland.⁹ Among these, 27 were life insurance companies and 30 were non-life insurance companies (including one reinsurance company).

By comparison, there were 66 domestic insurers actively conducting business in 2007, 31 companies were life insurers and 35 companies were non-life insurers.¹⁰

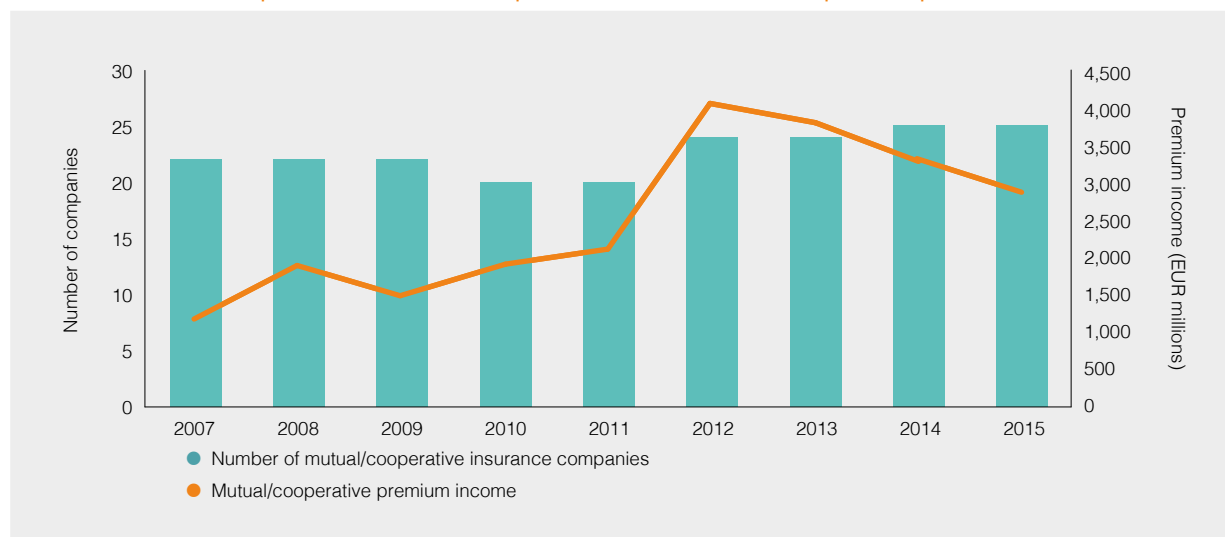
Number of mutual/cooperative insurers

There was a total of 25 mutual/cooperative insurance companies present in the Polish market in 2015, of which 11 were life insurance undertakings and 14 were non-life insurance undertakings. Nine of these companies were mutual/cooperative insurers in the legal form: two life insurers and seven non-life insurers.¹¹

The total number of mutual/cooperative insurers active in Poland had increased by three companies since 2007 (see Figure 1). The number of mutual/cooperative insurers in the legal form was the same in 2007 compared to 2015. The number of mutual/cooperative-type insurers present in Poland saw an increase over this period, rising from seven to 12.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

In 2015, the total premium income of the Polish insurance industry amounted to EUR 12.7 billion, of which EUR 5.3 billion was in life insurance and EUR 7.5 billion was in non-life insurance. Since 2007, the total insurance market recorded an overall growth of 24.1%,¹² rising from EUR 11.3 billion.

⁸ In addition, there were 640 foreign insurance companies notified in Poland (see Central Statistical Office – GUS (2016) *Polish Insurance Market 2015*). Branches of foreign insurance companies are not subject to the Polish reporting requirements and do not submit financial statements to the KNF.

⁹ KNF (2015) *Quarterly Bulletin. Insurance Market 4/2015*.

¹⁰ GUS (2008) *Insurance Companies 2006–2007*.

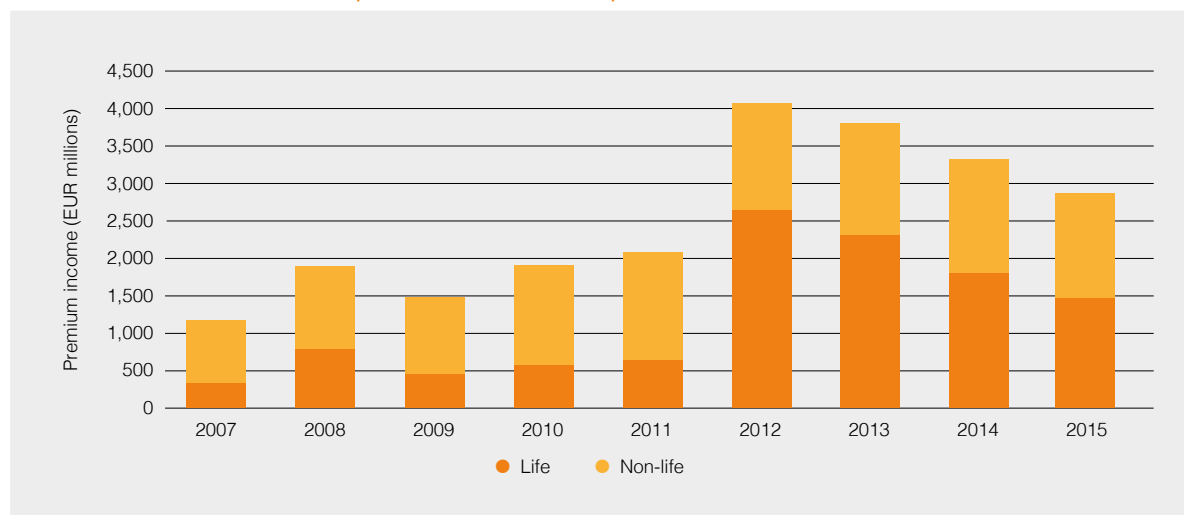
¹¹ Includes TUW Medicum, which was authorised by KNF on 20 October 2015 (although it did not issue its first insurance policy until March 2016).

¹² All growth figures are in local currency (Polish zloty) terms to avoid any misleading effects of exchange rate fluctuations.

Mutual/cooperative insurers in Poland had an aggregate premium income of EUR 2.9 billion in 2015, roughly evenly split between life and non-life business (see Figure 2). Despite three years of premium decline since 2012, annual premium volumes in 2015 were more than double compared to 2007 (EUR 1.2 billion), resulting in a CAGR of 13.3% during this period – more than 10 percentage points higher than the total market CAGR of 2.7%. The largest annual increase in premium levels occurred in 2012 (surging to EUR 4.0 billion from EUR 2.1 billion in 2011) largely due to three major acquisitions by foreign mutual/cooperative insurers.¹³

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life insurance premiums in Poland were marginally higher (0.4%) in 2015 compared to 2007, although growth premium levels have fluctuated over this period. However, the depreciation of the zloty resulted in an overall decline of 9% in euro values since 2007 (EUR 5.8 billion).

Mutual/cooperative life insurers have outperformed the rest of the life market since 2007, growing to EUR 1.5 billion in premiums in 2015, from just EUR 331 million. As a result, the CAGR of the mutual/cooperative life sector (21.9%) was significantly greater than the total market (0.1%).

Non-life

Growth in the Polish non-life market was far stronger than the life sector, as premium volumes increased by 49% between 2007 (EUR 5.5 billion) and 2015 (EUR 7.5 billion).

Mutual/cooperative insurers reported non-life premium levels of EUR 1.4 billion in 2015. This represented an overall growth of 85% from 2007 levels (EUR 833 million), equivalent to a CAGR of 8.0%, ahead of the total market average (5.1%).

¹³ Talanx AG (Germany) and Meiji Yasuda (Japan) jointly acquired the Europa Insurance Group and Open Life, completed June 2012; Vienna Insurance Group (Austria) acquired 92% of Polisa Life, completed June 2012; and Gothaer (Germany) acquired a further controlling stake in Polskiego, completed October 2012.

Market share of mutual/cooperative insurance sector

Overall, the Polish mutual/cooperative sector represented 22.5% of the market in 2015 (see Figure 3). Mutual/cooperative insurers held a higher market share of national life business (27.8%) compared to the non-life market (18.7%).

In the legal form, the total mutual/cooperative market share in 2015 was 3.0%. Including subsidiaries of mutual/cooperative insurers in the legal form, this rose to 4.4%. In the non-life market, legal form mutual/cooperative insurers held a 5.0% share (7.0% including subsidiaries). However, in comparison, their share of the life market was much lower at 0.2% (0.7% including subsidiaries).

The total Polish mutual/cooperative sector experienced a sizeable gain in market share, rising from 10.4% in 2007 (see Figure 4). The largest growth in market share was in 2012, increasing to 27.4% (from 15.3% in 2011). The market share of mutual/cooperative insurers in the legal form has also increased since 2007, growing from 1.1% in 2007.

The mutual/cooperative life market saw the largest gain in market share between 2007 and 2015, increasing from 5.7%. In non-life business, mutual/cooperative share rose from 15.0% to 18.7% over the same period.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

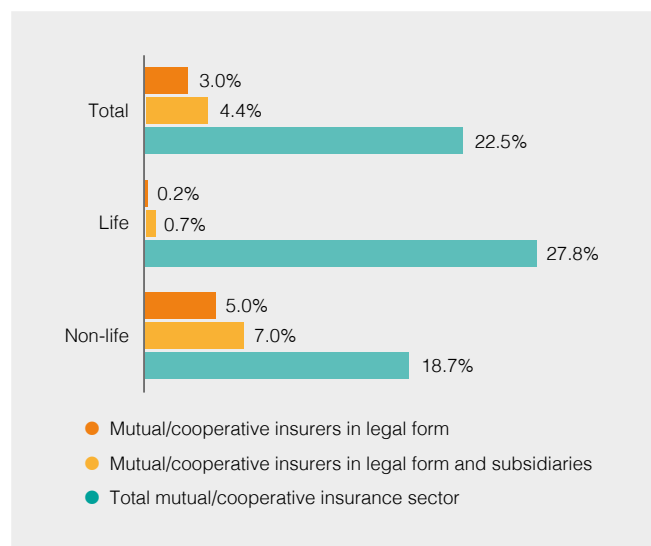
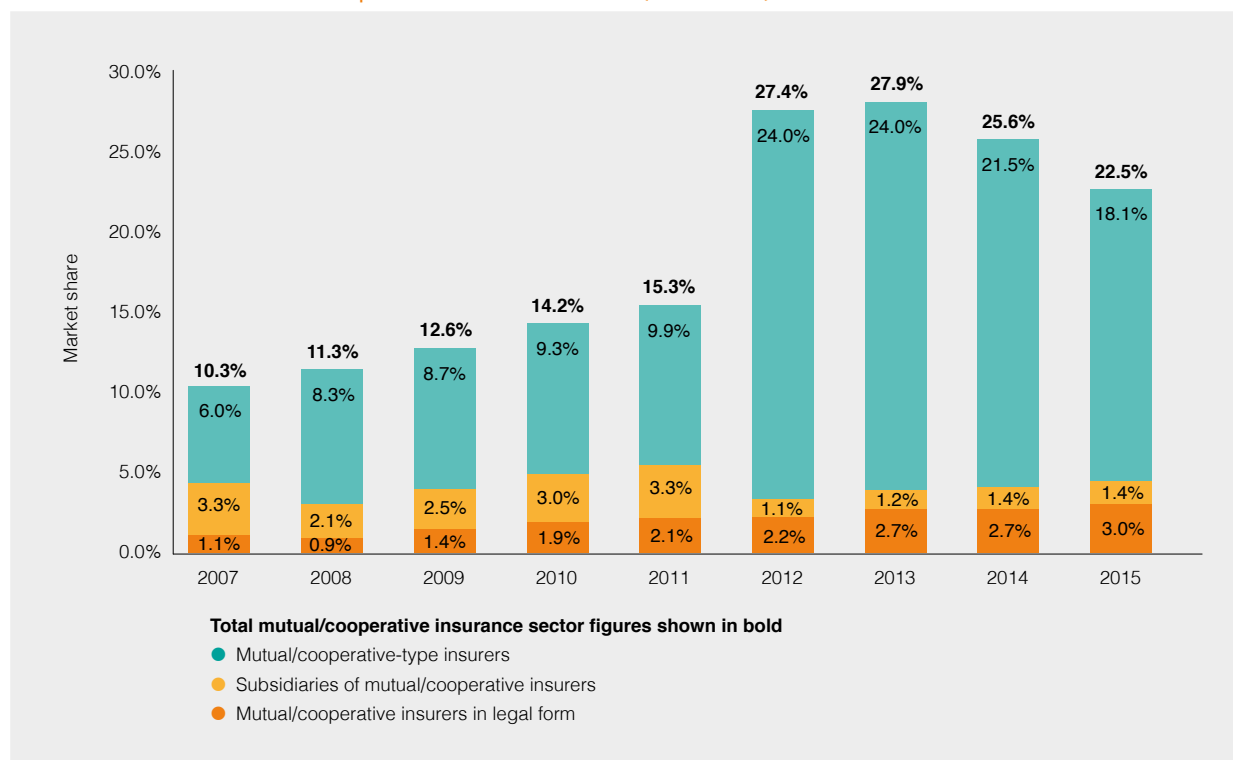


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

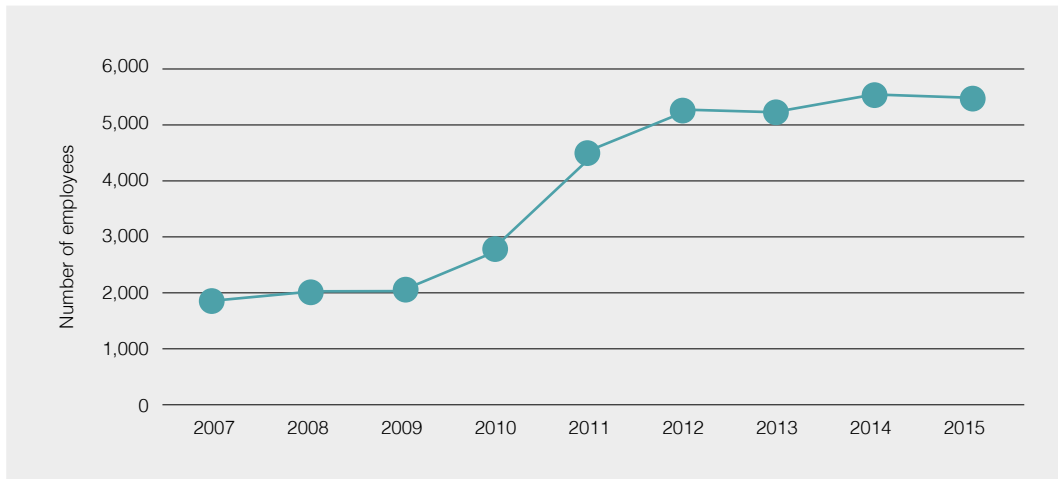


Number of employees

The total number of people employed by the mutual/cooperative sector in Poland grew sharply between 2009 and 2012 (see Figure 5), leading to employment figures in 2015 (5,500 people) being twice the level in 2007 (1,855).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



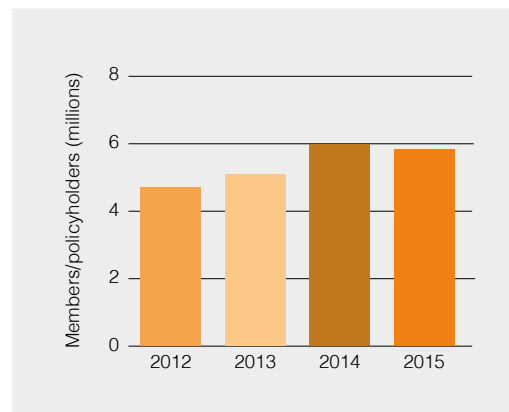
Number of members/policyholders

A total of 5.8 million members/policyholders were served by Polish mutual/cooperative insurers in 2015 (see Figure 6).

Membership numbers increased between 2012 (4.7 million) and 2014 (6.0 million), although they fell by 0.2 million in 2015. Despite this, the overall increase in 2015 compared to 2012 was 23.5%.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



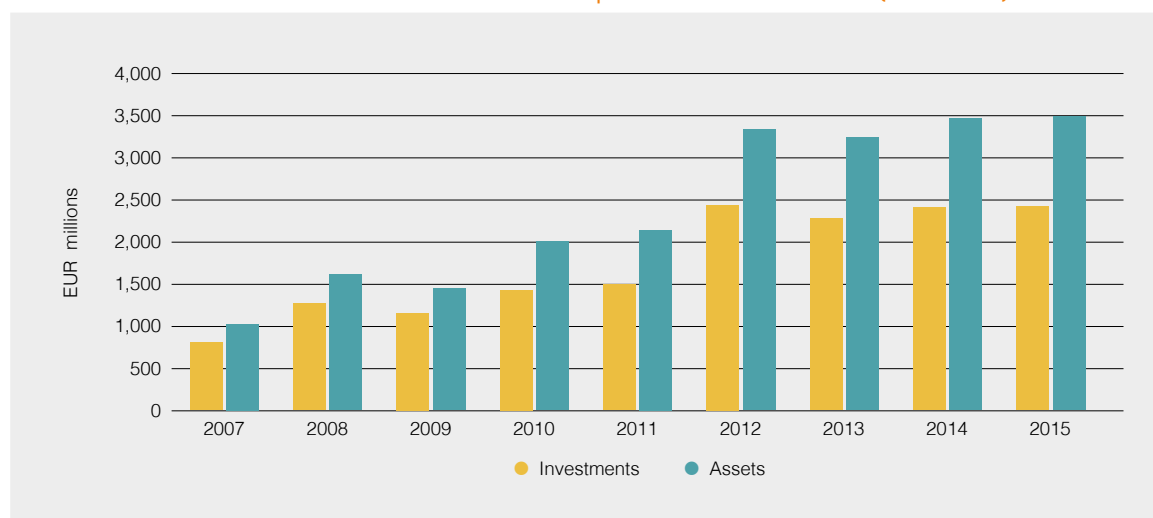
Assets and investments

Polish mutual/cooperative insurers reported a record level of total assets in 2015 of EUR 3.4 billion, a significant increase from just over EUR 1 billion worth of assets held in 2007 (see Figure 7).

The total amount of invested assets held by the mutual/cooperative sector also grew by a similar amount compared to 2007 figures, increasing to EUR 2.4 billion in 2015 from EUR 0.8 billion in 2007.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Portuguese Insurance and Pension Funds Supervisory Authority – ASF (*Autoridade de Supervisão de Seguros e Fundos de Pensões*) is the national authority responsible for the regulation and supervision of insurance companies, both from a prudential and a market conduct point of view.¹ The ASF is a legal person under public law, acting as an independent administrative entity, and provided with administrative, financial, managerial autonomy and its own assets. Insurance undertakings in Portugal need to obtain an authorisation from the ASF before commencing their operations.²

The insurance market in Portugal is governed by the Law No. 147/2015: Legal regime of access and exercise of the insurance and reinsurance activity – RJASR (*Regime jurídico de acesso e exercício da atividade seguradora e resseguradora, bem como o regime processual aplicável aos crimes especiais do setor segurador e dos fundos de pensões e às contraordenações cujo processamento compete à Autoridade de Supervisão de Seguros e Fundos de Pensões*). The RJASR transposes Solvency II into national law,³ but does not include an exclusion regime in relation to small insurance undertakings akin to Article 4 of Solvency II.

The RJASR excludes the following operations from its scope:⁴

- the operations of pension and assistance entities, whose benefits vary according to the resources available, and in which the contributions of the members are determined on a flat rate basis.
- export credit insurance schemes by order of or under guarantee by the State.
- assistance activities relating to accident or breakdown involving a motor vehicle (subject to certain conditions).
- entities providing benefits solely in the event of death, where the amount of such benefits does not exceed the average funeral costs (subject to certain conditions).

Concurrent exercise of both life and non-life activities can only be allowed for life insurers underwriting accident and sickness insurance.⁵ The provision is subject to the adoption of distinct management for each of these activities.⁶ Moreover, the RJASR states that insurance companies that at the date of the RJASR's publication⁷ were authorised to perform simultaneously both life and non-life insurance activities, can continue doing so.

¹ ASF's website.

² Article 14 of Law No. 147/2015: Legal regime of access and exercise of the insurance and reinsurance activity – RJASR.

³ Article 1 of the RJASR.

⁴ Article 4(1) of the RJASR.

⁵ Article 48(3) of the RJASR.

⁶ Article 89 of Annex I of the RJASR.

⁷ 9 September 2015.

An insurance undertaking in Portugal can be established as:⁸

- a joint-stock company (*sociedade anónima*)
- a mutual insurance company (*mútua de seguros*)
- a mutual association (*associação mutualista*)⁹
- a European Company (*sociedade europeia*)
- a public insurance or public capital company incorporated under Portuguese law
- a branch of an insurance undertaking having its head office in another Member State
- a branch of a third-country insurance undertaking authorised under the RJASR

Mutual insurance companies take the form of a limited liability cooperative. They are governed by the provisions of the RJASR, and subsidiarily, by the provisions of the Cooperative Code and other complementary legislation, as long as it does not contradict the RJASR or other specific provisions on insurance activity.¹⁰ Mutual insurance companies can be converted into joint-stock companies, subject to authorisation by the ASF.¹¹ They can carry out activities in both life and non-life classes.

Although the legal form of a cooperative exists in Portugal and it is governed by the Cooperative Code – Law no. 119/2015 of 31 August (*Código Cooperativo – Lei n.º 119/2015, de 31 de Agosto*) mentioned above, it does not specifically include insurance as one of the activities.

Number of licensed insurance undertakings

In 2015, there were 45 insurance companies supervised by the ASF present in the Portuguese market.¹² This comprised 44 joint stock companies (engaged in direct insurance¹³) and one mutual association. Of the 45 insurance undertakings, 16 were active in the life sector, 23 in the non-life sector and five were composite insurance companies.

There was little change in the number of insurance companies compared to 2007: 48 in total, of which 46 were joint stock companies and 2 were mutual associations.

Number of mutual/cooperative insurers

There were 12 mutual/cooperative insurance undertakings conducting business in 2015, two fewer than in 2007 (see Figure 1). There was only one mutual association (Mútua dos Pescadores) classed as a legal form mutual insurer active in 2015.¹⁴ The majority of mutual/cooperative companies in Portugal were mutual/cooperative-type insurers.

There is also a number of small livestock mutual insurers¹⁵ active in Portugal. These mutuals are not supervised by the ASF and do not abide by the Insurance Legislation, but are instead under the supervision of the Portuguese Ministry of Agriculture, Forestry and Rural Development (*Ministério da Agricultura, Florestas e Desenvolvimento Rural*). Due to the lack of available data, these mutuals are not included in this study.

⁸ Article 3 of Annex I to RJASR.

⁹ Mutual associations are regulated by the Mutual Association Code – Law No. 72/90 of 3 March 1990 (*Código das Associações Mutualistas - Decreto-Lei n.º 72/90 de 3 de Março*). They are private entities with an unlimited number of members that are based on social solidarity. They aim at activities in the field of complementary social security and health and operate with an undetermined capital focused on the needs of their members and their families.

¹⁰ Article 58 of Annex I of the RJASR.

¹¹ Article 59(3) of Annex I of the RJASR.

¹² ASF (2016) *Estatísticas de Seguros 2015*.

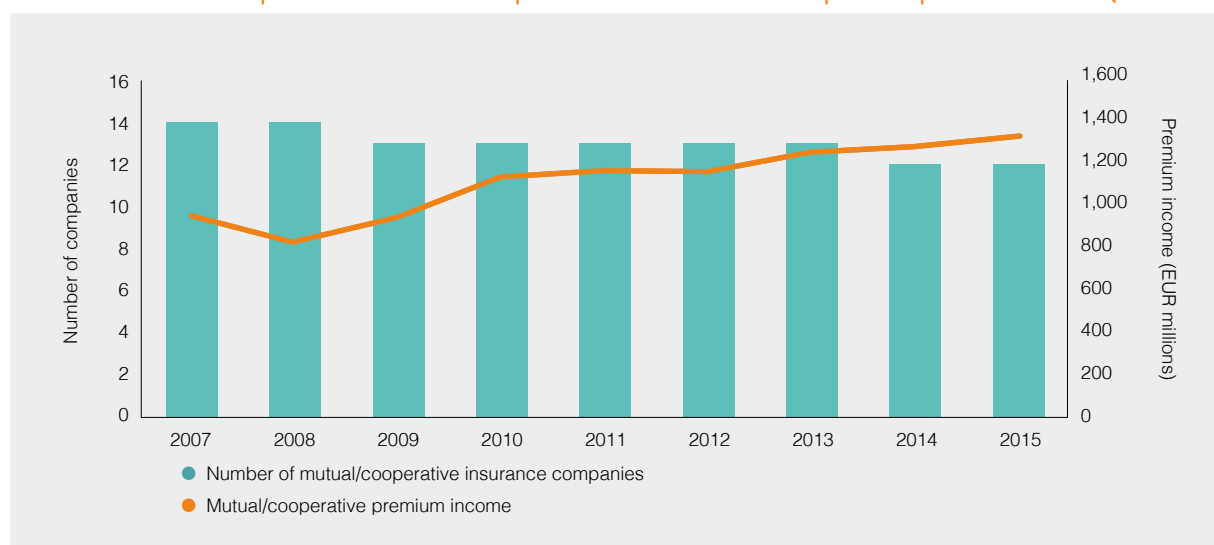
¹³ There was also one reinsurance company supervised by ASF in 2015.

¹⁴ Spanish mutual non-life insurer Mutua de Riesgo Marítimo, Sociedad de Seguros a Prima Fija (Murimar) entered the Portuguese market in 2008 as an EU undertaking operating under a branch. It is also classified as a definition 1 mutual insurer in this study.

¹⁵ Two identified were Associação Mútua de Seguros de Gado do Vale Besteiros and Mútua de Seguros de Gado MÚTUA DE BASTO/NORTE.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

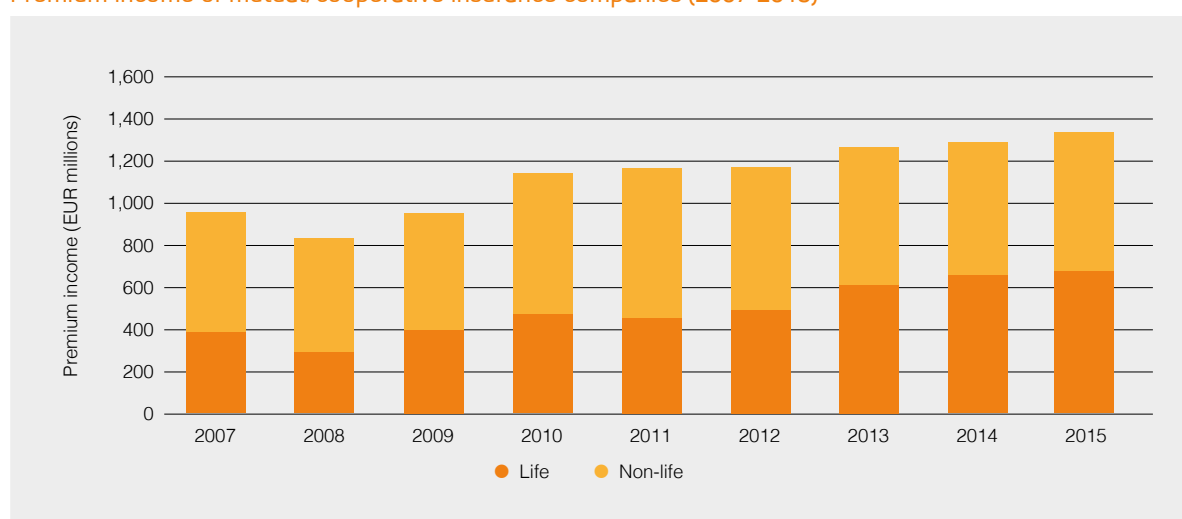
Total

The development of the Portuguese insurance market was hampered in recent years by the Eurozone crisis. Premium volumes were 7.3% lower in 2015 (EUR 12.9 billion) compared to 2007 levels¹⁶ (EUR 13.9 billion). This aggregate decline can be largely attributed to the large premium decrease in 2010 (-29%) after the onset of Portugal's sovereign debt crisis.

In contrast, the mutual/cooperative insurance sector has shown resilience to the worsening economic conditions in Portugal, reporting a 39.7% increase in premium volumes since 2007. Premium revenues reached a record EUR 1.3 billion in 2015, growing from EUR 956 million in 2007 (a CAGR of 4.3% compared to the market average CAGR of -0.9%). In 2015, premium income of mutual/cooperative insurers was split equally between the life and non-life sectors (see Figure 2).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



¹⁶ For comparison, Portugal's Gross Domestic Product (GDP) fell by 17.2% (in USD terms) between 2007 and 2015.

Life

Aggregate life premiums of Portuguese insurers fell to EUR 8.6 billion in 2015, down from EUR 9.5 billion in 2007 (a decline of 8.7%). Mutual/cooperative life insurers registered a positive growth of 75% in premium terms, rising to EUR 673 million in 2015 from EUR 384 million in 2007. The CAGR of the mutual/cooperative sector (7.3%) was more than eight percentage points stronger than the market average (-1.1%).

Non-life

The total non-life market in Portugal also suffered a contraction in business volumes between 2007 and 2015, although at a slower pace. Premium levels fell by 4.4% from EUR 4.4 billion to EUR 4.2 billion in 2015, representing a CAGR of -0.6%. The mutual/cooperative sector experienced robust growth over this period, increasing from EUR 572 million in 2007 to EUR 663 million in 2015. This represented an aggregate growth of 15.8% (equivalent to a CAGR of 1.9%).

Market share of mutual/cooperative insurance sector

The total market share of mutual/cooperative insurers in Portugal rose to a record level of 10.4% in 2015 (see Figure 3). There was a minimal market share held by mutual insurers in the legal form (0.1%) in the total market, as well as in the non-life sector (0.2%). Subsidiaries of mutual/cooperative insurers held a higher proportion of the non-life market (6.7%) compared to the life market (1.5%).

The total Portuguese mutual/cooperative insurance sector saw a significant increase in market share from 6.9% in 2007, a proportional growth of more than 50% (see Figure 4). Mutual/cooperative insurers recorded an increase in their market share in five of the previous eight years, experiencing the largest upturn in 2011 (as market share rose to 10.0% from 6.9% in 2010). Premium growth by mutual/cooperative-type insurers contributed most to the overall increase in market share between 2007 and 2015 (growing from 4.5% to 7.2%), as there was little change in the market share of legal form mutual insurers and subsidiaries of mutuals over this period.

In the life sector, mutual/cooperative insurers' collective market share almost doubled to 7.8% in 2015 from 4.1% in 2007. The mutual/cooperative sector held a higher proportion of the total non-life in 2015 (15.7%), which was also greater compared with 2007 market share (13.0%).

Figure 3
Market share of mutual/cooperative insurance companies (2015)

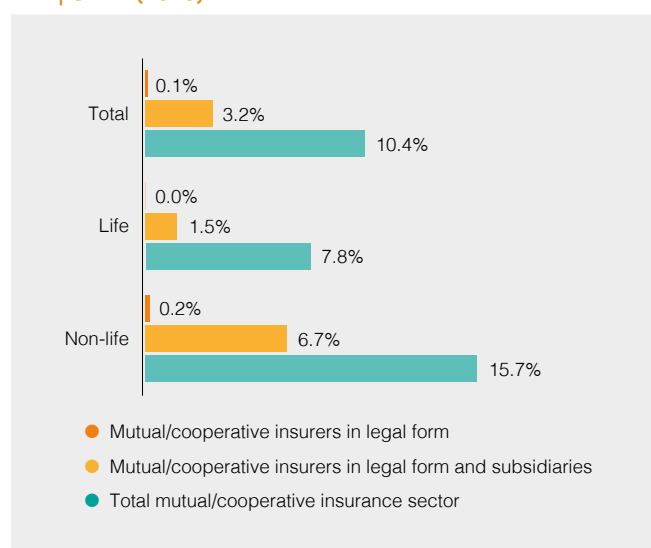
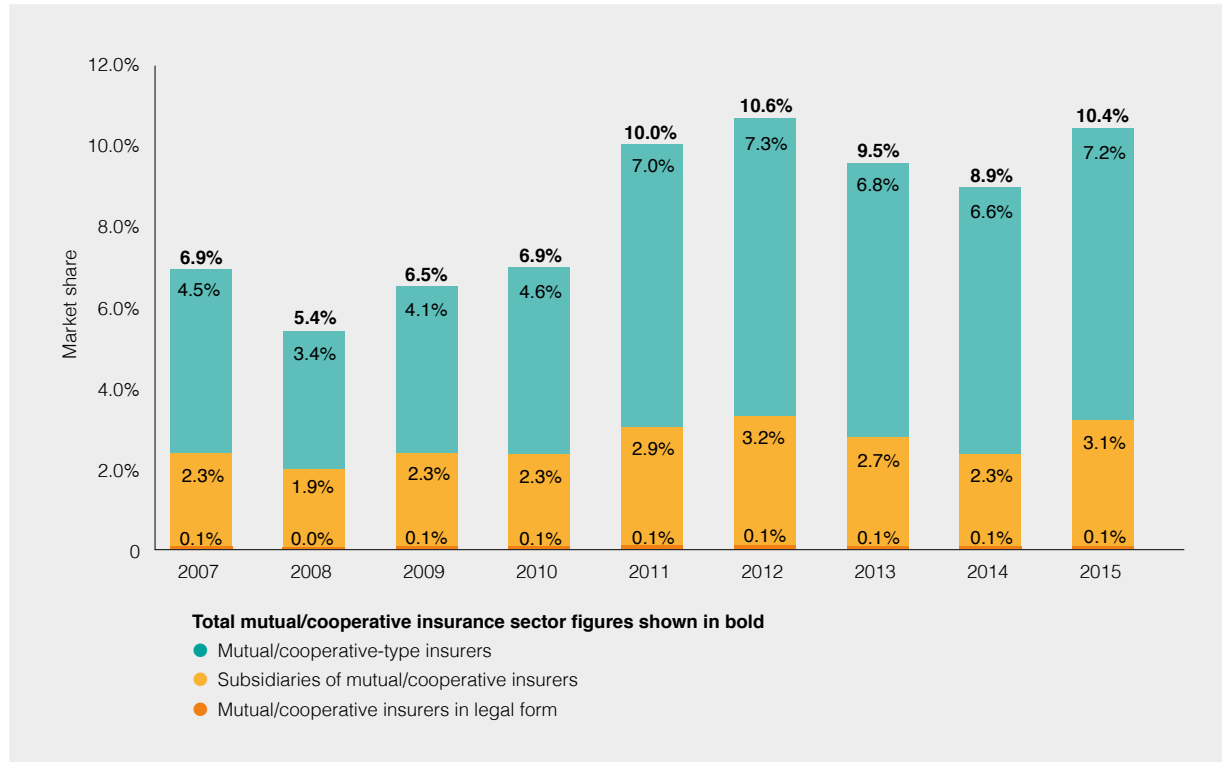


Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

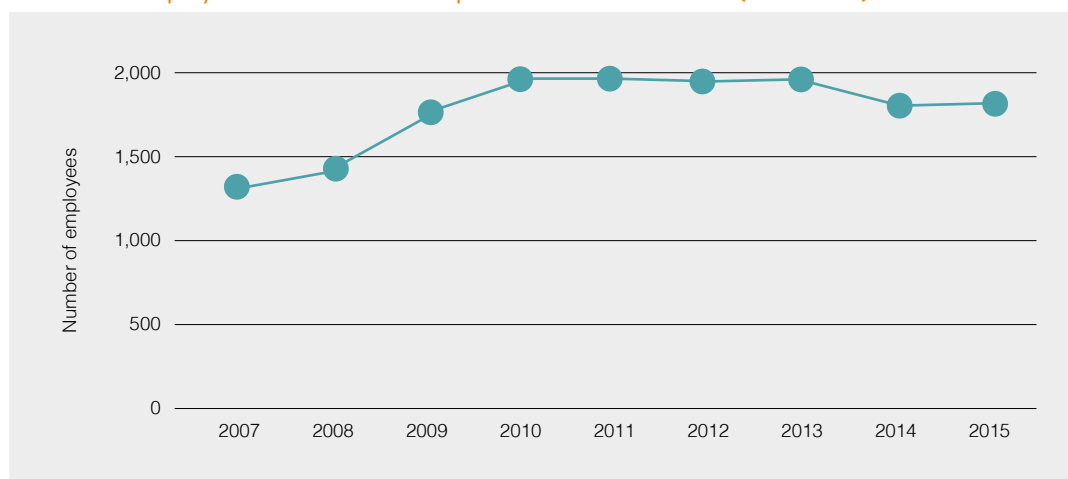


Number of employees

In 2015, there were 1,819 employees of mutual/cooperative insurance undertakings in Portugal (see Figure 5). Employment levels have been relatively consistent since 2010 (1,965), although 2015 levels represented an aggregate growth of 39% from the number of employees in 2007 (1,308).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



Number of members/policyholders

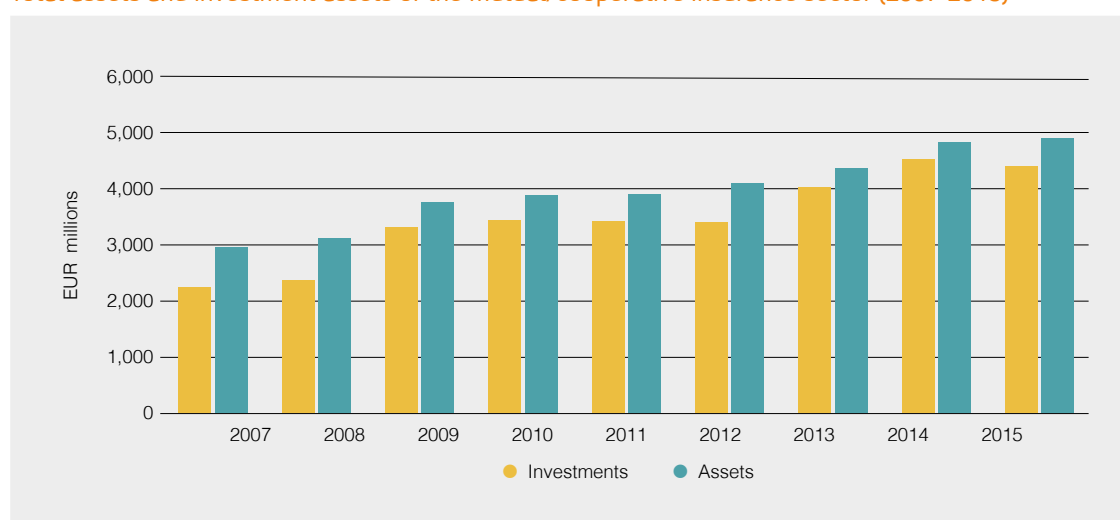
There was very sparse data available on the number of members/policyholders of Portuguese mutual/cooperative insurers. Data was only available for one entity, which had just over 100,000 members/policyholders.

Assets and investments

Portuguese mutual/cooperative insurers held just under EUR 5 billion in total assets in 2015 (see Figure 6). This represented an increase of two-thirds from asset values in 2007 (EUR 2.9 billion). Invested assets have doubled during the same eight-year period, climbing to EUR 4.4 billion in 2015 from EUR 2.2 billion in 2007.

Figure 6

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

The Financial Supervisory Authority – ASF (*Autoritatea de Supraveghere Financiară*) is an independent, autonomous and self-financed legal body which is responsible for the supervision and regulation of the insurance industry in Romania.¹ Undertakings that wish to conduct insurance business in Romania need to obtain an authorisation from the ASF.²

The primary legislation governing the insurance market in Romania is Law no. 237/2015 on the authorisation and supervision of the business of insurance and reinsurance – Insurance Law (*Lege nr. 237/2015 privind autorizarea și supravegherea activității de asigurare și reasigurare*). The Insurance Law of 2015 transposes the Solvency II Directive into domestic law, and, as a result, it adopts the same exclusion regime in relation to small insurance undertakings (annual gross written premiums less than EUR 5 million, total of technical provisions less than EUR 25 million, etc.).³ These small insurance undertakings are subject to the national supervisory regime set out in Part II of the Insurance Law, which foresees special regulations regarding authorisation, governance and supervision. The provisions of Part II also apply to undertakings seeking authorisation which do not wish to be supervised in accordance with the provisions of Part I (Solvency II supervisory regime).⁴ The ASF sets out the national supervisory regime in RULE No. 28/2015 on the operation of supervised insurers in accordance with the national regime (*Norma nr. 28/2015 privind funcționarea asigurătorilor supravegheați conform regimului național*).

The Insurance Law does not apply to the following types of operations:⁵

- operations of provident and mutual benefit institutions whose benefits vary according to the resources available and in which the contributions of the members are determined on a flat rate basis.
- operations carried out by organisations not having a legal personality with the purpose of providing mutual cover for their members without there being any payment of premiums or constitution of technical reserves.
- mutual undertakings which pursue direct non-life insurance activities and which have concluded with other mutual undertakings an agreement which provides for the full reinsurance of the insurance policies or meeting the liabilities arising under such policies.
- export credit insurance operations for the account of or guaranteed by the State, or taken by the State.

Insurance undertakings cannot simultaneously pursue life and non-life insurance activities, unless they were already doing so on 1 January 2007.⁶ In any case, life and non-life business must be managed separately.⁷

Insurance undertakings in Romania can have one of the following legal forms:⁸

- a joint-stock company (*societăți pe acțiuni*)
- a mutual undertaking (*societăți mutuale*)⁹

¹ ASF's [website](#).

² Article 20(1) of Law no. 237/2015 on the authorisation and supervision of the business of insurance and reinsurance – Insurance Law.

³ Article 2(2) of the Insurance Law.

⁴ Article 172(a) of the Insurance Law.

⁵ Articles 3-5 of the Insurance Law.

⁶ Article 121 of the Insurance Law.

⁷ Article 49 of the Insurance Law.

⁸ Article 1(56) of the Insurance Law.

⁹ Although the Insurance Law foresees the possibility for mutual undertakings to carry out insurance activities in Romania, no level 2 legislation concerning the establishment and functioning of such undertakings has been adopted to date. As a result, mutual undertakings cannot exist in practice.

- a European Company (*societăți europene*)
- a European Cooperative Society (*societăți cooperative europene*)

Mutual insurance undertakings can operate in both life and non-life classes. The Insurance Law does not include rules on management and corporate governance specifically for mutual companies.

Number of licensed insurance undertakings

At year-end 2015, there were 35 licensed insurance undertakings conducting insurance business in Romania.¹⁰ This comprised eight life insurance companies and 20 non-life insurance companies. The remaining seven insurance companies active in 2015 were composite insurers.

There were seven fewer insurance undertakings in the Romanian market in 2015 compared to 42 insurance companies present in 2007. Of these, nine were life insurers, 21 were non-life insurers and 12 were composite insurers.

Number of mutual/cooperative insurers

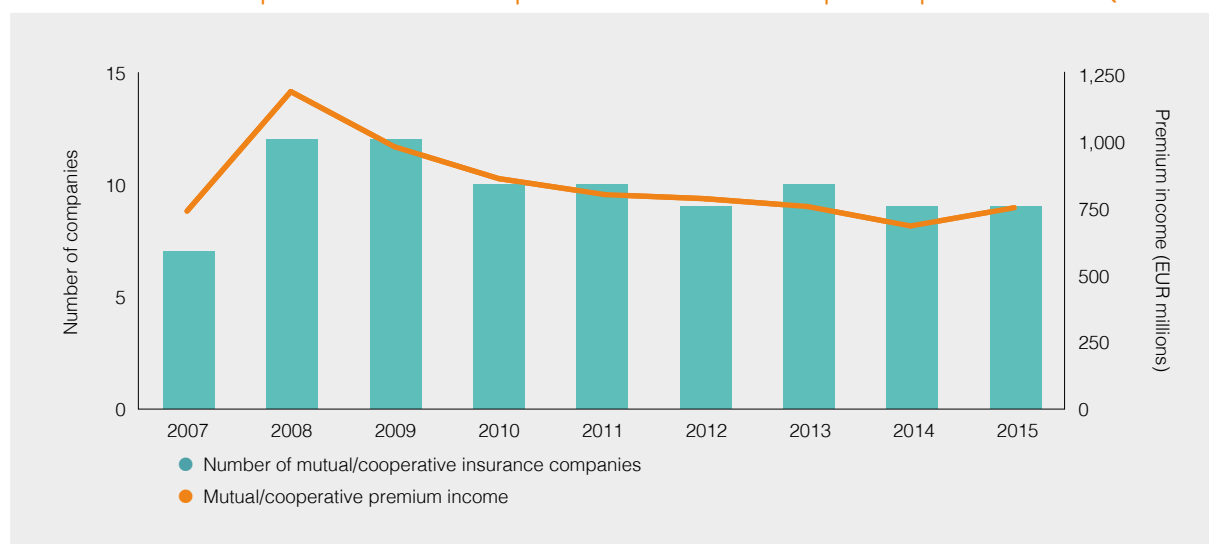
There was a total of nine mutual/cooperative insurance companies active in the Romanian market at year-end 2015. This represented an overall increase of two insurance undertakings compared to 2007 (see Figure 1). The number of mutual/cooperative insurers (and collective premium income) peaked in 2008, following the acquisition of four local companies by two foreign-based mutual/cooperative insurers.^{11 12}

Of the nine mutual/cooperative insurance companies in 2015, there were three each of life insurers, non-life insurers and composite insurers. In comparison, there was one life, two non-life and four composite mutual/cooperative insurers in 2007.

Despite insurance legislation for mutual companies (in the legal form), there were none present in the Romanian market in 2015 (nor 2007). However, in 2015 there were three subsidiaries of (foreign) mutual/cooperative insurers in the legal form present.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



¹⁰ ASF (2016) *2015 Annual Report*.

¹¹ Groupama (a French mutual insurer in the legal form) acquired composite insurers OTP Garancia Asigurări S.A. and Asiban S.A. in 2008. It previously entered the Romanian market in 2007, with the acquisition of BT Asigurări S.A. (which was later renamed Groupama Asigurări S.A.). Both Asiban S.A. and OTP Garancia Asigurări S.A. were subsequently merged into Groupama Asigurări (in 2009 and 2010 respectively); also, in a separate transaction, Vienna Insurance Group (an Austria mutual/cooperative-type insurer) acquired life insurer SC BCR Asigurări S.A. and non-life insurer SC BCR Asigurări de Viata S.A. in 2008. SC BCR Asigurări was subsequently merged with VIIG's existing subsidiary OmniaSIG VIIG in 2012. VIIG previously acquired composite insurer SC Asigurarea Romaneasca ASIROM S.A. (ASIROM) in 2007.

¹² Signal Iduna (a German mutual insurer in the legal form) also entered the Romanian market in 2008 through the formation of a new (life insurer) subsidiary company, Signal Iduna Asigurări de Viata S.A..

Size and growth of the mutual/cooperative insurance sector

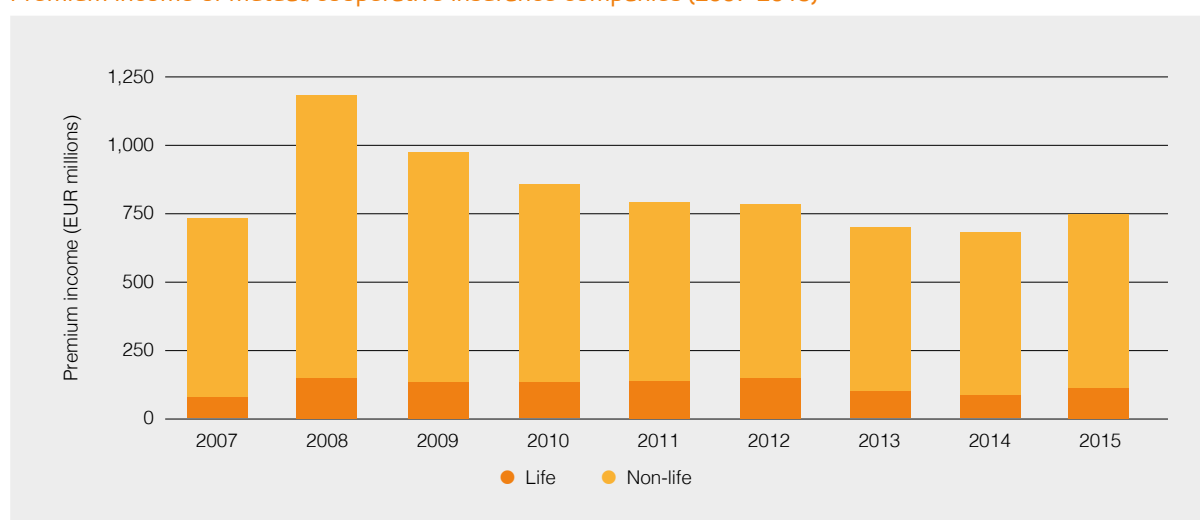
Total

The Romanian insurance market totalled EUR 1.9 billion in written premiums in 2015, representing a 19.3%¹³ increase compared to 2007 premium levels (EUR 2.1 billion¹⁴). Non-life insurance was the most dominant class of business in the Romanian market, contributing 80% (EUR 1.5 billion) of total premium volumes in 2015.

The collective premium income of mutual/cooperative insurers in Romania amounted to EUR 746 million in 2015, of which more than 85% was also derived from non-life lines of business (see Figure 2). The sector has recorded a premium growth of 35.3% since 2007 (EUR 733 million), equivalent to a CAGR of 3.9% over this period (and outperforming the total market CAGR of 2.2%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

In life business, total premium levels in the Romanian market were at EUR 384 million in 2015. This represented an increase (in local terms) of 20.5% compared to 2007 (EUR 424 million), despite the fall in euro values.

The mutual/cooperative sector recorded EUR 111 million in life premiums in 2015, and had grown at a CAGR of 8.6% since 2007 (EUR 76 million). In comparison, the total market CAGR was 2.4%.

Non-life

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The mutual/cooperative sector recorded EUR 111 million in life premiums in 2015, and had grown at a CAGR of 8.6% since 2007 (EUR 76 million). In comparison, the total market CAGR was 2.4%.

¹³ All growth figures are in local currency (Romanian leu) terms to avoid any misleading effects of exchange rate fluctuations.

¹⁴ Due to the depreciation of the leu, premiums volumes in euro terms were 10.3% lower in 2015 compared to 2007.

Market share of mutual/cooperative insurance sector

Mutual/cooperative insurers accounted for 38.7% of the total Romanian insurance market in 2015 (see Figure 3). In terms of type of business, market share was 28.9% in the life sector and 41.2% in the non-life sector.

Subsidiaries of mutual/cooperative insurers in the legal form held a 10.7% share of the overall Romanian market in 2015. In life business, market share was just 4.3%, however in non-life business, it was higher at 12.3%.

Total mutual/cooperative market share in 2015 was moderately greater in comparison to the 34.1% share held in 2007 (see Figure 4).

The most significant gain in mutual/cooperative share was reported in 2008, rising to a peak share of 48.8%. Since 2008, mutual/cooperative insurers have gradually seen a reduction in their total share of the market. In contrast, the share held by subsidiaries of mutual/cooperative insurers in the legal form continued to remain significantly greater in 2015 compared to 2007 (3.8% share).

The mutual/cooperative life sector experienced the greatest gain in market share since 2007, growing from a 17.9% share. In non-life business, market share had risen from 38.1% in 2007.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

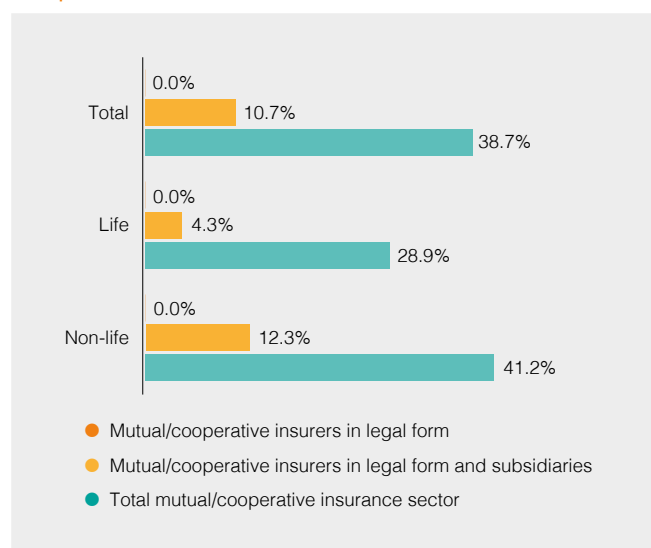
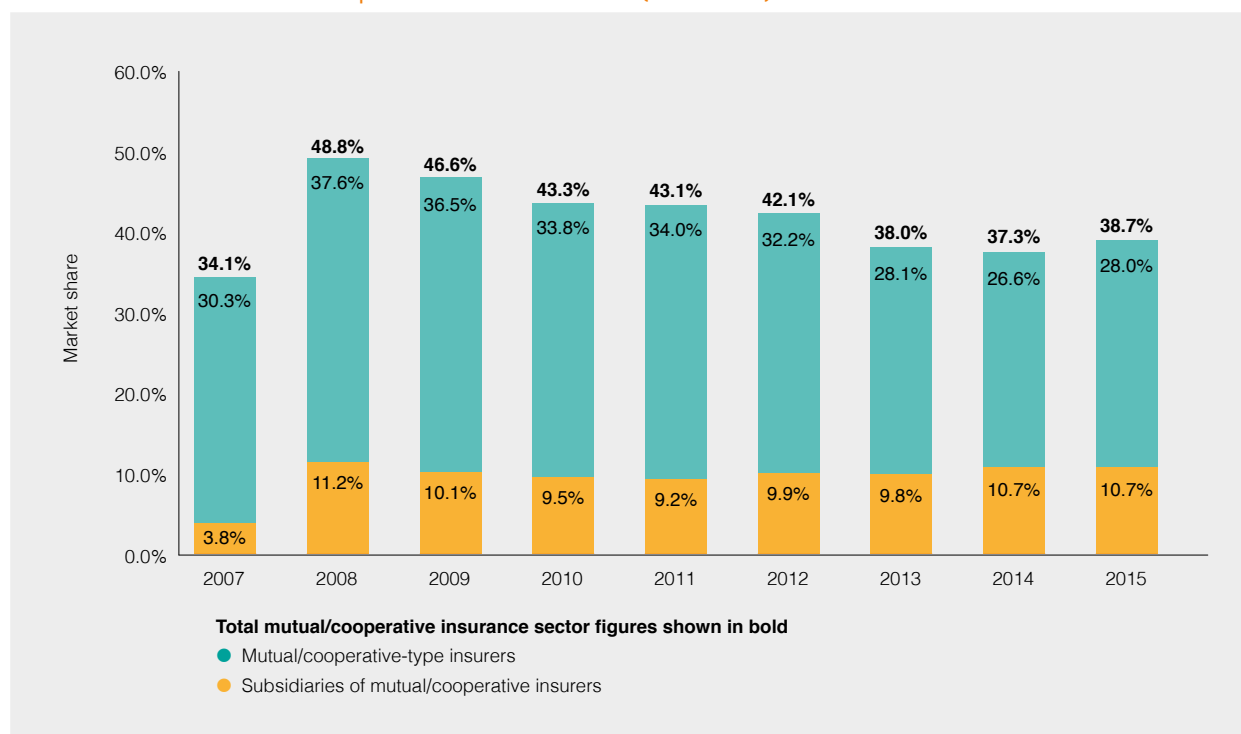


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

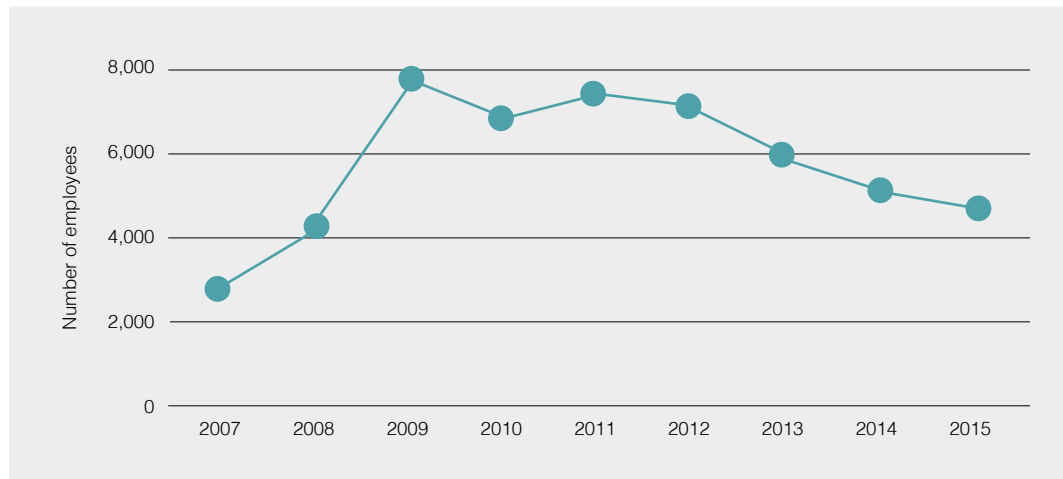


Number of employees

The number of people employed by the Romanian mutual/cooperative insurance sector saw a dramatic increase between 2007 and 2009, growing to a peak of more than 7,800 employees (see Figure 5). However, since 2009, employment levels have dropped and were down to 4,700 in 2015; although this was still 70% greater compared to 2007 (2,767 employees).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



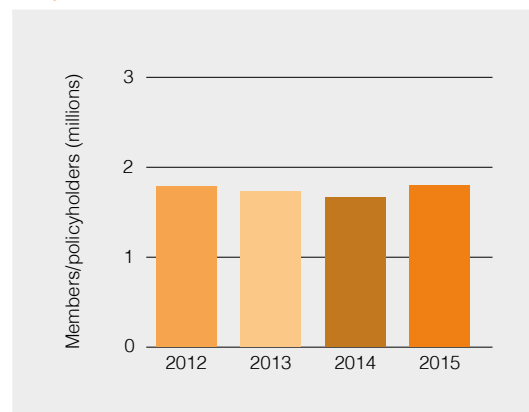
Number of members/policyholders

The number of members/policyholders of mutual/cooperative insurers in Romania has remained relatively consistent since 2012 (see Figure 6).

In 2015, there were 1.8 million members/policyholders, representing a marginal gain (0.4%) compared to 2012.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



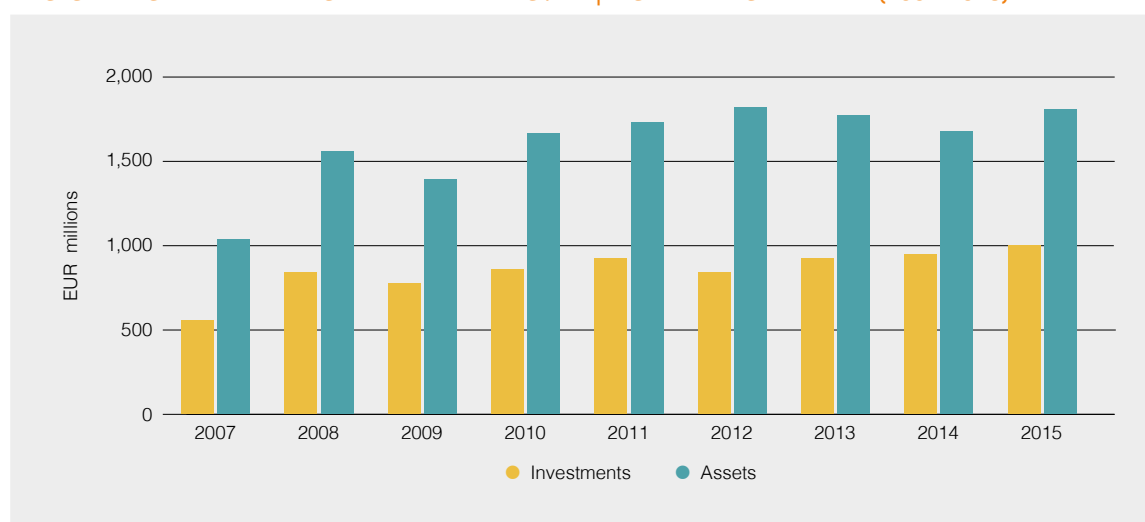
Assets and investments

The mutual/cooperative insurance sector held total assets valued at EUR 1.8 billion in 2015 (see Figure 7). This figure was more than double the total amount of assets held in 2007 of just over EUR 1 billion.

In terms of total invested assets, the sector reported more than EUR 1 billion in investments for the first time in 2015, which was also more than doubled compared to 2007 values (EUR 555 million).

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Slovakia

Mutual/cooperative insurance companies

Landscape

The National Bank of Slovakia – NBS (*Národná banka Slovenska*) is responsible for the supervision and regulation of the insurance sector in Slovakia.¹ Insurance undertakings in Slovakia are required to obtain an authorisation from the National Bank in order to be able to conduct insurance business.²

The primary law governing the insurance market in Slovakia is Act No 39/2015 of 3 February 2015 on insurance and amending certain laws – Insurance Act (*Zákon č. 39/2015 Z. z. o poisťovníctve a o zmene a doplnení niektorých zákonov*). The Insurance Act of 2015 transposes the provisions of Solvency II into Slovakian law.³ However, it does not contain a special regime for small insurance undertakings, as provided for under Article 4 of Solvency II.

The Insurance Act excludes the following operations from its scope:⁴

- public health insurance.
- social insurance.
- operations carried out by entities not having a legal personality for the purpose of providing mutual coverage for their members without there being any payment of insurance premiums or creation of technical provisions.
- operations of provident and mutual-benefit institutions whose benefits vary according to the resources available and which require each of their members to contribute at the appropriate flat rate.

Insurance undertakings cannot provide both life and non-life insurance services simultaneously, except in the case of life insurers providing accident and sickness insurance.⁵ The management of life and non-life businesses must be separate.⁶

An insurance undertaking in Slovakia can be established as:

- a joint-stock company (*Akciová spoločnosť*)
- a European Company (*Európska spoločnosť*)

Mutual or cooperative insurance is not legally foreseen under Slovakian law.

¹ NBS's [website](#).

² Article 7(1) of Act No 39/2015 of 3 February 2015 on insurance and amending certain laws – Insurance Act.

³ Paragraph 2 of Annex II to the Insurance Act.

⁴ Article 3 of the Insurance Act.

⁵ Article 6(7) of the Insurance Act.

⁶ Article 73(1) of the Insurance Act.

Number of licensed insurance undertakings

In 2015, there were 22 insurance undertakings⁷ present on the Slovakian market, of which three were life insurance companies, five were non-life insurance companies and 14 were composite insurance companies. This total figure comprised 15 domestic insurance companies⁸ and seven branches of foreign insurance undertakings.

In comparison, there were 24 insurance companies in Slovakia in 2007. Of these, five were life insurers, five were non-life insurers and 14 were composite insurers. There was only one branch of a foreign insurance company present in the Slovakian market in 2007; in that year, 23 of the insurance undertakings were domestic insurance companies.

Number of mutual/cooperative insurers

There were eight mutual/cooperative insurance companies operating in Slovakia in 2015. The majority of these (six) were composite insurers, plus one life insurer and one non-life insurer.

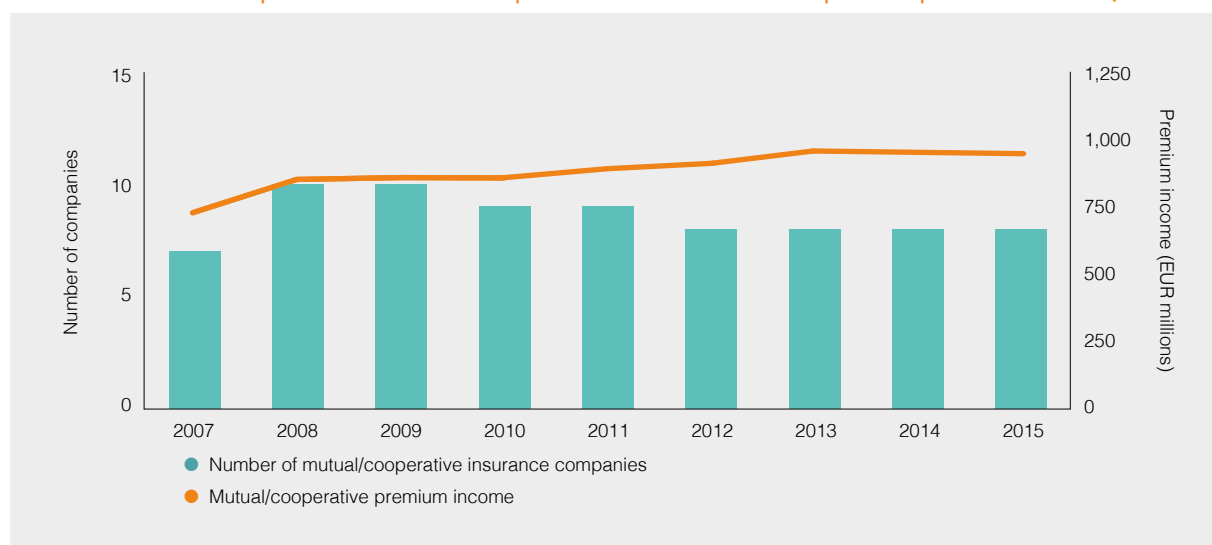
Six of the eight mutual/cooperative insurance companies were domestic insurance companies, while two were branches of foreign (mutual/cooperative) insurance companies.

There were no mutual/cooperative insurers in the legal form in the Slovakian market. The majority of mutual/cooperative insurers present were subsidiaries of foreign mutual/cooperative-type insurers. However, there was one subsidiary of a (foreign) mutual/cooperative insurer in the legal form present in the Slovakian market in 2015.⁹

In 2007, there were seven mutual/cooperative insurers active (see Figure 1). Six of these were composite insurers and one was a non-life insurer.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



⁷ Slovak Insurance Association – SLASPO (*Slovenská asociácia poisťovní*) website, *Insurance coverage*.

⁸ Of the 15 domestic insurance companies, 14 were joint stock companies. The other company was the Slovak Insurers' Bureau (*Slovenská kancelária poisťovateľov*) which was established by virtue of the Act No. 381/2001 to provide "Frontier Insurance", a liability insurance invoked in case of damages caused by the operation of a foreign motor vehicle on the territory of the Slovakia and other EEA Member States.

⁹ Groupama poisťovňa a.s. (a branch of a foreign insurance undertakings) was a subsidiary of French mutual insurer, Groupama (which entered the Slovakian market in 2008).

Size and growth of the mutual/cooperative insurance sector

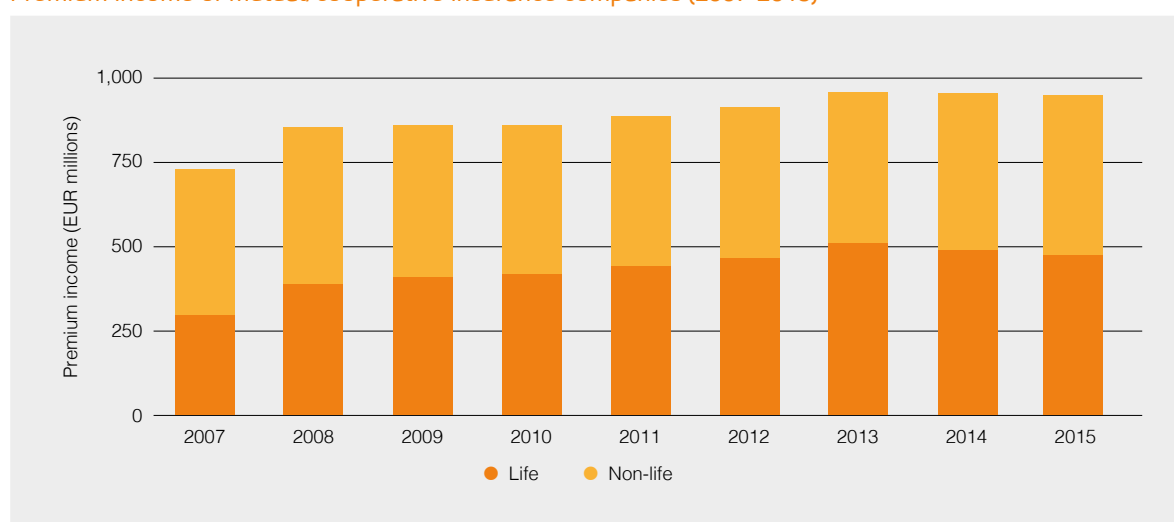
Total

The insurance sector in Slovakia wrote just under EUR 2 billion in premium revenue in 2015, of which EUR 0.9 billion was written in life business and EUR 1.1 billion was written in non-life business. In terms of growth, the Slovakian market has seen modest development since 2007, as premium volumes were only 4.0% greater than in 2007 (EUR 1.9 billion).

Collectively, mutual/cooperative insurers in Slovakia reported premium levels of EUR 947 million in 2015, evenly split between the life and non-life segments (see Figure 2). The mutual/cooperative sector experienced an overall growth of 30.4% from 2007 (EUR 727 million), representing a CAGR of 3.4%; almost three percentage points stronger than the CAGR of the total market (0.5%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life insurance premiums of Slovakian insurers totalled EUR 883 million in 2015, a growth of 4.8% compared to 2007 (EUR 842 million).

The mutual/cooperative sector wrote EUR 472 million in life premiums in 2015, registering a total increase of almost 60% from 2007 levels (EUR 296 million). The CAGR of the mutual/cooperative sector during this period was 6.0%, compared to a total market average of just 0.6%.

Non-life

The total non-life market in Slovakia saw a moderate growth between 2007 and 2015, increasing by a total of 3.4% (CAGR of 0.4%) in the eight years.

In comparison, the mutual/cooperative market experienced a 10.3% growth over the same period (1.2% CAGR), as premium volumes grew to EUR 475 million in 2015 (from EUR 431 million in 2007).

Market share of mutual/cooperative insurance sector

Slovakia was one of the largest European markets in terms of total mutual/cooperative market share, in both the life and non-life sectors. In the total market, collective market share was 47.8% in 2015 (see Figure 3). Mutual/cooperative insurers accounted for more than half (53.5%) of the Slovakian life market, and in non-life business the mutual/cooperative sector's market share was 43.3%.

Subsidiaries of mutual/cooperative insurers in the legal form held just 0.3% share of the total market in 2015. In life business, market share was minimal at 0.1%, and in non-life insurance this was slightly higher at 0.4%.

Between 2007 and 2015, the mutual/cooperative sector has consistently grown its share of the total market, rising from a 37.6% share in 2007 to a record level in 2015 (see Figure 4).

The main contributor to the overall increase in market share was in life business, as mutual/cooperative market share gained a further 18 percentage points of the market from 2007 levels (from a 35.1% share). Mutual/cooperative share in the non-life market also increased compared to a 40.6% share in 2007.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

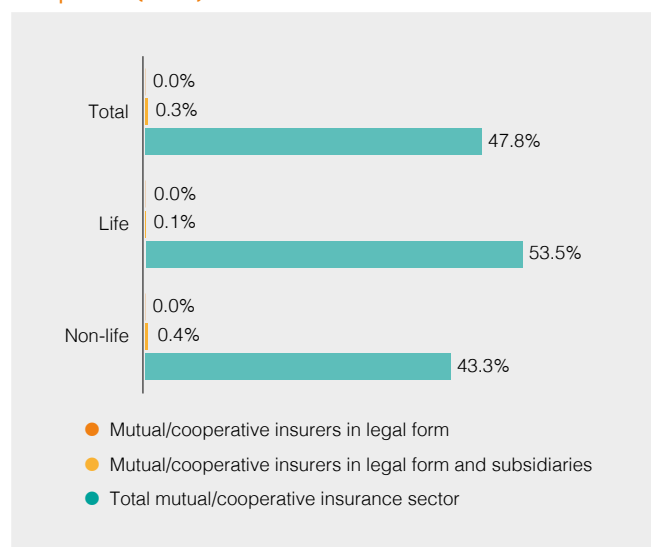
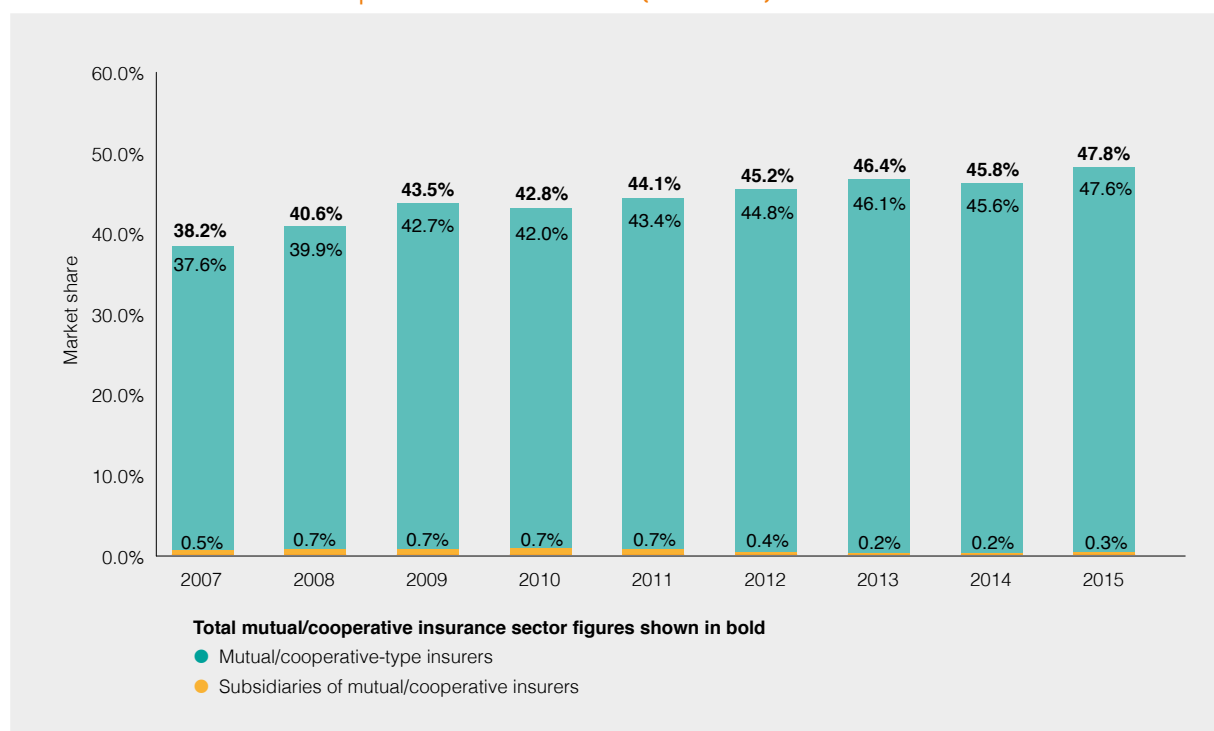


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

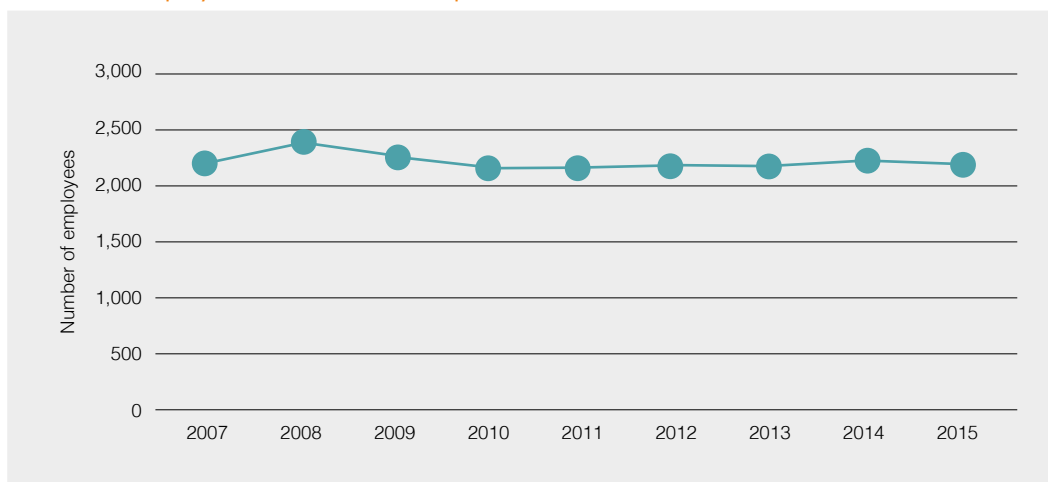


Number of employees

The number of people employed by the Slovakian mutual/cooperative insurance sector has remained relatively constant since 2007 (see Figure 5). In 2015, almost 2,200 people were employed by mutual/cooperative insurers.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



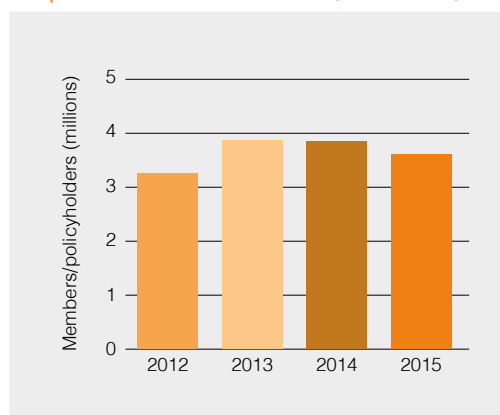
Number of members/policyholders

In 2015, there were 3.6 million members/policyholders* of mutual/cooperative insurers in Slovakia (see Figure 6).

Compared to 2012, there has been a growth of 0.3 million members/policyholders (equivalent to 11.1%).

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



* See methodology.

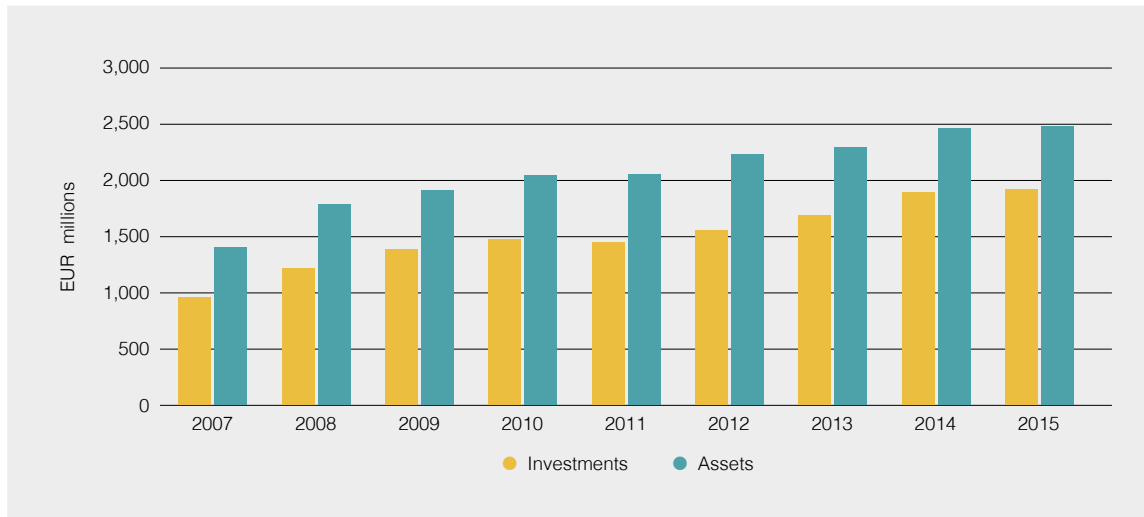
Assets and investments

Aggregate assets of the mutual/cooperative insurers in Slovakia grew year-on-year between 2007 and 2015 (see Figure 7), rising from EUR 1.4 billion to EUR 2.5 billion (a total increase of 76.5%).

The mutual/cooperative sector held EUR 1.9 billion in investment assets in 2015. This figure was double the amount of investments held in 2007 of EUR 959 million.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Slovenia

Mutual/cooperative insurance companies

Landscape

The Insurance Supervision Agency – AZN (*Agencija za zavarovalni nadzor*) is an independent legal entity which is the central supervisory institution in the Slovenian insurance industry. The AZN aims to mitigate and eliminate irregularities, protect policyholder interests and facilitate the smooth functioning of the insurance industry in general. It is accountable to the National Assembly for the work it performs.¹ Insurance undertakings that wish to conduct business in the Republic of Slovenia are required to obtain an authorisation from the AZN.²

The Insurance Act of 2015 – Zzavar-1 (*Zakon o zavarovalništvu*) is the law governing the insurance market in Slovenia and transposing Solvency II into national law.³ The Insurance Act – Zzavar-1 includes no exclusion provisions relating to insurance undertakings' size and form. In addition, there are some special legal acts according to line of business, e.g. the Compulsory Motor Third-Party Liability Act, Pension and Disability Insurance Act and the Health Care and Health Insurance Act.

Insurance undertakings in Slovenia can normally not be active in both life and non-life insurance simultaneously.⁴ However, a life insurance undertaking can obtain an authorisation to carry out accident and health insurance.⁵ In addition, insurance undertakings that were active in both classes of insurance (composite companies) on 1 May 2004 can continue their operation in the same way.⁶

An insurance undertaking in Slovenia can be established as:⁷

- a public limited liability company (*Delniška družba*)
- a European public limited liability company (*Evropska delniška družba*)
- a mutual insurance company (*Družba za vzajemno zavarovanje*)

Cooperative insurance is not legally foreseen.

The provisions of the Companies Act apply to insurance undertakings organised as (European) public limited liability companies and *mutatis mutandis* to mutual insurance companies, unless otherwise stipulated in ZZavar-1.⁸

Articles 76-112 of ZZavar-1 contain special provisions in relation to mutual insurance companies, including establishment, articles of association, membership, capital requirements, general meeting and winding up of a mutual insurance company.

¹ AZN's [website](#).

² Article 21(1) of the Insurance Act of 2015 - ZZavar-1.

³ Article 2(5) of Zzavar-1.

⁴ Article 26(2) of Zzavar-1.

⁵ Article 26(3) of Zzavar-1.

⁶ Article 26(5) of Zzavar-1.

⁷ Article 24(1) of Zzavar-1.

⁸ Article 25 of Zzavar-1.

Number of licensed insurance undertakings

In 2015, there were 15 insurance companies active in the Slovenian market, plus two reinsurance companies and three pension companies with their head office in Slovenia.⁹

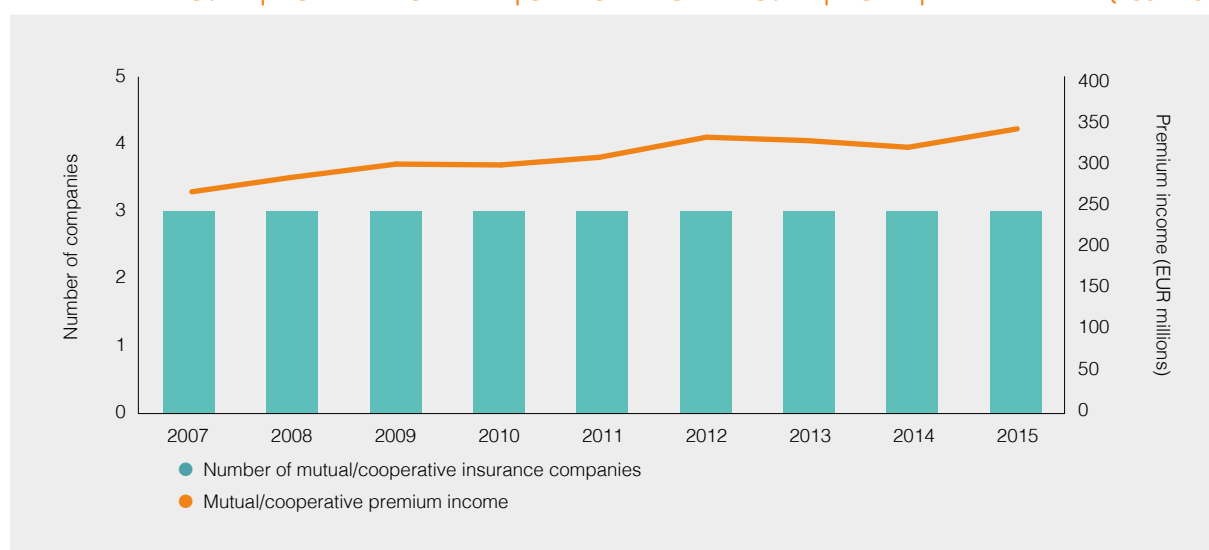
In comparison, there were 14 insurance companies (plus two reinsurance companies and four pension companies) active in the market in 2007.¹⁰

Number of mutual/cooperative insurers

There were only three mutual/cooperative insurers in the Slovenian market in 2015 (see Figure 1). Of these, one was a mutual insurance company in the legal form, accident and health insurer Vzajemna zdravstvena zavarovalnica (Vzajemna Mutual).¹¹ The two others, both composite insurers, were subsidiaries of Austrian mutual/cooperative-type insurers Vienna Insurance Group (VIG) and Grawe.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

The total Slovenian insurance market reported aggregate insurance premiums of just under EUR 2 billion in 2015, a growth of 4.3% from 2007 premium levels (EUR 1,894 million). The majority of Slovenian insurance business was written in the non-life sector (71%), with the balance in life insurance (29%).

Premium income of mutual/cooperative insurers reached EUR 338 million in 2015, a growth of 28.7% from EUR 263 million in 2007 (see Figure 2). The CAGR of the mutual/cooperative market was 3.2% between 2007 and 2015, significantly greater than the total market average CAGR (0.5%). Almost 90% of mutual/cooperative business was written in the non-life sector, with most of this written in health insurance.

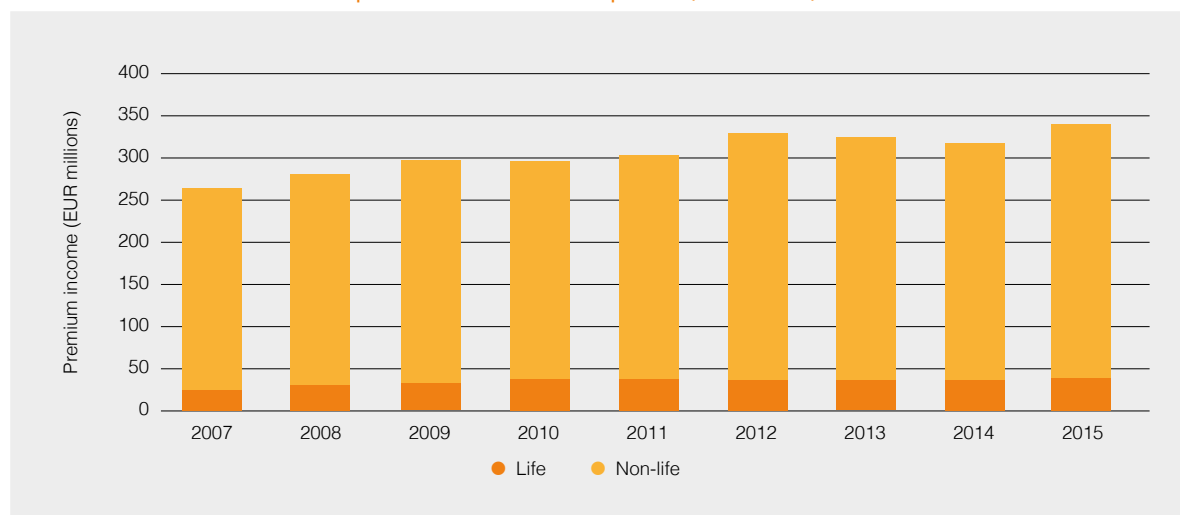
⁹ AZN (2016) *Report of the Insurance Supervision Agency for 2015*.

¹⁰ AZN (2008) *Report on business performance of the insurance industry in 2007*.

¹¹ AZN (2016) *Report of the Insurance Supervision Agency for 2015*.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The total Slovenian life insurance market declined by 7.1% between 2007 and 2015, dropping from EUR 609 million to EUR 566 million. The mutual/cooperative sector registered a 54.9% growth in life insurance premiums, albeit from a lower base, during the same period. Premiums increased from EUR 24 million to EUR 38 million in 2015, representing a CAGR of 5.6% compared to the total market CAGR of -0.9%.

Non-life

The non-life insurance market was much more consistent than the life market as insurance premiums were almost 10% greater in 2015 (EUR 1,409 million) than to 2007 (EUR 1,285 million). The mutual/cooperative insurance sector outperformed the total market average over this period, premium volumes increasing to EUR 301 million in 2015 from EUR 239 million in 2007 (a total growth of 26.1% and CAGR of 2.9%).

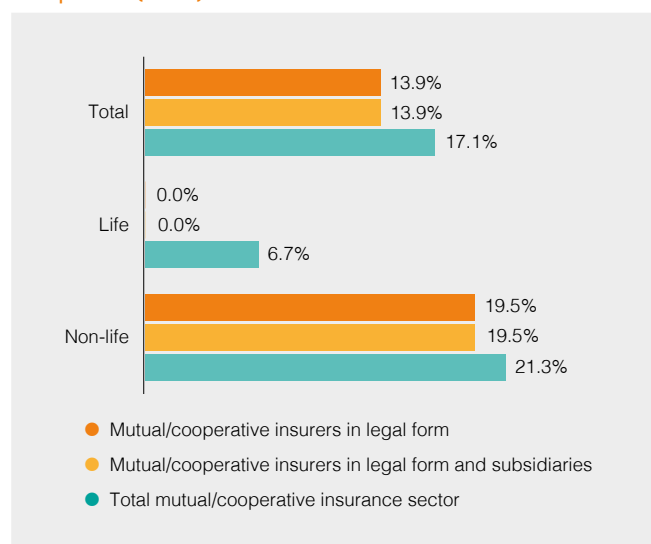
Market share of mutual/cooperative insurance sector

The total market share of Slovenian mutual/cooperative insurers was 17.1% in 2015 (see Figure 3). The mutual/cooperative sector had a higher proportion of the national non-life market at 21.3% in 2015, compared to the life market (6.7%).

Mutual insurers in the legal form held a 13.9% share of the total Slovenian market in 2015 and 19.5% of the non-life sector (there were no legal form mutual insurers or subsidiaries active in the life segment).

Figure 3

Market share of mutual/cooperative insurance companies (2015)

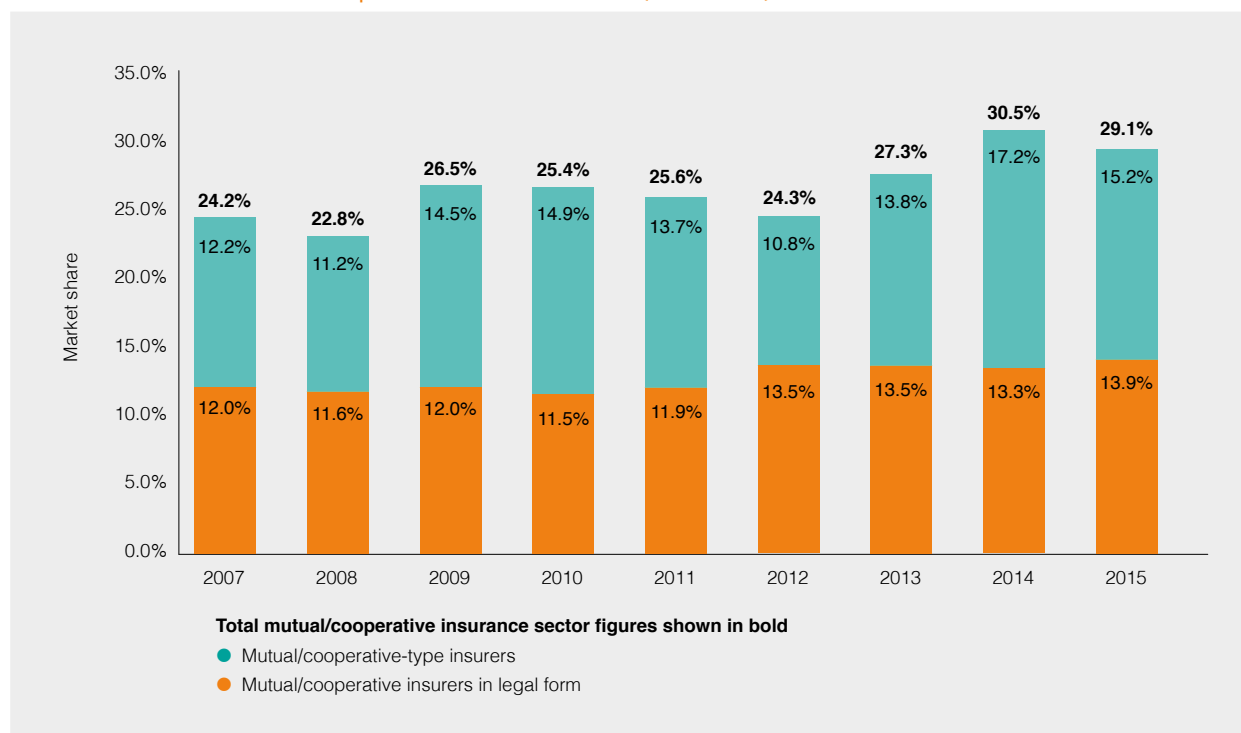


The total market share of the mutual/cooperative insurance sector grew steadily in the eight-year period (see Figure 4), gaining a further three percentage points since 2007. Growth was stimulated by legal form mutual insurers as their share of the total market rose to 13.9% in 2015 from 12.0% in 2007.

In the life insurance market, mutual/cooperative-type insurers recorded an increase in their market share, rising from 4.0% in 2007 to 6.7%. In the non-life sector, the mutual/cooperative sector's market share rose from 18.6% in 2007 to a record 21.3% in 2015, boosted by strong growth in 2015 from the previous year (market share in 2014 of 20.0%).

Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

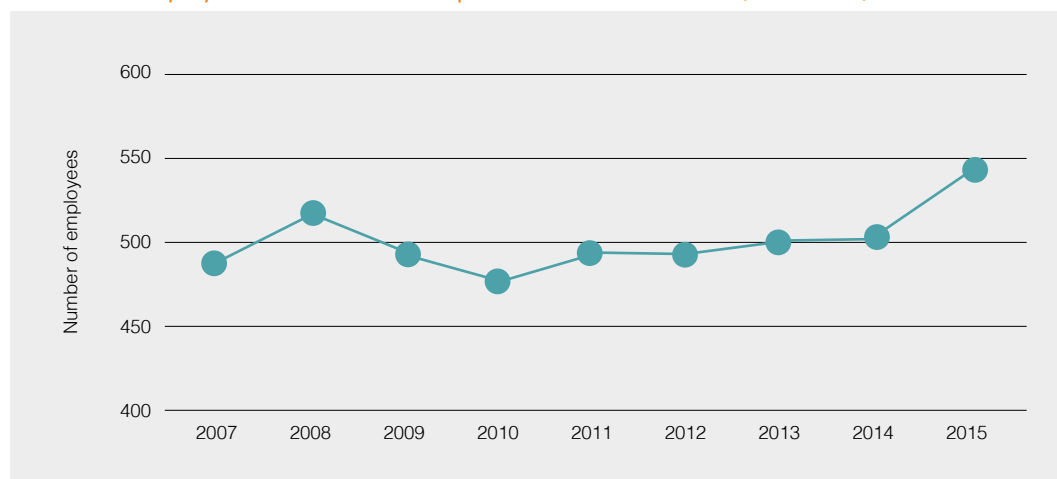


Number of employees

There were 544 people in total employed by mutual/cooperative insurance companies in 2015 (see Figure 5). This figure was 11.7% greater than the number of people employed by the sector in 2007 (487).

Figure 5

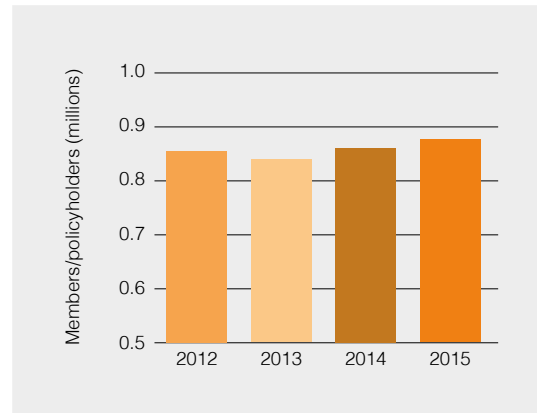
Number of employees of the mutual/cooperative insurance sector (2007-2015)



Number of members/policyholders

Just under one million people were members or policyholders of Slovenian mutual/cooperative insurance companies in 2015 (see Figure 6). There was little change in the number of members/policyholders since 2012, with a moderate growth of 2.6% in membership numbers over the three-year period.

Figure 6
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

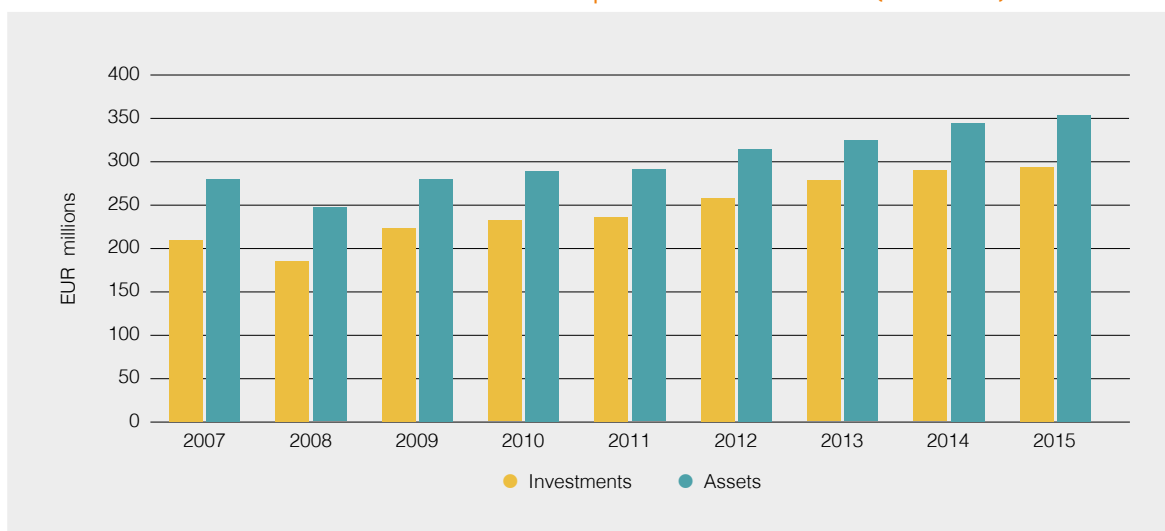


Assets and investments

Total assets held by Slovenian mutual/cooperative insurance companies topped EUR 350 million for the first time in 2015 (EUR 353 million). Asset values were 26% greater compared to 2007 (EUR 279 million) and had grown at a CAGR of 3.0%.

Investments of the mutual/cooperative sector, which accounted for 83% of total assets held, saw stronger growth over the eight-year period. Invested assets were valued at EUR 293 million in 2015, a greater than 40% increase from 2007 (EUR 209 million).

Figure 7
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Spain

Mutual/cooperative insurance companies

Landscape

The General Directorate of Insurance and Pensions – DGFSP (*Dirección General de Seguros y Fondos de Pensiones*) is a governmental financial regulatory agency that supervises the Spanish insurance and pension funds sector.¹ It is part of the Spanish State Secretariat for Economy and Business Support of the Ministry of Economy, Industry and Competitiveness. The Autonomous Communities of Spain have certain powers in relation to undertakings whose activity is limited to their territories.² Their responsibilities include the implementation and enforcement of the laws and regulations on the supervision of insurance and reinsurance undertakings. The Minister of Economy has the exclusive competence for granting administrative authorisations to insurance undertakings.³

The Spanish insurance sector is governed by Act 20/2015 of 14 July, on the management, supervision and solvency of insurance and reinsurance undertakings – LOSSEAR (*Ley de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras*) and Royal Decree 1060/2015 of 20 November, approving the regulations on the management, supervision and solvency of insurance and reinsurance undertakings – ROSSEAR (*Real Decreto de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras*). Both laws were brought into force to implement the Solvency II Directive from 1 January 2016. The two laws provide a special solvency regime in respect of small insurance undertakings not exceeding the amounts set out in Article 4 of Solvency II.⁴

LOSSEAR excludes from its scope the following operations:⁵

- export credit insurance schemes by order of or under guarantee by the State.
- operations carried out by entities without legal personality whose purpose is the mutual coverage for their members without giving rise to payment of premiums or constitutions of technical provisions.
- operations by provident and assistance organisations whose benefits vary according to the resources available, and in which the contributions of the members are determined on a flat rate basis.

Insurance undertakings cannot engage in both life and non-life operations simultaneously, except for life insurance undertakings which obtain an authorisation to underwrite accident and sickness insurance, and *vice versa*.⁶ The management of these activities must be kept separate.⁷

¹ DGFSP's [website](#).

² Article 19 of Act 20/2015 of 14 July, on the management, supervision and solvency of insurance and reinsurance undertakings – LOSSEAR.

³ Article 20 of LOSSEAR.

⁴ Article 101 of LOSSEAR and Chapter VII of ROSSEAR.

⁵ Article 4 of LOSSEAR.

⁶ Article 31(3) of LOSSEAR.

⁷ Article 155 of ROSSEAR.

Insurance undertakings can be established in the following legal forms:⁸

- a joint-stock company (*sociedad anónima*)
- a European Company (*sociedad anónima europea*)
- a mutual insurance company (*mutua de seguros*)
- a cooperative company (*sociedad cooperativa*)
- a European Cooperative Company (*sociedad cooperativa europea*)
- a mutual provident society (*mutualidad de previsión social*)

Mutual insurance companies, cooperative companies and mutual provident societies can only operate fixed premium business.⁹

Mutual insurance companies are defined as non-profit commercial companies whose purpose is to cover their members' risks, whether individual or legal entities, through a fixed premium payable at the beginning of the risk period.¹⁰ They can be active in both life and non-life insurance classes.

Similarly, insurance cooperatives' purpose is to cover the risks of the insured members through a fixed premium payable at the beginning of the risk period.¹¹ The cooperative members are also the policyholders, as long as the latter are the final payers of the premium. Unless otherwise provided in the bylaws, the cooperative members are not liable for the debts of the company. In the event that, in accordance with the bylaws, the cooperative members are liable for the debts of the company, their liability shall be limited to an amount equal to the amount of the annual premium corresponding to each of them individually.

Mutual provident societies are insurance companies that exercise a form of voluntary insurance complementary to the compulsory social security system, through contributions from members/policyholders, natural or legal persons, or other entities.¹²

Number of licensed insurance undertakings

In 2015, there were 559 insurance companies present in the Spanish market. This figure included 240 insurance companies supervised by the DGSFP,¹³ of which 55 were life insurers, 122 were non-life insurers and 63 were composite insurers. In terms of legal structure, there were 159 joint stock companies (including 2 reinsurance companies), 31 mutual companies and 50 mutual provident societies under national supervision. In addition, there were 319 mutual provident societies that fell under the local supervision of autonomous regions of Spain.¹⁴ Data on these companies have been included in this study.¹⁵

Since 2007, when there were 697 insurance undertakings active, until 2015 there was a loss of 138 companies (-19.8%). In 2007, there were 297 insurance companies under national supervision present in the Spanish market and approximately 400 mutual provident societies under local supervision.

⁸ Article 27 of LOSSEAR.

⁹ Article 27(1) of LOSSEAR.

¹⁰ Article 41 of LOSSEAR.

¹¹ Article 42 of LOSSEAR.

¹² Article 43 of LOSSEAR.

¹³ DGSFP (2016) *Informe de Seguros y Fondos de Pensiones 2015*.

¹⁴ The Spanish Confederation of Mutual Provident Societies (*La Confederación Española de Mutualidades*) had a total of 371 direct and indirect members in 2013 (latest data available). Of these, 52 fell under the supervision of the DGSFP while the others (371 companies) were grouped in regional associations and fell under the local supervision of their region:

- Comunidad Autónoma del País Vasco (189 companies)
- Comunidad Autónoma de Cataluña (68 companies)
- Comunidad Autónoma de Madrid (22 companies)
- Comunidad Autónoma de Andalucía (20 companies)
- Comunidad Autónoma Valenciana (13 companies)
- Resto de Comunidades Autónomas (5 companies)
- Comunidad Autónoma de Galicia (2 companies)

¹⁵ In the previous edition of *Facts and Figures*, these companies were outside the scope of the study.

Number of mutual/cooperative insurers

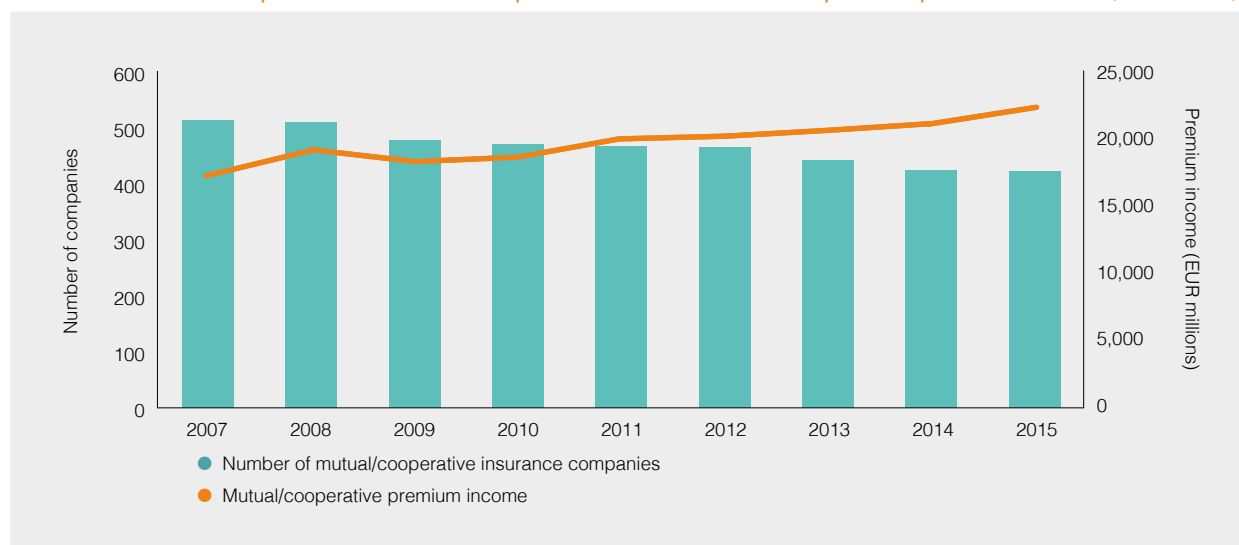
In total, there were 421 mutual/cooperative insurance companies active in Spain in 2015.

Of the 81 mutual insurance companies and mutual provident societies under national supervision, 25 were life insurers, 36 were non-life insurers and 20 were composite insurers. Only collective premium data was available for the 319 mutual provident societies under local supervision in 2015, and so business splits between life, non-life or composite insurers is unavailable.

The total number of mutual/cooperative insurance companies active in the Spanish market in 2015 decreased by 91 in comparison to 2007, when there were 512 mutual/cooperative insurers present (see Figure 1). Under national supervision, there were 37 mutual insurance companies and 52 mutual provident societies in 2007.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

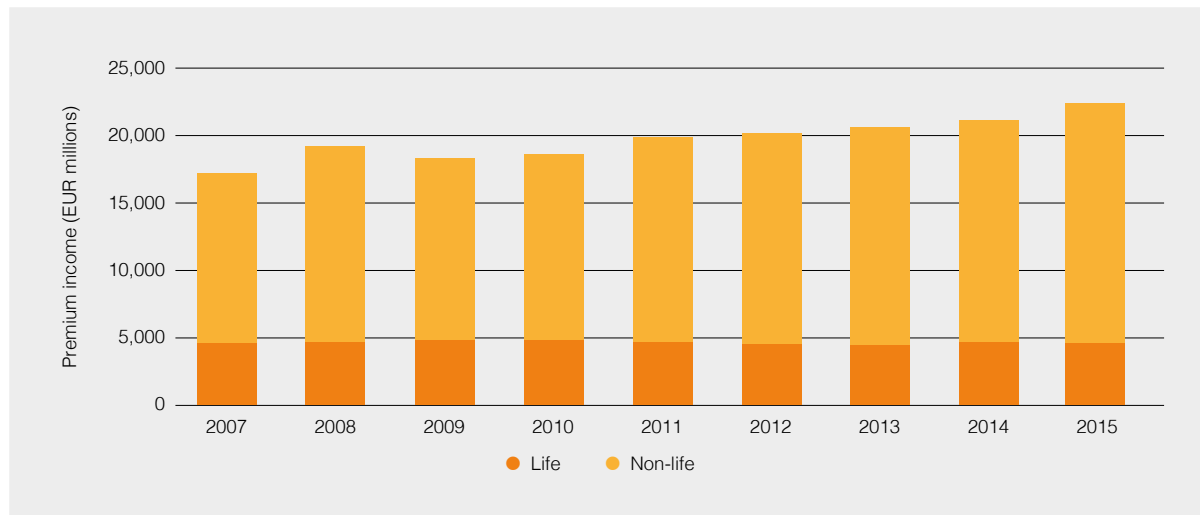
Total

The Spanish insurance market ranked as the sixth largest in Europe in 2015. Aggregate premiums amounted to EUR 55.3 billion in 2015, of which EUR 25.6 billion was in life insurance and EUR 29.7 billion was in non-life insurance. Since 2007, the insurance market as a whole grew by 2.6% (EUR 58.8 billion), equivalent to a CAGR of 0.3%.

Mutual/cooperative insurers collectively wrote EUR 22.3 billion in total premium income in 2015, with almost 80% of premium revenues being generated from the non-life sector (see Figure 2). Growth of the mutual/cooperative sector outperformed the total market in seven of the previous eight years, aggregating to a total growth of 30% since 2007 (EUR 17.2 billion). This resulting in a CAGR of 3.3% over this period, more than three percentage points greater than the market average.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The total Spanish life market in 2015 had expanded by 12.4% from 2007 premium levels (EUR 22.8 billion). However, in the mutual/cooperative sector, premium volumes stagnated during this period, with little change in premium development from 2007 levels (EUR 4.5 billion).

Non-life

Spanish non-life insurers struggled in weak economic conditions from 2007, registering a 4.5% decline in premium volumes (2007: EUR 31.1 billion).

In contrast, the mutual/cooperative sector increased non-life premium volumes by 40.7% between 2007 (EUR 12.7 billion) and 2015 (EUR 17.8 billion). This was equivalent to a CAGR of 4.4%, more than five percentage points ahead of the total market CAGR (-0.6%).

Market share of mutual/cooperative insurance sector

The mutual/cooperative insurance sector represented more than 40% of the Spanish market for the first time in 2015 (see Figure 3). In the life insurance sector, market share was 17.7% and in non-life business, the mutual/cooperative sector accounted for 60% of the national market.

Mutual insurers in the legal form held a 13.6% share of the total Spanish market in 2015. The presence of legal form mutuals was higher proportionally in the non-life sector compared to the life sector (19.9% and 6.2% respectively).

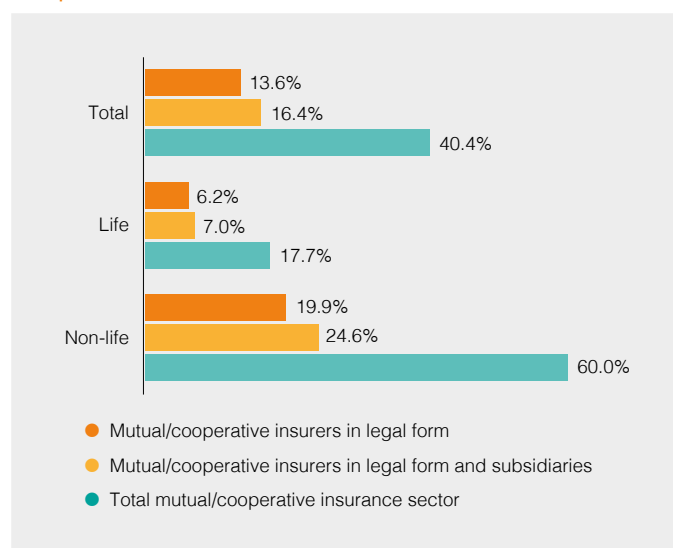
Mutual/cooperative-type insurers¹⁶ were the largest contributor to the overall mutual/cooperative market share in 2015. These insurers held a 24.0% share of the total Spanish market and 35.4% of the non-life market in 2015.

From 2007, the total market share of the mutual/cooperative sector experienced a proportional increase of more than a quarter, rising from 31.9% in 2007 (see Figure 4) to 40.5% in 2015. Mutual/cooperative insurers collectively outgrew the market average in seven of the previous eight years (2009 was the only year of market share loss).

Mutual/cooperative-type insurers accounted for a large part of this growth, as their market share grew from 19.1% in 2007. However, mutual insurers in the legal form saw the strongest advance in market share, gaining a further five percentage points of the market since 2007 (8.6%).

In the life insurance sector, there was a loss in mutual/cooperative market share, declining from 19.9% in 2007 to 17.7% in 2015. However, non-life market share of the mutual/cooperative sector surged from 2007, growing from 40.7% in 2007 to 60.0% in 2015. Again, the most notable growth was by mutual insurers in the legal form, whose non-life market share increased from 12.1% in 2007 to just under 20%.

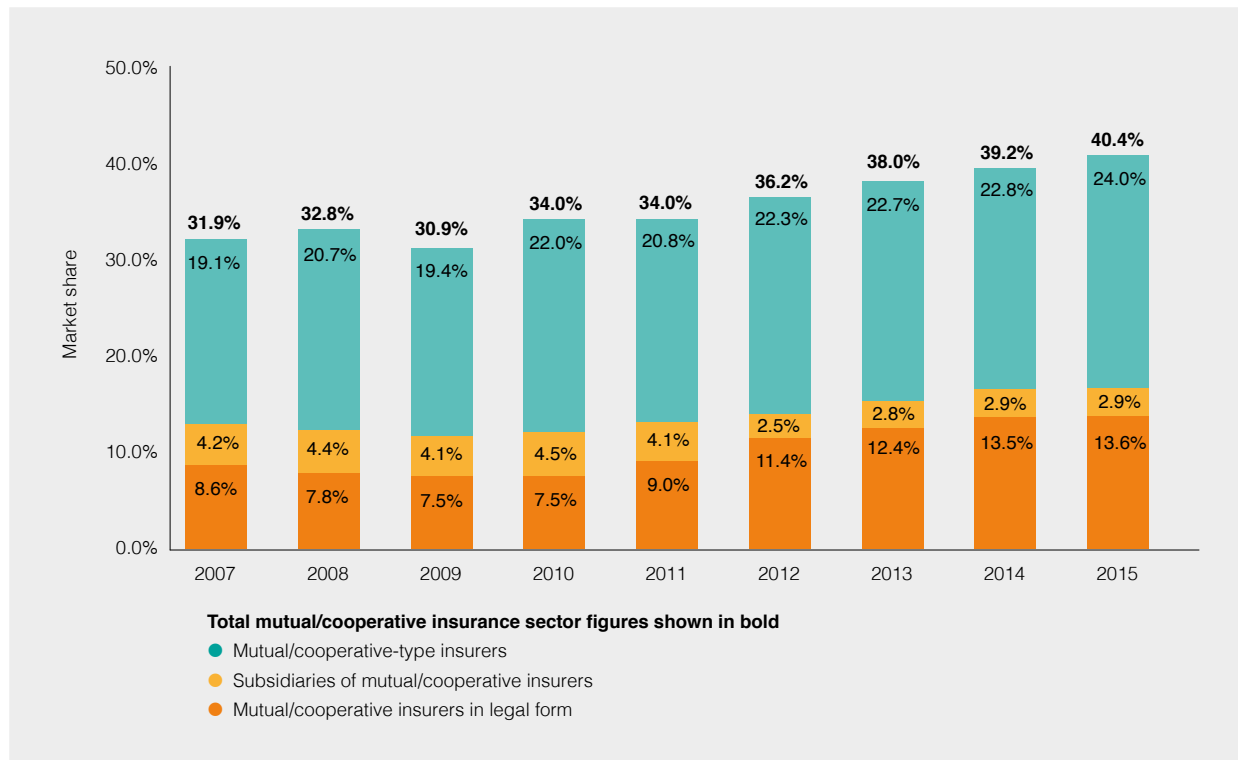
Figure 3
Market share of mutual/cooperative insurance companies (2015)



¹⁶ MAPFRE, a former mutual insurer in the legal form and now a stock company majority owned by a non-profit foundation (Fundación MAPFRE), was the largest mutual-type insurer in the Spanish market. In 2015, MAPFRE's insurance business in Spain amounted to EUR 6.5 billion, of which EUR 4.7 billion was in non-life and EUR 1.7 billion was in life insurance. MAPFRE also owns a number of subsidiaries in other markets included in this study. These entities are classified as mutual and cooperative-type insurers for the purposes of this study.

Figure 4

Market share of the mutual/cooperative insurance sector (2007-2015)

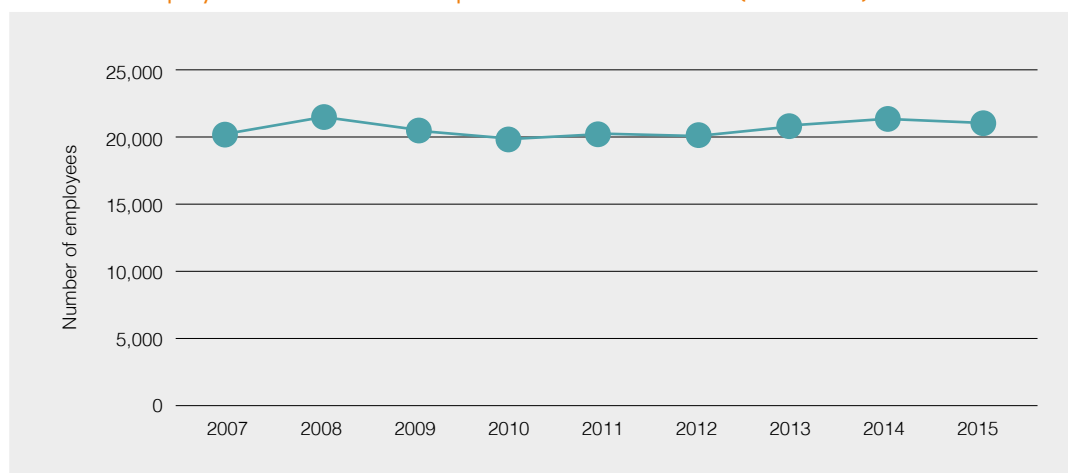


Number of employees

There were just over 21,000 people employed by the mutual and cooperative insurance sector in Spain in 2015 (see Figure 5). Employment levels have been very consistent since 2007 (20,205), resulting in a slight overall increase of 4.1%.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)

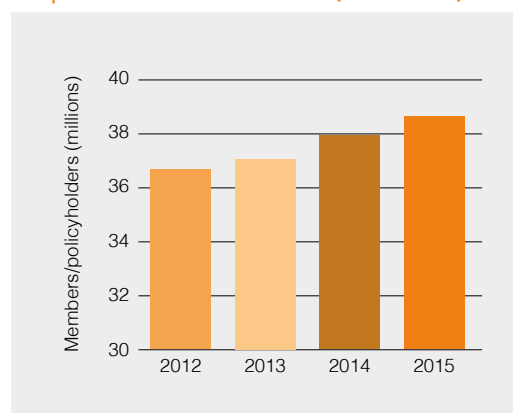


Number of members/policyholders

Since 2012, there has been a 5.4% increase in the number of members/policyholders of mutual/cooperative insurance companies in Spain (see Figure 6).

There were 38.6 million people served as members/policyholders* in 2015, compared to 36.7 million in 2012. Growth has also been consistent, with positive increases in membership numbers of the mutual/cooperative sector since 2012 (equalling a CAGR of 1.8% over the three years).

Figure 6
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

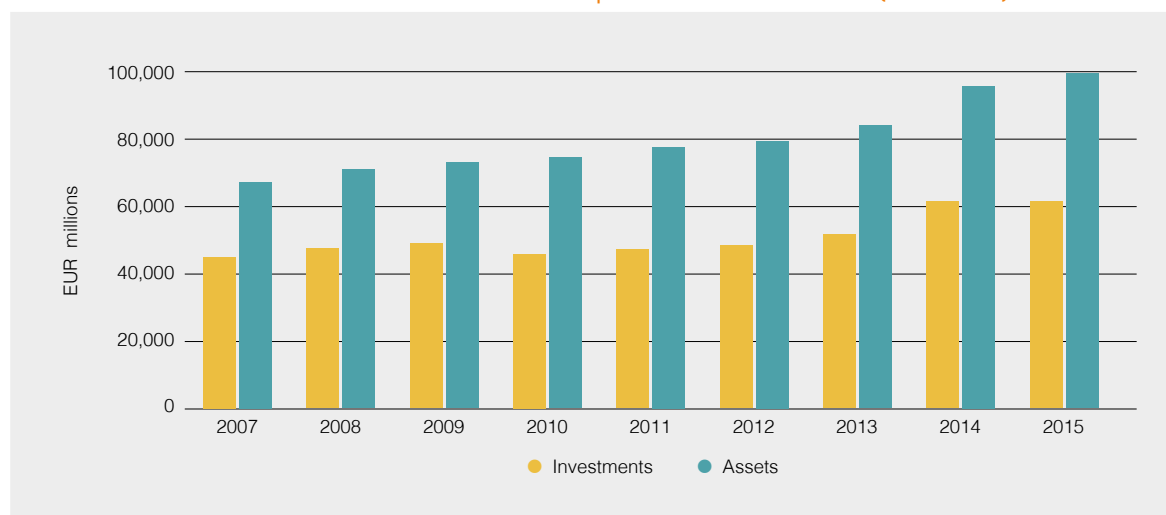


Assets and investments

Aggregate assets of the Spanish mutual/cooperative insurance sector were close to EUR 100 billion (EUR 99.2 billion) in 2015 (see Figure 7). Total assets values increased by 48.0% between 2007 (EUR 67.0 billion) and 2015.

The total investment assets held by mutual/cooperative insurers followed a similar trend to total assets, although overall growth since was slower at 36.6%. In 2015, invested assets totalled EUR 61.3 billion compared to EUR 44.9 billion in 2007.

Figure 7
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)



* See methodology.



Mutual/cooperative insurance companies

Landscape

The Financial Supervisory Authority of Sweden – FI (*Finansinspektionen*) is responsible for supervision, authorisations, sanction assessments, regulations and reporting matters for insurance undertakings.¹ FI was established in 1991 with the aim of creating a single integrated regulator covering banking, securities and insurance, and is accountable to the Ministry of Finance. Insurance undertakings must obtain a licence from FI in order to be able to operate in the Swedish market.²

The Insurance Business Act – SFS 2010:2043 (*Försäkringsrörelselagen*) is the main law governing insurance activities in Sweden and transposing Solvency II into domestic law. The Insurance Business Act only applies to Swedish companies, while the operations of foreign insurers³ in Sweden are regulated in the Law on Foreign Insurers (*Lag (1998:293) om utländska försäkringsgivares och tjänstepensionsinstituts verksamhet i Sverige*).

The Insurance Business Act implements the conditions set out in Article 4 of Solvency II and thus certain small insurance undertakings can, on a case-by-case basis, be exempted from obligations relating, among others, to assets, liabilities, own funds, capital requirements and investments.⁴

Exclusions from the Insurance Business Act can be decided on a case-by-case basis for insurance undertakings which only provide an average amount of insurance benefits in the event of death and small local non-life insurance undertakings providing assistance insurance.⁵ Additionally, exclusions can be decided on a case-by-case basis for activities abroad, if due to the content of foreign law or foreign law enforcement there are reasons to do so.⁶

Life insurance operations can only be combined with non-life accident and sickness classes. However, life and non-life insurance operations can be conducted by the same undertaking, if they were carried out simultaneously at the date of signing of the EEA Agreement (2 May 1992). These activities must be managed separately.⁷

Insurance undertakings can have one of the following legal forms:⁸

- a limited liability company (*aktiebolag*)
- a mutual insurance company (*ömsesidigt försäkringsbolag*)
- an insurance association (*försäkringsförening*)
- a European Company (*europabolag*)
- a European Cooperative Society (*Europakooperativ*)

¹ FI's [website](#).

² Article 1 of Chapter 2 of the Insurance Business Act – SFS 2010:2043.

³ A foreign insurer authorised and established outside the EEA may not write insurance or reinsurance business concerning risks situated in Sweden without authorisation by the FI. However, a foreign insurer established and authorised within the EEA – and which is not a reinsurance undertaking – may establish a branch or carry out business on a cross-border basis in Sweden without applying for an authorisation. Before doing so, the insurance undertaking is required to notify its home supervisory authority.

⁴ Article 19 of Chapter 1 of the Insurance Business Act. An exempted company has to apply regulations issued by FI.

⁵ Article 20 of Chapter 1 of the Insurance Business Act.

⁶ Article 21 of Chapter 1 of the Insurance Business Act.

⁷ Article 7 of Chapter 4 of the Insurance Business Act.

⁸ Articles 1-2 of Chapter 2 of the Insurance Business Act.

Chapter 12 of the Insurance Business Act contains special provisions in relation to mutual insurance companies. These provisions address issues such as owners' responsibilities, guarantee capital, company registration, management and distribution of surplus. Mutual insurance companies can be active in both life and non-life insurance classes.

Chapter 13 of the Insurance Business Act focusses on insurance associations. These are associations which have the objective of promoting members' interests by conducting insurance business in which members participate by using the association's services as policyholders or insured persons.⁹ They are also subject to special provisions pertaining to their management and governance, and are permitted to be active in life and non-life insurance classes.

Number of licensed insurance undertakings

There were 329 domestic insurance companies¹⁰ operating in the Swedish insurance market in 2015. In addition, there were a further 40 foreign insurance companies, branches and agencies active in the Swedish market.¹¹

Of the 329 domestic insurers, 127 were national insurance companies (39 life insurers and 88 non-life insurers), 138 were local non-life insurance companies (41 large local companies and 97 small local companies) and 64 were friendly societies,¹² active in either life or non-life insurance.

Since 2007, the number of Swedish insurance undertakings has declined by 27%. There were 506 insurance companies (36 foreign and 470 domestic) present in the Swedish market in 2007. Of the 470 domestic insurers, 152 were national insurance companies, 231 were local insurance companies and 87 were friendly societies.

Number of mutual/cooperative insurers

In 2015, there were 233 mutual/cooperative insurance companies present in Sweden. Around two-thirds (153) of these companies were non-life insurance undertakings. Of these, 41 were large local insurance companies and 97 were small local insurance companies, including 23 local companies that make up the Länsförsäkringar Alliance and 11 local companies of Dina Försäkringar.¹³ There were also an additional six "national" mutual/cooperative non-life insurers in the legal form, and the remaining 9 companies were not mutuals in the legal form (6 subsidiaries of legal form mutuals and 3 mutual/coop-type insurers).

In the life sector, there were 16 mutual/cooperative life insurers operating in 2015, including five in the legal form.

The remaining 64 mutual/cooperative companies active in Sweden in 2015 were friendly societies.¹⁴

Since 2007, there has been a 25% drop in the total number of mutual/cooperative insurance companies active in Sweden, despite a significant increase in aggregate premium income (see Figure 1).¹⁵ In 2007, there were 309 mutual/cooperative insurers in operation, which included over 200 local insurance companies (43 large and 160 small companies) and 78 friendly societies.¹⁶

⁹ Article 1 of Chapter 13 of the Insurance Business Act.

¹⁰ Insurance Sweden (*Svensk Försäkring*) (2016) *Insurance in Sweden Statistics 2015*.

¹¹ FI also has limited supervision over approximately 80 pension foundations.

¹² In general, Swedish statistics often do not include friendly societies. However, as friendly societies are licensed and supervised, they are included in the overall figure for the number of (mutual/cooperative) insurers.

¹³ For comparison, in 2007 there were 24 local insurance companies that were part of the Länsförsäkringar Alliance and 60 local companies that were part of the Dina Group.

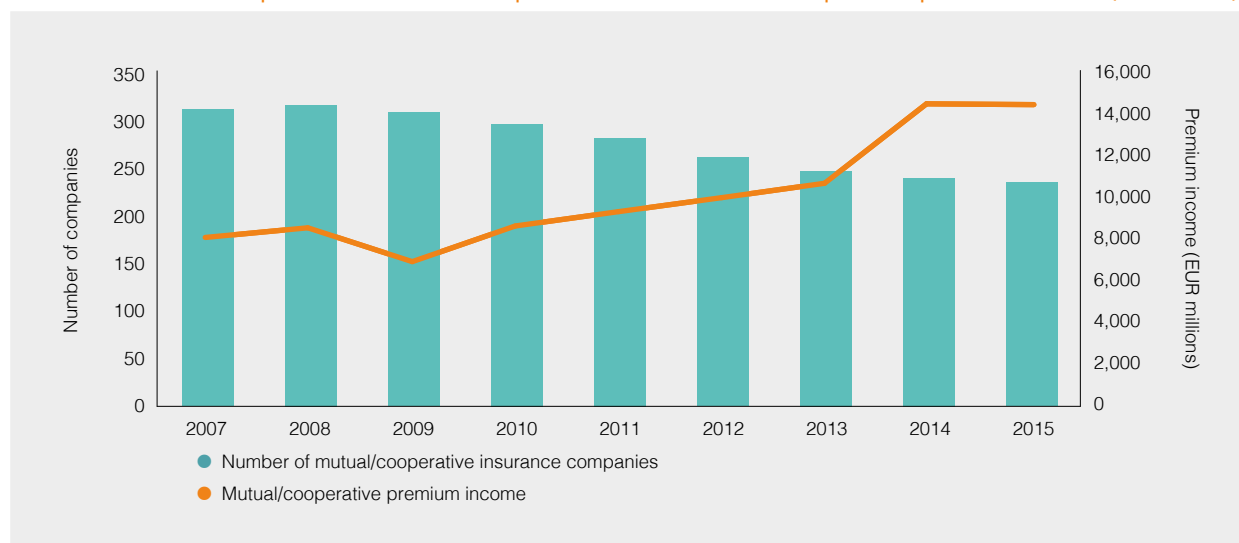
¹⁴ There was no information available on the split between life insurers and non-life insurers for friendly societies, although the majority of these are funeral or pension insurers. For this reason, they have not been included in the split between life insurers and non-life insurers.

¹⁵ Annual data on the number of small local insurance companies and friendly societies is not available for the period 2009-2013. Figures for these years were adjusted to show an average annual reduction in the number of insurers between the closest years that data was available (2008 and 2014).

¹⁶ There were no 2007 figures available for the number of small local insurance companies or friendly societies, and so the 2008 figures were used instead.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

The total insurance market in Sweden amounted to EUR 30.2 billion in insurance premiums in 2015, more than 22%¹⁷ greater compared to 2007 premium levels (EUR 25.0 billion).

Mutual/cooperative insurers collectively wrote a total of EUR 14.4 billion in premium income in 2015 (see Figure 2), of which 70% was generated from the life sector. Total premiums written by the Swedish mutual/cooperative insurance sector grew by 81% from 2007 (EUR 8.0 billion). This represents a CAGR of 7.7%, which was more than five percentage points greater than the market average CAGR (2.5%).

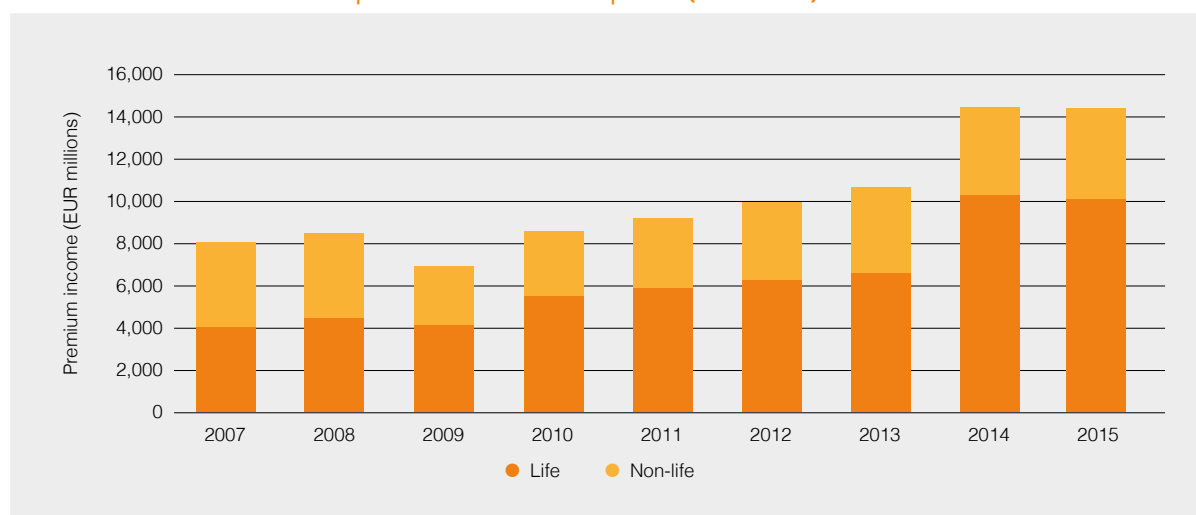
The main driver for the overall growth of the mutual/cooperative sector since 2007 was a 43% annual increase (equivalent to EUR 3.7 billion in additional premium volume) in 2014, largely due to the “mutualisation” of Skandia.¹⁸ However, if the additional premiums from the inclusion of Skandia (from 2014) were ignored, organic premium growth (on a like-for-like basis) of the Swedish mutual/cooperative sector between 2007 and 2015 would still be 47.5% (5.0% CAGR), more than double the growth of the total Swedish market over this period.

¹⁷ All growth figures are in local currency (Swedish krona) terms to avoid any misleading effects of exchange rate fluctuations.

¹⁸ In January 2014, Swedish life insurer Skandia was transformed into a fully member-owned mutual company. In 2012, Skandia Liv re-acquired Skandia's Nordic insurance and banking business from parent company Old Mutual. A new mutual life insurer (in the legal form) was then established, Livförsäkringsbolaget Skandia, ömsesidigt, to acquire the business from Skandia Liv, subsequently followed by the merger of Skandia Liv into Livförsäkringsbolaget Skandia, ömsesidigt.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Life insurance premiums in Sweden totalled EUR 21.9 billion in 2015. This represented an increase of 26.4% from 2007 (EUR 17.5 billion) and CAGR of 3.0%.

In the mutual/cooperative sector, premium levels reached EUR 10.1 billion 2015. Business volumes have more than doubled compared to 2007 levels (2007: EUR 4.0 billion), as much of this growth was concentrated in 2014 (annual growth of 65%). However, there was still a long-term trend of growth, as the mutual/cooperative sector outperformed the total market in six of the eight years since 2007, registering a CAGR of 12.3% over this period.

Non-life

In the Swedish non-life insurance market, premium volumes grew to EUR 8.3 billion in 2015 from EUR 7.5 billion in 2007 (increase of 12.0%).

Non-life premium income in the mutual/cooperative sector rose to EUR 4.3 billion in 2015, although overall growth (8.8%) compared to 2007 levels (2007: EUR 4.0 billion) was not as strong as the mutual/cooperative life sector in Sweden. Mutual/cooperative CAGR in non-life business between 2007 and 2015 was 1.1%, marginally weaker than the total market CAGR (1.4%).

Market share of mutual/cooperative insurance sector

Collectively, mutual/cooperative insurers accounted for just under half (47.6%) of the Swedish insurance market by premiums in 2015 (see Figure 3), making it the fifth largest European market in terms of total mutual/cooperative market share.

However, in the legal form, mutual/cooperative market share in 2015 was 36.8%, putting Sweden as the largest market in Europe in terms of share held by mutual/cooperative insurers in the legal form. Swedish market share rose to 47.4% when subsidiaries of mutual/cooperative insurers (in the legal form) were also included.

Turning to the split between life and non-life insurance, Swedish mutual/cooperative insurers had the one of the highest mutual/cooperative market shares in Europe (and globally¹⁹) in terms of life and non-life insurance business in 2015 (46.0% and 51.8% respectively). In the life sector, the market share of mutual/cooperative insurers in the legal form was 34.5% (46.0% including subsidiaries). In non-life business, legal form mutual/cooperative insurers' market share was 42.9% in 2015 and represented more than half (50.9%) of the total non-life market when subsidiaries were added.

The total market share of the mutual/cooperative sector experienced a significant expansion since 2007, gaining a further 15 percentage points of the market since 2007 (32.1%). The largest upturn in market share occurred in 2014 (see Figure 4), rising by 12 percentage points to 49.4% (from 37.0% in 2013).

Mutual/cooperative insurers in the legal form also recorded a sizeable increase in their share of the total market over this period, increasing from 20.3% in 2007.

In terms of life business, total mutual/cooperative insurers' share of the market has doubled, growing from 23.0% in 2007 to 46.0% in 2015. In the legal form, the mutual/cooperative life market share has seen an even stronger expansion in this period, rising from 14.8% to 34.5%.

In the non-life market, overall mutual/cooperative share saw a slight fall between 2007 and 2015, decreasing from 53.3% to 51.8%. However, mutual/cooperative insurers in the legal form saw their non-life market share grow from 33.2% in 2007 to 42.9% in 2015.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

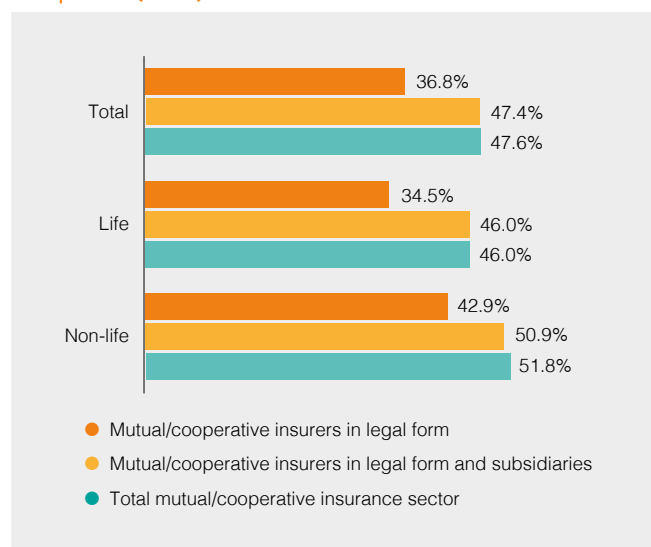
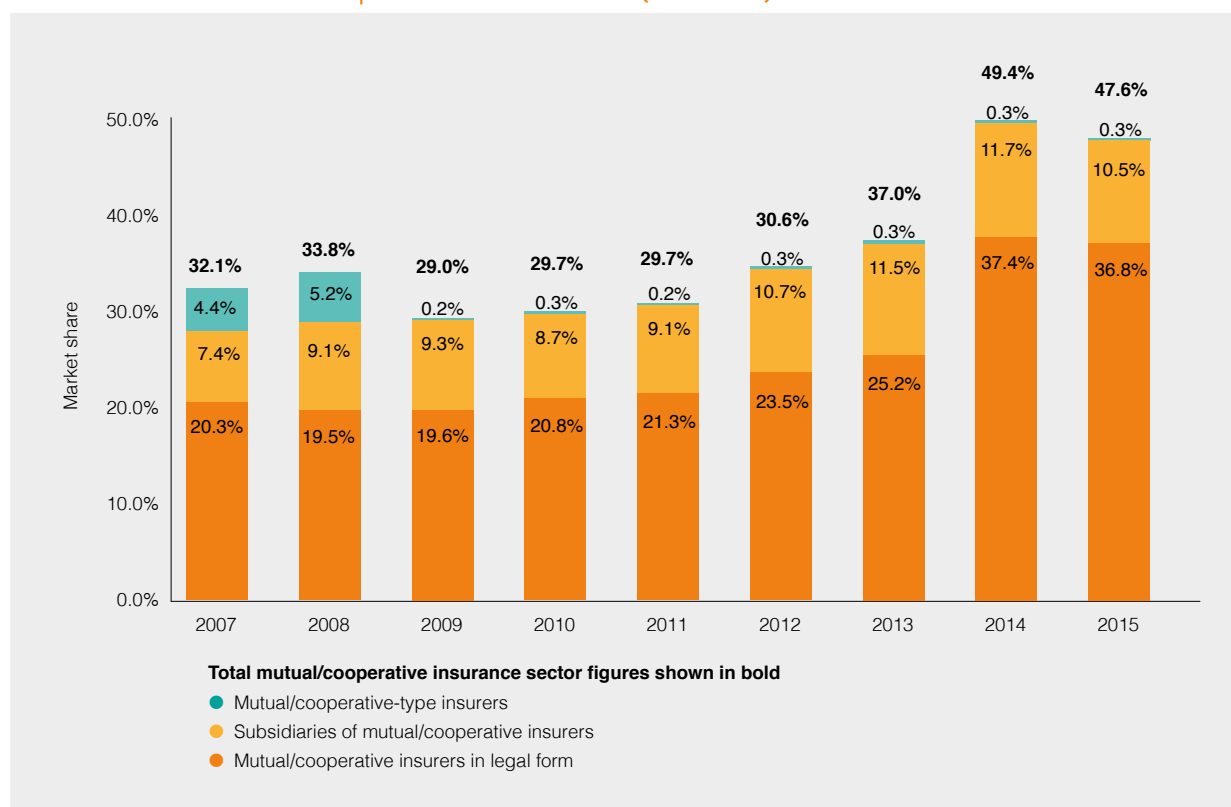


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)



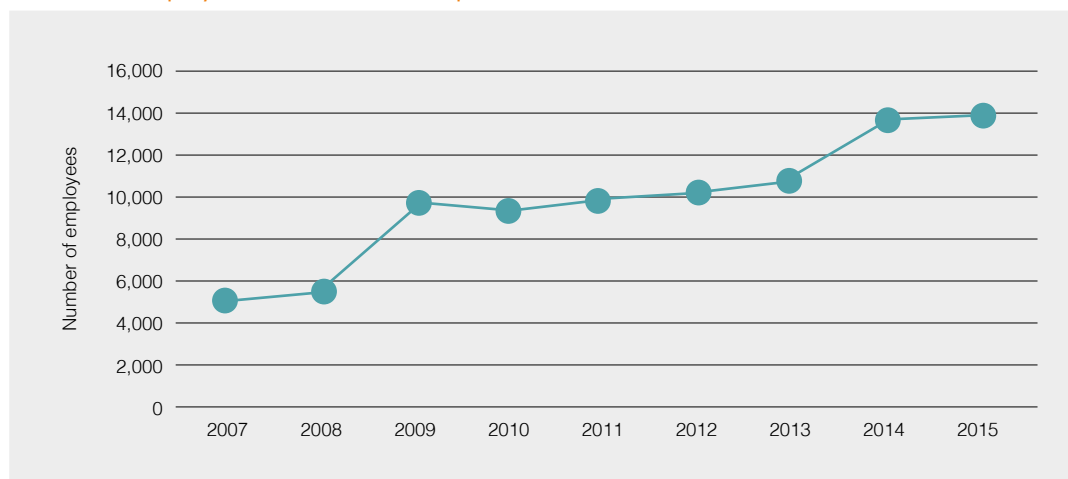
¹⁹ At a global level, Sweden was ranked as the eighth largest life market and seventh largest non-life market in terms of total mutual/cooperative market share in 2015 (see ICMIF's *Global Mutual Market Share 2015* report).

Number of employees

The Swedish mutual/cooperative sector employed just under 14,000 people in 2015 (see Figure 5). This represented an increase of 8,900 employees since 2007, when just over 5,000 people were employed by mutual/cooperative insurance companies.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



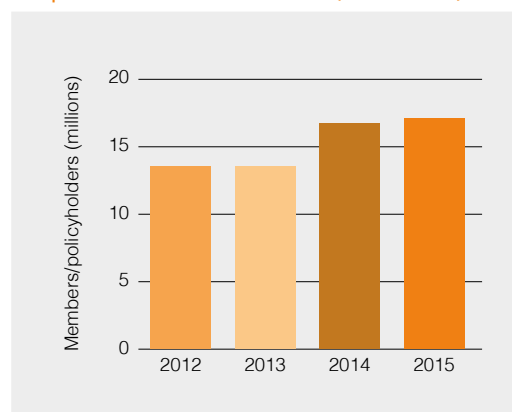
Number of members/policyholders

In 2015, there were more than 17 million members/policyholders of mutual/cooperative insurers in Sweden (see Figure 6).

The overall increase in membership numbers compared to 2012 (13.5 million) was 26.4%. Although the number of member/policyholders had grown year-on-year since 2012, much of this growth was recorded in 2014, with a 24% increase (up from 13.5 million in 2013 to 16.7 million).

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



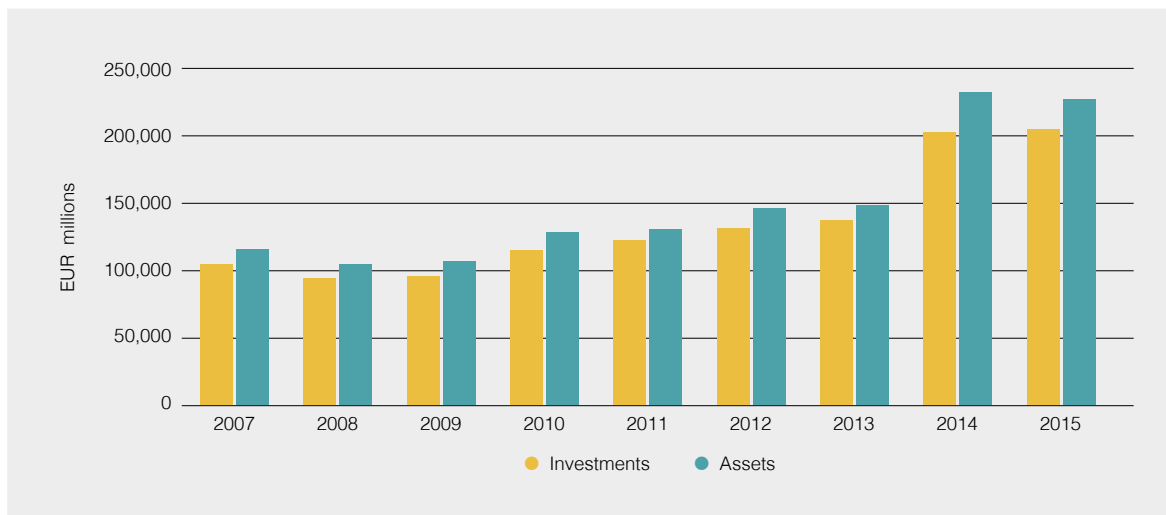
Assets and investments

The Swedish mutual/cooperative sector held total assets valued at over EUR 200 billion (EUR 226.2 billion) in 2016. Asset values had almost doubled compared to 2007 (EUR 115.4 billion) and had grown annually since a fall in 2008, with the strongest annual growth in 2014.

Aggregate investment assets held by mutual/cooperative insurers followed a similar pattern to total assets. Overall, invested assets rose from EUR 103.9 billion in 2007 to EUR 204.3 billion in 2015.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





Mutual/cooperative insurance companies

Landscape

Insurance companies that wish to operate in Switzerland are required to obtain an authorisation from the Swiss Financial Market Supervisory Authority – FINMA (*Eidgenössische Finanzmarktaufsicht – Autorité fédérale de surveillance des marchés financiers*).¹ Following authorisation, FINMA assigns supervised institutions to one of five risk categories, depending on the potential risks for creditors, investors, insured persons, the system as a whole and the reputation of the Swiss financial centre.² The intensity of supervision is determined by the risk category to which each undertaking is assigned.

The Swiss regulatory framework for the insurance market is governed by two main legislative acts supplemented by a number of implementing ordinances: The Federal Insurance Supervision Act of 17 December 2004 961.01 – ISA (*Bundesgesetz betreffend die Aufsicht über Versicherungsunternehmen 961.01 vom 17. Dezember 2004 – Loi fédérale sur la surveillance des entreprises d'assurance 961.01 du 17 décembre 2004*) and the Federal Insurance Contract Act of 2 April 1908 221.229.1 – ICA (*Das Bundesgesetz über den Versicherungsvertrag vom 2. April 1908 – La loi fédérale du 2 avril 1908 sur le contrat d'assurance*).³

Certain private undertakings fall outside the scope of the ISA. Firstly, there are insurance undertakings whose insurance activity is subject to special supervision under either federal or cantonal law, such as health, accident and military insurance.⁴ Secondly, insurance cooperatives which fulfil certain criteria listed in Article 2(2)(d) of ISA – namely, a very limited scope of business and the requirement that the insureds are also members of the cooperative – do not fall within the scope of the ISA, and consequently they are not supervised by FINMA, instead coming under private law. Finally, and where special circumstances allow, FINMA can exempt from its supervision insurance undertakings whose activity is economically insignificant or only pertains to a small group of insured persons.⁵

In June 2015, the European Commission adopted a third country equivalence decision, by virtue of which Switzerland was granted full equivalence in all three areas of Solvency II: solvency calculation, group supervision and reinsurance.⁶ As a consequence, the Swiss insurance regulatory regime is fully equivalent to Solvency II.

An insurance undertaking in Switzerland can take the following legal form:⁷

- a company limited by shares (*Aktiengesellschaft – société anonyme*)
- a cooperative (*Genossenschaft – société coopérative*)

Cooperatives in Switzerland are governed by the Federal Act on the Amendment of the Swiss Civil Code.⁸

The possibility to establish a mutual insurance undertaking is not foreseen under Swiss law.

¹ Article 3(1) of the Federal Insurance Supervision Act of 17 December 2004 961.01 – ISA.

² FINMA's [website](#).

³ Federal Insurance Contract Act of 2 April 1908 221.229.1 – ICA.

⁴ Article 2(2)(b) of the ISA.

⁵ Article 2(3) of the ISA.

⁶ Commission Delegated Decision (EU) 2015/1602 of 5 June 2015 on the equivalence of the solvency and prudential regime for insurance and reinsurance undertaking in force in Switzerland based on Articles 172(2), 227(4) and 260(3) of the Directive 2009/138/EC of the European Parliament and of the Council [2015] L 248/95.

⁷ Article 7 of the ISA.

⁸ Federal Act on the Amendment of the Swiss Civil Code (Part Five: The Code of Obligations) of 30 March 1911 220, Title 29.

There are no special arrangements as to what types of insurance activity cooperatives are permitted to pursue, thus they can be active in both life and non-life classes.

However, all life insurers are only permitted to write accident and health insurance, and no other lines of non-life insurance, irrespective of whether they are stock companies or mutual/cooperative insurers.⁹

Number of licensed insurance undertakings

In total, there were 214 supervised insurance companies¹⁰ present in the Swiss market in 2015 including general health insurance companies, reinsurers and branches of foreign insurance companies.¹¹ In terms of insurance companies domiciled in Switzerland, FINMA supervised a total of 93 insurers in 2015: 17 life insurers and 76 non-life insurers.

There had been little change in the total number of insurers active in Switzerland since 2007. A total of 218 insurance companies were supervised by FINMA in 2007, including 22 Swiss-domiciled life insurers and 78 non-life insurers.

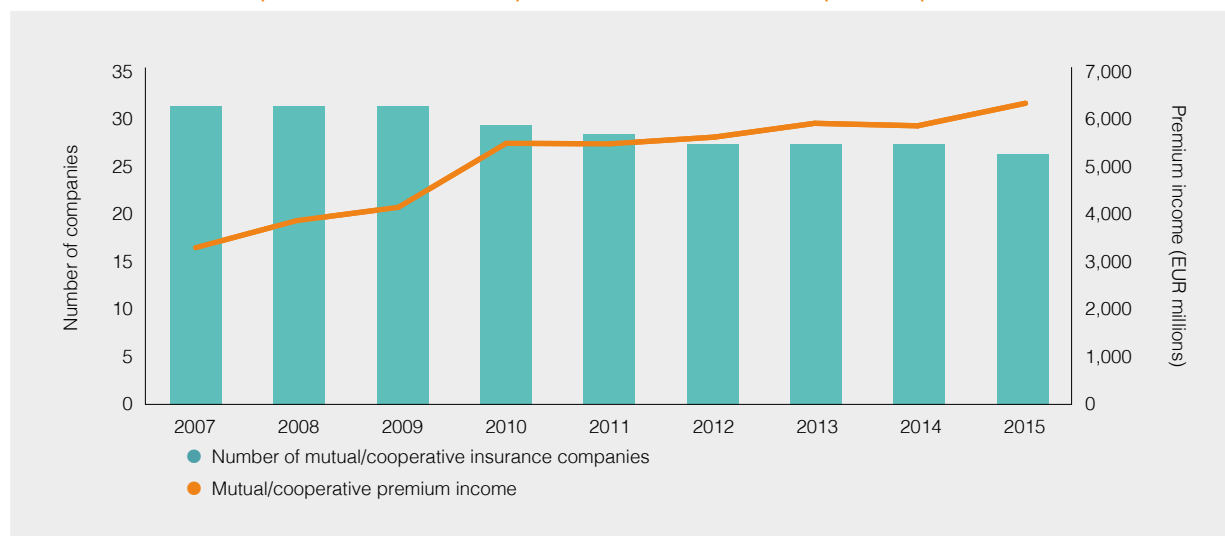
Number of mutual/cooperative insurers

There were a total of 26 mutual/cooperative insurance companies present in Switzerland in 2015, of which four were life insurers and 22 were non-life insurers. Of these 26 companies, 13 insurers were cooperative insurance companies (in the legal form) and eight were subsidiaries of mutual/cooperative insurers in the legal form (the remaining 5 were mutual/cooperative-type insurers).

There has been a loss of five mutual/cooperative insurers since 2007, when there were 31 active companies (see Figure 1).

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



⁹ Article 12 of the ISA.

¹⁰ FINMA (2016) *Insurance market report 2015*.

¹¹ In 2015, there were 49 branches of foreign insurance companies (three life insurers and 46 non-life insurers); 59 reinsurers (including 30 reinsurers and 29 reinsurance captives) and 13 general health insurance companies offering supplementary health cover.

Size and growth of the mutual/cooperative insurance sector

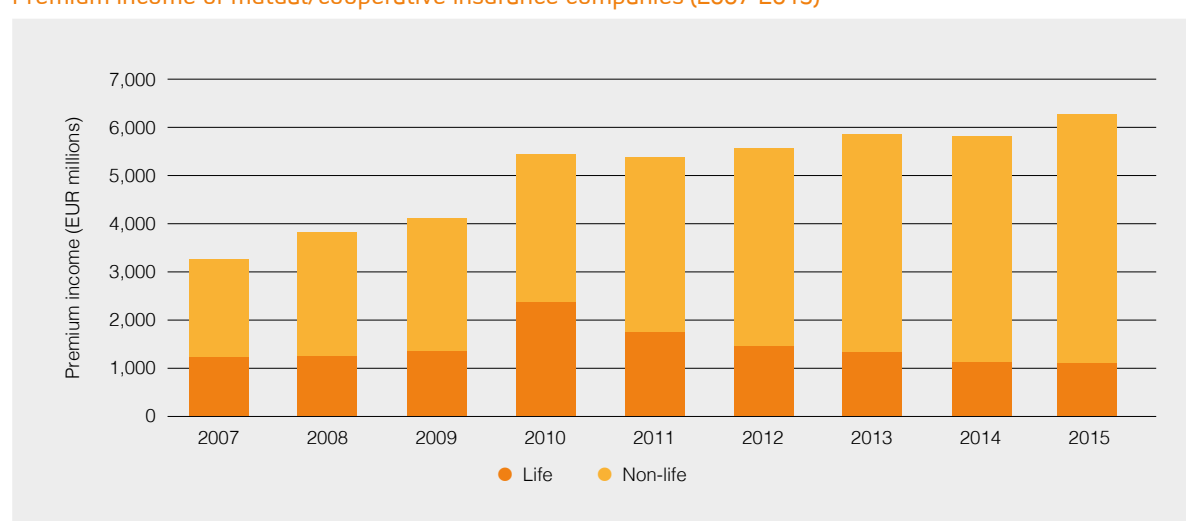
Total

The total Swiss insurance market amounted to EUR 55.2 billion in insurance premiums in 2015, an overall growth of 13.4%¹² since 2007 (EUR 31.6 billion¹³). Life insurance revenues totalled EUR 30.6 billion in 2015 and EUR 24.7 billion of premium was written by the non-life sector.

Mutual/cooperative insurers in Switzerland collectively wrote EUR 6.3 billion in premiums in 2015. The majority (83%) of insurance business in 2015 was written in non-life insurance (see Figure 2). Overall, premium volumes in 2015 were 25.2%¹⁴ greater compared to 2007 levels (EUR 3.2 billion), equivalent to a CAGR of 2.8% during this period (in comparison, the market average CAGR was 1.6%).

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

Premiums of the life insurance sector in Switzerland increased by 13.7% between 2007 and 2015, growing from EUR 17.5 billion. In contrast, the mutual/cooperative sector reported a steep decline of 42%¹² in life business during this period, falling from EUR 1.2 billion in 2007 to EUR 1.1 billion¹⁵ in 2015. The eight-year CAGR of the mutual/cooperative life sector was -6.5% compared to 1.6% for the total market.

Non-life

Growth in the Swiss non-life market mirrored the life market, showing a 13.2% increase since 2007 (EUR 14.2 billion). However, mutual/cooperative insurers performed far stronger in the non-life sector, recording an overall premium increase of 65.2% between 2007 (EUR 2.0 billion) and 2015 (EUR 5.2 billion). The mutual/cooperative sector registered a CAGR of 6.5%, almost five percentage points ahead of the total non-life market (1.6%).

¹² All growth figures are in local currency (Swiss franc) terms to avoid any misleading effects of exchange rate fluctuations.

¹³ Due to the appreciation of the Swiss franc against the euro since 2007, in euro terms, premium volumes were 74.8% greater in 2015 compared to 2007.

¹⁴ In euro terms, this growth was 92.8% due to the appreciation of the Swiss franc.

¹⁵ In euro terms, premium values fell by 10.3%.

Market share of mutual/cooperative insurance sector

The mutual/cooperative sector accounted for an 11.3% share of the Swiss insurance market in 2015 (see Figure 3). Mutual/cooperative insurers in the legal form represented just 0.5% of the total market in 2015, although subsidiaries and legal form mutual/cooperative insurers combined held a 9.1% market share.

Market share was higher in the non-life market compared to the life market. For the total mutual/cooperative sector, non-life market share was 20.9% in 2015 (compared to 3.6% in the life market) and for legal form mutual/cooperative insurers plus subsidiaries, market share was 16.0% (3.6% in life).

The overall market share of the Swiss mutual/cooperative insurance sector has remained consistent since 2007, increasing slightly from 10.3% in 2007 (see Figure 4). The market share of subsidiaries of mutual/cooperative insurers has fallen over this period, down to 8.6% in 2015 from 9.3% in 2007 (and a peak of 11.7% in 2010).

In terms of life business, mutual/cooperative insurers' share of the market has declined over the eight-year period, dropping from 7.0% in 2007 and a high of 10.8% in 2010. In the non-life market, mutual/cooperative share experienced a steady growth during this period, rising from 14.3% in 2007.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

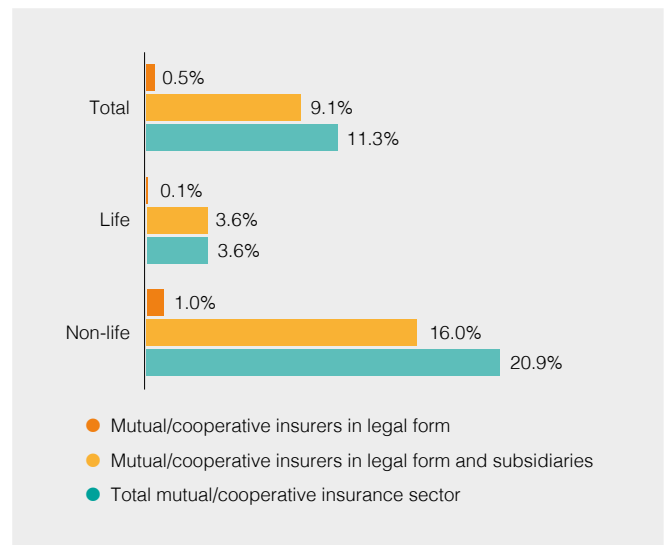
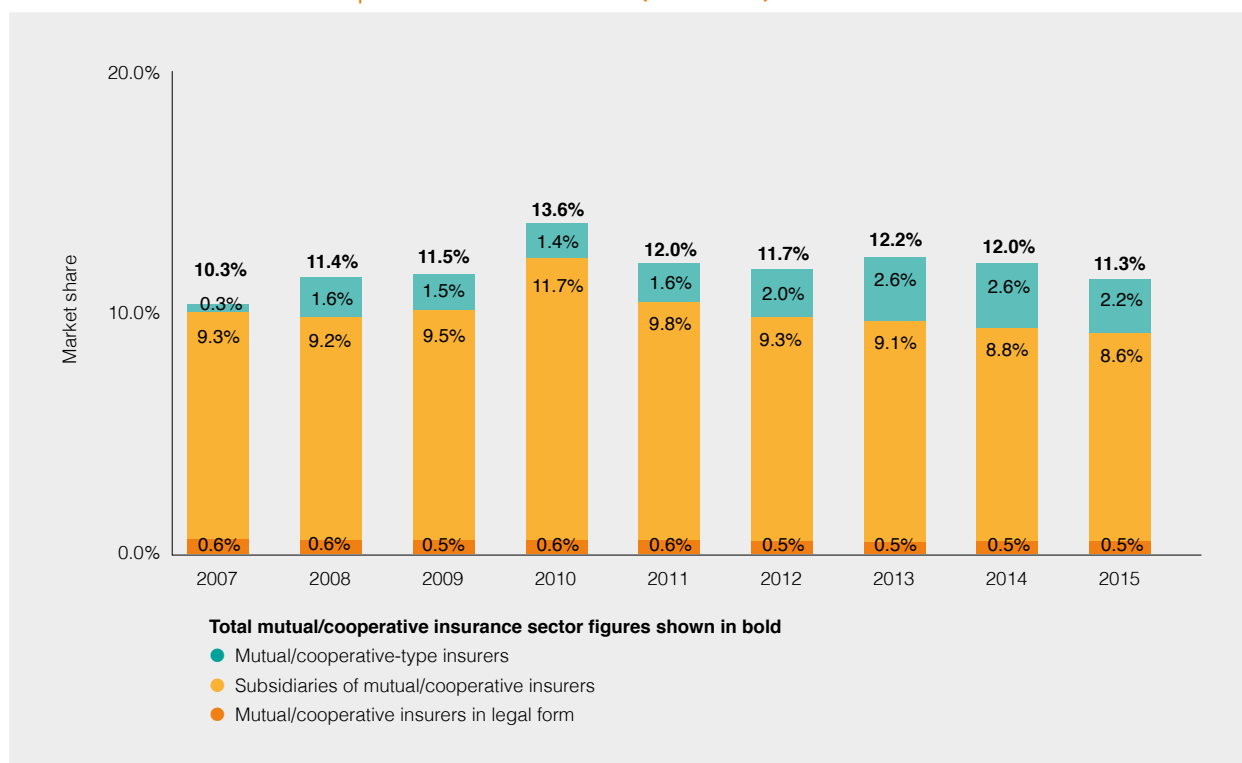


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

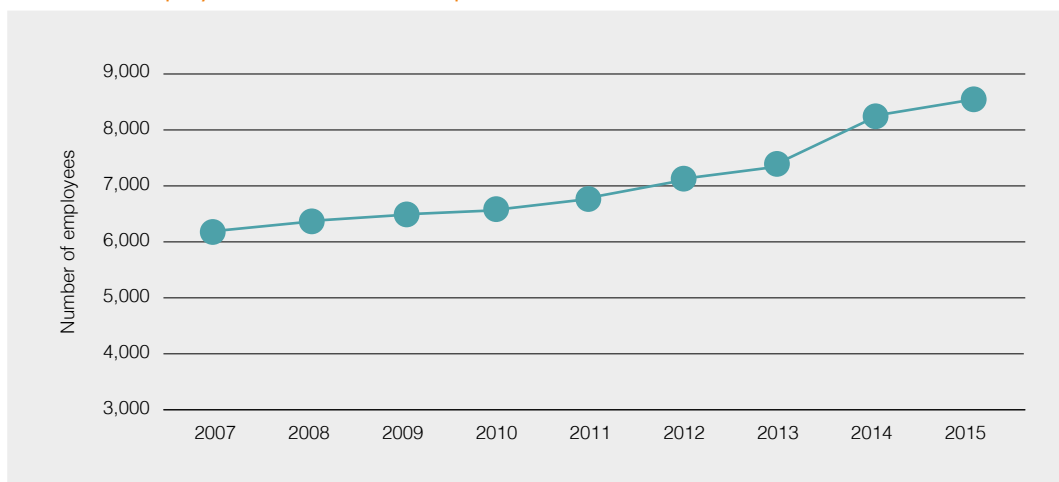


Number of employees

The number of employees in the Swiss mutual/cooperative insurance sector has grown consistently since 2007, reaching 8,543 in 2015 (see Figure 5). This represented an overall increase of 38% compared to 2007 (6,188 employees).

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)



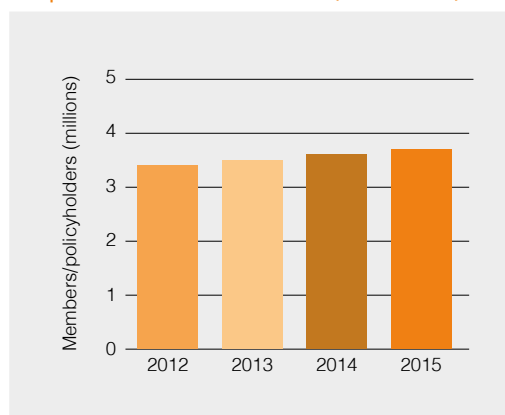
Number of members/policyholders

In total, there were 3.7 million members/policyholders* of the mutual/cooperative sector in 2015 (see Figure 6).

Membership numbers have increased year-on-year since 2012 (3.4 million), reaching an overall growth rate of 7.1% over the three-year period.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



* See methodology.

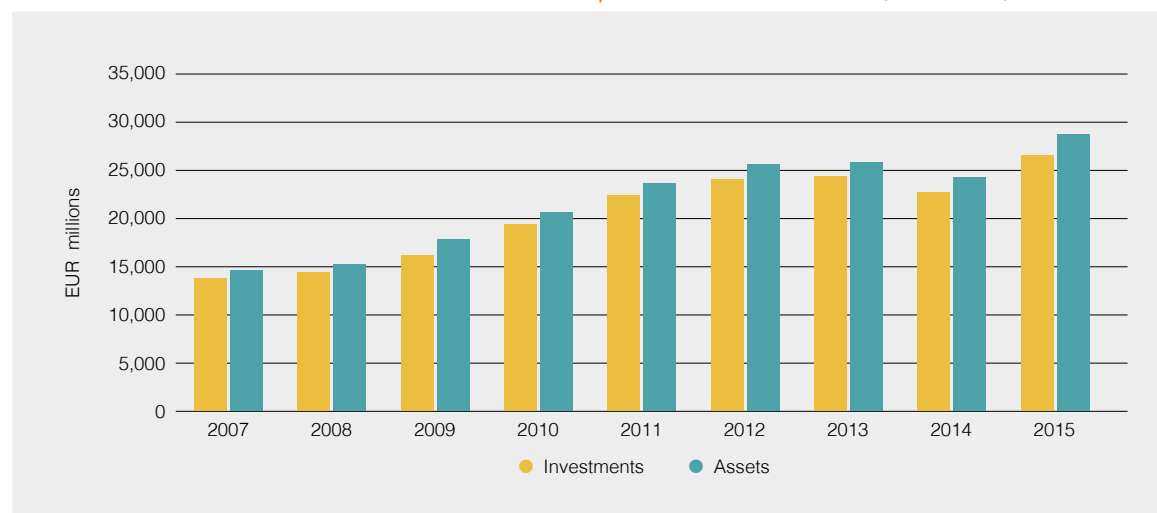
Assets and investments

Total assets held by the mutual/cooperative insurance sector have almost doubled between 2007 (EUR 14.6 billion) and 2015 (EUR 28.7 billion), and recorded a positive annual growth in seven of the previous eight years (see Figure 7).

Assets held as investments have experienced a similar growth, increasing from 13.8 billion in 2007 to EUR 26.5 billion in 2015.

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)





United Kingdom

Mutual/cooperative insurance companies

Landscape

The insurance market in the UK is regulated and supervised by the Prudential Regulation Authority – PRA and the Financial Conduct Authority – FCA,¹ which together succeeded the Financial Services Authority in April 2013. The PRA is responsible for the prudential regulation of insurers; it aims to develop a rounded, robust and comprehensive view of insurance undertakings and to judge whether they are being run in a safe and sound manner.² The FCA is the conduct regulator (consumer protector) for financial firms in the UK. New firms wishing to become insurers must apply to the PRA for permission.³ If the PRA grants a permission, the FCA is bound to consent to this permission.⁴

The primary laws governing the UK insurance market are the Financial Services and Markets Act – FSMA of 2000 (as amended), and the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. In addition, the FCA's Handbook and the PRA's Rulebook provide detailed rules and guidance on governance, capital and conduct of business requirements. The Solvency II Directive has been implemented by these laws and rules. The PRA Rulebook includes a threshold test for the adoption of Article 4 of Solvency II, which contains exemptions from being subject to the Solvency II regime for insurance undertakings which do not exceed certain *de minimis* thresholds (gross written premium less than GBP 5 million,⁵ total of technical provisions less than GBP 25 million,⁶ etc).

A newly established undertaking, or an existing undertaking engaging solely in life insurance business or solely in non-life insurance business, cannot be granted permission to operate in both the life and non-life categories at the same time.⁷ This does not apply where an undertaking's permission to carry on non-life insurance business is restricted to accident and sickness insurance.

Insurance undertakings can have one of the following legal forms:⁸

- a body corporate (limited or unlimited, including a company limited by guarantee but not a limited liability partnership)
- a friendly society registered under the Friendly Societies Act 1992
- a cooperative and community benefit society registered under the Cooperative and Community Benefit Societies Act 2014⁹
- a member of Lloyd's
- a European Company

Cooperative societies under the Cooperative and Community Benefit Societies Act 2014 operate for the benefit of their members, and distribute any surplus not reinvested in the business to them. It is not required that all cooperatives are established in this legal form, and in fact they are permitted to be established as companies.

¹ FCA's [website](#).

² PRA's [website](#).

³ Section 55A of the Financial Services and Markets Act 2000 – FSMA.

⁴ Section 55F(2) of the FSMA.

⁵ EUR 4 million at ECB annual average exchange rate for 2016.

⁶ EUR 20 million at ECB annual average exchange rate for 2016.

⁷ Section 2.3 of PRA Supervisory Statement SS8/15.

⁸ Section 1(1) of Part I Part IV of Schedule 6 of the FSMA.

⁹ The Act renamed industrial and provident societies as cooperative or community benefit societies. Cooperative societies, community benefit societies and pre-commencement societies (industrial and provident societies, registered before 1 August 2014) are referred to as 'registered societies'.

Mutuals are not limited to writing either life or non-life insurance, but are restricted in writing both life and non-life in the same entity as described previously.

Mutual societies in the UK can have the following legal forms:¹⁰

- a registered friendly society
- a building society
- an unlimited company
- an industrial and provident society¹¹ and a credit union¹²
- a private company (either limited by shares or guarantee)

Friendly societies, directive or non-directive,¹³ registered under the Friendly Societies Act 1992 are incorporated entities and registered for effecting and carrying out contracts of insurance. They must apply to the PRA for authorisation.

Building societies also constitute mutual-type organisations that can provide insurance services. They are governed by the Building Societies Act of 1997.

Number of licensed insurance undertakings

There were 494 authorised insurance companies¹⁴ operating in the UK at year-end 2015. Of these insurance undertakings,¹⁵ 170 were life insurers, 301 were non-life insurers and 23 were composite insurers.

Between 2008 and 2015, the number of insurance companies authorised in the UK insurance market declined by 20%.¹⁶

Number of mutual/cooperative insurers

In 2015, there were 176 mutual/cooperative insurers present in the UK market. The majority (101) of these were life insurance companies, and 68 were non-life insurance companies. A further seven undertakings were composite insurers.

Of the 176 mutual/cooperative insurance companies in 2015, 141 were mutual/cooperative insurers in the legal form. This figure comprises 95 life insurers (including 91 Friendly Societies and non-directive Friendly Societies); 41 non-life insurers; and five composite insurers.

The total number of mutual/cooperative insurers active in the UK fell by 19% from 2007, when there were 208 mutual/cooperative insurers in the market. Despite the fall in the number of mutual/cooperative insurers, the aggregate premium income of the mutual/cooperative sector grew by 51.2% between 2007 and 2015 (see Figure 1).

¹⁰ See Part XXI of the FSMA.

¹¹ They are governed by the Industrial and Provident Societies Act.

¹² They are governed by the Credit Unions Act.

¹³ A non-directive friendly society is a friendly society below the thresholds for inclusion in Solvency II.

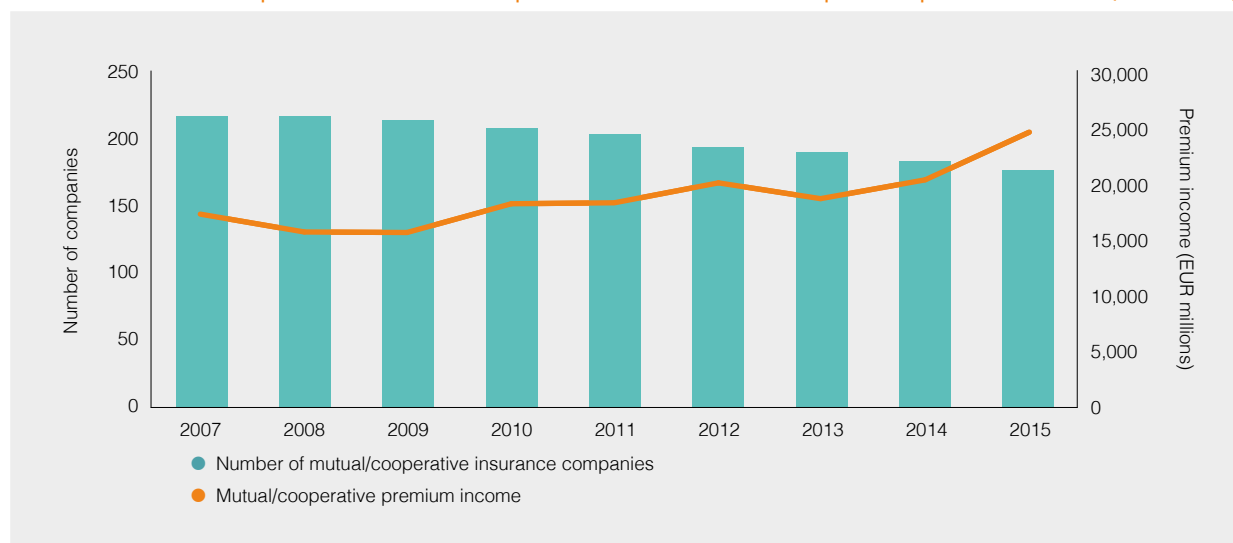
¹⁴ Bank of England (2016) *List of UK authorised insurers – January 2016* (Insurance undertakings regulated by the PRA as of 4 January 2016). The FCA does not publish a year-end list of authorised insurers, only an *interactive register*.

¹⁵ In addition, there were 705 EEA insurers authorised to transact insurance business in the UK - Bank of England (2016) *List of EEA authorised insurers – January 2016*.

¹⁶ As the FCA does not publish a year-end list of authorised insurers, the number of insurers in 2008 (621 insurance undertakings) was taken from the previous edition of *Facts & Figures*. This figure was based on readjusted information taken from the FCA register in 2010.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



Size and growth of the mutual/cooperative insurance sector

Total

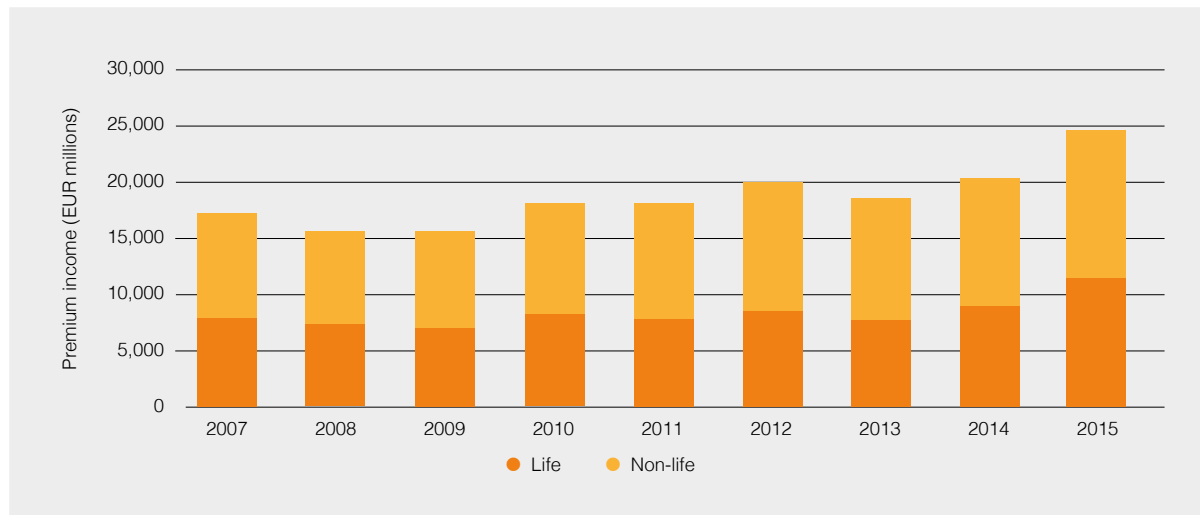
The total insurance market in the UK amounted to EUR 288.5 billion in insurance premiums, making it the largest insurance market in Europe in 2015. However, since 2007, premium volumes in the UK have declined by a total of 22.3% from EUR 393.7 billion in 2007. A steep drop in premium levels in 2008 (-20.8%) was the main contributor to the overall decline, although since 2007 there have been four years of negative premium development and only one year of premium growth exceeding 3%. This has resulted in a CAGR between 2007 and 2015 of -3.1%.

In contrast, the UK's mutual/cooperative insurance sector has performed exceptionally well compared to the total market. Premium levels reached EUR 24.5 billion in 2015 (see Figure 2), a growth of more than 50% compared to 2007 (EUR 17.2 billion).

Business growth in the mutual/cooperative sector has also been more consistent than the total UK market, recording seven years of positive premium growth since 2007 and outperforming the market average growth in five of the previous eight years, and by a significant margin between 2008 and 2010. In total, the CAGR of the mutual/cooperative sector since 2007 was 5.3%, more than eight percentage points ahead of the total market.

Figure 2

Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The overall deterioration of the total UK insurance market was driven by a fall in life insurance premiums. Since 2007, life premium income decreased by more than a third to EUR 193.3 billion in 2015, from EUR 309.2 billion in 2007 – a significant decline in Europe's largest life insurance market. As a result, the UK contributed a quarter of aggregate life insurance premiums in Europe in 2015, compared to 38% in 2007.

Mutual/cooperative life insurers did not follow the trend of the total UK life market and in contrast experienced substantial growth during this eight-year period. Collective premium income rose to EUR 11.4 billion in 2015 (from EUR 7.8 billion in 2007), a growth of 54.3%. As a result, the CAGR of the mutual/cooperative life sector (5.6%) was more than 10 percentage points stronger than the UK market average (-5.0%).

Non-life

In comparison with the life market, UK non-life business has performed far better since 2007. There was only one year of annual premium decline in the eight-year period between 2007 (EUR 84.5 billion) and 2015 (EUR 95.2 billion) accumulating to an overall growth of 19.6% over this period.

Mutual/cooperative insurers reported non-life premium levels of EUR 13.1 billion in 2015, representing a 48.6% expansion from 2007 volumes (EUR 9.3 billion). This resulted in a CAGR of 5.1%, ahead of the total market CAGR of 2.3%.

Market share of mutual/cooperative insurance sector

UK mutual/cooperative insurers collectively held a market share of 8.5% in 2015 (see Figure 3). In the life insurance sector, market share was 5.9%. In non-life business, the mutual/cooperative sector held a higher proportion of the total market in 2015, at 13.7%.

In the legal form, the total mutual/cooperative market share in 2015 was 4.7%. Mutual/cooperative insurers in the legal form held a higher market share in life business (5.4%) compared to non-life business (3.4%). However, when subsidiaries of mutual/cooperative insurers (in the legal form) were included, non-life market share was greater than the share of the life market (12.5% compared to 5.9%).

Mutual/cooperative insurers' total market share in 2015 had almost doubled from a 4.4% share in 2007 to 8.5% in 2015 (see Figure 4). Market share of mutual/cooperative insurers in the legal form grew from 2.5% in 2007, and subsidiaries of mutual/cooperative insurers increased from 1.6% to 3.4% in 2015. The most significant gain in market share occurred between 2007 and 2010, and market share levels remained comparatively stable from that point onwards.

In the life insurance sector, mutual/cooperative insurers doubled their share of the total UK market – albeit from a low base – growing from 2.5% in 2007 to 5.9% in 2015. In non-life business, mutual/cooperative share rose from 11.1% to 13.7% over the eight-year period.

Figure 3
Market share of mutual/cooperative insurance companies (2015)

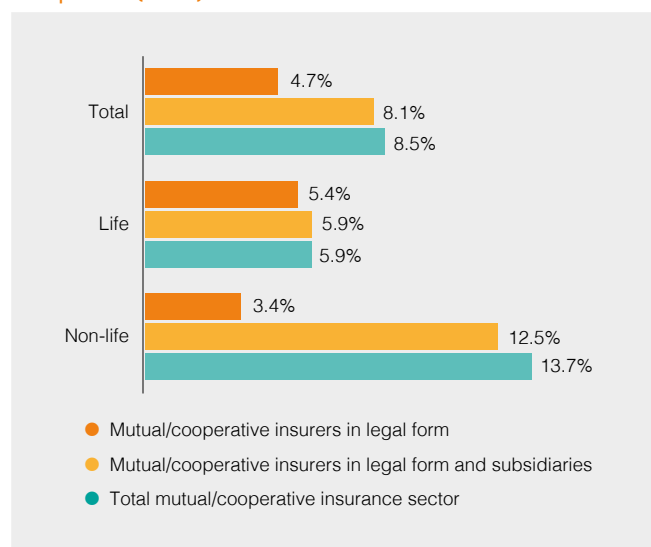
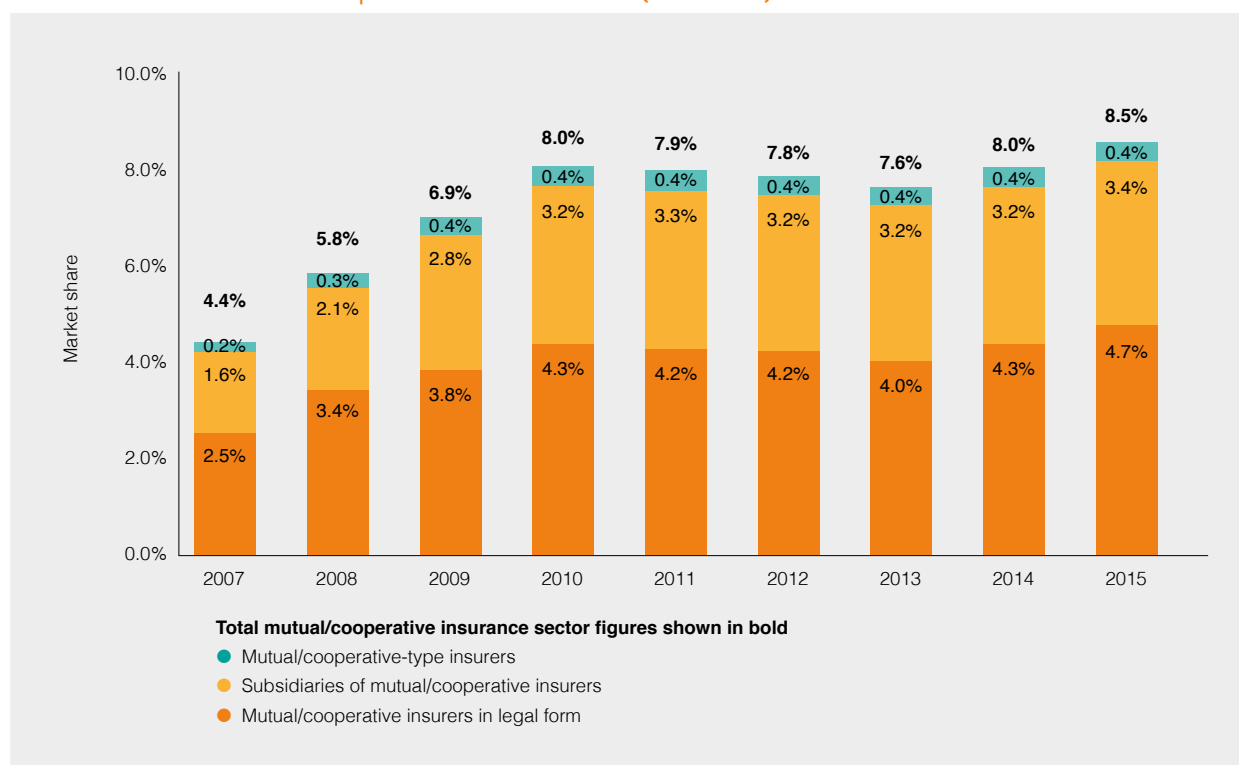


Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)

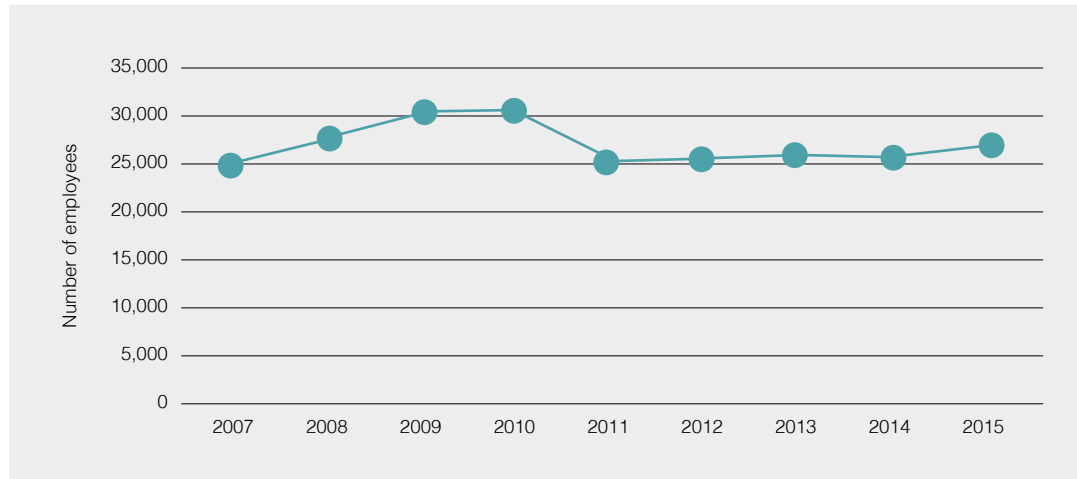


Number of employees

There was a total increase of almost of 2,000 employees working for UK mutual/cooperative insurers between 2007 and 2015. The total number of people employed grew by 7%, from 25,000 to just under 27,000 people (see Figure 5). However, the total employment level in 2015 had declined from a peak level in 2010, when just over 30,000 people were employed by the mutual/cooperative insurance sector.

Figure 5

Number of employees of the mutual/cooperative insurance sector (2007-2015)

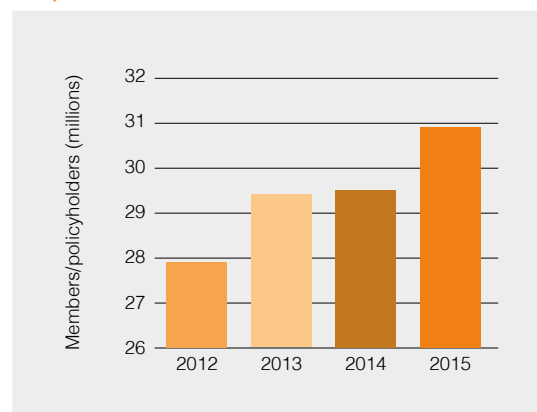


Number of members/policyholders

A total of 30.9 million members/policyholders* were served by mutual/cooperative insurers in the UK in 2015 (see Figure 6). Membership numbers have grown year-on-year since 2012 (27.9 million), resulting in an overall increase of more than 11%.

Figure 6

Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)



* See methodology.

Assets and investments

The total assets held by UK mutual/cooperative insurers exceeded EUR 200 billion for the first time in 2015, amounting to EUR 201.4 billion (see Figure 7). Despite two years of asset decreases in 2008 and 2009, and then again in 2013, total assets of the mutual/cooperative sector have grown steadily since 2007 (total growth of 31.9%).

The total amount of invested assets held by the mutual/cooperative sector followed a similar pattern to total asset values, although it recorded a stronger overall growth of 57.2% between 2007 (EUR 111.7 billion) and 2015 (EUR 165.6 billion).

Figure 7

Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)



Top 100 mutual/cooperative insurers in Europe

The Top 100 is a ranking of the 100 largest European mutual/cooperative insurance companies¹ by 2015 gross premiums (written in European markets featured in this report). For this reason, premiums written by European companies outside of Europe² (or European markets not included in this report) and non-European companies who write business in markets featured in this report, are not included.

Rank	Company	Country	Other markets active	Structure	Type**	Year Founded†	2015 premiums (EUR million)		
							Total	Life	Non-life
1	Crédit Agricole Assurances	France	DE, GR, IT, LU, PL, PT	Mutual/cooperative-type	Composite	1986	30,369	27,206	3,163
2	Achmea	Netherlands	GR, IE, SK	Mutual/cooperative-type	Life/Non-life	1811	19,922	2,366	17,556
3	COVEA	France	IT, GB, LU	Mutual*	Life/Non-life	1828	17,328	5,755	11,573
4	Unipol	Italy		Mutual/cooperative-type	Composite	1963	15,565	7,644	7,921
5	Talanx Group	Germany	AT, BG, CZ, ES, IE, IT, LU, NL, PL, SK	Mutual/cooperative-type	Life/Non-life	1903	15,468	6,495	8,973
6	R+V Versicherung	Germany	IT, LU	Mutual/cooperative-type	Life/Non-life	1922	14,749	7,553	7,196
7	AG2R La Mondiale	France	LU	Mutual*	Life/Non-life	1905	10,215	7,179	3,036
8	Groupama	France	BG, GR, HU, IT, LV, PT, SK, RO	Mutual*	Life/Non-life	1900	10,009	5,005	5,004
9	Debeka Versicherungsvereine	Germany		Mutual*	Life/Non-life	1905	9,727	3,630	6,097
10	Vienna Insurance Group	Austria	BG, CZ, EE, HR, HU, IT, LI, LT, LV, PL, RO, SI, SK	Mutual/cooperative-type	Composite	1824	9,020	4,023	4,997
11	Royal London	UK	IE	Mutual	Life	1861	7,645	7,645	-
12	MAPFRE	Spain	IE, IT, PT, MT	Mutual/cooperative-type	Life/Non-life	1933	6,827	1,952	4,875
13	CZ Groep	Netherlands		Mutual	Non-life	1930	6,814	-	6,814
14	HUK-Coburg	Germany		Mutual*	Life/Non-life	1933	6,608	844	5,764
15	MACIF	France	PL	Mutual*	Life/Non-life	1960	6,116	3,016	3,100
16	UNIQA	Austria	BG, CH, CZ, HR, HU, IT, LT, PL, RO, SK	Mutual/cooperative-type	Composite	1811	5,840	2,200	3,639
17	Natixis Assurances	France	LU	Mutual/cooperative-type	Composite	1989	5,822	4,963	859
18	SIGNAL IDUNA	Germany	CH, HU, PL, RO	Mutual*	Life/Non-life	1906	5,600	1,394	3,977
19	Groupe VVV ³	France		Mutual	Composite	1947	5,541	170	5,371
20	Cattolica Assicurazioni	Italy	IE	Cooperative*	Composite	1896	5,172	3,128	2,045
21	Menzis	Netherlands		Mutual*	Non-life	2006	4,917	-	4,917
22	KLP	Norway		Mutual/cooperative-type	Life/Non-life	1949	4,496	4,383	113
23	Mutua Madrileña	Spain		Mutual	Composite	1930	4,335	164	4,171
24	Alte Leipziger	Germany		Mutual*	Life/Non-life	1819	4,134	2,367	1,767
25	LV=	UK	IE	Mutual*	Life/Non-life	1843	4,104	2,070	2,033
26	Folksam	Sweden	FI	Mutual*	Life/Non-life	1908	4,058	2,697	1,361
27	Gothaer Versicherungen	Germany	PL, RO	Mutual*	Life/Non-life	1820	3,997	1,405	2,592
28	Reale Mutua	Italy	ES	Mutual*	Composite	1828	3,847	1,118	2,729
29	Alecta	Sweden		Mutual	Life	1917	3,673	3,673	-
30	PFA Pension	Denmark		Mutual	Life	1917	3,603	3,603	-
31	Länsförsäkringar	Sweden		Mutual*	Life/Non-life	1801	3,555	1,129	2,427
32	Die Continentale	Germany		Mutual*	Life/Non-life	1892	3,551	1,030	2,522
33	MAIF	France		Mutual*	Life/Non-life	1934	3,366	703	2,663
34	La Mobilière	Switzerland		Cooperative*	Life/Non-life	1826	3,295	726	2,569
35	LVM Versicherung	Germany		Mutual*	Life/Non-life	1896	3,243	813	2,431
36	DEVK Versicherungen	Germany		Mutual*	Life/Non-life	1886	3,154	968	2,186
37	OP Insurance	Finland	LV	Mutual/cooperative-type	Life/Non-life	1902	2,859	1,497	1,362
38	Gjensidige Forsikring	Norway	EE, LI, LV	Mutual/cooperative-type	Life/Non-life	1689	2,719	344	2,375
39	Skandia Mutual	Sweden		Mutual*	Life/Non-life	1855	2,663	2,536	126
40	VHV Versicherungen	Germany		Mutual*	Life/Non-life	1919	2,634	935	1,699
41	Ethias	Belgium		Mutual/cooperative-type	Life/Non-life	1919	2,613	1,171	1,443
42	SMABTP	France		Mutual*	Life/Non-life	1859	2,289	561	1,728
43	MACSF	France		Mutual*	Life/Non-life	1897	2,188	1,586	602
44	NFU Mutual	UK		Mutual	Composite	1910	2,116	326	1,789
45	HanseMerkur Versicherungsgruppe	Germany		Mutual*	Life/Non-life	1875	1,952	483	1,469
46	Univé Zorg	Netherlands		Mutual	Non-life	1991	1,945	-	1,945
47	Barmenia Versicherungen	Germany		Mutual*	Life/Non-life	1904	1,910	211	1,699

Rank	Company	Country	Other markets active	Structure	Type**	Year Founded†	2015 premiums (EUR million)		
							Total	Life	Non-life
48	MATMUT	France		Mutual*	Life/Non-life	1961	1,810	127	1,683
49	Groupe AESIO*	France		Mutual	Non-life	1946	1,766	-	1,766
50	PensionDanmark	Denmark		Mutual	Life	1993	1,626	1,626	-
51	LocalTapiola	Finland		Mutual	Life/Non-life	1857	1,604	423	1,181
52	P&V	Belgium		Cooperative*	Composite	1907	1,573	850	724
53	Volkswahl-Bund Versicherungen	Germany		Mutual*	Life/Non-life	1919	1,483	1,404	79
54	ACMN	France		Mutual/ cooperative-type	Composite	1998	1,210	1,032	178
55	KommunePension	Denmark		Mutual	Life	1928	1,152	1,152	-
56	SpareBank 1	Norway		Mutual/ cooperative-type	Life/Non-life	1996	1,132	552	580
57	WWK Versicherungen	Germany		Mutual*	Life/Non-life	1884	1,130	1,022	109
58	La Mutuelle Générale	France		Mutual	Non-life	1945	1,104	-	1,104
59	Zorg en Zekerheid	Netherlands		Mutual	Non-life	1825	1,104	-	1,104
60	ASISA	Spain		Mutual/ cooperative-type	Composite	1971	1,049	4	1,045
61	Mutuelle Vaudoise	Switzerland		Cooperative*	Life/Non-life	1895	1,023	246	777
62	Industriens Pension	Denmark		Mutual	Life	1992	968	968	-
63	DSW Zorgverzekeraar	Netherlands		Mutual	Non-life	1987	943	-	943
64	AXA Assurance IARD mutuelle	France		Mutual	Non-life	n/a	892	-	892
65	AP Pension	Denmark		Mutual	Life	1919	890	890	-
66	ONVZ Zorgverzekeraar	Netherlands		Mutual*	Non-life	1933	873	-	873
67	Pensions-Sicherungs-Verein (PSVaG)	Germany		Mutual	Non-life	1974	871	-	871
68	Gruppo ITAS	Italy		Mutual*	Life/Non-life	1821	870	387	483
69	MNH	France		Mutual	Non-life	1960	848	-	848
70	LKH	Germany		Mutual	Life/Non-life	1926	842	8	834
71	Le Conservateur	France		Mutual	Life	1844	830	830	-
72	Süddeutsche (SDK)	Germany		Mutual	Life/Non-life	1926	828	61	768
73	INTER Versicherungsgruppe	Germany		Mutual*	Life/Non-life	1926	807	97	711
74	Concordia Versicherungen	Germany		Mutual*	Life/Non-life	1864	729	179	550
75	Grawe	Austria	CY, HR, HU, RO, SI	Mutual/ cooperative-type	Composite	1828	706	283	423
76	Unalis	France		Mutual	Non-life	1980	705	-	705
77	AXA assurances vie mutuelle	France		Mutual	Life	n/a	703	703	-
78	Münchener Verein	Germany		Mutual*	Life/Non-life	1922	697	147	550
79	Stuttgarter Versicherung	Germany		Mutual*	Life/Non-life	1908	694	587	106
80	uniVersa Versicherungen	Germany		Mutual*	Life/Non-life	1843	691	115	576
81	Monceau Assurances	France		Mutual*	Life/Non-life	1820	678	512	166
82	wgv Versicherungen	Germany		Mutual*	Life/Non-life	1921	667	44	623
83	Fennia Mutual	Finland		Mutual*	Life/Non-life	1882	629	200	429
84	LV 1871	Germany	LT	Mutual*	Life	1871	625	625	-
85	Wüstenrot	Austria	CZ, HU, SK	Mutual/ cooperative-type	Composite	1921	585	343	242
86	Co-op Insurance	UK		Cooperative*	Non-life	1867	584	-	584
87	Medical Protection Society	UK		Mutual	Non-life	1892	584	-	584
88	Unéo	France		Mutual	Non-life	2008	579	-	579
89	Mutualidad de la Abogacía	Spain		Mutual	Composite	1948	532	511	21
90	Simplyhealth	UK		Mutual	Non-life	1872	522	-	522
91	Mecklenburgische Versicherung	Germany		Mutual*	Life/Non-life	1797	520	119	401
92	AREAS	France		Mutual	Life/Non-life	1891	510	103	407
93	MP Pension	Denmark		Mutual	Life	2008	507	507	-
94	FIATC Mutua de Seguros	Spain		Mutual	Composite	1930	500	133	367
95	VPV Versicherungen	Germany		Mutual*	Life/Non-life	1827	465	413	52
96	AGPM	France		Mutual	Life/Non-life	1978	465	324	141
97	Bayerische Beamten Versicherung	Germany		Mutual*	Life/Non-life	1858	457	353	105
98	Oberösterreichische Versicherung	Austria		Mutual/ cooperative-type	Composite	1811	449	137	312
99	Sygeplejersker og Lægeseekretærer	Denmark		Mutual	Life	n/a	442	442	-
100	Wesleyan	UK		Mutual	Life	1841	438	438	-

* Indicates that a proportion of these premiums was written by a subsidiary (joint stock) company of a mutual or cooperative insurer in the legal form.

** For composite mutual/cooperative insurance groups where life and non-life insurance was written by separate subsidiary companies, the company is classified as a "Life/Non-life" insurer. "Composite" refers only to those companies where there is one legal entity that offers both life and non-life insurance (in markets that allow composite insurers to operate). In Germany, even though health insurance is classified as a life insurance product, for consistency throughout this report, health premiums are counted as non-life business in this table.

† When mergers or alliances have created new legal entities, the earliest date of the incorporation of an affiliated or subsidiary organisation has been taken.

¹ This includes individual mutual/cooperative insurers in the legal form, mutual/cooperative insurance groups whose ultimate parent is a mutual/cooperative insurer in the legal form, and mutual/cooperative-type insurers. For groups of companies, figures for the whole insurance group have been included and ranked (rather than for individual subsidiary companies).

² For example, P&I clubs are only included when the risk is known to be domestic in a featured European market, rather than international.

³ Groupe VYV is a mutual union group (UMG) formed in September 2017, consisting of MGEN, ISTYA and Harmonie Mutuelle. Pro-forma figures have been calculated based on the 2015 premiums reported by MGEN-ISTYA and Harmonie Mutuelle.

⁴ Groupe AESIO is a mutual union group (UMG) formed in 2015 consisting of Eovi-MCD, ADREA Mutuelle and APREVA Mutuelle.

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