

An impressionistic painting of two women standing in the ocean, holding hands. The woman on the left is seen from the back, wearing a light pink dress. The woman on the right is also seen from the back, wearing a white dress. The water is depicted with vibrant, swirling brushstrokes in shades of blue, green, and white. The sky is a mix of blue and white, suggesting a bright, sunny day. The overall style is expressive and emotional, capturing a moment of connection between the two figures.

Fundación **MAPFRE**

THE SPANISH INSURANCE MARKET IN 2016

MAPFRE Economic Research

The Spanish insurance market in 2016



Joaquín Sorolla Bastida
Niñas en el mar

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Content

Introduction	9
Executive summary	11
1. Economic and demographic context	15
1.1. Economy	15
1.2. Demography	20
2. Structure of the insurance market	25
2.1. Market concentration	25
2.2. Ranking of companies	25
2.3. Classification of companies	26
2.4. Distribution channels	30
3. Analysis of the main business lines	33
3.1. Overall market	33
3.2. Non-Life Business	44
3.3. Life Business	63
4. Structural growth trends	69
4.1. Penetration, density and depth	69
4.2. Insurance Protection Gap	74

5. Analysis of capital requirements, equity and solvency ratios	79
5.1. SFCR and Pillar 3 in Solvency II	79
5.2. First SFCR for companies in the Spanish market and transitional and adjustment measures	79
5.3. Solvency ratios and transitional and adjustment measures	81
5.4. Comparative analysis of the SCR of the main Life insurance companies	84
5.5. Comparative analysis of the SCR of the main companies operating in Life and Non-Life (Composites)	86
5.6. Comparative analysis of the SCR of the main Non-Life insurance companies	87
5.7. Relative weight of the different SCR risk modules	88
6. Regulatory outlook	91
6.1. Global trends	91
6.2. European Union and Spanish market	91
Index of tables, charts and boxes	97
References	101
Statistical appendix	103

Introduction

This report aims to provide an overview of the performance of the insurance market in Spain in 2016. The report begins with an assessment of the global economy in 2016 providing the backdrop to an analysis of the main economic and demographic trends in Spain, which are key to understanding developments in the insurance industry.

In analyzing the latter, the report addresses key aspects of the structure of the insurance industry, reviewing levels of concentration, company types and distribution channels. The report also evaluates the performance of the main business lines in 2016, taking account of premium growth and the contribution of different business lines to sector developments, technical performance, results, profitability, investment and technical provisions. The analysis also touches on the main technical and financial aspects of the Life and Non-Life insurance business lines.

As was the case in the 2015 report, this edition once again includes a section providing an updated assessment of the main structural developments in the Spanish insurance market over the last ten years. To this end, the report analyzes developments in the penetration, density and depth of Spanish insurance, providing a new estimate of the Insurance Protection Gap for both the Life and Non-Life insurance segments.

2016 was the first year in operation of the European Union's new harmonized solvency framework (Solvency II), which includes the requirement for insurance companies to publish information on their financial and solvency situation, aimed at providing information to different market actors. Thus, for the first time, this report includes a section dedicated to providing information on the solvency position of a group of companies which are representative of the Spanish market. This analysis is based on the information disclosed to the market by the companies themselves in their "Solvency and Financial Condition Reports".

Finally, the report includes a new section covering the main trends in insurance regulation at the global level, as well as regulatory developments affecting the operation of the industry in Spain and Europe.

We hope this report will continue fostering an improved understanding of the insurance market, and thereby help the industry to keep contributing to economic and social development in Spain

MAPFRE Economic Research

Executive summary

2016 represented a turning point for the economic outlook, marked by a nascent pick up in global growth. The world economy grew by around 3.1 percent, slightly above the previous year, albeit with differences across regions. Developed economies grew by 1.9 percent, while emerging economies expanded by 4.6 percent. These figures testify to the change of cycle in both regions of the world, against a backdrop of an economic policy stance which is gradually shifting away from easy monetary policy toward a looser fiscal policy stance. This has supported a new context of global reflation which appears to be moving the global economy away from fears of a liquidity trap and secular stagnation.

According to the latest estimates, the global insurance market grew by 2.9 percent in 2016, reaching a nominal value of 4.7 trillion U.S. dollars. Global premium volume is set to continue growing in both nominal and real terms over the coming years, driven by strong growth in emerging economies. The global volume of Non-Life insurance premiums, which account for 43 percent of total premiums, increased by 3.7 percent in 2016 in real terms, with emerging market growth of around 9.6 percent, driven by emerging Asia and especially China. Meanwhile, the global Life insurance segment, which accounts for some 57 percent of total premiums, grew by around 2.5 percent in real terms. This was a slightly slower pace of growth than Non-Life premiums, despite strong growth in savings insurance premiums in emerging economies, especially Asia.

In the Eurozone, the major risks were associated with geopolitics and regional governance, reaching a crunch point with Brexit in the United Kingdom. However, this uncertainty did not translate into a notable tightening in funding costs, or marked euro depreciation. This was partly due to a backdrop of ultra accommodative European Central Bank monetary policy, intended to deliberately complement regional governance, which proved to be a valuable asset for the European Union.

Spanish GDP grew by 3.2 percent in 2016, a robust rate of growth which sustained the positive momentum seen in the previous year. Growth was driven by impetus from domestic demand, underpinned by rising real wages. The external sector also grew rapidly, especially exports of services (not only tourism) to the Eurozone, although strong import growth softened the overall contribution of net exports throughout 2016.

Total premium volume in the Spanish insurance market reached 63.892 billion euros in 2016, an increase of 12.4 percent on the previous year. In aggregate terms, Non-Life insurance premium volume increased by 4.7 percent to reach 32.755 billion euros. This represented a third successive year of premium growth in this segment, which benefitted from the recovery in overall economic activity in Spain and, particularly, an increase in household and corporate consumption capacity. The combined ratio for the Non-Life insurance segment stood at 93.6 percent in 2016 (94.7 percent in 2015).

Life insurance also profited from the Spanish economic recovery, with a 21.8 percent increase in premium volume to 31.136 billion euros. Although interest rates remain low, the pick up in the long end of the risk free euro yield curve is providing stimulus to the life-savings business, facilitated by the minimal or nil returns offered by bank deposits, still subject to a negative marginal deposit facility.

Automobile insurance remained the leading Non-Life business with a share of 32.3 percent. Automobile insurance premiums increased by 5.1 percent, reaching 10.566 billion euros. This marked the second positive result since 2007, confirming that the automobile line has overcome the difficulties caused by the economic crisis and strong competition in recent years, thanks to an increase in registrations and growth in premium-range products. The combined ratio reached 98.9 percent in 2016 (99.5 percent in 2015). Average premiums rose by 2.3 percent (in contrast to the trend in previous years) to reach 354 euros.

Health insurance came in second in terms of premium volume within the Non-Life insurance segment, with a share of 23.6 percent. Premium volume reached 7.737 billion euros in this business line, representing growth of 5.1 percent on the previous year. Health insurance has proved capable of sustaining positive growth even throughout the economic crisis. Healthcare Assistance remained the most important component, accounting for 87.3 percent of premiums and posting growth of 4.7 percent in 2016. The combined ratio stood at 94.2 percent in 2016 (94.4 percent in 2015).

Multiperil insurance occupied third place, accounting for 20.7 percent of Non-Life premiums. Multiperil insurance saw more modest growth than the Automobile and Health lines in 2016, reaching 6.773 billion euros with growth of 3.2 percent on the previous year. However, despite slower growth, multiperil registered a better technical outturn. Premiums grew in the four most important categories within this line: Home (3.6 percent), Industrial (2.7 percent), Commerce (1.7 percent) and Communities (2 percent). The combined ratio reached 90 percent in 2016 (90.7 percent in 2015).

After five years of continued declines in return on capital, 2016 bucked the trend, with return on equity (ROE) rising to 10.7 percent (8.8 percent in 2015). Sector profitability also recovered slightly with the return on assets (ROA) rising to 1.5 percent in 2016 (1.2 percent in 2015).

Total investment by Spanish insurers amounted to 286.848 billion euros at close 2016. 56.5 percent related to the Life portfolio, 16.8 percent to ring-fenced funds, 12.8 percent to

the Non-Life portfolio, 10.17 percent to the general portfolio and 3.8 percent to shareholder equity. Fixed income continued to increase its relative weight in the portfolios supporting insurance contract commitments, reaching 76.6 percent (69.3 percent in 2015), with a decline in the proportion of cash assets to 4.7 percent in 2016 (9.5 percent in 2015) and modest growth in equity investment which represented 4.3 percent of total investment (3.4 percent in 2015).

The bulk of the investments had a credit rating in the third rung of the *ratings map* employed by Solvency II (equivalent to BBB). The *average rating* of Life portfolios was somewhat below Non-Life portfolios, with around 22 percent of assets above BBB in the former, compared to 36.5 percent in the latter; the percentage of BBB investments was 75.5 and 59.6 percent respectively. More than 72 percent of issuers were national. 63.5 percent of total aggregate portfolio investments were in sovereign debt and 21 percent in the financial sector.

In terms of solvency levels, May 2017 marked the deadline for publishing the first Solvency and Financial Condition Report (SFCR) for individual insurance companies. This publication is of particular interest since it constitutes the first report relating to a full year of Solvency II implementation, in accordance with new prudential regulation based on applicable risks in force in the European Union as of January 1, 2016. After analyzing a sample of companies representing 70.2 percent of insurance premiums and 82.2 percent of technical provisions in the Spanish market in 2016, it can be concluded that the sector's solvency position is generally sound.

The aggregate solvency ratio for the sample of insurance companies operating primarily in the Life business reached 250 percent. Composite sample companies - operating in both Life and Non-Life insurance - reported an aggregate solvency ratio of 190 percent. Finally, companies operating fully or primarily in Non-Life insurance registered an aggregate solvency ratio of 291 percent. This analysis highlights the effectiveness of the package of measures introduced in 2014 under the Solvency II Directive, aimed at softening the potential impact on the role played by insurers as institutional investors and as providers of different savings and annuities products with long-term guarantees.

The penetration of Spanish insurance in the economy (premiums/GDP) stood at 5.74 percent at the end of 2016, reverting the downward trend in recent years and reaching a record high. The recovery in the level of penetration was led by the Life insurance segment, although penetration also rose in the Non-Life insurance segment over 2015-16.

Likewise, insurance density in Spain (premiums per capita) reached a record high in 2016 of 1,372.9 euros, representing a 12.4 percent increase on 2015, with a spend of 703.8 euros per head in Non-Life insurance and 669 euros for Life insurance.

The depth index (share of direct Life insurance premiums relative to total market direct premiums) stood at 48.7 percent in 2016, an increase of 3.8 percentage points on the previous year. The depth index also reached a record high in 2016, in line with penetration and density indi-

cators, confirming the trend toward recovery initiated in 2015. The depth of the Spanish market has risen by 15.8 percent over the last ten years.

Meanwhile, the Insurance Protection Gap (IPG) amounted to 23.8 billion euros in 2016 (5.9 billion euros less than the adjusted 2015 measure). The structure of the IPG continues to point to scope for development of the Life insurance segment. In 2016, 96.2 percent of the IPG (22.9 billion euros) related to Life insurance (up 0.7 percent on the adjusted measure in 2015), while the Non-Life IPG (0.9 billion euros) accounted for the remaining 3.8 percent.

Finally, in 2016 there was an increase in the claims ratio resulting from natural disasters, which in global economic damage terms exceeded 2015 by around 86 percent and by around 42 percent in terms of insured damage. This was the worst outturn since 2012, although the 2012-16 period was characterized by a low overall claims ratio. The Insurance Protection Gap against these type of risks remains substantial and asymmetric across different regions.

1. Economic and demographic context

1.1. Economy

Global and European backdrop

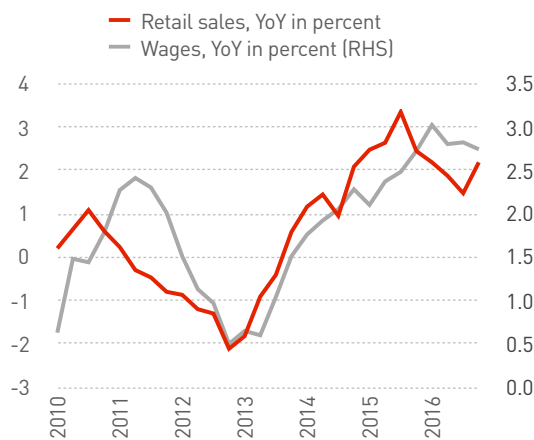
2016 represented a turning point for the economic outlook, marked by a nascent pick up in global growth. The global economy grew by around 3.1 percent, slightly more than the previous year, albeit characterized by significant heterogeneity. Developed economies reported growth of 1.9 percent, while emerging economies expanded by 4.6 percent. These figures testify to a change of cycle in both regions of the world, against a backdrop of an economic policy stance which is gradually shifting away from easy monetary policy toward a looser fiscal policy stance. This has supported a new context of global reflation which appears to be moving the global economy away from fears of a liquidity trap and secular stagnation.

At the same time, global risks forced the Federal Reserve to delay normalization of American monetary policy until the end of 2016, which was

partially reflected in a spike in inflation expectations. Accordingly, the dollar appreciated against the euro at the end year, almost reaching parity.

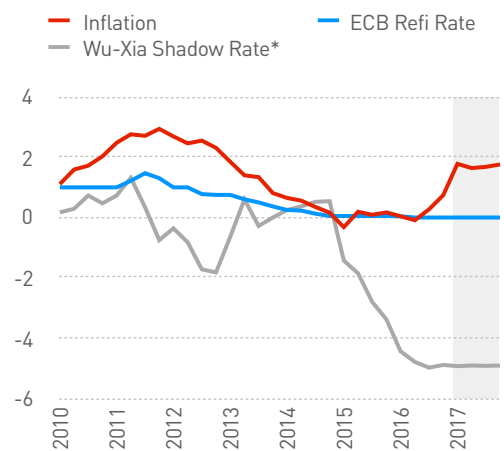
In the Eurozone, the major risks were associated with geopolitics and regional governance. Populist movements introduced added complications to the choice of governing and economic policy options, reaching a crunch point with Brexit in the United Kingdom. Furthermore, exogenous shocks linked to the Syrian conflict proved to be a catalyst for the rise of alternative politics calling into question the European Union. Fortunately, this uncertainty did not translate into a notable tightening in funding costs, nor marked depreciation of the euro. This was partly due to a backdrop of ultra accommodative European Central Bank monetary policy, intended to deliberately complement regional governance, which proved to be a valuable asset for the European Union.

Chart 1.1-a
Eurozone: household income and retail sales, 2010-16



Source: MAPFRE Economic Research (based on Eurostat data)

Chart 1.1-b
Eurozone: inflation and monetary policy, 2010-17



Source: MAPFRE Economic Research (based on ECB data)

* Interest rate equivalent to current monetary policy (QE + rates)

Monetary policy continued to oversee a balance sheet albeit at a slower pace (60 billion euros), at the same time as the toolkit was broadened to include instruments focused at freeing up credit flow in the region.€ Interest rates were held at zero and the deposit facility remained stuck in negative territory, although some glimpses began to emerge of an end in sight over the medium-term (see Charts 1.1-a and 1.1-b).

Spain

Spanish GDP grew by 3.2 percent in 2016, a robust rate of growth which sustained the positive momentum seen in the previous year. This was underpinned by buoyant domestic demand, supported by real wage growth (see Chart 1.1-c). The external sector also grew rapidly, especially exports of services (not only tourism) to the Eurozone, although strong import growth softened the overall contribution of net exports throughout 2016.

Looking ahead Spanish economic growth is set to ease, though remain relatively dynamic thanks to the renewal of certain tailwinds:

Firstly, the oil price, which looks set to remain well beneath 2014 levels; secondly, euro depreciation which tracked toward parity with the dollar over 2016 (although this looks to be reversing in 2017): thirdly, loose funding

conditions supported by financial-sovereign stability and the ECB's extremely accommodative monetary policy with balance sheet expansion and negative interest rates; fourthly, low sovereign and credit spreads, resulting from an improved state of play in the European banking sector, and fifthly, the general resilience of global and European activity to geopolitical and global economic policy uncertainty. In fact, global demand looks set to continue growing at a healthy pace, albeit somewhat less strongly than in 2016.

Meanwhile, Spanish inflation climbed upward at the end of 2016 on the back of rising oil prices and other commodity movements, but expectations remained anchored and for the time being second rounds effects are not anticipated. Average inflation is unlikely to exceed 2 percent over the period 2017-18.

Chart 1.1-c
Spain: disposable income growth,
2011-17

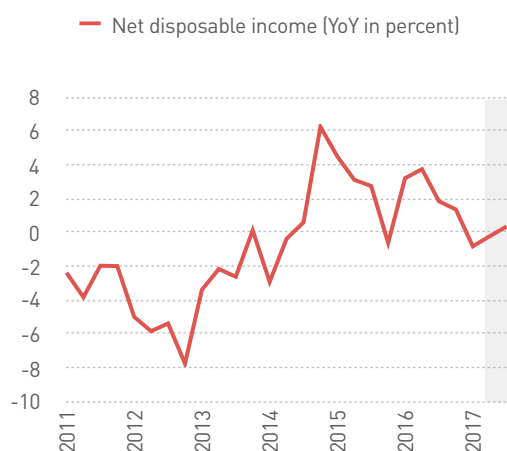
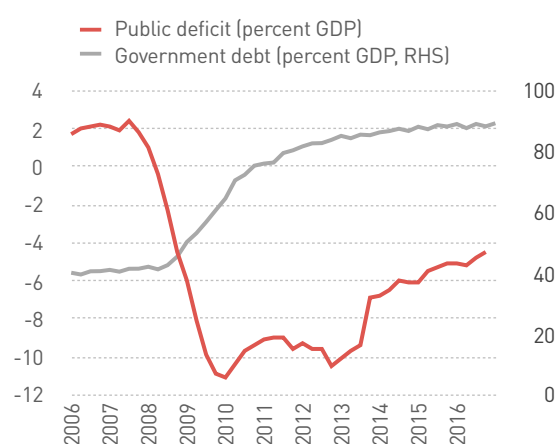


Chart 1.1-d
Spain: public sector accounts,
2006-16



Source: MAPFRE Economic Research (based on Bank of Spain data)

In terms of imbalance, households need to continue deleveraging, which in turn will hamper consumption and saving. Likewise, the financial sector balance sheet clean up is still not fully complete.

The public sector deficit came in at 4.4 percent in 2016, above the limits established by the European Union, despite being only modestly expansionary (see Chart 1.1-d). However, the government's current deficit target of 3.1 percent of GDP this year looks feasible. On top of the above, economic policy uncertainty, territorial governance challenges and other related issues will continue to weigh on Spanish economic activity, although less so than in the past (it is estimated they subtracted almost 0.5 percentage points from GDP in 2016).

That said, the inertia created by a minority government will have particular implications for the ability to take forward structural reforms, which is a key issue when it comes to increasing the productivity of certain key sectors in GDP.

Economic environment and the demand for insurance

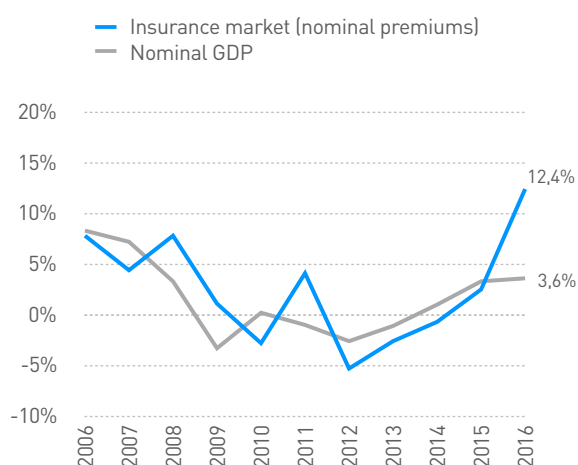
The robust economic performance in 2016 also had favorable implications for the insurance market. Medium-term analysis (2006-16) shows that economic and insurance industry growth are

strongly correlated because economic growth increases the consumption capacity of households and corporates. Likewise, during times of crisis (such as the crisis following the Lehman Brothers crash in 2008 or the European sovereign debt crisis in 2012), falling GDP tends to drive down demand for insurance with a greater or lesser lag (see Chart 1.1-e).

The insurance industry saw growth in total direct premium volumes of 21.5 percent over the period 2006-16, whilst the Spanish economy expanded by 10.5 percent. The Life insurance industry performed particularly well over the period 2006-16, expanding by 38.7 percent, while Non-Life insurance grew by a more modest 8.6 percent (see Chart 1.1-f).

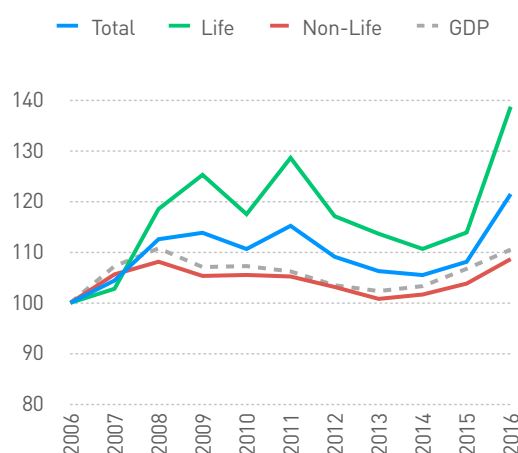
In addition to the impact of the economic cycle on the consumption capacity of households and companies, various other specific factors may also have affected the performance of the insurance industry. Some of the key factors are as follows.

Chart 1.1-e
Spain: economic growth and demand for insurance, 2006-16



Source: MAPFRE Economic Research (based on INE and ICEA data)

Chart 1.1-f
Spain: trends in direct insurance, 2006-16 (index 2006=100)



Real estate market

A first factor worth highlighting is the impact of the real estate sector which is of particular relevance to insurance lines such as multiperil or Life risk insurance linked to mortgage loans.

Data from the Ministry of Public Works show that housing transactions rose by 13.9 percent in 2016 (9.9 percent in 2015), representing the highest rate of growth since 2010 (see Chart 1.1-g). Chart 1.1-h depicts quarterly housing transactions over the period 2009-16.

Housing transactions increased in all regions, registering 13.9 percent growth in 2016. This includes Castile-La Mancha which was the only region where transactions fell in 2015 (-0.87 percent). Foreigners accounted for 17.1 percent of total housing transactions in Spain (17.3 percent in 2015).

However, in contrast to 2015 (when transactions increased among foreign residents and non-residents), in 2016 there was a significant decline in transactions by non-resident foreigners (-15.76 percent), mitigated by a 15.14 percent increase in transactions by foreign residents.

399,258 new mortgages were granted in 2016, an increase of 7.3 percent on 2015 (see Chart 1.1.i). Specifically, lending secured by housing accounted for 70.5 percent of total mortgages in 2016, some 281,328 (+14 percent). In line with the pick up in housing transactions, prices also rose. According to the Institute of National Statistics (INE), the House Price Index grew by 4.5 percent (similar to 2015), rising by 4.3 percent for new housing (5.8 percent in 2015) and 4.5 percent for used housing (4 percent in 2015), with prices rising by 0.4 percent in the last quarter of 2016.

Automobile

The number of vehicles in circulation in Spain exceeded 32 million in 2016, representing an increase of 2.3 percent on 2015.

Chart 1.1-g
Spain: house sales, 2009-16
(number of transactions, thousands)

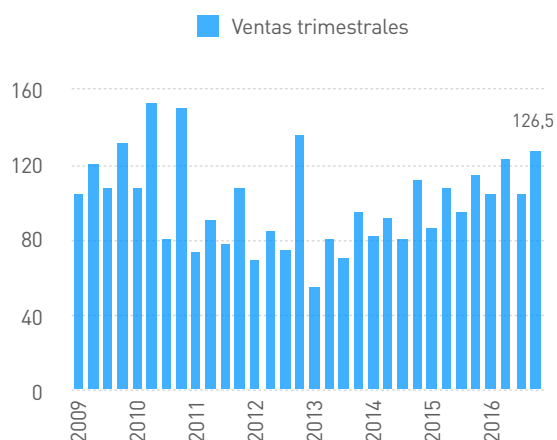
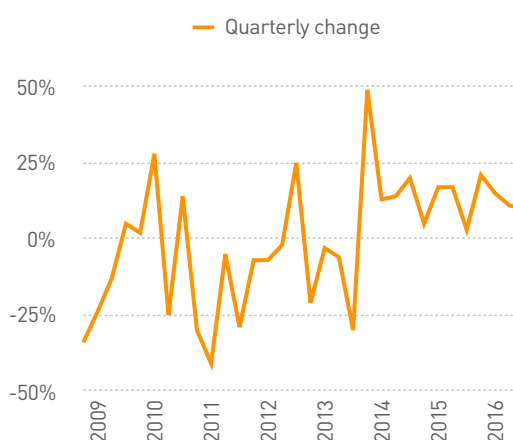
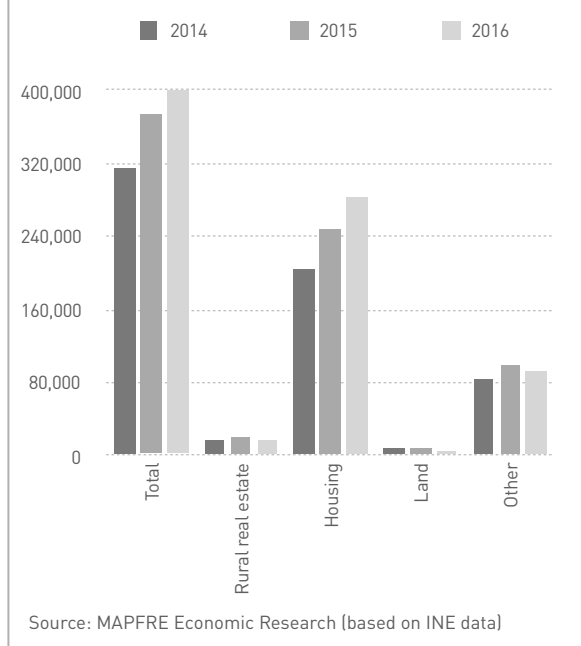


Chart 1.1-h
Spain: house sales, 2009-16
(quarterly change)



Source: MAPFRE Economic Research (based on INE data)

Chart 1.1-i
Spain: developments in the number of mortgage
loans, 2014-16



Cars accounted for 71 percent of the total fleet, growing in the same proportion to reach 22.9 million. Meanwhile, new car registrations also performed well, rising by 12.2 percent to 1.6 million.

Geographic mobility also increased in 2016 with a total of 392 million long-distance journeys, up 5 percent on 2015. At the same time, 2016 saw a break in the trend of recent years toward fewer accidents. The number of fatal accidents on intercity roads increased by 1.4 percent, as well as the number of deaths (+2.6 percent) and hospitalizations (+4.3 percent). 1,038 fatal accidents took place overall, in which 1,160 people died and a further 5,067 required hospitalization.

According to data published by the Directorate General of Traffic (DGT), the average age of vehicles involved in fatal accidents increased in 2016. The main causes for accidents were distractions, inappropriate speed, a failure to respect rights of way and tiredness and exhaustion.

Companies

According to the latest data from the Central Companies Directory (DIRCE), the number of companies active in Spain increased by 1.6 percent in 2015, reaching a total of 3,236,582 on January 1, 2016. This confirms the previous year's positive outturn which saw an increase in the number of active companies in Spain for the first time after six years of declines from a peak of 3.4 million companies in 2008. This is further evidence of the recovery in the Spanish economy.

"Other Services" was once again the largest sector (58 percent), expanding by 3.2 percent, followed by "Trade" (23.4 percent) with 0.84 percent fewer companies than January 1, 2015. The "Industrial" sector (6 percent) saw a decline in companies of -1.2 percent, while there was a slight increase of 0.2 percent in "Construction" companies, which still have a significant weight of 12.6 percent. It is worth bearing in mind that the National Classification of Economic Activities (CNAE 2009) employs a broad definition of the "Construction" sector, including - for example - real estate development activities.

The overall size of Spanish companies remains small: 55 percent had no salaried employees, which rise to 83 percent when including companies with less than two wage-earners. Only 4.5 percent of companies had more than twenty employees. The regions of Catalonia and Madrid accounted for 18.4 percent and 16 percent respectively of all companies, followed by Andalusia with 15.1 percent.

According to the Central Companies Directory (CCD), there were 101,071 new company registrations in 2016, compared to 94,594 in 2015, the equivalent of 6.8 percent growth. At the same time, the number of dissolved companies increased by 2.2 percent on the previous year, with a total of 21,207 wind ups. 31,496 companies increased their capital in 2016, 2.4 percent less than in the previous year, and subscribed capital dropped back in both new (-14.5 percent) companies as well as those increasing their capital (-4.8 percent).

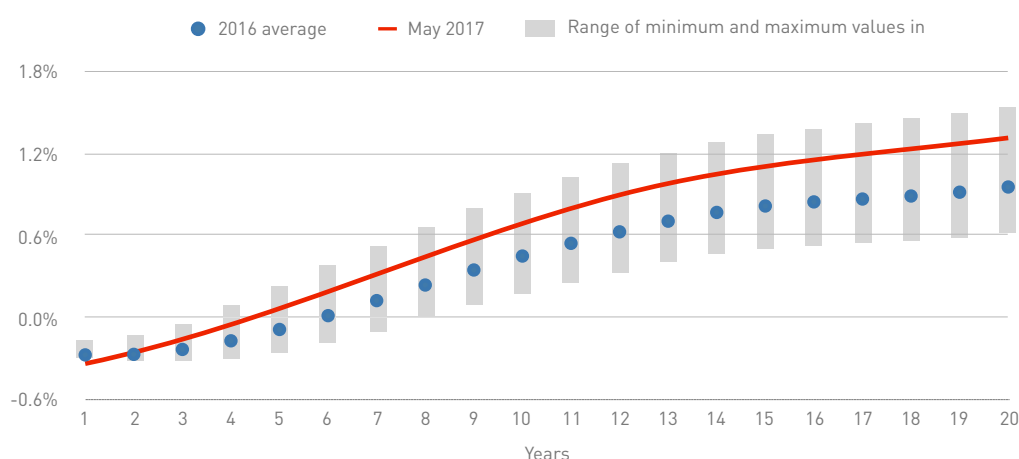
Once again “Trade” saw the largest number of companies created and dissolved, representing 23.1 percent of total establishments and 20.8 percent of all dissolutions, followed by “Construction” with 14.8 percent of new companies created and 18.3 percent of dissolved companies. Catalonia had the largest number of new company registrations followed by Madrid, with the latter leading the ranking in terms of companies which were wound-up.

According to latest data, the total amount of unpaid commercial invoices in 2015 amounted to 2.851 billion euros, 16.2 percent lower than in 2014. In 2015 the percentage of unpaid commercial invoices fell by 14.4 percent on the previous year to 1.8 percent.

Low interest rate environment

Finally, despite the pervasive low interest rate environment which continued to encumber Savings Life market segment and traditional life annuities, the uptick in risk free interest rates at the long end of the curve (see Chart 1-1-j) is having a positive impact on the Savings Life business, supported by negligible or non-existent returns on bank deposits, which remain subject to a negative marginal deposit facility. Accordingly, Life insurance premium volumes grew by 21.8 percent in 2016, reaching 31.136 billion euros.

Chart 1.1-j
Eurozone: risk-free yield curve (%)



Source: MAPFRE Economic Research (based on EIOPA data)

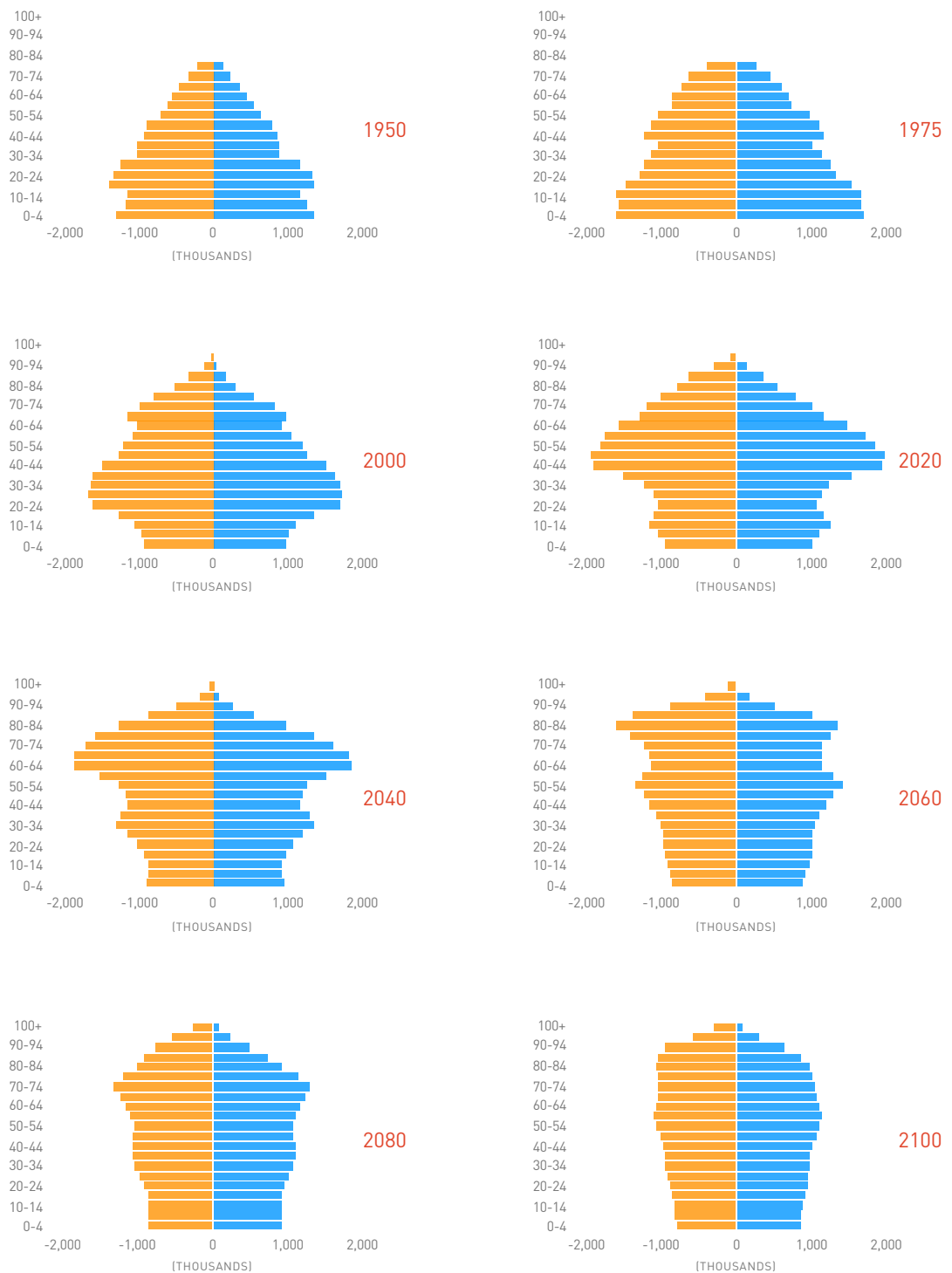
1.2. Demography

Demographic trends

The population pyramids constructed on the basis of data collected by the United Nations (UN), which include forecasts for demographic trends to the end of the century, illustrate the generalized aging problem in developed economy populations.

In particular, in countries such as Spain or Germany, the combination of high birth rates in the 1950s and 60s (known as the “baby-boom”) followed by a dramatic decline in birth rates, as well as low mortality rates and an increase in life expectancy, make the aging problem particularly severe. In these countries the situation is more concerning than in the average developed economy (see Chart 1.2-a).

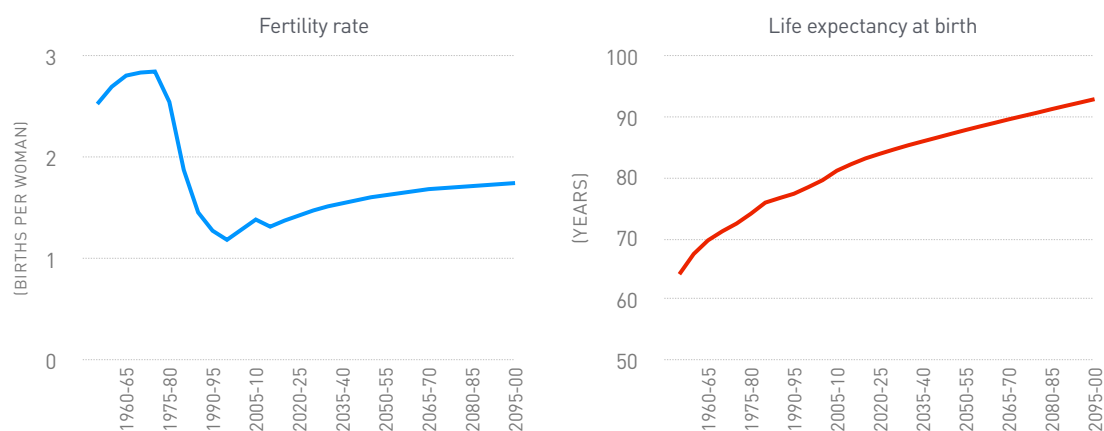
Chart 1.2-a
Changes in the population pyramid:
Spain, 1950-2100



Source: MAPFRE Economic Research (based on UN data)

Women Men

Chart 1.2-b
Spain: fertility rate and life expectancy at birth, 1950-2100



Source: MAPFRE Economic Research (based on UN data)

In Spain's case, life expectancy at birth (which stood at 78 years in 2000) is set to reach over 83 years around 2020, a gain of five years over a period of two decades. According to UN forecasts, life expectancy at birth of the Spanish population is forecast to exceed 87 years by 2050 and 93 in 2100 (see Chart 1.2-b).

Therefore, the aging population problem in Spain is becoming more pronounced giving rise to a constrictive population pyramid, with signs of reversing (toward a steady population pyramid) only in the very long-term (around the end of the century). The population dynamics reflected in the Spanish pyramid point to a progressive deepening of the aging population over the next twenty-five years with consequent fiscal pressures on the State as baby-boomers approach retirement age.”

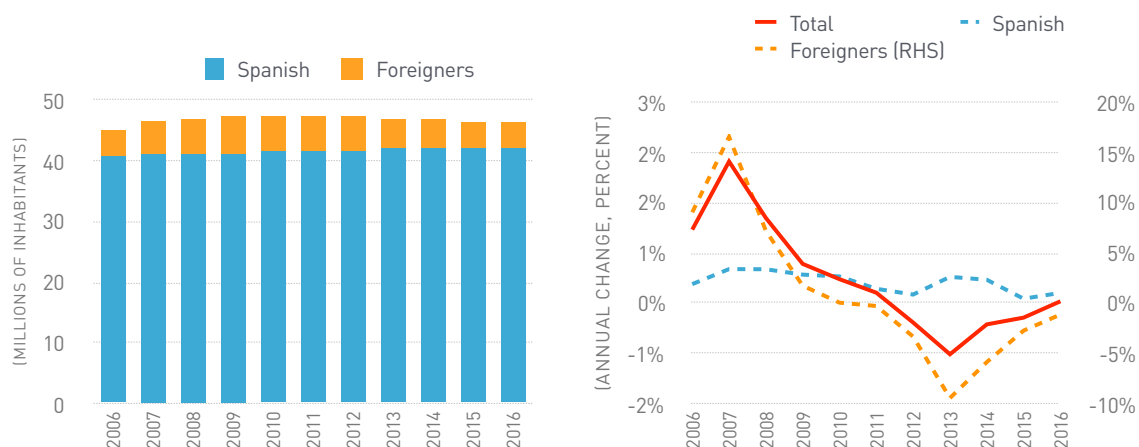
State of play in 2016

Spain's total population came to 46.5 million in 2016, of which 90.2 percent were Spanish nationals, with 9.8 percent foreigners. Thus the population decreased by 0.03 percent relative to 2015 (see Chart 1.2-c).

In 2016, the average age of the population registered in the Municipal Census was 42.9 years; with an average age of 43.7 years for Spaniards and 35.8 years for foreigners (see Chart 1.2-d). Over the period 2015-16, the number of foreigners fell by 51,414.

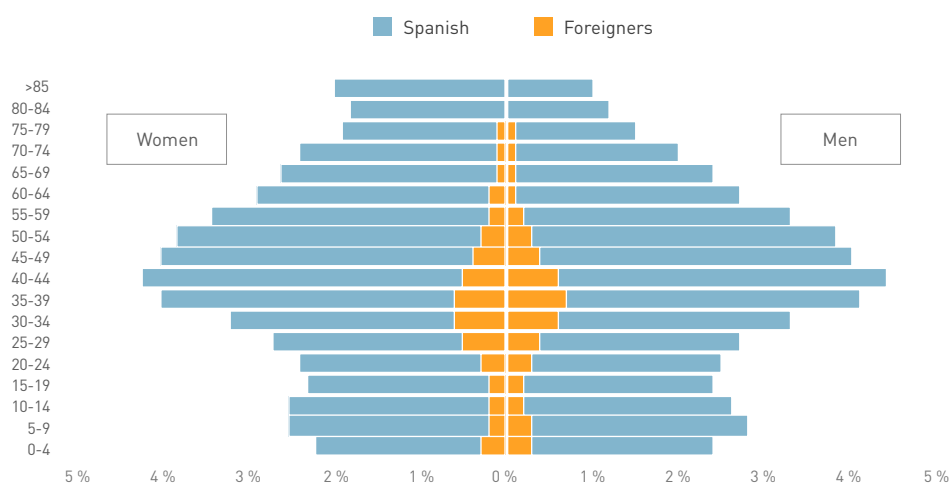
Furthermore, data published by the National Institute of Statistics (INE) on the natural movement of the population in 2016 underscore the trend toward a falling birth rate and increasing mortality: the number of births fell by 2 percent, while deaths increased by 6.7 percent. Life expectancy for those born in Spain continues to be over 82 years, one of the highest in the world.

Chart 1.2-c
Spain: population trends, 2006-16
(distribution, millions; annual change, percent)



Source: MAPFRE Economic Research (based on INE data)

Chart 1.2-d
Spain: population distribution by age and gender, 2016
(structured in five-year cohorts, percent)



Source: MAPFRE Economic Research (based on INE data)

2. Structure of the insurance industry

2.1. Market concentration

Over the last ten years the Spanish insurance market has been characterized by a high level of competition. This is despite a trend toward greater concentration due to inorganic growth, on the back of various commercial operations, and organic growth, with a particularly strong performance in the Life insurance segment.

This performance is illustrated in Chart 2.1. While in 2006, the Herfindahl index stood at 420.5 points, by 2016 it had risen to 595.5 points, albeit still below the theoretical threshold (1,000 - 1,500 points) associated with early signs of concentration in the industry.

The CR5 concentration index likewise shows a trend toward increasing concentration over the period 2006-16, driven by an increase in concentration in the Life insurance segment. Thus, while in 2006 the top five companies in the Life insurance market accounted for 41.2 percent of premiums in this segment, by 2016 this proportion had increased to 60.6 percent.

2.2 Ranking of companies

Overall market

Chart 2.2-a provides a ranking in 2016 of the ten largest insurance groups in the Spanish market based on the criterion of premium volume. VidaCaixa led the overall ranking of insurance groups in 2016, with a total premium volume of 9.492 billion euros and a market share of 14.9 percent, compared to 12.6 percent the year before. MAPFRE and Zurich occupied the next two places, with market shares of 10.5 and 8.7 percent respectively. Zurich overtook Mutua Madrileña to move up from fourth place in 2015 to third. Meanwhile Caser rose to tenth place in the ranking with Santa Lucía dropping out of ranking of the top ten insurers in 2016 by premium volume.

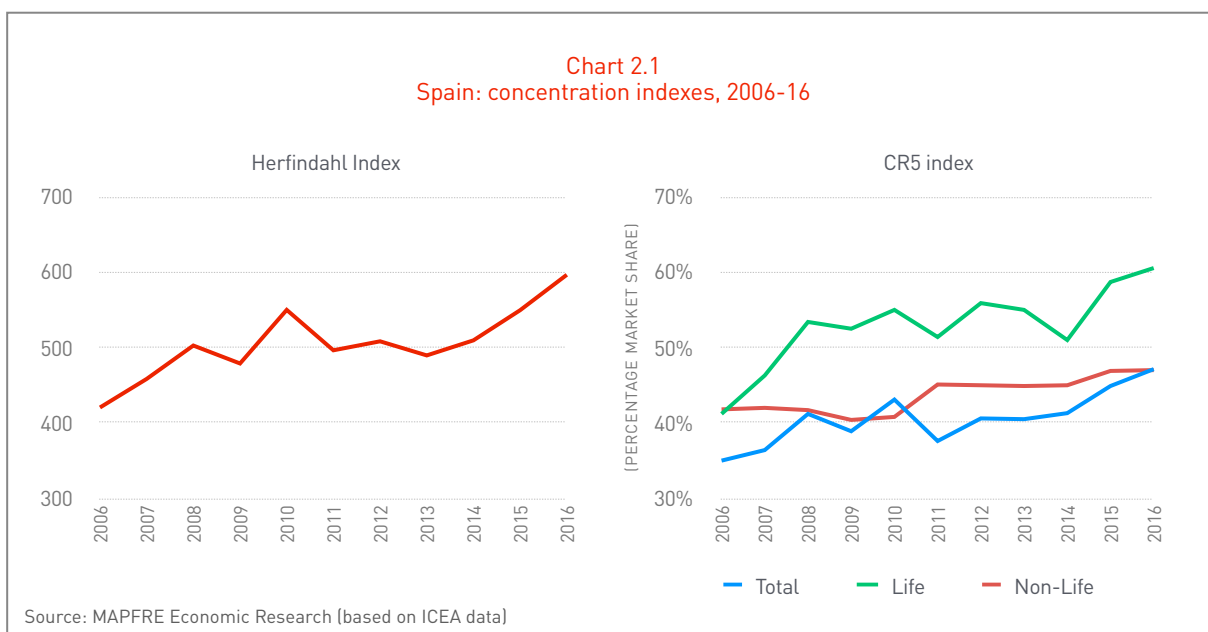
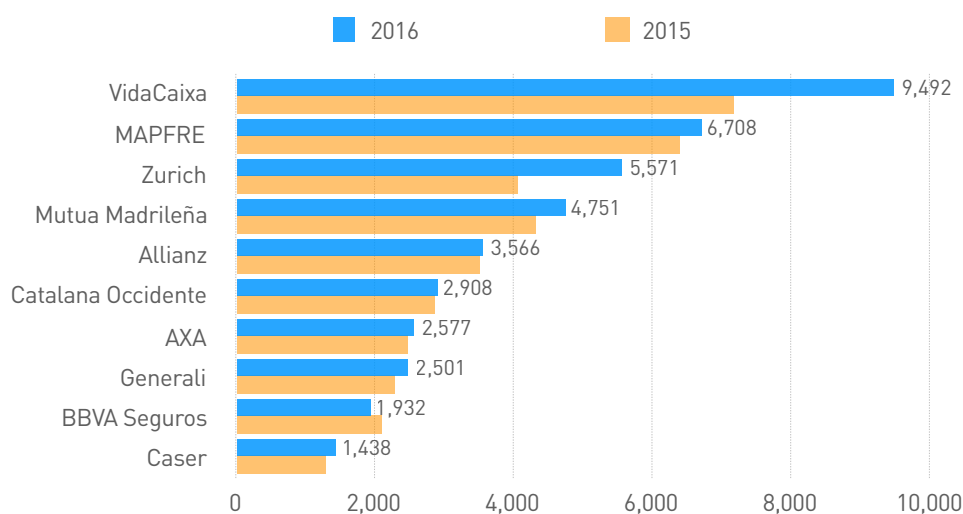


Chart 2.2-a
Spain: overall ranking of insurance groups by premium volume, 2015-16
(millions of euros)



Source: MAPFRE Economic Research (based on ICEA data)

Non-Life Market

Chart 2.2-b provides the 2016 ranking of the ten largest Non-Life groups, again using the criterion of premium volume in Spain. The ranking of Non-Life insurance companies in 2016 is comprised of the same companies as in 2015, with a change in the relative positions of Zurich and Santa Lucía.

MAPFRE continued to lead the Non-Life ranking in 2016, with a market share of 14.5 percent, followed by Mutua Madrileña (13.8 percent) and Allianz (6.9 percent). Further down the Non-Life ranking, Santa Lucía improved its position to eighth, displacing Zurich which slipped down to tenth place.

Life Market

Finally, Chart 2.2-c shows the 2016 ranking of the ten largest Life groups by premium volume in Spain.

The ranking of Life insurers captures various changes in the positions of different companies compared to 2015. VidaCaixa continued to lead the ranking, increasing its overall market share to 30.4 percent. Meanwhile, Zurich retained second place after posting significant growth on

the previous year, reaching a market share of 14.6 percent.

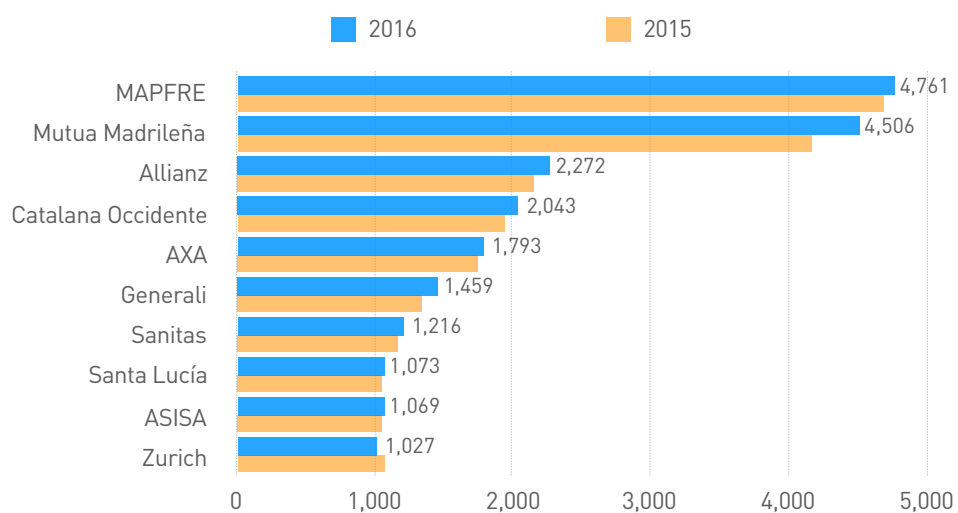
In the rest of the Life ranking, MAPFRE (up from fourth to third place), Ibercaja (from seventh to fifth) and Santander Seguros (from tenth to seventh) all improved their relative positions. Meanwhile, AXA dropped out of the ranking (after occupying ninth place in 2015) with AVIVA taking last place. Finally, BBVA Seguros, Allianz, Catalan Occidente and Generali all dropped positions relative to the previous year.

2.3 Classification of companies

National insurance companies

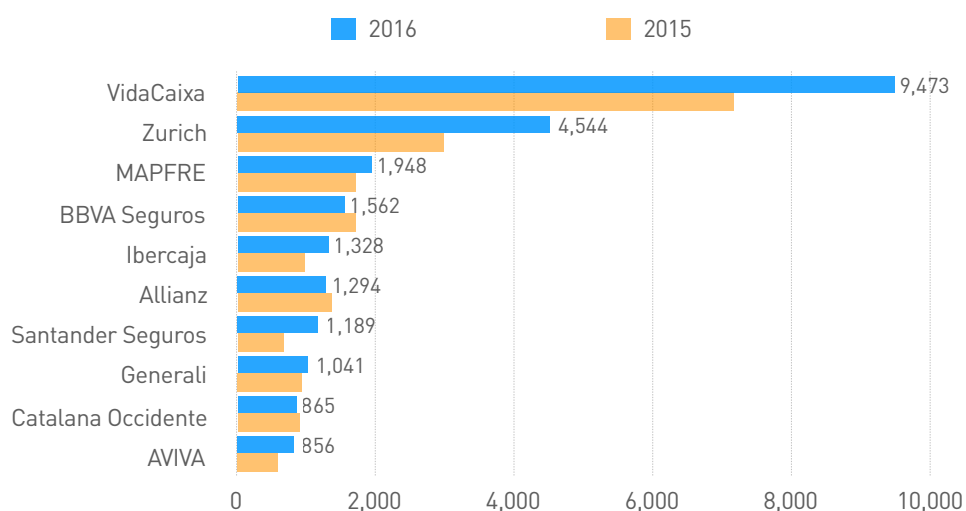
217 insurance companies were enrolled in the Administrative Register of Insurance Companies to December 31, 2016. This was twenty-three less than the previous year, continuing the trend toward a decline in the number of insurers were fewer limited companies which have fallen from 207 in 2006 to 137 in 2016 (see Chart 2.3).

Chart 2.2-b
Spain: overall ranking of Non-Life insurance groups by premium volume, 2015-16
(millions of euros)



Source: MAPFRE Economic Research (based on ICEA data)

Chart 2.2-c
Spain: overall ranking of Life insurance groups by premium volume, 2015-16
(millions of euros)



Source: MAPFRE Economic Research (based on ICEA data)

In terms of legal form, in 2016 there were 137 public limited liability companies, 28 mutual companies, 49 Mutual Provident Societies (subject to oversight by the Directorate General of Insurance and Pension Funds - DGSFP) and 3 specialized reinsurance companies.

It is important to point out that the reorganization of Spain's banking sector has played a significant role in explaining the decline in the number of insurance companies in recent years. This process led to the disappearance of a large number of financial institutions (mainly savings banks), forcing a renegotiation of bancassurance agreements in force to that point.

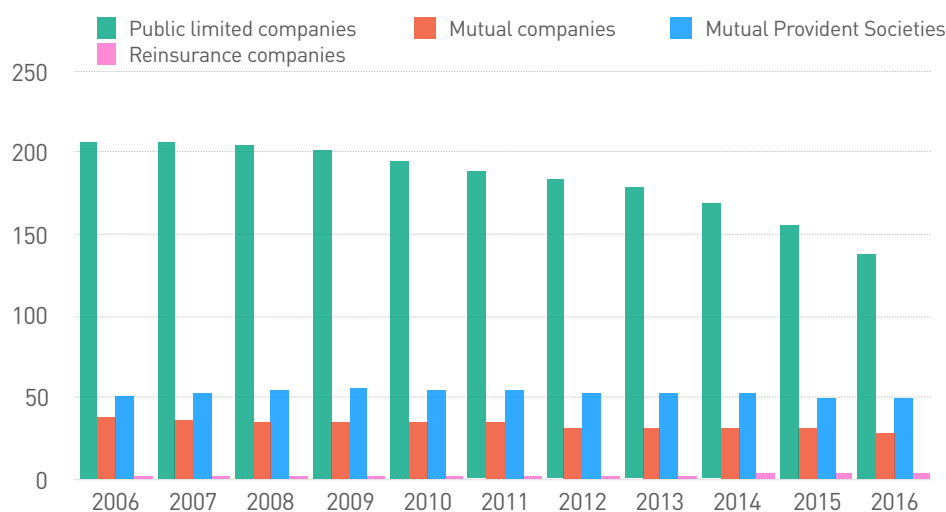
In terms of the main M&A movements in 2016, Aseguradora Valenciana (ASEVAL) - Public Limited Insurance and Reinsurance Company - and Laietana Vida - Insurance Company of the Caja de Ahorros Laietana, SA - both became part

of the BMV group (Bankia Mapfre Vida) in January 2017.

Also of note were the takeover merger of CatalunyaCaixa Vida by BBVA Seguros; Nacional Suiza, Compañía de Seguros y Reaseguros, SA, which was acquired by Helvetia Compañía Suiza, SA, de Seguros y Reaseguros; the acquisition of Atradius Credit Insurance NV by Compañía Española de Seguros y Reaseguros de Crédito y Caución, SA; and Allianz's acquisition of Amaya Compañía de Seguros y Reaseguros.

Notable strategic agreements included the transfer of the Barclays Vida y Pensiones Compañía de Seguros, SAU insurance portfolio to VidaCaixa as a part of the ongoing integration of Barclays Bank SAU within the structure of CaixaBank initiated in 2015.

Chart 2.3
Spain: number of companies by legal structure, 2006-16
(number of companies)



Source: MAPFRE Economic Research (based on data from the DGSFP)

Spanish insurers' international footprint

Six Spanish insurance groups have direct overseas investments in the insurance industry, according to 2016 data: BBVA, Catalana Occidente, CESCE, MAPFRE, Santander and Mutua Madrileña.

BBVA has insurance subsidiaries in Argentina, Chile, Colombia, Mexico and Venezuela, with premium revenue in the region exceeding 1.9 billion euros in 2016. Mexico is still its main market, with a premium volume of 32.066 billion Pesos (1.553 billion euros).

The Catalana Occidente group, through the Atradius and Atradius Re brands, is one of the leaders in credit insurance at a global level, with activity in over fifty countries. Around 30 percent of their revenue comes from overseas, with their main markets in Germany (3.9 percent), Italy (3 percent) and France (2.9 percent).

The Spanish Export Credit Insurance Agency (CESCE) operates on behalf and on its own account in short-term trade risks in the Credit and Guarantee business. CESCE is also Spain's Export Credit Agency (ECA) managing export credit insurance on behalf of the Spanish State. It operates in ten countries, with branches in France and Portugal, and subsidiaries in the leading Latin American markets: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela. As majority shareholder in the CESCE Group (50.25 percent of share capital), the Spanish State has reiterated its desire not to privatize the company and set a new strategic direction aimed at increasing shareholder value. In 2016, 33.9 percent of its premium revenue (162.8 million euros) came from overseas, mainly Latin America (29.9 percent).

MAPFRE operates in over 100 countries through 232 companies. Its written premiums rose to 22.813 billion euros. Around 71 percent of MAPFRE's gross written premiums (excluding consolidation adjustments) come from overseas, highlighting the importance of foreign markets to the company.

Banco Santander undertakes its international insurance business through strategic agreements signed with insurance companies, such as the agreement with Zurich for Latin America, Aegon in Portugal and with CNP. In 2014, CNP acquired 51 percent of the insurance companies serving the Santander consumer finance unit, and distributes its products exclusively to Santander Consumer Finance clients in a number of countries where it operates.

The Mutua Madrileña group formalized the acquisition in 2016 of 40 percent of the Chilean insurance group, BCI seguros, which encompasses BCI Seguros Generales, BCI Seguros Vida and Zenit Seguros, marking the start of its international expansion. The agreement also provides the option for Mutua Madrileña to increase its stake to hold a

controlling position in the company. Furthermore, the agreement includes a strategic alliance between Mutua Madrileña and Empresas Juan Yarur, owner of 60 percent of BCI Seguros, and contemplates possible joint future expansion of the insurance business in other Latin American countries and particularly those in the Pacific Alliance.

Spanish companies active in the European Economic Area via branches or under the free provision of services regime

As of December 31, 2015, the latest data available from the General Directorate of Insurance and Pensions Funds (DGSFP), 37 Spanish companies were operating under the right of establishment in countries in the European Economic Area (EEA). Portugal had the largest number of branches (14), followed by Italy (5) and the United Kingdom (4).

Likewise, there were 56 Spanish companies operating under the free provision of services regime in the EEA. Once again Portugal had the largest number of Spanish companies, followed by the United Kingdom and France.

Gross premiums from direct insurance and accepted reinsurance related to these operations reached 1.940 billion euros in 2014 (latest available data), representing an increase of 7.7 percent on the previous year, fueled by momentum from companies operating under the right of establishment, which posted premium growth in both Life (15.1 percent) and Non-Life (8.7 percent).

By contrast, the premium revenue of companies operating under the free provision of services regime fell by 21.8 percent. For the overall business, the most important markets were the United Kingdom followed in order by Italy, Portugal and Germany.

Foreign investment in the Spanish insurance industry

According to the latest DGSFP data, 31 companies in Spain had foreign capital in 2015, seven less than the previous year. 1.233 billion euros of capital was subscribed by foreign investors (compared to 1.408 billion in 2014), representing 13.51 percent of the sector's total capital (14.9 percent in 2014). The ranking of companies operating in Spanish shown in part 2.2 of this section of the report, provides an indication of the importance of the Spanish market to large international insurance groups.

Moreover, as of December 31, 2015, there were 76 branches of EEA companies operating in Spain and 719 companies authorized to operate in Spain under the free provision of services regime. The premium volume for direct insurance and accepted reinsurance reached 4.366 billion euros (17.5 percent less than the previous year), with a significant 42.8 percent decrease in premiums issued in 2014 (latest available data) by companies operating under the free provision of services regime, which registered declines both in the Life (26.2 percent) and the Non-Life (39.4 percent) segments. Meanwhile the number of branches in Non-Life insurance (which accounted for 86 percent of premiums written by these companies) grew by 2.6 percent, compared to a fall of 7.8 percent in the Life segment.

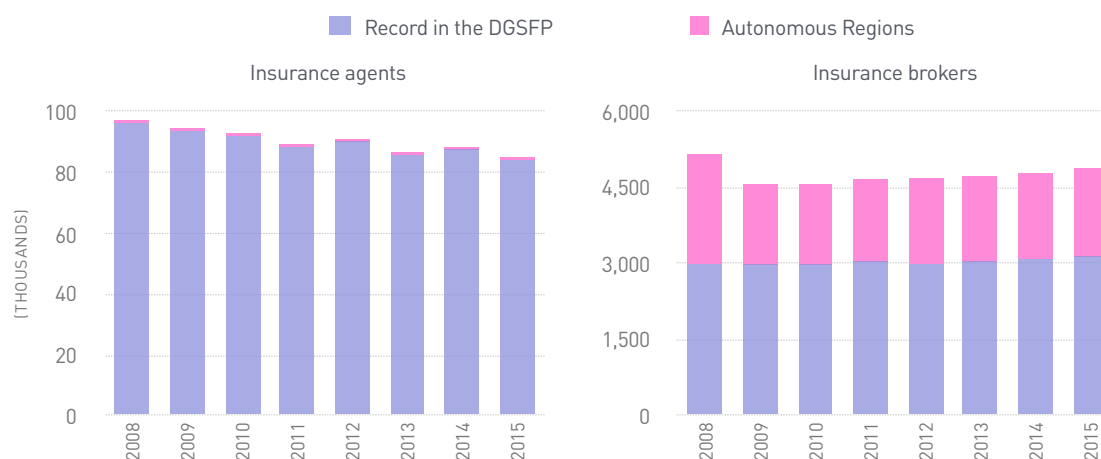
Mutual provident societies

Mutual provident societies are non-profit private insurance institutions that offer a voluntary insurance modality, complementary to the compulsory Social Security system, and can also act as alternatives to the Social Security regime for self-employed workers. According to data from the Spanish Confederation of Mutual Provident Societies relating to a total of 286 Mutual Provident Societies, to the end of 2016 these companies earned premium revenues of 3.392 billion euros, equivalent to 2 percent growth on the previous year. The volume of managed assets reached 40.666 billion euros, compared to 39.955 billion euros in 2015.

2.4 Distribution channels

According to the latest information available from the DGSFP, there were a total of 89,530 insurance agents and brokers as of December 31, 2015 (4.3 percent less than in 2014). 97.2 percent of these companies were registered with the DGSFP and the remaining 2.8 percent with the Autonomous Regions (see Chart 2.4-a).

Chart 2.4-a
Spain: number of insurance brokers, 2008-15
(thousands of insurance agents and brokers)



Source: MAPFRE Economic Research (based on data from the DGSFP)

Of these, 84,082 were exclusive agents and operators; 548 were agents and operators linked to bancassurance, and 4,900 were insurance brokers. Furthermore, at the end of 2015, there were a total of 64 reinsurance brokers.

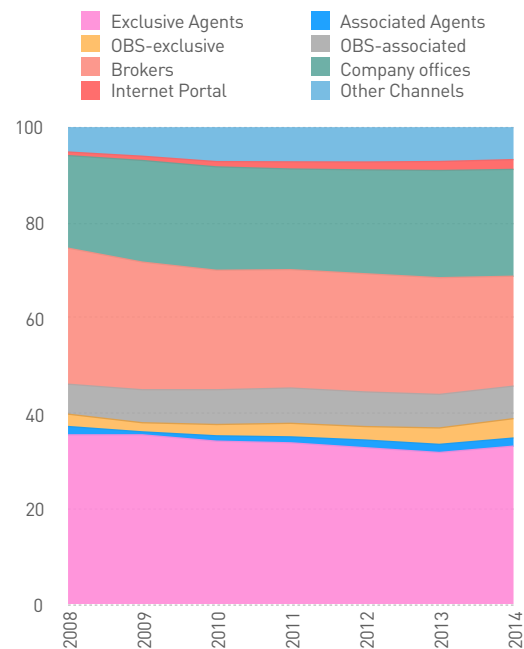
A more detailed breakdown by channels is provided in Chart 2.4-b and 2.4-c, which show changes in the intermediation business since 2008 on the basis of 2014 DGSFP data (latest available at this level of detail).

As can be seen, exclusive agents and brokers and sales through companies offices have been the dominant channels over the years in the Non-Life insurance segment. Emerging channels (such as online sales) as yet only represent a very small proportion of Non-Life insurance distribution, albeit growing over time.

In the Life insurance segment the traditional channels (exclusive agents, brokers and sales through company offices) have also represented a significant share of the distribution of insurance products. However, the key part of the business is channeled through bancassurance operators (OBS), both exclusive and associated, which at the same time highlights the growing importance of Life insurance products with saving components which have been a boon to growth in the Life segment in the Spanish market.

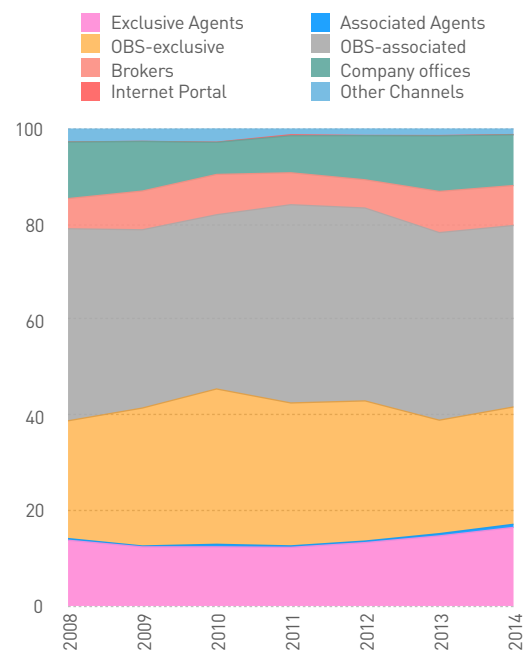
Finally, Tables 2.4-a and 2.4-b provide the latest available data on the structure of distribution of products by channel in the Spanish insurance industry for both the Non-Life and Life segments.

Chart 2.4-b
Spain: percentage distribution of the portfolio of Non-Life business by channel (%)



Source: MAPFRE Economic Research (based on data from the DGSFP)

Chart 2.4-c
Spain: percentage distribution of the portfolio of Life business by channel (%)



Source: MAPFRE Economic Research (based on data from the DGSFP)

Table 2.4-a
Non-Life: business distribution structure by channel
[%]

Channel	2008	2009	2010	2011	2012	2013	2014
Exclusive agents	35.7	35.7	34.4	34.0	33.0	32.0	33.3
Associated agents	1.8	0.6	1.1	1.3	1.6	1.7	1.7
OBS-exclusive	2.6	1.9	2.4	2.8	2.8	3.4	4.1
OBS-associated	6.3	6.9	7.3	7.4	7.3	7.0	6.8
Brokers	28.5	26.7	25.0	24.8	24.8	24.4	23.0
Company offices	19.4	21.3	21.7	21.1	21.7	22.5	22.4
Internet Portal	0.8	0.9	1.1	1.5	1.7	1.9	2.1
Other channels	5.1	5.9	7.1	7.1	7.2	7.1	6.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MAPFRE Economic Research (based on data from the DGSFP)

Table 2.4-b
Life: business distribution structure by channel
[%]

Channel	2008	2009	2010	2011	2012	2013	2014
Exclusive agents	13.9	12.5	12.5	12.4	13.4	14.8	16.6
Associated agents	0.4	0.2	0.5	0.3	0.3	0.5	0.7
OBS-exclusive	24.7	28.9	32.5	29.9	29.4	23.8	24.6
OBS-associated	40.2	37.3	36.5	41.5	40.4	39.3	38.0
Brokers	6.3	8.1	8.4	6.7	5.9	8.6	8.4
Company offices	11.9	10.4	6.7	7.8	9.2	11.6	10.6
Internet Portal	0.0	0.0	0.0	0.2	0.0	0.1	0.1
Other channels	2.7	2.6	2.8	1.2	1.4	1.4	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MAPFRE Economic Research (based on data from the DGSFP)

3. Analysis of the main business lines

3.1. Overall market

The global insurance business

According to the latest estimates, the global insurance market grew by 2.9 percent in 2016, reaching a nominal value of 4.7 trillion dollars. Global premium volume is set to continue growing in both nominal and real terms over the coming years, driven by strong growth in emerging economies.

The global volume of Non-Life insurance premiums, which account for 43 percent of total premiums, increased by 3.7 percent in 2016 in real terms.² Emerging market growth was around 9.6 percent, expected to increase to 5.7 percent this year, primarily in emerging Asia and, especially, China.

Meanwhile, the global Life insurance segment, which accounts for some 57 percent of total premiums, grew by around 2.5 percent in real terms. This was a slightly slower pace of growth than Non-Life premiums, despite the strong growth in premiums in insurance with a savings component in emerging economies, especially Asia.

Table 3.1-a provides a general overview of the comparative size of the main insurance markets at a global level. It shows comparative premium volume, density (premiums per capita) and penetration (premiums / GDP) in the main international insurance markets.

The Spanish insurance market recorded a premium volume of 63.892 billion euros in 2016, an increase of 12.4 percent on the previous year. Premiums grew in both the Life and Non-Life segments (see Chart 3.1-a).

In aggregate terms, premium volume in Non-Life insurance increased by 4.7 percent in 2016, reaching 32.755 billion euros. A more detailed analysis of business lines is provided in the following sections. This was the third year in a row of premium growth in this type of insurance, which profited from the recovery in overall economic activity in Spain and especially the greater consumption capacity of companies and households. Table 3.1-b shows that most Non-Life insurance business lines saw positive growth at a disaggregated level.

Automobile insurance remained the leading Non-Life business with a share of 32.3 percent. Automobile insurance premiums increased by 5.1 percent, reaching 10.566 billion euros. This was the second such positive result since 2007, confirming that the automobile line has overcome the difficulties caused by the economic crisis and strong competition in recent years, thanks to an increase in registrations and greater vehicle use.

Health insurance came in second within the Non-Life insurance segment in terms of volume, with a share of 23.6 percent. Premium volume reached 7.737 billion euros in this business line, representing growth of 5.1 percent on the previous year.

Spanish insurance business in 2016

Growth in insurance industry premium volume

Table 3.1-a
Size of the world's largest insurance markets, 2016
(indicators)

Country	Premiums (billions of U.S. dollars)	Premiums per capita (U.S. dollars)	Premiums / GDP (percent)
United States	1,352.4	4,174	7.3%
Japan	471.3	3,732	9.5%
China	466.1	337	4.1%
United Kingdom	304.2	4,064	10.2%
France	237.6	3,395	9.2%
Germany	215.0	2,548	6.1%
South Korea	170.9	3,362	12.1%
Italy	162.4	2,499	8.2%
Canada	114.5	3,161	7.5%
Taiwan	101.4	4,321	20.0%
Australia	82.2	3,397	6.5%
Netherlands	80.1	4,717	10.4%
India	79.3	60	3.5%
Brazil	72.6	346	4.0%
Spain	68.6	1,482	5.6%
World	4,732.2	621	6.1%

Source: MAPFRE Economic Research (based on Swiss Re data)

Health insurance has proved capable of sustaining positive growth even throughout the economic crisis. Healthcare Assistance remained the most important component, accounting for 87.3 percent of premiums and posting growth of 4.7 percent in 2016.

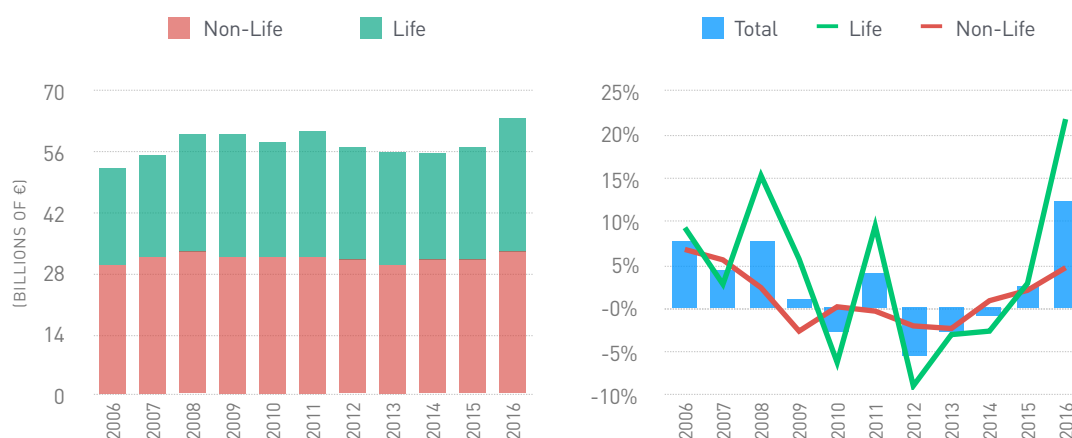
Multiperil insurance occupied third place, accounting for 20.7 percent of Non-Life premiums. Multiperil insurance saw more modest growth than the Automobile and Health lines in 2016, reaching 6.773 billion euros with growth of 3.2 percent on the previous year. However, despite slower growth, multiperil registered a better technical outturn. Premiums grew in all four of the key categories: Home (3.6 percent), Industrial (2.7 percent), Commerce (1.7 percent) and Communities (2 percent).

Funeral insurance was once against the fourth most important area, registering a very slight

increase in premium volume in 2016 (0.6 percent), reaching 2.163 billion euros.

Total aggregate premium volume in Life insurance increased by 21.8 percent in 2016, amounting to 31.136 billion euros. Insurance premiums with coverage exclusively for death increased by 11.4 percent thanks to greater momentum in the real estate market, while Savings/Retirement premiums increased by 23.6 percent. Among the latter, Individual Systematic Savings Plans (17.0 percent), Deferred Capital (16.7 percent) and Annuity Insurance (48.7 percent) registered strong growth, but there was a decline in Insured Savings Plans (-15.8 percent). Life insurance continued to account for 48.7 percent of the total insurance industry.

Chart 3.1-a
Trends in direct insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



Source: MAPFRE Economic Research (based on ICEA data)

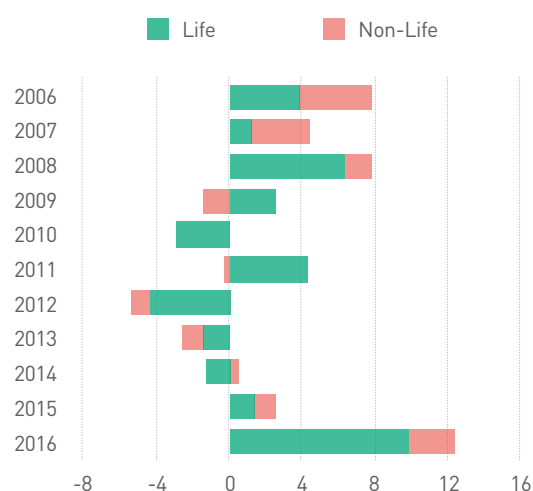
Contribution to growth from different business lines

Spanish insurance industry growth in 2016 was once again sustained by contributions from both Life and Non-Life insurance businesses. Life insurance made the biggest contribution to growth, contributing 9.8 percentage points (ppts) to total industry growth (of 12.4 percent in 2016), while Non-Life insurance added 2.6ppts to growth (see Chart 3.1-b and Table 3.1-c).

A medium-term analysis (2006-16) shows that Life insurance has made the largest contribution to insurance industry growth over the last ten years, accounting for 68.8 percent of cumulative growth in the insurance industry, which is consistent with the structural trend highlighted in this report, as well as the Insurance Protection Gap in Spain.

Savings Life insurance, specifically, made the largest contribution to growth in the Life insurance market in 2016. This marked a return to positive growth, in contrast to 2015 which was a particularly challenging year for this type of insurance owing to the strong impact on business from the low interest rate environment. Over the period 2006-16, 87.2 percent of growth in this market was accounted for by developments in Savings Life insurance (see Table 3.1-d).

Chart 3.1-b
Contribution to growth in the insurance market, 2006-16
(percentage points, ppts)



Source: MAPFRE Economic Research (based on ICEA data)

Table 3.1-b
Distribution of business by lines, 2015-16
(accrued direct insurance premiums, millions of euros)

Business Lines	2015	2016	percent Δ wrt 2015	percent wrt Total
Total	56,864.6	63,891.7	12.4%	100.0%
Life	25,566.7	31,136.3	21.8%	48.7%
Non-Life	31,297.9	32,755.3	4.7%	51.3%
Automobile	10,052.1	10,565.5	5.1%	16.5%
Automobile TPL	5,169.0	5,509.1	6.6%	8.6%
Automobile Other Guarantees	4,883.0	5,056.4	3.6%	7.9%
Health	7,360.8	7,736.5	5.1%	12.1%
Healthcare Assistance	6,450.0	6,756.0	4.7%	10.6%
Illness	910.8	980.5	7.7%	1.5%
Multiperil	6,564.5	6,772.6	3.2%	10.6%
Home	3,916.4	4,058.9	3.6%	6.4%
Trade	565.1	574.5	1.7%	0.9%
Communities	836.0	852.8	2.0%	1.3%
Industrial	1,176.0	1,208.1	2.7%	1.9%
Other	71.0	78.2	10.2%	0.1%
Funeral	2,150.4	2,162.6	0.6%	3.4%
Third-Party Liability	1,359.8	1,392.1	2.4%	2.2%
Accidents	926.3	975.7	5.3%	1.5%
Other Damage to Goods	848.2	1,024.0	20.7%	1.6%
Credit	608.8	594.9	-2.3%	0.9%
Transport	429.4	433.1	0.9%	0.7%
Hulls	224.9	218.8	-2.7%	0.3%
Goods	204.5	214.3	4.8%	0.3%
Assistance	340.3	365.3	7.3%	0.6%
Pecuniary Losses	276.1	336.0	21.7%	0.5%
Fire	179.9	216.5	20.3%	0.3%
Legal Defense	93.1	96.3	3.4%	0.2%
Surety	85.7	62.2	-27.4%	0.1%
Theft	22.6	22.0	-2.6%	0.0%

Source: MAPFRE Economic Research (based on ICEA data)

Table 3.1-c
Contribution to growth in the insurance market,
2006-16
(percentage points, ppt)

Year	Annual growth (ppt)	Contribution to growth (ppt)	
		Life	Non-Life
2006	7.8	3.9	3.9
2007	4.4	1.2	3.2
2008	7.8	6.4	1.4
2009	1.1	2.6	-1.4
2010	-2.8	-2.9	0.1
2011	4.1	4.3	-0.2
2012	-5.3	-4.3	-1.0
2013	-2.6	-1.4	-1.2
2014	-0.7	-1.2	0.5
2015	2.5	1.3	1.2
2016	12.4	9.8	2.6

Source: MAPFRE Economic Research (based on ICEA data)

All business lines contributed positively to growth in the Non-Life insurance segment in 2016 (see Table 3.1-d). The Multiperil and Automobile lines contributed 0.9 and 0.4 ppts to

growth respectively, while Health accounted for 0.7ppts. The remaining lines making up the Non-Life insurance business made an overall contribution to growth of 0.6ppts.

However, this snapshot changes when looking at developments in these contributions over the last ten years (2006-16). During this time, Health insurance made the largest contribution to growth in the Non-Life insurance industry, accounting for 65.8 percent of the total. Among the lines which contributed positively to growth during this period, it is also worth highlighting the Multiperil lines and others which make up this segment of the market.

Technical performance: aggregate combined ratios

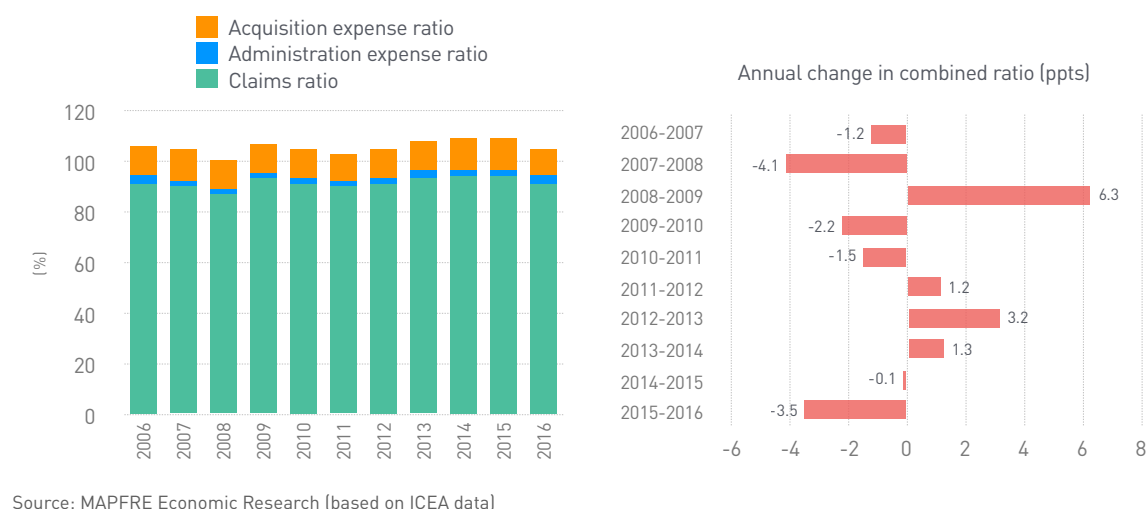
Chart 3.1-c depicts the aggregate technical performance of the Spanish insurance industry over the period 2006-16, on the basis of the developments in the combined ratio. Greater detail on each of the lines is provided later in the report.

Table 3.1-d
Contribution to insurance market growth from Life and Non-Life insurance, 2006-16
(percentage points, ppt)

Year	Contribution of Life to market growth (ppts)	Contribution to growth (ppt)		Contribution of Non-Life to market growth (ppts)	Contribution to growth (ppt)			
		Life Risk	Savings Life		Automobile	Multiperil	Health	Other
2006	3.9	1.1	2.9	3.9	1.2	0.8	0.9	1.0
2007	1.2	0.7	0.5	3.2	0.6	0.8	0.9	0.9
2008	6.4	-0.2	6.7	1.4	-0.4	0.8	0.8	0.2
2009	2.6	-0.1	2.6	-1.4	-1.2	0.3	0.5	-1.1
2010	-2.9	0.3	-3.2	0.1	-0.2	0.3	0.4	-0.5
2011	4.3	-0.3	4.6	-0.2	-0.5	0.5	0.3	-0.5
2012	-4.3	-0.2	-4.1	-1.0	-1.1	0.1	0.3	-0.3
2013	-1.4	-0.3	-1.1	-1.2	-1.0	-0.2	0.3	-0.3
2014	-1.2	0.2	-1.4	0.5	-0.2	0.0	0.4	0.3
2015	1.3	0.5	0.8	1.2	0.3	0.0	0.3	0.5
2016	9.8	0.8	9.0	2.6	0.9	0.4	0.7	0.6

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.1-c
Trends in the total combined ratio, 2006-16
(total combined ratio, percent; annual change in combined ratio, ppts)



The total combined ratio reached 105.6 percent in 2016, when looking at the insurance market as a whole, representing a decline from 2015 (109.1 percent): the claims ratio came in at 91.7 percent (94.1 percent in 2015), the administrative expense ratio at 2.8 percent (2.6 percent in 2015), while the acquisition expense ratio was 11.03 percent (12.4 percent in 2015). While the combined ratio remained above 100 percent, it saw a clear improvement (-3.5ppts) in 2016 on the back of a better claims ratio outturn and, to a lesser extent, in the acquisition expense ratio.

Meanwhile, the combined ratio for the Non-Life segment stood at 93.6 percent in 2016, 1.1ppts below the 2015 outturn (94.7 percent), due to a decline in the claims ratio which fell from 72.3 percent in 2015 to 71.3 percent in 2016. The acquisition expense ratio also improved from 18.6 percent in 2015 to 17.7 percent in 2016. However, the administration expense ratio worsened from 3.8 percent in 2015 to 4.6 percent in 2016 (see Chart 3.1-d).

The improvement in the combined ratio for the Non-Life insurance segment, with values below 100 percent in both 2015 and 2016, shows the Spanish insurance industry sustained healthy technical operations.

Results and profitability

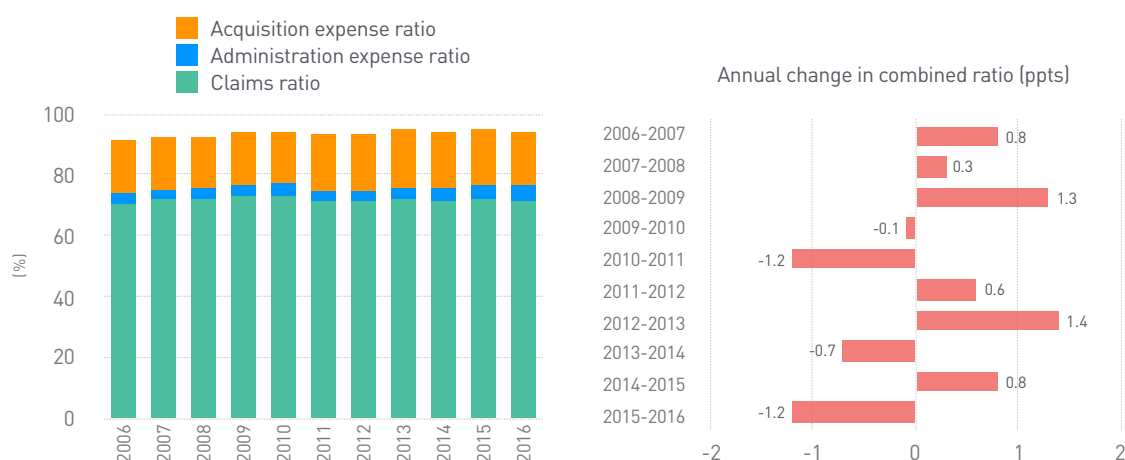
The Spanish insurance industry's 2016 results represented a clear improvement on the previous year. The non-technical account posted results of 4.517 billion euros (up 23.5 percent on the 2015 financial year), while the technical account improved by 21.7 percent relative to the previous year, amounting to 5.570 billion euros. As can be seen from Table 3.1-e, the improvement in the technical account primarily comes from the Life insurance business (35.8 percent), although the Non-Life business also improved (12.7 percent).

Table 3.1-e
Spanish insurance industry results, 2015-16
(results, millions of euros)

Year	2015	2016	Percent change
Technical account	4,576	5,570	21.7%
Life	1,787	2,426	35.8%
Non-Life	2,789	3,144	12.7%
Non-Technical account	3,656	4,517	23.5%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.1-d
Trends in the Non-Life combined ratio, 2006-16
(total combined ratio, percent; annual change in combined ratio, ppts)



Source: MAPFRE Economic Research (based on ICEA data)

The technical account in the Non-Life insurance segment posted results of 3.144 billion euros in 2016, representing an increase of 12.7 percent on the previous year. This contrasts with the decline of -11.9 percent registered in 2015. Basic Non-Life insurance indicators show a fall of 1.0ppt in the net claims ratio and the previously mentioned 1.2ppt improvement in the combined ratio. However, the financial result deteriorated by 0.3ppts to 3.9 percent, meaning that the technical-financial result improved by 0.9ppts to 10.3 percent (see Table 3.1-f).

As for the Life insurance industry, the technical account posted a result of 2.426 billion euros in 2016, up 35.8 percent on the previous year. Accordingly, despite a slight fall in the financial result, the technical-financial result improved from 1.1 percent of technical provisions in 2015 to 1.4 percent in 2016. Life insurance technical provisions reached 177.818 billion euros, representing growth of 6 percent on the previous year (see Table 3.1-g).

Table 3.1-f
Basic Non-Life insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums, percent)

	2015	2016
Premium volume issued (millions €)	31,298	32,755
Change in premiums	2.1%	4.7%
Retention	87.6%	84.8%
Gross claims ratio	70.2%	68.9%
Gross expenses	22.4%	22.6%
Net claims ratio	72.3%	71.3%
Net combined ratio	94.7%	93.6%
Financial result	4.2%	3.9%
Technical-financial result-	9.4%	10.3%

Source: MAPFRE Economic Research (based on ICEA data)

Table 3.1-g
Basic Life insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums, percent)

	2015	2016
Premium volume issued (millions €)	25,567	31,136
Change in premiums	2.9%	21.8%
Technical provisions (millions €)	167,699	177,818
Net expenses (over provisions)	1.0%	1.0%
Financial result (over provisions)	5.0%	4.4%
Technical-financial result (over provisions)	1.1%	1.4%

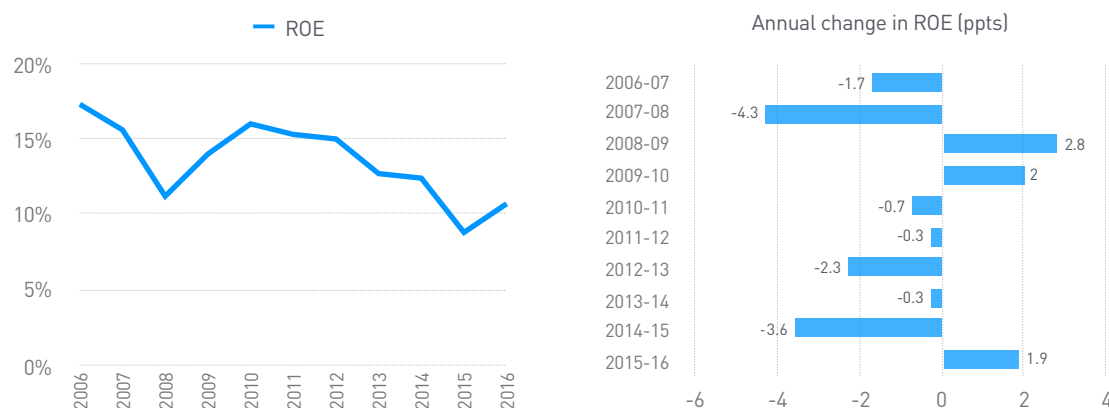
Source: MAPFRE Economic Research (based on ICEA data)

After five years of persistent declines in return on equity, 2016 bucked the trend with ROE rising to 10.7 percent. This marked an increase from 8.8 percent in 2015, a low point in the series from 2006 (see Chart 3.1-e). Similarly, sector profitability, measured as the relationship between the year's results and total assets (ROA), recovered slightly to 1.5 percent in 2016 from 1.2 percent in 2015 (see Chart 3.1-f).

According to ICEA information, investment by Spanish insurers amounted to 286.848 billion euros at close 2016. 56.5 percent of this investment corresponded to the Life portfolio, 16.8 percent to ring-fenced funds, 12.8 percent to the Non-Life portfolio, 10.17 percent to the general portfolio and 3.8 percent to shareholder equity.

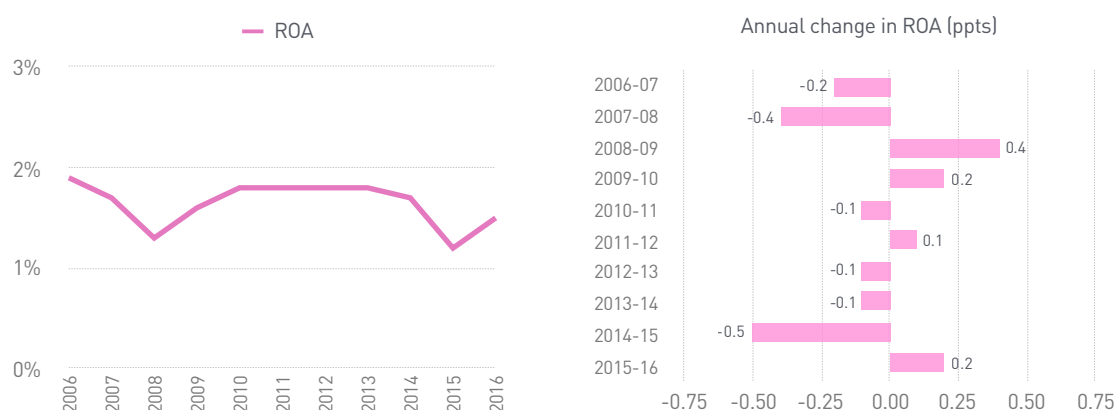
Investment

Chart 3.1-e
Performance of return on equity (ROE), 2015-16
(return on equity, percent; annual change in ROE, ppts)



Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.1-f
Performance of return on assets (ROA), 2015-16
(return on assets, percent; annual change in ROA, ppts)



Source: MAPFRE Economic Research (based on ICEA data)

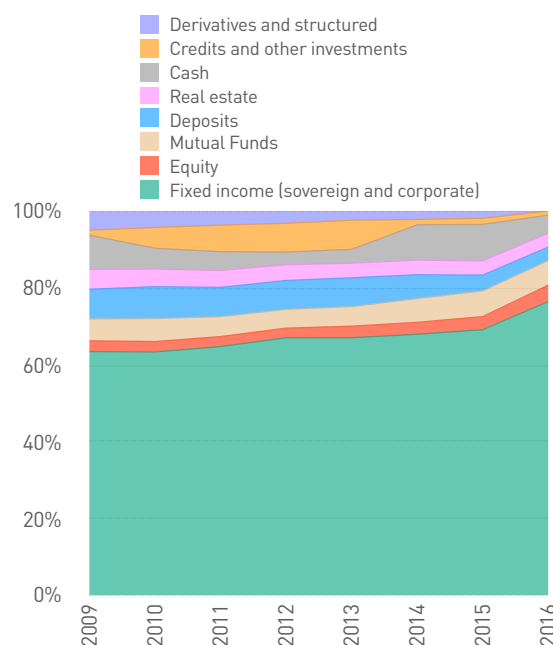
The choice of investment instrument to cover commitments arising from insurance contracts has evolved over the period 2009-16, with fixed income securities increasing their relative weight to 76.6 percent of investment in 2016, compared to 69.3 percent in the previous year (Chart 3.1-g). Also noteworthy is the decline in the proportion of assets held as cash, which fell to 4.7 percent in 2016 (after 9.5 percent in 2015). Similarly, equity investments have also increased, accounting for 4.3 percent of investments underpinning technical provisions (compared to 3.4 percent in the previous year).

A breakdown of the structure of investments in aggregate portfolios linked to technical provisions is shown below (Chart 3.1-h).

However, it is important to highlight that the average percentages vary according to the different portfolios, responding to liquidity and asset and liability matching criteria. Accordingly, in portfolios linked to Life insurance obligations, fixed income accounted for 80 percent of investment, while in Non-Life portfolios it represented around 40 percent. There are also significant variations in the percentage of investments in property and equities, which in Life portfolios represented around 2 and 1.75 percent respectively, a long way below the equivalent percentages in Non-Life portfolios (15 and 14 percent respectively). Finally, the percentage of investments managed through mutual funds was also significantly lower in Life portfolios, where it represented around 5 percent, compared to 17.5 percent in Non-Life.

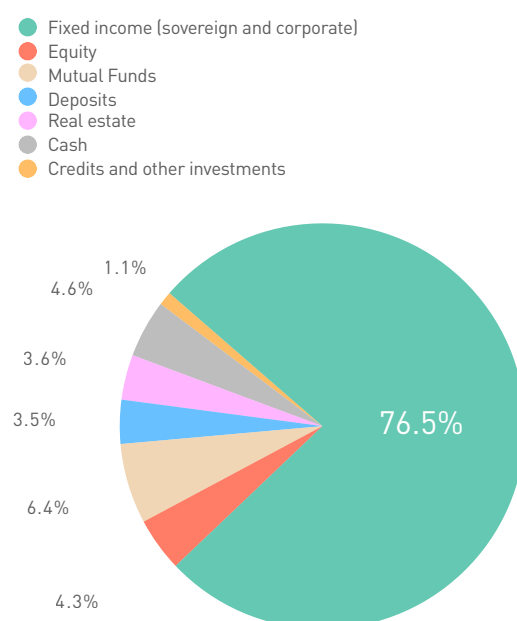
In terms of the overall risk profile of the investment portfolios related to Life and Non-Life obligations, the duration of assets in the Life portfolio is notably higher than in the Non-Life portfolio. Around 40 percent of assets in the former had a duration of over eight years, compared to 8.3 percent for Non-Life assets. In both cases, the bulk of the investments had a credit rating in the third rung of the *ratings map* employed by Solvency II (equivalent to BBB).

Chart 3.1-g
Trends in the structure of insurance market investment, 2009-16.
(%)



Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.1-h
Structure of investments relating to technical provisions, 2016
(%)



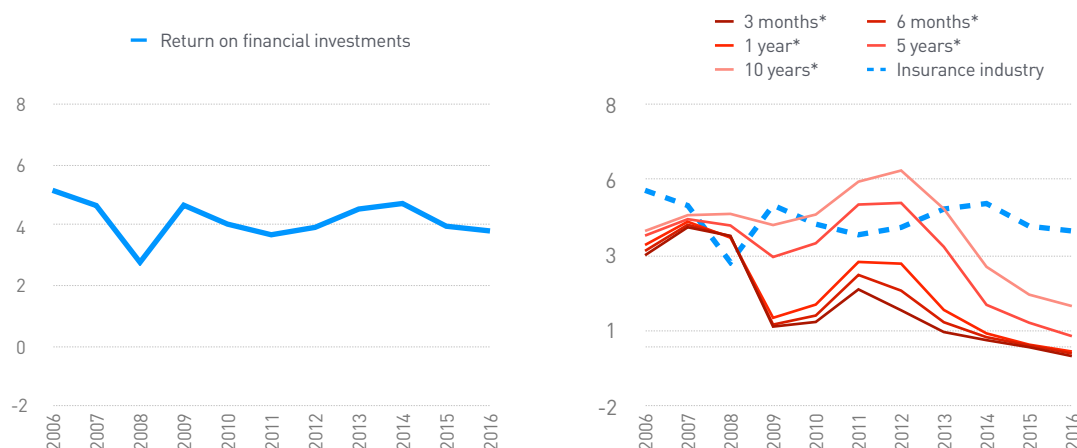
Source: MAPFRE Economic Research (based on ICEA data)

The *average rating* of Life portfolios was somewhat below Non-Life portfolios, with around 22 percent of assets above BBB in the former, compared to 36.5 percent in the latter. The percentage of BBB investment was 75.5 percent and 59.6 percent respectively. The longest durations were in the ring-fenced portfolio, subject to restrictions relating to the application of the matching adjustment in Solvency II, with around 63 percent of assets with a duration of over eight years (36 percent over two years) and 95 percent BBB-rated assets. More than 72 percent of issuers were national. 63.5 percent of total aggregate portfolio

investments were in sovereign debt and 21 percent in the financial sector.

Furthermore, insurance industry financial investment profitability stood at 3.8 percent, 0.16 percentage points below 2015 levels, but remaining above the risk-free yield curves (see Chart 3.1-i) as in 2015.

Chart 3.1-i
Return on financial investments, 2006-16
(finance income / average investment, percent; risk-free interest rate, percent)



Source: MAPFRE Economic Research (based on data from the DGSFP)

* Average annual Spanish Government bond yield of specified tenor.

Technical provisions

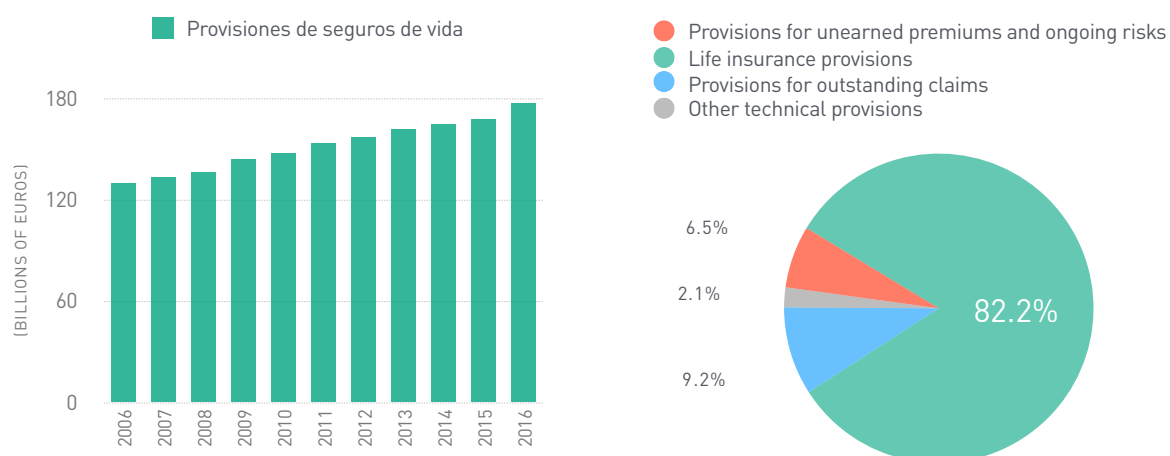
The volume of Life insurance technical provisions in the Spanish market grew by 6 percent between 2015 and 2016, reaching 177.818 billion euros, reflecting sustained growth over the last ten years (see Chart 3.1-j).

As a result, Life insurance provisions in 2016 represented 82.2 percent of total technical provisions, while provisions for services represented 9.2 percent, and provisions for unearned premiums and risk in progress were 6.5 percent of the total.

Insurance developments in the Autonomous Regions

Catalonia and Madrid once again led the ranking of premium volumes in 2016, with shares of 21.6 percent and 19.9 percent respectively. Premiums grew particularly strongly in Catalonia, increasing by 11.8 percent on the previous year with a total volume of 11.295 billion, followed by the Community of Madrid where premiums grew by 9.4 percent to 10.379 billion euros. Andalusia occupied third place with 6.949 billion euros, registering growth of 10.6 percent and a share of 13.3 percent.

Chart 3.1-j
Life Insurance Technical Provisions, 2006-16
(billions of euros)



Source: MAPFRE Economic Research (based on ICEA data)

The top ten regions making up the ranking, which represented 88 percent of total premiums, jointly posted aggregate growth in 2016. In addition to the previously mentioned regions, the Canary Islands (19.4 percent) and Aragon (14.9 percent) also saw double-digit growth rates. Castile-Leon, the Valencian Community and Galicia came in at intermediate positions both in

volume terms and in relation to growth in premiums, which ranged between 6.2 and 9.8 percent (see Table 3.1-h). Furthermore, the highest per capita premiums values were recorded in Madrid (1,596 euros), Catalonia (1,496 euros) and Aragon (1,460 euros).

Table 3.1-h
Premium volume by Autonomous Region, 2016
(millions of euros)

Autonomous Region	2016	Per Chg 2016/2015	percent share 2016	Premiums per capita
Catalonia	11,295	11.8%	21.6%	1,496
Community of Madrid	10,379	9.4%	19.9%	1,596
Andalusia	6,949	10.6%	13.3%	830
Community of Valencia	4,406	6.9%	8.4%	893
Castile-Leon	2,653	6.2%	5.1%	1,094
Galicia	2,515	9.8%	4.8%	929
Basque Country	2,461	2.2%	4.7%	1,122
Aragon	1,909	14.9%	3.7%	1,460
Castile - La Mancha	1,734	1.3%	3.3%	854
Canary Islands	1,641	19.4%	3.1%	779
Total top 10	45,942		88.0%	

Source: MAPFRE Economic Research (based on ICEA data)

Reinsurance

Overall, there was an increase in the claims ratio resulting from natural disasters, which in global economic damage terms exceeded 2015 by around 86 percent and by around 42 percent in terms of insured damage³. This was the worst outturn since 2012, although the 2012-16 period was characterized by a low overall claims ratio. The Insurance Protection Gap against these type of risks remains substantial and asymmetric across different regions around the world.

Disappointing economic growth in developed economies in recent years, the fall in interest rates ushered in by central banks to stimulate growth and the absence of significant natural disasters in the last five years, has sparked fierce competition in terms of reinsurance rates and conditions, partially offset by strong growth in emerging economies. At the same time, large insurance operators have continued to consolidate reinsurance programs, reducing the premium volume available to reinsurers.

Against this competitive and volatile backdrop, some operators have resorted to mergers and acquisitions with other reinsurance or insurance players with the aim of diversifying their portfolio, both in terms of business lines and geographically, as well as making adjustments to equity in a low profitability environment, via capital reduction or extraordinary dividend payouts. Nonetheless, the absence of natural disasters enabled results to remain positive, albeit slowing below double-digit percentages.

A modest recovery is expected in advanced economies, alongside a slight pick up in interest rates and greater underwriting discipline, which should provide the necessary positive technical results to withstand financial market volatility and large scale natural disasters. In this context, it is foreseeable that global merger and acquisition processes will continue, aimed at gaining size, diversification and cost and capital savings.

Insurance Compensation Consortium

The role played by the Insurance Compensation Consortium (CCS) in the Spanish insurance market is particularly notable, especially concerning coverage of extraordinary risks, but also in rela-

tion to traffic risks, direct third-party liability automobile insurance and its Guarantee Fund. These activities still generate the bulk of the institution's business, some 90 percent of the total.

As in previous years, the main driver of the claims ratio came from extraordinary risk insurance from damage caused by flooding, with a total estimated cost of 190 million euros in 2016.

Third-party liability insurance for motor vehicle has registered a fall in recent years in terms of the portfolio of individual vehicles not covered by private insurers, which - according to the latest available data to 2015 - covered around 1,300 vehicles. The claims ratio for individual third-party liability automobile insurance reached 156.3 percent of premiums, while the Guarantee Fund in automobile insurance amounted to 61.1 percent.

Finally, it is worth highlighting that CCS has a 10 percent stake in the coinsurance framework for Combined Agricultural Insurance managed by Agroseguro.

3.2 Non-Life Business Lines

Automobile

Automobile insurance remained the business line with the highest premium volume in the Non-Life sector, with a share of 32.3 percent of this segment. Premium volume issued in this business line increased by 5.1 percent in 2016 over the previous year, reaching 10.566 billion euros. Average premiums also rose by 2.3 percent (in contrast to the trend in previous years) to reach 354 euros (see Chart 3.2-a).

The strong growth in premiums in 2016 is explained by a combination of factors. Firstly, the robust performance of the Spanish economy had an impact on the number of insured vehicles which increased by over seven hundred thousand, representing a relative increase of 2.4 percent (see Table 3.2-a). Secondly, new vehicle sales rose by 11 percent, with a pick up in top of the range products with higher average premiums. Finally, there was also an impact from the updating of market tariffs in response to the increase in compensation following the entry into force of the new automobile fees scale.

The frequency of claims also increased slightly in 2016, a trend that is expected to continue in 2017, linked to the improvement in the economy and increased vehicle use. Nonetheless, the frequency of claims in some covers (such as own damages) fell, possibly related to the gradual increase in weight of products with deductibles (see Table 3.2-c).

Meanwhile, there was a notable impact in the average cost of personal damage in 2016, which rose by 7 percent, as a result of new assessment criteria in the fees scale. The reported increase was still below the estimate carried out following its introduction, which could be due to the assessment complexity and long settlement periods for claims relating to serious causalities, one of the areas set to suffer the biggest increases under the new fees scale. This could have consequences on final data for the registered claims ratio and combined ratio, due

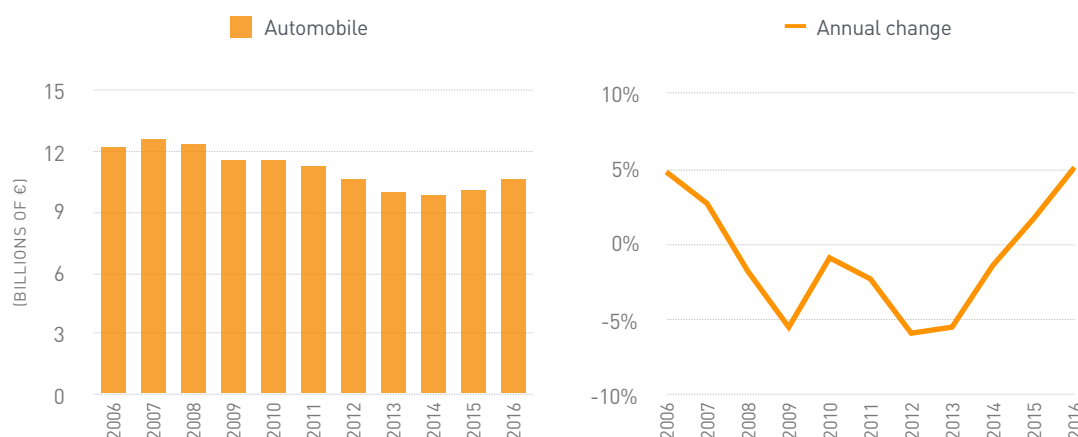
to the need to estimate final claims costs through 2015 and 2016 reserves.

Likewise, a significant fall in the percentage of expenses is also estimated, partly justified by spending efficiency and the increase in premiums. Although the final result improved in line with the financial results, the combined ratio in this business line remained very close to 100 percent in 2016, suggesting the need for some tariff adjustment in the Automobile business, especially in companies with the worst ratios (see Chart 3.2-b and Table 3.2-b).

2017 outlook

Automobile insurance growth during the first five months of 2017 has been somewhat below than the same period last year, with a 4.1 percent increase in premiums in May (4.7 percent in May 2016), though more rapid than the aggregate of Non-Life business lines (3.8 percent). Premiums grew in both Third-Party Liability (6.0 percent) and other Guarantee (2.0 percent) types. The automobile business has seen the largest increase in premiums among business lines in the Non-Life segment.

Chart 3.2-a
Trends in direct Automobile insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-a
Trends in average Automobile insurance premium, 2006-16
(millions of euros; annual change, percent)

Year	Insured vehicles ⁽¹⁾		Direct insurance premiums ⁽²⁾		Average premium		
	(millions)	Annual chg.	(millions €)	Annual chg.	In Euros	percentage change	
						Nominal	Real
2006	27.1	5.2%	12,261	4.8%	453	-0.4%	-3.0%
2007	28.3	4.7%	12,593	2.7%	444	-1.9%	-5.8%
2008	28.8	1.7%	12,357	-1.9%	428	-3.6%	-4.9%
2009	28.8	-0.2%	11,662	-5.6%	405	-5.5%	-6.2%
2010	28.7	-0.3%	11,553	-0.9%	403	-0.6%	-3.5%
2011	28.9	0.7%	11,285	-2.3%	390	-3.0%	-5.3%
2012	28.7	-0.7%	10,622	-5.9%	370	-5.3%	-7.9%
2013	28.6	-0.4%	10,033	-5.5%	351	-5.1%	-5.4%
2014	28.8	0.7%	9,888	-1.5%	343	-2.1%	-1.2%
2015	29.1	1.0%	10,054	1.7%	346	0.6%	0.6%
2016	29.8	2.4%	10,566	5.1%	354	2.3%	0.7%

Source: MAPFRE Economic Research (based on data from FIVA, ICEA and the Insurance Compensation Consortium)

(1) Insured Vehicle Information File (FIVA)

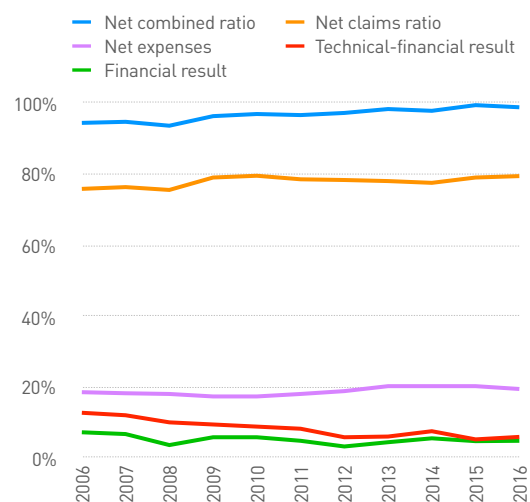
(2) Direct insurance premiums issued by insurance companies and the Insurance Compensation Consortium

Table 3.2-b
Basic Automobile insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums, percent)

	2015	2016
Issued premium volume (millions of €)	10,052	10,566
Change in premiums	1.7%	5.1%
Retention	92.2%	89.5%
Gross claims ratio	78.1%	79.0%
Gross expenses	20.2%	19.5%
Net claims ratio	79.1%	79.5%
Net combined ratio	99.5%	98.9%
Financial result	4.8%	4.9%
Technical-financial result	5.3%	6.0%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-b
Results performance in the Automobile business line,
2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-c
Average frequencies and costs by guarantee in Automobile insurance, 2015-16
(frequency, percent, average cost, Euros)

Guarantees	Frequency (percent)			Average cost (€)		
	2015	2016	Percentage difference	2015	2016	percentage change
Third-Party Liability	8.5%	8.6%	0.1%	1,816	1,875	3.3%
Bodily injury	2.0%	2.0%	-0.0%	4,569	4,891	7.0%
Material	7.3%	7.4%	0.1%	873	874	0.1%
Own damage	34.3%	32.0%	-2.2%	718	707	-1.5%
Broken windows	6.4%	6.4%	-0.0%	288	289	0.5%
Theft	0.9%	0.8%	-0.1%	909	918	1.0%
Legal defense	1.8%	1.7%	-0.1%	290	280	-3.4%
Occupants	0.3%	0.2%	0.0%	1,227	1,217	-0.8%
Fire	0.1%	0.1%	-0.0%	2,847	2,891	1.5%
Withdrawal of driving license	0.0%	0.0%	0.0%	1,108	937	-15.4%

Source: MAPFRE Economic Research (based on ICEA data)

Health

In 2016, the premium volume for Health insurance reached 7.737 billion euros, representing an increase of 5.1 percent on the previous year. This growth was undoubtedly supported by the strong performance of the Spanish economy. This latest growth figure means Health returned to similar rates of growth as in 2009, and remains the only Non-Life line which continued to grow throughout the economic crisis, now accounting for 23.6 percent of total Non-Life business lines (see Chart 3.2-c).

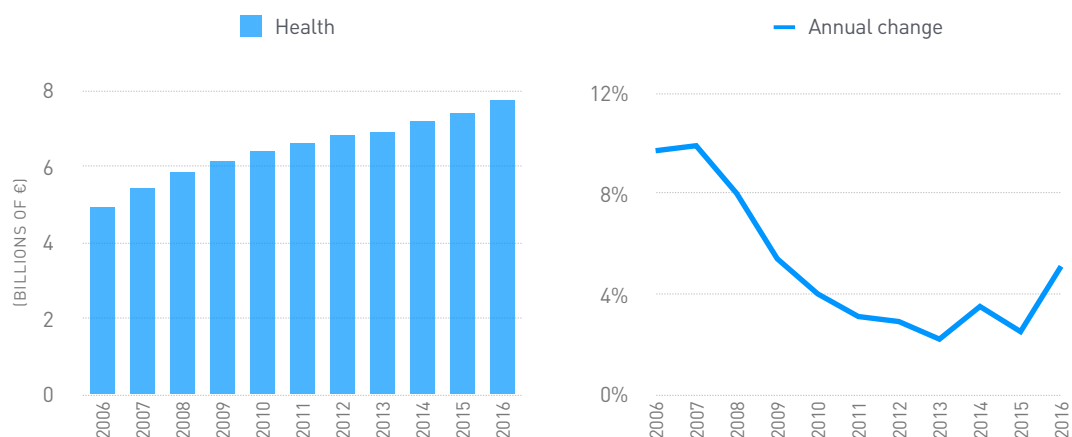
The strongest growth took place in the subsidies insurance industry (11.38 percent), aimed primarily at the self-employed, which could be a sign that the recovery in the business world is beginning to taking root. Furthermore, subsidies insurance grew in 2016 thanks to the emergence of a new market niche for public sector workers, who are taking out this product to cushion their economic losses suffered in the first twenty days of sick leave, following cuts to public benefits.

The health line continued to have a high degree of concentration, with the five leading institutions in the ranking having a 71.4 percent market share (SegurCaixa-Adeslas, Sanitas, Asisa, DKV and MAPFRE España). Growth came

primarily from premium increases resulting from successive renewals of existing policies. Thus, while premiums rose by 5.1 percent, the number of insured parties increased by 3.4 percent. This, together with the singular tax exemption available to companies which pay their workers Health insurance, led to increased competition in group insurance for large companies in 2016. Companies are seeking to reach a critical mass to enable them to negotiate better tariffs with an increasingly concentrated hospital sector which is enjoying ever greater bargaining power with insurers. Meanwhile, Healthcare Assistance continued to be the most important component in this business line, accounting for 87.3 percent of premiums and 79.3 percent of insured parties.

The combined ratio for the line improved by 0.2 percent to reach 94.2 percent due to a fall in the claims ratio and in spite of a 0.2 percentage point increase in expenses. The end financial result for the line was 0.7 percent - the same as last year - while the technical-financial result improved by 0.2ppts to 6.5 percent (see Table 3.2-d and Chart 3.2-d).

Chart 3.2-c
Trends in direct Health insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



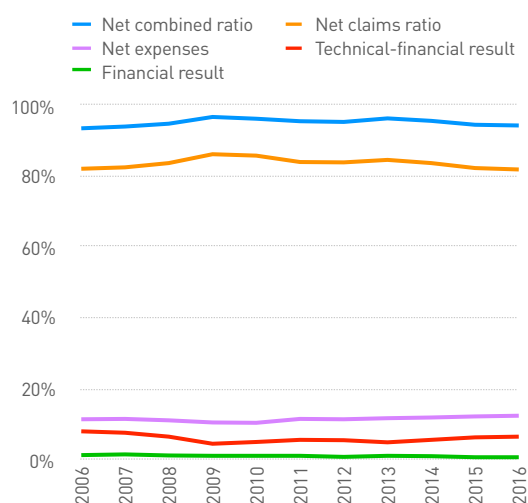
Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-d
Basic Health insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums, percent)

	2015	2016
Issued premium volume (millions of €)	7,361	7,737
Change in premiums	2.5%	5.1%
Retention	97.4%	97.4%
Gross claims ratio	80.9%	80.6%
Gross expenses	12.2%	12.4%
Net claims ratio	82.2%	81.8%
Net combined ratio	94.4%	94.2%
Financial result	0.7%	0.7%
Technical-financial result	6.3%	6.5%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-d
Results performance in the Health insurance line, 2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

2017 outlook

Up until April 2017, Health insurance had been registering faster growth than the same period last year, with growth rates of close to 5 percent in all months. However, this trend slowed slightly in May to an increase of 3.3 percent, reflecting a significant decline in the subsidy business line

(-22.3 percent), which contrasts with the strong pick up in same month of 2016 (+32 percent). In contrast to 2016, Healthcare Assistance insurance is proving to be the underlying driver of growth in this line.

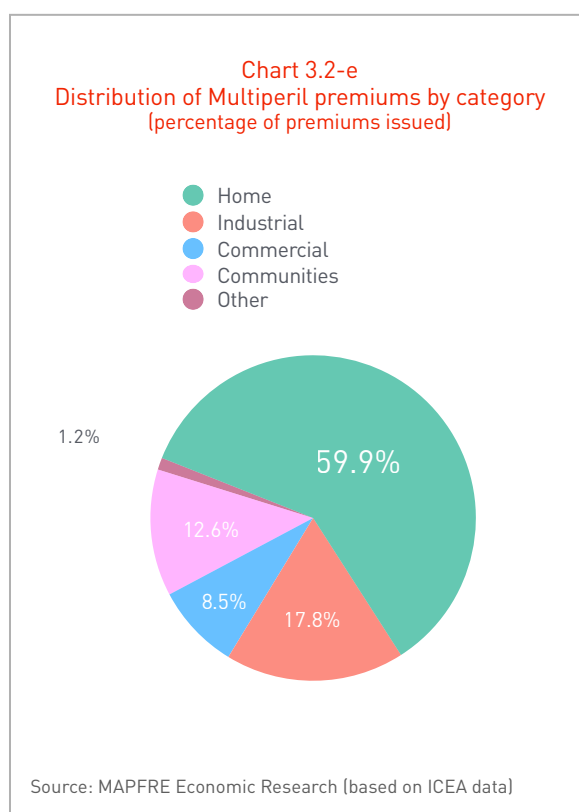
Multiperil

Multiperil insurance remained the third most important line in Non-Life insurance, with a market share of 20.7 percent, only bettered by Automobile and Health. Premium volume in the Multiperil line reached 6.773 billion euros in 2016, representing growth of 3.2 percent on the previous year (see Chart 3.2-f). This was slightly slower growth than in Autos and Health but with a better technical performance, with a combined ratio of 90 percent, compared to 98.9 percent in Autos and 94.2 percent in Health.

Premiums grew in the four most important areas in this line: Home (3.6 percent), Industrial (2.7 percent), Commerce (1.7 percent) and Communities (2 percent). Once again Home insurance (59.9 percent) accounted for the bulk of premium volume, followed by Industrial (17.8 percent), Communities (12.6 percent), Commerce (8.5 percent) and other areas (1.2 percent) (see Chart 3.2-g).

2017 outlook

Overall multiperil insurance has performed positively during the first five months of 2017, with a 2.4 percent increase in premium volume compared to the same period last year, slightly below growth in the first five months of 2016 (+2.9 percent). The Home (3.3 percent), Commerce (1.8 percent) and Communities (2.3



percent) categories have all posted positive growth so far this year, while Industrial remains barely unchanged (-0.03 percent) and other Multiperil types have fallen (-2.3 percent).

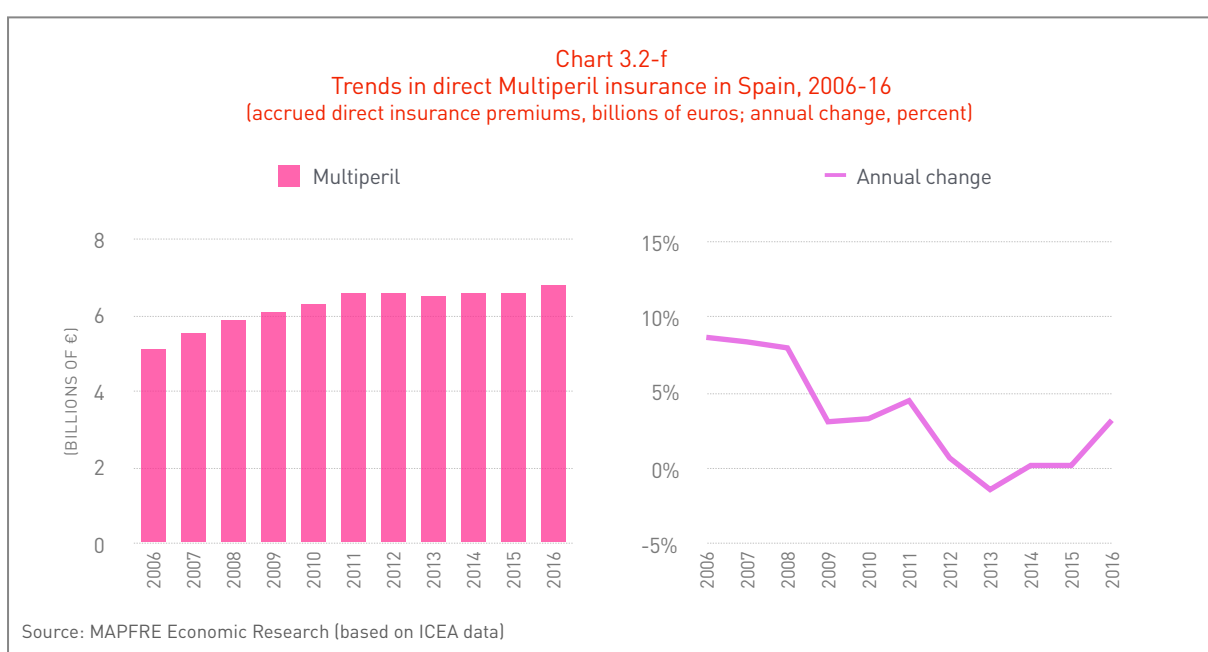
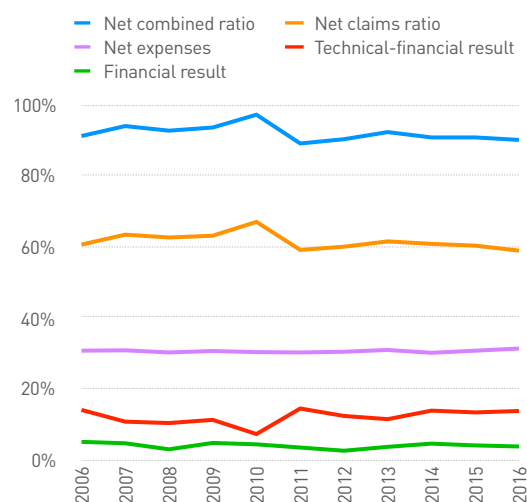


Table 3.2-e
Basic Multiperil insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	6,565	6,773
Change in premiums	0.2%	3.2%
Retention	79.3%	78.4%
Gross claims ratio	57.8%	57.8%
Gross expenses	28.4%	28.4%
Net claims ratio	60.2%	58.8%
Net combined ratio	90.7%	90.0%
Financial result	3.9%	3.6%
Technical-financial result	13.2%	13.6%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-g
Results performance in the Multiperil line, 2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

Home Multiperil

The benevolent economic backdrop and the upturn in the Spanish real estate market led to a notable pick up in Home Multiperil insurance in 2016, maintaining the upward trend in train since 2014.

Home Multiperil insurance premium volume increased by 3.6 percent on the previous year (see Table 3.2-f), reaching 4.059 billion euros. All distributions channels, including the bank channel which was severely impaired during the crisis years, registered increases in issuing.

Meanwhile, the claims ratio was relatively low primarily due to excellent weather conditions in 2016. However, this has not been repeated during the early months of 2017 which have seen an increased frequency of highly intense weather events. Insurance companies managed to keep expenses under control, while investor returns fell slightly, meaning the improved claims ratio was passed through to the result for the period.

Against this backdrop, the segment's combined ratio fell by 1.6 percentage points to 89.3 percent. The financial result decreased by 0.1 percentage points to 2.7 percent, but the strong improvement in the combined ratio meant the technical-financial result improved substantially to 13.4 percent (see Table 3.2-f and Chart 3.2-h).

Industrial Multiperil

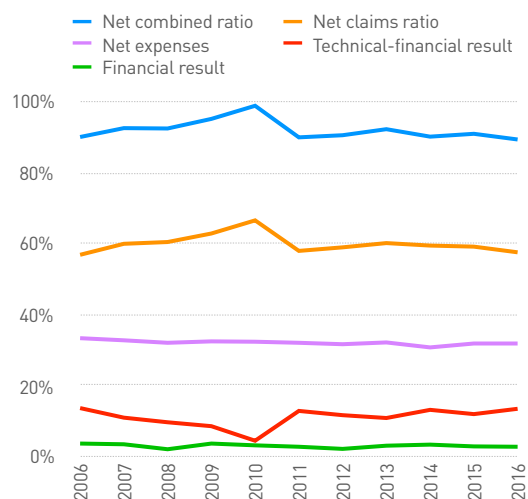
Industrial Multiperil premium volume increased by 2.7 percent in 2016 (compared to a decline of 3.6 percent the year before) to reach 1.208 billion euros (see Table 3.2-g). The recovery in the economy, reflected in commercial and business activity, was the main factor behind this change in trend.

Table 3.2-f
Basic Multiperil insurance indicators
Home, 2015-16
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	3,916	4,059
Change in premiums	2.1%	3.6%
Retention	90.2%	90.0%
Gross claims ratio	58.2%	56.7%
Gross expenses	31.5%	31.4%
Net claims ratio	59.1%	57.5%
Net combined ratio	90.9%	89.3%
Financial result	2.8%	2.7%
Technical-financial result	11.9%	13.4%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-h
Results performance in the Home Multiperil line,
2006-16
(indicators on premiums)



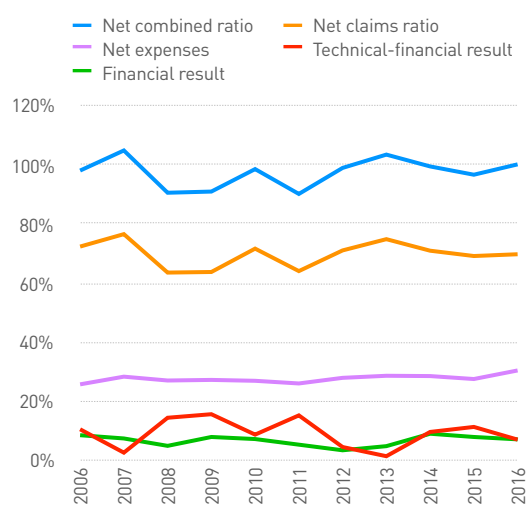
Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-g
Basic Industrial Multiperil insurance indicators,
2015-16
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	1,176	1,208
Change in premiums	-3.6%	2.7%
Retention	50.6%	47.9%
Gross claims ratio	59.1%	63.7%
Gross expenses	20.4%	20.5%
Net claims ratio	69.1%	69.7%
Net combined ratio	96.6%	100.1%
Financial result	7.9%	7.1%
Technical-financial result	11.3%	7.0%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-i
Results performance in the Industrial Multiperil line,
2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

In terms of technical performance, the combined ratio for the Industrial Multiperil segment deteriorated to 100.1 percent thanks to a spike in the claims ratio and net expenses relative to last year. The increase in the claims ratio was not totally transferred to the result due to the reinsurance effect. The financial result deteriorated by 0.8 percentage points to 7.1 percent and the technical-financial result fell to 7.0 percent (see Table 3.2-g and Chart 3.2-i).

The deterioration in the claims ratio was primarily due to an increase in peak claims. At the same time, the market remains characterized by high levels of competition with consequent downward pressure on prices, which led to a significant reduction in portfolio premiums with aggressive adjustments to sustain portfolio policies in renewal.

In terms of cover and services, it is worth highlighting the inclusion of new coverage for cyber-risk and a pick up in the arrangement of Loss of Earnings covers.

Commercial Multiperil

Commercial Multiperil premium volume increased by 1.7 percent in 2016 (compared with a decrease of 4.9 percent in the previous year), reaching 575 million euros. The combined ratio improved by 1.7 percentage points to 86 percent, as a result of a fall in the net claims ratio. Meanwhile, the financial result worsened by 0.5 percentage points to 3.5 percent and the technical-financial result improved by more than one percentage point to 17.5 percent.

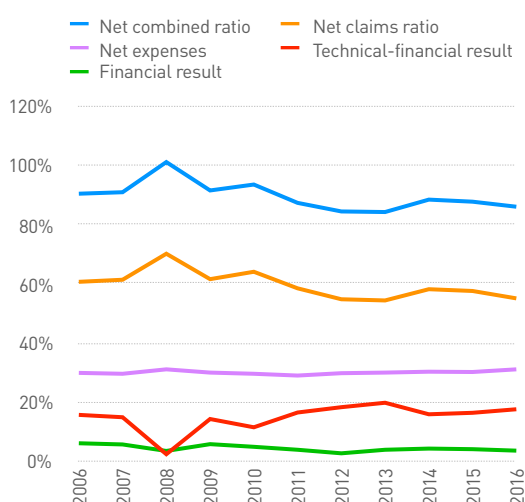
As these indicators suggest, the Commerce sector, one of the worst affected by the crisis, is now beginning to benefit from the economic recovery. Cancellation ratios are growing, though this effect was accompanied by a decline in average premiums on new policies and adjustments in portfolio premiums, due to the level of competition in this market segment. Also noteworthy is the number of retailers registering and surviving in the market, which implies a greater volume of sales of new policies (see Table 3.2-h and Chart 3.2-j).

Table 3.2-h
Basic Commercial Multiperil insurance indicators,
2015-16
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	565	575
Change in premiums	-4.9%	1.7%
Retention	84.5%	83.9%
Gross claims ratio	55.8%	53.4%
Gross expenses	30.5%	31.2%
Net claims ratio	57.5%	55.0%
Net combined ratio	87.7%	86.0%
Financial result	4.0%	3.5%
Technical-financial result	16.3%	17.5%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-j
Results performance in the Commercial Multiperil
line, 2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

Community Multiperil

The premium volume for Community Multiperil insurance increased by 2.0 percent to 853 million euros. The overall economic recovery is having some impact, although the Communities sector is less directly affected by disposable income than Home insurance, after years struggling to grow premiums.

This line remains very focused on the agents channel and agreements between insurers and Property Administrators. Competition remains fierce between companies and their networks, especially in large owner communities.

The claims ratio benefitted from more benign climatic conditions in 2016. However, the combined ratio rose slightly to 83.9 percent, due to an increase in expenses. The end financial result for the line was 3.9 percent and the technical-financial result fell 0.2 percentage points to 20 percent (see Table 3.2-i and Chart 3.2-k).

Table 3.2-i
Basic Community Multiperil insurance indicators,
2015-16
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	836	853
Change in premiums	1.1%	2.0%
Retention	86.1%	85.3%
Gross claims ratio	53.9%	53.4%
Gross expenses	28.8%	29.2%
Net claims ratio	55.1%	54.5%
Net combined ratio	83.7%	83.9%
Financial result	4.0%	3.9%
Technical-financial result	20.2%	20.0%

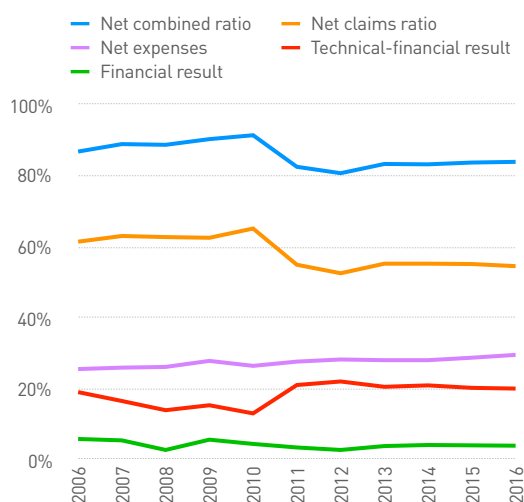
Source: MAPFRE Economic Research (based on ICEA data)

Other Non-Life lines

Funeral

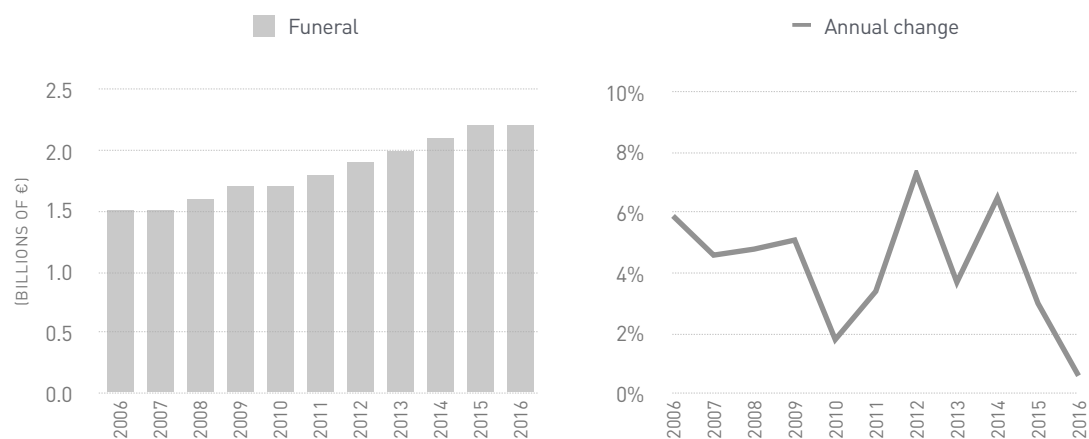
Funeral insurance premium volume increased by 0.6 percent to 2.163 billion euros in 2016 (see Chart 3.2-l). Meager growth in premiums in 2016 is explained by a combination of factors. In the first place, recent years have seen an influx in the marketing of single premium products, with increases in issuing well above traditional rates. Bancassurance was the main channel for marketing such single premium products. Growth has since stagnated after reaching a significant level of maturity in overall marketing. Simultaneously, there has been a substitution effect toward products at regular premium which have gained increased traction. Traditionally these insurance products were marketed at level premium, but since around 2010 they have been combined with the sale of insurance at natural premium, with lower average premiums.

Chart 3.2-k
Results performance in the Community Multiperil
line, 2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-l
Trends in direct Funeral insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



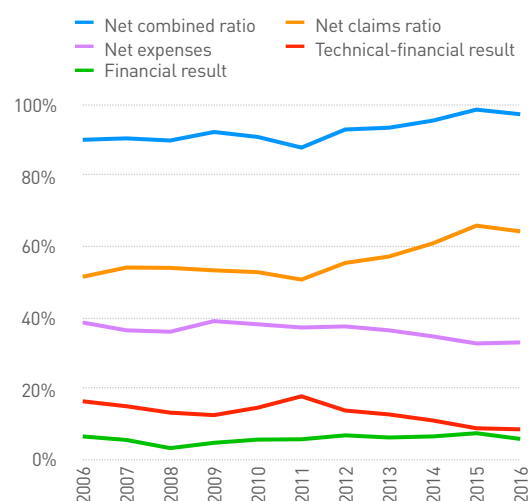
Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-j
Basic Funeral insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums, percent)

	2015	2016
Issued premium volume (millions of €)	2,150	2,163
Change in premiums	3.0%	0.6%
Retention	98.5%	98.6%
Gross claims ratio	65.2%	63.7%
Gross expenses	32.9%	33.1%
Net claims ratio	65.9%	64.3%
Net combined ratio	98.6%	97.3%
Financial result	7.4%	5.8%
Technical-financial result	8.8%	8.5%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-m
Results performance in the Funeral insurance line, 2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

In terms of developments in the claims ratio since 2011, the low interest rate environment has meant that insurance companies operating in this business line have had to set aside significant provisions, with a negative impact on overall provisioning and, ultimately, the income statement. Thus, the low interest rate environment affected the financial result which fell relative to the previous year to 5.8 percent (see Table 3.2-j and Chart 3.2-m).

In regard to distribution channels, bancassurance operators, which until recently did not sell these types of product, are entering the market. In this sense, the business line is already very mature and deeply engrained in society with more than half of the Spanish population holding funeral insurance. Competition is therefore focusing on more novel segments, such as single premium, which is tailored to a very specific type of client, such as old people who until recently did not have any type of product available to them.

Third-Party Liability

In 2016, the premium volume for the Third-Party Liability line reached 1.392 billion euros, representing an increase of 2.4 percent on the previous year (see Table 3.2-k). This underscores

the trend toward modest growth seen in the previous year.

The claims ratio in this line increased by five percentage points in 2016, which adversely affected the combined ratio which hit 87.6 percent. The financial result, declined by 0.5 percent to 13.5 percent. Meanwhile, the technical-financial result fell by almost two percentage points to 25.9 percent, albeit remaining a respectable outturn (see Chart 3.2-o).

Third-Party Liability insurance was also notably affected by the entry into force in 2016 of Act 35/2015 of September 22 on the Reform of the System for Assessment Damage and Harm Caused to People in Traffic Accidents, which will continue to be applied on an indicative basis and which is of particular relevance to Employer Third Party-Liability and Medical Third-Party Liability, among others.

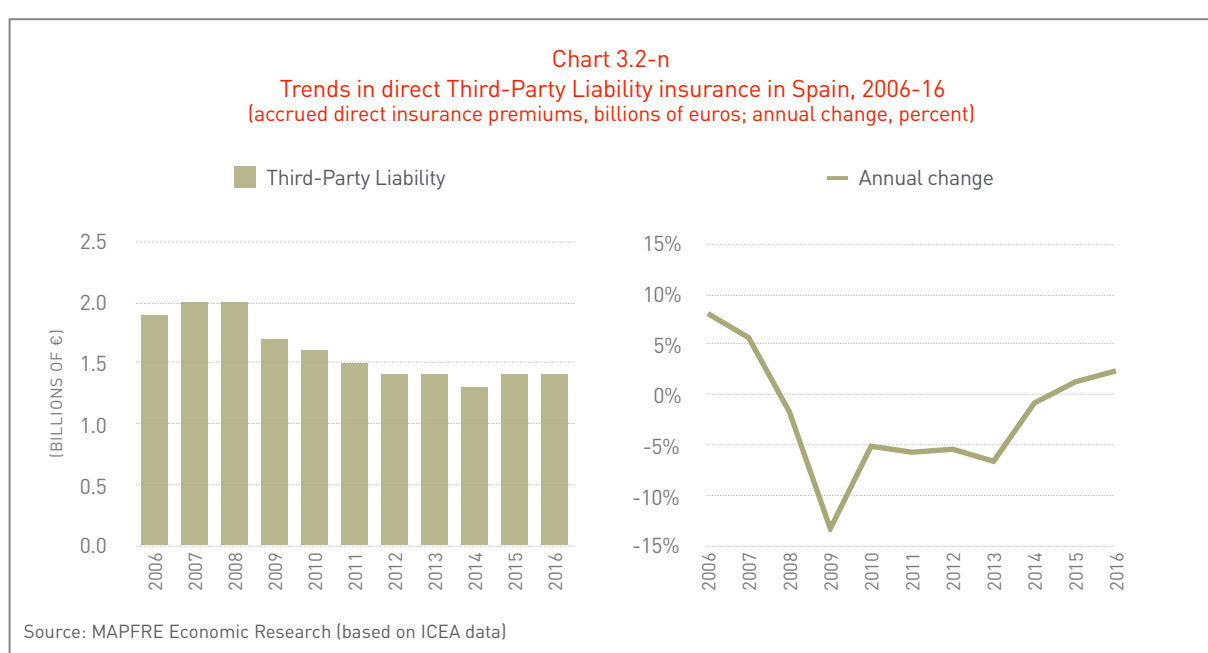
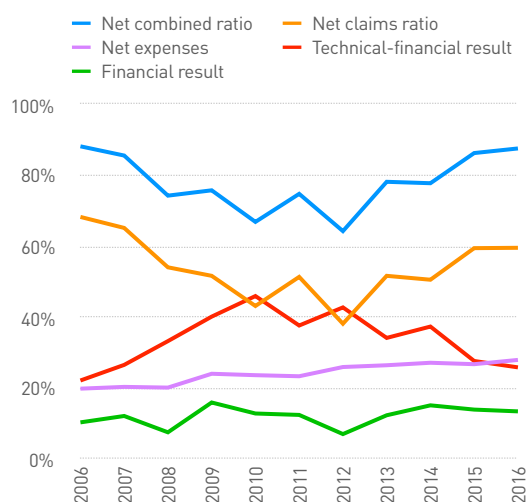


Table 3.2-k
Basic Third-Party Liability
insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	1,360	1,392
Change in premiums	1.3%	2.4%
Retention	72.2%	69.9%
Gross claims ratio	62.1%	67.7%
Gross expenses	25.6%	26.5%
Net claims ratio	59.5%	59.6%
Net combined ratio	86.3%	87.6%
Financial result	14.0%	13.5%
Technical-financial result	27.7%	25.9%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-o
Results performance in the
Third-Party Liability, 2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

Personal Accidents

After four years of continuous declines during the crisis years, Personal Accident insurance embarked on an upward path in 2013 which continued into 2016, reaching an issued premium volume of 976 million euros (+5.3 percent on 2015), just shy of the 1.002 billion euros registered in 2008 prior to the start of the decline (see Chart 3.2-p).

The combined ratio improved by 3.5 percentage points to 74.6 percent in 2016, driven mainly by a 3.3 percentage points decline in the claims ratio, given that the net expense ratio remained essentially unchanged. This, together with an improvement in the financial result, resulted in an excellent technical-financial result of 40.8 percent, only exceeded by Surety insurance. Over the period under analysis, the technical-financial result remained steady at around 30 percent, rising over the last four years to close to 40 percent, strongly influenced by good financial results (see Table 3.2-l and Chart 3.2-q).

Credit

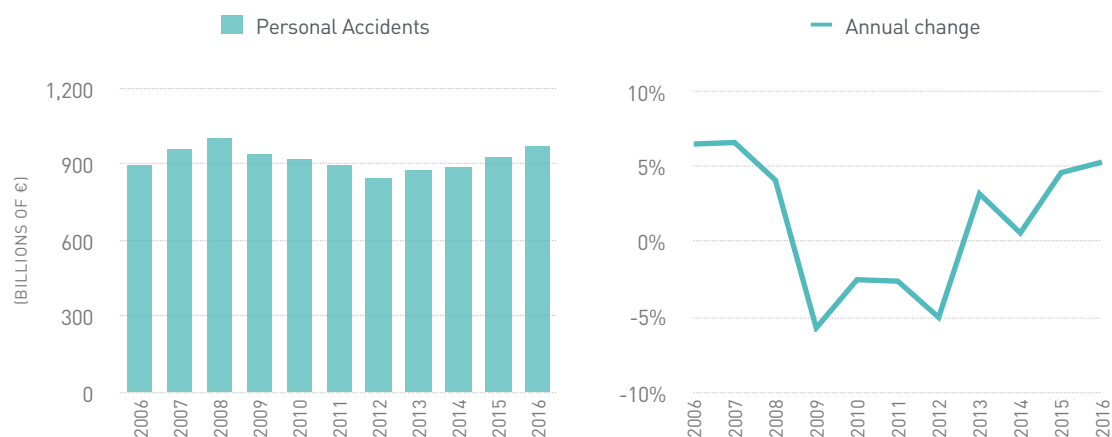
In 2016, Credit insurance premium volume decreased by 2.3 percent on the previous year to

595 million euros (see Chart 3.2-r). This was the eighth straight year of declining premiums in this line. Over the course of 2016, favorable developments in corporate arrears led to very limited claims ratio data which at the same time brought about a notable decline in premium rates (see Table 3.2-m and Chart 3.2-s).

According to data published by the General Directorate of Insurance and Pensions in its latest annual report, 66 percent of market policies were mediated by exclusive agents, while the broker channel increased its market share, solidifying its position at around 27 percent of market policies.

Four operators accounted for over 90 percent of the sector (Crédito y Caución, CESCE, Solunion and Coface), with other operators emerging on to the Spanish market with a non-standardized product offer.

Chart 3.2-p
Trends in direct Personal Accident insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



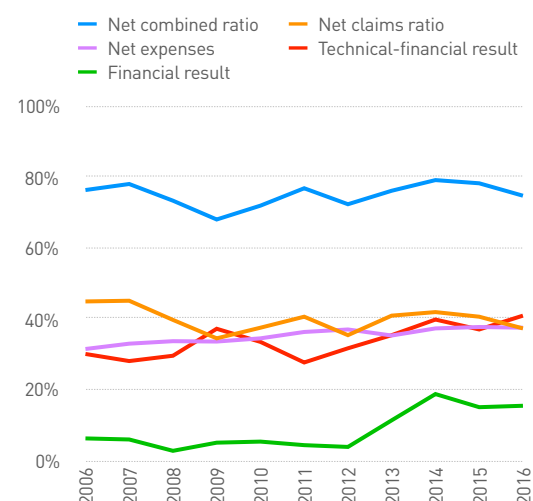
Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-l
Basic Personal Accident insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums, percent)

	2015	2016
Issued premium volume (millions of €)	926	976
Change in premiums	4.6%	5.3%
Retention	89.0%	87.9%
Gross claims ratio	41.3%	37.2%
Gross expenses	37.6%	37.1%
Net claims ratio	40.5%	37.2%
Net combined ratio	78.1%	74.6%
Financial result	15.0%	15.4%
Technical-financial result	36.9%	40.8%

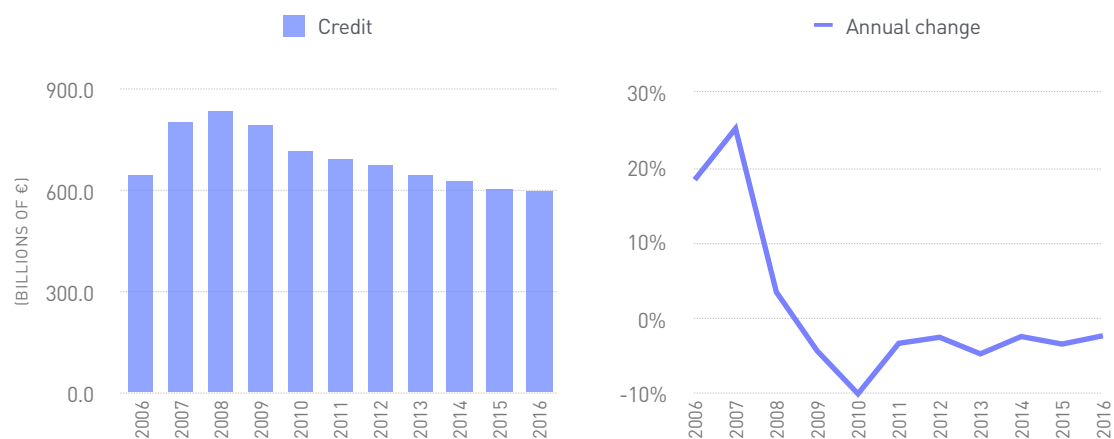
Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-q
Results performance in the Personal Accident line, 2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-r
Trends in direct Credit insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



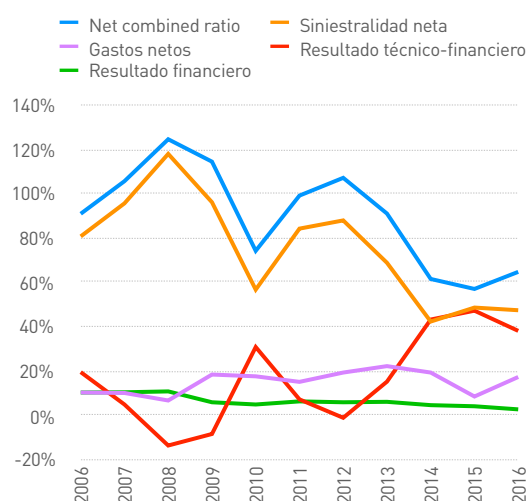
Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-m
Basic Credit insurance indicators,
2015-2016
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	609	595
Change in premiums	-3.4%	-2.3%
Retention	42.1%	34.4%
Gross claims ratio	69.2%	45.0%
Gross expenses	24.7%	31.3%
Net claims ratio	48.5%	47.3%
Net combined ratio	56.9%	64.6%
Financial result	4.0%	2.6%
Technical-financial result	47.1%	38.0%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-s
Results performance in the Credit insurance line,
2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

In line with the above, the claims ratio remained stable in 2016 at historically low levels for the Spanish credit insurance market, while there was a significant spike in the sector's gross expenses, leading to an increase in the combined ratio, which closed 2016 at 64.6 percent.

In the first five months of 2017, credit insurance in Spain has continued to see falling premiums, registering a decline of 3.0 percent relative to the same period of 2016.

Surety

In 2016, the premium volume for Surety insurance amounted to 62 million euros, representing a decrease of 27.4 percent on the previous year (see Chart 3.2-t).

This decline was the result of exceptional non-recurring operations in 2015 which led to growth rates in issuing figures that were difficult to sustain. Either way, premium levels remained quite limited and a long way from the levels registered in 2008 (87 millions of euros).

However, the claims ratio performed more positively. The impact of claims linked to the insurance product covering losses for amounts paid in advance for house acquisitions appears to have

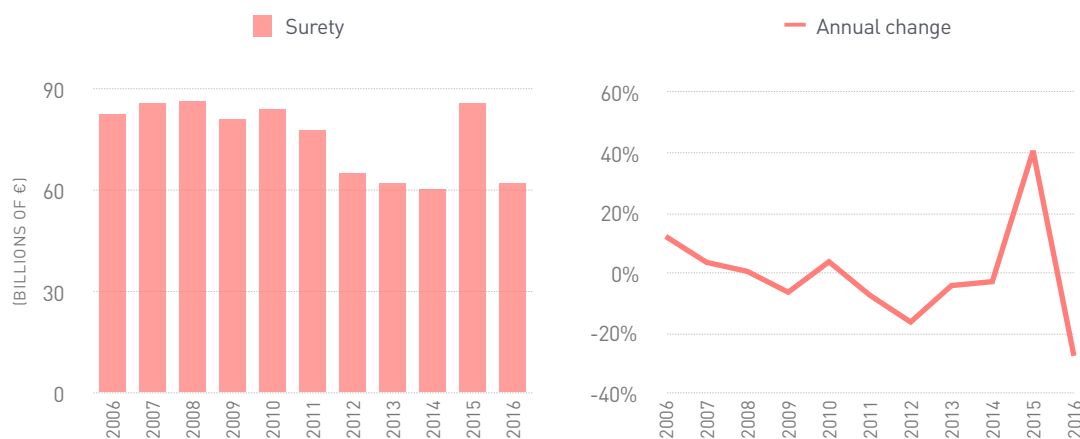
already been absorbed, with a gross claims ratio of 22.9 percent (158.2 percent in 2015).

The net claims ratio fell by over 30 percentage points to 33.1 percent. The fall in the claims ratio, together with a slight reduction in expenses, resulted in a combined ratio of 58.2 percent, representing an improvement of over 47 points on the previous year. The technical-financial result switched from negative values (-2.3 percent) to 45.9 percent. (see Table 3.2-n and Chart 3.2-u).

In terms of distribution channels, brokers remain the main conduit for marketing this product. Increasingly brokers have their own teams specialized in Surety, providing advice especially to clients who need to work overseas or those whose activity requires large capacity. That said, there is still a significant part of this insurance product which is generated directly by the operating companies.

Despite the relatively small business figures, new market operators continue to emerge in a market which requires a high degree of specialization.

Chart 3.2-t
Trends in direct Surety insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



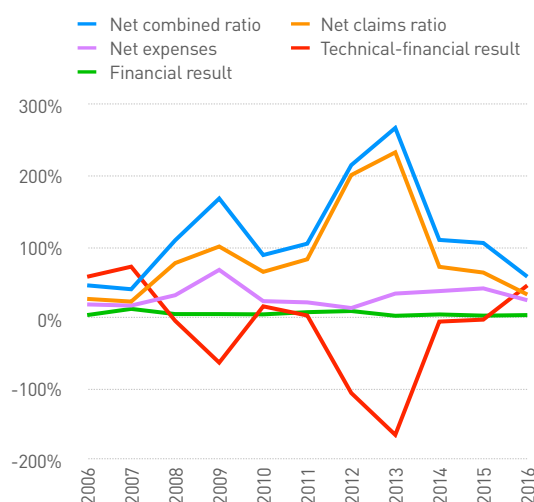
Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-n
Basic Surety insurance indicators,
2015-2016
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	86	62
Change in premiums	40.6%	-27.4%
Retention	46.4%	35.1%
Gross claims ratio	158.2%	22.9%
Gross expenses	33.9%	32.4%
Net claims ratio	64.0%	33.1%
Net combined ratio	105.7%	58.2%
Financial result	3.3%	4.1%
Technical-financial result	-2.3%	45.9%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-u
Results performance in the Surety insurance line,
2006-16
(indicators on premiums)



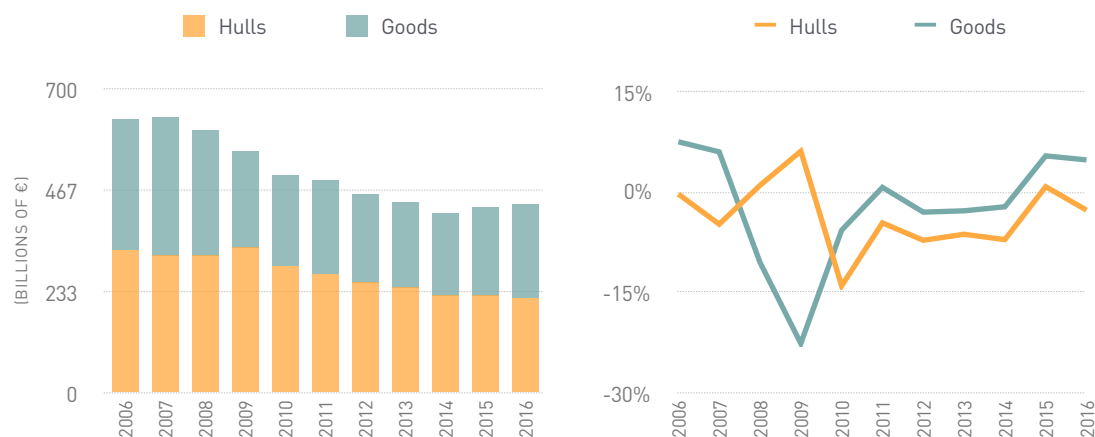
Source: MAPFRE Economic Research (based on ICEA data)

Transport

Transport premium volume rose to 433 million euros in 2016, representing a slightly increase on the previous year. The Hull line posted a decline in premium volume (-2.7 percent)

despite an improvement in results. However, Goods continued to register modest but stable growth, in line with the economy recovery and growth in national exports (see Chart 3.2-v).

Chart 3.2-v
Trends in direct Transport insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



Source: MAPFRE Economic Research (based on ICEA data)

Hulls

Direct Hull insurance premium volume amounted to 219 million euros in 2016, representing a fall of 2.7 percent on the previous year (see Table 3.2-o). This decline could be attributed to the downward renewal of accounts by the market, thanks to the improvement in results and claims ratio.

In this regard, the combined ratio fell by 17 percentage points to 99.4 percent in 2016 largely due to a significant decline in the claims ratio, but also control of expenses. As a result, the technical-financial result improved substantially, which - in contrast to the previous year - was positive, rising to 12.3 percent (see Chart 3.2-w).

Goods

Meanwhile, Goods insurance premium volume rose to 214 million euros, registering 4.8 percent growth. This was somewhat below the previous year but remains consistent with economic recovery in the country and the level of exports (see Table 3.2-p).

The remaining Goods insurance ratios remained in line with 2015, albeit with a slight improvement in the combined ratio (107 percent) and the technical-financial result still in negative territory (-1.4 percent) despite improving by nearly 4 points relative to the previous year (see Chart 3.2-x).

It is also worth highlighting the bankruptcy of Hanjin shipping lines and the costs associated with it for insurance companies, which undoubtedly contributed to a slight increase in the gross claims ratio registered in 2016.

Engineering

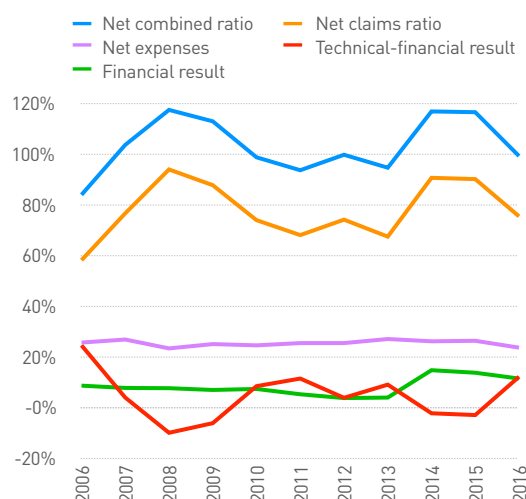
In 2016, Engineering premium volume rose to 248 million euros, representing a significant increase of 13.0 percent on the previous year. This implies a positive change in trend for this market segment following falls in previous years (see Table 3.2-q).

Table 3.2-o
Basic Third-Party Liability
Hull transport, 2015-16
(premiums, millions of euros; ratio over premiums, percent)

	2015	2016
Issued premium volume (millions of €)	225	219
Change in premiums	0.8%	-2.7%
Retention	55.8%	53.6%
Gross claims ratio	77.9%	66.2%
Gross expenses	20.7%	18.9%
Net claims ratio	90.3%	75.6%
Net combined ratio	116.7%	99.4%
Financial result	13.9%	11.6%
Technical-financial result	-2.8%	12.3%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-w
Results performance in the Hull Transport line.
2006-16
(indicators on premiums)



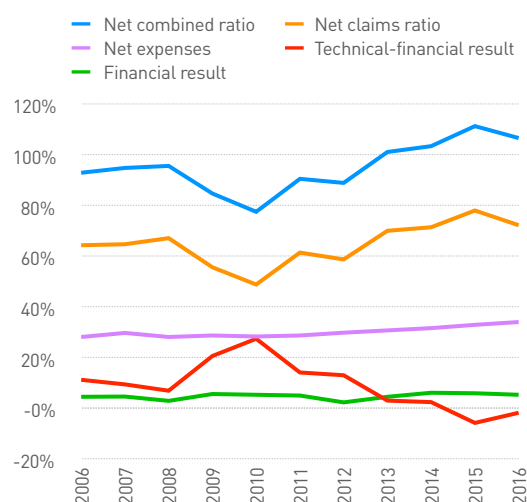
Source: MAPFRE Economic Research (based on ICEA data)

Table 3.2-p
Basic Goods in Transit insurance indicators, 2015-16
(premiums, millions of euros; ratio over premiums,
percent)

	2015	2016
Issued premium volume (millions of €)	205	214
Change in premiums	5.4%	4.8%
Retention	65.7%	65.0%
Gross claims ratio	71.0%	75.4%
Gross expenses	28.1%	28.7%
Net claims ratio	78.4%	72.6%
Net combined ratio	111.7%	107.0%
Financial result	6.3%	5.7%
Technical-financial result	-5.4%	-1.4%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-x
Results performance in the Goods in Transit line,
2006-16
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

The Engineering line is made up of apparently disparate classes, though they all share a common link with important production sectors, like construction and industry, which drove overall growth in 2015 and 2016 associated with the economic and construction recovery. The most important class is Machinery Breakdown,

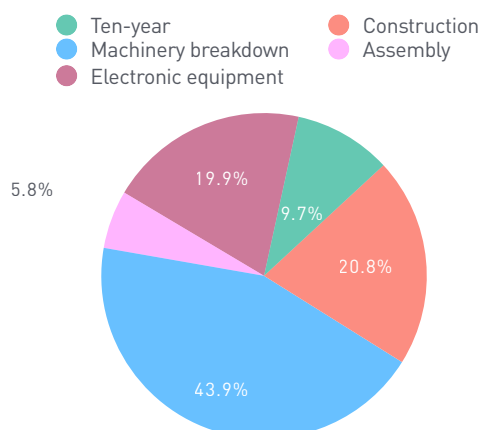
which accounted for 44 percent of premiums and grew by 10 percent in 2016. Electronic Equipment (24.0 percent), Ten-Year (44.6 percent) and Construction (6.0 percent) also grew, while Assembly premiums fell (-7.7 percent) (see Chart 3.2-y).

Table 3.2-q
Distribution of Engineering insurance
by class, 2016
(premiums, millions of euros; annual change,
percent)

Type	2016	Change
Ten-year	24	44.6%
Construction	51	6.0%
Machinery breakdown	109	10.0%
Assembly	14	-7.7%
Electronic equipment	49	24.0%
Total Engineering	248	13.0%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.2-y
Distribution of Engineering insurance premiums
by class, 2016
(indicators on premiums)



Source: MAPFRE Economic Research (based on ICEA data)

3.3 Life Insurance Business

Life Insurance reached a total premium volume of 31.136 billion euros in 2016, representing strong growth of 21.8 percent on the previous year (see Chart 3.3-a). The volume of technical provisions increased by 6 percent, to 177.818 billion euros.

Life insurance performed positively in comparison to growth in other retirement-savings options such as Mutual Funds or Pension Funds. Mutual Funds grew by 7 percent and Pensions Funds saw a 2.2 percent increase in their managed assets.

The penetration of Life insurance increased by 3.6 percent, bringing the number of insured parties to 29.7 million, with a 3.3 percent rise in risk insurance and a 4.1 percent increase in savings insurance (see Table 3.3-a).

Categories

Insurance with exclusive cover for death continued to account for the bulk of total Life insurance policyholders, around 70 percent, with some 19.7 million insured parties, representing a 3.3 percent increase on the previous year. One of the factors contributing to this growth was the recovery in the real estate market and an pick up in new mortgages.

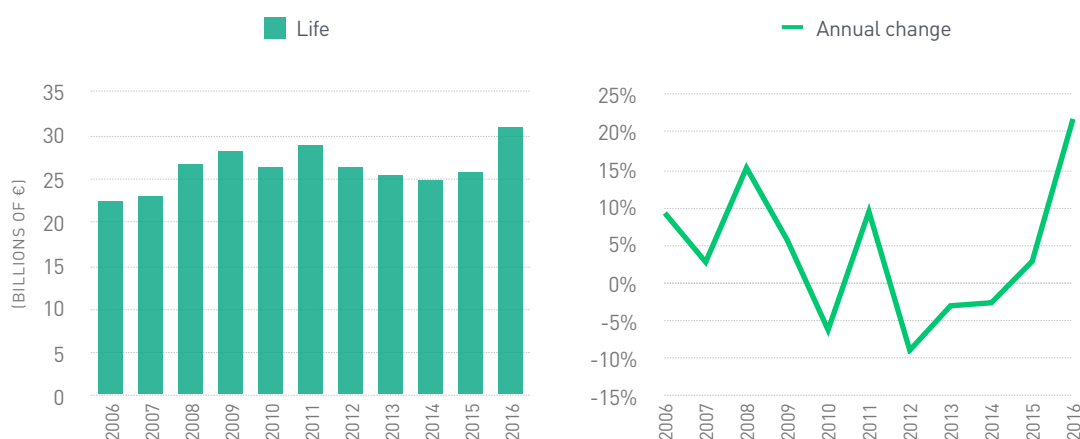
The combined Savings/Retirement insurance type posted significant 23.6 percent growth in premium issuing. The Income, Transformation of Assets into Annuities and Individual Long-Term Savings Insurance (SIALP) categories registered the strongest performance over the period under analysis, achieving growth of 48.7, 138.6 and 33.2 percent respectively. Annuity insurance accounted for the largest part of technical provisions with a total of 84.669 billion euros (see Table 3.3-b).

Table 3.3-a
Distribution of Life insurance policyholders
by category, 2015-16
(number of policy holders; annual channel, percent)

Type	2016	Change
Risk	19,732,578	3.3%
Dependency	37,600	2.8%
Savings / Retirement	9,903,437	4.1%
Total	29,673,615	3.6%

Source: MAPFRE Economic Research (based on ICEA data)

Chart 3.3-a
Trends in direct Life insurance in Spain, 2006-16
(accrued direct insurance premiums, billions of euros; annual change, percent)



Source: MAPFRE Economic Research (based on ICEA data)

Table 3.3-b
Distribution of Life insurance premiums and provisions by category, 2015-16
(premiums issued net of cancellations, annual change, percent)

Type	Premiums		Provisions	
	2016	Change	2016	Change
Individual	28,317	23.7%	140,075	8.6%
Group	2,819	5.8%	37,743	-2.4%
Total	31,136	21.8%	177,818	6.0%
Risk	4,199	11.4%	6,084	8.6%
Dependency	6	77.5%	21	15.6%
Savings / Retirement	26,931	23.6%	171,713	5.9%
Insured Pension Plans	1,786	-15.8%	12,935	3.2%
Deferred Capital	9,370	16.7%	48,507	7.1%
Annuity	8,227	48.7%	84,669	4.1%
Asset transformation in life annuities	588	138.6%	769	215.3%
Individual Systematic Savings Plans (PIAS)	3,476	17.0%	10,223	27.5%
SIALP	1,273	33.2%	1,991	118.1%
Asset linked (unit-linked)	2,211	14.3%	12,620	-8.1%
Total	31,136	21.8%	177,818	6.0%

Source: MAPFRE Economic Research (based on ICEA data)

Meanwhile Insured Benefit Plans (PPA) performed poorly with a decline in premium volume (-15.8 percent), mainly affected by the low interest rate environment.

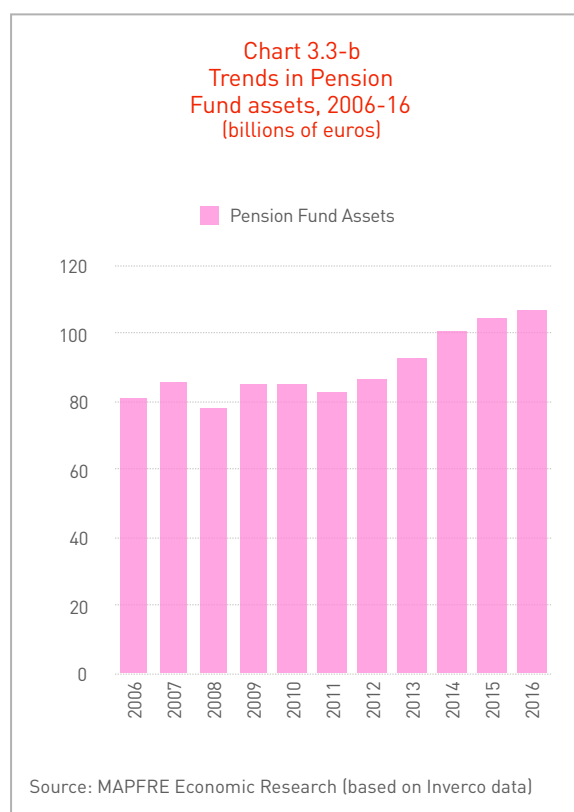
However, redemptions performed positively, declining by 2.619 billion euros relative to 2015.

Finally, both individual and group Life insurance businesses registered an increase in premium revenues: which rose by 23.7 percent for individual insurance and 5.8 percent for group insurance plans. While technical provisions rose by 8.6 percent for individual plans, they declined by -2.4 percent for groups.

Pension plans and funds

Pension Plans closed 2016 on a positive note for a fifth year in a row, with growth of 2.2 percent, bringing assets under management to 106.839 billion euros, as can be seen in Chart 3.3-b.

Chart 3.3-b
Trends in Pension
Fund assets, 2006-16
(billions of euros)



This was a record high in assets managed by Pension Funds. However, the number of unitholder accounts remained below 10 million, with a slight decrease of 0.4 percent on the previous year, with only Employment System plans performing positively (0.53 percent) (see Chart 3.3-c).

Favorable financial market performance allowed Pension Plans to close the year with positive returns across all categories and terms. Equity Plans saw returns rise by over 4.3 percent, while returns on Fixed Income rose by 1.2 percent for longer duration plans. The average annual return net of fees and expenses for all Pension Plans was 2 percent, above inflation over the same period, helping clients to recover lost purchasing power eroded by inflation.

Accumulated net inflows (244 million euros) fell in 2016 compared to the previous year, mainly due to a reduction in contributions into Employment System funds (-750 million euros). Individual System plans saw notable net positive contributions of over 1.014 billion euros.

Mutual Funds

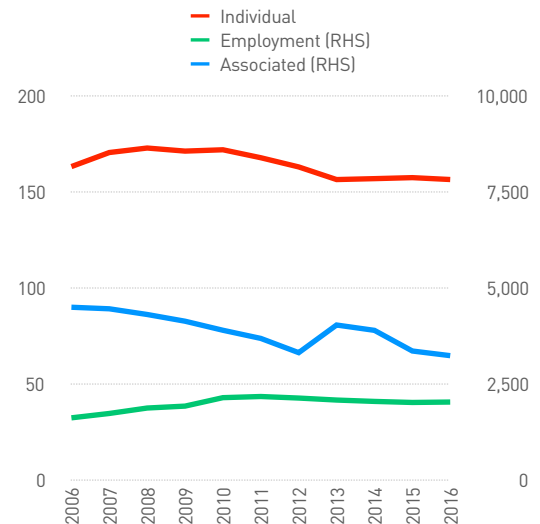
The Mutual Funds industry finished the year with an increase in total assets of 7 percent, in line with rising numbers of unitholders (7 percent), with managed assets reaching 235.341 billion euros and the total number of investors in these type of products hitting 8.3 million (see Charts 3.3-d and 3.3-e).

Mutual Funds achieved positive returns despite a year of heightened uncertainty in financial markets. The average annual return across all funds was 1 percent, with respectable returns in the vast majority of categories, notably International Equity Funds benchmarked again the United States and emerging market economies, posting 10.1 and 11.1 percent returns respectively.

For 2016 as a whole, Mutual Funds saw net inflows of 13.820 billion euros, meaning that for a fourth year in a row, investors continued to put their faith in Mutual Funds as saving instruments.

2017 outlook

Chart 3.3-c
Trends in Pension
Fund unitholders, 2006-16
(thousands of unitholder accounts)

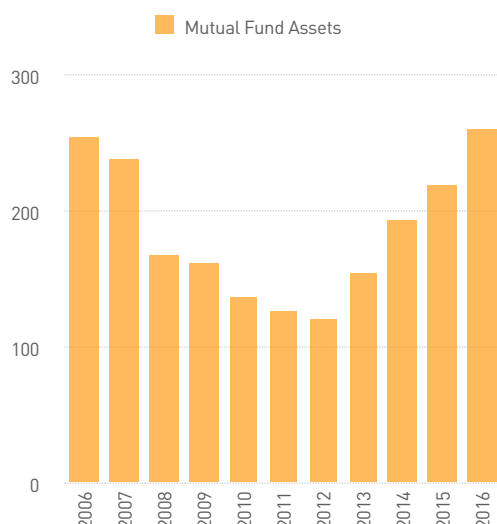


Source: MAPFRE Economic Research (based on Inverco data)

The signs are that the Life insurance business will perform strongly again in 2017, both in savings and risk categories. Savings and retirement products look set to grow in line with last year, given the favorable backdrop for business growth in this segment (economic recovery, demographic changes, household savings capacity).

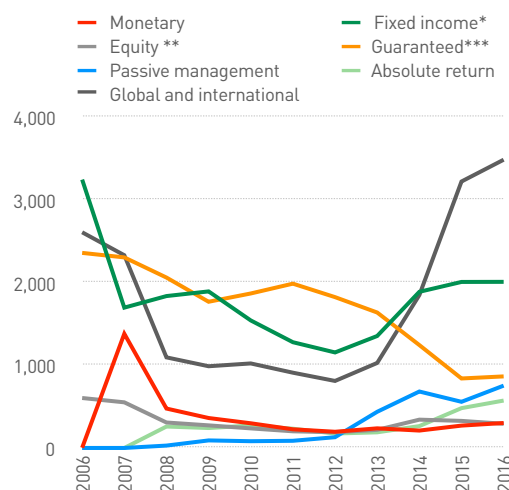
The low interest rate environment has ushered in a change in saver mentality toward products with greater expected returns. Growth in premiums for savings and retirement insurance linked to assets are set to continue growing in 2017, underscoring the important role played by this product in the market.

Chart 3.3-d
Trends in Pension
Fund assets, 2006-16
(billions of euros)



Source: MAPFRE Economic Research (based on Inverco data)

Chart 3.3-e
Trends in Pension
Fund unitholders, 2006-16
(thousands of unitholder accounts)



Source: MAPFRE Economic Research (based on Inverco data)

* Composed of s/t fixed income, l/t fixed income and mixed fixed income

** Composed of equity and mixed

*** Composed of fixed, mixed and equity performance

Meanwhile in terms of personal provision, increasing awareness of the need to complement future retirement income will continue to be the main driver of growth, as has been the case in recent years.

Both PIAS and SIALP are set to continue with their moderate performance, following a similar trend to the previous year. The lack of attractive returns will have a significant impact on demand for guaranteed products such as Insured Benefit Plans (PPA).

Finally, the positive and stable trends in Life Risk Insurance seen in 2016, will continue into 2017 supported by the recovery in household financial wealth and well as easier mortgage and consumer lending conditions.

Outlook for Mutual Funds and Pension Funds in 2017

The Spanish economy will continue growing in 2017 supported by monetary stimulus and the correction of the economy's main imbalances, including debt levels and external competitiveness. However, the pace of growth

could slow somewhat as some of the recent stimulus to growth begin to moderate. The pick up in oil prices, more restrictive fiscal policy to meet agreed objectives and uncertainty around international trade, could lead to GDP growth of around 2.4 percent. Household spending will remain the main driver of growth in a context of higher inflation and robust employment creation.

Against this backdrop, it is likely that household savings will continue growing in line with increasing employment, leverage will continue to decline and financial conditions will remain favorable, all of which should be a boon to growth in these savings instruments.

The continuation of the European Central Bank's (ECB) expansionary monetary policy will anchor interest rates on deposits, meaning that households are likely to keep increasing the weight of collective investment products in their savings portfolios. Given the low returns on offer from time deposits, households are increasing their holdings of sight deposits. With only 9 percent of savings held in Mutual Funds and around 5.5 percent in Pension Funds, there is potential to attract these available savings through a well positioned and diversified product offer. Faced with increasingly specialized financial markets, dependent on a multitude of factors and subject to ongoing uncertainty, the tax break provided by Mutual Funds allowing savers to refine their risk profile and the orientation of their investments, should serve as a strong spur to collective investment.

In terms of pensions, it is becoming increasingly clear that there is a need to supplement public pensions with contributions to complementary systems. Increasing life expectancy, changes in the demographic pyramid and prolongation of retirement age mean it is almost essential to begin planning long-term savings well in advance. It is becoming ever more necessary to educate society on the need to engage in systematic saving throughout the year to avoid market fluctuations and convert saving into a

routine which guarantees a satisfactory future income stream.

Solving the public pension problem over the coming years is only part of the problem. The overall solution involves further development of pillars II and III. Specifically, the current system of intergenerational solidarity needs to be complemented with savings policies generated over the course of working life. Therefore, it would be highly desirable to create some kind of mandatory or quasi-mandatory system in pillar II (saving linked to employed), ring fenced for the provision of future income as a complement to public pensions. Such systems have already been put in place in a number of European countries and Spain should not fall behind. It is therefore essential that tax measures favor retirement savings and that some aspects of regulation be clarified. Historical positive returns in a context of moderate expected global inflation should serve as an incentive for the development of this sector.

4. Structural growth trends

4.1. Penetration, density and depth

Penetration

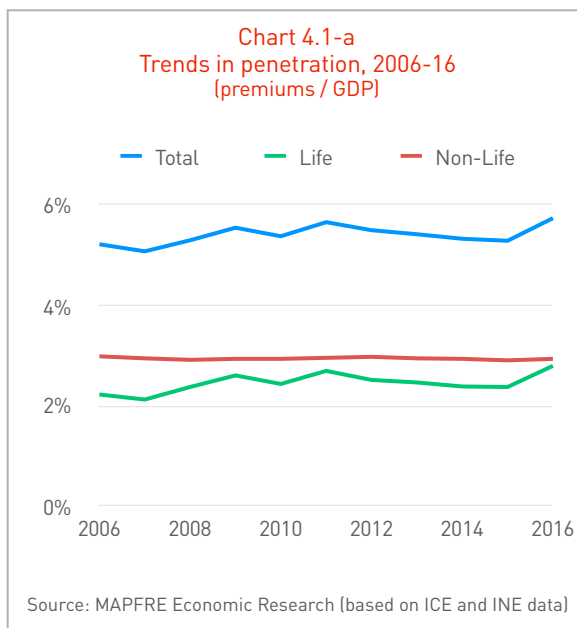
Insurance penetration in Spain⁴ (relationship of premiums to gross domestic product) reached a maximum high of 5.74 percent at the end of 2016. This was an increase of 0.45 percentage points (ppts) on close 2015, reverting the downward trend in this measure for the first time since 2011 (see Chart 4.1-a).

The recovery in penetration in the Spanish insurance market in 2016 was led by the Life insurance segment, although the indicator also

index based in 2006), with particularly notable growth in the penetration of Life insurance (25.5 percent) and a slight reduction in Non-Life insurance penetration (-1.7 percent).

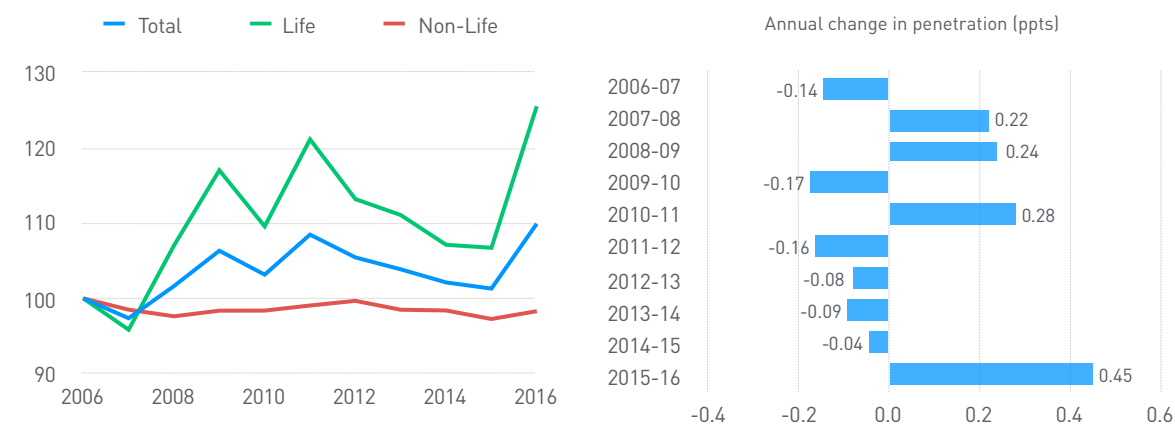
Chart 4.1-c summarizes the analysis of trends in penetration in Life insurance. Savings Life insurance played a particularly important role in overall penetration achieved by this market segment in 2016 (2.80 percent), achieving a penetration of 2.42 percent, while the remaining 0.38 percent related to Life Risk penetration. Even so, for both areas penetration increased on the previous year, by 0.39ppts in the case of Savings Life insurance and 0.03ppts for Life Risk insurance. The positive trend in the Life insurance segment is confirmed by the analysis of the increase in penetration over the last ten years. Overall, Life insurance saw an improvement in penetration of 25.5 percent over 2006-16, with positive performance in both Savings Life insurance (which saw penetration increase by 27.9 percent over this period) and Life Risk insurance (11.9 percent over the same period).

Chart 4.1-d shows the analysis of the trends in penetration in the Non-Life insurance industry. Overall penetration in this market segment stood at 2.94 percent in 2016, up 0.03ppts on 2015. The main business lines performed positively, while the structure of penetration in this segment did not register significant changes relative to 2015.



performed well in the Non-Life insurance segment over 2015-16 (see Chart 4.2-b). Accordingly, the Life insurance segment achieved a 0.42ppt higher insurance penetration (2.80 percent) in 2016 compared to the previous year which was only slightly below penetration in the Non-Life insurance industry (2.94 percent, 0.03ppt above 2015). Spanish insurance industry penetration has increased by 9.9 percent over the last ten years (on an

Chart 4.1-b
Trends in change in penetration, 2006-16
(index 2006=100; annual change, percentage points)



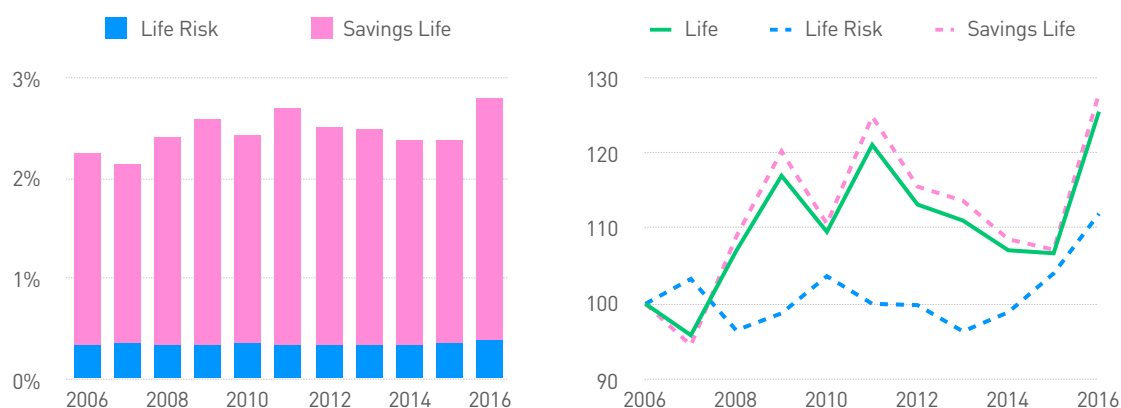
Source: MAPFRE Economic Research

Penetration in the Automobile line was 0.95 percent in 2016 (up nearly 0.02ppts on the previous year); in Multiperil, penetration stood at 0.61 percent (unchanged from the previous year); in Health, penetration reached 0.69 percent (up 0.01 ppt on 2015), and was 0.69 percent in the remaining Non-Life business lines (up 0.01ppts on the previous year).

formance over the medium-term. On the one hand, Multiperil and Health insurance lines posted growth of 21.3 and 42.4 percent respectively over the period 2006-16, while on the other, the Automobile lines and other Non-Life lines saw reductions of 21.8 and 12.7 percent respectively over the period.

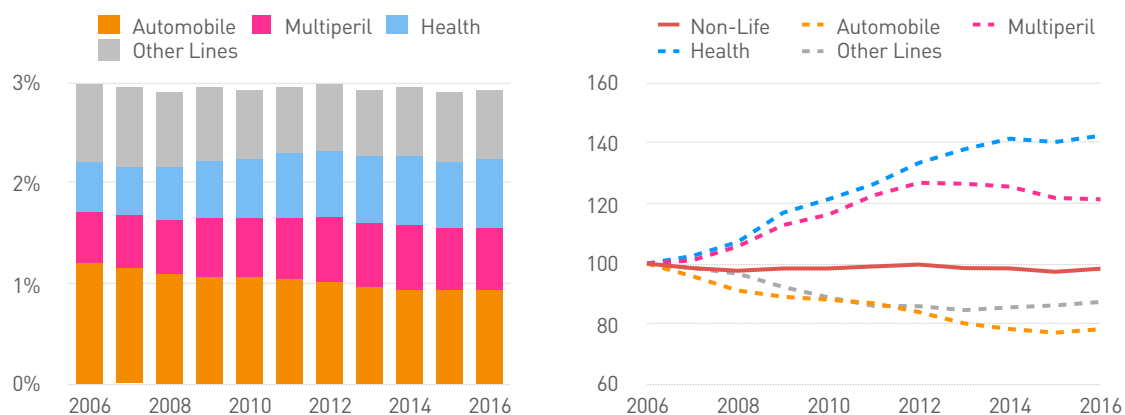
However, as mentioned in the 2015 report, the Non-Life insurance line has had a mixed per-

Chart 4.1-c
Trends in Life insurance penetration, 2006-16.
(premiums / GDP; index 2006=100)



Source: MAPFRE Economic Research (based on ICE and INE data)

Chart 4.1-d
Trends in Non-Life insurance penetration, 2006-16.
(premiums / GDP; index 2006=100)



Source: MAPFRE Economic Research (based on ICE and INE data)

Density

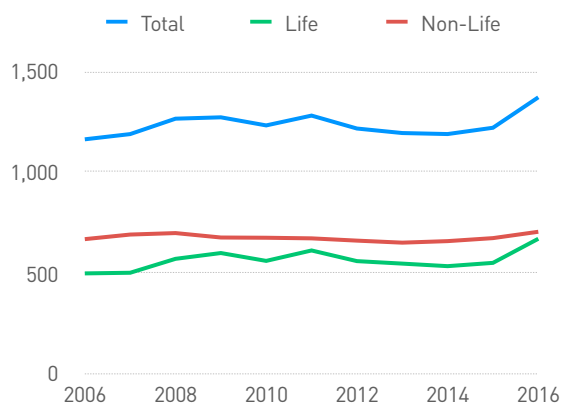
Insurance density in Spain (premiums per capita) also reached a record high in 2016, at 1,372.9 euros, representing a 12.4 percent increase on 2015 (see Chart 4.1-e). Density in 2016 was made up of 703.8 euros per capita expenditure in Non-Life insurance and 669.0 euros in the case of Life insurance.

The density of the Spanish insurance market in 2016 confirms the trend toward recovery foreshadowed by the 2015 outturn, after declining from 2011. The recovery in 2016 was

strongly focused on Life insurance where density jumped by 21.8 percent, while Non-Life insurance density only increased by 4.7 percent. Spanish market density grew by 18 percent over the period 2006-16 (from 1,163.9 to 1,372.9 euros), with growth of 34.7 percent in Life insurance (from 496.7 to 669.0 euros) and 5.5 percent growth in Non-Life insurance (from 667.1 to 703.8 euros) over the same period (see Chart 4.1-f).

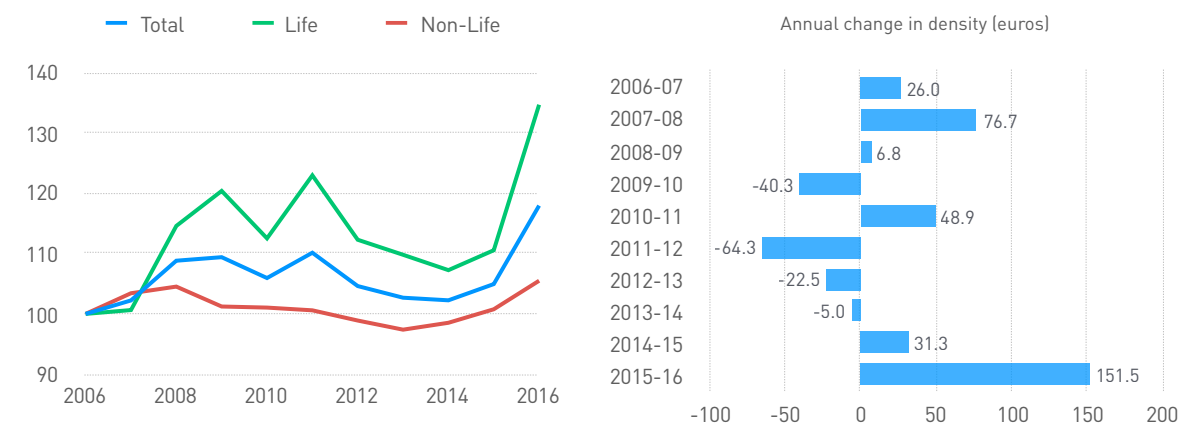
Chart 4.1-g provides an analysis of density for the different categories of Life insurance. In line with penetration data, Life insurance density was strongly influenced by Savings Life insurance, which accounted for 86.5 percent of total density (up 1.3ppts on 2015). Savings Life insurance density in 2016 confirmed the recovery noted in 2015, reaching a record high (578.7 euros, up 23.6 percent on the previous year). Life Risk insurance achieved a density of 90.4 euros in 2016 (up 11.5 percent on 2015), continuing the upward trend started in 2014.

Chart 4.1-e
Trends in density, 2006-16
(premiums per capita, euros)



Source: MAPFRE Economic Research (based on ICE and INE data)

Chart 4.1-f
Trends in change in density, 2006-16
(index 2006=100; euros)



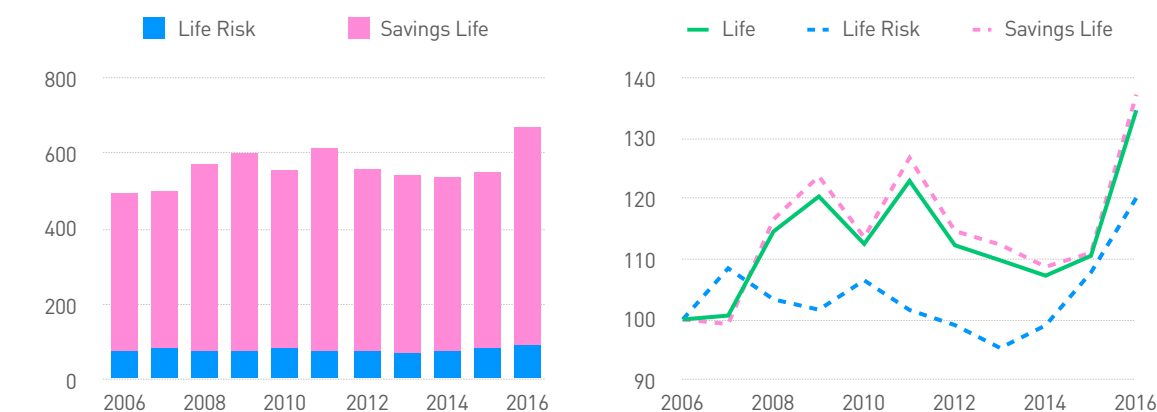
Source: MAPFRE Economic Research

Chart 4.1-g provides an analysis of trends over the period 2006-16, illustrating how the density of Savings Insurance increased by 37.3 percent in this period, while Life Risk grew by 20.1 percent.

Density in the Non-Life segment is more equally distributed across the different business lines (see Chart 4.1-h). In 2016, this

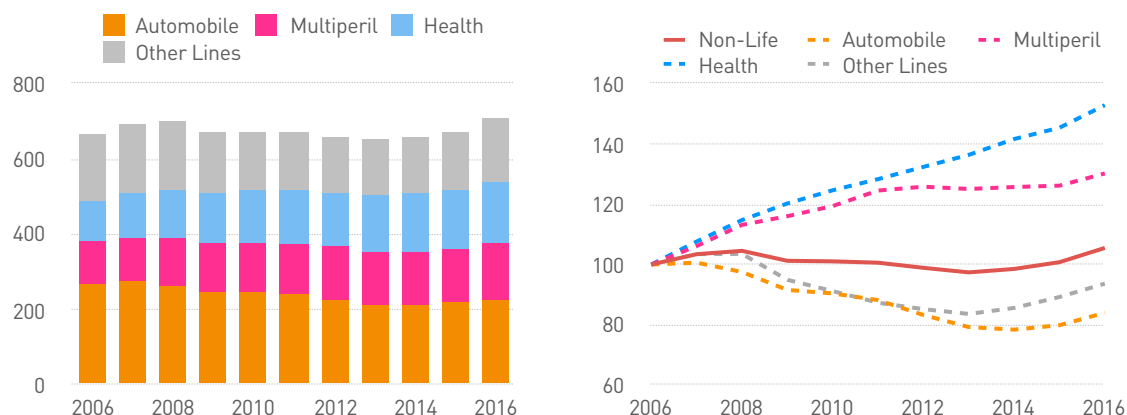
distribution was as follows: Automobile insurance line 32.3 percent, Health line 23.6 percent, Multiperil line 20.7 percent and the remaining lines in the Non-Life insurance industry 23.4 percent, with no major changes compared to the structure in the previous year.

Chart 4.1-g
Trends in Life insurance density, 2006-16
(premiums per capita, euros; index 2006=100)



Source: MAPFRE Economic Research (based on ICE and INE data)

Chart 4.1-h
Trends in Non-Life insurance density, 2006-16
(premiums per capita, euros; index 2006=100)



Source: MAPFRE Economic Research (based on ICE and INE data)

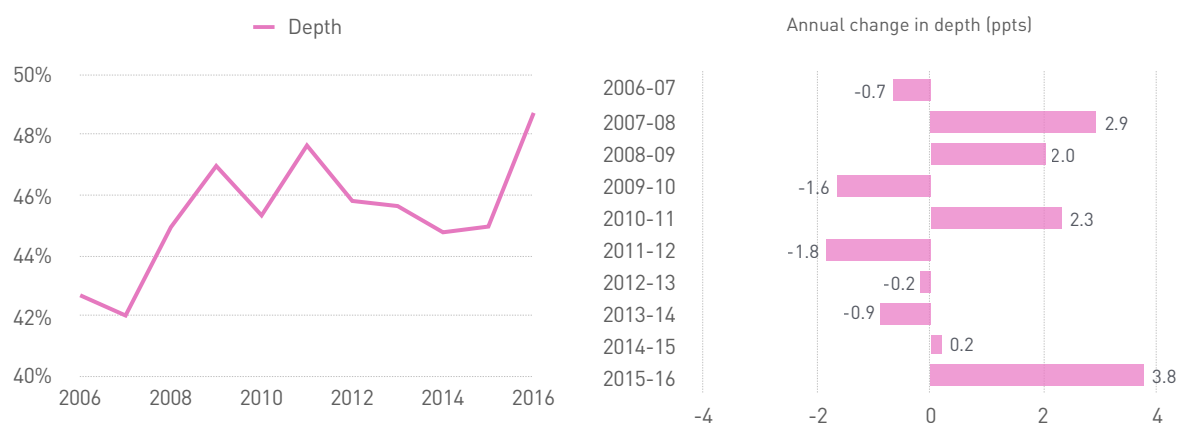
Each of the business lines saw different trends in performance over the period 2006-16, as highlighted by the 2015 report. While the Health and Multiperil lines registered an increase in density of 52.8 percent and 30.2 percent respectively over the period, the Automobile line and the other lines in the Non-Life sector saw their density fall by 16 percent and 6.4 percent respectively.

However, it is important to highlight the recovery in density in the Automobile and other Non-Life lines which began in 2015.

Depth

Chart 4.1-c shows the trend in insurance depth in the Spanish market. According to this chart, the depth index (share of direct Life insurance premiums relative to total market direct premiums) stood at 48.7 percent in 2016, an increase of 3.8ppts on the previous year.

Chart 4.1-i
Trends in insurance market depth, 2006-16
(direct Life insurance premiums / total direct premiums, percent; annual change, percentage points)



Source: MAPFRE Economic Research

The depth index also reached a record high in 2016, in line with indicators of penetration and density, confirming the trend toward recovery initiated in 2015. The depth of the Spanish market has risen by 6.1ppts over the last ten years.

4.2. Insurance Protection Gap

Market trends

The significant increases in penetration, density and depth in 2016 bear witness to the Spanish insurance market having consolidated the turning point reached in 2014.

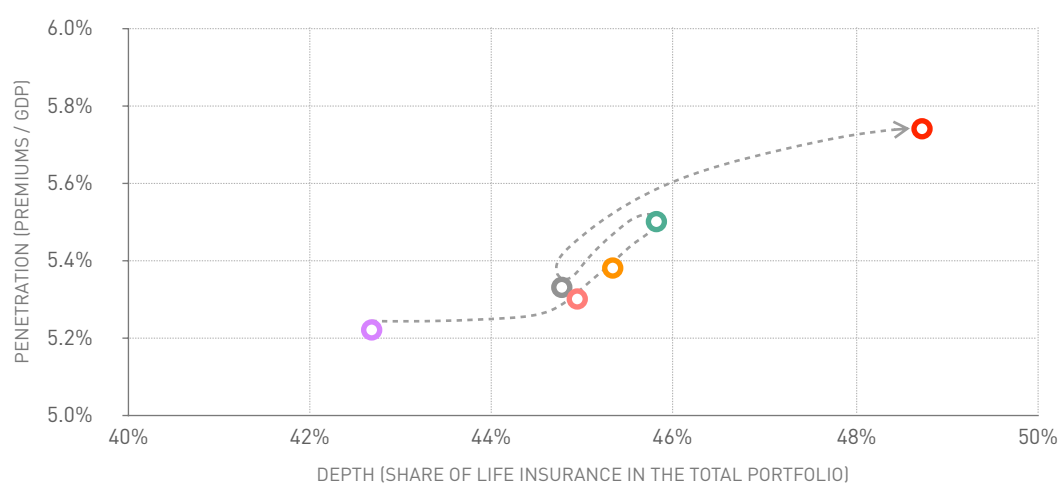
Chart 4.2 provides a schematic illustration of this performance, simplifying the balanced development of the insurance industry into quantitative (penetration levels) and qualitative components (indicator of depth).

According to this overview, after a period of stagnation following the financial crisis, the Spanish insurance industry recovered over the period 2008-12, followed by a retrenchment in development until 2014. Thereafter the market resumed the process of development with increases in the quantitative dimension (penetration), as well as in the degree of sophistication and market maturity (depth).

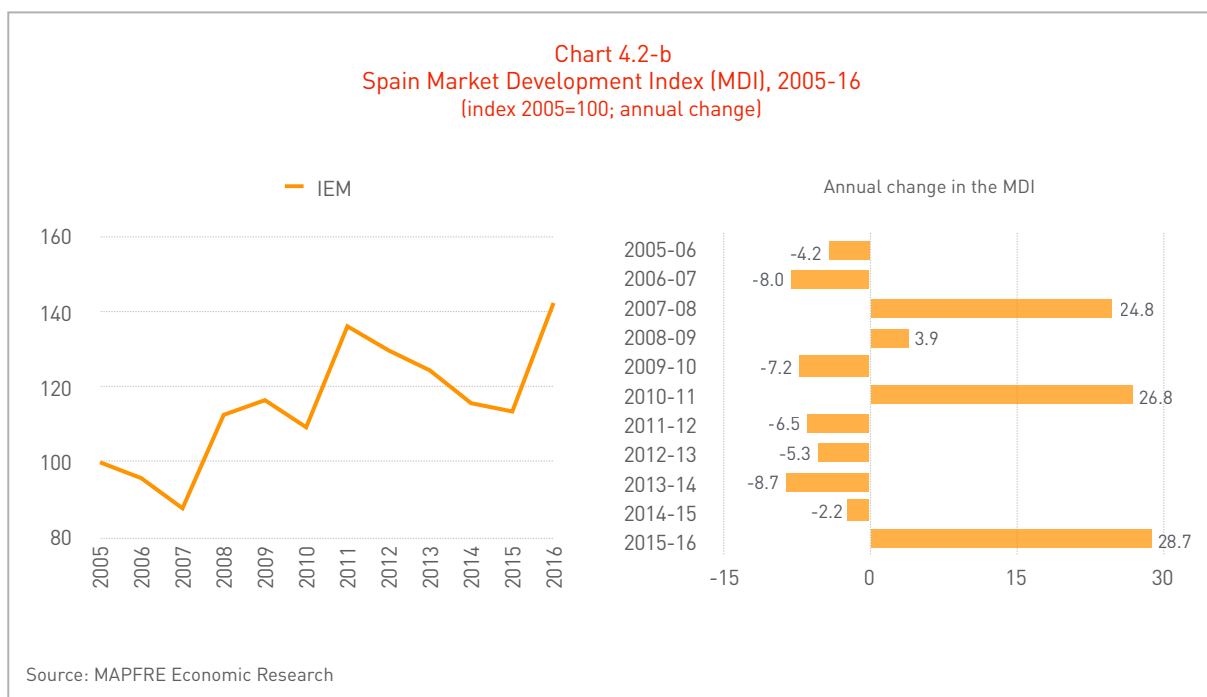
The Market Development Index (MDI) appears to confirm this trend. The aim of the MDI is to summarize the trends in development and maturity of insurance markets, and is constructed on the basis of four individual indexes (based to 2005): the penetration index (premiums/GDP); the depth index (life insurance premiums over total market premiums); an IPG growth index (inverse IPG index as a multiple of the market), and a IPG growth index for Life insurance (inverse IPG index for Life insurance as a multiple of the Life market).

The MDI (shown in Chart 4.2-b with an estimate of the index 2005=100) likewise points to a step change in Spanish insurance market performance from 2015 onward, marking a return to pre-2011 patterns. This new trend which appears to have been confirmed by the market's performance in 2016, looks to be primarily associated with the more dynamic development of the Life insurance market, both in Savings Life and Life Risk areas.

Chart 4.2-a
Trends in the Spanish insurance market, 2006-16
(penetration vs depth)



Source: MAPFRE Economic Research



The Insurance Protection Gap

As discussed in our report on “The Spanish Insurance Market in 2015”, the Insurance Protection Gap (*IPG*) in a region or country represents the difference between the insurance coverage that is economically necessary and beneficial to society and how much of that coverage is effectively acquired. Pinpointing the IPG helps to determine the potential market for insurance, which is the market size that could be achieved if the gap were to disappear. As mentioned in the previous report, the Insurance Protection Gap is not a static concept but rather it evolves in accordance with both country economic growth, and the emergence of new risks inherent to economic and social development.

The IPG is negatively correlated with market growth. Firstly, from a quantitative perspective, the IPG falls as the penetration index increases. And secondly, from a qualitative viewpoint, it also tends to decrease as markets become more sophisticated and mature. Accordingly, factors such as sustained economic growth, control of inflation, increases in personal disposable income, the general development of the financial system, an efficient regulatory framework and the application of public policies aimed at increasing financial inclusion

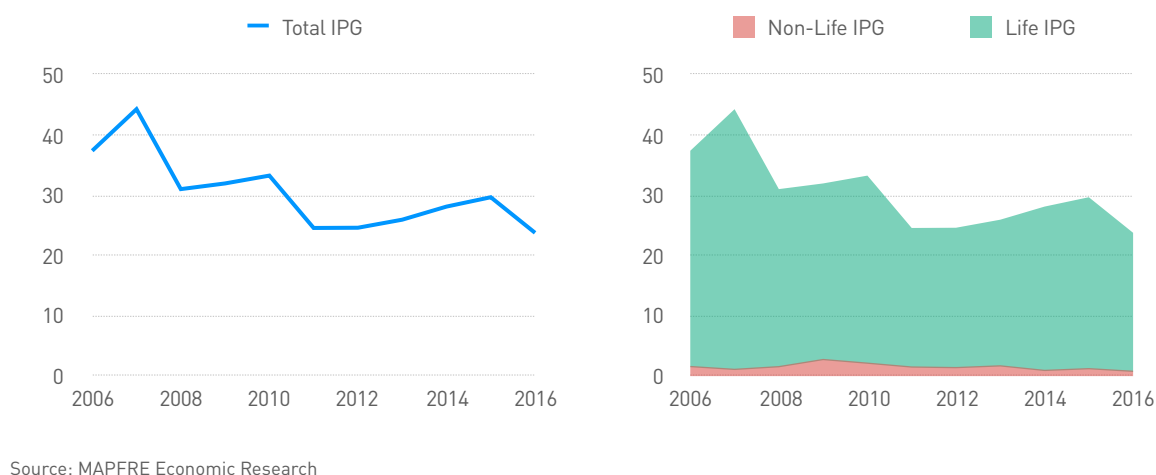
and education, are all elements which reduce the IPG.⁵

Estimate of the IPG in the Spanish market

Chart 4.2-c shows an estimate of the IPG for the Spanish market over the period 2006-16. The IPG stood at 23.8 billion euros in 2016 (5.9 billion euros less than the adjusted measure in 2015).

The structure of the IPG continues to point to scope for development of the Life insurance segment. In 2016, 96.2 percent of the IPG (22.9 billion euros) related to the Life insurance segment (up 0.7ppts on the adjusted measure in 2015), while the Non-Life IPG (0.9 billion euros) accounted for the remaining 3.8 percent.

Chart 4.2-c
Trends in the Insurance Protection Gap, 2006-16
(billions of euros)

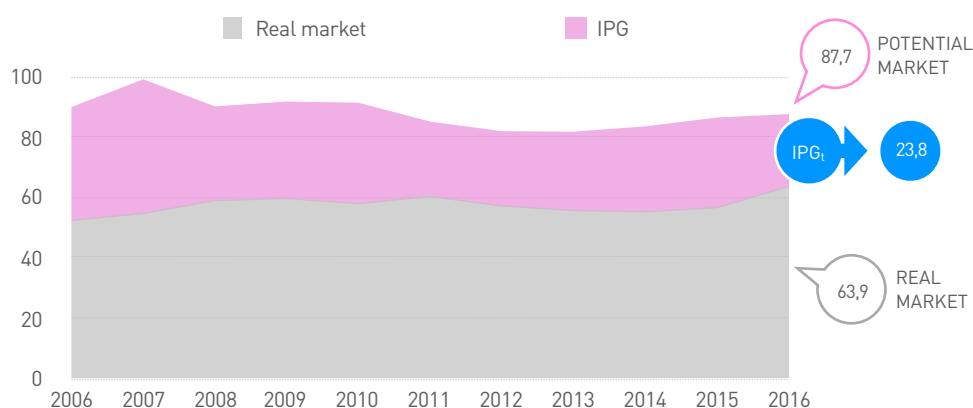


However, it is worth highlighting the absolute reduction in both components of the IPG over 2015-16: the IPG fell by 19.3 percent (5.5 billion euros) in the Life insurance segment, while in Non-Life insurance the IPG declined by 32.5 percent (0.4 billion euros).

the market would be able to achieve if the insurance gap were to be totally eliminated. Based on this estimate, the potential market for insurance in Spain in 2016 was 87.7 billion euros i.e. 37.2 percent above the actual premium volume achieved last year.

Complementary to this, Chart 4.2-d illustrates the change in insurance market potential in Spain (sum of actual insurance market plus IPG for each year); this is the amount of premiums

Chart 4.2-d
Insurance Protection Gap and potential market, 2006-16
(billions of euros)

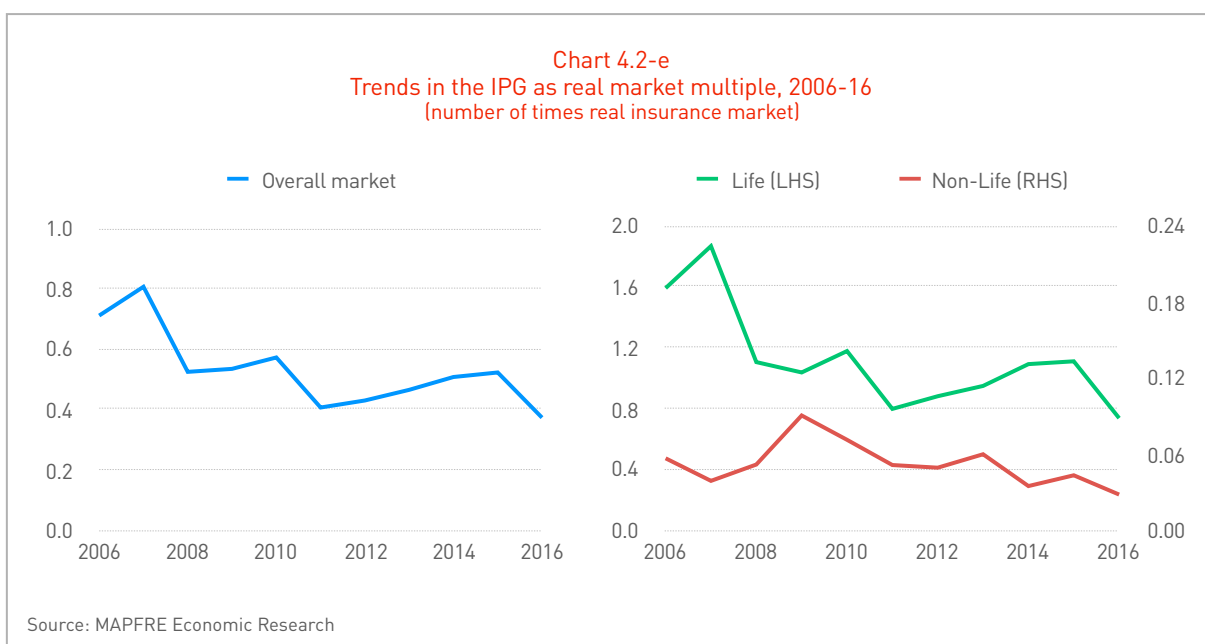


IPG as a market multiple

An important aspect for assessing trends in the IPG is to compare it with the actual insurance market size. Broadly speaking, the IPG will move along a positive path in the extent to which it represents a smaller proportion of the real insurance market.

Over the period 2006-16 in the Spanish market, the IPG has been on a downward trend as a multiple of the insurance market, falling sharply as a result of the 2016 market

performance. This trend applies both at the aggregate level, as well as in the Life and Non-Life segments (see Chart 4.2-e). The market performance in 2016 was such that it reversed the trend in the Life insurance segment seen since 2011. Meanwhile the 2016 market performance consolidated the downward trend in Non-Life insurance underway since 2009.



Finally, Chart 4.2-f provides a new assessment of the Spanish insurance market's capacity to close the IPG. This has been calculated on the basis of a comparative analysis of growth rates observed in the Spanish market over the last ten years (2006-16) in relation to the growth rates that would be required to close the 2016 IPG over the next decade.

Over this period, Spain's insurance market posted average annual growth of 2.0 percent; with average growth of 3.3 percent in Life insurance and 0.8 percent in the Non-Life insurance segment. Thus, if the same growth dynamic were to be maintained over the next ten years, the growth rate for the market as a whole would be 1.3 percentage points beneath the rate required to cover the IPG identified in 2016. This means that the Spanish insurance market would need average growth of 3.2

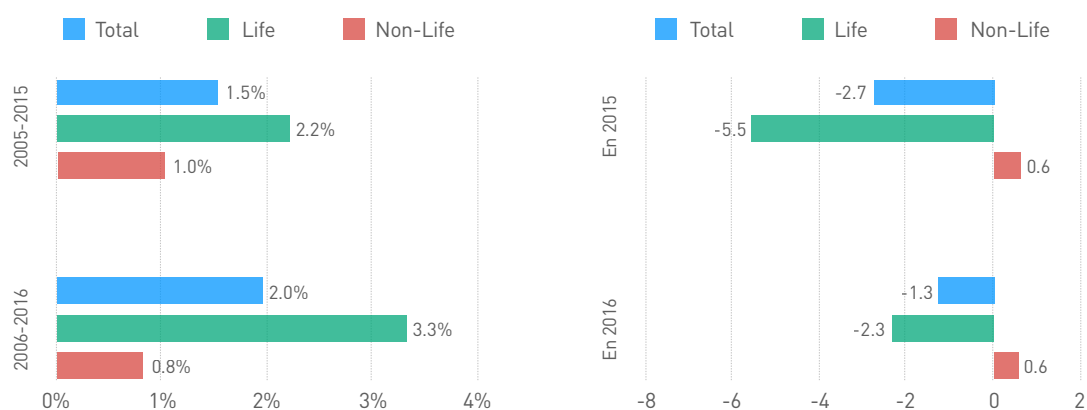
percent over the next ten years in order to close the estimated 2016 IPG.

However, since the IPG for the Spanish market is primarily determined by the performance of the Life insurance industry, this segment is where the growth effort should be focused in order to close the insurance gap. In this sense, the observed rate of growth in this sector is 2.3 percentage points short of the growth rate required to close the relative gap in the next ten years. In other words, the Life insurance industry would need to register sustained annual growth rate of 5.7 percent in order to eliminate the gap in the next ten years.

Finally, it is important to highlight that despite the significant growth needed to substantially lower the IPG, the robust performance of the insurance market in 2016 has lowered the necessary growth required. As shown in Chart 4.2-f, between 2015 and 2016 the shortfall for closing the overall insurance gap fell by

1.5ppts, while it declined by 3.2ppts in the Life insurance segment over this period.

Chart 4.2-f
Capacity to close the Insurance Protection Gap, 2006-16
(annual growth rate, percent; sufficiency or insufficiency, percentage points)



Source: MAPFRE Economic Research

5. Analysis of capital requirements, equity and solvency ratios

5.1. SFCR and Pillar 3 in Solvency II.

The new harmonized solvency regime for insurance companies operating in the European Union, Solvency II, came into force in January 2016.

This regulatory framework is based on a three pillar approach. Pillar 1, aimed at determining the quantitative aspects maintaining companies' solvency position. Pillar 2, focused on ensuring appropriate governance of these companies. And Pillar 3, targeted at increasing transparency and information disclosure to the market.

As a group, these three pillars employ different approaches toward creating suitable incentives for appropriate management of insurance companies to protect the interests of insured parties, guarantee the sector's contribution to economic and social development and maintain the stability of the financial system.

One of the innovative aspects of the Solvency II framework lies in the transparency requirements included in Pillar 3. The regulation requires insurers to publish annual information on their financial and solvency position, providing coherent, comparable and high quality information to all interested parties. This information is manifested in the requirement to publish an annual "Solvency and Financial Condition Report" (SFCR) which has been published for the first time in 2017 by companies operating under the Solvency II Directive in Europe.

The economic argument behind requiring insurance companies to provide the market with information on their financial and solvency position stems from the idea that providing interested economic agents with access to information enabling them to understand the implicit risk in each company will enable them to better assess the nature of processes for risk assessment and management, the sufficiency of

technical provisions and equity and, by extension, the solvency position of a given company.

Transparency thus helps to improve the market discipline mechanism, providing agents with greater information when it comes to making economic decisions in the market.

5.2. First SFCR for companies in the Spanish market and transitional and adjustment measures

May 2017 marked the deadline for companies operating in the Spanish market to publish their first individual level Solvency and Financial Condition Reports (SFCR).

This publication is of particular relevance since it constitutes the first report relating to a full year of Solvency II implementation in the Spanish market, in accordance with new prudential regulation based on risks applicable in the European Union.

A key aspect of these reports is that they provide an initial on-the-ground assessment of the package of measures introduced in 2014 under the Solvency II Directive, aimed at softening the potential impact on the role played by insurers as institutional investors and as providers of different savings and annuities products with long-term guarantees.

This package of measures included transitional measures (to gradually smooth the impact of the valuation of technical provisions using new risk-free yield curves), and permanent adjustment measures (such as the methodology for extrapolating curves applicable to the risk free interest rate, the volatility adjustment and the matching adjustment for the valuation of technical provisions).

These measures are summarized below⁵:

- a) Transitional measure for technical provisions. This measure allows companies to apply a transitional deduction based on the difference in the calculation of technical provisions estimated under Solvency II parameters (at the date of first application of the new regime) and previous Solvency I rules. This transitional measure will apply over a period of 16 years.
- b) Volatility adjustment measure. This measure aims to avoid excessive volatility in the estimation of insurance companies' technical provisions and eligible own funds.

This provides insurance companies with the option to avoid pro-cyclical behavior in their investment decisions, enabling them to include the so-called "volatility adjustment" in the risk free yield curve applied to valuing their technical provisions. This measure therefore cushions the impact on equity resulting from occasional excess volatility in credit spreads on investment portfolios, since technical provisions would not be sensitive to this volatility were it not for this adjustment.

The volatility adjustment is calculated by the European Insurance and Occupational Pensions Authority (EIOPA) for each currency and country, based on benchmark portfolios representative of how insurance companies invest in the European Union. This calculation must be adopted and published by the European Commission in the Official Journal of the European Union in order to be applicable. It is currently being

calculated by EIOPA on a monthly basis, but it is adopted and published by the European Commission every quarter.

- c) Matching adjustment for assets and liabilities. This measure allows insurance companies to adjust the discount curve on technical provisions for those companies holding fixed income assets to maturity with similar duration to their liabilities, and which are therefore not exposed to market volatility in spreads on bond portfolios.

In order to avoid changes in asset spreads having an impact on the amount of equity in these companies, they are allowed to adjust the time structure concerning risk-free interest rates used in the calculation of technical provisions, in accordance with market movements in the spreads on their assets, except for those changes relating to an alteration in default probability or downgrading of the credit rating of assets.

Application of the matching adjustment between assets and liabilities is subject to approval by the supervisory authorities of each country and to strict requirements on assets and liabilities to ensure that companies maintain their assets to maturity. Specifically, the cash flow of assets and liabilities must be matched and assets may only be substituted to maintain matching in cases where expected cash flows have changed significantly, as in the case of a ratings downgrade or non-payment of a bond.

It is important to highlight that in order to enhance transparency, insurance companies are required to disclose within their SFCR the impact on their solvency position should these measures not have been applied. This transparency obligation is mainly relevant for Life and Composite insurance companies (the latter operate in both Life and Non-Life), which offer products with long-term guarantees (LTG measures).

5.3. Solvency ratios and transitional and adjustment measures

The following section provides an analysis of the solvency ratios published by the main insurance companies grouped by:

- (i) Companies operating primarily in the Life business.
- (ii) Companies with a significant volume of business in both Life and Non-Life segments (Composites).

- (iii) Companies which operate exclusively or mainly in the Non-Life business.

This chapter also analyzes the impact (published in each company's SFCR)⁶ of measures introduced by the Directive aimed at easing the burden from the entry into force of Solvency II on business involving products with long-term guarantees.

Charts 5.3-a, 5.3-b, 5.3-c, 5.3-d and 5.3-e provide an overview of the solvency ratios published by the groups of companies in the sample under analysis (representing 70.2 percent of insurance premiums and 82.2 percent of technical provisions in the Spanish market in 2016), as well as the impact of previously mentioned measures (transitional for technical provisions, volatility adjustment, matching adjustment), according to the information published by the companies in their respective SFCRs.

The following sections of this chapter, provide more detailed information on these impacts.

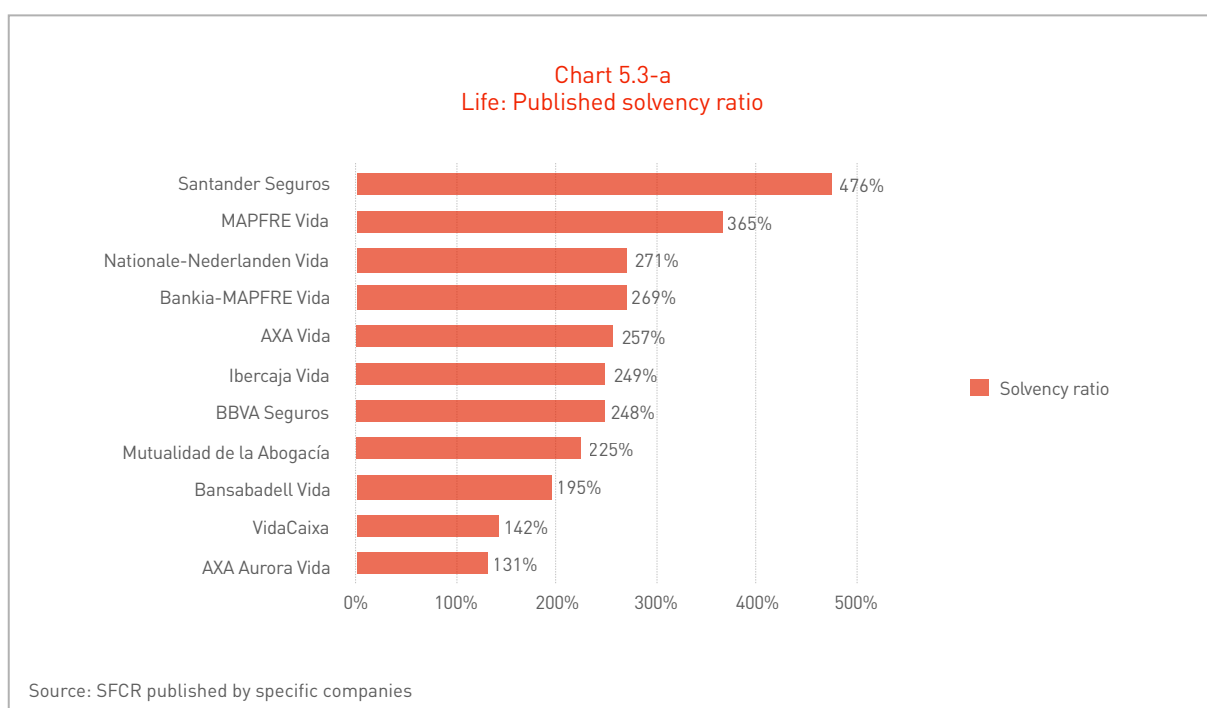
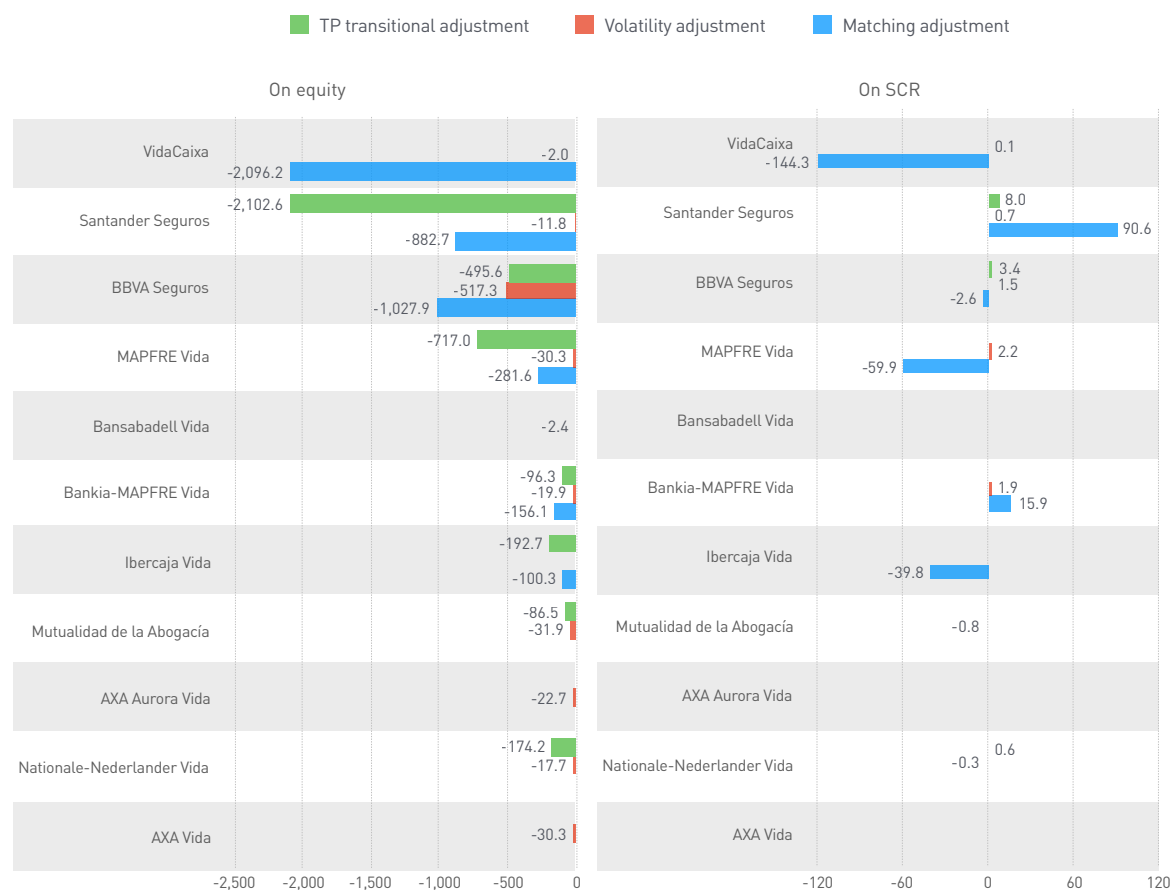
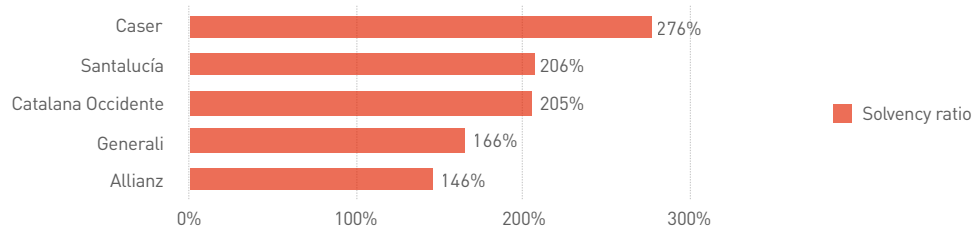


Chart 5.3-b
Life: Impact of transitional and adjustment measures
(millions of euros)



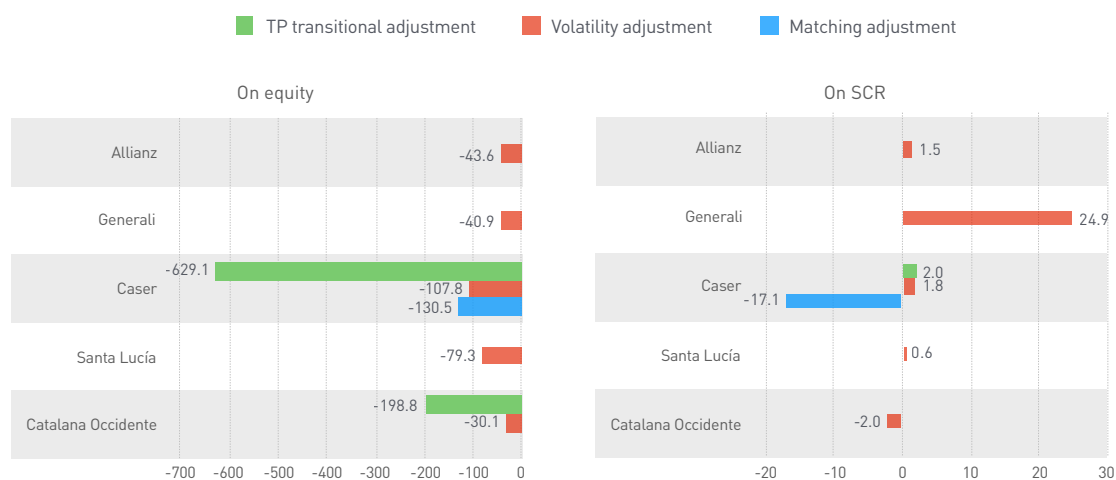
Source: SFCR published by specific companies

Chart 5.3-c
Composites: Published solvency ratio



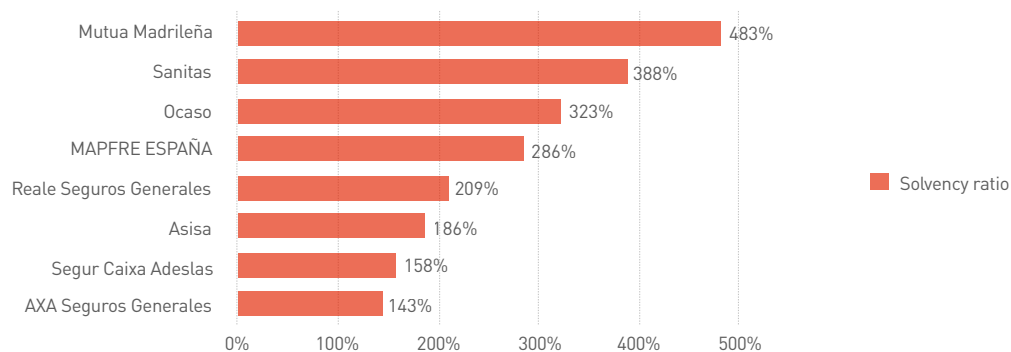
Source: Data from SFCR published by specific companies

Chart 5.3-d
Composites: Impact of transitional and adjustment measures
(millions of euros)



Source: SFCR published by specific companies

Chart 5.3-e
Non-Life: Published solvency ratio



Source: SFCR published by specific companies

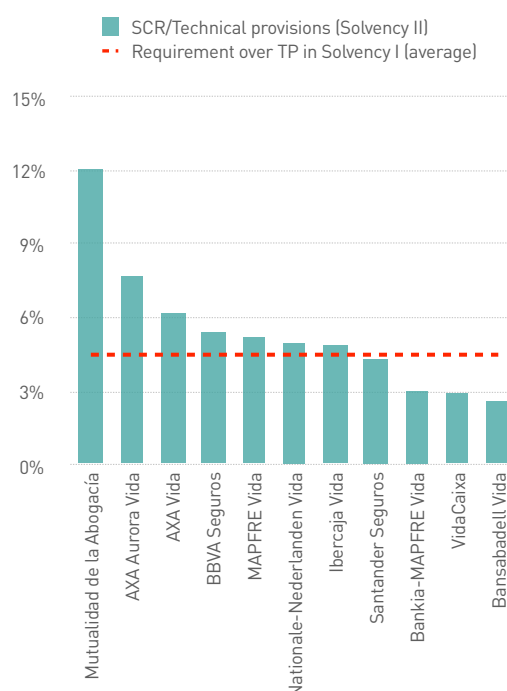
5.4. Comparative analysis of the SCR of the main insurance companies in the Life business

The aggregate solvency ratio for the sample of insurance companies operating primarily in the Life business stood at 250 percent in 2016. Table 5.4-a shows the Solvency Capital Requirement (SCR) results by company (contextualized alongside other relevant data), taken from the SFCRs published by companies operating in the Life business.⁷

Similarly, Chart 5.4 illustrates the comparison between the SCR relative to technical provisions for Life insurance companies under Solvency I, which ranged between 4 and 5 percent, and the new SCR under the Solvency II Directive.

Meanwhile, Table 5.4-b provides an overview of the comparative analysis of the hypothetical impact on equity from being unable to apply the transitional and adjustment measures included in the Solvency II Directive for insurance products with long-term guarantees.

Chart 5.4
Life: ratio of SCR relative to technical provisions in Solvency I and Solvency II



Source: Based on SFCR data published by specific companies

Table 5.4-a
Life: SCR result and solvency ratio
(thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	Required SCR	Solvency ratio
VidaCaixa	50.632.926	9.467.927	2.098.148	1.477.129	142%
Santander Seguros	15,334,381	1,214,832	3,138,206	659,668	476%
BBVA Seguros	14.573.950	1.591.048	1.965.776	791.665	248%
MAPFRE Vida	11.770.277	1.492.134	2.246.025	614.671	365%
Bansabadell Vida	8.655.699	4.388.477	428.441	219.985	195%
Bankia-MAPFRE Vida	7.170.697	228.036	585.234	217.691	269%
Ibercaja Vida	6.475.458	1.327.989	784.820	315.137	249%
Mutuallidad de la Abogacia	5.718.346	577.083	1.548.070	688.288	225%
AXA Aurora Vida	4.458.746	693.820	449.993	343.863	131%
Nationale-Nederlanden Vida	3.615.897	438.642	486.827	179.552	271%
AXA Vida	3.054.328	90.679	485.428	189.100	257%

Source: SFCR published by specific companies

* Taken from figures on premiums, claims ratio and expenses.

Similarly, Table 5.4-c provides a comparative analysis of the hypothetical impact **on the SCR** of being unable to apply the transitional and adjustment measures included in the Solvency

II Directive for insurance products with long-term guarantees.

Table 5.4-b
Life: impact on equity from the application of measures in the
Directive for long-term products
(thousands of euros)

Company	Eligible own funds*	Impact on own funds of transitional TP adjustment	Impact on own funds of the volatility adjustment	Impact on own funds of the matching adjustment
VidaCaixa	2.098.148	-	-1.953	-2.096.195
Santander Seguros	3,138,206	-2,102,631	-11,822	-882,711
BBVA Seguros	1.965.776	-495.604	-517.335	-1.027.889
MAPFRE Vida	2.246.025	-717.048	-30.301	-281.611
Bansabadell Vida	428.441	-	-2.351	-
Bankia-MAPFRE Vida	585.234	-96.337	-19.865	-156.115
Ibercaja Vida	784.820	-192.694	-	-100.342
Mutualidad de la Abogacía	1.548.070	-86.521	-31.944	-
AXA Aurora Vida	449.993	-	-22.660	-
Nationale-Nederlander Vida	486.827	-174.215	-17.712	-
AXA Vida	485.428	-	-30.288	-

Source: SFCR published by specific companies

* For the purposes of this Table the effects on "Eligible Own Funds" have been taken from each company's report.

Table 5.4-c
Life: impact on the SCR from the application of measures in the
Directive for long-term products
(thousands of euros)

Company	Required SCR	Impact on SCR of TP transitional adjustment	Impact on SCR of the volatility adjustment	Impact on SCR of the matching adjustment
VidaCaixa	1.477.129	-	121	-144.345
Santander Seguros	659,668	8,044	746	90,636
BBVA Seguros	791.665	3,447	1.532	-2.582
MAPFRE Vida	614.671	-	2.189	-59.865
Bansabadell Vida	219.985	-	-	-
Bankia-MAPFRE Vida	217.691	-	1.922	15.859
Ibercaja Vida	315.137	-	-	-39.811
Mutualidad de la Abogacía	688.288	-	-835	-
AXA Aurora Vida	343.863	-	-	-
Nationale-Nederlander Vida	179.551	561	-314	-
AXA Vida	189.100	-	-	-

Source: SFCR published by specific companies

5.5 Comparative analysis of the SCR of the main companies operating in Life and Non-Life (Composites)

The aggregate solvency ratio for companies operating in both Life and Non-Life insurance (Composites) was **190 percent**, for the sample of companies included in this report.

Table 5.5-a shows Solvency Capital Requirements (SCR) results by company, taken from the SFCRs published by the main composite companies operating in the Spanish market.

Meanwhile, Table 5.5-b shows a comparative analysis of the impact **on equity** of not being able to apply the transitional and adjustment measures foreseen in the Solvency II Directive for insurance products with long-term guarantees.

Similarly, Table 5.5-c provides a comparative analysis of the hypothetical impact **on the SCR** of not being able to apply the transitional and adjustment measures considered in the Solvency II Directive for insurance products with long-term guarantees.

Table 5.5-a
Composites: SCR result and solvency ratio
(thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	Required SCR	Solvency ratio
Allianz	8.574.974	3.029.611	1.391.632	950.715	146%
Generali	7.989.909	2.253.664	1.439.173	869.156	166%
Caser	4.575.447	1.198.246	1.407.923	509.352	276%
Santa Lucía	3.891.000	1.311.600	1.243.200	603.298	206%
Catalana Occidente	3.780.732	1.125.284	1.264.928	615.764	205%

Source: SFCR published by specific companies

* Taken from figures on premiums, claims ratio and expenses.

Table 5.5-b
Composites: impact on equity from the application of measures in the
Directive for long-term products
(thousands of euros)

Company	Eligible own funds	Impact on own of the TP transitional adjustment	Impact on own funds of the volatility adjustment	Impact on own funds of the matching adjustment
Allianz	1.391.632	-	-43.600	-
Generali	1.439.173	-	-40.918	-
Caser*	1.407.923	-629.135	-107.765	-130.492
Santalucía	1.243.200	-	-79.310	-
Catalana Occidente	1.264.928	-198.827	-30.079	-

Source: SFCR published by specific companies

* Impact of each measure considered separately (not cumulative) as reported in individual SFCRs (pages 30, 31, 74 and Template S.22.01).

Table 5.5-c
Composites: impact on SCR from the application of measures in the
Directive for long-term products
(thousands of euros)

Company	Required SCR	Impact on SCR of TP transitional adjustment	Impact on SCR of the volatility adjustment	Impact on SCR of the matching adjustment
Allianz	950.715	-	1.529	-
Generali	869.156	-	24.942	-
Caser	509.352	1,975	1.842	-17.120
Santa Lucía	603.298	-	550	-
Catalana Occidente	615.764	-	-1.976	-

Source: SFCR published by specific companies

5.6 Comparative analysis of the SCR of the main insurance companies in the Non-Life business

Finally, the solvency ratio stood at 291 percent in 2016 for the same of companies in this report which operate completely or primarily in Non-Life **insurance**. Table 5.6 shows the SCR result disaggregated by company for this group of insurance companies, taken from their published SFCRs.

Similarly, Chart 5.6 illustrates the comparison between the SCR on premiums for Life insur-

ance companies under Solvency I, which ranged between 16 and 18 percent, and the new SCR under the Solvency II Directive.

The impact of not being able to apply the transitional and adjustment measures for products with long-term guarantees is not shown since the impact is nil or negligible, given these measures are intended for institutions operating in the Life insurance business.

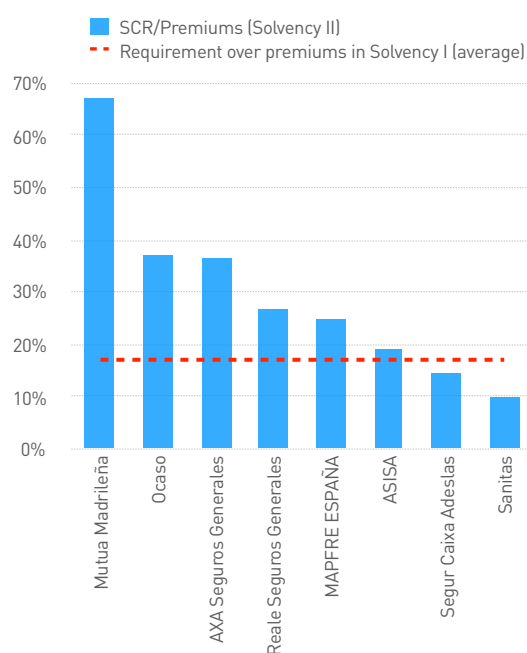
Table 5.6
Non-Life: SCR result and solvency ratio
(thousands of euros)

Company	Premiums *	Technical provisions (TP)	Eligible own funds	Required SCR	Solvency ratio
MAPFRE España	4.325.941	3.236.598	3.035.997	1.061.869	286%
Segur Caixa Adeslas	3.296.844	1.595.657	766.219	484.451	158%
AXA Seguros Generales	1.553.408	1.559.446	807.635	566.274	143%
Mutua Madrileña	1.296.149	2.070.963	4.196.128	869.482	483%
Sanitas	1.227.945	46.567	464.200	119.548	388%
ASISA	1.066.703	199.589	374.320	200.787	186%
Ocaso	949.546	1.951.770	1.135.013	351.652	323%
Reale Seguros Generales	816.514	602.635	459.538	219.446	209%

Source: SFCR published by specific companies

* Taken from figures on premiums, claims ratio and expenses.

Chart 5.6
Non-Life: Ratio of SCR relative to technical pre-
miums in Solvency I and Solvency II



Source: Based on SFCR data published by specific companies

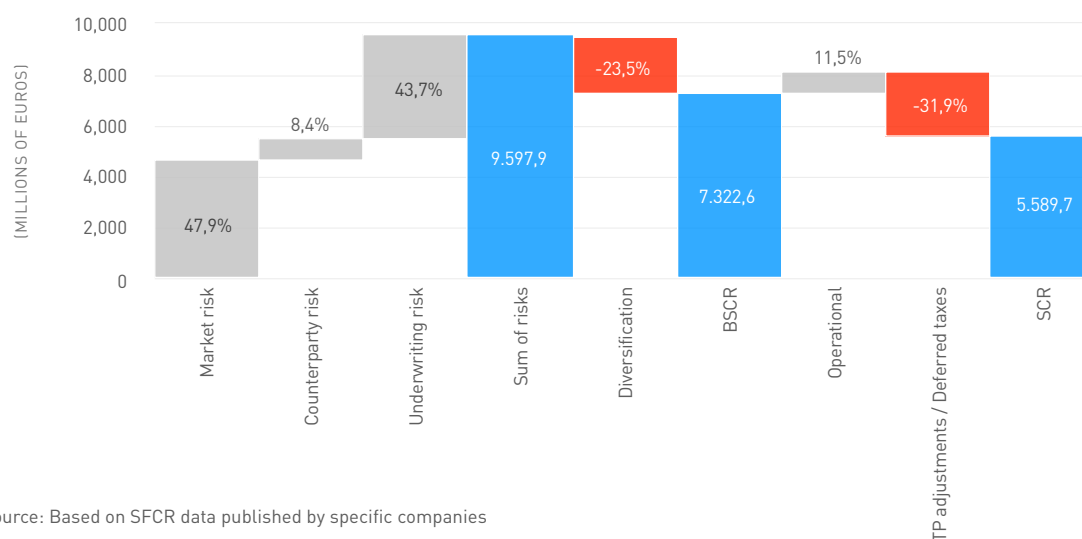
5.7. Relative weight of the different SCR risk modules

Finally, Charts 5.7-a, 5.7-b and 5.7-c illustrate the relative weight of each of the risk modules forming the SCR (market risk, credit risk, underwriting risk and operational risks) for the group of insurance companies under analysis in this report.

For the purposes of comparison, the weights have been calculated on an aggregate basis in relation to relevant metrics, maintaining a distinction between companies which primarily operate in the Life Business, composites (with substantive volumes in both Life and Non-Life businesses) and companies mainly active in the Non-Life business.

Likewise, the charts also show the positive effect of diversification in each case, as well as the positive impact derived from loss-absorbing capacity (LAC) both for deferred taxes and technical provisions for products with a share in profits.

Chart 5.7-a
Life: relative weight of the different SCR components for the sample under analysis



Source: Based on SFCR data published by specific companies

Chart 5.7-b
Composites: relative weight of the different SCR components for the sample under analysis

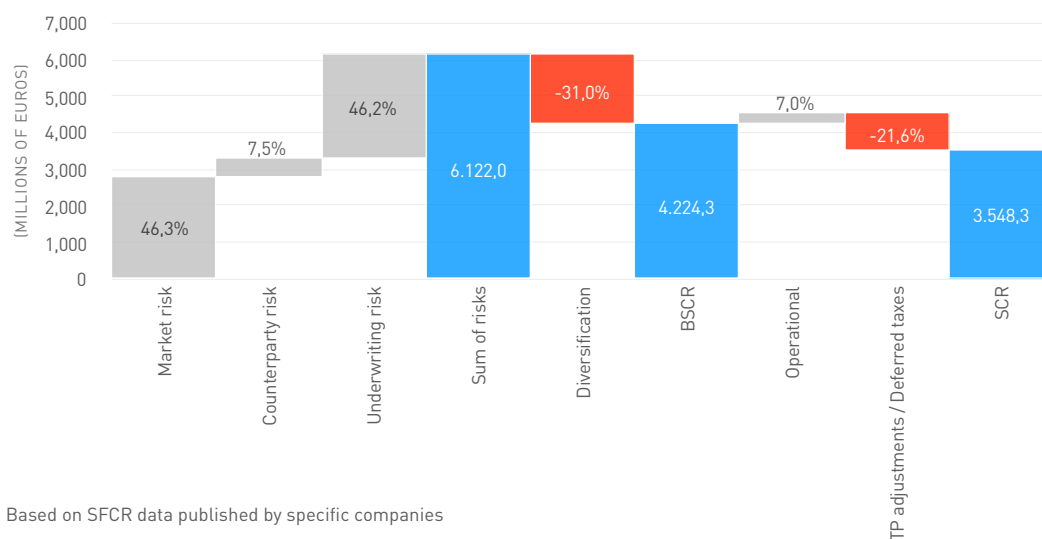
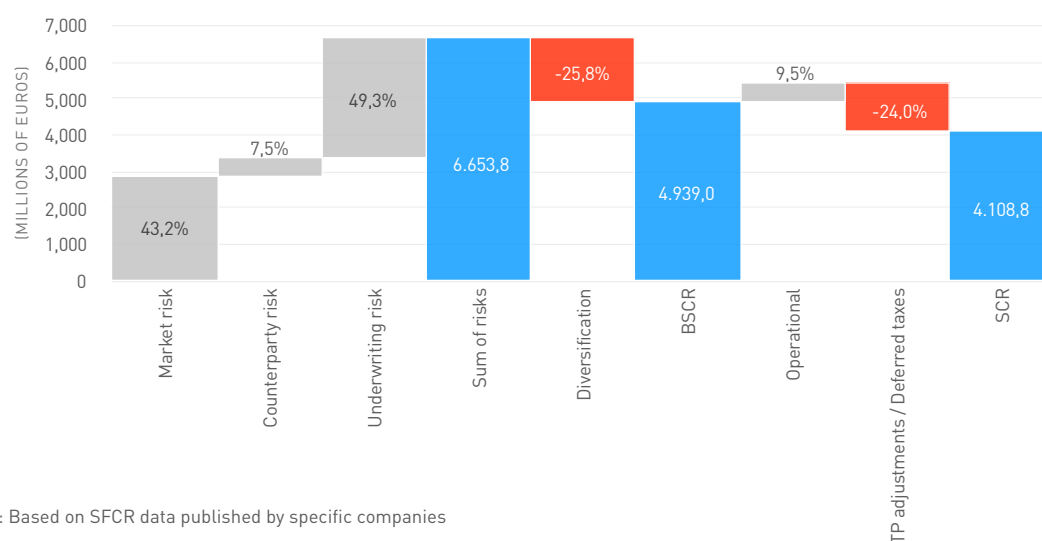


Chart 5.7-c
Non-Life: relative weight of the different SCR components for the sample under analysis



6. Regulatory outlook

6.1. Global trends

Over the course of 2016, the International Association of Insurance Supervisors (IAIS) continued its work on projects to develop harmonized frameworks for solvency oversight, both for Global Systemically Important Insurers (G-SIIs) and non-systemic Internationally Active Insurance Groups (IAIGs). At the same time, and although still in a preliminary stage of discussion, the IAIS is taking forward work on the appropriateness of creating a harmonized framework for resolution issues relating to these groups.

In terms of Global Systemically Important Insurers (G-SIIs), on November 21, 2016 the Financial Stability Board (FSB) - after consultation with the IAIS - published a list of insurance groups it considers to be systemic, following a debate to establish and select the groups meeting this criteria. The 2016 list of G-SIIs identified the same nine companies that had been considered systemic by the FSB the year before. The companies classified as G-SIIs were: Aegon N.V., Allianz SE, American International Group, Inc., Aviva plc, Axa S.A., MetLife, Inc., Ping An Insurance (Group) Company of China, Ltd., Prudential Financial, Inc. and Prudential plc.

The IAIS is continuing with its work this year to refine the methodology for identifying G-SIIs, as well as the capital surcharges which will apply to them. The latter will enter into force from January 2019 on the basis of a list of G-SIIs set to be published by the FSB in November 2017. There is still a degree of uncertainty regarding the potential impact on this process from amendments which are currently being introduced in relation to the "Financial CHOICE Act" regulating the financial system in the United States.

Also of relevance is the IAIS' ongoing work to revise part of the supervisory Insurance Core Principles (ICPs), within the so-called "ComFrame" or common framework for the

supervision of internationally active insurance groups (IAIGs). The analysis in this revision relates to certain aspects concerning principles, assessment methodology, the governance system, supervision, cooperation, measures to be adopted by supervisors and company resolution. To this end, the IAIS launched a consultation at the start of March 2017, with a deadline for feedback which expired on June 1. The IAIS is currently analyzing the comments it has received.

6.2. European Union and the Spanish market

Supervisory authorities

The European Commission launched a public consultation on March 21, 2017⁸ on the functioning of the European Financial Supervisory Authorities (EBA, ESMA and EIOPA), aimed at identifying areas for improvement and reinforcement, reflecting the important role they play in the development and integration of financial markets in the European Union.

This consultation is taking place against the backdrop of a scheduled overall review of supervisory authorities this year, as required in their founding principles. The deadline for providing comments expired on May 16, 2017. The Commission is currently analyzing the comments received.

Box 6.2

The automated vehicle concept and the regulatory framework

**Automated and connected cars:
state of play in
the adaptation of current legislation
in the European Union and Spain**

Automated cars will soon become a reality in the not too distant future. This will lead to significant changes in traffic and in the transport of goods and people by road, providing greater mobility to a larger number of citizens, reducing the number of accidents, lowering costs, creating new business models, etc. In order to avoid being left behind in the drive toward new technological developments in the automobile sector and to make the most of economic opportunities, governments have been taking measures for various years to support development and implementation of this technology. In most countries the first step was to make necessary changes to regulation to allow for automated vehicles to be road tested and trialed. The next steps are directed toward analyzing necessary legislative changes to guarantee people safety, while at the same time contributing to the development of this industry.

Developing the automotive industry is a top priority for the European Union, which is why it has launched various initiatives in this area. One such initiative is the creation of a high-level expert group, GEAR 2030. This Commission initiative⁹ will debate the main challenges facing the automobile industry over the next 15 years and will design a road map to facilitate proper rollout of automated vehicles. The group has three work areas: (i) adapting the value chain to new global challenges, (ii) automated and connected vehicles, and (iii) trade, international harmonization and global competitiveness. This group is expected to deliver a final report, based on working group conclusions in the three priority areas, which will include recommendations to the Commission, member states and industry.

Within this initiative, Working Group 2 is focused on automated and connected vehicles, and includes support from two project teams: one on policy and regulation (*project team 1*, PT1) and another on financial support (*project team 2*, PT2). The issues discussed by PT1 have so far focused on road safety (interaction between vehicle legislation - traffic rules), liability (who is liable, the need for black boxes), the regulatory framework for testing (coordination and cooperation between national approaches) and automobile connectivity

needs. Off the back of meetings at the end of 2016, PT1 presented a first draft of recommendations for upcoming systems (horizon 2020, SAE 2-3-4 automation levels). The group has also been discussing legal and regulatory system needs post-2020 (horizon 2030) during the first half of this year, including tackling some longer term issues.

Another initiative launched by the European Commission in November 2014 was the creation of a Platform for implementing cooperative Intelligent Transportation Systems (ITS) in the European Union (the C-ITS Platform). The first phase of the C-ITS platform concluded with an expert report, published in January 2016, which was unanimously endorsed by all platform members. This report was complemented by a cost-benefit analysis and public consultation, which together formed the basis for a European Commission Communication to the European Parliament¹⁰, Council, the European Economic and Social Committee and the Committee of the Regions. This communication set out a European Union strategy for coordinated implementation of cooperative STIs, aimed at avoiding fragmentation of the internal market in this sector and creating synergies between different initiatives. In accordance with C-ITS Platform recommendations, the Commission has identified issues that need to be tackled at the European level to guarantee coordinated implementation of cooperative STIs in 2019.

Meanwhile, the second stage of the C-ITS platform got underway in July 2016. The results will be made available to GEAR 2030, providing a transport system perspective.

Elsewhere, in February 2017, the European Parliament issued a resolution with recommendations to the Commission, requesting that they prepare a proposal for a Directive on civil legislation rules in robotics.

Box 6.2 (continued)

The automated vehicle concept and the regulatory framework

This resolution reflects the opinion of the Transport and Tourism Committee, who at the same time take account of the creation of the high-level GEAR 2030 group. The Parliament's text lists the implications for different areas of the transition toward automated means of transport: third party liability (liability and insurance), road safety, issues regarding the environment (e.g. energy efficiency, use of renewable technologies and energy sources), data issues (e.g. access to data, personal data protection and privacy, data exchange), issues concerning ITC infrastructure (e.g. high density of efficient and reliable communications) and employment (e.g. creation and loss of jobs, and training of heavy vehicle drivers in the use of automated vehicles).

The document also discusses liability and insurance. It identifies a possible solution to the complexity of allocating liability for damage and harm caused by increasingly autonomous robots, suggested that a mandatory insurance regime be established, as already applies - for example - to automobiles. However, it notes that in contrast to road traffic insurance, which covers both human actions and mechanical failures, an insurance system for robots should also consider all potential liability in the chain. The insurance system should also be complemented by a fund to guarantee compensation for damage and harm in the absence of insurance coverage.

Similarly, the document concludes that there is no need for substantial and urgent modifications of the current rules of private international law on traffic accidents in the European Union in order to adapt them to the development of automated vehicles. However, it points to the need to introduce some amendments to certain international agreements, such as the Vienna Convention on road traffic of November 8, 1968, and the Hague Convention on applicable law in relation to road traffic accidents.

Some amendments have already been made to the Vienna Convention. On March 23, 2016 the United Nations Economic Commission for Europe (UNECE) announced the entry into force of new amendments to the 1968 Vienna Convention on Road Traffic¹¹ which authorizes the implementation of technology allowing automated driving, provided that it is compliant with regulation and can be disengaged by the driver.¹² The UNECE has also indicated that it is preparing

another amendment to the regulation, which will allow the vehicle to take automatic control in certain circumstances and under driver supervision (such as the lane keeping assist system, parking assistance system and autopilot on freeways allowing automated vehicles to move at high speeds on these roads).

Spain has permitted testing and research trials of automated vehicles since 2015, following publication by the Directorate General of Traffic of Instruction 15/V-113, regulating the granting of special authorizations for such testing.

Spain is a member of the high-level expert group, GEAR 2030, and actively participates in the High Level meeting on Automated and Connected Driving and in the C-ITS Platform. In March 2017, Spain took part in a session in Rome on Automated and Connected Driving as part of the Digital Day seminar, organized by the European Commission and the Republic of Italy, as part of official celebrations of the 60th anniversary of the signing of the Treaties of Rome. The session concluded with ministerial representatives of the Member States signing a Statement of Intention to take forward work on automated and connected driving, focusing on the following aspects: stimulating the development of automated and connected driving through an approach based on *learning by experience*; assessment, with pilot tests and demonstrations, the synergies between different automated and communication technology functions, including 5G, and coordinated progress within the European Union, taking account of the results from different platforms and groups currently in existence.

Box 6.2 (continued)

The automated vehicle concept and the regulatory framework

The European Commission will present on progress made at half-yearly High Level meetings on Automated and Connected Driving, with Spain taking responsibility for organizing the meeting in the second half of 2018.

Regulatory considerations

The Directorate General of Traffic's Instruction 15/V-113 defines autonomous vehicles as motor vehicles equipped with technology that enables them to be handled or driven without the need for active control or supervision from a driver, whether such technology is activated or not, permanently or temporarily.

The following European Union regulation could be affected by the introduction of autonomous vehicles:

- Directive 2006/126/EC of December 20, 2006 on driving licenses (Recast).
- Directive 2009/103/EC of September 16, 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability.
- Directive 85/374/EEC of July 25, 1985 concerning liability for harm caused by defective products.
- Directive 2007/46/EC of September 5, 2007 establishing a framework for the approval of motor vehicles and their trailers.
- Directive 2014/45/EU of April 3, 2014 on periodic roadworthiness tests for motor vehicles and their trailers and repealing Directive 2009/40/EC.
- Directive 2010/40/EU of July 7, 2010 on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport.
- Directive 95/46/EC of October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.
- Directive 2002/58/EC of July 12, 2002 concerning the processing of personal data

and the protection of privacy in the electronic communications sector.

- Directive 2008/96/EC of November 19, 2008 on road infrastructure safety management.

Meanwhile, the following regulation in Spain could be affected by the introduction of autonomous vehicles:

- Legislative Royal Decree 6/2015 of October 30, approving the amended text of the Law on Traffic, Circulation of Motor Vehicles, and Road Safety.
- Royal Decree 1428/2003 of November 21, General Traffic Rules for the application and development of the text of the Law on Traffic, Circulation of Motor Vehicles, and Road Safety.
- Royal Decree 818/2009 of May 8, General Rules for Drivers.
- Royal Decree 2822/1998 of December 23, approving the General Rules for Vehicles.
- Legislative Royal Decree 8/2004 of October 29, approving the amended text of the Law on third-party liability and insurance in the circulation of motor vehicles.
- Royal Decree 1507/2008 of September 12, Rule on mandatory third-party liability insurance in the circulation of motor vehicles.
- Law 21/2007 of July 11, modifying the amended text of the Law on third-party liability and insurance in the circulation of motor vehicles, approved by Legislative Royal Decree 8/2004 of October 29 and the amended text of the Law on the rules and supervision of private insurance, approved by Legislative Royal Decree 6/2004 of October 29.

Source: MAPFRE Economic Research

Solvency II

Throughout 2016 and this year, the European Insurance and Occupational Pensions Authority (EIOPA) has been working on two important reviews relating to Solvency II. The first review relates to the parameters and factors that may be applied in the calculation of regulatory capital under the standard formula. The European Commission requested technical advice from EIOPA prior to summer 2016¹³ which will serve as the basis for updating some of these parameters and factors in 2018, together with possible proposals to simplify the standard formula. This reform will affect the Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC of Solvency II and applies directly to Spain without the need for transposition. Subsequently, in February 2017, the Commission requested a second technical advice concerning this reform, covering aspects of Solvency II which could have introduced unjustified barriers to the role played by insurers as long-term institutional investors.¹⁴

As part of this process, EIOPA published a discussion paper in December 2016 aimed at collecting well founded opinion from different stakeholders, in order to define its advice on the specific regulatory proposals. The issues for consideration are wide ranging, including general aspects of the standard formula, underwriting risk modules in Non-Life, Life and health, natural disasters, specific parameters, counterparty risk modules, some aspects of the market risk module, the loss absorbing capacity of deferred taxes, the risk margin and equity. The deadline for providing comments expired in March 2017 and EIOPA is in the process of analyzing the responses received. Depending on this feedback, EIOPA will prepare consultation documents during 2017 on its intended advice to the European Commission.

The second review is reflected in the Solvency II Directive and, if considered necessary, would affect the content of the Directive itself, specifically the package of measures in relation to products with long-term guarantees, including extrapolation of the risk-free yield curve for discounting technical provisions, transitional measures involved in its calculation, and the volatility and matching adjustments. The idea is to assess the effectiveness of the measures relative to the availability of products with long-term guarantees in the market,

protections for insurance policy holders, financial stability and the role of insurance companies as long-term institutional investors. EIOPA is required to prepare an annual report to be sent to the European Parliament, Council and the European Commission. The 2017 report will be the first time EIOPA has full information on the functioning of the new system over a whole year, making it particularly relevant. The report is expected to be available in the fourth quarter of 2017. The European Commission should propose any possible reforms by 2020 at the latest.

Finally, it is also worth highlighting that on April 20, 2016 EIOPA launched a public consultation on a proposal relating to the methodology for deriving the last point of convergence of the yield curve relevant to the calculation of technical provisions in Solvency II (UFR) and related implementation. EIOPA published its final report on May 17, 2017 after analyzing responses to the consultation. The result contains the methodology which will be applicable from January 1, 2018. Implementation of the report will mean that the UFR for the euro curve will decrease from 4.2 percent to 4.05 percent in 2018 with further reductions in subsequent years to reach 3.65 percent, according to the value estimated by EIOPA. These reductions cannot exceed 15 basis points per year, meaning that full application of the new UFR will be phased in over a period of four years.

Insurance distribution and consumer protection

Work is ongoing in the transposition of the Insurance Distribution Directive, which has a¹⁵deadline of February 23, 2018. EIOPA worked on various aspects of the Directive in 2016, publishing on February 1, 2017 its technical advice to¹⁶ the European Commission on the possible delegated acts envisaged by the Insurance Distribution Directive.

The above considerations have the overall goal of putting in place a common framework to improve the governance and supervision of processes relating to the launch and monitoring of products by insurers, with a clear focus on consumer protection.

In a similar vein, EIOPA has put together legislative proposals on the distribution of insurance based investment products, management of conflicts of interests, incentives, and the appropriateness and suitability of the products purchased by insurance consumers. At the start of February, EIOPA also submitted its proposed Technical Implementation Rule for the harmonized content of the pre-contractual information document which must be provided to Non-Life insurance consumers (*Insurance Product Information Document*, IPID). Finally, EIOPA has also put out a document to public consultation on insurance based investment products that incorporate a structure which makes it difficult for the client to understand the risks involved¹⁷. The deadline for the consultation expired in April 2017 and EIOPA is

currently in the process of analyzing responses prior to issuing its final report.

Also of note is the European Commission's announcement on March 23, 2017 of an Action Plan for consumers¹⁸ aimed at improving choice and access to financial products across the European Union. This cross-cutting initiative is focused on the use of digital tools which cover a wide range of financial products such as bank accounts, automobile insurance and money transfers.

In terms of financial innovation and consumer protection, on March 17, 2017 the deadline expired for submitting comments on the document prepared by the Joint EBA-ESMA-EIOPA Committee on the use of "Big Data" by financial institutions, which has received a variety of responses from financial institutions, supervisors and other interest groups.¹⁹. The Committee is currently analyzing these responses.

Index of tables, charts and boxes

Tables

Table 2.4-a	Non-Life: business distribution structure by channel	32
Table 2.4-b	Life: business distribution structure by channel	32
Table 3.1-a	Size of the world's largest insurance markets, 2016	34
Table 3.1-b	Distribution of business by lines, 2015-2016	36
Table 3.1-c	Contribution to growth in the insurance market, 2006-2016	37
Table 3.1-d	Contribution to growth in the Life and Non-Life insurance market, 2006-16	37
Table 3.1-e	Spanish insurance industry results, 2015-16	38
Table 3.1-f	Basic Non Life insurance indicators, 2015-16	39
Table 3.1-g	Basic Life insurance indicators, 2015-16	39
Table 3.1-h	Premium volume by Autonomous Region, 2016	43
Table 3.2-a	Trends in average Automobile insurance premium, 2006-16	46
Table 3.2-b	Basic Automobile insurance indicators, 2015-16	46
Table 3.2-c	Average frequencies and costs by guarantee in Automobile insurance, 2015-16	47
Table 3.2-d	Basic Health insurance indicators, 2015-16	48
Table 3.2-e	Basic Multiperil insurance indicators, 2015-16	50
Table 3.2-f	Basic Home Multiperil insurance indicators, 2015-16	51
Table 3.2-g	Basic Industrial Multiperil insurance indicators, 2015-16	51
Table 3.2-h	Basic Commercial Multiperil insurance indicators, 2015-16	52
Table 3.2-i	Basic Community Multiperil insurance indicators, 2015-16	53
Table 3.2-j	Basic Funeral insurance indicators, 2015-16	54
Table 3.2-k	Basic Third-Party Liability insurance indicators, 2015-16	56
Table 3.2-l	Basic Personal Accident insurance indicators, 2015-16	57
Table 3.2-m	Basic Credit insurance indicators, 2015-16	58
Table 3.2-n	Basic Surety insurance indicators, 2015-16	60
Table 3.2-o	Basic Hull Transport insurance indicators, 2015-16	61
Table 3.2-p	Basic Goods in Transit insurance indicators, 2015-16	62
Table 3.2-q	Distribution of Engineering insurance by class, 2016	62
Table 3.3-a	Distribution of Life insurance policy holders by category, 2015-16	63
Table 3.3-b	Distribution of Life insurance premiums and provisions by category, 2015-16	64
Table 5.4-a	Life: SCR result and solvency ratio	84
Table 5.4-b	Life: impact on equity from the application of measures in the Directive for long-term products	85
Table 5.4-c	Life: impact on the SCR from the application of measures in the Directive for long-term products	85
Table 5.5-a	Composites: SCR result and solvency ratio	86
Table 5.5-b	Composites: impact on equity from the application of measures in the Directive for long-term products	86
Table 5.5-c	Composites: impact on the SCR from the application of measures in the Directive for long-term products	87
Table 5.6	Non-Life: SCR result and solvency ratio	87

Charts

Chart 1.1-a	Eurozone: household income and retail sales, 2010-16	15
Chart 1.1-b	Eurozone: inflation and monetary policy, 2010-17	15
Chart 1.1-c	Spain: disposable income growth, 2011-17	16
Chart 1.1-d	Spain: public sector accounts, 2006-16	16
Chart 1.1-e	Spain: economic growth and demand for insurance, 2006-16	17
Chart 1.1-f	Spain: trends in direct insurance, 2006-16	17
Chart 1.1-g	Spain: house sales, 2009-16	18
Chart 1.1-h	Spain: house sales, 2009-16	18
Chart 1.1-i	Spain: developments in the number of mortgage loans, 2014-16	19
Chart 1.1-j	Eurozone: risk-free yield curve	20
Chart 1.2-a	Changes in the population pyramid: Spain, 1950-2100	21
Chart 1.2-b	Spain: fertility rate and life expectancy at birth, 1950-2100	22
Chart 1.2-c	Spain: population trends, 2006-16	23
Chart 1.2-d	Spain: population distribution by age and gender, 2016	23
Chart 2.1	Spain: concentration indexes, 2006-16	25
Chart 2.2-a	Spain: overall ranking of insurance groups by premium volume, 2015-16	26
Chart 2.2-b	Spain: overall ranking of Non-Life insurance groups by premium volume, 2015-16	27
Chart 2.2-c	Spain: overall ranking of Life insurance groups by premium volume, 2015-16	27
Chart 2.3	Spain: number of companies by legal structure, 2006-16	28
Chart 2.4-a	Spain: number of insurance brokers, 2008-15	30
Chart 2.4-b	Spain: distribution of the Non-Life portfolio business by channel	31
Chart 2.4-c	Spain: distribution of Life portfolio business by channel	31
Chart 3.1-a	Trends in direct insurance in Spain, 2006-16	35
Chart 3.1-b	Contribution to growth in the insurance market, 2006-2016	35
Chart 3.1-c	Trends in the total combined ratio, 2006-16	38
Chart 3.1-d	Trends in the Non Life combined ratio, 2006-16	39
Chart 3.1-e	Performance of return on equity (ROE), 2015-16	40
Chart 3.1-f	Performance of return on assets (ROA), 2015-16	40
Chart 3.1-g	Trends in the investment structure of the insurance market, 2009-16	41
Chart 3.1-h	Structure of investments relating to technical provisions, 2016	41
Chart 3.1-i	Return on financial investments, 2006-16	42
Chart 3.1-j	Life insurance technical provisions, 2006-16	43
Chart 3.2-a	Trends in direct Automobile insurance in Spain, 2006-16	45
Chart 3.2-b	Results performance in the Automobile line, 2006-16	46
Chart 3.2-c	Trends in direct Health insurance in Spain, 2006-16	48
Chart 3.2-d	Results performance in the Health insurance line, 2006-16	48
Chart 3.2-e	Distribution of Multiperil premiums by category	49
Chart 3.2-f	Trends in direct Multiperil insurance in Spain, 2006-16	49
Chart 3.2-g	Results performance in the Multiperil line, 2006-2016	50
Chart 3.2-h	Results performance in the Home Multiperil line, 2006-16	51
Chart 3.2-i	Results performance in the Industrial Multiperil line, 2006-16 ..	51
Chart 3.2-j	Results performance in the Commercial Multiperil line, 2006-16	52
Chart 3.2-k	Results performance in the Community Multiperil line, 2006-16 ..	53
Chart 3.2-l	Trends in direct Funeral insurance in Spain, 2006-16	54
Chart 3.2-m	Results performance in the Funeral insurance line, 2006-16	54
Chart 3.2-n	Trends in direct Third-Party Liability Insurance in Spain, 2006-16	55

Chart 3.2-o	Results performance in the Third-Party Liability line, 2006-16	56
Chart 3.2-p	Trends in direct Personal Accident insurance in Spain, 2006-16	57
Chart 3.2-q	Results performance in the Personal Accident line, 2006-16	57
Chart 3.2-r	Trends in direct Credit insurance in Spain, 2006-16	58
Chart 3.2-s	Results performance in the Credit insurance line, 2006-16	58
Chart 3.2-t	Trends in direct Surety insurance in Spain, 2006-16	59
Chart 3.2-u	Results performance in the Surety insurance line, 2006-16	60
Chart 3.2-v	Trends in direct Transport insurance in Spain, 2006-16	60
Chart 3.2-w	Results performance in the Hull Transport line, 2006-16	61
Chart 3.2-x	Results performance in the Goods in Transit line, 2006-16	62
Chart 3.2-y	Distribution of Engineering insurance premiums by class, 2016	62
Chart 3.3-a	Trends in direct Life insurance in Spain, 2006-16	63
Chart 3.3-b	Trends in Pension Fund assets, 2006-16	64
Chart 3.3-c	Trends in Pension Fund unitholders, 2006-16	65
Chart 3.3-d	Trends in Mutual Fund assets, 2006-16	66
Chart 3.3-e	Trends in Mutual Fund unitholders, 2006-16	66
Chart 4.1-a	Trends in penetration, 2006-16	69
Chart 4.1-b	Trends in change in penetration, 2006-16	70
Chart 4.1-c	Trends in Life insurance penetration, 2006-16	70
Chart 4.1-d	Trends in Non-Life insurance penetration, 2006-16	71
Chart 4.1-e	Trends in density, 2006-16	71
Chart 4.1-f	Trends in change in density, 2006-16	72
Chart 4.1-g	Trends in the density of Life insurance, 2006-16	72
Chart 4.1-h	Trends in Non-Life insurance density, 2006-16	73
Chart 4.1-i	Trends in insurance market depth, 2006-16	73
Chart 4.2-a	Trends in the Spanish insurance market, 2006-16	74
Chart 4.2-b	Spain Market Development Index (MDI), 2005-16	75
Chart 4.2-c	Trends in the Insurance Protection Gap, 2006-16	76
Chart 4.2-d	Insurance Protection Gap and potential market, 2006-16	76
Chart 4.2-e	Trends in the IPG as real market multiple, 2006-16	77
Chart 4.2-f	Capacity to close the Insurance Protection Gap, 2006-16	78
Chart 5.3-a	Life: Published solvency ratio	81
Chart 5.3-b	Life: Impact of transitional and adjustment measures	82
Chart 5.3-c	Composites: Published solvency ratio	82
Chart 5.3-d	Composites: Impact of transitional and adjustment measures	83
Chart 5.3-e	Non-Life: Published solvency ratio	83
Chart 5.4	Life: ratio of SCR relative to technical provisions in Solvency I and Solvency II	84
Chart 5.6	Non-Life: ratio of SCR relative to technical premiums in Solvency I and Solvency II	88
Chart 5.7-a	Life: relative weight of the different SCR components in the same under analysis	88
Chart 5.7-b	Composites: relative weight of the different SCR components in the same under analysis	89
Chart 5.7-c	Non-Life: relative weight of the different SCR components in the same under analysis	89

Boxes

Box 6.2	The automated vehicle concept and the regulatory framework	92
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References

1/ Swiss Re

2/ Swiss Re: [Global_insurance_review_and_outlook 2017_18](#)

3/ Swiss RE “Natural catastrophes and man-made disasters in 2016: a year of widespread damages”

4/ Data on penetration, density and depth, as well as that relating to the measurement of the Insurance Protection Gap (IPG) in 2015 and previous years, could be different to data presented in our report on “The Spanish Insurance Market in 2015”, due to updates to Spanish insurance market premium figures reported by the ICEA, revisions to data on Spanish gross domestic product published by the National Institute of Statistics and adjustments to parameters on the penetration of European insurance markets used in the estimation of the IPG due to updates to the figures on insurance premiums and gross domestic product.

5/ From a methodological standpoint, the IPG can be measured in two ways. The first is an *ex-post* approach, based on observed losses. In this case, the IPG would be the difference between recorded economic losses over a certain period and the portion of those losses that was covered by the insurance compensation mechanism. And the second is an *ex-ante* approach, analyzing the optimum level of protection, estimated as the difference between the socially and economically appropriate level of risk coverage and the real level of protection. The second approach has been used in this report, identifying the difference between the optimum level and the real level of protection as the difference in penetration indexes in Spain in relation to the fifteen largest economies in the European Union.

5/ It is worth noting the existence of another transitional measure known as the “interest rate transitional”, which has largely not been applied in the Spanish insurance market.

6/ Reports were accessed using the following links:

VidaCaixa: <https://www.vidacaixa.es/es/informacion-corporativa/informe-sobre-situacion-financiera-y-solvencia>

MAPFRE Vida: <https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/solvencia.jsp>

Bankia-MAPFRE Vida: <https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/solvencia.jsp>

BBVA Seguros: <http://www.bbvaseguros.com/informacion-societaria/situacion-financiera-y-de-solvencia/>

Zurich Vida (Sabadell): <https://www.zurich.es/es-es/conocenos/grupo-zurich/informes>

Santander Seguros: Obtained in accordance with the stipulations of article 301.4 of the Commission Delegated Regulation (EU) 2015/35.

Ibercaja Vida: <http://www.ibercaja.com/accionistas-e-inversores/informacion-economico-financiera/ibercaja-vida>

AXA Aurora Vida: <https://www.axa.es/axa-espana/informes-sfcr>

AXA Vida: <https://www.axa.es/axa-espana/informes-sfcr>

Mutualidad de la Abogacía: <https://www.mutualidadabogacia.com/wp-content/uploads/2016/11/informe-de-gestion-2016.pdf>

Nationale-Nederlanden Vida: <https://www.nnseguros.es/mas-info/informe-situacion-financiera-y-solvencia>

Allianz: <https://www.allianz.es/documents/2452567/5284656/Situaci%C3%B3n+Financiera+y+Solvencia.pdf/27a64c22-9182-495b-a9b0-b2ec3e66a9fc>

Generali: <https://www.generali.es/quienes-somos/espana/datos-economicos>

Caser: <https://www.caser.es/documents/20182/2250582/Informe+ISFS+2017+Caser+def.pdf>

Catalana Occidente: <https://www.seguroscatalanaoccidente.com/esp/informacion-corporativa>

Santa Lucía: <http://www.santalucia.es/situacion-financiera-solvencia-santalucia.pdf>

MAPFRE España: <https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/solvencia.jsp>

AXA Seguros Generales: <https://www.axa.es/axa-espana/informes-sfcr>

Segur Caixa Adeslas: <https://www.segurcaixaadeslas.es/es/informacion-corporativa/informe-de-solvencia>

Sanitas: <http://corporativo.sanitas.es/sala-de-comunicacion/informes-y-publicaciones/>

Asisa: <https://www.asisa.es/informacion/solvencia>

Mutua Madrileña: <https://www.grupomutua.es/corporativa/informes-regulatorios.jsp>

Reale Seguros Generales: <https://www.reale.es/es/Documents/Reale%20Seguros%20Generales%20->

Ocaso: <https://www.ocaso.es/wcm/connect/www.ocaso.es17160/12acd1d6-1900-4505-9190->

7/ VidaCaixa and BBVA Seguros use partial internal models to calculate the capital surcharge for longevity/mortality risk.

8/ https://ec.europa.eu/info/finance-consultations-2017-esas-operations_en

9/ Commission Decision of 19.10.2015 Setting up the High Level Group on the Competitiveness and Sustainable Growth of the Automotive Industry in the European Union (GEAR 2030).

10/ COM (2016) 766 final

11/ Not all countries have ratified the Vienna Convention. In Spain's case, though a signatory it did not ratify the Convention, with the preamble to Royal Decree 13/1993, approving the General Traffic Rules (repealed by current rules approved under Royal Decree 1428/2003), stipulating inclusion of the rules of the Convention.

12/ Previously the Convention required drivers to maintain control over their vehicle at all times.

13/ http://ec.europa.eu/finance/insurance/docs/news/call-for-advice-to-eiopa_en.pdf

14/ https://ec.europa.eu/info/files/request-eiopa-technical-advice-review-specific-items-solvency-ii-delegatedregulation-eu-2015-35_en

15/ <http://eur-lex.europa.eu/legal-content/ES/TXT/?uri=CELEX%3A32016L0097>

16/ https://eiopa.europa.eu/Publications/Reports/EIOPA%20Final_Report_on_IDD_Technical%20Advice.pdf

17/ <https://eiopa.europa.eu/Pages/Consultations/EIOPA-CP-17-001-Consultation-Paper-on-the-Proposal-for-Guidelines-under-the-Insurance-Distribution-Directive-on-Complex-Ins.aspx>

18/ http://europa.eu/rapid/press-release_IP-17-609_es.htm

19/ <https://www.esma.europa.eu/press-news/consultations/joint-committee-discussion-paper-use-big-data-financial-institutions>

Statistical appendix

Table A.1.	Size of the main global insurance markets, 2006-16	105
Table A.2.	Trends in direct insurance premiums in the Spanish insurance market 2006-16	108
Table A.3.	Growth trends in direct insurance premiums in the Spanish insurance market , 2006-16	109
Table A.4.	Contributions to growth in direct insurance premiums in the Spanish insurance market , 2006-16	110
Table A.5.	Trends in the overall and Non-Life combined ratios in the Spanish insurance market 2006-16	111
Table A.6.	Trends in Spanish insurance industry investment, 2009-2016	112
Table A.7.	Results and profitability in the Spanish insurance industry, 2006-16	113
Table A.8.	Basic Non Life insurance indicators in the Spanish insurance industry, 2006-16 ...	114
Table A.9.	Trends in the number of companies by regime type, 2006-16	115
Table A.10.	Trends in the number of brokers per type in the Spanish insurance industry 2005-15	116
Table A.11.	Premium volume by Autonomous Region, 2006-16	117
Table A.12.	Premiums per capita by Autonomous Region, 2006-16	118
Table A.13.	Ranking of the top ten insurance groups in Spain by premium volume, 2006-16	119
Table A.14.	Ranking of the top ten Non-Life insurance groups in Spain by premium volume, 2006-16	122
Table A.15.	Ranking of the top ten Life insurance groups in Spain by premium volume, 2006-16	125
Table A.16.	Trends in concentration in the Spanish insurance industry, 2006-16	128
Table A.17.	Activity of the Insurance Compensation Consortium: premiums and surcharges allocated, 2005-15	129
Table A.18.	Activity of the Insurance Compensation Consortium: direct and accepted claims ratio, 2005-15	130
Table A.19.	Trends in average Automobile insurance premium, 2006-16	131
Table A.20.	Average frequencies and costs by guarantee in Automobile insurance, 2006-16	132
Table A.21.	Basic Automobile insurance indicators, 2006-16	134
Table A.22.	Basic Multiperil insurance indicators, 2006-16	135
Table A.23.	Basic Home Multiperil insurance indicators, 2006-16	136
Table A.24.	Basic Industrial Multiperil insurance indicators, 2006-16	137
Table A.25.	Basic Commercial Multiperil insurance indicators, 2006-16	138
Table A.26.	Basic Community Multiperil insurance indicators, 2006-16	139
Table A.27.	Basic Other Multiperil insurance indicators, 2006-16	140
Table A.28.	Basic Health insurance indicators, 2006-16	141
Table A.29.	Basic Third-Party Liability insurance indicators, 2006-16	142
Table A.30.	Basic Hull Transport insurance indicators, 2006-16	143
Table A.31.	Basic Goods in Transit insurance indicators, 2006-16	144
Table A.32.	Basic Funeral insurance indicators, 2006-16	145
Table A.33.	Basic Credit insurance indicators, 2006-16	146
Table A.34.	Basic Surety insurance indicators, 2006-16	147
Table A.35.	Basic Accident insurance indicators, 2006-16	148
Table A.36.	Trends in penetration in the Spanish insurance industry, 2006-16	149
Table A.37.	Trends in Penetration and Density of the Spanish insurance industry, 2006-16	150
Table A.38.	Trends in the Insurance Protection Gap, 2006-16 in the Spanish insurance , 2006-16	151

Table A.1. Size of the world's main insurance markets, 2006-2016
(premiums, billions of \$, premiums per capita, \$; premiums / GDP, percent)

2006				2007				2008				2009			
	Premiu- ms	Premiu- ms per capita	Premiu- ms / GDP		Premiu- ms	Premiu- ms per capita	Premiu- ms / GDP		Premiu- ms	Premiu- ms per capita	Premiu- ms / GDP		Premiu- ms	Premiu- ms per capita	Premiu- ms / GDP
United States	1,175	3,936	8.5%	United States	1,238	4,109	8.5%	United States	1,240	4,077	8.4%	United States	1,150	3,748	8.0%
Japan	437	3,433	10.0%	Great Britain	539	8,278	17.1%	Japan	482	3,787	9.9%	Japan	521	4,092	10.2%
Great Britain	395	6,038	14.2%	Japan	403	3,169	9.0%	Great Britain	396	5,878	12.9%	China	312	4,500	12.1%
France	250	3,846	10.5%	France	271	4,144	9.9%	France	274	4,139	9.1%	Great Britain	284	4,265	10.2%
Germany	202	2,469	6.7%	Germany	224	2,730	6.4%	Germany	241	2,952	6.3%	France	240	2,943	6.9%
Italy	141	2,263	6.8%	Italy	142	2,290	6.1%	China	141	106	3.1%	Germany	169	2,800	7.6%
South Korea	94	1,949	9.1%	South Korea	109	2,237	9.6%	Italy	141	2,292	5.6%	Italy	163	122	3.2%
Netherlands	92	5,655	12.7%	Canada	102	3,112	7.0%	Netherlands	115	6,959	12.2%	South Korea	103	6,251	12.0%
Canada	89	2,739	6.8%	Netherlands	102	6,228	12.1%	Canada	106	3,189	6.8%	Canada	102	3,038	7.4%
China	71	54	2.6%	China	92	70	2.6%	Spain	86	1,864	5.2%	Taiwan	92	1,863	9.4%
Spain	66	1,494	5.3%	Spain	74	1,627	5.0%	South Korea	85	1,736	9.3%	Netherlands	82	1,773	5.5%
Taiwan	52	2,258	13.6%	Taiwan	61	2,640	15.3%	Australia	65	3,050	6.3%	India	64	53	4.7%
Australia	48	2,355	6.2%	India	58	49	4.6%	Taiwan	64	2,793	15.9%	Australia	64	2,762	16.9%
India	40	35	4.3%	Australia	57	2,746	6.0%	India	56	46	4.5%	Brazil	53	267	3.2%
Brazil	30	159	2.7%	Brazil	39	204	2.8%	Brazil	48	247	2.8%	Spain	52	2,424	5.3%
Europe	1,482	1,741	7.8%	Europe	1,751	2,050	7.9%	Europe	1,683	1,965	6.9%	Europe	1,591	1,836	7.4%
EU15	1,361	3,276	8.9%	EU15	1,608	3,845	9.2%	EU15	1,515	3,598	8.1%	EU15	1,444	3,389	8.5%
EU 27	1,392	2,654	8.6%	EU 27	1,648	3,129	8.8%	EU 27	1,567	2,964	7.7%	EU 27	1,485	2,778	8.1%
World	3,693	547	7.0%	World	4,117	601	6.9%	World	4,193	605	6.5%	World	4,078	580	6.6%

Source: Swiss Re. Sigma. *World Insurance in...*

Table A.1. Size of the world's main insurance markets, 2006-2016 (continued)
 (premiums, billions of \$, premiums per capita, \$; premiums / GDP, percent)

2010				2011				2012				2013			
	Premi- ms	Premi- ms per capita	Premi- ms / GDP		Premi- ms	Premi- ms per capita	Premi- ms / GDP		Premi- ms	Premi- ms per capita	Premi- ms / GDP		Premi- ms	Premi- ms per capita	Premi- ms / GDP
United States	1,162	3,757	7.8%	United States	1,221	3,920	7.9%	United States	1,272	4,052	7.9%	United States	1,255	3,969	7.5%
Japan	570	4,479	10.2%	Japan	637	5,006	10.6%	Japan	627	4,930	11.0%	Japan	498	3,926	10.4%
Great Britain	300	4,257	11.1%	Great Britain	320	4,509	11.0%	Great Britain	329	4,596	11.1%	Great Britain	326	4,512	10.7%
France	282	4,189	10.3%	France	272	4,007	9.1%	China	245	181	2.9%	China	280	205	2.9%
Germany	235	2,892	6.8%	Germany	246	3,022	6.5%	France	238	3,501	8.5%	France	255	3,730	8.7%
China	215	160	3.6%	China	222	164	3.0%	Germany	232	2,850	6.5%	Germany	248	3,030	6.5%
Italy	174	2,852	8.0%	Italy	161	2,593	6.8%	South Korea	153	3,059	12.3%	Italy	169	2,672	7.6%
Canada	116	3,429	7.2%	Canada	124	3,618	6.9%	Italy	144	2,276	6.5%	South Korea	146	2,905	11.0%
South Korea	107	2,176	9.6%	South Korea	124	2,484	10.2%	Canada	127	3,649	6.9%	Canada	128	3,646	7.0%
Netherlands	102	6,152	12.2%	Netherlands	109	6,515	12.2%	Netherlands	96	5,719	11.6%	Netherlands	99	5,915	11.5%
Taiwan	76	3,302	17.7%	Spain	82	1,747	5.5%	Taiwan	88	3,769	18.3%	Taiwan	91	3,896	18.4%
India	75	60	4.4%	Brazil	80	396	3.0%	Brazil	82	406	3.3%	Brazil	83	406	3.4%
Spain	73	1,558	5.1%	Taiwan	78	3,380	16.7%	Australia	76	3,353	4.9%	Australia	78	3,399	5.2%
Australia	65	2,963	5.2%	Australia	75	3,372	5.0%	Spain	72	1,529	5.3%	Spain	72	1,545	5.3%
Brazil	65	327	2.9%	India	72	58	3.9%	India	66	52	3.6%	India	65	51	3.5%
Europe	1,592	1,818	7.2%	Europe	1,627	1,864	6.7%	Europe	1,540	1,745	6.6%	Europe	1,618	1,829	6.6%
EU15	1,433	3,325	8.5%	EU15	1,450	3,367	8.0%	EU15	1,363	3,124	7.9%	EU15	1,434	3,274	7.9%
EU 27	1,476	2,733	8.1%	EU 27	1,497	2,773	7.6%	EU 27	1,407	2,577	7.5%	EU 27	1,478	2,699	7.5%
World	4,304	604	6.4%	World	4,559	634	6.1%	World	4,603	632	6.1%	World	4,588	622	5.9%

Source: Swiss Re. Sigma. *World Insurance in...*

Table A.1. Size of the world's main insurance markets, 2006-2016 (conclusion)
 (premiums, billions of \$, premiums per capita, \$; premiums / GDP, percent)

2014				2015				2016			
	Premiums	Premiums per capita	Premiums / GDP		Premiums	Premiums per capita	Premiums / GDP		Premiums	Premiums per capita	Premiums / GDP
United States	1,271	3,987	7.3%	United States	1,316	4,096	7.3%	United States	1,352	4,174	7.3%
Japan	477	3,759	10.7%	Japan	450	3,554	10.8%	Japan	471	3,732	9.5%
Great Britain	338	4,625	10.0%	China	387	281	3.6%	China	466	337	4.1%
China	328	240	3.2%	Great Britain	320	4,359	10.0%	Great Britain	304	4,064	10.2%
France	270	3,924	9.1%	France	231	3,392	9.3%	France	238	3,395	9.2%
Germany	255	3,091	6.5%	Germany	213	2,562	6.2%	Germany	215	2,548	6.1%
Italy	195	3,069	8.7%	Italy	165	2,580	8.7%	South Korea	171	3,362	12.1%
South Korea	159	3,151	11.2%	South Korea	154	3,034	11.4%	Italy	162	2,499	8.2%
Canada	127	3,579	7.1%	Canada	115	3,209	7.4%	Canada	115	3,161	7.5%
Netherlands	97	5,771	11.0%	Taiwan	96	4,094	19.0%	Taiwan	101	4,321	20.0%
Taiwan	96	4,086	18.6%	Netherlands	81	4,763	10.7%	Australia	82	3,397	6.5%
Australia	88	3,746	6.1%	India	72	55	3.4%	Netherlands	80	4,717	10.4%
Brazil	88	426	3.6%	Australia	71	2,958	5.7%	India	79	60	3.5%
Spain	71	1,538	5.2%	Brazil	69	332	3.9%	Brazil	73	346	4.0%
India	68	52	3.3%	Spain	61	1,322	5.1%	Spain	69	1,482	5.6%
Europe	1,695	1,889	6.8%	Europe	1,469	1,634	6.9%				
EU15	1,515	3,408	8.1%	EU15	1,315	2,951	8.0%				
EU 27	1,558	2,806	7.6%	EU 27	1,351	2,430	7.6%				
World	4,755	635	5.9%	World	4,554	603	6.0%	World	4,732	621	6.1%

Source: Swiss Re. Sigma. *World Insurance in...*

Table A.2. Growth of direct insurance premiums in the Spanish insurance market, 2006-2016
(millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NON LIFE INSURANCE	30,155.0	31,848.0	32,597.3	31,753.3	31,811.5	31,718.7	31,095.3	30,386.4	30,646.5	31,297.9	32,755.3
Automobile	12,221.0	12,555.0	12,324.5	11,640.5	11,534.5	11,269.5	10,607.4	10,021.5	9,882.1	10,052.1	10,565.5
Automobile TPL	6,825.0	6,826.0	6,532.8	6,036.9	5,963.8	5,847.9	5,485.3	5,177.7	5,029.6	5,169.0	5,509.1
Automobile Other	5,396.0	5,728.0	5,791.6	5,603.6	5,570.7	5,421.6	5,122.0	4,843.8	4,852.5	4,883.0	5,056.4
Multiperil	5,052.0	5,475.0	5,911.9	6,097.4	6,297.4	6,578.7	6,626.8	6,537.1	6,550.4	6,564.5	6,772.6
Home	2,652.0	2,890.0	3,147.2	3,336.7	3,505.5	3,655.6	3,763.8	3,779.0	3,836.5	3,916.4	4,058.9
Commercial	593.0	645.0	678.0	654.9	650.3	648.8	625.3	596.2	594.5	565.1	574.5
Communities	558.0	605.0	668.9	713.8	755.1	794.2	814.5	823.4	826.6	836.0	852.8
Industrial	1,158.0	1,265.0	1,343.8	1,321.4	1,327.6	1,420.5	1,344.4	1,265.3	1,220.0	1,176.0	1,208.1
Other	91.0	70.0	74.0	70.5	58.9	59.6	78.8	73.2	72.7	71.0	78.2
Health	4,916.0	5,403.0	5,833.7	6,149.6	6,396.4	6,596.6	6,785.6	6,936.9	7,181.1	7,360.8	7,736.5
Healthcare	4,235.0	4,659.0	4,904.3	5,168.1	5,461.3	5,663.1	6,011.2	6,192.0	6,429.7	6,450.0	6,756.0
Reimbursement	416.0	460.0	636.7	679.2	639.5	653.6	516.4	504.4	519.6	665.9	707.7
Subsidy	265.0	284.0	292.6	302.3	295.6	279.9	258.0	240.5	231.7	244.9	272.8
Other Non Life Lines	7,965.0	8,415.0	8,527.2	7,865.9	7,583.1	7,273.9	7,075.6	6,890.9	7,033.0	7,320.5	7,680.7
Accidents	903.0	963.0	1,002.2	945.4	921.6	897.3	852.5	880.1	885.5	926.3	975.7
Assistance	255.0	267.0	319.0	315.5	310.4	315.5	309.4	312.2	335.2	340.3	365.3
Surety	83.0	86.0	86.5	81.1	84.2	78.0	65.3	62.6	60.9	85.7	62.2
Credit	644.0	806.0	834.5	798.5	718.6	694.9	677.4	645.8	630.5	608.8	594.9
Death	1,451.0	1,518.0	1,591.3	1,672.2	1,702.7	1,761.5	1,890.7	1,960.5	2,087.2	2,150.4	2,162.6
Legal Defense	97.0	107.0	110.0	106.5	100.2	102.7	96.7	89.6	92.2	93.1	96.3
Fire	166.0	174.0	174.3	168.1	183.2	102.2	90.6	95.9	108.8	179.9	216.5
Other Damage to	1,524.0	1,537.0	1,522.1	1,190.0	1,088.5	964.2	935.2	819.8	841.2	870.8	1,046.0
Pecuniary Losses	310.0	314.0	310.0	318.9	351.2	339.7	249.4	233.3	232.3	276.1	336.0
Third-Party Liability	1,900.0	2,008.0	1,973.7	1,711.6	1,624.1	1,531.0	1,447.8	1,352.4	1,342.1	1,359.8	1,392.1
Transport	633.0	634.0	603.5	558.1	498.5	486.8	460.6	438.8	417.0	429.4	433.1
Aviation	120.0	100.0	94.4	118.9	87.8	75.7	61.5	55.1	47.7	46.0	50.1
Maritime	210.0	214.0	222.9	217.5	201.7	200.6	194.9	185.3	175.3	178.9	168.7
Goods	302.0	320.0	286.2	221.6	209.0	210.5	204.1	198.4	194.0	204.5	214.3
LIFE INSURANCE	22,452.0	23,073.0	26,606.7	28,119.5	26,376.7	28,871.7	26,288.9	25,509.9	24,839.3	25,566.7	31,136.3
Risk	3,399.1	3,765.3	3,632.0	3,593.0	3,778.8	3,609.7	3,510.8	3,350.4	3,471.5	3,773.8	4,205.0
Savings	19,052.9	19,307.7	22,975.0	24,526.1	22,597.9	25,261.9	22,778.0	22,159.5	21,367.7	21,793.0	26,931.4
TOTAL MARKET	52,607.0	54,921.0	59,203.9	59,872.8	58,188.2	60,590.3	57,384.2	55,896.3	55,485.8	56,864.6	63,891.7

Source: ICEA. Historic series of direct business premiums by line and modality since 2003

Table A.3. Progress of growth of direct insurance premiums in the Spanish insurance market, 2006-2016
(annual growth rates, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NON LIFE INSURANCE	6.8%	5.6%	2.4%	-2.6%	0.2%	-0.3%	-2.0%	-2.3%	0.9%	2.1%	4.7%
Automobile	4.8%	2.7%	-1.8%	-5.5%	-0.9%	-2.3%	-5.9%	-5.5%	-1.4%	1.7%	5.1%
Automobile TPL	2.8%	0.0%	-4.3%	-7.6%	-1.2%	-1.9%	-6.2%	-5.6%	-2.9%	2.8%	6.6%
Automobile Other	7.5%	6.2%	1.1%	-3.2%	-0.6%	-2.7%	-5.5%	-5.4%	0.2%	0.6%	3.6%
Multiperil	8.7%	8.4%	8.0%	3.1%	3.3%	4.5%	0.7%	-1.4%	0.2%	0.2%	3.2%
Home	11.1%	9.0%	8.9%	6.0%	5.1%	4.3%	3.0%	0.4%	1.5%	2.1%	3.6%
Commercial	6.8%	8.8%	5.1%	-3.4%	-0.7%	-0.2%	-3.6%	-4.6%	-0.3%	-4.9%	1.7%
Communities	9.6%	8.4%	10.6%	6.7%	5.8%	5.2%	2.6%	1.1%	0.4%	1.1%	2.0%
Industrial	4.6%	9.2%	6.2%	-1.7%	0.5%	7.0%	-5.4%	-5.9%	-3.6%	-3.6%	2.7%
Other	3.4%	-23.1%	5.6%	-4.7%	-16.4%	1.2%	32.3%	-7.2%	-0.6%	-2.4%	10.2%
Health	9.7%	9.9%	8.0%	5.4%	4.0%	3.1%	2.9%	2.2%	3.5%	2.5%	5.1%
Healthcare	10.2%	10.0%	5.3%	5.4%	5.7%	3.7%	6.1%	3.0%	3.8%	0.3%	4.7%
Reimbursement	3.5%	10.6%	38.4%	6.7%	-5.8%	2.2%	-21.0%	-2.3%	3.0%	28.1%	6.3%
Subsidy	11.3%	7.2%	3.0%	3.3%	-2.2%	-5.3%	-7.8%	-6.8%	-3.7%	5.7%	11.4%
Other Non Life Lines	6.8%	5.6%	1.3%	-7.8%	-3.6%	-4.1%	-2.7%	-2.6%	2.1%	4.1%	4.9%
Accidents	6.5%	6.6%	4.1%	-5.7%	-2.5%	-2.6%	-5.0%	3.2%	0.6%	4.6%	5.3%
Assistance	-3.0%	4.7%	19.5%	-1.1%	-1.6%	1.7%	-2.0%	0.9%	7.4%	1.5%	7.3%
Surety	12.2%	3.6%	0.6%	-6.3%	3.8%	-7.3%	-16.2%	-4.1%	-2.8%	40.6%	-27.4%
Credit	18.4%	25.2%	3.5%	-4.3%	-10.0%	-3.3%	-2.5%	-4.7%	-2.4%	-3.4%	-2.3%
Death	5.9%	4.6%	4.8%	5.1%	1.8%	3.4%	7.3%	3.7%	6.5%	3.0%	0.6%
Legal Defense	3.2%	10.3%	2.8%	-3.2%	-5.9%	2.5%	-5.9%	-7.3%	2.9%	1.0%	3.4%
Fire	-17.8%	4.8%	0.2%	-3.6%	9.0%	-44.2%	-11.4%	5.9%	13.4%	65.4%	20.3%
Other Damage to	1.7%	0.9%	-1.0%	-21.8%	-8.5%	-11.4%	-3.0%	-12.3%	2.6%	3.5%	20.1%
Pecuniary Losses	59.0%	1.3%	-1.3%	2.9%	10.1%	-3.3%	-26.6%	-6.5%	-0.4%	18.8%	21.7%
Third-Party Liability	8.1%	5.7%	-1.7%	-13.3%	-5.1%	-5.7%	-5.4%	-6.6%	-0.8%	1.3%	2.4%
Transport	3.4%	0.2%	-4.8%	-7.5%	-10.7%	-2.3%	-5.4%	-4.7%	-5.0%	3.0%	0.9%
Aviation	-10.4%	-16.7%	-5.6%	26.0%	-26.2%	-13.8%	-18.7%	-10.5%	-13.4%	-3.6%	9.0%
Maritime	6.6%	1.9%	4.1%	-2.4%	-7.3%	-0.6%	-2.8%	-4.9%	-5.4%	2.0%	-5.7%
Goods	7.5%	6.0%	-10.5%	-22.6%	-5.7%	0.7%	-3.0%	-2.8%	-2.2%	5.4%	4.8%
LIFE INSURANCE	9.3%	2.8%	15.3%	5.7%	-6.2%	9.5%	-8.9%	-3.0%	-2.6%	2.9%	21.8%
Risk	17.8%	10.8%	-3.5%	-1.1%	5.2%	-4.5%	-2.7%	-4.6%	3.6%	8.7%	11.4%
Savings	7.9%	1.3%	19.0%	6.8%	-7.9%	11.8%	-9.8%	-2.7%	-3.6%	2.0%	23.6%
TOTAL MARKET	7.8%	4.4%	7.8%	1.1%	-2.8%	4.1%	-5.3%	-2.6%	-0.7%	2.5%	12.4%

Source: MAPFRE Economic Research (with ICEA data), *Historic series of direct business premiums by line and modality since 2003*

Table A.4. Contributions to the growth of direct insurance premiums in the Spanish insurance market, 2006-2016
(percentage points, ppts)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
NON LIFE INSURANCE	3.915	3.218	1.364	-1.425	0.097	-0.159	-1.029	-1.235	0.465	1.174	2.563
Automobile	1.152	0.635	-0.420	-1.155	-0.177	-0.455	-1.093	-1.021	-0.249	0.306	0.903
Automobile TPL	0.377	0.002	-0.534	-0.838	-0.122	-0.199	-0.598	-0.536	-0.265	0.251	0.598
Automobile Other	0.775	0.631	0.116	-0.318	-0.055	-0.256	-0.494	-0.485	0.016	0.055	0.305
Multiperil	0.830	0.804	0.796	0.313	0.334	0.483	0.079	-0.156	0.024	0.025	0.366
Home	0.541	0.452	0.468	0.320	0.282	0.258	0.178	0.027	0.103	0.144	0.251
Commercial	0.078	0.099	0.060	-0.039	-0.008	-0.003	-0.039	-0.051	-0.003	-0.053	0.017
Communities	0.100	0.089	0.116	0.076	0.069	0.067	0.034	0.015	0.006	0.017	0.030
Industrial	0.105	0.203	0.144	-0.038	0.010	0.160	-0.126	-0.138	-0.081	-0.079	0.056
Other	0.006	-0.040	0.007	-0.006	-0.019	0.001	0.032	-0.010	-0.001	-0.003	0.013
Health	0.890	0.926	0.784	0.534	0.412	0.344	0.312	0.264	0.437	0.324	0.661
Healthcare	0.806	0.806	0.447	0.446	0.490	0.347	0.574	0.315	0.425	0.037	0.538
Reimbursement	0.029	0.084	0.322	0.072	-0.066	0.024	-0.226	-0.021	0.027	0.264	0.074
Subsidy	0.055	0.036	0.016	0.016	-0.011	-0.027	-0.036	-0.030	-0.016	0.024	0.049
Other Non Life Lines	1.041	0.855	0.204	-1.117	-0.472	-0.532	-0.327	-0.322	0.254	0.518	0.633
Accidents	0.113	0.114	0.071	-0.096	-0.040	-0.042	-0.074	0.048	0.010	0.073	0.087
Assistance	-0.016	0.023	0.095	-0.006	-0.009	0.009	-0.010	0.005	0.041	0.009	0.044
Surety	0.018	0.006	0.001	-0.009	0.005	-0.011	-0.021	-0.005	-0.003	0.045	-0.041
Credit	0.205	0.308	0.052	-0.061	-0.133	-0.041	-0.029	-0.055	-0.027	-0.039	-0.024
Death	0.166	0.127	0.133	0.137	0.051	0.101	0.213	0.122	0.227	0.114	0.021
Legal Defense	0.006	0.019	0.005	-0.006	-0.011	0.004	-0.010	-0.012	0.005	0.002	0.006
Fire	-0.074	0.015	0.001	-0.011	0.025	-0.139	-0.019	0.009	0.023	0.128	0.064
Other Damage to	0.053	0.025	-0.027	-0.561	-0.170	-0.214	-0.048	-0.201	0.038	0.053	0.308
Pecuniary Losses	0.236	0.008	-0.007	0.015	0.054	-0.020	-0.149	-0.028	-0.002	0.079	0.105
Third-Party Liability	0.291	0.205	-0.063	-0.443	-0.146	-0.160	-0.137	-0.166	-0.018	0.032	0.057
Transport	0.043	0.002	-0.056	-0.077	-0.100	-0.020	-0.043	-0.038	-0.039	0.022	0.007
Aviation	-0.029	-0.038	-0.010	0.042	-0.052	-0.021	-0.023	-0.011	-0.013	-0.003	0.007
Maritime	0.027	0.008	0.016	-0.009	-0.026	-0.002	-0.009	-0.017	-0.018	0.006	-0.018
Goods	0.043	0.034	-0.061	-0.109	-0.021	0.003	-0.011	-0.010	-0.008	0.019	0.017
LIFE INSURANCE	3.923	1.180	6.434	2.555	-2.911	4.288	-4.263	-1.357	-1.200	1.311	9.795
Risk	1.052	0.696	-0.243	-0.066	0.310	-0.291	-0.163	-0.279	0.217	0.545	0.758
Savings	2.871	0.484	6.677	2.620	-3.220	4.578	-4.099	-1.078	-1.416	0.766	9.036
TOTAL MARKET	7.839	4.399	7.798	1.130	-2.814	4.128	-5.292	-2.593	-0.734	2.485	12.358

Source: MAPFRE Economic Research (with ICEA data), *Historic series of direct business premiums by line and modality since 2003*

Table A.5. Growth of the combined total and Non Life ratio in the Spanish insurance market, 2006-2016
(combined ratio, percent)

Year	Total combined ratio					Non Life combined ratio			
	Total combined ratio	Claims ratio	Administration expense ratio	Acquisition expense ratio		Total combined ratio	Claims ratio	Administration expense ratio	Acquisition expense ratio
2006	106.08	91.92	2.17	11.99		91.47	70.64	3.19	17.64
2007	104.93	90.30	2.30	12.33		92.31	71.56	3.37	17.38
2008	100.80	86.89	2.30	11.61		92.56	71.98	3.54	17.04
2009	107.14	93.73	2.28	11.13		93.88	72.82	3.55	17.51
2010	104.92	91.21	2.48	11.24		93.76	73.03	3.75	16.98
2011	103.47	90.01	2.30	11.16		92.59	71.25	3.56	17.78
2012	104.70	91.60	2.43	10.67		93.22	71.00	3.51	18.71
2013	107.85	94.01	2.60	11.25		94.61	71.93	3.67	19.01
2014	109.17	94.25	2.73	12.19		93.93	71.52	3.85	18.56
2015	109.10	94.07	2.64	12.39		94.73	72.28	3.81	18.64
2016	105.58	91.71	2.84	11.03		93.57	71.26	4.56	17.75

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report*

Table A.6. Growth of the Spanish insurance industry investment, 2009-2016
(investment, millions of Euros)

Year	Investment								
	Total	Cash	Debt	Deposits	Credits and other investments	Income variable	Mutual Funds	Real estate	Derivatives and structured
2009	192,735.0	17,153.4	122,579.5	14,840.6	2,505.6	5,396.6	10,985.9	10,022.2	9,251.3
2010	200,940.0	10,850.8	127,596.9	16,678.0	10,850.8	5,425.4	12,056.4	9,243.2	8,238.5
2011	209,090.0	10,182.7	135,636.7	15,786.3	14,427.2	5,415.4	10,789.0	9,137.2	7,715.4
2012	212,397.0	7,051.6	142,752.0	15,951.0	15,908.5	5,309.9	10,386.2	8,665.8	6,371.9
2013	219,488.0	7,857.7	147,583.7	16,395.8	16,571.3	6,518.8	11,259.7	8,274.7	5,026.3
2014	226,459.0	20,879.5	154,309.2	13,949.9	3,079.8	7,088.2	14,085.7	8,628.1	4,438.6
2015	227,427.0	21,651.1	157,515.9	9,415.5	3,616.1	7,641.5	15,146.6	8,323.8	4,116.4
2016	286,848.0	14,691.1	217,236.0	10,109.8	2,363.4	13,856.3	18,543.5	10,475.1	-427.2

Source: MAPFRE Economic Research (with ICEA data). *Insurance company investments* and with data from the General Management of Insurance and Pension Funds. *Quarterly insurance information bulletin*)

Table A.7. Results and profitability in the Spanish insurance industry, 2006-2016
(results, million Euros, profitability, percent)

Year	Industry results ¹ (millions of euros)	Profitability	
		ROE ² [%]	ROA ³ [%]
2006	3,625,295	17.3	1.90
2007	3,314,306	15.6	1.67
2008	2,640,859	11.2	1.25
2009	3,636,852	14.0	1.63
2010	4,082,843	16.0	1.82
2011	4,210,777	15.3	1.76
2012	4,458,874	15.0	1.82
2013	4,575,276	12.7	1.75
2014	4,901,842	12.4	1.68
2015	3,482,377	8.8	1.21
2016	4,313,052	10.7	1.46

Source: MAPFRE Economic Research (with ICEA data), *Insurance industry economic report*

¹ These data differ from those in the report as they refer to a representative sample and not to the total for the industry.

² Final Net result / Net equity for the same year.

³ Final Net result / Total Assets for the same year.

Table A.8. Basic Non Life insurance indicators in the Spanish insurance industry, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

Year	Gross written and accepted premiums	Basic indicators (percent of premiums)								
		Percent variation in premium	Retention	Gross claims ratio	Expenses gross	Net claims ratio	Net expenses	Net combined ratio	Financial result	Technical-financial result
2006	30,155	6.8%	88.0%	69.5%	20.7%	71.3%	20.8%	92.1%	5.8%	13.7%
2007	31,848	5.6%	86.2%	70.9%	20.8%	72.2%	20.8%	92.9%	5.5%	12.6%
2008	32,597	2.4%	86.2%	71.3%	20.8%	71.5%	20.6%	92.1%	3.2%	11.1%
2009	31,753	-2.6%	85.9%	71.5%	20.8%	72.8%	21.1%	93.9%	4.9%	11.0%
2010	31,811	0.2%	85.2%	71.7%	20.8%	73.0%	20.7%	93.8%	4.6%	10.9%
2011	31,719	-0.3%	88.6%	69.1%	21.3%	71.2%	21.3%	92.6%	4.0%	11.4%
2012	31,095	-2.0%	88.6%	68.9%	22.0%	71.0%	22.2%	93.2%	2.9%	9.7%
2013	30,386	-2.3%	87.6%	70.2%	22.2%	71.9%	22.7%	94.6%	3.9%	9.3%
2014	30,647	0.9%	87.9%	69.6%	22.3%	71.5%	22.4%	93.9%	4.8%	10.8%
2015	31,298	2.1%	87.6%	70.2%	22.4%	72.3%	22.5%	94.7%	4.2%	9.4%
2016	32,755	4.7%	84.8%	68.9%	22.6%	71.3%	22.3%	93.6%	3.9%	10.3%

Source: MAPFRE Economic Research (with ICEA data), *Insurance industry economic report*

Table A.9. Growth of the number of companies operating, by regime type, in the Spanish insurance industry, 2006-2016
(number of companies)

Year	Limited companies	Mutual companies	Social Protection Mutual Companies ¹	Reinsurance companies
2006	207	38	51	2
2007	206	37	52	2
2008	204	35	55	2
2009	202	34	56	2
2010	195	35	55	2
2011	188	34	55	2
2012	183	32	53	2
2013	178	32	52	2
2014	168	31	53	3
2015	156	31	50	3
2016	137	28	49	3

Source: MAPFRE Economic Research (with data from the General Management of Insurance and Pension Funds. *Annual insurance and pension fund report*)

¹ Subjected to control by the General Management of Insurance and Pension Funds.

Table A.10. Growth in the number of brokers per type in the Spanish insurance industry, 2005-2015¹
(number of people and companies)

Year	Insurance brokers		Associated agents		Associated bancassurance operators		Reinsurance brokers		Exclusive agents		Associated bancassurance exclusive		Totals		
	General Directorate of Insurance	Autonomous Communities	General Directorate of Insurance	Autonomous Communities	General Directorate of Insurance	Autonomous Communities	General Directorate of Insurance	Autonomous Communities	General Directorate of Insurance	Autonomous Communities	General Directorate of Insurance	Autonomous Communities	Total brokers	Total DGSFP	Total Autonomous Communities
2005	3,346	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006	3,116	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2007	3,027	1,875	5	50	43	3	20	1	87,158	683	23	-	92,888	90,276	2,612
2008	3,013	2,136	78	166	62	3	28	1	95,835	805	23	-	102,150	99,039	3,111
2009	3,015	1,563	107	162	63	3	33	1	93,938	690	24	-	99,599	97,180	2,419
2010	3,010	1,574	125	197	61	1	37	1	91,580	801	24	-	97,411	94,837	2,574
2011	3,025	1,631	163	231	59	1	38	-	88,377	959	20	-	94,504	91,682	2,822
2012	3,017	1,635	186	242	59	1	43	-	89,596	924	11	-	95,714	92,912	2,802
2013	3,046	1,673	199	258	53	1	51	-	86,027	489	15	-	91,812	89,391	2,421
2014	3,078	1,725	205	280	41	1	60	-	87,591	579	14	-	93,574	90,989	2,585
2015	3,151	1,749	224	285	38	1	63	1	83,584	483	15	-	89,594	87,075	2,519

Source: MAPFRE Economic Research (with data from the General Management of Insurance and Pension Funds. *Annual insurance and pension fund report*)

¹ In accordance with the DGSFP, data were processed in 2007 in the Administrative Registry of Insurance Brokers which affected 61.3 percent of the companies operating.

Table A.11. Premium volume by Autonomous Community, 2006-2016
(millions of euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Andalusia	4,806	5,500	6,024	5,900	5,966	5,982	5,717	5,824	6,045	6,237	6,949
Aragon	850	914	1,489	1,605	1,655	1,916	1,680	1,512	1,710	1,656	1,909
Asturias (Principality of)	620	682	725	765	787	835	866	837	956	854	871
Balearic Islands	742	813	860	886	911	1,246	1,175	1,270	1,283	1,326	1,383
Canary Islands	971	1,083	1,154	1,174	1,234	1,241	1,269	1,212	1,269	1,367	1,641
Cantabria	356	379	418	451	471	462	495	485	497	503	524
Castilla - La Mancha	1,163	1,260	1,381	1,451	1,582	1,647	1,708	1,616	1,766	1,705	1,734
Castilla-Leon	1,694	1,869	2,035	2,274	2,224	2,393	2,331	2,211	2,275	2,482	2,653
Catalonia	7,488	7,793	8,893	9,786	9,942	11,226	10,079	9,677	10,237	10,121	11,295
Valencia	3,637	3,918	3,944	3,837	4,061	4,222	4,096	4,373	4,305	4,059	4,406
Extremadura	533	604	654	739	736	674	773	724	696	799	898
Galicia	2,003	2,185	2,208	2,150	2,501	2,616	2,226	2,151	2,167	2,279	2,515
Madrid (Community of)	8,979	9,262	9,763	9,772	10,217	10,178	9,896	9,369	9,165	9,422	10,379
Murcia (Region of)	858	968	981	976	1,038	1,087	1,033	1,031	1,041	1,063	1,162
Navarra (Foral Autonomous Region of)	415	690	758	783	822	619	622	838	1,003	952	961
Basque country	1,774	1,910	2,040	2,140	2,268	2,477	2,429	2,323	2,352	2,394	2,461
La Rioja	198	242	371	468	417	380	356	356	359	345	373
Autonomous City of Ceuta and Melilla	45	61	79	67	81	94	95	97	98	97	114

Source: ICEA, *Insurance market by provinces*

Table A.12. Premiums per capita by Autonomous Community, 2006-2016
(Euros)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Andalusia	596.3	670.6	725.5	704.8	708.2	707.9	677.4	693.2	719.8	744.1	830.2
Aragon	655.5	688.8	1106.3	1191.8	1229.2	1419.8	1247.0	1140.8	1297.3	1266.7	1460.0
Asturias (Principality of)	576.6	631.4	667.6	705.5	727.8	775.5	810.4	788.4	909.0	819.4	841.8
Balearic Islands	719.4	757.8	785.1	800.7	818.5	1113.4	1056.7	1151.0	1161.8	1198.2	1239.8
Canary Islands	479.3	521.7	548.5	554.2	580.3	585.7	598.7	576.0	604.3	651.0	779.2
Cantabria	621.5	651.0	708.7	762.3	794.8	777.4	835.6	823.2	849.5	864.3	903.1
Castilla - La Mancha	588.2	616.7	663.5	691.5	747.8	776.2	813.0	777.5	857.5	835.3	854.0
Castilla-Leon	670.0	730.8	793.8	888.4	869.1	939.9	925.0	886.3	920.4	1015.0	1094.4
Catalonia	1038.5	1058.2	1189.6	1302.6	1318.6	1482.8	1334.3	1287.0	1363.4	1346.6	1495.7
Valencia	744.5	779.0	774.1	750.6	793.5	823.1	801.0	873.8	864.3	819.4	892.8
Extremadura	489.0	550.2	593.2	667.4	663.4	608.2	700.4	658.8	636.7	735.2	832.1
Galicia	722.4	784.8	789.7	768.5	894.8	940.4	804.6	782.7	793.2	838.4	928.7
Madrid (Community of)	1476.4	1476.8	1528.6	1513.0	1574.4	1566.3	1523.5	1451.5	1423.8	1457.6	1595.7
Murcia (Region of)	616.3	678.8	678.2	667.4	706.4	736.9	701.6	703.2	709.3	726.2	790.6
Navarra (Foral Autonomous Region of)	685.0	1112.2	1202.1	1228.7	1279.7	961.1	965.5	1307.6	1565.5	1487.1	1494.8
Basque country	828.3	885.4	939.2	982.3	1038.0	1129.3	1108.2	1061.2	1074.2	1093.7	1122.2
La Rioja	640.8	760.6	1153.2	1451.5	1292.7	1175.8	1105.9	1114.8	1132.7	1092.1	1184.3
Autonomous City of Ceuta and Melilla	308.1	407.2	519.3	427.8	500.9	572.7	565.4	571.5	579.8	569.7	665.0

Source: MAPFRE Economic Research (with INE and ICEA data. *Insurance market by provinces*)

Table A.13. Ranking of the ten largest insurance groups in Spain by premium volume, 2006-2016
(premiums, million Euros; market share, percent)

2006			2007			2008			2009		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
MAPFRE	7,091	13.5	MAPFRE	7,889	14.5	MAPFRE	8,182	13.8	MAPFRE	7,786	13.0
AXA	3,507	6.7	AXA	3,514	6.4	SANTANDER	4,943	8.4	ZURICH	5,409	9.0
ALLIANZ	2,632	5.0	SANTANDER	3,086	5.7	ZURICH	4,626	7.8	SANTANDER	3,488	5.8
GENERALI	2,607	5.0	ALLIANZ	2,860	5.2	AXA	3,633	6.1	GRUPO CAIXA	3,304	5.5
SANTANDER	2,557	4.9	GENERALI	2,517	4.6	ALLIANZ	2,982	5.0	AXA	3,285	5.5
ZURICH	1,935	3.7	AVIVA	2,240	4.1	GENERALI	2,793	4.7	ALLIANZ	3,033	5.1
AVIVA	1,908	3.6	CASER	2,111	3.9	CASER	2,356	4.0	GENERALI	2,584	4.3
CASER	1,889	3.6	CATALANA OCCIDENTE	2,018	3.7	CATALANA OCCIDENTE	2,189	3.7	CASER	2,397	4.0
CAIFOR	1,717	3.3	ZURICH	1,852	3.4	CAIFOR	2,034	3.4	CATALANA OCCIDENTE	2,169	3.6
IBERCAJA	1,590	3.0	IBERCAJA	1,617	3.0	AVIVA	1,869	3.2	AVIVA	1,827	3.0
Market total	52,584		Market total	54,536		Market total	59,178		Market total	59,898	

Source: MAPFRE Economic Research (with ICEA data). *Total direct insurance ranking by group and company*

Table A.13. Ranking of the ten largest insurance groups in Spain by premium volume, 2006-2016 (continued)
(premiums, million Euros; market share, percent)

2010			2011			2012			2013		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
MAPFRE	8,455	14.7	MAPFRE	8,307	13.7	MAPFRE	7,956	13.9	MAPFRE	7,060	12.7
GRUPO CAIXA	5,640	9.8	GRUPO CAIXA	5,068	8.4	GRUPO CAIXA	5,165	9.0	CAIXA	5,298	9.5
ZURICH	4,646	8.1	MUTUA MADRILEÑA	3,472	5.7	MUTUA MADRILEÑA	3,645	6.4	MUTUA MADRILEÑA	3,873	6.9
GRUPO AXA	3,117	5.4	ZURICH	2,943	4.9	SANTANDER	3,512	6.1	ALLIANZ	3,199	5.7
ALLIANZ	2,962	5.1	ALLIANZ	3,001	5.0	ALLIANZ	3,046	5.3	SANTANDER	3,136	5.6
CASER	2,582	4.5	SANTANDER	2,950	4.9	AXA	2,683	4.7	AXA	2,712	4.9
GENERALI	2,282	4.0	GRUPO AXA	2,943	4.9	GENERALI	2,513	4.4	BBVA SEGUROS	2,300	4.1
SANTANDER	2,159	3.7	CASER	2,818	4.7	BBVA	2,109	3.7	GENERALI	2,293	4.1
CATALANA OCCIDENTE	2,044	3.5	GENERALI	2,416	4.0	CASER	1,997	3.5	CATALANA OCCIDENTE	2,014	3.6
AVIVA	1,792	3.1	CATALANA OCCIDENTE	2,039	3.4	CATALANA OCCIDENTE	1,971	3.4	CASER	1,713	3.1
Market total	57,587		Market total	60,592		Market total	57,398		Market total	55,773	

Source: MAPFRE Economic Research (with ICEA data). Total direct insurance ranking by group and company]

Table A.13. Ranking of the ten largest insurance groups in Spain by premium volume, 2006-2016 (conclusion)
(premiums, million Euros; market share, percent)

2014			2015			2016		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
MAPFRE	7,266	13.1	VIDACAIXA	7,189	12.6	VIDACAIXA	9,492	14.9
CAIXA	5,538	10.0	MAPFRE	6,416	11.3	MAPFRE	6,708	10.5
MUTUA MADRILEÑA	4,165	7.5	MUTUA MADRILEÑA	4,333	7.6	ZURICH	5,571	8.7
ALLIANZ	3,287	5.9	ZURICH	4,069	7.2	MUTUA MADRILEÑA	4,751	7.4
AXA	2,660	4.8	ALLIANZ	3,526	6.2	ALLIANZ	3,566	5.6
ZURICH	2,507	4.5	CATALANA OCCIDENTE	2,867	5.0	CATALANA OCCIDENTE	2,908	4.6
GENERALI	2,259	4.1	AXA	2,502	4.4	AXA	2,577	4.0
CATALANA OCCIDENTE	2,162	3.9	GENERALI	2,306	4.1	GENERALI	2,501	3.9
BBVA SEGUROS	2,088	3.8	BBVA SEGUROS	2,085	3.7	BBVA SEGUROS	1,932	3.0
SANTANDER	1,903	3.4	SANTALUCIA	1,287	2.3	CASER	1,438	2.3
Market total	55,486		Market total	56,905		Market total	63,892	

Source: MAPFRE Economic Research (with ICEA data). *Total direct insurance ranking by group and company*

Table A.14. Ranking of the ten largest Non Life insurance groups in Spain by premium volume, 2006-2016
(premiums, million Euros; market share, percent)

2006			2007			2008			2009		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
MAPFRE	5,226	17.4	MAPFRE	5,521	17.4	MAPFRE	5,602	17.2	MAPFRE	5,239	16.5
AXA	2,627	8.7	AXA	2,713	8.5	AXA	2,718	8.3	AXA	2,540	8.0
ALLIANZ	1,997	6.6	ALLIANZ	2,119	6.7	ALLIANZ	2,134	6.6	ALLIANZ	2,081	6.5
GENERALI	1,433	4.8	GENERALI	1,534	4.8	CATALANA OCCIDENTE	1,578	4.8	CATALANA OCCIDENTE	1,508	4.7
MUTUA MADRILEÑA	1,314	4.4	CATALANA OCCIDENTE	1,474	4.6	GENERALI	1,557	4.8	GENERALI	1,456	4.6
ZURICH	1,291	4.3	MUTUA MADRILEÑA	1,351	4.3	ZURICH	1,377	4.2	ZURICH	1,295	4.1
CASER	1,137	3.8	ZURICH	1,341	4.2	MUTUA MADRILEÑA	1,273	3.9	MUTUA MADRILEÑA	1,256	4.0
CATALANA OCCIDENTE	1,051	3.5	CASER	1,272	4.0	CASER	1,263	3.9	CASER	1,191	3.7
ADESLAS	989	3.3	ADESLAS	1,085	3.4	ADESLAS	1,191	3.7	ADESLAS	1,291	4.1
SANTALUCIA	819	2.7	SANITAS	907	2.9	SANITAS	982	3.0	SANITAS	1,041	3.3
Market total	30,112		Market total	31,781		Market total	32,571		Market total	31,779	

Source: MAPFRE Economic Research (with ICEA data). *Total Non Life insurance ranking by group and company*

Table A.14. Total ranking of the ten largest Non Life insurance groups in Spain by premium volume, 2006-2016 (continued)
(premiums, million Euros; market share, percent)

2010			2011			2012			2013		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
MAPFRE	5,166	16.2	MAPFRE	5,136	16.2	MAPFRE	4,973	16.0	MAPFRE	4,634	15.3
AXA	2,402	7.5	MUTUA MADRILEÑA	3,393	10.7	MUTUA MADRILEÑA	3,557	11.4	MUTUA MADRILEÑA	3,677	12.1
ALLIAN	2,031	6.4	AXA	2,305	7.3	AXA	2,126	6.8	AXA	2,021	6.7
GRUPO CAIXA	1,921	6.0	ALLIANZ	2,032	6.4	ALLIANZ	1,971	6.3	ALLIANZ	1,975	6.5
CATALANA OCCIDENTE	1,476	4.6	CATALANA OCCIDENTE	1,439	4.5	GENERALI	1,369	4.4	GENERALI	1,290	4.3
GENERALI	1,362	4.3	GENERALI	1,365	4.3	CATALANA OCCIDENTE	1,366	4.4	CATALANA OCCIDENTE	1,290	4.3
MUTUA MADRILEÑA	1,305	4.1	ZURICH	1,170	3.7	SANITAS	1,137	3.7	SANITAS	1,178	3.9
ZURICH	1,258	4.0	CASER	1,106	3.5	ZURICH	1,097	3.5	ZURICH	1,040	3.4
CASER	1,137	3.6	SANITAS	1,099	3.5	SANTALUCIA	1,045	3.4	SANTALUCIA	1,029	3.4
SANITAS	1,068	3.4	SANTALUCIA	992	3.1	ASISA	1,021	3.3	ASISA	968	3.2
Market total	31,820		Market total	31,724		Market total	31,116		Market total	30,268	

Source: MAPFRE Economic Research (with ICEA data). *Total Non Life insurance ranking by group and company*

Table A.14. Total ranking of the ten largest Non Life insurance groups in Spain by premium volume, 2006-2016 (conclusion)
(premiums, million Euros; market share, percent)

2014			2015			2016		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
MAPFRE	4,629	15.1	MAPFRE	4,686	15.0	MAPFRE	4,761	14.5
MUTUA MADRILEÑA	3,927	12.8	MUTUA MADRILEÑA	4,169	13.3	MUTUA MADRILEÑA	4,506	13.8
ALLIANZ	2,028	6.6	ALLIANZ	2,152	6.9	ALLIANZ	2,272	6.9
AXA	1,927	6.3	CATALANA OCCIDENTE	1,939	6.2	CATALANA OCCIDENTE	2,043	6.2
CATALANA OCCIDENTE	1,294	4.2	AXA	1,755	5.6	AXA	1,793	5.5
GENERALI	1,275	4.2	GENERALI	1,348	4.3	GENERALI	1,459	4.5
SANITAS	1,160	3.8	SANITAS	1,165	3.7	SANITAS	1,216	3.7
SANTALUCIA	1,062	3.5	ZURICH	1,072	3.4	SANTALUCIA	1,073	3.3
ZURICH	1,055	3.4	ASISA	1,059	3.4	ASISA	1,069	3.3
ASISA	1,012	3.3	SANTALUCIA	1,050	3.4	ZURICH	1,027	3.1
Market total	30,647		Market total	31,338		Market total	32,755	

Source: MAPFRE Economic Research (with ICEA data). *Total Non Life insurance ranking by group and company*

Table A.15. Ranking of the ten largest Life Insurance groups in Spain by premium volume, 2006-2016
(premiums, million Euros; market share, percent)

2006			2007			2008			2009		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
SANTANDER	2,349	10.5	SANTANDER	2,875	12.6	SANTANDER	4,747	17.8	ZURICH	4,114	14.6
AVIVA	1,897	8.4	MAPFRE	2,368	10.4	ZURICH	3,248	12.2	SANTANDER	3,334	11.9
MAPFRE	1,865	8.3	AVIVA	2,229	9.8	MAPFRE	2,580	9.7	GRUPO CAIXA	2,972	10.6
IBERCAJA	1,590	7.1	IBERCAJA	1,617	7.1	AVIVA	1,858	7.0	MAPFRE	2,538	9.0
CAIFOR	1,548	6.9	BANSABADELL VIDA	1,450	6.4	CAIFOR	1,772	6.7	AVIVA	1,814	6.5
BANSABADELL VIDA	1,373	6.1	CAIFOR	1,386	6.1	GENERALI	1,237	4.6	AEGON	1,422	5.1
BBVA	1,285	5.7	BBVA	1,003	4.4	CASER	1,094	4.1	CASER	1,206	4.3
GENERALI	1,173	5.2	GENERALI	983	4.3	IBERCAJA	992	3.7	IBERCAJA	1,144	4.1
AXA	880	3.9	AEGON	872	3.8	AEGON	934	3.5	GENERALI	1,128	4.0
CASER	752	3.3	CASER	839	3.7	AXA	914	3.4	BBVA SEGUROS	1,128	4.0
Market total	22,472		Market total	22,755		Market total	26,607		Market total	28,119	

Source: MAPFRE Economic Research (with ICEA data). *Total Life insurance premium ranking by group*

Table A.15. Total ranking of the ten largest Life Insurance groups in Spain by premium volume, 2006-2016 (continued)
(premiums, million Euros; market share, percent)

2010			2011			2012			2013		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
GRUPO CAIXA	3,719	14.4	GRUPO CAIXA	5,036	17.4	GRUPO CAIXA	5,131	19.5	CAIXA	5,271	20.7
ZURICH	3,389	13.2	MAPFRE	3,171	11.0	SANTANDER	3,366	12.8	SANTANDER SEGUROS	3,068	12.0
MAPFRE	3,289	12.8	SANTANDER	2,795	9.7	MAPFRE	2,983	11.3	MAPFRE	2,426	9.5
SANTANDER	2,003	7.8	ZURICH	2,060	7.1	BBVA	1,865	7.1	BBVA SEGUROS	2,030	8.0
AVIVA	1,779	6.9	AVIVA	1,787	6.2	AVIVA	1,349	5.1	ALLIANZ	1,224	4.8
CASER	1,445	5.6	CASER	1,712	5.9	IBERCAJA	1,159	4.4	AVIVA	1,155	4.5
AEGON	1,360	5.3	BBVA	1,622	5.6	GENERALI	1,144	4.4	GENERALI	1,003	3.9
IBERCAJA	1,139	4.4	AEGON	1,613	5.6	ALLIANZ	1,075	4.1	IBERCAJA	933	3.7
ALLIANZ	930	3.6	IBERCAJA	1,501	5.2	CASER	976	3.7	CASER	871	3.4
GENERALI	920	3.6	GENERALI	1,051	3.6	AEGON	924	3.5	CATALANA OCCIDENTE	724	2.8
Market total	25,768		Market total	28,869		Market total	26,282		Market total	25,505	

Source: MAPFRE Economic Research (with ICEA data). *Total Life insurance premium ranking by group*

Table A.15. Ranking of the ten largest Life Insurance groups in Spain by premium volume, 2006-2016 (conclusion)
(premiums, million Euros; market share, percent)

2014			2015			2016		
Group	Premiums	percent of market	Group	Premiums	percent of market	Group	Premiums	percent of market
CAIXA	5,515	22.2	VIDACAIXA	7,166	28.0	VIDACAIXA	9,472	30.4
MAPFRE	2,638	10.6	ZURICH	2,997	11.7	ZURICH	4,543	14.6
SANTANDER SEGUROS	1,884	7.6	BBVA SEGUROS	1,737	6.8	MAPFRE	1,947	6.3
BBVA SEGUROS	1,799	7.2	MAPFRE	1,730	6.8	BBVA SEGUROS	1,562	5.0
ZURICH	1,451	5.8	ALLIANZ	1,374	5.4	GRUPO IBERCAJA	1,328	4.3
ALLIANZ	1,259	5.1	IBERCAJA	990	3.9	ALLIANZ	1,294	4.2
IBERCAJA	1,123	4.5	GENERALI	958	3.7	SANTANDER SEGUROS	1,188	3.8
AVIVA	1,075	4.3	CATALANA OCCIDENTE	927	3.6	GENERALI	1,041	3.3
GENERALI	984	4.0	AXA	747	2.9	GRUPO CATALANA OCCIDENTE	865	2.8
CATALANA OCCIDENTE	868	3.5	SANTANDER SEGUROS	678	2.7	AVIVA	856	2.7
Market total	24,839		Market total	25,567		Market total	31,136	

Source: MAPFRE Economic Research (with ICEA data). *Total Life insurance premium ranking by group*

Table A.16. Growth of concentration in the Spanish insurance industry, 2006-2016
(Herfindahl and CR5 indexes)

Year	Herfindahl Index	CR5 Index (percent)		
		Total	Life	Non-Life
2006	420.5	35.0%	41.2%	41.8%
2007	458.4	36.4%	46.3%	42.0%
2008	502.7	41.2%	53.4%	41.7%
2009	478.9	38.9%	52.5%	40.4%
2010	550.0	43.1%	55.0%	40.8%
2011	496.4	37.6%	51.4%	45.1%
2012	508.3	40.6%	55.9%	45.0%
2013	489.6	40.5%	55.0%	44.9%
2014	509.6	41.3%	51.0%	45.0%
2015	549.6	44.9%	58.7%	46.9%
2016	595.5	47.1%	60.6%	46.9%

Source: MAPFRE Economic Research (with ICEA data, *Total direct insurance ranking by group and company*, *Total Non Life insurance ranking by group and company*, *Total Life insurance premiums by group*)

Table A.17. Activity of the Insurance Compensation Consortium: premiums and surcharges allocated, 2005-2015
(millions of euros)

Year	General activity: Premiums and surcharges allocated							
	Extraordinary risk	Property	People	Loss of profit	Traffic risk	SOA guarantee fund	Vehicles Individuals	Vehicles official
2005	508.0	469.3	21.5	17.3	238.9	191.1	33.7	14.1
2006	578.6	521.0	23.7	34.0	237.1	194.8	28.0	14.4
2007	632.2	566.5	25.4	40.3	237.2	197.6	25.1	14.5
2008	675.9	607.5	24.6	43.8	231.7	195.8	21.2	14.7
2009	692.1	624.9	23.1	44.1	203.2	178.3	14.4	10.6
2010	656.3	591.3	23.6	41.3	147.7	129.1	9.1	9.5
2011	672.9	605.4	23.4	44.1	128.8	113.9	5.8	9.1
2012	687.6	618.8	23.5	45.3	123.4	109.0	3.5	10.8
2013	704.4	638.1	22.0	44.3	114.2	102.5	1.9	9.8
2014	709.5	648.6	16.8	44.2	107.6	98.1	1.0	8.5
2015	726.7	661.8	17.4	47.6	105.8	96.6	0.7	8.6

Source: Insurance Compensation Consortium. *Annual Report*

Table A.18. Activity of the Insurance Compensation Consortium: direct and accepted claims ratio, 2005-2015
(millions of euros)

Year	General activity: direct and accepted claims ratio							
	Extraordinary risk	Property	People	Loss of profit	Traffic risk	SOA guarantee fund	Vehicles Individuals	Vehicles official
2005	193.1	188.1	3.1	1.9	141.2	84.5	42.8	13.9
2006	228.8	202.9	0.0	25.8	155.6	106.9	31.8	16.9
2007	326.9	306.6	3.0	17.3	153.7	104.5	31.8	17.5
2008	294.2	294.1	1.3	-1.2	159.0	113.3	28.0	17.8
2009	677.7	671.4	2.0	4.3	131.7	97.3	17.2	17.2
2010	658.7	645.1	3.1	10.4	168.7	145.0	10.8	12.9
2011	608.9	542.3	3.1	63.4	111.5	92.5	5.6	13.4
2012	281.0	294.4	0.8	-14.2	71.3	55.4	1.9	14.0
2013	207.6	191.8	1.5	14.3	69.0	56.7	1.4	10.9
2014	208.7	205.6	0.9	2.2	57.4	47.1	0.5	9.7
2015	227.3	216.6	1.0	9.6	68.3	59.0	1.0	8.2

Source: Insurance Compensation Consortium. *Annual Report*

Table A.19. Growth in the average Automobile insurance premium, 2006-2016
(millions of euros; annual change, percent)

Year	Insured vehicles ¹		Direct insurance premiums ²		Average premium		
	(millions of Euros)	percent of variation	(millions of Euros)	percent of variation	In Euros	variation percent	
						Nominal	Actual
2006	27.1	5.2%	12,261	4.8%	453	-0.4%	-3.0%
2007	28.3	4.7%	12,593	2.7%	444	-1.9%	-5.8%
2008	28.8	1.7%	12,357	-1.9%	428	-3.6%	-4.9%
2009	28.8	-0.2%	11,662	-5.6%	405	-5.5%	-6.2%
2010	28.7	-0.3%	11,553	-0.9%	403	-0.6%	-3.5%
2011	28.9	0.7%	11,285	-2.3%	390	-3.0%	-5.3%
2012	28.7	-0.7%	10,622	-5.9%	370	-5.3%	-7.9%
2013	28.6	-0.4%	10,033	-5.5%	351	-5.1%	-5.4%
2014	28.8	0.7%	9,888	-1.5%	343	-2.1%	-1.2%
2015	29.1	1.0%	10,054	1.7%	346	0.6%	0.6%
2016	29.8	2.4%	10,566	5.1%	354	2.3%	0.7%

Source: MAPFRE Economic Research (with data from FIVA, ICEA and the Insurance Compensation Consortium)

¹ Insured Vehicle Information File (FIVA)

² Direct insurance premiums from insurance companies and the Insurance Compensation Consortium.

Table A.20. Average frequencies and costs by guarantee in Automobile insurance, 2006-2016
(frequency, percent, average cost, Euros)

	2006		2007		2008		2009		2010		2011	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-party liability	12.1%	1,801	11.6%	1,785	11.5%	1,663	10.0%	1,857	10.0%	1,773	9.3%	1,853
<i>Bodily injury</i>	2.3%	5,703	2.2%	5,605	2.1%	5,282	2.1%	5,275	2.1%	4,978	2.0%	5,050
<i>Property</i>	10.7%	794	10.3%	813	9.5%	807	8.8%	844	8.5%	828	8.1%	864
Own damage	36.9%	896	36.1%	936	38.8%	868	47.1%	748	43.7%	741	47.4%	704
Broken Windows	7.7%	254	7.6%	264	7.4%	272	7.9%	282	8.4%	282	7.2%	292
Theft	1.9%	774	1.7%	900	1.6%	1,134	1.6%	1,064	1.5%	966	1.4%	961
Legal defense	2.6%	305	2.6%	289	2.7%	255	2.2%	288	2.1%	282	1.9%	302
Occupants	0.3%	1,180	0.3%	1,928	0.4%	1,273	0.4%	1,090	0.4%	972	0.4%	930
Fire	0.1%	4,024	0.1%	4,095	0.1%	4,912	0.1%	4,158	0.1%	3,211	0.1%	3,243
Withdrawal of driver's license	0.1%	812	0.0%	941	0.0%	1,122	0.0%	1,389	0.0%	1,930	0.0%	1,577

Source: ICEA. Automobile insurance. Statistics up to December

Table A.20. Average frequencies and costs by guarantee in Automobile insurance, 2006-2016 (conclusion)
(frequency, percent, average cost, Euros)

	2012		2013		2014		2015		2016	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-party liability	9.3%	1,761	8.5%	1,888	8.5%	1,841	8.5%	1,816	8.6%	1,875
Bodily injury	2.0%	4,939	2.0%	4,928	2.0%	4,751	2.0%	4,569	2.0%	4,891
Property	7.6%	868	7.2%	887	7.2%	875	7.3%	873	7.4%	874
Own damage	44.2%	713	39.6%	731	36.1%	733	34.3%	718	32.0%	707
Broken Windows	6.7%	286	6.7%	290	6.4%	289	6.4%	288	6.4%	289
Theft	1.3%	919	1.2%	896	1.0%	882	0.9%	909	0.8%	918
Legal defense	1.8%	286	1.8%	310	1.8%	302	1.8%	290	1.7%	280
Occupants	0.3%	1,259	0.3%	1,252	0.2%	1,251	0.2%	1,227	0.2%	1,217
Fire	0.1%	3,075	0.1%	2,854	0.1%	2,782	0.1%	2,847	0.1%	2,891
Withdrawal of driver's license	0.0%	1,627	0.0%	1,314	0.0%	1,211	0.0%	1,108	0.0%	937

Source: ICEA. Automobile insurance. Statistics up to December

Table A.21. Basic Automobile insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	12,221	12,555	12,324	11,640	11,535	11,270	10,607	10,021	9,882	10,052	10,566
Change in premiums	4.8%	2.7%	-1.8%	-5.5%	-0.9%	-2.3%	-5.9%	-5.5%	-1.4%	1.7%	5.1%
Retention	95.5%	90.2%	90.5%	90.1%	87.5%	94.5%	94.9%	92.3%	92.5%	92.2%	89.5%
Gross claims ratio	74.7%	74.8%	74.5%	77.8%	77.5%	77.2%	77.2%	77.2%	77.1%	78.1%	79.0%
Gross expenses	18.3%	18.3%	18.2%	17.4%	17.6%	18.0%	18.8%	20.0%	20.0%	20.2%	19.5%
Net claims ratio	75.9%	76.4%	75.6%	79.1%	79.6%	78.6%	78.4%	78.1%	77.6%	79.1%	79.5%
Net expenses	18.6%	18.3%	18.1%	17.4%	17.4%	18.1%	18.9%	20.3%	20.3%	20.3%	19.5%
Net combined ratio	94.5%	94.8%	93.7%	96.4%	97.0%	96.7%	97.3%	98.4%	97.9%	99.5%	98.9%
Financial result	7.3%	6.8%	3.7%	5.9%	5.9%	4.9%	3.3%	4.5%	5.6%	4.8%	4.9%
Technical-financial result	12.8%	12.1%	10.1%	9.5%	8.9%	8.3%	5.9%	6.1%	7.6%	5.3%	6.0%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and historic series of direct business premiums by line and modality since 2003*

Table A.22. Basic Multiperil insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	5,052	5,475	5,912	6,097	6,297	6,579	6,627	6,537	6,550	6,565	6,773
Change in premiums	8.7%	8.4%	8.0%	3.1%	3.3%	4.5%	0.7%	-1.4%	0.2%	0.2%	3.2%
Retention	80.6%	81.7%	81.5%	81.6%	79.1%	81.7%	79.9%	79.6%	79.7%	79.3%	78.4%
Gross claims ratio	61.4%	63.8%	61.1%	63.9%	71.4%	57.1%	57.3%	59.0%	60.5%	57.8%	57.8%
Gross expenses	29.5%	29.3%	28.8%	28.8%	28.7%	28.4%	28.0%	28.3%	28.2%	28.4%	28.4%
Net claims ratio	60.5%	63.3%	62.5%	63.0%	66.9%	59.0%	59.9%	61.4%	60.7%	60.2%	58.8%
Net expenses	30.6%	30.7%	30.1%	30.5%	30.2%	30.1%	30.3%	30.8%	30.0%	30.6%	31.2%
Net combined ratio	91.1%	93.9%	92.6%	93.5%	97.1%	89.0%	90.2%	92.2%	90.7%	90.7%	90.0%
Financial result	4.9%	4.5%	2.8%	4.6%	4.2%	3.3%	2.4%	3.5%	4.4%	3.9%	3.6%
Technical-financial result	13.9%	10.6%	10.2%	11.1%	7.1%	14.3%	12.2%	11.3%	13.7%	13.2%	13.6%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and historic series of direct business premiums by line and modality since 2003*

Table A.23. Basic Home Multiperil insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	2,652	2,890	3,147	3,337	3,505	3,656	3,764	3,779	3,837	3,916	4,059
Change in premiums	11.1%	9.0%	8.9%	6.0%	5.1%	4.3%	3.0%	0.4%	1.5%	2.1%	3.6%
Retention	93.3%	93.2%	92.0%	92.1%	88.8%	91.5%	91.6%	90.4%	89.9%	90.2%	90.0%
Gross claims ratio	55.7%	59.1%	59.3%	64.3%	65.1%	56.8%	57.8%	59.1%	58.6%	58.2%	56.7%
Gross expenses	33.1%	32.5%	32.1%	32.1%	32.2%	31.9%	31.7%	32.0%	31.2%	31.5%	31.4%
Net claims ratio	56.8%	59.9%	60.4%	62.8%	66.5%	57.9%	58.9%	60.1%	59.4%	59.1%	57.5%
Net expenses	33.3%	32.7%	32.0%	32.4%	32.3%	32.0%	31.6%	32.1%	30.7%	31.8%	31.8%
Net combined ratio	90.0%	92.5%	92.4%	95.1%	98.8%	89.9%	90.5%	92.2%	90.1%	90.9%	89.3%
Financial result	3.6%	3.4%	2.0%	3.6%	3.1%	2.7%	2.1%	3.0%	3.3%	2.8%	2.7%
Technical-financial result	13.6%	10.9%	9.6%	8.5%	4.4%	12.8%	11.6%	10.8%	13.1%	11.9%	13.4%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and historic series of direct business premiums by line and modality since 2003*

Table A.24. Basic Industrial Multiperil insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	1,158	1,265	1,344	1,321	1,328	1,421	1,344	1,265	1,220	1,176	1,208
Change in premiums	4.6%	9.2%	6.2%	-1.7%	0.5%	7.0%	-5.4%	-5.9%	-3.6%	-3.6%	2.7%
Retention	52.1%	54.5%	56.8%	55.5%	56.0%	56.0%	50.4%	50.8%	52.2%	50.6%	47.9%
Gross claims ratio	75.2%	76.9%	61.5%	63.4%	94.4%	57.5%	59.2%	62.5%	68.8%	59.1%	63.7%
Gross expenses	23.4%	23.9%	22.6%	22.2%	21.6%	21.0%	19.7%	19.8%	20.5%	20.4%	20.5%
Net claims ratio	72.3%	76.5%	63.5%	63.7%	71.6%	64.0%	71.0%	74.8%	70.9%	69.1%	69.7%
Net expenses	25.7%	28.3%	27.0%	27.2%	26.9%	26.0%	27.9%	28.6%	28.5%	27.5%	30.4%
Net combined ratio	98.0%	104.8%	90.5%	90.9%	98.5%	90.1%	98.9%	103.4%	99.4%	96.6%	100.1%
Financial result	8.5%	7.4%	4.9%	7.9%	7.2%	5.3%	3.4%	4.8%	9.0%	7.9%	7.1%
Technical-financial result	10.5%	2.6%	14.4%	15.6%	8.7%	15.2%	4.5%	1.4%	9.6%	11.3%	7.0%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and historic series of direct business premiums by line and modality since 2003*

Table A.25. Basic Commercial Multiperil insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	593	645	678	655	650	649	625	596	594	565	575
Change in premiums	6.8%	8.8%	5.1%	-3.4%	-0.7%	-0.2%	-3.6%	-4.6%	-0.3%	-4.9%	1.7%
Retention	84.2%	84.7%	84.2%	85.3%	81.2%	84.6%	86.1%	85.5%	84.2%	84.5%	83.9%
Gross claims ratio	59.2%	60.0%	66.9%	60.8%	62.2%	57.0%	53.6%	53.7%	56.4%	55.8%	53.4%
Gross expenses	30.3%	29.9%	31.3%	30.1%	29.7%	29.3%	30.1%	30.1%	30.7%	30.5%	31.2%
Net claims ratio	60.6%	61.3%	70.1%	61.5%	64.0%	58.4%	54.7%	54.3%	58.1%	57.5%	55.0%
Net expenses	29.8%	29.5%	31.0%	29.9%	29.5%	28.9%	29.7%	29.9%	30.2%	30.1%	31.0%
Net combined ratio	90.4%	90.9%	101.1%	91.5%	93.5%	87.3%	84.4%	84.2%	88.4%	87.7%	86.0%
Financial result	6.0%	5.6%	3.4%	5.7%	4.8%	3.8%	2.6%	3.8%	4.2%	4.0%	3.5%
Technical-financial result	15.6%	14.8%	2.3%	14.2%	11.4%	16.4%	18.2%	19.7%	15.8%	16.3%	17.5%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and historic series of direct business premiums by line and modality since 2003*

Table A.26. Basic Community Multiperil insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	558	605	669	714	755	794	815	823	827	836	853
Change in premiums	9.6%	8.4%	10.6%	6.7%	5.8%	5.2%	2.6%	1.1%	0.4%	1.1%	2.0%
Retention	82.3%	85.1%	86.8%	86.4%	80.5%	86.8%	86.7%	86.4%	85.8%	86.1%	85.3%
Gross claims ratio	59.0%	61.2%	61.3%	64.4%	62.1%	53.8%	51.2%	54.5%	54.3%	53.9%	53.4%
Gross expenses	26.4%	26.3%	26.3%	27.6%	27.8%	27.6%	28.0%	28.2%	28.1%	28.8%	29.2%
Net claims ratio	61.4%	63.0%	62.7%	62.5%	65.1%	54.9%	52.5%	55.2%	55.2%	55.1%	54.5%
Net expenses	25.5%	25.9%	26.1%	27.8%	26.4%	27.6%	28.2%	28.0%	28.0%	28.7%	29.5%
Net combined ratio	86.8%	88.9%	88.7%	90.3%	91.4%	82.5%	80.7%	83.3%	83.2%	83.7%	83.9%
Financial result	5.8%	5.4%	2.7%	5.6%	4.4%	3.4%	2.7%	3.8%	4.1%	4.0%	3.9%
Technical-financial result	19.0%	16.5%	13.9%	15.3%	13.0%	21.0%	22.0%	20.5%	20.9%	20.2%	20.0%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003)

Table A.27. Basic Other Multiperil insurance indicators, 2006-2016
 (premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	91	70	74	70	59	60	79	73	73	71	78
Change in premiums	3.4%	-23.1%	5.6%	-4.7%	-16.4%	1.2%	32.3%	-7.2%	-0.6%	-2.4%	10.2%
Retention	71.8%	72.9%	77.0%	80.8%	79.6%	89.1%	89.2%	82.8%	86.1%	85.3%	85.4%
Gross claims ratio	64.9%	64.6%	72.8%	71.6%	62.0%	84.8%	73.1%	69.1%	67.3%	70.1%	58.6%
Gross expenses	25.7%	25.3%	23.6%	22.8%	22.3%	24.2%	25.2%	30.0%	30.8%	31.2%	31.1%
Net claims ratio	69.8%	72.1%	72.2%	74.1%	67.8%	81.3%	73.8%	75.7%	71.0%	71.1%	63.3%
Net expenses	24.9%	23.3%	22.1%	21.8%	18.6%	23.6%	25.4%	31.0%	31.3%	32.3%	31.9%
Net combined ratio	94.6%	95.3%	94.3%	95.9%	86.3%	105.0%	99.2%	106.7%	102.3%	103.4%	95.2%
Financial result	5.0%	4.4%	3.6%	4.9%	4.1%	3.1%	1.1%	5.4%	6.2%	6.9%	4.8%
Technical-financial result	10.4%	9.0%	9.3%	9.1%	17.7%	-1.9%	1.9%	-1.3%	3.9%	3.5%	9.6%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003)

Table A.28. Basic Health insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	4,916	5,403	5,834	6,150	6,396	6,597	6,786	6,937	7,181	7,361	7,737
Change in premiums	9.7%	9.9%	8.0%	5.4%	4.0%	3.1%	2.9%	2.2%	3.5%	2.5%	5.1%
Retention	98.6%	98.6%	98.6%	98.5%	98.1%	97.8%	97.7%	97.6%	97.5%	97.4%	97.4%
Gross claims ratio	81.2%	81.7%	82.8%	85.4%	84.5%	82.8%	82.7%	83.1%	82.2%	80.9%	80.6%
Gross expenses	11.4%	11.5%	11.1%	10.6%	10.4%	11.5%	11.4%	11.7%	11.8%	12.2%	12.4%
Net claims ratio	82.0%	82.4%	83.6%	86.1%	85.7%	83.9%	83.8%	84.5%	83.6%	82.2%	81.8%
Net expenses	11.4%	11.5%	11.1%	10.5%	10.4%	11.5%	11.4%	11.7%	11.9%	12.2%	12.4%
Net combined ratio	93.4%	93.9%	94.7%	96.6%	96.1%	95.4%	95.2%	96.2%	95.5%	94.4%	94.2%
Financial result	1.3%	1.5%	1.2%	1.1%	1.1%	1.1%	0.8%	1.1%	1.0%	0.7%	0.7%
Technical-financial result	8.0%	7.6%	6.5%	4.5%	5.0%	5.6%	5.5%	4.9%	5.6%	6.3%	6.5%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003)

Table A.29. Basic Third-Party Liability insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	1,900	2,008	1,974	1,712	1,624	1,531	1,448	1,352	1,342	1,360	1,392
Change in premiums	8.1%	5.7%	-1.7%	-13.3%	-5.1%	-5.7%	-5.4%	-6.6%	-0.8%	1.3%	2.4%
Retention	71.2%	72.7%	70.2%	67.9%	73.5%	73.9%	72.5%	71.8%	72.1%	72.2%	69.9%
Gross claims ratio	69.6%	50.8%	55.3%	51.2%	42.8%	55.1%	39.8%	52.1%	50.9%	62.1%	67.7%
Gross expenses	18.5%	19.0%	20.3%	21.3%	22.9%	22.6%	24.6%	25.0%	25.5%	25.6%	26.5%
Net claims ratio	68.3%	65.2%	54.1%	51.7%	43.2%	51.4%	38.2%	51.7%	50.6%	59.5%	59.6%
Net expenses	19.9%	20.4%	20.2%	24.1%	23.7%	23.4%	26.0%	26.5%	27.2%	26.8%	28.0%
Net combined ratio	88.2%	85.6%	74.3%	75.8%	66.9%	74.8%	64.3%	78.2%	77.8%	86.3%	87.6%
Financial result	10.4%	12.2%	7.6%	16.0%	12.9%	12.5%	7.1%	12.4%	15.2%	14.0%	13.5%
Technical-financial result\	22.2%	26.6%	33.3%	40.2%	46.0%	37.7%	42.8%	34.2%	37.4%	27.7%	25.9%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003)

Table A.30. Basic Hull Transport insurance indicators, 2006-2016
 (premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	330	314	317	336	289	276	256	240	223	225	219
Change in premiums	-0.3%	-4.8%	1.0%	6.1%	-14.0%	-4.6%	-7.2%	-6.3%	-7.2%	0.8%	-2.7%
Retention	32.7%	37.0%	39.0%	42.8%	44.0%	49.4%	54.8%	53.4%	55.1%	55.8%	53.6%
Gross claims ratio	38.4%	77.5%	94.3%	79.8%	59.4%	50.9%	73.1%	55.6%	79.5%	77.9%	66.2%
Gross expenses	13.4%	15.6%	14.9%	15.7%	15.9%	17.4%	19.3%	19.5%	19.9%	20.7%	18.9%
Net claims ratio	58.3%	76.8%	94.1%	87.9%	74.1%	68.2%	74.3%	67.6%	90.8%	90.3%	75.6%
Net expenses	25.8%	27.0%	23.5%	25.2%	24.7%	25.6%	25.6%	27.2%	26.3%	26.5%	23.8%
Net combined ratio	84.1%	103.8%	117.6%	113.1%	98.9%	93.8%	99.9%	94.8%	117.0%	116.7%	99.4%
Financial result	8.8%	7.9%	7.8%	7.1%	7.5%	5.4%	3.9%	4.1%	14.9%	13.9%	11.6%
Technical-financial result	24.7%	4.1%	-9.8%	-6.0%	8.6%	11.6%	4.0%	9.2%	-2.1%	-2.8%	12.3%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003]

Table A.31. Basic Goods in Transit insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	302	320	286	222	209	211	204	198	194	205	214
Change in premiums	7.5%	6.0%	-10.5%	-22.6%	-5.7%	0.7%	-3.0%	-2.8%	-2.2%	5.4%	4.8%
Retention	63.1%	66.7%	69.6%	69.9%	69.6%	69.1%	65.4%	63.7%	66.4%	65.7%	65.0%
Gross claims ratio	59.7%	59.6%	60.3%	52.2%	36.2%	54.5%	50.8%	62.0%	65.3%	71.0%	75.4%
Gross expenses	27.8%	28.4%	26.5%	25.8%	25.1%	25.1%	25.2%	25.4%	26.4%	28.1%	28.7%
Net claims ratio	64.7%	65.1%	67.5%	56.0%	49.2%	61.8%	59.1%	70.4%	71.8%	78.4%	72.6%
Net expenses	28.5%	30.1%	28.5%	29.1%	28.7%	29.1%	30.2%	31.1%	32.0%	33.3%	34.4%
Net combined ratio	93.3%	95.2%	96.0%	85.1%	77.9%	90.9%	89.3%	101.5%	103.8%	111.7%	107.0%
Financial result	4.9%	5.0%	3.3%	6.0%	5.7%	5.4%	2.7%	4.9%	6.5%	6.3%	5.7%
Technical-financial result	11.6%	9.8%	7.3%	21.0%	27.8%	14.5%	13.4%	3.4%	2.8%	-5.4%	-1.4%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003)

Table A.32. Basic Funeral insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	1,451	1,518	1,591	1,672	1,703	1,761	1,891	1,961	2,087	2,150	2,163
Change in premiums	5.9%	4.6%	4.8%	5.1%	1.8%	3.4%	7.3%	3.7%	6.5%	3.0%	0.6%
Retention	99.2%	99.2%	99.1%	99.4%	99.2%	100.6%	98.9%	99.0%	98.4%	98.5%	98.6%
Gross claims ratio	51.2%	53.7%	53.5%	53.0%	52.5%	51.3%	55.2%	56.9%	60.3%	65.2%	63.7%
Gross expenses	38.4%	36.3%	35.8%	39.0%	38.1%	37.8%	37.5%	36.4%	34.8%	32.9%	33.1%
Net claims ratio	51.5%	54.1%	54.0%	53.3%	52.8%	50.7%	55.4%	57.2%	60.9%	65.9%	64.3%
Net expenses	38.6%	36.4%	36.0%	39.0%	38.1%	37.2%	37.5%	36.4%	34.7%	32.7%	33.0%
Net combined ratio	90.1%	90.5%	89.9%	92.3%	90.9%	87.9%	93.0%	93.5%	95.5%	98.6%	97.3%
Financial result	6.5%	5.5%	3.2%	4.7%	5.6%	5.7%	6.8%	6.2%	6.5%	7.4%	5.8%
Technical-financial result	16.4%	15.0%	13.2%	12.5%	14.6%	17.8%	13.8%	12.7%	11.0%	8.8%	8.5%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and historic series of direct business premiums by line and modality since 2003*

Table A.33. Basic Credit insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	644	806	835	798	719	695	677	646	631	609	595
Change in premiums	18.4%	25.2%	3.5%	-4.3%	-10.0%	-3.3%	-2.5%	-4.7%	-2.4%	-3.4%	-2.3%
Retention	52.7%	53.4%	52.4%	53.9%	54.3%	54.6%	53.2%	46.3%	44.4%	42.1%	34.4%
Gross claims ratio	74.4%	83.7%	143.7%	89.5%	50.9%	78.2%	81.4%	70.4%	39.6%	69.2%	45.0%
Gross expenses	19.5%	20.0%	18.2%	17.8%	19.4%	20.4%	20.9%	21.9%	24.1%	24.7%	31.3%
Net claims ratio	80.6%	95.5%	117.8%	96.0%	56.6%	84.1%	87.8%	68.7%	42.2%	48.5%	47.3%
Net expenses	10.2%	10.0%	6.6%	18.3%	17.5%	15.0%	19.2%	22.1%	19.2%	8.4%	17.2%
Net combined ratio	90.8%	105.5%	124.4%	114.3%	74.1%	99.0%	107.0%	90.9%	61.4%	56.9%	64.6%
Financial result	10.2%	10.3%	10.7%	5.8%	4.8%	6.2%	5.8%	6.0%	4.5%	4.0%	2.6%
Technical-financial result	19.4%	4.8%	-13.7%	-8.5%	30.7%	7.1%	-1.2%	15.1%	43.1%	47.1%	38.0%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003]

Table A.34. Basic Surety insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	83	86	87	81	84	78	65	63	61	86	62
Change in premiums	12.2%	3.6%	0.6%	-6.3%	3.8%	-7.3%	-16.2%	-4.1%	-2.8%	40.6%	-27.4%
Retention	59.0%	53.0%	54.7%	41.6%	44.4%	40.1%	47.1%	44.5%	48.7%	46.4%	35.1%
Gross claims ratio	13.6%	19.0%	130.1%	113.2%	124.0%	98.7%	284.4%	535.5%	159.8%	158.2%	22.9%
Gross expenses	27.4%	28.6%	28.4%	39.9%	24.1%	24.2%	24.7%	28.3%	27.8%	33.9%	32.4%
Net claims ratio	26.9%	23.1%	77.4%	100.7%	65.0%	82.7%	201.4%	233.4%	72.1%	64.0%	33.1%
Net expenses	19.1%	17.5%	32.1%	67.8%	23.7%	22.0%	14.0%	34.4%	37.9%	41.7%	25.0%
Net combined ratio	46.0%	40.5%	109.5%	168.4%	88.7%	104.7%	215.4%	267.8%	110.0%	105.7%	58.2%
Financial result	4.1%	12.8%	5.5%	5.5%	5.1%	8.2%	9.8%	3.1%	5.0%	3.3%	4.1%
Technical-financial result	58.1%	72.3%	-4.0%	-62.9%	16.4%	3.5%	-105.7%	-164.7%	-5.1%	-2.3%	45.9%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003]

Table A.35. Basic Personal Accident insurance indicators, 2006-2016
(premiums, million Euros; percentages over premiums, percent)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Premium volume issued	903	963	1,002	945	922	897	853	880	886	926	976
Change in premiums	6.5%	6.6%	4.1%	-5.7%	-2.5%	-2.6%	-5.0%	3.2%	0.6%	4.6%	5.3%
Retention	87.7%	88.3%	88.9%	89.0%	89.5%	89.5%	89.7%	90.1%	89.0%	89.0%	87.9%
Gross claims ratio	43.9%	43.1%	41.6%	33.8%	36.1%	39.0%	34.2%	41.6%	40.9%	41.3%	37.2%
Gross expenses	30.4%	31.8%	32.5%	32.6%	33.5%	35.4%	36.3%	34.9%	36.7%	37.6%	37.1%
Net claims ratio	44.8%	45.0%	39.6%	34.4%	37.4%	40.5%	35.3%	40.8%	41.8%	40.5%	37.2%
Net expenses	31.4%	32.9%	33.6%	33.5%	34.4%	36.2%	36.9%	35.2%	37.2%	37.6%	37.4%
Net combined ratio	76.2%	77.9%	73.2%	67.9%	71.8%	76.7%	72.2%	76.0%	79.0%	78.1%	74.6%
Financial result	6.2%	5.9%	2.7%	5.0%	5.3%	4.3%	3.8%	11.3%	18.7%	15.0%	15.4%
Technical-financial result	30.0%	28.0%	29.5%	37.1%	33.4%	27.6%	31.6%	35.3%	39.7%	36.9%	40.8%

Source: MAPFRE Economic Research (with ICEA data). Insurance industry economic report and historic series of direct business premiums by line and modality since 2003]

**Table A.36. Growth of penetration in the Spanish insurance industry, 2006-2016
(premiums / GDP, percent)**

Year	Total market	Life Insurance			Non-life insurance				
		Total Life Insurance	Life Risk	Life Savings	Total Non Life Insurance	Automobile	Multiperil	SaludHealth	Other Lines
2006	5.22%	2.23%	0.34%	1.89%	2.99%	1.21%	0.50%	0.49%	0.79%
2007	5.08%	2.13%	0.35%	1.79%	2.95%	1.16%	0.51%	0.50%	0.78%
2008	5.30%	2.38%	0.33%	2.06%	2.92%	1.10%	0.53%	0.52%	0.76%
2009	5.55%	2.61%	0.33%	2.27%	2.94%	1.08%	0.57%	0.57%	0.73%
2010	5.38%	2.44%	0.35%	2.09%	2.94%	1.07%	0.58%	0.59%	0.70%
2011	5.66%	2.70%	0.34%	2.36%	2.96%	1.05%	0.61%	0.62%	0.68%
2012	5.50%	2.52%	0.34%	2.18%	2.98%	1.02%	0.64%	0.65%	0.68%
2013	5.42%	2.47%	0.32%	2.15%	2.95%	0.97%	0.63%	0.67%	0.67%
2014	5.33%	2.39%	0.33%	2.05%	2.94%	0.95%	0.63%	0.69%	0.68%
2015	5.29%	2.38%	0.35%	2.03%	2.91%	0.93%	0.61%	0.68%	0.68%
2016	5.74%	2.80%	0.38%	2.42%	2.94%	0.95%	0.61%	0.69%	0.69%

Source: MAPFRE Economic Research (with ICEA and INE data)

Table A.37. Growth of density and depth in the Spanish insurance industry, 2006-2016
 (premiums per capita; direct life insurance premiums / total direct premiums, percent)

Year	Density (premiums per capita)									Depth (direct life insurance premiums / total direct premiums)
	Total market density	Life Insurance			Non Life Insurance					
		Total Life Insurance	Life Risk	Life Savings	Total Non Life Insurance	Automobile	Multiperil	Health	Other Lines	
2006	1,163.9	496.7	75.2	421.5	667.1	270.4	111.8	108.8	176.2	42.7%
2007	1,189.9	499.9	81.6	418.3	690.0	272.0	118.6	117.1	182.3	42.0%
2008	1,266.5	569.2	77.7	491.5	697.3	263.6	126.5	124.8	182.4	44.9%
2009	1,273.3	598.0	76.4	521.6	675.3	247.6	129.7	130.8	167.3	47.0%
2010	1,233.0	558.9	80.1	478.9	674.1	244.4	133.4	135.5	160.7	45.3%
2011	1,281.9	610.8	76.4	534.5	671.1	238.4	139.2	139.6	153.9	47.7%
2012	1,217.6	557.8	74.5	483.3	659.8	225.1	140.6	144.0	150.1	45.8%
2013	1,195.1	545.4	71.6	473.8	649.7	214.3	139.8	148.3	147.3	45.6%
2014	1,190.1	532.8	74.5	458.3	657.3	212.0	140.5	154.0	150.8	44.8%
2015	1,221.4	549.1	81.1	468.1	672.2	215.9	141.0	158.1	157.2	45.0%
2016	1,372.9	669.0	90.4	578.7	703.8	227.0	145.5	166.2	165.0	48.7%

Source: MAPFRE Economic Research (with ICEA and INE data)

Table A.38. Growth of the Insurance Protection Gap in the Spanish insurance market, 2006-2016
(billions of euros)

Year	Insurance Protection Gap (IPG)			Real market (d)	Potential market (e = a + d)	IPG as a multiple of the real market (number of times)		
	Total IPG	Insurance IPG	Insurance IPG			Of the market total	Of the Life insurance market	Of the Non Life insurance market
2006	(a = b + c)	Life	Non-Life	52.6	90.0	0.71	1.59	0.06
2007	44.3	(b)	(c)	54.9	99.2	0.81	1.87	0.04
2008	31.0	29.3	1.7	59.2	90.2	0.52	1.10	0.05
2009	32.0	29.1	2.9	59.9	91.8	0.53	1.03	0.09
2010	33.3	31.0	2.3	58.2	91.4	0.57	1.18	0.07
2011	24.6	23.0	1.6	60.6	85.2	0.41	0.80	0.05
2012	24.6	23.1	1.5	57.4	82.0	0.43	0.88	0.05
2013	25.9	24.1	1.8	55.9	81.8	0.46	0.95	0.06
2014	28.1	27.1	1.1	55.5	83.6	0.51	1.09	0.03
2015	29.7	28.3	1.3	56.9	86.5	0.52	1.11	0.04
2016	23.8	22.9	0.9	63.9	87.7	0.37	0.73	0.03

Source: MAPFRE Economic Research (with ICEA and Swiss Re data)

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