



Fundación **MAPFRE**

**2018 RANKING OF THE
LARGEST EUROPEAN
INSURANCE GROUPS**

MAPFRE Economic Research

2018
Ranking of the
Largest European
Insurance Groups

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Presentation

The *2018 Ranking of the largest European insurance groups* offers an analysis of leading groups by premium volume, which is complemented by a review of their dynamics over the past decade. When conducting our analysis, we studied changes in premium volume over the last ten years for all insurance groups featured in the 2018 rankings, pinpointing occasional dynamics in each, as well as trends shared by competitors and their converging growth, which is global in scope for both the Life and Non-Life segments.

The first part of this report indicates the ranking of insurance groups based on premiums, and reflects balance sheet figures and results, as well as the combined ratios for the Non-Life segment. The second part of this report shows the solvency ratio for each of the insurance groups featured in overall rankings, which were taken from the reports that each of these groups is required to make public. The third part examines changes in premium values for the listed companies over the past decade, in order to identify key trends in the convergence dynamics for each.

As in previous editions of this report, an appendix has been included, featuring graphs analyzing cycles and trends in line with the methodology applied herein.

MAPFRE Economic Research

1. Rankings

1.1. Overall ranking

Growth performance

The global economic backdrop in which insurance groups carried out their transactions in 2018 was characterized by solid growth during the first half of the year, followed by an evident slowdown in economic activity during the second half, primarily as a result of the confluence of three factors. First, the growth of China's economy shrank as a result of a combination of regulatory adjustments deemed necessary to halt shadow banking issues, as well as the increasing trade tensions with the United States. Next, there was the concurrence of several factors that caused the eurozone economy to lose more momentum than expected. Finally, trade tensions unleashed an increased lack of trust in companies, thereby weakening confidence in financial markets, resulting in increasingly stringent financing conditions.

Catastrophic loss remained high in 2018, with insured damages totaling \$85 billion, the fourth highest figure recorded in a single year¹, which is still under the figure for 2017 (\$350 billion). Aggregate losses arising from a series of smaller and medium-sized events, as well as larger man-made disasters generated considerable insured losses. Catastrophic events that occurred in 2018 include: Hurricanes Michael and Florence; Typhoons Jebi, Trami and Mangkhut; heat waves, droughts and forest fires in Europe and California; winter and electrical storms worldwide; flooding in Japan and India; earthquakes in Japan, Indonesia and Papua New Guinea; as well as volcanic eruptions in Hawaii.

Along with climate change and natural disasters, other global risks are increasingly present in society and represent a challenge for the insurance industry when providing coverage. A recent report published by the European Insurance and Occupational Pensions Authority (EIOPA)² flags cyber risk as a growing concern for institutions, individuals and financial markets, rising to the top of the list of global risks for companies. Among the main conclusions drawn from the report is the need for better understanding of cyber risk, a key challenge facing the European insurance industry. Conversely, the digital transformation is now a key concern within European insurers' strategies for improving customer service and generating competitive advantages.

In 2018, new regulations came into effect introducing organizational and operational changes for insurance groups. The implementation of crucial regulations began in Europe, such as PRIIPS (*Packaged Retail Investment and Insurance-based Products*) and the Insurance Mediation Directive. In the United States, *the Tax Cuts and Jobs Act* went into effect; it incorporates a decrease in corporate income tax from 35% to 21%, as well as a number of specific measures that affect US Life insurance providers. The draft *Civil Liability Bill* became an act of Parliament in the United Kingdom in December 2018. This legislation includes a change in how discount rates are established for calculating overall indemnification for cases of bodily harm ("Ogden type"), which was set to -0.75% in 2017.

Non-Life insurance once again was the driving force of the global insurance market, favored by its dynamic effect throughout the fiscal year,

Table 1.1-a
Total market: overall ranking of European insurance groups, 2018
Ranking by premium volume

	Group	Country	Premiums (millions of euros)					%Δ premium 2008–2018	% YoY premium 2008–2018 (annual average)	% YoY premium 2017–2018
			2008	2017	2018	Δ 2008–2017	Δ 2017–2018			
1	AXA	France	84,662	92,050	96,309	7,388.0	4,259.0	13.8%	1.3%	4.6%
2	ALLIANZ	Germany	66,171	77,345	77,824	11,174.0	479.0	17.6%	1.6%	0.6%
3	GENERALI	Italy	68,805	64,381	66,691	-4,424.1	2,310.0	-3.1%	-0.3%	3.6%
4	PRUDENTIAL	United Kingdom	23,925	50,236	53,382	26,311.1	3,145.9	123.1%	11.2%	6.3%
5	ZURICH	Switzerland	35,437	41,391	39,874	5,954.0	-1,516.5	12.5%	1.1%	-3.7%
6	TALANX	Germany	19,005	33,060	34,885	14,055.0	1,825.0	83.6%	7.6%	5.5%
7	CRÉDIT AGRICOLE ASSURANCE	France	17,878	30,426	33,534	12,548.0	3,108.0	87.6%	8.0%	10.2%
8	AVIVA	United Kingdom	45,608	31,515	32,396	-14,093.0	881.1	-29.0%	-2.6%	2.8%
9	CNP	France	28,274	32,077	32,315	3,803.0	237.5	14.3%	1.3%	0.7%
10	BNP PARIBAS CARDIF	France	14,894	22,188	24,000	7,294.3	1,812.0	61.1%	5.6%	8.2%
11	MAPFRE	Spain	14,305	23,481	22,537	9,175.7	-943.6	57.5%	5.2%	-4.0%
12	AEGON	The Netherlands	22,409	22,826	19,316	417.0	-3,510.0	-13.8%	-1.3%	-15.4%
13	ERGO	Germany	16,578	17,546	17,779	967.8	233.0	7.2%	0.7%	1.3%
14	COVÉA	France	12,061	16,474	17,011	4,413.2	537.2	41.0%	3.7%	3.3%
15	POSTE VITA	Italy	5,535	20,405	16,797	14,869.6	-3,607.6	203.5%	18.5%	-17.7%

Total Top 5	279,000	325,403	334,080	46,403.0	8,677.4
Total Top 15	475,547	575,400	584,650	99,853.7	9,250.0

Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

mainly during the first half. Growth in emerging markets was solid, most notably in Asia, while in Latin America it was moderate; however, all reflected nominal growth in terms of local currency.

For Life insurance, the persistent backdrop of low interest rates continues to weigh on the Life savings and Annuities businesses. Certain advanced markets, such as the US and Japan, reflected real growth in terms of premiums, while those of the Chinese market (one of the world's largest) shrank in real terms in large part due to reforms implemented by Chinese authorities to reduce risk while boosting finance sector stability. The majority of Latin American markets showed increased premiums in local currencies; however, the drop in Brazil, which is the largest market, was reflected in a weaker performance of this line in the region.

The largest European insurance groups

The 15 largest European insurance groups by premium volume registered revenue of 584.6 billion euros in 2018, which represents a 1.6% increase vs. the previous fiscal year (see Table 1.1-a). When compared with the previous year, there were no changes in terms of which companies appear in the table. The first five groups account for more than half of the ranking's premiums, while the aggregate growth in premiums (2.7%) was somewhat higher than the overall figure for all groups in the ranking.

AXA Group still leads the ranking in premium volumes totaling 96.3 billion euros, which represents a 4.6% increase vs. 2017, as well as strong growth in the Health and Protection segments and in Property & Casualty commercial lines. In September 2018, AXA announced the completion of its acquisition of XL Group, a leading insurer and reinsurer in Property & Casualty commercial lines, with a strong presence in North America, Europe, and the Asia Pacific region.

The positioning in the ranking of the five following groups has remained unchanged since 2017, with an increase in premium

volume for all with the exception of Zurich. However, the Swiss group increased its US dollar premium income, which is the currency it uses for its financial statements. Property & Casualty business growth in the Asia Pacific and Latin America regions was offset primarily by a slight decrease in North America. The Group has maintained its focus on profitability over volume, thus creating new portfolio movements from third-party liability lines to specialized equity segments and those that are shorter in duration. Life premiums increased 5.2% in dollars thanks to portfolio growth, most notably in the Asia Pacific and Latin America regions. In Latin America, its position was consolidated among sector leaders thanks to its acquisition of QBE's Latin American operations as well as EuroAmerica's individual/collective Life insurance in Chile.

Of these six leading insurance groups, the 6.3% increase in Prudential's premium income is especially noteworthy. Its Life insurance business in Asia is bolstered by a growth in recurring premiums and is focused on the Health and Protection segments. Growth was also contributed to by variable annuities in the United States as well as savings and investing activities in the UK and Europe. In March 2018, the British group announced the spin-off of its operations in the United Kingdom and the rest of Europe. Therefore, M&G Prudential will encompass all of the investment and savings operations in the UK and the rest of Europe, and Prudential plc will group together its operations in Asia, the US and Africa, and will focus its attention on Life insurance and asset management.

The first change with regard to last year's classification can be found in the seventh-ranked company. Crédit Agricole Assurances rose two spots to push CNP down to ninth place, while Aviva stays in eighth. At the end of 2018, Crédit Agricole Assurances recorded sales of 33.5 billion euros in premiums, an increase of 10.2% compared to 2017. In the savings and retirement segments, income rose 10.9%, with a 12.6% increase in unit-linked income. The Non-Life segment reported a sustained growth in France and abroad, with an increase of 8.0%.

There were further movements in the following six positions. BNP Paribas Cardif rose to tenth place, causing MAPFRE and Aegon to each fall one position, with a decrease in premium volumes in the latter two insurance groups. Gross premiums written by the BNP Paribas Cardif Group totaled 24 billion euros as on December 31, 2018, which is 8.2% over 2017, with growth in both the domestic and international markets. The consolidation of the Italian Cargeas Assicurazioni caused ripples during fiscal year 2018, which was acquired in 2017 by Cardif IARD, and consolidated using the equity method during 2017, as well as the acquisition of Natio Assurance in 2018.

Following a 17.7% drop in premiums, the Poste Vita Group ranked fifteenth, falling from thirteenth place in 2017. Conversely, Ergo and Covéa rose 1.3 and 3.3%, respectively, each climbing one position. Life business sales activity recorded for the Poste Vita Group was generally focused on selling investment and savings products in traditional lines with separate management³. After years of significant growth, and in line with the need for client diversification, gross flows of investment and savings products in these lines reflected a slower pace compared to the previous year.

Results and balance sheet

In general terms, the insurance groups included in the ranking report certain positive operating results, which are due to improved Non-Life technical results affected by an increase in premiums and decreased natural disaster loss ratio, as well as the excellent performance of the Life business. Financial revenues were affected by the slowdown in financial markets during the second half of the year as well as an environment characterized by low interest rates. Despite the fact that some groups achieved better investment results, the majority reflected downward trends or remained unchanged. Finally, insurers with subsidiaries in the United States benefited from tax breaks arising from reforms implemented there.

The aggregate net result for the 15 biggest European insurance groups totaled 27.4 billion euros in 2018, which is 19.9% under the previous year (see Table 1.1-b). Although only six groups had declining results (AXA, Generali, Crédit Agricole Assurances, Aegon, MAPFRE and BNP Paribas Cardif), the amount was very significant for certain groups.

AXA Group, which headed the 2018 ranking, saw its net attributable profit drop 65.5% in 2018 to 2.14 billion euros, as the rise in underlying profits was greatly offset by three factors: (i) impaired goodwill of AXA Equitable Holdings Group shares (-3 billion euros), and the amortization of intangible assets arising as a result of the Swiss Group Life transformation; (ii) higher restructuring costs and extraordinary expenses arising from the stock market launch of AXA Equitable Holdings and the acquisition of the XL Group; and (iii) the negative impact of the change in fair value of financial assets and derivatives. Along this vein, it is also worth noting that there was also a drop in the net profit of Generali, Crédit Agricole Assurance, Aegon, MAPFRE and BNP Paribas, although all recorded positive results.

The following insurance groups saw greater profit growth: Poste Vita (83.7%), Ergo (51.5%) and Prudential (24.8%). The Italian group Poste Vita saw gross profit for the period of 918.6 million euros versus 843.2 million euros in 2017, to which the recognition of 384.6 million euros in deferred taxes must be added, amounting to more than 1 billion euros in total net profit for the year. Ergo's profit amounted to 412 million euros, with excellent operational results, particularly in the segment where Ergo International competes, as well as several unique effects that offset one another. Prudential's results were driven by its US subsidiary Jackson, with profits reflecting greater interest rates as well as gains from the subsidiary's hedging instruments, as equity markets experienced a decline toward the end of 2018.

Table 1.1-c shows basic information about the balance sheets of the insurance groups in the ranking.

Table 1.1-b
Total market: net result of European insurance groups, 2018
(millions of euros)

Group	Country	Net result (millions of euros)		% YoY 2017-2018	Attributable to controlling company (millions of euros)		% YoY 2017-2018
		2017	2018		2017	2018	
AXA	France	6,603	-373	-105.6%	6,209	2,140	-65.5%
ALLIANZ	Germany	7,207	7,703	6.9%	6,803	7,642	12.3%
GENERALI	Italy	2,364	2,324	-1.7%	2,110	2,309	9.4%
PRUDENTIAL	United Kingdom	2,728	3,406	24.8%	2,727	3,403	24.8%
ZURICH	Switzerland	2,934	3,371	14.9%	2,663	3,150	18.3%
TALANX	Germany	1,269	1,359	7.1%	671	703	4.8%
CRÉDIT AGRICOLE ASSURANCE	France	1,356	1,341	-1.1%	1,352	1,331	-1.6%
AVIVA	United Kingdom	1,879	1,907	1.5%	1,709	1,772	3.7%
CNP	France	1,623	1,670	2.9%	1,285	1,367	6.4%
BNP PARIBAS CARDIF	France	1,007	694	-31.1%	1,007	686	-31.9%
MAPFRE	Spain	1,098	878	-20.1%	701	529	-24.5%
AEGON	The Netherlands	2,361	744	-68.5%	2,361	744	-68.5%
ERGO	Germany	272	412	51.5%	n/a	n/a	n/a
COVÉA	France	831	954	14.7%	818	940	14.9%
POSTE VITA	Italy	546	1,004	83.7%	546	1,004	83.7%
Total		34,079	27,393	-19.9%			

Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

Table 1.1-c
Total market: balance sheets of European insurance groups, 2018
(billions of euros)

Group	LIABILITIES													
	Shareholders' equity						Technical provisions				Other		Total liabilities	
	Capital and reserves		Non-controlling interests		Total		Technical provisions		Policyholder/insured party risk					
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
AXA	69.6	62.4	5.7	10.8	75.3	73.3	437.2	476.1	175.6	160.6	182.0	220.8	870.1	930.7
ALLIANZ	65.6	61.2	3.0	2.4	68.6	63.7	587.0	602.7	119.1	115.4	126.6	115.8	901.3	897.6
GENERALI	25.1	23.6	1.1	1.0	26.2	24.6	362.5	314.7	68.0	63.1	80.4	113.4	537.1	515.8
PRUDENTIAL	18.1	19.2	0.0	0.0	18.1	19.2	291.5	286.0	190.7	186.9	55.9	73.7	556.2	565.7
ZURICH	27.5	26.3	1.5	1.4	29.1	27.7	166.0	167.3	100.0	94.9	56.4	54.9	351.6	344.8
TALANX	8.8	8.7	5.4	5.5	14.2	14.3	111.9	117.0	11.1	10.0	21.1	21.6	158.4	162.9
CRÉDIT AGRICOLE ASSURANCE	15.8	14.9	0.1	0.1	15.9	15.0	261.5	264.6	59.7	59.9	39.9	43.0	377.0	382.5
AVIVA	20.2	19.5	1.4	1.1	21.5	20.5	238.3	235.5	158.8	150.0	79.9	72.8	498.5	478.8
CNP	18.3	17.8	1.8	1.7	20.0	19.5	311.2	301.4	54.0	56.2	38.1	38.4	423.3	415.5
BNP PARIBAS CARDIF	4.9	4.6	0.0	0.3	5.0	4.9	136.1	145.0	48.1	64.8	22.7	23.9	211.9	238.6
MAPFRE	8.6	8.0	1.9	1.2	10.5	9.2	45.5	46.5	2.3	2.2	9.2	9.4	67.6	67.3
AEGON	24.4	22.9	0.0	0.0	24.4	22.9	127.8	133.3	196.6	197.2	47.5	39.6	396.3	393.0
ERGO ¹	n/a	n/a	n/a	n/a	7.4	7.1	129.4	128.6	9.0	7.9	9.7	10.1	155.4	153.8
COVÉA	14.3	15.2	0.1	0.1	14.3	15.3	81.0	82.4	5.6	5.6	5.3	5.5	106.2	108.8
POSTE VITA	3.4	4.0	0.0	0.0	3.4	4.0	120.1	122.5	3.5	2.7	2.0	2.1	129.0	131.2

Source: MAPFRE Economic Research (using data taken from the annual reports for the abovementioned groups)

1/ Figure calculated as the sum of its three segments: Life and Health Germany, Property & Casualty Germany, and International

Table 1.1-c (continued)
Total market: balance sheets of European insurance groups, 2018
(billions of euros)

Group	ASSETS									
	Investments				Cash		Other		Total assets	
	Investments		Policyholder/ insured party risk							
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
AXA	573.7	588.1	175.0	160.2	23.9	31.3	97.5	151.1	870.1	930.7
ALLIANZ	546.8	550.9	119.1	115.4	17.1	17.2	218.2	214.0	901.3	897.6
GENERALI	395.9	346.4	75.4	65.8	13.4	11.1	52.5	92.5	537.1	515.8
PRUDENTIAL	317.6	313.1	190.7	186.9	12.0	13.5	35.9	52.2	556.2	565.7
ZURICH	161.7	159.3	100.5	95.3	6.9	7.5	82.5	82.6	351.6	344.8
TALANX	118.7	122.8	11.1	10.0	3.1	3.4	25.5	26.7	158.4	162.9
CRÉDIT AGRICOLE ASSURANCE	304.4	309.8	59.6	59.6	1.9	1.4	11.1	11.8	377.0	382.5
AVIVA	220.7	214.0	173.1	161.8	48.8	51.7	55.9	51.3	498.5	478.8
CNP	333.1	323.8	53.8	56.0	1.2	1.3	35.1	34.4	423.3	415.5
BNP PARIBAS CARDIF	153.3	160.5	48.0	64.5	1.6	2.4	9.0	11.2	211.9	238.6
MAPFRE	44.7	44.0	2.3	2.2	1.9	2.2	18.7	18.9	67.6	67.3
AEGON	137.2	139.0	194.1	194.4	10.8	8.7	54.3	50.9	396.3	393.0
ERGO ¹	123.8	124.5	8.8	7.6	n/a	n/a	22.8	21.7	155.4	153.8
COVÉA	87.8	88.4	5.6	5.6	2.0	3.6	10.9	11.3	106.2	108.8
POSTE VITA	122.4	124.0	3.5	2.6	0.9	1.6	2.2	3.0	129.0	131.2

Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

1/ Figure calculated as the sum of its three segments: Life and Health Germany, Property & Casualty Germany, and International

1.2. Non-Life ranking

Size and growth

The aggregate premium volume for the 15 largest European groups in the Non-Life segment was 263.1 billion euros in 2018, representing a 2.9% increase compared to revenue in 2017 (see Table 1.2-a). Both economic growth and rate increases contributed to this behavior. The first five insurance groups included in the ranking for this segment account for 62% of the total premiums in the ranking, totaling 162.9 billion euros and growth over 2017 of 3.8%. Only four insurance groups did not report growth during the period analyzed: Zurich, MAPFRE, Aviva and RSA.

Allianz still leads the ranking in terms of gross premiums amounting to 53.7 billion euros, which is 15 billion more than the French AXA immediately behind it, and 25 billion euros over Zurich. Growth of the German group was primarily driven by AGCS, the business in Germany, and Allianz Partners. AXA Non-Life premiums rose 10.4%, contributing over 3.5 billion euros to the ranking's growth, with increases in Health, Property & Casualty, as well as in the majority of countries where it operates. Zurich ranks third, despite a 3.0% decrease in premiums in euros; expressed in US dollars, the figure rose 1.4% thanks to growth in the Asia Pacific and Latin America regions, offset by a slight drop in North America.

The first noteworthy movement in the ranking is the rise of Talanx to fourth place from fifth in 2017. Gross premiums written by the German group rose 8.9%, with all segments performing well. Generali ranks fifth, followed by MAPFRE, still in sixth place despite a 6% drop in premiums, which was mainly due to the effect of currency depreciation and the cancellation of policies deemed unprofitable, which were primarily in the Automobile and General P&C lines, part of its profitable growth strategy.

Ergo remained seventh, with Covéa rising a spot to replace Aviva. In France, Covéa continues to expand its business, driven primarily by growth in the professional and business markets. Outside France, all of its subsidiaries contributed to growth, especially Italy and the United Kingdom, which constitute the Group's major international operations. General insurance premiums issued by Aviva dropped 1% in euros, despite remaining stable in local currency.

The next change occurred in the twelfth spot, now occupied by R+V, moving up past Unipol. The German group grew 6.9% in 2018 in terms of issuing premiums, which mainly was the result of a boost in the Automobile segment (its largest business line), as well as the reinsurance business, which rose 12.6%. This edition of the Non-Life ranking features a new addition to the Spanish ranking: Mutua Madrileña is in fifteenth place with a volume of direct and accepted insurance premiums amounting to 4.9 billion euros, 6.0% higher than in 2017; this increase is attributed to the Automobile and Health segments.

Combined ratio

As indicated above, despite high losses from natural disasters in 2018, they still remained lower than the large losses from the year before, making it possible to increase the technical result for the majority of the groups in the Non-Life ranking. Of the 14 groups that reported their combined ratio, 8 saw an improvement in this indicator and it remained unchanged for 1 group. For the 5 remaining groups, the combined ratio increased (see Table 1.2-b).

Table 1.2-a
Non-Life market: total ranking of European insurance groups, 2018
 Ranking by premium volume

	Group	Country	Premiums (millions of euros)					%Δ premium 2008–2018	% YoY premium 2008–2018 (annual average)	% YoY premium 2017–2018
			2008	2017	2018	Δ 2008–2017	Δ 2017–2018			
1	ALLIANZ	Germany	43,387	52,262	53,636	8,875.0	1,374.0	23.6%	2.1%	2.6%
2	AXA	France	28,851	34,965	38,595	6,114.0	3,630.0	33.8%	3.1%	10.4%
3	ZURICH	Switzerland	25,369	29,279	28,402	3,909.7	-876.7	12.0%	1.1%	-3.0%
4	TALANX	Germany	10,893	19,854	21,628	8,961.0	1,774.0	98.6%	9.0%	8.9%
5	GENERALI	Italy	21,990	20,548	20,607	-1,441.7	59.0	-6.3%	-0.6%	0.3%
6	MAPFRE	Spain	10,891	18,155	17,061	7,263.5	-1,093.6	56.7%	5.2%	-6.0%
7	ERGO	Germany	10,546	13,427	13,722	2,881.0	294.6	30.1%	2.7%	2.2%
8	COVÉA	France	8,914	11,955	12,432	3,041.0	477.4	39.5%	3.6%	4.0%
9	AVIVA	United Kingdom	15,033	12,013	11,891	-3,020.0	-122.4	-20.9%	-1.9%	-1.0%
10	GROUPAMA	France	10,964	9,392	9,610	-1,572.0	218.0	-12.4%	-1.1%	2.3%
11	RSA	United Kingdom	9,162	8,675	8,441	-486.6	-234.3	-7.9%	-0.7%	-2.7%
12	R+V	Germany	4,279	7,700	8,235	3,421.0	535.0	92.5%	8.4%	6.9%
13	UNIPOL	Italy	4,381	7,964	8,161	3,583.0	196.6	86.3%	7.8%	2.5%
14	SAMPO GROUP	Finland	4,057	4,737	5,737	680.0	1,000.0	41.4%	3.8%	21.1%
15	MUTUA MADRILEÑA	Spain	1,271	4,656	4,936	3,385.3	280.0	288.4%	26.2%	6.0%

Total Top 5	130,490	156,908	162,868	26,418.0	5,960.3
Total Top 15	209,987	255,581	263,093	45,594.3	7,511.7

Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

In certain insurance groups, positive performance was reflected in reserves set aside during previous years, including claims such as Hurricanes Harvey, Irma and Maria in 2017; this reflects the sound practice of the European groups of setting aside sufficient reserves to meet their commitments. Catastrophes causing the greatest losses for these insurance groups were: Hurricanes

Michael and Florence; Typhoon Jebi in Japan; the Camp and Woolsey forest fires; and the effects unleashed by poor weather conditions, primarily in Canada and Europe.

The figure breakdown in Table 1.2-b indicates that all of the combined ratios fell under 100%, while the lowest correspond to Sampo group's

Table 1.2-b
Non-Life market: combined ratios, 2017–2018 (%)

Group	Country	Combined ratio			Expense ratio			Loss ratio		
		2017	2018	%Δ	2017	2018	%Δ	2018	2018	%Δ
ALLIANZ	Germany	95.2	94.0	-1.2	28.7	28.0	-0.7	66.5	66.0	-0.5
AXA ¹	France	96.3	97.0	0.7	27.3	27.3	0.0	69.0	69.7	0.7
ZURICH	Switzerland	100.9	97.8	-3.1	31.8	32.4	0.6	69.1	63.6	-5.5
TALANX	Germany	100.4	98.2	-2.2	28.5	28.7	0.2	71.9	69.5	-2.4
GENERALI	Italy	92.9	93.0	0.1	27.8	27.9	0.1	65.1	65.1	0.0
MAPFRE	Spain	98.1	97.6	-0.5	27.5	27.8	0.3	70.7	69.8	-0.9
ERGO ²	Germany	97.5	96.0	-1.5	33.5	33.4	-0.1	64.1	62.5	-1.6
COVÉA	France	97.5	98.5	1.0	n/a	n/a	n/a	n/a	n/a	n/a
AVIVA	United Kingdom	96.6	96.6	0.0	31.3	30.6	-0.7	65.3	66.0	0.7
GROUPAMA	France	98.9	99.3	0.4	40.0	39.4	-0.6	58.9	59.9	1.0
RSA	United Kingdom	94.0	96.2	2.2	28.1	27.7	-0.4	65.9	68.5	2.6
R+V ³	Germany	104.6	99.4	-5.2	n/a	n/a	n/a	n/a	n/a	n/a
UNIPOL	Italy	96.4	94.2	-2.2	27.4	27.4	0.0	69.0	66.8	-2.2
SAMPO GROUP ⁴	Finland	85.3	85.2	-0.1	16.4	16.4	0.0	68.9	68.8	-0.1
MUTUA MADRILEÑA	Spain	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

1/ The combined ratio refers to the Property & Casualty segment, and does not include Health or "Lifestyle protection" insurance

2/ Property & Casualty Germany

3/ Gross combined ratio

4/ The combined ratio is that of its subsidiary, If, whose premiums account for 92% of the group's total Property and Casualty premiums.

subsidiary, If (85.2%), and Generali (93.0%). The first reflects a one percentage point (p.p.) improvement compared to the previous fiscal year, while the latter rose 0.1 p.p. due to the expense ratio. The Zurich group's combined ratio dropped 3.1 p.p. mainly as a result of a lower loss rate during the year from non-catastrophic loss and a decrease in catastrophic events. Conversely, RSA's combined ratio increased the most (+2.2 p.p.) due to a rise in extraordinary events, mainly due to poor weather conditions.

1.3. Life ranking

Size and growth

Total income for the 15 insurance groups in the Life ranking amounted to 373.6 billion euros in 2018, representing a slight increase of 1.6% (see Table 1.3). AXA Group continues to lead the ranking, with issued premiums totaling 57.7 billion euros and a growth of 1.1% with respect to the previous fiscal year.

The top 5 positions remained unchanged with regard to 2017, with a premium volume totaling 216 billion euros and a growth of over 3.1 p.p. when contrasted against the 15 largest groups within this segment.

The groups that contributed most to growth in terms of absolute values were: Prudential, Crédit Agricole Assurances and Generali. Prudential's premiums continue upward in Asian markets, as well as in the United States and Europe. Crédit Agricole Assurances in France recorded positive results in its Life segment thanks to its unit-linked products, with Italy being the primary driving force behind its international subsidiaries. Premiums for the Generali Life lines totaled 46.1 billion euros (+5.1%), confirming the growth trend experienced during the year. Broken down by business lines, the number of savings policies grew, with especially positive performance in Italy, Asia and France. Unit-linked products performed positively, thanks to the excellent results in Germany and France.

Conversely, the groups with the steepest premium drops were Poste Vita (-18.0%) and Aegon (-15.0%). Sales activity recorded for Poste Vita's Life insurance line was generally focused on investment and savings products in the separately managed traditional lines, and was slightly sluggish compared to the previous year. Aegon Life insurance income dropped primarily as a result of fewer Life policies included in its migration to a digital platform for retirement savings in the UK.

Movement in these rankings starts at seventh place. BNP Paribas Cardif and Aviva jumped two spots each, reaching seventh and eighth, respectively; Sogecap rose one rank to twelfth. Aegon dropped a position from eighth to ninth, while Swiss Life moved from twelfth to thirteenth place. The entry of Natixis Assurances, the holding company encompassing the BPCE (Banque Populaire et Caisse d'Épargne) insurance business, into the ranking this year saw it enter in fifteenth place. In 2014, the BPCE Group formed a single insurance division within Natixis as one of its most optimistic ambitions within the scope of its strategic "Grandir Autrement" plan: to become a full-service bancassurance provider, with a French ranking in line with its position in the banking sector. Since then, the growth of Natixis Assurances has been notable, as reflected in Table 1-3. Its Life savings activity remained high, with 9.6 billion euros in direct insurance premiums despite a persistent environment characterized by low interest rates, increased inflation and volatile financial markets at year end.

Table 1.3
Life market: total ranking of European insurance groups, 2018
Ranking by premium volume

	Group	Country	Premiums (millions of euros)					%Δ premium 2008–2018	% YoY premium 2008–2018 (annual average)	% YoY premium 2017–2018
			2008	2017	2018	Δ 2008–2017	Δ 2017–2018			
1	AXA	France	56,127	57,086	57,714	959.0	628.0	2.8%	0.3%	1.1%
2	PRUDENTIAL	United Kingdom	23,925	50,236	53,382	26,311.1	3,145.9	123.1%	11.2%	6.3%
3	GENERALI	Italy	46,815	43,832	46,084	-2,983.4	2,252.0	-1.6%	-0.1%	5.1%
4	CNP	France	25,749	28,724	29,561	2,975.1	836.9	14.8%	1.3%	2.9%
5	CRÉDIT AGRICOLE ASSURANCE ¹	France	15,532	26,372	29,291	10,840.0	2,919.0	88.6%	8.1%	11.1%
6	ALLIANZ	Germany	22,809	25,212	24,315	2,403.0	-897.0	6.6%	0.6%	-3.6%
7	BNP PARIBAS CARDIF ²	France	13,238	19,848	21,551	6,609.1	1,703.3	62.8%	5.7%	8.6%
8	AVIVA	United Kingdom	30,575	19,502	20,505	-11,073.0	1,003.5	-32.9%	-3.0%	5.1%
9	AEGON	The Netherland	19,795	19,952	16,969	157.0	-2,983.0	-14.3%	-1.3%	-15.0%
10	POSTE VITA	Italy	5,523	20,263	16,610	14,740.1	-3,653.4	200.7%	18.2%	-18.0%
11	TALANX	Germany	8,826	13,206	13,257	4,380.0	51.0	50.2%	4.6%	0.4%
12	SOGECAP ³	France	7,500	10,881	12,508	3,380.7	1,627.7	66.8%	6.1%	15.0%
13	SWISS LIFE	Switzerland	8,475	11,179	11,071	2,703.1	-107.2	30.6%	2.8%	-1.0%
14	ZURICH	Switzerland	7,364	10,669	10,734	3,305.2	64.3	45.8%	4.2%	0.6%
15	NATIXIS ASSURANCE ³	France	3,464	10,820	10,099	7,356.3	-720.8	191.6%	17.4%	-6.7%

Total Top 5	168,148	206,250	216,032	38,101.8	9,781.8
Total Top 15	295,718	367,781	373,652	72,063.3	5,870.2

Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

1/ The premium volume for this segment is as stated in its SFCR report.

2/ Premiums reflected were taken from the SFCR report, as it does not present separate line disclosures in its annual report.

3/ Premiums for 2017 and 2018 appear in its SFCR report.

2. Solvency ratios

With regards to solvency levels during May and the beginning of June 2019, the leading insurance groups in the European Union published the 2018 Solvency and Financial Condition Report (SFCR) for fiscal year 2018. It was the third such report released by the above companies since the new regulatory

framework introduced under Solvency II entered into force.

Significantly, all the groups featured in the 2018 ranking are able to report sound solvency positions: nine groups have eligible own funds of over twice the solvency capital requirement

Table 2
Solvency ratios of European insurance groups featured in the ranking, 2018

Group	Country	2017	2018
AEGON	The Netherlands	201%	211%
ALLIANZ	Germany	229%	229%
AVIVA	United Kingdom	169%	180%
AXA	France	205%	193%
BNP PARIBAS CARDIF	France	157%	152%
CNP ASSURANCES	France	190%	187%
COVÉA	France	372%	384%
CRÉDIT AGRICOLE ASSURANCES	France	195%	188%
MUNICH RE ¹	Germany	297%	295%
ERGO ¹	Germany	n/a	n/a
GENERALI	Italy	207%	217%
GROUPAMA	France	315%	297%
NATIXIS ASSURANCES	France	133%	186%
MAPFRE	Spain	200%	190%
POSTE VITA	Italy	280%	211%
PRUDENTIAL PLC	United Kingdom	168%	192%
R+V	Germany	189%	177%
RSA	United Kingdom	163%	170%
SAMPO GROUP	Finland	156%	140%
SOGECAP	France	163%	160%
SWISS LIFE ²	Switzerland	170%	180%
TALANX (HDI)	Germany	253%	252%
UNIPOL	Italy	166%	163%
MUTUA MADRILEÑA	Spain	331%	350%
ZURICH ³	Switzerland	132%	125%

Source: MAPFRE Economic Research (with data retrieved from the groups' SFCRs)

1/ ERGO does not present its own solvency ratio as it belongs to the Munich Re group.

2/ Swiss Life presents a solvency ratio as per the internal Swiss Solvency Test model, authorized by Swiss authorities on January 1, 2018 and January 1, 2019.

3/ The solvency ratio published by Zurich corresponds to the internal Z-ECM model, which also forms the basis of the Swiss Solvency Test, authorized by the Swiss supervisory body for obtaining an AA rating.

required for insurance groups. Covéa's 384% solvency ratio in 2018 was the highest of all the groups analyzed. Groups with the most notable increases in solvency ratios during 2017–2018 were: Natixis Assurances, Prudential and

Mutua Madrileña. The ratios released by Swiss insurance groups were calculated using internal models under the Swiss Solvency Test⁴ (see Table 2).

3. Convergence analysis

3.1. Convergence analysis

As in last year's report⁵, the analysis featured in this section focuses on the difference between the growth trend shared by all of the insurance groups (comprising the respective ranking) versus the total market growth trend (the "total market" being understood as all of the groups comprising the respective ranking)⁶. Thus, the analysis distinguishes between the following: "convergent" insurance groups (the growth trend drops over time to zero), "divergent" insurance groups (the growth trend increases over time) and "neutral" insurance groups (the growth trend for the companies is negligible versus market growth performance). These taxonomies were developed for the three cases studied within the Total, Non-Life and Life rankings (see Charts 3-a, 3-b and 3-c).

Life segment

A closer analysis of the Life segment (Chart 3-a) reveals the existence of a "convergent" group (comprised of Aviva, AXA, Generali, BNP, Poste Vita, Prudential and Talanx) which ceased registering a positive growth trend compared to the market in 2008, reporting negative figures at the end of the analyzed period. In contrast to the above, a "divergent" group also exists (comprised of: CNP, CAA, Aegon, Swiss Life, and Natixis Assurances), with a growth spread below that of the market during 2008, yet performing positively in 2018, and gaining ground on the market overall. The "neutral" group (formed by Sogecap and Zurich) reflected a growth trend above that of the market total for the 2008–2018 period.

Disparity in growth rates for the Life segment intensified over the analyzed period (2008–2018). Accordingly, the spread between "convergent" and "divergent" in the growth trend does not appear to show any signs of shrinking, which is the same for the insurance groups comprising each. The "divergent" group (Aegon, Crédit Agricole Assurances, CNP, Natixis Assurances and Swiss Life) gained

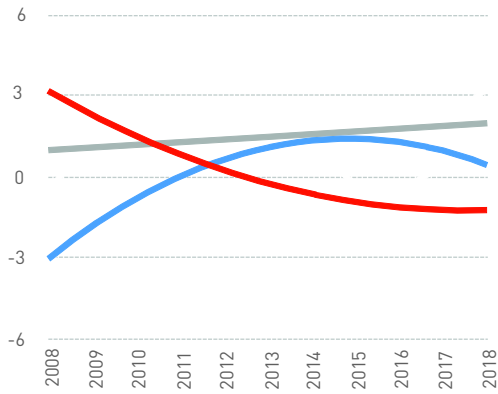
relevance, as did the "neutral" group, although to a lesser degree; in both cases this was to the detriment of the "convergent" group (AXA, Poste Vita, Generali, Aviva, Allianz, BNP, Prudential and Talanx).

Non-Life segment

In 2018, consolidation of the Non-Life segment (Chart 3-b) was clear: the "convergent" group (AXA, Ergo, Generali, MAPFRE, R+V and Mutua Madrileña) had a positive growth over the market, which differed radically from the "divergent" group (Allianz, Aviva, Talanx and Zurich), which decreased compared to the previous year. An examination of the insurance groups belonging to the "neutral" group (Covéa, Groupama, RSA, Sampo Group and Unipol) reveals an upward trend, although it is not yet as discernible when compared to the previous year. The Non-Life segment has undergone a replacement process over the last ten years whereby the large insurance groups have been losing ground to smaller groups in terms of growth.

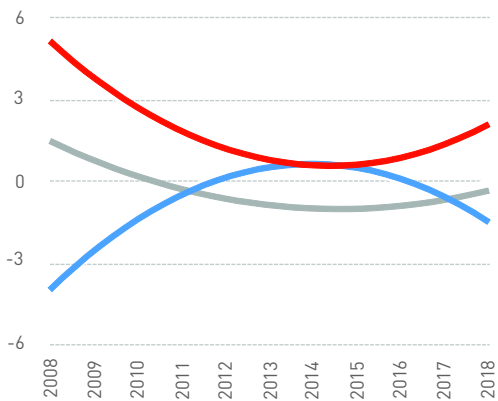
The weight of the business in the Non-Life segment for each group during the 2008–2018 period indicates a rise in the "convergent" group (AXA, Ergo, Generali, MAPFRE, R+V and Mutua Madrileña) toward the end of said period, to the detriment of the "neutral" (Covéa, Groupama, RSA, Sampo Group and Unipol) and "divergent" (Allianz, Aviva, Talanx, and Zurich) groups.

Chart 3-a
Life: market convergence analysis



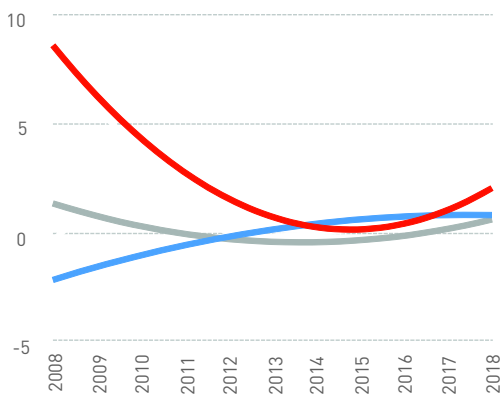
- Convergent:**
AXA, POSTE VITA, GENERALI, AVIVA,
ALLIANZ, BNP, PRUDENTIAL, TALANX
- Divergent (positive):**
AEGON, CNP, CAA, NATIXIS ASSURANCES,
SWISS LIFE
- Neutral:**
SOGECAP, ZURICH

Chart 3-b
Non-Life: market convergence analysis



- Convergent:**
AXA, MAPFRE, GENERALI, ERGO,
R+V, MUTUA MADRILEÑA
- Divergent (positive):**
ALLIANZ, ZURICH, TALANX, AVIVA
- Neutral:**
COVÉA, RSA, GROUPAMA,
SAMPO GROUP, UNIPOL

Chart 3-c
Total: market convergence analysis



- Convergent:**
GENERALI, CNP, TALANX, CAA,
AEGON, MAPFRE, BNP, COVÉA
- Divergent (positive):**
PRUDENTIAL, ZURICH, AVIVA
- Neutral:**
AXA, ALLIANZ, ERGO, POSTE VITA

Source: MAPFRE Economic Research

Total market

The joint dynamics of the convergent and divergent groups in Life and Non-Life segments represent the sector's overall dynamics (Chart 3-c). The chart shows that the "convergent" groups (Generali, CNP, Talanx, Crédit Agricole Assurances, Aegon, MAPFRE, BNP and Covéa) changes from converging with the others to surpassing market growth. When discussing the shared dynamics in the Life and Non-Life segments, the analyzed data also reveals that the "divergent" group (Prudential, Zurich and Aviva) maintained growth over market performance. At the end of 2018, the "neutral" group (AXA, Allianz, Ergo and Poste Vita) was also over the market, reflecting a positive growth trend compared to the others.

During the analyzed period (2008–2018), the weight of the "convergent" group (Generali, CNP, Talanx, Crédit Agricole Assurances, Aegon, MAPFRE, BNP and Covéa) rose slightly, while the "divergent" group (Prudential, Zurich and Aviva) decreased slightly; the "neutral" group (AXA, Allianz, Ergo and Poste Vita) remained unchanged.

3.2. Analysis of market developments

Total market

Growth

In considering cumulative growth during 2008–2018 (see Chart 3-e), some of the most notable increases occur in insurance groups that were larger at the beginning of the decade. Examples are Poste Vita (203.5%), BNP Paribas Cardif (61.1%) and MAPFRE (57.5%), although the increase in a number of larger groups also stood out: Prudential (123.1%), Crédit Agricole Assurances (87.6%) and Talanx (83.6%).

Chart 3-f reflects the overall interannual growth rate for 2017–2018 was positive (1.6%), which contrasts with the average growth rate over the past decade for all insurance groups analyzed (+2.1%), a clear indication of the ongoing deceleration process in recent years.

The total market's current expansion (2017–2018) (see Table 1.1-a and Chart 3-d) was

approximately 9.3 billion euros, which for the most part was generated by expanding activity for the five biggest insurance groups (together earning 8.7 billion euros); the French group AXA made the biggest contribution to the group with a total volume of 4.3 billion euros.

Point in the cycle

An analysis of Chart 3-f reveals that in aggregate terms, market growth during 2018 converged with its long-term trend, as we foresaw in last year's report.

The cycle's negative spiral seemed to end in 2018, as it converged with the sector's downward trend that began in 2015. This year, half of the insurance groups featured in the ranking reflected growth that was similar to or above their trends, as evidenced in Chart A-1 found in this report's Appendix.

Non-Life segment

Growth

Observations of the total market (Chart 3-i) confirm that based on 2008 premium volumes, the smaller Non-Life insurance groups registered the greatest accumulated growth rates during 2008–2018, while larger groups showed less accumulated growth capacity.

The year-on-year (YoY) growth rate in 2017–2018 for the Non-Life segment was positive (2.9%). It should be noted that the total market analysis encompassing the past decade reveals average overall market growth of +2.3%. In the case of the Non-Life segment did not undergo a market contraction during 2017–2018 nor in the preceding decade (see Table 1.2-a and Chart 3-h); as a matter of fact, the increase totaled 7.5 billion euros.

Chart 3-d
Total market: size and growth of the market in 2018 (millions of euros)

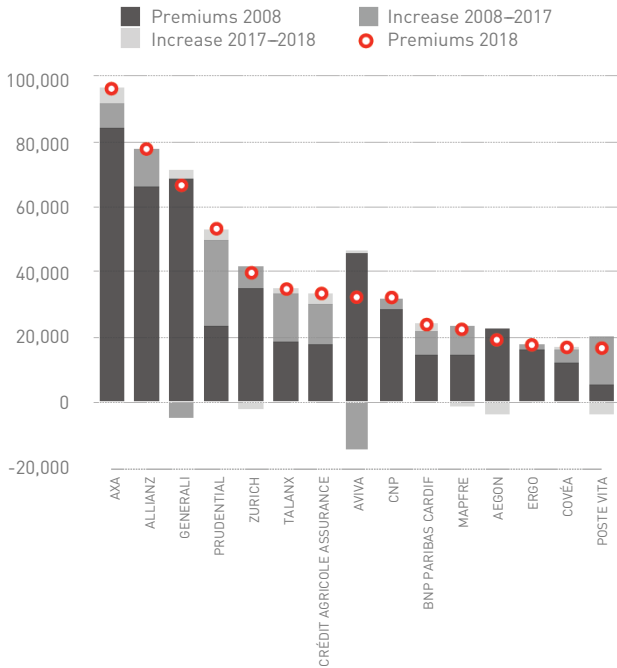


Chart 3-e
Total market: %Δ premiums (CAGR 2008-2018, %) versus size (millions of euros)

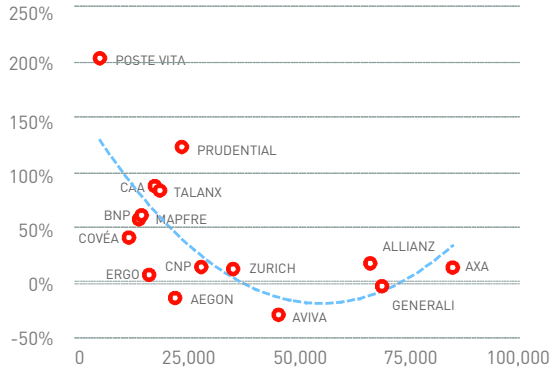


Chart 3-f
Total market: cycle and industry trends

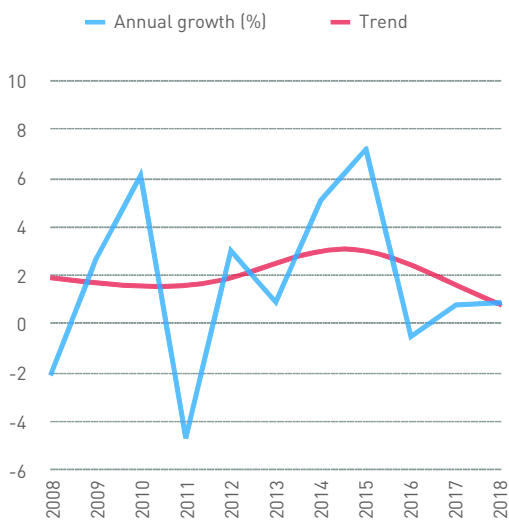
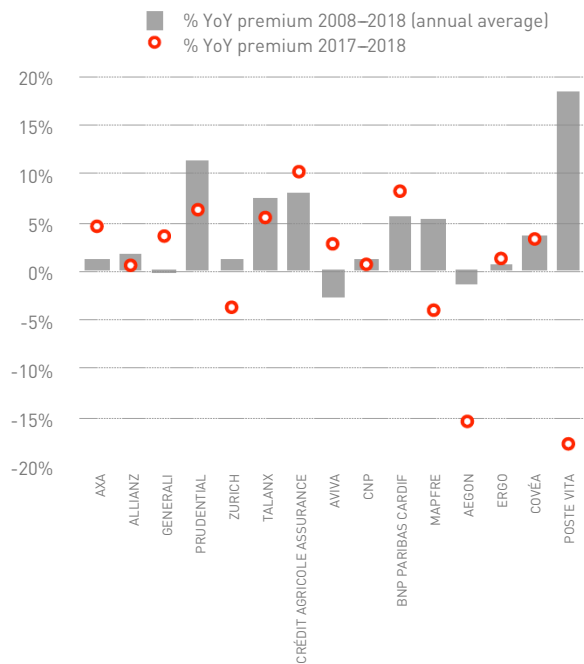


Chart 3-g
Total market: growth rates



Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

Chart 3-h
Non-Life market: size and growth of the total market in 2018 (millions of euros)

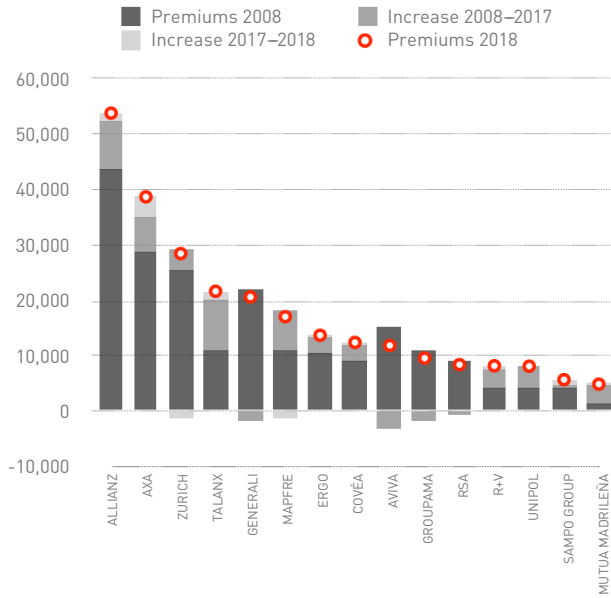


Chart 3-i
Non-Life market: %Δ premiums (CAGR 2008-2018, %) vs. size (millions of euros)

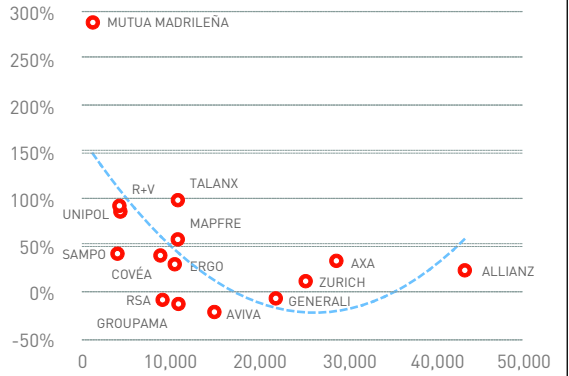


Chart 3-j
Non-Life market: cycle and industry trends

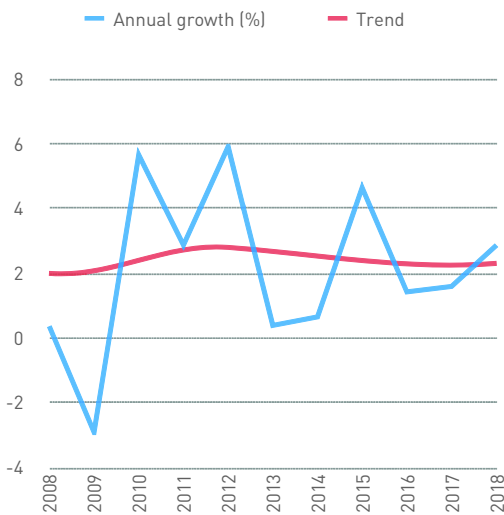
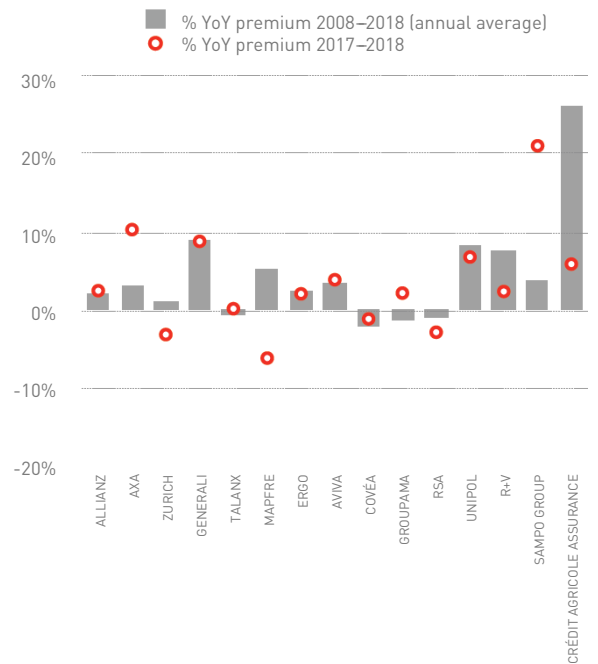


Chart 3-k
Non-Life market: growth rates



Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

Point in the cycle

Chart 3-h indicates that nearly all of the insurance groups included in the Non-Life ranking grew during 2017–2018, with the exception of Aviva, MAPFRE, Zurich and RSA. However, although the majority of the groups within this ranking segment showed growth during 2008–2018 (only Aviva, Generali, Groupama and RSA have negative interannual rates), less than half of the ranking participants had interannual rates higher than the average growth recorded during the decade (see Chart 3-k). Chart 3-j indicates that in aggregate terms, in 2018 the market began to grow beyond its long-term trend after having attained its most recent maximum cyclical performance in 2015.

Meanwhile, if one were to analyze the charts showing the cycle and trend of each group in the Non-Life ranking (see Chart A-2 in the Appendix), it becomes clear that premium volume grew above the trend in most cases in 2018. The average growth of the 15 largest Non-Life insurance groups during 2017–2018 was close to 3%, while their historic annual average growth (2008–2018) was 2.3%. It is therefore clear that the Non-Life segment's cyclical moment is maturing.

Life segment

Growth

Table 1.3 and Charts 3-l and 3-o indicate growth for the majority of the groups in the Life segment ranking for 2017–2018, with the exception of Allianz (-3.6%), Poste Vita (-18%), Aegon (-15%), Natixis Assurances (-6.7%) and Swiss Life (-1%); the total premium increase for the 15 groups in the ranking amounts to 5.9 billion euros.

The Life segment's 2017–2018 interannual growth rate was 1.6%, contrasting with the 2.4% average for the preceding year. This situation seems to be largely determined by a

background of low interest rates that Life business has faced over the past four years.

Based on a comparison of the growth of the insurance groups over the past decade, those that are smaller in size, apart from Prudential with (123.1%), experienced a significant increase with respect to larger groups (Chart 3-m), with Poste-Vita standing out with 200.7%.

Point in the cycle

Chart 3-n shows that the overall 15 Life insurance groups had annual growths that converged with sector trends over the past year.

A detailed analysis of the performance of European insurance groups over recent years within the Life segment (see Chart A-3 in the Appendix) confirms that, to a great extent (apart from Crédit Agricole Assurances, BNP, Aviva and Sogecap), the trend has dropped as confirmed in the chart showing the median for participants. Many of the insurance groups have trends and growth rates with very similar variations, apart from Sogecap, which has an annual growth rate that has shot upward with regard to its performance.

Chart 3-l
Life market: size and growth of the total market in 2018 (millions of euros)

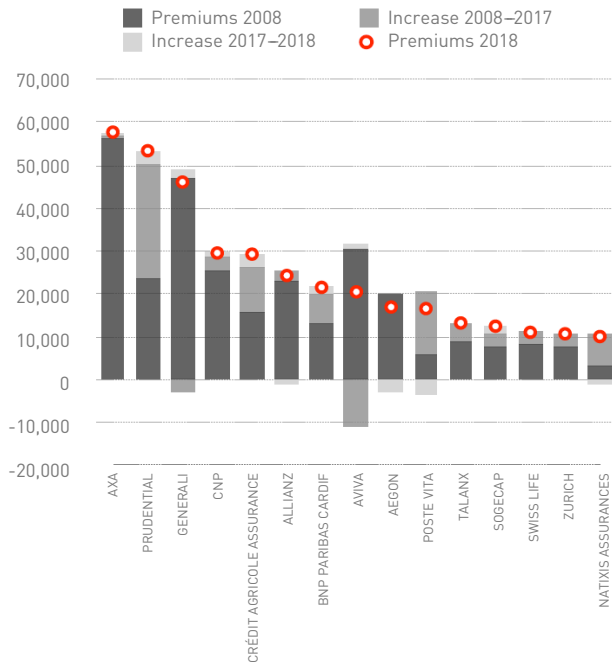


Chart 3-m
Life market: %Δ premiums (CAGR 2008-2018, %) versus size (millions of euros)

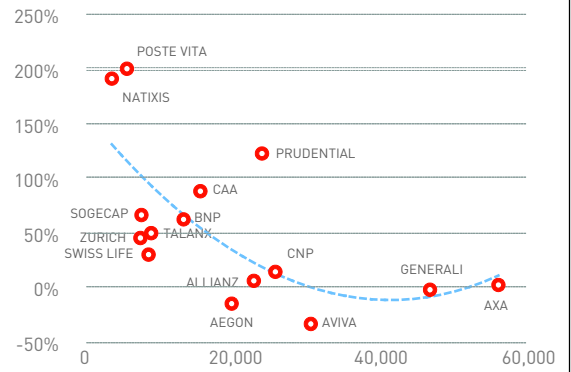


Chart 3-n
Life market: cycle and industry trends

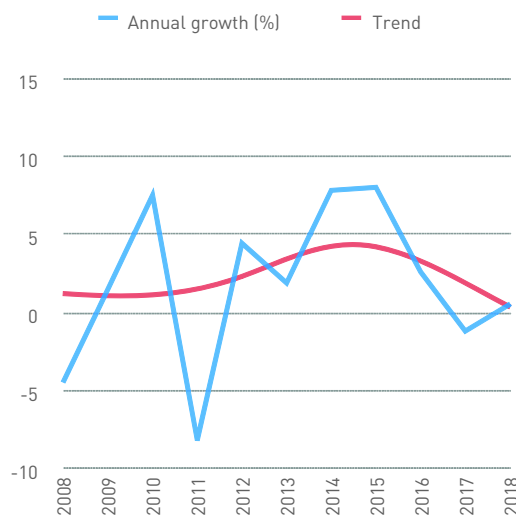
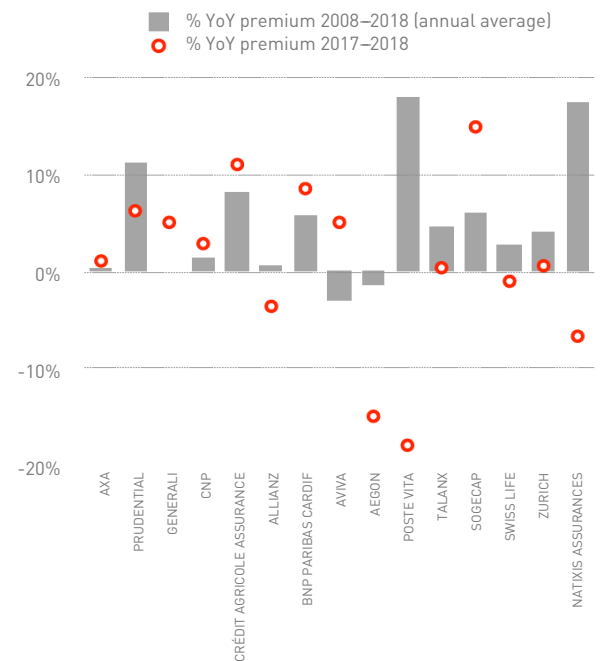


Chart 3-o
Life market: growth rates



Source: MAPFRE Economic Research (using data taken from the annual reports of the abovementioned groups)

Data and metrics

Source of data

As in previous editions, this ranking was prepared with information published by the insurance groups themselves in their annual reports and in their Solvency and Financial Condition Reports (SFCR). The ranking was created using gross premiums written, as reported by each group in overall terms, after consolidation adjustments. At some companies, there may be differences between the total and the sum of their segments due to those adjustments. In the case of *Crédit Agricole Assurances*, *Sogecap y Natixis Assurances*, the premiums for each segment were obtained from the SFCR, while the total was taken from the consolidated income statement included in their annual reports.

Sample

For the period under analysis (2008–2018), the sample comprises the 15 largest European insurance groups in overall terms and also specifically for the Life and Non-Life segments. Since the weight of these insurance groups within the overall global and European insurance market is not known (unlike the report on insurance groups in Latin America⁷) this report does not address market size or concentration, focusing instead on the cyclical and secular dynamics of the insurance industry in Europe (based on this sample of insurance groups), for which we have employed a dynamic premium analysis.

Intertemporal comparability

We have performed our dynamic analysis assuming a constant sample of participants over time. After obtaining the ranking by premium volume for 2018, the same information was located for each insurance group for the 2008–2017 period. This enables the changes in each of the participants under analysis to be reviewed up to their present position in the table. Our dynamic analysis also relies on the data published by the groups each

year in their annual reports, while, for comparison purposes, we have included the 2017 income and earnings figures published by the insurance groups in their 2018 annual reports.

Metrics

The integrated analysis contained in this report aims to provide a static and dynamic ordinal classification of European insurance groups that operate a global business. This can be analyzed from a purely static perspective (with a ranking of size based on premium volume) and also from a dynamic perspective to provide a more accurate picture of how each of the insurance groups has performed over time, while also showing wider trends and patterns common to all competitors and the degree of convergence in their growth rates. In other words, we are talking about the dynamics that have shaped their current standings in the ranking.

Thus, the weight of each group in the ranking is measured according to its premium size in euros in the current year (in this case, 2018), and over the previous ten years (2008–2017). This provides a perspective on the historic changes in premiums ($\Delta 2008-2017$ and $\Delta 2017-2018$) to date, thus drawing a distinction between secular changes over the last decade (i.e. trends) and changes in just the last year, which are more closely linked with the economic cycle. After obtaining the premium value in euros for those years and the year-on-year growth rates calculated over each historical series, the growth path was broken down into trend and cyclical components. Trend was determined using a Hodrick-Prescott filter, which applies a Lambda parameter of 6.25 (as with the approach used to extract the GDP trend of developed countries on an annual basis, the premiums of European insurers are treated as consumption, which in annual terms requires a similar parameter).

Charts 3-d, 3-h and 3-l show premium value in 2008, the gross increase seen in premium value over the 2008–2017 period and the increase in premiums up to 2018. Charts 3-g, 3-k and 3-o compare the growth rate for the last year against the historical average growth rate in order to spot patterns where business growth has picked up or slowed down for each of the groups featured in this report.

Meanwhile, the extracted trend for each of the growth series of the insurance groups is used to calculate the growth trend for each group in relation to each of the segments and also to compare the convergence between each of the groups and the total market (meaning all groups). These metrics are shown in Charts 3-

e, 3-i and 3-m, where shared trends are compared. Charts 3-f, 3-j and 3-n provide a graphical analysis of trend exposure across the wider industry (the sample), while the trends of each group are shown in the appendix to this report (Charts A-1, A-2 and A-3).

Exchange rates used

The average exchange rate for the year was used to calculate premiums and profit or loss. For balance sheet figures, the year-end exchange rate was used.

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References

1/ Sigma 2/2019.

2/ EIOPA. *Understanding Cyber Insurance - A Structured Dialogue with Insurance Companies*, at: <https://eiopa.europa.eu/Publications/Reports/EIOPA%20Understanding%20cyber%20insurance.pdf>

3/ These refer to investment portfolios managed separately from other insurance company assets against which the linked contracts are executed.

4/ For comparative purposes, the solvency ratio published by Zurich corresponds to the Z-ECM internal model. ERGO does not present a solvency ratio, as it belongs to the Munich Re group.

5/ See: MAPFRE Economic Research (2018), *2017 Ranking of the largest European insurance groups*, Madrid, Fundación MAPFRE.

6/ For the purposes of this analysis: a) the secular growth rates are compared to the current growth rate; b) the recent premium increase is compared to the increase over the last ten years; and c) the cyclical portion is separated from the longer-term trend in premium growth rates in each specific case and for the market in general, as well as for the Life and Non-Life segments.

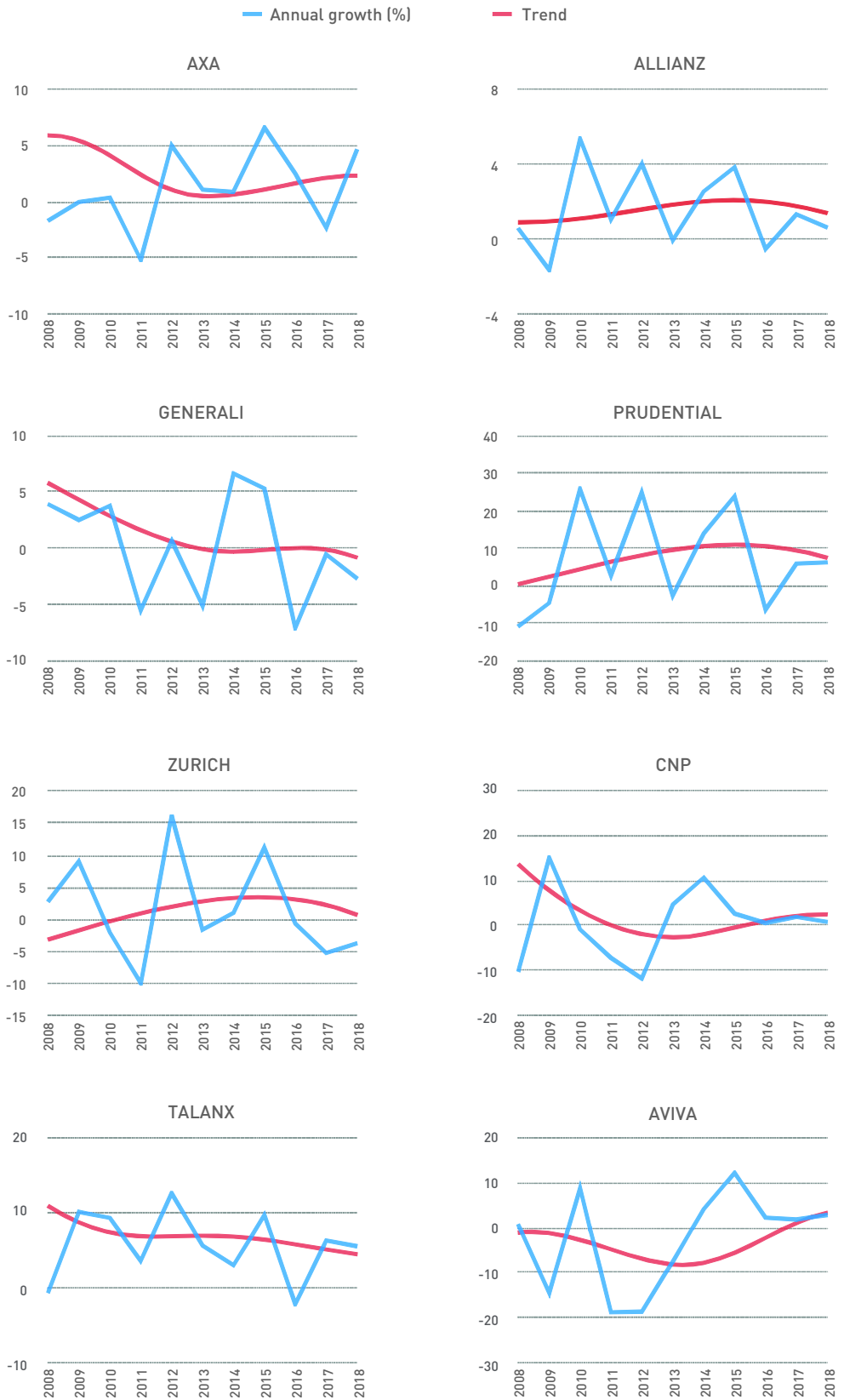
7/ See: MAPFRE Economic Research (2019), *2018 Ranking of insurance groups in Latin America*, Madrid, Fundación MAPFRE.

Appendix

Graphical analysis of cycle and trend

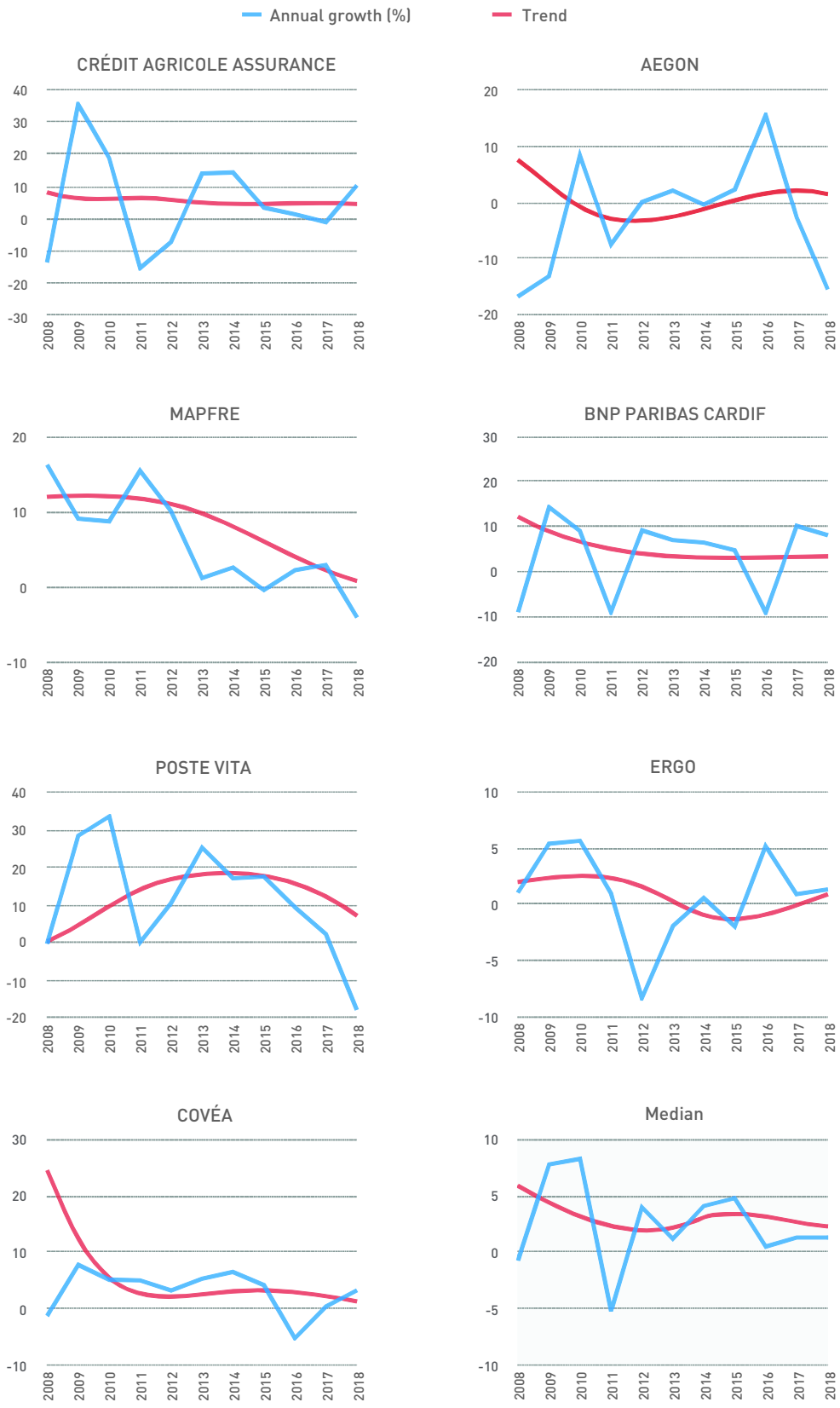
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Chart A-1
Total market: graphical analysis of cycle and trend by insurance group



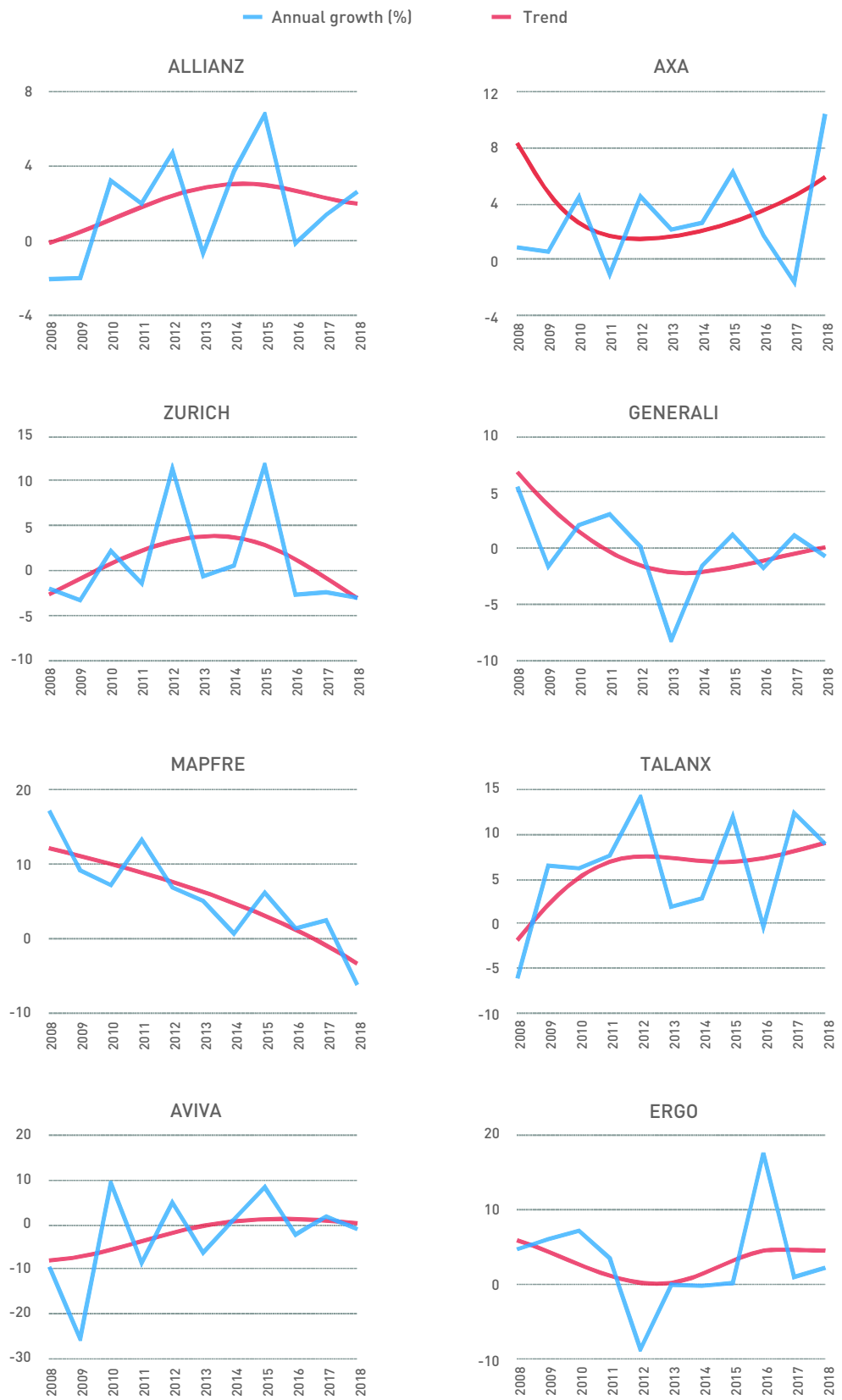
Source: MAPFRE Economic Research

Chart A-1 (continued)
Total market: graphical analysis of cycle and trend by insurance group



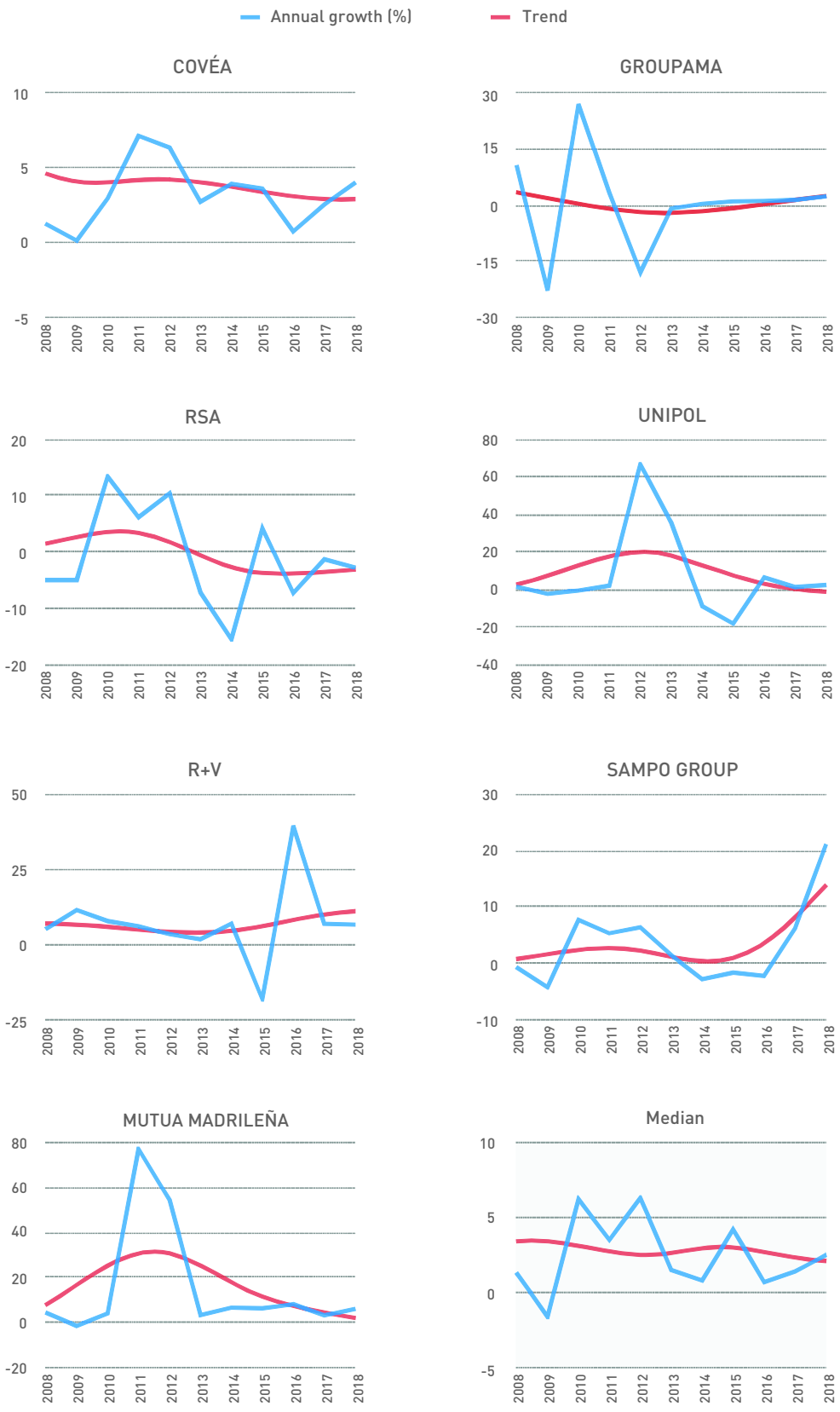
Source: MAPFRE Economic Research

Chart A-2
Non-Life market: graphical analysis of cycle and trend by insurance group



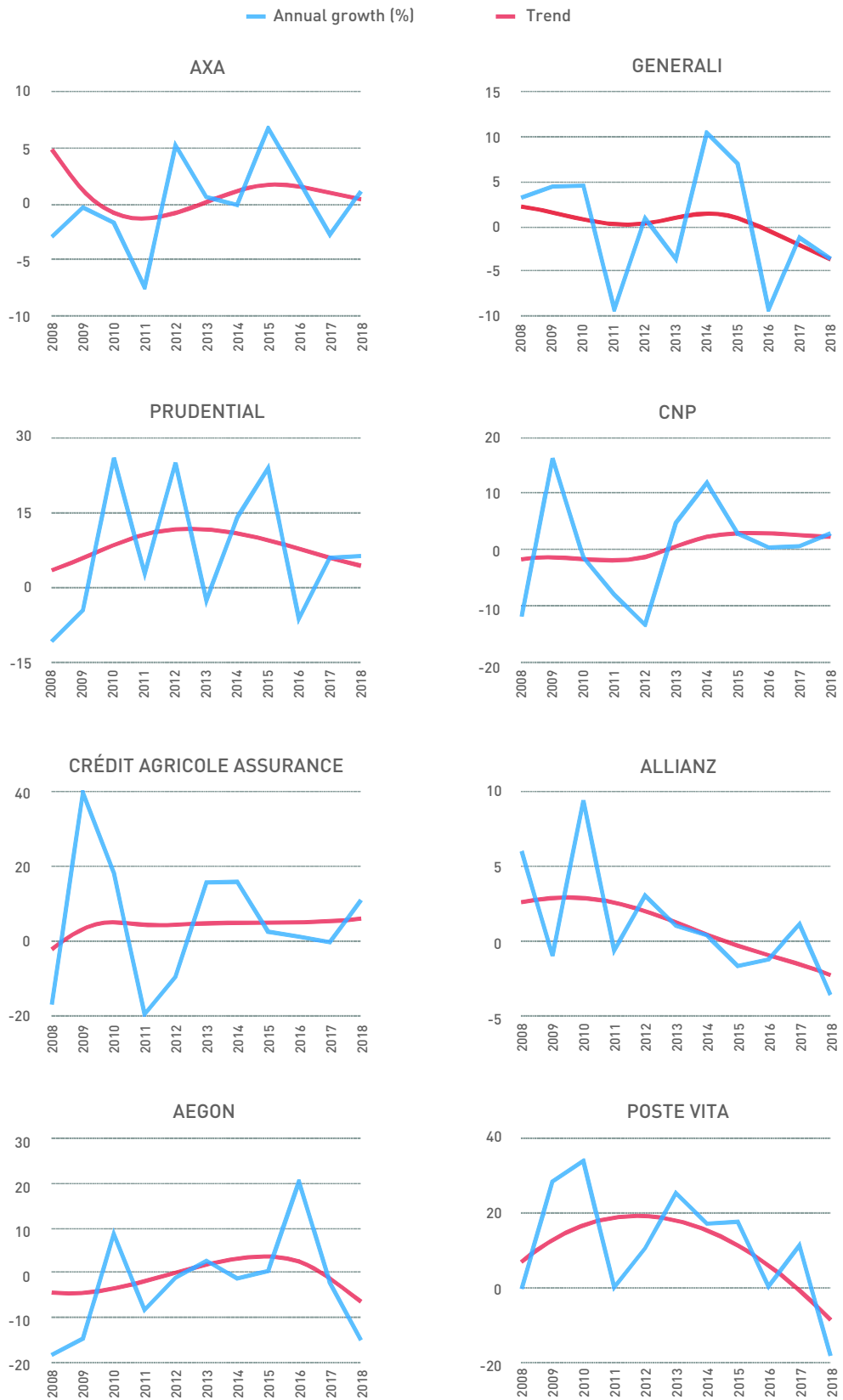
Source: MAPFRE Economic Research

Chart A-2 (continued)
Non-Life market: graphical analysis of cycle and trend by insurance group



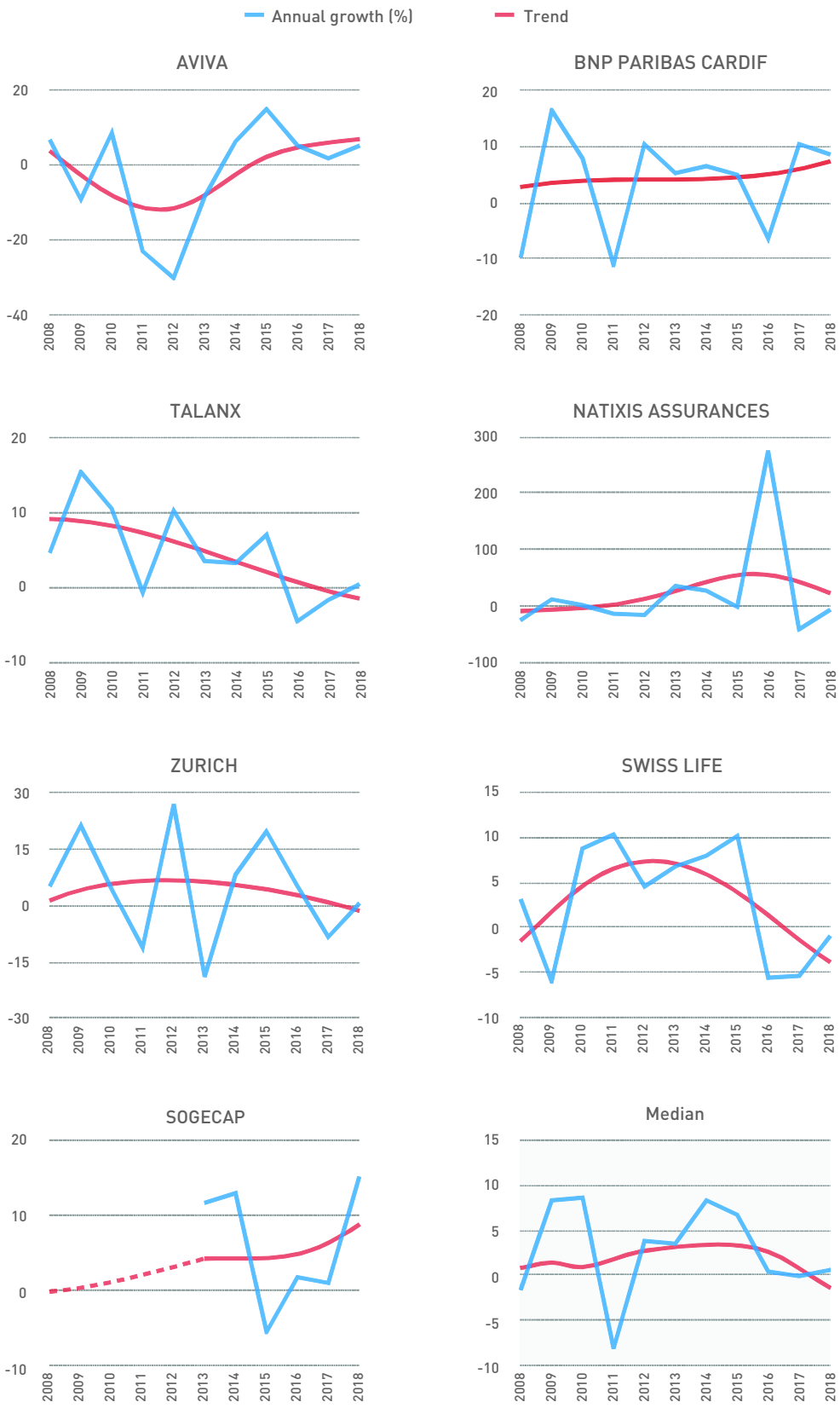
Source: MAPFRE Economic Research

Chart A-3
Life market: graphical analysis of cycle and trend by insurance group



Source: MAPFRE Economic Research

Chart A-3 (continued)
Life market: graphical analysis of cycle and trend by insurance group



Source: MAPFRE Economic Research

Other reports from MAPFRE Economic Research

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