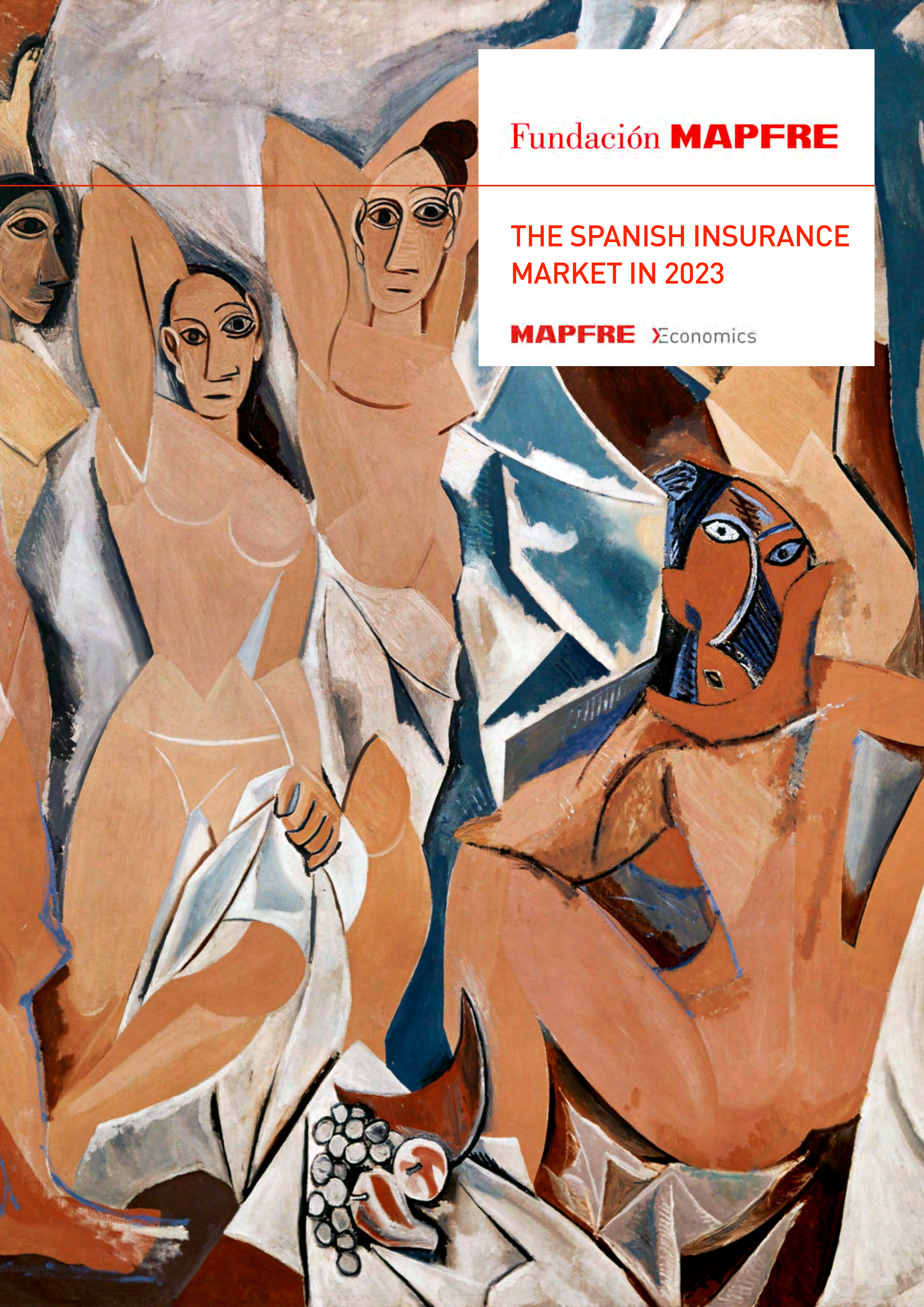

Fundación MAPFRE

THE SPANISH INSURANCE MARKET IN 2023

MAPFRE Economics

The Spanish insurance market in 2023

Pablo Picasso
Las señoritas de Avignon (1907)
Oil on canvas

This study has been prepared by MAPFRE Economics.
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Presentation

The publication of *The Spanish Insurance Market in 2023* responds to Fundación MAPFRE's commitment to improving citizens' financial education, especially in relation to insurance and social protection. MAPFRE Economics has prepared this report to present a short- and medium-term view of the performance and outlook for insurance activity in Spain.

As the study indicates, Spanish insurance developments in 2023 unfolded in an environment marked by solid economic growth and moderating inflation. This contributed to a 17.8% increase in the volume of insurance premiums, significantly higher than inflation, with a strong boost from Life insurance. Analyzing the relationship between economic growth and momentum of insurance demand in the 2013–2023 period, we observe that, as of 2022, Non-Life insurance recovered a parallel trend to the development of GDP, from which it had diverged in 2020 after the abrupt economic downturn due to the pandemic, a decline that did not fully transfer to this segment of the business. Meanwhile, in Life insurance, interest rate hikes since mid-2022 have been boosting the return of Life savings and annuity products to the market, which has allowed this segment to recover from the strong backslide experienced since 2016, pointing to 30.8% growth in the last decade. Likewise, strong performance of the Spanish insurance industry in 2023 fostered a rise in insurance penetration in the economy and reduction in the Insurance Protection Gap (IPG), which stood at 28.9 billion euros (8.6 billion euros less than the measurement the previous year). However, despite this improvement, the composition of the insurance gap still confirms inadequate development of the Life insurance segment, representing 94.3% of the IPG in 2023.

We hope this report, written as part of Fundación MAPFRE's framework of activities related to financial education, contributes to public debate regarding insurance and social welfare, macroeconomics and finance, as well as regulation, leading to further development of insurance activity in Spain.

Fundación MAPFRE

Introduction

The Spanish Insurance Market in 2023, prepared by MAPFRE Economics, presents an assessment of the performance and outlook for insurance activity in Spain, from both a short-term and a medium-term structural view. Thus, Chapter 1 of this report provides an overview of the environment and major economic and demographic trends that have influenced performance in Spain's insurance business over the course of 2023. Chapter 2 reviews the structure and concentration of the insurance market, while Chapter 3 analyzes the performance of the main lines of business in the industry in 2023, considering the behavior of parameters such as premium growth, technical performance, investments and technical provisions, and results and profitability.

Emphasizing the medium-term outlook, Chapter 4 of this report outlines the main structural trends of the Spanish insurance market between 2013 and 2023, based on an analysis of the evolution of penetration (premiums/GDP), density (premiums per capita), and depth (Life premiums/total premiums), as well as the annual update of the estimated Insurance Protection Gap. Finally, Chapters 5 and 6 provide an analysis of the evolution of capital requirements, own funds and solvency ratios in 2023 for a representative set of companies that operate in the Spanish insurance industry. They also offer a summary of the main insurance-related regulatory trends affecting the operation of the Spanish insurance industry.

We trust that this report will continue to be a source of information and analysis, helping to provide a better understanding of insurance performance and trends in Spain and contributing to the development of this business.

MAPFRE Economics

Executive summary

The global economic context and insurance activity

A significant global slowdown was expected in 2023 due to the tightening of financing conditions for governments, households, and companies, given the markedly restrictive monetary policy of the main central banks in their fight against the previous year's upturn in inflation. However, the macroeconomic environment was more favorable than initially expected, with aggregate global growth at 3.3% (3.5% in 2022), labor markets resisting the monetary tightening, and private consumption that remained strong, boosting performance of the insurance industry. However, economic uncertainty remained high due to the effect of geopolitical conflicts, like the war in Ukraine and, since October 2023, in Israel.

In the Eurozone, the 2023 aggregate economic growth of 0.6% was weak (3.5% in 2022), and the slowdown, caused by weaker performance of three of its main economies (Germany, France and Italy), especially in the investment component, was marked. However, other economies in the region performed better than expected, particularly Spain, growing 2.5% (5.8% in 2022). Inflation data also improved as the year progressed, with average inflation for 2023 closing at 5.4% in the Eurozone (8.4% in 2022), but still above the 2% objective of the European Central Bank (ECB).

In this environment of still-high inflation, risk-free interest rates continued to rise until October 2023 and remained unchanged thereafter. This marked a turning point in the monetary policy pursued since then by the ECB, which had been systematically raising them since July 2022, and they reached their highest levels in more than two decades that month. High interest rates supported the development of savings-linked Life insurance, which had been heavily affected in the last decade by the ultra-accommodating interest rate environment. However, the speed at which central banks raised rates, once they understood the inflation problem was not temporary, caused disturbances in some markets that had sold products with guaranteed interest rates at below-market rates, although this was not the case in the Spanish market.

This situation continued during the first half of 2024, and the first important step in changing the monetary policy stance towards less restrictive levels did not take place until June of this year, marking a turning point in the monetary policy applied by the ECB in the previous two years. This mild slowdown in the global economy is expected to continue in 2024, in an environment in which transmission mechanisms of monetary policy to the real economy are operating with a slowdown in credit, a weakening of the labor markets, and clear signs of moderating inflation. For this reason, the main central banks announced in their latest statements that the process of easing monetary policy (still restrictive) would continue over the coming months, at a pace contingent on inflation data as they become known.

The Spanish insurance industry in 2023

Spain's insurance market in 2023 was marked by solid economic growth based on private consumption, an environment of interest rates reaching levels not seen in the last decade, and moderation in price growth, with average inflation for the year closing at 3.5% (8.4% in 2022). This environment greatly favored the growth of insurance activity, with aggregate premium volume of the Spanish insurance industry reaching 76.4 billion euros, a 17.8% increase in total insurance premium volume (4.9% in 2022), significantly higher than inflation, thanks mainly to the momentum of Life insurance.

Life insurance premium issuing in 2023 reached 33.4 billion euros, representing 36.0% growth (4.2% in 2022). Life Savings insurance was the main driver of growth in Spanish insurance in the year, with a YoY increase of 46.3%. By contrast, Life Protection revenues dropped by 2.7% to 5 billion euros, impacted by the negative impact of interest rate hikes on lending. Savings products with the highest premium volume registered significant increases: Life annuities grew by 67.5%, deferred capital by 57.6%, and Individual Systematic Savings Plans (ISSP) by 67.4%. Unit-linked insurance also had a good year, although with more modest premium growth of 6.1%. Life insurance technical provisions (managed savings) grew by 5.2% to 203.8 billion euros, with unit-linked insurance standing out in this case, with 19.0% growth in provisions (reaching 12.1% of managed savings in Life insurance), Individual Systematic Savings Plans (ISSP), with 10.2% growth, and income insurance, with 5.5% growth.

Meanwhile, the Non-Life lines of business earned a premium volume of 43 billion euros, representing a 6.8% increase (5.2% in 2022). Practically all lines in this segment showed increases, notably the contribution of Automobile insurance, with 1.2 percentage points (pp), while Health and Multirisk contributed 1.1 and 0.9 pp, respectively. Thus, the main lines of business showed great momentum throughout 2023 and continue on that path this year. With the latest data for June 2024, YoY Non-Life premium growth stood at around 7.8% in the aggregate vs. premiums from the first half of 2023. The combined ratio for the Non-Life insurance segment stood at 94.8% that year, which is 1 pp below the 2022 figure (93.8%), due to a 0.8 pp drop in the loss ratio, which fell to 71.4% (70.6% in 2022). Likewise, although to a lesser degree, management and acquisition cost ratios showed slight improvement over the previous year, standing at 5.3% (0.1 pp) and 18.1% (0.1 pp), respectively.

Automobile insurance gradually increased growth rates throughout 2023, ending December with a premium volume of 12.1 billion euros, up 6.6% on the previous year (3.3% in 2022). This line of insurance continues to contribute the largest volume of Non-Life premiums, with a 28.2% share of this segment, closely followed by Health insurance (26.1%). This performance was influenced by a rise in the average premium, which stood at 362.6 euros, 5.1% more than in 2022, as well as an increase in insured vehicles, which, at 33.4 million vehicles, was up 1.5%. However, the line's technical result continued to deteriorate in 2023. The Automobile insurance combined ratio exceeded 100% in Q1 2023 and ended the year at 101.6%, 3.6 pp above its 2022 level, due to more severe loss ratios and higher provider costs due to inflation. The loss ratio stood at 80.9%, up 3.9 pp, while the expense ratio fell slightly to 20.7%, down 0.3 pp. It should be noted that the most recent data for the first half of 2024 show that the Automobile line continues to perform well in terms of activity volume, with a 9.1% increase in premiums.

Health insurance grew again in 2023, with a 6.6% rise in written premiums (7% in 2022) to 11.2 billion euros, also increasing the number of policyholders, which reached 14.2 million, 2.9% more than in 2022. In terms of profitability, the combined ratio for the line stood at 94.1% in 2023, down slightly from 94.2% the previous year, with an improvement in the loss ratio partially offset by an increase in the expense ratio. Finally, the financial result grew compared to 2022, resulting in a technical-financial result of 8.7% of premiums, an improvement of 2.6 pp YoY.

It should be noted that, although the Health insurance loss ratio improved slightly in 2023, these are the highest figures in recent years, mainly due to: (i) the frequency with which policyholders use private health care services remains high; (ii) private medical centers are increasingly providing insured parties with more comprehensive services, offering care in the same health center for initial consultations, diagnostic tests, and even surgery; and (iii) large private hospital chains continue to exert upward pressure in negotiating health care rates with insurance companies to cover medical services provided to their policyholders.

Multirisk insurance, in turn, is still the third Non-Life line by premium volume, maintaining a 21.3% share in 2023, and revenues of 9.2 billion euros in premiums, 6.8% more than the previous year. Industrial Multirisk insurance has sustained an uninterrupted growth trend over the last six years and increased by 9.3% in 2023. The Home, Condominium, and Commercial lines also saw greater growth than the year before and exceeded 2022 premiums by 6.3%, 6.4%, and 4.9%, respectively. It should be noted that Home and Condominium insurance policies have been affected by severe weather phenomena, which have had a negative effect on the loss ratio and increased the combined ratio. As a whole, the combined ratio of Multirisk insurance increased by 1.1 pp to 97.5% of premiums, as a result of a 1.6 pp worsening of the loss ratio, despite a -0.5 pp improvement in expenses. With regard to early data for the first half of 2024, published figures continue to show strong performance in this line of insurance activity, with an aggregate increase in premiums of 8.4%.

Aggregate profitability indicators show that the Spanish insurance industry achieved a profit of 5.5 billion euros in 2023, a slight drop of 1.3% compared to the previous year's growth of 9.0%. However, in relative terms, the industry's profitability improved, registering a return on own funds (ROE) of 13.2%, a 0.6 pp increase from 2022. Meanwhile, the sector's profitability, measured as the ratio of the year's results to average total assets (ROA), barely changed in 2023, at 1.7%, with a slight increase of 0.05 pp compared to the previous year.

The total volume of insurance companies' investments in the Spanish market in 2023 increased to 305.1 billion euros, up 9.0% YoY, partially overcoming the significant decline of 15.0% in 2022. This took place in a year in which the valuation of the main asset categories for insurance company investments saw downward corrections due to accelerated interest rate hikes by the main central banks. Analysis of the investment structure of the Spanish insurance industry shows that the main asset category continues to be fixed income, representing 51.6% of the investment portfolio in 2023 (51.2% in 2022), with sovereign debt fixed income as the dominant component. Corporate fixed income, in turn, accounted for 19.2% (19.0% in 2022) of the portfolio (after deducting the effect of the valuation on derivative and structured products). Most industry investments' credit ratings were on the second rung of the ratings map included under Solvency II regulations (equivalent to A), in line with the Spanish sovereign risk rating at year-end 2023. Equities, in turn, represented 7.2% of insurance industry investments in 2023 (7.4% in 2022).

Structural insurance trends in Spain

The strong performance of the Spanish insurance industry in 2023 fostered increased insurance penetration in the economy (ratio of premiums to gross domestic product), which rose to 5.22%, compared to 4.81% in 2022. This increased penetration of insurance in the Spanish economy was due, in particular, to the penetration rate of Life insurance, up 0.5 pp to 2.28%, while the penetration rate of Non-Life insurance stood at 2.94%, nearly unchanged from the previous year.

Conversely, the density of insurance in Spain (premiums per capita) stood at 1,571.50 euros in 2023, an increase of 223.8 euros compared to the previous year. There was growth in both market segments, with a greater contribution from Life insurance, which increased its density by 176 euros, to 686.5 euros. Meanwhile, the density of the Non-Life insurance segment stood at 885 euros, an increase of 47.5 euros. Thus, density in the Life insurance segment rose further, boosted by the positive effect of interest rate hikes.

Finally, the depth index (share of direct Life insurance premiums versus total direct premiums in the market) stood at 43.69% in 2023, significantly higher than the previous year's 37.9%, but still far away from the 48.8% reached in 2016, its historic maximum, and below the levels attained in the last decade. In view of the foregoing, and despite its improvement, the behavior of this indicator continues to confirm the insufficient performance of the Life insurance segment in the Spanish insurance market.

The Insurance Protection Gap (IPG) in 2023 stood at 28.9 billion euros, 8.6 billion euros less than the previous year. This reduction in the IPG is due to the Spanish market's improved performance with respect to the more developed reference markets, especially in the Life insurance line. However, despite this improvement, from a structural perspective, the IPG composition continues to confirm the insufficient performance of the Life insurance segment, representing 94.3% of the gap in 2023 (27.2 billion euros), while Non-Life insurance barely accounted for the remaining 5.7% (1.7 billion euros).

Solvency position of the Spanish insurance industry

Finally, an analysis of the individual Solvency and Financial Condition Reports (SFCR) published by Spanish insurance companies, in accordance with the risk-based prudential regulation applicable in the European Union (Solvency II), with a sample of companies representing 74.6% of insurance premiums and 67.2% of technical provisions in the market in 2023, shows that the Spanish insurance industry remains sound and healthy. The aggregate total solvency ratio of the sample analyzed stood at 229.5% (227% in 2022).

1. Economic and demographic context

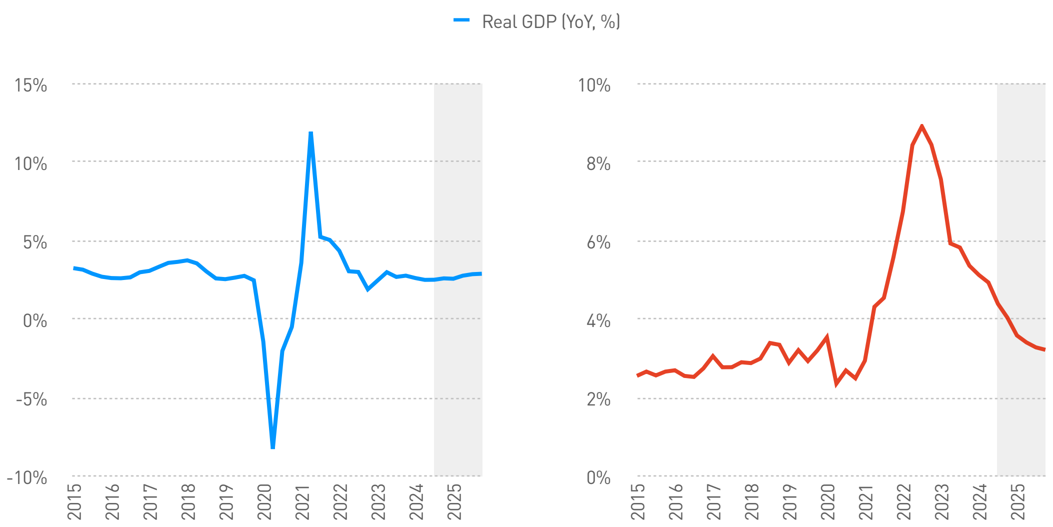
1.1 Economic aspects

Global and European environment

A significant global slowdown was expected in 2023 due to the tightening of financing conditions for governments, households, and companies, given the markedly restrictive monetary policy of the main central banks in their fight against the previous year's upturn in inflation. Nevertheless, the macroeconomic environment was more favorable than initially expected: aggregate global growth reached 3.3%, compared to 3.5% in 2022 (see Chart 1.1-a), with labor markets holding up well to monetary tightening and private consumption remaining strong with the help of remaining savings accumulated during the pandemic and still-expansionary fiscal policies that governments implemented to support their respective economies. However, economic uncertainty remained high due to geopolitical events, like the war in Ukraine and, since October 2023, the conflict in Israel.

In the Eurozone, the 2023 aggregate economic growth of 0.6% was weak (3.5% in 2022), and the slowdown, caused by weaker performance of three of its main economies (Germany, France and Italy), especially in the investment component, was marked. However, other economies in the region performed better than expected, particularly Spain, growing 2.5% (5.8% in 2022). Inflation data also improved as the year progressed, with average inflation for 2023 closing at 5.4% in the Eurozone (8.4% in 2022), but still above the 2% objective of the European Central Bank (ECB). Signs of moderation continued thereafter, reaching 2.2% YoY in August 2024 (2.6% in July). In

Chart 1.1-a
Global: economic growth and inflation
(quarterly data, year-on-year variation)



Source: MAPFRE Economics (based on Haver data and own estimates) this environment of still-high inflation, risk-free interest rates continued to rise through October 2023 and remained unchanged thereafter, marking a turning point in the monetary policy pursued since then by the ECB, which had been systematically raising rates since July 2022, which reached their highest levels in more than two decades in October 2023.

This situation continued during the first half of 2024, and the first important step in changing the monetary policy stance towards less restrictive levels was not seen until June of this year, marking a turning point in the monetary policy applied by the ECB in the previous two years, reducing interest rates 25 basis points (bps), to 4.25% for main refinancing operations and 3.75% for the deposit facility. Moreover, the ECB decided to continue on its path of gradually reducing the size of its balance sheet, without significantly affecting risk premiums in the countries with the highest debt levels, which nevertheless saw a temporary upturn after the French elections. Due to this situation, the yield curve began to relax across all maturities from the peaks reached at the beginning of Q4 2023, partially alleviating the downward pressure on longer-duration fixed income valuations experienced as a result of the rapid, sustained rise in interest rates since the middle of the previous year.

This mild slowdown in the global economy is expected to continue in 2024, in an environment in which the transmission mechanisms of monetary policy to the real economy are operating with a slowdown in credit, a weakening of the labor markets and clear signs of moderating inflation, leading the main central banks to announce in their latest statements that the process of easing monetary policy (still restrictive) would continue in the coming months at a pace contingent on inflation growth data as they become known.

Economic environment and insurance demand

The Spanish insurance market in 2023 was marked by solid economic growth based on private consumption (better than initially expected despite the tight monetary policy implemented by the ECB), an environment of interest rates reaching levels not seen in the last decade, and moderation in price growth, with average inflation for 2023 closing at 3.5% in Spain (8.4% in 2022). This environment fostered the growth of insurance activity, leading to a 17.8% increase in total insurance premium volume (4.9% in 2022), significantly higher than inflation (in contrast to the previous year). Meanwhile, premium adjustments as policies were renewed, and higher financial income throughout the year, together with the progressive improvement in the profitability of investment portfolios, increased the profitability of the insurance industry.

By major lines of business, Life insurance premiums grew by 36.0% (4.2% in 2022), recovering from the declines suffered during the pandemic years and reaching levels not seen in the last two decades. Life Savings insurance premiums grew by 46.3% (4.4% in 2022), thanks to the positive effect of interest rate hikes on demand in this insurance segment. Meanwhile, Life Protection premiums dropped 2.7%, impacted by the negative effects of the monetary policy tightening process on credit. Aggregate Non-Life insurance premiums in 2023 were up 6.8% (5.3% in 2022), with all major lines of business contributing to growth, most notably the recovery of Automobile insurance, which had suffered the most during the pandemic.

Charts 1.1-b and 1.1-c provide a medium-term analysis (2013–2023) illustrating the close relationship between economic growth and insurance demand. This relationship is especially significant in the Non-Life business. Although it diverged

Chart 1.1-b
Spain: economic growth and insurance demand

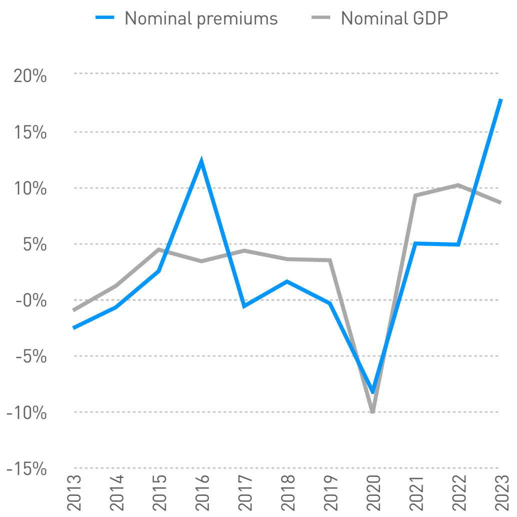
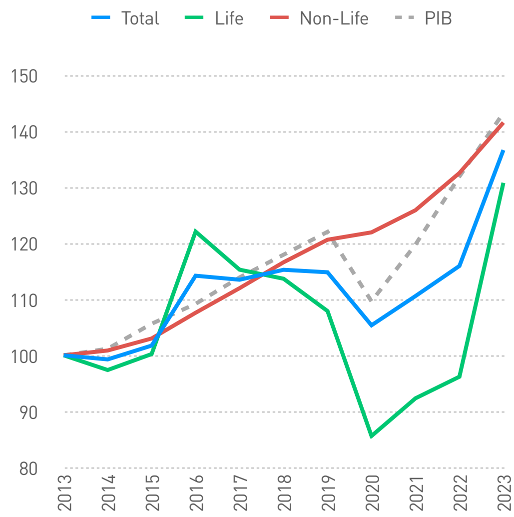


Chart 1.1-c
Spain: trends in direct insurance
(2013 index=100)



Source: MAPFRE Economics (based on INE and ICEA data)

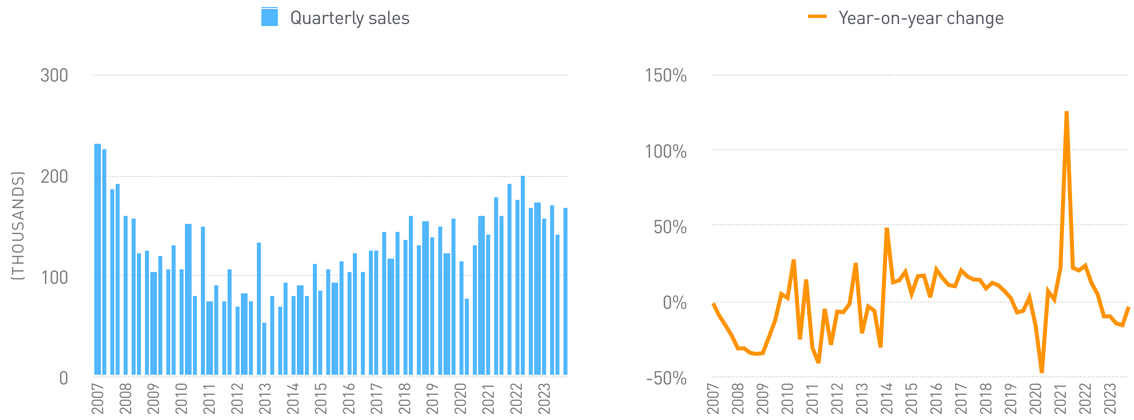
from the GDP variation path in 2020 as a result of disturbances from the pandemic, breaking this trend amid an abrupt drop in GDP that did not fully transfer to this business, it recovered it in the following years. The decade closed with 41.5% growth in Non-Life premiums, compared to nominal GDP growth of 43.2% in the same period (Chart 1.1-c). The Life business, also affected by interest rate behavior and particularly the change in the ECB's monetary policy stance from mid-2022 (after over a decade of ultra-accommodative interest rates), continues to drive the return of Life savings and annuity products to the market, recovering from the sharp decline suffered by the Life business since 2016 in one year, with 30.8% growth over the last decade due to the marked rise in premiums in 2023.

It should be noted that, based on the latest data for the first six months of 2024, premium income in Spain's insurance market did not maintain its 2023 growth rate and even dropped 2.2% YoY. The decline was due to the unique dynamics of Life insurance, which fell 14.1%, weighed down by the Life savings segment (-17.2%), after strong 46.3% growth in 2023 for the year as a whole. Despite this drop in premium volume, in terms of managed savings (mathematical provision), Life insurance grew 3.9% in the first half of 2024. Meanwhile, the Life Protection business rose 3.0% in the first six months. The Non-Life segment continues to grow at a good pace, at 7.8%, with increases across practically all lines, most notably Automobile (9.1%), Multirisk (8.4%), Health (7.4%), and other Non-Life insurance lines (6.3%).

Real estate sector

As highlighted in previous versions of this report, insurance operations related to the real estate market (Home and Life Protection Insurance) play an important role in the Spanish insurance market. Statistics from the Ministry of Transportation and Sustainable Mobility presented in Chart 1.1-d point to an 11.03% reduction in deeded real estate transactions (638,591 units) in 2023 compared to the previous year (717,734 units). The causes of this decline

Chart 1.1-d
Spain: home sales
(number of transactions, thousands; year-on-year change, %)



Source: MAPFRE Economics (based on data from the Ministry of Transport and Sustainable Mobility)

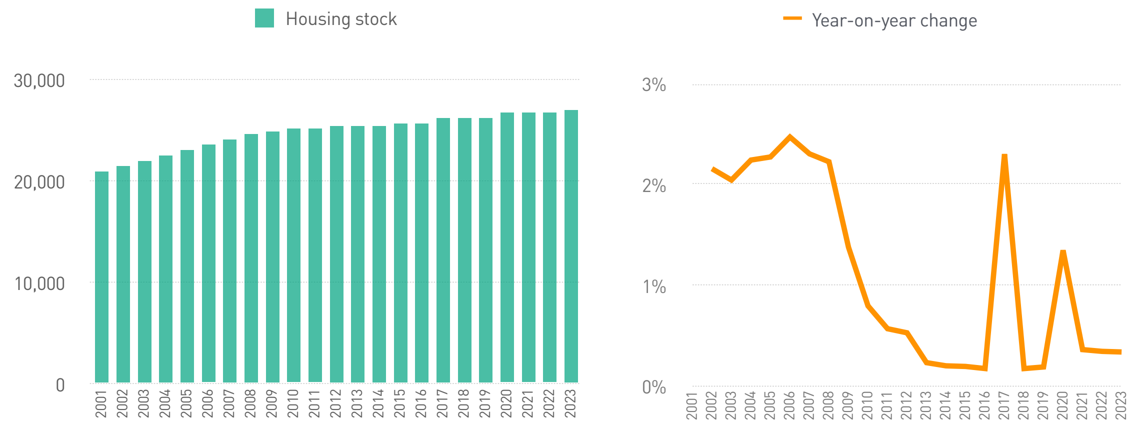
in 2023 are found in rising prices (especially in single-family housing), with a YoY variation of around 5.3%, and the slump in mortgage origination with relatively high interest rates. Despite these data, the average change over the last five years represents an increase of 3.4%.

Meanwhile, the evolution in the number of transactions by economic agents has varied, with significant growth in real estate activity in the years prior to 2007, followed by sharp drops between 2007 and 2009 due to the subprime mortgage crisis, in 2010–2012 amid the sovereign debt crisis, and more recently in 2020 due to the COVID-19 pandemic. In 2021, there was short but high growth due to the base effect, which began to taper off in 2022, mainly due to high cost of raw materials that affected prices of all goods and services, including those related to construction and higher interest rates, which had a direct impact on financing for real estate purchases. Likewise, data published by the Ministry of Transportation and Sustainable Mobility show a 6% drop in the number of construction management approvals in 2023 compared to 2022, as well as a 4.2% decrease in construction certifications.

According to estimates by the Ministry of Transportation and Sustainable Mobility, by 2023 Spain's housing stock stood at 26,902,443 units. As Chart 1.1-e illustrates, between 2001 and 2023 there was 27.9% cumulative growth, highlighting years such as 2017, which accounted for 2.3% YoY, and 2020, with 1.35% YoY growth, while 2023 growth was only 0.34% with respect to 2022. According to data from the National Statistics Institute (INE), new housing transactions fell by 11.1%; this situation is similar to that of home resale transactions, which decreased by 11.0% (see Chart 1.1-f), lower than the 2022 figures (-5.7% and 7.9%, respectively). The decline of both indicators in 2023 is attributable to a slowdown in economic activity, high inflation, and interest rates that remain relatively high, all of which have made it difficult for households and other economic agents to purchase homes.

In 2023, contrary to what happened in 2022, we see that the YoY variations in housing transactions by autonomous community were negative in practically all of Spain, most significantly in: The Balearic Islands, -20.05%; Ceuta and Melilla, -19.04%; Madrid, -16.2%; the Ca-

Chart 1.1-e
Spain: housing stock
(number of homes, thousands; year-on-year change, %)

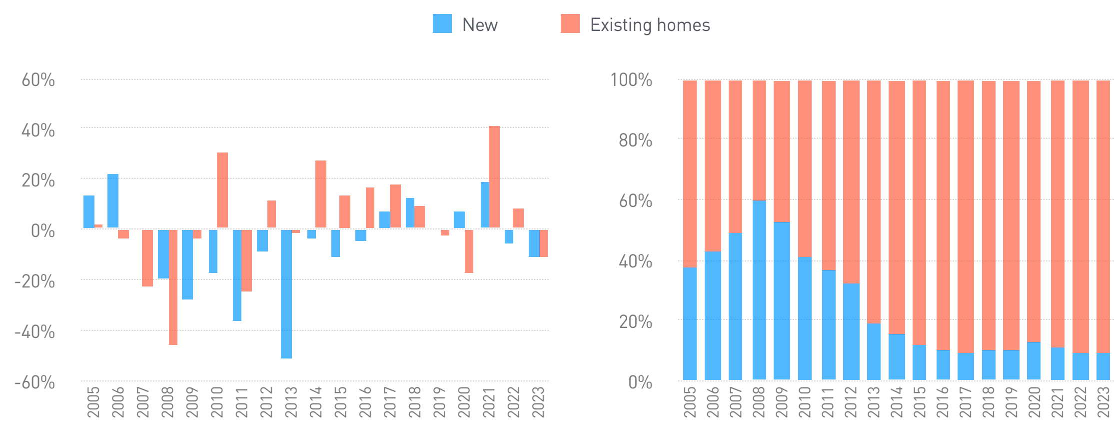


Source: MAPFRE Economics (based on data from the Ministry of Transport and Sustainable Mobility)

nary Islands, -15.78%; the Basque Country, -15.22%; and Catalonia, -12.64%. In contrast, only Asturias had positive growth of around 1.4%. Likewise, with regard to transactions carried out by provinces over the national total, the YoY variation percentages are negative in most territories, most notably Las Palmas de Gran Canaria at -16.82%, Vizcaya at -16.62%, and Malaga at -15.93%. Only Orense and Guadalajara, at 2.37% and 2.36%, respectively, show positive numbers.

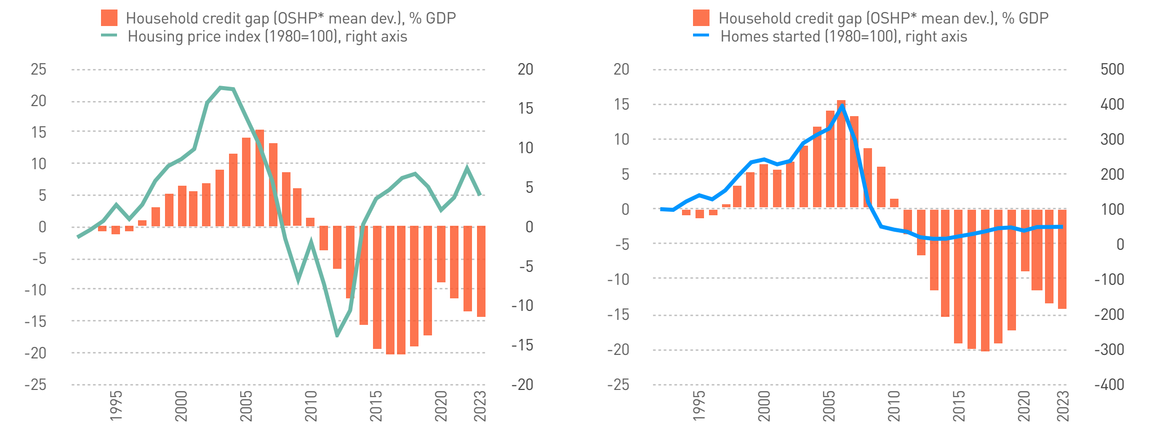
Chart 1.1-g shows the evolution of the household credit gap (credit variance as a percentage of GDP with respect to its long-term historical average) and the housing price index from the late 1990s to 2006 (the year before the subprime crisis). According to this information, household debt volume as a percentage of GDP is higher than its long-term average, reflecting a positive gap, with a marked upward trend for the entire decade, affecting both the number of new housing starts and the price level. Thereafter, there is a sharp decline, where

Chart 1.1-f
Spain: sales of new homes vs. sales of existing homes
(year-on-year change, %; breakdown, %)



Source: MAPFRE Economics (based on data from the Ministry of Transport and Sustainable Mobility)

Chart 1.1-g
Spain: household credit gap

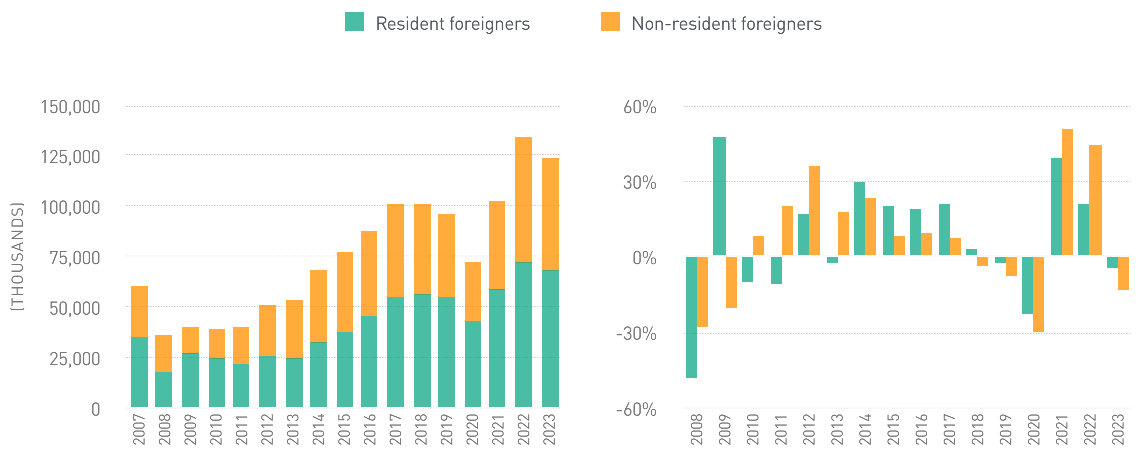


Source: MAPFRE Economics (based on data from the Ministry of Transport and Sustainable Mobility, and the BIS)
*OSHP = One Sided Hodrick-Prescott

the credit gap anticipates the real estate crisis that will actually occur in the 2008–2009 period. Between 2007 and 2011, the household credit gap narrowed ostensibly, coinciding with a decline in housing prices and housing volume. From that point on, the gap became increasingly negative, stabilizing between 2014 and 2015. As early as 2020, coinciding with the COVID-19 pandemic, and through 2022, the negative credit gap increased, accompanied by continued housing price growth. In contrast, in 2023, although the negative credit gap continues to grow, there is less variation in price growth.

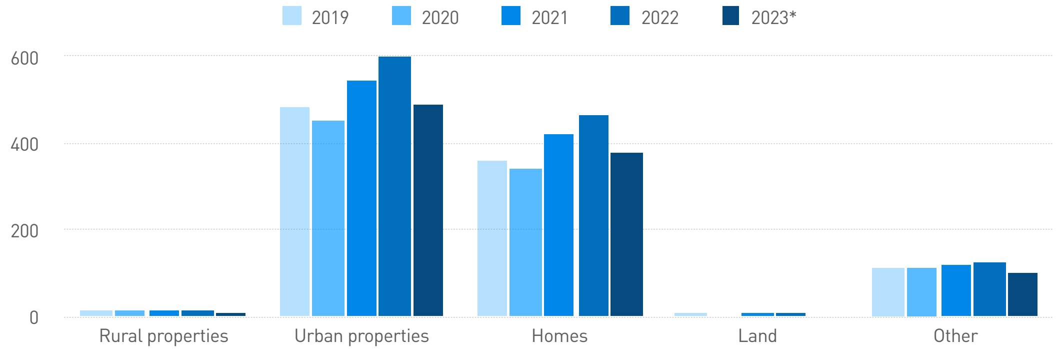
Meanwhile, real estate transactions carried out by foreigners (residents and non-residents) in 2023 accounted for 19.3% of the national total (18.2% in 2022). At the provincial level, coastal areas remained those preferred by foreigners for home purchases, of their total transactions (Alicante, 22.8%; Malaga,

Chart 1.1-h
Spain: real estate transactions involving foreigners
(number of real estate transactions; year-on-year variation, %)



Source: MAPFRE Economics (based on data from the Ministry of Transport and Sustainable Mobility)

Chart 1.1-i
Spain: trends in the number of mortgages
(number of mortgages, thousands)

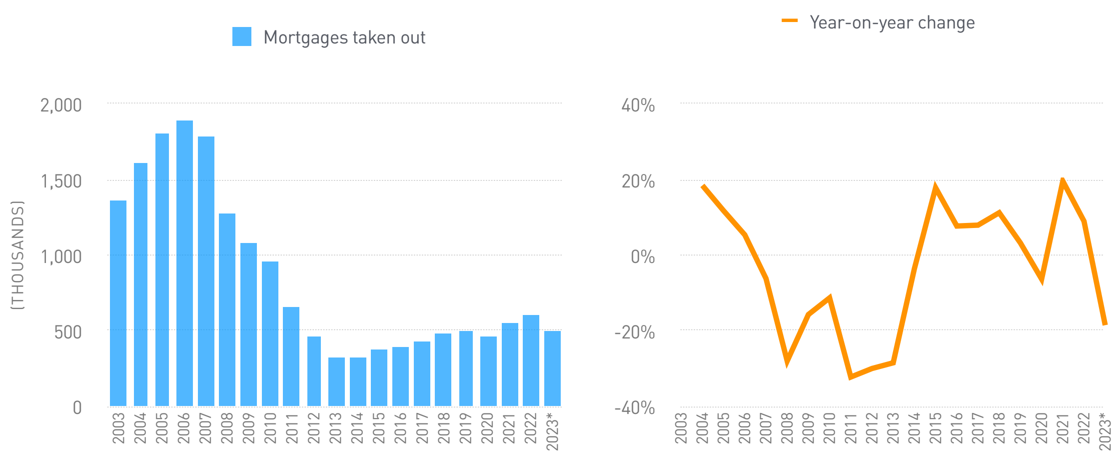


Source: MAPFRE Economics (based on INE data)
*Provisional data as of 2023

11.2%; Barcelona, 8.2%; Canary Islands, 7.8%; Valencia, 6.8%, with the exception of Madrid, with 6.3%). It should be noted that in 2023, there was a drop of 4.7% for resident foreigners' transactions and 12.9% for non-resident foreigners, in contrast with the high growth in 2022 (see Chart 1.1-h). Finally, according to data from the Annual Housing and Land Observatory Bulletin, the most prominent nationalities of foreign buyers are British, at 9.5%, German, at 7.3%, and French, at 6.7%.

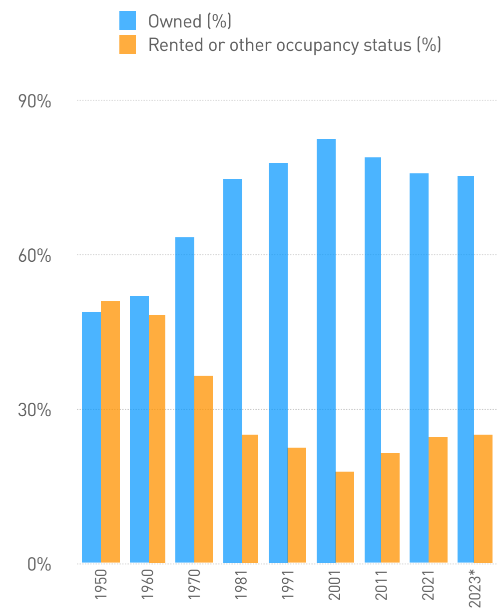
With provisional data published by the INE on mortgages issued by type between 2019 and 2023 (see Chart 1.1-i), we see that the largest number of mortgages (608,656 units) were registered in 2022, while 496,333 units were originated in 2023, 18.5% less than the previous year. Mortgages issued in 2023 for home purchases accounted for 76.7% of all mortgage loans, with a 74.6% increase over the last five years (see Chart 1.1-j). All remaining categories of mortgages on properties showed negative YoY variations

Chart 1.1-j
Spain: mortgages issued vs. total properties
(number of mortgages, thousands; year-on-year change, %)



Source: MAPFRE Economics (based on INE data)
*Provisional data as of 2023

Chart 1.1-k
Spain: trends in home ownership, rental and occupancy free of charge*
(%)



Source: MAPFRE Economics (based on INE data)
*Data as of July 2023

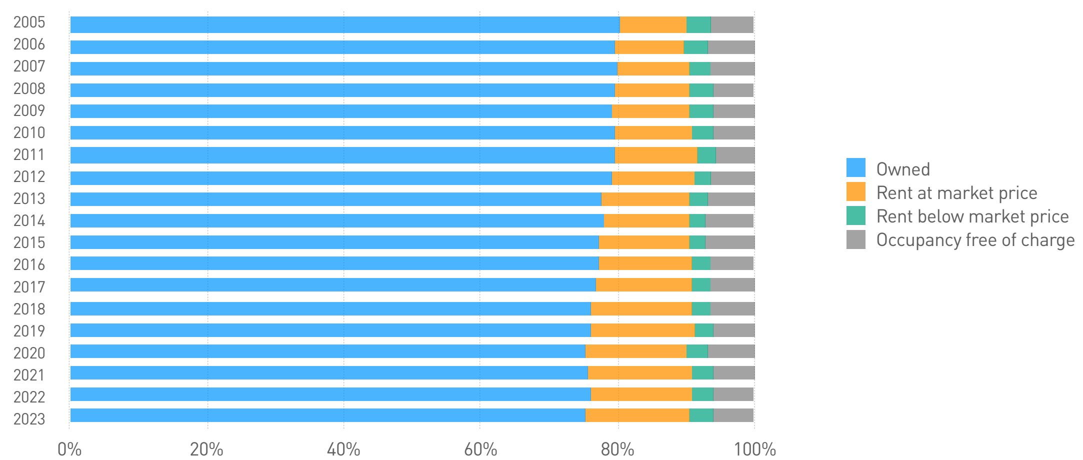
in 2023: rural properties at -19.6%, land at -19.8%, and other at -20.1%. Mortgage foreclosures on dwellings during 2023 in the Property Registries decreased compared to 2022 by around 23.69%, which was even higher than the decrease experienced in 2022 (-17.21%).

Regarding the General Housing Price Index (HPI), the INE published a YoY change of 4.2% in Q4 2023, lower than that recorded for the same period of 2022, when it registered 5.5%. The new housing HPI for 2023 ended the year with a 7.5% increase (compared to 6.2% in 2022), while the home resale HPI in 2023 was 3.6% (compared to 5.3% in 2022).

Meanwhile, Chart 1.1-k, with data from the Housing and Land Observatory, shows an increase in home ownership at the expense of rental housing and other forms of housing tenure until 2001, after which the process is reversed, with an increase in the number of rentals versus a decline in home ownership. Finally, with values broken down by housing tenure system according to the Living Conditions Survey (LCS), from 2008 to 2023, renting free of charge remains at 6.1%, and there is an aggregate increase in rental, from 18.1% in 2022 to 18.7% in 2023, which represents a YoY increase of 3.3% (see Chart 1.1-l).

Housing affordability is not only an economic problem but also a social problem, which justifies the adoption of economic

Chart 1.1-l
Spain: breakdown of homes by type of occupancy
(%)



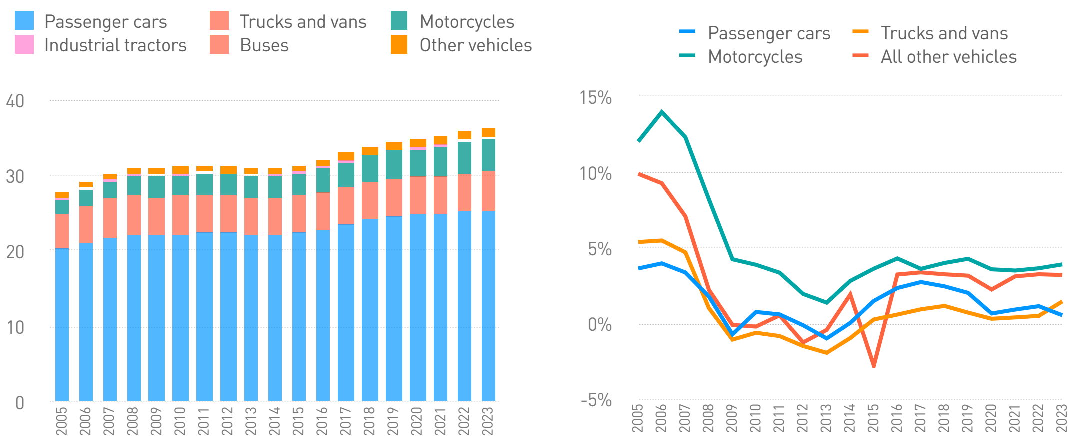
Source: MAPFRE Economics (based on INE data) policy measures aimed at correcting these problems. The Bank of Spain emphasizes the need for these measures to consider a broad time horizon, involve the different public administrations with responsibilities in housing matters, and focus especially on stimulating housing supply, especially in the rental market and social rent. Law 12/2023, of May 24, regarding housing rights, was approved in 2023. As stated in its preamble, this piece of legislation seeks to align with the provisions of the Constitution, in order to guarantee the enjoyment of decent and adequate housing, urging the public authorities to promote the necessary conditions to guarantee equal access and other constitutional rights related to housing. With this in mind, this regulation proposes the following measures: incorporating "stressed areas" in towns where young people and vulnerable groups need assistance to access the rental market, limiting rent prices, regulating sales of public housing stock to investment funds, establishing minimum land reserve percentages for housing with some type of protection, as well as changes in the current classification of subsidized housing.

Auto sector

Due to its characteristics and dynamics, the auto sector is another area of economic activity with a substantial impact on insurance demand in Spain. In 2023, the country's vehicle fleet totaled 36.1 million, 1.1% more than the previous year. The motorcycle segment once again showed the greatest growth of 3.9%, while private cars represented 70.3% of the total, having risen by 0.5% to 25.4 million (see Chart 1.1-m).

Registration data notably improved from -3.7% in 2022 to 15% in 2023, although they remained short of breaking the million-unit barrier and reaching 2019 levels. During the year, supply and distribution problems, as well as inflation and higher interest rates, were overcome. However, the latter factors made it more difficult to access financing for new vehicle purchases. Buses again registered the highest increase over the previous year, at 54.6% (36.4% in 2022). Passenger vehicles, which represent 70.9% of registrations, increased by 13.8% for a total of 1,040,767 units. In turn, the percentage of vehicles more than 10 years old versus the total fleet remained high, increasing slightly from 62.6% in 2022 to 63.2% in 2023. The number of vehicles over 20 years old increased by 10.9% in 2023,

Chart 1.1-m
Spain: vehicle fleet
(number of vehicles, thousands; year-on-year growth, %)



Source: MAPFRE Economics (based on data from the Department of Transportation) representing 27% of the vehicle fleet (24.6% in 2022).

According to data from the Directorate General of Traffic's report on fatal accidents on interurban roads, there were 448.7 million road trips in 2023, with the number of drivers rising to 27.8 million. Fatalities remained stable, while the number of long-distance trips (+2.0%) and the number of drivers (+0.4) increased. Run-off-the-road accidents continued to register the highest number of fatalities, at 486 people, 42% of total fatalities. Meanwhile, fatalities in head-on collisions dropped 9.0%: 225 in 2023 versus 246 the year before. Motorcyclists were the group with the highest increase in mortality, with 299 fatalities, 45 more than in 2022. Fatalities in pedestrian collisions decreased (118 in 2023 compared to 127 the previous year), and almost half died in accidents that took place on highways and freeways (56). The number of fatal events increased, but the number of fatalities was almost the same, indicating that the average fatality rate (number of fatalities per claim) decreased. There were 25 days with 0 fatalities, four days more than the previous year, and the daily average of road fatalities was 3.1 people. Finally, the age group with the greatest increase in mortality was the 45 to 54 age group, with 228 deaths, 20% of the total and 11% higher than in 2022. Child mortality was also on the rise, with a total of 22 deaths between 0 and 14 years of age in 2023, the second-highest figure in the last 10 years, second only to 2014.

Compared with the accident trend in the European Union, this region is stable, with figures for the various countries ranging from +/-5%, according to the European Commission. Based on provisional data for the first half of 2023, death rates in Sweden, Ireland, and Estonia increased in 2023, while Germany and Denmark stabilized. At the provincial level, Madrid, with 7% (78) of the total, and Barcelona, with 6% (63), registered the highest figures, with an increase of 11% (+8) and a decrease of 14% (-10) YoY, respectively.

Corporate sector

According to data from the Central Business Directory (DIRCE), at the beginning of 2023, there were 3,207,580 active companies in Spain, 0.5% more than on the same date the year before. According to this information, the Other Services sector, with 2,006,380 operating enterprises, once again had the most weight in the structure of the company population, representing 62.6% of the total. This sector encompasses everything from hospitality to financial services and insurance, as well as health, administrative, and educational activities. The sector with the second highest weight was Commercial (20.2%), including wholesale and retail sales activity. Finally, the Construction and Industry sectors represent 11.8% and 5.5% of enterprises, respectively.

The Spanish business community is characterized by having a smaller number of salaried employees and highly dynamic longevity. Thus, 81.6% of all companies employed two or fewer workers and 53.6% had no salaried employees. Some 39.1% of companies without employees were in their first to fourth year of existence, while 33.9% of companies with 20 or more employees are veteran companies operating for 20 years. The highest percentage of small businesses are found in the Other Services sectors (84.2%), and the majority of large companies are concentrated in the Industrial sector, where 9.1% of the total had 20 or more employees. The DIRCE registered 1,831,133 companies represented by an individual, of which 37.4% (36.9% the year before) were represented by a woman. The presence of businesswomen is notable in the Education, Health, and Social Services sector, with 57.7%, while the presence of men in the Construction (97.1% of the total) and Transport sector was 89.5%. By autonomous community, Catalonia is the top community for number of active companies, with 18.4% of the total. More than half of operating Spanish enterprises are concentrated in three autonomous communities: Catalonia (18.4%), Madrid (15.7%), and Andalusia (16.2%).

Meanwhile, taking into account the trend of the last year, 352,142 companies began conducting economic activities during 2022, and 355,028 ceased all activity. The sectors that created the most companies in net terms in 2022 were: Real estate activities (6,010) and building construction activities (3,379). In turn, the sectors with the greatest negative balances were: Retail sales, except motor vehicles and motorcycles (-14,653) and ground and pipeline transport (-6,533). According to INE company statistics, there were 108,091 new company registrations in 2023, up by 9.1% on 2022. The capital subscribed for incorporation increased by 21.2%, and the average capital increased by 11.1%, with respect to the previous year. Likewise, the number of companies that were dissolved that year also dropped (24,764), down 5.6% from 2022, while 29,424 corporations increased their capital, 1.3% more than in 2022 (capital subscribed in increases registered 8.8% growth and average capital increased by 7.4%). Some 19.2% of corporations created in 2023 fell under Commercial, while 16.9% were Real Estate, Financial and Insurance. Looking at dissolved companies, Commercial accounted for 20.1%, and Construction 15.8%. Finally, the communities with the most commercial companies created in 2023 as a whole remained Madrid (24,671) and Catalonia (20,646), while the communities with the greatest number of dissolutions were Madrid (8,244) and Andalusia (3,826).

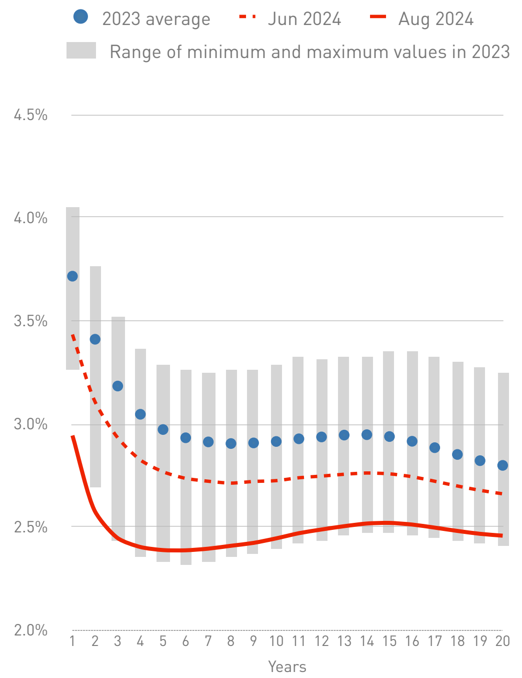
Interest rate environment

Since the previous edition of this report,[1] expectations that major central banks will cut interest rates in the future have been reflected in the downward movement of interest rate curves. However, these movements have been subject to rallies throughout the year, as indicated by high volatility levels. The United States, where easing is expected to start later, has remained slightly above the average values of 2023, while the Eurozone, whose most recent values are below the previous year's averages all along the curve, has been below. Under this interest rate structure, the outlook is still beneficial for both Life Savings and traditional annuities, which continue to offer high rates after a long period of low interest rates.

As stated above, at its last meeting in June, the ECB decided to cut interest rates by 25 bps for the first time since the start of monetary normalization, placing them at 4.0% for the main refinancing operations and 3.75% for the deposit facility. On the balance sheet side, it maintained its roadmap to reduce its size at a measured and predictable pace (although no longer reinvesting maturities under the *Asset Purchase Program*, APP), as well as continuing with the planned change to the *Pandemic Emergency Purchase Program* (PEPP), which will give way to an interruption of reinvestments at the end of 2024 as well as a reduction process (in the second half of 2024) worth 7.5 billion euros per month on average. Finally, no additional guidance was presented for *Targeted Longer-term Refinancing Operations* (TLTROs).

In recent months, inflation has continued to moderate, at least partially dispelling concerns in this regard. Conversely, it seems that the growth trajectory is failing to move towards a clear path of expansion, adding an additional concern for the ECB when assessing the timing of subsequent rate cuts. However, these moves are unlikely to tip the scales enough to remove vigilance from the risk map and signal commitment to a particular rate path. As a result of these arguments, rates at the short end of the curve have moderated, and part of the mid-range inversion of the curve has receded. This dynamic, together with the restraint of underlying risks, which

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



Source: MAPFRE Economics (based on EIOPA data)

have been filtering expectations since the beginning of the year, has allowed term premiums to remain somewhat more stable and still subject to the low range of 2023.

This dynamic so far in 2024, while capping the returns of the Life Savings insurance segment and the prospects of other short-term savings products, continues to offer attractive returns per term in the middle and long end of the curve, prolonging the attractiveness of products such as annuities and savings through products with longer-duration interest rate guarantees. Chart 1.1-n shows the minimum, average, and maximum levels interest rates reached in 2023, as well as the latest risk-free yield curves for the euro published by the European Insurance and Occupational Pensions Authority (EIOPA) corresponding to the end of June and August 2024.

For the rest of the year, the pace of disinflation is expected to continue setting the course for a monetary policy that, a priori, will remain prudent, flexible and preserving the margin for action if necessary. While the inflation thermometer will remain the key, interest rates are still expected to remain positive in real terms on a protracted basis over time, which, accompanied by more moderate wage dynamics and the absence of additional escalations on the geopolitical front that would exacerbate supply issues, should allow the ECB a clear path to continue cutting interest rates by at least an additional 50 bps through the end of 2024.

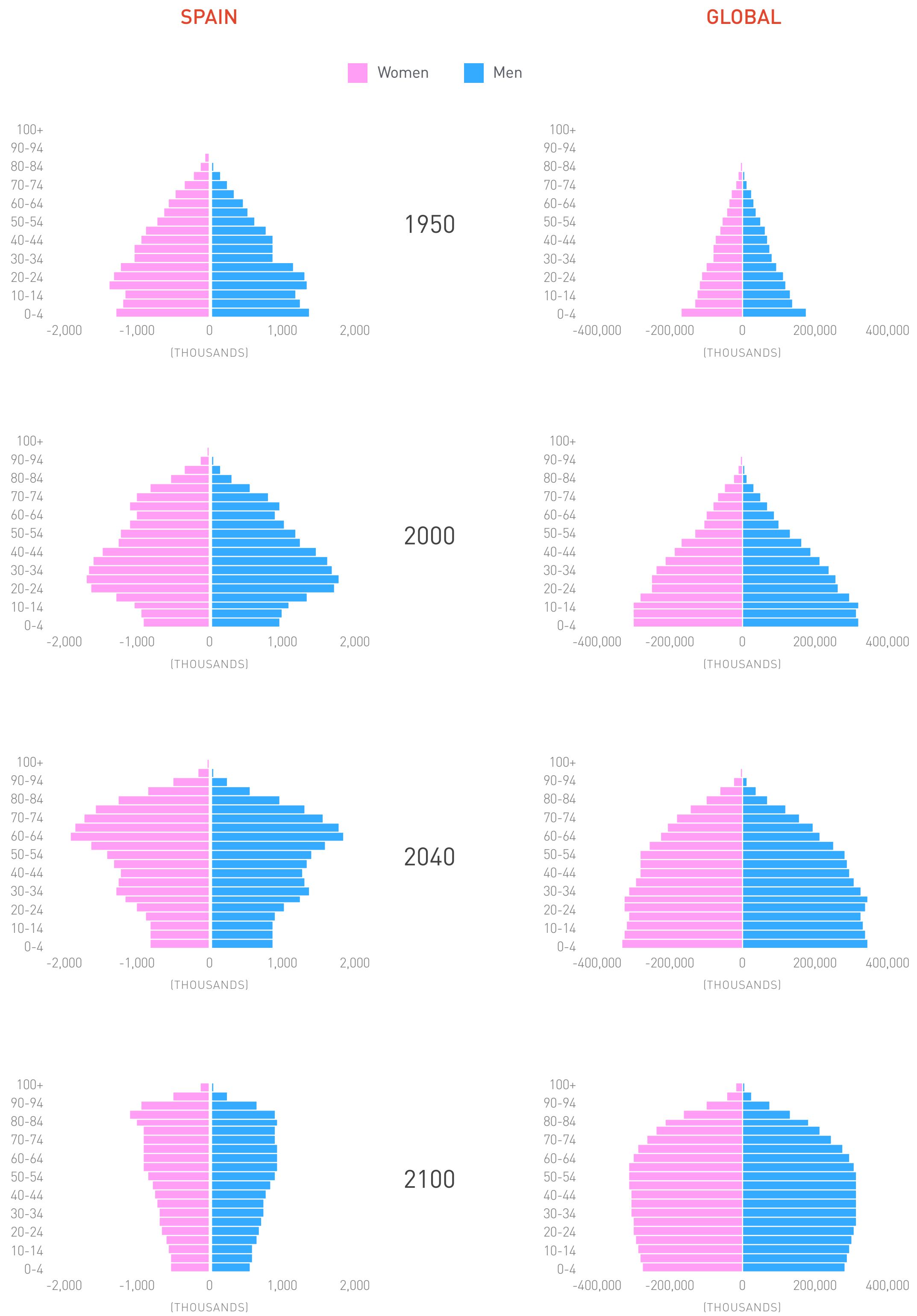
1.2 Demographic aspects

Demographic trends

According to data and forecasts published by the United Nations[2], the low birth rate and the reduction in mortality rates, with a consequent increase in life expectancy, is leading to a progressive aging of the Spanish population. Despite being one of the European Union countries that receive the largest number of immigrants, projections continue to point to an increasingly aging population throughout this century, giving rise to a constricted population pyramid (with an increasingly older population carrying significant weight). Chart 1.2-a illustrates how this process is affecting the Spanish population in particular, as well as the rest of the world. It should be noted that this demographic transition process will progressively increase pressure on the health and pension systems, as the proportion of people reaching old age increases while the labor force shrinks.

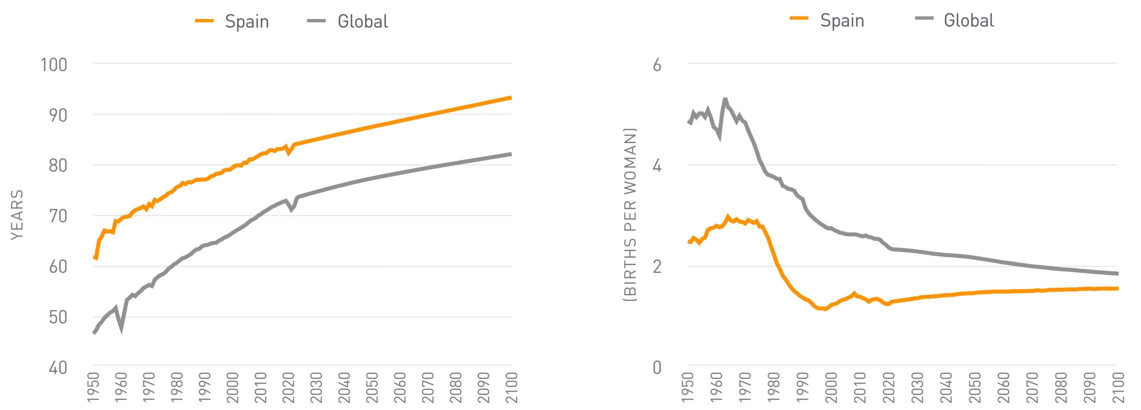
As mentioned above, the generalized reduction in mortality rates has led to a considerable increase in life expectancy. As illustrated in Chart 1.2-b, life expectancy at birth in Spain has been gradually increasing, placing the country above the other global economies over the years, rising from 61.8 years in Spain and 46.5 years globally in 1950, to 82.3 and 72.0 years, respectively, in

Chart 1.2-a
Spain: comparative trends in the population pyramid



Source: MAPFRE Economics (with ONU data)

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

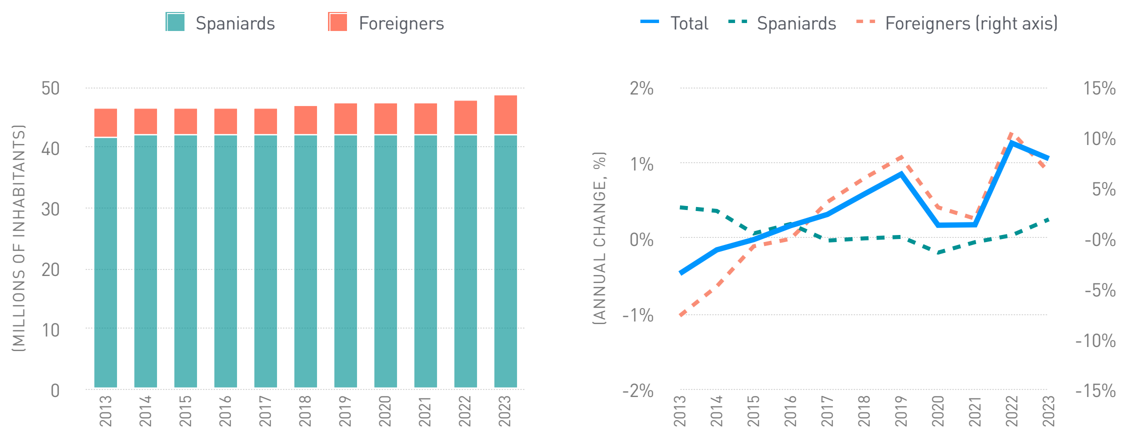


Source: MAPFRE Economics (with ONU data)

2020. Projections indicate that life expectancy at birth could reach 87.5 years in Spain and 77.2 years worldwide by 2050, reaching 93.3 and 82.1 years at the end of the century. It is worth noting that the gap in life expectancy between Spain and the rest of the world is narrowing, as it is growing faster at a global level due to a base effect. The Spanish fertility rate was 2.4 percentage points (pp) lower than that of the world in 1950, and in 2023 it will be 1 pp lower. It should be noted that this rate is trending toward global convergence by the end of the century, a mere 0.3 pp lower than that of the rest of the world.

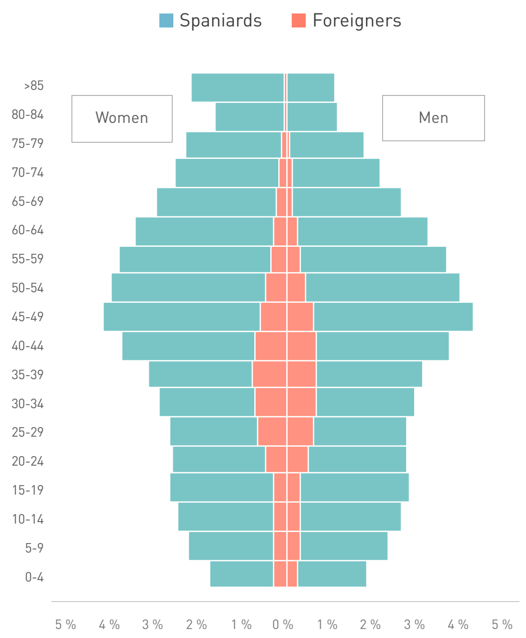
Meanwhile, following the advance published by INE with final data as of January 2024, Chart 1.2-c shows the evolution of the Spanish population, which reached 48.6 million inhabitants in 2023, registering a 1.1% YoY increase and rising 4.5% over the

Chart 1.2-c
Spain: trends in the population
(distribution, millions; annual variation, %)



Source: MAPFRE Economics (based on INE data)

Chart 1.2-d
Spain: breakdown of the population by age and gender, 2023
(structured in five-year cohorts, %)



Source: MAPFRE Economics (based on INE data)

last decade. This same year, the percentage of Spaniards was 86.6%, compared to 13.4% foreigners. With respect to the previous year, both components of the population have grown in absolute terms, foreigners having the greatest increase, at 6.6% compared to 0.3% for Spaniards, resulting in a 0.7% decrease in the percentage of Spaniards in relative terms, from 87.3% of the population in 2022 to 86.6% in 2023. Finally, Chart 1.2-d presents the breakdown of the population by age and gender, distinguishing between Spaniards and foreigners, based on definitive data published by the INE as of January 2024.

Ultimately, the aging of Spain's population continues to worsen, forming a restrictive population pyramid that is not expected to change until the end of the century. In line with this trend, the dilemma of an aging population is expected to increase progressively in the coming years, which will undoubtedly lead to considerable financial and budgetary pressures on public accounts.

2. Structure of the insurance industry

2.1 Market concentration

The analysis of the Herfindahl and CR5 indexes allows us to monitor the concentration levels of the insurance industry in Spain over the last decade. In this regard, Chart 2.1 shows that while the Herfindahl Index stood at 489.6 points in 2013, in 2023 this indicator rose to 636 points, 69.9 points higher than in 2022, when it dropped 49.6 points. However, the index remains far below the theoretical threshold (1,000 points), signaling the beginning of industry concentration levels.

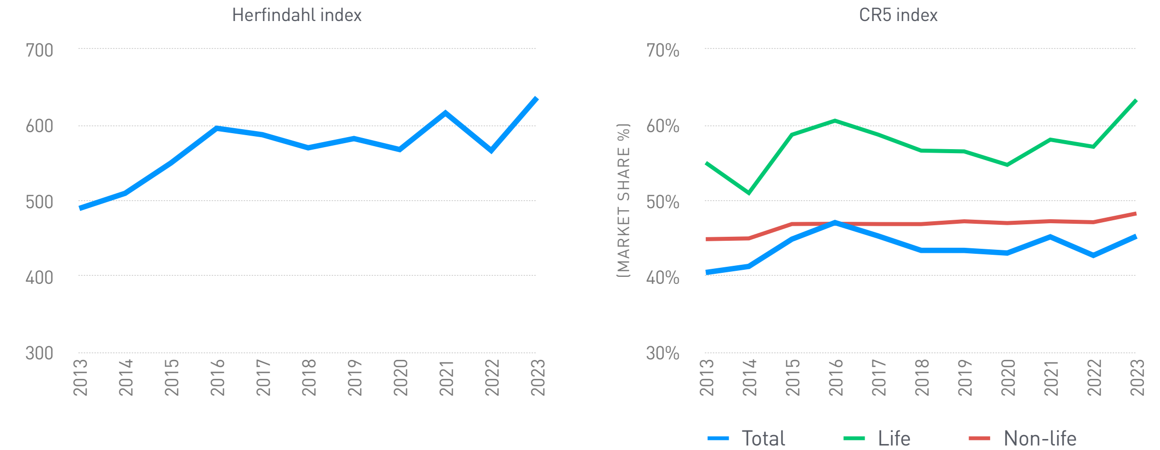
Meanwhile, the behavior of the CR5 index also shows this trend of increasing concentration between 2013 and 2023, from 40.5% to 45.3%, with a period of decline from 2017 to 2020 that was strongly influenced by the performance of the Life insurance segment. Chart 2.1 shows that in 2023, the concentration of the five major groups increased 2.5 percentage points (pp), with a greater concentration in Life insurance groups of 6.2 pp, with 1.2 pp in Non-Life. This increase in Non-Life concentration to 48.3% comes after nearly a decade of stable behavior, with a CR5 ratio that has hovered around 47% since 2015, starting from 44.9% in 2013.

2.2 Ranking of companies

Total market

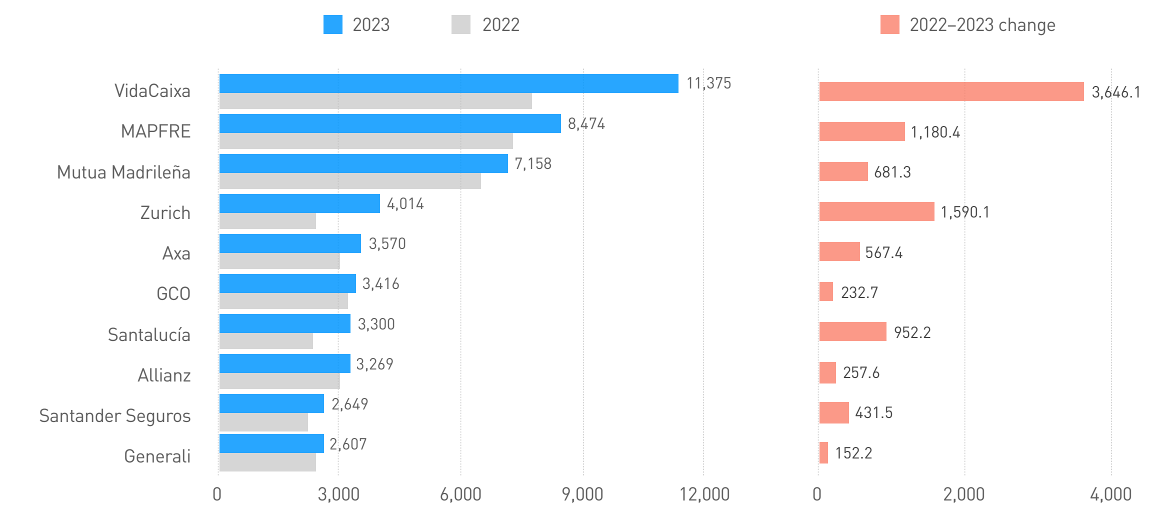
The significant growth registered in the Life business in 2023 by some of the largest insurance companies in the Spanish market has led to significant changes in the total premium ranking by group. Thus, VidaCaixa remains the leader in 2023, with a market share of 14.9% (11.9% in 2022) and premium income of 11.4 billion euros, 47.2% more than the previous year, thanks to the boost in annuities and guaranteed savings insurance. MAPFRE is next, with 8.5 billion euros in premiums and a 16.2% increase over the previous year, followed by Mutua Madrileña, with 7.2 billion euros and a 10.5% rise. Zurich climbed from eighth place to fourth place in

Chart 2.1
Spain: concentration indexes



Source: MAPFRE Economics (based on ICEA data)

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



Source: MAPFRE Economics (based on ICEA data)

the ranking, thanks to a 65.6% increase in premiums due to the boost from Bansabadell Vida, the insurance company with which the group has a joint venture. Axa moved up one place to fifth, followed by Grupo Catalana Occidente (GCO), which dropped three places despite a 7.3% increase in premiums issued. Among the last four places, the performance of the Santalucía group, up 40.6%, should be highlighted. The merger by absorption of Liberbank Vida y Pensiones and CCM Vida y Pensiones into Unicorp Vida, a group company, has strengthened the latter's place in the market and has placed Santalucia in seventh place in the overall ranking (ninth in 2022) and fifth in the Life line (see Chart 2.2-a).

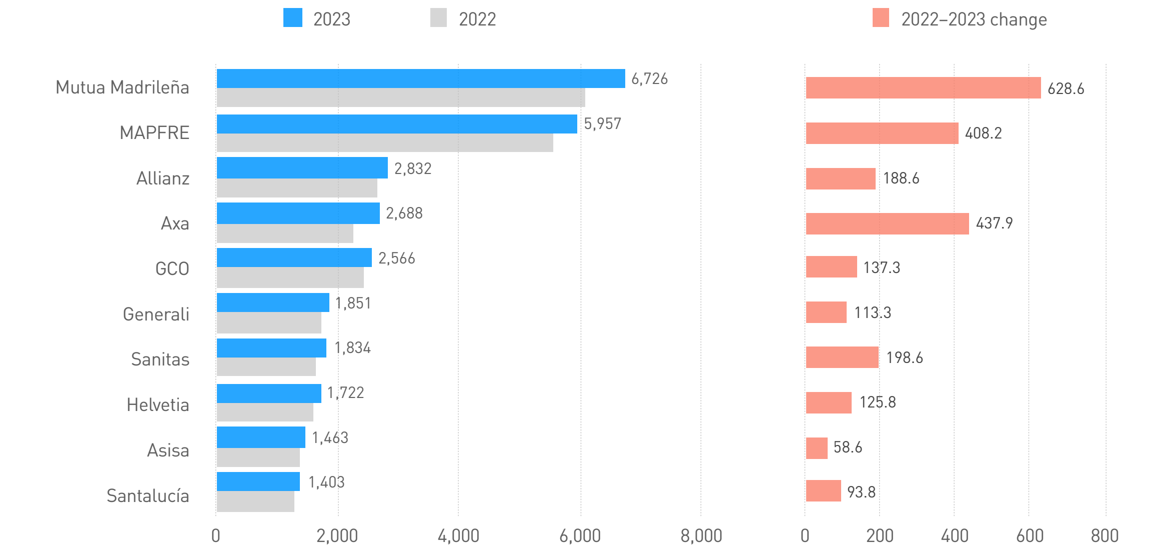
Non-Life market

The Non-Life insurance segment once again performed positively in 2023, with premium growth in practically all lines. This is also reflected in the performance of the main insurance companies, which, as shown in Chart 2.2-b, increased their revenue. Mutua Madrileña remains the leader in the rankings with a market share of 15.6%. MAPFRE is next with a share of 13.9%, followed at a significant distance by Allianz, which accumulated 6.6% of Non-Life premiums. There has been only one change in the ranking positions compared to the 2022 data, which is the rise of Axa to fourth place, after registering a 19.5% increase in premium volume, driven by the acquisition of GACM España (Groupe Assurances du Crédit Mutuel) and a strong performance in all business lines.

Life market

As shown in Chart 2.2-c, the performance of the different groups in the Life Insurance ranking was more disparate than in the Non-Life segment, with some groups showing significant premium increases and others showing drops, leading to their ascent in the rankings. VidaCaixa continues to lead the category, with a market share of 34%. Zurich climbs two spots to second place thanks to the growth of Bansabadell Vida, with which the group has a joint venture. Zurich's ascent places Santander Seguros and MAPFRE in third and fourth place in the ranking, respectively, with market shares of 7.9% and 7.5% in each case. Next is Santalucía, which moves from sixth to fifth place thanks, as mentioned above, to the merger

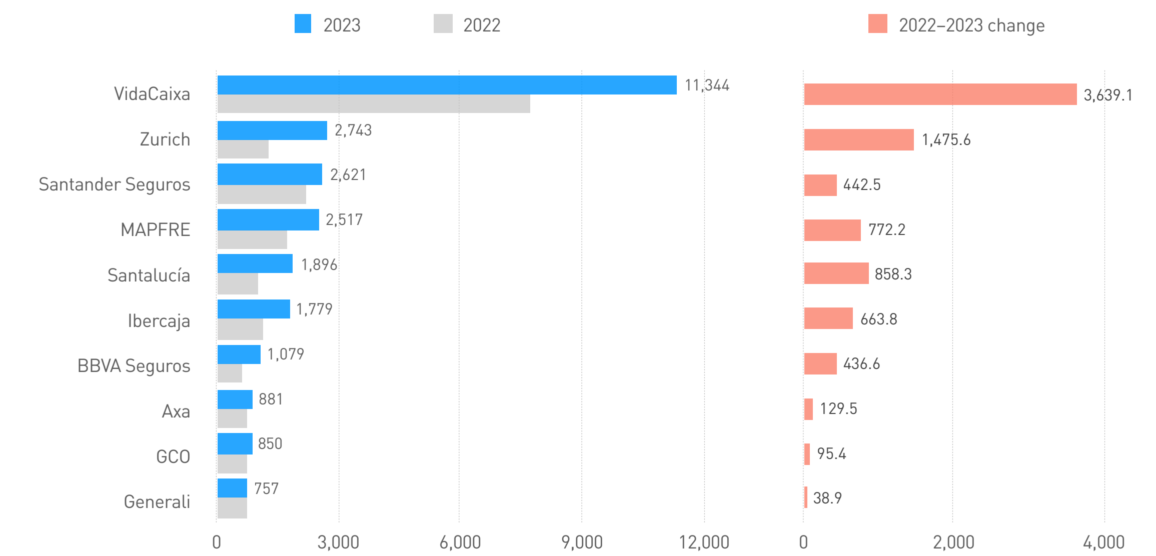
Chart 2.2-b
Spain: ranking of Non-Life insurance groups by premium volume
(millions of euros)



Source: MAPFRE Economics (based on ICEA data)

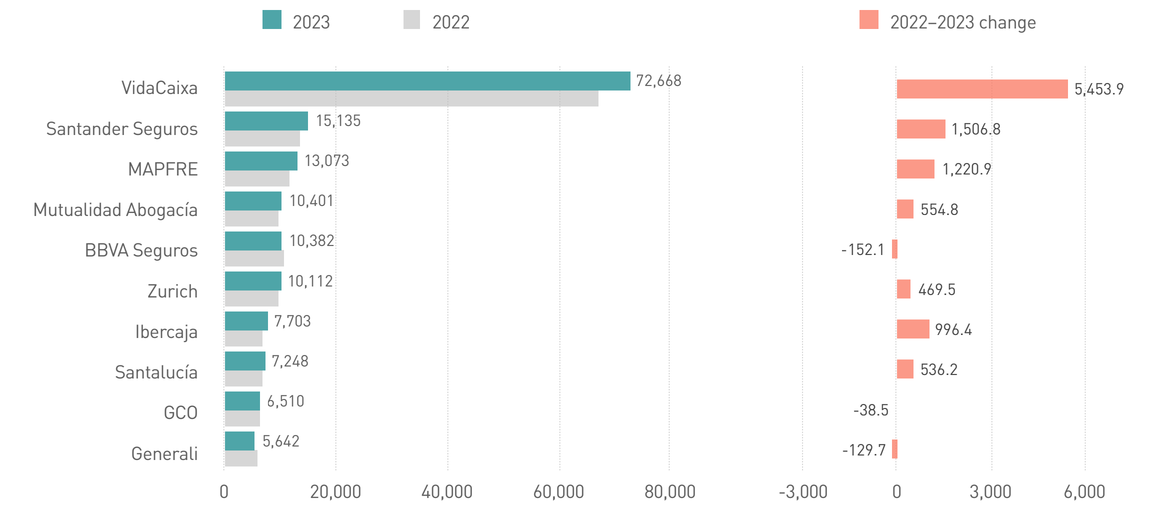
by absorption of Liberbank Vida y Pensiones and CCM Vida y Pensiones into Unicorp Vida. Of the remaining positions, the entry into the ranking of BBVA Seguros, after increasing premiums by 67.9%, and the exit of Mutualidad de la Abogacía, which had joined the ranking the previous year, are noteworthy (see Chart 2.2-c).

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



Source: MAPFRE Economics (based on ICEA data)

Chart 2.2-d
Spain: ranking of insurance groups by Life technical provisions
(millions of euros)



Source: MAPFRE Economics (based on ICEA data)

Managed savings

Life insurance technical provisions totaled 203.8 billion euros at the end of 2023, an increase of 5.2% compared to the previous year. The group placements in the ranking of this segment based on technical provisions is more stable than the premium-based criteria, with only two movements in the ranking.

The top three positions remain unchanged, with VidaCaixa in first place (with a 35.7% share), followed by Santander Seguros (7.4%) and MAPFRE (6.4%). The first change occurs in fourth place, now occupied by Mutualidad de la Abogacía instead of BBVA Seguros, which drops to fifth place due to a 1.4% drop in Life technical provisions. The next change in this ranking occurs in seventh and eighth places, held by Ibercaja and Santalucía, respectively, after the two exchanged the positions they held in 2022 (see Chart 2.2-d).

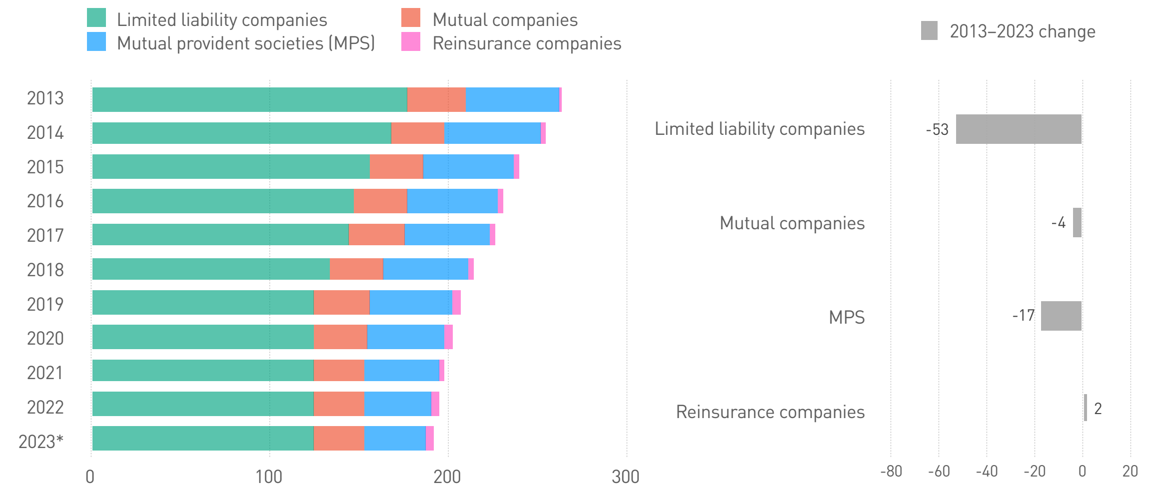
2.3 Insurance market structure

Insurance companies

In 2023 the number of insurance companies in the Spanish market remained on a downward trend. By June of that year, there were 72 fewer companies than in 2013 (see Chart 2.3-a). Factors that have influenced this process include the reorganization of bancassurance agreements implemented by some banks following mergers with other credit institutions, as well as the entry into force of Solvency II, with insurance companies seeking a more appropriate size to deal with the quantitative and qualitative requirements of the new regulation.

Thus, at the end of June 2023, the Administrative Register of Insurance Companies (RAEA - *Registro Administrativo de Entidades Aseguradoras*) reported the existence of 192 insurance companies in the Spanish market, 3 fewer than at the end of 2022. Its legal structure can be broken down as follows: 125 limited liability companies, 28 mutual companies, and 35 mutual provident societies (under the control of the General Directorate for Insurance and Pension Funds), as well as 4 specialized reinsurance companies.

Chart 2.3-a
Spain: number of companies by legal structure
(number of companies)



Source: MAPFRE Economics (with DGSFP data)
*2023 data up to June 30

With regard to the various mergers and acquisitions that took place throughout 2023, as well as other corporate movements in the Spanish insurance market, it is worth noting that in April 2023, the administrative authorization was approved for the merger by absorption of Fénix Directo by Allianz Direct, thus grouping together Allianz's two direct insurance companies in Spain. Similarly, in July 2023, Unicaja Banco and Santalucía reorganized their joint businesses into Unicorp Vida, each holding a 50% stake, after receiving administrative authorization for the merger by absorption of CCM Vida y Pensiones and Liberbank Vida into Unicorp Vida. Likewise, in 2023, SegurCaixa Adeslas acquired 75.7% of Grupo IMQ (through the company Grupo Iquimesa), a private Basque company with a long track record in health and prevention services. At the end of 2022, CaixaBank reached an agreement with Caser for its subsidiary VidaCaixa to purchase an 81.31% stake in the share capital of Sa Nostra Vida and, in October 2023, VidaCaixa received administrative authorization for the merger by absorption of the company. Meanwhile, in July 2023, Axa completed the purchase of Groupe Assurances du Crédit Mutuel España (GACM España), as announced in October 2022. In December of the same year, it also received administrative authorization for the merger by absorption of Igualatorio Médico Quirúrgico Colegial by Axa Seguros Generales. In December 2023, Grupo Catalana Occidente received administrative authorization to group the business of its companies Bilbao Seguros, Plus Ultra, and GCO Reaseguros under the Occident brand, which includes all the lines in which it operates, except for credit insurance, which it operates as Atradius. Finally, at the end of 2023, Medvida Partners received administrative authorization for the merger by absorption of Mediterráneo Vida (formerly CNP Partners), acquired by the group in 2022. In June 2023, the company also announced an agreement with VidaCaixa for the transfer of a run-off portfolio of Sa Nostra Vida, a transaction that was completed in May 2024.

International presence of Spanish insurers

The ranking of the four most internationally active Spanish insurance groups in terms of global premium volume is presented in Table 2.3 and Chart 2.3-b. This information, which refers to 2022 and 2023, compares the domestic and total business (including international business). This information

Table 2.3
Ranking of the leading Spanish insurance groups by total insurance premiums at a global level
(millions of euros)

Insurance group	2022					2023				
		(millions of euros)		(structure, %)			(millions of euros)		(structure, %)	
	Global premiums	Premiums in Spain	Premiums outside Spain	Premiums in Spain	Premiums outside Spain	Global premiums	Premiums in Spain	Premiums outside Spain	Premiums in Spain	Premiums outside Spain
MAPFRE	24,540	8,562	15,978	34.9%	65.1%	26,917	9,859	17,058	36.6%	63.4%
VidaCaixa	7,735	7,694	41	99.5%	0.5%	11,831	11,375	456	96.1%	3.9%
Grupo Mutua Madrileña	7,257	6,477	780	89.3%	10.7%	7,843	7,158	684	91.3%	8.7%
GCO	5,110	3,168	1,942	62.0%	38.0%	5,421	3,382	2,038	62.4%	37.6%

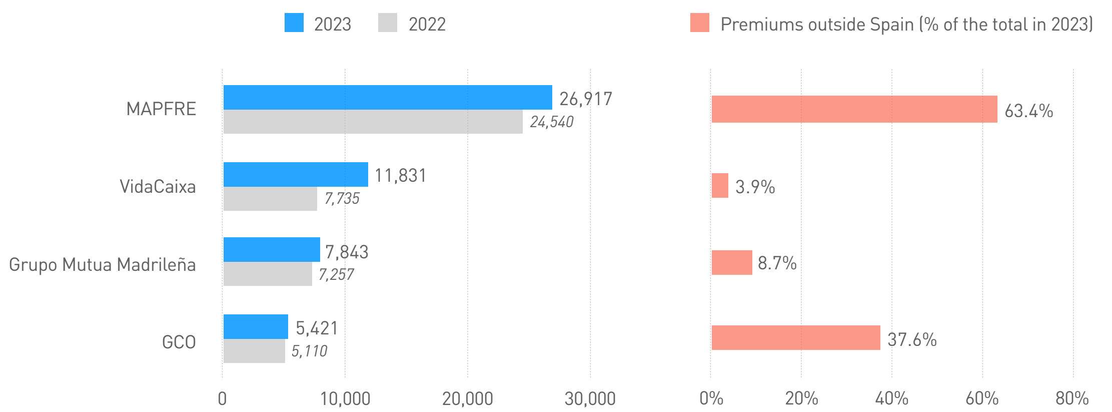
Source: MAPFRE Economics (based on data from the Solvency and Financial Condition Reports on a consolidated level for the companies and ICEA)

suggests that the MAPFRE Group remains the leading Spanish insurance group internationally[3], with 9.7% growth in premiums in 2023, to 26.9 billion euros, reflecting a general improvement in business, up 8.4% in the Non-Life segment and 14.6% in the Life segment. The Iberia region, Latin America, and the Reinsurance business contributed positively. With regard to the Non-Life business, Property & Casualty was up 10.9%, Health and Accidents 9.5%, and Motors 3.3%. In relation to the Life business, premiums increased by around 760 million, driven by Life savings in Spain.

It is followed in the ranking by VidaCaixa with 11.8 billion euros in direct insurance and accepted reinsurance premiums in 2023, a 52.9% increase over 2022. This progression is particularly driven by annuities and guaranteed savings insurance. VidaCaixa is part of CaixaBank and also possesses 49.92% of SegurCaixa Adeslas, as well as the full share capital of the Portuguese company BPI Vida e Pensões, which it acquired in 2017.

The consolidated earned premiums of Mutua Madrileña, the third largest group in this

Chart 2.3-b
Ranking of the leading Spanish insurance groups active internationally by premium volume
(millions of euros)



Source: MAPFRE Economics (based on data from the Solvency and Financial Condition Reports on a consolidated level for the companies and ICEA) ranking, amounted to 7.8 billion euros in 2023, including business both in Spain and internationally, an increase of 8.1% over the previous year. This improvement is due to the performance of the Group's main business lines, both in Spain and in the international business. In Spain, its main market, premium income rose to 7.2 billion euros, 10.5% more than in 2022. In the international business, it has a controlling position in the Chilean company BCI Seguros, with a 60% interest. Also, in 2019, it signed an alliance with Colombia's Seguros del Estado, whereby it entered the insurance company's capital with a 45% stake.

Finally, Grupo Catalana Occidente Group, which held fourth place in the rankings, had a total of premiums earned from direct insurance and accepted reinsurance during fiscal year 2023 of 5.4 billion euros (37.6% of which was located outside of Spain), a 6.1% increase over 2022. This figure includes the growth of the traditional business and the increase in the credit insurance business. In 2023, this group received authorization from the Spanish authorities to merge the companies that make up the traditional business (Bilbao Seguros, Plus Ultra Seguros, and GCO Reaseguros), unifying all these brands under the name Occident. NorteHispana Seguros, which is expected to be integrated in 2024, has yet to be incorporated. Apart from this integration, the credit insurance it operates as Atradius remains in place.

The bancassurers Santander Seguros and BBVA Seguros also conduct a significant part of their operations outside Spain. According to information published in Banco Santander's annual report, its insurance business maintained a healthy pace of premium growth in 2023, mainly in the non-credit insurance and savings businesses. The loan-related business is affected by lower overall credit demand. The volume of gross written premiums amounted to 13.1 billion euros, up 12% YoY, and total commissions increased by 2%. In Europe, the robust growth in sales of protection insurance is notable. In America, new sales in the non-credit-linked insurance business continued to grow strongly, especially in savings. Meanwhile, the premiums issued in 2023 by BBVA Seguros in Spain totaled 1.1 billion euros, up 67.9% over the previous year. Outside of Spain, BBVA operates in the insurance business in Mexico, Argentina, Colombia, Venezuela, and Turkey. In Mexico, its principal foreign market, in 2023 its subsidiaries earned 81.4 billion pesos in premiums (4.6 billion euros), a 20.7% increase.

Other Spanish groups with a presence abroad are Santalucía and Asisa, although they operate primarily in Spain. The former has established agreements and alliances with other companies in Portugal, Mexico, Chile, and Argentina through Santalucía Desarrollo Internacional, the group's platform for channeling and promoting its internationalization strategy. At the end of 2023, the total earned premiums of these alliances amounted to 5.9 million euros (6.9 million in 2022), compared with total consolidated earned premiums of 3.2 billion euros. Asisa continued to strengthen its international presence in Portugal, where it has more than 45,000 policyholders and its premium volume exceeded 13.6 million euros in 2023, growing by almost 38%.

Meanwhile, CESCE is the leader of a group of companies offering commercial credit management solutions and issuing surety insurance and guarantees in part of Europe and Latin America. With headquarters in Spain, it is present in Portugal, and has subsidiaries in Brazil, Chile, Colombia, Mexico, and Peru through the Consorcio Internacional de Aseguradores de Crédito (CIAC), in which CESCE is the majority shareholder. During fiscal year 2023, Latin America remained the focus of this group's internationalization strategy. Total production in the region amounted to 77 million euros of earned premiums, slightly higher than the 75 million euros obtained in 2022. Finally, AMA Seguros, a Spanish company specialized in offering insurance to healthcare professionals, has been operating in Ecuador since 2014 as AMA América. The insurance company closed 2023 with a premium volume of 3.7 million dollars in Ecuador, representing growth of 13.8% over 2022.

Spanish companies active in the European Economic Area

According to the latest information available from the General Directorate for Insurance and Pension Funds (DGSFP - *Dirección General de Seguros y Fondos de Pensiones*), as of December 31, 2022, there were 39 branches (40 in 2021) operating under the *freedom of establishment system* in the European Economic Area (EEA) countries, corresponding to 13 Spanish insurance companies. The country with the largest number of branches was Portugal (9), followed by Italy (5). Meanwhile, at the end of 2022 there were 59 Spanish companies operating under the *freedom to provide services system* in the EEA, two more than in 2021, with Portugal remaining the country with the highest number of notifications by these companies to conduct operations (67), followed by France (49), Germany (47), and Italy (45). Gross direct insurance and accepted reinsurance premiums for these operations reached 3.5 billion euros in 2022 (latest available data), of which 84.1% corresponds to Spanish branches in the EEA, mainly in the Non-Life business (2.4 billion euros). The companies operating under the freedom to provide services regime earned 558 million euros. For total business, the largest markets were the France, Italy (including San Marino), Germany, and Portugal, in that order.

Foreign investment in the Spanish insurance industry

According to the latest DGSFP data, 22 companies in Spain had foreign capital in 2022, two less than the previous year. The amount of subscribed capital from foreign investors totaled 1.4 billion euros (1.5 billion euros in 2021), representing 15.9% of the sector's total capital. The ranking of companies operating in Spain that is shown in part 2.2 of this section of the report provides an indication of the importance of the presence in Spain or the large international insurance groups.

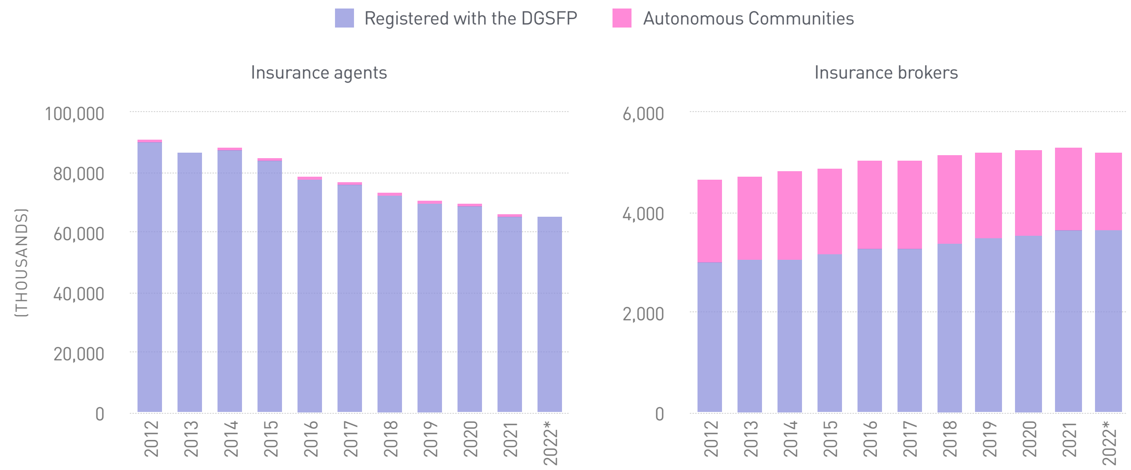
As of December 31, 2022 (latest information available), there are 65 branches operating in Spain from EEA companies and 2 branches from third-party countries, although one of them has had its authorization revoked and therefore manages only the remaining portfolio. With respect to EEA companies authorized to operate in Spain under the freedom to provide services system, at the end of 2022 (latest data available) there were 796 authorized companies, although not all of them were active in the country.

Likewise, during 2022, corporate transactions related to the departure process of the British institutions that still had operations pending in Spain at the end of the general transitional system were processed. Meanwhile, the volume of direct insurance and reinsurance premiums accepted in freedom of establishment and provision of services operations totaled 6.4 billion euros in 2022 (latest available data), 4.2% less than the previous year, due to lower premium income from companies operating in Life insurance, which amounted to 1 billion, 606 million less than in 2021. Non-Life companies collected 4.6 billion in premiums, and the remaining 822 million corresponded to mixed companies that operate both Life and Non-Life. The largest volume corresponds to branches (4.2 billion euros), mainly in the Non-Life business.

Mutual provident societies

The premium revenues of mutual provident societies totaled 3.3 billion euros in 2023, versus the 3.1 billion of the year before. The volume of managed assets for these entities at the end of 2023 totaled 50.9 billion euros, compared to 46.5 billion in 2022. It is important to remember that mutual provident societies are non-profit private insurance companies that offer a voluntary insurance

Chart 2.4-a
Spain: number of insurance intermediaries
(insurance brokers and agents)



Source: MAPFRE Economics (with DGSFP data)
*Latest data available

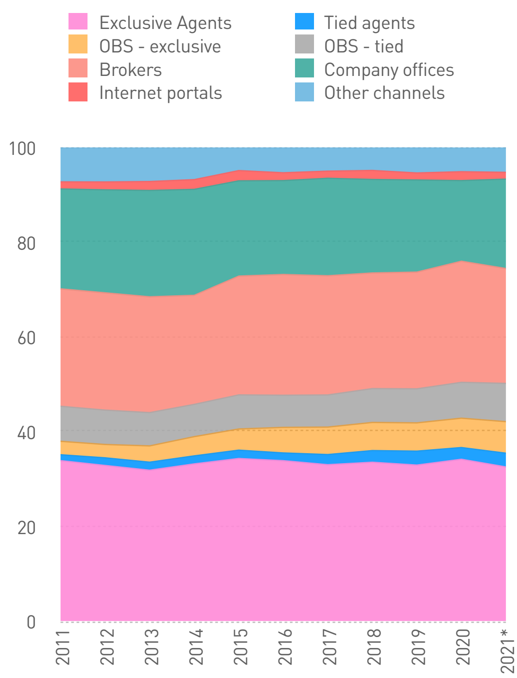
category, complementary to the compulsory social security system, and can also act as alternatives to the social security regime for self-employed workers. In this sector, 205 mutual provident societies pertaining to all professional sectors participate, directly or through their autonomous federations, in the Confederación Española de Mutualidades, the highest representative body of mutual provident societies in Spain.

2.4 Distribution channels

As for distribution channels in the Spanish insurance market, according to the latest information available from the DGSFP, there were a total of 70,976 insurance intermediaries in Spain as on December 31, 2022 (-0.3% versus 2021), 97.1% of which were registered with the DGSFP, with the remaining 2.9% registered with the Autonomous Communities. Of these, 65,173 were exclusive agents and operators, 531 were tied bancassurance agents and operators, and 5,192 were insurance brokers. Lastly, at the end of 2022, there were also a total of 80 reinsurance brokers, the same as in 2021 (see Chart 2.4-a).

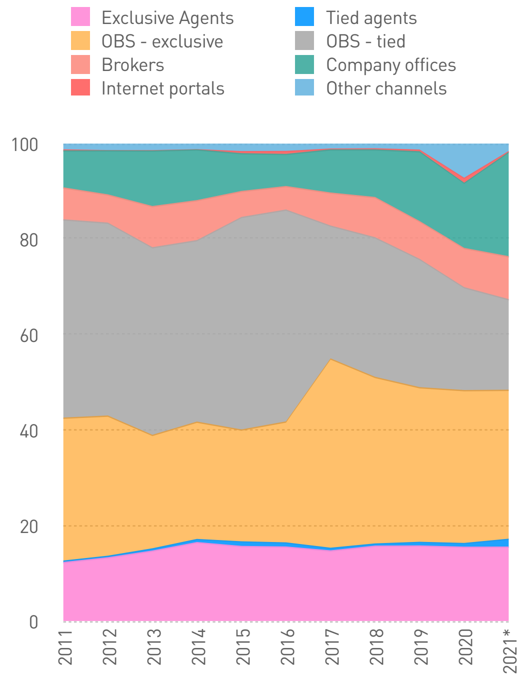
With regard to the performance of brokered business (considering a higher degree of disaggregation by channel through 2021, which is the latest year available with that level of detail), Chart 2.4-b shows that in the case of the Non-Life Insurance segment, the predominant channels over the last few

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



Source: MAPFRE Economics (with DGSFP data)
*Latest data available

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



Source: MAPFRE Economics (with DGSFP data)
*Latest data available

years have been, on the one hand, exclusive agents and brokers (together, these account for 56.9% of the total volume of business in 2021), with a small decrease with respect to business brokered in 2020, and on the other, sales through the companies' own offices (18.9% of total business in 2021), a slight increase over the previous year. Emerging channels (e.g. online sales) continue to represent a very small portion of Non-Life insurance distribution and reached 1.4% in 2021.

In the Life insurance segment (see Chart 2.4-c), the most relevant part of the business continues to be channeled through bancassurance operators, both exclusive and linked, reaching a combined 50.2% of total business volume in 2021, although the market shares of tied agents decreased over the decade under review, from 41.5% in 2011 to 19% in 2021. Conversely, companies' own offices significantly increased their intermediation share in 2021 to 21.8%, even surpassing exclusive agents, which had been the next predominant channel in the 2011–2021 period, with a share of around 15%. After the increase experienced in 2020, online sales were again negligible at 0.2%. Finally, Tables 2.4-a and 2.4-b show the data available for the aforementioned period on the product distribution structure by channel in the Spanish insurance industry, for both the Non-Life and Life segments.

Table 2.4-a
Non-Life: business distribution structure by channel
(%)

Channel	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Exclusive Agents	34.0	33.0	32.0	33.3	34.5	34.0	33.2	33.7	33.1	34.3	32.7
Tied agents	1.3	1.6	1.7	1.7	1.8	1.6	2.2	2.5	3.0	2.5	2.9
OBS - exclusive	2.8	2.8	3.4	4.1	4.5	5.4	5.8	5.9	6.0	6.2	6.7
OBS - tied	7.4	7.3	7.0	6.8	7.2	6.8	6.8	7.1	7.2	7.6	8.1
Brokers	24.8	24.8	24.4	23.0	25.1	25.5	25.2	24.4	24.6	25.6	24.2
Company offices	21.1	21.7	22.5	22.4	20.1	19.8	20.6	19.7	19.5	17.0	18.9
Internet portals	1.5	1.7	1.9	2.1	2.2	1.7	1.5	1.9	1.5	1.9	1.4
Other channels	7.1	7.2	7.1	6.7	4.8	5.2	4.9	4.7	5.3	5.0	5.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MAPFRE Economics (with DGSFP data)

Table 2.4-b
Life: business distribution structure by channel
(%)

Channel	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Exclusive Agents	12.4	13.4	14.8	16.6	15.8	15.7	14.9	15.8	15.9	15.6	15.6
Tied agents	0.3	0.3	0.5	0.7	1.0	0.9	0.6	0.5	0.8	0.8	1.7
OBS - exclusive	29.9	29.4	23.8	24.6	23.4	25.3	39.6	34.9	32.4	32.0	31.2
OBS - tied	41.5	40.4	39.3	38.0	44.5	44.4	27.8	29.2	26.9	21.6	19.0
Brokers	6.7	5.9	8.6	8.4	5.4	4.9	6.9	8.4	7.9	8.2	9.0
Company offices	7.8	9.2	11.6	10.6	7.9	6.7	9.0	10.0	14.6	13.7	21.8
Internet portals	0.2	0.0	0.1	0.1	0.4	0.6	0.2	0.2	0.4	1.0	0.2
Other channels	1.2	1.4	1.4	1.2	1.6	1.5	1.0	1.0	1.2	7.1	1.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MAPFRE Economics (with DGSFP data)

3. The insurance market in 2023: an analysis of the main lines of business

3.1 Total market

The global insurance business in 2023

2023 was characterized as a challenging year for the world economy, with risks of all kinds (macro-financial, geopolitical, and technological, among others). The second half of the year was marked by tensions in the Middle East, with the resurgence of the Israel-Gaza conflict, which has kept tensions high in that region of the world and in the West, especially due to the potential escalation of the conflict. Nevertheless, economic activity in 2023 was surprisingly positive in some countries, thanks to the strength of labor markets, the resilience of private consumption, the use of accumulated savings and consumer credit, government deficit spending, as well as the impact of investment plans like the Inflation Reduction Act in the United States or the Recovery and Resilience Facility in the Eurozone. Meanwhile, inflation control progressed well in terms of moderation in 2023, even somewhat faster than expected in some regions. Thus, some central banks ended the cycle of interest rate hikes, and others began to change their monetary policy stance towards less stringent levels, although they are expected to remain at a high level in 2024, until inflation is under control[4].

The insurance markets rebounded in 2023, largely due to returning growth in Life insurance premiums, with a favorable effect from rising interest rates. Thus, global premiums reached 7.2 trillion dollars, versus 6.8 trillion dollars in 2022, which represents a real increase of 2.8%. As a result, global insurance density (premiums per capita) was 889 dollars (853 dollars in 2022), and penetration (premiums/GDP) was around 7% (6.8% in 2022)[5].

In contrast to a 3.8% drop in 2022, Life insurance premium revenue increased by 1.3% in 2023, although the performance of the different markets was uneven. Growth in developed insurance markets was lower than in emerging markets. The Asia-Pacific region registered the highest real growth in Life premiums, thanks to strong momentum in China (12.5%). In contrast, developed insurance markets, and more specifically Western Europe, registered a reduction in premium revenue, although with notable increases such as those of the United Kingdom and Spain, which registered real increases of 2.7% and 31.1%, respectively. Latin America and the Caribbean also made a positive contribution to growth, with a real increase in premiums of 6.5%.

Meanwhile, most of the major global Non-Life markets, with the exception of Germany and Japan, experienced real premium revenue growth in 2023, largely influenced by higher premium rates, mainly in personal lines, to offset inflationary pressures on claims costs. Emerging markets also experienced a higher real increase in this segment, 5.3%, compared to advanced markets, which grew by 3.6%. Given the size of its market, the United States made the largest contribution, with a real increase of 4.4%, while in Western Europe all countries posted premium increases in local currency and at current prices, and only a few decreased when applying the effect of inflation. In Asia's more advanced insurance markets, real growth was relatively slower than in other regions, at 1.5%, partly due to less severe inflation, while in emerging markets growth averaged 5.2%. Meanwhile, the Latin American insurance markets show very positive growth rates, in local currency and at current prices, with a very significant

Table 3.1-a
Size of the world's largest insurance markets, 2023
(indicators)

Country	Premiums (billions of USD)	Premiums per capita (USD)	Premiums / GDP (%)
United States	3,226.7	9,640	11.9%
China	723.7	508	3.9%
United Kingdom	374.9	4,759	9.7%
Japan	362.7	2,938	8.9%
France	282.8	3,867	8.7%
Germany	245.5	2,910	5.5%
South Korea	185.9	3,603	11.0%
Canada	170.5	4,267	8.0%
Italy	159.4	2,708	7.1%
India	136.0	95	3.7%
Netherlands	93.1	5,216	8.3%
Brazil	84.5	390	3.9%
Spain	83.4	1,744	5.3%
Taiwan	78.1	3,307	10.3%
Australia	73.7	2,759	4.2%
Hong Kong	65.7	8,769	17.2%
Switzerland	61.2	6,830	6.9%
Mexico	45.1	351	2.5%
Denmark	44.4	7,485	11.0%
Sweden	44.2	4,185	7.4%
Global	**7,186.2**	**889**	**7.0%**

Source: MAPFRE Economics (based on Swiss RE data)

increase in the Automobile line, but when the effect of inflation is applied, the increase is more moderate (1.9%).

Table 3.1-a shows a comparison of premium volumes, density (premiums per capita), and penetration (premiums/GDP) in the main insurance markets internationally; this information provides an overview of the comparative size of the main insurance markets worldwide. According to this information, the Spanish market holds thirteenth place in the ranking of world markets by premium volume, climbing three places compared to 2022.

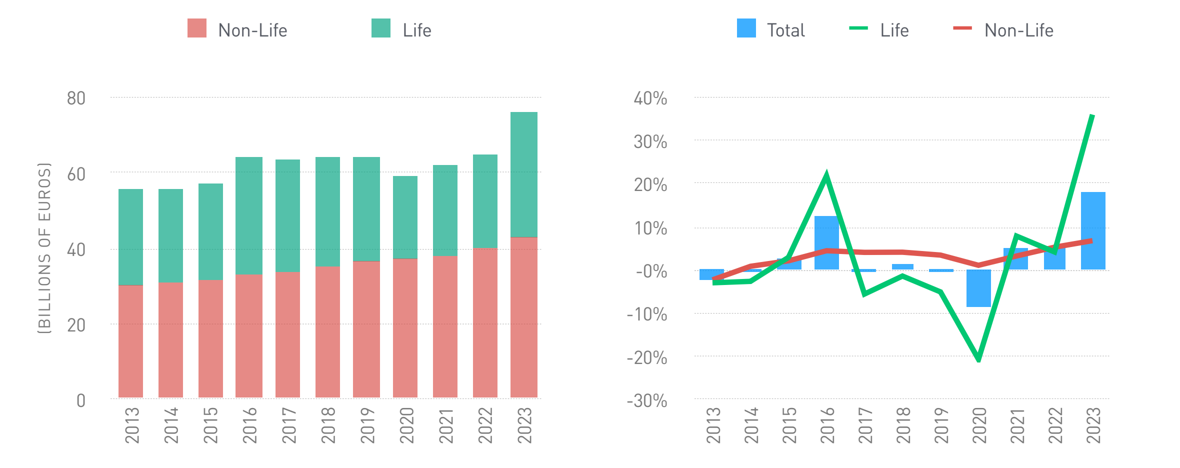
The Spanish insurance industry in 2023

Premium volume growth

The Spanish insurance industry maintained significant momentum throughout 2023, reaching a premium volume of 76.4 billion euros, up 17.8% on the previous year, thanks mainly to the impetus of the Life insurance segment (see Chart 3.1-a). The contribution of the Life segment to the total growth of the Spanish insurance industry in 2023 was 13.6 percentage points (pp), up from 1.6 pp the previous year (see Table 3.1-d). Meanwhile, the Non-Life lines of business earned a premium volume of 43 billion euros, which represents a 6.8% increase over 2022 and is 1.5 pp above that obtained in the previous year. Practically all the lines in this segment showed increases, with a notable contribution from Automobile insurance, at 1.2 pp, while Health and Multirisk contributed 1.1 and 0.9 pp, respectively.

One aspect that should be emphasized with respect to the performance of Spanish insurance activity in 2023 is that the rise in interest rates that began in 2022 was reflected in Life insurance developments, with 33.4 billion euros in premiums issued in 2023, 36.0% more than the previous year. The 2023 data confirm this change of trend in Life Savings insurance, which became the driving force behind the growth of Spanish insurance during the year, with this category in the Life segment increasing by 46.3% YoY. In contrast, Life Protection billing fell by 2.7% to 5 billion euros (see Table 3.1-b and Chart 3.1-b). Savings products with the highest premium volume registered significant increases: Life annuities grew by 67.5%, deferred capital by 57.6%, and Individual Systematic Savings Plans (ISSP) by 67.4%. Unit-linked insurance also had a good year, although with more modest growth of 6.1%. As a result, technical provisions increased 5.2%, standing at 203.8 billion euros. In this case, both Life Protection and Life Savings

Chart 3.1-a
Trends in direct insurance in Spain
(accrued direct insurance premiums, billions of euros; annual variation, %)

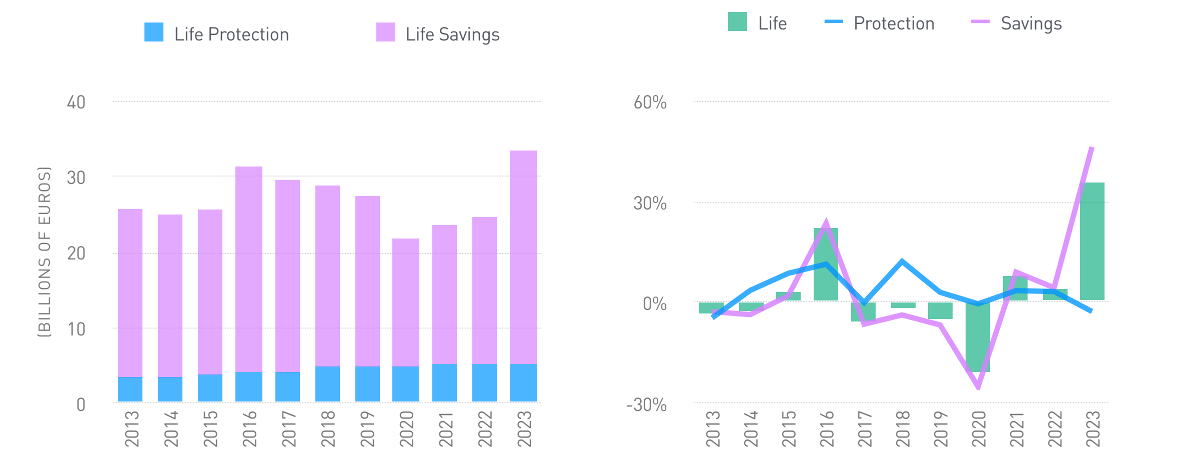


Source: MAPFRE Economics (based on ICEA data)

insurance increased, notably unit-linked insurance, at 19%, Individual Systematic Savings Plans (ISSP), at 10.2%, and life annuities, at 5.5%.

On the Non-Life insurance segment side (see Chart 3.1-c), the main lines of business showed great momentum throughout 2023. Automobile insurance, which was already on the road to recovery in 2022, exceeded the growth rate achieved that year by three percentage points (pp), to 6.6%, with a premium volume of 12.1 billion euros. This performance was influenced by a rise in the average premium, which stood at 362.6 euros, 5.1% more than in 2022, as well as an increase in insured vehicles, which, at 33.4 million vehicles, was up 1.5%. The Health line continued the upward trend of recent years, with a 6.6% increase in premiums to 11.2 billion euros, owing to the momentum of Expense Reimbursement, which grew by 9.0%, and Healthcare Assistance, which grew

Chart 3.1-b
Trends in direct Life insurance in Spain
(accrued direct insurance premiums, billions of euros; annual variation, %)



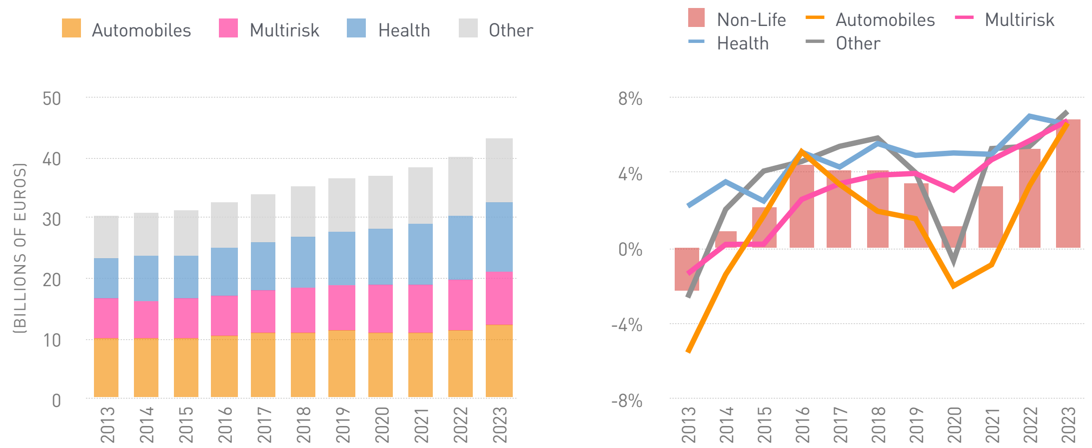
Source: MAPFRE Economics (based on ICEA data)

Table 3.1-b
Business distribution by insurance line
(accrued direct insurance premiums, millions of euros)

Insurance lines	2022	2023	% Δ s/2022	% s/ Total
Total	**64,806**	**76,364**	**17.8%**	**100.00%**
Life	**24,535**	**33,360**	**36.0%**	**43.69%**
Non-Life	**40,270**	**43,004**	**6.8%**	**56.31%**
Automobiles	11,354	12,107	6.6%	15.85%
Automobile TPL	5,666	6,040	6.6%	7.91%
Automobile Other Guarantees	5,689	6,067	6.6%	7.94%
Health	10,543	11,235	6.6%	14.71%
Healthcare Assistance	9,426	10,046	6.6%	13.16%
Illness	1,117	1,189	6.4%	1.56%
Multirisk	8,578	9,158	6.8%	11.99%
Home	5,149	5,476	6.3%	7.17%
Business	630	660	4.9%	0.86%
Condominium	1,032	1,098	6.4%	1.44%
Industrial	1,684	1,840	9.3%	2.41%
Other	84	84	0.1%	0.11%
Burials	2,626	2,766	5.4%	3.62%
Third-Party Liability	1,941	2,093	7.8%	2.74%
Accidents	1,147	1,158	0.9%	1.52%
Other Property Damage	1,433	1,622	13.2%	2.12%
Credit	717	772	7.7%	1.01%
Transport	572	646	13.0%	0.85%
Hulls	290	321	10.9%	0.42%
Goods	282	325	15.2%	0.43%
Assistance	442	478	8.4%	0.63%
Pecuniary Losses	386	365	-5.4%	0.48%
Fires	207	228	10.3%	0.30%
Legal Defense	121	129	6.4%	0.17%
Surety	179	225	25.7%	0.30%
Theft	24	21	-12.6%	0.03%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-c
Trends in direct Non-Life insurance in Spain
(accrued direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

by 6.6%. Multirisk insurance earned 9.2 billion euros in premiums in 2023, up 6.8% from the previous year, with rate increases to bring premiums in line with cost inflation.

In 2023, Health insurance achieved a 26.1% share of the Non-Life lines of business, slightly down from 26.2% the previous year. The line experienced growth in both premiums and number of policyholders, which reached 14.2 million, 2.9% more than in 2022. By category, Expense Reimbursement and Healthcare Assistance, as indicated above, showed 9.0% and 6.6% increases in premiums, respectively, while Subsidies and Indemnifications dropped by 2.4%. The group and individual Healthcare Assistance insurance modalities had very similar increases of 9.6% and 9.3%, respectively, with a decline in public administration insurance.

Multirisk insurance, in turn, is still the third Non-Life line by premium volume in Spain, maintaining a 21.3% share in 2023, and revenues of 9.2 billion euros in premiums, 6.8% more than the previous year. Industrial Multirisk insurance has sustained an uninterrupted growth trend over the last six years and increased by 9.3% in 2023. The other modalities, Home, Condominium, and Commercial lines also saw greater growth than the year before and exceeded 2022 premiums by 6.3%, 6.4%, and 4.9%, respectively. In particular, the Home and Condominium insurance modalities were affected by severe weather phenomena which had a negative effect on the loss ratio and increased the combined ratio.

Finally, with a 6.4% share of Non-Life insurance, Burials remain the fourth largest line of this segment by premium volume, which amounted to 2.8 billion euros in 2023, up 5.4%. In 2023, level premiums accumulated the largest volume of business, but the transformation process of the line continued, whereby, in new production, they gave way to a greater weight of single premiums and composite premiums, with a high natural component.

Contribution to growth from different lines of business

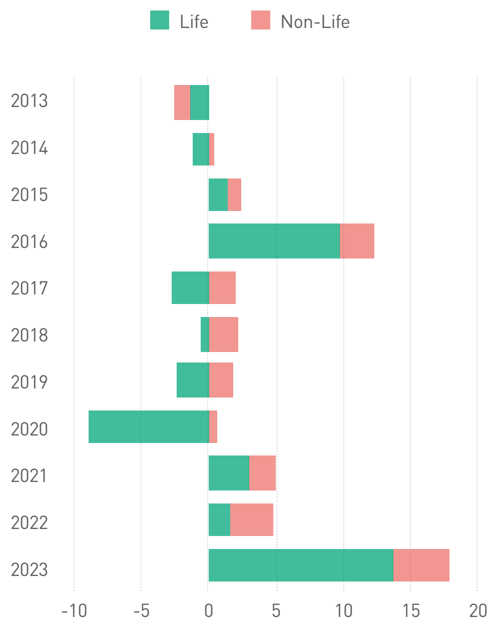
From a medium-term perspective, Non-Life insurance is seen to have been the largest contributor to the growth of the Spanish insurance industry over the 2013–2023 period, contributing 19.2 percentage points (pp), while the Life insurance segment contributed 12.2 pp after receiving

Table 3.1-c
Contribution to insurance market growth
(percentage points, pp)

Year	Annual growth (pp)	Contribution to growth (pp)	
		Life	Non-Life
2013	-2.6	-1.4	-1.2
2014	-0.7	-1.2	0.5
2015	2.5	1.3	1.2
2016	12.3	9.8	2.5
2017	-0.6	-2.7	2.1
2018	1.6	-0.6	2.2
2019	-0.4	-2.3	1.9
2020	-8.2	-8.9	0.6
2021	4.9	2.9	2.0
2022	4.9	1.6	3.3
2023	17.8	13.6	4.2

Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-d
Contribution to insurance market growth
(percentage points, pp)



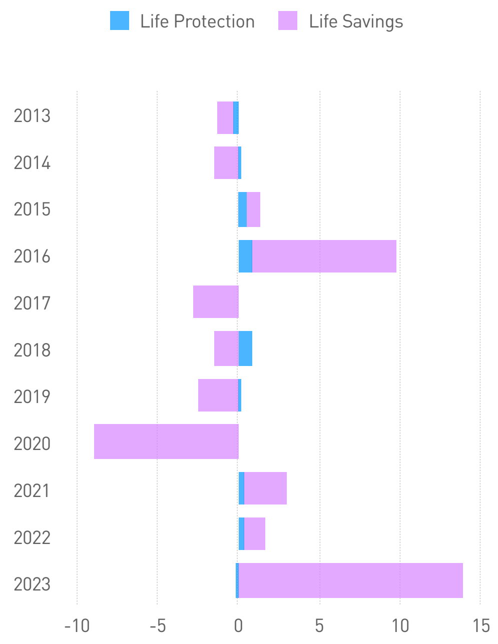
Source: MAPFRE Economics (based on ICEA data)

Table 3.1-d
Contribution to Life and Non-Life insurance market growth
(percentage points, pp)

Year	Contribution of Life to market growth (pp)	Contribution to growth (pp)		Contribution of Non-Life to market growth (pp)	Contribution to growth (pp)			
		Life Protection	Life Savings		Automobiles	Multirisk	Health	Other
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	2.5	0.9	0.3	0.7	0.6
2017	-2.7	0.0	-2.7	2.1	0.6	0.4	0.5	0.6
2018	-0.6	0.8	-1.5	2.2	0.3	0.4	0.7	0.7
2019	-2.3	0.2	-2.5	1.9	0.3	0.4	0.7	0.5
2020	-8.9	0.0	-8.8	0.6	-0.4	0.4	0.7	-0.1
2021	2.9	0.3	2.6	2.0	-0.2	0.6	0.8	0.8
2022	1.6	0.3	1.3	3.3	0.6	0.7	1.1	0.8
2023	13.6	-0.2	13.8	4.2	1.2	0.9	1.1	1.1

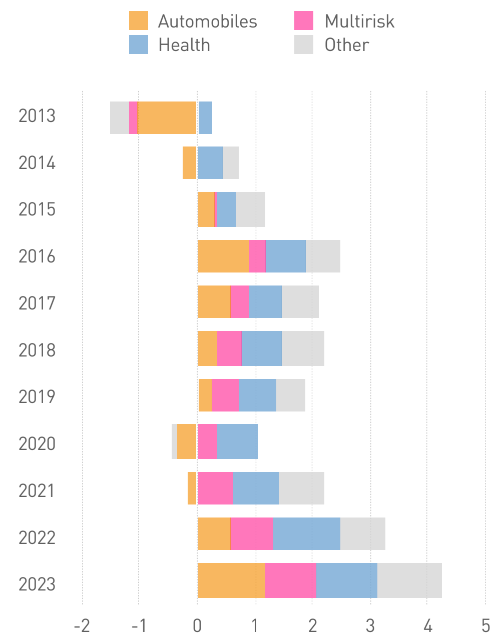
Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-e
Contribution to Life insurance market growth
(percentage points, pp)



Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-f
Contribution to Non-Life insurance market growth
(percentage points, pp)



Source: MAPFRE Economics (based on ICEA data)

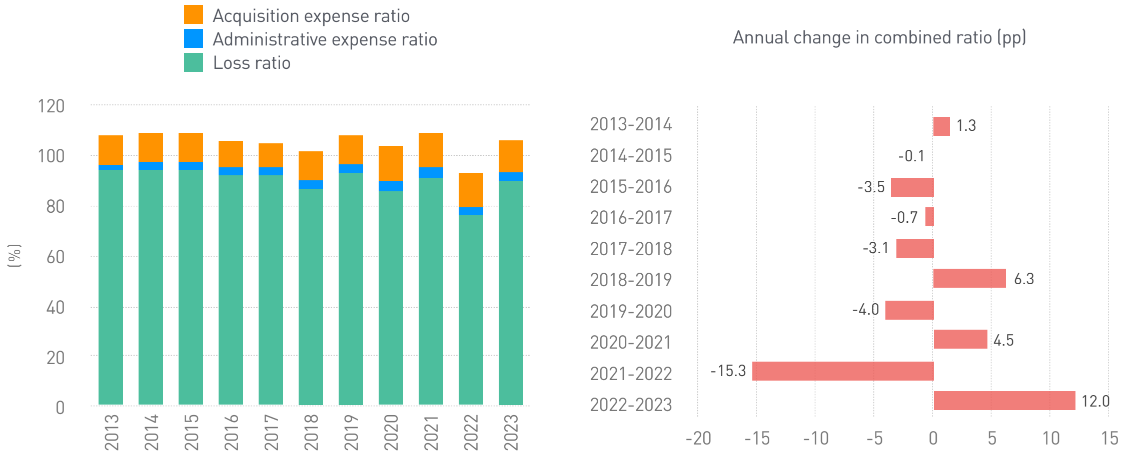
a significant boost in 2023. In particular, in 2023 the Non-Life segment contributed 4.2 pp to the total growth of the Spanish insurance industry, lower than the 13.6 pp of the Non-Life business lines (see Table 3.1-c and Chart 3.1-d).

The information contained in Table 3.1-d and Chart 3.1-e shows that Life insurance has contributed positively to the growth of the Spanish insurance industry in the last three years, with a particularly relevant contribution of 13.8 pp from the Life Savings line, and -0.2 pp from Life Protection in 2023. In 2023, all lines of Non-Life insurance contributed positively to the sector's growth. The Automobile line has overcome its negative contribution in 2020 and 2021, contributing 1.2 pp in 2023 (see the cited Table 3.1-d and Chart 3.1-f). Throughout the period analyzed, 2013–2023, we can see that Health insurance made the greatest contribution to growth in the Non-Life branch, standing at 7.2 pp, followed by Multirisk insurance with 4.0 pp and Motors with 2.3 pp.

Technical performance: combined ratio performance

Chart 3.1-g illustrates the aggregate technical performance of the Spanish insurance industry over the 2013–2023 period, based on the evolution of the total combined ratio. According to this information, analyzed for the insurance market as a whole in 2023, the combined ratio increased by 12.0 pp to 105.2%, compared to 93.2% in 2022, mainly due to a 13.8 pp increase in the loss ratio. However, the combined ratio for the Non-Life insurance segment in 2023 (see Chart 3.1-h), in particular, stood at 94.8%, an increase of 1.0 pp from 2022 (93.8%), due to a 0.8 pp rise in the loss ratio, to 71.4%, and a 0.1 pp increase, in each case, in the administration and acquisition expense ratios.

Chart 3.1-g
Trends in the total combined ratio
(total combined ratio, %; annual change in combined ratio, pp)

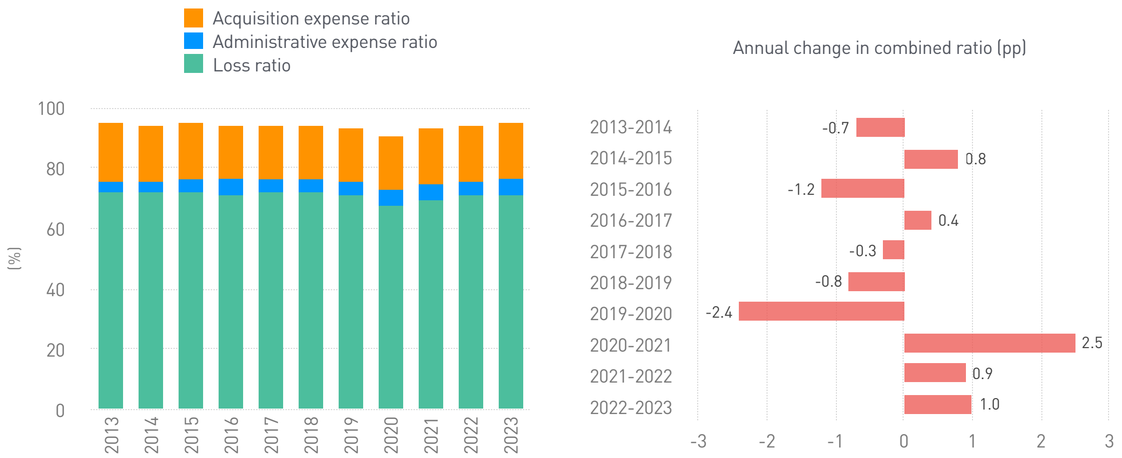


Source: MAPFRE Economics (based on ICEA data)

Results and profitability

The Spanish insurance Industry earned 5.5 billion euros in profits in 2023. This represents a decrease of 1.3% in the non-technical account compared with the previous year's figure, despite the increase in the Life and Non-Life segments' technical accounts (see Table 3.1-e). Specifically, the Non-Life segment's technical account result rose by 3.4% in 2023 compared to the previous year, to 3.3 billion euros, mainly due to the increase in the Health line, as opposed to the decrease in the Motors and Multirisk lines, which registered a loss ratio increase (see Table 3.1-f). Meanwhile, the financial result remained practically unchanged, with a small increase of 0.7 pp, representing 3.2% of earned premiums. The Life insurance technical account result in 2023 was 3.2 billion euros, 2.4% higher than the previous year, reflecting a 3.7 pp

Chart 3.1-h
Trends in the Non-Life combined ratio
(total combined ratio, %; annual change in combined ratio, pp)



Source: MAPFRE Economics (based on ICEA data)

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

Year	2022	2023	2023/2022 variation
Technical account	6,315	6,498	2.9%
Life	3,169	3,245	2.4%
Non-Life	3,147	3,253	3.4%
Non-technical account	5,526	5,456	-1.3%

Source: MAPFRE Economics (based on ICEA data)

increase in the financial result, as well as a rise in benefits and in the rate of change of technical provisions, along with maintained expenses. The technical-financial result on provisions decreased slightly (-0.1 pp), representing 1.6% of Life provisions (see Table 3.1-g).

Thus, the performance of the insurance business in 2023 posted a return on own funds (ROE) of 13.2%, 0.62 pp more than in 2022 (see Chart 3.1-i). Likewise, the sector's profitability, measured as the ratio of the year's results to average total assets (ROA), barely changed in 2023, at 1.7%, with a slight increase of 0.05 pp compared to the previous year (see Chart 3.1-j).

Investments

Total investment volume by insurance companies in the Spanish market in 2023 rose to 305.1 billion euros, representing a 9.0% increase compared to the previous year[6]. An analysis of the investment portfolio broken down by asset type shows that fixed income securities increased their relative weight over the 2013–2023 period (see Chart 3.1-k), from 67.2% in 2013 to 72.8% in 2023, but had yet to recover their 2019 maximums prior to the pandemic. Likewise, the percentage of held-for-sale assets and cash balances remained at 5.1% in 2023, compared to 11.1% in 2013. Equity investments, meanwhile, continue to gain prominence in the sector's portfolios, with a peak weight rising to 7.2% in 2023, up from 3.0% a decade ago.

The detail of the investment structure at the end of 2023 is shown in Chart 3.1-l. According to this information, we see that within the fixed income asset category, sovereign fixed income remains predominant, representing 51.6% of the investment portfolio in 2023 (51.2% in 2022). In turn, corporate fixed income remained at 19.2% of the portfolio (19.0% in 2022). These average percentages also varied according to the subportfolios into which the total investment portfolio can be subdivided. In these subportfolios, in-

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

	2022	2023
Written premium volume (millions of euros)	40,270	43,004
Variation in premiums	5.3%	6.8%
Retention	84.3%	84.2%
Gross loss ratio	68.3%	70.2%
Gross expenses	23.4%	23.4%
Net loss ratio	70.6%	71.4%
Net combined ratio	93.8%	94.8%
Financial result	2.5%	3.2%
Technical-financial result	8.7%	8.4%

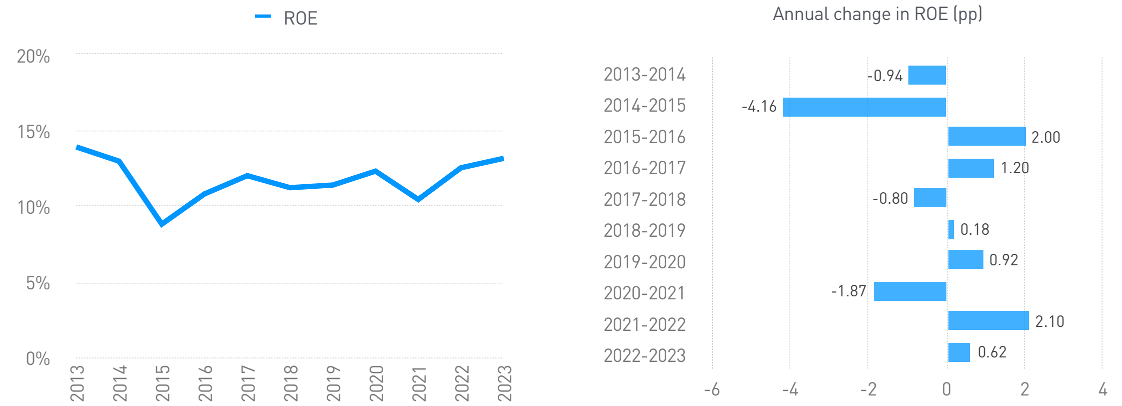
Source: MAPFRE Economics (based on ICEA data)

Table 3.1-g
Basic Life insurance indicators
(premiums, millions of euros; ratio over provisions, %)

	2022	2023
Written premium volume (millions of euros)	24,535	33,360
Variation in premiums	4.2%	36.0%
Technical provisions (millions of euros)	193,683	203,808
Net expenses (over provisions)	1.2%	1.2%
Financial result (over provisions)	0.7%	4.4%
Technical-financial result (over provisions)	1.7%	1.6%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-i
Trends in return on equity (ROE)
(average net return on equity, %; annual change in ROE, pp)

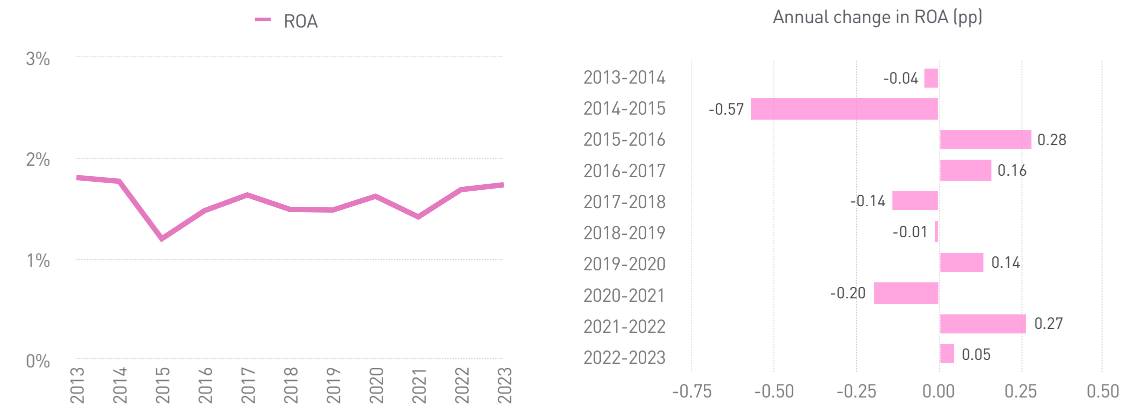


Source: MAPFRE Economics (based on ICEA data)

vestment decisions differed depending on the different requirements in relation to their liquidity and the matching of flows between assets and liabilities. Within portfolios linked to Life insurance commitments, fixed income remained at 75.0% of investments, while Non-Life represented a slight increase to around 45.9% of the same (38.4% 2022). There were also significant variations in the percentage of investments in real estate and equities, which, in Life portfolios, represented around 2.4% and 3.5%, respectively, still far below the percentages in Non-Life portfolios (13.3% and 19.5%, respectively). Finally, the percentage of investments managed through mutual funds converged slightly, although it is still lower in Life portfolios, where it represented around 12.0%, compared to 12.3% in Non-Life, four percentage points less than 2022.

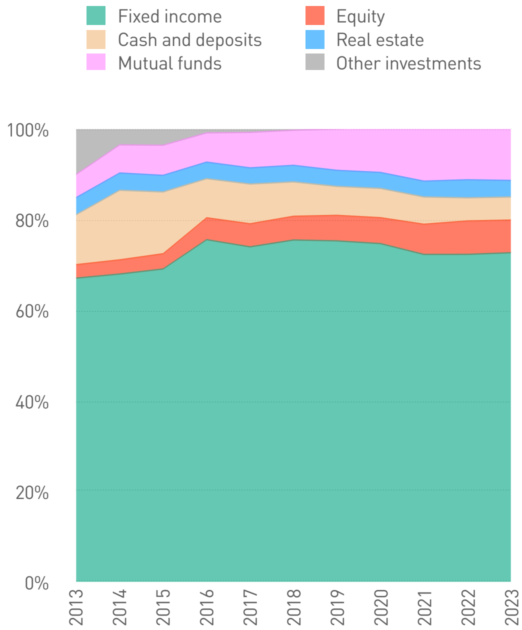
It should be noted that Spanish insurance industry investment portfolio assets have substantially longer durations in Life

Chart 3.1-j
Trends in return on assets (ROA)
(average return on assets, %; annual change in ROA, pp)



Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-k
Trends in investment structure in the insurance market
(%)

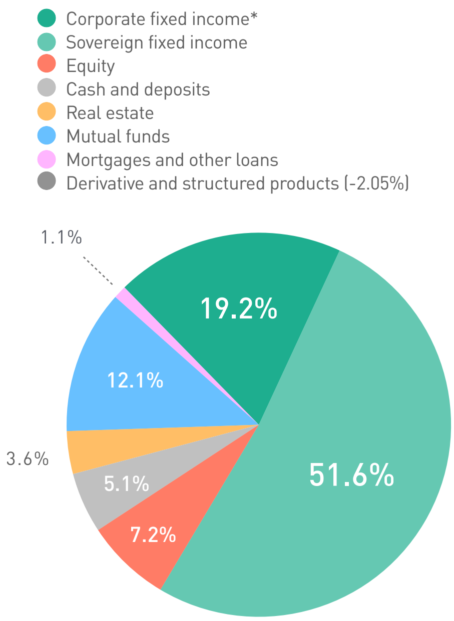


Source: MAPFRE Economics (based on ICEA data)

portfolios, where approximately 24.3% have a duration of more than 10 years, compared to 10.1% in Non-Life portfolios. In both cases, most investment credit ratings were on the second rung of the ratings map included under Solvency II regulations, in line with the Spanish sovereign risk rating at the end of 2023(A). Moreover, as noted in previous reports, Spain's insurance market has one of the lowest shares of unit-linked product portfolios in the Eurozone. As illustrated in Chart 3.1-m, this proportion has remained stable over the last decade, standing at just 7.9% on average over the last decade; however, in 2023 it registered a notable increase, reaching a weight of 12.8% of the total portfolio.

The return on financial investments in the insurance industry stood at 4.1% in 2023 (2.9 pp higher than a year earlier), driven by the rise in interest rates under the new monetary policy environment, which the European Central Bank has been implementing as part of the monetary tightening strategy to

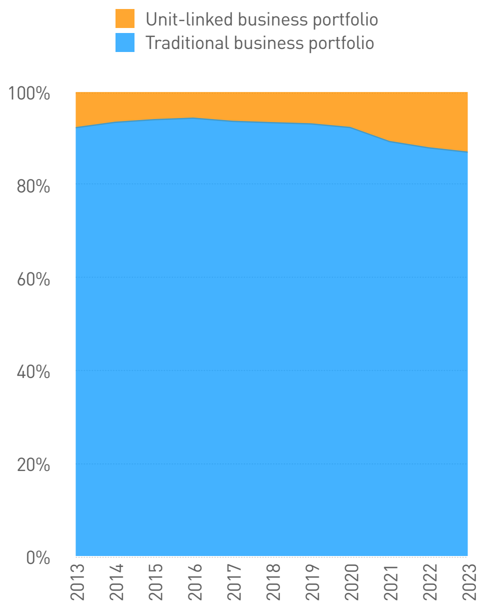
Chart 3.1-l
Structure of investments relating to technical provisions, 2023
(%)



Source: MAPFRE Economics (based on ICEA data)

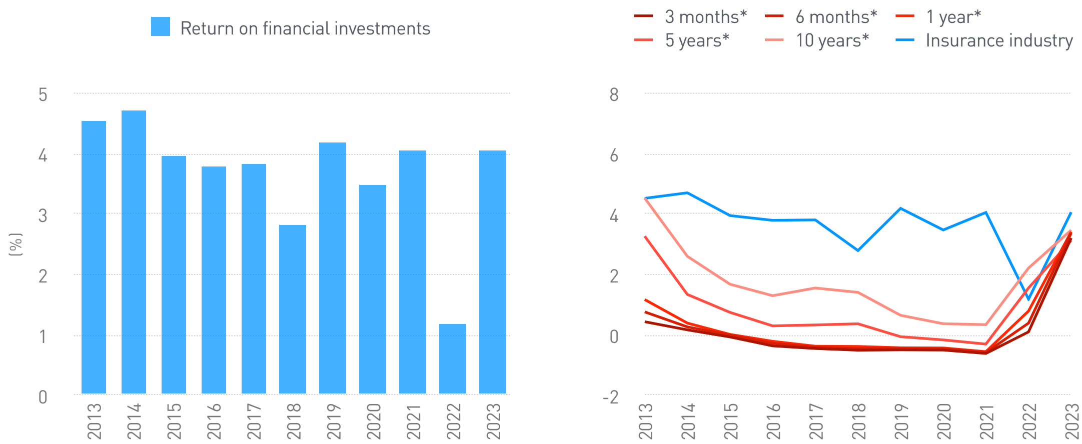
* Net value after deducting the effect of the valuation of derivative and structured products (-2.05%).

Chart 3.1-m
Trends in the Life insurance business portfolio
(%)



Source: MAPFRE Economics (based on EIOPA data)

Chart 3.1-n
Return on the insurance industry's financial investments
(financial income/average investment, %; risk-free interest rate, %)



Source: MAPFRE Economics (with DGSFP data)

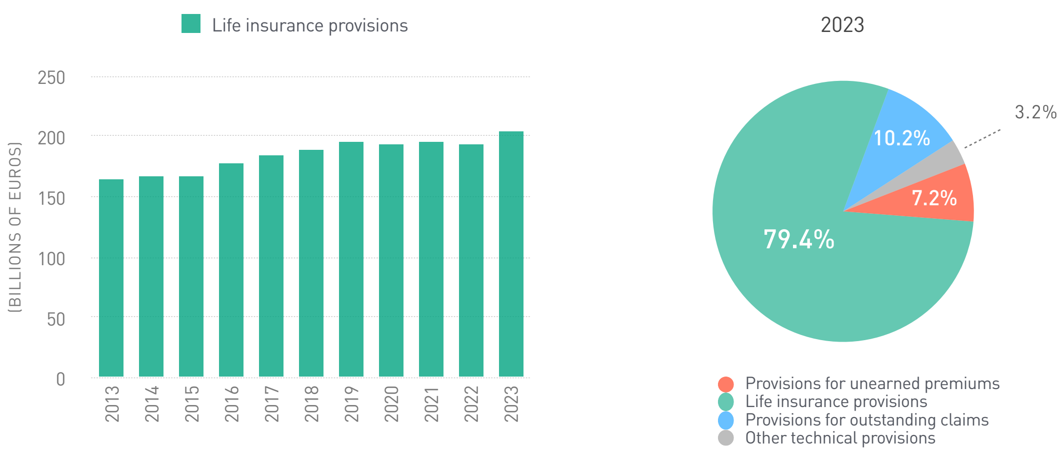
*Average annual Spanish Government bond yield of specified tenor.

address inflationary pressures, reflected in the yields at different maturities of Spanish debt (see Chart 3.1-n)[7]. However, the most recent momentum shows the onset of some reversal as early as 2024, as monetary policy easing has begun.

Technical provisions

Life insurance technical provisions increased 5.2% to 203.8 billion euros in 2023. This increase was the result of a 5.4% rise in provisions in the Savings/Retirement segment and a 1.6% and 6.7% rise in the Risk and Dependency segments, respectively. Life insurance technical provisions represented 79.4% of total technical provisions for the sector, while those related to outstanding benefits represented 10.2%, and provisions for unearned premiums and unexpired risks were 7.2% of the total (see Chart 3.1-o). It should be noted that technical provisions

Chart 3.1-o
Life insurance technical provisions
(billions of euros)



Source: MAPFRE Economics (based on ICEA data)

growth in the Savings/Retirement segment was positive in all products, with the exception of Insured Retirement Plans, which dropped by 1.6%, and Individual Long-Term Savings Insurance (ILTSI), which decreased by 6.7%.

Insurance developments by autonomous community

The data on premium volume by autonomous community is presented in Table 3.1-h. According to this information, the ten autonomous communities with the highest market share show premium growth in 2023, led by the Community of Madrid, with 22.6% of premiums, totaling 14.6 billion euros. Catalonia, Andalusia, and the Valencian Community are in second, third, and fourth place, with shares of 19.2%, 13.0%, and 9.0%, respectively. With the exception of the Basque Country, which registered a 9.3% increase, all the other communities posted double-digit increases in premiums, seven of them above 20%: Castilla-La Mancha (27.5%), Cantabria (25.1%), Principality of Asturias (25%), Extremadura (23.5%), Canary Islands (21%), Castilla y Leon (20.1%), and Region of Murcia (20.1%). Meanwhile, in premiums per capita, the Community of Madrid holds the first place with 2,082 euros, followed by Aragon and Catalonia with 1,674 and 1,544 euros, respectively.

Reinsurance

The reinsurance sector started 2023 with optimism, expecting a substantial improvement in reinsurance market conditions. This was mainly due to the sharp reduction in the global reinsurance supply, in terms of both capacity and coverage conditions, following the poor results of previous years, as well as the increase in reinsurance demand resulting from the continued impact of inflation on claims and the high level of catastrophe claims experienced in previous years[8]. How-

Table 3.1-h
Premium volume by Autonomous Community
(millions of euros)

Autonomous Community	2023	Change 2023/2022	% share 2023	Premiums per capita (euros)
Community of Madrid	14,576	18.1%	22.6%	2,082
Catalonia	12,386	15.6%	19.2%	1,544
Andalusia	8,398	16.9%	13.0%	974
Valencian Community	5,796	19.0%	9.0%	1,090
Castilla y León	3,214	20.1%	5.0%	1,345
Galicia	3,150	10.8%	4.9%	1,164
Basque Country	2,704	9.3%	4.2%	1,214
Castilla-La Mancha	2,318	27.5%	3.6%	1,104
Aragon	2,258	18.6%	3.5%	1,674
Canary Islands	2,001	21.0%	3.1%	895
Balearic Islands	1,688	16.9%	2.6%	1,370
Region of Murcia	1,492	20.1%	2.3%	951
Principality of Asturias	1,135	25.0%	1.8%	1,125
Extremadura	1,122	23.5%	1.7%	1,065
Autonomous Community of Navarre	910	15.7%	1.4%	1,342
Cantabria	695	25.1%	1.1%	1,176
Rioja (La)	434	18.0%	0.7%	1,339
Autonomous Cities of Ceuta and Melilla	131	14.1%	0.2%	774
Total top 10	**56,802**		**88.2%**	

Source: MAPFRE Economics (based on ICEA and INE data)

ever, this positive outlook faced various challenges. The increasing frequency of natural disasters meant that, in 2023, the industry incurred a higher aggregate cost than average in the current century. There were large-scale events, such as the earthquake in Turkey and Syria in February, or Hurricane Otis in Mexico in October. But there were also floods, convective storms and hail; once classified as secondary, such phenomena are now occurring with ever greater frequency and severity. Likewise, persistent geopolitical instability did not help to improve the scenario either, as it spread to more regions of the world.

Insurance Compensation Consortium Activity

In Spain, Extraordinary Risk and Traffic Risk coverage (which involve direct Automobile Civil Liability insurance and the Guarantee Fund) constitute two of the main activities of the Insurance Compensation Consortium. In 2023, earned premiums and surcharges attributed to those activities reached 885 million euros. The foregoing represents an increase of 4.6% over 2022, spurred on by a 4.8% jump in extraordinary risks and 3.0% in traffic risks. Meanwhile, insurance of private vehicles not covered by private companies saw a 40.0% increase in revenue, continuing the upward trend of recent years (see Table 3.1-i). However, this coverage plays a minor role compared to the private insurance sector, since only about 1,000 private vehicles without ordinary coverage are insured by the Consortium.

The loss ratio for extraordinary risk insurance in 2023 was 57.1% of premiums, and the combined ratio was 63.9%. It should be noted that the loss ratio performance was mainly marked by various flood and wind events, causing damages amounting to 453.2 million euros. Storms Aline and Bernard (49 million euros), and the flooding in Zaragoza in July (80 million euros), and in Toledo, Madrid, Cuenca, Ciudad Real, Segovia, and Valencia-Castellón in September (168 million euros), were the most representative events of the year. Six of the main loss events were due to unusually severe atypical cyclonic storms, which accounted for 13.8% of the total cost of the most significant loss events. Meanwhile, flooding caused by an isolated high-level depression was concentrated in the first three weeks of September, at an accumulated cost of 200 million euros. These data reveal the ever-growing significance of these events, which affect broad geographical areas within the country (see Box 3.1).

Table 3.1-i
Insurance Compensation Consortium Activity
(millions of euros)

General activity	Premiums and surcharges attributed		Loss ratio (direct and accepted)	
	2022	2023	2022	2023
Extraordinary risks	**757.1**	**793.7**	**196.4**	**453.2**
Property	691.7	724.7	181.3	434.0
People	15.7	15.2	0.8	1.0
Pecuniary Losses	49.7	53.8	14.4	18.2
Traffic risks	**88.9**	**91.6**	**69.6**	**75.8**
Mandatory automobile insurance (SOA) guarantee fund	79.8	82.5	60.0	67.1
Private vehicles	0.4	0.6	0.7	-0.1
Official vehicles	8.7	8.5	8.9	8.8

Source: Annual Report of the Insurance Compensation Consortium

Box 3.1
Extraordinary risks and weather phenomena

Global emergencies and catastrophes

In recent decades, there has been a significant increase in the number and severity of global emergencies and disasters, and the trend in these forecasts shows that this will continue in the future as a result of climate change. Spain has a moderate global risk level. However, forest fires, floods, landslides, and risks derived from the occurrence of other adverse meteorological phenomena periodically cause significant damage affecting the safety of people and their property.[1] Extreme natural phenomena such as earthquakes, tsunamis, and volcanoes, among others, must be added to these risks.

Globally, it is estimated that natural catastrophes again broke economic loss records in 2023,[2] amounting to 280 billion dollars, with insured losses reaching 108 billion dollars, surpassing 100 billion dollars for the fourth consecutive year. These data indicate that 62% of the world's losses were uninsured. The severity of most catastrophes was medium, defined as events that resulted in losses of between 1 and 5 billion dollars. The number of such events has increased, on average, by 7.5% each year since 1994, almost double the 3.9% increase across all catastrophes. Also, the long-term forecast is that annual insured damages will increase by 5% to 7%, in line with the actual increases in losses over the past 30 years. Since 1980, most of the growing damage associated with weather events is a consequence of the accumulation of exposure brought about by economic growth and urbanization. The concentration of human and physical assets, especially in urban areas, such as low-lying coastal regions vulnerable to adverse weather conditions, increases the potential for damage when extreme weather strikes.[3]

Spain's case

With regard to Spain, some of the features that characterize observed climate change include: higher temperatures, longer summers, less precipitation, disappearance of glaciers, lower average river flows, expansion of a semi-arid climate, and higher seawater temperatures, among the most important. Projections based on climate models used in the Fifth Assessment Report of the IPCC (Intergovernmental Panel on Climate Change) predict greater depth in the future. According to these projections, the reduction in average annual precipitation will not necessarily lead to a reduction in extremes, and in fact, an increase in torrential rainfall and flooding events is expected in some areas. According to estimates by the European Environment Agency, extreme weather and climate-related events alone have caused direct economic losses in Spain in excess of 37 billion euros since 1980. For the insurance market, in addition to the increase in damages caused by climate change, other factors must be added: greater insurance penetration, higher concentration of people and assets exposed, increased value of these exposures, occupation of risk areas for housing and productive or leisure activities, and shortcomings in urban planning, among others.[4]

1/ National Climate Change Adaptation Plan: 2021–2030. At: https://www.miteco.gob.es/es/cambio-climatico/temas/impactos-vulnerabilidad-y-adaptacion/plan-nacional-adaptacion-cambio-climatico.html

2/ See: Swiss Re Institute (2024). Natural catastrophes in 2023: gearing up for today's and tomorrow's weather risks. *Sigma* 1/2024. At: https://www.swissre.com/institute/research/sigma-research/sigma-2024-01.html

3/ See: Swiss Re Institute (2020). Natural catastrophes in times of economic accumulation and climate risks. *Sigma* 2/2020. At: https://www.swissre.com/dam/jcr:24f15450-1dae-414c-91cd-71875a1112ca/sigma2_2020_es.pdf

4/ *La cobertura aseguradora de las catástrofes naturales: diversidad de sistemas, Natural catastrophes insurance cover: a diversity of systems.* Madrid, Consorcio de Compensación de Seguros, D.L. 2008.

Box 3.1 (continued)
Extraordinary risks and weather phenomena

Insurance and the effects of climate change

Insurance is a very important tool in the fight against climate change and in addressing catastrophic phenomena in general, contributing to the welfare of society by improving its capacity to recover from damage caused by natural catastrophes. The insurance industry, with the participation in some cases of public administrations, has sought to respond to risks related to natural catastrophes through various solutions, creating insurance systems that vary widely in different countries. In some of them, only the market participates, while in others there is a public monopoly or public-private cooperation. In these systems there are countries where coverage is mandatory and others where it is voluntary; they may cover a single risk, a closed list of catastrophic events, or they may cover all natural risks likely to cause catastrophes. The price (premiums or surcharges) may be fixed or a percentage may be applied to premiums of the base policy or to insured amounts. Most systems cover direct property damage, although the Spanish system also covers personal injury. There are also systems with no indemnification limit, such as when they are guaranteed by the State, but a limit is usually established. In some countries, indemnification is contingent on the official declaration of a disaster by a government agency, and some countries allow the creation of instruments for fund accumulation through equalization reserves.[5]

Although Spain is not among the countries most affected by natural disasters, it is not free from adverse natural phenomena, as has occurred throughout history. There are two agencies in Spain that manage insurance against extreme weather events: Agroseguro for agricultural insurance and Consorcio de Compensación de Seguros (CCS) for private and commercial property.

The Spanish Combined Agrarian Insurance System is configured as a system of coverage for damages caused to agricultural, livestock, aquaculture, and forestry productions, to cover them against damages caused by unforeseeable, uncontrollable risks and catastrophic consequences. The insurance companies are grouped together to manage the risk in a coinsurance pool (Agroseguro), where state and autonomous community administrations subsidize part of the premium and the CCS acts as direct insurer and mandatory and non-exclusive reinsurer. The CCS has highlighted the severe loss ratio of Combined Agricultural Insurance in 2023, the worst in its history, which shows the need to make technical adjustments to ensure the stability of this coverage. Persistent drought, combined with the occurrence of a number of natural events, is the reason the loss ratio for this insurance policy closed fiscal year 2023 at 371.7%, representing technical losses of 396.7 million euros.

The other part of managing insurance against extreme weather events, catastrophic risks, is mostly covered by the CCS, through a public-private insurance system that receives international recognition for its unique nature and for providing solutions to issues of unquestionable social significance. The CCS' objective in covering extraordinary risks is to indemnify, under a compensation system and on the basis of a policy contracted with any private company in the market, claims arising from extraordinary events occurring in Spain and causing damage to persons and property located in Spanish territory. However, damage to persons due to events occurring abroad is also covered, provided that the policyholder's primary residence is in Spain. The lines that include coverage for extraordinary risks in property and casualty insurance include: fire and natural events, land vehicles, railway vehicles, other property damage (theft, glass breakage, damage to machinery, electronic equipment, and computers), miscellaneous pecuniary losses,

5/ Insurance Compensation Consortium. *La cobertura aseguradora de las catástrofes naturales: diversidad de sistemas, Natural catastrophes insurance cover: a diversity of systems*. Op. cit.

Box 3.1 (continued)
Extraordinary risks and weather phenomena

and combined forms of the above. In the case of personal insurance, coverage includes life and accident. All insurance policies under these modalities include a mandatory CCS surcharge (a fee on insured amounts), whether or not the policy stipulates that coverage of extraordinary risks will be provided by the company that issued the ordinary policy (in which case the CCS would be responsible for the coverage).

Coverage is automatic once one of the risks guaranteed by the system has occurred; i.e., no official declaration of "catastrophe" or "catastrophe zone" is required, and the risks can be classified into three groups: (i) natural hazards: earthquakes, tidal waves or tsunamis, extraordinary floods, volcanic eruptions, atypical cyclonic storms (including tornadoes and winds with gusts in excess of 120 km/h) and falling space debris or aerolites; (ii) violent events resulting from: terrorism, rebellion, sedition, riot, civil unrest; and (iii) events or actions of the Armed Forces or Security Forces and Corps in peacetime. There will be no coverage for extraordinary risks if the cause of the damage is other than the aforementioned events, such as rain falling directly on the insured risk or collected by its roof or rooftop, its drainage network or its patios; non-extraordinary winds, characterized by the absence of gusts exceeding 120 km/h; hail; snow; leaks, seepage or dampness, among the most significant.

Compensation paid by the CCS for all extraordinary risk coverage amounted to 10.6 billion euros in the 1987–2022 period, with an average cost of 6,484 euros. Flooding accounted for the largest proportion of indemnifications paid during this period (69.8%), followed by atypical cyclonic storm (15.7%), with an average cost of 9,192 and 2,271 euros, respectively. Risks not covered by the CCS are assumed by private insurers according to the policies contracted.

A study conducted by Unespa in 2022,[6] with information provided by insurance companies, analyzes the benefits paid directly by multirisk insurance in the 2017–2021 period, noting that every year insurance companies pay between 650 million and 1 billion euros for weather claims occurring in Spain. Specifically, in the 2017–2021 period, they paid 3.8 billion euros for 3.9 million weather claims. 2.312 billion euros were paid to homeowners and condominium owners. The events that caused the greatest damage to insurance in the period analyzed were tropical storm Gloria[7] in January 2020 and tropical storm Filomena in January 2021. The report compares the CCS claims data with those of the insurance industry and concludes that, in normal years, the private insurance industry accounts for between 70% and 75% of the total weather benefits paid to policyholders.

The publication of a new report in 2024, with data from 2023,[8] shows that insurers paid out 847 million euros that year to cover the damage caused by more than 993,000 weather claims, with an average cost per claim of 852 euros. Most of the payments related to homes, with almost 310 million euros paid by homeowners insurance, followed by industry, with payments of almost 205 million euros, and automobiles, with 207 million euros. This increase in catastrophic damages assumed by insurance companies in recent years is expected to continue rising, which has led the insurance industry to propose a change in the insurance system for extraordinary risks in Spain, through the insurance employers' association, to adapt it to the new climatic conditions, redefining the current CCS coverages.

6/ Unespa (2022). *El seguro y la sostenibilidad climática: siniestralidad meteorológica pagada por las aseguradoras 2017-2021, Insurance and climate sustainability: weather loss events paid by insurers 2017-2021.* At: https://www.unespa.es/main-files/uploads/2022/12/Siniestralidad-atmosferica-del-seguro-multirriesgo-2017-2021-FINAL.pdf

7/Although the tropical storm as such is not a cause of loss covered by the CCS, in the case of Tropical Storm Gloria, two regulatory cases concurred, extraordinary flooding and atypical cyclonic storm with wind gusts over 120 km/h, at a cost of 145.4 million euros and over 57 million euros, respectively.

8/ Unespa (2024). *El seguro y la sostenibilidad climática en 2023, Insurance and climate sustainability in 2023.*. At: https://www.unespa.es/notasdeprensa/seguro-paga-847-millones-siniestros-climaticos-2023/

3.2 Non-Life lines of business

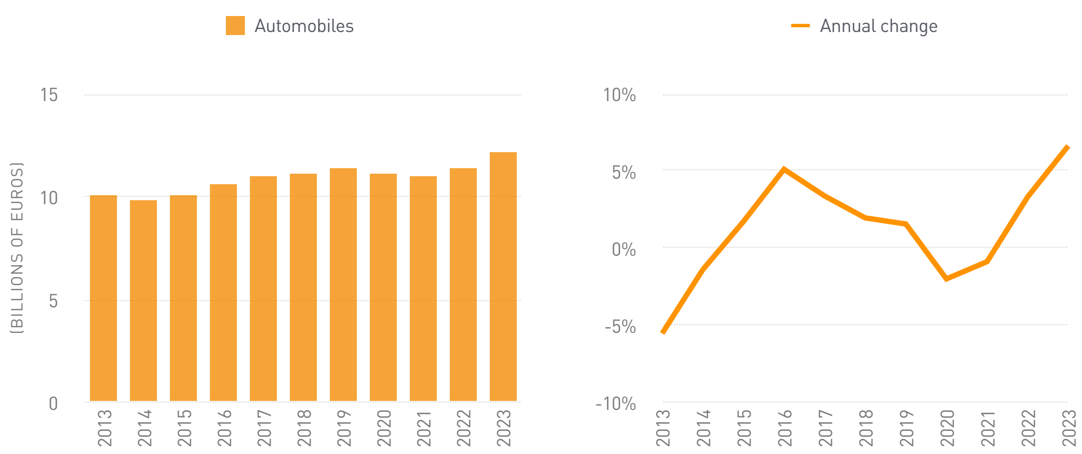
Automobiles

Throughout 2023, the Automobile line progressively increased its growth rates, ending December with a premium volume of 12.1 billion euros, up 6.6% on the previous year, making it the largest contributor to Non-Life growth that year, with 1.2 percentage points (pp), as shown in Chart 3.2-a and Table 3.1-d. This insurance line continues to contribute the largest volume of Non-Life premiums in the Spanish market, with a 28.2% share of this segment, followed closely by Health insurance (26.1%).

The increase in the Automobile line was influenced by the increase in the average premium, which stood at 362.6 euros, 5.1% higher than 2022, as well as the rise in insured vehicles, up 1.5% at 33.4 million vehicles (see Table 3.2-a). New vehicle registrations also showed a very positive performance in 2023, with double-digit growth in passenger cars (16.7%), commercial vehicles (22%), and industrial vehicles and buses (25.2%).

However, the line's technical result continued to deteriorate in 2023. Thus, the automobile insurance combined ratio exceeded 100% in Q1 2023 and ended the year with a ratio of 101.6%, 3.6 pp above that registered in 2022. Once again this year, this worsening is due to the increase in severity of the accident rate, higher inflation, and higher costs of providers, such as workshops and spare parts suppliers. The loss ratio stood at 80.9%, a 3.9 pp increase, while the expense ratio dropped slightly to 20.7%, down 0.3 pp (see Table 3.2-b and Chart 3.2-b). The financial result, in turn, was similar to that of 2022, with a slight improvement of one tenth. Nevertheless, this did not compensate for the impairment of the technical result, giving rise to a technical-financial result of 1.6% on earned premiums, 3.4 pp less than the previous fiscal year. Meanwhile, as shown in Table 3.2-c, the frequency of claims in the automobile line decreased in 2023 in nearly all guarantees, except damage to own vehicle (where it rose 0.7 pp), legal defense (0.03 pp), and fires (0.001 pp). Meanwhile, the average cost increased in nearly all coverages, except legal defense (-0.7%) and occupants (-4.4%).

Chart 3.2-a
Trends in direct Automobile insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

Table 3.2-a
Trends in average Auto insurance premium
(millions of euros; annual variation, %)

Year	Vehicles Insured [1] (millions)	Vehicles Insured [1] Annual variation	Direct insurance premiums [2] (million euros)	Direct insurance premiums [2] Annual variation	Average premium In euros	Average premium % variation Nominal	Average premium % variation Real
2013	28.6	-0.4%	10,033	-5.5%	350.8	-5.1%	-5.4%
2014	28.8	0.7%	9,891	-1.4%	343.4	-2.1%	-1.1%
2015	29.1	1.1%	10,061	1.7%	345.4	0.6%	0.6%
2016	29.8	2.4%	10,574	5.1%	354.4	2.6%	1.0%
2017	30.6	2.6%	10,932	3.4%	357.1	0.8%	-0.3%
2018	31.5	2.7%	11,146	2.0%	354.4	-0.8%	-1.9%
2019	31.8	1.0%	11,321	1.6%	356.3	0.5%	-0.3%
2020	32.0	0.8%	11,095	-2.0%	346.5	-2.7%	-2.3%
2021	32.6	1.8%	10,998	-0.9%	337.3	-2.7%	-8.6%
2022	32.9	0.9%	11,364	3.3%	345.2	2.4%	-3.2%
2023	33.4	1.5%	12,116	6.6%	362.6	5.1%	1.9%

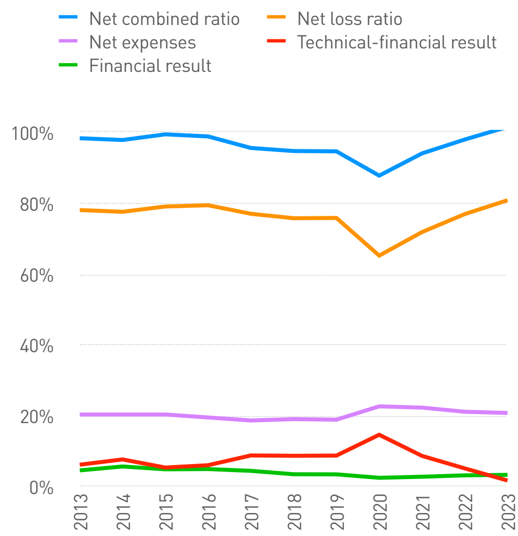
Source: MAPFRE Economics (based on FIVA, ICEA and Insurance Compensation Consortium data)
(1) Information Database for Insured Vehicles (FIVA)
(2) Direct Insurance premiums for insurance companies & ICC

Table 3.2-b
Basic Auto Insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	11,354	12,107
Variation in premiums	3.3%	6.6%
Retention	84.5%	84.1%
Gross loss ratio	76.6%	80.2%
Gross expenses	20.8%	20.2%
Net loss ratio	77.0%	80.9%
Net combined ratio	98.0%	101.6%
Financial result	3.1%	3.2%
Technical-financial result	5.1%	1.6%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-b
Performance trends in the Auto insurance line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

Table 3.2-c
Average frequencies and costs by coverage in Auto insurances
(frequency, %; average cost, euros)

Guarantees	Frequency (%)			Average cost (euros)		
	2022	2023	Variation (pp)	2022	2023	Variation %
Third-Party Liability	6.98%	6.75%	-0.235	1,883	2,031	7.9%
Bodily injury	1.43%	1.44%	0.004	5,138	5,153	0.3%
Property, plant and equipment	5.84%	5.75%	-0.085	979	1,075	9.9%
Damage attributable to the policyholder	21.91%	22.65%	0.741	869	923	6.2%
Broken windshields	6.30%	6.26%	-0.040	349	380	8.7%
Theft	0.57%	0.53%	-0.042	971	1,154	18.8%
Legal Defense	1.30%	1.33%	0.032	273	271	-0.7%
Occupants	0.29%	0.29%	-0.008	919	879	-4.4%
Fires	0.06%	0.06%	0.001	3,727	4,044	8.5%
Driver's license suspended	0.01%	0.01%	-0.003	749	827	10.5%

Source: MAPFRE Economics (based on ICEA data)

2024 Progress

In 2024, Automobile insurance is still influenced by rising inflation, resulting in higher claims costs, which chips away at margins if not accompanied by a proportional increase in premiums. Meanwhile, this insurance line will be affected in the near future by a regulatory change currently in its final parliamentary process. At the end of May 2024, the Council of Ministers approved the bill amending the revised text of the Civil Liability and Insurance in the Circulation of Motor Vehicles Act, approved by Royal Legislative Decree 8/2004, of October 29, and Law 20/2015, of July 14, on the regulation, supervision, and solvency of insurance and reinsurance companies. The bill has been sent to the Congress of Deputies for its parliamentary proceeding. One of the act's objectives is to transpose Directive 2021/2118 relating to third-party liability insurance for the circulation of motor vehicles, and to supervise the obligation to insure this liability. Transposition of the directive will also improve the authorities' oversight of the existence of insurance. The act also seeks to incorporate improvements proposed by the Commission for Valuation System Monitoring into the valuation of indemnifications for personal injury caused by traffic accidents.

In short, the most relevant changes the new regulation introduces for Automobile insurance are the following: (i) transposition of the directive that broadens the definition of motor vehicles, which entails the extension of compulsory insurance to agricultural or industrial vehicles, which were exempt until now, allowing them a period of six months from the publication of the act to obtain the insurance; (ii) introduction of the concept of light personal vehicles, including electric scooters or personal mobility vehicles, which must have compulsory third-party liability insurance (the government shall set up a public registry of light personal vehicles before January 2, 2026); (iii) an improvement in the system for valuation of compensation for personal injuries, streamlining procedures for the valuation and payment of compensation and increasing the amount thereof, and (iv) expansion of the cases of indemnification covered by the Insurance Compensation Consortium, protecting those affected by traffic accidents in the event of the insurance company's insolvency.

Finally, it should be noted that the most recent data on Q2 2024 show that the Automobile line maintains an upward trend, with a 9.1% increase in premiums, surpassing the total increase in Non-Life lines (7.8%). These data also show a change in the top-ranked group in the line, which is now MAPFRE with an 18% market share, surpassing the Mutua Madrileña group.

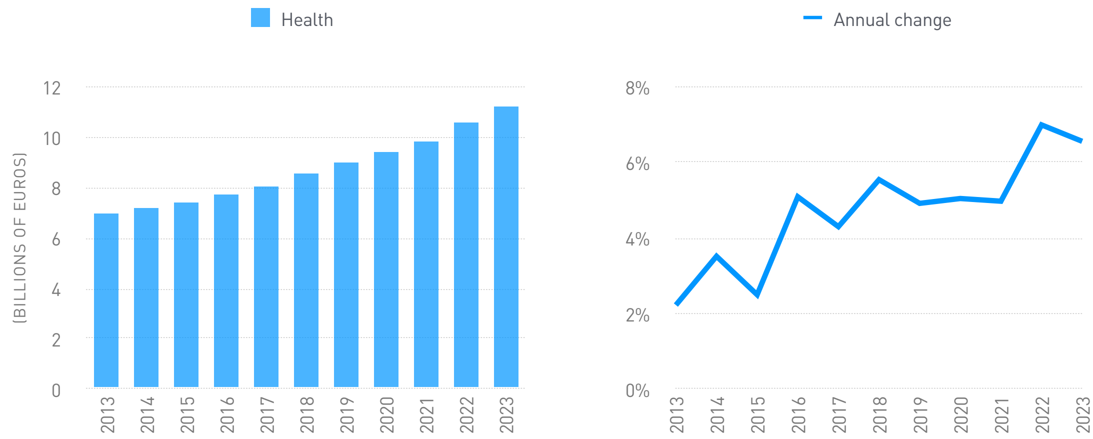
Health

The Health insurance line grew again in 2023, with written premiums up 6.6% to 11.2 billion euros, again placing it second among Non-Life lines by premium volume (see Chart 3.2-c). This growth in revenues was accompanied by an increase in the number of policyholders, which reached 14.2 million, 2.9% more than in 2022. By modality, Expense Reimbursement and Healthcare Assistance saw 9.0% and 6.6% increases in premiums, respectively, while Subsidies and Indemnifications dropped 2.4%. The group and individual Healthcare Assistance insurance modalities had very similar increases of 9.6% and 9.3%, respectively, with a decline in public administration insurance.

In terms of technical results, the combined ratio for the line stood at 94.1% in 2023, down slightly from 94.2% the previous year, with a -0.3 pp improvement in the loss ratio offset by a small increase in the expense ratio. The financial result increased over 2022, resulting in a technical-financial result of 8.7% of premiums, 2.6 pp better than the previous year (see Table 3.2-d and Chart 3.2-d).

Although the line's loss ratio improved slightly in 2023, the figures registered are the highest in recent years, mainly for the reasons already discussed in our previous report: (i) the frequency with which policyholders use private health services remained high (the public health system still has long waiting lists, mainly in specialized care and diagnostic media, which result in the mixed use of public and private systems by users of medical insurance shifting more and more toward the private sector); (ii) private medical centers provide the policyholder with increasingly integrated services, offering care in the same health center for an initial consultation, diagnostic tests, and even surgery. This causes an increase in the average cost of healthcare; and (iii) the large private hospital chains continue to exert upward pressure on negotiations for the healthcare fee scales

Chart 3.2-c
Trends in direct Health insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



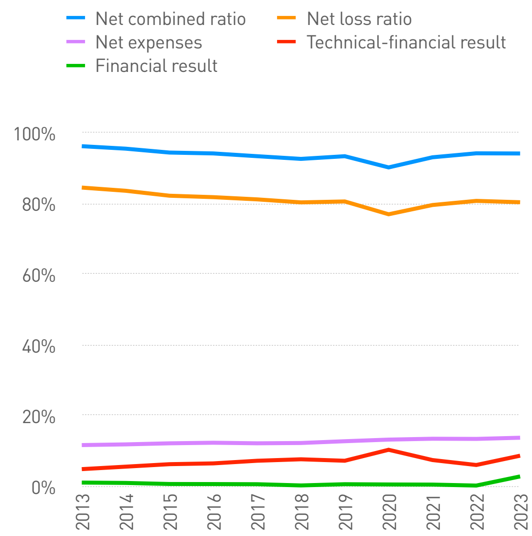
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-d
Basic Health Insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	10,543	11,235
Variation in premiums	7.0%	6.6%
Retention	96.1%	95.5%
Gross loss ratio	79.6%	79.3%
Gross expenses	13.6%	13.8%
Net loss ratio	80.7%	80.4%
Net combined ratio	94.2%	94.1%
Financial result	0.3%	2.8%
Technical-financial result	6.1%	8.7%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-d
Performance trends in the Health insurance line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

agreed with the insurance companies to pay for medical services performed on their policyholders.

2024 Progress

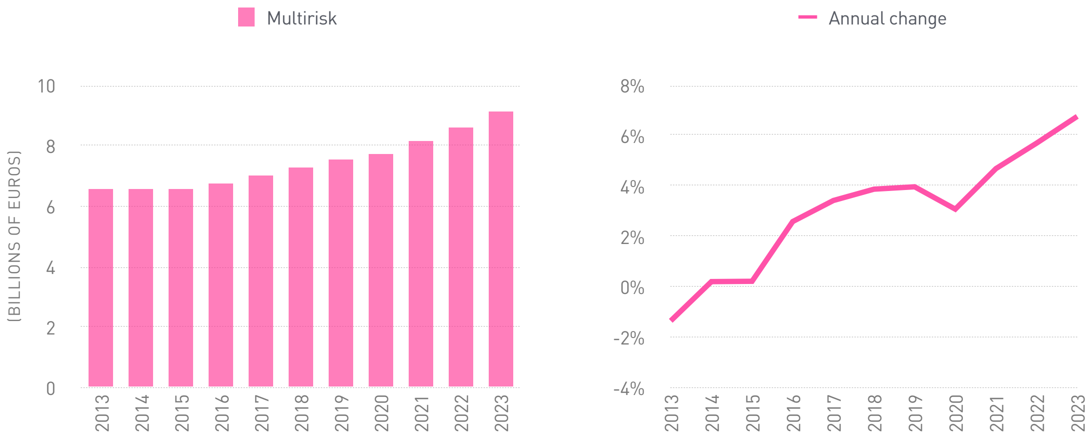
With respect to the line's progress so far in 2024, it should be noted that, in order to prevent the high loss ratio from increasing further, higher premium increases than in previous years have been passed on to policyholders in renewals, most of which took place in January 2024. Thus, in the first three months of the year, the loss ratio declined slightly with respect to the same period of the previous year, resulting in a 0.2 pp improvement in the combined ratio. As a result, the line's revenues continue the upward trend of recent years, with a 7.4% increase in premiums in the first half of 2024. Both Expense Reimbursement, up 8.5%, and Healthcare Assistance, up 7.4%, performed well, while Subsidies grew by only 0.4%.

Multirisk

Multirisk insurance earned 9.2 billion euros in premiums in 2023, up 6.8% from the previous year, with rate increases to bring premiums in line with cost inflation (see Table 3.2-e and Charts 3.2-e and 3.2-f). All modalities increased their premium volume in 2023 compared to the previous year, even improving on the increase rates of 2022. Industrial Multirisk insurance, which has been on an upward trend over the last six years, registered the highest increase, 9.3%, followed by Condominium (6.4%), Home (6.3%), and Commercial (4.9%).

Meanwhile, the Home and Condominium lines were impacted by severe weather phenomena that adversely affected the loss ratio and increased the combined ratio in both cases, while the technical results of Industrial and Commercial Multirisk insurance improved with respect to the previous year, thanks to the decrease in the loss ratio. As a whole, the combined ratio of Multirisk insurance increased by 1.1 pp, as a result of a worsening of the loss ratio by

Chart 3.2-e
Trends in direct Multirisk insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



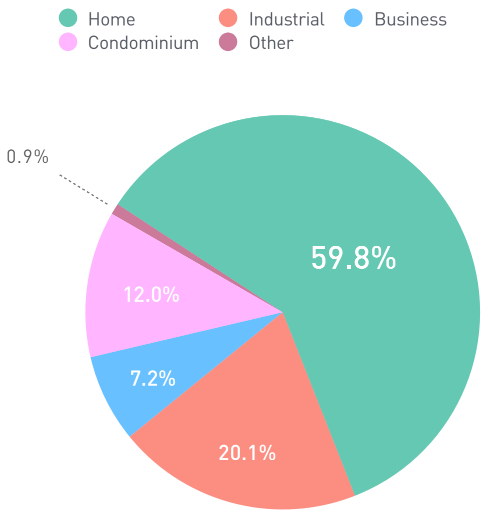
Source: MAPFRE Economics (based on ICEA data)

1.6 pp and a -0.5 pp improvement in expenses (see Table 3.2-e and Chart 3.2-g).

2024 Progress

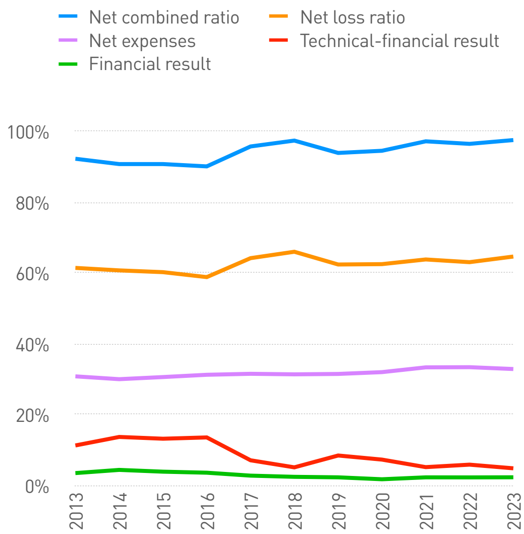
Premiums are expected to continue to be adjusted upwards for all modalities in 2024, until a satisfactory result is achieved. It is still important for Industrial and Commercial Multirisk insurance companies to guide customers to the best insurance options. In addition, an increasing number of technology solutions are being offered, including customer support and assistance, as well as insurance protections for growing threats such as cyber risks. With regard to

Chart 3.2-f
Breakdown of Multirisk premiums by modality, 2023
(percentage of written premiums)



Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-g
Performance trends in the Multirisk insurance line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

Table 3.2-e
Basic Multirisk
insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	8,578	9,158
Variation in premiums	5.7%	6.8%
Retention	79.6%	79.6%
Gross loss ratio	63.1%	66.3%
Gross expenses	31.1%	30.7%
Net loss ratio	63.0%	64.6%
Net combined ratio	96.4%	97.5%
Financial result	2.3%	2.3%
Technical-financial result	5.9%	4.8%

Source: MAPFRE Economics (based on ICEA data)

advance data for this line so far in 2024, the information published for the first half of the year shows an 8.4% increase, with growth of around 10% in all lines, with the exception of Industrial Multirisk, which grew by 5.5%.

Table 3.2-f
Basic Home Multirisk
insurance indicators
(premiums, millions of euros; ratio over premiums, %)

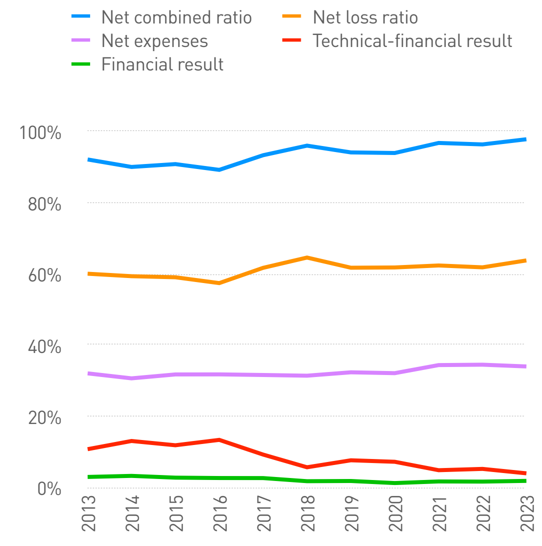
	2022	2023
Written premium volume (millions of euros)	5,149	5,476
Variation in premiums	5.5%	6.3%
Retention	88.1%	88.2%
Gross loss ratio	61.1%	63.5%
Gross expenses	33.8%	33.3%
Net loss ratio	61.9%	63.8%
Net combined ratio	96.4%	97.9%
Financial result	1.7%	1.9%
Technical-financial result	5.3%	4.0%

Source: MAPFRE Economics (based on ICEA data)

Home Multirisk

As stated previously, 2023 was characterized by premiums being adjusted to cost inflation that began in 2022. This occurred in general in all damage lines and in Home insurance in particular, resulting in 6.3% growth in premiums, which did not come from net sales per se, but from the renewal of the portfolio. In addition, it was another year of intense atmospheric phenomena, with several episodes of isolated high-level depressions in the second half of 2023. This adversely affected the loss ratio and increased the combined ratio by 1.4 pp, which could not be offset by a slight increase of 0.2 pp in the financial result (see Table 3.2-f and Chart 3.2-h). Thus, it is foreseeable that premiums will continue to be adjusted upwards in 2024 until a satisfactory result is achieved.

Chart 3.2-h
Performance trends in the
Home Multirisk line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

Industrial Multirisk

Premium volume for Industrial Multirisk insurance amounted to 1.8 billion euros in 2023, representing a 9.3% increase over 2022, when it grew 8.8% YoY, adding to the increases of the last six years (see Table 3.2-g and Chart 3.2-i). The line's revenue stabilized in 2023, with rate increases in both new production and portfolio premiums to adjust them to the result and to the CPI increase of previous years, and reorganization plans in certain sectors, such as the food industry, as well as specific conditions for emerging risks, such as photovoltaic or lithium batteries, and/or for construction types such as sandwich panels. The technical data indicators show a substantial improvement in 2023 with respect to previous years, highlighting the 3 pp improvement in the net loss ratio and a strong combined ratio of 98.6%, when in recent years it was above 100%.

The forecast for 2024 points to "technical rigor." The influence of inflation on this line is important for updating premiums and conditions, and brokers' advice to corporate customers is particularly important, especially with regard to prevention, which entails greater knowledge of the risks and better insurance conditions for customers with more serious risks. Therefore, the companies' customer care and service will be increasingly influential in guiding customers towards the best insurance options. Meanwhile, an increasing number of technology solutions are being offered, including customer support and assistance, as well as insurance protections for threats that are growing and becoming more and more prevalent in these companies' businesses, such as cyber risks.

Commercial Multirisk

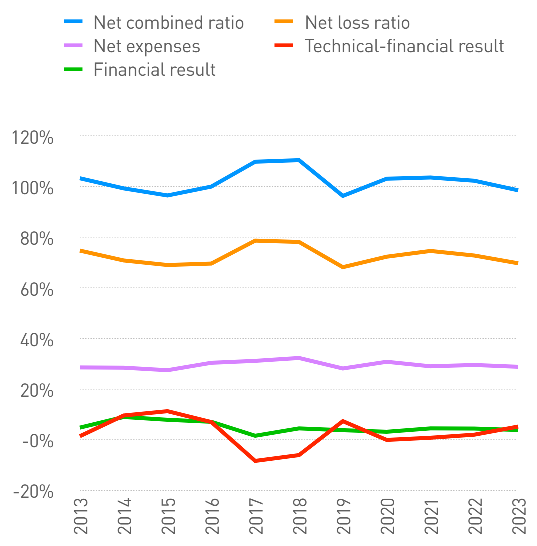
Commercial Multirisk insurance premium volume in 2023 amounted to 660 million euros, representing a 4.9% YoY increase and far exceeding the growth of previous years (see Table 3.2-h and Chart 3.2-j). Strong performance was recorded in 2023 in this line of business, which is affected by high volatility, due mainly to business

Table 3.2-g
Basic Industrial Multirisk insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	1,684	1,840
Variation in premiums	8.8%	9.3%
Retention	49.1%	49.6%
Gross loss ratio	72.4%	77.5%
Gross expenses	23.0%	22.7%
Net loss ratio	72.8%	69.8%
Net combined ratio	102.4%	98.6%
Financial result	4.4%	3.9%
Technical-financial result	2.0%	5.2%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-i
Performance trends in the Industrial Multirisk line
(indicators over premiums)



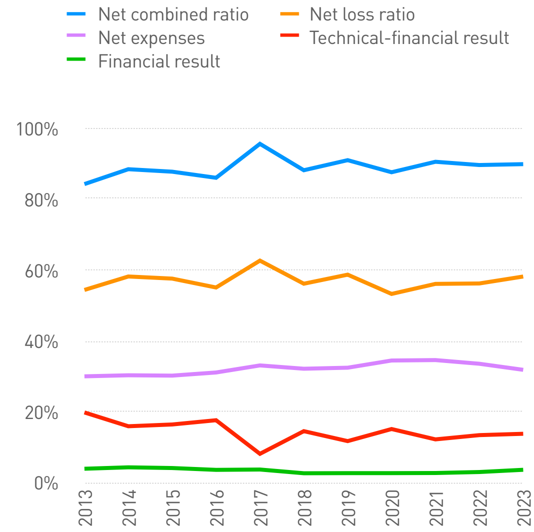
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-h
Basic Commercial Multirisk insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	630	660
Variation in premiums	1.2%	4.9%
Retention	81.9%	82.2%
Gross loss ratio	55.3%	56.8%
Gross expenses	32.4%	31.3%
Net loss ratio	56.1%	58.1%
Net combined ratio	89.6%	89.8%
Financial result	2.9%	3.5%
Technical-financial result	13.3%	13.7%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-j
Performance trends in the Commercial Multirisk line
(indicators over premiums)



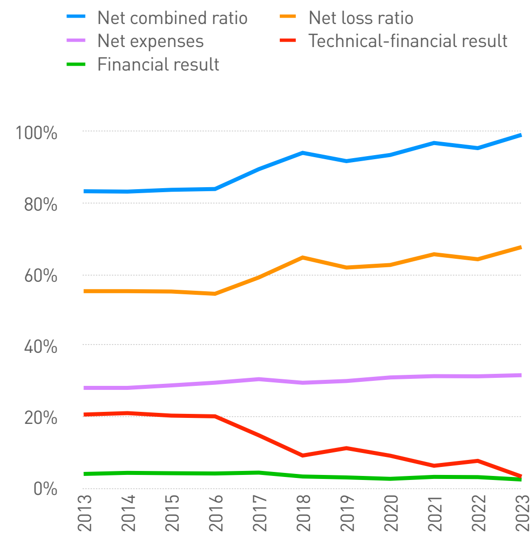
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-i
Basic Condominium Multirisk insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	1,032	1,098
Variation in premiums	4.9%	6.4%
Retention	85.7%	85.8%
Gross loss ratio	63.2%	67.0%
Gross expenses	30.0%	30.5%
Net loss ratio	64.2%	67.6%
Net combined ratio	95.4%	99.2%
Financial result	2.9%	2.2%
Technical-financial result	7.5%	3.1%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-k
Performance trends in the Condominium Multirisk line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

closures and openings, as well as changes in types of stores, more focused on online sales and with an increase in large franchisee companies. The other indicators for this type of insurance show stable results with respect to the previous three years, with the increase in the loss ratio offset by a reduction in expenses. Looking ahead to 2024, big data and Artificial Intelligence (AI) are expected to be used increasingly in order to offer sound advice and identify the best products and operations for customers in this sector, given the impact of this advice on product sales. The influence of atmospheric phenomena on the loss ratio of this type of Multirisk insurance must also be noted.

Condominium Multirisk

Finally, the performance of the Condominium segment is parallel to that of the Home segment and is also strongly impacted by the effect of cost inflation, which has had repercussions on policy renewals and, therefore, on the increase in premiums, which amounted to 1.1 billion euros, 6.4% more than in the previous year. Atmospheric phenomena have also had a significant impact on this type of multirisk insurance, raising the loss ratio by 3.4 pp and expenses by 0.3 pp, resulting in a combined ratio of 99.2%, which is 3.8 pp higher than in 2022 (see Table 3.2-i and Chart 3.2-k).

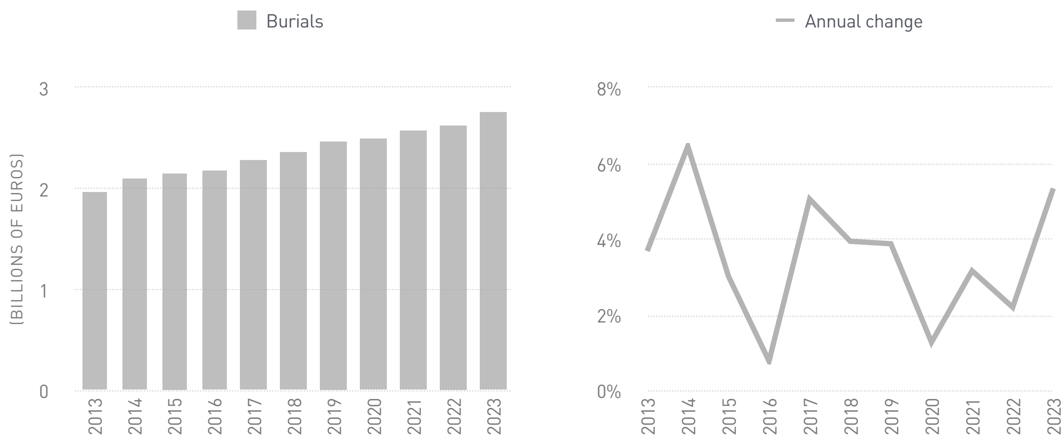
Other Non-Life lines

Burials

The transformation process of the Burials line continued in 2023, and in new production, level premiums gave way to a greater weight of single and composite premiums, with a high natural component. This evolution favors approaching new groups of customers who are looking for a solution for imminent insurance needs or want access to affordable burial insurance. Thus, the figures for this insurance line continue to rise, with premiums increasing year after year and retention rates close to 100%. In 2023, business volume grew by 5.4% to 2.8 billion euros, higher than the 2.2% increase of the previous year (see Chart 3.2-l).

The line's technical result was again improved by a 1.7 pp decrease in the loss ratio in 2023, together with a slight -0.3 pp improvement in expenses, bringing the combined ratio down by 2.0 pp to 90.1%, much lower than the 98.4% in 2019, the

Chart 3.2-l
Trends in direct Burial insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



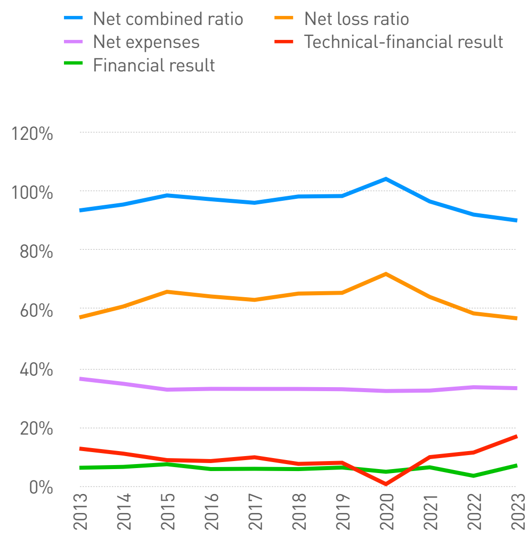
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-j
Basic Burial insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	2,626	2,766
Variation in premiums	2.2%	5.4%
Retention	98.0%	98.2%
Gross loss ratio	57.7%	56.2%
Gross expenses	33.4%	33.2%
Net loss ratio	58.6%	56.9%
Net combined ratio	92.1%	90.1%
Financial result	3.5%	7.0%
Technical-financial result	11.4%	16.9%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-m
Performance trends in the Burial line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

year before the pandemic. In addition, the evolution of interest rates during fiscal year 2023, and the expected developments in the coming years, had a significant impact on the line's performance. On the one hand, there was a marked increase in the financial result, which breaks with the stable trend, with rates close to zero percent, which had prevailed in recent years. And, on the other hand, there was a transfer to the business, impacting the calculation of technical provisions and rates and leading to a review of the conditions offered to customers in order to improve insurance offerings. This resulted in a technical-financial result representing 16.9% of premiums, 5.6 pp above the previous year (see Table 3.2-j and Chart 3.2-m).

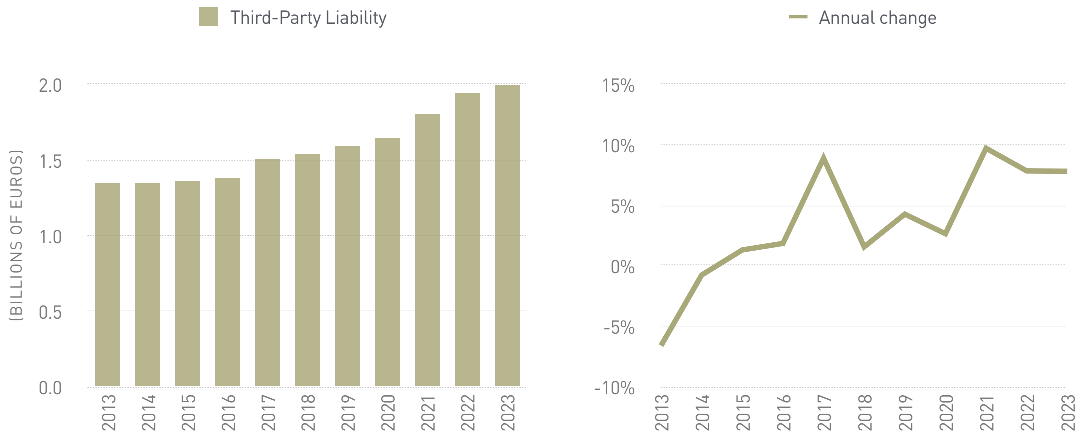
Third-party liability

The Third-Party Liability line of business grew by 7.8% in 2023, with written premium volume of 2.1 billion euros (see Chart 3.2-n), confirming the growth trend of previous years after overcoming the impact of the pandemic on premiums in this line. In particular, there was a noteworthy increase in Professional Third-Party Liability premiums and also, although to a lesser extent, in Public Administration, which was necessary to balance the result and correct loss ratio deviations of these activities.

Meanwhile, due to high inflation, as well as the impact of the increase in the bodily injury scale used as a reference in the Third-Party Liability line, the cost of claims incurred is increasing, which calls for premiums to grow to the same extent, so that they are sufficient to support future claims. Despite this, the line is in excellent health, with a net loss ratio of 52.9%, a combined ratio of 83.8%, and a technical-financial result of 21.5% (see Table 3.2-k and Chart 3.2-o).

In an ever-changing environment, the Third-Party Liability line has to adapt quickly and incorporate new coverages and exclusions as new risks emerge, such as perfluoroalkyl and polyfluoroalkyl substances (PFAS)[9]. Also, some important legislative developments will have a direct im-

Chart 3.2-n
Trends in direct Third-Party Liability insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

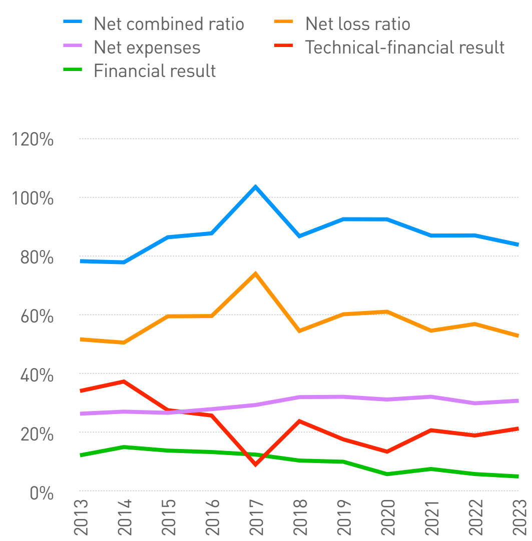
pact on the Third-Party Liability line. Among them is the future Product Liability Directive, which seeks to adapt the European Union's product liability system to new developments in the digital world and new emerging technologies. This legislation considerably broadens rules regarding liable economic operators, extending to not only the manufacturer or distributor, but also expressly to software developers and online platform providers. The directive on the adaptation of non-contractual third-party liability rules to artificial intelligence is also noteworthy. Therefore, there is a great need for Third-Party Liability insurance to be developed further, since the

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

	2022	2023
Written premium volume (millions of euros)	1,941	2,093
Variation in premiums	7.8%	7.8%
Retention	66.0%	66.3%
Gross loss ratio	56.1%	49.9%
Gross expenses	27.1%	27.8%
Net loss ratio	56.9%	52.9%
Net combined ratio	86.9%	83.8%
Financial result	6.0%	5.2%
Technical-financial result	19.1%	21.5%

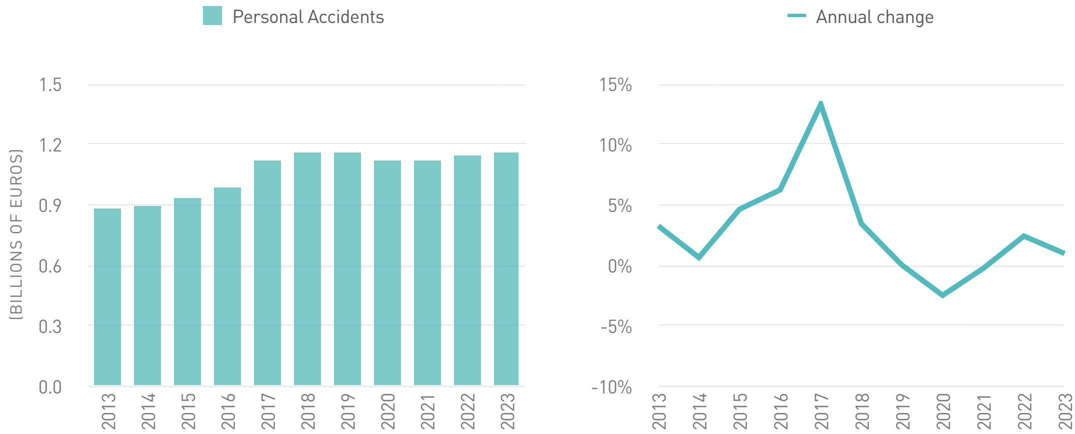
Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-o
Performance trends in the Third-Party Liability insurance line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-p
Trends in direct Personal Accident insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

need for security in a changing environment is an opportunity to develop insurance products that allow companies and consumers to minimize the dangers to which they are exposed.

Personal Accident

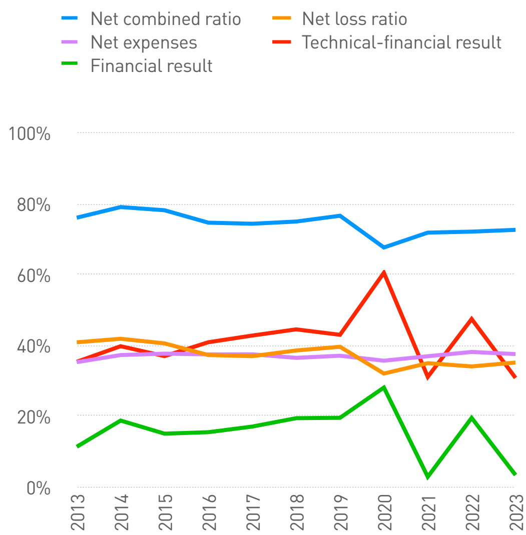
After the premium increase in 2022 in the Accident line, as a result of the full reactivation of temporary activities (after restrictions during the pandemic reduced written premiums), the line stabilized, showing a slight increase of 0.9%, lower than the 2.4% rise recorded in 2022, but higher than the result in 2019 (-0.02%), the year prior to the pandemic (see Chart 3.2-p). In terms of technical results, this line of business continues to maintain a healthy

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

	2022	2023
Written premium volume (millions of euros)	1,147	1,158
Variation in premiums	2.4%	0.9%
Retention	85.8%	86.3%
Gross loss ratio	35.2%	35.9%
Gross expenses	36.4%	36.2%
Net loss ratio	34.0%	35.1%
Net combined ratio	72.1%	72.6%
Financial result	19.4%	3.3%
Technical-financial result	47.4%	30.7%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-q
Performance trends in the Personal Accident insurance line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

combined ratio, which, despite an increase of 0.5 pp, remains close to 70%, making it one of the lines with the best results in the market. Meanwhile, the financial result was considerably reduced in 2023, leading to a technical-financial result of 30.7% on net earned premiums, much lower than the 47.4% of the previous year (see Table 3.2-l and Chart 3.2-q). It can therefore be concluded that, once the pandemic restrictions were overcome, the Accident insurance market returned to normality in terms of premium variation, maintaining the technical result. Finally, in the first six months of 2024, Accident insurance saw a slight increase of 0.7%, in line with the growth rates for this line since April 2022.

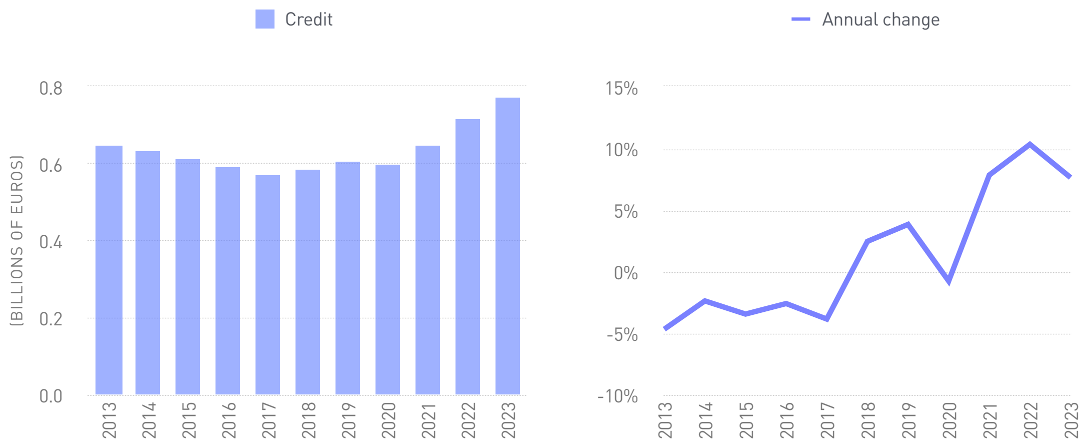
Credit

Credit insurance premiums recorded 7.7% growth in 2023 to 772 million euros. As pointed out in our previous report, the credit insurance market continued to grow in 2023, albeit at a more moderate pace, as a result of a lower increase in insured volumes, derived, among other factors, from the progressive correction of inflation (see Chart 3.2-r).

Meanwhile, the gross loss ratio in this insurance line rebounded to 44.0%, compared to the 41.2% registered in 2022, remaining at very acceptable levels according to historical records, but with a clear upward trajectory. This, together with a slight impairment in the expense ratio due to inflationary effects, led to a combined ratio of 74.6%, also higher than that achieved in 2022 (see Table 3.2-m and Chart 3.2-s). In this context, the downward adjustments in the industry's premium rates seem to have moderated during 2023, with a lower rebound in insured volumes and a controlled but growing loss ratio.

However, fiscal year 2024 will be marked by a slowdown in international economic growth; by falling but still persistent inflation, which will keep interest rates high, affecting companies' liquidity; by geopolitical tensions affecting supply chains; and by a high level of uncertainty derived from the global elections to be held this year. All of the above points to a possible increase in corporate insolvencies, and therefore in the loss ratio in the credit insurance line, which will moderate risk appetite. In this environment, insured volumes are expected to contract, negatively affecting growth figures. Thus,

Chart 3.2-r
Trends in direct Credit insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



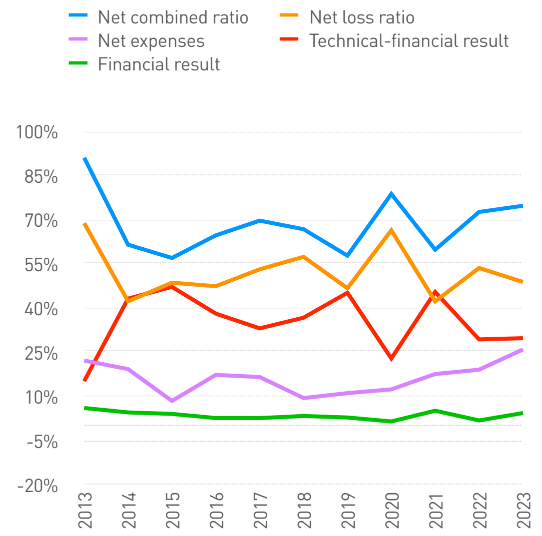
Source: MAPFRE Economics (based on ICEA data)

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

	2022	2023
Written premium volume (millions of euros)	717	772
Variation in premiums	10.4%	7.7%
Retention	53.7%	57.4%
Gross loss ratio	41.2%	44.0%
Gross expenses	28.5%	31.8%
Net loss ratio	53.5%	48.8%
Net combined ratio	72.5%	74.6%
Financial result	1.8%	4.3%
Technical-financial result	29.3%	29.7%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-s
Performance trends in the Credit line
(indicators over premiums)



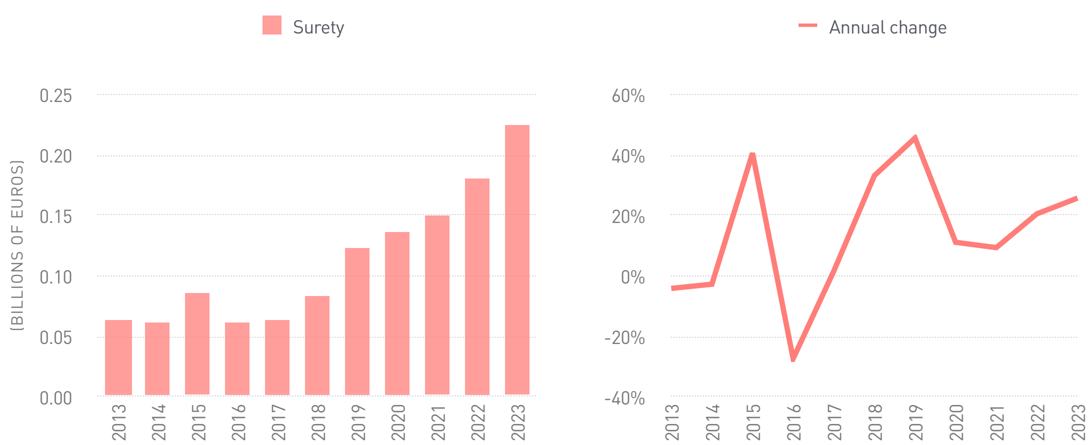
Source: MAPFRE Economics (based on ICEA data)

with data as of June 2024, the growth of the credit insurance line in Spain stands at 3.0%, well below the rate achieved in 2023.

Surety

In 2023, premium volume for Surety insurance totaled 225 million euros, representing an increase of 25.7% with respect to 2022 (see Chart 3.2-t). For yet another year, record growth was registered, among the highest of all types of insurance in Spain. The drivers were the same as in previous years: guarantees for the energy sector (especially, but not only, renewable energies) and traditional modalities, such as guarantees for contracting and supply

Chart 3.2-t
Trends in direct Surety insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



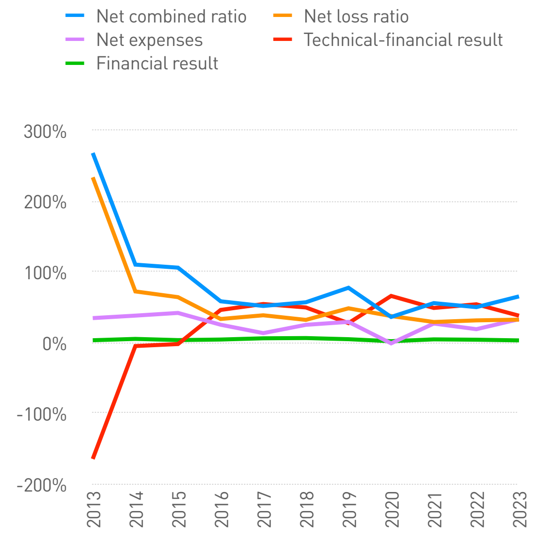
Source: MAPFRE Economics (based on ICEA data)

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

	2022	2023
Written premium volume (millions of euros)	179	225
Variation in premiums	20.5%	25.7%
Retention	37.0%	54.1%
Gross loss ratio	11.3%	30.1%
Gross expenses	35.1%	37.8%
Net loss ratio	31.2%	32.2%
Net combined ratio	49.9%	65.1%
Financial result	3.8%	2.9%
Technical-financial result	54.0%	37.8%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-u
Performance trends in the Surety line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

to Public Administrations, compliance bonds and advance payment in private contracting, and those linked to the real estate sector.

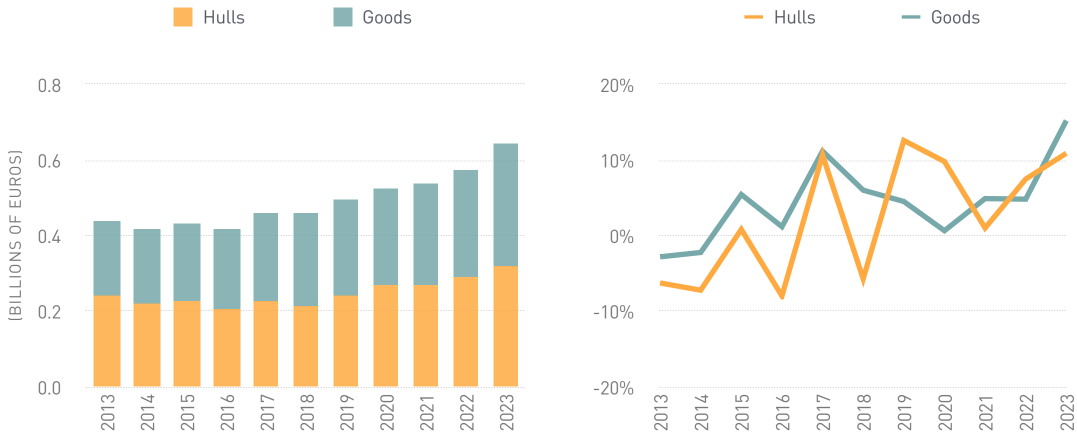
However, the line's gross loss ratio rebounded significantly with respect to 2022, due to some occasional cases of intensity, but still stands at 30.1%, which can still be considered acceptable for this insurance line. Gross expenses also increased, albeit moderately considering the inflationary environment, bringing the combined ratio to a very positive 65.1% (see Table 3.2-n and Chart 3.2-u). Apparently, none of the threats anticipated in the previous report (inflation, rising interest rates, end of COVID-19 aid, war in Ukraine) have had a negative impact on the sector.

Meanwhile, it should be noted that the number of operators in this insurance line continues to increase, although some have also left the market, perhaps because they did not achieve the expected objectives given the highly competitive environment. In addition, companies continue to gain ground over banks in the total guarantee market. As of June 2024, the sector has grown 15.4%. Thus, despite geopolitical uncertainties and the economic slowdown, the start of the year points to another year of growth for the line. There are no signs of a lack of reinsurance capacity, or of more restrictive underwriting by the main market players.

Transport

In the Transport line, the sector as a whole experienced significant growth of 13.0%, reaching 646 million in premium volume, which is representative of the improvement in the economic situation and the positive trend of recovery in the Spanish economy (see Chart 3.2-v). This growth has been driven by goods insurance, the main player in the growth of the Transport line (15.2%), with an excellent loss ratio. Logistical problems have been regulated, and as a result, freight rates have been reduced, lowering costs and partially mitigating the increase in inflation. Likewise, there is no generalized congestion in the main ports, and export/import levels are consolidating.

Chart 3.2-v
Trends in direct Transport insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

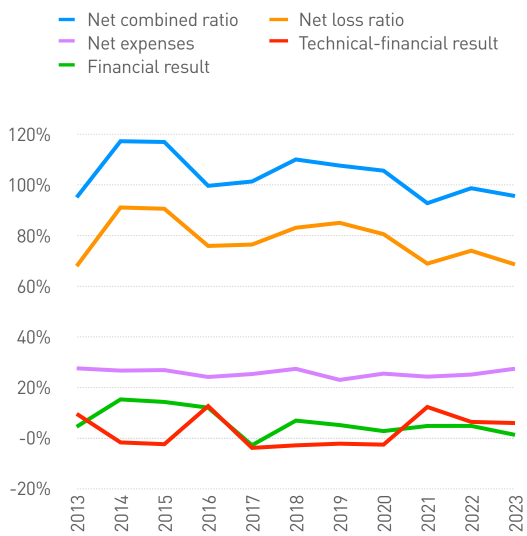
Hull insurance renewals, in turn, follow the line of the previous fiscal year, with a conservative trend, but seeking profitability, not only by increasing premiums but also with formulas for transferring risk to customers via deductibles and annual aggregate limits, among others. Shipbuilding has also contributed to this growth. Meanwhile, although the Aviation business has lower premium volume, it performed exceptionally well in 2023, with a double-digit increase of 26.2%, as a result of tougher renewals and high reinsurance support costs. However, the data for the first half of 2024 show a 2.4% decline in premiums in the Transport line, heavily

Table 3.2-o
Basic Hull Transport insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	290	321
Variation in premiums	7.5%	10.9%
Retention	29.2%	27.7%
Gross loss ratio	57.6%	53.2%
Gross expenses	17.4%	17.7%
Net loss ratio	73.7%	68.3%
Net combined ratio	98.4%	95.3%
Financial result	4.4%	0.9%
Technical-financial result	6.0%	5.6%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-w
Performance trends in the Hull Transport line
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

influenced by a 57.7% drop in premiums in Aviation insurance, as Marine and Goods insurance rose by 9.3% and 5.3%, respectively.

Hulls

The information presented in Table 3.2-o and Chart 3.2-w shows that Hull premiums grew by double digits, 10.9%, with a premium volume of 321 million euros. Fleet renewals are continuing with increases depending on the results of each account, but in general terms, renewals continue to be conservative. Part of this increase in premium volume still comes from the contribution of shipbuilding in shipyards, which are seeing more orders in their portfolios. In fact, Spain again ranked second in the European Union in terms of the number of units contracted and units delivered, excelling in market segments with high projection and growth, such as off-shore vessels for the maintenance and commissioning of offshore wind farms and oceanographic research vessels, among others. Premiums corresponding to shipbuilding are included in the Hull line.

Meanwhile, the loss performance has improved by 5.4 pp compared to the previous year (see Table 3.2-o and Chart 3.2-w), although, unfortunately, we still continue to see the sinking of fishing vessels and loss of human lives in the sector. However, there have been few units and of lesser insured value. Conversely, expenses increased by 2.3 pp, resulting in a combined ratio of 95.3%, compared to 98.4% in 2022.

Goods

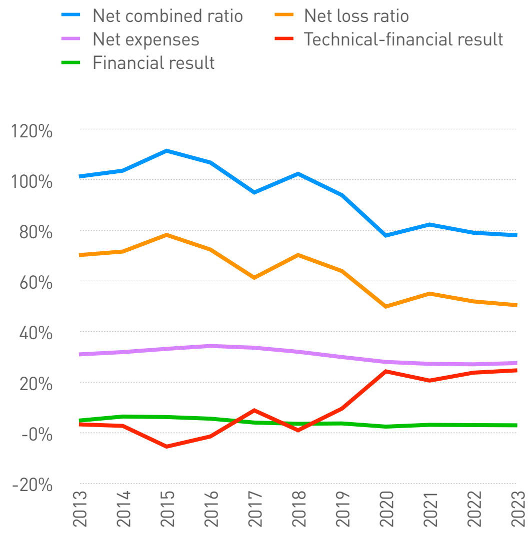
Growth in the Goods line of business gained momentum, in line with the improvement in the economy. Premiums tripled over the previous year to 15.2%, reaching a volume of 325 million euros. Meanwhile, the loss ratio maintained excellent performance, with neither high impact claims nor large, high-frequency accounts. The loss ratio has been below the break-even point for several years now, contributing to the stability of the line. Thus, the combined ratio improved 1.0 pp thanks to the improved loss ratio, as the other parameters increased 0.5 pp (see Table 3.2-p and Chart 3.2-x).

Table 3.2-p
Basic Goods Transport insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2022	2023
Written premium volume (millions of euros)	282	325
Variation in premiums	4.8%	15.2%
Retention	64.8%	59.3%
Gross loss ratio	51.2%	49.7%
Gross expenses	26.4%	25.6%
Net loss ratio	52.1%	50.6%
Net combined ratio	79.2%	78.2%
Financial result	3.1%	3.0%
Technical-financial result	23.9%	24.8%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-x
Performance trends in the Goods Transport line
(indicators over premiums)



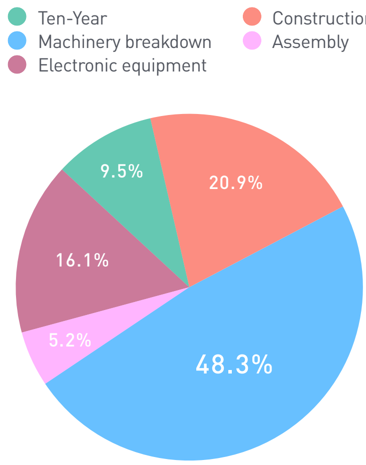
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-q
Breakdown of Engineering insurance by modality
(premiums, millions of euros; variation, %)

Modality	2023	2023/2022 variation
Ten-Year	49.5	6.0%
Construction	108.7	43.4%
Machinery breakdown	251.1	28.0%
Assembly	27.1	24.2%
Electronic equipment	83.7	15.8%
Total Engineering	**520.1**	**26.0%**

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-y
Breakdown of Engineering insurance premiums by modality, 2023
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

Engineering

During 2023, the various modalities of Engineering insurance performed positively, reaching a premium volume of 520.1 million euros, well above the previous year's 412.8 million euros, a 26.0% increase. With the exception of 10-year insurance, all modalities posted double-digit increases; in particular, Construction and Machinery Breakdown rose 43.4% and 28.0%, respectively (see Table 3.2-q and Chart 3.2-y). The statistics for the first six months of 2024 show double-digit increases in premium volume for all Engineering modalities with the exception of 10-year insurance, which fell by 11.0%.

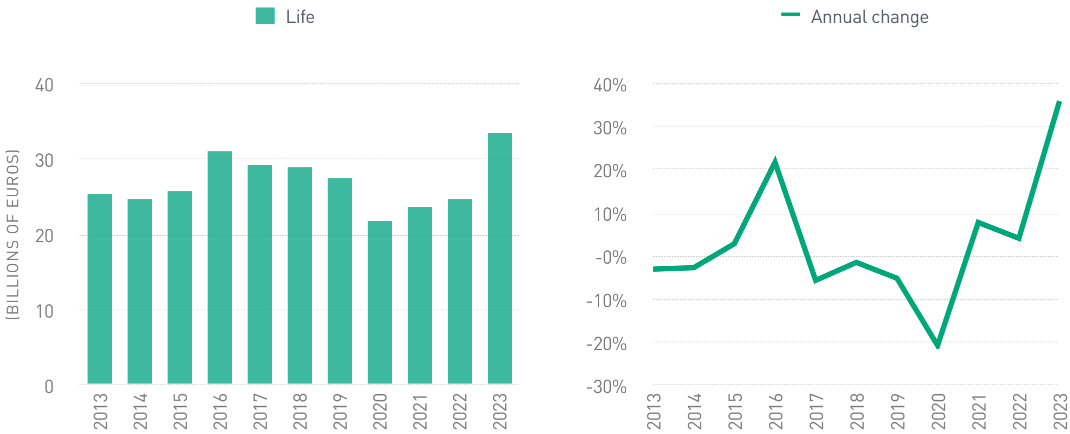
3.3 Life insurance business

Life insurance in Spain performed dynamically throughout the 2023 fiscal year, reaching a premium volume of 33.4 billion euros at the end of the year, with a significant increase of 36.0% over the previous year and 21.2% above that accumulated in 2019 (see Chart 3.3-a). The main driver of this growth was the Life Savings line, which increased by 46.3%, more than offsetting a 2.7% decrease in Life Protection. However, both segments of the Life market saw increased premium income over the volume achieved in 2019, up 3.7% in the case of Life Protection and 25.0% in Savings insurance.

As shown in Table 3.3-a, the Savings products with the highest premium volume registered significant increases: life annuities grew by 67.5%, deferred capital by 57.6%, and Individual Systematic Savings Plans (ISSP) by 67.4%. Unit-linked insurance also had a good year, although with more modest growth of 6.1%. The 98% increase in the transformation of assets into life annuities is noteworthy, although written premiums amounted to 147 million euros. On the other hand, Individual Long-Term Savings Insurance (ILTSI) fell by 6.3%. There was a 38.3% increase in individual insurance premiums and a 21.0% increase in group insurance premiums.

Meanwhile, technical provisions also showed a very positive performance, growing 5.2% to 203.8 billion euros. In this case, both Life Protection and Life Savings

Chart 3.3-a
Trends in direct Life insurance
(accrued direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

insurance increased, with particularly strong growth of unit-linked insurance at 19%, Individual Systematic Savings Plans (ISSP) at 10.2%, and life annuities at 5.5%. In contrast, the assets of Individual Long-Term Savings Insurance (ILTSI) and Insured Pension Plans (IPP) fell by 6.7% and 1.6%, respectively. Finally, as shown in Table 3.3-b, there was an upturn in the total number of policyholders, which represents 3.3% growth, with increases in Life Protection (3.2%) and Life Savings (3.8%), and a decrease in Long-Term Care (-12.5%).

Table 3.3-a
Breakdown of Life insurance premiums and provisions by modality
(written premiums net of cancellations, annual change, %)

Modality	Premiums		Technical provisions	
	2023	2023/2022 variation	2023	2023/2022 variation
Individual	29,406	38.3%	166,716	6.2%
Group	3.954	21.0%	37,093	1.2%
Total	**33,360**	**36.0%**	**203,808**	**5.2%**
Protection	5,036	-2.7%	7,186	1.6%
Dependency	11	0.8%	45	6.7%
Savings / Retirement	28,313	46.3%	196,577	5.4%
Insured Pension Plan	974	52.5%	10,856	-1.6%
Deferred capital	8,767	57.6%	47,804	0.6%
Annuities	9,298	67.5%	92,225	5.5%
Asset transformation into life annuities	147	98.0%	2,290	1.4%
PIAS (Planes Individuales de Ahorro Sistemáticos — individual systematic savings plans)	3,329	67.4%	15,033	10.2%
SIALP (Seguro Individual de Ahorro a Largo Plazo — individual long-term savings insurance)	567	-6.3%	3,755	-6.7%
Unit-linked	5,230	6.1%	24,615	19.0%
Total	**33,360**	**36.0%**	**203,808**	**5.2%**

Source: MAPFRE Economics (based on ICEA data)

Table 3.3-b
Breakdown of Life insurance policyholders by modality
(number of policyholders; annual change, %)

Modality	2023	2023/2022 variation
Protection	21,124,160	3.2%
Dependency	94,204	-12.5%
Savings / Retirement	8,981,422	3.8%
Total	**30,199,786**	**3.3%**

Source: MAPFRE Economics (based on ICEA data)

2024 Progress

During 2023, Life Savings insurance achieved spectacular figures as a result of a high interest rate environment. However, the Life Protection line decreased due to its strong link to the mortgage market. A slight downward trend in interest rates is expected throughout 2024, which will continue to encourage interest rate guaranteed savings to be well received, although there will also be room for savers seeking higher returns by assuming more risk through unit-linked insurance products. In addition, the slight downward trend in interest rates could result in some improvement in the pace of consumption and lending, which may generate some improvement in Life Protection insurance, since this type of insurance is largely linked to loans. The data published for the first half of 2024 show a 14.1% drop in Life written premiums, with 3% growth in Life Protection, and a 17.2% decrease in Life Savings, which contrasts with its 69.5% increase in June 2023.

Pension plans and pension funds

Thus, at the end of 2023, pension fund assets reached an asset volume of 122.4 billion euros, 7.4% more than in 2022, due to the strong performance of the financial markets in the final months of the year. By systems, the equity of individual and employment pension plans increased by 8.1% and 5.9%, respectively, while that of the associated system grew by 1.7% (see Chart 3.3-b).

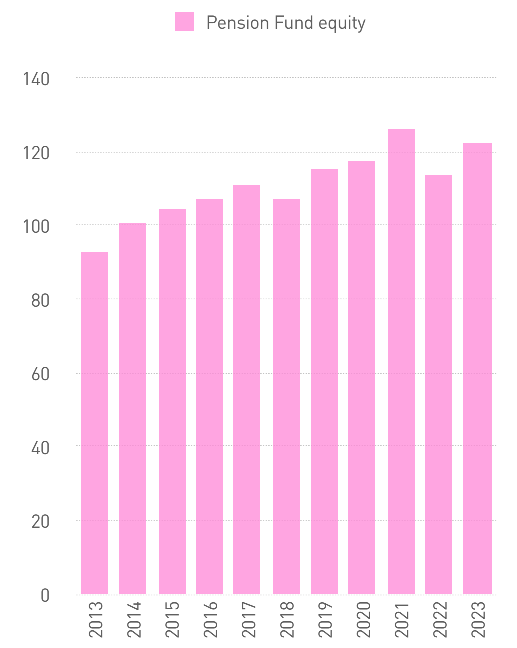
Meanwhile, the number of unitholder accounts closed 2023 at 9,492,436; 93,908 more than in December 2022, although the net number of unitholders is estimated at around eight million, as many unitholders have more than one plan open in order to diversify their investments (see Chart 3.3-c). Pension Plans closed 2023 with a YoY return of 8.7%, thanks to the strong performance of the financial markets in the last months of the year. Thus, in the medium term (10 and 15 years) they showed a yield of 2.8% and 3.7%, respectively.

Mutual funds

Meanwhile, domestic mutual fund assets increased by 41.6 billion euros and finished 2023 at 347.8 billion euros, 13.6% more than at the end of the previous year, thanks to the strong performance of the financial markets (see Chart 3.3-d). Net subscriptions increased to 18.4 billion euros for the year as a whole, with Fixed Income Funds registering the highest net inflows, predominantly in the longer term, given the preference of investors for more conservative positions in highly volatile environments. Average profitability in 2023 was 7.6%, with all investment categories generating positive returns, and especially areas with total exposure to equity.

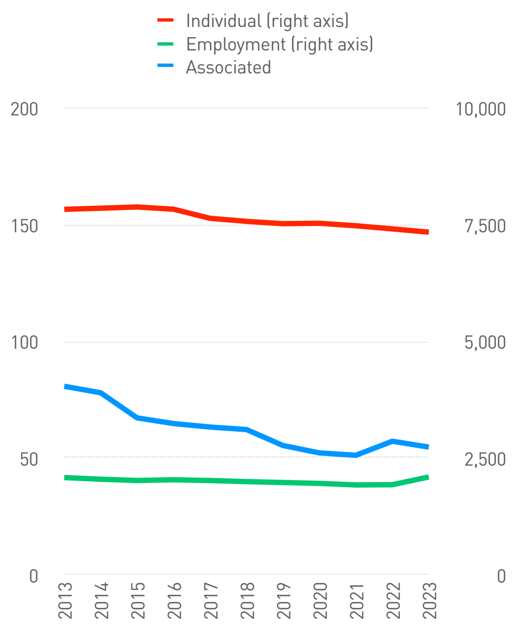
Meanwhile, the total number of mutual fund unitholders decreased by 0.6% in 2023 to 16 million. In relation to their risk profile, global and international funds account for the largest number of savers, 54.6%, followed by fixed income unitholders, who represent 31% of the total (see Chart 3.3-e). Investors in money market funds registered a significant increase over the previous year (70.3%), followed by passive funds (20.8%) and fixed income funds (4.3%), confirming once again that Spanish investors are choosing more conservative options.

Chart 3.3-b
Trends in Pension Fund equity
(billions of euros)



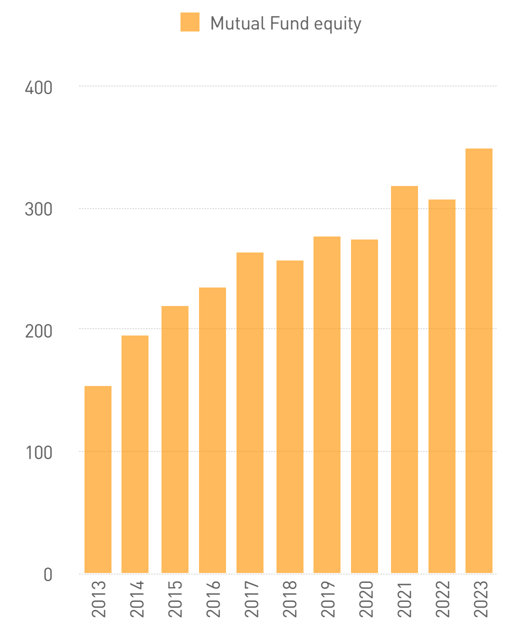
Source: MAPFRE Economics (based on Inverco data)

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



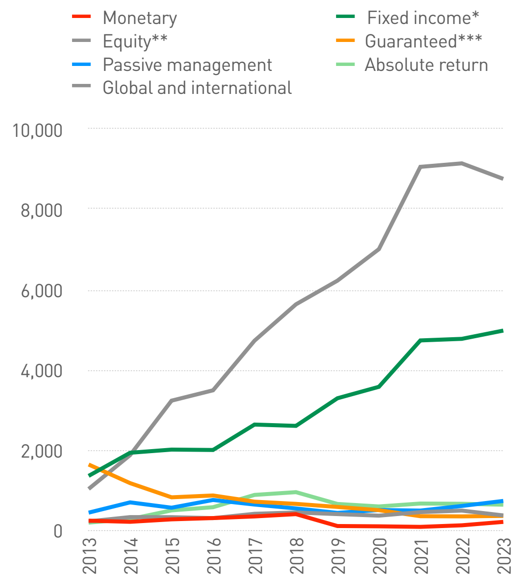
Source: MAPFRE Economics (based on Inverco data)

Chart 3.3-d
Trends in Mutual Fund assets
(billions of euros)



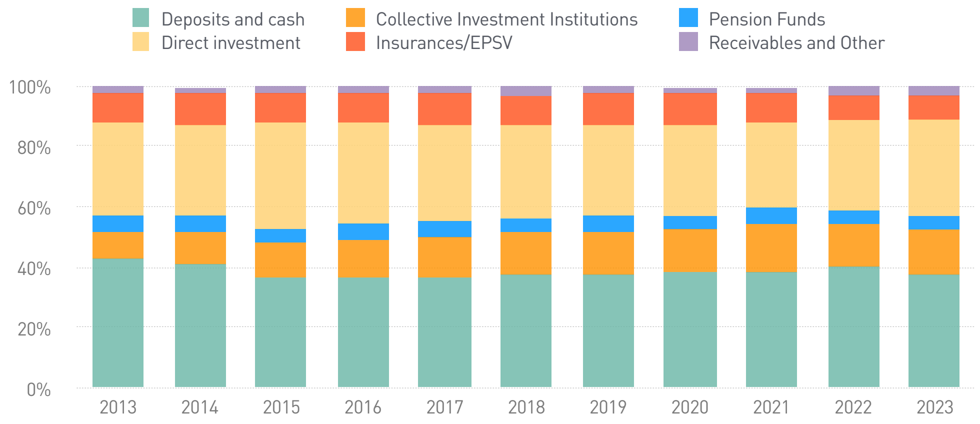
Source: MAPFRE Economics (based on Inverco data)

Chart 3.3-e
Trends in Investment Fund unitholders
(thousands of unitholder accounts)



Source: MAPFRE Economics (based on Inverco data)
* Composed of s/t fixed income, l/t fixed income & mixed fixed income
** Composed of equity and mixed
*** Composed of fixed, mixed and equity performance

Chart 3.3-f
Financial savings structure of Spanish households
(%)



Source: MAPFRE Economics (based on Inverco data)

Outlook for mutual funds and pension funds

Looking ahead to 2024, Inverco's report on collective investment schemes and pension funds indicates that, in a context of improved growth expectations and price stabilization, we can be optimistic about market performance in 2024. Pension plans are expected to show a positive return that could allow sustained growth, both in the individual system and in the employment system, with an asset volume that could increase by 2.1%, closing the year with assets of around 125 billion euros. With regard to mutual funds, unitholders' preferences for more conservative categories are likely to remain similar to what they were in 2023, while an improvement in equity markets could generate positive returns for mutual funds with greater exposure to equities. Therefore, Inverco estimates 7.3% growth in mutual fund assets, in terms of both net subscriptions and expected returns.

Financial assets of Spanish families

The savings generated by Spanish households in financial assets grew, in 2023, to 2.8 trillion euros, 6% more than the previous year. Meanwhile, household debt grew 745 billion euros that same year, so household net financial wealth stood at 2.1 trillion euros, 9.3% higher than the year before, representing 142.8% of Spanish GDP. As shown in Chart 3.3-f, the volume of assets earmarked for deposits remains the largest volume, accounting for 37.5% of the total, although it has dropped 2.7 percentage points with respect to the previous year. Likewise, mutual funds and shares in investment companies have increased their share of household financial savings, from 7.7% in 2013 to 15.5% in 2023. Savings managed by insurance companies and Voluntary Mutual Benefit Societies (VMBS) have remained stable over the last decade (233.3 billion euros in 2023). Likewise, pension funds have also maintained a stable share of around 5% of financial assets of Spanish households in recent years.

4. Structural trends in the Spanish market

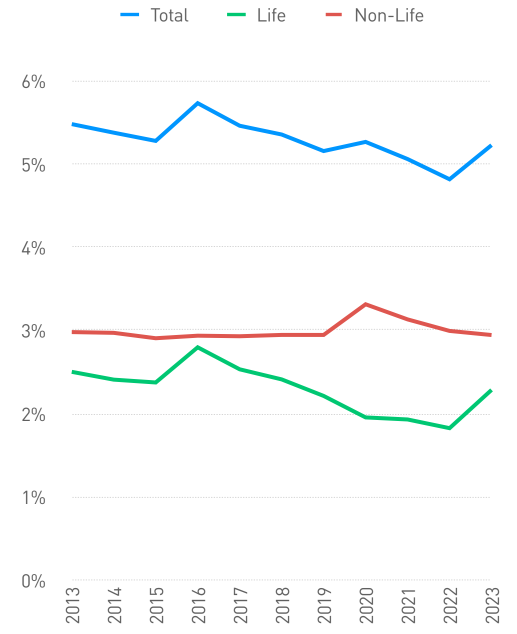
4.1 Penetration, density, and depth

Penetration

The strong performance of the Spanish insurance industry in 2023 fostered an increase in insurance penetration in the economy (the ratio of premiums to gross domestic product) to 5.22%, representing an increase of 0.41 percentage points (pp) compared to the figure observed in 2022 (see Charts 4.1-a and 4.1-b). In particular, the penetration rate for Life insurance grew by 0.46 pp in 2023 to 2.28%, while the penetration rate for Non-Life insurance stood at 2.94%, down slightly by 0.05 pp compared to 2022. Thus, in a medium-term analysis, the penetration of Spanish insurance over the last decade has dropped by 0.25 pp overall and by 0.22 pp in the case of the Life segment, while the Non-Life segment has remained practically unchanged.

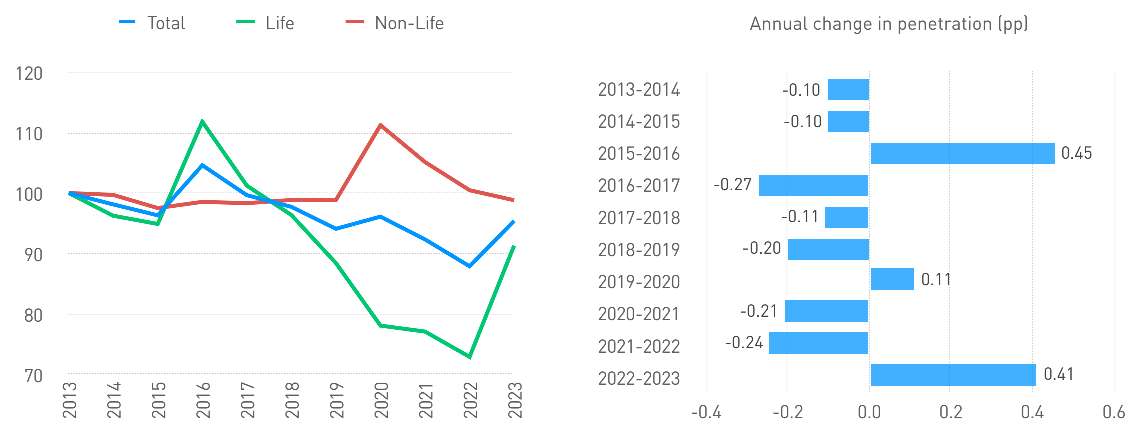
Specifically analyzing the Life insurance segment (see Chart 4.1-c) confirms that Life

Chart 4.1-a
Trends in penetration
(premiums/GDP)



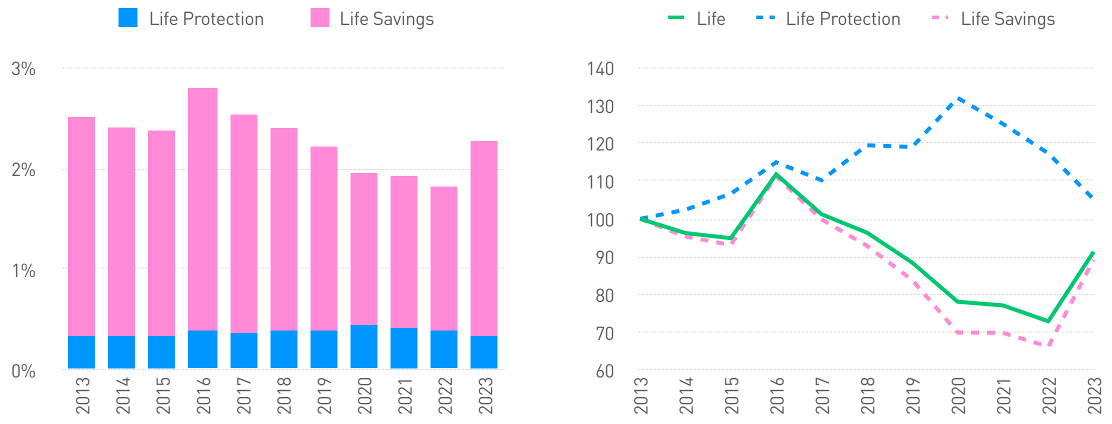
Source: MAPFRE Economics (based on ICEA and IMF data)

Chart 4.1-b
Trends in changes of penetration
(index 2013=100; annual change, pp)



Source: MAPFRE Economics

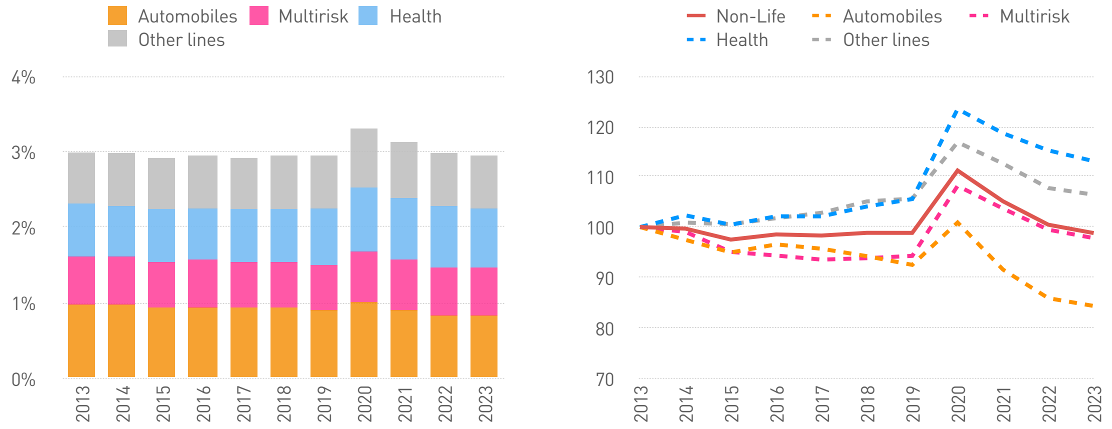
Chart 4.1-c
Trends in Life insurance penetration
(premiums/GDP; index 2013=100)



Source: MAPFRE Economics (based on ICEA and IMF data)

Savings insurance is the Life modality with the highest penetration level, reaching 1.94% in 2023, while Life Protection penetration was 0.35%. In the case of Life Savings insurance, the penetration rate reached its historical maximum in 2016; from that point, it trended downward until 2022, in an environment of interest rates guided by an ultra-accommodative monetary policy by the European Central Bank (ECB), returning to growth in 2023, following the change of monetary policy stance, with accelerated interest rate hikes from the second half of 2022. Meanwhile, in Life Protection insurance, the indicator increased by 0.02 pp between 2013 and 2023, although with a reduction in the last three years of the series. Thus, an analysis of the penetration index for this segment over the past decade (2013 index=100) shows that, while penetration in the Life Protection segment rose 5.2% between 2013 and 2023, the figure for the Life Savings segment dropped by 10.8% over the same period.

Chart 4.1-d
Trends in Non-Life insurance penetration
(premiums/GDP; index 2013=100)



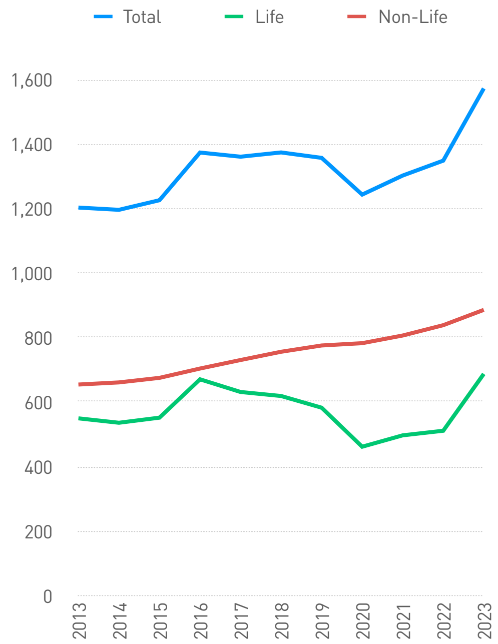
Source: MAPFRE Economics (based on ICEA and IMF data)

With regard to the Non-Life insurance segment (shown in Chart 4.1-d), penetration was 2.94% in 2023, down 0.05 pp from the previous year, with decreases in the main lines of insurance comprising it. Thus, for the Automobile line in particular, penetration decreased 0.02 pp in 2023, to 0.83%; the Multirisk line stood at 0.63% (0.64% in 2022); Health decreased slightly, from 0.78% in 2022 to 0.77% in 2023; and in all other Non-Life insurance lines, penetration was 0.72% (0.73% in 2022). However, looking at the medium-term trend in the indicator's evolution from 2013 to 2023 (2013 index=100), Health insurance penetration showed 13.1% growth in that period, while the Automobile and Multirisk lines dropped by 15.7 and 2.2%, respectively, and the other Non-Life lines presented an increase of 6.4%.

Density

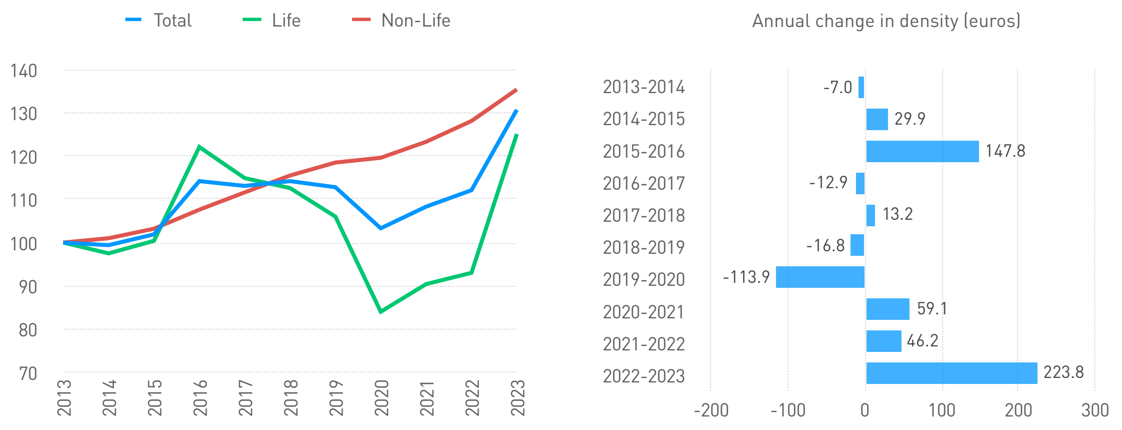
The density indicator establishes the ratio between a country's premium volume in relation to its population, that is, the level of premiums per capita. Chart 4.1-e illustrates insurance density in Spain, where the indicator stood at 1,571.5 euros in 2023, an increase of 223.8 euros over the previous year. There were increases in the density of both market segments, with a greater contribution from Life insurance, which increased its density 176.3 euros, to 686.5 euros. Meanwhile, the density of the Non-Life insurance segment stood at 885 euros, an increase of 47.5 euros in 2023.

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



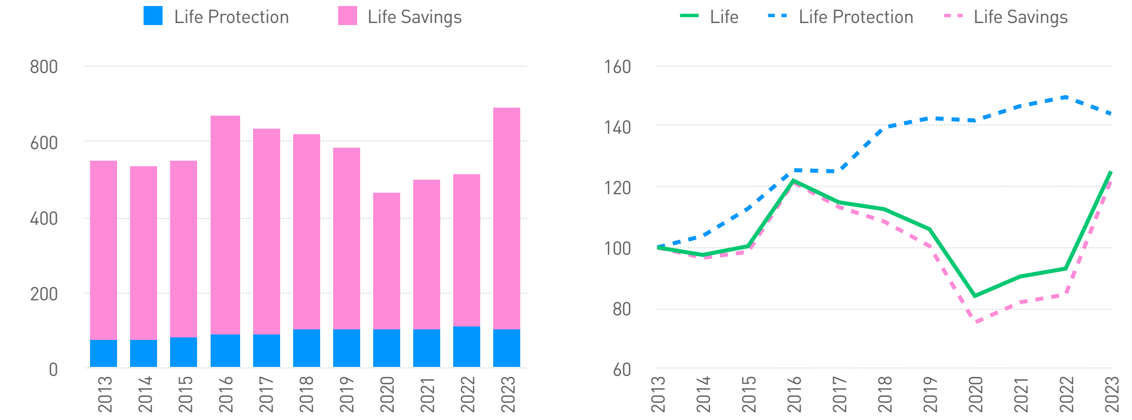
Source: MAPFRE Economics (based on ICEA and INE data)

Chart 4.1-f
Trends in changes of density
(index 2013=100; euros)



Source: MAPFRE Economics

Chart 4.1-g
Trends in Life insurance density
(premiums per capita, euros; index 2013=100)

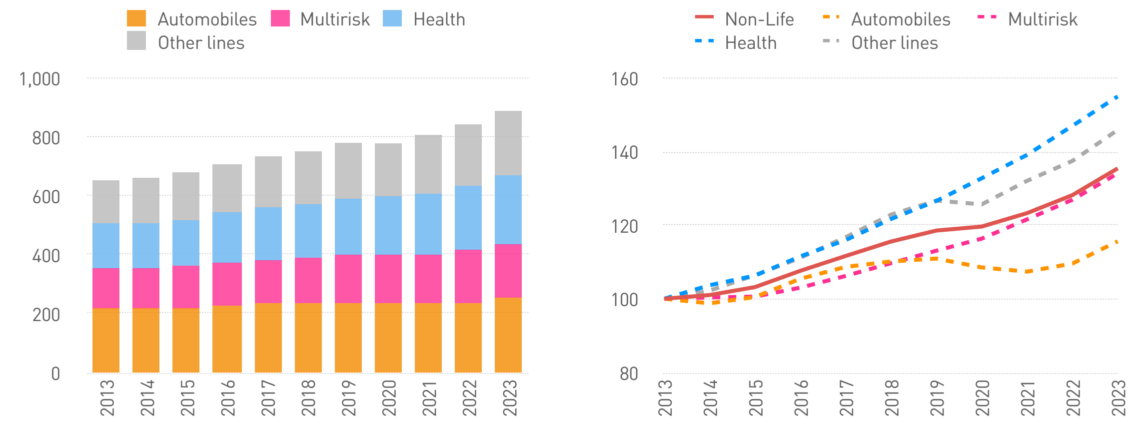


Source: MAPFRE Economics (based on ICEA and INE data)

Analyzing the Spanish market density from a medium-term perspective (2013 index=100), it achieved slight growth of 30.7% between 2013 and 2023 (rising from 1,202.2 to 1,571.5 euros), with accumulated growth in the indicator for Life insurance of 25.1% (from 548.7 to 686.5 euros), and a 35.4% increase in Non-Life insurance (from 653.5 to 885 euros) over the same period (see Chart 4.1.-f).

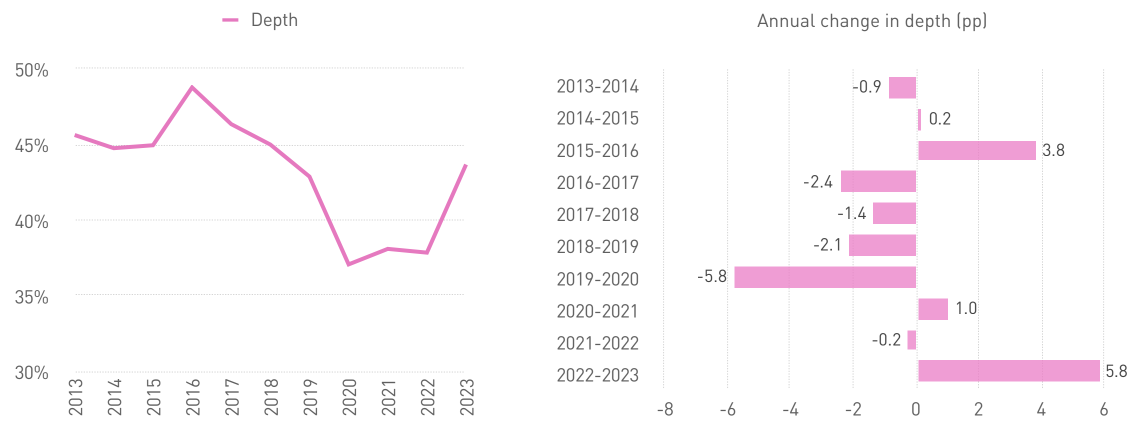
In a more specific analysis, density in the Life insurance segment (as occurs in the evolution of penetration levels) is basically determined by the performance of Life Savings insurance, whose density was 84.9% of the total. Thus, the density of Life Savings insurance, which stood at 582.7 euros in 2023 (180.2 euros more than the previous year), maintained the upward trend observed in the previous two years, after several years of decline, reaching its highest value in the decade. Meanwhile, the Life Protection insurance segment stood at 103.9 euros in 2023, registering a slight decrease of 4 euros compared to the previous year (see Chart 4.1-g).

Chart 4.1-h
Trends in Non-Life insurance density
(premiums per capita, euros; index 2013=100)



Source: MAPFRE Economics (based on ICEA and INE data)

Chart 4.1-i
Trends in depth
(direct Life insurance premiums/total direct premiums, %; annual change, pp)



Source: MAPFRE Economics

However, from a medium-term perspective, Life insurance density grew by 25.1% over the 2013–2023 period. Importantly, the growth in density in the Life Savings segment over the last two years has allowed for the recovery of more than 40 pp of the decline registered in 2020, bringing the increase between 2013 and 2023 to 22.3%. In turn, the Life Protection insurance segment grew by 44.1% over that decade, confirming that, in the medium-term trend, Life Protection insurance shows a greater dynamic than the Life Savings insurance segment.

The indicator for density in the Non-Life insurance segment (see Chart 4.1-h) is more equally distributed across the main lines comprising it. Thus, in 2023, the density of this market segment was distributed as follows: 28.2% corresponding to the Automobile line; 26.1% to the Health line; 21.3% to the Multirisk line; and 24.4% to the other lines in the Non-Life insurance segment, all recording increases over the previous year. Likewise, in the analysis of medium-term trends for the 2013–2023 period, Automobile registered an increase of 15.6% over the decade, while the Health, Multirisk, and other Non-Life lines recorded cumulative density increases of 55%, 34.1%, and 45.9%, respectively (2013 index=100).

Depth

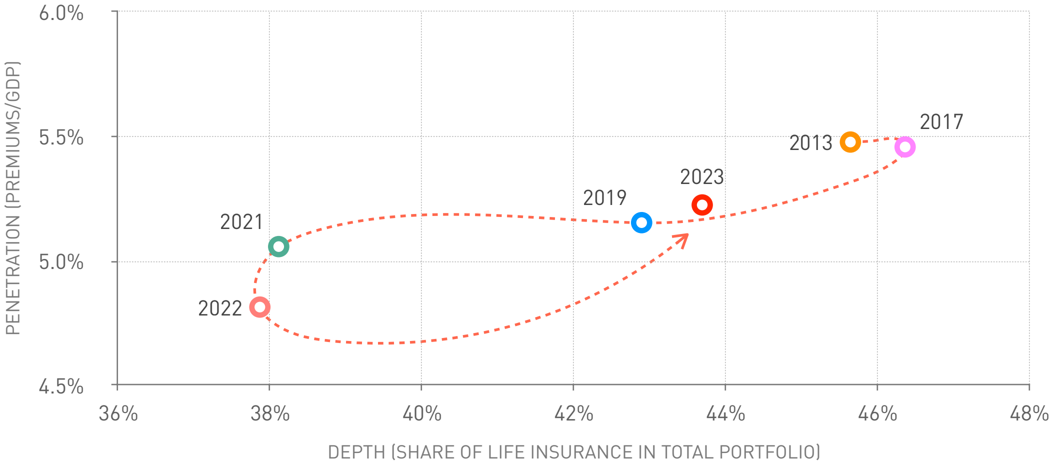
Between 2017 and 2020, Spanish Life insurance experienced annual declines in premium volume in the Life segment, recovering the growth path from 2021 onwards. This performance has influenced the sector's depth levels (share of direct Life insurance premiums in relation to total direct premiums in the market); this indicator stood at 43.69% in 2023, lower than the 45.64% recorded in 2013 (see Chart 4.1-i). Depth is an empirical measurement of the degree of maturity of the insurance industry. In the case of Spain, the behavior of this indicator continues to confirm the insufficient performance of the Life insurance segment compared to other European economies.

4.2 The Insurance Protection Gap

Structural trends in the market

Throughout 2023, the Spanish insurance industry maintained significant momentum, with premium volume growth of 17.8% over the previous year. This strong performance fostered an increase in Spanish insurance penetration (ratio of

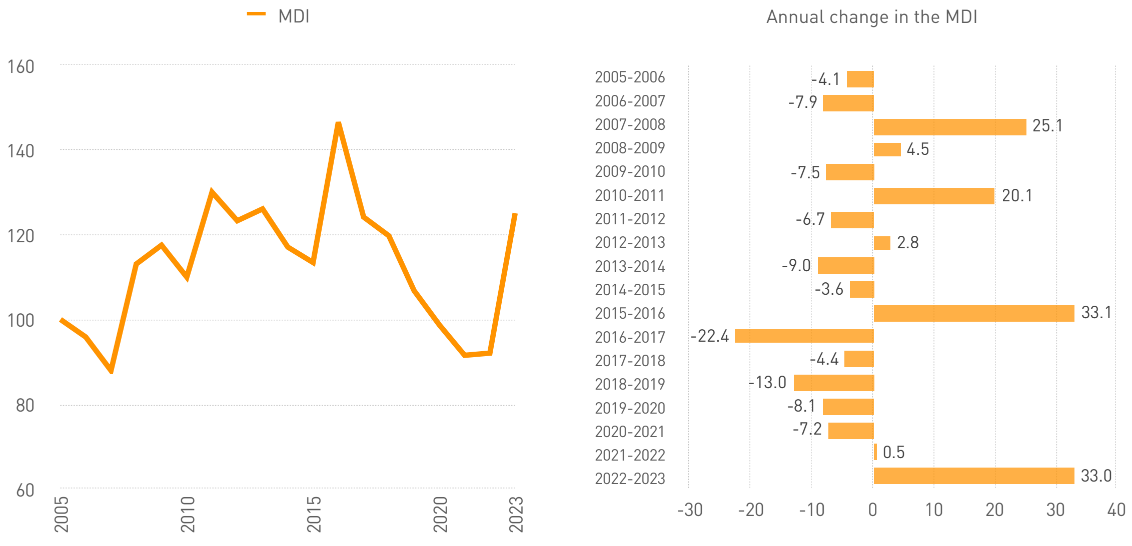
Chart 4.2-a
Trends in the Spanish insurance market
(penetration vs. depth)



Source: MAPFRE Economics

premiums to GDP) of 0.4 percentage points (pp), and in density (premiums per capita), which stood at 1,572 euros. Meanwhile, as the main driver of growth has been Life insurance, the depth of the sector (Life insurance premiums with respect to total premiums) also shows improvement compared to the previous year (43.7%), although the declines in previous years have prevented it from surpassing the 2016 level (48.8%), the highest of the decade. Thus, the development trend for insurance activity in Spain in 2023 is characterized by an advance in both penetration (quantitative dimension of the sector's development) and depth (qualitative dimension), reversing the negative trend observed since 2016 (see Chart 4.2-a).

Chart 4.2-b
Market Development Index (MDI) Spain
(2005 index=100; annual change)



Source: MAPFRE Economics

Market Development Index

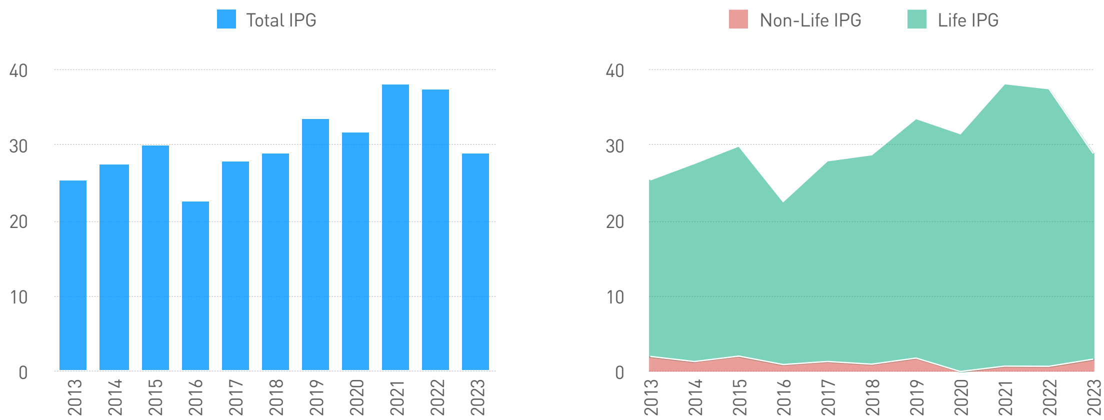
Improvement in the performance indexes of the Spanish insurance industry in 2023, mainly for Life insurance, has modified the trend of the Market Development Index (MDI) observed since 2017, as illustrated in Chart 4.2-b. The MDI is an indicator proposed by MAPFRE Economics that aims to summarize the trends in development and maturity of insurance markets and is constructed on the basis of four individual indexes (with 2005 as a base): the penetration index (premiums/GDP); the depth index (Life insurance premiums vs. total market premiums); an index for the evolution of the insurance protection gap (index of the inverse of the IPG as a market multiple); and an index of the evolution of the Life insurance IPG (index of the inverse of the IPG for Life insurance as a multiple of said market). In the 2023 analysis, the EMI of the Spanish market shows a clear change in trend, with a slight increase compared to the previous year.

Insurance Protection Gap

The Insurance Protection Gap (IPG) represents the difference between the insurance coverage that is economically necessary and beneficial to society and the amount of coverage that is actually taken out. Establishing this figure helps define the *potential market for insurance*, which is the market size that could be achieved through elimination of the insurance gap. Furthermore, it is important to emphasize that the IPG is not a static concept; rather, it changes depending on the growth of a country's economy and on the emergence of new risks that are inherent to economic and social development[10].

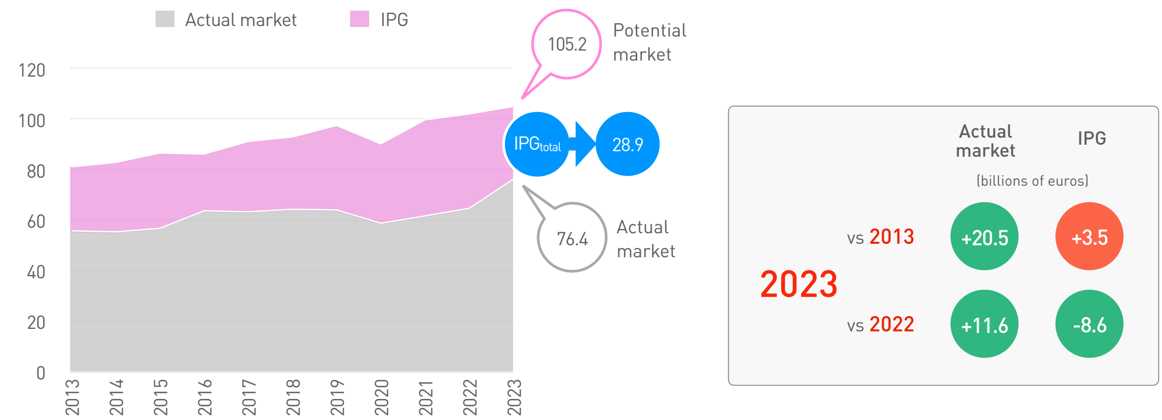
Based on its characteristics, there is a negative correlation between the insurance gap and growth of the insurance markets. On the one hand, from a *quantitative* perspective, the IPG becomes smaller as the penetration rate increases, and on the other, from a *qualitative* perspective, it also tends to decrease as markets become more sophisticated and mature. Hence, factors such as sustained economic growth, low inflation, higher personal disposable income, the general performance of the financial system, an efficient regulatory framework, and the application of public policies aimed at increasing financial inclusion and education are factors that stimulate a decrease in the IPG in the markets.

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



Source: MAPFRE Economics

Chart 4.2-d
Insurance Protection Gap and Potential Market
(billions of euros)



Source: MAPFRE Economics

2023 Spanish market IPG estimate

Chart 4.2-c presents the evolution of the IPG for the Spanish market between 2013 and 2023. According to this information, in 2023, the insurance gap was 28.9 billion euros, 8.6 billion euros less than the previous year.[11] This narrowing of the insurance gap in the Spanish market is primarily due to the fact that it has outperformed some of the more developed benchmark markets, particularly with regard to the performance of the Life insurance segment.

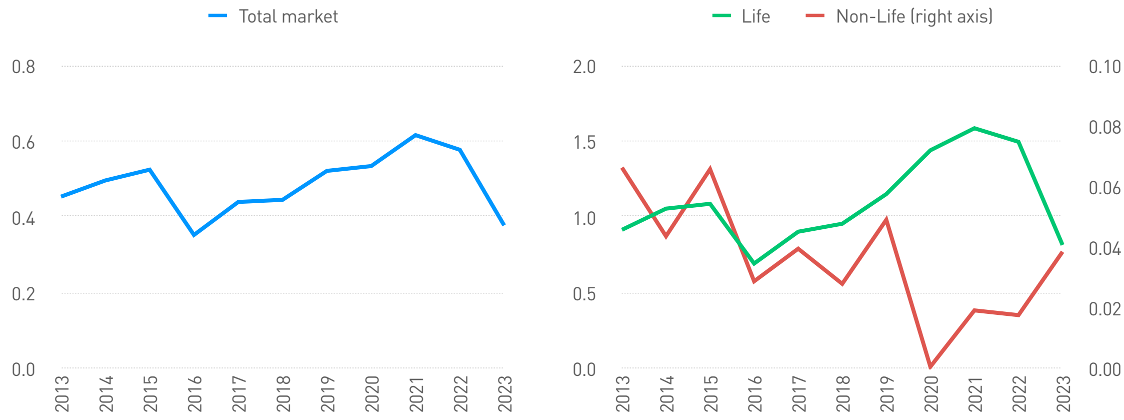
However, from a structural perspective, the composition of the IPG continues to confirm the insufficient development of the Life insurance segment, although it has improved compared to previous years. Thus, in 2023, 94.3% of the IPG (27.2 billion euros) corresponded to the Life insurance segment, while the IPG for Non-Life insurance (1.7 billion euros) represented the remaining 5.7%. The growth of both the Life and Non-Life segments in 2023 explains the decrease in the IPG of the Spanish insurance market, having improved with respect to the benchmark parameter selected for the respective calculation.[12]

Based on this estimate of the insurance protection gap, the potential insurance market in Spain (represented by the sum of the real insurance market and the IPG) came to 105.2 billion in 2023, which is 37.8% more than the premium volume actually observed that year (see Chart 4.2-d). It should be noted that this potential is particularly relevant in the Life insurance segment, in its Life Protection and Life Savings modalities, insofar as it is an area of the market with a lower level of relative development compared to other European insurance markets that comprise the benchmark used to estimate the IPG.

The IPG as a multiple of the market and the ability to close the insurance gap

Chart 4.2-e illustrates the evolution of the insurance gap in the Spanish market, expressed as a multiple of the real insurance market. The overall indicator followed an upward trend from 2013 to 2015, declining in 2016 due to the strong performance of the insurance industry that year, to start its positive trend again in subsequent years, until achieving a further decline in 2022 and again in 2023. This same performance is repeated, amplified, in the Life segment, while in the Non-Life segment there has

Chart 4.2-e
Change in IPG as a Multiple of the Actual Market
(number of times the size of the actual insurance market)



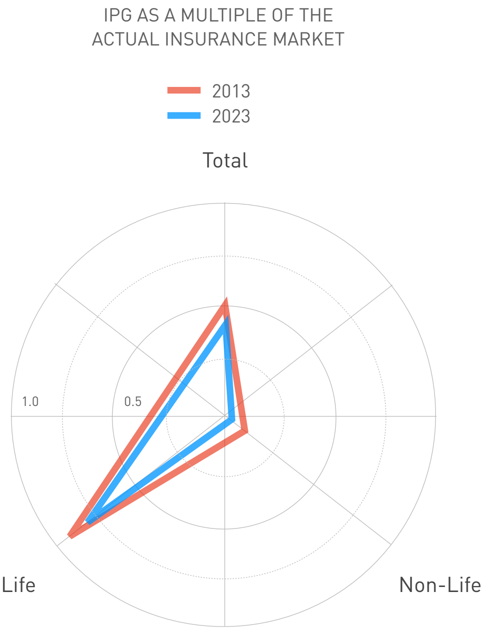
Source: MAPFRE Economics

been a general downward trend, with its lowest point in 2020, when the gap was almost irrelevant. Thus, in 2023, the total IPG for the Spanish market stood at 0.38 times the current market, compared to 0.58 times in 2022, which represents a significant advance.

Specifically, in 2023, the IPG for the Life insurance segment represented 81.5% of the actual market (68.1 pp less than in 2022), while in terms of the Non-Life segment, the insurance gap stood at 3.9% of the real market in 2023 (2.1 pp more compared to the previous year). As shown in Chart 4.2-f, a medium-term analysis confirms that, over the last decade, the insurance gap in the Spanish market has declined with respect to 2013 (measured as a multiple of the real insurance market), largely thanks to market performance over the last two years.

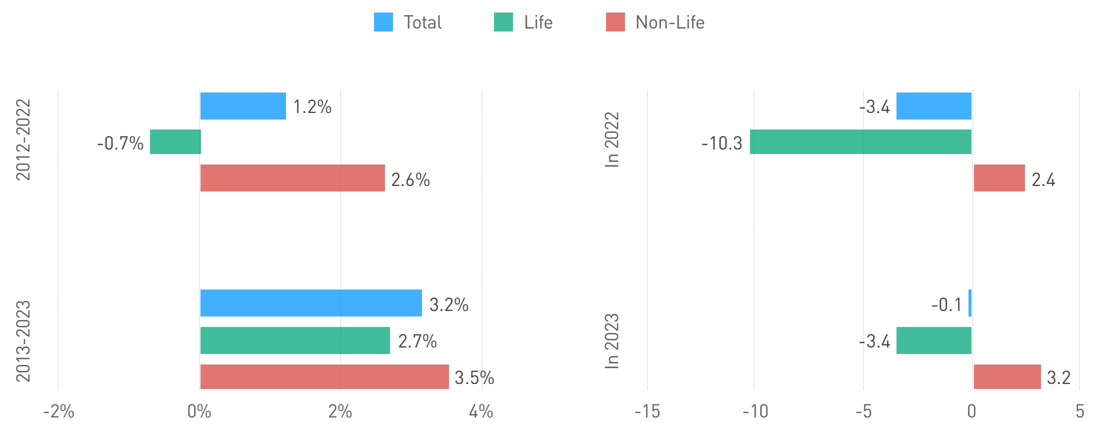
Finally, an estimate of the Spanish insurance market's capacity to close the insurance gap in the medium term is shown in Chart 4.2-g. The updated comparative analysis between growth rates observed in the Spanish market over the last decade (2013–2023), in relation to the growth rates needed to close the IPG determined in 2023 in the next 10 years, shows a 3.2% average annual growth rate in the Spanish insurance market during the period (1.9 pp higher than in 2022). The Life insurance segment grew 2.7% annually on average (3.4 pp higher than the previous measurement), while Non-Life insurance

Chart 4.2-f
Spain: Mid-term IPG trends, 2013 and 2023



Source: MAPFRE Economics

Chart 4.2-g
Capacity to close the Insurance Protection Gap
(average annual growth rate, %; sufficiency or insufficiency to close the IPG, pp)



Source: MAPFRE Economics

grew 3.5% per year on average (0.9 pp higher than in 2022). Thus, if the same growth trend were maintained over the next 10 years, the growth rate for the market as a whole would be insufficient by 0.1 pp (3.3 pp less than the figure for the previous year) to close the insurance gap determined in 2023. This means that the Spanish insurance market would need an average growth rate of 3.3% over the next decade (slightly above the 3.2% average growth of the last decade) to close the IPG estimated this past year.

Since the IPG in the Spanish market is particularly determined by Life insurance performance, it is in this segment where the greatest efforts on growth will be focused in order to close the gap within the time frame considered. Thus, the rate observed for this segment would be insufficient by 3.4 pp (6.9 pp less than in the 2022 figure) with respect to the rate necessary to close the relative IPG in the next decade; in other words, to close the gap in that period, the Life insurance segment would have to grow at a sustained annual average rate of 6.1% (3.5 pp less than in the previous figure) over the next 10 years. In view of the above, it can be deduced that the strong performance of the Spanish insurance market in 2023 has reduced the level of growth insufficiency needed to close the insurance gap, changing the trend that had been observed in previous years.

4.3 Growth forecasts

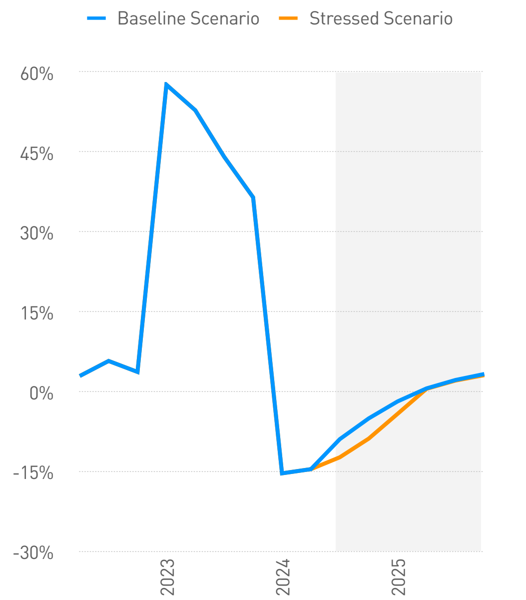
In 2023, Spain's insurance industry achieved record growth figures, reaching 76.4 billion euros in premiums as of December of that year, 17.8% more than in 2022. Of this total, 33.4 billion euros were generated by the Life segment, with YoY growth of 36.0%, and the remainder, 43.0 billion euros, came from the underwriting of Non-Life risks, which represented a 6.8% increase over the previous year. The price index variation during 2023, although lower than in 2022, remained above the average pre-pandemic levels (2.4%). Thus, adjusting the growth of total premiums in real terms, the YoY variation would be 15.0%, and in the Life and Non-Life segments it would be 33.4% and 3.8%, respectively.

With regard to the 2024 forecast, the data through June 2024 show a different trend from that observed in the same period the previous year: while the Non-Life segment grew 7.8% in the first half, the Life segment fell 14.1%, so the YoY variation of total premiums through June reflects a 2.2% decline. Translating this into real growth, with first-half inflation at 3.4%, YoY growth of the Non-Life insurance segment through June 2024 would be 4.5%, while the real drop in the Life segment would be 18.0%, resulting in a 5.7% drop in the sector's total premiums. Based on these data, depending on the performance of the price index, by the end of 2024, the performance in real terms of both segments of the insurance business is expected to follow essentially similar patterns.

Two scenarios have been defined for 2024 onwards, consistent with the observed macroeconomic environment. A *baseline scenario*, in which there are signs of recovery in global, regional, and Spanish activity, which could lead Spain's GDP to rates of around 2.4% by 2024 and 1.9% by 2025, with average inflation also moderating to around 3.3% by 2024 and 2.5% by 2025. In contrast, the *stressed scenario* would show an outlook subject to geopolitical risks, with energy commodities under stress. This would have a spillover effect on global prices, resulting in inflation starting at 3.4% in 2024 and 2.6% in 2025, all of which would trigger the application of restrictive monetary policies.

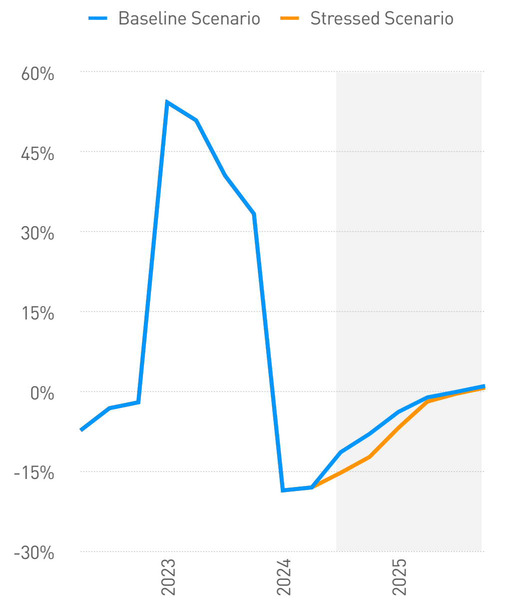
Economic performance will inevitably affect the insurance business. In nominal terms, the Life insurance segment is expected to decrease in 2024, mainly due to a baseline effect from significant growth in 2023, despite strong performance of these products (particularly Life Savings insurance), which exceeded the average volume obtained in the years prior to the COVID-19 pandemic. In the projection for 2025, positive growth rates are recovered, reaching an average rate of 2.1% by the end of 2025 (see Chart 4.3-a). In real terms, the aforementioned inflation forecast would cause these values to drop to around -1.0% in 2025 (see Chart 4.3-b). In any case,

Chart 4.3-a
Spain: nominal growth forecasts for Life premiums
(YoY, %)



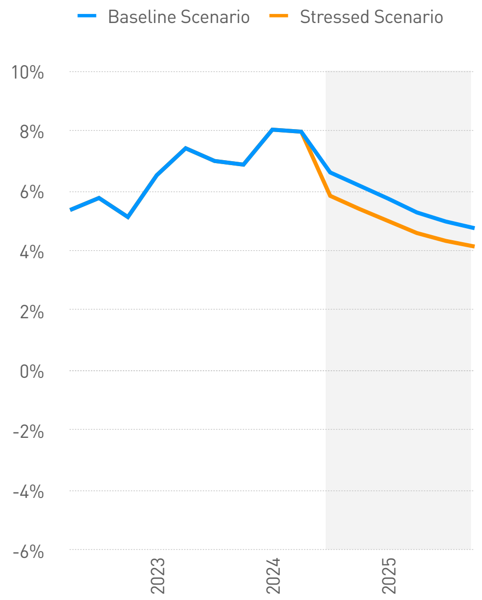
Source: MAPFRE Economics

Chart 4.3-b
Spain: real growth forecasts for Life premiums
(YoY, %)



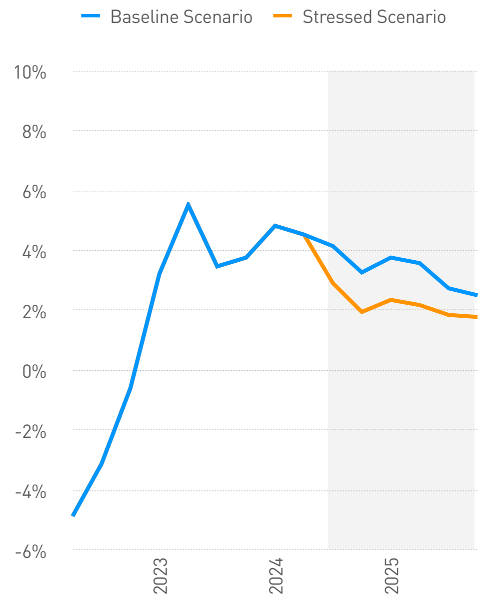
Source: MAPFRE Economics

Chart 4.3-c
Spain: nominal forecasts for Non-Life premiums
(YoY, %)



Source: MAPFRE Economics

Chart 4.3-d
Spain: real growth forecasts for Non-Life premiums
(YoY, %)



Source: MAPFRE Economics

caution should be exercised with projections in this segment of the insurance business, where demand performance is more unique, since, unlike in Non-Life insurance, other non-insurance financial institutions are also involved in the medium-term savings management market. Any relevant variation in their sales strategy can significantly alter the volume of business in the insurance industry, altering the estimated results.

Meanwhile, as regards the Non-Life segment, the results are also influenced by the performance of macroeconomic variables in each scenario considered. In the baseline scenario, nominal YoY growth would reach around 6.2% by the end of 2024, and in 2025, this increase could be around 5.2% (see Chart 4.3-c).

In conclusion, and under the premise of monetary policies to keep inflation under control, on average close to 2%, and with interest rates falling, sustained growth of market premiums in real terms of around 1.1% in the case of Life at the end of 2025, and 2.5% real growth for the Non-Life segment in 2025 can be expected (see Charts 4.3-b and 4.3-d).

5. Analysis of capital requirements, own funds, and solvency ratios

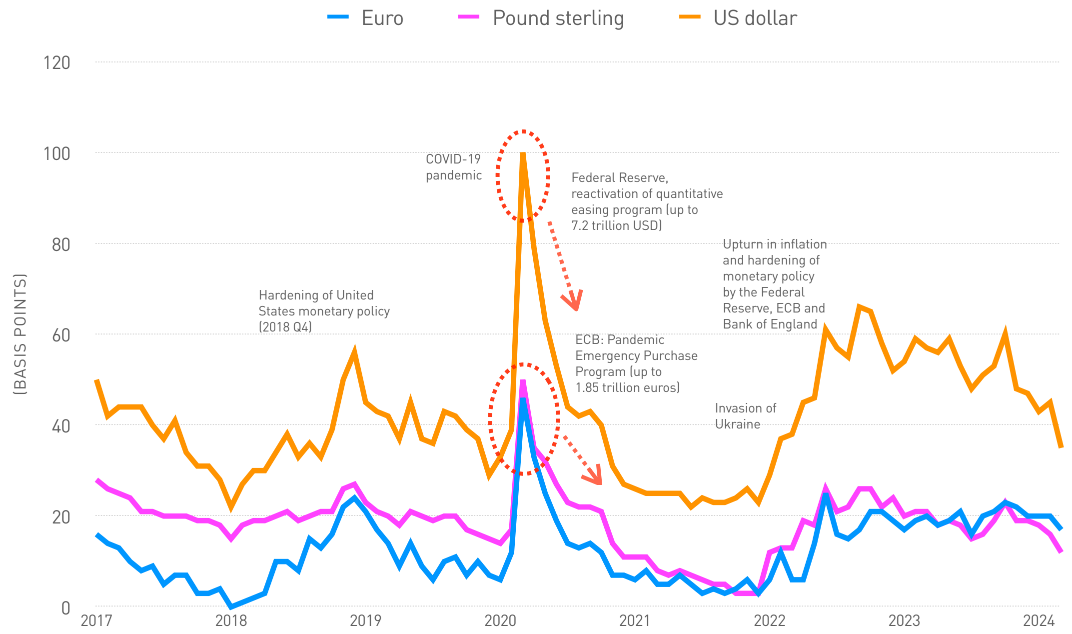
5.1 2023 Solvency and Financial Condition Report

The insurance companies operating in the Spanish market have released their eighth Solvency and Financial Condition Report for 2023,[13] required under Solvency II regulations. It should be noted that this legislative scheme establishes a regulatory system based on three pillars. Pillar 1 is focused on determining the quantitative aspects that maintain company solvency positions, Pillar 2 oversees the appropriate company governance and supervision, and Pillar 3 was conceived to pass transparency and reporting requirements on to the market. Specifically, the regulations that apply to Pillar 3 state that insurance companies must publish annual information on their financial and solvency position, providing consistent, comparable, detailed information on the market through a Solvency and Financial Condition Report (SFCR). Thus, the goal of the regulation is that, as interested economic agents gather information allowing them to comprehend each company's implicit risk, they are in a better position to evaluate the risk assessment and management procedure, the sufficiency of technical provisions and own funds and, therefore, the solvency position of a given company.

Based on this public information, this section of the report presents an analysis of the solvency ratios published for a sample of the leading insurance companies operating in the Spanish insurance market, distinguishing between those that do so in the Life segment, in both the Life and Non-Life segments (Composites), and those mainly operating in the Non-Life line. Likewise, in order to strengthen this transparency commitment toward the market by insurance companies, Solvency II regulations establish the obligation for such companies to disclose in their SFCR the impact that the non-application of long-term guarantee (LTG) measures would have had on their solvency ratio. LTG measures were introduced by the directive to offset any potential damage to businesses with long-term guarantees arising as a result of Solvency II. The most relevant are: (i) the *transitional measure on technical provisions*, which allows the difference between the technical provision estimated under Solvency II parameters and that calculated under the previous Solvency I rules to be gradually deferred over an initial period of 16 years until January 1, 2032 (eight years having already elapsed); (ii) the *volatility adjustment measure*, through which it is possible to correct the discount interest rate used in the valuation of the technical provisions, to cushion the effects of one-off volatilities in the spreads of the investment portfolios[14]; and (iii) the *asset-liability matching adjustment measure*, which allows companies that hold fixed-income assets at maturity with similar durations to their liabilities and, therefore, are not exposed to market fluctuations in the spreads of the related assets[15] to adjust the discount curve of the technical provisions, subject to certain requirements.

The implicit obligation of transparency in the publication of the SFCR is especially relevant for Life insurance companies and those who operate in both Life and Non-Life lines (Composites), which offer products with long-term guarantees and to which the transitional and adjustment measures (LTG) are therefore applicable. For companies mainly operating in the Non-Life insurance sector, the potential effects of not applying measures designed

Chart 5.1
Major currencies: trends in volatility adjustment



Source: MAPFRE Economics (based on EIOPA, ECB and Federal Reserve data)

for products with long-term guarantees are practically null or negligible.

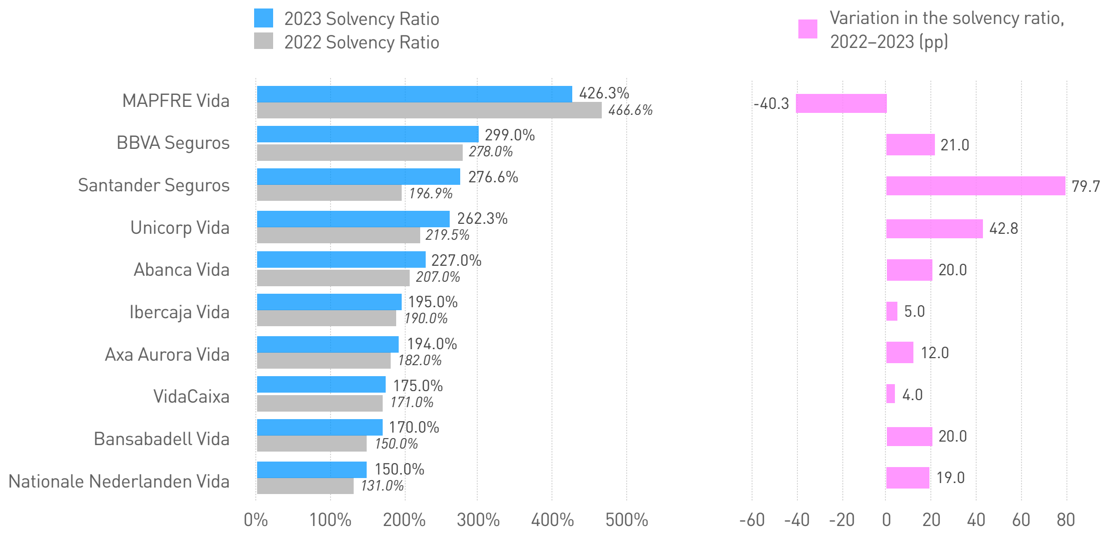
Chart 5.1 illustrates the level of the volatility adjustment for the calculation of technical provisions for investment portfolios in the main currencies at the end of fiscal year 2023, related to the *volatility adjustment measure*. Economic uncertainty during the year remained high despite the decline in inflation, largely as a result of the ongoing conflicts in Ukraine and, since October, in Israel. As a result, volatility adjustments for the calculation of technical provisions for investment portfolios in the main currencies remained relatively high, following the upturn experienced the previous year. Thus, once again, volatility adjustments partially offset the negative effect of volatility spikes on the solvency position of insurance companies and their groups, taking into account their nature as medium and long-term institutional investors. This highlights the importance of this mechanism introduced by the Solvency II regulations, which the reform approved by the European Council and Parliament will reinforce once it takes effect (expected towards the end of 2026).

5.2 Solvency ratios

For the selected sample of insurance companies operating in the Spanish market in 2023, the aggregate total solvency ratio amounted to 229.5%, 2.5 percentage points (pp) more than the value registered in 2022 (227%). With regard to own funds, it should be noted that practically all eligible funds were of the highest quality, that is, 99.0% corresponded to tier 1 at the aggregate level in the sample analyzed, a percentage similar to that of the previous year.

The solvency ratios published in the SFCRs for the set of insurance companies selected for analysis in this report, which represent 74.6% of insurance premiums and 67.2% of technical provisions of the market in 2023,

Chart 5.2-a
Life: Solvency ratios

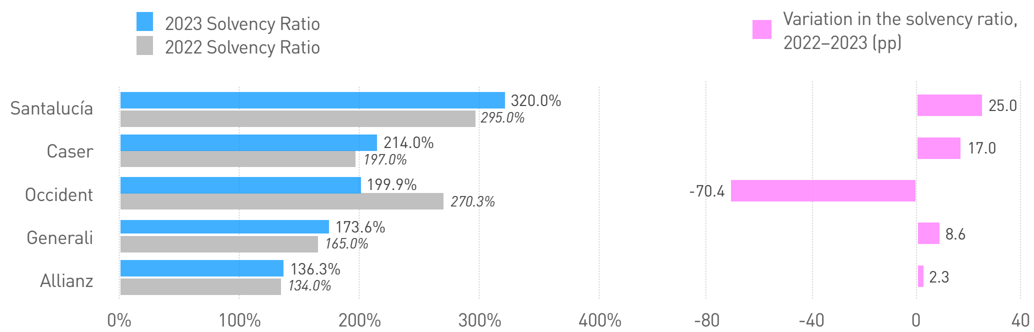


Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

are presented on Charts 5.2-a, 5.2-b, and 5.2-c, which also show their comparison with the previous year. Firstly, the aggregate solvency ratio for the sample of insurance companies mainly operating in the Life line during 2023 was 218.9% (210% in 2022), which represents a 9-pp increase compared to the previous year. In particular, Chart 5.2-a shows that MAPFRE Vida still maintains the highest solvency ratio in this market segment, at 426.3% (40.3 pp below 2022, after ceasing to apply the transitional measure on technical provisions, and 59.6 pp higher if the 2022 transitional measure of the solvency ratio is valued at zero). The improvement in the solvency ratio of Santander Seguros (79.7 pp higher) is also noteworthy. Otherwise, the other companies analyzed show improved solvency ratios with respect to the previous year.

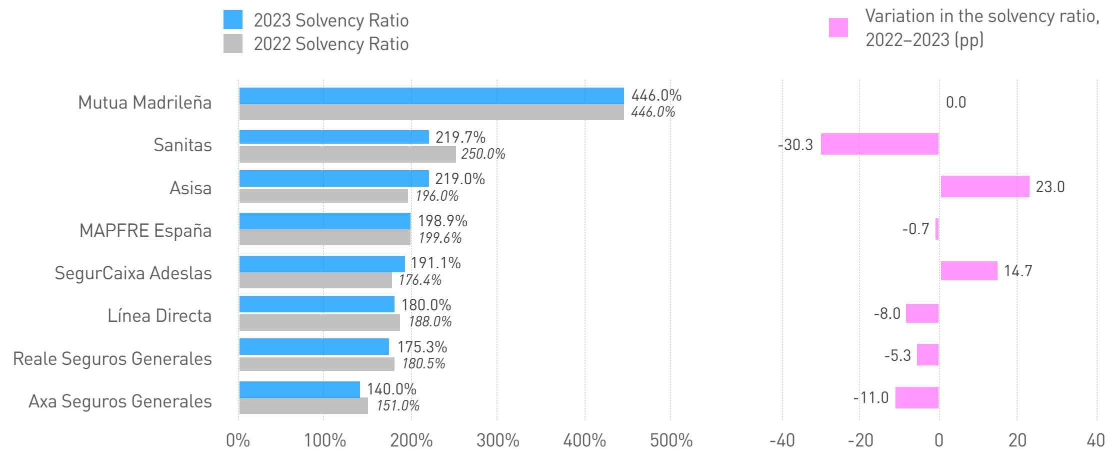
In the case of insurance companies operating in both the Life and Non-Life insurance sectors (Composites), the total aggregate

Chart 5.2-b
Composites: solvency ratios



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.2-c
Non-Life: solvency ratios



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

solvency ratio for 2023 was 214.0% (217% in 2022), a slight 3.0-pp decline compared to the previous fiscal year. As illustrated in Chart 5.2-b, with the exception of Occidente, whose solvency ratio worsened by 70.4 pp, the other companies analyzed showed improvement from the previous year. It is notable that Santalucía, with a solvency ratio of 320.0%, experienced a significant advance of 25.0 pp in that period.

Finally, the companies analyzed in this report operating solely or mainly in the Non-Life insurance industry had a total aggregate solvency ratio of 258.9% in 2023, 1.6 pp above that registered for the previous fiscal year. In the case of this type of company, as shown in Chart 5.2-c, the largest decreases in the solvency ratio were seen in Sanitas, down by 30.3 pp with respect to 2022 (to 219.7%), and Axa Seguros Generales, down by 11.0 pp. Meanwhile, Mutua Madrileña had the highest solvency ratio in the sample of Non-Life companies, at 446.0%, the same as the previous year, while MAPFRE España had a solvency ratio of 198.9% at the end of 2023 (-0.7 pp from the previous year). Among the other companies considered in the analysis, two improved their solvency margins in the last year: Asisa, with a ratio of 219.0% (23.0 pp higher than in 2022), and SegurCaixa Adeslas, with a ratio of 191.1% (14.7 pp above that reported for 2022).

5.3 Life: comparative SCR analysis and the effect of transitional and adjustment measures

The result of the Solvency Capital Requirement (SCR) and the solvency ratio of each company operating in the Life segment considered in the analysis, along with some figures to facilitate their comparison, are presented in Table 5.3-a. Meanwhile, Chart 5.3-a illustrates the effect of the long-term guarantee measures applied by each company on solvency ratios in 2023, on a disaggregated basis, as well as the variation in the overall benefit of the application of these measures with respect to 2022. As this information shows, the relative benefit obtained from the application of the long-term guarantee measures increased between 2022 and 2023 in the cases of BBVA Seguros, Seguros Santander, and VidaCaixa, while for the rest, the benefit decreased in that period.

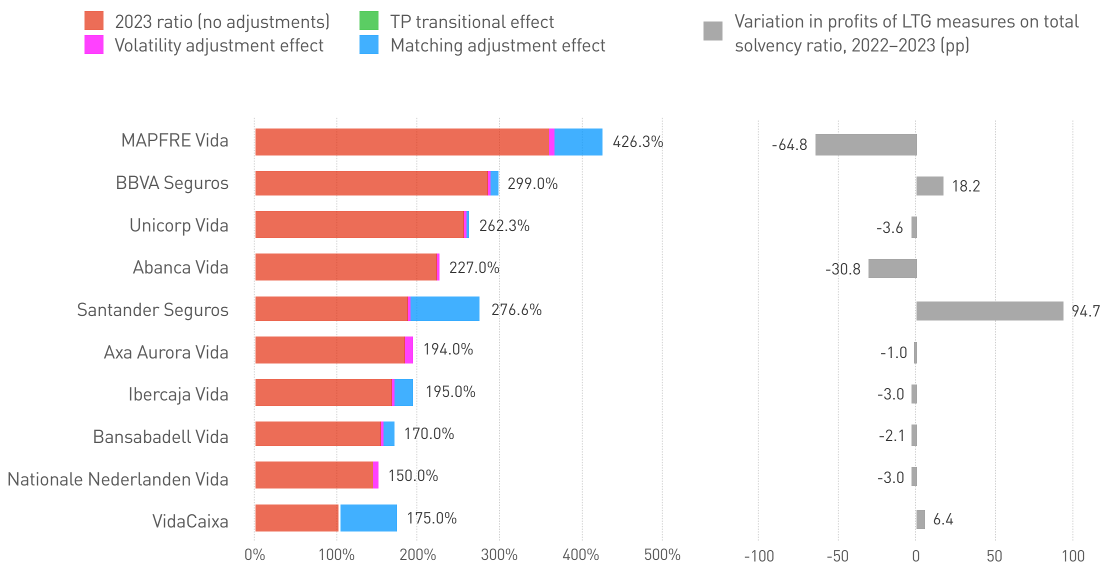
As supplemental information for the sample of insurance companies operating in the Life segment, Charts 5.3-b and 5.3-c,

Table 5.3-a
Life: SCR result and solvency ratio, 2023
(thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	SCR required	Solvency ratio	SCR over TP	Eligible own funds over assets	SCR over premiums
VidaCaixa	68,253,541	11,498,200	4,143,093	2,372,029	174.7%	3.5%	4.8%	20.6%
Santander Seguros	14,686,596	2,649,098	1,271,235	459,615	276.6%	3.1%	7.3%	17.3%
Bansabadell Vida	7,767,309	2,582,923	1,007,983	591,844	170.3%	7.6%	10.4%	22.9%
MAPFRE Vida	12,597,102	2,363,733	1,756,558	412,046	426.3%	3.3%	10.8%	17.4%
Ibercaja Vida	7,142,287	1,779,150	527,372	270,497	195.0%	3.8%	6.7%	15.2%
Unicorp Vida	4,040,919	1,539,749	733,407	279,652	262.3%	6.9%	14.2%	18.2%
BBVA Seguros	9,750,374	1,106,334	1,612,445	540,014	298.6%	5.5%	10.3%	48.8%
Axa Aurora Vida	5,593,907	841,024	797,182	411,906	193.5%	7.4%	10.5%	49.0%
Nationale Nederlanden Vida	3,473,120	612,182	380,242	252,944	150.3%	7.3%	9.4%	41.3%
Abanca Vida	1,605,927	498,319	317,217	139,867	226.8%	8.7%	14.7%	28.1%

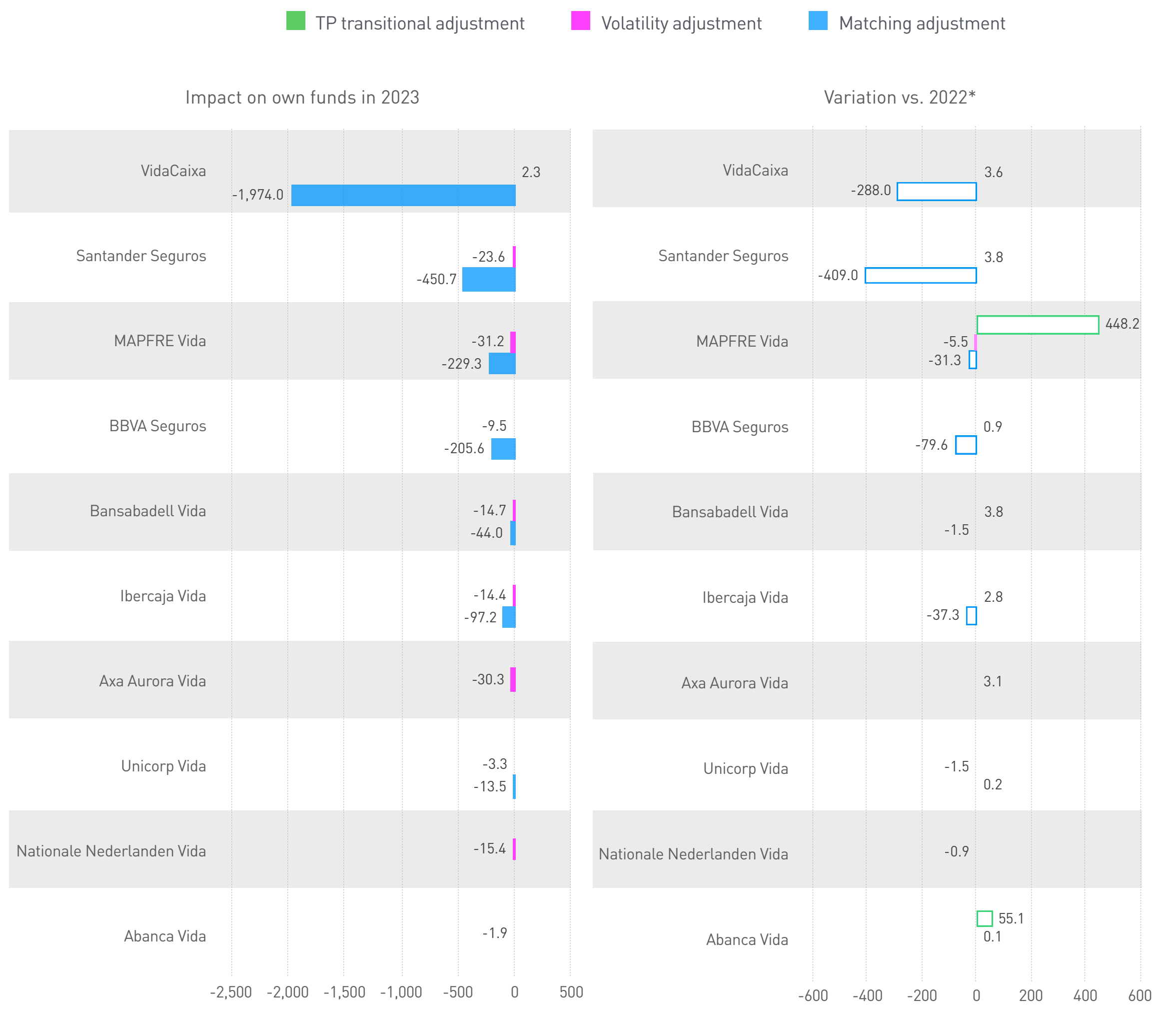
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* Taken from figures on premiums, loss ratio and expense tables.

Chart 5.3-a
Life: effect of LTG measures on solvency ratios, 2023



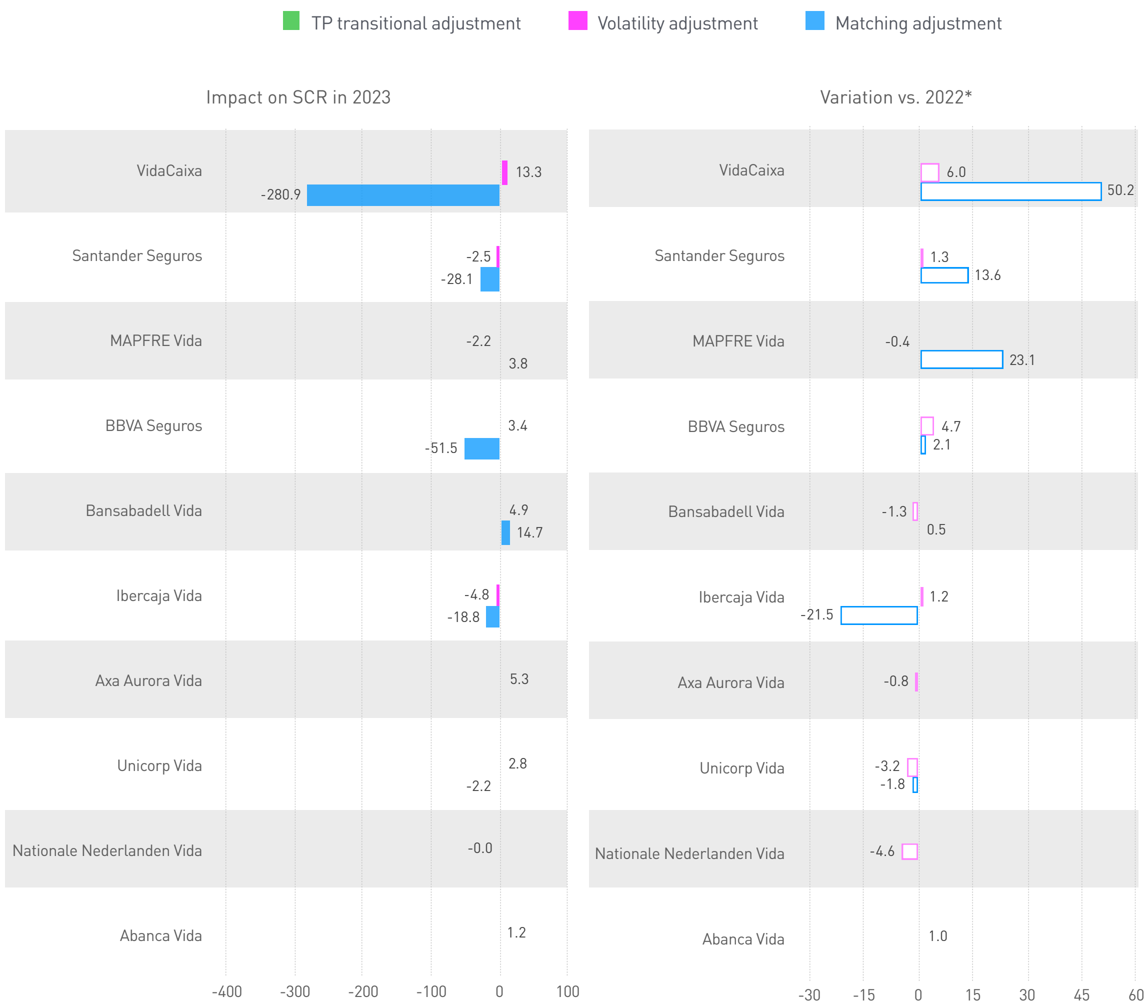
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.3-b
Life: Impact of transitional and adjustment measures on own funds, 2023
(millions of euros)



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* Negative variation implies increased impact of adjustment.

Chart 5.3-c
Life: effect of transitional and adjustment measures on SCR, 2023
(millions of euros)



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* Negative variation implies increased impact of adjustment.

Table 5.3-b
Life: impact of applying Directive measures for long-term products on own funds, 2023
(thousands of euros)

Company	Eligible own funds*	Impact on own funds due to transitional adjustment TP	Impact on own funds due to volatility adjustment	Impact on own funds due to matching adjustment
VidaCaixa	4,143,093	-	2.286	-1,974,046
Santander Seguros	1,271,235	-	-23,575	-450,702
Bansabadell Vida	1,007,983	-	-14.672	-44,004
MAPFRE Vida	1,756,558	-	-31,241	-229,277
Ibercaja Vida	527,372	-	-14,379	-97,230
Unicorp Vida	733,407	-	-3,345	-13,464
BBVA Seguros	1,612,445	-	-9.498	-205,647
Axa Aurora Vida	797,182	-	-30,318	-
Nationale Nederlanden Vida	380,242	-	-15.400	-
Abanca Vida	317,217	-	-1,946	-

Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* For the effects shown in this Table we have used the effects on the "Eligible Own Funds" indicated for each company in its report.

as well as Tables 5.3-b and 5.3-c, include a breakdown of the potential impact on own funds and SCR if they were not entitled to apply the long-term guarantee measures provided for in the Solvency II Directive.

Table 5.3-c
Life: impact of applying Directive measures for long-term products on SCR, 2023
(thousands of euros)

Company	SCR required	Impact of transitional adjustment TP on SCR	Impact of volatility adjustment on SCR	Impact of matching adjustment on SCR
VidaCaixa	2,372,029	-	13,300	-280,880
Santander Seguros	459,615	-	-2,495	-28,050
Bansabadell Vida	591,844	-	4,891	14,668
MAPFRE Vida	412,046	-	-2,213	3,804
Ibercaja Vida	270,497	-	-4,811	-18,812
Unicorp Vida	279,652	-	2,795	-2,242
BBVA Seguros	540,014	-	3,428	-51,547
Axa Aurora Vida	411,906	-	5,325	-
Nationale Nederlanden Vida	252,944	-	-16	-
Abanca Vida	139,867	-	1,152	-

Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Table 5.4-a
Composites: SCR result and solvency ratio, 2023
(thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	SCR required	Solvency ratio	SCR over TP	SCR over premiums	Eligible own funds over assets
Occident	6,997,735	2,872,077	2,663,459	1,332,626	199.9%	19.0%	46.4%	23.1%
Allianz	6,655,188	2,836,034	781,119	572,916	136.3%	8.6%	20.2%	8.5%
Generali	5,850,539	2,390,091	1,654,470	953,172	173.6%	16.3%	39.9%	17.6%
Santalucía	4,151,120	1,735,749	3,070,672	958,127	320.5%	23.1%	55.2%	36.4%
Caser	3,719,516	1,692,855	1,419,463	664,189	213.7%	17.9%	39.2%	24.0%

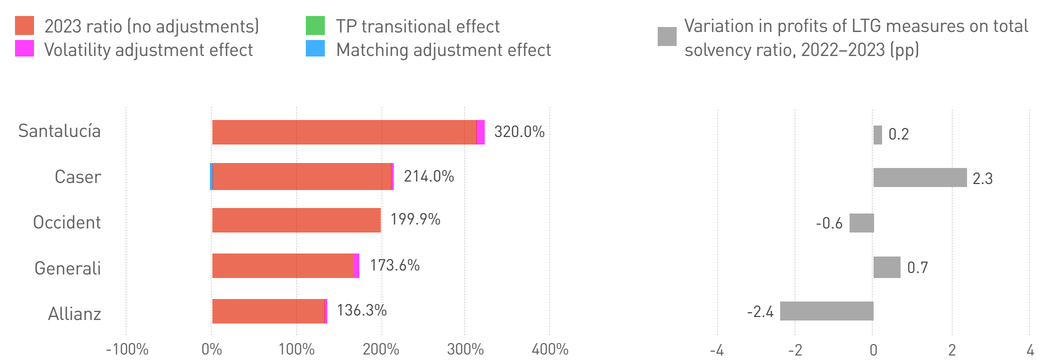
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* Taken from figures on premiums, loss ratio and expense tables.

5.4 Composites: comparative SCR analysis and the effect of transitional and adjustment measures

The SCR and solvency ratio results of each company operating in both Life and Non-Life (Composite) considered in the analysis, along with some figures to facilitate their comparison, are presented in Table 5.4-a. This information shows that the composite insurance companies, considered for the purposes of this analysis, with the highest solvency ratios were Santalucía and Caser, with ratios of 320.5% and 213.7%, respectively. Likewise, Chart 5.4-a illustrates the weight of the effect of the LTG measures applied by each of these companies on solvency ratios.

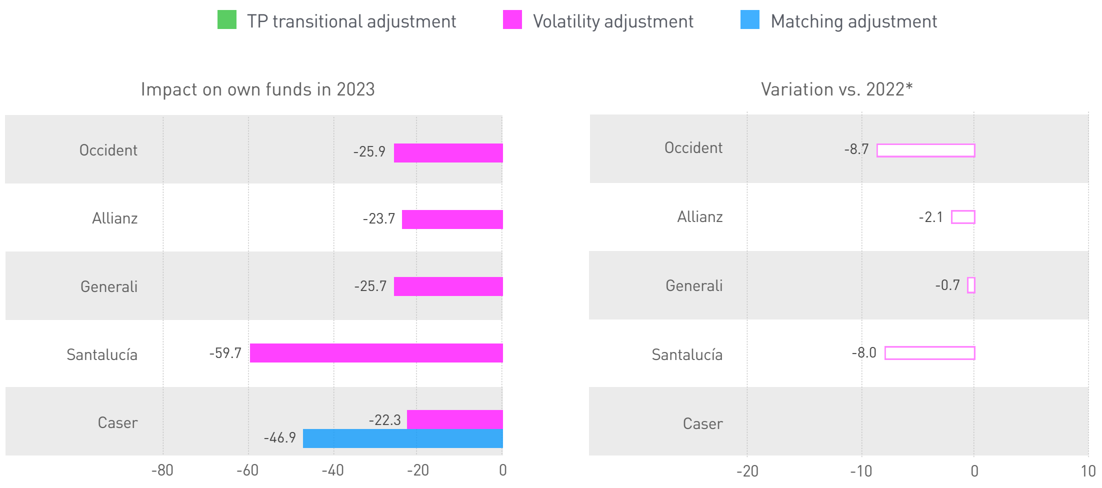
Additionally, Charts 5.4-b and 5.4-c, as well as Tables 5.4-b and 5.4-c, provide a summary of the comparative analysis of the potential impact on own funds and SCR if the insurance companies considered in this segment were not entitled to apply the long-term guarantee measures incorporated into the Solvency II Directive.

Chart 5.4-a
Composite: effect of LTG measures on solvency ratios, 2023



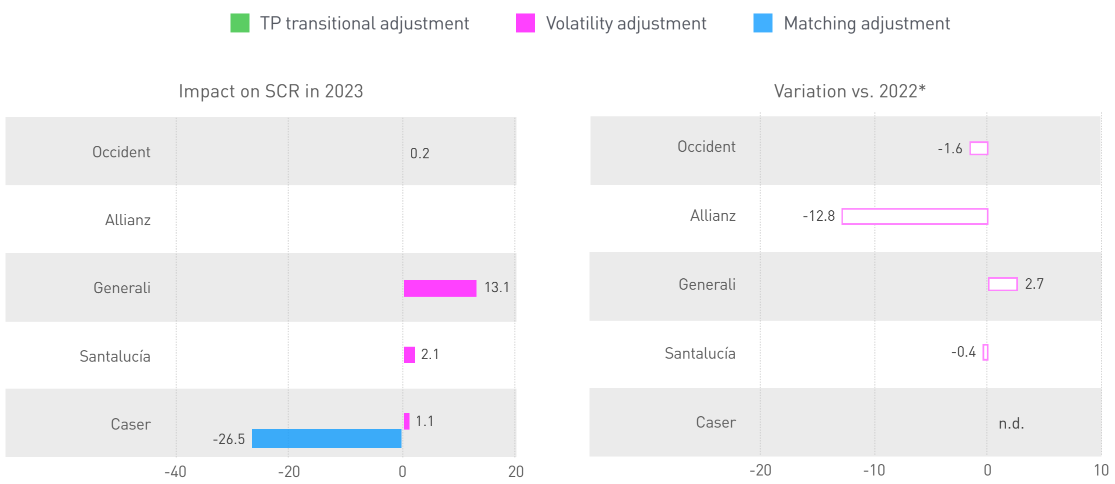
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.4-b
Composites: impact of transitional and adjustment measures on own funds, 2023
(millions of euros)



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* Negative variation implies increased impact of adjustment.

Chart 5.4-c
Composites: impact of transitional and adjustment measures on SCR, 2023
(millions of euros)



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* Negative variation implies increased impact of adjustment.

Table 5.4-b
Composites: impact of applying Directive measures for long-term products on own funds, 2023
(thousands of euros)

Company	Eligible own funds*	Impact on own funds due to transitional adjustment TP	Impact on own funds due to volatility adjustment	Impact on own funds due to matching adjustment
Occident	2,663,459	-	-25,925	-
Allianz	781,119	-	-23,675	-
Generali	1,654,470	-	-25,696	-
Santalucía	3,070,672	-	-59,744	-
Caser	1,419,463	-	-22,304	-46,929

Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

* For this Table we have used the effects on the "Eligible Own Funds" indicated for each company in its report.

5.5 Non-Life: comparative SCR analysis

For companies included in this report that operate solely or mainly in the Non-Life insurance sector, Table 5.5 shows the results of SCR and solvency ratios in 2023. This information is accompanied by other figures for comparison purposes. It should be noted that the analysis of the variation in the solvency ratio between 2023 and 2022 for the insurance companies considered in the sample for this segment of the Spanish market is presented in item 5.2 of this report (see aforementioned Chart 5.2-c).

In the case of the Non-Life segment, as stated above, the impact of not being able to apply the long-term guarantee (LTG) measures is not shown, since the impact is nil or negligible, given these measures are intended for institutions operating in the Life insurance business, or in Composite companies with significant components of this business segment.

5.6 Relative weights of the different SCR risk modules

Table 5.6 presents information related to the relative weight of each of the risk modules forming the SCR (market risk, credit risk,

Table 5.4-c
Composites: impact of applying Directive measures for long-term products on SCR, 2023
(thousands of euros)

Company	SCR required	Impact of transitional adjustment TP on SCR	Impact of volatility adjustment on SCR	Impact of matching adjustment on SCR
Occident	1,332,626	-	238	-
Allianz	572,916	-	-	-
Generali	953,172	-	13,114	-
Santalucía	958,127	-	2,060	-
Caser	664,189	-	1,122	-26,502

Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Table 5.5
Non-Life: SCR result and solvency ratio, 2023
(thousands of euros)

Company	Premiums *	Technical provisions (TP)	Eligible own funds	SCR required	Solvency ratio	SCR over premiums	Eligible own funds over assets	SCR over TP
MAPFRE España	5,742,396	4,455,079	2,193,776	1,103,155	198.9%	19.2%	26.1%	24.8%
SegurCaixa Adeslas	4,671,924	835,639	1,069,187	559,631	191.1%	12.0%	28.7%	67.0%
Mutua Madrileña	2,123,814	2,364,205	5,498,519	1,232,885	446.0%	58.1%	64.1%	52.1%
Axa Seguros Generales	2,099,260	1,821,066	846,829	605,072	140.0%	28.8%	23.1%	33.2%
Sanitas	1,882,960	108,886	462,623	210,605	219.7%	11.2%	54.3%	193.4%
Asisa	1,479,545	284,723	548,397	250,351	219.1%	16.9%	55.4%	87.9%
Reale Seguros Generales	1,019,695	814,275	433,667	247,417	175.3%	24.3%	28.9%	30.4%
Línea Directa	974,714	648,498	358,002	198,857	180.0%	20.4%	30.5%	30.7%

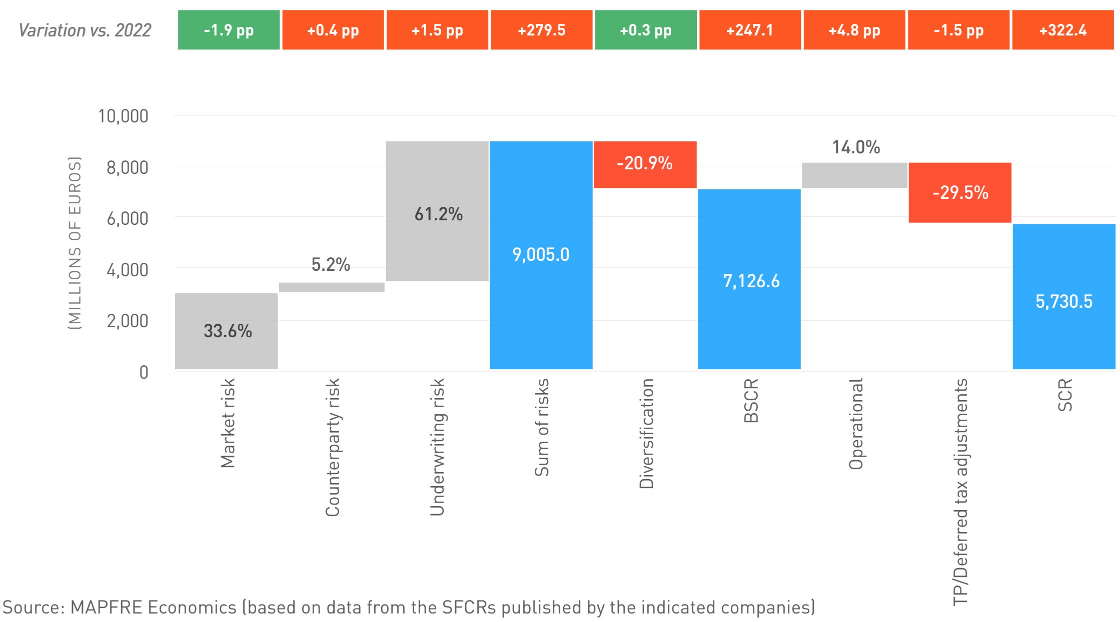
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
* Taken from figures on premiums, loss ratio and expense tables.

Table 5.6
Relative weight of risk modules, diversification and loss-absorbing capacity, 2023

Company	Market	Credit	Underwriting	Diversification	Operational	LAC (Fiscal)	LAC (TP)
VidaCaixa	29.5%	1.8%	68.6%	-18.5%	16.0%	-30.0%	-
Santander Seguros	40.7%	3.6%	55.7%	-21.2%	20.5%	-26.0%	-
Bansabadell Vida	32.5%	4.2%	63.4%	-20.5%	22.4%	-20.6%	-6.2%
MAPFRE Vida	51.3%	14.1%	34.6%	-27.3%	11.7%	-25.0%	-24.1%
Ibercaja Vida	31.0%	4.6%	64.4%	-20.2%	24.0%	-30.0%	-
Unicorp Vida	38.3%	4.8%	56.9%	-22.5%	3.7%	-25.0%	-11.1%
BBVA Seguros	25.1%	7.2%	67.8%	-22.4%	9.2%	-30.0%	-
Axa Aurora Vida	47.4%	13.5%	39.1%	-26.1%	4.6%	-10.5%	-4.8%
Nationale Nederlanden Vida	25.6%	4.6%	69.8%	-18.4%	7.3%	-24.6%	-
Abanca Vida	15.8%	4.7%	79.5%	-14.1%	2.6%	-30.0%	-
Occident	54.8%	1.2%	44.0%	-28.0%	5.4%	-25.0%	-
Allianz	28.0%	6.1%	66.0%	-34.8%	11.8%	-24.3%	-1.9%
Generali	36.0%	10.8%	53.2%	-34.1%	6.3%	-17.5%	-3.1%
Santalucía	68.8%	2.6%	28.6%	-20.7%	4.8%	-25.0%	-2.9%
Caser	41.6%	8.6%	49.8%	-33.7%	14.9%	0.0%	-
MAPFRE España	36.8%	7.5%	55.7%	-30.0%	13.1%	-25.0%	-
SegurCaixa Adeslas	19.7%	7.1%	73.1%	-38.2%	22.4%	-23.7%	-
Mutua Madrileña	70.5%	2.0%	27.6%	-18.1%	4.6%	-15.6%	-
Axa Seguros Generales	40.0%	6.2%	53.9%	-27.0%	10.0%	-10.5%	-
Sanitas	17.0%	5.5%	77.5%	-15.0%	30.0%	-11.3%	-
Asisa	48.3%	4.6%	47.1%	-25.5%	16.5%	-19.6%	-
Reale Seguros Generales	35.1%	4.8%	60.1%	-23.1%	10.1%	-23.6%	-
Línea Directa	31.2%	2.1%	66.8%	-19.5%	12.2%	-25.0%	-

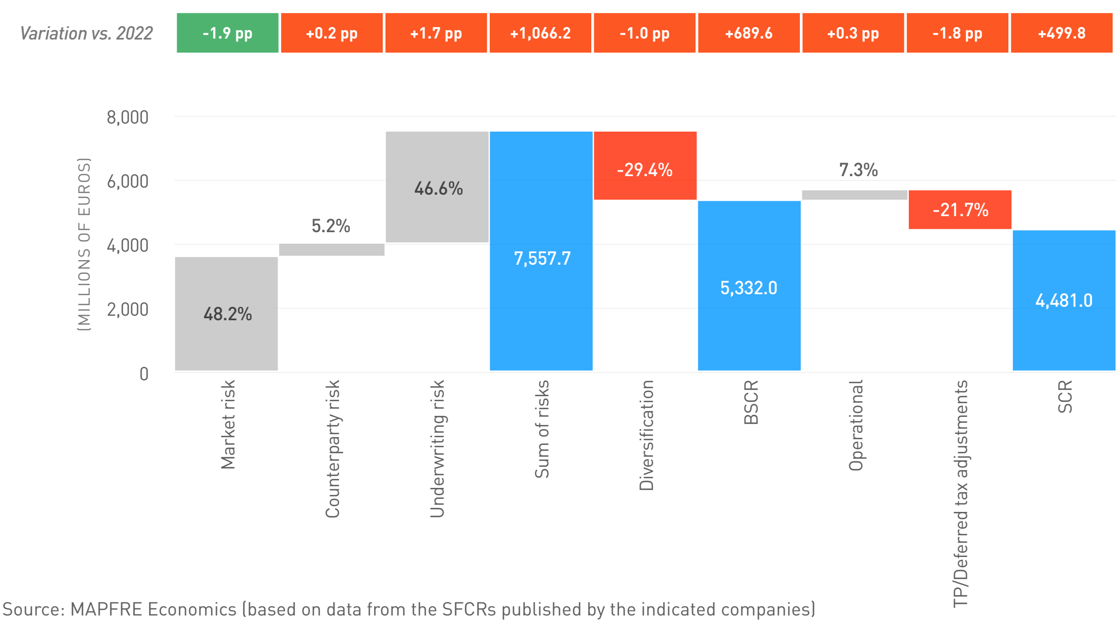
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-a
Life: relative weight of the different SCR elements for the sample analyzed, 2023



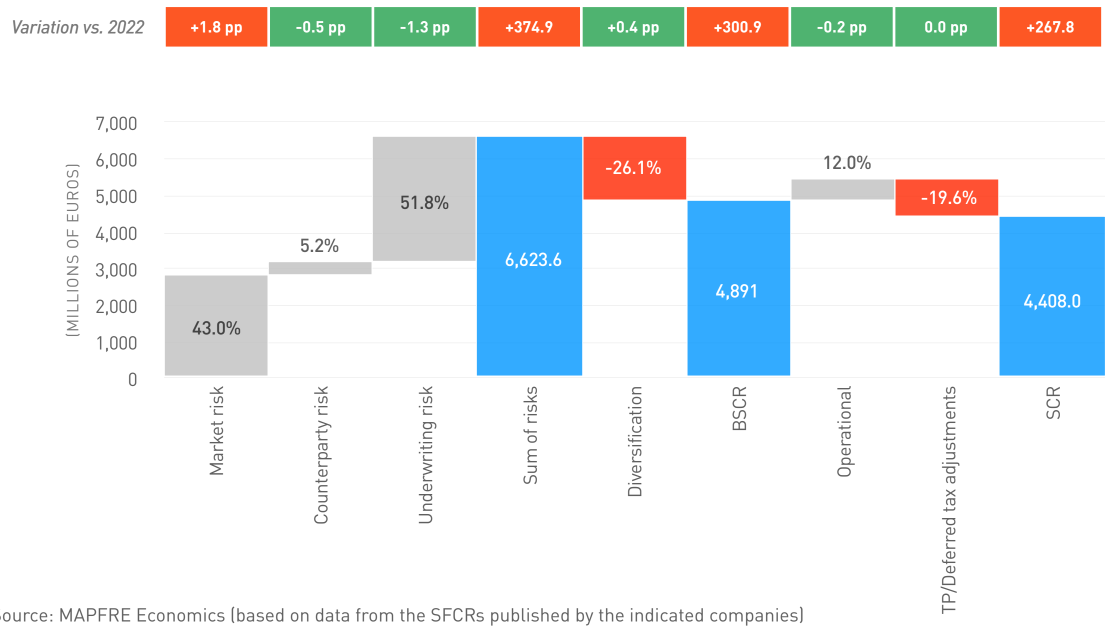
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-b
Composites: relative weight of the different SCR elements for the sample analyzed, 2023



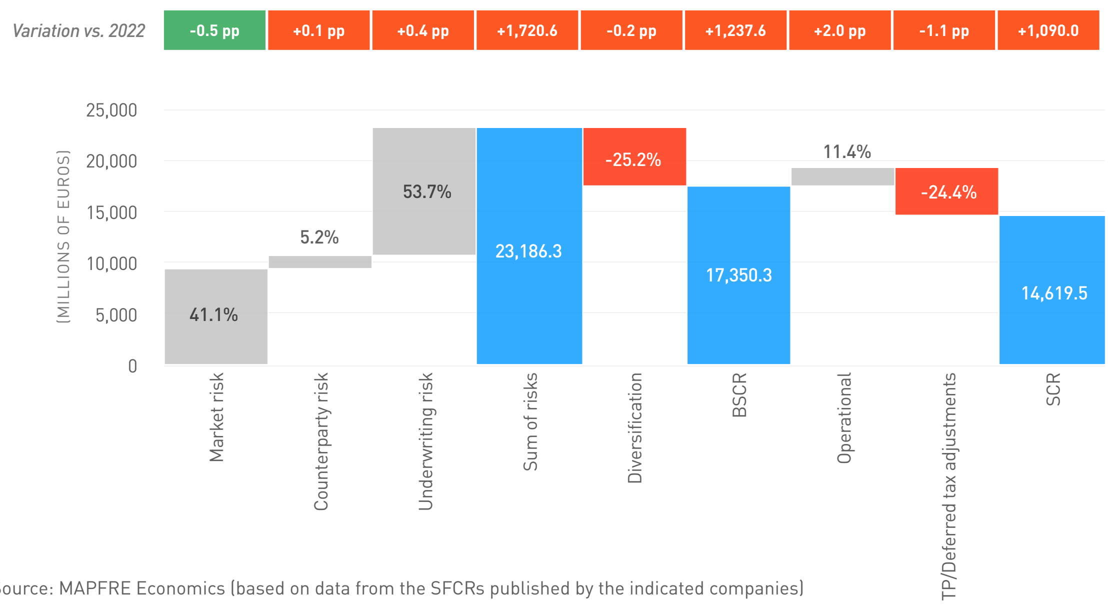
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-c
Non-Life: relative weight of the different SCR elements for the sample analyzed, 2023



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-d
Total market: relative weight of the different SCR elements for the sample analyzed, 2023



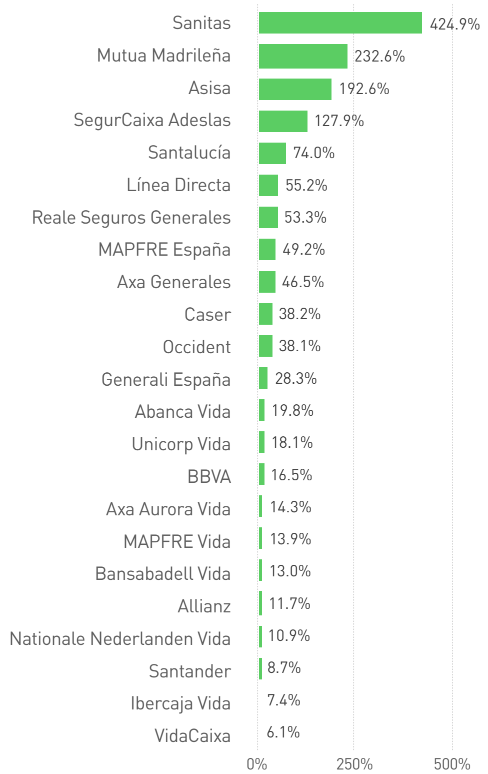
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

underwriting risk, and operational risks) in 2023 for the group of insurance companies included in this report.. This information shows the positive effect that diversification has had in each case, as well as the beneficial impact of the loss-absorbing capacity of both deferred taxes (LAC DT) and of technical provisions (LAC TP) for products involved in discretionary profit sharing.

It should be noted that all companies considered in this report use the *standard formula* to calculate their solvency capital requirement in all their modules, with the following exceptions: VidaCaixa, which applies a *partial internal model* for longevity and fatality risks; BBVA Seguros and MAPFRE Vida, which have a partial internal model for longevity risks; and SegurCaixa, Adeslas, Sanitas, and Asisa, which calculate the underwriting risk of medical expense insurance premiums with specific parameters, and MAPFRE España, which has specific parameters for underwriting risk in the Automobile Third-Party Liability and Automobile Other Guarantees segments.

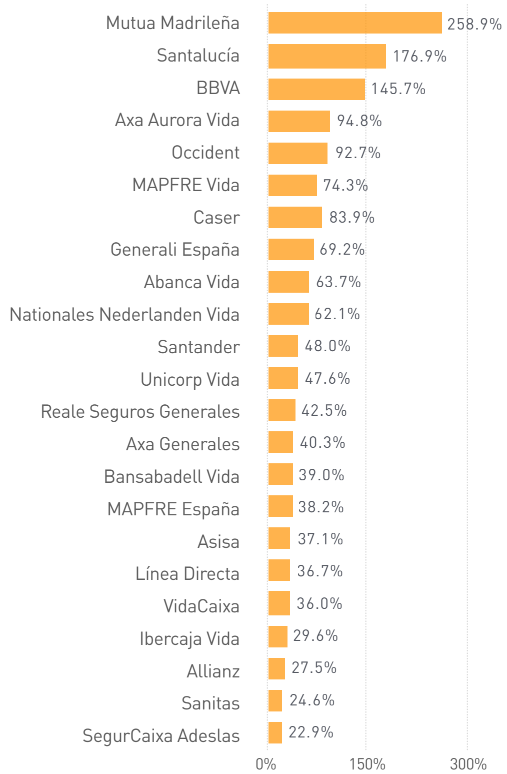
To supplement this analysis, the relevant weight of each of the risk modules comprising the SCR (market, credit, underwriting and operational risk) for the group of insurance companies analyzed in this report is broken down by Life, Composite and Non-Life segments and detailed schematically in Charts 5.6-a to 5.6-d. Likewise, said charts also show the positive effect of diversification in each case, as well as the positive effect derived from the loss-absorbing capacity (LAC) of both deferred taxes and technical provisions for products involved in profit sharing. Likewise, any variation compared to 2022 in the

Chart 5.6-e
Relative weight of own funds vs. technical provisions, 2023



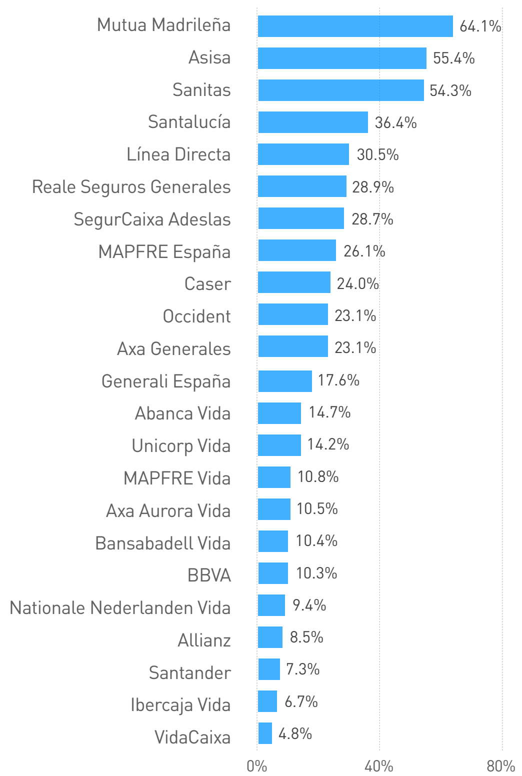
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-f
Relative weight of own funds vs. premiums, 2023



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-g
Relative weight of own funds vs. assets, 2023



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

relative weight of each module is reflected at the top of each Chart.

An analysis of this information shows that, in 2023, the Life segment (Chart 5.6-a) saw a decrease in the relative weight of market risk (-1.9 pp), and an increase in the weight of counterparty risk (0.4 pp) and underwriting risk (1.5 pp). There was also an increase in the overall weight of the diversification benefit (0.3 pp), and a decrease in the loss-absorbing capacity of deferred taxes and technical provisions in the case of products with discretionary profit sharing (-1.5 pp). In the case of the Composite companies segment (Chart 5.6-b), there was an increase in the relative weight of the underwriting risk module (1.7 pp), with a decrease in the relative weight of market risk (-1.9 pp). The entities that predominantly operate Non-Life insurance (Chart 5.6-c), in turn, have experienced an increase in the relative weight of market risk (1.8 pp) and a reduction in the weight of underwriting risk (-1.3 pp), as well as a lower risk in the operational module (-0.2 pp). Finally, for the market as a whole (Chart 5.6-d), there was a reduction in weight of the market risk component (-0.5 pp) and a slight increase for counterparty and underwriting risk (0.1 pp and 0.4 pp, respectively). The information also shows that between 2022 and 2023 the benefits of diversification dropped slightly (-0.2 pp), and the weight of the operational risk module increased (2.0 pp).

Finally, as supplemental information, Charts 5.6-e, 5.6-f, and 5.6-g show a comparison of the relative weight of the eligible own funds for the insurance companies considered, based on certain representative figures of their size, such as technical provisions, premiums, and total asset volume.

6. Regulatory outlook

Amendments to the Solvency II Directive

During 2023 and so far in 2024, significant progress has been made to reform the Solvency II regulatory framework, culminating in the agreement reached by European co-legislators to amend the directive, the final compromise text of which was published on January 24, 2024.[16] The main novelties included in the final text of the directive, which will have a significant quantitative impact once implemented, can be summarized as follows:

- *Risk margin*. The cost of capital rate for the valuation of technical provisions decreases from 6% to 4.75%. This parameter is particularly relevant due to the high sensitivity of the valuation of insurance companies' obligations in view of changes in this parameter. When the reform comes into force, it will lead to a significant reduction in technical provisions, freeing up resources that will enhance the EU insurance industry's role as institutional investors in the medium and long term.

- *Extrapolation of the discount curve*. The method for risk-free interest rate extrapolation to value the obligations assumed in insurance contracts is modified to better reflect the interest rates observed in the market in the longest sections of the curve.

- *Volatility adjustment* The adjustment percentage is increased, raising the application ratio from 65% to 85% and enhancing the national specific component of the adjustment.

- *Matching adjustment* Restrictions to the diversification benefits that were established for the insurance companies that applied this adjustment are eliminated.

- Long-term portfolio shares. Provisions relating to these shares are made more flexible in order to benefit from a lower shock of 22% (as opposed to 49%, which could be reached in other cases).

The reform will be implemented 24 months after publication of the revised directive in the Official Journal of the European Union, if and when it is published. Within that period, Member States must transpose this directive into their national legal systems by adopting and publishing the laws, regulations, and administrative provisions necessary to comply with this directive within that period. In the case of Spain, changes must be transposed into Spanish law through the Law on the Regulation, Supervision, and Solvency of Insurance and Reinsurance Companies (LOSSEAR) and the Royal Decree on the Regulation, Supervision, and Solvency of Insurance and Reinsurance Companies (RDOSSEAR).

A relevant aspect of the reform of the Solvency II Directive is that it introduces the category of "small and non-complex" companies in order to effectively apply the so-called *principle of proportionality*. The amendment of the Solvency II Delegated Regulation is still pending in order to finalize the universe of insurance companies that will benefit from this simplified framework. Meanwhile, insurance and reinsurance companies must develop climate change scenarios in their own risk and solvency assessment (ORSA) and prepare transition plans to monitor sustainability risks, among other aspects. It should be noted that several elements of the reform require further regulatory development by both the European Commission and the European Insurance and Occupational Pensions Authority (EIOPA) through the corresponding Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS).

These elements are crucial for the effective and detailed implementation of the new regulations in Member States, ensuring consistent and harmonized implementation throughout the European Union.

Accordingly, EIOPA must provide technical advice as required and develop technical standards specifying, among other aspects, criteria to be considered by supervisory authorities when identifying companies to which macroprudential measures will be applied in the management of systemic risk. It must also define the specific requirements for the analysis of climate scenarios in the own risk and solvency assessments (ORSA) of insurance companies, especially in relation to exposure to climate risks. Meanwhile, the European Commission must adopt delegated acts specifying the method for extrapolating the term structure of risk-free interest rates and propose additional delegated acts regulating the application of proportionality measures, especially in terms of reporting and governance requirements for small and non-complex insurance companies.

Artificial intelligence regulations

On July 12, 2024, the so-called Artificial Intelligence Regulation (EU) 2024/1689,[17] establishing harmonized rules for artificial intelligence in the European Union, was published in the Official Journal of the European Union. This regulation seeks to guarantee safe and ethical use of artificial intelligence (AI), affecting all industries, including insurance companies. It aims to mitigate risks associated with AI, imposing transparency and safety obligations in the use of AI technologies. The main points addressed by these new regulations are set out below.

Classification and risk management

The regulation introduces a classification of AI systems according to the level of risk they represent, considering four categories: unacceptable, high, limited, and minimal. AI systems considered "unacceptable risk" are prohibited, while those considered "high risk" are subject to strict compliance requirements. This classification seeks to protect the fundamental rights and security of citizens by preventing AI applications that can have serious impacts on society, such as mass surveillance or manipulation. Categorization allows for proportional regulation, where less risky technologies are subject to fewer restrictions, while encouraging innovation in areas where risk is lower.

High risk AI requirements

AI systems classified as high risk, such as those used in critical infrastructure, education, employment, workforce management, access to essential services, and maintaining public safety, must comply with strict obligations. These include transparency in their operations, traceability of their decisions, and constant human supervision to avoid automatic decisions that may negatively affect people's fundamental rights.

These requirements ensure that high-risk systems not only function properly, but are also auditable and explainable. Traceability is crucial, as it allows AI decisions to be reconstructed, ensuring that they are reviewable and correctable in case of error. Human oversight is another key pillar, guaranteeing that machines do not make critical decisions without human intervention.

Prohibitions

The regulation expressly prohibits certain AI applications that are considered excessively dangerous. These include AI systems designed to manipulate human behavior in ways that could result in significant physical or psychological harm, mass and continuous surveillance of people in public spaces, and the use of AI for social scoring similar to the system used in some countries.

These bans reflect a precautionary approach by the European Union to avoid potential abuses of AI technology. The goal is to prevent AI from becoming a tool of oppression or social control, thus protecting individual freedom, privacy, and other fundamental rights. The ban on social scoring, for example, responds to the risk that AI systems may discriminate against individuals based on behavioral data, unfairly affecting their access to services or their rights in general.

Data protection and fundamental rights

The regulation emphasizes the importance of protecting personal data and fundamental rights in the development and use of AI systems. A clear relationship is established between AI regulations and existing data protection laws, such as the General Data Protection Regulation (GDPR). Any AI system that handles personal data must strictly comply with these regulations, thus ensuring data privacy and security.

The regulation also addresses concerns about possible bias and discrimination in AI systems, stating that developers must implement measures to avoid these situations. This includes evaluating the data used to train AI systems and ensuring that it is representative and non-discriminatory. Protecting fundamental rights is at the heart of the regulatory framework, making sure that technology is not developed at the expense of fundamental values of European society.

Fostering innovation

The regulation also includes specific measures to encourage innovation in the field of AI. Recognizing that AI has great potential to drive economic growth and solve societal challenges, "controlled test spaces" are promoted where innovations can be developed and tested in a controlled environment without being subject to the strictest regulations. Special attention is also paid to small and medium-sized companies and startups, providing support and guidance so that they can compete on equal terms with large technology companies. This includes the possibility of receiving funding, technical assistance, and access to research infrastructures. The goal is to create a dynamic European ecosystem in which AI innovation can thrive without compromising security and citizens' rights.

In summary, this regulation is a comprehensive effort to position the European Union as a leader in the development of ethical and safe AI, while ensuring that technological innovation is realized for the benefit of society as a whole.[18] Regulation (EU) 2024/1689 has significant implications for insurance companies. By classifying artificial intelligence (AI) systems according to risk and setting strict requirements for high-risk systems, it requires insurance companies to ensure that their AI systems, used in areas such as risk assessment, pricing, or fraud detection, meet these standards. This will undoubtedly require investments in new technologies and processes, as well as staff training to ensure regulatory compliance. The regulation takes effect 20 days after its publication in the Official Journal of the European Union and will apply from August 2, 2026, with the exception of certain provisions that will apply as of August 2, 2025, and others on a delayed basis as of August 2, 2027.

Corporate Sustainability Due Diligence

In 2023 and so far this year, there have also been significant developments in sustainability due diligence regulations, with an agreement reached between co-legislators with the formal adoption by the European Parliament in May 2024 of the European Commission's Directive on Corporate Sustainability Due Diligence, known as CSDDD or CS3D (Corporate Sustainability Due Diligence Directive).[19]

Directive CS3D will apply to large companies with more than 1,000 employees and a net worldwide turnover of over 450 million euros, in order to ensure respect for human rights and environmental obligations throughout their chain of activities. If a violation of these obligations is detected, companies will be required to take appropriate measures to prevent, mitigate, terminate, or minimize the resulting adverse impacts on their own operations, those of their subsidiaries and those of their business partners in their chain of activities. Companies may be held liable for damages caused and would have to provide full compensation. Companies affected by the directive will also have to adopt and implement a climate transition plan in line with the Paris Agreement on climate change.

The directive will be published in the Official Journal of the European Union and enter into force 20 days after its publication. Member States will have two years to apply the regulations and administrative procedures necessary to comply with this legislation, and implementation will be staggered over a period of three to five years, depending on the companies' size. After negotiations during which it was debated whether or not to exclude the financial services sector from the scope of application of this directive, an agreement was finally reached to leave the decision in the hands of each Member State when transposing it, establishing a series of specificities in the event they decide to do so.

Index of tables, charts, and boxes

Tables

Charts

Boxes

References

1/ See: MAPFRE Economics (2023), *The Spanish Insurance Market in 2022*, Madrid, Fundación MAPFRE.

2/ See: https://population.un.org/wpp/Download/Standard/Population/

3/ In July 2024, the Directorate General of Insurance and Pension Funds (DGSFP) renewed the identification of the MAPFRE Group as an internationally active Spanish insurance group, a designation that first took place in May 2020. The renewal occurred after examining compliance with the size and internationalization criteria included in the common framework of the International Association of Insurance Supervisors (IAIS).

4/ See: MAPFRE Economics (2024), *2024 Economic and Industry Outlook: Perspectives for the Second Half*, Madrid, Fundación MAPFRE.

5/ Swiss Re Institute (2024). World insurance: strengthening global resilience with a new lease of life. *Sigma* 3/2024, at: https://www.swissre.com/institute/research/sigma-research/sigma-2024-03-world-insurance-global-resilience.html

6/ See: https://www.icea.es/es-es/informaciondelseguro/Publicaciones/publiPDF/2024/Informe-1788-Inversiones-entidades-aseguradoras-diciembre-2023.pdf

7/ It is important to note that the medium-term performance of investment portfolios was marked by the entry into force of the Solvency II Directive in 2016, which changed capital requirements for investments based on implicit risk. The entry into force of new capital requirements brought a change in perceptions regarding investment portfolios, which until 2015, had only included assets used to hedge technical provisions, to widen the scope to other portfolios commencing that year onward, as the new requirements became applicable to all investments, including the asset portfolio corresponding to insurance companies' own funds.

8/ In 2024, the world's main economies will focus on maintaining their monetary policy aimed at fighting inflation and bringing it to lower levels. This may imply a further slowdown in economic growth during the year. In addition, geopolitical uncertainty may make it more difficult to control inflation, especially in the energy sector. On the insurance side, it will be necessary to continue to monitor how inflation affects the real value of premiums and claims to avoid an unbalanced impact.

9/ These are a group of nearly 5,000 synthetic chemical agents, widely used in industry, which accumulate over time (they are known as the eternal chemicals) and accumulate in humans and the environment, producing harmful effects on health.

10/ From a methodological standpoint, the IPG can be determined in two ways. The first, in an *ex post* approach, is based on observed losses. In this case, the IPG will be calculated as the difference between the economic losses recorded during a specific period and the portion of those losses that were covered by insurance compensation. The second, which is used for the purposes of this report, is an *ex ante* approach based on an analysis of optimal protection levels, which are estimated based on a comparison between the level of coverage that is socially and economically adequate to cover the risks and the actual level of protection.

11/ The data presented in this report used to measure penetration, density, and depth indexes, as well as figures used to determine the Insurance Protection Gap (IPG) for 2022 and previous years may reflect discrepancies when compared with information presented in last year's report (MAPFRE Economics (2023), *The Spanish Insurance Market in 2022*, Madrid, Fundación MAPFRE). This is due to updated premium figures for the Spanish insurance market reported by ICEA, adjustments in data on Spain's GDP published by the Spanish national institute of statistics (INE - Instituto Nacional de Estadística), and adjustments to the penetration parameters for European insurance markets used in IPG estimates arising from a review of the data on insurance premiums and gross domestic product.

12/ The use of an ex-ante approach in this report involved using the spread between the optimal and real level of protection as a benchmark, contemplated as the difference between penetration indexes in Spain compared to the top 15 economies within the European Union.

13/ The Solvency and Financial Condition Reports for 2022 and 2023 referred to in this report were consulted at the following links:

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

MAPFRE Vida: https://www.mapfre.com/solvencia/

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

Zurich Vida (Sabadell): https://www.zurich.es/conocenos

Ibercaja Vida: https://www.ibercajavida.com/

Axa Aurora Vida: https://www.axa.es/axa-espana/informes-sfcr

Abanca Vida: https://www.abancacorporacionbancaria.com/es/inversores/informacion-financiera/#informe-sobre-la-situacion-financiera-y-de-solvencia-isfs-de-abanca-vida-y-pensiones

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

Allianz: https://www.allianz.es/descubre-allianz/allianz-seguros

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

Caser: https://www.caser.es/conocenos/informacion-legal

Occident: https://www.occident.com/informacion-corporativa

Santalucía: https://www.santalucia.es/sobre-santalucia/publicaciones

MAPFRE España: https://www.mapfre.com/solvencia/

Axa Seguros Generales: https://www.axa.es/sobre-axa

SegurCaixa Adeslas: https://www.segurcaixaadeslas.es/informacion-corporativa/informe-solvencia

Sanitas: https://corporativo.sanitas.es/informes/

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/quienes-somos/la-compania/informacion-economica

Ocaso: https://www.ocaso.es/es/corporativa/datos-economicos

Santander Seguros Generales: https://www.santanderseguros.es/san/sanseguros/informacion-financiera-solvencia

14/ The adjustment amount is calculated monthly by the European Insurance and Occupational Pensions Authority (EIOPA), taking into account the investment portfolio profile at the sector-level in each country. It consists of an adjustment for each currency, to which an additional adjustment is added for the country in which the insurance company is located, if there is a rise in the volatility of that specific market above a certain threshold.

15/ This adjustment depends on the characteristics of the portfolio of assets that cover the insurance obligations that profit from this measure, meaning that it is a singular adjustment calculated by the insurance company itself.

16/ Final transitional text of Solvency II: https://data.consilium.europa.eu/doc/document/ST-5481-2024-INIT/en/pdf

17/ See: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AL_202401689

18/ See: https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai

19/ See: https://www.consilium.europa.eu/en/press/press-releases/2024/05/24/corporate-sustainability-due-diligence-council-gives-its-final-approval/

Statistical appendix

Table A.1.
Size of the leading global insurance markets, 2013–2023
(premiums, billions of U.S. dollars, premiums per capita, U.S. dollars; premiums/GDP, %)

2013			
Country/Region	Premiums	Premiums per capita	Premiums/ GDP
United States	1,255	3,969	7.5%
Japan	492	3,835	9.6%
United Kingdom	326	4,512	10.3%
China	280	201	2.9%
France	256	3,734	8.8%
Germany	249	3,090	6.7%
Italy	167	2,772	7.8%
South Korea	160	3,165	11.5%
Canada	128	3,648	6.9%
Holland	99	5,915	11.3%
Australia	98	4,235	6.5%
Taiwan	91	3,896	17.7%
Brazil	79	395	3.2%
Spain	74	1,593	5.5%
India	65	51	3.5%
Switzerland	63	7,801	8.9%
South Africa	52	959	12.9%
Ireland	50	4,605	9.0%
Sweden	38	3,968	6.5%
Belgium	38	3,263	7.0%
Europe	**1,618**	**1,829**	**6.6%**
EU15	**1,434**	**3,274**	**7.9%**
EU27	**1,478**	**2,699**	**7.5%**
Global	**4,588**	**622**	**5.9%**

2014			
Country/Region	Premiums	Premiums per capita	Premiums/ GDP
United States	1,271	3,987	7.3%
Japan	472	3,684	9.9%
United Kingdom	337	4,619	9.7%
China	328	235	3.1%
France	271	3,923	9.1%
Germany	256	3,158	6.6%
Italy	201	3,305	9.3%
South Korea	176	3,460	11.8%
Canada	127	3,585	7.0%
Australia	107	4,551	7.4%
Holland	97	5,777	10.9%
Taiwan	96	4,084	17.9%
Brazil	84	414	3.4%
Spain	74	1,587	5.4%
India	68	52	3.3%
Switzerland	64	7,807	8.7%
Ireland	57	4,511	8.1%
South Africa	51	924	13.3%
Hong Kong	42	5,921	14.5%
Belgium	41	3,277	6.9%
Europe	**1,695**	**1,889**	**6.8%**
EU15	**1,515**	**3,408**	**8.1%**
EU27	**1,558**	**2,806**	**7.6%**
Global	**4,755**	**635**	**5.9%**

2015			
Country/Region	Premiums	Premiums per capita	Premiums/ GDP
United States	1,316	4,096	7.3%
Japan	443	3,460	9.9%
China	387	275	3.5%
United Kingdom	329	4,490	9.9%
France	240	3,425	9.3%
Germany	215	2,629	6.4%
Italy	173	2,845	9.4%
South Korea	170	3,329	11.8%
Canada	114	3,205	7.4%
Taiwan	96	4,089	18.0%
Australia	88	3,668	7.1%
Holland	80	4,703	10.4%
India	71	54	3.4%
Brazil	66	324	3.7%
Spain	63	1,359	5.3%
Switzerland	62	7,388	8.8%
Ireland	52	4,118	6.6%
Hong Kong	47	6,509	15.1%
South Africa	45	820	13.1%
Sweden	36	3,630	7.1%
Europe	**1,469**	**1,634**	**6.9%**
EU15	**1,315**	**2,951**	**8.0%**
EU27	**1,351**	**2,430**	**7.6%**
Global	**4,554**	**603**	**6.0%**

Source: Swiss Re

Table A.1. (continued)
Size of the leading global insurance markets, 2013–2023
(premiums, billions of U.S. dollars, premiums per capita, U.S. dollars; premiums/GDP, %)

2016			
Country/ Region	Premiums	Premiums per capita	Premiums /GDP
United States	1,352	4,174	7.3%
China	466	329	4.1%
Japan	452	3,535	9.0%
United Kingdom	290	3,909	9.4%
France	237	3,390	9.2%
Germany	215	2,607	6.2%
South Korea	177	3,454	11.7%
Italy	158	2,614	8.4%
Canada	114	3,144	7.4%
Taiwan	101	4,313	18.7%
Australia	83	3,413	6.5%
India	82	62	3.6%
Holland	77	4,513	9.8%
Spain	71	1,519	5.7%
Brazil	70	340	3.9%
Switzerland	59	6,968	8.4%
Hong Kong	57	7,837	17.7%
South Africa	41	727	12.7%
Ireland	40	4,019	6.4%
Sweden	34	3,388	6.5%
Europe	**1,470**	**1,620**	**6.7%**
EU15	**1,316**	**2,911**	**7.9%**
EU27	**1,353**	**2,401**	**7.5%**
Global	**4,732**	**621**	**6.1%**

2017			
Country/ Region	Premiums	Premiums per capita	Premiums /GDP
United States	1,377	4,216	7.1%
China	541	381	4.4%
Japan	419	3,289	8.4%
United Kingdom	319	4,344	10.6%
France	244	3,495	9.0%
Germany	227	2,747	6.1%
South Korea	181	3,529	11.0%
Italy	173	2,855	8.8%
Canada	121	3,324	7.4%
Taiwan	117	4,987	19.9%
India	95	71	3.7%
Brazil	82	392	4.0%
Australia	81	3,274	5.8%
Holland	79	4,610	9.5%
Spain	72	1,537	5.5%
Hong Kong	61	8,370	17.9%
Switzerland	58	6,857	8.3%
Ireland	51	4,762	6.9%
South Africa	46	802	12.0%
Sweden	37	3,670	6.8%
Europe	**1,479**	**1,651**	**6.5%**
EU15	**1,315**	**2,953**	**7.6%**
EU27	**1,357**	**2,446**	**7.2%**
Global	**4,892**	**650**	**6.1%**

2018			
Country/ Region	Premiums	Premiums per capita	Premiums /GDP
United States	1,469	4,481	7.1%
China	575	402	4.1%
Japan	443	3,484	8.8%
United Kingdom	381	5,151	11.8%
France	266	3,784	9.1%
Germany	245	2,951	6.1%
South Korea	180	3,495	10.6%
Italy	180	3,003	8.6%
Canada	129	3,490	7.5%
Taiwan	122	5,169	20.0%
India	97	72	3.7%
Holland	85	4,954	9.3%
Australia	79	3,149	5.6%
Spain	76	1,625	5.4%
Brazil	71	338	3.7%
Hong Kong	64	8,642	17.6%
Switzerland	59	6,924	8.0%
Ireland	48	4,930	6.3%
South Africa	45	781	11.2%
Sweden	39	3,844	7.1%
Europe	**1,621**	**1,794**	**6.6%**
EU15	**1,449**	**3,226**	**7.7%**
EU27	**1,494**	**2,673**	**7.3%**
Global	**5,193**	**663**	**5.9%**

2019			
Country/ Region	Premiums	Premiums per capita	Premiums /GDP
United States	2,460	7,495	11.4%
China	617	430	4.3%
Japan	423	3,335	8.2%
United Kingdom	365	4,944	11.5%
France	265	3,710	9.1%
Germany	249	2,998	6.4%
South Korea	179	3,462	11.0%
Italy	178	2,984	8.9%
Canada	135	3,580	7.7%
Taiwan	118	4,993	19.3%
India	108	79	3.9%
Netherlands	84	4,849	9.2%
Brazil	73	347	3.9%
Spain	72	1,523	5.2%
Hong Kong	71	9,489	19.5%
Australia	69	2,703	5.0%
Switzerland	59	6,843	8.0%
Ireland	50	5,012	6.2%
South Africa	46	791	12.0%
Belgium	41	2,825	6.1%
Eurozone	**1,063**	**2,784**	**7.1%**
EU	**1,172**	**2,374**	**6.8%**
OECD	**4,985**	**3,680**	**9.0%**
Global	**6,293**	**818**	**7.2%**

Source: Swiss Re

Table A.1. (continued)
Size of the leading global insurance markets, 2013–2023
(premiums, billions of U.S. dollars, premiums per capita, U.S. dollars; premiums/GDP, %)

2020				2021				2022				2023			
Country/ Region	Premiums	Premiums per capita	Premiums /GDP	Country/ Region	Premiums	Premiums per capita	Premiums /GDP	Country/ Region	Premiums	Premiums per capita	Premiums /GDP	Country/ Region	Premiums	Premiums per capita	Premiums /GDP
United States	2,531	7,673	12.0%	United States	2,719	8,193	11.7%	United States	2,960	8,885	11.6%	United States	3,227	9,640	11.9%
China	656	455	4.5%	China	696	482	3.9%	China	698	489	3.9%	China	724	508	3.9%
Japan	414	3,278	8.2%	Japan	404	3,202	8.4%	United Kingdom	363	4,781	10.5%	United Kingdom	375	4,759	9.7%
United Kingdom	342	4,509	11.0%	United Kingdom	399	5,273	11.1%	Japan	338	2,690	8.2%	Japan	363	2,938	8.9%
Germany	260	3,130	6.8%	France	296	4,140	9.5%	France	261	3,578	8.7%	France	283	3,867	8.7%
France	239	3,330	8.6%	Germany	276	3,313	6.5%	Germany	242	2,881	5.9%	Germany	245	2,910	5.5%
South Korea	190	3,671	11.4%	South Korea	193	3,735	10.9%	South Korea	183	3,541	11.1%	South Korea	186	3,603	11.0%
Italy	173	2,908	9.1%	Italy	192	3,253	9.1%	Canada	171	4,392	8.0%	Canada	171	4,267	8.0%
Canada	139	3,661	8.5%	Canada	161	4,217	8.1%	Italy	160	2,716	8.0%	Italy	159	2,708	7.1%
Taiwan	113	4,800	16.9%	India	127	91	4.2%	India	131	92	4.0%	India	136	95	3.7%
India	112	81	4.4%	Taiwan	113	4,804	14.8%	Taiwan	86	3,662	11.4%	Netherlands	93	5,216	8.3%
Netherlands	88	5,043	9.6%	Netherlands	93	5,301	9.1%	Netherlands	84	4,731	8.5%	Brazil	84	390	3.9%
Hong Kong	73	9,720	21.1%	Spain	74	1,551	5.1%	Brazil	76	352	4.0%	Spain	83	1,744	5.3%
Spain	67	1,419	5.2%	Australia	73	2,817	4.4%	Australia	72	2,758	4.2%	Taiwan	78	3,307	10.3%
Australia	63	2,446	4.6%	Hong Kong	72	9,556	19.6%	Hong Kong	69	9,159	19.0%	Australia	74	2,759	4.2%
Brazil	58	272	4.0%	Ireland	65	6,063	6.1%	Spain	68	1,433	4.9%	Hong Kong	66	8,769	17.2%
Switzerland	57	6,583	7.6%	Brazil	62	290	3.9%	Switzerland	56	6,364	6.9%	Switzerland	61	6,830	6.9%
Ireland	49	5,174	6.1%	Switzerland	58	6,610	7.1%	Sweden	54	5,180	9.3%	Mexico	45	351	2.5%
Sweden	41	4,003	7.7%	South Africa	51	852	12.2%	Singapore	47	7,563	9.2%	Denmark	44	7,485	11.0%
South Africa	41	692	12.3%	Luxembourg	48	5,585	4.1%	South Africa	46	764	11.3%	Sweden	44	4,185	7.4%
Eurozone	**1,022**	**2,723**	**7.2%**	**Eurozone**	**1,173**	**3,104**	**7.4%**	**Eurozone**	**998**	**2,713**	**6.6%**	**Eurozone**	**1,056**	**2,872**	**6.4%**
EU	**1,133**	**2,335**	**6.9%**	**EU**	**1,302**	**2,670**	**7.0%**	**EU**	**1,131**	**2,377**	**6.4%**	**EU**	**1,198**	**2,516**	**6.2%**
OECD	**4,965**	**3,695**	**9.3%**	**OECD**	**5,411**	**3,997**	**9.1%**	**OECD**	**5,374**	**4,001**	**8.9%**	**OECD**	**5,756**	**4,266**	**8.9%**
Global	**6,287**	**809**	**7.4%**	**Global**	**6,861**	**874**	**7.0%**	**Global**	**6,782**	**853**	**6.8%**	**Global**	**7,186**	**889**	**7.0%**

Source: Swiss Re

Table A.2.
Trends in direct insurance premiums in the Spanish insurance market, 2013–2023
(millions of euros)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NON-LIFE INSURANCE	**30,386.4**	**30,646.5**	**31,297.9**	**32,693.0**	**34,027.1**	**35,429.7**	**36,652.1**	**37,051.6**	**38,251.1**	**40,270.0**	**43,003.9**
Automobiles	**10,021.5**	**9,882.1**	**10,052.1**	**10,565.9**	**10,923.3**	**11,137.5**	**11,311.9**	**11,086.5**	**10,989.6**	**11,354.5**	**12,107.0**
Automobile TPL	5,177.7	5,029.6	5,169.0	5,508.8	5,716.6	5,850.7	5,875.4	5,658.7	5,558.4	5,665.6	6,040.1
Automobile Other Guarantees	4,843.8	4,852.5	4,883.0	5,057.1	5,206.7	5,286.8	5,436.5	5,427.8	5,431.2	5,688.8	6,067.0
Multirisk	**6,537.1**	**6,550.4**	**6,564.5**	**6,734.3**	**6,964.7**	**7,234.3**	**7,521.1**	**7,752.7**	**8,116.1**	**8,578.5**	**9,158.3**
Home	3,779.0	3,836.5	3,916.4	4,058.9	4,196.3	4,347.7	4,528.6	4,652.2	4,878.2	5,148.8	5,475.7
Business	596.2	594.5	565.1	574.6	584.8	595.5	602.0	603.6	621.9	629.6	660.4
Condominium	823.4	826.6	836.0	852.8	872.1	898.5	926.5	952.8	983.6	1,031.5	1,097.7
Industries	1,265.3	1,220.0	1,176.0	1,169.8	1,233.6	1,316.1	1,385.2	1,462.9	1,548.3	1,684.4	1,840.4
Other	73.2	72.7	71.0	78.2	77.8	76.5	78.8	81.2	84.0	84.1	84.2
Health	**6,936.9**	**7,181.1**	**7,360.8**	**7,735.8**	**8,068.7**	**8,516.3**	**8,935.3**	**9,386.4**	**9,853.5**	**10,542.9**	**11,234.6**
Healthcare Assistance	6,192.0	6,429.7	6,450.0	6,761.4	7,100.8	7,526.4	7,912.3	8,334.1	8,773.1	9,425.6	10,045.9
Redemption	504.4	519.6	665.9	700.4	708.8	722.1	745.6	785.6	809.0	859.1	936.5
Subsidy	240.5	231.7	244.9	273.9	259.1	267.8	277.3	266.7	271.4	258.3	252.2
Other Non-Life Lines	**6,890.9**	**7,033.0**	**7,320.5**	**7,657.0**	**8,070.4**	**8,541.6**	**8,883.8**	**8,826.0**	**9,291.9**	**9,794.1**	**10,504.0**
Accidents	880.1	885.5	926.3	983.8	1,114.3	1,152.3	1,152.1	1,123.2	1,120.0	1,146.8	1,157.7
Assistance	312.2	335.2	340.3	364.6	402.7	433.3	460.9	339.0	361.5	441.5	478.5
Surety	62.6	60.9	85.7	62.2	63.2	84.1	122.5	136.1	148.8	179.4	225.5
Credit	645.8	630.5	608.8	593.1	570.3	584.4	606.9	602.3	649.6	716.9	771.7
Burials	1,960.5	2,087.2	2,150.4	2,167.2	2,277.0	2,367.0	2,458.9	2,490.4	2,569.3	2,626.0	2,766.5
Legal Defense	89.6	92.2	93.1	96.7	100.5	106.2	109.5	112.4	115.0	121.4	129.2
Fires	95.9	108.8	179.9	206.8	118.4	194.5	180.7	228.1	228.6	206.9	228.3
Other Property Damage	819.8	841.2	870.8	1,047.8	1,105.7	1,241.9	1,321.3	1,313.2	1,399.8	1,456.9	1,643.0
Pecuniary Losses	233.3	232.3	276.1	336.0	350.9	386.2	375.4	317.9	361.0	385.9	364.9
Third-Party Liability	1,352.4	1,342.1	1,359.8	1,385.0	1,508.3	1,532.1	1,597.6	1,640.1	1,799.5	1,940.8	2,092.6
Transport	438.8	417.0	429.4	413.8	459.0	459.7	497.9	523.4	538.6	571.7	646.2
Aviation	55.1	47.7	46.0	43.3	67.6	46.0	57.0	73.7	59.8	82.1	103.6
Maritime	185.3	175.3	178.9	163.6	161.4	169.9	186.1	193.1	209.8	207.6	217.7
Goods	198.4	194.0	204.5	206.9	230.0	243.9	254.9	256.5	269.1	282.0	324.9
LIFE INSURANCE	**25,509.9**	**24,839.3**	**25,566.7**	**31,139.3**	**29,406.8**	**28,994.8**	**27,523.4**	**21,837.1**	**23,551.8**	**24,535.5**	**33,360.1**
Protection	**3,350.4**	**3,471.5**	**3,773.8**	**4,205.4**	**4,205.6**	**4,721.0**	**4,865.3**	**4,847.9**	**5,019.7**	**5,185.4**	**5,047.4**
Savings	**22,159.5**	**21,367.7**	**21,793.0**	**26,933.9**	**25,201.3**	**24,273.8**	**22,658.1**	**16,989.3**	**18,532.1**	**19,350.1**	**28,312.7**
TOTAL MARKET	**55,896.3**	**55,485.8**	**56,864.6**	**63,832.2**	**63,433.9**	**64,424.5**	**64,175.5**	**58,888.7**	**61,803.0**	**64,805.5**	**76,364.0**

Source: ICEA. *Historic series of direct business premiums*

Table A.3.
Trends in direct insurance premium growth in the Spanish insurance market, 2013–2023
(annual growth rates, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NON-LIFE INSURANCE	**-2.3%**	**0.9%**	**2.1%**	**4.5%**	**4.1%**	**4.1%**	**3.5%**	**1.1%**	**3.2%**	**5.3%**	**6.8%**
Automobiles	**-5.5%**	**-1.4%**	**1.7%**	**5.1%**	**3.4%**	**2.0%**	**1.6%**	**-2.0%**	**-0.9%**	**3.3%**	**6.6%**
Automobile TPL	-5.6%	-2.9%	2.8%	6.6%	3.8%	2.3%	0.4%	-3.7%	-1.8%	1.9%	6.6%
Automobile Other Guarantees	-5.4%	0.2%	0.6%	3.6%	3.0%	1.5%	2.8%	-0.2%	0.1%	4.7%	6.6%
Multirisk	**-1.4%**	**0.2%**	**0.2%**	**2.6%**	**3.4%**	**3.9%**	**4.0%**	**3.1%**	**4.7%**	**5.7%**	**6.8%**
Home	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%	2.7%	4.9%	5.5%	6.3%
Business	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%	0.3%	3.0%	1.2%	4.9%
Condominium	1.1%	0.4%	1.1%	2.0%	2.3%	3.0%	3.1%	2.8%	3.2%	4.9%	6.4%
Industries	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.3%	5.6%	5.8%	8.8%	9.3%
Other	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%	3.0%	3.5%	0.1%	0.1%
Health	**2.2%**	**3.5%**	**2.5%**	**5.1%**	**4.3%**	**5.5%**	**4.9%**	**5.0%**	**5.0%**	**7.0%**	**6.6%**
Healthcare Assistance	3.0%	3.8%	0.3%	4.8%	5.0%	6.0%	5.1%	5.3%	5.3%	7.4%	6.6%
Redemption	-2.3%	3.0%	28.1%	5.2%	1.2%	1.9%	3.3%	5.4%	3.0%	6.2%	9.0%
Subsidy	-6.8%	-3.7%	5.7%	11.9%	-5.4%	3.4%	3.5%	-3.8%	1.8%	-4.8%	-2.4%
Other Non-Life Lines	**-2.6%**	**2.1%**	**4.1%**	**4.6%**	**5.4%**	**5.8%**	**4.0%**	**-0.7%**	**5.3%**	**5.4%**	**7.2%**
Accidents	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	0.0%	-2.5%	-0.3%	2.4%	0.9%
Assistance	0.9%	7.4%	1.5%	7.1%	10.4%	7.6%	6.4%	-26.4%	6.6%	22.1%	8.4%
Surety	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	45.6%	11.1%	9.3%	20.5%	25.7%
Credit	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.8%	-0.8%	7.9%	10.4%	7.7%
Burials	3.7%	6.5%	3.0%	0.8%	5.1%	4.0%	3.9%	1.3%	3.2%	2.2%	5.4%
Legal Defense	-7.3%	2.9%	1.0%	3.8%	4.0%	5.6%	3.1%	2.7%	2.3%	5.6%	6.4%
Fires	5.9%	13.4%	65.4%	15.0%	-42.7%	64.3%	-7.1%	26.2%	0.2%	-9.5%	10.3%
Other Property Damage	-12.3%	2.6%	3.5%	20.3%	5.5%	12.3%	6.4%	-0.6%	6.6%	4.1%	12.8%
Pecuniary Losses	-6.5%	-0.4%	18.8%	21.7%	4.4%	10.1%	-2.8%	-15.3%	13.6%	6.9%	-5.4%
Third-Party Liability	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%	2.7%	9.7%	7.8%	7.8%
Transport	-4.7%	-5.0%	3.0%	-3.6%	10.9%	0.2%	8.3%	5.1%	2.9%	6.1%	13.0%
Aviation	-10.5%	-13.4%	-3.6%	-5.8%	56.1%	-32.0%	23.9%	29.4%	-19.0%	37.3%	26.2%
Maritime	-4.9%	-5.4%	2.0%	-8.5%	-1.4%	5.3%	9.5%	3.8%	8.6%	-1.0%	4.8%
Goods	-2.8%	-2.2%	5.4%	1.2%	11.2%	6.0%	4.5%	0.6%	4.9%	4.8%	15.2%
LIFE INSURANCE	**-3.0%**	**-2.6%**	**2.9%**	**21.8%**	**-5.6%**	**-1.4%**	**-5.1%**	**-20.7%**	**7.9%**	**4.2%**	**36.0%**
Protection	**-4.6%**	**3.6%**	**8.7%**	**11.4%**	**0.0%**	**12.3%**	**3.1%**	**-0.4%**	**3.5%**	**3.3%**	**-2.7%**
Savings	**-2.7%**	**-3.6%**	**2.0%**	**23.6%**	**-6.4%**	**-3.7%**	**-6.7%**	**-25.0%**	**9.1%**	**4.4%**	**46.3%**
TOTAL MARKET	**-2.6%**	**-0.7%**	**2.5%**	**12.3%**	**-0.6%**	**1.6%**	**-0.4%**	**-8.2%**	**4.9%**	**4.9%**	**17.8%**

Source: MAPFRE Economics (based on ICEA data, *Historic series of direct business premiums*)

Table A.4.
Contributions in direct insurance premium growth in the Spanish insurance market, 2013-2023
(percentage points, pp)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NON-LIFE INSURANCE	**-1.235**	**0.465**	**1.174**	**2.453**	**2.090**	**2.211**	**1.897**	**0.622**	**2.037**	**3.267**	**4.219**
Automobiles	**-1.021**	**-0.249**	**0.306**	**0.904**	**0.560**	**0.338**	**0.271**	**-0.351**	**-0.165**	**0.590**	**1.161**
Automobile TPL	-0.536	-0.265	0.251	0.597	0.326	0.211	0.038	-0.338	-0.170	0.174	0.578
Automobile Other Guarantees	-0.485	0.016	0.055	0.306	0.234	0.126	0.232	-0.014	0.006	0.417	0.583
Multirisk	**-0.156**	**0.024**	**0.025**	**0.299**	**0.361**	**0.425**	**0.445**	**0.361**	**0.617**	**0.748**	**0.895**
Home	0.027	0.103	0.144	0.251	0.215	0.239	0.281	0.193	0.384	0.438	0.504
Business	-0.051	-0.003	-0.053	0.017	0.016	0.017	0.010	0.003	0.031	0.012	0.047
Condominium	0.015	0.006	0.017	0.030	0.030	0.042	0.043	0.041	0.052	0.078	0.102
Industries	-0.138	-0.081	-0.079	-0.011	0.100	0.130	0.107	0.121	0.145	0.220	0.241
Other	-0.010	-0.001	-0.003	0.013	-0.001	-0.002	0.004	0.004	0.005	0.000	0.000
Health	**0.264**	**0.437**	**0.324**	**0.659**	**0.522**	**0.706**	**0.650**	**0.703**	**0.793**	**1.115**	**1.067**
Healthcare Assistance	0.315	0.425	0.037	0.548	0.532	0.671	0.599	0.657	0.745	1.056	0.957
Redemption	-0.021	0.027	0.264	0.061	0.013	0.021	0.037	0.062	0.040	0.081	0.119
Subsidy	-0.030	-0.016	0.024	0.051	-0.023	0.014	0.015	-0.017	0.008	-0.021	-0.009
Other Non-Life Lines	**-0.322**	**0.254**	**0.518**	**0.592**	**0.648**	**0.743**	**0.531**	**-0.090**	**0.791**	**0.813**	**1.095**
Accidents	0.048	0.010	0.073	0.101	0.204	0.060	0.000	-0.045	-0.005	0.043	0.017
Assistance	0.005	0.041	0.009	0.043	0.060	0.048	0.043	-0.190	0.038	0.129	0.057
Surety	-0.005	-0.003	0.045	-0.041	0.002	0.033	0.060	0.021	0.022	0.049	0.071
Credit	-0.055	-0.027	-0.039	-0.028	-0.036	0.022	0.035	-0.007	0.080	0.109	0.085
Burials	0.122	0.227	0.114	0.030	0.172	0.142	0.143	0.049	0.134	0.092	0.217
Legal Defense	-0.012	0.005	0.002	0.006	0.006	0.009	0.005	0.005	0.004	0.010	0.012
Fires	0.009	0.023	0.128	0.047	-0.139	0.120	-0.021	0.074	0.001	-0.035	0.033
Other Property Damage	-0.201	0.038	0.053	0.311	0.091	0.215	0.123	-0.013	0.147	0.092	0.287
Pecuniary Losses	-0.028	-0.002	0.079	0.105	0.023	0.056	-0.017	-0.090	0.073	0.040	-0.032
Third-Party Liability	-0.166	-0.018	0.032	0.044	0.193	0.037	0.102	0.066	0.271	0.229	0.234
Transport	-0.038	-0.039	0.022	-0.027	0.071	0.001	0.059	0.040	0.026	0.054	0.115
Aviation	-0.011	-0.013	-0.003	-0.005	0.038	-0.034	0.017	0.026	-0.024	0.036	0.033
Maritime	-0.017	-0.018	0.006	-0.027	-0.004	0.013	0.025	0.011	0.028	-0.003	0.015
Goods	-0.010	-0.008	0.019	0.004	0.036	0.022	0.017	0.003	0.021	0.021	0.066
LIFE INSURANCE	**-1.357**	**-1.200**	**1.311**	**9.800**	**-2.714**	**-0.650**	**-2.284**	**-8.861**	**2.912**	**1.592**	**13.617**
Protection	**-0.279**	**0.217**	**0.545**	**0.759**	**0.000**	**0.813**	**0.224**	**-0.027**	**0.292**	**0.268**	**-0.213**
Savings	**-1.078**	**-1.416**	**0.766**	**9.041**	**-2.714**	**-1.462**	**-2.508**	**-8.833**	**2.620**	**1.324**	**13.830**
TOTAL MARKET	**-2.593**	**-0.734**	**2.485**	**12.253**	**-0.624**	**1.562**	**-0.386**	**-8.238**	**4.949**	**4.858**	**17.836**

Source: MAPFRE Economics (based on ICEA data, *Historic series of direct business premiums*)

Table A.5.
Trends in the total and Non-Life combined ratios in the Spanish insurance market, 2013–2023
(combined ratio, %)

Year	Total combined ratio				Non-Life combined ratio			
	Combined ratio	Loss ratio	Administrative expense ratio	Acquisition expense ratio	Combined ratio	Loss ratio	Administrative expense ratio	Acquisition expense ratio
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
2017	**104.85**	91.83	2.97	10.05	**94.02**	71.95	4.47	17.60
2018	**101.72**	86.88	3.16	11.68	**93.67**	71.50	4.60	17.57
2019	**107.99**	92.43	3.45	12.11	**92.90**	70.68	5.02	17.20
2020	**103.99**	85.36	4.25	14.38	**90.46**	67.04	5.34	18.08
2021	**108.52**	90.67	3.99	13.86	**92.93**	69.24	5.34	18.34
2022	**93.19**	75.62	3.67	13.90	**93.78**	70.56	5.23	17.99
2023	**105.18**	89.41	3.25	12.53	**94.75**	71.37	5.28	18.10

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry*)

Table A.6.
Trends in the structure of Spanish insurance industry investment, 2013–2023
(investments, millions of euros)

Year	Investments					
	Fixed income	Equities	Cash and deposits	Real estate	Mutual funds	Other investments
2013	67.2%	3.0%	11.1%	3.8%	5.1%	9.8%
2014	68.1%	3.1%	15.4%	3.8%	6.2%	3.3%
2015	69.3%	3.4%	13.7%	3.7%	6.7%	3.4%
2016	75.7%	4.8%	8.6%	3.7%	6.5%	0.7%
2017	74.1%	5.1%	8.8%	3.6%	7.8%	0.6%
2018	75.7%	5.2%	7.6%	3.6%	7.8%	0.1%
2019	75.5%	5.6%	6.4%	3.5%	9.1%	-0.2%
2020	74.9%	5.7%	6.5%	3.5%	10.0%	-0.6%
2021	72.5%	6.7%	6.0%	3.5%	12.7%	-1.3%
2022	72.5%	7.4%	5.1%	4.0%	12.6%	-1.5%
2023	72.8%	7.2%	5.1%	3.6%	12.1%	-0.9%

Source: MAPFRE Economics (based on ICEA data. *Insurance company investments*)

Table A.7.
Spanish insurance industry results and profitability, 2013–2023
(results, millions of euros, profitability, %)

Year	Industry results[1] (millions of euros)	Profitability	
		ROE[2] (%)	ROA[3] (%)
2013	4,575,276	13.92	1.81
2014	4,901,842	12.98	1.77
2015	3,482,377	8.82	1.20
2016	4,313,052	10.82	1.48
2017	4,873,347	12.02	1.64
2018	4,512,506	11.23	1.49
2019	4,732,846	11.40	1.49
2020	5,493,444	12.32	1.62
2021	4,797,911	10.45	1.42
2022	5,247,463	12.54	1.69
2023	5,206,018	13.17	1.74

Source: MAPFRE Economics (based on ICEA data, *Economic report on the insurance industry*)

[1] The data differs from that presented in the report in that it refers to a representative sample and not the entire industry.
[2] Net result / Average net equity.
[3] Net result / Average asset.

Table A.8.
Basic Non-Life insurance indicators in the Spanish insurance industry, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

Year	Written premiums	Basic indicators (% of premiums)								
		Variation in premiums	Retention	Gross loss ratio	Gross expenses	Net loss ratio	Net expenses	Net combined ratio	Financial result	Technical-financial result
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	32,693	4.5%	84.8%	68.9%	22.6%	71.3%	22.3%	93.6%	3.9%	10.3%
2017	34,027	4.1%	84.9%	71.0%	22.3%	72.0%	22.1%	94.0%	3.5%	9.5%
2018	35,430	4.1%	84.9%	69.8%	22.4%	71.5%	22.2%	93.7%	3.1%	9.4%
2019	36,652	3.5%	85.6%	69.4%	22.9%	70.7%	22.2%	92.9%	3.1%	10.2%
2020	37,052	1.1%	85.3%	66.1%	23.7%	67.0%	23.4%	90.5%	2.6%	12.1%
2021	38,251	3.2%	85.0%	67.1%	23.9%	69.2%	23.7%	92.9%	2.4%	9.5%
2022	40,270	5.3%	84.3%	68.3%	23.4%	70.6%	23.2%	93.8%	2.5%	8.7%
2023	43,004	6.8%	84.2%	70.2%	23.4%	71.4%	23.4%	94.8%	3.2%	8.4%

Source: MAPFRE Economics (based on ICEA data, *Economic report on the insurance industry*)

Table A.9.
Trends in the number of companies operating, by legal structure, in the Spanish insurance industry, 2013–2023
(number of companies)

Year	Limited liability companies	Mutual companies	Mutual Provident Societies[1]	Reinsurance companies
2013	178	32	52	2
2014	168	31	53	3
2015	156	31	50	3
2016	147	31	50	3
2017	145	31	48	3
2018	134	30	48	3
2019	126	30	47	4
2020	126	29	44	4
2021[2]	125	28	42	4
2022[2]	125	28	38	4
2023	125	28	35	4

Source: MAPFRE Economics (based on data from the General Directorate for Insurance and Pension Funds — DGSFP. *Annual report on insurance and pension funds*)

[1] Subject to control by the General Directorate for Insurance and Pension Funds.
[2] In 2021 and 2022, the data is as of March 31 of the respective year.

Table A.10.
Trends in the number of brokers per type in the Spanish insurance industry, 2012–2022
(number of people and companies)

Year	Insurance brokers		Tied agents		Associated bancassurance operators		Reinsurance brokers		Exclusive agents		Exclusive bancassurance operators		Totals		
	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	Total brokers	Total DGSFP	Total Autonomous Communities
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
2016	3,259	1,782	234	285	35	1	65	1	77,556	642	15	-	83,875	81,164	2,711
2017	3,272	1,766	233	272	35	1	64	1	75,811	666	14	-	82,135	79,429	2,706
2018	3,386	1,762	240	261	34	1	62	1	71,770	596	14	-	78,127	75,506	2,621
2019	3,462	1,713	237	247	38	1	71	1	69,174	482	14	-	75,440	72,996	2,444
2020	3,552	1,693	244	243	39	1	73	1	68,695	442	11	-	74,994	72,614	2,380
2021	3,655	1,636	261	243	39	1	79	1	64,866	377	10	-	71,168	68,910	2,258
2022	3,636	1,556	261	230	39	1	79	1	64,865	298	10	-	70,976	68,890	2,086

Source: MAPFRE Economics (based on data from the General Directorate for Insurance and Pension Funds — DGSFP. *Annual report on insurance and pension funds*)

Table A.11.
Premium volume by autonomous community, 2013–2023
(millions of euros)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Andalusia	5,824	6,045	6,237	6,949	7,394	7,276	7,338	6,802	6,907	7,197	8,398
Aragon	1,512	1,710	1,656	1,909	1,808	1,892	1,820	1,609	1,629	1,908	2,258
Principality of Asturias	837	956	854	871	904	907	912	852	877	910	1,135
Balearic Islands	1270	1,283	1,326	1,383	1,526	1,404	1,410	1,257	1,261	1,395	1,688
Canary Islands	1,212	1,269	1,367	1,641	1,602	1,583	1,628	1,539	1,604	1,669	2,001
Cantabria	485	497	503	524	529	534	544	513	558	558	695
Castilla-La Mancha	1,616	1,766	1,705	1,734	1,743	1,796	1,768	1,649	1,680	1,807	2,318
Castilla y León	2,211	2,275	2,482	2,653	2,758	2,805	2,766	2,465	2,411	2,666	3,214
Catalonia	9,677	10,237	10,121	11,295	11,345	10,809	10,832	10,433	12,618	10,697	12,386
Valencian Community	4,373	4,305	4,059	4,406	4,556	4,497	4,613	4,457	4,474	4,843	5,796
Extremadura	724	696	799	898	868	878	868	820	850	905	1,122
Galicia	2,151	2,167	2,279	2,515	2,614	2,647	2,665	2,418	2,460	2,837	3,150
Community of Madrid	9,369	9,165	9,422	10,379	10,570	10,865	12,340	11,089	11,158	12,086	14,576
Region of Murcia	1,031	1,041	1,063	1,162	1,179	1,158	1,198	1,126	1,156	1,234	1,492
Autonomous Community of Navarre	838	1003	952	961	961	884	918	812	778	789	910
Basque Country	2,323	2,352	2,394	2,461	2,524	2,499	2,560	2,435	2,431	2,477	2,704
La Rioja	356	359	345	373	374	382	381	358	351	372	434
Autonomous Cities of Ceuta and Melilla	97	98	97	114	113	114	117	107	103	114	131

Source: ICEA, *The insurance market by province.*

Table A.12.
Premiums per capita by autonomous community, 2013–2023
(euros)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Andalusia	693.2	719.8	744.1	830.2	882.4	865.1	867.3	803.5	813.1	839.2	974.2
Aragon	1,140.8	1,297.3	1,266.7	1,460.0	1,382.4	1,434.6	1,369.4	1,213.9	1,229.2	1,414.3	1,674.0
Principality of Asturias	788.4	909.0	819.4	841.8	878.9	887.2	895.2	842.1	873.2	903.6	1,125.0
Balearic Islands	1,151.0	1,161.8	1,198.2	1,239.8	1,352.6	1,222.0	1,203.9	1,072.6	1,072.2	1,156.2	1,370.4
Canary Islands	576.0	604.3	651.0	779.2	753.5	735.5	748.8	708.7	736.9	754.0	894.7
Cantabria	823.2	849.5	864.3	903.1	911.9	919.6	934.2	878.0	954.0	947.6	1,175.6
Castilla-La Mancha	777.5	857.5	835.3	854.0	860.4	884.1	864.6	805.3	818.4	868.3	1,103.8
Castilla y León	886.3	920.4	1,015.0	1,094.4	1,145.5	1,169.6	1,155.6	1,035.1	1,017.5	1,119.1	1,345.0
Catalonia	1,287.0	1,363.4	1,346.6	1,495.7	1,493.6	1,408.7	1,392.6	1,345.0	1,621.2	1,354.2	1,544.1
Valencian Community	873.8	864.3	819.4	892.8	918.8	899.3	912.5	882.8	878.9	928.2	1,090.2
Extremadura	658.8	636.7	735.2	832.1	809.8	822.9	815.8	774.6	806.1	858.6	1,065.0
Galicia	782.7	793.2	838.4	928.7	967.8	980.8	986.9	897.6	914.9	1,050.8	1,164.3
Community of Madrid	1,451.5	1,423.8	1,457.6	1,595.7	1,607.4	1,631.0	1,820.5	1,643.9	1,654.3	1,764.7	2,082.1
Region of Murcia	703.2	709.3	726.2	790.6	797.6	775.6	792.8	741.5	754.7	794.9	950.7
Autonomous Community of Navarre	1,307.6	1,565.5	1,487.1	1,494.8	1,485.4	1,352.5	1,388.7	1,227.8	1,172.0	1,173.3	1,342.0
Basque Country	1,061.2	1,074.2	1,093.7	1,122.2	1,148.0	1,132.3	1,153.1	1,100.7	1,101.5	1,115.9	1,213.9
La Rioja	1,114.8	1,132.7	1,092.1	1,184.3	1,184.6	1,207.4	1,191.2	1,120.6	1,098.0	1,153.5	1,338.9
Autonomous Cities of Ceuta and Melilla	571.5	579.8	569.7	665.0	657.7	665.4	685.5	632.9	611.7	678.0	774.4

Source: MAPFRE Economics (based on INE and ICEA data. *The insurance market by province*)

Table A.13.
Overall ranking of the ten largest insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2012			2013			2014			2015		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	7,956	13.9	MAPFRE	7,060	12.7	MAPFRE	7,266	13.1	VIDACAIXA	7,189	12.6
CAIXA	5,165	9.0	CAIXA	5,298	9.5	CAIXA	5,538	10.0	MAPFRE	6,416	11.3
MUTUA MADRILEÑA	3,645	6.4	MUTUA MADRILEÑA	3,873	6.9	MUTUA MADRILEÑA	4,165	7.5	MUTUA MADRILEÑA	4,333	7.6
SANTANDER	3,512	6.1	ALLIANZ	3,199	5.7	ALLIANZ	3,287	5.9	ZURICH	4,069	7.2
ALLIANZ	3,046	5.3	SANTANDER SEGUROS	3,136	5.6	AXA	2,660	4.8	ALLIANZ	3,526	6.2
AXA	2,683	4.7	AXA	2,712	4.9	ZURICH	2,507	4.5	CATALANA OCCIDENTE	2,867	5.0
GENERALI	2,513	4.4	BBVA SEGUROS	2,300	4.1	GENERALI	2,259	4.1	AXA	2,502	4.4
BBVA	2,109	3.7	GENERALI	2,293	4.1	CATALANA OCCIDENTE	2,162	3.9	GENERALI	2,306	4.1
CASER	1,997	3.5	CATALANA OCCIDENTE	2,014	3.6	BBVA SEGUROS	2,088	3.8	BBVA SEGUROS	2,085	3.7
CATALANA OCCIDENTE	1,971	3.4	CASER	1,713	3.1	SANTANDER SEGUROS	1,903	3.4	SANTALUCIA	1,287	2.3
Total market	**57,398**		**Total market**	**55,773**		**Total market**	**55,486**		**Total market**	**56,905**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total direct insurance by group and entity*)

Table A.13. (continued)
Overall ranking of the ten largest insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2016			2017			2018			2019		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	9,492	14.9	VIDACAIXA	9,666	15.2	VIDACAIXA	8,218	12.8	VIDACAIXA	8,582	13.4
MAPFRE	6,708	10.5	MAPFRE	6,749	10.6	MAPFRE	7,291	11.3	MAPFRE	7,335	11.4
ZURICH	5,571	8.7	MUTUA MADRILEÑA	5,005	7.9	MUTUA MADRILEÑA	5,270	8.2	MUTUA MADRILEÑA	5,455	8.5
MUTUA MADRILEÑA	4,751	7.4	ZURICH	3,806	6.0	ALLIANZ	3,612	5.6	ALLIANZ	3,430	5.3
ALLIANZ	3,566	5.6	ALLIANZ	3,515	5.5	ZURICH	3,560	5.5	CATALANA OCCIDENTE	3,051	4.8
CATALANA OCCIDENTE	2,908	4.6	CATALANA OCCIDENTE	2,826	4.5	CATALANA OCCIDENTE	2,854	4.4	ZURICH	2,954	4.6
AXA	2,577	4.0	SANTALUCIA	2,536	4.0	GRUPO AXA	2,599	4.0	GRUPO AXA	2,952	4.6
GENERALI	2,501	3.9	GENERALI	2,445	3.9	SANTALUCIA	2,584	4.0	SANTALUCIA	2,456	3.8
BBVA SEGUROS	1,932	3.0	GRUPO AXA	2,411	3.8	GENERALI	2,409	3.7	GENERALI	2,440	3.8
CASER	1,438	2.3	BBVA SEGUROS	1,837	2.9	SANTANDER SEGUROS	1,977	3.1	SANTANDER SEGUROS	1,694	2.6
Total market	**63,892**		**Total market**	**63,410**		**Total market**	**64,377**		**Total market**	**64,156**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total direct insurance by group and entity*)

Table A.13. (continued)
Overall ranking of the ten largest insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2020			2021			2022			2023		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	7,144	12.1	VIDACAIXA	8,523	13.8	VIDACAIXA	7,729	11.9	VIDACAIXA	11,375	14.9
MAPFRE	6,673	11.3	MAPFRE	7,336	11.9	MAPFRE	7,293	11.3	MAPFRE	8,474	11.1
MUTUA MADRILEÑA	5,526	9.4	MUTUA MADRILEÑA	5,715	9.2	MUTUA MADRILEÑA	6,477	10.0	MUTUA MADRILEÑA	7,158	9.4
CATALANA OCCIDENTE	3,019	5.1	ALLIANZ	3,242	5.2	CATALANA OCCIDENTE	3,183	4.9	ZURICH	4,014	5.3
ALLIANZ	2,998	5.1	CATALANA OCCIDENTE	3,136	5.1	ALLIANZ	3,011	4.6	AXA	3,570	4.7
AXA	2,880	4.9	AXA	3,060	4.9	AXA	3,002	4.6	GCO (Catalana Occidente)	3,416	4.5
ZURICH	2,469	4.2	ZURICH	2,539	4.1	GENERALI	2,455	3.8	SANTALUCIA	3,300	4.3
GENERALI	2,249	3.8	GENERALI	2,342	3.8	ZURICH	2,424	3.7	ALLIANZ	3,269	4.3
SANTALUCIA	2,147	3.6	SANTALUCIA	1,965	3.2	SANTALUCIA	2,348	3.6	SANTANDER SEGUROS	2,649	3.5
HELVETIA	1,883	3.2	HELVETIA	1,951	3.2	SANTANDER SEGUROS	2,217	3.4	GENERALI	2,607	3.4
Total market	**58,889**		**Total market**	**61,831**		**Total market**	**64,775**		**Total market**	**76,364**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total direct insurance by group and entity*)

Table A.14.
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2012			2013			2014			2015		
Group	**Premiums**	**% of market**	**Group**	**Premiums**	**% of market**	**Group**	**Premiums**	**% of market**	**Group**	**Premiums**	**% of market**
MAPFRE	4,973	16.0	MAPFRE	4,634	15.3	MAPFRE	4,629	15.1	MAPFRE	4,686	15.0
MUTUA MADRILEÑA	3,557	11.4	MUTUA MADRILEÑA	3,677	12.1	MUTUA MADRILEÑA	3,927	12.8	MUTUA MADRILEÑA	4,169	13.3
AXA	2,126	6.8	AXA	2,021	6.7	ALLIANZ	2,028	6.6	ALLIANZ	2,152	6.9
ALLIANZ	1,971	6.3	ALLIANZ	1,975	6.5	AXA	1,927	6.3	CATALANA OCCIDENTE	1,939	6.2
GENERALI	1,369	4.4	GENERALI	1,290	4.3	CATALANA OCCIDENTE	1,294	4.2	AXA	1,755	5.6
CATALANA OCCIDENTE	1,366	4.4	CATALANA OCCIDENTE	1,290	4.3	GENERALI	1,275	4.2	GENERALI	1,348	4.3
SANITAS	1,137	3.7	SANITAS	1,178	3.9	SANITAS	1,160	3.8	SANITAS	1,165	3.7
ZURICH	1,097	3.5	ZURICH	1,040	3.4	SANTALUCIA	1,062	3.5	ZURICH	1,072	3.4
SANTALUCIA	1,045	3.4	SANTALUCIA	1,029	3.4	ZURICH	1,055	3.4	ASISA	1,059	3.4
ASISA	1,021	3.3	ASISA	968	3.2	ASISA	1,012	3.3	SANTALUCIA	1,050	3.4
Total market	**31,116**		**Total market**	**30,268**		**Total market**	**30,647**		**Total market**	**31,338**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total Non-Life by group and company*)

Table A.14. (continued)
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2016			2017			2018			2019		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	4,761	14.5	MAPFRE	4,845	14.2	MUTUA MADRILEÑA	5,046	14.3	MUTUA MADRILEÑA	5,268	14.4
MUTUA MADRILEÑA	4,506	13.8	MUTUA MADRILEÑA	4,816	14.2	MAPFRE	5,006	14.1	MAPFRE	5,156	14.1
ALLIANZ	2,272	6.9	ALLIANZ	2,373	7.0	ALLIANZ	2,507	7.1	ALLIANZ	2,448	6.7
CATALANA OCCIDENTE	2,043	6.2	CATALANA OCCIDENTE	2,061	6.1	CATALANA OCCIDENTE	2,104	5.9	CATALANA OCCIDENTE	2,225	6.1
AXA	1,793	5.5	AXA	1,851	5.4	AXA	1,927	5.4	AXA	2,216	6.0
GENERALI	1,459	4.5	GENERALI	1,509	4.4	GENERALI	1,548	4.4	GENERALI	1,590	4.3
SANITAS	1,216	3.7	SANITAS	1,271	3.7	SANITAS	1,344	3.8	SANITAS	1,396	3.8
SANTALUCIA	1,073	3.3	SANTALUCIA	1,129	3.3	ASISA	1,162	3.3	ASISA	1,211	3.3
ASISA	1,069	3.3	ASISA	1,099	3.2	SANTALUCIA	1,157	3.3	SANTALUCIA	1,208	3.3
ZURICH	1,027	3.1	ZURICH	1,001	2.9	CASER	1,022	2.9	ZURICH	1,056	2.9
Total market	**32,755**		**Total market**	**34,003**		**Total market**	**35,382**		**Total market**	**36,632**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total Non-Life by group and company*)

Table A.14. (continued)
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2020			2021			2022			2023		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MUTUA MADRILEÑA	5,419	14.6	MUTUA MADRILEÑA	5,573	14.6	MUTUA MADRILEÑA	6,098	15.2	MUTUA MADRILEÑA	6,726	15.6
MAPFRE	5,161	13.9	MAPFRE	5,342	14.0	MAPFRE	5,548	13.8	MAPFRE	5,957	13.9
ALLIANZ	2,369	6.4	ALLIANZ	2,563	6.7	ALLIANZ	2,643	6.6	ALLIANZ	2,832	6.6
AXA	2,245	6.1	CATALANA OCCIDENTE	2,312	6.0	CATALANA OCCIDENTE	2,429	6.0	AXA	2,688	6.3
CATALANA OCCIDENTE	2,229	6.0	AXA	2,306	6.0	AXA	2,250	5.6	GCO (Catalana Occidente)	2,566	6.0
GENERALI	1,577	4.3	GENERALI	1,649	4.3	GENERALI	1,737	4.3	GENERALI	1,851	4.3
SANITAS	1,442	3.9	SANITAS	1,530	4.0	SANITAS	1,636	4.1	SANITAS	1,834	4.3
HELVETIA	1,425	3.8	HELVETIA	1,491	3.9	HELVETIA	1,596	4.0	HELVETIA	1,722	4.0
ASISA	1,258	3.4	ASISA	1,315	3.4	ASISA	1,405	3.5	ASISA	1,463	3.4
SANTALUCIA	1,230	3.3	SANTALUCIA	1,247	3.3	SANTALUCIA	1,310	3.3	SANTALUCIA	1,403	3.3
Total market	**37,052**		**Total market**	**38,279**		**Total market**	**40,239**		**Total market**	**43,004**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total Non-Life by group and company*)

Table A.15.
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2012			2013			2014			2015		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
CAIXA	5,131	19.5	CAIXA	5,271	20.7	CAIXA	5,515	22.2	VIDACAIXA	7,166	28.0
SANTANDER	3,366	12.8	SANTANDER SEGUROS	3,068	12.0	MAPFRE	2,638	10.6	ZURICH	2,997	11.7
MAPFRE	2,983	11.3	MAPFRE	2,426	9.5	SANTANDER SEGUROS	1,884	7.6	BBVA SEGUROS	1,737	6.8
BBVA	1,865	7.1	BBVA SEGUROS	2,030	8.0	BBVA SEGUROS	1,799	7.2	MAPFRE	1,730	6.8
AVIVA	1,349	5.1	ALLIANZ	1,224	4.8	ZURICH	1,451	5.8	ALLIANZ	1,374	5.4
IBERCAJA	1,159	4.4	AVIVA	1,155	4.5	ALLIANZ	1,259	5.1	IBERCAJA	990	3.9
GENERALI	1,144	4.4	GENERALI	1,003	3.9	IBERCAJA	1,123	4.5	GENERALI	958	3.7
ALLIANZ	1,075	4.1	IBERCAJA	933	3.7	AVIVA	1,075	4.3	CATALANA OCCIDENTE	927	3.6
CASER	976	3.7	CASER	871	3.4	GENERALI	984	4.0	AXA	747	2.9
AEGON	924	3.5	CATALANA OCCIDENTE	724	2.8	CATALANA OCCIDENTE	868	3.5	SANTANDER SEGUROS	678	2.7
Total market	**26,282**		**Total market**	**25,505**		**Total market**	**24,839**		**Total market**	**25,567**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total Life premiums by group*)

Table A.15. (continued)
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2016			2017			2018			2019		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	9,473	30.4	VIDACAIXA	9,646	32.8	VIDACAIXA	8,200	28.3	VIDACAIXA	8,562	31.1
ZURICH	4,544	14.6	ZURICH	2,805	9.5	ZURICH	2,551	8.8	MAPFRE	2,180	7.9
MAPFRE	1,948	6.3	MAPFRE	1,904	6.5	MAPFRE	2,285	7.9	ZURICH	1,898	6.9
BBVA SEGUROS	1,562	5.0	SANTANDER SEGUROS	1,481	5.0	SANTANDER SEGUROS	1,949	6.7	SANTANDER SEGUROS	1,662	6.0
IBERCAJA	1,328	4.3	BBVA SEGUROS	1,431	4.9	SANTALUCIA	1,427	4.9	SANTALUCIA	1,247	4.5
ALLIANZ	1,294	4.2	SANTALUCIA	1,407	4.8	IBERCAJA	1,325	4.6	ALLIANZ	982	3.6
SANTANDER SEGUROS	1,189	3.8	IBERCAJA	1,148	3.9	BBVA SEGUROS	1,217	4.2	IBERCAJA	938	3.4
GENERALI	1,041	3.3	ALLIANZ	1,142	3.9	ALLIANZ	1,106	3.8	BBVA SEGUROS	929	3.4
CATALANA OCCIDENTE	865	2.8	GENERALI	936	3.2	GENERALI	861	3.0	GENERALI	850	3.1
AVIVA	856	2.7	CATALANA OCCIDENTE	766	2.6	CATALANA OCCIDENTE	750	2.6	CATALANA OCCIDENTE	827	3.0
Total market	**31,136**		**Total market**	**29,407**		**Total market**	**28,995**		**Total market**	**27,523**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total Life premiums by group*)

Table A.15. (continued)
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2012–2023
(premiums, millions of euros; market share, %)

2020			2021			2022			2023		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	7,125	32.6	VIDACAIXA	8,506	36.1	VIDACAIXA	7,705	31.4	VIDACAIXA	11,344	34.0
MAPFRE	1,521	6.9	MAPFRE	1,994	8.5	SANTANDER SEGUROS	2,179	8.9	ZURICH	2,743	8.2
ZURICH	1,436	6.6	ZURICH	1,445	6.1	MAPFRE	1,745	7.1	SANTANDER SEGUROS	2,621	7.9
IBERCAJA	958	4.4	IBERCAJA	902	3.8	ZURICH	1,267	5.2	MAPFRE	2,517	7.5
SANTALUCIA	918	4.2	CATALANA OCCIDENTE	825	3.5	IBERCAJA	1,115	4.5	SANTALUCÍA	1,896	5.7
SANTANDER SEGUROS	806	3.7	AXA	754	3.2	SANTALUCÍA	1,038	4.2	IBERCAJA	1,779	5.3
CATALANA OCCIDENTE	790	3.6	SANTALUCÍA	719	3.1	CATALANA OCCIDENTE	754	3.1	BBVA SEGUROS	1,079	3.2
GENERALI	672	3.1	GENERALI	693	2.9	MUTUALIDAD DE LA ABOGACÍA	754	3.1	AXA	881	2.6
BBVA SEGUROS	656	3.0	ALLIANZ	679	2.9	AXA	752	3.1	GCO (Catalana Occidente)	850	2.5
AXA	634	2.9	SANTANDER SEGUROS	654	2.8	GENERALI	718	2.9	GENERALI	757	2.3
Total market	**21,837**		**Total market**	**23,552**		**Total market**	**24,535**		**Total market**	**33,360**	

Source: MAPFRE Economics (based on ICEA data. *Ranking of total Life premiums by group*)

Table A.16.
Trends in concentration in the Spanish insurance industry, 2013–2023
(Herfindahl and CR5 indexes)

Year	Herfindahl index	CR5 index (%)		
		Total	Life	Non-Life
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%
2017	587.0	45.3%	58.7%	46.9%
2018	569.7	43.4%	56.6%	46.9%
2019	581.9	43.4%	56.5%	47.3%
2020	567.4	43.1%	54.7%	47.0%
2021	615.7	45.2%	58.1%	47.3%
2022	566.1	42.8%	57.1%	47.1%
2023	636.0	45.3%	63.3%	48.3%

Source: MAPFRE Economics (based on ICEA data, *Ranking of total direct insurance by group and company, Ranking of total Non-Life by group and company, Ranking of total Life premiums by group*)

Table A.17.
Activity of the Insurance Compensation Consortium: premiums and surcharges allocated, 2013–2023
(millions of euros)

Year	General activity: premiums and surcharges allocated							
	Extraordinary risks	Property	People	Pecuniary Losses	Traffic risks	Mandatory automobile insurance (SOA) guarantee fund	Private vehicles	Official vehicles
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	0.6	8.6
2016	745.7	673.3	18.6	53.8	106.7	98.1	0.5	8.0
2017	753.4	677.7	19.8	55.9	93.3	84.6	0.5	8.2
2018	766.0	689.0	20.6	56.4	88.7	80.0	0.5	8.2
2019	733.1	667.7	16.3	49.1	92.0	83.2	0.5	8.3
2020	719.2	654.3	14.8	50.1	90.7	82.1	0.4	8.3
2021	727.2	664.3	14.7	48.2	87.8	78.9	0.3	8.6
2022	757.1	691.7	15.7	49.7	88.9	79.8	0.4	8.7
2023	793.7	724.7	15.2	53.8	91.6	82.5	0.6	8.5

Source: Insurance Compensation Consortium. *Annual report.*

Table A.18.
Activity of the Insurance Compensation Consortium: direct and accepted loss ratio, 2013–2023
(millions of euros)

Year	General activity: direct and accepted loss ratio							
	Extraordinary risks	Property	People	Pecuniary Losses	Traffic risks	Mandatory automobile insurance (SOA) guarantee fund	Private vehicles	Official vehicles
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
2016	223.2	218.7	0.8	3.7	58.6	49.0	0.4	9.2
2017	196.3	190.7	1.5	4.1	57.6	49.9	0.5	7.3
2018	279.1	263.5	1.5	14.1	61.3	52.4	0.1	8.7
2019	773.7	769.9	1.3	2.6	59.2	49.2	0.3	9.7
2020	402.4	385.1	0.8	16.5	58.1	48.0	0.6	9.5
2021	492.2	484.2	0.4	7.6	61.3	53.8	0.3	7.2
2022	196.4	181.3	0.8	14.4	69.6	60.0	0.7	8.9
2023	453.2	434.0	1.0	18.2	75.8	67.1	-0.1	8.8

Source: Insurance Compensation Consortium. *Annual report.*

Table A.19.
Trends in the average Automobile insurance premium, 2013–2023
(millions of euros; annual variation, %)

Year	Insured vehicles[1]		Premiums, direct insurance[2]		Average premium		
					In euros	% variation	
	(millions of euros)	% variation	(millions of euros)	% variation		Nominal	Real
2013	28.6	-0.4%	10,033	-5.5%	351	-5.1%	-5.4%
2014	28.8	0.7%	9,891	-1.4%	343	-2.1%	-1.1%
2015	29.1	1.1%	10,061	1.7%	345	0.6%	0.6%
2016	29.8	2.4%	10,574	5.1%	354	2.6%	1.0%
2017	30.6	2.6%	10,932	3.4%	357	0.8%	-0.3%
2018	31.5	2.7%	11,146	2.0%	354	-0.8%	-1.9%
2019	31.8	1.0%	11,321	1.6%	356	0.5%	-0.3%
2020	32.0	0.8%	11,095	-2.0%	346	-2.7%	-2.3%
2021	32.6	1.8%	10,998	-0.9%	337	-2.7%	-8.6%
2022	32.9	0.9%	11,364	3.3%	345	2.4%	-3.2%
2023	33.4	1.5%	12,116	6.6%	363	5.1%	1.9%

Source: MAPFRE Economics (based on FIVA, ICEA, and Insurance Compensation Consortium data)

[1] Information Database for Insured Vehicles (FIVA)
[2] Direct Insurance premiums for insurance companies (ICEA) and Insurance Compensation Consortium

Table A.20.
Average frequencies and costs by coverage in Automobile insurance, 2013–2023
(frequency, %; average cost, euros)

	2013		2014		2015		2016		2017		2018	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-Party Liability	8.5%	1,888	8.5%	1,841	8.5%	1,816	8.6%	1,871	8.6%	1,820	8.4%	1,766
Bodily injury	*2.0%*	*4,928*	*2.0%*	*4,751*	*2.0%*	*4,569*	2.0%	4,970	1.9%	4,856	*1.8%*	*4,652*
Property, plant and equipment	*7.2%*	*887*	*7.2%*	*875*	*7.3%*	*873*	7.4%	872	7.4%	879	*7.2%*	*890*
Damage attributable to the policyholder	39.6%	731	36.1%	733	34.3%	718	31.5%	713	30.4%	734	29.3%	776
Broken windshields	6.7%	290	6.4%	289	6.4%	288	6.4%	290	6.4%	291	6.7%	304
Theft	1.2%	896	1.0%	882	0.9%	909	0.8%	916	0.8%	968	0.7%	971
Legal defense	1.8%	310	1.8%	302	1.8%	290	1.7%	279	1.7%	278	1.6%	271
Occupants	0.3%	1,252	0.2%	1,251	0.2%	1,227	0.2%	1,265	0.3%	1,249	0.3%	941
Fires	0.1%	2,854	0.1%	2,782	0.1%	2,847	0.1%	2,977	0.1%	3,023	0.1%	3,077
Driver's license suspended	0.0%	1,314	0.0%	1,211	0.0%	1,108	0.0%	940	0.0%	805	0.0%	694

Source: ICEA. Automobile insurance. *Statistics as of December.*

Table A.20. (continued)
Average frequencies and costs by coverage in Automobile insurance, 2013–2023
(frequency, %; average cost, euros)

	2019		2020		2021		2022		2023	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-Party Liability	8.2%	1,744	5.9%	1,778	6.6%	1,830	7.0%	1,883	6.7%	2,031
Bodily injury	*1.8%*	*4,542*	*1.2%*	*4,880*	*1.4%*	*4,622*	*1.4%*	*5,138*	*1.4%*	*5,153*
Property, plant and equipment	*7.1%*	*892*	*5.1%*	*911*	*5.6%*	*953*	*5.8%*	*979*	*5.8%*	*1,075*
Damage attributable to the policyholder	27.7%	787	19.7%	810	21.3%	844	21.9%	869	22.6%	923
Broken windshields	6.2%	310	5.2%	327	6.0%	334	6.3%	349	6.3%	380
Theft	0.6%	929	0.5%	872	0.5%	911	0.6%	971	0.5%	1,154
Legal defense	1.5%	304	1.1%	280	1.3%	270	1.3%	273	1.3%	271
Occupants	0.3%	999	0.2%	1,067	0.3%	961	0.3%	919	0.3%	879
Fires	0.1%	3,132	0.1%	3,165	0.1%	3,269	0.1%	3,727	0.1%	4,044
Driver's license suspended	0.0%	802	0.0%	852	0.0%	783	0.0%	749	0.0%	827

Source: ICEA. Automobile insurance. *Statistics as of December.*

Table A.21.
Basic Automobile insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	10,021	9,882	10,052	10,566	10,923	11,138	11,312	11,087	10,990	11,354	12,107
Variation in premiums	-5.5%	-1.4%	1.7%	5.1%	3.4%	2.0%	1.6%	-2.0%	-0.9%	3.3%	6.6%
Retention	92.3%	92.5%	92.2%	89.5%	89.5%	89.1%	86.2%	86.9%	86.7%	84.5%	84.1%
Gross loss ratio	77.2%	77.1%	78.1%	79.0%	76.4%	74.7%	74.8%	64.6%	71.1%	76.6%	80.2%
Gross expenses	20.0%	20.0%	20.2%	19.5%	18.8%	19.1%	19.0%	22.4%	21.9%	20.8%	20.2%
Net loss ratio	78.1%	77.6%	79.1%	79.5%	77.0%	75.8%	75.9%	65.2%	71.9%	77.0%	80.9%
Net expenses	20.3%	20.3%	20.3%	19.5%	18.6%	19.0%	18.8%	22.6%	22.2%	21.1%	20.7%
Net combined ratio	98.4%	97.9%	99.5%	98.9%	95.6%	94.8%	94.7%	87.8%	94.1%	98.0%	101.6%
Financial result	4.5%	5.6%	4.8%	4.9%	4.4%	3.4%	3.4%	2.4%	2.7%	3.1%	3.2%
Technical-financial result	6.1%	7.6%	5.3%	6.0%	8.7%	8.6%	8.7%	14.6%	8.6%	5.1%	1.6%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.22.
Basic Multirisk insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	6,537	6,550	6,565	6,734	6,965	7,234	7,521	7,753	8,116	8,578	9,158
Variation in premiums	-1.4%	0.2%	0.2%	2.6%	3.4%	3.9%	4.0%	3.1%	4.7%	5.7%	6.8%
Retention	79.6%	79.7%	79.3%	78.4%	78.5%	78.2%	83.4%	82.0%	81.2%	79.6%	79.6%
Gross loss ratio	59.0%	60.5%	57.8%	57.8%	69.3%	66.3%	63.5%	64.7%	66.9%	63.1%	66.3%
Gross expenses	28.3%	28.2%	28.4%	28.4%	28.4%	28.4%	30.2%	30.1%	31.1%	31.1%	30.7%
Net loss ratio	61.4%	60.7%	60.2%	58.8%	64.1%	66.0%	62.4%	62.5%	63.8%	63.0%	64.6%
Net expenses	30.8%	30.0%	30.6%	31.2%	31.5%	31.4%	31.5%	32.0%	33.3%	33.4%	32.9%
Net combined ratio	92.2%	90.7%	90.7%	90.0%	95.7%	97.3%	93.8%	94.5%	97.1%	96.4%	97.5%
Financial result	3.5%	4.4%	3.9%	3.6%	2.8%	2.4%	2.3%	1.8%	2.3%	2.3%	2.3%
Technical-financial result	11.3%	13.7%	13.2%	13.6%	7.1%	5.1%	8.5%	7.3%	5.2%	5.9%	4.8%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.23.
Basic Home Multirisk insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	3,779	3,837	3,916	4,059	4,196	4,348	4,529	4,652	4,878	5,149	5,476
Variation in premiums	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%	2.7%	4.9%	5.5%	6.3%
Retention	90.4%	89.9%	90.2%	90.0%	90.3%	90.1%	90.0%	90.2%	89.9%	88.1%	88.2%
Gross loss ratio	59.1%	58.6%	58.2%	56.7%	61.2%	64.1%	62.0%	63.4%	63.6%	61.1%	63.5%
Gross expenses	32.0%	31.2%	31.5%	31.4%	31.5%	31.4%	32.0%	31.7%	33.8%	33.8%	33.3%
Net loss ratio	60.1%	59.4%	59.1%	57.5%	61.8%	64.6%	61.8%	61.9%	62.4%	61.9%	63.8%
Net expenses	32.1%	30.7%	31.8%	31.8%	31.6%	31.4%	32.4%	32.2%	34.4%	34.5%	34.0%
Net combined ratio	92.2%	90.1%	90.9%	89.3%	93.4%	96.1%	94.2%	94.0%	96.8%	96.4%	97.9%
Financial result	3.0%	3.3%	2.8%	2.7%	2.7%	1.8%	1.9%	1.3%	1.7%	1.7%	1.9%
Technical-financial result	10.8%	13.1%	11.9%	13.4%	9.3%	5.7%	7.7%	7.3%	4.9%	5.3%	4.0%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.24.
Basic Industrial Multirisk insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	1,265	1,220	1,176	1,170	1,234	1,316	1,385	1,463	1,548	1,684	1,840
Variation in premiums	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.3%	5.6%	5.8%	8.8%	9.3%
Retention	50.8%	52.2%	50.6%	47.9%	48.5%	47.3%	60.9%	53.0%	49.9%	49.1%	49.6%
Gross loss ratio	62.5%	68.8%	59.1%	63.7%	94.3%	76.0%	73.2%	74.6%	81.2%	72.4%	77.5%
Gross expenses	19.8%	20.5%	20.4%	20.5%	20.2%	20.9%	24.0%	23.9%	22.9%	23.0%	22.7%
Net loss ratio	74.8%	70.9%	69.1%	69.7%	78.7%	78.2%	68.2%	72.4%	74.7%	72.8%	69.8%
Net expenses	28.6%	28.5%	27.5%	30.4%	31.2%	32.3%	28.2%	30.8%	29.0%	29.6%	28.9%
Net combined ratio	103.4%	99.4%	96.6%	100.1%	109.9%	110.6%	96.4%	103.2%	103.7%	102.4%	98.6%
Financial result	4.8%	9.0%	7.9%	7.1%	1.6%	4.5%	3.8%	3.2%	4.5%	4.4%	3.9%
Technical-financial result	1.4%	9.6%	11.3%	7.0%	-8.4%	-6.1%	7.4%	-0.1%	0.8%	2.0%	5.2%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.25.
Basic Commercial Multirisk insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	596	594	565	575	585	595	602	604	622	630	660
Variation in premiums	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%	0.3%	3.0%	1.2%	4.9%
Retention	85.5%	84.2%	84.5%	83.9%	84.1%	83.4%	81.6%	83.3%	83.3%	81.9%	82.2%
Gross loss ratio	53.7%	56.4%	55.8%	53.4%	60.5%	55.3%	56.5%	53.5%	55.9%	55.3%	56.8%
Gross expenses	30.1%	30.7%	30.5%	31.2%	32.7%	31.7%	31.9%	33.4%	33.2%	32.4%	31.3%
Net loss ratio	54.3%	58.1%	57.5%	55.0%	62.6%	56.1%	58.6%	53.2%	56.0%	56.1%	58.1%
Net expenses	29.9%	30.2%	30.1%	31.0%	33.0%	32.0%	32.3%	34.4%	34.5%	33.5%	31.7%
Net combined ratio	84.2%	88.4%	87.7%	86.0%	95.6%	88.1%	91.0%	87.5%	90.5%	89.6%	89.8%
Financial result	3.8%	4.2%	4.0%	3.5%	3.6%	2.5%	2.6%	2.6%	2.6%	2.9%	3.5%
Technical-financial result	19.7%	15.8%	16.3%	17.5%	8.0%	14.4%	11.6%	15.0%	12.1%	13.3%	13.7%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.26.
Basic Condominium Multirisk insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	823	827	836	853	872	898	926	953	984	1,032	1,098
Variation in premiums	1.1%	0.4%	1.1%	2.0%	2.3%	3.0%	3.1%	2.8%	3.2%	4.9%	6.4%
Retention	86.4%	85.8%	86.1%	85.3%	86.1%	87.0%	86.2%	86.0%	86.9%	85.7%	85.8%
Gross loss ratio	54.5%	54.3%	53.9%	53.4%	58.5%	63.3%	61.7%	63.9%	67.5%	63.2%	67.0%
Gross expenses	28.2%	28.1%	28.8%	29.2%	29.7%	29.0%	29.4%	29.8%	30.2%	30.0%	30.5%
Net loss ratio	55.2%	55.2%	55.1%	54.5%	59.1%	64.7%	61.8%	62.6%	65.6%	64.2%	67.6%
Net expenses	28.0%	28.0%	28.7%	29.5%	30.5%	29.4%	29.9%	30.9%	31.3%	31.3%	31.6%
Net combined ratio	83.3%	83.2%	83.7%	83.9%	89.5%	94.1%	91.8%	93.5%	96.9%	95.4%	99.2%
Financial result	3.8%	4.1%	4.0%	3.9%	4.2%	3.1%	2.8%	2.4%	3.0%	2.9%	2.2%
Technical-financial result	20.5%	20.9%	20.2%	20.0%	14.7%	9.0%	11.0%	8.9%	6.1%	7.5%	3.1%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.27.
Basic Others Multirisk insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	73	73	71	78	78	76	79	81	84	84	84
Variation in premiums	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%	3.0%	3.5%	0.1%	0.1%
Retention	82.8%	86.1%	85.3%	85.4%	85.0%	85.8%	86.0%	84.8%	84.5%	80.3%	78.8%
Gross loss ratio	69.1%	67.3%	70.1%	58.6%	52.9%	51.8%	54.0%	54.1%	64.4%	53.2%	59.3%
Gross expenses	30.0%	30.8%	31.2%	31.1%	28.9%	28.4%	28.8%	28.3%	28.4%	29.7%	29.4%
Net loss ratio	75.7%	71.0%	71.1%	63.3%	57.0%	54.0%	55.0%	51.1%	59.7%	55.2%	59.0%
Net expenses	31.0%	31.3%	32.3%	31.9%	29.8%	29.0%	28.8%	28.7%	29.4%	30.2%	30.5%
Net combined ratio	106.7%	102.3%	103.4%	95.2%	86.7%	83.0%	83.8%	79.8%	89.1%	85.4%	89.4%
Financial result	5.4%	6.2%	6.9%	4.8%	5.0%	2.8%	2.8%	1.5%	2.6%	3.2%	3.3%
Technical-financial result	-1.3%	3.9%	3.5%	9.6%	18.2%	19.8%	19.0%	21.7%	13.5%	17.8%	13.9%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.28.
Basic Health insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	6,937	7,181	7,361	7,736	8,069	8,516	8,935	9,386	9,854	10,543	11,235
Variation in premiums	2.2%	3.5%	2.5%	5.1%	4.3%	5.5%	4.9%	5.0%	5.0%	7.0%	6.6%
Retention	97.6%	97.5%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	96.1%	95.5%
Gross loss ratio	83.1%	82.2%	80.9%	80.6%	79.9%	79.0%	79.4%	75.8%	78.4%	79.6%	79.3%
Gross expenses	11.7%	11.8%	12.2%	12.4%	12.2%	12.3%	12.8%	13.2%	13.5%	13.6%	13.8%
Net loss ratio	84.5%	83.6%	82.2%	81.8%	81.2%	80.3%	80.6%	77.0%	79.6%	80.7%	80.4%
Net expenses	11.7%	11.9%	12.2%	12.4%	12.2%	12.3%	12.8%	13.2%	13.5%	13.4%	13.8%
Net combined ratio	96.2%	95.5%	94.4%	94.2%	93.4%	92.6%	93.4%	90.2%	93.1%	94.2%	94.1%
Financial result	1.1%	1.0%	0.7%	0.7%	0.6%	0.3%	0.6%	0.6%	0.5%	0.3%	2.8%
Technical-financial result	4.9%	5.6%	6.3%	6.5%	7.3%	7.7%	7.3%	10.4%	7.5%	6.1%	8.7%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.29.
Basic Third-Party Liability insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	1,352	1,342	1,360	1,385	1,508	1,532	1,598	1,640	1,800	1,941	2,093
Variation in premiums	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%	2.7%	9.7%	7.8%	7.8%
Retention	71.8%	72.1%	72.2%	69.9%	69.5%	70.3%	71.4%	70.5%	67.7%	66.0%	66.3%
Gross loss ratio	52.1%	50.9%	62.1%	67.7%	69.3%	55.1%	62.4%	62.4%	57.4%	56.1%	49.9%
Gross expenses	25.0%	25.5%	25.6%	26.5%	27.2%	28.2%	28.9%	28.1%	28.6%	27.1%	27.8%
Net loss ratio	51.7%	50.6%	59.5%	59.6%	73.9%	54.5%	60.2%	61.1%	54.6%	56.9%	52.9%
Net expenses	26.5%	27.2%	26.8%	28.0%	29.4%	32.1%	32.2%	31.3%	32.2%	30.0%	30.9%
Net combined ratio	78.2%	77.8%	86.3%	87.6%	103.4%	86.7%	92.4%	92.4%	86.9%	86.9%	83.8%
Financial result	12.4%	15.2%	14.0%	13.5%	12.7%	10.6%	10.2%	6.0%	7.8%	6.0%	5.2%
Technical-financial result	34.2%	37.4%	27.7%	25.9%	9.3%	24.0%	17.8%	13.6%	20.9%	19.1%	21.5%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.30.
Basic Hull Transport insurance indicators, 2013-2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	240	223	225	207	229	216	243	267	270	290	321
Variation in premiums	-6.3%	-7.2%	0.8%	-8.0%	10.7%	-5.7%	12.6%	9.8%	1.0%	7.5%	10.9%
Retention	53.4%	55.1%	55.8%	53.6%	52.2%	49.4%	46.4%	37.7%	34.1%	29.2%	27.7%
Gross loss ratio	55.6%	79.5%	77.9%	66.2%	68.5%	94.9%	87.1%	59.2%	65.2%	57.6%	53.2%
Gross expenses	19.5%	19.9%	20.7%	18.9%	18.4%	18.6%	16.5%	17.6%	18.8%	17.4%	17.7%
Net loss ratio	67.6%	90.8%	90.3%	75.6%	76.1%	82.8%	84.7%	80.3%	68.6%	73.7%	68.3%
Net expenses	27.2%	26.3%	26.5%	23.8%	24.9%	27.0%	22.6%	25.1%	23.9%	24.7%	27.1%
Net combined ratio	94.8%	117.0%	116.7%	99.4%	101.1%	109.8%	107.4%	105.4%	92.5%	98.4%	95.3%
Financial result	4.1%	14.9%	13.9%	11.6%	-3.2%	6.5%	4.8%	2.4%	4.4%	4.4%	0.9%
Technical-financial result	9.2%	-2.1%	-2.8%	12.3%	-4.3%	-3.3%	-2.6%	-3.0%	11.9%	6.0%	5.6%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.31.
Basic Goods in Transit insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	198	194	205	207	230	244	255	257	269	282	325
Variation in premiums	-2.8%	-2.2%	5.4%	1.2%	11.2%	6.0%	4.5%	0.6%	4.9%	4.8%	15.2%
Retention	63.7%	66.4%	65.7%	65.0%	62.0%	63.2%	69.0%	66.8%	67.4%	64.8%	59.3%
Gross loss ratio	62.0%	65.3%	71.0%	75.4%	58.8%	76.1%	61.3%	48.8%	55.9%	51.2%	49.7%
Gross expenses	25.4%	26.4%	28.1%	28.7%	27.4%	26.1%	28.0%	26.4%	26.6%	26.4%	25.6%
Net loss ratio	70.4%	71.8%	78.4%	72.6%	61.4%	70.4%	64.1%	50.0%	55.1%	52.1%	50.6%
Net expenses	31.1%	32.0%	33.3%	34.4%	33.7%	32.1%	30.0%	28.1%	27.3%	27.2%	27.7%
Net combined ratio	101.5%	103.8%	111.7%	107.0%	95.2%	102.6%	94.1%	78.1%	82.5%	79.2%	78.2%
Financial result	4.9%	6.5%	6.3%	5.7%	4.1%	3.6%	3.8%	2.5%	3.2%	3.1%	3.0%
Technical-financial result	3.4%	2.8%	-5.4%	-1.4%	8.9%	1.1%	9.6%	24.4%	20.7%	23.9%	24.8%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.32.
Basic Burial insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	1,961	2,087	2,150	2,167	2,277	2,367	2,459	2,490	2,569	2,626	2,766
Variation in premiums	3.7%	6.5%	3.0%	0.8%	5.1%	4.0%	3.9%	1.3%	3.2%	2.2%	5.4%
Retention	99.0%	98.4%	98.5%	98.6%	98.4%	98.3%	98.5%	98.3%	97.9%	98.0%	98.2%
Gross loss ratio	56.9%	60.3%	65.2%	63.7%	62.6%	64.5%	64.8%	71.0%	63.1%	57.7%	56.2%
Gross expenses	36.4%	34.8%	32.9%	33.1%	33.0%	33.0%	32.8%	32.2%	32.2%	33.4%	33.2%
Net loss ratio	57.2%	60.9%	65.9%	64.3%	63.1%	65.3%	65.5%	72.0%	64.2%	58.6%	56.9%
Net expenses	36.4%	34.7%	32.7%	33.0%	32.9%	32.9%	32.8%	32.2%	32.4%	33.5%	33.2%
Net combined ratio	93.5%	95.5%	98.6%	97.3%	96.1%	98.2%	98.4%	104.2%	96.5%	92.1%	90.1%
Financial result	6.2%	6.5%	7.4%	5.8%	5.8%	5.7%	6.3%	4.8%	6.4%	3.5%	7.0%
Technical-financial result	12.7%	11.0%	8.8%	8.5%	9.8%	7.5%	7.9%	0.6%	9.8%	11.4%	16.9%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.33.
Basic Credit insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	646	631	609	593	570	584	607	602	650	717	772
Variation in premiums	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.8%	-0.8%	7.9%	10.4%	7.7%
Retention	46.3%	44.4%	42.1%	34.4%	34.4%	36.2%	37.5%	32.5%	33.0%	53.7%	57.4%
Gross loss ratio	70.4%	39.6%	69.2%	45.0%	48.0%	49.6%	52.2%	61.8%	26.7%	41.2%	44.0%
Gross expenses	21.9%	24.1%	24.7%	31.3%	30.4%	29.7%	32.8%	30.5%	31.0%	28.5%	31.8%
Net loss ratio	68.7%	42.2%	48.5%	47.3%	53.1%	57.3%	46.6%	66.3%	42.2%	53.5%	48.8%
Net expenses	22.1%	19.2%	8.4%	17.2%	16.5%	9.4%	11.0%	12.3%	17.5%	19.0%	25.8%
Net combined ratio	90.9%	61.4%	56.9%	64.6%	69.6%	66.7%	57.7%	78.6%	59.7%	72.5%	74.6%
Financial result	6.0%	4.5%	4.0%	2.6%	2.6%	3.3%	2.8%	1.4%	5.1%	1.8%	4.3%
Technical-financial result	15.1%	43.1%	47.1%	38.0%	33.0%	36.6%	45.1%	22.8%	45.4%	29.3%	29.7%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.34.
Basic Surety insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	63	61	86	62	63	84	122	136	149	179	225
Variation in premiums	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	45.6%	11.1%	9.3%	20.5%	25.7%
Retention	44.5%	48.7%	46.4%	35.1%	36.4%	34.8%	31.8%	32.9%	35.3%	37.0%	54.1%
Gross loss ratio	535.5%	159.8%	158.2%	22.9%	30.4%	15.7%	39.7%	26.0%	20.3%	11.3%	30.1%
Gross expenses	28.3%	27.8%	33.9%	32.4%	27.4%	33.6%	36.0%	31.6%	38.1%	35.1%	37.8%
Net loss ratio	233.4%	72.1%	64.0%	33.1%	38.4%	31.9%	48.2%	37.3%	28.9%	31.2%	32.2%
Net expenses	34.4%	37.9%	41.7%	25.0%	13.2%	24.9%	29.0%	-1.3%	26.7%	18.7%	32.9%
Net combined ratio	267.8%	110.0%	105.7%	58.2%	51.5%	56.8%	77.3%	36.0%	55.6%	49.9%	65.1%
Financial result	3.1%	5.0%	3.3%	4.1%	5.8%	6.2%	4.6%	1.8%	4.3%	3.8%	2.9%
Technical-financial result	-164.7%	-5.1%	-2.3%	45.9%	54.3%	49.4%	27.3%	65.7%	48.7%	54.0%	37.8%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.35.
Basic Personal Accident insurance indicators, 2013–2023
(premiums, millions of euros; ratio over premiums, %)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Written premium volume	880	886	926	984	1,114	1,152	1,152	1,123	1,120	1,147	1,158
Variation in premiums	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	0.0%	-2.5%	-0.3%	2.4%	0.9%
Retention	90.1%	89.0%	89.0%	87.9%	87.4%	87.6%	86.5%	86.8%	87.2%	85.8%	86.3%
Gross loss ratio	41.6%	40.9%	41.3%	37.2%	38.3%	38.7%	39.0%	32.9%	35.0%	35.2%	35.9%
Gross expenses	34.9%	36.7%	37.6%	37.1%	36.9%	36.1%	36.4%	34.7%	35.7%	36.4%	36.2%
Net loss ratio	40.8%	41.8%	40.5%	37.2%	36.9%	38.5%	39.5%	32.0%	34.9%	34.0%	35.1%
Net expenses	35.2%	37.2%	37.6%	37.4%	37.4%	36.4%	37.0%	35.6%	36.9%	38.1%	37.5%
Net combined ratio	76.0%	79.0%	78.1%	74.6%	74.3%	74.9%	76.5%	67.6%	71.8%	72.1%	72.6%
Financial result	11.3%	18.7%	15.0%	15.4%	17.0%	19.4%	19.5%	28.0%	2.8%	19.4%	3.3%
Technical-financial result	35.3%	39.7%	36.9%	40.8%	42.7%	44.5%	42.9%	60.4%	31.0%	47.4%	30.7%

Source: MAPFRE Economics (based on ICEA data. *Economic report on the insurance industry and historic series of direct business premiums by lines and modalities since 2003*)

Table A.36.
Trends in penetration in the Spanish insurance industry, 2013–2023
(premiums/GDP, %)

Year	Total market	Life Insurance			Non-Life insurance				
		Total Life insurance	Life Protection	Life Savings	Total Non-Life insurance	Automobiles	Multirisk	Health	Other lines
2013	5.48%	2.50%	0.33%	2.17%	2.98%	0.98%	0.64%	0.68%	0.68%
2014	5.37%	2.41%	0.34%	2.07%	2.97%	0.96%	0.63%	0.70%	0.68%
2015	5.27%	2.37%	0.35%	2.02%	2.90%	0.93%	0.61%	0.68%	0.68%
2016	5.73%	2.79%	0.38%	2.42%	2.93%	0.95%	0.60%	0.69%	0.69%
2017	5.46%	2.53%	0.36%	2.17%	2.93%	0.94%	0.60%	0.69%	0.69%
2018	5.35%	2.41%	0.39%	2.02%	2.94%	0.93%	0.60%	0.71%	0.71%
2019	5.15%	2.21%	0.39%	1.82%	2.94%	0.91%	0.60%	0.72%	0.71%
2020	5.26%	1.95%	0.43%	1.52%	3.31%	0.99%	0.69%	0.84%	0.79%
2021	5.06%	1.93%	0.41%	1.52%	3.13%	0.90%	0.66%	0.81%	0.76%
2022	4.81%	1.82%	0.39%	1.44%	2.99%	0.84%	0.64%	0.78%	0.73%
2023	5.22%	2.28%	0.35%	1.94%	2.94%	0.83%	0.63%	0.77%	0.72%

Source: MAPFRE Economics (based on ICEA and IMF data)

Table A.37.
Trends in density and depth in the Spanish insurance industry, 2013–2023
(premiums per capita, euros; direct Life insurance premiums/total direct premiums, %)

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 Protection	Life Savings	Total Non-Life insurance	Automobiles	Multirisk	Health	Other lines	
2013	1,202.2	548.7	72.1	476.6	653.5	215.5	140.6	149.2	148.2	45.6%
2014	1,195.2	535.0	74.8	460.3	660.1	212.9	141.1	154.7	151.5	44.8%
2015	1,225.0	550.8	81.3	469.5	674.2	216.6	141.4	158.6	157.7	45.0%
2016	1,372.8	669.7	90.4	579.3	703.1	227.2	144.8	166.4	164.7	48.8%
2017	1,359.9	630.4	90.2	540.3	729.5	234.2	149.3	173.0	173.0	46.4%
2018	1,373.1	618.0	100.6	517.4	755.1	237.4	154.2	181.5	182.1	45.0%
2019	1,356.3	581.7	102.8	478.8	774.6	239.1	158.9	188.8	187.7	42.9%
2020	1,242.4	460.7	102.3	358.4	781.7	233.9	163.6	198.0	186.2	37.1%
2021	1,301.5	496.0	105.7	390.3	805.5	231.4	170.9	207.5	195.7	38.1%
2022	1,347.7	510.2	107.8	402.4	837.5	236.1	178.4	219.3	203.7	37.9%
2023	1,571.5	686.5	103.9	582.7	885.0	249.2	188.5	231.2	216.2	43.7%

Source: MAPFRE Economics (based on ICEA and INE data)

Table A.38.
Trends in the Insurance Protection Gap in the Spanish insurance market, 2013–2023
(billions of euros)

Year	Insurance Protection Gap (IPG)			Actual market (d)	Potential market (e = a + d)	IPG as a multiple of actual market (number of times)		
	Total IPG (a = b + c)	IPG Life insurance (b)	IPG Non-Life Insurance (c)			Total market	Life insurance market	Non-Life insurance market
2013	25.4	23.4	2.0	55.9	81.3	0.454	0.915	0.066
2014	27.6	26.2	1.3	55.5	83.0	0.497	1.055	0.044
2015	29.9	27.8	2.1	56.9	86.7	0.525	1.087	0.066
2016	22.5	21.6	0.9	63.8	86.3	0.353	0.693	0.029
2017	27.9	26.6	1.3	63.4	91.3	0.440	0.903	0.040
2018	28.7	27.7	1.0	64.4	93.1	0.445	0.956	0.028
2019	33.5	31.7	1.8	64.2	97.7	0.522	1.151	0.049
2020	31.5	31.5	0.0	58.9	90.4	0.535	1.441	0.001
2021	38.1	37.4	0.7	61.8	99.9	0.616	1.586	0.019
2022	37.4	36.7	0.7	64.8	102.2	0.578	1.497	0.018
2023	28.9	27.2	1.7	76.4	105.2	0.378	0.815	0.039

Source: MAPFRE Economics (based on ICEA, Swiss RE, and IMF data)

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