

A painting of a woman with dark hair, wearing a blue top, looking down at an open book she is holding. The style is expressive with visible brushstrokes. The background is a mix of muted colors like beige and light blue.

Fundación **MAPFRE**

**THE SPANISH INSURANCE
MARKET IN 2022**

MAPFRE Economics

The Spanish Insurance Market in 2022



Julio González
Mujer leyendo (1926-1927)
Oil on canvas

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Presentation

Fundación MAPFRE publishes the *Spanish Insurance Market* report, prepared by MAPFRE Economics for fiscal year 2022. As in previous editions, this study analyzes subjects like the economic and demographic context, the structure of the insurance industry, the evolution of the main business lines, structural trends in the Spanish market, the Insurance Protection Gap and medium-term growth forecasts. It also presents an analysis of capital requirements, shareholders' equity and solvency ratios, ending with a summary description of the regulatory outlook.

Despite the complex international scenario experienced in 2022, the Spanish economy grew 5.5%, the same as the year before, although it has not yet reached pre-pandemic levels. The strong performance of the economy was also reflected in the performance of the insurance sector, with premium increases in both market segments, which allowed it to recover some of the ground lost in 2020. The profitability indicators were also positive, with an aggregate result of €5.526 billion, 9.0% higher than the previous year, favored by the strong profitability of the Life Insurance business. This progress in the development of Spanish insurance has allowed for a small reduction in the Insurance Protection Gap (the difference between the insurance coverage that is economically necessary and beneficial for society, and the amount of that coverage effectively acquired), which sat at €36.1 billion in 2022, representing €0.7 billion less than the previous year's value.

By observing these and many other variables developed throughout the report, the reader has the information to obtain a very complete view of the evolution of Spanish insurance in 2022 and throughout the last decade, along with the progress in the first months of 2023. With the publication of this study, Fundación MAPFRE wants to continue to improve the financial education of citizens with regard to the insurance industry to help them make informed financial decisions.

Fundación MAPFRE

Introduction

The purpose of *The Spanish Insurance Market* report, prepared annually by MAPFRE Economics, is to offer an assessment of insurance industry outlooks, using both a short-term view that reviews what happened last year, and a structural view, discussing the main trends over the last decade. In this edition of the report, insurance activity performance is approached in the context of a slowdown of economic activity, as a result of the effect of the monetary policy implemented to combat accelerated inflation — a challenging scenario for the economy as a whole, and in particular, for the insurance industry.

Thus, in the first section, the report offers an update of the economic environment in which the insurance industry has performed in 2022, and which, to a large degree, anticipates what could happen this year. The second section focuses on a review of the structure and trends in the concentration of the Spanish insurance industry. Then moving on, the third section analyzes the behavior of the industry's main business lines, from the perspective of premium growth, technical performance, investment and technical provisions, and results and profitability.

The fourth section of the report is dedicated to an analysis of the main structural trends of the insurance market over the last decade, one of the report's distinctive characteristics. Thus, it reviews the evolution of the levels of insurance penetration, density and depth in Spain, and it offers an update of the insurance gap estimate for this market. The fifth part of the study considers the public information from reports on the Solvency and Financial Condition Report to discuss the evolution of capital requirements, shareholders' equity and solvency ratios in 2022 for a representative set of companies that operate in the Spanish insurance industry. Finally, this report presents a summary of the major regulatory trends related to insurance in the European Union and Spain.

We trust this report offers information and points of analysis that contribute to a better understanding of the performance and trends of the Spanish insurance market, and that, in that way, it contributes to the development of this important financial activity.

MAPFRE Economics

Executive summary

The global economic context and insurance activity performance

In 2022, the global economy again performed better than initially expected, with 3.4% aggregate growth. This represents a slowdown after the 6.3% growth of 2021, an atypical growth year after the setback resulting from the pandemic. However, it was a year marked by the sharp spike in inflation due to the extensive monetary and fiscal support packages implemented in the previous two years, as well as the supply bottleneck after the economic reopening process and the start of the Ukraine invasion. Thus, in 2022, the global economy and the Eurozone were impacted by the war that began at the start of that year. The resulting strain on energy and food prices was coupled with heavy pandemic restrictions on movement imposed by the Chinese government, which continued to affect supply chains. In the Eurozone, economic growth in 2022 sat at 3.5% (5.3% in 2021), exceeding pre-pandemic GDP levels. In Spain, economic growth in 2022 was 5.5%, the same as the year before, not yet reaching its pre-pandemic level.

One of the more notable aspects from a macroeconomic perspective was the sharp upturn in inflation, which caused a change of direction toward tightening of monetary policies by the main central banks worldwide (with the exception of China and Japan). Accelerated hikes in interest rates started in the summer, as did, in some cases (e.g., the US Federal Reserve), quantitative easing programs for balance sheets. These measures triggered an adjustment in financial markets that negatively affected both sovereign and corporate bond valuations, equities and other alternative investments with unprecedented depth and synchronicity, amplified by a spike in risk premiums stemming from the geopolitical uncertainty generated by the invasion of Ukraine.

The Spanish insurance industry in 2022

The aggregate premium volume of the Spanish insurance industry in 2022 reached €64.775 billion, representing 4.8% growth (4.9% in 2021), in an environment marked by the economic recovery and inflation that reached levels not seen in decades (8.4% on average in 2022). In this environment, the growth of the insurance business did not outpace the growth in prices. In addition, the inflationary process was a drag on profitability in the Non-Life insurance segment, which was offset by the good performance of the profitability of the Life business, having overcome the sharp upturn in the loss ratio due to the pandemic in the two previous years.

Life insurance in 2022 experienced 4.2% premium growth (7.9% in 2021), reaching €24.535 billion, still far from recovering pre-crisis levels. Nevertheless, in 2023, it is recovering some lost ground thanks to the positive effect of the interest rate hikes. In fact, with recent data for the month of May 2023, premiums in the life insurance business grew 53.4% YoY, strongly driven by this factor. Life savings insurance premiums grew 4.4% versus 9.1% in 2021 (-25.0% in 2020). Life insurance technical provisions (equivalent to savings managed by these insurance companies) also showed a 1.1% decrease (0.8% in 2021) reaching €193.613 billion, with drops in all products except for unit-linked products, which increased by 4.7% (representing 10.7% of managed savings). Life Risk premiums, in turn, grew 3.4%, the same growth as the previous year.

Non-Life insurance, in turn, experienced a business volume increase of 5.2% in 2022 (3.2% in 2021), with €40.239 billion in premiums, highlighting the strong performance of the Health business at 7.0% growth. It should be noted that, with the latest data for May 2023, year-over-year Non-Life premium growth amounted to 6.5% in the

aggregate vs. premiums from the first five months of 2022. The combined ratio for the Non-Life insurance segment was 93.8% that year, which is 0.9 percentage points (pp) below the figure recorded for 2021 (92.9%), due to a drop in the loss ratio of 1.3 pp, which fell to 70.6% (69.2% in 2021). In contrast, management and acquisition cost ratios showed slight improvement over the previous year, standing at 5.2% (-0.1 pp) and 18% (-0.3 pp), respectively.

Automobile insurance resumed growth in 2022, attaining a premium volume of €11.353 billion, 3.3% more than in 2021 and higher than the premiums issued in 2019 before the start of the pandemic. Auto insurance remained the line of business contributing the highest premium volume in Non-Life Insurance, although its share has been progressively declining in the last decades, from 46.9% in 2001 to 28.2% in 2022. The growth of the line in this last year was influenced by the increase in the average premium, which stood at €345.2, 2.3% higher than 2021, as well as the increase in the number of insured vehicles, up 0.9% with 32.9 million units. Meanwhile, it should be noted that the combined ratio in Automobile insurance again increased significantly in 2022, standing at 98.0% (94.1% in 2021), due, in addition to the increase in the frequency and severity of claims, to the effect of the rise in inflation and higher costs of suppliers, such as garages and spare parts, among others. The loss ratio stood at 77.0%, a 5.1 pp increase, while the expense ratio was 21.1%, a 1.2 pp drop.

Health Insurance continued to increase its market share in the Non-Life segment, to 26.2% in 2022, coming closer and closer to the Automobile line. In 2022, this insurance line once again showed great dynamism, with a 7.0% increase in premium volume issued, reaching €10.543 billion in premiums. This growth has been accompanied by an increase in the number of policyholders, which reached 13.8 million, 3.7% more than in 2021. Healthcare assistance and expense reimbursement, which account for 97.7% of the line's earned premiums, showed the highest growth at 7.4% vs. 0.9% in the subsidy and compensation segment. In relation to profitability, it must be noted that

in 2022, healthcare expenses rose again, causing a deterioration in the loss ratio and placing the combined ratio at 94.2% (93.1% in 2021).

Multirisk insurance maintained its position as the third Non-Life line by premium volume, with a 21.3% share in 2022 and revenues of €8.578 billion in premiums, up 5.7% over the previous year. The categories that accumulated the greatest premium volume were Household with €5.149 billion (60%) and Industry with €1.684 billion (19.6%), both with positive performance, with 5.5% and 8.8% increases, respectively (noting Industrial, which has maintained an uninterrupted growth trend in the last five years, although its technical profitability remains negative). Meanwhile, Homeowners Association Multirisk premiums increased by 4.9%, while Commercial presented weaker growth of 1.2%. The combined ratio of Multirisk insurance in 2022 improved, standing at 96.4% (97.1% in 2021), influenced by the lower intensity of weather phenomena so that, despite the inflationary process, it was able to close the year with an improvement in the technical result.

In terms of aggregate profitability indicators, Spanish insurance industry profits reached €5.526 billion in 2022, a 9.0% increase, partially recovering the 12.5% drop experienced in the previous fiscal year, thanks to the strong profitability performance of the Life insurance segment. In relative terms, the industry's profitability also improved, registering a return on equity (ROE) of 12.5%, 2.1 pp over the previous year. Likewise, industry profitability, measured as the ratio between fiscal year profits and total return on assets (ROA), showed a slight improvement of 0.27 pp, reaching 1.7% in 2022.

The total volume of investments of Spanish insurance companies in 2022 reached €280.619 billion, representing a regression of 15.0% versus the previous year, in a year in which the valuation of the main asset categories in which insurance companies invest suffered downward corrections due to the accelerated interest rate hikes by the principal central banks facing a rebound in inflation. This negatively affected both the valuation of sovereign and corporate bonds,

as well as equity and other alternative investments with a depth and synchrony without close precedents. Analysis of the investment structure of the Spanish insurance industry shows that the main asset category continues to be fixed income, representing 51.2% of the investment portfolio in 2022 (52.6% in 2021), with sovereign debt fixed income as the dominant component. Corporate fixed income, in turn, accounted for 19.0% (18.0% in 2021) 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 2022. Equities, in turn, represented 7.4% of insurance industry investments in 2022 (6.7% in 2021).

Structural insurance trends in Spain

As was the case in 2021, in 2022 a strong rise in GDP at current prices (10.1%) together with a more moderate growth in premium revenues in the insurance industry (4.8%), contributed to the sector once again suffering a slight loss of penetration, i.e., a reduction in its weight relative to the size of the economy measured in terms of GDP. Thus, not just the penetration, but also the density and depth indexes remain below the average of the 15 major economies of the European Union.

The penetration of Spanish insurance (premiums/GDP) was 4.9% at the end of 2022 (5.12% in 2021). The drop in the penetration level was caused by the still weak performance of the Life insurance line which led the penetration rate of the line to drop one percentage point in 2022, to 1.85%, the lowest rate in the last decade. The penetration rate of Non-Life insurance remained more stable in the 2012-2022 period, at 3.03% in 2022, with a slight decrease of 0.14 pp compared to 2021.

Moreover, insurance density in Spain (premiums per capita) sat at €1,347.8 in 2022, a €46.6 increase vs. the previous year, with increases in both market segments. In the case of Non-Life Insurance, density stood

at €837.3, with an increase of €31.9, and in the case of Life insurance, the indicator stood at €510.5 per capita, versus €495.9 in 2021. Thus, density in the life insurance segment increased again for the second consecutive year and is expected to continue this new trend, once again boosted by the positive effect of interest rate hikes.

Finally, the depth index (share of direct Life insurance premiums versus total direct premiums of the market) sat at 37.9% in 2022, below the 38.1% of the previous year and far from the 48.8% reached in 2016, its historic maximum. The growth registered by the Life line in 2022 was not enough to raise the depth level over the prior year. However, the new, higher interest rate environment that started to rise in the middle of the previous year could change this trend in the next few years. In any case, the level of this indicator continues to confirm the insufficient performance of the Life insurance segment within the Spanish market.

The Insurance Protection Gap (IPG) in 2022 was €36.1 billion, €0.7 billion more than the previous year. This reduction in the insurance gap in the Spanish market is primarily due to its improved performance compared to some of the more developed markets. From a structural perspective, the IPG composition continues to confirm the insufficient performance of the Life insurance segment, representing 99.4% of the gap in 2022 (€35.9 billion), while Non-Life insurance barely accounted for the remaining 0.6% (€0.2 billion).

With regard to the structure and dynamics of market competition, over the last decade there has been a certain trend towards concentration in the Spanish insurance sector, both in terms of the decrease in the number of operating entities and the level of the Herfindahl and CR5 indexes. While the Herfindahl index stood at 508.3 points in 2012, in 2022 this indicator has risen to 566.1 points, although it is important to note that the indicator remains well below the theoretical threshold (1,000 points) that signals the onset of industry concentration levels. The CR5 index also reflects this concentration increase over the 2012-2022 period, moving from 40.6% to 42.8%.

Solvency position of the Spanish insurance industry

In 2022, insurance companies published the seventh Solvency and Financial Condition Report (SFCR) for individual insurance companies, in accordance with the prudential regulation based on applicable risks in the European Union (Solvency II). Considering the analysis of a sample of companies representing 70.0% of insurance premiums and 64.6% of the market's technical provisions in 2022 shows that the sector's solvency remains sound.

The total aggregate solvency ratio in 2022 for the selected sample reached 223%, 29 pp below what was recorded in 2021 (252%). The ratio of companies that operate basically in the Life line sat at 203% (257% in 2021), while the total aggregate solvency ratio for companies that operate in both Life and Non-Life (Composites) reached 217% (221% in 2021). Finally, the companies analyzed in this report operating solely or mainly in the Non-Life insurance industry had a total aggregate solvency ratio of 257% in 2022, 16 pp below that recorded for the previous fiscal year. With regard to shareholders' equity, it should be emphasized that almost all eligible shareholders' equity from the universe of the companies analyzed was of the highest quality (98.8% Tier 1 in the aggregate for the sample used, a percentage similar to the previous year).

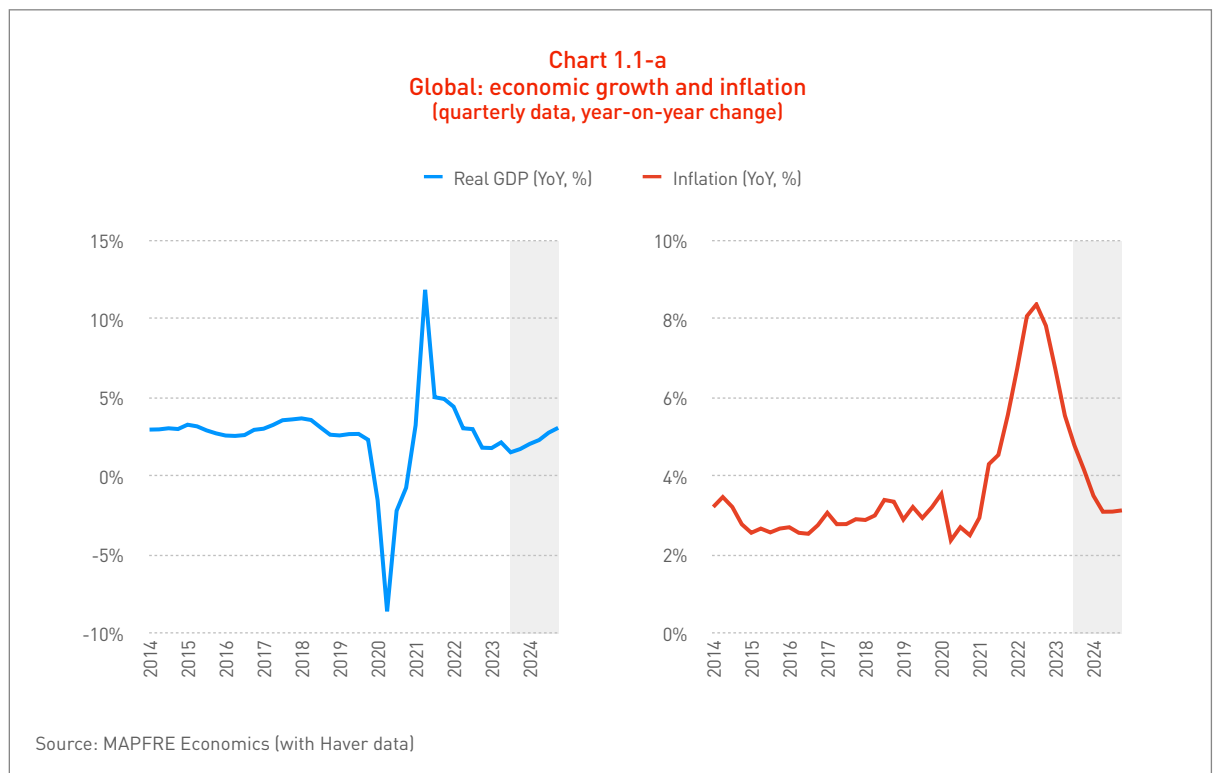
1. Economic and demographic context

1.1 Economic aspects

Global and European environment

In 2022, the global economy again performed better than initially expected, with 3.4% aggregate growth, a slowdown after the 6.3% of 2021¹, an atypical growth year after the setback resulting from the pandemic (see Chart 1.1-a). Thus, in 2022, the global economy regressed to growth levels more aligned with the pre-pandemic period. However, it was a year marked by the sharp spike in inflation due to the extensive monetary and fiscal support packages implemented in the previous two years, as well as the supply bottleneck after the economic reopening process and the start of the Ukraine invasion, which put pressure on energy prices. This inflationary process led the principal central banks worldwide (with the exception of China and

Japan) to change direction toward tightening monetary policy, with accelerated interest rate hikes and the start of quantitative easing programs for their balance sheets. These ongoing measures triggered an adjustment in financial markets that negatively affected both sovereign and corporate bond valuations, equities and other alternative investments with unprecedented depth and synchronicity, amplified by a spike in risk premiums stemming from the geopolitical uncertainty generated by the invasion of Ukraine. The economy of the Latin America region, in turn, performed better than expected, but started on a path of economic slowdown that is being accentuated this year as a result of the weakening global economy and the restrictive policies adopted to combat inflation and control the deviations in the public debt resulting from fiscal support policies implemented due to the pandemic.



Despite the measures taken to combat inflation, prices continued to rebound strongly in 2022, forcing central banks to continue to implement additional interest rate hikes and other restrictive monetary policy packages in order to ensure their proper transmission to the real economy. These measures began to have an effect toward the end of the year, especially in those markets in which measures were taken earlier, and this trend has continued this year, with activity expected to continue on this path of moderation in the coming half-years.

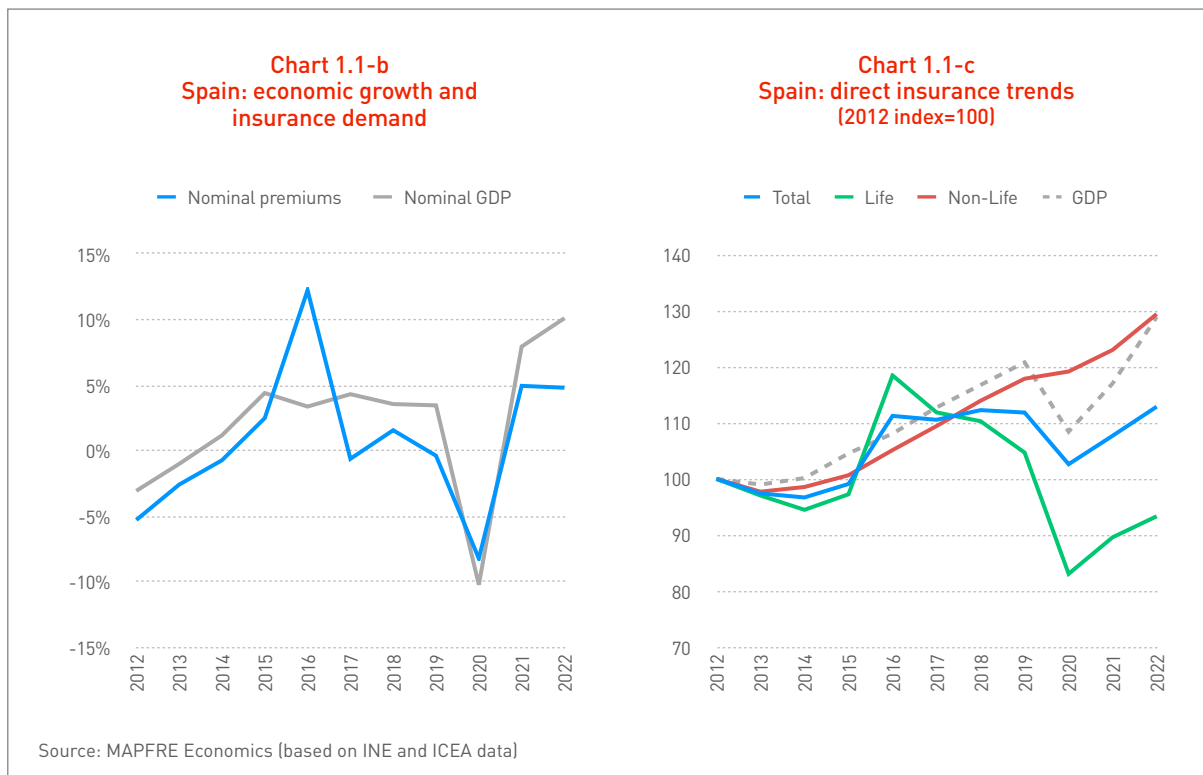
Thus, 2022 was a year in which the global economy, in general, and the Eurozone in particular, were impacted by the war in Ukraine and the resulting strain on energy and food prices, as well as the heavy pandemic restrictions on movement imposed by the Chinese government, which continued to affect supply chains. Even so, in the Eurozone, economic growth in 2022 sat at 3.5% (5.3% in 2021), exceeding pre-pandemic GDP levels. However, these economic and geopolitical factors contributed to accentuating the inflation problem, causing the central banks of the principal world economies to change direction toward tightening monetary policy. In some cases, this process took place earlier and faster, as in the case of the U.S. Federal Reserve, which first increased interest rates in March 2022 (for the first time since 2018) and started its quantitative easing program to reduce the size of its balance sheet in June. In other cases, the process took place later, as in the case of the European Central Bank (ECB), which started to raise interest rates in July 2022, for the first time since 2011, and delayed its quantitative easing program (and kept the amount lower than the Federal Reserve) until March 2023. This marked the beginning of a process that some emerging economies (such as Brazil and Mexico) had already begun the previous year, given the sharp increase in inflation and the deterioration in their exchange rates. However, there were some notable exceptions, such as China and Japan, which continued to apply an accommodative

monetary policy, which they have continued to implement in 2023.

Economic environment and insurance demand

The Spanish insurance market's performance in 2022 was marked by the economic recovery, however it remained below pre-pandemic GDP levels at the end of the year. A 4.8% increase in total insurance premium volumes (5.0% in 2021) took place in an environment of high inflation that reached levels not seen in decades (8.4% in 2022). This meant that the growth of the insurance business was not able to overcome the negative impact of inflation on its profitability. For large segments, Life insurance grew 4.2% in premiums (7.9% in 2021), still far from recovering the levels before the crisis. Nevertheless in 2023, it is recovering a lot of the ground lost, thanks to the positive effect of the interest rate hikes on demand in this insurance segment. Life savings insurance premiums grew 4.4% versus 9.1% in 2021 (-25% in 2020). Life Risk premiums, in turn, grew 3.4%, the same growth as the previous year. Non-Life insurance in 2022 experienced a business volume increase of 5.2% (3.2% in 2021), highlighting the strong performance of the Health business, with 7.0% growth.

Charts 1.1-b and 1.1-c provide a medium-term analysis (2012-2022) of the close relationship between the pace of economic growth and insurance demand. This relationship is especially significant in the Non-Life business. Although it diverted from the GDP variation path in 2020, breaking this trend with an abrupt drop in GDP that did not fully transfer to this business, the business recovered again in the next two years, ending the year with 29.4% growth in Non-Life premiums over the decade, compared to nominal GDP growth of 28.9% in the same period (Chart 1.1-c). Meanwhile, the Life business has been affected not only by the performance of nominal GDP, but also by the performance of interest rates and, in particular, by the change in monetary



policy, which has brought an end to a long period of more than a decade of low interest rates. Since mid-2022, this has favored the return of life savings and annuity products to the market, reducing the sharp decline of 6.7% in life business over the past decade (compared with a decline of 18.4% in the previous period).

The latest figures for the first five months of 2023 show that premium revenues in the Spanish insurance market increased by 23.7%. This is due to a strong boost from Life insurance, which grew by 53.4% thanks to the excellent performance of Life savings (71.6%), as Life Risk showed a 2.2% decrease. The Non-Life segment is also growing at a good pace (6.5%), with increases in practically all lines.

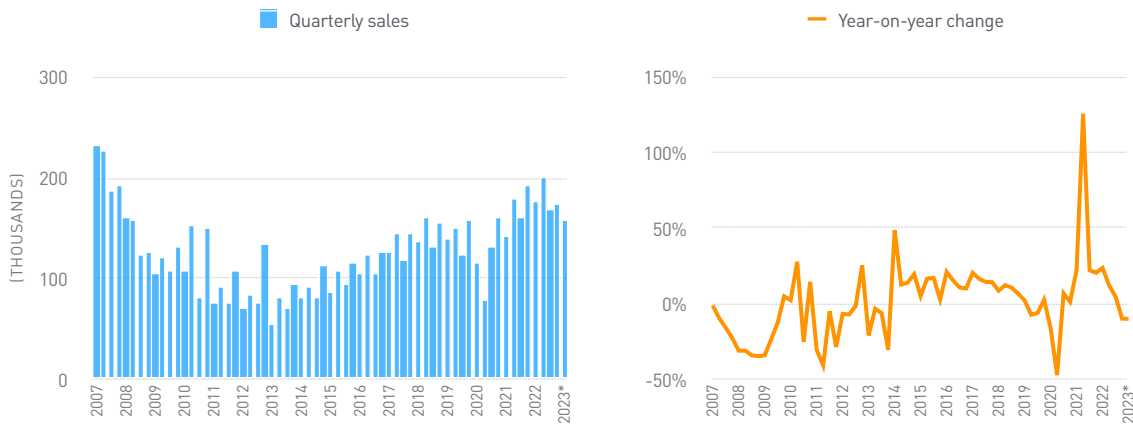
Real estate sector

Real estate transactions (i.e., sales transactions and mortgage loans) undertaken by economic players are crucial to the performance of demand for the Multirisik and Life risk insurance lines. In this regard, statistics from the Ministry of Transport, Mobility and Urban Agenda reflect a 6.45%

increase in the total number of real estate transactions in 2022. This figure remains far below the 38.3% recorded in 2021, favored by a recovery after the COVID-19 pandemic (see Chart 1.1-d). This was due primarily to the fact that, while the economic context was more positive in 2021, with favorable financing conditions for families, savings accumulated during the pandemic and an interest in moving to a home with more living space, the scenario changed significantly in 2022. High inflation and interest rates, as well as a lower supply of new residential housing, caused a drop in the number of transactions, down 5.7% in the case of new homes (19.0% in 2021) and 7.9% in the case of resale homes, at 41.1% in 2021.

Meanwhile, according to data also published by the Ministry of Transport, Mobility and Urban Agenda, through the Housing and Land Observatory, it is evident that the total accumulated volume of real estate transactions completed during 2022 (717,734 units) was higher than that recorded in 2021 (674,249 units), which represents a year-on-year rate of 6.45%. The evolution of transactions in the Spanish

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

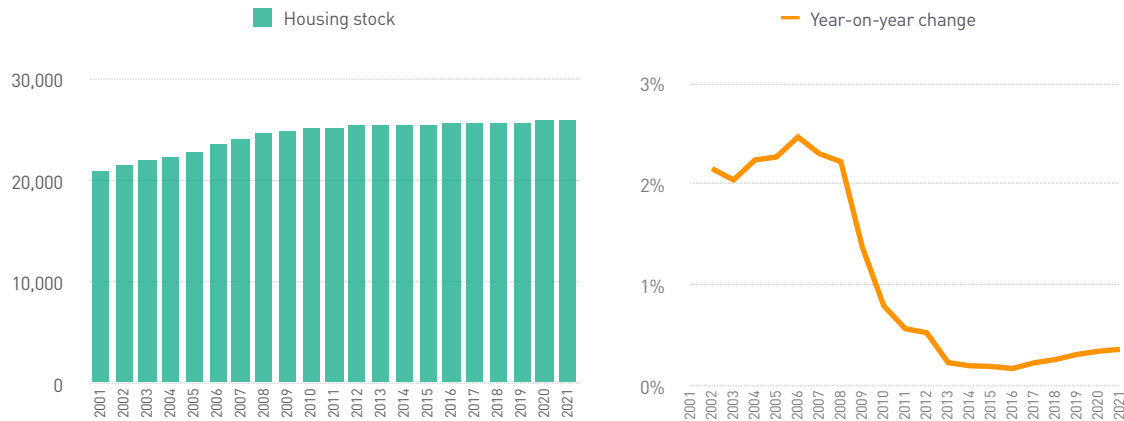


Source: MAPFRE Economics (based on data from the Ministry of Transportation, Mobility, and Urban Agenda)
* Provisional data as of March 2023

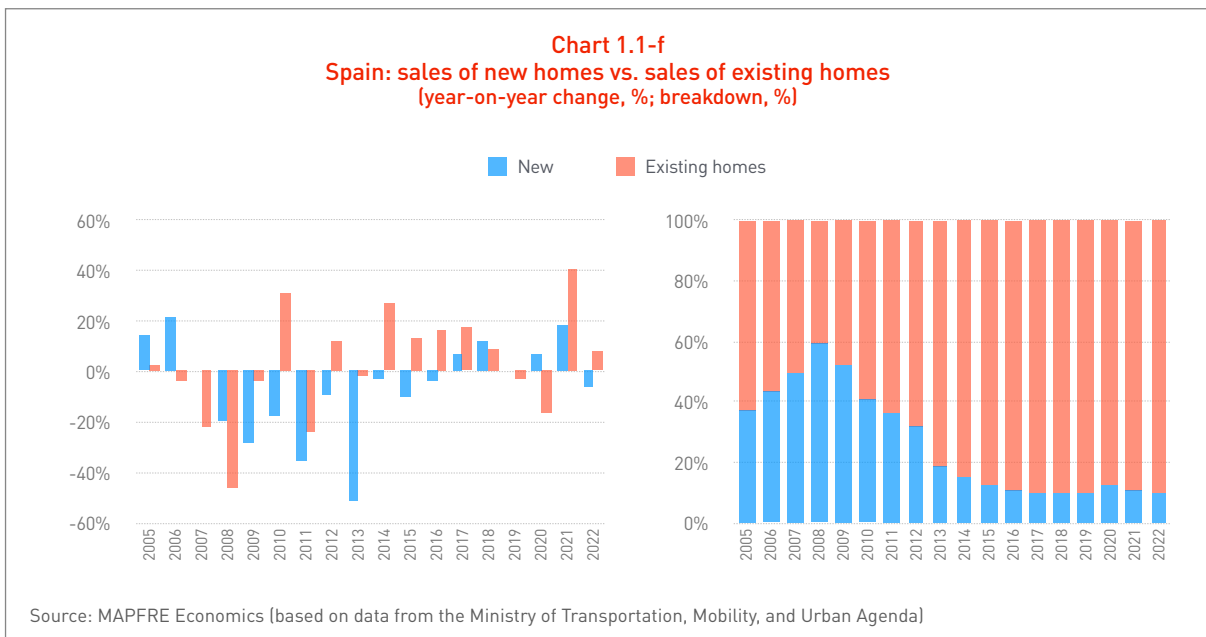
real estate sector reflects a high number of changes (Chart 1.1-d). During the period from 2007 to 2022, the years following the economic crisis of 2007-2009 stand out in particular in this regard, as the mortgage market was significantly altered following the sharp drop in the number of real estate transactions. Also noteworthy is the 2011-2012 interval, during the sovereign debt crisis, which saw year-on-year drops in the number of transactions. More recently, the Covid-19 pandemic caused very pronounced declines in 2020, followed

by a brief but spectacular recovery in 2021. This gave way in 2022 to continued drops as a result of the economic slowdown and the tightening of financing conditions, which are becoming more pronounced this year. In addition to the external components, changes in the Spanish tax system also influenced the decision-making of economic agents in real estate transactions. In this regard, the VAT rate hike in 2010, the elimination of the primary residence tax deduction 2012, or the elimination of the inflation correction and

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 Transportation, Mobility, and Urban Agenda)



abatment coefficients in the calculation of capital gains for personal income tax in 2014, are all worth noting.

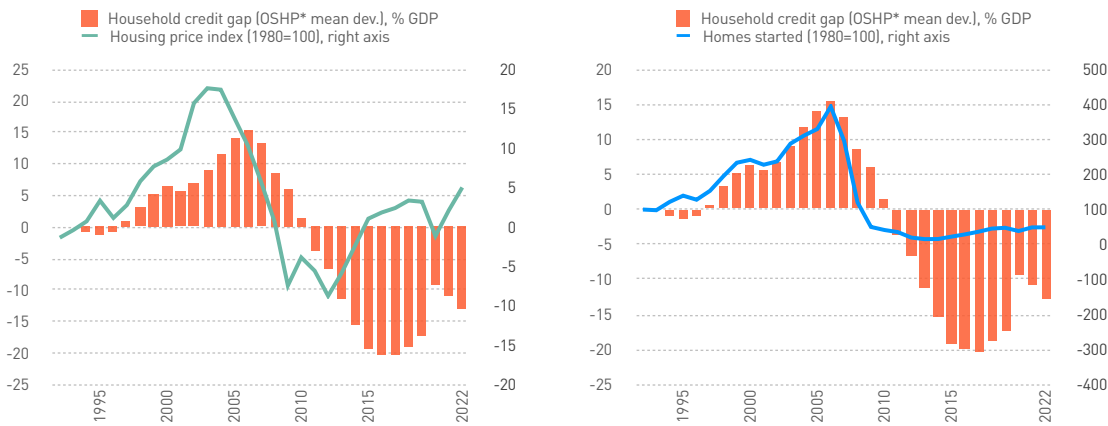
According to the latest available data, in 2021, the estimated housing stock in Spain stood at 25,976,305 units. As shown on Chart 1.1-e, the change between 2001 and 2021 was 23.5%, although in 2021, year-on-year growth of the housing stock was 0.36% (0.35% in 2020), a higher figure than those of recent years, but less than the 2.0% existing before the economic crisis of 2008.

Meanwhile, as shown on Chart 1.1-f, in 2022 new home transactions dropped by 5.7% and resales increased by 7.9%, in both cases at rates significantly lower than those recorded in 2021 (19.0% and 41.1%, respectively). This drop in housing demand during 2022 is explained in several ways: a worsening of the economic situation which, with high inflation and a progressive increase in interest rates, has hindered household units from buying and taking on debt. With respect to home real estate transactions by Autonomous Community during 2022, the most significant year-on-year variations occurred in: Canary Islands (26.9%), Valencia (14.3%), Balearic Islands (7.6%), and Murcia (7.6%). In terms of negative variations, Guadalajara (-10.4%), and Ceuta and Melilla, (-5.8% and -7.7%, respectively), are notable. Madrid (12.3%)

has the highest percentage of transactions by province over the national total, followed by Barcelona (9.9%) and Alicante (8.1%).

It is interesting to note that, when analyzing the evolution of the household credit gap (deviation of credit as a percentage of GDP from its long-term historical average) and the home price index (see Chart 1.1-g), it appears that since the late 1990s until 2006 (the year prior to the mortgage crisis), the volume of household debt as a percentage of GDP has been higher than its long-term average, presenting a positive gap with a marked growth trend for a full decade, which affected both the number of new homes and the price level. There was a sharp drop after 2007, and here the credit gap, acting as a leading indicator, shows the real estate crisis period of 2008-2009. Thus, from 2007 to 2011, the household credit gap narrowed significantly, with a decrease in both the number of new housing starts and prices. As of 2011, the gap becomes increasingly negative until it begins to stabilize in 2014-2015, which was a turning point in the Spanish real estate market that began to improve after one of the worst crises in its history. And finally, it should be noted that between 2020 and 2022, coinciding with the period of the Covid-19 pandemic, the negative credit gap increases, but with a significant increase in housing prices. With regard to the level of

Chart 1.1-g
Spain: household credit gap



Source: MAPFRE Economics (based on data from the Ministry of Transportation, Mobility, and Urban Agenda, BIS, Oxford Economics and Haver Analytics)

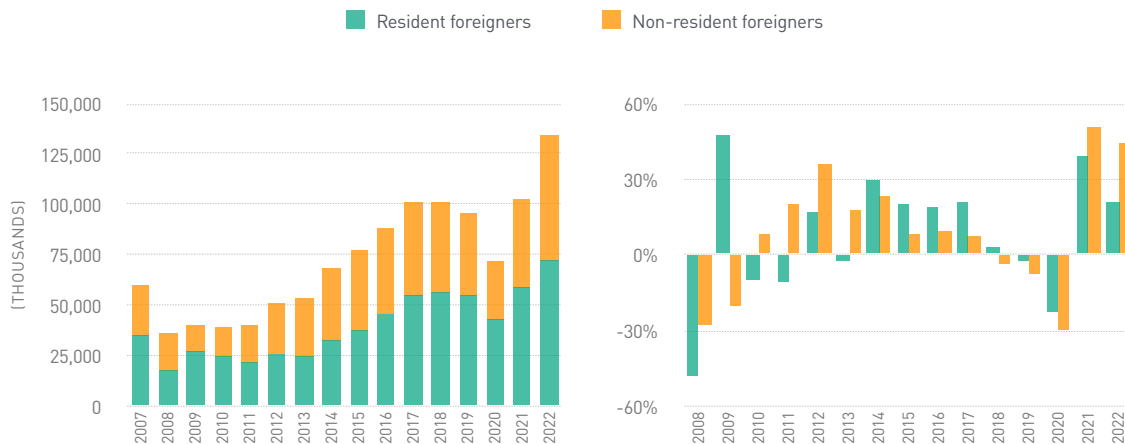
* OSHP = One Sided Hodrick-Prescott

building permits, the evolution is very similar until 2008; after that date, the pace of new construction does not correlate with the credit gap as in the previous case, remaining stable and unchanged until 2022.

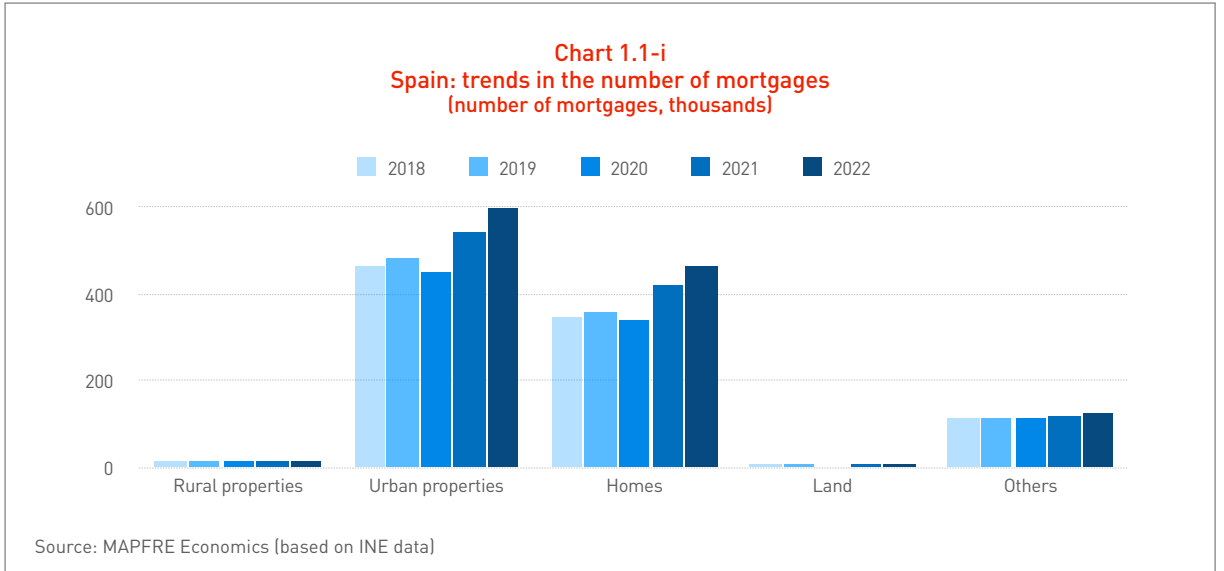
Meanwhile, while real estate transactions carried out by foreigners (residents and non-residents) accounted for 15.3% of the national total in 2021, in 2022 that percentage increased to 18.8%. At the provincial level, coastal areas remained those pre-

ferred by foreigners over the total of their transactions (Alicante, 22.0%; Malaga, 12.5%; Canary Islands 8.5% Barcelona, 7.6%; and Balearic Islands, 5.8%, with the exception of Madrid at 6.2%). In 2022, growth is significant, at 20.9% for resident foreigners' transactions and 44.0% for non-resident foreigners, although they are considerably lower than those experienced in 2021 (see Chart 1.1-h). Finally, according to data extracted from the Housing and Land Observatory, the most notable nationalities of foreign buyers are citizens of the follow-

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 Transportation, Mobility, and Urban Agenda)

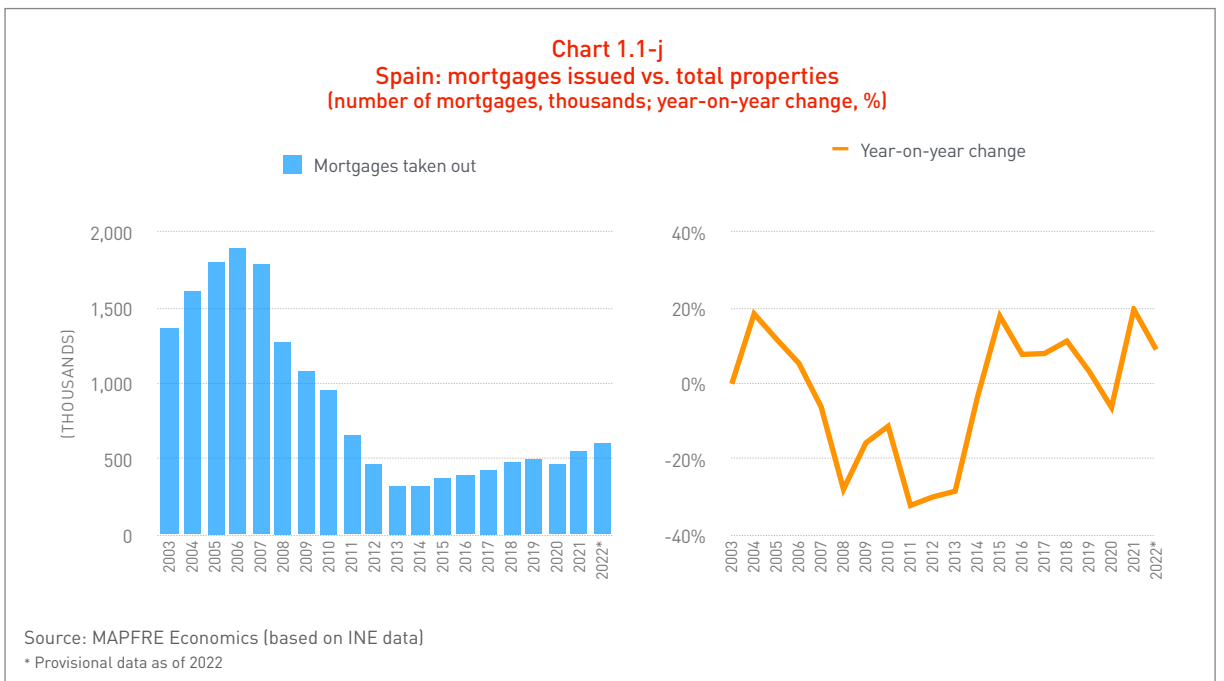


ing countries, in this order: United Kingdom (10.9%), Germany (9.2%), France (6.4%).

Despite the weak tone of housing investment in 2022, due to the tightening of the conditions required by financial institutions to carry out credit transactions, together with the loss of purchasing power of households and rising interest rates, housing purchases that year exceeded previous annual periods. Also, according to the Living Conditions Survey, in Spain, spending on housing represents at least

40% of total household disposable income.

If we analyze the mortgages taken out in the 2018-2022 period (see Chart 1.1-i), we see that in 2022, mortgages taken out for the two categories of urban properties (homes and lots) increased, exceeding the figures from the last four years. According to provisional data published by the National Statistics Institute (INE), mortgages issued in 2022 for home purchases accounted for 76.2% of all mortgage loans, a percentage increase over the last seven years,



whose average sits at 71.6%. Likewise, while the year-on-year change in total mortgages on all types of property in 2021 was 19.5%, it reached 9.1% in 2022 (provisional data), which is still higher than the average of the last eight years (see Graph 1.1-j).

According to the latest data published by the INE, the number of mortgage loans for home purchases totaled 463,817 units in 2022, equivalent to a year-on-year variation of 10.9%, higher than the average variation of the last five years, which was 8.6%. With regard to foreclosures on homes registered in the Property Registries, unlike in 2021, when there was a 9.4% increase, in 2022 the total number fell to 16,851 foreclosures (20,694 in 2021), an 18.6% decrease.

The Bank of Spain's annual report for 2022 once again highlights the vulnerability and inequality in access to housing for both homeownership and rental housing, and it emphasizes that in those markets where there is a high percentage of homeownership, wealth inequality tends to be reduced. In the Spanish case, compared to other European countries, a moderate degree of inequality is observed which, since 2014, with the reduction in the number of homeowners, has led to an increase in inequality. Recently, in May 2023, the new Right to Housing Law² was approved, which aims to provide a solution to some of these problems and includes aspects such as the regulation of public housing stock for sale to investment funds, changes in the classification of subsidized housing, the incorporation of minimum land reserve percentages for housing with some type of protection, as well as certain limits on lease prices, and the implementation of "stressed areas" in those cities where young people and vulnerable groups need to have access to the rental market.

Likewise, Law 10/2022, enacted in June 2022, implemented urgent measures to drive building rehabilitation activity in the context of the Recovery, Transformation and Resiliency Plan (PRTR)³, with the main goal of driving residential rehabilitation

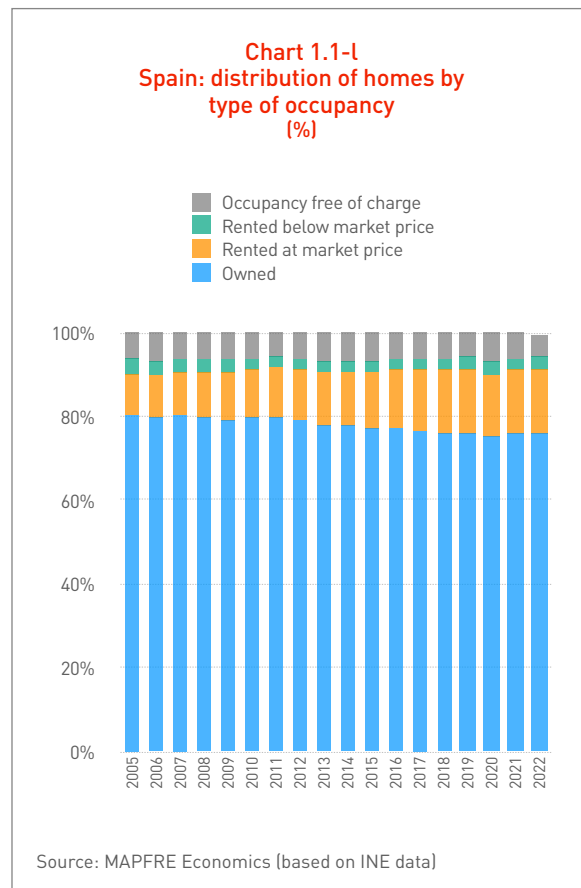
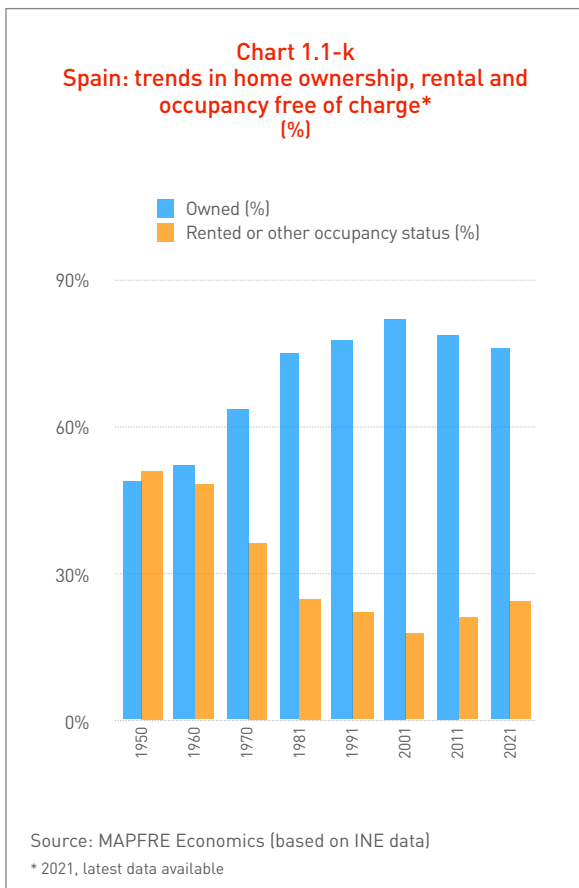
activity through tax deductions and other measures that promote energy efficiency in residential buildings, such as lines of credit through the Official Credit Institution (ICO). All this is part of the exceptional instrument approved by the European Council in 2020 with the NextGenerationEU Funds, which is intended to support investment and reforms in the Member States, with sustainable and resilient recovery prioritizing green and digital activities and services, which would entail the rehabilitation of buildings and construction of social rental housing in the field of construction, always based on minimum energy efficiency requirements.

Regarding the General Housing Price Index (HPI), the INE published a year-on-year change of -0.8% in the fourth quarter of 2022, lower than that recorded for the same period of 2021, when it registered 1.2%. The new housing HPI for 2022 ended the year at a 6.2% increase compared to 6.4% in 2021, while the home resale HPI in 2022 was 5.3% compared to 6.4% in 2021. Meanwhile, the information published by the Housing and Land Observatory shows the continuous reduction in home ownership to the benefit of rentals through 2001, although the trend reversed in 2011 (the last 10-year data published), at which point the number of rentals increased (see Chart 1.1-k).

Finally, the most recent data provided by the INE's Living Conditions Survey, from 2007 to 2022, shows that in the last two years, the percentage of households with home ownership has rebounded to 75.9% in 2022, up from 75.2% in 2020. Likewise, the aggregate rental housing data in 2022 increased versus 2021, landing at 18.0%. As a consequence of the above, the share of housing under transfer has fallen to 6.1%, which, together with that recorded in 2019, is one of the lowest in the last ten years (see Graph 1.1-l).

Auto sector

Due to its characteristics and dynamics, the auto sector is another area of economic

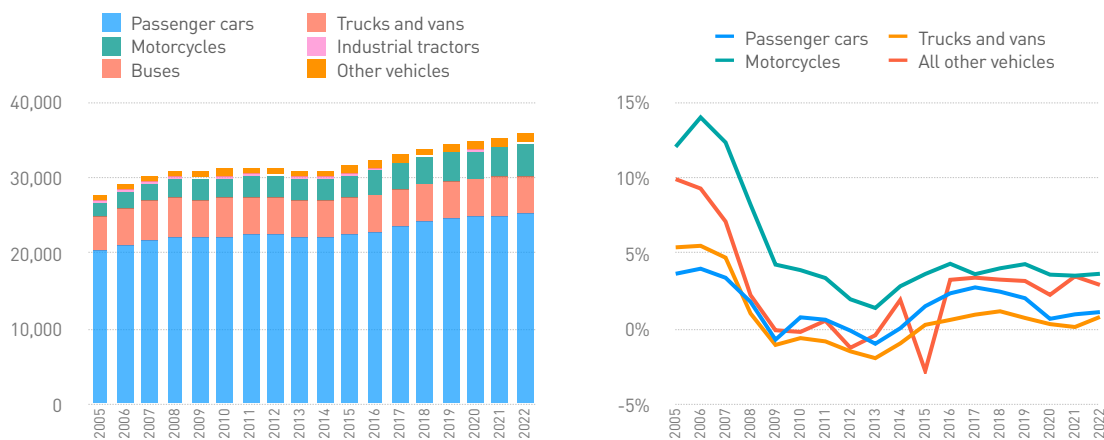


activity with a substantial impact on insurance demand performance in Spain. In 2022, the country's vehicle fleet totaled 35.7 million, 1.4% more than the previous year. The motorcycle segment once again showed the greatest growth of 3.6%, while private cars represented 71.0% of the total, having risen by 1.1% to 25.2 million (see Chart 1.1-m).

In turn, 2022 registration data are negative, with a 3.7% drop versus the previous year. The weak economic activity and microchip supply problems continue to delay the expected recovery of vehicle sales, which are still well below pre-pandemic figures: 1.3 million versus 1.8 million in 2019. Only buses, motorcycles and tractors have contributed to growth; all other vehicles have experienced a negative variation versus the previous year. Private automobiles, which represent 71.7% of registrations, decreased by 4.1% for a total of 914,835 units. In turn, the percentage of vehicles more than 10 years old versus the total fleet decreased slightly, from 63.3% in 2021 to 62.6% in 2022, although it remains very high.

According to data from the Directorate General of Traffic, 439.8 million long-distance road trips were recorded in 2022, which is 12% more than in 2021 (393.7 million) and shows loss ratio figures significantly below the average in the countries of the European Union. On the other hand, during 2022, 1,042 fatal accidents occurred on interurban roads (121 more than in 2021), in which 1,145 people died at the time of the accident or in the following 24 hours, and another 4,008 were seriously injured, representing an increase of 12.3% in the number of fatalities and 6.9% in the number of people hospitalized. When compared to 2019, we see that figures have changed very little; the percentage of deaths increased by 4.0% and hospitalizations decreased by 10.0%. In most of the autonomous communities, the number of deceased persons increased, with the exception of the Community of Madrid, Catalonia, Basque Country, La Rioja, Extremadura and the Valencia Community; the greatest increases were recorded in Castile and Leon (+40), Andalusia (+25) and Castile-La Mancha (+15).

Chart 1.1-m
Spain: vehicle fleet
(number of vehicles, thousands; distribution structure, %)



Source: MAPFRE Economics (based on data from the Department of Transportation)

Corporate sector

According to data from the Central Business Directory (DIRCE), at the beginning of 2022, there were 3,430,663 active companies in Spain, 1.9% more than on the same date the year before. According to this information, the Other Services sector, with 2,098,974 operating enterprises, once again had the most weight in the structure of the company population, representing 61.2% 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 (20.8%), including wholesale and retail sales activity. Finally, the Construction and Industry sectors represent 12.4% and 5.6% of enterprises, respectively.

As stated in previous reports⁴, the Spanish business community is characterized by having a smaller number of salaried employees and highly dynamic longevity. Thus, 83.0% of all companies employed two or fewer workers, and 56.6% had no salaried employees. Some 38.9% 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 busi-

nesses are found in the Other Services sectors, and the majority of large companies are concentrated in the Industrial sector, where 8.4% of the total employed 20 or more employees. The DIRCE registered 1,912,800 companies represented by an individual, of which 36.9% were represented by a woman. The presence of businesswomen is notable in the Education, Health, and Social Services sector, with 56.8%, while the presence of men in the Construction (97% of the total) and Transport sector was 90.1%. By autonomous community, Catalonia is the top community for number of active companies, with 18.5% of the total. More than half of operating Spanish enterprises are concentrated in three autonomous communities: Catalonia (18.5%), Madrid (16.3%), and Andalusia (15.9%).

Meanwhile, taking into account the trend of the last year, 382,960 companies began conducting economic activities during 2021, and 316,340 ceased all activity. The sectors that created the most companies in net terms in 2021 were: Real estate activities (8,726) and Health activities (5,448). In turn, the sectors with the greatest negative balances were: Postal activities (-1,627) and Legal and accounting activities (-778). According to INE company statistics, there were 99,067 new company registrations in 2022, down by 2.1% on 2021. The capital

subscribed for incorporation increased by 2.9%, and the average capital increased by 5.1%, with respect to the previous year. Likewise, the number of companies that were dissolved that year also increased (26,207), 10.1% more than in 2021, while 29,204 corporations increased their capital, 0.7% less than in 2021 (the capital subscribed in increases recorded a decrease of 27.8% and average capital fell by 27.2%). Some 19.5% of corporations created in 2022 fell under Commercial, while 16.9% were Real Estate, Financial and Insurance. Looking at dissolved companies, Commercial accounted for 19.1%, and Construction 16.4%. Finally, the communities with the most commercial companies created in 2022 as a whole remained Madrid (22,834) and Catalonia (18,977), while the communities with the greatest number of dissolutions were Madrid (8,842) and Andalusia (3,988).

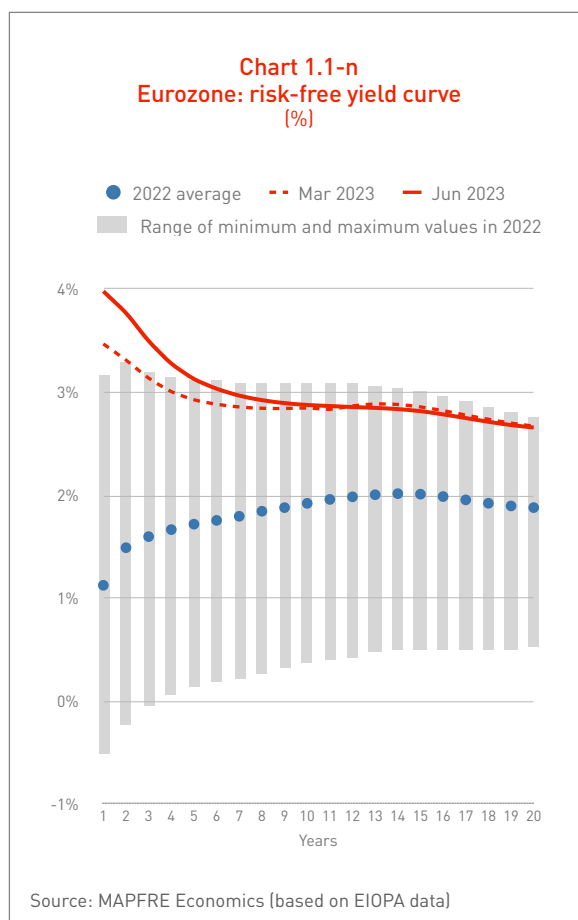
Interest rate environment

Throughout 2022, the interest rate environment has been characterized by a notable upward spike in all parts of the curve, accompanied by a change in monetary policy bias in response to the still ongoing inflationary episode. This dynamic has improved the outlook for both the Life Savings and traditional annuity lines by making it possible to offer higher interest rates and, in some periods, higher positive term premiums, albeit to a limited extent as the flattening of the slope becomes evident in the medium and long-term tranches, even reversing significantly at certain times and points on the interest rate curve, as shown by the data at the end of June 2023. In this sense, Chart 1.1-n shows the minimum, average, and maximum levels interest rates reached in 2022, 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 December 2022 and June 2023.

While the inflationary impact in 2021 emanated from factors that were expected to be provisional and temporary, mainly due

to the momentum of the economic reopening and supply chain problems in a highly liquid environment, after the Russia-Ukraine conflict at the beginning of 2022, price dynamics picked up additional inflationary momentum, as they rotated from bottlenecks to a broader base such as commodity markets (mainly energy and food), translating more broadly to other sectors of the economy since then as shown by the core inflation metric.

As a result, the ECB, which was operating in an ultra-loose policy environment in the first half of 2022, began the process of monetary normalization in July of that same year, with 400 basis points (bps) of reference rate hikes to date, bringing the range to 4.0% for main refinancing operations and 3.5% for the deposit facility. Meanwhile, on the balance sheet side, the new roadmap rotated towards quantitative easing by rebalancing holdings of securities acquired through the Asset Purchase Program (APP) at an average sale



rate of €15 billion through June 2023, but not APP reinvestments, which will be discontinued next July. Elsewhere, it will maintain its intention to reinvest the principal payments from securities purchased under PEPP (*Pandemic Emergency Purchase Programme*) until at least the end of 2024, as well as the direction of the *Targeted Longer-term Refinancing Operations* (TLTROs). As of November 23, 2022, the interest rate applicable to outstanding TLTRO III transactions was indexed to the average of the ECB's official interest rates (eliminating the previous advantageous conditions) while enabling the possibility of voluntary early repayment prior to maturity.

For the remainder of the year, inflation is expected to continue on its current downward path, moving towards rates closer to the monetary policy target, albeit above 2%. The factors behind this moderation are expected to exert less pressure on the side of energy and other commodities, which are already starting to impact the manufacturing sector (industrial production price indexes have posted several months of negative growth). The services sector, less resilient to monetary tightening and with more vigorous expansionary momentum, will experience a more protracted de-escalation, stressed to some extent by the progress being made in wage negotiations, which could mean that progress in the general index will not be as dynamic in the underlying measurement. As a result, the ECB is expected to find the *terminal interest rate* in the second half of the year and, in doing so, move closer to concluding the current monetary tightening cycle, registering positive real interest rates that could remain in place for much of 2024.

1.2 Demographic aspects

Demographic trends

The COVID-19 pandemic has left behind three years of significant excess mortality rates, especially in 2020 and 2021, although without great structural changes in the

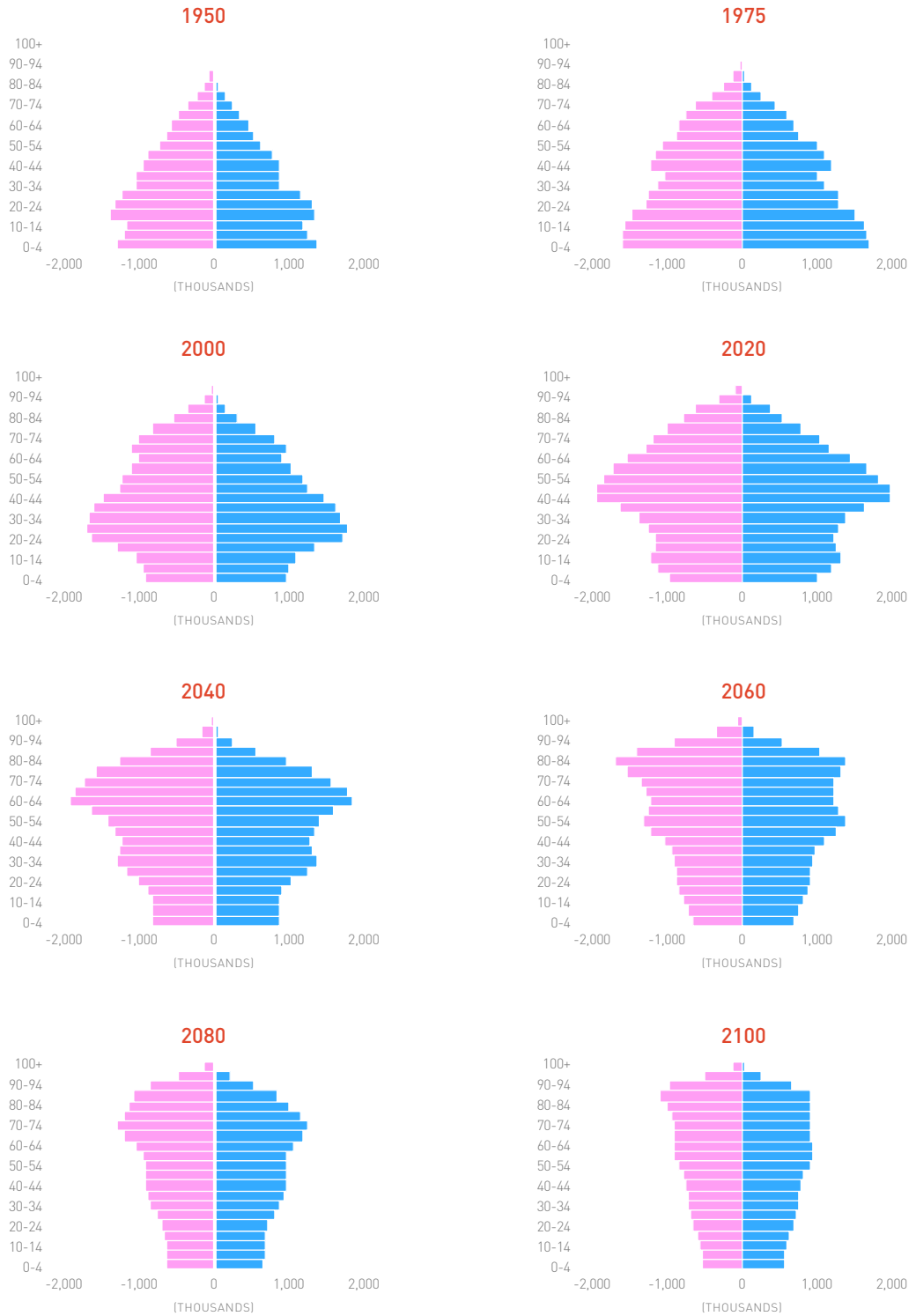
demographic trends observed prior to its outbreak. These trends are characterized by a general reduction in life expectancy, along with a drastic drop in the fertility rate. These factors have come to sustain a transitional dynamic toward more elderly populations, a process still affecting all countries and regions of the world without exception, albeit more immediately and markedly so in developed countries, and particularly in Spain.

In the case of Spain, according to Eurostat estimates, in 2020 (the first year of the pandemic) there was a 1.6 year drop in life expectancy⁵. However, in 2021, life expectancy partially recovered, with an estimated increase of 0.9 years⁶ (-1.2 in 2020 and 0.7 in 2021, according to United Nations estimates). In the same sense, the excess mortality calculated by MAPFRE Economics⁷ evolved positively in 2021, which was carried over to the first months of 2022. Thus, the excess mortality in Spain resulting from comparing mortality per 100,000 residents in 2020 and 2021, with the 2016-2019 pre-pandemic annual average, clearly improved in 2021, with 7.2% versus 17.6% in 2020 (the worst data shown for this indicator was in Q2 2020, when mortality reached 26.2% above the average for Q2 2016-2019, with a peak in April of 75.9%). In the first quarter of 2022, the mortality situation continued to improve substantially, and excess mortality versus the average of Q1 2016-2019 was 0.1%, with excesses of 5.4%, 2.9%, and -8.9% in January, February, and March, respectively.

Therefore, despite unknowns about the long-term impact of the COVID-19 pandemic on life expectancy, the current data indicate that this was a temporary interruption and that the trend of improved global life expectancy continues. Nevertheless, there has been a slowdown in the rate of improvement since before the outbreak of the pandemic. This dynamic continues to reveal the need to find savings formulas to complement pensions and bear the higher expenses for healthcare and situations of dependency as the population ages. For example, in the case of pensions, pressure will continue increasing

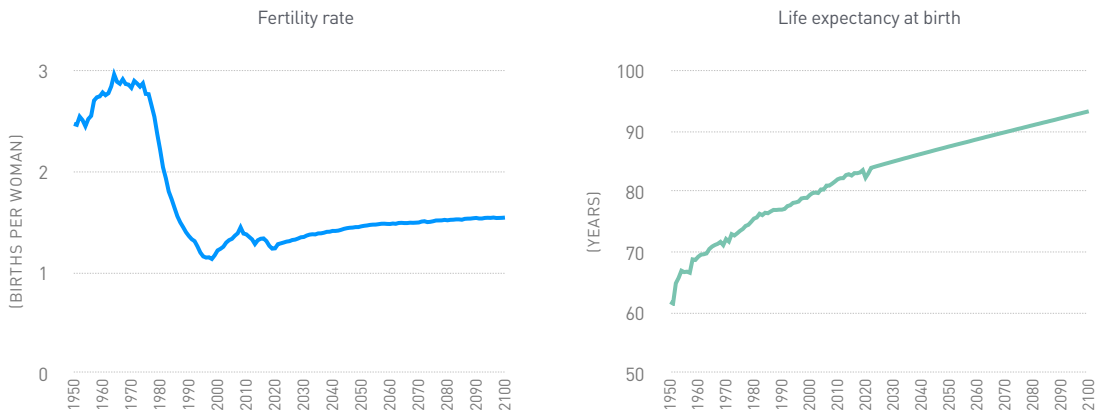
Chart 1.2-a
Spain: trends in the population pyramid

Women Men



Source: MAPFRE Economics (updated based on UN data)

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



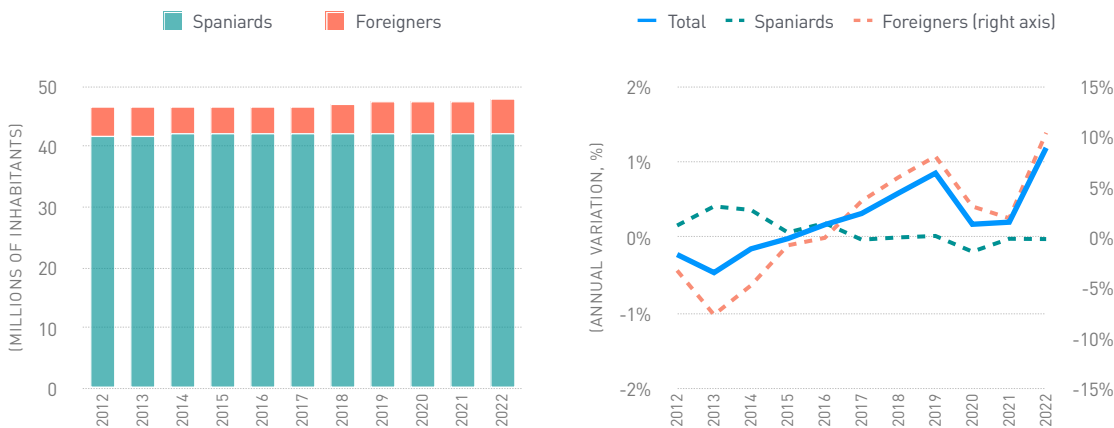
Source: MAPFRE Economics (updated based on UN data; life expectancy, AIReF estimates 2020)

on the sustainability of public systems in which pay-as-you-go components have a greater weight, as the relative weight of the labor force compared to people who reach retirement age is progressively and markedly decreasing.

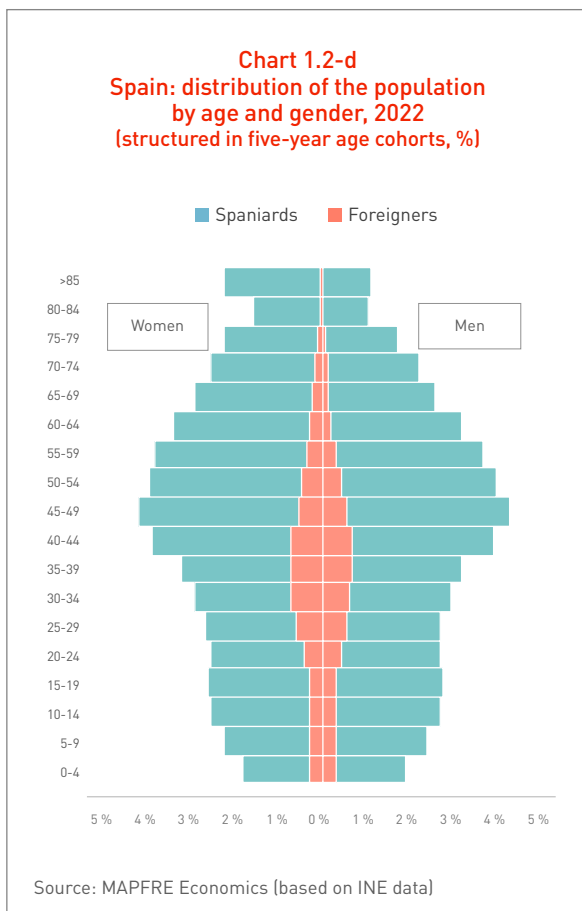
The population pyramids created based on the last available update (July 2022) of United Nations (UN) data and forecasts⁸ continue to reflect the widespread issue of

aging among the Spanish population (see Chart 1.2-a), due to the combination of high birth rates in the 1950s and 1960s, the subsequent fall in the birth rate, low mortality rates, and increased life expectancy. According to these forecasts, during the 2020-2025 period, life expectancy at birth in Spain was 83.6 years (Eurostat estimates was 83.3 years in 2021), while in 2000 it was 79.4 years (a four-year increase in a

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



Source: MAPFRE Economics (based on INE data)



Thus, despite the effects of the pandemic, the issue of the aging population in Spain has continued to worsen, giving rise to a constrictive type of population pyramid, with no expectations of this trend reversing (creating a stationary type of population pyramid) until the end of the century. According to this population pattern and dynamic, a progressive increase in the problem of population aging is expected in the coming years, with the consequent budgetary strains for the State.

20-year period). According to UN forecasts, life expectancy at birth of the Spanish population will reach 87.5 by 2050 and around 93.3 in 2100 (see Chart 1.2-b).

In terms of the demographic situation, with the preview published by the INE containing definitive data as on January 2023, the Spanish population has reached 48.05 million inhabitants, of which 87.4% were Spanish and 12.6% foreign. As shown in Chart 1.2-c, the net number of Spaniards dropped by 8,728 (-0.02%) in 2022, while the number of foreigners increased by 571,602 (10.38%). Additionally, the average age of the population registered in the Municipal Census was 44.1; the average age of Spaniards was 45.0, and 37.1 for foreigners. 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 at January 2022.

2. Structure of the insurance industry

2.1 Market concentration

The analysis of the Herfindahl and CR5 indexes allows us to monitor the concentration of the insurance sector in Spain over the last decade. Chart 2.1 shows that the Herfindahl Index stood at 508.3 points in 2012, while in 2022 this indicator rose to 566.1 points, despite the 49.6-point decrease in 2022 versus 2021. However, this 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 over 2012-2022, from 40.6% to 42.8%, with a period of decline from 2017 to 2020 that was strongly influenced by the performance of the Life line. Chart 2.1 shows that in 2022, the concentration of the five major groups dropped 2.5 percentage points (pp), with 0.9 pp drop in Life groups and 0.1 pp in Non-Life. The latter has maintained stable performance over the last decade, with a CR5 index that has oscillated

around 47% since 2015, starting from 45% in 2012.

2.2 Ranking of companies

Total market

Looking at the total market in Spain, VidaCaixa remains the leading insurance group by premium volume in 2022, with a share of 11.9% (13.8% in 2021) and a premium volume of €7.729 billion, down 9.3% from 2021 due to the decline in Life savings (see Chart 2.2-a). It is followed by MAPFRE, with €7.293 billion in premiums, and Mutua Madrileña, with €6.477 billion; the former with a slight drop in premiums of 0.6%, and the latter with a 13.3% increase, which raises its market share eight tenths. Catalana Occidente recovered fourth place, with a 4.9% share, and Allianz, which dropped by 7.1%, returns to fifth place. Axa, for its part, remains in sixth place in this ranking, while Generali and Zurich swap positions, with the Italian group moving up to sixth place thanks to a 4.8% growth in premiums, displacing Zurich to

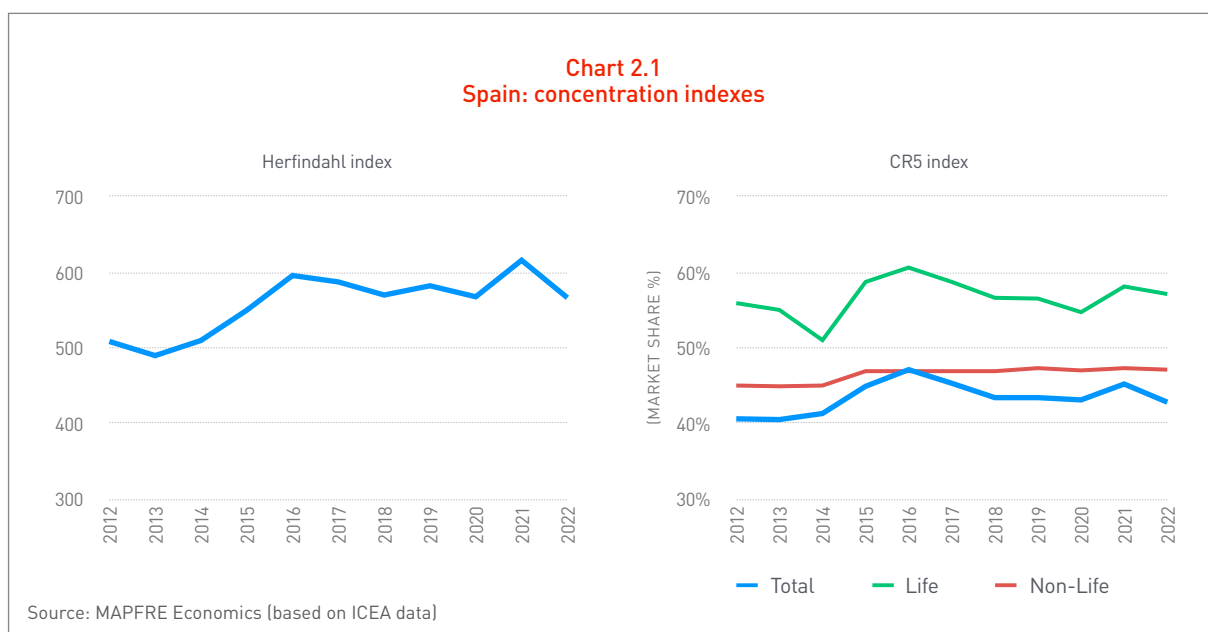
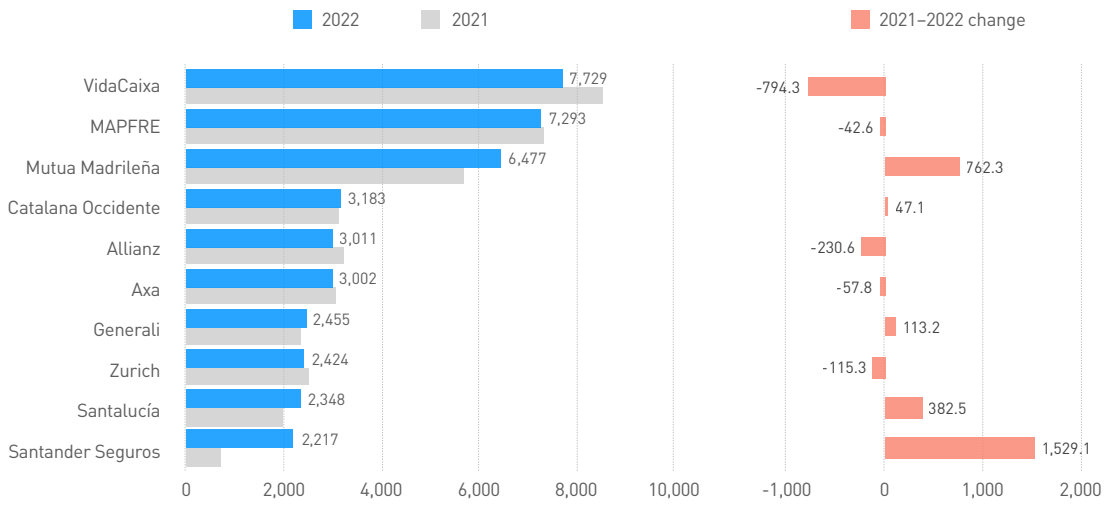


Chart 2.2-a
Spain: overall ranking of insurance groups by premium volume (millions of euros)



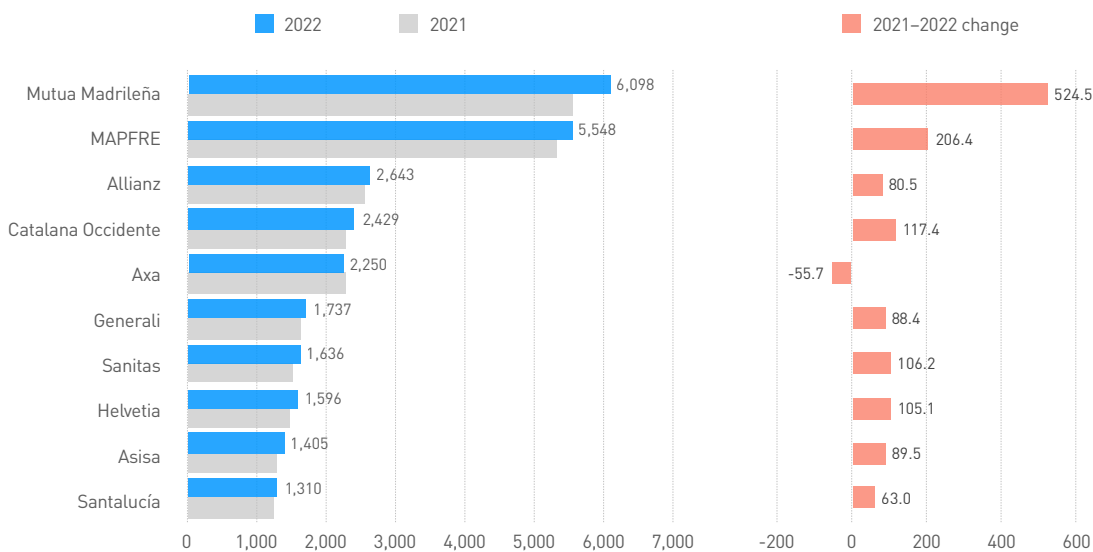
Source: MAPFRE Economics (based on ICEA data)

eighth place. Of the last two positions, it is worth highlighting the performance of Santander Seguros, which had the highest jump of the groups included in the ranking (222.1%), tripling its premium revenues from the previous year.

Non-Life market

The Non-Life segment showed 5.2% growth in premiums in 2022, with increases in most lines, especially in Health. As shown in Chart 2.2-b, all groups in the Non-Life

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



Source: MAPFRE Economics (based on ICEA data)

ranking, with the exception of Axa, saw premium growth in 2022. Mutua Madrileña remains the leader in the rankings with a market share of 15.2%. MAPFRE, in turn, places second with a share of 13.8%, followed at a distance by Allianz, which accumulated 6.6% of Non-Life premiums. There were no other changes in ranking positions for the rest of the groups with respect to 2021 data.

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. VidaCaixa continues to lead the category, with a market share of 31.4%. It is followed by Santander Seguros, up eight places in the ranking with a 232.9% increase in premiums written, reaching a market share of 8.9%. This rise displaces MAPFRE, Zurich and Ibercaja to third, fourth and fifth place, respectively, with market shares of 7.1%, 5.2% and 4.5%. Catalana Occidente, which held fifth place

in 2021, dropped to seventh, while Santalucía climbed from seventh to sixth place after a significant increase in sales in the life business (44.5%). Grupo Mutualidad de la Abogacía (includes the mutual provident society and Avanza Previsión) enters the ranking in eighth place, and Axa and Generali move from sixth and eighth place to ninth and tenth, respectively.

Managed savings

Life insurance technical provisions totaled €193.613 billion at the end of 2022, a decrease of 1.1% compared to the previous year. This slight drop in provisions has reflected very heterogeneously across the top ten insurance groups by volume of managed savings in 2022 (based on their business in Spain). Only VidaCaixa (8.8%), Santander Seguros (7.5%), Mutualidad de la Abogacía (8.8%) and Santalucía (6.9%) have had positive performance, while the rest of the groups have had declines (see Chart 2.2-d). VidaCaixa remains the leader, with €67.214 billion in Life technical provisions and a market share of 34.7%, followed by Santander Seguros, which went up one

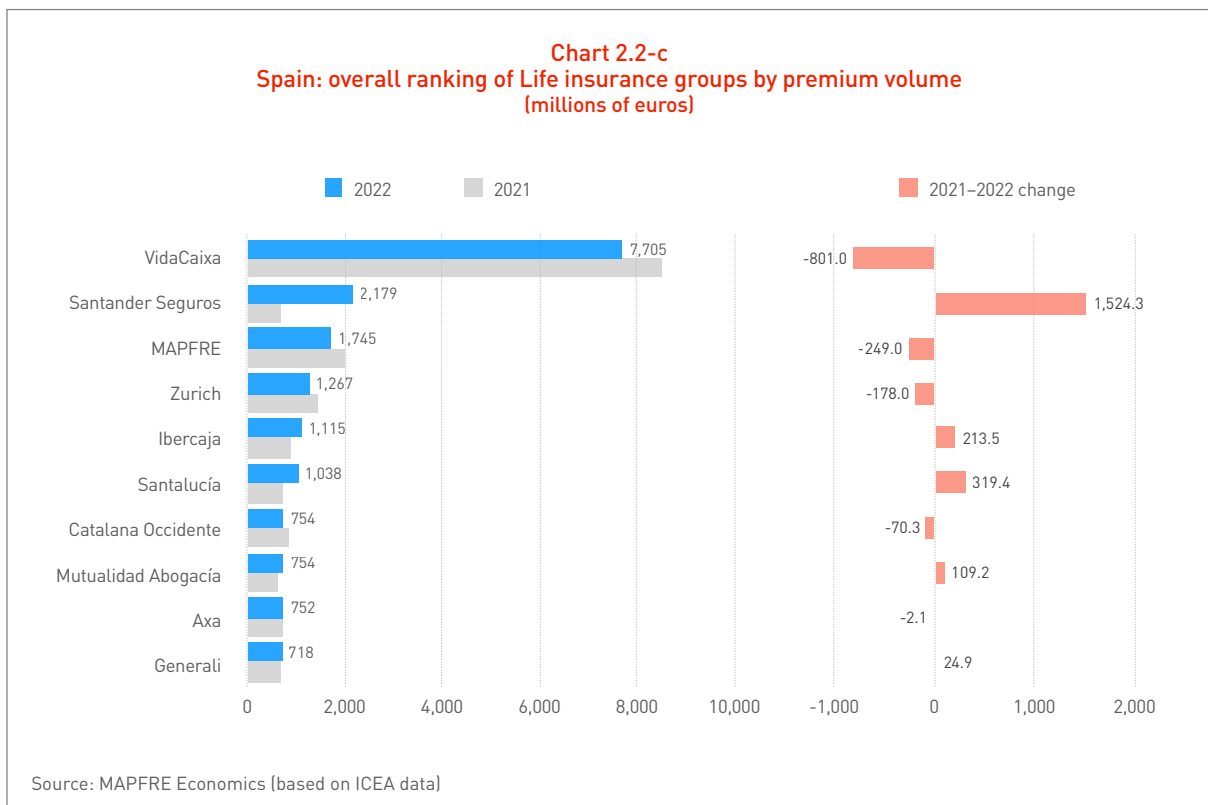
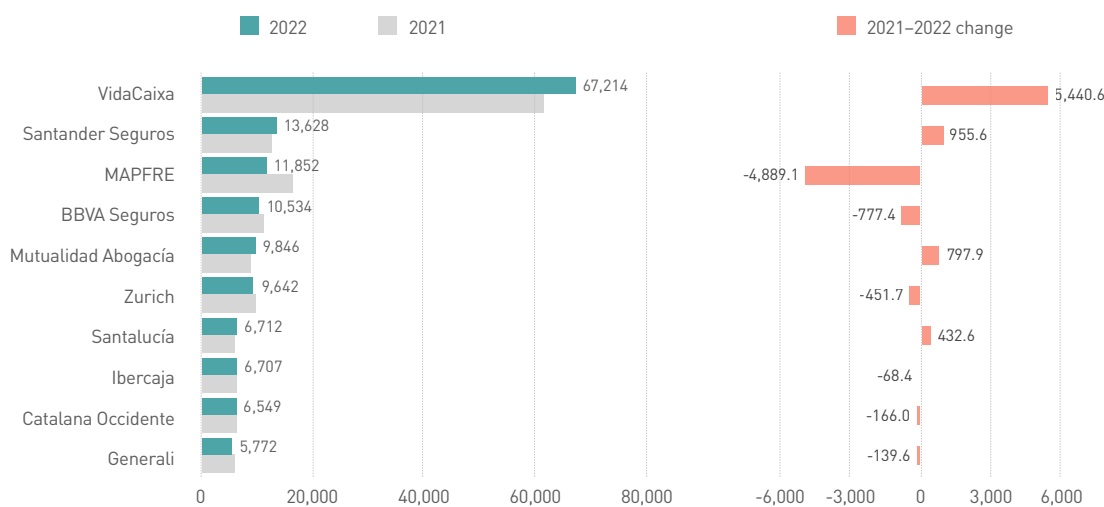


Chart 2.2-d
Spain: overall ranking of insurance groups by Life technical provisions
 (millions of euros)



Source: MAPFRE Economics (based on ICEA data)

position from 2021, placing MAPFRE in third place. BBVA remains in fourth place, Zurich, Ibercaja and Catalana Occidente dropping one place in the ranking, and Mutuallidad de la Abogacía and Santalucía climbing one and two places, respectively. Finally, it should be noted that Generali enters the ranking this year in tenth place, knocking out Allianz.

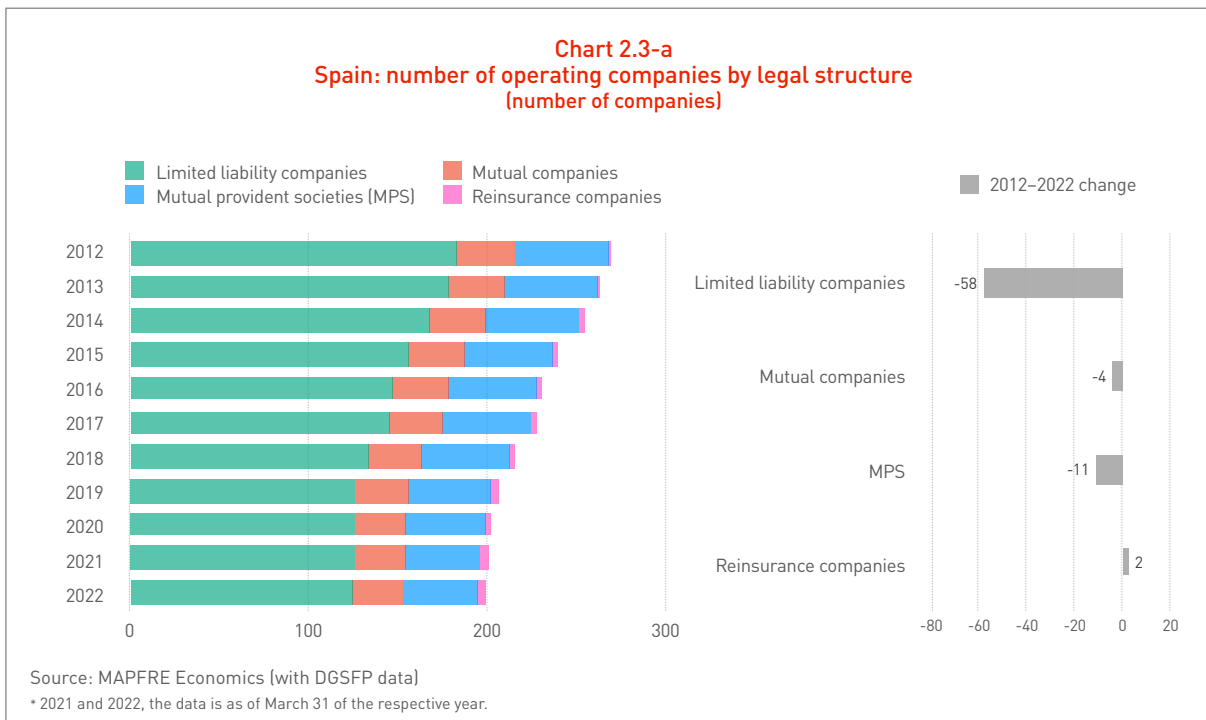
2.3 Insurance market structure

Insurance companies

In 2022, the number of insurance companies on the Spanish market displayed a downward trend. By March 2022, there were 71 fewer companies than in 2012 (see Chart 2.3-a). Factors that have influenced this process include the reorganization of bancassurance agreements made 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. At the end of March 2022, the Administrative Register of Insurance Companies (RAEA - Registro Administrativo de Entidades Aseguradoras) reported the existence of 199

insurance companies in the Spanish market, 2 fewer than in March 2021. Its legal structure can be broken down as follows: 125 limited liability companies, 28 mutual companies, and 42 mutual provident societies (under the control of the General Directorate for Insurance and Pension Funds), as well as 4 specialized reinsurance companies.

The most relevant different mergers and acquisitions occurring in 2022, as well as other business news are discussed below. Firstly, it should be noted that, as part of Unicaja Banco's reorganization process in the insurance sector following the integration of Liberbank in July 2021, in October 2022 the company announced the closing of its acquisition of 50% of Liberbank Vida y Pensiones from Aegon. Previously, Unicaja had announced the expansion of its alliance with Santalucía and the termination of agreements with Aegon and MAPFRE, with which Liberbank had agreements in the insurance business prior to the merger with Unicaja. With MAPFRE, it closed the acquisition of the 50% stake the insurance company still controlled in Caja Castilla La Mancha (CCM). The bank's transaction with Santalucía involves the latter's acquisition



of 50% plus one share of CCM Vida y Pensiones and the same of Liberbank Vida y Pensiones.

Meanwhile, in May 2022, Mutua Madrileña and El Corte Inglés closed a strategic alliance involving Mutua’s purchase and sale of El Corte Inglés’ insurance business, which includes 50.01% of each of the two companies that engage in this activity: SECI and CESS, and Mutua’s entry as a shareholder in El Corte Inglés. Additionally, in July, Grupo Mutua Propietarios came to an agreement with Ergo to acquire DAS Seguros, the Spanish affiliate of the German insurance company specializing in legal defense. With this acquisition, Mutua de Propietarios boosts its commitment to legal defense solutions, reinforcing its leadership in the rent default market and strengthening its position in comprehensive property protection.

In November 2022, VidaCaixa received authorization to carry out the merger by absorption of the company Bankia Vida, which is part of the process of reorganization and integration of the insurance and reinsurance business of Bankia and its subsidiaries, following the merger by absorption of Bankia by CaixaBank.

Meanwhile, at the end of 2022, CaixaBank reached an agreement with Caser for its subsidiary VidaCaixa to purchase its 81.31% stake in the capital stock of Sa Nostra Vida.

At the end of 2022, Axa announced that it was negotiating the acquisition of Groupe Assurances du Crédit Mutuel (GACM) España to strengthen its presence in Non-Life and Health. In May 2023, the European Commission gave that transaction a green light. Likewise, on June 15, 2023, the Italian group Generali announced the acquisition of Liberty Seguros from Liberty Mutual for €2.3 billion, including the excess capital in Liberty Seguros, which allows it to expand its business in Spain, Portugal and Northern Ireland. The acquisition is currently subject to the mandatory regulatory approvals for this type of transaction.

International presence of Spanish insurers

The ranking of the four largest internationally active Spanish insurance groups on the global premium volume is presented in Table 2.3 and Chart 2.3-b. This information illustrates the extent of internationalization of Spanish majority-owned insurance

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

Insurance group	2021					2022				
	Global premiums	(millions of euros)		(structure, %)		Global premiums	(millions of euros)		(structure, %)	
		Premiums in Spain	Premiums outside Spain	Premiums in Spain	Premiums outside Spain		Premiums in Spain	Premiums outside Spain	Premiums in Spain	Premiums outside Spain
MAPFRE	22.155	7.466	14.689	33.7%	66.3%	24.540	7.367	17.173	30.0%	70.0%
VidaCaixa	8.564	8.523	41	99.5%	0.5%	7.736	7.729	7	99.9%	0.1%
Mutua Madrileña Group	6.520	5.715	805	87.7%	12.3%	7.257	6.477	780	89.3%	10.7%
Catalana Occidente Group	4.751	3.136	1.615	66.0%	34.0%	5.111	3.183	1.928	62.3%	37.7%

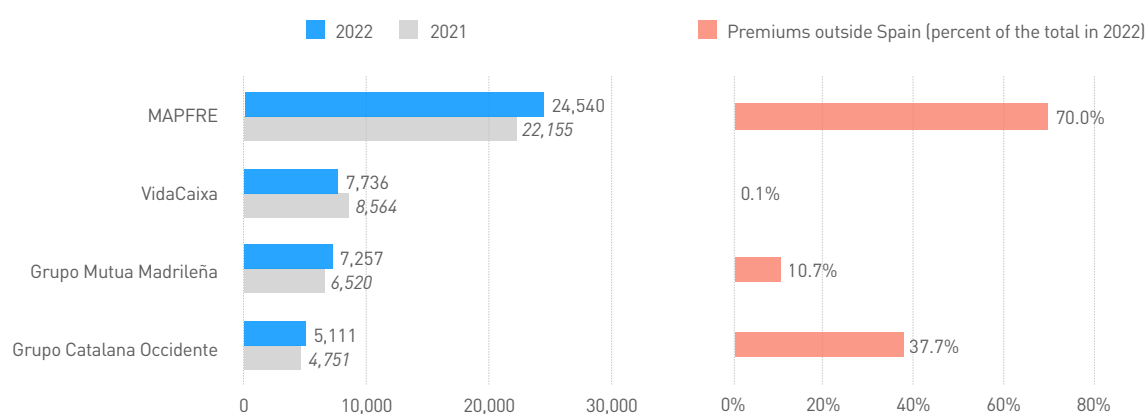
Source: MAPFRE Economics (with data from the annual reports of the listed groups and ICEA)

groups. The data refers to 2021 and 2022 and compares domestic business and total business (including international business). From this information it is clear that MAPFRE Group is still the leading Spanish insurance group internationally, with a 10.8% increase in total premium volume in 2022, exceeding €24.54 billion in direct insurance and accepted reinsurance premiums, 70% of which is located outside Spain. This increase in premiums reflects a general improvement in the Group's insurance business across nearly all regions, with signi-

ficant increases in Latin America and North America, as well as in the reinsurance and large risks businesses, with almost all currencies performing favorably against the euro⁹.

It is followed in the ranking by VidaCaixa with €7.736 billion in direct insurance and accepted reinsurance premiums in 2022 (with only 0.1% of these outside Spain), a 9.7% drop from 2021. VidaCaixa is part of CaixaBank and also possesses 49.92% of SegurCaixa Adeslas, as well as the full

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



Source: MAPFRE Economics (with data from the annual reports of the listed groups and ICEA)

share capital of the Portuguese company BPI Vida e Pensões, which it acquired in 2017. In Portugal, BPI Vida is third in pension plans and Life insurance.

The third group in this ranking, Mutua Madrileña, achieved premium revenues of €7.257 billion in 2022 (with 10.7% of this outside Spain), representing an increase of 11.3% over the previous year. In Spain, its main market, the Non-Life business group of Grupo Mutua exceeded €6 billion in insurance premiums for the first time, placing it in first place in the national ranking of Non-Life insurance for the fifth consecutive year. In the international business, Mutua already has a controlling position in the Chilean company BCI Seguros, with a 60% interest. This company, the leader in general insurance in Chile, obtained nearly €849 million in revenue, 8.1% more than the year before. It holds a 45% non-majority interest in the Colombian company Seguros del Estado.

Finally, the Catalana Occidente Group, which holds fourth place in this ranking, is an insurance multinational operating in more than 50 countries. The total premium volume earned from direct insurance and accepted reinsurance during fiscal year 2022 amounted to €5.111 billion (37.7% of which was located outside of Spain), which is a 7.6% increase over 2021, a figure that includes the growth of the traditional business and the increase in the receivables insurance business. In 2022, this Group moved into fourth place on the Spanish market and maintained its market share in the receivables insurance segment, at 26.4% at the international level.

Other Spanish groups with a presence abroad are Santalucía and Asisa, although they operate primarily in Spain. The former distributes Burial and Assistance insurance through agreements and alliances with other companies in Portugal, Colombia and Chile, and in Argentina through Santalucía Argentina. The total of premiums attributed to its international business in 2022 amounted to €6.9 million, down 20.9% from the previous year. Its international

presence extends to several countries in Europe, Latin America, and the Middle East, mainly in healthcare. In Portugal, it operates under the freedom of establishment system through its branches Asisa Vida and Asisa Asistencia Sanitaria, where it brought in €9.9 million in 2022.

Meanwhile, Banco Santander maintained a strong pace in premium growth, mainly in the savings-linked insurance segment. Gross written premium volume amounted to €11.7 billion in 2022, up 24% year-on-year, with protection premiums up 7% despite lower credit demand in Latin America. Meanwhile, the premiums issued in 2022 by BBVA Seguros in Spain totaled €868 billion, up 2.1% 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 2022 its subsidiaries earned 67.456 billion pesos in premiums (€3.355 billion), a 10% increase.

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 2022, Latin America has remained the focus of its internationalization strategy. The region's total production in earned premiums was €75 million in 2022, representing 30% of the company's own account, which also takes into account Iberia's production. 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 2022 with a premium volume of \$3.2 million in Ecuador, representing growth of 17.3% over 2021.

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 at December 31, 2021, there were 45 branches (46 in 2020) operating under the *freedom of establishment system* in the countries of the European Economic Area (EEA) corresponding to 14 Spanish insurance companies. The country with the largest number of branches was Portugal (10), followed by Italy (5) and the United Kingdom (4). Meanwhile, at the end of 2021 there were 57 Spanish companies operating under the *freedom to provide services regime* in the EEA (two more than in 2020), with Portugal and the United Kingdom remaining the countries with the highest number of notifications by these companies to conduct operations (65 and 53, respectively), followed by France (50) and Germany (48). Gross direct insurance and accepted reinsurance premiums for these operations reached €3.307 billion in 2021 (latest available data), of which 84.7% corresponds to Spanish branches in the EEA, mainly in the Non-Life business (€2.136 billion). The companies operating under the freedom to provide services regime earned €505 million. For total business, the largest markets were the France, Italy (including San Marino), Germany and Portugal, in that order.

Foreign capital in the Spanish insurance industry

According to the latest DGSFP data, 24 companies in Spain had foreign capital in 2021, two more than the previous year. The amount of subscribed capital from foreign investors totaled €1.506 billion (compared to €1.487 billion in 2020), representing 16.8% 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, 2021 (latest information available), there are 66 branches operating in Spain from EEA companies and 2 branches from third party countries, although one of them has had its authorization revoked. With respect to European Economic Area companies authorized to operate in Spain under the freedom to provide services regime, at the end of 2021 (latest data available) there were 796 authorized companies, although not all of them were active in the country. Meanwhile, the premium volume of direct insurance and accepted reinsurance under the freedom of establishment system and freedom to provide services regime reached €6.687 billion in 2021 (latest data available), of which €1.626 billion were in the Life insurance segment, €4.156 billion in Non-Life, and the remaining €905 million in composites operating in both Life and Non-Life. The largest volume corresponds to branches (€3.829 billion), mainly in the Non-Life business.

Mutual provident societies

The premium revenues of mutual provident societies totaled €3.165 billion in 2022, versus the €2.826 billion of the year before. The volume of managed assets for these entities at the end of 2022 totaled €46.5 billion, compared to €50.4 billion in 2021. It is important to remember that mutual provident societies are non-profit private insurance companies that offer a voluntary insurance 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, 210 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,

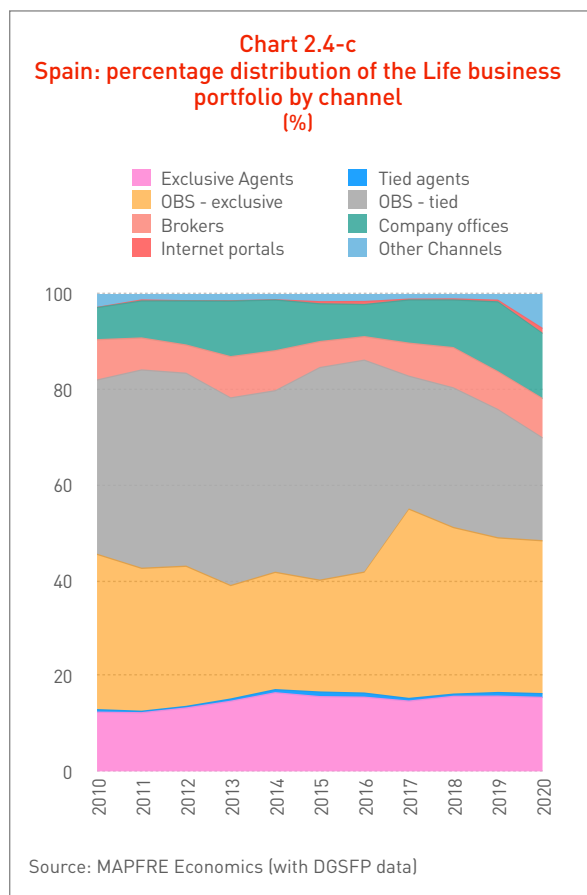
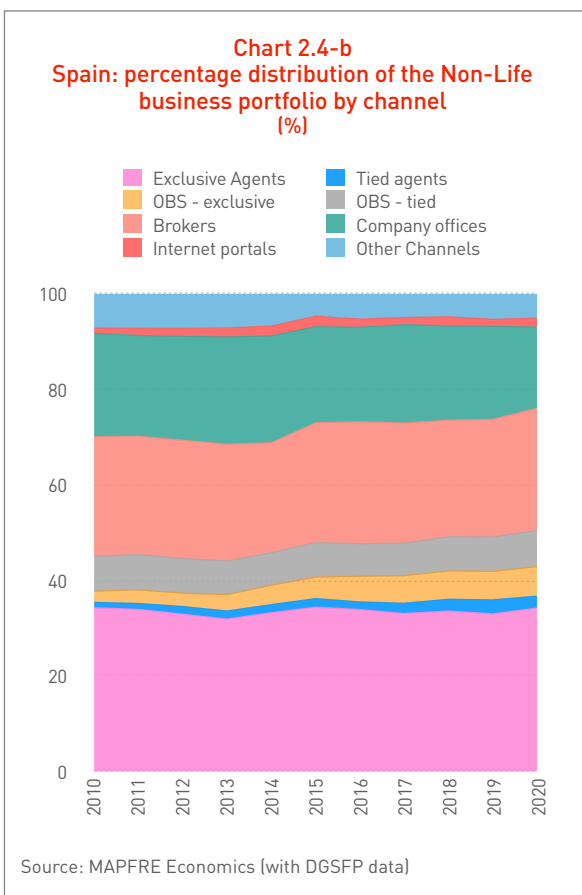
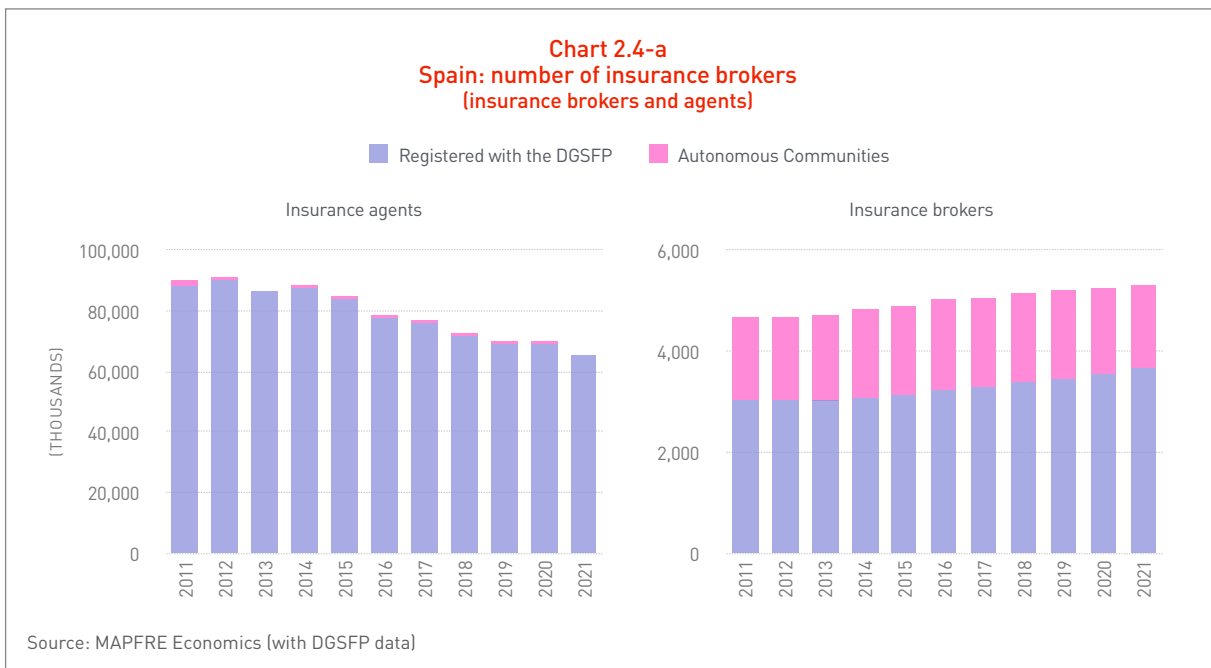


Table 2.4-a
Non-Life: business distribution structure by channel
 (%)

Channel	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Exclusive agents	34.4	34.0	33.0	32.0	33.3	34.5	34.0	33.2	33.7	33.1	34.3
Tied agents	1.1	1.3	1.6	1.7	1.7	1.8	1.6	2.2	2.5	3.0	2.5
OBS - exclusive	2.4	2.8	2.8	3.4	4.1	4.5	5.4	5.8	5.9	6.0	6.2
OBS - tied	7.3	7.4	7.3	7.0	6.8	7.2	6.8	6.8	7.1	7.2	7.6
Brokers	25.0	24.8	24.8	24.4	23.0	25.1	25.5	25.2	24.4	24.6	25.6
Company offices	21.7	21.1	21.7	22.5	22.4	20.1	19.8	20.6	19.7	19.5	17.0
Internet portals	1.1	1.5	1.7	1.9	2.1	2.2	1.7	1.5	1.9	1.5	1.9
Other channels	7.1	7.1	7.2	7.1	6.7	4.8	5.2	4.9	4.7	5.3	5.0
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)

there were a total of 71,168 insurance intermediaries in Spain as on December 31, 2021 (-5.1% versus 2020), 96.8% of which were registered with the DGSFP, with the remaining 3.2% registered with the Autonomous Communities. Of these, 65,253 were exclusive agents and operators, 544 were tied bancassurance agents and operators, and 5,291 were insurance brokers. Lastly, at the end of 2021, there were also a total of 80 reinsurance brokers (see Chart 2.4-a).

With regard to the performance of brokered business (considering a higher degree of disaggregation by channel between 2010 and 2020, which is the latest period 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 years have been, on the one hand, exclusive agents and brokers (together, these account for 59.9% of the total volume of business in 2020) and, on the other, sales through the

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

Channel	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Exclusive agents	12.5	12.4	13.4	14.8	16.6	15.8	15.7	14.9	15.8	15.9	15.6
Tied agents	0.5	0.3	0.3	0.5	0.7	1.0	0.9	0.6	0.5	0.8	0.8
OBS - exclusive	32.5	29.9	29.4	23.8	24.6	23.4	25.3	39.6	34.9	32.4	32.0
OBS - tied	36.5	41.5	40.4	39.3	38.0	44.5	44.4	27.8	29.2	26.9	21.6
Brokers	8.4	6.7	5.9	8.6	8.4	5.4	4.9	6.9	8.4	7.9	8.2
Company offices	6.7	7.8	9.2	11.6	10.6	7.9	6.7	9.0	10.0	14.6	13.7
Internet portals	0.0	0.2	0.0	0.1	0.1	0.4	0.6	0.2	0.2	0.4	1.0
Other channels	2.8	1.2	1.4	1.4	1.2	1.6	1.5	1.0	1.0	1.2	7.1
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)

companies' own offices (17% of the total business in 2020). Emerging channels (e.g., as online sales) continue to represent a very small portion of Non-Life insurance distribution and reached 1.9% in 2020.

In the Life insurance segment (see Chart 2.4-c), the most relevant part of the business has been channeled through bancassurance operators, both exclusive and linked, reaching a combined 53.6% of the total business volume in 2020, although their market shares dropped during 2010-2020 from 32.5% to 32%, and from 36.5% to 21.6%, respectively. After this predominant channel, the most relevant channels are exclusive agents, company offices, brokers and Internet sales (which, in 2020, has surpassed linked agents), in that order. 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.

3. The insurance market in 2022: an analysis of the main business lines

3.1 Total market

The global insurance business in 2022

The environment in which the insurance business operated in 2022 was difficult in many respects. As stated in another section of this report, in 2022 the global economy and the Eurozone were impacted by the war that began at the start of that year. The strain on energy and food prices was coupled with heavy pandemic restrictions on movement imposed by the Chinese government, which continued to affect supply chains. Meanwhile, central banks continued to tighten monetary conditions to control inflation, with interest rate hikes implemented mainly during the second half of the year. It was also a difficult year for financial markets, with downward corrections in the valuation of some assets and increased financial volatility in both emerging and advanced economies.

This economic situation had a different impact on the insurance markets and on the different segments of the insurance industry. Most of the major global Non-Life markets experienced growth in premium revenues in 2022 measured in local currency, largely influenced by an increase in prices, both in commercial and personal lines, but also by an increase in volumes. In contrast, the Life segment performed mostly negatively in the advanced markets, with lower revenues in savings products (mainly unit-linked), and developing markets recorded more moderate increases than in previous years. Global premiums amounted to \$6.78 trillion compared to \$6.81 trillion in 2021, representing an actual decrease of -1.1% compared to 2021. Thus, global insurance density (premiums per capita) was \$853 (\$874 in 2021) and penetration (premiums/GDP) was 6.8% (7.0% in 2021).

The uncertainty generated by the war in Ukraine and strained energy prices have had a marked influence in Europe, where premium growth in the insurance industry was unable to keep up with high inflation, putting pressure on insurance prices and eroding the industry's profitability. Three of the major European markets, Germany, France and Italy, recorded declines in premium volume in the Life segment. On the other side, the United States insurance market showed very favorable performance in 2022, with increases in the three market segments, Life, Non-Life, and Health. In the Non-Life business, in particular, the average premium rates continued to climb due to inflation and supply chain problems. In turn, the Life Savings business has been the main driver of the Life segment, and Medicare and Medicaid was the major driver of the Health segment.

In the Asia Pacific emerging markets, the main driver came from India, while in the advanced markets premiums decreased in most countries. Premium revenues of Chinese insurance companies came to 4.7 trillion Yuan (close to \$700 billion), with a 4.6% increase YoY in local currency. Meanwhile, Latin America performed well in premium revenues in 2022, with 15.9% growth, which reflected in the expansion of both the Life (15.3%) and Non-Life (16.4%) insurance businesses.

In order to provide a general overview of the comparative size of the main insurance markets, Table 3.1-a shows comparative premium volume, density (premiums per capita) and penetration (premiums/GDP) in the main international insurance markets. According to this information, the Spanish market holds sixteenth place in the ranking of world markets by premium volume, dropping three places compared to 2021.

Table 3.1-a
Size of the world's largest insurance
markets, 2022
(indicators)

Country	Premiums (billions of USD)	Premiums per capita (USD)	Premiums / GDP (%)
United States	2,959.8	8,885	11.6%
China	697.8	489	3.9%
Great Britain	363.0	4,781	10.5%
Japan	337.8	2,690	8.2%
France	261.3	3,578	8.7%
Germany	241.6	2,881	5.9%
South Korea	182.8	3,541	11.1%
Canada	171.0	4,392	8.0%
Italy	160.2	2,716	8.0%
India	131.0	92	4.0%
Taiwan	86.5	3,662	11.4%
Netherlands	83.9	4,731	8.5%
Brazil	75.9	352	4.0%
Australia	71.8	2,758	4.2%
Hong Kong	68.8	9,159	19.0%
Spain	68.2	1,433	4.9%
Switzerland	56.1	6,364	6.9%
Sweden	54.4	5,180	9.3%
Singapore	47.0	7,563	9.2%
South Africa	45.8	764	11.3%
Global	6,782.2	853	6.8%

Source: MAPFRE Economics (based on Swiss RE data)

The Spanish insurance industry in 2022

Premium volume growth

The Spanish insurance industry again increased its revenues in 2022, reaching a premium volume of €64.775 billion, 4.8% more than the previous year, with increases in both market segments (see Chart 3.1-a). In particular, the Non-Life segment contributed 3.2 percentage points (pp) to the total growth

of the Spanish insurance industry in 2022, 1.6 pp more than Life (see Table 3.1-d). The Non-Life lines of business earned a premium volume of €40.239 billion, which represents a 5.2% increase over 2021 and is two percentage points above that obtained in the previous year. Practically all the lines in this segment showed increases, with Health insurance contributing 1.1 pp to growth, higher than Automobile (0.6 pp) and Multirisk insurance (0.7 pp).

Despite experiencing moments of great uncertainty caused by the war in Ukraine, the energy crisis and high inflation rates, Life insurance in Spain proved its strength in 2022. Gross written premiums for Life insurance posted a result of €24.535 billion in 2022, up 4.2% on the previous year. Analyzing the data for the last few years shows that, while Life Risk has grown by 6.6% since 2019, Savings insurance is still -14.6% below that year's premium revenues. Both Life Risk and Life Savings performed favorably in 2022, with growth rates of 3.4% and 4.4%, respectively (see Table 3.1-b and Chart 3.1-b). Deferred capital insurance, which accumulated 22.6% of life premiums, was the main driver of the line in 2022 (up 21.6%). Technical provisions fell by -1.1% to €193.613 billion, with growth in Life Risk and Long-Term Care insurance, and a decrease of -1.2% in the Savings/Retirement segment, with declines in all products with the exception of unit-linked products.

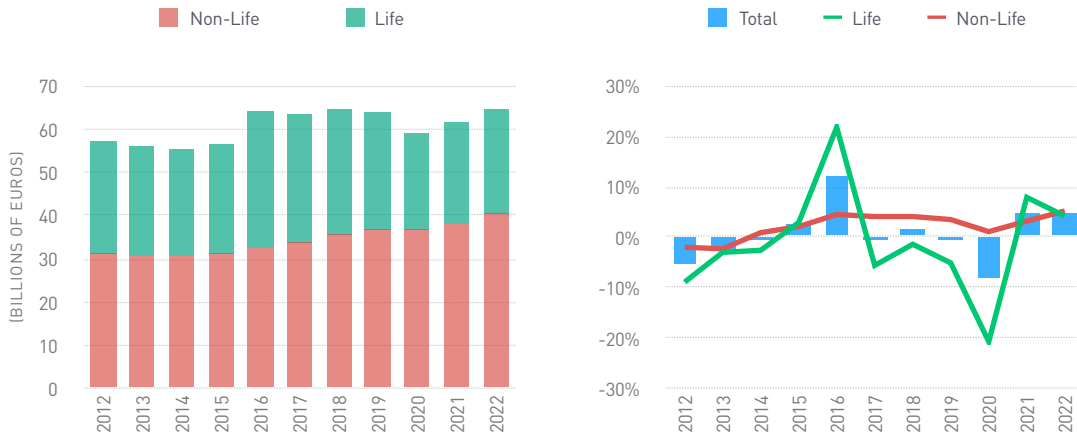
On the Non-Life segment side (see Chart 3.1-c), Automobile insurance recovered the growth path in 2022, attaining a premium volume of €11.353 billion, 3.3% more than in 2021 and higher than the premiums issued in 2019 before the start of the pandemic. Automobiles continues to be the line that contributes the largest volume of premiums in Non-Life insurance, although its share has been declining progressively in recent decades, from 46.9% in 2001 to 28.2% in 2022. The improved performance of the line was influenced by the increase in the average premium (€345.2), 2.3% higher than 2021, as well as the increase in the number of insured vehicles (up 0.9% with €32.9 million).

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

Insurance lines	2021	2022	% Δ s/2021	% subtotal
Total	61,803	64,775	4.8%	100.00%
Life	23,552	24,535	4.2%	37.88%
Non-Life	38,251	40,239	5.2%	62.12%
Automobile	10,990	11,353	3.3%	17.53%
Automobile TPL	5,558	5,669	2.0%	8.75%
Automobile Other Guarantees	5,31	5,684	4.7%	8.78%
Health	9,854	10,543	7.0%	16.28%
Healthcare Assistance	8,773	9,418	7.4%	14.54%
Illness	1,080	1,124	4.1%	1.74%
Multirisk	8,116	8,578	5.7%	13.24%
Homeowners	4,878	5,149	5.5%	7.95%
Business	622	630	1.2%	0.97%
Communities	984	1,032	4.9%	1.59%
Industrial	1,548	1,684	8.8%	2.60%
Others	84	84	0.0%	0.13%
Burial	2,569	2,626	2.2%	4.05%
Third Party Liability	1,800	1,955	8.6%	3.02%
Accidents	1,120	1,134	1.3%	1.75%
Other Damage to P&C	1,400	1,450	3.6%	2.24%
Receivables	650	714	9.8%	1.10%
Transport	539	570	5.8%	0.88%
Hulls	270	290	7.5%	0.45%
Goods	269	280	4.1%	0.43%
Assistance	362	441	21.9%	0.68%
Pecuniary Losses	361	387	7.1%	0.60%
Fire	229	198	-13.2%	0.31%
Legal Defense	115	122	6.5%	0.19%
Surety	149	168	12.6%	0.26%
Theft	31	24	-21.9%	0.04%

Source: MAPFRE Economics (based on ICEA data)

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)

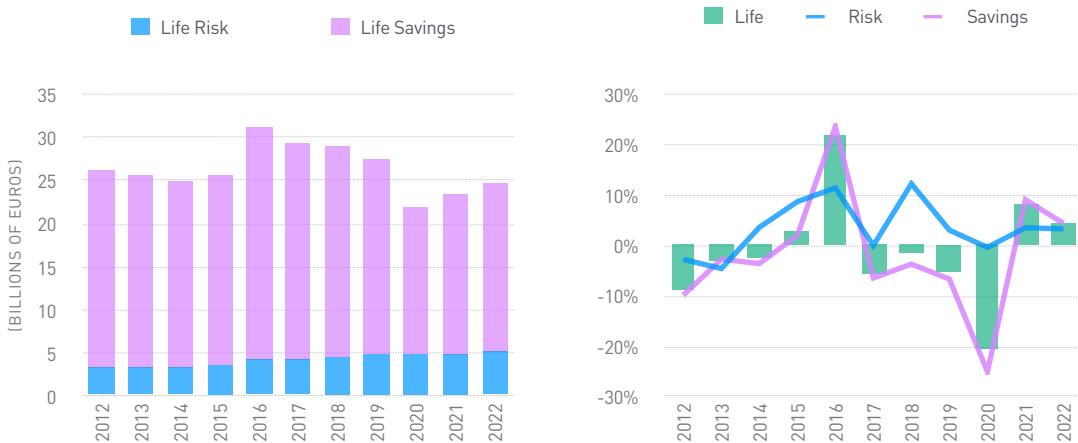
However, the rise in energy prices, inflation and the vehicle supply bottleneck negatively influenced automobile sales, with a 3.7% drop in vehicle registrations to €1.3 million.

Health Insurance continues to increase its market share in the Non-Life segment (26.2% currently), coming closer and closer to the Automobile line. In 2022, it again showed great dynamisms, with a 7.0% increase in premium volume issued, reaching €10.543

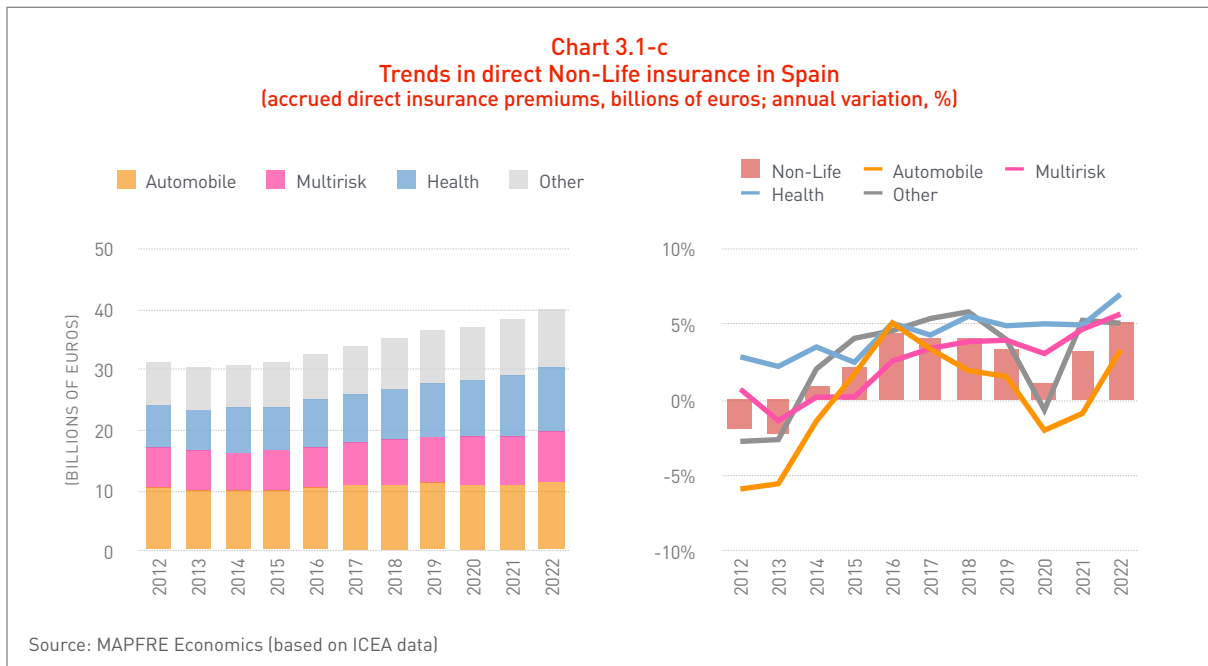
billion in premiums. This premium growth has been accompanied by an increase in policyholders, which reached 13.8 million, 3.7% more than in 2021. Healthcare assistance and expense reimbursement, which account for 97.7% of the line's earned premiums, grew even more (7.4% vs. 0.9% in the subsidy and compensation segment).

Multirisk insurance, in turn, maintained its position as the third Non-Life line by

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)



premium volume, with a 21.3% share in 2022, and revenues of €8.578 billion in premiums, 5.7% more than the previous year. Industrial Multirisk insurance has maintained a continuous growth trend for the last five years, reaching 8.8% growth in 2022. The Household and Homeowners Association lines also saw greater growth than the year before and have exceeded 2021 premiums by 5.5% and 4.9%, respectively. Commercial, however, grew less than the rates in previous years (1.2%). Fortunately, 2022 did not see intense weather phenomena, therefore, despite the existing inflationary process, the year closed with an improvement in the technical result.

With a 6.5% share of Non-Life insurance, Burials remain the fourth largest line of this segment by premium volume, which amounted to €2.626 billion in 2022 (up 2.2%). The transformation process of the line continued in 2022, whereby, in new production, flat premiums gave way to a greater weight of single premiums 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 who want to have access to affordable burial insurance, with a short-term view of the product.

Contribution to growth from different business lines

A medium-term analysis shows that Non-Life insurance was the largest contributor to the growth of the Spanish insurance industry over the 2012-2022 decade, contributing 13.9 percentage points (pp), while Life had a negative contribution of -5.7 pp. In particular, during 2022 the contribution of the Non-Life segment to the total growth of the Spanish insurance industry was 3.2 pp, higher than the 1.6 pp of Life line (see Table 3.1-c and Chart 3.1-d).

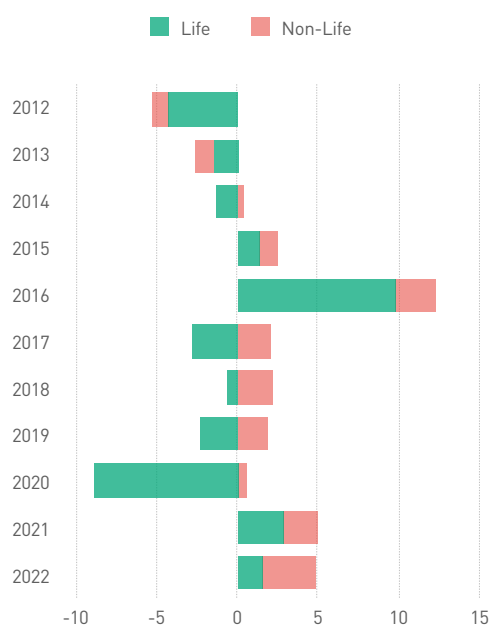
Notwithstanding the foregoing, as shown in Chart 3.1-e and Table 3.1-d, Life insurance contributed positively to the growth of the sector in the last two fiscal years, with a Life Savings contribution of 1.3 pp and 0.3 pp for Life Risk in 2022. With regard to Non-Life insurance, in 2022 all lines contributed positively to the sector's growth, with Health standing out with 1.1 pp. The Automobile line overcame the negative contribution sustained during the last two years, contributing 0.6 pp in 2022 (see Table 3.1-d and Chart 3.1-f). Throughout the period analyzed, 2012-2022, we can see that Health insurance made the greatest contribution to growth in the Non-Life branch, standing at 6.5 pp, followed by Multirisk insurance with 3.2 pp and Automobile with 0.1 pp.

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

Year	Annual Growth (pp)	Contribution to growth (pp)	
		Life	Non-Life
2012	-5.3	-4.3	-1.0
2013	-2.6	-1.4	-1.2
2014	-0.7	-1.2	0.5
2015	2.5	1.3	1.2
2016	12.3	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	4.8	1.6	3.2

Source: MAPFRE Economics (based on ICEA data)

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

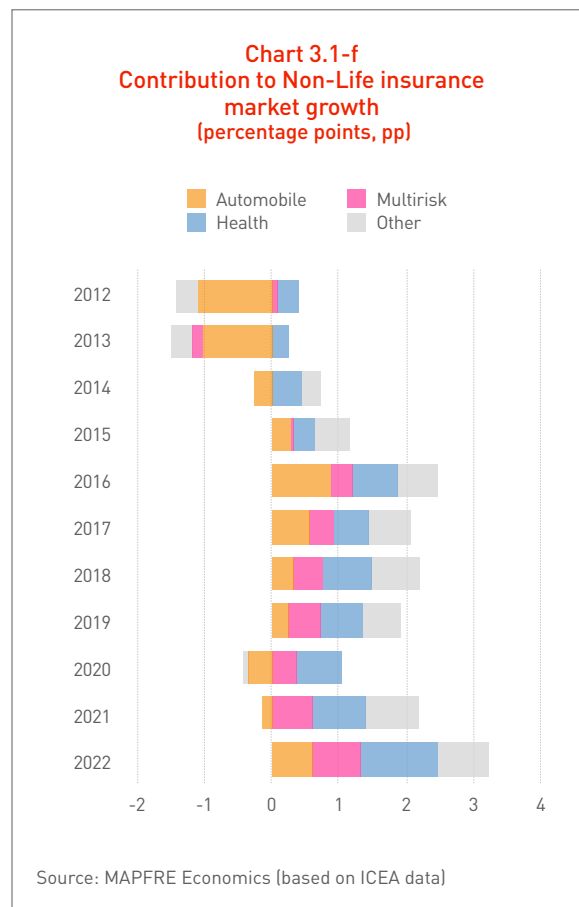
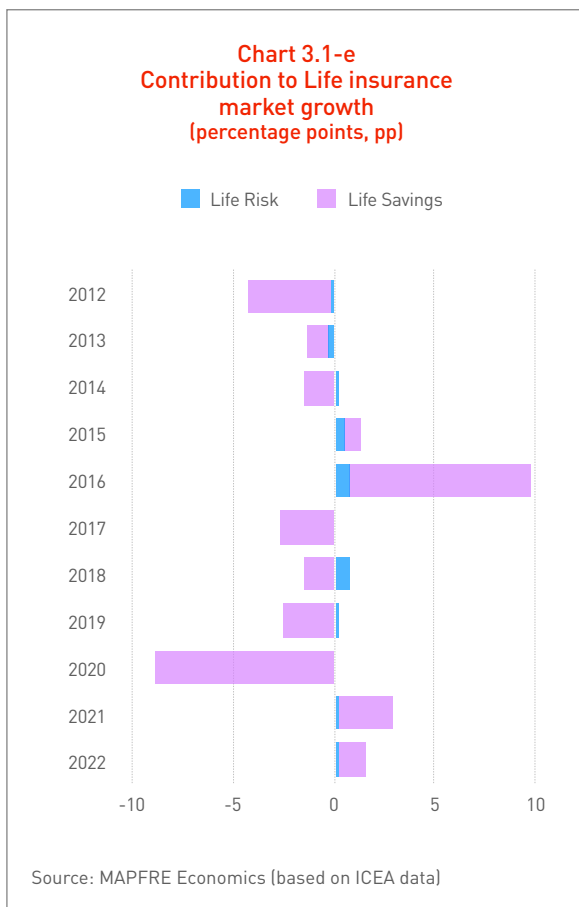


Source: MAPFRE Economics (based on ICEA data)

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 Risk	Life Savings		Automobile	Multirisk	Health	Other
2012	-4.3	-0.2	-4.1	-1.0	-1.1	0.1	0.3	-0.3
2013	-1.4	-0.3	-1.1	-1.2	-1.0	-0.2	0.3	-0.3
2014	-1.2	0.2	-1.4	0.5	-0.2	0.0	0.4	0.3
2015	1.3	0.5	0.8	1.2	0.3	0.0	0.3	0.5
2016	9.8	0.8	9.0	2.5	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	3.2	0.6	0.7	1.1	0.8

Source: MAPFRE Economics (based on ICEA data)



Technical performance: behavior of the combined ratio

In the next sections of this report, we analyze the different business lines of the Spanish insurance market. However, Chart 3.1-g first presents the aggregate technical performance of the Spanish insurance industry over the 2012-2022 period, based on the evolution of the total combined ratio. Based on this information, analyzed for the insurance market as a whole in 2022, the combined ratio shows a 15.3 pp improvement, standing at 93.2%, compared to 108.5% in 2021, thanks to the decrease in both the loss ratio (-15 pp) and expenses (-0.3 pp).

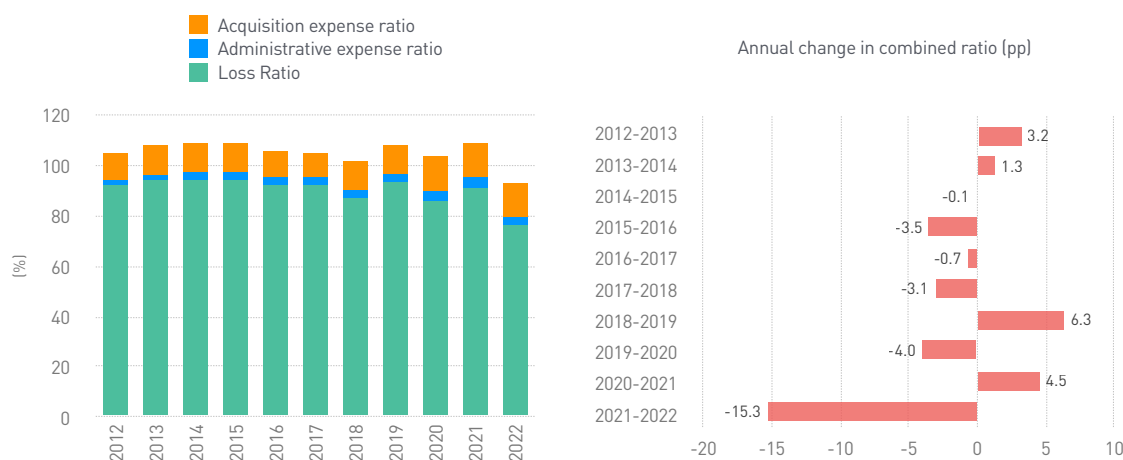
In particular, the combined ratio for the Non-Life insurance segment during 2022 (see Chart 3.1-h) was 93.8%, up 0.9 pp from the figure recorded for 2021 (92.9%), due to a 1.3 pp worsening of the loss ratio (70.6%). In contrast, management and acquisition cost ratios showed certain improvement over the previous year (-0.1 and -0.3 pp, respectively).

Results and profitability

The Spanish insurance Industry earned €5.526 billion in profits in 2022. This represents a 9% increase over the previous year, thanks to the strong performance of the Life technical account, which recorded a 24.8% increase (see Table 3.1-e). The Non-Life segment's technical account result (€3.147 billion) decreased by 5.3% in 2022 compared with the previous year, mainly due to a 1.3 pp increase in the loss ratio, as the expense ratio improved by 0.5 pp. The financial result remained almost unchanged, with a small increase of 0.1 pp, representing 2.5% of earned premiums (see Table 3.1-f).

In turn, the technical account result for Life insurance was €3.169 billion in 2022, 24.8% higher than the previous year. The decrease in benefits and the rate of change of technical provisions mainly contributed to this increase, along with the maintenance of expenses, as the financial result decreased by 4.3 pp with respect to the previous year,

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)

resulting in a technical-financial result over provisions of 1.7%, four tenths of a percentage point higher than in 2021 (see Table 3.1-g). It is notable that Life insurance technical provisions reached €193.613 billion in 2022, registering a slight drop of -1.1% over 2021.

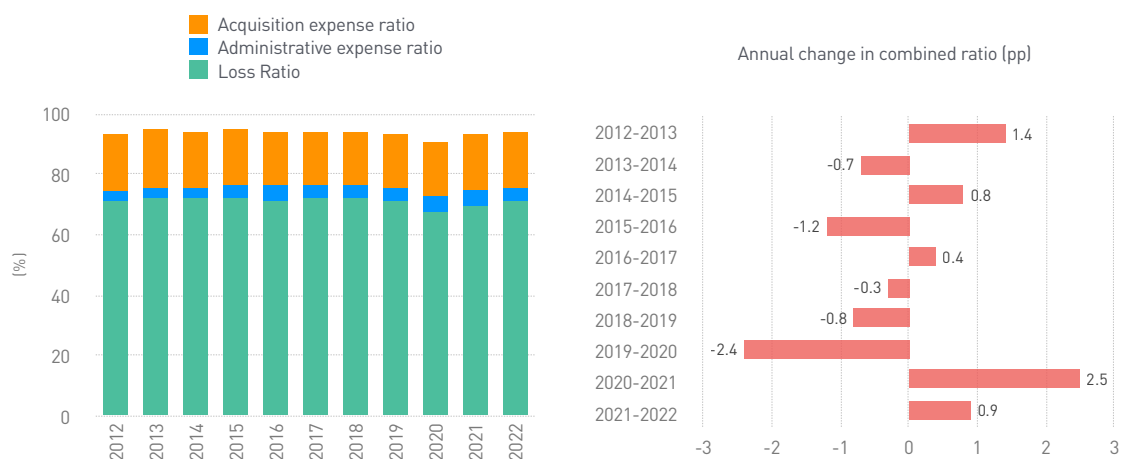
Thus, the performance of the insurance business in 2022 recorded a return on equity (ROE) of 12.5%, 2.1 pp more than in 2021 (see

Chart 3.1-i). Likewise, industry profitability, measured in terms of return on assets (ROA), also showed a slight increase of 0.3 pp, with 1.7% in 2022 vs. 1.4% in 2021 (see Chart 3.1-j).

Investments

Based on ICEA information, in 2022, total investment volume by Spanish insurance companies in the Spanish market amounted to €280.619 billion, representing a 15.0%

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	2021	2022	2022/2021 variation
Technical account	5,861	6,315	7.8%
Life	2,539	3,169	24.8%
Non-Life	3,322	3,147	-5.3%
Non-technical account	5,068	5,526	9.0%

Source: MAPFRE Economics (based on ICEA data)

decrease compared to the previous year¹⁰. An analysis of the investment portfolio broken down by type of assets shows that fixed income securities increased their relative weight over the 2012-2022 period, from 67.2% in 2012 to 72.5% in 2022, although reversing part of the trend of recent years. Likewise, the percentage of held-for-sale assets and cash balances decreased to 5.1% in 2022, compared to 10.8% in 2012. Equity investments, meanwhile, continue to gain prominence in the sector's portfolios, with a peak weight rising to 7.4% in 2022, up from 2.5% a decade ago (see Chart 3.1-k). Chart 3.1-l shows the breakdown of the investment structure at the end of 2022. It illustrates that

within the fixed income asset category, sovereign fixed income remains predominant, representing 51.2% of the investment portfolio in 2022 (52.6% in 2021).

In turn, corporate fixed income represented 19% of the portfolio (18% in 2021). These average percentages also varied according to the sub-portfolios into which the total investment portfolio can be subdivided. In these sub-portfolios, investment 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 76.3% of investments, while Non-Life represented a slight increase to around 38.4% of portfolios. There were also significant variations in the percentage of investments in real estate and equities, which, in Life portfolios, represented around 2.6% and 3.7% respectively, far below the percentages in Non-Life portfolios (14.7% and 19.1% respectively). Finally, the percentage of investments managed through mutual funds was also significantly lower in Life portfolios, where it represented around 11.8%, compared to 16.3% in Non-Life, although a new reduction of this difference in 2022 was notable.

It should be noted that Spanish insurance industry investment portfolio assets have

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

	2021	2022
Written premium volume (millions of euros)	38,251	40,239
Variation in premiums	3.2%	5.2%
Retention	85.0%	84.3%
Gross loss ratio	67.1%	68.3%
Gross expenses	23.9%	23.4%
Net loss ratio	69.2%	70.6%
Net combined ratio	92.9%	93.8%
Financial result	2.4%	2.5%
Technical-financial result	9.5%	8.7%

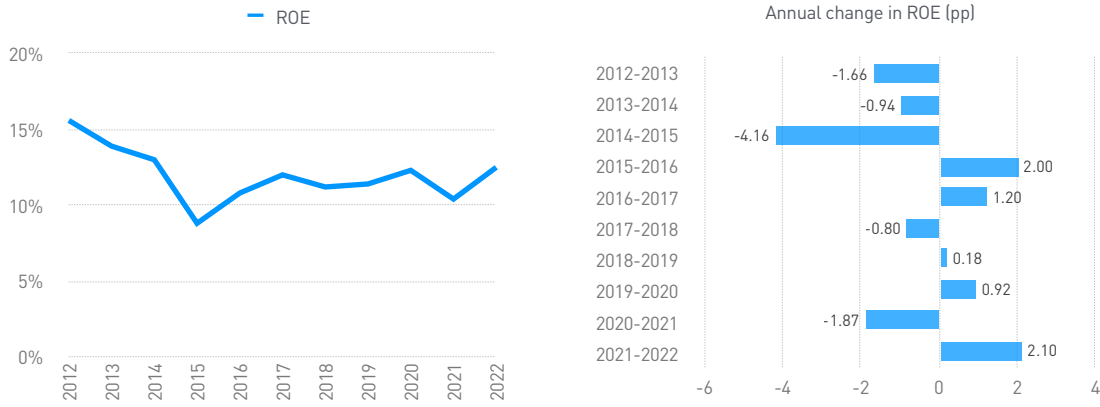
Source: MAPFRE Economics (based on ICEA data)

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

	2021	2022
Written premium volume (millions of euros)	23,552	24,535
Variation in premiums	7.9%	4.2%
Technical provisions (millions of euros)	195,721	193,613
Net expenses (over provisions)	1.1%	1.2%
Financial result (over provisions)	5.0%	0.7%
Technical-financial result (over provisions)	1.3%	1.7%

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)



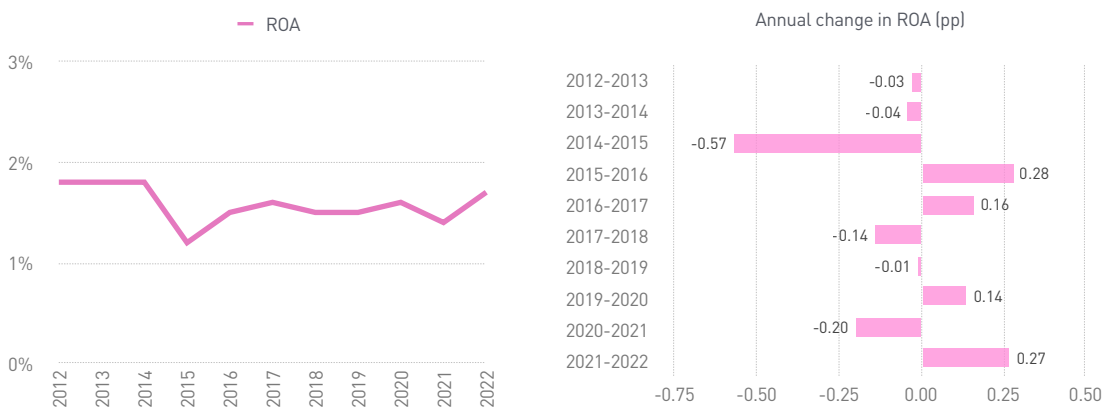
Source: MAPFRE Economics (based on ICEA data)

substantially longer durations in Life portfolios, where approximately 30.9% have a duration of more than ten years, compared to 9.1% 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 2022 (A). Moreover, 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,

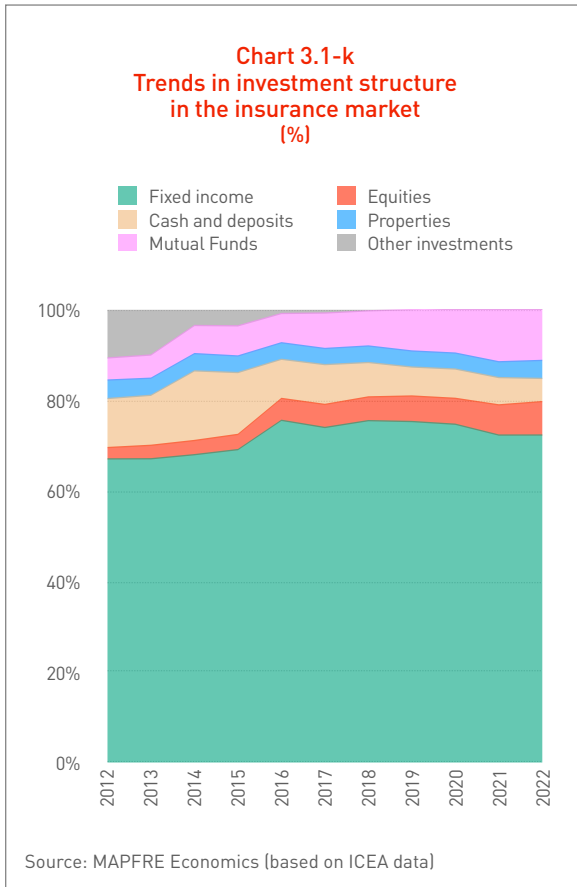
standing at just 7.5% on average over the last decade; however, in 2022 it recorded a notable increase, reaching a weight of 11.9% of the total portfolio.

The return on financial investments in the insurance industry stood at 1.2% in 2022 (2.9 pp lower than a year earlier), weighed down by the normalization of the European Central Bank's monetary policy, as evidenced by the yields on Spanish debt at different maturities. However, more recent dynamics show some stability in 2023, as interest rates approach a

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



Source: MAPFRE Economics (based on ICEA data)



terminal rate and volatility moderates alongside more stable expectations (see Chart 3.1-n).

Finally, 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 the 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' shareholders' equity.

Technical provisions

Life insurance technical provisions decreased by 1.1% to €193.613 billion in 2022. This was the result of a 1.2% decline in the Savings/

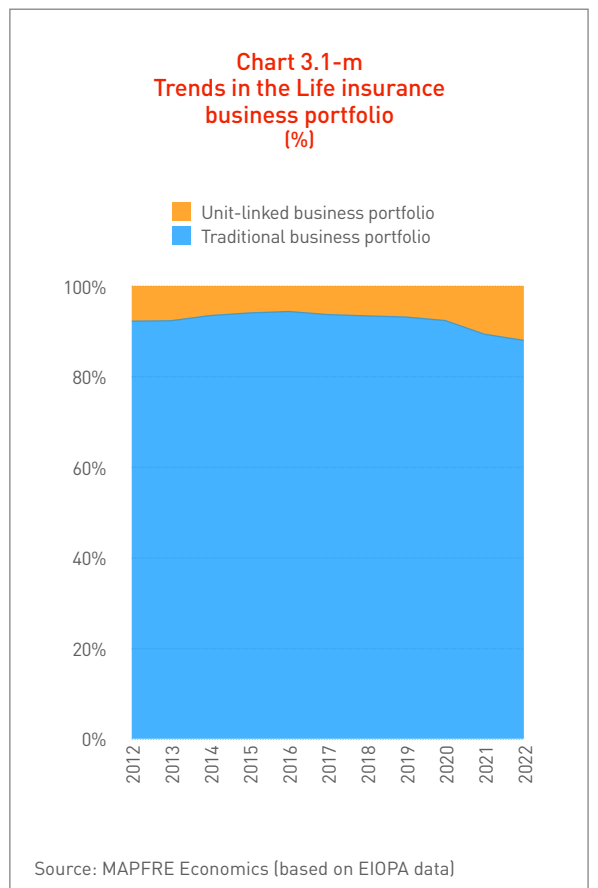
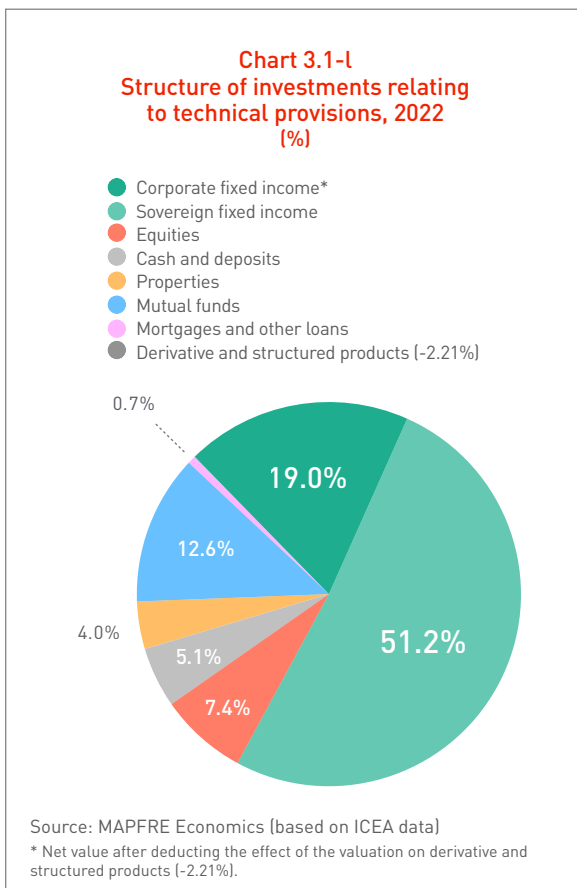
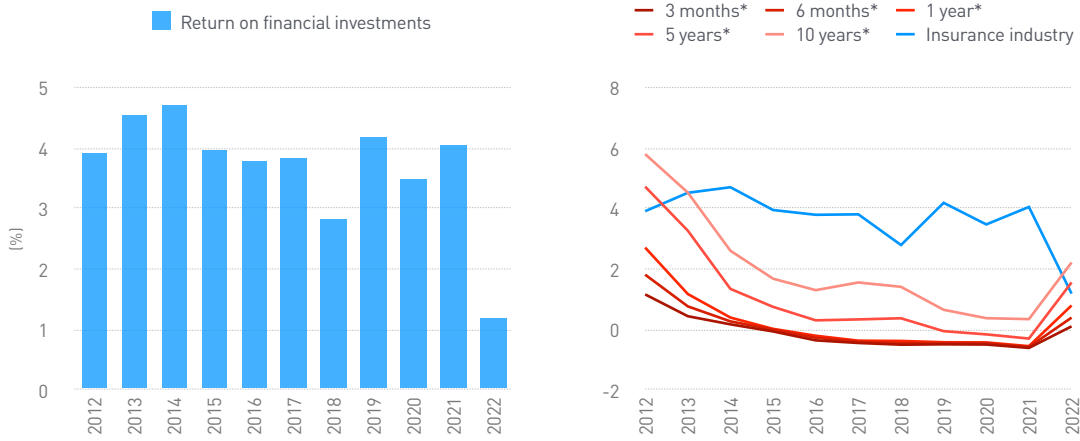


Chart 3.1-n
Return on the insurance industry's financial investments
 (financial income / average investment, %; risk-free interest rate, %)



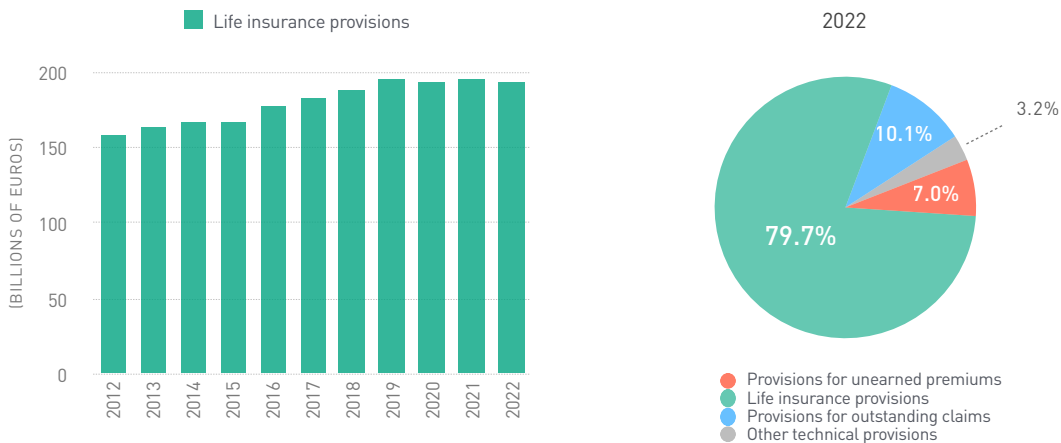
Source: MAPFRE Economics (with DGSFP data)

* Average annual Spanish Government bond yield of specified tenor.

Retirement segment and growth of 2.7% and 9% in the Risk and Long Term Care segments, respectively. Life insurance technical provisions represented 79.7% of total provisions, while those related to outstanding benefits represented 10.1%, and provisions for unearned premiums and unexpired risks were 7.0% of the total (see Chart 3.1-o). Growth in technical provisions in the Savings/Retirement segment was

negative in all products, with the exception of unit-linked, which rose by 4.7% to accumulate a volume of €20.689 billion. This once more indicates that the negative evolution of interest rates has required stakeholders to seek extra returns on their investments.

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



Source: MAPFRE Economics (based on ICEA data)

Insurance trends by Autonomous Community

Table 3.1-h presents data related to premium volume by Autonomous Community. According to this information, of the ten autonomous communities with the largest market share, only Catalonia saw a drop (-15.4%) in premiums in 2022, thus exchanging its position with the Community of Madrid, which moved into first place, reaching €12.086 billion in premiums. Meanwhile, Andalusia, Valencia and Galicia remained in third, fourth, and fifth place with €7.197, €4.843 and €2.837 billion in premiums, respectively.

In premium growth at the national level, Aragon, Galicia, Castile and Leon, and the Autonomous Cities of Ceuta and Melilla showed increases of over 10% (17.9%, 15.6%, 11.6% and 10.4% each). Moreover, in premiums per capita, Madrid retains first place with €1,765, followed by Aragon and Catalonia with €1,414 and €1,354, respectively.

Reinsurance

In recent years, the reinsurance sector has recorded a significant deterioration in technical margins. One of the causes had been the progressive increase in the supply of reinsurance, which had been reinforced by the inflow of additional capital from financial markets, at a time when low interest rates encouraged alternative investment opportunities, resulting in increased competition in the reinsurance sector. Another reason was the high loss ratio recorded, both due to catastrophic events, traditionally more frequent in insured catastrophe statistics (earthquakes, hurricanes, floods), and to other less frequent or less intense hazards (e.g., the COVID-19 pandemic, frost, forest fires, hail and drought, among others), for which the market had not received sufficient premiums, which also had an impact on the sector's accounts.

At the beginning of this period of market weakening, the reinsurance industry (with its strong capitalization and the help of financial

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

Autonomous Community	2022	Variation 2022/2021	% share 2022	Premiums per capita (euros)
Community of Madrid	12,086	8.4%	22.2%	1,765
Catalonia	10,697	-15.4%	19.6%	1,354
Andalusia	7,197	4.4%	13.2%	839
Valencia Community	4,843	9.0%	8.9%	928
Galicia	2,837	15.6%	5.2%	1,051
Castile and Leon	2,666	11.6%	4.9%	1,119
Basque Country	2,477	2.2%	4.5%	1,116
Aragon	1,908	17.9%	3.5%	1,414
Castile-La Mancha	1,807	8.7%	3.3%	868
Canary Islands	1,669	4.6%	3.1%	754
Balearic Islands	1,395	9.7%	2.6%	1,156
Region of Murcia	1,234	7.3%	2.3%	795
Principality of Asturias	910	4.6%	1.7%	904
Extremadura	905	7.4%	1.7%	859
Autonomous Community of Navarre	789	1.3%	1.4%	1,173
Cantabria	558	3.4%	1.0%	948
La Rioja	372	4.5%	0.7%	1,153
Autonomous Cities of Ceuta and Melilla	114	10.4%	0.2%	678

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

capital gains) was able to assume the higher loss ratio and compensate for the insufficient technical result. However, as the cycle deepened, the sector reached a moment of maximum technical stress.

As of mid-2022, however, the cycle experienced a strong change of direction for various reasons. First, due to a reduction in the reinsurance supply and reversion, due to the outflow of capital from financial markets, which, after experiencing an unexpected loss ratio and encouraged by the recent rise in interest rates, are more attracted by investment alternatives other than reinsurance activity. Second, due to a severe decline in capitalization of the reinsurance sector in general, as a result of the depreciation of investments given the growing interest rates, and the resulting negative impact on net equity. Third, the high loss ratios in recent years (including those resulting from Covid-19 and natural catastrophes that have kept the sector far from the expected technical margins) continued during 2022. The most significant events were Storm Eunice in Europe, Hurricane Ian (which impacted Cuba and the southeastern United States), Hurricane Fiona (in Puerto Rico and the Dominican Republic, even reaching Canada with hurricane-force winds), drought in the Paraná River basin, floods in Australia and South Africa, and the hail storms in France in May and June, with a record cost for this type of event in the latter. Fourth, the war in Ukraine (which erupted at the start of 2022 and the subsequent imposition of economic sanctions adopted quickly for global security) has meant a new conflict that alters the world geopolitical scenario, with a direct impact not only on the economy of the countries involved, but also at a global level, due to the increased price of many commodities and the uncontrolled increase in energy prices. And, finally, the increased demand for reinsurance by the insurance companies caused by the rising inflation in most economies has resulted in an upward revision of the insured values and the consequent higher reinsurance capacity required.

Thus, reinsurance conditions (which have tightened significantly in 2022) are expected to remain in place during the next renewal campaigns, offering reinsurance an opportunity to recover the technical margins lost in previous years. In any case, several factors will remain in place, which carry a high degree of uncertainty as to how the sector in general and each participant in particular will behave.

The higher cost of reinsurance and reversion and the tightening of their coverage conditions could drive some participants to decide to change the structures and levels of protection purchased, assuming more risk than in the past and thus increasing volatility in results. The persistently high catastrophic loss ratio, influenced by more frequent and severe weather events that also impact on ever more populated, developed and insured societies, could again impact on the reinsurance industry. Faced with this increased risk, the sector must continue to make progress in deepening its knowledge in order to better calculate its pricing and offer solutions that are sustainable over time. In addition, if high inflation persists globally, reinsurance needs in nominal terms will continue to increase; however, the restrictive monetary policies deployed by central banks in an attempt to stem rising prices could contribute to economic slowdowns and greater instability in the demand for reinsurance protection.

Insurance Compensation Consortium Activity

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 this sense, in 2022, earned premiums and surcharges attributed to those activities reached €846 million. The foregoing represents an increase of 3.8% over 2021, spurred on by a 4.1% jump in extraordinary risks and 1.3% in traffic risks. Income from the insurance of private vehicles not covered by private insurance

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

General activity	Premiums and surcharges attributed		Loss ratio (direct and accepted)	
	2021	2022	2021	2022
Extraordinary risks	727.2	757.1	492.2	196.4
Property	664.3	691.7	484.2	181.3
People	14.7	15.7	0.4	0.8
Pecuniary losses	48.2	49.7	7.6	14.4
Traffic risks	87.8	88.9	61.3	69.6
SOA Guarantee Fund	78.9	79.8	53.8	60.0
Private vehicles	0.3	0.4	0.3	0.7
Official vehicles	8.6	8.7	7.2	8.9

Source: Annual Report of the Insurance Compensation Consortium

companies increased by 13.5%, continuing the trend of recent years of an increase in the number of vehicles insured by the Consortium that are not covered by private companies (see Table 3.1-i).

Fiscal year 2022 did not see intense weather phenomena, so damages due to extraordinary risks have been moderate. The loss ratio of direct and accepted insurance recorded in 2022 within extraordinary risk coverage was 25.9% of premiums, and the combined ratio was 32.6%. The most relevant episodes during the fiscal year were floods and claims derived from the eruption of the Cumbre Vieja volcano on the island of La Palma, for which there are still residual claims. The most representative events include the November floods that mainly affected the Valencia Community; the September floods that affected Catalonia, and the May floods that also affected the Valencia Community.

As an important point, it should be noted that as of June 26, 2023, the Consortium had paid €232.4 million to the insured parties affected by the volcanic eruption on the island of La Palma. This amount represents 97.5% of the total estimated €238 million in compensation claims received to date. The Consortium indicates that claims continue to be received although more than a year has passed since

the volcanic eruption began. This is due to the very characteristic circumstances of this loss event, which do not occur in claims involving other extraordinary risks. However, the number of claims received continues to drop every day, and new claims received are no longer for significant damages, except in very exceptional cases.

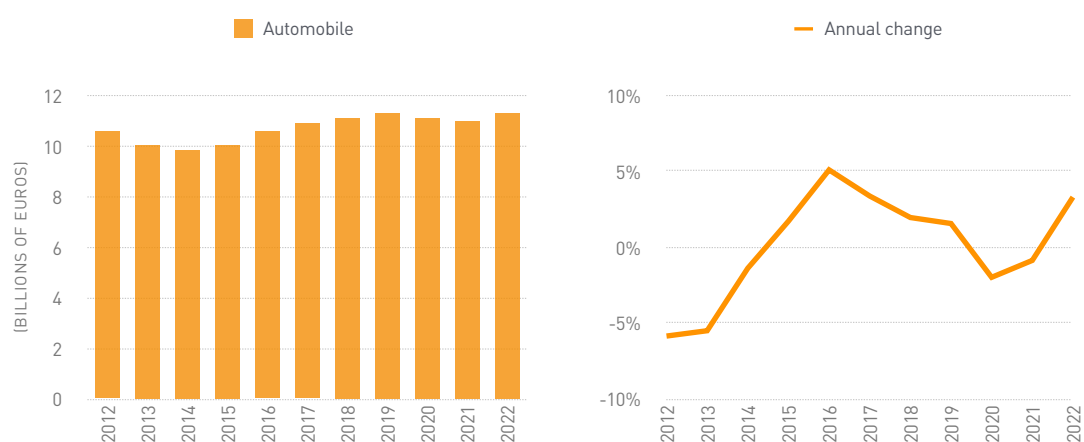
3.2 Non-Life business lines

Automobiles

Automobile insurance recovered the growth path in 2022, attaining a premium volume of €11.353 billion, 3.3% more than in 2021 and higher than the premiums issued in 2019 before the start of the pandemic (see Chart 3.2-a). This insurance line remains the highest contributor to Non-Life premium volume in the Spanish market (28.2% share), although this percentage has dropped five tenths in the last year and six percentage points since 2012. In contrast, Health insurance, the second largest line in the Non-Life segment, has been progressively increasing its share from 21.8% in 2012 to 26.2% in 2022.

The increase in business in the Automobile line was influenced by the increase in the average premium, which stood at €345.2 (2.3% higher than 2021), as well as the

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⁾		Premiums on direct insurance ⁽²⁾		Average premium		
	(millions)	Annual variation	(million euros)	Annual variation	In euros	% variation	
						Nominal	Actual
2012	28.7	-0.7%	10,622	-5.9%	369.8	-5.2%	-7.9%
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%	11,363	3.3%	345.2	2.3%	-3.2%

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, %)

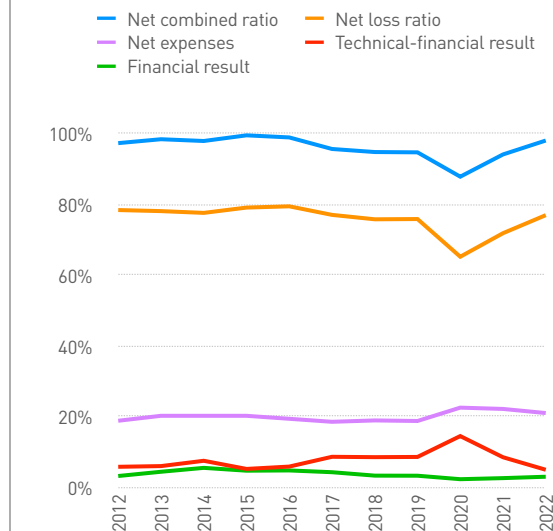
	2021	2022
Written premium volume (millions of euros)	10,990	11,353
Variation in premiums	-0.9%	3.3%
Retention	86.7%	84.5%
Gross loss ratio	71.1%	76.6%
Gross expenses	21.9%	20.8%
Net loss ratio	71.9%	77.0%
Net combined ratio	94.1%	98.0%
Financial result	2.7%	3.1%
Technical-financial result	8.6%	5.1%

Source: MAPFRE Economics (based on ICEA data)

increase in insured vehicles, up 0.9% with 32.9 million vehicles (see Table 3.2-a). Conversely, vehicle registrations dropped 3.7%, due to negative effects on new vehicle sales, such as higher energy prices and inflation, and bottlenecks in the vehicle supply.

The combined ratio in Automobile insurance increased by 3.9 percentage points (pp) during 2022 to 98.0%. This deterioration is due, in addition to the increased frequency and severity of losses, to the rise in inflation and the higher costs of providers, such as workshops, spare parts, etc. The loss ratio stands at 77.0%, representing a 5.1 pp increase, and the expense ratio at 21.1%, with a drop of 1.2 pp (see Table 3.2-b and Chart 3.2-b). The financial result, in turn, was similar to that of 2021, with a slight improvement of four tenths. Nevertheless, this did not compensate for the worsening of the technical result, giving rise to a technical-financial result of 5.1% on earned premiums, 3.5 pp less than the previous fiscal year.

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



Source: MAPFRE Economics (based on ICEA data)

Meanwhile, as shown in Table 3.2-c, the frequency of claims in the automobile line increased in 2022 in all guarantees, mainly damage to own vehicle (+0.5 pp), but also personal injury (+0.04 pp) and material damages (+0.2 pp). The average cost also increased in almost all coverages, notably personal injury (5.1%) and theft (5.6%).

2023 Progress

Inflation continues to have a significant influence on the 2023 year. This results in an increase in claims costs, which chips away at margins if not accompanied by a proportional increase in premiums. It should be noted that the compensation amounts and limits set in the valuation of personal injury caused by traffic accidents, according to Law 35/2015, are updated each year with the percentage of the pension revaluation index provided in the General State Budget Law (8.5% for 2023). In addition, Spain has a badly aging vehicle fleet, where cars more than 10 years old represent 62.6% of the total, which impacts on issues related to their safety.

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

Guarantees	Frequency (%)			Average cost (euros)		
	2021	2022	Variation (pp)	2021	2022	Variation %
Third Party Liability	6.6%	6.9%	0.29	1,830	1,870	2.2%
Bodily injury	1.4%	1.5%	0.04	4,622	4,860	5.1%
Property, plant and equipment	5.6%	5.8%	0.21	953	962	1.0%
Damage attributable to the policyholder	21.3%	21.8%	0.49	844	867	2.8%
Broken windshields	6.0%	6.2%	0.20	334	349	4.5%
Theft	0.5%	0.6%	0.08	911	962	5.6%
Legal defense	1.3%	1.3%	0.00	270	268	-0.6%
Occupants	0.3%	0.3%	0.02	961	925	-3.8%
Fire	0.1%	0.1%	0.00	3,269	3,718	13.7%
Driver's license suspended	0.0%	0.0%	0.00	783	772	-1.3%

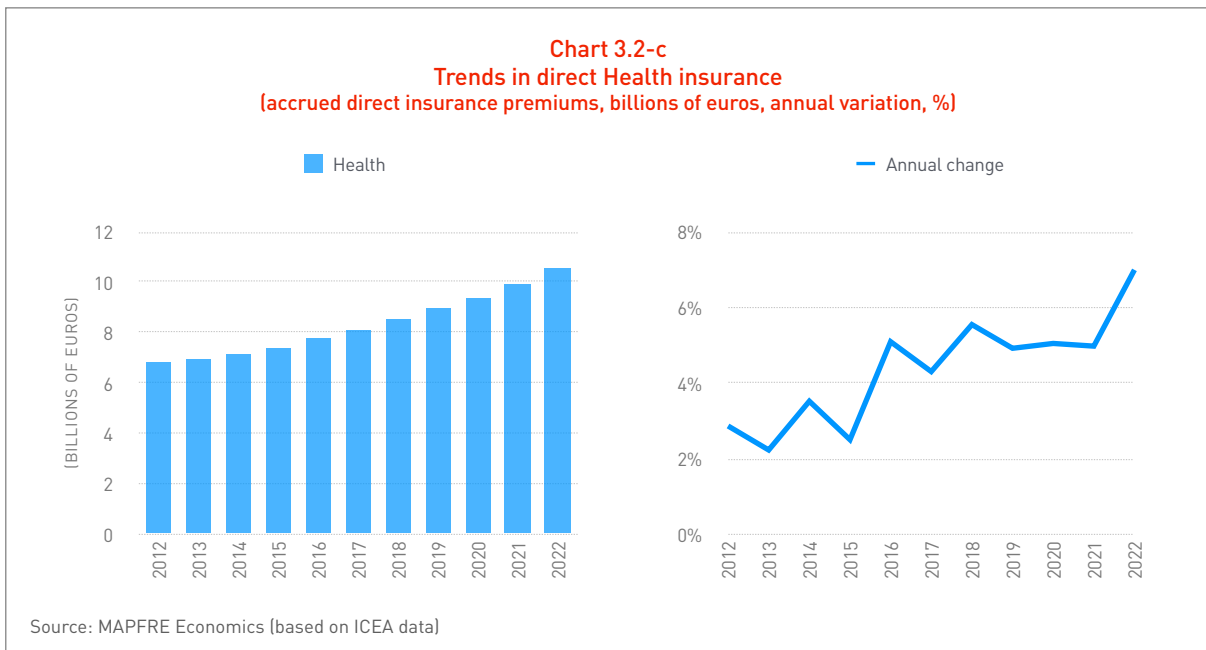
Source: MAPFRE Economics (based on ICEA data)

It is important to note that, in 2023, the reform of the consolidated text of the Civil Liability and Automobile Traffic Insurance Law has been implemented, following approval of the preliminary draft bill amending the law by the Council of Ministers on March 7. The first objective of the Law is the partial implementation of the new Automobile Insurance Directive (Directive 2021/2118), taking into account that it completes and improves the standardized legal framework for the entire European Union, to which each Member State must adapt the content of its internal rules. Second, it incorporates recommendations from the Reasoned Report of the Commission on Appraisal System Monitoring Commission, which are especially significant for the improvement of system to protect third parties injured in traffic accidents. Finally, the new automobile insurance directive expressly authorizes Member States to voluntarily extend the obligation to insure other vehicles that, while not legally considered a motor vehicle, increasingly participate in traffic, in order to address the new social mobility needs.

Finally, it should be noted that the most recent data on the first five months of 2023 show that the Automobile line maintains an upward trend (5.4% increase), only one percentage point below the total increase in all Non-Life lines.

Health

Health insurance again showed great momentum in 2022 thanks to a 7.0% increase in written premium volume to €10.543 billion (see Chart 3.2-c) and was the line that contributed most to the growth of the Non-Life segment (1.1 pp). This growth in premiums was accompanied by an increase in the number of policyholders, which reached 13.8 million, 3.7% more than in 2021. Healthcare assistance and expense reimbursement, which account for 97.7% of the line's earned premiums, grew even more (7.4% vs. 0.8% in the subsidy and compensation segment). The group and individual insurance modalities had very similar increases of 7.2% and 7.3%, respectively, with individual insurance accounting for 70.2% of earned Health premiums.



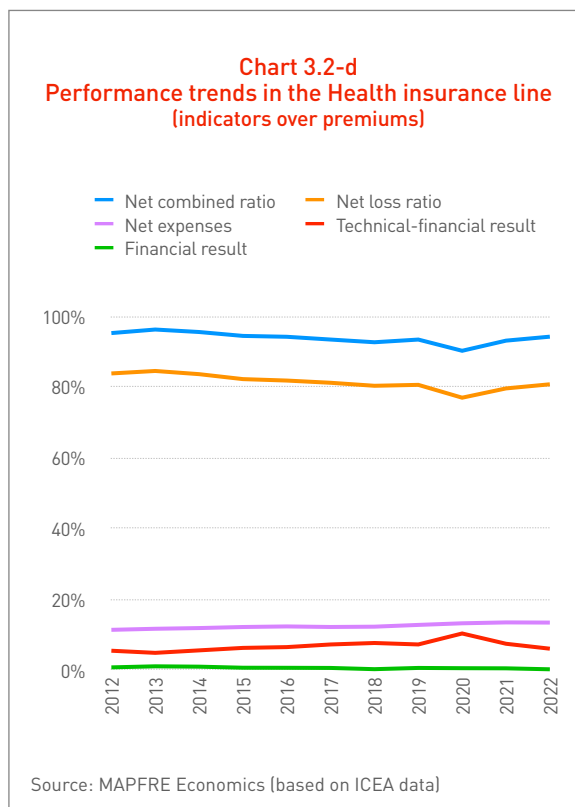
The upward trend in loss ratios in the health insurance line already noted in the previous year was confirmed in 2022. The main causes were: (i) the consolidation of higher inflation, which has had a direct impact on increasing hospital costs; (ii) maintaining the high frequency of use of healthcare services by policyholders (confirming that customers

become patients, and, more than ever, active users of medical insurance, in addition to the growing problems of the public health system, where a highly saturated primary care system and ever more limited resources mean that mixed use of the public and private systems by medical insurance users is moving more toward the private sector), and

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

	2021	2022
Written premium volume (millions of euros)	9,854	10,543
Variation in premiums	5.0%	7.0%
Retention	97.4%	96.1%
Gross loss ratio	78.4%	79.6%
Gross expenses	13.5%	13.6%
Net loss ratio	79.6%	80.7%
Net combined ratio	93.1%	94.2%
Financial result	0.5%	0.3%
Technical-financial result	7.5%	6.1%

Source: MAPFRE Economics (based on ICEA data)



(iii) increases in healthcare rates agreed by the large private hospital chains with the insurance companies.

Based on the foregoing, the line's technical result worsened with respect to fiscal year 2021, with a 1.1 pp increase in the combined ratio, driven by a loss ratio that grew 1.2 pp, while expenses decreased slightly (-0.05 pp). The financial result remained virtually unchanged, resulting in a technical-financial result of 6.1% of premiums, 1.4 pp worse than the previous year (see Table 3.2-d and Chart 3.2-d).

2023 Progress

In the environment described above, insurance companies have been forced to pass on part of the generalized cost increase to customers when renewing policies, which, in most cases, they do in January. This has led to an increase in premiums in 2023, which is causing some customers to cancel their policies, while others are beginning to use more of the benefits. Thus, in the first months of 2023, there was still evidence of an increase in claims, at a slightly higher rate than the increase in premiums. The forecast for the remainder of the year is for claims growth to stabilize, although insurance companies will have to keep a close eye on

the trend in ratios to avoid a drop in technical margins, which are at their lowest levels in recent years and in a worse situation than they were at pre-pandemic levels.

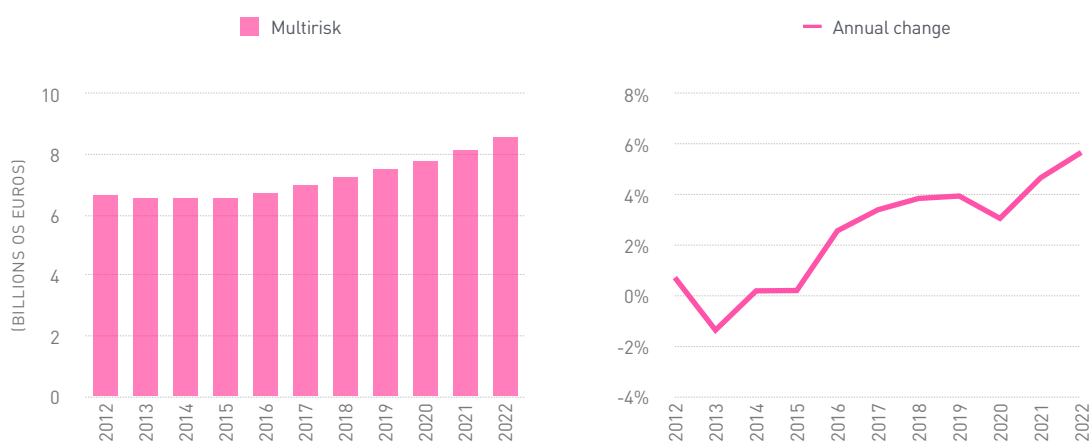
Thus, the line's revenues continue the upward trend of recent years, with a 7.3% increase in premiums in the first five months of 2023, thanks to the momentum of Expense Reimbursement, which grew by 10.4%, and Healthcare assistance, which grew by 7.3%.

Multirisk

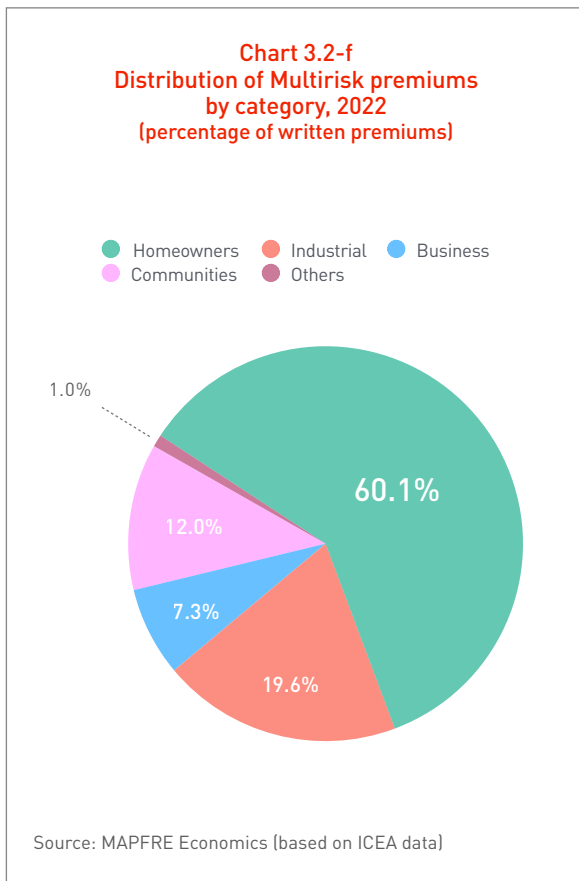
As shown in Charts 3.2-e and 3.2-f, Multirisk insurance brought in €8.578 billion in premiums in 2022, 5.7% more than the previous year. Industrial Multirisk insurance has maintained a continuous growth trend for the last five years, reaching 8.8% growth in 2022. The Household and Homeowners Association lines also saw greater growth than the year before, exceeding 2021 premiums by 5.5% and 4.9%, respectively. Commercial, however, grew less than the rates in previous years (1.2%).

Fortunately, 2022 did not see intense weather phenomena, so that, despite the existing inflationary process, the year closed with a 0.8 pp reduction in the loss ratio and 0.7 pp reduction in the combined ratio (see Table

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)



3.2-e and Chart 3.2-g). Improvements in Home, Homeowners Association and Commercial Multirisk Insurance contributed to this, while Industrial Multirisk Insurance had a negative technical result and a combined ratio that is once again above 100%. It was a difficult year for the latter, due to cost and inflation increases, as well as the restructuring of premiums and the reorganization of certain sectors, such as the food sector, due to the very high increase in the loss ratio.

2023 Progress

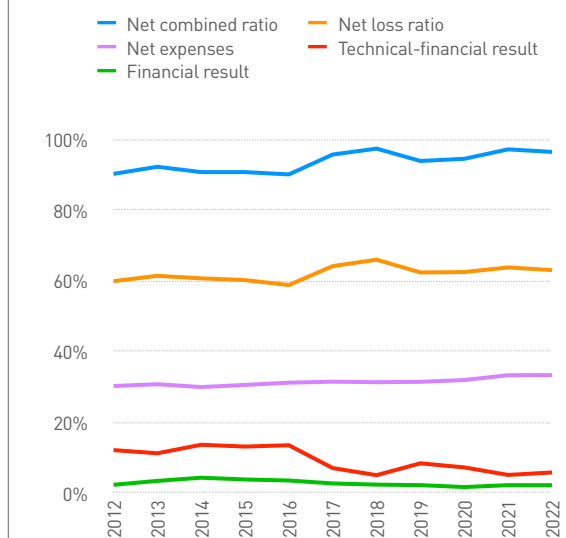
Forecasts for 2023 predict difficulties in Multirisk insurance, due to the uncertainty around the performance of the economy and inflation rates. It seems that this year there will be an increase in premiums in order to assume the reconstruction costs in claims and the higher insured amounts due to the CPI, as well as an increased loss ratio for the insurance companies, due to the rise in the number of serious claims. Increasingly, insurance companies' attention and service will have more and

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

	2021	2022
Written premium volume (millions of euros)	8,116	8,578
Variation in premiums	4.7%	5.7%
Retention	81.2%	79.6%
Gross loss ratio	66.9%	63.1%
Gross expenses	31.1%	31.1%
Net loss ratio	63.8%	63.0%
Net combined ratio	97.1%	96.4%
Financial result	2.3%	2.3%
Technical-financial result	5.2%	5.9%

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)

more influence in guiding customers to the best insurance options.

The data published for the first five months of the 2023 show an increase of 6.0% in this line of business, with a notable increase of 8.2% in Industrial Multirisk, but also with very positive performance of Homeowners Association Multirisk (6.2%), Homeowners (5.6%) and Commercial (3.8%).

Homeowners Multirisk

The year 2022 was characterized by persistent inflation that has generally affected all damage lines and, particularly, the Homeowners line. This has meant issuance increases 0.6 pp higher than those recorded in 2021 due to the indexing of premiums and capital, reaching a premium volume of €5.149 billion. However, there was also an increase in average claim costs, which has required insurance companies and providers to adjust their margins. Fortunately, 2022 did not see intense weather phenomena, so that, despite the existing inflationary process, the year closed with a 0.5 pp reduction in the loss ratio and 0.4 pp reduction in the combined ratio (see Table 3.2-f and Chart 3.2-h).

Industrial Multirisk

The volume of Industrial Multirisk insurance premiums amounted to €1.684 billion in 2022, representing an 8.8% increase over the previous year; this is quite notable, considering that it substantially exceeds the growth of the prior period and maintains a continuous growth trend over the last five years (see Table 3.2-g and Chart 3.2-i). Meanwhile, the indicators show the deterioration of the sector's technical data in recent years, with a negative technical result and a combined ratio that will be over 100% again. Despite a significant volume of serious claims in the small and medium-sized companies sector, in terms of the loss ratio, the upward trend of the previous two years was broken and improved by two percentage points. The situation in 2022 proved difficult due to the increase in costs and inflation, as

well as the restructuring of premiums and the reorganization of certain sectors, such as the food industry, due to the very high increase in the loss ratio.

Commercial Multirisk

The Commercial Multirisk insurance premium volume in 2022 amounted to €630 million, representing an increase of 1.2% over the previous year, lower growth than in the previous years (see Table 3.2-h and Chart 3.2-j). The indicators show maintenance of the 2021 results, even with an improvement of -1.0 pp in expenses and -0.9 pp in the combined ratio. Performance in 2022 was influenced by persistent inflation, which started to have an impact later than in industrial risks, having more of an effect at the close of business. The line's performance in 2023 is expected to be impacted by the volume of business that close, as well as the rise in premiums and insured amounts due to maintenance of the still high inflation percentages.

Homeowners Association Multirisk

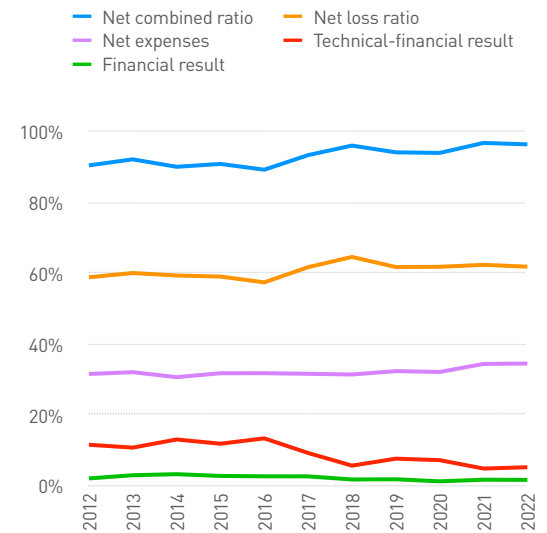
The trend in the development of the Homeowners Association line of business parallels that of the Homeowners line. Premiums amounted to €1.032 billion, 4.9% higher than in the previous year. In this case, the indexing of capital and premiums with the CPI is diluted to a lesser extent, as the line has fewer factors affecting renewal, which means that the increase in written premiums is greater than in Homeowners, with a 1.7 pp increase compared to its increase in 2021. The Homeowners Association line is also highly affected by cost inflation, but benefited in 2022 from the absence of significant weather phenomena, which allowed both the loss ratio and the combined ratio to drop around 1.4 pp versus 2021 (see Table 3.2-i and Chart 3.2-k).

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

	2021	2022
Written premium volume (millions of euros)	4,878	5,149
Variation in premiums	4.9%	5.5%
Retention	89.9%	88.1%
Gross loss ratio	63.6%	61.1%
Gross expenses	33.8%	33.8%
Net loss ratio	62.4%	61.9%
Net combined ratio	96.8%	96.4%
Financial result	1.7%	1.7%
Technical-financial result	4.9%	5.3%

Source: MAPFRE Economics (based on ICEA data)

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



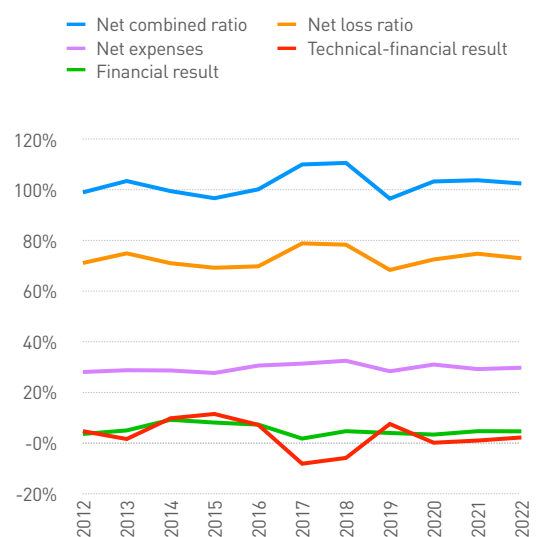
Source: MAPFRE Economics (based on ICEA data)

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

	2021	2022
Written premium volume (millions of euros)	1,548	1,684
Variation in premiums	5.8%	8.8%
Retention	49.9%	49.1%
Gross loss ratio	81.2%	72.4%
Gross expenses	22.9%	23.0%
Net loss ratio	74.7%	72.8%
Net combined ratio	103.7%	102.4%
Financial result	4.5%	4.4%
Technical-financial result	0.8%	2.0%

Source: MAPFRE Economics (based on ICEA data)

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



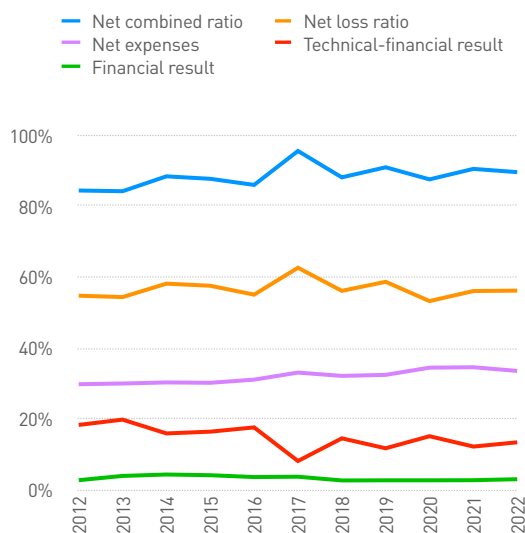
Source: MAPFRE Economics (based on ICEA data)

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

	2021	2022
Written premium volume (millions of euros)	622	630
Variation in premiums	3.0%	1.2%
Retention	83.3%	81.9%
Gross loss ratio	55.9%	55.3%
Gross expenses	33.2%	32.4%
Net loss ratio	56.0%	56.1%
Net combined ratio	90.5%	89.6%
Financial result	2.6%	2.9%
Technical-financial result	12.1%	13.3%

Source: MAPFRE Economics (based on ICEA data)

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



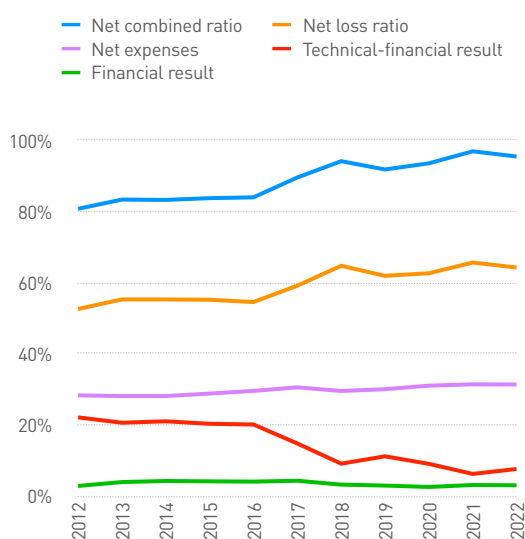
Source: MAPFRE Economics (based on ICEA data)

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

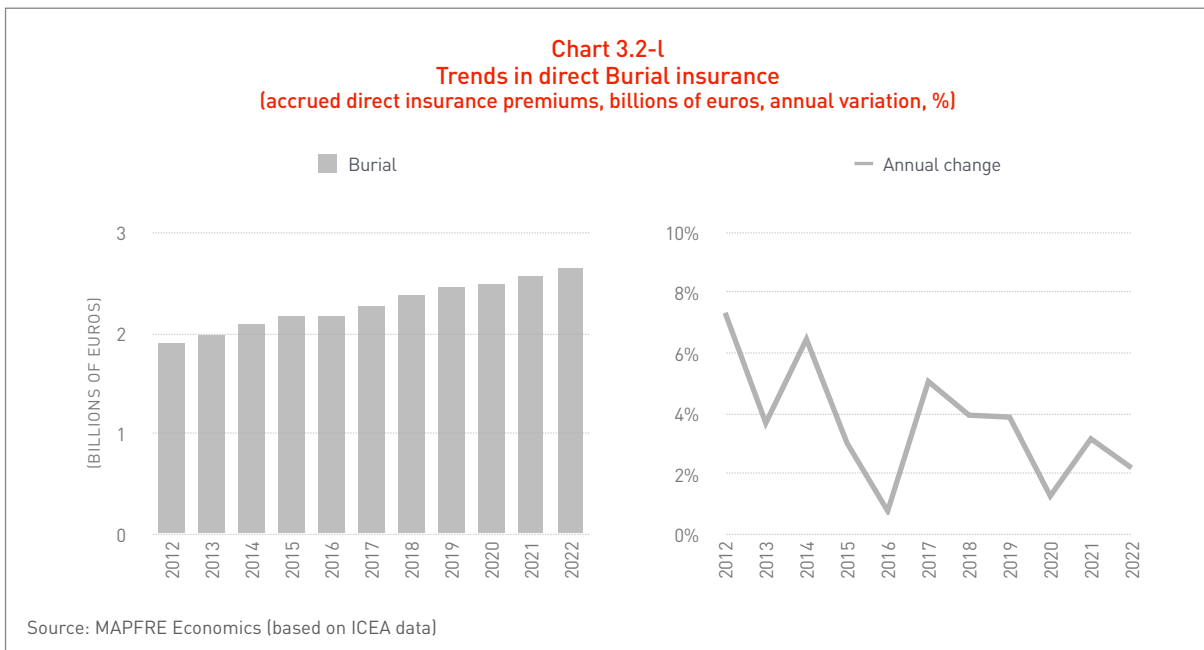
	2021	2022
Written premium volume (millions of euros)	984	1,032
Variation in premiums	3.2%	4.9%
Retention	86.9%	85.7%
Gross loss ratio	67.5%	63.2%
Gross expenses	30.2%	30.0%
Net loss ratio	65.6%	64.2%
Net combined ratio	96.9%	95.4%
Financial result	3.0%	2.9%
Technical-financial result	6.1%	7.5%

Source: MAPFRE Economics (based on ICEA data)

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



Source: MAPFRE Economics (based on ICEA data)



Other Non-Life lines

Burials

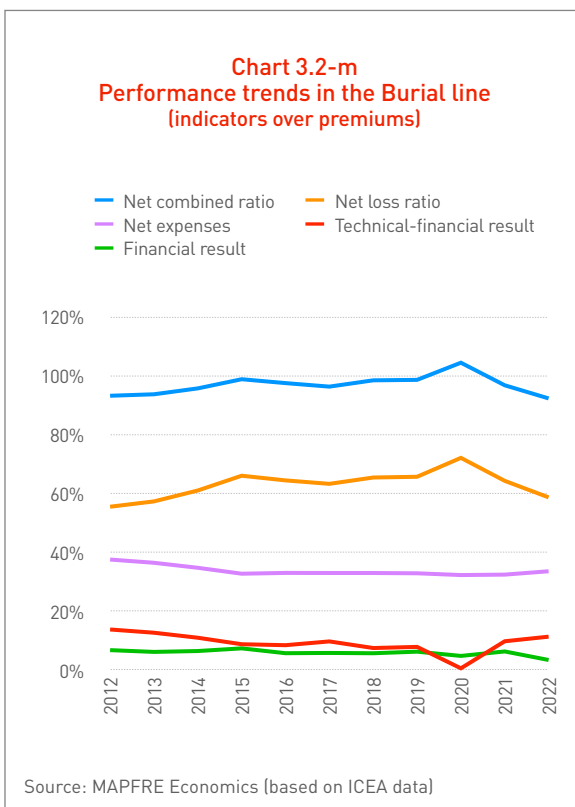
The transformation process of the Burials line continued in 2022, whereby, in new production, flat premiums gave way to a greater weight of single premiums and composite premiums, with a high natural

component. This evolution favors approaching new groups of customers, who are looking for a solution for imminent insurance needs or who want to have access to affordable burial insurance. The business figures once again demonstrate the good health of the line, with continuous premium increases year after year and retention rates

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

	2021	2022
Written premium volume (millions of euros)	2,569	2,626
Variation in premiums	3.2%	2.2%
Retention	97.9%	98.0%
Gross loss ratio	63.1%	57.7%
Gross expenses	32.2%	33.4%
Net loss ratio	64.2%	58.6%
Net combined ratio	96.5%	92.1%
Financial result	6.4%	3.5%
Technical-financial result	9.8%	11.4%

Source: MAPFRE Economics (based on ICEA data)



close to 100%. Business volume in 2022 grew by 2.2% year-on-year to €2.626 billion (see Chart 3.2-l).

In terms of results, there was a significant reduction in the line's loss ratio. After the years of the pandemic, a mortality compensation process is starting to appear, as reflected in the combined ratio, which has been considerably reduced and is approaching pre-pandemic levels. Thus, the loss ratio fell by 5.6 pp and the combined ratio by 4.5 pp. Meanwhile, the recent interest rate trend and expectations for the coming years have affected financial profitability, reducing the margins recorded in the past when interest rates were kept very low year after year. This resulted in a technical-financial result representing 11.4% of premiums, 1.6 pp above the previous year (see Table 3.2-j and Chart 3.2-m). Over the course of 2023, the Burials line of business gradually increased its growth rate to 4.6% in May.

Third-Party liability

Third-Party liability premium volume in 2022 grew by 8.6% over the previous year, reaching €1.955 billion (see Chart 3.2-n). For another year, the trend of previous years of significant increases in the premiums in this line is

confirmed, greatly influenced by the hardening of the Third-Party Liability policy market, especially in the Professional Liability and D&O (Directors and Officers) sectors, where, due to the poor historical results of these activities, premiums have increased to correct for deviations.

Meanwhile, the growth trend in cyber-risk policies is consolidating. Digitalization brings enormous advantages, but at the same time it entails risks. Thus, the need for security in these environments is an opportunity to develop insurance products that allow companies and consumers to minimize the dangers to which they are exposed. The larger companies were already aware of the risks they faced, but little by little, small and medium enterprises, which are the majority of the Spanish business community, are also beginning to feel the need to take out cyber-risk insurance.

The trend in the main technical ratios in the Third-Party Liability line during 2022 have, in general, been good. Despite the 2.3 pp increase in net loss ratio, the combined ratio remains at 86.9%, thanks to the decrease in expenses. However, a lower financial result caused the 2022 technical-financial result to fall 1.8 pp on earned premiums to 19.1% (see Table 3.2-k and Chart 3.2-o). In the first five

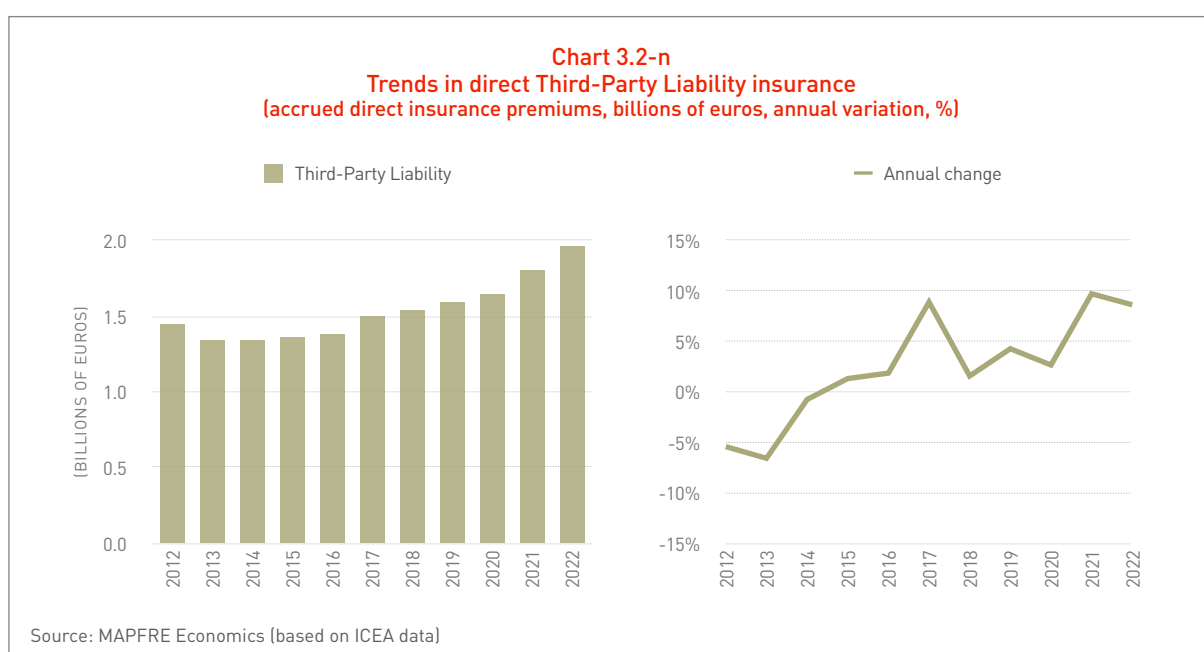


Table 3.2-k
Basic Third-Party Liability insurance indicators
 (premiums, millions of euros; ratio over premiums, %)

	2021	2022
Written premium volume (millions of euros)	1,800	1,955
Variation in premiums	9.7%	8.6%
Retention	67.7%	66.0%
Gross loss ratio	57.4%	56.1%
Gross expenses	28.6%	27.1%
Net loss ratio	54.6%	56.9%
Net combined ratio	86.9%	86.9%
Financial result	7.8%	6.0%
Technical-financial result	20.9%	19.1%

Source: MAPFRE Economics (based on ICEA data)

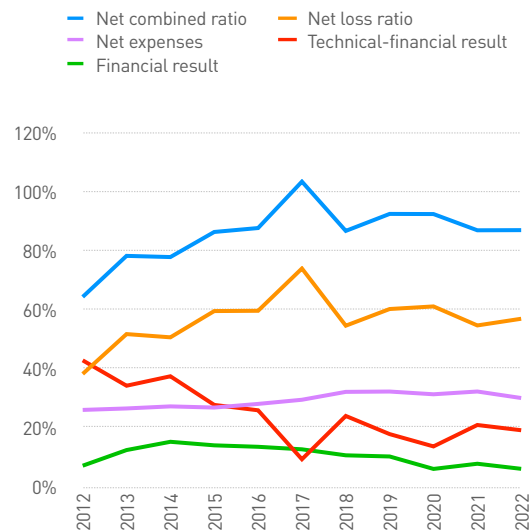
months of 2023, third-party liability insurance continued to show momentum with a 6.1% increase in premium volume. However, the outlook for the line for the year as a whole will depend on the progress of all those economic variables that affect this insurance and especially on the performance of the Spanish business community in the face of the complex economic environment.

Personal Accident

After the situation experienced in the last two years, growth figures in the personal accident insurance market are recovering. Temporary activities have developed normally in 2022, and restrictions have been practically non-existent. As a result of this normality, the year closed with positive growth figures in this line (1.3%), which had not occurred since 2018 (see Chart 3.2-p).

Furthermore, this growth has been achieved while maintaining adequate loss ratios and a combined ratio that, despite being three tenths of a percentage point higher than in 2021, is below the pre-pandemic ratio. Despite the instability of the financial

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



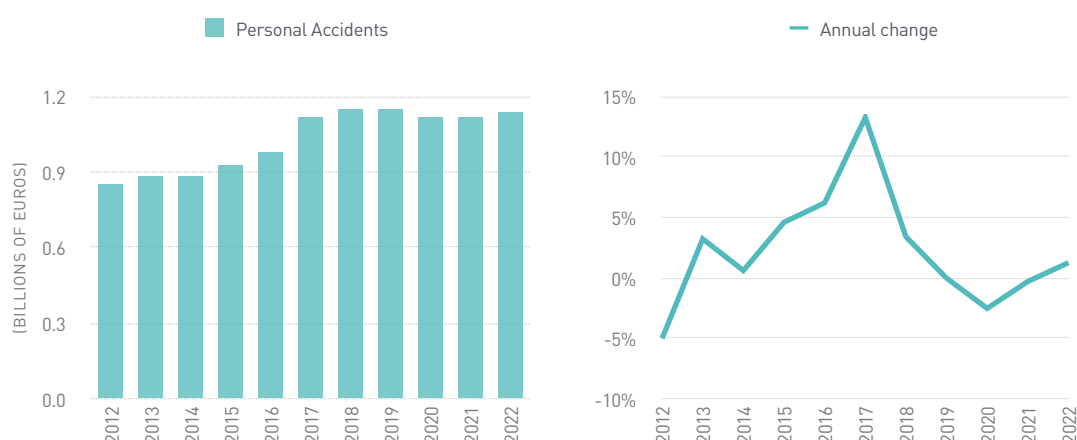
Source: MAPFRE Economics (based on ICEA data)

markets, the financial margin grew by practically 17 pp, obtaining a technical-financial result three percentage points above that of 2018 and 5 pp better than that of 2019 (see Table 3.2-l and Chart 3.2-q). Finally, in the first five months of 2023, Accident insurance had a slight increase of 1.2%, in line with the growth rates for this line since April 2022.

Receivables

Premiums in the Spanish Credit insurance market recorded 9.8% growth in 2022 to €714 million. The recovery in insured companies' sales volumes following the pandemic, combined with a high inflation environment, have contributed decisively to the growth of premiums in the sector. Other factors, such as the consequences of the war in Ukraine and its repercussions on the global economy, as well as the sharp increase in insolvency proceedings in our country during 2022, have created a high degree of uncertainty, causing demand for the protection offered by credit insurance to remain high throughout the year.

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)

Although the gross loss ratio in the sector has rebounded to 41.2%, compared to the 26.7% recorded in 2021, this ratio is still at very acceptable levels, considering the line's historical records. This, together with a significant improvement in the expense ratio, led to a combined ratio of 72.5% (see Table 3.2-m and Chart 3.2-s). It should be noted that, during 2022, the industry experienced a

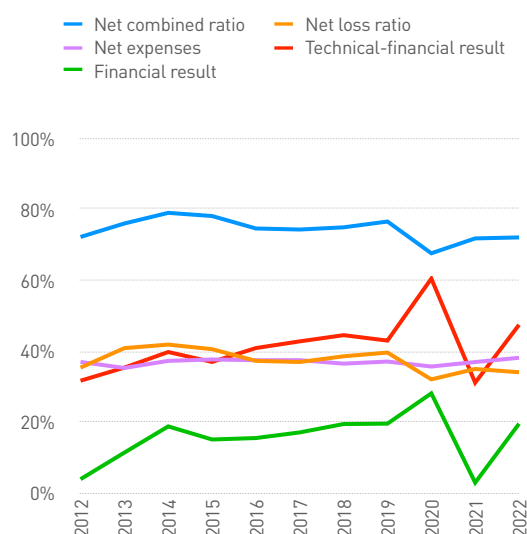
significant downward adjustment in premium rates as a result of the sharp increase in insured volumes and due to the low loss ratio recorded throughout 2021. The receivables insurance market is expected to continue to grow through 2023, albeit at a more moderate pace, as a result of a slower increase in insured volumes. Meanwhile, the

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

	2021	2022
Written premium volume (millions of euros)	1,120	1,134
Variation in premiums	-0.3%	1.3%
Retention	87.2%	85.8%
Gross loss ratio	35.0%	35.2%
Gross expenses	35.7%	36.4%
Net loss ratio	34.9%	34.0%
Net combined ratio	71.8%	72.1%
Financial result	2.8%	19.4%
Technical-financial result	31.0%	47.4%

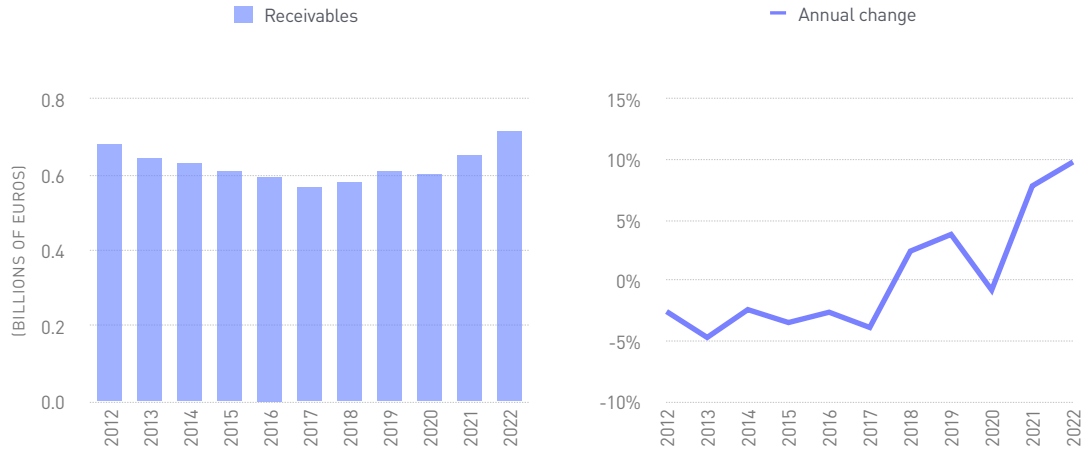
Source: MAPFRE Economics (based on ICEA data)

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



Source: MAPFRE Economics (based on ICEA data)

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



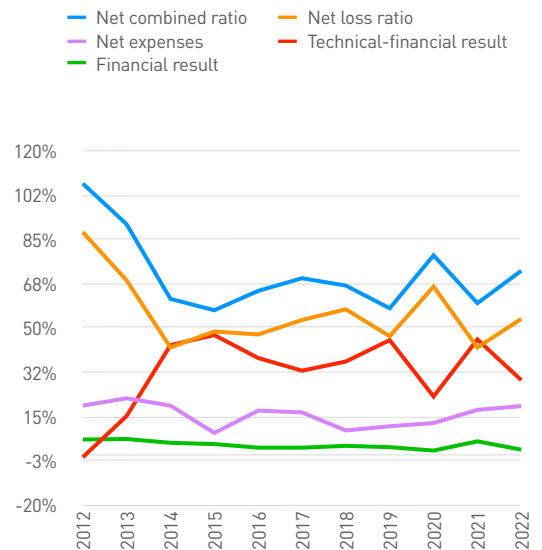
Source: MAPFRE Economics (based on ICEA data)

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

	2021	2022
Written premium volume (millions of euros)	650	714
Variation in premiums	7.9%	9.8%
Retention	33.0%	53.7%
Gross loss ratio	26.7%	41.2%
Gross expenses	31.0%	28.5%
Net loss ratio	42.2%	53.5%
Net combined ratio	59.7%	72.5%
Financial result	5.1%	1.8%
Technical-financial result	45.4%	29.3%

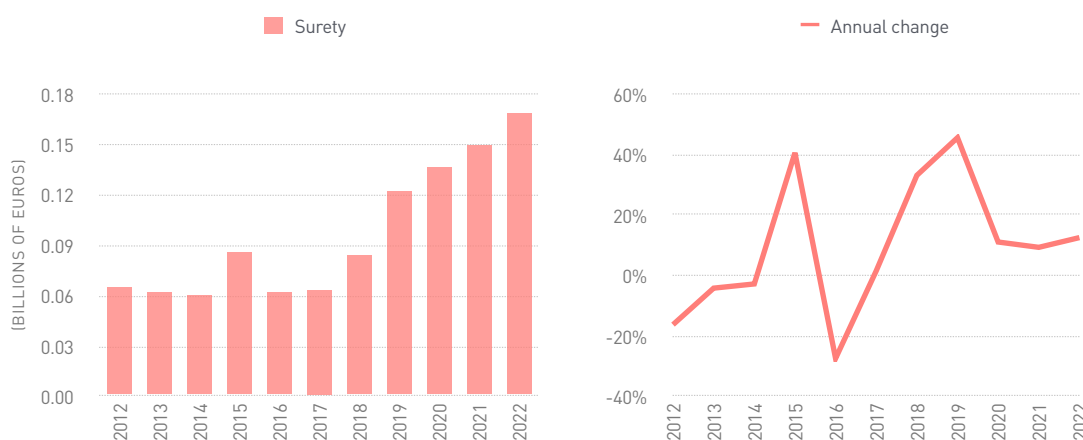
Source: MAPFRE Economics (based on ICEA data)

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



Source: MAPFRE Economics (based on ICEA data)

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)

loss ratio is expected to continue to increase progressively, resulting in a stabilization of premium rates. Provisional premium data for this segment at the end of May 2023 point to 7.5% growth.

Surety

In 2022, the premium volume for Surety insurance totaled €168 million, representing

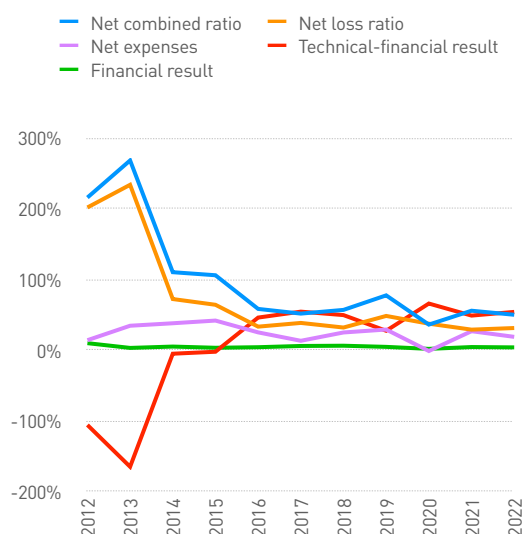
Table 3.2-n
Basic Surety insurance indicators
(premiums, millions of euros; ratio over premiums, %)

	2021	2022
Written premium volume (millions of euros)	149	168
Variation in premiums	9.3%	12.6%
Retention	35.3%	37.0%
Gross loss ratio	20.3%	11.3%
Gross expenses	38.1%	35.1%
Net loss ratio	28.9%	31.2%
Net combined ratio	55.6%	49.9%
Financial result	4.3%	3.8%
Technical-financial result	48.7%	54.0%

Source: MAPFRE Economics (based on ICEA data)

an increase of 12.6% with respect to 2021. This maintains the growth path that began in 2017, which resulted in the line almost tripling its volume in the last six years. Renewable energy guarantees are consolidating their position as one of the pillars of the business, but traditional types of guarantees such as those for public administration con-

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



Source: MAPFRE Economics (based on ICEA data)

tracts and those linked to the real estate sector have also performed well (see Chart 3.2-t).

The loss ratio in this market segment was practically non-existent; the gross loss ratio was nine percentage points lower than the already very low ratio recorded in 2021, standing at 11.3%. The net loss ratio, in turn, is slightly higher at 31.2%, a bit more than two percentage points above that recorded in 2021. Thus, the line maintains very positive figures, despite all the problems facing the economy: inflation at levels not seen in the last 30 years, rising interest rates and the end of many of the state subsidies linked to Covid-19 (see Table 3.2-n and Chart 3.2-u). It should also be noted that the number of operators continues to grow, and companies are increasingly open to underwriting types of guarantees that were previously only issued by banks. In the first five months of 2023, the sector continued to grow at a good pace, reaching 24.1% in May. The financial sector was in turmoil in March due to the failure of Silicon Valley Bank in the United States, and there was some fear of a contagion effect in the rest of the world, which has not yet occurred. In any case, surety insurance has proven its resilience to difficult times, so 2023 could again be a good year for the business.

Transport

Transport insurance, as a whole, has experienced 5.8% growth, reaching €570 million in premium volume, which is representative of the reactivation of foreign commerce and, in general terms, of the economy (see Chart 3.2-v). This growth has come mainly from Aviation insurance, which has regained momentum and is the main player in the growth of the Transport sector. The latter itself grew by 37.3% compared to the previous year, which was penalized by the paralysis and restrictions resulting from the pandemic.

Hull insurance renewals, in turn, follow the line of 2021, 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. Goods, in turn, continue their stable growth without significant loss ratios. Logistics problems have been regulated, so there is no generalized congestion in the main ports of the world. As a result, freight rates have been reduced, lowering costs and partially mitigating the increase in inflation.

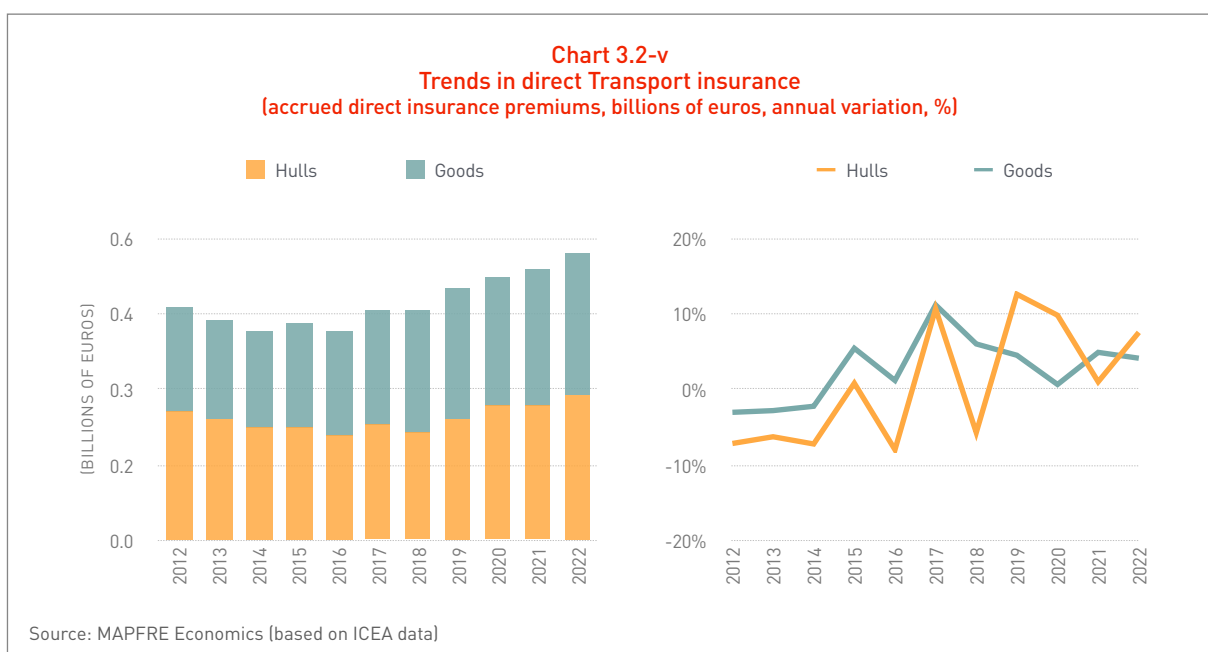
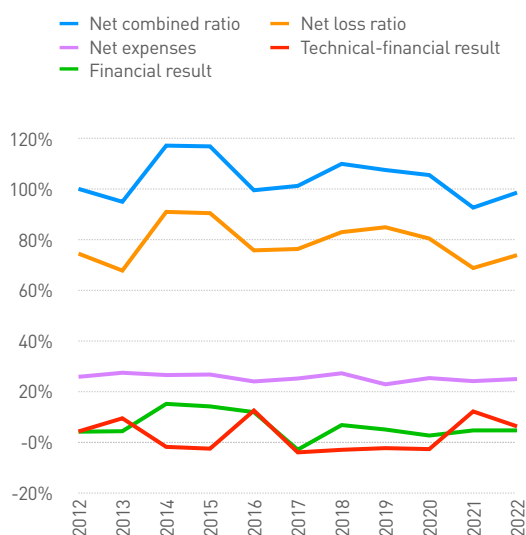


Table 3.2-o
Basic Hull Transport insurance indicators
 (premiums, millions of euros; ratio over premiums, %)

	2021	2022
Written premium volume (millions of euros)	270	290
Variation in premiums	1.0%	7.5%
Retention	34.1%	29.2%
Gross loss ratio	65.2%	57.6%
Gross expenses	18.8%	17.4%
Net loss ratio	68.6%	73.7%
Net combined ratio	92.5%	98.4%
Financial result	4.4%	4.4%
Technical-financial result	11.9%	6.0%

Source: MAPFRE Economics (based on ICEA data)

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



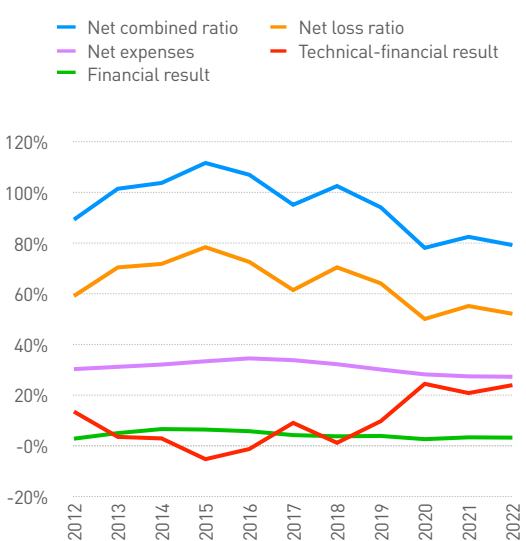
Source: MAPFRE Economics (based on ICEA data)

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

	2021	2022
Written premium volume (millions of euros)	269	280
Variation in premiums	4.9%	4.1%
Retention	67.4%	64.8%
Gross loss ratio	55.9%	51.2%
Gross expenses	26.6%	26.4%
Net loss ratio	55.1%	52.1%
Net combined ratio	82.5%	79.2%
Financial result	3.2%	3.1%
Technical-financial result	20.7%	23.9%

Source: MAPFRE Economics (based on ICEA data)

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



Source: MAPFRE Economics (based on ICEA data)

Hulls

As shown in Table 3.2-o, Hull insurance premiums grew by 7.5%, with a volume of €290 million. Fleet renewals are continuing with increases depending on the results of each account, although, in general terms, renewals continue to be conservative. Part of this increase in premium volume comes from shipbuilding in the Spanish shipyards, which are seeing more orders in their portfolios. In fact, Spain 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 performance of the gross loss ratio has improved (see Table 3.2-o and Chart 3.2-w), despite the fact that there have been several accidents with both economic and social impact, such as Villa Pitaxo. However, the net loss ratio has increased by 5.1 pp and expenses 0.8 pp, giving rise to a combined ratio of 98.4% (92.5% in 2021).

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

Modality	2022	2022/2021 variation
Ten-Year	46.7	3.0%
Construction	75.8	-25.1%
Machinery breakdown	196.2	15.7%
Assembly	21.8	8.5%
Electronic equipment	72.3	8.4%
Total Engineering	412.8	2.4%

Source: MAPFRE Economics (based on ICEA data)

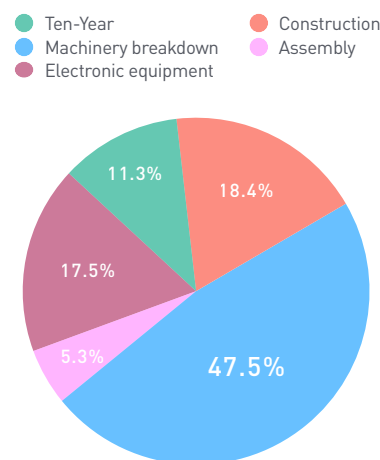
Goods

With a premium volume of €280 million, the Goods line maintained its growth trend in 2022, reaching 4.1%, a figure somewhat less than the previous year (4.9%), but which continues to demonstrate positive performance. The operating results of this insurance segment were also positive, with a reduction in both gross and net claims, despite the increase in exports and imports. Thus, the combined ratio improved 3.3 pp thanks to the improved loss ratio, as the other parameters are practically the same as the previous fiscal year (see Table 3.2-p and Chart 3.2-x).

Engineering

Finally, the volume of Engineering insurance premiums amounted to €412.8 million in 2022, a 2.4% increase, but less than the 17% obtained the year before. This slowdown in growth is explained by a 25.1% drop in premiums in Construction insurance and by positive performance in the remaining categories, noting the 15.7% increase in Machinery breakdown (see Table 3.2-q and Chart 3.2-y). The statistics for the first five months of 2023 show two-digit increases in

Chart 3.2-y
Distribution of Engineering insurance premiums
by category, 2022
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

practically all Engineering lines, notably the 30.5% in Machinery breakdown.

3.3 Life insurance business

Life insurance in Spain reached a total premium volume of €24.535 billion in 2022, a 4.2% increase over the previous year and 10.9% less than the cumulative for 2019. Both the Life Risk and the Life Savings segments had favorable performance in 2022, with rates of increase of 3.4% and 4.4%, respectively. Analyzing the data for the last few years, while Life Risk has grown by 6.6% since 2019, Life Savings insurance is still 14.6% below that year's premium revenues.

Deferred capital insurance, which accumulated 22.6% of life premiums, was the main driver of the line in 2022, up 21.6%. Insured Pension Plans (IPP) and the transformation of assets into life annuities, products with a much smaller volume of premiums, had a very significant growth of 19.1% and 269.1%, in each case. Annuities (with 0.3% growth) and unit-linked insurance (with a 2.3% increase) also showed increases, although at more moderate rates. On the other hand, premiums for Individual Systematic Savings Plans (ISSP) and Individual Long-Term Savings Insurance (ILTSI) fell by 18.7% and 9.9%, respectively.

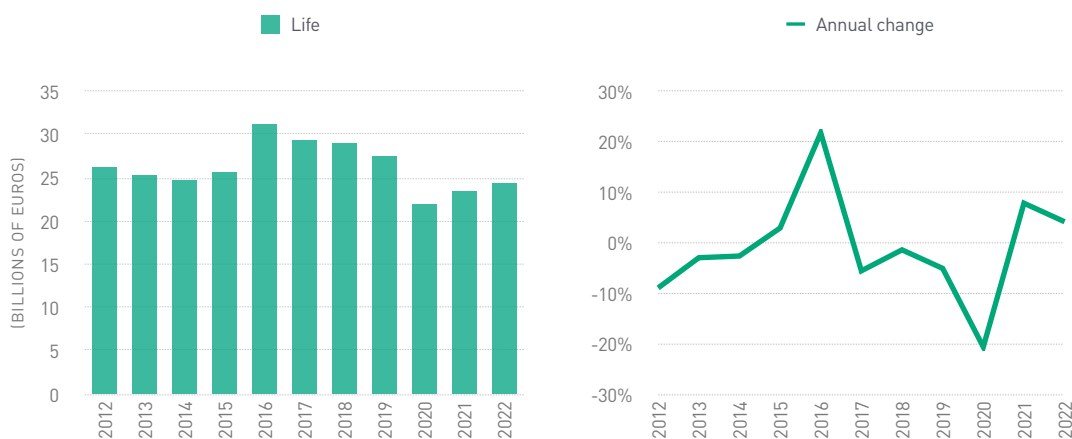
Individual insurance premiums showed a 15.3% increase, while group insurance premiums presented a 36.0% decrease (see Chart 3.3-a and Table 3.3-a).

Meanwhile, in terms of managed savings, technical provisions in the Life line decreased by 1.1%, standing at €193.613 billion. Life Risk and Long Term Care insurance increased, and all Savings/Retirement products, with the exception of unit-linked products, showed decreases in equity, with an aggregate rate of -1.2%. Meanwhile, there was a rebound in the total number of policyholders in the Life line in 2022, with total growth of 2.6% (see Table 3.3-b).

2023 Progress

Despite the uncertainty caused by the war in Ukraine, the energy crisis and high inflation rates, Life insurance showed its strength in 2022. The inflationary process led to a shift towards tighter monetary policies by the world's principal central banks, with accelerated interest rate hikes and the start of quantitative easing programs on their balance sheets, which continued throughout 2023. This rise in interest rates is being reflected in guaranteed savings insurance, which is becoming more attractive than it was before, a trend that is expected to continue in the coming months. The statistics

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)

Table 3.3-a
Distribution of Life insurance premiums and technical provisions by category
 (net premiums issued of cancellations, annual variation, %)

Modality	Premiums		Technical provisions	
	2022	2022/2021 variation	2022	2022/2021 variation
Individual	21,268	15.3%	156,954	-0.6%
Group	3,268	-36.0%	36,659	-3.2%
Total	24,535	4.2%	193,613	-1.1%
Risk	5,175	3.4%	7,074	2.7%
Dependency	10	-23.3%	42	9.0%
Savings / Retirement	19,350	4.4%	186,498	-1.2%
Insured Pension Plan	639	19.1%	11,034	-3.4%
Deferred capital	5,546	21.6%	47,215	-1.7%
Annuities	5,567	0.3%	87,635	-0.7%
Asset transformation into life annuities	74	269.1%	2,258	-7.2%
PIAS (Planes Individuales de Ahorro Sistemáticos — individual systematic savings plans)	1,717	-18.7%	13,645	-6.7%
SIALP (Seguro Individual de Ahorro a Largo Plazo — individual long-term savings insurance)	605	-9.9%	4,022	-6.9%
Unit-linked	5,202	2.3%	20,689	4.7%
Total	24,535	4.2%	193,613	-1.1%

Source: MAPFRE Economics (based on ICEA data)

for the first five months of 2023 confirm this trend change in Life Savings insurance, which became the growth driver of Spanish insurance that year, with a 71.6% increase, raising the rate of increase of the Life line to 53.4%. Life Risk, on the other hand, performed negatively, with a 2.2% drop in the period, strongly influenced by the decline in lending in Spain.

Pension plans and pension funds

The development of pension plans in 2022 was strongly influenced by the tax novelty introduced in the 2022 General State Budget, establishing new maximum reduction limits for contributions to individual pension plans of up to €1,500, from €2,000 in the previous year. Thus, at the end of 2022, pension fund assets reached an asset volume of €115.64 billion, 9.7% less than in 2021, with a 32% decrease in the volume of gross contributions to the individual system. Gross

contributions from all systems amounted to €2.864 billion and gross benefits to €3.792 billion, so 2022 closed with net benefits of €928 million (see Chart 3.3-b).

Meanwhile, the number of unitholder accounts closed 2022 with 9,372,648 accounts, 82,575 fewer than in December 2021. However, the net number of unitholders

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

Modality	2022	2022/2021 variation
Risk	20,465,053	4.6%
Dependency	106	-17.6%
Savings / Retirement	8,651,627	-1.7%
Total	29,222,888	2.6%

Source: MAPFRE Economics (based on ICEA data)

at fiscal year-end was estimated at eight million, since many unitholders have more than one plan open to diversify their investments (see Chart 3.3-c). Pension Plans closed 2022 with YOY profitability of -9.7%, as a result of corrections experienced in the financial markets in 2022. However, in the medium and long term, profitability remains positive: 2.7% at 10 years and 2.8% at 26 years.

Mutual Funds

Meanwhile, domestic mutual funds ended the year with assets of €306.151 billion, 3.6% less than in 2021 (see Chart 3.3-d), registering asset declines in most investment calls. Net subscriptions increased to €17.171 billion 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.

In relation to the risk profile of Spanish unitholders in 2022, international funds account for the largest number of savers (56.7%), followed by fixed income unitholders, who represent 29.6% of the total. The number of unitholders in each category barely changed relative to the previous year, although there has been a slight change in trend with respect to previous years, with more conservative positions being sought in an environment of high volatility in the financial markets (see Chart 3.3-e).

Financial assets of Spanish families

At the end of 2022, the savings generated by Spanish households in financial assets stood at €2.73 trillion. In turn, household debt grew €766.8 billion that same year, so household net financial wealth stood at €1.959 trillion, maintaining practically the same level as the year before and representing 147.6% of Spanish GDP.

As shown in Chart 3.3-f, the volume of assets earmarked for deposits remains the largest

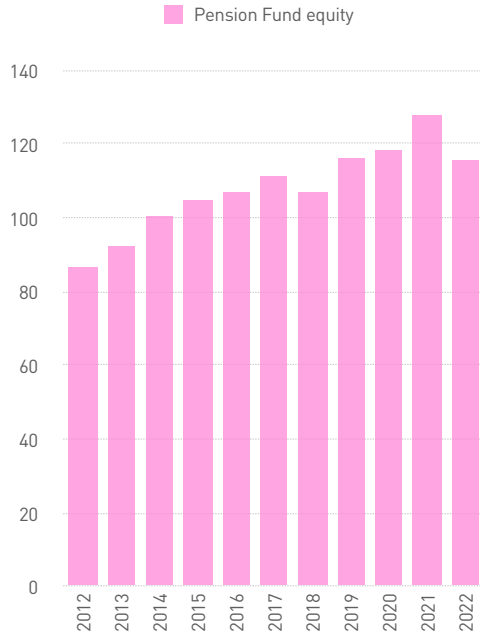
volume, accounting for 39.6% of the total, nearly two percentage points higher than the previous year, although down from the 44.6% it represented in 2012. Mutual funds and shares in investment companies, on the other hand, have been increasing their share of household financial savings, from 6.4% in 2012 to 14.2% in 2022. Savings managed by insurance companies and Voluntary Mutual Benefit Societies (VMBS) have remained stable over the last decade (€212.8 billion in 2022). Likewise, pension funds have also maintained a stable share of around 5% of financial assets of Spanish households in recent years.

Outlook for mutual funds and pension funds

Looking ahead to 2023, Inverco's Collective Investment Institutions and Pension Funds report indicates that the most conservative savers are likely to maintain their preference for mutual funds this year, and if the good tone shown by the equity markets in January is maintained, the most dynamic savers will channel their savings into equity funds. Individual pension plans are estimated to have an equity increase of 1% in 2023 to €81 billion as a result of probable performance similar to that of 2022 in gross contributions and maintenance of the volume of gross benefits, which would generate a net negative that could be offset by an increase in *expected* profitability due to an improvement in the financial markets. These same arguments apply to the employment system. Therefore, the asset volume of Pension Funds could increase slightly, closing the year with €117 billion in equity.

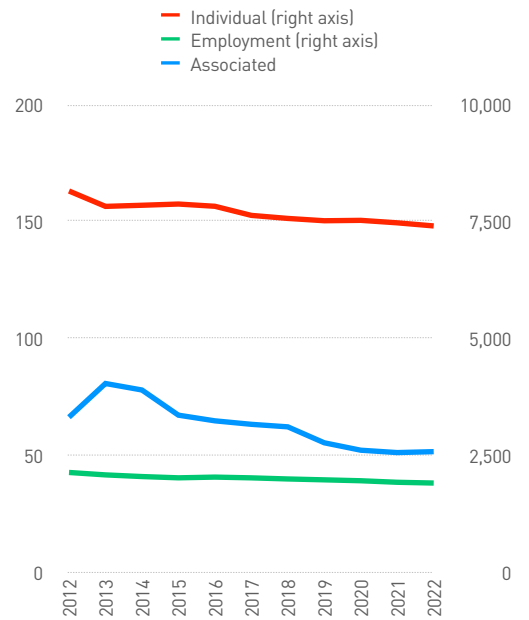
On a different note, in July 2022 (with the exception of some aspects that came into force on January 1, 2023), Law 12/2022 on the regulation for the promotion of occupational pension plans was enacted, introducing reforms aimed at boosting corporate social welfare in the Spanish private pension system. The specific measures of the reform include: (i) creation of a publicly promoted occupational pension fund, managed by the private sector; (ii) establishment of mechanisms and incentives to expand the

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



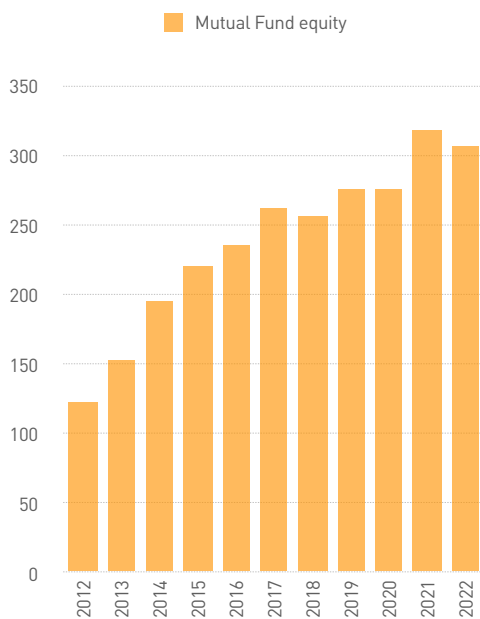
Source: MAPFRE Economics (based on Inverco data)

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



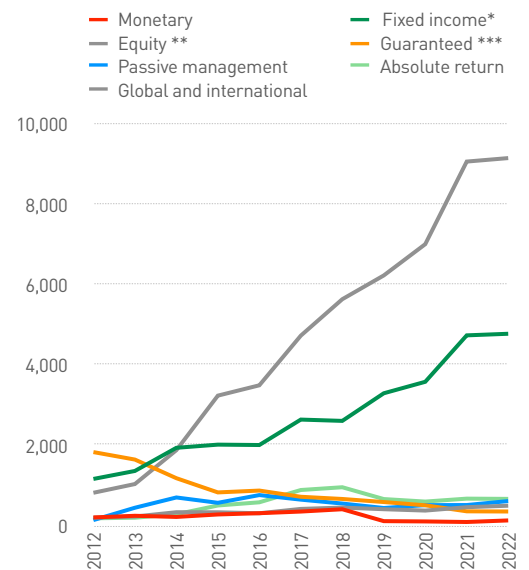
Source: MAPFRE Economics (based on Inverco data)

Chart 3.3-d
Trends in Investment Fund equity
(billions of euros)



Source: MAPFRE Economics (based on Inverco data)

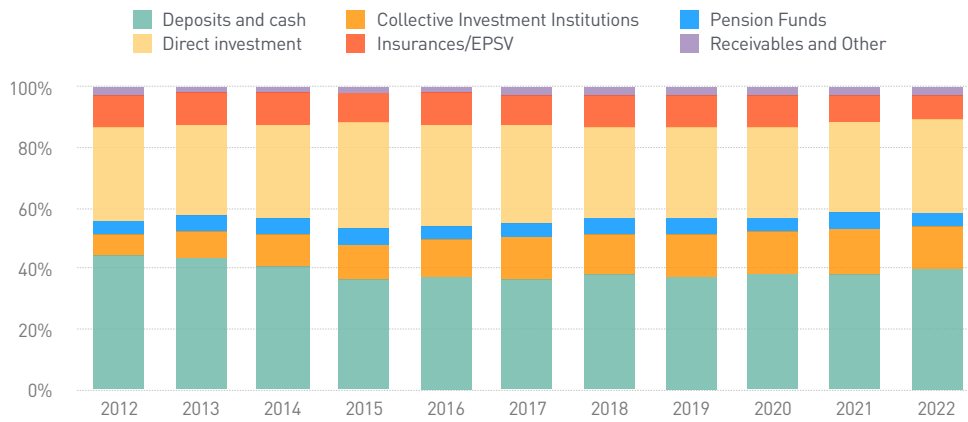
Chart 3.3-e
Trends in Investment Fund unitholders
(thousands of unitholder accounts)



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
Structure of financial savings of Spanish families
 (%)



Source: MAPFRE Economics (based on Inverco data)

population covered by these plans with mixed company and employee contributions, through preferentially sectorial collective bargaining; (iii) simplification of the process for enrollment and management of pension plans, especially using digitalization; (iv) design of mechanisms that promote worker mobility between different companies and sectors; (v) design of a new tax incentive that especially benefits medium and low income savings, and incorporate young people more effectively, and (vi) limitation of occupational plan management costs.

4. Structural trends in the Spanish market

4.1 Penetration, density and depth

Penetration

Like what happened in 2021, strong growth in GDP at current prices (10.1%) despite the complex international scenario, combined with more moderate growth in premium revenues in the insurance industry (4.8%), contributed to insurance penetration in Spain (the ratio of premiums to gross domestic product) standing at 4.9% in 2022, a slight decrease of 0.2 percentage points (pp) compared to the figure observed in 2021 (see Charts 4.1-a and 4.1-b). In particular, with a more moderate increase of 4.2% in Life segment premiums (versus 7.9% the year before), the penetration rate of this line decreased by one percentage point in 2022 to 1.85%, the lowest rate in the last decade. The penetration rate of Non-Life insurance remained more stable in the 2012-2022 period, at 3.03% in 2022, with a slight decrease of 0.14 pp compared to 2021. Thus, the penetration of Spanish insurance over

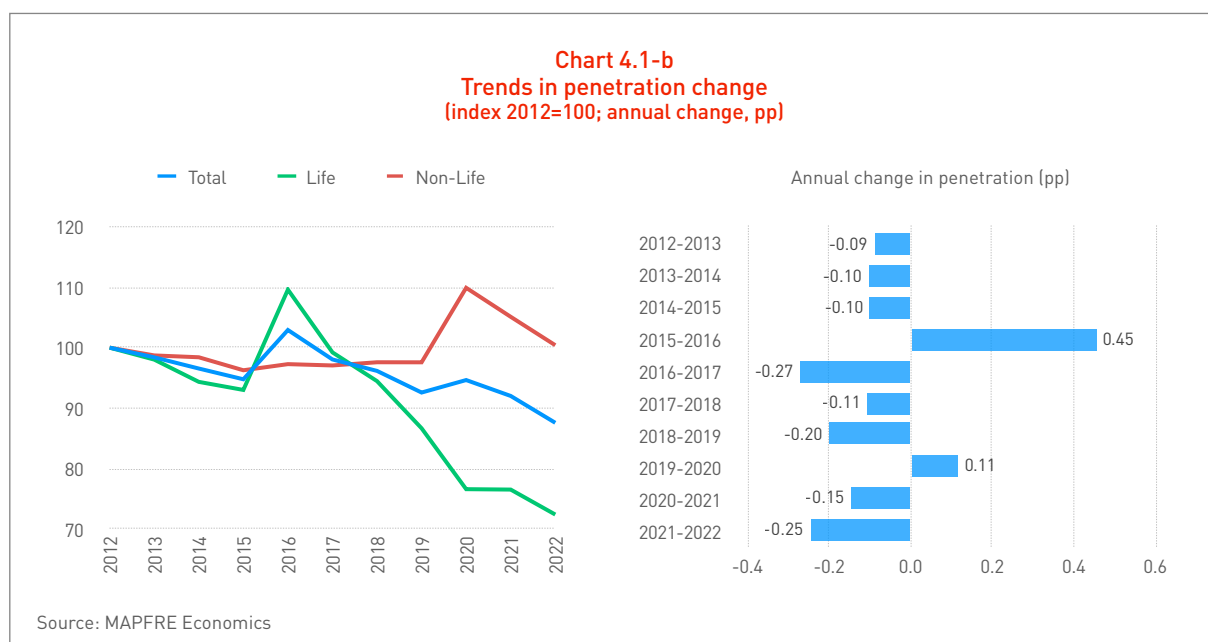
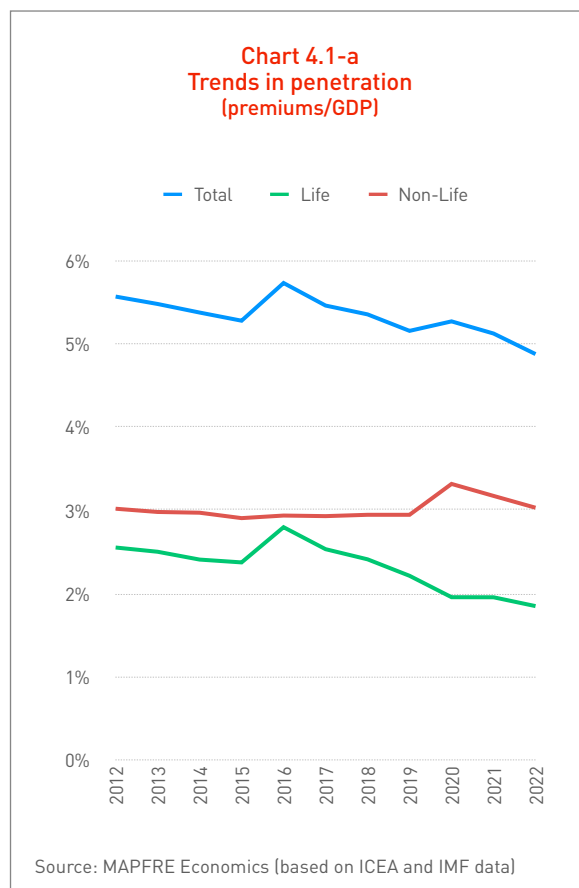
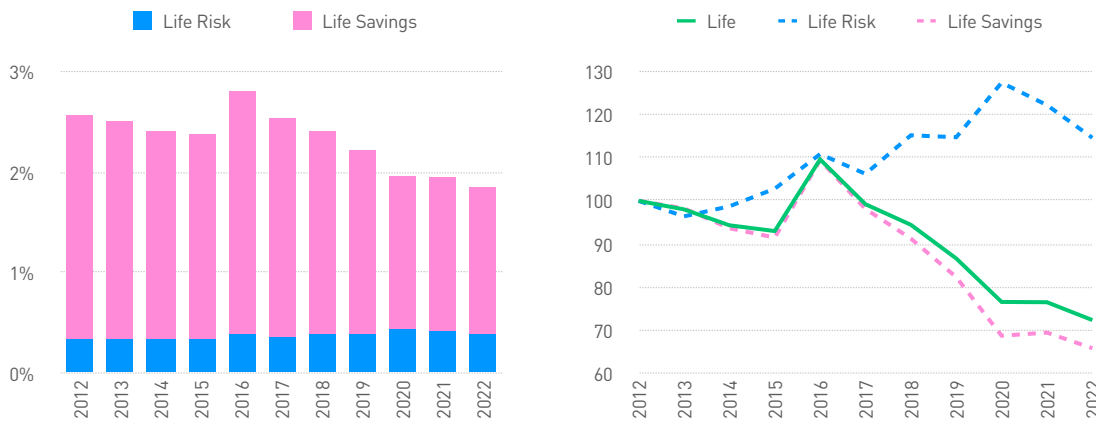


Chart 4.1-c
Trends in Life insurance penetration
(premiums/GDP; index 2012=100)



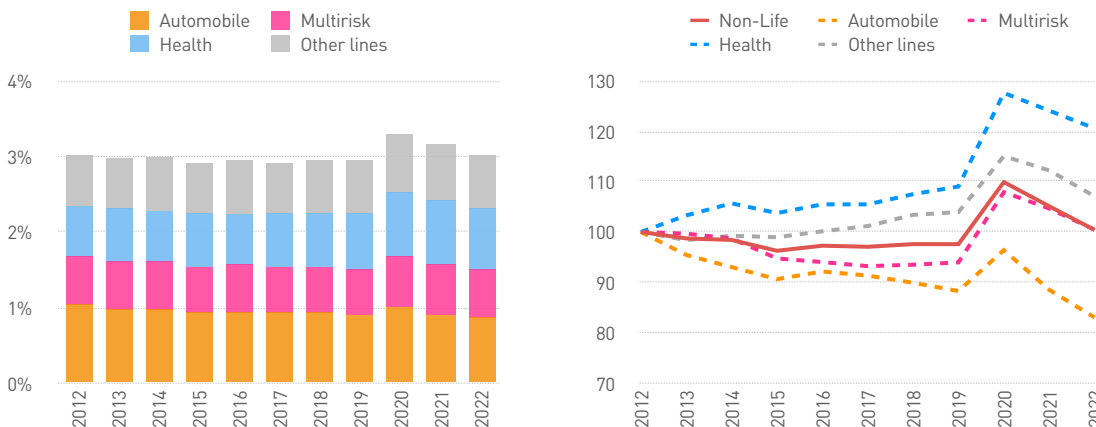
Source: MAPFRE Economics (based on ICEA and IMF data)

the last decade has decreased by 0.7 pp in total (as in the case of the Life segment), whereas the Non-Life segment has remained practically the same.

An analysis of the Life insurance segment in particular (see Chart 4.1-c), confirms that Life Savings insurance is the Life segment category with the highest penetration level, reaching 1.46% in 2022, while Life Risk penetration was only 0.39%. In the case of Life Savings insurance, the penetration rate reached its historical

maximum in 2016; since then, it has shown a downward trend which manifested in a reduction of nearly one percentage point between 2016 and 2022. Meanwhile, in Life Risk insurance, the indicator increased by 0.05 pp between 2012 and 2022, although with a reduction in the last two years of the series. An analysis of the penetration index for this segment over the past decade (index 2012=100) shows that, while penetration in the Life Protection insurance segment rose 14.6% between 2012 and 2022, the figure for the Life Savings

Chart 4.1-d
Trends in Non-Life insurance penetration
(premiums/GDP; index 2012=100)



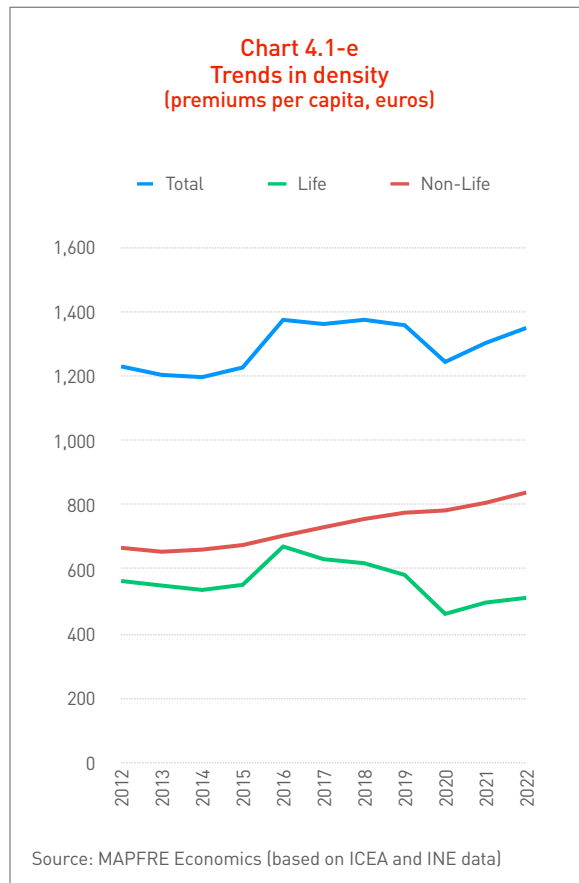
Source: MAPFRE Economics (based on ICEA and IMF data)

insurance segment dropped by 34.1% over the same period.

With regard to the Non-Life insurance segment shown in Chart 4.1-d, penetration was 3.03% in 2022, down 0.14 pp from the previous year, with decreases in the main lines of insurance comprising it. For the Auto line in particular, penetration decreased by 0.06 pp in 2022 to 0.85%; the Multirisk line stood at 0.65% (0.67% in 2021); Health decreased slightly, from 0.82% in 2021 to 0.79% in 2022; and in all other Non-Life insurance lines, penetration was 0.73% (0.77% in 2021). However, looking at the medium-term trend in the indicator's evolution over the period from 2012 to 2022 (index 2012=100), the penetration of the Multirisk and Health lines have shown growth of 0.4% and 20.6% in that period, respectively, while Auto insurance decreased by 17.0%, while the rest of the Non-Life lines presented an increase of 7.1%.

Density

The density indicator shows the ratio between a country's premium volume in relation to its population, that is, the level of premiums per capita. In this sense, Chart 4.1-e illustrates insurance density in Spain. According to this information, the



combined ratio therefore stood at €1.347,8 in 2022, an increase of €46.6 compared to the previous year. There were increases in both market segments, with a greater contribution from Non-Life insurance, which increased its density from €31.9 to

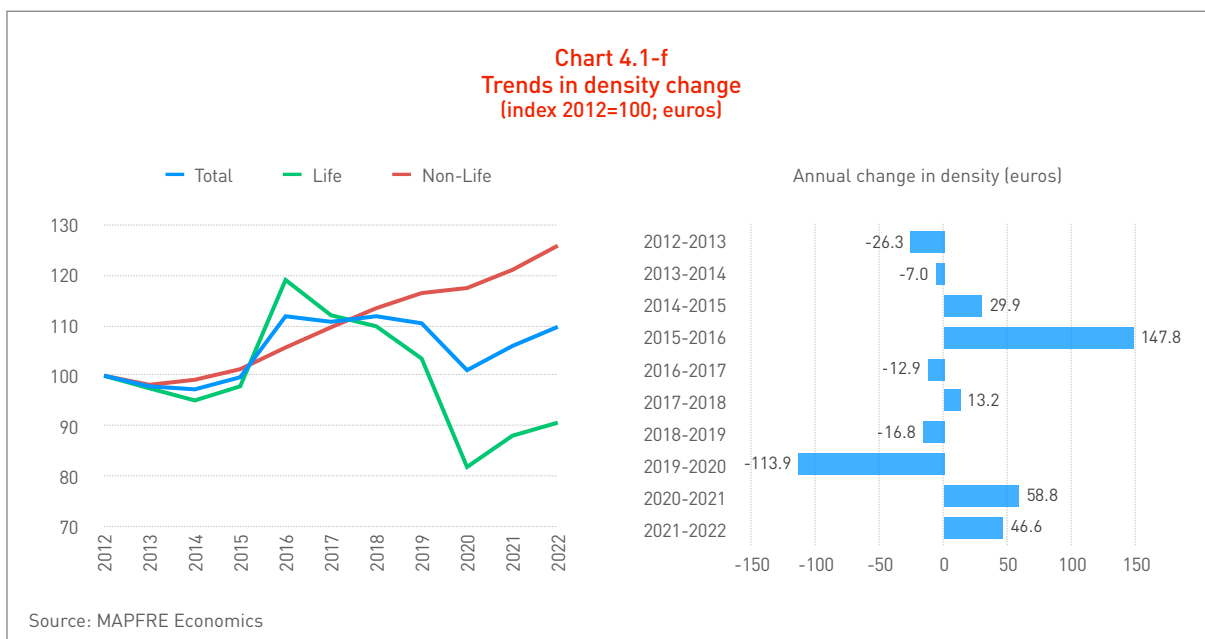
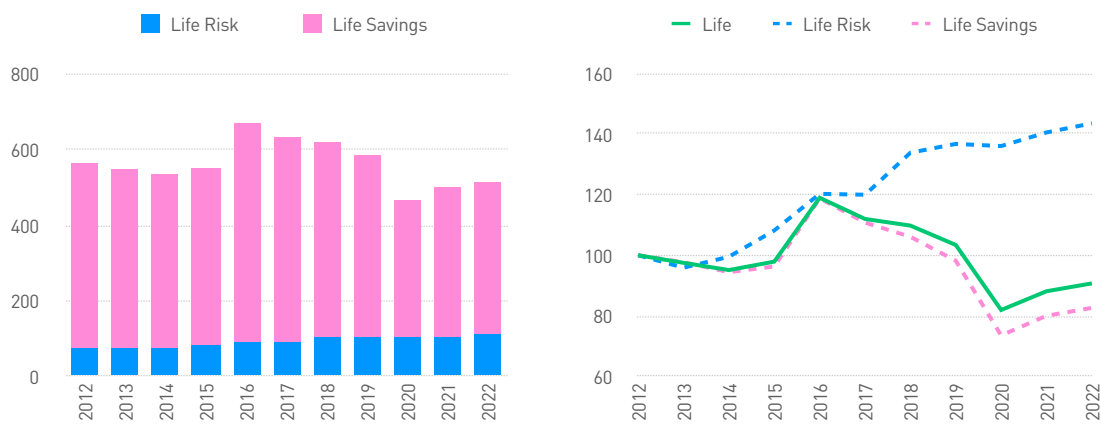


Chart 4.1-g
Trends in Life insurance density
(premiums per capita, euros; index 2012=100)



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

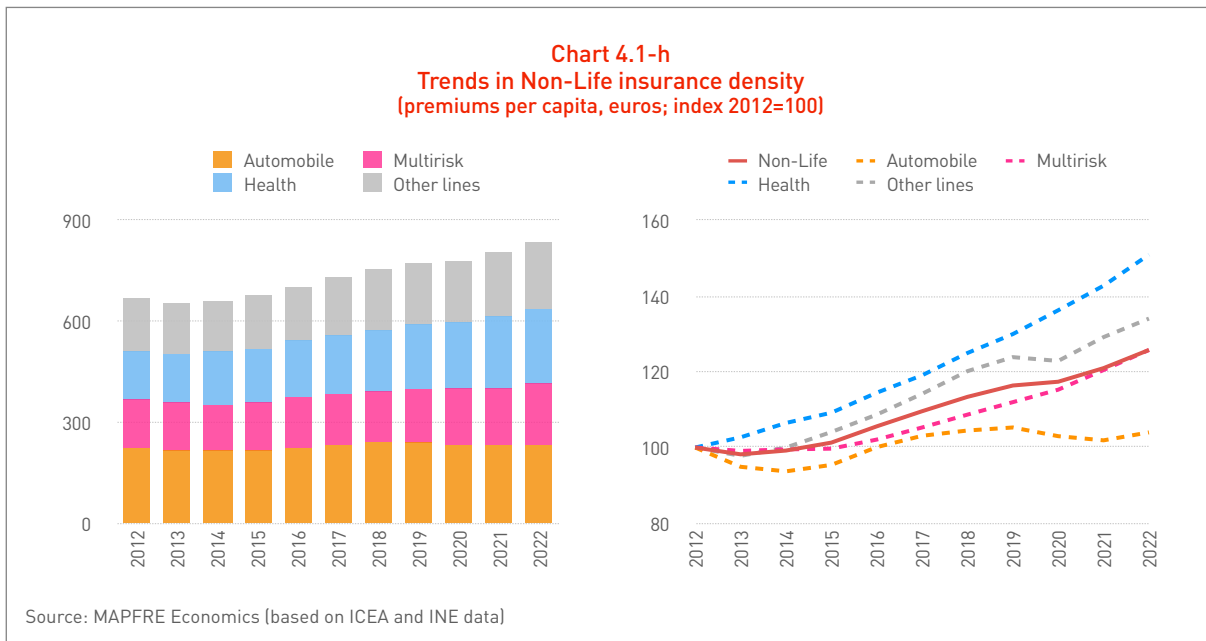
€837.3. Meanwhile, the density of the Life insurance segment stood at €510.5, an increase of €14.7, still below the figure recorded in 2012, despite the rise of the last two years. Analyzing the Spanish market density from a medium-term perspective (index 2012=100), it achieved slight growth of 9.7% over the 2012-2022 period (rising from €1,228.5 to €1,347.8), with a 9.3% decline in the indicator for Life insurance (from €562.8 to €510.5), and a 25.8% increase for Non-Life insurance (from €665.7 to €837.3) over the same period (see Chart 4.1-f).

In particular, 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 78.9% of the total. Thus, the density of Life Savings insurance was €402.6 in 2022 (€12.5 more than the previous year), breaking the downward trend that began in 2021 after hitting a record high in 2016. The Life Protection insurance segment, which stood at €107.9 in 2022, recorded slight growth of €2.2 compared to the previous year (see Chart 4.1-g).

From a medium-term perspective for the 2012-2022 period, which is shown in Chart 4.1-g, Life insurance density dropped by

9.3% over the period. The growth of the Life Savings insurance segment in the last two years has enabled it to recover nearly 10 pp of the decline recorded in 2020 and stood at -17.4% in 2022. In turn, the Life Protection insurance segment grew by 43.6% over that decade, confirming that, in the medium-term trend, Life Protection insurance shows a greater dynamic than the Life Savings insurance segment, although far from being able to attain the relative significance it has in the Life insurance portfolio in Spain.

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 2022, the density of this market segment was distributed as follows: 28.2% corresponding to the Auto line; 26.2% to the Health line; 21.3% to the Multirisk line; and 24.3% 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 2012-2022 period, Automobile recovered the growth path, registering an increase of 4.0% over the decade, while the Health, Multirisk and other Non-Life lines recorded cumulative density increases of 51.0%, 25.8% and 34.1%, respectively (2012=100 index).



Depth

Spanish Life insurance has experienced a decline in premium volume for four consecutive years starting in 2017, with a significant increase in 2021 and somewhat more moderate in 2022. 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 37.9% in 2022, down from 38.1% the previous year, and lower than the 45.8% in 2012 (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.

4.2 The Insurance Protection Gap

Structural trends in the market

The performance of the Spanish insurance market in 2022 was marked by the

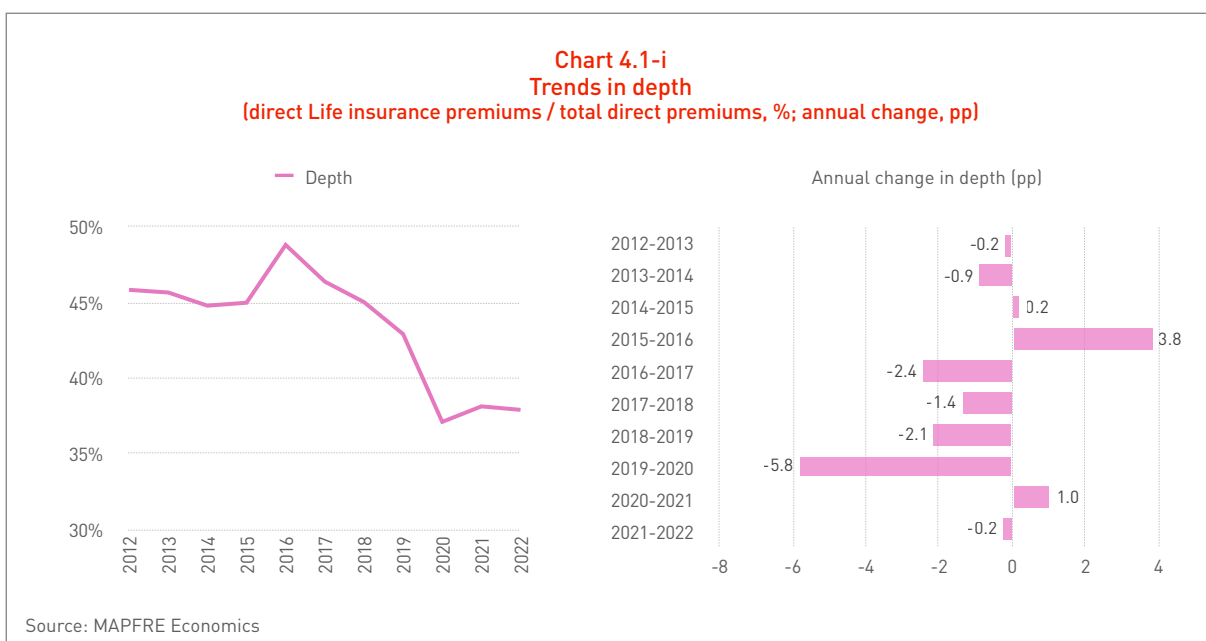
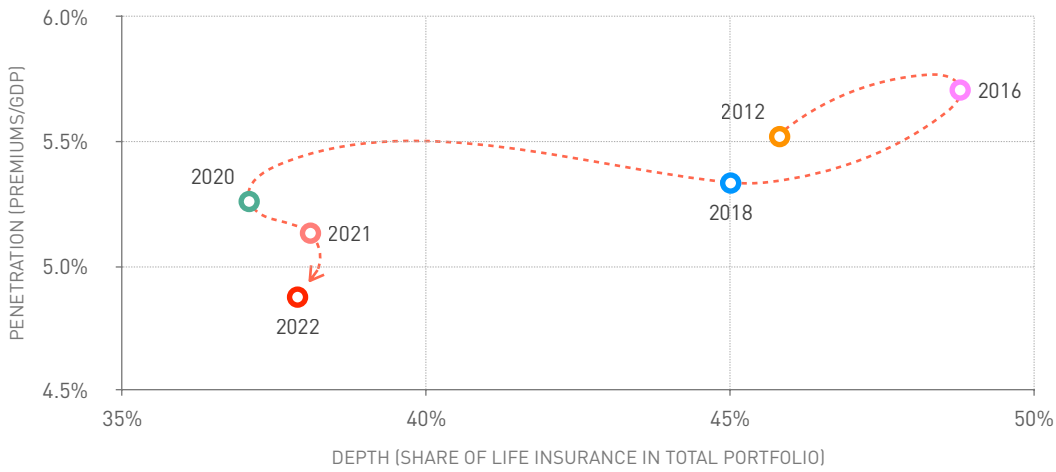


Chart 4.2-a
Trends in the Spanish insurance market
(penetration vs. depth)



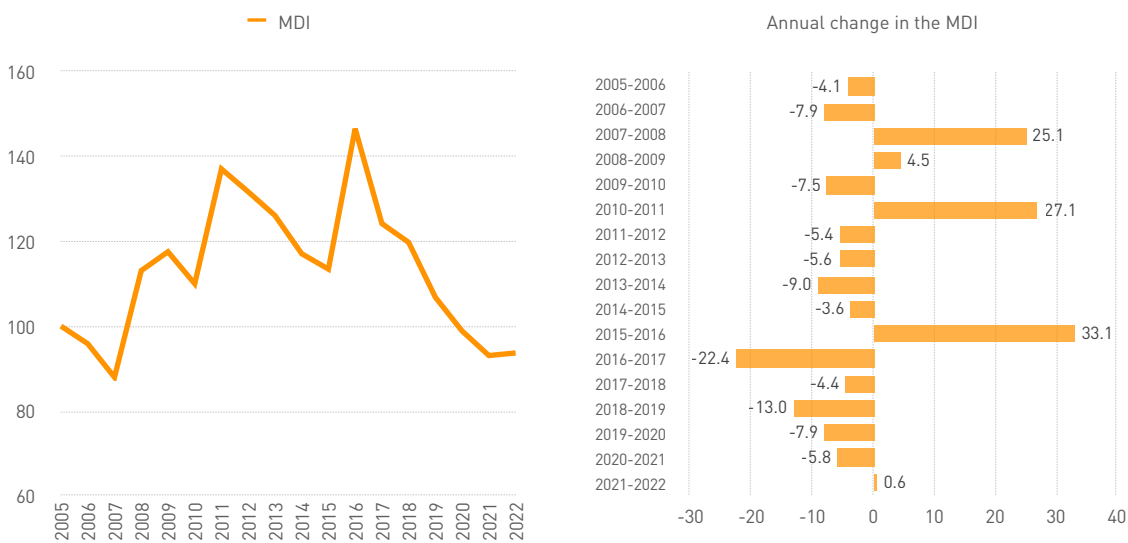
Source: MAPFRE Economics

economic recovery, with an increase in the volume of total insurance premiums of 4.8%, in an environment of high inflation that reached levels not seen in decades (8.4% in 2022). Accordingly, the growth of the insurance business was not able to combat inflation, and the inflationary process negatively affected the industry's profitability. As a result, Spanish insurance

penetration (ratio of premiums to GDP) fell slightly in 2022, while density (premiums per capita) showed an increase that year.

However, with Life insurance having moderated its growth during the year in question, compared to a greater increase in the Non-Life lines, depth (Life insurance premiums with respect to total premiums)

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



Source: MAPFRE Economics

has seen a slight decrease of 0.2 pp. Thus, in 2022, the trend in the development of insurance activity in Spain that had been observed since 2017, characterized by a retraction in both penetration and depth, was repeated (see Chart 4.2-a).

Market Development Index

The increase in insurance gap development rates in 2022, mainly for Life insurance, has modified the trend of the Market Development Index (MDI) that had been 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 2022 analysis, the EMI of the Spanish market shows an improvement in the trend, with a slight increase in this index in 2022 compared to the previous year.

Insurance Protection Gap

As explained in prior versions of this report, the Insurance Protection Gap (IPG) represents the difference between the insurance coverage considered economically necessary and beneficial for a society, and the amount of coverage actually acquired. 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 development¹¹.

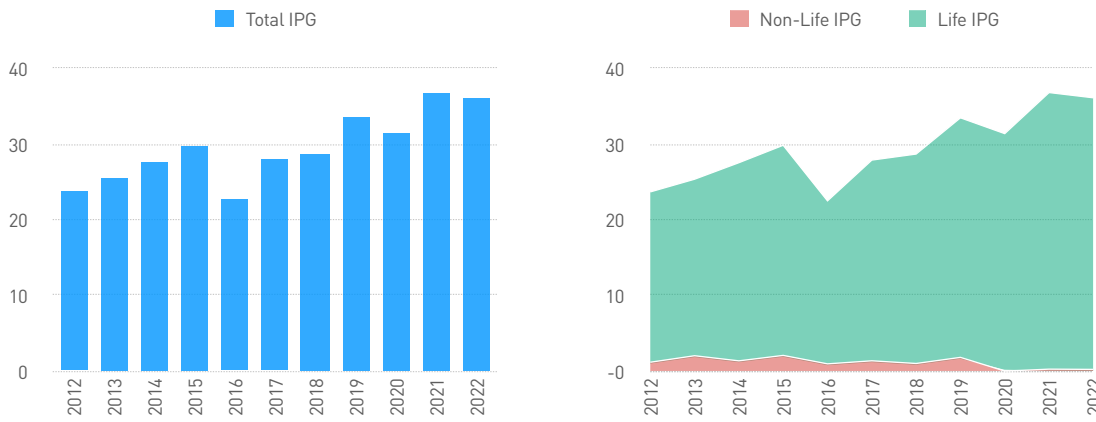
Based on its characteristics, there is a negative correlation between the insurance gap and growth of the insurance markets. On the one hand, from a *quantitative* perspective, the IPG becomes smaller as the penetration rate increases, and on the other, from a *qualitative* perspective, it also tends 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.

2022 Spanish market IPG estimate

Chart 4.2-c shows the evolution of the IPG for the Spanish market over the 2012-2022 period. This information demonstrates that, in 2022, the insurance gap stood at €36.1 billion, which represents €0.7 billion less than the previous year's figure¹². This reduction in the insurance gap in the Spanish market is primarily due to the strong performance of the insurance industry, which has been better than the performance observed in some of the more developed reference markets.

In structural terms, IPG composition continues to demonstrate room for further development in the Life insurance segment. Thus, in 2022, 99.4% of the IPG (€35.9 billion) corresponded to the Life insurance segment, while the IPG for Non-Life insurance (€0.2 billion) represented only the remaining 0.6%. The growth of both the Life and Non-Life segments in 2022 explains the decrease in the IPG of the Spanish insurance market, having improved with respect to the benchmark parameter selected for the estimate¹³.

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

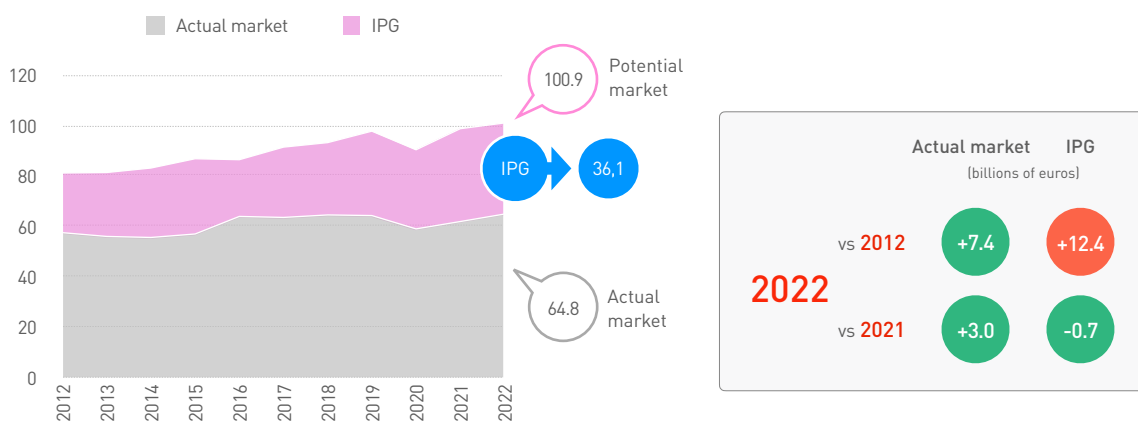


Source: MAPFRE Economics

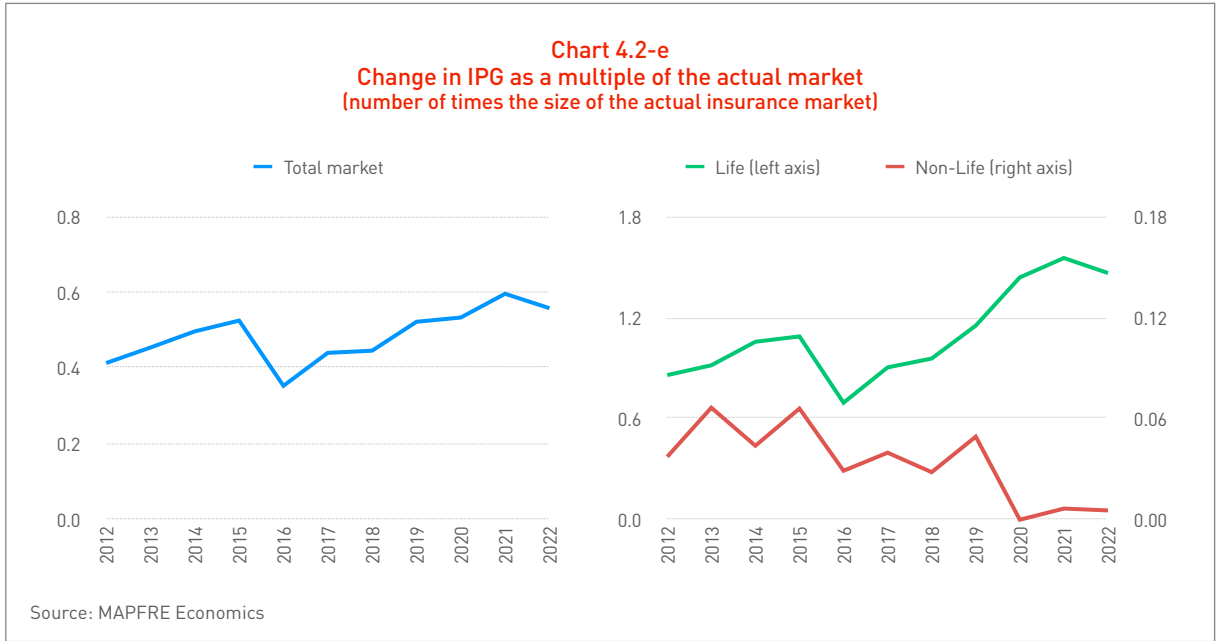
Based on this estimate of the insurance protection gap, the potential insurance market in Spain (represented by the sum of the real insurance market and the IPG) came to €100.9 billion in 2022, which is 55.8% more than the premium volume actually observed that year (see Chart 4.2-d). As indicated in previous versions of this report, this potential is particularly relevant in the Life insurance segment, in its risk and 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 make up the benchmark to estimate the insurance gap.

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



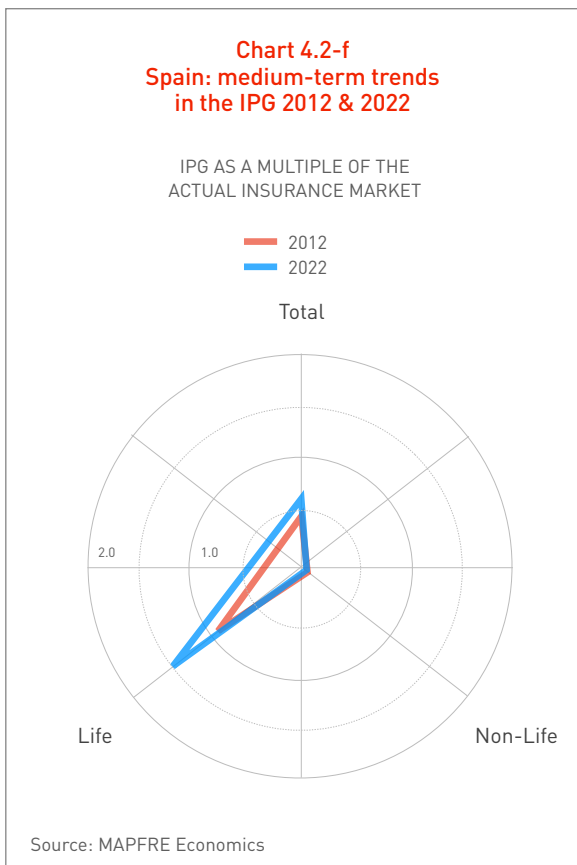
Source: MAPFRE Economics



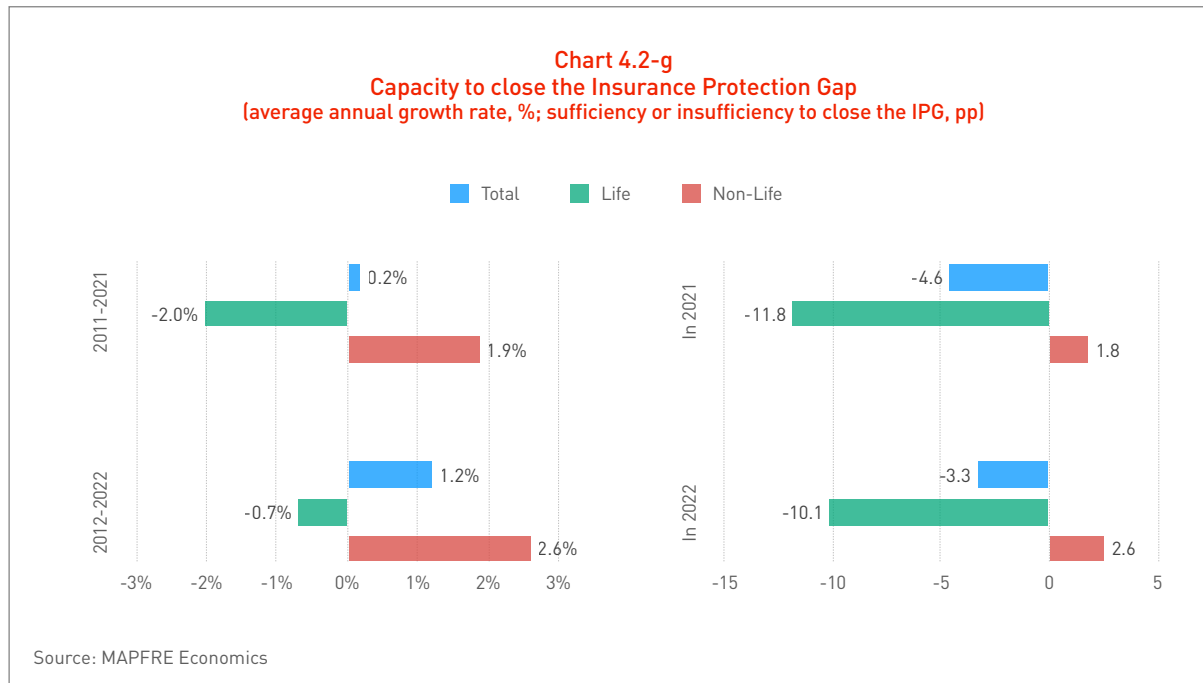
The IPG as a multiple of the market and the ability to close the insurance gap

The insurance gap of the Spanish market, expressed as a multiple of the actual insurance market, is presented in Chart 4.2-e. This information shows that the

indicator exhibited an upward trend from 2012 to 2015, declining in 2016 thanks to the strong performance of the insurance industry that year, only to start its upward trend again in subsequent years, until a further decline in 2022. This performance is repeated and amplified in the Life segment, while in the Non-Life segment there has been a more downward trend to the point that in 2022 the gap in this line of business was practically irrelevant. Specifically, in 2022, the IPG for the Life insurance segment represented 146% of the actual market (9.0 pp less than in 2021), while in terms of the Non-Life segment, the insurance gap stood at 0.5% of the real market in 2022 (0.1 pp more compared to the previous year). A medium-term analysis, as shown in Chart 4.2-f, confirms that, over the last decade, the insurance gap in the Spanish market has widened (measured as a multiple of the real insurance market), particularly with regard to the Life insurance segment, dropping slightly in the Non-Life segment.



Finally, the estimate of the capacity shown by the Spanish insurance market to close the insurance gap in the medium term is shown on Chart 4.2-g. As in previous versions of this report, an updated comparative analysis is provided for the growth trends observed in the Spanish market over the last decade (2012-2022),



indicating the growth rates needed to close the IPG determined in 2022 over the next 10 years.

The results of this fiscal year reveal that the growth of Spain's insurance market had an average annual growth of 1.2% (1.0 pp more than the 2021 figure) for the 2012-2022 period, with the Life insurance segment falling at an average annual rate of 0.7% (1.3 pp less than the previous figure) and the Non-Life insurance segment growing at an average annual rate of 2.6% (0.7 pp more than the 2021 figure). This forecasts that if the same growth pattern were maintained over the next 10 years, the growth rate for the market as a whole would fall by 3.3 pp (1.3 pp less than the corresponding figure for the previous year) to cover the insurance gap determined in 2022. The foregoing means that the Spanish insurance market would need an average growth rate of 4.5% over the next decade (against the average growth observed in the last decade of just 1.2%) to close the IPG estimated this past year.

Since the IPG in the Spanish market is determined, especially, by the performance of Life insurance, 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 10.1 pp (1.7 pp less than in the 2021 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 9.4% (0.4 pp more 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 2022 has slightly reduced the level of growth insufficiency needed to close the insurance gap, changing the trend that had been observed in previous years.

4.3 Medium-term growth forecasts

During 2022, the Spanish economy proved to be more resilient to the cyclical downturn than initially anticipated. Spanish GDP grew by around 5.5%, thanks to similar contributions from domestic and foreign demand. This occurred in a context in which the Eurozone, and especially Spain, remained resistant to the inflation shock caused by the war in Ukraine, foreign demand for services (tourism) remained robust, household consumption could still draw on savings accumulated during the COVID-19 pandemic, and investment in equipment and housing had not yet been affected by the monetary tightening that would only reach restrictive territory at the end of the year.

In this context, nominal premiums in the Non-Life insurance segment, which is mainly linked to consumption and residential investment, grew by 5.3%. This happened in an environment where inflation was the highest recorded in three decades (8.4%), with high core inflation (above 5%). So, in real terms, the Non-Life insurance segment contracted by more than 3%, given the high inflation and despite the strength of the activity.

Meanwhile, the Life insurance segment, which is structurally conditioned by most of the variables affecting demand, but above all very resilient to the interest rate curve and savings needs, maintained positive but moderate nominal growth of close to 4%, which, discounting inflation, represented a real detriment to the segment measured by premiums of close to 4.5% on average during 2022.

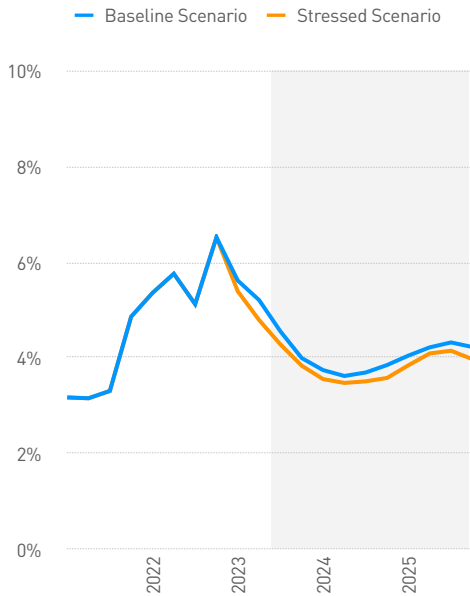
In the first quarter of 2023, economic activity remained relatively robust, even though interest rates continued to tighten, reaching positive real rates for the first time in 15 years. This occurred in a context in which foreign demand was still solid and domestic demand, although still dynamic, was slowing down. However, a key factor was the evident *disinflation* from the

previous year's rates, which allowed for growth in real disposable income. In this context, premiums in the Non-Life insurance segment grew in real terms for the first time since the Covid-19 period.

The Life insurance segment had a more striking performance. Sustained premium growth through the end of 2022 was positive in nominal terms and moderately negative in real terms given inflation. This segment was clearly recovering with the end of the ultra-expansionary monetary policy and near-zero interest rates of the previous decade. The monetary normalization that began in 2022, coupled with the use of financial reserves, brought back demand for savings vehicles, as expected, but positive real interest rates and a curve with a certain profile capable of being exploited in new savings insurance production would not arrive until early this year. These two factors, coupled with a clear unsatisfied demand for savings products (since the banking sector has not initiated a strategy of remunerating deposits in line with interest rate movements), led to an unprecedented upturn in the production of and demand for Life Savings insurance products. Thus, premiums grew by almost 58% in the first quarter of 2023, which, in real terms, represents volume growth of more than 50%.

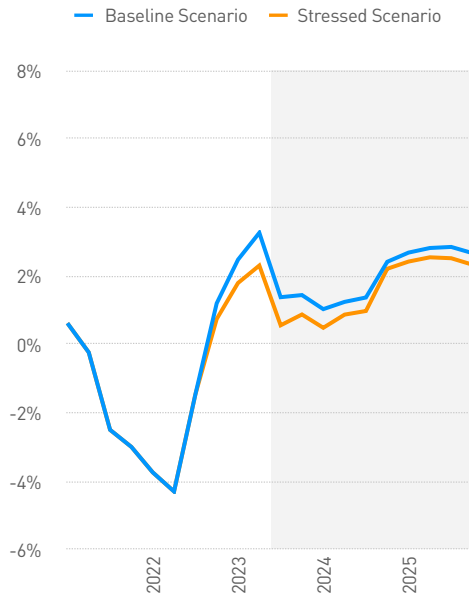
For the remainder of our forecast horizon (end of 2025), two scenarios have been defined that are consistent with the observed macroeconomic environment. In the *baseline scenario*, global, regional and Spanish activity is expected to slow down, bringing Spain's GDP to rates of around 2.1% on average between 2023 and 2025 (less than half of what was recorded in 2022). Inflation will also moderate, although at a slower rate, until it converges below 2% at the end of 2024, as a result of keeping monetary policy in restrictive territory during the same period, causing a slowdown in investment and consumption, which will also moderate the nominal growth of Non-Life premiums to around 4.3% in line with the nominal growth of

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



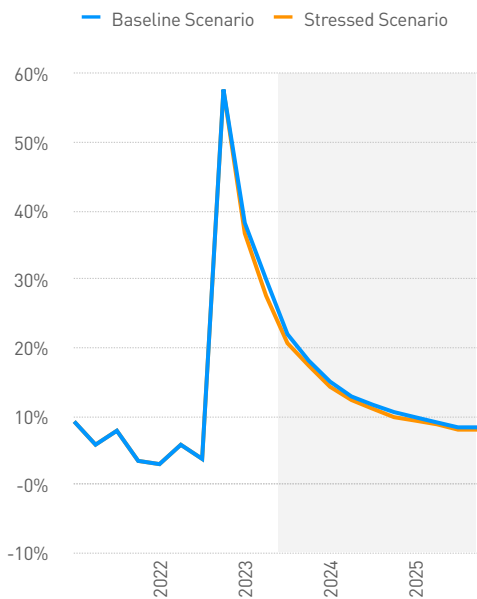
Source: MAPFRE Economics

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



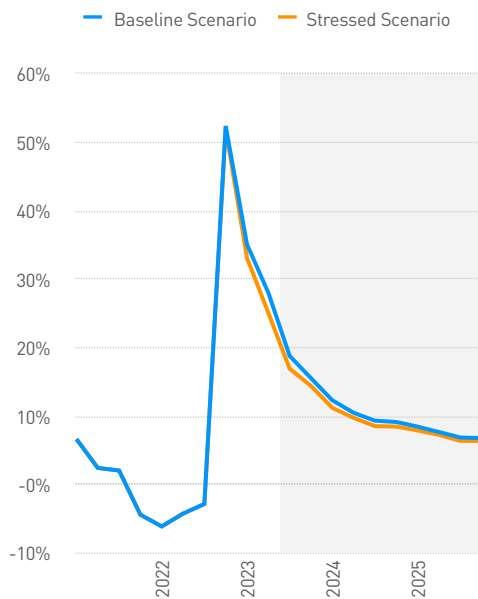
Source: MAPFRE Economics

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



Source: MAPFRE Economics

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



Source: MAPFRE Economics

domestic demand. In real terms, with average inflation close to 2%, real growth in Non-Life premiums is expected to average about 2% over the next two years. The performance of this market segment can be rescaled to have a greater effect on premiums in the corresponding direction in the *stressed scenario*, which considers higher interest rates for longer and, consequently, lower activity and higher inflation (see Charts 4.3-a and 4.3-b).

In turn, the Life insurance segment, having benefited from this start-of-year momentum, will tend to normalize its growth. The econometric model converges nominal premium growth towards historical average values of around 8% at the end of the forecast horizon. However, to that end, *ceteris paribus*, it is still possible to register annual average nominal rates above 30% in 2023, 15% in 2024 and 8% in 2025 (see Charts 4.3-c and 4.3-d). However, caution should be exercised with respect to these forecasts. Unlike the Non-Life insurance segment, where insurance companies are the only providers of protection, in the Life insurance segment (and particularly in the Life Savings insurance segment), insurance companies are only one of the market players. A change in savings remuneration strategies by other managers could generate significant changes in the dynamics of the competition within a short period of time. This could lead to a substantial change in

the demand for insurance products that function as savings vehicles. As a result, demand behavior in this segment is likely to be much more erratic.

Ultimately, a gradual normalization of nominal premiums may be observed over the forecast horizon as activity slows down as a result of monetary policy, but it will also be necessary to observe how inflation behaves, a situation that will make it possible to witness rapid growth in nominal premiums as a result of monetary policy. The Life segment, in turn, experienced an idiosyncratic event at the beginning of 2023, in which positive real interest rates, a great need to rebuild household savings based on unsatisfied demand, and a particular competitive reaction on the part of managers in the savings market all played a role. Therefore, the intensity of this event is not likely to be sustainable in the medium and long term and will tend to correct itself, with greater or lesser intensity, depending on the events in terms of interest rates, inflation, activity and competitive reaction that are expected on the horizon.

5. Analysis of capital requirements, shareholders' equity and solvency ratios

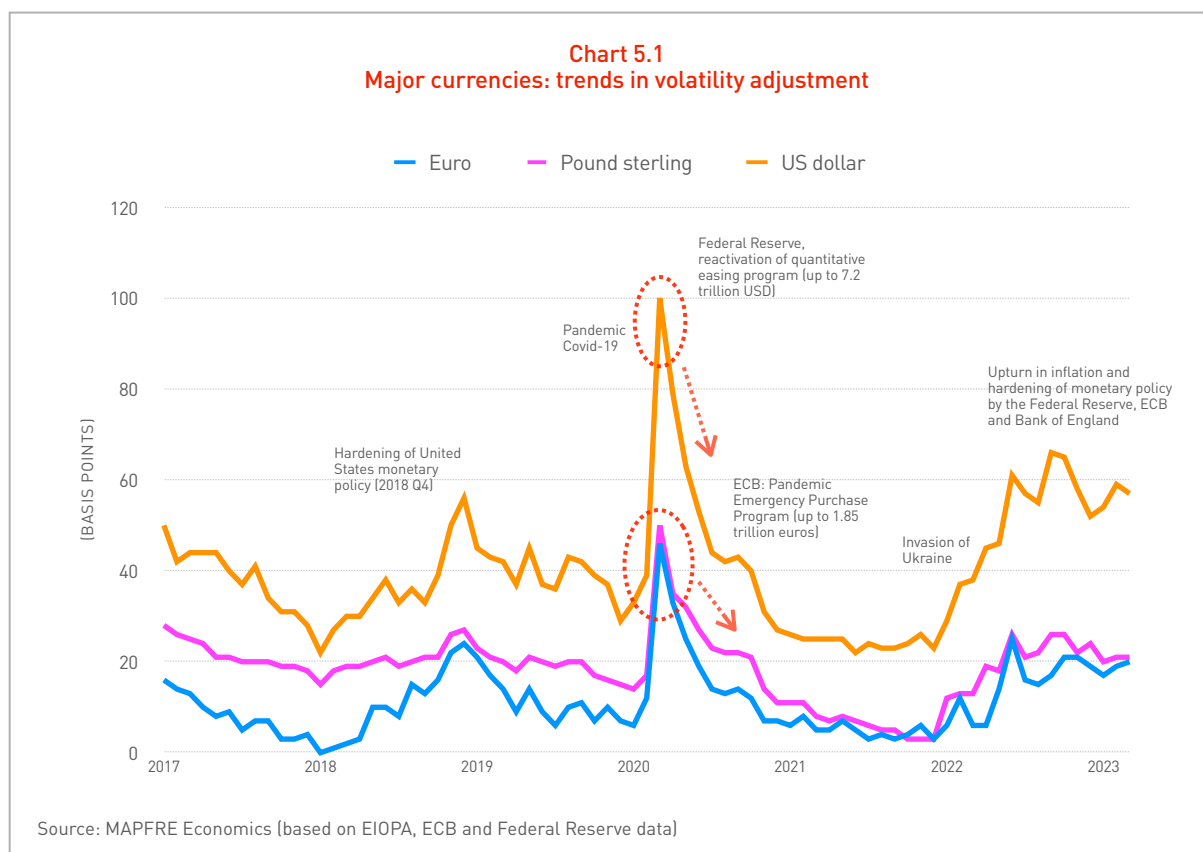
5.1 2022 Solvency and Financial Condition Report

The harmonized solvency regulatory system for insurance companies operating in the European Union, known as Solvency II, establishes a regulatory scheme based on three pillars. Pillar 1, aimed at determining the quantitative aspects that preserve companies' solvency positions. Pillar 2, which focuses on maintaining adequate governance and oversight of these companies. And, finally, Pillar 3, which is aimed at increasing transparency and disclosing information as a means to stimulate the mechanisms of market discipline. Thus, this prudential regulatory framework seeks to create incentives for insurance companies to be able to appropriately manage risks so as to protect policyholder interests and thereby ensure that the insurance industry contributes to economic and social development and, as a result, to the stability of the financial system.

In particular, the regulations related 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 shareholders' equity and, therefore, the solvency position of a given company.

Within this framework, and for the seventh year, the insurance companies operating in

the Spanish market have disclosed their SFCR during the first quarter of 2023. Based on the published information, this section of the report presents an analysis of the ratios published for a sample of the leading insurance providers operating in the Life segment, in both the Life and Non-Life segments (Composites), and those mainly operating in the Non-Life line. Moreover, a comparison of these companies' positions at the end of the previous year is also shown¹⁴. Furthermore, in order to strengthen this transparency commitment toward the market by insurance companies operating in the Spanish market, Pillar 3 regulations establish the obligation for such companies to disclose in their SFCR the impact that the non-application of transitional and adjustment measures (LTGs) would have had on their solvency ratio. The above 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 of 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 (seven 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 portfolios¹⁵; 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 assets¹⁶ 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. In turn, for companies mainly operating in the Non-Life insurance sector, the potential effects of not applying measures designed for products with long-term guarantees are 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 2022, related to the *volatility adjustment measure*. As this information shows, these were substantially higher than at the beginning of the year, with a progressive increase throughout the year, unlike what happened in 2021, when they

remained fairly stable. However, as a result of the outbreak of war in Ukraine in February 2022 and the sanctions imposed on Russia, the level of uncertainty rose significantly again, as reflected in the volatility adjustments, as energy and food prices also came under stress and supply chains again suffered from the effects of strict sanitary confinements in China. Once again, volatility adjustments partially offset the effect of these rallies on the solvency position of insurance companies and their groups, taking into account their nature as medium- and long-term institutional investors, highlighting once again the importance of this mechanism introduced by the Solvency II regulations.

5.2 Solvency ratios

For the selected sample of insurance companies operating in the Spanish market in 2022, the aggregate total solvency ratio amounted to 223%, 29 percentage points (pp) lower than the value recorded in 2021 (252%). With regard to shareholders' equity, it should be noted that practically all

eligible funds were of the highest quality, that is, 98.8% 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 70.0% of insurance premiums and 64.6% of technical provisions of the market in 2022, 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 2022 was 203% (257% in 2021), which represents a 54 pp decrease compared to the previous year. In particular, Chart 5.2-a shows that MAPFRE Vida still boasts the highest solvency ratio in this market segment, standing at 467% (118.2 pp below 2021). Solvency ratios are generally declining, except for BBVA Seguros (278% in 2022, with an increase of 6.0 pp) and Axa Aurora Vida (182%, with an increase of 21.8 pp). It is also apparent that, in the vast majority of cases, the solvency ratio in 2022 is below 200%.

In the case of insurance companies operating in both the Life and Non-Life insurance sectors (Composites), the total aggregate solvency ratio for 2022 was 217% (221% in 2021), a slight 4.0 pp decline compared to the previous fiscal year. As shown in Chart 2-b, with the exception of Santalucía and Catalana Occidente, which improved their solvency ratios by 43.0 and 33.3 pp, the remaining companies' ratios declined compared with the previous year. Of particular note is the case of Caser (197% in 2022), which ceased to apply the transitional measures this year, experiencing a significant decline of 66.0 pp in its solvency ratio.

Finally, the companies analyzed in this report operating solely or mainly in the Non-Life insurance industry had a total aggregate solvency ratio of 257% in 2022, 16 pp below that recorded for the previous fiscal year. As shown in Chart 2-c, in the case of these types of companies, the largest solvency ratio setbacks occurred in SegurCaixa Adeslas, with a ratio of 176% in 2022 (34.7 pp lower than in 2021); MAPFRE España, with a solvency ratio of 200% (32.1 pp lower than in 2021); and Reale Seguros

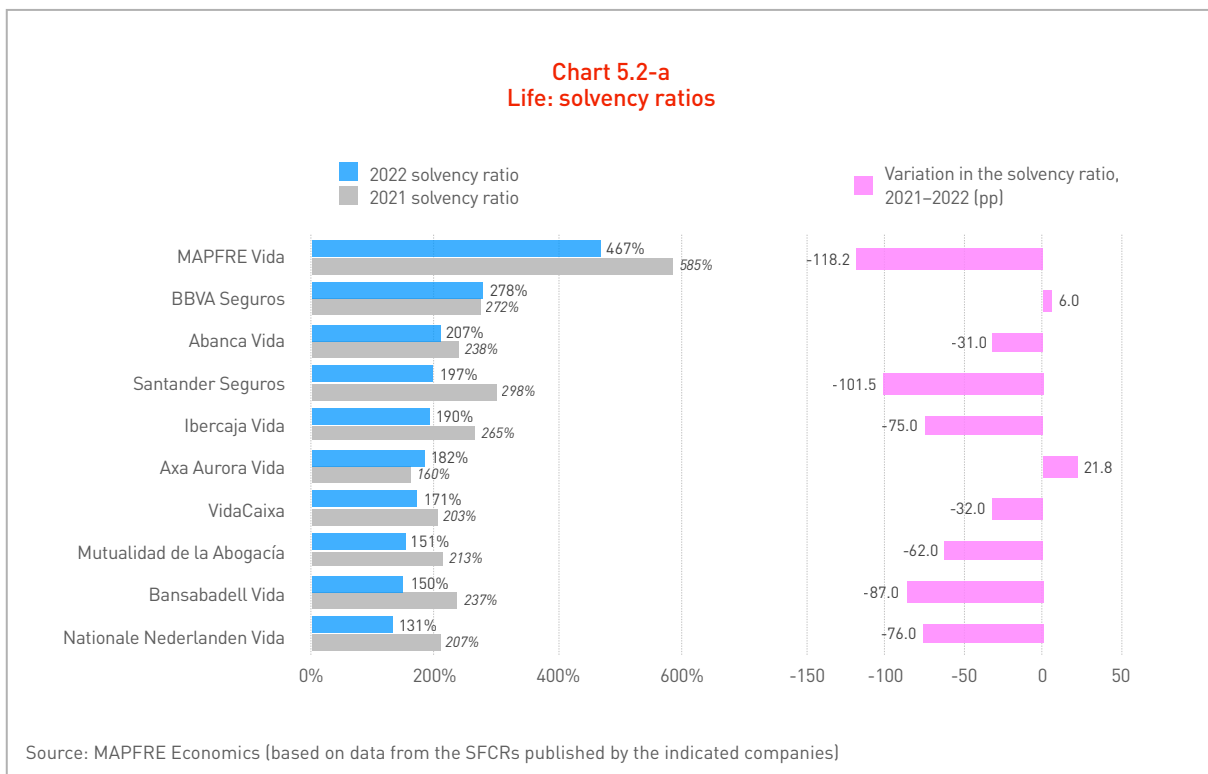
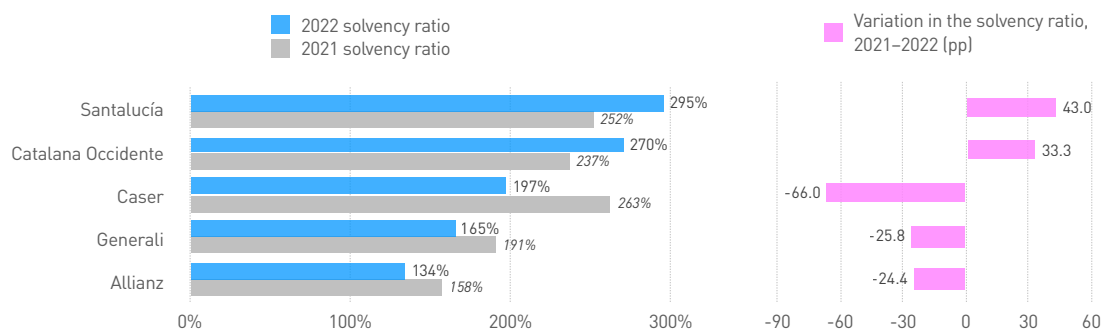


Chart 5.2-b
Composites: solvency ratios



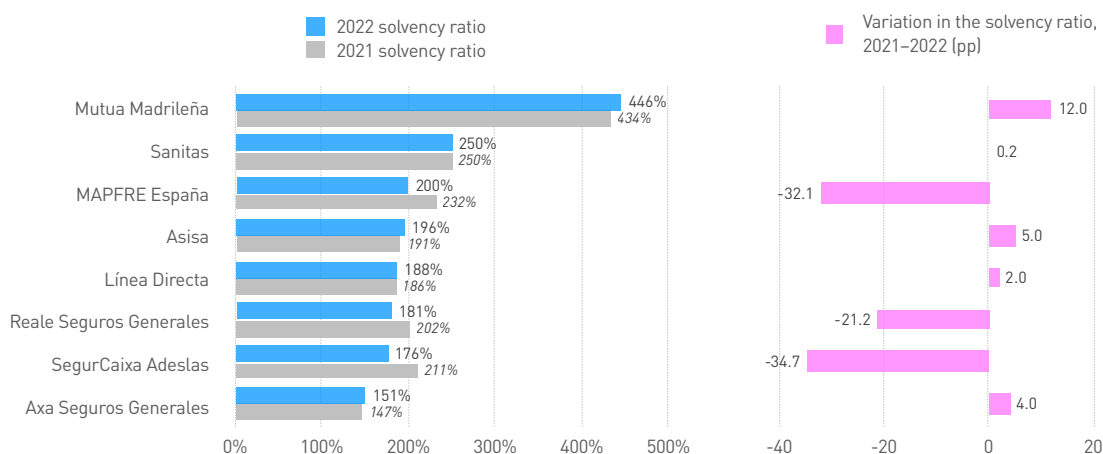
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Generales, with a ratio of 181% (21.2 pp lower than in the previous year). Meanwhile, Mutua Madrileña performed differently, with a solvency ratio of 446%, which was 12.0 pp higher than that observed in 2021. The remaining companies considered in this section of the analysis saw improvements in their solvency ratios: Asisa, with a ratio of 196% (+5.0 pp compared to 2021); Axa, with a solvency ratio of 151% in 2022 (+4.0 pp vs. 2021); and Línea Directa and Sanitas, with ratios of 188% and 250%, respectively.

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. Likewise, Chart 5.3-a illustrates the effect of the measures applied by each company on the solvency ratios in 2022, on a disaggregated basis, as well as the

Chart 5.2-c
Non-Life: solvency ratios



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

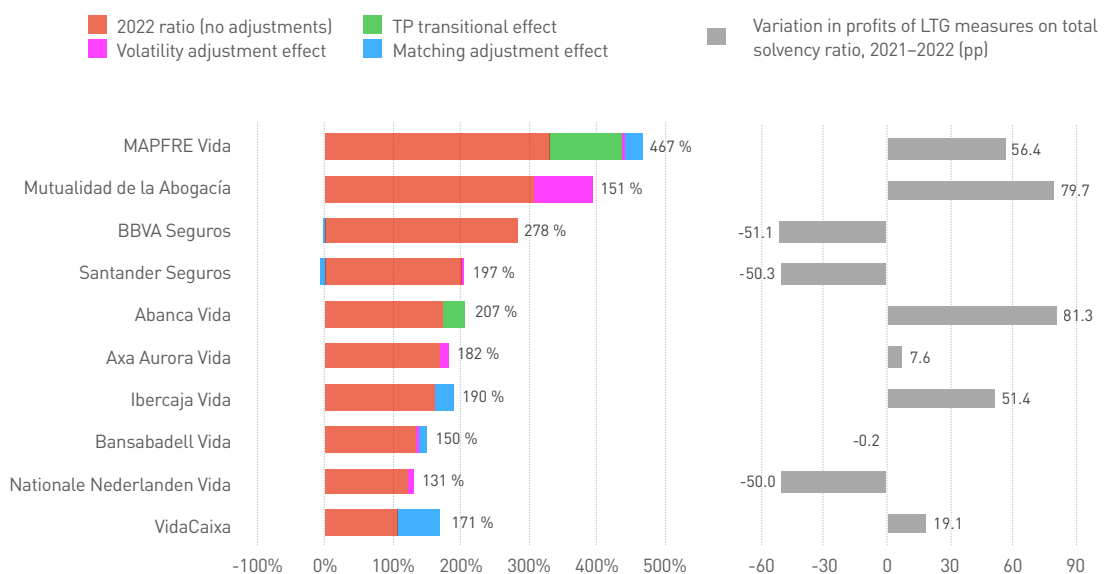
Table 5.3-a
Life: SCR result and solvency ratio, 2022
 (thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	SCR required	Solvency ratio	SCR over TP	Eligible own funds over assets	SCR over premiums
VidaCaixa	60,182,693	8,506,584	3,530,576	2,060,210	171.4%	3.4%	2.6%	24.2%
Santander Seguros	12,515,198	2,216,450	1,198,435	608,529	196.9%	4.9%	3.7%	27.5%
MAPFRE Vida	10,592,843	1,582,772	2,093,506	448,703	466.6%	4.2%	3.0%	28.3%
Bansabadell Vida	7,245,741	1,130,356	772,362	514,949	150.0%	7.1%	5.7%	45.6%
Ibercaja Vida	6,047,509	1,114,962	461,626	243,273	189.8%	4.0%	3.6%	21.8%
BBVA Seguros	9,716,409	876,415	1,472,099	528,631	278.5%	5.4%	3.4%	60.3%
Axa Aurora Vida	5,357,301	750,578	737,984	406,289	181.6%	7.6%	5.7%	54.1%
Mutualidad de la Abogacía	8,464,184	706,025	978,710	248,525	393.8%	2.9%	2.6%	35.2%
Abanca Vida	1,321,150	541,032	349,667	169,068	206.8%	12.8%	8.8%	31.2%
Nationale Nederlanden Vida	3,248,153	531,390	287,752	220,442	130.5%	6.8%	6.0%	41.5%

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

* Taken from figures on premiums, loss ratio and expense tables.

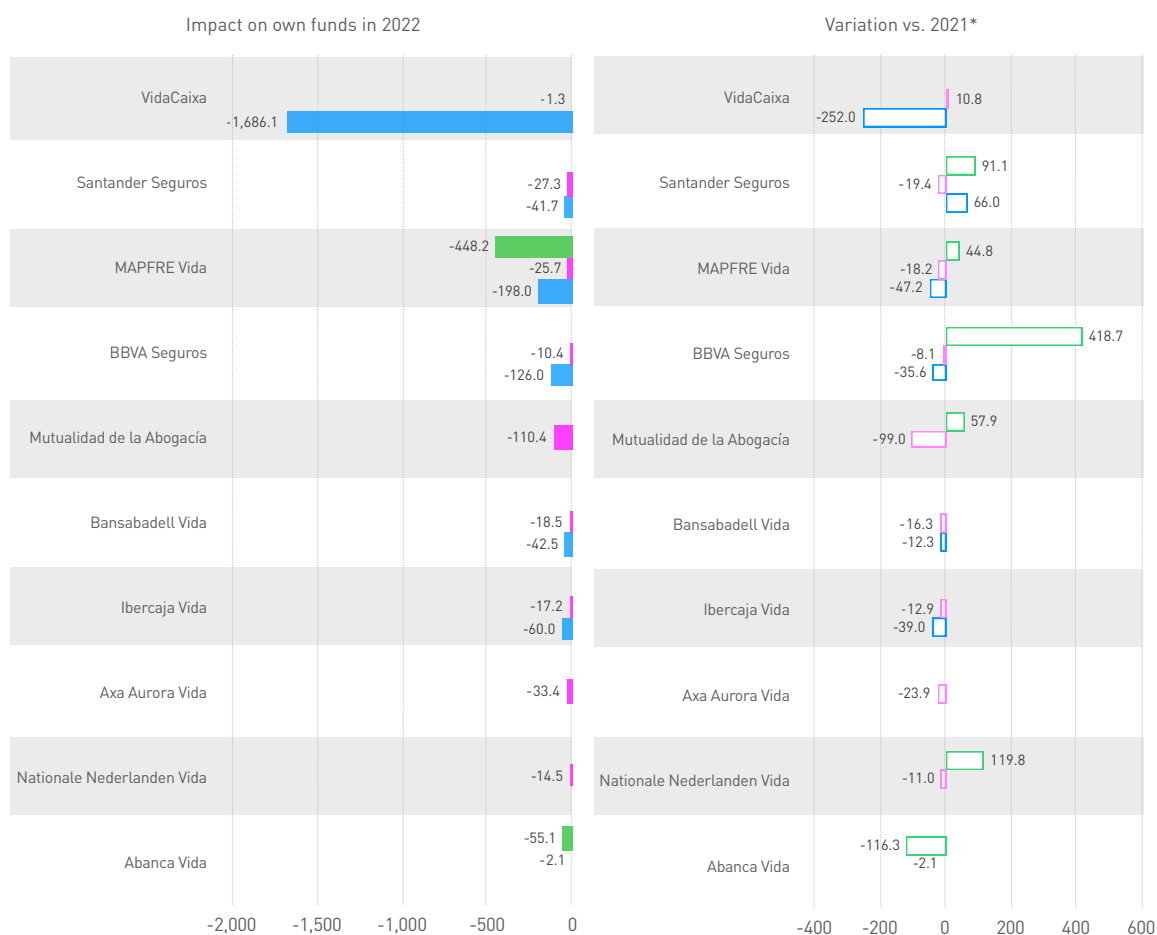
Chart 5.3-a
Life: effect of LTG measures on solvency ratios, 2022



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, 2022
 (millions of euros)

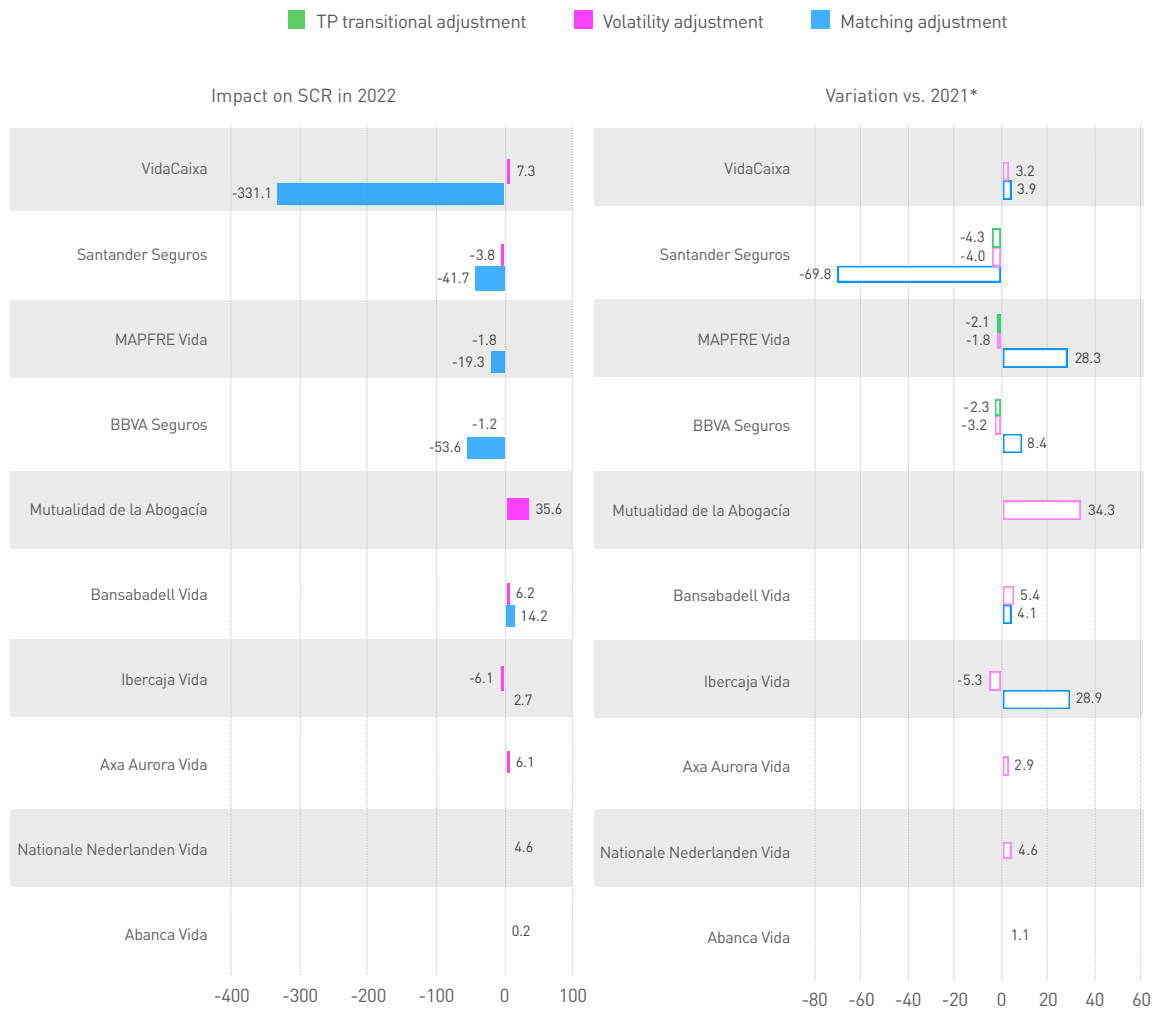
■ TP transitional adjustment ■ Volatility adjustment ■ Matching adjustment



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, 2022
 (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, 2022
(thousands of euros)

Company	Eligible own funds*	Impact on own funds of the TP transitional adjustment	Impact on own funds of the volatility adjustment	Impact on own funds of the matching adjustment
VidaCaixa	3,530,576	-	-1,312	-1,686,087
Santander Seguros	1,198,435	-	-27,335	-41,660
MAPFRE Vida	2,093,506	-448,155	-25,692	-197,989
Bansabadell Vida	772,362	-	-18,490	-42,545
Ibercaja Vida	461,626	-	-17,162	-59,969
BBVA Seguros	1,472,099	-	-10,443	-126,018
Axa Aurora Vida	737,984	-	-33,378	-
Mutualidad de la Abogacía	978,710	-	-110,358	-
Abanca Vida	349,667	-55,081	-2,074	-
Nationale Nederlanden Vida	287,752	-	-14,505	-

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.

variation in the overall benefit of the application of these measures with respect to 2021. This information shows that the relative benefit obtained from the application of the transitional and adjustment measures

increased between 2021 and 2022 in the cases of MAPFRE Vida, Mutualidad de la Abogacía, Abanca Vida, Axa Aurora Vida, Ibercaja Vida and VidaCaixa, while for BBVA Seguros, Seguros Santander, Bansabadell

Table 5.3-c
Life: impact of applying Directive measures for long-term products on SCR, 2022
(thousands of euros)

Company	SCR Required	Impact on SCR of the transitory TP adjustment	Impact on SCR of the volatility adjustment	Impact on SCR of the matching adjustment
VidaCaixa	2,060,210	-	7,252	-331,114
Santander Seguros	608,529	-	-3,824	-41,665
MAPFRE Vida	448,703	-	-1,777	-19,344
Bansabadell Vida	514,949	-	6,163	14,182
Ibercaja Vida	243,273	-	-6,060	2,678
BBVA Seguros	528,631	-	-1,226	-53,634
Axa Aurora Vida	406,289	-	6,109	-
Mutualidad de la Abogacía	248,525	-	35,621	-
Abanca Vida	169,068	-	196	-
Nationale Nederlanden Vida	220,442	-	4,559	-

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

Table 5.4-a
Composites: SCR result and solvency ratio, 2022
 (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
Allianz	6,456,708	2,631,645	785,007	584,142	134.4%	9.0%	22.2%	6.6%
Generali	5,692,575	2,234,995	1,594,762	966,531	165.0%	17.0%	43.2%	10.9%
Santalucía	3,907,173	1,634,304	2,591,844	877,807	295.3%	22.5%	53.7%	11.2%
Catalana Occidente	3,816,130	1,178,922	2,312,073	855,541	270.2%	22.4%	72.6%	12.0%
Caser	3,650,402	1,433,262	1,373,676	697,189	197.0%	19.1%	48.6%	12.1%

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

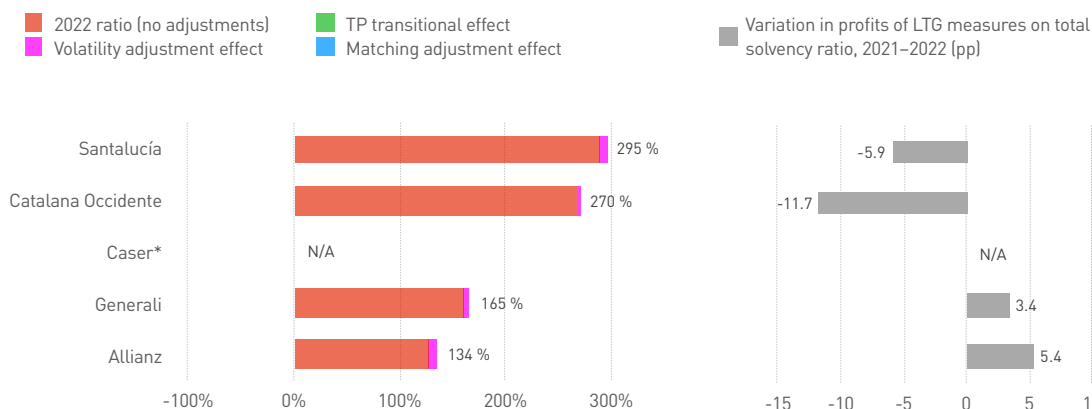
Vida and Nationale Nederlanden Vida, the benefit was reduced in that period.

As supplemental information for the sample of insurance companies operating in the Life segment, Charts 5.3-b and 5.3-c, as well as Tables 5.3-b and 5.3-c, include a breakdown of the potential impact on shareholders' equity and SCR if they were not entitled to apply the transitional and LTG measures provided for in the Solvency II Directive for insurance products with long-term guarantees.

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

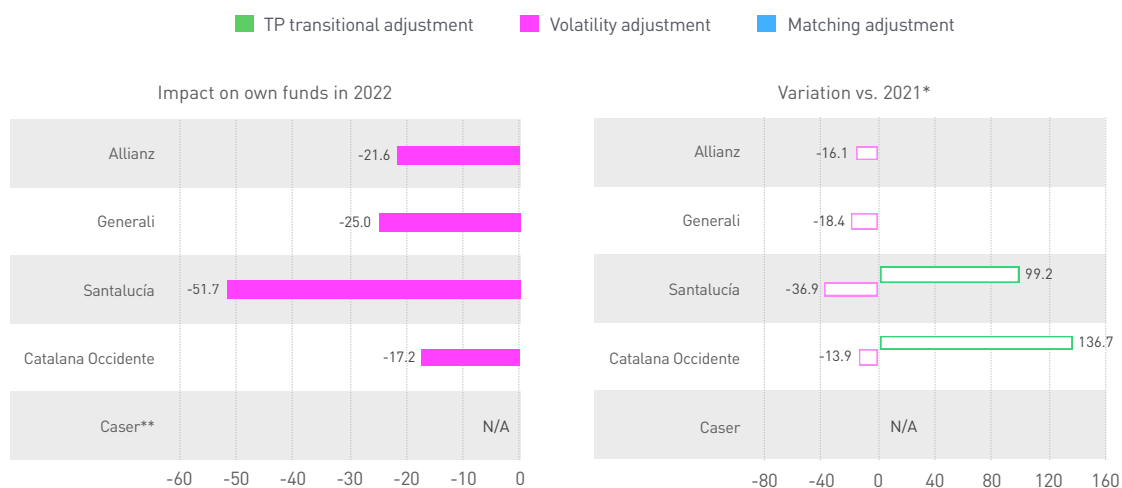
The SCR and solvency ratio results of each of the companies that operate both Life and Non-Life (Composite) considered in the analysis, along with some figures to facilitate their comparison, are presented in Table 5.4-a. This information shows that the composite insurance companies, considered for the purposes of this analysis, with the

Chart 5.4-a
Composites: effect of LTG measures on solvency ratios, 2022



Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)
 * Form 22.01 of information for oversight and statistics-accounting purposes not available (Appendix I)

Chart 5.4-b
Composites: impact of transitional and adjustment measures on own funds, 2022
(millions of euros)

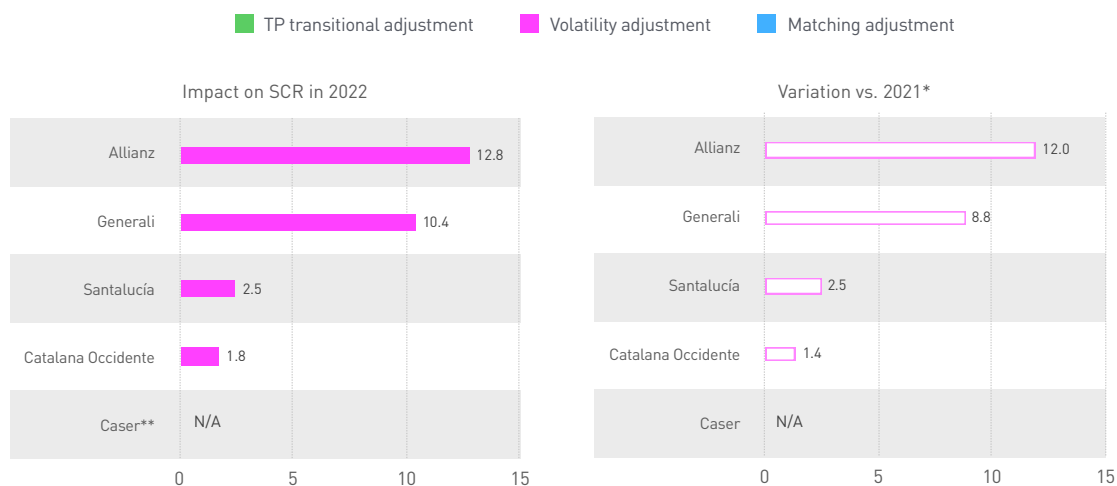


Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

* Negative variation implies increased impact of adjustment.

** Form 22.01 of information for oversight and statistics-accounting purposes not available (Appendix I)

Chart 5.4-c
Composites: impact of transitional and adjustment measures on SCR, 2022
(millions of euros)



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

* Negative variation implies increased impact of adjustment.

** Form 22.01 of information for oversight and statistics-accounting purposes not available (Appendix I)

Table 5.4-b
Composites: impact of applying Directive measures for long-term products on own funds, 2022
 (thousands of euros)

Company	Eligible own funds*	Impact on own funds of the TP transitional adjustment	Impact on own funds of the volatility adjustment	Impact on own funds of the matching adjustment
Allianz	785,007	-	-21,566	-
Generali	1,594,762	-	-25,021	-
Santalucía	2,591,844	-	-51,728	-
Catalana Occidente	2,312,073	-	-17,230	-
Caser**	1,373,676	N/A	N/A	N/A

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.

** Form 22.01 of information for oversight and statistics-accounting purposes not available (Appendix I)

highest solvency ratios were Santalucía and Catalana Occidente, with ratios of 295.3% and 270.2%, respectively. Likewise, Chart 5.4-a illustrates the weight of the effect of the LTG measures applied by each of these companies on solvency ratios¹⁷.

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 shareholders' equity and SCR if the insurance companies considered in this segment were not entitled to apply the transitional and adjustment measures provided for in the Solvency II Directive for insurance products with long-term guarantees operated by the

insurance companies considered in this segment of the analysis.

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 2022. 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 2022 and 2021 for the insurance companies considered in the sample for this segment of the Spanish

Table 5.4-c
Composites: impact of applying Directive measures for long-term products on SCR, 2022
 (thousands of euros)

Company	SCR required	Impact on SCR of the transitory TP adjustment	Impact on SCR of the volatility adjustment	Impact on SCR of the matching adjustment
Allianz	584,142	-	12,817	-
Generali	966,531	-	10,422	-
Santalucía	877,807	-	2,466	-
Catalana Occidente	855,541	-	1,820	-
Caser*	697,189	N/A	N/A	N/A

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

* Form 22.01 of information for oversight and statistics-accounting purposes not available (Appendix I)

Table 5.5
Non-Life: SCR result and solvency ratio, 2022
 (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	5,392,303	4,106,839	2,152,090	1,078,319	199.6%	20.0%	13.3%	26.3%
SegurCaixa Adeslas	4,391,171	875,850	914,542	518,564	176.4%	11.8%	15.2%	59.2%
Axa Seguros Generales	1,962,405	1,698,053	838,670	555,738	150.9%	28.3%	16.5%	32.7%
Sanitas	1,674,526	75,426	475,887	190,517	249.8%	11.4%	24.1%	252.6%
Mutua Madrileña	1,543,910	2,261,849	4,995,845	1,120,659	445.8%	72.6%	14.2%	49.5%
Asisa	1,413,717	312,228	502,390	256,239	196.1%	18.1%	27.0%	82.1%
Reale Seguros Generales	964,869	755,411	424,385	235,076	180.5%	24.4%	16.3%	31.1%
Línea Directa	946,653	554,349	347,531	185,056	187.8%	19.5%	17.4%	33.4%

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

* Taken from figures on premiums, loss ratio and expense tables.

market is presented in point 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 transitional and adjustment measures for products with long-term guarantees (LTG) 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, underwriting risk and operational risks) in 2022 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.

In this sense, 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 use specific parameters to calculate their underwriting risk for medical expense insurance premiums.

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, 5.6-b, 5.6-c, and 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 2021 in the relative weight of each module is reflected at the top of each Chart.

Table 5.6
Relative weight of risk modules, diversification and loss-absorbing capacity, 2022

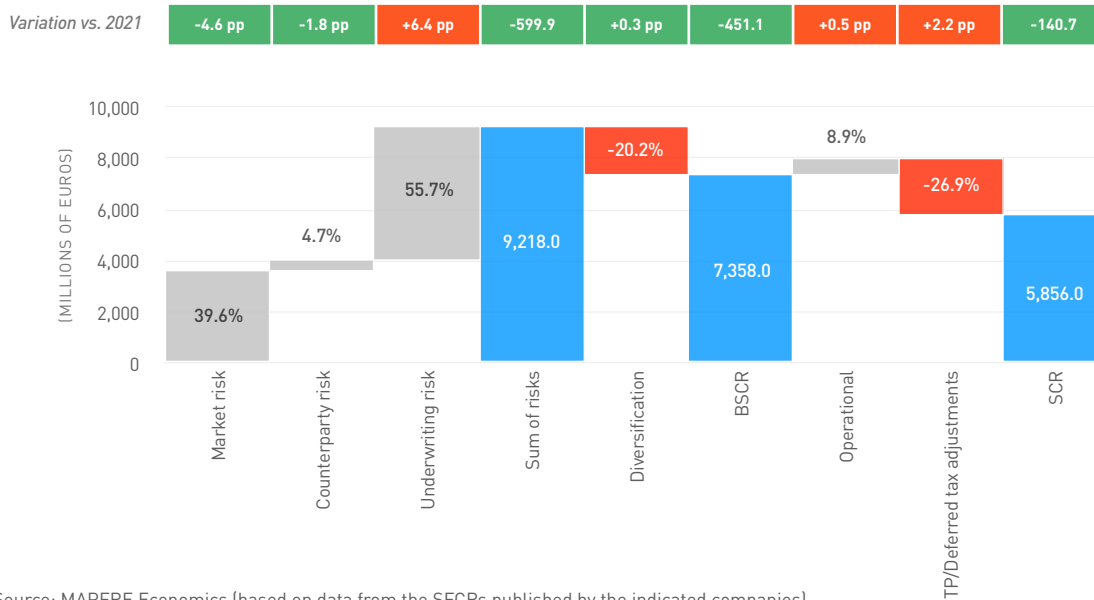
Company	Market	Credit	Underwriting	Diversification	Operational	LAC (DT)	LAC (TP)
VidaCaixa	29.9%	1.7%	68.4%	-18.6%	10.6%	-30.0%	
Santander Seguros	46.1%	2.5%	51.5%	-22.4%	12.9%	-20.7%	
MAPFRE Vida	53.7%	10.9%	35.3%	-26.1%	8.1%	-25.0%	-16.9%
Bansabadell Vida	32.7%	4.2%	63.0%	-20.6%	7.5%	-12.3%	-8.5%
Ibercaja Vida	28.8%	3.8%	67.4%	-18.3%	8.9%	-30.0%	
BBVA Seguros	25.9%	8.0%	66.0%	-23.2%	7.9%	-30.0%	
Axa Aurora Vida	47.1%	10.9%	42.0%	-25.3%	3.7%	-11.2%	-5.9%
Mutualidad de la Abogacía	82.8%	2.9%	14.3%	-11.7%	4.8%	-21.1%	
Abanca Vida	19.7%	5.6%	74.6%	-16.8%	15.4%	-30.0%	
Nationale Nederlanden Vida	32.0%	7.8%	60.2%	-22.3%	6.3%	-21.1%	
Allianz	28.2%	5.7%	66.2%	-35.0%	11.6%	-20.3%	-2.6%
Generali	38.1%	8.5%	53.5%	-33.5%	5.9%	-14.5%	-3.7%
Santalucía	66.2%	2.6%	31.2%	-22.1%	5.0%	-25.0%	-2.6%
Catalana Occidente	66.5%	1.5%	32.0%	-22.0%	3.4%	-25.0%	
Caser	45.9%	7.2%	46.9%	-32.2%	14.3%	0.0%	
MAPFRE España	36.7%	8.3%	55.0%	-31.1%	12.8%	-25.0%	
SegurCaixa Adeslas	17.4%	7.9%	74.7%	-36.5%	22.6%	-24.2%	
Axa Seguros Generales	32.8%	6.5%	60.7%	-26.4%	10.3%	-11.2%	
Sanitas	20.3%	4.3%	75.3%	-16.0%	28.8%	-13.2%	
Mutua Madrileña	69.1%	2.2%	28.8%	-19.0%	5.1%	-14.4%	
Asisa	43.8%	3.8%	52.4%	-24.7%	15.4%	-19.4%	
Reale Seguros Generales	36.8%	4.9%	58.3%	-23.4%	10.3%	-23.6%	
Línea Directa	33.5%	2.6%	64.0%	-20.3%	12.7%	-25.0%	

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

An analysis of this information shows that, in 2022, the Life segment (Chart 5.6-a) saw a decrease in the relative weight of market risk (-4.6 pp) and counterparty risk (-1.8 pp), while there was an increase in underwriting risk (+6.4 pp) and operational risk (+0.5 pp). There is also an evident increase in the overall weight of diversification profit (+0.3 pp), as well as a reduction of the weight (negative) of the loss-absorbing capacity of deferred taxes and of technical provisions for products involved in discretionary profit sharing (+2.2 pp). In the case of the Composite companies segment (Chart 5.6-b), there was also a reduction in the relative weight of market and counterparty risks (-1.1 pp

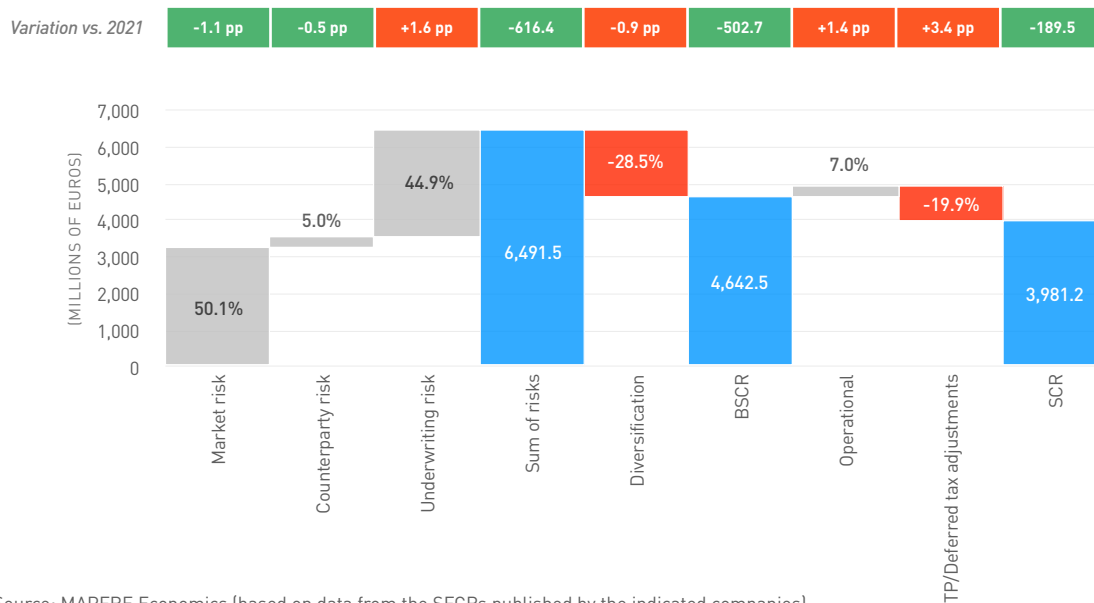
and -0.5 pp, respectively), as well as an increase in the relative weight of the underwriting risk module (+1.6 pp) and operational risk (+1.4 pp). The companies that predominantly operate Non-Life insurance (Chart 5.6-c), in turn, have experienced a decrease in the relative weight of market and counterparty risks (-3.7 and -0.5 pp, respectively), with an increase in the weight of underwriting and operational risks (+4.2 pp and +1.8 pp, in each case), along with lower weight of the earnings discount due to the deferred tax adjustment (+0.4 pp). Finally, for the market as a whole (Chart 5.6-d), the weight of the market risk component (-3.1 pp) and counterparty risk (-1.2 pp) decreased, while

Chart 5.6-a
Life: relative weight of the different SCR elements
for the sample analyzed, 2022



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, 2022



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

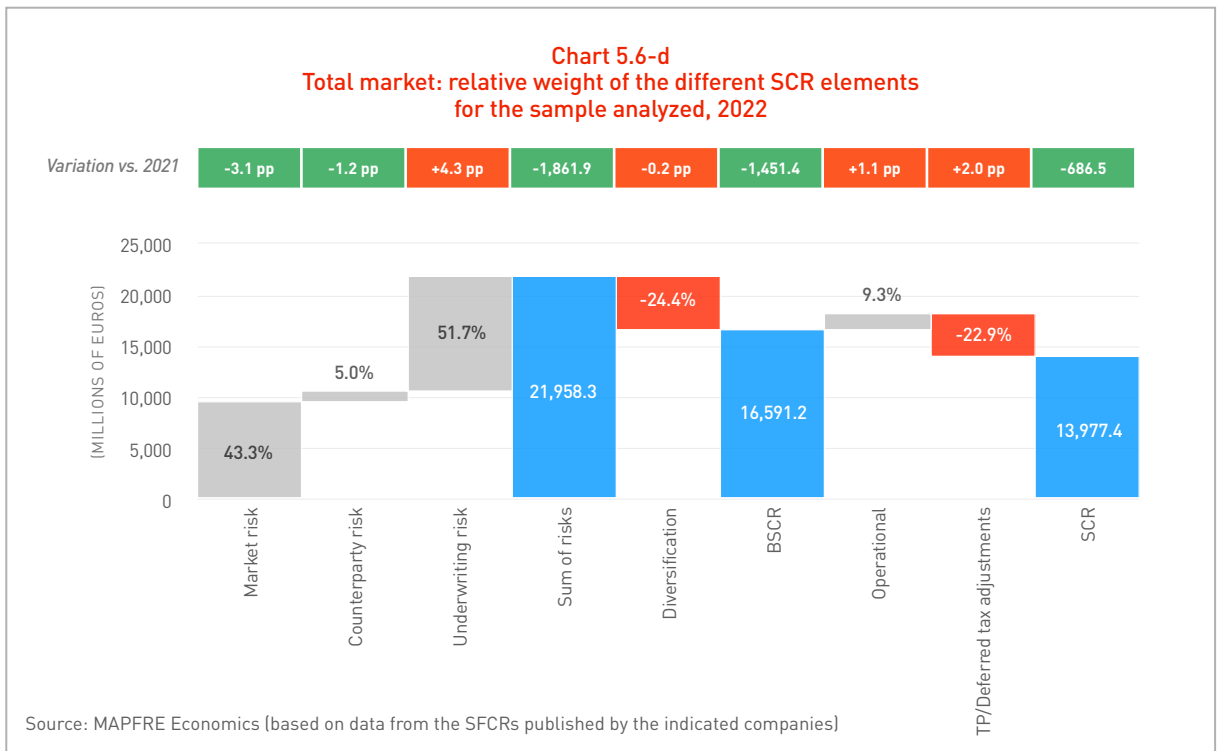
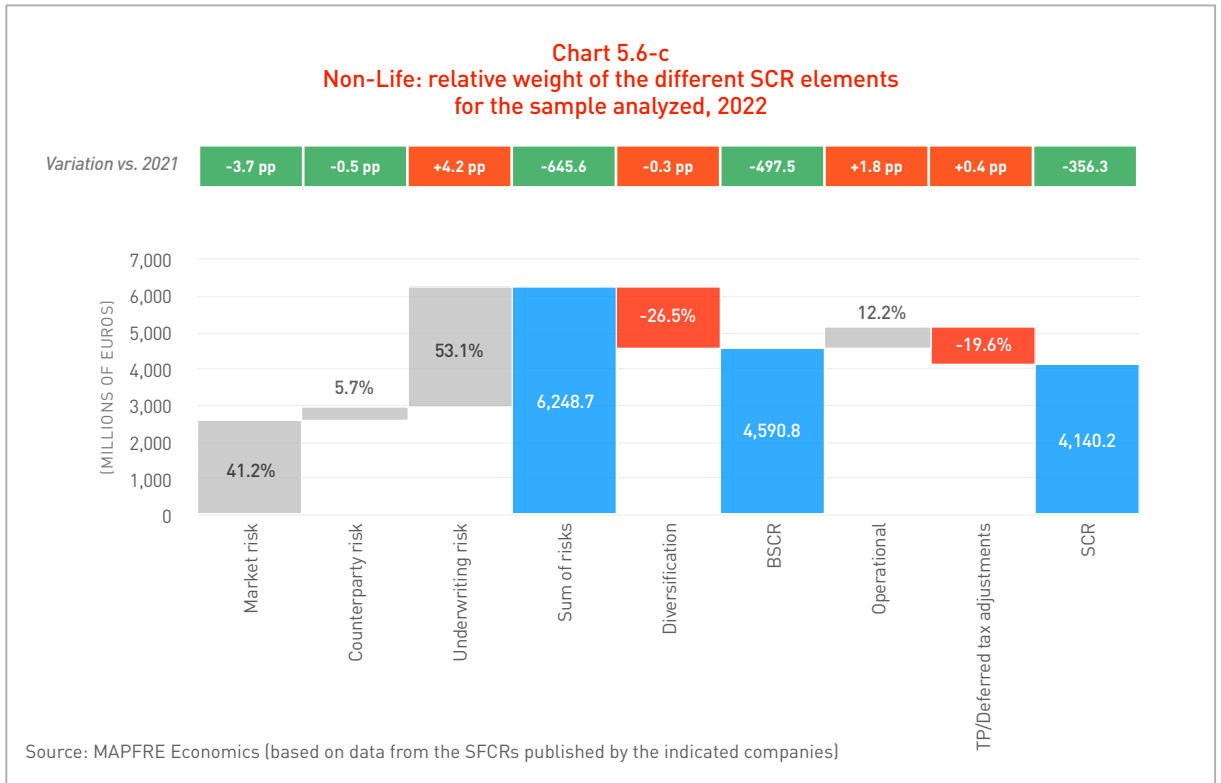
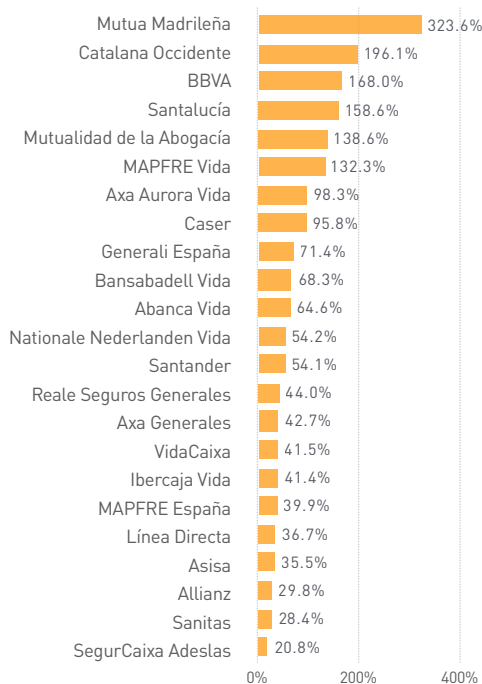


Chart 5.6-e
Relative weight of own funds vs. technical provisions, 2022



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, 2022

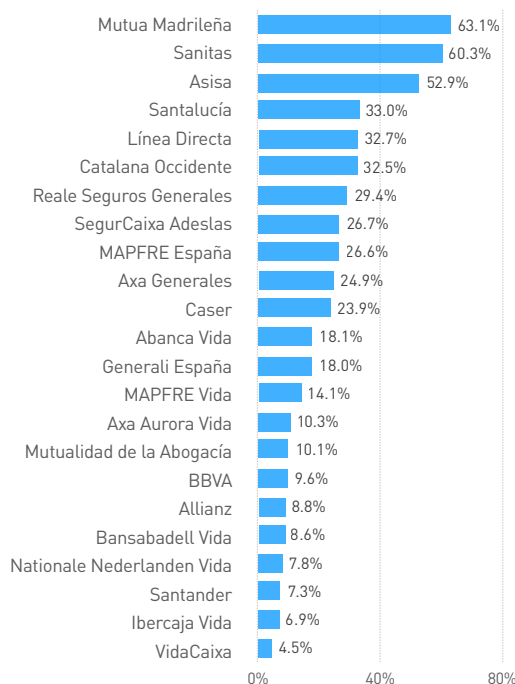


Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

the underwriting risk module increased (+4.3 pp), as did the operational risk component (+1.1 pp). In addition, the information shows that, between 2021 and 2022, the relative weight of diversification benefits decreased slightly (-0.2 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 shareholders' equity for the insurance companies considered, based on certain representative figures of their size, such as technical provisions, premiums and total asset volume.

Chart 5.6-g
Relative weight of own funds vs. assets, 2022



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

6. Regulatory outlook

Sustainability regulations in the European Union

Disclosure of sustainability information

Of the three main standards in the regulatory framework relating to sustainability market disclosure requirements, the following regulatory milestones occurred during 2022 and so far in 2023.

First, the approval of the legislation implementing the Regulation on disclosure of information related to sustainability in the financial services sector (known as the SFDR¹⁸ Regulation). In this regard, on July 25, 2022, the Technical Regulatory Standards that develop the content of Regulation 2019/2088 SFDR¹⁹ were published in the Official Journal of the European Union. These technical implementing standards apply as of January 1, 2023 and specify the content, methods and presentation of information in pre-contractual documents, on websites and in periodic reports, concerning sustainability indicators and adverse incidents, as well as products promoting environmental or social characteristics (Art. 8 SFDR) or targeting sustainable investments (Art. 9 SFDR). It should be noted that a series of amendments commissioned by the European Commission are currently being analyzed by the European Supervisory Authorities (ESAs) in order to prepare a reform proposal. The ESAs' consultation on the SFDR RTS ends on July 4, and in October it is due to submit its advice to the Commission, which should adopt a text by the end of the year. It should be noted that this is a transversal regulation, therefore it applies not only to insurance companies and insurance brokers, but also to credit institutions, fund managers, and, to practically all players involved in the financial markets in general.

Next, with respect to Taxonomy Regulation 2020/852 (concerning the establishment of a framework to facilitate sustainable investments²⁰, known as The Taxonomy Regulation or "TR"), on July 15, 2022, Delegated Regulation 2022/2014 of March 9, 2022, on the inclusion of certain gas and nuclear activities in the European Union (EU) Environmental Taxonomy Regulation, applicable as of January 1, 2023, was published in the Official Journal of the European Union (EU). The EU taxonomy system is a classification system that establishes a list of economic activities that can be considered environmentally sustainable based on six objectives: (i) climate change mitigation; (ii) climate change adaptation; (iii) the sustainable use and protection of water and marine resources; (iv) the transition to a circular economy; (v) pollution prevention and control; and (vi) the protection and restoration of biodiversity and ecosystems²¹.

Finally, on December 16, 2022, Directive 2022/2464 on corporate sustainability reporting²² (Corporate Sustainability Reporting Directive, CSRD) was published in the Official Journal of the European Union, which amends the current Directive 2013/34/EU (transposed in Spain through Law 11/2018), in terms of non-financial information and diversity. In this regard, Member States have until July 6, 2024 to transpose it. The sustainability information established in the CSRD shall be published according to standardized rules (ESRS). These standards (drafted by the European Financial Reporting Advisory Group, EFRAG) are currently under review by the European Commission, which must submit a proposal for a delegated regulation for a first set of standards by July 19, 2023 (after which the European Parliament and Council have a 2-month scrutiny period before publication in the Official Journal of

the European Union), and another by June 30, 2024. There are 12 cross-cutting, environmental, social and governance standards.

Corporate Sustainability Due Diligence

Meanwhile, the European Commission's proposal for a Corporate Sustainability Due Diligence Directive (CSDDD) was adopted by the Commission on February 23, 2022²³ and is currently still under discussion by the co-legislators. In this regard, on December 1, 2022 the Council adopted its general position²⁴, and on April 25 the JURI Committee of the European Parliament adopted its final report on the proposed Directive. Debates are scheduled to take place on July 10 and September 7.

The main topics of debate in this proposal (aimed primarily at companies with more than 500 employees and more than €150 million in net business volume worldwide) are on the requirement for EU-based companies to monitor their global value chains for potential adverse environmental and human rights impacts, how to include climate due diligence, and whether or not to exclude the financial services sector from the scope of application. The importance of this draft Directive is noteworthy, since it affects substantial aspects beyond the disclosure requirements, including rules on civil liability and penalties.

Amendments to the Solvency II Directive

On June 17, 2022, the European Council reached agreement on its position²⁵ on amendments to the Solvency II Directive based on the European Commission's proposal²⁶, emphasizing that the insurance industry has great potential to contribute to the realization of the Capital Markets Union and the financing of green and digital transitions, bringing private funding sources to European companies and making the economy stronger by providing protection against a wide range of risks. The Commission's proposed amendments include, among others, aspects such as proportionality measures, quality of oversight, information disclosure, measures for products with long-term guarantees, macroprudential tools and the adaptation of the framework to the European "Green Deal". As of the closure of this report, the European Parliament remains in the textual review phase in its Committee on Economic and Monetary Affairs (ECON).

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References

1/ See: MAPFRE Economics (2023), *2023 Economic and industry outlook: third quarter perspectives*, Madrid, Fundación MAPFRE.

2/ See: <https://www.boe.es/buscar/act.php?id=BOE-A-2023-12203>

3/ See: <https://www.boe.es/buscar/doc.php?id=BOE-A-2022-9838>

4/ See: MAPFRE Economics (2022), *The Spanish Insurance Market in 2021*, Madrid, Fundación MAPFRE.

5/ See: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20210407-1>

6/ See: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20220506-2>

7/ See: MAPFRE Economics (2022), *COVID-19: a preliminary analysis of demographic and insurance industry impacts*, Madrid, Fundación MAPFRE.

8/ See: <https://population.un.org/wpp/Download/Standard/Population/>

9/ It should be noted that the trends in the MAPFRE Group's premiums were also influenced by the absence in 2022 of the extraordinary biennial policy in Mexico and the sale of Bankia Vida.

10/ The value of investments, based on information from companies that report to the European Insurance and Occupational Pensions Authority (EIOPA), reached €263.165 billion in 2022, versus €307.807 the previous year. The *Global savings and insurance industry investments* study by MAPFRE Economics expands on this information with a comparative analysis at the international level of investment portfolios in the insurance industry. See: MAPFRE Economics (2023), *Global savings and insurance industry investments*, Madrid, Fundación MAPFRE.

11/ 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.

12/ 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 2021 and previous years may reflect discrepancies when compared with information presented in last year's report (MAPFRE Economics [2022], *The Spanish Insurance Market in 2021*, 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.

13/ 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.

14/ The Solvency and Financial Condition Reports referred to in this report were consulted at the following links. For 2021 reports:

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

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

Bankia Vida: <https://www.mapfre.com/solvencia/>

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

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

Ibercaja Vida: <https://www.ibercajavidacom/>

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

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

Mutualidad de la Abogacía: <https://www.mutualidadabogacia.com/institucional/empresa/informe-gestion/> or <https://www.mutualidadabogacia.com/memorias-e-informes/>

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>

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

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

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

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

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

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

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

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

Reale Seguros Generales: <https://www.reale.es/es/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>

The following links refer to 2022 reports:

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.bbvasseguros.com/informacion-societaria/situacion-financiera-y-de-solvencia/>

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

Ibercaja Vida: <https://www.ibercajavidacom/>

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](#)

Mutualidad de la Abogacía: <https://www.mutualidadabogacia.com/institucional/empresa/informe-gestion/>

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>

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

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

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

AXA Seguros Generales: www.axa.es/informes-sfcr

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

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

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

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

Reale Seguros Generales: <https://www.reale.es/es/quienes-somos/la-compania/informacion-economica>

Ocaso: <https://www.ocado.es/es/corporativa/datos-economicos>

Santander Seguros Generales: <https://www.santanderseguros.es/san/sansegueros/informacion-financiera-solvencia>

15/ 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.

16/ 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.

17/ It should be noted that, for Caser, some comparisons related to the application of transitional and adjustment measures (LTG) could not be included, because at the time this report was closed, the corresponding form 22.01 for oversight and statistical-accounting information was not available (Annex I).

18/ See: <https://eur-lex.europa.eu/legal-content/ES/TXT/?uri=CELEX%3A32019R2088>

19/ See: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2022.196.01.0001.01.ENG&toc=OJ%3AL%3A2022%3A196%3ATOC

20/ See: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32020R0852>

21/ See: https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

22/ See: <https://eur-lex.europa.eu/legal-content/ES/TXT/PDF/?uri=CELEX:32022L2464&from=EN>

23/ See: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071>

24/ See: <https://www.consilium.europa.eu/en/press/press-releases/2022/12/01/council-adopts-position-on-due-diligence-rules-for-large-companies/>

25/ See: <https://www.consilium.europa.eu/en/press/press-releases/2022/06/17/solvency-ii-council-agrees-itsposition-on-updated-rules-for-insurance-companies/>

26/ See: <https://data.consilium.europa.eu/doc/document/ST-11763-2021-INIT/en/pdf>

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Table A.1.
Size of the leading global insurance markets, 2012-2022
 (premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

Country / Region	2012			2013			2014		
	Premiums	Premiums per capita	Premiums / GDP	Premiums	Premiums per capita	Premiums / GDP	Premiums	Premiums per capita	Premiums / GDP
United States	1,272	4,052	7.9%	1,255	3,969	7.5%	1,271	3,987	7.3%
Japan	618	4,813	10.3%	492	3,835	9.6%	472	3,684	9.9%
China	329	4,596	10.7%	326	4,512	10.3%	337	4,619	9.7%
United Kingdom	245	177	2.9%	280	201	2.9%	328	235	3.1%
France	238	3,510	8.6%	256	3,734	8.8%	271	3,923	9.1%
Germany	233	2,900	6.6%	249	3,090	6.7%	256	3,158	6.6%
Italy	164	3,268	12.6%	167	2,772	7.8%	201	3,305	9.3%
South Korea	143	2,406	6.9%	160	3,165	11.5%	176	3,460	11.8%
Canada	127	3,648	6.9%	128	3,648	6.9%	127	3,585	7.0%
Taiwan	96	4,218	6.1%	99	5,915	11.3%	107	4,551	7.4%
Australia	96	5,719	11.4%	98	4,235	6.5%	97	5,777	10.9%
Holland	88	3,769	17.7%	91	3,896	17.7%	96	4,084	17.9%
India	79	395	3.2%	79	395	3.2%	84	414	3.4%
Brazil	74	1,576	5.6%	74	1,593	5.5%	74	1,587	5.4%
Spain	66	52	3.6%	65	51	3.5%	68	52	3.3%
Switzerland	61	7,565	8.8%	63	7,801	8.9%	64	7,807	8.7%
Ireland	54	1,025	12.5%	52	959	12.9%	57	4,511	8.1%
Hong Kong	42	3,688	8.3%	50	4,605	9.0%	51	924	13.3%
South Africa	42	4,104	8.4%	38	3,968	6.5%	42	5,921	14.5%
Sweden	37	3,891	6.7%	38	3,263	7.0%	41	3,277	6.9%
Europe	1,540	1,745	6.6%	1,618	1,829	6.6%	1,695	1,889	6.8%
EU15	1,363	3,124	7.9%	1,434	3,274	7.9%	1,515	3,408	8.1%
EU27	1,407	2,577	7.5%	1,478	2,699	7.5%	1,558	2,806	7.6%
Global	4,603	632	6.1%	4,588	622	5.9%	4,755	635	5.9%

Source: SwissRe

Table A.1. (continued)
Size of the leading global insurance markets, 2012-2022
 (premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

2015				2016				2017				2018			
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	1,316	4,096	7.3%	United States	1,352	4,174	7.3%	United States	1,377	4,216	7.1%	United States	1,469	4,481	7.1%
China	443	3,460	9.9%	China	466	329	4.1%	China	541	381	4.4%	China	575	402	4.1%
Japan	387	275	3.5%	Japan	452	3,535	9.0%	Japan	419	3,289	8.4%	Great Britain	443	3,484	8.8%
Great Britain	329	4,490	9.9%	Great Britain	290	3,909	9.4%	Great Britain	319	4,344	10.6%	Japan	381	5,151	11.8%
France	240	3,425	9.3%	Germany	237	3,390	9.2%	France	244	3,495	9.0%	France	266	3,784	9.1%
Germany	215	2,629	6.4%	France	215	2,607	6.2%	Germany	227	2,747	6.1%	Germany	245	2,951	6.1%
South Korea	173	2,845	9.4%	South Korea	177	3,454	11.7%	South Korea	181	3,529	11.0%	South Korea	180	3,495	10.6%
Italy	170	3,329	11.8%	Italy	158	2,614	8.4%	Italy	173	2,855	8.8%	Canada	180	3,003	8.6%
Canada	114	3,205	7.4%	Canada	114	3,144	7.4%	Canada	121	3,324	7.4%	Italy	129	3,490	7.5%
Taiwan	96	4,089	18.0%	Taiwan	101	4,313	18.7%	India	117	4,987	19.9%	India	122	5,169	20.0%
India	88	3,668	7.1%	India	83	3,413	6.5%	Taiwan	95	71	3.7%	Taiwan	97	72	3.7%
Netherlands	80	4,703	10.4%	Netherlands	82	62	3.6%	Netherlands	82	392	4.0%	Netherlands	85	4,954	9.3%
Brazil	71	54	3.4%	Hong Kong	77	4,513	9.8%	Spain	81	3,274	5.8%	Brazil	79	3,149	5.6%
Spain	66	324	3.7%	Spain	71	1,519	5.7%	Australia	79	4,610	9.5%	Australia	76	1,625	5.4%
Hong Kong	63	1,359	5.3%	Australia	70	340	3.9%	Hong Kong	72	1,537	5.5%	Hong Kong	71	338	3.7%
Australia	62	7,388	8.8%	Brazil	59	6,968	8.4%	Ireland	61	8,370	17.9%	Spain	64	8,642	17.6%
Switzerland	52	4,118	6.6%	Switzerland	57	7,837	17.7%	Brazil	58	6,857	8.3%	Switzerland	59	6,924	8.0%
Ireland	47	6,509	15.1%	Ireland	41	727	12.7%	Switzerland	51	4,762	6.9%	Sweden	48	4,930	6.3%
South Africa	45	820	13.1%	Sweden	40	4,019	6.4%	South Africa	46	802	12.0%	Singapore	45	781	11.2%
Belgium	36	3,630	7.1%	South Africa	34	3,388	6.5%	Luxembourg	37	3,670	6.8%	South Africa	39	3,844	7.1%
Eurozone	1,469	1,634	6.9%	Eurozone	1,470	1,620	6.7%	Eurozone	1,479	1,651	6.5%	Eurozone	1,621	1,794	6.6%
EU	1,315	2,951	8.0%	EU	1,316	2,911	7.9%	EU	1,315	2,953	7.6%	EU	1,449	3,226	7.7%
OECD	1,351	2,430	7.6%	OECD	1,353	2,401	7.5%	OECD	1,357	2,446	7.2%	OECD	1,494	2,673	7.3%
Global	4,554	603	6.0%	Global	4,732	621	6.1%	Global	4,892	650	6.1%	Global	5,193	663	5.9%

Source: SwissRe

Table A.1. (continued)
Size of the leading global insurance markets, 2012-2022
 (premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

	2019			2020			2021			2022		
	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	2,460	7,495	11.4%	2,531	7,673	12.0%	2,719	8,193	11.7%	2,960	8,885	11.6%
China	617	430	4.3%	656	455	4.5%	696	482	3.9%	698	489	3.9%
Japan	423	3,335	8.2%	414	3,278	8.2%	404	3,202	8.4%	363	4,781	10.5%
Great Britain	365	4,944	11.5%	342	4,509	11.0%	399	5,273	11.1%	338	2,690	8.2%
France	265	3,710	9.1%	260	3,130	6.8%	296	4,140	9.5%	261	3,578	8.7%
Germany	249	2,998	6.4%	239	3,330	8.6%	276	3,313	6.5%	242	2,881	5.9%
South Korea	179	3,462	11.0%	190	3,671	11.4%	193	3,735	10.9%	183	3,541	11.1%
Italy	178	2,984	8.9%	173	2,908	9.1%	192	3,253	9.1%	171	4,392	8.0%
Canada	135	3,580	7.7%	139	3,661	8.5%	161	4,217	8.1%	160	2,716	8.0%
Taiwan	118	4,993	19.3%	113	4,800	16.9%	127	91	4.2%	131	92	4.0%
India	108	79	3.9%	112	81	4.4%	113	4,804	14.8%	86	3,662	11.4%
Netherlands	84	4,849	9.2%	88	5,043	9.6%	93	5,301	9.1%	84	4,731	8.5%
Brazil	73	347	3.9%	73	9,720	21.1%	74	1,551	5.1%	76	352	4.0%
Spain	72	1,523	5.2%	67	1,419	5.2%	73	2,817	4.4%	72	2,758	4.2%
Hong Kong	71	9,489	19.5%	63	2,446	4.6%	72	9,556	19.6%	69	9,159	19.0%
Australia	69	2,703	5.0%	58	272	4.0%	65	6,063	6.1%	68	1,433	4.9%
Switzerland	59	6,843	8.0%	57	6,583	7.6%	62	290	3.9%	56	6,364	6.9%
Ireland	50	5,012	6.2%	49	5,174	6.1%	58	6,610	7.1%	54	5,180	9.3%
South Africa	46	791	12.0%	41	4,003	7.7%	51	852	12.2%	47	7,563	9.2%
Belgium	41	2,825	6.1%	41	692	12.3%	48	5,585	4.1%	46	764	11.3%
Eurozone	1,063	2,784	7.1%	1,022	2,723	7.2%	1,173	3,104	7.4%	998	2,713	6.6%
EU	1,172	2,374	6.8%	1,133	2,335	6.9%	1,302	2,670	7.0%	1,131	2,377	6.4%
OECD	4,985	3,680	9.0%	4,965	3,695	9.3%	5,411	3,997	9.1%	5,374	4,001	8.9%
Global	6,293	818	7.2%	6,287	809	7.4%	6,861	874	7.0%	6,782	853	6.8%

Source: SwissRe

Table A.2.
Trends in direct insurance premiums in the Spanish insurance market, 2012-2022
 (millions of euros)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NON-LIFE INSURANCE	31,095.3	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	40,239.1
Automobile	10,607.4	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	11,353.4
Automobile TPL	5,485.3	5,177.7	5,029.6	5,169.0	5,508.8	5,716.6	5,850.7	5,875.4	5,658.7	5,568.4	5,669.1
Automobile Other Guarantees	5,122.0	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	5,684.2
Multirisik	6,626.8	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	8,578.2
Homeowners	3,763.8	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	5,148.7
Business	625.3	596.2	594.5	565.1	574.6	584.8	595.5	602.0	603.6	621.9	629.6
Communities	814.5	823.4	826.6	836.0	852.8	872.1	898.5	926.5	952.8	983.6	1,031.5
Industries	1,344.4	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
Others	78.8	73.2	72.7	71.0	78.2	77.8	76.5	78.8	81.2	84.0	84.0
Health	6,785.6	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	10,542.7
Healthcare Assistance	6,011.2	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	9,418.4
Redemption	516.4	504.4	519.6	665.9	700.4	708.8	722.1	745.6	785.6	809.0	859.2
Subsidy	258.0	240.5	231.7	244.9	273.9	259.1	267.8	277.3	266.7	271.4	265.1
Other Non-Life Lines	7,075.6	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	9,764.8
Accidents	852.5	880.1	885.5	926.3	983.8	1,114.3	1,152.3	1,152.1	1,123.2	1,120.0	1,134.2
Assistance	309.4	312.2	335.2	340.3	364.6	402.7	433.3	460.9	339.0	361.5	440.8
Surety	65.3	62.6	60.9	85.7	62.2	63.2	84.1	122.5	136.1	148.8	167.5
Receivables	677.4	645.8	630.5	608.8	593.1	570.3	584.4	606.9	602.3	649.6	713.5
Burial	1,890.7	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	2,626.1
Legal Defense	96.7	89.6	92.2	93.1	96.7	100.5	106.2	109.5	112.4	115.0	122.4
Fire	90.6	95.9	108.8	179.9	206.8	118.4	194.5	180.7	228.1	228.6	198.4
Other Damage to P&C	935.2	819.8	841.2	870.8	1,047.8	1,105.7	1,241.9	1,321.3	1,313.2	1,399.8	1,450.1
Pecuniary Losses	249.4	233.3	232.3	276.1	336.0	350.9	386.2	375.4	317.9	361.0	386.9
Third-Party Liability	1,447.8	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	1,954.9
Transport	460.6	438.8	417.0	429.4	413.8	459.0	459.7	497.9	523.4	538.6	570.0
Aviation	61.5	55.1	47.7	46.0	43.3	67.6	46.0	57.0	73.7	59.8	82.1
Maritime	194.9	185.3	175.3	178.9	163.6	161.4	169.9	186.1	193.1	209.8	207.8
Goods	204.1	198.4	194.0	204.5	206.9	230.0	243.9	254.9	256.5	269.1	280.1
LIFE INSURANCE	26,288.9	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
Risk	3,510.8	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
Savings	22,778.0	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
TOTAL MARKET	57,384.2	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	64,774.5

Source: ICEA. Historic series of direct business premiums

Table A.3.
Trends in direct insurance premium growth in the Spanish insurance market, 2012-2022
 (annual growth rates, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NON-LIFE INSURANCE	-2.0%	-2.3%	0.9%	2.1%	4.5%	4.1%	4.1%	3.5%	1.1%	3.2%	5.2%
Automobile	-5.9%	-5.5%	-1.4%	1.7%	5.1%	3.4%	2.0%	1.6%	-2.0%	-0.9%	3.3%
Automobile TPL	-6.2%	-5.6%	-2.9%	2.8%	6.6%	3.8%	2.3%	0.4%	-3.7%	-1.8%	2.0%
Automobile Other Guarantees	-5.5%	-5.4%	0.2%	0.6%	3.6%	3.0%	1.5%	2.8%	-0.2%	0.1%	4.7%
Multirisk	0.7%	-1.4%	0.2%	0.2%	2.6%	3.4%	3.9%	4.0%	3.1%	4.7%	5.7%
Homeowners	3.0%	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%	2.7%	4.9%	5.5%
Business	-3.6%	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%	0.3%	3.0%	1.2%
Communities	2.6%	1.1%	0.4%	1.1%	2.0%	2.3%	3.0%	3.1%	2.8%	3.2%	4.9%
Industries	-5.4%	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.3%	5.6%	5.8%	8.8%
Others	32.3%	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%	3.0%	3.5%	0.0%
Health	2.9%	2.2%	3.5%	2.5%	5.1%	4.3%	5.5%	4.9%	5.0%	5.0%	7.0%
Healthcare Assistance	6.1%	3.0%	3.8%	0.3%	4.8%	5.0%	6.0%	5.1%	5.3%	5.3%	7.4%
Redemption	-21.0%	-2.3%	3.0%	28.1%	5.2%	1.2%	1.9%	3.3%	5.4%	3.0%	6.2%
Subsidy	-7.8%	-6.8%	-3.7%	5.7%	11.9%	-5.4%	3.4%	3.5%	-3.8%	1.8%	-2.3%
Other Non-Life Lines	-2.7%	-2.6%	2.1%	4.1%	4.6%	5.4%	5.8%	4.0%	-0.7%	5.3%	5.1%
Accidents	-5.0%	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	0.0%	-2.5%	-0.3%	1.3%
Assistance	-2.0%	0.9%	7.4%	1.5%	7.1%	10.4%	7.6%	6.4%	-26.4%	6.6%	21.9%
Surety	-16.2%	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	45.6%	11.1%	9.3%	12.6%
Receivables	-2.5%	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.8%	-0.8%	7.9%	9.8%
Burial	7.3%	3.7%	6.5%	3.0%	0.8%	5.1%	4.0%	3.9%	1.3%	3.2%	2.2%
Legal Defense	-5.9%	-7.3%	2.9%	1.0%	3.8%	4.0%	5.6%	3.1%	2.7%	2.3%	6.5%
Fire	-11.4%	5.9%	13.4%	65.4%	15.0%	-42.7%	64.3%	-7.1%	26.2%	0.2%	-13.2%
Other Damage to P&C	-3.0%	-12.3%	2.6%	3.5%	20.3%	5.5%	12.3%	6.4%	-0.6%	6.6%	3.6%
Pecuniary Losses	-26.6%	-6.5%	-0.4%	18.8%	21.7%	4.4%	10.1%	-2.8%	-15.3%	13.6%	7.1%
Third-Party Liability	-5.4%	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%	2.7%	9.7%	8.6%
Transport	-5.4%	-4.7%	-5.0%	3.0%	-3.6%	10.9%	0.2%	8.3%	5.1%	2.9%	5.8%
Aviation	-18.7%	-10.5%	-13.4%	-3.6%	-5.8%	56.1%	-32.0%	23.9%	29.4%	-19.0%	37.3%
Maritime	-2.8%	-4.9%	-5.4%	2.0%	-8.5%	-1.4%	5.3%	9.5%	3.8%	8.6%	-0.9%
Goods	-3.0%	-2.8%	-2.2%	5.4%	1.2%	11.2%	6.0%	4.5%	0.6%	4.9%	4.1%
LIFE INSURANCE	-8.5%	-3.0%	-2.6%	2.9%	21.8%	-5.6%	-1.4%	-5.1%	-20.7%	7.9%	4.2%
Risk	-2.7%	-4.6%	3.6%	8.7%	11.4%	0.0%	12.3%	3.1%	-0.4%	3.5%	3.3%
Savings	-9.8%	-2.7%	-3.6%	2.0%	23.6%	-6.4%	-3.7%	-6.7%	-25.0%	9.1%	4.4%
TOTAL MARKET	-5.3%	-2.6%	-0.7%	2.5%	12.3%	-0.6%	1.6%	-0.4%	-8.2%	4.9%	4.8%

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, 2012-2022
 (percentage points, pp)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NON-LIFE INSURANCE	-1.029	-1.235	0.465	1.174	2.453	2.090	2.211	1.897	0.622	2.037	3.217
Automobile	-1.093	-1.021	-0.249	0.306	0.904	0.560	0.338	0.271	-0.351	-0.165	0.589
Automobile TPL	-0.598	-0.536	-0.265	0.251	0.597	0.326	0.211	0.038	-0.338	-0.170	0.179
Automobile Other Guarantees	-0.494	-0.485	0.016	0.055	0.306	0.234	0.126	0.232	-0.014	0.006	0.409
Multirisik	0.079	-0.156	0.024	0.025	0.299	0.361	0.425	0.445	0.361	0.617	0.748
Homeowners	0.178	0.027	0.103	0.144	0.251	0.215	0.239	0.281	0.193	0.384	0.438
Business	-0.039	-0.051	-0.003	-0.053	0.017	0.016	0.017	0.010	0.003	0.031	0.012
Communities	0.034	0.015	0.006	0.017	0.030	0.030	0.042	0.043	0.041	0.052	0.078
Industries	-0.126	-0.138	-0.081	-0.079	-0.011	0.100	0.130	0.107	0.121	0.145	0.220
Others	0.032	-0.010	-0.001	-0.003	0.013	-0.001	-0.002	0.004	0.004	0.005	0.000
Health	0.312	0.264	0.437	0.324	0.659	0.522	0.706	0.650	0.703	0.793	1.115
Healthcare Assistance	0.574	0.315	0.425	0.037	0.548	0.532	0.671	0.599	0.657	0.745	1.044
Redemption	-0.226	-0.021	0.027	0.264	0.061	0.013	0.021	0.037	0.062	0.040	0.081
Subsidy	-0.036	-0.030	-0.016	0.024	0.051	-0.023	0.014	0.015	-0.017	0.008	-0.010
Other Non-Life Lines	-0.327	-0.322	0.254	0.518	0.592	0.648	0.743	0.531	-0.090	0.791	0.765
Accidents	-0.074	0.048	0.010	0.073	0.101	0.204	0.060	0.000	-0.045	-0.005	0.023
Assistance	-0.010	0.005	0.041	0.009	0.043	0.060	0.048	0.043	-0.190	0.038	0.128
Surety	-0.021	-0.005	-0.003	0.045	-0.041	0.002	0.033	0.060	0.021	0.022	0.030
Receivables	-0.029	-0.055	-0.027	-0.039	-0.028	-0.036	0.022	0.035	-0.007	0.080	0.103
Burial	0.213	0.122	0.227	0.114	0.030	0.172	0.142	0.143	0.049	0.134	0.092
Legal Defense	-0.010	-0.012	0.005	0.002	0.006	0.006	0.009	0.005	0.005	0.004	0.012
Fire	-0.019	0.009	0.023	0.128	0.047	-0.139	0.120	-0.021	0.074	0.001	-0.049
Other Damage to P&C	-0.048	-0.201	0.038	0.053	0.311	0.091	0.215	0.123	-0.013	0.147	0.081
Pecuniary Losses	-0.149	-0.028	-0.002	0.079	0.105	0.023	0.056	-0.017	-0.090	0.073	0.042
Third-Party Liability	-0.137	-0.166	-0.018	0.032	0.044	0.193	0.037	0.102	0.066	0.271	0.251
Transport	-0.043	-0.038	-0.039	0.022	-0.027	0.071	0.001	0.059	0.040	0.026	0.051
Aviation	-0.023	-0.011	-0.013	-0.003	-0.005	0.038	-0.034	0.017	0.026	-0.024	0.036
Maritime	-0.009	-0.017	-0.018	0.006	-0.027	-0.004	0.013	0.025	0.011	0.028	-0.003
Goods	-0.011	-0.010	-0.008	0.019	0.004	0.036	0.022	0.017	0.003	0.021	0.018
LIFE INSURANCE	-4.263	-1.357	-1.200	1.311	9.800	-2.714	-0.650	-2.284	-8.861	2.912	1.592
Risk	-0.163	-0.279	0.217	0.545	0.759	0.000	0.813	0.224	-0.027	0.292	0.268
Savings	-4.099	-1.078	-1.416	0.766	9.041	-2.714	-1.462	-2.508	-8.833	2.620	1.324
TOTAL MARKET	-5.292	-2.593	-0.734	2.485	12.253	-0.624	1.562	-0.386	-8.238	4.949	4.808

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, 2012-2022
(combined ratio, %)

Year	Total combined ratio			Non-Life combined ratio				
	Combined ratio	Loss ratio	Administrative expense ratio	Acquisition expense ratio	Loss ratio	Administrative expense ratio	Acquisition expense ratio	
2012	104.70	91.60	2.43	10.67	93.22	71.00	3.51	18.71
2013	107.85	94.01	2.60	11.25	94.61	71.93	3.67	19.01
2014	109.17	94.25	2.73	12.19	93.93	71.52	3.85	18.56
2015	109.10	94.07	2.64	12.39	94.73	72.28	3.81	18.64
2016	105.58	91.71	2.84	11.03	93.57	71.26	4.56	17.75
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

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, 2012-2022
(Investments, millions of euros)

Year	Investments					Other investments
	Fixed income	Equities	Deposits and cash	Properties	Investment Funds	
2012	67.2%	2.5%	10.8%	4.1%	4.9%	10.5%
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%

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

Table A.7.
Spanish insurance industry results and profitability,
2012-2022 (results, thousands of euros, profitability, %)

Year	Industry results ¹ (thousands of euros)	Profitability	
		ROE ² (%)	ROA ³ (%)
2012	4,458,874	15.58	1.84
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

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, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

Year	Gross 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	
2012	31,095	-2.0%	88.6%	68.9%	22.0%	71.0%	22.2%	93.2%	2.9%	9.7%	
2013	30,386	-2.3%	87.6%	70.2%	22.2%	71.9%	22.7%	94.6%	3.9%	9.3%	
2014	30,647	0.9%	87.9%	69.6%	22.3%	71.5%	22.4%	93.9%	4.8%	10.8%	
2015	31,298	2.1%	87.6%	70.2%	22.4%	72.3%	22.5%	94.7%	4.2%	9.4%	
2016	32,693	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	40,239	5.2%	84.3%	68.3%	23.4%	70.6%	23.2%	93.8%	2.5%	8.7%	

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, 2012-2022
 (number of companies)

Year	Limited Liability Corporations	Mutual companies	Mutual Provident Societies ¹	Reinsurance companies
2012	183	32	53	2
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
2021²	126	28	43	4
2022²	125	28	42	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, 2011-2021
(number of people and companies)

Year	Insurance brokers		Tied agents		Tied bankassurance operators		Reinsurance brokers		Exclusive agents		Exclusive bankassurance 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
2011	3,025	1,631	163	231	59	1	38	-	88,377	959	20	-	94,504	91,682	2,822
2012	3,017	1,635	186	242	59	1	43	-	89,596	924	11	-	95,714	92,912	2,802
2013	3,046	1,673	199	258	53	1	51	-	86,027	489	15	-	91,812	89,391	2,421
2014	3,078	1,725	205	280	41	1	60	-	87,591	579	14	-	93,574	90,989	2,585
2015	3,151	1,749	224	285	38	1	63	1	83,584	483	15	-	89,594	87,075	2,519
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

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, 2012-2022
 (millions of euros)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Andalusia	5,717	5,824	6,045	6,237	6,949	7,394	7,276	7,338	6,802	6,907	7,197
Aragon	1,680	1,512	1,710	1,656	1,909	1,808	1,892	1,820	1,609	1,629	1,908
Principality of Asturias	866	837	956	854	871	904	907	912	852	877	910
Balearic Islands	1,175	1,270	1,283	1,326	1,383	1,526	1,404	1,410	1,257	1,261	1,395
Canary Islands	1,269	1,212	1,269	1,367	1,641	1,602	1,583	1,628	1,539	1,604	1,669
Cantabria	495	485	497	503	524	529	534	544	513	558	558
Castile-La Mancha	1,708	1,616	1,766	1,705	1,734	1,743	1,796	1,768	1,649	1,680	1,807
Castile and Leon	2,331	2,211	2,275	2,482	2,653	2,758	2,805	2,766	2,465	2,411	2,666
Catalonia	10,079	9,677	10,237	10,121	11,295	11,345	10,809	10,832	10,433	12,618	10,697
Valencia Community	4,096	4,373	4,305	4,059	4,406	4,556	4,497	4,613	4,457	4,474	4,843
Extremadura	773	724	696	799	898	868	878	868	820	850	905
Galicia	2,226	2,151	2,167	2,279	2,515	2,614	2,647	2,665	2,418	2,460	2,837
Community of Madrid	9,896	9,369	9,165	9,422	10,379	10,570	10,865	12,340	11,089	11,158	12,086
Region of Murcia	1,033	1,031	1,041	1,063	1,162	1,179	1,158	1,198	1,126	1,156	1,234
Autonomous Community of Navarre	622	838	1003	952	961	961	884	918	812	778	789
Basque Country	2,429	2,323	2,352	2,394	2,461	2,524	2,499	2,560	2,435	2,431	2,477
La Rioja	356	356	359	345	373	374	382	381	358	351	372
Autonomous Cities of Ceuta and Melilla	95	97	98	97	114	113	114	117	107	103	114

Source: ICEA, The insurance market by province.

Table A.12.
Premiums per capita by autonomous community, 2012-2022
 (euros)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Andalusia	677.4	693.2	719.8	744.1	830.2	882.4	865.1	867.3	803.5	813.1	839.2
Aragon	1,247.0	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
Principality of Asturias	810.4	788.4	909.0	819.4	841.8	878.9	887.2	895.2	842.1	873.2	903.6
Balearic Islands	1,056.7	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
Canary Islands	598.7	576.0	604.3	651.0	779.2	753.5	735.5	748.8	708.7	736.9	754.0
Cantabria	835.6	823.2	849.5	864.3	903.1	911.9	919.6	934.2	878.0	954.0	947.6
Castile-La Mancha	813.0	777.5	857.5	835.3	854.0	860.4	884.1	864.6	805.3	818.4	868.3
Castile and Leon	925.0	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
Catalonia	1,334.3	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
Valencia Community	801.0	873.8	864.3	819.4	892.8	918.8	899.3	912.5	882.8	878.9	928.2
Extremadura	700.4	658.8	636.7	735.2	832.1	809.8	822.9	815.8	774.6	806.1	858.6
Galicia	804.6	782.7	793.2	838.4	928.7	967.8	980.8	986.9	897.6	914.9	1,050.8
Community of Madrid	1,523.5	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
Region of Murcia	701.6	703.2	709.3	726.2	790.6	797.6	775.6	792.8	741.5	754.7	794.9
Autonomous Community of Navarre	965.5	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
Basque Country	1,108.2	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
La Rioja	1,105.9	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
Autonomous Cities of Ceuta and Melilla	565.4	571.5	579.8	569.7	665.0	657.7	665.4	685.5	632.9	611.7	678.0

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, 2011-2022
(premiums, millions of euros; market share, %)

2011			2012			2013			2014		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	8,307	13.7	MAPFRE	7,956	13.9	MAPFRE	7,060	12.7	MAPFRE	7,266	13.1
CAIXA	5,068	8.4	CAIXA	5,165	9.0	CAIXA	5,298	9.5	CAIXA	5,538	10.0
MUTUA MADRILEÑA	3,472	5.7	MUTUA MADRILEÑA	3,645	6.4	MUTUA MADRILEÑA	3,873	6.9	MUTUA MADRILEÑA	4,165	7.5
ZURICH	2,943	4.9	ZURICH	3,512	6.1	ALLIANZ	3,199	5.7	ALLIANZ	3,287	5.9
ALLIANZ	3,001	5.0	ALLIANZ	3,046	5.3	SANTANDER SEGUROS	3,136	5.6	AXA	2,660	4.8
SANTANDER	2,950	4.9	SANTANDER	2,683	4.7	AXA	2,712	4.9	ZURICH	2,507	4.5
AXA	2,943	4.9	AXA	2,513	4.4	BBVA SEGUROS	2,300	4.1	GENERALI	2,259	4.1
CASER	2,818	4.7	CASER	2,109	3.7	GENERALI	2,293	4.1	CATALANA OCCIDENTE	2,162	3.9
GENERALI	2,416	4.0	GENERALI	1,997	3.5	CATALANA OCCIDENTE	2,014	3.6	BBVA SEGUROS	2,088	3.8
CATALANA OCCIDENTE	2,039	3.4	CATALANA OCCIDENTE	1,971	3.4	CASER	1,713	3.1	SANTANDER SEGUROS	1,903	3.4
Total market	60,592		Total market	57,398		Total market	55,773		Total market	55,486	

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, 2011-2022
(premiums, millions of euros; market share, %)

2015			2016			2017			2018		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	7,189	12.6	VIDACAIXA	9,492	14.9	VIDACAIXA	9,666	15.2	VIDACAIXA	8,218	12.8
MAPFRE	6,416	11.3	MAPFRE	6,708	10.5	MAPFRE	6,749	10.6	MAPFRE	7,291	11.3
MUTUA MADRILEÑA	4,333	7.6	ZURICH	5,571	8.7	MUTUA MADRILEÑA	5,005	7.9	MUTUA MADRILEÑA	5,270	8.2
ZURICH	4,069	7.2	MUTUA MADRILEÑA	4,751	7.4	ZURICH	3,806	6.0	ALLIANZ	3,612	5.6
ALLIANZ	3,526	6.2	ALLIANZ	3,566	5.6	ALLIANZ	3,515	5.5	ZURICH	3,560	5.5
CATALANA OCCIDENTE	2,867	5.0	CATALANA OCCIDENTE	2,908	4.6	CATALANA OCCIDENTE	2,826	4.5	CATALANA OCCIDENTE	2,854	4.4
AXA	2,502	4.4	AXA	2,577	4.0	SANTALUCIA	2,536	4.0	GRUPO AXA	2,599	4.0
GENERALI	2,306	4.1	GENERALI	2,501	3.9	GENERALI	2,445	3.9	SANTALUCIA	2,584	4.0
BBVA SEGUROS	2,085	3.7	BBVA SEGUROS	1,932	3.0	GRUPO AXA	2,411	3.8	GENERALI	2,409	3.7
SANTALUCIA	1,287	2.3	CASER	1,438	2.3	BBVA SEGUROS	1,837	2.9	SANTANDER SEGUROS	1,977	3.1
Total market	56,905		Total market	63,892		Total market	63,410		Total market	64,377	

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, 2011-2022
(premiums, millions of euros; market share, %)

2019			2020			2021			2022		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	8,582	13.4	VIDACAIXA	7,144	12.1	VIDACAIXA	8,523	13.8	VIDACAIXA	7,729	11.9
MAPFRE	7,335	11.4	MAPFRE	6,673	11.3	MAPFRE	7,336	11.9	MAPFRE	7,293	11.3
MUTUA MADRILEÑA	5,455	8.5	MUTUA MADRILEÑA	5,526	9.4	MUTUA MADRILEÑA	5,715	9.2	MUTUA MADRILEÑA	6,477	10.0
ALLIANZ	3,430	5.3	CATALANA OCCIDENTE	3,019	5.1	ALLIANZ	3,242	5.2	CATALANA OCCIDENTE	3,183	4.9
CATALANA OCCIDENTE	3,051	4.8	ALLIANZ	2,998	5.1	CATALANA OCCIDENTE	3,136	5.1	ALLIANZ	3,011	4.6
ZURICH	2,954	4.6	AXA	2,880	4.9	AXA	3,060	4.9	AXA	3,002	4.6
GRUPO AXA	2,952	4.6	ZURICH	2,469	4.2	ZURICH	2,539	4.1	GENERALI	2,455	3.8
SANTALUCIA	2,456	3.8	GENERALI	2,249	3.8	GENERALI	2,342	3.8	ZURICH	2,424	3.7
GENERALI	2,440	3.8	SANTALUCIA	2,147	3.6	SANTALUCIA	1,965	3.2	SANTALUCIA	2,348	3.6
SANTANDER SEGUROS	1,694	2.6	HELVETIA	1,883	3.2	HELVETIA	1,951	3.2	SANTANDER SEGUROS	2,217	3.4
Total market	64,156		Total market	58,889		Total market	61,831		Total market	64,775	

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, 2011-2022
(premiums, millions of euros; market share, %)

2011			2012			2013			2014		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	5,136	16.2	MAPFRE	4,973	16.0	MAPFRE	4,634	15.3	MAPFRE	4,629	15.1
MUTUA MADRILEÑA	3,393	10.7	MUTUA MADRILEÑA	3,557	11.4	MUTUA MADRILEÑA	3,677	12.1	MUTUA MADRILEÑA	3,927	12.8
AXA	2,305	7.3	AXA	2,126	6.8	AXA	2,021	6.7	ALLIANZ	2,028	6.6
ALLIANZ	2,032	6.4	ALLIANZ	1,971	6.3	ALLIANZ	1,975	6.5	AXA	1,927	6.3
CATALANA OCCIDENTE	1,439	4.5	GENERALI	1,369	4.4	GENERALI	1,290	4.3	CATALANA OCCIDENTE	1,294	4.2
GENERALI	1,365	4.3	CATALANA OCCIDENTE	1,366	4.4	CATALANA OCCIDENTE	1,290	4.3	GENERALI	1,275	4.2
ZURICH	1,170	3.7	SANITAS	1,137	3.7	SANITAS	1,178	3.9	SANITAS	1,160	3.8
CASER	1,106	3.5	ZURICH	1,097	3.5	ZURICH	1,040	3.4	SANTALUCIA	1,062	3.5
SANITAS	1,099	3.5	SANTALUCIA	1,045	3.4	SANTALUCIA	1,029	3.4	ZURICH	1,055	3.4
SANTALUCIA	992	3.1	ASISA	1,021	3.3	ASISA	968	3.2	ASISA	1,012	3.3
Total market	31,724		Total market	31,116		Total market	30,268		Total market	30,647	

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

Table A.14. (continued)
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2011-2022
(premiums, millions of euros; market share, %)

2015			2016			2017			2018		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	4,686	15.0	MAPFRE	4,761	14.5	MAPFRE	4,845	14.2	MUTUA MADRILEÑA	5,046	14.3
MUTUA MADRILEÑA	4,169	13.3	MUTUA MADRILEÑA	4,506	13.8	MUTUA MADRILEÑA	4,816	14.2	MAPFRE	5,006	14.1
ALLIANZ	2,152	6.9	ALLIANZ	2,272	6.9	ALLIANZ	2,373	7.0	ALLIANZ	2,507	7.1
CATALANA OCCIDENTE	1,939	6.2	CATALANA OCCIDENTE	2,043	6.2	CATALANA OCCIDENTE	2,061	6.1	CATALANA OCCIDENTE	2,104	5.9
AXA	1,755	5.6	AXA	1,793	5.5	AXA	1,851	5.4	AXA	1,927	5.4
GENERALI	1,348	4.3	GENERALI	1,459	4.5	GENERALI	1,509	4.4	GENERALI	1,548	4.4
SANITAS	1,165	3.7	SANITAS	1,216	3.7	SANITAS	1,271	3.7	SANITAS	1,344	3.8
ZURICH	1,072	3.4	SANTALUCIA	1,073	3.3	SANTALUCIA	1,129	3.3	ASISA	1,162	3.3
ASISA	1,059	3.4	ASISA	1,069	3.3	ASISA	1,099	3.2	SANTALUCIA	1,157	3.3
SANTALUCIA	1,050	3.4	ZURICH	1,027	3.1	ZURICH	1,001	2.9	CASER	1,022	2.9
Total market	31,338		Total market	32,755		Total market	34,003		Total market	35,382	

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

Table A.14. (continued)
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2011-2022
(premiums, millions of euros; market share, %)

2019			2020			2021			2022		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MUTUA MADRILEÑA	5,268	14.4	MUTUA MADRILEÑA	5,419	14.6	MUTUA MADRILEÑA	5,573	14.6	MUTUA MADRILEÑA	6,098	15.2
MAPFRE	5,156	14.1	MAPFRE	5,161	13.9	MAPFRE	5,342	14.0	MAPFRE	5,548	13.8
ALLIANZ	2,448	6.7	ALLIANZ	2,369	6.4	ALLIANZ	2,563	6.7	ALLIANZ	2,643	6.6
CATALANA OCCIDENTE	2,225	6.1	AXA	2,245	6.1	CATALANA OCCIDENTE	2,312	6.0	CATALANA OCCIDENTE	2,429	6.0
AXA	2,216	6.0	CATALANA OCCIDENTE	2,229	6.0	AXA	2,306	6.0	AXA	2,250	5.6
GENERALI	1,590	4.3	GENERALI	1,577	4.3	GENERALI	1,649	4.3	GENERALI	1,737	4.3
SANITAS	1,396	3.8	SANITAS	1,442	3.9	SANITAS	1,530	4.0	SANITAS	1,636	4.1
ASISA	1,211	3.3	HELVETIA	1,425	3.8	HELVETIA	1,491	3.9	HELVETIA	1,596	4.0
SANTALUCIA	1,208	3.3	ASISA	1,258	3.4	ASISA	1,315	3.4	ASISA	1,405	3.5
ZURICH	1,056	2.9	SANTALUCIA	1,230	3.3	SANTALUCIA	1,247	3.3	SANTALUCIA	1,310	3.3
Total market	36,632		Total market	37,052		Total market	38,279		Total market	40,239	

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

Table A.15.
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2011–2022
(premiums, millions of euros; market share, %)

2011			2012			2013			2014		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
CAIXA	5,036	17.4	CAIXA	5,131	19.5	CAIXA	5,271	20.7	CAIXA	5,515	22.2
MAPFRE	3,171	11.0	SANTANDER	3,366	12.8	SANTANDER SEGUROS	3,068	12.0	MAPFRE	2,638	10.6
SANTANDER	2,795	9.7	MAPFRE	2,983	11.3	MAPFRE	2,426	9.5	SANTANDER SEGUROS	1,884	7.6
ZURICH	2,060	7.1	BBVA	1,865	7.1	BBVA SEGUROS	2,030	8.0	BBVA SEGUROS	1,799	7.2
AVIVA	1,787	6.2	AVIVA	1,349	5.1	ALLIANZ	1,224	4.8	ZURICH	1,451	5.8
CASER	1,712	5.9	IBERCAJA	1,159	4.4	AVIVA	1,155	4.5	ALLIANZ	1,259	5.1
BBVA	1,622	5.6	GENERALI	1,144	4.4	GENERALI	1,003	3.9	IBERCAJA	1,123	4.5
AEGON	1,613	5.6	ALLIANZ	1,075	4.1	IBERCAJA	933	3.7	AVIVA	1,075	4.3
IBERCAJA	1,501	5.2	CASER	976	3.7	CASER	871	3.4	GENERALI	984	4.0
GENERALI	1,051	3.6	AEGON	924	3.5	CATALANA OCCIDENTE	724	2.8	CATALANA OCCIDENTE	868	3.5
Total market	28,869		Total market	26,282		Total market	25,505		Total market	24,839	

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, 2011–2022
(premiums, millions of euros; market share, %)

2015			2016			2017			2018		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	7,166	28.0	VIDACAIXA	9,473	30.4	VIDACAIXA	9,646	32.8	VIDACAIXA	8,200	28.3
ZURICH	2,997	11.7	ZURICH	4,544	14.6	ZURICH	2,805	9.5	ZURICH	2,551	8.8
BBVA SEGUROS	1,737	6.8	MAPFRE	1,948	6.3	MAPFRE	1,904	6.5	MAPFRE	2,285	7.9
MAPFRE	1,730	6.8	BBVA SEGUROS	1,562	5.0	SANTANDER SEGUROS	1,481	5.0	SANTANDER SEGUROS	1,949	6.7
ALLIANZ	1,374	5.4	IBERCAJA	1,328	4.3	BBVA SEGUROS	1,431	4.9	SANTALUCIA	1,427	4.9
IBERCAJA	990	3.9	ALLIANZ	1,294	4.2	SANTALUCIA	1,407	4.8	IBERCAJA	1,325	4.6
GENERALI	958	3.7	SANTANDER SEGUROS	1,189	3.8	IBERCAJA	1,148	3.9	BBVA SEGUROS	1,217	4.2
CATALANA OCCIDENTE	927	3.6	GENERALI	1,041	3.3	ALLIANZ	1,142	3.9	ALLIANZ	1,106	3.8
AXA	747	2.9	CATALANA OCCIDENTE	865	2.8	GENERALI	936	3.2	GENERALI	861	3.0
SANTANDER SEGUROS	678	2.7	AVIVA	856	2.7	CATALANA OCCIDENTE	766	2.6	CATALANA OCCIDENTE	750	2.6
Total market	25,567		Total market	31,136		Total market	29,407		Total market	28,995	

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, 2011-2022
(premiums, millions of euros; market share, %)

2019			2020			2021			2022		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	8,562	31.1	VIDACAIXA	7,125	32.6	VIDACAIXA	8,506	36.1	VIDACAIXA	7,705	31.4
MAPFRE	2,180	7.9	MAPFRE	1,521	6.9	MAPFRE	1,994	8.5	SANTANDER SEGUROS	2,179	8.9
ZURICH	1,898	6.9	ZURICH	1,436	6.6	ZURICH	1,445	6.1	MAPFRE	1,745	7.1
SANTANDER SEGUROS	1,662	6.0	IBERCAJA	958	4.4	IBERCAJA	902	3.8	ZURICH	1,267	5.2
SANTALUCIA	1,247	4.5	SANTALUCIA	918	4.2	CATALANA OCCIDENTE	825	3.5	IBERCAJA	1,115	4.5
ALLIANZ	982	3.6	SANTANDER SEGUROS	806	3.7	AXA	754	3.2	SANTALUCÍA	1,038	4.2
IBERCAJA	938	3.4	CATALANA OCCIDENTE	790	3.6	SANTALUCÍA	719	3.1	CATALANA OCCIDENTE	754	3.1
BBVA SEGUROS	929	3.4	GENERALI	672	3.1	GENERALI	693	2.9	MUTUALIDAD DE LA ABOGACÍA	754	3.1
GENERALI	850	3.1	BBVA SEGUROS	656	3.0	ALLIANZ	679	2.9	AXA	752	3.1
CATALANA OCCIDENTE	827	3.0	AXA	634	2.9	SANTANDER SEGUROS	654	2.8	GENERALI	718	2.9
Total market	27,523		Total market	21,837		Total market	23,552		Total market	24,535	

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, 2012-2022
 (Herfindahl and CR5 indexes)

Year	Herfindahl index	CR5 index (%)		
		Total	Life	Non-Life
2012	508.3	40.6%	55.9%	45.0%
2013	489.6	40.5%	55.0%	44.9%
2014	509.6	41.3%	51.0%	45.0%
2015	549.6	44.9%	58.7%	46.9%
2016	595.5	47.1%	60.6%	46.9%
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%

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, 2012-2022
(millions of euros)

Year	General activity: premiums and surcharges allocated							
	Extraordinary risks	Property	People	Pecuniary losses	Traffic risks	SOA Guarantee Fund	Private vehicles	Official vehicles
2012	687.6	618.8	23.5	45.3	123.4	109.0	3.5	10.8
2013	704.4	638.1	22.0	44.3	114.2	102.5	1.9	9.8
2014	709.5	648.6	16.8	44.2	107.6	98.1	1.0	8.5
2015	726.7	661.8	17.4	47.6	105.8	96.6	0.6	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

Source: Insurance Compensation Consortium. Annual report.

Table A.18.
Activity of the Insurance Compensation Consortium: direct and accepted loss ratio, 2012-2022
(millions of euros)

Year	General activity: direct and accepted loss ratio							
	Extraordinary risks	Property	People	Pecuniary losses	Traffic risks	SOA Guarantee Fund	Official vehicles	Official vehicles
2012	281.0	294.4	0.8	-14.2	71.3	55.4	1.9	14.0
2013	207.6	191.8	1.5	14.3	69.0	56.7	1.4	10.9
2014	208.7	205.6	0.9	2.2	57.4	47.1	0.5	9.7
2015	227.3	216.6	1.0	9.6	68.3	59.0	1.0	8.2
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

Source: Insurance Compensation Consortium. Annual report.

Table A.19.
Trends in average Automobile insurance premium, 2012-2022
 (millions of euros; annual variation, %)

Year	Insured vehicles ¹		Premiums, direct insurance ²		In euros	Average premium	
	(millions of euros)	% variation	(millions of euros)	% variation		Nominal	% variation
2012	28.7	-0.7%	10,622	-5.9%	370	-5.2%	-7.9%
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%	11,362	3.3%	345	2.3%	-3.2%

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, 2012-2022
 (frequency, %; average cost, euros)

	2012		2013		2014		2015		2016		2017	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-Party Liability	9.3%	1,761	8.5%	1,888	8.5%	1,841	8.5%	1,816	8.6%	1,871	8.6%	1,820
<i>Bodily injury</i>	2.0%	4,939	2.0%	4,928	2.0%	4,751	2.0%	4,569	2.0%	4,970	1.9%	4,856
<i>Property, plant and equipment</i>	7.6%	868	7.2%	887	7.2%	875	7.3%	873	7.4%	872	7.4%	879
Damage attributable to the policyholder	44.2%	713	39.6%	731	36.1%	733	34.3%	718	31.5%	713	30.4%	734
Broken windshields	6.7%	286	6.7%	290	6.4%	289	6.4%	288	6.4%	290	6.4%	291
Theft	1.3%	919	1.2%	896	1.0%	882	0.9%	909	0.8%	916	0.8%	968
Legal defense	1.8%	286	1.8%	310	1.8%	302	1.8%	290	1.7%	279	1.7%	278
Occupants	0.3%	1,259	0.3%	1,252	0.2%	1,251	0.2%	1,227	0.2%	1,265	0.3%	1,249
Fire	0.1%	3,075	0.1%	2,854	0.1%	2,782	0.1%	2,847	0.1%	2,977	0.1%	3,023
Driver's license suspended	0.0%	1,627	0.0%	1,314	0.0%	1,211	0.0%	1,108	0.0%	940	0.0%	805

Source: ICEA. Automobile insurance. Statistics as at December.

Table A.20. (continued)
Average frequencies and costs by coverage in Automobile insurance, 2012-2022
(frequency, %; average cost, euros)

	2018		2019		2020		2021		2022	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-Party Liability	8.4%	1,766	8.2%	1,744	5.9%	1,778	6.6%	1,830	6.9%	1,870
<i>Bodily injury</i>	1.8%	4,652	1.8%	4,542	1.2%	4,880	1.4%	4,622	1.5%	4,860
<i>Property, plant and equipment</i>	7.2%	890	7.1%	892	5.1%	911	5.6%	953	5.8%	962
Damage attributable to the policyholder	29.3%	776	27.7%	787	19.7%	810	21.3%	844	21.8%	867
Broken windshields	6.7%	304	6.2%	310	5.2%	327	6.0%	334	6.2%	349
Theft	0.7%	971	0.6%	929	0.5%	872	0.5%	911	0.6%	962
Legal defense	1.6%	271	1.5%	304	1.1%	280	1.3%	270	1.3%	268
Occupants	0.3%	941	0.3%	999	0.2%	1,067	0.3%	961	0.3%	925
Fire	0.1%	3,077	0.1%	3,132	0.1%	3,165	0.1%	3,269	0.1%	3,718
Driver's license suspended	0.0%	694	0.0%	802	0.0%	852	0.0%	783	0.0%	772

Source: ICEA. Automobile insurance. Statistics as at December.

Table A.21.
Basic Automobile insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	10,607	10,021	9,882	10,052	10,566	10,923	11,138	11,312	11,087	10,990	11,353
Variation in premiums	-5.9%	-5.5%	-1.4%	1.7%	5.1%	3.4%	2.0%	1.6%	-2.0%	-0.9%	3.3%
Retention	94.9%	92.3%	92.5%	92.2%	89.5%	89.5%	89.1%	86.2%	86.9%	86.7%	84.5%
Gross loss ratio	77.2%	77.2%	77.1%	78.1%	79.0%	76.4%	74.7%	74.8%	64.6%	71.1%	76.6%
Gross expenses	18.8%	20.0%	20.0%	20.2%	19.5%	18.8%	19.1%	19.0%	22.4%	21.9%	20.8%
Net loss ratio	78.4%	78.1%	77.6%	79.1%	79.5%	77.0%	75.8%	75.9%	65.2%	71.9%	77.0%
Net expenses	18.9%	20.3%	20.3%	20.3%	19.5%	18.6%	19.0%	18.8%	22.6%	22.2%	21.1%
Net combined ratio	97.3%	98.4%	97.9%	99.5%	98.9%	95.6%	94.8%	94.7%	87.8%	94.1%	98.0%
Financial result	3.3%	4.5%	5.6%	4.8%	4.9%	4.4%	3.4%	3.4%	2.4%	2.7%	3.1%
Technical-financial result	5.9%	6.1%	7.6%	5.3%	6.0%	8.7%	8.6%	8.7%	14.6%	8.6%	5.1%

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.22.
Basic Multirisk insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	6,627	6,537	6,550	6,565	6,734	6,965	7,234	7,521	7,753	8,116	8,578
Variation in premiums	0.7%	-1.4%	0.2%	0.2%	2.6%	3.4%	3.9%	4.0%	3.1%	4.7%	5.7%
Retention	79.9%	79.6%	79.7%	79.3%	78.4%	78.5%	78.2%	83.4%	82.0%	81.2%	79.6%
Gross loss ratio	57.3%	59.0%	60.5%	57.8%	57.8%	69.3%	66.3%	63.5%	64.7%	66.9%	63.1%
Gross expenses	28.0%	28.3%	28.2%	28.4%	28.4%	28.4%	28.4%	30.2%	30.1%	31.1%	31.1%
Net loss ratio	59.9%	61.4%	60.7%	60.2%	58.8%	64.1%	66.0%	62.4%	62.5%	63.8%	63.0%
Net expenses	30.3%	30.8%	30.0%	30.6%	31.2%	31.5%	31.4%	31.5%	32.0%	33.3%	33.4%
Net combined ratio	90.2%	92.2%	90.7%	90.7%	90.0%	95.7%	97.3%	93.8%	94.5%	97.1%	96.4%
Financial result	2.4%	3.5%	4.4%	3.9%	3.6%	2.8%	2.4%	2.3%	1.8%	2.3%	2.3%
Technical-financial result	12.2%	11.3%	13.7%	13.2%	13.6%	7.1%	5.1%	8.5%	7.3%	5.2%	5.9%

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.23.
Basic Homeowners Multirisk insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	3,764	3,779	3,837	3,916	4,059	4,196	4,348	4,529	4,652	4,878	5,149
Variation in premiums	3.0%	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%	2.7%	4.9%	5.5%
Retention	91.6%	90.4%	89.9%	90.2%	90.0%	90.3%	90.1%	90.0%	90.2%	89.9%	88.1%
Gross loss ratio	57.8%	59.1%	58.6%	58.2%	56.7%	61.2%	64.1%	62.0%	63.4%	63.6%	61.1%
Gross expenses	31.7%	32.0%	31.2%	31.5%	31.4%	31.5%	31.4%	32.0%	31.7%	33.8%	33.8%
Net loss ratio	58.9%	60.1%	59.4%	59.1%	57.5%	61.8%	64.6%	61.8%	61.9%	62.4%	61.9%
Net expenses	31.6%	32.1%	30.7%	31.8%	31.8%	31.6%	31.4%	32.4%	32.2%	34.4%	34.5%
Net combined ratio	90.5%	92.2%	90.1%	90.9%	89.3%	93.4%	96.1%	94.2%	94.0%	96.8%	96.4%
Financial result	2.1%	3.0%	3.3%	2.8%	2.7%	2.7%	1.8%	1.9%	1.3%	1.7%	1.7%
Technical-financial result	11.6%	10.8%	13.1%	11.9%	13.4%	9.3%	5.7%	7.7%	7.3%	4.9%	5.3%

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, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	1,344	1,265	1,220	1,176	1,170	1,234	1,316	1,385	1,463	1,548	1,684
Variation in premiums	-5.4%	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.3%	5.6%	5.8%	8.8%
Retention	50.4%	50.8%	52.2%	50.6%	47.9%	48.5%	47.3%	60.9%	53.0%	49.9%	49.1%
Gross loss ratio	59.2%	62.5%	68.8%	59.1%	63.7%	94.3%	76.0%	73.2%	74.6%	81.2%	72.4%
Gross expenses	19.7%	19.8%	20.5%	20.4%	20.5%	20.2%	20.9%	24.0%	23.9%	22.9%	23.0%
Net loss ratio	71.0%	74.8%	70.9%	69.1%	69.7%	78.7%	78.2%	68.2%	72.4%	74.7%	72.8%
Net expenses	27.9%	28.6%	28.5%	27.5%	30.4%	31.2%	32.3%	28.2%	30.8%	29.0%	29.6%
Net combined ratio	98.9%	103.4%	99.4%	96.6%	100.1%	109.9%	110.6%	96.4%	103.2%	103.7%	102.4%
Financial result	3.4%	4.8%	9.0%	7.9%	7.1%	1.6%	4.5%	3.8%	3.2%	4.5%	4.4%
Technical-financial result	4.5%	1.4%	9.6%	11.3%	7.0%	-8.4%	-6.1%	7.4%	-0.1%	0.8%	2.0%

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.25.
Basic Commercial Multirisk insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	625	596	594	565	575	585	595	602	604	622	630
Variation in premiums	-3.6%	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%	0.3%	3.0%	1.2%
Retention	86.1%	85.5%	84.2%	84.5%	83.9%	84.1%	83.4%	81.6%	83.3%	83.3%	81.9%
Gross loss ratio	53.6%	53.7%	56.4%	55.8%	53.4%	60.5%	55.3%	56.5%	53.5%	55.9%	55.3%
Gross expenses	30.1%	30.1%	30.7%	30.5%	31.2%	32.7%	31.7%	31.9%	33.4%	33.2%	32.4%
Net loss ratio	54.7%	54.3%	58.1%	57.5%	55.0%	62.6%	56.1%	58.6%	53.2%	56.0%	56.1%
Net expenses	29.7%	29.9%	30.2%	30.1%	31.0%	33.0%	32.0%	32.3%	34.4%	34.5%	33.5%
Net combined ratio	84.4%	84.2%	88.4%	87.7%	86.0%	95.6%	88.1%	91.0%	87.5%	90.5%	89.6%
Financial result	2.6%	3.8%	4.2%	4.0%	3.5%	3.6%	2.5%	2.6%	2.6%	2.6%	2.9%
Technical-financial result	18.2%	19.7%	15.8%	16.3%	17.5%	8.0%	14.4%	11.6%	15.0%	12.1%	13.3%

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 HOA Multirisk insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	815	823	827	836	853	872	898	926	953	984	1,032
Variation in premiums	2.6%	1.1%	0.4%	1.1%	2.0%	2.3%	3.0%	3.1%	2.8%	3.2%	4.9%
Retention	86.7%	86.4%	85.8%	86.1%	85.3%	86.1%	87.0%	86.2%	86.0%	86.9%	85.7%
Gross loss ratio	51.2%	54.5%	54.3%	53.9%	53.4%	58.5%	63.3%	61.7%	63.9%	67.5%	63.2%
Gross expenses	28.0%	28.2%	28.1%	28.8%	29.2%	29.7%	29.0%	29.4%	29.8%	30.2%	30.0%
Net loss ratio	52.5%	55.2%	55.2%	55.1%	54.5%	59.1%	64.7%	61.8%	62.6%	65.6%	64.2%
Net expenses	28.2%	28.0%	28.0%	28.7%	29.5%	30.5%	29.4%	29.9%	30.9%	31.3%	31.3%
Net combined ratio	80.7%	83.3%	83.2%	83.7%	83.9%	89.5%	94.1%	91.8%	93.5%	96.9%	95.4%
Financial result	2.7%	3.8%	4.1%	4.0%	3.9%	4.2%	3.1%	2.8%	2.4%	3.0%	2.9%
Technical-financial result	22.0%	20.5%	20.9%	20.2%	20.0%	14.7%	9.0%	11.0%	8.9%	6.1%	7.5%

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.27.
Basic Other Multirisk insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	79	73	73	71	78	78	76	79	81	84	84
Variation in premiums	32.3%	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%	3.0%	3.5%	0.0%
Retention	89.2%	82.8%	86.1%	85.3%	85.4%	85.0%	85.8%	86.0%	84.8%	84.5%	80.3%
Gross loss ratio	73.1%	69.1%	67.3%	70.1%	58.6%	52.9%	51.8%	54.0%	54.1%	64.4%	53.2%
Gross expenses	25.2%	30.0%	30.8%	31.2%	31.1%	28.9%	28.4%	28.8%	28.3%	28.4%	29.7%
Net loss ratio	73.8%	75.7%	71.0%	71.1%	63.3%	57.0%	54.0%	55.0%	51.1%	59.7%	55.2%
Net expenses	25.4%	31.0%	31.3%	32.3%	31.9%	29.8%	29.0%	28.8%	28.7%	29.4%	30.2%
Net combined ratio	99.2%	106.7%	102.3%	103.4%	95.2%	86.7%	83.0%	83.8%	79.8%	89.1%	85.4%
Financial result	1.1%	5.4%	6.2%	6.9%	4.8%	5.0%	2.8%	2.8%	1.5%	2.6%	3.2%
Technical-financial result	1.9%	-1.3%	3.9%	3.5%	9.6%	18.2%	19.8%	19.0%	21.7%	13.5%	17.8%

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.28.
Basic Health insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	6,786	6,937	7,181	7,361	7,736	8,069	8,516	8,935	9,386	9,854	10,543
Variation in premiums	2.9%	2.2%	3.5%	2.5%	5.1%	4.3%	5.5%	4.9%	5.0%	5.0%	7.0%
Retention	97.7%	97.6%	97.5%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	96.1%
Gross loss ratio	82.7%	83.1%	82.2%	80.9%	80.6%	79.9%	79.0%	79.4%	75.8%	78.4%	79.6%
Gross expenses	11.4%	11.7%	11.8%	12.2%	12.4%	12.2%	12.3%	12.8%	13.2%	13.5%	13.6%
Net loss ratio	83.8%	84.5%	83.6%	82.2%	81.8%	81.2%	80.3%	80.6%	77.0%	79.6%	80.7%
Net expenses	11.4%	11.7%	11.9%	12.2%	12.4%	12.2%	12.3%	12.8%	13.2%	13.5%	13.4%
Net combined ratio	95.2%	96.2%	95.5%	94.4%	94.2%	93.4%	92.6%	93.4%	90.2%	93.1%	94.2%
Financial result	0.8%	1.1%	1.0%	0.7%	0.7%	0.6%	0.3%	0.6%	0.6%	0.5%	0.3%
Technical-financial result	5.5%	4.9%	5.6%	6.3%	6.5%	7.3%	7.7%	7.3%	10.4%	7.5%	6.1%

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.29.
Basic Third-Party Liability insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	1,448	1,352	1,342	1,360	1,385	1,508	1,532	1,598	1,640	1,800	1,955
Variation in premiums	-5.4%	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%	2.7%	9.7%	8.6%
Retention	72.5%	71.8%	72.1%	72.2%	69.9%	69.5%	70.3%	71.4%	70.5%	67.7%	66.0%
Gross loss ratio	39.8%	52.1%	50.9%	62.1%	67.7%	69.3%	55.1%	62.4%	62.4%	57.4%	56.1%
Gross expenses	24.6%	25.0%	25.5%	25.6%	26.5%	27.2%	28.2%	28.9%	28.1%	28.6%	27.1%
Net loss ratio	38.2%	51.7%	50.6%	59.5%	59.6%	73.9%	54.5%	60.2%	61.1%	54.6%	56.9%
Net expenses	26.0%	26.5%	27.2%	26.8%	28.0%	29.4%	32.1%	32.2%	31.3%	32.2%	30.0%
Net combined ratio	64.3%	78.2%	77.8%	86.3%	87.6%	103.4%	86.7%	92.4%	92.4%	86.9%	86.9%
Financial result	7.1%	12.4%	15.2%	14.0%	13.5%	12.7%	10.6%	10.2%	6.0%	7.8%	6.0%
Technical-financial result	42.8%	34.2%	37.4%	27.7%	25.9%	9.3%	24.0%	17.8%	13.6%	20.9%	19.1%

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.30.
Basic Hull Transport insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	256	240	223	225	207	229	216	243	267	270	290
Variation in premiums	-7.2%	-6.3%	-7.2%	0.8%	-8.0%	10.7%	-5.7%	12.6%	9.8%	1.0%	7.5%
Retention	54.8%	53.4%	55.1%	55.8%	53.6%	52.2%	49.4%	46.4%	37.7%	34.1%	29.2%
Gross loss ratio	73.1%	55.6%	79.5%	77.9%	66.2%	68.5%	94.9%	87.1%	59.2%	65.2%	57.6%
Gross expenses	19.3%	19.5%	19.9%	20.7%	18.9%	18.4%	18.6%	16.5%	17.6%	18.8%	17.4%
Net loss ratio	74.3%	67.6%	90.8%	90.3%	75.6%	76.1%	82.8%	84.7%	80.3%	68.6%	73.7%
Net expenses	25.6%	27.2%	26.3%	26.5%	23.8%	24.9%	27.0%	22.6%	25.1%	23.9%	24.7%
Net combined ratio	99.9%	94.8%	117.0%	116.7%	99.4%	101.1%	109.8%	107.4%	105.4%	92.5%	98.4%
Financial result	3.9%	4.1%	14.9%	13.9%	11.6%	-3.2%	6.5%	4.8%	2.4%	4.4%	4.4%
Technical-financial result	4.0%	9.2%	-2.1%	-2.8%	12.3%	-4.3%	-3.3%	-2.6%	-3.0%	11.9%	6.0%

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.31.
Basic Goods in Transit insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	204	198	194	205	207	230	244	255	257	269	280
Variation in premiums	-3.0%	-2.8%	-2.2%	5.4%	1.2%	11.2%	6.0%	4.5%	0.6%	4.9%	4.1%
Retention	65.4%	63.7%	66.4%	65.7%	65.0%	62.0%	63.2%	69.0%	66.8%	67.4%	64.8%
Gross loss ratio	50.8%	62.0%	65.3%	71.0%	75.4%	58.8%	76.1%	61.3%	48.8%	55.9%	51.2%
Gross expenses	25.2%	25.4%	26.4%	28.1%	28.7%	27.4%	26.1%	28.0%	26.4%	26.6%	26.4%
Net loss ratio	59.1%	70.4%	71.8%	78.4%	72.6%	61.4%	70.4%	64.1%	50.0%	55.1%	52.1%
Net expenses	30.2%	31.1%	32.0%	33.3%	34.4%	33.7%	32.1%	30.0%	28.1%	27.3%	27.2%
Net combined ratio	89.3%	101.5%	103.8%	111.7%	107.0%	95.2%	102.6%	94.1%	78.1%	82.5%	79.2%
Financial result	2.7%	4.9%	6.5%	6.3%	5.7%	4.1%	3.6%	3.8%	2.5%	3.2%	3.1%
Technical-financial result	13.4%	3.4%	2.8%	-5.4%	-1.4%	8.9%	1.1%	9.6%	24.4%	20.7%	23.9%

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.32.
Basic Burial insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	1,891	1,961	2,087	2,150	2,167	2,277	2,367	2,459	2,490	2,569	2,626
Variation in premiums	7.3%	3.7%	6.5%	3.0%	0.8%	5.1%	4.0%	3.9%	1.3%	3.2%	2.2%
Retention	98.9%	99.0%	98.4%	98.5%	98.6%	98.4%	98.3%	98.5%	98.3%	97.9%	98.0%
Gross loss ratio	55.2%	56.9%	60.3%	65.2%	63.7%	62.6%	64.5%	64.8%	71.0%	63.1%	57.7%
Gross expenses	37.5%	36.4%	34.8%	32.9%	33.1%	33.0%	33.0%	32.8%	32.2%	32.2%	33.4%
Net loss ratio	55.4%	57.2%	60.9%	65.9%	64.3%	63.1%	65.3%	65.5%	72.0%	64.2%	58.6%
Net expenses	37.5%	36.4%	34.7%	32.7%	33.0%	32.9%	32.9%	32.8%	32.2%	32.4%	33.5%
Net combined ratio	93.0%	93.5%	95.5%	98.6%	97.3%	96.1%	98.2%	98.4%	104.2%	96.5%	92.1%
Financial result	6.8%	6.2%	6.5%	7.4%	5.8%	5.8%	5.7%	6.3%	4.8%	6.4%	3.5%
Technical-financial result	13.8%	12.7%	11.0%	8.8%	8.5%	9.8%	7.5%	7.9%	0.6%	9.8%	11.4%

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 Receivables insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	677	646	631	609	593	570	584	607	602	650	714
Variation in premiums	-2.5%	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.8%	-0.8%	7.9%	9.8%
Retention	53.2%	46.3%	44.4%	42.1%	34.4%	34.4%	36.2%	37.5%	32.5%	33.0%	53.7%
Gross loss ratio	81.4%	70.4%	39.6%	69.2%	45.0%	48.0%	49.6%	52.2%	61.8%	26.7%	41.2%
Gross expenses	20.9%	21.9%	24.1%	24.7%	31.3%	30.4%	29.7%	32.8%	30.5%	31.0%	28.5%
Net loss ratio	87.8%	68.7%	42.2%	48.5%	47.3%	53.1%	57.3%	46.6%	66.3%	42.2%	53.5%
Net expenses	19.2%	22.1%	19.2%	8.4%	17.2%	16.5%	9.4%	11.0%	12.3%	17.5%	19.0%
Net combined ratio	107.0%	90.9%	61.4%	56.9%	64.6%	69.6%	66.7%	57.7%	78.6%	59.7%	72.5%
Financial result	5.8%	6.0%	4.5%	4.0%	2.6%	2.6%	3.3%	2.8%	1.4%	5.1%	1.8%
Technical-financial result	-1.2%	15.1%	43.1%	47.1%	38.0%	33.0%	36.6%	45.1%	22.8%	45.4%	29.3%

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, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	65	63	61	86	62	63	84	122	136	149	168
Variation in premiums	-16.2%	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	45.6%	11.1%	9.3%	12.6%
Retention	47.1%	44.5%	48.7%	46.4%	35.1%	36.4%	34.8%	31.8%	32.9%	35.3%	37.0%
Gross loss ratio	284.4%	535.5%	159.8%	158.2%	22.9%	30.4%	15.7%	39.7%	26.0%	20.3%	11.3%
Gross expenses	24.7%	28.3%	27.8%	33.9%	32.4%	27.4%	33.6%	36.0%	31.6%	38.1%	35.1%
Net loss ratio	201.4%	233.4%	72.1%	64.0%	33.1%	38.4%	31.9%	48.2%	37.3%	28.9%	31.2%
Net expenses	14.0%	34.4%	37.9%	41.7%	25.0%	13.2%	24.9%	29.0%	-1.3%	26.7%	18.7%
Net combined ratio	215.4%	267.8%	110.0%	105.7%	58.2%	51.5%	56.8%	77.3%	36.0%	55.6%	49.9%
Financial result	9.8%	3.1%	5.0%	3.3%	4.1%	5.8%	6.2%	4.6%	1.8%	4.3%	3.8%
Technical-financial result	-105.7%	-164.7%	-5.1%	-2.3%	45.9%	54.3%	49.4%	27.3%	65.7%	48.7%	54.0%

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.35.
Basic Personal Accident insurance indicators, 2012-2022
 (premiums, millions of euros; ratio over premiums, %)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Written premium volume	853	880	886	926	984	1,114	1,152	1,152	1,123	1,120	1,134
Variation in premiums	-5.0%	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	0.0%	-2.5%	-0.3%	1.3%
Retention	89.7%	90.1%	89.0%	89.0%	87.9%	87.4%	87.6%	86.5%	86.8%	87.2%	85.8%
Gross loss ratio	34.2%	41.6%	40.9%	41.3%	37.2%	38.3%	38.7%	39.0%	32.9%	35.0%	35.2%
Gross expenses	36.3%	34.9%	36.7%	37.6%	37.1%	36.9%	36.1%	36.4%	34.7%	35.7%	36.4%
Net loss ratio	35.3%	40.8%	41.8%	40.5%	37.2%	36.9%	38.5%	39.5%	32.0%	34.9%	34.0%
Net expenses	36.9%	35.2%	37.2%	37.6%	37.4%	37.4%	36.4%	37.0%	35.6%	36.9%	38.1%
Net combined ratio	72.2%	76.0%	79.0%	78.1%	74.6%	74.3%	74.9%	76.5%	67.6%	71.8%	72.1%
Financial result	3.8%	11.3%	18.7%	15.0%	15.4%	17.0%	19.4%	19.5%	28.0%	2.8%	19.4%
Technical-financial result	31.6%	35.3%	39.7%	36.9%	40.8%	42.7%	44.5%	42.9%	60.4%	31.0%	47.4%

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, 2012-2022
(premiums/GDP, %)

Year	Total market	Life insurance			Non-Life insurance				
		Total Life insurance	Life Risk	Life Savings	Total Non-Life insurance	Automobile	Multirisk	Health	Other lines
2012	5.57%	2.55%	0.34%	2.21%	3.02%	1.03%	0.64%	0.66%	0.69%
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	5.27%	1.95%	0.43%	1.52%	3.31%	0.99%	0.69%	0.84%	0.79%
2021	5.12%	1.95%	0.42%	1.54%	3.17%	0.91%	0.67%	0.82%	0.77%
2022	4.87%	1.85%	0.39%	1.46%	3.03%	0.85%	0.65%	0.79%	0.73%

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

Table A.37.
Trends in density and depth in the Spanish insurance industry, 2012-2022
(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			Total Non-Life insurance	Non-Life insurance			Health	Other lines	
		Total Life insurance	Life Risk	Life Savings		Automobile	Multirisk				
2012	1,228.5	562.8	75.2	487.6	665.7	227.1	141.9	145.3	151.5	45.8%	
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	1,301.2	495.9	105.7	390.2	805.3	231.4	170.9	207.5	195.6	38.1%	
2022	1,347.8	510.5	107.9	402.6	837.3	236.2	178.5	219.4	203.2	37.9%	

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

Table A.38.
Trends in the Insurance Protection Gap in the Spanish insurance market, 2012-2022
(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
2012	23.7	22.5	1.2	57.4	81.1	0.413	0.857	0.037
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	31.4	31.4	0.0	58.9	90.3	0.533	1.438	0.000
2021	36.8	36.6	0.2	61.8	98.6	0.596	1.554	0.006
2022	36.1	35.9	0.2	64.8	100.9	0.558	1.464	0.005

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

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