



Fundación **MAPFRE**

**THE SPANISH INSURANCE
MARKET IN 2015**

2015

The Spanish Insurance Market in 2015



Las meninas, 1957.

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© Of this edition:
2016, Fundación MAPFRE
Paseo de Recoletos, 23
28004 Madrid
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November, 2016

ISBN: 978-84-9844-605-0

National Legal Deposit Number: M-28632-2016

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The MAPFRE Economic Research wishes to acknowledge the collaboration of a number of MAPFRE employees. Their comments and suggestions have been an important contribution to the completion of this report.

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Introduction

The MAPFRE Economic Research Service was created to promote, contribute to and influence both the general economic debate as well as talks relating to the growth and development of the insurance industry.

Within this framework, the aim of this report is to provide a view of the Spanish insurance market in 2015. To this end, the report addresses the performance of the insurance industry in Spain with a general review of the economic context and the main socio-economic variables. This review will analyze, among other issues: the structure of the insurance market, the dynamics of premium growth and the main lines contributing to it, the technical performance of the market, the industry concentration levels, assets under management and profitability, the growth of technical provisions and solvency margins and results of the sector. The report also details the sector's technical and investment performance trends and the development of the Life and Non Life insurance segments.

Furthermore, this version of the report also includes a section on the main structural trends in the insurance market in Spain over the past decade, with an analysis of penetration, density and depth of insurance, and a calculation of the Insurance Protection Gap in Spain, both from the perspective of Life and Non Life insurance.

We hope that this type of analysis contributes to a better understanding of how the insurance market works in Spain, as well as the factors that stimulate its growth, with the aim of making more elements available which will enable the industry to further increase its importance in the economy and in this way to continue supporting the country's development.

MAPFRE Economic Research

1. Summary

In 2015, the **global economy** grew by 3.1%. Just as in the previous year, it was characterized by moderate growth in the developed economies and a slowdown in emerging economies. The former recorded overall growth of 1.9%, with the United States coming in above average (2.4%) and Europe below average (1.6%). Growth in the emerging economies was 4.0%, affected by the slowdown in China and recession in Brazil and Russia. Of the year's main economic events, special mention should be made of the sharp fall in commodity prices in general and oil in particular, which had a significant impact on the global economy.

The total premium volume in the global insurance market grew by 3.8% in real terms in 2015, reaching \$4.6 billion, showing a slight uptick in growth (three tenths) on the previous year. Just as in 2014 growth occurred in both advanced and emerging markets. Performance differed however, since the former suffered a slowdown with the growth rate falling to 2.5%, while the latter saw growth increase to 9.8%. The global insurance industry grew both in the Life (4.0%) and in the Non Life segments (3.6%). In both of them, growth was stronger in the United States, Japan (advanced markets) and China (emerging markets).

The **Spanish economy** grew by 3.2% in 2015, supported by both internal factors (such as improved competitiveness) and external factors (such as lower oil prices and the depreciation of the Euro against the Dollar). Growth helped bring down the unemployment rate, which nevertheless stood at 22.1%. The outlook for growth in 2016 is a little better according to most analysts. This is the result of the progressive recovery of oil prices, the stability of the Euro-Dollar exchange rate and the fiscal adjustment process which the Spanish economy must undergo.

The premium volume in the **Spanish insurance market** increased by 2.2% in 2015, reaching 56,905 million euros, with growth in both Life and Non Life premiums. Life insurance contributed 0.8 percentage points to this growth while the contribution of Non Life was 1.3%.

Turning to the **market's technical performance**, the total combined ratio reached 109.1% in 2015, a slight decrease from 2014 value. The combined ratio for the Non Life insurance sector reached 94.7% in 2015, 0.8 percentage points above the level registered in the previous year, due to an increase in the claims ratio.

The volume of **investment assets** of the Spanish insurance companies increased by 0.4% in 2015, reaching 227,427 million euros, of which 81.3% corresponded to the Life portfolio, 18.4% to the Non Life insurance segment and the remainder to the companies' own Equity Capital. Investment in fixed-income instruments continued to gain relative importance, reaching 69.3% in 2015. Furthermore, the insurance industry's financial income yield stood at 3.95%, 0.72 percentage points below the 2014 level but still above the risk-free interest rate curves.

The premium volume in the **Life insurance** increased by 1.8%, reaching 25,567 million euros, thus overcoming the downward trend of recent years. By lines, insurance premiums with coverage exclusively for death increased by 7.6% due to the recovery of the real estate market, while the Savings/Retirement types decreased by 0.9%. Among the latter there was growth in Individual Systematic Savings Plans (13.2%) and Deferred Capital (2.9%), and a decrease in Insured Benefit Plans (-12.6%) and Annuity Insurance (-8.1%). The volume of Life insurance technical provisions grew by 0.8% between 2014 and 2015, reaching 167,699 million euros, with sustained growth right through the last decade.

Assets managed by **Pension Plans** grew by 4% in 2015, reaching a total of 104,518 million euros. This is the fourth consecutive year of growth, as well as a new record high. However, the number of participating accounts fell below 10 million, with a slight decrease of 0.1%. Nevertheless, in 2015 Pension Plans were moderately profitable in most categories and systems, with an overall average return of 1.8%. In the Individual System, Variable Income Funds were particularly significant, with annual re-

turns of 5.6%. Employment System Plans yielded a return of 2.9% in 2015.

The premium volume of **Non Life insurance** increased by 2.4% in 2015, reaching 31,338 million euros. This is the second consecutive year of growth for premiums in this segment as a result of economic recovery and greater capacity for consumption of businesses and homes. In 2015, there was growth in almost all lines, especially in those with a higher market share, Automobile, Health, Multiperil and Funeral.

Automobile **insurance premiums** increased by 1.7% in 2015, reaching 10,045 million euros. This was the first time since 2007 it grew which shows that, as a result of economic recovery, the line is beginning to overcome the difficulties resulting from the crisis and the fierce competition observed in recent years. With a weight of 32.1%, Automobile insurance continue to be the most important Non-Life line.

The premium volume in **Health insurance** in 2015 was 7,369 million euros, up 3.2% on the previous year. Health insurance has been able to maintain positive growth rates throughout the economic crisis. The most important line, representing 87.7% of premiums, is still Healthcare Assistance, with 3.3% growth in 2015. Health insurance ranks second in the classification by premiums in Non Life insurance, with a 23.5% share.

In 2015, **Multiperil insurance premiums** recovered their growth pattern, increasing by 1.6%, to reach 6,659 euros. With the exception of Other Multiperil insurance, all modalities registered a positive performance: Home (2.1%), Industries (0.8%), Commerce (1.6%) and Communities (1.1%), as a result of greater economic capacity of businesses and households. Multiperil insurance stands in third place by premium volume in the Non-Life insurance line, with a share of 21.2%.

The premium volume in **Funeral insurance** increased by 4.1% in 2015, reaching a total of 2,151 million euros. The number of policyholders also increased by 0.4% to over 21 million. Funeral insurance continues to be strongly rooted in Spain, with a penetration of over 60% in some regions. Funeral and Health have been the only important lines to achieve uninterrupted growth in recent years.

The **results** for the insurance industry during 2015, while still positive, were down from the previous year due to an increase in the claims ratio and lower yields on financial investment. The result for the non-technical account was 3,656 million eu-

ros, 28.5% less than for 2014, while the technical account showed a 15.5% decrease, down to 4,576 million euros. The decline in the technical account affected both Life (-20.4%) and Non Life (-11.9%).

Return on Equity (ROE), or the ratio between fiscal year results and net equity for the sector, decreased by 3.6 percentage points in 2015 to 8.8%. In the same way, profitability within the industry, measured as the relationship between the year's financial results and total assets (ROA), contracted 0.57 percentage points in 2015, to 1.2%.

The **solvency margin** decreased by 2.3 percentage points to 197.7% in 2015, with 117.9% for Life insurance and 303.5% for the Non Life insurance sector. Likewise, the relationship between investment and technical provisions stood at 1.12, a slight decrease of 0.5% on 2014. In spite of the decrease in 2015, both variables show that the Spanish insurance industry remains robust and solvent.

The **penetration** of Spanish insurance in the economy, measured as the relation of premiums with regard to Gross Domestic Product (GDP), stood at 5.3% at the end of 2015, 0.09 percentage points below that observed in 2005, maintaining the downward trend for this indicator which began in 2011. The penetration index was 2.9% for Non Life lines and 2.4% for Life insurance lines. Medium-term analysis shows that only Life insurance has penetration slightly in excess (4 basis points) of that observed a decade ago, while penetration of Non Life insurance and the global index for market penetration are lower (9 and 14 basis points respectively) than those observed in 2005. The lines with the best performance in terms of penetration over the last 10 years were Risk Life, Health and Multiperil.

The **density** of Spanish insurance, measured as per capita expenditure on insurance premiums, stood at 1,223.1 euros in 2015, 109.4 euros more than that observed a decade before. The density in 2015 was made up of 673.6 euros per capita expenditure in Non Life insurance and 549.5 in the case of Life insurance. Density fell consecutively in the years following 2011, but recovered in 2015 with an increase of 28.4 euros. Growth in density over the last decade has been marked especially by the increase in density of Life insurance, which grew by 14% (from 482 to 549.5 euros), while the density of Non Life insurance only increased by 6.6%, from 631.8 to 673.6 euros). As in the case of penetration, those lines with a better performance in density over the last decade were Risk Life, Health and Multiperil.

The **depth** of the insurance market in Spain, measured as the participation of direct Life insurance premiums against the market's total direct premiums, stood at 44.9% in 2015, an increase of 1.7 percentage points over the index observed in 2005. However, the indicator tended to decrease from 2011, when it reached the maximum level for the decade, with 47.9%.

The **Insurance Protection Gap (IPG)** for the Spanish market stood at 29.7 billion euros in 2015, equivalent to 52.2% of the real insurance market at the close of the year. The structure and growth of the IPG make it apparent that the development of the Life insurance sector is insufficient in comparison with that observed in Non Life insurance. The result was that in 2015 the IPG for the Life sector stood at 28.6 billion euros, while the IPG corresponding to Non Life insurance was 1.1 billion euros.

Furthermore, in an environment characterized by the absence of major catastrophes and low growth in developed economies, **reinsurance** still faces from strong competition in rates and conditions, which reduces the technical margin for reinsurance companies and brings about greater withholding of business by large insurance groups. In this context, the reinsurance market has obtained positive although declining results.

Losses in the global insurance industry in 2015 due to **natural disasters** were estimated at around 37 billion dollars, an amount similar to that of the previous year and much lower than the average for the last 10 years (\$62 billion). As in previous years, the majority of losses were due to extreme weather conditions such as hurricanes, flooding, storms and droughts. Furthermore, in 2015 temperatures were abnormally high which affected numerous regions.

The growth **prospects** in the insurance industry in 2016 are upbeat, basically due to the favorable effect on the insurance business of a stronger Spanish economy. However, there are still some issues

which overshadow the outlook, like the country's high unemployment level, in spite of a decrease in recent months. There are also certain challenges affecting insurance companies in particular, such as the new Solvency II regulatory framework coming into force and low interest rates.

In the **Life insurance business**, it is expected that the continuing economic recovery will increase households' savings capacity which will benefit the sale of products relating to protection, investment and retirement. The continuity of this process will depend to a large extent on the capacity for supporting continued improvement in the labor market over the coming years. In addition, increased awareness of the need to save for retirement is expected to be an essential driving force for both the pension fund and investment sectors. In this regard it is important to reinforce education, information and fiscal measures to make the population aware of the need to complement future pensions.

An important factor to take into account is the low interest environment, the persistence of which will continue to make investment in conservative products less attractive, and may lead to a greater tendency toward taking financial risk in search of higher yields. This situation will benefit sales of the Unit Linked products and others which take variable income as a benchmark, inasmuch as they may overcome the reluctance of Spanish investors, who are very conservative when it comes to investing, to take out insurance.

The favorable economic outlook will also have a positive impact on **Non Life insurance**, which expects consolidated growth throughout 2016 as a result of households having greater capacity for expenditure and improved business and industrial activity. In particular, in 2015 automobile insurance was able to reverse the negative trend which it had been suffering during the economic crisis, and a number of factors, such as higher car sales, prompt us to forecast that growth will continue through 2016.

2. Socio-economic context

2.1. Economic context synthesis

According to the International Monetary Fund (IMF), the global economy grew by 3.1% in 2015. Considering that a year before, the forecast was 3.5%, this shows that the forecast for global economic performance has been revised downward.

In any case, growth in 2015 was the result of improved activity in advanced economies (1.9%) and, to a lesser extent, the performance of developing and emerging economies (4.0%). In the first group, growth in the United States (2.4%) and the Euro zone (1.6%) deserves a special mention. In the second group, Russia and Brazil are in recession, and China is clearly slowing while undergoing economic transformation. India, however, had growth of over 7% (7.3%) and stands out among the BRIC countries.

Against this backdrop, the growth rate for global trade in goods and services was 2.8%. Oil prices fell by 47%, bringing down energy prices and contributing to a general lowering of prices. The prices of other raw materials also fell (-17%), which led to a reduction in the income of the exporting countries, thus affecting the chain of job creation, income, investment and imports from other countries.

The forecast for economic activity in 2016 does not differ much from 2015. The IMF expects a global growth rate of 3.2%, and other multilateral organizations have similar forecasts.

Turning to monetary policy, the main Central Banks appear to differ in their outlook. While some coun-

tries (United States and United Kingdom) are moving toward the gradual standardization of monetary policy, others (Europe and Japan) maintain unorthodox policies aimed at stimulating growth and creating employment via liquidity volume and low interest rates, which will be maintained at least while inflationary pressures remain relatively low.

In 2015, the Spanish economy grew by 3.2%, with a net creation of 521,875 jobs which brought the unemployment rate down to 22.1%. Economic growth exceeded expectations thanks to two important events, a sharp fall in the price of oil per barrel (-47% in the case of Brent), and a 16.4% depreciation in the value of the Euro against the US Dollar.

For these reasons, even though foreign and domestic sales both buoyed economic growth in Spain, the latter contributed the most to GDP growth in 2015, with significant levels of consumption and investment in both the private and the public sector (see Table 2.1).

Furthermore consumer confidence has improved, although there is still a certain degree of uncertainty at the sociopolitical level as a result of the electoral cycle which mostly affects the investment factor.

Prospects for growth in 2016 are somewhat better according to the majority of analysts. This is the result of recovering oil prices, the stability of the Euro-Dollar exchange rate and the tax adjustment process in the Spanish economy.

The Banco de España is forecasting economic growth of 2.7%, 19.7% unemployment and a fiscal deficit of 4.1% of GDP (economic forecast at 07/06/2016).

Table 2.1. Gross Domestic Product and its components
[annual change rates, %]

	2014	2015
Demand		
Final consumption expenditure	0,9	3,0
Final household consumption expenditure	1.2	3.1
Final NPISH consumption expenditure	1.3	1.0
Final Pub. Admin. consumption expenditure	0.0	2.7
Gross Fixed Capital Formation	3.5	6.4
Tangible fixed assets	3.7	7.2
Intellectual property protection	2.1	1.8
Domestic demand ¹	1.6	3.7
Foreign demand ¹	-0.2	-0.5
Exports of goods and services	5.1	5.4
Imports of goods and services	6.4	7.5
Supply		
Fishing and agricultural classes	-3.7	1.9
Industrial classes	1.2	3.4
Construction	-2.1	5.2
Service Lines	1.9	3.1
GDP at market prices	1.4	3.2
GDP at current market prices²	1,041.2	1,081.2

(1) Contribution to GDP growth
(2) Billion euros

Source: INE (National Statistics Institute). Economic accounts

2.2. Socio-economic variables

This section reports on the progress in 2015 of certain socioeconomic variables relating to demography, automobiles, housing and business activities which are of significant importance to the insurance business.

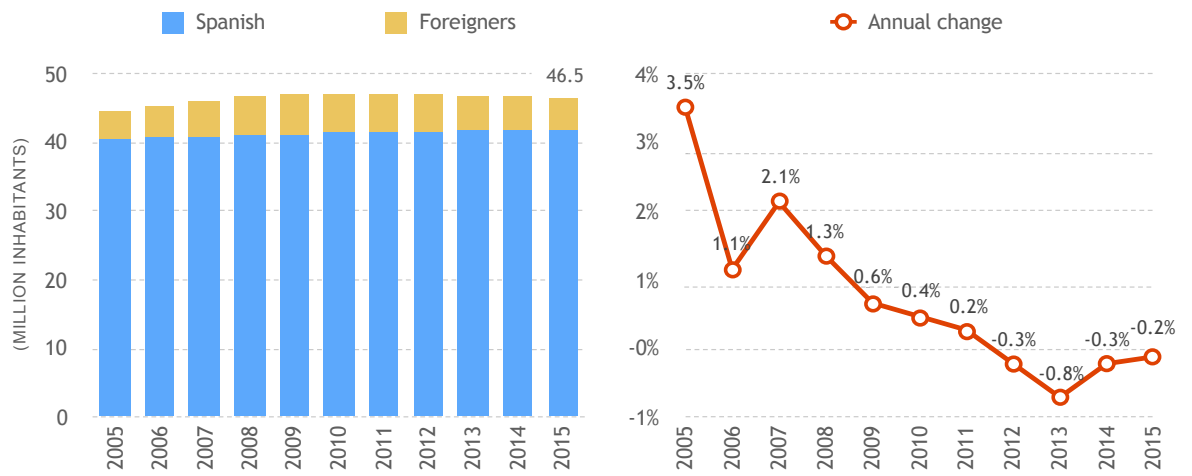
Demography

In 2015, the Spanish population decreased by 0.21% compared to 2014 (see Graph 2.2-a). The average age of the people registered in the Municipal

Census was 42.7 with the age for Spanish residents standing at 43.5 and 35.6 for foreign residents. Furthermore, over this period the number of foreigners decreased by 128,372 which will have an adverse effect on the aging process (see Graph 2.2-b). The process is expected to continue over the coming years, although with reduced intensity since the maximum reached in 2013.

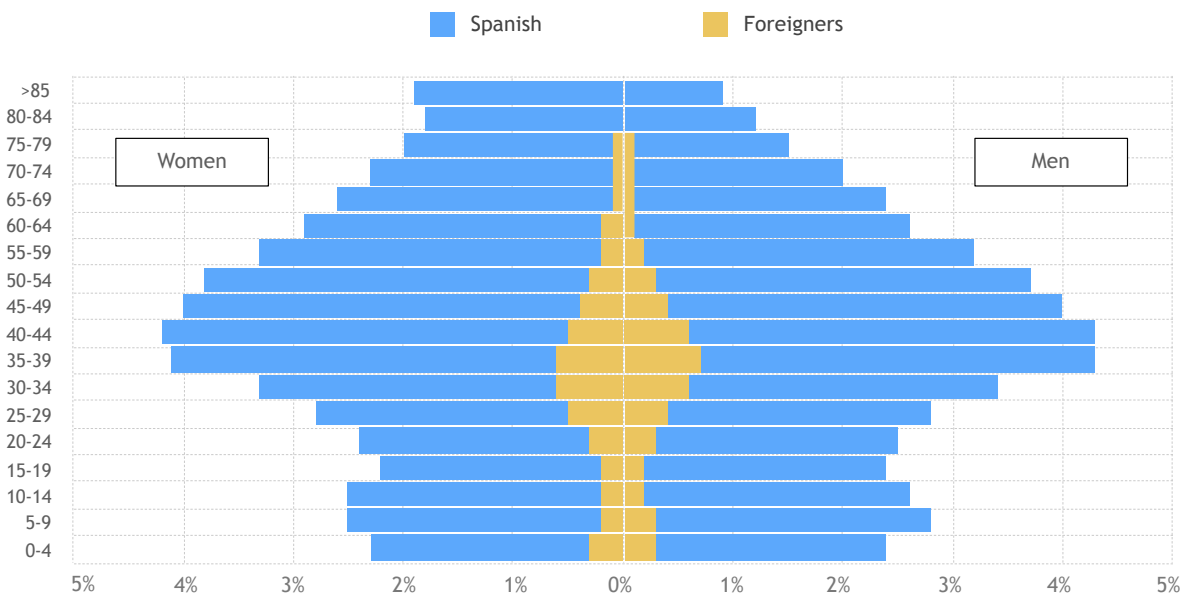
Furthermore, statistics published by the National Institute of Statistics (INE) regarding the natural movement of the population in 2015 show a 2% decrease in the birth rate and a 6.7% increase in the death rate. Life expectancy for those born in Spain continues to exceed the age of 82 (see Table 2.2).

Graph 2.2-a. Growth of the Spanish Population, 2005-2015
 (distribution, millions; annual change, %)



Source: MAPFRE Economic Research (with INE data)

Graph 2.2-b. Distribution of the Spanish Population by age and sex, 2015
 (growth by groups in five-year age segments)



Source: INE (National Statistics Institute)

Automobile

In 2015, there were 31.5 million automobiles in Spain, approximately half a million more than the previous year, and vehicle registrations increased by 24% (see Table 2.2). Economic recovery has led to a higher use of vehicles, since long-distance journeys increased by 4% over the previous year.

However, the age of the vehicles remains high, with an average age significantly exceeding 11 years.

In spite of the age of vehicles and their increased use, 2015 saw 1,126 deaths in traffic accidents on inter-city roads, six fewer (-1%) than in 2014, so the downward trend in road mortality continued for the twelfth consecutive year. The death rate was 36

deaths per million inhabitants, well below the average of 51 per million for Europe, which means that Spain remains in fifth position worldwide for countries with the best road safety record.

As in previous years, most of the victims were male (79%) and most of these deaths resulted from accidents where the vehicle drove off the road. The trend for fatal accidents on conventional roads continues to increase, while there is a decrease on major freeways: in 2015, 81% of deaths occurred on conventional highways. There has also been a reduction in the number of people who were hospitalized (-2%), as well as the number of deaths in accidents on urban roads (-5%).

Housing

In 2015, the real estate market in Spain continued the recovery which began in the previous year (see Table 2.2). According to INE data, the House Price Index increased by 4.2% over the previous year, 5.8% in the case of new houses and 4.0% for second-hand houses, although the change in the index for the second half of 2015 was negative (-0.1%).

Furthermore, statistics published by the Ministry of Public Works show a 9.9% increase in real estate transactions in 2015, which is the highest since 2010 (see Graph 2.2-c). House sales increased in all the autonomous communities, with the exception of

Castille-La Mancha, where there was a slight decrease. Likewise, property purchases by foreigners, both residents and non-residents, increased and represented 17.3% of the total.

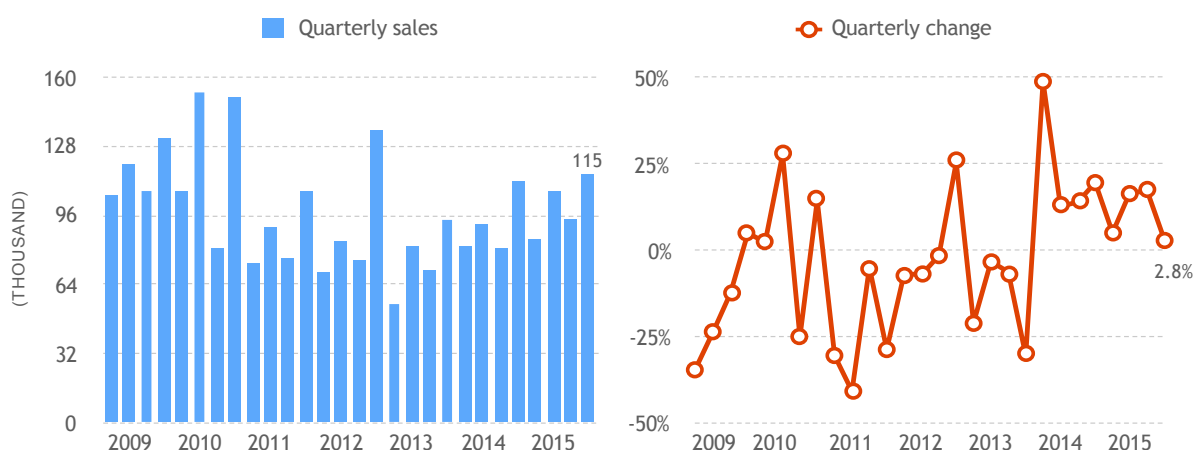
Company

According to the Central Companies Directory (DIRCE), the number of active companies in Spain increased by 2.2% in 2014, reaching a total of 3,186,878 on January 1, 2015. Although the high of 3.4 million registered in 2008 was not reached, this is a positive fact and reverses the downward trend of the previous six years, and is further evidence of economic recovery.

Once again, the most significant sectors were "Other Services" (57.1%) and "Commerce" (24.0%). Both grew by 3.9% and 0.7% respectively in 2014, compared to -0.9% and 0.2% in the previous year. Furthermore there was a decrease in the "Construction" (-0.5%) and "Industry" (-1.4%) sectors, although less than in the previous year (-4.1% and -2.8% respectively).

The size of Spanish companies remains small: 55% have no salaried employees and 83.3% have two or less, while only 4.3% have more than 20. By region, Catalonia and Madrid have the highest number of companies, with 18.3% and 16% of the total respectively.

Graph 2.2-c. Summary of the main variables
(absolute values; annual change, %)



Source: MAPFRE Economic Research (with Ministry of Public Works data).

Furthermore, 94,594 Limited Companies were created in 2015, 0.5% more than the previous year, while 20,696 were wound up, 5.4% fewer than in 2014. At the same time 32,370 companies increased their capital in 2015, 1.4% fewer than the previous year. Nevertheless there was a decrease in subscribed capital both in the newly registered companies (-0.8%) and in the capital increases (-19.3%). Furthermore, as in 2014 the "Commerce"

and "Construction" sectors were leaders both in the creation and the winding-up of companies, with Madrid at the head in both cases.

The total amount for unpaid commercial invoices in 2015 was 2,851 million euros, 16.2% lower than in 2014. In 2015, the number of unpaid commercial invoices over those due was down 14.4% on the previous year, standing at 1.8%.

Table 2.2. Summary of the main variables
(absolute values; annual change,%)

	2015	% chg.
Demography ⁽¹⁾		
Population residing in Spain	46,524,943	-0.2%
Spanish population residing in Spain	41,923,671	0.1%
Foreign population residing in Spain	4,601,272	-2.7%
Spanish population residing overseas	2,305,030	5.6%
Gross birth rate	9.0	-2.0%
Gross death rate	9.1	6.8%
Average age at which women have first child	31.9	0.4%
Current fertility indicator	1.3	0.7%
Average age at which Spanish women have first child	32.4	0.4%
Average age at which foreign women have first child	29.4	0.4%
Life expectancy of population residing in Spain	82.7	-0.3%
Automobile ⁽¹⁾		
Number of registered vehicles	31,500,000	1.7%
Newly registered vehicles	1,454,980	23.6%
"FIVA" Insured Vehicles	29,125,792	1.1%
Deaths on inter-city and urban roads ⁽²⁾	1,380	-1.2%
Living place		
Number of real estate transactions	401,713	9.9%
Free dwelling price (euros/m ²)	1,490	1.8%
Number of mortgages on homes	244,827	19.8%
Average value of mortgages established (euros)	105,931	3.6%
Companies		
Total number of companies in Spain	3,186,878	2.2%
Trading companies created	94,594	0.5%

(1) Provisional data

(2) Data collected up to 24 hours after an accident has occurred

Source: INE, DGT and CCS

3. Growth of the insurance market

3.1. International insurance activity

The total volume of premiums in the global insurance market grew by 3.8% in real terms in 2015 compared to 2014, reaching \$4.6 billion, with a slight uptick in growth (three tenths) over the previous year. However, in nominal terms the total volume of premiums decreased by 4.2%, due mainly to the impact of the dollar's appreciation on currency markets. As in the previous year, the insurance industry grew in both advanced and emerging markets. Performance differed however, since the former slowed with growth falling to 2.5%, and the latter increased to 9.8%. Finally, both the Life insurance and Non Life segments grew.

Life insurance grew globally by 4.0% in real terms in 2015 (compared with 4.3% in 2014), reaching \$2.5 billion. Growth in advanced markets was 2.5% and 12% in emerging markets. Growth in advanced markets was driven by the positive results in Japan, Korea and the United States, compensating for the drop registered in the insurance market in Western Europe. In emerging markets, growth was once again especially noteworthy in China, reaching 20%.

The total global premium volume in the Non Life segment increased by 3.6% in 2015 (compared with 2.4% in 2014), reaching \$2 billion. Advanced markets grew by 2.6% due to the strong performance of the insurance markets in Japan and the USA, and to a lesser extent in Western Europe (1.5%). The premium volume in emerging markets grew by 7.8%, mainly driven by China (17%).

According to Swiss Re forecasts, a moderate uptick in growth in Life insurance premiums is expected

in advanced markets, although the outlook still needs to be qualified for emerging markets given the complexity involved in maintaining high growth rates in China. In the Non Life insurance segment, emerging markets are expected to outperform advanced markets, due to the slow pace of economic recovery in the latter.

In particular, the premium volume for the European insurance industry was \$1.4 billion in 2015, representing real growth of 1.4%. Life insurance slowed in Western Europe by 1.3% in 2015 (as against 5.8% in 2014), mainly due to the market shrinking in Germany (-2.5%). However, business in the Non Life insurance sector continued to grow for the second straight year, reaching 1.5% (as against 0.4% in 2014).

The Spanish insurance industry went down one place in the world market ranking and now occupies fifteenth place, eighteenth place in Life insurance and eleventh in Non-Life insurance. In the ranking of premiums per inhabitant, Spain continues to occupy twenty-eighth place, with average expenditure of \$1,322. The penetration of insurance in 2014 was 5.3%, positioned thirteenth in the global ranking.

Finally, it is important to mention that losses in the global insurance industry in 2015 due to natural disasters were estimated at around 37 billion Dollars, an amount similar to that of the previous year and much lower than the average for the last 10 years (\$62 billion). As in previous years,

the majority of losses were due to extreme weather conditions like hurricanes, flooding, storms and droughts. The latter affected a large number of regions, due to the exceptionally high temperatures recorded in 2015.

Table 3.1. Size of the world's largest insurance markets, 2015
[indicators]

Country	Premiums (billion \$)	Premiums per capita (\$)	Premiums / GDP
United States	1,316	4,096	7.3%
Japan	450	3,554	10.8%
China	387	281	3.6%
United Kingdom	320	4,359	10.0%
France	231	3,392	9.3%
Germany	213	2,562	6.2%
Italy	165	2,580	8.7%
South Korea	154	3,034	11.4%
Canada	115	3,209	7.4%
Taiwan	96	4,094	19.0%
Netherlands	81	4,763	10.7%
India	72	55	3.4%
Australia	71	2,958	5.7%
Brazil	69	332	3.9%
Spain	61	1,322	5.1%
Europe	1,469	1,634	6.9%
UE 15	1,315	2,951	8.0%
UE 27	1,351	2,430	7.6%
World	4,554	603	6.0%

Source: Swiss Re

3.2. National insurance activity

Growth

The premium volume of the Spanish insurance market in 2015 was 56,905 million euros, a slight increase of 2.2% over the previous year. There was growth in both Life and Non Life premiums (see Graph 3.2-a).

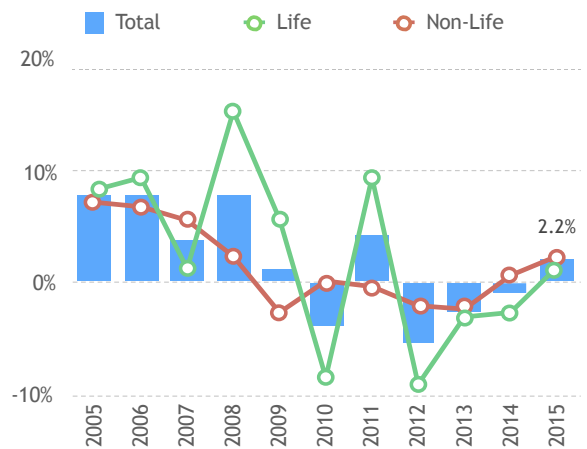
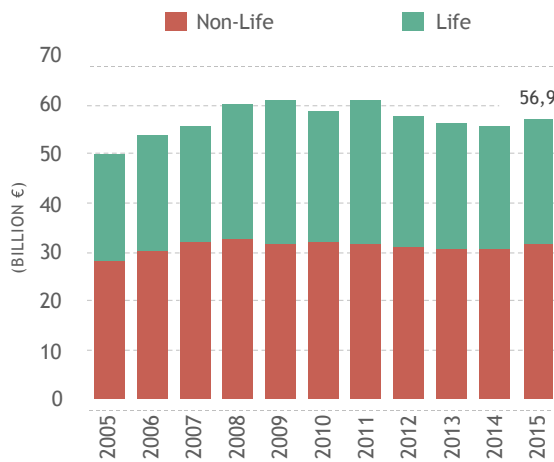
Growth in the Spanish insurance industry was strengthened by growth in the Spanish GDP from 2012 onward. Nevertheless, growth rates observed in the insurance industry have been lower than GDP throughout this period (see Graph 3.2-b).

In general terms, medium-term analysis (2005-2015) shows that growth in the Spanish insurance industry is strongly influenced by general economic dynamics. The Spanish insurance industry

has seen an increase of 14.3% in total premium volume since 2005, while the Spanish economy has expanded by 16.2% over the same period. Accumulated growth in the sector over this period features growth in Life insurance, with 18.6%, while Non Life insurance has only increased by 10.9% (see Graph 3.2-b).

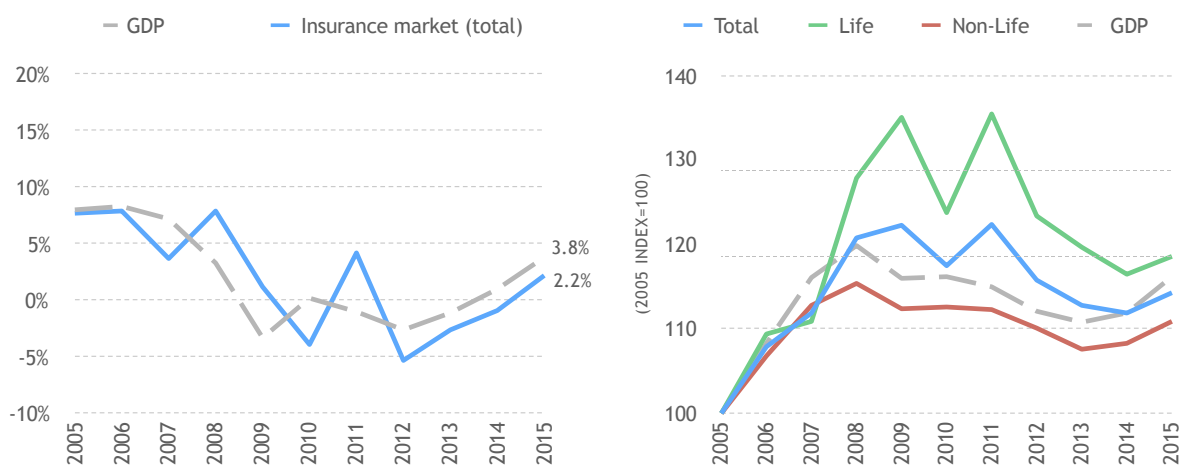
The premium volume for Life Insurance broke a run of decreases in recent years and increased 1.8% to 25,567 million euros. By line, insurance premiums with coverage exclusively for death increased by 7.6% due to the recovery of the real estate market, while savings/retirement premiums increased by 0.9%. Among the latter there was strong growth in Individual Systematic Savings Plans (13.2%), as well as Deferred Capital (2.9%), but there was a decrease in Insured Benefit Plans (-12.6%) and Annuity insurance (-8.1%). The weight of Life insurance in the insurance industry remains at 44.9% of the total.

Graph 3.2-a. Growth of the direct insurance market in Spain, 2005-2015
(Accrued direct insurance premiums, billion euros; annual change, %)



Source: MAPFRE Economic Research (with ICEA data)

Graph 3.2-b. Growth of direct insurance vs GDP, 2005-2015
[annual growth rates, %, 2005 index=100]



Source: MAPFRE Economic Research (with ICEA data)

Moreover, the premium volume for Non-Life Insurance increased by 2.4% in 2015, reaching 31,338 million euros. This is the second straight year of growth for premiums for this type of insurance, which has benefited from stronger economic activity in Spain and greater capacity for consumption of businesses and households. As confirmed in Table 3.2.-a, there was growth in practically all lines in the Non Life insurance sector in 2015.

Premiums for Automobile insurance increased by 1.7%, reaching 10,045 million euros. This is the first positive result since 2007 which goes to show that, as a result of the increase in vehicle registrations and the wider use of vehicles, the line is beginning to overcome the difficulties arising from the economic crisis and fierce competition in recent years. With a market share of 32.1%, Automobile insurance continues to have the strongest presence in Non-Life insurance.

Turning to Health insurance, the premium volume for 2015 was 7,369 million euros, an increase of 3.2% over the previous year. Health insurance has maintained positive growth rates even during the economic crisis. The most important area within

this line, representing 87.7% of the premiums, is still Healthcare Assistance, with 3.3% growth in 2015. Health insurance with a weight of 23.5% is the second most important business line.

Following the decrease and stagnation of the two previous years, Multiperil Insurance premiums grew by 1.6% in 2015, reaching 6,659 euros. All the most important insurance types in this line experienced growth, Home (2.1%), Industries (0.8%), Commerce (1.6%) and Communities (1.1%), as a result of greater economic capacity of businesses and households. Multiperil insurance ranks third by premium volume in the Non-Life insurance line, with a share of 21.2%.

Once again, the premium volume for Funeral insurance increased in 2015 (4.1%), reaching

2,151 million euros. The number of insured parties also increased by 0.4% to over 21 million. Throughout the economic crisis, this line recorded growth in premiums from a minimum of 1.8% and a maximum of 7.3%, and the penetration index exceeded 60% in some regions.

Table 3.2-a. Distribution of business by lines, 2014-2015
 (accrued direct insurance premiums, million euros)

	2014	2015	% Δ s/2014	% s/Total
Total	55,700	56,905	2.2%	100.0%
Life	25,110	25,567	1.8%	44.9%
Non Life	30,589	31,338	2.4%	55.1%
Automobiles	9,878	10,045	1.7%	17.7%
Third-Party liability	5,028	5,162	2.7%	9.1%
Other Guarantees	4,850	4,883	0.7%	8.6%
Health	7,138	7,369	3.2%	12.9%
Healthcare Assistance	6,255	6,460	3.3%	11.4%
Illness	883	909	2.9%	1.6%
Multi-peril	6,551	6,659	1.6%	11.7%
Home	3,837	3,917	2.1%	6.9%
Industries	1,220	1,230	0.8%	2.2%
Commerce	595	605	1.6%	1.1%
Communities	827	836	1.1%	1.5%
Other	73	71	-2.4%	0.1%
Funeral	2,066	2,151	4.1%	3.8%
Third-party liability	1,343	1,392	3.7%	2.4%
Accidents	894	926	3.6%	1.6%
Other lines of business	824	831	0.8%	1.5%
Credit	631	606	-3.8%	1.1%
Transport	417	435	4.2%	0.8%
Hulls	223	229	2.8%	0.4%
Goods	194	206	5.9%	0.4%
Assistance	337	340	1.0%	0.6%
Pecuniary losses	232	276	18.9%	0.5%
Fire	109	112	3.0%	0.2%
Legal defense	92	93	0.7%	0.2%
Surety	61	86	40.5%	0.2%
Theft	16	16	-0.5%	0.0%

Source: ICEA

Contribution to growth

In 2015, growth in the Spanish insurance industry held steady due to the contribution by both Life insurance and Non Life insurance. The former contributed 0.8 percentage points (pp) to total growth within the sector (of 2.2% for that year), while Non Life insurance was the main contributor to growth

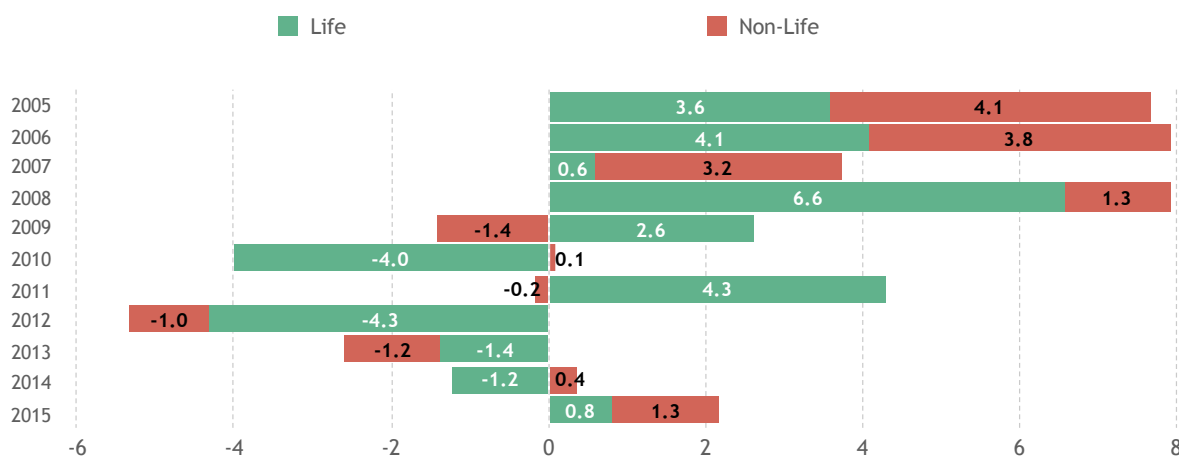
during the same year with 1.3 pp (see Table 3.2-b and Graph 3.2-c). Nevertheless, a medium term analysis (2005-2015) shows that the Life insurance sector contributed the most to growth in the insurance industry over the last decade, which explains the 53% accumulated growth in the insurance industry.

Table 3.2-b. Contribution to growth in the insurance market, 2005-2015)
[percentage points, pp]

	Annual growth (pp)	Contribution to growth (pp)	
		Life	Non Life
2005	7.7	3.6	4.1
2006	7.9	4.1	3.8
2007	3.7	0.6	3.2
2008	7.9	6.6	1.3
2009	1.2	2.6	-1.4
2010	-3.9	-4.0	0.1
2011	4.2	4.3	-0.2
2012	-5.3	-4.3	-1.0
2013	-2.6	-1.4	-1.2
2014	-0.9	-1.2	0.4
2015	2.2	0.8	1.3

Source: MAPFRE Economic Research (with ICEA data)

Graph 3.2-c. Contribution to growth in the insurance market, 2005-2015)
[percentage points, pp]



Source: MAPFRE Economic Research (with ICEA data)

In particular, in the Life insurance market the most significant contributor to growth in 2015 was Life-Risk insurance. All this was in spite of this sector's relatively minor weight in the total portfolio for this market segment and given that throughout the 2005-2015 period, 79% of growth in this market was due to the dynamics of Life-Savings insurance (see Table 3.2-c).

Turning to Non Life insurance, in 2015 all the lines comprising this market sector made positive contributions to growth (see Table 3.2-d). The Multiperil and Automobile lines contributed 0.2 and 0.3 pp respectively, while Health and Other lines included in Non Life insurance contributed 0.4 pp to growth in both cases.

However, this scenario changes when we analyze the behavior of these contributions over the last decade. During this time, the line which made the greatest contribution to growth in the Non Life insurance sector was Health insurance, with 58% of the total.

The group of lines which made a positive contribution to growth during this period include Multiperil and the remaining lines that make up this market. The only line showing a negative accumulated net contribution to growth was Automobile insurance.

Table 3.2-c. Contribution to growth in the Life insurance market, 2005-2015 (percentage points, pp)

	Contribution of Life insurance to market growth (pp)	Contribution to growth (pp)	
		Risk Life	Life Savings
2005	3.6	0.9	2.7
2006	4.1	1.1	3.0
2007	0.6	0.6	0.0
2008	6.6	-0.2	6.8
2009	2.6	-0.1	2.7
2010	-4.0	0.2	-4.2
2011	4.3	-0.3	4.6
2012	-4.3	-0.2	-4.1
2013	-1.4	-0.3	-1.1
2014	-1.2	0.2	-1.4
2015	0.8	0.5	0.3

Source: MAPFRE Economic Research (with ICEA data)

Table 3.2-d. Contribution to growth in the Non Life insurance market, 2005-2015
[percentage points, pp]

	Contribution of Non Life insurance to market growth (pp)	Contribution to growth (pp)			
		Automobiles	Multi-peril	Health	Other
2005	4.1	0.9	1.1	0.8	1.3
2006	3.8	1.1	0.8	0.9	1.0
2007	3.2	0.6	0.8	0.9	0.8
2008	1.3	-0.4	0.8	0.8	0.2
2009	-1.4	-1.1	0.3	0.5	-1.1
2010	0.1	-0.2	0.3	0.4	-0.5
2011	-0.2	-0.5	0.5	0.3	-0.5
2012	-1.0	-1.1	0.1	0.3	-0.3
2013	-1.2	-1.0	-0.2	0.3	-0.3
2014	0.4	-0.3	0.0	0.4	0.2
2015	1.3	0.3	0.2	0.4	0.4

Source: MAPFRE Economic Research (with ICEA data)

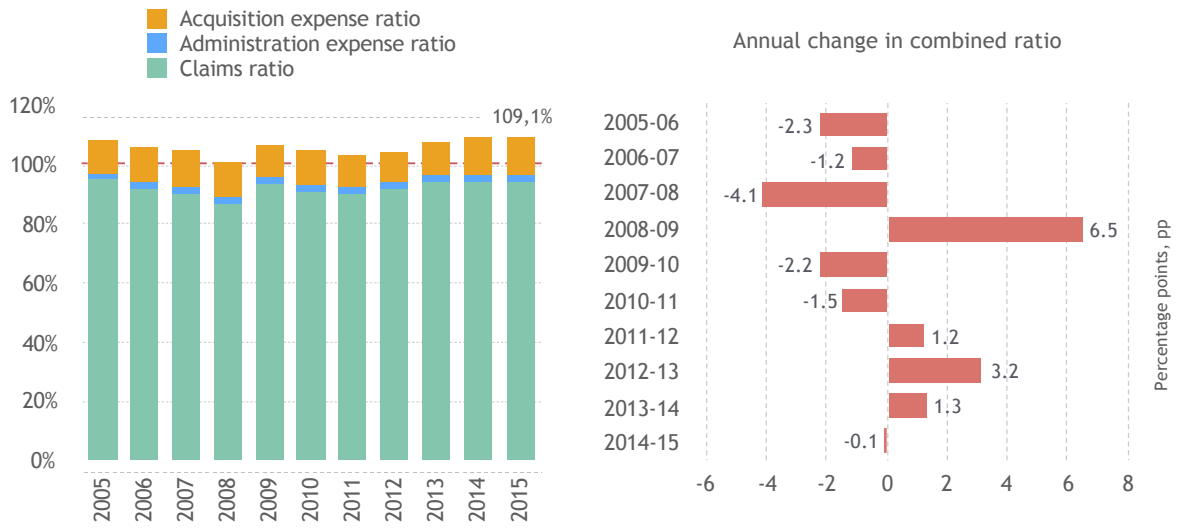
Technical performance

Graph 3.2-d illustrates the Spanish insurance industry's technical performance over the 2005-2015 period, from the standpoint of the growth of the combined ratio. Analyzing the insurance market as a whole, this indicator reached 109.1% in 2015, showing a slight decrease on 2014: the claims ratio was 94.1% (94.2% in 2014), the administrative expense ratio was 2.6% (2.7% in 2014) and the acquisition expense ratio was 12.4% (12.2% in 2014). This decrease in the combined ratio appears to indicate a change in trends with regard to the previous three years, where the combined ratios had deteriorated by 1.2, 3.2 and 1.3 pp respectively.

The combined ratio for the Non Life insurance sector stood at 94.7% in 2015, 0.8 percentage points higher than the previous year, due to the higher claims ratio which increased from 71.5% in 2014 to 72.3% in 2015 (see Graph 3.2-e). The administrative expense ratios and the acquisition expense ratios remained unchanged at 3.8% and 8.6% respectively.

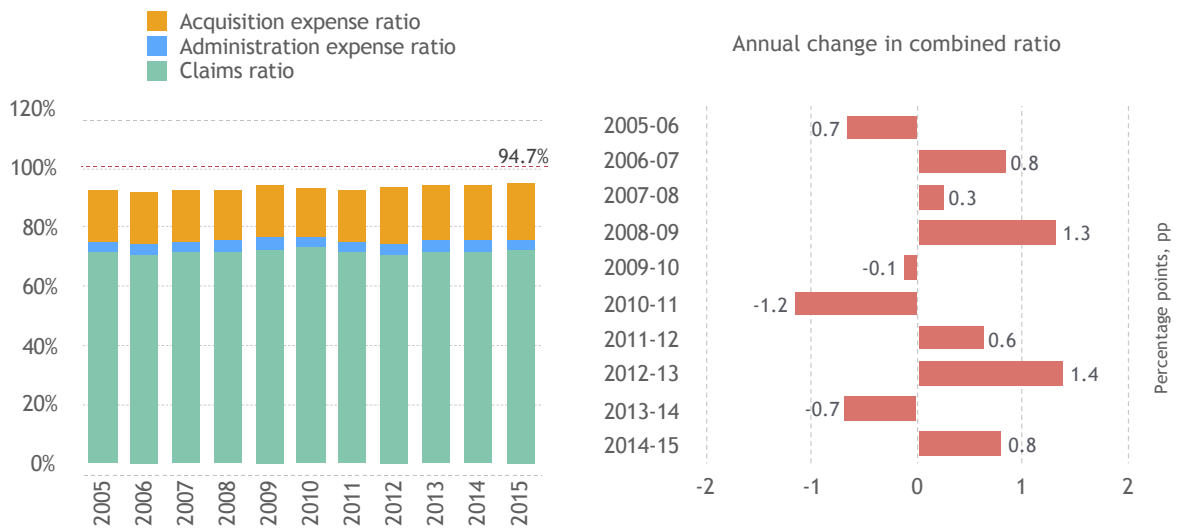
In spite of the relative deterioration of the combined ratio for the Non Life insurance sector, the value of the indicator below 100% shows that the technical operation of Spanish insurance industry remained strong.

Graph 3.2-d. Growth of the total combined ratio, 2005-2015
 (total combined ratio, %; annual change in combined ratio, percentage points)



Source: MAPFRE Economic Research (with ICEA data)

Graph 3.2-e. Growth of the Non Life combined ratio, 2005-2015
 (total combined ratio, %; annual change in combined ratio, percentage points)



Source: MAPFRE Economic Research (with ICEA data)

Investment

According to information from Corporate Research among Insurance Companies and Pension Funds (ICEA), the volume of investment by Spanish insurance companies in 2015 increased by 0.4% to reaching 227,427 million euros (see Graph 3.2-f). By business type, 81.3% of total investment corresponds to the Life portfolio, 18.4% to the Non Life sector, and the remaining 0.4% to companies' own equity.

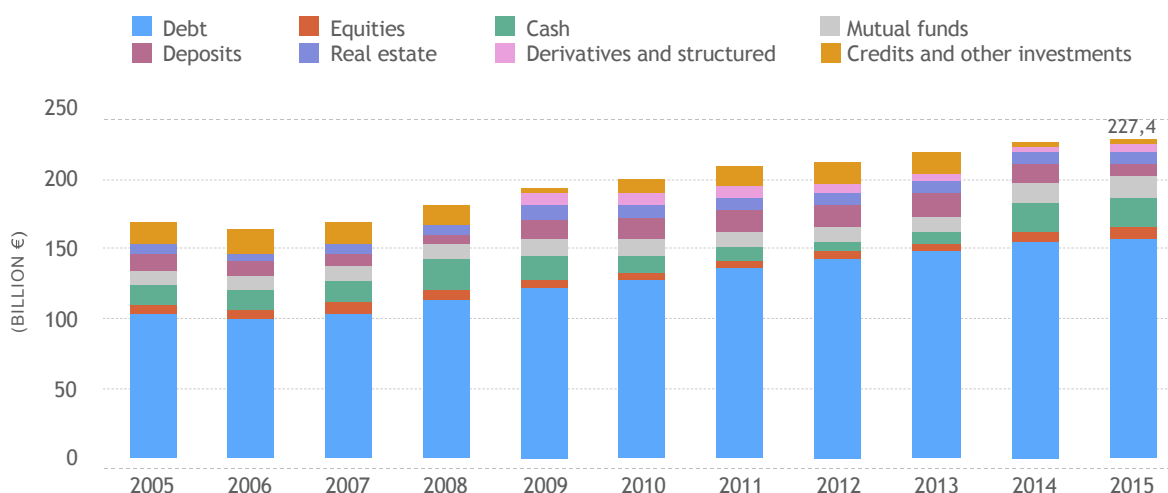
With regard to the structure of the investment, fixed income continues to increase its relative presence, reaching 69.3% in 2015 (as against 68.1% in the previous year). In 2015, there was an increase in securities, both domestic (which accounted for 46.9% of the total) and foreign (22.4%).

There was little change in the components share of the investment portfolio over the previous year, and it remained well off the fixed income share: cash (9.5%), deposits (4.1%), credits (1.6%), equities (3.4%), investment funds (6.7%) real estate (3.7%) and derivatives and structured products (1.8%). (See Graph 3.2-g).

The greatest increase occurred in investment in domestic public fixed income (3.8%), reaching 36.4% of the total, which demonstrates once again the insurance industry's strong commitment to domestic public sector financing.

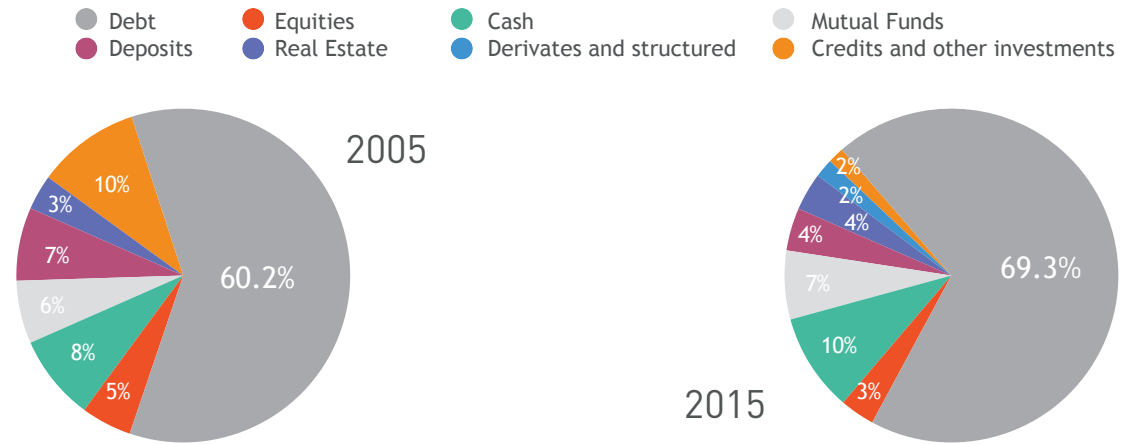
Furthermore, the profitability of the insurance industry's financial investment stood at 3.95%, 0.72 percentage points below the 2014 figure, yet, as in the previous year, remaining above the risk-free interest rate curves (see Graph 3.2-h).

Graph 3.2-f. Growth of insurance industry investment, 2005-2015 (billion euros)



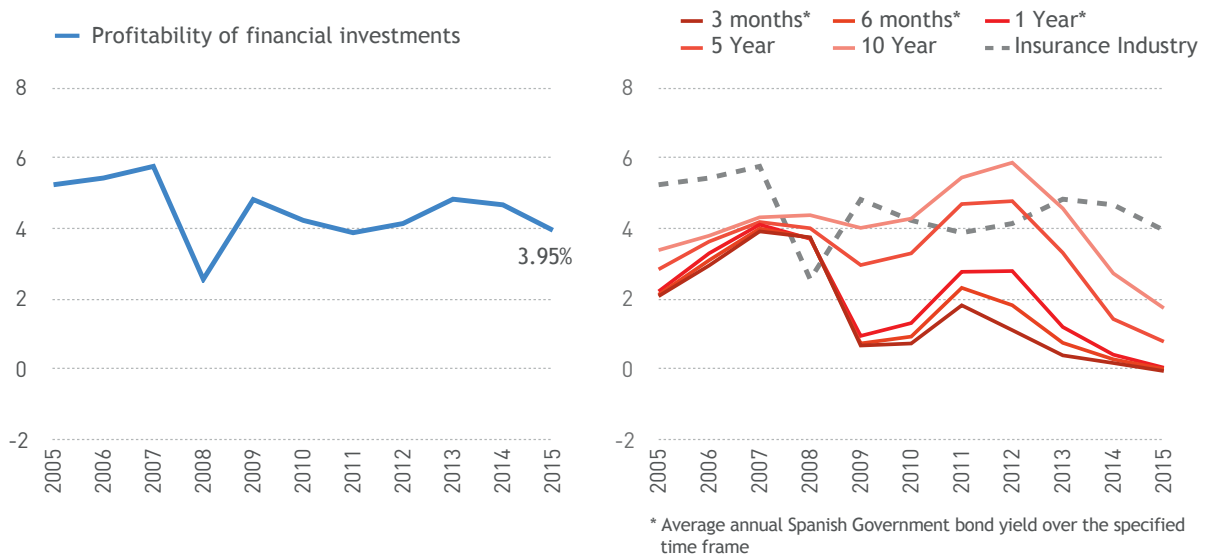
Source: MAPFRE Economic Research (with ICEA data)

Graph 3.2-g. Investment, 2005-2015
[percentage structure]



Source: MAPFRE Economic Research (with ICEA data)

Graph 3.2-h. Investment profitability, 2005-2015
[financial income / average investment, %, risk-free interest rate, %]



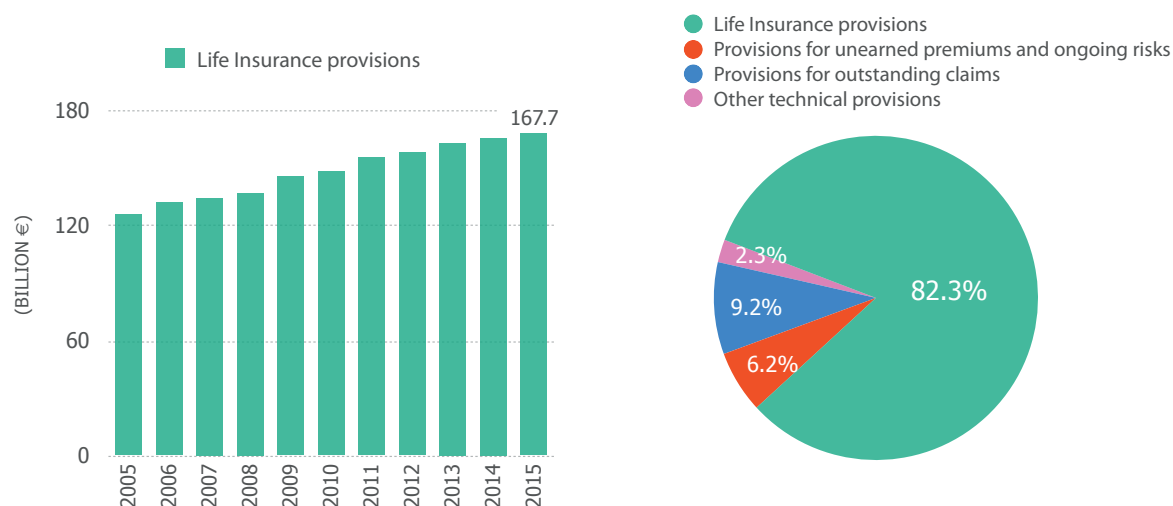
Source: MAPFRE Economic Research (with data from the DGSFP)

Technical provisions

The volume of Life insurance technical provisions in the Spanish market grew by 0.8% between 2014 and 2015, reaching 167,699 million euros, with sustained growth in the last decade (see Graph 3.2-i).

In this regard, in 2015 Life insurance provisions represented 82.3% of total technical provisions, while those for Property & Casualty represented 9.2%, and the provisions for unearned premiums and risk in progress represented 6.2% of the total.

Graph 3.2-i. Life insurance technical provisions, 2005-2015
(billion euros)



Source: MAPFRE Economic Research (with ICEA data)

Results and profitability

While results for the insurance industry in 2015 were positive, they were lower than previous years'. First of all, the result for the non-technical account was 3,656 million euros, 28.5% less than for the

2014 financial year, while the technical account showed a 15.5% decrease to 4,576 million euros. As you can see in Table 3.2-e, the downturn in the technical account occurred both in the Life insurance sector (-20.4%) and in the Non Life insurance sector (-11.9%).

Table 3.2-e. Results for the Spanish insurance industry, 2014-2015
(results, million euros, profitability indicators,%)

	2014	2015	% chg.
Technical account	5,413	4,576	-15.5%
Life	2,246	1,787	-20.4%
Non Life	3,167	2,789	-11.9%
Non Technical account	5,111	3,656	-28.5%

Source: MAPFRE Economic Research (with ICEA data)

The result for the technical account in the Non Life insurance sector in 2015 was 2,789 million euros, a 11.9% decrease over the previous year, which contrasts with the 16.8% increase registered in 2014. The Non Life insurance net claims ratio deteriorated by 0.8% as did the combined ratio, reaching 94.7% (see Graph 3.2-e). At the same time, the financial result contracted by 0.6 percentage points to 4.2%, giving a final downturn of 1.3 pp in the technical-financial result, which was 9.5% (see Table 3.2-f).

In the Life insurance sector, the technical account in 2015 was 1,787 million euros, 20.4% less than the previous year. In spite of increased income from premiums, the downturn in the result for 2015 was higher than the two previous years (-14.6% in 2014 and -19.6% in 2013), due to a worsening in both the technical and financial results.

Table 3.2-f. Basic indicators for Non Life Insurance, 2014-2015 ^(*)
(premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume issued (million €)	30,589	31,338
% change in premium volume	0.7%	2.4%
Retention	87.9%	87.6%
Gross claims ratio	69.6%	70.2%
Gross expenses	22.3%	22.4%
Net claims ratio	71.5%	72.3%
Net combined ratio	93.9%	94.7%
Financial result	4.8%	4.2%
Technical-financial result	10.8%	9.5%

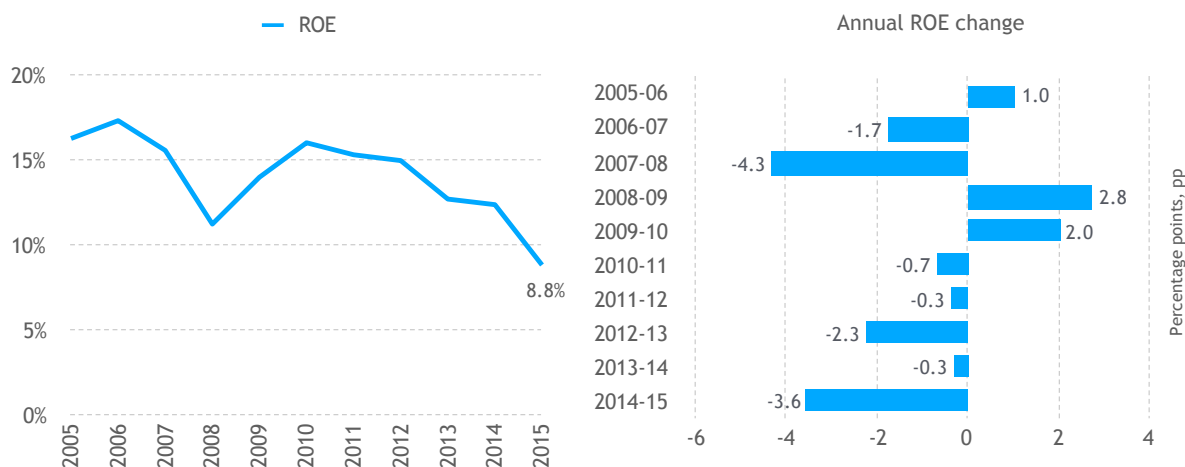
[*] An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Furthermore, and in line with the insurance industry's financial and technical-financial results for 2015, profitability measures showed a downturn for the year. In the first place, the profitability of return on equity (ROE), defined as the ratio between results for the financial year and net equity, decreased by 3.6 percentage points in 2015 and ended at 8.8% (see Graph 3.2-j).

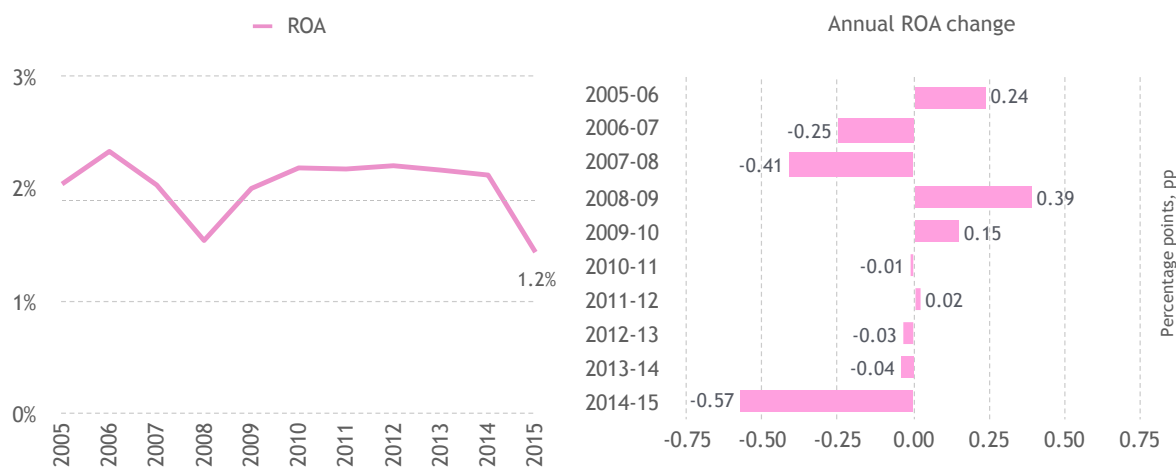
Also, profitability within the industry, measured as the relationship between the year's financial results and total assets (ROA), decreased 0.57 percentage points in 2015, to 1.2% (see Graph 3.2-k).

Graph 3.2-j. Return on equity (ROE), 2005-2015
 [return on equity,%, annual change to ROE, pp]



Source: MAPFRE Economic Research (with ICEA data)

Graph 3.2-k. Return on assets (ROA), 2005-2015
 [return on assets,%, annual change to ROA, pp]



Source: MAPFRE Economic Research (with ICEA data)

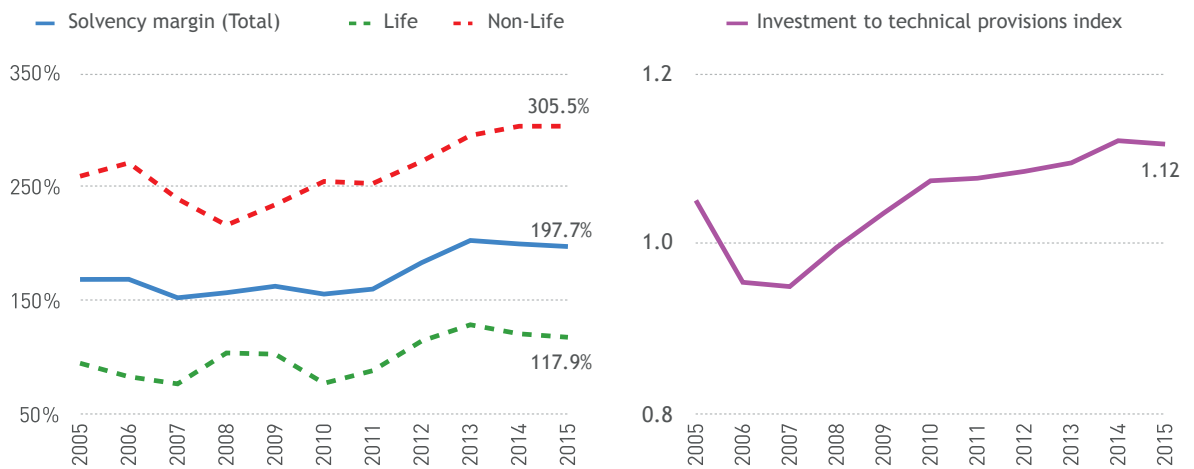
Solvency

The solvency margin, measured as the surplus with regard to capital regulatory requirements, decreased by 2.3% to 197.7% in 2015, with 117.9% for Life insurance and 303.5% in the Non Life insurance sector. Another significant indicator for assessing the insurance industry's financial strength

is the relationship between investment and technical provisions. In 2015, this indicator stood at 1.12, down slightly 0.5% on 2014 (see Graph 3.2.l).

In spite of a lower solvency margin indicator and investment to technical provisions index in 2015, both variables show that the Spanish insurance remains strong and highly solvent.

Graph 3.2-l. Growth of insurance industry solvency, 2005-2015
[solvency margin, investment to technical provisions index]



Source: MAPFRE Economic Research (with ICEA data)

Structure of the insurance market

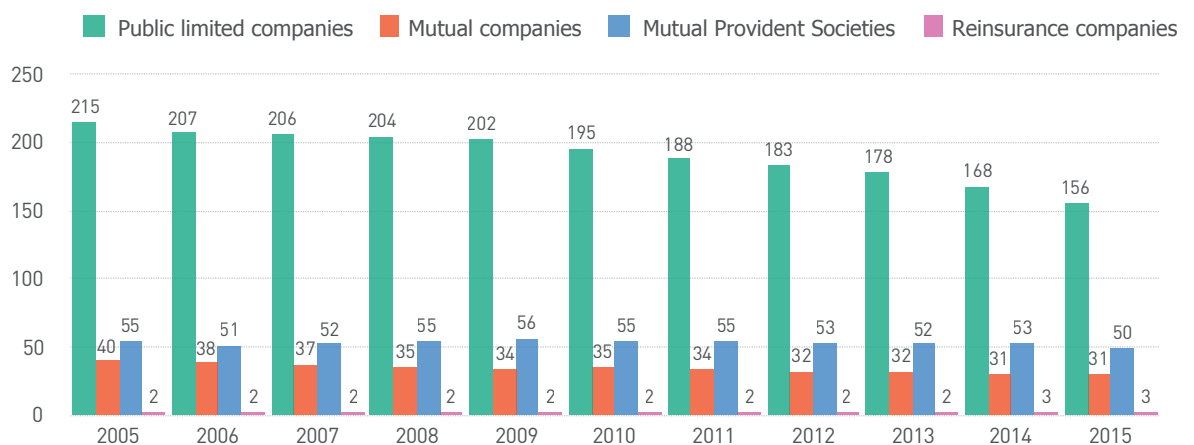
Insurance companies

As of December 31, 2015, there were 240 companies registered in the Administrative Registry of Insurance Companies, 15 fewer than the previous year, which means that the trend toward a decrease in the number of companies observed in recent years continues (see Graph 3.2-m). Of these, there are 156 public limited liability companies, 31 mutu-

al companies, 50 Mutual Provident Societies (subject to control by the DGSFP) and three specialized reinsurance companies.

Furthermore, two new companies were authorized in 2015, one in the Life insurance business and another which is the result of the partial demerger of two existing companies. Additionally, 13 companies were removed from the Administrative Registry, some of were already inoperative.

Graph 3.2-m. Number of companies by type, 2005-2015
[number of companies]



Source: General Directorate of Insurance

Brokers

According to information from the General Directorate of Insurance and Pension Funds (DGSFP), on December 31, 2015 there were a total of 89,530 insurance agents and brokers in Spain (4.3% fewer than in 2014), 97.2% of which were registered by the DGSFP itself and the remaining 2.8% by the Autonomous Communities (see Graph 3.2-n).

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

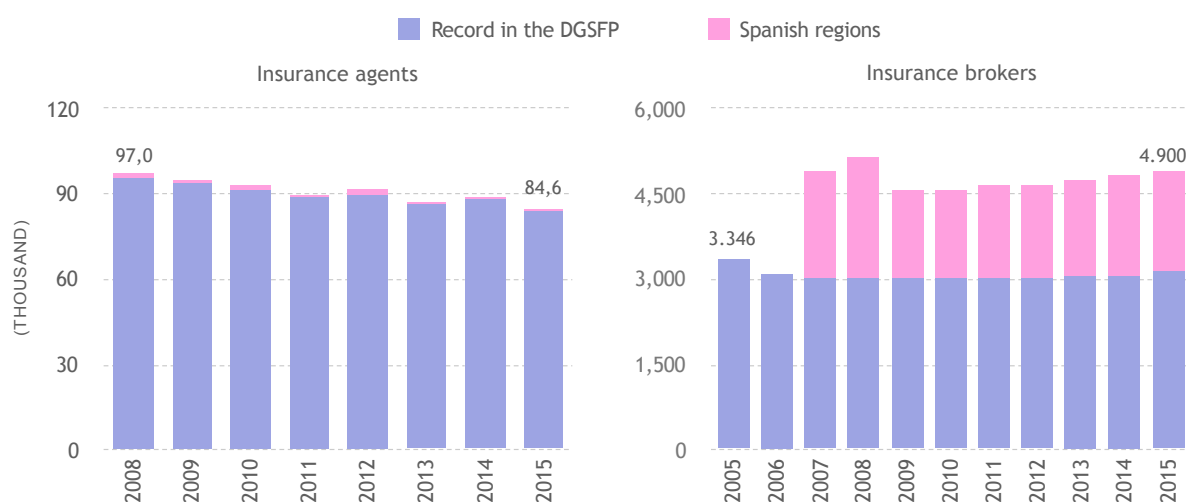
Looking at the premium volume brokered in 2014 (the last year for which the DGSFP has published

statistics), 43% of total production was undertaken by insurance agents and brokers, followed by bancassurance operators (34.9%). However, the order is reversed when referring to new production, where 51.4% was generated by bancassurance operators and 34.5% by insurance agents and brokers.

Looking at the type of business, banks were the main channel for Life insurance sales in 2014 (with 62.6% of the total premium volume), while distribution in the Non Life sector was mainly through agents and brokers (58.1%).

Online insurance is making slow progress, and only represented 1.1% of the total of portfolio premiums and 0.84% of new production, focusing especially on the Automobile line.

Graph 3.2-n. Number of insurance agents and brokers, 2005-2015
(thousand of insurance agents and brokers)



Source: MAPFRE Economic Research (with data from the DGSFP)

The international presence of Spanish insurance companies and foreign capital in the Spanish insurance industry

In 2015, for the fourth straight year, the Spanish economy declared a trade surplus, due to external factors (such as lower oil prices and interest rates) and domestic factors (such as improved competitiveness). In particular, the balance of payments surplus reached 1.4% of GDP in 2015, and once again the insurance industry made a positive contribution to this result. According to data provided

by the Banco de España, the surplus in insurance and pensions services and in financial services increased by 3.4% in 2015 to 17.9 million euros.

In recent years, five Spanish insurance groups have maintained direct investments abroad in the insurance sector, namely BBVA, Catalana Occidente, CESCE, MAPFRE and Santander. In 2015, the Mutua Madrileña group joined this club.

BBVA has insurance subsidiaries in Argentina, Chile, Colombia, Mexico and Venezuela, with reve-

nue from premiums in the region exceeding 1,600 million euros in 2015. Mexico is still its main market, with a premium volume of 21,175 million Pesos (1,218 million euros).

The Catalana Occidente group, through the Atradius and Atradius Re brands, is one of the global leaders in credit insurance with a presence in 50 countries. Nearly 33% of revenue comes from abroad, with Germany, the United Kingdom and France being their main markets.

The Spanish Export Credit Insurance Agency (CESCE) comprises a group of companies specializing in commercial loan management in Europe and Latin America. CESCE also manages export credit insurance on behalf of the Spanish State. Their main shareholder, with a 50.25% share, is the Spanish State, followed by Santander (21.1%) and BBVA (16.3%).

MAPFRE operates in 51 countries in total through its 237 companies. MAPFRE's international business recorded a premium volume of 17,299 million euros in 2015, up 5.1%, driven mainly by the US and Turkish markets, the consolidation of Direct Line, and a good performance in Mexico, mainly due to underwriting the Petróleos Mexicanos (PEMEX) corporate policy.

Banco Santander entered the international insurance business with strategic agreements with in-

surance companies, such as Zurich in Latin America, Aegon in Portugal and CNP. In July 2014, CNP acquired 51% of the insurance companies serving the Santander consumer finance unit, and distributes its products exclusively to Santander Consumer Finance clients in a number of countries where it operates.

Finally, the Mutua Madrileña group began its international expansion with the purchase of 40% of the Chilean insurance group Bci Seguros, which encompasses Bci Seguros Generales, Bci Seguros Vida and Zenit Seguros. The operation was reported in November 2015 and completed in May 2016.

Furthermore, according to DGSFP data for 2015, there were 31 companies in Spain with foreign capital, seven fewer than the previous year. Capital underwritten by foreign capital amounted to 1,233 million euros (compared with 1,408 million euros in 2014), representing 13.51% of the total capital for the sector (14.9% in 2014).

Right of establishment and freedom to provide services

As of December 31, 2015, there were 37 branches of Spanish companies operating under the right of establishment in countries in the European Economic Area (EEA), one less than in 2014 (see Table 3.2-g). As in previous years, the country of origin

Table 3.2-g. Gross premiums by activity regime (freedom to provide services and right of establishment), 2005-2014 (million of euros)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Spanish companies in other EEA states	737	1,082	729	868	1,756	2,150	2,110	1,660	1,801	1,940
Freedom to Provide Services	146	205	82	157	129	119	153	208	158	123
Right of Establishment	591	877	647	711	1,627	2,031	1,956	1,452	1,643	1,816
Companies from other EEA states in Spain	2,794	3,555	2,940	2,377	4,080	4,442	4,114	3,987	5,291	4,366
Freedom to Provide Services	2,156	2,656	1,691	1,289	2,746	1,636	1,463	1,722	2,840	1,625
Right of Establishment	638	899	1,250	1,087	1,334	2,806	2,651	2,265	2,451	2,741

Source: MAPFRE Economic Research (with data from the DGSFP)

of the largest number of branches (14) was Portugal, followed by Italy (5) and the United Kingdom (4). Furthermore, on the same date there were 56 Spanish companies operating under the freedom to provide services in the EEA, also one less than in 2014, and again Portugal was the country with the most companies, followed by the United Kingdom and France.

Regarding the activity undertaken by these companies in 2014 (the latest data available), gross premiums for direct insurance and accepted reinsurance amounted to 1,940 million euros, up 7.7% on the previous year, due to the momentum provided by companies operating under the right of establishment, which grew in both Life (15.1%) and Non Life (8.7%) segments. On the contrary, premium revenue for companies operating under the freedom to provide services regime fell by 21.8%. For total business, the largest markets were, in this order, the United Kingdom, Italy, Portugal and Germany.

Moreover, on December 31, 2015 there were 76 branches of EEA companies operating in Spain and 719 companies authorized to operate in Spain under the freedom to provide services regime. The premium volume for direct insurance and accepted reinsurance was 4,366 million euros, 17.5% less than the previous year, with a significant decrease of 42.8% in premiums issued by companies operating under the freedom to provide services regime,

with decreases in both Life (26.2%) and Non Life (39.4%) segments. Turning to branches, Non Life insurance, which represented 86% of premiums issued by these companies, grew by 2.6%, while the Life insurance business fell by 7.8%.

Growth of insurance by autonomous community

According to data published by the ICEA, Catalonia and Madrid had the highest premium volume in 2015, 21% and 20% of the total respectively.

Premiums decreased 0.1% in Catalonia to 10,121 million euros, while they increased by 3.3% in Madrid to 9,422 million euros. Next came Andalusia, with 6,237 million euros and a 13% market share, and then Valencia, with 4,059 million euros and 9% of the total. Of the 10 autonomous communities with the highest premium volume, there was growth in seven (Madrid, Andalusia, Castille-Leon, the Basque Country, Galicia, Aragon and the Canary Islands), and there was a decrease in three (Catalonia, Community of Valencia and Castille La Mancha). Together these 10 autonomous communities accounted for 88% of premiums in 2015 (see Table 3.2-h).

Furthermore, the highest premium per capita values were reached in Madrid (1,458 euros), Catalonia (1,347 euros) and Aragon (1,267 euros).

Table 3.2-h. Premium volume by Autonomous Community, 2015
(million euros)

Spanish regions	2015	% chg. 2015/2014	% share 2015	premium per capita
Catalonia	10,121	-0.1%	21%	1,347
Madrid	9,422	3.3%	20%	1,458
Andalusia	6,237	3.6%	13%	744
Valencia	4,059	-3.2%	9%	819
Castille-León	2,482	5.4%	5%	1,015
Basque Country	2,394	2.7%	5%	1,094
Galicia	2,279	5.7%	5%	838
Castille-La Mancha	1,705	-2.5%	4%	835
Aragon	1,656	8.8%	3%	1,267
Canary Islands	1,367	8.2%	3%	651
Total for top 10	41,722		88%	

Source: MAPFRE Economic Research (with ICEA data)

Corporate movements

The following corporate movements in deserve special mention:

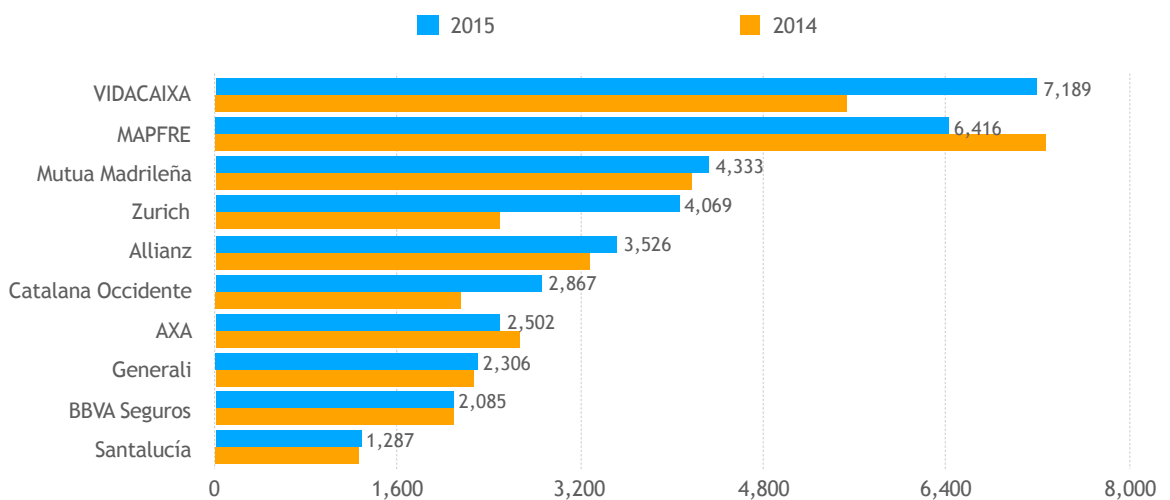
In June 2015, the Catalana Occidente group announced the purchase of the 51% of Plus Ultra not in its possession and it now holds 100% of the company’s registered capital. Following this operation, Catalana Occidente has risen two places in the overall ranking for insurance groups and now occupies sixth position.

In July 2014, the Banco de España, the Fund for Orderly Bank Restructuring (FROB) and the Spanish National Securities and Exchange Commission (CNMV) reported that BBVA had been awarded Catalunya Banc, having submitted the highest bid at the tender for the nationalized bank, obliging BBVA to break off Catalunya Banc’s insurance business alliance with MAPFRE. One year later,

MAPFRE and Catalunya Banc formalized a share sales agreement whereby the insurance group transferred to the bank its entire interests in the capital of CatalunyaCaixa Vida and CatalunyaCaixa Assegurances Generals. Catalunya Banc regained 100% control over its insurance business.

In the overall ranking of insurance groups, VidaCaixa took over first place in 2015, with a total premium volume of 7,189 million euros and a 12.6% market share, compared to 10% in the previous year. MAPFRE and Mutua Madrileña occupy the next two places, with a market share of 11.3% and 7.6% respectively. Both Zurich (which now occupies fourth place) and Catalana Occidente improved their position in the overall ranking, while Allianz, Axa and Generali dropped down the table with BBVA Seguros remaining where it was in 2014. Santalucía is now in tenth place, replacing Santander Seguros (see Graph 3.2-o).

Graph 3.2-o. Overall ranking of insurance groups by premium volume, 2015 (million euros)



Source: MAPFRE Economic Research (with ICEA data)

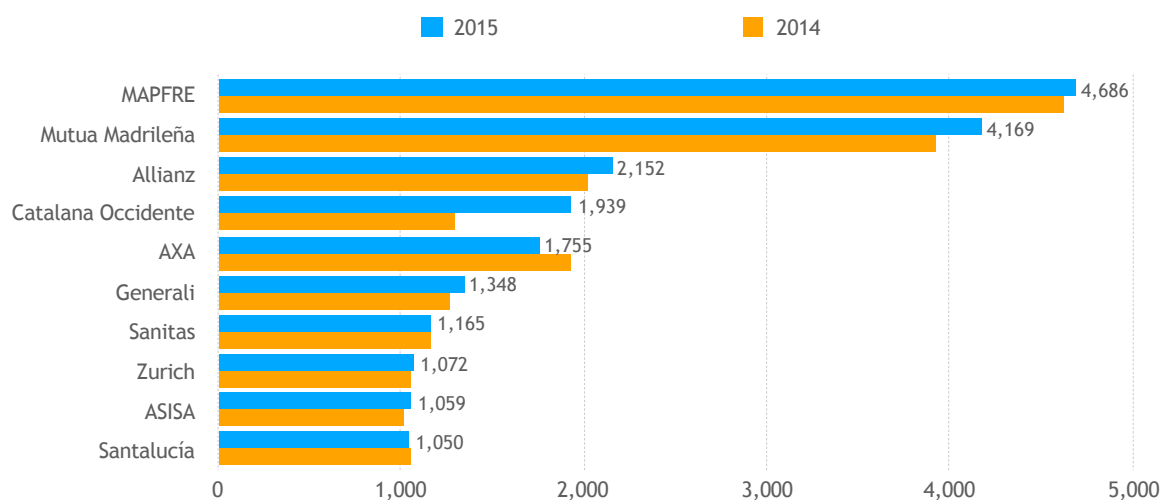
Furthermore, those companies included in the 2015 Non Life insurance ranking are the same as in 2014, but with a few changes in their relative positions.

Yet again, the Non-life ranking continues to be led by MAPFRE, with a market share of 15%, followed by Mutua Madrileña (13.3%) and Allianz (6.9%). Catalana Occidente, Zurich and ASISA improved

their positions in the overall ranking for Non Life insurance, while Axa and Santalucía dropped down the table and both Generali and Sanitas remained where they were in 2014. (see Graph 3.2-p).

Finally, there were some changes in the 2015 ranking for Life insurance companies. VidaCaixa remains in first place and moves further ahead of the other companies, increasing its market share to

Graph 3.2-p. Ranking of Non Life insurance groups by premium volume, 2015
[million euros]

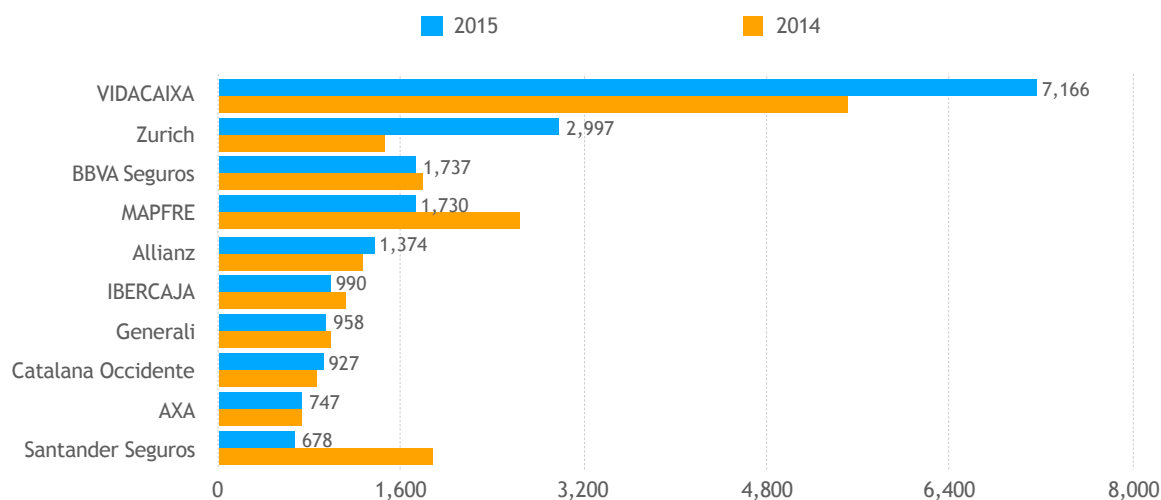


Source: MAPFRE Economic Research (with ICEA data)

28%. Zurich has also seen considerable growth in business, rising to second place in the ranking with a market share of 11.7%.

In the overall ranking, BBVA Seguros, Allianz, Ibercaja, Generali and Catalana Occidente have climbed positions, while MAPFRE and Santander Seguros moved down in the ranking. Axa entered the Life ranking, replacing Aviva (see Graph 3.2-q).

Graph 3.2-q. Ranking of Life insurance groups by premium volume, 2015
[million euros]



Source: MAPFRE Economic Research (with ICEA data)

Market concentration

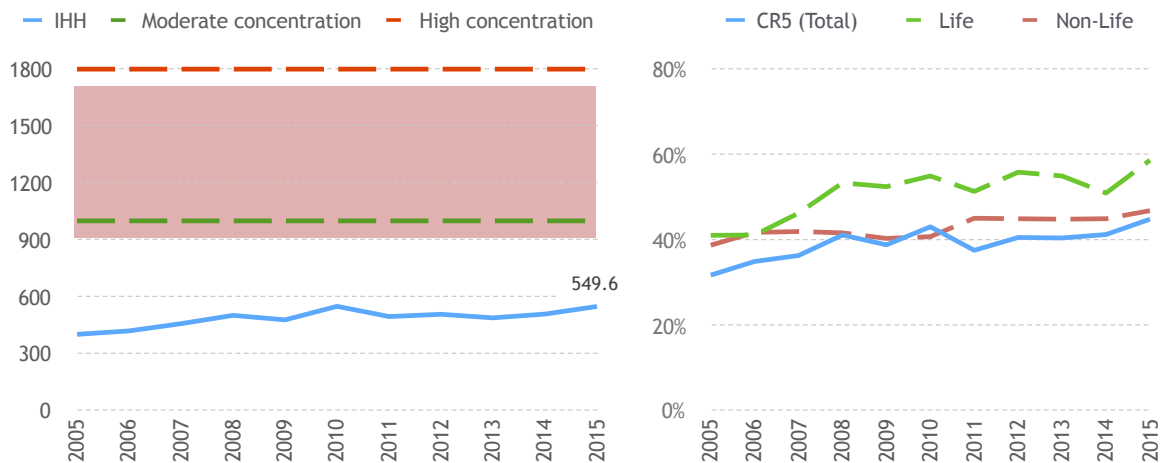
Over the last decade, the Spanish insurance industry has continued to be a highly competitive market while nevertheless showing a trend toward greater concentration as a result of inorganic growth resulting from mergers and acquisitions, and its own organic growth.

Graph 3.2-r illustrates this behavior. While in 2005 the Herfindahl index stood at 402.7 points, by 2015 this indicator had risen to 549.6 points. In spite of this increase, this index is still below the theoretical line which indicates the start of moderate levels of concentration.

The same trend is confirmed when we analyze the behavior of the CR5 index, which also indicates a growing trend throughout the 2005-2015 period. So, while in 2005 the five companies with the highest participation in the market accounted for 31.8% of the premiums, by 2015 this percentage had risen to 44.9%.

The trend toward growing levels of concentration can be observed in both the Life and the Non Life insurance markets. In 2015 the Life insurance market shows a level of concentration in terms of CR5 of 58.7%, higher than in the Non Life market where it stood at 46.9%.

Graph 3.2-r. Concentration indexes in the insurance industry, 2005-2015
 (Herfindahl index, CR5 index)



Source: MAPFRE Economic Research (with ICEA data)

Mutual provident societies

Mutual provident societies are non-profit private insurance institutions that offer a voluntary insurance line, complementary to the compulsory Social Security system, and can also be an alternative to the Social Security regime for self-employed workers.

At the end of 2015, the 371 Mutual Provident Societies that are members of the Spanish Confederation of Mutual Welfare Societies issued 3,326 million euros in premiums, up 2.8% over the previous year. The volume of assets managed amounted to 39,955 million euros, compared to 38,880 million euros in 2014.

Reinsurance

The lack of major catastrophes over the last four years, as well as the inflow of new capital to the market, has resulted in strong competition in rates and conditions which, in turn, has reduced the technical margin of reinsurance companies and has led to a greater retention by the large insurance groups in managing their global reinsurance programs. This market situation has favored the consolidation of several players, searching for greater scale and business diversification.

In this context, results in the reinsurance market have been positive but lower, given scant growth in most developed economies. Specifically, in the Non

Life business the adjusted combined ratio is now over 100%, once the positive adjustment of claims ratio reserves from previous years and the non-occurrence of catastrophes have been discounted.

A moderate recovery in growth is expected in most developed economies, with a slight upturn in interest rates and steady liquidity flows provided by the central banks to stimulate the economy.

In general reinsurance companies are expected to remain focused on obtaining positive technical results, which will lead to the search for greater portfolio diversification. Market consolidation processes are expected to remain active with mergers and acquisitions to achieve size, cost savings and capital.

The Spanish market is not indifferent to the international panorama, with Solvency II coming into force, the cost resulting from changes in the regulatory framework and, specifically, the new "Baremo" (indemnity scale for automobiles), the effects of which will start to be felt in the coming months.

Insurance Compensation Consortium

This section refers to only two of the main activities of the Insurance Compensation Consortium (CCS): The coverage of extraordinary risks, particularly regarding traffic risks, direct third-party liability automobile insurance and its Guarantee Fund. These activities still generate the highest volume of business for the CCS, with 89.9% of the total (see Table 3.2-i).

First of all, in 2015 premiums and allocated surcharges increased by 2.4% in extraordinary risk insurance, as opposed to 0.7% in 2014. In third-party liability insurance for motor vehicle traffic the portfolio for the insurance of private vehicles which cannot get coverage in private insurance companies continued to fall. Revenue totaled 0.7 million euros (1.04 million in 2014), and the rate of decline for the portfolio was around 33%, with about 1,300 vehicles insured by the Consortium in 2015 (compared with 2,000 the previous year). These figures enable us to quantify the efforts made by private companies to increase their insurance capacity.

Table 3.2-i Activity of the Insurance Compensation Consortium, 2015
(million euros)

General activity	Premiums and surcharges allocated		Claims ratio (direct and accepted)	
	2014	2015	2014	2015
Extraordinary risks	710	727	209	227
Goods	649	662	206	217
Persons	17	17	1	1
Loss of profits	44	48	2	10
Traffic risks	108	106	57	68
SOA guarantee fund	98	97	47	59
Private vehicles	1	1	1	1
Official vehicles	8	9	10	8

Source: Annual report of the Insurance Compensation Consortium

The claims ratio for extraordinary risk insurance increased slightly to 31.3% of the premiums. A total of 46,910 claims were registered, with flooding being the main cause of damage, with an estimated total cost of 176 million euros.

There was also an increase in the claims ratio for the Guarantee Fund's activity in automobile insurance, which stood at 61.1% of premiums, and that of private vehicle third-party liability insurance, which reached 156.3% due to the claims ratio effect

from previous years and the difficulty in achieving suitable compensation due to the reduced premium volume.

The CCS had a 10% stake in the co-insurance framework for the Combined Agricultural Insurance managed by Agroseguro. We will discuss this in another section of this document.

Solvency II

Solvency II regulations came into force on January 1, 2016. The aim of the new regulations is to increase the financial stability of insurance companies and the protection of the insured parties, as well as strengthening the European single market for insurance.

The most important legislative change in this respect was Law 20/2015 of July 14, on the management, supervision and solvency of insurance and reinsurance companies, which adapts Spanish law to the new Solvency II system. In accordance with

this directive, the Law regulates the establishment of an effective governance system for the companies, requiring that they establish the assessment of their solvency requirements as common practice, and that any information in this regard should be in the public domain. The Law also regulates the powers of the Spanish supervisory authority, the procedures for withdrawal, winding up and settlement, and the regime for offenses and sanctions. Other precepts of the Solvency II Directive, the transposition of which requires legal standing, have been included in Royal Decree 1060/2015, of November 20, for the management, supervision and solvency of insurance and reinsurance companies

The adaption of insurance companies to these new regulations is proceeding satisfactorily. In this regard we should note the good results achieved by most Spanish insurance companies in the stress tests performed by the European Insurance and Occupational Pensions Authority (EIOPA), and the significant effort made by these companies in recent years to adapt to the new precepts of Solvency II.

4. Growth of the insurance market by lines

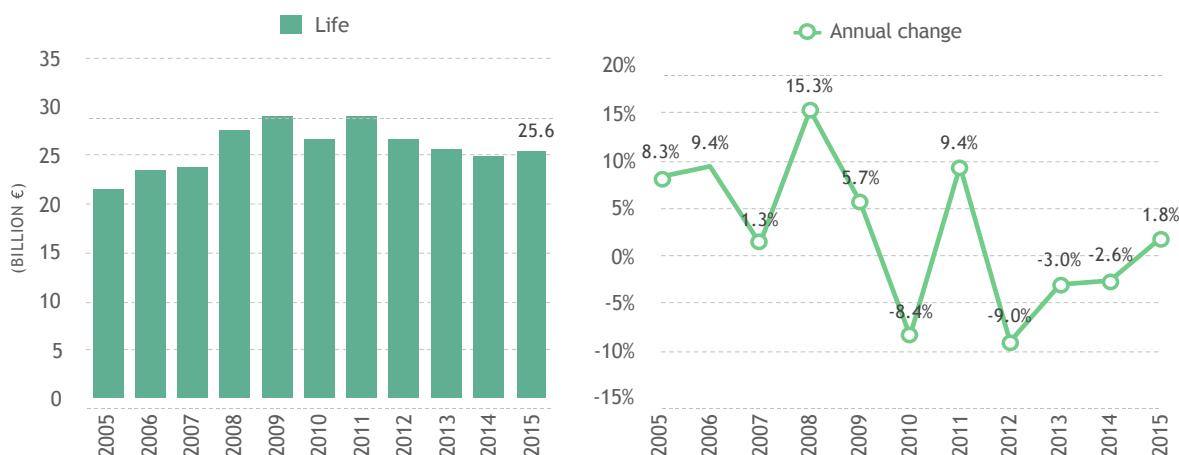
4.1. Life

In 2015, Life insurance reached a premium volume of 25,567 million euros, reversing the negative trend in the sector since the end of 2011, and increased the issue of premiums for the first time in 4 years by 1.82% (see Graph 4.1). With regard to the volume of technical provisions, these increased by 0.8%, to 167,699 million euros.

In the whole savings and retirement industry, investment funds were again the solution with the best performance in 2015 with a growth of 13%, noticeably higher than that obtained by pension funds (with a 4% increase in managed assets) and the already mentioned life insurance provisions.

Regarding penetration, the number of policyholders increased by 1.62% to 28.3 million, with a 1% increase in the case of Life-Risk.

Graph 4.1. Evolution of direct Life insurance in Spain, 2005-2015
(Accrued direct insurance premiums, billion euros; annual change, %)



Source: MAPFRE Economic Research (with ICEA data)

Types

By line, insurance with exclusive coverage for death continued to account for over two thirds of the total insured, with 18.8 million policies, with an increase of 1% (see Table 4.1-a). As regards the volume of premiums issued for this kind of product, it should be mentioned that in 2015 it followed the trend of the previous year, with a 7.6% increase in volume as a result of partial recovery in the real estate market and the increase in mortgages taken

out on housing, which increased by 19.8% according to the INE.

In Savings/Retirement modules overall the issue of premiums increased by 0.9%. As in 2014, the Deferred Capital and Individual Systematic Savings Plan (PIAS) insurance types registered the most positive growth during the period analyzed, increasing by 2.9% and 13.2%, respectively, which led to a growth of business in these products amounting to 1,048 million euros (see Table 4-1-b).

Table 4.1-a. Distribution of Life insurance policy holders by line, 2015
 [number of policy holders; annual change, %]

Type	Insured Parties in 2015	
	Number	% chg.
Risk	18,810,220	1.0%
Long Term Care	36,559	4.2%
Savings / Retirement	9,539,548	2.9%
Total	28,386,327	1.6%

Source: ICEA

Table 4.1-b. Distribution of Life insurance premiums and provisions by line, 2015
 [number of policy holders; annual change, %]

Type	Premiums		Provisions	
	2015	% chg.	2015	% chg.
Individual	22,897	3.6%	129,040	2.5%
Group	2,669	-11.2%	38,659	-4.4%
Total	25,567	1.8%	167,699	0.8%
Risk	3,770	7.6%	5,282	4.2%
Long Term Care	4	-26.8%	18	50.7%
Savings/ Retirement	21,793	0.9%	162,399	0.7%
Insured Pension Plans	2,117	-12.6%	12,539	-5.4%
Deferred Capital	8,015	2.9%	44,916	2.3%
Annuity	5,815	-8.1%	82,283	0.8%
P.I.A.S.	2,967	13.2%	8,021	25.9%
S.I.A.L.P	940		898	
Unit-linked	1,939	-20.3%	13,742	-14.3%
Total	25,567	1.8%	167,699	0.8%

Source: ICEA

As for Insured Benefit Plans (PPA), their performance was quite unsatisfactory with decreases both in premium volume (-12.6%) and the volume of managed savings (-5.4%). Despite an 8.1% decrease in Annuity Insurance premiums, technical provisions increased by 0.8%, making it the most established insurance formula in this line, with 82,283 million euros which accounted for half the total savings managed by sector.

As for the section on redemption, there have been favorable developments with a decrease of 714 million euros compared to 2014, especially motivated by the good performance of PPAs and asset-linked insurance.

When looking at Life insurance business by its individual or collective nature, we observe that they performed in a very different manner, positively in the case of individuals (3.6%) and negatively in the case of group insurance (-11.2%). Similar behavior was observed in managed savings: a 2.5% increase for individuals and a 4.4% decrease for groups.

Pensions Plans and Funds

For the fourth straight year, Pension Plans closed the year very positively, with a growth of 4% in managed assets, reaching a total of 104,518 million euros. This achievement sets a new historic level for equity managed by pension funds. However, the number of participating accounts remained below 10 million with a slight increase of 0.1%, on this occasion with a positive performance only in the Individual System (0.3%).

The performance of financial markets enabled Pension Plans to offer moderate yields in most of their categories and systems, with the average yield of 1.8% obtained by the plans overall. In the Individual System, Equity Funds were particularly significant, with annual returns of 5.6%. Employment System Plans yielded a return of 2.9% in 2015.

Accumulated net contributions in the 2015 (512 million euros) decreased in comparison with the previous year, mainly due to those registered in Employment System funds (-422 million euros).

With regard to Pension Plans in the Individual System, it is important to indicate the reduction of Guaranteed Funds (-24%) and Long Term Fixed Income Funds (-20%), while at the same time there were increases in Mixed Variable Income and Mixed Fixed income of 50% and 42% respectively.

Mutual Funds

In 2015, activity in the Investment Fund sector in 2015 reached a turning point with regard to the negative trend of recent years. The industry closed the financial year with an increase in assets under management of 13% to 219,866 million euros, while the unit holders increased by 19%, to 7.7 million unit holders.

The average yearly yield for all Mutual Funds was 1%, with highly satisfactory values for the great majority of categories, particularly for International Fixed Income Portfolio Funds which take the Japanese economy as a reference (14.4%).

Positive net underwriting contributed 24,700 million euros, mostly concentrated in the International Fixed Income line.

Looking at the Mutual Funds best performers in terms of asset growth, special mention should be given to International and Absolute Return Funds, as well as Global funds with 86%, 74% and 54% asset growth respectively. Of the categories with the worst performance, we should mention Guaranteed Fixed Yield and Passive Management Funds which lost 40% and 25% of their asset volume, respectively.

Preview for 2016

The Life insurance business should grow considerably in the coming years, particularly in social protection and savings. In spite of the handicap of being a market sector which is very sensitive to disposable income, factors like the aging population and the task of raising awareness on social welfare should contribute to growth.

Here, we should take Individual Insurance Plans for Systematic Savings (SIALP) into account, where returns are tax free, together with the public's increasing awareness of savings, both of which will significantly drive performance.

Another important challenge will be to continue coping with low interest rates. The current context is very different from that of a few years ago when guaranteed products offered a higher yield. This situation has led to a change in mentality and trends in the management dynamics of savers and investors, who have started to open their risk profile in order to obtain more attractive yields than those offered by traditional financial products and this trend looks set to continue over the next financial year.

On this point, there are great expectations for Unit-Linked insurance, providing they manage to overcome the reluctance inherent in Spanish investors who are always very conservative when it comes to investing. An example of this is the high volume still kept in deposits and in cash, with practically no yield. According to the latest data from Inverco, at the end of the 2015 financial year, family financial savings stood at more than 2 billion euros, and of this amount, nearly 850,000 million were placed in this type of bank product. This is why it is expected that savings in this type of product will be transferred to long-term insurance, like life annuities, taking advantage of the normalization of the interest rate curve.

Moreover, new regulations regarding the Annual percentage Rate (APR) passed at the end of 2015 will make the savings market more transparent with interest rates that are so low that investors will be discouraged.

Finally, an upturn in the sale of Risk Life insurance is expected in line with the recovery of the real estate market and increased credit by finance institutions.

Investment and Pension Funds will be affected by the international economic situation. In 2016, global growth is expected to continue being held back by lower dynamism in the so-called emerging countries in general, and China in particular. In the United States, where the Federal Reserve has already started to normalize monetary policy, ongoing permissive financial conditions, together with stronger real estate and labor markets, favor an increase in economic activity.

As for Europe, while the need for new, unconventional incentives from the European Central Bank (ECB) is not ruled out, expectations of improved private consumption will offset lower exports and consolidate the moderate growth rates obtained. In Japan growth is also expected to consolidate due to fiscal incentives, lower energy prices and relaxed financial conditions.

In 2016 the Spanish economy is expected to continue recovering and outstrip average growth in the Euro area. Tax reductions, low interest rates and falling energy costs will continue to promote domestic consumption which, together with the positive inertia of investment, will mean that internal demand will continue driving the economy. All in all, the GDP growth rate (+2.7% according to the Banco de España) is expected to be lower than this year as the dynamic effects of some of the expan-

sion-inducing factors weaken. In any case, recent events, both domestic and foreign, have triggered a situation of lower risk.

In this context, Spanish households' savings capacity continues to recover, once again reaching a record high, which is reflected particularly in net contributions both to investment funds and pension funds. The continuity of this process will largely depend on the capacity for supporting continued improvement in the labor market over the coming years. Furthermore, increased awareness of the need to save for retirement is expected to provide essential support for both the pension fund and the investment sectors. According to Interco's report on Spanish households' financial savings, only 5.5% of savings are earmarked to pension funds, compared to 39% to other more liquid assets, such as bank deposits. Likewise, investment funds represented only 9% of savings, figures that are way below the average in other European countries.

It is important to continue supporting savings and social protection both through fiscal measures as well as others designed to create products which are more attractive to savers with the objective of complementing their future pension. Also, the promotion and dissemination of finance education should always remain a strategic objective for improving the planning of long-term savings and maintaining an optimum standard of living as a result. Providing estimated State pension information could well be a very effective tool

For raising awareness on the need for retirement and long-term savings. This is especially important for those who are approaching retirement age. Transparency would greatly help savers to plan and would support their decision to complement their State pension. The creation of Social Security's pension simulator is very good news but it could be insufficient without additional complementary measures.

The project to introduce new situations that entitle to liquidate contributions over 10 years old, under Law 26/2014 on fiscal reform was also well received. However, since the regulatory procedure for this new proposal was not approved, this measure has effectively been set aside for the moment. Liquidity is a particularly important argument for the younger generation which needs to be motivated to think about long-term saving. Growth in the Mutual Fund and Pension Fund sectors, and the yields obtained in recent years show that they are products suitable for channeling household saving.

4.2. Automobiles

The premium volume issued in Automobile insurance increased by 1.7% in 2015, representing a total of 10,045 million euros. The average premium also increased by 0.6%, reaching 346 euros. Although these represent moderate growth, they are the first positive data since 2007 (in the case of premium volume), and indicate that this line of business is starting to overcome the difficulties arising from the economic crisis and the fierce competition suffered in recent years (see Graph 4.2-a).

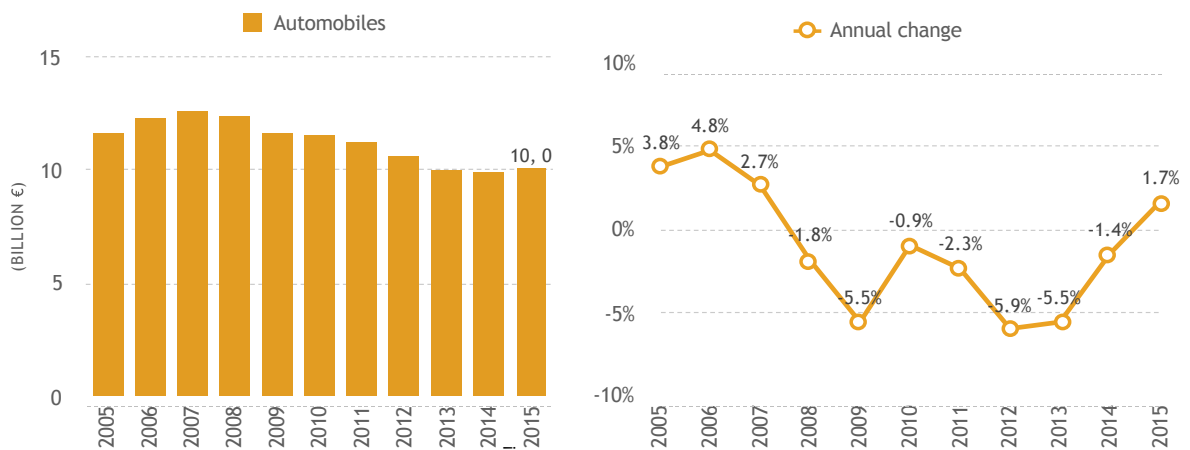
Quarterly growth increased throughout the year, from 0.4% in the first quarter to 1.7% in the final quarter of the year. This change in the trend was confirmed in the first quarter of 2016, where there was a 4.7% increase in this line.

This performance was influenced by the recovery of the Spanish economy, which translated into a higher number of new vehicle registrations with greater coverage (in 2015 the number of insured vehicles grew by 1.0% and vehicle registrations by 24%), and greater use of the vehicles, which in turn led to an increase in claims ratio levels (see Table 4.2-a).

An important development was also the new scale of compensation to victims of traffic accidents, which came into force on January 1, 2016, and which affected new policies and annual renewals throughout 2015. There have also been adjustments to premiums in some sectors with pricing deficiencies, especially in vehicle fleets.

Automobile insurance continues to be the line with the highest premium volume in the Non Life sector, with a share of 32.1%.

Graph 4.2-a. Growth of direct Automobile insurance in Spain, 2005-2015
(Accrued direct insurance premiums, billion euros; annual change, %)



Source: MAPFRE Economic Research (with ICEA data)

The combined ratio in the Automobile insurance line fell 1.6 percentage points in 2015 to 99.5%, driven fundamentally by the increase in the claims ratio (see Table 4.2-b).

The higher premium volume was not enough to offset either the small increase in the frequency of Third-Party Liability or the increased risk due to the fact that there is an increasing number of new insured vehicles with more coverage. The end financial result contracted eight tenths to 4.8%, and the technical-financial result worsened by more than two tenths of a% to 5.3% (see Table 4.2-b and Graph 4.2-b).

As in previous years, in 2015 no significant increase in frequencies was observed in any guarantee. There was a slight increase in Third-Party Liability (+0.03%), due to the increased use of vehicles, as well as a downturn of 2.12% in Own Damage, related to an increase in insurance with deductibles. The remaining frequencies remain at similar levels to the previous year.

Turning to average cost, there were downturns in all guarantees with the exception of Theft and Fire, which increased by 2.9% and 3.1% respectively. In spite of the nearly 4% decline in 2015, the claims with the highest average cost

Table 4.2-a. Growth of the average Automobile insurance premium, 2005-2015
(Million euros; annual change, %)

	Insured vehicles ⁽¹⁾		Direct insurance premiums ⁽²⁾		Average premium		
	(million)	Ann.	(million €)	Ann.	In euros	% chg.	
						Nominal	Actual
2005	25.7	4.7%	11,703	3.7%	455	-1.0%	-4.5%
2006	27.1	5.2%	12,261	4.8%	453	-0.4%	-3.0%
2007	28.3	4.7%	12,593	2.7%	444	-1.9%	-5.8%
2008	28.8	1.7%	12,357	-1.9%	428	-3.6%	-4.9%
2009	28.8	-0.2%	11,662	-5.6%	405	-5.5%	-6.2%
2010	28.7	-0.3%	11,553	-0.9%	403	-0.6%	-3.5%
2011	28.9	0.7%	11,285	-2.3%	390	-3.0%	-5.3%
2012	28.7	-0.7%	10,622	-5.9%	370	-5.3%	-7.9%
2013	28.6	-0.4%	10,033	-5.5%	351	-5.1%	-5.4%
2014	28.8	0.7%	9,888	-1.5%	343	-2.1%	-1.2%
2015	29.1	1.0%	10,054	1.7%	346	0.6%	0.6%

(1) Insured Vehicle Information File (FIVA)

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

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

Table 4.2-b. Basic Automobile insurance indicators, 2014-2015 ^(*)
(premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	9,878	10,045
% change in premium volume	-1.4%	1.7%
Retention	92.5%	92.2%
Gross claims ratio	77.1%	78.1%
Gross expenses	20.0%	20.2%
Net claims ratio	77.6%	79.1%
Net combined ratio	97.9%	99.5%
Financial result	5.6%	4.8%
Technical-financial result	7.6%	5.3%

(*) An explanation of how these indicators are calculated is provided in the section on Aspects of Methodology in this report.

Source: MAPFRE Economic Research (with ICEA data)

are still those relating to Third-Party Liability for Bodily Injury, with a value of 4,563 euros. Once again, the guarantee registering the greatest fall

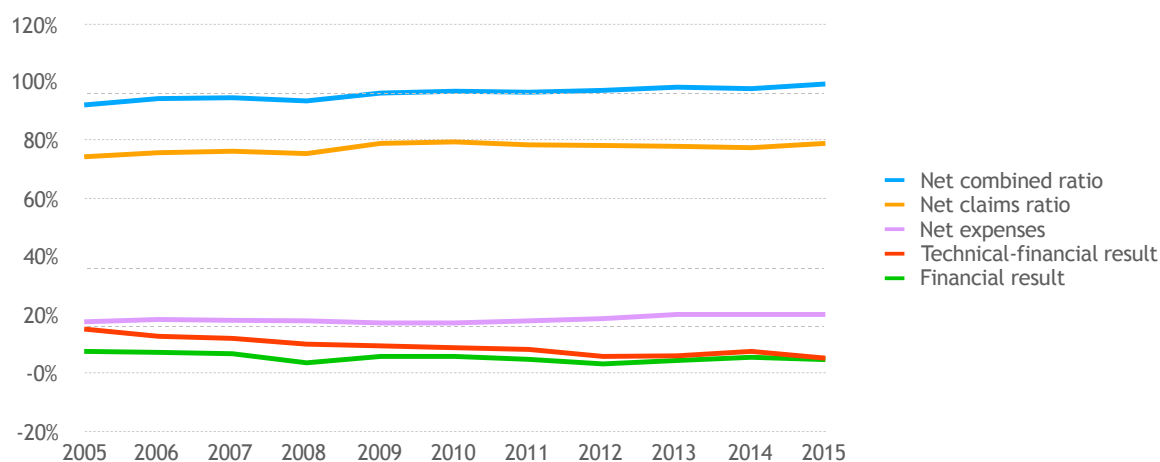
in average cost was Revocation of License, with a decrease of 8.5% (see Table 4.2-c).

Table 4.2-c. Average frequencies and costs by guarantee in Automobile insurance, 2014-2015 (frequency,%, average cost, euros)

Guaranty	Frecuency (%)			Average cost (€)		
	2014	2015	% chg.	2014	2015	%chg.
Third-Party Liability	8.50%	8.48%	-0.03%	1,841	1,832	-0.5%
Bodily injuri	1.98%	2.00%	0.03%	4,751	4,563	-4.0%
Material	7.23%	7.35%	0.12%	875	875	0.0%
Own damage	36.12%	34.00%	-2.12%	733	719	-1.9%
Broken Windows	6.41%	6.43%	0.02%	289	288	-0.1%
Theft	1.02%	0.90%	-0.12%	882	908	2.9%
Legal defence	1.82%	1.80%	-0.02%	302	292	-3.5%
Occupants	0.24%	0.24%	0.00%	1,251	1,234	-1.3%
Fire	0.05%	0.06%	0.00%	2,782	2,868	3.1%
Revocation of license	0.03%	0.02%	-0.01%	1,211	1,108	-8.5%

Source: ICEA

Graph 4.2-b. Growth of results in the Automobile line, 2005-2015 (premiums indicators)



Source: MAPFRE Economic Research (with ICEA data)

Preview for 2016

The change in the rate of growth in the Automobile insurance line looks set to continue in 2016. In this regard, the premium volume issued in Automobile insurance in the first quarter of 2016 increased by 4.7% to 2,726 million euros. By line, in the same quarter both Third-Party Liability premiums (4.4%) and Other Guarantees (5.2%) posted growth.

Strong growth was observed compared with the same period in 2015, when premiums only increased by 0.4%. These data confirm our optimism for the consolidation in 2016 of this positive trend which began in 2015.

4.3. Health

In 2015, the premium volume for Health insurance reached 7,369 million euros, representing an increase of 3.2% compared with the previous year. Health insurance maintained positive growth rates throughout the economic crisis, with the lowest growth of 2.2% recorded in 2013, before rising in the following two years (see Graph 4.3-a).

The number of insured parties in the Health insurance line grew by 1.9% in 2015, reaching 10.7 million clients. This a highly concentrated line in which the top three companies (Adeslas, Sanitas and Asisa) account for 58.9% of the premiums.

In 2015, growth in both insured parties and premiums was more intense in group insurance (5.4% and 7.3% respectively) than in individual insurance

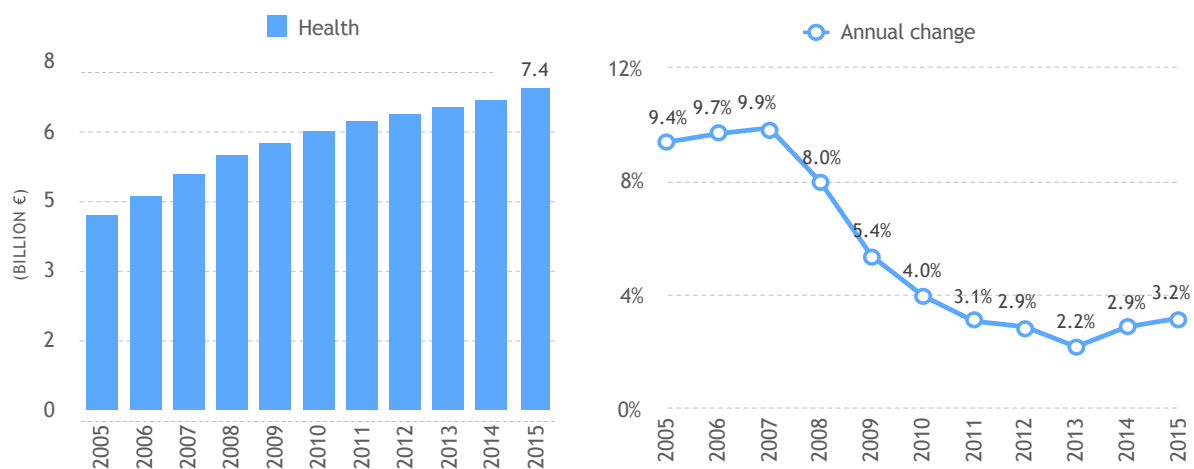
(0.2% and 1.3%). Both the maintenance of tax deductions for medical insurance paid by companies to their employees, and the positive evaluation by the latter of these social benefits, have enabled group insurance growth to outstrip individual insurance which has been more affected by the economic crisis in recent years.

The most important line, well ahead of the others, is still Healthcare Assistance, with 87.7% of the premiums and 79.5% of the total of insured persons, and it continued to grow in 2015 both in premiums (3.3%) and in insured persons (2.5 per cent). The Subsidies and Compensations line decreased by 1.3% in insured persons and 2.3% in premiums, reaching 14% and 3.1% respectively. The Reimbursement of Expenses line grew by 2.2% in insured persons reaching 6.4% of the total, and 2.4% in premiums, reaching 9%.

The combined ratio for the line improved by 1.1% to 94.4% due to the fall in the claims ratio and despite a four tenths increase in expenses. The financial result worsened by three tenths of a% to 0.7%, but the technical- financial result increased by seven tenths to 6.3% (see Table 4.3 and Graph 4.3-b).

It is important to highlight the growth in the Health insurance line over the past 10 years, which has followed a growing trend in spite of the economic crisis and the fact that its most significant products are not mandatory (medical insurance), since practically the whole of the Spanish population has broad health coverage under the Social Security. It occupies second place in the market share ranking for Non Life business lines, only surpassed by Automobile insurance.

Graph 4.3-a. Growth of direct Health insurance in Spain, 2005-2015
 [Accrued direct insurance premiums, billion euros; annual change, %]



Source: MAPFRE Economic Research (with ICEA data)

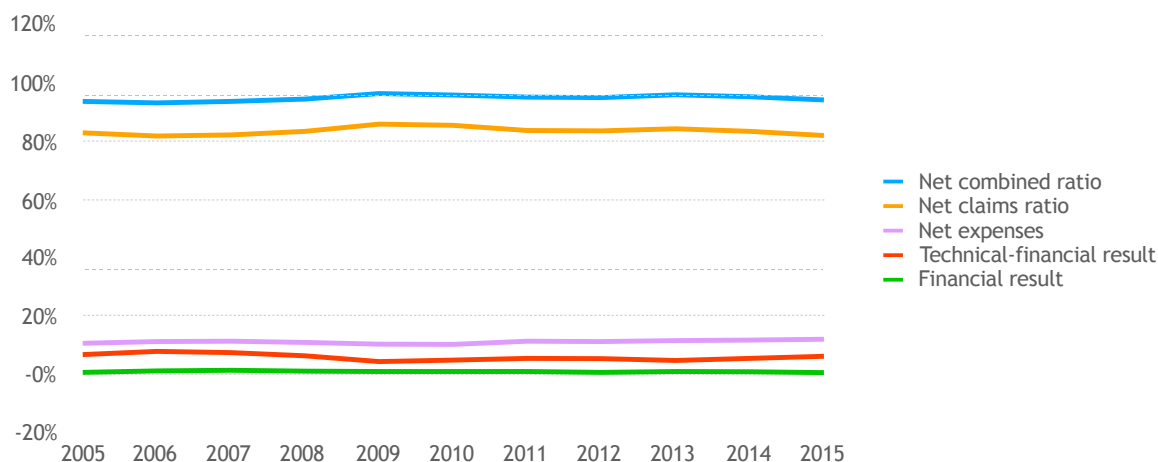
Table 4.3. Basic Health insurance indicators, 2014-2015 (*)
 (premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	7,138	7,369
% change in premium volume	2.9%	3.2%
Retention	97.5%	97.4%
Gross claims ratio	82.2%	80.9%
Gross expenses	11.8%	12.2%
Net claims ratio	83.6%	82.2%
Net combined ratio	95.5%	94.4%
Financial result	1.0%	0.7%
Technical-financial result	5.6%	6.3%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.3-b. Growth of results in the Health insurance line, 2005-2015
[indicators over net earned premiums]



Source: MAPFRE Economic Research (with ICEA data)

Preview for 2016

The first quarter of 2016 saw a slight slowdown in growth in the Health insurance line, basically as a result of slow growth in Healthcare Assistance insurance which is the most predominant, growing by 1.9%, compared with the 3.6% growth experienced by April in the last financial year. Nevertheless, Reimbursement performed strongly, with 6.9% growth compared to 5% in April 2015. Finally, in spite of only growing by 1.0%, Subsidies saw an improvement over the same period in the previous year, when there was a 2.6% downturn. This type of insurance, mainly aimed at self-employed persons, has seen downturns in recent years as a result of the economic crisis which particularly affected this group, although this trend appears to be reversing for the first time since 2008.

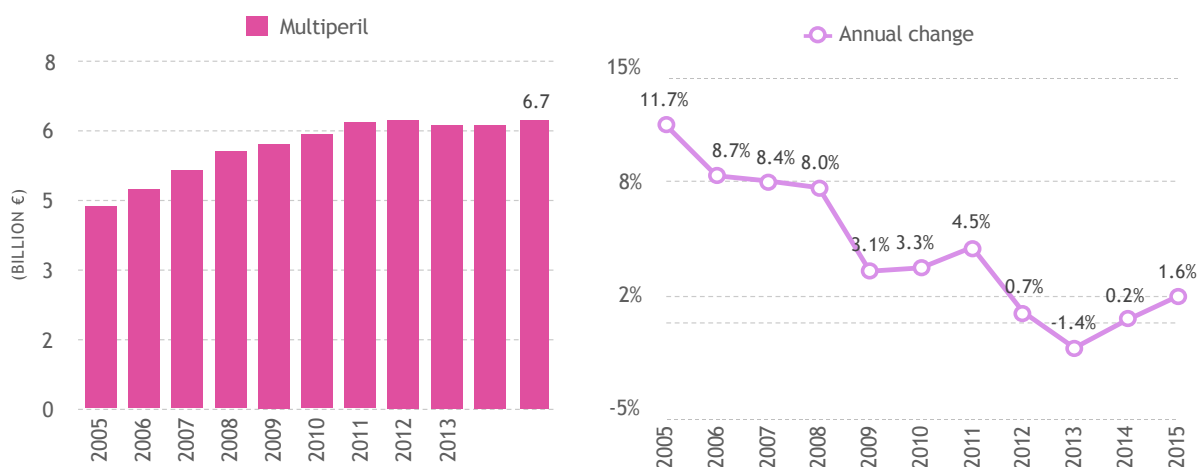
4.4. Multiperil

In 2015, the premium volume for the Multiperil line reached 6,659 million euros, with a growth of 1.6% compared with the previous year. This positive growth contrasts with the downturn and stagnation of premiums in the two previous years (-1.4% in 2013 and +0.2% in 2014), and indicates that in this line the unfavorable effects of the economic crisis are easing. Also, the number of policies increased by 1.6% in 2015.

In a breakdown by line, premiums grew in the four most important areas in this line, which jointly accounted for 98.9% of the same: Home (2.1%), Industrial (0.8%), Commerce (1.6%) and Communities (1.1%). By contrast, the Other Multiperil line, which accounts for 1.1% of the line, experienced a 2.4% decrease.

As in previous years, Multiperil insurance is still the third largest line in Non-Life insurance, with a market share of 21.2%, only surpassed by Automobile and Health. Insurance agents and brokers are still the most important distribution channel with a 72.5% share, followed by Bancassurance with 23.1%.

Gráfica 4.4-a. Growth of direct Multiperil insurance in Spain, 2005-2015
 [Accrued direct insurance premiums, billion euros; annual change, %]



Source: MAPFRE Economic Research (with ICEA data)

Table 4.4-a. Basic Multiperil insurance indicators, 2014-2015 (*)
 (premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	6.551	6.659
% change in premium volume	0.2%	1.6%
Retention	79.7%	79.3%
Gross claims ratio	60.5%	57.8%
Gross expenses	28.2%	28.4%
Net claims ratio	60.7%	60.2%
Net combined ratio	90.7%	90.7%
Financial result	4.4%	3.9%
Technical-financial result	13.7%	13.2%

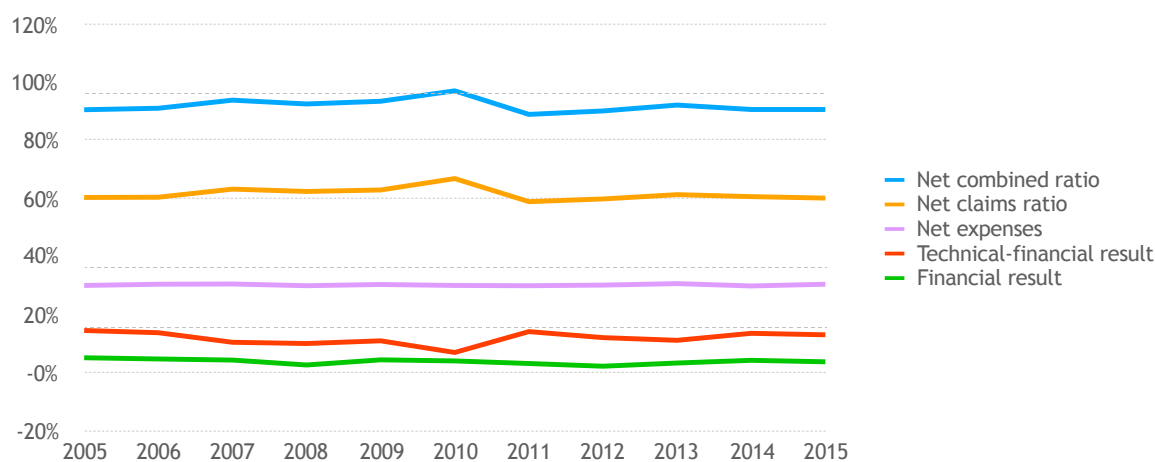
(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

As in the previous year, the combined ratio was 90.7% due to a fall in the claims ratio and an increase in expenses of similar amounts. The financial result decreased by half a percentage point to 3.9%, and the technical-financial result decreased by the same amount to 13.2% (see Table 4.4-a and Graph 4.4-b).

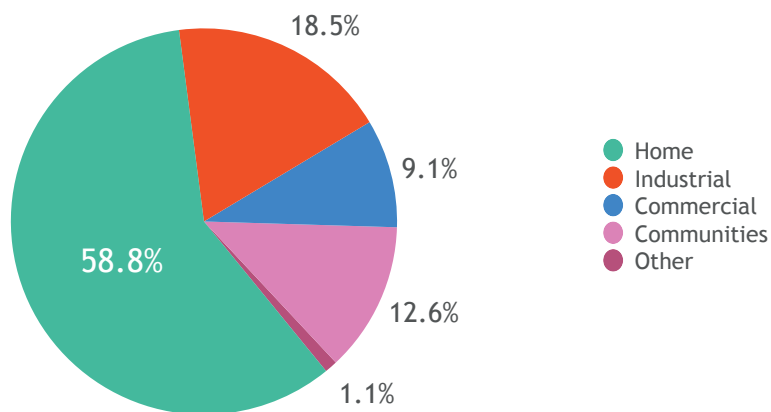
As can be observed in Graph 4.4-c, once again the highest premium volume is concentrated in Home insurance (58.8%), followed by Industrial (18.5%), Communities (12.6%) and Commerce (9.1%).

Graph 4.4-b. Growth of results in the Multiperil line, 2005-2015
[indicators over net earned premiums]



Source: MAPFRE Economic Research (with ICEA data)

Graph 4.4-c. Distribution of Multiperil premiums by line, 2015
[%age of the premiums issued]



Source: MAPFRE Economic Research (with ICEA data)

Preview for 2016

The premium volume for Multiperil insurance registered during the first quarter of 2016 was 1,803 million euros, up 3% compared with the same period the previous year. There was growth in all lines: Home (3.4%), Commerce (0.3%), Communities (1.3%), Industrial (4.1%) and Other Multiperil (8%).

Growth picked up compared with the same period in 2015, when premiums only increased by 1.7%. These data indicate that, in spite of fierce competition, economic recovery has had a favorable effect on growth within the line.

4.4.1. Home Multiperil

In 2015, Home Multiperil Insurance continued the upward trend which began in 2014, and the premium volume increased by 2.1%

compared with the previous year, reaching 3,917 million euros. The reactivation of the private real estate market and the increase in insured homes are behind this growth in premiums. Monthly Consumer Price Index (CPI) figures, affecting the totals insured in the majority of policies, remained below or near zero throughout 2015.

It is expected that this trend will continue and that easier access to credit will also enable the bank channel to take off in 2016.

Furthermore, in 2015 the claims ratio was boosted by the mild weather conditions. There were no unusually severe storms; the summer was hot

and there was less rainfall in the fall and in winter. In spite of the downturn in the claims ratio, the combined ratio increased by eight tenths of a% to 90.9%, due to the increase in expenses. The financial result decreased by half a percentage point to 2.8%, and the technical-financial result also decreased to 11.9% (see Table 4.4-b and Graph 4.4-d).

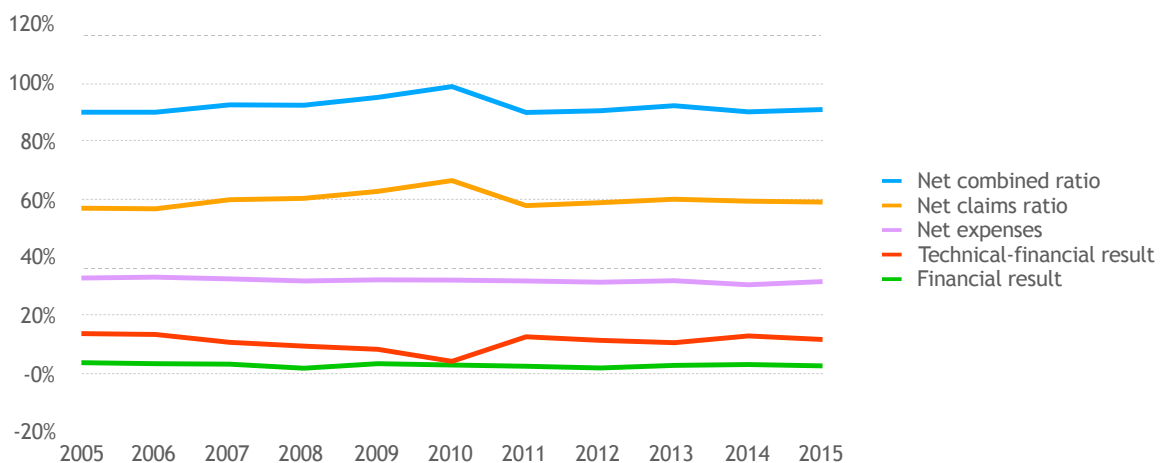
Table 4.4-b. Basic Home Multiperil insurance indicators, 2014-2015 ^(*)
(premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	3,837	3,917
% change in premium volume	1.5%	2.1%
Retention	89.9%	90.2%
Gross claims ratio	58.6%	58.2%
Gross expenses	31.2%	31.5%
Net claims ratio	59.4%	59.1%
Net combined ratio	90.1%	90.9%
Financial result	3.3%	2.8%
Technical-financial result	13.1%	11.9%

[*] An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.4-d. Growth of results in the Home Multiperil line, 2005-2015
(indicators over net earned premiums)



Source: MAPFRE Economic Research (with ICEA data)

4.4.2. Industrial Multiperil

In 2015, the premium volume for Industrial Multiperil Insurance increased by 0.8% (compared with a decrease of 3.6% in the previous year), reaching 1,230 million euros. Economic reactivation, reflected in commercial and business activity, appears to be the determining factor which explains this change in the trend.

The downturn in the claims ratio, and to a lesser extent, in costs, was responsible for a 2.8 percentage point improvement in the combined ratio, which fell to 96.6%. The reduction in the claims ratio is not totally transferred to the result for the line as a result of variations in the retention rate for direct insurance. The financial result worsened by more than one percentage point to 7.9%, but the technical-financial result increased to 11.3% (see Table 4.4-c and Graph 4.4-e).

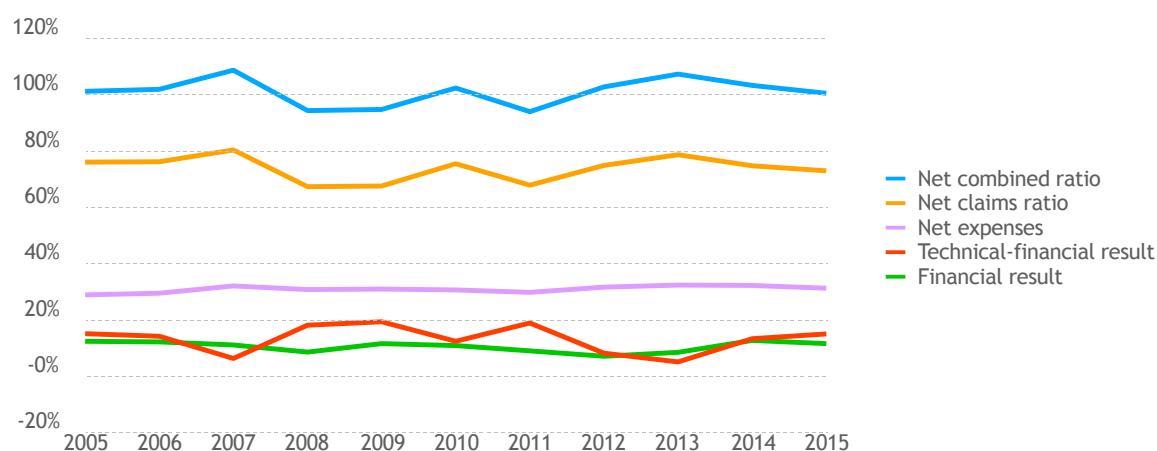
Table 4.4-c. Basic Industrial Multiperil insurance indicators, 2014-2015 ^(*)
(premiums, million euros; % over premiums, %)

	2014	2015
Premium volume (million €)	1,220	1,230
% change in premium volume	-3.6%	0.8%
Retention	52.2%	50.6%
Gross claims ratio	68.8%	59.1%
Gross expenses	20.5%	20.4%
Net claims ratio	70.9%	69.1%
Net combined ratio	99.4%	96.6%
Financial result	9.0%	7.9%
Technical-financial result	9.6%	11.3%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.4-e. Growth of results in the Industrial Multiperil line, 2005-2015
(indicators over net earned premiums)



Source: MAPFRE Economic Research (with ICEA data)

4.4.3. Commercial Multiperil

In 2015, the premium volume for Commercial Multiperil Insurance increased by 1.6% (compared with a 0.3% decrease in the previous year), reaching 605 million euros. There is the Multiperil sector which has suffered the most in recent years and is now enjoying a more pronounced reactivation. The market's efforts in retaining and selecting risks in some

business sectors has brought about an improvement in the claims ratio and led to a decrease of 7 tenths in the combined ratio, putting it at 87.7%, also aided by a slight reduction in expenditure. The financial result was 4.0%, slightly lower than the previous year, and the technical-financial result increased by half a point to 16.3% (see Table 4.4-d and Graph 4.4-f).

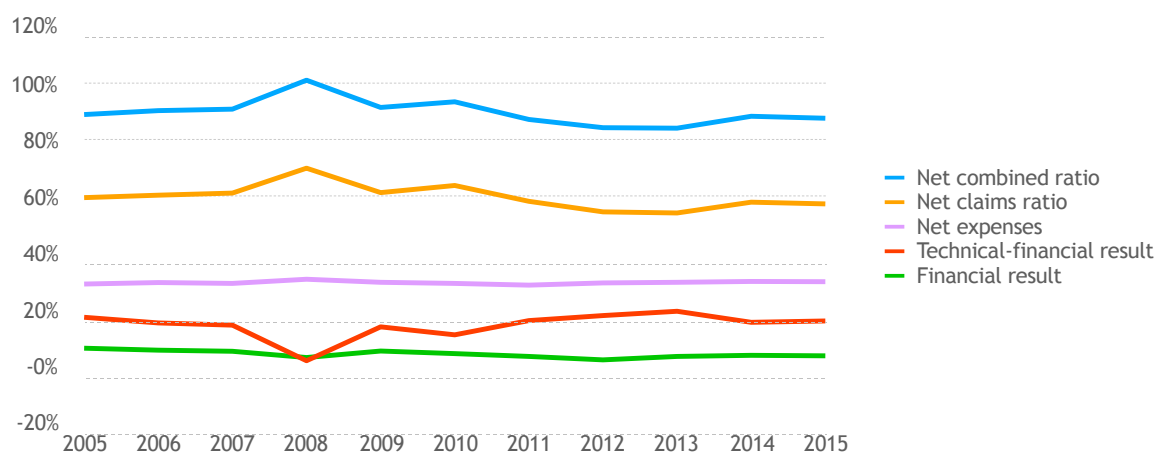
Table 4.4-d. Basic Commercial Multiperil insurance indicators, 2014-2015 (*)
(premiums, million euros, % over premiums, %)

	2014	2015
Premium volume (million €)	595	605
% change in premium volume	-0.3%	1.6%
Retention	84.2%	84.5%
Gross claims ratio	56.4%	55.8%
Gross expenses	30.7%	30.5%
Net claims ratio	58.1%	57.5%
Net combined ratio	88.4%	87.7%
Financial result	4.2%	4.0%
Technical-financial result	15.8%	16.3%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.4-f. Results in the Commercial Multiperil line, 2005-2015
(indicators over net earned premiums)



Source: MAPFRE Economic Research (with ICEA data)

4.4.4. Community Multiperil

The premium volume for Community Multiperil insurance increased by 1.1% to 836 million euros. Although there is strong competition in this segment, there has also been an increase in the coverage included in the Community product which affects the average premium.

As with the Home Multiperil segment, mild climate conditions in 2015 brought about a reduction in the claims ratio. Nevertheless, the combined ratio worsened by half a percentage point to 83.7%, due to higher expenses. The financial result was 4.0%, and the technical-financial result decreased by a little over half a percentage point to 20.2% (see Table 4.4-e and Graph 4.4-g).

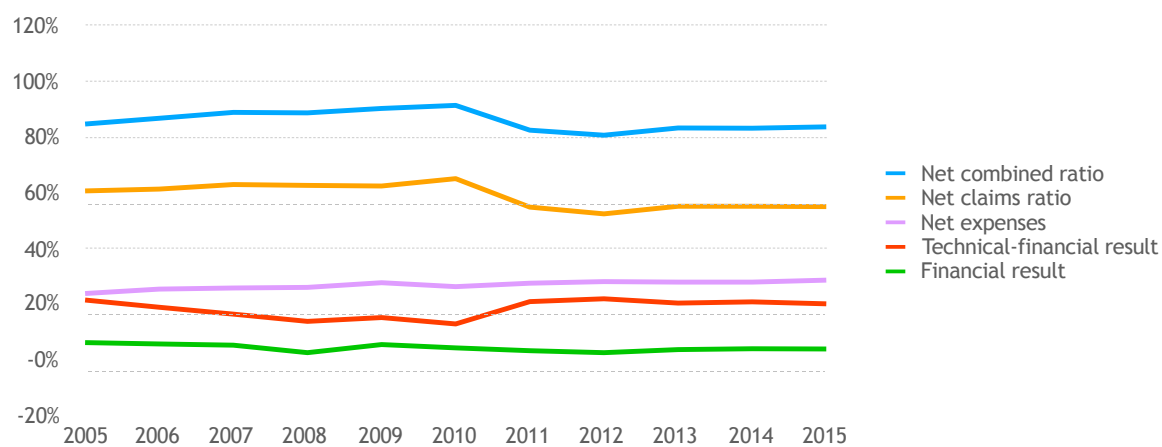
Table 4.4-e. Basic Community Multiperil insurance indicators, 2014-2015 ^(*)
(premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	827	836
% change in premium volume	0.4%	1.1%
Retention	85.8%	86.1%
Gross claims ratio	54.3%	53.9%
Gross expenses	28.1%	28.8%
Net claims ratio	55.2%	55.1%
Net combined ratio	83.2%	83.7%
Financial result	4.1%	4.0%
Technical-financial result	20.9%	20.2%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.4-g. Growth of results in the Community Multiperil line, 2005-2015
(indicators over net earned premiums)



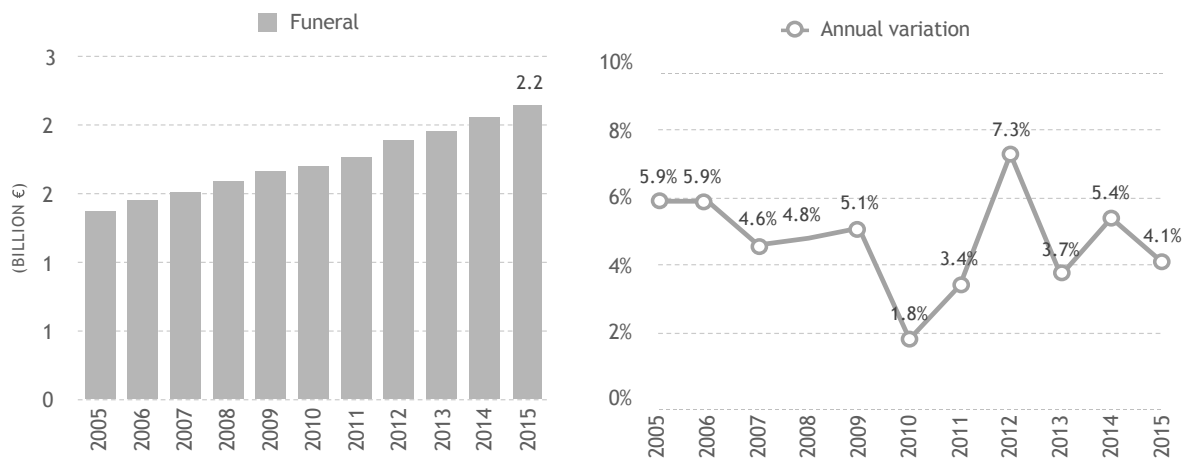
Source: MAPFRE Economic Research (with ICEA data)

Community insurance has faced strong competition from insurance companies both in new production and portfolio readjustments. Underwriting requirements have also become more flexible for this type of risk, to the extent that the average premium has increased because companies are now entering into risk segments from which they were previously blocked.

4.5. Funeral

In 2015, the premium volume for Funeral insurance reached 2,151 million euros, which represents an increase of 4.1% over 2014. There was positive growth in Funeral insurance throughout the economic crisis, with a minimum of 1.8% in 2010 (see Graph 4.5-a).

Graph 4.5-a. Growth of direct Funeral insurance in Spain, 2005-2015
 [Accrued direct insurance premiums, billion euros; annual change, %]



Source: MAPFRE Economic Research (with ICEA data)

In commercialized guarantees, Funeral insurance has accumulated the most premiums (83.3%), followed well behind by Assistance (8.6%, Accident (4.4%), Transfers (2.4%) and Illness (0.8%). Furthermore, the number of insured parties grew by 0.4% in 2015 to 21.1 million.

Once more the level premium line continues to have the highest number of insured parties (70.1% of the total) while the single premium is the line with the highest growth (43.1%). Level premium policies continued to lose ground in the sales structure by line, representing 24.8% of policies commercialized as new production, compared to 25.7% in the previous year.

The penetration index for this line is 45.4% at the national level, exceeding 60% in Extremadura, Asturias and Andalusia. By age band, the highest

penetration (more than 50%) is concentrated in the over 50s.

The combined ratio increased by three points in 2015 to 98.6%, due to a five point increase in the claims ratio, which showed an upturn as a result of cold waves in January and the heatwaves in July, and to the lowering of the related interest rate established for the line. In 2015, the reduction of the maximum interest rate established by the DGSFP obliged companies in this line to make technical provisions, which led to an increase in the claims ratio and, by extension, a fall in the technical result. Expenditure remained high (32.9%) due to the high acquisition expenses associated with this type of insurance. The financial result increased by nearly one point to 7.4%, but the technical-financial result fell by more than two points to 8.8% (see Table 4.5 and Graph 4.5-b).

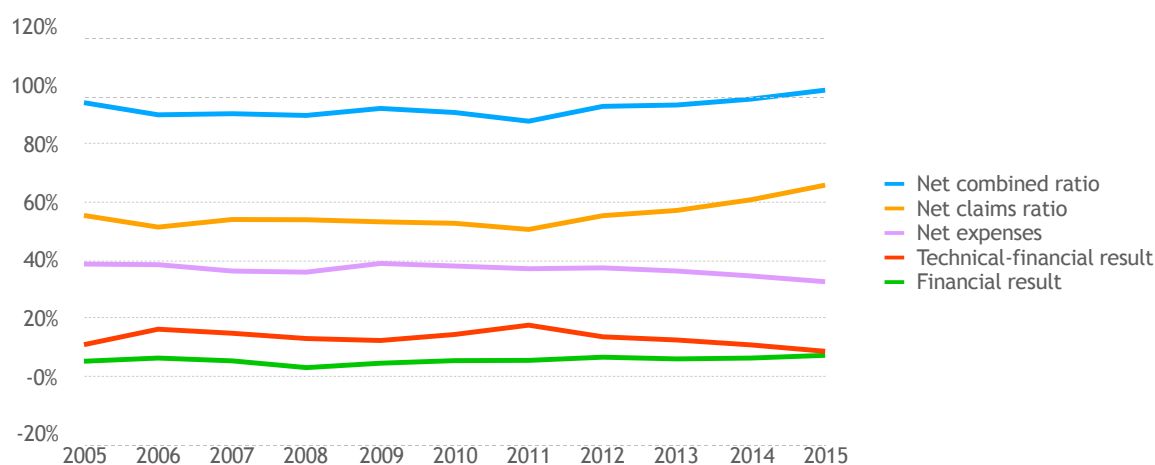
Table 4.5. Basic Funeral insurance indicators, 2014-2015 ^(*)
 [premiums, million euros; percentages over premiums, percent]

	2014	2015
Premium volume (million €)	2,066	2,151
% change in premium volume	5.4%	4.1%
Retention	98.4%	98.5%
Gross claims ratio	60.3%	65.2%
Gross expenses	34.8%	32.9%
Net claims ratio	60.9%	65.9%
Net combined ratio	95.5%	98.6%
Financial result	6.5%	7.4%
Technical-financial result	11.0%	8.8%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.5-b. Growth of results in the Funeral insurance line, 2005-2015
 (indicators over net earned premiums)



Source: MAPFRE Economic Research (with ICEA data)

Preview for 2016

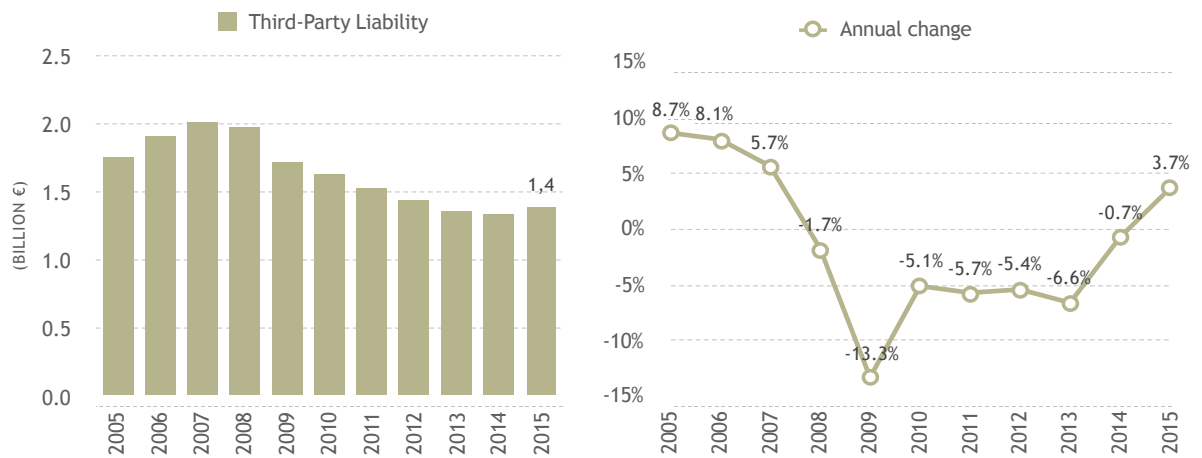
The data for the first quarter of 2016 show a growth of 2.2% in the premium volume for Funeral insurance (compared with a 5.2% growth in the same period of 2015).

4.6. Third-party liability

In 2015, the premium volume for the Third-party Liability line reached 1,392 million euros, a 3.7% increase over the previous year.

This positive result has broken the trend for decreasing premiums between 2008 and 2014 as a result of the contracting effect on business activity in general caused by the economic crisis. (see Graph 4.6-a).

Graph 4.6-a. Growth of direct Third-Party Liability insurance in Spain, 2005-2015
 [Accrued direct insurance premiums, billion euros; annual change, %]



Source: MAPFRE Economic Research (with ICEA data)

The claims ratio in this line of insurance increased by nine percentage points in 2015, adversely affecting the combined ratio which reached 86.3%. The financial result decreased by 1.2 points to 14%, and

the technical-financial result fell almost 10 points to 27.7%, a value which nonetheless is still very satisfactory (see Table 4.6 and Graph 4.6-b).

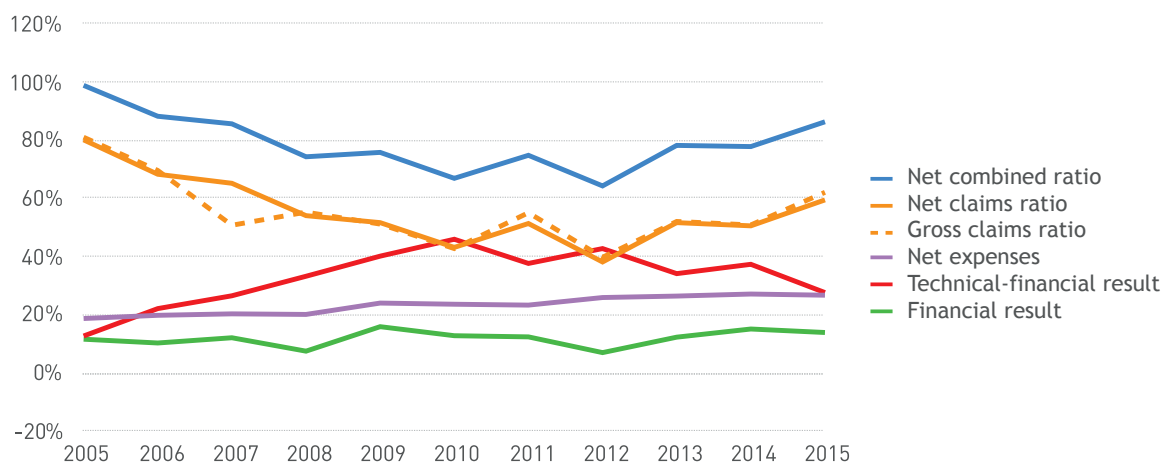
Tabla 4.6. Basic Third-Party Liability insurance indicators, 2014-2015 (*)
 (premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	1,343	1,392
% change in premium volume	-0.7%	3.7%
Retention	72.1%	72.2%
Gross claims ratio	50.9%	62.1%
Gross expenses	25.5%	25.6%
Net claims ratio	50.6%	59.5%
Net combined ratio	77.8%	86.3%
Financial result	15.2%	14.0%
Technical-financial result	37.4%	27.7%

[*] An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.6-b. Growth of results in the Third-Party Liability line, 2005-2015
[indicators over net earned premiums]



Source: MAPFRE Economic Research (with ICEA data)

In 2015 three important regulations were approved which affect Third-Party Liability insurance: The amendment of the penal code, the Law regulating the management, supervision and solvency of insurance and reinsurance companies (known as LOSSEAR), which also covers certain changes in insurance contracts, and the amendment to the Baremo (indemnity scale for automobiles):

- a) With regard to the first, modifications to the regime for the Criminal Liability of Legal Persons, which caused so much doctrinal debate and continues to do so, especially following the first judgment by the Supreme Court (STS 154/2016 of February 29), that establishes a new approach to third-party liability of companies which should be covered by insurance policies.
- b) Turning to insurance contracts, it should be pointed out that it is mandatory that exclusions and limitations which affect the nature of the risk covered be typographically highlighted, with a description of the coverage and guarantees granted in the contract which is clear and easy to understand.

c) The Insurance Compensation Consortium is commended with reviewing the huge number of compulsory insurance schemes in order to comply with the obligations imperative under the Solvency II Directive, and new schemes must be approved for regulations with the status of law.

d) Finally, there is no doubt that the new system for assessing personal injury resulting from traffic accidents will continue to be applied as guidance in claims covered by third-party liability insurance.

Preview for 2016

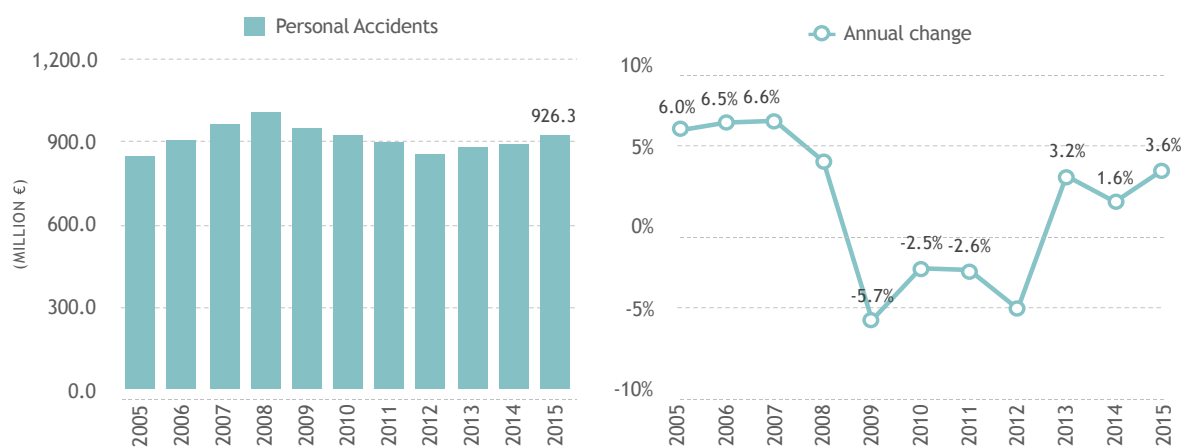
The premium volume for Third-Party Liability insurance grew by just 0.1% in the first quarter of 2016 (vs. 0.7% during the same period in 2015), which shows that recovery in this line is still very slow.

4.7. Personal accidents

In 2015, the premium volume for the Personal Accident line reached 926.3 million euros, representing an increase of 3.6% over the previous year, to a large extent as a result of recovery in the Spanish economy. However, in spite of growth in the Personal Accident line in recent years, issue levels prior to the economic crisis have still not been reached (see Graph 4.7-a).

Furthermore, in spite of increased expenditure, the combined ratio for the line improved by almost one percentage point to 78.1% due to the fall in the net claims ratio rate. Once again both the financial result (15.0%) and the technical-financial result (36.9%) were strong, although these values were lower than those for the previous year (see Table 4.7-d and Graph 4.7-b).

Graph 4.7-a. Growth of direct Personal Accident insurance in Spain, 2005-2015
(accrued direct insurance premiums, million euros; annual change, %)



Source: MAPFRE Economic Research (with ICEA data)

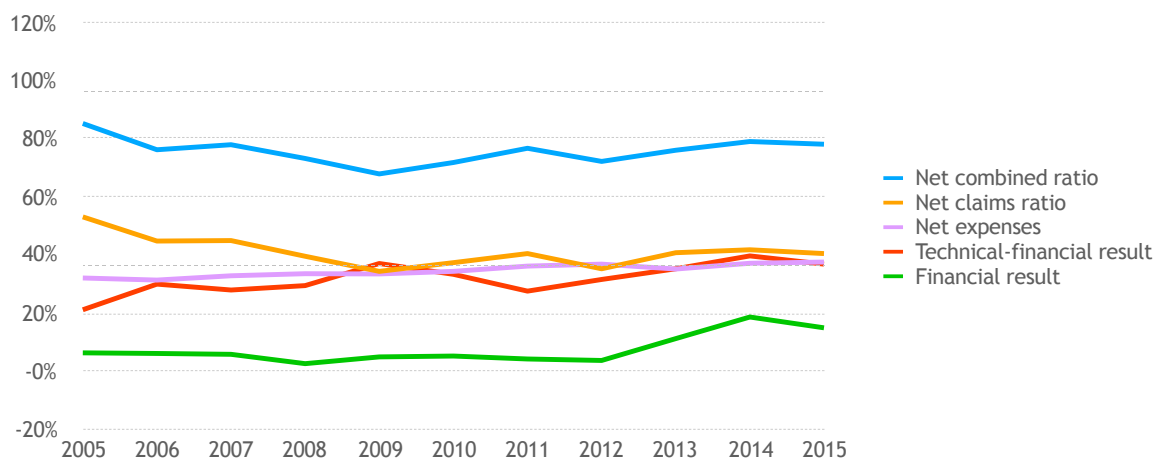
Table 4.7. Basic Personal Accident insurance indicators, 2014-2015^(*)
(premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	894	926
% change in premium volume	1.6%	3.6%
Retention	89.0%	89.0%
Gross claims ratio	40.9%	41.3%
Gross expenses	36.7%	37.6%
Net claims ratio	41.8%	40.5%
Net combined ratio	79.0%	78.1%
Financial result	18.7%	15.0%
Technical-financial result	39.7%	36.9%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.7-b. Growth of results in the Personal Accident line, 2005-2015
[indicators over net earned premiums]



Source: MAPFRE Economic Research (with ICEA data)

Preview for 2016

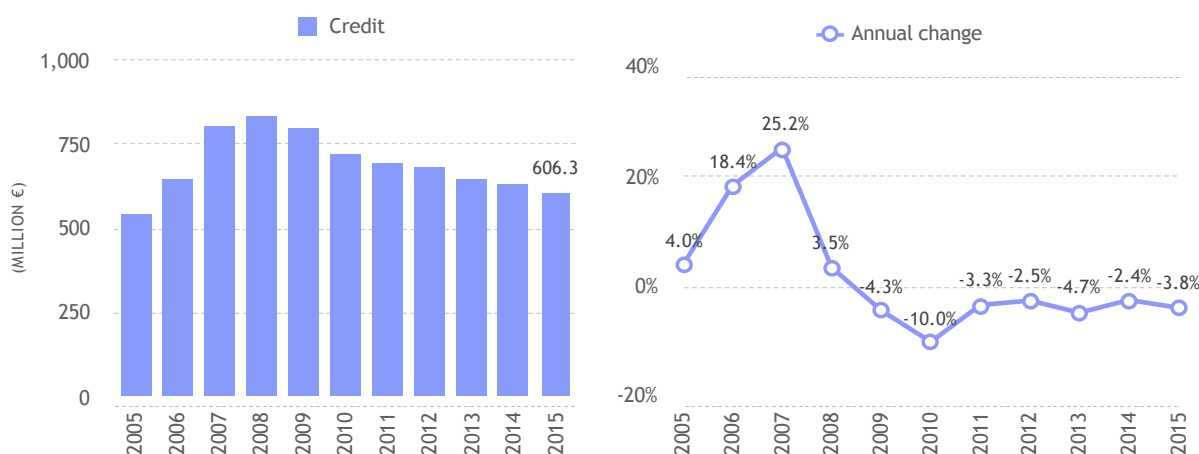
The data for the first quarter of 2016 show a growth of 9.4% in the premium volume for Personal Accident insurance (compared with 6.2% growth for the same period of 2015).

4.8. Surety and credit

4.8.1. Credit

In 2015, the premium volume for Credit insurance decreased by 3.8% compared with the previous year to 606.3 million euros (see Graph 4.8-a).

Graph 4.8-a. Growth of direct Credit insurance in Spain, 2005-2015
[accrued direct insurance premiums, million euros; annual change,%]



Source: MAPFRE Economic Research (with ICEA data)

This is the seventh straight year with a downturn in premiums in this line, as a result of a large number of insured parties abandoning the market, either because they ceased trading or because they employed self-insurance mechanisms, and reduced sales due to a weak economic environment.

In 2015 there was an increase in the claims ratio for this line, both gross and net; however, the indicator remained at an acceptable level. A reduction in net expenditure brought about an improvement in the combined ratio, which stood at 56.9%, and an increase of four percentage points in the technical-financial result which reached 47.1% (see Table 4.8-a and Graph 4.8-b).

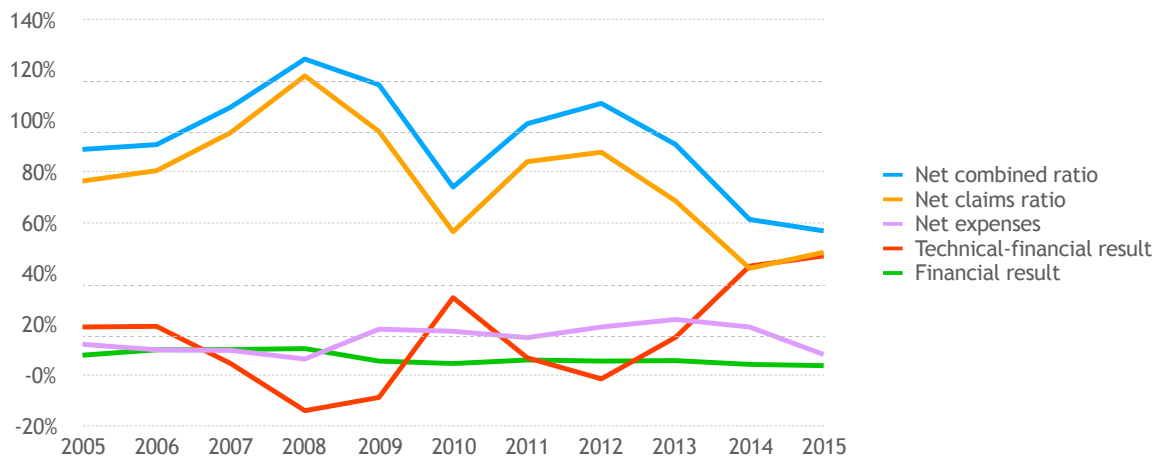
Table 4.8-a. Basic Credit insurance indicators, 2014-2015 ^(*)
(premiums, million euros; percentages over premiums, percent)

	2014	2015
Premium volume (million €)	631	606
% change in premium volume	-2.4%	-3.8%
Retention	44.4%	42.1%
Gross claims ratio	39.6%	69.2%
Gross expenses	24.1%	24.7%
Net claims ratio	42.2%	48.5%
Net combined ratio	61.4%	56.9%
Financial result	4.5%	4%
Technical-financial result	43.1%	47.1%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.8-b. Growth of results in the Credit insurance line, 2005-2015
(indicators over net earned premiums)



Source: MAPFRE Economic Research (with ICEA data)

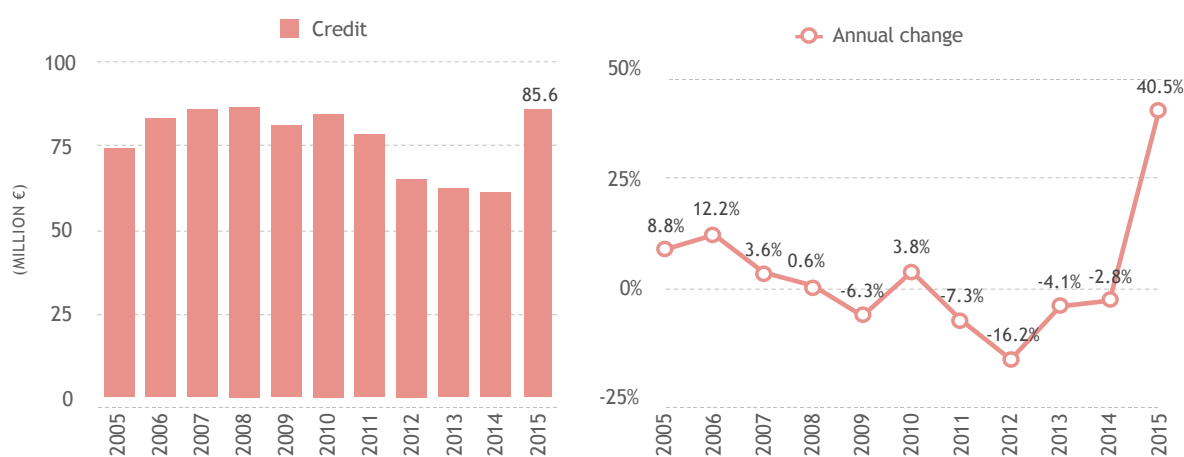
Preview for 2016

The premium volume for Credit insurance decreased by 3.6% in the first quarter of 2016 (vs. a 7.5% downturn during the same period in 2015), which demonstrates the persistence of the downward trend, although this rate is slowing.

4.8.2. Surety

In 2015, the premium volume for Surety insurance was 85.6 million euros, representing an increase of 40.5% compared with the previous year (see Graph 4.8-c).

Graph 4.8-c. Growth of direct Surety insurance in Spain, 2005-2015
[accrued direct insurance premiums, million euros; annual change, %]



Source: MAPFRE Economic Research (with ICEA data)

This extraordinary growth brought the downward trend of the previous four years to a close and enabled the line to recover the pre-crisis premium levels. Nevertheless, it should be pointed out that some companies in this sector completed one-off operations for very large amounts. We can therefore confirm that this line has returned to growth in 2016.

In 2015 the growth claims ratio remained high (158.2%), although the net claims ratio decreased

by 8.1 percentage points to 64.0%. As a result of increased expenditure and the fall in the claims ratio, the combined ratio for the line stood at 105.7%, an improvement of nearly four percentage points over the previous year. The technical-financial result improved by nearly 3 percentage points compared with the previous year, although it remains in negative territory (-2.3%). In 2016 we expect to see positive technical- financial result indicators in this line (see Table 4.8-b and Graph 4.8-d).

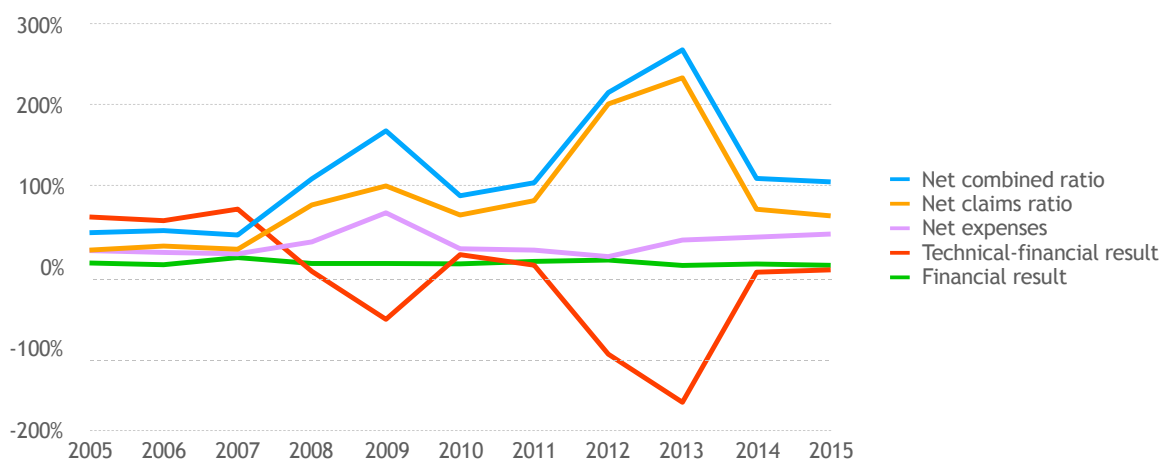
Table 4.8-b. Basic Surety insurance indicators, 2014-2015 ^(*)
 [premiums, million euros; % over premiums, %]

	2014	2015
Premium volume (million €)	61	86
% change in premium volume	-2.8%	40.5%
Retention	48.7%	46.4%
Gross claims ratio	159.8%	158.2%
Gross expenses	27.8%	33.9%
Net claims ratio	72.1%	64.0%
Net combined ratio	110.0%	105.7%
Financial result	5.0%	3.3%
Technical-financial result	-5.1%	-2.3%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.8-d. Growth of results in the Surety insurance line, 2005-2015
 (indicators over net earned premiums)



Source: MAPFRE Economic Research (with ICEA data)

Preview for 2016

The data for the first quarter of 2016 show a downturn of 13.9% in the premium volume for Surety

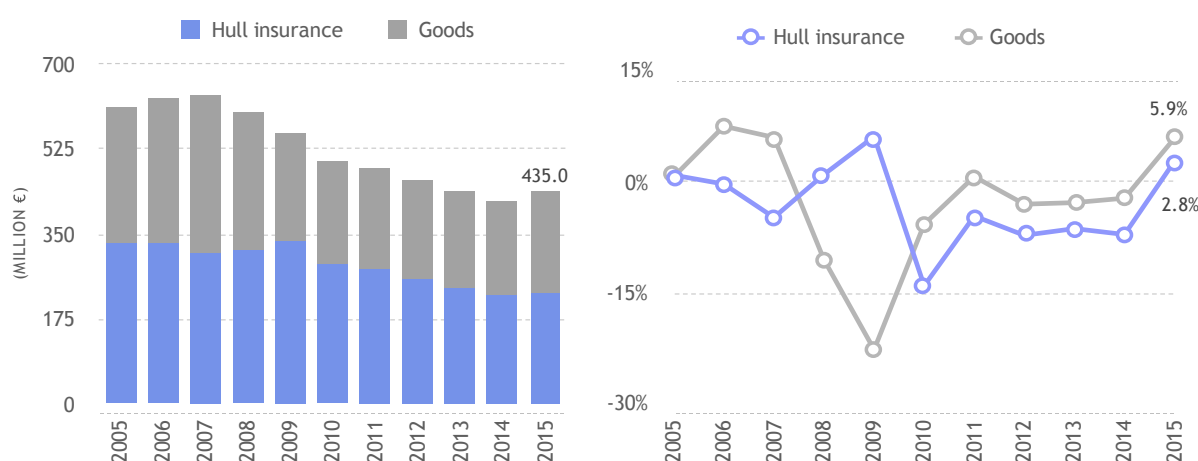
insurance, compared with a 16.1% growth for the same period in 2015. However, it should be noted that the majority of Surety insurance premiums are concentrated in the second half of the year.

4.9. Transport

In 2015, the premium volume for the Transport insurance line rose to 435 million euros, a 4.2% increase over the previous year (see Graph 4.9-a).

This is a very positive development since there was a downturn in premiums in each of the seven previous years, and this indicates that the market is starting to recover from the effects of the economic recession. By line, growth was stronger in Goods in Transit insurance than in Hull insurance.

Graph 4.9-a. Growth of direct Transport insurance in Spain, 2005-2015
(accrued direct insurance premiums, million euros; annual change, %)



Source: MAPFRE Economic Research (with ICEA data)

4.9.1. Hull insurance

In 2015, the premium volume for Hull insurance was 229 million euros, an increase of 2.8%, compared with a severe 7.1% downturn the previous year. The combined ratio decreased by three tenths

to 116.7%, due to a decrease in the claims ratio. The financial result worsened by one percentage point to 13.9%, and the technical-financial result was negative [-2.8%] for the second straight year (see Table 4.9-a and Graph 4.9-b).

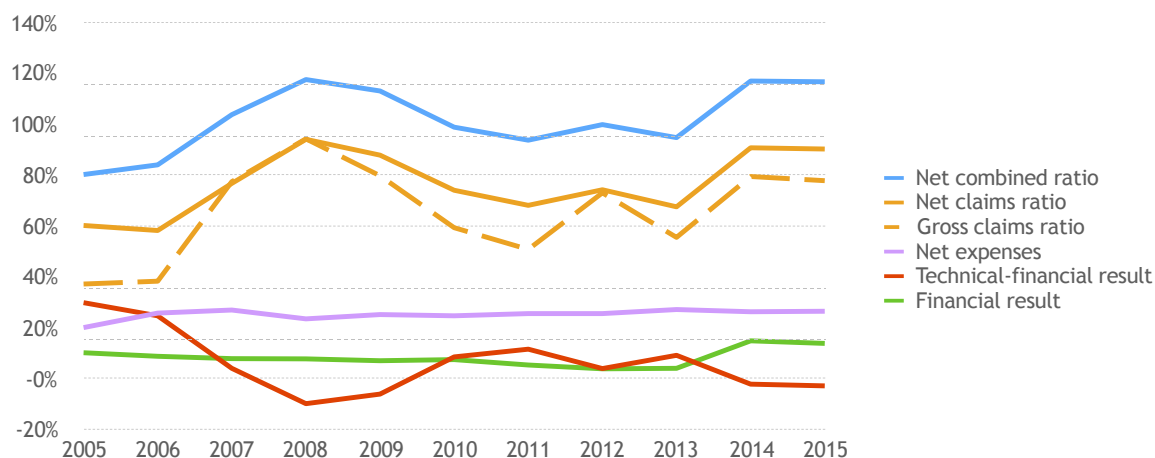
Table 4.9-a. Basic Hull Transport insurance indicators, 2014-2015 (*)
(premiums, million euros; % over premiums, %)

	2014	2015
Premium volume (million €)	223	229
% change in premium volume	-7.1%	2.8%
Retention	55.1%	55.8%
Gross claims ratio	79.5%	77.9%
Gross expenses	19.9%	20.7%
Net claims ratio	90.8%	90.3%
Net combined ratio	117%	116.7%
Financial result	14.9%	13.9%
Technical-financial result	-2.1%	-2.8%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.9-b. Growth of results in the Hull Transport line. 2005-2015
[indicators over net earned premiums]



Source: MAPFRE Economic Research (with ICEA data)

4.9.2. Goods

In 2015, the premium volume for Goods in Transit insurance was 206 million euros, an increase of 5.9% [compared with a 2.2% decrease the previous year].

A strong increase of nearly seven percentage points in the claims ratio negatively impacted the combined ratio, which stood at 111.7%, and the technical-financial result which was -5.4% [see Table 4.9-b and Graph 4.9-c].

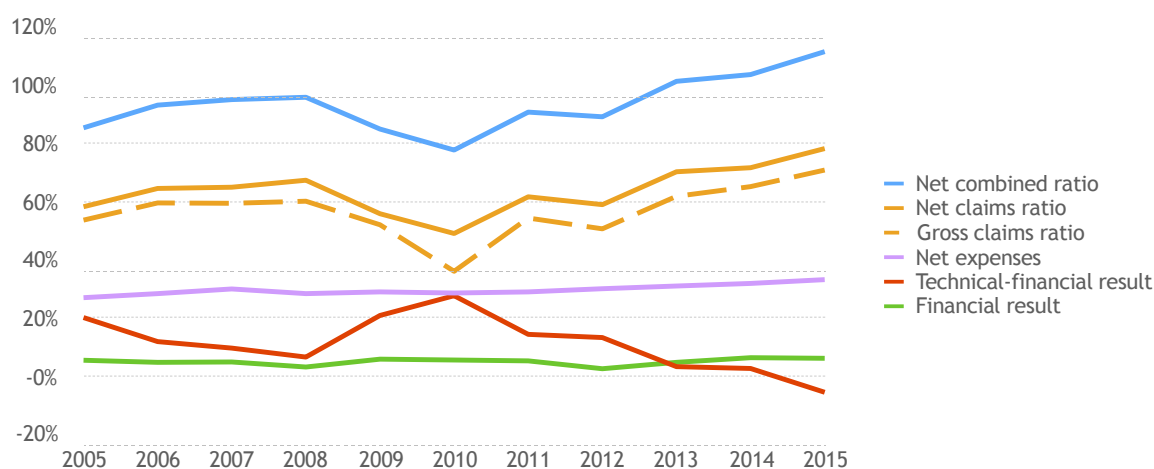
Table 4.9-b. Basic Goods in Transit insurance indicators, 2014-2015 (*)
[premiums, million euros; % over premiums, %]

	2014	2015
Premium volume (million €)	194	206
% change in premium volume	-2.2%	5.9%
Retention	66.4%	65.7%
Gross claims ratio	65.3%	71.0%
Gross expenses	26.4%	28.1%
Net claims ratio	71.8%	78.4%
Net combined ratio	103.8%	111.7%
Financial result	6.5%	6.3%
Technical-financial result	2.8%	-5.4%

(*) An explanation of how these indicators are calculated is provided in the section on Methodological Aspects in this report.

Source: MAPFRE Economic Research (with ICEA data)

Graph 4.9-c. Growth of results in the Goods in Transit line, 2005-2015
[indicators over net earned premiums]



Source: MAPFRE Economic Research (with ICEA data)

Preview for 2016

During the first quarter of 2016 premium volume for Transport insurance grew 1.5% (compared with a 0.5% decrease during the same period of 2015). By line, Aviation and Maritime insurance fell sharply (-2 7.3% and -6.5% respectively) while Goods grew by 9.6%.

4.10. Engineering

In 2015, the premium volume for the Engineering line rose to 219.7 million euros, a 2.2% increase over the previous year. This reverses the negative trend seen in recent years with continuous decreases in premium volume.

The Engineering line comprises apparently disparate modalities, but they all have links with important production sectors such as construction and industry which explains their global growth in 2015 which is associated with economic recovery.

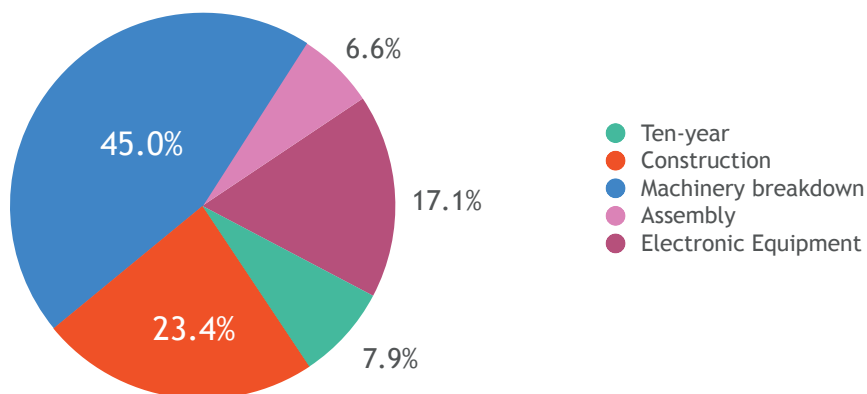
The most important line is Machinery Breakdown, which accounted for 45% of the premiums and grew by 2.7% in 2015. There was also growth in Electronic Equipment (8.1%) and Assembly (15.9%), with shares of 18% and 7% respectively. However, there was a downturn in all construction-related lines: ten-year construction, representing 8% of premiums, decreased by 2.8%, and construction, with 22%, fell by 5.3%. Nevertheless, the decreases in the latter two less pronounced than previous years (see Table 4.10 and Graph 4.10).

Table 4.10. Distribution of Engineering insurance by line, 2015
 (premiums, million euros; annual change, %)

Type	Premiums	
	2015	% chg.
Ten-year construction	17	-2.8%
Construction	48	-5.3%
Machinery breakdown	99	2.7%
Assembly	16	15.9%
Electronic equipment	40	8.1%
Total Engineering	219.7	2.2%

Source: ICEA

Graph 4.10. Distribution of Engineering premiums by line, 2015
 (%age of the premiums issued)



Source: MAPFRE Studies Service (with ICEA data)

Preview for 2016

During the first quarter of 2016, modalities in the Engineering insurance line performed differently with growth in the Machinery Breakdown (8.6%), Electronic Equipment (29.6%) and Ten-Year Construction (44.3%) lines, while there was a downturn

4.11. Combined Agricultural Insurance

The Spanish System of Combined Agricultural Insurance provides coverage for damage to agricultural crops, livestock, aquaculture and forestry, which jointly involves public and private institutions grouped together in a coinsurance pool known as AGROSEGURO. Through this institution, Public Authorities subsidize part of the premium and the Insurance Compensation Consortium acts as direct and non-exclusive and compulsory insurer and re-insurer.

In 2015, the earned premium volume in the agricultural insurance decreased by 0.42% to 562.8 million euros. This was a much lower downturn than that seen in 2014 and 2013 (-4.7% and -12.2% respectively), and appears to indicate a growth in premiums in 2016, if this trend continues.

Once again, the behavior of the different business lines varied significantly: while premiums for viable lines grew by 5.3%, those for experimental lines and for the removal and destruction of dead animals decreased 1.7% and 5.7%, respectively. However, we should point out that the poor performance of the latter line is partially due to the reduction in removal prices, and that the downturn was much less than that recorded for the previous year (-24%).

Furthermore, in 2015 there was a downturn in the number of policies taken out (-1.9%) but the value of insured production increased by 8.1%, reaching 11,999 million euros. The value of the claims ratio for 2015 stood at 491.1 million euros. By business line, there was an improvement in experimental lines, as well as in the other two.

In 2015, the weather was hotter and drier than usual, but there were no extreme meteorological incidents. Unfavorable weather episodes worth mentioning are the heatwaves as well as hailstorms and a number of floods.

5. Structural trends in the insurance market

5.1. Penetration, density and depth

5.1.1. Penetration

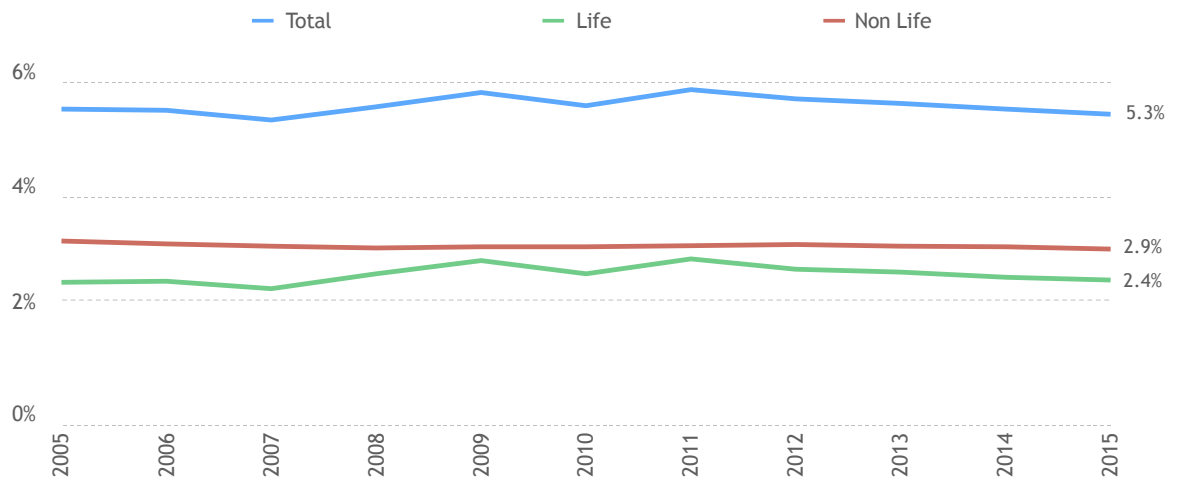
Insurance penetration in Spain, measured as the relationship between premiums and Gross Domestic Product (GDP), stood at 5.3% at the end of 2015, 0.09 percentage points below the 2005 figure (see Graphs 5.1-a and 5.1-b). This was a continuation of the downward trend for this indicator in the Spanish insurance industry which began in 2011.

Analysis of Graph 5.1.-b shows that the penetration level of insurance in the economy lost ground especially from 2011 onward.

This behavior can be observed in the penetration trends for both Life insurance and Non Life insurance, the sector in which penetration levels began to fall at the beginning of 2012.

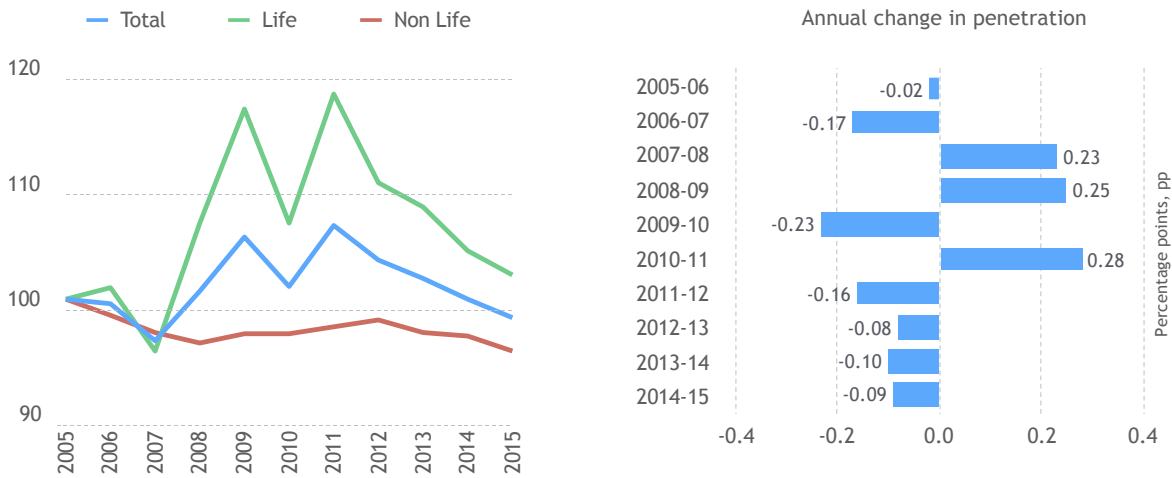
As a result of this behavior, only Life insurance shows penetration slightly above (4 basis points) the figure for a decade ago. Meanwhile penetration of Non Life insurance, as well as the global index for market penetration, is lower (9 and 14 basis points respectively) than those observed in 2005.

Graph 5.1-a. Growth of penetration, 2005-2015 (premiums / GDP, %)



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

Graph 5.1-b. Growth of changes in penetration, 2005-2015
[2005 index = 100; annual change, percentage points]



Source: MAPFRE Economic Research

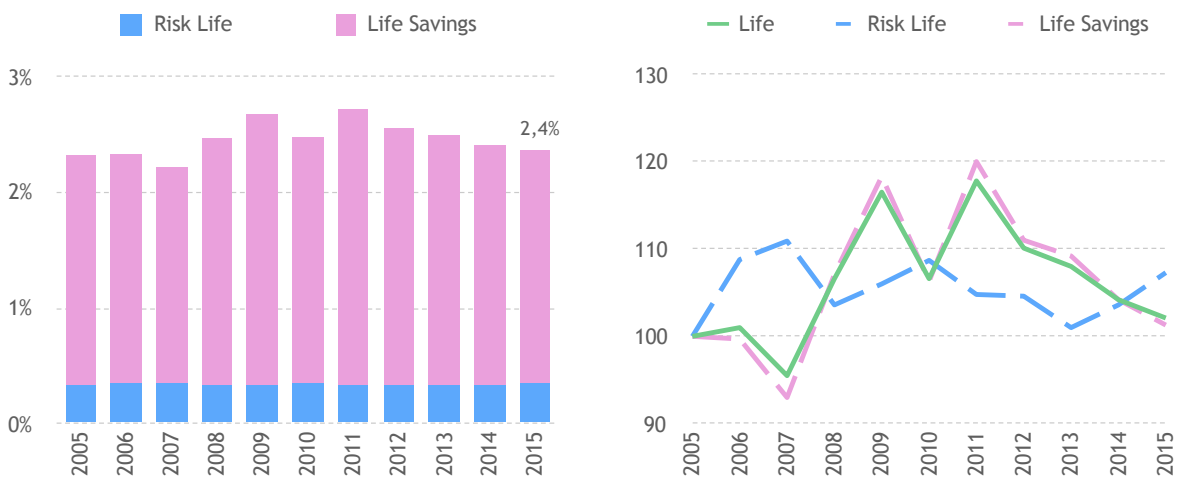
Graph 5.1-c shows the analysis of penetration growth for the Life insurance sector. This information indicates that the penetration level reached in 2015 was 2.4%. However, this index has decreased since 2011, when it stood at 2.7%.

The structure of penetration in this market sector shows a clear predominance of Savings Life insurance over Risk Life Insurance. Nevertheless, anal-

ysis of penetration levels of indexes taking 2005 as a baseline, confirms the fall in penetration for Savings Life insurance, while Risk Life insurance has been recovering since 2013.

As a result, this insurance line (Risk Life) shows penetration levels exceeding those observed in 2005 by 7.3%, while penetration in Savings Life insurance is only 1.3% higher than a decade ago.

Graph 5.1-c. Growth of Life insurance penetration, 2005-2015
[premiums / GDP, %; 2005 index=100]



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

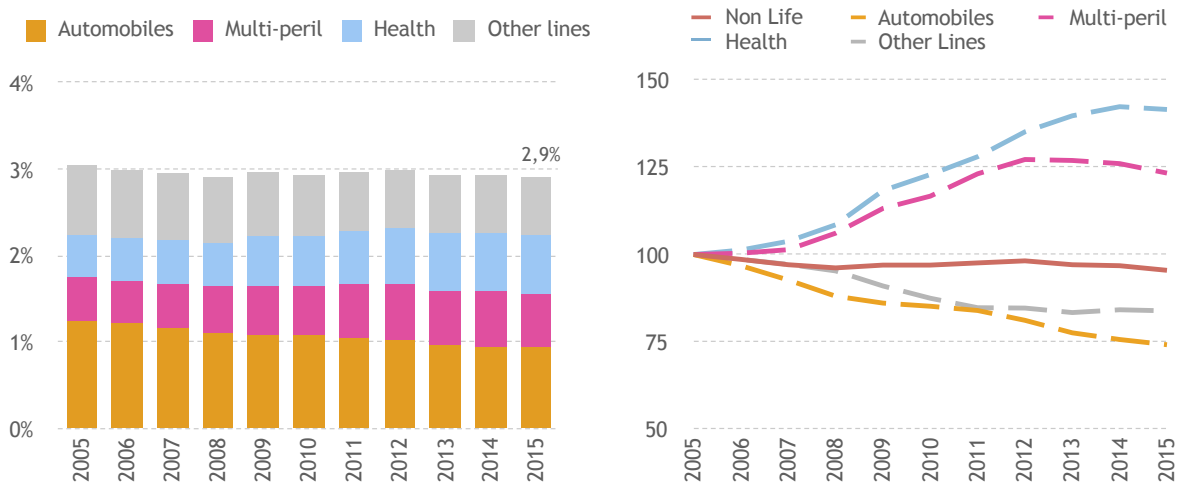
Graph 5.1-d meanwhile synthesizes the analysis of penetration growth in the Non Life insurance sector. In this case, the penetration level reached in 2015 was 2.9%, also lower than in 2012 when it stood at 3.0%.

With regard to the structure of penetration in this market sector, it points to the gradual loss of predominance of the Automobile insurance line in the explanation of penetration levels. Therefore, while in 2005 this insurance line accounted for 41.3% of total penetration in the Non Life insurance sector, this contribution was reduced to 32.1% in 2015.

Meanwhile the Multiperil and Health lines increased in relative importance which explains the growth in penetration for this market sector, from 16.5% to 21.4% and from 15.8% to 23.4% respectively between 2005 and 2015.

The above is confirmed with the analysis of penetration levels of indexes taking 2005 as a baseline. This indicates that only the Multiperil and Health lines increased their penetration levels over the last decade while the Automobile line, along with the others in the Non Life sector, experienced a sustained downturn.

Graph 5.1-d. Growth of Non Life insurance penetration, 2005-2015
(premiums / GDP, %: 2005 index=100)



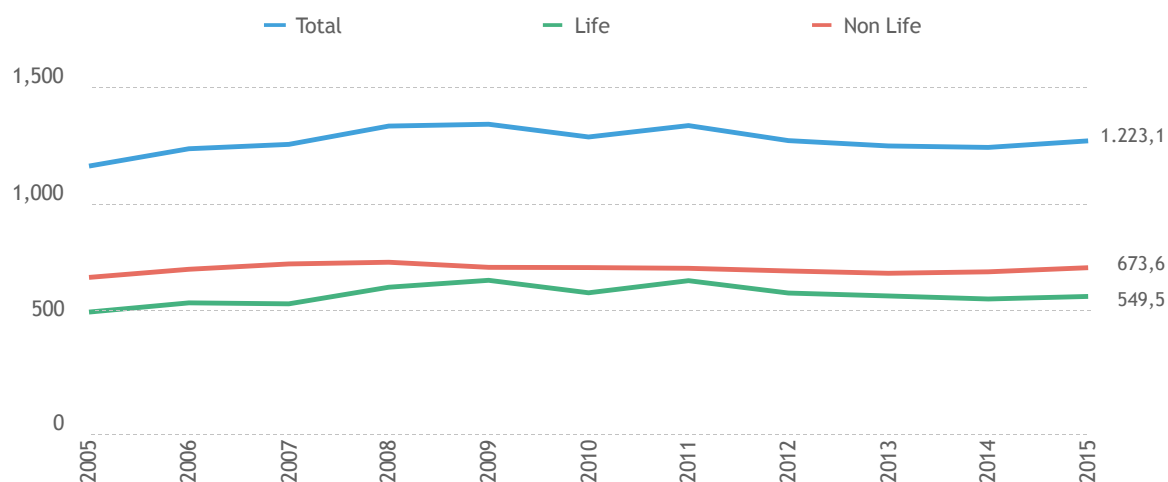
Source: MAPFRE Economic Research (with ICEA and INE data)

5.1.2. Density

At the close of 2015, density in the Spanish market, measured as per capita expenditure on insurance premiums, stood at 1,223.1 euros, 109.4 euros more than that observed a decade before. The density in 2015 was composed of 673.6 euros per capita expenditure in Non Life insurance and 549.5 euros in Life insurance (see Graph 5.1-e).

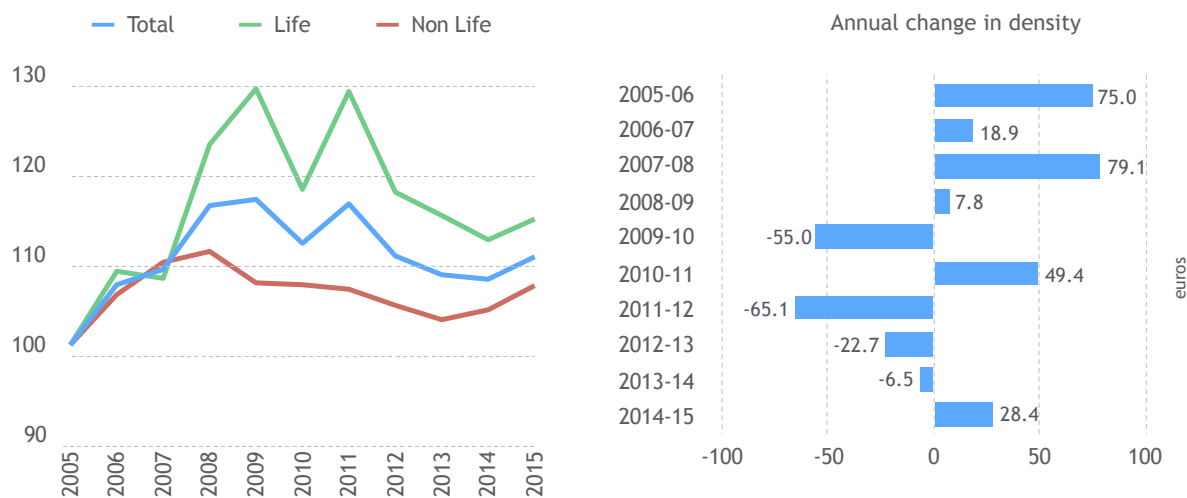
The density of the Spanish insurance market fell consecutively in the years following 2011, but recovered in 2015, rising 28.4 euros. Furthermore, growth in density over the last decade has been marked particularly by increased density in the Life insurance market. Compared with 2005, the density of Life insurance grew by 14% (from 482 to 549.5 euros), while that of Non Life insurance grew by only 6.6% during this time, from 631.8 to 673.6 euros (see Graph 5.1-f).

Graph 5.1-e. Growth of density, 2005-2015
[premiums per capita, euros]



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

Graph 5.1-f. Growth of changes in density, 2005-2015
(2005 index = 100; euros, €)

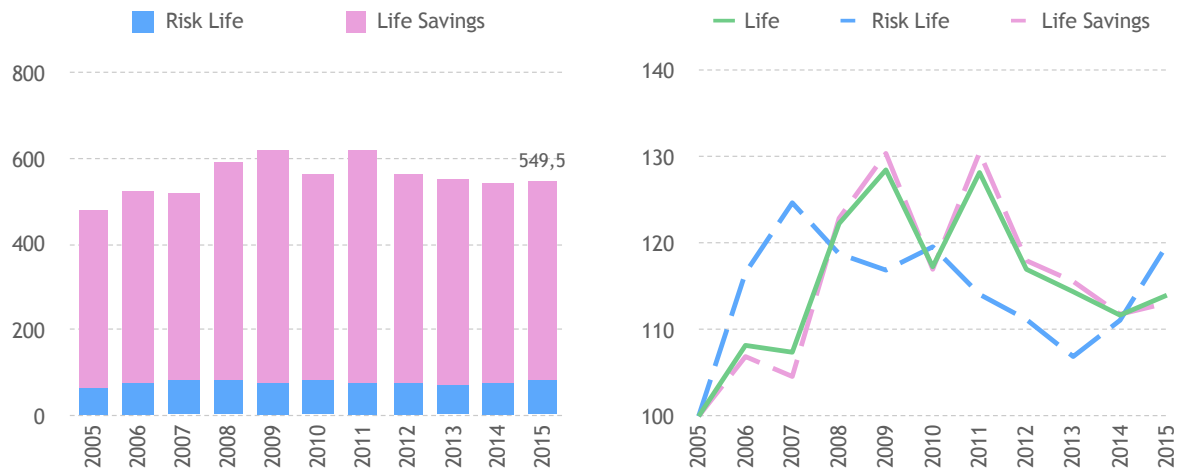


Source: MAPFRE Economic Research

Graph 5.1-g shows the analysis of density growth for modalities in the Life insurance sector. It can be observed that, just as with the penetration indicator, density in this sector is determined largely by Life Savings insurance, which accounted for 85.2% of the total in 2015. However, the density for Life Savings insurance has shown a downward trend since 2011, which was only reversed in 2015.

The density of Risk Life insurance also experienced a downturn from 2007; however, this trend was clearly reversed from 2013. So, analysis of the 2005-2015 period shows that the prominent feature of the 14% increase in the density of Life insurance corresponds to Risk Life insurance which grew by 19.8% (from 67.7 to 81.1 euros) during this time.

Graph 5.1-g. Growth of Life insurance density, 2005-2015
 [premiums per capita, euros; 2005 index=100]

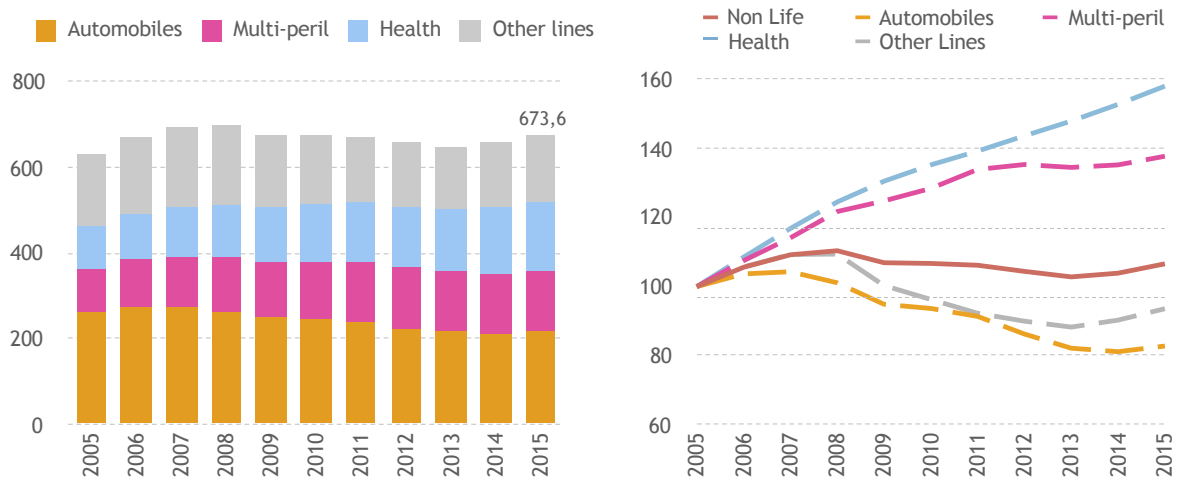


Source: MAPFRE Economic Research (with ICEA and INE data)

Density in the Non Life insurance sector, however, is much more evenly distributed between the different lines. In 2015, this distribution was as follows: Automobile insurance line 32.1%, Health line 23.5%, Multiperil line 21.2% and the remaining lines in the Non Life insurance sector 23.2%.

Nevertheless, an analysis of trends over the last decade shows different behavior in density growth for each of these lines. While the Health and Multiperil lines increased their density by 58% and 37.7% respectively, the Automobile line and the other lines in the Non Life sector reduced their density levels by 17.2% and 6.4% respectively (see Graph 5.1-h).

Graph 5.1-h. Growth of Non Life insurance density, 2005-2015
 [premiums per capita, euros; 2005 index=100]



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

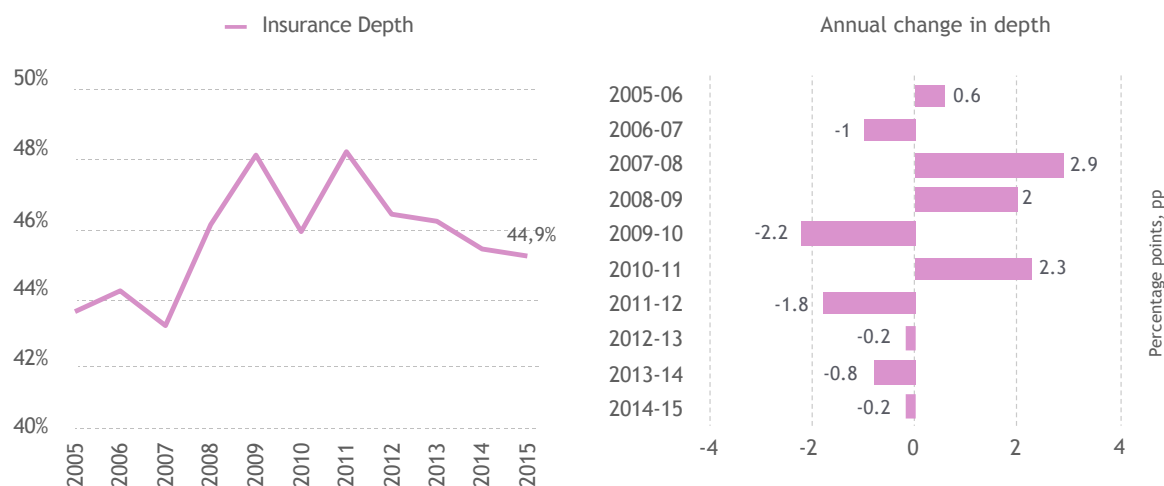
5.1.3. Insurance Depth

The analysis of the depth of the insurance market in Spain, measured as the participation of direct Life insurance premiums against total direct premiums for the market can be seen in Graph 5.1-i.

The information shows that the depth indicator stood at 44.9% in 2015, an increase of 1.7 percentage points over the 2005 index. However the indicator shows a clear downward trend from 2011 (when the maximum of 47.9% for the decade was reached), with consecutive negative annual changes from this year on.

Graph 5.1-i. Growth of depth, 2005-2015

(direct life insurance premiums / total direct premiums, %, annual change, percentage points)



Fuente: Servicio de Estudios de MAPFRE (con datos de ICEA)

5.2. Analysis and calculation of the Insurance Protection Gap

5.2.1. The insurance market in the global context

Over the last decade, the development of insurance markets at a global level has been complex as a result of the difficult economic situation.

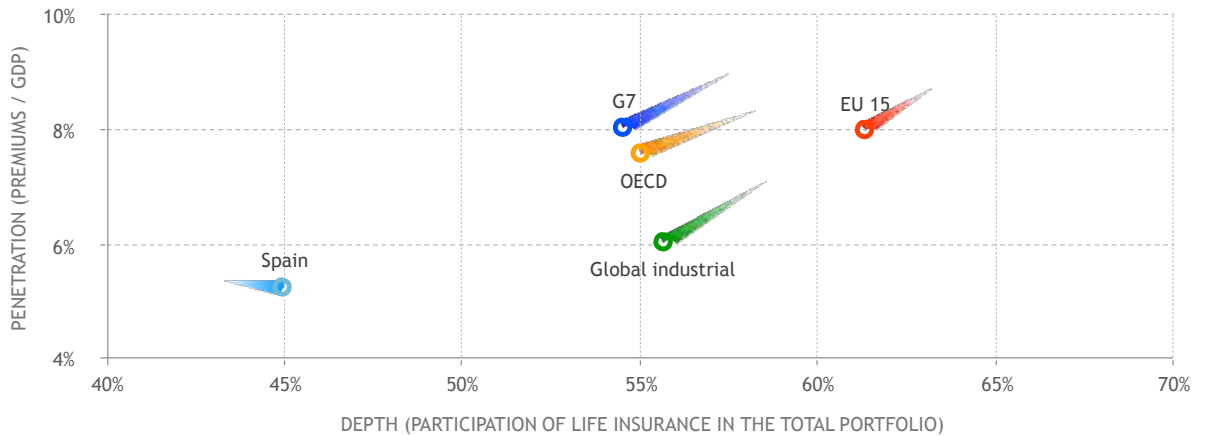
This is confirmed by an analysis of dispersion as illustrated in Graph 5.2-a, which shows a worsening

of the levels of penetration and depth recorded by insurance markets in the main economic areas the Spanish market is compared with.

This analysis shows that throughout the 2005-2015 period the main EU, OECD and G7 markets suffered a worsening of penetration and depth indicators.

In the particular case of Spain, in spite of a slight worsening of penetration levels, market's depth levels have improved somewhat, in contrast to the other markets analyzed.

Graph 5.2-a. Growth of the insurance market in Spain, 2005-2015
 [penetration vs depth]



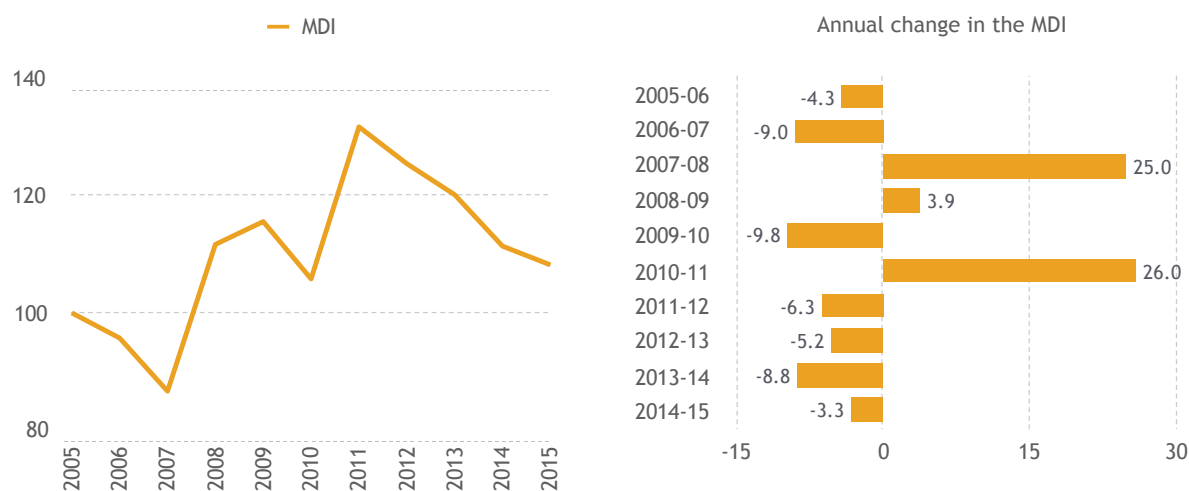
Source: MAPFRE Economic Research

In addition to the medium term analysis of the Spanish market, we have included an estimate of the Market Development Index (MDI), which the MAPFRE Economic Research took into consideration for the first time in its *“Growth trends for 2016 in Latin American insurance markets”* report (May 2016).

The MDI aims to synthesize the trend in growth and maturity in insurance markets, and comprise four individual indexes (baseline 2005): the penetration index (premiums/GDP); the depth index (life insurance premiums over total market premiums); an IPG growth index (inverse IPG index as a multiple of the market), and a growth IPG index for Life insurance (inverse IPG index for Life insurance as a multiple of said market).

Analysis of the MDI for the Spanish market (as shown in Graph 5.2-b) appears to show a change in the trend relating to the growth of the Spanish insurance market from 2011. This change relates to the inadequate performance of the Life insurance sector, which could be explained by three main factors: i) the general context of low interest rates in the EU; ii) insufficient growth of personal disposable income which has prevented higher growth of savings levels among the population, iii) insufficient innovation in the development of new Life insurance products which combine traditional protection with savings and investment features, and which stimulate the use of insurance as an alternative route for channeling personal and household savings.

Graph 5.2-b. Market Development Index (MDI) in Spain, 2005-2015
 [2005 index=100; annual change, percentage points]



Source: MAPFRE Economic Research

5.2.2. The Insurance Protection Gap (IPG)

Definitions

The Insurance Protection Gap (IPG) in a region or country represents the difference between the insurance coverage that is economically necessary and beneficial to society and how much of that coverage is effectively purchased. Furthermore, its assessment enables the potential insurance market to be defined, which would be represented by the market size that could be achieved if that gap disappeared.

It is important to point out that the insurance protection gap (IPG) is not a static concept that involves an invariable amount across time. This potential insurance coverage gap is constantly changing in accordance with both general economic growth, and the emergence of new risks which are inherent to economic and social development.

Because of its characteristics, the IPG is strongly correlated with market growth. First of all, quantitatively, the IPG decreases as the penetration index increases. And secondly, from a qualitative standpoint, it also tends to decrease as markets become more sophisticated and mature. So, factors such as sustained economic growth, low inflation, an increase in personal disposable income, the general development of the financial system, an efficient

regulatory framework and the application of public policies aimed at increasing the level of financial inclusion and education are factors that stimulate a decrease in the IPG.

From a methodological standpoint, the IPG can be measured in two ways. First of all, with an ex-post focus, obtained from observed losses. In this case, the IPG would be the difference between recorded economic losses over a certain period and the portion of those losses that was covered by the insurance compensation mechanism. And secondly, with an ex-ante focus, analyzing the optimum level of protection, estimated as the difference between a socially and economically appropriate levels of risk coverage in relation to the real level of protection. The second focus has been used for the exercise given in this report, simplifying the measurement of the difference between the optimum level and the real level of protection as the difference in penetration indexes in Spain in relation to the 15 largest economies in the European Union.

Calculation of the IPG for the Spanish market

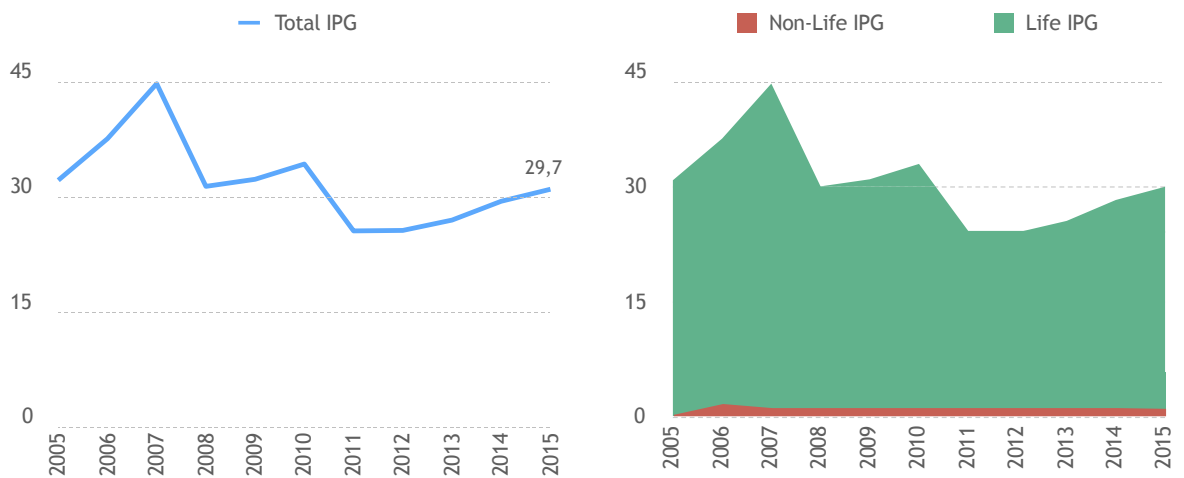
The calculation of the IPG for the insurance market in Spain over the 2005-2015 period is shown in Graph 5.2-c. According to this information, the IPG stood at 29.7 billion euros in 2015, equivalent to 52.2% of the real insurance market at the close of the year.

The structure and growth of the IPG clarifies a significant characteristic of the Spanish insurance market, which is that the development of the Life insurance sector is insufficient in comparison with that observed in Non Life insurance. The result shows that in 2015 the IPG for the Life sector stood at 28.6 billion euros, while the IPG for Non Life insurance was 1.1 billion euros. Finally, while the IPG for the Life insurance sector accounted for 94.8% of the total IPG for the last decade, between 2005 and

2015 this proportion has gradually decreased from 99.0% to 96.3%.

It is important to point out that, as indicated in the analysis of the MDI (Graph 5.2-b), the growth of the IPG for the Spanish market appears to change significantly from 2011, which is specifically explained by insufficient development in the Life insurance sector.

Graph 5.2-c. Growth of the Insurance Protection Gap, 2005-2015 (billion euros)

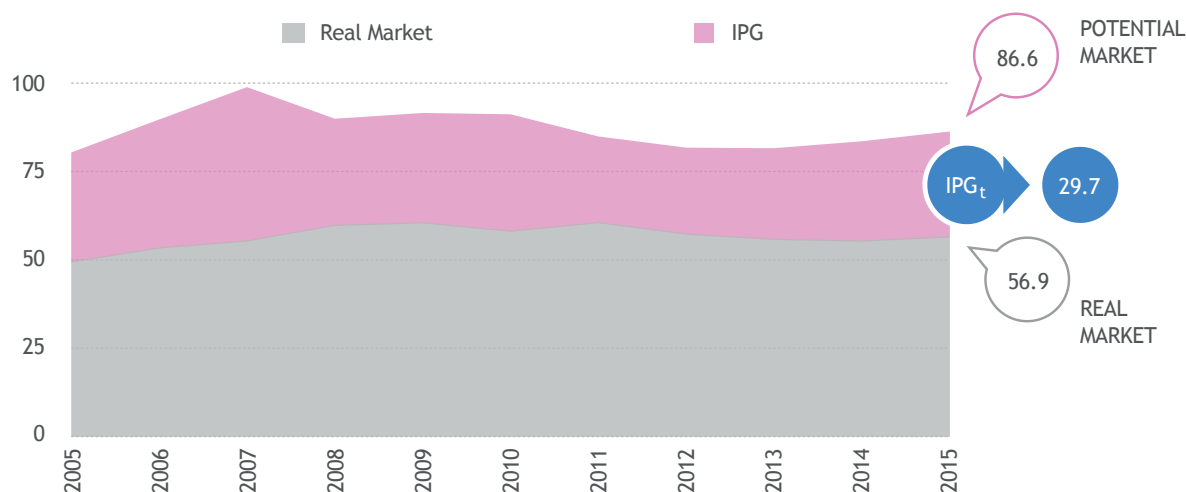


Source: MAPFRE Economic Research

Graph 5.2. uses the measurement of the IPG for the Spanish insurance market to show the growth of the potential market. For the purposes of this report, the potential market is calculated taking the sum of the real insurance market and the IPG established for each year; that is, the value of premiums that could be achieved in a situation where the IPG was eliminated.

Based on this calculation, the potential insurance market in Spain would have been as high as 86.6 billion euros in 2015, that is 52.2% above the premium volume for that year.

Graph 5.2-d. The Insurance Protection Gap and the potential market, 2005-2015
[billion euros]



Source: MAPFRE Economic Research

The IPG as a multiple of the market

Graph 5.2-f shows the growth of the IPG over the last decade as a multiple of the real insurance market in Spain. Two aspects stand out from this information. Firstly, the mixed growth observed over the period. While over the 2005-2011 period the IPG as a multiple of the real market showed a downward trend (from 0.62 times the real market down to 0.40 times), this trend was reversed from 2011 and reached a multiple of 0.52 in 2015.

Secondly, the different trends presented by Life insurance and Non Life insurance. In the first place, as noted above, the IPG corresponding to Life insurance is the prevailing factor in explaining the growth of the total IPG. In this regard, its behavior is a reflection of the mixed trend indicated above: between 2005 and 2011, the IPG as a multiple relating to this market sector decreased from 1.4 to 0.8, and then began an upward trend to reach a multiple of 1.2 in 2015. With regard to the IPG for the Non Life insurance sector, while it increased between 2005 and 2009 (from 0.01 times the corresponding market to 0.09 times), in that year a clear downward trend began until reaching a multiple of 0.04 in 2015.

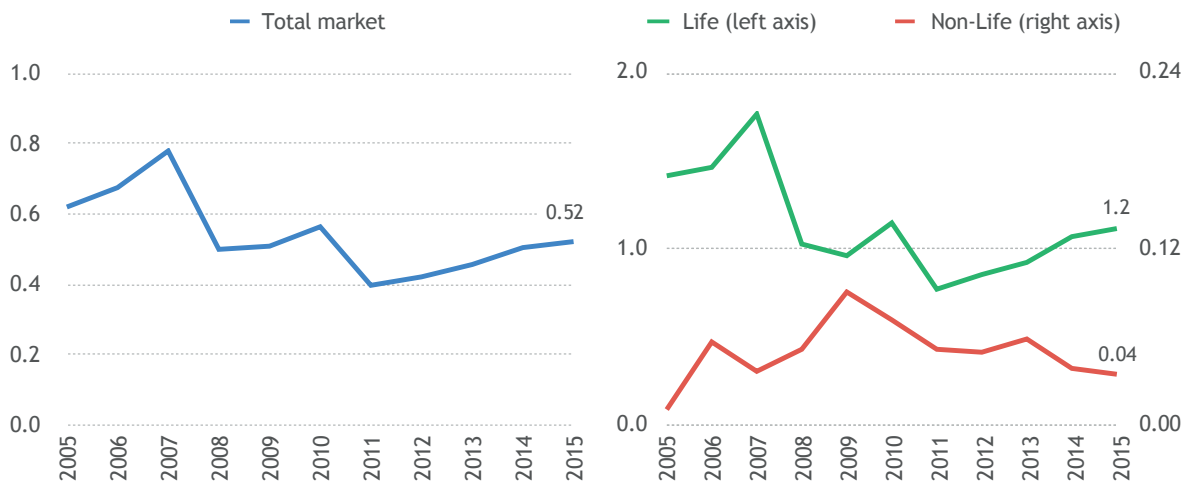
Finally, Graph 5.2-g summarizes the trend with respect to the Spanish insurance market's capacity

to close the IPG. This has been achieved by a comparative analysis of growth rates observed in the Spanish market over the last 10 years in relation to the growth rates that would be required in order to close the IPG established in 2015 over the next decade.

Over the 2005-2015 period the insurance market in Spain recorded an average annual growth rate of 1.3%. This trend was marked by an average growth rate of 1.7% in the Life insurance sector, and 1.0% in the Non Life insurance sector. In accordance with the analysis, if the same growth trend were maintained over the next 10 years, the growth rate for the market as a whole would be insufficient to cover the IPG established in 2015 by 2.9 percentage points. This means that the Spanish insurance market would need an average growth rate of 4.2% over the next 10 years to close the IPG calculated for 2015.

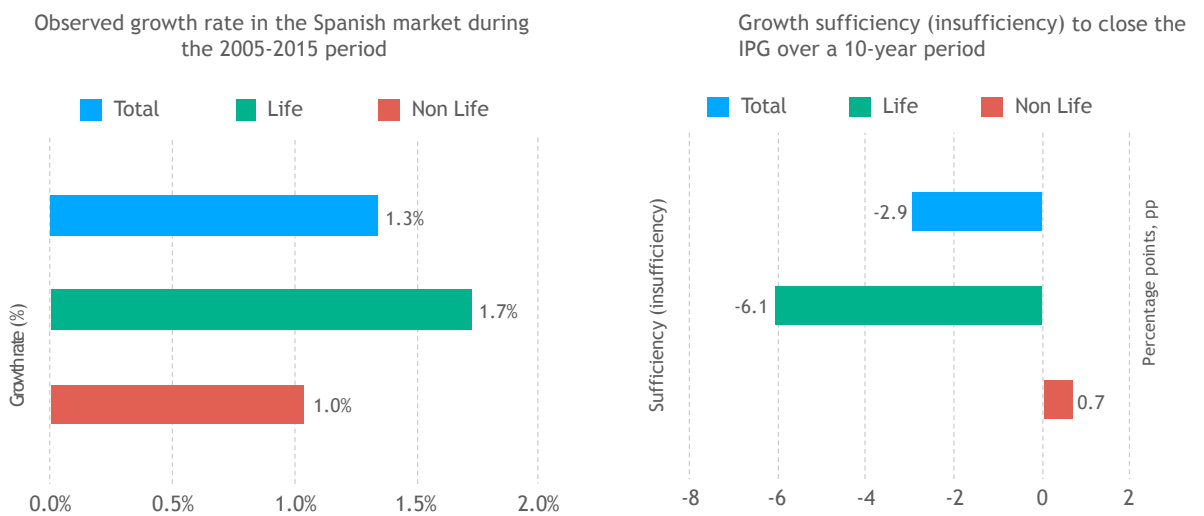
However, as indicated above, the IPG for the Spanish market is largely determined by the behavior of the Life insurance sector. Analyzing this particular sector, the observed rate would be insufficient by 6.1 percentage points in relation to that required to close the corresponding gap over the next decade. In other words, in order to achieve this objective in the time indicated, the Life insurance sector would need to record a sustained annual growth rate of 7.8%.

Graph 5.2-f. The IPG as a multiple of the real market, 2005-2015
 (multiple of the real insurance market)



Source: MAPFRE Economic Research

Graph 5.2-g. Capacity for closing the Insurance Protection Gap, 2005-2015
 (rates of growth,%; sufficiency or insufficiency, percentage points)



Source: MAPFRE Economic Research

6. New legislation

This section summarizes regulations approved or published in 2015 which are particularly relevant to the insurance industry.

Law 15/2015 of July 2 on voluntary jurisdiction

Partially amends the regime for the appointment of a third appraiser, provided for in paragraph six of Article 38 in the current Law on Insurance Contracts, in the event of disagreements between those appointed by the insurance company and by the insured party to determine the value of compensation following a claim.

The content of the aforementioned paragraph reads as follows: "When the appraisers do not reach an agreement, both parties will appoint an agreed third appraiser. Where this does not occur, proceedings can be sponsored in accordance with the Law on Voluntary Jurisdiction or notary legislation. In these cases, the appraiser's verdict will be issued within the time period indicated by the parties, or in its absence, within 30 days of the third appraiser's appointment acceptance".

Law 20/2015 of June 14 on the organization, supervision and solvency of insurance and reinsurance companies (LOSSEAR)

Includes those provisions of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) which needs to be incorporated as a body of law, since they are important amendments in the area of insurance activity supervision. The transposition of the Directive will be completed by means of a regulation in which certain provisions contained in this Law will also be implemented.

The provisions contained in this Law and the implementing regulation, as a result of the Solvency II Directive, should be integrated with regulatory developments undertaken and the direct application measures established by the European Commis-

sion and the European Authority on Insurance and Retirement Pensions for a broad range of issues (valuation of assets and liabilities, technical provisions, shareholders' equity, calculation of solvency capital requirements, internal models, etc.).

This Law comprises a preliminary section and eight sections, 20 additional provisions, 13 transitional provisions, one derogation, 21 final provisions, and one appendix.

The preliminary section establishes its objective, scope of application and the applicable definitions, and identifies itself as the national supervisory authority to the General Directorate for Insurance and Pension Funds; Section I refers to the distribution of responsibilities between the State and the Autonomous Communities; Section II regulates the conditions for obtaining administrative authorization as a prerequisite for access to the insurance and reinsurance activity, and the legal regime for mutual insurance companies, cooperative insurance companies and mutual provident societies; with regard to the conditions for practice, in Section III the law establishes the requirement for an effective governance system for the companies; Section IV refers to powers and faculties as a whole which enable the Spanish insurance supervisory authority to monitor the orderly exercise of the activity, including externalized functions and activities; Section V regulates insurance and reinsurance groups; Section VI includes the mechanisms available to the supervisory body for dealing with situations of financial deterioration, including special control measures; Section VII covers procedures for annulment, winding-up and settlement, and finally, Section VIII deals with offenses and penalties.

The additional, transitional and final provisions, as well as the Appendix, introduce certain amendments to insurance legislation not relating to Solvency II. These provisions include:

- Compulsory insurance should be established by a regulation with the force of law and a compulsory insurance register will be created which will be managed by the Insurance Compensation Consortium.
- The Insurance Contract Law is modified to specify that, in the case of personal insurance, the insured party or policyholder is not obliged to notify any changes in the circumstances relating to the state of health of the insured party, which under no circumstances will constitute an increase in the risk. This provision regulates funeral and dependency insurance for the first time and strengthens the free choice of service provider for funeral, healthcare assistance and dependency insurance.
- The Construction Regulation Act introduces, as an alternative to underwriting a compulsory insurance policy, obtaining a financial guarantee which enables the same risk to be covered.
- This law modifies the consolidated text of the Pension Plans and Funds Regulation Act. It introduces specific regulation of open pension funds giving them broader operating possibilities; it updates the referrals to the consolidated text of the Law on the organization and supervision of private insurance approved by Royal Legislative Decree 6/2004, adapting them to Law 20/2015; and it abolishes the obligation of pension funds registered in other Member States which operate in Spain to appoint a representative resident in Spain for tax purposes, in compliance with the judgment of the European Court of Justice on December 11, 2014, Case C-678/11.
- Law 26/2006 of July 17 on private insurance and reinsurance brokerage is amended. The registration of auxiliary consultants is abolished. The terminology referring to the auxiliary is unified, and is now denominated as collaborator, eliminating the difference between consultant auxiliary and external auxiliary and establishing the functions of the collaborator, as well as whether they act as a consultant or not, which are laid down in the contract between the broker and the collaborator.

Royal Decree 1060/2015 of November 20 on the organization, supervision and solvency of insurance and reinsurance companies (ROSSEAR)

Its main purpose is to complete the transposition of the Solvency II Directive undertaken by the LOSSEAR with regard to those precepts for which transposition does not require legal standing. The interrelationship between the Law and this Royal Decree requires the joint consideration of both in order to have a global vision of the regulations contained therein.

Section I details the general provisions of the Law, specifically the scope of its objective and the operations considered to be private insurance and reinsurance; Section II, in reference to access to the insurance and reinsurance activity, devotes each of its three chapters to the types of company which may operate in Spain, distinguished by origin; Section III covers the exercise of the insurance and reinsurance activity; Section IV refers to insurance and reinsurance supervisory bodies; Section V is devoted to the supervision of groups of insurance and reinsurance companies; Section VI regulates situations of company financial deterioration and special control measures.

The Royal Decree also has provisions relating to pension plans and funds, private insurance brokerage, the Insurance Compensation Consortium, the Law on Insurance Contracts, the Law on Third-Party Liability and Insurance in the Circulation of Motor Vehicles and the Accountancy Plan for Insurance Companies.

Law 35/2015 of September 22, on the reform of the system for assessing damages to victims of traffic accidents

More than 20 years after the system for assessing damages to victims of traffic accidents came into force in 1995, the so-called "Automobiles Scale", the reforms made to automobile insurance in the European Community as a whole justified reviewing the system with the aim of introducing necessary changes.

It was decided to amend the Consolidated Text of the Law on Third-Party Liability and Insurance in the Circulation of Motor Vehicles, approved by Royal Legislative Decree 8/2004 of October 29, which introduced a new system instead of creating a different law.

The new Scale is based on and respects the basic principle of compensation for personal injury; the aim being to achieve total indemnity for damages incurred, placing the victim in a position which is as close as possible to what it would have been had the accident not occurred. To this end, new injured parties and new indemnity concepts are identified which were not covered under the previous scale. Compensation for financial damage (actual loss and loss of income) is structured and endowed with substantive autonomy. Indemnities are brought up to date by increasing their number, with a special mention for those for cases of death –and particularly children left orphaned– and those gravely injured.

The law amends the second additional provision of Law 6/2014 of April 7, amending the text for the Law on Traffic, Circulation of Motor Vehicles and Road Safety, approved by Royal Legislative Decree 339/1990, and incorporates into Spanish law Directive (EU) 2015/413 of the European Parliament and of the Council of March 11, 2015 facilitating cross-border exchange of information on road-safety-related traffic offences.

It also offers an alternative to court proceedings so, where the injured party and the insurance company do not agree on the offer or reasoned response, they can go to mediation.

7. Methodological aspects

Calculation criteria

Most of the descriptive ratios presented in the study, especially the ones referring to Non Life Insurance, were calculated over gross or net earned insurance premiums, as appropriate. Written premiums comprise earned premiums plus the variation in the provision for premiums pending collection and the variation in technical provision for unearned premiums and for ongoing risk.

The calculation of ratios referred to is detailed below:

Retention:

$$\text{(Net earned premiums)} / \text{[Gross earned premiums (Direct + Accepted)]}$$

Gross claims ratio:

$$\text{Claims ratio (Direct + Accepted) + Variation for Other Technical Provisions} \\ \text{+ Profit sharing and returned premiums} / \text{[Gross earned premiums (Direct + Accepted)]}$$

Net claims ratio:

$$\text{[Claims ratio (Direct + Accepted - Ceded) + Variation for Other Technical Provisions} \\ \text{+ Profit sharing and returned premiums}] / \text{[Net earned premiums (Direct + Accepted - Ceded)]}$$

Gross expenses:

$$\text{[Operating expenses (Direct + Accepted) + Other technical expenses - Other Technical Income} \\ \text{]} / \text{[Gross earned premiums]}$$

Operating expenses:

$$\text{Acquisition expenses + Administration expenses (Direct + Accepted)} / \\ \text{[Gross earned premiums (Direct + Accepted)]}$$

Net expenses:
$$\frac{[\text{Operating expenses (Direct + Accepted - Ceded)} + \text{Other technical expenses} - \text{Other technical income}]}{(\text{Net earned premiums})}$$
Net combined ratio:
$$(\text{Net claims ratio} + \text{Net expenses}) / (\text{Net earned premiums})$$
Financial Result:
$$(\text{Investment Income} - \text{Investments Expenses}) / (\text{Net earned premiums})$$
Technical-financial result:
$$(\text{Technical account result}) / (\text{Net earned premiums})$$

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Statistical appendix

Table A.1. Size of the world's main insurance markets, 2005-2015
(premiums, billions of \$, premiums per capita \$, premiums / GDP, percent)

2005				2006				2007				2008			
	Premiums	Premiums per capita	Premiums/GDP		Premiums	Premiums per capita	Premiums/GDP		Premiums	Premiums per capita	Premiums/GDP		Premiums	Premiums per capita	Premiums/GDP
United States	1,110	3,755	8.5%	United States	1,175	3,936	8.5%	United States	1,238	4,109	8.5%	United States	1,240	4,077	8.4%
Japan	477	3,758	10.7%	Japan	437	3,433	10.0%	United Kingdom	539	8,278	17.1%	Japan	482	3,787	9.9%
United Kingdom	355	5,442	13.6%	United Kingdom	395	6,038	14.2%	Japan	403	3,169	9.0%	United Kingdom	396	5,878	12.9%
France	221	3,434	9.8%	France	250	3,846	10.5%	France	271	4,144	9.9%	France	274	4,139	9.1%
Germany	197	2,405	6.8%	Germany	202	2,469	6.7%	Germany	224	2,730	6.4%	Germany	241	2,952	6.3%
Italy	141	2,308	7.2%	Italy	141	2,263	6.8%	Italy	142	2,290	6.1%	Italy	141	106	3.1%
Canada	80	2,481	6.8%	South Korea	94	1,949	9.1%	South Korea	109	2,237	9.6%	Italia	141	2,292	5.6%
South Korea	79	1,650	8.6%	Netherlands	92	5,655	12.7%	Canada	102	3,112	7.0%	Netherlands	115	6,959	12.2%
Netherlands	60	3,690	8.9%	Canada	89	2,739	6.8%	Netherlands	102	6,228	12.1%	Canada	106	3,189	6.8%
China	60	46	2.7%	China	71	54	2.6%	China	92	70	2.6%	Spain	86	1,864	5.2%
Spain	60	1,374	5.2%	Spain	66	1,494	5.3%	Spain	74	1,627	5.0%	South Korea	85	1,736	9.3%
Taiwan	49	2,154	13.3%	Taiwan	52	2,258	13.6%	Taiwan	61	2,640	15.3%	Australia	65	3,050	6.3%
Australia	45	2,231	6.1%	Australia	48	2,355	6.2%	India	58	49	4.6%	Taiwan	64	2,793	15.9%
India	29	25	3.5%	India	40	35	4.3%	Australia	57	2,746	6.0%	India	56	46	4.5%
Brazil	24	127	2.7%	Brazil	30	159	2.7%	Brazil	39	204	2.8%	Brazil	48	247	2.8%
Europe	1,349	1,596	7.7%	Europe	1,482	1,741	7.8%	Europe	1,751	2,050	7.9%	Europe	1,683	1,965	6.9%
UE15	1,239	3,005	8.7%	UE15	1,361	3,276	8.9%	UE15	1,608	3,845	9.2%	UE15	1,515	3,598	8.1%
UE27	1,264	2,426	8.3%	UE27	1,392	2,654	8.6%	UE27	1,648	3,129	8.8%	UE27	1,567	2,964	7.7%
World	3,453	518	7.2%	World	3,693	547	7.0%	World	4,117	601	6.9%	World	4,193	605	6.5%

2009				2010				2011				2012			
	Premiums	Premiums per capita	Premiums/GDP		Premiums	Premiums per capita	Premiums/GDP		Premiums	Premiums per capita	Premiums/GDP		Premiums	Premiums per capita	Premiums/GDP
United States	1,150	3,748	8.0%	United States	1,162	3,757	7.8%	United States	1,221	3,920	7.9%	United States	1,272	4,052	7.9%
Japan	521	4,092	10.2%	Japan	570	4,479	10.2%	Japan	637	5,006	10.6%	Japan	627	4,930	11.0%
China	312	4,500	12.1%	United Kingdom	300	4,257	11.1%	United Kingdom	320	4,509	11.0%	United Kingdom	329	4,596	11.1%
United Kingdom	284	4,265	10.2%	France	282	4,189	10.3%	France	272	4,007	9.1%	China	245	181	2.9%
France	240	2,943	6.9%	Germany	235	2,892	6.8%	Germany	246	3,022	6.5%	France	238	3,501	8.5%
Germany	169	2,800	7.6%	China	215	160	3.6%	China	222	164	3.0%	Germany	232	2,850	6.5%
Italy	163	122	3.2%	Italy	174	2,852	8.0%	Italy	161	2,593	6.8%	South Korea	153	3,059	12.3%
South Korea	103	6,251	12.0%	Canada	116	3,429	7.2%	Canada	124	3,618	6.9%	Italy	144	2,276	6.5%
Canada	102	3,038	7.4%	South Korea	107	2,176	9.6%	South Korea	124	2,484	10.2%	Canada	127	3,649	6.9%
Taiwan	92	1,863	9.4%	Netherlands	102	6,152	12.2%	Netherlands	109	6,515	12.2%	Netherlands	96	5,719	11.6%
Netherlands	82	1,773	5.5%	Taiwan	76	3,302	17.7%	Spain	82	1,747	5.5%	Taiwan	88	3,769	18.3%
India	64	53	4.7%	India	75	60	4.4%	Brazil	80	396	3.0%	Brazil	82	406	3.3%
Australia	64	2,762	16.9%	Spain	73	1,558	5.1%	Taiwán	78	3,380	16.7%	Australia	76	3,353	4.9%
Brazil	53	267	3.2%	Australia	65	2,963	5.2%	Australia	75	3,372	5.0%	Spain	72	1,529	5.3%
Spain	52	2,424	5.3%	Brazil	65	327	2.9%	India	72	58	3.9%	India	66	52	3.6%
Europe	1,591	1,836	7.4%	Europe	1,592	1,818	7.2%	Europe	1,627	1,864	6.7%	Europe	1,540	1,745	6.6%
UE15	1,444	3,389	8.5%	UE15	1,433	3,325	8.5%	UE15	1,450	3,367	8.0%	UE15	1,363	3,124	7.9%
UE27	1,485	2,778	8.1%	UE27	1,476	2,733	8.1%	UE27	1,497	2,773	7.6%	UE27	1,407	2,577	7.5%
World	4,078	580	6.6%	World	4,304	604	6.4%	World	4,559	634	6.1%	World	4,603	632	6.1%

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

Table A.5. Growth of the combined total and Non Life ratio in the Spanish insurance market, 2005-2015
 (combined ratio, percent)

	Total combined ratio				Non Life combined ratio			
	Combined ratio	Claims ratio	Administration expense ratio	Acquisition expense ratio	Combined ratio	Claims ratio	Administration expense ratio	Acquisition expense ratio
2005	108.5	94.9	2.2	11.4	92.4	72.2	3.2	17.0
2006	106.4	92.3	2.2	12.0	92.1	71.3	3.2	17.6
2007	105.3	90.6	2.3	12.3	92.9	72.2	3.4	17.4
2008	100.6	86.7	2.3	11.6	92.1	71.5	3.5	17.0
2009	107.1	93.7	2.3	11.1	93.9	72.8	3.6	17.5
2010	104.9	91.2	2.5	11.2	93.8	73.0	3.8	17.0
2011	103.5	90.0	2.3	11.2	92.6	71.2	3.6	17.8
2012	104.7	91.6	2.4	10.7	93.2	71.0	3.5	18.7
2013	107.9	94.0	2.6	11.2	94.6	71.9	3.7	19.0
2014	109.2	94.2	2.7	12.2	93.9	71.5	3.8	18.6
2015	109.1	94.1	2.6	12.4	94.7	72.3	3.8	18.6

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

Table A.6. Growth of invest in the Spanish insurance industry and its profitability, 2005-2015
 (investment, million Euros, profitability, percent)

	Investment										Profitability (financial average / investment revenue)
	Total	Treasury	Debt	Deposits	Credits	Variable income	Mutual Funds	Real estate	Derivatives and structured	Other financial investments	
2005	169,700.0	14,085.1	102,159.4	12,048.7	-	8,315.3	10,351.7	5,769.8	-	16,970.0	5.24%
2006	164,000.0	14,268.0	98,728.0	11,316.0	-	7,708.0	9,676.0	5,248.0	-	17,056.0	5.43%
2007	169,000.0	15,210.0	103,766.0	9,802.0	-	8,619.0	9,464.0	5,746.0	-	16,393.0	5.76%
2008	181,000.0	21,901.0	113,487.0	7,240.0	-	7,602.0	9,955.0	6,697.0	-	14,118.0	2.56%
2009	192,735.0	17,153.4	122,579.5	14,840.6	2,505.6	5,396.6	10,985.9	10,022.2	9,251.3	-	4.82%
2010	200,940.0	10,850.8	127,596.9	16,678.0	10,850.8	5,425.4	12,056.4	9,243.2	8,238.5	-	4.23%
2011	209,090.0	10,182.7	135,636.7	15,786.3	14,427.2	5,415.4	10,789.0	9,137.2	7,715.4	-	3.88%
2012	212,397.0	7,051.6	142,752.0	15,951.0	15,908.5	5,309.9	10,386.2	8,665.8	6,371.9	-	4.14%
2013	219,488.0	7,857.7	147,583.7	16,395.8	16,571.3	6,518.8	11,259.7	8,274.7	5,026.3	-	4.83%
2014	226,459.0	20,879.5	154,309.2	13,949.9	3,079.8	7,088.2	14,085.7	8,628.1	4,438.6	-	4.67%
2015	227,427.0	21,651.1	157,515.9	9,415.5	3,616.1	7,641.5	15,146.6	8,323.8	4,116.4	-	3.95%

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

Table A.7. Results, profitability and solvency in the Spanish insurance industry, 2005-2015
(results, million Euros, profitability, percent, solvency margin index)

	Industry results ¹ (million euros)	Profitability		Solvency margin ⁴		
		ROE ² (%)	ROA ³ (%)	Total	Life	Non Life
2005	3,013,685	16.3	1.71	168.8	95.1	259.5
2006	3,625,295	17.3	1.95	168.9	83.3	271.2
2007	3,314,306	15.6	1.70	152.6	77.0	239.6
2008	2,640,859	11.2	1.29	157.1	104.1	216.5
2009	3,636,852	14.0	1.67	162.8	103.1	234.5
2010	4,082,843	16.0	1.83	155.9	77.4	255.0
2011	4,210,777	15.3	1.82	160.3	88.6	253.1
2012	4,458,874	15.0	1.84	183.5	114.6	272.5
2013	4,575,276	12.7	1.81	203.0	128.9	295.4
2014	4,901,842	12.4	1.77	200.0	121.0	303.5
2015	3,482,377	8.8	1.20	197.7	117.9	303.5

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

¹ These data differ from those data exposed in Table 3.2-e of the report as they refer to a representative sample and not to the total from the industry.

² Final Net result / Net equity from the same year

³ Final Net result / Total Assets from the same year

⁴ Solvency Margin: surplus over requirements (Uncommitted equity / Minimum solvency margin amount)

Table A.8. Basic Non Life insurance indicators in the Spanish insurance industry, 2005-2015
(premiums, million Euros; percentages over premiums, percent)

	Premiums issued	Basic indicators (% of premiums)								
		% Variation in premium volume	Retention	Gross claims ratio	Gross expenses	Net claims ratio	Net expenses	Net combined ratio	Financial result	Technical-financial result
2005	28,245	7.2%	87.9%	70.9%	20.2%	72.2%	20.2%	92.4%	6.0%	13.5%
2006	30,155	6.8%	88.0%	69.5%	20.7%	71.3%	20.8%	92.1%	5.8%	13.7%
2007	31,848	5.6%	86.2%	70.9%	20.8%	72.2%	20.8%	92.9%	5.5%	12.6%
2008	32,597	2.4%	86.2%	71.3%	20.8%	71.5%	20.6%	92.1%	3.2%	11.1%
2009	31,753	-2.6%	85.9%	71.5%	20.8%	72.8%	21.1%	93.9%	4.9%	11.0%
2010	31,811	0.2%	85.2%	71.7%	20.8%	73.0%	20.7%	93.8%	4.6%	10.9%
2011	31,719	-0.3%	88.6%	69.1%	21.3%	71.2%	21.3%	92.6%	4.0%	11.4%
2012	31,095	-2.0%	88.6%	68.9%	22.0%	71.0%	22.2%	93.2%	2.9%	9.7%
2013	30,386	-2.3%	87.6%	70.2%	22.2%	71.9%	22.7%	94.6%	3.9%	9.3%
2014	30,589	0.7%	87.9%	69.6%	22.3%	71.5%	22.4%	93.9%	4.8%	10.8%
2015	31,338	2.4%	87.6%	70.2%	22.4%	72.3%	22.5%	94.7%	4.2%	9.4%

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

Table A.9. Number of operating companies, by regime type, in the Spanish insurance industry, 2005-2015
(number of companies)

	Public limited companies	Mutual companies	Mutual Provident Societies ¹	Reinsurance companies
2005	215	40	55	2
2006	207	38	51	2
2007	206	37	52	2
2008	204	35	55	2
2009	202	34	56	2
2010	195	35	55	2
2011	188	34	55	2
2012	183	32	53	2
2013	178	32	52	2
2014	168	31	53	3
2015	156	31	50	3

Source: MAPFRE Economic Research (with data from the General Management of Insurance and Pension Funds. *Annual insurance and pension fund report*)¹ Subjected to control by the General Management of Insurance and Pension Funds Control**Table A.10. Number of brokers in the Spanish insurance industry, 2005-2015¹**
(number of people and companies)

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

Source: MAPFRE Economic Research (with data from the General Management of Insurance and Pension Funds. *Annual insurance and pension fund report*)¹ In accordance with the DGSFP, data processed in 2007 by the Administrative Registry of Insurance Brokers affected 61.3 percent of operating companies

Table A.11. Premium volume by Autonomous Community, 2005-2015
(millions of euros)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Andalusia	4,512	4,806	5,500	6,024	5,900	5,966	5,982	5,717	5,824	6,045	6,237
Aragon	811	850	914	1,489	1,605	1,655	1,916	1,680	1,512	1,710	1,656
Asturias (Principality of)	663	620	682	725	765	787	835	866	837	956	854
Balearic Islands	731	742	813	860	886	911	1,246	1,175	1,270	1,283	1,326
Canary Islands	971	971	1,083	1,154	1,174	1,234	1,241	1,269	1,212	1,269	1,367
Cantabria	337	356	379	418	451	471	462	495	485	497	503
Castilla-La Mancha	1,307	1,163	1,260	1,381	1,451	1,582	1,647	1,708	1,616	1,766	1,705
Castilla-León	1,664	1,694	1,869	2,035	2,274	2,224	2,393	2,331	2,211	2,275	2,482
Catalonia	7,557	7,488	7,793	8,893	9,786	9,942	11,226	10,079	9,677	10,237	10,121
Comunity of Valencia	3,632	3,637	3,918	3,944	3,837	4,061	4,222	4,096	4,373	4,305	4,059
Extremadura	499	533	604	654	739	736	674	773	724	696	799
Galicia	1,829	2,003	2,185	2,208	2,150	2,501	2,616	2,226	2,151	2,167	2,279
Madrid (Community of)	8,451	8,979	9,262	9,763	9,772	10,217	10,178	9,896	9,369	9,165	9,422
Murcia (Region of)	764	858	968	981	976	1,038	1,087	1,033	1,031	1,041	1,063
Navarra (Chartered Community of)	410	415	690	758	783	822	619	622	838	1,003	952
Basque Country	1,750	1,774	1,910	2,040	2,140	2,268	2,477	2,429	2,323	2,352	2,394
La Rioja	193	198	242	371	468	417	380	356	356	359	345
Autonomous Cities of Ceuta and Melilla	48	45	61	79	67	81	94	95	97	98	97

Source: ICEA, *Insurance market by provinces***Table A.12. Premiums per capita by Autonomous Community, 2005-2015**
(euros)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Andalusia	565.7	596.3	670.6	725.5	704.8	708.2	707.9	677.4	693.2	719.8	744.1
Aragon	634.8	655.5	688.8	1,106.3	1,191.8	1,229.2	1,419.8	1,247.0	1,140.8	1,297.3	1,266.7
Asturias (Principality of)	615.7	576.6	631.4	667.6	705.5	727.8	775.5	810.4	788.4	909.0	819.4
Balearic Islands	730.2	719.4	757.8	785.1	800.7	818.5	1,113.4	1,056.7	1,151.0	1,161.8	1,198.2
Canary Islands	486.5	479.3	521.7	548.5	554.2	580.3	585.7	598.7	576.0	604.3	651.0
Cantabria	593.2	621.5	651.0	708.7	762.3	794.8	777.4	835.6	823.2	849.5	864.3
Castilla-La Mancha	676.4	588.2	616.7	663.5	691.5	747.8	776.2	813.0	777.5	857.5	835.3
Castilla-León	659.5	670.0	730.8	793.8	888.4	869.1	939.9	925.0	886.3	920.4	1,015.0
Catalonia	1,059.2	1,38.5	1,058.2	1,189.6	1,302.6	1,318.6	1,482.8	1,334.3	1,287.0	1,363.4	1,346.6
Comunity of Valencia	755.6	744.5	779.0	774.1	750.6	793.5	823.1	801.0	873.8	864.3	819.4
Extremadura	459.3	489.0	550.2	593.2	667.4	663.4	608.2	700.4	658.8	636.7	735.2
Galicia	660.9	722.4	784.8	789.7	768.5	894.8	940.4	804.6	782.7	793.2	838.4
Madrid (Community of)	1,406.6	1,476.4	1,476.8	1,528.6	1,513.0	1,574.4	1,566.3	1,523.5	1,451.5	1,423.8	1,457.6
Murcia (Region of)	557.5	616.3	678.8	678.2	667.4	706.4	736.9	701.6	703.2	709.3	726.2
Navarra (Chartered Community of)	681.2	685.0	1,112.2	1,202.1	1,228.7	1,279.7	961.1	965.5	1,307.6	1,565.5	1,487.1
Basque Country	820.2	828.3	885.4	939.2	982.3	1,038.0	1,129.3	1,108.2	1,061.2	1,074.2	1,093.7
La Rioja	629.9	640.8	760.6	1,153.2	1,451.5	1,292.7	1,175.8	1,105.9	1,114.8	1,132.7	1,092.1
Autonomous Cities of Ceuta and Melilla	336.3	308.1	407.2	519.3	427.8	500.9	572.7	565.4	571.5	579.8	569.7

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

Table A.13. Ranking of the ten largest insurance groups in Spain by premium volume, 2005-2015
 (premiums, million Euros; market share, percent)

2005			2006			2007			2008		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	6,912	14.2	MAPFRE	7,091	13.5	MAPFRE	7,889	14.5	MAPFRE	8,182	13.8
ALLIANZ	2,412	4.9	AXA	3,507	6.7	AXA	3,514	6.4	SANTANDER	4,943	8.4
GENERALI	2,194	4.5	ALLIANZ	2,632	5.0	SANTANDER	3,086	5.7	ZURICH	4,626	7.8
AXA	2,003	4.1	GENERALI	2,607	5.0	ALLIANZ	2,860	5.2	AXA	3,633	6.1
ZURICH	1,998	4.1	SANTANDER	2,557	4.9	GENERALI	2,517	4.6	ALLIANZ	2,982	5.0
CAIFOR	1,988	4.1	ZURICH	1,935	3.7	AVIVA	2,240	4.1	GENERALI	2,793	4.7
AVIVA	1,857	3.8	AVIVA	1,908	3.6	CASER	2,111	3.9	CASER	2,356	4.0
BBVA SEGUROS	1,821	3.7	CASER	1,889	3.6	CATALANA OCCIDENTE	2,018	3.7	CATALANA OCCIDENTE	2,189	3.7
CASER	1,588	3.3	CAIFOR	1,717	3.3	ZURICH	1,852	3.4	CAIFOR	2,034	3.4
CATALANA OCCIDENTE	1,502	3.1	IBERCAJA	1,590	3.0	IBERCAJA	1,617	3.0	AVIVA	1,869	3.2
Total Market	48,775		Total Market	52,584		Total Market	54,536		Total Market	59,178	
2009			2010			2011			2012		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	7,786	13.0	MAPFRE	8,455	14.7	MAPFRE	8,307	13.7	MAPFRE	7,956	13.9
ZURICH	5,409	9.0	GRUPO CAIXA	5,640	9.8	GRUPO CAIXA	5,068	8.4	GRUPO CAIXA	5,165	9.0
SANTANDER	3,488	5.8	ZURICH	4,646	8.1	MUTUA MADRILEÑA	3,472	5.7	MUTUA MADRILEÑA	3,645	6.4
GRUPO CAIXA	3,304	5.5	GRUPO AXA	3,117	5.4	ZURICH	2,943	4.9	SANTANDER	3,512	6.1
AXA	3,285	5.5	ALLIANZ	2,962	5.1	ALLIANZ	3,001	5.0	ALLIANZ	3,046	5.3
ALLIANZ	3,033	5.1	CASER	2,582	4.5	SANTANDER	2,950	4.9	AXA	2,683	4.7
GENERALI	2,584	4.3	GENERALI	2,282	4.0	GRUPO AXA	2,943	4.9	GENERALI	2,513	4.4
CASER	2,397	4.0	SANTANDER	2,159	3.7	CASER	2,818	4.7	BBVA	2,109	3.7
CATALANA OCCIDENTE	2,169	3.6	CATALANA OCCIDENTE	2,044	3.5	GENERALI	2,416	4.0	CASER	1,997	3.5
AVIVA	1,827	3.0	AVIVA	1,792	3.1	CATALANA OCCIDENTE	2,039	3.4	CATALANA OCCIDENTE	1,971	3.4
Total Market	59,898		Total Market	57,587		Total Market	60,592		Total Market	57,398	
2013			2014			2015					
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market			
MAPFRE	7,060	12.7	MAPFRE	7,266	13.1	VIDACAIXA	7,189	12.6			
CAIXA	5,298	9.5	CAIXA	5,538	10.0	MAPFRE	6,416	11.3			
MUTUA MADRILEÑA	3,873	6.9	MUTUA MADRILEÑA	4,165	7.5	MUTUA MADRILEÑA	4,333	7.6			
ALLIANZ	3,199	5.7	ALLIANZ	3,287	5.9	ZURICH	4,069	7.2			
SANTANDER SEGUROS	3,136	5.6	AXA	2,660	4.8	ALLIANZ	3,526	6.2			
AXA	2,712	4.9	ZURICH	2,507	4.5	CATALANA OCCIDENTE	2,867	5.0			
BBVA SEGUROS	2,300	4.1	GENERALI	2,259	4.1	AXA	2,502	4.4			
GENERALI	2,293	4.1	CATALANA OCCIDENTE	2,162	3.9	GENERALI	2,306	4.1			
CATALANA OCCIDENTE	2,014	3.6	BBVA SEGUROS	2,088	3.8	BBVA SEGUROS	2,085	3.7			
CASER	1,713	3.1	SANTANDER SEGUROS	1,903	3.4	SANTALUCÍA	1,287	2.3			
Total Market	55,773		Total Market	55,486		Total Market	56,905				

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

Table A.14. Ranking of the ten largest Non Life insurance groups in Spain by premium volume, 2005-2015
(premiums, millions Euros; market share, percent)

2005			2006			2007			2008		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	5,017	17.8	MAPFRE	5,226	17.4	MAPFRE	5,521	17.4	MAPFRE	5,602	17.2
ALLIANZ	1,859	6.6	AXA	2,627	8.7	AXA	2,713	8.5	AXA	2,718	8.3
AXA	1,491	5.3	ALLIANZ	1,997	6.6	ALLIANZ	2,119	6.7	ALLIANZ	2,134	6.6
GENERALI	1,356	4.8	GENERALI	1,433	4.8	GENERALI	1,534	4.8	CATALANA OCCIDENTE	1,578	4.8
ZURICH	1,223	4.3	MUTUA MADRILEÑA	1,314	4.4	CATALANA OCCIDENTE	1,474	4.6	GENERALI	1,557	4.8
MUTUA MADRILEÑA	1,040	3.7	ZURICH	1,291	4.3	MUTUA MADRILEÑA	1,351	4.3	ZURICH	1,377	4.2
WINTERTHUR	1,038	3.7	CASER	1,137	3.8	ZURICH	1,341	4.2	MUTUA MADRILEÑA	1,273	3.9
CATALANA OCCIDENTE	1,013	3.6	CATALANA OCCIDENTE	1,051	3.5	CASER	1,272	4.0	CASER	1,263	3.9
CASER	977	3.5	ADESLAS	989	3.3	ADESLAS	1,085	3.4	ADESLAS	1,191	3.7
ADESLAS	903	3.2	SANTALUCÍA	819	2.7	SANITAS	907	2.9	SANITAS	982	3.0
Total Market	28,243		Total Market	30,112		Total Market	31,781		Total Market	32,571	

2009			2010			2011			2012		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	5,239	16.5	MAPFRE	5,166	16.2	MAPFRE	5,136	16.2	MAPFRE	4,973	16.0
AXA	2,540	8.0	AXA	2,402	7.5	MUTUA MADRILEÑA	3,393	10.7	MUTUA MADRILEÑA	3,557	11.4
ALLIANZ	2,081	6.5	ALLIANZ	2,031	6.4	AXA	2,305	7.3	AXA	2,126	6.8
CATALANA OCCIDENTE	1,508	4.7	GRUPO CAIXA	1,921	6.0	ALLIANZ	2,032	6.4	ALLIANZ	1,971	6.3
GENERALI	1,456	4.6	CATALANA OCCIDENTE	1,476	4.6	CATALANA OCCIDENTE	1,439	4.5	GENERALI	1,369	4.4
ZURICH	1,295	4.1	GENERALI	1,362	4.3	GENERALI	1,365	4.3	CATALANA OCCIDENTE	1,366	4.4
MUTUA MADRILEÑA	1,256	4.0	MUTUA MADRILEÑA	1,305	4.1	ZURICH	1,170	3.7	SANITAS	1,137	3.7
CASER	1,191	3.7	ZURICH	1,258	4.0	CASER	1,106	3.5	ZURICH	1,097	3.5
ADESLAS	1,291	4.1	CASER	1,137	3.6	SANITAS	1,099	3.5	SANTALUCÍA	1,045	3.4
SANITAS	1,041	3.3	SANITAS	1,068	3.4	SANTALUCÍA	992	3.1	ASISA	1,021	3.3
Total Market	31,779		Total Market	31,820		Total Market	31,724		Total Market	31,116	

2013			2014			2015		
Grupo	Primas	% de mercado	Grupo	Primas	% de mercado	Grupo	Primas	% de mercado
MAPFRE	4,634	15.3	MAPFRE	4,629	15.1	MAPFRE	4,686	15.0
MUTUA MADRILEÑA	3,677	12.1	MUTUA MADRILEÑA	3,927	12.8	MUTUA MADRILEÑA	4,169	13.3
AXA	2,021	6.7	ALLIANZ	2,028	6.6	ALLIANZ	2,152	6.9
ALLIANZ	1,975	6.5	AXA	1,927	6.3	CATALANA OCCIDENTE	1,939	6.2
GENERALI	1,290	4.3	CATALANA OCCIDENTE	1,294	4.2	AXA	1,755	5.6
CATALANA OCCIDENTE	1,290	4.3	GENERALI	1,275	4.2	GENERALI	1,348	4.3
SANITAS	1,178	3.9	SANITAS	1,160	3.8	SANITAS	1,165	3.7
ZURICH	1,040	3.4	SANTALUCÍA	1,062	3.5	ZURICH	1,072	3.4
SANTALUCÍA	1,029	3.4	ZURICH	1,055	3.4	ASISA	1,059	3.4
ASISA	968	3.2	ASISA	1,012	3.3	SANTALUCÍA	1,050	3.4
Total Market	30,268		Total Market	30,647		Total Market	31,338	

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

Table A.15. Ranking of the ten largest Life insurance groups in Spain by premium volume, 2005-2015
(premiums, million Euros; market share, percent)

2005			2006			2007			2008		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	1,894	9.2	SANTANDER	2,349	10.5	SANTANDER	2,875	12.6	SANTANDER	4,747	17.8
CAIFOR	1,848	9.0	AVIVA	1,897	8.4	MAPFRE	2,368	10.4	ZURICH	3,248	12.2
AVIVA	1,848	9.0	MAPFRE	1,865	8.3	AVIVA	2,229	9.8	MAPFRE	2,580	9.7
BBVA	1,681	8.2	IBERCAJA	1,590	7.1	IBERCAJA	1,617	7.1	AVIVA	1,858	7.0
IBERCAJA	1,171	5.7	CAIFOR	1,548	6.9	BANSABADELL VIDA	1,450	6.4	CAIFOR	1,772	6.7
BANSABADELL VIDA	953	4.6	BANSABADELL VIDA	1,373	6.1	CAIFOR	1,386	6.1	GENERALI	1,237	4.6
GENERALI	838	4.1	BBVA	1,285	5.7	BBVA	1,003	4.4	CASER	1,094	4.1
ASCAT-VIDA	827	4.0	GENERALI	1,173	5.2	GENERALI	983	4.3	IBERCAJA	992	3.7
ZURICH	775	3.8	AXA	880	3.9	AEGON	872	3.8	AEGON	934	3.5
CASER	611	3.0	CASER	752	3.3	CASER	839	3.7	AXA	914	3.4
Total Market	20,532		Total Market	22,472		Total Market	22,755		Total Market	26,607	
2009			2010			2011			2012		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
ZURICH	4,114	14.6	GRUPO CAIXA	3,719	14.4	GRUPO CAIXA	5,036	17.4	GRUPO CAIXA	5,131	19.5
SANTANDER	3,334	11.9	ZURICH	3,389	13.2	MAPFRE	3,171	11.0	SANTANDER	3,366	12.8
GRUPO CAIXA	2,972	10.6	MAPFRE	3,289	12.8	SANTANDER	2,795	9.7	MAPFRE	2,983	11.3
MAPFRE	2,538	9.0	SANTANDER	2,003	7.8	ZURICH	2,060	7.1	BBVA	1,865	7.1
AVIVA	1,814	6.5	AVIVA	1,779	6.9	AVIVA	1,787	6.2	AVIVA	1,349	5.1
AEGON	1,422	5.1	CASER	1,445	5.6	CASER	1,712	5.9	IBERCAJA	1,159	4.4
CASER	1,206	4.3	AEGON	1,360	5.3	BBVA	1,622	5.6	GENERALI	1,144	4.4
IBERCAJA	1,144	4.1	IBERCAJA	1,139	4.4	AEGON	1,613	5.6	ALLIANZ	1,075	4.1
GENERALI	1,128	4.0	ALLIANZ	930	3.6	IBERCAJA	1,501	5.2	CASER	976	3.7
BBVA SEGUROS	1,128	4.0	GENERALI	920	3.6	GENERALI	1,051	3.6	AEGON	924	3.5
Total Market	28,119		Total Market	25,768		Total Market	28,869		Total Market	26,282	
2013			2014			2015					
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market			
CAIXA	5,271	20.7	CAIXA	5,515	22.2	VIDACAIXA	7,166	28.0			
SANTANDER SEGUROS	3,068	12.0	MAPFRE	2,638	10.6	ZURICH	2,997	11.7			
MAPFRE	2,426	9.5	SANTANDER SEGUROS	1,884	7.6	BBVA SEGUROS	1,737	6.8			
BBVA SEGUROS	2,030	8.0	BBVA SEGUROS	1,799	7.2	MAPFRE	1,730	6.8			
ALLIANZ	1,224	4.8	ZURICH	1,451	5.8	ALLIANZ	1,374	5.4			
AVIVA	1,155	4.5	ALLIANZ	1,259	5.1	IBERCAJA	990	3.9			
GENERALI	1,003	3.9	IBERCAJA	1,123	4.5	GENERALI	958	3.7			
IBERCAJA	933	3.7	AVIVA	1,075	4.3	CATALANA OCCIDENTE	927	3.6			
CASER	871	3.4	GENERALI	984	4.0	AXA	747	2.9			
CATALANA OCCIDENTE	724	2.8	CATALANA OCCIDENTE	868	3.5	SANTANDER SEGUROS	678	2.7			
Total Market	25,505		Total Market	24,839		Total Market	25,567				

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

Table A.16. Growth of concentration in the Spanish insurance industry, 2005-2015
(Herfindahl index and CR5 indexes)

	Herfindahl Index	CR5 Index (%)		
		Total	Life	Non Life
2005	402.7	31.8%	41.1%	38.8%
2006	420.5	35.0%	41.2%	41.8%
2007	458.4	36.4%	46.3%	42.0%
2008	502.7	41.2%	53.4%	41.7%
2009	478.9	38.9%	52.5%	40.4%
2010	550.0	43.1%	55.0%	40.8%
2011	496.4	37.6%	51.4%	45.1%
2012	508.3	40.6%	55.9%	45.0%
2013	489.6	40.5%	55.0%	44.9%
2014	509.6	41.3%	51.0%	45.0%
2015	549.6	44.9%	58.7%	46.9%

Fuente: MAPFRE Economic Reserch (with ICEA data, Total direct insurance ranking by group and company. Total Non Life insurance ranking by group and company Total Life insurance premiums by group)

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

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

Source: Insurance Compensation Consortium. Annual Report

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

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

Source: Insurance Compensation Consortium. Annual Report

Table A.22. Basic Multiperil insurance indicators, 2005-2015
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	4,647	5,052	5,475	5,912	6,097	6,297	6,579	6,627	6,537	6,551	6,659
Variation in premiums	11.7%	8.7%	8.4%	8.0%	3.1%	3.3%	4.5%	0.7%	-1.4%	0.2%	1.6%
Retention	80.7%	80.6%	81.7%	81.5%	81.6%	79.1%	81.7%	79.9%	79.6%	79.7%	79.3%
Gross claims ratio	63.3%	61.4%	63.8%	61.1%	63.9%	71.4%	57.1%	57.3%	59.0%	60.5%	57.8%
Gross expenses	29.7%	29.5%	29.3%	28.8%	28.8%	28.7%	28.4%	28.0%	28.3%	28.2%	28.4%
Net claim ratio	60.4%	60.5%	63.3%	62.5%	63.0%	66.9%	59.0%	59.9%	61.4%	60.7%	60.2%
Net expenses	30.2%	30.6%	30.7%	30.1%	30.5%	30.2%	30.1%	30.3%	30.8%	30.0%	30.6%
Net combined ratio	90.6%	91.1%	93.9%	92.6%	93.5%	97.1%	89.0%	90.2%	92.2%	90.7%	90.7%
Financial result	5.3%	4.9%	4.5%	2.8%	4.6%	4.2%	3.3%	2.4%	3.5%	4.4%	3.9%
Technical-financial result	14.7%	13.9%	10.6%	10.2%	11.1%	7.1%	14.3%	12.2%	11.3%	13.7%	13.2%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002*.**Table A.23. Basic Home Multiperil insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	2,388	2,652	2,890	3,147	3,337	3,505	3,656	3,764	3,779	3,837	3,917
Variation in premiums	12.2%	11.1%	9.0%	8.9%	6.0%	5.1%	4.3%	3.0%	0.4%	1.5%	2.1%
Retention	92.3%	93.3%	93.2%	92.0%	92.1%	88.8%	91.5%	91.6%	90.4%	89.9%	90.2%
Gross claims ratio	55.9%	55.7%	59.1%	59.3%	64.3%	65.1%	56.8%	57.8%	59.1%	58.6%	58.2%
Gross expenses	32.9%	33.1%	32.5%	32.1%	32.1%	32.2%	31.9%	31.7%	32.0%	31.2%	31.5%
Net claim ratio	57.0%	56.8%	59.9%	60.4%	62.8%	66.5%	57.9%	58.9%	60.1%	59.4%	59.1%
Net expenses	33.0%	33.3%	32.7%	32.0%	32.4%	32.3%	32.0%	31.6%	32.1%	30.7%	31.8%
Net combined ratio	90.0%	90.0%	92.5%	92.4%	95.1%	98.8%	89.9%	90.5%	92.2%	90.1%	90.9%
Financial result	3.9%	3.6%	3.4%	2.0%	3.6%	3.1%	2.7%	2.1%	3.0%	3.3%	2.8%
Technical-financial result	13.9%	13.6%	10.9%	9.6%	8.5%	4.4%	12.8%	11.6%	10.8%	13.1%	11.9%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002*.**Table A.23. Basic Industrial Multiperil insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	1,107	1,158	1,265	1,344	1,321	1,328	1,421	1,344	1,265	1,220	1,230
Variation in premiums	10.8%	4.6%	9.2%	6.2%	-1.7%	0.5%	7.0%	-5.4%	-5.9%	-3.6%	0.8%
Retention	54.2%	52.1%	54.5%	56.8%	55.5%	56.0%	56.0%	50.4%	50.8%	52.2%	50.6%
Gross claims ratio	83.9%	75.2%	76.9%	61.5%	63.4%	94.4%	57.5%	59.2%	62.5%	68.8%	59.1%
Gross expenses	24.3%	23.4%	23.9%	22.6%	22.2%	21.6%	21.0%	19.7%	19.8%	20.5%	20.4%
Net claim ratio	72.2%	72.3%	76.5%	63.5%	63.7%	71.6%	64.0%	71.0%	74.8%	70.9%	69.1%
Net expenses	25.1%	25.7%	28.3%	27.0%	27.2%	26.9%	26.0%	27.9%	28.6%	28.5%	27.5%
Net combined ratio	97.3%	98.0%	104.8%	90.5%	90.9%	98.5%	90.1%	98.9%	103.4%	99.4%	96.6%
Financial result	8.7%	8.5%	7.4%	4.9%	7.9%	7.2%	5.3%	3.4%	4.8%	9.0%	7.9%
Technical-financial result	11.4%	10.5%	2.6%	14.4%	15.6%	8.7%	15.2%	4.5%	1.4%	9.6%	11.3%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002*.

Table A.25. Basic Commercial Multiperil insurance indicators, 2005-2015
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	555	593	645	678	655	650	649	625	596	595	605
Variation in premiums	8.6%	6.8%	8.8%	5.1%	-3.4%	-0.7%	-0.2%	-3.6%	-4.6%	-0.3%	1.6%
Retention	83.7%	84.2%	84.7%	84.2%	85.3%	81.2%	84.6%	86.1%	85.5%	84.2%	84.5%
Gross claims ratio	59.5%	59.2%	60.0%	66.9%	60.8%	62.2%	57.0%	53.6%	53.7%	56.4%	55.8%
Gross expenses	29.8%	30.3%	29.9%	31.3%	30.1%	29.7%	29.3%	30.1%	30.1%	30.7%	30.5%
Net claim ratio	59.7%	60.6%	61.3%	70.1%	61.5%	64.0%	58.4%	54.7%	54.3%	58.1%	57.5%
Net expenses	29.3%	29.8%	29.5%	31.0%	29.9%	29.5%	28.9%	29.7%	29.9%	30.2%	30.1%
Net combined ratio	89.0%	90.4%	90.9%	101.1%	91.5%	93.5%	87.3%	84.4%	84.2%	88.4%	87.7%
Financial result	6.7%	6.0%	5.6%	3.4%	5.7%	4.8%	3.8%	2.6%	3.8%	4.2%	4.0%
Technical-financial result	17.6%	15.6%	14.8%	2.3%	14.2%	11.4%	16.4%	18.2%	19.7%	15.8%	16.3%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.26. Basic Community Multiperil insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	509	558	605	669	714	755	794	815	823	827	836
Variation in premiums	11.6%	9.6%	8.4%	10.6%	6.7%	5.8%	5.2%	2.6%	1.1%	0.4%	1.1%
Retention	81.0%	82.3%	85.1%	86.8%	86.4%	80.5%	86.8%	86.7%	86.4%	85.8%	86.1%
Gross claims ratio	58.0%	59.0%	61.2%	61.3%	64.4%	62.1%	53.8%	51.2%	54.5%	54.3%	53.9%
Gross expenses	26.0%	26.4%	26.3%	26.3%	27.6%	27.8%	27.6%	28.0%	28.2%	28.1%	28.8%
Net claim ratio	60.7%	61.4%	63.0%	62.7%	62.5%	65.1%	54.9%	52.5%	55.2%	55.2%	55.1%
Net expenses	23.9%	25.5%	25.9%	26.1%	27.8%	26.4%	27.6%	28.2%	28.0%	28.0%	28.7%
Net combined ratio	84.7%	86.8%	88.9%	88.7%	90.3%	91.4%	82.5%	80.7%	83.3%	83.2%	83.7%
Financial result	6.3%	5.8%	5.4%	2.7%	5.6%	4.4%	3.4%	2.7%	3.8%	4.1%	4.0%
Technical-financial result	21.6%	19.0%	16.5%	13.9%	15.3%	13.0%	21.0%	22.0%	20.5%	20.9%	20.2%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.27. Basic Other Multiperil insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	88	91	70	74	70	59	60	79	73	73	71
Variation in premiums	31.3%	3.4%	-23.1%	5.6%	-4.7%	-16.4%	1.2%	32.3%	-7.2%	-0.6%	-2.4%
Retention	71.6%	71.8%	72.9%	77.0%	80.8%	79.6%	89.1%	89.2%	82.8%	86.1%	85.3%
Gross claims ratio	66.8%	64.9%	64.6%	72.8%	71.6%	62.0%	84.8%	73.1%	69.1%	67.3%	70.1%
Gross expenses	28.4%	25.7%	25.3%	23.6%	22.8%	22.3%	24.2%	25.2%	30.0%	30.8%	31.2%
Net claim ratio	71.0%	69.8%	72.1%	72.2%	74.1%	67.8%	81.3%	73.8%	75.7%	71.0%	71.1%
Net expenses	28.2%	24.9%	23.3%	22.1%	21.8%	18.6%	23.6%	25.4%	31.0%	31.3%	32.3%
Net combined ratio	99.1%	94.6%	95.3%	94.3%	95.9%	86.3%	105.0%	99.2%	106.7%	102.3%	103.4%
Financial result	5.6%	5.0%	4.4%	3.6%	4.9%	4.1%	3.1%	1.1%	5.4%	6.2%	6.9%
Technical-financial result	6.4%	10.4%	9.0%	9.3%	9.1%	17.7%	-1.9%	1.9%	-1.3%	3.9%	3.5%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002*

Table A.28. Basic Health insurance indicators, 2005-2015
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	4,482	4,916	5,403	5,834	6,150	6,396	6,597	6,786	6,937	7,138	7,369
Variation in premiums	9.4%	9.7%	9.9%	8.0%	5.4%	4.0%	3.1%	2.9%	2.2%	2.9%	3.2%
Retention	98.7%	98.6%	98.6%	98.6%	98.5%	98.1%	97.8%	97.7%	97.6%	97.5%	97.4%
Gross claims ratio	82.3%	81.2%	81.7%	82.8%	85.4%	84.5%	82.8%	82.7%	83.1%	82.2%	80.9%
Gross expenses	10.9%	11.4%	11.5%	11.1%	10.6%	10.4%	11.5%	11.4%	11.7%	11.8%	12.2%
Net claim ratio	83.1%	82.0%	82.4%	83.6%	86.1%	85.7%	83.9%	83.8%	84.5%	83.6%	82.2%
Net expenses	10.8%	11.4%	11.5%	11.1%	10.5%	10.4%	11.5%	11.4%	11.7%	11.9%	12.2%
Net combined ratio	93.9%	93.4%	93.9%	94.7%	96.6%	96.1%	95.4%	95.2%	96.2%	95.5%	94.4%
Financial result	0.8%	1.3%	1.5%	1.2%	1.1%	1.1%	1.1%	0.8%	1.1%	1.0%	0.7%
Technical-financial result	6.9%	8.0%	7.6%	6.5%	4.5%	5.0%	5.6%	5.5%	4.9%	5.6%	6.3%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.29. Basic Third-Party Liability insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	1,758	1,900	2,008	1,974	1,712	1,624	1,531	1,448	1,352	1,343	1,392
Variation in premiums	8.7%	8.1%	5.7%	-1.7%	-13.3%	-5.1%	-5.7%	-5.4%	-6.6%	-0.7%	3.7%
Retention	69.1%	71.2%	72.7%	70.2%	67.9%	73.5%	73.9%	72.5%	71.8%	72.1%	72.2%
Gross claims ratio	81.0%	69.6%	50.8%	55.3%	51.2%	42.8%	55.1%	39.8%	52.1%	50.9%	62.1%
Gross expenses	18.0%	18.5%	19.0%	20.3%	21.3%	22.9%	22.6%	24.6%	25.0%	25.5%	25.6%
Net claim ratio	80.1%	68.3%	65.2%	54.1%	51.7%	43.2%	51.4%	38.2%	51.7%	50.6%	59.5%
Net expenses	18.8%	19.9%	20.4%	20.2%	24.1%	23.7%	23.4%	26.0%	26.5%	27.2%	26.8%
Net combined ratio	98.8%	88.2%	85.6%	74.3%	75.8%	66.9%	74.8%	64.3%	78.2%	77.8%	86.3%
Financial result	11.7%	10.4%	12.2%	7.6%	16.0%	12.9%	12.5%	7.1%	12.4%	15.2%	14.0%
Technical-financial result	12.8%	22.2%	26.6%	33.3%	40.2%	46.0%	37.7%	42.8%	34.2%	37.4%	27.7%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.30. Basic Hull Transport insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	331	330	314	317	336	289	276	256	240	223	229
Variation in premiums	0.9%	-0.3%	-4.8%	1.0%	6.1%	-14.0%	-4.6%	-7.2%	-6.3%	-7.1%	2.8%
Retention	31.3%	32.7%	37.0%	39.0%	42.8%	44.0%	49.4%	54.8%	53.4%	55.1%	55.8%
Gross claims ratio	37.3%	38.4%	77.5%	94.3%	79.8%	59.4%	50.9%	73.1%	55.6%	79.5%	77.9%
Gross expenses	10.8%	13.4%	15.6%	14.9%	15.7%	15.9%	17.4%	19.3%	19.5%	19.9%	20.7%
Net claim ratio	60.3%	58.3%	76.8%	94.1%	87.9%	74.1%	68.2%	74.3%	67.6%	90.8%	90.3%
Net expenses	20.1%	25.8%	27.0%	23.5%	25.2%	24.7%	25.6%	25.6%	27.2%	26.3%	26.5%
Net combined ratio	80.3%	84.1%	103.8%	117.6%	113.1%	98.9%	93.8%	99.9%	94.8%	117.0%	116.7%
Financial result	10.2%	8.8%	7.9%	7.8%	7.1%	7.5%	5.4%	3.9%	4.1%	14.9%	13.9%
Technical-financial result	29.9%	24.7%	4.1%	-9.8%	-6.0%	8.6%	11.6%	4.0%	9.2%	-2.1%	-2.8%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002*

Table A.31. Basic Goods in Transit insurance indicators, 2005-2015
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	281	302	320	286	222	209	211	204	198	194	206
Variation in premiums	0.7%	7.5%	6.0%	-10.5%	-22.6%	-5.7%	0.7%	-3.0%	-2.8%	-2.2%	5.9%
Retention	62.9%	63.1%	66.7%	69.6%	69.9%	69.6%	69.1%	65.4%	63.7%	66.4%	65.7%
Gross claims ratio	53.8%	59.7%	59.6%	60.3%	52.2%	36.2%	54.5%	50.8%	62.0%	65.3%	71.0%
Gross expenses	26.2%	27.8%	28.4%	26.5%	25.8%	25.1%	25.1%	25.2%	25.4%	26.4%	28.1%
Net claim ratio	58.4%	64.7%	65.1%	67.5%	56.0%	49.2%	61.8%	59.1%	70.4%	71.8%	78.4%
Net expenses	27.1%	28.5%	30.1%	28.5%	29.1%	28.7%	29.1%	30.2%	31.1%	32.0%	33.3%
Net combined ratio	85.5%	93.3%	95.2%	96.0%	85.1%	77.9%	90.9%	89.3%	101.5%	103.8%	111.7%
Financial result	5.6%	4.9%	5.0%	3.3%	6.0%	5.7%	5.4%	2.7%	4.9%	6.5%	6.3%
Technical-financial result	20.1%	11.6%	9.8%	7.3%	21.0%	27.8%	14.5%	13.4%	3.4%	2.8%	-5.4%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.32. Basic Funeral insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	1,370	1,451	1,518	1,591	1,672	1,703	1,761	1,891	1,961	2,066	2,151
Variation in premiums	5.9%	5.9%	4.6%	4.8%	5.1%	1.8%	3.4%	7.3%	3.7%	5.4%	4.1%
Retention	99.3%	99.2%	99.2%	99.1%	99.4%	99.2%	100.6%	98.9%	99.0%	98.4%	98.5%
Gross claims ratio	55.2%	51.2%	53.7%	53.5%	53.0%	52.5%	51.3%	55.2%	56.9%	60.3%	65.2%
Gross expenses	38.6%	38.4%	36.3%	35.8%	39.0%	38.1%	37.8%	37.5%	36.4%	34.8%	32.9%
Net claim ratio	55.5%	51.5%	54.1%	54.0%	53.3%	52.8%	50.7%	55.4%	57.2%	60.9%	65.9%
Net expenses	38.8%	38.6%	36.4%	36.0%	39.0%	38.1%	37.2%	37.5%	36.4%	34.7%	32.7%
Net combined ratio	94.3%	90.1%	90.5%	89.9%	92.3%	90.9%	87.9%	93.0%	93.5%	95.5%	98.6%
Financial result	5.4%	6.5%	5.5%	3.2%	4.7%	5.6%	5.7%	6.8%	6.2%	6.5%	7.4%
Technical-financial result	11.1%	16.4%	15.0%	13.2%	12.5%	14.6%	17.8%	13.8%	12.7%	11.0%	8.8%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.30. Basic Credit insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	544	644	806	835	798	719	695	677	646	631	606
Variation in premiums	4.0%	18.4%	25.2%	3.5%	-4.3%	-10.0%	-3.3%	-2.5%	-4.7%	-2.4%	-3.8%
Retention	50.3%	52.7%	53.4%	52.4%	53.9%	54.3%	54.6%	53.2%	46.3%	44.4%	42.1%
Gross claims ratio	68.9%	74.4%	83.7%	143.7%	89.5%	50.9%	78.2%	81.4%	70.4%	39.6%	69.2%
Gross expenses	21.2%	19.5%	20.0%	18.2%	17.8%	19.4%	20.4%	20.9%	21.9%	24.1%	24.7%
Net claim ratio	76.5%	80.6%	95.5%	117.8%	96.0%	56.6%	84.1%	87.8%	68.7%	42.2%	48.5%
Net expenses	12.4%	10.2%	10.0%	6.6%	18.3%	17.5%	15.0%	19.2%	22.1%	19.2%	8.4%
Net combined ratio	88.9%	90.8%	105.5%	124.4%	114.3%	74.1%	99.0%	107.0%	90.9%	61.4%	56.9%
Financial result	8.1%	10.2%	10.3%	10.7%	5.8%	4.8%	6.2%	5.8%	6.0%	4.5%	4.0%
Technical-financial result	19.2%	19.4%	4.8%	-13.7%	-8.5%	30.7%	7.1%	-1.2%	15.1%	43.1%	47.1%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002*

Table A.34. Basic Surety insurance indicators, 2005-2015
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	74	83	86	87	81	84	78	65	63	61	86
Variation in premiums	8.8%	12.2%	3.6%	0.6%	-6.3%	3.8%	-7.3%	-16.2%	-4.1%	-2.8%	40.5%
Retention	50.7%	59.0%	53.0%	54.7%	41.6%	44.4%	40.1%	47.1%	44.5%	48.7%	46.4%
Gross claims ratio	4.0%	13.6%	19.0%	130.1%	113.2%	124.0%	98.7%	284.4%	535.5%	159.8%	158.2%
Gross expenses	28.9%	27.4%	28.6%	28.4%	39.9%	24.1%	24.2%	24.7%	28.3%	27.8%	33.9%
Net claim ratio	22.0%	26.9%	23.1%	77.4%	100.7%	65.0%	82.7%	201.4%	233.4%	72.1%	64.0%
Net expenses	21.4%	19.1%	17.5%	32.1%	67.8%	23.7%	22.0%	14.0%	34.4%	37.9%	41.7%
Net combined ratio	43.4%	46.0%	40.5%	109.5%	168.4%	88.7%	104.7%	215.4%	267.8%	110.0%	105.7%
Financial result	6.1%	4.1%	12.8%	5.5%	5.5%	5.1%	8.2%	9.8%	3.1%	5.0%	3.3%
Technical-financial result	62.7%	58.1%	72.3%	-4.0%	-62.9%	16.4%	3.5%	-105.7%	-164.7%	-5.1%	-2.3%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.35. Basic Accident insurance indicators, 2005-2015**
(premiums, million Euros; percentages over premiums, percent)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Premium volume issued	848	903	963	1.002	945	922	897	853	880	894	926
Variation in premiums	6.0%	6.5%	6.6%	4.1%	-5.7%	-2.5%	-2.6%	-5.0%	3.2%	1.6%	3.6%
Retention	87.0%	87.7%	88.3%	88.9%	89.0%	89.5%	89.5%	89.7%	90.1%	89.0%	89.0%
Gross claims ratio	50.8%	43.9%	43.1%	41.6%	33.8%	36.1%	39.0%	34.2%	41.6%	40.9%	41.3%
Gross expenses	30.5%	30.4%	31.8%	32.5%	32.6%	33.5%	35.4%	36.3%	34.9%	36.7%	37.6%
Net claim ratio	53.1%	44.8%	45.0%	39.6%	34.4%	37.4%	40.5%	35.3%	40.8%	41.8%	40.5%
Net expenses	32.1%	31.4%	32.9%	33.6%	33.5%	34.4%	36.2%	36.9%	35.2%	37.2%	37.6%
Net combined ratio	85.2%	76.2%	77.9%	73.2%	67.9%	71.8%	76.7%	72.2%	76.0%	79.0%	78.1%
Financial result	6.4%	6.2%	5.9%	2.7%	5.0%	5.3%	4.3%	3.8%	11.3%	18.7%	15.0%
Technical-financial result	21.2%	30.0%	28.0%	29.5%	37.1%	33.4%	27.6%	31.6%	35.3%	39.7%	36.9%

Source: MAPFRE Economic Research (with ICEA data). *Insurance industry economic report and Historic series of direct business premiums by line and modality since 2002***Table A.36. Growth of penetration in the Spanish insurance industry, 2005-2015**
(premiums / GDP, percent)

	Total Market	Life Insurance			Non-Life Insurance				
		Total Life Insurance	Risk Life	Life Savings	Total Non Life Insurance	Motor	Multi-peril	Health	Other Lines
2005	5.35%	2.32%	0.33%	1.99%	3.04%	1.25%	0.50%	0.48%	0.80%
2006	5.33%	2.34%	0.35%	1.98%	2.99%	1.21%	0.50%	0.49%	0.79%
2007	5.16%	2.21%	0.36%	1.85%	2.95%	1.16%	0.51%	0.50%	0.78%
2008	5.39%	2.47%	0.34%	2.13%	2.92%	1.10%	0.53%	0.52%	0.76%
2009	5.64%	2.7%	0.34%	2.35%	2.94%	1.08%	0.57%	0.57%	0.73%
2010	5.41%	2.47%	0.35%	2.12%	2.94%	1.07%	0.58%	0.59%	0.70%
2011	5.69%	2.73%	0.34%	2.39%	2.96%	1.05%	0.61%	0.62%	0.68%
2012	5.53%	2.55%	0.34%	2.21%	2.98%	1.02%	0.64%	0.65%	0.68%
2013	5.45%	2.50%	0.33%	2.17%	2.95%	0.97%	0.63%	0.67%	0.67%
2014	5.35%	2.41%	0.34%	2.07%	2.94%	0.95%	0.63%	0.69%	0.67%
2015	5.26%	2.36%	0.35%	2.02%	2.90%	0.93%	0.62%	0.68%	0.67%

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

Table A.37. Growth of density and depth in the Spanish insurance industry, 2005-2015
(premiums per capita, Euros; direct life insurance premiums / total direct premiums, percent)

	Density (premiums per capita)									Depth (direct life insurance premiums / total direct premiums)
	Total market density	Life Insurance			Non Life Insurance				Other Lines	
		Total Life Insurance	Risk Life	Life Savings	Total Non Life Insurance	Motor	Multi-peril	Health		
2005	1,113.7	482.0	67.7	414.2	631.8	260.8	103.9	100.2	166.8	43.3%
2006	1,188.8	521.6	79.0	442.7	667.1	270.4	111.8	108.8	176.2	43.9%
2007	1,207.7	517.7	84.5	433.2	690.0	272.0	118.6	117.1	182.3	42.9%
2008	1,286.8	589.5	80.5	509.0	697.3	263.6	126.5	124.8	182.4	45.8%
2009	1,294.6	619.3	79.1	540.2	675.3	247.6	129.7	130.8	167.3	47.8%
2010	1,239.6	565.5	81.0	484.5	674.1	244.4	133.4	135.5	160.7	45.6%
2011	1,289.0	617.9	77.3	540.7	671.1	238.4	139.2	139.6	153.9	47.9%
2012	1,223.9	564.1	75.3	488.8	659.8	225.1	140.6	144.0	150.1	46.1%
2013	1,201.1	551.5	72.4	479.0	649.7	214.3	139.8	148.3	147.3	45.9%
2014	1,194.6	538.6	75.3	463.3	656.1	211.9	140.5	153.1	150.6	45.1%
2015	1,223.1	549.5	81.1	468.4	673.6	215.9	143.1	158.4	156.2	44.9%

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

Table A.38. Growth of the Insurance Protection Gap in the Spanish insurance market
(billion euros)

	Insurance Protection Gap (IPG)			IPG as a multiple of the real market (number of times)				
	Total IPG (a = b + c)	IPG Life insurance (b)	IPG Non Life insurance (c)	Real market (d)	Potential market (e = a + d)	Of the market total	Of the Life insurance market	Of the Non Life insurance market
2005	30.9	30.5	0.3	49.8	80.7	0.62	1.42	0.01
2006	36.3	34.5	1.7	53.7	90.0	0.68	1.47	0.06
2007	43.4	42.2	1.2	55.7	99.1	0.78	1.77	0.04
2008	30.1	28.4	1.7	60.2	90.3	0.50	1.03	0.05
2009	31.0	28.1	2.9	60.9	91.9	0.51	0.96	0.09
2010	33.0	30.7	2.3	58.5	91.5	0.56	1.15	0.07
2011	24.3	22.6	1.7	60.9	85.2	0.40	0.77	0.05
2012	24.3	22.8	1.5	57.7	82.0	0.42	0.86	0.05
2013	25.7	23.9	1.8	56.2	81.9	0.46	0.93	0.06
2014	28.1	26.9	1.2	55.7	83.8	0.51	1.07	0.04
2015	29.7	28.6	1.1	56.9	86.6	0.52	1.12	0.04

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



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ISBN: 978-84-9844-605-0



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