

An abstract painting with a dark, textured background. It features bold, expressive brushstrokes in various colors: a large yellow shape at the top, a red shape in the middle, and several large yellow and orange shapes at the bottom. There are also some black and grey lines and shapes. The overall style is reminiscent of modernist or expressionist art.

Fundación **MAPFRE**

THE SPANISH INSURANCE  
MARKET IN 2020

**MAPFRE** Economics





# **The Spanish insurance market in 2020**



Pablo Picasso  
Bullfight (1934)  
Oil on canvas

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# MAPFRE Economics

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# Presentation

Fundación MAPFRE is pleased to present this new edition of the MAPFRE Economics report *The Spanish insurance market in 2020*, which provides an overview of developments in the insurance industry over the fiscal year through its usual sections on the economic and demographic context, the structure of the insurance industry, an analysis of the main business lines, structural growth trends, the behavior of the capital requirements, own funds and solvency ratios of a representative group of insurance companies and a brief description of recent developments in the regulatory outlook.

In a year dominated by the COVID-19 pandemic, this report analyzes, among other things, the impact that lockdown and social distancing measures have had on insurance activity in Spain in 2020, a fiscal year in which insurance has seen a decrease of -8.2% in premium volume, heavily influenced by the performance of the Life line, which dropped by -20.7%. Despite the decreased revenue, insurance has remained a solvent and profitable industry, meeting its contracted obligations and responsibilities with its policyholders and shareholders by adapting its procedures and capacities to respond to the new needs of the market.

Providing education on insurance and finance is one of the objectives of Fundación MAPFRE considered in the publication of the studies conducted by MAPFRE Economics on different aspects of the economy and insurance activity, whereby we seek to contribute to the general public's understanding of the many benefits that insurance has for society and the economy.

**Fundación MAPFRE**



# Introduction

*The Spanish insurance market in 2020* is an annual report designed to present an analysis of insurance activity performance, from both a contextual and medium-term perspective. In addition, this edition is of particular interest, as it analyzes the performance of the insurance industry in Spain in a year dominated by the economic and social impact of the COVID-19 pandemic.

To this end, the first chapter of the report takes a look at the environment and the most significant economic and demographic trends in Spain that could affect the performance of the insurance industry. The second chapter analyzes the structure and concentration of the insurance market, while the third chapter evaluates the performance of the main business lines during 2020, looking at premium growth and the contribution of different business lines to industry developments, technical performance, results, profitability, and investment and technical provisions.

In addition to these contextual aspects, the fourth chapter of the report addresses the structural trends in the Spanish insurance market over the medium-term, taking into account the period between 2010 and 2020. These trends include an analysis of the penetration, density and depth of insurance in Spain, as well as a revision of our Insurance Protection Gap (IPG) estimate for the Life and Non-Life segments. The fifth chapter provides a review of recent developments in the capital requirements, own funds and solvency ratios of a representative group of companies operating in the Spanish insurance industry, based on the information they have made available to the market in their Solvency and Financial Condition Reports. Finally, the report summarizes key regulatory insurance trends at the global, European Union and Spanish levels.

We trust that this new edition of *The Spanish insurance market* will be a source of information and analysis that will contribute to a better understanding of the insurance market, thereby strengthening the performance of this financial activity, to the benefit of Spain's economy and society.

**MAPFRE Economics**



## Executive summary

### The global economic context and insurance activity performance.

In 2020, the world economy suffered its greatest downturn since the Second World War, with a fall of around -3.3% in global GDP (compared to growth of 2.9% in 2019) as a result of the crisis caused by the COVID-19 pandemic. GDP dropped by an estimated -6.7% in the eurozone in 2020 and -10.8% in Spain, one of the biggest falls across the world, due to the productive structure of the Spanish economy being hit particularly hard by the effects of mobility restrictions on consumption, commerce, hospitality and tourism-related business.

Central banks intervened quickly, applying ultra-accommodative monetary policies and unprecedented extensive fiscal aid packages, to continue to provide support for financial markets, governments, homes and businesses that was not available in previous economic crises, especially in developed countries. Recovery in 2021 will largely depend on this support being maintained and the pace of the vaccination campaign, both of which already appear unequal, as emerging markets are moving more slowly in the vaccination process and have practically exhausted their fiscal and monetary capacity, forcing them to revoke some of the measures adopted in certain cases.

The insurance industry worldwide has benefited from substantial aid packages, and insurance markets have held solvent and resistant, with smaller drops in business than in previous global crises. Nevertheless, there has been a decrease in premium revenue in many of the most advanced markets and even in some emerging ones, if we exclude the impressive performance seen in China. As such, premium volume worldwide was 6.3 trillion dollars, representing a decrease of

-1.3% in real terms, compared to an increase of 3.0% in 2019.

It should be noted that the sharp economic contraction caused by the pandemic and the implementation of ultra-accommodative monetary policies, with general drops in interest rates in both emerging and developed markets (in an interest rate environment that was already depressed before the pandemic), caused a downturn in the insurance market around the world, especially in the Life segment. This was the line of business most affected by the crisis, primarily in savings products, with a real-terms decrease of -4.4% in written premiums. Unit-linked insurance products were affected by market volatility at the beginning of the year, but began to recover in the second half. The drop occurred in both advanced and emerging markets, excluding China, which saw an increase in real terms of 2.8%, measured in dollars. On the other hand, the Latin America and Caribbean regions sustained a real-terms decrease of -4.9%, and the insurance markets in Europe, the Middle East and Africa (EMEA) suffered the largest loss (-9.1%).

Global premium volume in the Non-Life segment (which represents around 56% of total premiums) increased to 3.5 trillion dollars, an increase of 1.5% in real terms (3.9% in 2019). Non-Life insurance held steady in the face of the crisis, and underwriting was not stalled thanks to the acceleration in digitization processes. The Health line was the line of business that increased the most overall in the insurance markets, spurred by consumer aversion to health risk, while the Automobile line was one of the lines most affected by the crisis, with decreases in premium revenue but also loss experience. The Asia-Pacific markets had the best performance, driven by the growth of the Chinese market.

## The Spanish insurance industry in 2020

In Spain, the aggregate premium volume for 2020 was 58.89 billion euros. Total premium volume dropped by -8.2%, furthering the fall in business of -0.4% in 2019. The Spanish insurance industry suffered a severe drop in business in 2020 due to the sharp economic downturn caused by the pandemic. The insurance business was impacted by the effects of lockdown and social distancing measures on employment, business, households and companies, although this impact was not uniform across all business segments. Life business premiums dropped by -20.7% (-5.1% in 2019), mainly due to the fall in the Life savings insurance business of -25% (-6.7% in 2019). Technical provisions (managed savings) in Life insurance reached 194.11 billion euros in 2020, a slight decrease of -0.3% compared to 2019. Life Protection premiums fell by -0.4% — a significant decline compared to the growth in the previous year (3.1% in 2019), due to the economic crisis and the sharp drop in real estate market activity in 2020, also a result of the pandemic.

However, in 2020, Non-Life business in the Spanish market only slowed to 37.05 billion euros in premiums, growing by 1.1% (3.5% in 2019), mainly due to the decline in the automobile insurance and commercial multirisk businesses. The combined ratio for the Non-Life insurance segment during 2020 was 90.5%, which is -2.4 percentage points (pp) below the figure recorded for 2019 (92.9%), due to a -3.6-pp improvement in the loss ratio, coming in at 67%. The administration expense ratio (5.3%) deteriorated by 0.3 pp, while the acquisition expense ratio (18.1%) grew by 0.9 pp.

The implementation of monetary and fiscal policy measures unlike any of those adopted in previous economic crises aided in the resistance demonstrated by the Non-Life business in Spain. The European Central Bank deployed broad quantitative easing measures through bond acquisition programs (Pandemic

Emergency Purchase Programme, or PEPP) for an amount of up to 1.85 trillion euros, flexible by country, added to those measures already applied, enabling governments, households and businesses to continue to obtain financing at reduced costs. This intervention, coupled with fiscal aid packages for workers (through temporary employment regulation measures) and companies, resulted in a less severe drop in the Non-Life business than experienced in other economic crises. The latest data for May 2021 show that Non-Life premium growth is recovering in year-on-year terms by around 2.2% at the aggregate level compared to premiums for the first five months of 2020. Life business premiums are expected to have grown by 9.9% year-on-year in the first five months of the year (compared to the drop of -20.7% across the whole of 2020), with Life savings insurance premiums growing by 12.4% (-25.0% in 2020) and Life Protection insurance premiums coming in at 3.1% (-0.4% in 2020). This recovery observed in the first few months of the year is in line with the Spanish economy's return to growth, greatly supported by the increase in the vaccination rate, which allowed measures taken as a result of new outbreaks to be relaxed.

Automobile insurance remained the line with the largest premium volume in the Non-Life insurance segment, although its trend of reducing its weighting continues; in 2020, it accounted for 29.9% of the premiums in this segment (30.9% in 2019). The amount of premiums issued in this line totaled 11.09 billion euros in 2020, representing a year-on-year decline of -2.0%. This can be attributed to the -2.8% drop in the average premium (to 346.5 euros) and not necessarily to the number of insured vehicles, which actually increased by 0.8% up to 32 million. The combined ratio in this line also improved significantly to 87.8% (94.7% in 2019). However, it should be noted that this was an abnormal year marked by mobility restrictions due to the pandemic, with 25% less long-distance travel and the lowest number of deaths in history.



Health insurance was the second-biggest line by volume within the Non-Life insurance business, representing 25.3% of the total (24.4% in 2019). In 2020, premium volume amounted to 9.39 billion euros, with growth of 5.1% (4.9% in 2019). In 2020, the trend toward collective policies seen in recent years in this line of insurance continued, with an increase of 5.3% in collective insurance, while individual insurance grew by 4.7%. Nevertheless, 70.3% of the line's allocated premiums are still concentrated in individual insurance. The combined ratio for this line improved in 2020 compared to the previous year due to the drop in loss experience, at 90.2% (93.4% in 2019). However, the line's performance was still suffering the effects of the pandemic in the first few months of 2021, and there has been a strong increase in health costs as policyholders that have put off obtaining non-urgent health treatment due to the pandemic are now seeking care and hospital costs are up due to health protocols in admissions requiring PCR tests and all the new protective equipment. In addition, consolidation of the digital services offered to clients by all the major companies has increased. It is now common for policyholders to be able to have medical consultations by video, chat with medical professionals online, download test results and medical reports, have online appointments with large hospital chains, and manage their policies via their companies' websites or specific mobile applications for this type of insurance.

As for Multirisk insurance, it slightly increased its weighting in the Non-Life business, representing 20.9% of the total (20.5% in 2019), putting it in third place with a premium volume of 7.75 billion euros, 3.1% more than the previous year, despite the economic downturn caused by the pandemic. The Homeowners modality is the segment with the largest market share, representing 60% of the premiums in this line of business. The modalities that accumulated the largest premium volume, Homeowners and Industrial,

performed well, with increases of 2.7% and 5.6% respectively, while Condominium and Commercial premiums also rose, with respective increases of 2.8% and 0.3%. However, the overall combined ratio increased to 94.5% (93.8% in 2019). Storm Gloria had a significant effect on the loss ratio, although it was largely absorbed by the Insurance Compensation Consortium (ICC).

With regard to profitability indicators, the results of the Spanish insurance industry were notable, amounting to 5.8 billion euros in 2020, an increase of 16.6% compared to the previous fiscal year. The profitability of the sector also performed positively in relative terms, with a change to the downward trend seen in the two years prior, and had a return on equity (ROE) of 11.99%, 1.1 pp greater than in 2019. Similarly, industry profitability, measured in terms of return on assets (ROA), increased slightly (0.17 ppl), at 1.60% in 2020 compared to 1.42% in 2019.

Total investment by Spanish insurance companies amounted to 335.61 billion euros in 2020, representing a 1.9% increase compared to 2019. An analysis of the investment structure shows that the main category of assets continues to be fixed income, representing 55% of the investment portfolio, with sovereign fixed income as the dominant component. Corporate fixed income accounted for 18.7% of the portfolio (after deducting the effect of the valuation on derivative and structured products). Most industry investment credit ratings were on the second rung of the ratings map included under Solvency II regulations (equivalent to A), in line with the Spanish sovereign risk rating at the end of 2020. The intervention of central banks and tax authorities, both nationally and at the European Union level, restored stability on the financial markets, which suffered one of the fastest crashes in history in February and March 2020. This decline was partly driven by investors' dash for cash. Nevertheless, the extension of the low interest rate environment

and potential insolvencies will continue to pose challenges for business and profitability in the insurance industry, especially for Life insurance companies.

### Structural trends in insurance in Spain

In relation to the analysis of the structural growth trends for the Spanish insurance industry, in 2020, the performance of the market slowed down again and, for yet another year, diverged from the expansive trend begun in 2014, which peaked in 2016. However, 2020 was a unique year due to the strong economic recession caused by the pandemic, in an environment where the drop in insurance business was less than what the economy overall experienced and was concentrated primarily in the Life business, as reflected in its penetration, density and depth indices. In any event, these indicators remain below the average for the European Union's 15 major economies, although the difference in the Non-Life business penetration level was negligible.

As such, Spanish insurance penetration (premiums/GDP) stood at 5.26% at the end of 2020 (5.16% in 2019). The increasing penetration rate is attributable to the Non-Life insurance segment, the penetration of which was 3.31%, (0.36 pp above that of the previous year), while the Life insurance indicator was 1.95% for 2020 (2.21% in 2019).

Moreover, insurance density (premiums per capita) in Spain reached 1,243.80 euros in 2020 (1,352.50 in 2019). It should be noted that the decrease compared to the previous year was due to the combination of a fall in the Life insurance segment, at 461.20 euros per capita (580.00 in 2019), and an increase in Non-Life insurance, which amounted to 782.60 euros per capita (772.40 in 2019).

Finally, the depth index (the share of direct Life insurance premiums in relation to the market's total direct premiums) was 37.1% in 2020, 5.8 pp below the figure recorded for the previous year. This is the fourth consecutive decline in

the indicator and the largest in the past ten years, which has resulted in levels of market depth that are significantly lower than they were a decade ago. This performance confirms the relative decline of the Life segment within the market since its peak in 2016.

Furthermore, the IPG for the Spanish market was 31.6 billion euros in 2020, 1.9 billion euros less than in 2019, thanks to the positive performance of Non-Life business in Spain in 2020, which practically closed the gap in this segment compared to the set of European reference markets. In structural terms, the composition of the IPG continues to demonstrate room for further development in the Life insurance segment. In 2020, 99.8% of the IPG (31.5 billion euros) corresponded to the Life insurance segment (0.2 billion euros less than in the previous year), while the Non-Life segment IPG (0.05 billion euros) represented only the remaining 0.2% (1.7 billion euros less than the previous year).

With regard to competition dynamics and structure, during the past decade, the Spanish insurance industry has continued to show a certain trend toward concentration, which is evident in the drop in the number of companies operating, as well as in the analysis of the Herfindahl and CR5 indices. Nevertheless, it should be noted that this trend appears to have been reversing since 2016, and concentration levels continue to reflect a high level of competition in the Spanish insurance industry, as per the aforementioned indicators.

### Solvency position of the Spanish insurance industry

With regard to solvency levels in Spain, individual insurance companies published the fifth Solvency and Financial Condition Report (SFCR) in 2021, in accordance with the new risk-based prudential regulation in force in the European Union since January 1, 2016 (Solvency II). An analysis of a sample of companies representing 70.3% of insurance premiums and 79.4% of technical provisions on the market in 2020 reveals that the industry's solvency continues to reflect a sound position.

The aggregate total solvency ratio of the sample of insurance companies analyzed was 241%, 2 pp below the value recorded in 2019 (243%). The ratio of companies mainly operating in the Life insurance line was 234% in 2020 (245% in 2019). For companies operating in both the Life and the Non-Life insurance business (Composites), the total aggregate solvency ratio amounted to 216% (225% in 2019). Finally, the companies analyzed in this report operating solely or mainly in the Non-Life insurance sector had a total aggregate solvency ratio of 273% in 2020 (257% in 2019), recording a 16-pp increase compared to the previous fiscal year. With regard to own funds, it should be emphasized that almost all eligible own funds from the universe of the companies analyzed were of the highest quality (99% Tier 1 on aggregate for the sample used, a percentage similar to the previous year).

Lastly, it should be noted that the events of 2020 once again attested to the importance and relevance of volatility adjustments and matching adjustments as mechanisms to (partially) offset the effect that occasional volatility spikes in the financial markets may have on the solvency position of insurance companies and their groups, taking into account their nature of medium- and long-term institutional investors as well as their proper risk management. In this sense, the evolution of the volatility adjustment for the Spanish market reflected the high level of uncertainty experienced by financial markets in the early stages of the health and economic crisis

caused by the COVID-19 pandemic. In March 2020, the currency volatility adjustment for the euro (calculated by the European Insurance and Occupational Pensions Authority [EIOPA]) reached the highest level that this indicator has seen since the Solvency II regulation came into force. This was due to the strong upturn in volatility to which the investment portfolios of the insurance companies operating in the European Economic Area were exposed. This adjustment also reflects the powerful effect of the message issued by the European Central Bank (ECB) on March 18, 2020 approving the PEPP, which involved resorting to the widespread use of unconventional monetary policy measures to provide liquidity to bond markets (sovereign and corporate).

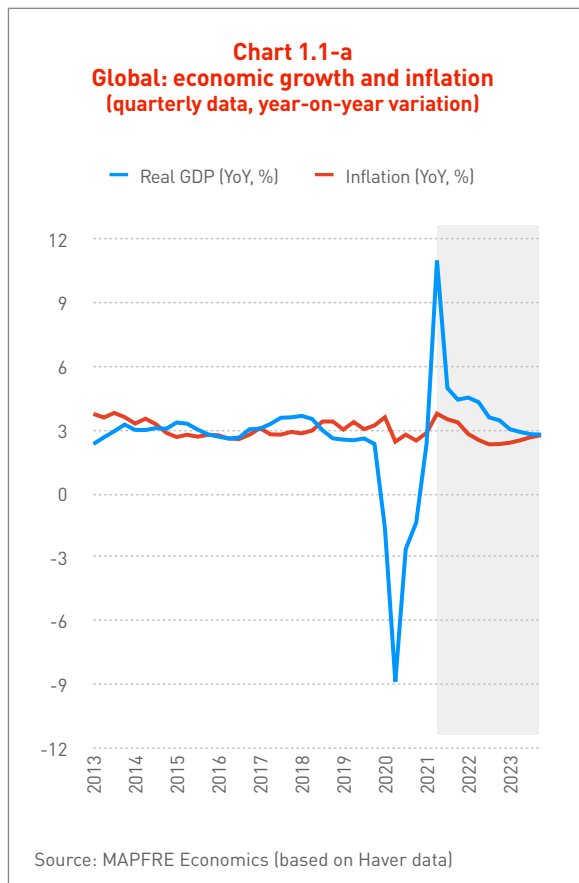


# 1. Economic and demographic context

## 1.1. Economic aspects

### Global and European environment

The COVID-19 crisis has left its mark on the global economy, recording a fall in GDP of -3.3% in 2020 (see Chart 1.1-a). This has caused an output gap that is estimated to exceed 3% of global potential. The emerging world has contributed disproportionately to this gap, even though it was negative in both emerging and developed regions. China was the only major economy in the world to record positive growth in 2020, with its economy focused on technological competence, domestic sustainable development, integration into regional value chains (especially with Europe) and the promotion of its sovereign governance model.



The economic decline resulting from the pandemic represents the largest loss in GDP recorded since the Second World War. Although extraordinarily severe, global economic decline was much lower than initially expected, thanks to greater "tolerance" of the pandemic seen in the second half of last year and the widespread deployment of fiscal and monetary stimuli. In this regard, global fiscal stimuli are estimated to total around 3.5% in 2020, particularly due to the actions taken by the United States, the European Union and China.

Within this context, markets like China and the United States are leading the way toward a cyclical recovery. However, on a global scale, recovery is asynchronous and asymmetrical, with other markets like Latin America showing weak momentum that could become structural. Moreover, this recovery is taking place against a backdrop of increased risk appetite, with a financial market buoyed by tremendous levels of liquidity. It is also set in a context of considerable differences in monetary policy between developed and emerging markets, engendered by the resurgence of global inflationary pressures.

Currently, we are in a recovery phase supported by consumption, which is having a global impact on raw material prices, especially crude oil, which has rebounded from its slump in May 2020 (45 dollars per barrel). Furthermore, this recovery is occurring against a backdrop of increased risk appetite within a financial market both buoyed by the tremendous liquidity available before the pandemic and fueled by unprecedented expansionary monetary policies implemented by central banks virtually everywhere in the world. Global risk aversion is now back at pre-pandemic levels, which has also resulted in regional risk with widespread declines in Emerging Markets Bonds Indices (EMBIs) and a partial return on portfolio investment flows.

However, this is all happening within a monetary policy environment in which clear differences between the developed and emerging world are beginning to become apparent. While the developed world is flourishing by maintaining extremely benevolent monetary and financial conditions, some major emerging countries (Brazil, Turkey and Mexico) have either already started tightening their monetary policy in light of accelerating inflation, or are about to do so in the short-term. Despite this, emerging countries are maintaining manageable financial conditions for the time being, thanks to a real effective exchange rate that has appreciated in relative terms against the dollar and is free from short-term pressures, and thanks to the entry/return of portfolio investment flows. Furthermore, the balance of payments for most emerging countries also appears free from pressure at the moment.

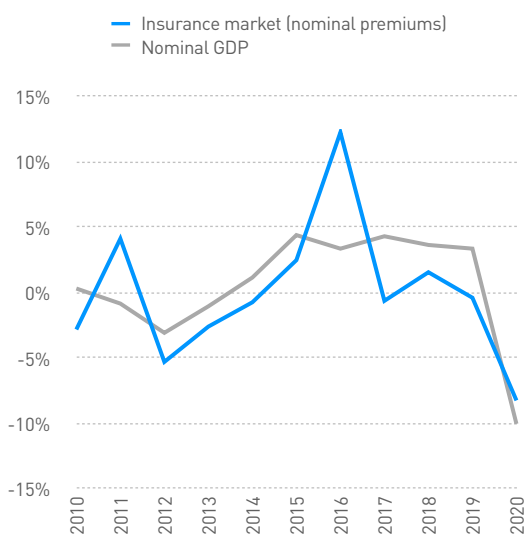
In fiscal terms, 2020 marked a turning point in terms of public deficits. Global fiscal stimuli are estimated to total around 3.5% in 2020, particularly due to the actions taken by the United States, the European Union and China. These stimuli are expected to be significantly lower—though still generous—in 2021, primarily as fiscal space appears to be depleting.

## Economic environment and demand for insurance

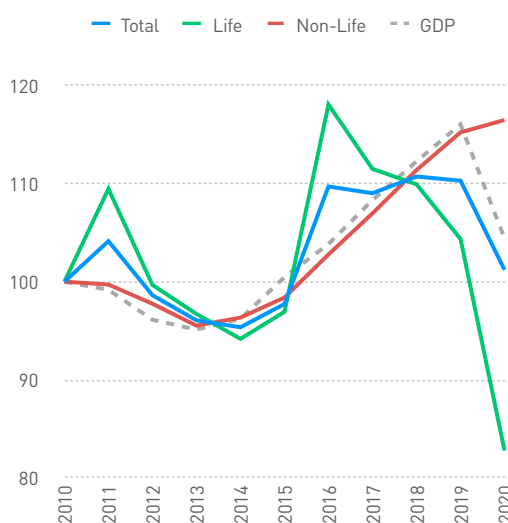
In this global environment, the Spanish insurance industry saw a sharp fall in business in 2020 due to the abrupt downturn also suffered by the economy in Spain. The insurance business was impacted by the effects of lockdown and social distancing measures on employment, business, households and companies, although this impact was not uniform across all business segments.

Overall, at an aggregated level, the drop in total premium volume was -8.2%, deepening the -0.4% fall in business in 2019. The origin in both cases was the poor performance of the Life business, which suffered a decline in premiums of -20.7% [-5.1% in 2019], mainly due to the fall in the Life Savings insurance business of -25.0% [-6.7%] in 2019). Life Protection premiums decreased by -0.4% [3.1% in 2019]. In contrast to the Life segment, the Non-Life segment only slowed down in 2020, growing by 1.1% [3.5% in 2019], mainly due to the decline in the automobile insurance and commercial multirisk businesses.

**Chart 1.1-b**  
Spain: economic growth and demand for insurance, 2010–2020



**Chart 1.1-c**  
Spain: trends in direct insurance, 2010–2020 (index 2010=100)



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



In the case of the Spanish insurance market, the situation caused by the pandemic has confirmed the close relationship between the economic growth rate and insurance demand. This relationship is illustrated over the medium-term (2010–2020) in Charts 1.1-b and 1.1-c. The analysis of aggregate insurance business volume (Chart 1.1-b) indicates that there was a severe drop in total insurance premiums in Spain in 2020 (-8.2%), in line with the sharp drop in nominal GDP (-10.0%). As can be concluded from this information, the relationship continued to be particularly significant in the Non-Life business until 2019, then in 2020 it moved sharply away from the path of GDP variation, promptly breaking with this trend with an abrupt drop in GDP that has not transferred fully to this business, and closing with an increase in Non-Life premiums of 16.5% over the course of the decade, as opposed to a nominal increase in GDP of 4.4% for the same period (Chart 1.1-c). The Life business is suffering the consequences not only of the economic slowdown caused by the pandemic but also of the ongoing low interest rate environment, dropping by -27.0% in the last decade, with the effects of the 2012 crisis dragging on in this business segment.

The implementation of monetary and fiscal policy measures unlike any of those adopted in previous economic crises aided in the resistance demonstrated by the Non-Life business in 2020. The ECB deployed broad quantitative easing measures through bond acquisition programs (PEPP) for an amount of up to 1.85 trillion euros, flexible by country, in addition to those measures already applied, enabling governments, households and businesses to continue to obtain financing at reduced costs. This intervention, coupled with fiscal aid packages for workers (through temporary employment regulation measures) and companies, resulted in a less severe drop in the Non-Life business than experienced in other economic crises.

In addition, the intervention of central banks and tax authorities, both nationally and at the European Union level, restored stability on the financial markets, which suffered one of the fastest crashes in history in February and March 2020. This decline was partly driven by investors' dash for cash. However, the extension of the low interest rate environment continues to pose a challenge for business and profitability in the insurance industry, especially for insurance companies in the Life segment.

The latest data for the first four months of 2021 show that Non-Life premium growth in Spain is recovering in year-on-year terms, increasing by around 1.9% at the aggregate level compared to premiums for the first four months of 2020. Life business premiums have grown by 4.9% year-on-year in the first four months of the year (compared to the drop of -20.7% across the whole of 2020), with Life savings insurance premiums growing by 5.6% (-25.0% in 2020) and Life Protection insurance premiums recovering with an increase of 1.9% (-0.4% in 2020). This recovery is in line with the Spanish economy's return to growth, greatly supported by the increase in the vaccination rate, which has allowed measures taken as a result of new outbreaks to be relaxed.

### Real estate sector

The Spanish real estate market is closely tied to the performance of the insurance market, especially through Life Protection and Multirisk insurance. As has been the case with the rest of the economy, 2020 has been a complex period for the housing sector due to the shutdown in real estate activity during the first few months of the COVID-19 pandemic and a later slow recovery following the trend in infections in the subsequent months, leaving investor and family decisions in the market in suspense. As such, as indicated by the Central Bank of Spain, the uneven performance of the real estate sector in the different regions of the country reflects the change in homeowner

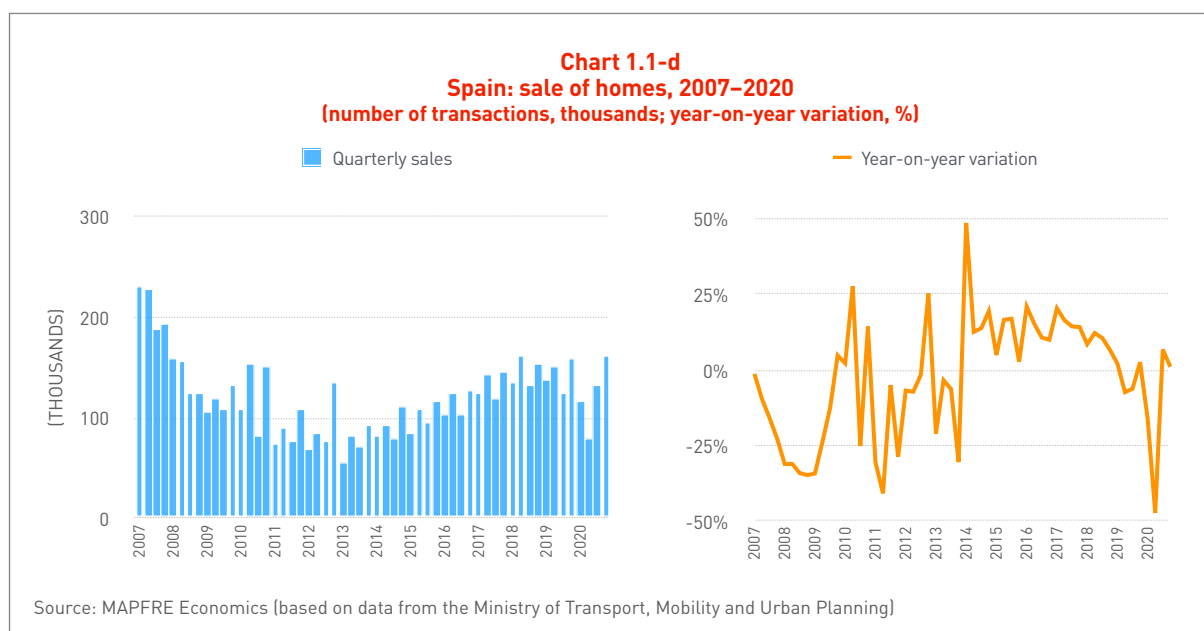
needs when buying real estate, the slight pressure on housing prices and the financial restrictions that begin to surface when buying<sup>1</sup>.

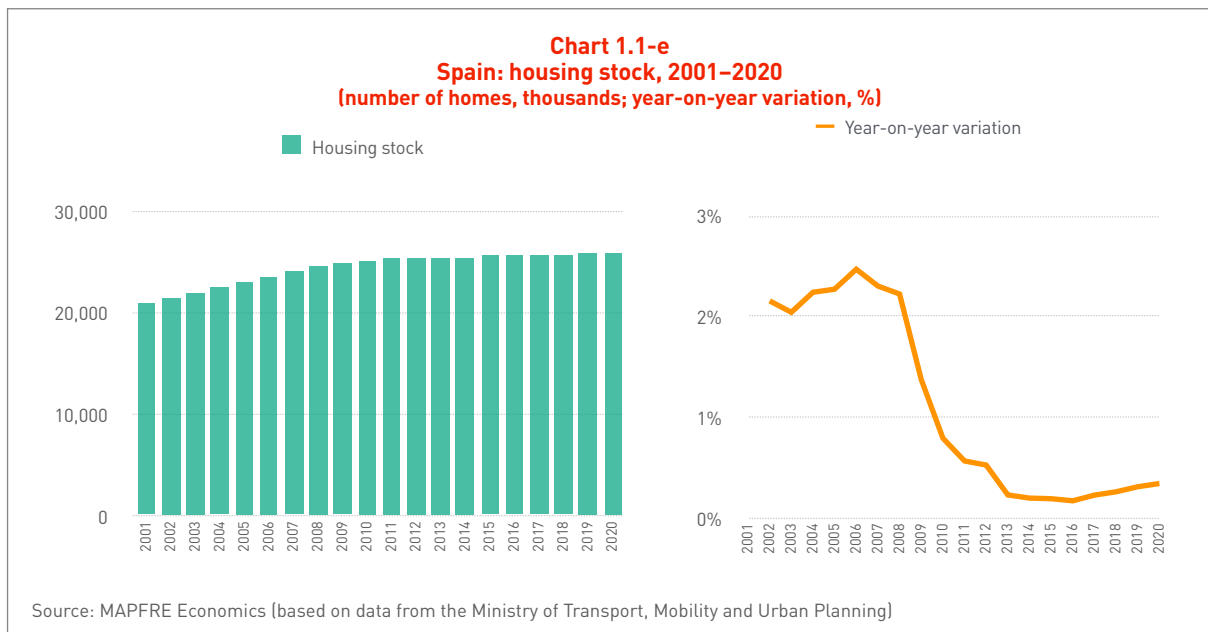
The economic situation resulting from social distancing and lockdown measures imposed on the population (adopted to deal with the health crisis caused by the pandemic) has had a substantial effect on the number of real estate transactions. This is reflected in the latest statistics published by the Ministry of Transport, Mobility and Urban Planning for the fourth quarter of 2020, indicating that despite the slight recovery in activity in the fourth quarter compared to the third, the year as a whole saw a year-on-year variation of -14.5%, much greater than the annual decrease accounted for in 2019 [-2.2%].

In order to give a historical perspective on the performance of the Spanish real estate industry, Chart 1.1-d provides information on the number of quarterly transactions and their year-on-year variation from 2007 onward, providing a view of the 2007–2009 economic crisis, the epicenter of which was in the mortgage market. Real estate transactions declined significantly between 2011 and 2012, the middle of the sovereign debt crisis. From 2007 to 2009, the number of transactions fell by more than 25% over several consecutive quarters. The European sovereign debt crisis

of 2011–2012 also subsequently saw major decreases, surpassing 30%.

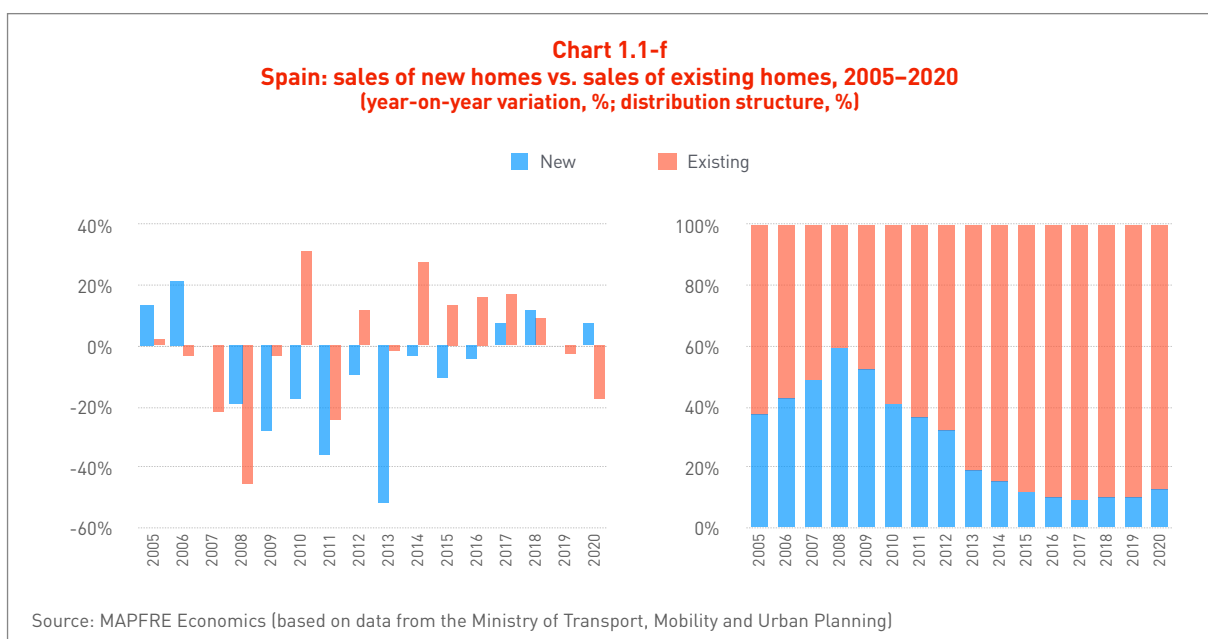
Previous reports<sup>2</sup> have indicated how regulatory fiscal changes affect the decisions of economic agents, and ultimately the seasonality of real estate transactions. This has been the case with the increase in VAT in 2010, the elimination of the tax deduction for habitual residences in 2012, and the removal of inflation correction ratios and decrease in the calculation of income tax gains in 2014, all of which had an effect on the volume of activity in the corresponding quarter. Save for the increase in the last quarter of 2019 (2.6%), there have been successive decreases in variation rates since 2018, which were exacerbated by the COVID-19 pandemic in 2020, when they sunk by -16.1% and -47.2% year-on-year in the first and second quarters respectively. The subsequent quarters saw a recovery, with the rate reaching 6.8% in the third quarter and 1.2% in the fourth quarter, with confirmed data for December. The total decrease in the number of transactions for all of 2020 compared to the previous year was -14.5%. It should be noted that provisional data for the first quarter of 2021 pointed to a significant recovery, with the number of transactions increasing by 21.9% compared to the same period in the previous year.



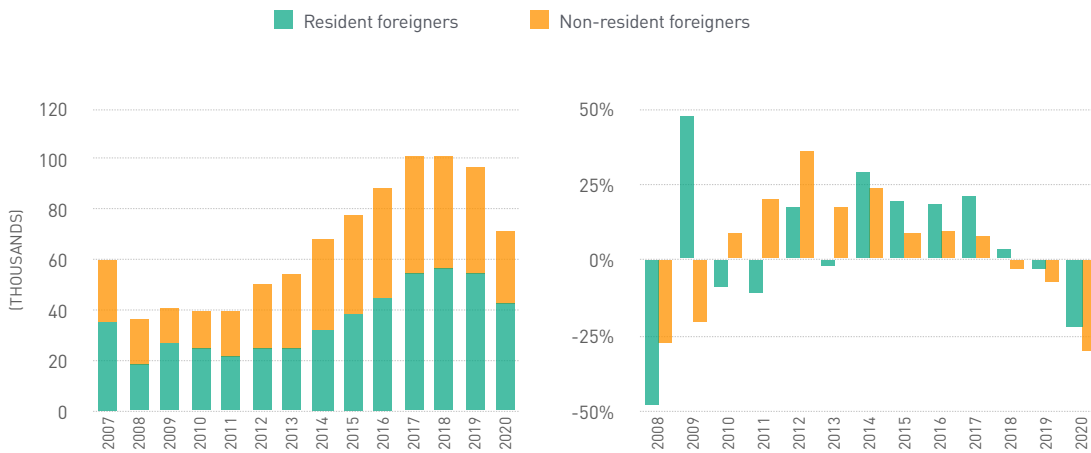


Furthermore, the housing stock estimated by the Ministry of Transport, Mobility and Urban Planning is 25,882,055 units, based on provisional data for 2020. A comparison with 2001 indicates a 23.1% increase over the past 18 years, as illustrated by Chart 1.1-e. Although the year-on-year variation in housing stock was greater than 2% before the 2008 economic crisis, later dropping to rates around 0.2%, a slight increase can be noted in 2019 (0.31%) and, as indicated above, provisional data suggests that it will increase by 0.35% in 2020 despite the pandemic, even higher than in the previous year.

A review of new and existing real estate transactions during the last 16 years (see Chart 1.1-f) indicates significant differences; specifically, a significant drop in existing home transactions was observed in 2020, with a year-on-year rate of -16.9%, the largest drop in the last nine years. On the other hand, new home transactions increased by 7.3% compared to 2019, causing the ratio of new homes to total homes to increase slightly, at the expense of existing homes.



**Chart 1.1-g**  
**Spain: real estate transactions involving foreigners, 2007-2020**  
 (number of real estate transactions; year-on-year variation, %)



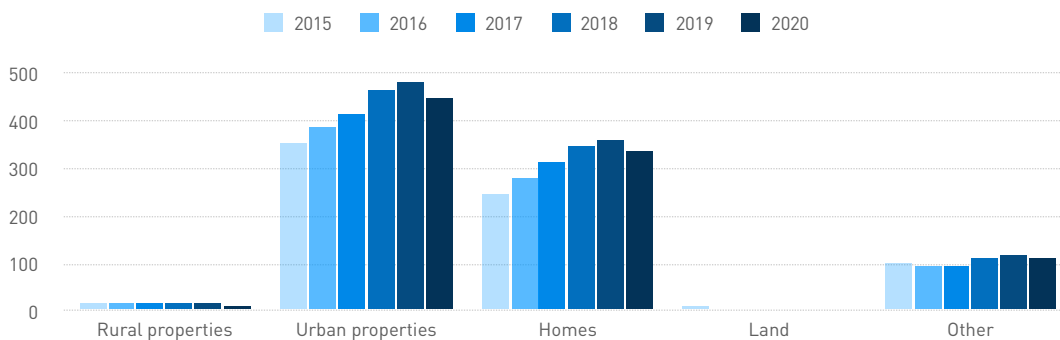
Source: MAPFRE Economics (based on data from the Ministry of Transport, Mobility and Urban Planning)

Analysis of the housing transactions by Autonomous Community for 2020 shows, just as in the previous year and with the exception of Asturias (which had a minimum year-on-year positive rate of 0.81%), negative rates, most notably for the Canary Islands (-30.67%), the Balearic Islands (-26.34%), Valencia (-17.74%), Catalonia (-16.36%), Madrid (-14.62%) and Andalusia (-14.40%). As for the percentage of transactions by province divided by the national total for 2020, the largest decreases in activity were in Santa Cruz de Tenerife (-31.84%), Las Palmas (-29.60%),

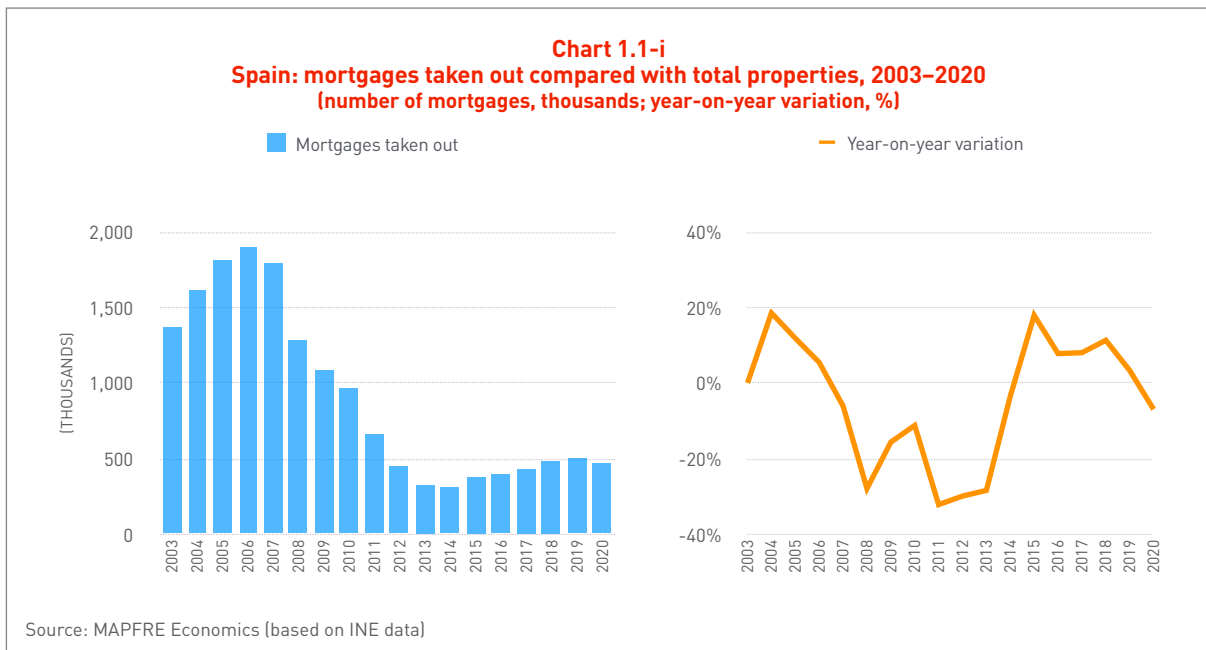
Alicante (-22.66%) and Malaga (-18.97%); only the provinces of Segovia (1.75%), Badajoz (0.57%) and Orense (0.10%) saw positive growth, although at highly reduced rates.

An analysis of real estate transactions completed in Spain by foreign nationals (resident and non-resident) shows a decrease during 2020. While these transactions made up 16.5% of the domestic total in 2019, this figure dropped to 14.7% in 2020 (with provisional data for the fourth quarter), with a preference for coastal areas (Alicante, 20.1%; Malaga, 11.4%;

**Chart 1.1-h**  
**Spain: trends in number of mortgages, 2015-2020**  
 (number of mortgages, thousands)



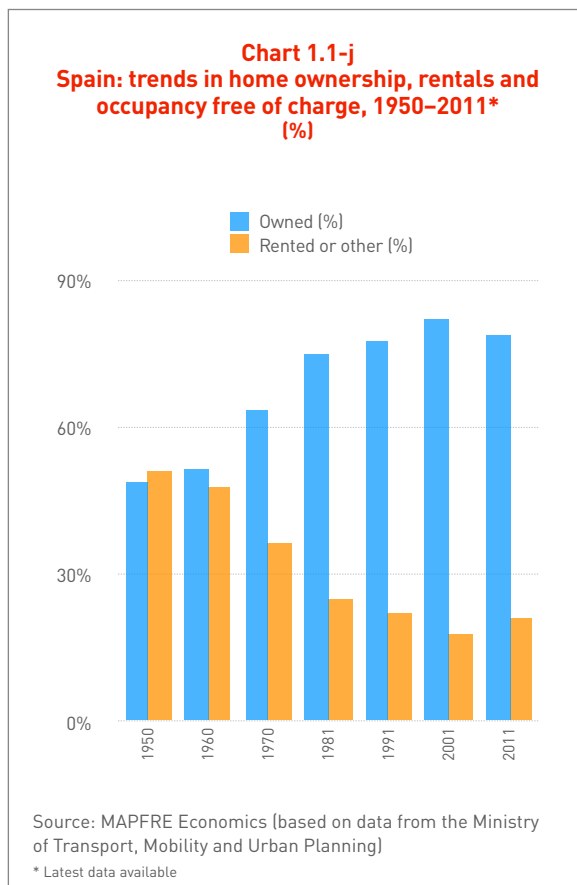
Source: MAPFRE Economics (based on data from the Ministry of Transport, Mobility and Urban Planning)

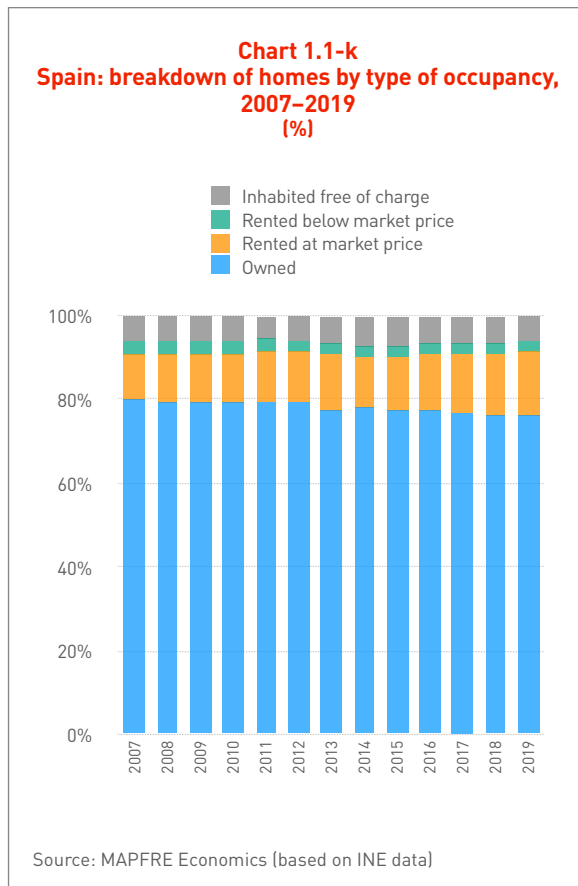


Canary Islands, 7.1%; Barcelona, 8.3%; and the Balearic Islands, 5.5%), with the sole exception of Madrid (7.6%). Exacerbating the negative trend recorded in 2019 (shown in Chart 1.1-g), the data for 2020 indicated a severe drop in year-on-year variations in transactions by both resident (-22.1%) and non-resident (-30.2%) foreign nationals<sup>3</sup>.

Furthermore, developments in mortgages taken out between 2016 and 2020 (see Chart 1.1-h), show that the number underwritten for both rural and urban properties dropped in their categories (homes and land). Mortgages granted in 2020 for the purchase and sale of homes made up 72.5% of total mortgages, slightly lower than 2019 (72.6%). In addition, the year-on-year variation in total mortgages over all types of property in the past year was -7.0% (see Chart 1.1-i), adding to the deceleration that occurred in 2019, which, while still positive (3.3%) was lower than that for 2018 (11.3%).

The Instituto Nacional de Estadística (Spanish national statistics institute — INE), through the *Índice General de Precios de Vivienda* (General Housing Price Index — IPV), recorded a year-on-year variation of 1.5% for the fourth quarter of 2020, less than half of the 3.6% variation





published for the same period in 2019, and well below the 6.6% figure posted in 2018. Regarding the IPV for new homes, 2020 closed with an increase of 8.2% compared to 5.3% for 2019, whereas the IPV for existing homes was 0.4% in 2020, compared to 3.4% for 2019.

Previous editions of this report have included the performance of residential rentals published by the Housing and Land Observatory of the Spanish Ministry of Public Works, showing the ongoing trend of reduced leasing in favor of home ownership until 2001, with the number of rentals then increasing in 2011 (latest ten-year data published) (see Chart 1.1-j). Moreover, more recent data from between 2007 and 2019 (the latest data available), on which the INE Living Conditions Survey is based, confirms that the reduction in the percentage of families owning their own homes reduced to 75.9% in 2019, from 76.1% in 2018, and the proportion of homes rented at market price increased accordingly to 15.4% in 2019 (14.8% in 2018), while homes rented below market price remained the same as the previous year at 2.7% (see Chart 1.1-k).

## Automobile sector

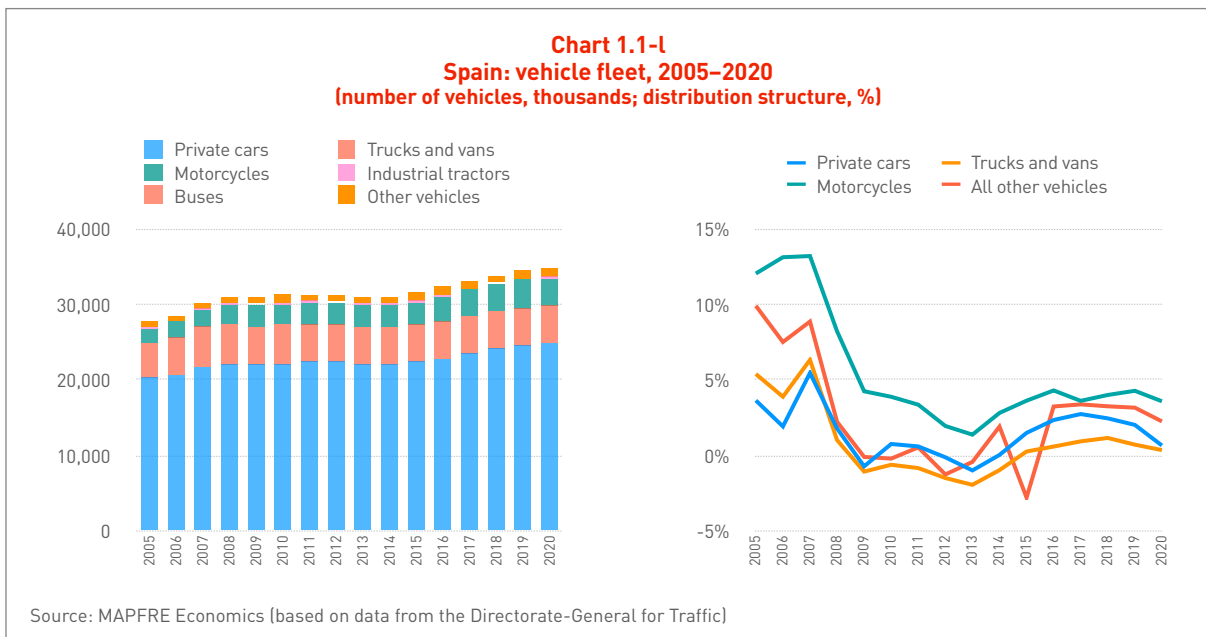
Spain's fleet of vehicles totaled 34.8 million in 2020, 1.0% more than the previous year<sup>4</sup>. Once again, it was the motorcycle segment that showed the greatest growth at 3.6%, while private cars, representing 71% of the total, rose by only 0.6% to 24.7 million (see Chart 1.1-l). Conversely, registrations performed poorly, with a drop of -28.4%. The overall decrease in all types of vehicles influenced this drop, particularly the -31.7% decrease in private car registrations (which represent 73% of all registrations for the year) and the -11.8% decrease in motorcycle registrations (which represent 12.6%). The percentage of vehicles over 10 years old as compared to the total rose slightly, from 63.1% to 63.6%.

In an unusual year marked by mobility restrictions due to the pandemic, restrictions and lockdown measures led to a decrease of 25% in the number of long-distance trips, to 321 million (427 million in the previous year). This decrease was greater on weekends (-35.5%) than on weekdays (-20.8%), and in light vehicles (-29.40%) than in heavy vehicles (-2.6%), which continued to supply the entire population even during the most difficult period of the pandemic.

Furthermore, there were 797 serious accidents on intercity roads in 2020, in which 870 people died and another 3,463 required hospitalization — a decrease of 21% in the number of accidents and deaths (213 fewer accidents and 231 fewer deaths) and a decrease of 22% in serious injuries (970 fewer). It should be noted that this is the lowest death figure since these data have been recorded and the first time that the number of deaths on intercity roads has been less than 1,000, a fact that must be examined within the context of the coronavirus pandemic, where mobility—and therefore loss experience related to road accidents—was reduced by 25%.

As for the number of deaths from traffic accidents, 670 people lost their lives in traffic accidents on two-lane roads, 127 fewer than in 2019. Despite this drop, this type of road continues to be the most dangerous, where the highest number of deaths is recorded (77% of total deaths). On the other hand, the





percentage of deaths caused by running off the road increased, from 39% in 2019 to 44% in 2020. During the first state of alarm, trucks over 3,500 kg were the only method of transport where the loss ratio increased (18 deaths in 2020 compared to 11 in 2019), going from 3% of all deaths on intercity roads between January 1 and March 14 to 15% during the state of alarm.

### Business sector

Based on data currently available from the Central Business Register (CBR), there were 3,404,428 active businesses in Spain at the beginning of 2020, which is an increase of 1.2% over the previous year, according to the new statistical concept for *businesses* modified by the INE to offer a more relevant vision of the current production system (initiative implemented and coordinated throughout the European Statistical System)<sup>5</sup>. The new definition of a *business* (implemented in 2018) underscores organizational structure, decision-making autonomy and market orientation; in other words, it accords preference to the economic aspects of units as opposed to the traditional perception, which focuses more on legal aspects.

Based on this information, as on January 1, 2020, "Industrial" was the least heavily weighted sector at 5.8%, followed by "Construction" at 12.3% and "Commercial" at 21.3%, while "Other Services" was once again the one with the highest weighting in the business population structure, representing 60.6% of the total. Seen in terms of size, the companies making up the Spanish business system are characterized by their small size, with 99.8% classified as small and medium-sized enterprises (SMEs)<sup>6</sup>. In this regard, over 1.91 million businesses (56.2% of the total) have no salaried employees, and another 907,192 (26.6%) have one or two employees. Out of all businesses with employees, those with 20 or more employees represent 4.9% of the total. Greater percentages of small businesses are found in the "Construction" and "Other Services" sectors, while large companies are concentrated in the "Industrial" sector, with 8.4% employing 20 or more employees.

In the autonomous communities, Catalonia is number one in terms of active businesses, with 18.5% of the total. Over 60% of active Spanish businesses are concentrated in four autonomous communities: Catalonia (18.5%), Madrid (16.2%), Andalusia (15.6%) and the

Valencian Community (10.9%). However, Madrid has the most businesses with over 250 employees (30.9%), followed by Catalonia (21.9%).

Based on INE statistics on commercial companies, 79,151 companies were created in 2020, 15.8% less than in 2019, in a year marked by the economic impact of the COVID-19 pandemic. Furthermore, the number of companies that were dissolved also decreased in 2020 (20,259), 13.1% less than in 2019, although the number of dissolved companies increased by 10.4% year-on-year in December 2020 alone. Capital increased in 25,195 companies in the year, 17.3% less than in 2019, and the capital subscribed in these increases dropped by 21.9%. 21.8% of the companies created were in the "Commercial" sector, while 15.2% were in "Real estate, finance and insurance". 19.4% of the dissolved companies were "Commercial", and 15.8% were "Construction". Finally, the communities seeing the largest increase in new companies overall for 2020 were Madrid (17,964) and Catalonia (15,020), while the communities with the largest number of companies dissolved were Madrid (6,715) and Andalusia (3,032).

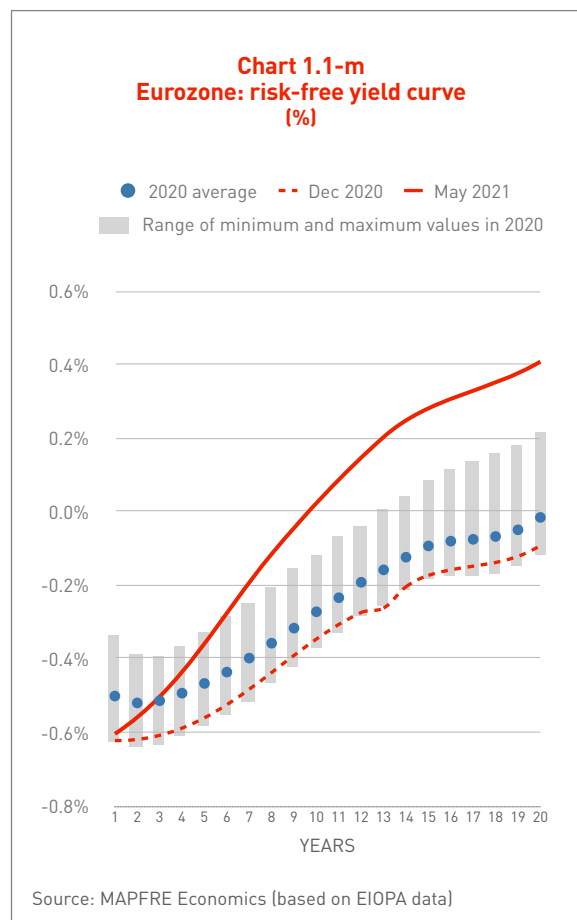
### Low interest rate environment

The low interest rate environment persisted, affecting the traditional Life Savings and whole life annuities business in 2020 alongside the deep economic recession caused by the pandemic. Chart 1.1-m shows the lowest, average and highest interest rates reached during 2020, as well as the latest risk-free interest rate curves for the euro published by EIOPA corresponding to December 2020 and May 2021.

At the beginning of 2020, the Spanish insurance market found itself in an environment where the economy had begun to decelerate against a backdrop of low interest rates. In this context, the ECB was already applying accommodating monetary policies with interest rates tied to low levels (0% for main financing operations and -0.5% for deposit facilities). In addition, in

response to this deceleration (which affected Spain along with the rest of the eurozone), the ECB had reactivated the net purchase program under the asset acquisition program in the closing months of the previous year, with a net increase of 20 billion euros per month. This was the starting point before the pandemic hit. The brake on the economy caused by the implementation of social distancing and lockdown measures for the population then combined with this slowdown in activity to cause an unprecedented recession.

The ECB's response was rapid and resounding, with the massive use of unconventional monetary policy measures (in addition to those just implemented) to provide liquidity to sovereign and corporate bond markets, an additional asset acquisition program (PEPP), which was later expanded to 1.85 trillion euros and made the maximum limits that could be acquired from the various



Member States more flexible in order to increase the purchases of those that needed it most. These unconventional measures made it possible to secure financing through sovereign and corporate bond markets, ensuring their liquidity with low risk premiums. The program is still in operation, with a timeline that will extend until the coronavirus crisis is considered over. In addition, the ECB also decided to extend the targeted long-term refinancing operations program (TLTRO III) until June 2022 in order to ensure broad liquidity conditions and maintain a high level of bank credit.

This package of measures helped to moderate the serious problems that could have resulted from the lack of liquidity in the eurozone bond markets, allowing them to continue to function properly and relaxing risk premiums. This means that companies and issuing states can continue to make their issuances, in order to access the necessary liquidity at a reasonable cost and to cope with the current situation and be able to refinance their debts. Nevertheless, as can be seen in Chart 1.1-m, the risk-free yield curve descended further into negative territory, with all of the curve's terms—even 20-year terms—affected, essentially halting the development of the traditional Life Savings and whole life annuity business for the insurance industry.

Recovery prospects have gradually improved in 2021 following considerable progress in the vaccination rate, which has reduced both the incidence of the pandemic and the number of deaths and hospitalizations and allowed the mobility restrictions that were in place to be relaxed. This improvement in prospects has been reflected in the interest rate curve, with a general upturn in market risk-free interest rates in the first four months of 2021 and a steeper gradient in the interest rate curve.

Despite the slight rebound in risk-free interest rates in the first five months of the year, they remain low, and are expected to continue to do so for a long time. This favors economic recovery and insurance activity, especially for more cyclical lines of business, but damages the traditional Life business and the profitability of insurance companies. Nevertheless, the Euro Stoxx 50 index is still performing well, which supports the development of Life insurance products where the policyholder assumes the risk of investment (unit-linked products). In addition, improving economic expectations can help this business, which is adversely affected by the preference of economic agents to remain in liquidity positions.

## 1.2. Demographic aspects

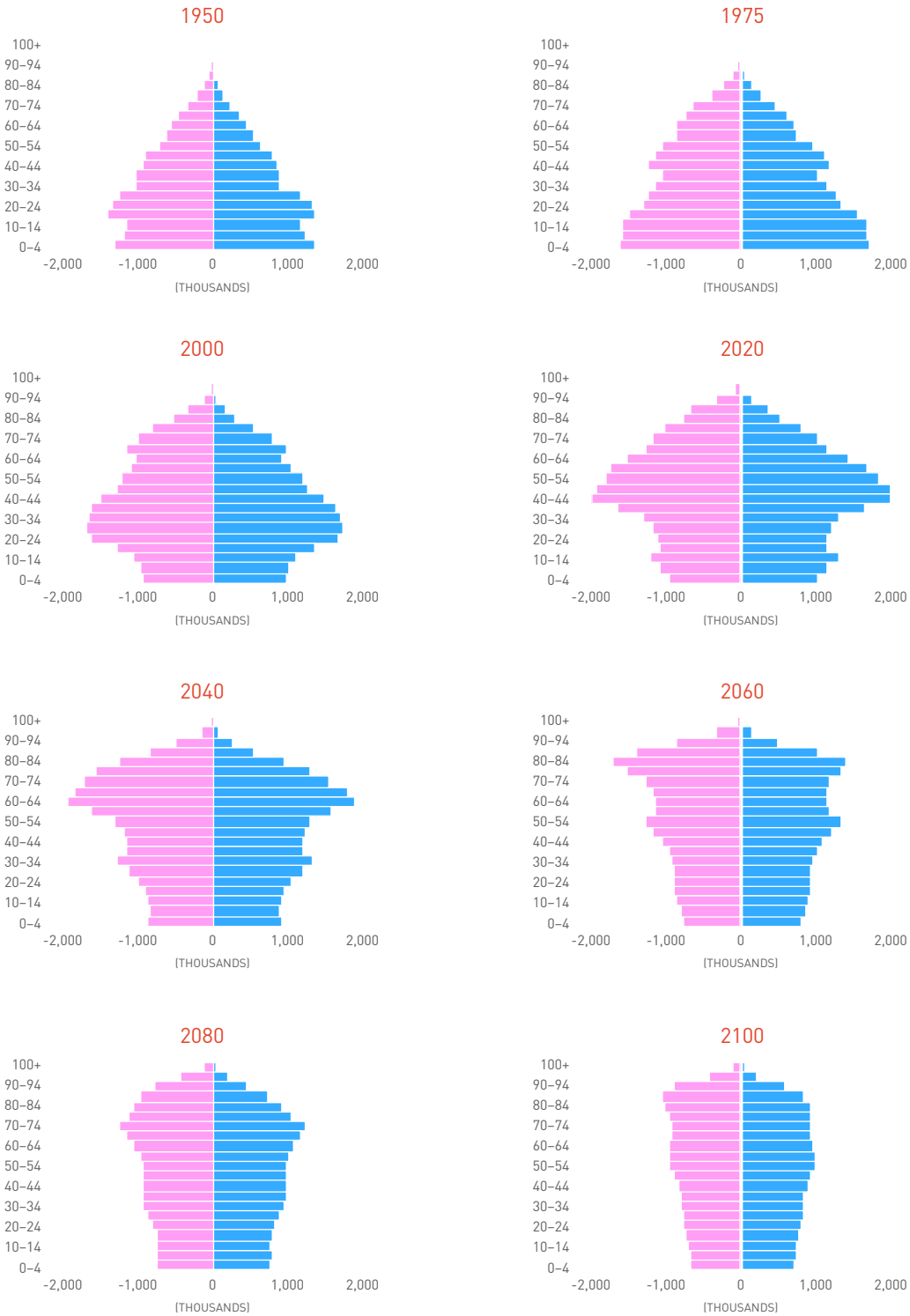
### Demographic trends

As regards demographic aspects in Spain, the population pyramids created based on the August 2019 update to United Nations (UN) data and forecasts, the latest available, continue to reflect the widespread issue of aging among the Spanish population (see Chart 1.2-a), due to the combination of high birth rates in the 1950s and 1960s, the subsequent fall in the birth rate, low mortality rates, and increased life expectancy.

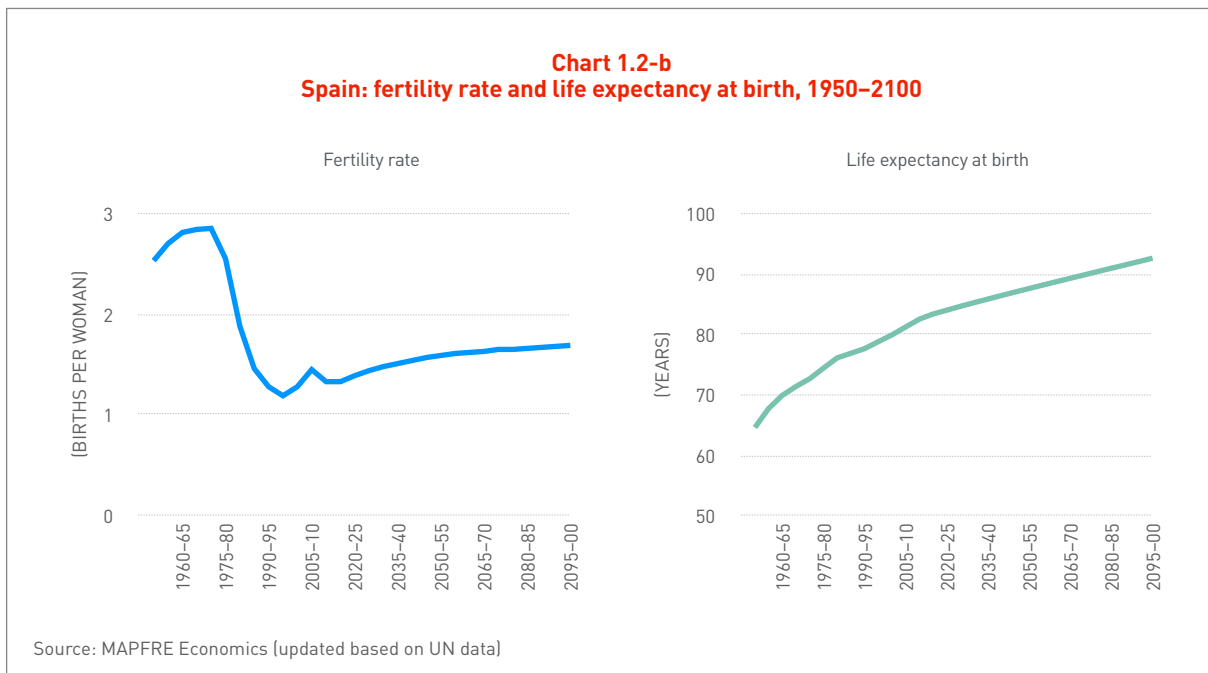
According to these forecasts (which have not yet captured the possible mortality effects caused by the COVID-19 pandemic), life expectancy at birth in Spain is expected to have reached 83.4 years in 2020, compared to 78.8 years in 2000 (an increase of almost five years over a 20-year period). According to UN forecasts, life expectancy at birth among the Spanish population will reach 87 by 2050 and around 93 in 2100 (see Chart 1.2-b).

**Chart 1.2-a**  
**Spain: evolution of the population pyramid, 1950-2100**

Women Men



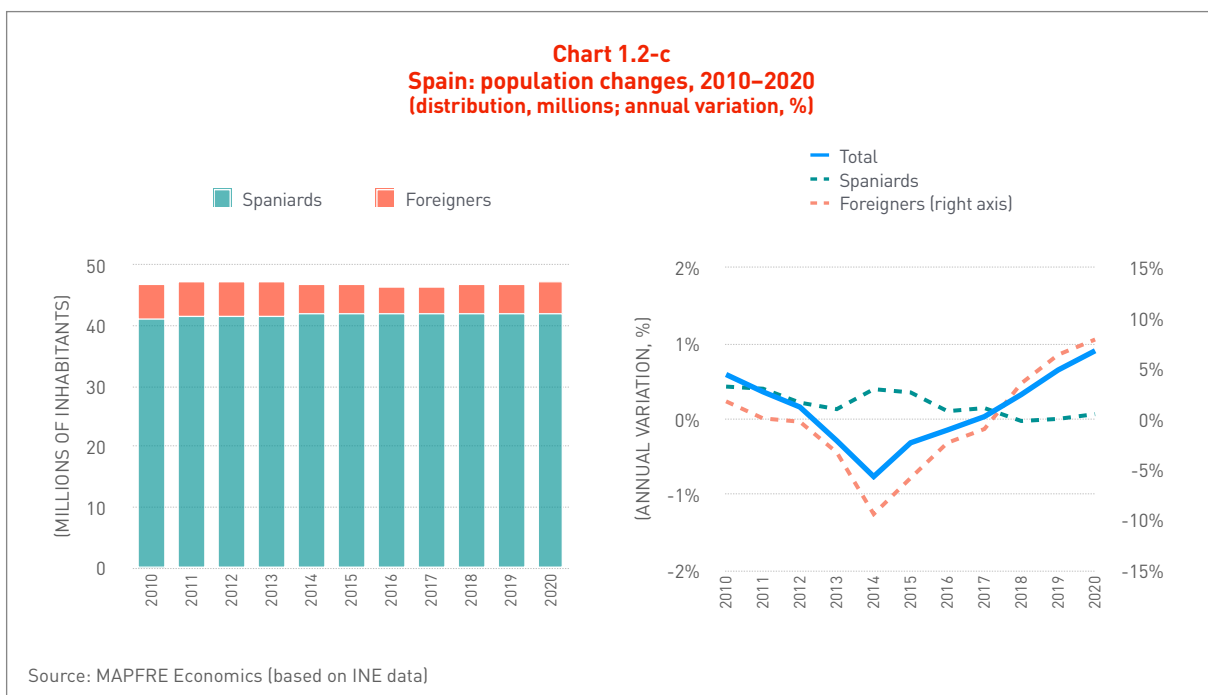
Source: MAPFRE Economics (updated based on UN data)



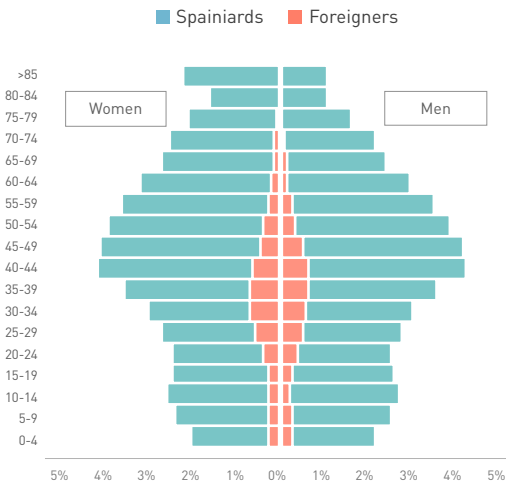
As noted in previous editions of this report, the issue of the aging population in Spain is becoming more pronounced, giving rise to a constrictive population pyramid, with no expectations of this trend being reversed (creating a stationary population pyramid) until the end of the century. Based on these population patterns and dynamics, a gradual increase in the aging population is expected over the next few years, with consequent fiscal pressures on the State as the so-called baby boomers approach retirement age.

### Situation in 2020

In terms of the demographic situation, according to the preview published by the INE containing definitive data as on January 2020 (the latest available data on the publication date for this report), the Spanish population had reached 47.5 million inhabitants, of which 88.5% were Spanish and 11.5% were foreign. As shown in Chart 1.2-c, the net number of



**Chart 1.2-d**  
**Spain: breakdown of the population by age and gender, 2020**  
 (structured in five-year cohorts, %)



Source: MAPFRE Economics (based on INE data)

Spaniards increased by 27,312 (0.07%) in 2019, while the number of foreigners increased by 397,275 (7.9%). In addition, the average age of the population registered in the Municipal Census was 43.8; 44.7 for Spaniards and 36.6 for foreigners. Lastly, Chart 1.2-d presents a breakdown of the population by age and gender, distinguishing between Spaniards and foreigners, based on definitive data published by the INE in January 2020.

## 2. Structure of the insurance industry

### 2.1. Market concentration

The analysis of the Herfindahl and CR5 indices and the changes in the number of companies operating in the Spanish insurance market show a certain trend toward market concentration, albeit remaining within limits indicating a high level of competition. Chart 2.1 shows that while the Herfindahl index stood at 550 points in 2010, by 2020 this indicator had risen to 567 points, although decreasing slightly from the previous year (582 points in 2019) and still below the theoretical threshold (1,000–1,500 points), which indicates early signs of concentration in the industry.

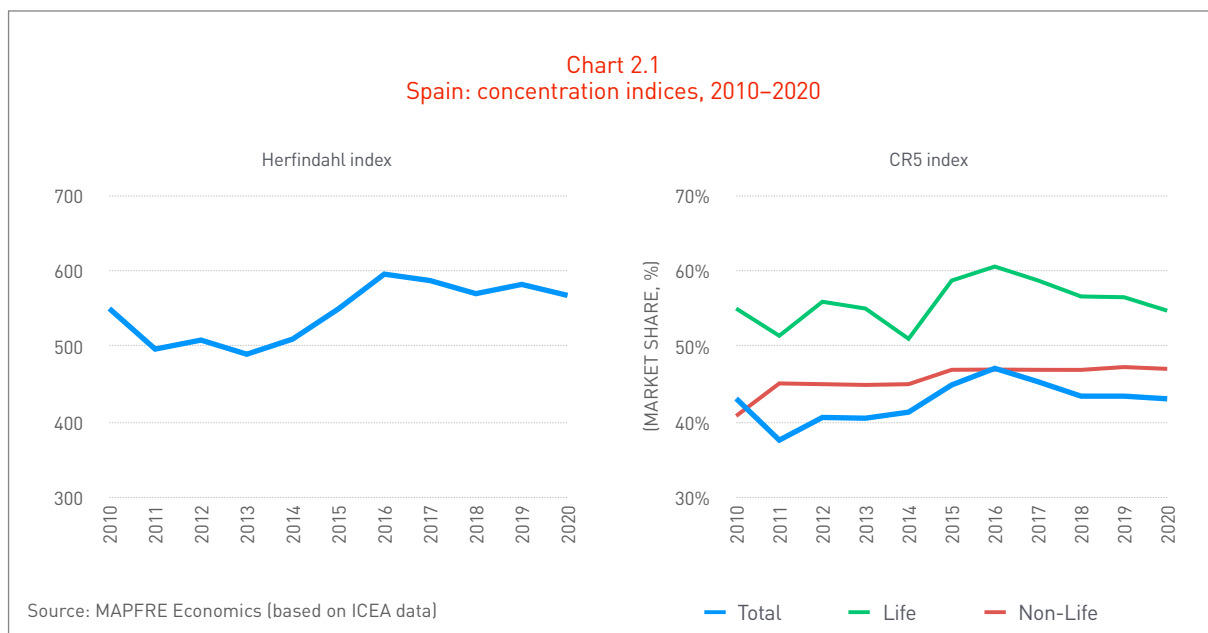
The CR5 index also reflects this concentration increase over the 2010–2020 period, although dropping in recent years, heavily influenced by the performance of the Life line. Chart 2.1 also clearly reflects a slight drop in premium revenue over the past four years in the five groups with the greatest share of the segment,

resulting in their market share falling by about 6 pp since 2016, to 54.7%. The first five Non-Life groups increased their share by more than 6 pp, from 40.8% in 2010 to 47.0% in the last fiscal year.

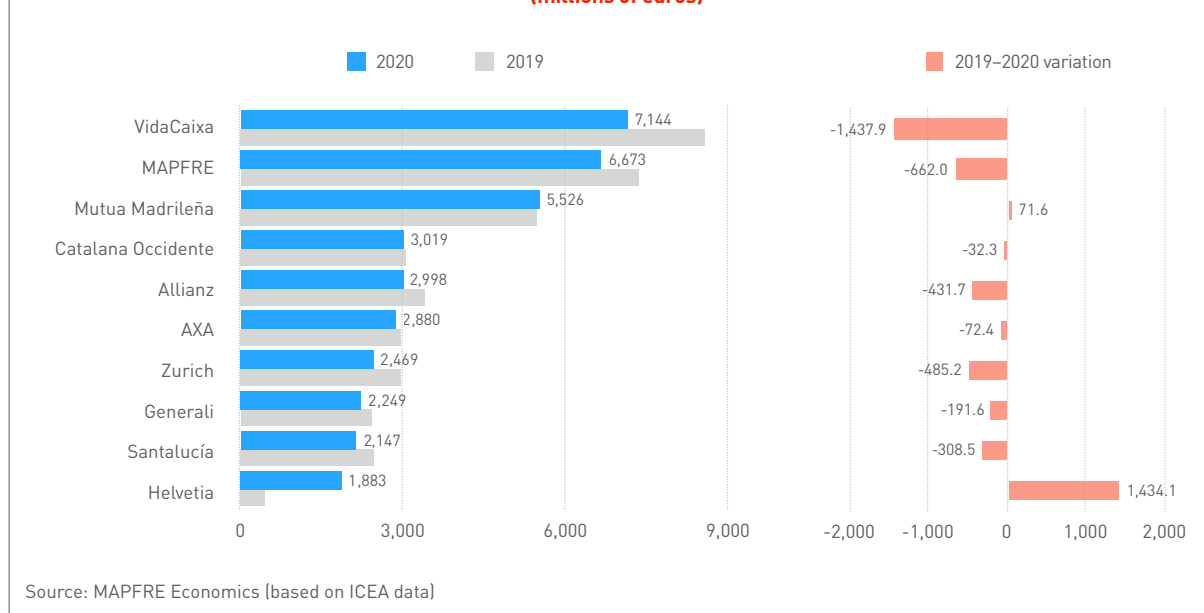
### 2.2. Company ranking

#### Total market

As can be seen in Chart 2.2-a, VidaCaixa continued to lead the ranking of the ten largest insurance groups in the Spanish market by premium volume in 2020, with revenue of 7.14 billion euros — a decrease of -16.8% compared to the previous year due to the reduction in sales activity during the state of alarm. This drop in revenue represents a 1.2-pp reduction in its market share, to 12.1%. In turn, MAPFRE retained second place with an 11.3% share, representing a drop of 0.1 pp, followed by Mutua Madrileña, which increased its premium volume by 1.3% and its market share by 0.9 pp. As for



**Chart 2.2-a**  
**Spain: overall ranking of insurance groups by premium volume, 2019–2020**  
 (millions of euros)



the other groups, the most notable development was the rise of Helvetia to tenth place in the ranking, after it acquired a majority share of about 70% in the Caser group. In 2019, the Swiss group was 18th in the ranking, with 449 million euros in premiums and a market share of 0.7%, but it reached 1.88 billion euros in premiums and a 3.2% share in 2020.

Multirisk lines, which made up for the drop in Automobile. As mentioned above, Helvetia's significant growth following its acquisition of a majority share in Caser is noteworthy, with the company moving to eighth place in the ranking in this market segment.

## Life market

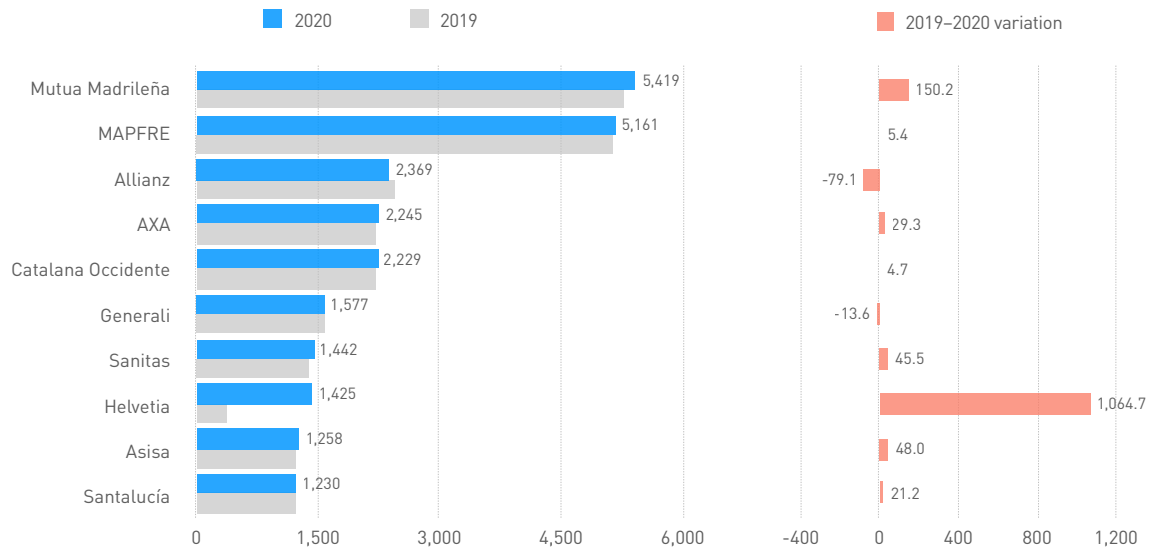
### Non-Life market

The Non-Life segment performed positively in 2020, with premium growth of 1.1%, despite extraordinary circumstances with the outbreak of the COVID-19 pandemic. As can be seen in Chart 2.2-b, all groups in the Non-Life ranking experienced premium growth in 2020, save for a slight decrease for Allianz and Generali. The Mutua Madrileña group led the ranking of the ten largest insurance groups in the Non-Life business in Spain, with premium growth of 2.9% in 2020 and a market share of 14.6%, as a result of the positive performance of its various insurance lines, particularly Health. MAPFRE retained second place in the classification with a 13.9% share and a slight increase of 0.1%, thanks to good performance in the Health and

As can be seen in Chart 2.2-c, the decrease of -20.7% in Life premium volume in the Spanish insurance market is reflected in this ranking of the ten largest insurance groups in the segment, with all groups except Ibercaja recording a drop in premiums in 2020. VidaCaixa continued to lead the classification in 2020, increasing its share by 1.5 pp to 32.6%, despite a decrease of -16.8% in its premium revenue. The major reasons for this decrease were the reduction in sales activity during the state of alarm and the continued low interest rate environment.

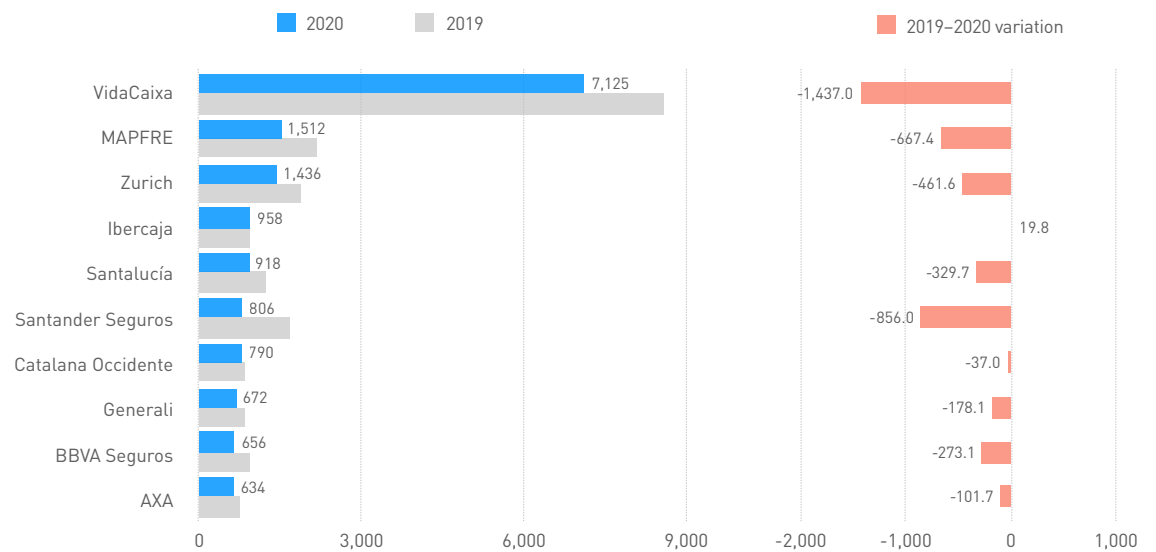


**Chart 2.2-b**  
**Spain: overall ranking of Non-Life insurance groups by premium volume, 2019–2020**  
 (millions of euros)



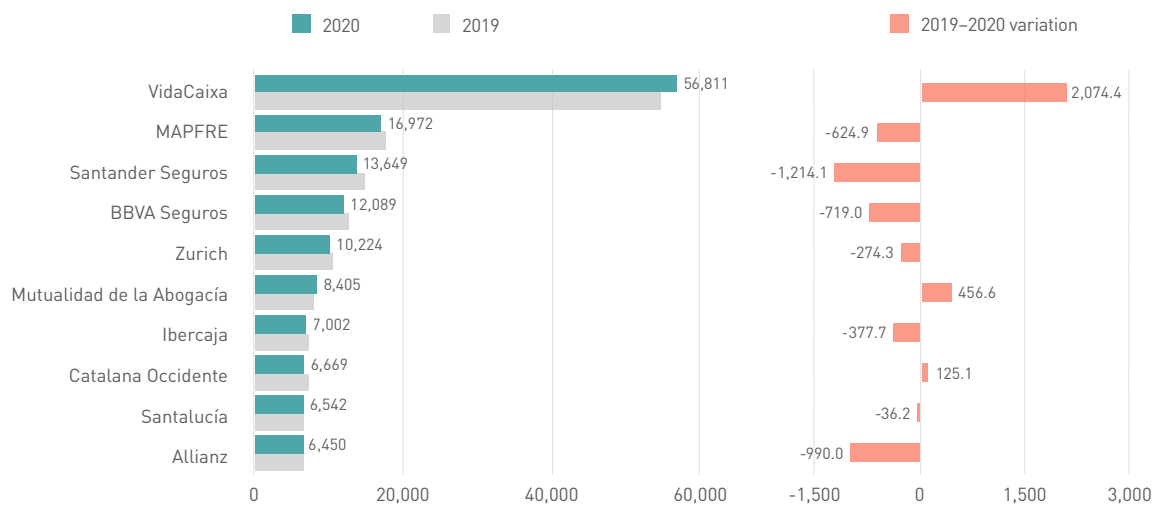
Source: MAPFRE Economics (based on ICEA data)

**Chart 2.2-c**  
**Spain: overall ranking of Life insurance groups by premium volume, 2019–2020**  
 (millions of euros)



Source: MAPFRE Economics (based on ICEA data)

**Chart 2.2-d**  
**Spain: overall ranking of insurance groups by Life technical provisions, 2019–2020**  
 (millions of euros)



Source: MAPFRE Economics (based on ICEA data)

## Managed savings

With respect to the 2020 ranking of the volume of technical provisions, Chart 2.2-d shows the ten insurance groups with the highest volume of savings managed that year (by their business in Spain). This ranking is led by VidaCaixa, with 56.81 billion euros in Life insurance technical provisions, representing a 29.3% share. MAPFRE ranks second with 16.97 billion euros in provisions and an 8.7% share. The ranking of the groups has hardly changed from the previous year, except for Allianz dropping three places from seventh to tenth, due to the sale of its share in Allianz Popular Vida to Banco Santander, and Ibercaja and Catalana Occidente moving up one and two places respectively. Managed savings only increased in three groups, and decreased in the others.

## 2.3. Insurance market structure

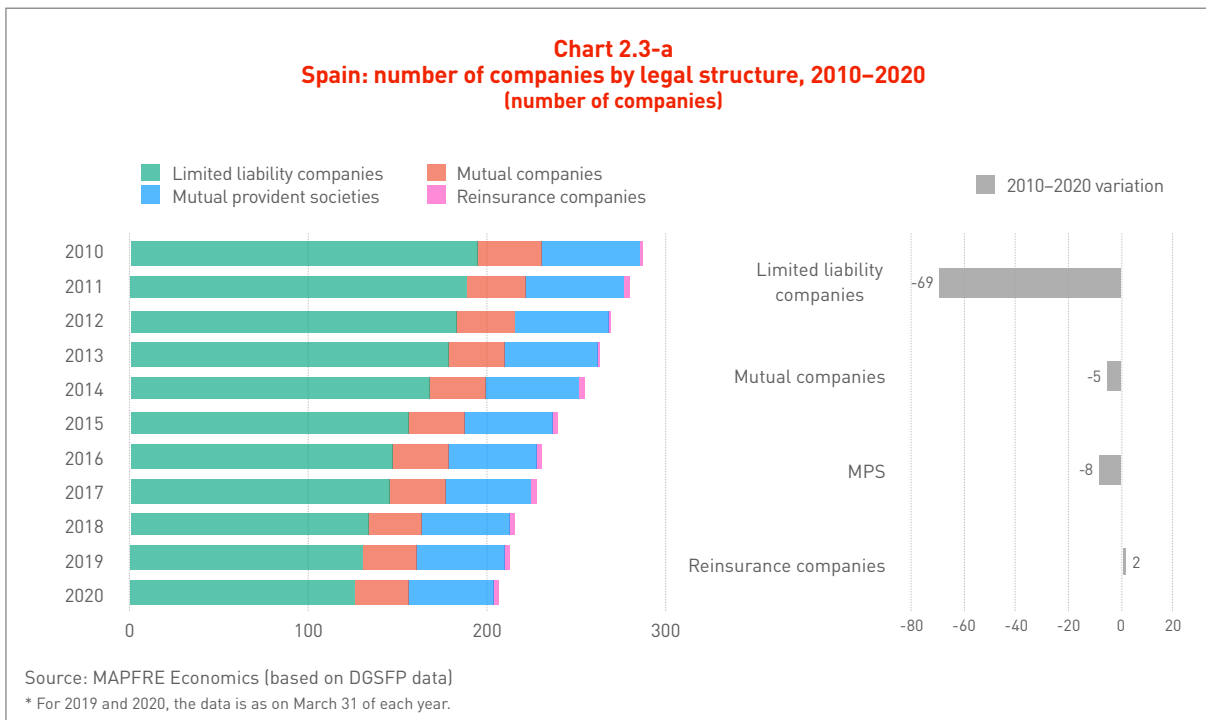
### Insurance companies

Due to the consolidation that has taken place in the Spanish insurance industry over the last few years, the number of insurance companies has been decreasing, as can be

seen in Chart 2.3-a, which shows that by March 2020 there were 69 fewer companies than in 2010. Factors that have influenced this process include the reorganization of bancassurance agreements made by some banks following mergers with other credit institutions, as well as the entry into force of the Solvency II regulation, with insurance companies seeking a more appropriate size to deal with these new quantitative and qualitative requirements.

At the end of March 2020, the *Registro Administrativo de Entidades Aseguradoras* (administrative register of insurance companies — RAEA) reported the existence of 207 insurance companies in the Spanish market, five fewer than in March 2019. Their legal structure can be broken down as follows: 126 limited liability companies, 30 mutual companies, and 47 mutual provident societies (MPS) (under the control of the General Directorate for Insurance and Pension Funds [DGSFP]), as well as 4 specialized reinsurance companies.

As for the reorganization processes under way in the bancassurance alliances, an agreement was signed in 2019 allowing for MAPFRE Vida to



acquire 51% of Caja Granada Vida and Cajamurcia Vida y Pensiones. Bankia MAPFRE Vida and the companies Caja Granada Vida and Cajamurcia Vida merged on December 31, 2020. The Life business is managed through Bankia MAPFRE Vida, of which MAPFRE has a 51% shareholding. The takeover of Bankia by Caixabank would spur the application of the contractual clause for change of control over Bankia, which grants MAPFRE the option to leave the alliance.

Furthermore, throughout 2020, Banco Santander reorganized the bancassurance business that it acquired with the purchase of Banco Popular. At the beginning of 2020, Banco Santander completed the purchase of the 60% share it needed to control 100% of Allianz Popular Holding, created by the alliance between Banco Popular and the insurer Allianz and made up of three companies: Allianz Popular Vida, Allianz Popular Pensiones and Allianz Popular Asset Management. Subsequently, in July, Aegon acquired 51% of the Life Protection insurance business run by Banco Santander and 51% of the Banco Popular network's new general P&C business not transferred to MAPFRE (as per the agreement between the two companies). In addition, in December 2020, the Spanish Ministry of Economic Affairs and Digital Transformation authorized the transfer

of Popular Vida's 2020 Life Savings insurance portfolio to Santander Seguros.

As mentioned above, one important transaction was Helvetia's acquisition of a majority holding (around 70%) in the insurer Caser. With this operation, Helvetia significantly increased its market share and position with regard to its competitors in Spain, boosted its significant Non-Life business even further, and increased its sales capacity.

Finally, in April 2020, BBVA and Allianz signed an agreement for a bancassurance joint venture, including a long-term exclusive distribution agreement for the sale of Non-Life products (excluding Health) through BBVA's banking network in Spain.

### International presence of Spanish insurers

Table 2.3 and Chart 2.3-b rank the four largest internationally active Spanish insurance groups in terms of global premium volume. This information illustrates the extent to which Spanish insurance groups are internationalized. The data refer to 2019 and 2020, and compare domestic business and total business (including international business).

**Table 2.3**  
**Ranking of main internationally active Spanish insurance groups by total insurance premiums at a global level, 2020**  
 (millions of euros)

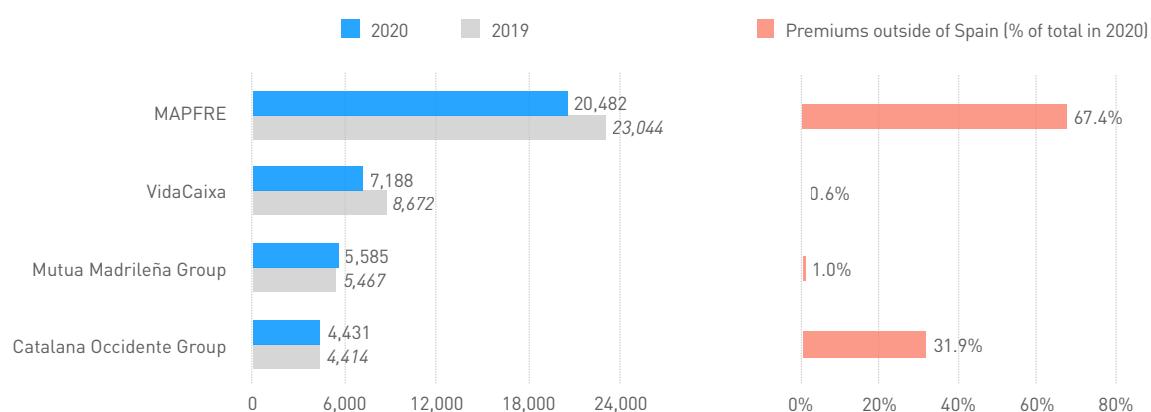
Insurance group	2019					2020				
	Global premiums	(millions of euros)		(structure, %)		Global premiums	(millions of euros)		(structure, %)	
		Premiums in Spain	Premiums outside of Spain	Premiums in Spain	Premiums outside of Spain		Premiums in Spain	Premiums outside of Spain	Premiums in Spain	Premiums outside of Spain
<b>MAPFRE</b>	23,044	7,335	15,709	31.8%	68.2%	20,482	6,673	13,809	32.6%	67.4%
<b>VidaCaixa</b>	8,672	8,582	90	99.0%	1.0%	7,188	7,144	44	99.4%	0.6%
<b>Mutua Madrileña Group</b>	5,467	5,455	12	99.8%	0.2%	5,585	5,526	59	99.0%	1.0%
<b>Catalana Occidente Group</b>	4,414	3,051	1,363	69.1%	30.9%	4,431	3,019	1,412	68.1%	31.9%

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

When ranking by total premium, MAPFRE holds first place with a premium volume of 20.48 billion euros in 2020, although this is 11.1% lower than in 2019 as a result of the global economic situation due to the COVID-19 crisis. It should be noted that in addition to the global shutdown in economic activity, the volume of business was affected by the depreciation of major currencies in the emerging markets where the group operates.

VidaCaixa came in second place, with 7.19 billion euros in direct insurance and accepted reinsurance earned premiums in 2020, 17.1% less than in 2019. VidaCaixa is part of CaixaBank and also possesses 49.92% of SegurCaixa Adeslas, along with the full share capital of the Portuguese company BPI Vida e Pensões, which it acquired in 2017. BPI Vida e Pensões recorded 538 million euros in direct insurance premiums in 2020, compared to 831 million in 2019, positioning it in third place in Portugal's total Life premium ranking.

**Chart 2.3-b**  
**Ranking of main internationally active Spanish insurance groups by premium volume, 2020**  
 (millions of euros)



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

It should be noted that MAPFRE and VidaCaixa are the Spanish insurers selected by EIOPA to participate in the 2021 stress test for the European insurance market. The 2021 stress test focuses on a prolonged COVID-19 scenario, in a lower and longer interest rate environment, and will assess the resistance of its participants to adverse capital and liquidity-related scenarios to provide supervisors with information on whether insurers can resist severe but plausible shocks. These insurance groups have been selected based on size, market coverage throughout the European Union, the lines of business offered (Life and Non-Life business), the number of jurisdictions represented and, secondly, coverage of the local market. Overall, the object sample, defined in cooperation with the competent national authorities, covers 75% of the European Economic Area based on total Solvency II assets.

The third group in the ranking, Mutua Madrileña, reached 5.59 billion euros in direct insurance and accepted reinsurance written premiums in 2020, with an increase of 3.6% in the Non-Life segment at 5.47 billion euros, and a drop of 37.3% in the Life line. International expansion is one of the group's key strategic pillars for the coming years set out in its geographic, channel and product diversification model. In 2020, Mutua Madrileña increased its participation in the Chilean group Bci Seguros to 60% and formalized its 45% participation in the Colombian company Seguros del Estado, after obtaining authorizations from the competent authorities and regulatory bodies.

The Catalana Occidente Group, which holds fourth place in this ranking, is an insurance multinational operating in more than 50 countries through more than 50 companies. The total volume of earned premiums from direct insurance and accepted reinsurance for fiscal year 2020 was 4.43 billion euros, a slight increase of 0.4%. Positive performance in traditional business, namely Multirisk insurance, partially offset the decrease in credit insurance. The Life segment in turn performed well, with turnover increasing by 8.7%, including the Antares business, for the entire fiscal year.

As for the international activity of other Spanish groups, although Santalucía mainly operates in Spain, the group is committed to internationalizing its business at the strategic level, signing agreements and forming alliances that allow it to export its business models to other markets, such as Burial insurance, which provides funeral services and services concentrating on the elderly. Santalucía is currently active in Burial insurance in Portugal (through an alliance with Fidelidade), Argentina (where it is distributed through Santalucía Argentina), Colombia (via an agreement with Fundación Grupo Social for distribution of Burial and Assistance insurance through Colmena) and Chile (where it is sold through Bice Vida). Allocated premiums from international business reached 10.3 million euros in 2020.

Asisa operates primarily in Spain, where it provides insurance and assistance activity throughout almost the entire country, but it is growing internationally through new initiatives in various regions. Its operations extend to several countries in Europe, Latin America and the Near East, primarily in the assistance area. In 2020, it was involved in insurance activity in the Life and Non-Life areas in Portugal, operating as a branch. The group's objective is to reproduce the comprehensive health service model that it has developed in the Spanish market in Portugal over the medium-term.

The insurance operations of Banco Santander come under its Wealth Management & Insurance division. In 2020, its focus was on increasing business unrelated to credit and expanding distribution through digital channels. Its Automobile business continues to perform well in Latin America, working with various insurers and new mobility products. In Europe, through its joint venture with MAPFRE, it has launched a Multirisk insurance offering for SMEs in Spain and Portugal and improved its digital services in the United Kingdom and Portugal. It has a gross written premium volume of 7.9 billion euros (down 3% compared to 2019), affected by lower lending and savings activity due to the crisis.

The premiums written by BBVA Seguros reached a total of 1.13 billion euros for all BBVA insurance activity in Spain in 2020<sup>7</sup>, -21% less than in the previous fiscal year. This is explained by the drop in activity during the COVID-19 lockdown period, reduced sales of individual savings insurance due to the continuing low interest rate environment and the transfer of the Non-Life business to the new company BBVA Allianz Seguros. BBVA has insurance operations outside of Spain in Mexico, Argentina, Colombia, Venezuela and Turkey. In 2020, its subsidiaries in Mexico (Seguros BBVA Bancomer, BBVA Bancomer Seguros Salud, and Pensiones BBVA Bancomer), its main foreign market, recorded 53.37 billion pesos in premiums (2.18 billion dollars), a slight decrease of -0.8%.

CESCE is the flagship for a group of companies that offer comprehensive solutions for commercial credit management and in issuing surety and guarantees in part of Europe and Latin America. In the area of business for its own account, CESCE's volume of earned premiums from direct insurance and accepted reinsurance was 133.8 million euros in Spain, compared to 122.7 million in the previous year. CESCE has more subsidiaries in Latin America than anywhere else, with five, and one branch in Portugal, where its overall premium volume is about 53 million euros.

Finally, AMA Seguros, a Spanish company that specializes in providing insurance to health professionals, has been present in Ecuador for six years as AMA América. The insurer had a premium volume of 2.2 million dollars in the country at the end of 2020.

## Spanish companies active in the European Economic Area

As on December 31, 2019, based on the latest DGSFP data available, there were 47 branches

(53 in 2018) operating under the right of establishment in the countries in the European Economic Area (EEA), corresponding to 15 Spanish insurance companies. The country of establishment with the largest number of branches was Portugal (11), followed by Italy (6) and the United Kingdom (4). The United Kingdom exited the European Union on January 31, 2020, marking the start of a transition period that ran until December 31, 2020. After this date, any British companies that wished to continue operating in Spain would have to comply with the regulation for third countries, unless an agreement was reached between the United Kingdom and the European Union. As a result, as on January 1, 2021, insurance companies and insurance intermediaries domiciled in the United Kingdom (including Gibraltar) were no longer authorized to operate in Spain.

As of the end of 2019 there were 53 Spanish companies operating under the freedom to provide services in the EEA, one fewer than in 2018, with Portugal and the United Kingdom still leading with the most companies, followed by Germany and France. Direct insurance and accepted reinsurance gross premiums from these operations amounted to 3.93 billion euros in 2019 (latest data available), with 88% corresponding to Spanish branches in the EEA mainly in the Non-Life business (2.8 billion euros). The companies operating under the freedom to provide services regime recorded 476 million euros. The largest markets in terms of total business were the United Kingdom, France, Portugal and Italy, in that order.

### Foreign investment in the Spanish insurance industry

According to the latest DGSFP data, 21 companies in Spain had foreign capital in 2019, one less than the previous year. The amount of subscribed capital from foreign investors totaled 1.17 billion euros (compared to 1.1 billion in 2018), representing 12.89% of the sector's total capital (11.87% in 2018). It is worth noting that the ranking of companies operating in Spain, shown in part 2.2 of this section of the report, indicates the extent to which large international insurance groups are present in Spain.

Furthermore, as at December 31, 2019 (latest data available) there were 83 branches of EEA country companies and 2 branches of third country companies operating in Spain. At the end of 2018 (latest data available), there were 856 companies authorized to operate in Spain under the freedom to provide services regime, although not all of them were actually conducting operations in Spain. The direct insurance and accepted reinsurance premium volume totaled 5.36 billion euros in 2018 (latest data available), 7.5% more than the previous year, while the premiums issued in companies operating under both the freedom to provide

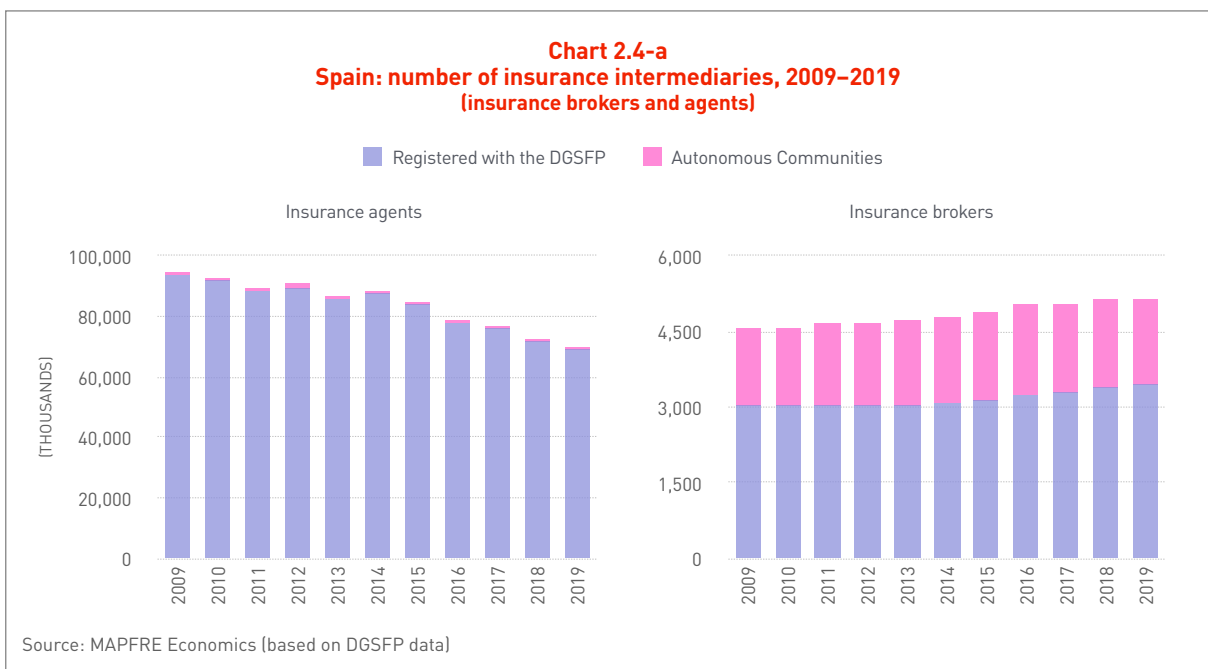
services regime and the right of establishment increased by 10.8% and 5.8% respectively.

### Mutual provident societies

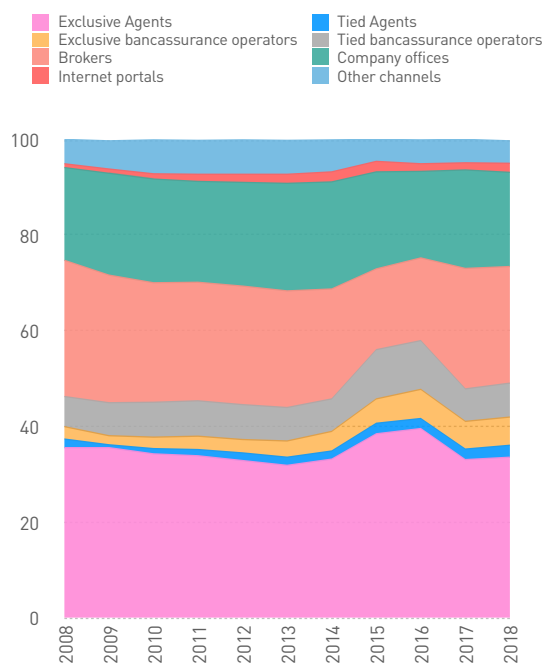
Finally, mutual provident societies are non-profit private insurance companies that offer a voluntary insurance modality in addition to the compulsory social security system, and can also act as alternatives to the social security regime for self-employed workers. In this sector, 219 mutual provident societies belonging to all professional sectors participate, either directly or through autonomous federations, in the Spanish Confederation of Mutual Societies, the largest entity representing mutual provident societies in Spain. Premium revenue was 2.62 billion euros in 2020. In addition, the volume of managed assets at the end of 2020 totaled 49.44 billion euros, compared to 46.72 billion euros in 2019.

### 2.4. Distribution channels

Regarding distribution channels in the Spanish insurance market, according to the latest information available from the DGSFP, there were a total of 75,440 insurance intermediaries in Spain as on December 31, 2019 (-3.4% less

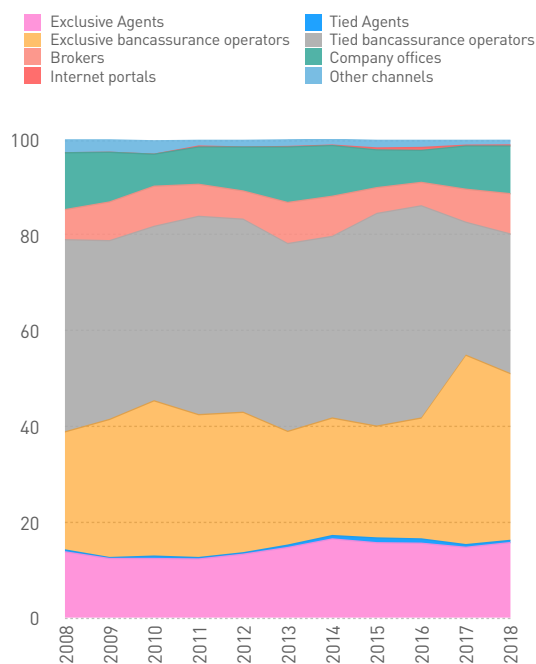


**Chart 2.4-b**  
Spain: percentage distribution of the Non-Life business portfolio by channel (%)



Source: MAPFRE Economics (based on DGSFP data)

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



Source: MAPFRE Economics (based on DGSFP data)

than in 2018), with 96.8% registered with the DGSFP and remaining 3.2% registered with the Autonomous Communities (see Chart 2.4-a). Of these, 69,670 were exclusive agents and operators; 523 were tied bancassurance agents and operators, and 5,175 were insurance brokers. Lastly, as at the end of 2019, there were also a total of 72 reinsurance brokers.

Regarding the evolution of the intermediary business, with a more detailed breakdown by channel between 2008 and 2018 (period available with this level of detail), which is shown in Charts 2.4-b and 2.4-c, in the case of the Non-Life insurance segment, the main channels over the last few years were, on the one hand, exclusive agents and brokers (both of these coming to 58.1% of the total volume of business in 2018) and, on the other, sales through the companies' own offices (19.7% of all business in 2018). Emerging channels (such as online sales) continue to represent a relatively small portion of Non-Life insurance distribution, not even reaching 2% in 2018.

As regards the Life insurance segment, the most significant part of the business has been channeled through exclusive and tied bancassurance operators, with exclusive operators increasing their share from 24.7% to 34.9% during the period under analysis, and tied operators decreasing their share from 40.2% to 29.2%. The main channels are exclusive agents, company offices, brokers, and tied agents, in that order. Online sales in this line remain negligible.

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



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

Channel	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Exclusive Agents</b>	35.7	35.7	34.4	34.0	33.0	32.0	33.3	38.6	39.7	33.2	33.7
<b>Tied Agents</b>	1.8	0.6	1.1	1.3	1.6	1.7	1.7	2.2	2.1	2.2	2.5
<b>Exclusive bancassurance operators</b>	2.6	1.9	2.4	2.8	2.8	3.4	4.1	5.1	6.1	5.8	5.9
<b>Tied bancassurance operators</b>	6.3	6.9	7.3	7.4	7.3	7.0	6.8	10.3	10.2	6.8	7.1
<b>Brokers</b>	28.5	26.7	25.0	24.8	24.8	24.4	23.0	16.9	17.3	25.2	24.4
<b>Company offices</b>	19.4	21.3	21.7	21.1	21.7	22.5	22.4	20.3	18.1	20.6	19.7
<b>Internet portals</b>	0.8	0.9	1.1	1.5	1.7	1.9	2.1	2.2	1.6	1.5	1.9
<b>Other channels</b>	5.1	5.9	7.1	7.1	7.2	7.1	6.7	4.6	5.0	4.9	4.7
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MAPFRE Economics (based on DGSFP data)

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

Channel	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Exclusive Agents</b>	13.9	12.5	12.5	12.4	13.4	14.8	16.6	15.8	15.7	14.9	15.8
<b>Tied Agents</b>	0.4	0.2	0.5	0.3	0.3	0.5	0.7	1.0	0.9	0.6	0.5
<b>Exclusive bancassurance operators</b>	24.7	28.9	32.5	29.9	29.4	23.8	24.6	23.4	25.3	39.6	34.9
<b>Tied bancassurance operators</b>	40.2	37.4	36.5	41.5	40.4	39.3	38.0	44.5	44.4	27.8	29.2
<b>Brokers</b>	6.3	8.1	8.4	6.7	5.9	8.6	8.4	5.4	4.9	6.9	8.4
<b>Company offices</b>	11.9	10.4	6.7	7.8	9.2	11.6	10.6	7.9	6.7	9.0	10.0
<b>Internet portals</b>	0.0	0.0	0.0	0.2	0.0	0.1	0.1	0.4	0.6	0.2	0.2
<b>Other channels</b>	2.7	2.6	2.8	1.2	1.4	1.4	1.2	1.6	1.5	1.0	1.0
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: MAPFRE Economics (based on DGSFP data)



## 3. The insurance market in 2020: an analysis of the main business lines

### 3.1. Total market

#### The global insurance business in 2020

The global insurance industry was affected by the effects of the COVID-19 pandemic in 2020, resulting in a decrease in premium revenue in many of the most advanced markets and some of the emerging ones, if you exclude the positive performance of the Chinese insurance market. Premium volume worldwide was 6.3 trillion dollars, a decrease of -1.3% in real terms compared to the increase of 3.0% recorded in 2019.

The Life segment has been affected more severely by the crisis caused by the pandemic, mainly in savings products, with another year of persistent low interest rates and a decrease in real terms of -4.4% in written premiums. Unit-linked insurance products were affected by market volatility at the beginning of the year, but began to recover in the second half. The drop occurred in both advanced and emerging markets, excluding China, which saw an increase in real terms of 2.8%, measured in dollars. Insurance markets in the EMEA region sustained the greatest fall [-9.1%].

Non-Life insurance, on the other hand, proved resistant to the crisis, and underwriting was not stalled, largely due to the acceleration of digitization processes. Non-Life premium volume was 3.5 trillion dollars, a year-on-year increase of 1.5% in real terms. The Health line has been the line of business that has grown the most overall in the markets (driven by health risk aversion), while Automobile insurance has been one of the lines most affected by the crisis, with decreases in premium revenue but also lower loss experience due to the lockdown measures adopted by governments to address the COVID-19 pandemic. Asia-Pacific markets experienced better performance, driven by the growth of the Chinese market.

In order to provide a general overview of the comparative size of the main insurance markets, Table 3.1-a shows a comparison of premium volumes, density (premiums per capita), and penetration (premiums/GDP) in the main international insurance markets. According to this information, the Spanish market holds 14th place in the ranking of world markets by premium volume, behind Hong Kong.

**Table 3.1-a**  
**Size of the world's largest insurance markets,**  
**2020**  
**(indicators)**

Country	Premiums (billions of dollars)	Premiums per capita (dollars)	Premiums /GDP (%)
United States	2,530.6	7,673	12.0%
China	655.9	455	4.5%
Japan	414.8	3,280	8.1%
Great Britain	338.3	4,523	11.1%
Germany	258.6	3,108	6.8%
France	231.3	3,317	8.6%
South Korea	193.7	3,741	11.6%
Italy	162.0	2,692	8.6%
Canada	143.5	3,775	8.7%
Taiwan	113.3	4,800	17.4%
India	108.0	78	4.2%
Netherlands	87.5	5,022	9.6%
Hong Kong	73.1	9,746	20.8%
Spain	66.3	1,396	5.2%
Australia	62.8	2,448	4.7%
<b>World</b>	<b>6,287.0</b>	<b>809</b>	<b>7.4%</b>

Source: MAPFRE Economics (based on Swiss RE data)

## The Spanish insurance industry in 2020

### Increase in premium volume

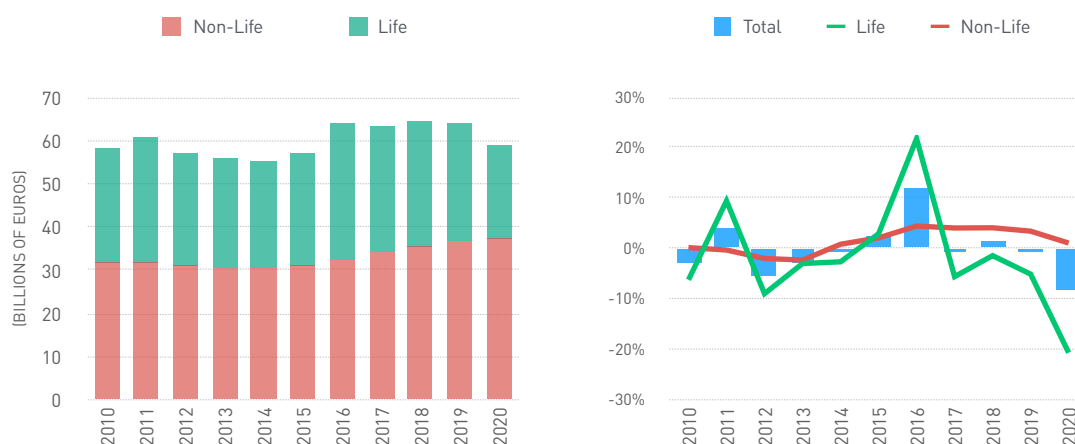
In a year marked by the crisis caused by the COVID-19 pandemic, the Spanish insurance industry recorded a drop in premium volume of -8.2% in 2020 (see Chart 3.1-a), due to a significant decrease in Life business (-20.7%) and a slight increase in the Non-Life segment (1.1%). Table 3.1-b shows how the major Non-Life lines of business break down in terms of premium volume, showing increases (with the exception of Automobile, which dropped by -2%), including a marked increase in Health (5.1%), a line that is always highly resilient in economic crises, especially health crises.

Automobile insurance continues to be the line that contributes the highest premium volume in Non-Life insurance (29.9%), although its share has fallen by 6.4 pp in the last decade, from 36.3% in 2010. The amount of premiums issued in this line totaled 11.09 billion euros in 2020, representing a year-on-year decline of -2.0% (see aforementioned Table 3.1-b). Considering that the average premium decreased by -2.8% to 346.50 euros, the decrease can be attributed to this premium reduction and not the number of insured vehicles, which grew by 0.8% to 32 million. Lastly, 2020's 3.5% increase in new

vehicle sales must be taken into account. These vehicles represent higher sales of high-end products and higher average premiums, although this percentage shows a downward trend recording the largest drop in recent years.

Contrary to what is happening in the Automobile line, Health insurance has gradually increased its market share to 25.3% currently, becoming the second largest Non-Life line since 2009. This line of insurance continued to perform well in 2020, with the premium volume issued increasing by 5.1% to 9.39 billion euros. 70.3% of the line's allocated premiums were in personal insurance, although there has been a trend toward collectivizing health coverage over recent years, with an increase of 5.3% in collective insurance in 2020, while personal coverage has grown by 4.7%. The line continued to be affected by the pandemic in the first few months of 2021, and some effects that had been forecasted at the end of 2020 were observed: fewer cancellations, continued increase in new medical insurance business (over and above the usual in the period) and a considerable increase in health costs with policyholders that delayed non-urgent medical care no longer waiting to seek treatment.

**Chart 3.1-a**  
Trends in direct insurance in Spain, 2010–2020  
(earned premiums from direct insurance, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

**Table 3.1-b**  
**Distribution of business by lines, 2019–2020**  
 (earned premiums from direct insurance, millions of euros)

Lines	2019	2020	% change from 2019	% of total
<b>Total</b>	<b>64,176</b>	<b>58,889</b>	<b>-8.2%</b>	<b>100.00%</b>
<b>Life</b>	<b>27,523</b>	<b>21,837</b>	<b>-20.7%</b>	<b>37.08%</b>
<b>Non-Life</b>	<b>36,652</b>	<b>37,052</b>	<b>1.1%</b>	<b>62.92%</b>
<b>Automobiles</b>	11,312	11,086	-2.0%	18.83%
Automobile TPL	5,875	5,658	-3.7%	9.61%
Automobile Other Guarantees	5,437	5,428	-0.2%	9.22%
<b>Health</b>	8,935	9,388	5.1%	15.94%
Healthcare Assistance	7,912	8,336	5.4%	14.16%
Illness	1,023	1,052	2.9%	1.79%
<b>Multirisk</b>	7,521	7,753	3.1%	13.17%
Homeowners	4,529	4,653	2.7%	7.90%
Commercial	602	604	0.3%	1.03%
Condominium	926	953	2.8%	1.62%
Industrial	1,385	1,463	5.6%	2.48%
Other	79	81	3.0%	0.14%
<b>Burial</b>	2,459	2,491	1.3%	4.23%
<b>Third-Party Liability</b>	1,598	1,639	2.6%	2.78%
<b>Accidents</b>	1,152	1,123	-2.5%	1.91%
<b>Other Damage to P&amp;C</b>	1,292	1,283	-0.7%	2.18%
<b>Credit</b>	607	602	-0.8%	1.02%
<b>Transport</b>	498	523	5.1%	0.89%
Hull	243	266	9.6%	0.45%
Merchandise	255	257	0.7%	0.44%
<b>Assistance</b>	461	339	-26.4%	0.58%
<b>Pecuniary losses</b>	375	318	-15.3%	0.54%
<b>Fire</b>	181	228	26.0%	0.39%
<b>Legal defense</b>	109	112	2.7%	0.19%
<b>Surety</b>	122	136	11.0%	0.23%
<b>Theft</b>	30	30	2.2%	0.05%

Source: MAPFRE Economics (based on ICEA data)

Multirisk insurance maintained its position as the third Non-Life line by premium volume, with a share of 20.9% in 2020 and revenue of 7.75 billion euros in premiums, 3.1% higher than in the previous year. The modalities with the largest premium volume, Homeowners and Industrial, performed very well with increases of 2.7% and 5.6% respectively, while Condominium and Commercial premiums also rose, with respective increases of 2.8% and 0.3%.

Burial insurance remained the next Non-Life line in terms of premium volume, with revenue of 2.49 billion euros in 2020, an increase of 1.3%, which was lower than that recorded in the previous fiscal year (3.9%) and the medium-term results for the last ten years. Its performance was affected by weeks of lockdown measures in place during March and April and by the increase in the number of deaths during the pandemic. It should be noted that the growth rates that have been observed in recent years originated in the rise of the single premium. While this modality accounts for only 4% of new business policies, its premium amount exceeds 60% of new contracts.

Lastly, the Life insurance premium volume for 2020 was 21.84 billion euros, a decrease of -20.7% compared to the previous year, with drops in both Life Protection insurance (-0.4%) and Life Savings insurance (-25%). This negative effect is due to the sharp drop in economic activity and the ongoing low interest rate environment, except in unit-linked products, which grew by 1.1%. Only long-term care products performed positively, increasing by 17.9%, although the premium volume was only 8 million euros. In terms of managed savings, technical provisions decreased by 0.3% to 194.11 billion euros, ending the trend of increases that had been ongoing for more than a decade. The number of policyholders also fell

by 1.6% overall, with a major drop in Life Savings (-5%) and Life Protection (-0.1%) products.

### **Contribution to growth from different business lines**

Using a medium-term (2010–2020) analysis, it is clear that it has been Non-Life insurance that has made the greatest contribution to the growth of the Spanish insurance industry over the last decade, contributing 8.6 pp, while the Life business has made a negative contribution of -8.8 pp. Specifically, 2020 saw the industry shrink by 8.2 pp, due to a negative contribution of -8.9 pp from Life insurance and a positive contribution of 0.6 pp from Non-Life lines (see Table 3.1-c and Chart 3.1-b).

The structure of the negative contribution of the Life insurance segment during 2020 was specifically affected by the negative contribution from the Life Savings line (-8.8 pp) and Life Protection insurance (-0.03 pp). This makes four years in a row that the Life sector has made a negative contribution to the Spanish market, driven by the decrease in the Life Savings segment, while Life Protection has shown more stable performance (see Table 3.1-d).

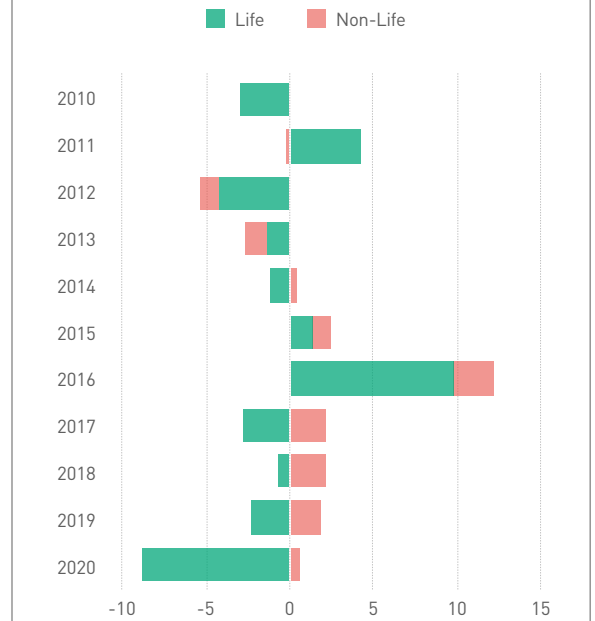
As regards Non-Life insurance, the Multirisk and Health lines both made a positive contribution to growth in 2020, at 0.4 and 0.7 pp respectively (see the aforementioned Table 3.1-d). As mentioned above, Health insurance is a line that has proven to be highly resilient during economic crises, especially in this health-related crisis. On the other hand, the contribution of Automobile insurance to Non-Life performance was negative, at -0.4 pp, caused, among other factors, by the decrease in the average premium and slower growth in new vehicle sales. The rest of the Non-Life lines overall made a negative contribution to growth

**Table 3.1-c**  
Contribution to insurance market growth,  
2010–2020 (percentage points, pp)

Year	Annual growth (pp)	Contribution to growth (pp)	
		Life	Non-Life
2010	-2.8	-2.9	0.1
2011	4.1	4.3	-0.2
2012	-5.3	-4.3	-1.0
2013	-2.6	-1.4	-1.2
2014	-0.7	-1.2	0.5
2015	2.5	1.3	1.2
2016	12.3	9.8	2.5
2017	-0.6	-2.7	2.1
2018	1.6	-0.6	2.2
2019	-0.4	-2.3	1.9
2020	-8.2	-8.9	0.6

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.1-b**  
Contribution to insurance market growth,  
2010–2020 (percentage points, pp)



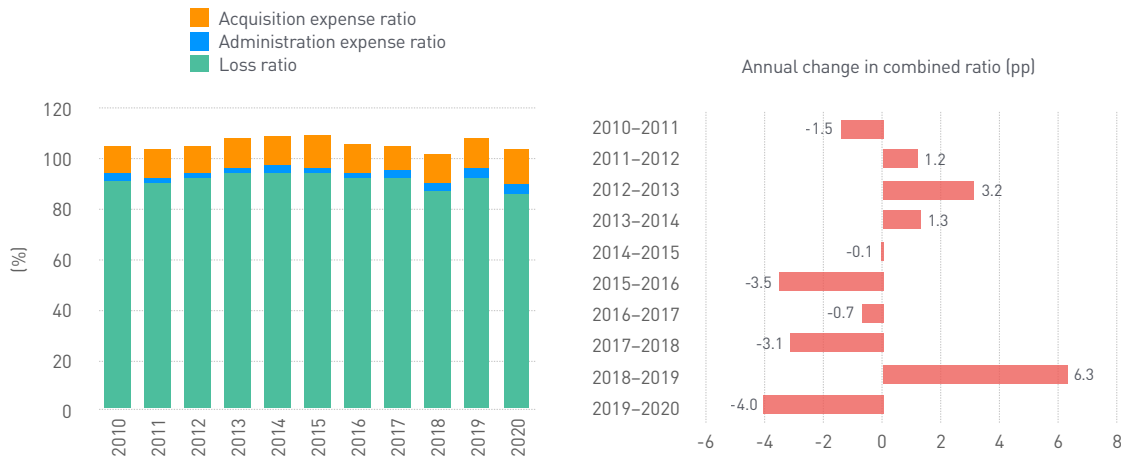
Source: MAPFRE Economics (based on ICEA data)

**Table 3.1-d**  
Contribution to Life and Non-Life insurance market growth,  
2010–2020 (percentage points, pp)

Year	Contribution of Life to market growth (pp)	Contribution to growth (pp)		Contribution of Non-Life to market growth (pp)	Contribution to growth (pp)			
		Life Protection	Life Savings		Automobiles	Multirisk	Health	Other
2010	-2.9	0.3	-3.2	0.1	-0.2	0.3	0.4	-0.5
2011	4.3	-0.3	4.6	-0.2	-0.5	0.5	0.3	-0.5
2012	-4.3	-0.2	-4.1	-1.0	-1.1	0.1	0.3	-0.3
2013	-1.4	-0.3	-1.1	-1.2	-1.0	-0.2	0.3	-0.3
2014	-1.2	0.2	-1.4	0.5	-0.2	0.0	0.4	0.3
2015	1.3	0.5	0.8	1.2	0.3	0.0	0.3	0.5
2016	9.8	0.8	9.0	2.5	0.9	0.3	0.7	0.6
2017	-2.7	0.0	-2.7	2.1	0.6	0.4	0.5	0.6
2018	-0.6	0.8	-1.5	2.2	0.3	0.4	0.7	0.7
2019	-2.3	0.2	-2.5	1.9	0.3	0.4	0.7	0.5
2020	-8.9	0.0	-8.8	0.6	-0.4	0.4	0.7	-0.1

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.1-c**  
**Trends in the total combined ratio, 2010–2020**  
 (total combined ratio, %; annual change in combined ratio, pp)



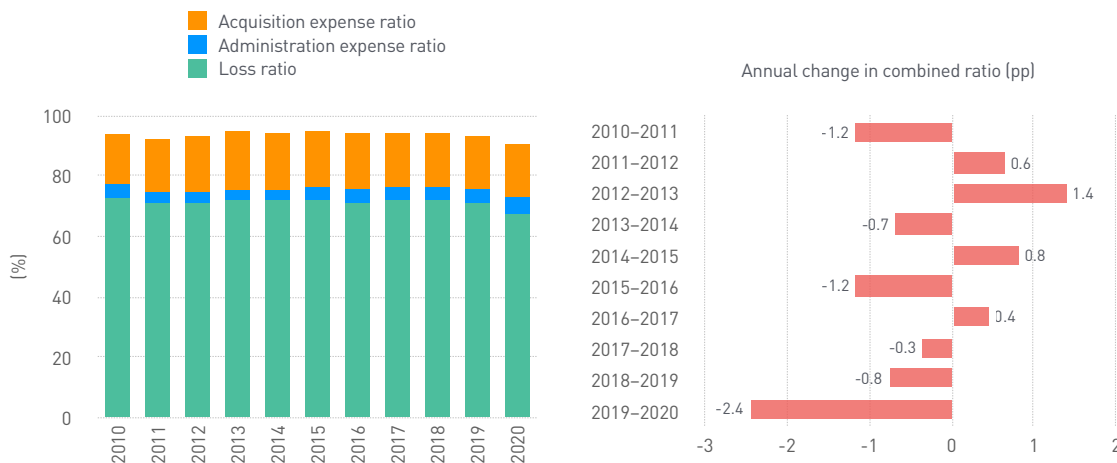
Source: MAPFRE Economics (based on ICEA data)

of -0.1 pp. The analysis in Table 3.1-d shows that Health and Multirisk insurance have also contributed positively to growth in the last decade (5.3 and 2.7 pp respectively), while Automobile’s contribution has been negative (-1 pp).

**Technical performance: combined ratio performance**

Notwithstanding the greater detail shown below when analyzing the various business lines of the Spanish insurance market, Chart 3.1-c presents the aggregate technical performance of the Spanish insurance industry over the

**Chart 3.1-d**  
**Trends in the Non-Life combined ratio, 2010–2020**  
 (total combined ratio, %; annual change in combined ratio, pp)



Source: MAPFRE Economics (based on ICEA data)



2010–2020 period, based on the trend in the total combined ratio. When taken into account for the entire insurance market, this information shows that the combined ratio reached 104.0% in 2020, an improvement of -4.0 pp compared to 2019 (108.0%), due to a drop of 7.1 pp in the loss ratio and an increase of 3.1 pp in expenses; the loss ratio was 85.4% (92.4% in 2019), the administration expense ratio was 4.2% (3.5% in 2019), and the acquisition expense ratio was 14.4% (12.1% in 2019).

That said, the combined ratio for the Non-Life insurance segment during 2020 was 90.5%, 2.4 pp less than the figure recorded for 2019 (92.9%), thanks to the loss ratio dropping -3.6 pp to 67% (see Chart 3.1-d). Furthermore, the administration expense ratio was 5.3% (a reduction of 0.3 pp), while the acquisition expense ratio was 18.1% (increasing by 0.9 pp).

### Results and profitability

The Spanish insurance industry recorded a result of 5.8 billion euros in 2020, an increase of 16.6% compared to the previous year. It should be noted that the technical account result increased by 7.3%, as shown in Table 3.1-e, due to improvements in the Non-Life line, which offset the decrease in the Life business.

**Table 3.1-f**  
Basic Non-Life insurance indicators, 2019–2020  
(premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	36,652	37,052
<b>Variation in premiums</b>	3.5%	1.1%
<b>Retention</b>	85.6%	85.3%
<b>Gross loss ratio</b>	69.4%	66.1%
<b>Gross expenses</b>	22.9%	23.7%
<b>Net loss ratio</b>	70.7%	67.0%
<b>Net combined ratio</b>	92.9%	90.5%
<b>Financial result</b>	3.1%	2.6%
<b>Technical-financial result</b>	10.2%	12.1%

Source: MAPFRE Economics (based on ICEA data)

**Table 3.1-e**  
Spanish insurance industry results, 2019–2020  
(results, millions of euros)

Year	2019	2020	Percentage variation
<b>Technical account</b>	5,863	6,291	7.3%
<b>Life</b>	2,397	2,125	-11.4%
<b>Non-Life</b>	3,466	4,166	20.2%
<b>Non-technical account</b>	4,970	5,797	16.6%

Source: MAPFRE Economics (based on ICEA data)

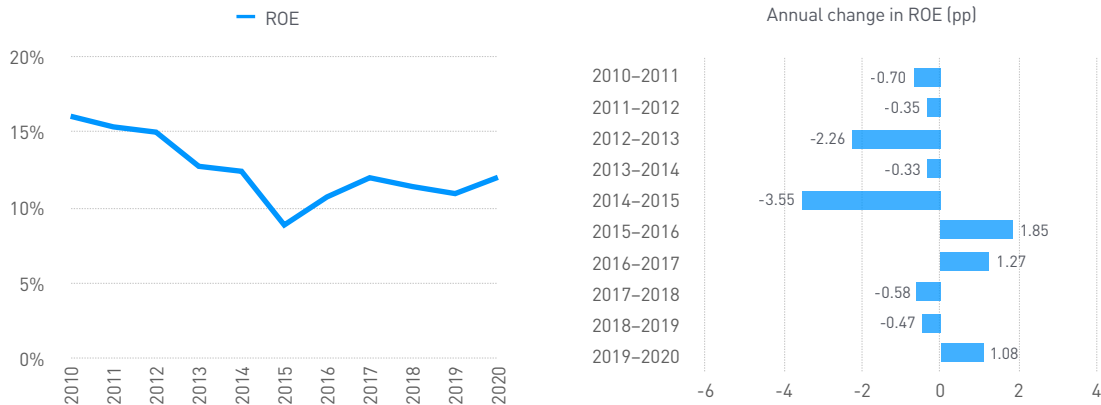
The technical account for the Non-Life segment posted a result of 4.17 billion euros in 2020, an increase of 20.2% compared to the previous fiscal year, with the drop in the loss ratio being reflected in the improved combined ratio and the financial result coming in at 0.5 pp less than in 2019, placing the final technical-financial result at 12.1% of allocated premiums — an increase of 1.9 pp compared to the previous year (see Table 3.1-f).

**Table 3.1-g**  
Basic Life insurance indicators, 2019–2020  
(premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	27,523	21,837
<b>Variation in premiums</b>	-5.1%	-20.7%
<b>Technical provisions (millions of euros)</b>	194,786	194,110
<b>Net expenses (over provisions)</b>	1.1%	1.1%
<b>Financial result (over provisions)</b>	4.9%	3.8%
<b>Technical-financial result (over provisions)</b>	1.2%	1.1%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.1-e**  
Trends in ROE, 2010–2020  
(return on equity, %; annual change in ROE, pp)

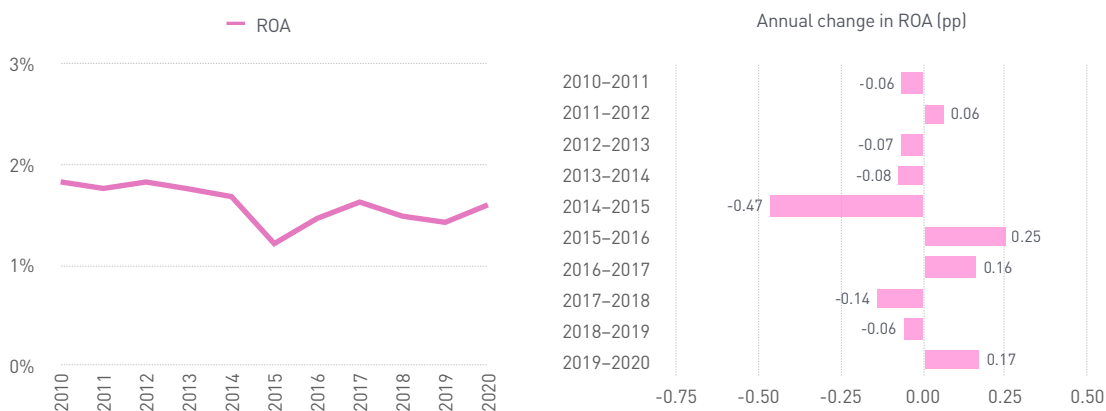


Source: MAPFRE Economics (based on ICEA data)

The technical account for the Life insurance segment posted a result of 2.13 billion euros in 2020, down -11.4% on the previous year. This decrease, coupled with a lower financial result, caused the technical-financial result to drop slightly to 1.1% of technical provisions in 2020, 0.1 pp less than the previous year (see Table 3.1-g). Life insurance technical provisions totaled 194.11 billion euros in 2020, representing a slight decrease of -0.3% compared to 2019.

In terms of performance, insurance activity changed the downward trend seen in the past two years in 2020, recording a ROE of 11.99%, 1.08 pp more than in 2019 (see Chart 3.1-e). Likewise, industry profitability, measured in terms of return on assets (ROA), also showed a slight increase (0.17 pp), at 1.60% in 2020 compared to 1.42% in 2019 (see Chart 3.1-f).

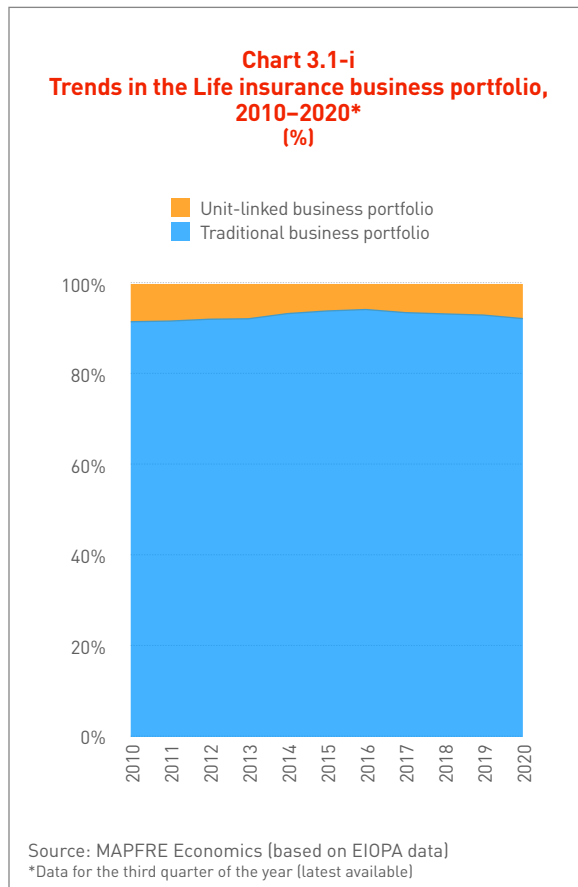
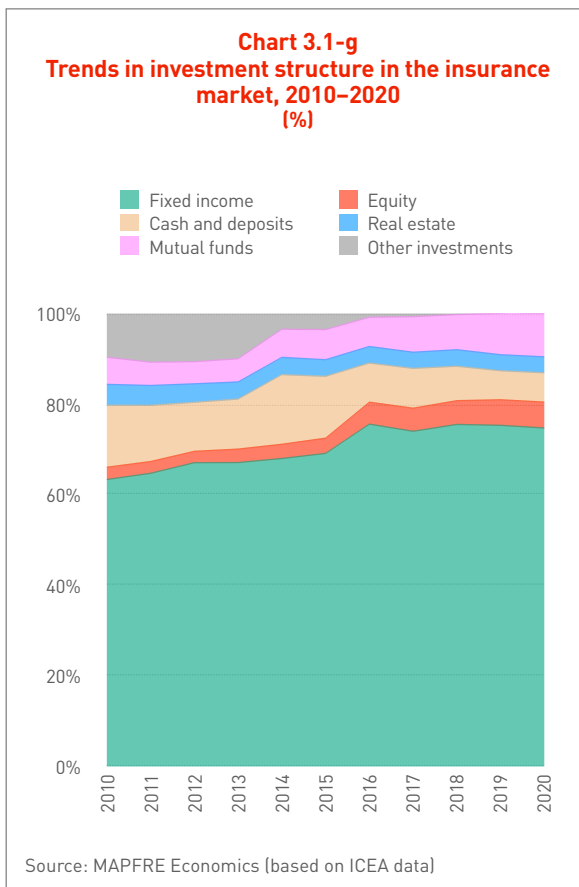
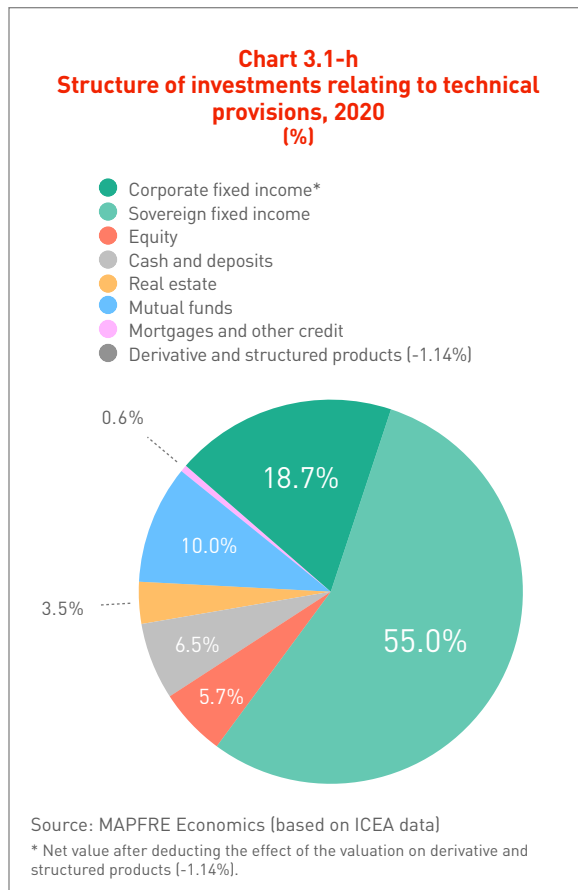
**Chart 3.1-f**  
Trends in ROA, 2010–2020  
(return on assets, %; annual change in ROA, pp)



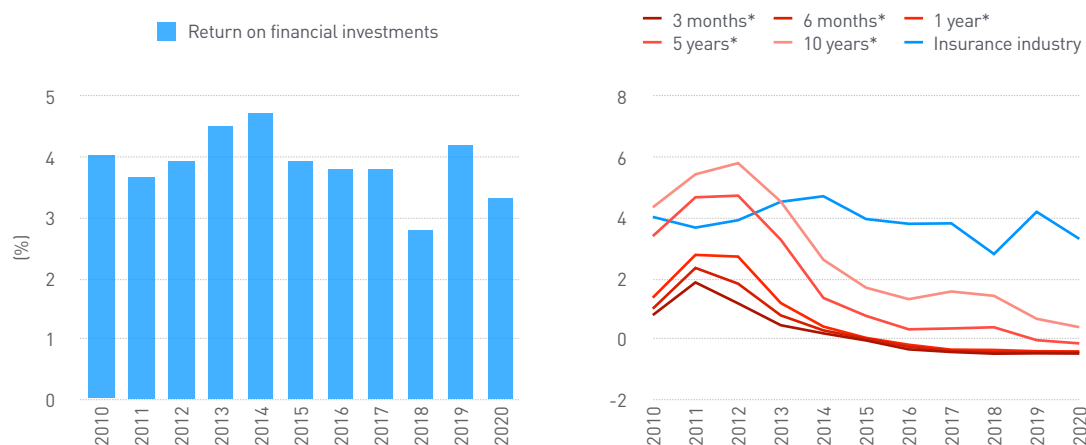
Source: MAPFRE Economics (based on ICEA data)

### Investments

Total investment by Spanish insurance companies amounted to 335.61 billion euros in 2020, representing a 1.9% increase on the previous year. An analysis of the investment portfolio breakdown by type of assets shows that fixed income securities have increased their relative weight over the 2010–2020 period, from 63.5% in 2010 to 74.9% in 2020. The percentage of assets held as cash or deposits decreased to 6.5% in 2020, compared to 13.7% in 2010. Equity investments had dropped -0.3 pp between 2009 and 2012, but now seem to be back on track toward recovery, reaching 5.7% in 2020, the highest in the last ten years (see Chart 3.1-g). An analysis of the investment structure at the end of 2020 is shown in Chart 3.1-h, showing that sovereign fixed income is predominant in the category of fixed income assets, representing 55% of the investment portfolio.



**Chart 3.1-j**  
**Return on the insurance industry's financial investments, 2010–2020**  
 (financial income/average investment, %; risk-free interest rate, %)



Source: MAPFRE Economics (based on DGSFP data)

\*Average annual Spanish Government bond yield of specified tenor.

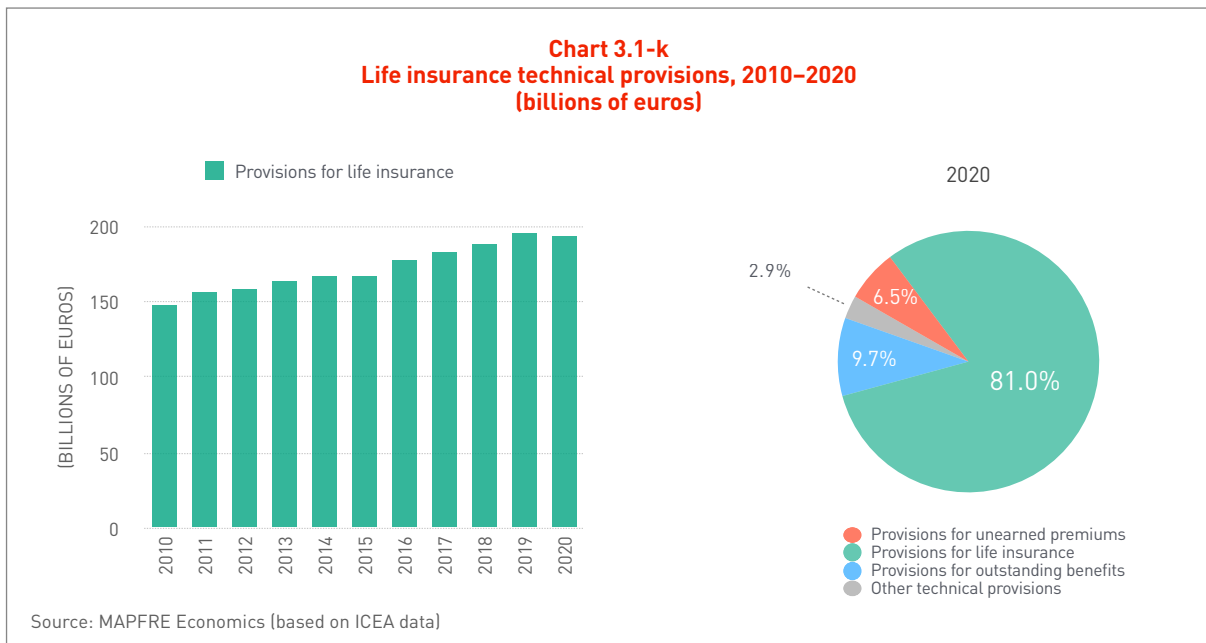
Corporate fixed income represented 19.8% of the portfolio. These average percentages also varied according to the sub-portfolios into which the total investment portfolio can be divided. In these sub-portfolios, investment decisions differed depending on the different requirements in relation to their liquidity and the matching of flows between assets and liabilities. Within portfolios linked to Life insurance commitments, fixed income accounted for 78.2% of investments, while in Non-Life portfolios, it represented around 39.3%. There were also significant variations in the percentage of investments in real estate and equities, which, in Life portfolios, represented around 2.4% and 2.8% respectively, far below the percentages in Non-Life portfolios (both 14.6%). Finally, the percentage of investments managed through mutual funds was also significantly lower in Life portfolios, where they represented around 7%, compared to 20% in Non-Life.

In terms of the overall risk profile of the investment portfolios related to Life and Non-Life insurance obligations, the duration of assets in Life portfolios is notably higher than in Non-Life portfolios, with around 38.5%

and 11.2% of assets having a duration of over ten years, respectively. In both cases, most investment credit ratings were on the second rung of the ratings map included under Solvency II regulations, in line with the Spanish sovereign risk rating at the end of 2020 (A).

Moreover, it should be noted that Spain's insurance market has one of the lowest shares of unit-linked product portfolios in the eurozone. As can be seen in Chart 3.1-i, this share has remained stable over the last decade, at just 7.5% in 2020, although it appears to be beginning to increase its weight in the portfolio as a whole.

The insurance industry's financial investments posted a return of 3.3% in 2020 (0.9 pp less than the previous year), continuing the downward trend that was kickstarted by the drop in risk-free interest rates as a result of the ultra-accommodative monetary policy adopted by the ECB following the 2012 sovereign debt crisis in the eurozone, and that will now continue for longer thanks to the overlap with the expansive measures adopted in response to the COVID-19 pandemic (see Chart 3.1-j).



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

**Technical provisions**

Life insurance technical provisions fell slightly by -0.3% to 194.11 billion euros, ending the sustained growth seen over the last decade. The reason for this was the drop in Life Savings products, while Life Protection and Long-Term Care products performed positively. Life insurance technical provisions represented 81.0% of total technical provisions, while provisions for outstanding benefits represented 9.7%, and provisions for unearned premiums and unexpired risks were 6.5% of the total (see Chart 3.1-k).

Practically all Life Savings modalities decreased, with the exception of unit-linked products and individual long-term savings insurance. In specific terms, deferred income and capital products total 71% of provisions; during the fiscal year under review, their performance was positive with drops of -1.0% and -2.6%, respectively.

However, the modality that grew the most in technical provisions in 2020 was once again the unit-linked modality, which grew by 12.5%, accumulating a savings volume of 16.02 billion euros. This indicates that the negative trend in interest rates obliges the unitholder to seek an extra return on their investments.

**Insurance developments in the Autonomous Communities**

As shown in Table 3.1-h, the decrease in premiums in the Spanish insurance market in 2020 is reflected in the performance of the ten Autonomous Communities with the largest market share, where there were decreases in premium volume in 2020, the largest being in the Community of Madrid at -11.4%. Nevertheless, the Community of Madrid continues to have the largest market share at 21.9%, with a premium volume of 11.09 billion euros, followed by Catalonia with

**Table 3.1-h**  
**Premium volume by Autonomous Community, 2020**  
 (millions of euros)

Autonomous Community	2020	% Var. 2020/2019	% share 2020	Premiums per capita
Community of Madrid	11,089	-11.4%	21.9%	1,644
Catalonia	10,433	-3.1%	20.6%	1,345
Andalusia	6,802	-6.5%	13.4%	804
Valencian Community	4,457	-3.0%	8.8%	883
Castile and Leon	2,465	-8.9%	4.9%	1,035
Basque Country	2,435	-4.2%	4.8%	1,101
Galicia	2,418	-7.7%	4.8%	898
Castile-La Mancha	1,649	-5.3%	3.2%	805
Aragon	1,609	-9.6%	3.2%	1,214
Canary Islands	1,539	-4.4%	3.0%	709
<b>Total top 10</b>	<b>44,897</b>		<b>88.5%</b>	

Source: MAPFRE Economics (based on ICEA data)

10.43 billion euros in premiums and a share of 20.6%. Andalusia remains in third place, with 6.8 billion euros in premiums and a share of 13.4%, followed by the Valencian Community at 8.8%. After the Community of Madrid, the greatest drops were recorded in the Chartered Community of Navarre (-10.9%) and the Balearic Islands (-10%). In terms of premiums per capita, Madrid still ranks top (1,644 euros), followed by Catalonia (1,345 euros) and Navarre (1,228 euros).

## Reinsurance

The year 2020 will go down in history as an exceptional year for reinsurance activity. Despite its good capitalization, the global reinsurance sector began the fiscal year with the aim of improving its technical margins after successive years of declining investment returns and insufficient technical results, partly resulting from increased catastrophic claim activity and a long period of deteriorating conditions (soft market).

The emergence and rapid spread of the COVID-19 pandemic in 2020 plunged the entire planet into a severe humanitarian, economic and social crisis. The loss of millions of lives and the health crisis were accompanied by lockdown and social distancing measures, with support programs from governments and central banks that helped to minimize and ease the consequences of the pandemic but could not prevent a deep recession, which is still ongoing.

The most immediate consequences for the reinsurance sector were the effect that volatility in the financial market (due to uncertainty surrounding the pandemic and its evolution, which was particularly marked in the first quarter) had on the balance sheets, and the challenge of maintaining activity during the lockdown periods. Similarly, the loss experience associated with the pandemic has had a very significant impact on some markets and segments of reinsured business, although the market as a whole has been able to absorb the impact without compromising its solvency.

The situation has not been much different in Spain. The end of the year saw a slight increase in Non-Life premium growth, although uncertainty remained regarding developments in 2021. The trend toward a high frequency of severe events continued, putting pressure on the reinsurance income statement, with necessary modifications to conditions in 2021 renewals. Despite the excess mortality related to COVID-19, the Life Protection segment kept its margins within acceptable levels. Together with the necessary modifications to the economic conditions in these contracts, the other major matter of interest in reinsurance renewals was the introduction of exclusion clauses for infectious diseases and the inclusion or revision of clauses to limit cyber risks.

### Activity of the Insurance Compensation Consortium

As a public business entity belonging to the Spanish Ministry of Economics and Business, the ICC carries out numerous key functions in the Spanish insurance industry through the DGSFP. These include extraordinary risk coverage, obligatory automobile insurance, combined agricultural insurance, and the liquidation of insurance companies.

With regard to two of the ICC's main activities (the coverage of extraordinary risks and traffic risks that involve direct Third-Party Liability Automobile insurance and the guarantee fund), the premiums and surcharges attributed to these activities amounted to 810 million euros in 2020, a reduction of -1.8% compared to 2019, caused by a drop of -1.9% in extraordinary risks and -1.4% in traffic risks. This continues the trend seen in recent years whereby the number of vehicles insured by the ICC that are not covered by private companies is decreasing, while premiums for vehicles under official entities increased slightly by 0.5% (see Table 3.1-i).

In 2020, the loss ratio for direct insurance and accepted reinsurance under extraordinary risk coverage was 55.9% of premiums, and the combined ratio was 62.5%. One factor that should be noted is Storm Gloria, which occurred in January 2020 and cost the ICC 219 million euros at fiscal year-end and resulted in over 52,000 case files. In addition to this damage, the unusual cyclone events that occurred throughout the year should also be taken into account. The loss ratio for third-party liability automobile insurance equaled 64% of premiums.

**Table 3.1-i**  
**Activity of the Insurance Compensation Consortium, 2019–2020**  
(millions of euros)

General activity	Premiums and surcharges attributed		Loss ratio (direct and accepted)	
	2019	2020	2019	2020
<b>Extraordinary risks</b>	<b>733.1</b>	<b>719.2</b>	<b>773.7</b>	<b>402.4</b>
P&C	667.7	654.3	769.9	385.1
People	16.3	14.8	1.3	0.8
Pecuniary losses	49.1	50.1	2.6	16.5
<b>Traffic risks</b>	<b>92.0</b>	<b>90.7</b>	<b>59.2</b>	<b>58.1</b>
SOA Guarantee Fund	83.2	82.1	49.2	48.0
Private vehicles	0.5	0.4	0.3	0.6
Official vehicles	8.3	8.3	9.7	9.5

Source: Annual Report of the ICC

Storm Filomena occurred on January 6–10, 2021, followed by a wave of cold weather that caused snow and heavy rain to fall over much of Spain — a rare event. The ICC later released a notice on compensation for insured damages related to the storm, indicating that snowstorms are not included in the list of extraordinary risks that the ICC indemnifies, but that it would provide indemnification for any flooding, marine flooding or wind storms with gusts over 120 km/hr caused by the storm. Although the ICC does not indemnify damages caused by snowfall or it immediately turning into ice, it does indemnify damages resulting from flooding of land due to subsequent thawing.

Moreover, within the measures taken by the Spanish government to cushion the impact of the COVID-19 pandemic, mention should be made of Royal Decree-Law 15/2020, of April 21, implementing urgent measures to support the economy and employment. Chapter 2 regulates a broad package of measures to strengthen the financing of companies and that have enabled the ICC to carry out credit reinsurance and surety activities, starting in 2020.

These measures have increased the possibility of any business owners who sell their products on credit finding insurance coverage on the market that could not otherwise be obtained

from companies that provide this insurance, due to economic difficulties caused by the pandemic.

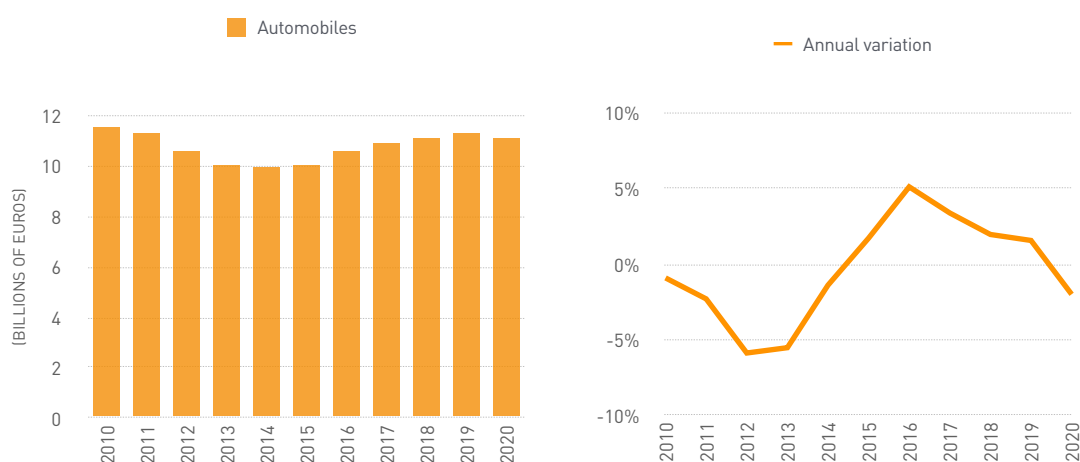
## 3.2. Non-Life business lines

### Automobiles

Although Automobile insurance still leads in terms of Non-Life premium volume in the Spanish market with a share of 29.9% of the segment, this has dropped by 1 pp in the last year. The amount of premiums issued in this line decreased by -2.0% in 2020 compared to the previous year, totaling 11.09 billion euros (see Chart 3.2-a). Considering that the average premium reduced by -2.8% to 346.50 euros, the decrease can be attributed to this premium reduction and not necessarily to the number of insured vehicles, which grew by 0.8% to 32.0 million (see Table 3.2-a). Lastly, the number of new vehicle sales, which was 3.5% in 2020, must be taken into account. These vehicles represent higher sales of high-end products and higher average premiums, although this percentage shows a downward trend recording the largest drop in recent years.

Furthermore, it should be noted that the combined ratio for Automobile insurance improved significantly (by 6.9 pp) in 2020, thanks

**Chart 3.2-a**  
**Trends in direct Automobile insurance in Spain, 2010–2020**  
(earned premiums from direct insurance, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)



**Table 3.2-a**  
Trends in average Automobile insurance premiums, 2010–2020  
(millions of euros; annual variation, %)

Year	Insured vehicles <sup>(1)</sup>		Direct insurance premiums <sup>(2)</sup>		Average premium		
	(millions)	Annual variation	(millions of euros)	Annual variation	In euros	% variation	
						Nominal	Real
2010	28.7	-0.3%	11,553	-0.9%	402.5	-0.6%	-3.5%
2011	28.9	0.8%	11,285	-2.3%	390.1	-3.1%	-5.4%
2012	28.7	-0.7%	10,622	-5.9%	369.8	-5.2%	-7.9%
2013	28.6	-0.4%	10,033	-5.5%	350.8	-5.1%	-5.4%
2014	28.8	0.7%	9,891	-1.4%	343.4	-2.1%	-1.1%
2015	29.1	1.1%	10,061	1.7%	345.4	0.6%	0.6%
2016	29.8	2.4%	10,574	5.1%	354.4	2.6%	1.0%
2017	30.6	2.6%	10,932	3.4%	357.1	0.8%	-0.3%
2018	31.5	2.7%	11,146	2.0%	354.4	-0.8%	-1.9%
2019	31.8	1.0%	11,321	1.6%	356.3	0.5%	-0.3%
2020	32.0	0.8%	11,095	-2.0%	346.5	-2.8%	-2.3%

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

(1) *Fichero Informativo de Vehículos Asegurados* (FIVA — Information Database for Insured Vehicles)

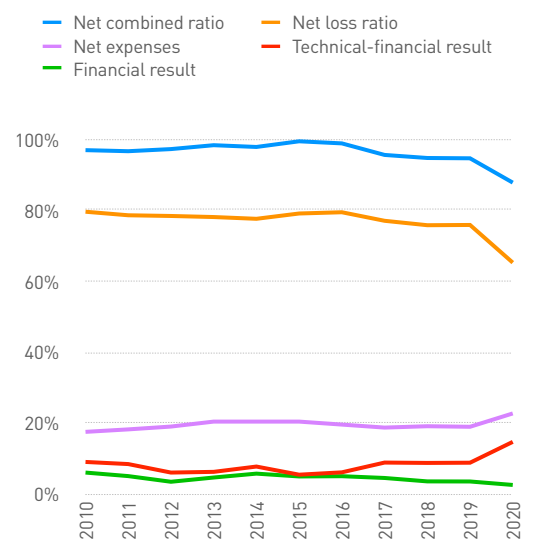
(2) Direct Insurance premiums for insurance companies & ICC

**Table 3.2-b**  
Basic Automobile insurance indicators, 2019–2020  
(premiums, millions of euros; ratio over premiums, %)

	2019	2020
Premium volume issued (millions of euros)	11,312	11,086
Variation in premiums	1.6%	-2.0%
Retention	86.2%	86.9%
Gross loss ratio	74.8%	64.6%
Gross expenses	19.0%	22.4%
Net loss ratio	75.9%	65.2%
Net combined ratio	94.7%	87.8%
Financial result	3.4%	2.4%
Technical-financial result	8.7%	14.6%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-b**  
Results performance in the Automobile insurance line, 2010–2020  
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

**Table 3.2-c**  
**Frequencies and average costs by guarantee in Automobile insurance, 2019–2020**  
 (frequency, %; average cost, euros)

Guarantees	Frequency (%)			Average cost (euros)		
	2019	2020	Variation (pp)	2019	2020	Variation (%)
<b>Third-Party Liability</b>	8.2%	6.1%	-2.18	1,744	1,783	2.3%
Bodily injury	1.8%	1.2%	-0.54	4,542	4,880	7.5%
Material	7.1%	5.2%	-1.85	892	911	2.1%
<b>Damage to own vehicle</b>	27.7%	21.0%	-6.65	787	810	2.8%
<b>Broken windshield</b>	6.2%	5.3%	-0.88	310	327	5.6%
<b>Theft</b>	0.6%	0.5%	-0.13	929	872	-6.1%
<b>Legal defense</b>	1.5%	1.2%	-0.33	304	280	-7.9%
<b>Occupants</b>	0.3%	0.2%	-0.08	999	1,067	6.8%
<b>Fire</b>	0.1%	0.1%	-0.01	3,132	3,167	1.1%
<b>Driver's license suspended</b>	0.0%	0.0%	0.00	802	852	6.3%

Source: MAPFRE Economics (based on ICEA data)

to the exceptional situation caused by lockdown measures implemented in response to the COVID-19 pandemic, in which consumers used their vehicles less, thereby reducing loss experience. As a result, the combined ratio for 2020 was 87.8%, an extraordinary result compared to performance over recent years (see Chart 3.2-b and Table 3.2-b).

As noted above, automobile claim frequency dropped significantly in 2020 (see Table 3.2-c), with decreases in personal injuries and material damages (-0.54 pp and -1.85 pp respectively) and a greater drop in damage to own vehicle coverage (-6.65 pp). However, there was an increase in the average cost of personal injury (7.5%) and damage to own vehicle (2.8%) coverage.

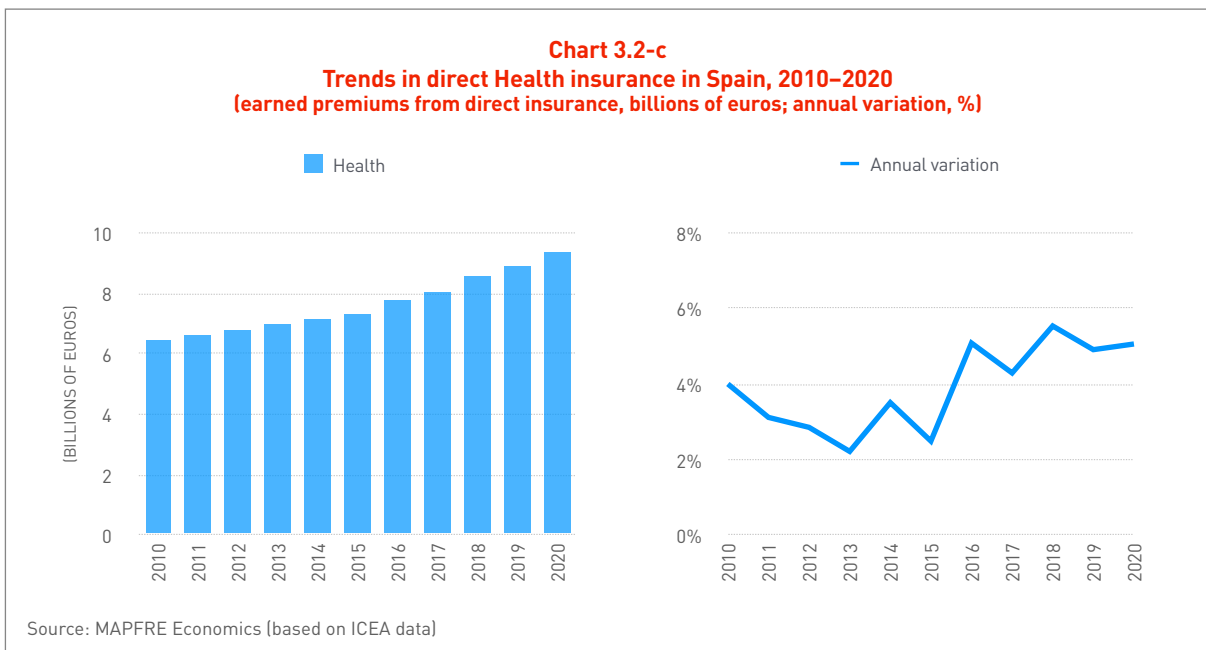
## 2021 outlook

The year 2021 has been marked so far by the gradual slowdown of the effect of the COVID-19 pandemic, which saw normal activity interrupted during the lockdown period. As such, as the economy picks up pace again, the insurance industry is gradually returning to

pre-pandemic levels. The situation over the past year (uncertainty, temporary furlough schemes, lack of business viability, etc.) has posed new challenges for insurance companies. These include advances in electric vehicles, which are assuming a more significant position and are driving the automobile fleet toward a more clean and efficient type of vehicle, and for which the insurance industry must offer innovative solutions.

Furthermore, the increasing digitization of society is transforming the industry via three fundamental pillars: the use of data to create value for the client, the emergence of Insurtech as a driver of innovation, and the use of new advanced driver-assistance systems to improve road safety.

Finally, the most recent data on the first five months of 2021<sup>8</sup> show a decrease in year-on-year growth in Automobile insurance, with premiums dropping by -0.9%. This result is worse than that seen by all Non-Life lines, which experienced an increase of 2.2% during the same period.



### Health

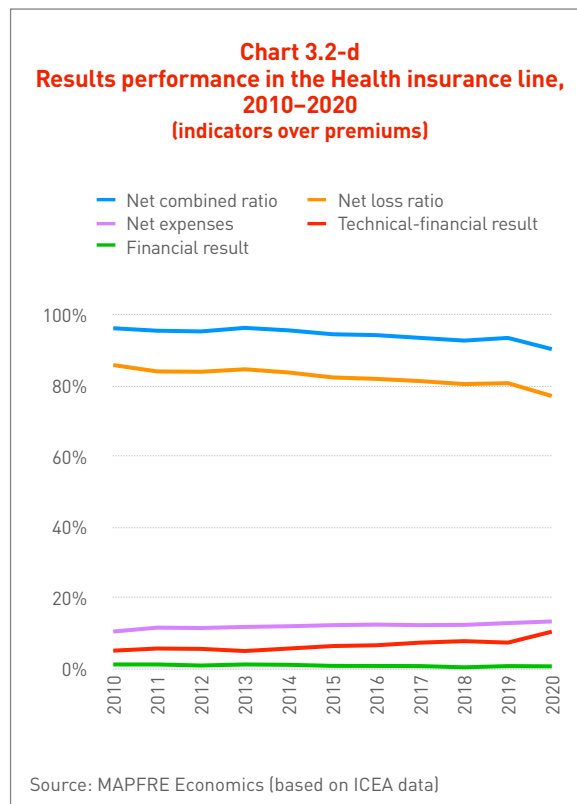
2020 was marked by the coronavirus pandemic, which impacted the Health line in various ways. First of all, *healthcare assistance and reimbursement insurance* provided extraordinary coverage for the pandemic, for both hospital admissions and outpatient treatment, despite all companies excluding epidemics in their general conditions. This was done as part of the

general commitment made by the insurance industry and via the Unión Española de Entidades Aseguradoras y Reaseguradoras (Spanish Association of Insurers and Reinsurers — UNESPA) to support everyone affected by the pandemic. Secondly, there was a significant increase in new business due to the heightened sensitivity of the general public to health (health risk aversion). Thirdly, there was

**Table 3.2-d**  
**Basic Health insurance indicators, 2019-2020**  
**(premiums, millions of euros; ratio over premiums, %)**

	2019	2020
<b>Premium volume issued (millions of euros)</b>	8,935	9,388
<b>Variation in premiums</b>	4.9%	5.1%
<b>Retention</b>	97.4%	97.4%
<b>Gross loss ratio</b>	79.4%	75.8%
<b>Gross expenses</b>	12.8%	13.2%
<b>Net loss ratio</b>	80.6%	77.0%
<b>Net combined ratio</b>	93.4%	90.2%
<b>Financial result</b>	0.6%	0.6%
<b>Technical-financial result</b>	7.3%	10.4%

Source: MAPFRE Economics (based on ICEA data)



a decrease in claims arising from illnesses not related to the virus during the lockdown period, with these costs thereby being deferred and later substantially increasing with the easing of the pandemic. Fourthly, an increase in claims in *indemnification insurance*, both for companies that decided to provide exceptional cover for work absences due to the coronavirus and for the reduced control over work absences caused by social security, as resources had to be focused on treatment for COVID-19 patients. Fifthly, additional services were provided to the groups most affected in the form of donations to scientific associations and hospitals, discounts for SMEs and the self-employed, and free hospitalization indemnification insurance for health care workers. Sixthly, there was a general increase in average benefit expenses in the last quarter of the year, especially hospital expenses, with health protocols in admissions requiring PCR tests and all the new protective equipment (personal protective equipment, gloves, etc.) And finally, all the major companies have consolidated the digital services they offer to their clients. It is now common for policyholders to be able to have medical consultations by video, chat with medical professionals online, download test results and medical reports, have online appointments with large hospital chains, and manage their policies via their companies' websites or specific mobile applications for this type of insurance, which have improved significantly in a very short period of time.

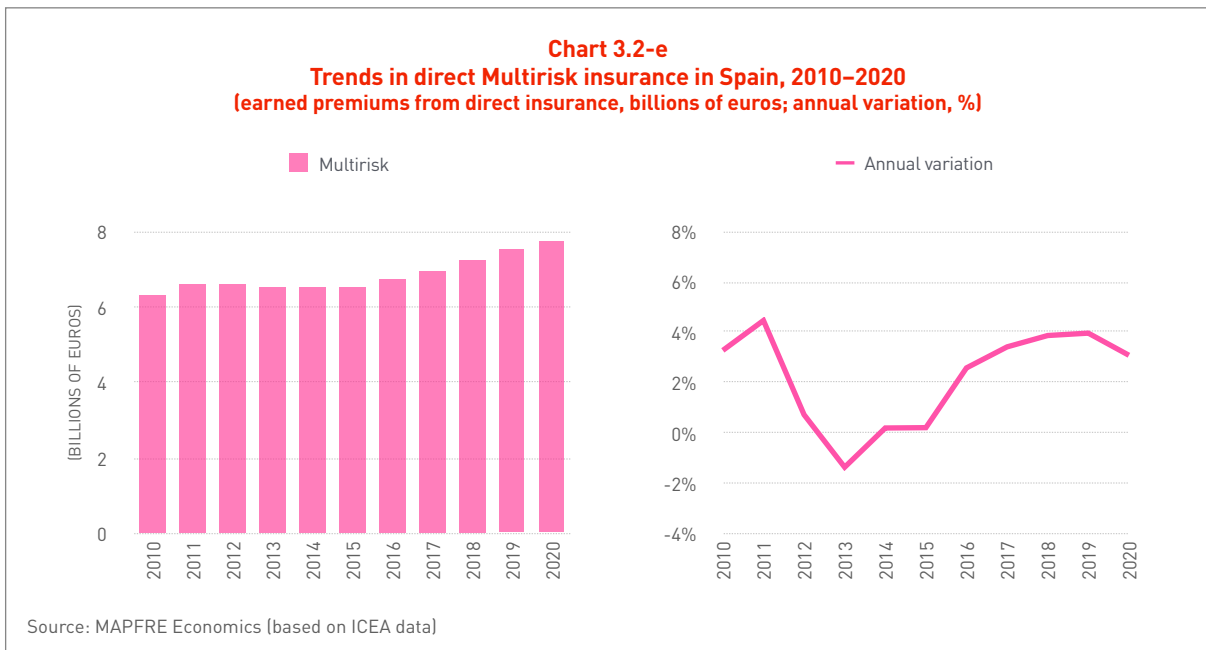
Due to all of the above, Health insurance once again performed positively in 2020, with premium volume issued increasing by 5.1% to 9.39 billion euros (see Chart 3.2-c). Healthcare Assistance, which accounted for 89% of the premiums in the line, saw the greatest increase, at 5.4%, compared to 2.9% for the Illness modality. In addition, it should be noted that the trend of recent years toward the collectivization of Health insurance continued in 2020, as collective insurance grew by 5.3%, while individual insurance increased by just

4.7%. Nevertheless, 70.3% of the line's allocated premiums are still concentrated in individual insurance.

The line's result improved in 2020 compared to the previous year due to the decrease in the loss ratio, which fell by 3.6 pp, while expenses increased slightly (0.5 pp), resulting in a combined ratio of 90.2%, compared to 93.4% in 2019. A good technical results combined with the financial result staying at 0.6% produced a technical-financial result totaling 10.4% of premiums, a 3.1-pp improvement on the previous year (see Table 3.2-d and Chart 3.2-d).

### 2021 outlook

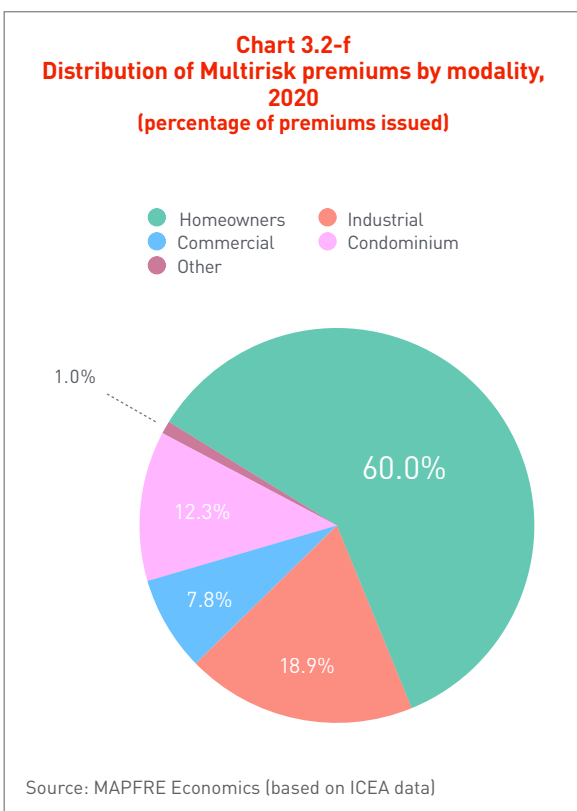
The most recent data on the first five months of 2021 show resistance to the growth in Health insurance, with premiums increasing by 4.5% year-on-year. Despite this, the performance of the Health line was clearly affected by the pandemic in the first few months of the year, and some effects that had been forecasted at the end of 2020 materialized. Firstly, the number of cancelations dropped, especially in policies paid for by companies, who see that under current circumstances this is not the best time to consider changes in an area as sensitive as medical insurance. Secondly, the increase in new business for medical insurance—above what is normal during this period—continued. The general public appears to be becoming more and more aware of the need to have private medical insurance, especially after the collapse of the public health system at the worst points of the pandemic. The percentage of insured people is increasing in all the autonomous communities. And lastly, there was a pronounced increase in health costs; with the pandemic starting more than a year ago, policyholders that put off seeking non-urgent medical care can no longer delay it, and the loss ratio is expected to increase significantly this year compared to 2020.



### Multirisk

In 2020, Multirisk premiums totaled 7.75 billion euros, 3.1% greater than in the previous year (see Charts 3.2-e and 3.2-f). The modalities with the largest premium volume, Homeowners and Industrial, performed very well with increases of 2.7% and 5.6% respectively, while

Condominium and Commercial premiums also rose, with respective increases of 2.8% and 0.3%. As such, Multirisk insurance maintained its position as the third Non-Life line by premium volume, with a share of 20.9% in 2020.



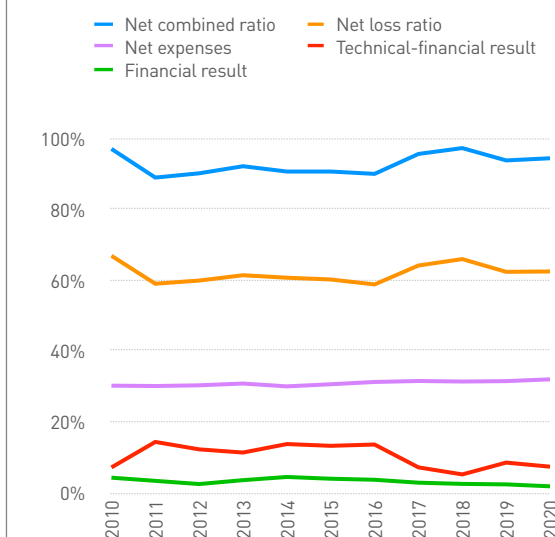
With regard to the technical result, the combined ratio for this line of insurance grew by 0.6 pp to 94.5%, due to increases of 0.5 pp in expenses and 0.1 pp in the loss ratio (see Table 3.2-e and Chart 3.2-g). The expense ratio rose across all modalities (except for Homeowners, which saw a slight decrease of 0.2 pp), with the Industrial modality increasing by 2.6 pp. With regard to loss experience, Commercial Multirisk had the best performance, with its loss ratio dropping by 5.4 pp, while Industrial Multirisk, affected by a higher peak loss ratio and continued heavy competition and price adjustments, saw a deterioration of 4.1 pp in its loss ratio together with an increase in expenses, resulting in its combined ratio exceeding 100%. Loss experience in Homeowners and Condominium Multirisk was affected by the damage caused by Storm Gloria in January 2020, which caused rough seas, persistent rain, strong winds, a lot of snow, extreme low temperatures and numerous power outages. Nevertheless, the loss ratio remained stable for Homeowners, and increased by 0.7 pp for the Condominium modality.

**Table 3.2-e**  
**Basic Multirisk insurance indicators, 2019–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	7,521	7,753
<b>Variation in premiums</b>	4.0%	3.1%
<b>Retention</b>	83.4%	82.0%
<b>Gross loss ratio</b>	63.5%	64.7%
<b>Gross expenses</b>	30.2%	30.1%
<b>Net loss ratio</b>	62.4%	62.5%
<b>Net combined ratio</b>	93.8%	94.5%
<b>Financial result</b>	2.3%	1.8%
<b>Technical-financial result</b>	8.5%	7.3%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-g**  
**Results performance in the Multirisk insurance line,**  
**2010–2020**  
 (indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

## 2021 outlook

Data published for the first five months of 2021 show a year-on-year increase of 4.3% in premiums in Multirisk, with positive performance in almost all modalities except Commercial, which dropped by -0.7%. Particularly notable was an increase of 5.5% for Industrial Multirisk. However, 2021 is proving to be a difficult year for the Multirisk line. Storm Filomena (which mainly brought snowfall, a condition not covered by the ICC), the post-pandemic period and the economic standstill all point to this. The outlook for 2021 is based on economic recovery, forecasted primarily for the last quarter of the year, which will more or less run alongside the mass vaccination of the population against COVID-19 and the assistance provided by governmental bodies to help self-employed people and SMEs to recover. This will mean that the insurance industry will support clients in assessing the necessary coverage and risk protection for these groups.

## Homeowners Multirisk

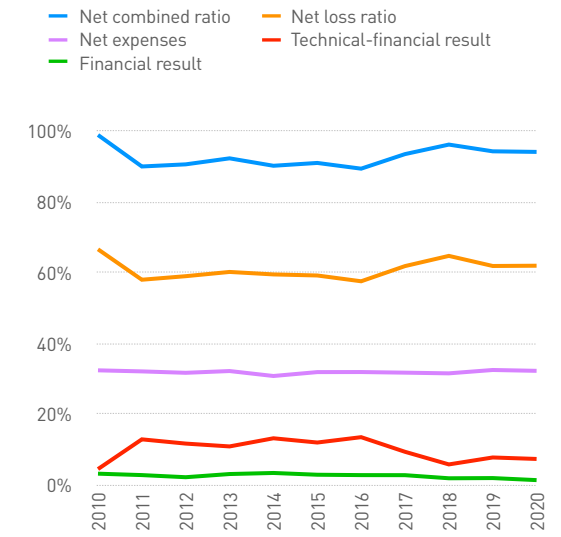
The start of 2020 was arduous; Storm Gloria hit income statements hard in January, but the COVID-19 was yet to arrive. However, despite the economic effects of these phenomena, the Homeowners line performed well in 2020, with the amount of premiums issued rising by 2.7% to 4.65 billion euros. Regarding the result, the loss ratio remained almost unchanged at 61.9% despite the extreme weather events and policyholders spending more time at home due to lockdown, and the expense level improved, resulting in a combined ratio of 94.0%, 0.2 pp less than in the previous year. Nevertheless, a slight fall in the financial result caused the technical-financial result to drop by 0.4 pp to 7.3% of premiums (see Table 3.2-f and Chart 3.2-h).

**Table 3.2-f**  
**Basic Homeowners Multirisk insurance indicators,**  
**2019–2020**  
**(premiums, millions of euros; ratio over premiums,**

	2019	2020
<b>Premium volume issued (millions of euros)</b>	4,529	4,653
<b>Variation in premiums</b>	4.2%	2.7%
<b>Retention</b>	90.0%	90.2%
<b>Gross loss ratio</b>	62.0%	63.4%
<b>Gross expenses</b>	32.0%	31.7%
<b>Net loss ratio</b>	61.8%	61.9%
<b>Net combined ratio</b>	94.2%	94.0%
<b>Financial result</b>	1.9%	1.3%
<b>Technical-financial result</b>	7.7%	7.3%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-h**  
**Results performance in the Homeowners Multirisk**  
**insurance line, 2010–2020**  
**(indicators over premiums)**



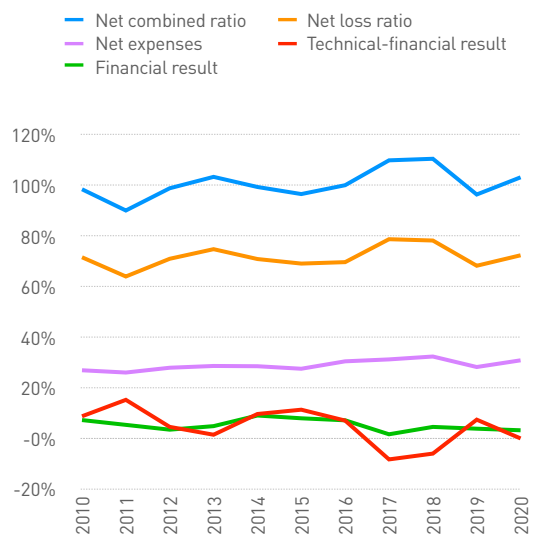
Source: MAPFRE Economics (based on ICEA data)

**Table 3.2-g**  
**Basic Industrial Multirisk insurance indicators,**  
**2019–2020**  
**(premiums, millions of euros; ratio over premiums, %)**

	2019	2020
<b>Premium volume issued (millions of euros)</b>	1,385	1,463
<b>Variation in premiums</b>	5.3%	5.6%
<b>Retention</b>	60.9%	53.0%
<b>Gross loss ratio</b>	73.2%	74.6%
<b>Gross expenses</b>	24.0%	23.9%
<b>Net loss ratio</b>	68.2%	72.4%
<b>Net combined ratio</b>	96.4%	103.2%
<b>Financial result</b>	3.8%	3.2%
<b>Technical-financial result</b>	7.4%	-0.1%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-i**  
**Results performance in the Industrial Multirisk**  
**insurance line, 2010–2020**  
**(indicators over premiums)**



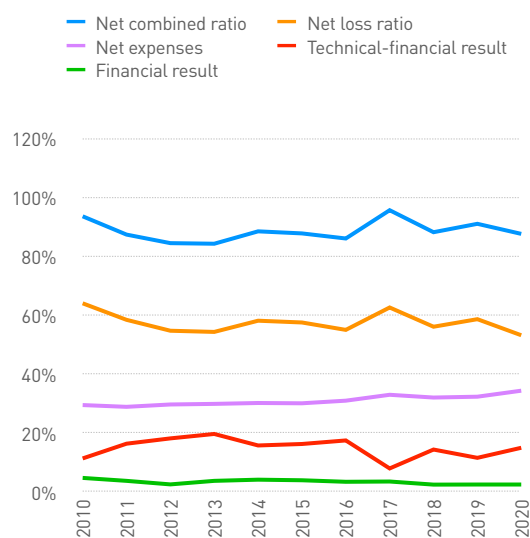
Source: MAPFRE Economics (based on ICEA data)

**Table 3.2-h**  
**Basic Commercial Multirisk insurance indicators,**  
**2019-2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	602	604
<b>Variation in premiums</b>	1.1%	0.3%
<b>Retention</b>	81.6%	83.3%
<b>Gross loss ratio</b>	56.5%	53.5%
<b>Gross expenses</b>	31.9%	33.4%
<b>Net loss ratio</b>	58.6%	53.2%
<b>Net combined ratio</b>	91.0%	87.5%
<b>Financial result</b>	2.6%	2.6%
<b>Technical-financial result</b>	11.6%	15.0%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-j**  
**Results performance in the Commercial Multirisk**  
**insurance line, 2010-2020**  
 (indicators over premiums)



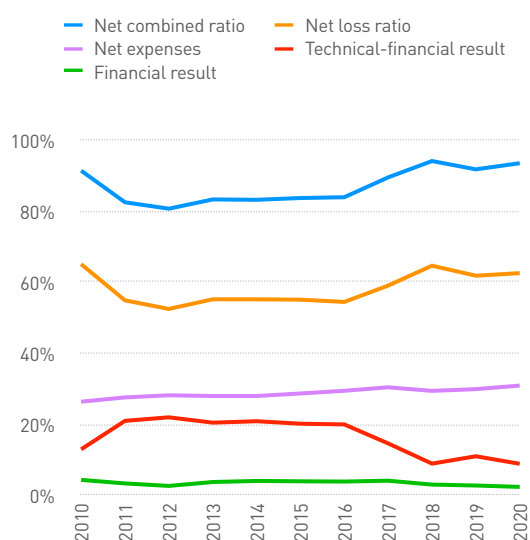
Source: MAPFRE Economics (based on ICEA data)

**Table 3.2-i**  
**Basic Condominium Multirisk insurance indicators,**  
**2019-2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	926	953
<b>Variation in premiums</b>	3.1%	2.8%
<b>Retention</b>	86.2%	86.0%
<b>Gross loss ratio</b>	61.7%	63.9%
<b>Gross expenses</b>	29.4%	29.8%
<b>Net loss ratio</b>	61.8%	62.6%
<b>Net combined ratio</b>	91.8%	93.5%
<b>Financial result</b>	2.8%	2.4%
<b>Technical-financial result</b>	11.0%	8.9%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-k**  
**Results performance in the Condominium Multirisk**  
**insurance line, 2010-2020**  
 (indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)



### Industrial Multirisk

The Industrial Multirisk insurance premium volume amounted to 1.46 billion euros in 2020, an increase of 5.6% over the previous year. This rate of growth is particularly notable as it is similar to the previous period, continuing a trend seen for the past three years of increases of around 5%. The indicators show a deterioration in the line's technical account, with a combined ratio once again above 100%, as it was in the years before 2019, and a negative technical-financial result (-0.1%). As for the loss ratio, it started increasing again as it had done in the years prior to 2019 (when it improved significantly), growing by 4 pp, due primarily to an increase in peak claims during 2020 and continued major competition and price adjustments (see Table 3.2-a and Chart 3.2-i). With regard to coverage and services, new benefits should be noted related to cyber risks, data protection and, more than innovating with new types of coverage, the adjustment of client coverage to their individual needs depending on how they were affected by COVID-19.

### Commercial Multirisk

In 2020, the premium volume for Commercial Multirisk insurance amounted to 604 billion euros, which represents an increase of 0.3% compared with the previous year. This was lower than the growth seen in 2019 (1.1%) and 2018 (1.8%), due to the economic situation caused by the COVID-19 pandemic. The indicators show an improvement in results compared with 2019 due to a 5-pp improvement in the loss ratio as a result of the COVID-19 situation, which saw many businesses closed and insured for long periods. This lower loss experience caused the combined ratio to improve by 3.4 pp compared to the previous year, to 87.5%, and the technical-financial result to increase by 3.4 pp to 15% of premiums; two very good figures for the Multirisk modality (see Table 3.2-h and Chart 3.2-j). However, the current crisis situation may lead to poorer results in the future. Regarding coverage and services, there have been improvements in protection for remote working and in the use of

technology to generate automated offers and verify risks digitally, an innovation that has been accelerated given the current circumstances.

### Condominium Multirisk

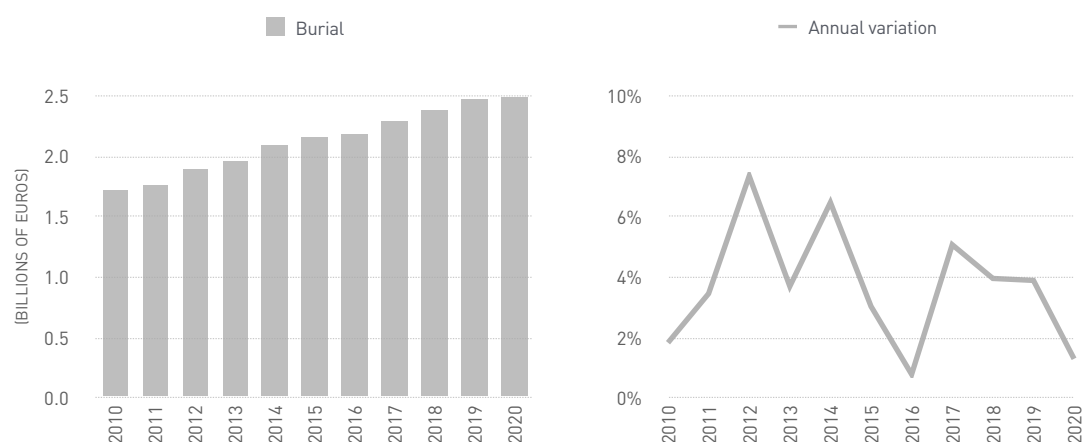
Premiums for Condominium Multirisk insurance increased by 2.8% in 2020, slightly less than in the previous year (3.1%), reaching a premium volume of 953 million euros. It should be noted that the client retention rate remained unchanged for this line of coverage as neighborhood association meetings, where changes to insurance companies are made, could not go ahead due to the lockdown measures in place. Furthermore, due to Storm Gloria, the loss ratio increased, alongside the combined ratio, which grew by 1.7 pp to 93.5% (see Table 3.2-i and Chart 3.2-k). This, combined with a deterioration in the financial result, led to the technical-financial result dropping by 2.1 pp to 8.9% of premiums.

### Other Non-Life lines

#### Burial

The performance data for the Burial line show that business volume increased slightly by 1.3% to 2.49 billion euros in 2020, less than that recorded for the previous year (3.9%) and the average for the last ten years (see Chart 3.2-l). As with other lines of coverage, this performance was affected by the weeks of lockdown in March and April and the increased number of deaths during the pandemic. However, it should be noted that in spite of this, it remained in positive territory, demonstrating the line's resilience. This resilience, originating in the ongoing structure of the product, has been enhanced during the pandemic as insurers have been able to respond to the enormous challenge of continuing to serve families under circumstances as complicated as those experienced. The result of this was the retention rate remaining above 98%.

**Chart 3.2-l**  
Trends in direct Burial insurance in Spain, 2010–2020  
(earned premiums from direct insurance, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

It should be noted that the growth rates that have been observed in recent years originated in the rise of the single premium. While this modality accounts for only 4% of new business policies, its premium amount exceeds 60% of new contracts. This product, together with mixed modalities, in which one part of the premium is level and the other part is natural, accounts for 82% of the new business

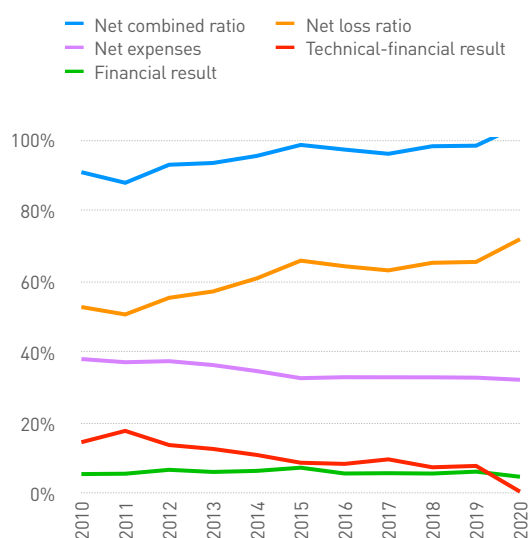
premiums marketed by the sector. In contrast, a significant reduction was observed in the weight of purely level products, which were practically the only option a few years ago. This modality accounts for only 9% of new business premiums, although they exceed 69% in the portfolio as a whole.

**Table 3.2-j**  
Basic Burial insurance indicators, 2019–2020  
(premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	2,459	2,491
<b>Variation in premiums</b>	3.9%	1.3%
<b>Retention</b>	98.5%	98.3%
<b>Gross loss ratio</b>	64.8%	71.0%
<b>Gross expenses</b>	32.8%	32.2%
<b>Net loss ratio</b>	65.5%	72.0%
<b>Net combined ratio</b>	98.4%	104.2%
<b>Financial result</b>	6.3%	4.8%
<b>Technical-financial result</b>	7.9%	0.6%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-m**  
Results performance in the Burial insurance line,  
2010–2020  
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

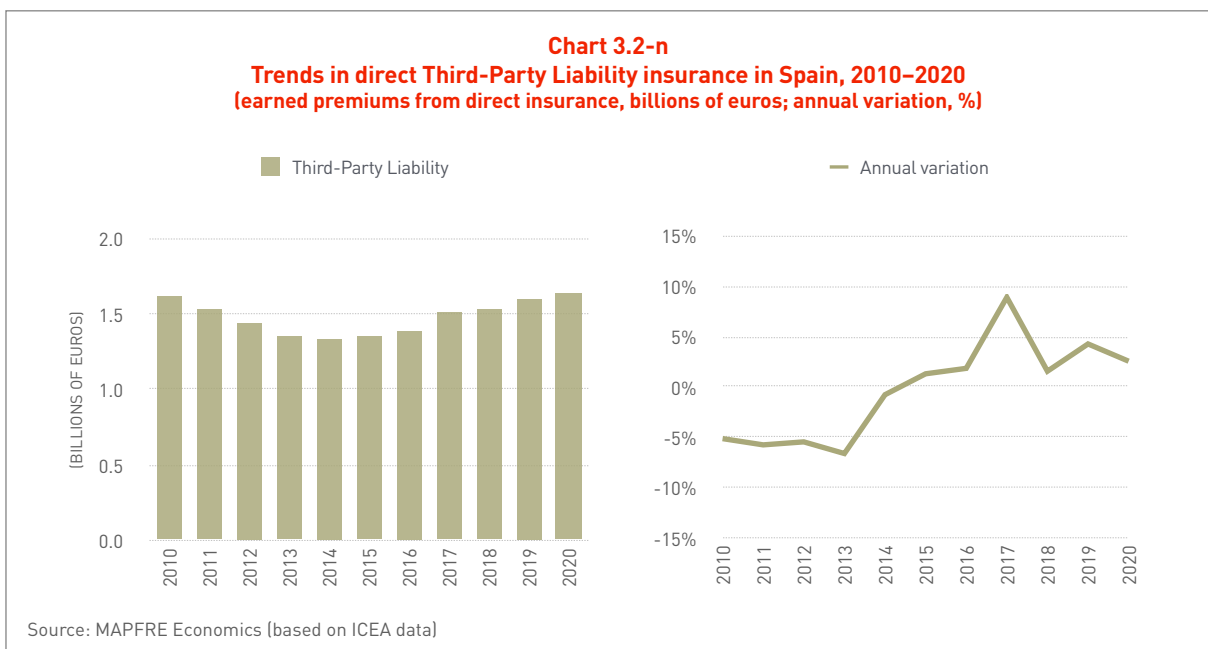
In 2020, the pandemic put insurers in this line to the test, whereby they learned to respond to the circumstances by adapting their procedures and capacities, meeting the needs of policyholders and their families. This resulted in the loss ratio sustained by the line in 2020 experiencing an upturn, increasing the combined ratio to 104.2%. The number of Burial guarantee claims in 2020 was 299,495, an increase of 17.8% compared to the previous year.

In addition, and as had occurred in previous fiscal years, the low interest rate environment once again required insurers to provide excess provisions, which had a subsequent effect on the income statement. This situation, combined with the continued low interest rates forecasted in the long-term, is forcing companies to review the technical conditions of their products. Operating expenses remain stable as a result of the efforts to curb company expenditure and expenses relating to maintaining conditions.

In addition, the weight of the financial result is notable in the technical account analysis. This was the result of the volume of provisions managed in this line approaching 6.4 billion

euros at the end of 2020, more than twice the premiums issued for the line. Although financial profitability was lower than in the previous year, it made it possible to offset the higher combined ratio that occurred due to the pandemic, keeping the technical-financial result positive (see Table 3.2-j and Chart 3.2-m).

As mentioned in previous editions of this report, it should be noted that for several years bancassurance operators have been entering this line — a channel that previously had no presence in the marketing of burial insurance. Moreover, in terms of competition in this line of the market, the line is well established, with a deep presence in society (almost half of the Spanish population has burial insurance). Competition is therefore most evident in newer segments, such as the single premium, which are insurance policies tailored to a very specific client segment (older individuals without burial insurance) for whom no product existed a few years ago.



**Table 3.2-k**  
**Basic Third-Party Liability insurance indicators, 2019–2020**  
 (premiums, millions of euros; ratio over premiums, %)

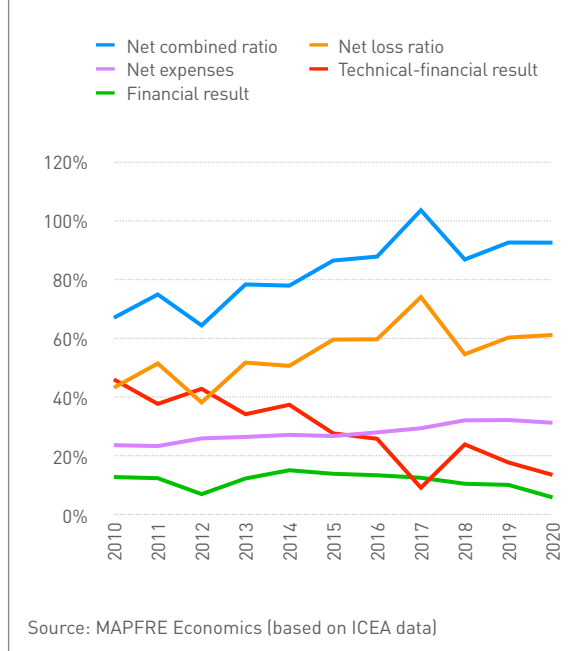
	2019	2020
<b>Premium volume issued (millions of euros)</b>	1,598	1,639
<b>Variation in premiums</b>	4.3%	2.6%
<b>Retention</b>	71.4%	70.5%
<b>Gross loss ratio</b>	62.4%	62.4%
<b>Gross expenses</b>	28.9%	28.1%
<b>Net loss ratio</b>	60.2%	61.1%
<b>Net combined ratio</b>	92.4%	92.4%
<b>Financial result</b>	10.2%	6.0%
<b>Technical-financial result</b>	17.8%	13.6%

Source: MAPFRE Economics (based on ICEA data)

### Third-party liability

In 2020, the premium volume issued in the Third-party liability line increased by 2.6% compared to the previous year, at 1.64 billion euros (see Chart 3.2-n). This increase is the result of various issues that arose in 2020. Firstly, premiums hardened in third-party liability policies, a trend that began in 2019 and was cemented in 2020, particularly in professional third-party liability and directors and officers liability insurance, as well as general third-party liability policies for companies in the *Middle Upper Market*. In addition, there was an increase in the number of cyber risk and data protection policies taken out as a result of the ever-increasing awareness of the need for protection against these types of events, the growth of remote working in many businesses and the increase in the number of cyber attacks. These increases have mitigated the negative effect of the decrease in billing volumes and the closure

**Chart 3.2-o**  
**Results performance in the Third-Party Liability insurance line, 2010–2020**  
 (indicators over premiums)

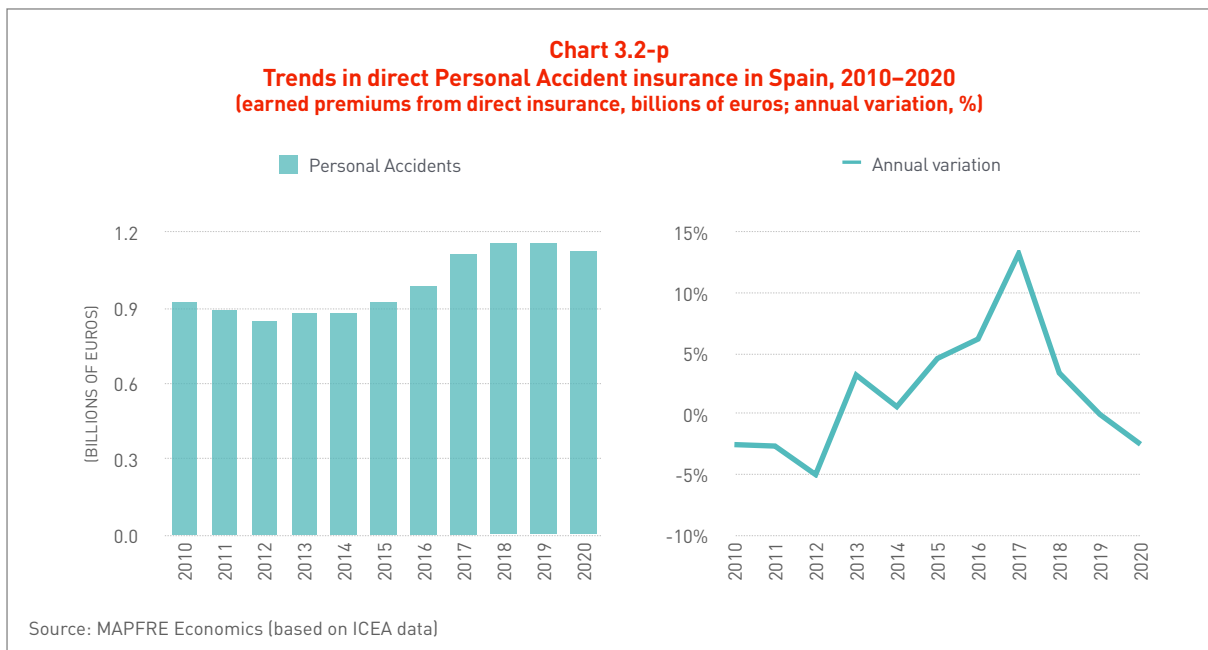


of businesses in sectors that have been particularly hard-hit by the effects of reduced activity due to the economic situation resulting from the pandemic.

Technical account result data show that the loss ratio increased by 0.9 pp in 2020 but that this was offset by the expense ratio dropping by the same amount, with the combined ratio therefore remaining stable at 92.4%. In addition, the drop of -4.2 pp in the financial result caused the technical-financial result for the line to fall from 17.8% of premiums in 2019 to 13.6% in 2020 (see Table 3.2-k and Chart 3.2-o).

### Personal accidents

The effects of the state of alarm declared as a result of the COVID-19 pandemic that broke out in March 2020 and the mobility restrictions that have been in place since have resulted in the



line's premium volume dropping by -2.5% in 2020, to 1.12 billion euros (see Chart 3.2-p). However, by the same token, mobility restrictions have led to a 7.5-pp decrease in the loss ratio, with the combined ratio enjoying a considerable improvement, coming to 67.6%.

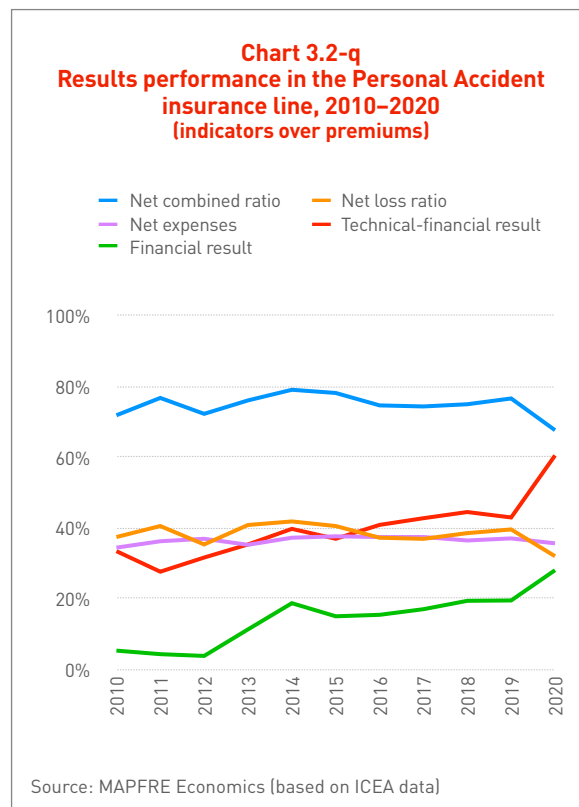
It should be noted that the trend in recent years has been toward a considerable adjustment in premiums issued, primarily due to market

competition, resulting in a slight increase in the loss ratio. The adjustment of written premiums has been encouraged by the state of alarm, but unlike in recent years, the loss ratio and, consequently, the combined ratio are at their best levels historically (see Chart 3.2-q and Table 3.2-l).

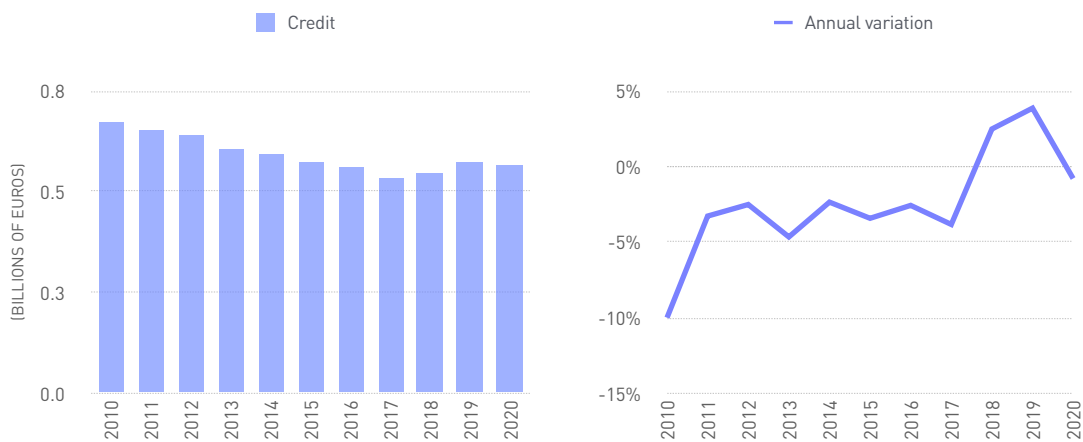
**Table 3.2-l**  
**Basic Personal Accident insurance indicators, 2019–2020**  
**(premiums, millions of euros; ratio over premiums, %)**

	2019	2020
<b>Premium volume issued (millions of euros)</b>	1,152	1,123
<b>Variation in premiums</b>	-0.0%	-2.5%
<b>Retention</b>	86.5%	86.8%
<b>Gross loss ratio</b>	39.0%	32.9%
<b>Gross expenses</b>	36.4%	34.7%
<b>Net loss ratio</b>	39.5%	32.0%
<b>Net combined ratio</b>	76.5%	67.6%
<b>Financial result</b>	19.5%	28.0%
<b>Technical-financial result</b>	42.9%	60.4%

Source: MAPFRE Economics (based on ICEA data)



**Chart 3.2-r**  
Trends in direct Credit insurance in Spain, 2010–2020  
(earned premiums from direct insurance, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

### Credit

Premium volume for the Credit insurance market dropped by -0.8% in 2020, putting a stop to the growth trend that began in 2018 (see Chart 3.2-r). This development is a reflection of the impact of the COVID-19 pandemic, which, on the one hand, hindered the entry of new clients into the market and, on the

other, led to the upward adjustment of rates in the portfolio of policies in effect.

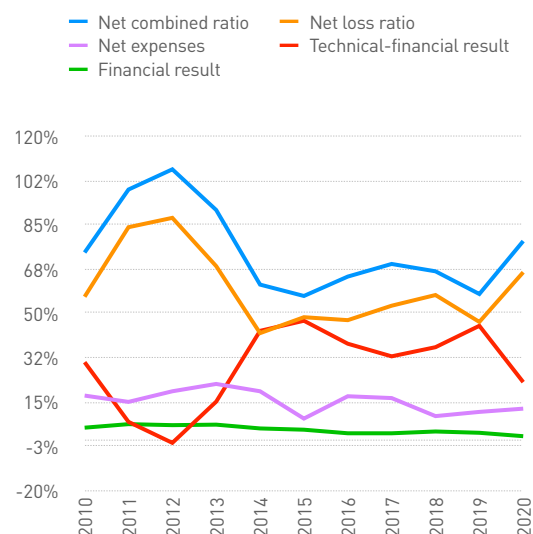
Furthermore, and as is reflected in Table 3.2-m and Chart 3.2-s, loss experience in this line has increased but remains at sustainable levels. Performance like this is not usually expected in a highly uncertain and volatile macroeconomic and political context, and is

**Table 3.2-m**  
Basic Credit insurance indicators, 2019–2020  
(premiums, millions of euros; ratio over premiums, %)

	2019	2020
Premium volume issued (millions of euros)	607	602
Variation in premiums	3.8%	-0.8%
Retention	37.5%	32.5%
Gross loss ratio	52.2%	61.8%
Gross expenses	32.8%	30.5%
Net loss ratio	46.6%	66.3%
Net combined ratio	57.7%	78.6%
Financial result	2.8%	1.4%
Technical-financial result	45.1%	22.8%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-s**  
Results performance in the Credit insurance line, 2010–2020  
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

explained in part by the support provided by the government to mitigate the impact of the crisis caused by the pandemic on companies and on the credit insurers that underwrite the conditions for this support. As such, as a result of this development combined with the efforts to reduce costs, the net combined ratio increased to 78.6%.

Provisional data for sector premiums at the end of March 2021 reflected positive growth at a rate of 7.4%. The COVID-19 crisis continues to keep the market and the Spanish economy in a complex and uncertain situation. The impairment of many sectors and the likely upturn in loss experience when government support ends will continue to drive rate growth and an increase in cancellations.

It is still not possible to identify all the consequences that the health crisis will have on this line of coverage over the next few months, but it is reasonable to assume that insurers will continue to adjust their coverage options, prices and risk exposure in particular in countries and sectors that are more vulnerable in the current scenario. Also, it can be expected that more resilient sectors and companies will encourage people to take out policies as a result of greater sensitivity to commercial risk credit. This recovery in demand will be more marked in the

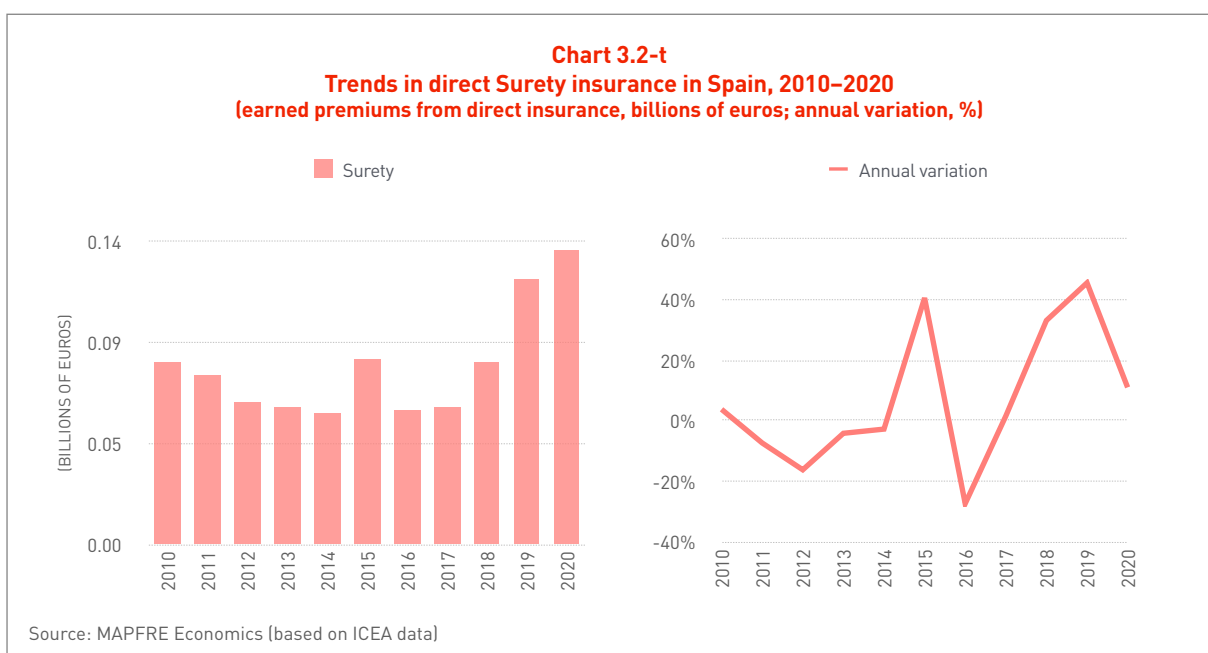
second half of the year, with the gradual improvement of the economy.

### Surety

The premium volume for Surety insurance amounted to 136 million euros in 2020, representing an increase of 11% over 2019 (see Chart 3.2-t). Although the growth rate dropped compared to the three years previous, this is still a very positive figure as it was achieved in a highly complex environment caused by the pandemic.

The line's gross loss ratio improved by 13.6 pp compared to 2019, to an impressive 26% (see Table 3.2-n and Chart 3.2-u). This was an unexpected development, as a sharp increase in the loss ratio was feared at the start of the health crisis. The stimulus measures adopted by the Spanish government and at the European Union level undoubtedly had a positive effect on the loss ratio, which remained at highly restrained levels, allowing the sector to achieve excellent results.

Beyond the numbers alone, it should be noted that the sector has been able to adapt to this new reality, and insurers have managed to continue providing services to their clients with almost all of their employees and collaborators

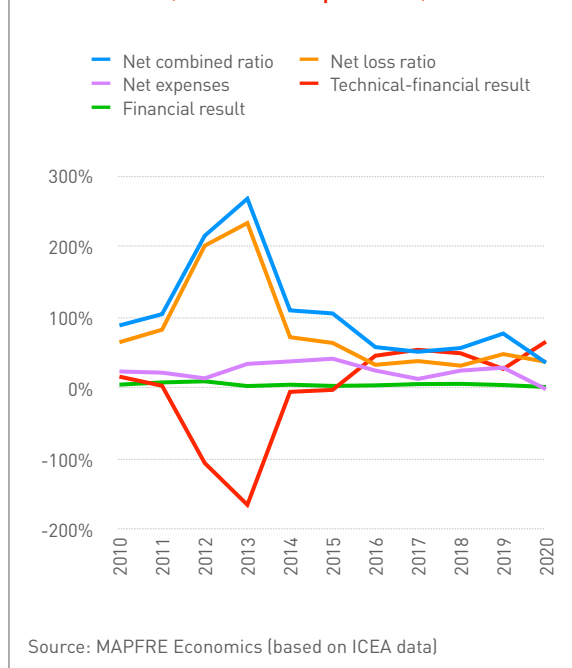


**Table 3.2-n**  
**Basic Surety insurance indicators, 2019–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	122	136
<b>Variation in premiums</b>	45.6%	11.0%
<b>Retention</b>	31.8%	32.9%
<b>Gross loss ratio</b>	39.7%	26.0%
<b>Gross expenses</b>	36.0%	31.6%
<b>Net loss ratio</b>	48.2%	37.3%
<b>Net combined ratio</b>	77.3%	36.0%
<b>Financial result</b>	4.6%	1.8%
<b>Technical-financial result</b>	27.3%	65.7%

Source: MAPFRE Economics (based on ICEA data)

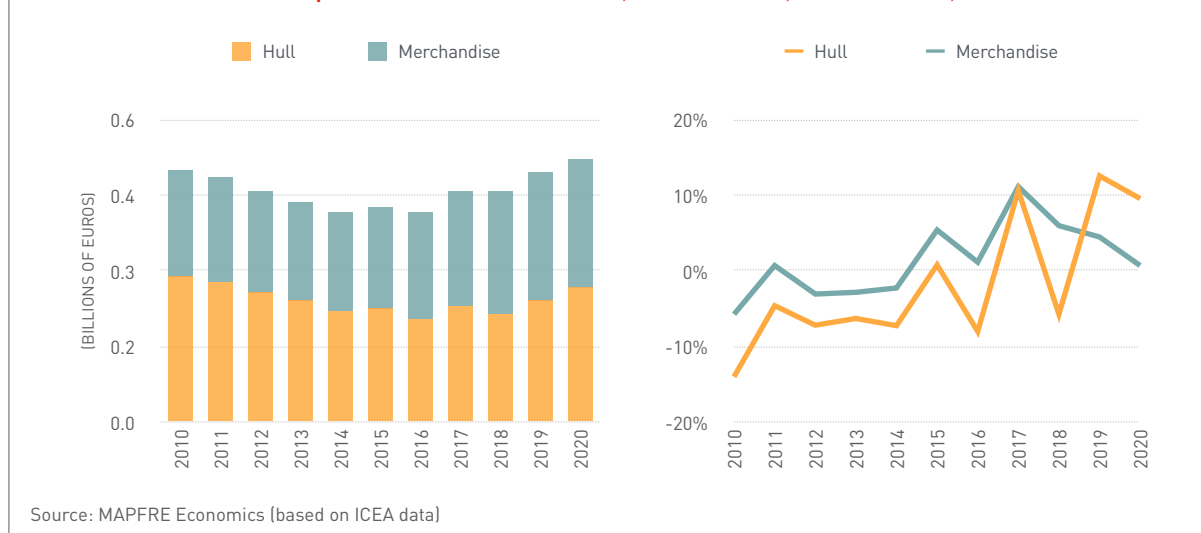
**Chart 3.2-u**  
**Results performance in the Surety insurance line, 2010–2020**  
 (indicators over premiums)



working from home. This scenario has driven initiatives for electronic signatures and the deposit of guarantees using virtual platforms that are hoped will completely replace paper versions. Unfortunately, the start of 2021 continued to be affected by the COVID-19 pandemic.

This means that the uncertain economic climate will continue, and that the exceptional measures adopted by governments will persist. Despite this, the line grew by 4% by March 2021, a very good result given the current crisis situation caused by the coronavirus.

**Chart 3.2-v**  
**Trends in direct Transport insurance in Spain, 2010–2020**  
 (earned premiums from direct insurance, billions of euros; annual variation, %)





## Transport

The results of the various Transport lines remained positive in 2020, despite the crisis. Premium volume stood at 523 million euros for the year, which represents growth of 5.1% compared to the previous year (see Chart 3.2-v). This growth continued to benefit from the hardening of conditions in the Aviation line, which began in 2019 and continued to have an impact in 2020. The Maritime business also grew by 3.5%, although this figure was somewhat lower than in the previous year as a result of renewal conditions being hardened and the increasing lack of capacity to insure large fleets.

The Merchandise line was most affected by the shutdown in sales activity in place as a result of the pandemic and lockdown. Although the essential nature of the insurance industry has meant that it has continued to operate at all times, sectors such as manufacturing and automotive have been affected so the line's premiums only slightly increased, by 0.7%.

Furthermore, loss experience was practically nonexistent in Aviation due to the lack of activity in the sector, while Merchandise maintained the same parameters as in the previous year. Maritime, however, remained negative, although less so than in the previous fiscal year, thereby contributing to the continuation of the hardening of conditions begun in 2019.

Transport premiums dropped by -4.3% between January and May 2021, with a 13.8% increase in Maritime insurance that could not offset the drops of -49.7% and -1.9% in Aviation and Merchandise, respectively.

## Hull

As can be seen in Table 3.2-o, premiums in the Hull segment increased by almost 10% during 2020, resulting in a premium volume of 266 million euros. As noted above, this increase came mainly from the hardening of conditions that took place during the previous fiscal year due to bad results in the line's technical account. The hardening of renewals that began in the previous year continued, for both premiums and conditions and deductibles.

As confirmed in Table 3.2-0 and Chart 3.2-w, the gross loss ratio improved significantly to 59.2%, and while the net loss ratio did improve by 4.5 pp compared to 2019, expenses prevented the result from being better, increasing by 2.5 pp. Consequently, the combined ratio improved by 2 pp to 105.4%, confirming an improving trend in the line.

## Merchandise

In 2020, the Merchandise line's premium volume remained practically unchanged from the previous year, while its result improved thanks to the lack of activity in certain sectors as a result of the pandemic. Maritime merchandise traffic remained active throughout 2020, although it was affected by the closure of a number of ports, difficulty in loading and unloading containers and the lack of activity in certain important sectors such as manufacturing, accessories and automotive, among others. This was reflected in the lack of growth in the line and the drop in the loss ratio (decrease of 14.1 pp compared to the previous year).

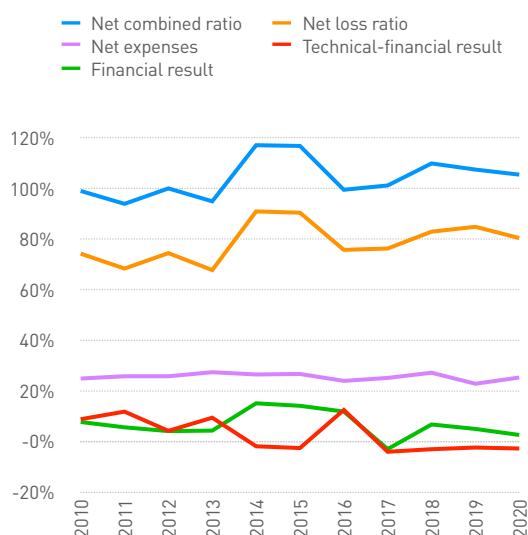
Nevertheless, despite the uncertainty created by the pandemic, the results were positive as there was no general decrease in premiums, resulting in a combined ratio not seen for a long time, at 78.1% (see Table 3.2-p and Chart 3.2-x).

**Table 3.2-o**  
**Basic Hull Transport insurance indicators, 2019–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	243	266
<b>Variation in premiums</b>	12.6%	9.6%
<b>Retention</b>	46.4%	37.7%
<b>Gross loss ratio</b>	87.1%	59.2%
<b>Gross expenses</b>	16.5%	17.6%
<b>Net loss ratio</b>	84.7%	80.3%
<b>Net combined ratio</b>	107.4%	105.4%
<b>Financial result</b>	4.8%	2.4%
<b>Technical-financial result</b>	-2.6%	-3.0%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-w**  
**Results performance in the Hull Transport line, 2010–2020**  
 (indicators over premiums)



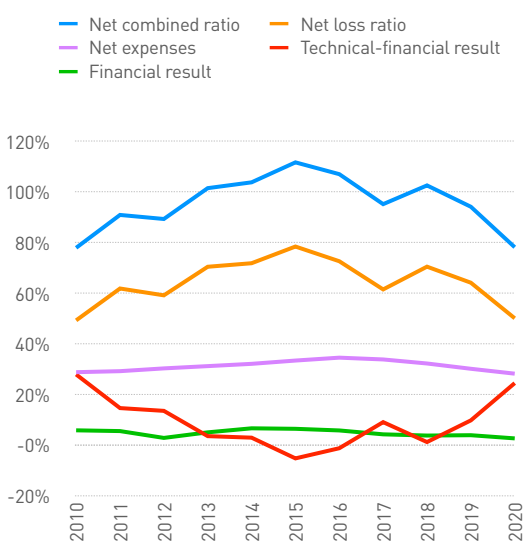
Source: MAPFRE Economics (based on ICEA data)

**Table 3.2-p**  
**Basic Merchandise Transport insurance indicators, 2019–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2019	2020
<b>Premium volume issued (millions of euros)</b>	255	257
<b>Variation in premiums</b>	4.5%	0.7%
<b>Retention</b>	69.0%	66.8%
<b>Gross loss ratio</b>	61.3%	48.8%
<b>Gross expenses</b>	28.0%	26.4%
<b>Net loss ratio</b>	64.1%	50.0%
<b>Net combined ratio</b>	94.1%	78.1%
<b>Financial result</b>	3.8%	2.5%
<b>Technical-financial result</b>	9.6%	24.4%

Source: MAPFRE Economics (based on ICEA data)

**Chart 3.2-x**  
**Results performance in the Merchandise Transport insurance line, 2010–2020**  
 (indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

**Table 3.2-q**  
**Breakdown of Engineering insurance by modality,**  
**2020**  
**(premiums, millions of euros; variation, %)**

Modality	2020	Variation
Ten-Year	32.3	-15.5%
Construction	78.5	6.4%
Machinery breakdown	159.1	2.4%
Assembly	17.7	-7.3%
Electronic equipment	56.1	5.8%
<b>Total Engineering</b>	<b>343.7</b>	<b>1.2%</b>

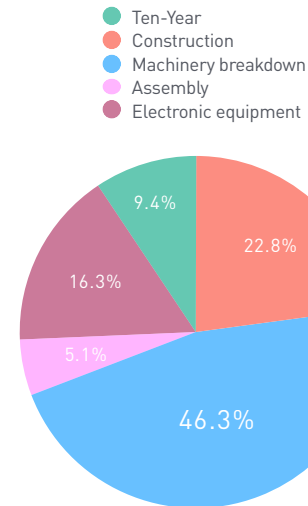
Source: MAPFRE Economics (based on ICEA data)

### Engineering

The total premium volume for Engineering insurance in 2020 was 344 million euros, a slight increase of 1.2%, much lower than the 12.7% growth recorded in 2019. This was driven by the lines with higher premium volume as shown in Table 3.2-q and Chart 3.2-y (Machinery Breakdown [2.4%], Construction [6.4%] and Electronic Equipment [5.8%]), which offset the drop in Erection (-7.3%) and Ten-Year insurance (-15.5%).

As with the rest of the lines, we must wait to assess the effects that disruption to usual activity (due to the COVID-19 pandemic) has had on the various economic sectors, and to find out whether the Engineering sector will continue on this upward trend. Statistics for the first quarter show increases in all Engineering modalities, with the exception of Erection, which dropped by -29.3%.

**Chart 3.2-y**  
**Breakdown of Engineering insurance premiums by**  
**modality, 2020**  
**(indicators over premiums)**



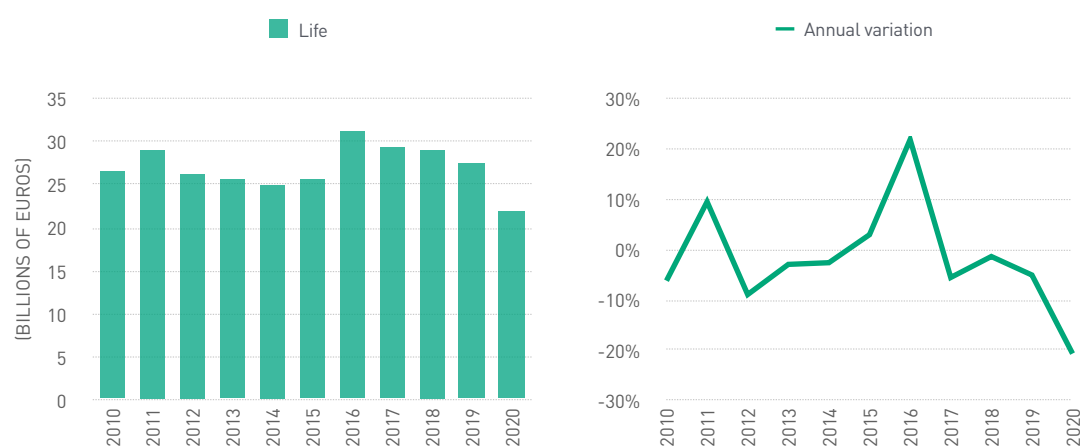
Source: MAPFRE Economics (based on ICEA data)

### 3.3. Life line

Life insurance reached a total premium volume of 21.84 billion euros in 2020, representing a decrease of -20.7% compared to the previous year. There have been decreases in both Protection (-0.4%) and Savings (-25%) due to the economic crisis caused by the COVID-19 pandemic and the continued low interest rate environment, except for unit-linked products, which grew by 1.1% (see Table 3.3-a and Chart 3.3-a). Long-term care products also performed well, increasing by 17.9%, although the premium volume totals only 8 million euros.

In terms of managed savings, technical provisions decreased by 0.3% to 194.11 billion euros, ending the trend of increases that had been ongoing for more than a decade. It should be noted that in 2020, individual and collective insurance also saw very similar decreases, of -20.3% and -22.9%, respectively. Furthermore, as can be seen in Table 3.3-b, the number of policyholders dropped by -1.6% overall, with a larger drop in Life Savings (-5%) than in Life Protection (-0.1%).

**Chart 3.3-a**  
**Trends in direct Life insurance in Spain, 2010–2020**  
 (earned premiums from direct insurance, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

## 2021 outlook

The health crisis and its development will impact the performance of the Life line in 2021. However, the performance of the Protection insurance line will be closely associated with consumption and credit developments, as this type of insurance is largely linked to loan

performance. A low interest rate environment was also forecast, which will continue to encourage savers seeking improved return in exchange for greater risk to continue investing in the types of savings alternatives that this kind of situation can provide, such as unit-linked products.

**Table 3.3-a**  
**Breakdown of Life insurance premiums and provisions by modality, 2019–2020**  
 (premiums issued net of cancelations, annual variation, %)

Modality	Premiums		Provisions	
	2020	Annual variation	2020	Annual variation
<b>Individual</b>	<b>18,834</b>	<b>-20.3%</b>	<b>157,691</b>	<b>-0.6%</b>
<b>Collective</b>	<b>3,003</b>	<b>-22.9%</b>	<b>36,419</b>	<b>0.6%</b>
<b>Total</b>	<b>21,837</b>	<b>-20.7%</b>	<b>194,110</b>	<b>-0.3%</b>
<b>Risk</b>	<b>4,840</b>	<b>-0.4%</b>	<b>6,572</b>	<b>1.8%</b>
<b>Dependency</b>	<b>8</b>	<b>17.9%</b>	<b>36</b>	<b>24.6%</b>
<b>Savings/Retirement</b>	<b>16,989</b>	<b>-25.0%</b>	<b>187,501</b>	<b>-0.4%</b>
Insured Pension Plan	883	-28.2%	12,098	-1.9%
Deferred capital	4,751	-24.4%	49,004	-2.6%
Annuities	3,717	-45.8%	89,129	-1.0%
Transformation of equity into whole life annuities	17	-94.6%	2,418	-6.8%
PIAS (Planes Individuales de Ahorro Sistemáticos — individual)	2,663	-4.9%	14,441	-0.2%
SIALP (Seguro Individual de Ahorro a Largo Plazo — individual)	787	-24.3%	4,397	1.7%
Unit-linked	4,171	1.1%	16,016	12.5%
<b>Total</b>	<b>21,837</b>	<b>-20.7%</b>	<b>194,110</b>	<b>-0.3%</b>

Source: MAPFRE Economics (based on ICEA data)

**Table 3.3-b**  
**Breakdown of Life insurance policyholders by**  
**modality, 2019–2020**  
**(number of policyholders; annual variation, %)**

Modality	2020	Annual variation
<b>Risk</b>	20,785,225	-0.1%
<b>Dependency</b>	65,743	11.0%
<b>Savings/Retirement</b>	9,211,628	-5.0%
<b>Total</b>	<b>30,062,596</b>	<b>-1.6%</b>

Source: MAPFRE Economics (based on ICEA data)

The latest data for the first five months of 2021 show some recovery of growth in Life Insurance, with a year-on-year premium increase of 9.9%, with Life Protection and Life Savings growing by 3.1% and 12.4%, respectively.

### Pension funds and plans

*Pension funds* reached a new equity record at the end of 2020 and closed the year with an asset volume of 118.52 billion euros (1.8% more than in 2019).

The Individual System provided all the growth for the year, while the Company System saw a slight decline (see Charts 3.3-b and 3.3-c).

Once again, net contributions were the largest contributor to the growth of Individual Plans in 2020, totaling 1.34 billion euros (18% more than in 2019). The historic trend of positive net contributions to the Individual System may change in 2021 due to the approved reduction of the maximum contributory limit to 2,000 euros. The Company System experienced a slight decrease in the negative balance of contributions, due to a reduction in gross benefits for the second consecutive year.

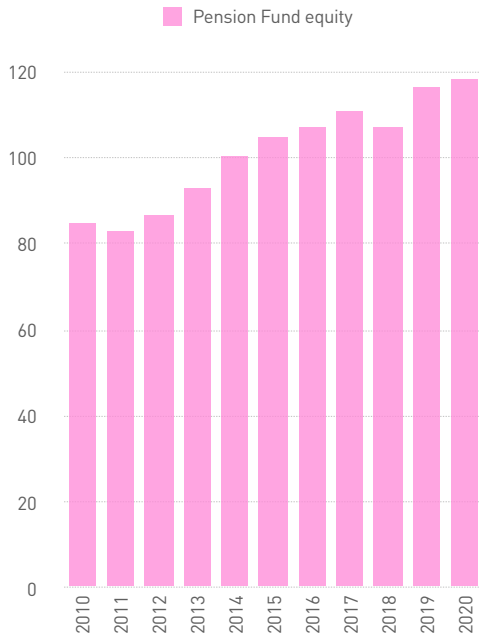
The number of unitholder accounts also decreased slightly compared to 2019 (14,013 fewer accounts), closing the year at 9,541,898 accounts. However, the net number of unitholders was estimated to be 7.5 million at fiscal year-end, given that many have more than one plan open in order to diversify their investments. Pension Plans closed 2020 with positive profitability across all terms, with long-term profitability being satisfactory at an annual average of 3.4% at 25 years for all plans.

### Mutual funds

The equity of domestic *mutual funds* remained unchanged, with a slight reduction of 60 million euros down to 276.5 billion euros (see Chart 3.3-d). The risk profile for Spanish unitholders continued the trend from previous years in 2020 (see Chart 3.3-e), except in one category, which, due to the current economic situation, saw a slight change in the portfolio structure, as is the case with Long-Term Fixed Income Funds, after the improved performance of these types of funds due to reductions in the Internal Rate of Return that occurred in 2020.

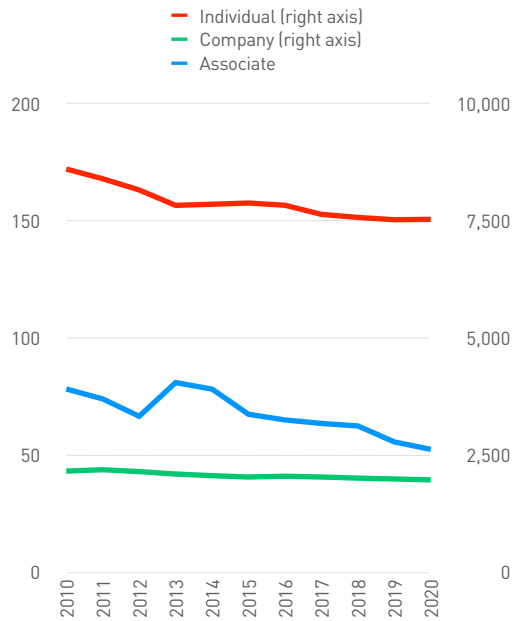
Back in 2014, 51% of mutual fund equity was conservative in nature (23% cash and short-term fixed income and 28% guaranteed); while in December 2020, only 25% of savings in mutual funds were channeled through this type of instrument. The reasons behind this performance include a more temporary cause in the form of interest rates performing negatively, which forces the unitholder to seek extra return on their investments, and a more structural cause, such as the increased financial literacy of the average Spanish saver. According to the 11th manager survey conducted by the pension fund and collective investment institution association, Inverco, in the first quarter of 2021, mutual funds are configured as long-term (over five years) savings instruments, with the average holding period greater than four years for almost half of unitholders.

**Chart 3.3-b**  
Trends in Pension Fund equity, 2010-2020  
(billions of euros)



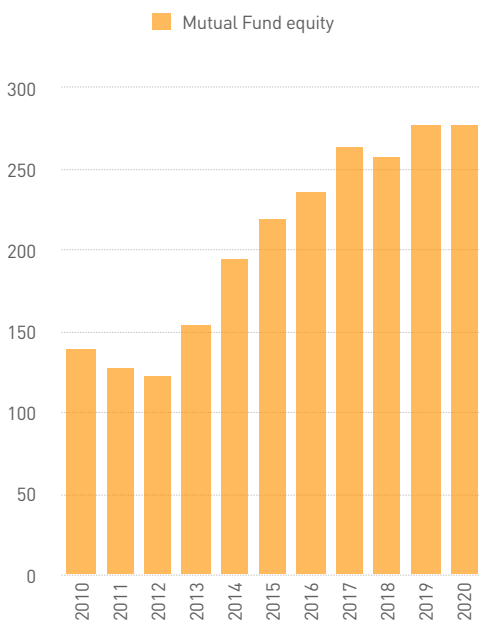
Source: MAPFRE Economics (based on Inverco data)

**Chart 3.3-c**  
Trends in Pension Fund unitholders, 2010-2020  
(thousands of unitholder accounts)



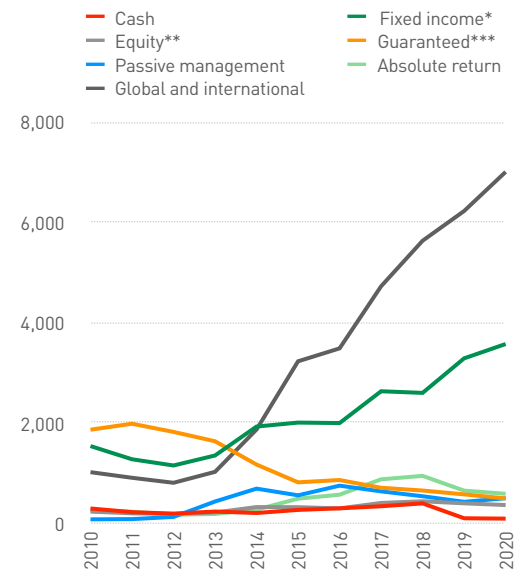
Source: MAPFRE Economics (based on Inverco data)

**Chart 3.3-d**  
Trends in Mutual Fund equity, 2010-2020  
(billions of euros)



Source: MAPFRE Economics (based on Inverco data)

**Chart 3.3-e**  
Trends in Mutual Fund unitholders, 2010-2020  
(thousands of unitholder accounts)



Source: MAPFRE Economics (based on Inverco data)

\* Composed of short-term fixed income, long-term fixed income & mixed fixed income

\*\* Composed of equity and mixed

\*\*\* Composed of fixed, mixed and equity performance

## **Outlook for mutual funds and pension funds**

The Inverco report on collective investment institutions and pension funds shows that after the increased uncertainty experienced in 2020 due to the health crisis, prospects for 2021 will largely depend on how the pandemic pans out and, in particular, on the availability of the various vaccines, as well as any issues surrounding new waves and variants of the virus. In any event, the maintenance of the measures that governments, central banks and national supervisory bodies implemented at the beginning of the crisis to mitigate its impact on the economy will influence developments in the markets this year, with generally very expansive monetary policies, the effects of which will be continued confidence in variable income markets in 2021 and the profitability of debt and risk premiums remaining at very low levels.





## 4. Structural growth trends

### 4.1. Penetration, density and depth

#### Penetration

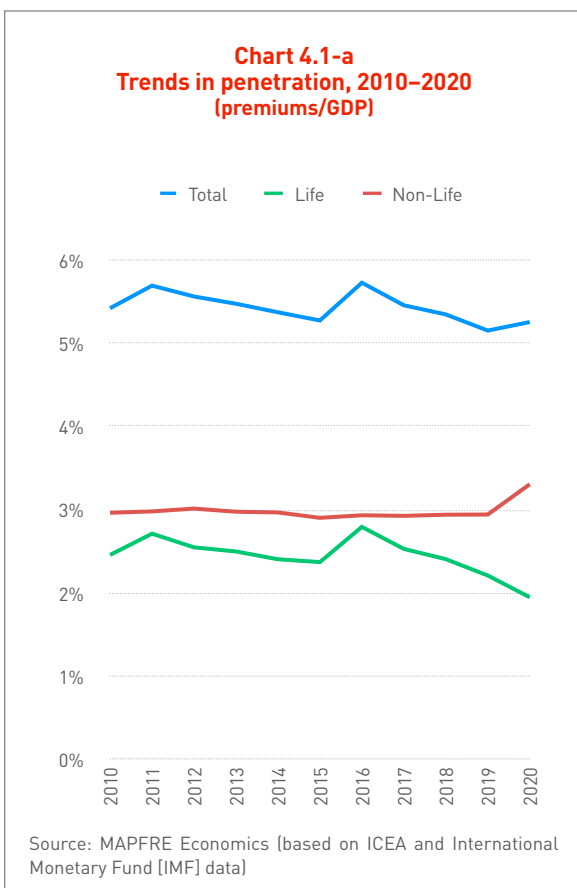
Despite the -8.2% decrease in premium volume, a greater drop in GDP at current prices (-10.8%) contributed to insurance penetration in Spain (the ratio of premiums to GDP) amounting to 5.26% in 2020, an increase of 0.1 pp compared to the data for 2019. This increase occurred following three consecutive years of the indicator dropping (see Charts 4.1-a and 4.1-b), after its record high in 2016 (5.73%).

However, penetration in the Life line decreased by -0.26 pp to 1.95% due to a -20.7% drop in premium revenue for the year, much higher than the decrease in GDP. As is clear from Charts 4.1-a and 4.1-b, penetration in the Life segment

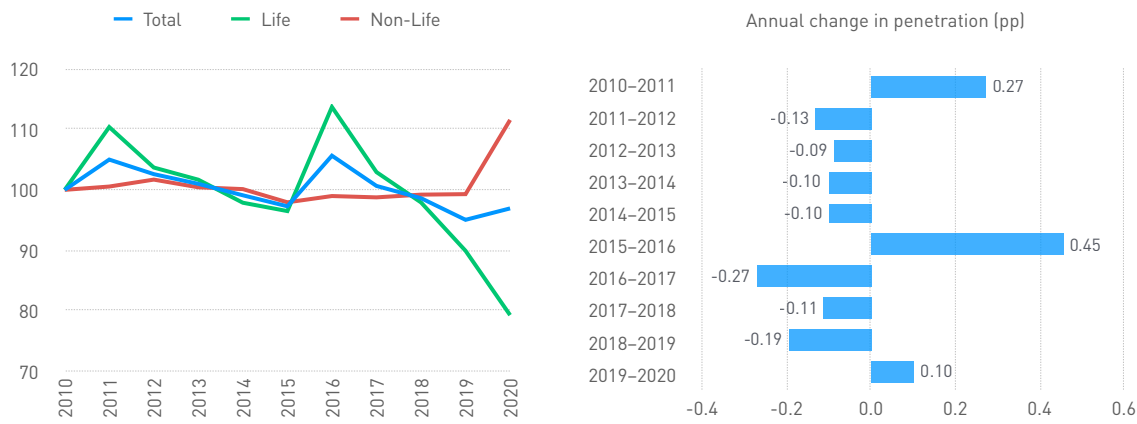
has generally been decreasing over the last decade (except in 2011 and 2016), affected by factors including the 2011–2013 European crisis and the current COVID-19 crisis, as well as a prolonged low interest rate environment. The Non-Life insurance penetration index was more stable in the 2010–2020 period, coming in at 3.31% in 2020, a significant increase of 0.36 pp compared to 2019. As such, Spanish insurance penetration has dropped by -0.17 pp over the last decade due to a -0.51-pp fall in the Life line, which could not be offset by the 0.34-pp increase in the Non-Life line.

Life Savings is the Life segment modality with the highest penetration level, reaching 1.52% in 2020, while Life Protection penetration was 0.43% (see Chart 4.1-c). It should be noted that in the case of Life Savings, penetration has dropped consistently over the last four years, with a cumulative drop of -0.9 pp, while the Life Protection insurance indicator has increased by 0.06 pp in the same period. An analysis of the penetration index for this segment over the past decade (index 2010=100) shows that, while penetration in the Life Protection insurance segment rose by 22.9% between 2010 and 2020, the figure for the Life Savings insurance segment dropped by -28.0% over the same period.

Penetration was 3.31% for the Non-Life insurance segment, a significant increase of 0.36 pp compared to 2019, with increases in the main lines of coverage included (see Chart 4.1-d). For the Automobile line, penetration increased by 0.08 pp in 2020 to 0.99%, despite the drop in premiums; the indicator was 0.69% for the Multirisk line (0.60% in 2019); Health had the largest increase, from 0.72% in 2019 to 0.84% in 2020; and penetration was 0.79% for the other Non-Life lines of insurance (0.71% in 2019).



**Chart 4.1-b**  
Trends in changes of penetration, 2010-2020  
(index 2010=100; annual change, pp)



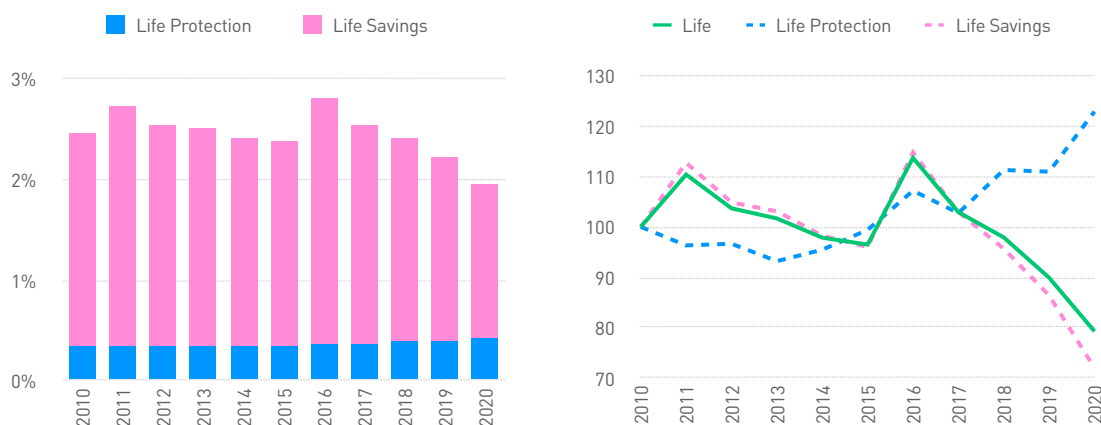
Source: MAPFRE Economics

All of this confirms the medium-term mixed penetration trend for Non-Life insurance lines. As such, penetration increased by 17.9% and 40.6% for the Multirisk and Health lines respectively between 2010 and 2020 (index 2010= 100), fell by -7.9% in the Automobile line, and increased by 11.5% in the other Non-Life lines.

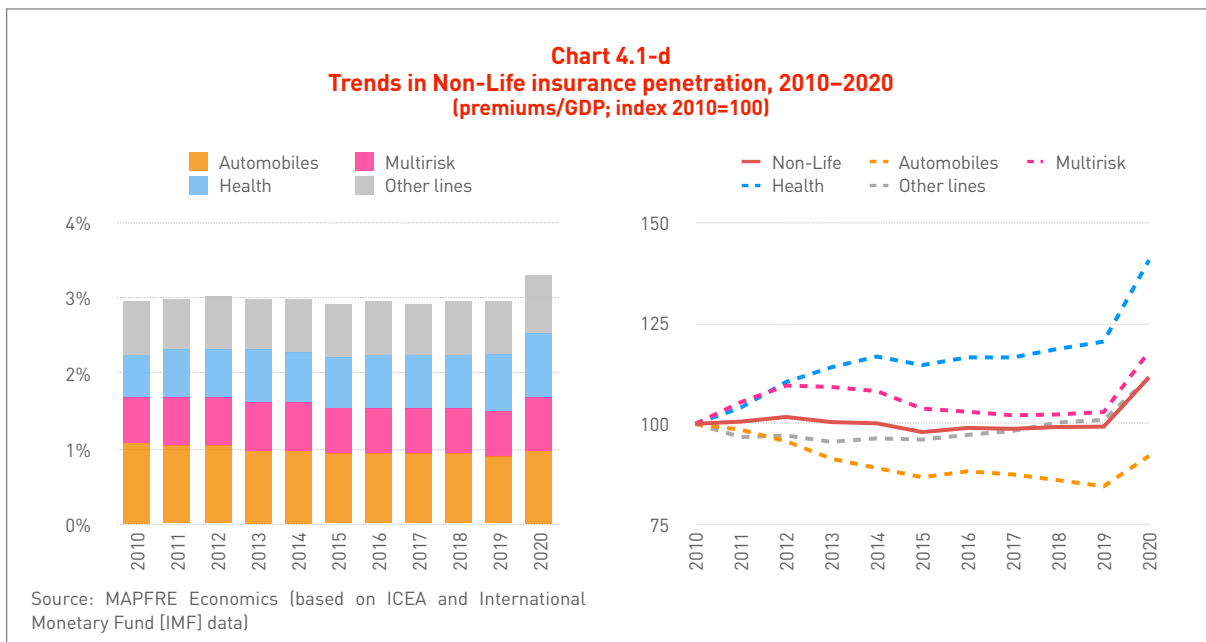
### Density

The insurance density (premiums per capita) indicator was 1,243.8 euros in Spain in 2020, a decrease of 108.60 euros compared to the previous year. This decrease can be explained by a combination of increased density in the Non-Life insurance segment and a drop in the

**Chart 4.1-c**  
Trends in Life insurance penetration, 2010-2020  
(premiums/GDP; index 2010=100)

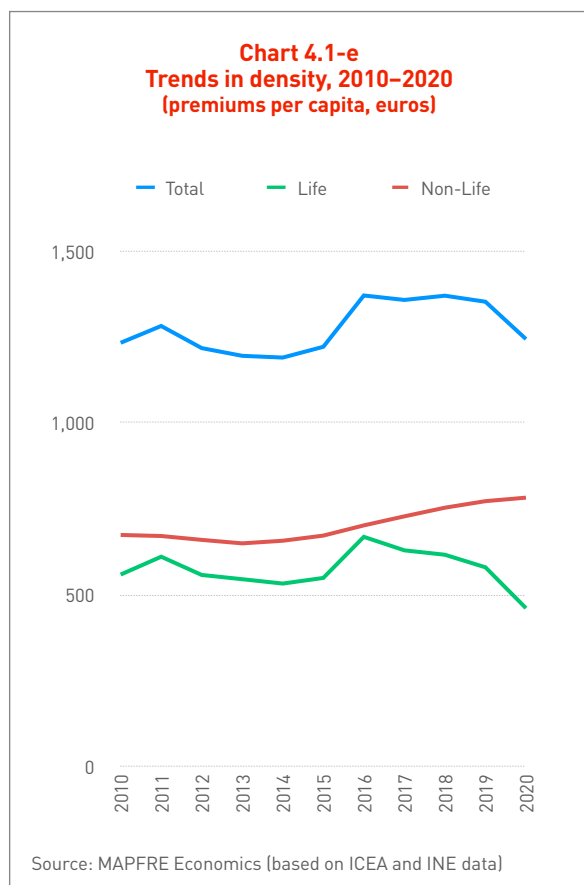


Source: MAPFRE Economics (based on ICEA and International Monetary Fund [IMF] data)



Life insurance indicator. The density of the Non-Life segment rose from 772.40 euros in 2019 to 782.60 euros in 2020, while the Life segment dropped from 580 to 461.20 euros over the same period. While the density of the Life insurance segment once again declined

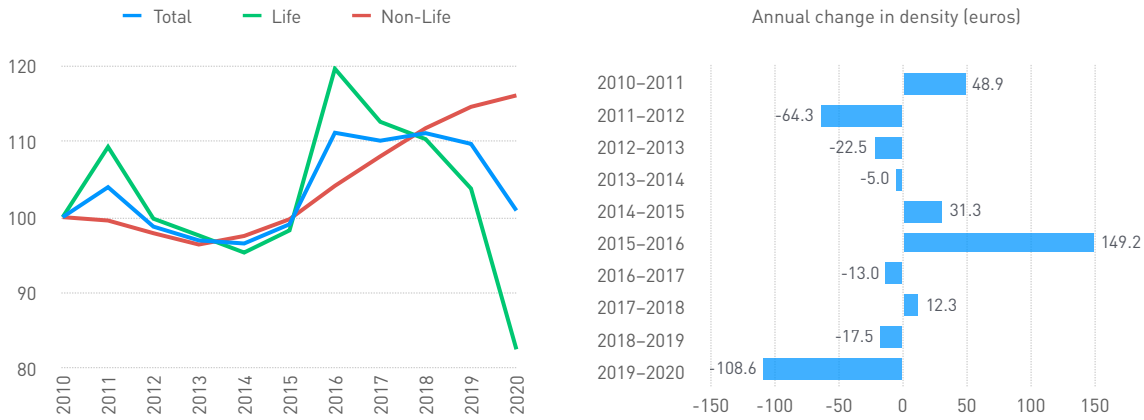
for the fourth consecutive year, that of the Non-Life segment confirmed the rising trend that began in 2013 (see Chart 4.1-e).



If Spanish market density is analyzed from a medium-term perspective (index 2010=100), it achieved low growth of 0.9% over the 2010–2020 period (rising from 1,233.00 to 1,243.80 euros), with a 17.5% decline in the indicator for Life insurance (from 558.90 to 461.20 euros), and a 16.1% increase for Non-Life insurance (from 674.10 to 782.60 euros) over the same period (see Chart 4.1-f).

Similarly to what has been observed in penetration level developments, the density of the Life insurance segment is determined by the performance of Life Savings insurance, standing at 77.8% of the total (4.5 pp less than the previous year). The density of Life Savings insurance was 358.80 euros in 2020 (118.70 euros less than the previous year), continuing the declining trend that began in 2017 following the record high posted in 2016. The Life Protection insurance segment, which stood at 102.40 euros in 2020, recorded a slight decrease of -0.1 euros compared to the previous year (see Chart 4.1-g).

**Chart 4.1-f**  
Trends in changes of density, 2010–2020  
(index 2010=100; euros)



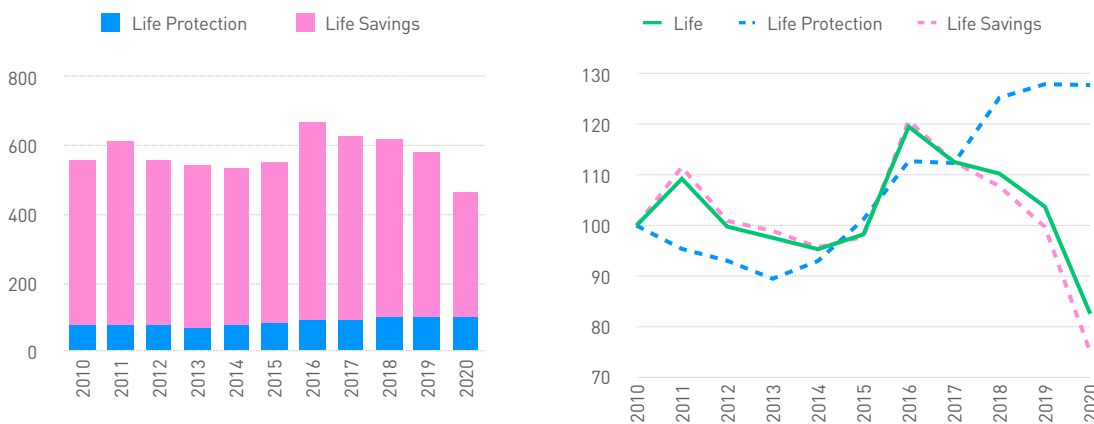
Source: MAPFRE Economics

From a medium-term perspective for the 2010–2020 period, which is shown in Chart 4.1-g, Life insurance density dropped by -17.5% over the period. However, while the Life Savings insurance segment fell by -25.1% during this period, the Life Protection insurance segment grew by 27.9%. The above data show that, in the medium-term trend, Life Protection insurance is showing a greater dynamic than the Life Savings insurance segment, although they still have not been

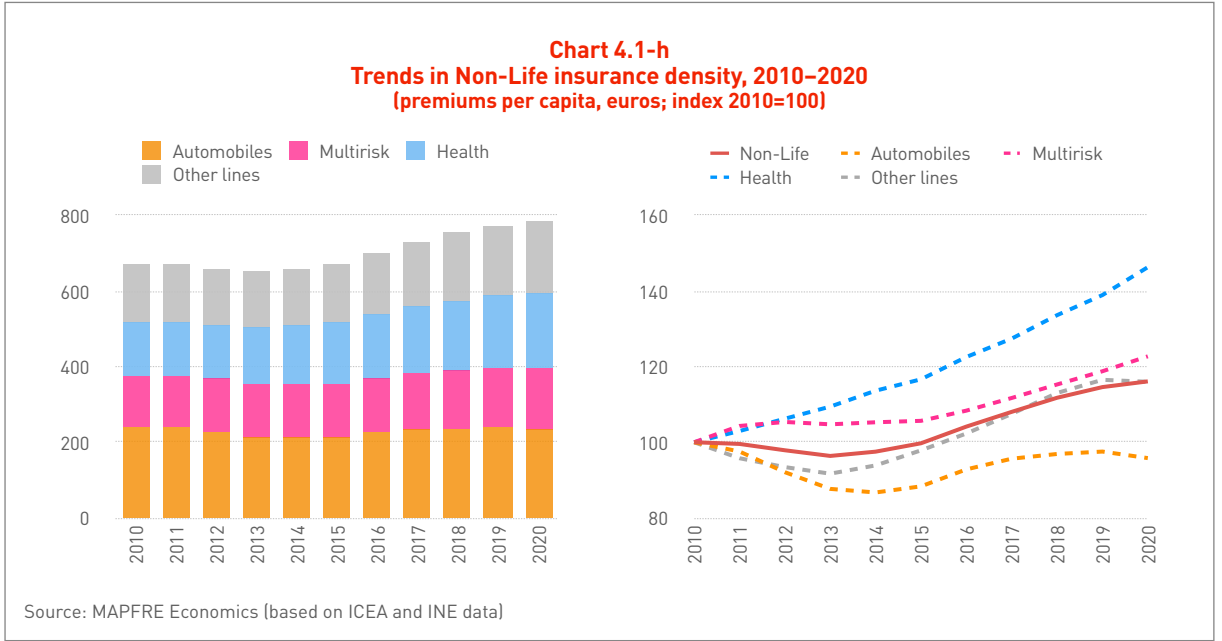
able to achieve the relative significance that they have in the Life insurance portfolio.

Furthermore, as shown by Chart 4.1-h, the density of the Non-Life insurance segment is more equally distributed across the different lines comprising it. As such, in 2020, the density of this market segment was distributed as follows: 29.9% corresponded to the Automobile line; 25.3% to the Health line; 20.9% to the Multirisk line; and 23.8% to the

**Chart 4.1-g**  
Trends in Life insurance density, 2010–2020  
(premiums per capita, euros; index 2010=100)



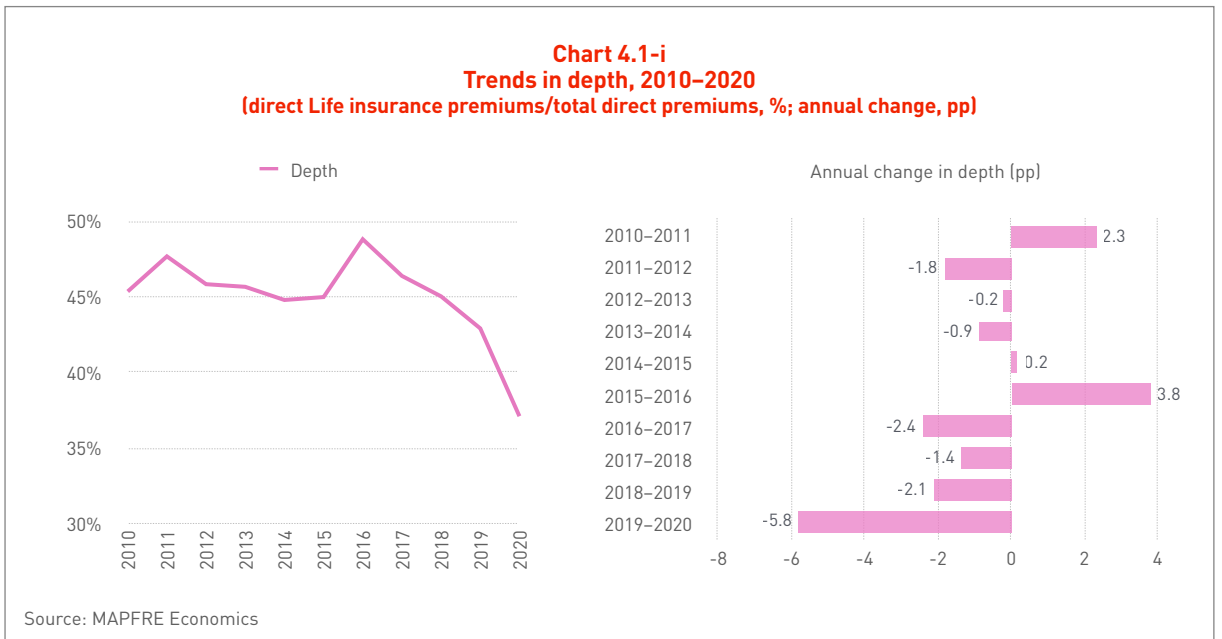
Source: MAPFRE Economics (based on ICEA and INE data)



other lines in the Non-Life insurance segment, which overall means no positive changes compared to the data reported in 2019. In addition, in the analysis of medium-term trends for the 2010–2020 period, the Health, Multirisk and other Non-Life lines recorded density increases of 46.3%, 22.7% and 16.0% respectively (index 2010=100), while the Automobile line saw its density reduce by 4.2%, breaking with the trend of density recovery seen in previous years.

### Depth

The pronounced drop in Spanish Life insurance in 2020 due to both the continued low interest rate environment and the economic effects of the crisis caused by the COVID-19 pandemic have particularly affected depth levels in the sector (share of direct Life insurance premiums in relation to the market's total direct premiums). As such, the indicator (shown in Chart 4.1-i) was at 37.1% in 2020,

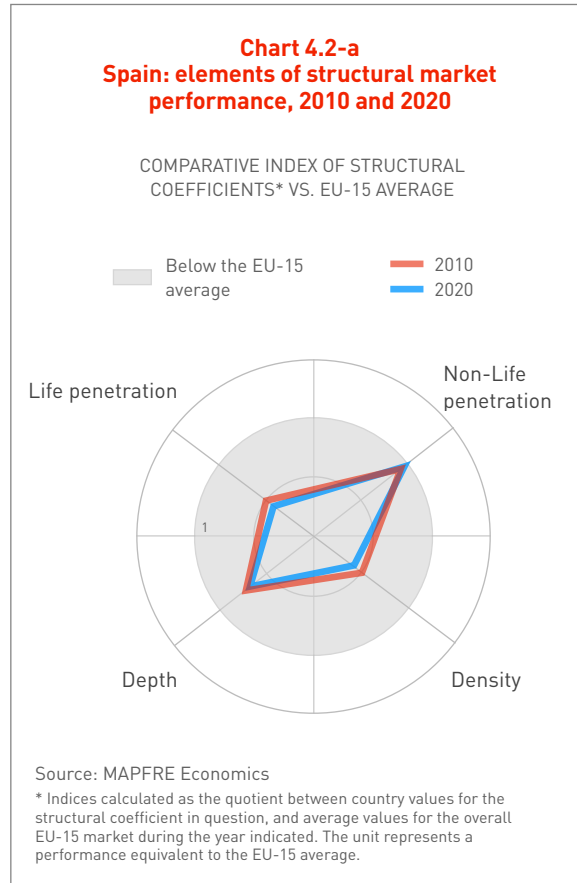


5.8 pp lower than the data recorded for the previous year. This is the fourth consecutive decline in the indicator and the largest in the past ten years, which has resulted in levels of market depth that are significantly lower than they were a decade ago. This performance confirms the relative decline of the Life segment within the market since its peak in 2016.

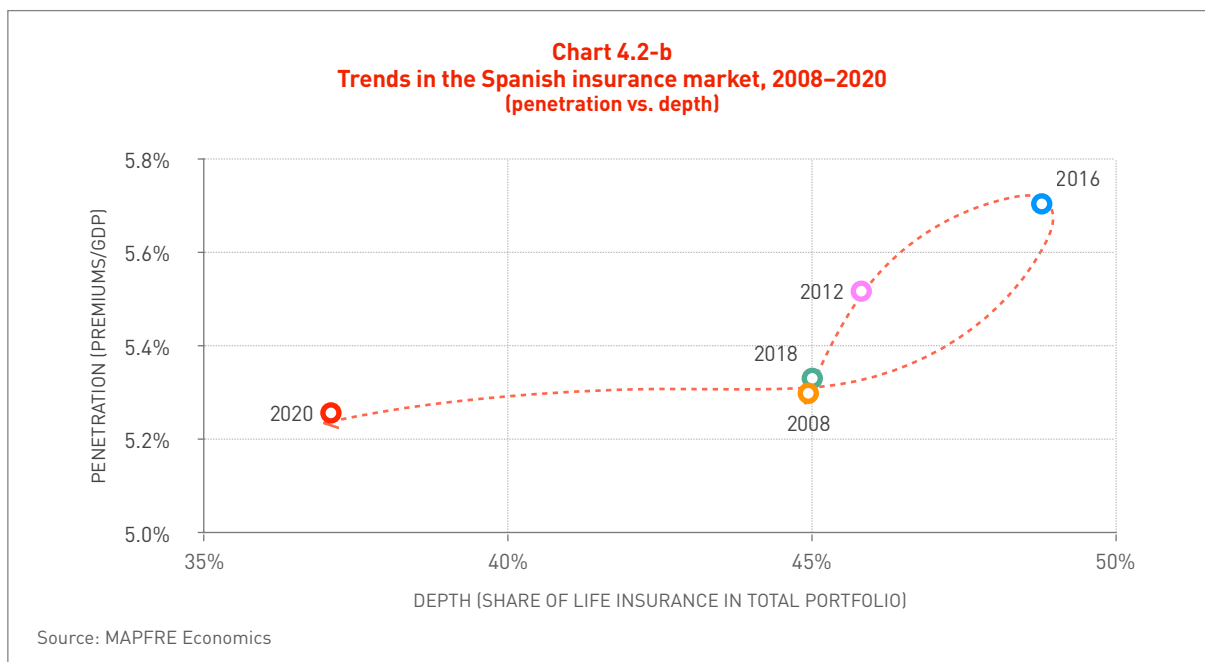
## 4.2. Insurance Protection Gap

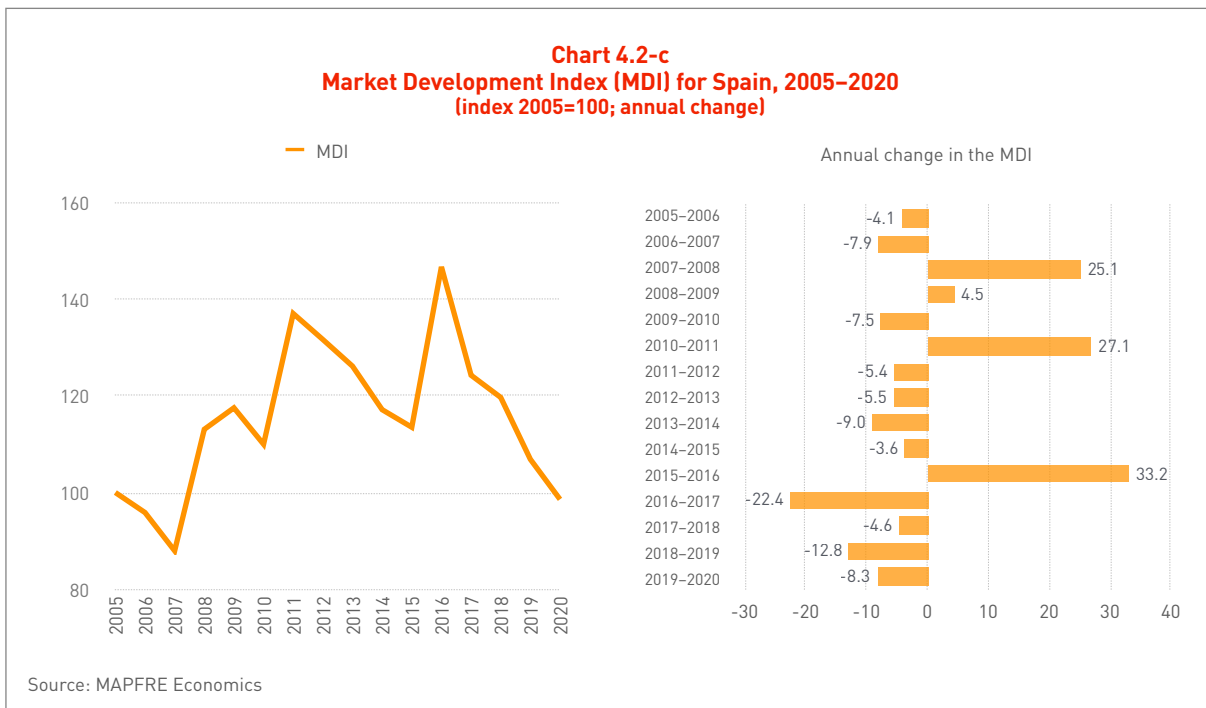
### Structural trends of the market

The year 2020 was unusual due to the sharp economic recession caused by the COVID-19 pandemic, in an environment where the downturn in insurance business was less than what the economy as a whole experienced, primarily affecting the Life business, as reflected in its penetration, density and depth indices<sup>9</sup>. Penetration and depth fell each year in 2017, 2018 and 2019, indicating a clearly slowing trend beginning in 2017. Nevertheless, insurance penetration increased in the economy in 2020, although the depth index continued its sharp downward trend caused by the deteriorating growth in the Life segment. The relative slowdown in density levels continued in 2020, even reversing slightly. Furthermore, the



performance of the Spanish market's main structural variables indicates that, despite having recorded improvements over the last ten years, they remain below the average for these





indicators for the 15 major economies in the European Union, although the difference in the penetration level for Non-Life business was negligible (see Chart 4.2-a).

Market performance in 2020 seems to confirm that 2016 was a turning point at which it veered off course from the expansion that began in 2014 to return to structural parameters similar to those posted in 2008, especially as regards depth level (see Chart 4.2-b).

Analysis of the Market Development Index (MDI)<sup>10</sup>, shown in Chart 4.2-c, also confirms this structural trend in the performance of the Spanish insurance market, showing a clear change in the Spanish market's development in 2016, with 2020 seeing a decrease for the fourth consecutive year. Of the various factors behind this performance, the most notable include the slowdown of the Spanish economy and persistent low interest rates, which have affected the business model of the Life insurance segment in particular.

### Insurance Protection Gap

Analyzed in the same way as in previous reports<sup>11</sup>, the IPG reflects the difference between insurance coverage considered economically necessary and beneficial to society, and the amount of coverage actually acquired. Estimating the IPG helps to determine the *potential insurance market*, which is the market size attainable should the gap disappear. However, it is important to emphasize that the IPG is therefore not a static concept; rather, it changes depending on the growth of the country's economy and the emergence of new risks that are inherent to economic and social development.

Due to its nature, the IPG is negatively correlated with insurance market growth. Seen from a *quantitative* perspective, the IPG reduces as penetration increases, but seen from a *qualitative* point of view, it also tends to decrease as markets become more sophisticated and mature. As such, factors such as sustained economic growth, controlled inflation, higher personal disposable income, the general development of the financial system, an efficient regulatory framework, and the implementation of public policies aimed at increasing financial inclusion and education are factors that drive a decrease in the IPG in the markets<sup>12</sup>.

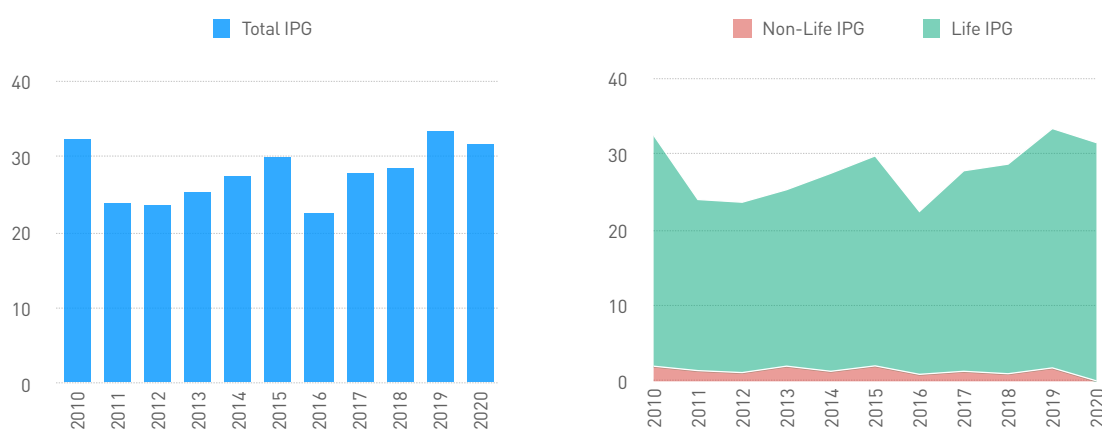
### 2020 Spanish market IPG estimate

Chart 4.2-d shows how the IPG of the Spanish market changed between 2010 and 2020. As can be seen, the insurance gap was 31.6 billion euros in 2020 (1.9 billion euros less than in 2019), thanks to the positive performance of the Non-Life business in Spain in 2020, which practically closed the gap in this segment compared to the European benchmark markets. In structural terms, the composition of the IPG continues to demonstrate room for further development in the Life insurance segment, as has been mentioned in previous reports. This is evidenced by the fact that, in 2020, 99.8% of

the IPG (31.5 billion euros) corresponded to the Life insurance segment (0.2 billion euros less than in the previous year) while the Non-Life sector (0.05 billion euros) represented only the remaining 0.2% (1.7 billion euros less than in the previous year). The reduction in the Spanish market's IPG in 2020 can therefore be explained by the performance of the Non-Life business, which offset the low contribution of the Life insurance business, which is consistent with the performance of the above-mentioned depth index.

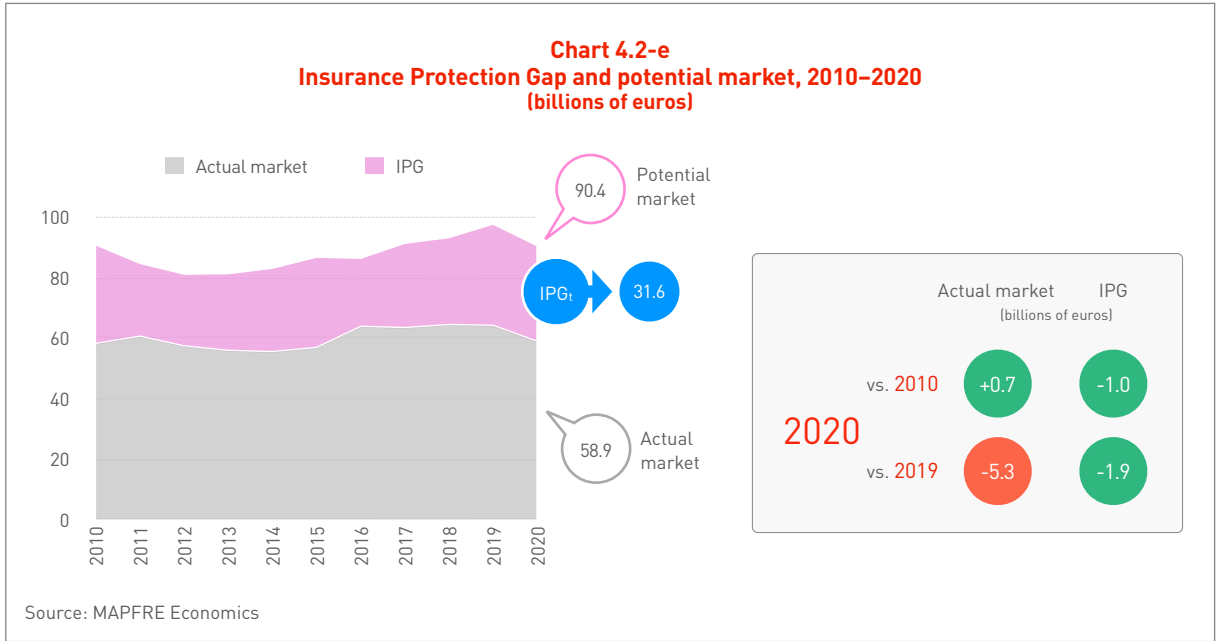
Furthermore, the evolution of the *potential insurance market* in Spain, i.e. the sum of the actual insurance market and the IPG determined for each year, is shown in Chart 4.2-e. According to this estimate, the potential insurance market in Spain amounted to 90.4 billion euros in 2020, 53.6% above the premium volume actually observed during that year. Again, it is worth highlighting the particularly relevant potential of the Spanish market in the Life insurance segment, in both its Protection and Savings modalities. This is an area of the market that clearly has a lower relative development level compared to other European insurance markets.

**Chart 4.2-d**  
**Trends in the Insurance Protection Gap, 2010–2020**  
(billions of euros)



Source: MAPFRE Economics



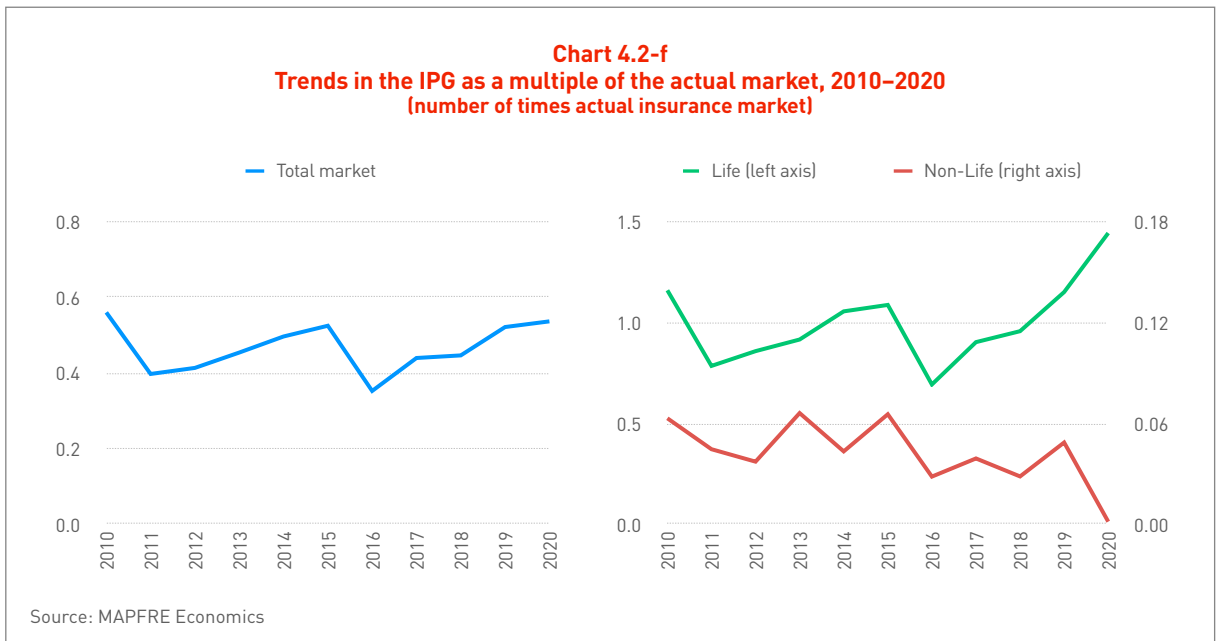


**The IPG as a multiple of the market and the ability to close the insurance gap.**

The Spanish insurance market gap, expressed as a multiple of the actual insurance market, dropped in 2011 and 2016 but has shown an increasing trend in the last four years. The Life segment has performed similarly, while in Non-Life there has been a more decreasing trend, culminating in there being almost no gap in this line of business in 2020 (see Charts 4.2-f and 4.2-g). The Life insurance segment's

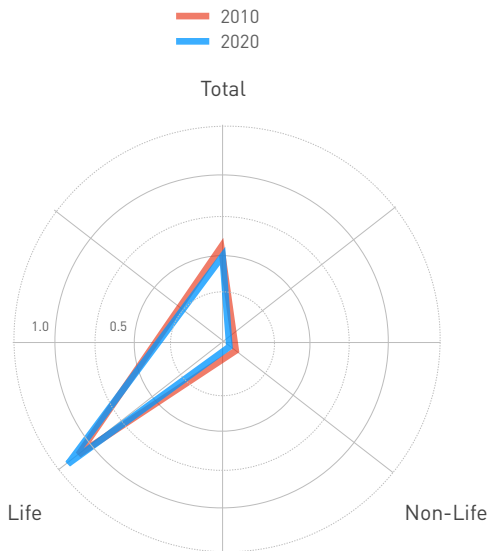
IPG during the year represented 144% of the actual market [29.0 pp more than in 2019), while the Non-Life segment's insurance gap was 0.14% of the actual market in 2020 [-4.7 pp less than in 2019).

Finally, Chart 4.2-h shows the estimate for the Spanish insurance market's capacity to close the insurance gap in the medium-term. In this regard, an updated comparative analysis is provided for the growth trends observed in the Spanish market throughout the last decade



**Chart 4.2-g**  
Spain: medium-term IPG trends, 2010 and 2020

IPG AS A MULTIPLE OF THE ACTUAL INSURANCE MARKET



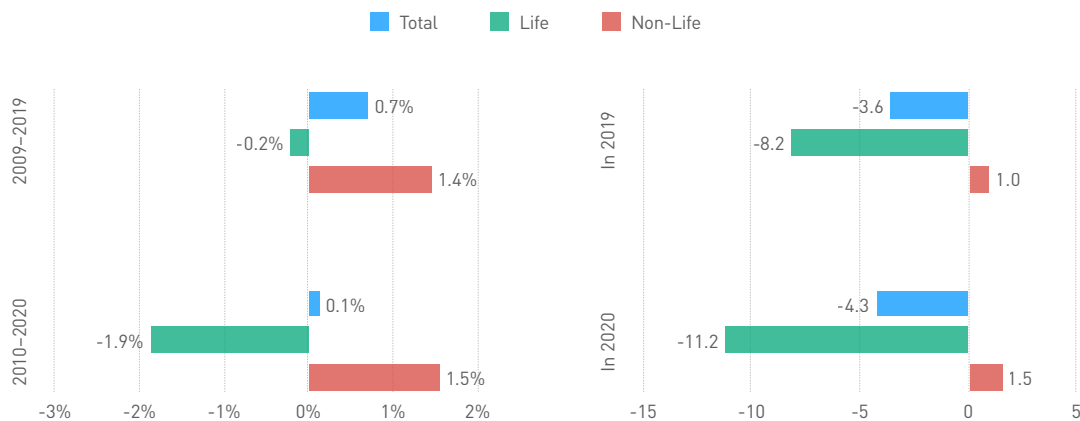
Source: MAPFRE Economics

This analysis shows that the growth of Spain's insurance market achieved an average annual growth of 0.1% (-0.6 pp less than the previous figure) for the 2010–2020 period, with the Life insurance segment falling at an average annual rate of -1.9% (-1.7 pp less than the previous figure) and the Non-Life insurance segment growing at an average annual rate of 1.5% (0.1 pp more than the previous year). As such, if the same growth pattern were maintained over the next ten years, the growth rate for the market as a whole would fall 4.3 pp short of covering the insurance gap recorded for 2020. This means that the Spanish insurance market would need an average growth rate of 4.3% over the next ten years in order to close the IPG estimated this past year.

As the Spanish market's insurance gap is determined by the performance of Life insurance, it is in this segment that the greatest growth efforts will be focused in order for the IPG to be closed within the time frame set out. Thus, for this segment, the rate observed falls 11.2 pp short of what is needed to close the relative gap in the next ten years. This means that in order to close the gap during this period, the Life insurance segment must grow at a sustained average annual rate of 13.1% over the next decade.

(2010–2020), indicating the growth rates needed to close the 2020 IPG over the next ten years.

**Chart 4.2-h**  
Capacity to close the Insurance Protection Gap, 2010–2020  
(average annual growth rate, %; sufficiency or insufficiency to close the IPG, pp)



Source: MAPFRE Economics

The growth insufficiency requirements for closing the IPG rose in the Spanish insurance market in 2020, thereby confirming the general slowdown mentioned in this report. As shown in Chart 4.2-h, between 2019 and 2020, the insufficiency requirements for closing the overall insurance gap increased by 0.7 pp, and by 3 pp in the Life insurance segment.



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

### 5.1. 2020 Solvency and Financial Condition Report

Solvency II requirement regulations applicable to insurance companies operating in the European Union establish a system based on three fundamental pillars: Pillar 1 is focused on determining the quantitative aspects that maintain company solvency, Pillar 2 oversees appropriate company governance/supervision, and Pillar 3 was conceived to pass transparency and reporting requirements on to the market. This regulatory framework, which is currently being revised, aims to create incentives for insurance companies to appropriately manage risks so as to protect policyholder interests, and thereby ensure that the insurance industry contributes to economic and social development, and as a result, to the stability of the financial system.

In particular, the regulations that apply to Pillar 3 state that insurance companies must publish annual information on their financial and solvency position, providing consistent, comparable and detailed information through a Solvency and Financial Condition Report. Insofar as interested economic agents have information that allows them to comprehend each company's implicit risk, these regulations seek to ensure that they in a better position to evaluate the risk assessment and management procedures, the sufficiency of technical provisions and own funds and, therefore, the solvency position of a given company.

Insurance companies operating in the Spanish market published their SFCR for the fifth year in the first quarter of 2021. Based on publicly available information, the following is an analysis of the ratios published for a sample of leading insurance providers operating in the Life segment, those operating in both Life and

Non-Life (*Composites*), and those mainly devoted to the Non-Life insurance business line. There is also a comparison against these companies' positions at the end of the previous year<sup>13</sup>.

It should be noted that, in order to broaden this transparency commitment toward the market by insurance companies operating in the Spanish market, Pillar 3 regulations establish the obligation for such companies to disclose in their SFCR the impact that not applying transitional and adjustment measures (LTG measures) would have had on their solvency ratio. These LTG measures were introduced by the Directive to offset any potential damage to businesses with long-term guarantees arising as a result of Solvency II. The most relevant are:

- *Transitional measure on technical provisions.* This measure allows the difference between the technical provision estimated under the parameters of Solvency II and the one calculated in accordance with the previous Solvency I standards to be phased in gradually over an initial 16-year period, until January 1, 2032 (five years having now elapsed).
- *Volatility adjustment measure.* This adjustment allows the discount interest rate used when valuing technical provisions to be corrected in order to mitigate the effects of one-time volatilities on investment portfolio spreads. The adjustment amount is calculated monthly by EIOPA, taking into account the investment portfolio profile at the sector-level in each country. It consists of an adjustment for each currency and an additional adjustment for the country in which the insurance company is located, if that specific market's volatility rises above a certain threshold.

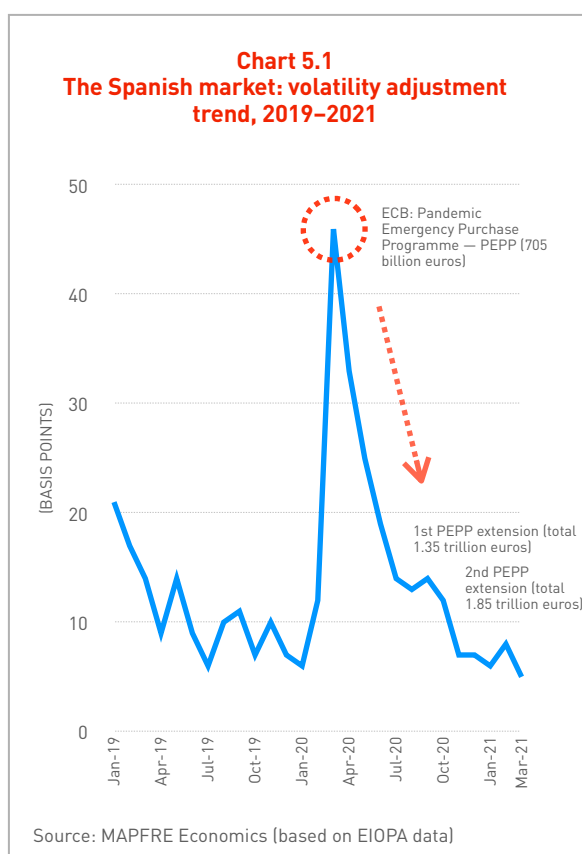
- *Matching adjustment measure between assets and liabilities.* When certain requirements are met, this measure makes it possible to adjust the discount curve for technical provisions for companies that have held-to-maturity fixed income assets with durations similar to their liabilities and that are therefore not exposed to market spread volatility. This adjustment depends on the characteristics of the portfolio of assets that cover the insurance obligations that profit from this measure, meaning that it is a singular adjustment calculated by the insurance company itself.

It should be noted that this commitment to transparency is especially relevant for Life insurance companies and Composites (those who operate in both Life and Non-Life lines), which offer products with long-term guarantees and to which the aforementioned LTG measures are therefore applicable. For companies mainly operating in the Non-Life insurance sector, the potential effects of not applying measures designed for products with long-term guarantees are negligible. Furthermore, the events that took place in the 2020 fiscal year as a result of the economic

crisis caused by the COVID-19 pandemic highlight the importance and relevance of volatility and matching adjustments as mechanisms to (partially) offset the effects that occasional volatility spikes in financial markets may have on the solvency position of insurance companies and their groups, taking into account their nature of medium- and long-term institutional investors as well as their proper risk management. In this sense, the evolution of the volatility adjustment for the Spanish market reflects the high level of uncertainty experienced by financial markets in the early stages of the health and economic crisis caused by the pandemic (see Chart 5.1).

In March 2020, the currency volatility adjustment for the euro (calculated by EIOPA) reached the highest level that this indicator has seen since the Solvency II regulation came into force. This was due to the strong upturn in volatility to which the investment portfolios of the insurance companies operating in the European Economic Area were exposed. This adjustment also reflects the powerful effect of the message issued by the ECB on March 18, 2020 approving the PEPP, which involved resorting to the widespread use of unconventional monetary policy measures to provide liquidity totaling 750 billion euros to bond markets (sovereign and corporate), making the maximum limits they can acquire from individual member states and between asset categories more flexible.

Subsequently, on June 4, 2020, the ECB extended the maximum limit of acquisitions by an additional 600 billion to 1.35 trillion euros, which was reflected again in the indicator, at a time when the trend seemed to be changing. Finally, on December 10, 2020, the ECB again increased the limit on acquisitions by an additional 500 billion to 1.85 trillion euros, extending this extraordinary purchase program as long as necessary and at least until the end of March 2022.



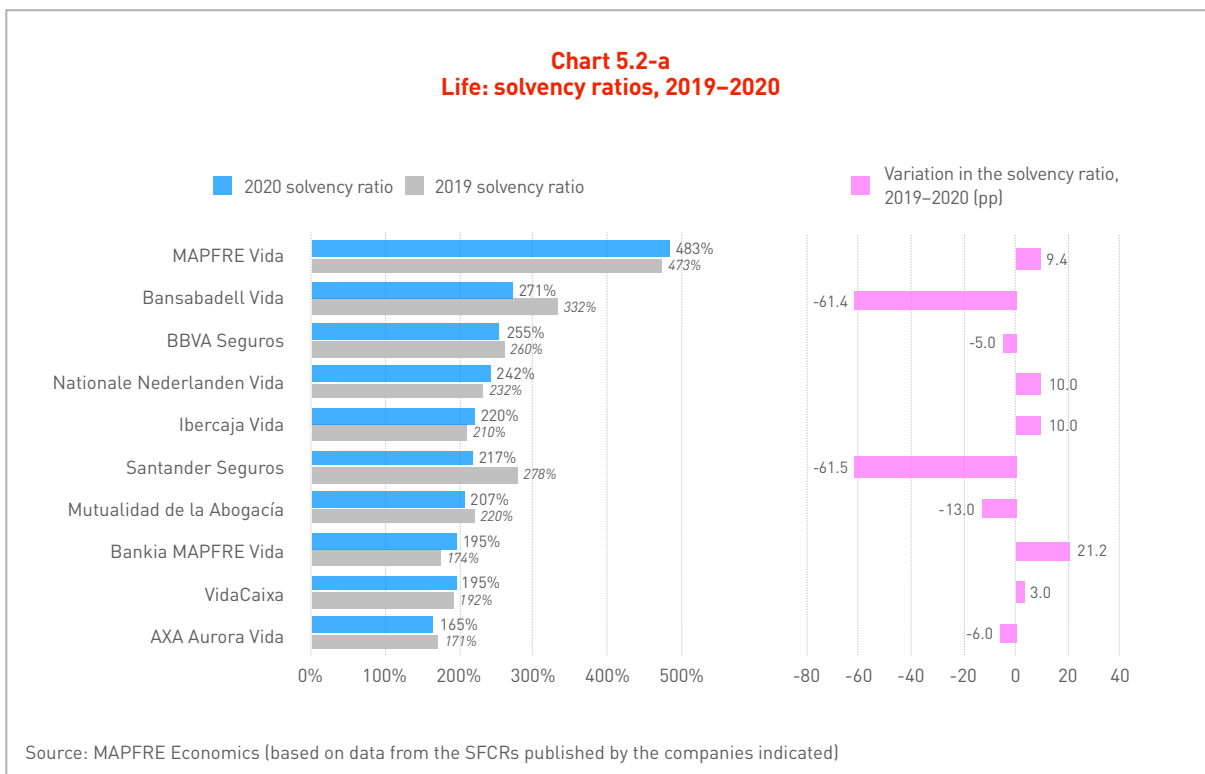
## 5.2. Solvency ratios

The aggregate total solvency ratio for the selected sample of insurance companies operating in the Spanish market in 2020 was 241%, 2 pp below the value recorded in 2019 (243%). An analysis of own funds reveals that almost all eligible funds were of the highest quality (99% were Tier 1 at the aggregate level in the analyzed sample, a percentage similar to in the previous year).

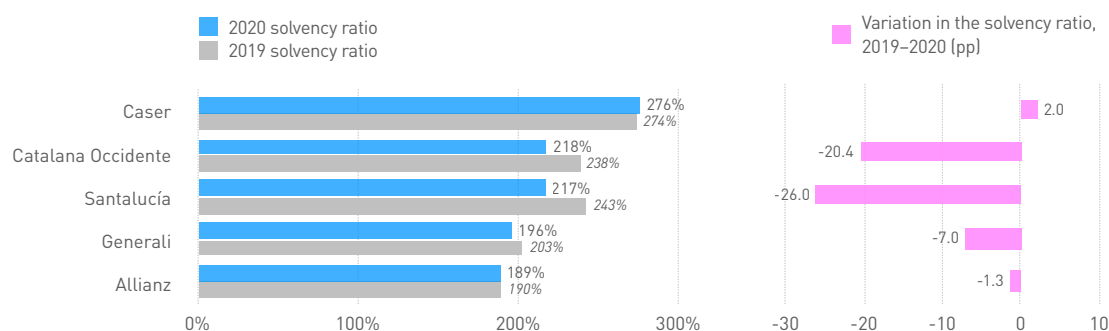
Charts 5.2-a, 5.2-b, and 5.2-c show the solvency ratios published in the SFCRs by all the selected insurance companies operating in the Spanish insurance market (representing 70.3% of insurance premiums and 79.4% of market technical provisions in 2020), accompanied by comparisons against the previous year. Firstly, the aggregate solvency ratio for the sample of insurance companies mainly operating in the Life line during 2020 was 234% (245% in 2019), which represents a decline of -11 pp compared to the previous year. Chart 5.2-a shows that MAPFRE Vida still boasts the highest solvency ratio in this market segment, standing at 483%

(9.4 pp higher than in 2019). The improvement in the Bankia MAPFRE Vida ratio (+21.2 pp) is also noteworthy. Apart from Santander Seguros (-61.5 pp), Bansabadell Vida (-61.5 pp), BBVA Seguros (-5 pp), AXA Aurora Vida (-6 pp) and Mutuallidad de la Abogacía (-13 pp), the remainder of the companies analyzed reported improved solvency ratios compared to the previous year.

Secondly, for the sample of companies considered in this report that operate in both the Life and Non-Life insurance sectors (Composites), the total aggregate solvency ratio for 2020 was 216% (225% in 2019), a decline of -9 pp compared to the previous fiscal year. Chart 5.2-b shows that, while Caser's ratio increased by 2 pp from 274% in 2019 to 276% in 2020, giving it the highest ratio within this group of companies, all remaining companies experienced a drop compared to the previous year. The case of Santalucía (217%) is particularly notable, as it saw a significant decline of -26 pp (217% in 2020 compared to 243% in 2019), as did Catalana Occidente, whose solvency ratio deteriorated by -20.4 pp (218% in 2020 versus 238% in 2019).



**Chart 5.2-b**  
**Composites: solvency ratios, 2019–2020**

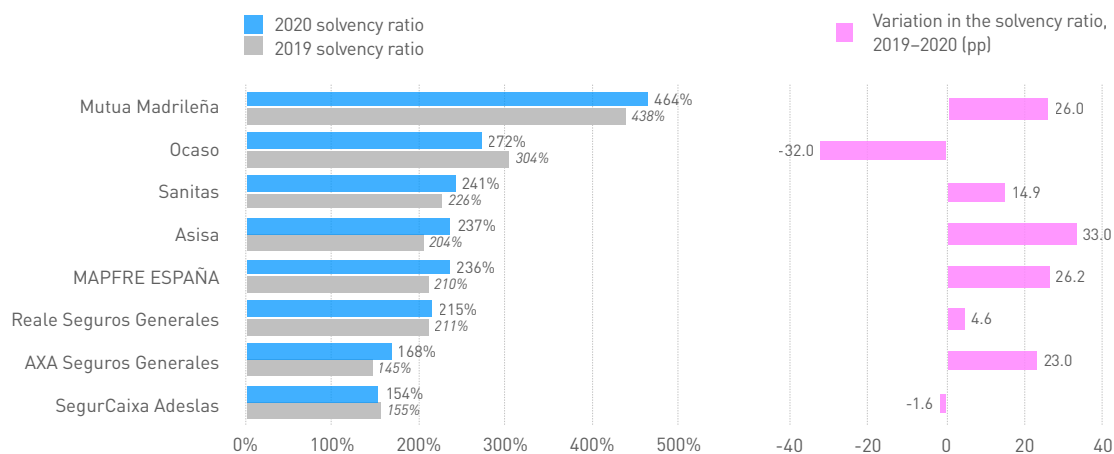


Source: MAPFRE Economics (based on data from the SFCRs published by the companies indicated)

Lastly, companies analyzed herein operating solely or fundamentally in the Non-Life insurance sector had a total aggregate solvency ratio of 273% in 2020 (257% in 2019), recording a 16-pp increase compared to the previous fiscal year. For this type of company, Chart 5.2-c shows an overall improvement in the solvency ratio, the most notable of which was Asisa with 237% (33 pp higher than in 2019), MAPFRE ESPAÑA with 236% (26 pp higher than in the previous year) and Mutua Madrileña with 464%

(26 pp higher than in 2019). Of the other companies, only two saw a reduction in their solvency margins: Ocaso, with a ratio of 272% (-32 pp compared to 2019), and SegurCaixa Adeslas with a ratio of 154% (-1.5 pp compared to 2019).

**Chart 5.2-c**  
**Non-Life: solvency ratios, 2019–2020**



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



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

Table 5.3-a shows a breakdown of solvency capital requirement (SCR) results and the solvency ratios for each company operating in the Life segment included in this analysis, along with a few other figures provided for comparison. Chart 5.3-a shows the effect of the LTG measures applied by each company on their solvency ratios, as well as any variation in the overall benefit of these measures compared to the previous year. The analysis of this information shows unequal performance between 2019 and 2020 in the relative benefits obtained from applying these transitional and adjustment measures. The relative benefit obtained by applying these transitional and adjustment measures increased for MAPFRE Vida, Bansabadell Vida, Ibercaja Vida, Nationale Nederlanden Vida and Bankia MAPFRE Vida, but decreased for all other companies. It is important to note that this performance was influenced by the reduction in financial market volatility at the end of March 2020 following a sharp increase in volatility that led to further adjustments in the valuation of technical provisions and SCR when applying volatility and matching adjustments. In addition, there was

an abrupt change of course after the ECB's announcement of important unconventional measures to guarantee liquidity for sovereign and corporate bond markets (see aforementioned Chart 5.1).

Finally, as supplementary information for the sample of insurance companies operating in the Life segment, Charts 5.3-b and 5.3-c, as well as Tables 5.3-b and 5.3-c, show a breakdown of the potential impact on own funds and SCR if they were not entitled to apply the transitional and adjustment measures provided for in the Solvency II directive for insurance products with long-term guarantees.

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

Table 5.4-a shows the results of the SCR and the solvency ratios for each of the companies operating in both the Life and Non-Life segments (Composites) considered in this analysis, along with a few other figures provided for comparison. Chart 5.4-a shows a breakdown of the weight of the measures applied by each company on solvency ratios, as well as any

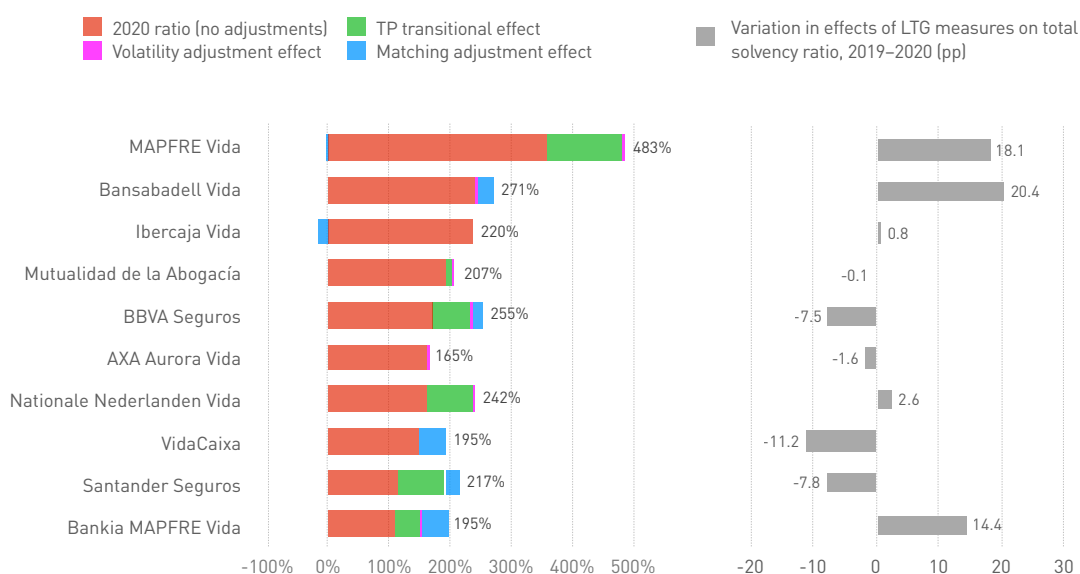
**Table 5.3-a**  
**Life: SCR result and solvency ratio, 2020**  
(thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	SCR required	Solvency ratio	SCR over TP	Eligible own funds over assets	SCR over premiums
VidaCaixa	69,032,947	7,125,513	3,946,420	2,024,150	195.0%	2.9%	2.3%	28.4%
MAPFRE Vida	12,853,272	1,204,911	2,585,385	535,828	482.5%	4.2%	2.9%	44.5%
Bankia MAPFRE Vida	6,402,181	165,372	482,224	246,741	195.4%	3.9%	2.9%	149.2%
Santander Seguros	16,642,979	2,098,890	1,862,217	859,598	216.6%	5.2%	3.7%	41.0%
BBVA Seguros	12,976,432	1,128,081	1,887,291	739,671	255.2%	5.7%	3.7%	65.6%
Bansabadell Vida	9,153,214	1,301,151	793,650	293,342	270.6%	3.2%	2.6%	22.5%
Mutualidad de la Abogacía	8,561,990	587,971	1,785,464	862,073	207.1%	10.1%	7.9%	146.6%
Ibercaja Vida	7,334,238	957,511	602,220	273,146	220.5%	3.7%	3.3%	28.5%
AXA Aurora Vida	6,910,998	637,552	705,789	426,790	165.4%	6.2%	4.9%	66.9%
Nationale Nederlanden Vida	3,752,524	510,324	418,801	173,176	241.8%	4.6%	3.9%	33.9%

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

\* Taken from figures on premiums, loss experience and expenses.

**Chart 5.3-a**  
**Life: effect of LTG measures on 2020 solvency ratios and variation vs. 2019**



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

variation in the overall benefit of these measures compared to the previous year.

Finally, as supplementary information, Charts 5.4-b and 5.4-c, as well as Tables 5.4-b and 5.4-c, provide a summary of the comparative analysis of the potential impact on own funds and SCR if the insurance companies considered in this segment were not entitled to apply the transitional and adjustment measures provided for in the Solvency II directive for insurance products with long-term guarantees. In this case, the company benefiting the most from the LTG measures in 2020 was Caser, with a solvency ratio that improved by 107 pp, essentially due to the application of the transitional measure on technical provisions.

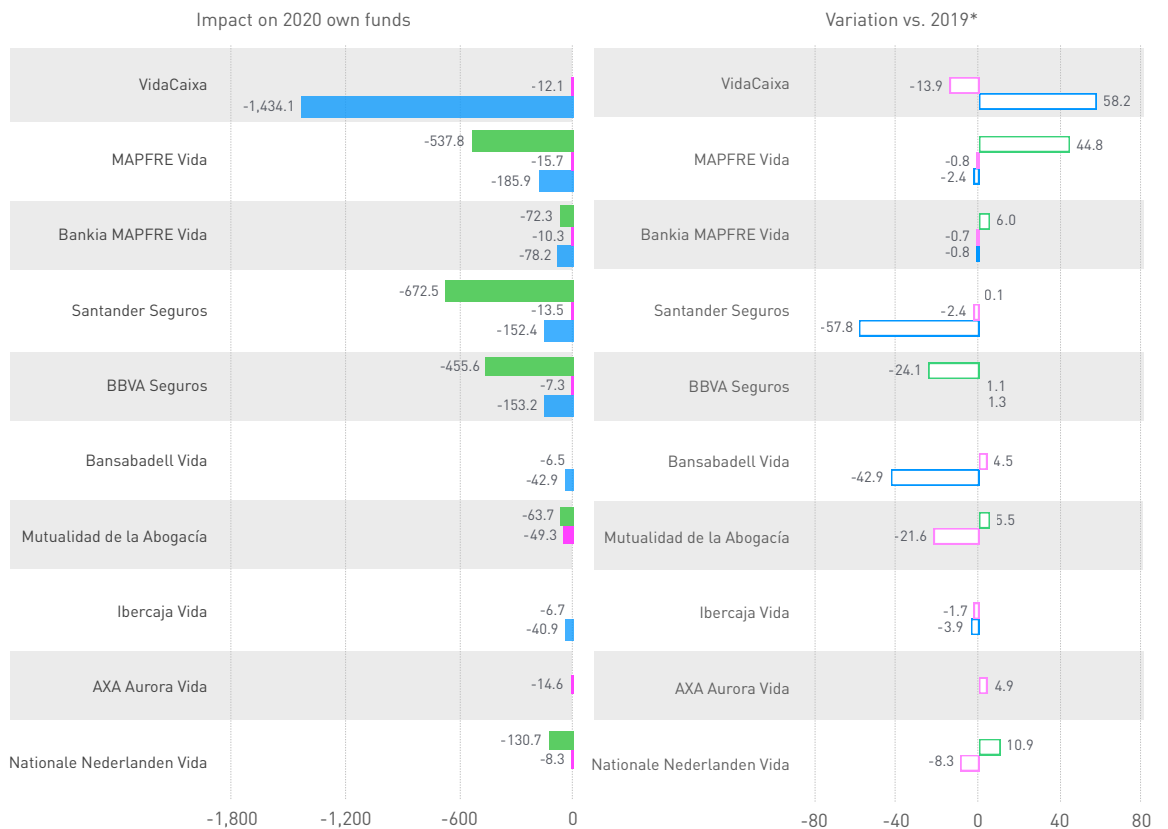
## 5.5. Non-Life: comparative SCR analysis

Finally, companies analyzed in this report operating solely or fundamentally in the Non-Life insurance sector are listed in Table 5.5 along with their SCR results and solvency ratios in 2019. This information is combined with other figures to facilitate comparisons. It should be noted that the analysis of the variation in the solvency ratio between 2019 and 2020 for the insurance companies included in the sample for this segment of the Spanish market is presented in point 5.2 of this report (see aforementioned Chart 5.2-c).

As previously mentioned, the potential impact of not being entitled to apply measures designed for products with long-term guarantees (LTGs) is not shown for this business segment as it is negligible; these measures are effective for companies operating in the Life line, or for Composites with significant elements of this type of business.

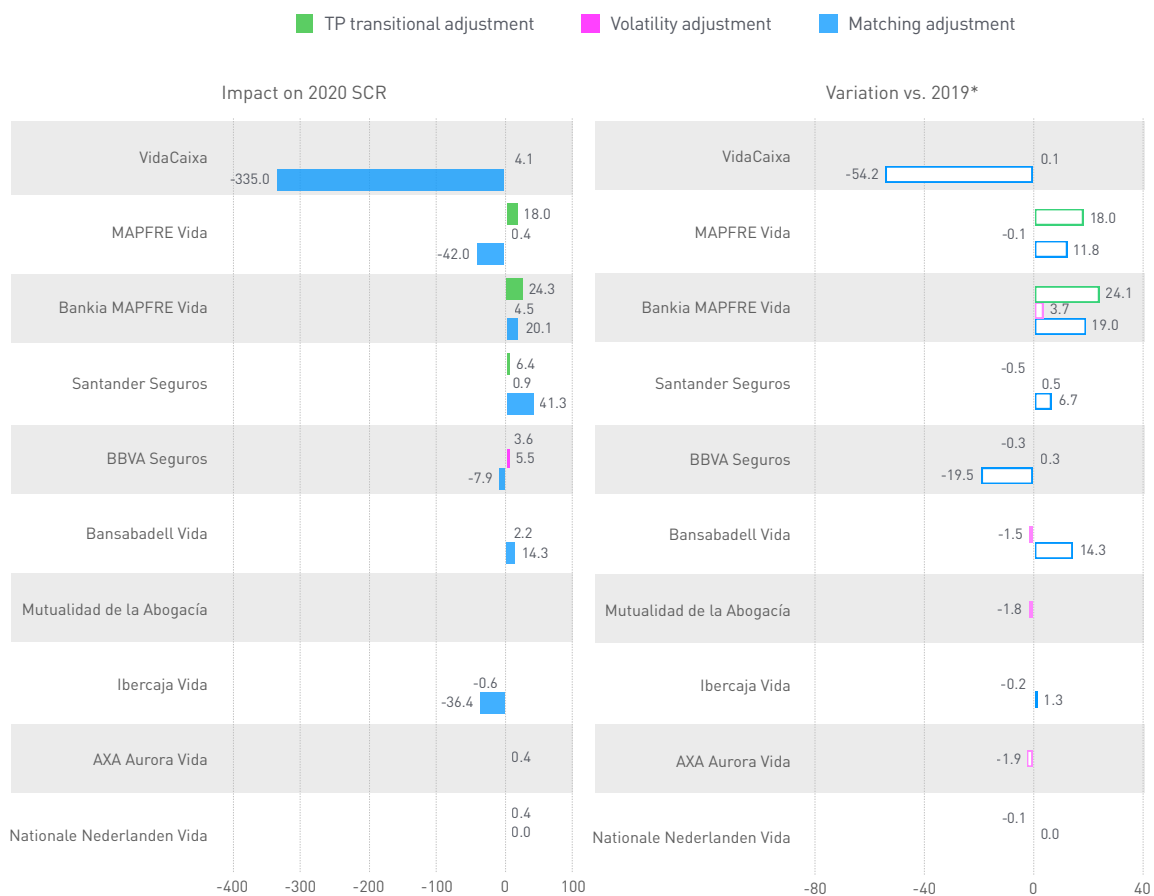
**Chart 5.3-b**  
**Life: impact of transitional and adjustment measures on own funds, 2020**  
**(millions of euros)**

■ TP transitional adjustment ■ Volatility adjustment ■ Matching adjustment



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

**Chart 5.3-c**  
**Life: impact of transitional and adjustment measures on SCR, 2020**  
 (millions of euros)



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

**Table 5.3-b**  
**Life: impact of applying directive measures for long-term products on own funds, 2020**  
 (thousands of euros)

Company	Eligible own funds*	Impact of the TP transitional adjustment on own funds	Impact of the volatility adjustment on own funds	Impact of the matching adjustment on own funds
VidaCaixa	3,946,420	-	-12,148	-1,434,102
MAPFRE Vida	2,585,385	-537,786	-15,726	-185,916
Bankia MAPFRE Vida	482,224	-72,253	-10,262	-78,159
Santander Seguros	1,862,217	-672,524	-13,534	-152,371
BBVA Seguros	1,887,291	-455,596	-7,259	-153,228
Bansabadell Vida	793,650	-	-6,513	-42,873
Mutualidad de la Abogacía	1,785,464	-63,683	-49,332	-
Ibercaja Vida	602,220	-	-6,664	-40,945
AXA Aurora Vida	705,789	-	-14,630	-
Nationale Nederlanden Vida	418,801	-130,661	-8,333	-

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

\* For the effects shown in this Table, we have used the effects on eligible own funds indicated by each company in their reports.

**Table 5.3-c**  
**Life: impact of applying directive measures for long-term products on own funds, 2020**  
 (thousands of euros)

Company	SCR required	Impact of the TP transitional adjustment on SCR	Impact of the volatility adjustment on SCR	Impact of the matching adjustment on SCR
VidaCaixa	2,024,150	-	4,101	-334,976
MAPFRE Vida	535,828	17,997	385	-42,008
Bankia MAPFRE Vida	246,741	24,306	4,534	20,143
Santander Seguros	859,598	6,371	900	41,335
BBVA Seguros	739,671	3,611	5,474	-7,894
Bansabadell Vida	293,342	-	2,171	14,291
Mutualidad de la Abogacía	862,073	-	-	-
Ibercaja Vida	273,146	-	-556	-36,414
AXA Aurora Vida	426,791	-	426	-
Nationale Nederlanden Vida	173,176	386	38	-

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

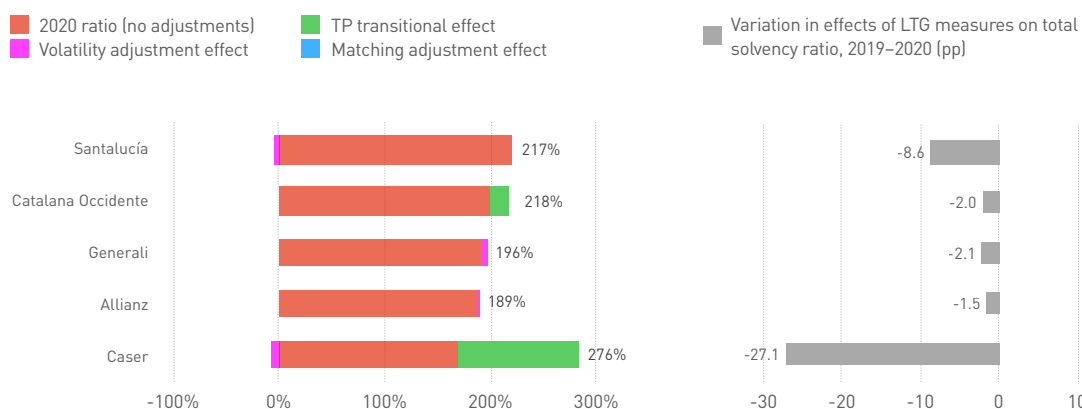
**Table 5.4-a**  
**Composites: SCR result and solvency ratio, 2020**  
 (thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	SCR required	Solvency ratio	SCR over TP	SCR over premiums	Eligible own funds over assets
<b>Allianz</b>	8,474,499	2,925,468	1,252,527	663,744	188.7%	7.8%	22.7%	5.7%
<b>Generali</b>	7,209,624	2,070,988	1,922,253	978,976	196.4%	13.6%	47.3%	8.9%
<b>Santalucía</b>	4,320,746	1,442,893	1,831,706	845,264	216.7%	19.6%	58.6%	12.0%
<b>Caser</b>	4,281,004	1,007,036	1,613,019	584,996	275.7%	13.7%	58.1%	8.6%
<b>Catalana Occidente</b>	4,231,815	1,120,279	1,814,005	831,895	218.1%	19.7%	74.3%	12.0%

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

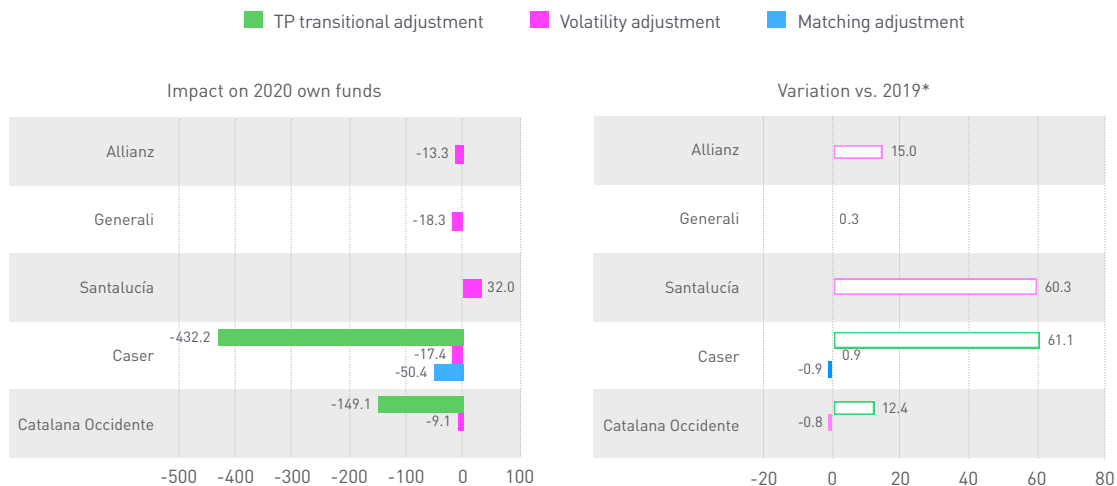
\* Taken from figures on premiums, loss experience and expenses.

**Chart 5.4-a**  
**Composites: impact of LTG measures on 2020 solvency ratios and variation vs. 2019**



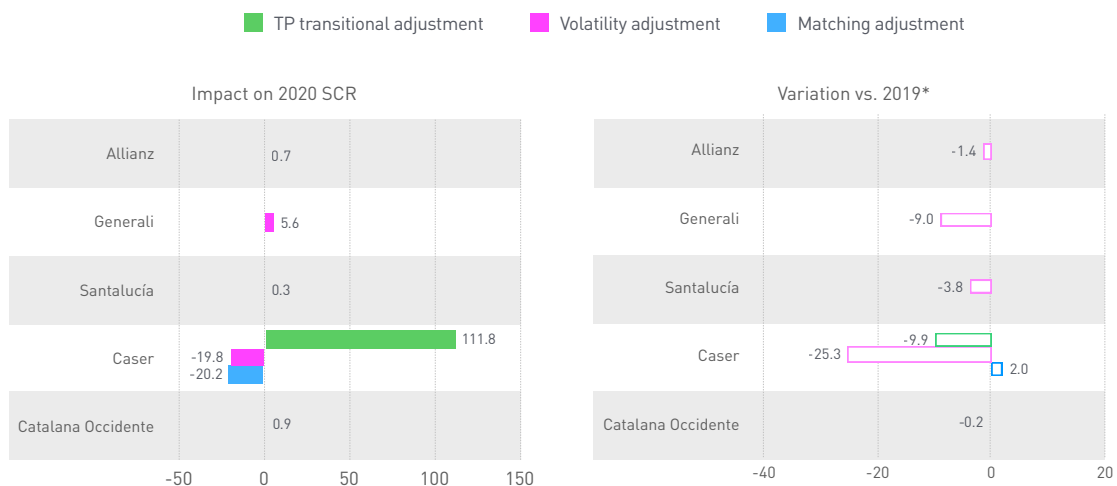
Source: MAPFRE Economics (based on data from the SFCRs published by the companies indicated)

**Chart 5.4-b**  
**Composites: impact of transitional and adjustment measures on own funds, 2020**  
 (millions of euros)



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

**Chart 5.4-c**  
**Composites: impact of transitional and adjustment measures on SCR, 2020**  
 (millions of euros)



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

**Table 5.4-b**  
**Composites: impact of applying directive measures for long-term products on own funds, 2020**  
 (thousands of euros)

Company	Eligible own funds*	Impact of the TP transitional adjustment on own funds	Impact of the volatility adjustment on own funds	Impact of the matching adjustment on own funds
Allianz	1,252,527	-	-13,332	-
Generali	1,922,253	-	-18,278	-
Santalucía	1,831,706	-	31,961	-
Caser	1,613,019	-432,195	-17,401	-50,431
Catalana Occidente	1,814,005	-149,120	-9,124	-

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

\* For the effects shown in this Table, we have used the effects on eligible own funds indicated by each company in their reports.

**Table 5.4-c**  
**Composites: impact of applying directive measures for long-term products on SCR, 2020**  
 (thousands of euros)

Company	SCR required	Impact of the TP transitional adjustment on SCR	Impact of the volatility adjustment on SCR	Impact of the matching adjustment on SCR
Allianz	663,744	-	742	-
Generali	978,976	-	5,637	-
Santalucía	845,264	-	333	-
Caser	584,996	111,847	-19,827	-20,179
Catalana Occidente	831,895	-	859	-

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

**Table 5.5**  
**Non-Life: SCR result and solvency ratio, 2020**  
 (thousands of euros)

Company	Premiums*	Technical provisions (TP)	Eligible own funds	SCR required	Solvency ratio	SCR over premiums	Eligible own funds over assets	SCR over TP
MAPFRE ESPAÑA	5,047,529	4,322,624	2,930,785	1,240,991	236.2%	24.6%	13.3%	28.7%
SegurCaixa Adeslas	3,981,432	1,522,299	888,176	578,502	153.5%	14.5%	16.1%	38.0%
AXA Seguros Generales	1,936,724	1,621,871	989,333	590,013	167.7%	30.5%	16.0%	36.4%
Mutua Madrileña	1,511,732	2,328,044	4,936,137	1,064,617	463.7%	70.4%	13.0%	45.7%
Sanitas	1,463,565	75,528	443,010	183,638	241.2%	12.5%	25.3%	243.1%
Asisa	1,257,200	255,250	512,443	216,609	236.6%	17.2%	24.3%	84.9%
Ocaso	1,031,597	2,225,895	1,343,793	493,646	272.2%	47.9%	12.8%	22.2%
Reale Seguros Generales	925,019	676,507	483,583	224,448	215.5%	24.3%	15.4%	33.2%

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

\* Taken from figures on premiums, loss experience and expenses.



## 5.6. Relative weight of different SCR risk modules and analysis of other relevant indicators

The relevant weight of each of the risk modules comprising the SCR (market, credit, underwriting and operational risk) during 2020 for all the insurance companies considered in this report is shown in Table 5.6. This information also shows the positive effect that diversification has had in each case, as well as the impact of the loss-absorbing capacity of both deferred taxes (DT LAC) and technical provisions (TP LAC) for products involved in discretionary profit sharing.

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

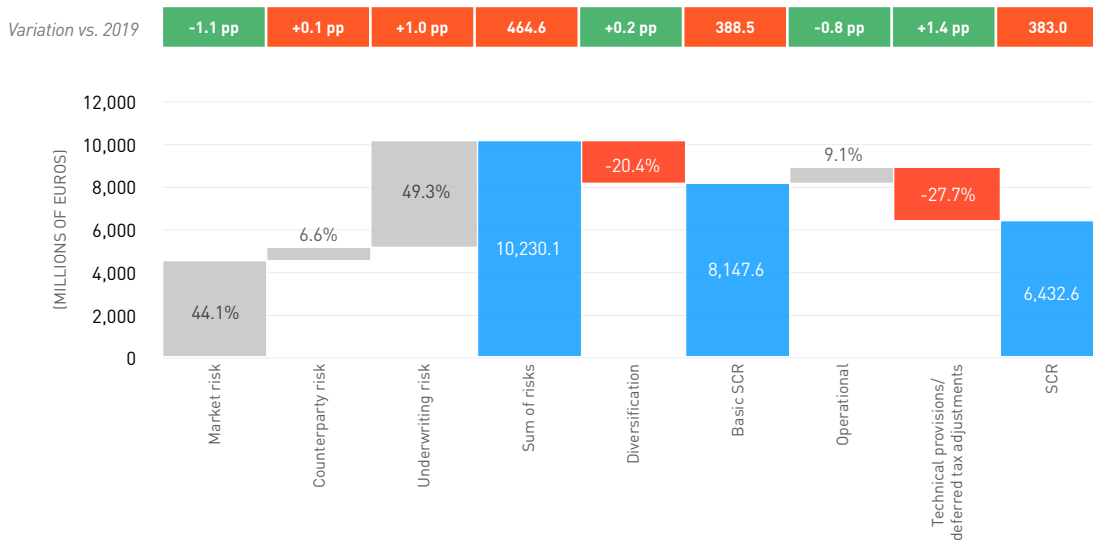
The relative weight of each of the risk modules comprising the SCR (market, credit, underwriting and operational risk) for the group of insurance companies analyzed in this report is broken down by Life, Composite and Non-Life

**Table 5.6**  
Relative weight of risk modules, diversification and loss-absorbing capacity, 2020

Company	Market	Credit	Underwriting	Diversification	Operational	DT LAC	TP LAC
VidaCaixa	27.8%	1.9%	70.3%	-17.6%	13.9%	-30.0%	
MAPFRE Vida	63.2%	8.2%	28.7%	-22.3%	6.4%	-25.0%	-20.0%
Bankia MAPFRE Vida	37.9%	2.1%	60.0%	-22.0%	10.2%	-18.9%	-1.1%
Santander Seguros	42.0%	16.8%	41.2%	-23.2%	9.2%	-11.8%	
BBVA Seguros	26.1%	10.9%	63.0%	-23.5%	6.8%	-28.7%	
Bansabadell Vida	56.8%	8.1%	35.1%	-23.2%	13.9%	-23.5%	-13.0%
Mutualidad de la Abogacía	76.1%	1.6%	22.4%	-15.1%	3.3%	-25.0%	-1.4%
Ibercaja Vida	35.9%	19.1%	45.0%	-25.9%	7.9%	-30.0%	
AXA Aurora Vida	58.1%	2.5%	39.4%	-21.3%	4.7%	-20.3%	-5.6%
Nationale Nederlanden Vida	52.8%	6.2%	41.0%	-23.3%	7.3%	-23.5%	
Allianz	29.1%	6.6%	64.3%	-34.9%	10.5%	-24.9%	-1.7%
Generali	38.5%	8.8%	52.7%	-33.3%	5.5%	-21.5%	
Santalucía	62.9%	4.8%	32.3%	-24.3%	5.4%	-18.0%	-0.2%
Caser	42.3%	8.1%	49.6%	-33.4%	14.4%	-16.1%	
Catalana Occidente	60.5%	1.2%	38.3%	-24.6%	3.4%	-25.0%	
MAPFRE ESPAÑA	35.8%	7.3%	56.8%	-29.1%	10.3%	-25.0%	
AXA Seguros Generales	32.5%	8.6%	58.8%	-35.8%	18.0%	-24.3%	
SegurCaixa Adeslas	36.6%	3.5%	59.9%	-26.1%	8.6%	-20.3%	
Mutua Madrileña	72.1%	3.3%	24.5%	-17.5%	3.6%	-17.4%	
Sanitas	18.5%	10.3%	71.2%	-18.7%	26.3%	-11.6%	
Asisa	39.7%	8.0%	52.3%	-25.9%	15.7%	-22.3%	
Ocaso	38.4%	5.0%	56.6%	-33.3%	6.4%	-17.4%	
Reale Seguros Generales	36.0%	6.1%	57.8%	-23.6%	10.3%	-23.6%	

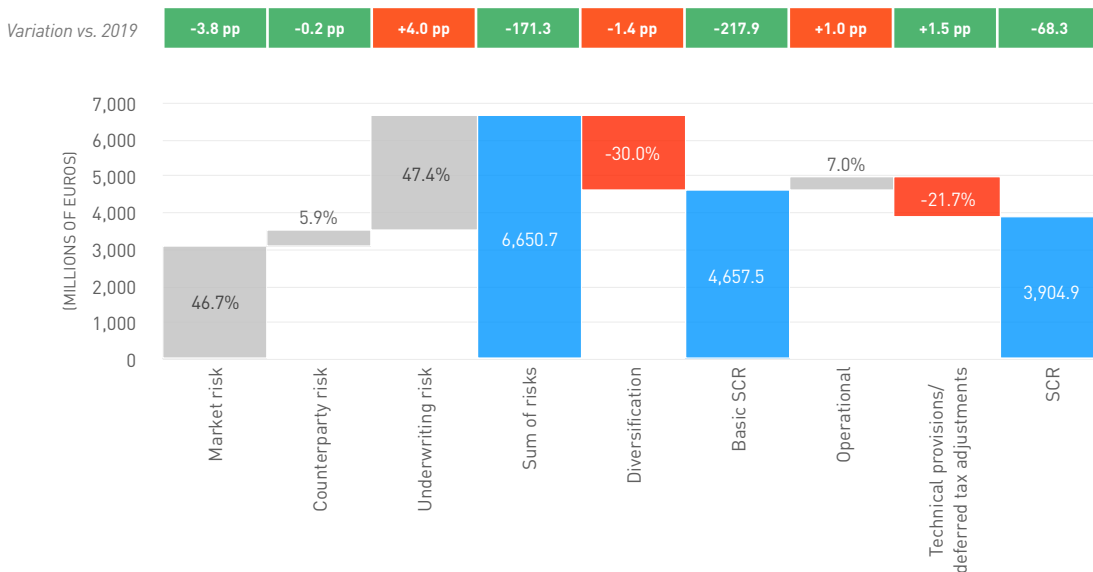
Source: MAPFRE Economics (based on data from the SFCRs published by the companies indicated)

**Chart 5.6-a**  
**Life: relative weight of the different SCR elements for the sample analyzed, 2020**

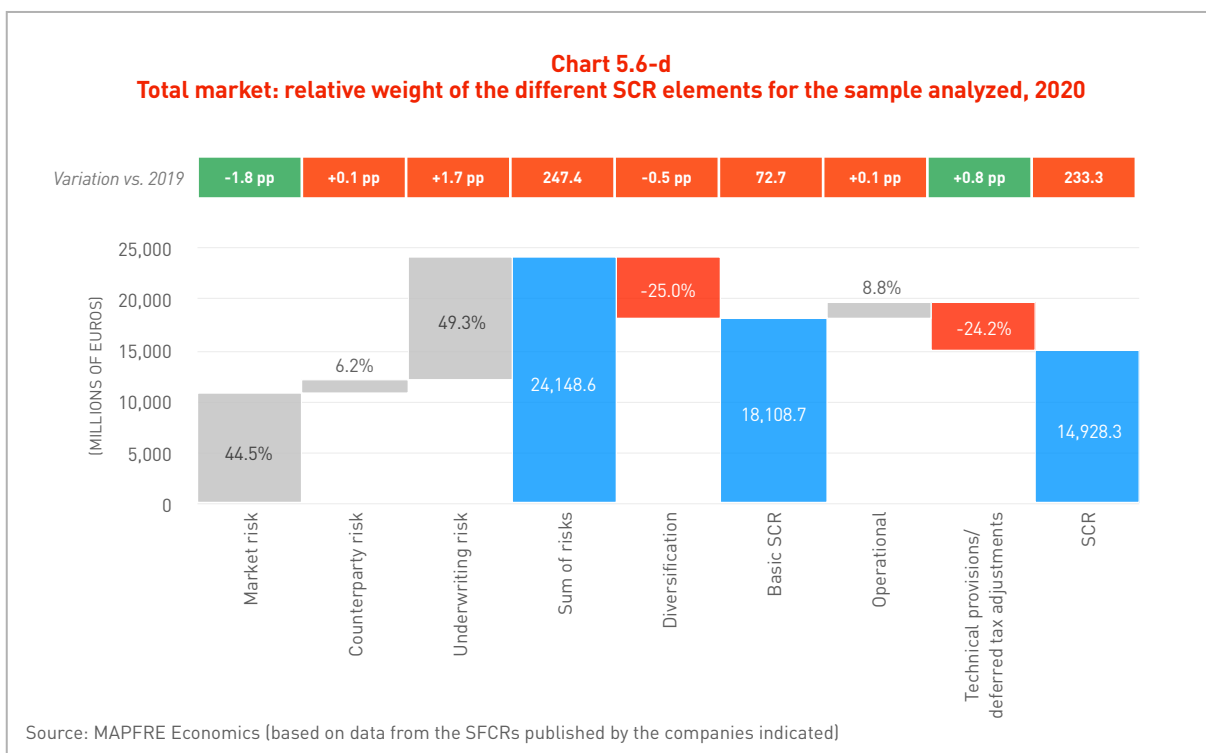
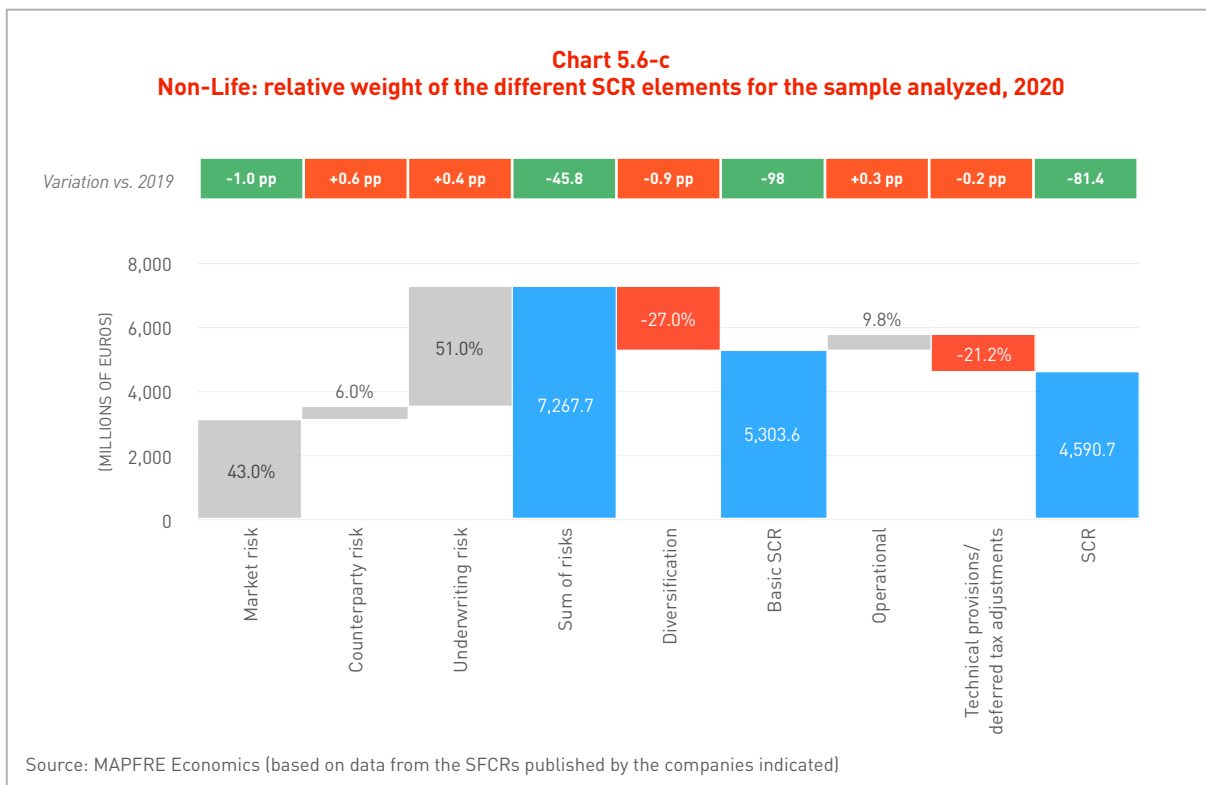


Source: MAPFRE Economics (based on data from the SFCRs published by the companies indicated)

**Chart 5.6-b**  
**Composites: relative weight of the different SCR elements for the sample analyzed, 2020**



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



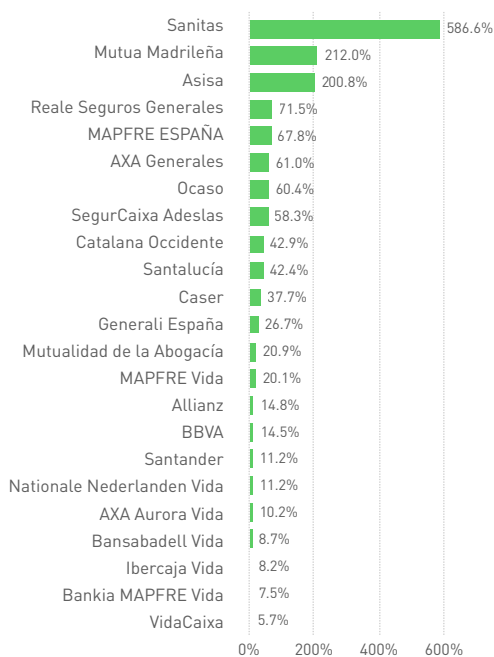
segments and detailed in Charts 5.6-a, 5.6-b, 5.6-c, and 5.6-d. Likewise, said charts also show the positive effect of diversification in each case, as well as the positive effect derived from the loss-absorbing capacity of both deferred taxes and technical provisions for products involved in profit sharing. Any variation compared to 2019 in the relative weight of each module is also reflected at the top of each Chart.

In 2019, the Life segment (Chart 5.6-a) saw an increase in the relative weight of market risk (+1.5 pp) and a decrease in the weight of counterparty risk (-1.5 pp). The relative weight of underwriting risk remains similar to that of the previous year. There was also a decrease in the relative weight of market risk in 2020 (-1.1 pp) and an increase in counterparty risk (+0.1 pp) and underwriting risk (+1 pp). In addition, there is an increase in the overall weight of diversification profit (+0.2 pp), as well as an increase in the loss-absorbing capacity of deferred taxes and technical provisions for products involved in discretionary profit sharing (+1.4 pp).

For Composite companies (Chart 5.6-b), the reduction in the relative weight of the market risk module (-3.8 pp) between 2019 and 2020 and the increase in the relative weight of underwriting risk (+4 pp) should be noted. Companies engaged predominantly in Non-Life insurance (Chart 5.6-c) experienced a reduction in the relative weight of market risk (-1 pp) and an increase in the weight of counterparty risk (+0.6 pp), as well as a slight benefit from the deferred tax adjustment (-0.2 pp) between 2019 and 2020.

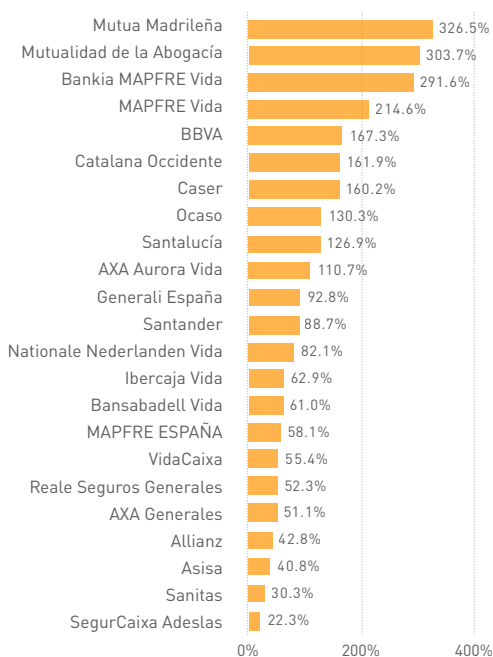
Finally, for the market as a whole (Chart 5.6-d), there was a reduction in the weight of the market risk element (-1.8 pp), and an increase in the weight of counterparty and underwriting risks (+0.1 pp and +1.7 pp respectively). The information also indicates that the benefits of diversification decreased slightly between 2019 and 2020 (-0.5 pp), and that there was a slight drop in the weight of the operational risk module (-0.1 pp).

**Chart 5.6-e**  
Relative weight of own funds vs. technical provisions, 2020



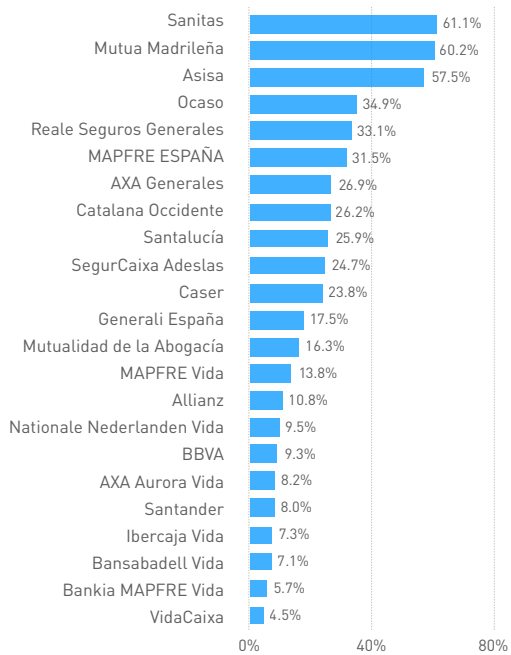
Source: MAPFRE Economics (based on data from the SFCRs published by the companies indicated)

**Chart 5.6-f**  
Relative weight of own funds vs. premiums, 2020



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

**Chart 5.6-g**  
**Relative weight of own funds vs. assets, 2020**



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

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



## 6. Regulatory outlook

### 6.1. Global trends

#### IAIS global capital standard

2020 was the first year of the monitoring phase of the common framework for the cross-border solvency supervision of internationally active insurance groups (IAIGs), performed by the International Association of Insurance Supervisors (IAIS). This monitoring phase of the common framework (ComFrame) will run from 2020 to 2025 and will be followed by an implementation phase starting in 2026. The ComFrame<sup>14</sup> includes a number of Insurance Core Principles (ICPs) applicable to the supervision of IAIGs, as well as an International Capital Standard (ICS) for these insurance groups. The standard applies to IAIGs that meet minimum international activity volume requirements, based on three criteria: (i) they have at least 50 billion dollars in assets or 10 billion dollars in premiums; (ii) they operate in at least three jurisdictions; and (iii) at least 10% of their premiums are underwritten outside the original jurisdiction.

In the monitoring phase, the minimum solvency capital calculation required for IAIGs is used for discussion by supervisory colleges on a confidential basis and supervisory action will not be taken based on the results of the standard being applied. The information provided by supervisors during the process will help to drive additional improvements prior to the standard being implemented as a Prescribed Capital Requirement (PCR).

Furthermore, in 2020, the IAIS conducted its first global insurance market evaluation exercise from the perspective of its potential systemic risk, under the new regulatory and supervisory framework called the Holistic Framework, approved at the end of 2019. This exercise (the Global Monitoring Exercise — GME) is part of the monitoring measures aimed

at helping to preserve global financial stability and in 2020, it was adapted to assess the impact of the pandemic on the industry. The result of this exercise showed that the greatest impact was on assets, negatively affecting the profitability and solvency of the insurance industry, although insurers remained resilient both financially and operationally (details on the outcome of this exercise can be found in the *2020 Global Insurance Market Report: COVID-19 Edition*<sup>15</sup>).

### 6.2. European Union and Spanish market

#### Solvency II

An important development in the process for the in-depth review of the Solvency II framework occurred in 2020 and may affect aspects included in the directive. On December 17, 2020, EIOPA published its final technical recommendation submitted to the European Commission containing its opinion on the aspects to be addressed by the reform<sup>16</sup>.

As indicated in its technical recommendation, EIOPA maintains that the Solvency II Guidelines Framework is working satisfactorily overall, and that it has significantly helped to build the risk management capacity of insurance companies and their groups. It therefore suggests an *evolution* of this Guidelines Framework, rather than a *revolution*. However, it makes significant changes to some key aspects such as the calculation of capital risk weights by interest rate risk, interest rate curves, volatility adjustments, and risk margin, with regard to the calculation of technical provisions, among other things. It also contains a new proposal regarding equity investments, noting that the ability to maintain securities of this type is greater if they support illiquid long-term

insurance obligations, which would justify more favorable prudential treatment.

The European Commission is working on its legislative reform proposal, which is expected to be released in the third quarter of 2021. Once the Commission has prepared its proposal, it will be debated and approved by the co-legislators (European Council and Parliament), meaning that publication of the reform in the Official Journal of the European Union may not take place until next year.

### Insurance distribution and consumer protection

Royal Decree 287/2021 of April 20, on the training and statistical and accounting reporting of insurance and reinsurance distributors in Spain, together with Royal Decree Law 3/2020 of February 4, on urgent measures for the incorporation into the Spanish legal system of various European Union directives regarding private insurance and pension funds and plans (among others), completed the transposition of the Insurance Distribution Directive into Spanish law. Thus, the new regulation on the reporting of information for supervisory purposes is incorporated, and the training (both initial and ongoing) to ensure that insurance distributors possess the necessary knowledge of the products that they sell is regulated, taking into account its complexity, and that client needs are met. Sales activity, informed or advised, may be carried out by the different classes of distributors listed in Royal Decree-Law 3/2020.

### Biometric tables

On December 17, 2020, the General Directorate for Insurance and Pension Funds approved its resolution allowing mortality and survivorship tables to be used by insurance and reinsurance companies and approving the technical guide for supervision criteria regarding biometric tables and various recommendations to support the development of sectoral biometric statistics<sup>17</sup>.

The Resolution of June 2, 2021 of the General Directorate for Insurance and Pension Funds subsequently approved the eligibility of the following as benchmark biometric assumptions for the assessment of accounting technical provisions and for the purposes assessing technical provisions for the special biometric table solvency regime<sup>18</sup>:

- (a) for survivorship insurance, first order tables PER2020\_Col\_1er.orden for group insurance, and PER2020\_Ind\_1er.orden for individual insurance, and
- (b) for Life Protection insurance, the first order tables PASEM2020\_Rel\_1er.orden for Life Protection insurance related to other operations, PASEM2020\_Decesos\_1er.orden for Burial insurance, and PASEM2020\_NoRel\_1er.orden for other Life Protection insurance.



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## References

1/ See: <https://repositorio.bde.es/bitstream/123456789/16551/1/be2102-art16e.pdf>

2/ See: MAPFRE Economics (2020), *The Spanish insurance market in 2019*, Madrid, Fundación MAPFRE, pp. 19–24.

3/ It is important to note that the Ministry of Transport, Mobility and Urban Planning has modified the residency criterion used in the entire historical series, and is now based on residency for tax purposes, which accounts for the differences in weight in the number of transactions indicated in previous versions of this report.

4/ See: <https://www.dgt.es/es/seguridad-vial/estadisticas-e-indicadores/parque-vehiculos/tablas-estadisticas/>

5/ In accordance with this reformulation, the concept of a *company* may correspond to an independent legal unit, a group of entities or an autonomous part of a group.

6/ See: <http://www.ipyme.org//Publicaciones/Informe-PYME2020.pdf>

7/ See: <https://www.bbva.com/es/es/bbva-seguros-casi-duplica-su-beneficio-en-2020-respecto-a-2019/>

8/ With Investigación Cooperativa entre Entidades Aseguradoras y Fondos de Pensiones (Cooperative Research between Insurance Companies and Pension Funds — ICEA) data, on a sample covering 94.9% of the industry's premiums.

9/ The data used to measure penetration, density and depth indices and presented in this report, as well as figures used to determine the Insurance Protection Gap for 2019 and previous years may display discrepancies when compared with information presented in last year's report (MAPFRE Economics [2020], *The Spanish insurance market in 2019*, Madrid, Fundación MAPFRE). This is due to premium figures for the Spanish insurance market reported by ICEA being updated, adjustments to data on Spain's GDP published by the INE, and adjustments to the penetration parameters for European insurance markets used in IPG estimates as a result of a review of the data on insurance premiums and GDP.

10/ The Market Development Index, which has been used in our previous reports, aims to summarize the trends in the development and maturity of the insurance markets, and has been constructed on the basis of four individual indices (with 2005 as a base): the penetration index (premiums/GDP); the depth index (Life insurance premiums compared with total market premiums); an index for the evolution of the IPG (index of the inverse of the IPG as a market multiple); and an index for the evolution of the Life insurance IPG (index of the inverse of the IPG for Life insurance as a multiple of the market).

11/ See: MAPFRE Economics [2020], *The Spanish insurance market in 2019*, Madrid, Fundación MAPFRE, pp. 87–90.

12/ In terms of methodology, the IPG can be measured two ways. The first takes an *ex-post* approach and is based on observed losses. In this case, the IPG is the difference between the economic losses recorded in a specific period and the portion of said losses that were covered through the insurance compensation mechanism. The *ex-ante* approach analyzes optimal coverage levels, estimated as the difference between the socioeconomic levels suitable to cover risk and actual coverage levels. The second approach was selected for this fiscal year's report, which involved determining the difference between the optimal and actual level of protection, contemplated as the difference between penetration indices in Spain and those of the top 15 economies within the European Union.

13/ The Solvency and Financial Condition Reports referred to in this report were consulted at the following addresses. For the 2019 reports:

VidaCaixa: <https://www.vidacaixa.es/documents/51066/149093/ISFS+VidaCaixa+Individual+2019.pdf/b7825860-ad3e-3702-6185-9ad207aec9d4>

MAPFRE Vida: <https://www.mapfre.com/media/accionistas/2019/2019-sfcr-mapfre-vida.pdf>

Bankia MAPFRE Vida: <https://www.mapfre.com/media/accionistas/2019/2019-sfcr-bankia-mapfre-vida.pdf>

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

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

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

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

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

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

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

Allianz: [https://www.allianz.com/en/investor\\_relations/results-reports/sfcr.html#tabpar\\_7217\\_3Tab](https://www.allianz.com/en/investor_relations/results-reports/sfcr.html#tabpar_7217_3Tab)

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

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

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

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

MAPFRE ESPAÑA: <https://www.mapfre.com/media/accionistas/2019/2019-sfcr-mapfre-espana.pdf>

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

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

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

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

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

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

Ocaso: <https://www.ocaso.es/es/corporativa/datos-economicos/2019>

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

And for the 2020 reports, the links are as follows:

VidaCaixa: <https://www.vidacaixa.es/en/web/corporativo/corporate-information/solvency-and-financial-condition-report>

MAPFRE Vida: <https://www.mapfre.com/en/solvency/>

MAPFRE Bankia Vida: <https://www.mapfre.com/en/solvency/>

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

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

Ibercaja Vida: <https://www.ibercajavid.com/>

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

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

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

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

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

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

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

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

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

MAPFRE ESPAÑA: <https://www.mapfre.com/en/solvency/>

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

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

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

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

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

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

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

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

14/ See: <https://www.iaisweb.org/page/supervisory-material/insurance-core-principles-and-comframe>

15/ See: <https://www.iaisweb.org/file/94221/iais-global-insurance-market-report-2020>

16/ See: [https://www.eiopa.europa.eu/content/opinion-2020-review-of-solvency-ii\\_en](https://www.eiopa.europa.eu/content/opinion-2020-review-of-solvency-ii_en)

17/ See: <https://www.boe.es/boe/dias/2020/12/28/pdfs/BOE-A-2020-17154.pdf>

18/ See: <https://www.boe.es/buscar/doc.php?id=BOE-A-2021-9781>





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**Table A.1.**  
**Size of the world's largest insurance markets, 2009–2020**  
 (premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

Country/Region	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%	1,162	3,757	7.8%	1,221	3,920	7.9%	1,272	4,052	7.9%
Japan	521	4,092	10.2%	570	4,479	10.2%	637	5,006	10.6%	627	4,930	11%
China	312	4,500	12.1%	300	4,257	11.1%	320	4,509	11%	329	4,596	11.1%
United Kingdom	284	4,265	10.2%	282	4,189	10.3%	272	4,007	9.1%	245	181	2.9%
France	240	2,943	6.9%	235	2,892	6.8%	246	3,022	6.5%	238	3,501	8.5%
Germany	169	2,800	7.6%	215	160	3.6%	222	164	3%	232	2,850	6.5%
Italy	163	122	3.2%	174	2,852	8%	161	2,593	6.8%	153	3,059	12.3%
South Korea	103	6,251	12%	116	3,429	7.2%	124	3,618	6.9%	144	2,276	6.5%
Canada	102	3,038	7.4%	107	2,176	9.6%	124	2,484	10.2%	127	3,649	6.9%
Taiwan	92	1,863	9.4%	102	6,152	12.2%	109	6,515	12.2%	96	5,719	11.6%
Netherlands	82	1,773	5.5%	76	3,302	17.7%	82	1,747	5.5%	88	3,769	18.3%
India	64	53	4.7%	75	60	4.4%	80	396	3%	82	406	3.3%
Australia	64	2,762	16.9%	73	1,558	5.1%	78	3,380	16.7%	76	3,353	4.9%
Brazil	53	267	3.2%	65	2,963	5.2%	75	3,372	5%	72	1,529	5.3%
Spain	52	2,424	5.3%	65	327	2.9%	72	58	3.9%	66	52	3.6%
<b>Europe</b>	<b>1,591</b>	<b>1,836</b>	<b>7.4%</b>	<b>1,592</b>	<b>1,818</b>	<b>7.2%</b>	<b>1,627</b>	<b>1,864</b>	<b>6.7%</b>	<b>1,540</b>	<b>1,745</b>	<b>6.6%</b>
<b>EU15</b>	<b>1,444</b>	<b>3,389</b>	<b>8.5%</b>	<b>1,433</b>	<b>3,325</b>	<b>8.5%</b>	<b>1,450</b>	<b>3,367</b>	<b>8%</b>	<b>1,363</b>	<b>3,124</b>	<b>7.9%</b>
<b>EU27</b>	<b>1,485</b>	<b>2,778</b>	<b>8.1%</b>	<b>1,476</b>	<b>2,733</b>	<b>8.1%</b>	<b>1,497</b>	<b>2,773</b>	<b>7.6%</b>	<b>1,407</b>	<b>2,577</b>	<b>7.5%</b>
<b>World</b>	<b>4,078</b>	<b>580</b>	<b>6.6%</b>	<b>4,304</b>	<b>604</b>	<b>6.4%</b>	<b>4,559</b>	<b>634</b>	<b>6.1%</b>	<b>4,603</b>	<b>632</b>	<b>6.1%</b>

Source: Swiss RE. Sigma. World insurance in...

**Table A.1.**  
**Size of the world's largest insurance markets, 2009–2020 (continued)**  
 (premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

Country/Region	2013			2014			2015			2016		
	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	1,255	3,969	7.5%	1,271	3,987	7.3%	1,316	4,096	7.3%	1,352	4,174	7.3%
Japan	498	3,926	10.4%	477	3,759	10.7%	450	3,554	10.8%	471	3,732	9.5%
United Kingdom	326	4,512	10.7%	338	4,625	10%	387	281	3.6%	466	337	4.1%
China	280	205	2.9%	328	240	3.2%	320	4,359	10%	304	4,064	10.2%
France	255	3,730	8.7%	270	3,924	9.1%	231	3,392	9.3%	238	3,395	9.2%
Germany	248	3,030	6.5%	255	3,091	6.5%	213	2,562	6.2%	215	2,548	6.1%
Italy	169	2,672	7.6%	195	3,069	8.7%	165	2,580	8.7%	171	3,362	12.1%
South Korea	146	2,905	11%	159	3,151	11.2%	154	3,034	11.4%	162	2,499	8.2%
Canada	128	3,646	7%	127	3,579	7.1%	115	3,209	7.4%	115	3,161	7.5%
Netherlands	99	5,915	11.5%	97	5,771	11%	96	4,094	19%	101	4,321	20%
Taiwan	91	3,896	18.4%	96	4,086	18.6%	81	4,763	10.7%	82	3,397	6.5%
Brazil	83	406	3.4%	88	3,746	6.1%	72	55	3.4%	80	4,717	10.4%
Australia	78	3,399	5.2%	88	426	3.6%	71	2,958	5.7%	79	60	3.5%
Spain	72	1,545	5.3%	71	1,538	5.2%	69	332	3.9%	73	346	4%
India	65	51	3.5%	68	52	3.3%	61	1,322	5.1%	69	1,482	5.6%
<b>Europe</b>	<b>1,618</b>	<b>1,829</b>	<b>6.6%</b>	<b>1,695</b>	<b>1,889</b>	<b>6.8%</b>	<b>1,469</b>	<b>1,634</b>	<b>6.9%</b>	<b>1,470</b>	<b>1,620</b>	<b>6.7%</b>
<b>EU15</b>	<b>1,434</b>	<b>3,274</b>	<b>7.9%</b>	<b>1,515</b>	<b>3,408</b>	<b>8.1%</b>	<b>1,315</b>	<b>2,951</b>	<b>8%</b>	<b>1,316</b>	<b>2,911</b>	<b>7.9%</b>
<b>EU27</b>	<b>1,478</b>	<b>2,699</b>	<b>7.5%</b>	<b>1,558</b>	<b>2,806</b>	<b>7.6%</b>	<b>1,351</b>	<b>2,430</b>	<b>7.6%</b>	<b>1,353</b>	<b>2,401</b>	<b>7.5%</b>
<b>World</b>	<b>4,588</b>	<b>622</b>	<b>5.9%</b>	<b>4,755</b>	<b>635</b>	<b>5.9%</b>	<b>4,554</b>	<b>603</b>	<b>6%</b>	<b>4,732</b>	<b>621</b>	<b>6.1%</b>

Source: Swiss RE. Sigma. World insurance in...

**Table A.1.**  
**Size of the world's largest insurance markets, 2009–2020 (continued)**  
 (premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

Country/Region	2017			2018			2019			2020		
	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	1,377	4,216	7.1%	1,469	4,481	7.1%	2,460	7,495	11.4%	2,531	7,673	12.0%
China	541	384	4.6%	575	406	4.2%	617	430	4.3%	656	455	4.5%
Japan	422	3,312	8.6%	441	3,466	8.9%	459	3,621	9.0%	415	3,280	8.1%
United Kingdom	283	3,810	9.6%	337	4,503	10.6%	366	4,362	10.3%	338	4,523	11.1%
France	242	3,446	8.9%	258	3,667	8.9%	262	3,719	9.2%	259	3,108	6.8%
Germany	223	2,687	6.0%	241	2,908	6.0%	244	2,934	6.3%	231	3,317	8.6%
South Korea	181	3,522	11.6%	179	3,465	11.2%	175	3,366	10.8%	194	3,741	11.6%
Italy	156	2,660	8.3%	170	2,754	8.0%	168	2,764	8.3%	162	2,692	8.6%
Canada	120	3,260	7.2%	128	3,457	7.5%	133	3,548	7.7%	143	3,775	8.7%
Taiwan	117	4,997	21.3%	122	5,161	20.9%	118	4,993	20.0%	113	4,800	17.4%
India	98	73	3.7%	100	74	3.7%	106	78	3.8%	108	78	4.2%
Brazil	83	398	4.1%	84	4,890	9.2%	84	4,822	9.2%	88	5,022	9.6%
Australia	80	3,247	5.8%	79	3,160	5.6%	74	351	4.0%	73	9,746	20.8%
Netherlands	79	4,631	9.6%	74	1,588	5.2%	72	9,706	19.7%	66	1,396	5.2%
Spain	71	1,519	5.4%	73	345	3.9%	71	1,508	5.1%	63	2,448	4.7%
<b>Europe</b>	<b>1,479</b>	<b>1,651</b>	<b>6.5%</b>	<b>1,621</b>	<b>1,794</b>	<b>6.6%</b>	<b>1,063</b>	<b>2,784</b>	<b>7.1%</b>	<b>1,022</b>	<b>2,723</b>	<b>7.2%</b>
<b>EU15</b>	<b>1,315</b>	<b>2,953</b>	<b>7.6%</b>	<b>1,449</b>	<b>3,226</b>	<b>7.7%</b>	<b>1,172</b>	<b>2,374</b>	<b>6.8%</b>	<b>1,133</b>	<b>2,335</b>	<b>6.9%</b>
<b>EU27</b>	<b>1,357</b>	<b>2,446</b>	<b>7.2%</b>	<b>1,494</b>	<b>2,673</b>	<b>7.3%</b>	<b>4,985</b>	<b>3,680</b>	<b>9.0%</b>	<b>4,965</b>	<b>3,695</b>	<b>9.3%</b>
<b>World</b>	<b>4,892</b>	<b>650</b>	<b>6.1%</b>	<b>5,193</b>	<b>663</b>	<b>5.9%</b>	<b>6,293</b>	<b>818</b>	<b>7.2%</b>	<b>6,287</b>	<b>809</b>	<b>7.4%</b>

Source: Swiss RE. Sigma. World insurance in...

**Table A.2.**  
**Trends in direct insurance premiums in the Spanish insurance market, 2010–2020**  
 (millions of euros)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>NON-LIFE INSURANCE</b>	<b>31,811.5</b>	<b>31,718.7</b>	<b>31,095.3</b>	<b>30,386.4</b>	<b>30,646.5</b>	<b>31,297.9</b>	<b>32,693.0</b>	<b>34,027.1</b>	<b>35,429.7</b>	<b>36,652.1</b>	<b>37,052.3</b>
<b>Automobiles</b>	<b>11,534.5</b>	<b>11,269.5</b>	<b>10,607.4</b>	<b>10,021.5</b>	<b>9,882.1</b>	<b>10,052.1</b>	<b>10,565.9</b>	<b>10,923.3</b>	<b>11,137.5</b>	<b>11,311.9</b>	<b>11,086.4</b>
Automobile TPL	5,847.9	5,847.9	5,485.3	5,177.7	5,029.6	5,169.0	5,508.8	5,716.6	5,850.7	5,875.4	5,658.3
Automobile Other Guarantees	5,570.7	5,421.6	5,122.0	4,843.8	4,852.5	4,883.0	5,057.1	5,206.7	5,286.8	5,436.5	5,428.1
<b>Multirisik</b>	<b>6,297.4</b>	<b>6,578.7</b>	<b>6,626.8</b>	<b>6,537.1</b>	<b>6,550.4</b>	<b>6,564.5</b>	<b>6,734.3</b>	<b>6,964.7</b>	<b>7,234.3</b>	<b>7,521.1</b>	<b>7,753.4</b>
Homeowners	3,505.5	3,555.6	3,763.8	3,779.0	3,836.5	3,916.4	4,058.9	4,196.3	4,347.7	4,528.6	4,652.6
Commercial	650.3	648.8	625.3	596.2	594.5	565.1	574.6	584.8	595.5	602.0	603.6
Condominium	755.1	794.2	814.5	823.4	826.6	836.0	852.8	872.1	898.5	926.5	952.8
Industrial	1,327.6	1,420.5	1,344.4	1,265.3	1,220.0	1,176.0	1,169.8	1,233.6	1,316.1	1,385.2	1,463.2
Other	58.9	59.6	78.8	73.2	72.7	71.0	78.2	77.8	76.5	78.8	81.2
<b>Health</b>	<b>6,396.4</b>	<b>6,596.6</b>	<b>6,785.6</b>	<b>6,936.9</b>	<b>7,181.1</b>	<b>7,360.8</b>	<b>7,735.8</b>	<b>8,068.7</b>	<b>8,516.3</b>	<b>8,935.3</b>	<b>9,388.4</b>
Healthcare Assistance	5,461.3	5,663.1	6,011.2	6,192.0	6,429.7	6,450.0	6,761.4	7,100.8	7,526.4	7,912.3	8,335.9
Reimbursement	639.5	653.6	516.4	504.4	519.6	665.9	700.4	708.8	722.1	745.6	785.6
Subsidy	295.6	279.9	258.0	240.5	231.7	244.9	273.9	259.1	267.8	277.3	266.8
<b>Other Non-Life Lines</b>	<b>7,583.1</b>	<b>7,273.9</b>	<b>7,075.6</b>	<b>6,890.9</b>	<b>7,033.0</b>	<b>7,320.5</b>	<b>7,657.0</b>	<b>8,070.4</b>	<b>8,541.6</b>	<b>8,883.8</b>	<b>8,824.2</b>
Accidents	921.6	897.3	852.5	880.1	885.5	926.3	983.8	1,114.3	1,152.3	1,152.1	1,123.5
Assistance	310.4	315.5	309.4	312.2	335.2	340.3	364.6	402.7	433.3	460.9	339.0
Surety	84.2	78.0	65.3	62.6	60.9	85.7	62.2	63.2	84.1	122.5	136.0
Credit	718.6	694.9	677.4	645.8	630.5	608.8	593.1	570.3	584.4	606.9	602.0
Burial	1,702.7	1,761.5	1,890.7	1,960.5	2,087.2	2,150.4	2,167.2	2,277.0	2,367.0	2,458.9	2,490.7
Legal defense	100.2	102.7	96.7	89.6	92.2	93.1	96.7	100.5	106.2	109.5	112.5
Fire	183.2	102.2	90.6	95.9	108.8	179.9	206.8	118.4	194.5	180.7	227.8
Other Damage to P&C	1,088.5	964.2	935.2	819.8	841.2	870.8	1,047.8	1,105.7	1,241.9	1,321.3	1,313.2
Pecuniary losses	351.2	339.7	249.4	233.3	232.3	276.1	336.0	350.9	386.2	375.4	317.9
Third-party liability	1,624.1	1,531.0	1,447.8	1,352.4	1,342.1	1,359.8	1,385.0	1,508.3	1,532.1	1,597.6	1,638.5
Transport	498.5	486.8	460.6	438.8	417.0	429.4	413.8	459.0	459.7	497.9	523.1
Aviation	87.8	75.7	61.5	55.1	47.7	46.0	43.3	67.6	46.0	57.0	73.7
Maritime	201.7	200.6	194.9	185.3	175.3	178.9	163.6	161.4	169.9	186.1	192.6
Merchandise	209.0	210.5	204.1	198.4	194.0	204.5	206.9	230.0	243.9	254.9	256.7
<b>LIFE INSURANCE</b>	<b>26,376.7</b>	<b>28,871.7</b>	<b>26,288.9</b>	<b>25,509.9</b>	<b>24,839.3</b>	<b>25,566.7</b>	<b>31,139.3</b>	<b>29,406.8</b>	<b>28,994.8</b>	<b>27,523.4</b>	<b>21,837.1</b>
Protection	3,778.8	3,609.7	3,510.8	3,350.4	3,471.5	3,773.8	4,205.4	4,205.6	4,721.0	4,845.3	4,847.9
Savings	22,597.9	25,261.9	22,778.0	22,159.5	21,367.7	21,793.0	26,933.9	25,201.3	24,273.8	22,658.1	16,989.3
<b>TOTAL MARKET</b>	<b>58,188.2</b>	<b>60,590.3</b>	<b>57,384.2</b>	<b>55,896.3</b>	<b>55,485.8</b>	<b>56,864.6</b>	<b>63,832.2</b>	<b>63,433.9</b>	<b>64,424.5</b>	<b>64,175.5</b>	<b>58,889.4</b>

Source: ICEA. Historic series of direct business premiums

**Table A.3.**  
**Trends in direct insurance premium growth in the Spanish insurance market, 2010–2020**  
 (annual growth rates, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>NON-LIFE INSURANCE</b>	0.2%	-0.3%	-2.0%	-2.3%	0.9%	2.1%	4.5%	4.1%	4.1%	3.5%	1.1%
<b>Automobiles</b>	-0.9%	-2.3%	-5.9%	-5.5%	-1.4%	1.7%	5.1%	3.4%	2.0%	1.6%	-2.0%
Automobile TPL	-1.2%	-1.9%	-6.2%	-5.6%	-2.9%	2.8%	6.6%	3.8%	2.3%	0.4%	-3.7%
Automobile Other Guarantees	-0.6%	-2.7%	-5.5%	-5.4%	0.2%	0.6%	3.6%	3.0%	1.5%	2.8%	-0.2%
<b>Multirisk</b>	3.3%	4.5%	0.7%	-1.4%	0.2%	0.2%	2.6%	3.4%	3.9%	4.0%	3.1%
Homeowners	5.1%	4.3%	3.0%	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%	2.7%
Commercial	-0.7%	-0.2%	-3.6%	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%	0.3%
Condominium	5.8%	5.2%	2.6%	1.1%	0.4%	1.1%	2.0%	2.3%	3.0%	3.1%	2.8%
Industrial	0.5%	7.0%	-5.4%	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.3%	5.6%
Other	-16.4%	1.2%	32.3%	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%	3.0%
<b>Health</b>	4.0%	3.1%	2.9%	2.2%	3.5%	2.5%	5.1%	4.3%	5.5%	4.9%	5.1%
Healthcare Assistance	5.7%	3.7%	6.1%	3.0%	3.8%	0.3%	4.8%	5.0%	6.0%	5.1%	5.4%
Reimbursement	-5.8%	2.2%	-21.0%	-2.3%	3.0%	28.1%	5.2%	1.2%	1.9%	3.3%	5.4%
Subsidy	-2.2%	-5.3%	-7.8%	-6.8%	-3.7%	5.7%	11.9%	-5.4%	3.4%	3.5%	-3.8%
<b>Other Non-Life Lines</b>	-3.6%	-4.1%	-2.7%	-2.6%	2.1%	4.1%	4.6%	5.4%	5.8%	4.0%	-0.7%
Accidents	-2.5%	-2.6%	-5.0%	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	0.0%	-2.5%
Assistance	-1.6%	1.7%	-2.0%	0.9%	7.4%	1.5%	7.1%	10.4%	7.6%	6.4%	-26.4%
Surety	3.8%	-7.3%	-16.2%	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	45.6%	11.0%
Credit	-10.0%	-3.3%	-2.5%	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.8%	-0.8%
Burial	1.8%	3.4%	7.3%	3.7%	6.5%	3.0%	0.8%	5.1%	4.0%	3.9%	1.3%
Legal defense	-5.9%	2.5%	-5.9%	-7.3%	2.9%	1.0%	3.8%	4.0%	5.6%	3.1%	2.7%
Fire	9.0%	-44.2%	-11.4%	5.9%	13.4%	65.4%	15.0%	-42.7%	64.3%	-7.1%	26.0%
Other Damage to P&C	-8.5%	-11.4%	-3.0%	-12.3%	2.6%	3.5%	20.3%	5.5%	12.3%	6.4%	-0.6%
Pecuniary losses	10.1%	-3.3%	-26.6%	-6.5%	-0.4%	18.8%	21.7%	4.4%	10.1%	-2.8%	-15.3%
Third-party liability	-5.1%	-5.7%	-5.4%	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%	2.6%
Transport	-10.7%	-2.3%	-5.4%	-4.7%	-5.0%	3.0%	-3.6%	10.9%	0.2%	8.3%	5.1%
Aviation	-26.2%	-13.8%	-18.7%	-10.5%	-13.4%	-3.6%	-5.8%	56.1%	-32.0%	23.9%	29.4%
Maritime	-7.3%	-0.6%	-2.8%	-4.9%	-5.4%	2.0%	-8.5%	-1.4%	5.3%	9.5%	3.5%
Merchandise	-5.7%	0.7%	-3.0%	-2.8%	-2.2%	5.4%	1.2%	11.2%	6.0%	4.5%	0.7%
<b>LIFE INSURANCE</b>	-6.2%	9.5%	-8.9%	-3.0%	-2.6%	2.9%	21.8%	-5.6%	-1.4%	-5.1%	-20.7%
Protection	5.2%	-4.5%	-2.7%	-4.6%	3.6%	8.7%	11.4%	0.0%	12.3%	3.1%	-0.4%
Savings	-7.9%	11.8%	-9.8%	-2.7%	-3.6%	2.0%	23.6%	-6.4%	-3.7%	-6.7%	-25.0%
<b>TOTAL MARKET</b>	-2.8%	4.1%	-5.3%	-2.6%	-0.7%	2.5%	12.3%	-0.6%	1.6%	-0.4%	-8.2%

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

Table A.4.  
Contribution to growth of direct insurance premiums in the Spanish insurance market, 2010–2020  
(pp)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>NON-LIFE INSURANCE</b>	<b>0.097</b>	<b>-0.159</b>	<b>-1.029</b>	<b>-1.235</b>	<b>0.465</b>	<b>1.174</b>	<b>2.453</b>	<b>2.090</b>	<b>2.211</b>	<b>1.897</b>	<b>0.624</b>
Automobiles	-0.177	-0.455	-1.093	-1.021	-0.249	0.306	0.904	0.560	0.338	0.271	-0.351
Automobile TPL	-0.122	-0.199	-0.598	-0.536	-0.265	0.251	0.597	0.326	0.211	0.038	-0.338
Automobile Other Guarantees	-0.055	-0.256	-0.494	-0.485	0.016	0.055	0.306	0.234	0.126	0.232	-0.013
Multirisik	<b>0.334</b>	<b>0.483</b>	<b>0.079</b>	<b>-0.156</b>	<b>0.024</b>	<b>0.025</b>	<b>0.299</b>	<b>0.361</b>	<b>0.425</b>	<b>0.445</b>	<b>0.362</b>
Homeowners	0.282	0.258	0.178	0.027	0.103	0.144	0.251	0.215	0.239	0.281	0.193
Commercial	-0.008	-0.003	-0.039	-0.051	-0.003	-0.053	0.017	0.016	0.017	0.010	0.003
Condominium	0.069	0.067	0.034	0.015	0.006	0.017	0.030	0.030	0.042	0.043	0.041
Industrial	0.010	0.160	-0.126	-0.138	-0.081	-0.079	-0.011	0.100	0.130	0.107	0.122
Other	-0.019	0.001	0.032	-0.010	-0.001	-0.003	0.013	-0.001	-0.002	0.004	0.004
<b>Health</b>	<b>0.412</b>	<b>0.344</b>	<b>0.312</b>	<b>0.264</b>	<b>0.437</b>	<b>0.324</b>	<b>0.659</b>	<b>0.522</b>	<b>0.706</b>	<b>0.650</b>	<b>0.706</b>
Healthcare Assistance	0.490	0.347	0.574	0.315	0.425	0.037	0.548	0.532	0.671	0.599	0.660
Reimbursement	-0.066	0.024	-0.226	-0.021	0.027	0.264	0.061	0.013	0.021	0.037	0.062
Subsidy	-0.011	-0.027	-0.036	-0.030	-0.016	0.024	0.051	-0.023	0.014	0.015	-0.016
<b>Other Non-Life Lines</b>	<b>-0.472</b>	<b>-0.532</b>	<b>-0.327</b>	<b>-0.322</b>	<b>0.254</b>	<b>0.518</b>	<b>0.592</b>	<b>0.648</b>	<b>0.743</b>	<b>0.531</b>	<b>-0.093</b>
Accidents	-0.040	-0.042	-0.074	0.048	0.010	0.073	0.101	0.204	0.060	0.000	-0.045
Assistance	-0.009	0.009	-0.010	0.005	0.041	0.009	0.043	0.060	0.048	0.043	-0.190
Surety	0.005	-0.011	-0.021	-0.005	-0.003	0.045	-0.041	0.002	0.033	0.060	0.021
Credit	-0.133	-0.041	-0.029	-0.055	-0.027	-0.039	-0.028	-0.036	0.022	0.035	-0.008
Burial	0.051	0.101	0.213	0.122	0.227	0.114	0.030	0.172	0.142	0.143	0.050
Legal defense	-0.011	0.004	-0.010	-0.012	0.005	0.002	0.006	0.006	0.009	0.005	0.005
Fire	0.025	-0.139	-0.019	0.009	0.023	0.128	0.047	-0.139	0.120	-0.021	0.073
Other Damage to P&C	-0.170	-0.214	-0.048	-0.201	0.038	0.053	0.311	0.091	0.215	0.123	-0.013
Pecuniary losses	0.054	-0.020	-0.149	-0.028	-0.002	0.079	0.105	0.023	0.056	-0.017	-0.090
Third-party liability	-0.146	-0.160	-0.137	-0.166	-0.018	0.032	0.044	0.193	0.037	0.102	0.064
Transport	-0.100	-0.020	-0.043	-0.038	-0.039	0.022	-0.027	0.071	0.001	0.059	0.039
Aviation	-0.052	-0.021	-0.023	-0.011	-0.013	-0.003	-0.005	0.038	-0.034	0.017	0.026
Maritime	-0.026	-0.002	-0.009	-0.017	-0.018	0.006	-0.027	-0.004	0.013	0.025	0.010
Merchandise	-0.021	0.003	-0.011	-0.010	-0.008	0.019	0.004	0.036	0.022	0.017	0.003
<b>LIFE INSURANCE</b>	<b>-2.911</b>	<b>4.288</b>	<b>-4.263</b>	<b>-1.357</b>	<b>-1.200</b>	<b>1.311</b>	<b>9.800</b>	<b>-2.714</b>	<b>-0.650</b>	<b>-2.284</b>	<b>-8.861</b>
Protection	0.310	-0.291	-0.163	-0.279	0.217	0.545	0.759	0.000	0.813	0.224	-0.027
Savings	-3.220	4.578	-4.099	-1.078	-1.416	0.766	9.041	-2.714	-1.462	-2.508	-8.833
<b>TOTAL MARKET</b>	<b>-2.814</b>	<b>4.128</b>	<b>-5.292</b>	<b>-2.593</b>	<b>-0.734</b>	<b>2.485</b>	<b>12.253</b>	<b>-0.624</b>	<b>1.562</b>	<b>-0.386</b>	<b>-8.237</b>

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



Table A.5.  
Trends in the total and Non-Life combined ratios in the Spanish insurance market, 2010–2020  
(combined ratio, %)

Year	Total combined ratio			Non-Life combined ratio				
	Combined ratio	Loss ratio	Administration expense ratio	Acquisition expense ratio	Loss ratio	Administration expense ratio	Acquisition expense ratio	
2010	104.92	91.21	2.48	11.24	93.76	73.03	3.75	16.98
2011	103.47	90.01	2.30	11.16	92.59	71.25	3.56	17.78
2012	104.70	91.60	2.43	10.67	93.22	71.00	3.51	18.71
2013	107.85	94.01	2.60	11.25	94.61	71.93	3.67	19.01
2014	109.17	94.25	2.73	12.19	93.93	71.52	3.85	18.56
2015	109.10	94.07	2.64	12.39	94.73	72.28	3.81	18.64
2016	105.58	91.71	2.84	11.03	93.57	71.26	4.56	17.75
2017	104.85	91.83	2.97	10.05	94.02	71.95	4.47	17.60
2018	101.72	86.88	3.16	11.68	93.67	71.50	4.60	17.57
2019	107.99	92.43	3.45	12.11	92.90	70.68	5.02	17.20
2020	103.99	85.36	4.25	14.38	90.46	67.04	5.34	18.08

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

Table A.6.  
Trends in the structure of Spanish insurance industry investment, 2010–2020  
(Investments, millions of euros)

Year	Investments					
	Fixed income	Equity	Cash and deposits	Real estate	Mutual funds	Other investments
2010	63.5%	2.7%	13.7%	4.6%	6.0%	9.5%
2011	64.9%	2.6%	12.4%	4.4%	5.2%	10.6%
2012	67.2%	2.5%	10.8%	4.1%	4.9%	10.5%
2013	67.2%	3.0%	11.1%	3.8%	5.1%	9.8%
2014	68.1%	3.1%	15.4%	3.8%	6.2%	3.3%
2015	69.3%	3.4%	13.7%	3.7%	6.7%	3.4%
2016	75.7%	4.8%	8.6%	3.7%	6.5%	0.7%
2017	74.1%	5.1%	8.8%	3.6%	7.8%	0.6%
2018	75.7%	5.2%	7.6%	3.6%	7.8%	0.1%
2019	75.5%	5.6%	6.4%	3.5%	9.1%	-0.2%
2020	74.9%	5.7%	6.5%	3.5%	10.0%	-0.6%

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

**Table A.7.**  
**Spanish insurance industry results and profitability, 2010–2020**  
 (results, millions of euros, profitability, %)

Year	Industry results <sup>1</sup> (millions of euros)	Profitability	
		ROE <sup>2</sup> (%)	ROA <sup>3</sup> (%)
2010	4,082,843	16.03	1.82
2011	4,210,777	15.32	1.76
2012	4,458,874	14.98	1.82
2013	4,575,276	12.72	1.75
2014	4,901,842	12.39	1.68
2015	3,482,377	8.84	1.21
2016	4,313,052	10.69	1.46
2017	4,873,347	11.96	1.62
2018	4,512,506	11.38	1.48
2019	4,732,846	10.91	1.42
2020	5,493,444	11.99	1.60

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

<sup>1</sup> The data differs from that presented in the Report in that it refers to a representative sample and not the entire industry.

<sup>2</sup> Net result/Equity at the end of the same year.

<sup>3</sup> Net result/Total assets at the end of the same year.

**Table A.8.**  
**Basic Non-Life insurance indicators in the Spanish insurance industry, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

Year	Written premiums	Basic indicators (% of premiums)									
		Variation in premiums	Retention	Gross loss ratio	Gross expenses	Net loss ratio	Net expenses	Net combined ratio	Financial result	Technical-financial result	
2010	31,811	0.2%	85.2%	71.7%	20.8%	73.0%	20.7%	93.8%	4.6%	10.9%	
2011	31,719	-0.3%	88.6%	69.1%	21.3%	71.2%	21.3%	92.6%	4.0%	11.4%	
2012	31,095	-2.0%	88.6%	68.9%	22.0%	71.0%	22.2%	93.2%	2.9%	9.7%	
2013	30,386	-2.3%	87.6%	70.2%	22.2%	71.9%	22.7%	94.6%	3.9%	9.3%	
2014	30,647	0.9%	87.9%	69.6%	22.3%	71.5%	22.4%	93.9%	4.8%	10.8%	
2015	31,298	2.1%	87.6%	70.2%	22.4%	72.3%	22.5%	94.7%	4.2%	9.4%	
2016	32,693	4.5%	84.8%	68.9%	22.6%	71.3%	22.3%	93.6%	3.9%	10.3%	
2017	34,027	4.1%	84.9%	71.0%	22.3%	72.0%	22.1%	94.0%	3.5%	9.5%	
2018	35,430	4.1%	84.9%	69.8%	22.4%	71.5%	22.2%	93.7%	3.1%	9.4%	
2019	36,652	3.5%	85.6%	69.4%	22.9%	70.7%	22.2%	92.9%	3.1%	10.2%	
2020	37,052	1.1%	85.3%	66.1%	23.7%	67.0%	23.4%	90.5%	2.6%	12.1%	

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

**Table A.9.**  
**Trends in the number of companies operating in the Spanish insurance industry by legal structure, 2010–2020**  
 (number of companies)

Year	Limited liability companies	Mutual companies	Mutual provident societies <sup>1</sup>	Reinsurance companies
<b>2010</b>	195	35	55	2
<b>2011</b>	188	34	55	2
<b>2012</b>	183	32	53	2
<b>2013</b>	178	32	52	2
<b>2014</b>	168	31	53	3
<b>2015</b>	156	31	50	3
<b>2016</b>	147	31	50	3
<b>2017</b>	145	31	48	3
<b>2018</b>	134	30	48	3
<b>2019<sup>2</sup></b>	131	30	48	3
<b>2020<sup>2</sup></b>	126	30	47	4

Source: MAPFRE Economics (based on data from the DGSFP, Annual report on insurance and pension funds)

<sup>1</sup> Subject to control by the DGSFP.

<sup>2</sup> For 2019 and 2020, the data is as on March 31 of each year.

Table A.10.  
Trends in the number of intermediaries in the Spanish insurance industry by type, 2009–2019  
(number of people and companies)

Year	Insurance brokers		Tied Agents		Associated bancassurance operators		Reinsurance brokers		Exclusive Agents		Exclusive bancassurance operators		Totals		
	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	DGSFP	Autonomous Communities	Total Intermediaries	Total DGSFP	Total Autonomous Communities
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
2016	3,259	1,782	234	285	35	1	65	1	77,556	642	15	-	83,875	81,164	2,711
2017	3,272	1,766	233	272	35	1	64	1	75,811	666	14	-	82,135	79,429	2,706
2018	3,386	1,762	240	261	34	1	62	1	71,770	596	14	-	78,127	75,506	2,621
2019	3,462	1,713	237	247	38	1	71	1	69,174	482	14	-	75,440	72,996	2,444

Source: MAPFRE Economics (based on data from the DGSFP, Annual report on insurance and pension funds)

**Table A.11.**  
**Premium volume by autonomous community, 2010–2020**  
 (millions of euros)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Andalusia</b>	5,966	5,982	5,717	5,824	6,045	6,237	6,949	7,394	7,276	7,338	6,802
<b>Aragon</b>	1,655	1,916	1,680	1,512	1,710	1,656	1,909	1,808	1,892	1,820	1,609
<b>Asturias</b>	787	835	866	837	956	854	871	904	907	912	852
<b>Balearic Islands</b>	911	1,246	1,175	1,270	1,283	1,326	1,383	1,526	1,404	1,410	1,257
<b>Canary Islands</b>	1,234	1,241	1,269	1,212	1,269	1,367	1,641	1,603	1,583	1,628	1,539
<b>Cantabria</b>	471	462	495	485	497	503	524	529	534	545	513
<b>Castile-La Mancha</b>	1,582	1,647	1,708	1,616	1,766	1,705	1,734	1,743	1,797	1,768	1,649
<b>Castile and Leon</b>	2,224	2,393	2,331	2,211	2,275	2,482	2,653	2,758	2,805	2,766	2,465
<b>Catalonia</b>	9,942	11,226	10,079	9,677	10,237	10,121	11,295	11,345	10,809	10,832	10,433
<b>Valencian Community</b>	4,061	4,222	4,096	4,373	4,305	4,059	4,406	4,556	4,497	4,613	4,457
<b>Extremadura</b>	736	674	773	724	696	799	898	868	878	868	820
<b>Galicia</b>	2,501	2,616	2,226	2,151	2,167	2,279	2,515	2,614	2,647	2,665	2,418
<b>Community of Madrid</b>	10,217	10,178	9,896	9,369	9,165	9,422	10,380	10,570	10,865	12,340	11,089
<b>Region of Murcia</b>	1,038	1,087	1,033	1,031	1,041	1,063	1,162	1,179	1,158	1,198	1,126
<b>Chartered Community of Navarre</b>	822	619	622	838	1,003	952	961	961	884	918	812
<b>Basque Country</b>	2,268	2,477	2,429	2,323	2,352	2,394	2,461	2,524	2,499	2,560	2,435
<b>La Rioja</b>	417	380	356	356	359	345	373	374	382	381	358
<b>Autonomous Cities of Ceuta and Melilla</b>	81	94	95	97	98	97	114	113	114	117	107

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

Table A.12.  
 Premiums per capita by autonomous community, 2010-2020  
 (euros)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Andalusia</b>	708.2	707.9	677.4	693.2	719.8	744.1	830.2	882.4	865.1	867.3	803.5
<b>Aragon</b>	1,229.2	1,419.8	1,247.0	1,140.8	1,297.3	1,266.7	1,460.0	1,382.4	1,434.6	1,369.4	1,213.9
<b>Asturias</b>	727.8	775.5	810.4	788.4	909.0	819.4	841.8	878.9	887.2	895.2	842.1
<b>Balearic Islands</b>	818.5	1,113.4	1,056.7	1,151.0	1,161.8	1,198.2	1,239.8	1,352.6	1,222.0	1,203.9	1,072.6
<b>Canary Islands</b>	580.3	585.7	598.7	576.0	604.3	651.0	779.2	753.5	735.5	748.8	708.7
<b>Cantabria</b>	794.8	777.4	835.6	823.2	849.5	864.3	903.1	911.9	919.6	934.2	878.0
<b>Castile-La Mancha</b>	747.8	776.2	813.0	777.5	857.5	835.3	854.0	860.4	884.1	864.6	805.3
<b>Castile and Leon</b>	869.1	939.9	925.0	886.3	920.4	1,015.0	1,094.4	1,145.5	1,169.6	1,155.6	1,035.1
<b>Catalonia</b>	1,318.6	1,482.8	1,334.3	1,287.0	1,363.4	1,346.6	1,495.7	1,493.6	1,408.7	1,392.6	1,345.0
<b>Valencian Community</b>	793.5	823.1	801.0	873.8	864.3	819.4	892.8	918.8	899.3	912.5	882.8
<b>Extremadura</b>	663.4	608.2	700.4	658.8	636.7	735.2	832.1	809.8	822.9	815.8	774.6
<b>Galicia</b>	894.8	940.4	804.6	782.7	793.2	838.4	928.7	967.8	980.8	986.9	897.6
<b>Community of Madrid</b>	1,574.4	1,566.3	1,523.5	1,451.5	1,423.8	1,457.6	1,595.7	1,607.4	1,631.0	1,820.5	1,643.9
<b>Region of Murcia</b>	706.4	736.9	701.6	703.2	709.3	726.2	790.6	797.6	775.6	792.8	741.5
<b>Chartered Community of Navarre</b>	1,279.7	961.1	965.5	1,307.6	1,565.5	1,487.1	1,494.8	1,485.4	1,352.5	1,388.7	1,227.8
<b>Basque Country</b>	1,038.0	1,129.3	1,108.2	1,061.2	1,074.2	1,093.7	1,122.2	1,148.0	1,132.3	1,153.1	1,100.7
<b>La Rioja</b>	1,292.7	1,175.8	1,105.9	1,114.8	1,132.7	1,092.1	1,184.3	1,184.6	1,207.4	1,191.2	1,120.6
<b>Autonomous Cities of Ceuta and Melilla</b>	500.9	572.7	565.4	571.5	579.8	569.7	665.0	657.7	665.4	685.5	632.9

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



Table A.13.  
Overall ranking of the ten largest insurance groups in Spain by premium volume, 2009–2020  
(premiums, millions of euros; market share, %)

Group	2009		2010		2011		2012	
	Premiums	% of market	Premiums	% of market	Premiums	% of market	Premiums	% of market
MAPFRE	7,786	13.0	8,455	14.7	8,307	13.7	7,956	13.9
ZURICH	5,409	9.0	5,640	9.8	5,068	8.4	5,165	9.0
SANTANDER	3,488	5.8	4,646	8.1	3,472	5.7	3,645	6.4
CAIXA GROUP	3,304	5.5	3,117	5.4	2,943	4.9	3,512	6.1
AXA	3,285	5.5	2,962	5.1	3,001	5.0	3,046	5.3
ALLIANZ	3,033	5.1	2,582	4.5	2,950	4.9	2,683	4.7
GENERALI	2,584	4.3	2,282	4.0	2,943	4.9	2,513	4.4
CASER	2,397	4.0	2,159	3.7	2,818	4.7	2,109	3.7
CATALANA OCCIDENTE	2,169	3.6	2,044	3.5	2,416	4.0	1,997	3.5
AVIVA	1,827	3.0	1,792	3.1	2,039	3.4	1,971	3.4
<b>Total market</b>	<b>59,898</b>		<b>57,587</b>		<b>60,592</b>		<b>57,398</b>	

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

**Table A.13.**  
**Overall ranking of the ten largest insurance groups in Spain by premium volume, 2009–2020 (continued)**  
 (premiums, millions of euros; market share, %)

2013			2014			2015			2016		
Group	Premiums	% of market	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	VIDACAIXA	9,492	14.9
CAIXA	5,298	9.5	CAIXA	5,538	10.0	MAPFRE	6,416	11.3	MAPFRE	6,708	10.5
MUTUA MADRILEÑA	3,873	6.9	MUTUA MADRILEÑA	4,165	7.5	MUTUA MADRILEÑA	4,333	7.6	ZURICH	5,571	8.7
ALLIANZ	3,199	5.7	ALLIANZ	3,287	5.9	ZURICH	4,069	7.2	MUTUA MADRILEÑA	4,751	7.4
SANTANDER SEGUROS	3,136	5.6	AXA	2,660	4.8	ALLIANZ	3,526	6.2	ALLIANZ	3,566	5.6
AXA	2,712	4.9	ZURICH	2,507	4.5	CATALANA OCCIDENTE	2,867	5.0	CATALANA OCCIDENTE	2,908	4.6
BBVA SEGUROS	2,300	4.1	GENERALI	2,259	4.1	AXA	2,502	4.4	AXA	2,577	4.0
GENERALI	2,293	4.1	CATALANA OCCIDENTE	2,162	3.9	GENERALI	2,306	4.1	GENERALI	2,501	3.9
CATALANA OCCIDENTE	2,014	3.6	BBVA SEGUROS	2,088	3.8	BBVA SEGUROS	2,085	3.7	BBVA SEGUROS	1,932	3.0
CASER	1,713	3.1	SANTANDER SEGUROS	1,903	3.4	SANTALUCIA	1,287	2.3	CASER	1,438	2.3
<b>Total market</b>	<b>55,773</b>		<b>Total market</b>	<b>55,486</b>		<b>Total market</b>	<b>56,905</b>		<b>Total market</b>	<b>63,892</b>	

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

Table A.13.  
Overall ranking of the ten largest insurance groups in Spain by premium volume, 2009–2020 (continued)  
(premiums, millions of euros; market share, %)

2017			2018			2019			2020		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	9,666	15.2	VIDACAIXA	8,218	12.8	VIDACAIXA	8,582	13.4	VIDACAIXA	7,144	12.1
MAPFRE	6,749	10.6	MAPFRE	7,291	11.3	MAPFRE	7,335	11.4	MAPFRE	6,673	11.3
MUTUA MADRILEÑA	5,005	7.9	MUTUA MADRILEÑA	5,270	8.2	MUTUA MADRILEÑA	5,455	8.5	MUTUA MADRILEÑA	5,526	9.4
ZURICH	3,806	6.0	ALLIANZ	3,612	5.6	ALLIANZ	3,430	5.3	CATALANA OCCIDENTE	3,019	5.1
ALLIANZ	3,515	5.5	ZURICH	3,560	5.5	CATALANA OCCIDENTE	3,051	4.8	ALLIANZ	2,998	5.1
CATALANA OCCIDENTE	2,826	4.5	CATALANA OCCIDENTE	2,854	4.4	ZURICH	2,954	4.6	AXA	2,880	4.9
SANTALUCIA	2,536	4.0	AXA GROUP	2,599	4.0	AXA GROUP	2,952	4.6	ZURICH	2,469	4.2
GENERALI	2,445	3.9	SANTALUCIA	2,584	4.0	SANTALUCIA	2,456	3.8	GENERALI	2,249	3.8
AXA GROUP	2,411	3.8	GENERALI	2,409	3.7	GENERALI	2,440	3.8	SANTALUCIA	2,147	3.6
BBVA SEGUROS	1,837	2.9	SANTANDER SEGUROS	1,977	3.1	SANTANDER SEGUROS	1,694	2.6	HELVETIA	1,883	3.2
<b>Total market</b>	<b>63,410</b>		<b>Total market</b>	<b>64,377</b>		<b>Total market</b>	<b>64,156</b>		<b>Total market</b>	<b>58,889</b>	

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

Table A.14.  
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2009–2020  
(premiums, millions of euros; market share, %)

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	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	SANTALUCIA	1,045	3.4
SANITAS	1,041	3.3	SANITAS	1,068	3.4	SANTALUCIA	992	3.1	ASISA	1,021	3.3
<b>Total market</b>	<b>31,779</b>		<b>Total market</b>	<b>31,820</b>		<b>Total market</b>	<b>31,724</b>		<b>Total market</b>	<b>31,116</b>	

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

Table A.14.  
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2009–2020 (continued)  
(premiums, millions of euros; market share, %)

2013			2014			2015			2016		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	4,634	15.3	MAPFRE	4,629	15.1	MAPFRE	4,686	15	MAPFRE	4,761	14.5
MUTUA MADRILEÑA	3,677	12.1	MUTUA MADRILEÑA	3,927	12.8	MUTUA MADRILEÑA	4,169	13.3	MUTUA MADRILEÑA	4,506	13.8
AXA	2,021	6.7	ALLIANZ	2,028	6.6	ALLIANZ	2,152	6.9	ALLIANZ	2,272	6.9
ALLIANZ	1,975	6.5	AXA	1,927	6.3	CATALANA OCCIDENTE	1,939	6.2	CATALANA OCCIDENTE	2,043	6.2
GENERALI	1,290	4.3	CATALANA OCCIDENTE	1,294	4.2	AXA	1,755	5.6	AXA	1,793	5.5
CATALANA OCCIDENTE	1,290	4.3	GENERALI	1,275	4.2	GENERALI	1,348	4.3	GENERALI	1,459	4.5
SANITAS	1,178	3.9	SANITAS	1,160	3.8	SANITAS	1,165	3.7	SANITAS	1,216	3.7
ZURICH	1,040	3.4	SANTALUCIA	1,062	3.5	ZURICH	1,072	3.4	SANTALUCIA	1,073	3.3
SANTALUCIA	1,029	3.4	ZURICH	1,055	3.4	ASISA	1,059	3.4	ASISA	1,069	3.3
ASISA	968	3.2	ASISA	1,012	3.3	SANTALUCIA	1,050	3.4	ZURICH	1,027	3.1
<b>Total market</b>	<b>30,268</b>		<b>Total market</b>	<b>30,647</b>		<b>Total market</b>	<b>31,338</b>		<b>Total market</b>	<b>32,755</b>	

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

Table A.14.  
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2009–2020 (continued)  
(premiums, millions of euros; market share, %)

2017			2018			2019			2020		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
MAPFRE	4,845	14.2	MUTUA MADRILEÑA	5,046	14.3	MUTUA MADRILEÑA	5,268	14.4	MUTUA MADRILEÑA	5,419	14.6
MUTUA MADRILEÑA	4,816	14.2	MAPFRE	5,006	14.1	MAPFRE	5,156	14.1	MAPFRE	5,161	13.9
ALLIANZ	2,373	7.0	ALLIANZ	2,507	7.1	ALLIANZ	2,448	6.7	ALLIANZ	2,369	6.4
CATALANA OCCIDENTE	2,061	6.1	CATALANA OCCIDENTE	2,104	5.9	CATALANA OCCIDENTE	2,225	6.1	AXA	2,245	6.1
AXA	1,851	5.4	AXA	1,927	5.4	AXA	2,216	6.0	CATALANA OCCIDENTE	2,229	6.0
GENERALI	1,509	4.4	GENERALI	1,548	4.4	GENERALI	1,590	4.3	GENERALI	1,577	4.3
SANITAS	1,271	3.7	SANITAS	1,344	3.8	SANITAS	1,396	3.8	SANITAS	1,442	3.9
SANTALUCIA	1,129	3.3	ASISA	1,162	3.3	ASISA	1,211	3.3	HELVETIA	1,425	3.8
ASISA	1,099	3.2	SANTALUCIA	1,157	3.3	SANTALUCIA	1,208	3.3	ASISA	1,258	3.4
ZURICH	1,001	2.9	CASER	1,022	2.9	ZURICH	1,056	2.9	SANTALUCIA	1,230	3.3
<b>Total market</b>	<b>34,003</b>		<b>Total market</b>	<b>35,382</b>		<b>Total market</b>	<b>36,632</b>		<b>Total market</b>	<b>37,052</b>	

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

Table A.15.  
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2009–2020  
(premiums, millions of euros; market share, %)

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	CAIXA	3,719	14.4	CAIXA	5,036	17.4	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
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
<b>Total market</b>	<b>28,119</b>		<b>Total market</b>	<b>25,768</b>		<b>Total market</b>	<b>28,869</b>		<b>Total market</b>	<b>26,282</b>	

Source: MAPFRE Economics (based on ICEA data, Overall ranking of Life premiums by group)

Table A.15.  
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2009–2020 (continued)  
(premiums, millions of euros; market share, %)

2013			2014			2015			2016		
Group	Premiums	% of market	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	VIDACAIXA	9,473	30.4
SANTANDER SEGUROS	3,068	12.0	MAPFRE	2,638	10.6	ZURICH	2,997	11.7	ZURICH	4,544	14.6
MAPFRE	2,426	9.5	SANTANDER SEGUROS	1,884	7.6	BBVA SEGUROS	1,737	6.8	MAPFRE	1,948	6.3
BBVA SEGUROS	2,030	8.0	BBVA SEGUROS	1,799	7.2	MAPFRE	1,730	6.8	BBVA SEGUROS	1,562	5.0
ALLIANZ	1,224	4.8	ZURICH	1,451	5.8	ALLIANZ	1,374	5.4	IBERCAJA	1,328	4.3
AVIVA	1,155	4.5	ALLIANZ	1,259	5.1	IBERCAJA	990	3.9	ALLIANZ	1,294	4.2
GENERALI	1,003	3.9	IBERCAJA	1,123	4.5	GENERALI	958	3.7	SANTANDER SEGUROS	1,189	3.8
IBERCAJA	933	3.7	AVIVA	1,075	4.3	CATALANA OCCIDENTE	927	3.6	GENERALI	1,041	3.3
CASER	871	3.4	GENERALI	984	4.0	AXA	747	2.9	CATALANA OCCIDENTE	865	2.8
CATALANA OCCIDENTE	724	2.8	CATALANA OCCIDENTE	868	3.5	SANTANDER SEGUROS	678	2.7	AVIVA	856	2.7
<b>Total market</b>	<b>25,505</b>		<b>Total market</b>	<b>24,839</b>		<b>Total market</b>	<b>25,567</b>		<b>Total market</b>	<b>31,136</b>	

Source: MAPFRE Economics (based on ICEA data, Overall ranking of Life premiums by group)



Table A.15.  
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2009–2020 (continued)  
(premiums, millions of euros; market share, %)

2017			2018			2019			2020		
Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market	Group	Premiums	% of market
VIDACAIXA	9,646	32.8	VIDACAIXA	8,200	28.3	VIDACAIXA	8,562	31.1	VIDACAIXA	7,125	32.6
ZURICH	2,805	9.5	ZURICH	2,551	8.8	MAPFRE	2,180	7.9	MAPFRE	1,512	6.9
MAPFRE	1,904	6.5	MAPFRE	2,285	7.9	ZURICH	1,898	6.9	ZURICH	1,436	6.6
SANTANDER SEGUROS	1,481	5.0	SANTANDER SEGUROS	1,949	6.7	SANTANDER SEGUROS	1,662	6.0	IBERCAJA	958	4.4
BBVA SEGUROS	1,431	4.9	SANTALUCIA	1,427	4.9	SANTALUCIA	1,247	4.5	SANTALUCIA	918	4.2
SANTALUCIA	1,407	4.8	IBERCAJA	1,325	4.6	ALLIANZ	982	3.6	SANTANDER SEGUROS	806	3.7
IBERCAJA	1,148	3.9	BBVA SEGUROS	1,217	4.2	IBERCAJA	938	3.4	CATALANA OCCIDENTE	790	3.6
ALLIANZ	1,142	3.9	ALLIANZ	1,106	3.8	BBVA SEGUROS	929	3.4	GENERALI	672	3.1
GENERALI	936	3.2	GENERALI	861	3.0	GENERALI	850	3.1	BBVA SEGUROS	656	3.0
CATALANA OCCIDENTE	766	2.6	CATALANA OCCIDENTE	750	2.6	CATALANA OCCIDENTE	827	3.0	AXA	634	2.9
<b>Total market</b>	<b>29,407</b>		<b>Total market</b>	<b>28,995</b>		<b>Total market</b>	<b>27,523</b>		<b>Total market</b>	<b>21,837</b>	

Source: MAPFRE Economics (based on ICEA data, Overall ranking of Life premiums by group)

**Table A.16.**  
**Trends in concentration in the Spanish insurance industry, 2010–2020**  
 (Herfindahl and CR5 indices)

Year	Herfindahl index	CR5 index (%)		
		Total	Life	Non-Life
2010	550.0	43.1%	55.0%	40.8%
2011	496.4	37.6%	51.4%	45.1%
2012	508.3	40.6%	55.9%	45.0%
2013	489.6	40.5%	55.0%	44.9%
2014	509.6	41.3%	51.0%	45.0%
2015	549.6	44.9%	58.7%	46.9%
2016	595.5	47.1%	60.6%	46.9%
2017	587.0	45.3%	58.7%	46.9%
2018	569.7	43.4%	56.6%	46.9%
2019	581.9	43.4%	56.5%	47.3%
2020	567.4	43.1%	54.7%	47.0%

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

Table A.17.  
Activity of the Insurance Compensation Consortium: premiums and surcharges allocated, 2010–2020  
(millions of euros)

Year	General activity: premiums and surcharges allocated							
	Extraordinary risks	P&C	People	Pecuniary losses	Traffic risks	SOA Guarantee Fund	Private vehicles	Official vehicles
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	0.6	8.6
2016	745.7	673.3	18.6	53.8	106.7	98.1	0.5	8.0
2017	753.4	677.7	19.8	55.9	93.3	84.6	0.5	8.2
2018	766.0	689.0	20.6	56.4	88.7	80.0	0.5	8.2
2019	733.1	667.7	16.3	49.1	92.0	83.2	0.5	8.3
2020	719.2	654.3	14.8	50.1	90.7	82.1	0.4	8.3

Source: Insurance Compensation Consortium. Annual report.

**Table A.18.**  
**Activity of the Insurance Compensation Consortium: direct and accepted loss ratio, 2010–2020**  
 (millions of euros)

Year	General activity: direct and accepted loss ratio							
	Extraordinary risks	P&C	People	Pecuniary losses	Traffic risks	SOA Guarantee Fund	Private vehicles	Official vehicles
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
2016	223.2	218.7	0.8	3.7	58.6	49.0	0.4	9.2
2017	196.3	190.7	1.5	4.1	57.6	49.9	0.5	7.3
2018	279.1	263.5	1.5	14.1	61.3	52.4	0.1	8.7
2019	773.7	769.9	1.3	2.6	59.2	49.2	0.3	9.7
2020	402.4	385.1	0.8	16.5	58.1	48.0	0.6	9.5

Source: Insurance Compensation Consortium. *Annual report*.

**Table A.19.**  
**Trends in average Automobile insurance premiums, 2010–2020**  
 (millions of euros; annual variation, %)

Year	Insured vehicles <sup>1</sup>		Direct insurance premiums <sup>2</sup>		In euros	Average premium	
	(millions of euros)	% variation	(millions of euros)	% variation		Nominal	Real
2010	28.7	-0.3%	11,553	-0.9%	403	-0.6%	-3.5%
2011	28.9	0.8%	11,285	-2.3%	390	-3.1%	-5.4%
2012	28.7	-0.7%	10,622	-5.9%	370	-5.2%	-7.9%
2013	28.6	-0.4%	10,033	-5.5%	351	-5.1%	-5.4%
2014	28.8	0.7%	9,891	-1.4%	343	-2.1%	-1.1%
2015	29.1	1.1%	10,061	1.7%	345	0.6%	0.6%
2016	29.8	2.4%	10,574	5.1%	354	2.6%	1.0%
2017	30.6	2.6%	10,932	3.4%	357	0.8%	-0.3%
2018	31.5	2.7%	11,146	2.0%	354	-0.8%	-1.9%
2019	31.8	1.0%	11,321	1.6%	356	0.5%	-0.3%
2020	32.0	0.8%	11,095	-2.0%	346	-2.8%	-2.3%

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

<sup>1</sup> *Fichero Informativo de Vehículos Asegurados* (Information Database for Insured Vehicles — FIVA)

<sup>2</sup> Direct insurance premiums for insurance companies (ICEA) and the Insurance Compensation Consortium

**Table A.20.**  
**Average frequencies and costs by guarantee in Automobile insurance, 2010–2020**  
 (frequency, %; average cost, euros)

	2010		2011		2012		2013		2014		2015	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
<b>Third-party liability</b>	10.0%	1,773	9.3%	1,853	9.3%	1,761	8.5%	1,888	8.5%	1,841	8.5%	1,816
<i>Bodily injury</i>	2.1%	4,978	2.0%	5,050	2.0%	4,939	2.0%	4,928	2.0%	4,751	2.0%	4,569
<i>Material</i>	8.5%	828	8.1%	864	7.6%	868	7.2%	887	7.2%	875	7.3%	873
<b>Damage to own vehicle</b>	43.7%	741	47.4%	704	44.2%	713	39.6%	731	36.1%	733	34.3%	718
<b>Broken windshield</b>	8.4%	282	7.2%	292	6.7%	286	6.7%	290	6.4%	289	6.4%	288
<b>Theft</b>	1.5%	966	1.4%	961	1.3%	919	1.2%	896	1.0%	882	0.9%	909
<b>Legal defense</b>	2.1%	282	1.9%	302	1.8%	286	1.8%	310	1.8%	302	1.8%	290
<b>Occupants</b>	0.4%	972	0.4%	930	0.3%	1,259	0.3%	1,252	0.2%	1,251	0.2%	1,227
<b>Fire</b>	0.1%	3,211	0.1%	3,243	0.1%	3,075	0.1%	2,854	0.1%	2,782	0.1%	2,847
<b>Driver's license suspended</b>	0.0%	1,930	0.0%	1,577	0.0%	1,627	0.0%	1,314	0.0%	1,211	0.0%	1,108

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

**Table A.20.**  
**Average frequencies and costs by guarantee in Automobile insurance, 2010-2020 (continued)**  
 (frequency, %; average cost, euros)

	2016		2017		2018		2019		2020	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
<b>Third-party liability</b>	8.6%	1,871	8.6%	1,820	8.4%	1,766	8.2%	1,744	6.1%	1,783
<i>Bodily injury</i>	2.0%	4,970	1.9%	4,856	1.8%	4,652	1.8%	4,542	1.2%	4,880
<i>Material</i>	7.4%	872	7.4%	879	7.2%	890	7.1%	892	5.2%	911
<b>Damage to own vehicle</b>	31.5%	713	30.4%	734	29.3%	776	27.7%	787	21.0%	810
<b>Broken windshield</b>	6.4%	290	6.4%	291	6.7%	304	6.2%	310	5.3%	327
<b>Theft</b>	0.8%	916	0.8%	968	0.7%	971	0.6%	929	0.5%	872
<b>Legal defense</b>	1.7%	279	1.7%	278	1.6%	271	1.5%	304	1.2%	280
<b>Occupants</b>	0.2%	1,265	0.3%	1,249	0.3%	941	0.3%	999	0.2%	1,067
<b>Fire</b>	0.1%	2,977	0.1%	3,023	0.1%	3,077	0.1%	3,132	0.1%	3,167
<b>Driver's license suspended</b>	0.0%	940	0.0%	805	0.0%	694	0.0%	802	0.0%	852

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

**Table A.21.**  
**Basic Automobile insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	11,535	11,270	10,607	10,021	9,882	10,052	10,566	10,923	11,138	11,312	11,086
<b>Variation in premiums</b>	-0.9%	-2.3%	-5.9%	-5.5%	-1.4%	1.7%	5.1%	3.4%	2.0%	1.6%	-2.0%
<b>Retention</b>	87.5%	94.5%	94.9%	92.3%	92.5%	92.2%	89.5%	89.5%	89.1%	86.2%	86.9%
<b>Gross loss ratio</b>	77.5%	77.2%	77.2%	77.2%	77.1%	78.1%	79.0%	76.4%	74.7%	74.8%	64.6%
<b>Gross expenses</b>	17.6%	18.0%	18.8%	20.0%	20.0%	20.2%	19.5%	18.8%	19.1%	19.0%	22.4%
<b>Net loss ratio</b>	79.6%	78.6%	78.4%	78.1%	77.6%	79.1%	79.5%	77.0%	75.8%	75.9%	65.2%
<b>Net expenses</b>	17.4%	18.1%	18.9%	20.3%	20.3%	20.3%	19.5%	18.6%	19.0%	18.8%	22.6%
<b>Net combined ratio</b>	97.0%	96.7%	97.3%	98.4%	97.9%	99.5%	98.9%	95.6%	94.8%	94.7%	87.8%
<b>Financial result</b>	5.9%	4.9%	3.3%	4.5%	5.6%	4.8%	4.9%	4.4%	3.4%	3.4%	2.4%
<b>Technical-financial result</b>	8.9%	8.3%	5.9%	6.1%	7.6%	5.3%	6.0%	8.7%	8.6%	8.7%	14.6%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)



**Table A.22.**  
**Basic Multirisk insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	6,297	6,579	6,627	6,537	6,550	6,565	6,734	6,965	7,234	7,521	7,753
<b>Variation in premiums</b>	3.3%	4.5%	0.7%	-1.4%	0.2%	0.2%	2.6%	3.4%	3.9%	4.0%	3.1%
<b>Retention</b>	79.1%	81.7%	79.9%	79.6%	79.7%	79.3%	78.4%	78.5%	78.2%	83.4%	82.0%
<b>Gross loss ratio</b>	71.4%	57.1%	57.3%	59.0%	60.5%	57.8%	57.8%	69.3%	66.3%	63.5%	64.7%
<b>Gross expenses</b>	28.7%	28.4%	28.0%	28.3%	28.2%	28.4%	28.4%	28.4%	28.4%	30.2%	30.1%
<b>Net loss ratio</b>	66.9%	59.0%	59.9%	61.4%	60.7%	60.2%	58.8%	64.1%	66.0%	62.4%	62.5%
<b>Net expenses</b>	30.2%	30.1%	30.3%	30.8%	30.0%	30.6%	31.2%	31.5%	31.4%	31.5%	32.0%
<b>Net combined ratio</b>	97.1%	89.0%	90.2%	92.2%	90.7%	90.7%	90.0%	95.7%	97.3%	93.8%	94.5%
<b>Financial result</b>	4.2%	3.3%	2.4%	3.5%	4.4%	3.9%	3.6%	2.8%	2.4%	2.3%	1.8%
<b>Technical-financial result</b>	7.1%	14.3%	12.2%	11.3%	13.7%	13.2%	13.6%	7.1%	5.1%	8.5%	7.3%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.23.**  
**Basic Homeowners Multirisik insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	3,505	3,656	3,764	3,779	3,837	3,916	4,059	4,196	4,348	4,529	4,653
<b>Variation in premiums</b>	5.1%	4.3%	3.0%	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%	2.7%
<b>Retention</b>	88.8%	91.5%	91.6%	90.4%	89.9%	90.2%	90.0%	90.3%	90.1%	90.0%	90.2%
<b>Gross loss ratio</b>	65.1%	56.8%	57.8%	59.1%	58.6%	58.2%	56.7%	61.2%	64.1%	62.0%	63.4%
<b>Gross expenses</b>	32.2%	31.9%	31.7%	32.0%	31.2%	31.5%	31.4%	31.5%	31.4%	32.0%	31.7%
<b>Net loss ratio</b>	66.5%	57.9%	58.9%	60.1%	59.4%	59.1%	57.5%	61.8%	64.6%	61.8%	61.9%
<b>Net expenses</b>	32.3%	32.0%	31.6%	32.1%	30.7%	31.8%	31.8%	31.6%	31.4%	32.4%	32.2%
<b>Net combined ratio</b>	98.8%	89.9%	90.5%	92.2%	90.1%	90.9%	89.3%	93.4%	96.1%	94.2%	94.0%
<b>Financial result</b>	3.1%	2.7%	2.1%	3.0%	3.3%	2.8%	2.7%	2.7%	1.8%	1.9%	1.3%
<b>Technical-financial result</b>	4.4%	12.8%	11.6%	10.8%	13.1%	11.9%	13.4%	9.3%	5.7%	7.7%	7.3%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.24.**  
**Basic Industrial Multirisk insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	1,328	1,421	1,344	1,265	1,220	1,176	1,170	1,234	1,316	1,385	1,463
<b>Variation in premiums</b>	0.5%	7.0%	-5.4%	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.3%	5.6%
<b>Retention</b>	56.0%	56.0%	50.4%	50.8%	52.2%	50.6%	47.9%	48.5%	47.3%	60.9%	53.0%
<b>Gross loss ratio</b>	94.4%	57.5%	59.2%	62.5%	68.8%	59.1%	63.7%	94.3%	76.0%	73.2%	74.6%
<b>Gross expenses</b>	21.6%	21.0%	19.7%	19.8%	20.5%	20.4%	20.5%	20.2%	20.9%	24.0%	23.9%
<b>Net loss ratio</b>	71.6%	64.0%	71.0%	74.8%	70.9%	69.1%	69.7%	78.7%	78.2%	68.2%	72.4%
<b>Net expenses</b>	26.9%	26.0%	27.9%	28.6%	28.5%	27.5%	30.4%	31.2%	32.3%	28.2%	30.8%
<b>Net combined ratio</b>	98.5%	90.1%	98.9%	103.4%	99.4%	96.6%	100.1%	109.9%	110.6%	96.4%	103.2%
<b>Financial result</b>	7.2%	5.3%	3.4%	4.8%	9.0%	7.9%	7.1%	1.6%	4.5%	3.8%	3.2%
<b>Technical-financial result</b>	8.7%	15.2%	4.5%	1.4%	9.6%	11.3%	7.0%	-8.4%	-6.1%	7.4%	-0.1%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.25.**  
**Basic Commercial Multirisk insurance indicators, 2010-2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	650	649	625	596	594	565	575	585	595	602	604
<b>Variation in premiums</b>	-0.7%	-0.2%	-3.6%	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%	0.3%
<b>Retention</b>	81.2%	84.6%	86.1%	85.5%	84.2%	84.5%	83.9%	84.1%	83.4%	81.6%	83.3%
<b>Gross loss ratio</b>	62.2%	57.0%	53.6%	53.7%	56.4%	55.8%	53.4%	60.5%	55.3%	56.5%	53.5%
<b>Gross expenses</b>	29.7%	29.3%	30.1%	30.1%	30.7%	30.5%	31.2%	32.7%	31.7%	31.9%	33.4%
<b>Net loss ratio</b>	64.0%	58.4%	54.7%	54.3%	58.1%	57.5%	55.0%	62.6%	56.1%	58.6%	53.2%
<b>Net expenses</b>	29.5%	28.9%	29.7%	29.9%	30.2%	30.1%	31.0%	33.0%	32.0%	32.3%	34.4%
<b>Net combined ratio</b>	93.5%	87.3%	84.4%	84.2%	88.4%	87.7%	86.0%	95.6%	88.1%	91.0%	87.5%
<b>Financial result</b>	4.8%	3.8%	2.6%	3.8%	4.2%	4.0%	3.5%	3.6%	2.5%	2.6%	2.6%
<b>Technical-financial result</b>	11.4%	16.4%	18.2%	19.7%	15.8%	16.3%	17.5%	8.0%	14.4%	11.6%	15.0%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.26.**  
**Basic Condominium Multirisk insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	755	794	815	823	827	836	853	872	898	926	953
<b>Variation in premiums</b>	5.8%	5.2%	2.6%	1.1%	0.4%	1.1%	2.0%	2.3%	3.0%	3.1%	2.8%
<b>Retention</b>	80.5%	86.8%	86.7%	86.4%	85.8%	86.1%	85.3%	86.1%	87.0%	86.2%	86.0%
<b>Gross loss ratio</b>	62.1%	53.8%	51.2%	54.5%	54.3%	53.9%	53.4%	58.5%	63.3%	61.7%	63.9%
<b>Gross expenses</b>	27.8%	27.6%	28.0%	28.2%	28.1%	28.8%	29.2%	29.7%	29.0%	29.4%	29.8%
<b>Net loss ratio</b>	65.1%	54.9%	52.5%	55.2%	55.2%	55.1%	54.5%	59.1%	64.7%	61.8%	62.6%
<b>Net expenses</b>	26.4%	27.6%	28.2%	28.0%	28.0%	28.7%	29.5%	30.5%	29.4%	29.9%	30.9%
<b>Net combined ratio</b>	91.4%	82.5%	80.7%	83.3%	83.2%	83.7%	83.9%	89.5%	94.1%	91.8%	93.5%
<b>Financial result</b>	4.4%	3.4%	2.7%	3.8%	4.1%	4.0%	3.9%	4.2%	3.1%	2.8%	2.4%
<b>Technical-financial result</b>	13.0%	21.0%	22.0%	20.5%	20.9%	20.2%	20.0%	14.7%	9.0%	11.0%	8.9%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.27.**  
**Basic Other Multirisk insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	59	60	79	73	73	71	78	78	76	79	81
<b>Variation in premiums</b>	-16.4%	1.2%	32.3%	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%	3.0%
<b>Retention</b>	79.6%	89.1%	89.2%	82.8%	86.1%	85.3%	85.4%	85.0%	85.8%	86.0%	84.8%
<b>Gross loss ratio</b>	62.0%	84.8%	73.1%	69.1%	67.3%	70.1%	58.6%	52.9%	51.8%	54.0%	54.1%
<b>Gross expenses</b>	22.3%	24.2%	25.2%	30.0%	30.8%	31.2%	31.1%	28.9%	28.4%	28.8%	28.3%
<b>Net loss ratio</b>	67.8%	81.3%	73.8%	75.7%	71.0%	71.1%	63.3%	57.0%	54.0%	55.0%	51.1%
<b>Net expenses</b>	18.6%	23.6%	25.4%	31.0%	31.3%	32.3%	31.9%	29.8%	29.0%	28.8%	28.7%
<b>Net combined ratio</b>	86.3%	105.0%	99.2%	106.7%	102.3%	103.4%	95.2%	86.7%	83.0%	83.8%	79.8%
<b>Financial result</b>	4.1%	3.1%	1.1%	5.4%	6.2%	6.9%	4.8%	5.0%	2.8%	2.8%	1.5%
<b>Technical-financial result</b>	17.7%	-1.9%	1.9%	-1.3%	3.9%	3.5%	9.6%	18.2%	19.8%	19.0%	21.7%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.28.**  
**Basic Health insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	6,396	6,597	6,786	6,937	7,181	7,361	7,736	8,069	8,516	8,935	9,388
<b>Variation in premiums</b>	4.0%	3.1%	2.9%	2.2%	3.5%	2.5%	5.1%	4.3%	5.5%	4.9%	5.1%
<b>Retention</b>	98.1%	97.8%	97.7%	97.6%	97.5%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%
<b>Gross loss ratio</b>	84.5%	82.8%	82.7%	83.1%	82.2%	80.9%	80.6%	79.9%	79.0%	79.4%	75.8%
<b>Gross expenses</b>	10.4%	11.5%	11.4%	11.7%	11.8%	12.2%	12.4%	12.2%	12.3%	12.8%	13.2%
<b>Net loss ratio</b>	85.7%	83.9%	83.8%	84.5%	83.6%	82.2%	81.8%	81.2%	80.3%	80.6%	77.0%
<b>Net expenses</b>	10.4%	11.5%	11.4%	11.7%	11.9%	12.2%	12.4%	12.2%	12.3%	12.8%	13.2%
<b>Net combined ratio</b>	96.1%	95.4%	95.2%	96.2%	95.5%	94.4%	94.2%	93.4%	92.6%	93.4%	90.2%
<b>Financial result</b>	1.1%	1.1%	0.8%	1.1%	1.0%	0.7%	0.7%	0.6%	0.3%	0.6%	0.6%
<b>Technical-financial result</b>	5.0%	5.6%	5.5%	4.9%	5.6%	6.3%	6.5%	7.3%	7.7%	7.3%	10.4%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.29.**  
**Basic Third-Party Liability insurance indicators, 2010-2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	1,624	1,531	1,448	1,352	1,342	1,360	1,385	1,508	1,532	1,598	1,639
<b>Variation in premiums</b>	-5.1%	-5.7%	-5.4%	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%	2.6%
<b>Retention</b>	73.5%	73.9%	72.5%	71.8%	72.1%	72.2%	69.9%	69.5%	70.3%	71.4%	70.5%
<b>Gross loss ratio</b>	42.8%	55.1%	39.8%	52.1%	50.9%	62.1%	67.7%	69.3%	55.1%	62.4%	62.4%
<b>Gross expenses</b>	22.9%	22.6%	24.6%	25.0%	25.5%	25.6%	26.5%	27.2%	28.2%	28.9%	28.1%
<b>Net loss ratio</b>	43.2%	51.4%	38.2%	51.7%	50.6%	59.5%	59.6%	73.9%	54.5%	60.2%	61.1%
<b>Net expenses</b>	23.7%	23.4%	26.0%	26.5%	27.2%	26.8%	28.0%	29.4%	32.1%	32.2%	31.3%
<b>Net combined ratio</b>	66.9%	74.8%	64.3%	78.2%	77.8%	86.3%	87.6%	103.4%	86.7%	92.4%	92.4%
<b>Financial result</b>	12.9%	12.5%	7.1%	12.4%	15.2%	14.0%	13.5%	12.7%	10.6%	10.2%	6.0%
<b>Technical-financial result</b>	46.0%	37.7%	42.8%	34.2%	37.4%	27.7%	25.9%	9.3%	24.0%	17.8%	13.6%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)



**Table A.30.**  
**Basic Hull Transport insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	289	276	256	240	223	225	207	229	216	243	266
<b>Variation in premiums</b>	-14.0%	-4.6%	-7.2%	-6.3%	-7.2%	0.8%	-8.0%	10.7%	-5.7%	12.6%	9.6%
<b>Retention</b>	44.0%	49.4%	54.8%	53.4%	55.1%	55.8%	53.6%	52.2%	49.4%	46.4%	37.7%
<b>Gross loss ratio</b>	59.4%	50.9%	73.1%	55.6%	79.5%	77.9%	66.2%	68.5%	94.9%	87.1%	59.2%
<b>Gross expenses</b>	15.9%	17.4%	19.3%	19.5%	19.9%	20.7%	18.9%	18.4%	18.6%	16.5%	17.6%
<b>Net loss ratio</b>	74.1%	68.2%	74.3%	67.6%	90.8%	90.3%	75.6%	76.1%	82.8%	84.7%	80.3%
<b>Net expenses</b>	24.7%	25.6%	25.6%	27.2%	26.3%	26.5%	23.8%	24.9%	27.0%	22.6%	25.1%
<b>Net combined ratio</b>	98.9%	93.8%	99.9%	94.8%	117.0%	116.7%	99.4%	101.1%	109.8%	107.4%	105.4%
<b>Financial result</b>	7.5%	5.4%	3.9%	4.1%	14.9%	13.9%	11.6%	-3.2%	6.5%	4.8%	2.4%
<b>Technical-financial result</b>	8.6%	11.6%	4.0%	9.2%	-2.1%	-2.8%	12.3%	-4.3%	-3.3%	-2.6%	-3.0%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.31.**  
**Basic Merchandise Transport Insurance indicators, 2010-2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	209	211	204	198	194	205	207	230	244	255	257
<b>Variation in premiums</b>	-5.7%	0.7%	-3.0%	-2.8%	-2.2%	5.4%	1.2%	11.2%	6.0%	4.5%	0.7%
<b>Retention</b>	69.6%	69.1%	65.4%	63.7%	66.4%	65.7%	65.0%	62.0%	63.2%	69.0%	66.8%
<b>Gross loss ratio</b>	36.2%	54.5%	50.8%	62.0%	65.3%	71.0%	75.4%	58.8%	76.1%	61.3%	48.8%
<b>Gross expenses</b>	25.1%	25.1%	25.2%	25.4%	26.4%	28.1%	28.7%	27.4%	26.1%	28.0%	26.4%
<b>Net loss ratio</b>	49.2%	61.8%	59.1%	70.4%	71.8%	78.4%	72.6%	61.4%	70.4%	64.1%	50.0%
<b>Net expenses</b>	28.7%	29.1%	30.2%	31.1%	32.0%	33.3%	34.4%	33.7%	32.1%	30.0%	28.1%
<b>Net combined ratio</b>	77.9%	90.9%	89.3%	101.5%	103.8%	111.7%	107.0%	95.2%	102.6%	94.1%	78.1%
<b>Financial result</b>	5.7%	5.4%	2.7%	4.9%	6.5%	6.3%	5.7%	4.1%	3.6%	3.8%	2.5%
<b>Technical-financial result</b>	27.8%	14.5%	13.4%	3.4%	2.8%	-5.4%	-1.4%	8.9%	1.1%	9.6%	24.4%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.32.**  
**Basic Burial insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	1,703	1,761	1,891	1,961	2,087	2,150	2,167	2,277	2,367	2,459	2,491
<b>Variation in premiums</b>	1.8%	3.4%	7.3%	3.7%	6.5%	3.0%	0.8%	5.1%	4.0%	3.9%	1.3%
<b>Retention</b>	99.2%	100.6%	98.9%	99.0%	98.4%	98.5%	98.6%	98.4%	98.3%	98.5%	98.3%
<b>Gross loss ratio</b>	52.5%	51.3%	55.2%	56.9%	60.3%	65.2%	63.7%	62.6%	64.5%	64.8%	71.0%
<b>Gross expenses</b>	38.1%	37.8%	37.5%	36.4%	34.8%	32.9%	33.1%	33.0%	33.0%	32.8%	32.2%
<b>Net loss ratio</b>	52.8%	50.7%	55.4%	57.2%	60.9%	65.9%	64.3%	63.1%	65.3%	65.5%	72.0%
<b>Net expenses</b>	38.1%	37.2%	37.5%	36.4%	34.7%	32.7%	33.0%	32.9%	32.9%	32.8%	32.2%
<b>Net combined ratio</b>	90.9%	87.9%	93.0%	93.5%	95.5%	98.6%	97.3%	96.1%	98.2%	98.4%	104.2%
<b>Financial result</b>	5.6%	5.7%	6.8%	6.2%	6.5%	7.4%	5.8%	5.8%	5.7%	6.3%	4.8%
<b>Technical-financial result</b>	14.6%	17.8%	13.8%	12.7%	11.0%	8.8%	8.5%	9.8%	7.5%	7.9%	0.6%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.33.**  
**Basic Credit insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	719	695	677	646	631	609	593	570	584	607	602
<b>Variation in premiums</b>	-10.0%	-3.3%	-2.5%	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.8%	-0.8%
<b>Retention</b>	54.3%	54.6%	53.2%	46.3%	44.4%	42.1%	34.4%	34.4%	36.2%	37.5%	32.5%
<b>Gross loss ratio</b>	50.9%	78.2%	81.4%	70.4%	39.6%	69.2%	45.0%	48.0%	49.6%	52.2%	61.8%
<b>Gross expenses</b>	19.4%	20.4%	20.9%	21.9%	24.1%	24.7%	31.3%	30.4%	29.7%	32.8%	30.5%
<b>Net loss ratio</b>	56.6%	84.1%	87.8%	68.7%	42.2%	48.5%	47.3%	53.1%	57.3%	46.6%	66.3%
<b>Net expenses</b>	17.5%	15.0%	19.2%	22.1%	19.2%	8.4%	17.2%	16.5%	9.4%	11.0%	12.3%
<b>Net combined ratio</b>	74.1%	99.0%	107.0%	90.9%	61.4%	56.9%	64.6%	69.6%	66.7%	57.7%	78.6%
<b>Financial result</b>	4.8%	6.2%	5.8%	6.0%	4.5%	4.0%	2.6%	2.6%	3.3%	2.8%	1.4%
<b>Technical-financial result</b>	30.7%	7.1%	-1.2%	15.1%	43.1%	47.1%	38.0%	33.0%	36.6%	45.1%	22.8%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.34.**  
**Basic Surety insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	84	78	65	63	61	86	62	63	84	122	136
<b>Variation in premiums</b>	3.8%	-7.3%	-16.2%	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	45.6%	11.0%
<b>Retention</b>	44.4%	40.1%	47.1%	44.5%	48.7%	46.4%	35.1%	36.4%	34.8%	31.8%	32.9%
<b>Gross loss ratio</b>	124.0%	98.7%	284.4%	535.5%	159.8%	158.2%	22.9%	30.4%	15.7%	39.7%	26.0%
<b>Gross expenses</b>	24.1%	24.2%	24.7%	28.3%	27.8%	33.9%	32.4%	27.4%	33.6%	36.0%	31.6%
<b>Net loss ratio</b>	65.0%	82.7%	201.4%	233.4%	72.1%	64.0%	33.1%	38.4%	31.9%	48.2%	37.3%
<b>Net expenses</b>	23.7%	22.0%	14.0%	34.4%	37.9%	41.7%	25.0%	13.2%	24.9%	29.0%	-1.3%
<b>Net combined ratio</b>	88.7%	104.7%	215.4%	267.8%	110.0%	105.7%	58.2%	51.5%	56.8%	77.3%	36.0%
<b>Financial result</b>	5.1%	8.2%	9.8%	3.1%	5.0%	3.3%	4.1%	5.8%	6.2%	4.6%	1.8%
<b>Technical-financial result</b>	16.4%	3.5%	-105.7%	-164.7%	-5.1%	-2.3%	45.9%	54.3%	49.4%	27.3%	65.7%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.35.**  
**Basic Personal Accident insurance indicators, 2010–2020**  
 (premiums, millions of euros; ratio over premiums, %)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Premium volume issued</b>	922	897	853	880	886	926	984	1,114	1,152	1,152	1,123
<b>Variation in premiums</b>	-2.5%	-2.6%	-5.0%	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	0.0%	-2.5%
<b>Retention</b>	89.5%	89.5%	89.7%	90.1%	89.0%	89.0%	87.9%	87.4%	87.6%	86.5%	86.8%
<b>Gross loss ratio</b>	36.1%	39.0%	34.2%	41.6%	40.9%	41.3%	37.2%	38.3%	38.7%	39.0%	32.9%
<b>Gross expenses</b>	33.5%	35.4%	36.3%	34.9%	36.7%	37.6%	37.1%	36.9%	36.1%	36.4%	34.7%
<b>Net loss ratio</b>	37.4%	40.5%	35.3%	40.8%	41.8%	40.5%	37.2%	36.9%	38.5%	39.5%	32.0%
<b>Net expenses</b>	34.4%	36.2%	36.9%	35.2%	37.2%	37.6%	37.4%	37.4%	36.4%	37.0%	35.6%
<b>Net combined ratio</b>	71.8%	76.7%	72.2%	76.0%	79.0%	78.1%	74.6%	74.3%	74.9%	76.5%	67.6%
<b>Financial result</b>	5.3%	4.3%	3.8%	11.3%	18.7%	15.0%	15.4%	17.0%	19.4%	19.5%	28.0%
<b>Technical-financial result</b>	33.4%	27.6%	31.6%	35.3%	39.7%	36.9%	40.8%	42.7%	44.5%	42.9%	60.4%

Source: MAPFRE Economics (based on ICEA data, Economic report on the insurance industry and historic series of direct business premiums by line and modality since 2003)

**Table A.36.**  
**Trends in penetration in the Spanish insurance industry, 2010–2020**  
 (premiums/GDP, %)

Year	Total market	Life insurance			Non-Life insurance				
		Total Life insurance	Life Protection	Life Savings	Total Non-Life insurance	Automobiles	Multirisk	Health	Other Lines
2010	5.42%	2.46%	0.35%	2.11%	2.97%	1.08%	0.59%	0.60%	0.71%
2011	5.70%	2.71%	0.34%	2.37%	2.98%	1.06%	0.62%	0.62%	0.68%
2012	5.57%	2.55%	0.34%	2.21%	3.02%	1.03%	0.64%	0.66%	0.69%
2013	5.48%	2.50%	0.33%	2.17%	2.98%	0.98%	0.64%	0.68%	0.68%
2014	5.38%	2.41%	0.34%	2.07%	2.97%	0.96%	0.63%	0.70%	0.68%
2015	5.28%	2.37%	0.35%	2.02%	2.90%	0.93%	0.61%	0.68%	0.68%
2016	5.73%	2.80%	0.38%	2.42%	2.94%	0.95%	0.60%	0.69%	0.69%
2017	5.46%	2.53%	0.36%	2.17%	2.93%	0.94%	0.60%	0.69%	0.69%
2018	5.35%	2.41%	0.39%	2.02%	2.94%	0.92%	0.60%	0.71%	0.71%
2019	5.16%	2.21%	0.39%	1.82%	2.94%	0.91%	0.60%	0.72%	0.71%
2020	5.26%	1.95%	0.43%	1.52%	3.31%	0.99%	0.69%	0.84%	0.79%

Source: MAPFRE Economics (based on ICEA and International Monetary Fund [IMF] data)

**Table A.37.**  
Trends in density and depth in the Spanish insurance industry, 2010–2020  
(premiums per capita, euros; direct Life insurance premiums/total direct premiums, %)

Year	Density (premiums per capita)										Depth (direct Life insurance premiums/total direct premiums)
	Total market density	Life insurance			Total Non-Life insurance	Non-Life insurance			Health	Other lines	
		Total Life insurance	Life Protection	Life Savings		Automobiles	Multirisk				
<b>2010</b>	1,233.0	558.9	80.1	478.9	674.1	244.4	133.4	135.5	160.7	45.3%	
<b>2011</b>	1,281.9	610.8	76.4	534.5	671.1	238.4	139.2	139.6	153.9	47.7%	
<b>2012</b>	1,217.6	557.8	74.5	483.3	659.8	225.1	140.6	144.0	150.1	45.8%	
<b>2013</b>	1,195.1	545.4	71.6	473.8	649.7	214.3	139.8	148.3	147.3	45.6%	
<b>2014</b>	1,190.1	532.8	74.5	458.3	657.3	212.0	140.5	154.0	150.8	44.8%	
<b>2015</b>	1,221.4	549.1	81.1	468.1	672.2	215.9	141.0	158.1	157.2	45.0%	
<b>2016</b>	1,370.6	668.6	90.3	578.3	702.0	226.9	144.6	166.1	164.4	48.8%	
<b>2017</b>	1,357.7	629.4	90.0	539.4	728.3	233.8	149.1	172.7	172.7	46.4%	
<b>2018</b>	1,370.0	616.6	100.4	516.2	753.4	236.8	153.8	181.1	181.6	45.0%	
<b>2019</b>	1,352.5	580.0	102.5	477.5	772.4	238.4	158.5	188.3	187.2	42.9%	
<b>2020</b>	1,243.8	461.2	102.4	358.8	782.6	234.2	163.8	198.3	186.4	37.1%	

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



**Table A.38.**  
Trends in the Insurance Protection Gap in the Spanish insurance market, 2010–2020  
(billions of euros)

Year	Insurance Protection Gap (IPG)			Actual market (d)	Potential market (e = a + d)	IPG as a multiple of the actual market (number of times)		
	Total IPG (a = b + c)	Life insurance IPG (b)	Non-Life insurance IPG (c)			Total market	Life insurance market	Non-Life insurance market
2010	32.6	30.6	2.0	58.2	90.8	0.560	1.159	0.063
2011	24.0	22.6	1.4	60.6	84.6	0.397	0.784	0.045
2012	23.7	22.5	1.2	57.4	81.1	0.413	0.857	0.037
2013	25.3	23.3	2.0	55.9	81.2	0.453	0.915	0.066
2014	27.5	26.2	1.3	55.5	83.0	0.496	1.054	0.043
2015	29.8	27.8	2.0	56.9	86.7	0.524	1.086	0.065
2016	22.5	21.5	0.9	63.8	86.3	0.352	0.692	0.028
2017	27.8	26.5	1.3	63.4	91.3	0.439	0.902	0.039
2018	28.7	27.7	1.0	64.4	93.1	0.446	0.956	0.028
2019	33.4	31.7	1.8	64.2	97.6	0.521	1.150	0.048
2020	31.6	31.5	0.1	58.9	90.4	0.536	1.443	0.001

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



## Other MAPFRE Economics reports

MAPFRE Economics (2021), *2020 Ranking of the largest European insurance groups*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2021), *2020 Ranking of insurance groups in Latin America*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2021), *2021 Economic and industry outlook: second quarter perspectives*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2021), *Pension systems from a global perspective*, Madrid, Fundación MAPFRE.

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MAPFRE Economics (2020), *The Latin American insurance market in 2019*, Madrid, Fundación MAPFRE.

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