

A detailed painting of a busy ship's deck. Numerous people, including men, women, and children, are seen handling cargo and passengers. A woman in the foreground carries a baby wrapped in a blanket. The scene is filled with activity, with people carrying boxes, bags, and bundles. The background shows the ship's structure and the sea.

Fundación **MAPFRE**

**THE SPANISH INSURANCE
MARKET IN 2019**

MAPFRE Σconomics

The Spanish insurance market in 2019



Ventura Álvarez Sala
Emigrantes
Oil on canvas, 1908.

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Presentation

As it does each year, Fundación MAPFRE presents this new version of *The Spanish Insurance Market* report, prepared by MAPFRE Economics. The study analyzes the economic and demographic context, as well as the specific sectors of the economy that are closely linked to insurance activity. The report also explains the market's structure using data on concentration, transactions performed by Spanish companies in other markets, and foreign capital within Spain's insurance industry, and includes an analysis of the performance of key business lines. The report also updates structural insurance growth trends in Spain and analyzes published solvency ratios for a sample of the main insurers operating in the market.

This new version of the report notes that the Spanish insurance industry had a slight decline of -0.4% in premium volume in 2019, as a result of the decrease in the Life line. However, industry performance increased by 5.2%, thanks to good technical performance and the maintained financial result. For 2020, it is difficult to predict the impact that the crisis caused by the COVID-19 pandemic will have on the insurance industry, although, in terms of revenue, data published to date already shows a drop in premiums.

Making the most of this new edition of *The Spanish Insurance Market*, special note should be made of the insurance industry's response to the health crisis, not only in meeting its obligations and responsibilities toward policyholders and stakeholders, but also due to its generous contribution to mitigating the effects of the crisis on the population, through numerous charitable initiatives that Fundación MAPFRE has joined in various ways.

Recent months have tested the Spanish people and, during the crisis, the insurance industry has continued to demonstrate its commitment to being a supportive factor in overcoming emergencies, thereby contributing to the common purpose so that, as a society, we can prevail.

Fundación MAPFRE

Introduction

This edition of our *The Spanish Insurance Market* report seeks to provide an outlook of the industry's performance during 2019. The first chapter presents an analysis of the environment and the most relevant economic and demographic trends in Spain, which can affect insurance industry performance; while the second chapter analyzes the structure and concentration of the insurance market.

The third chapter of the report evaluates the performance of the main business lines during 2019, taking into consideration premium growth analysis and the contribution of the various business lines to industry developments, technical performance, results, profitability, investment, and technical provisions. This section of the report also features a study of the main technical and financial aspects of the most significant lines, particularly in the Life and Non-Life segments.

The fourth chapter addresses structural trends in the Spanish insurance market from a medium-term perspective. These trends include an analysis of the penetration, density and depth of insurance in Spain over the 2009-2019 period. This section also includes new updated estimates of the Insurance Protection Gap for the Life and Non-Life segments. The fifth chapter of the report analyzes the capital requirements, own funds, and solvency ratios of a representative group of companies operating in the Spanish insurance industry, based on the information made available to the market by said companies in their Solvency and Financial Condition Reports. Finally, the last chapter summarizes key regulatory insurance trends both at the global and Spanish level.

We hope that this edition of *The Spanish Insurance Market* will provide information that contributes to a better understanding of the insurance market and that this important activity within the Spanish financial system will therefore find new ways to strengthen its future development.

MAPFRE Economics

Executive summary

The global economy grew by 2.9% in 2019 (3.6% in 2018), with developed and emerging markets almost at the threshold of 2% and 4%, respectively. Before the crisis caused by the COVID-19 pandemic, the slowdown was characterized by convergence between economies, with central banks setting the pace of synchrony, the United States joining Japan and the eurozone in favor of economic stimulus, and, as a result, many emerging economies (especially in Latin America) rapidly converging toward lax monetary policies. Although global activity slowed, economic recovery in 2020 was hopeful, spearheaded by emerging markets in response to a more accommodating global monetary shift, with less pressure on the depreciation of their currencies. Today, however, that expectation has been shattered by the crisis caused by lockdown and social distancing measures implemented by governments around the world in order to tackle the pandemic.

Global insurance increased its premium volume once again in 2019 to 6.3 trillion dollars (including US health insurance premiums), which represents an actual growth of 2.9%, slightly below the 3.2% recorded in 2018. The slowdown in economic growth and the low interest rate environment in developed countries limited the growth of the global insurance industry. For yet another year, 2019 was primarily driven by Non-Life insurance lines, with an actual increase of 3.5% compared to the 2.2% increase of Life insurance, with increases being larger in emerging markets than in developed markets. In real terms, the greatest growth in the Life business was experienced by the Latin American and Caribbean region, thanks to the momentum of its two main markets, Brazil and Mexico.

Global premium volume in the Non-Life segment (which represents around 46% of total premiums) increased by 3.5% in real terms during the course of 2019. Growth was solid in emerging economies—mainly Asia—with performance in China and India being notable. Latin American markets showed moderate

growth in this line of business, with decreases in real terms in Brazil, Honduras, Nicaragua, and Panama. In Europe the slowdown in economic growth limited the increase in Non-Life businesses.

With regard to the Spanish insurance market in 2019, the premium volume amounted to 64.16 billion euros. The slowdown in the Spanish economy and the persistently low interest rate environment were once again reflected in the Spanish insurance market, which experienced a slight -0.4% decline in total premium volume (compared to growth of 1.5% in 2018). The main reason for this can be found in the Life business, which suffered a -5.1% decrease in premiums (-1.4% in 2018), driven by a fall in the Life savings insurance business. Life Protection premiums grew by 3.1%, implying a significant decline compared to growth in the previous year (12.3% in 2018), which was influenced by the economic slowdown and the less dynamic real estate market in 2019.

Non-Life business in Spain slowed, with a growth of 3.4% (4% in 2018) to 36.63 billion euros in premiums. The combined ratio for the Non-Life insurance segment during 2019 improved once again, standing at 92.9% (93.7% in 2018). For yet another year, Automobile insurance remained the line with the largest premium volume in the Non-Life insurance segment, although its trend of reducing its share continues — in 2019, it accounted for 30.9% of the premiums in this segment (31.5% in 2018). The amount of written premiums increased by 1.5% to 11.31 billion euros compared to 2018, due both to the increase in the average premium and to the number of insured vehicles—which, with 31.8 million vehicles, also increased by 1%. The combined ratio in this line improved slightly to 94.7% (94.8% in 2018).

Health insurance was the second largest line by volume within the Non-Life insurance business, representing 24.4% of the total (24.1% in 2018), and continues to gradually improve. Premium volume during 2019 amounted to 8.92 billion

euros, with growth of 4.8% (5.6% in 2018). For yet another year, collective health insurance contracted by companies for their employees continues to be its main driver of growth, as it has grown by 6.4% while individual insurance has increased by 3.5%. However, 70.5% of the sector's total premium collection in this segment still comes from individual insurance. The combined ratio for this line deteriorated to 93.4% in 2019 (92.6% in 2018).

Multirisk insurance maintained a 20.5% share of the total business, which made it the third largest Non-Life line, with a premium volume of 7.52 billion euros and growth of 4% in 2019. Both market share within the Non-Life segment and growth in 2019 were similar to those in 2018. Homeowners is the segment with the largest market share, representing 60.2% of premiums in this line of business. All modalities saw an increase in premiums, with the stand-out being the 5.2% increase in Industrial Multirisk insurance, followed by Homeowners (4.2%), Condominium (3.1%) and Commercial insurance (1.1%). The overall combined ratio continued to improve, standing at 93.8% (97.3% in 2018). For Homeowners, despite the occurrence of intense weather phenomena in 2019, the loss ratio improved slightly.

Moreover, the downward trend in industry profitability continued in 2019, with a return on equity (ROE) of 10.9% (11.4% in 2018). Likewise, profitability measured in terms of return on assets (ROA) also showed a slight decrease of 1.4% during 2019, compared to 1.5% in 2018.

Total investments by Spanish insurance companies amounted to 319.75 billion euros at the end of 2019, representing a 6.4% increase compared to 2018. An analysis of the investment structure shows that the main category of assets continues to be fixed income, representing 55.6% of the investment portfolio, with sovereign fixed income as the dominant component. Corporate fixed income accounted for 19.8% of the portfolio (18.9%, 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 2019.

In relation to the analysis of the structural growth trends for the Spanish insurance industry, the performance of the Spanish insurance market in 2019 continued to slow down and diverge from the expansive trend initiated in 2014, which reached its recent peak in 2016. This performance was evidenced by the fact that the penetration, density and depth indices continued to record falls compared to the previous year, dropping below the average of said indices for the 15 main economies in the European Union.

Spanish insurance penetration (premiums/GDP) reached 5.15% at the end of 2019 (5.33% in 2018), further distancing itself once again from the record high reached in 2016. The declining penetration rate is attributable to the Life insurance segment, the penetration of which was 2.21%, (0.19 percentage points below that of the previous year), while the Non-Life insurance indicator was 2.94% for the year analyzed (2.93% in 2018).

Moreover, the density of Spain's insurance (premiums per capita) reached 1,352.6 euros in 2019 (1,370 euros in 2018). The decrease compared to the previous year was due to the combination of a fall in the Life insurance segment, at 580.3 euros per capita (616.8 in 2018), and an increase in Non-Life insurance amounting to 772.3 euros per capita (753.4 in 2018).

Finally, the depth index (the share of direct Life insurance premiums in relation to the market's total direct premiums) was 42.9% in 2019, 2.1 percentage points below the figure recorded for the previous year. This is the third consecutive decline in the indicator, which has resulted in levels of market depth that are significantly lower than those from a decade ago. This performance confirms the relative decline of the Life segment within the market dating back to its peak in 2016.

Meanwhile, the Insurance Protection Gap (IPG) of the Spanish market was estimated at 33.4 billion euros for 2019 (4.4 billion euros more than the 2018 measurement). In structural terms, IPG composition continues to demonstrate room for further development in the Life insurance segment. In 2019, 94.6% of the IPG (31.6 billion euros) corresponded to the Life insurance segment (3.7 billion euros more

than in 2018), while the Non-Life segment IPG (1.8 billion euros) represented the remaining 5.4% (0.7 billion euros more than the previous year).

From the competition's structural and dynamics standpoint, during the past decade, the Spanish insurance industry has continued to experience a gradual concentration process, which is evident in the decrease in the number of companies operating, as well as in the Herfindahl and CR5 indices. Nevertheless, concentration levels continue to reflect a high level of competition in the Spanish insurance industry, based on the aforementioned indicators.

With regard to solvency levels in Spain, June 2020 marked the deadline for publishing the fourth Solvency and Financial Condition Report (SFCR) for individual insurance companies, in accordance with the new prudential regulation based on applicable risks in force in the European Union since January 1, 2016 (Solvency II). An analysis of a sample of companies representing 69.2% of insurance premiums and 77.9% of technical provisions for 2019 reveals that the sector's solvency continues to reflect a sound position.

The total aggregate solvency ratio for the sample of insurance companies analyzed was 243% in 2019 (238% in 2018). The ratio of companies mainly operating in the Life insurance line was 245% in 2019 (221% in 2018). For companies operating in both the Life and the Non-Life insurance business (Composites), the total aggregate solvency ratio amounted to 225% in 2019 (228% in 2018). Finally, companies operating either totally or mainly in the Non-Life insurance business had a total aggregate solvency ratio of 257% in 2019 (269% in 2018). 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).

It should be noted that the volatility adjustment calculated in 2019 for a representative portfolio of investments by insurance companies in the Spanish market decreased considerably compared to the end of the previous year, due to a drop in financial market volatility throughout the year. This lower financial

market volatility (reflected in the volatility adjustment calculated by the European Insurance and Occupational Pensions Authority [EIOPA]) favors the solvency position of insurance companies, especially those in the Life business, which has led to an improvement in solvency ratios in 2019 in general terms. However, the economic crisis resulting from lockdown and social distancing measures implemented in the wake of the health crisis caused by the COVID-19 pandemic has led (already in 2020) to an unprecedented surge in volatility. This is reflected in the volatility adjustment trend in the months following the end of 2019, which has eased the European Central Bank's announcement of significant unconventional measures to ensure liquidity in both sovereign and corporate bond markets.

The General Directorate for Insurance and Pension Funds has required an additional calculation of the solvency capital requirement (SCR) and solvency ratios at the end of the first quarter of 2020 (under normal conditions, the requirement is to calculate SCR only once a year), although not all companies required to calculate this have published their results. In cases where this has been published, reductions in corresponding solvency ratios have been observed, albeit moderately, thus remaining comfortable in terms of their solvency position.

1. Economic and demographic context

1.1. Economic aspects

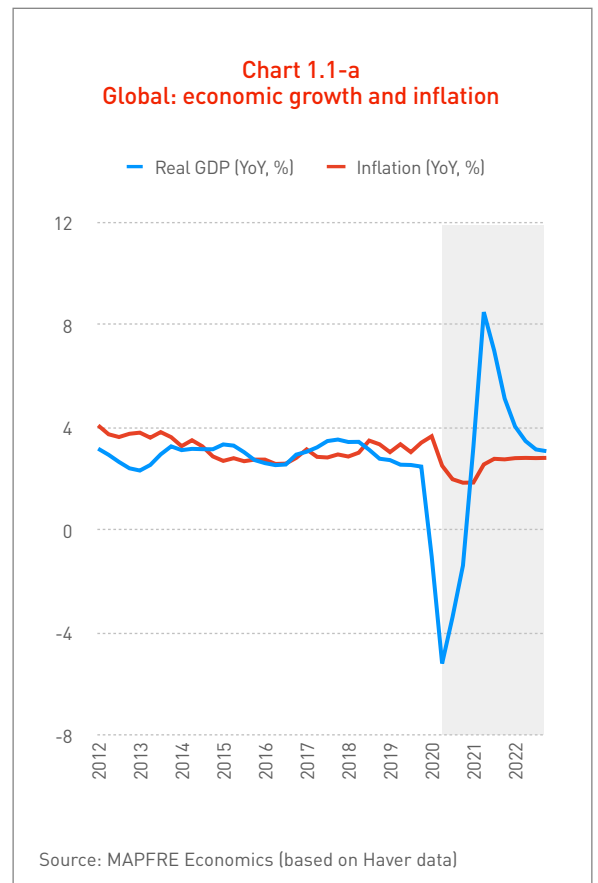
Global and economic environment

The global economy grew by 2.9% in 2019, with developed and emerging markets almost at the threshold of 2% and 4% respectively (see Chart 1.1-a). Specifically, the G7 group of economies¹ grew by 1.6%, with the United States growing by 2.3% and the eurozone by 1.2%. Emerging economies, although at another level, were also unable to avoid the slowdown: China grew by 6.2% (compared to 6.7% the previous year), the emerging and developing group slowed to 3.7% down from 4.5%, and Southeast Asia's large emerging markets (China, Indonesia, and the Philippines) slowed to 5.7% down from 6.1% the previous year. Several factors burdening manufacturing activity and investment contributed to this slowdown in activity: trade tensions between the United States and China; the prospect of increased tariffs on other US trade partners; uncertainty surrounding Brexit; and, from a structural perspective, the point in the economic cycle in which the global economy found itself.

However, while global activity lost momentum, coinciding with a slowdown, 2019 was expected to be the prelude to economic recovery in 2020 spearheaded by emerging markets in response to the global monetary shift. Today, however, that expectation has been shattered by the crisis caused by lockdown and social distancing measures implemented by governments around the world in order to tackle the COVID-19 pandemic. Global performance is therefore expected to be very different from what would have been expected six months ago, when it was thought that the world economy would shift toward the potential for global growth throughout 2020 and 2021, driven by emerging-market performance.

Before the pandemic crisis, the slowdown was still characterized by the convergence between economies, with central banks setting the pace of synchrony; the United States joining Japan and the eurozone in favor of economic stimulus, and, as a result, many central banks from emerging countries (especially in Latin America) rapidly converging toward lax monetary policies.

In Europe, 2019 was marked by elections in various countries and by the renewal of positions at the European Commission and the European Central Bank (ECB), while in the United Kingdom, the result of the December election gave the Conservatives a comfortable majority to unblock the Brexit process in the British parliament. The ECB continued to



manage expectations on interest rate hikes (which were delayed until the end of 2022, even before the pandemic), while restarting operations to purchase sovereign assets and inject liquidity in light of sluggish activity and plummeting prices. This was not only encouraged by then-ECB President Mario Draghi, but was also fully embraced by his successor, Christine Lagarde.

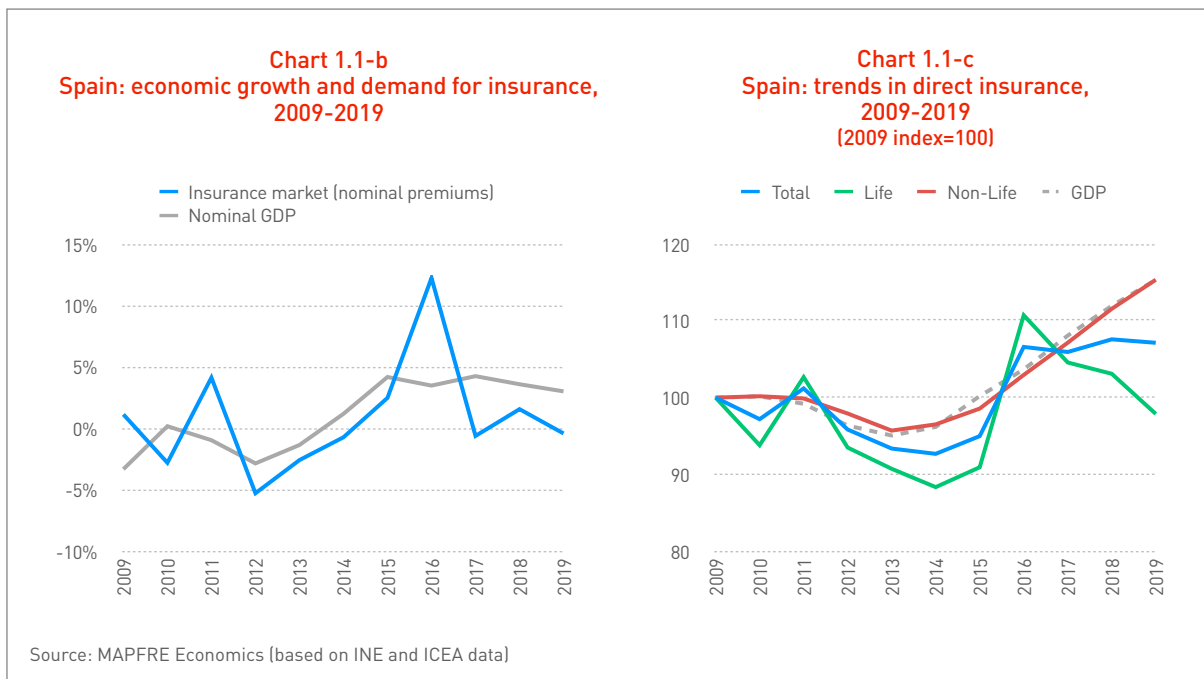
The US economy, for its part, saw reduced dynamism. With an average growth six tenths lower than that of the previous year (2.3%), it continued to maintain a barely frictional unemployment rate (the lowest since the middle of the previous century) and inflation that still kept the Federal Reserve in its comfort zone. The economic cycle ended abruptly in the first quarter of 2020, leaving behind the legacy of having been the longest in the country's history. The Federal Reserve, having abandoned the idea of returning to monetary neutrality, began to voice the opinion that it was time to resume a counter-cyclical support policy, which materialized through interest rate cuts. Concerns over global domestic and commercial activity led the Federal Reserve to lower interest rates three times in 2019, to the range of 1.50-1.75%. On October 11, it also announced that it would continue to inject liquidity into the interbank market to the amount of 60 billion dollars monthly until at least January in order to stabilize the repo market until the interest rate returns to within the official range. As a result, the financial conditions of emerging countries, which were restrictive during 2018, became lax, with increased external financing and currencies feeling less depreciation pressure against the US dollar.

The Spanish economy, however, grew by 2.0% (YoY) in 2019, confirming a slowdown, the signs of which were observed in consumption, investment and exports. It should be noted that the climate of political dissent had not impacted the perception of country risk, and Spain was financed in wholesale markets without problems. Its interest rate curve, though less defined than in 2018, continued to show expectations of moderate growth.

China, however, abandoned intentions initiated in 2018 to promote deleveraging and reduce quasi-tax stimuli, with the aim of mitigating misalignments and potential risks throughout 2019 and 2020. The entry into force of customs tariffs on exports to the United States and the slowdown of its main trade partners had to be offset by more stimuli. The government implemented a package of measures (lowering taxes and encouraging borrowing in the private sector) to stimulate internal demand and offset the slowdown in the export sector caused by the trade war.

Among the relevant milestones in emerging markets, Brazil is a particularly notable case. On October 23, the Brazilian Federal Senate announced the constitutional reform of the public pension system. The reform will be implemented progressively, with a transition period varying up to 2033 depending on certain established parameters. Brazilian public accounts suffer from a strong structural budget imbalance, largely caused by high spending in the public pension system. Demographic projections point to an even higher increase, with the ensuing impairment of the deficit and level of future borrowing, with this being one of the reasons why Brazil's sovereign risk remained below the investment grade.

In short, all of these developments led to a macroeconomic scenario of moderate actual and nominal growth in 2019, with increasing monetary laxity, more favorable financial conditions, and a brake on the impairment of emerging market currencies. Investment flows remained dynamic by financing emerging countries, even those with latent or highly visible vulnerabilities. However, the implementation of lockdown and social distancing measures to tackle the COVID-19 pandemic in the first months of 2020 has led to a radical change in the situation, with major fluctuations in the exchange rates of emerging-country currencies, unprecedented investment outflows, and sharp falls in GDP, and the duration and future consequences that may arise from this situation currently remain highly uncertain.



Economic environment and demand for insurance

The slowdown in the Spanish economy in 2019 and the persistently low interest rate environment were reflected in the Spanish insurance market, which experienced a slight -0.4% decline in total premium volume (compared to growth of 1.5% in 2018). Non-Life business slowed, with a growth of 3.4% (4% in 2018) and Life business suffered a decline in premiums of -5.1% (-1.4% in 2018), driven by a fall in the Life savings insurance business. Life Protection premiums grew by 3.1%, implying a significant decline compared to growth in the previous year (12.3% in 2018). This performance was largely influenced by the economic slowdown and the less dynamic real estate market in 2019.

It is well known that there is a close relationship between the pace of economic growth and insurance demand. For Spain, this link is shown in a medium-term analysis (2009-2019) in Charts 1.1-b and 1.1-c. This information demonstrates that the aforementioned relationship is particularly significant in the Non-Life business, which achieved a 15.4% increase in the total volume of direct premiums during that period, which was very similar to the growth of the Spanish economy, which

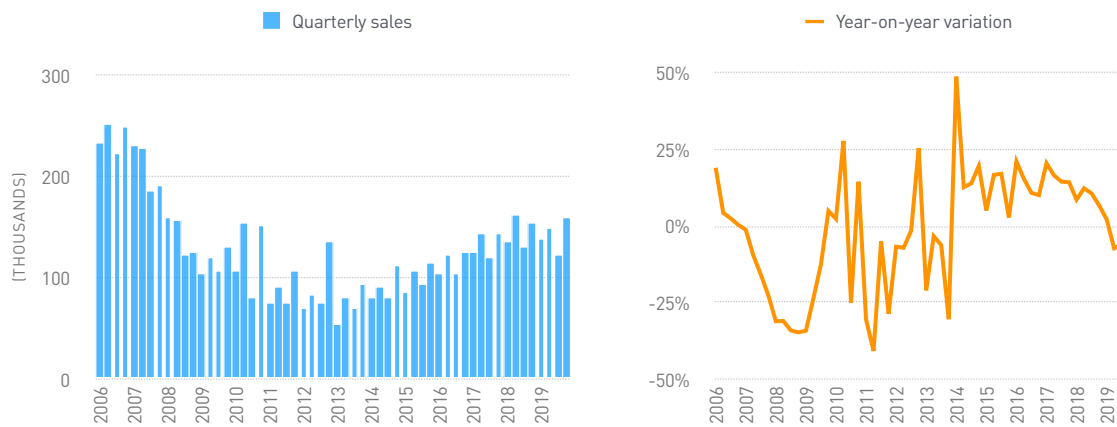
expanded by 15.3%. The Life business, however, has been suffering from the consequences of the low interest rate environment and experienced growth of just 7.2% during that decade, with a fall in this segment of the market over the last three years. This is in addition to the decreases experienced as a result of the 2012 crisis.

Given these links, the deep global economic recession expected in 2020 (as a result of the health crisis and the social distancing and lockdown measures implemented due to the COVID-19 pandemic) foresees a significant decline in the growth of the Spanish and global insurance industry for this year.

Real estate market

Multirisk and Life Protection insurance, which are closely linked to the real estate market, have become increasingly relevant in the Spanish insurance industry business. In this regard, according to the most recent statistics from the Spanish Ministry of Public Works, the number of real estate transactions in 2019 saw a year-on-year variation of -2.2% (9.5% in 2018), which was the first annual fall since 2013 (-17.3%). Definitive updated data that captures the effects of the economic crisis due to lockdown measures (implemented to tackle the

Chart 1.1-d
Spain: sale of homes, 2006-2019
 (number of transactions, thousands; year-on-year variation, %)



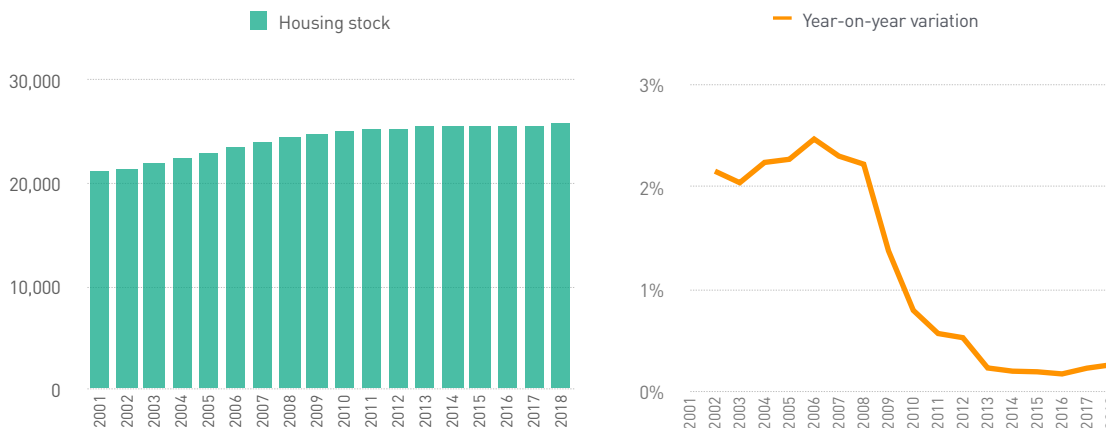
Source: MAPFRE Economics (based on data from the Spanish Ministry of Public Works)

health crisis caused by the COVID-19 pandemic) on the number of real estate transactions is still unavailable, but the impact on the second quarter of 2020 will undoubtedly be very significant.

In order to give a historical perspective on the development 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 2006 onward, offering a before-and-after view of the 2007-2009 economic crisis, the epicenter of which was in the mortgage market. During that

period, the number of transactions fell by more than 30% year-on-year for five consecutive quarters. Subsequently, the 2011-2012 European sovereign debt crisis also saw sharp falls during the crisis' worst moments. During the last quarters of the 2010-2014 period, specific increases in the number of transactions can also be observed, mainly driven by changes in the regulations affecting housing taxes: VAT was increased in 2010; the usual housing deduction was eliminated in 2012 along with a further increase in VAT; and in 2014, the inflation and abatement correction coefficients were removed from the calculation of capital

Chart 1.1-e
Spain: housing stock, 2001-2018
 (number of homes, thousands; year-on-year variation, %)



Source: MAPFRE Economics (based on data from the Spanish Ministry of Public Works)

gains from real estate transfers for personal income tax purposes. In the years following 2014, there is a growing trend in the sale of real estate up until 2018, when a change is observed with a trend toward slowdown, which worsens in the fourth quarter. The slowdown was confirmed in 2019 and negative year-on-year variations occurred in the second and third quarter of the year, with a -2.2% decline for the year as a whole, compared to total transactions in 2018.

Based on data published by the Spanish Ministry of Public Works, estimated housing stock for 2018 totaled 25,712,744 units, which is 0.26% higher than 2017. A comparison with 2001 establishes a 22.3% increase over the past 17 years (see Chart 1.1-e). However, it is evident that following the 2008 economic crisis, the year-on-year variation of the housing stock decreased considerably from annual increases of more than 2% before the crisis to variation of close to 0.2% in recent years. And while variation was 0.49% in 2018, that figure is likely to decrease in 2019 in light of the decline in transaction volume and the economic situation in this year.

The comparative trend of new and existing homes transactions over the past fifteen years, shown by Chart 1.1-f, shows that the volume of new home transactions has fallen continuously

from 2007 to 2016, particularly in 2013 by -51.4%; existing home transactions, however, have alternated between positive and negative annual variation. However, there was a combined -2.2% decline in both types of housing in 2019. Existing home transactions fell compared to the previous year [-2.4% in 2019 compared to 9.2% in 2018], and there was also a significant decrease in new housing transactions [-0.5% in 2018 compared to 12.1% in 2017].

When analyzing the breakdown of housing transactions by Autonomous Community in 2019, a majority of the communities are found to have negative year-on-year rates, the most notable of which include the Balearic Islands at -10.2%, Ceuta and Melilla at -10%, Navarre at -8.9%, and Madrid at -7.8%. However, others recorded positive data, such as Murcia and Extremadura, with year-on-year growth of 5.9% and 4.4%, respectively. As regards the percentage of transactions by province out of the national total in 2019, there was a significant change in the provinces with the highest activity, with Soria (16.6%) and Ciudad Real (11.7%) obtaining the highest volumes, and Ceuta (-15.7%) and Malaga (-10.3%) suffering the greatest declines.

Transactions carried out by foreigners in Spain in 2019 represented 16.5% of the total

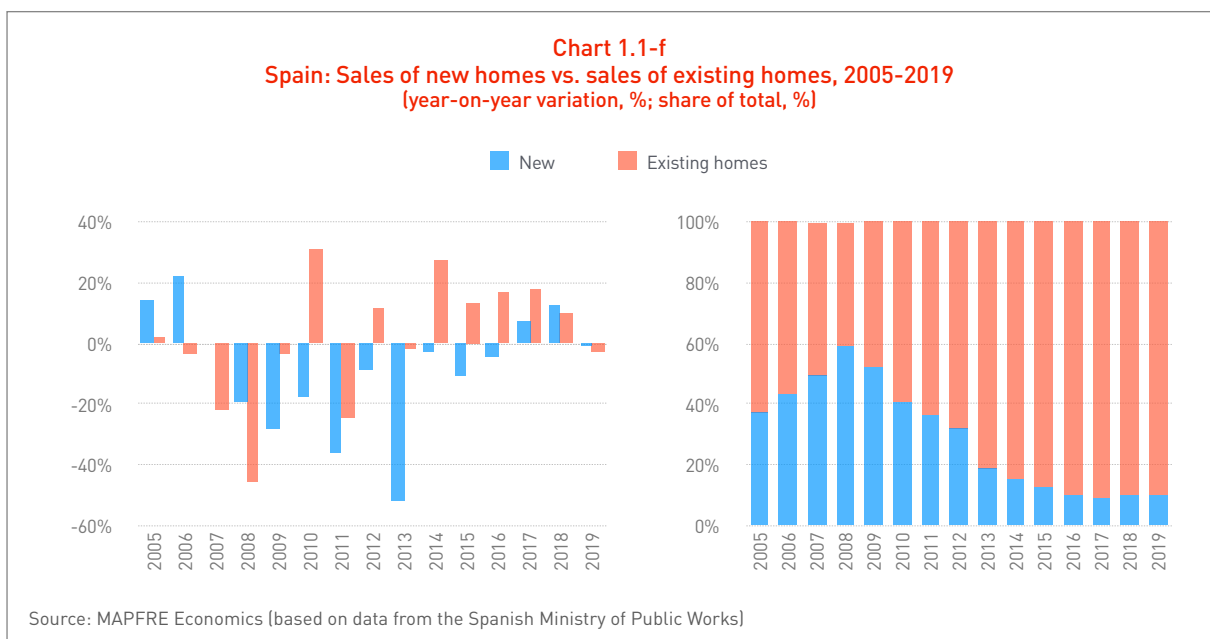
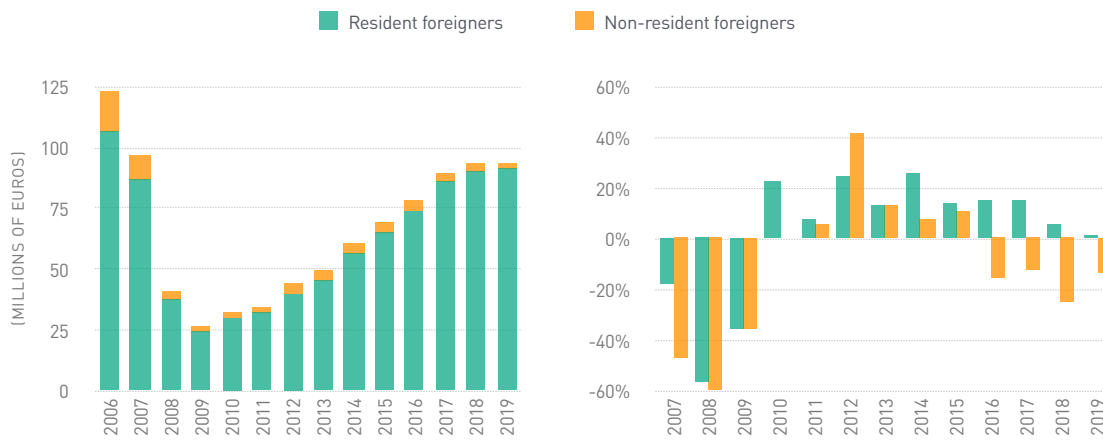


Chart 1.1-g
Spain: real estate transactions involving foreigners, 2006-2019
 (amount, millions of euros; year-on-year variation, %)



Source: MAPFRE Economics (based on data from the Spanish Ministry of Public Works)

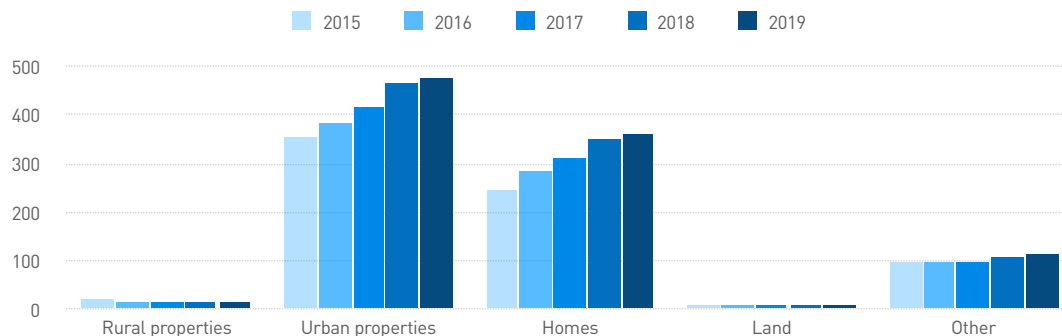
throughout national territory as a whole (15.8% in 2018), and, with the exception of Madrid (8.0%), coastal areas were preferred (21.6% in Alicante, 10.6% in Malaga, 7.8% in the Canary Islands, and 8.5% in Barcelona). It should be noted that the data obtained in 2019 was very similar to that of 2007 with regard to the purchase of housing by foreigners in Spain (see Chart 1.1-g). For non-resident foreigners, the trend has been negative since 2013, with an annual variation rate of -13.3% in 2019. However, for foreigners residing in Spain, uninterrupted growth has occurred from 2010 to 2019, although there is a marked slowdown

in growth beginning in 2018 and worsening in 2019, with a low year-on-year rate of 1.1%.

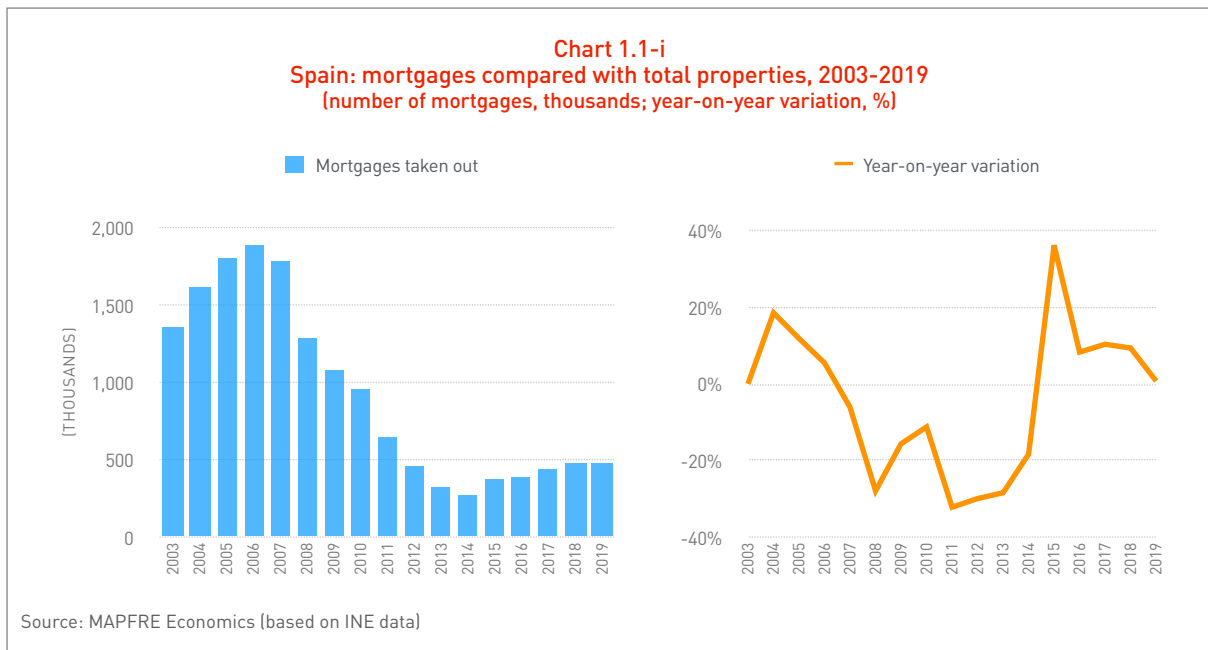
Moreover, an analysis of mortgages taken out during the 2015-2019 period (see Chart 1.1-h) indicates that home mortgages signed during 2019 represented 72.6% of all mortgage loans. Year-on-year variation for total mortgages for the last year was 2.3% (see Chart 1.1-i), where a slowdown in the provision of mortgages in line with the slowdown in economic activity during the last year is also evident.

In its analysis of the price index for real estate transactions, the *Instituto Nacional de Estadística*

Chart 1.1-h
Spain: trends in number of mortgages, 2015-2019
 (number of mortgages, thousands)



Source: MAPFRE Economics (based on data from the Spanish Ministry of Public Works)



(INE — Spanish national statistics institute), through the *Índice General de Precios de Vivienda* (IPV — General Housing Price Index), recorded a year-on-year variation of 3.6% for 2019, almost half of the 6.6% variation published for 2018 and well below the 7.2% in 2017. The same occurred with the IPV for new homes, with an increase of 5.3% in 2019, which is considerably lower than the 8% obtained in 2018, as well as with the IPV for existing homes, with a 3.4% increase in 2019, which is less than the 6.4% recorded in 2018. It can therefore be concluded that there was a change in trend in 2019 from previous years, with a clear reduction in the purchase prices of both types of housing (new and existing). This is confirmed by the latest data on the quarterly variation in the IPV in the fourth quarter of 2019, with a reduction of -0.6%.

The Spanish Ministry of Public Works recently published, through the Housing and Land Observatory, a new Special Bulletin on residential rentals in 2019 which examines its trend in recent years. Previous editions of this report have already mentioned how the residential rental market has seen a continuous decline in favor of home ownership from 1950 until 2001; this contradicts the trend observed from 2011 (latest 10-year data published), which shows an increase in the number of leases (see Chart 1.1-j). Similarly, the INE's Living

Conditions Survey for the past 10 years reveals a 76.1% decrease in the weight of home ownership in 2018 (latest data available), down from 76.7% in 2017. However, the weight of rental properties at market rates increased again to 14.8% in 2018; in the same year, homes

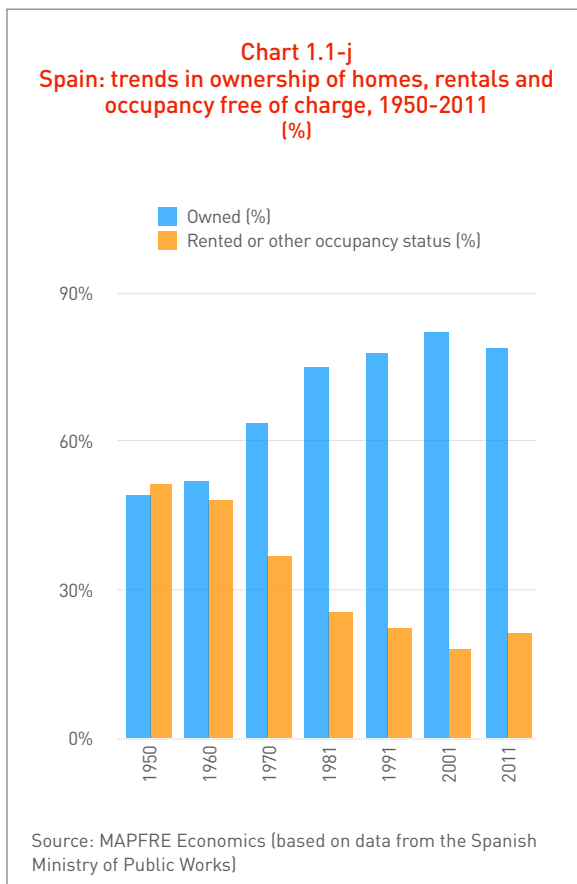
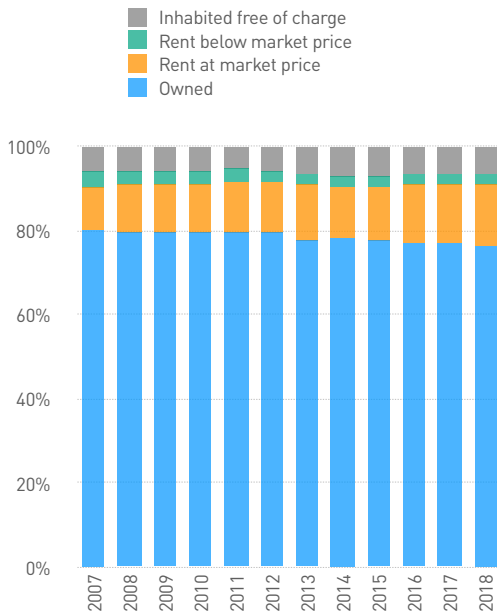


Chart 1.1-k
Spain: breakdown of homes by type of occupancy, 2007-2018 (%)



Source: MAPFRE Economics (based on INE data)

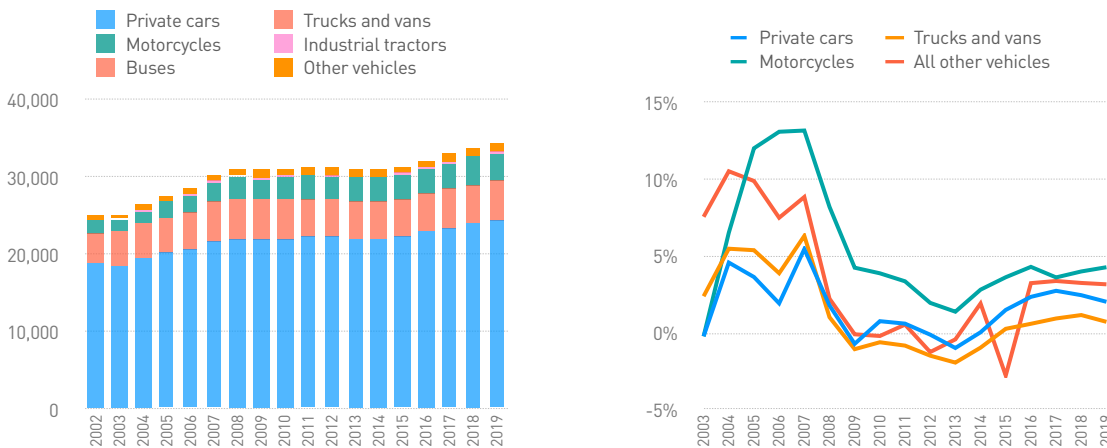
for rent under the market price also increased by one tenth compared to the previous year to 2.6% (see Chart 1.1-k).

Automobile

Spain's fleet of vehicles totaled 34.4 million in 2019, 2.1% more than the previous year². The motorcycle segment once again showed the greatest growth of 4.3%, while private cars represented 71% of the total, having risen by 2% to 24.5 million (see Chart 1.1-l). Conversely, registrations performed negatively, with a decrease of -2.1%. This fall was influenced by the -3.5% decline in private car registrations, which represent 77% of the year's registrations. Conversely, motorcycle registrations increased by 11.3%. The percentage of vehicles over 10 years old out of the total fleet has fallen slightly from 63.7% to 63.1%; although the number of vehicles between 10 and 14 years old has fallen, the number of those over 15 years old has increased.

Despite the increase in fleet vehicles and a 2.5% increase in the number of long-distance journeys to 427 million, the accident rate fell in 2019. Data on fatal accidents occurring on inter-city roads and data on victims recorded up to 24 hours after the accident shows a total of 1,007 accidents in 2019, in which 1,098 people died and 4,395 were hospitalized for injuries. These figures reflect a -6.7% decline compared to the 2018 accident figures, a -7.6% decline compared to the death figures, and a -3.8% decline compared to the serious injury figures³.

Chart 1.1-l
Spain: vehicle fleet, 2005-2019
(number of vehicles, thousands; distribution structure, %)



Source: MAPFRE Economics (based on data from the Spanish Ministry of Public Works)

It is important to note that, in order to reduce the traffic mortality rate, the Spanish Ministry of the Interior adopted a series of road safety measures that were implemented in 2019. In this regard, toward the end of 2018, the Spanish Council of Ministers approved Royal Decree 1514/2018, which amended the Spanish Traffic Code and established a 90-km/h speed limit on all conventional roads, among other measures.

Companies

According to data from the Central Business Register (CBR), there were 3,363,197 active companies in Spain at the beginning of 2019. It should be noted that the data published is not comparable with that of previous years, since the statistical concept of a company has been modified by the INE in order to provide a more adequate view of the current productive system. This initiative is being implemented and coordinated throughout the European Statistical System (ESS)⁴.

The Spanish corporate sector now consists of 3,363,197 companies, of which 3,310,798 are simple (98.4%) and 52,399 (1.6%) are classified as complex. As a result, the latter operate in corporate group environments. If we were to consider legal units as an approximation to companies (*proxy* of the old concept) for this reference year, the CBR would register a total of 3,414,966 active units at the beginning of 2019. This would represent an increase of 2.3% compared to the previous year. This growth would not be evenly distributed throughout the economic sectors, although it would be positive in all sectors. The largest sector in this group of companies was Other Services (59%), which grew by 2.3%, followed by Commercial (22.4%), which fell by 0.7% compared to January 1, 2017. A 4% positive variation rate can be observed for the Industry sector (6.2%), while Construction grew by 2.4% and has a significant weighting of 12.4%. It should be noted that the *Clasificación Nacional de Actividades Económicas* (CNAE — Spanish national classification of economic activities) (CNAE 2009) employs a broad definition of the "Construction" sector, which includes real estate promotion activities, among others.

Moreover, the size of Spanish companies remains small. At the beginning of 2019, more than 1.88 million companies did not employ any employees, which accounted for 56% of the total figure. In addition, another 905,113 companies (26.9% of the total) had one or two employees. By combining both of these groups, 82.9% of all companies have fewer than two employees, and only 4.7% of companies have more than twenty employees. The highest percentages of small enterprises were found in the Construction (84.9% had two or fewer employees) and Other Services sectors (84.7%). Conversely, the weight of large enterprises was concentrated in the Industry sector, where 8% of the total employed 20 employees or more.

Taking into account the trend of the last year, 431,528 companies began conducting economic activities during 2018, and 349,350 ceased all activity. Of the units registered as on January 1, 2018, 79% were already active on the same date of the previous year. The sectors that created the most companies in net terms during 2018 were Real Estate activities (9,118) and Health activities (6,849). For their part, the sectors with the largest negative balances were Retail sales, except motor vehicles (-4,596), and Land Transport (-3,955). Finally, Catalonia was the community with the most active companies as on January 1, 2019, with 18.4% of the total, followed by the Community of Madrid (16.1%) and Andalusia (15.4%).

Low interest rate environment

As indicated in previous versions of this report, the persisting environment of low interest rates continues to impact the Life Savings and traditional annuity insurance businesses. Chart 1.1-m shows the minimum, average and maximum levels reached during 2019, as well as the latest risk-free interest rate curves for the euro published by the European Insurance and Occupational Pensions Authority (EIOPA) corresponding to December 2019 and May 2020.

This information shows that the highest interest rate levels peaked in February 2019 and then entered a new downward trend on which they are continuing, with the May 2020 curve showing negative rates up to twenty years of maturity. It should be noted that this latest curve is capturing the new monetary policy easing measures adopted by the European Central Bank to support the financial system as a result of the COVID-19 pandemic. Monetary policy declarations point to the fact that the current interest rate situation may continue until at least 2022.

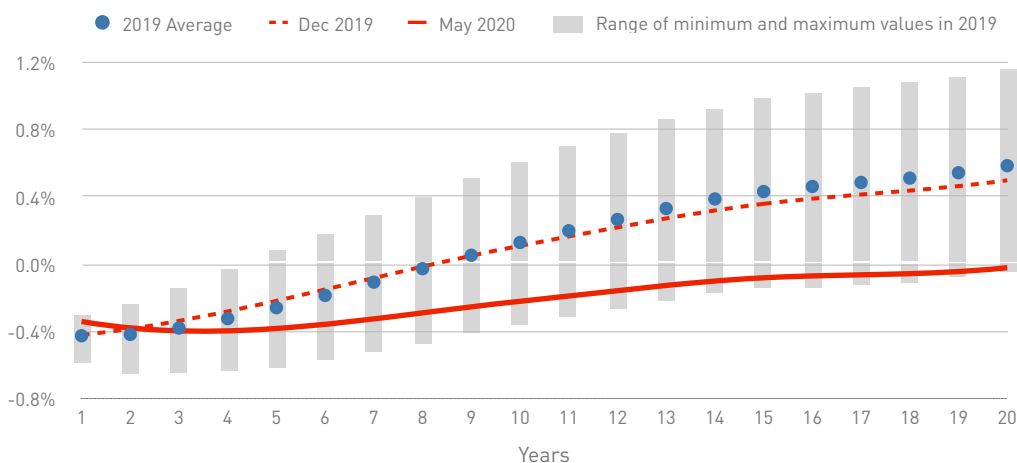
1.2. Demographic aspects

Demographic trends

The population pyramids created based on updated August 2019 United Nations (UN) data and forecasts 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 still have not captured the possible mortality effects caused by the COVID-19 pandemic), life expectancy at birth in Spain will reach 83.4 years in 2020, while this figure stood at 78.8 years in 2000 (an increase of almost five years over a twenty-year period). According to UN forecasts, life expectancy at birth of the Spanish population will reach 87 by 2050 and around 93 in 2100 (see Chart 1.2-b).

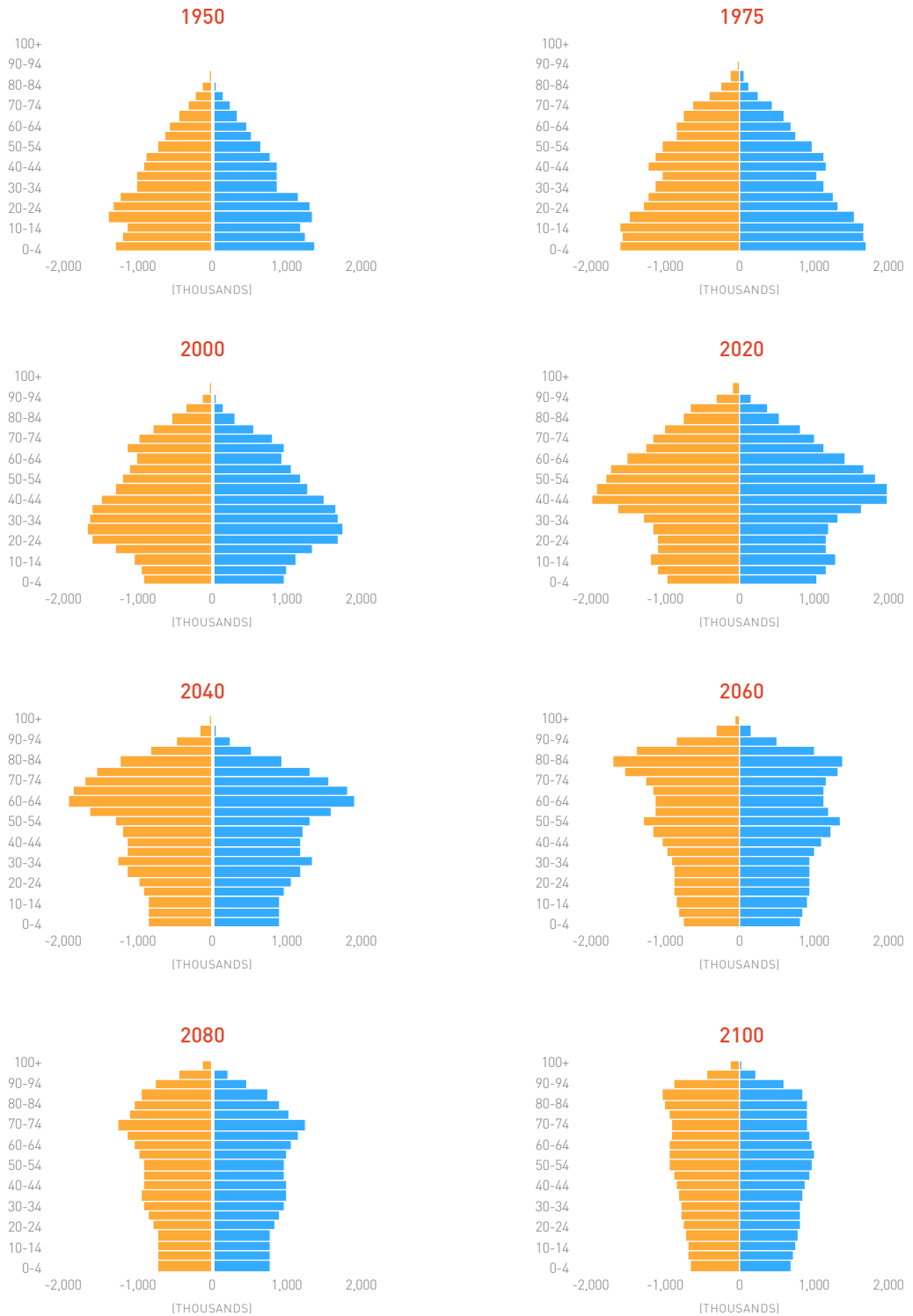
Chart 1.1-m
Eurozone: risk-free yield curve (%)



Source: MAPFRE Economics (based on EIOPA data)

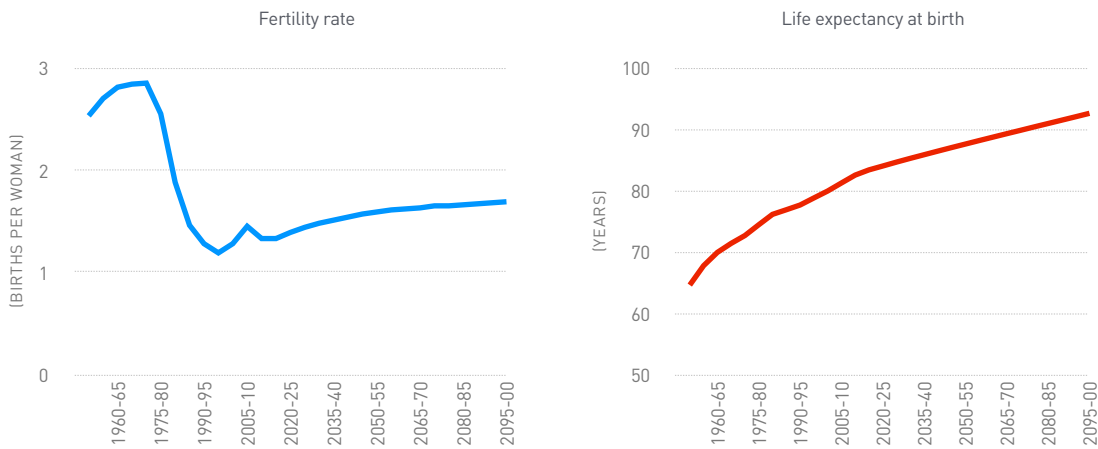
Chart 1.2-a
Spain: changes in the population pyramid, 1950-2100

Women Men



Source: MAPFRE Economics (updated based on UN data)

Chart 1.2-b
Spain: fertility rate and life expectancy at birth, 1950-2100



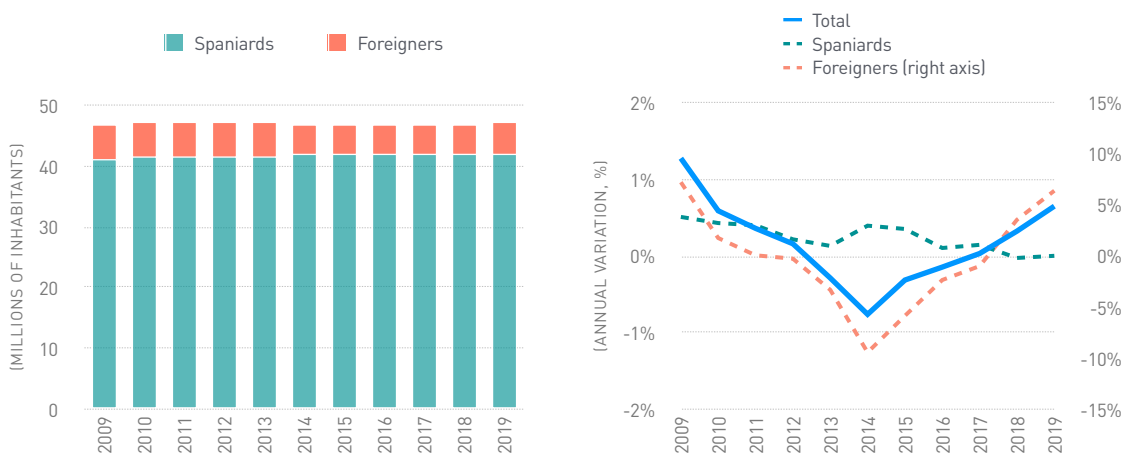
Source: MAPFRE Economics (updated based on UN data)

The issue of the aging population in Spain has become more pronounced, giving rise to a constrictive type of population pyramid, with no expectations that this trend can be reversed (creating a stationary type of 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.

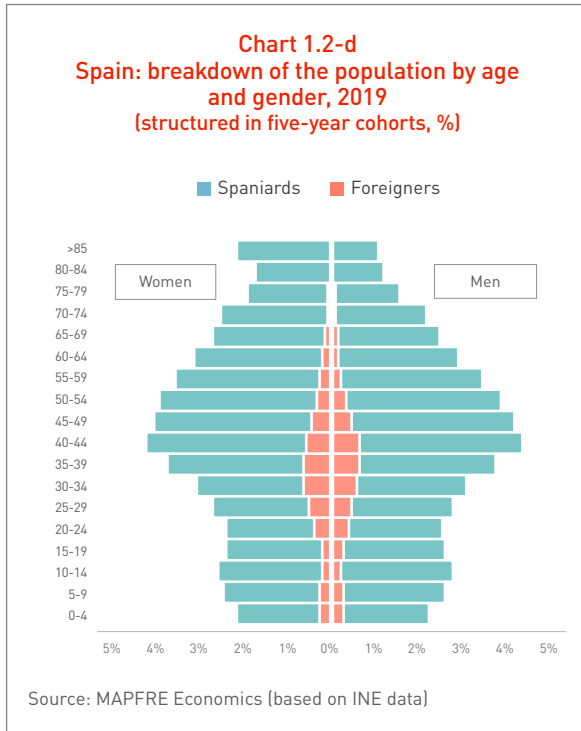
Situation in 2019

In terms of the demographic situation in 2019, according to the preview published by the INE containing provisional data as on January 2020, the Spanish population has reached 47.4 million inhabitants, of which 88.6% were Spanish and 11.4% foreign. As shown in Chart 1.2-c, the net number of Spaniards increased by 18,728 (0.04%) in 2019, while the number of foreigners increased by 386,320 (7.7%). Additionally, the

Chart 1.2-c
Spain: population changes, 2009-2019
(distribution, millions; annual variation, %)



Source: MAPFRE Economics (based on INE data)



average age of the population registered in the Municipal Census was 43.6; the average age of Spaniards was 44.5, and 36.2 for foreigners. Finally, Chart 1.2-d presents the breakdown of the population by age and gender, distinguishing between Spaniards and foreigners, based on definitive data published by the INE as on January 2019.

2. Structure of the insurance industry

2.1. Market concentration

The Spanish insurance industry has continued to slowly become more concentrated, which can be seen both in the fewer number of companies and in the Herfindahl and CR5 indices analyses. However, as indicated in previous reports⁵, the degree of concentration in the Spanish insurance market continues to reflect a high level of competition. Chart 2.1 shows that the Herfindahl Index stood at 479 points in 2009, while in 2019 this indicator had risen to 582 points, albeit still below the theoretical threshold (1,000-1,500 points), which indicates early signs of concentration in the industry. Thus, after a slight decline in this indicator in 2017 and 2018, it has grown once again in 2019.

The CR5 index also reflects this concentration increase over the 2009-2019 period, which was essentially thanks to the Life line. Chart 2.1 also clearly reflects a slight drop in premium revenue over the past three years in the five groups with the greatest share of the segment, resulting in a 4-pp drop of their overall market share since 2016, to 56.5%. The first five Non-Life groups,

for their part, have slightly increased their share in the last fiscal year to 47.3%.

2.2 Ranking of companies

Total market

As can be seen in Chart 2.2-a, VidaCaixa leads the ranking of the ten largest insurance groups in the Spanish market by premium volume in 2019, with a revenue of 8.58 billion euros, 4.4% more than the previous year, thereby increasing its market share by 0.6 pp to 13.4%. VidaCaixa's savings business performed very positively in premiums and contributions in 2019, with a significant increase in group insurance, while the risk business did not perform as well as the previous year. MAPFRE and Mutua Madrileña remain in second and third place, respectively, both with increased premiums and market shares. On the contrary, the Allianz group recorded a drop in premiums of -5.1%, which caused it to lose 0.3 pp of its share; however, it still remained in fourth place.

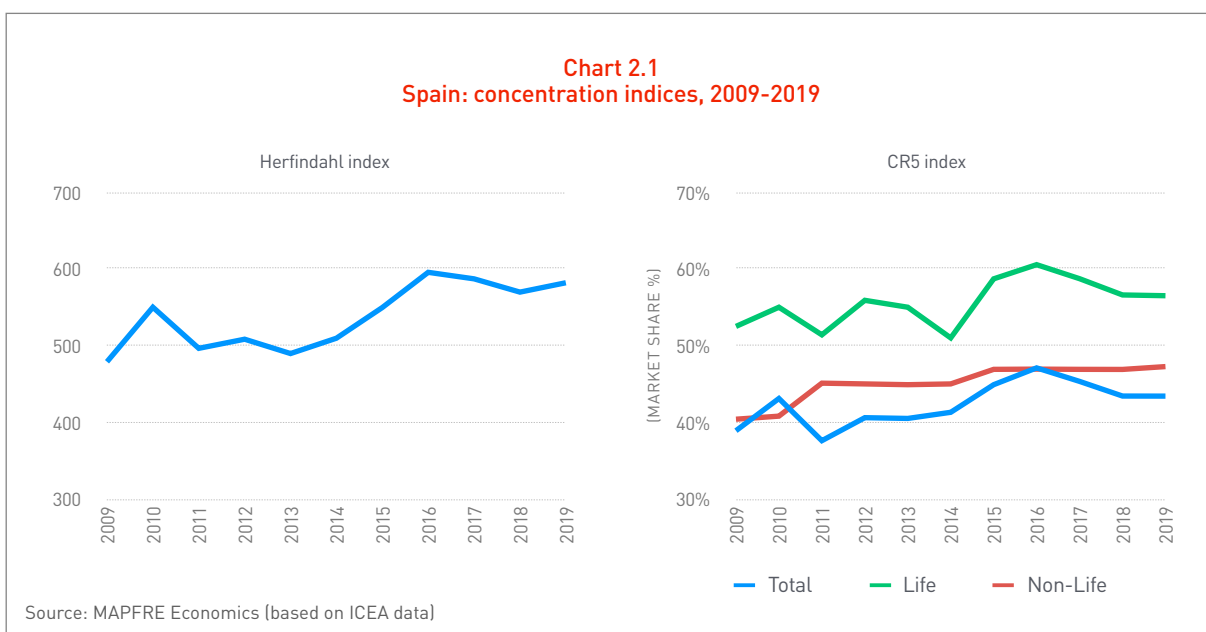
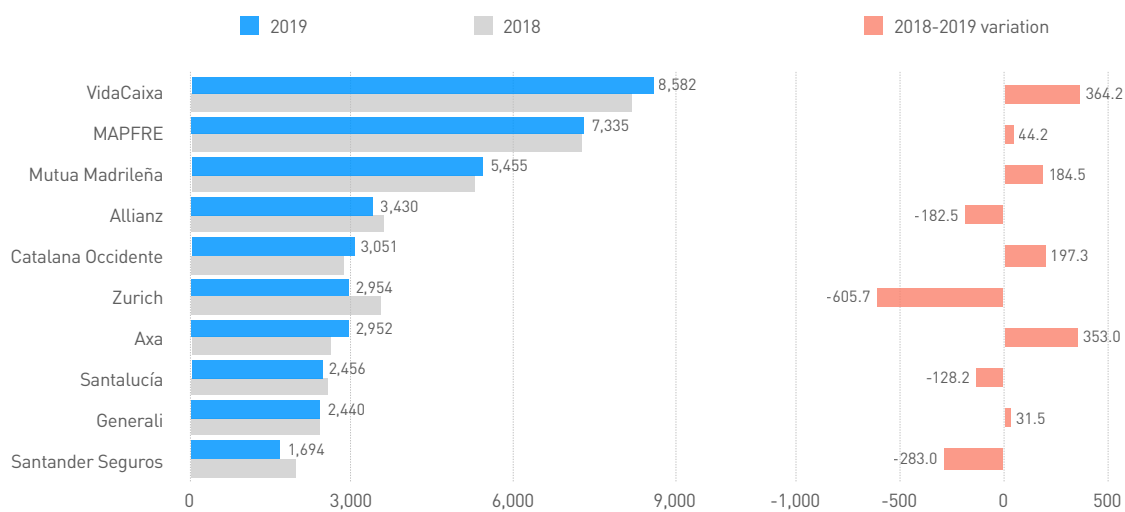


Chart 2.2-a
Spain: overall ranking of insurance groups by premium volume, 2018-2019
 (millions of euros)



Source: MAPFRE Economics (based on ICEA data)

Of the following places in the 2019 ranking, special note should be made of the rise of the Catalana Occidente group to fifth place, overtaking Zurich, which ranks sixth. The rise of Catalana Occidente is related to the acquisition of the company Antares. In January 2019, the Spanish National Commission of Markets and Competition (CNMC) authorized the first phase of the full sale of Telefonica's personal insurance company to Plus Ultra Seguros Generales y Vida, a subsidiary of Catalana Occidente; subsequently, in June 2019, the merger of Plus Ultra Seguros and Antares was agreed upon through the takeover of the latter.

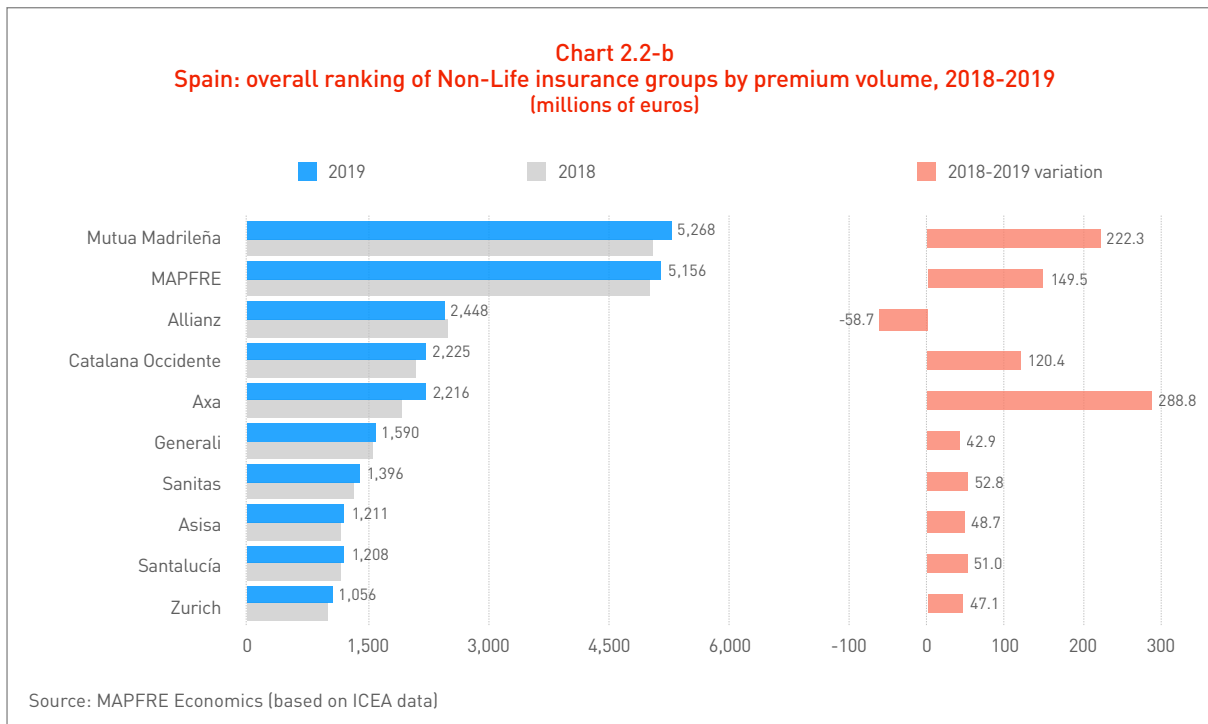
Non-Life market

The Mutua Madrileña group leads the ranking of the ten largest insurance groups in the Non-Life business in Spain for the second consecutive year. The group showed a premium growth of 4.4% in 2019 and a market share of 14.4%, as a result of the positive performance of its various insurance lines, particularly Automobiles and Health. MAPFRE holds second place in the 2019 ranking, with a share of 14.1% and a growth of 3%. These figures reflect the positive performance of the Automobiles, Health, Condominium and Homeowners

business. As can be seen in Chart 2.2-b, with the exception of Allianz, all groups in the Non-Life ranking recorded premium growth in 2019, and there was only a change in tenth place, which was recovered by Zurich after being held by Caser in 2018. Also noteworthy is the significant growth of Axa (15%), due, in addition to organic growth, to the incorporation of the premiums of the XL Group, whose acquisition was announced in 2018 and approved by the Central Bank of Ireland at the end of 2019.

Life market

The ranking of the ten largest Life groups by premium volume in Spain is shown in Chart 2.2-c. The decrease in the Life premium volume in the market is reflected in this ranking, which shows that eight of the ten largest groups recorded a decline in premiums in 2019. VidaCaixa, leader of the ranking in 2019, is one of the groups that has shown an increase, with its market share up 2.8 pp to 31.1%. As mentioned above, VidaCaixa's savings business performed very positively in terms of premiums and contributions in 2019, with a significant increase in group insurance.



With respect to the 2019 ranking based on the volume of technical provisions, Chart 2.2-d shows the ten insurance groups with the highest volume of savings managed in 2019 (by their business in Spain). This ranking is led by VidaCaixa with 54.74 billion euros in Life insurance technical provisions, representing a 28.1% share. MAPFRE ranks second with

17.6 billion euros in provisions and a 9% share. The ranking of the groups has seen little variation compared to the previous year, except for Mutua de la Abogacía gaining one place and Catalana Occidente making the ranking, bumping out Generali. Managed savings increased in all groups except Santander and BBVA Seguros.

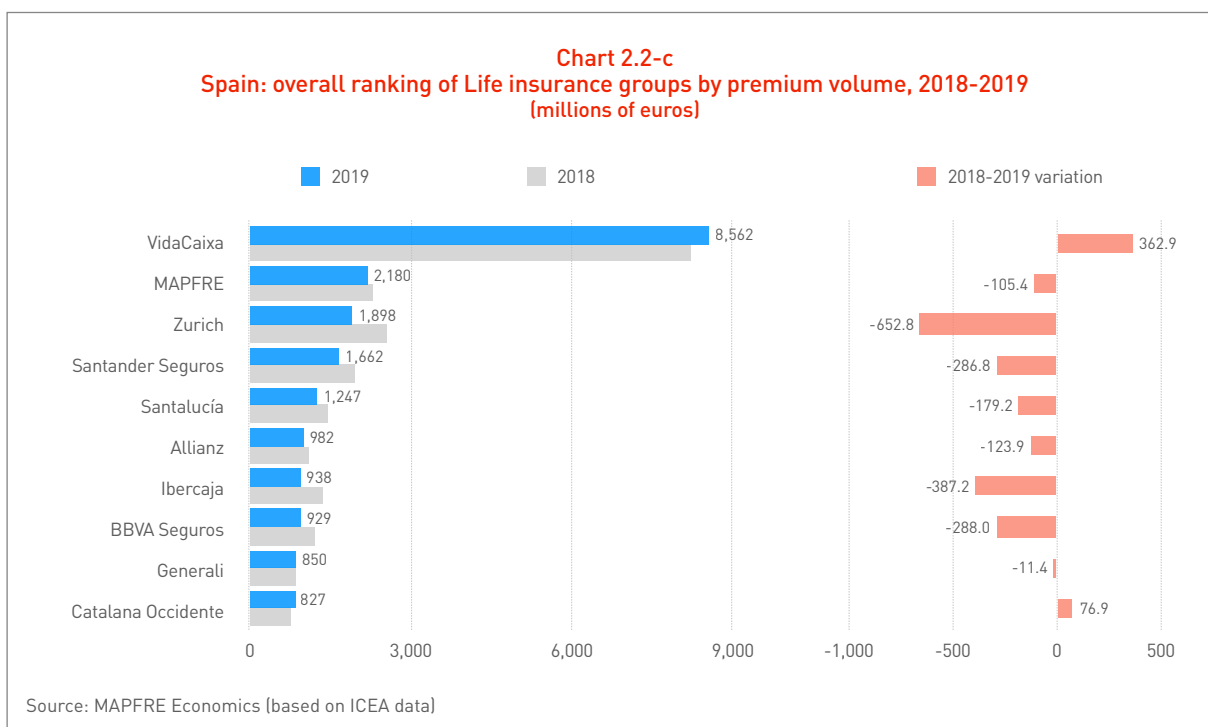
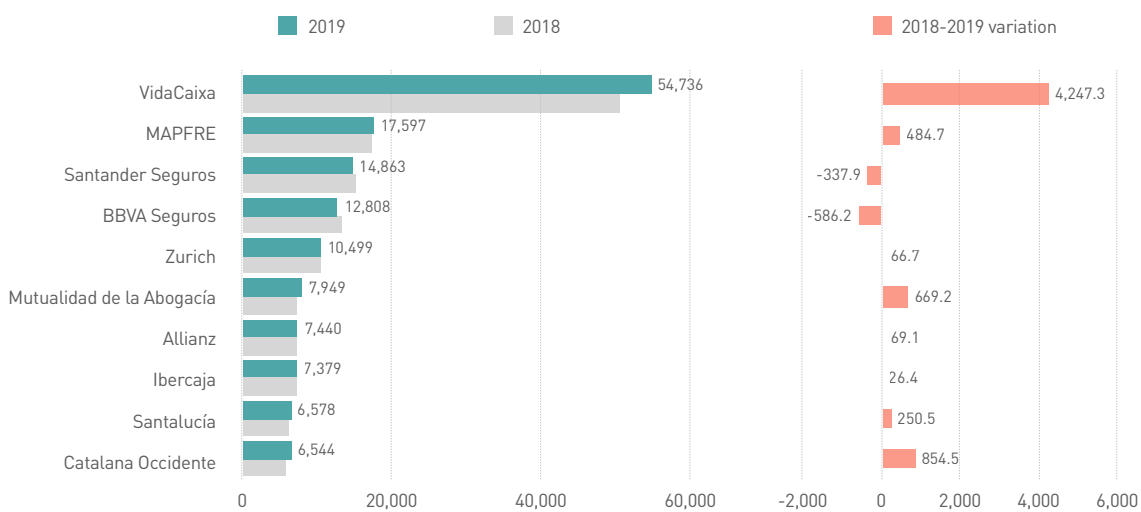


Chart 2.2-d
Spain: overall ranking of Life insurance groups by technical provisions, 2018-2019
 (millions of euros)



Source: MAPFRE Economics (based on ICEA data)

2.3 Insurance market structure

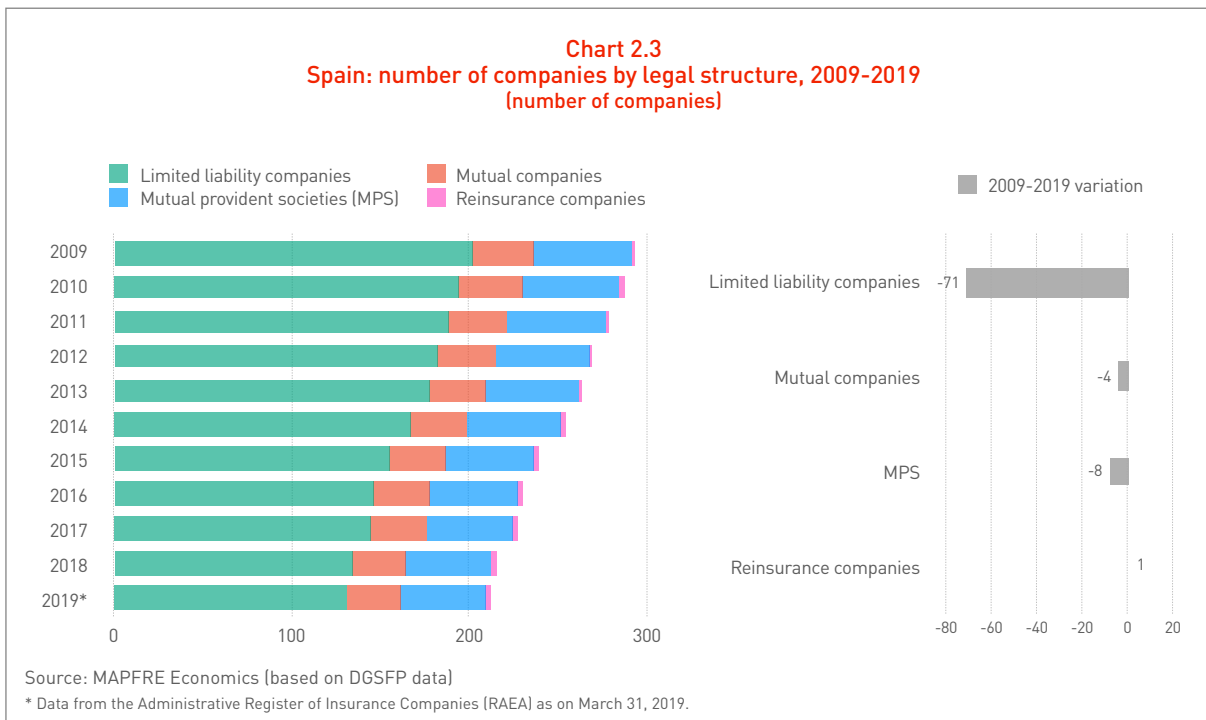
Insurance companies

In the first months of 2019, the number of insurance companies fell once again from December of the previous year, confirming the trend observed in recent years of a declining number of companies. As shown in Chart 2.3, as on March 31, 2019, there were 82 fewer companies than in 2009. Factors that have influenced this process include the reorganization of bancassurance agreements made by some banks following mergers with other credit institutions, as well as the entry into force of Solvency II, with insurance companies seeking a more appropriate size to deal with the quantitative and qualitative requirements of the new regulation.

At the end of March 2019, the *Registro Administrativo de Entidades Aseguradoras* (RAEA — administrative register of insurance companies) reported the existence of 212 insurance companies in the Spanish market, three fewer than in December 2018. Its legal structure can be broken down as follows: 131 limited liability companies, 30 mutual companies, and 48 mutual provident societies (under the control of the

General Directorate for Insurance and Pension Funds), as well as 3 specialized reinsurance companies.

Within the corporate movements carried out in 2019, processes of reorganizing bancassurance agreements continued to take place. An example of this is the agreement reached in June 2019 between Banco Santander and the Allianz group to terminate the agreement that Banco Popular had with the latter in Spain for the exclusive distribution of certain life insurance, general P&C insurance, collective investment schemes, and pension plans through the bank's network. In January 2020, the European Commission backed the agreement, approving the acquisition of Allianz Popular by Banco Santander, a company already controlled jointly with Allianz Europe. The agreement provided that 51% of the Life Protection insurance business linked to Allianz Popular Vida and 51% of the new general P&C insurance business from Banco Popular's network not transferred to MAPFRE be acquired by Aegon. This was in accordance with the agreement announced in July 2018, under which Aegon was established as Banco Santander's insurance partner in Spain for Life Protection insurance businesses and various



general P&C insurance lines following the integration of Banco Popular.

Furthermore, 50.01% of the Automobile, Commercial Multirisk, SME Multirisk, and Third-Party Liability insurance business for companies across Banco Santander's entire network in Spain was acquired by MAPFRE in accordance with the agreement reached between the two companies in January 2019. The operation came to a close in June 2019 upon receiving the approval of the corresponding authorities. As a result, MAPFRE became Banco Santander's insurance partner in Spain in these lines and products. The new company is called Santander MAPFRE Seguros y Reaseguros.

Another operation that MAPFRE carried out in 2019 was the formalization of a strategic alliance with Santalucía for the joint development of their respective funeral businesses in Spain. MAPFRE ESPAÑA and Santalucía will contribute the funeral business that they have in Spain from the companies FUNESPAÑA and Albia, both leading companies in the sector. In this case, the agreement is pending approval by the Spanish National Commission of Markets and Competition (CNMC).

Furthermore, in March 2018, the Axa Group announced its acquisition of XL Group, and in late 2019, the Central Bank of Ireland approved the merger of XL Insurance Company with Axa Corporate Solutions and Axa Art. The new division will be called Axa XL and will operate under the main brand Axa. This is the group's new division dedicated to major commercial lines of material damage and third-party liability, as well as specialty risks.

In November 2018, the Catalana Occidente Group reported the full purchase of Seguros de Vida Pensiones Antares, Telefonica's personal insurance company. With this operation, Catalana Occidente increased its standing in the health line, achieving ninth place in the line's ranking. In June 2019, the merger of Plus Ultra Seguros and Antares was agreed upon through the takeover of the latter.

Another significant operation was Helvetia's acquisition of a majority shareholding in the insurance company Caser, which was announced in January 2020. Helvetia has reached an agreement with several shareholders for the sale of its block of shares, and other shareholders will be able to sell their shares to Helvetia under the same conditions. At the

end of the process, it expects to have acquired up to a 70% shareholding in Caser. With this operation, Helvetia significantly increases its market share and position with regard to its competitors in Spain, boosts its significant Non-Life business even further, and expands its sales capacity.

Finally, in April 2020, BBVA and Allianz reached an agreement to create a bancassurance alliance, with the aim of jointly boosting Non-Life insurance business in Spain, excluding the Health line. This transaction is still pending approval by the regulatory authorities.

International presence of Spanish insurers

To demonstrate the internationalization of insurance groups with mainly Spanish capital, Table 2.3 shows the ranking of the four largest insurance groups by global premium volume. The data refers to 2019 and compares domestic business and total business (including international business)⁶.

In the ranking of total premiums, the MAPFRE Group holds first place, with a premium volume of 23.04 billion euros. VidaCaixa ranks second, with 8.67 billion euros in premiums in 2019. MAPFRE and Catalana Occidente are the groups with the highest percentage of premiums outside of Spain, although it should be noted that the General Directorate for Insurance and Pension Funds has identified the MAPFRE Group as the only internationally active Spanish insurance group⁷, after

examining the size and internationalization criteria set by the International Association of Insurance Supervisors (IAIS), based on the volume, percentage of premiums, and the number of countries in which international activity takes place. This designation aims to harmonize and improve the effectiveness of the supervision of international insurance groups and thus contribute to global financial stability.

The MAPFRE Group's accepted reinsurance and direct insurance premiums increased by 2.2%, mainly due to positive performance by the Reinsurance Unit and by countries such as Mexico, Peru, and the Dominican Republic. Of the total, 7.55 billion corresponded to the LATAM Territorial Area, 4.03 billion to the International Area (North America and Eurasia), and 5.58 billion to Reinsurance and Global Risk. Non-Life insurance premiums increased by 2.9%, mainly marked by the effect of the issuance of Petróleos Mexicanos' (PEMEX) policy, which explains the significant growth of the General P&C insurance business line. In 2019, MAPFRE acquired 51% of Health insurer Ars Palic after reaching an agreement with Centro Financiero BHD León, the Dominican Republic's largest financial institution, which retains the remaining 49%.

VidaCaixa is part of CaixaBank and also possesses 49.92% of SegurCaixa Adeslas and the full share capital of the Portuguese company BPI Vida e Pensões, which it acquired in 2017. The company BPI Vida e Pensões recorded 831 million euros in direct insurance premiums in 2019, compared to 517 million in

Table 2.3
Ranking of Spanish insurance groups by total insurance premiums at a global level, 2019
(millions of euros)

Insurance group	Global premiums	Premiums in Spain
MAPFRE	23,043.9	7,335.2
VidaCaixa	8,671.9	8,581.9
Mutua Madrileña Group	5,466.9	5,454.8
Catalana Occidente Group	4,414.0	3,051.4

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

2018, positioning it in fourth place in Portugal's total premium ranking.

The Mutua Madrileña group continued to develop its geographic diversification strategy in 2019, opening up new paths of growth in the international insurance business and announcing the purchase of 45% of the Colombian company Seguros del Estado. The operation includes Mutua Madrileña's option to expand its shareholdings from the fourth year and to acquire a controlling stake. The company has had a 40% stake in the Chilean company BCI since 2016; in 2020, it has the possibility of exercising the option to increase its stake to 60%. On June 24, 2020, the Board of Directors of Mutua Madrileña decided to exercise the purchase option in order to increase its stake to 60% and thus to hold the majority of its share capital and a controlling position.

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 Catalana Occidente Group maintains its global credit insurance transactions through Atradius y Atradius Re. In Spain and Portugal, the Group increased acquired premiums by 1.4%, and in the other European markets, premiums increased at an average rate of 6.8%, with notable steady growth in Germany. In the Americas, premiums grew by 18.5%, mainly as a result of the impact of exchange rates.

With regard to the international activity of other Spanish groups, although the Santalucía group mainly operates in Spain, several insurance companies form part of its internationalization strategy. In this respect, Santalucía has alliances in Colombia and Portugal through companies registered in these countries; SOS Seguros y Reaseguros has minimal business in the Principality of Andorra, and Unicorp Vida operates in Germany and the United Kingdom under the freedom to provide services regime. Business in these countries accounts for less than 10% of the total gross earned premiums at the group level.

For its part, Asisa mainly operates domestically, although it is also developing business in Portugal. The group wants to strengthen its international presence in the health sphere, and is currently operating in this sector in Brazil, Mexico, Nicaragua, Portugal, Italy, Oman, and the United Arab Emirates.

In Spain, Santander Seguros is the third largest group in terms of technical provisions, with 14.86 billion euros. Outside Spain, Banco Santander continued the strategic agreements it entered into with various insurance companies, such as those signed with Zurich for Latin America, with Aegon in Portugal, with CNP to boost the growth of the insurance business of the Santander Consumer Finance (SCF) unit, and with Aviva, it also maintains an alliance with joint subsidiaries in Poland. The company has recently integrated its insurance business into the Wealth Management & Insurance division (private banking, asset management and insurance).

BBVA is present in the insurance market in Mexico, Argentina, Colombia, and Venezuela. In 2019, its subsidiaries in Mexico (Seguros BBVA Bancomer, BBVA Bancomer Seguros Salud, and Pensiones BBVA Bancomer), its main foreign market, recorded 53.78 billion pesos in premiums (2.8 billion dollars), 85% of which were in the Life line.

CESCE operates in 10 countries worldwide, with 7 of which are in Latin America, where the insurer has been present for 20 years and has 8 insurance companies, 3 service companies, and a commercial and financial information company (Informa Colombia). The aggregate annual premium volume generated by the group's Latin American companies amounts to 55 million euros; this figure makes up approximately 50% of the business generated in Spain, with an average annual profit of 2 million euros. In April 2020, the Argentine Cabinet of Ministers authorized the sale of the company Cesce Argentina Seguros de Crédito y Garantías. The sale operation was carried out through an auction, and an Argentine insurer, TPC Compañía de Seguros, was the successful bidder.

Finally, AMA América has been present in Ecuador for five years. The insurer closed 2019 with growth of around 100%, attaining just over two million dollars in premiums, and expects to increase its range of insurance products, offering life insurance for health professionals and students in all healthcare lines from the last quarter of 2020.

Spanish companies active in the European Economic Area

As on December 31, 2018, based on the latest data available from the General Directorate for Insurance and Pensions Funds (DGSFP), 53 Spanish companies were operating under the right of establishment in the countries of the European Economic Area (EEA), one fewer than the previous year. The country with the largest number of branches was Portugal (12), followed by Italy (7) and the United Kingdom (5). As on the same date, there were 54 Spanish companies operating under the freedom to provide services regime in the EEA, one fewer than in 2017, with Portugal and the United Kingdom still leading with the most companies, followed by Germany and France.

Moreover, direct insurance and accepted reinsurance gross premiums arising as a result of these operations amounted to 3.17 billion euros in 2018 (latest data available), with 98% corresponding to Spanish branches in the EEA mainly in the Non-Life business (2.33 billion euros). The companies operating under the freedom to provide services regime recorded 55 million euros. The largest markets in terms of total business were the United Kingdom, Italy, France, and Germany, in that order.

Foreign investment in the Spanish insurance industry

According to the latest DGSFP data, 22 companies in Spain had foreign capital in 2018, six fewer than the previous year. The amount of subscribed capital from foreign investors totaled 1.1 billion euros (compared to 1.18 billion in 2017), representing 11.88% of the

sector's total capital (12.82% in 2017). It is worth noting that the ranking of companies operating in Spain, shown in part 2.2 of this section of the report, provides an indication of the importance of the presence of large international insurance groups in Spain.

Furthermore, as on December 31, 2018 (the latest data available), 82 branches of EEA companies are operating in Spain, along with 2 branches from third-party countries, and 853 companies are authorized to operate in Spain under the freedom to provide services regime. The premium volume of direct insurance and accepted reinsurance totaled 4.99 billion euros in 2017 (latest data available), 11.6% lower than the previous year, while the premiums issued in companies operating both under the freedom to provide services regime and under the right of establishment decreased by 11.3% and 11.8% respectively.

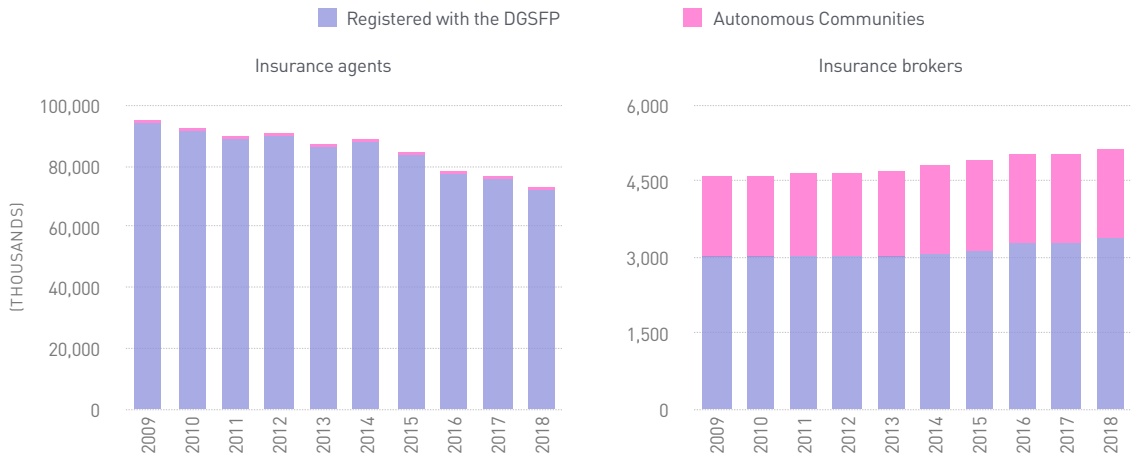
Mutual provident societies

Mutual provident societies are non-profit private insurance companies that offer a voluntary insurance modality, complementary to the compulsory Social Security system, and can also act as alternatives to the Social Security regime for self-employed workers. According to provisional data from the Spanish Confederation of Mutual Provident Societies on a total of 280 of its members, at the end of 2018 (latest data available), these companies earned 3.56 billion euros in premiums, representing growth of 2.9% compared to the previous year. The volume of managed assets at the end of 2018 totaled 45.93 billion euros, compared to 45.15 billion euros in 2017.

2.4 Distribution channels

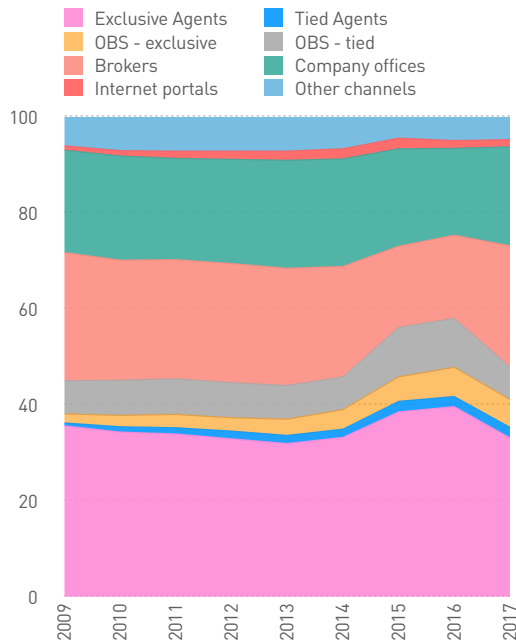
As for distribution channels in the Spanish insurance market, according to the latest information available from the DGSFP, there were a total of 78,127 insurance intermediaries in Spain as on December 31, 2018 (4.9% less than in 2017); 96.6% of which were registered with the DGSFP, with the remaining 3.4% registered with the Autonomous Communities

Chart 2.4-a
Spain: number of insurance brokers, 2009-2018
(insurance brokers and agents)



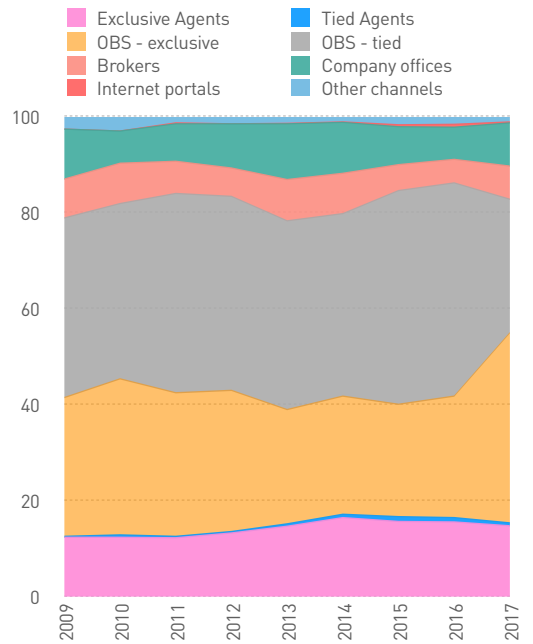
Source: MAPFRE Economics (based on DGSFP data)

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)

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

Channel	2009	2010	2011	2012	2013	2014	2015	2016	2017
Exclusive agents	35.7	34.4	34.0	33.0	32.0	33.3	38.6	39.7	33.2
Tied agents	0.6	1.1	1.3	1.6	1.7	1.7	2.2	2.1	2.2
OBS - exclusive	1.9	2.4	2.8	2.8	3.4	4.1	5.1	6.1	5.8
OBS - tied	6.9	7.3	7.4	7.3	7.0	6.8	10.3	10.2	6.8
Brokers	26.7	25.0	24.8	24.8	24.4	23.0	16.9	17.3	25.2
Company offices	21.3	21.7	21.1	21.7	22.5	22.4	20.3	18.1	20.6
Internet portals	0.9	1.1	1.5	1.7	1.9	2.1	2.2	1.6	1.5
Other channels	5.9	7.1	7.1	7.2	7.1	6.7	4.6	5.0	4.9
Total	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)

(see Chart 2.4-a). Of these, 72,380 were exclusive agents and operators; 536 were tied bancassurance agents and operators, and 5,148 were insurance brokers. Lastly, at the end of 2018, there were also a total of 63 reinsurance brokers.

However, the evolution of the brokering business, with a more detailed breakdown by channels between 2008 and 2017 (period available with this level of detail), is shown in Charts 2.4-b and 2.4-c. As can be seen from this information, 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 and, on the other, sales through the companies' own offices. Emerging channels (such as online sales) continue to represent a very small portion of Non-Life insurance distribution.

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 25.3% to

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

Channel	2009	2010	2011	2012	2013	2014	2015	2016	2017
Exclusive agents	12.5	12.5	12.4	13.4	14.8	16.6	15.8	15.7	14.9
Tied agents	0.2	0.5	0.3	0.3	0.5	0.7	1.0	0.9	0.6
OBS - exclusive	28.9	32.5	29.9	29.4	23.8	24.6	23.4	25.3	39.6
OBS - tied	37.4	36.5	41.5	40.4	39.3	38.0	44.5	44.4	27.8
Brokers	8.1	8.4	6.7	5.9	8.6	8.4	5.4	4.9	6.9
Company offices	10.4	6.7	7.8	9.2	11.6	10.6	7.9	6.7	9.0
Internet portals	0.0	0.0	0.2	0.0	0.1	0.1	0.4	0.6	0.2
Other channels	2.6	2.8	1.2	1.4	1.4	1.2	1.6	1.5	1.0
Total	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)

39.6% and tied operators decreasing their share from 44.4% to 27.8%. 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 show the data available for the aforementioned period on the product distribution structure by channel in the Spanish insurance industry, for both the Non-Life and Life segments.

3. The insurance market in 2019: An analysis of the main business lines

3.1. Total market

The global insurance business in 2019

Global insurance increased its premium volume once again in 2019 to 6.3 trillion dollars⁸, which represents an actual growth of 2.9%, slightly below the 3.2% recorded in 2018. It should be noted that the slowdown in economic growth and the low interest rate environment in developed countries were factors that limited the growth of the global insurance industry. For yet another year, the boost came from Non-Life insurance lines, with an actual increase of 3.5% compared to the 2.2% of Life insurance, with larger increases in emerging markets than in developed markets.

Despite the difficult sales environment, characterized by persistently low or negative interest rates, Life insurance premium revenue in global markets rose moderately to 2.9 trillion dollars. Premiums grew modestly in developed insurance markets, while emerging markets once again experienced strong increases following the fall in the previous year. In real terms, the greatest growth in the Life business was experienced by the Latin American and Caribbean region, thanks to the momentum of its two main markets, Brazil and Mexico.

Moreover, the Non-Life insurance premium volume totaled 3.4 trillion US dollars, which is 3.5% higher than 2018 in real terms. Growth was solid in emerging economies—mainly Asia—with performance in China and India being notable. Latin American markets showed moderate growth, with decreases in real terms in Brazil, Honduras, Nicaragua, and Panama. In Europe, the slowdown in economic growth limited the increase in Non-Life businesses.

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 fourteenth place in the ranking of world markets by premium volume, behind Brazil.

Table 3.1-a
Size of the world's largest
insurance markets, 2019
(indicators)

Country	Premiums (billions of US dollars)	Premiums per capita (USD)	Premiums/ GDP (%)
United States	2,460.1	7,495	11.4%
China	617.4	430	4.3%
Japan	459.3	3,621	9.0%
Great Britain	366.2	4,362	10.3%
France	262.3	3,719	9.2%
Germany	243.9	2,934	6.3%
South Korea	174.5	3,366	10.8%
Italy	167.8	2,764	8.3%
Canada	133.2	3,548	7.7%
Taiwan	117.8	4,993	20.0%
India	106.3	78	3.8%
Netherlands	83.7	4,822	9.2%
Brazil	74.1	351	4.0%
Spain	71.0	1,508	5.1%
Australia	68.7	2,702	5.0%
World	6,293.0	818	7.2%

Source: MAPFRE Economics (based on Swiss Re data)

The Spanish insurance business in 2019

Growth in insurance industry premium volume

After the growth observed the previous year (1.5%), the Spanish insurance industry saw a slight -0.4% decline in 2019 (see Chart 3.1-a). Unlike in 2018, the growth of Non-Life lines (3.4%) did not offset the fall in the Life segment (-5.1%). Table 3.1-b shows a breakdown of how most lines of the Non-Life insurance segment showed growth, with Health and Multirisk standing out for their higher volume of growth (4.8% and 4%, respectively).

The Automobile line continues to be the line that contributes the highest premium volume in Non-Life insurance (30.9%), although its share has fallen by 5.8 percentage points (pp) in the last decade, from the 36.7% it held in 2009. The amount of written premiums in this line increased by 1.5% in 2019 compared to the previous year, amounting to 11.31 billion euros, due both to the increase in the average premium and to the number of insured vehicles — which, with 31.8 million vehicles, increased by 1% (see Table 3.2-a). New vehicle sales should also be kept in mind, as a larger number of high-end

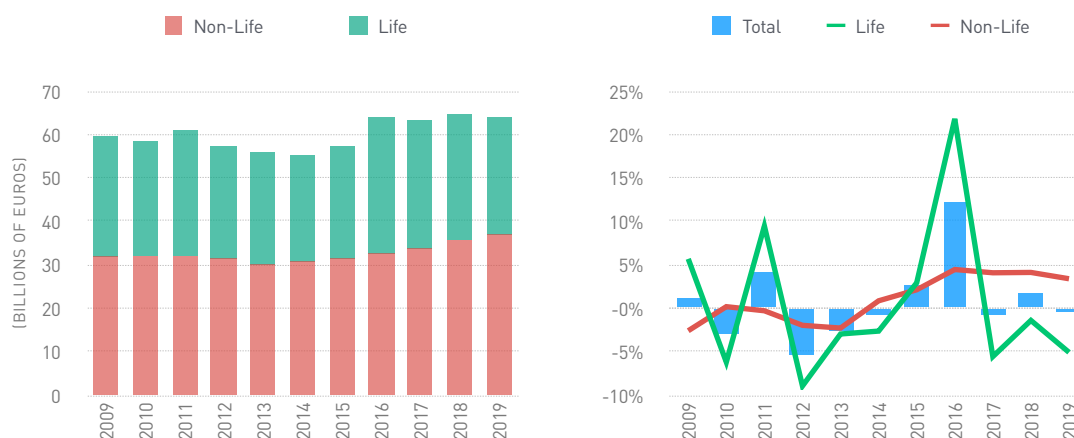
products were purchased with higher average premiums.

Contrary to what is happening in the Automobile line, Health insurance has gradually increased its market share to 24.4% today, becoming the second largest Non-Life line since 2009, amounting to 8.92 million euros in premiums. In 2019, the trend in recent years toward the collectivization of health insurance continued, as collective insurance grew by 6.4%, while individual insurance increased by 3.5%. However, 70.5% of the industry's total premium collection still comes from individual insurance.

The volume of Multirisk insurance premiums reached 7.52 billion euros in 2019, up by 4% from the previous year, maintaining its place as the third largest Non-Life line in terms of premium volume, with a market share of 20.5%. All modalities saw an increase in premiums, with the stand-out being the 5.2% increase in Industrial Multirisk insurance, followed by Homeowners (4.2%), Condominium (3.1%) and Commercial insurance (1.1%).

The next Non-Life line by premium volume continues to be Burial insurance, with revenue of 2.46 billion euros in 2019, up by 3.9% from the previous year. This growth has been very

Chart 3.1-a
Trends in direct insurance in Spain, 2009-2019
(earned direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

Table 3.1-b
Distribution of business by lines, 2018-2019
 (earned direct insurance premiums, millions of euros)

Lines	2018	2019	% Δ s/2018	% subtotal
Total	64,424	64,156	-0.4%	100.00%
Life	28,995	27,523	-5.1%	42.90%
Non-Life	35,430	36,632	3.4%	57.10%
Automobile	11,138	11,307	1.5%	17.62%
Automobile TPL	5,851	5,871	0.4%	9.15%
Automobile Other Guarantees	5,287	5,436	2.8%	8.47%
Health	8,516	8,923	4.8%	13.91%
Healthcare assistance	7,526	7,899	4.9%	12.31%
Illness	990	1,024	3.4%	1.60%
Multirisk	7,234	7,521	4.0%	11.72%
Homeowners	4,348	4,529	4.2%	7.06%
Commercial	595	602	1.1%	0.94%
Condominium	898	927	3.1%	1.44%
Industrial	1,316	1,385	5.2%	2.16%
Other	76	79	3.1%	0.12%
Burials	2,367	2,460	3.9%	3.83%
Third-Party Liability	1,532	1,597	4.3%	2.49%
Accidents	1,152	1,150	-0.2%	1.79%
Other Damage to P&C	1,217	1,292	6.1%	2.01%
Credit	584	607	3.9%	0.95%
Transport	460	498	8.3%	0.78%
Hull	216	243	12.6%	0.38%
Goods	244	255	4.5%	0.40%
Assistance	433	461	6.4%	0.72%
Pecuniary Losses	386	375	-2.8%	0.59%
Fire	194	181	-7.1%	0.28%
Legal Defense	106	110	3.2%	0.17%
Surety	84	122	44.9%	0.19%
Theft	24	30	22.2%	0.05%

Source: MAPFRE Economics (based on ICEA data)

similar to that in 2018, as well as that of the average recorded over the last ten years, showing stability originating in the ongoing structure of the product, which protects it against fluctuations in the economic cycles. The rise in sales of the single-premium modality in recent years has boosted growth in the line, which, together with the mixed modalities in which one part of the premium is level and the other part is natural, account for 80% of new business premiums.

Life insurance grew by 3.4% in 2019 measured in terms of technical provisions, but premiums fell by -5.1%. This was mainly due to the decline in the individual insurance business, which fell by -9.1%, even though collective insurance premiums increased by 30%. Life Protection premiums grew by 3.1%, while Savings premiums fell by -6.7%. Here, the deferred capital modality, which has a significant impact on Savings overall, fell by -13.2%; however, annuities and unit-linked insurance saw growth of 3.8% and 19.4%, respectively.

Contribution to growth from different business lines

An analysis of the medium-term (2009-2019) indicates that Non-Life insurance contributed the most to growth in the Spanish insurance industry over the last decade, which explains the 71.6% accumulated growth in the insurance industry. In particular, in 2019, the -0.4-pp contraction in the industry can be explained by the negative -2.3 pp contribution from Life insurance policies, and a positive contribution of 1.9 pp from the Non-Life lines (see Table 3.1-c and Chart 3.1-b).

It is important to note that the structure of the negative contribution of the Life insurance segment in 2019 was specifically influenced by a negative contribution from Life Savings insurance (-2.5 pp), as the contribution of Life Protection insurance was positive at 0.2 pp. This is the third consecutive year in which there was a negative contribution by the Life segment to the growth of the Spanish market, driven by the decrease in Life Savings. This explains why, during the 2009-2019 period, the growth of this

Table 3.1-c
Contribution to insurance market growth,
2009-2019
(percentage points, pp)

Year	Annual growth (pp)	Contribution to growth (pp)	
		Life	Non-Life
2009	1.1	2.6	-1.4
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	-0.7	2.2
2019	-0.4	-2.3	1.9

Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-b
Contribution to insurance market growth,
2009-2019
(percentage points, pp)

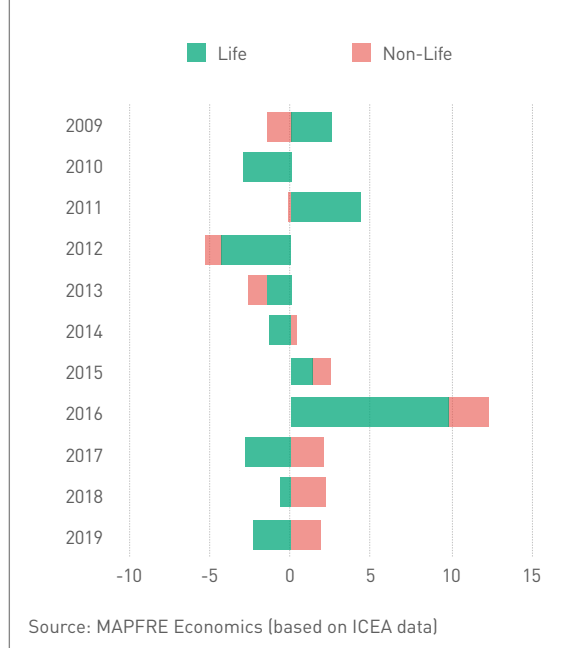


Table 3.1-d
Contribution to Life and Non-Life insurance market growth, 2009-2019
 (percentage points, pp)

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		Automobile	Multirisk	Health	Other
2009	2.6	-0.1	2.6	-1.4	-1.1	0.3	0.5	-1.1
2010	-2.9	0.3	-3.2	0.1	-0.2	0.3	0.4	-0.4
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	0.6
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	0.4	0.4	0.7	0.7
2019	-2.3	0.2	-2.5	1.9	0.3	0.5	0.6	0.5

Source: MAPFRE Economics (based on ICEA data)

segment was due to the dynamics of Life Protection insurance, with a contribution of 80.3% (see Table 3.1-d).

As for Non-Life insurance, all the lines comprising this market segment made positive contributions to growth in 2019 (see Table 3.1-d). As in 2018, the Automobile and Multirisk lines maintained their contribution to growth at 0.3 and 0.5 pp respectively. Health continues to be the line most contributing to the positive performance of the Non-Life segment, both in 2019 with a contribution of 0.6 pp, and during the 2009-2019 period, thereby explaining the 79% growth. The rest of the Non-Life insurance lines made a positive joint contribution to growth of 0.5 pp. Multirisk lines also contributed positively to growth in the last decade (41.3%), while the contribution of Automobiles has been negative (-27.4%).

Technical performance: aggregate combined ratios

Notwithstanding the greater detail shown below for the various business lines, Chart 3.1-c shows the aggregate technical performance of the Spanish insurance industry over the

2009-2019 period, based on the trend in the total combined ratio.

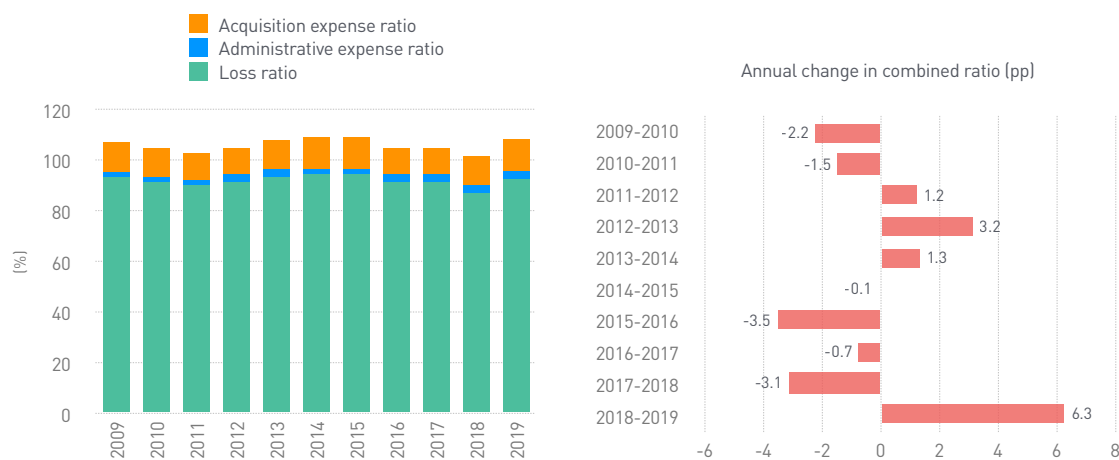
Analyzing the insurance market as a whole, the combined ratio was 108% during 2019, showing a rise of 6.3 pp from the 2018 value (101.7%), with a loss ratio of 92.4% (86.9% in 2018), an administration expense ratio of 3.5% (3.2% in 2018), and an acquisition expense ratio of 12.1% (11.7% in 2018). The increase of 5.5 pp in the loss ratio and the slight increase of 0.7 pp in expenditure were caused by the impairment of the combined ratio, after four years of uninterrupted improvement (see Chart 3.1.-c).

The combined ratio for the Non-Life insurance segment during 2019 was 92.9%, which is 0.8 pp below the figure recorded for 2018 (93.7%), due to an improved loss ratio of -0.8 pp at 70.7%. The administration expense ratio deteriorated by 0.4 pp, which improved the acquisition expense ratio (see Chart 3.1-d).

Results and profitability

The Spanish insurance industry totaled a result of 4.97 billion euros during 2019, comprising a 5.2% increase compared to the figure of the

Chart 3.1-c
Trends in the total combined ratio, 2009-2019
 (total combined ratio, %; annual change in combined ratio, pp)



Source: MAPFRE Economics (based on ICEA data)

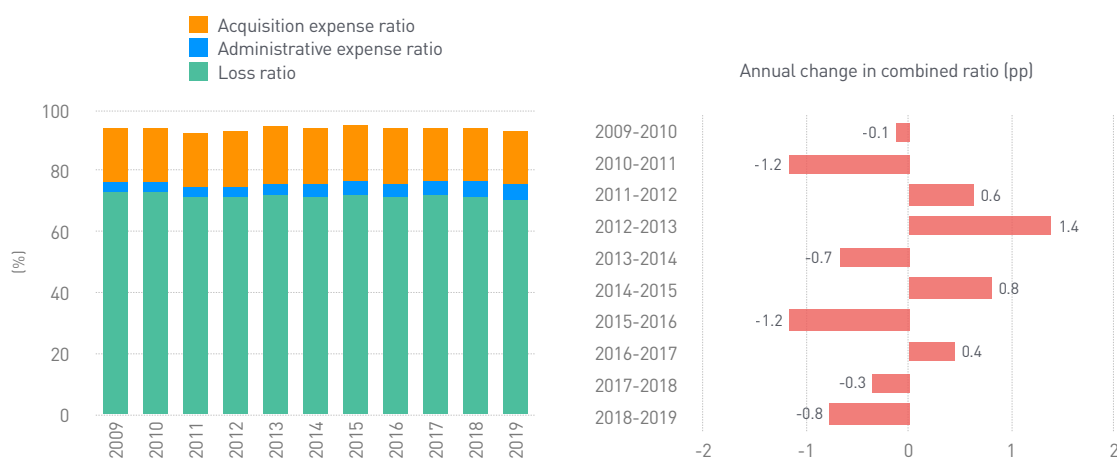
previous fiscal year. Technical account results increased by 7.9% as a result of an improvement in both the Life line and the Non-Life line (see Table 3.1-e).

The Non-Life segment technical account for 2019 totaled a result of 3.47 billion euros, which is 10.5% higher than the previous year, exceeding the 5% growth recorded in 2018. The improved combined ratio resulting from the excellent performance of the Non-Life

insurance loss ratio had a positive effect on technical account results. However, the financial result remained constant at 3.1%, with the technical-financial result finally increasing by 0.8 pp to 10.2% (see Table 3.1-f).

The technical account result for Life insurance totaled 2.4 billion euros, 4.3% higher than the previous year. This increase, coupled with the improved financial result, maintains the technical-financial result and accounts for 1.2%

Chart 3.1-d
Trends in the Non-Life combined ratio, 2009-2019
 (total combined ratio, %; annual change in combined ratio, pp)



Source: MAPFRE Economics (based on ICEA data)

Table 3.1-e
Spanish insurance industry results,
2018-2019
(results, millions of euros)

Year	2018	2019	Percentage variation
Technical account	5,434	5,863	7.9%
Life	2,298	2,397	4.3%
Non-Life	3,136	3,466	10.5%
Non-technical account	4,725	4,970	5.2%

Source: MAPFRE Economics (based on ICEA data)

of the technical provisions in 2019 (see Table 3.1-g). Life insurance technical provisions totaled 194.79 billion euros during 2019, representing a growth of 3.4% compared to the previous year.

However, the performance of insurance activity in 2019 continued its downward trend that started a year ago, with a return on equity (ROE) of 10.9%, -0.47 pp less than in 2018 (see Chart 3.1-e). Likewise, industry profitability, measured in terms of return on assets (ROA), also showed a slight decline (-0.06 pp), with 1.4% during 2019 vs. 1.5% during 2018 (see Chart 3.1-f).

Table 3.1-f
Basic Non-Life insurance indicators, 2018-2019
(premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	35,430	36,632
Variation in premiums	4.1%	3.4%
Retention	84.9%	85.6%
Gross loss ratio	69.8%	69.4%
Gross expenses	22.4%	22.9%
Net loss ratio	71.5%	70.7%
Net combined ratio	93.7%	92.9%
Financial result	3.1%	3.1%
Technical-financial result	9.4%	10.2%

Source: MAPFRE Economics (based on ICEA data)

Investments

Total investment by Spanish insurance companies amounted to 319.75 billion euros in 2019, representing a 6.4% increase compared to 2018. An analysis of the investment portfolio breakdown by type of assets shows that fixed income securities have increased their relative weight over the 2009-2019 period, from 63.6% in 2009 to 75.5% in 2019. The percentage of held-for-sale assets and cash balances decreased to 6.4% in 2019, compared to 16.6% in 2009. The percentage of equity investments had dropped by 0.3 pp between 2009 and 2012, yet seem to be back on track to recovery at 5.6% in 2019, which is slightly higher than during the 2008 crisis when they represented 4.2% of the portfolio. This represents the highest figure of the decade (see Chart 3.1-g). An analysis of the investment structure at the end of 2019 is shown in Chart 3.1-h. The category of fixed income assets shows that sovereign fixed income is predominant, representing 55.6% of the investment portfolio.

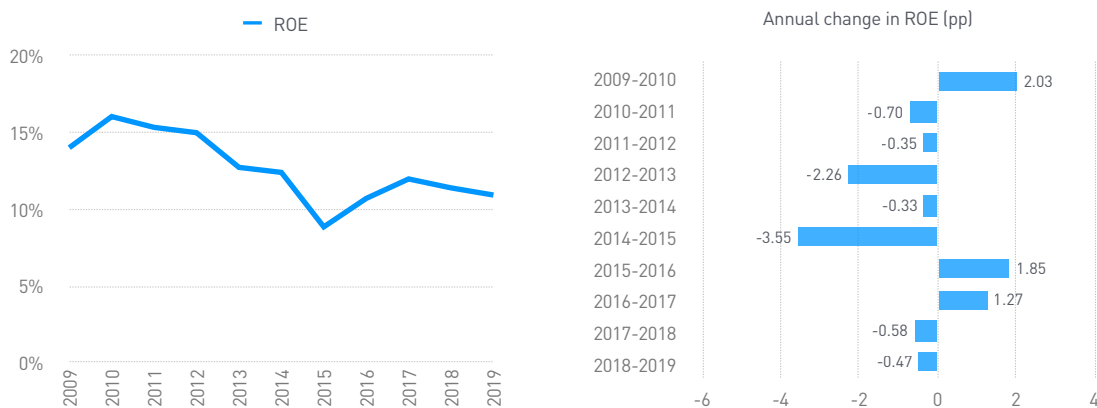
Corporate fixed income represented 19.8% of the portfolio. These average percentages also varied according to the sub-portfolios into which the total investment portfolio can be subdivided. In these sub-portfolios, investment decisions differed depending on the different requirements in relation to their liquidity and the matching of flows between assets and liabilities. Within portfolios linked to Life

Table 3.1-g
Basic Life insurance indicators, 2018-2019
(premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	28,995	27,523
Variation in premiums	-1.4%	-5.1%
Technical provisions (millions of euros)	188,467	194,786
Net expenses (over provisions)	1.0%	1.1%
Financial result (over provisions)	2.9%	4.9%
Technical-financial result (over provisions)	1.2%	1.2%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.1-e
Trends in return on equity (ROE), 2009-2019
(return on equity, %; annual change in ROE, pp)

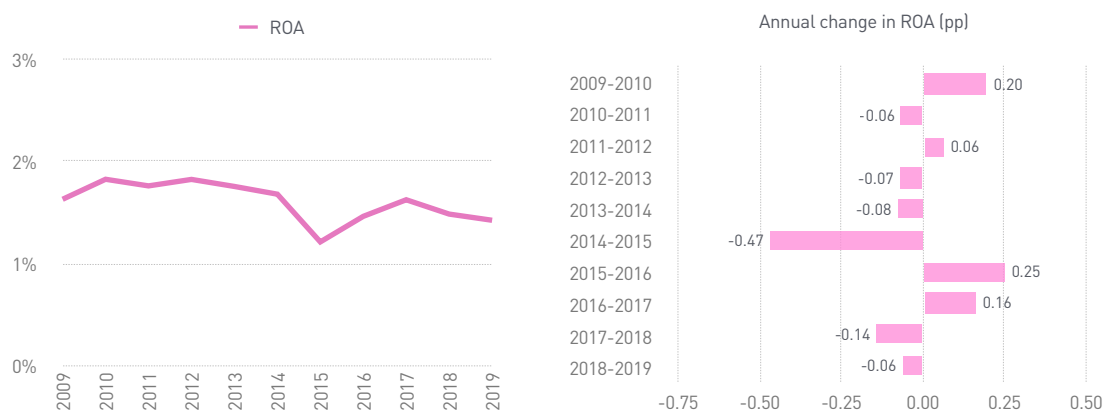


Source: MAPFRE Economics (based on ICEA data)

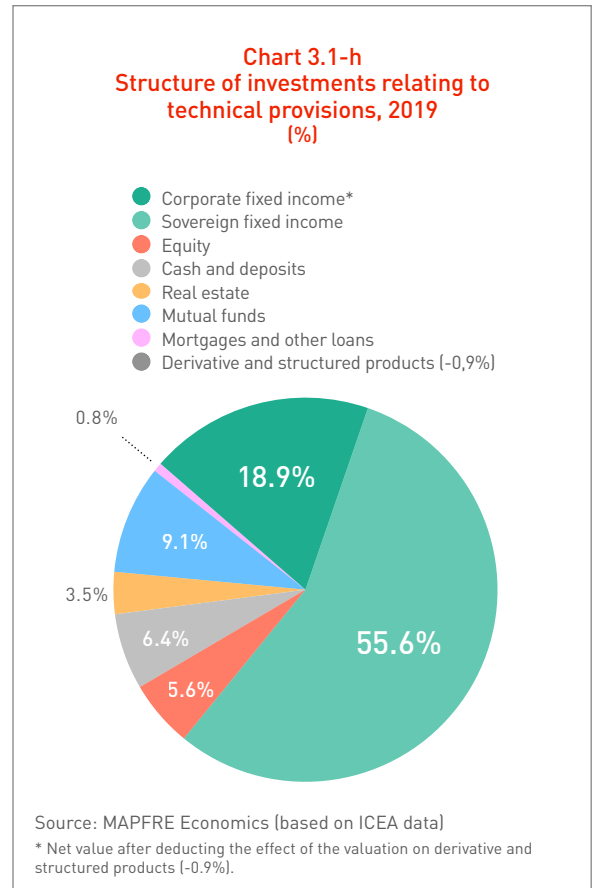
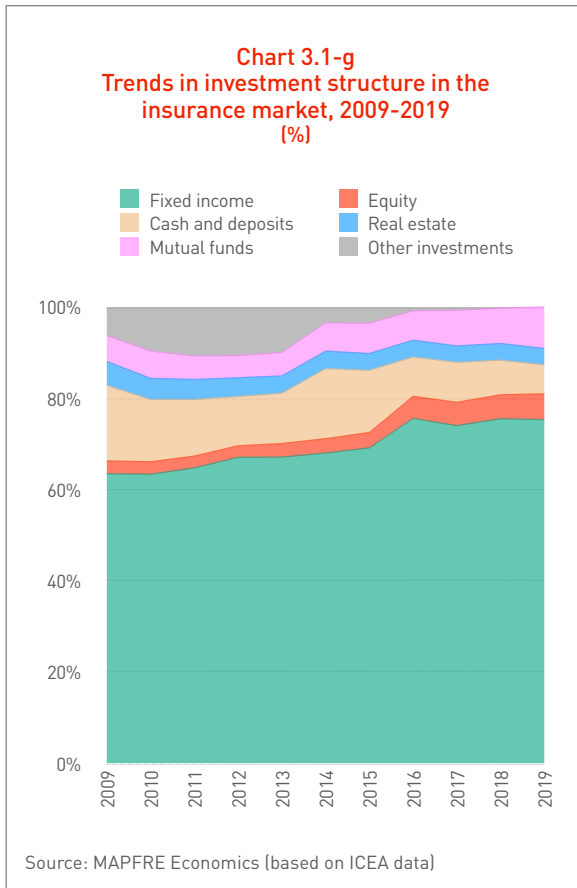
insurance commitments, fixed income accounted for 79% of investments, while in Non-Life portfolios, it represented around 39.5%. There were also significant variations in the percentage of investments in real estate and equities, which, in Life portfolios, represented around 2.3% and 2.8% respectively, far below the percentages in Non-Life portfolios (14.6% and 14.9% respectively). Finally, the percentage of investments managed through mutual funds was also significantly lower in Life portfolios, where it 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 obligations, the duration of assets in the Life portfolio is notably higher than in the Non-Life portfolio. Around 34% of assets in the former had a duration of over ten years, compared to 11.8% for Non-Life assets. 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 2019 (A-).

Chart 3.1-f
Trends in return on assets (ROA), 2009-2019
(return on assets, %; annual change in ROA, pp)



Source: MAPFRE Economics (based on ICEA data)



Moreover, it is important to note 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 6.7% in 2019.

In terms of the profitability of financial investments in the insurance industry, this stood at 4.2% in 2019, 1.4 pp more than in the previous year, breaking the downward trend of previous years, and above the risk-free interest rate curves (See Chart 3.1-j). This is testament to remarkable investment management by the Spanish insurance industry in a context of declining risk-free returns.

Finally, it is important to note that the medium-term performance of investment portfolios was marked by the entry into force of the Solvency II Directive in 2016, which changed the capital requirements for investments based on implicit risk. The entry into force of new capital requirements brought a change in perceptions regarding investment portfolios, which until

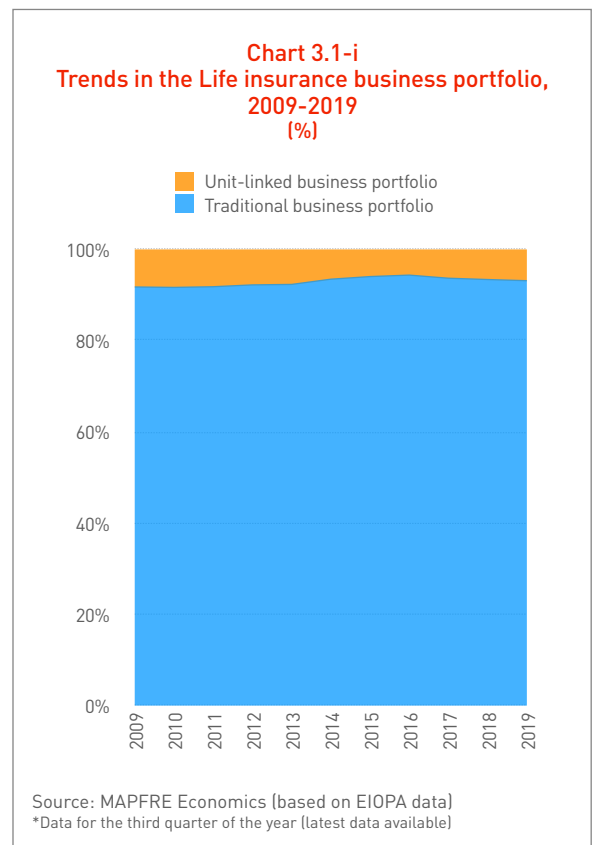
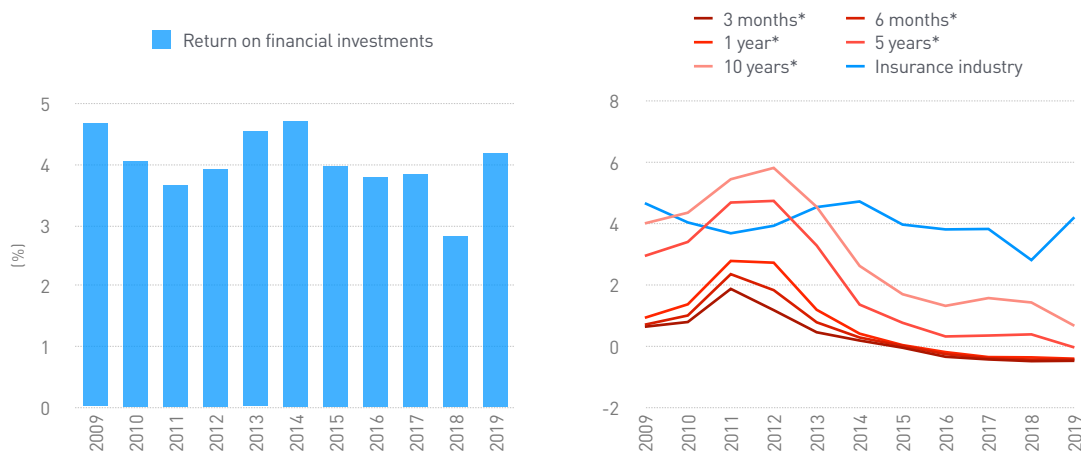


Chart 3.1-j
Return on the insurance industry's financial investments, 2009-2019
 (financial income/average investment, %; risk-free interest rate, %)



Source: MAPFRE Economics (based on DGSFP data)
 *Average annual Spanish Government bond yield of specified tenor.

2015, had only included assets used to hedge technical provisions, to widen the scope to other portfolios commencing that year onward, as the new requirements became applicable to all investments, including the asset portfolio corresponding to insurance companies' own funds.

Technical provisions

The volume of Life insurance technical provisions in the Spanish market grew by 3.4% in 2019, amounting to 194.79 billion euros, with sustained growth throughout the last decade. Life insurance technical provisions represented 81.8% of total technical provisions, while provisions for outstanding benefits represented 9.1%, and provisions for unearned premiums and unexpired risks were 6.6% of the total (see Chart 3.1-k).

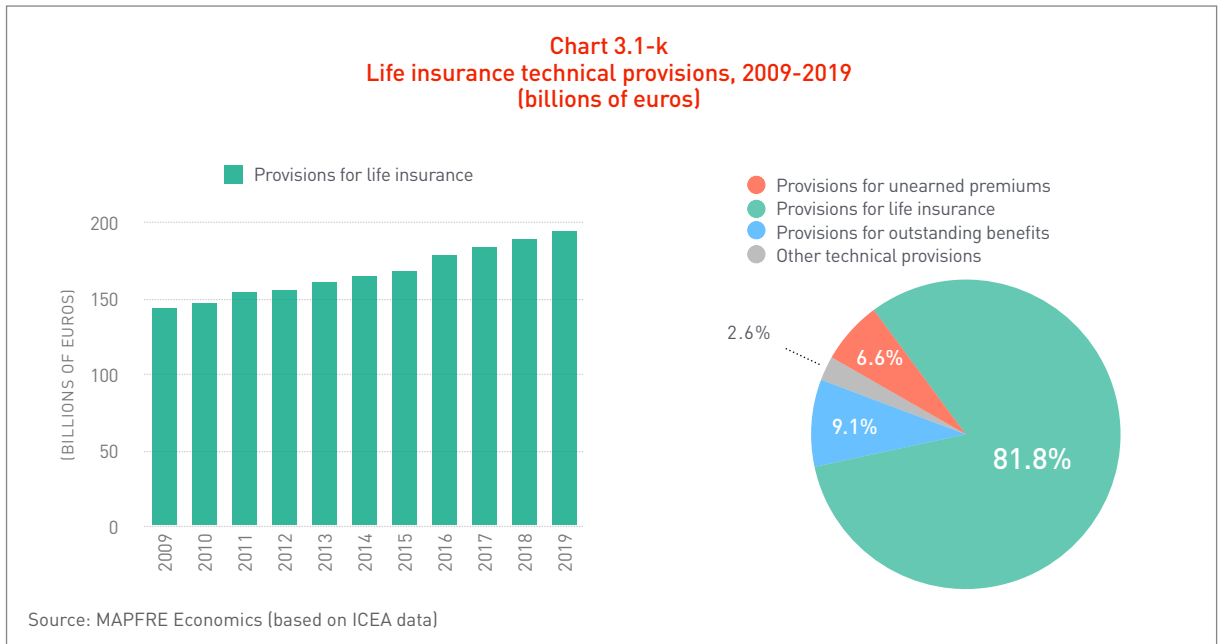
In specific terms, deferred capital and annuities products totaled 72% of provisions and performed positively during the fiscal year analyzed with respective hikes of 2.4% and 0.6%. Growth in *Seguros Individuales de Ahorro a Largo Plazo* (SIALP — individual long-term savings insurance) was notable at 14.9%, as was the transformation of equity into annuities, which rose by 14%, and *Planes Individuales de*

Ahorro Sistemático (PIAS — Systematic Individual Savings Plans), with an increase of 6.9%.

But the modality that has grown the most in technical provisions in 2019 has been the unit-linked modality, growing by 16.7%, accumulating a savings volume of 14.28 billion euros. This indicates that the negative trend in interest rates obliges the unitholder to seek an extra return on their investments. The only modality that recorded a decline was Insured Pension Plans (IPP), decreasing by -1.2%.

Insurance developments in the Autonomous Communities

Analysis of the Spanish insurance market by autonomous community shows that the Community of Madrid recorded the largest premium volume in 2019 with 12.34 billion euros, 8.2% higher than in 2018, followed by Catalonia with 10.83 billion euros. The uninterrupted growth of the Community of Madrid in recent years has allowed it to surpass Catalonia in premium volume in 2018, attaining a share of 22.6% in 2019. Andalusia ranks in third place, with 7.34 billion euros in premiums and a 13.4% share. As presented in Table 3.1-h, the decrease in market premiums is reflected in the performance of the ten communities with



the highest market shares. If we exclude the Community of Madrid, these communities either experienced a decrease in premiums or remained at the same level as the previous year.

Of all the communities, the largest growth was recorded in Madrid (8,2%), the Chartered Community of Navarre (3%), and the Region of Murcia (1.6%). Conversely, those with the most notable drop in premiums were Aragon (-4.4%)

and Castile-La Mancha (-3.5%). In terms of premiums per capita, Madrid still ranks top (1,820 euros), followed by Catalonia (1,393 euros) and Aragon (1,369 euros).

Reinsurance

The deterioration sustained over several years in terms of original insurance rates and conditions, together with the intense catastrophic loss experience of 2017 and 2018,

Table 3.1-h
Premium volume by Autonomous Community, 2019
(millions of euros)

Autonomous Community	2019	% Var. 2019/2018	% share 2019	Premiums per capita
Community of Madrid	12,340	8.2%	22.6%	1,820
Catalonia	10,832	-0.6%	19.8%	1,393
Andalusia	7,338	-0.6%	13.4%	867
Valencia Community	4,613	0.0%	8.4%	913
Castile-Leon	2,766	-2.8%	5.1%	1,156
Galicia	2,665	-0.3%	4.9%	987
Basque Country	2,560	0.7%	4.7%	1,153
Aragon	1,820	-4.4%	3.3%	1,369
Castile-La Mancha	1,768	-3.5%	3.2%	865
Canary Islands	1,628	0.9%	3.0%	749
Total top 10	48,328		88.4%	

Source: MAPFRE Economics (based on ICEA data)

have increased pressure on the insurance industry to intensify its technical rigor. In 2019, the insurance industry saw a clear improvement in the original insurance conditions; however, this new rebound has not yet impacted the reinsurance sector with the same force.

In addition, the retrocession market experienced a marked stringency, both due to price increases and a lower appetite for capital markets to bring more capital to the sector. There was no shortage of available capital, but better remuneration is required, especially in the renewal of affected protections. Natural disasters in 2019 cost insurance less than in the years immediately before, with typhoons Faxai and Hagibis being highlighted as the most expensive insured events of the year, which affected highly populated regions of Japan.

Insurance Compensation Consortium

Spain's Insurance Compensation Consortium, as a public business entity belonging to the Ministry of Economics and Business, 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 Consortium'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 charged in these activities amounted to 854.8 billion euros in 2018 (latest data published), with a slight 1% increase compared to 2017. Although the rate of surcharges for Extraordinary Risks decreased in 2018, premiums performed positively throughout the fiscal year, at 1.7%.

In terms of Traffic Risks, guarantee fund premiums fell by -5.5% due to the reduction of the mandatory automobile insurance surcharge by 25% in 2016, the inclusion of which in renewal policies was extended until July 2017, which generated an effect on comparative information up to the end of 2018. Private vehicle insurance not covered by private insurers continued to decrease and, in 2018, reflected a -2.1% revenue adjustment. Premiums on official vehicle insurance rose 0.4% (see Table 3.1-i).

Throughout 2019, several atypical cyclonic storms and heavy flooding took place during July, August, and September. Following the flooding between September 11 and 15, which mainly struck the southeast of Spain, the Insurance Compensation Consortium received 63,034 indemnification claims from affected

Table 3.1-i
Activity of the Insurance Compensation Consortium (ICC), 2017-2018
(millions of euros)

General activity	Premiums and surcharges attributed		Loss ratio (direct and accepted)	
	2017	2018	2017	2018
Extraordinary risks	753.4	766.0	196.3	279.1
P&C	677.7	689.0	190.7	263.5
People	19.8	20.6	1.5	1.5
Pecuniary losses	55.9	56.4	4.1	14.1
Traffic risks	93.3	88.7	57.6	61.3
SOA Guarantee Fund	84.6	80.0	49.9	52.4
Private vehicles	0.5	0.5	0.5	0.1
Official vehicles	8.2	8.2	7.3	8.7

Source: Annual Report of the Insurance Compensation Consortium

policyholders, at an estimated cost of 426 million euros. Nevertheless, the Consortium expects to receive nearly 65,000 indemnification claims, with an estimated cost of around 434.6 million euros. The Region of Murcia suffered the most damage, with an estimated cost of 207 million euros, followed by the provinces of Alicante and Valencia, where damage amounted to 171 million euros.

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 comprehensive package of measures to strengthen the financing of companies. Said measures enable the Insurance Compensation Consortium to carry out credit reinsurance and surety activities from 2020. The purpose of these measures is to ensure the continuity of economic transactions and to provide security for business operations in a context of uncertainty, such as that currently being experienced, whereby the insurance industry plays a leading role. The Consortium may accept as reinsurance the risks assumed by the private insurance companies authorized to operate in the surety and credit insurance lines that so request and that sign or adhere

to the corresponding agreement with the aforementioned public business entity.

3.2 Non-Life business lines

Automobile

Automobile insurance remained the line contributing the largest Non-Life premium volume on the Spanish market, with a market share of 30.9% in this segment. The amount of premiums written in this line increased by 1.5% in 2019 compared to the previous year (see Chart 3.2-a), amounting to 11.31 billion euros (a figure that does not include those corresponding to the Insurance Compensation Consortium).

Given that the average premium increased slightly by 0.49% to 356 euros, it could be said that growth has been very moderate, due to both the increase in the average premium and the number of insured vehicles—which, with 31.8 million vehicles, also increased by 1% (see Table 3.2-a). Finally, the sale of new vehicles should also be kept in mind, representing 5.1% during 2019. These vehicles contributed to the sale of more high-end products, with higher average premiums, although this percentage has decreased gradually when compared to previous years.

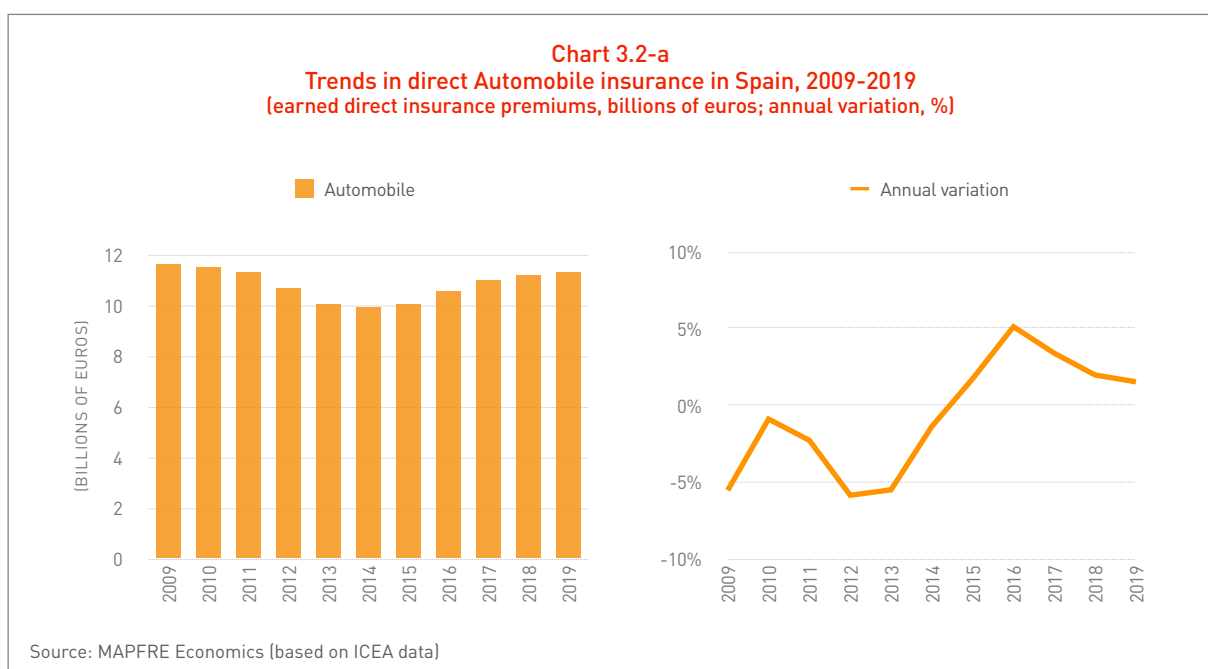


Table 3.2-a
Trends in average Automobile insurance premium, 2009-2019
(millions of euros; annual variation, %)

Year	Insured vehicles ⁽¹⁾		Direct insurance premiums ⁽²⁾		Average premium		
	(millions)	Annual variation	(millions of euros)	Annual variation	In euros	% variation	
						Nominal	Real
2009	28.8	-0.2%	11,662	-5.6%	405.2	-5.4%	-6.2%
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%	11,315	1.5%	356.1	0.5%	-0.3%

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

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

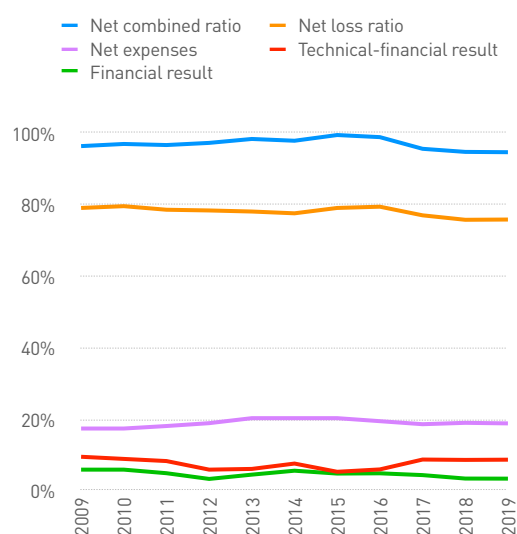
(2) Direct Insurance premiums for insurance companies & ICC

Table 3.2-b
Basic Automobile insurance indicators, 2018-2019
(premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	11,138	11,307
Variation in premiums	2.0%	1.5%
Retention	89.1%	86.2%
Gross loss ratio	74.7%	74.8%
Gross expenses	19.1%	19.1%
Net loss ratio	75.8%	75.9%
Net combined ratio	94.8%	94.7%
Financial result	3.4%	3.4%
Technical-financial result	8.6%	8.7%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-b
Trends in Automobile insurance line results, 2009-2019
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

Table 3.2-c
Average frequencies and costs by guarantee in Automobile insurance, 2018-2019
 (frequency, %; average cost, euros)

Guarantees	Frequency (%)			Average cost (euros)		
	2018	2019	Variation (pp)	2018	2019	Variation (%)
Third-Party Liability	8.4%	8.2%	-0.21	1,766	1,753	-0.7%
Bodily injury	1.8%	1.8%	-0.04	4,652	4,532	-2.6%
Goods	7.2%	7.1%	-0.15	890	892	0.2%
Damage to own vehicle	29.3%	28.2%	-1.07	776	787	1.4%
Broken windows	6.7%	6.2%	-0.46	304	310	2.0%
Theft	0.7%	0.6%	-0.04	971	929	-4.4%
Legal defense	1.6%	1.5%	-0.15	271	303	12.1%
Occupants	0.3%	0.3%	0.01	941	892	-5.2%
Fire	0.1%	0.1%	0.00	3,077	3,130	1.7%
Driver's license suspended	0.0%	0.0%	-0.01	694	801	15.5%

Source: MAPFRE Economics (based on ICEA data)

Moreover, the combined Automobile insurance ratio improved in 2019 by 0.1 pp from the previous year, responding to a slight improvement in management expenses, reaching 94.7% and following the downward trend of recent years. In the same regard, the financial result was maintained in 2019, with the technical-financial result standing at 8.7% in relation to the premiums for the year (see Chart 3.2-b and Table 3.2-b).

The frequency of claims, as illustrated in Table 3.2-c, decreased slightly in 2019, with a slight decline in personal and material damage (-0.04 and -0.15 pp respectively) and a greater drop in damage to own vehicle coverage (-1.07 pp). However, there was an increase in the average cost of Damage to Own Vehicle (+1.4%) and Broken Windows (+2.0%) coverage.

2020 Outlook

The year 2020 has been marked by the COVID-19 pandemic, whereby usual activity has been interrupted during the lockdown period. This has led to a reduction in the loss ratio in the short-term and a decrease in the frequency of third-party liability claims in the medium-

term as a result of the economic crisis and an increase in unemployment.

Moreover, lockdown and social distancing measures will result in a slowdown in the increase in premiums due to the decrease in sales, driven partly by the physical closure of the agents' points of sale and partly by the decline in vehicle sales. In the medium-term, a change in the composition of sales is expected, leaning toward more basic products with lesser coverage.

A decline has already been observed in automobile insurance growth in the first five months of 2020, with premiums falling by -3.04%, based on a sample representing 97.8% of the market. This result is worse than that seen by the total number of Non-Life lines, which experienced an increase of 0.52% during the same period. By modalities, premiums fell in both Third-Party Liability (-4.63%) and, to a lesser extent, other Guarantee (-1.22%) premiums.

Health

Health insurance once again showed positive performance in 2019, with a 4.8% increase in premium volume, amounting to 8.92 billion euros (see Chart 3.2-c). In 2019, the trend of recent years toward the collectivization of health insurance continued, as collective insurance grew by 6.4%, while individual insurance increased by 3.5%. However, 70.5% of the industry's total premium collection still comes from individual insurance. It should be noted that companies increasingly choose the flexible remuneration plan formula to offer health insurance to their employees. Through this system, employees can allocate a portion of their salary to Health insurance for themselves and their families under advantageous conditions. The cost of this is deducted from their gross salary, resulting in tax savings.

With regard to the Subsidy and Indemnities sector, premium growth of only 2.5% was observed during the 2019 fiscal year, which contrasts with the high increase of 12.4% in 2018. Among other factors, this performance may be due to the slowdown in overall economic growth to which this type of product is very sensitive, as it is the product most commonly purchased by self-employed workers. The decrease in the number of insured

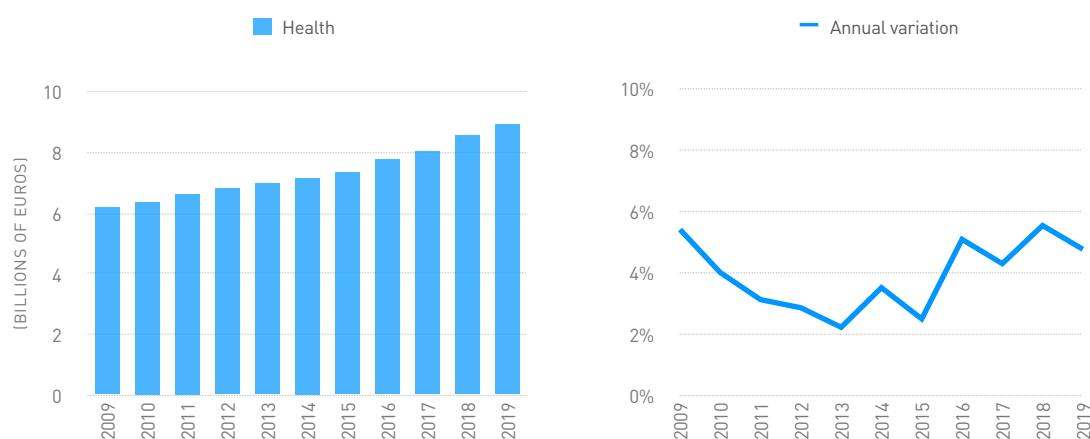
persons in the Public Administration sector (-1.1%) for the second consecutive year is also worth noting, involving a 0.8% decrease in premiums compared to the previous year.

Moreover, the result of the line has deteriorated slightly, as the increase in benefits paid (5.8%) has been higher than premium growth (4.8%). Conversely, gross expenditure in the sector has also increased from 12.3% to 12.8%, meaning that the combined ratio has deteriorated during this fiscal year to 93.4%. The technical-financial result therefore stood at 7.3% of premiums (see Table 3.2-d and Chart 3.2-d).

2020 Outlook

The 2020 fiscal year started with excellent growth of 6.1% in the first quarter. Provisional growth figures in the first five months of the year (January to May) show a growth of 5.4% for a sample that includes 92.7% of the market. This figure is extremely positive, as it includes the premiums for the most stringent months of lockdown as a result of the COVID-19 pandemic. However, the coronavirus crisis does pose numerous uncertainties in this line for the rest of the year. The main uncertainties include the following:

Chart 3.2-c
Trends in direct Health insurance in Spain, 2009-2019
(earned direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

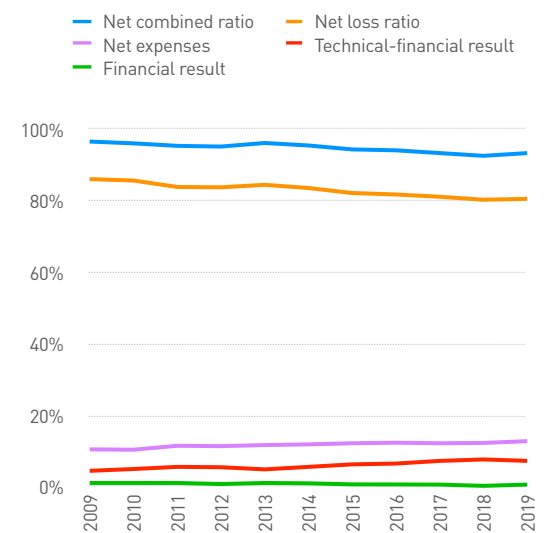
Table 3.2-d
Basic Health insurance indicators, 2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	8,516	8,923
Variation in premiums	5.5%	4.8%
Retention	97.4%	97.4%
Gross loss ratio	79.0%	79.4%
Gross expenses	12.3%	12.8%
Net loss ratio	80.3%	80.6%
Net combined ratio	92.6%	93.4%
Financial result	0.3%	0.6%
Technical-financial result	7.7%	7.3%

Source: MAPFRE Economics (based on ICEA data)

- Despite the fact that all insurance companies officially exclude epidemics from their conditions, the industry made the decision to handle all claims resulting from this pandemic, and the cost to the industry is as yet unknown.
- A possible outbreak of the epidemic in the last quarter of the year could once again entail cost increases.
- The profound economic crisis, resulting from the paralysis caused by the lockdown, will cause many Health insurance cancellations. As health insurance is not mandatory and there is universal coverage through the public healthcare system, the people most affected by the crisis may forsake their private insurance.
- With regard to indemnification insurance, mainly intended for self-employed individuals, cancellations can be expected, since this sector of the population is one of the hardest hit by economic inactivity.

Chart 3.2-d
Results performance in the Health insurance line, 2009-2019
 (indicators over premiums)

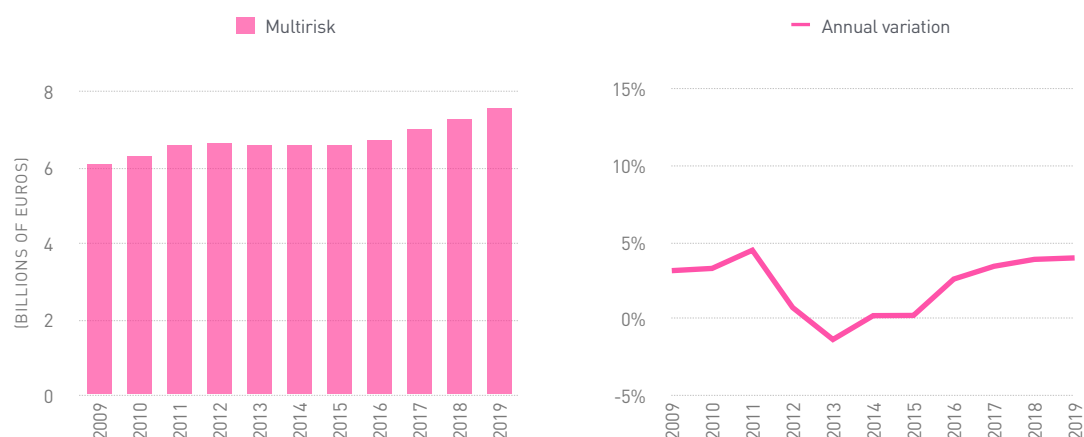


Source: MAPFRE Economics (based on ICEA data)

- Companies that pay for their employees' health insurance and that have been forced to impose temporary lay-offs have stopped paying for the policies of all workers involved, resulting in a drop in premiums for insurers.
- Insurance companies have implemented support measures (for example, deferred bill payments or refunding premiums during the state of emergency) for the groups most affected by the crisis, such as self-employed individuals and small- and medium-sized enterprises. These measures will entail a significant additional cost, which will also affect the line's results.

The market therefore finds itself at a crucial moment, whereby insurance companies must advance in terms of digitization and using technology in order to firstly make their internal processes more efficient, and secondly so that clients can carry out all types of processes online. Significant advances have already been made in the first few months of this crisis, such as the upsurge in medical video consultations

Chart 3.2-e
Trends in direct Multirisk insurance in Spain, 2009-2019
(earned direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

in light of being unable to attend face-to-face visits due to lockdown measures; the expansion of administrative procedures that can be carried out on the Internet; and fully online policy contracting at companies that did not use this process before, including the digital signature process normally performed through the system of a trusted third party.

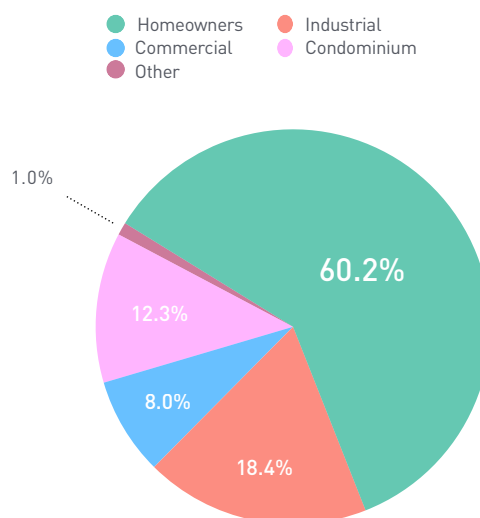
modalities except for Commercial (see Table 3.2-e and Chart 3.2-g). In this regard, it is worth noting the decrease of 10 pp in the loss ratio of Industrial Multirisk as a result of the establishment of plans based on strict portfolio rearrangements and a more rigorous approach to risk selection and inspection. In Homeowners Multirisk, despite the occurrence of intense

Multirisk

The volume of Multirisk insurance premiums reached 7.52 billion euros in 2019, up by 4% from the previous year, maintaining its place as the third largest Non-Life line in terms of premium volume, with a market share of 20.5% (see Chart 3.2-e). In terms of distribution, as shown in Chart 3.2-f, the line is still dominated by Homeowners Multirisk insurance (60.2% of the segment total), followed by Industrial (18.4%), Condominium (12.3%) and Commercial (8.0%). All modalities saw an increase in premiums, with the stand-out being the 5.2% increase in Industrial Multirisk insurance, followed by Homeowners (4.2%), Condominium (3.1%) and Commercial insurance (1.1%).

As regards the technical result, the combined ratio was 93.8% in 2019, representing an improvement of 3.5 pp compared to the previous year, thanks to a lower loss ratio in all

Chart 3.2-f
Distribution of Multirisk premiums by modality, 2019
(percentage of premiums issued)



Source: MAPFRE Economics (based on ICEA data)

Table 3.2-e
Basic Multirisk insurance indicators, 2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	7,234	7,521
Variation in premiums	3.9%	4.0%
Retention	78.2%	83.4%
Gross loss ratio	66.3%	63.5%
Gross expenses	28.4%	30.2%
Net loss ratio	66.0%	62.4%
Net combined ratio	97.3%	93.8%
Financial result	2.4%	2.3%
Technical-financial result	5.1%	8.5%

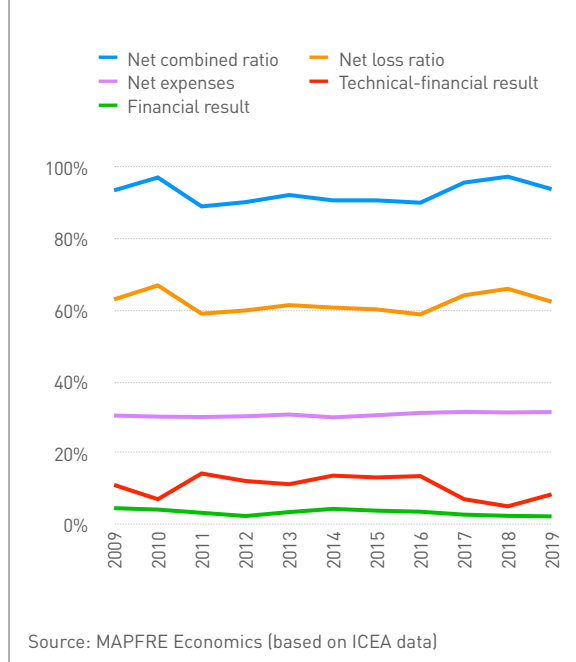
Source: MAPFRE Economics (based on ICEA data)

weather phenomena in 2019, a loss ratio of 61.8% was obtained, representing an improvement of -2.9 pp compared to 2018. As far as the expense ratio is concerned, this deteriorated by one percentage point in Homeowners Multirisk, but remains stable in all other modalities, even improving by 4.1 pp in Industrial Multirisk. This, together with the maintained financial result, has led to an increase of 3.3 pp in the technical-financial result, now accounting for 8.5% of premiums.

2020 Outlook

In light of the improvement observed in 2019 in Homeowners Multirisk and Condominium, a difficult 2020 is expected; the "Gloria" weather phenomenon, the COVID-19 pandemic, and the economic standstill resulting from lockdown and social distancing measures are proof thus far. For Industrial Multirisk and Commercial, the outlook for 2020 is considered in terms of the aid that the insurance industry must provide mainly to self-employed individuals and small- and medium-sized enterprises, as a result of the COVID-19 situation, through actions aimed at easing insurance payments, advising on the

Chart 3.2-g
Results performance in the Multirisk insurance line,
2009-2019
 (indicators over premiums)



necessary coverage and on protection against the risks that they will be temporarily closed.

However, the first data published for the first five months of 2020 show positive performance in all Multirisk insurance modalities, which grew by 3.1% as a whole. However, weak growth of 0.4% in Commercial Multirisk stands out compared to the 9.0% increase in Industrial Multirisk. Homeowners Multirisk insurance is also slowing down, with a provisional growth of 1.7% in the period between January and May, compared to the same period the previous year.

Homeowners Multirisk

The situation of the Homeowners line in 2019 was very favorable, with an improvement in premium increases compared to 2018. In 2019, total premiums for this segment amounted to 4.53 billion euros, up by 4.2% from the previous year. The expense level was also contained, and the loss ratio and combined ratio improved. The loss ratio did not deteriorate in 2019 despite intense weather phenomena having occurred, and the financial result even showed a one-tenth improvement over the previous year. The

technical-financial result of the Homeowners Multirisk insurance segment therefore increased in 2019 by 2.0 pp to 7.7% of premiums (see Table 3.2-f and Chart 3.2-h). It should be noted, however, that this excellent result was conditioned by the events of 2018, which was a year with poor results in all ratios.

Industrial Multirisk

The volume of Industrial Multirisk insurance premiums amounted to 1.39 billion euros in 2019, an increase of 5.2% over the previous year. This figure is particularly notable, as it maintains increases similar to the previous period. Similarly, indicators show a very significant improvement in the technical data for this market segment, highlighting a decrease of more than 14 pp in the combined ratio, to 96.4%. Much of this performance was related to the net loss ratio, which improved substantially in 2019 (-10.0 pp), mainly due to the result of the establishment of plans based on strict portfolio rearrangements and a more rigorous approach to risk selection and inspection when contracting new policies. The technical-financial result therefore showed an improvement of more than 13 pp, standing at 7.4% of premiums, after standing at -6.1% in 2018 (see Table 3.2-g and Chart 3.2-i).

Finally, in terms of coverage and services, new benefits related to cyber risk and the environment should be highlighted, as well as the strengthening of traditional coverage such as business interruption losses.

Commercial Multirisk

The premium volume of Commercial Multirisk insurance in 2019 amounted to 602 million euros, representing an increase of 1.1% compared to the previous year, but below 2018 growth (1.8%). Indicators show a slight deterioration in results compared to 2018, but the figures are still good for the industry. The combined ratio deteriorated by almost 3 pp, yet stood at 91% as a result of the increase in the net loss ratio, which increased by 2.5 pp. The technical-financial result therefore deteriorated

by almost 3 pp, standing at 11.6% of premiums (See Table 3.2-h and Chart 3.2-j).

Previous data shows that the Commercial Multirisk segment was stabilizing once the previous crisis had passed and an economic recovery was beginning to be observed in the market. In terms of products, work continues on appropriate advanced-tariff models, on development in terms of the needs of self-employed persons working both at home and away, and on the use of technology for automatic offer generation and digital risk verification. In terms of coverage and services, improvements in legal defense benefits, such as consumer law, are worth noting.

Condominium Multirisk

Condominium Multirisk insurance premiums amounted to 927 million euros in 2019, up by 3.1% from the previous year. As such, the industry has maintained the issuance of premiums and decreased the process loss ratio by preserving the level of net expenditure, which determined that the combined ratio improved by -2.3 pp, reaching 91.8%. The technical-financial result of this market segment therefore stood at 11% of premiums in 2019, implying an improvement of 2 pp over the previous year (see Table 3.2-i and Chart 3.2-k).

Other Non-Life lines

Burials

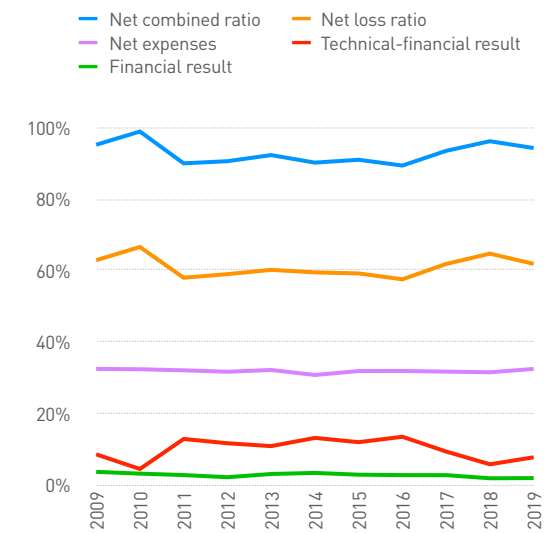
For yet another year, the trend data for the Burial line shows growth in turnover, which increased to 3.9% in 2019 with total written premiums amounting to 2.46 billion euros (see Chart 3.2-l). This growth is almost similar to that recorded during the previous year, and very similar to the average recorded over the last ten years, which demonstrates the sustainability of the line in recent years. This stability originates in the ongoing structure of the product, which protects it against fluctuations in economic cycles, as shown by the fact that the retention rate remains above 98%.

Table 3.2-f
Basic Homeowners Multirisk insurance indicators,
2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	4,348	4,529
Variation in premiums	3.6%	4.2%
Retention	90.1%	90.0%
Gross loss ratio	64.1%	62.0%
Gross expenses	31.4%	32.0%
Net loss ratio	64.6%	61.8%
Net combined ratio	96.1%	94.2%
Financial result	1.8%	1.9%
Technical-financial result	5.7%	7.7%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-h
Results performance in the Homeowners Multirisk
insurance line, 2009-2019
 (indicators over premiums)



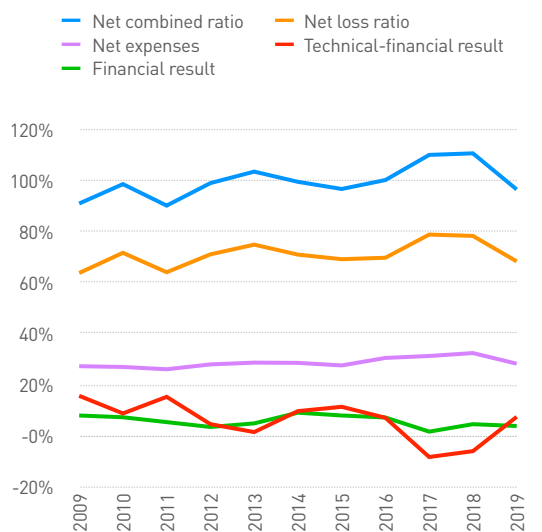
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-g
Basic Industrial Multirisk insurance indicators,
2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	1,316	1,385
Variation in premiums	6.7%	5.2%
Retention	47.3%	60.9%
Gross loss ratio	76.0%	73.2%
Gross expenses	20.9%	24.0%
Net loss ratio	78.2%	68.2%
Net combined ratio	110.6%	96.4%
Financial result	4.5%	3.8%
Technical-financial result	-6.1%	7.4%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-i
Results performance in the Industrial Multirisk
insurance line, 2009-2019
 (indicators over premiums)



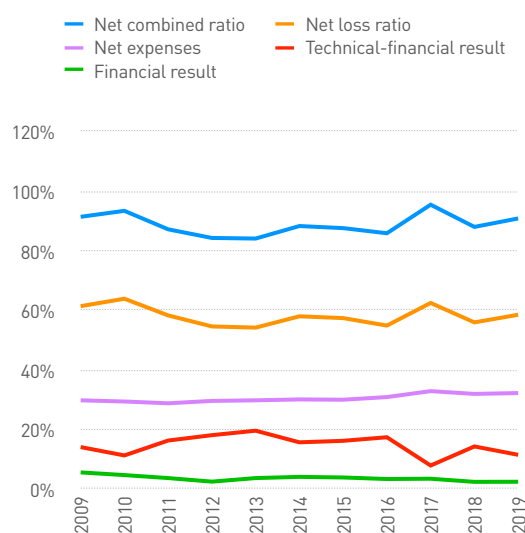
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-h
Basic Commercial Multirisk insurance indicators,
2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	595	602
Variation in premiums	1.8%	1.1%
Retention	83.4%	81.6%
Gross loss ratio	55.3%	56.5%
Gross expenses	31.7%	31.9%
Net loss ratio	56.1%	58.6%
Net combined ratio	88.1%	91.0%
Financial result	2.5%	2.6%
Technical-financial result	14.4%	11.6%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-j
Results performance in the Commercial Multirisk
insurance line, 2009-2019
 (indicators over premiums)



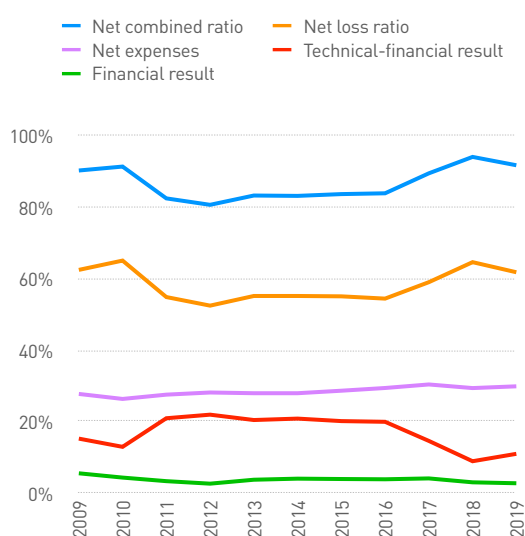
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-i
Basic Condominium Multirisk insurance indicators,
2018-2019
 (premiums, millions of euros; ratio over premiums, %)

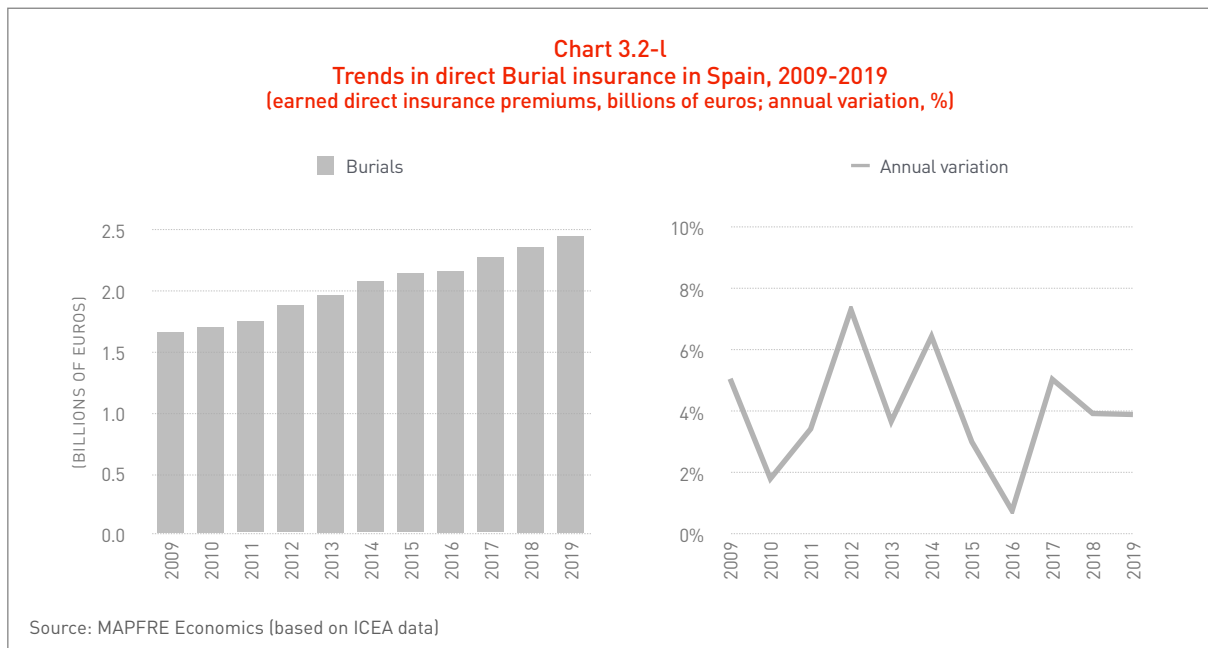
	2018	2019
Premium volume issued (millions of euros)	898	927
Variation in premiums	3.0%	3.1%
Retention	87.0%	86.2%
Gross loss ratio	63.3%	61.7%
Gross expenses	29.0%	29.4%
Net loss ratio	64.7%	61.8%
Net combined ratio	94.1%	91.8%
Financial result	3.1%	2.8%
Technical-financial result	9.0%	11.0%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-k
Results performance in the Condominium Multirisk
insurance line, 2009-2019
 (indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)



It should be noted that the growth rates that have been observed in recent years have originated from the rise of the single premium. While this modality accounts for only 5% 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 80% 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 10% of new business premiums, although they exceed 70% in the portfolio as a whole.

The combined net ratio of this line remains at very similar levels to those of previous fiscal years, standing at 98.4% in the last year (see Table 3.2-j and Chart 3.2-m). Despite the continuous fall in interest rates, which oblige companies to provide excess provisions, the loss ratio stabilized (65.5% in 2019 vs 65.3% in 2018). In this aspect, continued low interest rates are forecast in the long-term, which will force companies to review the technical conditions of products. Operating expenses remain stable as a result of the efforts to curb

company expenditure and expenses relating to maintaining conditions.

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, which surpassed 5.6 billion euros at the end of 2019, more than twice the premiums issued for the line. Financial profitability has increased in relation to premiums, gaining greater prominence in the final result of the line, representing 7.9% of premiums (7.5% in 2018).

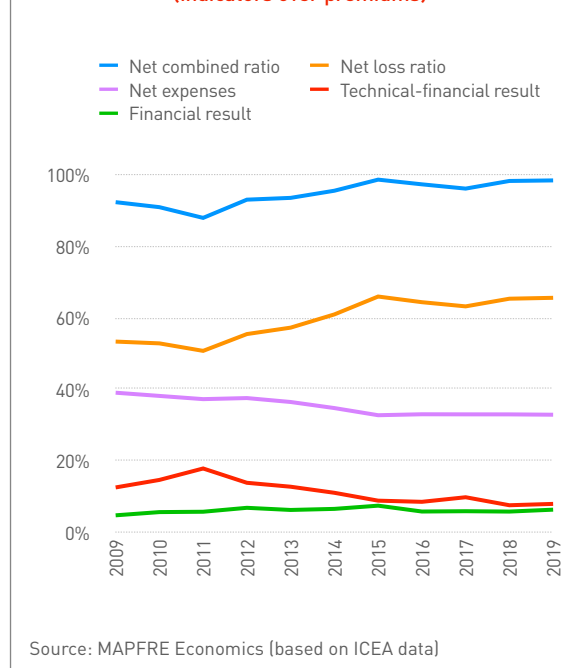
As mentioned in the previous edition of this report, it should be noted that bancassurance operators have been making headway with this line—a channel that previously had no presence in the marketing of burial insurance—for years. Moreover, in terms of competition in this line of the market, the line remains well established, with a deep presence in society (almost half of the Spanish population has burial insurance). Competition is most evident in novel 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-j
Basic Burial insurance indicators,
2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	2,367	2,460
Variation in premiums	4.0%	3.9%
Retention	98.3%	98.5%
Gross loss ratio	64.5%	64.8%
Gross expenses	33.0%	32.9%
Net loss ratio	65.3%	65.5%
Net combined ratio	98.2%	98.4%
Financial result	5.8%	6.3%
Technical-financial result	7.5%	7.9%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-m
Results performance in the Burial insurance line,
2009-2019
 (indicators over premiums)



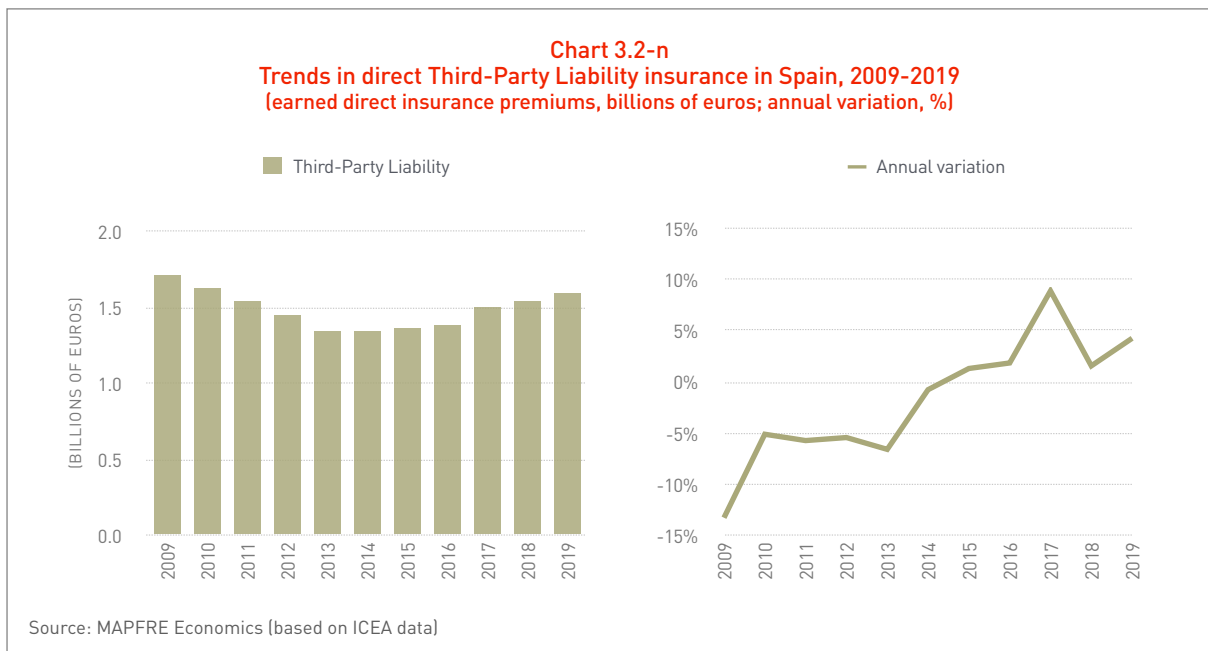
Third-party liability

In 2019, the premium volume for the Third-Party Liability line amounted to 1.6 billion euros, representing an increase of 4.3% compared the previous year (see Chart 3.2-n). This data highlights two matters. Firstly, while the market of the general Third-Party Liability line remains soft, there has been some stringency of premiums in professional Third-Party Liability policies and in policies for Directors and Officers (D&O). These have seen a significant increase in the loss ratio, which has deteriorated by six points, therefore impacting the overall combined net ratio, which stood at 92.4% in 2019 (86.7% in 2018). And secondly, it has resulted in an increase in the sale of Data Protection and Cyber Risk policies, driven by the European Data Protection Regulation. The technical-financial result of the line has therefore deteriorated from 24% of premiums in 2018 to 17.8% in 2019 (see Table 3.2-k and Chart 3.2-o).

Personal accidents

Total premiums for the line were 1.15 billion euros in 2019. As shown in Chart 3.2-p, this data confirms the moderate growth of the Accident insurance market, which suffered a slight -0.2% decline in 2019 compared to growth in the previous year (3.4%). Significant growth had begun following years of recession, even exceeding pre-2009 levels; however, this has slowed down over the last two years. An unclear, unprecedented scenario lies ahead for 2020, whereby the effects of the COVID-19 pandemic may change the trend of recent years.

There is a marked trend toward premium adjustment in this market segment, and competition between companies has caused average prices to fall. This, together with growth in the sector's loss ratio and a small increase in expenditure, has led to a rebound in the combined ratio, which stood at 76.5% in 2019, even with a very significant technical margin that has been maintained over the past decade. The line's technical-financial result in 2019 therefore represented 42.9% of premiums (see Table 3.2-l and Chart 3.2-q).



Credit

Credit insurance premiums in 2019 amounted to 607 million euros, implying a growth of 3.9% compared to the previous year (see Chart 3.2-r). This line of the market recorded a rise for the second consecutive year, consolidating the trend that started in 2018 when it obtained growth of 2.5%. This positive performance,

following nine years of consecutive decreases, is due to a combination of growth in client portfolio insurance sales and a growing impairment in defaulting companies, thus making way for new clients to enter the market.

Moreover, as shown in Table 3.2-m and in Chart 3.2-s, the net loss ratio remains low, and has

Table 3.2-k
Basic Third-Party Liability insurance indicators, 2018-2019
(premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	1,532	1,597
Variation in premiums	1.6%	4.3%
Retention	70.3%	71.4%
Gross loss ratio	55.1%	62.4%
Gross expenses	28.2%	28.9%
Net loss ratio	54.5%	60.2%
Net combined ratio	86.7%	92.4%
Financial result	10.6%	10.2%
Technical-financial result	24.0%	17.8%

Source: MAPFRE Economics (based on ICEA data)

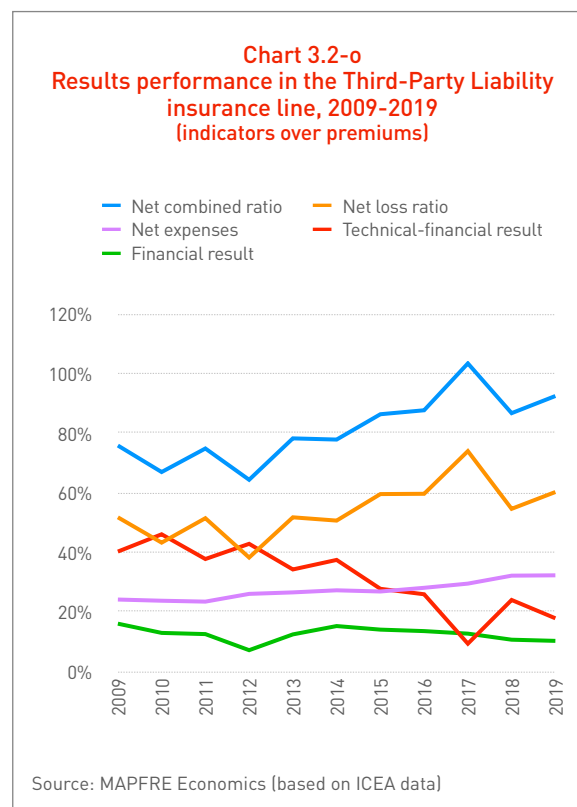
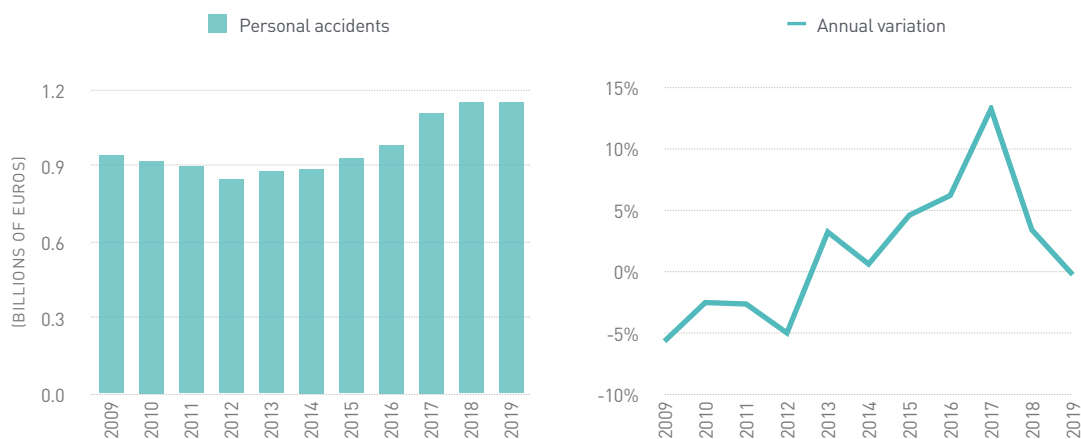


Chart 3.2-p
Trends in direct Personal Accident insurance in Spain, 2009-2019
(earned direct insurance premiums, billions of euros; annual variation, %)



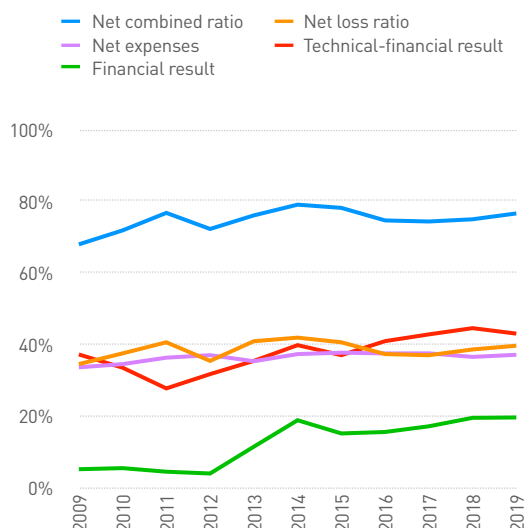
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-l
Basic Personal Accident insurance indicators,
2018-2019
(premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	1,152	1,150
Variation in premiums	3.4%	-0.2%
Retention	87.6%	86.5%
Gross loss ratio	38.7%	39.0%
Gross expenses	36.1%	36.4%
Net loss ratio	38.5%	39.5%
Net combined ratio	74.9%	76.5%
Financial result	19.4%	19.5%
Technical-financial result	44.5%	42.9%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-q
Results performance in the Personal Accident
insurance line, 2009-2019
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

even decreased following two consecutive years of recording a slight increase (46.6% in 2019 vs 57.3% in 2018). As a result of this performance, and despite the increase of 3.1 pp in expenditure, the combined net ratio decreased by 9.0 pp to 57.7% in 2019 (66.7% in 2018).

Provisional Credit insurance premium data at the end of May 2020 points to a slowdown of around 1.9% in the growth of the line. The COVID-19 crisis, which broke out at the beginning of the year, placed the market and the Spanish economy in an exceptional situation. It is not currently possible to identify all of the changes that will occur, although insurers must show great agility and flexibility in order to adjust coverage, prices and, in particular, the risk exposure of the most vulnerable sectors and countries in the current context. The impairment of many sectors of activity and the expectation of a recovery in the loss ratio among the main players in the sector are expected to drive an increase in cancellations and rate growth. This will definitively mark the end of the soft market situation of recent years.

Surety

The premium volume for Surety insurance in 2019 totaled 122 million euros, representing an increase of 44.9% compared to 2018. This is the third consecutive year recording strong growth, which has resulting in this line seeing double the 2016 issuing figures and exceeding the pre-2009 crisis values after more than 10 years (see Chart 3.2-t). As was the case in 2018, guarantees associated with renewable energy projects were the main drivers of growth. However, this type of business is beginning to show signs of exhaustion, and will struggle to continue growing at the same rate in the future.

The gross loss ratio for this line grew by 24 pp compared to 2018, standing at 39.7%. The net loss ratio improved to a lesser degree, increasing from 31.9% in 2018 to 48.2% in 2019. As a result, the combined ratio deteriorated from 56.8% in 2018 to 77.3% in 2019. Despite this technical impairment, these results are

still satisfactory and consistent with the usual levels of business profitability, the technical-financial result of which represented 27.3% of premiums in 2019 (see Table 3.2-n and Chart 3.2-u).

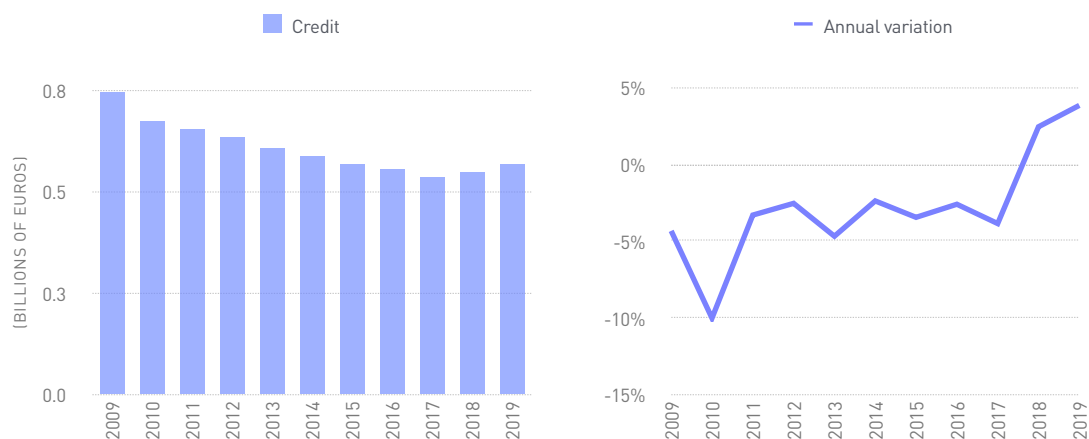
As in the case of Credit insurance, the 2020 health crisis and its consequent economic effects indicate that premium levels may fall compared to 2019, and that the loss ratio will trend negatively. Provisional data for the first five months of 2020 show some slowdown, with a growth of 35.7% (for a sample of companies representing 86.5% of the market), compared to a growth of 44.9% in 2019. However, growth remains notable, despite great uncertainty surrounding the performance of this business in the coming months.

Transport

The 2019 fiscal year showed good growth for the various Transport lines, although without an accompanying result. Premium volume stood at 498 million euros, which represents growth of more than eight percentage points compared to the previous year (see Chart 3.2-v). This growth has mainly been driven by the aviation line, which has seen a strong stringency in renewal conditions, marked by reinsurers, both in the English and continental market, due to the strong losses accumulated. This increased stringency of usual protections has made many underwriting agencies that maintained minimally profitable portfolios disappear from the market. The maritime business also grew in 2019 (9.5%); in this case, growth was also generated by more-stringent renewal conditions, as well as by the shipbuilding industry, which has been very productive over the last two years. The Goods segment grew in line with previous fiscal years (four percentage points).

Moreover, the loss ratio of the Transport line has improved substantially for aviation and goods, but remains negative for maritime, which is forcing portfolio renewals to become even more stringent.

Chart 3.2-r
Trends in direct Credit insurance in Spain, 2009-2019
(earned direct insurance premiums, billions of euros; annual variation, %)



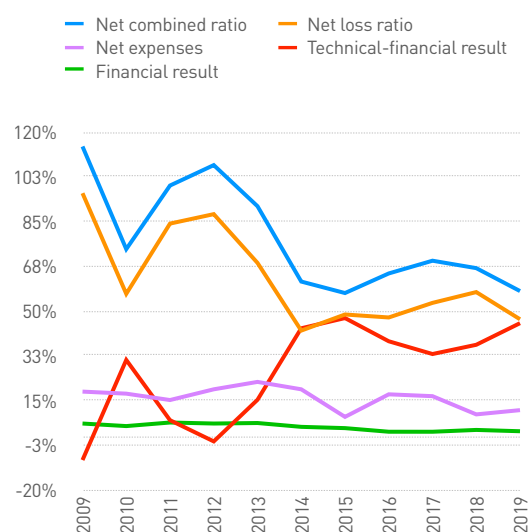
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-m
Basic Credit insurance indicators, 2018-2019
(premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	584	607
Variation in premiums	2.5%	3.9%
Retention	36.2%	37.5%
Gross loss ratio	49.6%	52.2%
Gross expenses	29.7%	32.8%
Net loss ratio	57.3%	46.6%
Net combined ratio	66.7%	57.7%
Financial result	3.3%	2.8%
Technical-financial result	36.6%	45.1%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-s
Results performance in the Credit insurance line, 2009-2019
(indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

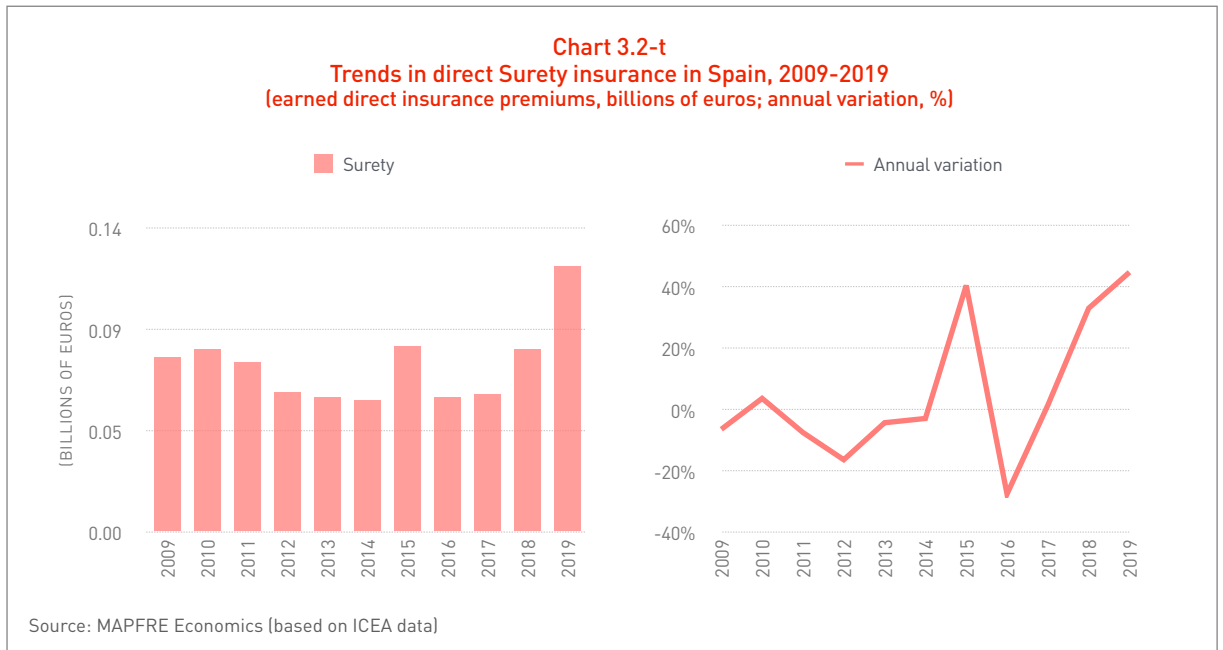


Table 3.2-n
Basic Surety insurance indicators, 2018-2019
(premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	84	122
Variation in premiums	33.2%	44.9%
Retention	34.8%	31.8%
Gross loss ratio	15.7%	39.7%
Gross expenses	33.6%	36.0%
Net loss ratio	31.9%	48.2%
Net combined ratio	56.8%	77.3%
Financial result	6.2%	4.6%
Technical-financial result	49.4%	27.3%

Source: MAPFRE Economics (based on ICEA data)

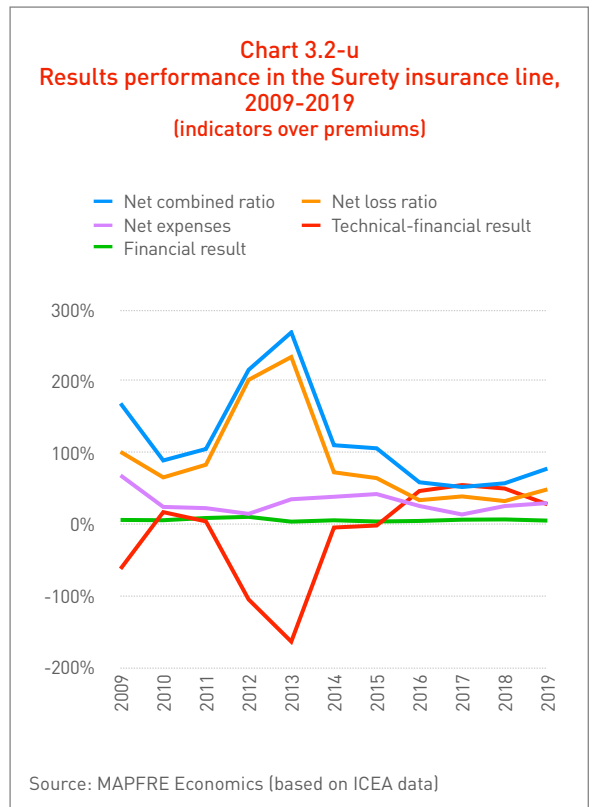
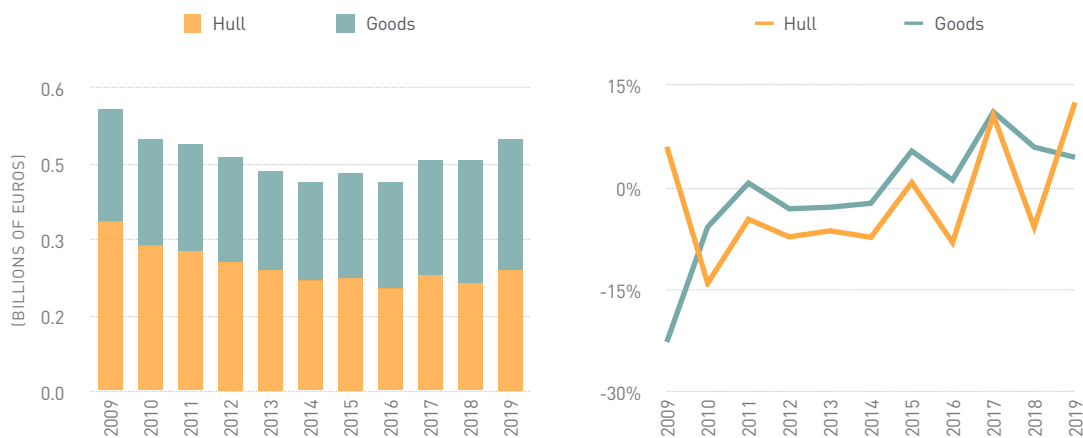


Chart 3.2-v
Trends in direct Transport insurance in Spain, 2009-2019
(earned direct insurance premiums, billions of euros; annual variation, %)



Source: MAPFRE Economics (based on ICEA data)

From January to March 2020, Transport line premiums rose significantly by 11% thanks to growth in all modalities, but particularly because of the good performance of Aviation insurance, which grew by 270.4%. However, this growth falls significantly with aggregate provisional information for the first five months of the year, with a combined growth of 6.8%; in this same period, the Aviation line grew by 54.7%, the Maritime line grew by 2.8% and the Goods line suffered a decline of -1.5%.

Hull

As shown in Table 3.2-o and in Chart 3.2-w, premiums for the Hulls segment grew by 12.6% in 2019, resulting in a volume of 243 million euros (216 million euros in 2018). This increase, as mentioned above, comes from more-stringent conditions experienced during the last fiscal year, generated by the poor result of an almost 100% gross loss ratio, leading to widespread losses. This has encouraged the start of a conservative underwriting period, with a view to business profitability.

Moreover, the gross loss ratio decreased by -7.8 pp to 87.1%, although expenditure remains practically identical, bringing the combined ratio to 107.4%, -2.4 pp better than in 2018. However, the technical-financial result of this

segment was negative, representing -2.6% in premiums (-3.3% in 2018). The 2020 outlook clearly continues to involve more-stringent renewal clauses and a Hull portfolio write-down so as to obtain better ratios.

Goods

In 2019, Goods line premiums grew slightly less than the previous year (4.5% in 2019 vs. 6% in 2018). Although the level of exports and imports in 2019 has not fallen, renewal terms, although aggravated from previous fiscal years, were not as harsh as in the Hulls lines, as the gross loss ratio improved by 14.8 pp. Gross expenses, however, increased by only 2 pp, improving the combined ratio to 94.1% (102.6% in 2018). The result of this line segment was therefore positive, representing 9.6% of premiums, compared to 1.1% in 2018 (see Table 3.2-p and Chart 3.2-x).

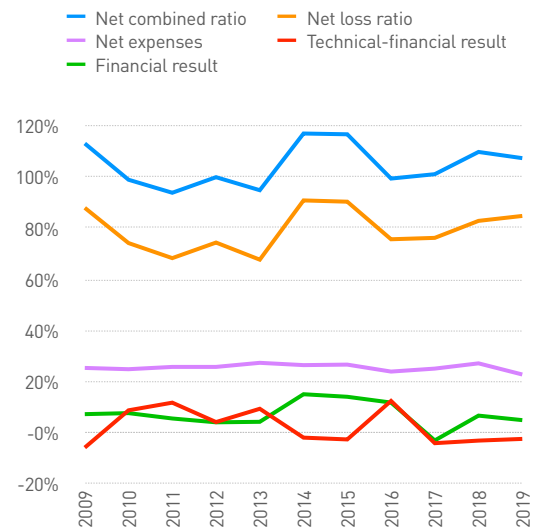
Expectations for 2020 are uncertain as, although the first quarter began with slight growth and a good result, the situation caused by COVID-19 will have a special impact on this line, especially in sectors such as textiles, automotive and retail in general.

Table 3.2-o
Basic Hull Transport insurance indicators,
2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	216	243
Variation in premiums	-5.7%	12.6%
Retention	49.4%	46.4%
Gross loss ratio	94.9%	87.1%
Gross expenses	18.6%	16.5%
Net loss ratio	82.8%	84.7%
Net combined ratio	109.8%	107.4%
Financial result	6.5%	4.8%
Technical-financial result	-3.3%	-2.6%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-w
Results performance in the Hull Transport line,
2009-2019
 (indicators over premiums)



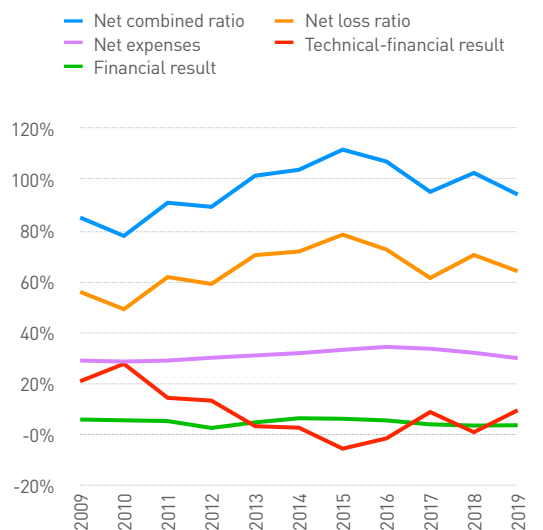
Source: MAPFRE Economics (based on ICEA data)

Table 3.2-p
Basic Goods in Transit insurance indicators,
2018-2019
 (premiums, millions of euros; ratio over premiums, %)

	2018	2019
Premium volume issued (millions of euros)	244	255
Variation in premiums	6.0%	4.5%
Retention	63.2%	69.0%
Gross loss ratio	76.1%	61.3%
Gross expenses	26.1%	28.1%
Net loss ratio	70.4%	64.1%
Net combined ratio	102.6%	94.1%
Financial result	3.6%	3.8%
Technical-financial result	1.1%	9.6%

Source: MAPFRE Economics (based on ICEA data)

Chart 3.2-x
Results performance in the Goods in Transit
insurance line, 2009-2019
 (indicators over premiums)



Source: MAPFRE Economics (based on ICEA data)

Engineering

In 2019, the premium volume of Engineering insurance amounted to 340 million euros, representing an increase of 12.7% compared to the previous year, thereby continuing the positive trend of recent years (see Table 3.2-q). This trend has been maintained thanks to good results of the home construction sector in 2019, which saw a more accentuated rise in certain lines, such as Ten-Year Insurance (18.6%), Construction insurance (26.7%), and Machinery breakdown insurance (9.6%). With a 32.2% increase, Assembly is also a key figure in terms of percentage, but not so much in absolute terms (see Chart 3.2-y). Lastly, the Electronic Equipment segment showed a slight decrease of -2.4%.

As with the rest of the lines, we must wait to assess the effects that disruption of usual activity due to the COVID-19 pandemic will have on the various economic sectors, and to find out whether the Engineering sector will continue on this upward trend. Statistics for the first five months of the year continue to show growth in all Engineering modalities except for Ten-Year

Table 3.2-q
Breakdown of Engineering insurance by modality,
2019
(premiums, millions of euros; variation, %)

Modality	2019	Variation
Ten-Year	38.3	18.6%
Construction	73.8	26.7%
Machinery breakdown	155.3	9.6%
Assembly	19.1	32.2%
Electronic equipment	53.6	-2.4%
Total Engineering	340.0	12.7%

Source: MAPFRE Economics (based on ICEA data)

Insurance, which fell by -10.8%, and Construction, which fell by -5.2%.

3.3 Life line

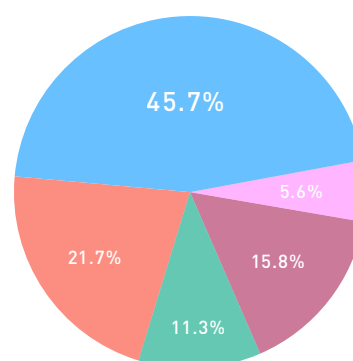
In terms of managed savings, life insurance in Spain grew by 3.4% in 2019, reaching 194.79 billion euros in technical provisions. However, total premiums (27.52 billion) meant a decrease of -5.1%, mainly as a result of the fall in the individual insurance business, which decreased by -9.1%, and despite collective insurance premiums increasing by 30% (See Table 3.3-b and Chart 3.3-a).

Life Protection premiums grew by 3.1%, while Savings premiums showed a decrease of -6.7%. This negative impact was mainly due to the decline in deferred capital products (-13.2%), which have a significant weight in overall savings. Figures with positive growth were observed in both annuities (3.8%) and unit-linked products (19.4%).

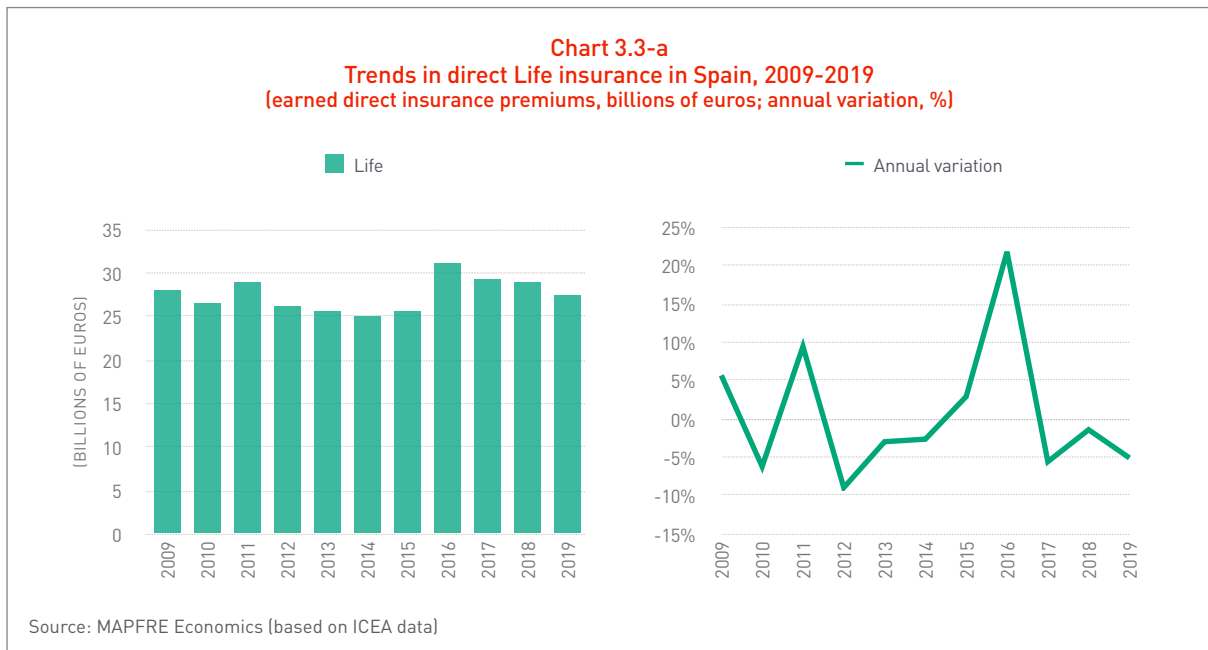
Moreover, in relation to the policyholders as a whole, a small rebound was observed in 2019, which represents a total increase of 1.7%.

Chart 3.2-y
Breakdown of Engineering insurance premiums by
modality, 2019
(indicators over premiums)

- Ten-Year
- Construction
- Machinery breakdown
- Assembly
- Electronic equipment



Source: MAPFRE Economics (based on ICEA data)



as a result of a 2.9% rise in Life Protection policyholders (see Table 3.3-a).

Pension plans and pension funds

Pension Funds set a new equity record at the end of 2019, closing the year with an asset volume of 116.42 billion euros, representing growth of 8.9% during the year. The number of unitholder accounts decreased by 75,041 compared to the previous year, closing 2019 with 9,555,911 accounts. It should be noted that the net number of unitholders at fiscal year-end is estimated at 7.5 million, since many unitholders have more than one plan open in order to diversify their investments (see Charts 3.3-b and 3.3-c).

Gross contributions in 2019 increased to 5.32 million euros for all plans. The increase was concentrated in Individual System Plans, whose contributions increased by 13% in 2019. Gross benefits decreased to 4.52 billion euros, with net contributions in 2019 rising to 798 million euros. The Individual System recorded net inflows of 1.13 million euros, while the Employment System saw its net benefit volume fall to 334 million. It should be noted that these figures do not include movements from Insured Pension Plans to Pension Plans, which are estimated at around 360 million

Table 3.3-a
Breakdown of Life insurance policyholders by modality, 2018-2019
(number of policyholders; annual variation, %)

Modality	2019	Annual variation
Risk	21,017,884	2.9%
Dependency	62,866	-5.5%
Savings/Retirement	9,820,195	-0.9%
Total	30,900,945	1.7%

Source: MAPFRE Economics (based on ICEA data)

euros in 2019. Rights consolidated under the Individual System in 2019 amounted to 10.01 billion euros, slightly higher than the figure in 2018. This amount represents 13.1% of the average annual equity of Individual Plans.

As for the portfolio structure, following the significant revaluation of the Pension Fund share portfolio in 2019, the equity weighting increased by almost 4 pp, representing 36.3% of the total. Both domestic and international equity have increased their weighting in the total (13.2% and 23.2%, respectively). Conversely, fixed income weighting decreased to 45.2% from 47.9% last year.

Table 3.3-b
Breakdown of Life insurance premiums and provisions by modality, 2018-2019
 (premiums issued net of cancellations, annual variation, %)

Modality	Premiums		Provisions	
	2019	Annual variation	2019	Annual variation
Individual	23,629	-9.1%	158,585	4.0%
Group	3,895	30.0%	36,201	0.5%
Total	27,523	-5.1%	194,786	3.4%
Risk	4,859	3.1%	6,450	2.6%
Dependency	7	-7.7%	29	30.2%
Savings/Retirement	22,658	-6.7%	188,307	3.4%
Insured Pension Plan	1,231	-17.4%	12,343	-1.2%
Deferred capital	6,290	-13.2%	50,326	0.6%
Annuities	6,850	3.8%	89,989	2.4%
Asset transformation into life annuities	324	-61.0%	2,594	14.0%
PIAS (<i>Planes Individuales de Ahorro Sistemáticos</i> — individual systematic savings plans)	2,796	-19.5%	14,457	6.9%
SIALP (<i>Seguro Individual de Ahorro a Largo Plazo</i> — individual long-term savings insurance)	1,039	-11.3%	4,321	14.9%
Unit-linked	4,129	19.4%	14,277	16.7%
Total	27,523	-5.1%	194,786	3.4%

Source: MAPFRE Economics (based on ICEA data)

Pension Plans closed 2019 with the best return in the historic series at fiscal year-end, averaging 8.8% during the year. All categories showed positive returns, including Fixed Income, while those with higher exposure to shares were notable. Equity Plans accumulated an annual return of 23.6%, with Mixed Equity Plans achieving 12.2%.

Mutual funds

Domestic mutual funds stood at 276.56 billion euros in 2019 (see Chart 3.3-d). The performance of the risk profile of Spanish unitholders during 2019 has maintained the trend of previous years, and said unitholders have continued to channel their investments into more dynamic positions with a higher equity component in their portfolios. The reasons justifying this performance include a temporary cause such as the negative performance of interest rates which forces the unitholder to seek an extra return on their investments; and another more structural cause, such as the increased financial literacy of the average Spanish saver. In 2019, the total number of Mutual Fund

unitholder accounts was 11.7 million, up by 4.1% from 2018. Back in 2007, nearly 64% of Mutual Fund equity was conservative in nature (39% cash and short-term fixed income and 25% guaranteed); while in December 2019, only 28% of the savings in mutual funds was channeled through this type of instrument (see Chart 3.3-e).

According to the "VI Savings Barometer" published by the Inverco Observatory at the end of 2019, the number of savers investing with a short-term (less than one year) timeline continues to decline from 33% eight years ago to 15% today. Compared to these short-term savers, 51% of savers invest in the medium-term (1 to 3 years) and 35% in the long-term (more than 3 years). If the risk profile variable is included, the preference toward the medium-term does not change, and the vast majority invest in a one-to-three-year period: 44% of the most dynamic savers, 51% of moderate savers, and 52% of conservative savers. For savers with less risk aversion (dynamic), 31% save over five years.

2020 Outlook

In an uncertain scenario caused by the health crisis and its economic consequences, making any kind of prediction is difficult. However, the risk insurance performance will be closely associated with consumption and credit performance, as this type of insurance is largely linked to loan performance. For the time being, developments in the first five months of the year show a slowdown in Life Protection insurance during this period, with a growth of 0.8% compared to the same period of the previous year, according to provisional data on a sample covering 96.2% of the market. Life Savings insurance premiums have declined further to -35.5%, compared to the same period of the previous year, bearing in mind that this period includes April and May in which the Spanish population was under strict lockdown as a result of the pandemic. 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 these types of savings alternatives, such as unit-linked products.

Outlook for mutual funds and pension funds

Inverco's report dated February 12, 2020 indicated that the reduced trade tensions between the United States and China, with the expectation of some sort of forthcoming agreement, and the confidence that Brexit would not occur without an agreement between the United Kingdom and the European Union, justified greater confidence in the global economy, which allowed the US central bank to keep interest rates in the current range between 1.5% and 1.75% and forecast that said interest rates would not move throughout 2020, after three cuts were approved during 2019. As a matter of fact, projections by Federal Reserve members showed that the vast majority expected the next move to be upward, but from 2021.

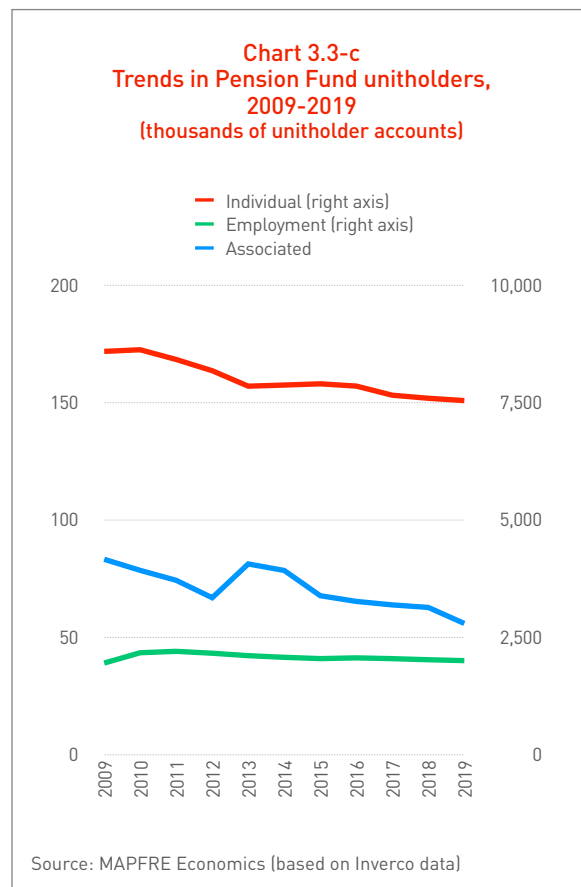
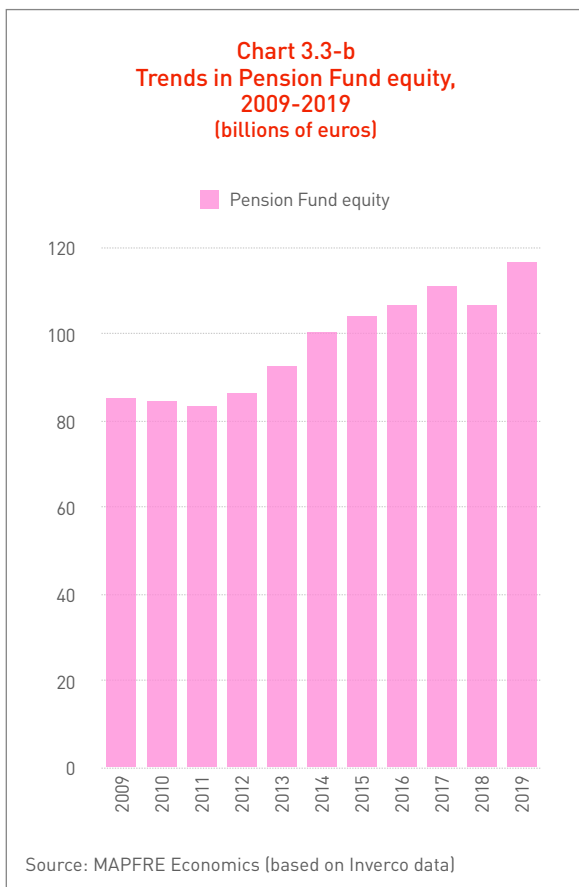
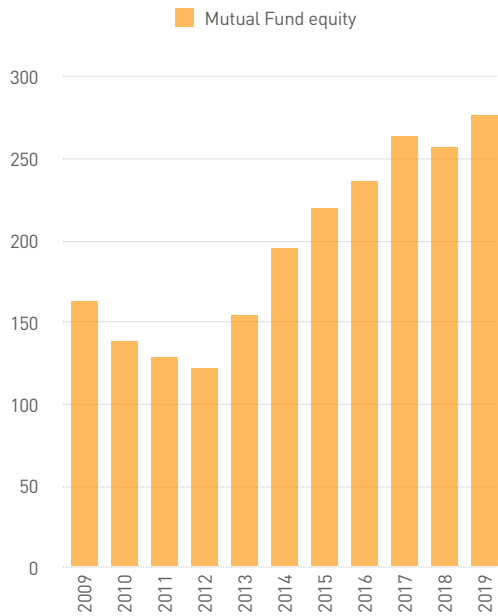
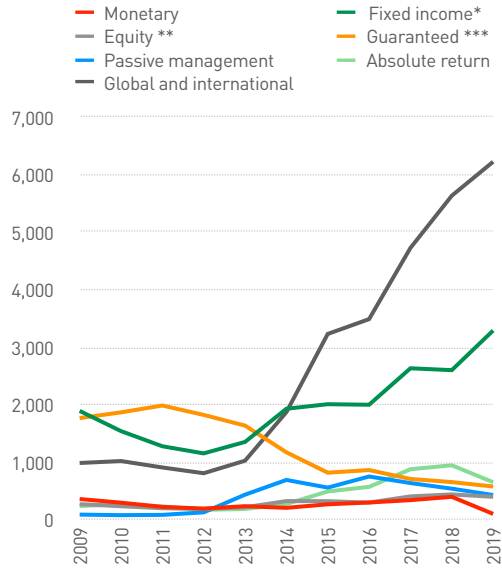


Chart 3.3-d
Trends in Mutual Fund equity,
2009-2019
(billions of euros)



Source: MAPFRE Economics (based on Inverco data)

Chart 3.3-e
Trends in Mutual Fund unitholders,
2009-2019
(thousands of unitholder accounts)



Source: MAPFRE Economics (based on Inverco data)

* Composed of s/t fixed income, l/t fixed income & mixed fixed income
 ** Composed of equity and mixed
 *** Composed of fixed, mixed and equity performance

However, the economic crisis caused by the pandemic has turned this scenario upside down, and the Federal Reserve has been forced to adopt unprecedented quantitative easing measures, accompanied by low interest rates, just as the European Central Bank and almost all central banks around the world have done. As previously indicated for Life insurance, in this case and in such an uncertain scenario due to the health crisis and its economic consequences, making predictions is difficult. One further point to mention is that, within the measures to protect citizens established by Spanish Royal Decree-Law 15/2020, of April 21, on additional urgent measures to support the economy and employment, conditions and terms have been established under which the consolidated rights of pension plans may be implemented, regulating, among other matters, the certification of the circumstances that qualify for the plans, the term to which these circumstances are linked, and the maximum amount that can be made available.

4. Structural growth trends

4.1. Penetration, density and depth

Penetration

Insurance penetration in the Spanish market (i.e. the ratio of premiums to GDP) was 5.15% in 2019, representing a 0.18 percentage point (pp) drop when compared to figures observed in 2018⁹. As shown in Charts 4.1-a and 4.1-b, this is the third consecutive annual decrease for this indicator (-0.27 pp between 2016 and 2017 and -0.11 pp between 2017 and 2018), after reaching its record high in 2016.

As in previous years, the decrease in penetration in the Spanish insurance market in 2019 can be attributed to the performance of the Life insurance segment, which reached 2.21% penetration, 0.19 pp less than the figure recorded a year prior. This is also the third consecutive annual decrease, as penetration during previous years in the Life insurance segment dropped by -0.26 pp in 2017 and -0.12 pp in 2018. The penetration index for Non-Life insurance was 2.94% during 2019 (+0.01 pp compared to 2018). Thus, the penetration of Spanish insurance over the last decade has decreased by 0.39 pp due to the decline in the Life line (-0.39 pp), while the penetration index of the Non-Life segment is the same as it was in 2009.

Analyzing the contribution of the different insurance lines over the last few years, it can be observed, first and foremost, that the predominance of Life Savings insurance continues to stand out in the level of penetration reached in the Life insurance segment in 2019 (2.21%). Its penetration in 2019 was 1.82%, while Life Protection insurance accounted for the remaining 0.39% (see Chart 4.1-c). Regardless, it should be noted that Life Savings insurance penetration dropped by -0.34 pp compared to 2017, while for Life Protection, the indicator rose by 0.03 pp compared to 2017. An analysis of the

penetration index for this segment over the past decade (index 2009=100) shows that, while penetration in the Life Protection insurance segment rose by 17.4% between 2009 and 2019, the figure for the Life Savings insurance segment dropped by -19.9% over the same period.

For the Non-Life insurance segment, Chart 4.1-d shows an analysis of its penetration level trend over the last decade. As a whole, the penetration of this market segment was 2.94% in 2019, dropping slightly by 0.01 pp compared to 2018, and with marginal changes within the various insurance lines comprising it. For the Automobile line, penetration during 2019 was 0.91% (0.92% in 2018); the Multirisk line stood at 0.60% (the same as the previous year); Health stood at 0.72% (0.70% in 2018), while the remaining Non-Life insurance lines stood at 0.71% (0.71% in 2018).

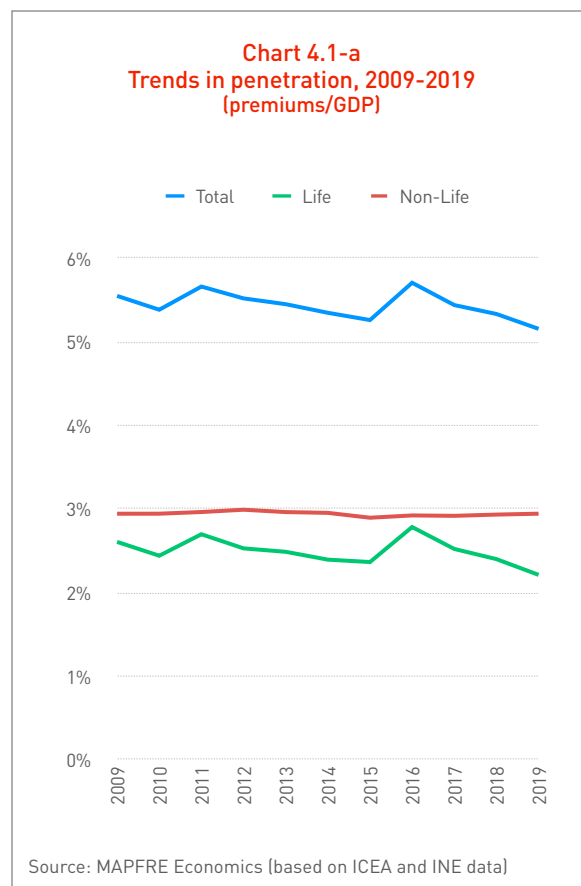
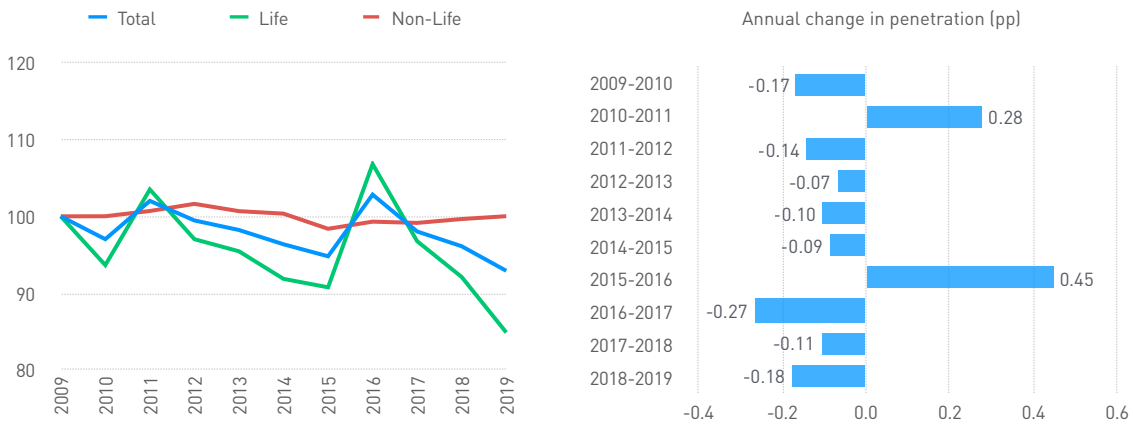


Chart 4.1-b
Trends in changes of penetration, 2009-2019
(index 2009=100; annual change, pp)



Source: MAPFRE Economics

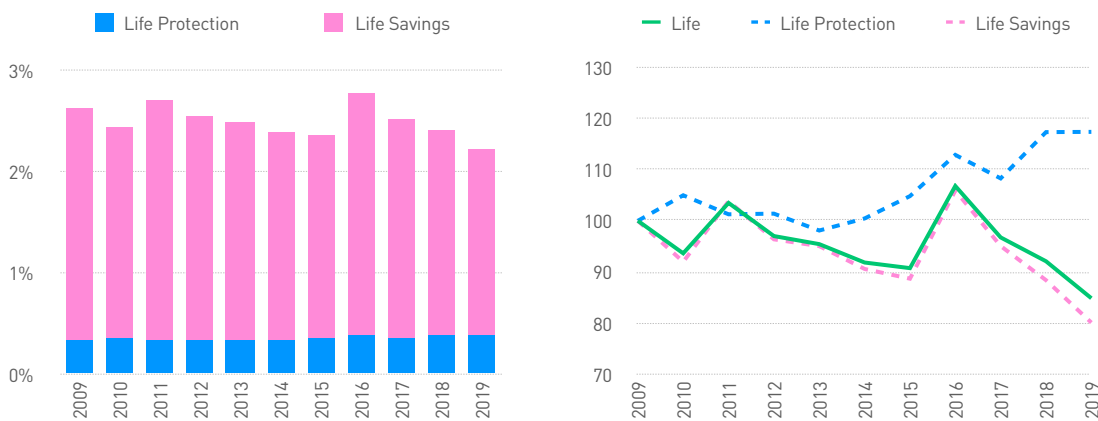
This confirms the medium-term mixed penetration trend for Non-Life insurance lines. Thus, penetration of the Multirisk and Health lines showed growth of 6.9% and 25.8% respectively between 2009 and 2019 (index 2009=100), while Automobile and other Non-Life lines saw respective drops of 15.8% and 2.1% during this period.

Density

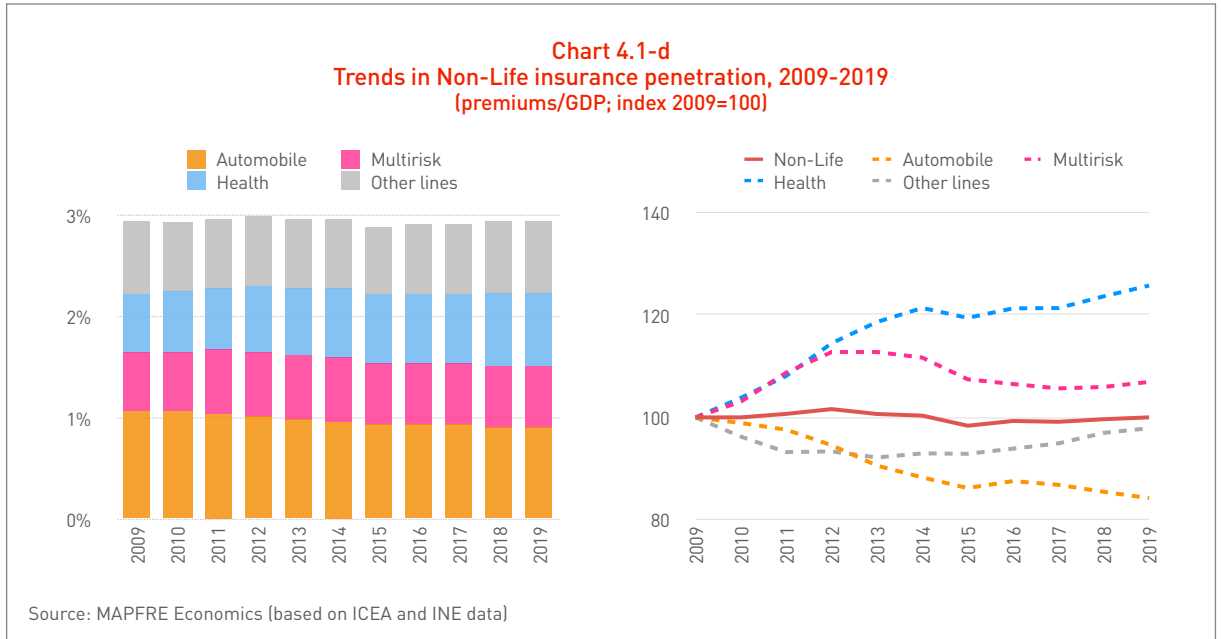
The density of Spanish insurance (premiums per capita) totaled 1,352.6 euros in 2019, 17.4 euros

less than in 2018. This decrease can be explained by a combination of increased density in the Non-Life insurance segment and a drop in Life insurance indicators. Density of the Non-Life segment rose from 753.4 to 772.3 euros between 2018 to 2019, while the Life segment dropped from 616.6 to 580.3 euros over the same period. While the density of the Life insurance segment once again declined for the third consecutive year, that of the Non-Life segment confirmed the rising trend that started in 2013 (see Chart 4.1-e).

Chart 4.1-c
Trends in Life insurance penetration, 2009-2019
(premiums/GDP; index 2009=100)



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



Analyzing the Spanish market density from a medium-term perspective (index 2009=100), it achieved growth of 6.2% over the 2009-2019 period (rising from 1,273.3 to 1,352.6 euros), with a -3% decline in the indicator for Life insurance (from 598.02 to 580.3 euros), and a 14.4% increase for Non-Life insurance (from 675.3 to 772.3 euros) over the same period (see Chart 4.1-f).

As is the case for penetration, density for the Life insurance segment is determined by the performance of Life Savings insurance, with a density of 82.3% of the total (1.4 pp less than the previous year). The density of Life Savings insurance was 477.7 euros during 2019 (38.5 euros less than the previous year), with a continuous declining trend that began in 2017 after attaining a record high in 2016. By contrast, the Life Protection insurance segment, which stood at 102.6 euros in 2019, recorded an increase of 2.2 euros compared to the previous year (see Chart 4.1-g).

From a medium-term perspective for the 2009-2019 period, which is shown in Chart 4.1-g, Life insurance density dropped by -3% over the period. Nevertheless, while the Life Savings insurance segment fell by -8.4% during this period, the Life Protection insurance segment grew by 34.2%. The above data shows that, in the medium-term trend, Life Protection insurance is

beginning to show 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.

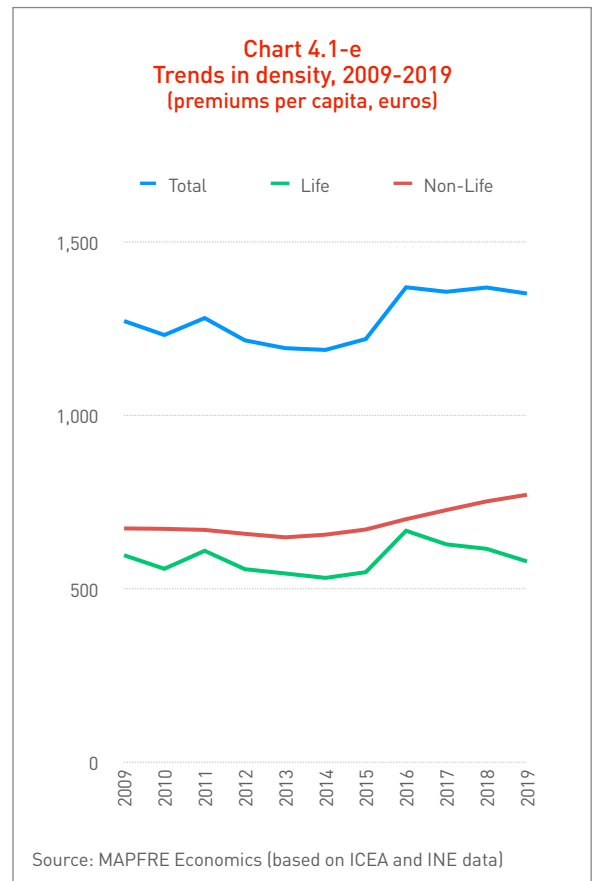
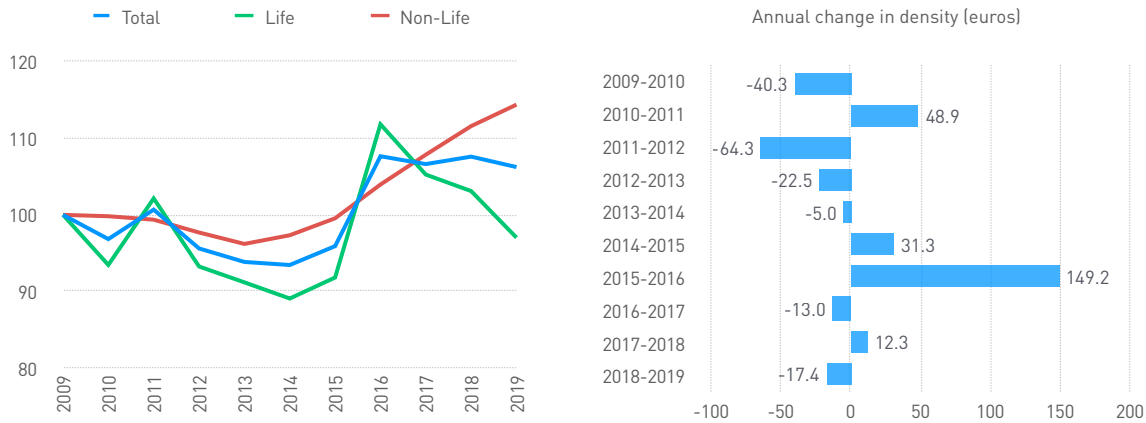


Chart 4.1-f
Trends in changes of density, 2009-2019
(index 2009=100; euros)

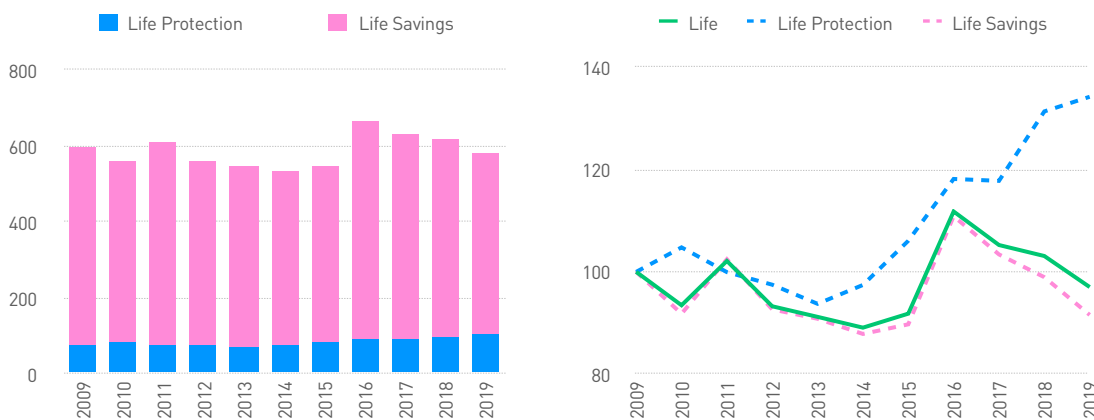


Source: MAPFRE Economics

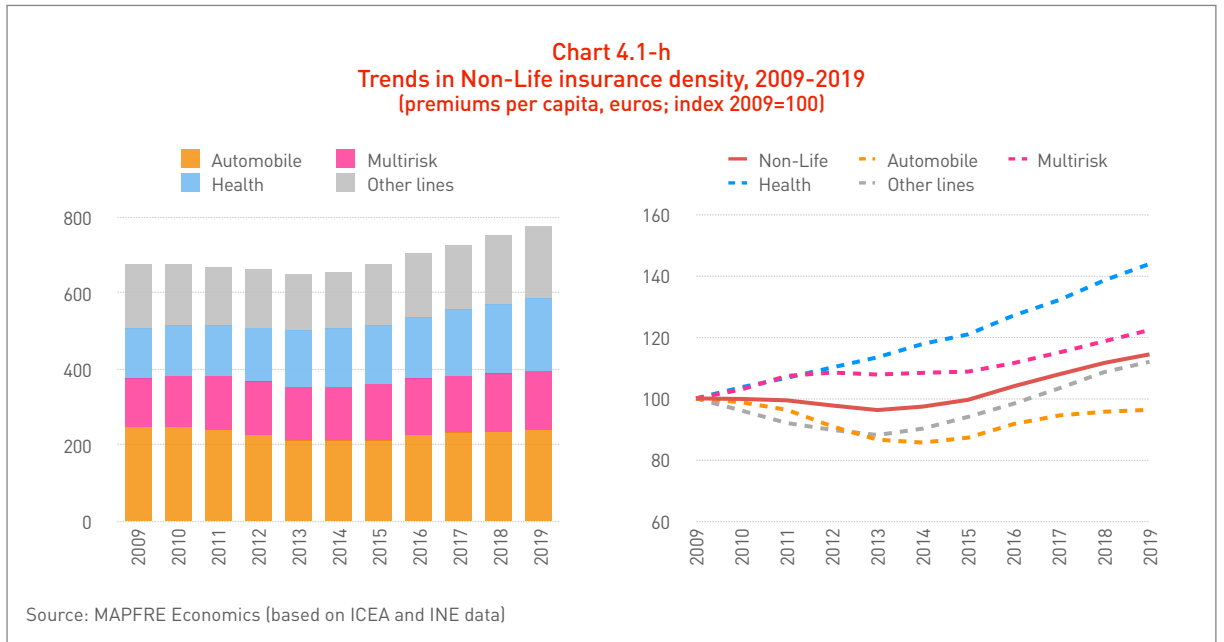
As shown by Chart 4.1-h, density in the Non-Life insurance segment is more equally distributed across the different lines comprising it. Thus, in 2019, the density of this market segment was distributed as follows: 30.9% corresponded to the Automobile line; 24.4% to the Health line; 20.5% to the Multirisk line; and 24.2% to the other lines in the Non-Life insurance segment, which implies no significant changes compared to the data reported in 2018. In the analysis of medium-term trends for the 2009-2019 period,

the Health, Multirisk and other Non-Life lines recorded density increases of 43.8%, 22.3%, and 11.9% respectively (index 2009=100), while the Automobile line saw a density reduction of 3.7%. However, as anticipated in last year's report, the recovering density trend has persisted for the Automobile line.

Chart 4.1-g
Trends in Life insurance density, 2009-2019
(premiums per capita, euros; index 2009=100)



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



Depth

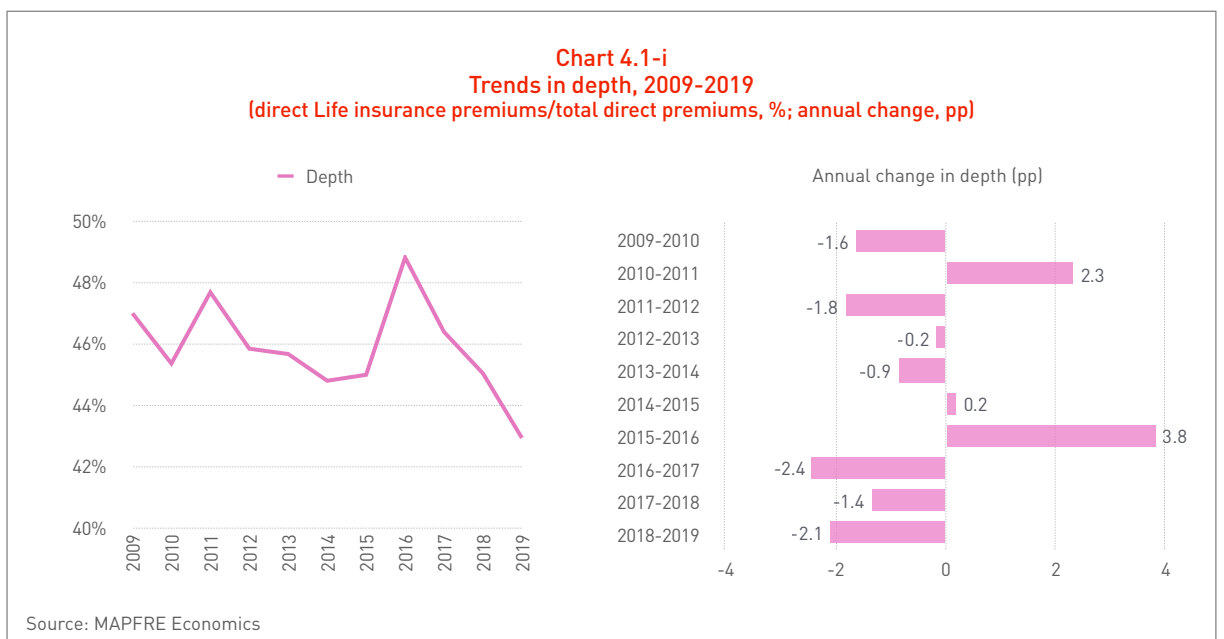
Insurance depth in the Spanish market (i.e. the share of direct Life insurance premiums compared to total market direct premiums) is shown in Chart 4.1-i. The depth index was 42.9% in 2019, which is -2.1 pp under the level recorded in 2018. This is the indicator's third consecutive drop (which shrank by -2.4 pp between 2016 and 2017 and by -1.4 pp between 2017 and 2018), which has lowered market depth levels compared to those recorded a decade ago. This performance also confirms the relative decline

of the Life segment within the market, dating back to its record high in 2016.

4.2. Insurance Protection Gap

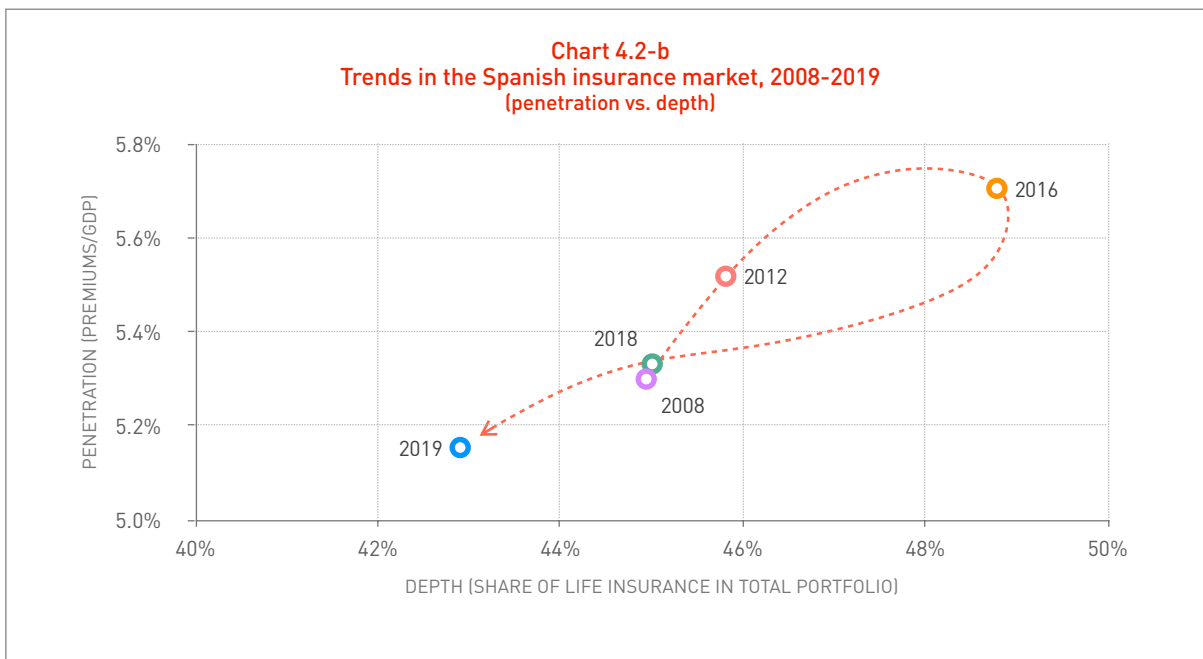
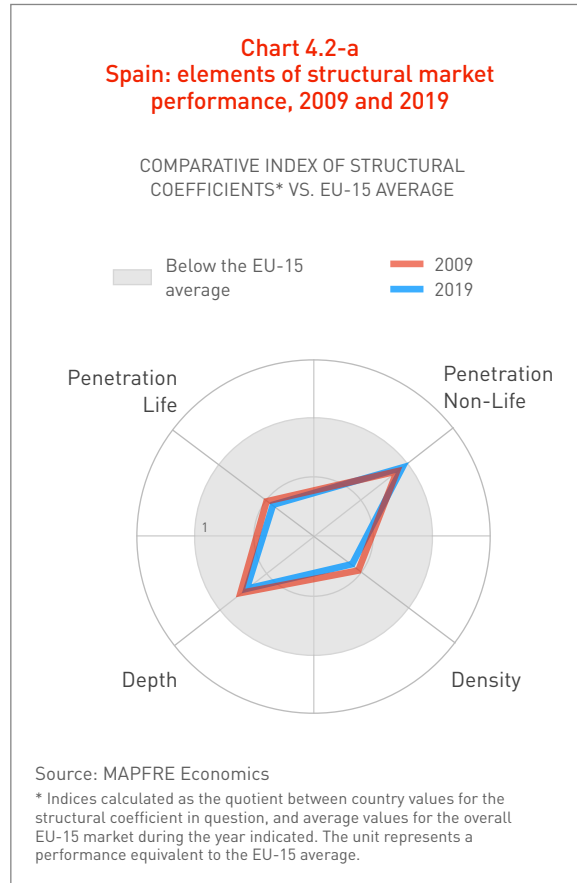
Market trends

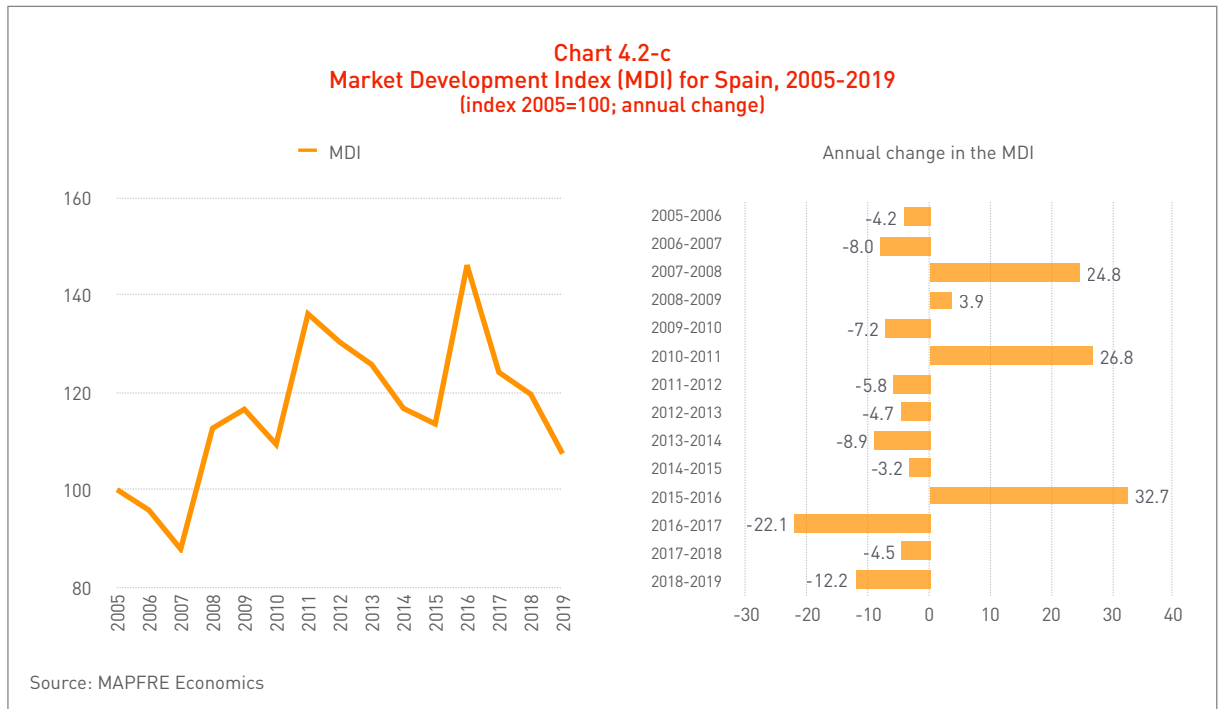
In general, the performance of the Spanish insurance market in 2019 confirmed the slowdown that began in 2017. This was confirmed by the performance of penetration and depth (which both dropped consecutively in



2017, 2018 and 2019), as well as a relative density plateau. As indicated in last year's report, the main structural variables of the Spanish market performed in a manner which indicated that, despite progress recorded over the past decade, they continue to languish below the average of these indicators for the top 15 economies in the European Union (see Chart 4.2-a). Market performance in 2019 seems to confirm that 2017 was a watershed moment: it veered off course from the expansion that began in 2014 (which peaked in 2016) and shrunk to structural parameters compared to those recorded in 2009 (see Chart 4.2-b).

This is also confirmed by the analysis of the Market Development Index (MDI)¹⁰ shown in Chart 4.2-c. As can be seen from this information, the MDI shows the change in the development trend of the Spanish insurance market from 2016, with a decrease in 2019 for the third consecutive year. Of the various factors behind this performance, the most notable include the deceleration of the Spanish economy, as well as persistent low interest rates, which have especially affected the business model of the Life insurance segment.





Insurance Protection Gap

The Insurance Protection Gap (IPG) represents the difference between the insurance coverage that is economically necessary and beneficial to society and the amount of coverage that is actually acquired. As noted in earlier versions of this report, this figure helps to determine the potential market for insurance, which is the attainable market size should said gap disappear. The IPG is therefore not a static concept; rather, it changes depending on the growth of a country's economy and on the emergence of new risks that are inherent to economic and social development.

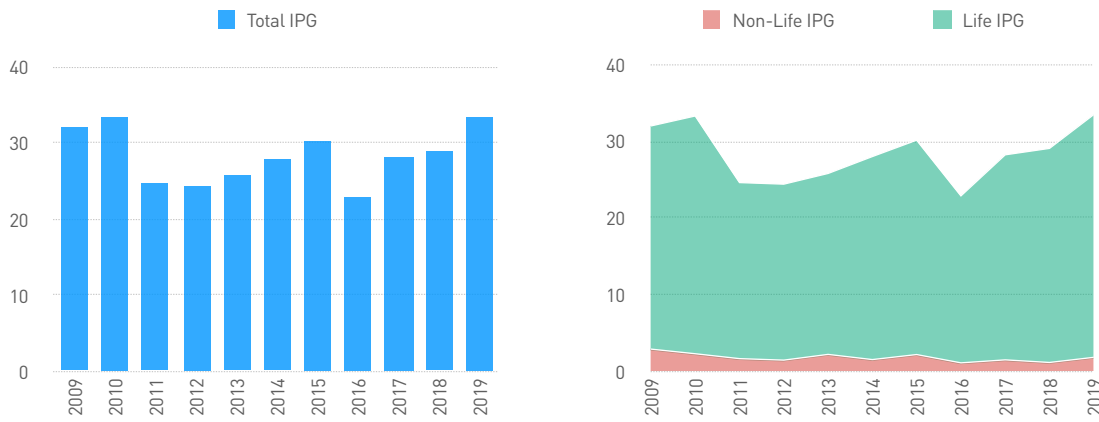
Due to its nature, the IPG is negatively correlated with insurance market growth. From a *quantitative* perspective, the IPG drops as the penetration index increases; while from a *qualitative* viewpoint, it also tends to decrease as markets gain in sophistication and maturity. As such, factors such as sustained economic growth, controlled inflation, higher personal disposable income, the general development of the financial system, an efficient regulatory framework, and the application of public policies aimed at increasing financial inclusion and education are factors that drive a decrease in the IPG¹¹.

2019 Spanish market IPG estimate

Chart 4.2-d shows an estimate of the IPG for the Spanish market over the 2009-2019 period. In 2019, the insurance gap stood at 33.4 billion euros (4.4 billion euros more than the figure for 2018). In structural terms, IPG composition continues to demonstrate room for further development in the Life insurance segment. This is evidenced by the fact that, in 2019, 94.6% of the IPG (31.7 billion euros) corresponded to the Life insurance segment (3.7 billion euros more than in 2018) while the IPG for the Non-Life sector (1.8 billion euros) represented the remaining 5.4% (0.7 billion euros more than the previous year). The growth of the Spanish market's IPG during 2019 continues to be explained by the increase in the insurance gap in both segments, with greater participation from Life insurance. This is consistent with the performance of the aforementioned depth index.

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 in 2019 would have amounted to 97.6 billion euros, 52.1% above the premium volume actually observed during that year. Again, it is worth

Chart 4.2-d
Trends in the Insurance Protection Gap, 2009-2019
(billions of euros)



Source: MAPFRE Economics

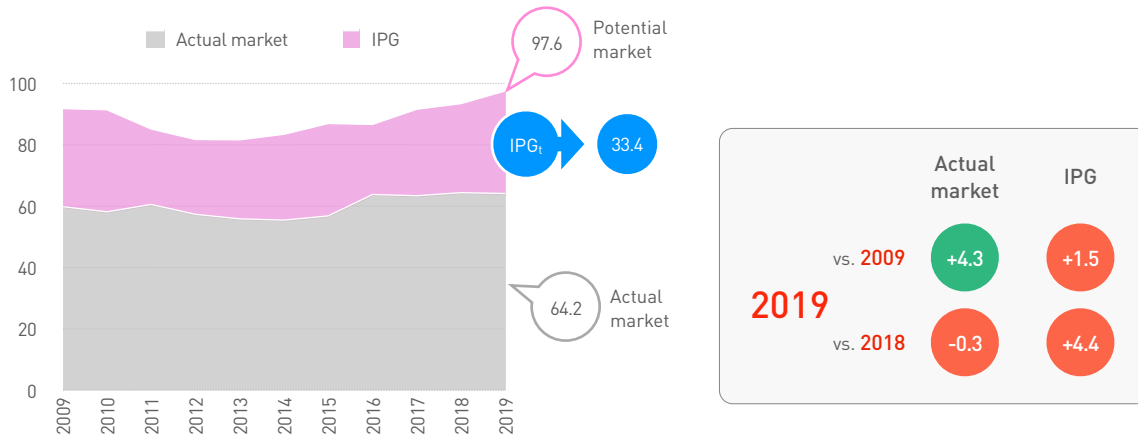
highlighting the particularly relevant potential of the Spanish market in the Life insurance segment, in both its Protection and Savings modalities. This is an area of the market that clearly has a lower relative development level compared to other European insurance markets.

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

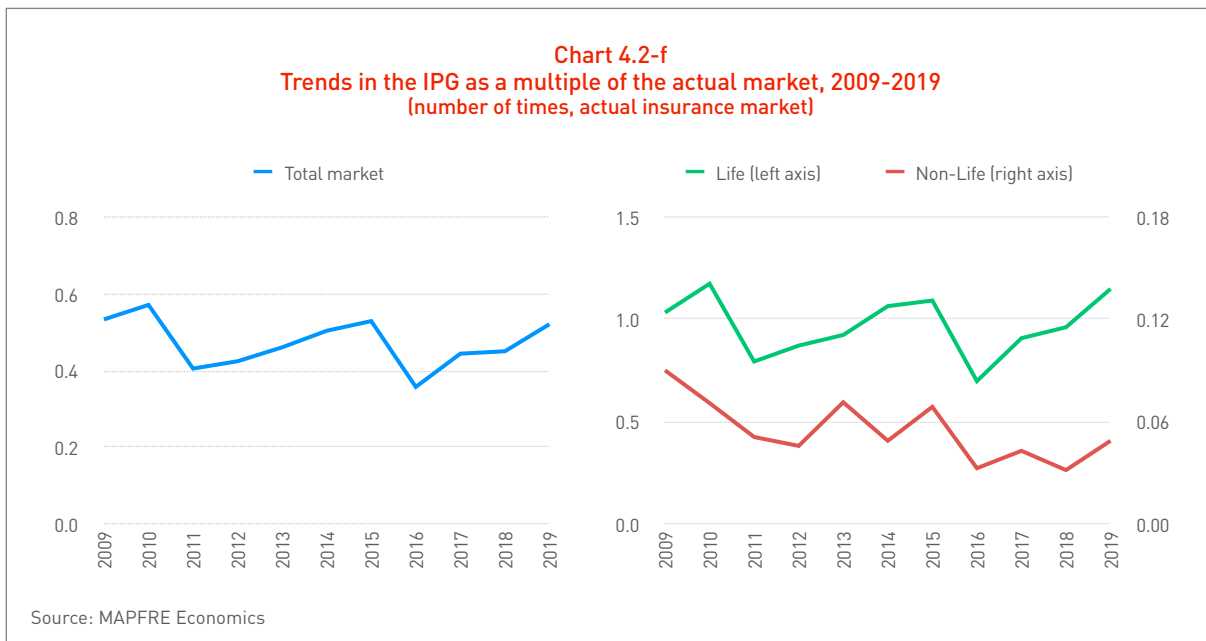
Over the past decade, the insurance gap in the Spanish market, expressed as a multiple of the actual insurance market, declined in 2011 and

2016, showing an increasing trend over the past three years. This performance also occurred in the Life segment; however, for Non-Life, if we exclude the last year, there has been a more decreasing trend (see Charts 4.2-f and 4.2-g). In terms of the Life insurance segment, IPG during 2019 represented 115% of the actual market (19 pp more than in 2018), while in terms of the Non-Life segment, the insurance gap stood at 4.9% of the real market in 2019 (1.7 pp more compared to the previous year).

Chart 4.2-e
Insurance Protection Gap and potential market, 2009-2019
(billions of euros)



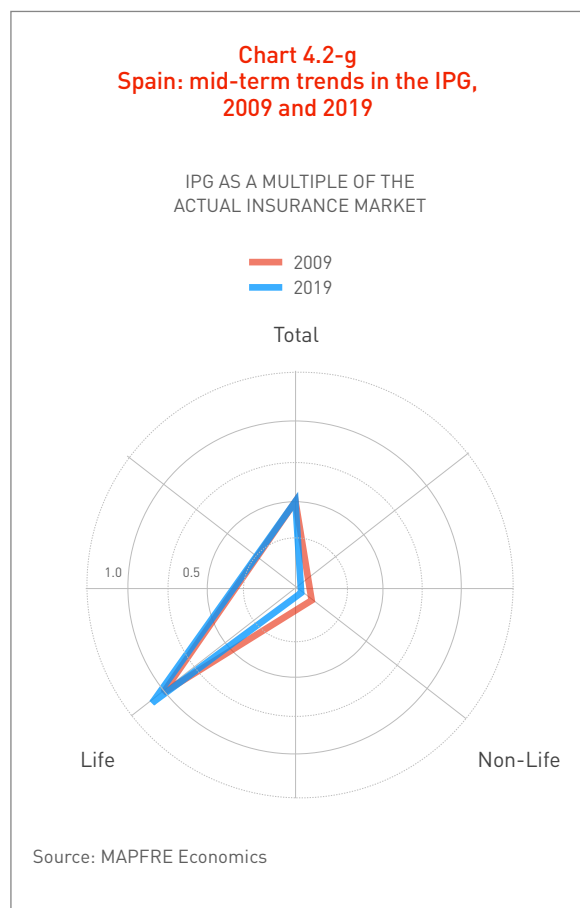
Source: MAPFRE Economics



Finally, Chart 4.2-h shows the new 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 (2009-2019), indicating the growth rates needed to close the IPG determined in 2019 over the next ten years.

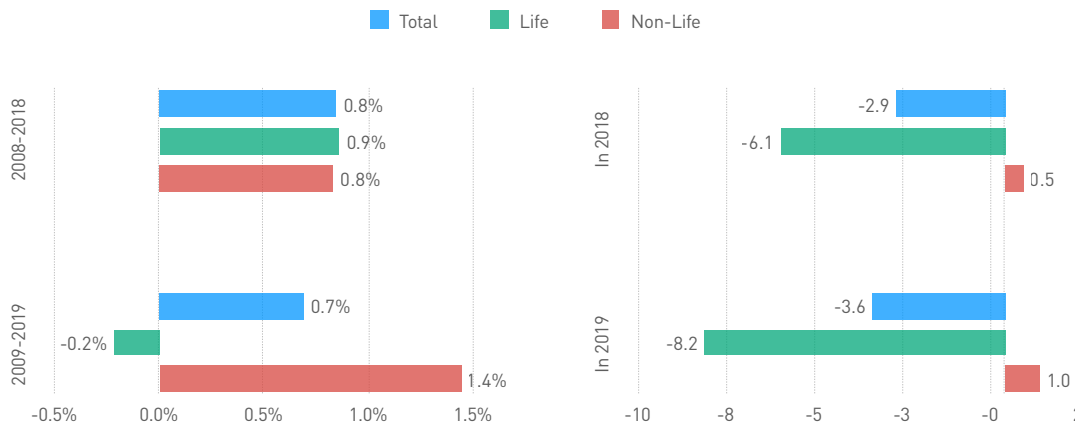
According to this analysis, the growth of Spain's insurance market achieve an average annual growth of 0.7% (-0.2 pp less than the previous figure) for the 2009-2019 period, with the Life insurance segment falling at an average annual rate of -0.2% (-1.1 pp less than the previous figure) and the Non-Life insurance segment growing at an average annual rate of 1.4% (0.6 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 3.6 pp short of covering the insurance gap determined in 2019. 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 insurance gap is determined by the performance of Life insurance, it is in this segment where the greatest efforts on growth will be focused in order to close the IPG within



the time frame considered for analysis purposes. Thus, for this segment, the rate observed falls 8.2 pp short of what is needed to close the relative gap in the next ten years. This means that in order to do so during this period, the Life

Chart 4.2-h
Capacity to close the Insurance Protection Gap, 2009-2019
 (annual growth rate, %; sufficiency or insufficiency, pp)



Source: MAPFRE Economics

insurance segment must grow at a sustained average annual rate of 8% over the next decade.

Finally, it should be noted that the performance of the Spanish insurance market in 2019 has increased the shortfall in the growth needed to close the IPG, thereby confirming the general market slowdown mentioned in this report. As shown in Chart 4.2-f, between 2018 and 2019, the shortfall for closing the overall insurance gap increased by 0.7 pp, while it declined by 2.1 pp in the Life insurance segment over this period.

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

5.1. 2019 Solvency and Financial Condition Report

The Solvency II prudential regulation scheme relies on a model based on three fundamental pillars: Pillar 1 is focused on determining the quantitative aspects that maintain company solvency positions; Pillar 2 oversees the appropriate company governance and supervision; and Pillar 3 was conceived to pass transparency and reporting requirements on to the market. This regulatory system intends to create incentives for insurance companies to be able to appropriately manage risks so as to protect policyholder interests, and thereby ensure that the insurance industry contributes to economic and social development and, as a result, to the stability of the financial system.

In accordance with the regulations that apply to Pillar 3, insurance companies must publish annual information on their financial and solvency position, providing consistent, comparable, detailed information on the market through a Solvency and Financial Condition Report (SFCR). Insofar as interested economic agents have information that allows them to comprehend each company's implicit risk, these regulations seek to ensure that they are able to have a better understanding of the risk assessment and management procedure, the sufficiency of technical provisions and own funds and, therefore, the solvency position of a certain company.

Throughout the second quarter of 2020, insurance companies operating in the Spanish market released their SFCR for the fourth year, the publication deadline of which had been extended to June 2, 2020 as a result of the COVID-19 pandemic. Based on the published information, the following is an analysis of the ratios published for a sample of the leading

insurance providers operating in the Life segment, in both the Life and Non-Life segments (Composites), and those mainly operating in the Non-Life line. A comparison is also shown of these companies' positions at the end of the previous year¹².

In order to strengthen this transparency commitment toward the market by insurance companies operating in the Spanish market, Pillar 3 regulations establish the obligation for such companies to disclose in their SFCR the impact that the non-application of transitional and adjustment measures (LTGs) would have had on their solvency ratio. The above LTG measures were introduced by the Directive to offset any potential damage to businesses with long-term guarantees arising as a result of Solvency II. The most relevant are:

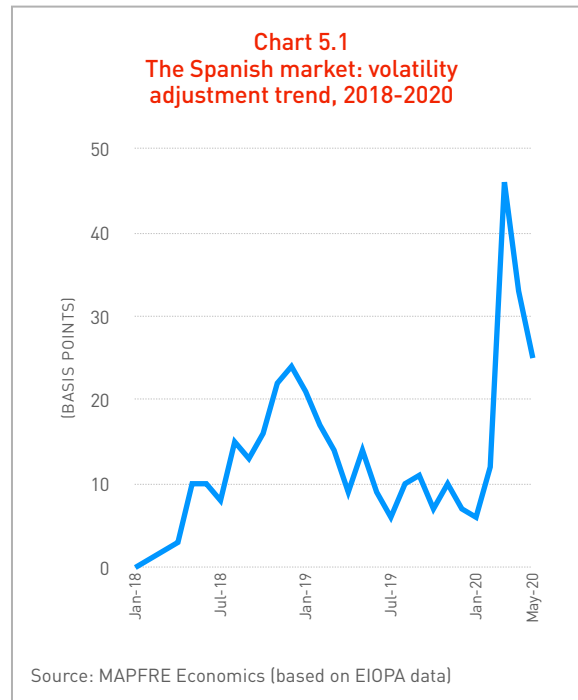
- **Transitional technical provision measure.** This measure allows the difference between the technical provision estimated under the parameters of Solvency II and the technical provision calculated in line with the previous standards under Solvency I to be gradually deferred over an initial 16-year period, until January 1, 2032 (four 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 in investment portfolio spreads. The adjustment amount is calculated monthly by the European Insurance and Occupational Pensions Authority (EIOPA), taking into account the investment portfolio profile at the sector-level in each country. It consists of an adjustment for each currency, to which an additional adjustment is added for the country in which the insurance company is

located, if there is a rise in the volatility of that specific market above a certain threshold. Chart 5.1 shows the volatility adjustment for the Spanish market from January 2018 to May 2020.

- **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 with held-to maturity investments with durations similar to their liabilities and, 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 those who operate in both Life and Non-Life lines (Composites), which offer products with long-term guarantees and to which the aforementioned transitional and adjustment measures (LTG) are therefore applicable. For companies mainly operating in the Non-Life insurance sector, the potential effects of not applying measures designed for products with long-term guarantees are negligible. It should be noted that the volatility adjustment for the Spanish market at the end of 2019 was significantly lower than the adjustment at the end of 2018 (see Chart 5.1). This lower financial market volatility (reflected in the volatility adjustment calculated by the EIOPA) favors the solvency position of insurance companies, especially those operating in the Life line, which has generally led to an improvement in solvency ratios in 2019. This is without prejudice to other factors that may adversely affect the risk profile of insurance companies individually.

However, the economic crisis resulting from lockdown measures adopted in the wake of the health crisis caused by the COVID-19 pandemic has led (already in 2020) to an unprecedented



surge in volatility. This is clearly reflected in the volatility adjustment trend in the months following 2019 year-end. There was also a sharp trend change in March, following the announcement by the European Central Bank (ECB) of significant unconventional measures to ensure the liquidity of both sovereign and corporate bond markets.

Even so, The General Directorate for Insurance and Pension Funds has required an additional calculation for the solvency capital requirement (SCR) and solvency ratios at the end of the first quarter of 2020 (under normal conditions, the requirement is to calculate SCR only once a year), although not all companies required to calculate this have published their results. In cases where this has been published, reductions in corresponding solvency ratios have been observed, albeit moderately, thus remaining comfortable in terms of their solvency position. As a reference to the impact that the current situation may have on solvency levels, according to information made public at the group level, solvency ratios have fallen in the following ways: VidaCaixa by -6 percentage points (163% at the end of the first quarter of 2020, compared to 169% at the end of 2019), MAPFRE by -9.6 percentage points (177.2% versus 186.8%), Mutua Madrileña by -5 percentage

points (317% versus 322%), Allianz by -52 percentage points (138% versus 190%), and Catalana Occidente by -29 percentage points (184% versus 213%). It should be noted, however, that the ratios presented in this report are at the individual company level and not at the group level.

5.2. Solvency ratios

In 2019, the aggregate total solvency ratio for the selected sample of insurance companies operating in the Spanish market was 243%, 5 percentage points above the value recorded in 2018 (238%). 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 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 69.2% of insurance premiums and 77.9% of market technical provisions in 2019), accompanied by comparisons with the previous year. Firstly, the

aggregate solvency ratio for the sample of insurance companies mainly operating in the Life line during 2019 was 245% (221% in 2018), which represents a 24-pp improvement 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 473% (92.9 pp above 2018). The improvement in the solvency ratio of Bansabadell Vida is also worth noting, which stood at 332% (163 pp above the figure recorded in 2018). Apart from Santander Seguros (-2.8 pp less than the previous year), BBVA Seguros (-10 pp), and Bankia MAPFRE Vida (-54.1 pp), all other analyzed companies reported an improvement in their 2019 solvency ratios compared to the previous year.

Secondly, for the sample of companies considered in this report operating in both the Life and Non-Life insurance sectors (Composites), the total aggregate solvency ratio for 2019 was 225% (228% in 2018), a slight -3 pp decline compared to the previous fiscal year. Chart 5.2-b shows that Caser has the highest ratio within this group of companies, standing at 274% (281% in 2018), a slight -7 pp decrease compared to 2018. In terms of variations from

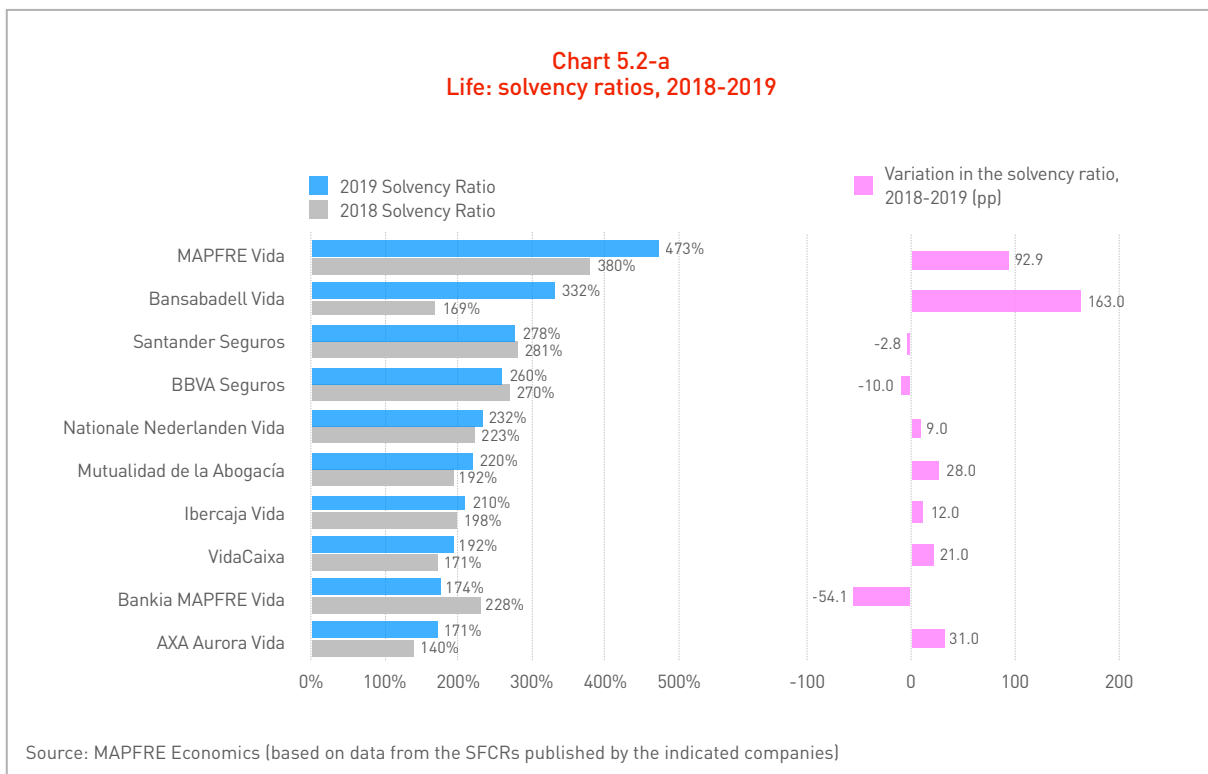
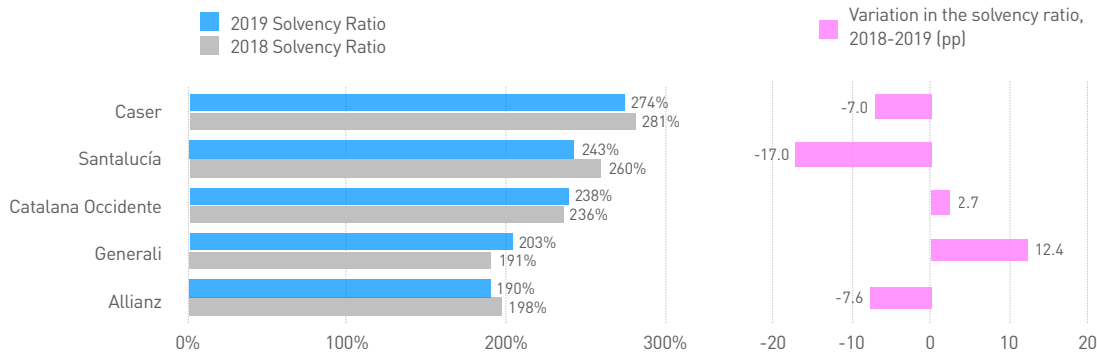


Chart 5.2-b
Composites: solvency ratios, 2018-2019



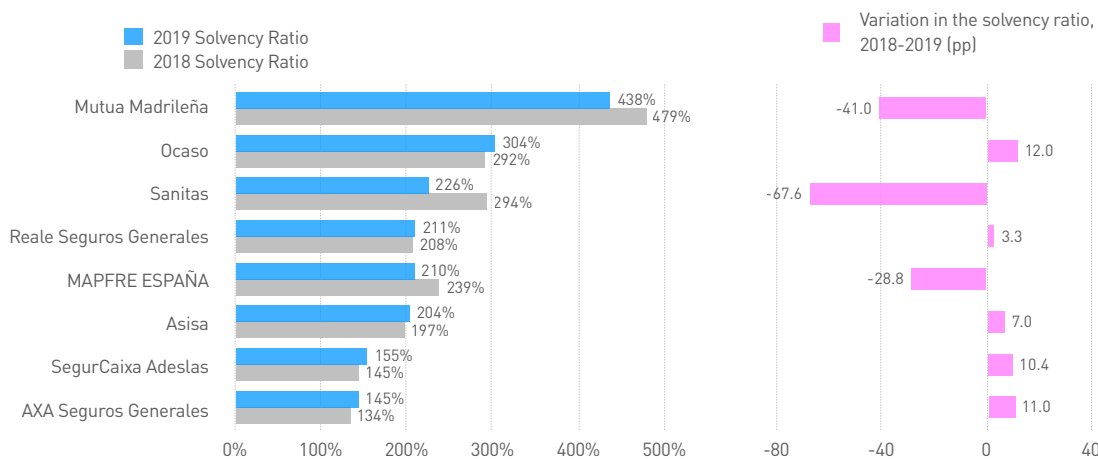
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

the previous year, the case of Santalucía is particularly notable, as it saw a significant decline of -17 pp (243% in 2019 compared to 260% in 2018), as is Generali, whose solvency ratio improved by 12.4 pp (203% in 2019 versus 191% in 2018).

shows that three companies have seen a reduction in their solvency margins: Mutua Madrileña with a ratio of 438% (-41 pp compared to 2018), Sanitas with a ratio of 226% [-67 pp compared to 2018], and MAPFRE ESPAÑA with a ratio of 210% [-28.8 pp compared to 2018].

Finally, the companies analyzed in this report operating solely or mainly in the Non-Life insurance sector had a total aggregate solvency ratio of 257% in 2019 (269% in 2018), recording a -12-pp decrease compared to the previous fiscal year. For this type of company, Chart 5.2-c

Chart 5.2-c
Non-Life: solvency ratios, 2018-2019



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

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

Table 5.3-a shows a breakdown of SCR results and the solvency ratios for each company operating in the Life segment considered in this analysis, along with a few other figures provided for comparison.

Chart 5.3-a shows a breakdown of the effect on solvency ratios caused by the LTG measures applied by each company, as well as any variation in the overall profit of these measures compared to the previous year. The analysis of this information shows a reduction between 2018 and 2019 in the relative profit obtained from applying transitional and adjustment measures (LTG), with the sole exception of Bansabadell Vida. It is important to note that this performance has been influenced by reduced financial market volatility that had been observed until the end of 2019, which contrasts with the situation experienced at the end of 2018 when there was a sharp increase in volatility that led to further adjustments in the

valuation of technical provisions and SCR when applying volatility and matching adjustments (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 solvency capital requirement (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

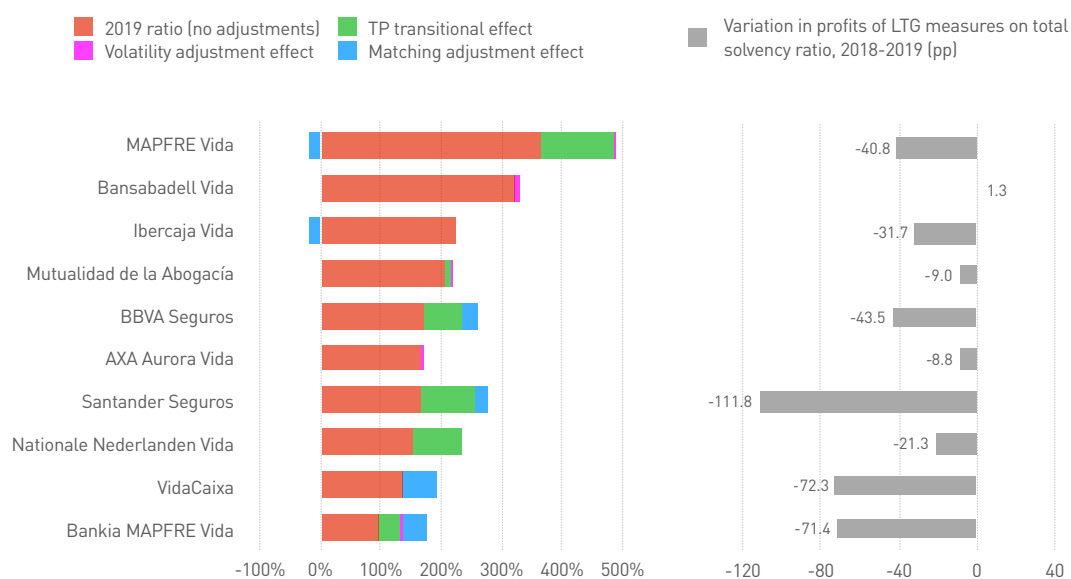
Table 5.3-a
Life: SCR result and solvency ratio, 2019
(thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	SCR required	Solvency ratio	SCR over TP	Eligible own funds over assets	SCR over premiums
VidaCaixa	64,903,540	8,580,735	3,692,984	1,922,161	192.1%	3.0%	2.3%	22.4%
Seguros Santander	16,145,384	1,650,314	2,110,157	758,811	278.1%	4.7%	3.3%	46.0%
BBVA Seguros	13,470,130	1,371,580	1,833,377	705,312	259.9%	5.2%	3.4%	51.4%
MAPFRE Vida	12,492,400	1,735,463	2,566,213	542,432	473.1%	4.3%	3.0%	31.3%
Bansabadell Vida	9,303,560	1,768,241	756,913	228,082	331.9%	2.5%	2.1%	12.9%
Mutualidad de la Abogacía	7,828,887	650,908	1,679,925	761,899	220.5%	9.7%	7.5%	117.1%
Ibercaja Vida	7,610,563	1,324,945	605,696	288,048	210.3%	3.8%	3.4%	21.7%
AXA Aurora Vida	6,768,943	737,835	769,975	450,363	171.0%	6.7%	5.3%	61.0%
Bankia MAPFRE Vida	6,668,425	223,830	367,677	211,044	174.2%	3.2%	2.5%	94.3%
Nationale Nederlanden Vida	3,811,538	500,087	422,028	182,248	231.6%	4.8%	4.1%	36.4%

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

* Taken from figures on premiums, loss ratio and expenses.

Chart 5-3-a
Life: effect of LTG measures on 2019 solvency ratios and variation vs. 2018



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

the weight of the measures applied by each company on solvency ratios, as well as any variation in the overall profit 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.

5.5. Non-Life: Comparative SCR analysis

For companies included in this report that operate solely or mainly in the Non-Life insurance sector, Table 5.5 shows the results of SCR and solvency ratios in 2019. This information is accompanied by other figures for comparison purposes. It should be noted that the analysis of the variation in the solvency ratio

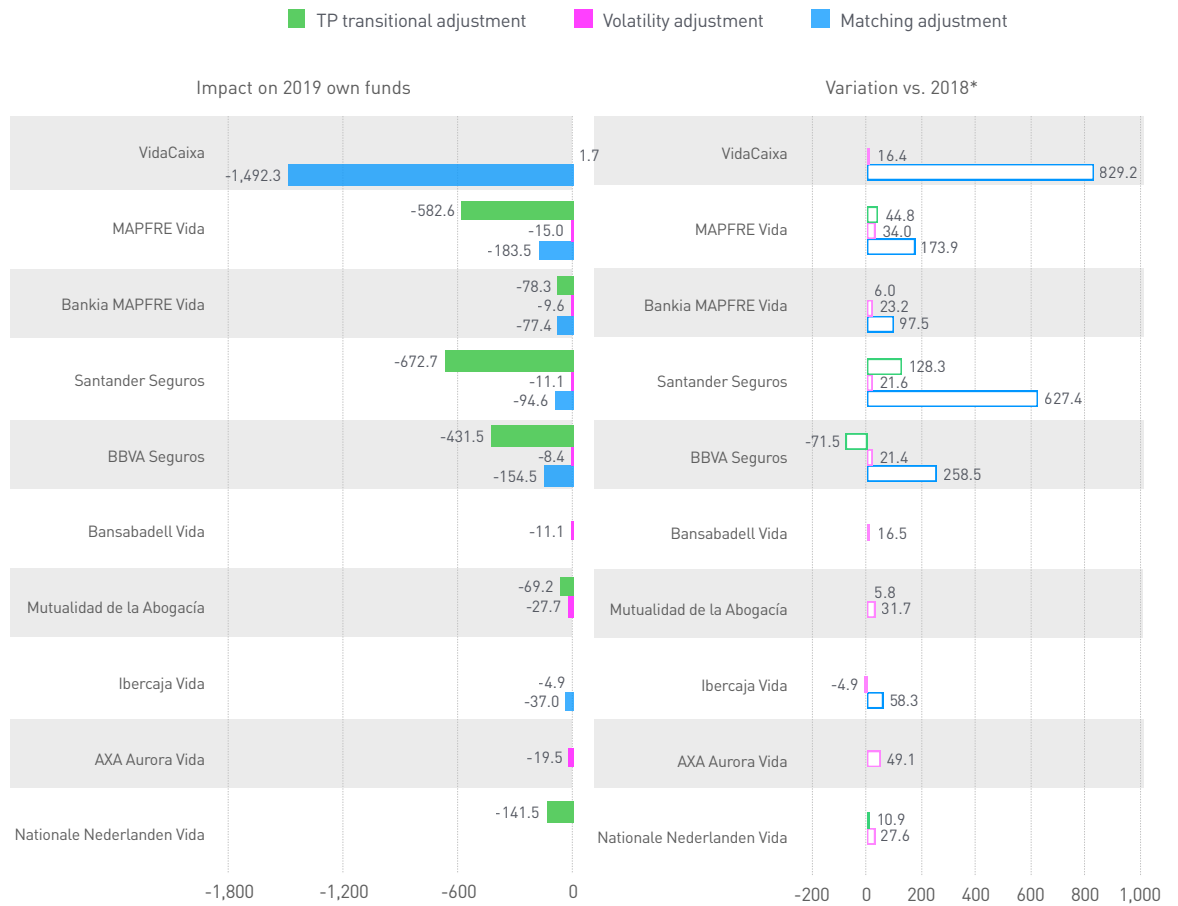
between 2018 and 2019 for the insurance companies considered in the sample for this segment of the Spanish market is presented in point 5.2 of this report (see aforementioned Chart 5.2-c).

As previously mentioned, the potential impact of not applying measures designed for products with long-term guarantees (LTG) is not shown for this business segment as it is negligible; these measures are effective for companies operating in the Life line, or in Composite scenarios with significant elements of this businesses type.

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 2019 for all the insurance companies considered in this report is reflected in Table 5.6. Likewise, this information shows the positive effect that

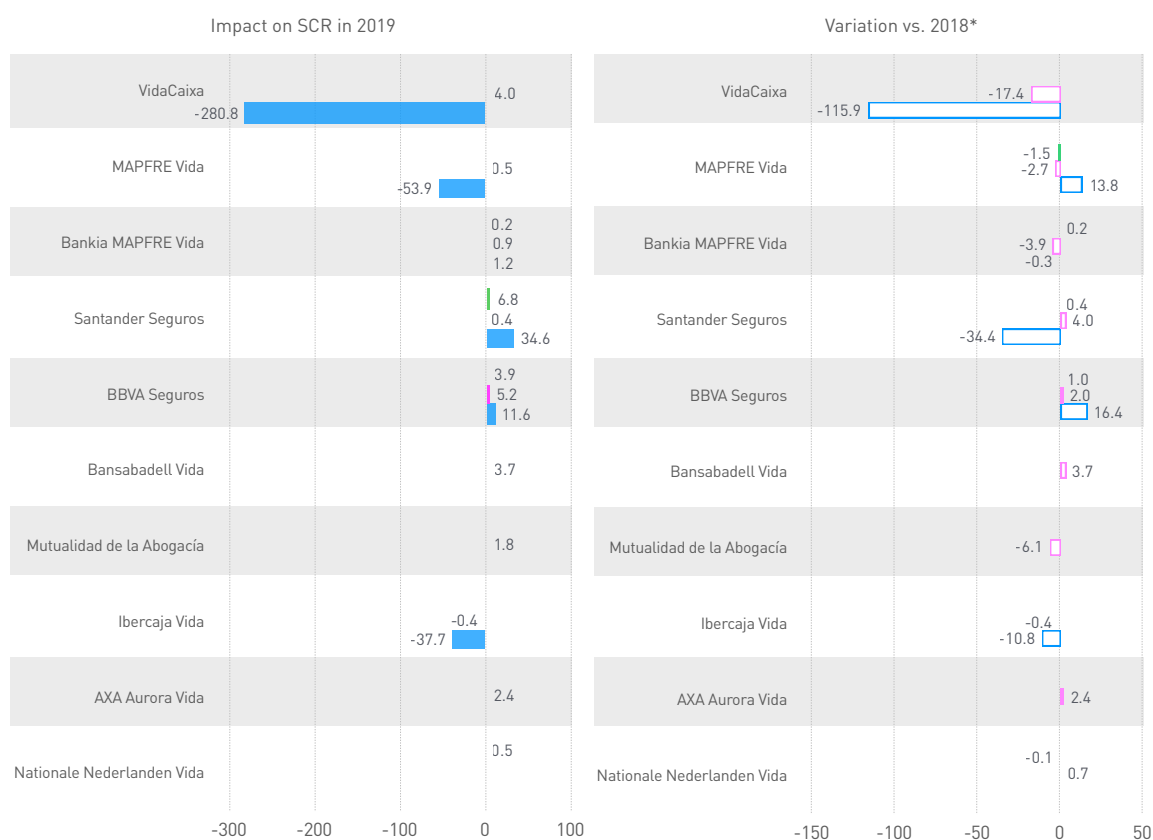
Chart 5.3-b
Life: impact of transitional and adjustment measures on own funds, 2019
 (millions of euros)



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

Chart 5.3-c
Life: effect of transitional and adjustment measures on SCR, 2019
 (millions of euros)

■ TP transitional adjustment ■ Volatility adjustment ■ Matching adjustment



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

* Negative variation implies increased impact of adjustment.

Table 5.3-b
Life: impact of applying Directive measures for long-term products on own funds, 2019
 (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	3,692,984	-	1,703	-1,492,312
Santander Seguros	2,110,157	-672,656	-11,112	-94,595
BBVA Seguros	1,833,377	-431,469	-8,389	-154,502
MAPFRE Vida	2,566,213	-582,601	-14,965	-183,497
Bansabadell Vida	756,913	-	-11,056	-
Mutualidad de la Abogacía	1,679,925	-69,217	-27,710	-
Ibercaja Vida	605,696	-	-4,949	-37,050
AXA Aurora Vida	750,470	-	-19,505	-
Bankia MAPFRE Vida	367,677	-78,274	-9,600	-77,375
Nationale Nederlanden Vida	422,028	-141,549	-	-

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

* For the effects shown in this Table, we have used the effects on the "Eligible own funds" indicated by each company in its report.

Table 5.3-c
Life: impact of applying Directive measures for long-term products on SCR, 2019
 (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	1,922,161	-	3,987	-280,763
Santander Seguros	758,811	6,825	386	34,612
BBVA Seguros	705,312	3,939	5,217	11,570
MAPFRE Vida	542,432	-	464	-53,852
Bansabadell Vida	228,082	-	3,685	-
Mutualidad de la Abogacía	761,899	-	1,780	-
Ibercaja Vida	288,048	-	-357	-37,734
AXA Aurora Vida	450,363	-	2,365	-
Bankia MAPFRE Vida	211,044	216	872	1,155
Nationale Nederlanden Vida	182,248	482	-	-

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

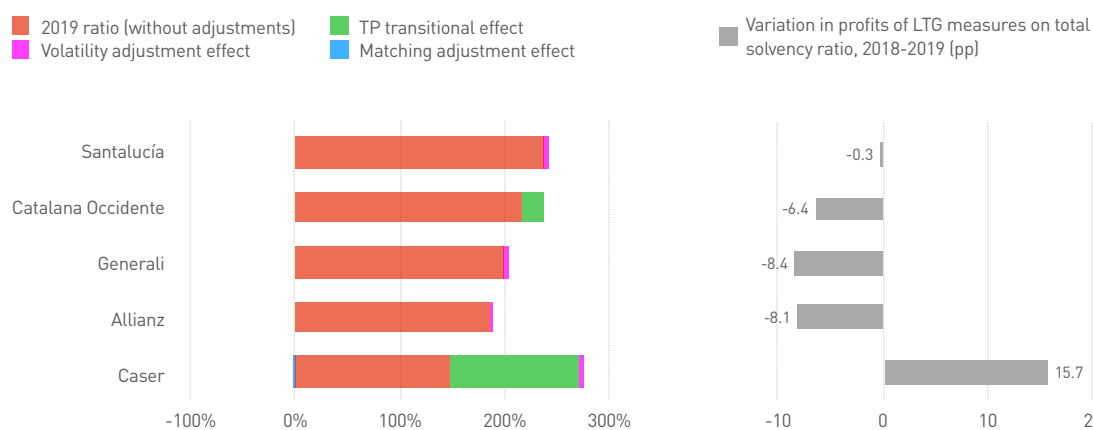
Table 5.4-a
Composites: SCR result and solvency ratio, 2019
 (thousands of euros)

Company	Technical provisions (TP)	Premiums*	Eligible own funds	SCR required	Solvency ratio	SCR over TP	SCR over premiums	Eligible own funds over assets
Allianz	8,605,738	3,180,074	1,650,877	870,098	189.7%	10.1%	27.4%	7.3%
Generali	7,198,875	2,181,648	1,915,725	941,668	203.4%	13.1%	43.2%	8.7%
Caser	4,534,925	1,000,721	1,550,749	566,142	273.9%	12.5%	56.6%	8.2%
Catalana Occidente	4,023,430	1,124,328	1,938,786	812,929	238.5%	20.2%	72.3%	11.7%
Santalucía	3,898,446	1,423,399	1,900,832	782,369	243.0%	20.1%	55.0%	11.6%

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

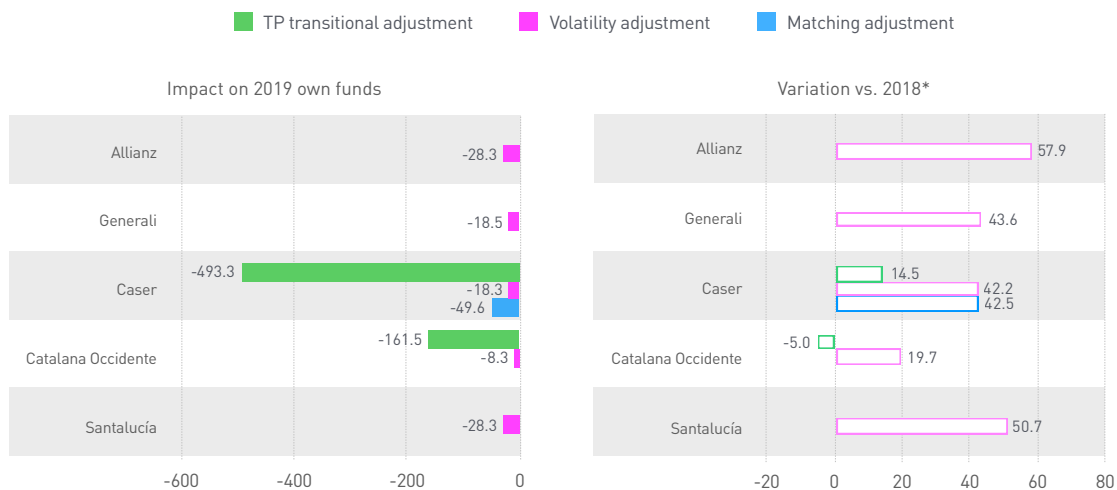
* Taken from figures on premiums, loss ratio and expenses.

Chart 5.4-a
Composites: effect of LTG measures on 2019 solvency ratios and variation vs. 2018



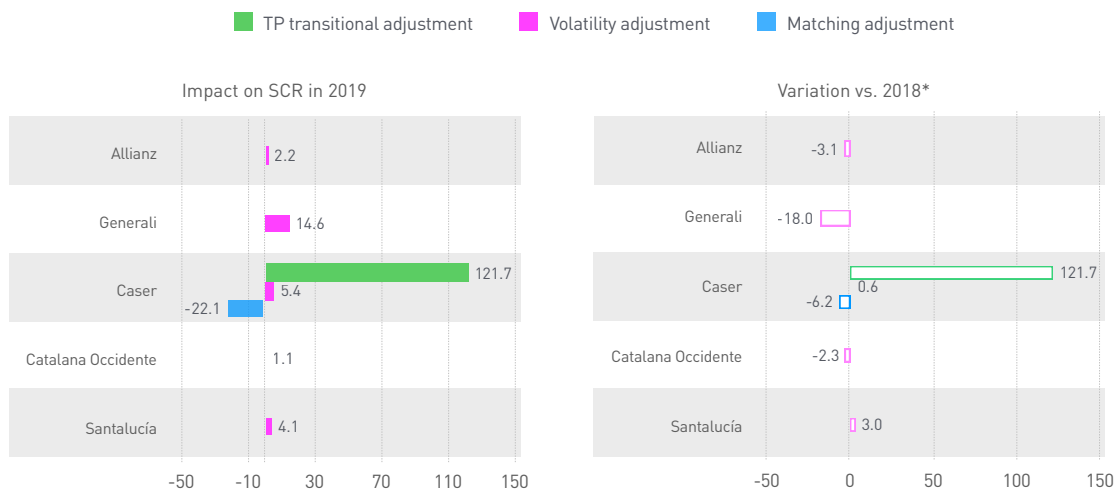
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.4-b
Composites: impact of transitional and adjustment measures on own funds, 2019
 (millions of euros)



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

Chart 5.4-c
Composites: impact of transitional and adjustment measures on SCR, 2019
 (millions of euros)



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

Table 5.4-b
Composites: impact of applying Directive measures for long-term products on own funds, 2019
(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	1,650,877	-	-28,332	-
Generali	1,915,725	-	-18,539	-
Caser	1,550,749	-493,306	-18,318	-49,578
Santalucía	1,900,832	-	-28,333	-
Catalana Occidente	1,938,786	-161,547	-8,282	-

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

* For the effects shown in this Table, we have used the effects on the "Eligible own funds" indicated by each company in its report.

Table 5.4-c
Composites: impact of applying Directive measures for long-term products on SCR, 2019
(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	870,098	-	2,189	-
Generali	941,668	-	14,600	-
Caser	566,142	121,744	5,437	-22,138
Santalucía	782,369	-	4,104	-
Catalana Occidente	812,929	-	1,065	-

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

Table 5.5
Non-Life: SCR result and solvency ratio, 2019
(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	5,037,248	4,400,645	2,696,870	1,284,135	210.0%	25.5%	14.0%	29.2%
SegurCaixa Adeslas	3,878,728	1,335,694	845,644	545,409	155.1%	14.1%	16.7%	40.8%
AXA Seguros Generales	1,931,256	1,597,650	1,009,767	695,345	145.2%	36.0%	19.2%	43.5%
Mutua Madrileña	1,556,692	2,462,856	4,843,472	1,105,184	438.3%	71.0%	13.7%	44.9%
Sanitas	1,415,718	47,416	375,908	166,033	226.4%	11.7%	26.5%	350.2%
Asisa	1,209,932	250,860	446,434	219,086	203.8%	18.1%	27.8%	87.3%
Ocaso	1,019,071	2,173,907	1,336,660	440,118	303.7%	43.2%	11.8%	20.3%
Reale Seguros Generales	901,003	681,304	467,281	221,636	210.8%	24.6%	16.0%	32.5%

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

* Taken from figures on premiums, loss ratio and expenses.

diversification has had in each case, as well as the beneficial impact of the loss-absorbing capacity of both deferred taxes (LAC DT) and of technical provisions (LAC TP) for products involved in discretionary profit sharing.

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

The relevant weight of each of the risk modules comprising the SCR (market, credit, underwriting and operational risk) for the group of insurance companies analyzed in this report is broken down by Life, Composite and Non-Life segments and detailed in Charts 5.6-a, 5.6-b, 5.6-c, and 5.6-d. Likewise, said charts also show the positive effect of diversification in each case, as well as the positive effect derived from the loss-absorbing capacity (LAC) of both deferred taxes and technical provisions for products involved in profit sharing. Additionally, any variation compared to 2018 in the relative weight of each module is reflected at the top of each Chart.

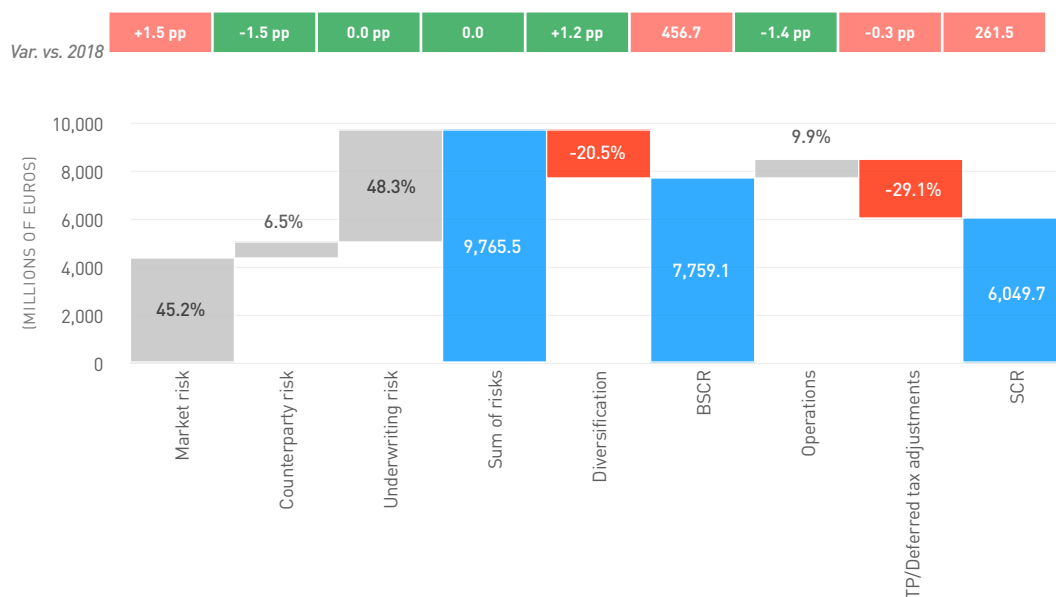
An analysis of this information shows that, in 2019, the Life segment (Chart 5.6-a) saw an increase in the relative weight of market risk

Table 5.6
Relative weight of risk modules, diversification and loss-absorbing capacity, 2019

Company	Market	Credit	Underwriting	Diversification	Operations	LAC (DT)	LAC (TP)
VidaCaixa	27.5%	1.4%	71.0%	-16.7%	14.1%	-30.0%	0.0%
MAPFRE Vida	64.1%	7.1%	28.8%	-21.8%	7.0%	-25.0%	-17.6%
Bankia MAPFRE Vida	40.8%	1.5%	57.7%	-22.3%	11.6%	-25.0%	-1.3%
Santander Seguros	51.0%	15.4%	33.6%	-22.0%	10.3%	-19.7%	0.0%
BBVA Seguros	26.3%	11.0%	62.7%	-26.3%	8.6%	-29.2%	0.0%
Bansabadell Seguros	57.2%	13.4%	29.4%	-24.3%	21.1%	-21.4%	-21.1%
Mutualidad de la Abogacía	74.3%	2.8%	23.0%	-16.1%	3.3%	-25.0%	-5.1%
Ibercaja Vida	44.6%	14.6%	40.8%	-25.3%	8.5%	-30.0%	0.0%
AXA Aurora Vida	55.4%	4.2%	40.4%	-22.3%	5.3%	-19.0%	-6.1%
Nationale Nederlanden Vida	50.6%	6.3%	43.2%	-23.5%	6.9%	-23.7%	0.0%
Allianz	43.9%	5.4%	50.7%	-32.0%	8.7%	-24.9%	-2.1%
Generali	39.4%	9.3%	51.3%	-33.2%	5.7%	-20.4%	-3.4%
Caser	42.6%	7.6%	49.9%	-29.6%	6.8%	-17.7%	0.0%
Catalana Occidente	61.4%	3.7%	34.9%	-24.5%	3.6%	-25.0%	0.0%
Santalucía	69.0%	3.9%	27.2%	-20.9%	5.5%	-20.8%	-0.2%
MAPFRE ESPAÑA	35.4%	7.0%	57.5%	-27.4%	9.9%	-25.0%	0.0%
AXA Seguros Generales	44.8%	5.6%	49.7%	-26.2%	7.2%	-19.0%	0.0%
SegurCaixa Adeslas	27.0%	6.7%	66.3%	-36.1%	18.7%	-24.1%	0.0%
Mutua Madrileña	72.9%	2.7%	24.4%	-17.1%	3.6%	-16.9%	0.0%
Sanitas	20.2%	7.7%	72.1%	-18.0%	28.0%	-13.4%	0.0%
Asisa	37.8%	5.5%	56.8%	-24.0%	15.2%	-20.5%	0.0%
Ocaso	40.9%	4.2%	54.9%	-32.8%	7.1%	-18.5%	0.0%
Reale Seguros Generales	36.6%	5.2%	58.2%	-23.5%	10.1%	-23.6%	0.0%

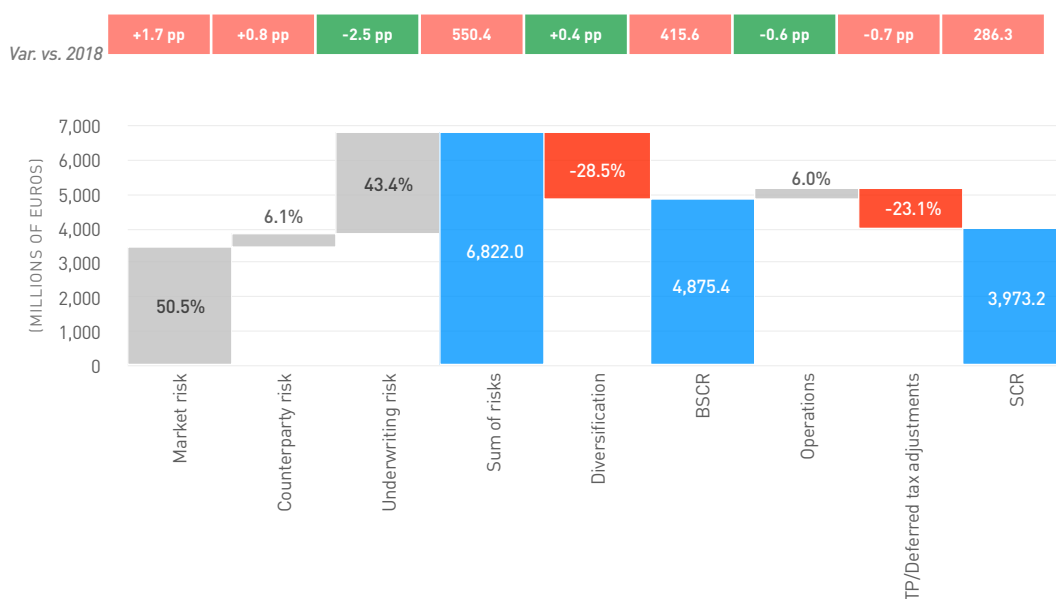
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-a
Life: relative weight of the different SCR elements for the sample analyzed, 2019



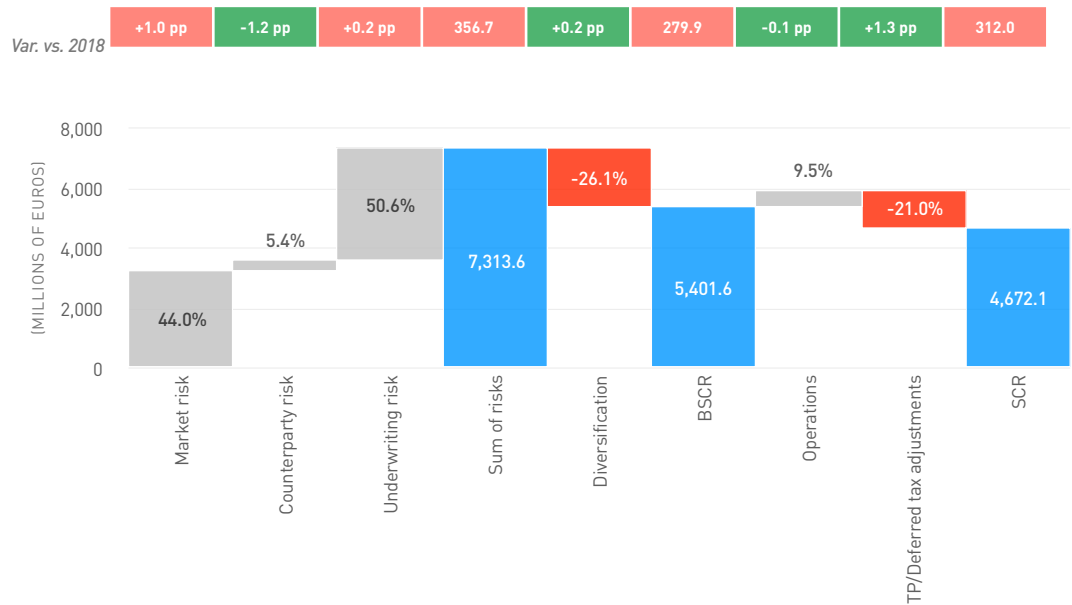
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-b
Composites: relative weight of the different SCR elements for the sample analyzed, 2019



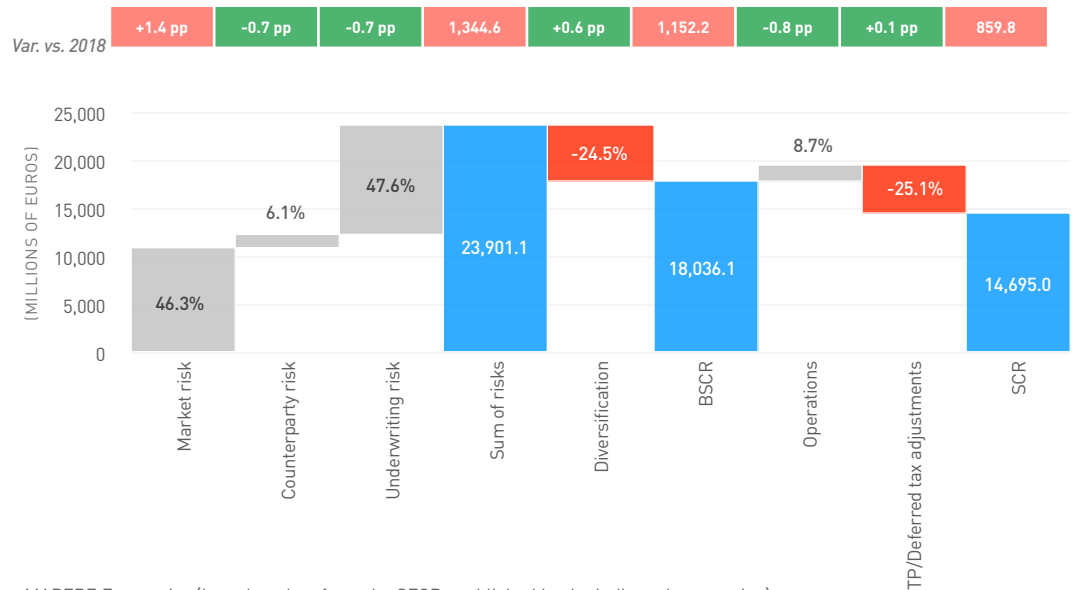
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-c
Non-Life: relative weight of the different SCR elements for the sample analyzed, 2019



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

Chart 5.6-d
Total market: relative weight of the different SCR elements for the sample analyzed, 2019

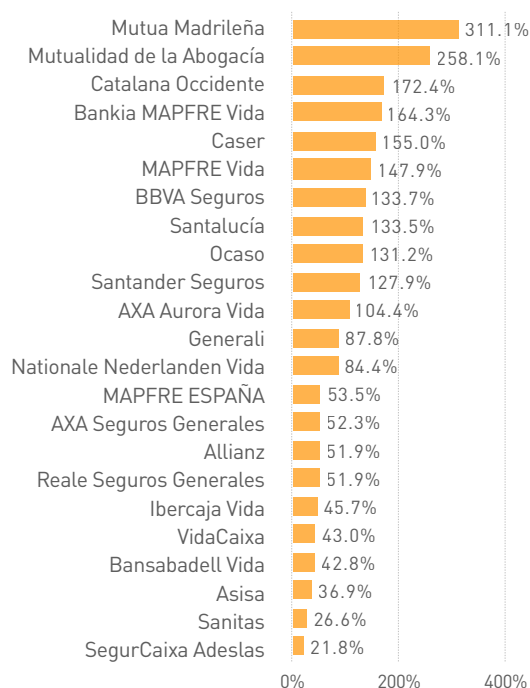


Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

(+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 is also an evident increase in the overall weight of diversification profit (+1.2 pp), as well as a reduction in the loss-absorbing capacity of deferred taxes and of technical provisions for products involved in discretionary profit sharing (-0.3 pp).

For the Composites segment (Chart 5.6-b), the reduction between 2018 and 2019 of the relative weight of the underwriting risk module (-2.5 pp) is notable, with an increase in the relative weight of market risks (+1.7 pp) and counterparty risks (+0.8 pp). Between 2018 and 2019, companies that predominantly operate in Non-Life insurance (Chart 5.6-c) saw an increase in the relative weight of market risks (+1 pp) and underwriting risks (+0.2 pp), and a reduction in the weight of counterparty risks (-1.2 pp). They also saw an increase in the overall weight of diversification profit (+0.2 pp) and greater profit from the adjustment of deferred taxes (+1.3 pp).

Chart 5.6-f
Relative weight of own funds vs. premiums, 2019



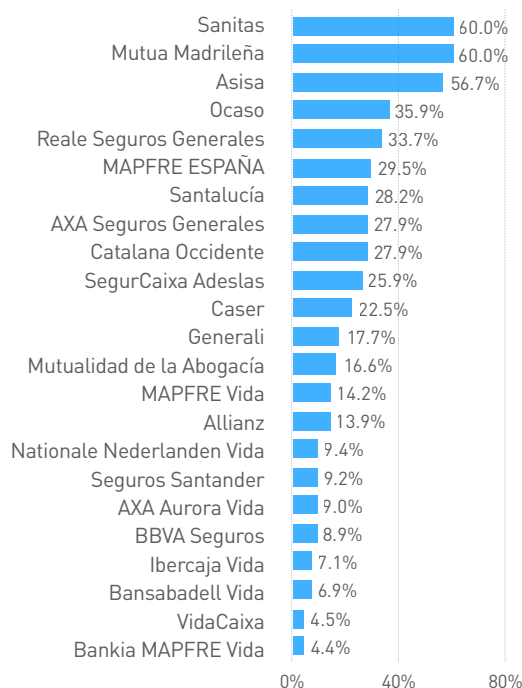
Source: MAPFRE Economics (based on data from the SFCRs published by the indicated companies)

Chart 5.6-e
Relative weight of own funds vs. technical provisions, 2019



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

Chart 5.6-g
Relative weight of own funds vs. assets, 2019



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

Finally, for the market as a whole (Chart 5.6-d), there was an increase in the weight of the market risk element (+1.4 pp), and a reduction in the weight of counterparty (-0.7 pp), underwriting (-0.7 pp), and operational (-0.8 pp) risks. The information also shows that, between 2018 and 2019, diversification profits increased slightly (+0.6 pp), and there was a slightly higher profit from the adjustment of deferred taxes compared to the previous year (+0.1 pp).

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

6. Regulatory outlook

6.1. Global trends

IAIS global capital standard

In November 2019, the International Association of Insurance Supervisors (IAIS) approved reforms to the common framework for the cross-border solvency supervision of Internationally Active Insurance Groups¹³ (IAIGs) following a long journey that began in 2013.

The Common Framework (ComFrame) is intended to provide guidance and a common language for the supervision implemented by supervisory authorities in the various countries in which IAIGs operate. The ComFrame includes a number of Insurance Core Principles (ICPs) applicable to the supervision of IAIGs and an International Capital Standard (ICS, Version 2.0) 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 premiums are underwritten outside the original jurisdiction.

This common supervisory framework will be implemented in two phases: an initial *monitoring* phase lasting five years (over the 2020–2025 period), followed by a second *implementation* phase from 2026 onward. In the *monitoring* phase, the minimum solvency capital calculation required for IAIGs will be used for discussion by supervisory colleges in a confidential manner and will not lead to supervisory action based on the results of this standard being applied. The information provided by supervisors during this process will help to drive additional improvements prior to

the *implementation* phase of the standard as a Prescribed Capital Requirement (PCR).

Finally, as part of the regulatory and supervisory measures aimed at safeguarding global financial stability, in November 2019 the IAIS adopted the so-called "Holistic Framework" for systemic risk assessment and mitigation, to be implemented from the start of 2020. This framework consists of a series of reinforced supervisory policy measures and powers of intervention, an annual monitoring exercise run by IAIS, as well as a collective discussion of the results of the exercise, appropriate responses and their implementation.

6.2. European Union and Spanish market

Solvency II

Following the reform of Delegated Regulation (EU) 2015/35 on Solvency II, approved in March 2019, which concerned certain elements for calculating the solvency capital requirement under the standard formula¹⁴, among other aspects, the process remains open for a more extensive reform that will affect the Solvency II Directive itself. Within this process, on October 15, 2019, the European Insurance and Occupational Pensions Authority (EIOPA) opened a public consultation prior to referral to the European Commission for the preparation of its final technical advice¹⁵. Following an evaluation of the responses received, as well as any additional data collected with regard to quantitative impacts, the EIOPA must draw up the final report for submission to the Commission in June 2020.

Under the anticipated timeline for reforms of the Solvency II guidelines framework, a reform

proposal will be drawn up by the European Commission toward the end of 2020. The technical advice prepared by the EIOPA is one of several elements that will support the Commission in its preparation. Once the Commission has prepared its proposal, said proposal 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 take until 2022.

Insurance distribution and consumer protection

The transposition of the Insurance Distribution Directive into Spanish legislation was finally approved by Royal Decree-Law 3/2020, of February 4, on urgent measures in order to incorporate into the Spanish legal system various European Union directives in the field of public procurement in certain sectors: private insurance, pension plans and funds, tax and tax disputes. This Royal Decree was subject to debate and a full vote by the Spanish Congress of Deputies during its session on February 20, 2020, in which it agreed to its approval and its processing as a Draft Bill by urgent procedure.

The Board of the Congress of Deputies agreed to refer it to the Finance Committee for approval with full legislative competence, as well as to open a period of eight working days for submitting amendments, which expired on March 9, 2020. The parliamentary groups have submitted 122 amendments to the draft bill.

Regulations regarding COVID-19

Chapter 2 of Royal Decree-Law 15/2020, of April 21, on additional urgent measures to support the economy and employment, regulates a comprehensive package of measures to strengthen the financing of enterprises. Said measures include a measure that sets the basic conditions for the Insurance Compensation Consortium's reinsurance acceptance of credit insurance risks assumed by private insurance companies.

The insurance sector plays a key role in ensuring the continuity of economic transactions and in providing security to business operations in a context of uncertainty, such as that caused by the COVID-19 pandemic. It has therefore been necessary to strengthen the mechanisms that will help the insurance industry to perform this role. In this regard, the new regulations enable the Insurance Compensation Consortium to conduct surety and credit reinsurance activities from 2020. The Consortium may accept as reinsurance the risks assumed by the private insurance companies authorized to operate in the surety and credit insurance lines that so request and that sign or adhere to the corresponding agreement with the aforementioned public business entity.

Moreover, the citizen protection measures established in Chapter 6 of the Royal Decree-Law develop the provision concerning the expansion of contingencies under which the consolidated rights of pension plans can be implemented, as set out in Royal Decree-Law 11/2020, of March 31, which is intended to help alleviate the liquidity needs of households. The new Royal Decree establishes the terms and conditions under which the consolidated rights can be implemented, regulating, among other matters, the certification of the circumstances that qualify for the plans, the time frame to which these circumstances are linked, and the maximum amount that can be made available.

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- 1/ The G7 consists of Germany, Canada, France, Italy, Japan, the United Kingdom and the United States.
- 2/ See: <http://www.dgt.es/es/seguridad-vial/estadisticas-e-indicadores/parque-vehiculos/tablas-estadisticas/>
- 3/ Directorate-General for Traffic. 2019 Road safety balance sheet: 24-hour provisional data. At: http://revista.dgt.es/Galerias/noticia/nacional/2020/01ENERO/Presentacion-cierre-2019-carretera-a-24-hts_final.pdf
- 4/ 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.
- 5/ In order to standardize the information of all groups, for global premiums, it has been decided to take the direct and accepted insurance premiums included in the group SFCR reports, while Spain's premiums refer to the written premiums of direct insurance obtained from the information published by ICEA.
- 6/ See: <http://www.dgsfp.mineco.es/es/DireccionGeneral/Publicaciones/Publicaci%C3%B3n-IAIG-MAPFRE-MAYO-2020.pdf>
- 7/ See: MAPFRE Economics (2019), *The Spanish Insurance Market in 2018*, Madrid, Fundación MAPFRE.
- 8/ Unlike previous versions of this report, data from the United States includes premiums from the "monoline" companies of the health line.
- 9/ The data presented in this report used to measure penetration, density, and depth indices, as well as figures used to determine the Insurance Protection Gap (IPG) for 2018 and previous years may reflect discrepancies when compared with information presented in last year's report (MAPFRE Economics [2019], *The Spanish Insurance Market in 2018*, Madrid, Fundación MAPFRE). This is due to updated premium figures for the Spanish insurance market reported by ICEA, to adjustments in data on Spain's GDP published by the *Instituto Nacional de Estadística* (INE — the Spanish national institute of statistics), and to adjustments to the penetration parameters for European insurance markets used in IPG estimates arising from a review of the data on insurance premiums and GDP.
- 10/ The Market Development Index (MDI), 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 of the evolution of the Life insurance IPG (index of the inverse of the IPG for Life insurance as a multiple of said market).
- 11/ From a methodological standpoint, the IPG may be determined in two ways (as indicated in previous reports). The first, in an ex post focus, is based on observed losses. In this case, the IPG is the difference between recorded economic losses in a specific period and the portion of said losses that were covered through the mechanism of insurance compensation. The ex ante approach analyzes optimal coverage amounts, which are estimated as the difference between the level of coverage socially and economically appropriate to cover risk compared to the actual level of protection. The second approach was selected for this fiscal year's report, which involved determining the spread between the optimal and real level of protection, contemplated as the difference between penetration indices in Spain compared to the top 15 economies within the European Union.
- 12/ The Solvency and Financial Condition Reports referred to in this report were consulted at the following links. 2018 reports:

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

MAPFRE Vida: <https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/solvencia.jsp>

Bankia-MAPFRE Vida: <https://www.mapfre.com/corporativo-es/accionistas-inversores/inversores/informacion-financiera/solvencia.jsp>

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>

Santander Seguros Generales: https://www.santanderseguros.es/san/sanseguros/informacion-financiera-solvencia!/ut/p/z1/jZftT8lwEMc_zfo02skENgnMQJkDliE6NvbGdF3XjYwW2201fno75Y2JT00uvfvfXe6X05jCBKaCdBUntSUFqW28T8fPYXAVBnPPfdhMVrfI323Xi2Xw6KKJC-NfCxCC6X_60Q_P_7N_CVNey-wT1RfZaMphqIjBFFPDVlm5bJqTvnaQg4wxQy4lr9mQaQfZ7I0muAGKNvgAXjBgWlGsgZatogwblgGaY3cK KMmx0hDQEls5BR3LMSJltLozB1p7KvK8p8wv4_XmUq7uk8lyJkVjVxvrxPAjNzAA7CH9Q007Id9yLRW89jCailSjNsjPeKql7LJuy8vk7631UiUKql6H2LoOiEkTQiiky0LLumPUtnObY33Q7YtDVltP8uGPeWI2rVY320akYfLegUuoGJL_2Ak_HKHlbs_gdtE4d6w!/

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

AXA Aurora 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.es/documents/2452567/5284656/Situaci%C3%B3n+Financiera+y+Solvencia.pdf/27a64c22-9182-495b-a9b0-b2ec3e66a9fc>

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

Caser: <https://www.caser.es/documents/20182/2250582/Informe+ISFS+2017+Caser+def.pdf>

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/corporativo-es/accionistas-inversores/inversores/informacion-financiera/solvencia.jsp>

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

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

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

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

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

Reale Seguros Generales: [https://www.reale.es/es/Documents/Reale%20Seguros%20Generales%20-%20Informe%20sobre%20la%20Situaci%C3%B3n%20Financiera%20y%20de%20Solvencia%20SFCR%20\(ejercicio%202016\).pdf](https://www.reale.es/es/Documents/Reale%20Seguros%20Generales%20-%20Informe%20sobre%20la%20Situaci%C3%B3n%20Financiera%20y%20de%20Solvencia%20SFCR%20(ejercicio%202016).pdf)

Ocaso: <https://www.ocaso.es/wcm/connect/www.ocaso.es17160/12acd1d6-1900-4505-9190-681e8c029ed0/Informe+de+Solvencia+OCASO.pdf?>

The following links refer to 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>

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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>

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Allianz: <https://www.allianz.es/descubre-allianz/allianz-seguros>; https://www.allianz.com/en/investor_relations/results-reports/sfcr.html#tabpar_3732_2Tab

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

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

Catalana Occidente: <https://www.segurosatalanaoccidente.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>

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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/ut/p/z1/>

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13. See: <https://www.iaisweb.org/page/news/press-releases//file/87183/media-release-iais-adopts-first-globalframeworks-for-supervision-of-internationally-active-insurance-groups-and-mitigation-of-systemicrisk-in-the-insurance-sector>

14. See: http://ec.europa.eu/finance/docs/level-2-measures/solvency2-delegated-regulation-2019-1900_en.pdf

15. See: <https://eiopa.europa.eu/Pages/Consultation-Paper-on-the-Opinion-on-the-2020-review-of-Solvency-II.aspx>

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Table A.1.
Size of the leading global insurance markets, 2009-2019
 (premiums, billions of US dollars; premiums per capita, US dollars; premiums/GDP, %)

	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%
Europe	1,591	1,836	7.4%	1,592	1,818	7.2%	1,627	1,864	6.7%	1,540	1,745	6.6%
EU15	1,444	3,389	8.5%	1,433	3,325	8.5%	1,450	3,367	8%	1,363	3,124	7.9%
EU27	1,485	2,778	8.1%	1,476	2,733	8.1%	1,497	2,773	7.6%	1,407	2,577	7.5%
World	4,078	580	6.6%	4,304	604	6.4%	4,559	634	6.1%	4,603	632	6.1%

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

Table A.1.
Size of the leading global insurance markets, 2009-2019 (continued)
 (premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

	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%
Europe	1,618	1,829	6.6%	1,695	1,889	6.8%	1,469	1,634	6.9%	1,470	1,620	6.7%
EU15	1,434	3,274	7.9%	1,515	3,408	8.1%	1,315	2,951	8%	1,316	2,911	7.9%
EU27	1,478	2,699	7.5%	1,558	2,806	7.6%	1,351	2,430	7.6%	1,353	2,401	7.5%
World	4,588	622	5.9%	4,755	635	5.9%	4,554	603	6%	4,732	621	6.1%

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

Table A.1.
Size of the leading global insurance markets, 2009-2019 (continued)
(premiums, billions of US dollars, premiums per capita, US dollars; premiums/GDP, %)

	2017			2018			2019		
	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%
China	541	384	4.6%	575	406	4.2%	617	430	4.3%
Japan	422	3,312	8.6%	441	3,466	8.9%	459	3,621	9.0%
United Kingdom	283	3,810	9.6%	337	4,503	10.6%	366	4,362	10.3%
France	242	3,446	8.9%	258	3,667	8.9%	262	3,719	9.2%
Germany	223	2,687	6.0%	241	2,908	6.0%	244	2,934	6.3%
South Korea	181	3,522	11.6%	179	3,465	11.2%	175	3,366	10.8%
Italy	156	2,660	8.3%	170	2,754	8.0%	168	2,764	8.3%
Canada	120	3,260	7.2%	128	3,457	7.5%	133	3,548	7.7%
Taiwan	117	4,997	21.3%	122	5,161	20.9%	118	4,993	20.0%
India	98	73	3.7%	100	74	3.7%	106	78	3.8%
Brazil	83	398	4.1%	84	4,890	9.2%	84	4,822	9.2%
Australia	80	3,247	5.8%	79	3,160	5.6%	74	351	4.0%
Netherlands	79	4,631	9.6%	74	1,588	5.2%	71	1,508	5.1%
Spain	71	1,519	5.4%	73	345	3.9%	69	2,702	5.0%
Europe	1,479	1,651	6.5%	1,621	1,794	6.6%			
EU15	1,315	2,953	7.6%						
EU27	1,357	2,446	7.2%						
World	4,892	650	6.1%	5,193	663	5.9%	6,293	818	7.2%

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

Table A.2.
Trends in direct insurance premiums in the Spanish insurance market, 2009-2019
 (millions of euros)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NON-LIFE INSURANCE	31,753.3	31,811.5	31,718.7	31,095.3	30,386.4	30,646.5	31,297.9	32,693	34,027.1	35,429.7	36,632.3
Automobile	11,640.5	11,534.5	11,269.5	10,607.4	10,021.5	9,882.1	10,052.1	10,565.9	10,923.3	11,137.5	11,306.9
Automobile TPL	6,036.9	5,963.8	5,847.9	5,485.3	5,177.7	5,029.6	5,169	5,508.8	5,716.6	5,850.7	5,871.3
Automobile Other Guarantees	5,603.6	5,570.7	5,421.6	5,122	4,843.8	4,852.5	4,883	5,057.1	5,206.7	5,286.8	5,435.5
Multirisk	6,097.4	6,297.4	6,578.7	6,626.8	6,537.1	6,550.4	6,564.5	6,734.3	6,964.7	7,234.3	7,521.2
Homeowners	3,336.7	3,505.5	3,655.6	3,763.8	3,779	3,836.5	3,916.4	4,058.9	4,196.3	4,347.7	4,528.7
Commercial	654.9	650.3	648.8	625.3	596.2	594.5	565.1	574.6	584.8	595.5	602
Condominium	713.8	755.1	794.2	814.5	823.4	826.6	836	852.8	872.1	898.5	926.5
Industrial	1,321.4	1,327.6	1,420.5	1,344.4	1,265.3	1,220	1,176	1,169.8	1,233.6	1,316.1	1,385.1
Other	70.5	58.9	59.6	78.8	73.2	72.7	71	78.2	77.8	76.5	78.8
Health	6,149.6	6,396.4	6,596.6	6,785.6	6,936.9	7,181.1	7,360.8	7,735.8	8,068.7	8,516.3	8,922.7
Healthcare assistance	5,168.1	5,461.3	5,663.1	6,011.2	6,192	6,429.7	6,450	6,761.4	7,100.8	7,526.4	7,898.8
Reimbursement	679.2	639.5	653.6	516.4	504.4	519.6	665.9	700.4	708.8	722.1	746.6
Subsidy	302.3	295.6	279.9	258	240.5	231.7	244.9	273.9	259.1	267.8	277.3
Other Non-Life Lines	7,865.9	7,983.1	7,273.9	7,075.6	6,890.9	7,033	7,320.5	7,657	8,070.4	8,541.6	8,881.5
Accidents	945.4	921.6	897.3	852.5	880.1	885.5	926.3	983.8	1,114.3	1,152.3	1,149.5
Assistance	315.5	310.4	315.5	309.4	312.2	335.2	340.3	344.6	402.7	433.3	460.9
Surety	81.1	84.2	78	65.3	62.6	60.9	85.7	62.2	63.2	84.1	121.9
Credit	798.5	718.6	694.9	677.4	645.8	630.5	608.8	593.1	570.3	584.4	607
Burials	1,672.2	1,702.7	1,761.5	1,890.7	1,860.5	2,087.2	2,150.4	2,167.2	2,277	2,367	2,459.7
Legal Defense	106.5	100.2	102.7	96.7	89.6	92.2	93.1	96.7	100.5	106.2	109.6
Fire	168.1	183.2	102.2	90.6	95.9	108.8	179.9	206.8	118.4	194.5	180.7
Other Damage to P&C	1,190	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
Pecuniary Losses	318.9	351.2	339.7	249.4	233.3	232.3	276.1	336	350.9	386.2	375.5
Third-Party Liability	1,711.6	1,624.1	1,531	1,447.8	1,352.4	1,342.1	1,359.8	1,385	1,508.3	1,532.1	1,597.5
Transport	558.1	498.5	486.8	460.6	438.8	417	429.4	413.8	459	459.7	497.9
Aviation	118.9	87.8	75.7	61.5	55.1	47.7	46	43.3	67.6	46	57
Maritime	217.5	201.7	200.6	194.9	185.3	175.3	178.9	163.6	161.4	169.9	186
Goods	221.6	209	210.5	204.1	198.4	194	204.5	206.9	230	243.9	254.9
LIFE INSURANCE	28,119.5	26,376.7	28,871.7	26,288.9	25,509.9	24,839.3	25,566.7	31,139.3	29,406.8	28,994.8	27,523.4
Risk	3,593	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	4,865.3
Savings	24,526.1	22,597.9	25,261.9	22,778	22,159.5	21,367.7	21,793	26,933.9	25,201.3	24,273.8	22,658.1
TOTAL MARKET	59,872.8	58,188.2	60,590.3	57,384.2	55,896.3	55,485.8	56,864.6	63,832.2	63,433.9	64,424.5	64,155.7

Source: ICEA. Historic series of direct business premiums

Table A.3.
Trends in direct insurance premium growth in the Spanish insurance market, 2009-2019
 (annual growth rates, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NON-LIFE INSURANCE	-2.6%	0.2%	-0.3%	-2.0%	-2.3%	0.9%	2.1%	4.5%	4.1%	4.1%	3.4%
Automobile	-5.5%	-0.9%	-2.3%	-5.9%	-5.5%	-1.4%	1.7%	5.1%	3.4%	2.0%	1.5%
Automobile TPL	-7.6%	-1.2%	-1.9%	-6.2%	-5.6%	-2.9%	2.8%	6.6%	3.8%	2.3%	0.4%
Automobile Other Guarantees	-3.2%	-0.6%	-2.7%	-5.5%	-5.4%	0.2%	0.6%	3.6%	3.0%	1.5%	2.8%
Multirisik	3.1%	3.3%	4.5%	0.7%	-1.4%	0.2%	0.2%	2.6%	3.4%	3.9%	4.0%
Homeowners	6.0%	5.1%	4.3%	3.0%	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%
Commercial	-3.4%	-0.7%	-0.2%	-3.6%	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%
Condominium	6.7%	5.8%	5.2%	2.6%	1.1%	0.4%	1.1%	2.0%	2.3%	3.0%	3.1%
Industrial	-1.7%	0.5%	7.0%	-5.4%	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.2%
Other	-4.7%	-1.64%	1.2%	32.3%	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%
Health	5.4%	4.0%	3.1%	2.9%	2.2%	3.5%	2.5%	5.1%	4.3%	5.5%	4.8%
Healthcare assistance	5.4%	5.7%	3.7%	6.1%	3.0%	3.8%	0.3%	4.8%	5.0%	6.0%	4.9%
Reimbursement	6.7%	-5.8%	2.2%	-21.0%	-2.3%	3.0%	28.1%	5.2%	1.2%	1.9%	3.4%
Subsidy	3.3%	-2.2%	-5.3%	-7.8%	-6.8%	-3.7%	5.7%	11.9%	-5.4%	3.4%	3.5%
Other Non-Life Lines	-7.8%	-3.6%	-4.1%	-2.7%	-2.6%	2.1%	4.1%	4.6%	5.4%	5.8%	4.0%
Accidents	-5.7%	-2.5%	-2.6%	-5.0%	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	-0.2%
Assistance	-1.1%	-1.6%	1.7%	-2.0%	0.9%	7.4%	1.5%	7.1%	10.4%	7.6%	6.4%
Surety	-6.3%	3.8%	-7.3%	-16.2%	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	44.9%
Credit	-4.3%	-10.0%	-3.3%	-2.5%	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.9%
Burials	5.1%	1.8%	3.4%	7.3%	3.7%	6.5%	3.0%	0.8%	5.1%	4.0%	3.9%
Legal Defense	-3.2%	-5.9%	2.5%	-5.9%	-7.3%	2.9%	1.0%	3.8%	4.0%	5.6%	3.2%
Fire	-3.6%	9.0%	-44.2%	-11.4%	5.9%	13.4%	65.4%	15.0%	-42.7%	64.3%	-7.1%
Other Damage to P&C	-21.8%	-8.5%	-11.4%	-3.0%	-12.3%	2.6%	3.5%	20.3%	5.5%	12.3%	6.4%
Pecuniary Losses	2.9%	10.1%	-3.3%	-26.6%	-6.5%	-0.4%	18.8%	21.7%	4.4%	10.1%	-2.8%
Third-Party Liability	-13.3%	-5.1%	-5.7%	-5.4%	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%
Transport	-7.5%	-10.7%	-2.3%	-5.4%	-4.7%	-5.0%	3.0%	-3.6%	10.9%	0.2%	8.3%
Aviation	26.0%	-26.2%	-13.8%	-18.7%	-10.5%	-13.4%	-3.6%	-5.8%	56.1%	-32.0%	23.9%
Maritime	-2.4%	-7.3%	-0.6%	-2.8%	-4.9%	-5.4%	2.0%	-8.5%	-1.4%	5.3%	9.5%
Goods	-22.6%	-5.7%	0.7%	-3.0%	-2.8%	-2.2%	5.4%	1.2%	11.2%	6.0%	4.5%
LIFE INSURANCE	5.7%	-6.2%	9.5%	-8.9%	-3.0%	-2.6%	2.9%	21.8%	-5.6%	-1.4%	-5.1%
Risk	-1.1%	5.2%	-4.5%	-2.7%	-4.6%	3.6%	8.7%	11.4%	0.0%	12.3%	3.1%
Savings	6.8%	-7.9%	11.8%	-9.8%	-2.7%	-3.6%	2.0%	23.6%	-6.4%	-3.7%	-6.7%
TOTAL MARKET	1.1%	-2.8%	4.1%	-5.3%	-2.6%	-0.7%	2.5%	12.3%	-0.6%	1.6%	-0.4%

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

Table A.4.
Contributions to the growth of direct insurance premiums in the Spanish insurance market, 2009–2019
 (percentage points, pp)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NON-LIFE INSURANCE	-1.425	0.097	-0.159	-1.029	-1.235	0.465	1.174	2.453	2.090	2.211	1.867
Automobile	-1.155	-0.177	-0.455	-1.093	-1.021	-0.249	0.306	0.904	0.560	0.338	0.263
Automobile TPL	-0.838	-0.122	-0.199	-0.598	-0.536	-0.265	0.251	0.597	0.326	0.211	0.032
Automobile Other Guarantees	-0.318	-0.055	-0.256	-0.494	-0.485	0.016	0.055	0.306	0.234	0.126	0.231
Multirisik	0.313	0.334	0.483	0.079	-0.156	0.024	0.025	0.299	0.361	0.425	0.445
Homeowners	0.320	0.282	0.258	0.178	0.027	0.103	0.144	0.251	0.215	0.239	0.281
Commercial	-0.039	-0.008	-0.003	-0.039	-0.051	-0.003	-0.053	0.017	0.016	0.017	0.010
Condominium	0.076	0.069	0.067	0.034	0.015	0.006	0.017	0.030	0.030	0.042	0.044
Industrial	-0.038	0.010	0.160	-0.126	-0.138	-0.081	-0.079	-0.011	0.100	0.130	0.107
Other	-0.006	-0.019	0.001	0.032	-0.010	-0.001	-0.003	0.013	-0.001	-0.002	0.004
Health	0.534	0.412	0.344	0.312	0.264	0.437	0.324	0.659	0.522	0.706	0.631
Healthcare assistance	0.446	0.490	0.347	0.574	0.315	0.425	0.037	0.548	0.532	0.671	0.578
Reimbursement	0.072	-0.066	0.024	-0.226	-0.021	0.027	0.264	0.061	0.013	0.021	0.038
Subsidy	0.016	-0.011	-0.027	-0.036	-0.030	-0.016	0.024	0.051	-0.023	0.014	0.015
Other Non-Life Lines	-1.117	-0.472	-0.532	-0.327	-0.322	0.254	0.518	0.592	0.648	0.743	0.528
Accidents	-0.096	-0.040	-0.042	-0.074	0.048	0.010	0.073	0.101	0.204	0.060	-0.004
Assistance	-0.006	-0.009	0.009	-0.010	0.005	0.041	0.009	0.043	0.060	0.048	0.043
Surety	-0.009	0.005	-0.011	-0.021	-0.005	-0.003	0.045	-0.041	0.002	0.033	0.059
Credit	-0.061	-0.133	-0.041	-0.029	-0.055	-0.027	-0.039	-0.028	-0.036	0.022	0.035
Burials	0.137	0.051	0.101	0.213	0.122	0.227	0.114	0.030	0.172	0.142	0.144
Legal Defense	-0.006	-0.011	0.004	-0.010	-0.012	0.005	0.002	0.006	0.006	0.009	0.005
Fire	-0.011	0.025	-0.139	-0.019	0.009	0.023	0.128	0.047	-0.139	0.120	-0.021
Other Damage to P&C	-0.561	-0.170	-0.214	-0.048	-0.201	0.038	0.053	0.311	0.091	0.215	0.123
Pecuniary Losses	0.015	0.054	-0.020	-0.149	-0.028	-0.002	0.079	0.105	0.023	0.056	-0.017
Third-Party Liability	-0.443	-0.146	-0.160	-0.137	-0.166	-0.018	0.032	0.044	0.193	0.037	0.102
Transport	-0.077	-0.100	-0.020	-0.043	-0.038	-0.039	0.022	-0.027	0.071	0.001	0.059
Aviation	0.042	-0.052	-0.021	-0.023	-0.011	-0.013	-0.003	-0.005	0.038	-0.034	0.017
Maritime	-0.009	-0.026	-0.002	-0.009	-0.017	-0.018	0.006	-0.027	-0.004	0.013	0.025
Goods	-0.109	-0.021	0.003	-0.011	-0.010	-0.008	0.019	0.004	0.036	0.022	0.017
LIFE INSURANCE	2.555	-2.911	4.288	-4.263	-1.357	-1.200	1.311	9.800	-2.714	-0.650	-2.284
Risk	-0.066	0.310	-0.291	-0.163	-0.279	0.217	0.545	0.759	0.000	0.813	0.224
Savings	2.620	-3.220	4.578	-4.099	-1.078	-1.416	0.766	9.041	-2.714	-1.462	-2.508
TOTAL MARKET	1.130	-2.814	4.128	-5.292	-2.593	-0.794	2.485	12.253	-0.624	1.562	-0.417

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, 2009-2019
(combined ratio, %)

Year	Total combined ratio			Non-Life combined ratio			
	Total combined ratio	Loss ratio	Administrative expense ratio	Acquisition expense ratio	Loss ratio	Administrative expense ratio	Acquisition expense ratio
2009	107.14	93.73	2.28	11.13	93.88	3.55	17.51
2010	104.92	91.21	2.48	11.24	93.76	3.75	16.98
2011	103.47	90.01	2.3	11.16	92.59	3.56	17.78
2012	104.7	91.6	2.43	10.67	93.22	3.51	18.71
2013	107.85	94.01	2.6	11.25	94.61	3.67	19.01
2014	109.17	94.25	2.73	12.19	93.93	3.85	18.56
2015	109.1	94.07	2.64	12.39	94.73	3.81	18.64
2016	105.58	91.71	2.84	11.03	93.57	4.56	17.75
2017	104.85	91.83	2.97	10.05	94.02	4.47	17.6
2018	101.72	86.88	3.16	11.68	93.67	4.6	17.57
2019	107.99	92.43	3.45	12.11	92.9	5.02	17.2

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, 2009-2019
(Investments, millions of euros)

Year	Investments					
	Fixed income	Equity	Cash and deposits	Real estate	Mutual funds	Other investments
2009	63.6%	2.8%	16.6%	5.2%	5.7%	6.1%
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%

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

Table A.7.
Spanish insurance industry results and profitability, 2009-2019
 (results, millions of euros, profitability, %)

Year	Industry results ¹ (millions of euros)	Profitability	
		ROE ² (%)	ROA ³ (%)
2009	3,636,852	14.0	1.63
2010	4,082,843	16.0	1.82
2011	4,210,777	15.3	1.76
2012	4,458,874	15.0	1.82
2013	4,575,276	12.7	1.75
2014	4,901,842	12.4	1.68
2015	3,482,377	8.8	1.21
2016	4,313,052	10.7	1.46
2017	4,873,347	12.0	1.62
2018	4,512,506	11.4	1.48
2019	4,732,846	10.9	1.42

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

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

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

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

Table A.8.
Basic Non-Life insurance indicators in the Spanish insurance industry, 2009-2019
 (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	
2009	31,753	-2.6%	85.9%	71.5%	20.8%	72.8%	21.1%	93.9%	4.9%	11.0%	
2010	31,811	0.2%	85.2%	71.7%	20.8%	73.0%	20.7%	93.8%	4.6%	10.9%	
2011	31,719	-0.3%	88.6%	69.1%	21.3%	71.2%	21.3%	92.6%	4.0%	11.4%	
2012	31,095	-2.0%	88.6%	68.9%	22.0%	71.0%	22.2%	93.2%	2.9%	9.7%	
2013	30,386	-2.3%	87.6%	70.2%	22.2%	71.9%	22.7%	94.6%	3.9%	9.3%	
2014	30,647	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	36,632	3.4%	85.6%	69.4%	22.9%	70.7%	22.2%	92.9%	3.1%	10.2%	

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

Table A.9.
Trends in the number of companies operating, by legal structure, in the Spanish insurance industry, 2009-2019
 (number of companies)

Year	Limited liability companies	Mutual companies	Mutual provident societies ¹	Reinsurance companies
2009	202	34	56	2
2010	195	35	55	2
2011	188	34	55	2
2012	183	32	53	2
2013	178	32	52	2
2014	168	31	53	3
2015	156	31	50	3
2016	147	31	50	3
2017	145	31	48	3
2018	134	30	48	3
2019	131	30	48	3

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

¹ Subject to control by the General Directorate for Insurance and Pension Funds.

Table A.10.
Trends in the number of brokers per type in the Spanish insurance industry, 2008-2018¹
(number of people and companies)

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

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

¹ According to the DGSFP, during 2007, data had been processed in the Insurance Brokers' Administrative Register that affected 61.3% of all operating companies.

Table A.11.
Premium volume by autonomous community, 2009–2019
(millions of euros)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Andalusia	5,900	5,966	5,982	5,717	5,824	6,045	6,237	6,949	7,394	7,276	7,338
Aragon	1,605	1,655	1,916	1,680	1,512	1,710	1,656	1,909	1,808	1,892	1,820
Asturias	765	787	835	866	837	956	854	871	904	907	912
Balearic Islands	886	911	1,246	1,175	1,270	1,283	1,326	1,383	1,526	1,404	1,410
Canary Islands	1,174	1,234	1,241	1,269	1,212	1,269	1,367	1,641	1,602	1,583	1,628
Cantabria	451	471	462	495	485	497	503	524	529	534	544
Castile-La Mancha	1,451	1,582	1,647	1,708	1,616	1,766	1,705	1,734	1,743	1,796	1,768
Castile-Leon	2,274	2,224	2,393	2,331	2,211	2,275	2,482	2,653	2,758	2,805	2,766
Catalonia	9,786	9,942	11,226	10,079	9,677	10,237	10,121	11,295	11,345	10,809	10,832
Valencia Community	3,837	4,061	4,222	4,096	4,373	4,305	4,059	4,406	4,556	4,497	4,613
Extremadura	739	736	674	773	724	696	799	898	868	878	868
Galicia	2,150	2,501	2,616	2,226	2,151	2,167	2,279	2,515	2,614	2,647	2,665
Community of Madrid	9,772	10,217	10,178	9,896	9,369	9,165	9,422	10,379	10,570	10,865	12,340
Region of Murcia	976	1,038	1,087	1,033	1,031	1,041	1,063	1,162	1,179	1,158	1,198
Chartered Community of Navarre	783	822	619	622	838	1,003	952	961	961	884	918
Basque Country	2,140	2,268	2,477	2,429	2,323	2,352	2,394	2,461	2,524	2,499	2,560
La Rioja	468	417	380	356	356	359	345	373	374	382	381
Autonomous Cities of Ceuta and Melilla	67	81	94	95	97	98	97	114	113	114	117

Source: ICEA, The insurance market by province.

Table A.12.
Premiums per capita by autonomous community, 2009-2019
 (euros)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Andalusia	704.8	708.2	707.9	677.4	693.2	719.8	744.1	830.2	882.4	865.1	867.3
Aragon	1,191.8	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
Asturias	705.5	727.8	775.5	810.4	788.4	909.0	819.4	841.8	878.9	887.2	895.2
Balearic Islands	800.7	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
Canary Islands	554.2	580.3	585.7	598.7	576.0	604.3	651.0	779.2	753.5	735.5	748.8
Cantabria	762.3	794.8	777.4	835.6	823.2	849.5	864.3	903.1	911.9	919.6	934.2
Castile-La Mancha	691.5	747.8	776.2	813.0	777.5	857.5	835.3	854.0	860.4	884.1	864.6
Castile-Leon	888.4	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
Catalonia	1,302.6	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
Valencia Community	750.6	793.5	823.1	801.0	873.8	864.3	819.4	892.8	918.8	899.3	912.5
Extremadura	667.4	663.4	608.2	700.4	658.8	636.7	735.2	832.1	809.8	822.9	815.8
Galicia	768.5	894.8	940.4	804.6	782.7	793.2	838.4	928.7	967.8	980.8	986.9
Community of Madrid	1,513.0	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
Region of Murcia	667.4	706.4	736.9	701.6	703.2	709.3	726.2	790.6	797.6	775.6	792.8
Chartered Community of Navarre	1,228.7	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
Basque Country	982.3	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
La Rioja	1,451.5	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
Autonomous Cities of Ceuta and Melilla	427.8	500.9	572.7	565.4	571.5	579.8	569.7	665.0	657.7	665.4	685.5

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, 2009-2019
(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	7,786	13	MAPFRE	8,455	14.7	MAPFRE	8,307	13.7	MAPFRE	7,956	13.9
ZURICH	5,409	9	CAIXA GROUP	5,640	9.8	CAIXA GROUP	5,068	8.4	CAIXA GROUP	5,165	9
SANTANDER	3,488	5.8	ZURICH	4,646	8.1	MUTUA MADRILEÑA	3,472	5.7	MUTUA MADRILEÑA	3,645	6.4
CAIXA GROUP	3,304	5.5	AXA GROUP	3,117	5.4	ZURICH	2,943	4.9	SANTANDER	3,512	6.1
AXA	3,285	5.5	ALLIANZ	2,962	5.1	ALLIANZ	3,001	5	ALLIANZ	3,046	5.3
ALLIANZ	3,033	5.1	CASER	2,582	4.5	SANTANDER	2,950	4.9	AXA	2,683	4.7
GENERALI	2,584	4.3	GENERALI	2,282	4	AXA GROUP	2,943	4.9	GENERALI	2,513	4.4
CASER	2,397	4	SANTANDER	2,159	3.7	CASER	2,818	4.7	BBVA	2,109	3.7
CATALANA OCCIDENTE	2,169	3.6	CATALANA OCCIDENTE	2,044	3.5	GENERALI	2,416	4	CASER	1,997	3.5
AVIVA	1,827	3	AVIVA	1,792	3.1	CATALANA OCCIDENTE	2,039	3.4	CATALANA OCCIDENTE	1,971	3.4
Total market	59,898		Total market	57,587		Total market	60,592		Total market	57,398	

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, 2009-2019 (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	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	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
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
CASER	1,713	3.1	SANTANDER SEGUROS	1,903	3.4	SANTALUCIA	1,287	2.3	CASER	1,438	2.3
Total market	55,773		Total market	55,486		Total market	56,905		Total market	63,892	

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, 2009-2019 (conclusion)
(premiums, millions of euros; market share, %)

2017			2018			2019		
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
MAPFRE	6,749	10.6	MAPFRE	7,291	11.3	MAPFRE	7,335	11.4
MUTUA MADRILEÑA	5,005	7.9	MUTUA MADRILEÑA	5,270	8.2	MUTUA MADRILEÑA GROUP	5,455	8.5
ZURICH	3,806	6.0	ALLIANZ	3,612	5.6	ALLIANZ	3,430	5.3
ALLIANZ	3,515	5.5	ZURICH	3,560	5.5	CATALANA OCCIDENTE GROUP	3,051	4.8
CATALANA OCCIDENTE	2,826	4.5	CATALANA OCCIDENTE	2,854	4.4	ZURICH	2,954	4.6
SANTALUCIA	2,536	4.0	AXA GROUP	2,599	4.0	AXA GROUP	2,952	4.6
GENERALI	2,445	3.9	SANTALUCIA	2,584	4.0	SANTALUCIA	2,456	3.8
AXA GROUP	2,411	3.8	GENERALI	2,409	3.7	GENERALI	2,440	3.8
BBVA SEGUROS	1,837	2.9	SANTANDER SEGUROS	1,977	3.1	SANTANDER SEGUROS	1,694	2.6
Total market	63,410		Total market	64,377		Total market	64,156	

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

Table A.14.
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2009-2019
(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
	AXA	2,540	8	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 GROUP	1,921	6	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	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	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
	Total market	31,779		Total market	31,820		Total market	31,724		Total market	31,116	

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, 2009-2019(continued)
(premiums, millions of euros; market share, %)

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

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, 2009-2019 (conclusion)
(premiums, millions of euros; market share, %)

2017			2018			2019		
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 GROUP	5,268	14.4
MUTUA MADRILEÑA	4,816	14.2	MAPFRE	5,006	14.1	MAPFRE	5,156	14.1
ALLIANZ	2,373	7.0	ALLIANZ	2,507	7.1	ALLIANZ	2,448	6.7
CATALANA OCCIDENTE	2,061	6.1	CATALANA OCCIDENTE	2,104	5.9	CATALANA OCCIDENTE GROUP	2,225	6.1
AXA	1,851	5.4	AXA	1,927	5.4	AXA GROUP	2,216	6.0
GENERALI	1,509	4.4	GENERALI	1,548	4.4	GENERALI	1,590	4.3
SANITAS	1,271	3.7	SANITAS	1,344	3.8	SANITAS	1,396	3.8
SANTALUCIA	1,129	3.3	ASISA	1,162	3.3	ASISA	1,211	3.3
ASISA	1,099	3.2	SANTALUCIA	1,157	3.3	SANTALUCIA	1,208	3.3
ZURICH	1,001	2.9	CASER	1,022	2.9	ZURICH	1,056	2.9
Total market	34,003		Total market	35,382		Total market	36,632	

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

Table A.15.
Overall ranking of the ten largest Life insurance groups in Spain by premium volume, 2009-2019
(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 GROUP	3,719	14.4	CAIXA GROUP	5,036	17.4	CAIXA GROUP	5,131	19.5
SANTANDER	3,334	11.9		ZURICH	3,389	13.2	MAPFRE	3,171	11	SANTANDER	3,366	12.8
CAIXA GROUP	2,972	10.6		MAPFRE	3,289	12.8	SANTANDER	2,795	9.7	MAPFRE	2,983	11.3
MAPFRE	2,538	9		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		ALLIANZ	930	3.6	IBERCAJA	1,501	5.2	CASER	976	3.7
BBVA SEGUROS	1,128	4		GENERALI	920	3.6	GENERALI	1,051	3.6	AEGON	924	3.5
Total market	28,119			Total market	25,768		Total market	28,869		Total market	26,282	

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

Table A.15.
Overall ranking of the ten largest Non-Life insurance groups in Spain by premium volume, 2009-2019 (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	VIDACAIXA	9,473	30.4
SANTANDER SEGUROS	3,068	12	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	BBVA SEGUROS	1,799	7.2	MAPFRE	1,730	6.8	BBVA SEGUROS	1,562	5
ALLIANZ	1,224	4.8	ZURICH	1,451	5.8	ALLIANZ	1,374	5.4	IBERCAJA GROUP	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	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
Total market	25,505		Total market	24,839		Total market	25,567		Total market	31,136	

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, 2009-2019 (conclusion)
(premiums, millions of euros; market share, %)

2017			2018			2019		
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
ZURICH	2,805	9.5	ZURICH	2,551	8.8	MAPFRE	2,180	7.9
MAPFRE	1,904	6.5	MAPFRE	2,285	7.9	ZURICH	1,898	6.9
SANTANDER SEGUROS	1,481	5.0	SANTANDER SEGUROS	1,949	6.7	SANTANDER SEGUROS	1,662	6.0
BBVA SEGUROS	1,431	4.9	SANTALUCIA	1,427	4.9	SANTALUCIA	1,247	4.5
SANTALUCIA	1,407	4.8	IBERCAJA GROUP	1,325	4.6	ALLIANZ	982	3.6
IBERCAJA GROUP	1,148	3.9	BBVA SEGUROS	1,217	4.2	IBERCAJA GROUP	938	3.4
ALLIANZ	1,142	3.9	ALLIANZ	1,106	3.8	BBVA SEGUROS	929	3.4
GENERALI	936	3.2	GENERALI	861	3.0	GENERALI	850	3.1
CATALANA OCCIDENTE GROUP	766	2.6	CATALANA OCCIDENTE GROUP	750	2.6	CATALANA OCCIDENTE GROUP	827	3.0
Total market	29,407		Total market	28,995		Total market	27,523	

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, 2009-2019
(Herfindahl and CR5 indices)

Year	Herfindahl index	CR5 index (%)		
		Total	Life	Non-Life
2009	478.9	38.9%	52.5%	40.4%
2010	550.0	43.1%	55.0%	40.8%
2011	496.4	37.6%	51.4%	45.1%
2012	508.3	40.6%	55.9%	45.0%
2013	489.6	40.5%	55.0%	44.9%
2014	509.6	41.3%	51.0%	45.0%
2015	549.6	44.9%	58.7%	46.9%
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%

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, 2008-2018
(millions of euros)

Year	General activity: Premiums and surcharges allocated							
	Extraordinary risks	P&C	People	Loss of profits	Traffic risks	SOA Guarantee Fund	Private vehicles	Official vehicles
2008	675.9	607.5	24.6	43.8	231.7	195.8	21.2	14.7
2009	692.1	624.9	23.1	44.1	203.2	178.3	14.4	10.6
2010	656.3	591.3	23.6	41.3	147.7	129.1	9.1	9.5
2011	672.9	605.4	23.4	44.1	128.8	113.9	5.8	9.1
2012	687.6	618.8	23.5	45.3	123.4	109.0	3.5	10.8
2013	704.4	638.1	22.0	44.3	114.2	102.5	1.9	9.8
2014	709.5	648.6	16.8	44.2	107.6	98.1	1.0	8.5
2015	726.7	661.8	17.4	47.6	105.8	96.6	0.6	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

Source: Insurance Compensation Consortium. Annual report.

Table A.18.
Activity of the Insurance Compensation Consortium: Direct and accepted loss ratio, 2008-2018
 (millions of euros)

Year	General activity: Direct and accepted loss ratio							
	Extraordinary risks	P&C	People	Loss of profits	Traffic risks	SOA Guarantee Fund	Private vehicles	Official vehicles
2008	294.2	294.1	1.3	-1.2	159.0	113.3	28.0	17.8
2009	677.7	671.4	2.0	4.3	131.7	97.3	17.2	17.2
2010	658.7	645.1	3.1	10.4	168.7	145.0	10.8	12.9
2011	608.9	542.3	3.1	63.4	111.5	92.5	5.6	13.4
2012	281.0	294.4	0.8	-14.2	71.3	55.4	1.9	14.0
2013	207.6	191.8	1.5	14.3	69.0	56.7	1.4	10.9
2014	208.7	205.6	0.9	2.2	57.4	47.1	0.5	9.7
2015	227.3	216.6	1.0	9.6	68.3	59.0	1.0	8.2
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

Source: Insurance Compensation Consortium. Annual report.

Table A.19.
Trends in average Automobile insurance premium, 2009-2019
 (millions of euros; annual variation, %)

Year	Insured vehicles ¹		Direct insurance premiums ²		In euros	Average premium	
	(millions of euros)	% variation	(millions of euros)	% variation		Nominal	Real
2009	28.8	-0.2%	11,662	-5.6%	405	-5.4%	-6.2%
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%	11,315	1.5%	356	0.5%	-0.3%

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 and the Insurance Compensation Consortium

Table A.20.
Average frequencies and costs by guarantee in Automobile insurance, 2009-2019
 (frequency, %; average cost, euros)

	2009		2010		2011		2012		2013		2014	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-party liability	10%	1,857	10%	1,773	9.3%	1,853	9.3%	1,761	8.5%	1,888	8.5%	1,841
<i>Bodily injury</i>	2.1%	5,275	2.1%	4,978	2%	5,050	2%	4,939	2%	4,928	2%	4,751
<i>Goods</i>	8.8%	844	8.5%	828	8.1%	864	7.6%	868	7.2%	887	7.2%	875
Damage to own vehicle	47.1%	748	43.7%	741	47.4%	704	44.2%	713	39.6%	731	36.1%	733
Broken windows	7.9%	282	8.4%	282	7.2%	292	6.7%	286	6.7%	290	6.4%	289
Theft	1.6%	1,064	1.5%	966	1.4%	961	1.3%	919	1.2%	896	1%	882
Legal defense	2.2%	288	2.1%	282	1.9%	302	1.8%	286	1.8%	310	1.8%	302
Occupants	0.4%	1,090	0.4%	972	0.4%	930	0.3%	1,259	0.3%	1,252	0.2%	1,251
Fire	0.1%	4,158	0.1%	3,211	0.1%	3,243	0.1%	3,075	0.1%	2,854	0.1%	2,782
Driver's license suspended	0%	1,389	0%	1,930	0%	1,577	0%	1,627	0%	1,314	0%	1,211

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

Table A.20.
Frequencies and average costs by guarantee in Automobile insurance, 2009-2019 (conclusion)
 (frequency, %; average cost, euros)

	2015		2016		2017		2018		2019	
	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost	Frequency	Average cost
Third-party liability	8.5%	1,816	8.6%	1,871	8.6%	1,820	8.4%	1,766	8.2%	1,753
<i>Bodily injury</i>	2%	4,569	2%	4,970	1.9%	4,856	1.8%	4,652	1.8%	4,532
<i>Goods</i>	7.3%	873	7.4%	872	7.4%	879	7.2%	890	7.1%	892
Damage to own vehicle	34.3%	718	31.5%	713	30.4%	734	29.3%	776	28.2%	787
Broken windows	6.4%	288	6.4%	290	6.4%	291	6.7%	304	6.2%	310
Theft	0.9%	909	0.8%	916	0.8%	968	0.7%	971	0.6%	929
Legal defense	1.8%	290	1.7%	279	1.7%	278	1.6%	271	1.5%	303
Occupants	0.2%	1,227	0.2%	1,265	0.3%	1,249	0.3%	941	0.3%	892
Fire	0.1%	2,847	0.1%	2,977	0.1%	3,023	0.1%	3,077	0.1%	3,130
Driver's license suspended	0.0%	1,108	0.0%	940	0.0%	805	0.0%	694	0.0%	801

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

Table A.21.
Basic Automobile insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	11,640	11,535	11,270	10,607	10,021	9,882	10,052	10,566	10,923	11,138	11,307
Variation in premiums	-5.5%	-0.9%	-2.3%	-5.9%	-5.5%	-1.4%	1.7%	5.1%	3.4%	2.0%	1.5%
Retention	90.1%	87.5%	94.5%	94.9%	92.3%	92.5%	92.2%	89.5%	89.5%	89.1%	86.2%
Gross loss ratio	77.8%	77.5%	77.2%	77.2%	77.2%	77.1%	78.1%	79.0%	76.4%	74.7%	74.8%
Gross expenses	17.4%	17.6%	18.0%	18.8%	20.0%	20.0%	20.2%	19.5%	18.8%	19.1%	19.0%
Net loss ratio	79.1%	79.6%	78.6%	78.4%	78.1%	77.6%	79.1%	79.5%	77.0%	75.8%	75.9%
Net expenses	17.4%	17.4%	18.1%	18.9%	20.3%	20.3%	20.3%	19.5%	18.6%	19.0%	18.8%
Net combined ratio	96.4%	97.0%	96.7%	97.3%	98.4%	97.9%	99.5%	98.9%	95.6%	94.8%	94.7%
Financial result	5.9%	5.9%	4.9%	3.3%	4.5%	5.6%	4.8%	4.9%	4.4%	3.4%	3.4%
Technical-financial result	9.5%	8.9%	8.3%	5.9%	6.1%	7.6%	5.3%	6.0%	8.7%	8.6%	8.7%

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

Table A.22.
Basic Multirisk insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	6,097	6,297	6,579	6,627	6,537	6,550	6,565	6,734	6,965	7,234	7,521
Variation in premiums	3.1%	3.3%	4.5%	0.7%	-1.4%	0.2%	0.2%	2.6%	3.4%	3.9%	4.0%
Retention	81.6%	79.1%	81.7%	79.9%	79.6%	79.7%	79.3%	78.4%	78.5%	78.2%	83.4%
Gross loss ratio	63.9%	71.4%	57.1%	57.3%	59.0%	60.5%	57.8%	57.8%	69.3%	66.3%	63.5%
Gross expenses	28.8%	28.7%	28.4%	28.0%	28.3%	28.2%	28.4%	28.4%	28.4%	28.4%	30.2%
Net loss ratio	63.0%	66.9%	59.0%	59.9%	61.4%	60.7%	60.2%	58.8%	64.1%	66.0%	62.4%
Net expenses	30.5%	30.2%	30.1%	30.3%	30.8%	30.0%	30.6%	31.2%	31.5%	31.4%	31.5%
Net combined ratio	93.5%	97.1%	89.0%	90.2%	92.2%	90.7%	90.7%	90.0%	95.7%	97.3%	93.8%
Financial result	4.6%	4.2%	3.3%	2.4%	3.5%	4.4%	3.9%	3.6%	2.8%	2.4%	2.3%
Technical-financial result	11.1%	7.1%	14.3%	12.2%	11.3%	13.7%	13.2%	13.6%	7.1%	5.1%	8.5%

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

Table A.23.
Basic Homeowners Multirisk insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	3,337	3,505	3,656	3,764	3,779	3,837	3,916	4,059	4,196	4,348	4,529
Variation in premiums	6%	5.1%	4.3%	3%	0.4%	1.5%	2.1%	3.6%	3.4%	3.6%	4.2%
Retention	92.1%	88.8%	91.5%	91.6%	90.4%	89.9%	90.2%	90%	90.3%	90.1%	90%
Gross loss ratio	64.3%	65.1%	56.8%	57.8%	59.1%	58.6%	58.2%	56.7%	61.2%	64.1%	62%
Gross expenses	32.1%	32.2%	31.9%	31.7%	32%	31.2%	31.5%	31.4%	31.5%	31.4%	32%
Net loss ratio	62.8%	66.5%	57.9%	58.9%	60.1%	59.4%	59.1%	57.5%	61.8%	64.6%	61.8%
Net expenses	32.4%	32.3%	32%	31.6%	32.1%	30.7%	31.8%	31.8%	31.6%	31.4%	32.4%
Net combined ratio	95.1%	98.8%	89.9%	90.5%	92.2%	90.1%	90.9%	89.3%	93.4%	96.1%	94.2%
Financial result	3.6%	3.1%	2.7%	2.1%	3%	3.3%	2.8%	2.7%	2.7%	1.8%	1.9%
Technical-financial result	8.5%	4.4%	12.8%	11.6%	10.8%	13.1%	11.9%	13.4%	9.3%	5.7%	7.7%

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

Table A.24.
Basic Industrial Multirisk insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	1,321	1,328	1,421	1,344	1,265	1,220	1,176	1,170	1,234	1,316	1,385
Variation in premiums	-1.7%	0.5%	7%	-5.4%	-5.9%	-3.6%	-3.6%	-0.5%	5.5%	6.7%	5.2%
Retention	55.5%	56%	56%	50.4%	50.8%	52.2%	50.6%	47.9%	48.5%	47.3%	60.9%
Gross loss ratio	63.4%	94.4%	57.5%	59.2%	62.5%	68.8%	59.1%	63.7%	94.3%	76%	73.2%
Gross expenses	22.2%	21.6%	21%	19.7%	19.8%	20.5%	20.4%	20.5%	20.2%	20.9%	24%
Net loss ratio	63.7%	71.6%	64%	71%	74.8%	70.9%	69.1%	69.7%	78.7%	78.2%	68.2%
Net expenses	27.2%	26.9%	26%	27.9%	28.6%	28.5%	27.5%	30.4%	31.2%	32.3%	28.2%
Net combined ratio	90.9%	98.5%	90.1%	98.9%	103.4%	99.4%	96.6%	100.1%	109.9%	110.6%	96.4%
Financial result	7.9%	7.2%	5.3%	3.4%	4.8%	9%	7.9%	7.1%	1.6%	4.5%	3.8%
Technical-financial result	15.6%	8.7%	15.2%	4.5%	1.4%	9.6%	11.3%	7%	-8.4%	-6.1%	7.4%

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

Table A.25.
Basic Commercial Multirisk insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	655	650	649	625	596	594	565	575	585	595	602
Variation in premiums	-3.4%	-0.7%	-0.2%	-3.6%	-4.6%	-0.3%	-4.9%	1.7%	1.8%	1.8%	1.1%
Retention	85.3%	81.2%	84.6%	86.1%	85.5%	84.2%	84.5%	83.9%	84.1%	83.4%	81.6%
Gross loss ratio	60.8%	62.2%	57.0%	53.6%	53.7%	56.4%	55.8%	53.4%	60.5%	55.3%	56.5%
Gross expenses	30.1%	29.7%	29.3%	30.1%	30.1%	30.7%	30.5%	31.2%	32.7%	31.7%	31.9%
Net loss ratio	61.5%	64.0%	58.4%	54.7%	54.3%	58.1%	57.5%	55.0%	62.6%	56.1%	58.6%
Net expenses	29.9%	29.5%	28.9%	29.7%	29.9%	30.2%	30.1%	31.0%	33.0%	32.0%	32.3%
Net combined ratio	91.5%	93.5%	87.3%	84.4%	84.2%	88.4%	87.7%	86.0%	95.6%	88.1%	91.0%
Financial result	5.7%	4.8%	3.8%	2.6%	3.8%	4.2%	4.0%	3.5%	3.6%	2.5%	2.6%
Technical-financial result	14.2%	11.4%	16.4%	18.2%	19.7%	15.8%	16.3%	17.5%	8.0%	14.4%	11.6%

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

Table A.26.
Basic Condominium Multirisk insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	714	755	794	815	823	827	836	853	872	898	927
Variation in premiums	6.7%	5.8%	5.2%	2.6%	1.1%	0.4%	1.1%	2%	2.3%	3%	3.1%
Retention	86.4%	80.5%	86.8%	86.7%	86.4%	85.8%	86.1%	85.3%	86.1%	87%	86.2%
Gross loss ratio	64.4%	62.1%	53.8%	51.2%	54.5%	54.3%	53.9%	53.4%	58.5%	63.3%	61.7%
Gross expenses	27.6%	27.8%	27.6%	28%	28.2%	28.1%	28.8%	29.2%	29.7%	29%	29.4%
Net loss ratio	62.5%	65.1%	54.9%	52.5%	55.2%	55.2%	55.1%	54.5%	59.1%	64.7%	61.8%
Net expenses	27.8%	26.4%	27.6%	28.2%	28%	28%	28.7%	29.5%	30.5%	29.4%	29.9%
Net combined ratio	90.3%	91.4%	82.5%	80.7%	83.3%	83.2%	83.7%	83.9%	89.5%	94.1%	91.8%
Financial result	5.6%	4.4%	3.4%	2.7%	3.8%	4.1%	4%	3.9%	4.2%	3.1%	2.8%
Technical-financial result	15.3%	13%	21%	22%	20.5%	20.9%	20.2%	20%	14.7%	9%	11%

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

Table A.27.
Basic Other Multirisk insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	70	59	60	79	73	73	71	78	78	76	79
Variation in premiums	-4.7%	-16.4%	1.2%	32.3%	-7.2%	-0.6%	-2.4%	10.2%	-0.6%	-1.7%	3.1%
Retention	80.8%	79.6%	89.1%	89.2%	82.8%	86.1%	85.3%	85.4%	85.0%	85.8%	86.0%
Gross loss ratio	71.6%	62.0%	84.8%	73.1%	69.1%	67.3%	70.1%	58.6%	52.9%	51.8%	54.0%
Gross expenses	22.8%	22.3%	24.2%	25.2%	30.0%	30.8%	31.2%	31.1%	28.9%	28.4%	28.8%
Net loss ratio	74.1%	67.8%	81.3%	73.8%	75.7%	71.0%	71.1%	63.3%	57.0%	54.0%	55.0%
Net expenses	21.8%	18.6%	23.6%	25.4%	31.0%	31.3%	32.3%	31.9%	29.8%	29.0%	28.8%
Net combined ratio	95.9%	86.3%	105.0%	99.2%	106.7%	102.3%	103.4%	95.2%	86.7%	83.0%	83.8%
Financial result	4.9%	4.1%	3.1%	1.1%	5.4%	6.2%	6.9%	4.8%	5.0%	2.8%	2.8%
Technical-financial result	9.1%	17.7%	-1.9%	1.9%	-1.3%	3.9%	3.5%	9.6%	18.2%	19.8%	19.0%

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

Table A.28.
Basic Health insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	6,150	6,396	6,597	6,786	6,937	7,181	7,361	7,736	8,069	8,516	8,923
Variation in premiums	5.4%	4%	3.1%	2.9%	2.2%	3.5%	2.5%	5.1%	4.3%	5.5%	4.8%
Retention	98.5%	98.1%	97.8%	97.7%	97.6%	97.5%	97.4%	97.4%	97.4%	97.4%	97.4%
Gross loss ratio	85.4%	84.5%	82.8%	82.7%	83.1%	82.2%	80.9%	80.6%	79.9%	79%	79.4%
Gross expenses	10.6%	10.4%	11.5%	11.4%	11.7%	11.8%	12.2%	12.4%	12.2%	12.3%	12.8%
Net loss ratio	86.1%	85.7%	83.9%	83.8%	84.5%	83.6%	82.2%	81.8%	81.2%	80.3%	80.6%
Net expenses	10.5%	10.4%	11.5%	11.4%	11.7%	11.9%	12.2%	12.4%	12.2%	12.3%	12.8%
Net combined ratio	96.6%	96.1%	95.4%	95.2%	96.2%	95.5%	94.4%	94.2%	93.4%	92.6%	93.4%
Financial result	1.1%	1.1%	1.1%	0.8%	1.1%	1%	0.7%	0.7%	0.6%	0.3%	0.6%
Technical-financial result	4.5%	5%	5.6%	5.5%	4.9%	5.6%	6.3%	6.5%	7.3%	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 lines and modalities since 2003)

Table A.29.
Basic Third-Party Liability insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	1,712	1,624	1,531	1,448	1,352	1,342	1,360	1,385	1,508	1,532	1,597
Variation in premiums	-13.3%	-5.1%	-5.7%	-5.4%	-6.6%	-0.8%	1.3%	1.9%	8.9%	1.6%	4.3%
Retention	67.9%	73.5%	73.9%	72.5%	71.8%	72.1%	72.2%	69.9%	69.5%	70.3%	71.4%
Gross loss ratio	51.2%	42.8%	55.1%	39.8%	52.1%	50.9%	62.1%	67.7%	69.3%	55.1%	62.4%
Gross expenses	21.3%	22.9%	22.6%	24.6%	25.0%	25.5%	25.6%	26.5%	27.2%	28.2%	28.9%
Net loss ratio	51.7%	43.2%	51.4%	38.2%	51.7%	50.6%	59.5%	59.6%	73.9%	54.5%	60.2%
Net expenses	24.1%	23.7%	23.4%	26.0%	26.5%	27.2%	26.8%	28.0%	29.4%	32.1%	32.2%
Net combined ratio	75.8%	66.9%	74.8%	64.3%	78.2%	77.8%	86.3%	87.6%	103.4%	86.7%	92.4%
Financial result	16.0%	12.9%	12.5%	7.1%	12.4%	15.2%	14.0%	13.5%	12.7%	10.6%	10.2%
Technical-financial result	40.2%	46.0%	37.7%	42.8%	34.2%	37.4%	27.7%	25.9%	9.3%	24.0%	17.8%

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

Table A.30.
Basic Hull Transport insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	336	289	276	256	240	223	225	207	229	216	243
Variation in premiums	6.1%	-14%	-4.6%	-7.2%	-6.3%	-7.2%	0.8%	-8%	10.7%	-5.7%	12.6%
Retention	42.8%	44%	49.4%	54.8%	53.4%	55.1%	55.8%	53.6%	52.2%	49.4%	46.4%
Gross loss ratio	79.8%	59.4%	50.9%	73.1%	55.6%	79.5%	77.9%	66.2%	68.5%	94.9%	87.1%
Gross expenses	15.7%	15.9%	17.4%	19.3%	19.5%	19.9%	20.7%	18.9%	18.4%	18.6%	16.5%
Net loss ratio	87.9%	74.1%	68.2%	74.3%	67.6%	90.8%	90.3%	75.6%	76.1%	82.8%	84.7%
Net expenses	25.2%	24.7%	25.6%	25.6%	27.2%	26.3%	26.5%	23.8%	24.9%	27%	22.6%
Net combined ratio	113.1%	98.9%	93.8%	99.9%	94.8%	117%	116.7%	99.4%	101.1%	109.8%	107.4%
Financial result	7.1%	7.5%	5.4%	3.9%	4.1%	14.9%	13.9%	11.6%	-3.2%	6.5%	4.8%
Technical-financial result	-6%	8.6%	11.6%	4%	9.2%	-2.1%	-2.8%	12.3%	-4.3%	-3.3%	-2.6%

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

Table A.31.
Basic Goods in Transit insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	222	209	211	204	198	194	205	207	230	244	255
Variation in premiums	-22.6%	-5.7%	0.7%	-3%	-2.8%	-2.2%	5.4%	1.2%	11.2%	6%	4.5%
Retention	69.9%	69.6%	69.1%	65.4%	63.7%	66.4%	65.7%	65%	62%	63.2%	69%
Gross loss ratio	52.2%	36.2%	54.5%	50.8%	62%	65.3%	71%	75.4%	58.8%	76.1%	61.3%
Gross expenses	25.8%	25.1%	25.1%	25.2%	25.4%	26.4%	28.1%	28.7%	27.4%	26.1%	28%
Net loss ratio	56%	49.2%	61.8%	59.1%	70.4%	71.8%	78.4%	72.6%	61.4%	70.4%	64.1%
Net expenses	29.1%	28.7%	29.1%	30.2%	31.1%	32%	33.3%	34.4%	33.7%	32.1%	30%
Net combined ratio	85.1%	77.9%	90.9%	89.3%	101.5%	103.8%	111.7%	107%	95.2%	102.6%	94.1%
Financial result	6%	5.7%	5.4%	2.7%	4.9%	6.5%	6.3%	5.7%	4.1%	3.6%	3.8%
Technical-financial result	21%	27.8%	14.5%	13.4%	3.4%	2.8%	-5.4%	-1.4%	8.9%	1.1%	9.6%

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

Table A.32.
Basic Burial insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	1,672	1,703	1,761	1,891	1,961	2,087	2,150	2,167	2,277	2,367	2,460
Variation in premiums	5.1%	1.8%	3.4%	7.3%	3.7%	6.5%	3%	0.8%	5.1%	4%	3.9%
Retention	99.4%	99.2%	100.6%	98.9%	99%	98.4%	98.5%	98.6%	98.4%	98.3%	98.5%
Gross loss ratio	53%	52.5%	51.3%	55.2%	56.9%	60.3%	65.2%	63.7%	62.6%	64.5%	64.8%
Gross expenses	39%	38.1%	37.8%	37.5%	36.4%	34.8%	32.9%	33.1%	33%	33%	32.8%
Net loss ratio	53.3%	52.8%	50.7%	55.4%	57.2%	60.9%	65.9%	64.3%	63.1%	65.3%	65.5%
Net expenses	39%	38.1%	37.2%	37.5%	36.4%	34.7%	32.7%	33%	32.9%	32.9%	32.8%
Net combined ratio	92.3%	90.9%	87.9%	93%	93.5%	95.5%	98.6%	97.3%	96.1%	98.2%	98.4%
Financial result	4.7%	5.6%	5.7%	6.8%	6.2%	6.5%	7.4%	5.8%	5.8%	5.7%	6.3%
Technical-financial result	12.5%	14.6%	17.8%	13.8%	12.7%	11%	8.8%	8.5%	9.8%	7.5%	7.9%

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

Table A.33.
Basic Credit insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	798	719	695	677	646	631	609	593	570	584	607
Variation in premiums	-4.3%	-10%	-3.3%	-2.5%	-4.7%	-2.4%	-3.4%	-2.6%	-3.8%	2.5%	3.9%
Retention	53.9%	54.3%	54.6%	53.2%	46.3%	44.4%	42.1%	34.4%	34.4%	36.2%	37.5%
Gross loss ratio	89.5%	50.9%	78.2%	81.4%	70.4%	39.6%	69.2%	45%	48%	49.6%	52.2%
Gross expenses	17.8%	19.4%	20.4%	20.9%	21.9%	24.1%	24.7%	31.3%	30.4%	29.7%	32.8%
Net loss ratio	96%	56.6%	84.1%	87.8%	68.7%	42.2%	48.5%	47.3%	53.1%	57.3%	46.6%
Net expenses	18.3%	17.5%	15%	19.2%	22.1%	19.2%	8.4%	17.2%	16.5%	9.4%	11%
Net combined ratio	114.3%	74.1%	99%	107%	90.9%	61.4%	56.9%	64.6%	69.6%	66.7%	57.7%
Financial result	5.8%	4.8%	6.2%	5.8%	6%	4.5%	4%	2.6%	2.6%	3.3%	2.8%
Technical-financial result	-8.5%	30.7%	7.1%	-1.2%	15.1%	43.1%	47.1%	38%	33%	36.6%	45.1%

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

Table A.34.
Basic Surety insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	81	84	78	65	63	61	86	62	63	84	122
Variation in premiums	-6.3%	3.8%	-7.3%	-16.2%	-4.1%	-2.8%	40.6%	-27.4%	1.6%	33.2%	44.9%
Retention	41.6%	44.4%	40.1%	47.1%	44.5%	48.7%	46.4%	35.1%	36.4%	34.8%	31.8%
Gross loss ratio	113.2%	124%	98.7%	284.4%	535.5%	159.8%	158.2%	22.9%	30.4%	15.7%	39.7%
Gross expenses	39.9%	24.1%	24.2%	24.7%	28.3%	27.8%	33.9%	32.4%	27.4%	33.6%	36%
Net loss ratio	100.7%	65%	82.7%	201.4%	233.4%	72.1%	64%	33.1%	38.4%	31.9%	48.2%
Net expenses	67.8%	23.7%	22%	14%	34.4%	37.9%	41.7%	25%	13.2%	24.9%	29%
Net combined ratio	168.4%	88.7%	104.7%	215.4%	267.8%	110%	105.7%	58.2%	51.5%	56.8%	77.3%
Financial result	5.5%	5.1%	8.2%	9.8%	3.1%	5%	3.3%	4.1%	5.8%	6.2%	4.6%
Technical-financial result	-62.9%	16.4%	3.5%	-105.7%	-164.7%	-5.1%	-2.3%	45.9%	54.3%	49.4%	27.3%

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

Table A.35.
Basic Personal Accident insurance indicators, 2009-2019
 (premiums, millions of euros; ratio over premiums, %)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Premium volume issued	945	922	897	853	880	886	926	984	1,114	1,152	1,150
Variation in premiums	-5.7%	-2.5%	-2.6%	-5%	3.2%	0.6%	4.6%	6.2%	13.3%	3.4%	-0.2%
Retention	89%	89.5%	89.5%	89.7%	90.1%	89%	89%	87.9%	87.4%	87.6%	86.5%
Gross loss ratio	33.8%	36.1%	39%	34.2%	41.6%	40.9%	41.3%	37.2%	38.3%	38.7%	39%
Gross expenses	32.6%	33.5%	35.4%	36.3%	34.9%	36.7%	37.6%	37.1%	36.9%	36.1%	36.4%
Net loss ratio	34.4%	37.4%	40.5%	35.3%	40.8%	41.8%	40.5%	37.2%	36.9%	38.5%	39.5%
Net expenses	33.5%	34.4%	36.2%	36.9%	35.2%	37.2%	37.6%	37.4%	37.4%	36.4%	37%
Net combined ratio	67.9%	71.8%	76.7%	72.2%	76%	79%	78.1%	74.6%	74.3%	74.9%	76.5%
Financial result	5%	5.3%	4.3%	3.8%	11.3%	18.7%	15%	15.4%	17%	19.4%	19.5%
Technical-financial result	37.1%	33.4%	27.6%	31.6%	35.3%	39.7%	36.9%	40.8%	42.7%	44.5%	42.9%

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

Table A.36.
Trends in penetration in the Spanish insurance industry, 2009-2019
 (premiums/GDP, %)

Year	Total market	Life insurance			Non-Life insurance				
		Total Life insurance	Life Protection	Life Savings	Total Non-Life insurance	Automobile	Multirisk	Health	Other lines
2009	5.55%	2.61%	0.33%	2.27%	2.94%	1.08%	0.57%	0.57%	0.73%
2010	5.38%	2.44%	0.35%	2.09%	2.94%	1.07%	0.58%	0.59%	0.70%
2011	5.66%	2.70%	0.34%	2.36%	2.96%	1.05%	0.61%	0.62%	0.68%
2012	5.52%	2.53%	0.34%	2.19%	2.99%	1.02%	0.64%	0.65%	0.68%
2013	5.45%	2.49%	0.33%	2.16%	2.96%	0.98%	0.64%	0.68%	0.67%
2014	5.35%	2.39%	0.33%	2.06%	2.95%	0.95%	0.63%	0.69%	0.68%
2015	5.26%	2.36%	0.35%	2.02%	2.89%	0.93%	0.61%	0.68%	0.68%
2016	5.71%	2.78%	0.38%	2.41%	2.92%	0.94%	0.60%	0.69%	0.68%
2017	5.44%	2.52%	0.36%	2.16%	2.92%	0.94%	0.60%	0.69%	0.69%
2018	5.33%	2.40%	0.39%	2.01%	2.93%	0.92%	0.60%	0.70%	0.71%
2019	5.15%	2.21%	0.39%	1.82%	2.94%	0.91%	0.60%	0.72%	0.71%

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

Table A.37.
Trends in density and depth in the Spanish insurance industry, 2009-2019
(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		Automobile	Multirisk				
2009	1,273.3	598.0	76.4	521.6	675.3	247.6	129.7	130.8	167.3	47.0%	
2010	1,233.0	558.9	80.1	478.9	674.1	244.4	133.4	135.5	160.7	45.3%	
2011	1,281.9	610.8	76.4	534.5	671.1	238.4	139.2	139.6	153.9	47.7%	
2012	1,217.6	557.8	74.5	483.3	659.8	225.1	140.6	144.0	150.1	45.8%	
2013	1,195.1	545.4	71.6	473.8	649.7	214.3	139.8	148.3	147.3	45.6%	
2014	1,190.1	532.8	74.5	458.3	657.3	212.0	140.5	154.0	150.8	44.8%	
2015	1,221.4	549.1	81.1	468.1	672.2	215.9	141.0	158.1	157.2	45.0%	
2016	1,370.6	668.6	90.3	578.3	702.0	226.9	144.6	166.1	164.4	48.8%	
2017	1,357.7	629.4	90.0	539.4	728.3	233.8	149.1	172.7	172.7	46.4%	
2018	1,370.0	616.6	100.4	516.2	753.4	236.8	153.8	181.1	181.6	45.0%	
2019	1,352.6	580.3	102.6	477.7	772.3	238.4	158.6	188.1	187.2	42.9%	

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

Table A.38.
Trends in the Insurance Protection Gap in the Spanish insurance market, 2009-2019
(billions of euros)

Year	Insurance Protection Gap (IPG)			Actual market (d)	Potential market (e = a + d)	IPG as a multiple of actual market (number of times)		
	Total IPG (a = b + c)	IPG insurance Life (b)	IPG insurance Non-Life (c)			Total market	Life insurance market	Non-Life insurance market
2009	32.0	29.1	2.9	59.9	91.8	0.53	1.03	0.09
2010	33.3	31.0	2.3	58.2	91.4	0.57	1.18	0.07
2011	24.6	23.0	1.6	60.6	85.2	0.41	0.80	0.05
2012	24.4	22.9	1.4	57.4	81.8	0.42	0.87	0.05
2013	25.8	23.6	2.2	55.9	81.7	0.46	0.92	0.07
2014	28.0	26.5	1.5	55.5	83.5	0.50	1.07	0.05
2015	30.1	27.9	2.2	56.9	87.0	0.53	1.09	0.07
2016	22.8	21.8	1.1	63.8	86.7	0.36	0.70	0.03
2017	28.2	26.7	1.5	63.4	91.6	0.44	0.91	0.04
2018	29.0	27.9	1.1	64.4	93.5	0.45	0.96	0.03
2019	33.4	31.7	1.8	64.2	97.6	0.52	1.15	0.05

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

Other MAPFRE Economics reports

MAPFRE Economics (2020), *2019 ranking of the largest European insurance groups*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2020), *Elements for the development of Life insurance*, Madrid, Fundación MAPFRE.

MAPFRE Economics (2020), *Financial inclusion in insurance*, Madrid, MAPFRE Economics.

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