



Fundación **MAPFRE**

2021 RANKING OF
THE LARGEST EUROPEAN
INSURANCE GROUPS

MAPFRE  Economics

**2021
ranking
of the largest
European
insurance groups**

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Presentation

This report analyzes the main European insurance groups in 2021 classified by premium volume, both overall and in the Life and Non-Life segments, in addition to their performance over the past decade. It also provides details of the net income, balance sheet composition and solvency ratios achieved by these groups, in addition to a convergence study about how they have performed compared to the market in general.

In general, the recovery of the economy and financial markets in 2021 has had a positive effect on the 15 largest European insurance groups, which increased their premium revenue by 9.1% in 2021, reaching €579.28 billion, all showing a growth in premiums. Most groups also recorded net gains, despite the high losses caused by natural disasters, with aggregated profit of €35.16 billion, up by 29.4% year on year. In the case of the 15 largest Non-Life insurance companies, all groups recorded an increase in premium volume, with aggregate growth of 6.5%. In turn, the groups in the Life segment achieved a 10.3% aggregate increase in premium income, with unit-linked products underpinning this growth.

As regards the report's convergence analysis, in 2021, there was a switch from convergent to divergent and neutral in both segments, Life and Non-Life. In Life, the trend was neutral when compared to the market for insurance groups. The total market trend in general has been downward since 2015 and is indicative of a lower market concentration. In Non-Life, in turn, the divergent trend is prominent, both in terms of number of participants and weight of premiums, with the impact reflected in the total aggregate, which has performed positively over the past decade, partially dragged down by the negative trend in the Life insurance business.

MAPFRE Economics

1. Rankings

1.1. Total ranking

Growth performance

During 2021, the economic recovery was characterized by a strong acceleration in the first half of the year, boosted by positive traction at the end of 2020, the spending of amassed savings, the continuation of fiscal support policies, and ultra-lax monetary conditions by the central banks. However, during the second half of the year, the global economy slowed down due to the rise in commodity and energy prices, supply chain problems, the concentration of demand on consumer goods to the detriment of services, and uncertainty surrounding the return of social-distancing measures following the appearance of a new Covid-19 variant, known as Omicron. Central banks in emerging countries started to tighten their monetary policies to control inflation, while in developed markets policies remained stable to continue driving the economic recovery.

Financial markets, in turn, performed positively in 2021, although with some uncertainty as the year drew to a close on account of the tensions indicated above. The main stock markets enjoyed growth up until the end of November, before suffering significant contractions and an increase in volatility as a result of the worsening health situation. In currency markets, the strength of the US dollar was reflected in its conversion rate to other currencies. The euro dropped by 6.9% in 2021 compared to the dollar and the series of emerging currencies also depreciated, with the Turkish lira in particular losing out, seeing 30% of its value against the dollar wiped out this year.

The economic reactivation had a favorable impact on insurance markets in 2021, which partially recovered from the contractions seen in 2020. The greater risk aversion of

homes and businesses as a result of the pandemic has also been reflected in the increase in insurance business volume globally, in addition to an increase in prices, which seek to offset the higher frequency and severity of damages caused by natural disasters, the low interest rate environment at the time, and the increase in inflation¹.

Growth was particularly strong in Europe, in particular France, reflected in a strong upturn in unit-linked businesses, while the casualty insurance market returned to pre-pandemic levels. The year-on-year growth in premium revenue in the German insurance industry was higher in 2021, thanks to private health insurance, while life and property damages made less of a contribution to growth. In Italy, the significant growth in unit-linked products offset the contraction in the Life line of business. Despite the modest growth in the automobile insurance sector in the United Kingdom due to significant price competition, the insurance industry as a whole saw significant growth in 2021. In turn, the Spanish insurance market recovered its upward trend in 2021 when compared to the contraction seen the previous year, with premium revenue increasing by 5%, thanks to the positive performance of both the Life and Non-Life segments.

In the United States, gross written premium and deposits of direct Life insurance increased by 7.6% to \$1.1 billion, thanks in large part to an increase in Life annuities (12.1%) and an increase of 11% in deposit contracts. The direct premiums issued in the Property & Casualty insurance segment recovered from the previous year, with growth of 9.5% year on year, to \$797.5 billion in 2021. This was mainly driven by the commercial lines, which grew by 12.9%, thanks in large part to the increase in prices. In turn, the personal lines market saw growth of 6.0%, attributable to the strong performance of the automotive and home lines of

business. In the health segment, gross written premiums increased by 8% to \$900 billion, with growth of 13% for Medicaid, 12% for Medicare and 3% for the comprehensive individual line of business.²

Finally, the strong performance of premiums in the emerging markets in the Asia-Pacific region was catalyzed by growth in China and other markets, including India and the Philippines. In turn, Latin America saw 12.0% growth in gross written premiums in 2021, reflected in the expansion of both the Life and Non-Life insurance businesses.

In relation to reinsurance, following several years in which the sector has been witnessing a deterioration in loss experience due to the constant relaxation of rates and reinsurance conditions, numerous markets and lines of business have seen an improvement in 2021, thus continuing with the signs that began appearing in 2020. While this trend has not been homogeneous and is still at technically low levels in different niches, we are seeing positive developments.

As regards the impact of natural disasters, the damages caused in 2021 were higher than those seen the previous year. Total insured losses in 2021 came to \$119 billion, the fourth-highest amount for a single year on record,³ of which natural catastrophes caused \$111 billion, also the fourth-highest annual figure on record. The year began with a serious polar vortex that reached the southern United States and Mexico, Winter Storm Uri, which caused insured losses of €15 billion, the costliest storm seen by the insurance industry to date. There were other events during the second half of the year, such as floods in Central and Western Europe in July, which gave rise to record insurance losses of \$13 billion. Storm Bernd caused strong rainfall and serious flooding, in particular in certain regions of Germany, with insured losses that are expected to surpass €6 billion. In August, Hurricane Ida lashed the southern United States with Category 4 winds before continuing on to the Northeast, where it unleashed intense rains

that caused heavy flooding in and around New York City. Total insured losses caused by Ida come to roughly \$30 billion.

It should be noted that climate change is becoming an important point of focus for insurance companies, given its significant impact on their activities and results. The increase in insured damage has maintained a long-term trend (based on 10-year moving averages) of 5-7% annual growth, where recurring secondary peril events, such as severe convective storms, flooding, and wildfires, have become increasingly important⁴.

To this end, the European Union (EU) has been regulating sustainable finance matters for some time now, referring to the process of taking environmental, social, and governance (ESG) aspects into consideration when making investment decisions in the finance sector, leading to more long-term investments in sustainable economic projects and activities. In its 2018 action plan on financing sustainable growth, the European Commission established a strategy for the financial system to back the EU agenda in relation to the climate and sustainable development. On July 6, 2021, the Commission published its strategy to fund the transition towards a sustainable economy, based on the 2018 action plan on financing sustainable growth, the transition finance report by the Platform on Sustainable Finance, and a consultation held between April and July 2020. The actions proposed by the new strategy include the need for the financial system to be more resistant to the risks posed by climate change and environmental degradation and the steps necessary to achieve this. However, environmental risks are not only a concern for insurance companies; the sustainability strategy is the roadmap for companies to tackle the major global and social challenges they face and to manage Environmental, Social, and Governance risks (ESG).

Finally, as regards Brexit, it is worth mentioning that on December 24, 2020, the Trade and Cooperation Agreement between

the United Kingdom and the European Union was reached, applying on a provisional basis from January 1, 2021 and coming into force on May 1, 2021. The departure of the United Kingdom from the European Union has affected British insurers that operated in EU countries until that time under the authorizations granted by an EU passport. Once the transitional period comes to an end on December 31, 2020, the system for third countries established in European and national regulations is expected to apply. In turn, the United Kingdom has set up the Temporary Permit Regime (TPR) to allow companies from the European Economic Area (EEA) currently operating in the United Kingdom (using the EEA passport) to continue doing so for a given period of time.

Ranking of the largest European insurance groups

The recovery of the economy and financial markets in 2021 has had a positive effect on the 15 largest European insurance groups, which increased their premium revenue by 9.1% in 2021, reaching €579.28 billion (see Table 1.1-a). All of the groups had premium growth, particularly French bancassurance companies Sogecap (38.3%), BNP Paribas Cardif (30.6%), Crédit Agricole Assurance (23.8%), and CNP Assurances (17.6%).

Since 2011, the premiums of the groups making up the 2021 ranking have increased by 24.3%, with an annual average growth of 2.2%. Axa, Allianz, and Generali continue to lead this ranking, accounting for 45% of the aggregate premiums of all the groups that make up the ranking. German groups Talanx and R+V have seen significant growth, thanks to the strong performance of their reinsurance business, of 92.2% and 69.3%, respectively, compared to 2011 income. The performance of Italian group Poste Vita is also worth particular note, with premiums experiencing 87.7% growth over the past eleven years.

It should be noted that the 2021 edition of this ranking excluded Prudential, whose premium volume would have put it in eleventh place in the classification. As noted last year,⁵ it was excluded because in October 2019 the group

successfully spun off its British and European business from the rest of its international operations, resulting in two independent companies, Prudential and M&G. Following this change, Prudential plc. groups together the Asia, United States, and Africa business (in 2021, the US business was spun off), and it focuses on life insurance and asset management, with the Hong Kong Insurance Authority acting as the group's new supervisor. In turn, M&G encompasses the British and European business, under the supervision of the UK's Prudential Regulation Authority. Bearing in mind that this study analyzes the performance of groups supervised by European authorities and with a significant premium volume in Europe, the group analyzed is M&G; however, the gross direct and accepted insurance premiums recognized in 2021 came to €5.57 billion (£4.78 billion), which excludes them from the different rankings included in this report.

The French group Axa once again leads the total premium ranking in 2021, with a premium volume of €96.82 billion, a 3.1% increase compared to 2020. All business lines performed positively: Property & Casualty, thanks to the performance of the commercial lines, in particular because of the favorable effects of prices and stable income in personal lines; Health, on account of the continued growth in most geographical areas, mainly in the collective business in France; and Life, on account of the strong performance of individual savings in France, in particular in unit linked products, in addition to strong growth in Asia, mainly in Japan and Hong Kong.

With premium income of €86.06 billion, up by 3.7% year on year, Allianz is the second largest insurance group in Europe. In 2021, the Life and Health businesses benefited from strong sales in the United States, mainly in fixed pegged annuity income, and in Italy, thanks in particular to the increase in the sale of products linked to investment funds. In turn, the Property & Casualty segment benefited from increases in price and volume.

Generali, third in the ranking, saw premium income of €75.82 billion in 2021, 7.2% up year on year, with a positive contribution both in the Life (+6.4%) and Non-Life (+9.0%) segments. In

Table 1.1-a
Total: 2021 ranking of the largest European insurance groups
 (ranking by premium volume)

	Group	Country	Premiums (millions of euros)					%Δ premium 2011-2021	% YoY premium 2011-2021 (annual average)	% YoY premium 2020-2021
			2011	2020	2021	Δ 2011-2020	Δ 2020-2021			
1	AXA	France	80,570	93,915	96,825	13,345.0	2,910.0	20.2%	1.8%	3.1%
2	ALLIANZ	Germany	69,299	82,986	86,063	13,687.0	3,077.0	24.2%	2.2%	3.7%
3	GENERALI	Italy	69,159	70,704	75,825	1,544.8	5,121.0	9.6%	0.9%	7.2%
4	TALANX	Germany	23,682	41,109	45,507	17,427.0	4,398.0	92.2%	8.4%	10.7%
5	ZURICH	Switzerland	34,153	42,296	44,986	8,142.4	2,690.3	31.7%	2.9%	6.4%
6	CRÉDIT AGRICOLE ASSURANCE	France	24,345	29,439	36,454	5,094.0	7,015.0	49.7%	4.5%	23.8%
7	CNP	France	29,919	26,922	31,652	-2,996.5	4,729.7	5.8%	0.5%	17.6%
8	BNP PARIBAS CARDIF	France	16,936	20,747	27,093	3,811.3	6,345.7	60.0%	5.5%	30.6%
9	AVIVA	United Kingdom	34,448	20,920	22,568	-13,528.4	1,648.3	-34.5%	-3.1%	7.9%
10	MAPFRE	Spain	19,600	20,482	22,155	882.2	1,672.4	13.0%	1.2%	8.2%
11	R+V	Germany	11,332	18,952	19,184	7,620.0	232.0	69.3%	6.3%	1.2%
12	COVÉA	France	14,353	16,566	19,178	2,213.4	2,611.5	33.6%	3.1%	15.8%
13	ERGO	Germany	18,639	17,569	18,213	-1,070.2	644.0	-2.3%	-0.2%	3.7%
14	POSTE VITA	Italy	9,526	16,901	17,885	7,371.6	987.0	87.7%	8.0%	5.8%
15	SOGECAP	France	9,948	11,353	15,696	1,405.1	4,343.2	57.8%	5.3%	38.3%
First 5 total			276,863	331,010	349,206	54,146.2	18,196.3	26.1%	2.4%	5.5%
First 15 total			465,910	530,862	579,284	64,948.7	48,425.1	24.3%	2.2%	9.1%

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

Life, the improvement was attributable to unit-linked products, in particular in France, Germany, and Italy, and the protection line of business, with general growth seen in all countries in which the Group operates. Premiums in the Property & Casualty segment also experienced positive growth in all countries in which the company operates this line, in particular in Italy, France, and the ACEER region (Austria, Central and Eastern Europe, and Russia). Europ Assistance premiums, which were affected by the pandemic in 2020, increased significantly.

The first change in the classification comes in fourth position, with German group Talanx moving up from the fifth position it occupied in the ranking in 2020. In 2021, the German group recorded double-digit growth in premium income, to €45.51 billion, increasing its market share in many regions. The Industrial, International Retail, and Property & Casualty Reassurance lines contributed in particular to this significant growth.

Zurich falls to fifth in the ranking with a premium volume of €44.99 billion (\$53.18 billion), 6.4% up year on year. The main catalyst of this growth was the Non-Life business, which grew by 8.9%, with commercial insurance benefiting from greater rigor in underwriting, an increase in prices linked to risk, and an increase in new business. In turn, personal insurance grew mainly due to new business. In April 2021, Farmers Group, Inc. (FGI), a subsidiary of Zurich, finalized the agreement entered into with Farmers Exchange to acquire MetLife's Non-Life business in the United States. As part of the transaction, FGI acquired 100% of MetLife's general insurance business and immediately sold it to Farmers Exchanges, excluding certain assets and liabilities. Zurich has no stake in the ownership of Farmers Exchanges, which is owned by its insured parties, and Farmers Group provides them with certain auxiliary services and other services not related to claims in its capacity as the proxy, to which end it receives fees. The "Farmers" segment of Zurich includes reinsurance premiums pertaining to Farmers Exchanges accepted by Zurich and the activities of Farmers Life, a personal life insurance company in the United States. Income in this segment grew by 45.2% in 2021, to €839 million (\$992 million).

The growth experienced by French bancassurance firms Crédit Agricole Assurance (23.8%), CNP (17.6%) and BNP Paribas Cardif (30.6%), has seen them climb two places in the ranking each, positioning them sixth, seventh, and eighth, respectively. Crédit Agricole Assurances' life business, which accounts for 86% of its premiums, grew by 28.5%, with strong performance in the savings/retirement segment, where gross written premiums corresponding to unit-linked products came to €11.4 billion, up by 42.7% compared to 2020. In turn, the revenue recorded by CNP came to €31.65 billion in premiums, with strong commercial performance in all regions and strong growth in the savings/retirement business, driven by growth in the asset management business and the continued favorable performance of its business in Brazil. The revenue recorded by BNP Paribas Cardif came to €27.09 billion, distributed between the savings and protection businesses 80% to 20%, respectively. In sav-

ings, the commercial boost seen at the end of 2020 continued in 2021, with more than 45% of the gross sum collected corresponding to unit linked-products. The growth in protection insurance continued in France and was particularly steady in Latin America and Asia.

In ninth place was Aviva, which dropped from the seventh position it occupied in 2020. It recorded premium income of €22.57 billion (£19.4 billion), up by 7.9%. In 2021, the English group completed the sale of all discontinued operations, completing the reorientation of its portfolio and a divestment program that included the sale of eight non-essential businesses to focus on the United Kingdom, Ireland, and Canada. The discontinued operations encompass its businesses in France, Italy, Poland, Turkey, and Asia (Friends Provident International, Aviva Singapore, Hong Kong, Indonesia and Vietnam) and also includes the discontinued operations of Aviva Investors in France and Poland. It should be noted that the 2021 data exclude the markets that have departed the group and, therefore, the comparative amounts for 2020 have been readjusted to reflect the changes. The premiums reported by Aviva in 2020 came to €32.65 billion compared to the €20.92 billion reflected in the new information.

Rounding out the top ten, MAPFRE moves up a spot to land in tenth place, with a premium volume of €22.15 billion, 8.2% more than last year. This increase is due to the favorable evolution of the business in the regions of Iberia, Latin America (where practically all countries in which the group operates saw growth), and in the reinsurance business.

From the last five positions, worth particular mention is the growth of Sogecap (38.3%) and Covéa (15.8%). With written premiums of €19.18 billion, Covéa places twelfth in the ranking. In France, its premium income increased by 7.0% compared to 2020, with an increase of 4.8% in the Non-Life business and 10.9% in the Life and Health businesses, driven in this segment by the increase in gross retirement savings. Life and Health Reinsurance activity has increased significantly, with the underwriting of contracts with SCOR Life Ireland and SCOR Global Life Reinsurance Ire-

land in 2021. In terms of income from international subsidiaries, the 3.2% increase in premiums can be traced to activities in the United Kingdom and the increase in gross income from unit linked policies in Italy.

Sogecap occupies the final place in the 2021 ranking with a premium volume of €15.7 billion. In life savings, premiums grew by 45% compared to 2020, with a share of 44% in unit-linked products. In the personal protection segment (retirement and Non-Life insurance), the level of activity increased by 4%, to €1.9 billion, driven once again by Non-Life insurance in France and internationally.

Results and balance sheet

In 2021, with the exception of Allianz and Aviva, the other groups in the ranking of the biggest European insurance companies increased their net result compared to the previous year. As a whole, net income came to €35.16 billion, up 29.4% on 2020, with several even seeing three-digit increases in their results. It is worth noting that these benefits are impacted considerably by the result of groups that, in addition to the insurance business, manage a significant volume of assets, a segment that has been boosted by the recovery of the financial markets.

As can be seen in Table 1.1-b, Axa and Allianz recorded the biggest net allocated result, with €7.29 and €6.61 billion, respectively. In the case of the French group, its profits increased by 130.5%, driven mainly by the increase in underlying earnings, on account of the positive impact of the financial market on a favorable change in the fair value of assets and financial derivatives, and higher net capital gains. In terms of Casualty insurance, the impact of claimable events related to Covid-19 in 2020 has not been repeated, with a strong technical result, in particular at Axa XL; Health benefited from higher volumes in most regions, as well as lower taxes; in Life and Savings, there was an increase in fees and income and there was a higher net technical margin; and Asset Management experienced strong growth in income, in particular on account of increases in management fees and performance fees, due to both the increase in average assets

managed thanks to the strong performance of the market and the improved combination of products, partly offset by higher staff costs and taxes, in line with the increase in underlying profits.

In the case of Allianz, although its operating income increased, the decrease in non-operating income caused the group's net income to decline slightly. All business segments recorded strong growth in operating income: the Non-Life segment saw a higher technical result, despite the growth in claimable events due to natural disasters; in the Life and Health segment, this was attributable to an increase in the sale of untraditional variable income products that required higher reserves and an improvement in the technical margin and investment; in Asset Management, this was attributable to an increase in average assets managed and to continued cost control; in the Corporate and Other business, operating income improved in large part thanks to higher investment income.

In addition to Axa, two other groups recorded three-digit growth in profits: R+V and Covéa. The first saw growth in profits of €519 million, mainly on account of the strong performance of its investments, while the second doubled its profits due to the improved technical results of insurance activities and Non-Life re-assurance and the increase in financial profits, as a result of higher capital gains and the favorable effect of the exchange rate.

Following these groups in terms of greatest growth in profits were Generali (63.2%), Talanx (56.0%), and MAPFRE (45.3%). Generali's results were marked by the positive performance in all business lines, with operating income that increased by 12.4%, thanks to the positive results in all activity segments. In the Life segment, both the technical margin and the net result of investments improved, which in 2020 had been affected by the negative performance of financial markets and provisions for guarantees to insured parties in Switzerland. In Non-Life, despite the drop in the technical result, the increase in investment results, driven by the contribution of the Cattolica group, the dividend paid by Banca Generali, and the increase in dividend income on private

Table 1.1-b
Total: 2021 net result of European insurance groups
(millions of euros)

Group	Country	Net result (millions of euros)			Attributable to controlling company (millions of euros)		
		2020	2021	% YoY 2020–2021	2020	2021	% YoY 2020–2021
AXA	France	3,331	7,507	125.4%	3,164	7,294	130.5%
ALLIANZ	Germany	7,133	7,105	-0.4%	6,807	6,610	-2.9%
GENERALI	Italy	2,032	3,195	57.2%	1,744	2,847	63.2%
TALANX	Germany	1,170	1,730	47.9%	648	1,011	56.0%
ZURICH	Switzerland	3,571	4,589	28.5%	3,363	4,400	30.8%
CRÉDIT AGRICOLE ASSURANCE	France	1,235	1,531	24.0%	1,230	1,531	24.5%
CNP	France	1,618	1,776	9.8%	1,350	1,552	15.0%
BNP PARIBAS CARDIF	France	582	770	32.3%	565	750	32.7%
AVIVA	United Kingdom	3,275	2,369	-27.7%	3,149	2,287	-27.4%
MAPFRE	Spain	821	1,036	26.2%	527	765	45.3%
R+V	Germany	156	713	357.1%	128	647	405.5%
COVÉA	France	426	850	99.5%	415	838	101.9%
ERGO	Germany	517	605	17.0%	N/A	N/A	-
POSTE VITA	Italy	781	826	5.8%	781	826	5.8%
SOGECAP	France	525	557	6.2%	470	502	6.7%
Total		27,172	35,159	29.4%	24,341	31,861	30.9%

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

shares, also contributed to operating growth. Operating income in the Asset Management segment was attributable to the overall growth in managed assets and the implementation of the real asset strategy.

The net profit of the Talanx Group surpassed the €1 billion mark, with the strategic optimization programs in the Industrial Lines and Retail Germany (direct insurance) having a positive impact. Underwriting income recovered after Covid-19. Unlike the previous year, pandemic-related losses did not affect the large losses budget, while the portion attributable to natural disasters came to €1.26

billion (€658 million in 2020). In general, the pandemic reduced underwriting income by €439 million euros. Net income from investments, up by 11.3%, also contributed to the strong result.

The profit attributable to MAPFRE in 2021 came to €765 million euros, 45.3% up year on year, thanks to the strong performance of the business in the Iberia and North America regional areas, where growth in profit was more than 15% in both cases, the strong performance of the reinsurance business, and extraordinary profit (€167 million) generated at the end of the partnership with Bankia.

At the opposite end of the scale, Aviva recorded a drop in its attributable net income of -27.4%. The group's adjusted operating income fell in large part due to the divestments referred to above, with a drop in adjusted operating profit from discontinued operations. Operating income from ongoing operations fell, with the strong performance of Property & Casualty offset by lower operating income from Life insurance in the United Kingdom and Ireland. Income attributable to the controlling

company in 2021, pursuant to IFRS, was €2.28 billion (£1.97 billion) compared to €3.15 billion in 2020 (£2.8 billion). This decrease is due to the drop in operating profit, combined with non-operating elements.

Finally, to provide complementary data for analysis, Table 1.1-c presents the basic information on the balance sheets of the insurance groups included in the 2021 overall ranking.

Table 1.1-c
Total: 2021 balance sheet of European insurance groups
(billions of euros)

Group	ASSET									
	Investments				Cash		Other		Total assets	
	Investments		Policyholder/ insured party risk							
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
AXA	555.4	534.6	77.8	86.3	28.2	25.1	143.2	129.5	804.6	775.5
ALLIANZ	656.5	663.6	137.3	158.3	22.4	24.2	243.7	293.2	1,060.0	1,139.4
GENERALI	407.6	420.7	84.9	107.2	7.9	8.5	44.3	49.8	544.7	586.2
TALANX	138.7	147.8	11.6	13.7	3.5	4.0	27.2	32.0	181.0	197.5
ZURICH	172.2	167.9	110.6	125.3	9.1	7.6	67.7	82.4	359.6	383.2
CRÉDIT AGRICOLE ASSURANCE	344.8	344.3	74.4	86.3	1.4	1.6	16.4	11.7	437.0	443.9
CNP	337.8	359.2	67.0	84.3	1.7	1.8	36.0	37.8	442.5	483.0
BNP PARIBAS CARDIF	180.0	177.4	76.6	90.1	2.1	3.0	10.3	12.9	268.9	283.5
AVIVA	257.2	176.1	197.4	193.3	18.9	14.8	63.2	42.1	536.7	426.3
MAPFRE	38.9	39.2	2.5	3.0	2.4	2.9	25.3	18.8	69.2	63.9
R+V	109.5	112.7	14.8	18.7	2.5	2.1	3.3	5.1	130.1	138.6
COVÉA	90.5	91.9	6.8	8.1	3.6	2.2	12.6	15.1	113.5	117.3
ERGO ¹	141.7	140.7	7.7	8.7	N/A	N/A	14.7	14.5	164.1	163.8
POSTE VITA	156.1	158.7	N/A	N/A	1.0	4.6	3.2	3.1	160.2	166.4
SOGECAP	111.7	113.4	40.3	49.0	1.5	0.5	3.2	4.4	156.7	167.2

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ Figure calculated as the sum of its three segments: Life and Health Germany, Property & Casualty Germany, and International

Table 1.1-c (continued)
Total: 2021 balance sheet of European insurance groups
(billions of euros)

Group	LIABILITIES													
	Shareholders' equity						Technical provisions				Other		Total liabilities	
	Capital and reserves		Non-controlling interests		Total		Technical provisions		Policyholder/insured party risk					
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
AXA	71.6	71.1	4.6	4.1	76.2	75.2	417.7	423.2	78.1	86.4	232.6	190.7	804.6	775.5
ALLIANZ	80.8	80.0	3.8	4.3	84.6	84.2	692.0	719.0	137.3	158.3	146.1	177.8	1,060.0	1,139.4
GENERALI	30.0	29.3	1.6	1.6	31.8	31.9	362.0	377.0	80.4	102.5	70.6	74.9	544.7	586.2
TALANX	10.4	10.8	6.7	7.2	17.1	17.9	128.6	139.0	11.6	13.7	23.8	26.9	181.0	197.5
ZURICH	31.3	33.3	1.3	1.1	32.6	34.4	178.9	175.6	110.1	124.7	38.0	48.4	359.6	383.2
CRÉDIT AGRICOLE ASSURANCE	16.3	15.5	0.1	0.1	16.3	15.5	289.0	288.7	74.5	86.6	57.1	53.1	437.0	443.9
CNP	20.7	21.1	3.3	3.6	24.0	24.8	310.2	327.0	66.9	84.5	41.4	46.7	442.5	483.0
BNP PARIBAS CARDIF	5.8	5.3	0.4	0.4	6.1	5.6	159.2	158.8	76.8	89.5	26.7	29.5	268.9	283.5
AVIVA	21.9	22.8	1.1	0.3	23.0	23.1	249.5	160.4	170.3	190.1	93.9	52.7	536.7	426.3
MAPFRE	8.5	8.5	1.3	1.2	9.8	9.7	39.2	40.0	2.5	3.0	17.6	11.3	69.2	63.9
R+V	8.1	8.6	0.6	0.7	8.8	9.2	98.8	102.3	12.3	15.8	10.2	11.2	130.1	138.6
COVÉA	16.3	17.1	0.1	0.1	16.4	17.2	84.3	86.3	6.8	8.1	6.0	5.6	113.5	117.3
ERGO ¹	N/A	N/A	N/A	N/A	8.2	7.6	136.0	136.4	8.0	9.0	11.8	10.8	164.1	163.8
POSTE VITA	5.3	5.9	-	-	5.3	5.9	148.8	151.2	5.0	7.8	1.2	1.4	160.2	166.4
SOGECAP	3.1	3.2	0.5	0.5	3.6	3.8	95.4	97.1	40.6	49.4	17.0	16.9	156.7	167.2

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ Figure calculated as the sum of its three segments: Life and Health Germany, Property & Casualty Germany, and International

1.2. Non-Life ranking

Size and growth

The 15 groups that are part of the 2021 Non-Life ranking had premium revenue of €308.4 billion, 6.5% more than the prior year. As can be seen in Table 1.2-a, all groups recorded increases in their premium volume, with some seeing double-digit growth. Worth particular mention was the 22.5% increase seen by Finnish group Sampo. The five top groups account for 66% of premiums (€202.77 billion), practically unchanged from 2020, with annual

growth of 6.2%. In a longer term analysis, it can be noted that the premiums of the 15 European groups grew 42.7% between 2011 and 2021, with an average annual growth of 3.9%.

Allianz continued to top the Non-Life ranking in 2021 with a premium volume of €60.27 billion, up by 4.3%, with a positive impact on prices and volume. Allianz Partners, AGCS, and the business in Australia contributed positively to this growth. In contrast, in the United Kingdom, there was a contraction in insurance business volume for small and medium sized companies, as well as strong competition in

automobile insurance. In France, there was a slight drop in commercial insurance, and in Spain, difficult market conditions combined with the strong focus on profitability had a negative effect on volume in all business lines.

It is followed in the ranking by Axa with premium income of €53.59 billion in 2021, up by 1.1% compared to 2020. There was higher growth in commercial lines thanks to several factors: on the one hand, the strong performance of Axa XL, mainly on account of the positive impact of prices; the increase in volume and tariffs in the French business; the increase in tariffs and higher third-party liability and casualty volumes in most regions; the strong performance of Axa Assistance, with new business in particular in automotive and home lines; and growth in Turkey thanks to a higher volume of renewals in casualties and the favorable effect of prices in the automobile segment. In terms of personal insurance, the increase in income came from lines unrelated to the automobile segment.

Zurich and Talanx were in third and fourth place, respectively. Gross written premiums in Zurich's Non-Life segment increased by 8.9% in 2021 to €33.94 billion, with a strong increase in both commercial insurance and private insurance. Commercial insurance benefited from higher premium tariffs and new net business, while the growth in private insurance was driven mainly by new net business. As regards the Talanx group, premiums increased by 14.4%, with all divisions contributing to this growth, with particular mention going to the specialty risks business in the Industrial Lines Division. The performance of the Reinsurance Division was approximately on par with pre-Covid levels, after a 2020 that was significantly affected by the pandemic, with a two-digit increase (14.8%) in gross written premiums in the Property & Casualty Reinsurance segment, to €19.2 billion.

Generali remains in fifth position in the ranking, with €24.14 billion of premiums, 9% up on 2020, with positive performance in all the countries in which the company operates. The automotive segment saw 4.9% growth, particularly in ACEER (Austria, Central and Eastern

Europe and Russia), Argentina, France, and Italy. The different automobile lines also improved (+7.5%), with particularly strong growth in Italy, France, and ACEER. Europ Assistance premiums, which were affected by the pandemic in 2020, increased significantly.

The MAPFRE Group remained the sixth largest European Non-Life insurer, with a premium volume of €17.27 billion, up by 7.2% year-on-year. In Spain, the performance of the automobile business is worth particular mention, in addition to premiums in the Property & Casualty business, with most lines of business performing strongly. In Latin America, premiums increased: in LATAM North, the contribution of Mexico stands out due to the arrangement of an important two-year policy and in LATAM South, premiums increased despite the depreciation of several currencies in the region. In turn, the Brazilian Property & Casualty market, with a premium volume of €1.72 billion, saw growth of 20.3%, while the automobile segment experienced growth of 4%, to €461 million. The major risks and reinsurance business premiums also increased in 2021, to €6.27 billion, 10.3% up year on year. This growth was partially offset by drops in premiums in North America and Eurasia, as well as in the Assistance Unit.

Seventh and eighth place in the ranking were occupied by Ergo and Covéa, respectively. Ergo experienced premium growth of 4.9% thanks to several factors. In the casualty insurance segment in Germany, a successful round of renewals in automobile insurance and expansion of the commercial/industrial business contributed to premium growth. The international business was mainly influenced by the strong growth of casualty insurance in Poland and Austria and huge demand for health products in Spain and Belgium. The Covéa group, in turn, saw gross written premium growth of 6.5%, with all its business lines performing positively, both domestically and abroad.

Aviva remained ninth, with a Non-Life premium volume of €10.84 billion (€9.32 billion), which represents growth of 10.0% compared to 2020. As mentioned previously, in 2021, the

Table 1.2-a
Non-Life: 2021 overall ranking of European insurance groups
(ranking by premium volume)

	Group	Country	Premiums (millions of euros)					%Δ premium 2011-2021	% YoY premium 2011-2021 (annual average)	% YoY premium 2020-2021
			2011	2020	2021	Δ 2011-2020	Δ 2020-2021			
1	ALLIANZ	Germany	44,772	57,772	60,273	13,000.0	2,501.0	34.6%	3.1%	4.3%
2	AXA ¹	France	30,003	53,000	53,590	22,997.0	590.0	78.6%	7.1%	1.1%
3	ZURICH	Switzerland	24,729	31,153	33,937	6,424.9	2,784.0	37.2%	3.4%	8.9%
4	TALANX	Germany	13,254	26,944	30,825	13,690.0	3,881.0	132.6%	12.1%	14.4%
5	GENERALI	Italy	22,765	22,147	24,145	-618.4	1,998.0	6.1%	0.6%	9.0%
6	MAPFRE	Spain	14,473	16,110	17,267	1,637.2	1,157.3	19.3%	1.8%	7.2%
7	ERGO ¹	Germany	12,402	14,071	14,765	1,669.5	694.0	19.1%	1.7%	4.9%
8	COVÉA	France	9,844	12,670	13,493	2,826.7	822.8	37.1%	3.4%	6.5%
9	AVIVA	United Kingdom	11,195	9,850	10,840	-1,345.6	989.7	-3.2%	-0.3%	10.0%
10	GROUPAMA	France	11,108	9,606	9,925	-1,502.0	319.0	-10.6%	-1.0%	3.3%
11	R+V	Germany	5,506	9,608	9,760	4,102.0	152.0	77.3%	7.0%	1.6%
12	UNIPOL	Italy	4,359	8,108	8,214	3,748.5	106.5	88.4%	8.0%	1.3%
13	SAMPO GROUP	Finland	4,414	6,242	7,645	1,828.0	1,403.0	73.2%	6.7%	22.5%
14	VIG	Austria	4,939	6,949	7,468	2,009.3	519.2	51.2%	4.7%	7.5%
15	MUTUA MADRILEÑA	Spain	2,306	5,468	6,251	3,162.3	783.1	171.1%	15.6%	14.3%
First 5 total			135,523	191,016	202,770	55,493.5	11,754.0	49.6%	4.5%	6.2%
First 15 total			216,068	289,698	308,398	73,629.4	18,700.6	42.7%	3.9%	6.5%

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

^{1/} As no data is available for premiums by segments, includes revenue is included, adding a part of Health not included in the Life segment.

English group completed the sale of all discontinued operations and the data for 2021 exclude markets that have departed the group, meaning that the comparative figures for 2020 have been readjusted to reflect the changes. As part of its ongoing Property & Casualty operations, the increase in premiums was attributable both to an increase in prices and growth in volume following the arrival of new customers.

From here on, there were changes in the composition and places in the Non-Life 2021 ranking: Groupama moved up one place to tenth, while R+V dropped one place to eleventh. RSA has fallen out of the ranking,⁶ making way for Unipol and Sampo, who occupy twelfth and thirteenth place, respectively. The 10% increase in Groupama's property damage and health premiums has helped the group to move up to tenth from eleventh in the ranking. In terms of casualty insurance, the group's premium income increased in both France and

internationally. In France, private and professional insurance benefited from the growth in automobile insurance, professional risks, and home insurance. Corporate and homeowner association insurance experienced growth of 7.3%, driven by the strong performance of the fleet and company and homeowner association asset lines. The agriculture and health lines also contributed to this growth. The international business saw significant growth, driven by the private automobile line of business (+10.1%), which increased in most countries and in particular in Romania. Also worth particular mention is the strong performance of the casualty line of business (+14.7%), in particular in Italy, Turkey, Hungary, and Romania.

In turn, the Sampo Group enjoyed Non-Life premium volume growth of €7.64 billion, an increase of 22.5%, the biggest increase in the ranking. This significant increase influenced the decision made by the Sampo Group to acquire a non-controlling interest in Hastings (30%) from Rand Merchant Investment Holdings Limited (RMI), in December 2021. Following this transaction and the initial acquisition performed in November 2020, Sampo now holds 100% of the share capital in Hastings. As a result, Hastings was consolidated as a full-fledged subsidiary of Sampo in the group's financial statements effective December 8, 2021. Hastings is one of the main digital Property & Casualty insurance providers in the United Kingdom, focusing mainly on automobile, van, bicycle, and home insurance.

It is worth noting that in this edition of the ranking, Vienna Insurance Group (VIG) has been included for the first time, with a premium volume of €7.47 billion, occupying fourteenth position in the ranking. VIG is one of the main insurance groups in Central and Eastern Europe. Its companies offer insurance services in the Life, Health, and Property & Casualty segment to more than 22 million customers across 30 countries. The other casualty lines, assets and automobiles aside, saw particularly strong growth in 2021, with a growth in premiums in all business segments. Finally, the Non-Life ranking was rounded out by Spanish group Mutua Madrileña, with a premium vol-

ume of €6.25 billion, representing 14.3% growth compared to the previous year.

Combined ratio

As indicated above, the loss ratio resulting from natural catastrophes was particularly intense in 2021. However, for most groups in the Non-Life ranking, this increase in the natural disaster loss ratio was offset by a decrease in losses caused by Covid-19 and important increases in tariffs, accompanied in some cases by more reserves being released. In contrast, other groups were more affected by an increase in the Covid-19 loss ratio, which, combined with this increase in natural disaster losses, increased their combined ratio.

In 2021, the combined ratios of nine of the groups that make up the Non-Life ranking decreased, four improved, and one remained unchanged (see Table 1.2-b). Most notable among the companies with the greatest decreases in combined ratios were Axa and Zurich. The combined ratio of the Axa group in the Property & Casualty segment in 2021 came to 94.6%, with an improvement of 4.9 percentage points (pp) thanks to a favorable technical result, mainly at AXA XL, thanks to greater rigor in underwriting and significant tariff increases, in addition to the profits in the automobile segment in Europe and France, a favorable performance in reserves the year before, and an improved cost ratio; this was partially offset by the increase in natural disaster spending in Europe, in particular in Germany, Belgium, and Switzerland after flooding in Europe in the summer, and at AXA XL, on account of the very active hurricane season in the Atlantic.

In turn, Zurich's Non-Life combined ratio stood at 94.3%, down by 4.1 pp year on year. Both ratios, spending and loss ratio, contributed to this improvement. The loss ratio was 3.3 pp lower year on year thanks to the drop in Covid-19 and natural disaster related losses, the increase in the release of reserves, and an underlying increase in underwriting profitability, as the increase in prices was re-

flected in results. These factors comfortably offset the increase in natural disaster and meteorological claims.

In turn, the highest increases in the combined ratio were reported by Unipol (+8 pp), MAPFRE (+2.7%), and Generali (+1.7%). Unipol's combined ratio stood at 95.0% in 2021, compared to 87.0% in 2020, a year that was particularly affected by the strict lockdowns in place during the months of March and April. This downturn in the ratio was mainly caused by the claims resulting from natural disasters and claims for significant amounts, with an 8.3 pp increase in the loss ratio and a 0.3 pp decrease in the expense ratio. MAPFRE experienced an increase of 2.7 pp in its combined ratio, to 97.5%, affected by the increase in the loss ratio as a result of the removal of restrictions placed on mobility and by the Covid-19

loss ratio in Latin America, which remains high. In turn, the lower technical result reported by Generali reflects the performance of the combined ratio, which increased by 1.7 pp, to 90.8%, on account of the higher impact of natural disaster claims and the increase in the loss ratio in the automobile line of business, resulting from a gradual reduction of mobility restrictions.

The performance of R+V's business in 2021 was affected by extreme weather phenomena and the prolonged difficult conditions of the second year of the pandemic. The combined ratio (net) for direct insurance stood at 97.3%, slightly up year on year (96.5%). However, thanks to the reinsurance of natural hazard risks, the underwriting results of accepted reinsurance improved significantly, as was expected, despite the burden of claimable

Table 1.2-b
Non-Life: 2020-2021 combined ratios
(%)

Group	Country	Combined ratio			Expense ratio			Loss ratio		
		2020	2021	% var (pp)	2020	2021	% var (pp)	2020	2021	% var (pp)
ALLIANZ	Germany	96.3	93.8	-2.5	26.8	26.7	-0.1	69.5	67.0	-2.5
AXA ¹	France	99.5	94.6	-4.9	27.1	26.6	-0.5	72.4	68.0	-4.4
ZURICH	Switzerland	98.4	94.3	-4.1	32.0	31.2	-0.8	66.4	63.1	-3.3
TALANX	Germany	101.0	97.7	-3.3	28.4	27.8	-0.5	72.9	70.1	-2.8
GENERALI	Italy	89.1	90.8	1.7	28.1	28.2	0.1	61.0	62.6	1.6
MAPFRE	Spain	94.8	97.5	2.7	29.1	29.3	0.2	65.6	68.2	2.6
ERGO ²	Germany	92.4	92.4	0.0	30.5	29.8	-0.7	61.9	62.6	0.7
COVÉA	France	100.0	97.4	-2.6	N/A	N/A	N/A	N/A	N/A	N/A
GROUPAMA	France	98.7	98.3	-0.4	27.8	27.8	0.0	70.9	70.5	-0.4
AVIVA	United Kingdom	96.8	92.9	-3.9	35.5	34.4	-1.1	61.3	58.5	-2.8
R+V ³	Germany	96.5	97.3	0.8	23.2	23.3	0.1	73.3	74.0	0.7
UNIPOL	Italy	87.0	95.0	8.0	28.2	27.9	-0.3	58.8	67.1	8.3
SAMPO GROUP	Finland	83.4	81.4	-2.0	N/A	N/A	N/A	N/A	N/A	N/A
VIG	Austria	95.0	94.2	-0.8	32.2	32.7	N/A	62.8	61.5	N/A
MUTUA MADRILEÑA	Spain	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ The combined ratio refers to the Property & Casualty segment, and does not include Health or "Lifestyle protection" insurance.

2/ Property & Casualty Germany.

3/ Gross combined ratio.

events, which was reflected in the lower loss ratio when compared to the previous year. The combined ratio (net) of the reinsurance business was 99.9% at the end of 2021 compared to 107.7% the previous year. Groupama, in turn, recorded the highest combined ratio in the ranking, at 98.3%, although this was down on 2020 (98.7%). In France, 2021 was characterized by the high weather-related loss ratio in the first half of the year and the decrease in weight of other hazards (drought, storms) compared to previous years. The cost of serious claims was lower than in 2020, which included operating losses related to the pandemic. Operating expenses remained stable, with a ratio of 27.8%.

Finally, the combined ratio of the Sampo group, which stood at 81.4% (83.4% in 2020) is worth particular mention. At a group level, Sampo's target is to bring the combined ratio below 86%, while the target for its biggest subsidiary, If P&C, is below 85%. If's combined ratio in 2021 improved by 0.8 pp year on year, standing at 81.3% (82.1% in 2020), mainly on account of the improvement in the adjusted risk ratio (claims incurred - settlement costs of claims/earned premiums) and the reduction in major claims. It is worth noting that in the Nordic Property & Casualty market, returns were historically high and combined ratios were lower than other European markets for this segment. This trend was maintained in 2021, with returns backed by a disciplined, competitive environment and benefits arising from an unusually low claim rate.

1.3. Life ranking

Size and growth

The Life segment also benefited from the economic recovery in 2021. The population's greater sensitivity to risk has also influenced the increase in demand for risk products and the strong results of financial markets have also had a positive impact on the uptake of savings product, mainly those related to financial assets. However, in 2021, investments continued to be affected by the prolonged low interest rate environment. As can be seen upon analyzing the ranking of the 15 major European Life insurance groups shown in Ta-

ble 1.3, they recorded an increase of 10.3% in premium revenue for 2021, coming in at €326.46 billion. The income of twelve groups was up year on year, while three groups saw a contraction in their income. Worth particular note were the increases of French bancassurance groups, thanks to the strong performance of this market and mainly, unit linked products. Since 2011, the groups that formed part of this ranking in 2021 have increased their premium income by 15.4%, well below the 42.7% recorded by Non-Life groups.

The composition of the ranking experienced the following changes: Prudential fell off the ranking (due to the reasons indicated above), as did Zurich, while Natixis and NN Group entered the list. Furthermore, from third place down, almost all positions have changed since 2020, with the exception of Swiss Life, which remained in eleventh. Moving up in the ranking was Crédit Agricole Assurance (+3 places), CNP (+1), BNP Paribas Cardif (+2), Poste Vita (+2), Talanx (+5), Sogecap (+5), and Aegon (+2). In contrast, Allianz (-1), Legal & General (-3), and Aviva (-7) all moved down the ranking.

Worth note was the growth enjoyed by French bancassurance groups Sogecap (41.7%), Natixis Assurances (34.7%), BNP Paribas Cardif (34.1%), and Crédit Agricole Assurances (28.5%). The significant increase in all their premiums was related to the strong performance of life savings/retirement insurance, in particular in unit-linked products, which experienced significant growth. Personal protection and payment protection premiums, in turn, grew in France, as well as in international businesses.

The Generali group continues to lead the Life ranking, obtaining premium growth of 6.4% in 2021, for a total of €51.68 billion, thanks to the important contribution of unit linked products (19.8%), in particular in France, Germany, and Italy, and constant growth in protection insurance in all countries in which the group operates. These increases corrected the significant decrease in savings and pensions as a result of the drop in business volumes in Italy, which were partly offset by the results in France, Asia, and Germany.

Axa comes next, with income of €43.79 billion (including health), which represents an increase of 5.6% compared to 2020, driven by several factors: a significant increase in unit linked products in France, Hong Kong, and Spain; growth in guaranteed savings products, mainly in France and Japan, countered in part by the decrease in Italy; and the positive performance of protection and health insurance.

With premium growth of 28.5%, to €31.22 billion, Crédit Agricole Assurances rises three

positions in the ranking to third place. As indicated previously, this can be attributed to the savings/retirement segment, where gross written premiums of unit linked products came to €11.4 billion, up by 42.7% on 2020. In the personal protection segment, sales were driven by three activity segments: personal protection, loan insurance, and collective insurance, both in France and internationally.

As mentioned in another section of this report, the drop seen by Aviva (to fourteenth in the

Table 1.3
Life: 2021 overall ranking of European insurance groups
(ranking by premium volume)

	Group	Country	Premiums (millions of euros)					%Δ premium 2011-2021	% YoY premium 2011-2021 (annual average)	% YoY premium 2020-2021
			2011	2020	2021	Δ 2011-2020	Δ 2020-2021			
1	GENERALI	Italy	46,394	48,557	51,680	2,163.2	3,123.0	11.4%	1.0%	6.4%
2	AXA ¹	France	50,947	41,471	43,795	-9,476.0	2,324.0	-14.0%	-1.3%	5.6%
3	CRÉDIT AGRICOLE ASSURANCE ¹	France	20,757	24,303	31,224	3,545.5	6,921.7	50.4%	4.6%	28.5%
4	CNP	France	27,180	24,332	29,061	-2,848.4	4,728.5	6.9%	0.6%	19.4%
5	ALLIANZ	Germany	24,557	25,315	25,884	758.0	569.0	5.4%	0.5%	2.2%
6	BNP PARIBAS CARDIF ¹	France	14,784	18,458	24,761	3,674.4	6,302.4	67.5%	6.1%	34.1%
7	POSTE VITA	Italy	9,503	16,661	17,574	7,157.8	913.0	84.9%	7.7%	5.5%
8	TALANX	Germany	11,172	13,931	14,749	2,759.0	818.0	32.0%	2.9%	5.9%
9	SOGECAP	France	8,915	10,245	14,519	1,330.4	4,273.9	62.9%	5.7%	41.7%
10	AEGON	Netherlands	16,853	13,929	13,400	-2,924.0	-529.0	-20.5%	-1.9%	-3.8%
11	SWISS LIFE	Switzerland	9,430	13,932	12,920	4,501.2	-1,011.9	37.0%	3.4%	-7.3%
12	NATIXIS ASSURANCES	France	3,415	9,394	12,651	5,978.7	3,257.6	270.5%	24.6%	34.7%
13	LEGAL & GENERAL	United Kingdom	6,218	14,117	12,070	7,899.3	-2,046.6	94.1%	8.6%	-14.5%
14	AVIVA	United Kingdom	23,252	11,070	11,728	-12,182.3	658.7	-49.6%	-4.5%	6.0%
15	NN GROUP	Netherlands	9,597	10,243	10,443	646.0	200.0	8.8%	0.8%	2.0%
First 5 total			169,835	163,978	181,644	-5,857.7	17,666.2	7.0%	0.6%	10.8%
First 15 total			282,974	295,957	326,459	12,982.8	30,502.3	15.4%	1.4%	10.3%

Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

1/ The premium volume for this segment is as stated in its SFCR report.

2/ As no data is available for premiums by segments, includes revenue is included. Obtained from Life segment information including Health.

ranking) was influenced by the sale of all its discontinued operations in 2021, completing the reorientation of its portfolio and a divestment program that included the sale of eight non-essential businesses to focus on the United Kingdom, Ireland, and Canada. The discontinued operations encompass its businesses in France, Italy, Poland, Turkey, and Asia (Friends Provident International, Aviva Singapore, Hong Kong, Indonesia and Vietnam) and also includes the discontinued operations of Aviva Investors in France and Poland. The Life premiums for its ongoing operations amounted to

€11.73 billion in 2021, 6% up on the previous year, performing positively in all its lines of business.

Finally, it is worth noting that the NN Group now rounds out the list, with a Life premium volume of €10.44 billion. In the Netherlands, new sales were driven by the increase in collective pension agreements, and in Japan and other European markets, management actions and the strong recovery of these markets after Covid-19 restrictions were lifted encouraged the strong performance of the business.

2. Solvency ratios

Table 2 contains information on solvency levels. Worth note is that all the groups featured in the 2021 ranking are able to report sound levels of solvency, with 20 groups now having eligible own funds of over twice the minimum capital required for insurance groups. Covéa's 351% solvency

ratio in 2021 was once again the highest of all the groups analyzed.

As indicated in last year's report,⁷ the European Insurance and Occupational Pensions Authority (EIOPA) launched its 2021 insurance stress test for the European

Table 2
2021 solvency ratios of the European insurance groups featured in the ranking

Group	Country	2020	2021
AEGON	Netherlands	196.0%	211.0%
ALLIANZ	Germany	240.0%	239.0%
AVIVA	United Kingdom	178.0%	204.6%
AXA	France	200.0%	216.7%
BNP PARIBAS CARDIF	France	173.0%	185.0%
CNP ASSURANCES	France	208.0%	217.0%
COVÉA	France	394.1%	351.0%
CRÉDIT AGRICOLE ASSURANCES	France	227.0%	245.0%
ERGO ²	Germany	N/A	N/A
GENERALI	Italy	223.8%	227.1%
GROUPAMA ⁴	France	244.0%	271.0%
LEGAL & GENERAL	United Kingdom	175.0%	187.0%
MAPFRE	Spain	192.9%	206.3%
MUTUA MADRILEÑA	Spain	304.0%	289.0%
NATIXIS ASSURANCES	France	173.0%	181.0%
NN GROUP	Netherlands	210.0%	213.0%
POSTE VITA	Italy	299.3%	285.4%
R+V	Germany	182.8%	222.0%
SAMPO GROUP	Finland	176.0%	185.0%
SOGECAP	France	195.0%	227.7%
SWISS LIFE ³	Switzerland	197.0%	220.0%
TALANX	Germany	260.0%	248.0%
UNIPOL	Italy	216.0%	214.0%
VIG	Austria	238.1%	249.5%
ZURICH ¹	Switzerland	182.0%	212.0%

Source: MAPFRE Economics (based on data from the SFCRs of the groups specified)

1/ The solvency ratio published by Zurich corresponds to the internal Z-ECM model, which also forms the basis of the Swiss Solvency Test, authorized by the FINMA Supervisor for obtaining an AA rating.

2/ ERGO does not present its own solvency ratio since it belongs to the Munich Re group.

3/ Swiss Life presents a solvency ratio as per the internal model compliant with the Swiss Solvency Test authorized by FINMA on Saturday, January 1, 2022.

4/ Data from the Group's annual report

insurance market in May. The 2021 stress test focuses on a prolonged Covid-19 scenario in a "lower for longer" interest rate environment, and assessed the participants' resistance to adverse capital and liquidity-related scenarios to provide supervisors with information on whether insurers can resist severe but plausible shocks. In total, 44 insurance groups were selected, of which 19 are included in the rankings that are analyzed in this report.

In December 2021, EIOPA published the results of this stress test.⁸ In general, despite the serious economic and financial impact of the Covid-19 pandemic, the European insurance industry started the stress test with high levels of capitalization,

reflected in a solvency ratio of 217.9% at the end of 2020, providing the cushion necessary for participants to adequately absorb the impact of the adverse scenario. The capital component of the exercise confirmed that the sector's main weaknesses can be traced to market shocks and, specifically, the uncoupling of the risk free rate and risk premiums, otherwise known as the double-hit scenario. Furthermore, long-term guarantee measures, which form part of the Solvency II regulation, helped absorb part of the severe but plausible shocks. The test also revealed that part of the market still heavily relies on transitional measures, which, unlike long-term guarantees, will be gradually phased out by 2032.

3. Convergence and market trend analysis

3.1 Convergence analysis

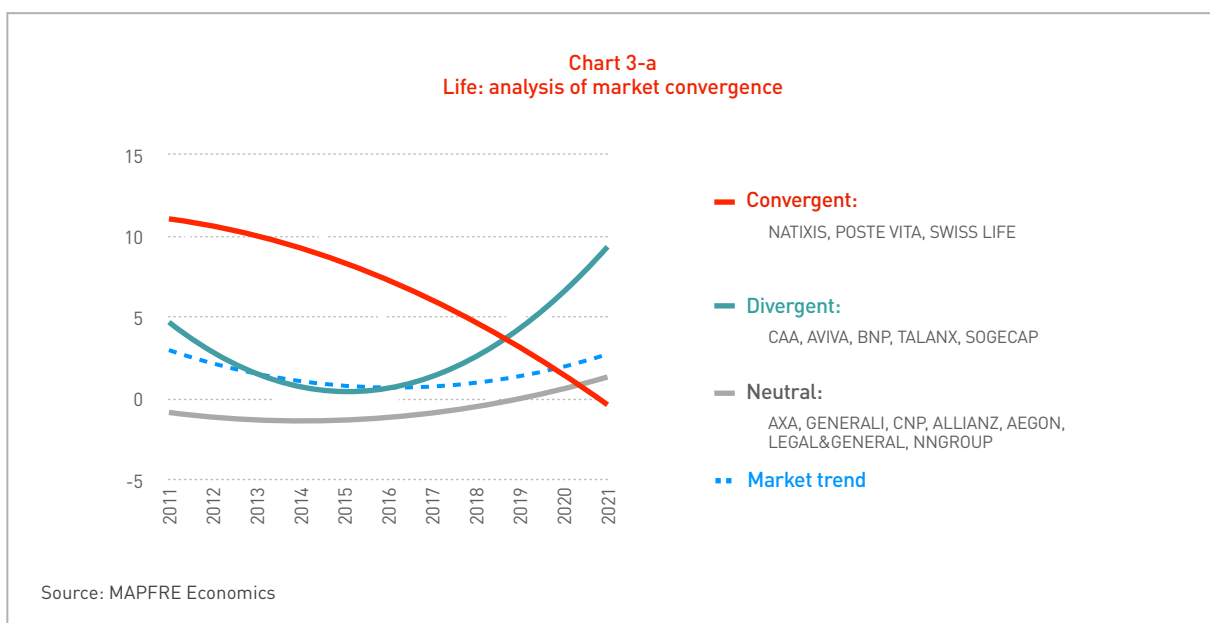
The convergence and divergence processes affecting the insurance market help to offer an explanation of the structure of the main European insurance groups over time and their performance in relation to insurance market trends. In this connection, this section of the report examines the trends that might have occurred and impacted the market as a whole over the past decade and help to explain, where appropriate, the main changes seen in the 2021 ranking.

This year, the convergence analysis includes Poste Vita in the market total, in place of the Dutch group Aegon, which dropped out of the ranking in 2021. On the other hand, some companies have reformulated the results published last year (as is the case of Aviva), applying international regulation IFRS 5 “Non-current assets for sale and discontinued operations;” however, for the purposes of the trend analysis this year for the market and the ranking of groups, this has not had any impact on the conclusions of the study.

The biggest insurance groups in Europe included in the ranking can be divided into three categories for the purposes of analyzing their growth trends, depending on whether the deviation compared to the market results in convergence, divergence or neutrality. To achieve this classification, the overall market trend was observed on one hand, and on the other the deviation from this trend shown by each of the insurance groups in question.⁹

Life Segment

In 2021, for the Life segment, the set of groups with a converging trend¹⁰ was limited to Poste Vita, Swiss Life, and Natixis, with a significant switch from convergent to divergent (Aviva, Talanx, Crédit Agricole Assurance, and Sogecap) and neutral (CNP) compared to the previous year. In other words, the performance of practically half of the 15 main European insurance groups in the Life segment was in line with the market trend (neutral), accounting for 57.0% of total Life premiums, while 29.7% were divergent (see Chart 3-a).



If we examine the type of divergence further, we find in turn two subgroups. On the one hand, “positive” divergence, made up of the insurance groups whose growth trend is above the market average, separating them from the trend. And, on the other hand, a “negative” divergence subgroup, made up of those that, on the contrary, in 2011 experienced a below-average growth trend (this may be positive, i.e., a slowdown, or negative, i.e., a contraction in the insurance group’s premiums). BNP Paribas Cardif (which was neutral the previous year), Sogecap, Talanx, and Crédit Agricole Assurance make up the “positive” divergent group, in other words, the slope of this divergent group’s trend is much steeper and with a positive differential compared to the slope for the market total, while only Aviva forms part of the “negative” divergent group.

In turn, the cluster made up by neutral insurance groups¹¹ in 2021 is, along with the divergent group, the biggest and most representative of the market, as last year’s groups (Axa, Generali, Aegon) have been joined by CNP, Legal & General, Allianz, and NN Group.

In contrast, in 2021, the convergent group accounts for 13.2% of Life premiums, representing the smallest group overall (Poste Vita, Natixis, and Swiss Life) and, as shown in Chart 3-a, the growth trend was below the market average in 2021 with a smaller differential to the market trend and above it (positive convergence).

It is worth noting that the data for 2021 continue the downturn seen on the market since 2015, confirming, on the one hand, that the share of the negative divergence group is greater than those who make up the positive divergence group and, on the other, the limited impact it has given the limited size of the convergence group and, finally, that the neutral group, which account for more than half of premiums and which has maintained its weight in recent years, has no impact on the trend as, by definition, its movements are in coordination with the market trend. When expanding this time bracket to the past decade, in general terms, there has been a general growth trend consisting of progressively smaller growth in the convergence group and

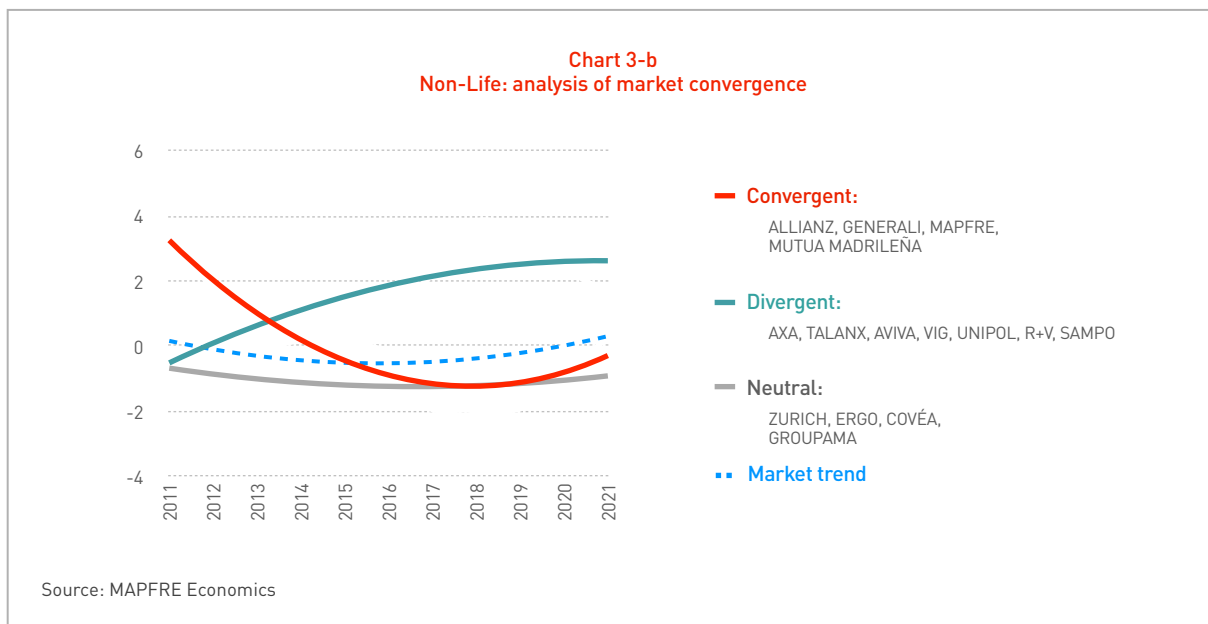
moderate growth across the entire divergence group, dragged down by the negative divergence subgroup, which ultimately should translate to a smaller concentration of European groups.¹² As indicated previously, the weight of the convergence group (13.2%) has grown by 5.5 pp, to the detriment of other groups, whose share over the past 10 years has been reduced.

Non-Life segment

In 2021, five of the groups that last year belonged to the convergence group in the Non-Life segment trend analysis have been considered as divergent (Aviva, Unipol, and Sampo Group) or neutral (Zurich and Cóvea), thus consolidating what was seen in the Life segment. Thus, as illustrated in Chart 3-b, the convergent group is only made up of Allianz, MAPFRE, Generali, and Mutua Madrileña, some of which, like Mutua Madrileña, showed a significantly negative convergent trend. With the same number of participants as the convergent group, the neutral group is made up of Ergo and Groupama, as was the case last year, but this time with the addition of Zurich and Covéa.

The biggest group (seven of the fifteen members of the Non-Life ranking) is the divergent group. Despite this, the four members of the convergent group account for 35.0% of all Non-Life premiums, with the bigger, but proportionately less representative divergent group accounting for 41.3%, while the four members of the neutral group account for 23.7%. In other words, in 2021, 35.0% of the business is attributable to those who negatively converge to the market trend; this means that in 2011 they experienced a greater growth trend compared to the market, coming into 2021 with a lower differential compared to the market trend, meaning that the slowdown in the group has contributed to a loss of dynamism in the sector. In the divergent group, only Talanx, VIG, and Sampo Group have seen a “positive” divergent trend, with growth in 2021 above growth over the past decade.

The divergent group, consisting of Talanx, Axa, Aviva, VIG, Sampo Group, Unipol, and R+V has grown by 5.9 pp over the past 10 years (7.9 pp



in 2020), continuing the trend seen in last year's report and accounting for 41.3% of the premiums in the Non-Life segment.¹³ The convergent group, despite consisting of just four members, accounts for 35.0% of premiums and its impact on the Non-Life market is progressively smaller (3.9 pp less over the past decade). These groups, along with the positive divergent group, have been responsible for the slightly positive market trend in recent years.

Finally, the members of the neutral group (Ergo, Groupama, Zurich, and C vea) account for 23.7% of Non-Life premiums, just 2 pp less than 10 years ago; Zurich and C vea have moved from convergent in 2020 to neutral in 2021. Together, they display a clearly defined neutral trend, as they maintain movement that is parallel to the market, attaining in this way a constant trend differential, although with values lower than the market.

Total market

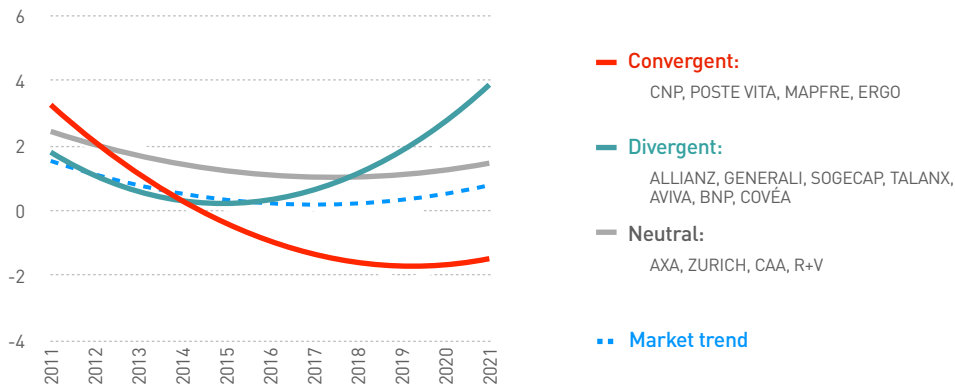
Chart 3-c reflects the trend dynamics of insurance groups that operate jointly in the Life and Non-Life segments. As regards the previous year's dynamics, in 2021, just six insurance groups experienced a change in trend. BNP and C vea have switched to divergent, while the previous year they were approaching the market trend. Likewise, CNP

and Poste Vita have moved from neutral, as their performance converges with the market.¹⁴

Unlike in the analysis for the Life and Non-Life segments, the insurance groups show a less balanced distribution for the market overall. The convergent group accounts for a sixth of the 15 main insurance groups and accounts for 15.5% of the total premium volume, compared to the 20% recorded in last year's report. It is worth noting that, over the past 10 years, the total volume of premiums for this group has dropped just 1.1 pp. This group consists of MAPFRE and Ergo, who also featured in this group last year, and the companies indicated previously, CNP and Poste Vita. Poste Vita, in particular, once again occupies a place in the market total, taking the place of Dutch group Aeg n, which last year was part of the neutral group and this year departs the total market ranking for 2021.

The divergent group is the biggest, containing seven insurance groups (Allianz, Generali, Sogecap, Talanx, Aviva, BNP, and C vea), and represents the highest percentage of total market premiums (50.4%), although the weight of this group has also dropped over the past 10 years, by 0.7 pp in favor of the neutral group, which during the same period has seen growth of 1.8 pp to account for 34.1% of all premiums. Of the other insurance groups that

Chart 3-c
Total: analysis of market convergence



Source: MAPFRE Economics

form part of the neutral group, Zurich and Cr dit Agricole Assurance remain unchanged since last year, while German firm R+V joined this group in 2021.

Of the insurance groups included in the convergent category in the total market analysis, it is the “negative” convergent firms that have experienced the slowdown between 2011 and 2021 in the generation of total premiums. There are few “positive” convergent firms, i.e., those which accelerate the creation of premiums towards the market trend (just Ergo and CNP), meaning that in general terms, the convergence of groups is balanced around the market average and there is some lethargy with regard to total premiums. Furthermore, within the divergent group, Aviva, Generali, and Allianz belong to the “negative” divergence subgroup, floating progressively further away from the market trend. Despite this, and as the growth in positive convergents and divergents (which account for 65.9% of the market total) is above the market average, the trend as a whole has grown over the past ten years.

It should be noted that, as far as it relates to the analysis of the entire market, there have been no major changes in the premium percentages for the three insurance groups considered in relation to the total, from 2011 and up to 2021. However, what can be seen is

a significant change in trend since 2017 for divergent groups as a whole, which has increased its trend, floating away from the rest of the market without compensating the downward trend seen in the convergent group.

3.2 Market trend analysis

Total market

Growth

During 2021, all insurance groups considered in the total market ranking experienced growth year on year. The top five insurance groups as a whole experienced 5.5% growth, while the top 15 saw growth of 9.1%, driven in particular by the two-digit growth of BNP Paribas Cardif (30.6%), Cr dit Agricole Assurance (23.8%), Sogecap (38.3%), and C vea (15.8%). Furthermore, these have all seen above-average growth in the past year, with the exception of R+V (1.2% vs 6.3%) and Poste Vita (5.8% vs 8.0%). Over the past decade, as seen in Chart 3-g, two groups have experienced negative growth: Aviva (-34.5%) and Ergo (-2.3%), while, on the other hand, Talanx (92.2%) and Poste Vita (87.7%) have almost doubled their premium volume during this period and together with Cr dit Agricole Assurance (49.7%), BNP Paribas Cardiff

Chart 3-d
Total: market size and growth in 2021
(millions of euros)

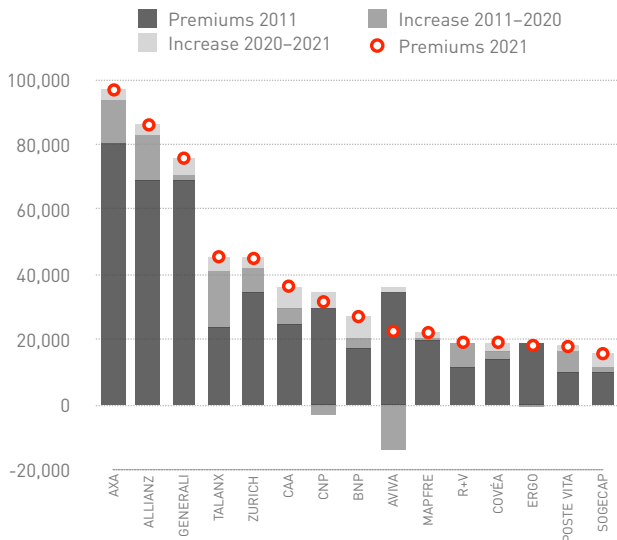


Chart 3-e
Total: change premiums vs. size
(CAGR 2011-2021, %; millions of euros)

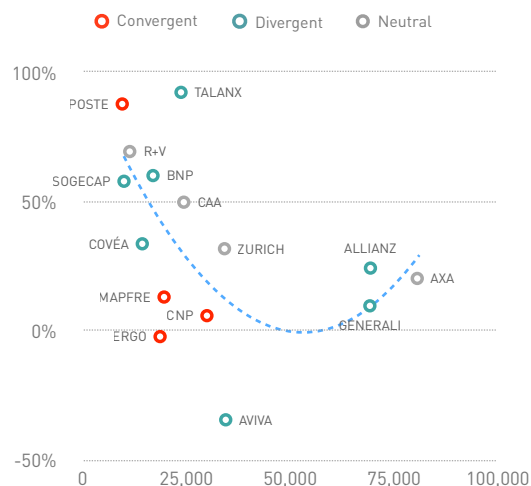


Chart 3-f
Total: cycle and industry trends

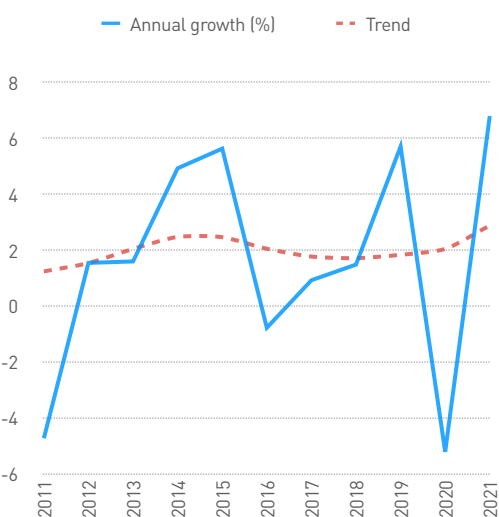
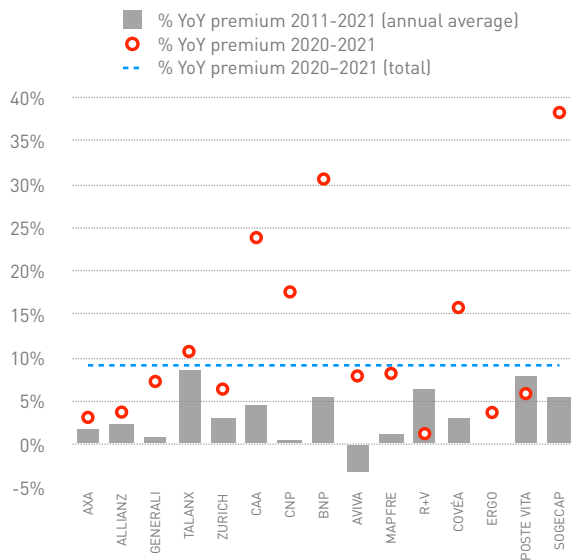


Chart 3-g
Total: growth rates



Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

(60.0%), Sogecap (57.8%), and R+V (69.3%), have seen the most significant growth over the past 10 years.

As indicated previously, the total market for the top 15 insurance groups analyzed in this ranking has grown by 9.1% in 2021, around €64.9 billion more than the previous year (see Table 1.1-a and Chart 3-d). These figures are higher than pre-pandemic levels (€572.3 billion in 2019) and also mean that growth over the past year has been 6.9 pp higher than the annual average over the past 10 years.

In turn, Chart 3-e expands this information and shows that Aviva (negative divergent) ends up below the trend for the sample as a whole, with a notable drop in growth over the past decade. Furthermore, Poste Vita experiences the second highest growth during this period, starting with the lowest premium volume in 2011, making it the group that converges quickest (steepest slope) with the total market trend. Finally comes the biggest subgroup, made up of Allianz and Generali (both divergent) and Axa (neutral), who had the highest premium volumes 10 years ago, maintaining the gap to those coming next, Talanx and Zurich, which have experienced growth of more than 30% during the decade subject to analysis.

Finally, analysis of Chart 3-d shows that there are groups such as Aviva and CNP that, despite starting from a more favorable premium volume situation in 2011, have been surpassed by BNP Paribas Cardif, MAPFRE, and Crédit Agricole Assurance, due to performance in the subsequent decade.

Point in the cycle

In 2021, growth of the insurance groups included in the total market ranking has clearly been above the downward trend of the entire insurance industry that began in 2016, as Chart 3-f shows. As indicated previously, this year, there has been a recovery in growth, breaking the barrier imposed in 2019 with the onset of the pandemic, which has made it possible for growth to also overcome this long-term trend, as in other years it remained below this threshold.

Finally, based on the analysis of Chart 3-h, it can be concluded that in aggregate terms, of all the insurance groups analyzed only R+V and Aviva failed to improve on their trend, in other words, total market growth in 2021 was greater than its long-term bearish performance.

Non-Life segment

Growth

In the Non-Life segment, all the insurance groups have experienced growth year on year, although worth particular mention is the double-digit growth of groups like Sampo Group (22.5%) and Talanx (14.4%), who invigorated overall performance in 2021. In addition to these two insurance groups, several other groups also grew by more than 6.5%, meaning that the 15 top insurance groups have grown as a whole. Thus, Zurich (8.9%), Generali (9.0%), VIG (7.5%), and MAPFRE (7.2%) have contributed significantly to achieving this above-market average growth.

However, not all firms saw above average annual growth over the past year. Axa (7.1% vs 1.1%), R+V (7.0% vs 1.6%), Unipol (8.0% vs 1.3%), and Mutua Madrileña (15.6% vs 14.3%) were unable to maintain their growth over the past year at levels above the average recorded over the past 10 years. Over the past decade, as can be seen in Chart 3-j, only Aviva (-0.3%) and Groupama (-1.0%) have contracted, coming in below Cóvea which, in 2011, had the lowest starting position for total Non-Life premiums. In contrast, there are groups like Talanx (132.6%), who doubled their premium volume during this period, and together with Axa (78.6%) and Unipol (88.4%), are those that have seen the most significant growth over the past 10 years.

As indicated previously, the Non-Life market for the top 15 insurance groups analyzed in this ranking has grown by 6.5% in 2021, around €73.6 billion more than the previous year and 2.6 pp above the annual average growth for the past decade (see Table 1.2-a and Chart 3-i, as indicated above). The growth of the top five insurance groups (6.2%) is 3 pp

Chart 3-h
Total: graphical analysis of the cycle and trend by insurance group

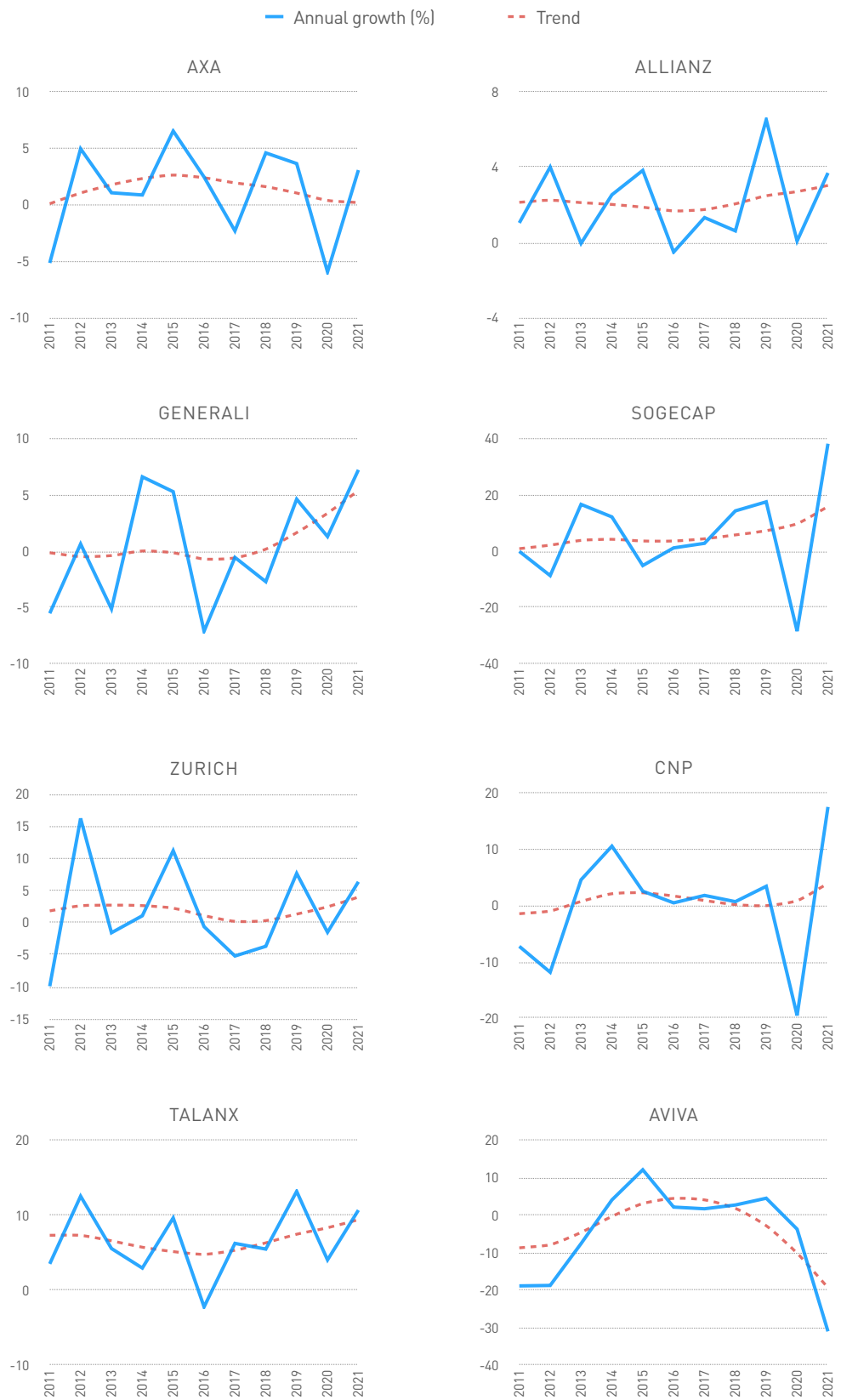
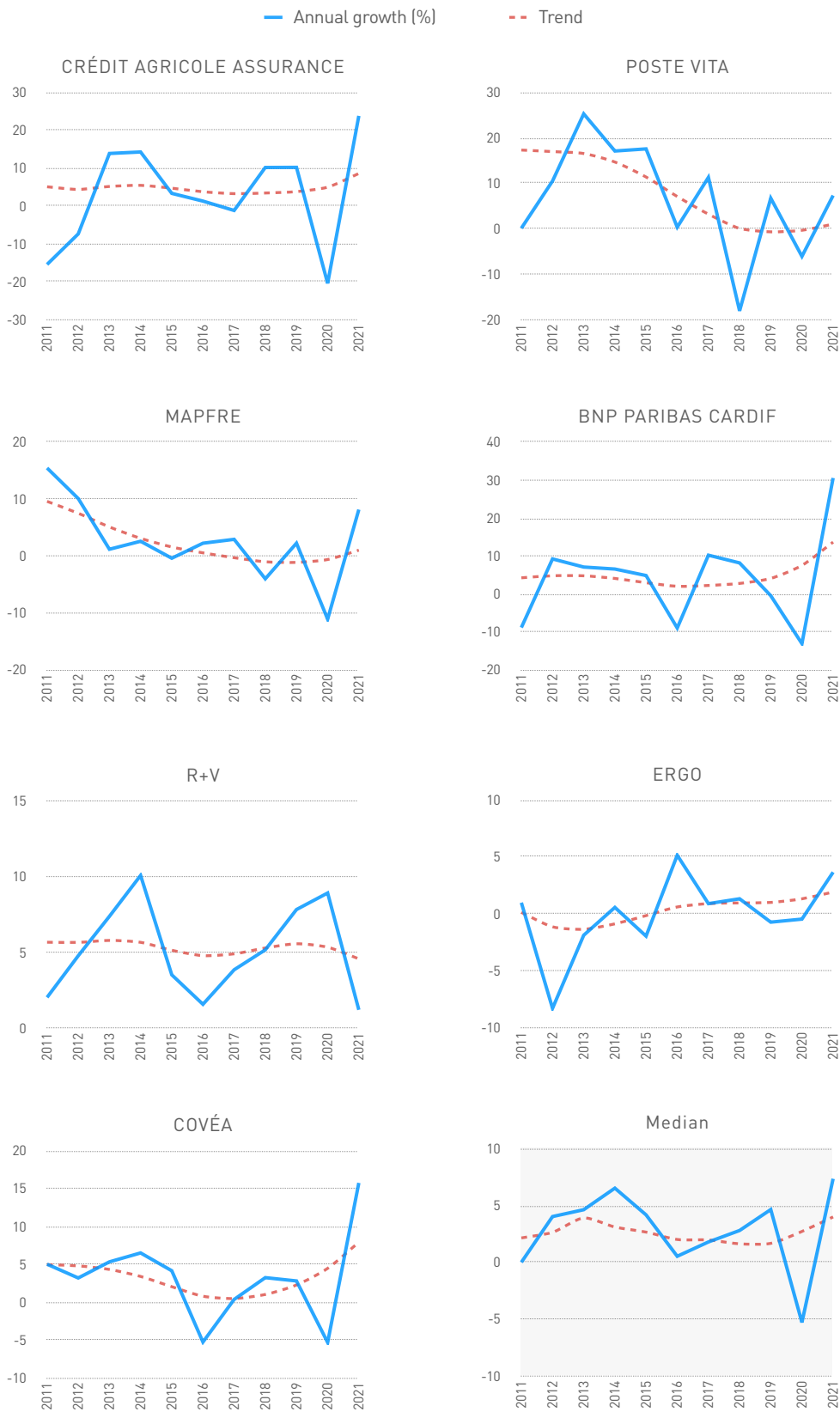


Chart 3-h (continued)
Total: graphical analysis of the cycle and trend by insurance group



Source: MAPFRE Economics

lower than the total growth of the Non-Life segment, which means that more than 75% of the €73.6 billion of growth in the Non-Life segment (€55.5 billion) has been contributed by the five main insurance groups.

Chart 3-j confirms the switch from convergence to divergence in 2021, where the recovery above the market trend has seen most groups experience notable growth over the past decade, although there seems to be a pattern of growth and size for this group of divergent companies (excluding Talanx, Aviva, and Axa); as seen, Unipol, R+V, Sampo Group, and VIG share a similar starting position when it comes to premium volume in 2011 (around €5 billion in premiums) and growth in the range of 50% to 90%. Allianz and Axa, in turn, with the biggest premium volume between 2011 and 2021, share no common pattern in terms of divergence or convergence and with the exception of Axa (which has experienced growth of 78.6% over the past 10 years), they have seen average growth of 3.1% and 3.4%, respectively. The neutral group within the Non-Life segment, with a trend that is in line with the market, has a starting premium volume in 2011 of between €9 and €12 billion, although it is true that from this neutral group (Cóvea, Ergo, Zurich, and Groupama), only Groupama had a downward trend until 2016, with negative growth of 3.2% during the 10-year period.

Point in the cycle

As can be seen in Chart 3-m, from the top 15 Non-Life insurance groups included in the ranking, only Axa, Aviva, and R+V experienced annual growth in 2021 lower than their own trend, while, compared to the sector trend in 2021 (5.2%), eight groups accounting for more than half (Axa, Zurich, Generali, and Groupama, in addition to others) saw growth in excess of the bullish trend in the segment (see Chart 3-k).

When performing a detailed analysis of the performance of European insurance groups in recent years in the Non-Life segment, it can be seen that all of them, with the exception of Axa, R+V, Unipol, and Mutua Madrileña, saw growth over the past year that exceeds the average for the last 10 years and that,

furthermore, these companies, along with VIG, are above the total annual average (3.9%), as can be seen in Chart 3-l. Finally, Chart 3-i confirms that all Non-Life insurance groups grew during the 2011-2021 period, with the exception of Aviva and Groupama, which show negative average annual growth in the last 10 years.

Life Segment

Growth

As can be seen in Table 1.3 and Charts 3-n and 3-p, unlike the analysis of the Non-Life segment, where all groups experienced growth in 2021, in the Life segment, three insurance groups saw a drop in their premium volume year on year (Aegon, Swiss Life, and Legal & General). The top 15 insurance groups as a whole have seen growth of 10.3%, while the top five groups have seen growth of 10.8%, above the market average and driven in particular by Crédit Agricole Assurance, which has grown by 28.5% year on year, Sogecap by 41.7%, Natixis by 34.7%, and CNP by 19.4%. This means that of the €30.5 billion in growth seen by the total Life business, €17.7 billion (57.9%) can be attributed to the growth of the top five groups. This represents 10.1 pp higher growth over the past year compared to the annual average over the past decade for the five main groups and 8.9 pp more for all 15 groups in the Life segment. Furthermore, just five groups have experienced growth in the past year above the annual average of the past decade: Crédit Agricole Assurance (28.5% vs 4.6%), CNP (19.4% vs 0.6%), BNP Paribas Cardif (34.1% vs 6.1%), Natixis (34.7% vs 24.6%), and Sogecap (41.7% vs 5.7%); these same groups are the only ones to have surpassed the rate of 10.3% recorded by the top 15 Life insurance groups combined (see Chart 3-q).

Over the past decade, as seen in Chart 3-n, three groups have experienced negative growth: Axa (-14.0%), Aegon (-20.5%), and Aviva (-49.6%), while, on the other hand, worth particular mention is Legal & General, which experienced very significant growth of 94.1% during the 10-year period, practically doubling its premium volume during this time from €6.2 to €12.1 billion; however, over the past

Chart 3-i
Non-Life: market size and growth in 2021
(millions of euros)

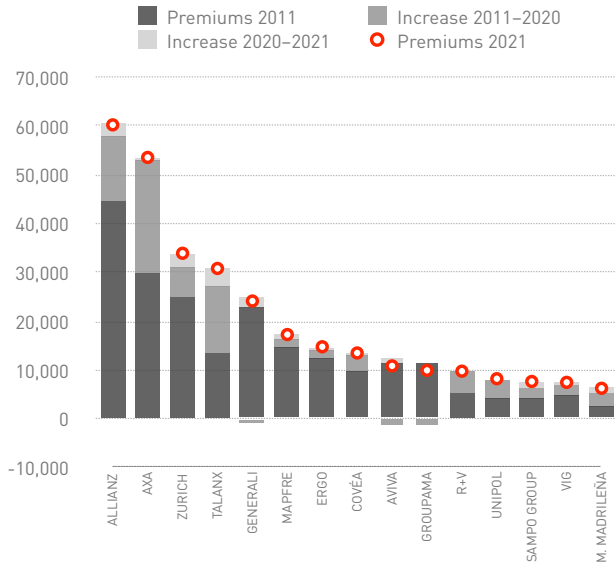


Chart 3-j
Non-Life: change premiums vs. size
(CAGR 2011-2021, %; millions of euros)

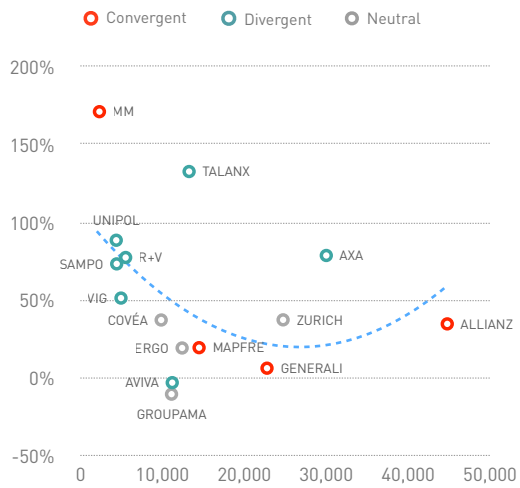


Chart 3-k
Non-Life: cycle and industry trends

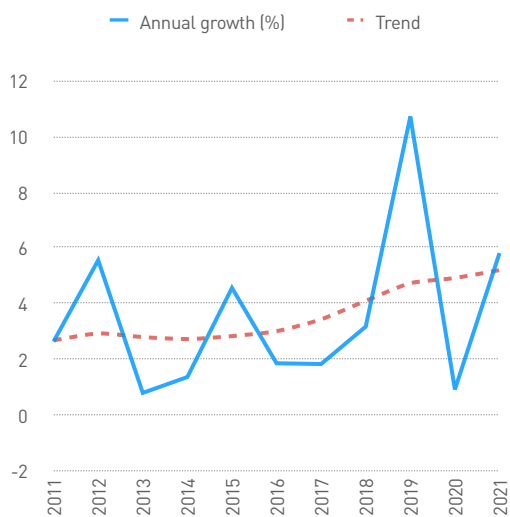
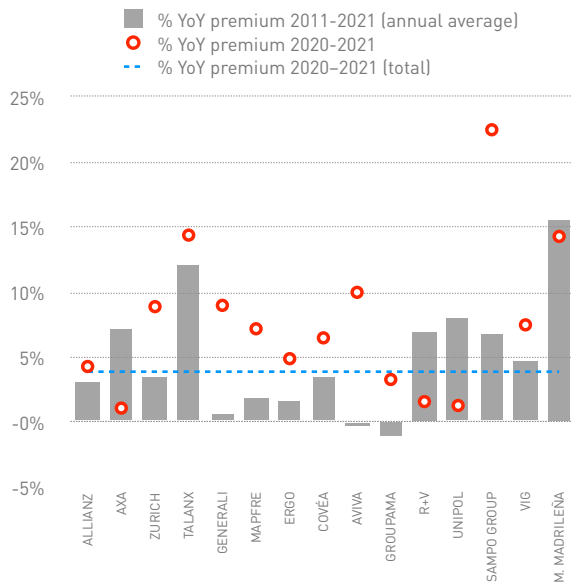


Chart 3-l
Non-Life: growth rates



Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

Chart 3-m
Non-Life: graphical analysis of the cycle and trend by insurance group

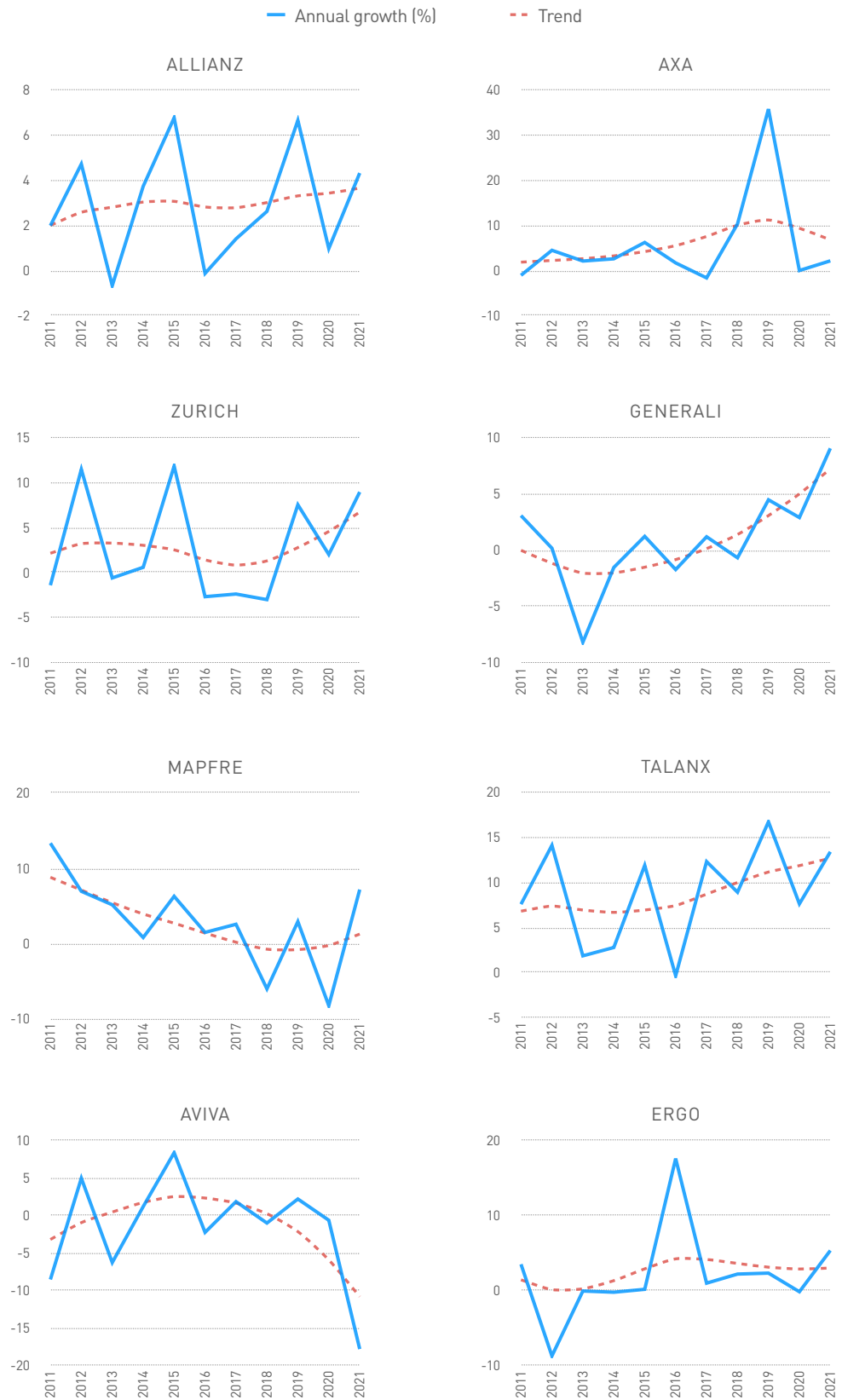


Chart 3-m (continued)
Non-Life: graphical analysis of the cycle and trend by insurance group



Source: MAPFRE Economics

Chart 3-n
Life: market size and growth in 2021
(millions of euros)

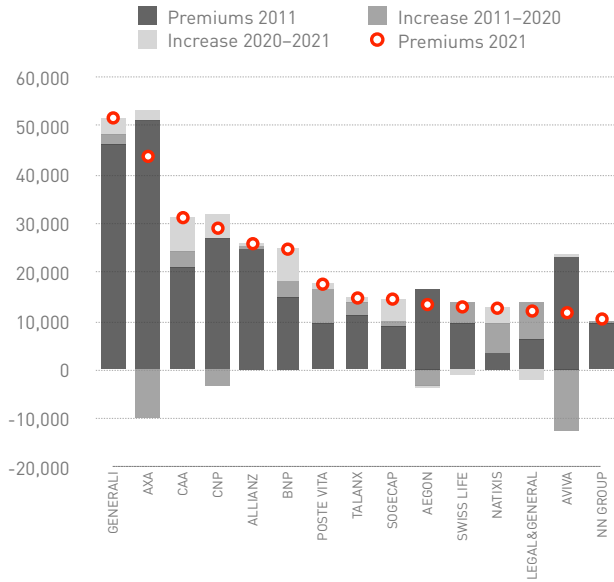


Chart 3-o
Life: change premiums vs. size
(CAGR 2011-2021, %; millions of euros)

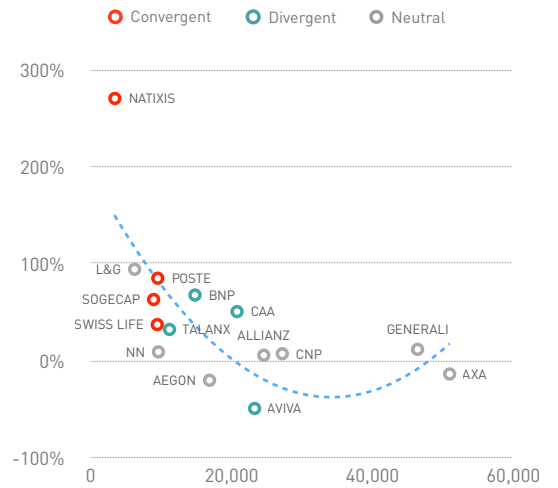


Chart 3-p
Life: cycle and industry trends

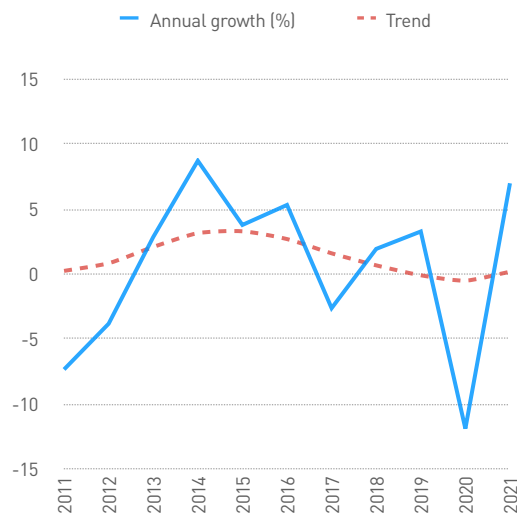
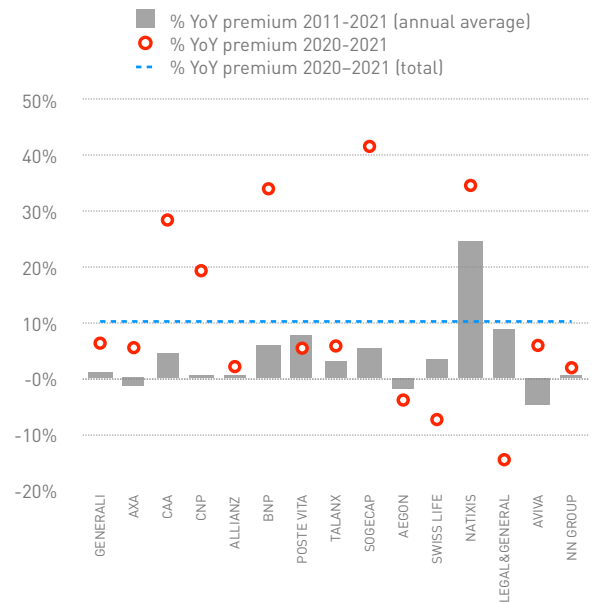


Chart 3-q
Life: growth rates



Source: MAPFRE Economics (based on data from the annual reports of the groups specified)

Chart 3-r
Life: graphical analysis of the cycle and trend by insurance group

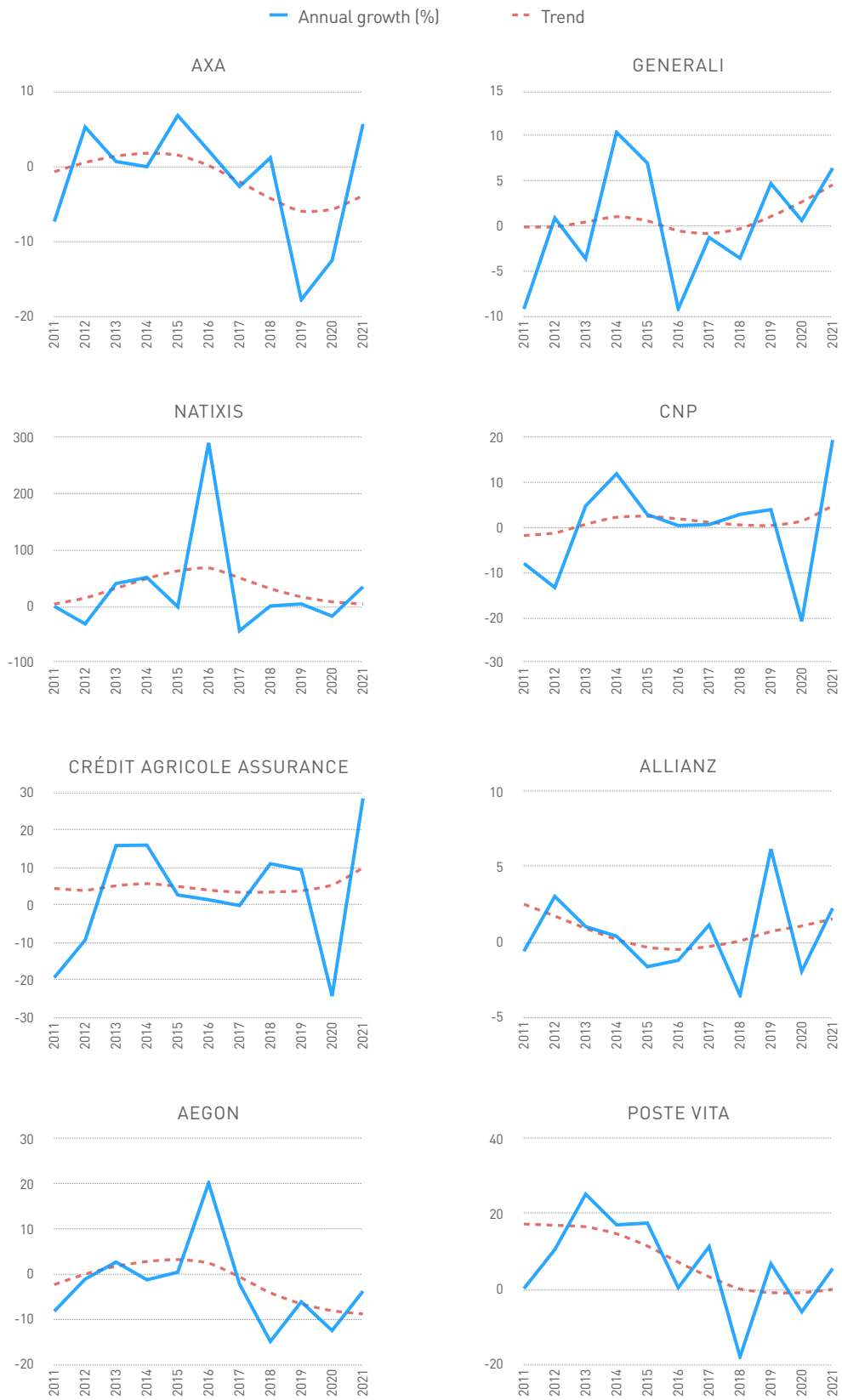


Chart 3-r (continued)
Life: graphical analysis of the cycle and trend by insurance group



Source: MAPFRE Economics

year it contracted by 14.5% and was unable to maintain its annual average of 8.6%.

As shown in Chart 3-n, Axa, CNP, Allianz, Aegón, and Aviva have been unable to maintain the advantage they had in 2011 in terms of Life premium volume compared to their competitors. Worth particular note is the case of Crédit Agricole Assurance, which over the past 10 years has surpassed CNP, Allianz, and Aviva, who all recorded a higher premium volume in 2011. This can mainly be attributed to the fact that of the €10.5 billion in growth it saw over the past decade (50.4%), 66.1% came in the past year (€6.9 billion). Likewise, when looking at the growth of insurance groups over the past decade, the predominance of the neutral group can be observed, spread uniformly over the entire length of the regression curve in smaller groups with larger growth (Legal & General, for example), medium groups with moderate growth (CNP and Allianz), and groups like Axa with an important premium volume that have even decreased (see Chart 3-o). In terms of divergent insurance companies (the second biggest group), they can clearly be divided into

two subgroups: the first, consisting of Sogecap, BNP Paribas Cardif, Talanx, and Crédit Agricole Assurance, which are positive divergent groups with a favorable performance above 32% over the past decade; and the second, consisting of Aviva, with the largest negative divergence, which has seen its premium growth decrease (-49.6%).

Point in the cycle

When analyzing the performance of European insurance groups in the Life segment in more detail in recent years, the bearish trend that began in 2016 came to an end in 2020, with figures lining up with those seen at the start of the decade. As seen in Chart 3-r, in addition to Aviva and Legal & General, mentioned above, Aegon, Axa, and Swiss Life saw a year-on-year variation below their long-term trend, although as a whole and the median were above the trend. Thus, a change in trend in the Life segment in the coming years should be expected in response to the upturn in interest rates and inflationary pressure seen in the first half of 2022.

Data and metrics

Data sources

The amount of gross premiums written after consolidation adjustments for each insurance group worldwide, data on information published by the insurance groups in their annual reports and in their Solvency and Financial Condition Reports (SFCRs) were used in the preparation of this ranking. In some insurance groups, there may be differences between the total and the sum of their segments due to said adjustments. In the case of BNP, Sogecap, and Crédit Agricole Assurances, the premiums for 2020 and 2021 for each segment were obtained from their respective SFCRs.

Sample

In a systematic manner, for the period under analysis (2011-2021) the sample comprises the 15 largest European insurance groups in overall terms and also specifically for the Life and Non-Life segments. Since the weight of these insurance groups within the overall global and European insurance market is not known (unlike the report on insurance groups in Latin America), this report does not address market size or concentration, focusing instead on the cyclical and secular dynamics of the insurance industry in Europe (based on this sample of insurance groups), for which a dynamic premium analysis has been used.

Intertemporal comparability

The dynamic analysis has been used in order to be able to confirm the changes experienced by each of the companies reviewed up to their current position, assuming a constant sampling of participants over time. In obtaining the ranking by premium volume, the same information was located for each insurance group for the 2011-2021 period. The dynamic analysis also relies on the data published by the groups each fiscal year in their annual reports, while the 2021 revenue and

results figures published by the insurance groups in their 2021 annual reports have been included for comparison purposes.

Analysis metrics

The market analysis that established the current regular order of the ranking is organized using an exclusively static vision (with size classification of the insurance groups based on premiums generated) and also using a dynamic perspective that allows us to view what the trend in the market participants was like. The integrated analysis contained in this report aims to provide a static and dynamic ordinal classification of European insurance groups that operate on a global basis. This can be done by identifying the current dynamics of each insurance group, trends shared with competitors and convergence in their growth.

After obtaining the premium value in euros for those years and calculating the year-on-year growth rates over each historical series, the growth path was broken down into trend and cyclical elements. Trend was determined using a Hodrick-Prescott filter, which applies a Lambda parameter of 6.25 (as with the approach used to extract the GDP trend of developed countries on an annual basis, the premiums of European insurers are treated as consumption, which in annual terms requires a similar parameter). Thus, the weight of each group in the ranking is measured according to its premium size in euros in the current year (in this case, 2021), and over the previous 10 years (2010-2020). This is done in order to obtain an overview of the historical increase in premiums (the variation between 2010-2020 and its allocation in 2020-2021), resulting in a final value up to the present time, thus separating secular variation over the last decade (corresponding to the trend) from the variation experienced during the last year (more linked to the economic cycle).

Charts 3-d, 3-i, and 3-n show premium value in 2011, the gross increase in premium value experienced over the 2011–2020 period, and the increase in premiums up to 2021. Charts 3-g, 3-l, and 3-q compare the growth rate for the last year against the historical average growth rate in order to identify patterns where business growth has picked up or slowed down for each of the insurance groups analyzed.

Meanwhile, the extracted trend for each of the growth series of the insurance groups is used to calculate the growth trend for each group in the ranking in relation to each of the business segments and also to compare the

convergence between each of the groups and the total market (meaning all the groups). These metrics are shown in Charts 3-e, 3-j, and 3-o, where shared trends are compared. Charts 3-f, 3-k and 3-p correspond to the graphical analysis of trend exposure across the wider industry (the sample), while the trends of each insurance group analyzed are shown in Charts 3-h, 3-m and 3-r.

Exchange rates used

The average exchange rate for the year was used to calculate premiums and results. For balance sheet figures, the year-end exchange rate was used.

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References

- 1/ See: MAPFRE Economics (2021), *2022 Economic and Industry Outlook: Perspectives on the third quarter*, Madrid, Fundación MAPFRE.
- 2/ NAIC. Insurance industry snapshots and analysis reports. At: <https://content.naic.org/cipr-topics/insurance-industry-snapshots-and-analysis-reports>
- 3/ Swiss Re. Natural catastrophes in 2021: the floodgates are open. Sigma, No. 1/2022.
- 4/ Swiss Re. Natural catastrophes in 2021: the floodgates are open, op.cit.
- 5/ See: MAPFRE Economics (2021), *2020 Ranking of the Largest European Insurance Groups*, Madrid, Fundación MAPFRE.
- 6/ The departure of RSA is related to the sale of the company to a consortium made up of the Canadian firm Intact Financial Corporation and the Danish firm Tryg A/S in June 2021. The RSA Group consists of three divisions: Canada, Scandinavia, and United Kingdom and International (which includes the Europe, Ireland, and Middle East businesses). Tryg A/S acquired the former businesses of RSA, Trygg-Hansa and Codan Norway in Sweden and Norway. Intact Financial Corporation, in turn, owns the Canadian, British, and international businesses and Codan, in Denmark, is jointly owned by both parties.
- 7/ MAPFRE Economics (2021), *2020 Ranking of the largest European insurance groups*, op.cit.
- 8/ EIOPA (2022). Insurance stress test 2021. Prolonged COVID-19 scenario in a “lower for longer” interest rate environment. At: https://www.eiopa.europa.eu/insurance-stress-test-2021_en
- 9/ For the purposes of this analysis: (i) the secular growth rates are compared against the current growth rate; (ii) the recent premium increase is compared against the increase over the last 10 years; and (iii) the cyclical part is separated from the longer-term trend in premium growth rates in each specific case and for the market in general, as well as for the Life and Non-Life segments.
- 10/ The trend of an insurance group is convergent because it increasingly approaches the market trend; therefore, in the chart representing the difference between the group and market trend, there will be a decreasing value. Thus, the result of charting a set of convergent groups does not have to be increasingly smaller in relation to the market trend, and may even be close to zero, since the medians of convergent groups are taken and, therefore, it will depend on how these medians are distributed within the set concerned. The median will be zero, for example, if there are two groups with a positive convergent trend (going from more to less) and another two groups with a negative convergent trend (from less to more) of the same order that offset the previous ones. What should happen is that the trend as a whole will approach the market trend, provided that the positive and negative convergences do not offset each other, in which case it will be close to zero.
- 11/ The trend of an insurance group is neutral because it either coincides with the market trend or moves parallel to it. Therefore, in the chart that represents the difference between the group and market trend, there would be a horizontal value over time. This value may be positive or negative if the movement of the insurance group concerned is parallel above or below the market trend. Therefore, the result of charting a set of neutral insurance groups does not have to be close to zero, as the medians of neutral insurance groups are taken and, therefore, it will depend on how these medians are distributed. The median will be zero, for example, if there is one insurance group with a parallel trend above the market, another with the same trend as the market, and another with a parallel trend below the market. If all neutrals move in

parallel above the market, then the median will be above the market and its difference will be positive and not zero, and vice versa.

12/ Situation that would be seen when considering the entire universe, including Aviva as a negative divergent.

13/ See: MAPFRE Economics (2021), *2020 Ranking of the Largest European Insurance Groups*, Madrid, Fundación MAPFRE, pp. 30-31.

14/ Because the overall analysis for insurance groups considers the entire market (Life and Non-Life grouped together), it will not necessarily coincide with the analysis of the insurance groups for the Life and Non-Life segments analyzed separately.

Other reports by MAPFRE Economics

- MAPFRE Economics (2022), *2021 Ranking of Insurance Groups in Latin America*, Madrid, Fundación MAPFRE.
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