OECD Insurance Statistics 2016

Executive summary

The OECD has been collecting insurance statistics for many years, with data on the insurance sector dating back to the early 1980s. In response to the financial crisis, the Global Insurance Statistics (GIS) project was launched as part of the OECD's insurance market monitoring activities. The main objective was to expand the scope of the OECD's statistical framework for insurance and extend its global reach, with a view to enhancing the transparency of insurance markets. These changes led to the collection of key balance sheet and income statement items for the direct insurance and reinsurance sectors, and to the geographical expansion of the OECD's *Global Insurance Statistics* Database.

This publication analyses recent insurance market trends to develop a better understanding of the insurance industry's overall performance and health in OECD countries, and selected non-OECD economies. A global perspective is achieved through the inclusion of a large group of Latin American countries, thanks to the cooperation with the Association of Latin American Insurance Supervisors (ASSAL), as well through the inclusion of a number of non-OECD economies from Africa, Asia and Europe. The chapter on insurance market trends highlights the underlying reasons for the trends notably in gross premium growth, and claims developments between 2014 and 2015. It also presents key performance indicators.

This publication also provides detailed historical data, giving users a broader picture of the evolution of the insurance market in the OECD countries over the years. It covers major official insurance data from 2008 to 2015. The publication contains important insurance market indicators (e.g., OECD market share, penetration, density, premiums per employee, etc.), as well as data on insurance activities (number of companies, number of employees, gross premiums, etc.). The scope of data collection also includes gross claims payments, gross operating expenses and commissions.

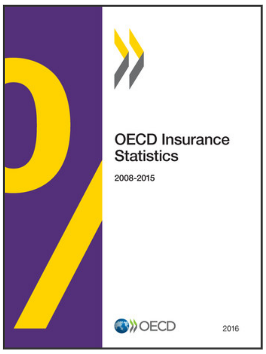
Key findings on recent trends

The insurance industry achieved a strong underwriting performance in 2015. Gross premiums collected by insurance companies increased in most countries, in the life segment, non-life segment or both. The low penetration of insurance in many countries, especially in Latin America and Asia, shows that the insurance industry still has some room to further expand and thrive. The growth of non-life gross premiums in 2015 was driven in some countries by growth in the motor vehicle insurance market as the number of policies and number of cars in circulation increased. Premium growth in the non-life sector outpaced growth in claims paid leading to a combined ratio below 100% in most OECD countries. Lower than average insured losses from natural disasters in 2015 may have contributed to the underwriting profit of non-life insurers.

Investment returns of insurers continued to be positive in 2015 in most countries although lower than in 2014. The deterioration in investment performance is the likely result from the continued low interest rate environment. Insurers are particularly impacted by low interest rates given the importance of (mostly public) bonds in their investment portfolios. As older (likely higher-yielding) bonds mature, insurers are left with limited choice but to invest the proceeds into bonds with lower yields. The application of the Solvency II Directive from 1 January 2016 may lead to changes in the investment strategies of insurance companies in Europe in the coming years, given the changes to the capital requirements applied to different types of assets.

Insurance companies operating in the life sector exhibited positive return on investments and return on equity in almost all the countries in 2015. Non-life insurers may have had more difficulties in achieving positive income, particularly in countries revaluating upwards obligations of insurers in terms of gross claims payments (e.g. New Zealand and Turkey).

Controlling the costs faced by insurance companies, that a competitive environment may encourage, can further improve the underwriting performance of insurance companies and in the end the profitability of these companies.



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