

# The market share of Mutual and Cooperative Insurance in Europe 2011

based on the

**Global Mutual Market Share 2011 Report** by ICMIF

(the International Cooperative and Mutual Insurance Federation)



# Introduction

AMICE, the Association of Mutual Insurers and Insurance Cooperatives in Europe, is the representative organisation of the European mutual and cooperative insurance industry.

AMICE counts (mid-2013) over 110 members, among them six national associations of mutuals. Through these, some 1,000 more mutual insurers are indirect members of AMICE.

AMICE was established at the beginning of 2008 after the merger of two predecessor organisations, AISAM and ACME. AISAM had published a detailed study “Mutual Insurance in Figures” in early 2007, based on 2004 data from the industry. AMICE published the sequel to this work in early 2012: “**Facts and figures – Mutual and cooperative insurance in Europe**”. The key findings of that study were:

- At the end of 2008, more than 55% of all insurers in Europe were mutuals or cooperatives. Their subsidiaries and other insurers operating on the basis of mutual/cooperative business and/or governance principles added another 10% to our sector.
- The mutual and cooperative insurance sector as a whole (encompassing stakeholder-driven insurers in a wider sense) had a market share of 26%: almost 40% in non-life insurance (including health) and 17% in life insurance.
- The sector provided more than 150 million Europeans with insurance services and employed close to 300,000 people.

In 2013, ICMIF has published its “**Global Mutual Market Share**” report, based on 2011 data. ICMIF is the International Cooperative and Mutual Insurance Federation, the global representative body of the industry. AMICE cooperates in certain areas of work with ICMIF.

**AMICE is happy to present this short report “The market share of Mutual and Cooperative Insurance in Europe 2011”, completely based on and incorporating some of ICMIF’s work.** Despite some methodological differences in approach, the ICMIF data clearly show **that the mutual and cooperative insurance sector is a strong and successful force in Europe.**

# Summary

Based on Gross Premium Written figures and on market size data provided by Swiss Re, mutual and cooperative insurers had a **market share in Europe of some 28%** in 2011, up from 25-26% in 2008.

The sector's market share is

- **above 30%** (+ 2.6%-pts) in non-life insurance (without health) and
- **some 25%** (+ 3.0%-pts) in life insurance (including health).

In many of the newer EU Member States of Central, Eastern and Southern Europe, domestic mutual and cooperative insurers do not have a strong market position; in some of them, the concept of mutual insurance is not known. The market volume of the mutual and cooperative sector in that region is mainly composed of the activities of the local subsidiaries of large foreign mutual and cooperative insurance groups.

The absolute number of mutual and cooperative insurers in Europe is decreasing due to the ongoing consolidation process among small mutuals in many countries. Market share figures show, however, that this restructuring process does not have to go hand in hand with a loss in market share, but that merging mutuals are often very successful in retaining their member-policyholders throughout a consolidation process and expanding their client base thereafter. AMICE estimates that there were still **close to 3,000 mutual and cooperative insurers** in Europe in 2011.

Europe's mutual and cooperative insurers **employ more than 360,000 people**.

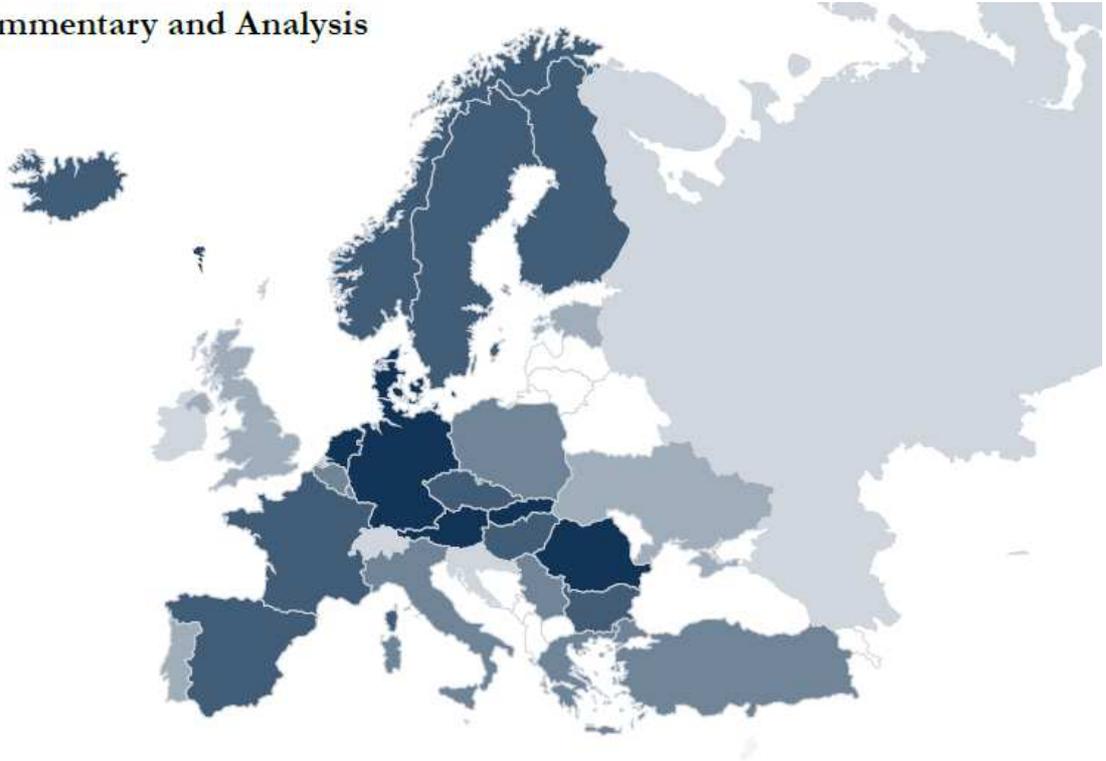
# Mutual market share in European countries

Source: ICMIF, **Global Mutual Market Share 2011**, Appendix II

|                |            |   |
|----------------|------------|---|
| Austria        | <b>61%</b> |   |
| Belgium        | 16%        |   |
| Bulgaria       | 26%        |   |
| Croatia        | 15%        |   |
| Cyprus         | 0%         |   |
| Czech Republic | 35%        |   |
| Denmark        | 43%        |   |
| Estonia        | 6%         |   |
| Finland        | 31%        | Statutory pension business is not included in the mutual figures  |
| France         | 40%        | Includes bancassureurs with a cooperative background (15%), does not include FNMF and other health mutuals (7%) |
| Germany        | <b>45%</b> |   |
| Greece         | 16%        |   |
| Hungary        | 36%        |   |
| Ireland        | 2%         |   |
| Italy          | 17%        |   |
| Latvia         | 16%        | <i>AMICE estimate</i>   |
| Lithuania      | 5%         | <i>AMICE estimate</i>   |
| Luxembourg     | 23%        |   |
| Malta          | 3%         |   |
| Netherlands    | <b>51%</b> |   |
| Poland         | 18%        |   |
| Portugal       | 13%        |   |
| Romania        | 43%        |   |
| Slovakia       | 44%        |   |
| Slovenia       | 15%        |   |
| Spain          | 34%        | Does not include the mutual provident societies   |
| Sweden         | 28%        |   |
| United Kingdom | 8%         |   |
| Iceland        | n.a.       |   |
| Liechtenstein  | n.a.       |   |
| Norway         | 40%        |   |
| Switzerland    | 12%        |   |
| Russia         | <1%        |   |
| Serbia         | 19%        |   |
| Turkey         | 17%        |   |
| Ukraine        | 7%         |   |
| <b>Europe</b>  | <b>28%</b> |   |
| <b>World</b>   | <b>27%</b> |   |

Regional Commentary and Analysis

Europe



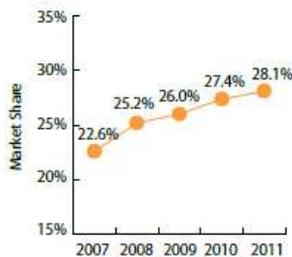
Mutual Market Share 2011



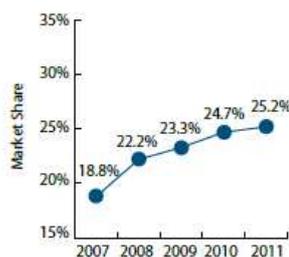
The Eurozone financial crisis of 2007 and ongoing recession have significantly impacted the development of the insurance sector in many European countries. Between 2007 and 2011, premium volumes in the European market shrank by 6.6%, as the region's share of global premiums dropped from over 42% in 2007 to 35.9% in 2011. Conversely, European mutual insurers grew their premium income year-on-year since the onset of the global financial crisis, with 2011 premium volumes 16% greater than in 2007. As a result, mutual market share increased by a quarter during this period, growing from 22.6% in 2007 to 28.1% in 2011.

Since 2007, the mutual sector in more than 80% of European countries, including nine of the largest ten European markets, had higher-than-market premium growth. This growth was largely driven by a 13.2% increase in mutual life premiums since 2007, while the total life market shrank by 15.6%. As a result, the mutual share of the life market increased by more than a third, up from 18.8% in 2007 to 25.2% in 2011. The European non-life market returned to positive premium growth in 2011 (+8.8%) after two years of small decreases, with premium volumes 9% greater in 2011 than pre-crisis levels. The mutual non-life market grew consistently year-on-year since 2007, resulting in a 10% increase in mutual market share, up to 32.0% in 2011 from 29.1% in 2007.

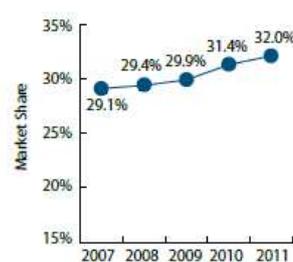
Mutual Market Share



Life

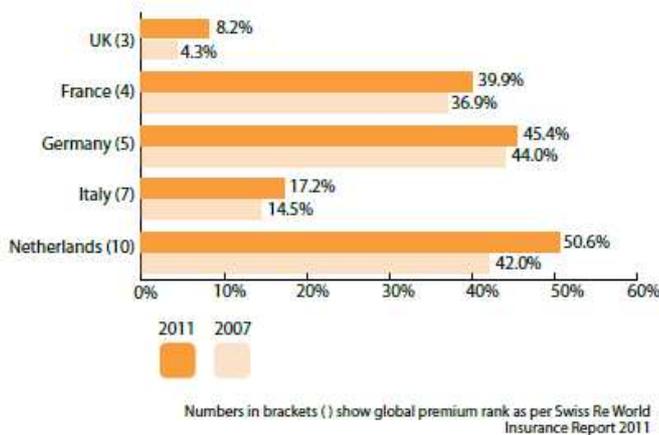


Non-Life



Over 70% of European countries increased their mutual market share in 2011, including eight of the ten largest European insurance markets. Acquisitions played a major part in the growth of mutuals in many European markets in 2011, with notable M&A transactions all helping to enhance the mutual presence in the UK, Spain and Italy.

### Mutual Market Share in Largest European Markets



Growth in the mutual market share of the European life sector in 2011 was partly attributable to increases in the largest life markets. Premiums in the mutual life sector in Germany were boosted by a rising demand for health insurance products (classed as life insurance in Germany), fuelled by an ageing population and increased medical costs. French and Italian mutuals saw a drop in their life premiums in 2011, although the decline in the mutual market was less severe than that of the total life market, and they thus increased their share of the life market by 1.8% and 12.3% respectively.

There was a lower demand for life insurance in the Swedish market (2% decline in premiums), although the mutual sector bucked this trend and grew premiums by 1.2%. Among the other Nordic markets, where there is generally a high proportion of mutual life business, Finnish mutuals grew their premiums for traditional life products, while Danish mutuals experienced a drop in pension premiums, with a resulting 7.2% loss in their total market share.

Difficult economic conditions in Spain and Portugal impacted the mutual life sector to a greater degree than the rest of Europe. In Portugal, huge falls in capitalisation and in sales of individual savings products by two of the country's largest mutuals led to a 35% drop in the sector's mutual market share in 2011. However, mutual premiums in Greece, another particularly badly recession-hit market, rebounded despite the total life market continuing to decline for the fourth consecutive year; this led to an 11.3% growth in the mutual share of the life market in 2011.

There were contrasting results for mutuals in Eastern European markets in 2011, with gains in life market share in Poland (+7.7%), the Czech Republic (+9.7%) and Hungary (+4.5%) but decreases in the Croatian (-6.3%) and Bulgarian markets (-4.4%).

Growth of mutual non-life business accelerated in 2011, driven by premium rate increases in motor and other personal lines in the UK, Germany and France, as mutuals in nine of the largest insurance markets grew their non-life market share in 2011 (compared to only five markets with increased mutual life market share).

There were signs of improved pricing of motor premiums in 2011 in many Eastern European markets where, with the exception of Slovenia, motor premiums accounted for more than half of non-life business. However, many markets continued to suffer from downward pressures on premiums created by fierce competition within the motor insurance industry. There was a small growth in mutuals' non-life market share in the Czech Republic (+0.6%) and Hungary (+0.2%), giving total market shares of just under 40% in each.

2011

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This publication is available from the website of ICMIF

<http://www.icmif.org/2011-mutual-market-share-icmif-global-500-reports>

## **About AMICE**

AMICE, the Association of Mutual Insurers and Insurance Cooperatives in Europe, was created in January 2008 through the merger of the two previously existing associations of mutual and cooperative insurers in Europe, AISAM and ACME, to represent the interests of the sector with one united voice.

Its prime purpose is to ensure that the voice of the mutual and cooperative insurance sector in Europe is heard and that the interests of its members are taken into account in securing a level playing field for all insurers in Europe regardless of their legal form.

AMICE provides a platform for mutual and cooperative insurers of all sizes to combine resources and expertise, exchange experiences across national borders and discuss key issues and concerns relating to planned legislative and regulatory changes and developments.

With 110 direct members and more than 1,000 indirect members through member associations, representing over 60% of the insurance companies in Europe and 28% of the premiums, AMICE speaks for a significant part of the insurance sector.

[www.amice-eu.org](http://www.amice-eu.org)

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