



icmif

International Cooperative and Mutual Insurance Federation

Facts and figures

Mutual and cooperative insurance in Europe
Vol 2

Excerpt: Spain

Facts and figures: Mutual and cooperative insurance in Europe Vol 2

Published May 2018

© 2018 AMICE aisbl & International Cooperative and Mutual Insurance Federation (ICMIF) – all rights reserved.

The entire content of this AMICE/ICMIF publication is subject to copyright with all rights reserved.

This information may be used for private or internal purposes, provided that copyright is appropriately attributed to AMICE/ICMIF, including the source reference "*AMICE Facts and figures Vol 2*" and subject to the material not being used in a derogatory manner or in a misleading context.

Reproduction in part or as a whole, or use for any public purpose, in any form of media is prohibited without prior authorisation of AMICE. Such reproduction or use has to refer to the source "*AMICE Facts and figures Vol 2*" and is subject to the material not being used in a derogatory manner or in a misleading context. Courtesy copies are appreciated.

For enquiries about use or copyright, please contact secretariat@amice-eu.org

Although all information used in this study was taken carefully from reliable sources, AMICE does not accept any responsibility or liability for the accuracy or the comprehensiveness of the information given. Brussels, May 2018

For more information please visit:

www.amice-eu.org

www.icmif.org

Follow us on Twitter

[@ICMIF_Web](https://twitter.com/ICMIF_Web)

[@AMICE_Mutuals](https://twitter.com/AMICE_Mutuals)

Methodology

Business scope

The study focuses on the direct insurance sector and does not in principle include reinsurance. Therefore, the report is based on direct (gross) premiums written by insurance companies (in both the total market and mutual/cooperative market) and reinsurance premiums have, where possible, been eliminated.

Types of insurers included

The main purpose of the study is to describe the mutual and cooperative insurance sector by highlighting the size, relevance and socio-economic importance of mutual and cooperative insurers in the region.

The definition of the “total mutual/cooperative insurance sector” in this report¹ includes insurance undertakings whose legal status is classified as “mutual” or “cooperative” in their national law, as well as insurers whose structure and values reflect the mutual/cooperative form (see definition 3 below).

Extending the definition in this way has enabled the study to include all organisations which operate on mutual/cooperative principles, in line with the report’s research objectives, without being restricted by legal definitions, of which there is a wide variety across Europe.

Insurance companies included in this study have been categorised by three definitions relating to their legal structure and ownership.

1. Mutual/cooperative insurers in the legal form (definition 1)

Mutual and cooperative insurers in a legal form of a (insurance) mutual or cooperative.

In addition, insurance undertakings whose legal structure corresponds to or is in some way aligned with the mutual/cooperative model and whose legal structure is different to a joint-stock (limited) company. These include friendly societies, community benefit societies² and protection and indemnity (P&I) clubs.^{3,4}

2. Subsidiaries of mutual/cooperative insurers in the legal form (definition 2)

Subsidiaries of a (definition 1) mutual or cooperative insurer in the legal form.⁵ These are commonly operated in the legal form of a joint stock or limited company. In any given market, insurance companies within this definition include subsidiaries of both domestic and foreign-based (including non-European markets) mutual/cooperative insurers in the legal form.

3. Mutual/cooperative-type insurers (definition 3)

This encompasses the remaining mutual/cooperative insurance companies not classified by definition 1 or definition 2. It includes companies that:

¹ Note that while this definition is the same as the definition used by ICMIF in its *Global Mutual Market Share* reports, there are a number of instances where various companies’ data included in the ICMIF research have been excluded (or classified differently) in this study. These differences will be noted.

² See chapter on the UK.

³ A P&I club is a mutual insurance association that provides risk pooling, information and representation for its members. Unlike a marine insurance company, which reports to its shareholders, a P&I club reports only to its members. Originally, P&I Club members were typically ship owners, ship operators or demise charterers, but more recently freight forwarders and warehouse operators have been able to join.

⁴ Due to the international nature of P&I Clubs, premium data on domestic risks only (if known) are included in each chapter’s figures. For this reason, P&I Clubs in Europe (either registered in or operating within) have been excluded from the ranking of the largest mutual/cooperative insurers (see Top 100 chapter).

⁵ The main condition for inclusion in this category is that the ultimate parent company is itself actively engaged in insurance activities, even if only to a limited extent.

- are owned by, governed by and operated in the interests of their members or policyholders;
- are inspired by mutualist and/or cooperative ideas; and/or
- are structured in such a way that they are not (majority) controlled by outside capital interests.

It features a range of different company structures, often in the legal form of a limited insurance company,⁶ which is majority-owned by a non-insurance mutual or cooperative organisation or group (including banks). It also includes insurance undertakings that are owned by or governed by a membership or community organisation, charitable trust, foundation, union or other non-profit organisation.

Note that when reference is made throughout the report to the “total mutual/cooperative insurance sector (or market)” or the “total number of mutual/cooperative insurance companies”, this refers to all definitions (1-3) of insurers categorised above.

Legal research

Desk research was carried out to produce the legal sections of the report. When information was not readily available, national supervisors, national insurance associations and trade bodies have been consulted where possible.

The ECB annual average exchange rates have been used in the legal part of the report where necessary.

Total insurance market figures

In each chapter, the total number of licensed insurance undertakings has been taken from the national insurance regulator or supervisory body where available. In certain instances, the totals have been adjusted to include insurance undertakings that are licenced and operating within the market, but were not included in the figures produced by the supervisor. Where data was not available from the national supervisor, national insurance associations and trade bodies have been consulted where possible.

To ensure consistency across all markets in this study, figures on the total insurance market in each country have been taken from Swiss Re’s *sigma* data.⁷ These have also been compared against additional data obtained from national supervisors/regulators, although some differences between Swiss Re’s data and supervisory data may be noted. In certain instances, figures produced by Swiss Re have also been adjusted to ensure reporting year consistencies and to include insurance business that is not covered in their data.

Life and non-life business in this study are categorised according to standard EU conventions, which is the same categorisation as in Swiss Re’s data. In relation to health insurance, this is classified as non-life insurance throughout the study, even where it is classified differently in individual markets.⁸

For the statistical part of the report, variable currency exchange rates have been used for the different years, with all figures converted into euros (EUR). To allow for more accurate market share calculations, exchange rates used for the mutual/cooperative insurance sector are the same as those used by Swiss Re in order to be consistent with the euro conversion of the total market figures.

Growth figures of individual markets have been calculated in local currency terms throughout the report unless otherwise stated in order to eliminate misleading effects of exchange rate fluctuations and thus ensure accurate year-on-year comparisons.

Number of members/policyholders

The definition of “members/policyholders” in this instance may refer to the number of customers, clients or people insured by mutual/cooperative insurers, as there is no consistency between markets or companies regarding which figure (if any) is reported.

⁶ In certain markets where insurance companies cannot take the legal form of a mutual or cooperative (or have restrictions on the line of business which they can offer), figures may nevertheless be indicated for the mutual/cooperative insurance market due to the presence of definition 2 and definition 3 insurers.

⁷ Data has been taken from updated statistics, originally published in Swiss Re Institute’s *sigma World Insurance* reports. The most recent report was Swiss Re Institute, *Q3/2016 World insurance in 2015: steady growth amid regional disparities*.

⁸ The major example of this is in Germany, where health insurance is classed as a life insurance product.

However, it should be noted that each policy issued by a mutual/cooperative insurer equates to a single member/policyholder. If an individual person or entity purchases more than one insurance product from mutual/cooperative insurers, that multiplicity of policies will be recognised in the overall member/policyholder figures for each country.



Mutual/cooperative insurance companies

Landscape

The General Directorate of Insurance and Pensions – DGFSP (*Dirección General de Seguros y Fondos de Pensiones*) is a governmental financial regulatory agency that supervises the Spanish insurance and pension funds sector.¹ It is part of the Spanish State Secretariat for Economy and Business Support of the Ministry of Economy, Industry and Competitiveness. The Autonomous Communities of Spain have certain powers in relation to undertakings whose activity is limited to their territories.² Their responsibilities include the implementation and enforcement of the laws and regulations on the supervision of insurance and reinsurance undertakings. The Minister of Economy has the exclusive competence for granting administrative authorisations to insurance undertakings.³

The Spanish insurance sector is governed by Act 20/2015 of 14 July, on the management, supervision and solvency of insurance and reinsurance undertakings – LOSSEAR (*Ley de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras*) and Royal Decree 1060/2015 of 20 November, approving the regulations on the management, supervision and solvency of insurance and reinsurance undertakings – ROSSEAR (*Real Decreto de ordenación, supervisión y solvencia de las entidades aseguradoras y reaseguradoras*). Both laws were brought into force to implement the Solvency II Directive from 1 January 2016. The two laws provide a special solvency regime in respect of small insurance undertakings not exceeding the amounts set out in Article 4 of Solvency II.⁴

LOSSEAR excludes from its scope the following operations:⁵

- export credit insurance schemes by order of or under guarantee by the State.
- operations carried out by entities without legal personality whose purpose is the mutual coverage for their members without giving rise to payment of premiums or constitutions of technical provisions.
- operations by provident and assistance organisations whose benefits vary according to the resources available, and in which the contributions of the members are determined on a flat rate basis.

Insurance undertakings cannot engage in both life and non-life operations simultaneously, except for life insurance undertakings which obtain an authorisation to underwrite accident and sickness insurance, and *vice versa*.⁶ The management of these activities must be kept separate.⁷

¹ DGFSP's [website](#).

² Article 19 of Act 20/2015 of 14 July, on the management, supervision and solvency of insurance and reinsurance undertakings – LOSSEAR.

³ Article 20 of LOSSEAR.

⁴ Article 101 of LOSSEAR and Chapter VII of ROSSEAR.

⁵ Article 4 of LOSSEAR.

⁶ Article 31(3) of LOSSEAR.

⁷ Article 155 of ROSSEAR.

Insurance undertakings can be established in the following legal forms:⁸

- a joint-stock company (*sociedad anónima*)
- a European Company (*sociedad anónima europea*)
- a mutual insurance company (*mutua de seguros*)
- a cooperative company (*sociedad cooperativa*)
- a European Cooperative Company (*sociedad cooperativa europea*)
- a mutual provident society (*mutualidad de previsión social*)

Mutual insurance companies, cooperative companies and mutual provident societies can only operate fixed premium business.⁹

Mutual insurance companies are defined as non-profit commercial companies whose purpose is to cover their members' risks, whether individual or legal entities, through a fixed premium payable at the beginning of the risk period.¹⁰ They can be active in both life and non-life insurance classes.

Similarly, insurance cooperatives' purpose is to cover the risks of the insured members through a fixed premium payable at the beginning of the risk period.¹¹ The cooperative members are also the policyholders, as long as the latter are the final payers of the premium. Unless otherwise provided in the bylaws, the cooperative members are not liable for the debts of the company. In the event that, in accordance with the bylaws, the cooperative members are liable for the debts of the company, their liability shall be limited to an amount equal to the amount of the annual premium corresponding to each of them individually.

Mutual provident societies are insurance companies that exercise a form of voluntary insurance complementary to the compulsory social security system, through contributions from members/policyholders, natural or legal persons, or other entities.¹²

Number of licensed insurance undertakings

In 2015, there were 559 insurance companies present in the Spanish market. This figure included 240 insurance companies supervised by the DGSFP,¹³ of which 55 were life insurers, 122 were non-life insurers and 63 were composite insurers. In terms of legal structure, there were 159 joint stock companies (including 2 reinsurance companies), 31 mutual companies and 50 mutual provident societies under national supervision. In addition, there were 319 mutual provident societies that fell under the local supervision of autonomous regions of Spain.¹⁴ Data on these companies have been included in this study.¹⁵

Since 2007, when there were 697 insurance undertakings active, until 2015 there was a loss of 138 companies (-19.8%). In 2007, there were 297 insurance companies under national supervision present in the Spanish market and approximately 400 mutual provident societies under local supervision.

⁸ Article 27 of LOSSEAR.

⁹ Article 27(1) of LOSSEAR.

¹⁰ Article 41 of LOSSEAR.

¹¹ Article 42 of LOSSEAR.

¹² Article 43 of LOSSEAR.

¹³ DGSFP (2016) *Informe de Seguros y Fondos de Pensiones 2015*.

¹⁴ The Spanish Confederation of Mutual Provident Societies (*La Confederación Española de Mutualidades*) had a total of 371 direct and indirect members in 2013 (latest data available). Of these, 52 fell under the supervision of the DGSFP while the others (371 companies) were grouped in regional associations and fell under the local supervision of their region:

- Comunidad Autónoma del País Vasco (189 companies)
- Comunidad Autónoma de Cataluña (68 companies)
- Comunidad Autónoma de Madrid (22 companies)
- Comunidad Autónoma de Andalucía (20 companies)
- Comunidad Autónoma Valenciana (13 companies)
- Resto de Comunidades Autónomas (5 companies)
- Comunidad Autónoma de Galicia (2 companies)

¹⁵ In the previous edition of *Facts and Figures*, these companies were outside the scope of the study.

Number of mutual/cooperative insurers

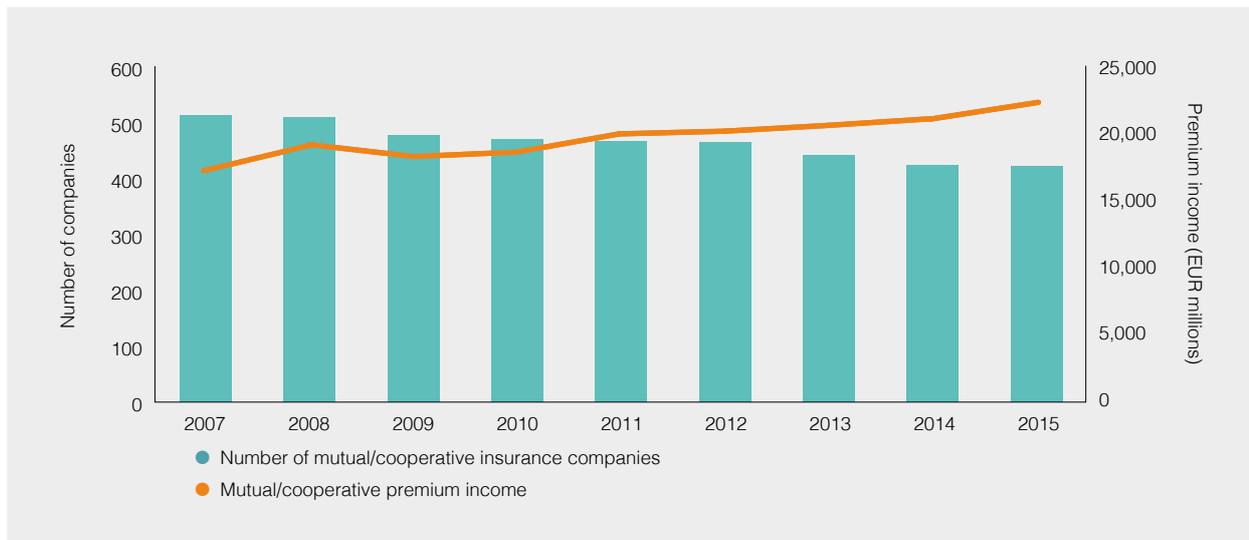
In total, there were 421 mutual/cooperative insurance companies active in Spain in 2015.

Of the 81 mutual insurance companies and mutual provident societies under national supervision, 25 were life insurers, 36 were non-life insurers and 20 were composite insurers. Only collective premium data was available for the 319 mutual provident societies under local supervision in 2015, and so business splits between life, non-life or composite insurers is unavailable.

The total number of mutual/cooperative insurance companies active in the Spanish market in 2015 decreased by 91 in comparison to 2007, when there were 512 mutual/cooperative insurers present (see Figure 1). Under national supervision, there were 37 mutual insurance companies and 52 mutual provident societies in 2007.

Figure 1

Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



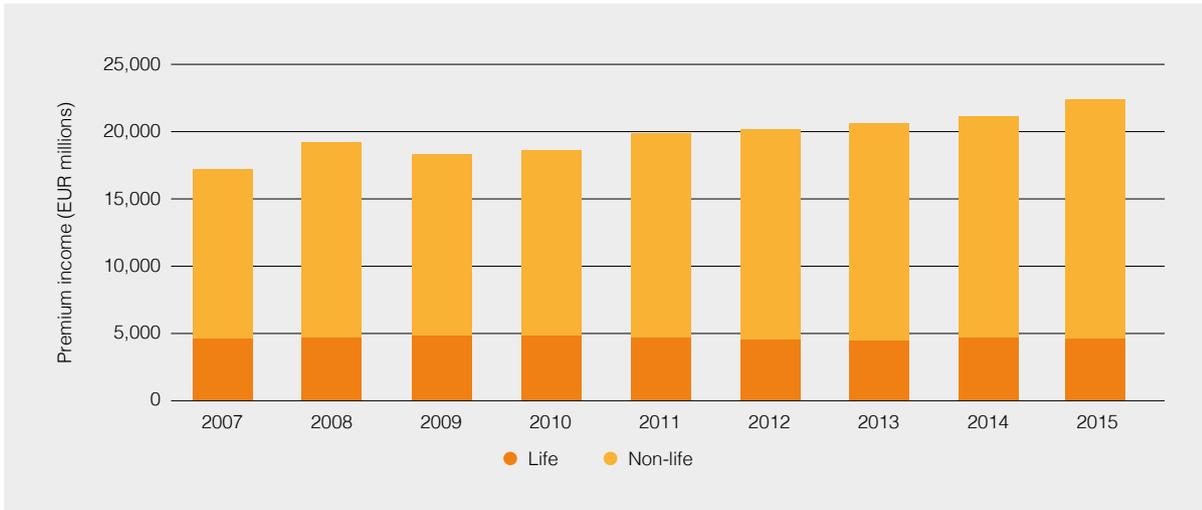
Size and growth of the mutual/cooperative insurance sector

Total

The Spanish insurance market ranked as the sixth largest in Europe in 2015. Aggregate premiums amounted to EUR 55.3 billion in 2015, of which EUR 25.6 billion was in life insurance and EUR 29.7 billion was in non-life insurance. Since 2007, the insurance market as a whole grew by 2.6% (EUR 58.8 billion), equivalent to a CAGR of 0.3%.

Mutual/cooperative insurers collectively wrote EUR 22.3 billion in total premium income in 2015, with almost 80% of premium revenues being generated from the non-life sector (see Figure 2). Growth of the mutual/cooperative sector outperformed the total market in seven of the previous eight years, aggregating to a total growth of 30% since 2007 (EUR 17.2 billion). This resulting in a CAGR of 3.3% over this period, more than three percentage points greater than the market average.

Figure 2
 Premium income of mutual/cooperative insurance companies (2007-2015)



Life

The total Spanish life market in 2015 had expanded by 12.4% from 2007 premium levels (EUR 22.8 billion). However, in the mutual/cooperative sector, premium volumes stagnated during this period, with little change in premium development from 2007 levels (EUR 4.5 billion).

Non-life

Spanish non-life insurers struggled in weak economic conditions from 2007, registering a 4.5% decline in premium volumes (2007: EUR 31.1 billion).

In contrast, the mutual/cooperative sector increased non-life premium volumes by 40.7% between 2007 (EUR 12.7 billion) and 2015 (EUR 17.8 billion). This was equivalent to a CAGR of 4.4%, more than five percentage points ahead of the total market CAGR (-0.6%).

Market share of mutual/cooperative insurance sector

The mutual/cooperative insurance sector represented more than 40% of the Spanish market for the first time in 2015 (see Figure 3). In the life insurance sector, market share was 17.7% and in non-life business, the mutual/cooperative sector accounted for 60% of the national market.

Mutual insurers in the legal form held a 13.6% share of the total Spanish market in 2015. The presence of legal form mutuals was higher proportionally in the non-life sector compared to the life sector (19.9% and 6.2% respectively).

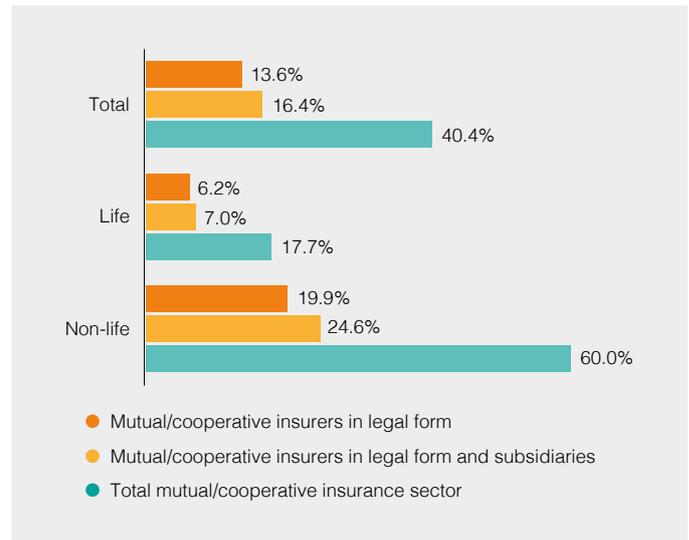
Mutual/cooperative-type insurers¹⁶ were the largest contributor to the overall mutual/cooperative market share in 2015. These insurers held a 24.0% share of the total Spanish market and 35.4% of the non-life market in 2015.

From 2007, the total market share of the mutual/cooperative sector experienced a proportional increase of more than a quarter, rising from 31.9% in 2007 (see Figure 4) to 40.5% in 2015. Mutual/cooperative insurers collectively outgrew the market average in seven of the previous eight years (2009 was the only year of market share loss).

Mutual/cooperative-type insurers accounted for a large part of this growth, as their market share grew from 19.1% in 2007. However, mutual insurers in the legal form saw the strongest advance in market share, gaining a further five percentage points of the market since 2007 (8.6%).

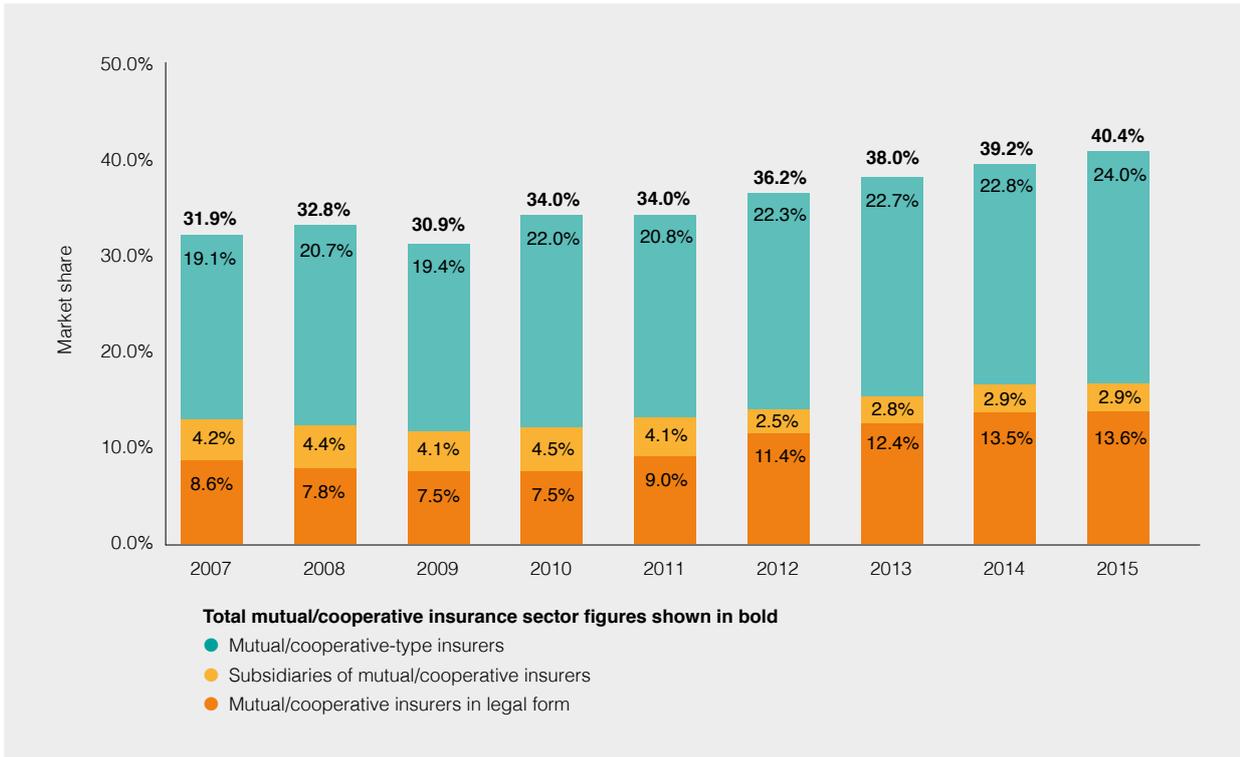
In the life insurance sector, there was a loss in mutual/cooperative market share, declining from 19.9% in 2007 to 17.7% in 2015. However, non-life market share of the mutual/cooperative sector surged from 2007, growing from 40.7% in 2007 to 60.0% in 2015. Again, the most notable growth was by mutual insurers in the legal form, whose non-life market share increased from 12.1% in 2007 to just under 20%.

Figure 3
Market share of mutual/cooperative insurance companies (2015)



¹⁶ MAPFRE, a former mutual insurer in the legal form and now a stock company majority owned by a non-profit foundation (Fundación MAPFRE), was the largest mutual-type insurer in the Spanish market. In 2015, MAPFRE's insurance business in Spain amounted to EUR 6.5 billion, of which EUR 4.7 billion was in non-life and EUR 1.7 billion was in life insurance. MAPFRE also owns a number of subsidiaries in other markets included in this study. These entities are classified as mutual and cooperative-type insurers for the purposes of this study.

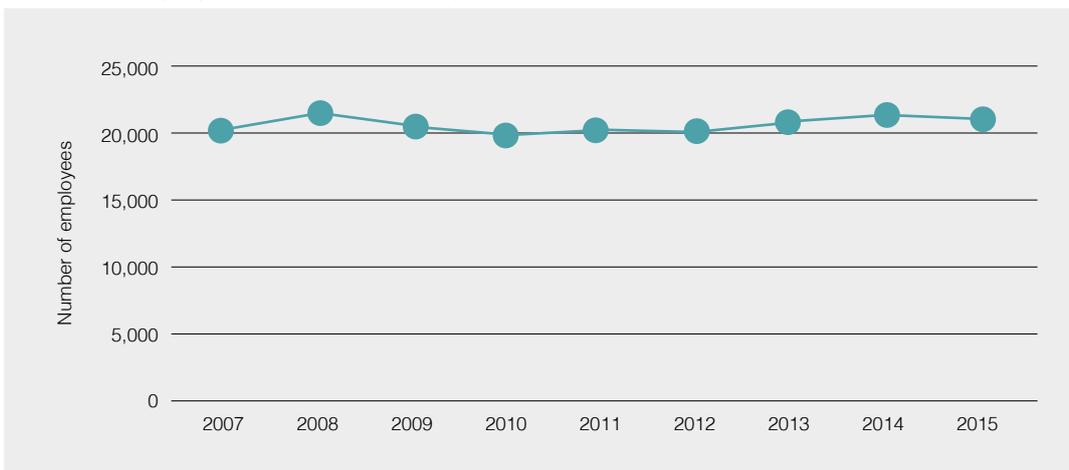
Figure 4
Market share of the mutual/cooperative insurance sector (2007-2015)



Number of employees

There were just over 21,000 people employed by the mutual and cooperative insurance sector in Spain in 2015 (see Figure 5). Employment levels have been very consistent since 2007 (20,205), resulting in a slight overall increase of 4.1%.

Figure 5
Number of employees of the mutual/cooperative insurance sector (2007-2015)

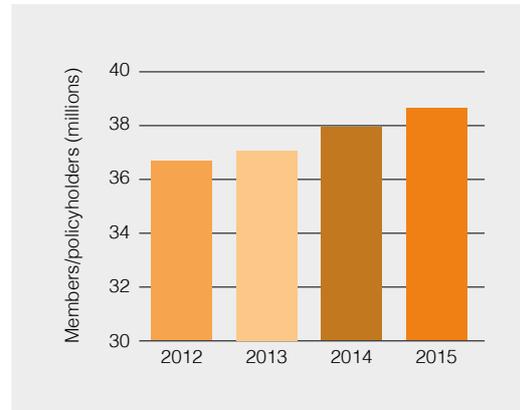


Number of members/policyholders

Since 2012, there has been a 5.4% increase in the number of members/policyholders of mutual/cooperative insurance companies in Spain (see Figure 6).

There were 38.6 million people served as members/policyholders* in 2015, compared to 36.7 million in 2012. Growth has also been consistent, with positive increases in membership numbers of the mutual/cooperative sector since 2012 (equalling a CAGR of 1.8% over the three years).

Figure 6
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

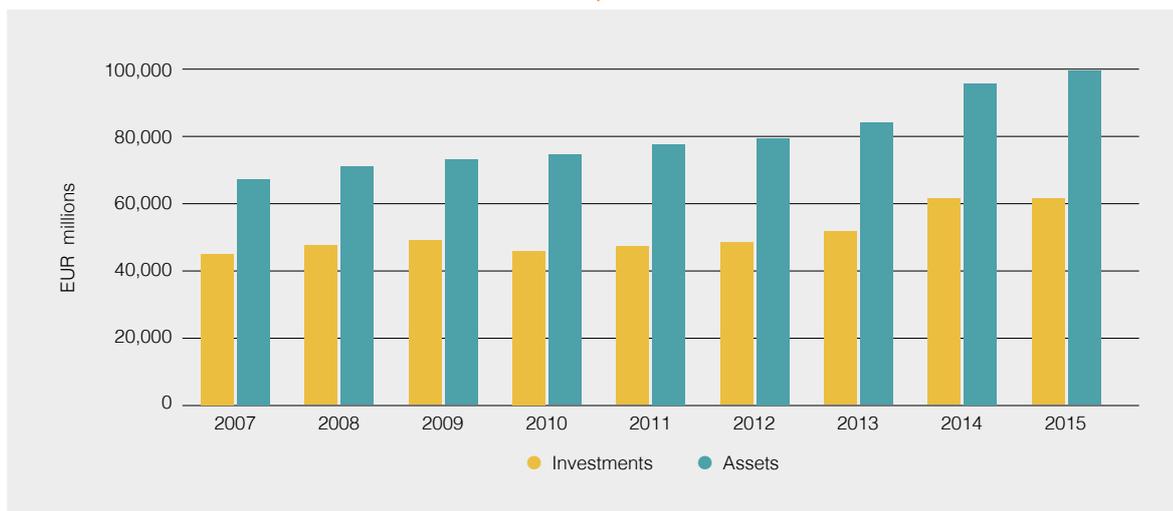


Assets and investments

Aggregate assets of the Spanish mutual/cooperative insurance sector were close to EUR 100 billion (EUR 99.2 billion) in 2015 (see Figure 7). Total assets values increased by 48.0% between 2007 (EUR 67.0 billion) and 2015.

The total investment assets held by mutual/cooperative insurers followed a similar trend to total assets, although overall growth since was slower at 36.6%. In 2015, invested assets totalled EUR 61.3 billion compared to EUR 44.9 billion in 2007.

Figure 7
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)



* See methodology.

ICMIF

Denzell House, Dunham Road, Bowdon, Cheshire,
WA14 4QE, UK
Tel: +44 161 929 5090 Fax: +44 161 929 5163

The International Cooperative and Mutual Insurance Federation (ICMIF) is a best practice organisation committed to giving its members from around the world a competitive advantage. ICMIF helps to grow its mutual and cooperative insurance member organisations by sharing strategies and the latest market intelligence.

icmif

International Cooperative and
Mutual Insurance Federation

AMICE aisbl

Rue du Trône 98/14, BE-1050 Brussels, Belgium
Tel: +32 2 503 38 78 Fax: +32 2 503 30 55

The Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE) represents the interests of mutual and cooperative insurers in Europe with one united voice and ensures 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.



Association of Mutual Insurers and
Insurance Cooperatives in Europe