



icmif

International Cooperative and Mutual Insurance Federation



# Facts and figures

Mutual and cooperative insurance in Europe  
Vol 2

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

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# Foreword

Europe's mutual and cooperative insurers have seen a resurgence in business in recent years. Statistical data sourced and analysed for this report by the International Cooperative and Mutual Insurance Federation (ICMIF) demonstrates that the period between 2007 and 2015 witnessed a renewed interest from members/policyholders in mutual and cooperative insurance, turning the trend from the previous edition of this report covering the years 2004-2008.

The mutual and cooperative insurance sector across Europe is characterised by its diversity; there are small mutuals operating in a very localised area and overseen at that level, while some of the largest mutuals operate in multiple jurisdictions across Europe and beyond. This report focusses on the European elements of the sector over the nine years under analysis, encompassing as much data about the hugely varied members of this community as possible. Inevitably there will be some inaccuracies, and where these come to light, we will update this report accordingly.

The legal landscape elements of the report have been developed through desk research by AMICE, supported by our members, national supervisors, national associations and other trade bodies. We thank everybody who has helped with verifying the legal information and assisted us with developing an extensive database of the legal requirements currently in place for mutual and cooperative insurers in the 28 EU Member States and four EFTA countries.

Each country chapter contains an overview of the legal environment as it stands in 2017/2018, reflecting the period in which the legal research was undertaken. Although this does not match with the timescale for the statistical data (2007-2015), there would be little value for the reader in describing the various legal and regulatory systems before the implementation of Solvency II at the beginning of 2016, so the information within these sections describes the systems prevailing at the time this report was released in June 2018.

At the heart of mutuality is the focus on maximising stakeholder benefit, primarily that of their members/policyholders, but also for employees and society. More information on other areas in which this is exemplified is available in the AMICE publication *Good practices vis-à-vis staff, member-policyholders and society*,<sup>1</sup> giving an insight into the way mutual and cooperative insurers operate alongside this report on their dimensions and scale.

I would like to thank AMICE's Promoting Commission, and in particular the Promoting and Communications Working Groups, for supporting and overseeing this project. This research has given us an even better understanding of the sector which AMICE represents, and the support of the working group members has enabled us to proudly publish the biggest longitudinal study to date on European mutual and cooperative insurers.



**Grzegorz Buczkowski**

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<sup>1</sup> AMICE (2017) *Good practices vis-à-vis staff, member-policyholders and society*.

# Executive summary

The fundamental distinguishing feature of mutual and cooperative insurers, setting them apart from listed insurance companies, is that they operate for the benefit of their members/policyholders rather than for the benefit of external investors. One consequence of this is that mutual and cooperative insurers have a stronger focus on the longer-term time horizon than their listed counterparts, notably in respect to their relationship with members/policyholders. This also manifests itself in many mutual and cooperative insurers' approach towards products and claims, socio-economic responsibilities, democratic governance and sustainability.

Prior to the period covered in this report, the mutual and cooperative model had somewhat fallen out of favour, being perceived as anachronous in the prevailing business environment of the time. Demutualisations and other legal form changes, as well as M&A and other consolidation activity, had reduced the number of mutual/cooperative insurers in Europe and led to a decrease in market share, as shown in AMICE's previous *Facts & Figures* publication covering the period from 2004 to 2008.<sup>1</sup>

This trend subsequently and significantly reversed with the onset of the global financial crisis. European mutual and cooperative insurers reported premium income increases at a much higher rate than the rest of the European insurance market in the period covered in this report, reflecting a flight to quality and security in the face of profound economic instability. This increase in premium income came at the same time as a decline in overall numbers of mutual/cooperative insurers, falling from more than 3,500 in 2007 to less than 2,500 in 2015 for mutual/cooperatives in the legal form ("definition 1").<sup>2</sup> Subsidiaries of mutual/cooperatives insurers in the legal form ("definition 2") also recorded an overall increase in premium income (though not as marked as for the definition 1 entities) and a much smaller relative decline in numbers of entities. Mutual/cooperative-type insurers ("definition 3") reported the most significant increase in premium income over the period of 2007 to 2015, with the numbers of entities remaining steady over the period. Overall market share encompassing all three definitions for the period of the study increased from just over 24% to more than 31%.

The three different definitions referenced reflect the lack of consistency across the countries included in this report – the 28 EU Member States and four EFTA countries – on the legal recognition and attendant regulatory treatment of mutual/cooperative insurers. Most European countries legally foresee an element of mutual and/or cooperative insurance, though five countries in this study have no form of legal recognition of the structures. Only one country – Cyprus, which legally foresees mutual insurance – has no mutual/cooperative-related insurance activity in the country. Market penetration of definition 1 insurers – mutual/cooperatives in the legal form – was unsurprisingly strong in countries with a long traditional of mutual/cooperative insurance, with the greatest penetration in Sweden. By contrast, many of the newer EU Member States do not have any mutual/cooperative insurers in the legal form participating in their market.

If the global economic crash of 2007-2008 was the defining feature of business activity for European insurance in recent years, for those insurers operating in the EU, the implementation of Solvency II<sup>3</sup> was the defining feature from a regulatory perspective. Although the Solvency II Directive allows the smallest of insurers to be outside its remit under the provisions of Article 4, in practice this provision has been applied in a piecemeal fashion in EU Member States. This piecemeal approach is also reflected in the diverse attitudes of national supervisory authorities across the EU to the practical implementation of the principle of proportionality, which, alongside the diversity of legal recognition, is creating an unbalanced environment for the regulation of mutual/cooperative insurers. Ultimately, this results in an inconsistent and potentially unfair impact on members/policyholders in different Member States, and has an additional consequence of creating barriers to entry for cross-border activities. Unnecessarily onerous regulation, to the detriment of the member/policyholder, is a consistent worry for European mutual/cooperative insurers, irrespective of size.

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<sup>1</sup> AMICE (2012) *Facts and figures: Mutual and cooperative insurance in Europe*.

<sup>2</sup> See methodology for explanation of the different definitions of mutual/cooperative insurers used in this report.

<sup>3</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance - Solvency II.

From a socio-economic perspective, the sector plays an important role in EU stability and continuity. In 2015, around 414 million members/policyholders<sup>4</sup> were protected by mutual/cooperative insurers in one form or another. The decision of many policyholders to turn to the sector for their insurance needs when the economic environment was at its most challenged in living memory is a clear indicator of the trust which is placed in the sector and its reputation for long-term security.

Also in 2015, around 438,000 people were employed by EU mutual/cooperative insurers. Across the whole of Europe, mutual/cooperative insurers reported 2.78 trillion in total assets, reflecting the sector's importance as investors as well as providers of insurance cover.

Whether the upwards trends identified in this report will continue remain to be seen. There are significant changes taking place in the wider European insurance industry, as well as new competition developing from technological innovation. The flexibility of mutual/cooperative insurers to respond to external factors and of regulators to recognise their unique features will play a large part in their future success.

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<sup>4</sup> See methodology for an explanation of the term members/policyholders.

# Landscape & evolution of the European mutual & cooperative insurance sector

Mutual and cooperative insurers are well-established within Europe, many having been formed many decades – or indeed centuries – ago. Following on from AMICE's original *Facts & Figures* publication issued in 2012 which studied the development of mutual and cooperative insurance in 27 EU Member States in the years 2004-2008, this updated study has enlarged both the number of countries included in its remit and the longitudinal nature of the data included to provide a comprehensive analysis of Europe's mutual and cooperative insurance sector.

This updated version of *Facts & Figures* covers the period from 2007 to 2015. Over these years, the European Union's insurance regulatory system was in the process of a fundamental restructure into a common system under the Solvency II<sup>1</sup> project. At the same time, European financial institutions were feeling the profound effects of the global financial crisis 2007-2008. Weak macroeconomic conditions persisted across many of these years, characterised by low levels of economic growth in the Eurozone coupled with a low interest rate environment and rising unemployment levels. Although the European insurance market overall proved resilient to the prevailing challenges, concerns over the sector's potential to negatively impact economic conditions and aspects of policyholder protection increased the breadth and depth of the Solvency II requirements, with a concomitant threat to the sustainability of insurance entities operating in Europe. The mutual and cooperative insurance industry ranges in size and activity from some of the smallest European insurers to some of the largest, sharing the principles of solidarity and satisfying their members' needs rather than providing a return on capital to external investors. Challenges emanating from the changes to the regulatory system are faced by the whole sector, irrespective of size. It is, however, the smaller entities which are facing the greatest challenge from the Solvency II requirements. Future studies will show how this impact may have changed the mutual insurance landscape in Europe as those challenges force small mutual insurers to follow a variety of adaptation strategies.

It is also worth noting the heterogeneous nature of the mutual and cooperative insurance sector across Europe, with some established around the specific needs of professional affinity groups or farming associations, for example, while others have responded to more general market needs. The variety of the types of insurance business included within the sector and the reasons for their establishment and continuation are reflected in the variation on a country-by-country basis on market share and treatment.

Over the period of time covered in this report, the European mutual and cooperative sector experienced substantial growth in premium incomes in contrast to the general experience of the European insurance market. Market share for the mutual and cooperative sector increased for most of the years covered by this study, though that trend slowed slightly in 2014 and 2015. Despite this slowdown, the statistics show that mutual and cooperative insurers in Europe continue to be the insurers of choice of a substantial proportion of European policyholders in the post-financial crisis era, disproving suggestions that the "flight to quality" and security by policyholders as a result of the financial crisis could have been superseded by other factors including competition from listed insurers which may have resulted in the mutual and cooperative insurers' market share declining sharply. Against this background, there have been warnings that mutuals may face into competitive disadvantages from increased compliance demands in a post-crisis environment, which would disproportionately impact on the smaller mutuals across Europe.<sup>2</sup>

Other suggestions are that the traditional basis of the mutual and cooperative model, although resilient due to the close relationship between the mutuals and their members, may be challenged by a lack of speed and agility to respond to the changing market.<sup>3</sup> An ability to innovate and increase efficiency are seen as important factors in the ability to counter this challenge, though the close nature of relationship between the insurers and their members/policyholders may provide a degree of protection from other aspects of competition.

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<sup>1</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance - Solvency II.

<sup>2</sup> Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

<sup>3</sup> A.M. Best (2016) *Market Review - Future Proofing European Mutuals*.

Nevertheless, concerns remain that future growth may be somewhat impacted by the myriad regulatory changes which have been implemented across the EU, particularly Solvency II which “went live” at the beginning of 2016. The increasingly complex regulatory environment within Europe has ongoing resource implications for all insurers, but disproportionately impact the smallest organisations.

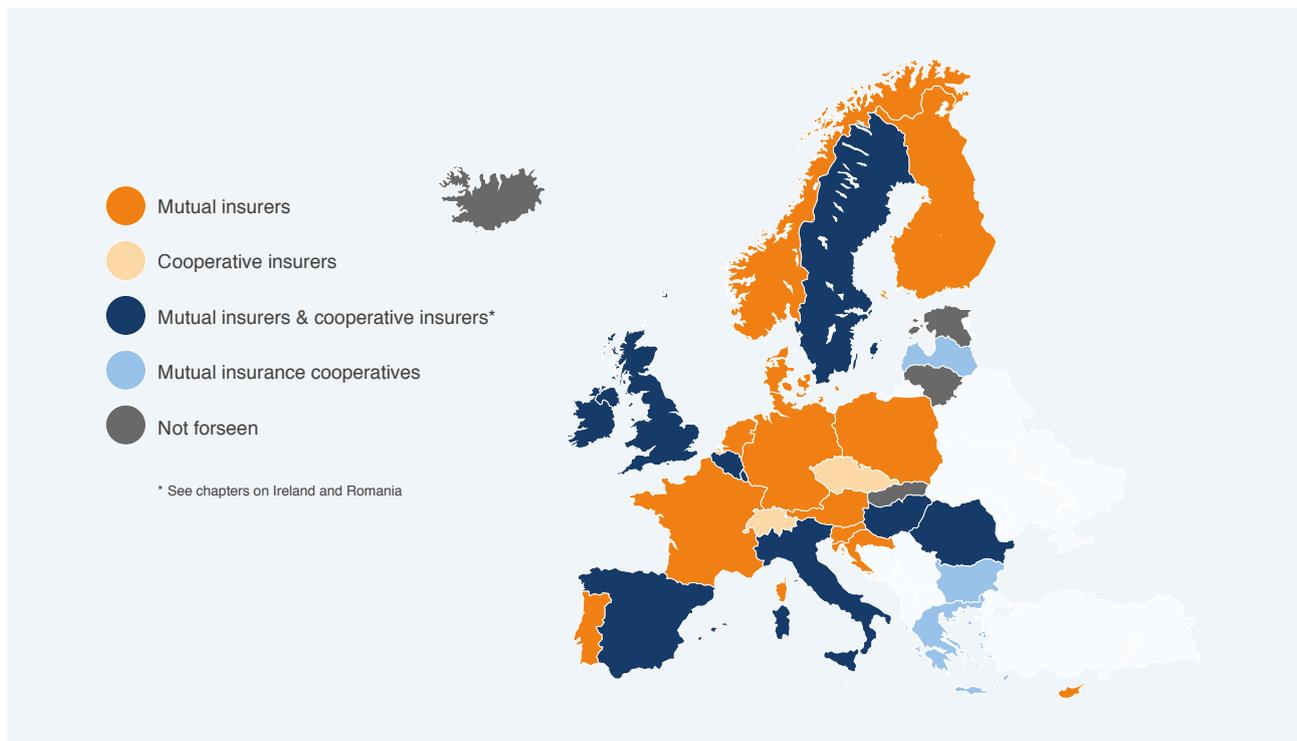
The statistical elements of this report analyse the changes in the mutual and cooperative insurance sector in the years running up to the implementation of Solvency II. Although some structural arrangements had been put into place towards the latter end of the period of time under analysis, there may be some further structural changes which have subsequently been implemented because of Solvency II but aren’t fully reflected in the numbers presented in this report. For example, horizontal groupings in Europe such as the French Mutual Insurance Group Societies (SGAM) are now, under Solvency II, required to become either formally integrated within a financial solidarity mechanism impacting their regulatory risk requirements or maintain separate supervision and capitalisation under a different form of collaboration.<sup>4</sup>

## Legal landscape

The European legal landscape post-Solvency II is detailed in each chapter as it is applied in that country in this report. This therefore does not directly equate with the detailed statistics, which all related to the pre-Solvency II environment and in which the regulatory systems differed widely under local requirements. These differences were both between and within the countries under the timeframe covered in the report; this is complex historic information which although it demonstrates the fragmented legal system across Europe before 2016, has little relevance now that a maximum harmonisation system has been implemented. The report notes that there are, however, variations in treatments under Solvency II, particularly in the application of the Article 4 provisions for the smallest insurers in Europe, as well as indicating in which countries the mutual and/or cooperative form is legally foreseen (see Figure 1).

From the perspective of mutuality, although most European countries recognise the mutual and/or cooperative form to one degree or another, this is still not the case across all European countries. Variations in structures foreseen in local legislation are: mutual insurance cooperatives only; cooperative insurers only; mutual insurers only; mutual insurers and cooperative insurers (with some local anomalies); and no structures foreseen.

Figure 1  
Types of mutual/cooperative insurers foreseen (in the legal form)<sup>5</sup>



<sup>4</sup> Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

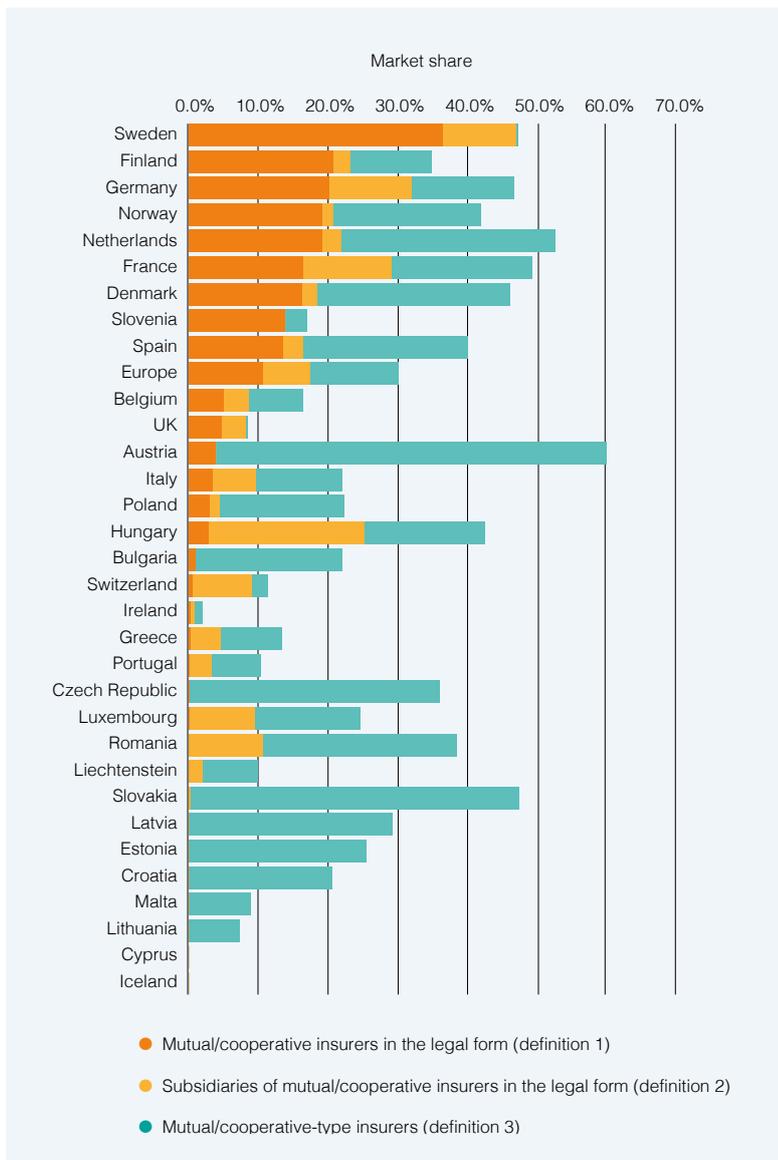
<sup>5</sup> See methodology for explanation of different legal treatments.

By definition,<sup>6</sup> the top 16 countries in terms of mutual/cooperative market share all have legal systems which foresee the mutual and/or cooperative model, but this is not necessarily an indicator of either the scope of the legal recognition or the market share when a wider definition of mutual/cooperative insurer is taken into account (see Figure 2). For example, Austria was the largest insurance market in the world in terms of mutual/cooperative market share in 2015, with more than 60% of the national market. Less than 4% of the market share was held by mutual/cooperative insurers in legal form, although Austrian legislation contains special rules for mutual insurance companies regarding their establishment, organisation, finances, winding up and mergers, and foresees special provisions for small mutual insurance companies, but does not provide for insurance cooperatives. Subsidiaries of mutual/cooperative insurers also held less than 4% market share, but the overall market share of the sector shot up to 60.5% when mutual/cooperative-type insurers were included in the overall numbers.

By contrast, Sweden recognises the mutual insurance and European Cooperative Society legal forms, and these represented 36.8% of market share in 2015, the largest in Europe for legal form entities. That market share extended to 47.6% when widening the definition, making it the fifth largest European market in terms of total mutual/cooperative market share.

Slovakia proves an outlier in terms of mutual/cooperative insurer market share and the recognition of the legal form. Although Slovakian law does not foresee either mutual or cooperative insurance, 47.8% of the insurance market in 2015 was held by the sector, overwhelmingly by mutual/cooperative-type insurers.

Figure 2  
European Market Share by definition (2015)



<sup>6</sup> See methodology for explanation of different definitions of mutual/cooperative insurers used in this report.

The variations in local legislation have further implications, in particular proving a barrier to cross-border activities as a consequence of the different legal systems across Europe. This report includes statistical data on the activities of subsidiaries of mutual/cooperative insurers, including their activities in countries where the parent company’s form is not legally foreseen.

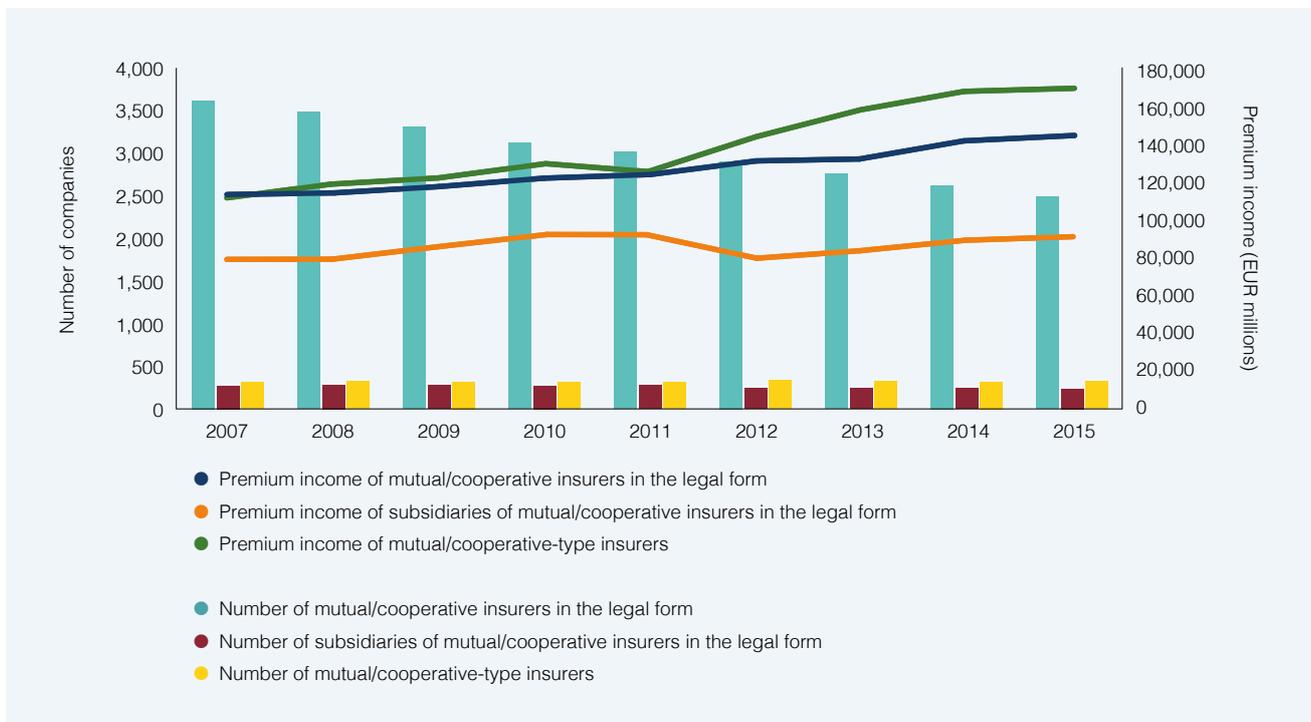
Solvency II accommodates an alternative regulatory approach for the smallest insurers in Europe. These so-called “Article 4” insurers do not have a specified alternative regulatory system under the Solvency II Directive; treatment of insurers with annual gross written premium income not exceeding EUR 5 million, technical provisions not exceeding EUR 25 million and not undertaking liability, credit and suretyship insurance is the decision of the national authorities. In practice, Article 4 has been implemented in a piecemeal way, ranging from no specific provisions relating to the size of the entity to a note that small insurers are included within the legislation but have no different treatment from other insurers, to a full exemption regime. Where an exemption regime has been put into place, there are wide variations in its requirements; each country chapter includes information about the local regime and exemptions within it.

Among the changes implemented by the coming into force of Solvency II is the ability to carry on composite insurance. Article 73 of the Solvency II Directive specifically states that insurance undertakings are not permitted to pursue both life and non-life activities simultaneously. It does, however, permit the simultaneous pursuit of life and non-life activities for insurers which had been authorised as composites by dates specified on a country-by-country basis in the Directive, on the proviso that each activity is separately managed in accordance with Article 74. Article 74 details requirements including the separate treatment of minimum financial obligations, separate accounts and own funds requirements.

## Statistical landscape

On a longitudinal basis, the number of mutual/cooperative insurers in Europe has fallen substantially over the period of time of the study (see Figure 3), reflecting the experience of the wider insurance market over the same period and in particular a result of consolidation in the industry. Over the same period, despite declining numbers of market participants, mutual/cooperative insurers registered a significant increase in premium income, particularly notable for mutual/cooperative insurers in the legal form.

Figure 3  
 Number of mutual/cooperative insurers in Europe by definition and total mutual/cooperative premium income by definition (2007-2015)



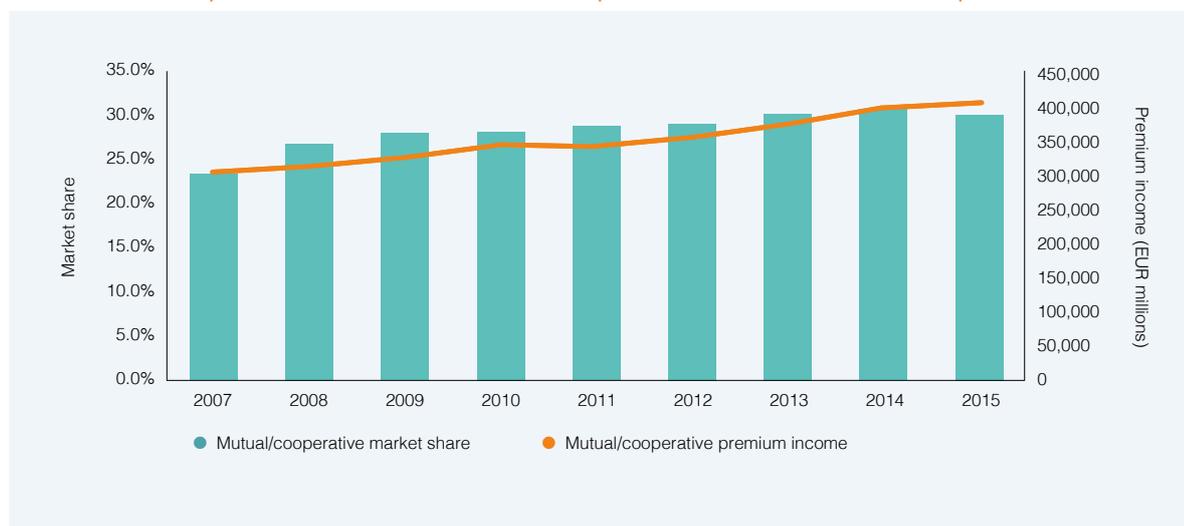
Recent years have seen notable activity in consolidation, and there are predictions that such activity may increase.<sup>7</sup> Prior to the period of time covered in the report, there had been significant demutualisation activity in some European countries. Again, some commentators have suggested that there could be an increase in demutualisations in the period following the timescale of this study, for example with the aim of boosting capital or to benefit from scales of economy. The ability to demutualise is not necessarily an easy option, as it may be hampered under the local legislation and can be a complicated process.

In the period 2007-2015, premiums in the total European insurance market increased by 4.1% overall.<sup>8</sup> During the same period, the premium income levels of European mutual/cooperative insurers showed an aggregate growth of 33.5% over the same timeframe, equivalent to a compound annual growth rate of almost 4% (total European market CAGR was 0.5% for the same period). Factors ascribed to this outperformance include a flight to quality, particularly for life and investment-related products where customers were anxious to ensure security and trustworthiness.<sup>9</sup>

As a result, the market share for European mutual/cooperative insurers between 2007 and 2015 increased from about 23% to 30% (see Figure 4).

Figure 4

#### Market share and premium income of the mutual/cooperative insurance sector in Europe (2007-2015)



This uplift in market share was experienced in most European countries. More detail on individual country market shares and changes in premium income levels is available in the relevant country chapter.

Although cross-border opportunities for European expansion are limited for mutual/cooperative insurers, activity during the period of the report included Achmea entering the Bulgarian market in 2008, Groupama expanding to Bulgaria (2008), Greece (2007), Hungary (2009), Italy (2007) and Romania (2008), Talanx expanding into Poland (2012), Uniqa expanding into Romania (2008) and VIIG expanding into Bulgaria (2007), Croatia (2008), Estonia (2007), Latvia (2007), Lithuania (2008), Poland (2012) and Romania (2008).<sup>10</sup> Life insurance business for mutual/cooperative insurers located in Eastern Europe grew by more than 10% between 2007 and 2014, outstripping growth levels for all other types of insurance provided by mutual/cooperatives across the whole of Europe.<sup>11</sup>

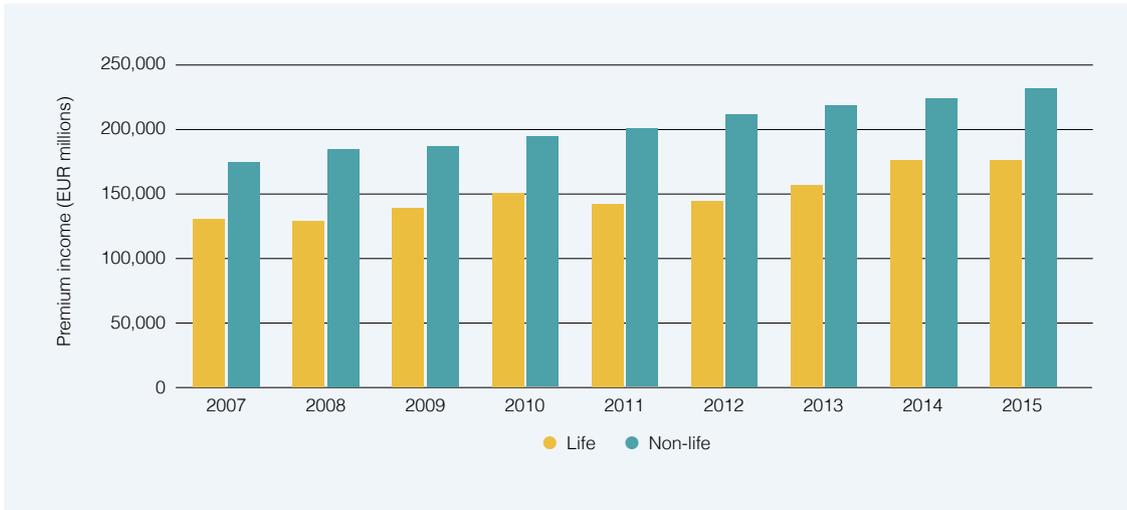
Over the period of the study, and on a pan-European basis, life insurance premiums registered an overall upwards growth, though they remained at about the same level between 2014-2015. Collectively, in 2015 mutual life insurers more than EUR 175 billion, 35% higher than in 2007 (see Figure 5).

<sup>7</sup> Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

<sup>8</sup> ICMIF and AMICE (2017) *Market InSights 2015*.

<sup>9</sup> <sup>10</sup> <sup>11</sup> Swiss Re (2016) *sigma No 4/2016 Mutual insurance in the 21st century: back to the future?*

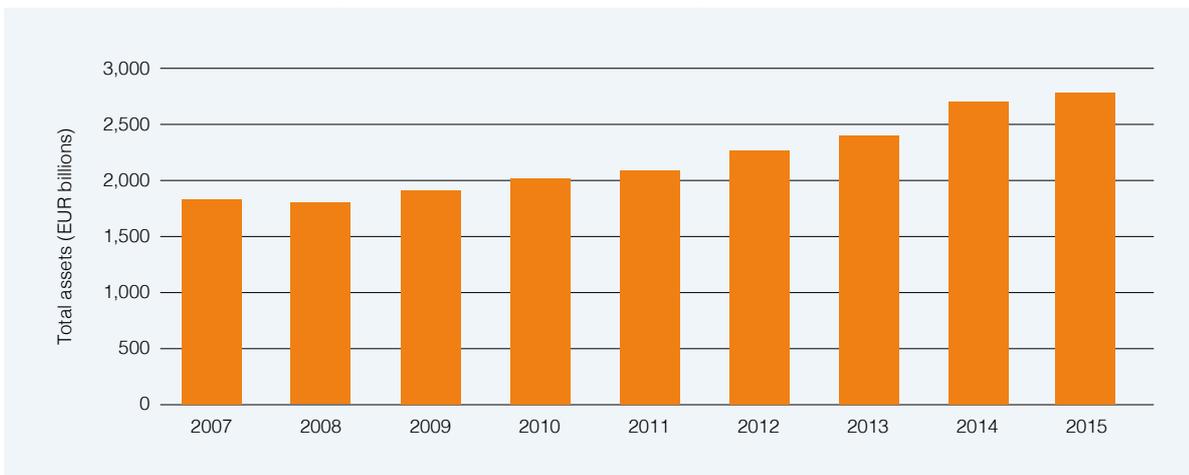
Figure 5  
Premium income of the mutual/cooperative insurance sector in Europe (2007-2015)



As shown in Figure 5, European mutual/cooperatives insurers' non-life premiums showed a consistent upwards trend for the period of the report. In total, the sector recorded non-life premiums of more than EUR 230 billion in 2015, increasing by about 30% during the period of time of the study. Non-life insurance business performance was strongest in countries where mutual/cooperative insurers have a substantial market share, including France, Germany, the Netherlands and Spain.

As would be expected with this growth in core insurance business activity, the assets of European mutual/cooperative insurers have risen in line (see Figure 6). Asset values of EUR 2.78 trillion were reported in 2015, a more than 50% increase on the 2007 total (EUR 1.82 trillion). Unsurprisingly, increases in assets are more notable in countries where insurance activity has been rising; see individual country chapters for more detailed information.

Figure 6  
Total assets of the mutual/cooperative insurance sector in Europe (2007-2015)



Further studies will be needed to ascertain the impact of Solvency II requirements on the assets of mutual/cooperative insurers since it first applied in 2016, which is outside the scope of this study.

Overall, this study shows the harmonisation of the regulatory framework governing insurance across Europe under Solvency II has brought many regimes into closer alignment, though there are different treatments for the smallest insurance entities. There remains a varying approach country-to-country to the legal recognition of mutual/cooperative insurers, which has limited opportunities for mutual/cooperative insurance solutions to be provided in a number of European countries. Nevertheless, the sector has shown a general increase in activity across Europe, increasing the number of members/policyholders protected to more than 420 million in 2015.

# Methodology

## Geographical scope

The study covers the 28 Member States of the European Union (EU), plus the four countries which are members of the European Free Trade Association (EFTA).

## 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 in Europe 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 report<sup>1</sup> 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.

In order to gain a further insight into the nature of mutual/cooperative insurance in 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 societies<sup>2</sup> and protection and indemnity (P&I) clubs.<sup>3,4</sup>

### 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.<sup>5</sup> 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

<sup>1</sup> 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.

<sup>2</sup> See chapter on the UK.

<sup>3</sup> 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.

<sup>4</sup> 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).

<sup>5</sup> 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.

subsidiaries of both domestic and foreign-based (including markets outside the scope of this study i.e. non-European) 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:

- 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,<sup>6</sup> 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.<sup>7</sup> 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.<sup>8</sup>

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.

<sup>6</sup> 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. These insurers hold a significant share of the national market in some of the smaller countries featured in this study (see chapters on Slovakia, Czech Republic, Latvia, Estonia and Croatia).

<sup>7</sup> 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, *03/2016 World insurance in 2015: steady growth amid regional disparities*.

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

## 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.

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.