

THE INSURANCE IRELAND
FACTFILE 2023

FACT

2023

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About Us

Insurance Ireland is the voice of insurance in Ireland, we represent the general insurance, health insurance, life assurance, reinsurance and captive management sectors.

We represent over 120 companies providing insurance domestically and internationally from Ireland. Approximately 35,000 people are employed by the sector, directly and indirectly, with one in four jobs in financial services being in insurance. Our members pay out more than €17 billion in claims and benefits to Irish customers annually and contribute over €2.7 billion in tax to the exchequer each year.

Our mission is to represent and enable the development of the insurance sector for customers, our members and the broader economy. Our key functions include:

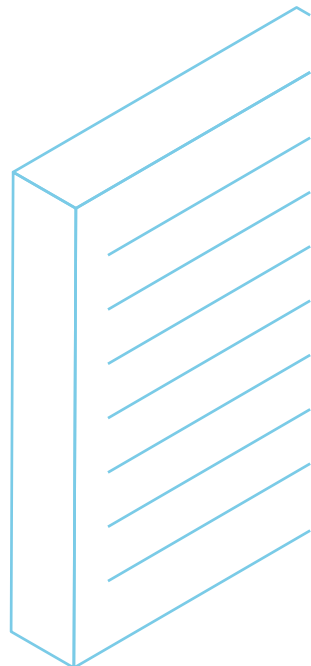
- Enabling a healthy regulatory and competitive environment.
- Building the insurance sector contribution to society and the economy.
- Enabling the industry to deliver the best outcomes for customers.
- Representing members' interests to government, state agencies, regulatory bodies, public representatives, interest groups, the media and the general public.
- Representing the position of members at a European level, particularly with Insurance Europe, the European association for national representative bodies, and at a global level with the Global Federation of Insurance Associations (GFIA).
- Developing Ireland as a hub for internationally traded insurance and reinsurance through promotional activity, advocacy, collaboration with state agencies and through informing government policy like the strategy for the development of Ireland's financial services sector, extended to 2026.

About Factfile

Factfile 2023 is part of a series published by Insurance Ireland annually, providing the key facts and figures on the industry in Ireland. This is the 31st year of publication and the Insurance Ireland Factfile is now a well-established primary source of information on the domestic and international business of insurers based in Ireland.

The data published in this report has been compiled from information supplied by Insurance Ireland member companies unless otherwise indicated.

31 YEARS
IN PRODUCTION



Executive Summary

The Irish Insurance Market - A Comparative Overview

- Gross insurance premium income for domestic life and general insurance combined was €22,257m in 2023 compared to €19,619m in 2022 – an increase of 13.4%. Premium income as a percentage of GDP was 4.3% (2022: 3.9%). Premiums per capita were €4,137 in 2023 (2022: €3,810).
- The capital values of assets in many investment areas increased in 2023. Assets comprising life policyholders' funds and general insurance technical reserves were €167.3bn at the end of the year.
- The insurance sector is a major employer in the Irish economy. Insurance Ireland life and general insurance member companies employed some 10,000 people in Ireland. In addition, significant numbers are employed by international members and reinsurance and captive members (c. 3,600). It is estimated that some 15,000 are employed by insurance and reinsurance companies in the Irish insurance market. There are also a significant number employed in the wider insurance industry e.g. insurance brokers, loss adjusting and assessing, and in back-office service centers and innovation centers.
- International life members wrote €13,486m of gross insurance premium internationally, a reduction of 15% from 2022 figures.
- Insurance Ireland reinsurance and captive members wrote a premium income of €19,726m. Insurance Ireland health members wrote a gross premium income of €3,207m in Ireland in 2023.

Life Assurance and Pensions Market

- Our life assurance members' aggregate domestic premium income was €18,000m for 2023, which is an increase of 15.5% on the previous year (€15,582m).
- New annual premium (AP) business was €1,490m, up 14.2% from €1,305m in 2022.
- New Single premium (SP) business was €12,145m, up 18.7% from €10,236m in 2022.
- New business annual premium equivalent (AP sales + 10% of SP sales) increased 16.2% to €2,705m compared with €2,328m in 2022.
- €12,527m was paid out by life assurance companies in benefits and claims in 2023. These payments and benefits cover a wide range of areas.

- The total value of life assurance protection in force at the end of 2023 was estimated at €498.3bn, compared to €546.9bn at the end of 2022 (down 8.9%).
- The aggregate value of policyholders' funds managed by life members increased by 15.8% to €159,050m in 2023. The value of equity investments, which represented 67.3% of total policyholders' funds at the end of 2023, increased by 34.4% from €79,708m 2022 to €107,108m in 2023.
- The value of life insurance funds invested in bonds increased by 15.8% to €37,009m. Bonds now represent 23.3% of life assurance investments.
- Cash holdings increased by 1.6% from €8,659m in 2022 to €8,796m in 2023, and represents 5.5% of the total policyholders' funds in 2023.
- Property assets decreased from €3,521m in 2022 to €3,077m in 2023. This represents 1.9% of total life assurance investments.

General Insurance Market

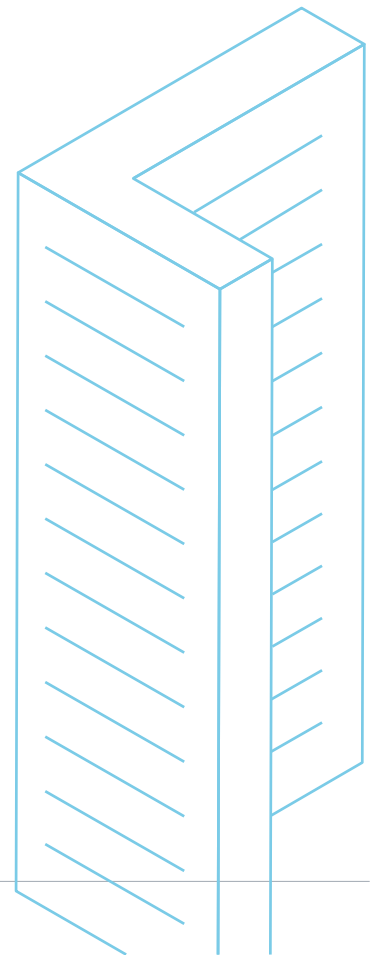
- Our 16 domestic general insurance members wrote gross premium of €4,257m in 2023 (up 5.4% on 2022). Gross incurred claims costs were €2,266m in 2023 (up 7.7% on 2022).
- Motor insurance remains the largest class with gross written premium of €1,834m (43.1% of all General business). Property is the second largest class (28.1%) for our members. Liability insurance accounts for 20.7% of general business and is the third largest class.
- Net written premium (i.e. total premium after reinsurance costs have been deducted) was €3,005m in 2023 (up 6.5% on 2022). Net earned premium was €2,904m in 2023 (up 4.6% on 2022).
- The number of new claims notified to Insurance Ireland members was c. 376 thousand. 64% of new claims were motor claims while 14% were made on property insurance policies (household and commercial property).
- Net incurred claims costs amounted to €1,647m (up 8.7% on 2022) leading to a net underwriting profit in 2023 of €363m compared with a net underwriting profit of €444m in 2022. After investment income is added, the market made a net operating profit of €478m in 2023 compared with a net operating profit of €435m in 2022. The investment income in 2023 is €114m as compared to investment loss of €9m in 2022.

International Life Assurance Market

- Most of the international life premium income is new single premium income. In 2023, the figure for Insurance Ireland's International life members was €11,393m which is a decrease of 13.8% on 2022 figure of €13,218m. Annual premium income on new business for 2023 was €503m. This is a decrease of 53.8% on the figure for 2022 of €1,089m.
- Over the five-year period from 2019-2023, single premium business decreased from €15,153m in 2018 to €11,773m in 2023. Annual premium income increased from €433m to €1,714m over the same period.
- 99% of international single premium income is represented by unit linked single premium business (Class III).

Health Insurance Market

- Our three health insurer members are the biggest players in the health insurance domestic market. Combined, they wrote a gross premium of €3,207m in 2023. Gross incurred claims in 2023 amounted to €2,795m. At the end 2023 the number of people with private health insurance inpatient cover was 2.48m – approximately 47% of the population.



The Domestic Irish Insurance Market

This chapter provides an overview of trends in the Irish domestic insurance market over the past five years. In addition, it presents data contextualizing the insurance sector within the broader economy, covering Gross Domestic Product (GDP), premiums per capita, and employment figures.

The insurance data presented in this chapter is provided by our domestic insurance members. This does not include domestic health insurance members or reinsurers or captives. Data on international insurers is presented later.

THE INSURANCE MARKET IN THE ECONOMY

2023 Premium Income - Life and General (Insurance Ireland Members)

Year	Life	General	Total
Gross Premium Income (€m)	18,000	4,257	22,257
Premium Income: GDP (%)	3.5	0.80	4.3
Premiums per capita (€)	3,346	791	4,137
Investments* (€m)	159,050	8,247	167,297

* Policyholders' funds (life assurance) and Technical Reserves (general) at 31st December 2023

Gross insurance premium income for life and general insurance combined was €22,257m, compared to €19,619m in 2022 (an increase of 13.4%). Premium income as a percentage of GDP was 4.3% (2022: 3.88%). Premiums per capita increased to €4,137m in 2023 (2022: €3,810).

Assets comprising life policyholders' funds and general insurance technical reserves was 159.1bn at the end of the year (2022: €145.7bn).

Insurance Ireland Members' Gross Premium Income 2019-2023

Year	Life €m	General €m	Total €m
2019	11,650.2	3,715.0	15,365.2
2020	12,276.4	3,631.0	15,907.4
2021	14,283.0	3,822.0	18,105.0
2022	15,581.7	4,036.9	19,618.6
2023	18,000.2	4,256.5	22,256.7

Life gross premium income increased from €11,650m in 2019 to €18,000 in 2023 (an increase of 54.5%). General insurance gross written premium increased from €3,715m in 2019 to €4,256.5m in 2023 (an increase of 14.6%).

Gross Premium Income and Domestic Product 2019-2023

Year	Gross Insurance Premium Income €m	GDP €m	Premium Income: GDP %
2019	15,365.2	345,184	4.5%
2020	15,907.4	372,869	4.3%
2021	18,105.0	426,283	4.2%
2022	19,618.6	506,282	3.9%
2023	22,256.7	509,952	4.3%

Market combined life and general insurance premium income increased over the period from 2019 to 2023. Premium income as a percentage of GDP was 4.3% in 2023. After a period of trending downwards, the most recent year shows an increase in premium income as a percentage of GDP when growth in premium has outpaced the increase in GDP.

Life & General Premiums as a Percentage of GDP for Ireland 2019-2023

Year	Life Premium as % of GDP	General Premium as % of GDP	Total %
2019	3.3	1.0	4.3
2020	3.4	0.9	4.2
2021	3.1	0.8	3.9
2022	3.1	0.8	3.9
2023	3.5	0.8	4.3

Life premiums as a percentage of GDP were 3.5% in 2023, up 0.2 percentage points from 2019 (and up 0.4 from 2022). General premiums as a percentage of GDP were 0.8% in 2023, down 0.2 percentage points from 2019 (and in line with 2022).

Year-End Value of Investments

	2019 €bn	2020 €bn	2021 €bn	2022 €bn	2023 €bn	Average % Change p.a.
Life	131.153	135.712	156.401	137.294	159.050	4.9
General	7.358	7.839	8.077	8.391	8.246	2.9
Total	138.511	143.551	164.478	145.685	167.297	

The value of life policyholders' funds increased from €131.2bn in 2019 to €159.1bn in 2023, an average annual growth rate of 4.9% p.a. over the period. General insurance technical reserves increased from €7.4bn in 2019 to €8.2bn in 2023, with an average annual change of 2.9% over the years.

The total value of life and general insurance assets was €167.3bn in 2023.

Life Assurance Benefits and Claims Paid 2019-2023

Year	Amount €m
2019	9,691
2020	8,984
2021	9,830
2022	10,313
2023	12,527

In 2023, domestic life assurance companies within the Insurance Ireland membership paid €12,527m in benefits and claims. These payments and benefits covered a wide range of insurance products, including:

- Income and payouts on investment policies for policyholders.
- Payment of death benefits which protect family income.
- Payment of annuity income to pension policy holders.
- Repayment of mortgages in the event of death of a policyholder.
- Lump sum payouts to policyholders with serious illness cover

General Insurance Premiums and Claims 2019-2023

Year	Gross Earned Premium €m	Gross Incurred Claims €m
2019	3,663	2,209
2020	3,625	2,352
2021	3,759	2,036
2022	3,964	2,104
2023	4,146	2,266

Gross earned premium for general insurance member companies increased from 2019 to 2023, reaching €4,146m.

Gross incurred claims were €2,266m in 2023, representing an increase from 2022.

Employment in Domestic Insurance Companies in Ireland (Members)

Employment in Domestic Insurance Member Companies as at 31st December 2023	
Life	5,335
General	4,790
Total	10,125

The insurance sector is a major employer in the Irish economy. Insurance Ireland domestic life and general insurance member companies employed some 10,000 people in Ireland as of 31 December 2023. In addition, significant numbers are employed in the wider insurance industry e.g. insurance brokers, loss adjusting and assessing, and in back-office service centers and innovation centers.

Life Assurance and Pensions Market

2019-2023

GLOSSARY OF LIFE ASSURANCE TERMS

Annual/Regular Premium Policy

A policy under which the policyholder makes annual/regular payments of premium to finance life assurance protection cover or to build up an investment or retirement fund.

Annual Premium Equivalent (APE)

An industry standard formula for calculating levels of new life and pensions business over a period of time, to smooth out the effect of large, one-off payments. It is the total of new annual premiums plus 10% of single premiums.

Critical Illness Insurance

Critical illness insurance pays the policyholder an agreed sum if he/she contracts one of the serious illnesses specified in the policy documentation. Typical illnesses covered include cancer, stroke, heart attack, multiple sclerosis and kidney failure.

Industrial Branch Business

This refers to regular premium protection business where the life assurance company representative collects premiums, usually on a weekly basis. The importance of this type of business has declined over the years.

Intermediary

An intermediary is a broker or agent who advises clients about their insurance needs, helps them to select the most appropriate policy and provides an ongoing service in all subsequent matters relating to the policy.

Maturity Value

This is the final value of a savings policy if it is allowed to run for the full term specified in the contract.

Pensions/Annuities

For many people, the income they receive from the State on retirement will not be sufficient to support them. For this reason, many people choose to provide for their retirements by taking out pensions with a life assurance company. One of the options at retirement is an annuity – an insurance contract which provides an income for life.

Income Protection Insurance

Income Protection Insurance (also known as Permanent Health Insurance) is a protection policy that provides an income if the policyholder is unable to work because of sickness or disability. Each policy includes a “deferred period”. The individual must be off work because of illness for longer than the deferred period before an income is payable under the policy. The deferred period is usually 13, 26 or 52 weeks. Cover is available on an individual or group basis (e.g. where an employer establishes a scheme for employees).

Personal Retirement Savings Accounts

Personal Retirement Savings Accounts (PRSAs) are flexible personal pensions.

Single Premium

A lump sum life investment or pension policy under which the policyholder makes a one-off payment to the life office. The life office uses the money to provide life assurance protection or invests it on the policyholder's behalf for repayment, with investment gains, at the end of the policy term (or in the case of a pension, purchases retirement benefits for the policyholder at retirement).

2023 Key Life and Pensions Statistics

	New Business (€m)			Total Annual Premium €m (3)	All Business €m (2) +(3)
	Annual Premium (1)	Single Premium (2)	A.P.E. (1)+10% of (2)		
Individual Assurances and Annuities	161.9	2,000.2	362	1,654.8	3,654.9
Pension Scheme Business	999.2	6,830.9	1,682.3	3,113.8	9,944.7
Self-employed Pensions (Incl. PRSAs)	287.5	3,314.0	618.9	756.2	4,070.2
Permanent Health Insurance	41.3	0.00	41.3	330.2	330.2
Industrial Branch Business	0.00	0.2	0.0	0.0	0.2
Total	1,490.0	12,145.2	2,704.5	5,855.0	18,000.2

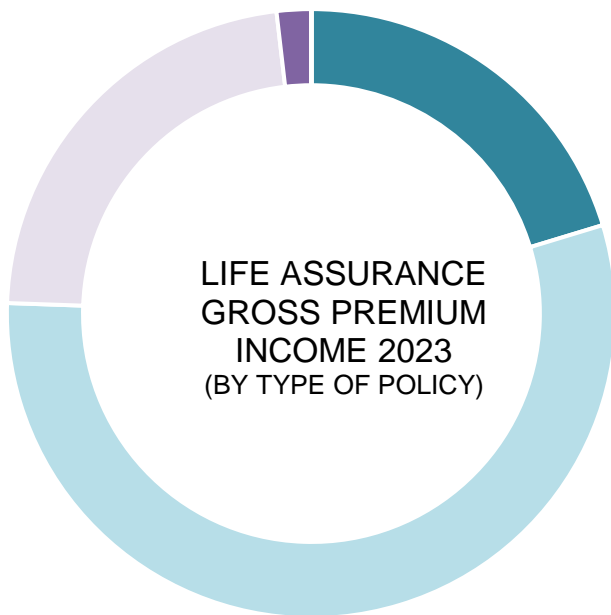
Insurance Ireland's 7 life assurance members' aggregate domestic premium income was €18,000m for 2023, which is an increase of 15.5% on the previous year (€15,582m).

New annual premium (AP) business was €1,490m, up 14.2% from €1,305m in 2022.

New single premium (SP) increased 18.7% to €12,145m in 2023, from €10,236m in 2022.

New business annual premium equivalent (AP sales + 10% of SP sales) increased 16.2% to €2,705m compared with €2,328m in 2022.

LIFE ASSURANCE GROSS PREMIUM INCOME 2023 (BY TYPE OF POLICY)



- Individual Assurances and Annuities €3,654.9m (20.3%)
- Pension Scheme Business €9,944.7m (55.2%)
- Self-employed Pensions (Incl. PRSAs) €4,070.2m (22.6%)
- Permanent Health Insurance €330.2m (1.8%)
- Industrial Branch Business €0.2m (0.0%)

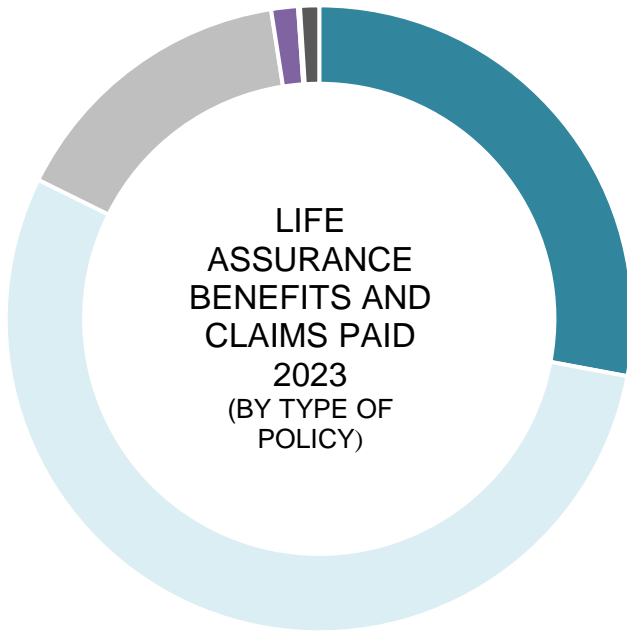
Pension scheme business (55%) and individual assurances and annuities (20%) continue to be the two main segments of life assurance gross premium income.

The self-employed pensions & associated business (including PRSAs) segment remained steady at 23% in 2023.

Premium income from Permanent Health Insurance (PHI) as a percentage of life assurance gross premium income was stable at 1.8% in 2023.

Industrial branch business accounted for a very small proportion of the total life assurance premium income.

**LIFE
ASSURANCE
BENEFITS AND
CLAIMS PAID
2023
(BY TYPE OF
POLICY)**



- Individual Assurances & Annuities €3,498.8m (27.9%)
- Pension Scheme Business €6,812.4m (54.4%)
- SE Pension €1,907m (15.2%)
- Permanent Health Insurance (PHI) €172.8m (1.4%)
- Industrial Branch (IB) Business €12.8m (0.1%)
- Critical Illness €122.9m (1.0%)

€12,527m in benefits and claims was paid by domestic life assurance companies during 2023, an increase of 21% on 2022. These payments and benefits cover a wide range of products which take a number of forms, for example: one-off lump sum payments to policyholders in the event of serious illness; or, in the case of pensions, the payment of regular incomes to policyholders/beneficiaries.

Most claims were paid under individual assurance and annuity contracts (27.9%, down from 30.6% in 2022) and pension schemes (54.4%, up from 51.3% in 2022), followed by self-employed pensions and associated business (15.2%, down from 16.0% in 2022).

Claims under individual assurance and annuity contracts were up 11% from 2022 to €3,499m in 2023.

Pension scheme business increased by 29% to €6,812.4 from €5,286m in 2023.

Claims under self-employed pensions and associated business increased by 16% in 2023, from €1,649m to €1,907m.

There was a 12% increase in serious illness pay-outs to €122.9m in 2023. PHI claims were higher in 2023 at €172.8m (2022: €107m)

The total value of life assurance protection in force at the end of 2023 was estimated at €498.3bn, compared to €546.9bn at the end of 2022, which is a decrease of 8.9%.

Benefits and Claims by Type (€m) 2023

Surrenders and Maturities	10,534
Death / Critical Illness Claims	1,178
Annuities	814
Total	12,527

This chart provides a breakdown of benefits and claims by type:

- The largest category is benefits paid on policy surrenders and maturities, with €10,534m paid in 2023 (2022: €8,521m). This category represents 84% of total payments made in 2023.
- Death and serious illness claims under protection contracts amounted to €1,178m (2022: €1,086m)
- Annuity payments totaled €814m (2022: €706m)

Sources of Life Assurance Business 2023

		Brokers %			Agents %			Tied Agents %			Employee & Company Representatives %			Direct %		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Annual Premium	Life	11	7	8	0	0	0	9	7	5	2	3	2	0	0	0
	Pensions	40	44	51	1	0	0	12	9	7	13	13	14	13	17	13
	Total	51	51	58	1	0	0	21	16	13	15	16	16	13	17	13
Single Premium	Life	5	5	5	0	0	0	2	1	1	2	3	2	51	52	44
	Pensions	24	25	29	0	0	0	2	2	1	2	2	3	13	10	15
	Total	29	30	34	0	0	0	4	3	2	4	5	4	64	62	59

The chart provides a breakdown of the proportion of new business written through the various sales channels. Brokers and direct sales are the largest sales channels for the companies within our membership.

In 2023, brokers' new business market share was increased to 58% for annual premium (AP) business and increased by four percentage point for single premium (SP) business to 34%.

Independent agents are not a major source of business for our members in the life assurance and pensions market.

The percentage of AP business written through tied agents decreased to 13% in 2023 from 16% in 2022 while SP business written via tied agents decreased to 2% in the same period from 3% in 2022.

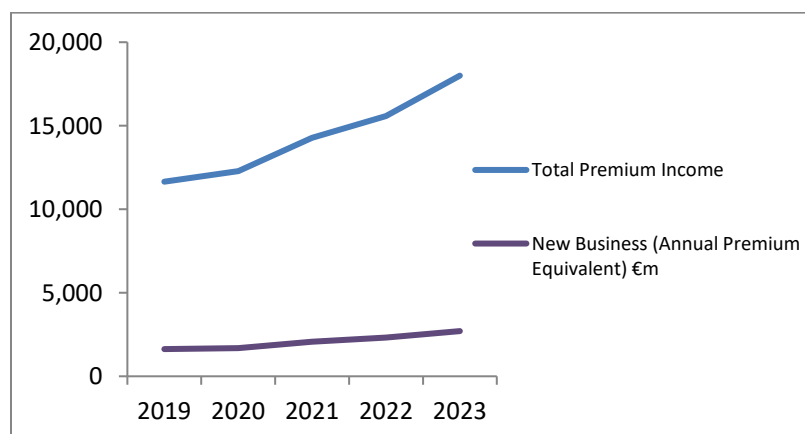
Life office employees and company representatives (direct sales force) share of AP was stable at 16% in 2022 and 2023. Their share of SP business decreased to 4% in 2023, from 5% in 2022.

Direct sales in AP business, other than through employed salespeople (e.g. telephone, internet, and direct response sales), decreased to 13% in 2023, while their SP decreased to 59%, a decrease of three percentage points from 2022.

Market Trends 2019-2023

	2019 €m	2020 €m	2021 €m	2022 €m	2023 €m	Annual Change 2019-2023%
Premium Income (Annual Premium Business)	3,991	4,255	4,743	5,346	5,855	10.19%
Premium Income (All Business)	11,650	12,276	14,284	15,582	18,000	8.94%
New Business						
Annual Premiums	862	888	1,120	1,305	1,490	13.79%
Single Premiums	7,659	8,021	9,540	10,236	12,145	8.53%
Annual Premium Equivalent (APE)	1,628	1,690	2,075	2,328	2,705	11.18%
Benefits & Claims	9,691	8,984	9,830	10,313	12,527	5.73%

Life Assurance Premium Income 2019-2023



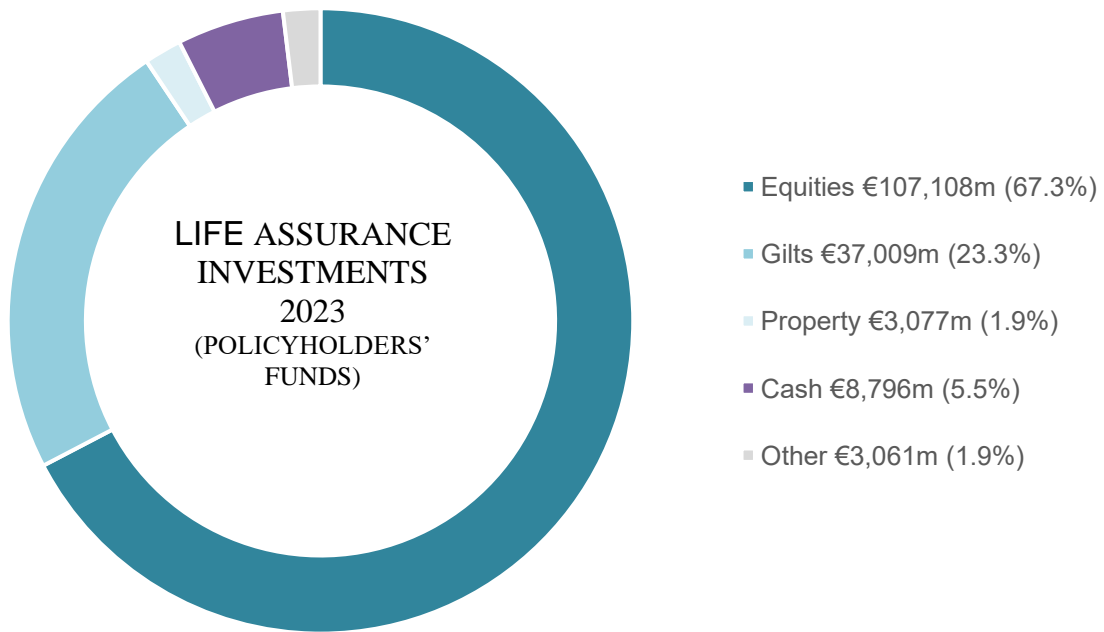
Aggregate premium income amounted to €18,000m in 2023. The average annual increase over the five-year period from 2019-2023 is 10.2% p.a.

New annual premium business increased from €862m in 2019 to €1,490m in 2023, representing an average increase of 13.8% p.a. over this period.

On an annualized basis, new SP business increased by an average of 8.5% p.a. between 2019 and 2023.

New business on an Annual Premium Equivalent (APE) basis has increased from €1,628m in 2019 to €2,705m in 2023, equivalent to an average increase of 11.2% p.a. over five years.

Benefits and claims paid increased from €10,313m in 2022 to €12,527m in 2023. Over the five-year period claims payments increased by an average of 5.7% p.a.



The aggregate value of policyholders' funds managed by Insurance Ireland's Life Members increased by 15.8% to €159,050m in 2023.

The value of equities, which represented 67.3% of total policyholders' funds at the end of 2023, increased by 34.4% from €79,708m in 2022 to €107,108m in 2023.

The value of life insurance funds invested in bonds increased by 16.4% to €37,009m. Bonds now represent 23.3% of life assurance investments.

Cash holdings increased by 1.6% from €8,659m 2022 to €8,796m in 2023, and represents 5.5% of the total policyholders' funds in 2023.

Property assets decreased from €3,521m in 2022 to €3,077m in 2023. This represents 1.9% of total life assurance investments.

Investments (Policyholders' funds) by Type & Location - 2023

	Irish €m	Foreign €m	Total €m
Equities ¹	27,093	80,015	107,108
Bonds ²	1,666	35,343	37,009
Property ³	2,569	508	3,077
Cash	1,140	7,655	8,796
Other	2,166	894	3,061
Total	34,634	124,417	159,050

1 Inc. preference, guaranteed and ordinary stocks and unit trusts

2 Inc. Government, local & public authority securities

3 Inc. own use buildings, office, residential, commercial and individual investment properties and debenture stocks

This table illustrates the breakdown of investments by type and location. 21.8% of investments were in Ireland in 2023 with a total value of €34,634m (2022: €30,354m).

Foreign investments in 2023 were €124,417m (2022: €106,940m) representing 78.2% of total investments.

78.2% of domestic investments were invested in equities, while 7.4% was in property holdings and 3.3% were in cash. Bonds were 4.8% of Irish investments in 2023, with the remaining assets invested in other assets.

64.3% of the foreign holdings are equities. The second largest foreign asset class is bonds at 28.4%. The proportion of foreign holdings invested in property in 2023 was 0.04%, while the percentage invested in cash was 6.2% with 0.7% of holdings invested in other assets.

Investments (by Type) % of Total Value

Asset Category	2019	2020	2021	2022	2023
Equities ¹	60.3	61.9	67.1	58.1	67.3
Bonds ²	24.6	24.4	22.3	23.2	23.3
Property ³	3.8	3.0	2.3	2.6	1.9
Cash	7.7	7.4	5.8	6.3	5.5
Other	3.6	3.3	2.5	9.9	1.9
Total	100	100	100	100	100

1 Inc. preference, guaranteed and ordinary stocks and unit trusts

2 Inc. Government, local & public authority securities

3 Inc. own use buildings, office, residential, commercial and individual investment properties and debenture stocks

Investment in equities as a proportion of total policyholders' funds increased over the five-year period from 60.3% in 2019 to 67.3% in 2023.

Bonds decreased over the same period, from 24.6% in 2019 to 23.3% in 2023.

Property assets, which stood at 3.8% in 2019, fell over the period to 1.9% in 2023.

Cash holdings decreased to 5.5% in 2023, compared to 7.7% in 2019. Other asset holdings (such as derivatives and other instruments) increased from 3.6% to 1.9% over the same period.

Investment Trends (by Location) –2018-2023

% of total value	2019	2020	2021	2022	2023
In Ireland	21.1	22.4	23.0	21.1	21.8
Outside Ireland	78.9	77.6	77.0	77.9	78.2

Policyholder's funds invested in Ireland increased from 21.1% in 2019 to 21.8% in 2023.

Foreign assets by value account for 78.2% of policyholder's funds.

Insurance Ireland Life Members' Gross Premium Income 2023

Companies	Life Business			Pensions Business		Total €'000S
	Annual Premium €'000	Single Premium €'000	Industrial Branch €'000	Annual Premium €'000	Single Premium €'000	
Acorn Life	63,222	45,572	0	36,098	7,968	152,859
Aviva Life & Pensions	278,304	180,337	0	334,743	1,129,961	1,923,344
Irish Life	628,238	555,338	0	1,902,296	2,300,180	5,386,052
New Ireland	490,051	721,200	0	582,102	2,173,977	3,967,330
Royal London	118,243	2,816	216	1,621	69,039	191,935
Standard Life	18,232	156,118	0	68,248	833,539	1,076,137
Zurich Life	388,713	338,789	0	944,861	3,630,193	5,302,556
Total	1,985,002	2,000,170	216	3,869,969	10,144,857	18,000,214

General Insurance Market

2019-2023

GLOSSARY OF GENERAL INSURANCE TERMS

Commission

The money paid out to an insurance intermediary in recognition of the business written by the insurer through the agency of the intermediary.

Cost of Claims Incurred

The total amount paid out in claims during a given period, plus the movement in technical reserves during that period. For example, if an insurer pays out €10m in claims during the year, and technical reserves stood at €50m at the beginning of the year and increase to €55m by the end of the year, then the insurer's claims incurred cost would be €15m (€10m + €(55m-50m)).

Management Expenses

The internal expenses of an insurer incurred in acquiring and servicing insurance business.

Operating Result

A general insurer's profit or loss after its investment income has been added to its underwriting result.

Gross and Net Premium

Gross premium is the total amount of premium income of an insurer. Net premium is the premium retained by the insurer after it pays for its reinsurance protection. Similarly, gross claims costs are the total claims costs for which the insurer is liable under the policies it issues. Net claims costs take account of reinsurance claims recoveries due to the insurer from its reinsurers.

Written and Earned Premium

For example, if an insurance company issues a 12 month policy for a premium of €500 on 1st January, the written premium for the year will be €500 and so will the earned premium. But if the same policy is issued on 1st July, the written premium will be €500 but the earned premium will only be €250; the other half of the premium will be allocated to an unearned premium reserve which will be credited to earned premium. This is because half of the premium is in respect of the exposure to loss during the first half of the year.

Reinsurance

Insurance protection bought by an insurer to limit its own exposure. The availability of reinsurance protection allows an insurer to expand its own capacity to take on risk. Without a reinsurance facility, each insurer would be able to accept less business.

Technical Reserves

The amounts insurers hold against future payment of claims. There is supervisory control by the Central Bank of Ireland of the proper estimation of outstanding claims and the nature and spread of assets which can be used to cover technical reserves.

Underwriting Result

A general insurer's underwriting result is the profit or loss left after the cost of incurred claims, management expenses, commissions and other costs are deducted from earned premium income.

2023 Key General Statistics

Class	Premiums			Claims		Net Underwriting Result €m	Estimated Investment Income €m	Estimated Net Operating Result €m
	Written		Earned	Net Incurred	No of New Claims Notified			
	Gross €m	Net €m	Net €m	Net €m				
Private Motor	1,326.0	1,030.7	1,001.9	641.4	184,546	80.9	34.0	114.9
Comm Motor	508.4	402.4	394.8	215.0	56,116	64.6	11.8	76.4
All Motor	1,834.4	1,433.1	1,396.7	856.4	240,662	145.5	45.7	191.3
Household	593.6	402.1	379.0	277.1	39,320	-19.4	14.1	-5.3
Comm Property	602.7	352.8	335.8	152.3	13,755	71.9	12.9	84.8
All Property	1,196.3	754.8	714.8	429.4	53,075	52.5	26.9	79.5
Employer's Liability	313.4	210.8	203.2	91.8	4,504	52.0	10.7	62.7
Public Liability	565.8	363.6	352.7	199.0	11,395	62.0	28.2	90.2
All Liability	879.1	574.5	555.9	290.9	15,899	114.0	38.9	152.9
PA/Travel	128.6	116.3	116.9	41.8	28,523	33.1	0.7	33.8
Other Business	218.1	126.2	119.5	28.3	37,543	18.3	1.9	20.2
Total	4,256.5	3,004.9	2,903.9	1,646.8	375,702	363.4	114.2	477.6

Overview of General Insurance Results for 2023

Insurance Ireland's 16 domestic general insurance members wrote gross premium of €4,257m in 2023 (up 5.4% on 2022).

Motor insurance remains the largest class of general insurance with gross written premium of €1,834m (43.1% of all general business). Property is the second largest class (28.1%). Liability insurance accounts for 20.7% of general insurance business and is the third largest class.

Net written premium (i.e., total premium after reinsurance costs have been deducted) was €3,005m in 2023 (up 6.5% on 2022). Net earned premium was €2,904m in 2023 (up 4.6% on 2022).

The number of new claims notified to Insurance Ireland members was c. 376,000. Motor claims accounted for 64% of these while 14% were made on property insurance policies (household and commercial property).

Net incurred claims costs amounted to €1,647m (up 8.7% on 2022) leading to a net underwriting profit in 2023 of €363m (once commission and other expenses have been accounted for) compared with a net underwriting profit of €444m in 2022. After investment income is added, the members made a net operating profit of €478m in 2023 compared with a net operating profit of €435m in 2022.

Motor Insurance

Gross written premium for motor insurance was €1,834m in 2023 (up 4.0% on 2022). A total of 72% motor insurance gross written premium is accounted for by private motor business with the remaining 28% derived from commercial motor business. Net earned motor premiums amounted to €1,397m in 2023 (up 1.4% on 2022). The number of new motor claims notified during 2023 was c. 241,000 (down 6.7% on 2022).

The motor net underwriting profit was €146m in 2023 compared with a net underwriting profit of €238m in 2022.

Property Insurance

The property insurance class is the second largest sector in the Irish general market after motor insurance. The property class is split equally between household and commercial property. Insurance Ireland members wrote gross property insurance premium of €1,196m in 2023 (up 9.4% on 2022). Net incurred claims amounted to €429m in 2023 (up 4.5% on 2022). The property class recorded a net underwriting profit of €53m in 2023 compared to €33m in 2022.

Liability Insurance

Insurance Ireland members wrote gross liability premium of €879m in 2023 (up 3.0% on 2022). Net earned premium was €556m (up 5.3% on 2022). Net incurred claims amounted to €291m in 2023 (up 16.3% on 2022). Liability insurers made a net underwriting profit of €114m in 2023 compared with a net underwriting profit of €133m in 2022.

Other General Lines

Insurance Ireland members wrote €129m of personal accident and travel insurance in 2023. This class of business

generated a net underwriting profit of €33m in 2023 compared with a net underwriting profit of €3m in 2022.

Other classes of general business, including marine, aviation and transit (MAT), credit and suretyship, other financial loss covers, and legal expenses insurance accounted for €218m in gross written premium in 2023 (up 5.8% on 2022). These classes of business produced a net underwriting profit of €18m in 2023 compared with a net underwriting profit of €38m in 2022.

INSURANCE OPERATING RATIOS

General Insurance Operating Ratios 2023

	Claims Ratio %	Commission Ratio %	Management Expenses Ratio %	Combined Operating Ratio %
Total	56.7	7.4	22.4	86.5
Motor	61.3	4.2	23.3	88.9
Liability	52.3	8.1	18.2	78.6
Property	60.1	9.8	21.0	90.9
PA/Travel	35.8	18.8	17.4	71.9
Other	23.7	14.9	42.9	81.5

A number of key ratios are used to assess the cost of claims, and the efficiency and profitability of general insurance business.

- The **claims ratio** measures the cost of claims incurred as a proportion of premiums earned. In 2023, our general insurance members experienced a net claims ratio of 57% in aggregate. In other words, claims cost 57 cent out of every €1 earned in premium. The claims ratio varied between sectors: in motor insurance it was 61% while in liability and property the claims ratio was 52% and 60% respectively.
- The **management expenses** and **commission ratios** are calculated by expressing the internal management expenses of insurance companies and commissions paid to intermediaries as a percentage of premiums. In 2023 the net commission ratio was 7.4% and the net management expenses ratio was 22.4%.
- The **net combined** or **operating ratio** combines the claims, commissions and management expenses ratios. The operating ratio for all members was 86.5% in 2023. In other words, this means that, on average, the members made a profit of 13.5 cent on underwriting insurance for every €1 earned in premium in 2023.

General Insurance Market Results 2019-2023

	Gross Written Premium €m	Net Underwriting Result €m	Investment Income €m	Operating Result €m	Operating Profit Margin %
2019	3,715	192	120	312	8.4%
2020	3,631	171	57	228	6.3%
2021	3,822	428	83	511	13.4%
2022	4,037	444	-9	435	10.8%
2023	4,257	363	114	478	11.2%
5 years	19,462	1,598	365	1,964	10.1%

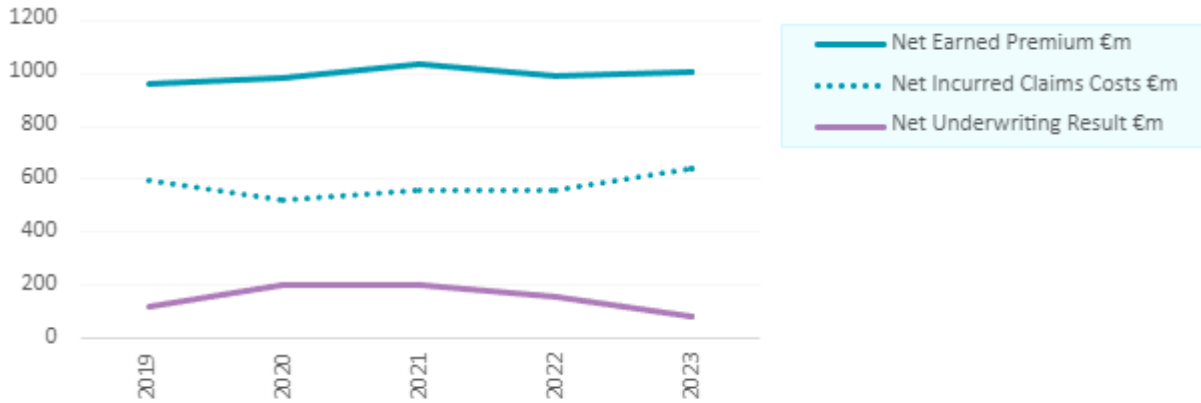
The table outlines the net underwriting result, investment income attributable to the underwriting account and the operating result for the general business market for the

years 2019 to 2023. After investment income is taken into account, the 16 general insurers made a combined net operating profit of €478m in 2023.

Private Motor 2019-2023

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2019	958	594	118
2020	979	521	201
2021	1,037	556	204
2022	993	562	160
2023	1,002	641	81

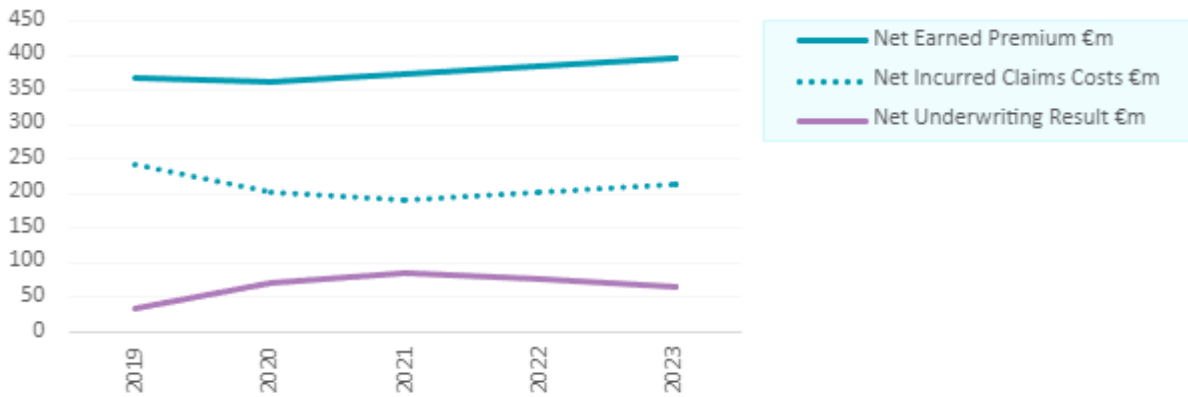
Private Motor 2019-2023



The private motor market was profitable in 2023, showing a net underwriting profit of €81m. The cumulative net underwriting result for the period 2019-2023 was a profit of €764m.

Commercial Motor 2019-2023

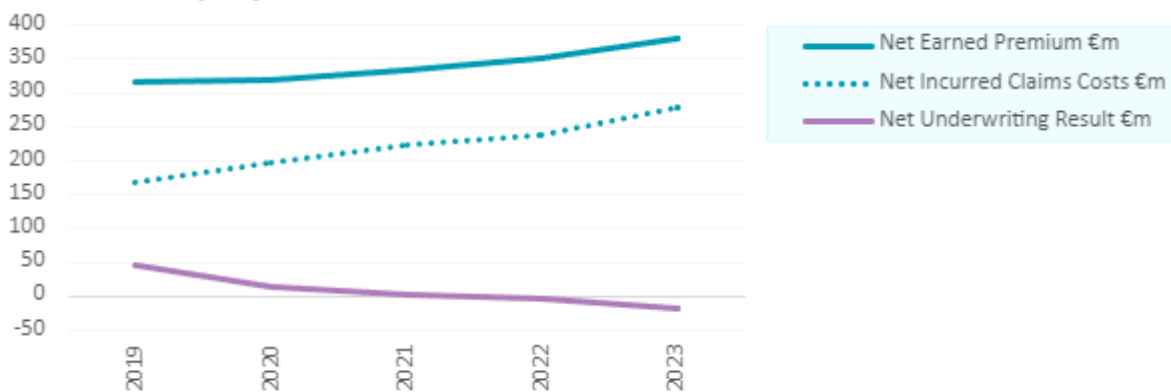
	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2019	367	243	35
2020	363	201	72
2021	374	192	86
2022	385	201	78
2023	395	215	65

Commercial Motor 2019-2023

Commercial motor made a net underwriting profit of €65m in 2023 and a cumulative net underwriting profit of €336m over the five years 2019-2023.

Household Property 2019 – 2023

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2019	317	169	46
2020	319	198	13
2021	335	222	1
2022	351	237	-4
2023	379	277	-19

Household Property 2019-2023

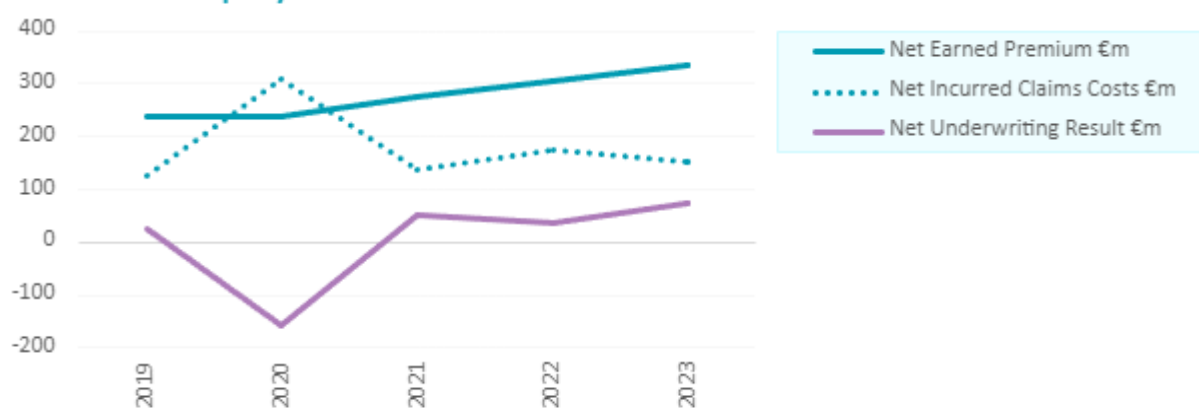
The net underwriting result in household property was positive from 2019 to 2021 but the underwriting profit fell to €1m in 2021. Following this, there was an underwriting loss in both 2022 and 2023 of €4m and €19m respectively.

Commercial property (shown below) has experienced an increase in net underwriting profit, totaling €72m in 2023. The significant underwriting losses in 2020 were primarily driven by COVID-19-related business interruption claims.

Commercial Property 2019-2023

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2019	237	127	27
2020	239	310	-158
2021	275	139	50
2022	307	174	36
2023	336	152	72

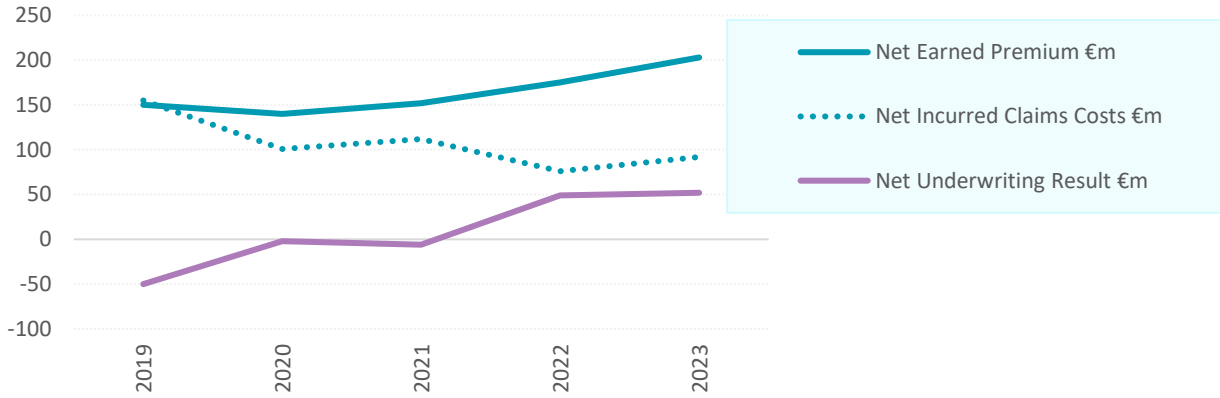
Commercial Property 2019-2023



Employer's Liability 2019-2023

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2019	150	155	-50
2020	140	101	-2
2021	152	112	-6
2022	175	76	49
2023	203	92	52

Employer's Liability 2019-2023

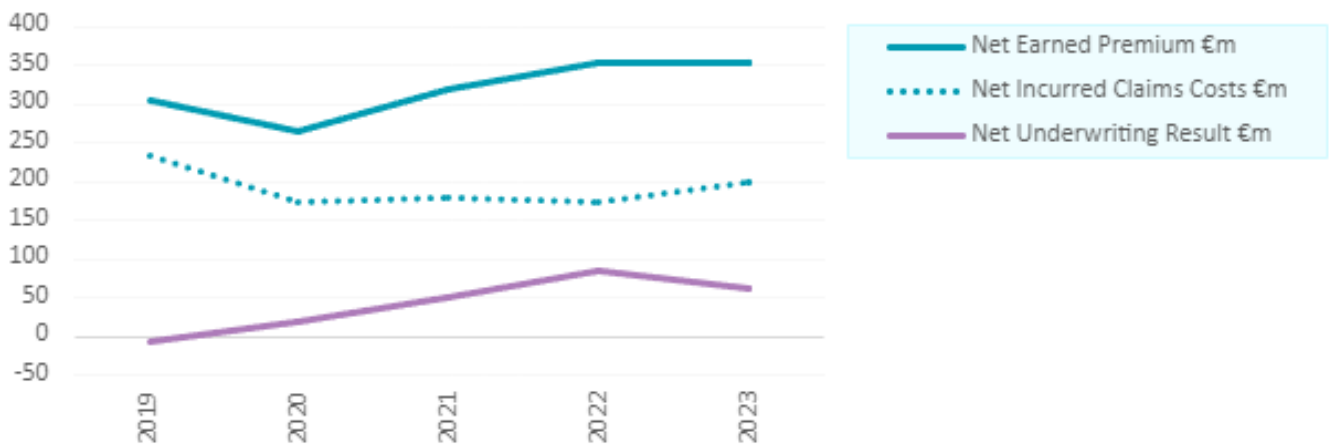


There was a cumulative net underwriting loss in employer's liability over the years 2019 to 2021, totalling €58m. A reduction in incurred claims, moved employer's liability back to profit, with a net underwriting profit of €52 in 2023.

Public Liability 2019-2023

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2019	306	235	-6
2020	266	173	20
2021	318	180	52
2022	353	174	84
2023	353	199	62

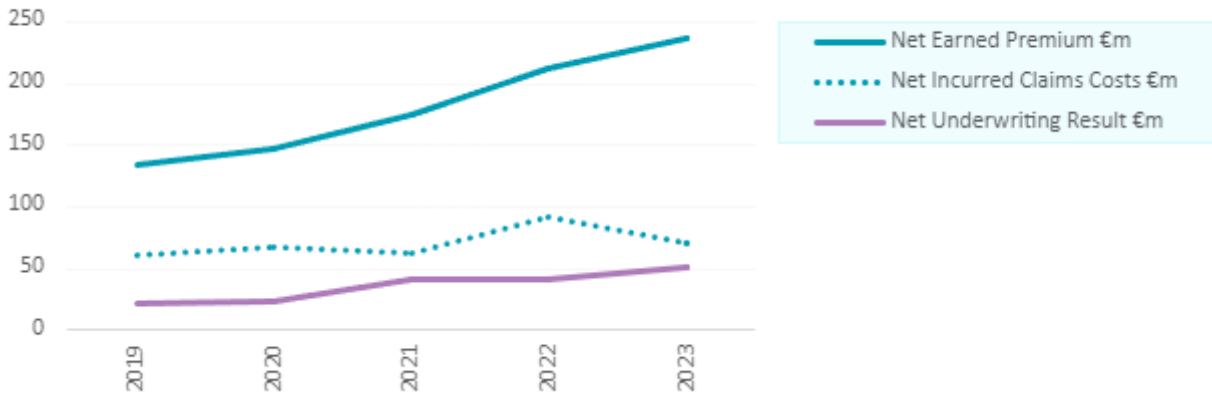
Public Liability 2019-2023



The net underwriting profit over the 5 year period from 2019 to 2023 amounts to €212m. The net underwriting profit for 2023 was €62m.

Other Classes 2019 – 2023

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2019	134	60	22
2020	147	67	23
2021	175	63	42
2022	213	91	41
2023	236	70	51

Other Classes 2019-2023

Other classes of insurance include personal accident, travel, and financial loss insurances. These classes have been profitable over the past five years with 2023 generating a net underwriting profit of €51m.

Insurance Ireland General Members' Gross Written Premium 2023* (€000s)

Companies	Motor	Property	Liability	PA/Travel	Other Classes	Total
AIG	93,734	38,785	99,564	21,653	6,377	260,113
Allianz	250,897	212,705	176,270	5,930	21,820	667,622
Amtrust	0	2,993	126	0	4,392	7,511
Aviva	204,765	155,146	119,795	3,922	37,693	521,321
AXA	592,656	197,735	25,231	2,950	0	818,572
Chubb	11,363	43,654	65,006	44,497	71,757	236,277
DeCare	0	0	0	12,505	0	12,505
Ecclesiastical	0	15,816	12,978	202	1,605	30,601
FBD	192,704	136,020	79,123	5,745	0	413,592
Hiscox	0	10,120	13,406	35	33,363	56,924
Irish Public Bodies	9,295	41,091	110,650	2,113	8,588	171,737
Liberty Insurance	168,922	25,943	-17	0	-1	194,847
MAPFRE	1,714	239	0	26,123	11,907	39,983
RSA	135,236	123,563	55,531	2,340	3,952	320,622
Travelers	8,199	26,234	35,201	0	8,468	78,102
Zurich	164,901	166,244	86,279	629	8,138	426,191
Total	1,834,386	1,196,288	879,143	128,644	218,059	4,256,520

* excludes health insurance

International Market

2019-2023

2023 Key International Life Statistics (in €m)

	Annual Premium €m (1)	Single Premium €m (2)	A.P.E. €m (1) + 10% of (2)
EU	1,236.6	9,046.1	2,141.2
Non EU	476.9	2,727.0	749.6
Total	1,713.5	11,773.1	2,890.8

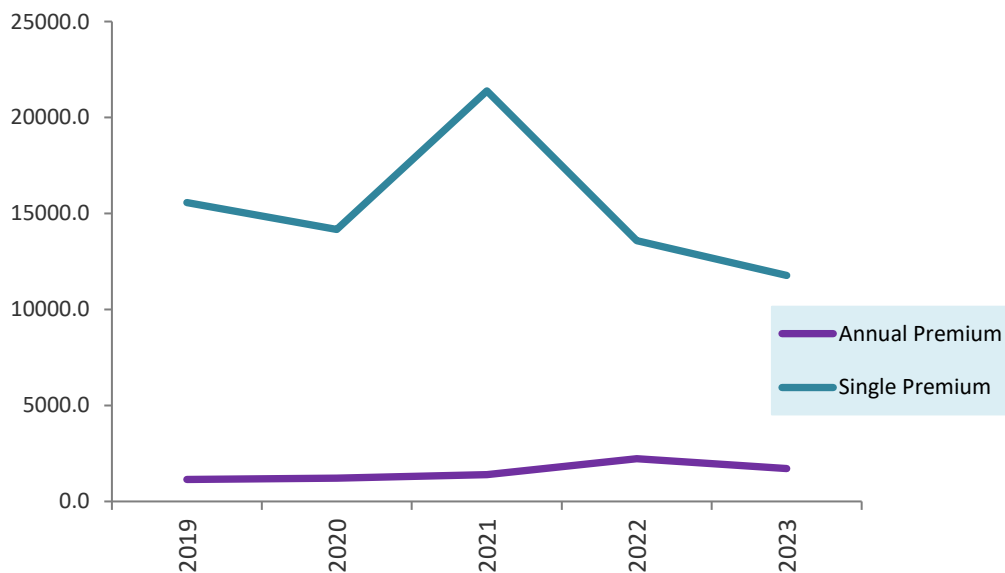
Insurance Ireland's 12 International life insurance members wrote gross annual premiums of €1,713.5m and single premium of €11,773.1m. 76% of the premiums were written in EU countries (predominantly Italy), with the remaining 24% of premiums written in non-EU countries.

In total, €13,486.5m premiums were written by our members in 2023 which is significantly lower than the 2022 figure of €15,821m. This represents a 15% decrease in gross written premiums in 2023.

Most of the international premium income is on new single premium business. Single premium sales are generally considered as new business (ignoring any impact of premium top-ups etc.). Therefore, the data provided by members indicates new business single premium sales decreased by 13% from €13,595m in 2022 to €11,393m in 2023.

Annual premium income on new business for 2023 was €502.6m. This is a 54% decrease on the figure for 2022 of €1,088.7m.

Market Trends 2019-2023



Over the five-year period from 2019-2023, single premium business has decreased from €15,153m in 2018 to €11,773m in 2023. Annual premium income increased from €433m to €1,713.5m over the same period.

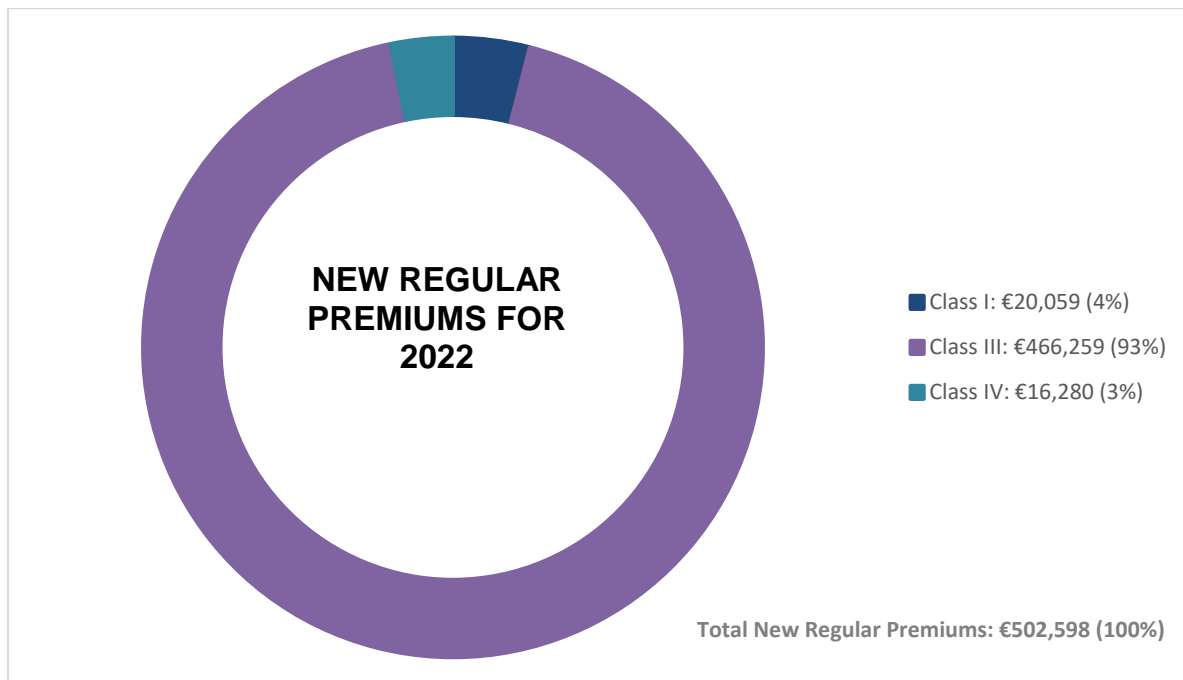
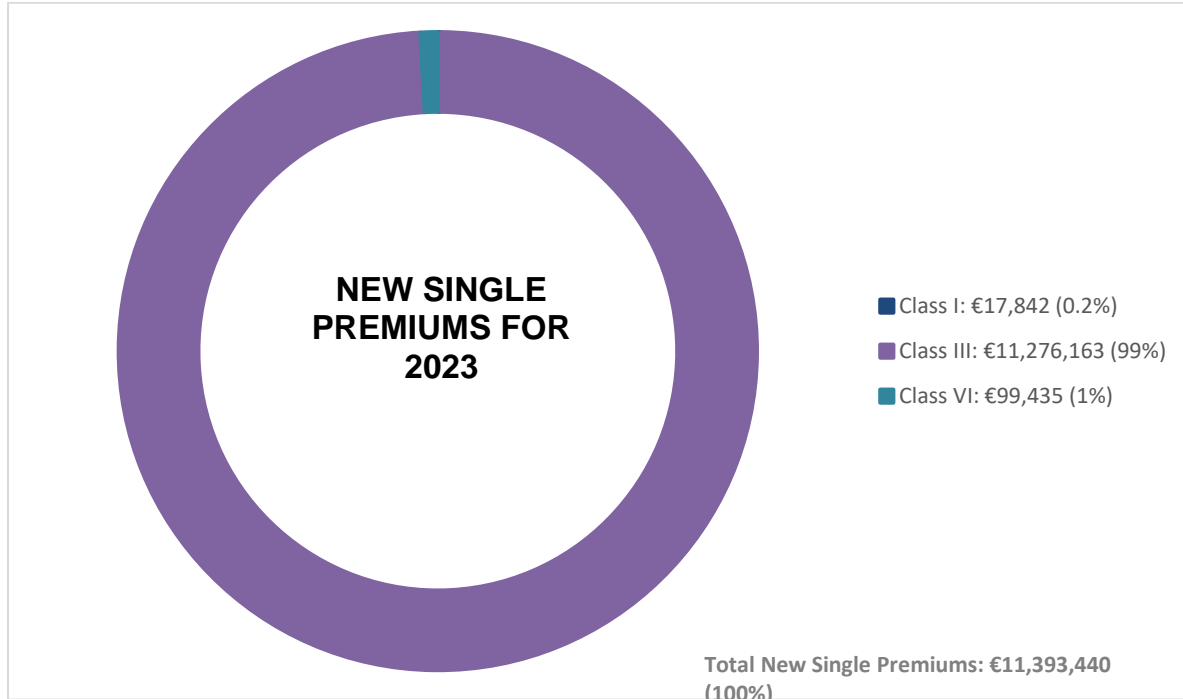
International Life Companies - Country of Business Analysis of Premiums for Year Ending 31/12/2023 (in €'000)

Country of Business*	Single Premiums	Regular Premiums
Austria	310	0
Belgium	20	0
Bulgaria	16,006	12,174
Cyprus	25,461	37,431
Czech Rep	26,659	41,250
Denmark	0	18
Estonia	0	0
Finland	83,138	7,188
France	101,928	206,080
Germany	80,509	86,354
Greece	5,659	28
Hungary	87,897	23,074
Ireland	635,239	4,093
Italy	5,905,557	475,688
Latvia	0	0
Lithuania	96	159
Luxembourg	11,451	6
Malta	58,028	0
Netherlands	0	0
Poland	2,260	10,828
Portugal	415,274	93,752
Romania	54,548	58,251
Slovakia	28,599	85,645
Slovenia	0	0
Spain	367,804	91,651
Sweden	1,139,632	2,903
United Kingdom	793,236	436,398
Total EU	9,046,074	1,236,573
Rest of Europe (non-EU)**	2,236,455	476,885
Rest of World	490,532	-
TOTAL	11,773,061	1,713,458

* Note: Country of Business should be taken as country of residence of policyholder.

* Note: Premiums from the United Kingdom account for most of the Rest of Europe premium.

EU countries made up 70%-75% of both total single premium and total regular premium.

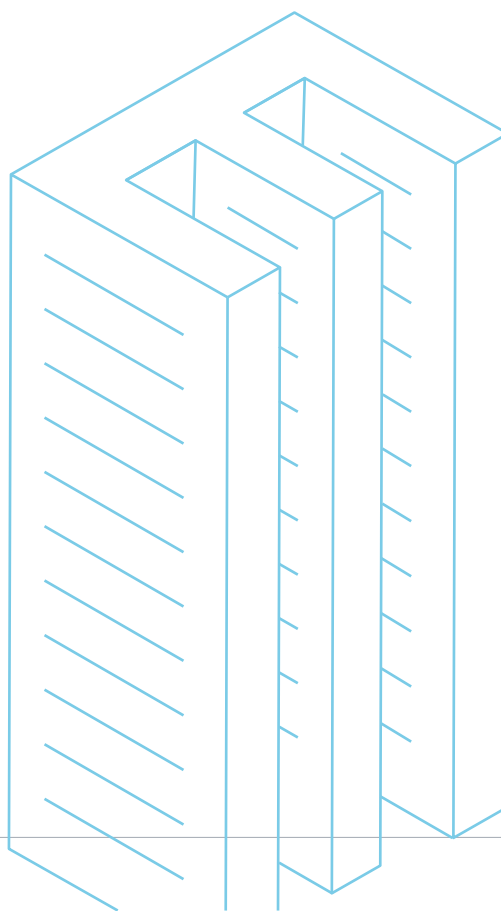


* The Classes of Insurance are as defined in the Blue Book, i.e.:

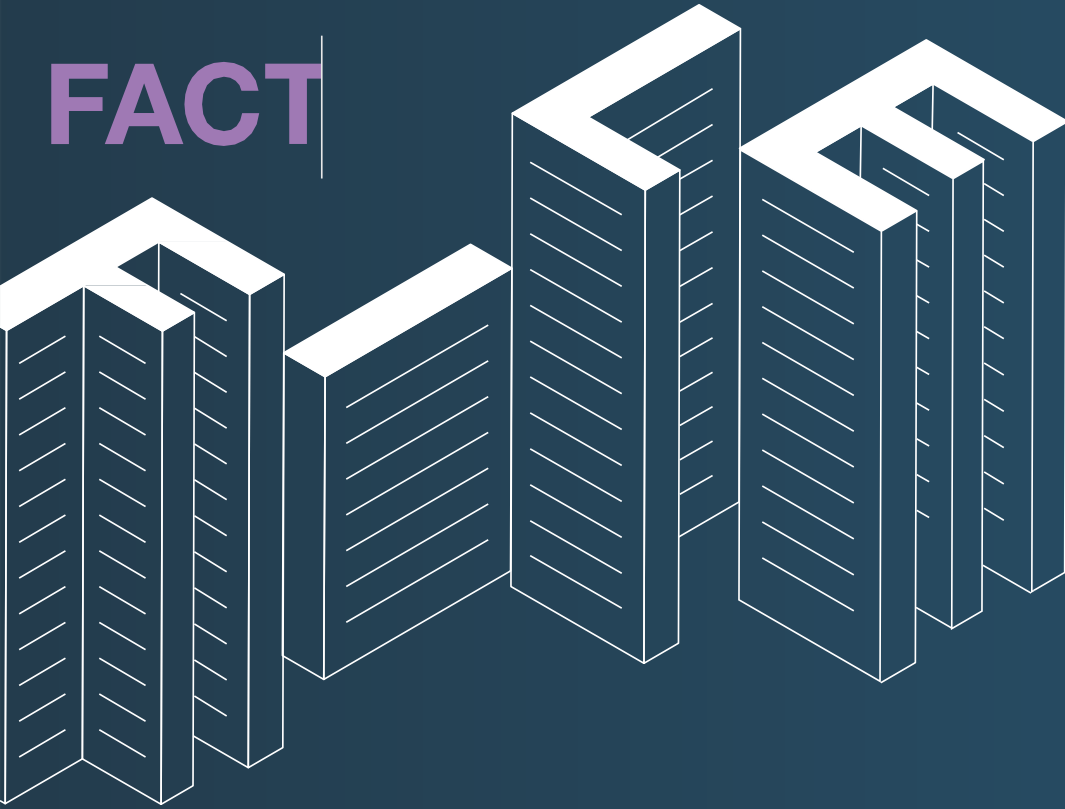
- Class I: Life Assurance and contracts to pay annuities on human life but excluding contracts within Classes II and III.
- Class II: Contracts of Insurance to provide a sum on marriage or birth of a child
- Class III: Contracts linked to investment funds
- Class IV: Permanent Health Insurance contracts
- Class V: Capital redemption operations

Insurance Ireland International Life Members' New Business Figures 2023

Companies	Annual Premiums € 000's	Single Premiums € 000's	Total € 000's
Allianz Global Life	6,712	247,850	254,562
AXA MPS Financial Ltd	51,135	707,544	758,679
Canada Life Assurance Europe	81,816	80,176	161,992
Darta Savings	30,597	3,246,968	3,277,565
FIL Life Insurance (Ireland)	0	374	374
Intesa Sanpaolo (EurizonLife)	264,426	1,089,132	1,353,559
Octium Life	0	606,734	606,734
Prudential Europen	13,011	992,724	1,005,735
SEB Life International	7,109	1,086,480	1,093,589
St. James Palace.	36,744	913,489	950,233
Generali (Utmost)	6,510	1,786,729	1,793,239
Lawrencelife (Vera Financial)	0	635,239	635,239
Zurich Life International Assurance	4,538	0	4,538
Total	502,598	11,393,440	11,896,038



FACT



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