

# FACT



**THE INSURANCE IRELAND  
FACTFILE 2019**

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# About Us



INSURANCE IRELAND  
THE VOICE OF INSURANCE

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 135 companies providing insurance domestically and internationally from Ireland. Approximately 28,000 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 €14 billion in claims and benefits to Irish customers annually and contribute over €1.6 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 IFS2020

# About Factfile

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Factfile 2019 is part of a series published by Insurance Ireland annually, providing the key facts and figures on the industry in Ireland. This is the twenty-seventh 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 is collected from members of Insurance Ireland unless otherwise indicated.

**27** YEARS  
IN PRODUCTION



# Executive Summary

## The Irish Insurance Market - A Comparative Overview

- Gross insurance premium income for domestic life and general insurance combined was €15,364.9m in 2019 compared to €15,410.3m in 2018 – a decrease of 0.3%. Premium income as a percentage of GDP was 4.5%. Premiums per capita decreased to €3,201 in 2019 from €3,210 in 2018.
- The capital values of assets in many investment areas increased in 2019. Assets comprising life policyholders' funds and general insurance technical reserves was €138.5bn 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 over 17,000 people in Ireland. In addition, significant numbers are employed in the wider insurance industry e.g. broking, loss adjusting and assessing, and in outsourced service providers.
- International life members wrote €16,708.5m of gross insurance premium internationally while our International general insurance members gross premium income was €8813m. Insurance Ireland re/captive members wrote a premium income of €10,867.1m. Insurance Ireland health members wrote gross premium income of €2,564m in Ireland in 2019.

## Life Assurance and Pensions Market

- Our life assurance members' aggregate domestic premium income was €11,650m for 2019, which is a decrease of 2% on the previous year (€11,841).
- New annual premium (AP) business was €862m, up 9% from €790m in 2018.
- New single premium business was €7659m, down 7% from €8,234m in 2018.
- New business annual premium equivalent (AP sales + 10% of SP sales) increased 1% to €1,628m compared with €1,613m in 2018.
- €9,690.8m was paid out by life assurance companies in benefits and claims in 2019. These payments and benefits cover a wide range of areas.

- The total value of life assurance protection in force at the end of 2019 was estimated at €490.8bn, compared to €379.9bn at the end of 2018, which is a jump of 29.2%.
- The aggregate value of policyholders' funds managed by life members increased by 17% to €131,153m in 2019. The value of equity investments, which represented 60% of total policyholders' funds at the end of 2019, increased by 26% from €66,778m in 2018 to €79,034m in 2019.
- The value of life insurance funds invested in gilts increased by 18% to €32,311m. Gilts now represent 24.6% of life assurance investments, compared to 24.4% in 2018.
- Cash holdings decreased from 10.4% in 2018 to 7.7% in 2019, with a value of €10,049m.
- Property assets increased from €5,355m in 2018 to €5,043m in 2019. This represents 3.8% of total life assurance investments

## General Insurance Market

- Our 17 domestic general insurance members wrote gross premium of €3,715m in 2019 (up 4.1% on 2018). Gross incurred claims costs were €2,209m in 2019 (up 10% on 2018).
- Motor insurance remains the largest class of general insurance with gross written premium of €1,873.1m (50.4% of all general insurance business). Property is the second largest class of general insurance business (24.4%). Liability insurance accounts for 18.9% of business and is the third largest class.
- Net written premium (i.e. total premium after reinsurance costs have been deducted) was €2,490.3m (down 0.1% on 2018). Net earned premium was €2,469.1m in 2019 (down 0.7% on 2018).
- The number of new claims notified to Insurance Ireland members was 331,039. 59% of new claims were motor claims while 14.8% were made on property insurance policies (household and commercial property).

- Net incurred claims costs amounted to €1,583m (down 2.8% on 2018) leading to a net underwriting profit in 2019 of €191.6m compared with a net underwriting profit of €180.4m in 2018. After investment income is added, the market made a net operating profit of €311.7m in 2019 compared with a net operating profit of €271.4m in 2018.

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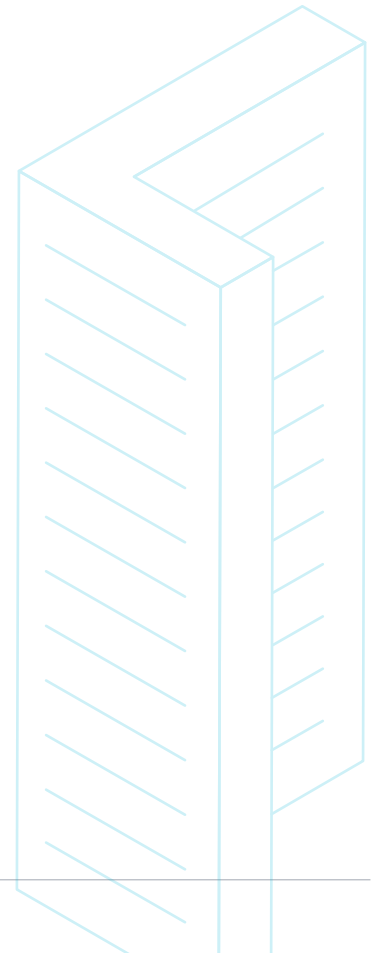
### International Life Assurance Market

- Most of the international premium income is new single premium income. In 2019, the figure for Insurance Ireland's international life members was €15,564m which is an increase of 3% on last year's figure of €15,153m. Annual premium income for 2019 was €1,144.5m. This is a 164% increase on the figure for 2018 of €433.4m.
- Over the five-year period from 2015-2019, single premium business reduced from €20,583m in 2015 to €15,564m in 2019. Annual premium income increased from €296.4m to €1,144.5m over the same period.
- The top two countries for single premium business were Italy and the United Kingdom.
- 90% of international single premium income is represented by unit linked single premium business (Class III).

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### Health Insurance Market

- Our three health insurance members write approximately 100% of health insurance in the domestic market. Combined, they wrote a gross premium income of €2,564m in 2019. Gross Incurred Claims in 2019 amounted to €2,247m. At the end 2019 the number of people with private health insurance inpatient cover was 2,275,952 – approximately 46% of the population.



# The Irish Insurance Market

This chapter provides an overview of trends in the Irish insurance market, both from a recent historical perspective (2015-2019) and in an international context. In addition, data is provided which sets the insurance sector in the context of the wider economy in terms of Gross Domestic Product

(GDP), premiums per head of population and employment. The insurance data presented in this chapter is provided by our domestic insurance members and does not represent international or health insurance members.

## THE INSURANCE MARKET IN THE ECONOMY

### 2019 Premium Income - Life and General

Year	Life	General	Total
<b>Gross Premium Income (€m)</b>	11,650.2	3,714.7	15,364.9
<b>Premium Income: GDP (%)</b>	3.38	1.08	4.45
<b>Premiums per capita (€)</b>	2,427	774	3,201
<b>Investments* (€m)</b>	131,153	7,358	138,511

\* Policyholders' funds (life assurance) and Technical Reserves (General) at 31st December 2019

Gross insurance premium income for life and general insurance combined was €15,364.9m, compared to €15,410.3m in 2018 a decrease of 0.3%. Premium income as a percentage of GDP was 4.5%. Premiums per capita decreased to €3,201 in 2019 from €3,210 in 2018. The

capital values of assets in many investment areas increased in 2019. Assets comprising life policyholders' funds and general insurance technical reserves was €138.5bn at the end of the year.

### Insurance Ireland's Members' Gross Premium Income 2015-2019

Year	Life €m	General €m	Total €m
2015	10,577.1	2,862.0	13,439.1
2016	9,655.5	3,252.7	12,908.2
2017	11,553.0	3,511.4	15,064.4
2018	11,840.5	3,569.8	15,410.3
2019	11,650.2	3,714.7	15,364.9

Life gross premium income increased from €10,577m in 2015 to €11,650m in 2019. General insurance gross written premium increased from €2,862m in 2015 to €3,715m in 2019.

### Gross Premium Income and Domestic Product 2015-2019

Year	Gross Insurance Premium Income €m	GDP * €m	Premium Income:GDP %
2015	13,439.1	262,037	5.1%
2016	12,908.2	275,567	4.7%
2017	15,064.4	294,110	5.1%
2018	15,410.3	324,038	4.8%
2019	15,364.9	345,184	4.5%

Market combined life and general insurance premium income increased during 2015 to 2018 before dropping slightly in 2019. Premium income as a percentage of GDP was 4.5% in 2019.

### Life & General Premiums as a Percentage of GDP for Ireland 2015-2019

Year	Life Premium as % of GDP	General Premium as % of GDP	Total w/out Intl %
2015	4.0	1.1	5.1
2016	3.5	1.2	4.7
2017	3.9	1.2	5.1
2018	3.7	1.1	4.8
2019	3.4	1.1	4.5

Life premiums as a percentage of GDP were 3.4% in 2019, down from 4% in 2015. General premiums as a percentage of GDP were 1.1% in 2019, which is the same level they were at in 2015.

### Year-End Value of Investments

	2015 €bn	2016 €bn	2017 €bn	2018 €bn	2019 €bn	% Change p.a.
Life	98.712	107.280	114.811	112.346	131.153	7.4
General	5.911	7.262	6.763	6.832	7.358	5.6
<b>Total</b>	<b>104.623</b>	<b>114.542</b>	<b>121.574</b>	<b>119.178</b>	<b>138.511</b>	<b>7.3</b>

The value of life policyholders' funds increased from €98.7bn in 2015 to €131.2bn in 2019, an average growth rate of 7.4% over the period. General insurance technical reserves increased from €5.9bn in 2015 to €7.4bn in 2019,

with an average percentage change of 5.6% over the years. The total value of life and general insurance assets was €138.5bn in 2019.

### Life Assurance Benefits and Claims Paid 2015-2019

Year	Amount €m
2015	8,969
2016	8,745
2017	9,428
2018	9,676
2019	9,691

€9,691m was paid out by life assurance companies in benefits and claims in 2019. These payments and benefits cover a wide range of areas, 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 2015-2019

Year	Gross Earned Premium €m	Gross Incurred Claims €m
2015	2,758	2,101
2016	3,055	2,090
2017	3,440	2,069
2018	3,552	2,010
2019	3,663	2,209

Gross earned premium for general insurance increased from 2015 to 2019 to stand at €3,663m.

Gross incurred claims followed a similar upward trend from 2015 onwards and reached €2,209m in 2019.

### Employment in Insurance Companies in Ireland

Employment in Insurance Companies in Ireland as at 31st December 2019	
Life	7,987
General	9,293
<b>Total</b>	<b>17,280</b>

The insurance sector is a major employer in the Irish economy. Insurance Ireland life and general insurance member companies employed 17,280 people in Ireland. In addition, significant numbers are employed in the wider insurance industry e.g. broking, loss adjusting and assessing, and in outsourced service providers.

The 2019 Irish insurance market is set in both a European and a global context in this table. As with Ireland's GDP (0.45%), its global share of total gross insurance premiums (1.17%) is high relative to the country's population (0.06%). This reflects the developed market in Ireland for insurance and the relatively high levels of coverage in major classes of business (motor, property, liability, pensions and mortgage protection) compared to other countries, particularly in less economically developed areas.

### The Irish Insurance Market in the World 2019

	Global Share %					Total Gross Premiums as % of GDP	Total Gross Premiums Per Capita USD
	Population	GDP	Life Gross Premiums	General Gross Premiums	Total Gross Premiums		
Ireland	0.06	0.45	2.27	0.21	1.17	7.51	5,920
EU	5.83	17.80	22.75	15.06	18.62	6.81	2,374
OECD	17.72	61.16	73.41	84.24	79.22	9.01	3,680
EMEA	35.41	33.17	35.87	22.24	28.55	5.67	589
America*	13.12	32.73	25.92	59.07	43.71	9.66	2,723
Asia-Pacific	54.30	35.08	38.21	18.70	27.74	5.71	417
Africa	17.07	2.01	1.58	0.65	1.08	2.78	52
<b>Total World</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>7.23</b>	<b>818</b>

Figures are rounded USD

Sources: Swiss Re Sigma No 4/2020; CSO; WorldBank, and Insurance Ireland

\*Includes Latin America and Caribbean

The premium spend per capita for 2019 in Ireland is compared to some other advanced industrialised countries in this table. The figure for Ireland of US\$5,920 is higher than some European countries such as Italy and Germany but is also lower than others, such as Switzerland and Denmark. A factor which needs to be noted, particularly when making comparisons with other European states, is that countries such as Germany have higher taxation rates and more developed social insurance systems.

#### Insurance Density: Premiums Per Capita 2019

Country	Premium Per Capita 2019 (USD)
<b>Cayman Islands</b>	12,764
<b>Hong Kong</b>	9,706
<b>United States</b>	7,495
<b>Switzerland</b>	6,835
<b>Denmark</b>	6,384
<b>Ireland</b>	5,920
<b>Luxembourg</b>	5,165
<b>Taiwan</b>	4,993
<b>Finland</b>	4,948
<b>Singapore</b>	4,872
<b>Netherlands</b>	4,822
<b>United Kingdom</b>	4,362
<b>Sweden</b>	3,729
<b>France</b>	3,719
<b>Japan</b>	3,621
<b>Norway</b>	3,586
<b>Canada</b>	3,548
<b>South Korea</b>	3,366
<b>Germany</b>	2,934
<b>Italy</b>	2,764
<b>Belgium</b>	2,750
<b>Australia</b>	2,702
<b>Austria</b>	2,219
<b>New Zealand</b>	2,144

Source: Swiss Re Sigma No 4/2020



# Life Assurance and Pensions Market

2015–2019

## 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).

## 2019 Key Life and Pensions Statistics

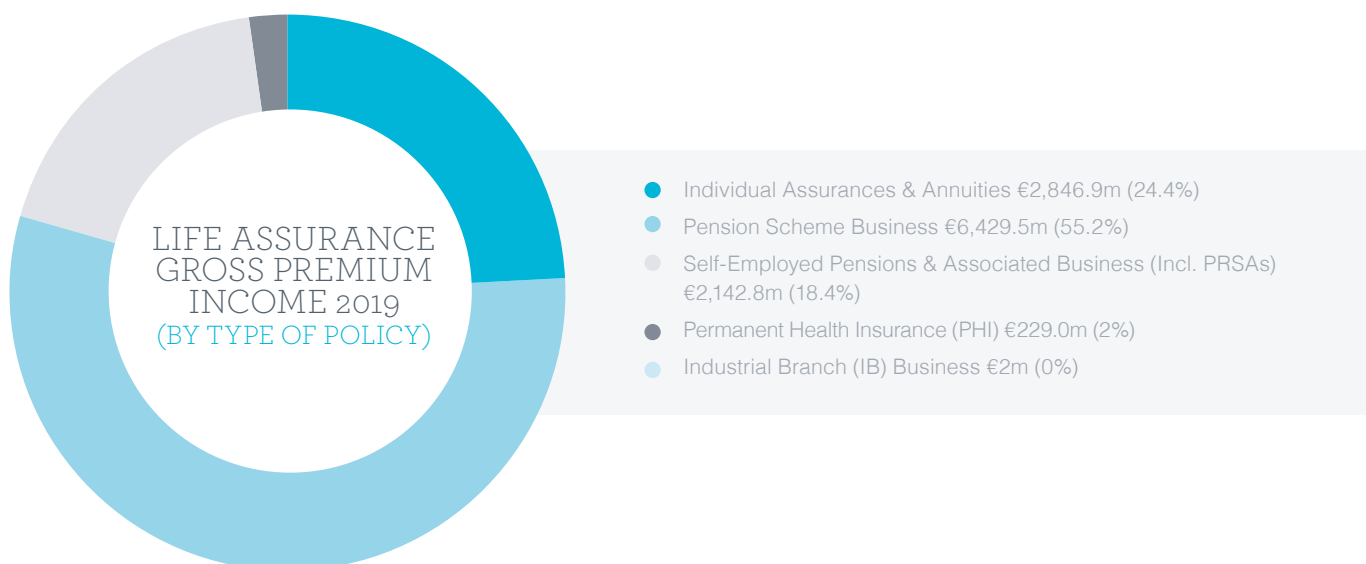
	New Business (€m)			Total Annual Premium €m (3)	All Business €m (2) +(3)
	Annual Premium (1)	Single Premium (2)	A.P.E. (1)+10% of (2)		
Individual Assurances and Annuities	139.3	1,459.5	285.3	1,387.4	2,846.9
Pension Scheme Business	573.0	4,517.7	1,024.8	1,911.8	6,429.5
Self-employed Pensions (Incl. PRSAs)	119.7	1,681.8	287.9	461.0	2,142.8
Permanent Health Insurance	29.8	0.0	29.8	229.0	229.0
Industrial Branch Business	0.0	0.0	0.0	2.0	2.0
<b>Total</b>	<b>861.8</b>	<b>7,659.0</b>	<b>1,627.7</b>	<b>3,991.2</b>	<b>11,650.2</b>

Our life assurance members' aggregate domestic premium income was €11,650m for 2019, which is a decrease of 2% on the previous year (€11,841m).

New annual premium (AP) business was €861.8m, up 9% from €790.1 in 2018.

New single premium (SP) decreased 7% to €7,659 in 2019 from €8,234m in 2018.

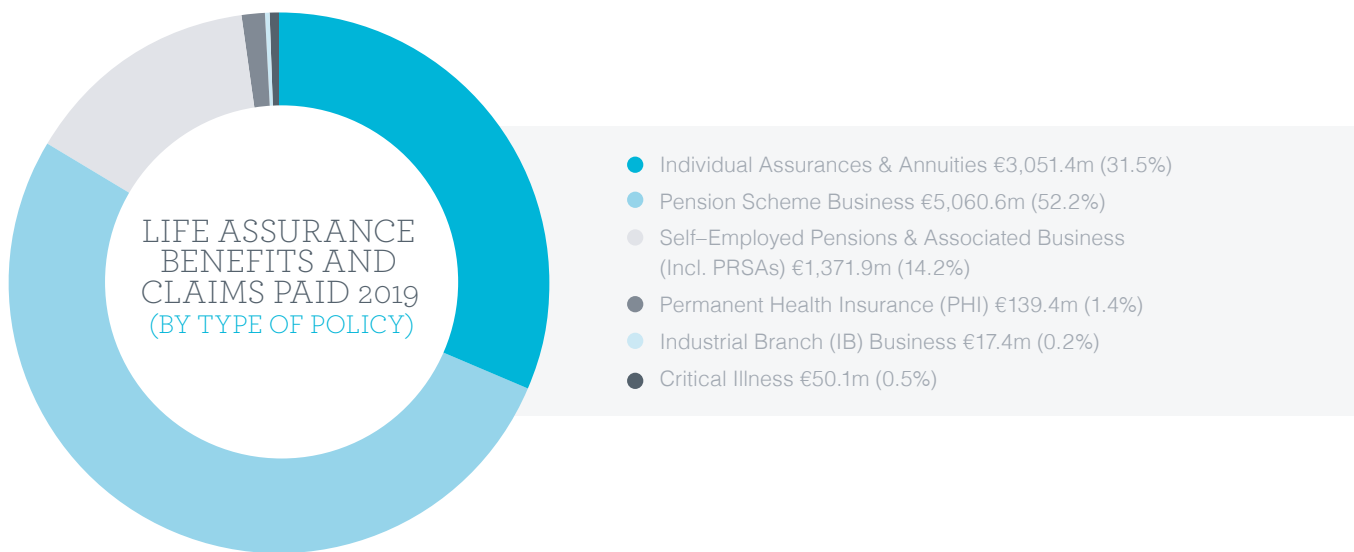
New business annual premium equivalent (AP sales + 10% of SP sales) increased 1% to €1,627.7m compared with €1614m in 2018.



Pension scheme business (55.2%) and individual assurances and annuities (24.4%) continue to be the two main segments of life assurance gross premium income.

The self-employed pensions & associated business (including PRSAs) segment decreased from 20.6% in 2018 to 18.4% in 2019.

Premium income from Permanent Health Insurance (PHI) as a percentage of life assurance gross premium income rose slightly from 1.9% to 2%. Industrial branch business remained static close to 0%.



€9,690.8m in benefits and claims was paid by domestic life assurance companies during 2019, an increase of 0.1% on 2018. 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/ annuity contracts (31.5%, up from 29.5% in 2018) and pension schemes (52.2%, up from 51.9% in 2018), followed by self-employed pensions and associated business (14.2%, down from 15.9% in 2018).

Claims under individual assurance/annuity contracts were up 7% to €3,051.4m in 2019.

Claims under self-employed pensions and associated business decreased by 11% from €1,539.2m in 2018 to €1,371.9m in 2019. Pension scheme business increased by 1% to €5,060.6m from €5,020.4m in 2018. There was a 55% decrease in critical illness pay-outs (to €50.1m) following a 66% increase in 2018.

The total value of life assurance protection in force at the end of 2019 was estimated at €490.8bn, compared to €379.9bn at the end of 2018, which is an increase of 29%.

Benefits and Claims By Type (€m)	
Surrenders and Maturities	7,694.8
Death / Critical Illness Claims	1,088.5
Annuities	907.5
<b>Total</b>	<b>9,690.8</b>

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

- The largest category is benefits paid on policy surrenders and maturities, with €7,694.8m paid in 2019 (a decrease of 5% on 2018). This category represents 79% of total payments made in 2019;
- Death and critical illness claims under protection contracts amounted to €1,088.5m, an increase of 25% on 2018.
- Annuity payments totaled €907.5m, an increase of 33% on 2018.

## Sources of Life Assurance Business 2019

		Brokers %			Agents %			Tied Agents %			Employee & Company Representatives %			Direct %		
		2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Annual Premium	Life	9	7	8	0	0	0	13	11	11	3	3	2	0	0	0
	Pensions	40	38	38	1	1	0	10	11	12	13	13	15	12	16	12
	<b>Total</b>	<b>49</b>	<b>45</b>	<b>46</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>12</b>	<b>16</b>	<b>12</b>
Single Premium	Life	4	4	2	0	0	0	3	3	2	2	2	2	42	42	58
	Pensions	26	29	21	0	0	0	2	2	1	2	2	2	19	16	12
	<b>Total</b>	<b>30</b>	<b>33</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>61</b>	<b>58</b>	<b>70</b>

The chart provides a breakdown of the proportion of new business written through the various sales channels. In 2019, brokers' new business market share increased by one percentage point to 46% for annual premium (AP) business, and decreased by ten percentage points for single premium (SP) business to 23%.

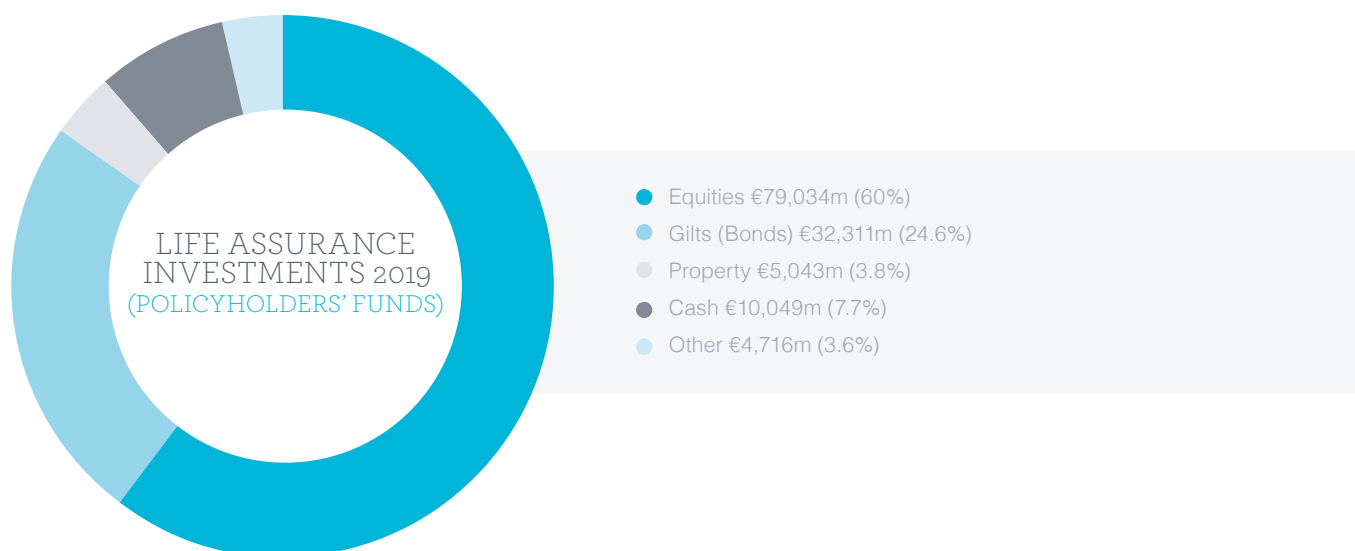
Brokers' AP pensions business remained static at 38% in 2019. SP pensions business decreased to 21% in 2019. AP for life business increased to 8% and SP life business decreased to 2%.

Life office employees and company representatives (direct sales force) saw their share of AP increase from 16% in 2018 to 17% in 2019. Their share of SP business also remained static at 4% in 2019.

Direct sales under AP business, other than through employed salespeople (e.g. telephone, internet and direct response sales), decreased to 12% in 2019, while their SP rose to 70%, an increase of 12 percentage points from 2018.

Independent agents' AP business fell to 0% from 1% in 2018, while their SP business remained at 0%.

The percentage of AP business written through tied agents increased from 22% in 2018 to 23% in 2019 while SP business written via tied agents fell to 3% in the same period from 5% in 2018.



The aggregate value of policyholders' funds managed by Insurance Ireland's life members increased by 17% to €131,153m in 2019. The value of equity payments, which represented 60% of total policyholders' funds at the end of 2019, increased by 26% from €62,778m in 2018 to €79,034m in 2019.

The value of life insurance funds invested in gilts increased by 18% to €32,311m. Gilts now represent 24.6% of life assurance investments, compared to 24.4% in 2018.

Cash holdings decreased from 10.4% in 2018 to 7.7% in 2019, with a value of €10,049m.

Property assets decreased from €5,355m in 2018 to €5,043m in 2019. This represents 3.8% of total life assurance investments.

## Investments (Policyholders' funds) By Type & Location 2019

	Irish €m	Foreign €m	Total €m
<b>Equities<sup>1</sup></b>	16,725	62,309	79,034
<b>Gilts<sup>2</sup></b>	2,299	30,012	32,311
<b>Property<sup>3</sup></b>	4,348	695	5,043
<b>Cash</b>	1,317	8,732	10,049
<b>Other</b>	2,986	1,730	4,716
<b>Total</b>	<b>27,675</b>	<b>103,478</b>	<b>131,153</b>

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% of investments were in Ireland in 2019 with a total value of €27,675m compared to €22,084m in 2018. Foreign investments in 2019 were €103,478m representing 79% of total investments.

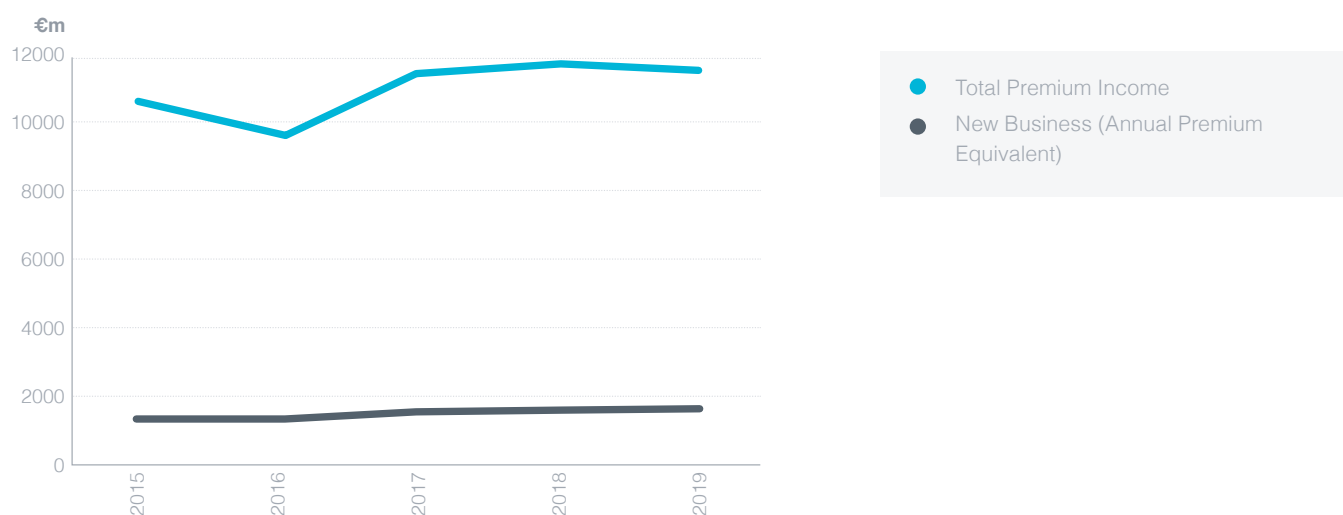
60% of domestic investments are in equities, while 16% are in property holdings and 5% were in cash. Gilts were 8% of Irish investments in 2019.

60% of the foreign holdings are equities. The second largest foreign asset class is gilts at 29%. The proportion of foreign holdings invested in property in 2019 was 1%, while the percentage invested in cash was 8%.

## Market Trends 2015 – 2019

	2015 €m	2016 €m	2017 €m	2018 €m	2019 €m	Annual Change 2015-2019 %
<b>Premium Income (Annual Premium Business)</b>	3,021	3,121	3,319	3,607	3,991	7.2
<b>Premium Income (All Business)</b>	10,577	9,656	11,553	11,841	11,650	2.4
<b>New Business</b>						
Annual Premiums	543	615	694	790	862	12.2
Single Premiums	7,556	6,535	8,234	8,234	7,659	0.3
Annual Premium Equivalent (APE)	1,299	1,268	1,517	1,613	1,628	5.8
<b>Benefits &amp; Claims</b>	8,969	8,745	9,428	9,676	9,691	2.0

## Life Assurance Premium Income 2015 – 2019



Aggregate premium income amounted to €11,650m in 2019, resulting in an increase of 2.4% p.a. over the five-year period from 2015-2019.

New annual premium business increased from €543m in 2015 to €862m in 2019, representing an increase of 12.2% p.a. over this period.

On an annualised basis, new SP business expanded by 0.3% p.a. between 2015 and 2019.

New business on an Annual Premium Equivalent (APE) basis has increased from €1,299m in 2015 to €1,628m in 2019, equivalent to an increase of 5.8% p.a. over five years.

Benefits and claims paid increased from €9,676m in 2018 to €9,691 in 2019. Over the five-year period claims payments increased by 2% p.a.

### Investments (by Type) % of Total Value

Asset Category	2015	2016	2017	2018	2019
Equities <sup>1</sup>	52.0	56.5	58.1	55.9	60.3
Gilts <sup>2</sup>	28.3	25.1	23.5	24.4	24.6
Property <sup>3</sup>	4.5	4.4	4.3	4.8	3.8
Cash	9.5	9.7	9.8	10.4	7.7
Other	5.7	4.3	4.3	4.5	3.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>1</sup> Inc. preference, guaranteed and ordinary stocks and unit trusts

<sup>2</sup> Inc. Government, local & public authority securities

<sup>3</sup> 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 52% in 2015 to 60.3% in 2019.

Gilts decreased over the same period, from 28.3% in 2015 to 24.6% in 2019. Property assets, which stood at 4.5% in 2015, fell over the period to 3.8% in 2019. Cash holdings decreased to 7.7% in 2019, compared to 9.5% in 2015.

### Investment Trends (by Location) 2015-2019

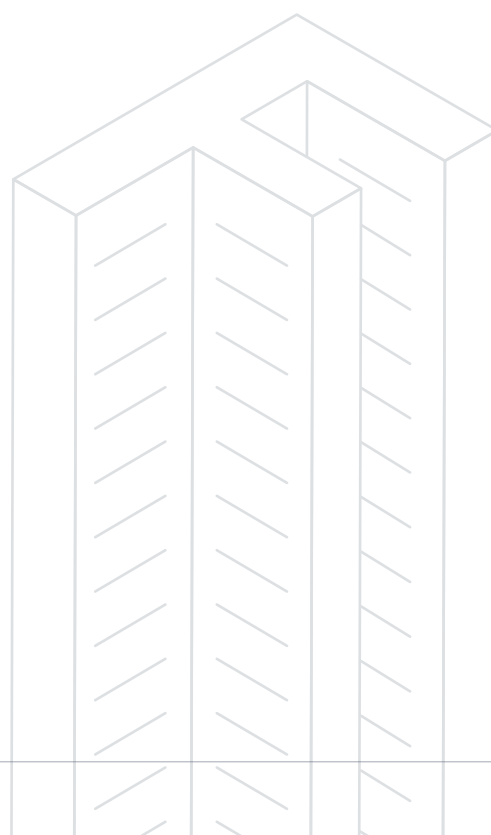
% of total value	2015	2016	2017	2018	2019
In Ireland	23.9	19.4	19.1	19.7	21.1
Outside Ireland	76.1	80.6	80.9	80.3	78.9

Policyholders' funds invested in Ireland decreased from 23.9% in 2015 to 21.1% in 2019. Approximately 79% of assets by value are foreign.



## Insurance Ireland Life Members' Gross Premium Income 2019

Companies	Life Business			Pensions Business		Total €'000
	Annual Premium €'000	Single Premium €'000	Industrial Branch €'000	Annual Premium €'000	Single Premium €'000	
Acorn Life	67,940	41,463	0	8,331	-2,203	<b>115,531</b>
Ark Life	66,641	0	0	26,090	2,441	<b>95,172</b>
Aviva Life & Pensions	263,041	204,884	0	229,224	911,812	<b>1,608,961</b>
Irish Life	549,438	470,609	0	1,142,880	1,552,765	<b>3,715,692</b>
New Ireland	323,225	466,592	0	454,479	863,520	<b>2,107,816</b>
Royal London	77,836	2,836	2,020	2,260	0	<b>84,952</b>
Standard Life	14,233	54,131	0	59,244	505,833	<b>633,441</b>
Zurich Life	254,041	218,997	0	450,280	2,365,370	<b>3,288,688</b>
<b>Total</b>	<b>1,616,395</b>	<b>1,459,512</b>	<b>2,020</b>	<b>2,372,788</b>	<b>6,199,538</b>	<b>11,650,253</b>



# General Insurance Market

## 2015-2019

### 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 2016, 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 for 2016 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

Written premium is the actual premium paid by a policyholder for an insurance policy. Earned premium is the premium allocated to the actual exposure to risk arising during a particular period. For example, if an insurance company issues a 12-month policy for a premium of €500 on 1st January 2017, the written premium for 2017 will be €500, and so will the earned premium. But if the same policy is issued on 1st July 2017, 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 2018 earned premium. This is because half of the premium is in respect of the exposure to loss during the first half of 2018.

#### 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.

## 2019 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	€m				
Private Motor	1,379.8	977.0	957.6	594.2	145,343	118.3	59.1	177.4
Comm Motor	493.3	372.9	366.9	243.1	50,277	35.2	18.3	53.4
All Motor	1,873.1	1,349.9	1,324.5	837.3	195,620	153.5	77.4	230.8
Household	494.4	330.7	317.0	168.8	35,283	45.5	7.5	53.1
Comm Property	413.7	233.1	237.3	126.7	13,814	26.8	5.0	31.8
All Property	908.1	563.8	554.3	295.5	49,097	72.3	12.5	84.9
Employer's Liability	230.6	146.7	149.9	155.1	6,344	-50.4	10.1	-40.3
Public Liability	471.9	289.6	306.1	234.6	15,662	-6.2	18.4	12.2
All Liability	702.5	436.3	456.0	389.7	22,006	-56.6	28.5	-28.1
PA/Travel	103.6	82.8	78.6	37.9	28,008	14.3	1.2	15.5
Other Business	127.4	57.5	55.7	22.6	36,308	8.1	0.6	8.6
<b>Total</b>	<b>3,714.7</b>	<b>2,490.3</b>	<b>2,469.1</b>	<b>1,583.0</b>	<b>331,039</b>	<b>191.6</b>	<b>120.2</b>	<b>311.7</b>

### Overview of General Insurance Results for 2019

Our 17 domestic general insurance members wrote gross premium of €3,715m in 2019 (up 4.1% on 2018). Gross incurred claims costs were €2,209m in 2019 (up 10% on 2018).

Motor insurance remains the largest class of general insurance with gross written premium of €1,873.1m (50.4% of all general insurance business). Property is the second largest class of general insurance business (24.4%). Liability insurance accounts for 18.9% of general insurance business and is the third largest class.

Net written premium (i.e. total premium after reinsurance costs have been deducted) was €2,490.3m (down 0.1% on 2018). Net earned premium was €2,469.1m in 2019 (down 0.7% on 2018).

The number of new claims notified to Insurance Ireland members was 331,039. 59% of new claims were motor claims while 14.8% were made on property insurance policies (household and commercial property).

Net incurred claims costs amounted to €1,583m (down 2.8% on 2018) leading to a net underwriting profit in 2019 of €191.6m compared with a net underwriting profit of €180.4m in 2018. After investment income is added, the market made a net operating profit of €311.7m in 2019 compared with a net operating profit of €271.4m in 2018.

### Motor Insurance

Gross written premium for motor insurance was €1,873.1m in 2019 (up 0.8% on 2018). 74% of motor insurance gross written premium is accounted for by private motor business with the remaining 26% derived from

commercial motor business. Net earned motor premiums amounted to €1,349.9m in 2019 (down 1.8% on 2018).

The number of new motor claims notified during 2019 was 195,620 (down 3.8% on 2018).

The motor net underwriting profit was €153.5m in 2019 compared with a net underwriting profit of €157.3m in 2018.

### Property Insurance

The property insurance class is the second largest sector in the Irish general insurance market after motor insurance. The property insurance market is split between household (54% of gross written premium) and commercial property (46%). Our members wrote gross property insurance premium of €908.1m in 2019 (up 3.4% on 2018). The property insurance market recorded a net underwriting profit of €72.3m in 2019 compared with a net underwriting profit of €79.8m in 2018.

### Liability Insurance

Insurance Ireland members wrote gross liability premium of €702.5m in 2019 (up 8.8% on 2018). Net earned premium was €456m (the same as in 2018).

Net incurred claims amounted to €389.7m in 2019 (down 4.4% on 2018). Liability insurers made a net underwriting loss of €56.6m in 2019 compared with a net underwriting loss of €69.6m in 2018.

### Other General Lines

Our members wrote €103.6m of personal accident and travel insurance in 2019. This class of business generated a net underwriting profit of €14.3m in 2019 compared with a net underwriting profit of €20.7m in 2018.

Other classes of general insurance business, including marine, aviation and transit (MAT), credit and suretyship, other financial loss covers and legal expenses insurance accounted for €127.4m in gross written premium in 2019 (up 29.6% on 2018). These classes of business produced a net underwriting profit of €8.1m in 2019 compared with a net underwriting loss of €7.8m in 2018.

## INSURANCE OPERATING RATIOS

### General Insurance Operating Ratios 2019

	Claims Ratio %	Commission Ratio %	Management Expenses Ratio %	Combined Operating Ratio %
<b>Total</b>	64.1	7.0	20.9	92.0
<b>Motor</b>	63.2	4.2	20.5	87.9
<b>Liability</b>	85.5	7.0	21.2	113.6
<b>Property</b>	53.3	12.0	21.1	86.4
<b>PA/Travel</b>	48.2	13.4	18.4	80.1
<b>Other</b>	40.5	15.5	28.1	84.1

Several 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 2019 our members' general insurance market produced a net claims ratio of 64.1%. In other words, claims cost 64.1 cent out of every €1 earned in premium. The claims ratio varied between sectors: in motor insurance it was 63.2 % while in liability and property the claims ratio was 85.5% and 53.3% respectively.
- The **management expenses** and **commission ratios** are calculated by comparing the internal management expenses of insurance companies and commissions paid to intermediaries with premiums. In 2019 the net commission ratio was 7% and the net management expenses ratio was 20.9%.
- The **net combined** or **operating ratio** combines the claims, commissions and management expenses ratios. The operating ratio for the general insurance market was 92% in 2019. In other words, the general insurance market made a profit of 8 cent on underwriting insurance for every €1 of premium in 2019.

### General Insurance Market Results 2015-2019

	Gross Written Premium €m	Net Underwriting Result €m	Investment Income €m	Operating Result €m	Profit Premium %
<b>2015</b>	4,708	-273	126	-146	-3.10%
<b>2016</b>	3,253	-94	109	16	0.49%
<b>2017</b>	3,511	126	101	227	6.47%
<b>2018</b>	3,570	180	91	271	7.59%
<b>2019</b>	3,715	192	120	312	8.40%
<b>5 Years</b>	<b>18,757</b>	<b>131</b>	<b>547</b>	<b>680</b>	<b>3.63%</b>

Sources: 2015 data is taken from the Central Bank's Insurance Statistics (2015); and 2016, 2017, 2018 and 2019 data from Insurance Ireland

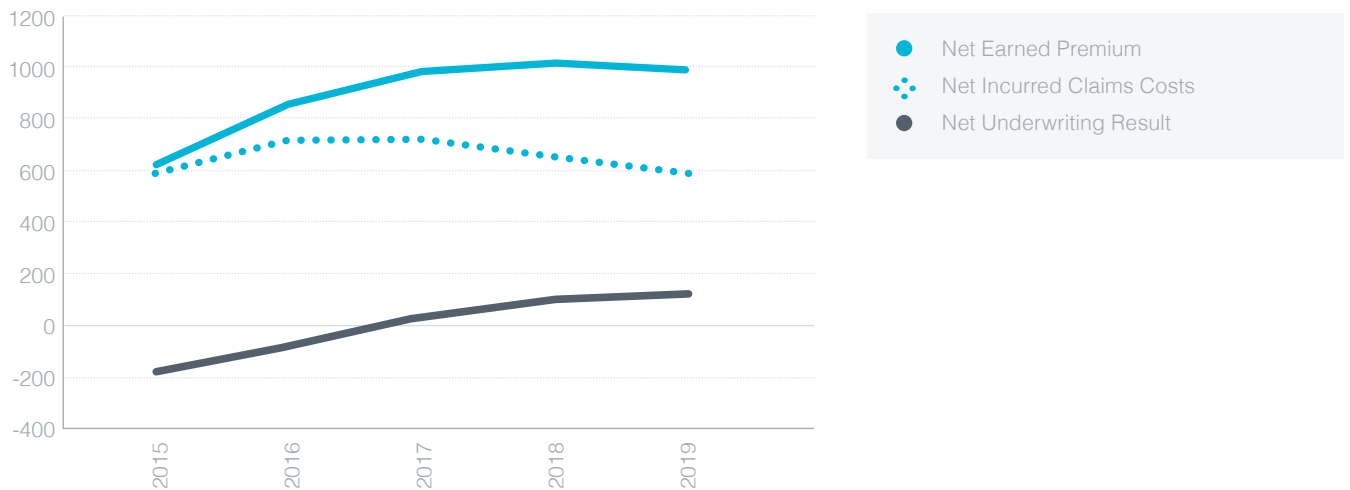
The chart illustrates the net underwriting result, investment income attributable to the underwriting account and the operating result for the general insurance business market

for the years 2015 to 2019. After investment income is considered, the 17 general insurers made a net operating profit of €312m in 2019.

### Private Motor 2015-2019

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2015	619	591	-188.5
2016	849	716	-80.6
2017	989	717	26.0
2018	1,009	654	98.6
2019	958	594	118

### Private Motor 2015-2019

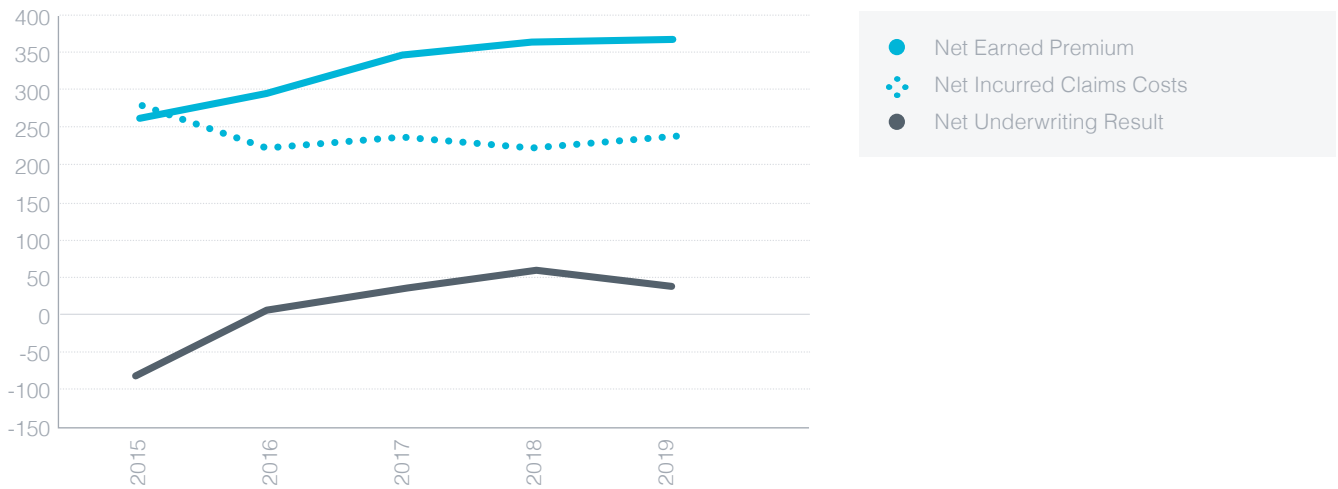


The private motor market was profitable in 2019, showing a net underwriting profit of €118m.

### Commercial Motor 2015 - 2019

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2015	262	278	-81
2016	299	223	6
2017	345	237	34
2018	365	222	59
2019	367	243	35

### Commercial Motor 2015 – 2019

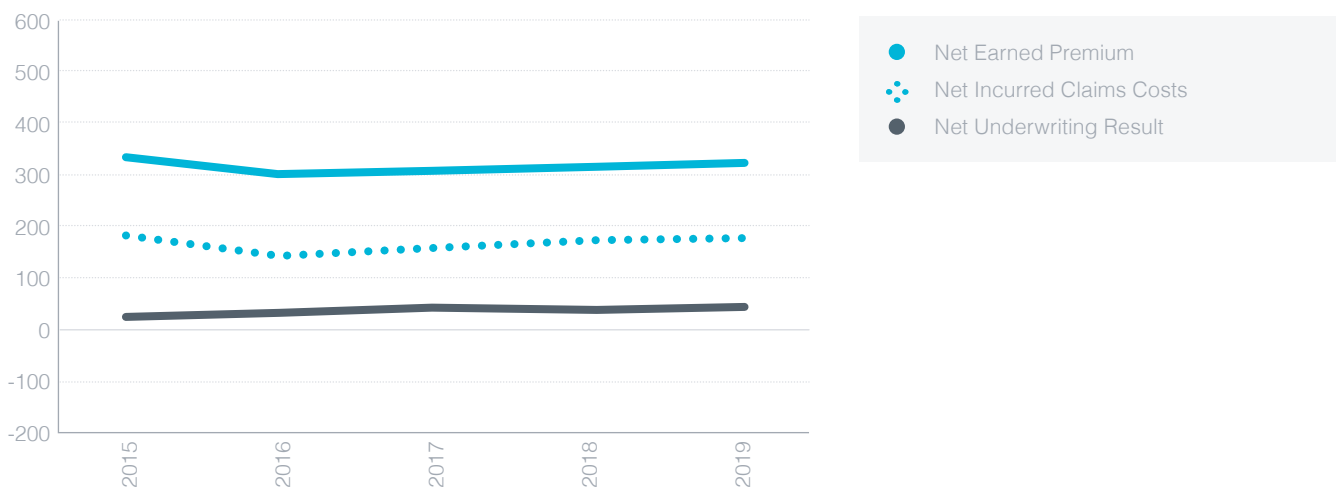


Commercial motor made a net underwriting profit of €35m in 2019 and a net underwriting profit of €53m over the five years 2015-2019.

### Household 2015 – 2019

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2015	341	180	32
2016	296	148	38
2017	303	154	46
2018	307	164	43
2019	317	169	46

### Household 2015 – 2019



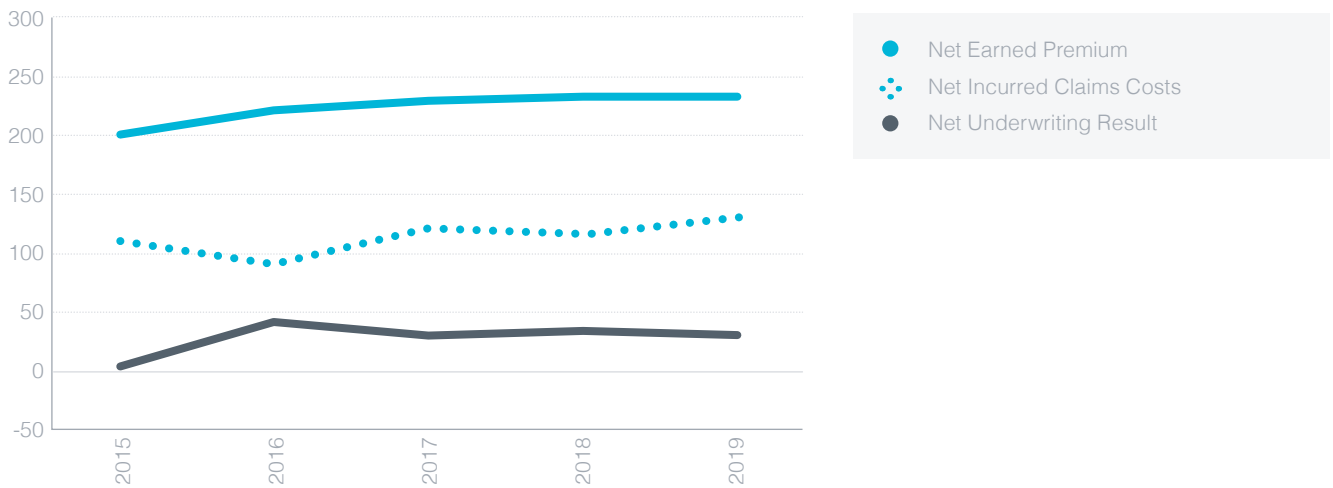
The net underwriting result in household has been positive over recent years – in 2019 the net underwriting profit was in

line with the previous three years at €46m.

### Commercial Property 2015-2019

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2015	205	110	6
2016	220	92	46
2017	231	121	27
2018	237	117	37
2019	237	127	27

### Commercial Property 2015-2019

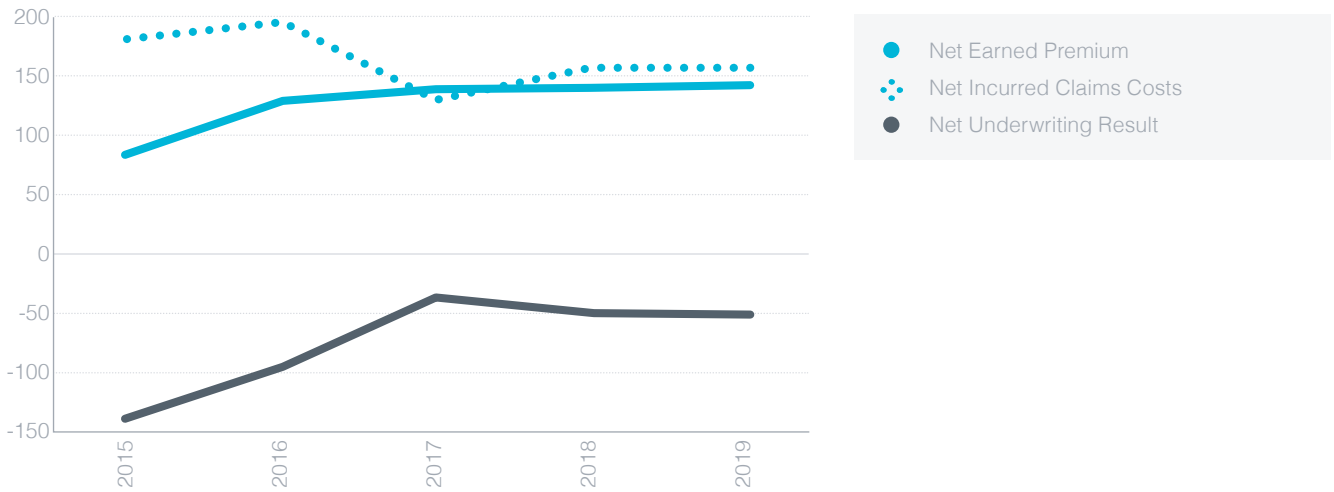


As with household, the net underwriting result in commercial property has been positive over recent years with 2019 seeing a net underwriting profit of €27m.

### Employer's Liability 2015- 2019

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2015	78	178	-144
2016	131	191	-97
2017	140	133	-34
2018	147	155	-49
2019	150	155	-50

### Employer's Liability 2015- 2019

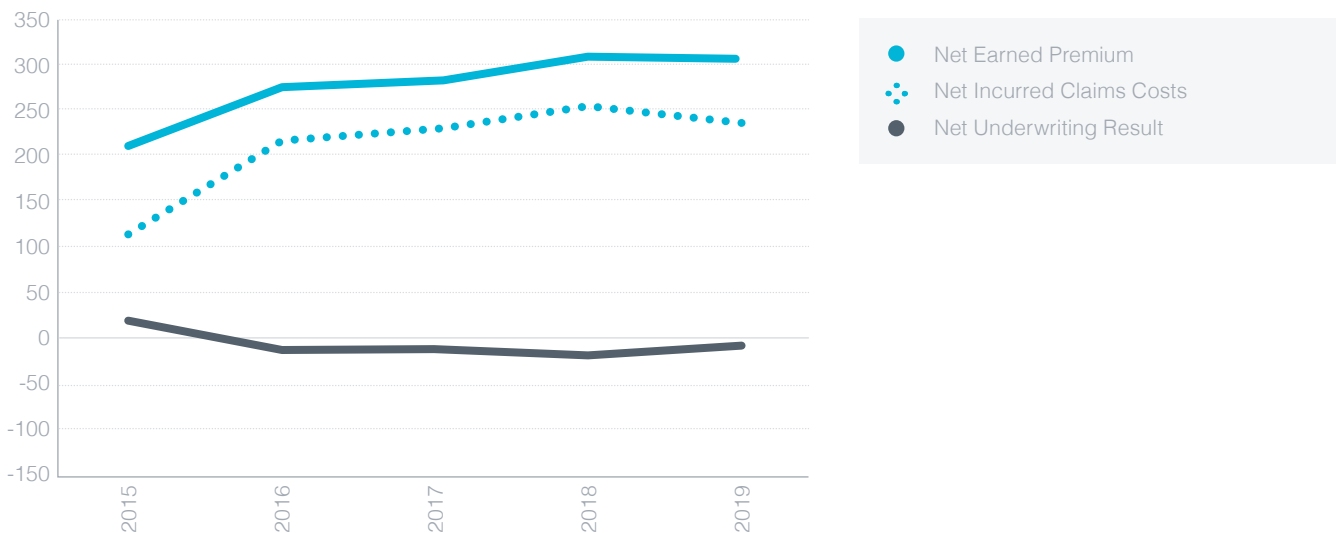


There has been a net underwriting loss in employer's liability over the five years to 2019 of €374m.

### Public Liability 2015-2019

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2015	209	116	22
2016	270	217	-15
2017	286	227	-13
2018	309	252	-20
2019	306	235	-6

### Public Liability 2015-2019



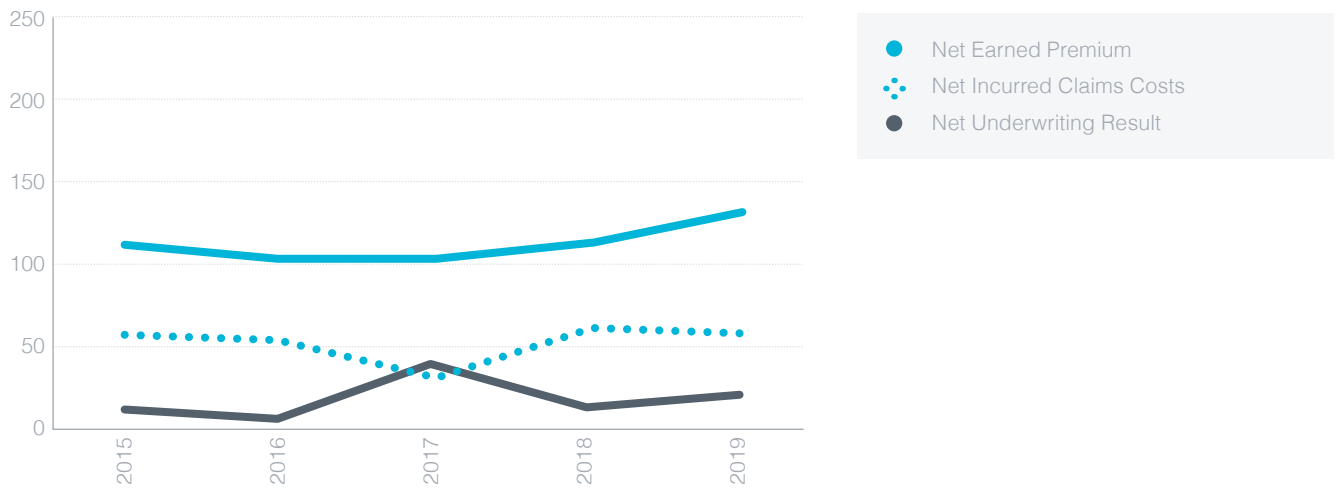
The public liability net underwriting result has been negative when one takes the five years 2015 – 2019 together. The net underwriting loss in 2019 was €6m.



## Other Classes 2015 – 2019

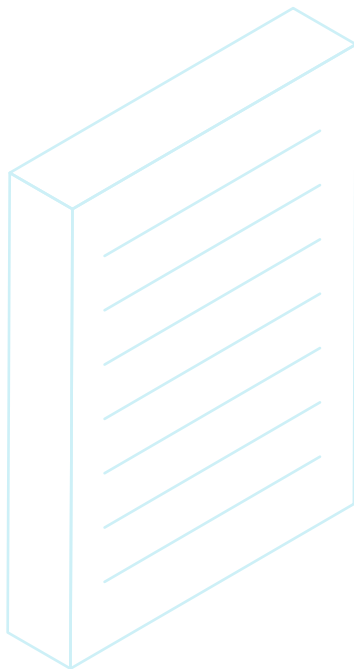
	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2015	115	58	14
2016	104	54	10
2017	105	36	41
2018	113	62	13
2019	134	60	22

## Other Classes 2015 – 2019



Other classes of insurance include personal accident, travel, and financial loss insurances. These classes have been

profitable over the past five years with 2019 generating a net underwriting profit of €22m.



## Insurance Ireland General Members' Gross Written Premium 2019\*

Companies	Motor	Property	Liability	PA/Travel	Other Classes	Total
<b>AIG</b>	103,940	32,603	102,630	16,532	5,088	<b>260,793</b>
<b>Allianz</b>	223,459	147,155	109,465	4,902	21,657	<b>506,638</b>
<b>Amtrust</b>	0	3,687	937	0	32	<b>4,656</b>
<b>Aviva</b>	269,929	144,374	80,426	4,185	4,923	<b>503,837</b>
<b>AXA</b>	535,566	102,166	11,359	2,887	0	<b>651,978</b>
<b>Chubb</b>	8,247	31,799	44,519	35,668	52,712	<b>172,945</b>
<b>DeCare</b>	0	0	0	7,838	0	<b>7,838</b>
<b>Ecclesiastical</b>	0	8,765	6,272	112	741	<b>15,890</b>
<b>FBD</b>	182,586	107,399	74,690	5,387	0	<b>370,062</b>
<b>Hiscox</b>	0	10,878	14,284	0	17,995	<b>43,157</b>
<b>Irish Public Bodies</b>	9,627	28,674	115,296	1,829	3,795	<b>159,221</b>
<b>Liberty Insurance</b>	200,736	31,447	9,123	0	268	<b>241,574</b>
<b>MAPFRE</b>	0	0	0	18,898	7,004	<b>25,902</b>
<b>RSA</b>	195,611	117,907	52,405	4,560	3,238	<b>373,721</b>
<b>SureStone</b>	0	7,418	2,866	0	5	<b>10,289</b>
<b>Travelers</b>	9,163	15,677	19,169	0	138	<b>44,147</b>
<b>Zurich</b>	134,227	118,157	59,085	831	9,762	<b>322,062</b>
<b>Total</b>	<b>1,873,091</b>	<b>908,106</b>	<b>702,526</b>	<b>103,629</b>	<b>127,358</b>	<b>3,714,710</b>

\* excludes health insurance



# International Market

2015–2019

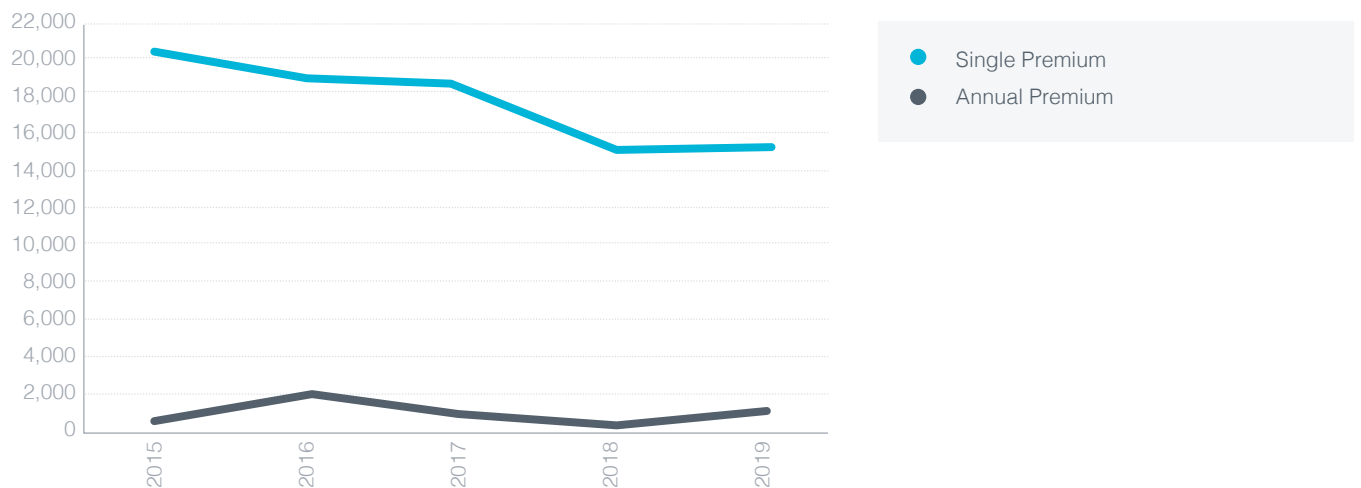
## 2019 Key International Life Statistics (in €m)

	Annual Premium (1)	Single Premium (2)	A.P.E. (1) + 10% of (2)
EU	1,136.6	15,028.7	2,639.5
Non EU	7.9	535.3	61.4
<b>Total</b>	<b>1,144.5</b>	<b>15,564.0</b>	<b>2,700.9</b>

Most of the international premium income is new single premium income. In 2019, the figure for Insurance Ireland's international life members was €15,564m which is an increase of 3% on last year's figure of €15,153m. Annual

premium income for 2019 was €1,144.5m. This is a 164% increase on the figure for 2018 of €433.4m.

## Market Trends (2015 – 2019)



Over the five-year period from 2015-2019, single premium business has reduced from €20,583m in 2015 to €15,564m

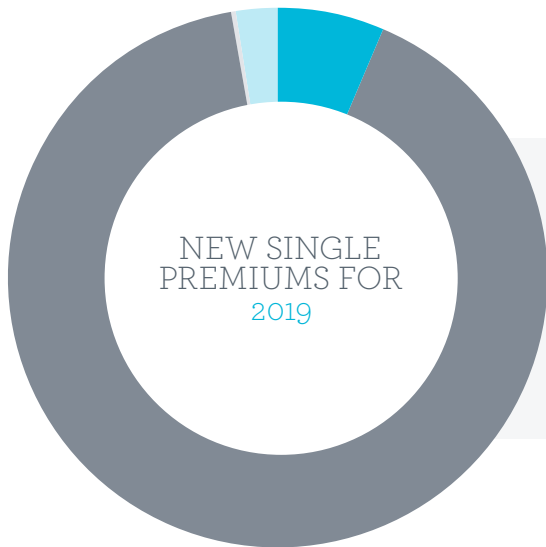
in 2019. Annual premium income increased from €296,477m to €1,144,489m over the same period.

**International Life Companies - Country of Business Analysis of New Business Premiums for Year Ending 31/12/2019**  
 (in €'000)

Country of Business*	Single Premiums	Regular Premiums
Austria	0	0
Belgium	19,410	51
Bulgaria	4,948	11,315
Cyprus	27,603	40,384
Czech Republic	29,199	41,854
Denmark	0	0
Estonia	0	0
Finland	120,383	12,323
France	267,976	185,420
Germany	166,842	96,162
Greece	0	0
Hungary	61,989	12,765
Ireland	-4,471	20,704
Italy	11,347,625	105,775
Latvia	0	11
Lithuania	138	79
Luxembourg	16,690	39
Malta	126,392	74
Netherlands	0	2,665
Poland	0	0
Portugal	27,910	75,694
Romania	20,852	39,789
Slovakia	38,520	73,075
Slovenia	0	0
Spain	193,394	106,118
Sweden	774,797	2,589
United Kingdom	1,788,507	309,677
<b>Total EU</b>	<b>15,028,704</b>	<b>1,136,563</b>
<b>Rest of Europe (non-EU)</b>	<b>353,624</b>	<b>1</b>
<b>Rest of World</b>	<b>181,702</b>	<b>7,926</b>
<b>TOTAL</b>	<b>15,564,030</b>	<b>1,144,490</b>

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

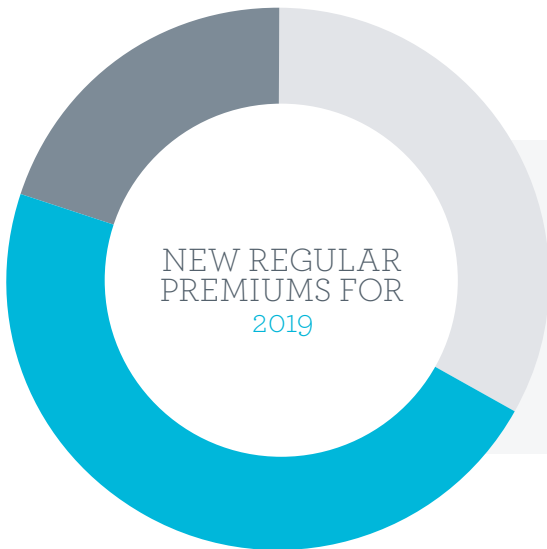
The top two countries for single premium business were Italy and the United Kingdom. EU countries made up 97% of total single premium and 99% of total regular premium.



€ 000's

- Class I: € 1,010,304 (6.5%)
- Class II: € 0 (0.0%)
- Class III: € 14,126,795 (90.7%)
- Class IV: € 39,023 (0.3%)
- Class VI: € 387,907 (2.5%)

**Total New Single Premiums: € 15,564,029 (100%)**



€ 000's

- Class I: € 539,504 (47%)
- Class II: € 0 (0%)
- Class III: € 228,217 (20%)
- Class IV: € 376,768 (33%)
- Class VI: € 0 (0%)

**Total New Regular Premiums: € 1,144,489 (100%)**

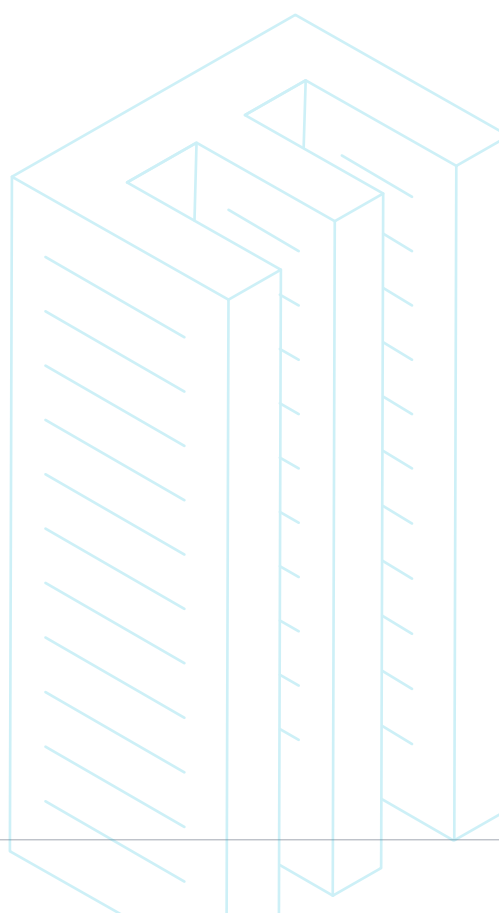
*Class I: Life Assurance and contracts to pay annuities on human life, but excluding contracts within Classes II and III  
 Class II: Contracts of Insurance to provide a sum on marriage or birth of a child  
 Class III: Contracts linked to investment funds  
 Class IV: Permanent Health insurance contracts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

**Total: 16,708,518**

## Insurance Ireland International Life Members' New Business Figures 2019

Companies	Annual Premiums € 000's	Single Premiums € 000's	Total € 000's
Allianz Global Life	2,349	676,202	678,551
AXA MPS Financial Ltd	18,297	1,511,126	1,529,423
Canada Life Assurance Europe	89,020	165,598	254,618
Darta Saving Life Assurance	19,402	2,961,787	2,981,189
FIL Life Insurance (Ireland)	7,763	60,046	67,809
Intesa Sanpaolo Life	2,289	4,868,449	4,870,738
MetLife Europe	921,180	325,186	1,246,366
Octium Life	0	145,808	145,808
Prudential International Assurance (Ireland)	2,602	1,264,858	1,267,460
Quilter International Ireland*	0	479,538	479,538
SEB Life International	3,912	834,704	838,616
St. James's Place International	38,304	741,455	779,759
Utmost PanEurope	31,106	673,087	704,193
Vera Financial	3	785,297	785,300
Zurich Life International Assurance	<b>8,262</b>	<b>70,888</b>	<b>79,150</b>
<b>Total</b>	<b>1,144,489</b>	<b>15,564,029</b>	<b>16,708,518</b>

\* previously called 'Aegon Life Ireland'





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