

FACT

**THE INSURANCE IRELAND
FACTFILE 2020**

2020

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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 133 companies providing insurance domestically and internationally from Ireland. Approximately 27,000 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 €13 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 IFS2025

About Factfile

Factfile 2020 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-eighth 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.

28 YEARS
IN PRODUCTION



Executive Summary

The Irish Insurance Market - A Comparative Overview

- Gross insurance premium income for domestic life and general insurance combined was €15,907.4m in 2020 compared to €15,364.9m in 2019 –an increase by 3.53%. Premium income as a percentage of GDP was 4.61%. Premiums per capita increased to €3,314m in 2020 from €3,201m in 2019.
- The capital values of assets in many investment areas increased in 2020. Assets comprising life policyholders' funds and general insurance technical reserves was €143.5bn 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 16,765 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 €15,391.5m of gross insurance premium internationally while our International general insurance members gross premium income was €12,276.4m. Insurance Ireland Re/Captive members wrote a premium income of €14,669.5m. Insurance Ireland health members wrote gross premium income of €2,747m in Ireland in 2020.

Life Assurance and Pensions Market

- Our life assurance members' aggregate domestic premium income was €12,276m for 2020, which is an increase of 5% on the previous year (€11,650m).
- New annual premium (AP) business was €888m, up 3% from €862m in 2019.
- New Single premium (SP) business was €8,021m up 5% from €7,659m in 2019.
- New business annual premium equivalent (AP sales + 10% of SP sales) increased 4% to €1,691m compared with €1,628m in 2019.
- €8,984m was paid out by life assurance companies in benefits and claims in 2020. These payments and benefits cover a wide range of areas.

- The total value of life assurance protection in force at the end of 2020 was estimated at €510.5bn, compared to €490.8bn at the end of 2019, which is an increase of 4%.
- The aggregate value of policyholders' funds managed by life members increased by 3% to €135,712m in 2020. The value of equity investments, which represented 62% of total policyholders' funds at the end of 2020, increased by 6% from €79,034m in 2019 to €84,019m in 2020.
- The value of life insurance funds invested in gilts increased by 2% to €33,107m. Gilts now represent 24% of life assurance investments.
- Cash holdings remained static at 7% of all life assurance holdings, with a value of €9.968m.
- Property assets decreased from €5,043m in 2019 to €4,122m in 2020. This represents 3% of total life assurance investments.

General Insurance Market

- Our 17 domestic general insurance members wrote gross premium of €3,613m in 2020 (down 2.3% on 2019). Gross incurred claims costs were €2,352m in 2020 (up 6.4% on 2019).
- Motor insurance remains the largest class of general insurance with gross written premium of €1,782m (49.1% of all non life business). Property is the second largest class of non life business (25.7%). Liability insurance accounts for 18.8% of non-life business and is the third largest class.
- Net written premium (i.e. total premium after reinsurance costs have been deducted) was €2,446m in 2020 (down 1.8% on 2019). Net earned premium was €2,453 in 2020 (down 0.6% on 2019).
- The number of new claims notified to Insurance Ireland members was 301,849. 54% of new claims were motor claims while 20.3% were made on property insurance policies (household and commercial property).
- Net incurred claims costs amounted to €1,571m (down 0.7% on 2019) leading to a net underwriting profit in 2020 of €180m compared with a net underwriting profit

of €191.6m in 2019. After investment income is added, the market made a net operating profit of €228m in 2020 compared with a net operating profit of €311.7m in 2019.

International Life Assurance Market

- Most of the international premium income is new single premium income. In 2020, the figure for Insurance Ireland's International life members was €14,174m which is a decrease of 8.9% on 2019 figure of €15,564m. Annual premium income for 2020 was €1,217m. This is a 6.5% increase on the figure for 2019 of €1144.5m.
- Over the five-year period from 2016-2020, single premium business reduced from €18,792m in 2016 to €14,174m in 2020. Annual premium income decreased from €1,995m to €1,217m over the same period.
- 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.
- 90% of international single premium income is represented by unit linked single premium business (Class III).

Health Insurance Market

- Our three health insurer members write approximately 100% of health insurance in the domestic market. Combined, they wrote a gross premium income of €2,747m in 2020. Gross Incurred Claims in 2020 amounted to €1,930m. At the end 2020 the number of people with private health insurance inpatient cover was 2,312m – 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 (2016-2020) 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

2020 Premium Income - Life and General

Year	Life	Non Life	Total
Gross Premium Income (€m)	12,276.4	3,631.0	15,907.4
Premium Income: GDP (%)	3.29	0.97	4.27
Premiums per capita (€)	2,558	756	3,314
Investments* (€m)	135,712	7,358	143,070

* Policyholders' funds (life assurance) and Technical Reserves (non-life) at 31st December 2020

Gross insurance premium income for life and general insurance combined was €15,907.4m, compared to €15,364.9m in 2019 an increase of 3.52%. Premium income as a percentage of GDP was 4.27%. Premiums per capita increased to €3,314 in 2020 from €3,201 in 2019. The

capital values of assets in many investment areas increased in 2020. Assets comprising life policyholders' funds and general insurance technical reserves was €143.5bn at the end of the year.

Insurance Ireland Members' Gross Premium Income 2016-2020

Year	Life €m	Non Life €m	Total €m
2016	9,655.5	3,253.0	12,908.5
2017	11,553.0	3,511.0	15,064.0
2018	11,840.5	3,570.0	15,410.5
2019	11,650.2	3,715.0	15,365.2
2020	12,276.4	3,631.0	15,907.4

Life gross premium income increased from €9,655.5m in 2016 to €12,276m in 2020. General insurance gross written premium increased from €3,252.7m in 2016 to €3,631m in 2020.

Gross Premium Income and Domestic Product 2016-2020

Year	Gross Insurance Premium Income €m	GDP * €m	Premium Income:GDP %
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%
2020	15,907.4	372,869	4.3%

Market combined life and general insurance premium income increased during 2016 to 2020. Premium income as a percentage of GDP was 4.3% in 2020.

Life & General Premiums as a Percentage of GDP for Ireland 2016-2020

Year	Life Premium as % of GDP	General Premium as % of GDP	Total w/out Intl %
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
2020	3.3	1.0	4.3

Life premiums as a percentage of GDP were 3.3% in 2020, down 0.2% from 2016. General premiums as a percentage of GDP were 1% in 2020, which is slightly less than 2016 level.

Year-End Value of Investments

	2016 €bn	2017 €bn	2018 €bn	2019 €bn	2020 €bn	% Change p.a.
Life	107.280	114.811	112.346	131.153	135.712	5
General	7.262	6.763	6.832	7.358	7.839	6
Total	114.542	121.574	119.178	138.511	143.551	5

The value of life policyholders' funds increased from €107.3bn in 2016 to €135.7bn in 2020, an average growth rate of 5% over the period. General insurance technical reserves increased from €7.2bn in 2016 to €7.8bn in 2020, with an average percentage change of 6% over the years.

The total value of life and general insurance assets was €143.5bn in 2020.

Life Assurance Benefits and Claims Paid 2016-2020

Year	Amount €m
2016	8,745
2017	9,428
2018	9,676
2019	9,691
2020	8,984

€8,984m was paid out by life assurance companies in benefits and claims in 2020. 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 2016-2020

Year	Gross Earned Premium €m	Gross Incurred Claims €m
2016	3,055	2,090
2017	3,440	2,069
2018	3,552	2,010
2019	3,663	2,209
2020	3,625	2,352

Gross earned premium for general insurance increased from 2016 to 2020 to stand at €3,625m.

Gross incurred claims followed a similar upward trend from 2016 onwards and reached €2,352m in 2020.

Employment in Insurance Companies in Ireland

Employment in Insurance Companies in Ireland as at 31st December 2020	
Life	8,255
Non-Life	8,510
Total	16,765

The insurance sector is a major employer in the Irish economy. Insurance Ireland life and general insurance member companies employed 16,765 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 2020 Irish insurance market is set in both a European and a global context in this table.

The Irish Insurance Market – Global Context, 2020

	Global Share %			Total Gross Premiums as % of GDP	Total Gross Premiums Per Capita USD
	Life Gross Premiums	Non-Life Gross Premiums	Total Gross Premiums		
Ireland	1.81	0.21	0.92	6.60	5,588
EU	21.60	15.20	18.00	6.90	2,335
OECD	72.20	84.40	79.00	9.30	3,695
EMEA	34.20	22.10	27.50	5.80	577
America*	26.80	58.90	44.60	10.04	2,756
Asia-Pacific	39.00	19.00	27.90	5.70	416
Africa	1.58	0.50	1.00	2.60	45
Total World	100.00	100.00	100.00		

Figures are rounded USD

Sources: Swiss Re Sigma No 3/2021; CSO; WorldBank, and Insurance Ireland

*Includes Latin America and Caribbean

The premium spent per capita for 2020 in Ireland is compared to some other advanced industrialised countries in this table. The figure for Ireland of US\$5,588 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 2020

Country	Premium Per Capita 2020(USD)
Cayman Islands	11,479
Hong Kong	9,746
United States	7,673
Switzerland	7,224
Denmark	6,521
Ireland	5,588
Luxembourg	4,482
Taiwan	4,800
Finland	5,218
Singapore	5,638
Netherlands	5,022
United Kingdom	4,523
Sweden	3,938
France	3,317
Japan	3,280
Norway	3,380
Canada	3,775
South Korea	3,741
Germany	3,108
Italy	2,692
Belgium	2,719
Australia	2,448
Austria	2,311
New Zealand	2,027

Source: Swiss Re Sigma No 3/2021

Life Assurance and Pensions Market

2016-2020

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).

2020 Key Life and Pensions Statistics

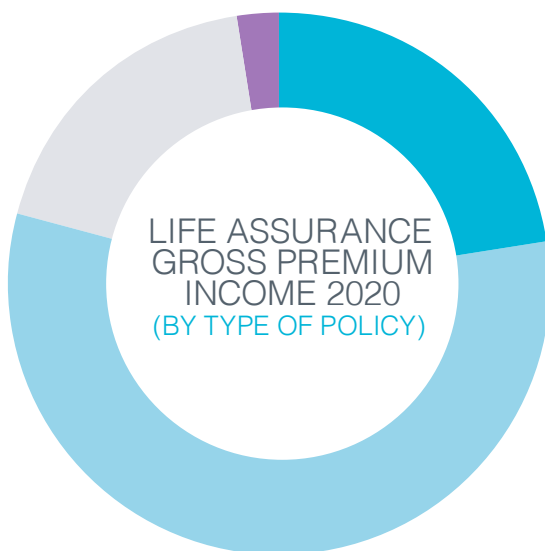
	New Business (€m)			Total Annual Premium €m (3)	All Business €m (2) +(3)
	Annual Premium (1)	Single Premium (2)	A.P.E. (1)+10% of (2)		
Individual Assurances and Annuities	137.54	1,431.79	280.72	1,363.38	2,795.17
Pension Scheme Business	627.11	4,836.43	1,110.75	2,095.17	6,931.60
Self-employed Pensions (Incl. PRSAs)	100.09	1,753.27	275.42	520.54	2,273.81
Permanent Health Insurance	23.67	0.00	23.67	276.05	276.05
Industrial Branch Business	0.00	0.00	0.00	-0.20	-0.20
Total	888.41	8,021.49	1,690.56	4,254.94	12,276.43

Our life assurance members' aggregate domestic premium income was €12,276m for 2020, which is an increase of 5% on the previous year (€11,650m).

New annual premium (AP) business was €888m, up 3% from €862m in 2019.

New Single Premium (SP) increased 5% to €8,021m in 2020 from €7,659m in 2019.

New business annual premium equivalent (AP sales + 10% of SP sales) increased 4% to €1,691m compared with €1,628m in 2019.

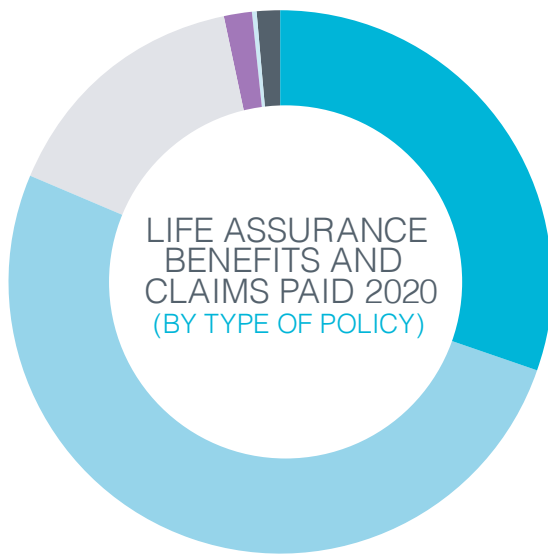


- Individual Assurances & Annuities €2,795.17m (22.77%)
- Pension Scheme Business €6,931.6m (56.46%)
- Self-Employed Pensions & Associated Business (Incl. PRSAs) €2,273.81m (18.52%)
- Permanent Health Insurance (PHI) €276.05m (2.25%)
- Industrial Branch (IB) Business €-0.2m (0.00%)

Pension scheme business (56%) and individual assurances and annuities (23%) continue to be the two main segments of life assurance gross premium income.

The self-employed pensions & associated business (including PRSAs) segment increased from 18.4% in 2019 to 19% in 2020.

Premium income from Permanent Health Insurance (PHI) as a percentage of life assurance gross premium income increased from 2% to 2.25% in 2020. Industrial branch business remained at 0%.



- Individual Assurances & Annuities €2,745.23m (30.56%)
- Pension Scheme Business €4,583.39m (51.02%)
- Self-Employed Pensions & Associated Business (Incl. PRSAs) €1,380.64m (15.37%)
- Permanent Health Insurance (PHI) €150.72m (1.68%)
- Industrial Branch (IB) Business €19.49m (0.22%)
- Critical Illness €104.71m (1.17%)

€8,984 in benefits and claims was paid by domestic life assurance companies during 2020, a decrease of 7% on 2019. 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 (30.6%, down from 31.5% in 2019) and pension schemes (51%, down from 52.2% in 2019), followed by self-employed pensions and associated business (15.4%, up from 14.2% in 2019).

Claims under individual assurance/annuity contracts were down 10% to €2,745m in 2020.

Claims under self-employed pensions and associated business increased by 1% from €1,372m in 2019 to €1,381m in 2020. Pension scheme business decreased by 9% to €4,583m from €5,061m in 2020. There was a 109% increase in serious illness pay-outs (to €105m) in 2020.

The total value of life assurance protection in force at the end of 2020 was estimated at €510.5bn, compared to €490.8bn at the end of 2019, which is an increase of 4%.

Benefits and Claims by Type (€m)	
Surrenders and Maturities	7,108.42
Death / Critical Illness Claims	1,010.66
Annuities	865.10
Total	8,984.18

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

- The largest category is benefits paid on policy surrenders and maturities, with €7,108m paid in 2020 (a decrease of 8% on 2019). This category represents 79% of total payments made in 2020.
- Death and serious illness claims under protection contracts amounted to €1,011m, a decrease of 7% on 2019.
- Annuity payments totaled €865m, a decrease of 5% on 2019.

Sources of Life Assurance Business 2020

		Brokers %			Agents %			Tied Agents %			Employee & Company Representatives %			Direct %		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Annual Premium	Life	7	8	10	0	0	0	11	11	8	2	2	2	0	0	0
	Pensions	38	38	45	1	0	0	11	12	9	15	15	11	16	12	14
	Total	45	46	55	1	0	0	22	23	17	17	17	13	16	12	14
Single Premium	Life	4	2	4	0	0	0	3	2	1	2	2	2	42	58	62
	Pensions	29	21	15	0	0	0	2	1	1	2	2	3	16	12	12
	Total	33	23	19	0	0	0	5	3	2	4	4	5	58	70	74

The chart provides a breakdown of the proportion of new business written through the various sales channels. In 2020, brokers' new business market share increased by nine percentage point to 55% for annual premium (AP) business, and decreased by four percentage points for single premium (SP) business to 19%.

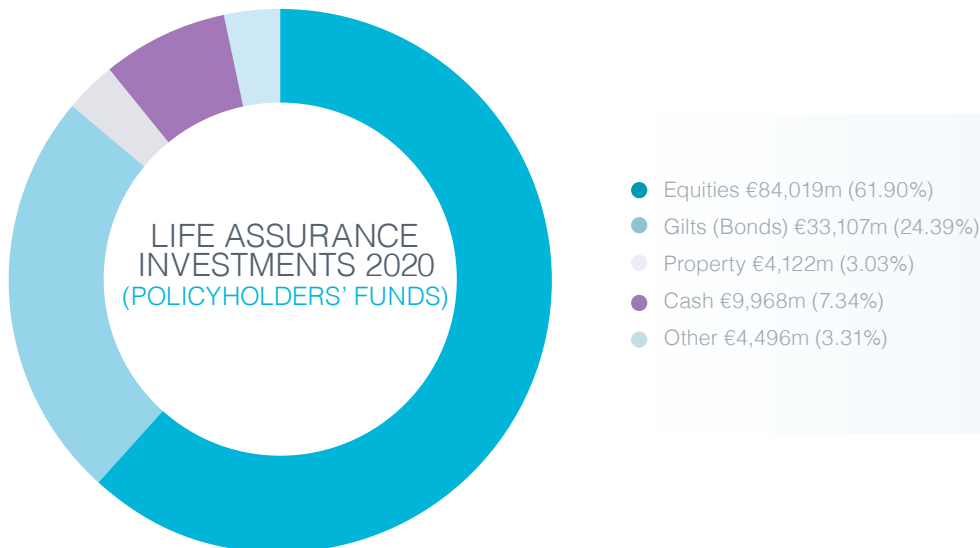
Brokers' AP pensions business increased to 45% in 2020. SP pensions business decreased to 15% in 2020. AP for life business increased to 10% and SP life business doubled to 4%.

Life office employees and company representatives (direct sales force) saw their share of AP decrease from 17% in 2019 to 13% in 2020. Their share of SP business increased to 5% in 2020, up from 4% in 2019.

Direct sales, other than through employed salespeople (e.g. telephone, internet and direct response sales), increased to 14% in 2020, while their SP rose to 74%, an increase of four percentage points from 2019.

Independent agents' AP business remained static at 0% in 2019, while their SP business also remained at 0%.

The percentage of AP business written through tied agents fell to 17% in 2020 from 23% in 2019 while SP business written via tied agents fell to 2% in the same period from 3% in 2019.



The aggregate value of policyholders' funds managed by Insurance Ireland's Life Members increased by 3% to €135,712m in 2020. The value of equity payments, which represented 62% of total policyholders' funds at the end of 2020, increased by 6% from €79,034m in 2019 to €84,019m in 2020.

The value of life insurance funds invested in gilts increased by 2% to €33,107m. Similar to 2019, gilts represent 24% of life assurance investments.

Cash holdings remained static at 7% of all life assurance holdings, with a value of €9.968m. Property assets decreased from €5,043 in 2019 to €4,122 in 2020. This represents 3% of total life assurance investments.

Investments (Policyholders' funds) by Type & Location 2020

	Irish €m	Foreign €m	Total €m
Equities ¹	19,889	64,130	84,019
Gilts ²	1,993	31,114	33,107
Property ³	3,535	587	4,122
Cash	1,647	8,321	9,968
Other	3,357	1,139	4,496
Total	30,421	105,291	135,712

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. 22% of investments were in Ireland in 2020 with a total value of €30,421 compared to €27,675m in 2019. Foreign investments in 2020 were €105,291m representing 78% of total investments.

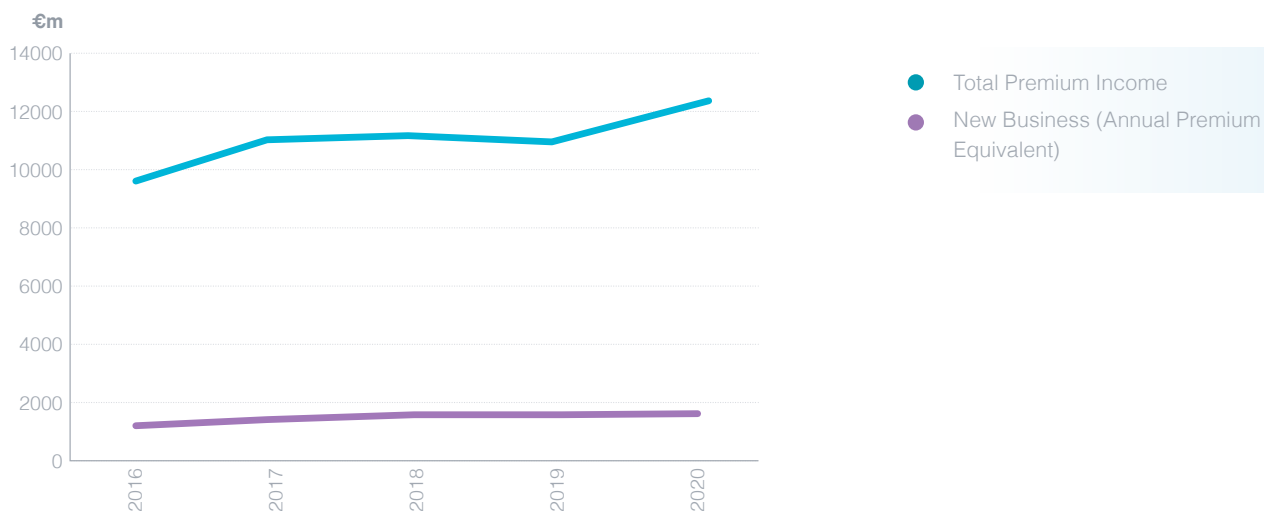
65% of domestic investments are in equities, while 11.6% is in property holdings and 5% were in cash. Gilts were 7% of Irish investments in 2020.

61% of the foreign holdings are equities. The second largest foreign asset class is gilts at 30%. The proportion of foreign holdings invested in property in 2020 was 1%, while the percentage invested in cash was 8%.

Market Trends 2016 – 2020

	2016 €m	2017 €m	2018 €m	2019 €m	2020 €m	Annual Change 2016-2020 %
Premium Income (Annual Premium Business)	3,121	3,319	3,607	3,991	4,255	8.1
Premium Income (All Business)	9,656	11,553	11,841	11,650	12,276	6.5
New Business						
Annual Premiums	615	694	790	862	888	9.7
Single Premiums	6,535	8,234	8,234	7,659	8,021	5.9
Annual Premium Equivalent (APE)	1,268	1,517	1,613	1,628	1,690	7.7
Benefits & Claims	8,745	9,428	9,676	9,691	8,984	0.8

Life Assurance Premium Income 2016 – 2020



Aggregate premium income amounted to €12,276 in 2020, resulting in an average increase of 6.5% p.a. over the five-year period from 2016-2020.

New annual premium business increased from €615m in 2016 to €888m in 2020, representing an average increase of 9.7% p.a. over this period.

On an annualised basis, new SP business expanded by an average of 5.9% p.a. between 2016 and 2020.

New business on an Annual Premium Equivalent (APE) basis has increased from €1,268m in 2016 to €1,690m in 2020, equivalent to an average increase of 7.7% p.a. over five years.

Benefits and claims paid decreased from €9,691m in 2019 to €8,984 in 2020. Over the five-year period claims payments increased by an average of 0.8% p.a.

Investments (by Type) % of Total Value

Asset Category	2016	2017	2018	2019	2020
Equities ¹	56.5	58.1	55.9	60.3	61.9
Gilts ²	25.1	23.5	24.4	24.6	24.4
Property ³	4.4	4.3	4.8	3.8	3.0
Cash	9.7	9.8	10.4	7.7	7.4
Other	4.3	4.3	4.5	3.6	3.3
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 56.5% in 2016 to 61.9% in 2020.

Gilts decreased over the same period, from 25.1% in 2016 to 24.4% in 2020. Property assets, which stood at 4.4% in 2016, fell over the period to 3% in 2020. Cash holdings decreased to 7.4% in 2020, compared to 9.7% in 2016.

Investment Trends (by Location) 2016 - 2020

% of total value	2016	2017	2018	2019	2020
In Ireland	19.4	19.1	19.7	21.1	22.42
Outside Ireland	80.6	80.9	80.3	78.9	77.58

Policyholder's funds invested in Ireland increased from 19.4% in 2016 to 22.4% in 2020. Approximately 78% of assets by value are foreign.

Insurance Ireland Life Members' Gross Premium Income 2020

Companies	Life Business			Pensions Business		Total €'000
	Annual Premium €'000	Single Premium €'000	Industrial Branch €'000	Annual Premium €'000	Single Premium €'000	
Acorn Life	52,881	24,311	0	25,337	13,609	116,138
Ark Life	63,009	0	0	23,764	1,490	88,263
Aviva Life & Pensions	260,828	171,725	0	248,205	955,735	1,636,493
Irish Life	548,448	338,055	0	1,274,101	2,149,302	4,309,906
New Ireland	343,061	593,251	0	487,885	876,879	2,301,076
Royal London	85,439	1,931	-202	1,891	0	89,059
Standard Life	16,350	61,978	0	57,654	441,319	577,300
Zurich Life	269,414	240,543	0	496,878	2,151,368	3,158,204
Total	1,639,431	1,431,793	-202	2,615,715	6,589,702	12,276,439

General Insurance Market

2016-2020

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 2020 the written premium for 2020 will be €500 and so will the earned premium. But if the same policy is issued on 1st July 2020 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 2021 earned premium. This is because half of the premium is in respect of the exposure to loss during the first half of 2021.

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.

2020 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	1,318.1	973.3	979.5	521.3	113,507	201.2	23.6	224.8
Comm Motor	464.3	358.4	363.0	200.7	49,463	72.4	9.6	82.1
All Motor	1,782.4	1,331.7	1,342.5	722.0	162,970	273.6	33.2	306.8
Household	480.2	321.1	319.4	198.3	37,882	13.4	3.2	16.6
Comm Property	453.6	240.2	238.6	310.5	23,475	-157.7	3.6	-154.1
All Property	933.8	561.4	558.1	508.8	61,357	-144.3	6.8	-137.6
Employer's Liability	225.9	140.4	140.1	100.6	4,351	-2.0	6.1	4.1
Public Liability	456.7	269.3	266.2	173.1	11,946	20.2	10.7	30.9
All Liability	682.5	409.7	406.3	273.7	16,297	18.2	16.8	35.0
PA/Travel	88.5	66.7	72.7	33.2	24,881	16.2	0.2	16.5
Other Business	143.8	76.6	73.9	33.5	36,344	7.2	0.2	7.4
Total	3,631.0	2,446.1	2,453.4	1,571.2	301,849	170.9	57.2	228.1

Overview of General Insurance Results for 2020

Insurance Ireland's 17 domestic general insurance members wrote gross premium of €3,631m in 2020 (down 2.3% on 2019). Gross incurred claims costs were €2,352m in 2020 (up 6.4% on 2019).

Motor insurance remains the largest class of general insurance with gross written premium of €1,782m (49.1% of all general insurance business). Property is the second largest class of general insurance business (25.7%). Liability insurance accounts for 18.8% of general insurance business and is the third largest class.

Net written premium (i.e., total premium after reinsurance costs have been deducted) was €2,446m in 2020 (down 1.8% on 2019). Net earned premium was €2,453m in 2020 (down 0.6% on 2019).

The number of new claims notified to Insurance Ireland members was 301,849. 54% of new claims were motor claims while 20.3% were made on property insurance policies (household and commercial property).

Net incurred claims costs amounted to €1,571m (down 0.7% on 2019) leading to a net underwriting profit in 2020 of €180m compared with a net underwriting profit of €191.6m in 2019. After investment income is added, the market made a net operating profit of €228m in 2020 compared with a net operating profit of €311.7m in 2019.

Motor Insurance

Gross written premium for motor insurance was €1,782m in 2020 (down 4.8% on 2019). 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 €1,342m in 2020 (up 1.3% on 2019).

The number of new motor claims notified during 2020 was 162,970 (down 16.7% on 2019).

The motor net underwriting profit was €273.6m in 2020 compared with a net underwriting profit of €153.5m in 2019.

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 (51% of gross written premium) and commercial property (49%). Insurance Ireland members wrote gross property insurance premium of €933.8m in 2020 (up 28.3% on 2019). The property insurance market recorded a net underwriting loss of €144.3m in 2020 compared with a net underwriting profit of €72.3m in 2019. Covid-19 business interruption claims were a significant contributory factor to the 2020 property loss.

Liability Insurance

Insurance Ireland members wrote gross liability premium of €683m in 2020 (down 2.8% on 2019). Net earned premium was €406m (down 10.9% on 2019).

Net incurred claims amounted to €274m in 2020 (down 29.8% on 2019). Liability insurers made a net underwriting profit of €18.2m in 2020 compared with a net underwriting loss of €56.6m in 2019.

Other General Lines

Insurance Ireland members wrote €88m of personal accident and travel insurance in 2020. This class of business generated a net underwriting profit of €16.2m in 2020 compared with a net underwriting profit of €14.3m in 2019.

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 €144m in gross written premium in 2020 (up 12.9% on 2019). These classes of business produced a net underwriting loss of €7.2m in 2020 compared with a net underwriting profit of €8.1m in 2019.

INSURANCE OPERATING RATIOS

General Insurance Operating Ratios 2020

	Claims Ratio %	Commission Ratio %	Management Expenses Ratio %	Combined Operating Ratio %
Total	64.0	7.4	21.7	93.1
Motor	53.8	4.6	21.4	79.8
Liability	67.4	5.9	22.0	95.3
Property	91.2	12.7	21.8	125.7
PA/Travel	45.7	13.4	21.4	80.6
Other	45.4	20.0	23.3	88.7

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 2020 the Insurance Ireland general insurance market produced a net claims ratio of 64%. In other words, claims cost 64 cent out of every €1 earned in premium. The claims ratio varied between sectors: in motor insurance it was 53.8% while in liability and property the claims ratio was 67.4% and 91.2% 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 2020 the net commission ratio was 7.4% and the net management expenses ratio was 21.7%.
- The **net combined** or **operating ratio** combines the claims, commissions and management expenses ratios. The operating ratio for the general insurance market was 93.1% in 2020. In other words, this meant that the general insurance market made a profit of 6.9 cent on underwriting insurance for every €1 of premium in 2020.

General Insurance Market Results 2016-2020

	Gross Written Premium €m	Net Underwriting Result €m	Investment Income €m	Operating Result €m	Profit Premium %
2016	3,253	-94	109	16	0.49%
2017	3,511	126	101	227	6.47%
2018	3,570	180	91	271	7.59%
2019	3,715	192	120	312	8.40%
2020	3,631	171	57	228	6.28%
5 Years	17,680	575	478	1,054	5.96%

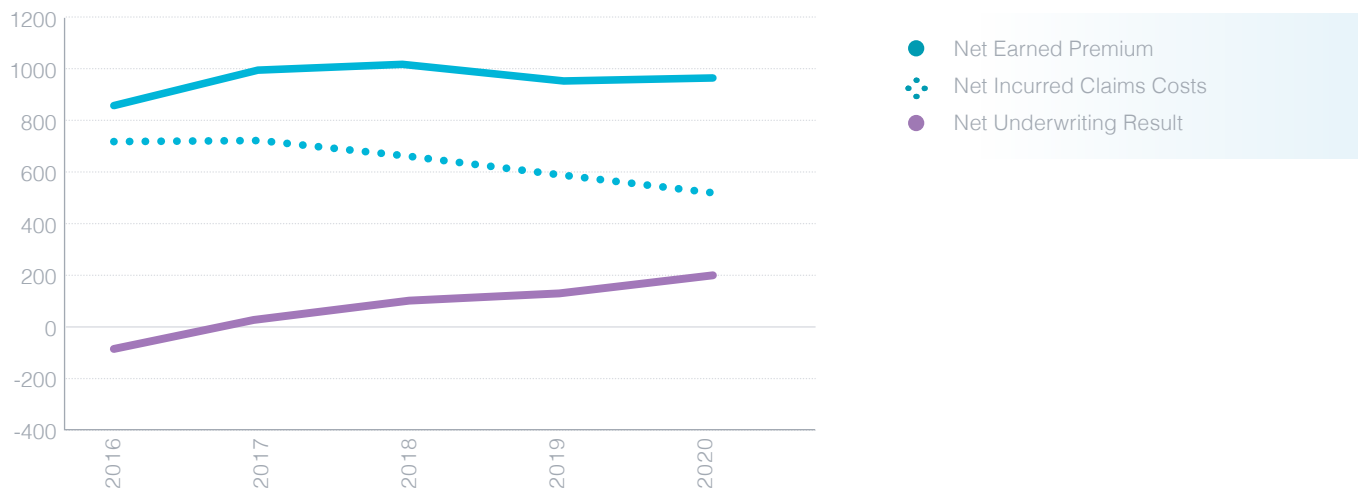
The chart illustrates the net underwriting result, investment income attributable to the underwriting account and the operating result for the general insurance business market

for the years 2016 to 2020. After investment income is taken into account, the 17 general insurers made a net operating profit of €228m in 2020.

Private Motor 2016-2020

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2016	849	716	-80.6
2017	989	717	26
2018	1,009	654	98.6
2019	958	594	118
2020	979	521	201

Private Motor 2016-2020



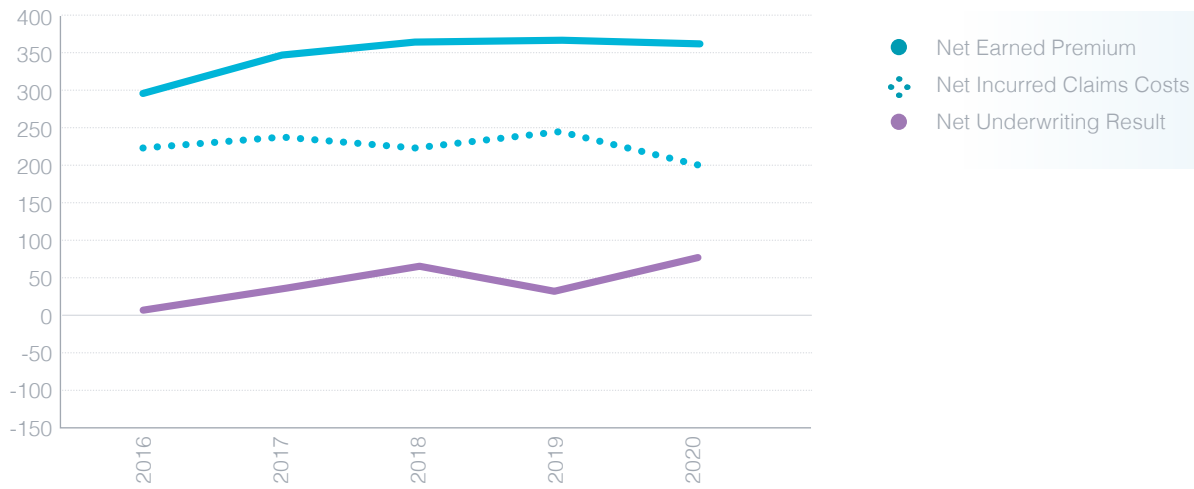
The private motor market was profitable in 2020, showing a net underwriting profit of €201m. In the five years to 2020

the net underwriting result in private motor was a profit of €363m.

Commercial Motor 2016 - 2020

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2016	299	223	6
2017	345	237	34
2018	365	222	59
2019	367	243	35
2020	363	201	72

Commercial Motor 2016 – 2020

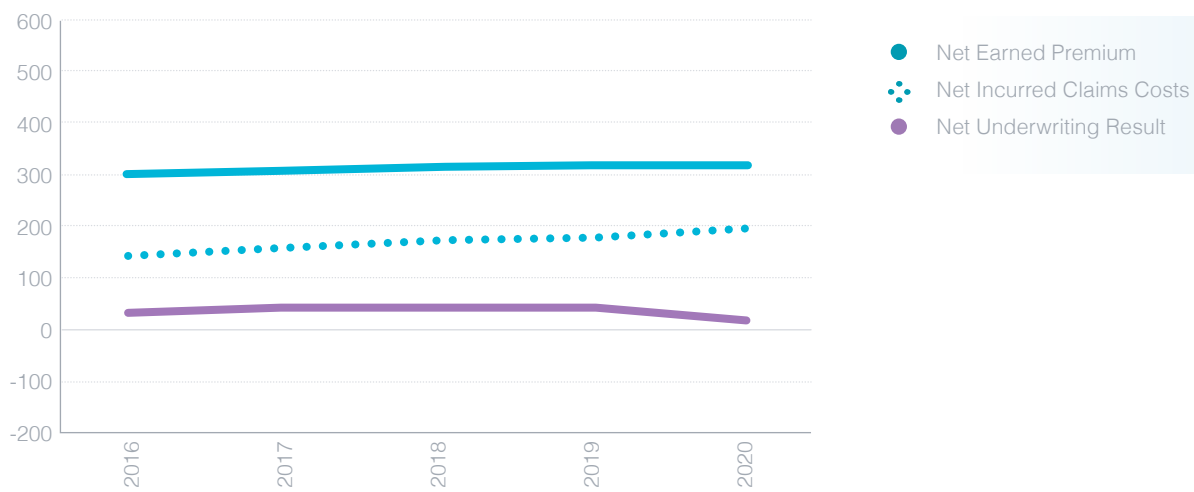


Commercial motor made a net underwriting profit of €72m in 2020 and a net underwriting profit of €206m over the five years 2016-2020.

Household 2016 – 2020

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2016	296	148	38
2017	303	154	46
2018	307	164	43
2019	317	169	46
2020	319	198	13

Household 2016 – 2020



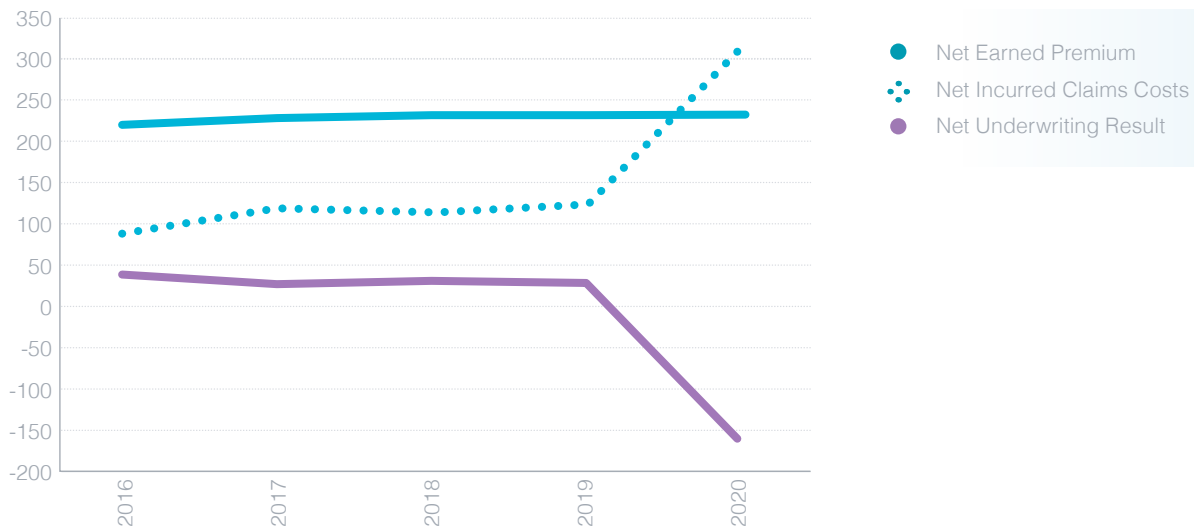
The net underwriting result in household has been positive over the past five years. However, commercial property has been loss-making with a commercial property underwriting loss of €158m in 2020 (mainly due to Covid-19 business

interruption claims), wiping out the profits of the previous four years and leading to a loss of €21m over the five year period.

Commercial Property 2016-2020

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2016	220	92	46
2017	231	121	27
2018	237	117	37
2019	237	127	27
2020	239	310	-158

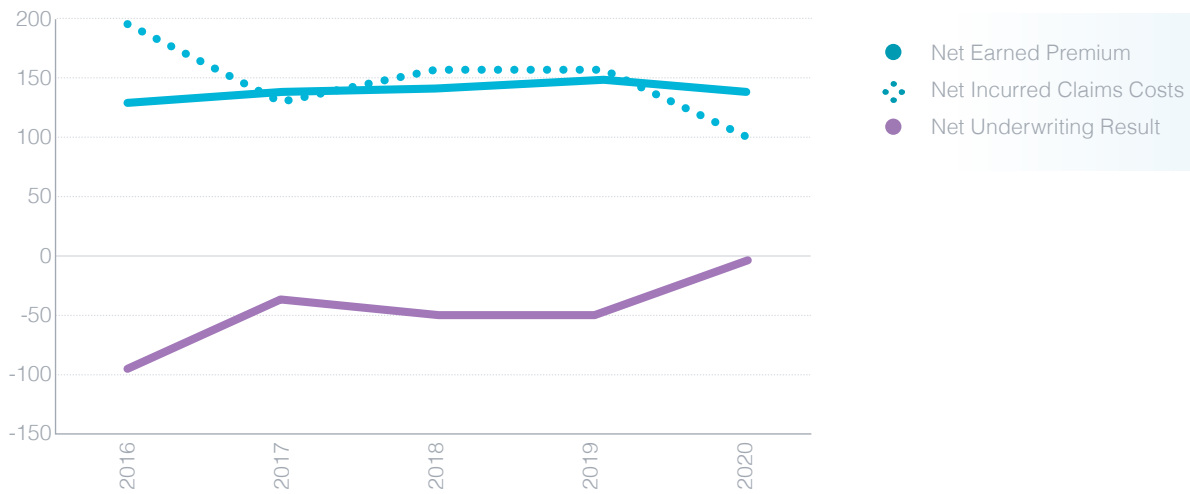
Commercial Property 2016-2020



Employer's Liability 2016- 2020

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2016	131	191	-97
2017	140	133	-34
2018	147	155	-49
2019	150	155	-50
2020	140	101	-2

Employer's Liability 2016- 2020

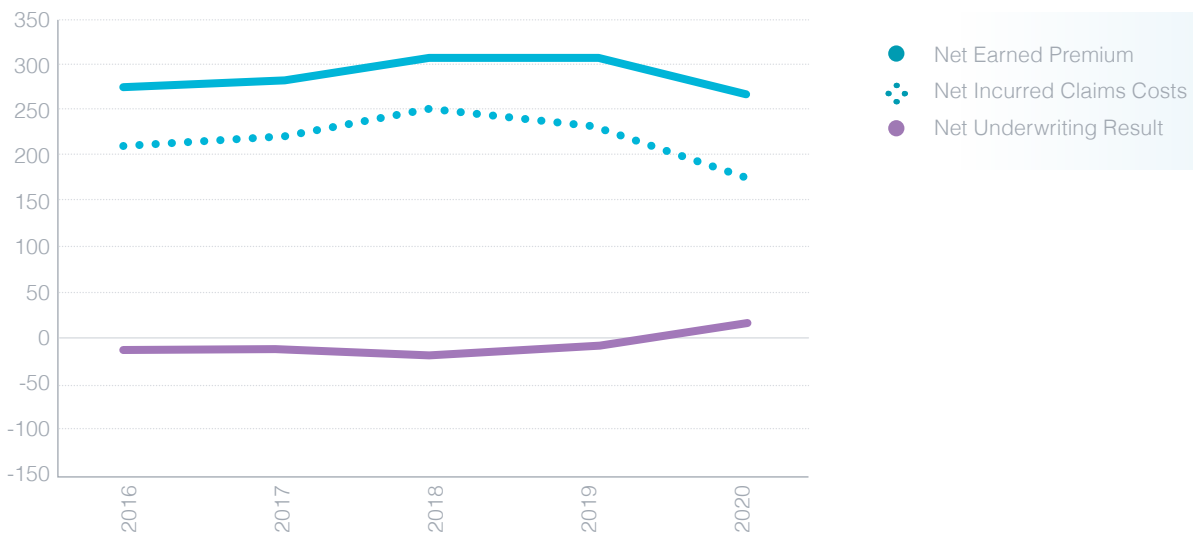


There has been a net underwriting loss in employer's liability over each of the last five years with underwriting losses totalling €232m over the period.

Public Liability 2016-2020

	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2016	270	217	-15
2017	286	227	-13
2018	309	252	-20
2019	306	235	-6
2020	266	173	20

Public Liability 2016-2020

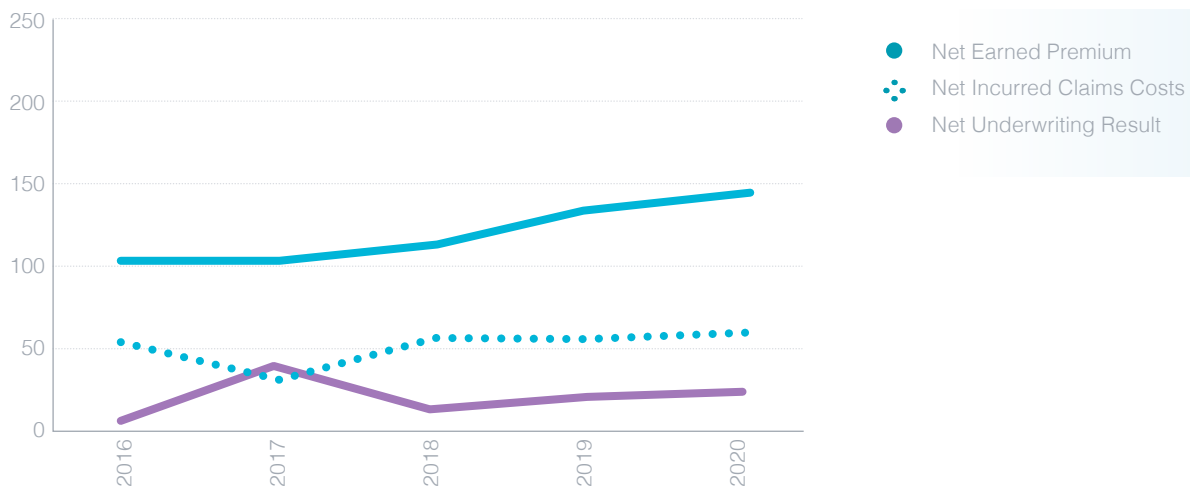


The public liability net underwriting result in 2020 was positive for the first time in five years although underwriting losses over the five year period amounted to €34m.

Other Classes 2016 – 2020

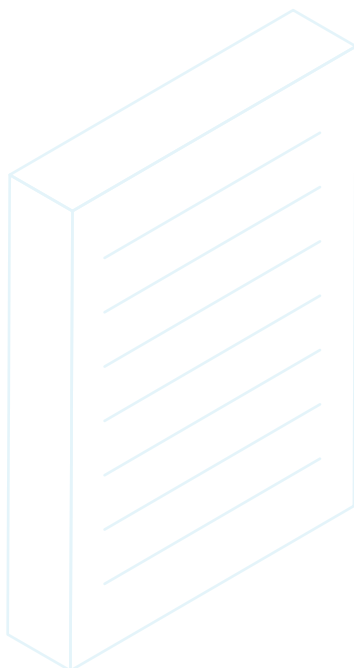
	Net Earned Premium €m	Net Incurred Claims Costs €m	Net Underwriting Result €m
2016	104	54	10
2017	105	36	41
2018	113	62	13
2019	134	60	22
2020	147	67	23

Other Classes 2016 – 2020



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

profitable over the past five years with 2020 generating a net underwriting profit of €23m.



Insurance Ireland General Members' Gross Written Premium 2020*

Companies	Motor	Property	Liability	PA/Travel	Other Classes	Total
AIG	98,855	31,997	98,576	17,730	4,366	251,524
Allianz	224,718	151,798	124,392	4,892	19,386	525,186
Amtrust	0	2,773	308	0	3,427	6,508
ARAG (DAS)	0	0	0	0	6,847	6,847
Aviva	232,449	140,743	74,454	2,497	11,792	461,935
AXA	538,941	124,797	11,225	3,484	0	678,447
Chubb	9,337	31,260	47,435	32,023	48,887	168,942
DeCare	0	0	0	8,110	0	8,110
Ecclesiastical	0	9,551	7,057	170	747	17,525
FBD	180,440	105,236	67,353	5,200	0	358,229
Hiscox	0	10,917	13,825	44	22,957	47,743
Irish Public Bodies	8,469	28,613	101,091	1,409	4,551	144,133
Liberty Insurance	166,395	27,769	882	0	341	195,387
MAPFRE	0	0	0	8,485	6,758	15,243
RSA	170,723	121,773	50,570	3,648	3,076	349,790
Travelers	9,511	16,867	16,776	0	1,089	44,243
Zurich	142,572	129,718	68,602	803	9,558	351,253
Total	1,782,410	933,812	682,546	88,495	143,782	3,631,045

* excludes health insurance



International Market

2016–2020

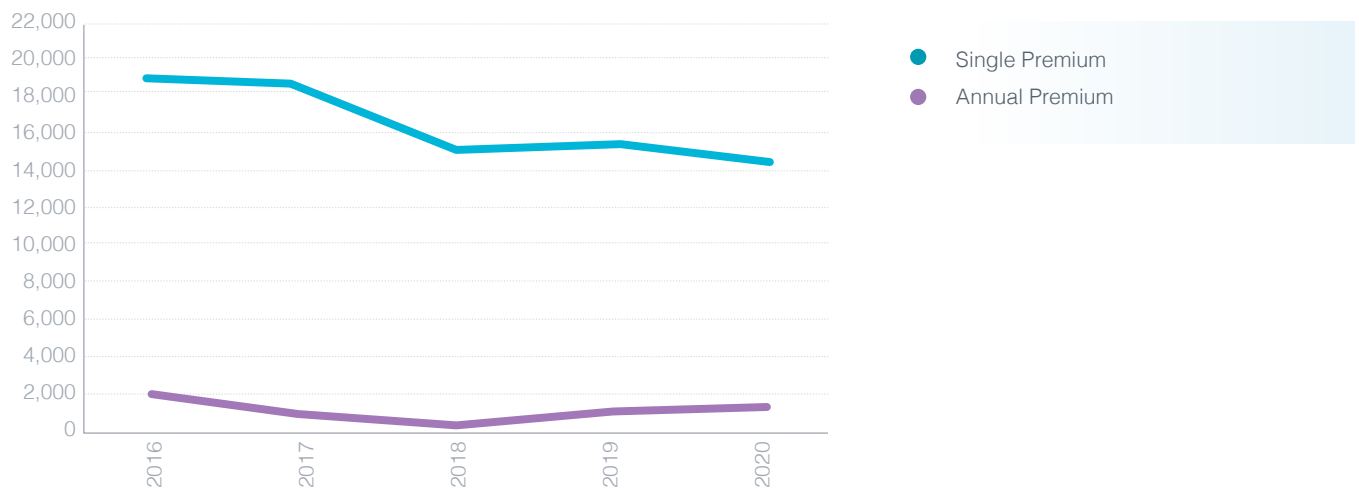
2020 Key International Life Statistics (in €m)

	Annual Premium (1)	Single Premium (2)	A.P.E. (1) + 10% of (2)
EU	1,216.9	13,774.8	2,594.4
Non EU	1.0	399.4	40.9
Total	1,217.9	14,174.2	2,635.3

Most of the international premium income is new single premium income. In 2020, the figure for Insurance Ireland's International life members was €14,174m which is a decrease of 9.8% on last year's figure of €15,564m. Annual

premium income for 2020 was €1,217m. This is a 6.5% increase on the figure for 2019 of €1,144m.

Market Trends (2016 – 2020)



Over the five-year period from 2016-2020, single premium business has reduced from €18,792m in 2016 to €14,174m in

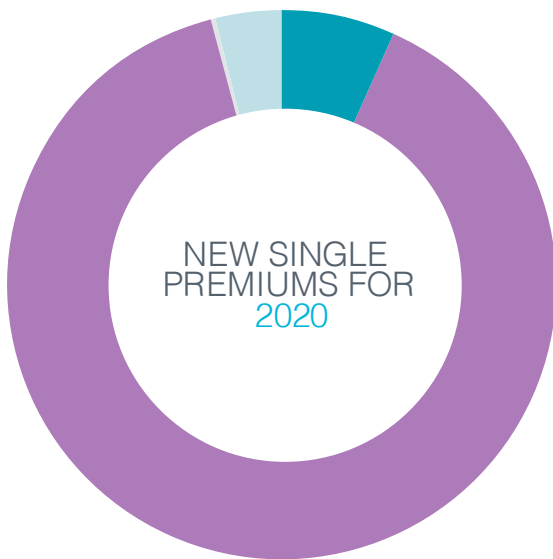
2020. Annual premium income decreased from €1,995m to €1,217m over the same period.

**International Life Companies - Country of Business Analysis of New Business Premiums for Year Ending 31/12/2020
(in €'000)**

Country of Business*	Single Premiums	Regular Premiums
Austria	0	0
Belgium	14,808	41
Bulgaria	6,985	11,283
Cyprus	38,038	38,432
Czech Republic	27,500	41,064
Denmark	0	0
Estonia	0	0
Finland	96,722	14,620
France	248,987	184,516
Germany	167,633	83,096
Greece	411	95
Hungary	66,395	14,047
Ireland	713	11,571
Italy	9,889,295	162,365
Latvia	0	0
Lithuania	61	37
Luxembourg	1,070	0
Malta	103,689	16
Netherlands	333	197
Poland	0	0
Portugal	80,755	81,063
Romania	28,600	46,317
Slovakia	35,870	74,836
Slovenia	0	0
Spain	201,988	106,082
Sweden	1,002,304	103
United Kingdom	1,762,698	347,195
Total EU	13,774,855	1,216,976
Rest of Europe (non-EU)	183,095	0
Rest of World	216,338	272
TOTAL	14,174,288	1,217,248

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

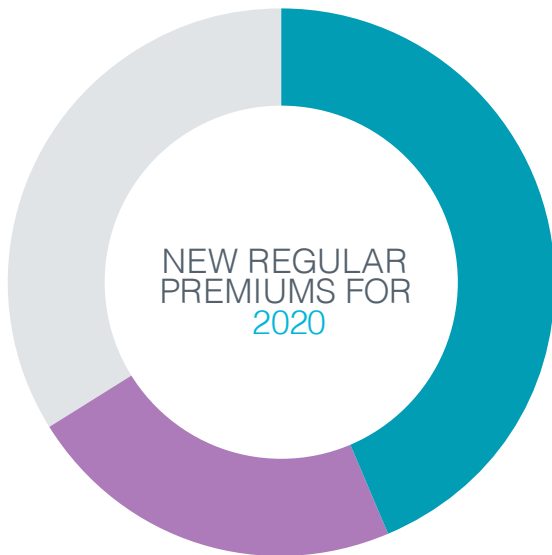
The top two countries for single premium business were Italy and the United Kingdom. EU countries made up 97% of total single premium and 99% of total regular premium.



€ 000's

- Class I: € 974,704 (6.8%)
- Class II: €0 (0%)
- Class III: €12,636,459 (89.1%)
- Class IV: €35,417 (0.2%)
- Class VI: €527,707 (3.7%)

Total New Single Premiums: €14,174,287 (100%)



€ 000's

- Class I: €531,761 (43.6%)
- Class II: €0 (0%)
- Class III: €274,097 (22.5%)
- Class IV: €411,390 (33.7%)
- Class VI: €0 (0%)

Total New Regular Premiums: €1,217,248 (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

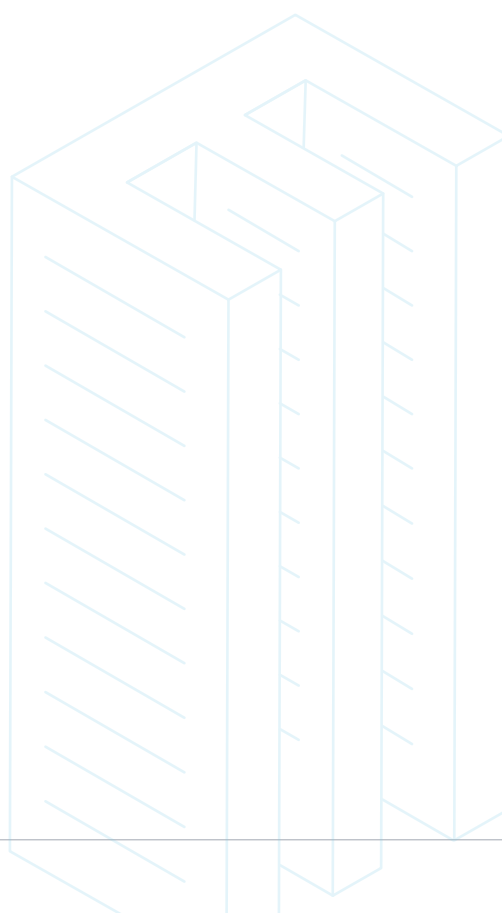
Class IV: Permanent Health insurance contracts

Class VI: Capital redemption operations

Total: €15,391,535

Insurance Ireland International Life Members' New Business Figures 2020

Companies	Annual Premiums € 000's	Single Premiums € 000's	Total € 000's
Allianz Global Life	3,427	593,497	596,924
AXA MPS Financial Ltd	41,637	1,266,375	1,308,012
Canada Life Assurance Europe	77,480	167,633	245,113
Darta Saving Life Assurance	21,608	3,645,633	3,667,241
FIL Life Insurance (Ireland)	275	59,493	59,768
Intesa Sanpaolo Life	2,049	3,678,081	3,680,130
MetLife Europe	1,007,118	295,135	1,302,253
Octium Life	0	189,606	189,606
Prudential International Assurance (Ireland)	2,668	661,365	664,033
Quilter International Ireland	0	654,439	654,439
SEB Life International	0	993,190	993,190
St. James's Place International	31,889	715,913	747,802
Utmost PanEurope	23,455	1,031,599	1,055,054
Vera Financial	0	202,479	202,479
Zurich Life International Assurance	5,642	19,849	25,491
Total	1,217,248	14,174,287	15,391,535



FACT



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