

Fact File File

About Us

As the voice of insurance actively promoting the highest standards, Insurance Ireland represents 95% of the domestic market and 70% of Ireland's International life insurance market. This business generates €25bn in premium income (domestic and overseas), directly and indirectly employs 27,000 people, with thousands more in ancillary services and contributes over €1.6bn in tax to the Irish exchequer.

Insurance makes a major contribution to Ireland's economic growth and development and is a cornerstone of modern life. One of the most important aspects of insurance is to pay claims to customers at times when they need it most. Each year the insurance industry pays out more than €10bn in claims to Irish customers. As the voice of insurance companies in Ireland, Insurance Ireland's key functions include:

- Representing its members' interests to Government, state agencies, regulatory bodies, public representatives, other national interest groups, the media and the general public.
- Representing the position of members at a European level, particularly via Insurance Europe, the European Association for national insurance company representative bodies, and at a global level via the Global Federation of Insurance Associations (GFIA).
- Keeping members abreast of relevant policy and regulatory developments and providing a forum for member debates on such issues.
- Providing information to Government, the wider policy-making community and the public about insurance.

Insurance Ireland – The Voice of Insurance

About Factfile

Factfile 2013 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-first year of publication and the Factfile is now a well-established primary source of information on the domestic and international business of insurers based in Ireland.

The data is derived from data collected from members of Insurance Ireland unless otherwise indicated.

AXA Ireland are included in the 2009 - 2011 Insurance Ireland non-life market figures, not included in 2012 and are included in 2013.

21 YEARS
IN PRODUCTION

Contents

04	Executive Summary
05	The Irish Insurance Market—A Comparative Overview
09	Life Assurance and Pensions Market 2009-2013
16	Non-Life Insurance Market 2009-2013
22	International Market 2009-2013

Executive Summary

The Irish Insurance Market - A Comparative Overview

- Gross insurance premium income for domestic life and non-life insurance combined was €11,313m in 2013, compared to €10,584m in 2012 – an increase of 6.9%.
- Premium income as a percentage of GDP was 7%, up from 6.5%. Premiums per capita increased by 4.5% from €2,352 in 2012 to €2,459 in 2013.
- The capital values of assets in many investment areas increased in 2013. Assets comprising domestic life policyholders' funds and non-life technical reserves increased by 4.6% to €89bn at the end of the year.
- The insurance sector is a major employer in the Irish economy. Insurance Ireland member companies employed over 14,334 people in Ireland as of the end of December 2013.

Life Assurance and Pensions Market

- Insurance Ireland's life assurance members' aggregate domestic premium income was €8,739m for 2013, which is an increase of 7% on the previous year (€8,150m).
- New annual premium (AP) business was €426m, down 2% from €434m in 2012.
- An increase of 17% was recorded for new single premium (SP) business in 2013 (€5,805m).
- New business Annual Premium Equivalent (AP sales + 10% of SP sales) rose 8% to €1,006m compared with €931m in 2012.
- €8,922.5m in benefits and claims was paid by domestic life assurance companies during 2013, a decrease of 1% on 2012.
- The total value of life assurance protection in force at the end of 2013 was estimated at €371bn, compared to €395bn at the end of 2012, which is a decrease of 6%.
- The aggregate value of policyholders' funds managed by Insurance Ireland life members increased by 4% to €82,309m in 2013. The value of equity investments increased 12.2% from €37,665m in 2012, to €42,273 in 2013. Equities represented 51.4% of total policyholders' funds at 31/12/13, compared to 47.6% at the end of 2012.
- The value of life assurance funds invested in gilts decreased by 10% to €23,359m in 2013, and now represents 28.4% of life assurance investments.
- Cash holdings increased from 11.2% of the total value of policyholders' funds in 2012 to 11.8% (€9,704m) in 2013.
- Property assets fell 8% to €2,758m in 2013 from €2,999m in 2012 and now represent 3.4% of total investments.

Non-Life Insurance Market

- Insurance Ireland's 20 domestic non-life members write in excess of 95% of Irish non-life insurance business in the established market. Combined, Insurance Ireland members wrote gross premiums of €2,574m in 2013.
- Motor insurance remains the largest class of non-life insurance at €1,113m (43% of all non-life business). Property is the second largest class of non-life business (33%).
- Net written premiums (i.e. total premiums after reinsurance costs have been deducted) were €2,149m. Net earned premiums were €2,196m in 2013.
- The number of new claims notified to Insurance Ireland members in 2013 was 441,214. 53% of new claims were motor claims, while 23% were made on property insurance policies (household and commercial property).
- Net incurred claims costs amounted to €1,693m leading to a net underwriting loss in 2013 of €211m. After investment income is added, the market made an operating loss of €81m.

International Life Assurance Market

- The vast majority of international premium income is new single premium income. In 2013, the figure for Insurance Ireland's International life members was €12,131m, up 82% on 2012 (€6,657). Annual premium income more than tripled from €101.7m in 2012 to €412m in 2013, an increase of 305%.
- Some of this increase is accounted for by the higher number of companies participating in this statistical exercise, reflecting the increased number of Insurance Ireland international members.
- Over the 5-year period, 2009 to 2013, single premium business has grown by 26% p.a. on average (from €4,790m in 2009 to €12,131m in 2013) whilst annual premium income increased by 50% p.a. (from €81.7m in 2009 to €412m in 2013).
- The top 2 countries for single premium business were Italy and the UK, followed by Sweden, Finland and Spain. EU countries made up 98.5% of total single premium and 99.8% of total regular premium.
- The vast majority of international single premium income (96%) is represented by unit linked single premium business (Class III).

Health Insurance Market

- Insurance Ireland's four health insurance members write approximately 96% of health insurance in the Irish domestic market. Combined, Insurance Ireland members wrote gross premiums of €2,274m in 2013.
- Gross incurred claims in 2013 amounted to €1,956m, while the number of new claims notified to Insurance Ireland health insurance members in 2013 was 1,453,357.

The Irish Insurance Market — A Comparative Overview

This chapter provides an overview of trends in the Irish insurance market, both from a recent historical perspective (2009-2013) 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 Insurance Ireland domestic insurance members and does not represent international or health insurance members.

The Insurance Market in the Economy

2013 Premium Income – Life and Non-Life			
Year	Life	Non-Life	Total
Gross Premium Income (€m)	8739.0	2573.6	11312.6
Premium Income: GDP (%)	5.38	1.59	6.97
Premiums per capita (€)	1900	559	2459
Investments* (€m)	82309	6462	88771

* Policyholders' funds (life assurance) and Technical Reserves (non-life) at 31st December 2013.

Gross insurance premium income for life and non-life insurance combined was €11,313m in 2013, compared to €10,584m in 2012 – an increase of 6.9%. Premium income as a percentage of GDP was 7%. Premiums per capita increased by 4.5%, from €2,352 in 2012 to €2,459 in 2013.

The capital values of assets in many investment areas increased in 2013. Assets comprising life policyholders' funds and non-life technical reserves increased by 4.6% to €89bn at the end of the year.

Insurance Ireland Members' Gross Premium Income 2009-2013

Year	Life €m	Non-Life €m	Total €m
2009	9346.4	3123.2	12469.6
2010	9687.6	3035.2	12722.8
2011	8485.6	2893.7	11379.3
2012	8150.2	2433.8	10584.0
2013	8739.0	2573.6	11312.6

Life gross premium income increased from €9,346m in 2009 to €9,688m in 2010, before falling consecutively for 2 years to €8,150m in 2012 and then increased back to €8,739m in 2013. Non-life gross written premium declined each year from €3,123m in 2009 to €2,434m in 2012 and increased this year to €2,574m.

Gross Premium Income and Domestic Product 2009-2013

Year	Gross Insurance Premium Income €m	GDP€m	Premium Income: GDP %
2009	12469.6	160858	7.8%
2010	12722.8	159148	8.0%
2011	11379.3	162600	7.0%
2012	10584.0	162855	6.5%
2013	11312.6	162302	7.0%

Market combined life and non-life premium income declined each year from €12,470m in 2009 to €10,584m in 2012 and increased this year to €11,313m. Premium income as a percentage of GDP fluctuated over the 5 years from 2009 to 2013, reaching 7% in 2013.

Life & Non-Life premiums as a Percentage of GDP for Ireland 2009-2013

Year	Life Premium as % of GDP	Non-Life Premium as % of GDP	Total %
2009	5.8	1.9	7.8
2010	6.1	1.9	8.0
2011	5.2	1.8	7.0
2012	5.0	1.5	6.5
2013	5.4	1.6	7.0

Life premiums as a percentage of GDP rose to 6.1% in 2010, before falling to 5% in 2012 and increased again in 2013 to 5.4%. Non-life premiums as a percentage of GDP remained static at 1.9% from 2009 to 2010, before falling to 1.5% in 2012 and increased to 1.6% in 2013.

Year-End Value of Investments

	2009 €bn	2010 €bn	2011 €bn	2012 €bn	2013 €bn	% Change p.a.
Life	70.015	73.430	71.838	79.208	82.309	4.1
Non-life	8.742	8.142	7.761	5.696	6.462	-7.3
Total	78.757	81.572	79.599	84.904	88.771	3.0

The value of life policyholders' funds increased from €70bn in 2009 to €82.3bn in 2013, an average growth rate of 4.1% over the period. Non-life technical reserves fell to €5.7bn in 2012, but rose in 2013 to €6.5bn with an average growth rate of -7.3% over the five years.

The total value of life and non-life assets was €88.8bn in 2013.

8,923 MILLION EURO PAID OUT BY LIFE ASSURANCE COMPANIES IN BENEFITS AND CLAIMS

Life Assurance Benefits and Claims Paid 2009-2013

Year	Amount €m
2009	8576
2010	8222
2011	8736
2012	8996
2013	8923

€8,923m was paid out by life assurance companies in benefits and claims in 2013. 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.

Non-Life Insurance Premiums and Claims 2009-2013

Year	Gross Earned Premium €m	Gross Incurred Claims €m
2009	3208	2750
2010	3107	2516
2011	2996	1791
2012	2485	1585
2013	2630	1818

The downward trend in gross earned premium for non-life insurance reversed in 2013 and stood at €2,630m

Gross incurred claims followed a similar downward trend from 2009 onwards but increased in 2013 to reach €1,818m.

Employment in Insurance Companies in Ireland

Employment in Insurance Companies in Ireland as at 31st December 2013	
Life	5437
Non-Life	8897
Total	14334

The insurance sector is a major employer in the Irish economy. Insurance Ireland life and non-life member companies employed over 14,334 people in Ireland as of the end of December 2013. In addition, significant numbers are employed in the wider insurance industry e.g. broking, loss adjusting and assessing, and in outsourced service providers.

Irish Insurance Market in an International Context

The Irish Insurance Market in the World 2013							
	Global Share %						
	Population	GDP	Life Gross Premiums	Non-Life Gross Premiums	Total Gross Premiums	Total Gross Premiums as % of GDP	Total Gross Premiums Per Capita USD
Ireland	0.06	0.30	1.80	0.44	1.20	8.00	3,783
EU	7.13	23.55	34.16	29.68	32.20	7.82	2,680
OECD	17.70	63.84	80.94	82.43	81.60	7.74	2,898
Europe	11.43	29.61	36.30	33.70	35.16	6.82	1,834
America*	13.53	33.04	25.52	44.41	33.79	6.42	1,627
Asia	59.19	32.22	34.45	18.71	27.55	5.37	303
Oceania	0.52	2.34	1.82	2.08	1.93	5.19	2,429
Africa	15.32	2.80	1.91	1.11	1.56	3.50	66
World	100.00	100.00	100.00	100.00	100.00	6.28	652

Figures are rounded USD

Sources: Swiss Re Sigma No 3/2014; CSO; CIA's - The World Factbook and Insurance Ireland

*Includes Latin America and Caribbean

The 2013 Irish insurance market is set in both a European and a global context in this table. As with Ireland's GDP (0.3%), its global share of total gross insurance premiums (1.2%) 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.

Insurance density: Premiums per capita 2013

Country	Premium Per Capita 2013 (USD)
Switzerland	7701
Netherlands	6012
Denmark	5780
Finland	5073
Luxembourg	5003
Hong Kong	5002
United Kingdom	4561
Norway	4452
Sweden	4320
Japan	4207
United States	3979
Taiwan	3886
Ireland	3783
France	3736
Canada	3563
Australia	3528
Singapore	3251
Belgium	3235
Germany	2977
South Korea	2895
Italy	2645
Austria	2604
New Zealand	2423

Source: Swiss Re Sigma No 3/2014

The premium spent per capita for 2013 in Ireland is compared to some other advanced industrialised countries in this table. The figure for Ireland of US\$3,783 is higher than some other European countries such as Italy and Germany but is also lower than others, such as the United Kingdom and Sweden. A factor which needs to be noted, particularly when making comparisons with other European states, is that countries such as Germany and Sweden have higher taxation rates and more developed social insurance systems. Therefore, a greater proportion of the costs associated with accidents are catered for through the social insurance system. This has an impact on the level of compensation awarded for insurance claims made against insurance companies and ultimately on premium rates and volumes.

Life Assurance and Pensions Market 2009-2013

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's 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, increasing numbers of people have chosen to provide for their retirements by taking out pensions with a life assurance company. This is usually done by way of a contract where, in return for a lump sum or a series of regular payments to the life assurance company, the policyholder will receive a regular income at retirement. This regular income during retirement is called an "annuity."

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 were introduced as new easy access, low cost, and flexible personal pensions, to encourage individuals who have not already done so to make a provision for retirement. PRSAs pensions products were launched on the market in early 2003.

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).

2013 Key Life and Pensions Statistics

	New Business (€m)			Total	All
	Annual Premium (1)	Single Premium (2)	A.P.E. (1)+10% of (2)	Annual Premium €m (3)	Business €m (2)+(3)
Individual Assurances and Annuities	123.3	2116.5	335.0	1207.3	3323.8
Pension Scheme Business	228.4	2430.8	471.5	1180.5	3611.3
Self-employed Pensions (Incl. PRSAs)	57.6	1259.0	183.5	370.2	1629.2
Permanent Health Insurance	16.3	-1.6	16.1	170.6	169.0
Industrial Branch Business	0.0	0.0	0.0	5.7	5.7
Total	425.6	5804.7	1006.1	2934.3	8739.0

Insurance Ireland's life assurance members' aggregate domestic premium income was €8,739m for 2013, which is an increase of 7% on the previous year (€8,150m).

New annual premium (AP) business was €426m, down 2% from €434m in 2012.

An increase of 17% was recorded for new single premium (SP) business in 2013 (€5,805m).

New business Annual Premium Equivalent (AP sales + 10% of SP sales) rose 8% to €1,006m compared with €931m in 2012.

Life Assurance Gross Premium Income 2013 (by type of Policy) - see graph 1A

- Individual Assurances & Annuities €3,323.8m (38%)
- Pension Scheme Business €3,611.3m (41.3%)
- Self-Employed Pensions & Associated Business (Incl. PRSAs) €1,629.2m (18.6%)
- Permanent Health Insurance (PHI) €169m (1.9%)
- Industrial Branch (IB) Business €5.7m (0.1%)

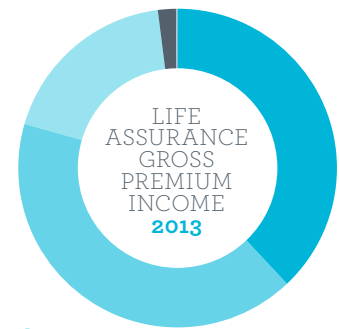
Pension scheme business (41.3%) and individual assurances and annuities (38%) continue to be the two main segments of life assurance gross premium income.

The self-employed pensions & associated business (including PRSAs) segment decreased from 20.2% in 2012 to 18.6% in 2013.

Premium income from permanent health insurance (PHI) as a percentage of life assurance gross premium income decreased from 2.1% to 1.9%, back to its 2011 level. Industrial branch business in 2013 remained the same as 2012 and 2011 at 0.1%.

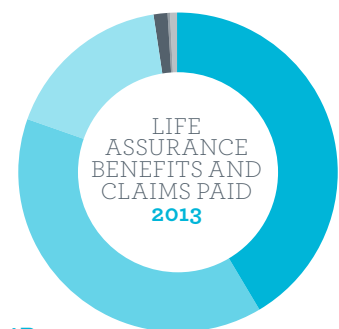
Life Assurance Benefits and Claims Paid 2013 (by type of policy) - see graph 1B

- Individual Assurances & Annuities €3,698.4m (41.5%)
- Pension Scheme Business €3,470m (38.9%)
- Self-Employed Pensions & Associated Business (Incl. PRSAs) €1,539.1m (17.2%)
- Permanent Health Insurance (PHI) €126.7m (1.4%)
- Industrial Branch (IB) Business €28.8m (0.3%)
- Critical Illness €59.5m (0.7%)



1A

- Individual Assurances & Annuities
- Pension Scheme Business
- Self-Employed Pensions & Associated Business (Incl. PRSAs)
- Permanent Health Insurance (PHI)
- Industrial Branch (IB) Business



1B

- Individual Assurances & Annuities
- Pension Scheme Business
- Self-Employed Pensions & Associated Business (Incl. PRSAs)
- Permanent Health Insurance (PHI)
- Industrial Branch (IB) Business
- Critical Illness

8923 MILLION EURO PAID IN BENEFITS AND CLAIMS BY DOMESTIC LIFE ASSURANCE COMPANIES

€8,922.5m in benefits and claims was paid by domestic life assurance companies during 2013, a decrease of 1% on 2012. 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.

The majority of claims were paid under individual assurance/annuity contracts (41.5%, up from 40.8% in 2012) and pension schemes (38.9%, a decrease from 39.3% in 2012), followed by self-employed pensions and associated business (17.2%, the same as in 2012 and 2011). Claims under individual assurance/annuity contracts increased 1% to €3,698 in 2013. Claims under self-employed pensions and associated business also decreased 1% from €1,548m in 2012 to €1,539m in 2013, and pension scheme business decreased by 2% from €3,539m to €3,470m. There was also a 23% decrease in critical illness payouts (to €59.5m) following a 17% rise in 2012.

The total value of life assurance protection in force at the end of 2013 was estimated at €371bn, compared to €395bn at the end of 2012, which is a decrease of 6%.

Benefits and Claims

Benefits and Claims By Type (€m)	€m
Surrenders and Maturities	7581.6
Death / Critical Illness Claims	784.8
Annuities	556.1
Total	8922.5

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

- The largest category is benefits paid on policy surrenders and maturities, with €7,581m paid in 2013, (a decrease of 1% on 2012). This category represents 85% of total payments made last year;
- Death and critical illness claims under protection contracts amounted to €785m, down 5% on 2012; and
- Annuity payments totalled €556m in 2013, up 6.5% on 2012.

Sources of Life Assurance Business

		Brokers %			Agents %			Tied Agents %			Employee & Company Representatives %			Direct %		
		'11	'12	'13	'11	'12	'13	'11	'12	'13	'11	'12	'13	'11	'12	'13
Annual Premium	Life	16	13	12	2	1	1	7	11	10	6	5	6	1	1	0
	Pensions	51	50	50	1	1	1	6	7	6	8	9	10	3	3	4
	Total	67	63	62	3	2	2	13	18	16	14	14	16	4	4	4
Single Premium	Life	6	4	4	1	0	0	5	4	3	5	1	3	23	31	41
	Pensions	39	35	30	1	1	1	3	3	2	3	2	2	15	19	13
	Total	45	39	34	2	1	1	8	7	5	8	3	5	38	50	54

The chart above provides a breakdown of the proportion of new business written through the various sales channels. In 2013, brokers' new business market share

decreased by 1 percentage point to 62% (having decreased by 4% in 2012 to 63%) for annual premium (AP) business, and by 5 percentage points for single premium (SP) business to 34%.

Brokers' AP pensions business decreased by 1% on 2011 to 50% in 2013. SP pensions business decreased by 9 percentage points for the same period. AP for life business dropped 4% below 2011 levels in 2013 (to 12%) and SP life business decreased from 6% to 4% over the same period.

Life office employees and company representatives (direct sales forces) saw their share of AP increase by 2% over the period (to 16%), with their share of SP business dropping from 8% in 2011 to 5% in 2013.

Direct sales other than through employed salespeople (e.g. telephone, internet and direct response sales) remained broadly static for AP, whilst SP direct sales increased by 16 percentage points from 38% to 54%.

Independent agents' AP business decreased by 1 percentage point from 3% in 2011 to 2% in 2013, while their SP business decreased by the same to reach 1%.

The percentage of AP business written through tied agents increased from 13% to 16%, while SP business written via tied agents decreased from 8% in 2011 to 5% in 2013.

Life Assurance Investments 2013 (Policyholders' Funds) - see graph 1C

- Equities €42,273m (51.4%)
- Gilts €23,359m (28.4%)
- Property €2,758m (3.4%)
- Cash €9,704m (11.8%)
- Other €4,215m (5.1%)

The aggregate value of policyholders' funds managed by Insurance Ireland life members increased by 4% to €82,309m in 2013. The value of equity investments increased 12.2% from €37,665m in 2012 to €42,273m in 2013. Equities represented 51.4% of total policyholders' funds at 31/12/13, compared to 47.6% at the end of 2012.

The value of life assurance funds invested in gilts decreased by 10% to €23,359m in 2013, and now represents 28.4% of life assurance investments.

Cash holdings increased from 11.2% of the total value of policyholders' funds in 2012 to 11.8% (€9,704m) in 2013.

Property assets fell 8% to €2,758m in 2013 from €2,999m in 2012 and now represent 3.4% of total investments.

Investments (Policyholders' funds) By Type & Location 2013

	Irish €m	Foreign €m	Total €m
Equities¹	6985	35288	42273
Gilts²	3227	20132	23359
Property³	1860	898	2758
Cash	3771	5933	9704
Other	3244	971	4215
Total	19087	63222	82309

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

2 Inc. Government, local & public authority securities

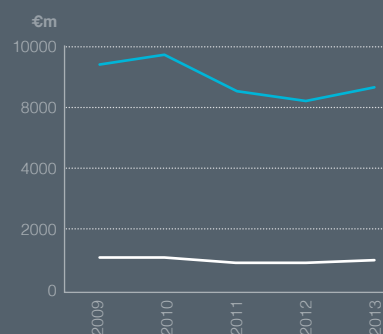
3 Inc. own use buildings, office, residential, commercial and individual investment properties and debenture stocks.



1C

- Equities €42,273m (51.4%)
- Gilts €23,359m (28.4%)
- Property €2,758m (3.4%)
- Cash €9,704m (11.8%)
- Other €4,215m (5.1%)

LIFE ASSURANCE PREMIUM INCOME 2009 - 2013



1D

- Total Premium Income
- New Business (Annual Premium Equivalent)

The preceding table illustrates the breakdown of investments by location. 23% of investments were in Ireland in 2013. The value of domestic investments at the end of 2013 was €19,087m. Foreign investments in 2013 were €63,222m, 77% of total investments.

36.5% of Irish investments are in equities. 20% are in cash, with 17% in gilts. Property holdings were 10% of Irish investments in 2013.

56% of the foreign holdings are equities. The second largest foreign asset class is gilts at 32%. The proportion of foreign holdings invested in property was 1.4%. The percentage invested in cash was 9.4% in 2013.

Market Trends 2009 – 2013

	2009 €m	2010 €m	2011 €m	2012 €m	2013 €m	Annual Change 2009-2013 %
Premium Income (Annual Premium Business)	3923	3541	3246	3172	2934	-7.0
Premium Income (All Business)	9346	9688	8486	8150	8739	-1.7
New Business						
Annual Premiums	611	529	448	434	426	-8.6
Single Premiums	5424	6147	5239	4978	5805	1.7
Annual Premium Equivalent (APE)	1154	1143	972	931	1006	-3.4
Benefits & Claims	8576	8222	8736	8996	8923	1.0

See graph 1D

There was a downward trend in aggregate premium income over the five year period 2009-2013 resulting in negative growth of -1.7% p.a. for this period.

New annual premium business decreased from €611m in 2009 to €426m in 2013, a decrease of 8.6% p.a. over the 5-year period.

On an annualised basis, new SP business expanded at 1.7% p.a. between 2009 and 2013.

New business on an Annual Premium Equivalent (APE) basis has fallen from €1,154m in 2009 to €1,006m in 2013, equivalent to a reduction of 3.4% p.a. over 5 years.

Benefits and claims paid increased from €8,576m in 2009 to €8,923m in 2013. Over the 5 year period claims payments grew by 1% p.a.

Investments (by Type) % of Total Value

Asset Category	2009	2010	2011	2012	2013
Equities¹	50.3	52.0	46.6	47.6	51.3
Gilts²	26.8	26.2	31.3	32.7	28.4
Property³	5.7	5.4	5.1	3.8	3.4
Cash	11.0	10.6	11.1	11.2	11.8
Other	6.2	5.8	5.9	4.7	5.1
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 between 2009 and 2010, fell from 52% in 2010 to 46.6% in 2011 and then increased again to reach 51.3% in 2013. Gilts dropped from 26.8% of total investments in 2009, to 26.2% in 2010, increased to 32.7% in 2012 and then fell to 28.4% in 2013. Property assets, which stood at 5.7% in 2009, declined over the period to 3.4% in 2013. Cash holdings increased slightly over the period (11% in 2009 to 11.8% in 2013).

Investment Trends (by Location) 2009-2013

% of total value	2009	2010	2011	2012	2013
In Ireland	36.3	33.2	39.2	55.9	23.2
Outside Ireland	63.7	66.8	60.8	44.1	76.8

Policyholders' funds invested in Ireland decreased from 36% in 2009 to 23% in 2013. Approximately 77% of assets by value are foreign.

Insurance Ireland Life Members' Gross Premium Income 2013

Companies	Life Business			Pensions Business		Total €'000
	Annual Premiums €'000	Single Premiums €'000	Industrial Branch €'000	Annual Premiums €'000	Single Premiums €'000	
Acorn Life	42112	10809	0	11215	11943	76079
Ark Life	106011	15	0	51741	7577	165344
Aviva Life & Pensions	95332	56515	0	118412	364656	634915
Caledonian Life	43846	1063	0	1427	0	46336
Canada Life	68905	27526	0	62071	195480	353982
Friends First Life	102008	41430	0	70780	202081	416299
Genworth Financial	241	0	0	0	0	241
Irish Life	459060	735455	0	546441	837631	2578587
London General Life	0	-1693	0	0	0	-1693
New Ireland	245076	616883	294	420435	427097	1709785
Phoenix Ireland	5081	15937	0	5040	8	26066
Royal London	17529	1685	5427	0	0	24641
Standard Life	12651	215446	0	42454	871105	1141656
Zurich Life	179966	324165	0	220738	841866	1566735
Total	1377818	2045236	5721	1550754	3759444	8738973

Non-Life Insurance Market 2009-2013

GLOSSARY OF NON-LIFE 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 2013, 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 2013 would be €15m (€10m + €(55m-50m)).

Investment Income

Income received on investments PLUS gains/losses realised on disposal of investments PLUS unrealised gains/losses over the period in question on investments held throughout the period.

Management Expenses

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

Operating Result

A non-life 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 2013, the written premium for 2013 will be €500, and so will the earned premium. But if the same policy is issued on 1st July 2013, 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 2014 earned premium. This is because half of the premium is in respect of the exposure to loss during the first half of 2014.

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 Financial Regulator 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 non-life 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.

Non-Life Key Statistics 2013

Class	Premiums			Claims		Net Underwriting Result €m	Estimated Investment Income €m	Estimated Net Operating Result €m
	Written		Earned	Net Incurred €m	No of New Claims Notified			
	Gross €m	Net €m	Net €m					
Private Motor	836.8	768.5	757.2	777.9	183759	-234.5	43.7	-190.8
Comm. Motor	275.8	250.3	256.1	207.8	51563	-19.1	18.2	-0.9
All Motor	1112.6	1018.8	1013.3	985.7	235322	-253.6	61.9	-191.7
Household	480.3	396.2	434.0	209.8	55105	53.9	6.9	60.8
Comm. Property	357.2	223.3	232.7	135.8	45319	0.7	9.8	10.4
All Property	837.5	619.5	666.7	345.6	100424	54.6	16.7	71.2
Employers' Liability	160.2	132.9	134.1	93.3	6148	-7.8	12.1	4.3
Public Liability	301.9	246.8	240.9	209.5	14455	-38.5	37.3	-1.2
All Liability	462.1	379.7	375.0	302.8	20603	-46.3	49.4	3.1
PA/Travel	81.0	65.2	67.4	37.8	30674	13.0	1.0	14.0
Other Business	80.4	65.7	73.1	20.4	54191	21.1	1.5	22.5
TOTAL	2573.6	2148.9	2195.5	1692.3	441214	-211.2	130.5	-80.9

Overview of Non-Life Results for 2013

Insurance Ireland's 20 domestic non-life members write in excess of 95% of Irish non-life insurance business in the established market. Combined, Insurance Ireland members wrote gross premiums of €2,574m in 2013.

Motor insurance remains the largest class of non-life insurance at €1,113m (43% of all non-life business). Property is the second largest class of non-life business (33%).

Net written premiums (i.e. total premiums after reinsurance costs have been deducted) were €2,149m. Net earned premiums were €2,196m in 2013.

The number of new claims notified to Insurance Ireland members was 441,214. 53% of new claims were motor claims, while 23% were made on property insurance policies (household and commercial property).

Net incurred claims costs amounted to €1,693m leading to a net underwriting loss in 2013 of €211m. After investment income is added, the market made an operating loss of €81m.

Motor Insurance

Gross written premium for motor insurance was €1,113m in 2013. 75% of motor insurance gross written premium is accounted for by private motor business with the remaining 25% derived from commercial motor business. Net earned motor premiums amounted to €1,013m in 2013.

The number of new motor claims notified during 2013 was 235,322.

The motor net underwriting loss was €254m in 2013.

Property Insurance

The property insurance class is the second largest sector in the Irish non-life market after motor insurance. The property insurance market is split between household (57% of premium income) and commercial property (43%). Insurance Ireland members wrote gross property insurance premiums of €837m in 2013. The property insurance market recorded a net underwriting profit of €55m in 2013.

Liability Insurance

Insurance Ireland members wrote gross liability premiums of €462m in 2013. Net earned premium was €375m.

Net incurred claims amounted to €303m in 2013. Liability insurers made a net underwriting loss of €46m in 2013.

Other Non-Life Lines

Insurance Ireland members wrote €81m of personal accident and travel insurance in 2013. This class of business generated a net underwriting profit of €13m in 2013.

Other classes of non-life business, including marine, aviation and transit (MAT), credit and suretyship, other financial loss covers and legal expenses insurance accounted for €80m in gross written premium in 2013. These classes of business produced a net underwriting profit of €21m in 2013.

Investing Non-Life Premium Income

Non-life insurers' technical reserves are mainly invested in cash and gilts, with only approximately 17% invested in equities. This is because of the need for security balanced by liquidity in order to meet claims and other short-term liabilities. This investment approach is in contrast to the investment portfolios of life and pensions companies, which are principally invested in assets that historically give a better long-term return, in particular equities.

Insurance Operating Ratios - see graph 2A

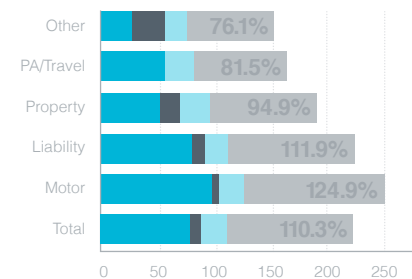
A number of key ratios are used to assess the cost of claims, and the efficiency and profitability of non-life insurance business.

- The claims ratio measures the cost of claims incurred as a proportion of premiums earned. In 2013 the Insurance Ireland non-life market produced a net claims ratio of 77%. In other words, claims cost 77 cent out of every €1 earned in premium. The claims ratio varied between sectors: in motor insurance it was 97% while in liability and property the claims ratio was 81% and 52% 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 2013 the net commission ratio was 11% and the net management expenses ratio was 22%.
- The net combined or operating ratio combines the claims, commissions and management expenses ratios. The operating ratio for the non-life market was 110% in 2013. In other words, this meant that the non-life market made a loss of 10 cents on underwriting insurance for every €1 of premium in 2013.

Non-Life Insurance Market Results 2009-2013

	Gross Written Premium €m	Net Underwriting Result €m	Investment Income €m	Operating Result €m	Profit: Premium %
2009	3752	-124	317	193	5.14%
2010	3702	-103	169	66	1.78%
2011	3554	213	191	404	11.37%
2012	3331	-87	278	191	5.73%
2013	2574	-211	130	-81	-3.15%
5 Years	16913	-312	1085	773	4.57%

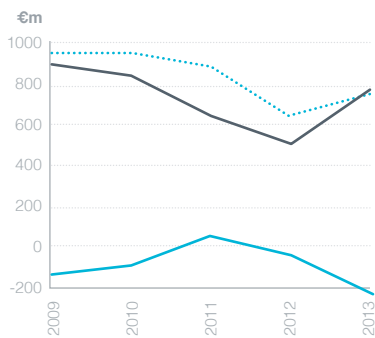
NON-LIFE INSURANCE OPERATING RATIOS 2013



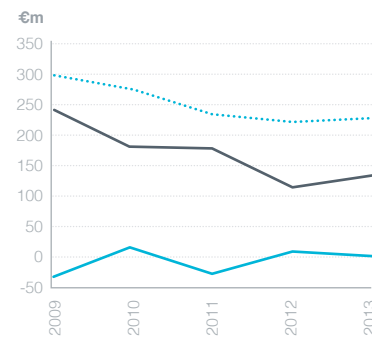
2A

- Claims Ratio %
- Commission Ratio %
- Management Expenses %
- Combined Operating Ratio %

The data for 2009-2013 is taken from the Central Bank's Insurance Statistical Review (2009) and Insurance Statistics (2010 -2012). These publications contain returns for all insurers. The data for 2013 is based on data supplied by Insurance Ireland members. As the ISR and IS publications do not provide a breakdown for every class of business, the data in the seven subsequent charts has been created from data supplied by Insurance Ireland members for all years. This explains the discrepancies between the first and the seven subsequent charts.

PRIVATE MOTOR 2009 - 2013**2B**

- Net Earned Premium
- Net Incurred Claims Costs
- Net Underwriting Result

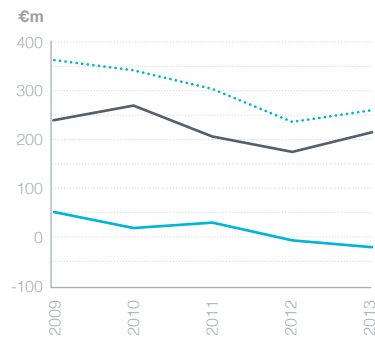
COMMERCIAL PROPERTY 2009 - 2013**2E**

- Net Earned Premium
- Net Incurred Claims Costs
- Net Underwriting Result

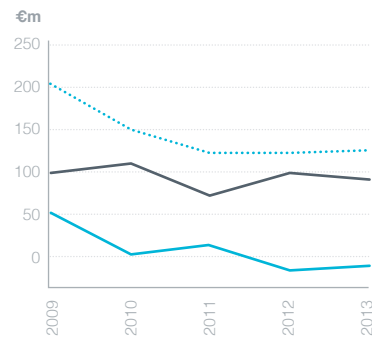
The chart illustrates the net underwriting result, investment income attributable to the underwriting account and the operating result for the non-life business market for the years 2009 to 2013. After investment income is taken into account, the 20 non-life insurers made a net combined operating loss of €81m in 2013.

Private Motor 2009 – 2013 - see graph 2B

Net Earned Premium (NEP) in the private motor market was €757m in 2013. Claims costs fluctuated between the years 2009-2013, peaking at €911m in 2009 before falling in subsequent years and rising again to €778m in 2013.

COMMERCIAL MOTOR 2009 - 2013**2C**

- Net Earned Premium
- Net Incurred Claims Costs
- Net Underwriting Result

EMPLOYER'S LIABILITY 2009 - 2013**2F**

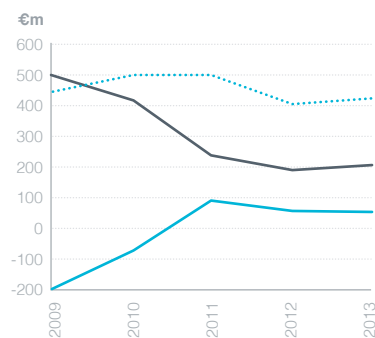
- Net Earned Premium
- Net Incurred Claims Costs
- Net Underwriting Result

Commercial Motor 2009 – 2013*- see graph 2C*

Net earned premium in the commercial motor insurance market was €256m in 2013. Net incurred claims costs have fluctuated during this period, amounting to €208m in 2013.

Household 2009 – 2013 - see graph 2D

Net earned premium for household insurance peaked at €510m in 2010 and was €434m in 2013. Net incurred claims costs peaked at €508m in 2009 and fell back to €210m in 2013.

HOUSEHOLD 2009 - 2013**2D**

- Net Earned Premium
- Net Incurred Claims Costs
- Net Underwriting Result

Commercial Property 2009 – 2013*- see graph 2E*

The underwriting result for insurers of commercial property deteriorated to a net underwriting profit of €1m in 2013 following a net underwriting profit of €8m in 2012. Net incurred claims costs increased to €136m from €115m in 2012.

Employers' Liability 2009 – 2013*- see graph 2F*

Net earned premium increased to €134m in 2013 from €130m in 2012. The underwriting result improved to a net underwriting loss of €8m from a net underwriting loss of €13m in 2012.

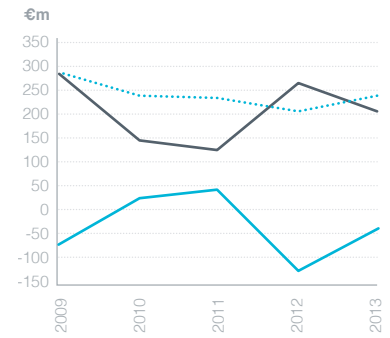
Public Liability 2009 – 2013 - see graph 2G

Net earned premium increased to €241m in 2013 from €204m in 2012. In 2013 a net underwriting loss of €38m was recorded.

Other Classes 2009 – 2013 - see graph 2H

Other classes of insurance include personal accident, travel, and financial loss insurances. Net earned premiums fluctuated during this five-year period and reached a low of €141m in 2013. The net underwriting profit increased to €34m in 2013, from €19m in 2012.

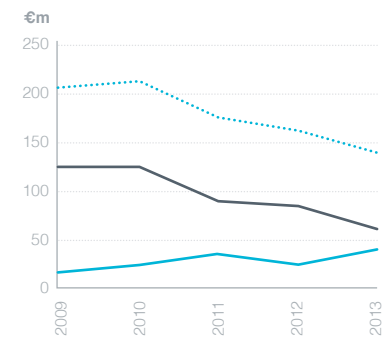
PUBLIC LIABILITY 2009 - 2013



2G

- Net Earned Premium
- Net Incurred Claims Costs
- Net Underwriting Result

OTHER CLASSES 2009 - 2013



2H

- Net Earned Premium
- Net Incurred Claims Costs
- Net Underwriting Result

Insurance Ireland Non-life Members' Gross Written Premium 2013* (€'000)

Company	Motor	Property	Liability	PA/Travel	Other Classes	Total
ACE	393	17025	16871	29737	9892	73918
AIG	47616	30970	77749	10872	1063	168270
Allianz	91823	144972	62526	4410	11707	315438
Amtrust	0	29	6164	0	133	6326
Aviva	160069	132524	43706	4525	1579	342402
AXA	243119	61022	2619	1934	0	308694
DAS	0	0	0	0	7540	7540
DeCare	0	0	0	9213	0	9213
Ecclesiastical	1	6719	4100	23	531	11374
Euro Insurances	5320	0	0	0	0	5320
FBD	157422	122305	65660	5808	0	351195
Genworth Financial	0	0	0	0	19633	19633
Irish Public Bodies	6022	23873	55545	929	2175	88544
Liberty Insurance	110243	33993	29739	0	0	173975
London General	0	307	0	0	11150	11457
MAPFRE	0	0	0	6682	5021	11703
New Technology	0	3590	0	0	0	3590
RSA	173169	143356	40213	6143	2127	365008
Travelers	6621	10811	13835	0	0	31267
Zurich	110768	106000	43406	738	7836	268748
Total	1112586	837496	462133	81014	80387	2573615

*Excludes Health Insurance

International Market 2009-2013

2013 Key International Life Statistics (€m)

	Single Premium (1)	Annual Premium (2)	A.P.E. (2)+10% of (1)
EU	11952	411	1606
Non-EU	179	0.7	19
Total	12131	412	1625

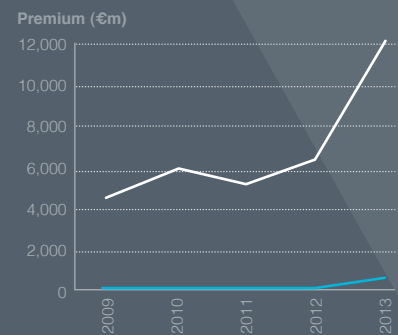
The vast majority of international premium income is new single premium income. In 2013, the figure for Insurance Ireland's International life members was €12,131m, up 82% on 2012 (€6,657m). Annual premium income more than tripled from €101.7m in 2012 to €412m in 2013 (an increase of 305%).

Some of this increase is accounted for by the higher number of companies participating in this statistical exercise, reflecting the increased number of Insurance Ireland international members.

Market Trends (2009 – 2013) - see graph 3A

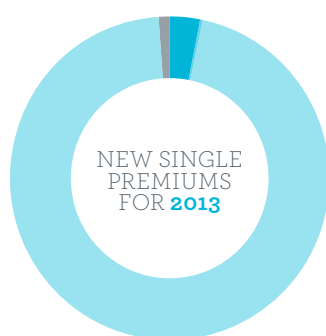
Over the 5-year period 2009 to 2013, single premium business has grown by 26% p.a. on average (from €4,790m in 2009 to €12,131m in 2013), whilst annual premium income increased by 50% p.a. (from €81.7m in 2009 to €412m in 2013).

MARKET TRENDS 2009 - 2013



3A

- Annual Premium
- Single Premium

**3B**

- Class I: €397m (3.3%)
- Class II: €5m (0.04%)
- Class III: €11,604m (95.7%)
- Class IV: €1.5m (0.01%)
- Class V: €124m (1%)

Country of Business Analysis of New Business Premiums (€m)

Countries	Single Premium	Regular Premium
Austria	0	0
Belgium	74	0.3
Bulgaria	0	0
Cyprus	23	0.1
Czech Republic	0	0
Denmark	0.1	0.01
Estonia	0	0
Finland	267	15
France	73	0.2
Germany	62	53
Greece	7	0
Hungary	0	0
Ireland	24	6
Italy	7,948	104
Latvia	0	0
Lithuania	0	0
Luxembourg	51	0.3
Malta	52	0.01
Netherlands	0.5	0.1
Poland	0.4	0
Portugal	22	38
Romania	0	0
Slovakia	0	0
Slovenia	0	0
Spain	210	71
Sweden	355	24
United Kingdom	2,785	99
Total EU	11,952	411
Rest of Europe (non-EU)	112	0.1
Rest of World	67	0.5
Total	12,131	412

The top 2 countries for single premium business were Italy and the UK, followed by Sweden, Finland and Spain. EU countries made up 98.5% of total single premium and 99% of total regular premium.

New Single Premiums for 2013 - see graph 3B

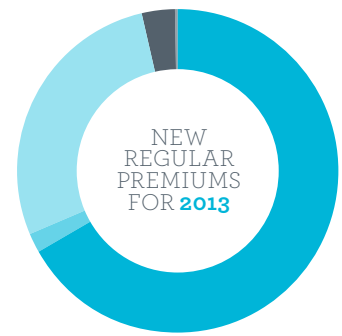
- Class I: €397m (3.3%)
- Class II: €5m (0.04%)
- Class III: €11,604m (95.7%)
- Class IV: €1.5m (0.01%)
- Class V: €124m (1%)

New Regular Premiums for 2013 - see graph 3C

- Class I: €275m (66.7%)
- Class II: €8m (1.9%)
- Class III: €114m (27.8%)
- Class IV: €14m (3.3%)
- Class V: €1m (0.2%)

The vast majority of international single premium income (96%) is represented by unit linked single premium business (Class III).

*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*



3C

- Class I: €275m (66.7%)
- Class II: €8m (1.9%)
- Class III: €114m (27.8%)
- Class IV: €14m (3.3%)
- Class V: €1m (0.2%)

Insurance Ireland International Life Members' New Business Figures 2013 (€m)

	Annual Premiums	Single Premiums	Total
Aegon Ireland	0	433	433
Augura Life Ireland	0	8	8
AXA Life Europe Ltd	0	301	301
Canada Life Assurance Europe	44	61	105
Darta Saving Life Assurance	12	2494	2506
Generali PanEurope	42	982	1024
Hansard Europe*	0.4	5	6
HSBC Life Europe#	2	20	21
Intesa Sanpaolo Life	0	2423	2423
MetLife Europe	271	1216	1487
Prudential International Assurance (Ireland)	3	512	515
SEB Life International	5	937	943
St. James's Place International	21	560	581
Skandia Life Ireland	0	97	97
The Lawrence Life Assurance	0	951	951
Zurich Life International Assurance	11	1132	1143
Total	412	12,131	12,543

* closed to new business from 30 June 2013

closed to new business

