

Market insight from year-end 2021 SFCRs: Analysis of non-life insurers based in the Netherlands

Peter Franken, Drs, AAG
 Ji Kwen Ng, MSc, AAG
 Youssef Chammaa, MSc



This briefing note provides insight into some key figures reported in the Solvency and Financial Condition Reports (SFCRs) and accompanying Quantitative Reporting Templates¹ (QRTs) of selected non-life insurers based in the Netherlands at year-end 2021.

Introduction

The SFCRs at year-end 2021 represent the sixth year for which insurers are required to report them since the introduction of the Solvency II regulation in 2016. In this briefing note, we analyse the SFCRs of the 10 largest Dutch non-life insurance entities, based on the volume of gross earned premium of 2021. Together they account for about 84% of the total market share in earned premiums for non-life business in the Netherlands. The remaining 16% consists of around 50 other non-life insurance entities.

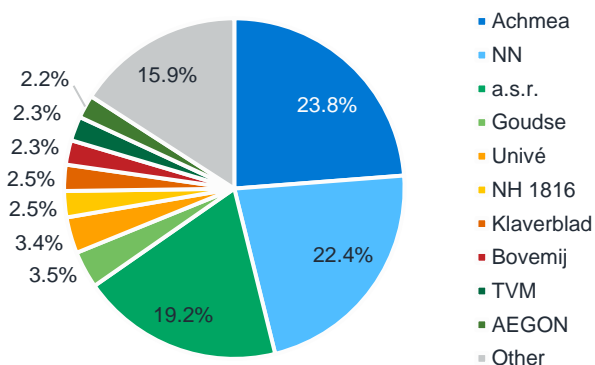
Data on the insurers in this briefing note can be obtained through our free SFCR dashboard using this [link](#),² which provides detailed figures of all Dutch non-life insurance entities.

FIGURE 1: NON-LIFE INSURANCE ENTITIES INCLUDED IN THE SAMPLE

COMPANY NAME	EARNED PREMIUM (€ BLN)
1. Achmea Schadeverzekeringen	3.50
2. NN Schadeverzekering Maatschappij	3.30
3. a.s.r. Schadeverzekering	2.80
4. Goudse Schadeverzekeringen	0.50
5. Univé Schade	0.50
6. Nh1816 Verzekeringen	0.36
7. Klaverblad Schadeverzekeringsmaatschappij	0.36
8. Schadeverzekering-Maatschappij Bovemij	0.34
9. TVM Verzekeringen	0.34
10. AEGON Schadeverzekering	0.32

Besides the Property and Casualty lines of business the presented figures also include Disability, Income Protection and Medical Expenses. However, specific entities underwriting Health insurance related to the Dutch health system ("basis en aanvullende zorgverzekeringen") are excluded from this analysis. These entities with respect to the Dutch system are mostly written in separate entities, resulting in a limited exposure in the Medical Expenses.

FIGURE 2: MARKET SHARE OF GROSS EARNED PREMIUM FOR SELECTED NON-LIFE INSURANCE ENTITIES



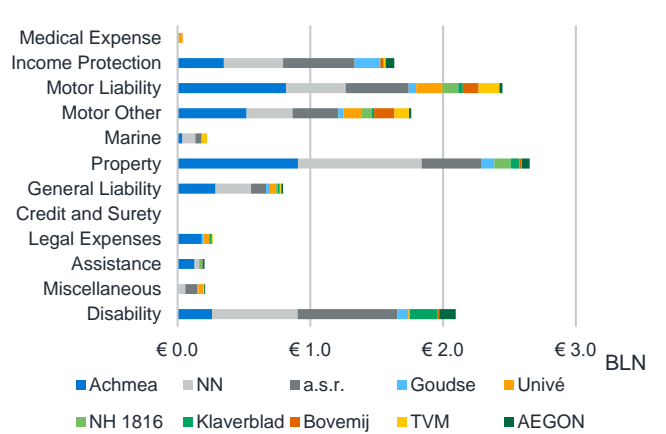
¹ The data analysed in this note has been sourced from the DNB website and companies' disclosed SFCRs. The data is available on [Data zoeken - DNB](#).

² The app can be found at https://apps.nl.milliman.com/sfcr_nonlife_nl/.

Analysis of premiums

The largest line of business is Motor (Third-Party Liability and Other Losses combined) followed by Property. These three lines of business accounts for €6.8 billion of premium among our selection of insurers from the total market of €14.6 billion across all lines of business.

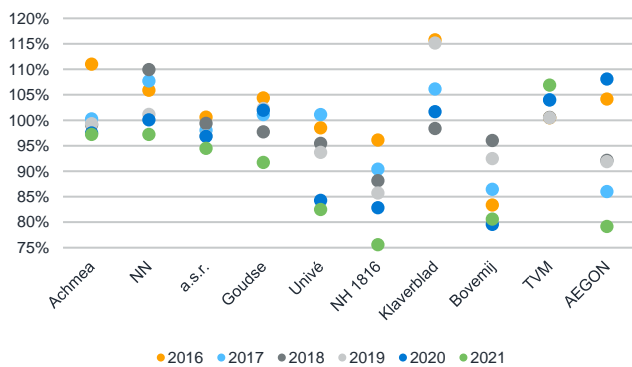
FIGURE 3: SPLIT OF 2021 PREMIUM BY LINE OF BUSINESS PER ENTITY (€ BLN)



Analysis of combined ratio

The reported combined ratios for 2021 have slightly decreased compared to their levels in 2020 for almost all insurers and are for most insurers at the lowest level, comparing reported Solvency II figures since 2016.

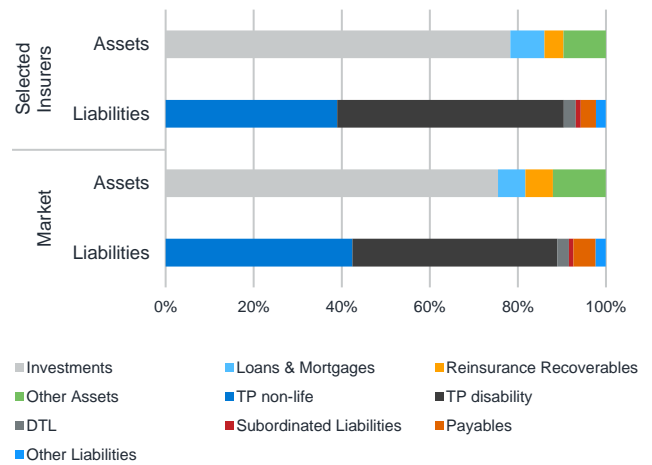
FIGURE 4: THE EVOLUTION OF THE COMBINED RATIOS OVER TIME



Analysis of balance sheet

For 2021 the technical provisions of the selected Dutch non-life insurers make up for 90% of liabilities, which can be further split into technical provisions for non-life (39%) and disability (51%).

FIGURE 5: AN OVERVIEW OF THE BALANCE SHEET OF THE SELECTED INSURANCE ENTITIES AND MARKET

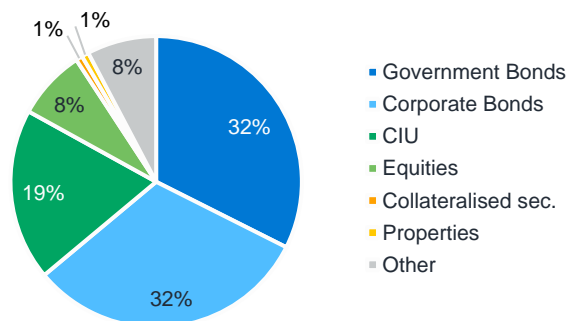


As can be seen in Figure 5, the liabilities of disability business are quite substantial even though premiums of disability business (Figure 3) are relatively a smaller portion of the total non-life premium volume. This business however consists of long-term products modelled "similar to life techniques" under Solvency II regulations and has typically a longer duration leading to higher reserves.

Analysis of investments

The asset portfolio consists of over 80% of investments. These investments can be further split into categories as presented in Figure 6. Investments largely consist of Government Bonds, Corporate Bonds and Collective Investment Undertakings (CIU).

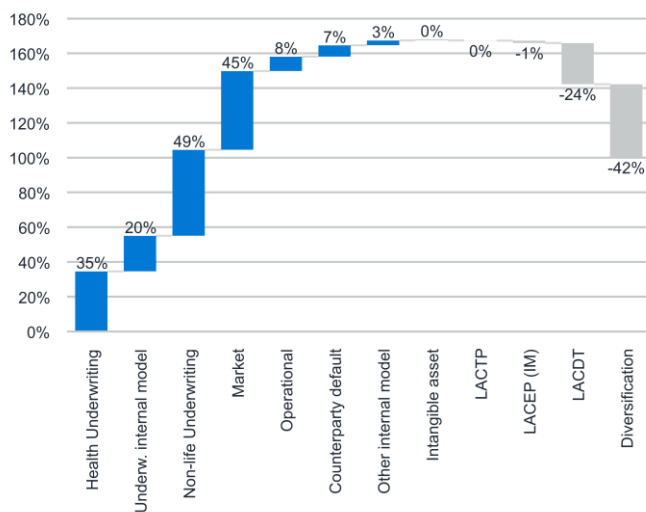
FIGURE 6: INVESTMENT MIX OF THE SELECTED INSURANCE ENTITIES AS OF 31 DECEMBER 2021



Solvency Capital Requirement

The standard formula Solvency Capital Requirement (SCR) as per 31 December 2021 for the companies in our sample is largely driven by underwriting risk, split across health and non-life. The diversification benefits largely offset these risks to reduce the SCR.

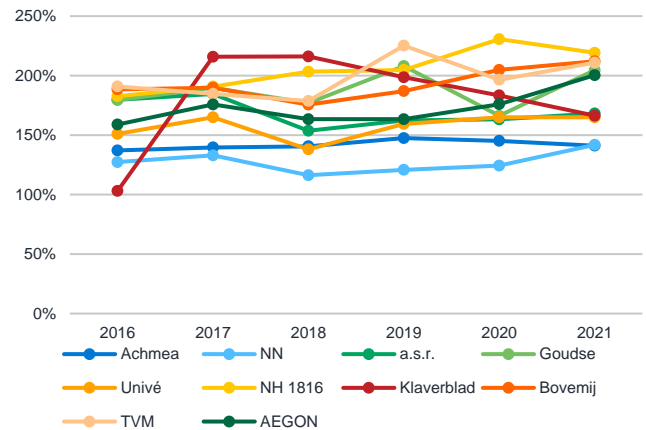
FIGURE 7: BREAKDOWN OF SCR OF THE SELECTED INSURANCE ENTITIES



Analysis of evolution of SCR ratio

For most entities, the SCR for 2021 has slightly improved compared to the SCR for 2020.

FIGURE 8: EVOLUTION OF SCR RATIO OF THE SELECTED INSURANCE ENTITIES



More information and data

If you have any questions related to this paper or would like to get additional insights or support, please contact one of the authors or your usual Milliman consultant.

For free access to the interactive SFCR dashboard with underlying analyses and with more graphs and insights, please see https://apps.nl.milliman.com/sfcr_nonlife_nl/ or send an email to benelux.tools@milliman.com.



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CONTACT

Peter Franken
peter.franken@milliman.com

Ji Kwen Ng
jikwen.ng@milliman.com

Youssef Chammaa
youssef.chammaa@milliman.com

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