

# Improving the Dutch insurance monitor



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## Introduction

- CBS (Statistics Netherlands) monitors the whole Dutch economy;
- all statistics are coördinated by ESA-principles.
- DNB (Dutch Central bank and supervisor): statistics with focus on risks
- 2 institutes, 2 statistics: at least 2 or more figures and double work.
- improving the situation is a long track.

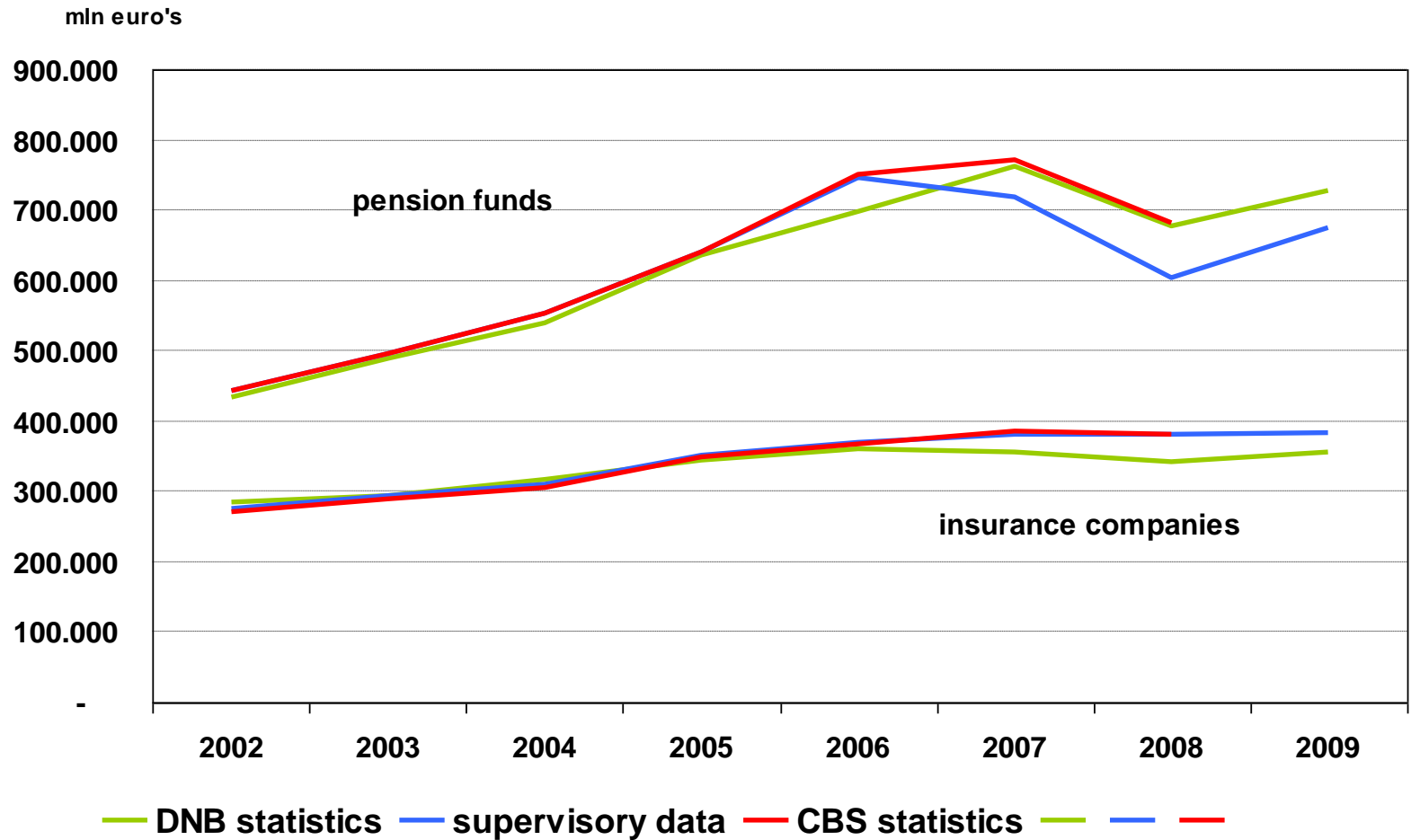
## Items of the improving proces

- Reasons to change: historical, international
- Goal: new method and proces
- Arguments: practical, theoretical
- Path to new goal
- Experiences on the path
- Wishes
- Conclusions

## Past situation insurance statistics

- Most important source: supervisory data
- Some short term surveys by DNB and CBS
- DNB: supervision and statistical outlines
- CBS: national accounts, Eurostat and OECD statistics, business statistics
- Different sources, different goals: different figures:

## Balance sheet total



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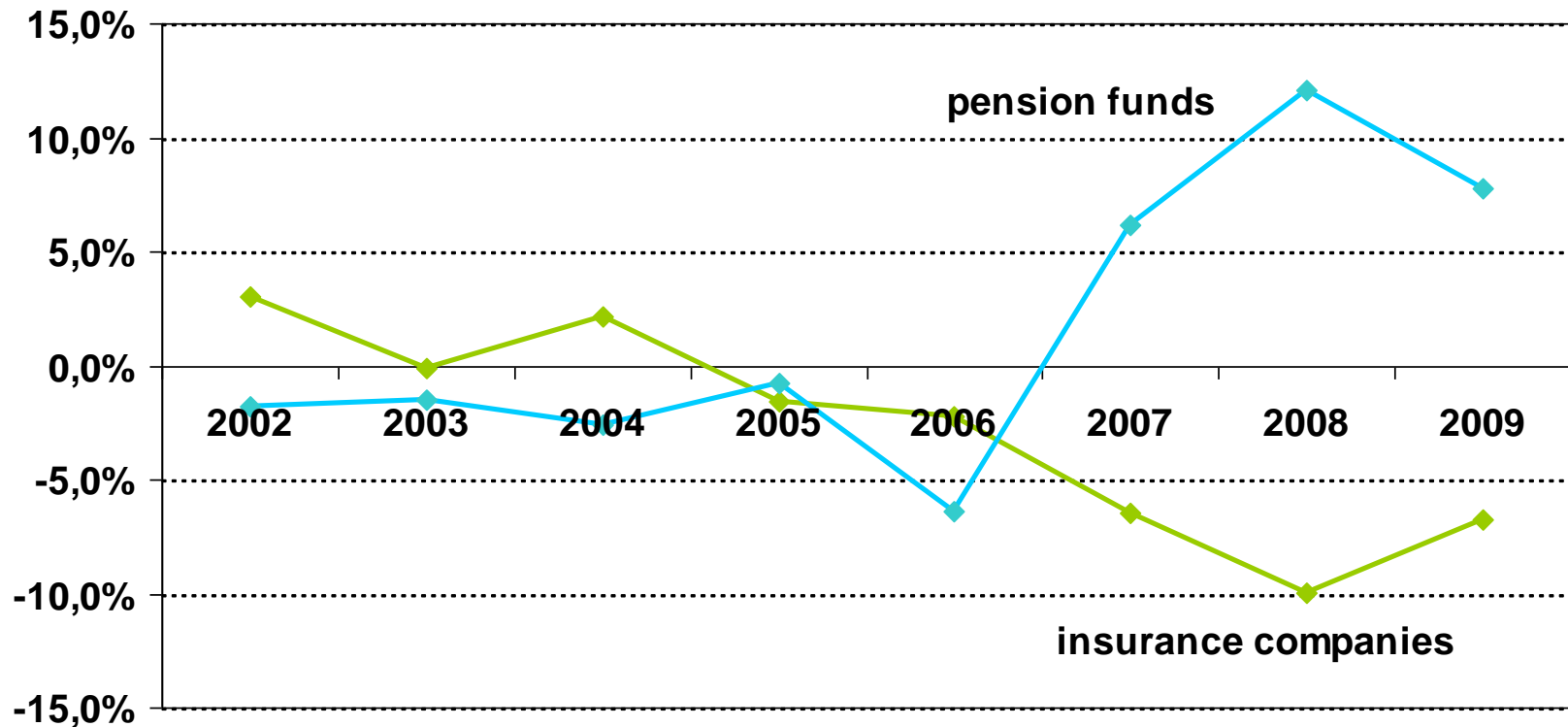
## Historical situation

<b><i>sources</i></b>	<b><i>purpose</i></b>
DNB; supervisory data	DNB supervision
CBS; quarterly stat. survey	DNB statistics
	CBS national accounts
	CBS business statistics

## Reasons for differences:

- Every source another purpose
- Financial sector changes; structure and innovations
- For instance: supervisory data is incl. of foreign affiliates and look-through principle
- Revised reporting prescriptions in 2006 en 2007: bigger differences:

## Difference in balance sheet total between supervisory data and quarterly statistical data



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## Reasons to change:

- Historical situation
- Unsatisfied users of our statistics
- Eurostat/EC: quarterly sector accounts
- ECB: quarterly financial accounts
- Spending cuts from government
- Pressure to lower the survey burden

## New method and new proces

- One source for all statistics; supervision is another track
- One fact one figure
- Efficient proces: no double work
- One questionnaire for all statistical needs
- Data collection by one institute (DNB)
- Extension BOP-system

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DNB; supervisory data	DNB supervision
DNB; quarterly stat. survey	DNB statistics CBS national accounts CBS business statistics

## New method and proces; theoretical arguments

- One source for quarterly and yearly and for preliminary, pre-final and final statistics means more consistency
- Statistical source: better fit with statistical definitions:
  - Supervision: home country plus foreign trade
  - Securities lending and derivatives gross reported (supervision: net reporting if any)
  - Look-through: supervision focus on risks
  - Specifications: distribution formula from supervisory data (keys)

## New method and proces; practical arguments

- One system for all kinds of processing (quarter, year, preliminary, final)
- Quarterly proces: earlier results
- One system for all financial industries
- Sample survey by subsector
- Raise factor linked to supervisory data
- New source, new levels: break in series
- Sample survey: lower survey burden
- Supervision data were auditor certified

## Transition time line

<b>2004</b>	listing statistical needs
<b>2005</b>	forms and specifications; adapting systems
<b>2006</b>	focus on supervision; quarterly survey is supplementary (keys)
<b>2007</b>	
<b>2008</b>	focus on quarterly survey; supervision is supplementary (keys)
<b>2009</b>	analyses of differences between sources
<b>2010</b>	decision to use quarterly survey for macro economic statistics 2008; for business statistics 2009 (?)
<b>2011</b>	extension of the questionnaires

## Data collection proces by DNB

- 1st year 2006 bad
- Yearly analyses of differences supervision and quarterly survey
- Quarterly analyses of individual levels and developments
- Raising the sample
- Publication of quarterly data

## Data processing by CBS

- Only for national accounts
- Analyses of macro levels and developments
- 2008 preliminary: developments used
- 2008 pre-final: levels and developments used
- Revision of national accounts in 2012: continuity corrections to supervision levels
- Business statistics still based on supervisory data



## Some experiences

- Major differences in balance sheet
  - Securities lending; ABP € 32 bln in 2007
  - derivatives; gross or net, many bln
  - Look through; reclassifications € 39 bln in 2006
- Keys: 1-to-1 conversion; mostly m-to-n
- Supervisory data; effective benchmark to check statistical source
- Population differences; minor role

## Break in series investments , end of 2006

insurance companies	supervisory data	quarterly data	Verschil	
			<i>abs.</i>	<i>in %</i>
	mln €			
deposits	17.233	7.274	-9.959	-58%
short term securities		1.217	-1.217	0%
bonds	134.492	126.645	7.847	6%
derivatives	1.979	2.047	-68	-3%
short term loans	3.084	20.758	-17.674	-573%
long term loans	48.294	54.716	-6.422	-13%
shares	87.495	38.872	48.623	56%
ucits	36.025	75.543	-39.518	-110%

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## Break in series gross premiums

	life			non-life		
	supervisory data	quarterly data	difference	supervisory data	quarterly data	difference
2007	€ 26.437	€ 24.813	€ 1.624	€ 20.177	€ 21.284	€ 1.107-
2008	€ 26.446	€ 24.572	€ 1.874	€ 21.199	€ 20.634	€ 565
development	1,00	0,99		1,05	0,97	

## Future actions

- Better connexion 4th quarter and preliminary year figure; earlier respons (weeks)
- CBS business statistics based on statistical quarterly survey
- More sample stratification to lower survey burden
- Melting together DNB-statistics and CBS business statistics: one figure
- improving questionnaire in 2011

## Conclusions

- Faster and more consistent figures
- Lower survey burden
- More uncertainty because of sample
- Less reliability on details because of keys used
- More improvements in future