Global Insurance Market Trends 2012

OECD

OECD Insurance and Private Pensions Committee

The importance of insurance as a foundation for economic activity was acknowledged at the inception of the OECD with the creation of the Insurance Committee in 1961. The scope of activities of the Insurance Committee has gradually widened, and now covers the topic of private pensions, reflecting the importance of private pension systems in OECD countries (the Committee was accordingly renamed the Insurance and Private Pensions Committee in 2005).

Today, the Committee's work focuses on: promoting insurance market monitoring; collecting and disseminating insurance statistics; improving risk awareness, financial education, and consumer protection; strengthening private pension systems to help them address the challenges of an ageing population; improving financial regulation and governance; and addressing the mitigation and compensation of catastrophic risks. The Committee engages in a range of co-operation activities with non-member economies.

Foreword

The OECD has been collecting insurance statistics for over fifteen years, with data on the insurance sector dating back to the early 1980s. In response to the financial crisis, a Global Insurance Statistics (GIS) project was launched as part of the OECD's insurance market monitoring activities. The main objectives were to expand the scope of the OECD's statistical framework for insurance and extend its global reach, with a view to enhancing transparency. These changes led to the collection of key balance sheet and income statement items for the direct insurance and reinsurance sectors, and to the gradual global expansion of the OECD's international insurance statistics database.[1]

As a complement to its insurance market statistics, the OECD decided to initiate the publication of an annual monitoring report that makes use of the GIS database and provide an overview of market trends for developing a better understanding of the insurance industry's overall performance and health. This second edition of the *Global Insurance Market Trends* continues this direction. Over time, this report will be extended to cover additional countries and other aspects of insurance and reinsurance.

This monitoring report and the GIS database will provide an increasingly valuable cross-country source of data and information on the insurance sector developments, for use by governmental and supervisory authorities, central banks, the insurance sector and broader financial industry, consumers, and the research community.

[1] The database can be accessed online at www.oecd.org/insurance/insurance/oecdinsurancestatistics.htm.

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HIGHLIGHTS

- 2011 was marked by a historically high incidence of disasters and the ongoing financial and economic crisis. These affected the insurance industry to varying degrees across countries. In some countries, natural disasters were the main theme, affecting the non-life insurance sector. In other countries, especially those of the euro zone, difficult macroeconomic conditions posed challenges for the industry as a whole. Most countries were affected by continued financial market volatility and prolonged low interest rates.
- In comparison with 2010, the life sector suffered from sluggish demand. The demand for life insurance products was affected by a number of factors, including the low-yield environment that reduced the attractiveness of life insurance products, strong competition from the banking industry in search of sources of funding, and a desire among individuals to maintain pre-cautionary liquidity given the adverse economic environment, thereby reducing demand for longer-term business.
- By contrast, the non-life sector was able, on average, to sustain 2010 premium levels. In a number of countries, growth was achieved through premium rate increases following disasters. That said, price competition in some non-life segments continued to curb premium income growth in some countries.
- The low-yield environment remained one of the most important challenges of the insurance industry since, in most countries, debt instruments continued to dominate insurers' investment portfolios. While falling yields generate investment gains, they increase insurance liabilities for long-tailed business and, if prolonged, increase reinvestment risk. The effect is pronounced for those countries where the life insurance industry provides yield guarantees. In some countries where these guarantees are widespread, life insurers have tried to cope with the low-yield environment by lowering their guaranteed rates on new policies.
- In 2011, sovereign debt problems were another challenge that continued to affect insurers. For a number of countries within the euro zone, losses were realised by the insurance sector on sovereign debt securities, particularly those of euro zone countries facing financing problems. On the other hand, based on information received, insurance markets outside the euro zone did not have significant exposure to the debt securities of these euro zone countries, thus reducing the direct effects of euro zone developments.
- The catastrophe events that occurred in 2011 led to large increases in claims payments, which had a negative impact on profitability in related non-life markets. In some cases, these impacts triggered price adjustments. These events had an impact on insurers in their catastrophe reinsurance program renewals, with higher reinsurance prices forcing insurers to increase their retention levels. The challenge for insurers was to establish an adequate risk subscription and pricing to avoid the exposure to the risk of significant losses, as this placed downward pressure on solvency.

- Looking ahead, great attention is being directed toward the business and financial risks linked to the ongoing economic and financial crisis and risks arising from catastrophe events:

  – As global uncertainty in the macroeconomic environment remains, demand for insurance products will likely continue to be constrained. Making these conditions difficult are continued competitive pressures within the industry, particularly in the non-life sector, as well as increased inter-sectoral competition between the life insurance and banking sectors for consumer savings and investments. In this context, underpricing in the non-life sector and increases in lapses and cancellations in the life sector are risks that need to be closely monitored.

  – The financial crisis also poses challenges regarding the investment activities of the insurers. For some countries, turbulence in the euro zone will remain a relevant risk for the industry. More generally, the low interest rate environment and financial market volatility remain continuing themes in terms of key risks and vulnerabilities for the insurance industry, particularly for those life insurers offering guarantees.

  – While the catastrophe events in 2011 generated large losses for the insurance sector, the industry demonstrated its resilience. That said, the events highlighted the need for insurers to monitor closely reinsurer counterparty risk and manage reinsurance placement risk given potentially adverse post-disaster pricing impacts.

Underwriting performance

A sharp reversal in real premium growth in life insurance was observed in more than half of the reporting countries in 2011, with some countries exhibiting large drops

The positive real premium growth of 2010 was sharply reversed in many countries, with life premiums declining substantially in some countries. (Figure 1) The most important factor behind this was the macroeconomic environment. Most of the indicators related to economic activity suggest that economic growth was sluggish, especially in advanced economies. The demand for life insurance products was negatively affected by this environment. In some countries, competition from the banking sector and the low yield environment also curbed the demand for life insurance products, thus negatively affecting the performance of life insurers.

In some of the euro zone countries, dramatic declines in life premiums were experienced. The decline was above 40 percent in Portugal, above 30 percent in Finland, above 20 percent in Italy and above or close to 10 percent in Austria, Estonia, France and Ireland. In 2010, real premium growth was positive in all of these countries except for Austria.

In Portugal, life insurance premiums declined significantly. Underlying factors were the relatively high level of premiums in 2010, a deteriorated macroeconomic environment, and competitive pressure from the banking sector in addition to a reduction of tax incentives for retirement savings plans. In Finland, premium growth reversed severely in 2011. This change was partly the result of high premium levels in 2010 especially in group pensions and capital redemption contracts with single premiums; in 2011, the sharpest decline in premium revenue was registered in these same segments.

In Italy, the positive trend in premium growth rate was also reversed. Data for the different life segments show significant and widespread declines in premiums. Single premium, capital redemption and unit-linked and index-linked policies all registered significant declines in contrast to 2010.

In France, the net inflows of life insurance slowed in comparison with previous years. This can be explained by both a decrease in gross inflows compared to last year and an increase in claims (in particular, surrenders). The attractiveness of alternative products to life insurance, including regulated savings accounts, was strong in 2011. Indeed, in addition to a level of performance comparable to that of other types of investments, these products could be seen as more liquid and received the status of "safe haven" in times of crisis.

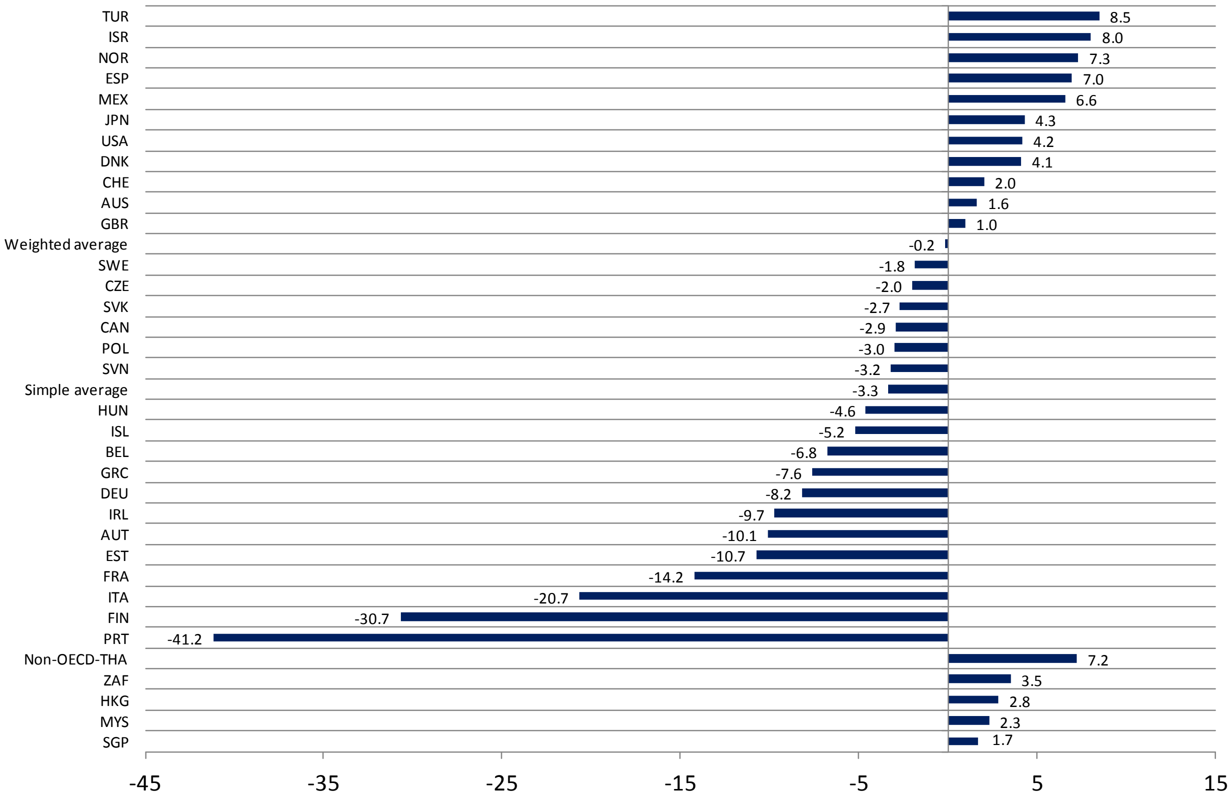
In Estonia, negative premium growth was mainly the result of a sharp decline in unit-linked life insurance premiums. In Austria, the decline in life premiums was in part accounted for by unit-linked and index-linked life products, whose growth trend slipped in 2011. Austrian life premiums were also negatively affected by a change in the tax treatment for single premium business. In Germany, the decrease is ascribed entirely to a normalisation in the single premium business in life insurance, which had previously been extraordinarily fast-growing in previous years.

In Greece, the observed premium decrease in life segment was mainly the result of the ongoing economic crisis. In Belgium, underwriting performance followed the declining trend witnessed in recent years; as a result, life premiums reached their lowest level since 2003. There were three inter-related factors behind this decline: firstly, the crisis eroded the demand for life insurance products; secondly, the attractiveness of life insurance products decreased due to the low-yield environment; and lastly, the predominance of bancassurance business in the country gave banks the opportunity to channel household savings to banking products rather than to life insurance in order to meet the banks' liquidity needs.

For some countries like Canada, the Czech Republic, Slovak Republic, and Sweden, the decline was rather moderate. Yet, it represents a deterioration relative to 2010. In the Czech Republic, the decline was accounted for single premium contracts, which were the driving force of the previous year's positive growth. In Hungary, life premium growth turned negative in 2011 basically due to the declining trend of non-unit-linked premiums.

Figure 1. Annual real gross premium growth: Life sector (2010-11)

In percent



Notes: Premiums refer to gross written premiums for direct insurance only, excluding reinsurance business accepted. Given OECD classification standards, life data does not include accident and health insurance. Real growth rates are calculated using the Consumer Prices Index (CPI) from the OECD's Main Economic Indicators (MEI) and other sources. The CPI figures can be found, together with additional notes and reference series, at the end of the report. All reporting countries have been included in the calculations of the simple and weighted averages.

Source: OECD Global Insurance Statistics.

By contrast, eleven OECD countries and all of the reporting non-OECD countries achieved real growth in life premiums in 2011, as shown in Figure 1. These countries include Australia, Denmark, Hong Kong (China), Israel, Japan, Mexico, Norway, Singapore, South Africa, Spain, Switzerland, Thailand, Turkey, the United Kingdom and the United States.

In Australia and the United States, life premium growth turned positive in 2011. In Australia, life insurance risk premium revenues grew strongly while investment premium growth remained mute. In the United States, the rise was primarily due to growth of individual annuities and individual life policies.

In Switzerland, real premium growth was led by group life occupational pension schemes, which dominate the market. In Mexico, premium growth continued due to growth arising mainly in life insurance products with a savings component. In Mexico, annuity business decreased since more pensioners chose other options for the payout phase of their pensions. In Japan, the growth of life insurance premiums increased further in 2011 due to increases in sales of deposit-type products.

In Spain, the growth of life premiums was caused by higher underwriting activity in traditional business, with unit-linked business contracting due to the lack of risk appetite of policyholders and the volatility of financial markets. In South Africa, this growth is explained by a combination of inflationary increases on premiums and contributions by pension funds. A further reason for the increase was the overall growth in the economy. The growth is largely driven by investment business, which remained the dominant class of business.

In Thailand, life premiums continued to grow. The increase was fed mostly by renewals of ordinary life contracts. In Hong Kong, China, life premiums continued their moderate growth, driven largely by individual life and annuity (non-linked) business, which remained the dominant class of new long-term business.

In comparison with the life sector, more countries experienced real premium growth in their non-life sector

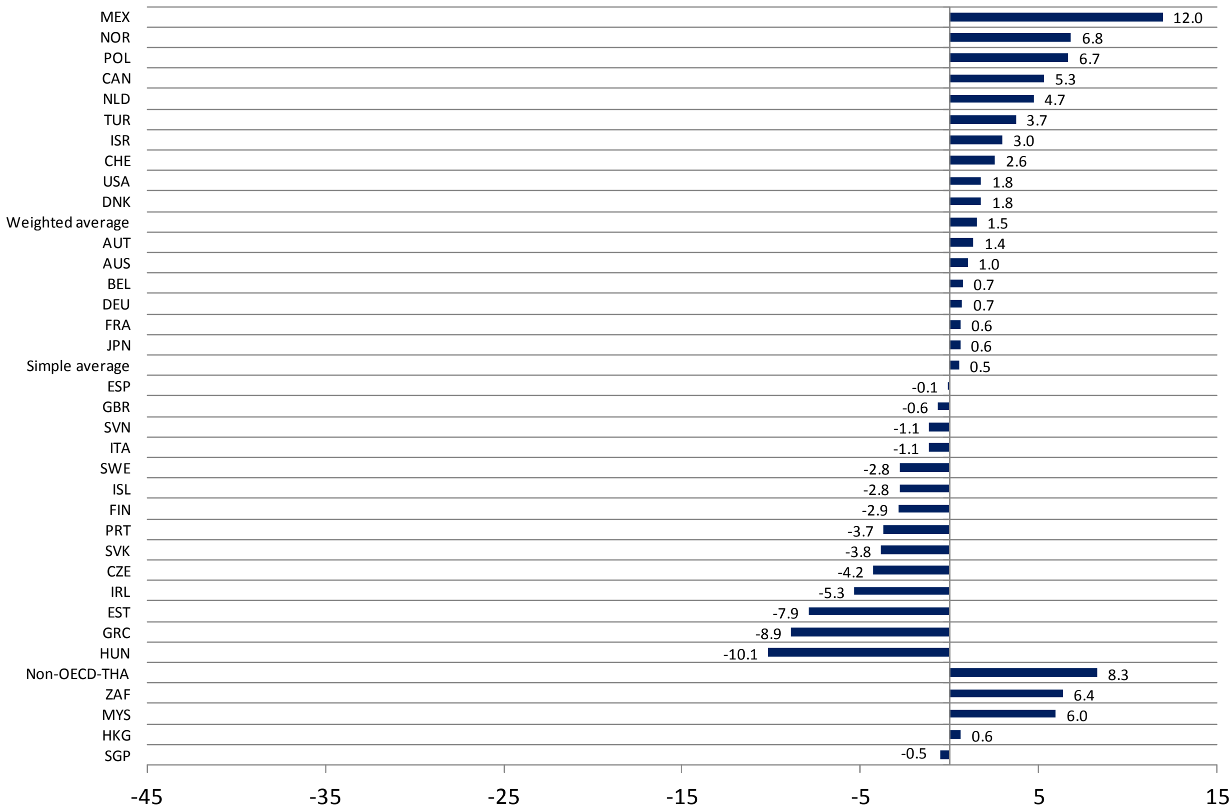
The non-life sector exhibited more positive performance across countries, with less dramatic declines compared with the life sector. In some countries, real premium growth rates either turned positive or accelerated. In other countries, the decline of premiums decelerated. (Figure 2)

However, the macroeconomic environment curbed non-life premium growth. In addition, competitive pressures in motor insurance markets, which typically comprise a large portion of the non-life sector in many countries, continued to limit premium growth in some countries. In contrast, price adjustments following disaster events contributed to premium growth in relevant markets.

In Mexico, non-life premium growth turned strongly positive in 2011. The growth is explained primarily by property and casualty insurance which grew by 24 percent, excluding motor insurance. This is partly accounted for by the renewal of a multi-year policy of PEMEX, a government-owned oil company. Yet, real premium growth was still high when premium figures are adjusted for the effect of PEMEX’s insurance policy. Motor insurance as well as health and accident insurance also grew in 2011 albeit at a slower rate.

Figure 2. Annual real gross premium growth: Non-life sector (2010-11)

In percent



Notes: Premiums refer to gross written premiums for direct insurance only, excluding reinsurance business accepted. Given OECD classification standards, non-life data includes accident and health insurance. Real growth rates are calculated using the CPI from the OECD's MEI and other sources. The CPI figures can be found, together with additional notes and reference series, at the end of the report. All reporting countries have been included in the calculations of the simple and weighted averages.

Source: OECD Global Insurance Statistics.

In Thailand, the strong growth in non-life premiums was influenced by miscellaneous insurance as well as by automobile insurance which dominates premium revenues. Non-life premium growth continued to exhibit strength in Poland. Growth was driven by motor third party liability, fire and natural forces and other damage and loss property segments.

In South Africa, non-life premiums continued to increase in 2011 driven largely by growth in premiums of the property insurance segment, which comprises at least a third of the non-life market. The growth in the non-life sector similar to the life sector can be attributable to inflationary increases, growth in the economy and a slight improvement in credit lending transactions.

In the United States, non-life premiums grew in real terms across each of the three main property and casualty segments (personal, commercial, and combined), the first time they did so together since 2006. On the other hand, the U.S. title industry continued to be constrained by the housing crisis that has resulted in a significant reduction in mortgage originations and title orders.

In Australia, premium growth was evident in personal and commercial property classes as insurers sought to recoup the higher cost of reinsurance following natural catastrophe events in late 2010 and early 2011. By contrast, premium growth in commercial long-tail classes continued to be subdued.

In Belgium, real premium growth turned positive in 2011, driven by increased pricing across most non-life insurance classes in response to previous underwriting losses. In Japan, non-life premium growth has been increasing due to changes in the premium rates of automobile insurance and accident insurance. Similarly, in France, the increase in premiums in the non-life sector is primarily due to price increases, as in 2010, which are in part intended to offset a loss which had deteriorated sharply in previous years.

In some countries, non-life premiums declined in real terms. In Hungary, non-life premiums continued their declining trend since 2008. Although property insurance premiums have been witnessing a growing trend, motor third party liability insurance premiums have been declining since 2008. This decline basically followed the falling number of motor accidents and number of injured persons, with insurers adjusting their prices downwards in parallel with this declining trend.

In Greece, non-life premiums declined for the first time since the beginning of the financial crisis. This development was the consequence of a fall in written premiums for motor insurance, the dominant non-life business in the Greece, reflecting the substantial decline in number of circulating vehicles.

In the Czech Republic, premiums continued to decline essentially as a result of competition in motor insurance. Similarly, in Iceland, the premium decline can in part be explained by the small drop in premiums of the motor insurance segment, which comprises almost half of the non-life market.

Claims developments

In 2011, nominal growth in claims payments in the life segment was widespread among reporting countries.[2] (Figure 3) Only Canada, Finland, Hungary, Norway, and Spain witnessed declining claims payments.

Claims payments in the life sector were affected by the ongoing economic crisis and competitive pressure from the banking sector. In a number of countries, life claims increased as a result of surrenders linked to these two factors. In France, for instance, life insurers faced an important increase in surrender rates, especially in the second half of 2011, since households preferred to invest in liquid banking products or to pay back their real estate loans with the funds invested in their insurance policies.

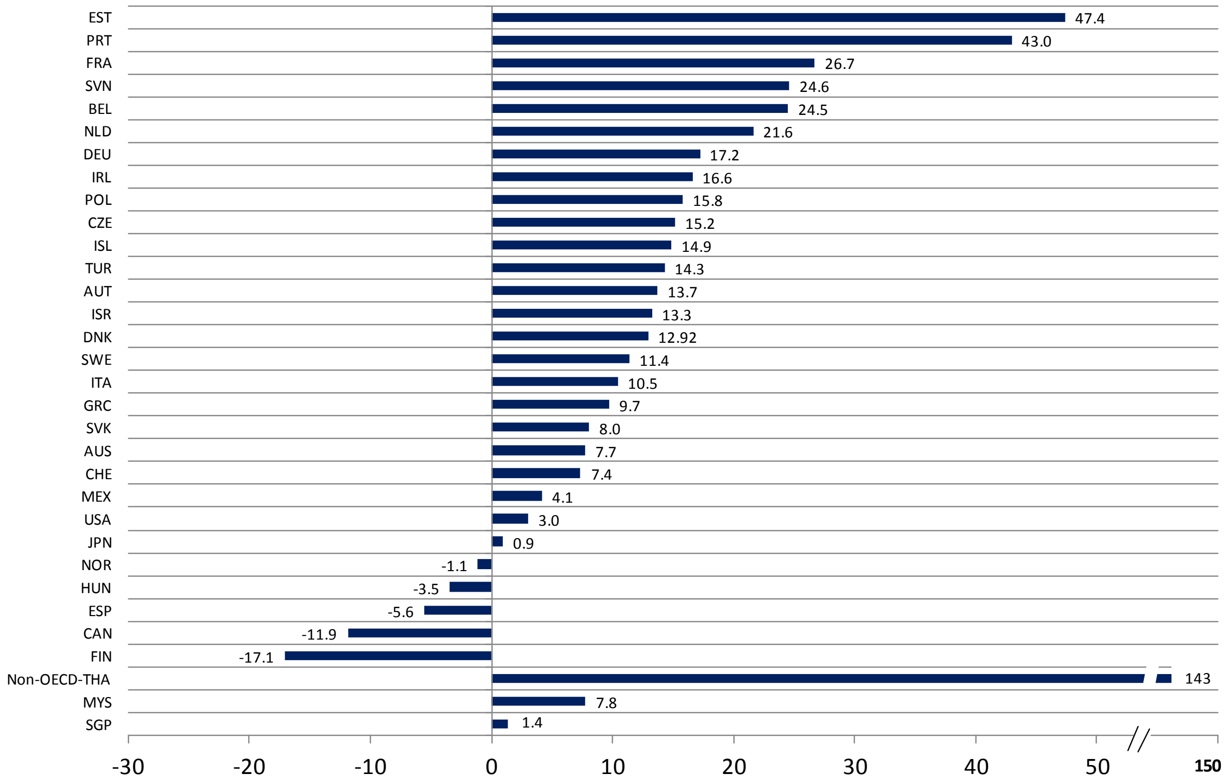
In Portugal, life insurance claims also continued to increase significantly as a consequence of the growth in surrenders, which constituted 62 percent of all life claims in 2011. In Greece, claims in life business were affected adversely by the financial crisis. A considerable change in policyholder behaviour was observed and can explain the decline.

In the Slovak Republic and Slovenia, claims payment growth was dominated by unit-linked products. In Finland, life insurance claims decreased in contrast to 2010, when claims growth was significant. The decline in claims arising from policy surrenders and policy benefits shaped this outcome.

[2] Growth rates of gross claims payments include reported changes in outstanding claims provisions.

Figure 3. Growth in gross claim payments: Life segment (2010-11)

In percent



Source: OECD Global Insurance Statistics.

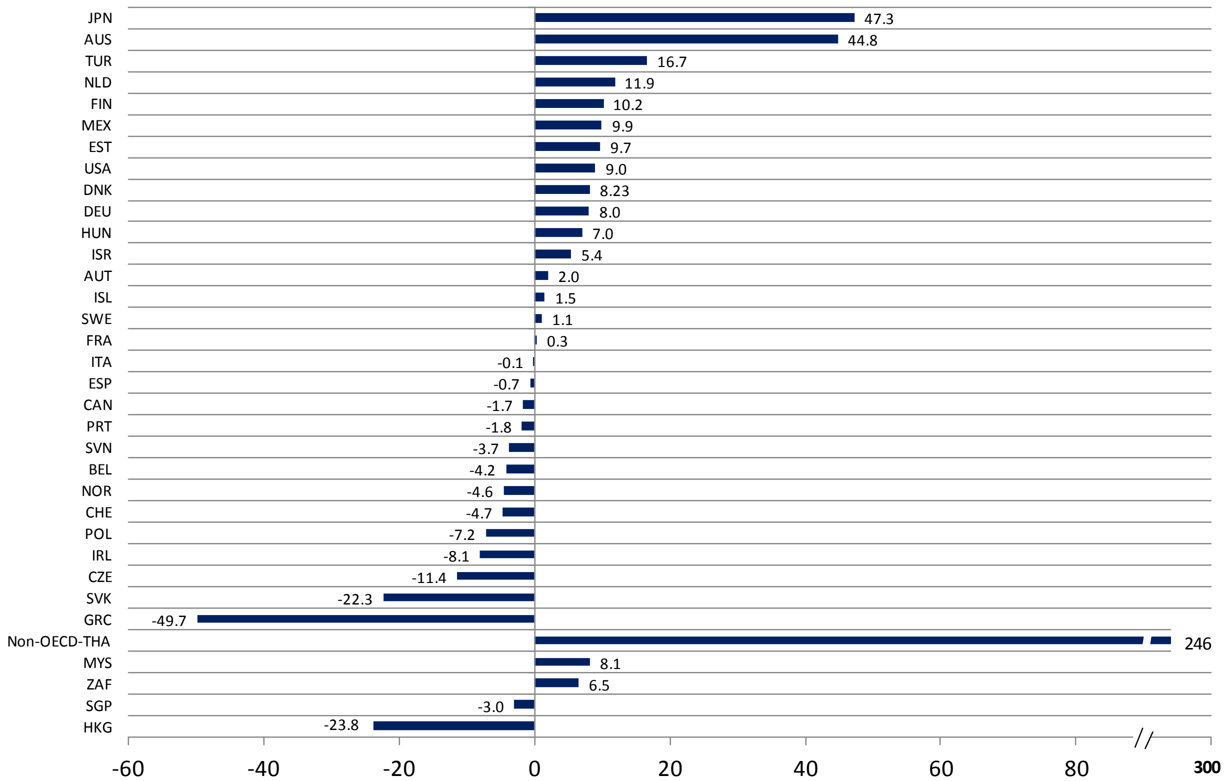
2011 was an exceptional year in terms of disaster events. Following a series of natural disasters in 2010, further devastating events occurred in 2011. A tsunami triggered by an earthquake in Japan, floods in Thailand, an earthquake in New Zealand, severe storms and tornados in the United States, and floods in Australia were among the costliest natural disasters in 2011 in terms of insured losses. These disasters dominated developments in claims payments in relevant non-life markets. In Thailand, Japan, Australia, and the United States claim payments increased accordingly. (Figure 4)

In Estonia and Mexico, claims payments also increased as a result of weather-related events. In the case of Mexico, a drought affecting 40 percent of the Mexican territory led to a rise in claim payments in agricultural insurance. While Norway experienced hurricanes and major floods in 2011, aggregate claims payments nonetheless declined.

In contrast, claim payments decreased in several EU countries. In most cases, the decrease was moderate. However, in Greece, claims payments declined dramatically, mainly driven by a decrease in the frequency of incidents covered by the motor third party liability insurance which may be attributed to the decline of the vehicles in circulation.

Figure 4. Growth in gross claim payments: Non-life segment (2011)

In percent



Notes: Under OECD classification standards, non-life data generally include accident and health insurance.

Source: OECD Global Insurance Statistics.

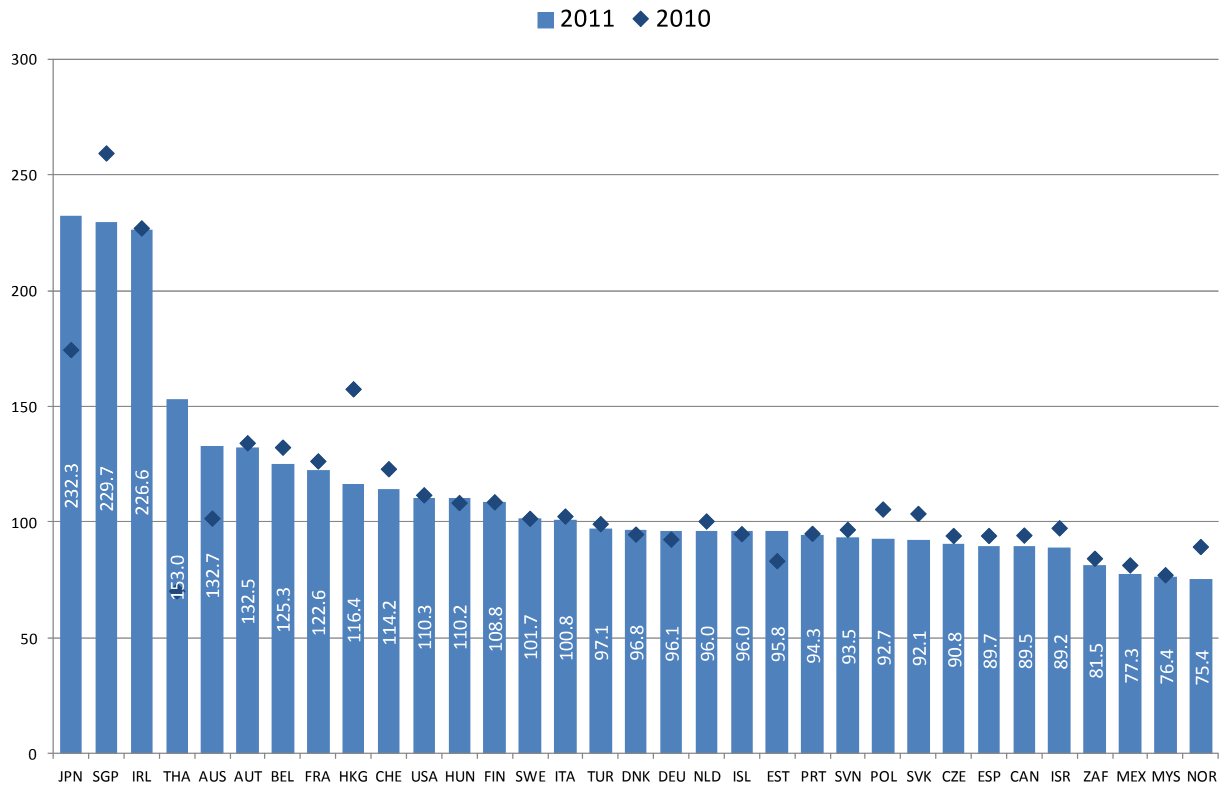
Combined ratio for non-life segment

The combined ratio[3] measures operational underwriting profitability in the non-life sector and allows the sources of profitability to be highlighted. An improvement in the combined ratio can be due to higher premiums, better cost control and/or more rigorous management of risks covered in insurance classes. A combined ratio of more than 100 percent represents an underwriting loss for the non-life insurer. A company with a combined ratio over 100 percent may nevertheless remain profitable due to investment earnings.

[3] The combined ratio in this report is defined as sum of gross claims paid, outstanding claims, gross operating expenses and gross commissions divided by gross written premiums (for direct business only).

Figure 5. Combined ratio for non-life segment (2011)

In percent



Notes: The displayed combined ratio is an aggregate covering different types of business and hence different types of risks. For instance, in the United States, data for the non-life sector are the combination of figures from three types of business: title, property/casualty and health.

Source: OECD Global Insurance Statistics.

Almost half of the reporting countries had a combined ratio below 100 percent in 2011. (Figure 5) Norway had the lowest combined ratio among these countries. Compared with the previous year, combined ratios were stable or declining except in countries that experienced significant disaster loss. Thailand, Australia and Japan are among the countries that witnessed a significant deterioration on their combined ratio. On the other hand, in Ireland, an improvement in the loss ratio was offset by a deterioration in the expense ratio,[4] leaving the combined ratio unchanged. In Belgium, France, Hong Kong (China), Israel, Poland, Slovak Republic, Switzerland, and Turkey, the combined ratio improved slightly.

[4] The expense ratio is defined in this report as the sum of gross operating expenses and gross commissions divided by gross written premiums (for direct business only).

Investment allocation and performance

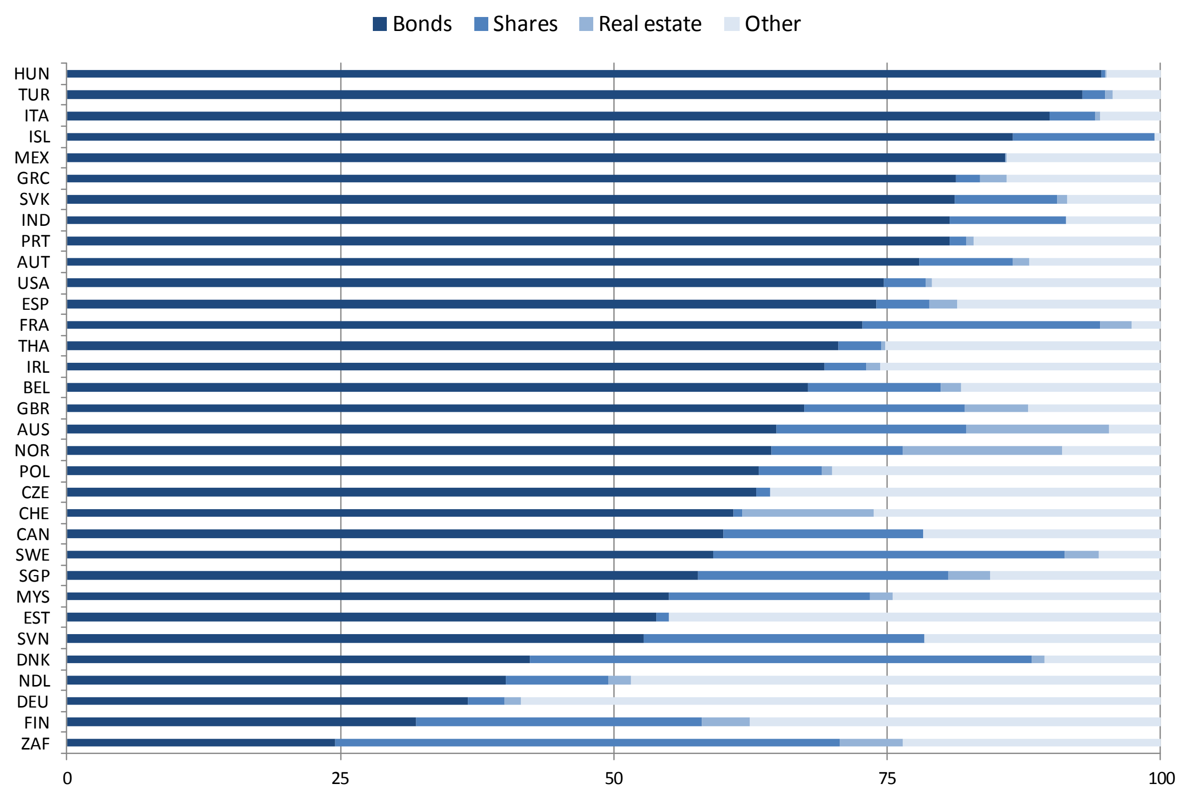
Portfolio investments

In most countries, insurers continued to invest heavily in fixed-income securities, namely government and private bonds. In the life sector, the share of bonds in insurers' portfolios remained above the levels in non-life and composite sectors due to the fact that investment in long-term bonds allows for a better matching of assets with the long-term liabilities of life insurers. (Figures 6, 7, and 8)

With the exception of Denmark, Finland, Germany, the Netherlands, and South Africa, the life insurance sectors in reporting countries allocated more than 50 percent of their investment portfolio to bonds. With allocations above 90 percent, life insurers in Hungary and Turkey were exceptional in the extent to which they invested in bonds.

Figure 6. Investment portfolio allocation: Life insurers (2011)

As percent of total



Notes: Data exclude assets linked to unit-linked products where risk is fully borne by policyholders.

Source: OECD Global Insurance Statistics.

Life insurers in most countries had, in aggregate, less than 10 percent of their assets invested in equities. Denmark, Sweden, and South Africa had the highest allocation to equities among reporting countries. Finland, France, Malaysia, and Singapore also had an important allocation, with around or close to 20 percent of assets invested in equities.

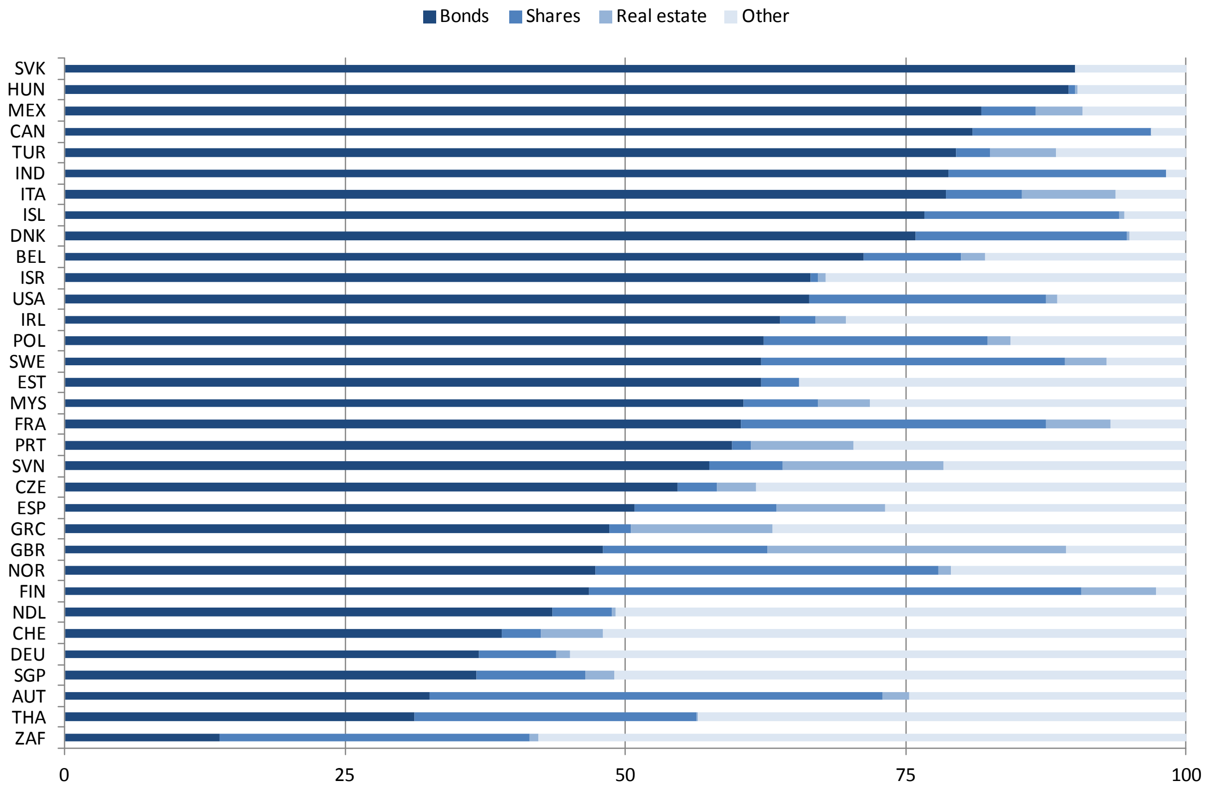
The non-life insurance industry in most countries continued to invest heavily in bonds, but typically to a lesser extent compared to the life industry. By the same token, investments in equity are somewhat higher in the non-life sector: With allocations above 40 percent, non-life insurers in Finland and Austria had the highest equity allocation. France, Norway, Poland, Thailand, and the United States also had relatively important allocation to equities, above 20 percent. In roughly half of reporting countries, the share of equity in portfolios was below 10 percent in 2011.

The composite insurance industry also generally allocated a large proportion of its investment portfolio to bonds. With the exception of the United Kingdom, in those reporting countries where composite undertakings are permitted, the industry as a whole allocated more than 60 percent of its investments to bonds. In terms of their equity investments, composite insurers in the United Kingdom, Singapore and Italy had the highest allocation.

Investment allocation to direct real estate investments appears to be relatively small in most countries. With allocations above 10 percent, life insurers in Norway and Switzerland, and non-life insurers in Greece and Slovenia, have relatively high real estate investments.

Figure 7. Investment portfolio allocation: Non-life insurers (2011)

As percent of total

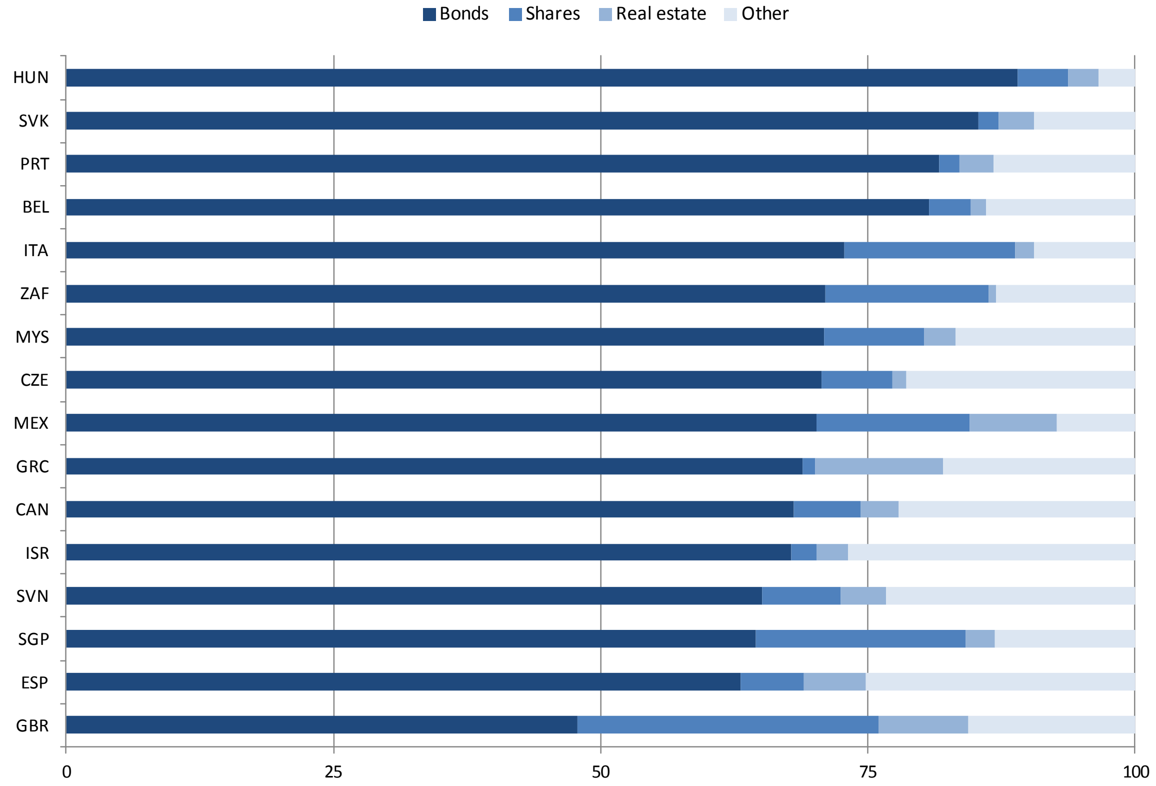


Notes: Data exclude assets linked to unit-linked products where risk is fully borne by policyholders.

Source: OECD Global Insurance Statistics.

Figure 8. Investment portfolio allocation: Composite insurers (2011)

As percent of total



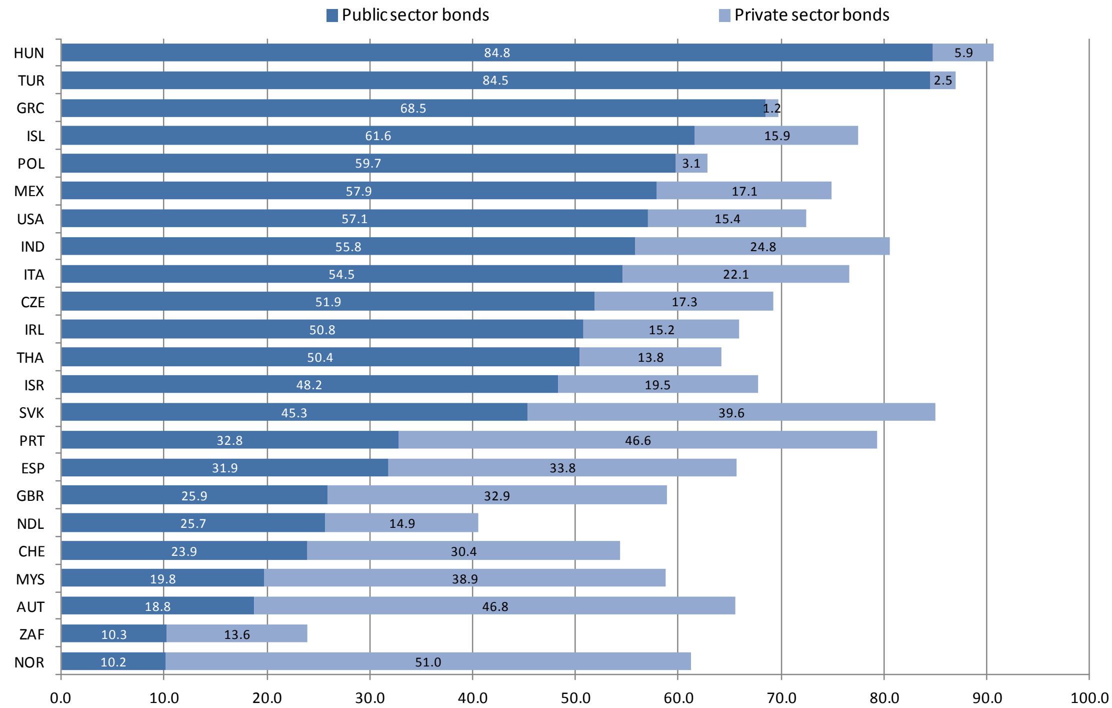
Notes: Data exclude assets linked to unit-linked products where risk is fully borne by policyholders.

Source: OECD Global Insurance Statistics.

In many countries, public sector bonds dominated insurers’ bond portfolios and therefore constituted, given the large allocation of insurer investments to bonds, a substantial portion of insurers’ overall investment portfolios. (Figure 9) Greece, Hungary, and Turkey had the highest portfolio allocation to public sector bonds, while Austria, Malaysia, Norway, and South Africa had the lowest allocation. These exposures are relevant in terms of assessing sovereign debt risks for the insurance industry.

Figure 9. Portfolio allocation to bonds, public and private-sector bonds (2011)

As a percentage of total industry investment portfolio



Notes: Data exclude assets linked to unit-linked products where risk is fully borne by policyholders.

Source: OECD Global Insurance Statistics.

In 2011, the asset allocation of insurers did not, with a few exceptions, change significantly. As shown in Table 1, in countries such as Estonia and Singapore, the share of equities declined substantially while in Slovenia it increased significantly. Observed declines in equity allocation across a number of countries may reflect a declining value of equities and/or a pro-active shift to a less risky portfolio. In Norway, there has been a shift in life insurance industry bond investments, with an increased allocation to bonds issued by mortgage companies (mainly covered bonds), partly at the expense of bank bonds.

Table 1. Insurers' portfolio allocation in bonds and shares by type of insurer (2010-2011)

As a percentage of total investments

		life		non-life		composite	
		2010	2011	2010	2011	2010	2011
Australia	*Bonds*	53.6	64.8	59.4	62.1	x	x
	Shares	21.6	17.4	c	c	x	x
	Others	24.8	17.7	c	c	x	x
Austria	*Bonds*	69.7	78.0	33.2	32.6	69.7	69.8
	Shares	12.5	8.6	42.4	40.4	9.1	8.2
	Others	17.7	13.4	24.5	27.0	21.2	22.0
Belgium	*Bonds*	65.3	67.8	71.2	71.2	79.8	80.7
	Shares	14.4	12.2	11.2	8.8	5.1	4.0
	Others	20.3	20.1	17.6	20.0	15.1	15.3
Canada	*Bonds*	67.9	60.1	80.4	81.0	66.4	68.1
	Shares	14.3	18.2	16.5	16.0	6.7	6.3
	Others	17.8	21.7	3.1	3.1	26.9	25.6
Chile	*Bonds*	61.5	..	50.6	..	x	x
	Shares	3.7	..	1.5	..	x	x
	Others	34.8	..	47.9	..	x	x
Czech Republic	*Bonds*	68.7	63.0	66.0	54.7	..	70.7
	Shares	2.7	1.2	1.3	3.4	..	6.6
	Others	28.5	35.7	32.7	41.9	..	22.7
Denmark	*Bonds*	44.2	42.3	74.4	76.0	x	x
	Shares	50.0	46.0	20.1	18.7	x	x
	Others	5.8	11.7	5.5	5.3	x	x
Estonia	*Bonds*	57.9	53.9	48.1	62.1	x	x
	Shares	13.1	1.2	5.1	3.5	x	x
	Others	29.0	44.9	46.8	34.5	x	x
Finland	*Bonds*	34.1	31.9	57.0	46.8	..	..
	Shares	25.4	26.1	31.7	43.9	..	..
	Others	40.6	42.0	11.3	9.3	..	..
France	*Bonds*	76.5	72.8	61.1	60.3	70.8	..
	Shares	20.4	21.7	27.4	27.3	24.5	..
	Others	3.1	5.5	11.6	12.5	4.7	..
Germany	*Bonds*	35.5	36.7	35.2	37.0	x	x
	Shares	3.5	3.3	7.1	6.9	x	x
	Others	61.0	59.9	57.7	56.2	x	x
Greece	*Bonds*	79.6	81.3	44.7	48.6	67.0	68.9
	Shares	2.8	2.2	2.8	2.0	2.2	1.2
	Others	17.6	16.5	52.4	49.5	30.9	29.9
Hungary	*Bonds*	93.9	94.6	87.5	89.6	87.6	89.0
	Shares	0.7	0.3	0.5	0.6	5.3	4.7
	Others	5.4	5.1	11.9	9.9	7.2	6.3
Iceland	*Bonds*	86.1	86.6	71.8	76.7	x	x
	Shares	13.3	12.9	20.6	17.3	x	x
	Others	0.5	0.5	7.6	6.0	x	x
Ireland	*Bonds*	70.8	69.3	69.8	63.9	x	x
	Shares	5.9	3.8	3.8	3.1	x	x
	Others	23.3	26.9	26.4	33.0	x	x
Israel	*Bonds*	..	..	66.5	66.6	68.6	67.8
	Shares	..	..	1.1	0.6	4.0	2.4
	Others	..	..	32.4	32.8	27.4	29.8
Italy	*Bonds*	92.1	89.9	79.6	78.6	69.1	72.8
	Shares	3.3	4.2	10.4	6.8	18.5	16.0
	Others	4.5	5.9	10.0	14.6	12.4	11.2
Japan	*Bonds*	55.4	..	33.7	..	x	x
	Shares	5.4	..	24.2	..	x	x
	Others	39.2	..	42.1	..	x	x
Korea	*Bonds*	48.2	..	38.1	..	x	x
	Shares	6.3	..	6.6	..	x	x
	Other	45.5	..	55.3	..	x	x
Luxembourg	*Bonds*	70.5	..	47.4	..	x	x
	Shares	1.9	..	4.2	..	x	x
	Other	27.6	..	48.4	..	x	x

"c" means confidential; "x" not applicable; ".." not available.

Source: OECD Global Insurance Statistics.

Table 1. Insurers' portfolio allocation in bonds and shares by type of insurer (2010-2011) -- continued

As a percentage of total investments

		life		non-life		composite	
		2010	2011	2010	2011	2010	2011
Mexico	*Bonds*	84.2	85.8	83.6	81.7	68.7	70.3
	Shares	0.6	0.0	3.0	4.9	15.2	14.3
	Other	15.2	14.2	13.4	13.4	16.1	15.5
Netherlands	*Bonds*	42.5	40.1	58.4	43.5	x	x
	Shares	9.5	9.4	6.5	5.3	x	x
	Others	48.0	50.5	35.1	51.2	x	x
New Zealand	*Bonds*	..	..	..	..	..	..
	Shares	..	..	..	..	..	..
	Other	..	..	..	..	..	..
Norway	*Bonds*	56.7	64.5	59.1	47.3	x	x
	Shares	19.2	12.0	38.7	30.5	x	x
	Others	24.2	23.5	2.2	22.1	x	x
Poland	*Bonds*	63.9	63.2	62.0	62.3	x	x
	Shares	6.0	5.9	23.4	20.0	x	x
	Other	30.1	30.9	14.6	17.6	x	x
Portugal	*Bonds*	81.4	80.7	60.2	59.6	83.5	81.7
	Shares	2.0	1.5	2.9	1.6	2.2	1.9
	Others	16.6	17.7	36.9	38.8	14.3	16.4
Slovak Republic	*Bonds*	79.7	81.2	75.0	90.1	84.9	85.3
	Shares	9.2	9.4	0.0	0.0	2.1	1.9
	Other	11.1	9.4	25.0	9.9	12.9	12.7
Slovenia	*Bonds*	68.5	52.8	57.7	57.5	69.3	65.1
	Shares	8.5	25.7	7.5	6.5	7.6	7.3
	Others	22.9	21.6	34.7	36.0	23.1	27.5
Spain	*Bonds*	..	74.0	..	50.8	60.0	63.1
	Shares	..	4.9	..	12.7	7.5	5.8
	Other	..	21.1	..	36.5	32.6	31.0
Sweden	*Bonds*	53.1	59.1	60.4	62.1	x	x
	Shares	37.5	32.2	30.8	27.1	x	x
	Others	9.4	8.7	8.8	10.7	x	x
Switzerland	*Bonds*	59.1	60.9	38.6	39.0	x	x
	Shares	1.5	0.8	3.0	3.4	x	x
	Other	39.4	38.2	58.3	57.5	x	x
Turkey	*Bonds*	93.6	92.9	76.5	79.5	75.6	x
	Shares	2.4	2.0	4.2	3.1	10.5	x
	Others	4.0	5.1	19.2	17.4	14.0	x
United Kingdom	*Bonds*	..	67.4	..	48.1	..	47.8
	Shares	..	14.8	..	14.7	..	28.2
	Other	..	17.8	..	37.3	..	24.0
United States	*Bonds*	75.2	74.7	66.9	66.4	x	x
	Shares	4.0	3.8	20.7	21.1	x	x
	Others	20.9	21.5	12.4	12.5	x	x
Non-OECD							
Hong Kong	*Bonds*	..	..	..	..	..	..
	Shares	..	..	..	..	..	..
	Other	..	..	..	..	..	..
India	*Bonds*	..	80.7	..	78.8	x	x
	Shares	..	10.6	..	19.4	x	x
	Others	..	8.7	..	1.8	x	x
Malaysia	*Bonds*	54.4	55.1	60.0	60.5	66.7	70.9
	Shares	18.4	18.3	8.6	6.7	11.2	9.3
	Other	27.2	26.6	31.4	32.8	22.1	19.7
Singapore	*Bonds*	44.0	57.8	36.8	36.8	53.4	64.6
	Shares	37.1	22.8	11.3	9.7	35.6	19.6
	Other	18.9	19.4	51.9	53.6	11.1	15.9
South Africa	*Bonds*	27.8	24.5	10.5	13.8	29.4	71.1
	Shares	45.5	46.2	22.2	27.6	4.6	15.2
	Others	26.8	29.3	67.2	58.6	66.0	13.7
Thailand	*Bonds*	59.6	70.6	32.7	31.2	x	x
	Shares	4.4	3.9	24.9	25.1	x	x
	Other	36.0	25.5	42.4	43.7	x	x

"c" means confidential; "x" not applicable; ".." not available.

Notes: Data exclude assets linked to unit-linked products where risk is fully borne by policyholders.

Source: OECD Global Insurance Statistics.

Investment results

Based on available data, the insurance industry experienced declining real net investment returns in 2011 relative to 2010. Low interest rates and poor equity returns were the driving forces behind this poorer performance. The deterioration in bond asset quality as a result of the euro zone crisis, affecting government bonds, was another contributing factor in some countries, leading for instance to impairments on bond investments. In some cases, real investment returns turned negative.

National life insurance industries suffered declining or negative real returns in 2011 with the exception of Hungary and Switzerland where investment returns improved. (Table 2) Non-life insurers also had deteriorated investment returns in general in 2011 with the exception of France, Hungary and Iceland, which had improved investment returns. Investment returns also deteriorated in real terms within the composite segment, with the exception of Canada and Malaysia where increased returns were registered.

Table 2. Average real net investment return by type of insurer (2010-2011)

In percent

	Life		Non-life		Composite	
	2010	2011	2010	2011	2010	2011
Australia	3.1	-2.9	4.8	4.4	x	x
Austria	-0.1	..	1.2	1.2	..	0.2
Belgium	-5.1	-6.5	-2.3	-2.9	0.7	-1.2
Canada	-2.3	1.4	2.3	2.2	6.2	8.9
Chile	3.6	..	0.1	..	x	x
Czech Republic	4.8	0.2	0.7	0.5	..	-0.1
Estonia	-1.6	-2.6	-3.0	-1.5	x	x
France	1.5	..	0.1	0.9	..	..
Germany	3.4	1.4	2.6	1.8	x	x
Hungary	3.9	5.9	-1.7	0.7	2.0	1.7
Iceland	6.9	3.5	-2.0	1.9	x	x
Ireland	-0.2	..	1.4	..	x	x
Israel	..	..	3.5	-0.1	4.3	2.1
Italy	0.9	-2.1	0.2	-2.6	0.8	-1.5
Japan	2.0	..	2.3	..	x	x
Korea	1.7	..	1.2	..	x	x
Luxembourg	1.6	..	-0.4	..	x	x
Norway	3.9	..	..	..	x	x
Poland	4.6	0.5	8.1	3.4	x	x
Portugal	0.3	-1.6	-0.2	-1.3	1.9	0.4
Spain	..	1.3	..	1.2	..	0.9
Switzerland	2.5	4.1	4.9	4.9	x	x
Turkey	-2.0	-4.5	-3.5	-6.9	2.3	x
Non-OECD						
India	..	4.8	..	4.7	x	x
Malaysia	6.6	4.5	2.3	0.8	4.1	4.4
Singapore	0.0	-3.6	-1.9	-3.8	0.6	-4.6
South Africa	..	-3.1	..	-3.0	..	-2.2
Thailand	1.1	0.5	-0.4	-0.7	x	x

"x" means not applicable; ".." not available.

Source: OECD Global Insurance Statistics.

Profitability

Return on equity

In general, insurance industry return on equity (ROE)[5] in reporting countries declined in 2011. (Table 3) The deterioration was fairly consistent, with most countries experiencing a decline in life industry ROE levels relative to 2010. Yet, life industry ROE in Australia, the Czech Republic, Iceland, Mexico, Poland, Switzerland, and Turkey remained high. By contrast, in some countries, the life insurance industry's ROE deteriorated dramatically. In Finland, Greece, and Portugal, the life industry ROE not only declined significantly but also turned negative; in Finland, weak investment performance was the key driver. Similarly, ROE in the life industry in Italy and Ireland was negative and worsened.

In the non-life sector, the outlook was mixed. Many countries achieved ROE improvements; in countries where ROE declined, the change was less pronounced. ROE was negative but improved in the non-life sector in the Slovak Republic and Italy. The Hungarian and Israeli non-life insurance industries witnessed significant deterioration in their ROE.

In the composite sectors where exist, ROE deteriorated significantly with the exception of Hungary and Slovak Republic, Malaysia, and South Africa where ROE improved.

[5] The return on equity (ROE) is calculated, in this report, as the current year's net income divided by the average of the current and the previous year's shareholder equity as reported on the balance sheet calculated at an industry level.

Table 3. ROE by type of insurer (2009-2011)

In percent

	ROE								
	Life			Non-life			Composite		
	2009	2010	2011	2009	2010	2011	2009	2010	2011
OECD									
Australia	13.4	18.8	15.4	13.0	15.3	9.6	x	x	x
Austria	..	..	..	..	..	..	..	..	..
Belgium	10.9	6.0	3.4	5.4	7.6	5.7	6.3	12.0	2.5
Canada	8.8	12.1	3.4	10.6	5.7	9.8	..	..	7.1
Chile	..	20.5	..	..	3.3	..	x	x	x
Czech Republic	..	..	14.0	..	..	-8.4	..	..	16.6
Denmark	..	..	3.0	..	..	6.7	x	x	x
Estonia	..	28.7	9.8	..	14.6	13.8	x	x	x
Finland	..	21.2	-2.7	..	17.6	10.2	..	..	..
France	8.0	6.4	2.5	10.5	7.0	7.1	16.7	8.0	5.5
Germany	..	9.8	9.7	..	3.8	3.8	x	x	x
Greece	..	7.0	-6.0	..	12.5	10.1	..	-16.2	-36.5
Hungary	..	-13.6	-0.8	..	-5.7	-32.9	..	5.4	11.3
Iceland	..	25.3	21.4	..	9.7	12.3	x	x	x
Ireland	-7.3	-6.1	-8.2	18.5	8.7	10.0	x	x	x
Israel	..	..	..	..	37.0	3.9	..	19.4	-0.6
Italy	6.4	-2.6	-16.5	-2.0	-8.3	-0.6	..	-0.6	-6.5
Japan	..	..	..	..	..	..	x	x	x
Korea	..	10.4	..	..	13.0	..	x	x	x
Luxembourg	6.6	7.5	..	11.1	14.5	..	x	x	x
Mexico	22.8	17.7	12.7	9.8	3.7	11.8	19.8	16.7	16.3
Netherlands	..	..	..	..	..	..	x	x	x
New Zealand	..	..	..	..	..	..	..	..	..
Norway	..	..	..	..	..	..	x	x	x
Poland	31.8	27.2	22.5	9.3	18.8	18.0	x	x	x
Portugal	13.2	16.2	-7.8	3.9	2.0	3.0	3.7	10.3	4.5
Slovak Republic	0.1	7.7	6.1	-0.5	-31.5	-22.7	0.9	10.8	15.6
Slovenia	..	..	..	..	..	..	..	..	..
Spain	..	..	..	..	..	..	15.5	15.9	11.7
Sweden	..	..	..	..	..	..	x	x	x
Switzerland	14.6	13.1	20.7	16.4	20.2	16.2	x	x	x
Turkey	17.9	15.7	13.2	3.9	-4.1	0.3	4.1	2.8	x
United Kingdom	..	..	..	..	..	..	..	..	..
United States	7.7	8.8	5.3	6.2	7.1	5.0	x	x	x
Non-OECD									
Hong Kong (China)	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	x	x	x
Malaysia	..	53.7	23.4	..	10.8	13.4	..	23.9	28.4
Singapore	..	16.6	20.6	..	8.0	-62.8	..	22.8	15.5
South Africa	..	..	..	..	43.4	35.0	..	13.2	31.7
Thailand	..	..	14.7	..	..	-123.4	x	x	x

"x" means not applicable; ".." not available.

Notes: ROE was calculated by dividing segment net income for 2011 by average segment equity over 2010 and 2011.

Source: OECD Global Insurance Statistics.

Change in equity position

The change in equity position permits an understanding of the evolution of shareholder capital. Changes may occur due to gains and losses recognised in the income statement, dividend distributions, share buybacks, and issuance of share capital; they may also reflect unrecognised gains or losses that do not appear in the income statement but which may nonetheless be important for understanding an undertaking's financial position. For instance, unrealised gains and losses on investments held to maturity within an investment portfolio do not appear in the income statement, yet they are reflected in changes to shareholder equity.

Table 4 below shows that shareholder equity diminished in nine of the reporting countries' life insurance industry, seven in the non-life segment and ten in the composite segment. The sharpest declines were observed in Singapore in the composite and non-life segments, respectively. In Spain, the equity position in the composite segment also dropped significantly. By contrast, shareholder equity in the life industry in Slovenia grew dramatically thanks to a start-up life company. The life insurance industry in Malaysia, Singapore, and Switzerland and both life and non-life insurance industries in Norway, Thailand, and Turkey exhibited a significant increase on their industries' shareholder equity.

Table 4. Change in equity position by type of insurer (2010-2011)

In percent

	life		non-life		composite	
	2010	2011	2010	2011	2010	2011
Australia	5.5	6.0	1.6	-1.6	x	x
Austria	..	..	..	..	..	..
Belgium	-54.2	-6.0	-4.2	9.2	3.1	-8.8
Canada	-13.1	-0.1	5.5	7.6	-1.0	-1.1
Chile	14.2	..	15.0	..	x	x
Czech Republic	4.1	-3.6	11.1	2.2	12.5	-13.5
Denmark	92.1	0.9	..	2.0	x	x
Estonia	103.4	7.1	25.1	13.3	x	x
Finland	14.4	-8.4	-3.4	3.6	..	..
France	0.2	7.8	4.0	4.9	2.3	1.5
Germany	0.4	-3.4	5.3	-1.2	x	x
Greece	-25.4	7.6	11.1	9.4	-47.0	-16.3
Hungary	14.4	-9.0	5.1	5.3	0.5	0.6
Iceland	12.8	5.2	56.3	12.8	x	x
Ireland	22.3	-4.2	3.2	10.8	x	x
Israel	..	..	48.4	-0.4	14.1	-2.8
Italy	-1.6	-13.8	-16.5	-10.1	-1.9	-1.8
Japan	..	..	..	..	x	x
Korea	37.6	..	21.5	..	x	x
Luxembourg	18.8	..	2.8	..	x	x
Mexico	12.6	6.7	14.3	11.0	15.4	17.4
Netherlands	..	..	..	..	x	x
New Zealand	-5.3	..	13.7	..	..	..
Norway	-40.5	14.7	..	37.3	x	x
Poland	-2.1	-3.4	12.7	4.1	x	x
Portugal	-11.4	-27.8	-8.7	0.2	-8.0	-11.5
Slovak Republic	2.4	0.7	-3.9	5.5	1.4	-2.1
Slovenia	47.4	382.0	11.8	-0.1	3.8	36.4
Spain	..	..	..	..	19.6	-42.7
Sweden	..	..	..	..	x	x
Switzerland	5.4	30.4	-7.2	-1.3	x	x
Turkey	30.6	41.7	3.3	11.8	..	x
United Kingdom	..	..	..	..	..	..
United States	5.4	0.5	4.9	3.4	x	x
Non-OECD						
Hong Kong (China)	..	..	..	..	..	..
India	..	..	..	..	x	x
Malaysia	11.2	18.9	24.0	8.4	25.5	26.3
Singapore	-4.2	55.0	94.6	-58.8	73.6	-85.6
South Africa	5.0	11.1	61.9	4.4	48.3	113.7
Thailand	..	58.0	..	45.4	x	x

"x" means not applicable; ".." not available.

Notes: Change in equity position is calculated as the change in shareholder equity divided by the level of shareholder equity from the previous year.

Source: OECD Global Insurance Statistics.

Additional notes and reference series

Notes to be taken into consideration when interpreting the data

General notes

Data in the report refer to direct business only. This report is based on the first phase of responses provided by countries on results from the 2011 Global Insurance Statistics (GIS) exercise, including qualitative information supplied by countries or sourced from national administrative sources (see Table 5). The second phase of country responses, to be submitted toward the end of 2012, provides more detailed information on the sector and will be published in the Insurance Statistics Yearbook. Data collected under the GIS exercise can be found at the following OECD statistical portal: http://stats.oecd.org/Index.aspx.

Given possible divergences in national reporting standards, different methods for compiling data for the GIS exercise, and recent amendments to the OECD statistical framework, caution needs to be exercised in interpreting the data. For this reason, countries are regularly requested to provide methodological information relevant for developing a thorough understanding of their submissions to the Global Insurance Statistics (GIS) exercise. The country-specific methodological notes below provide some explanations in this respect.

Additional general notes can be found below:

- Economic data on exchanges rates and the Consumer Price Index (CPI) in countries come from the OECD's Main Economic Indicators (MEI) database (Table 6).
- Composite undertakings operate in a number of countries, as shown in Table 7.
- *Australia* changed the reporting framework from a written premium concept to an earned premium concept as of 1 July 2010. Given the change in reporting basis, gross and net earned premium are displayed in this report instead of written premium.

  For non-life data from *Australia*, due to change in the reporting framework occurred on 1 July 2010, year-end data for 2010 have not been produced. Therefore, growth rates are calculated between end-June 2010 and 2011 year end. When analysing figures between 2010 and 2011 in the OECD statistical database, the impact of this difference in period should be considered.
- Data for *Germany* only consider life insurers, health insurers and property and casualty insurers.
- The statistical data for *Israel* are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
- Data on composite insurers from *Italy* include life insurers operating also in accident and sickness line of business.
- Data from *Japan* reflect the Japanese 2011 fiscal year starting from April 2010 to 31 March 2011.

- Data from *Malaysia* cover global business (within and outside Malaysia) including Takaful insurance.
- Data used in this report for 2011 for *Poland* are not final data.
- Data referring to the balance sheet of insurance companies in *Portugal* that made the calculation of the combined ratio possible include reinsurance accepted business.

Specific notes

Figures 1 and 2: Premiums

Premiums refer to gross written premiums. Given OECD classification standards, non-life data includes accident and health insurance unless otherwise stated. Real growth rates are calculated using the Consumer Prices Index from the OECD's MEI.	
Australia	Premiums for accident and sickness insurance underwritten by life companies are not included in non-life premiums, but rather life premiums. Health insurance is underwritten by specialised health insurance companies, and is not included in the Australian data. As of 1 July 2010, the reporting framework has been changed from a written premium concept to an earned premium concept.
France	Data for 2010 excludes the life and non-life business of composite undertakings, which may distort the 2010-2011 growth rate given the important size of the composite sector in France.
Italy	Composite undertakings include life companies that pursue accident and sickness insurance.
Portugal	Premiums include deposits made for investment contracts, which, according to the national GAAP are not accounted in P&L account.

Figure 3 and 4: Claims Payments

The claims payments indicator includes variations in outstanding claims provisions to reflect better the magnitude of the obligations that the industry had in 2011 as a result of insured events that occurred.	
Australia	The growth rate in claims for non-life insurance calculated for 2011 year end compared to 30 June 2010.
Italy	Composite undertakings include life companies that pursue accident and sickness insurance.
Portugal	Claims paid include the payment made for investment contracts, which, according to the national GAAP, are not accounted in P&L account
South Africa	Variations of outstanding claims provisions are not included in the calculation.

Figure 5: Combined Ratio

The combined ratio is calculated in this report as the sum of gross claims payments, changes in outstanding claims provision, gross operating expenses, and gross commissions divided by gross written premiums. I.e., Combined ratio = "Loss ratio" + "Expense ratio", where:

- Loss ratio: (Gross claims paid + changes in outstanding claims provision) / gross written premiums (the latter used as a proxy for gross earned premiums); and,
- Expense ratio = (Gross operating expenses + commissions) / Gross written premiums.

The combined ratio is used in analysing the underwriting performance of insurance companies, especially for non-life insurance where the risk exposure is short-term -- generally one year. The

use of the combined ratio for long-term business such as life insurance is of limited use only. Due to limitations in OECD data, it is not possible to calculate the combined ratio using earned premiums and claims incurred data, which would provide a more accurate depiction of underwriting performance.	
Australia	The non-life industry combined ratio is calculated for the period 30 June 2010 and 31 December 2011. Commissions have not been included in the calculation since they are already included in gross operating expenses (equivalent to gross total underwriting expenses).
Italy	Commissions have not been included in the calculation since they are already included in gross operating expenses
Norway	The combined ratio calculations for 2011 does not include commissions data.
South Africa	Variations of outstanding claims provisions are not included in the calculation.
Portugal	Commissions have not been included in the calculation since they are already included in gross operating expenses

Figures 6, 7, 8, 9 and Table 1: Investment Allocation

Data refer to direct business and domestically incorporated undertakings only. Data exclude assets linked to unit-linked products.	
Canada	Data for life insurers include assets in segregated funds. Data for life Insurers include data for both “life” and “accident & sickness” branches of their operations – no breakdowns are available.
India	2011 indicates data for the period 1st April 2010 to 31st March 2011.
Germany	Figures, accounting for the “Other investments”, consist of the “loans” category and of mutual fund investments for which no look-through was available.
Mexico	The level of composite insurer investments in equity does not represent a direct exposure to the equity market since such investments include investment in the shares of mutual funds, which in the case of these insurers mainly invest in bonds.

Table 2: Net Investment Returns

Average real net investment return calculations are based on nominal net investment return reported by countries and CPI figures.

Country ISO codes

AUS	Australia
AUT	Austria
BEL	Belgium
CAN	Canada
CHE	Switzerland
CHL	Chile
CZE	Czech Republic
DEU	Germany
DNK	Denmark
ESP	Spain
EST	Estonia
FIN	Finland
FRA	France
GBR	United Kingdom
GRC	Greece
HKG	Hong Kong (China)
HUN	Hungary
IND	India
IRL	Ireland
ISL	Iceland
ISR	Israel
ITA	Italy
JPN	Japan
KOR	Korea
LUX	Luxembourg
MEX	Mexico
MYS	Malaysia
NLD	Netherlands
NOR	Norway
NZL	New Zealand
POL	Poland
PRT	Portugal
SGP	Singapore
SVK	Slovak Republic
SVN	Slovenia
SWE	Sweden
THA	Thailand
TUR	Turkey
USA	United States
ZAF	South Africa

Symbols and conventional sign:

USD	United States Dollar
EUR	Euro
m	Million
..	Not available
c	Confidential
x	Not applicable

Table 5. List of administrative sources

OECD countries	Statistical source	Website
Australia	Australian Prudential Regulation Authority (APRA)	www.apra.gov.au
Austria	Financial Market Authority (FMA)	www.fma.gv.at
Belgium	National Bank of Belgium (NBB)	www.nbb.be
Canada	Department of Finance Canada	www.fin.gc.ca
Chile	Superintendency of Securities and Insurance (SVS)	www.svs.cl
Czech Republic	Ministry of Finance	www.mfcr.cz
Denmark	Danish Financial Supervisory Authority (FTNET)	www.finanstilsynet.dk
Estonia	Ministry of Finance of Estonia	www.fin.ee
Finland	Ministry of Social Affairs and Health	www.stm.fi
France	French Prudential Supervisory Authority (ACP)	www.acp.banque-france.fr
Germany	Federal Financial Supervisory Authority (BaFin)	www.bafin.de
Greece	Bank of Greece	www.bankofgreece.gr
Hungary	Hungarian Financial Supervisory Authority (PSZAF)	www.pszaf.hu
Iceland	The Financial Supervisory Authority (FME)	www.fme.is
Ireland	Department of Finance	www.finance.gov.ie
Israel	Ministry of Finance	www.mof.gov.il
Italy	Institute for the Supervision of Insurance (ISVAP)	www.isvap.it
Japan	Financial Services Agency (FSA)	www.fsa.go.jp
Korea	Financial Services Commission (FSC)	www.fsc.go.kr
Luxembourg	The Insurance Commission (CAA)	www.commassu.lu
Mexico	The Insurance and Surety National Commission (CNSF)	www.cnsf.gob.mx
Netherlands	Statistics Netherlands (CBS)	www.cbs.nl
New Zealand	Statistics New Zealand	www.stats.govt.nz
Norway	Financial Supervisory Authority of Norway (Finanstilsynet)	www.finanstilsynet.no
Poland	Polish Financial Supervision Authority (KNF)	www.knf.gov.pl
Portugal	Insurance and Pension Funds Supervisory Authority (ISP)	www.isp.pt
Slovak Republic	National Bank of Slovakia (NBS)	www.nbs.sk
Slovenia	Ministry of Finance	www.mgrt.gov.si
Spain	Ministry of Economy	www.meh.es
Sweden	Statistics Sweden (SCB)	www.scb.se
Switzerland	State Secretariat for International Financial Matters (SIF)	www.sif.admin.ch
Turkey	The Undersecretariat of Turkish Treasury	www.hazine.gov.tr
United Kingdom	Financial Services Authority (FSA)	www.fsa.gov.uk
United States	National Association of Insurance Commissioners (NAIC)	www.naic.org
Non-OECD countries		
Hong Kong (China)	Financial Services and the Treasury Bureau (FSTB)	www.fstb.gov.hk
India	Ministry of Finance	www.finmin.nic.in
Malaysia	Central Bank of Malaysia (BNM)	www.bnm.gov.my
Singapore	Monetary Authority of Singapore (MAS)	www.mas.gov.sg
South Africa	Financial Services Board (FSB)	www.fsb.co.za
Thailand	Office of Insurance Commission (OIC)	www.oic.or.th

Table 6. Currency exchange rates and the Consumer Price Index (CPI)

National units per USD and CPI (percentage change), 2011

	Currency exchange rates, national units per USD	CPI (1)
AUS	0.970	3.4
AUT	0.719	3.2
BEL	0.719	3.5
CAN	0.990	2.3
CHE	0.889	-0.7
CHL	483.654	4.4
CZE	17.655	2.4
DEU	0.719	2.1
DNK	5.357	2.5
ESP	0.719	2.4
EST	0.719	3.7
FIN	0.719	2.9
FRA	0.719	2.5
GBR	0.624	4.2
GRC	0.719	2.4
HKG	7.766	5.7
HUN	200.568	4.1
IND	53.260	6.5
IRL	0.719	2.5
ISL	115.975	5.2
ISR	3.578	2.2
ITA	0.719	3.3
JPN	79.844	-0.2
KOR	1107.808	4.2
LUX	0.719	3.2
MEX	12.429	3.8
MYS	3.177	3.0
NLD	0.719	2.4
NOR	5.599	0.2
NZL	1.268	4.0
POL	2.958	4.6
PRT	0.719	3.6
SGP	1.301	5.5
SVK	0.719	4.4
SVN	0.719	2.0
SWE	6.482	2.3
THA	31.691	3.5
TUR	1.669	10.4
USA	1.000	3.0
ZAF	8.143	6.1

1. The CPI percentage change is calculated as the variation of the end-of-period CPI. For all countries, it refers to annual CPI inflation for 2011. Price adjustments for non-life premiums in Australia is made using CPI inflation between June 2010 and December 2011 (4.2%).

Source: OECD MEI and other sources.

Table 7. Composite undertakings

	Countries in which composite undertakings operate	Availibility of separate data on composite undertakings
OECD countries		
Australia		
Austria	✓	X
Belgium	✓	✓
Canada (1)	✓	✓
Chile		
Czech Republic	✓	✓
Denmark		
Estonia		
Finland	✓	
France	✓	✓
Germany		
Greece	✓	✓
Hungary	✓	✓
Iceland (2)		
Ireland		
Israel	✓	✓
Italy	✓	✓
Japan		
Korea		
Luxembourg (3)		
Mexico	✓	✓
Netherlands		
New Zealand	✓	✓
Norway		
Poland		
Portugal (4)	✓	✓
Slovak Republic	✓	✓
Slovenia	✓	✓
Spain (5)	✓	✓
Sweden		
Switzerland		
Turkey		
United Kingdom	✓	
United States		
Selected non-OECD countries		
Hong Kong	✓	X
India		
Singapore	✓	✓
South Africa	✓	✓
Thailand		

1. Most of the life companies are authorized to provide coverage for accident and sickness risks. The data for their life and non-life businesses (including accident and sickness) are provided separately under composite sector.

2. There are no composite undertakings, except two life companies with small operation in accident and sickness insurance. But they are classified under life insurance undertakings.

3. No official company is allowed to operate in both life and non-life business. However, there is insurance activity of a Portuguese composite subsidiary in the market.

4. For profit and loss accounts (e.g. premiums) data is separated but for the balance sheet information and solvency (e.g. solvency ratio, capital, ROE,...) it is not separated.

5. The composite undertakings operating in Spain have to submit technical and non technical accounts for all non-life and life activity separately. The balance sheet data are presented together with no differentiation.

Source: OECD Global Insurance Statistics

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