

### European insurance investments up 3.2% to €8.5 trillion in 2013, but future investment under threat

*Brussels, 1 September 2014:* Insurers' investments in the European economy continued to grow during 2013. Concerns remain, however, about how the Solvency II directive will affect their ability to continue as Europe's largest long-term stable investors, according to Insurance Europe, the European insurance and reinsurance federation.

As of 31 December 2013, the European insurance industry had over €8.5 trillion of assets under management, representing a 3.2% growth at constant exchange rates compared with 2012, according to the federation's annual [Key Facts booklet](#), that was published today.

Michaela Koller, director general of Insurance Europe, commented: "Insurers make a huge contribution to the European economy by promoting growth and stability through long-term investments equal to around 60% of Europe's GDP. This role is, however, under threat. While the industry welcomes the move to a risk-based regulatory regime and recognises that the final version of Solvency II was improved to avoid a huge negative impact on long-term investments, aspects of the directive and how it is implemented will still require insurers to hold inappropriately high amounts of capital against their long-term investments.

"This will make it more expensive for insurers to invest in long-term government and corporate bonds, as well as growth-stimulating activities, such as infrastructure projects. This could discourage insurers from making these vital investments, which would have a significantly negative effect on the European economy at a time when boosting growth is an overall policy objective."

The Key Facts booklet also found that Europe continued to be the world's largest insurance market in 2013, representing 35% the global insurance market. It was closely followed by the United States, comprising 30%, Asia at 28%, and Oceania and Africa at 3%.

In 2013, total premiums were €1 119bn, and life benefits and non-life claims paid by European insurers totalled €943bn. Life insurers paid out €618bn in benefits to insureds in 2013, while non-life insurers paid out a total of €325bn in claims to insureds, a 4.4% increase on the year before.

Koller said: "The amount of benefits and claims paid out by European insurers underscores the value that insurance provides to society. Insurance is truly a financial *service* that provides real value. Whether it is by providing financial security that allows economic activity to flourish or through the everyday protection afforded to individual policyholders, insurers ensure that, when the worst does happen, the pain is spread across the shoulders of the many, rather than just the few."

Other Key Facts from the booklet include:

- Life insurance constitutes the largest proportion of the European market, representing around 60%. Property, casualty and accident makes up 30% and health 10%
- Developments in the total investment portfolio were mainly driven by the life business, since the investment holdings of the life insurance industry account for more than 80% of the total portfolio



- More than 5 100 insurance companies were operating in Europe in 2013. The majority are joint stock companies and mutual insurers, but some also take a different form such as public institutions or cooperatives
- The European insurance industry employs close to 1 million people directly, as well as around 1 million outsourced employees and independent intermediaries

- Ends -

#### Notes for editors

1. For further information please contact Richard Mackillican, Policy Advisor Communications & PR (tel: +32 2 894 30 69, [mackillican@insurancееurope.eu](mailto:mackillican@insurancееurope.eu)).
2. To receive Insurance Europe's news and press releases:
  - follow us on Twitter @InsuranceEurope
  - sign up to the RSS feeds at [www.insurancееurope.eu](http://www.insurancееurope.eu)
  - e-mail Amélie Chantrenne, [chantrenne@insurancееurope.eu](mailto:chantrenne@insurancееurope.eu), to be added to our mailing list
3. Insurance Europe is the European insurance and reinsurance federation. Through its 34 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of more than €1 100bn, employ almost one million people and invest more than €8 500bn in the economy.