



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# Aggregate Insurance QRTs 2018

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# Introduction

The implementation of Solvency II on 1 January 2016 introduced a new regulatory regime for insurers, including comprehensive annual and quarterly reporting requirements for companies.

The Central Bank of Ireland has, at the time of publication, received nine sets of quarterly and two sets of annual Solvency II quantitative reporting templates. The Central Bank of Ireland uses this data to deliver an effective, intrusive, analytical and outcomes-focused approach to supervision.

Analysis of the data is performed on an aggregated and individual firm basis. This publication shares a selection of our aggregated analysis and includes all Solvency II insurance companies regulated by the Central Bank of Ireland, including domestic and international business.

This publication is aimed at reporting companies and persons familiar with the Solvency II framework and, in particular, the associated quantitative reporting requirements. This publication is delivered in line with the key Solvency II principle of promoting comparability and transparency.

The aim is to disclose aggregated metrics and to allow reporting companies to view aggregate trends. The Central Bank does not seek to use this publication to comment on the data.

All analysis relies on the quality of the data submitted. Where there have been resubmissions, this publication includes the resubmitted data up to end Q2 2018. A detailed specification for each chart is given in section 6.

Data included in this publication is based on Solvency II quarterly reporting templates up to Q1 2018 and annual reporting templates up to year end 31 December 2017.

## 1 Irish Regulated Industry at a glance

The following maps show where (re)insurance companies regulated by the Central Bank of Ireland conduct business, including Freedom of Services and Freedom of Establishment business, based on year end 2017 data.

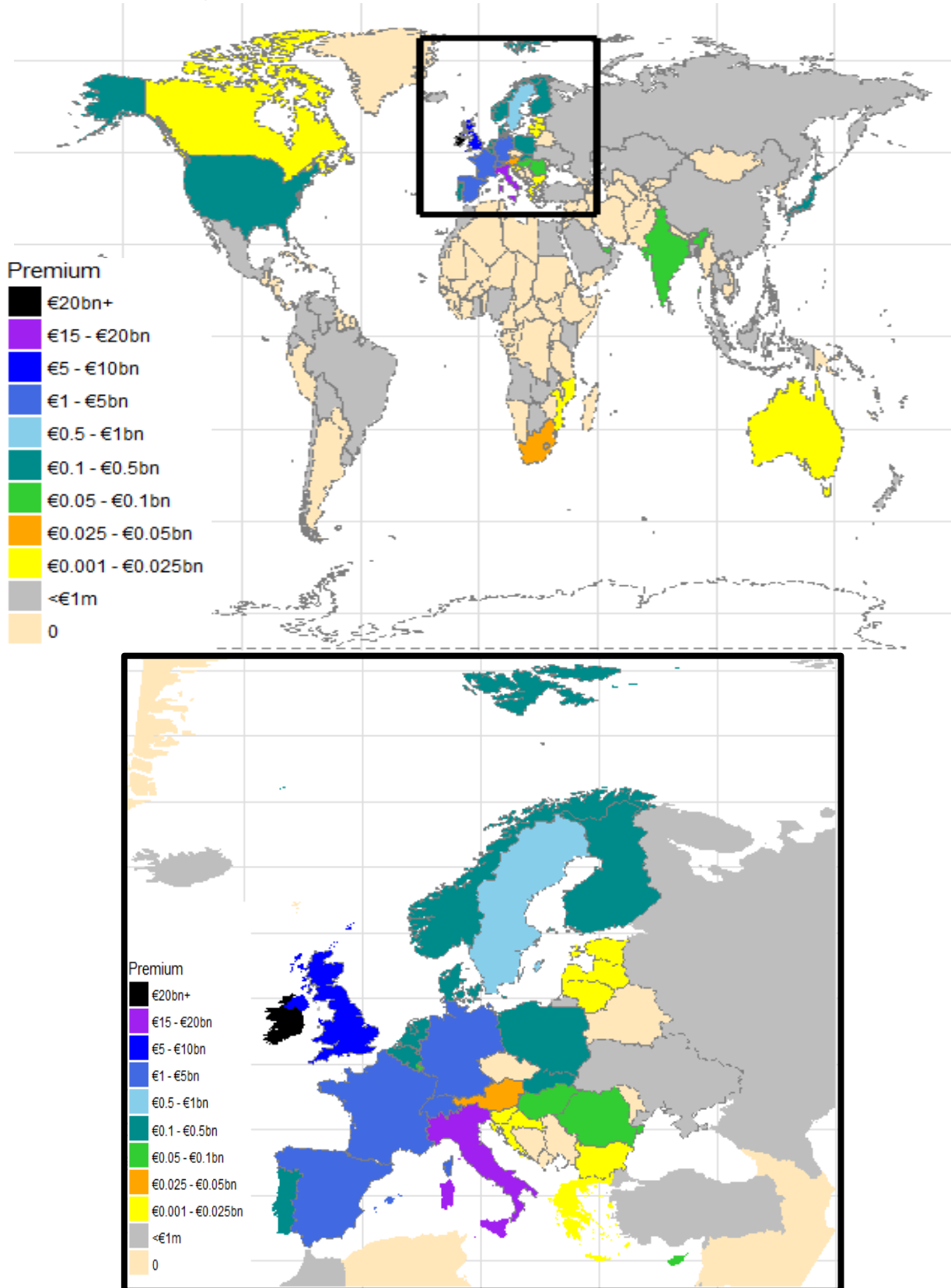


Figure 1. Central Bank of Ireland regulated (re)insurers – international Gross Written Premium footprint

## 2 Overall Statistics

### 2.1 Solvency Capital Requirement Coverage

The following graph shows the range of Solvency Capital Requirement (SCR) coverage ratios for all companies and the number of companies below 100% at each quarter.

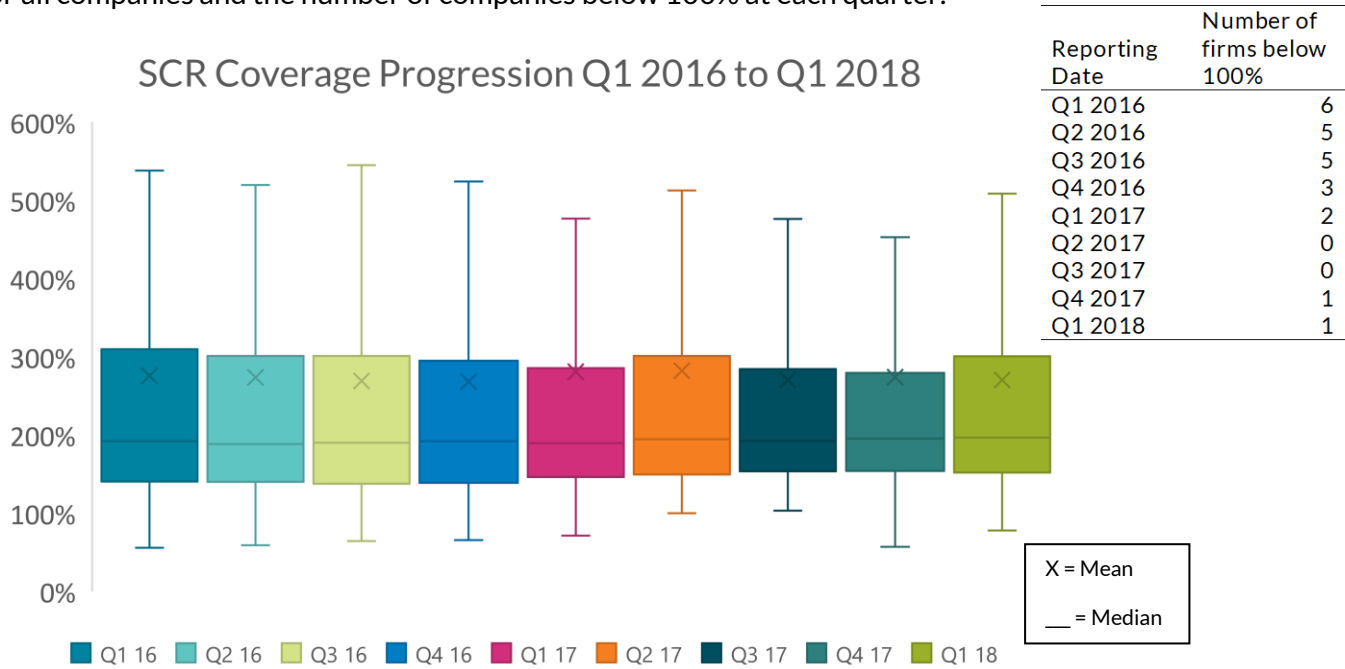


Figure 2. Evolution of the SCR coverage ratios from Q1 2016 to Q1 2018.

The following graph shows the evolution from Q1 2016 to Q1 2018 of SCR coverage ratios at a firm-level.

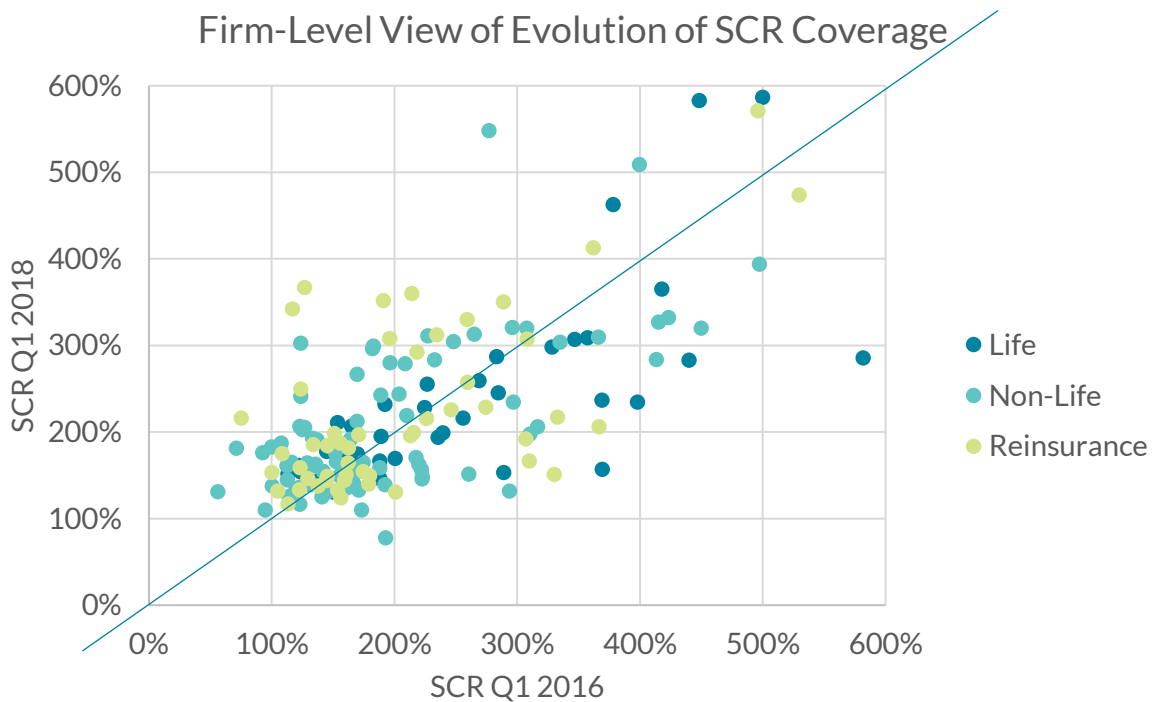


Figure 3. Firm-level view of the evolution of SCR coverage from Q1 2016 to Q1 2018 for Life, Non-Life and Reinsurance companies.

## 2.2 Risk Profile

The following graph shows the decomposition (waterfall) of the SCR by Risk Category for standard formula companies only.

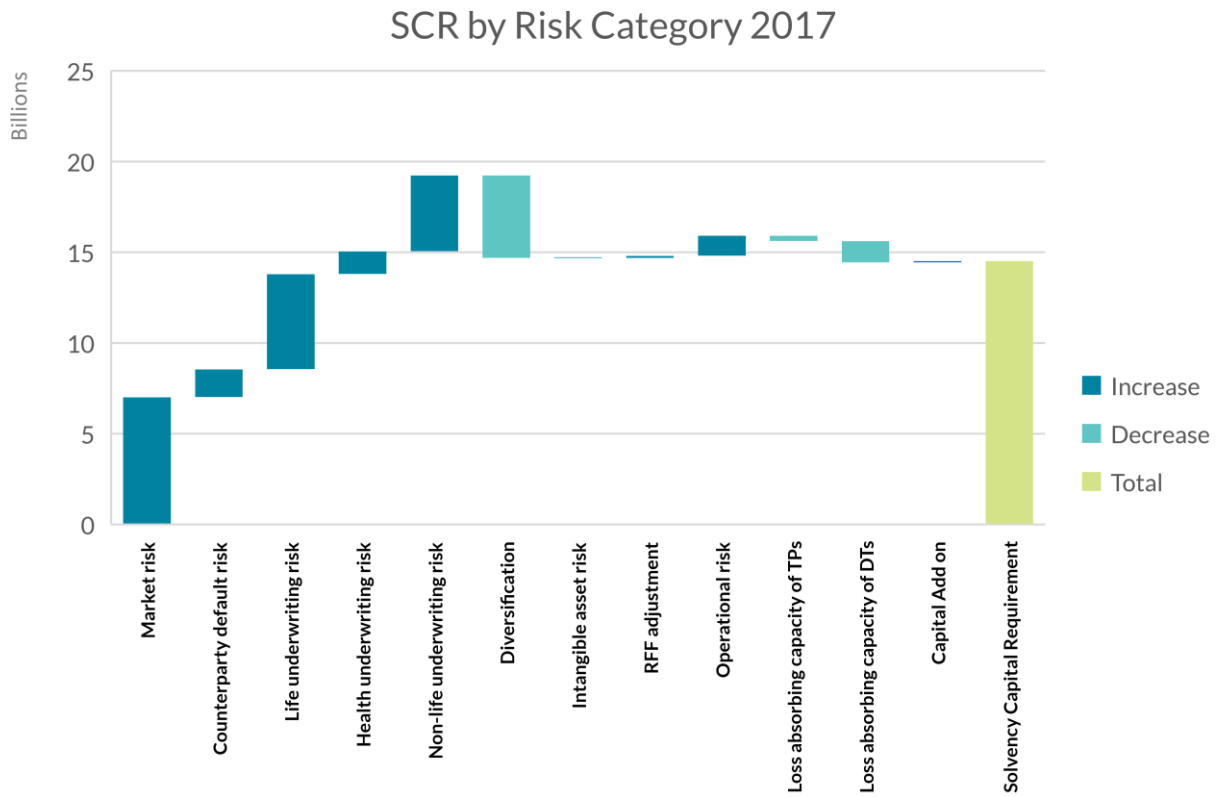


Figure 4. Decomposition of SCR by Risk Category

The following graph shows the decomposition (waterfall) of the Market Risk SCR by sub-risk category for standard formula companies only.

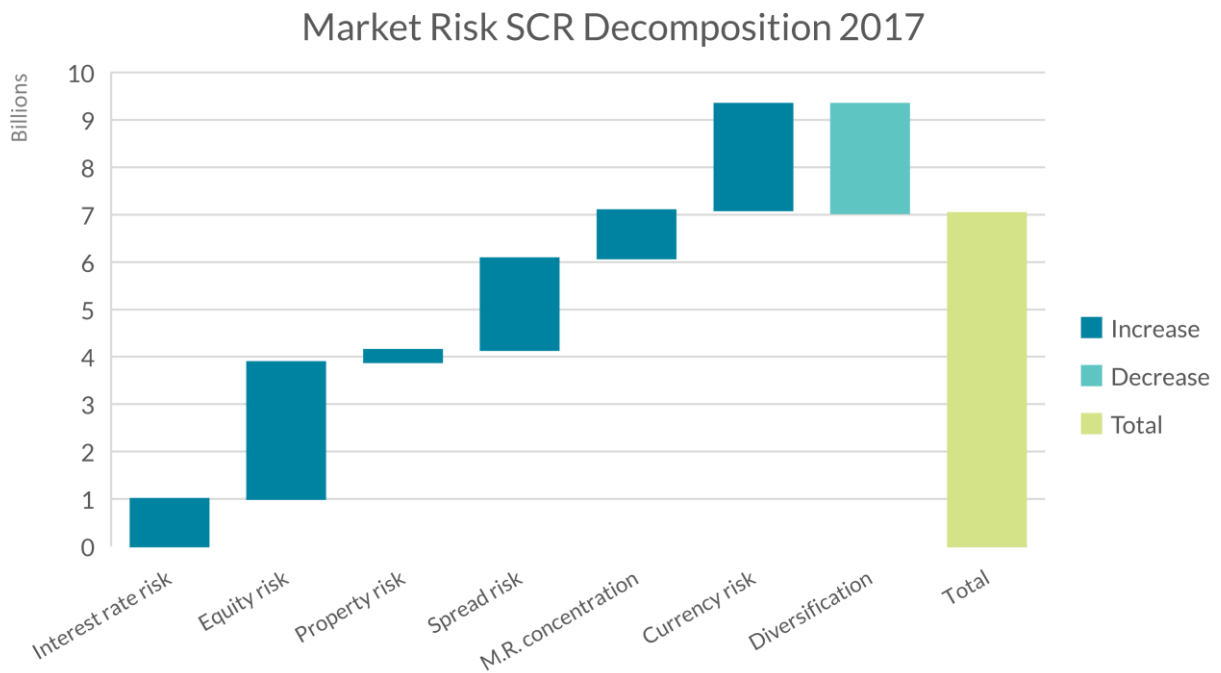


Figure 5. Market Risk SCR decomposition

### 2.3 Financial Strength

The following graph shows the evolution of the excess of assets over liabilities for Life, Non-life and Reinsurance companies.

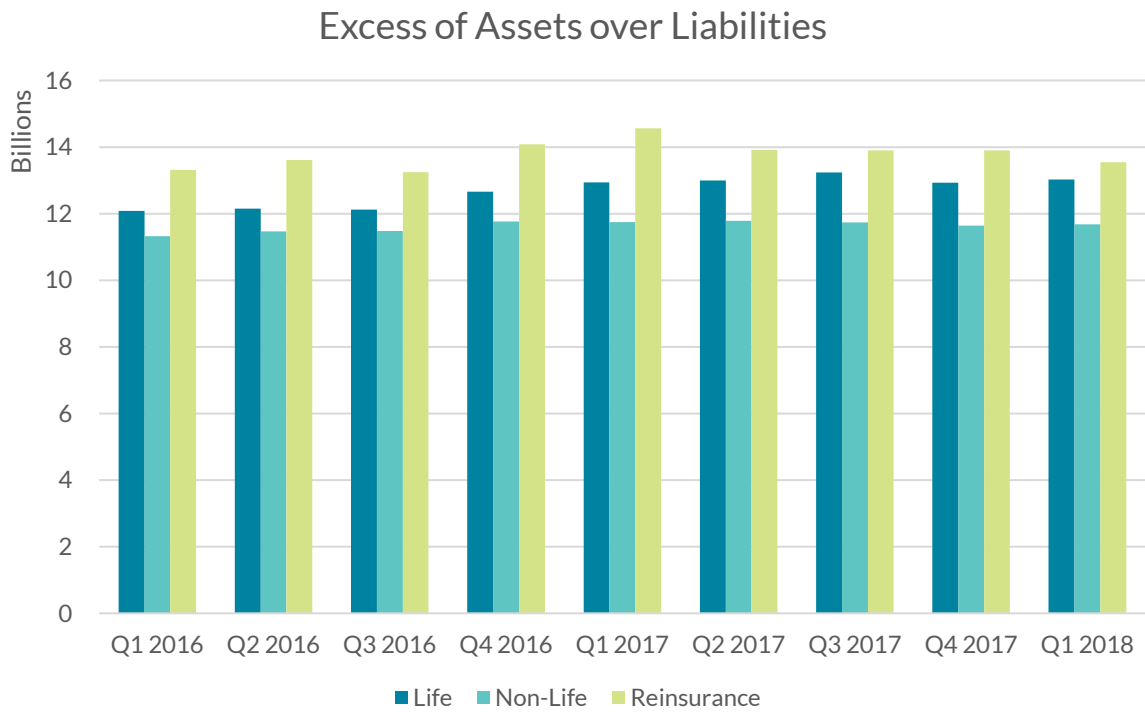


Figure 6. Evolution of excess of assets over liabilities

The following graph shows the evolution of eligible own funds by tier for all companies.

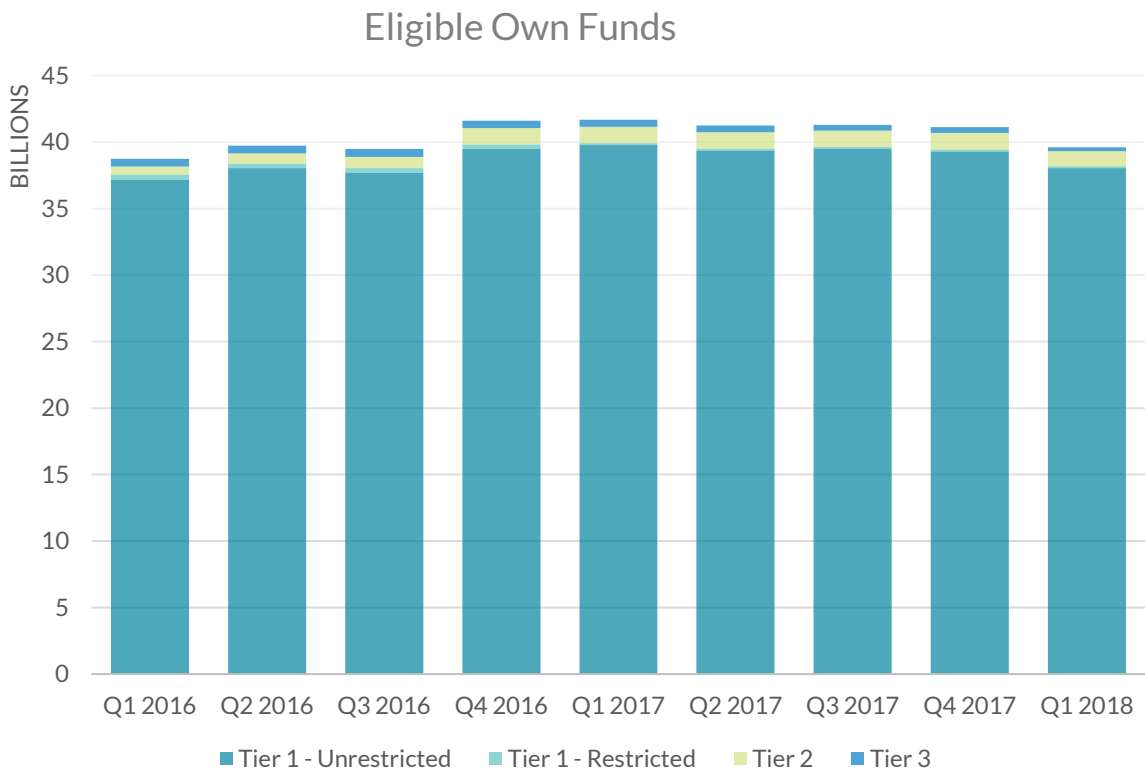


Figure 7. Evolution of eligible own funds by tier

## 2.4 Investment Holdings

The following graph shows the breakdown of asset allocation in Q1 2016, Q1 2017 and Q1 2018 (excluding unit-linked assets).

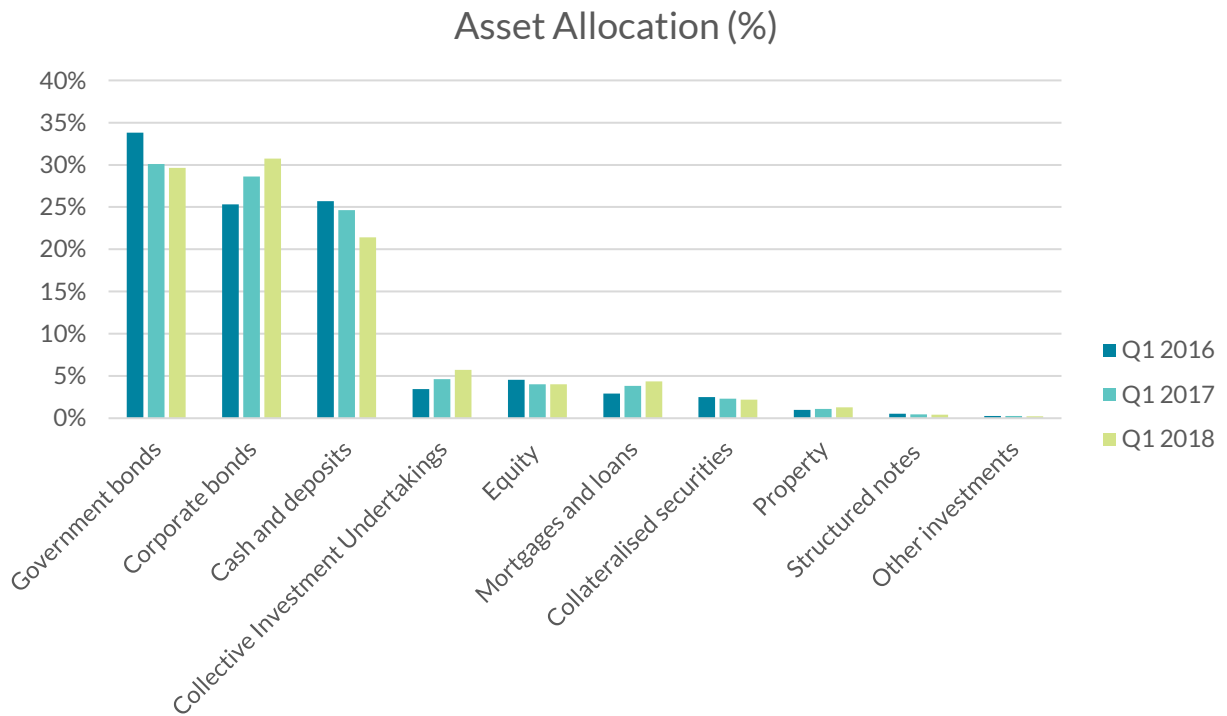


Figure 8. Evolution of asset allocation

The following graph shows the credit quality step of corporate bonds in Q1 2016, Q1 2017 and Q1 2018 for companies calculating their capital requirement using standard formula (excluding unit-linked assets).

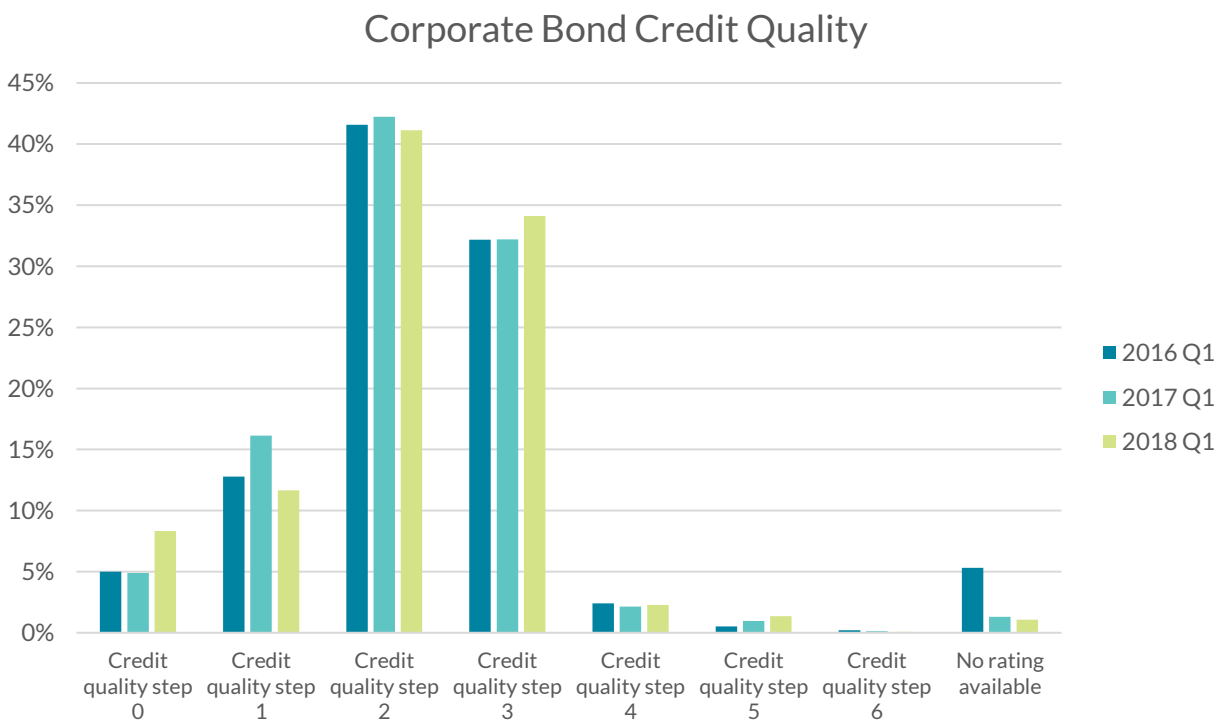


Figure 9. Evolution of corporate bond credit quality



The following graph shows the credit quality step of government bonds in Q1 2016, Q1 2017 and Q1 2018 for companies calculating their capital requirement using standard formula (excluding unit-linked assets).

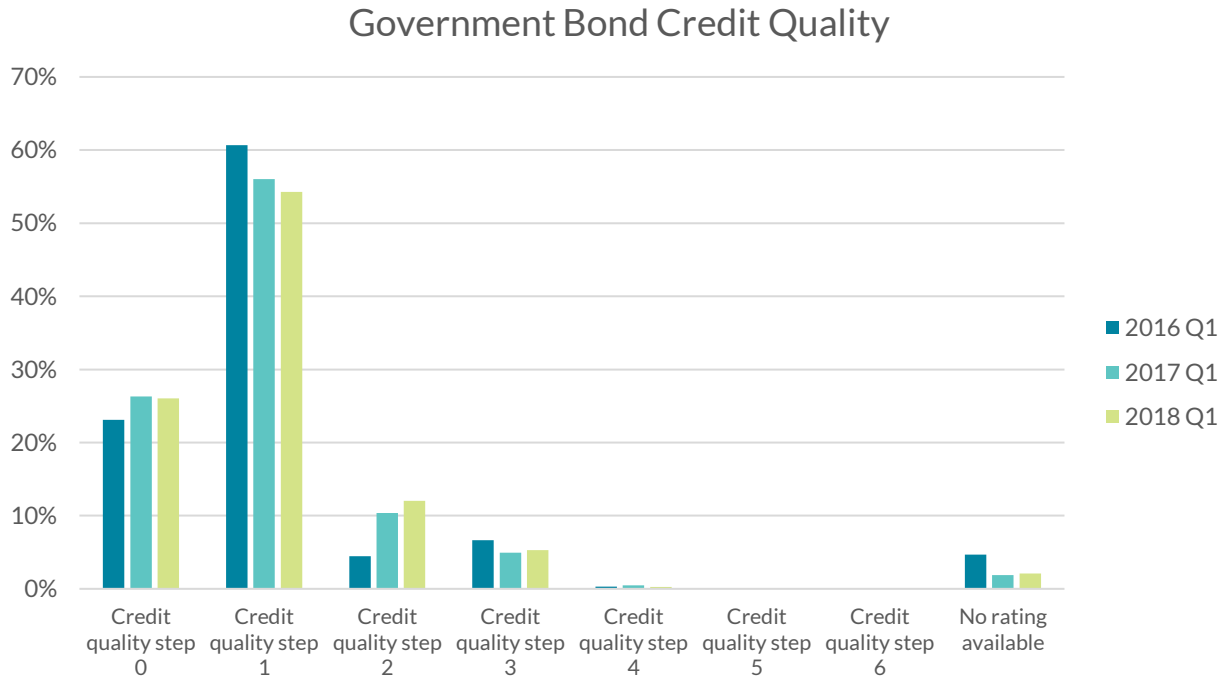


Figure 10. Evolution of Government Bond Credit Quality

The following graph shows the currency of assets held by all companies in Q1 2018 (excluding unit-linked assets).

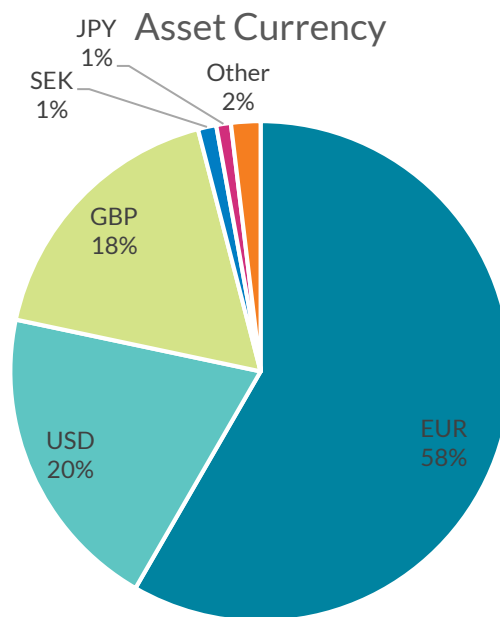


Figure 11. Assets by Currency at Q1 2018

The following graph shows the exposure to corporate bonds and sovereign bonds across a range of countries and institutions for all companies in Q1 2018 (excluding unit-linked assets).

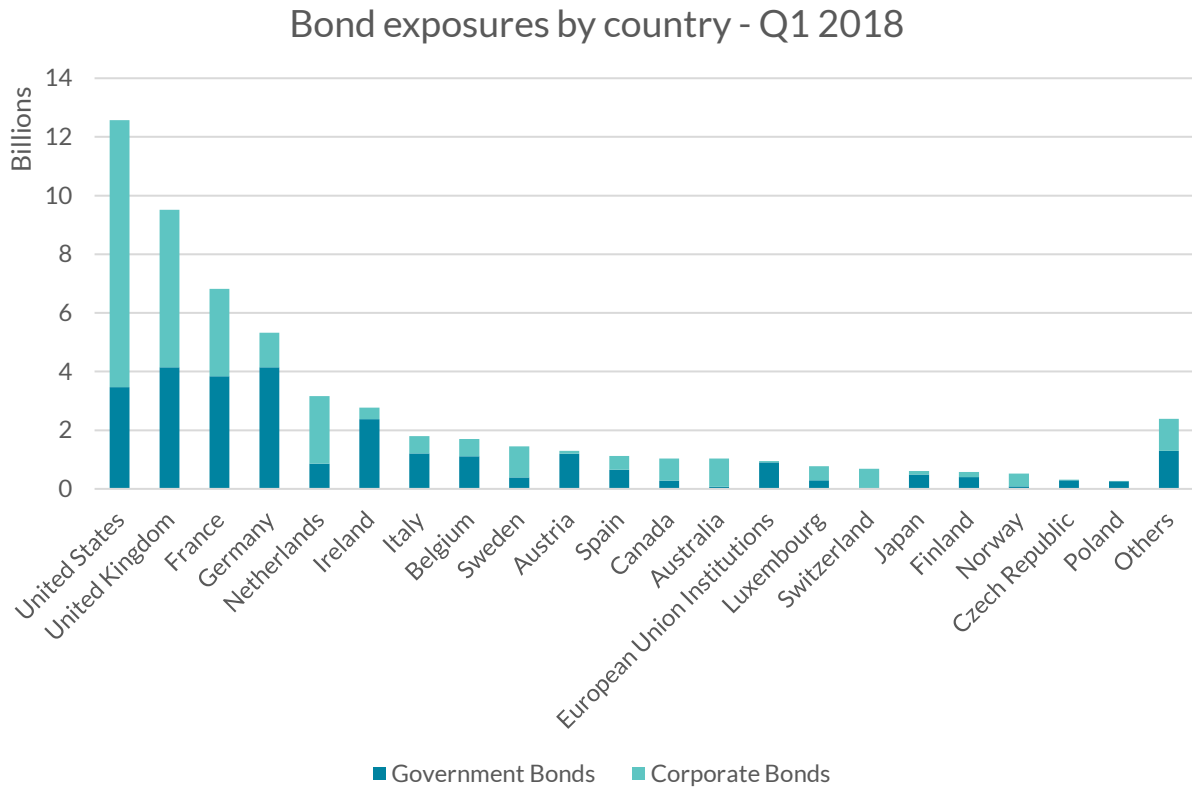


Figure 12. Total Bond Exposures by Country at Q1 2018

## 2.5 Risk Margin

The following graph shows the evolution of risk margin to net best estimate liabilities for select lines of life and non-life business.

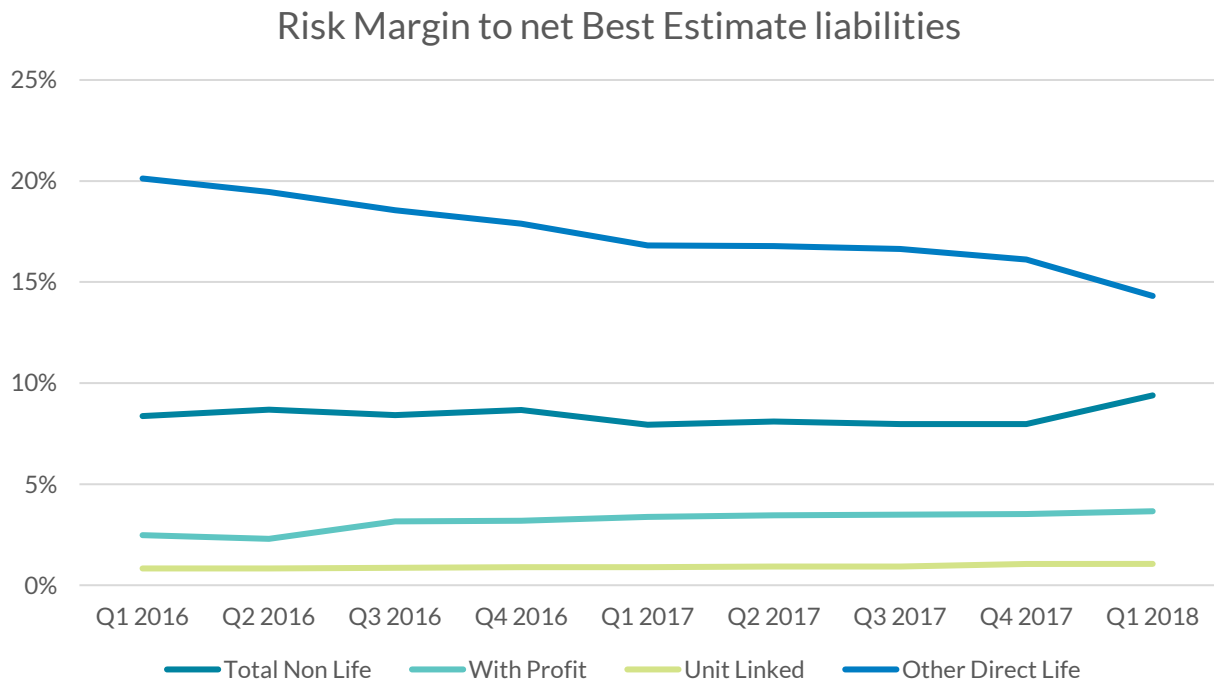


Figure 13. Risk Margin to Best Estimate liabilities

## 2.6 Calculating Regulatory Capital

The following graph shows the number of companies calculating their Solvency II regulatory capital requirement using a partial or full internal model.

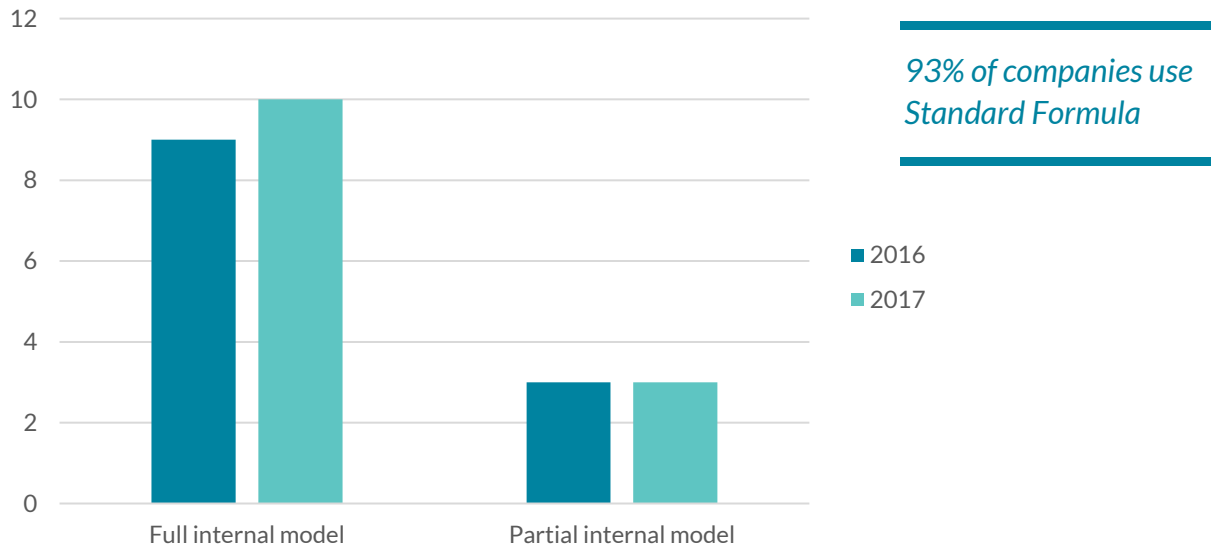


Figure 14. Number of companies using a partial or full internal model at year-end 2017

### 3 LIFE INSURANCE

#### 3.1 GWP Growth

The following graph sets out bands of gross written premium growth rates from 2016 to 2017 for life insurance companies.

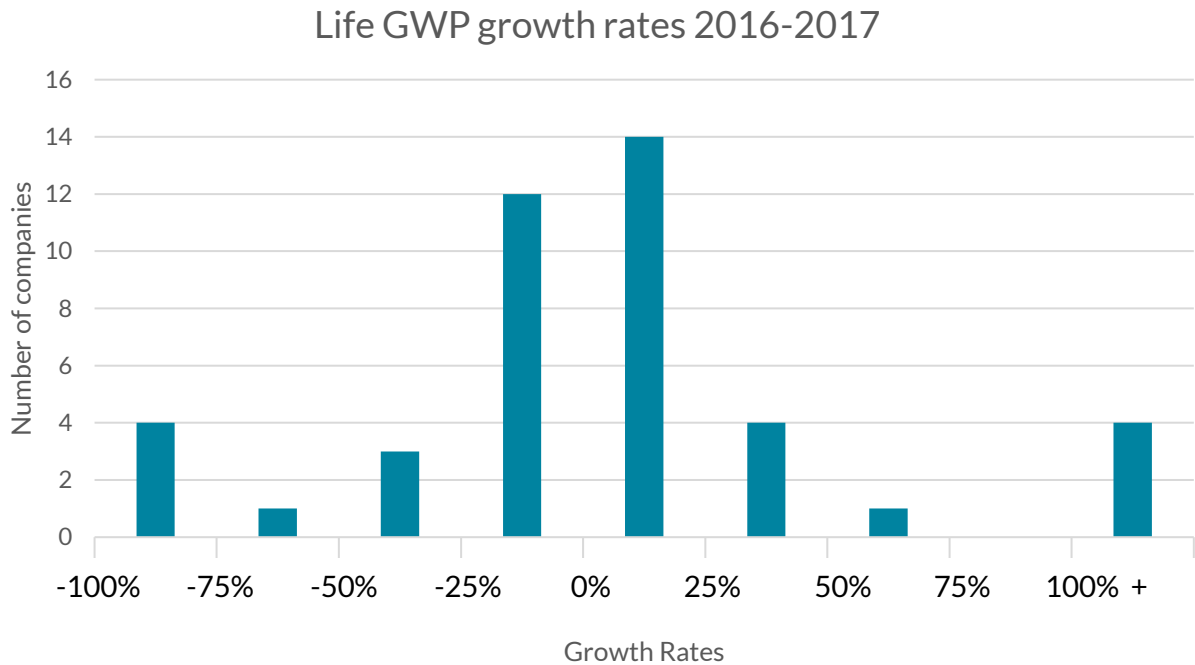


Figure 15. Life insurance GWP growth rates from 2016 to 2017

#### 3.2 Lines of business

The following graph shows the total gross written premium for the life Solvency II lines of business.

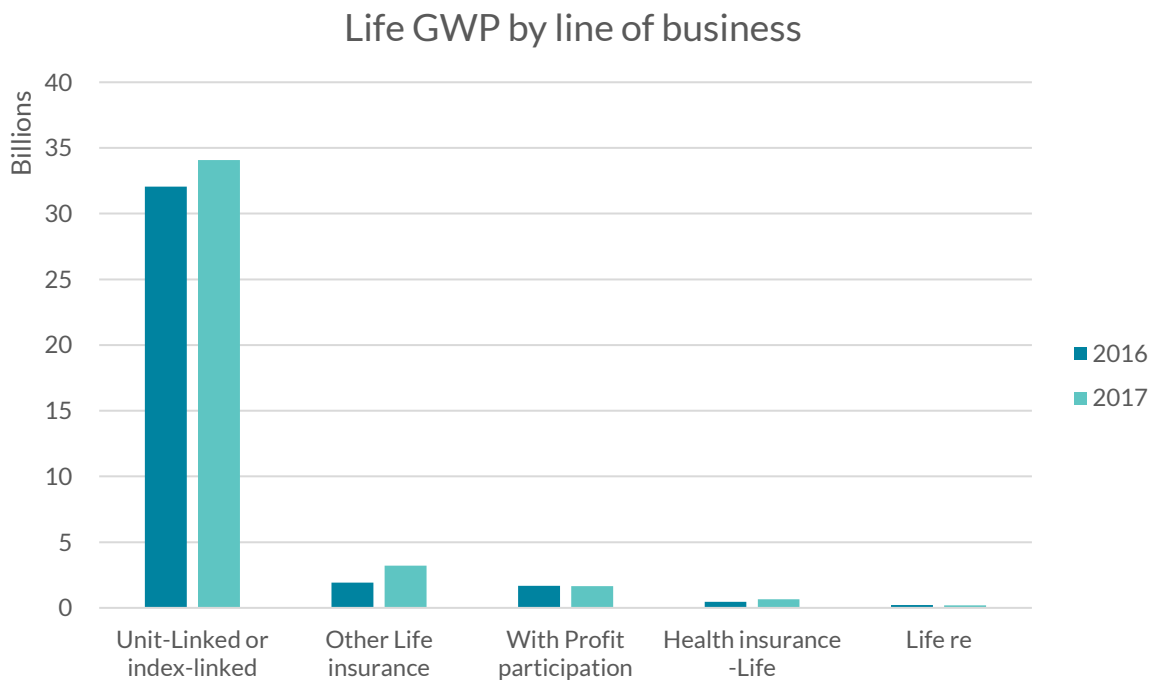


Figure 16. Life insurance Gross Written Premiums by line of business

### 3.3 Technical Provisions

The following graph shows the evolution of technical provisions by line of business for life insurance companies from Q1 2016 to Q1 2018.

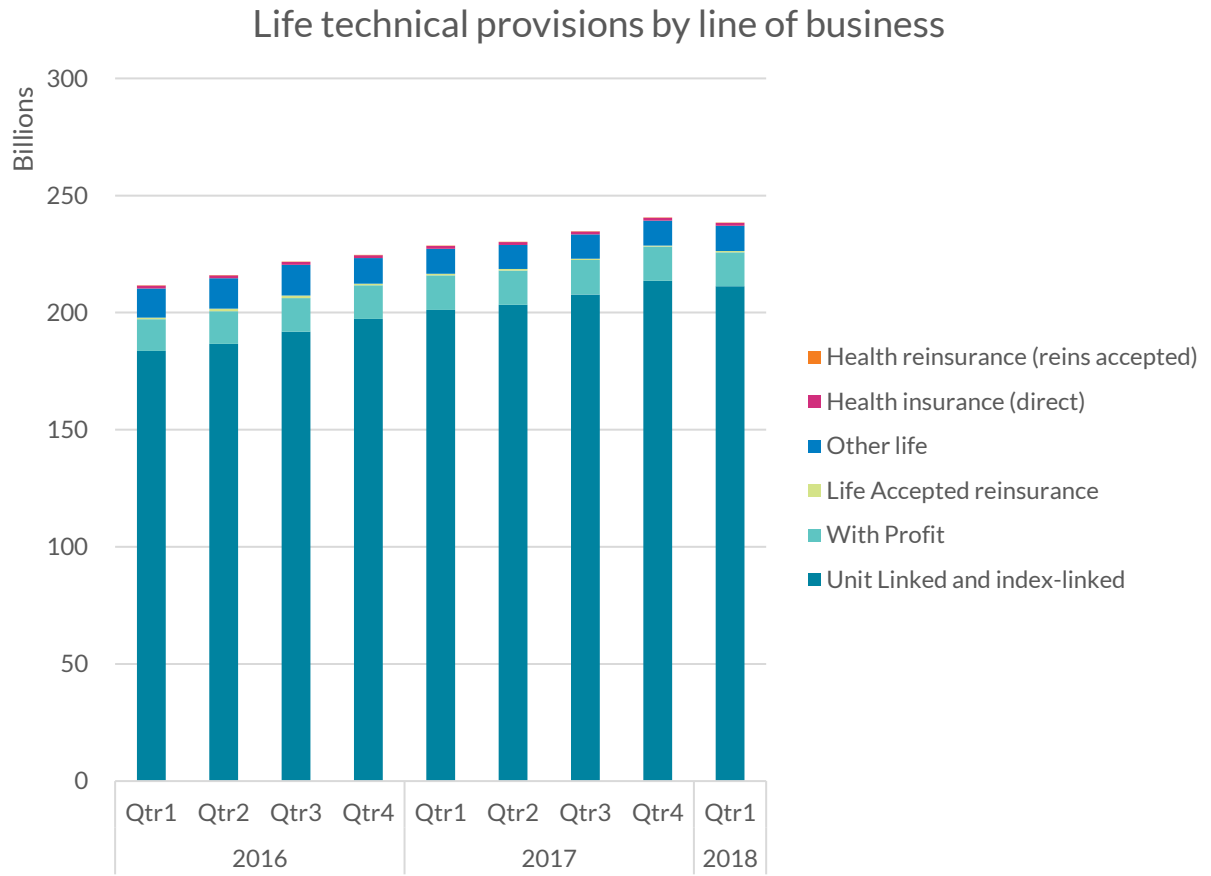


Figure 17. Life technical provisions by line of business

## 4 NON-LIFE INSURANCE

### 4.1 GWP Growth

The following graph sets out the gross written premium growth rates from 2016 to 2017 for non-life insurance companies.

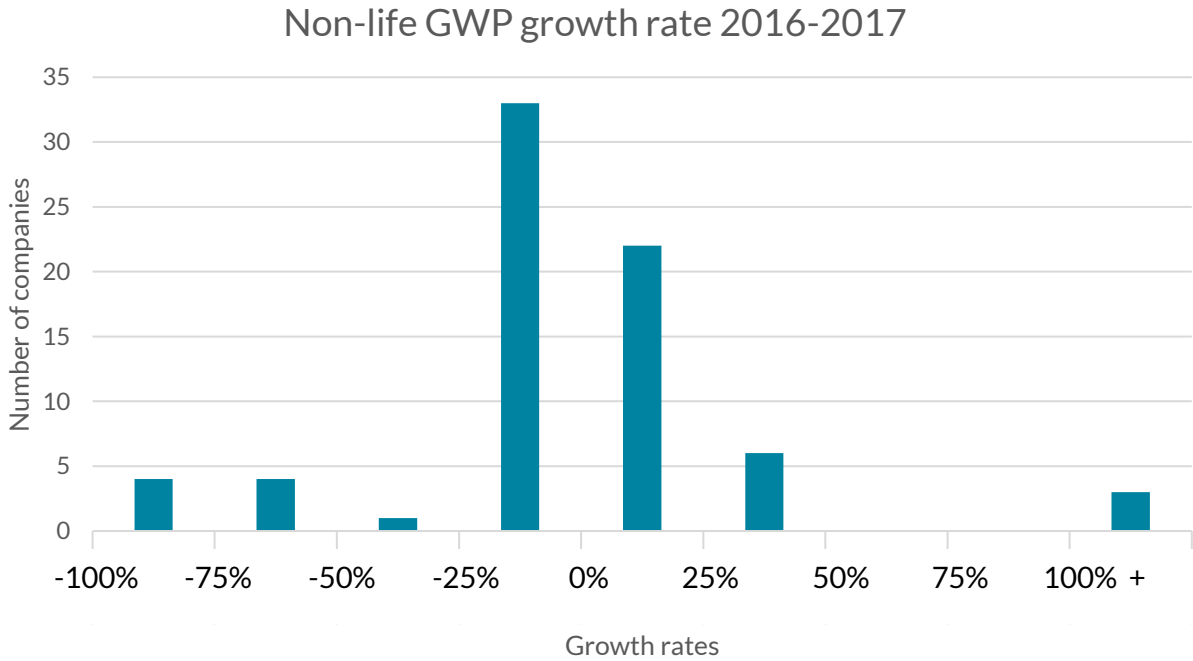


Figure 18. Non-life insurance GWP growth rates from 2016 to 2017

### 4.2 Lines of Business

The following graph shows the total gross written premium for the non-life Solvency II lines of business.

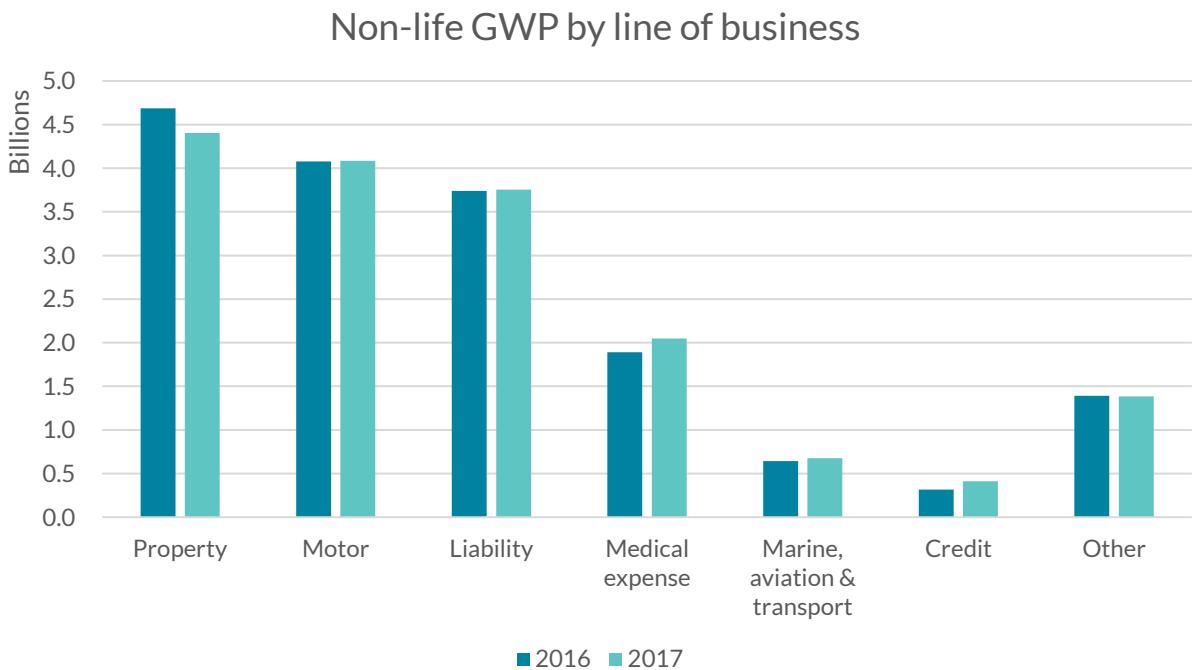


Figure 19. Non-life insurance Gross Written Premiums by line of business

### 4.3 Technical Provisions

The following graph shows the evolution of technical provisions by line of business for non-life insurance companies from Q1 2016 to Q1 2018.

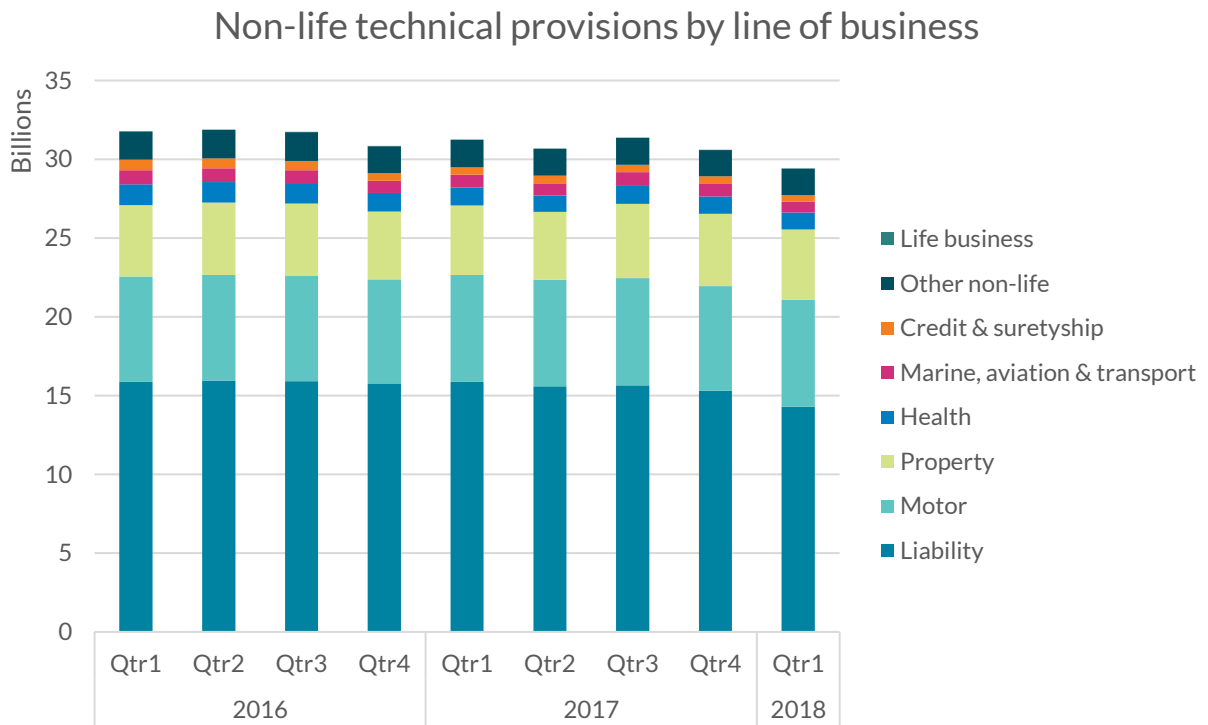


Figure 20. Non-life technical provisions by line of business

### 4.4 Net Combined Ratio

The following graph shows the evolution of the net combined ratio (Net Expenses Incurred + Net Claims Incurred/Net Earned Premium) for certain lines of non-life business.

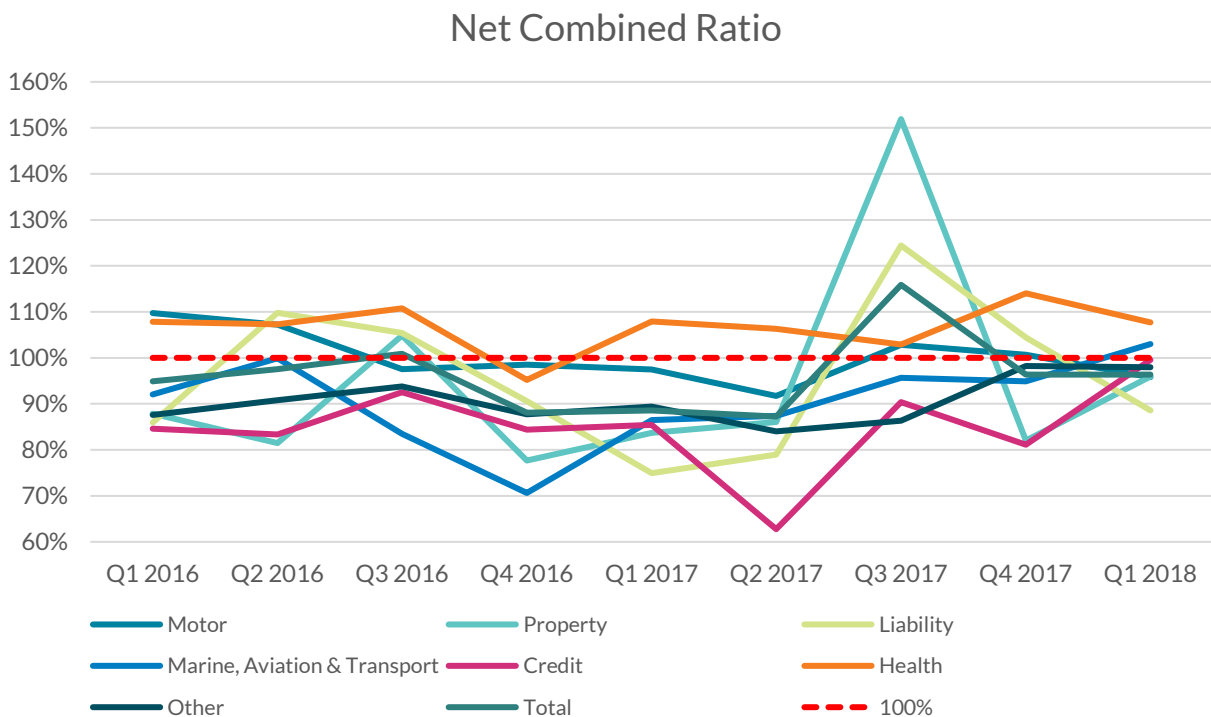


Figure 21. Non-life net combined ratio by line of business

## 5 REINSURANCE

### 5.1 GWP Growth

The following graph sets out the gross written premium growth rates from 2016 to 2017 for reinsurance companies.

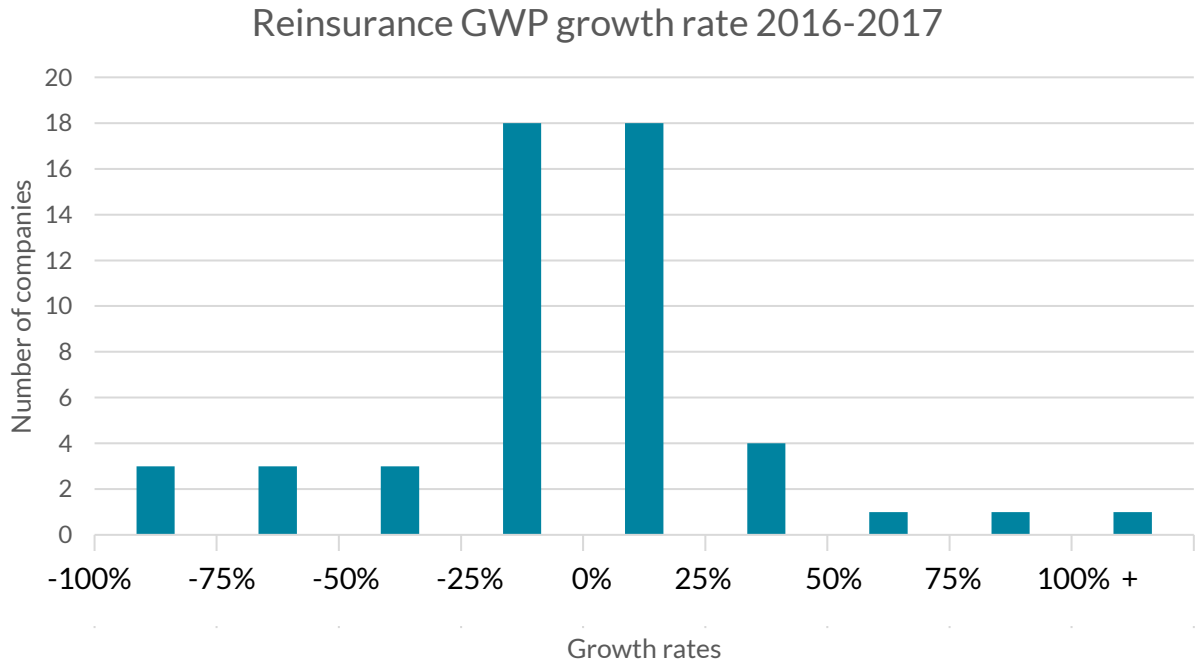


Figure 22. Reinsurance GWP growth rates from 2016 to 2017

### 5.2 Lines of business

The following graph shows the total gross written premium for the Solvency II lines of business.

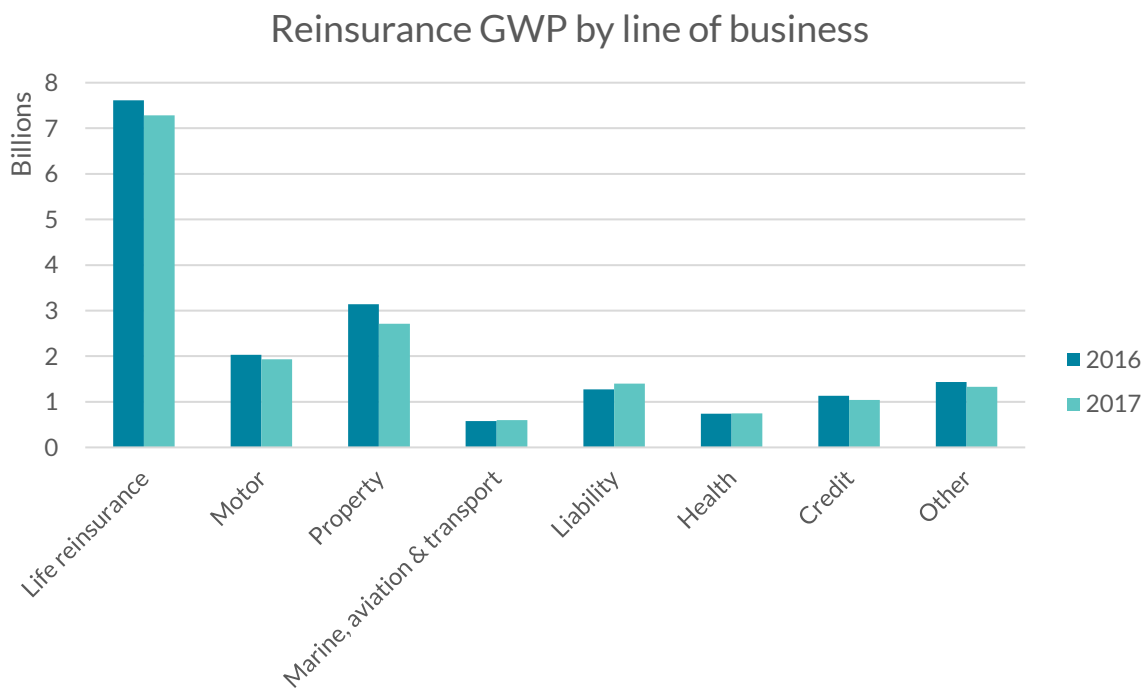


Figure 23. Reinsurance Gross Written Premiums by line of business



### 5.3 Technical Provisions

The following graph shows the evolution of technical provisions by line of business for reinsurance companies from Q1 2016 to Q1 2018.

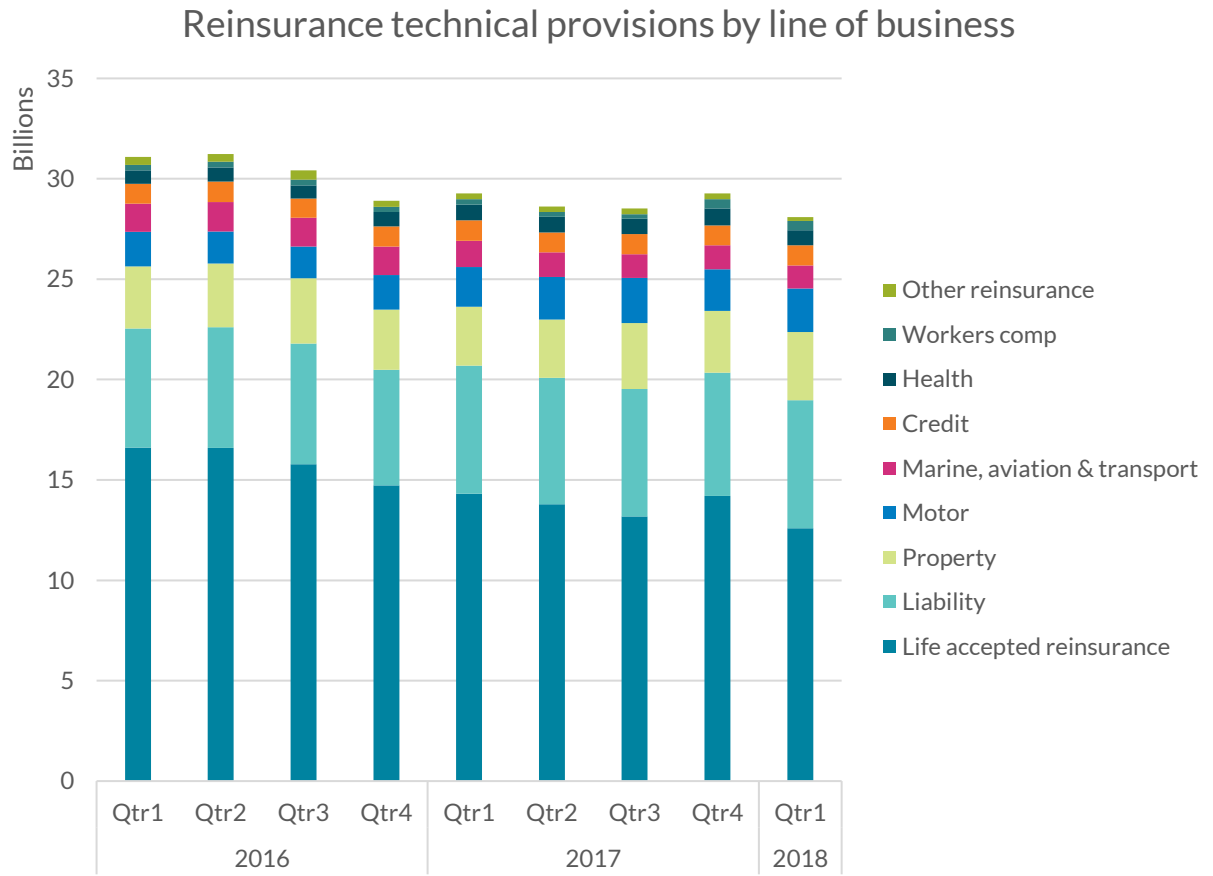


Figure 24. Reinsurance technical provisions by line of business

## 6 EXPLANATORY NOTES

All figures are in Euro. Companies are categorised according to their authorisation.

### Figure 1. Central Bank of Ireland regulated (re)insurers – international Gross Written Premium footprint

GWP taken from 2017 Annual data

Life GWP	S.04.01.01.02_R0020_C0080-C0090 S.04.01.01.03_R0020_C0080-C0090 S.04.01.01.04_R0020_C0080-C0100
Non-life GWP	S.04.01.01.01_R0020_C0010 S.05.01.01.01_R0110:R0130_C0200 S.05.01.01.02_R0140_C0300

### Figure 2. Evolution of the SCR coverage ratios from Q1 2016 to Q1 2018

S.23.01.01.01\_R0620\_C0010

The boxes represent the range from the 25<sup>th</sup> to 75<sup>th</sup> percentile. X is the mean marker and the line is the median. Outliers have been removed (as defined by Excel box and whisker chart).

### Figure 3. Firm-level view of the evolution of SCR coverage from Q1 2016 to Q1 2018 for Life, Non-Life and Reinsurance companies

S.23.01.01.01\_R0620\_C0010

### Figure 4. Decomposition of SCR by Risk Category for standard formula companies

S.25.01.01.01\_R0010: R0100\_C0040

S.25.01.01.02\_R0120: R0220\_C0100

### Figure 5. Market Risk SCR breakdown

Standard Formula companies only included.

S.26.01.01.02\_R0100:R0800\_C0080

SR.26.01.01.02\_R0100:R0800\_C0080

### Figure 6. Evolution of excess of assets over liabilities

SE.02.01.17.01\_R1000\_C0010

**Figure 7. Evolution of eligible own funds by Tier**

S.23.01.01.01\_R0540\_C0020:C0050

**Figure 8. Evolution of asset allocation**

Excluding unit-linked assets, Complementary Identification Code (CIC) 93 and CIC 95

Split by CIC category (3<sup>th</sup> digit of CIC code).

**Figure 9. Evolution of Corporate Bond Credit Quality**

CIC = 2 (Corporate Bonds)

Credit quality step only applicable to CIC categories 1, 2, 5 and 6. The credit quality step attributed to the asset is defined by article 109a(1) of Directive 2009/138/EC. The credit quality step shall in particular reflect any readjustments to the credit quality made internally by the companies that use the standard formula. This item is not applicable to assets for which companies using internal models use internal ratings. If companies using internal models do not use internal rating, this item shall be reported.

**Figure 10. Evolution of Government Bond Credit Quality**

CIC = 1 (Government Bonds)

Credit quality step only applicable to CIC categories 1, 2, 5 and 6. The credit quality step attributed to the asset is defined by article 109a(1) of Directive 2009/138/EC. The credit quality step shall in particular reflect any readjustments to the credit quality made internally by the companies that use the standard formula. This item is not applicable to assets for which companies using internal models use internal ratings. If companies using internal models do not use internal rating, this item shall be reported.

**Figure 11. Assets by Currency at Q1 2018**

Original currency from S.06.02

Excluding unit-linked assets, CIC 93, CIC 95, CIC 75 and CIC category 8 – Mortgages and Loans (for mortgages and to natural persons, as those assets are not required to be individualised).

**Figure 12. Total Bond Exposures by Country at Q1 2018**

Issuer country from S.06.02, CIC 1 and CIC 2 (Government and Corporate Bonds)

Excluding unit-linked assets, look-through, CIC 93 and CIC 95.

**Figure 13. Risk Margin to Best Estimate liabilities**

Risk margin/Net best estimate liabilities.

Product	Risk Margin (numerator)	Net best estimate (denominator)
With Profits	S.12.01.02.01_R0100_C0020	S.12.01.02.01_R0090_C0020
Unit Linked	S.12.01.02.01_R0100_C0030	S.12.01.02.01_R0090_C0040:C0050
Other Direct Life	S.12.01.02.01_R0100_C0060	S.12.01.02.01_R0090_C0070:C0080
Total Non-life	S.17.01.02.01_R0280_C0180	S.17.01.02.01_R0270_C0180

**Figure 14. Percentage of companies using different calculation methods at year-end 2017**

S.01.02.01.01\_R0130\_C0010

**Figure 15. Life insurance GWP growth rates from 2016 to 2017**

Growth in Gross Written premium for all life companies from 2016 to 2017

S.05.01.01.02\_R1410\_C0210:C0280

The following companies have been excluded:

- Companies authorised since 1 January 2016
- Companies with annual reporting date between 1 January and 30 June (as no 2016 annual QRTs available for these companies).
- Companies whose authorisation has been revoked since 1 January 2016.

**Figure 16. Life insurance Gross Written Premiums by line of business**

S.05.01.01.02\_R1410\_C0210:C0280

**Figure 17. Life technical provisions by line of business**

S.12.01.02.01\_R0200\_C0020:C0200

**Figure 18. Non-life insurance GWP growth rates from 2016 to 2017**

Growth in Gross Written premium for all non-life companies from 2016 to 2017

S.05.01.01.01\_ R0110: R0130\_C0010:C0160

The following companies have been excluded as 2 years of data is not available:

- Companies authorised since 1 January 2016
- Companies with annual reporting date between 1 January and 30 June (as no 2016 annual QRTs available for these companies).
- Companies whose authorisation has been revoked since 1 January 2016.

**Figure 19. Non-life insurance Gross Written Premiums by line of business**

S.05.01.01.01\_ R0110: R0130\_C0010:C0160

**Figure 20. Non-life technical provisions by line of business**

S.17.01.02.01\_ R0320\_C0020:C0170

**Figure 21. Non-life net combined ratio by line of business**

(Net Claims + Net Expenses)/Net Earned Premium

	Net Claims	Net Expenses	Net Earned Premium
Motor	S.05.01.02.01_R0400_ C0040+C0050	S.05.01.02.01_R0550_ C0040+C0050	S.05.01.02.01_R0300_ C0040+C0050
Property	S.05.01.02.01_R0400_ C0070+C0160	S.05.01.02.01_R0550_ C0070+C0160	S.05.01.02.01_R0300_ C0070+C0160
Liability	S.05.01.02.01_R0400_ C0080+C0140	S.05.01.02.01_R0550_ C0080+C0140	S.05.01.02.01_R0300_ C0080+C0140
MAT (Marine, aviation, transport)	S.05.01.02.01_R0400_ C0060+C0150	S.05.01.02.01_R0550_ C0060+C0150	S.05.01.02.01_R0300_ C0060+C0150
Credit	S.05.01.02.01_R0400_ C0090	S.05.01.02.01_R0550_ C0090	S.05.01.02.01_R0300_ C0090
Health	S.05.01.02.01_R0400_ C0010+C0130	S.05.01.02.01_R0550_ C0010+C0130	S.05.01.02.01_R0300_ C0010+C0130
Other	S.05.01.02.01_R0400_ C0020+C0030+ C0100+C0110+C0120	S.05.01.02.01_R0550_ C0020+C0030+ C0100+C0110+C0120	S.05.01.02.01_R0300_ C0020+C0030+ C0100+C0110+C0120
Total	S.05.01.02.01_R0400_ C0010:C0160	S.05.01.02.01_R0550_ C0010:C0160	S.05.01.02.01_R0300_ C0010:C0160

**Figure 22. Reinsurance GWP growth rates from 2016 to 2017**

Growth in Gross Written premium for all reinsurance companies from 2016 to 2017

S.05.01.01.01\_ R0110: R0130\_C0010:C0160

S.05.01.01.02\_ R1410\_C0210:C0280

The following companies have been excluded as 2 years of data is not available:

- Companies authorised since 1 January 2016
- Companies with annual reporting date between 1 January and 30 June (as no 2016 annual QRTs available for these companies).
- Companies whose authorisation has been revoked since 1 January 2016.

**Figure 23. Reinsurance Gross Written Premiums by line of business**

Motor	S.05.01.01.01_ R0110: R0130_C0040+C0050
Life reinsurance	S.05.01.01.02_ R1410_C0280
Property	S.05.01.01.01_ R0110: R0130_C0070+C0160
Liability	S.05.01.01.01_ R0110: R0130_C0080+C0140
MAT (Marine, aviation, transport)	S.05.01.01.01_ R0110: R0130_C0060+C0150
Credit	S.05.01.01.01_ R0110: R0130_C0090
Health	S.05.01.01.01_ R0110: R0130_C0010+C0130

**Figure 24. Reinsurance technical provisions by line of business**

S.12.01.02.01\_R0200\_C0020:C0200

S.17.01.02.01\_R0320\_C0020:C0170



