

## IMIA Country Analysis 2010

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p><b>NETHERLANDS</b></p>	<p>In 2010 the premium income for Engineering Insurance Lines in the NETHERLANDS decreased by 1.46 % from € 274 mio in 2009 to € 270 mio in 2010 – second decrease in a row after 2009's premium had shrunk by 5.52 % from 290 mio € in 2008 to 274 mio €.</p> <p>Whilst many construction projects expired without many new ones starting operational offshore wind parks and newly build power stations caused premium for MB and Low Voltage to boost by 15% as compensation.</p> <p>Generally, the Dutch engineering market faced an ongoing increase in capacity which resulted in fierce competition and overall still declining rates.</p>	<p>Claims (paid and reserved) had been 43% of the earned premium in 2009 and rose to 54% of the earned premium in 2010.</p> <p>This claim ratio is in 2010 at the same level again as in 2008.</p> <p>17 large losses exceeding 1 mio USD or 700,000 Euro were reported, totalling 72 mio Euro.</p> <p>Out of these, 11 occurred in CAR and account for 65 mio Euro. Worth mentioning is one fire loss in construction amounting to 25 mio Euro.</p> <p>This large claim did not influence the premium levels in the Dutch market at all.</p>	<p>The result including interest decreased from 37% of the earned premium in 2009 to 26% in 2010.</p> <p>The combined ratio in 2010 was 81% compared to 70% in 2009 and 81% in 2008.</p>	<p>Following the worldwide recession, the Dutch economy is stagnating; the demand of private consumers and industry does not increase. Which affects commercial as well as private investments?</p> <p>A further decrease in demand of engineering line covers - especially in EAR/CAR - must be expected. Premiums are not expected to improve nor to grow as a whole as they follow the economic situation.</p> <p>The claims situation will probably reflect the change of exposure as in the past years. Therefore rising claims amounts have to be expected. For 2012 and the following years a flattening of the downward trend of the economy seems to be the most likely scenario. This will result in a decreasing demand for Engineering insurance lines as well.</p>