

IMIA Analysis Report 2010

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>SPAIN</p>	<p>Gross written premiums in 2010 for the engineering branch totalled 420 millions €, which entails a reduction of 18.76 % over the previous year.</p> <p>The situation is in line with the tendency initiated in 2007.</p> <p>The decrease in the CAR/EAR and in the Decennial line (-27%) of business is remarkable and is mainly due to the halt of the house construction industry.</p> <p>Especially for MB the market is very soft, most renewals mean lower prices.</p>	<p>During the year 2010, the Engineering insurance segment has had a worse result (loss ratio of 78.30%) than in 2009 (44.20 %), except MB with 37% against 75% in 2009.</p> <p>All lines had a higher loss ratio than in 2009, especially the CAR line: 134.81 %, and EAR: 156.24 %. This is due to a soft market and the increase of large claims (flood and inundation). In 2010, there were 48 large losses (more than US\$ 1,000,000). 22 of these were CAR claims.</p> <p>Please note: the IBNR figures have not been considered.</p>	<p>Insurance companies are doing special efforts in order to reduce the administration costs and to improve their risks management.</p> <p>This tendency is expected to continue in the next years.</p>	<p>The situation in 2011 is similar to previous years and is expected to continue in the following years although it seems the decrease is slower than in the past</p> <p>Government investments in Public Civil Works have decreased but the Housing Sector has slowed down very much. Its decrease and can be expected to begin to grow by 2014.</p>