

Country Analysis Report – Spain 2012

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>SPAIN</p>	<p>Gross written premiums in 2012 for the engineering branch totalled 264.00 millions €, which entails a reduction of 21.23 % over the previous year.</p> <p>The situation is in line with the tendency initiated in 2007.</p> <p>The decrease in the CAR and EAR is remarkable, and very specially in the Decennial line of business (-61.6%) due to the halt of the housing construction.</p>	<p>During the year 2012, the engineering insurance segment has had a better result (loss ratio of 59.67%) than in 2011 (94.65%) and in 2010 (77.8%). All lines had a lower loss ratio than in 2011, specially in CAR with 57.64% (2011: 130.86%, 2010: 134.81%) and EAR with 86% (2011: 145.6%, 2010: 156%).</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. This tendency is expected to continue in the next years.</p>	<p>The situation in 2013 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 has decreased but the Housing Sector has slowed down very much its decreased and can be expected it might begin to grow by 2014.</p>