

IMIA Country Analysis 2014

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>The Netherlands</p> <p>2014</p>	<p>The premium volume of Non-life (excluding Health and Income) decreased by 2 per cent in 2014. The picture of declining premium income is industry-wide and is reflected in all classes of business. The main causes are the fierce competition in saturated markets and a government policy that increases the costs of insurers.</p> <p>The overall booked premium for the engineering insurances dropped from 257 to 229 million EUR. The overall earned premium however dropped less: 257 to 248 million EUR in 2014. The decrease in premium volume is among others due to low investments.</p>	<p>Although the claims (paid and reserved) are lower than in 2013, they are still fairly high: 73 % of the earned premium in 2014 (and 77% of the earned premium in 2013). The paid claims increased with 10 percent of the earned premium. But after a drop in the reserve, the total claims decreased.</p>	<p>The costs were at about the same level. Eventually the Gross Combined Ratio decreased from 102 in 2013 to 98 in 2014. Just like 2013, 2014 was a year with a lot of large claims. Especially in LOB CAR.</p> <p>The result including interest increased from 3% of the earned premium in 2013 to 7% in 2014. The combined ratio in 2014 was 98 compared to 102 in 2013 and 94 in 2012.</p>	<p>Based on this economic standstill over 2014, a further decrease in demand of engineering line covers - especially in EAR/CAR - was expected. The figures show exactly that trend. We are back on the premium levels before 2010.</p> <p>The bigger projects are nearly completed in 2014. The contribution of earned premium will therefore decrease.</p> <p>The Machinery Breakdown portfolio suffers from the general price drops in the Dutch property market but showed in 2014 a stable premium level, however a gross loss ratio of just below 90%.</p> <p>Construction has slowed down among others, gross combined ratio (GCR) from just below 100.</p> <p>The expected growth over 2014 did not materialize and is now expected to return in 2015. It remains to be seen in which way the insurance sector, and the engineering lines in particular, will benefit from this recovery.</p>