

IMIA 2011 COUNTRY ANALYSIS

Country	Premium development	Claim development	Underwriting profitability	Business outlook
<p>France 2011</p>	<p>Globally there is a slight increase of premium income for Engineering insurance from 2007 to 2011. After an increasing, +1.4% between 2007 and 2008, then – 7% 2008 to 2009 there is a stability of -0.7% from 2009 to 2010. These developments were due to following up of the Construction firms market.</p> <p>In 2011 Engineering figures show a slight increase of incomes +1.6%, no real return to normal level of activity. French Decennial business is under pressure for different factors. The erosion of the rates for CAR/EAR is continuing. Studies are anticipating that after a slight increase of premium in 2011, the situation of the product will show a lowering of income due to the building permits and starting of works are falling down drastically.</p>	<p>Globally for the year 2011 no major claims registered. No specific studies were done concerning the Engineering lines.</p>	<p>The competition is strong with aggressive rates and deductibles. Globally an erosion of the profitability is clearly expectable in coming years</p>	<p>Construction activity for industry and mainly for builders during year 2011 was stable to slightly increasing. The figures for 2011 and an anticipation for 2012 are showing a contraction of the pure building and erection projects market.</p> <p>Firms of the middle market are showing frailty. The building industry had 3600 new firms per month during the year, 1050 were failing, and 2600 are in bankruptcy.</p> <p>The costs of repairing of claims are showing permanent increases.</p> <p>Sector of building activity will stay in difficult shape in the coming years up to 2017.</p>