

Country Analysis Report - Germany

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>Germany 2011</p>	<p>In 2011, German Engineering premium income grew by 6 % to €1.34 billion, based on the estimation done by the German Insurance Association in July 2012. Compared to previous years, the increase, again, was significantly larger than estimated before (2010: 3.5 %).</p> <p>The same applies to the total Property & Casualty written premium which increased by 2.7 % to € 56.7 billion with a combined ratio of 99 %.</p> <p>Obviously, after the financial crisis has been overcome, in 2011 Engineering insurers faced investments in infrastructure projects, and a boost of capital expenditure in all kind of renewable energy (i.e. wind energy, photovoltaic, biogas) due to the decision of the German government to withdraw nuclear power till 2022. Falling demand for Guarantee insurance continued.</p>	<p>In Engineering Insurance the total loss ratio increased slightly by 73.7 % (2010: 72.8 %). Finally, the German Engineering market faces a stable loss ratio over the last years and preserved its profitability.</p>	<p>In Germany the Engineering Insurance combined ratio decreased by the same amount by 89 % in 2011 (previous year: 89.9 %).</p>	<p>Based on statistical data available in the end of the first quarter of 2012, GDV's extrapolation for Engineering premium income is again about 6 % with the same loss ratio and combined ratio level as in 2011.</p> <p>Caused by the financial crisis in the European Union, the German economic growth is expected to cool off slightly. In 2012, gross domestic product is rising by about 1 % and, as expected for 2013, will grow much more dynamic by 2 %.</p> <p>As projected by GDV, German Property & Casualty written premium will grow by 3 % in 2012. Precondition of this relatively good growth is that the general economic environment in the European Union does not deteriorate more than expected.</p>