

Country Report – The Netherlands

Business Report 2016

The Dutch economy grew by 2.1 percent in 2016, the highest growth level in the past nine years. This development is also reflected in the unemployment, which dropped almost a full percentage point compared to 2015. The favorable economic development is not visible in all parts of the insurance sector. Both revenues and results are under pressure due to low interest rate levels, saturated or shrinking markets and keen competition from fellow insurers and from other financial institutions.

In 2016, a further decrease in demand of engineering line covers is seen. The total premium earned for engineering insurances has dropped with 2 percent. The Engineering insurance market in the Netherlands is very competitive. The result is negative in 2016 due to higher reservations for claims. The paid claims decreased in view of last year, but remains relatively high.

Machinery Breakdown

The Machinery Breakdown portfolio had an increase in earned premium in 2014 due to the handover of several Wind parks. The premium however dropped again in the two years after. The claims in 2015 were relatively low resulting in a good result. The result in 2016 in contrary is negative due to higher claims. The claims increases because of changes in the reservation. The Bruto Combined Ratio (BCR) has worsened and is far above 100.

Construction All Risks

In general Construction has slowed down among others due to less new projects over the past years. In spite of a more optimistic prospect for the Construction industry in 2016, the earned premium dropped with four percent in 2016. The written premium however increases. The paid claims decreases slightly, but after an increase of the reserve, the total claims also increases. The BCR has worsened and is also far above 100.

Electronical Equipment

The premium of Electronical equipment declines since 2014. A shift from Electronical equipment insurance to property insurance is one of the reasons for the decline. The total claims is relative stable over the past years and the result remains positive.

The Dutch economy seems to be recovering. It remains to be seen in which way the insurance sector, and the engineering lines in particular, will benefit from this recovery.

Verbond van Verzekeraars,
Den Haag,
31Th of July 2017