

## Country Analysis Report - Spain

| Country                      | Premium Development  | Claims Development   | Underwriting Profitability  | Business Outlook   |
|------------------------------|--|--|---|--|
| <p><b>SPAIN<br/>2017</b></p> | <p>Premiums booked in 2017 for the entire engineering line of business totalled EUR 476.07 million, which entails an increase of 0.50% over the previous year.</p> <p>The situation is slightly changing with respect to the trend initiated in 2007.</p> <p>It is remarkable the increase in MB (9.63%), EAR (7.60%) and electronic equipment (11.33%).</p> | <p>During the year 2017, the engineering insurance segment has experienced an important increase of the loss ratio (46.95% over 30.31% in 2016).</p> <p>All the lines had a higher loss ratio compared to 2016, except MB, which have decreased from 54.47% to 50.36%.</p> <p>To be pointed out that the IBNR figures have not been considered and they are especially relevant for IDI.</p> | <p>Three main factors may be highlighted:</p> <ol style="list-style-type: none"> <li>1) Reduction of investment in protection and security of the facilities due to the economic situation, with the potential increase of the s/p rigged.</li> <li>2) Lack of public investment in facilities and new developments.</li> <li>3) Very competitive insurance market environment</li> </ol> | <p>The situation in 2018 for the engineering insurance is to expect better results.</p> <p>The economic growth allows some optimism in the engineering insurance sector, although previous comments in UW profitability.</p> |