

Business Report 2018 – The Netherlands

There was a change in the upward economic development in 2018. While the world-wide growth stagnated, the economic growth in the Netherlands declined to 2.5 per cent (as against 2.9 per cent in 2017). The Netherlands Bureau for Economic Policy Analysis (CPB) expects the economic growth to drop further in the coming years. We see a more mixed development in the insurance sector. Nevertheless, both the revenue and the result are under pressure due to, among other factors, the low interest rates, saturated or shrinking markets and keen competition with fellow insurers and other financial institutions.

The Engineering insurance market in the Netherlands stays very competitive. The total premium earned for engineering insurances decreased in the last couple of years. In 2017 however, the premium grew by 7 per cent, but dropped again in 2018 with 1 per cent. The Gross Combined Ratio (BCR) has improved due to less paid claims.

Construction All Risks

Although a few significant players decided not to write construction risks anymore the capacity in the market stayed at a sufficient level to enhance the competition.

The construction industry has slowed down among other things due to fewer big infrastructural projects with high premium rates, over the past years. In 2018 there was a boost in building of residential property but with typically low premium rates. So the optimistic prospect for the Construction industry reflected in the premium volume of 2017 declined again in 2018. The paid claims decreased in 2018 resulting in a lower BCR and therefore better result.

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 result was almost zero in 2017 due to a few large claims. In 2018 no large claims occurred, resulting in less paid claims and together with a release of the reserves, the result in 2018 improved therefor significantly.

Machinery Breakdown

Unfortunately, we can't report on Machinery Breakdown in 2018 because of the low coverage of data this year.

The Dutch Association of Insurers,
The Hague,
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