

Country Analysis Report - Spain

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>SPAIN 2019</p>	<p>Premiums booked (including accepted Reinsurance) in 2019 for the entire engineering line of business totalled EUR 392.04 million, which entails a decrease of 6.05% 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 decrease in EAR (-37.65%), CAR (-10.95%) and DI (-26.88).</p>	<p>During the year 2019, the engineering insurance segment experienced an important decrease of the loss ratio (52.61% vs 74.64% in 2018), mainly driven by the significant decrease on the loss ratio of CAR (166.65% in 2018), even though MB, EAR and DI increased their loss ratio compared to the previous year. It is striking the case of DI (14.99% vs -16.75% in 2018).</p> <p>To be pointed out that the IBNR figures are not considered and they are especially relevant in this segment.</p>	<p>Insurance companies are doing special efforts in order to reduce the administration costs and to improve their risks management.</p> <p>This tendency is expected to continue in the next years.</p>	<p>The situation in 2020 for the engineering insurance is to expect the 2019 growth trend, especially in CAR/EAR and machinery insurance. Regarding EAR insurance, the expected growth is mainly due to the expansion of renewable energy installations (photovoltaic, wind).</p> <p>However, the actual situation resulting from COVID-19 (work stoppages, delays, postponements of the start of new works, machinery stops...) is affecting the initially expected growth.</p>