

Business Report 2020

The year 2020 is the year of the corona pandemic in which society and the economy ended up in an unprecedented situation that many people never witnessed before. Full hospitals, stranded travellers and closed companies have a huge impact. In addition to rendering their regular services, insurance companies have made extra contributions this year by helping with the repatriation of travellers and providing financial support to care workers who were infected by the corona virus.

Economically, 2020 is a bad year for many sectors with negative growth, more unemployment and a further decrease of the interest rate. In the insurance sector revenue and results show different trends per line of business. Both revenue and result have been under pressure for quite some time mainly due to fierce (mutual) competition and low interest rates. The corona crisis caused distinct differences within the Non-life sector.

The Engineering insurance market in the Netherlands stays very competitive. The total premium earned for engineering insurances decreases or remained stable since 2018. In 2020 the earned premium dropped 3 percent. The Gross Combined Ratio (BCR) worsened due to higher claims (paid and reserves).

Construction All Risks

The construction industry has slowed down among other things due to fewer big infrastructural projects over the past years. In 2020 however the premium volume increased by 6 percent. The paid claims and reserves decrease in 2020 resulting in a lower BCR and therefore a higher result.

Electronical Equipment

The premium of Electronical Equipment insurance declines since 2014 with exception of 2019. 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. The results improved in 2018 en 2019. In 2020 the claims increased but the result remains far above zero.

Machinery Breakdown

Unfortunately, we can't report on Machinery Breakdown in 2020 because of the low coverage of data this year.

The general outlook for the future is that further implementation of "green" energy solutions might boost the Construction- as well as the Machinery Breakdown market.

The Dutch Association of Insurers,
The Hague,
June 2021