

Country Analysis Report - Spain

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>SPAIN 2020</p>	<p>Premiums booked (including accepted Reinsurance) in 2020 for the entire engineering line of business totalled EUR 431.7 million, which entails an increase of 14.12% over the previous year.</p> <p>The situation is changing with respect to the trend initiated in 2007.</p> <p>It is remarkable the increase in EAR (49.93%) and CAR.</p>	<p>During the year 2020, the engineering insurance segment experienced an important increase of the loss ratio (72.57% vs 54.28% in 2019), mainly driven by the significant increase on the loss ratio of CAR (61.30% in 2019), even though the rest of lines decreased their loss ratio compared to the previous year. It is striking the case of DI (-12.21% vs 17.61% in 2019).</p> <p>To be pointed out that the IBNR figures are not considered, and they are especially relevant in this segment.</p>	<p>Three main factors may be highlighted:</p> <ol style="list-style-type: none"> 1) Reduction of investment in protection and security of the facilities due to the economic situation, with the potential increase of the associated LR. 2) Lack of public investment in facilities and new developments. 3) Very competitive insurance market environment. 	<p>The situation in 2021 for the engineering insurance is to expect the 2020 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>