

National Report 2021

Germany

- Engineering Insurance -

A. Premium Development

In 2021, German engineering premium income grew by 4.7 % to € 2.6 billion, based on the estimation done by the German Insurance Association in July 2022.

The total non-private property & casualty written premium increased by 6.5 % to € 10.9 billion with a combined ratio of 134 %.

Engineering insurance had a share of 23,5 % of the total non-private property & casualty premium.

Type of Insurance	2019		2020		2021	
	Premium* € Million	Growth %	Premium* € Million	Growth %	Premium* € Million	Growth %
Machinery Breakdown + ALOP, LP (M)	909	6.1	951	4.6	1,008	6.0
EAR	91	-1.6	95	4.4	96	0.5
CAR	159	9.4	166	4.4	190	14.3
Electronic Equipment	429	-2.9	422	-1.6	435	3.0
Total (without others**)	1,588	3.4	1,634	2.9	1,729	5.8

* these figures do not include some large risks covered by German insurers "abroad", because they are not counted as "national" and therefore not included in GDV's statistic data

** lines of business in conformity with IMIA statistic rules, but without Domestic Appliances Insurance and Other Engineering Insurances, usually included in GDV's Engineering data)

B. Claims Development

Claims in engineering insurance grew in 2021 by 23.3 % to a total of € 1,671 Billion, while total property and casualty claims decreased by 22.3 %.

It is observed, that natural hazards are not as relevant for claims in engineering as for the property insurance, although currently these effects are recorded by the GDV.

Compared to the previous year, 2021 was above average in claims.

Large Losses

On the German Market, large claims are not imposed any more.

C: Underwriting Profitability

Engineering total loss ratio grew to 68.5 % (2020: 58.1 %) with a combined ratio of 89.6 % in 2021 (previous year: 82.1 %). Thereby engineering insurance had underwriting profits in 2021 as uninterrupted since 2003.

Loss Ratio* (single ratio, without expenses)

	2019	2020	2021
Type of Insurance	Loss Ratio* %	Loss Ratio* %	Loss Ratio* %
Machinery Breakdown + ALOP, LP (M)	65.9	62.6	59.3
EAR	80.9	72.7	120.3
CAR	86.7	96.5	126.3
Electronic Equipment	60.9	56.5	82.4
Total (without others**)	67.4	65.3	75.7

* these figures do not include some large claims covered by German insurers "abroad", because they are not counted as "national" and therefore not included in GDV's statistics

** lines of business in conformity with IMIA's statistic rules, but without Domestic Appliances Insurance and Other Engineering Insurances, usually included in GDV's Engineering data

D. Business Outlook 2022

GDV's extrapolation for engineering premium income shows an increase by 7.0 %. Based on statistical data available at the end of the first quarter of 2022, GDV's extrapolation shows loss ratio 60 % and combined ratio level 81 %. The premium growth in non-private property insurance (including engineering insurance) is expected to be 8.5 %.

As projected by GDV, German property & casualty written premium will grow by 4.1 % in 2022, while the combined ratio will increase to 79 % with a loss ratio of 98 %.

It can be assumed that renewable energies still have a positive effect on engineering insurance premium income. Due to the energy transition (Energiewende) and its demand for renewable energies, major projects like offshore windfarms are to be realized in the next few years.

GDV, Berlin, 9. August 2022