



CEA Statistics N°38
The European Motor Insurance Market

February 2010

About the CEA

The CEA is the European insurance and reinsurance federation. Through its 33 member bodies — the national insurance associations — the CEA represents all types of insurance and reinsurance undertakings, eg pan-European companies, monoliners, mutuals and SMEs. The CEA represents undertakings that account for approximately 94% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers generate premium income of €1 100bn, employ one million people and invest €6 900bn in the economy.

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CEA member associations

- Austria (AT)** — Versicherungsverband Österreich (VVO)
- Belgium (BE)** — Assuralia
- Bulgaria (BG)** — Association of Bulgarian Insurers (ABZ)
- Croatia (HR)** — Hrvatski ured za osiguranje
- Cyprus (CY)** — Insurance Association of Cyprus
- Czech Republic (CZ)** — Česká asociace pojišť'oven (ČAP)
- Denmark (DK)** — Forsikring & Pension (F&P)
- Estonia (EE)** — Eesti Kindlustusseltside Liit
- Finland (FI)** — Finanssialan Keskusliitto
- France (FR)** — Fédération Française des Sociétés d'Assurances (FFSA)
- Germany (DE)** — Gesamtverband der Deutschen Versicherungswirtschaft (GDV)
- Greece (GR)** — Hellenic Association of Insurance Companies
- Hungary (HU)** — Magyar Biztosítók Szövetsége (MABISZ)
- Iceland (IS)** — Samtök Fjármálfyrirtækja (SFF)
- Ireland (IE)** — Irish Insurance Federation (IIF)
- Italy (IT)** — Associazione Nazionale fra le Imprese Assicuratrici (Ania)
- Latvia (LV)** — Latvijas Apdrošinātāju asociācija (LAA)
- Liechtenstein (LI)** — Liechtensteinischer Versicherungsverband
- Lithuania (LT)** — Lietuvos draudikų asociacija
- Luxembourg (LU)** — Association des Compagnies d'Assurances (ACA)
- Malta (MT)** — Malta Insurance Association
- Netherlands (NL)** — Verbond van Verzekeraars
- Norway (NO)** — Finansnæringens Hovedorganisasjon (FNH)
- Poland (PL)** — Polska Izba Ubezpieczeń (PIU)
- Portugal (PT)** — Associação Portuguesa de Seguradores (APS)
- Romania (RO)** — Uniunea Națională a Societăților de Asigurare și Reasigurare (Unsar)
- Slovakia (SK)** — Slovenská asociácia poisť'ovní
- Slovenia (SI)** — Slovensko Zavarovalno Združenje (SZZ)
- Spain (ES)** — Unión Española de Entidades Aseguradoras y Reaseguradoras (Unespa)
- Sweden (SE)** — Sveriges Försäkringsförbund
- Switzerland (CH)** — Schweizerischer Versicherungsverband (ASA/SVV)
- Turkey (TR)** — Türkiye Sigorta ve Reasürans Şirketleri Birliği
- United Kingdom (UK)** — Association of British Insurers (ABI)

Acknowledgements

The CEA secretariat would like to thank those of its members who contributed to this report.

Thanks are also due to colleagues in the CEA Motor Steering Group, the CEA Statistics Committee and the CEA Taskforce on Motor Insurance Statistics for their input.

Methodological note

The CEA collects, analyses and compiles annually a substantial amount of general, financial and technical data relating to insurance which has been obtained from its members.

The market share of the figures presented is 100% for most markets and slightly less for a few. The figures for Romania represent only between 70% and 80% of the market, depending on the year and whether they refer to MTPL or own damage products.

Figures have been rounded up to the nearest thousand. Please note that due to changes in the sampling and revision of data for some countries, some data may differ slightly from that published in previous CEA motor statistics reports.

This financial information is collected in millions of each market's national currency. For non-eurozone countries it is then converted into euros at each year's average exchange rate as published by Eurostat.

Growth rates are calculated in nominal terms, but at the constant exchange rate for 2008 in order to remove the impact of variations in exchange rates on the calculation. Variations in each market are calculated in its national currency.

Europe-wide year-on-year variations have been calculated by subtracting from the total data countries for which there was no information for the preceding or following year. The average growth over time represents the average of the past year-on-year variations.

The claims ratio does not include changes in provisions for claims from previous years in Germany. This overestimates the claims ratio. However, the combined ratios, calculated on a national basis, take into account the changes in provisions for claims from previous years.

Adjustments for purchasing power parity have been calculated on the basis of the Purchasing Power Parities index for GDP produced by Eurostat.

Glossary

Average claim cost

Claims expenditure divided by number of claims notified (excluding nil claims)¹

Average premium per insured

Gross earned premium on home territory² divided by number of vehicle years³

Claims expenditure

Gross amount of claims and claims management expenses paid during the accounting year (ie, gross payments related to that year's claims and claims from previous years), together with the movement in the gross provisions for outstanding claims, net of salvage and subrogation recoveries

Claims frequency

Number of claims notified (excluding nil claims)¹ divided by number of vehicle years³

Claims or loss ratio

Claims expenditure divided by gross earned premiums on home territory²

Combined ratio

Claims ratio plus expense ratio

Comprehensive cover

Offers protection for accidental damage, theft and fire damage as well as liability towards third parties

Expense ratio

Operating expenses (acquisitions, costs and administrative expenses) divided by gross earned premiums on home territory²

Gross earned premiums

Gross written premiums minus change in gross provisions for unearned premiums. The provision for unearned premiums comprises the share of gross premiums written that is to be allocated to the following financial year or to subsequent financial years (Article 25 of EU Directive 91/674/EEC)

Gross written premiums

According to Article 35 of EU Directive 91/674/EEC, gross premiums written include all amounts due during the financial year in respect of insurance contracts, regardless of whether such amounts relate in whole or in part to a later financial year, and include *inter alia*: (i) premiums yet to be written, where the premium calculation can be carried out only at the end of the year; (ii) single premiums; (iii) additional premiums in the

¹ If not available, number of claims including nil claims

² If not available, gross written premiums on home territory

³ If not available, number of insureds or number of policies

case of half-yearly, quarterly or monthly payments and additional payments from policyholders for expenses borne by the insurance undertaking; (iv) in the case of co-insurance, the undertaking's portion of total premiums. Accepted reinsurance is not included. The above amounts do not include the taxes or charges levied with the premiums.

The words "premium" or "premium income" in the text refers to gross written premiums except where otherwise stated.

Insured vehicle year

One vehicle insured for one year, or two vehicles each insured for six months, etc.

MTPL

Motor third party liability

Nil claim

A claim that results in no payment by the insurer

Own damage cover

Cover for the individual's own vehicle or property (accidental damage, theft, fire damage)

Total motor

MTPL plus own damage

Executive summary

This report on the motor insurance industry in Europe updates the CEA report published in December 2007¹. It analyses market trends and developments and explains the way motor insurance premiums are set. It also includes (Section VI) a detailed analysis of personal injury claims in motor third party liability insurance (MTPL), which play a major role in determining MTPL premiums.

While the number of motor insurers in Europe has been decreasing steadily and totalled fewer than 1 100 in 2007, competition between insurance companies has remained intense in what is the largest motor market in the world, with more than 315 million vehicles.

European motor insurers generated an estimated total premium income of €126.5bn in 2008, compared to €129bn in 2007. This is the first nominal decrease in the last decade. It reflects both the competitiveness of the market and the economic slowdown. The full impact of the financial crisis on the motor insurance market will, however, only become clear once the final figures for 2008 and 2009 are available.

Estimated premium income fell to €127bn in 2008

Motor insurers' combined ratio rose above 100% in 2007, indicating an underwriting loss after five profitable periods. The fluctuations in the combined ratio in recent years reflect the insurance cycle.

As covered in detail in our previous report, average motor insurance premiums differ from country to country as a result of differences in the number of road traffic accidents (claims frequency), the cost of those accidents (claim costs), and country-specific legislation (eg taxation).

Country-specific factors must be reflected in motor premiums

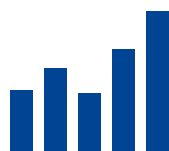
Insurers calculate premiums based on the risk of the policyholder being involved in an accident and the likely cost of the resulting claim. Claims frequency varies between countries due to different road safety and traffic conditions, which are determined by, among other factors, geography, road and vehicle density, and driving habits. Since road safety is a key element, the insurance industry is involved in numerous road safety initiatives².

Average claim costs, meanwhile, are, for example, affected by vehicle repair prices and medical costs. In particular, although claims involving a personal injury represent only a small proportion of total claims, they account for 50% of all MTPL claims expenditure.

¹ CEA Statistics N°32, "The European Motor Insurance Market", December 2007

² For more details see "CEA Road Safety Compendium 2009", March 2009

Part I
Overview of the European market

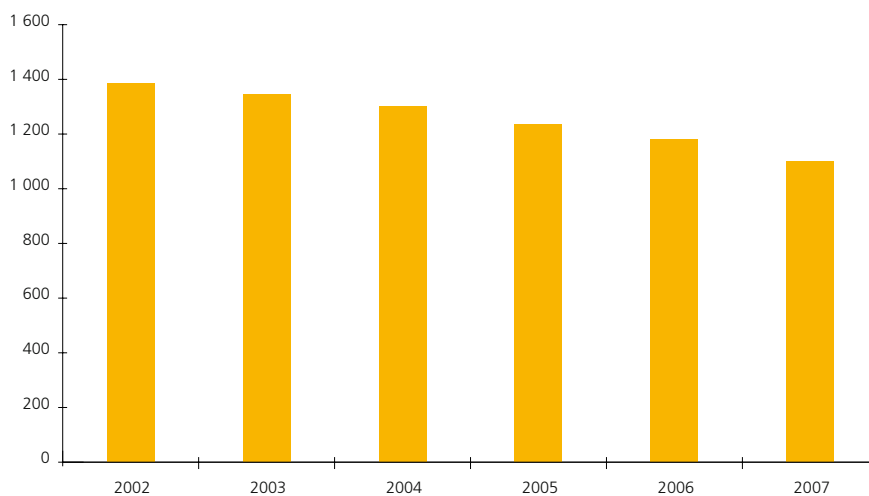


I. Market overview

I.1 Number of motor insurance companies

The number of companies operating in the European motor insurance market (estimated from a sample of 26 countries representing 95% of premium income) fell steadily from 1 385 companies in 2002 to fewer than 1 100 in 2007¹. This represents an average annual decrease of 4% and this concentration process has been going on for several years.

Chart 1 | Number of motor insurance companies in Europe — 2002–2007



I.2 Vehicles in use

I.2.a Total number of vehicles

With more than 315 million vehicles of all types on the roads in 2007, the European market² is the largest motor market in the world, ahead of North America with approximately 270 million vehicles. On average, between 2002 and 2007, the European market grew by 1.9% a year.

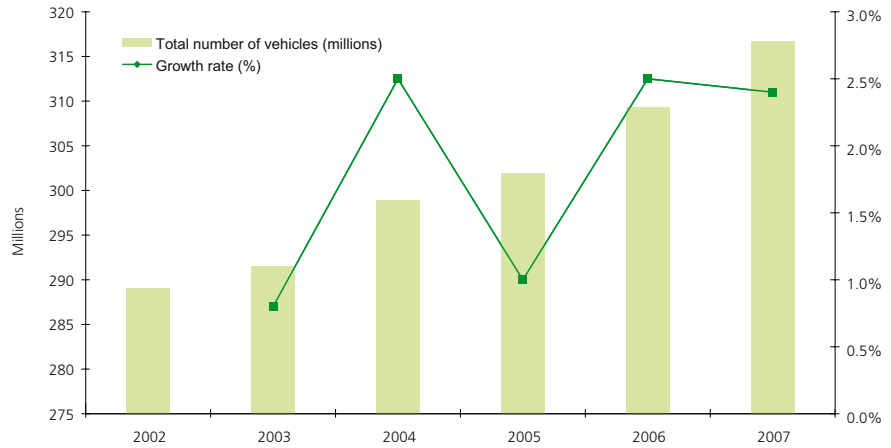
Europe is the world's largest motor market

However, the economic slowdown experienced in Europe since 2008 has significantly reduced demand for new cars, despite the creation of schemes to promote demand through subsidies in several countries. According to the European Automobile Manufacturers' Association (ACEA), new car registrations in Europe decreased by 8% in 2008, against an increase of 2% in 2007. A further decline can be expected for the full year 2009, since new car registrations fell by 11% in the first six months, compared to the same period in 2008.

¹ This figure reflects the number of licensed companies, but not all of them are active. The proportion of inactive companies is low in most markets, with the notable exception of the UK where only 60 of the 263 licensed companies are active.

² Europe refers here to the 33 CEA member states (see list on p4)

Chart 2 | Total number of vehicles in Europe — 2002–2007 (millions)



Sources: CEA, Eurostat, ACEA

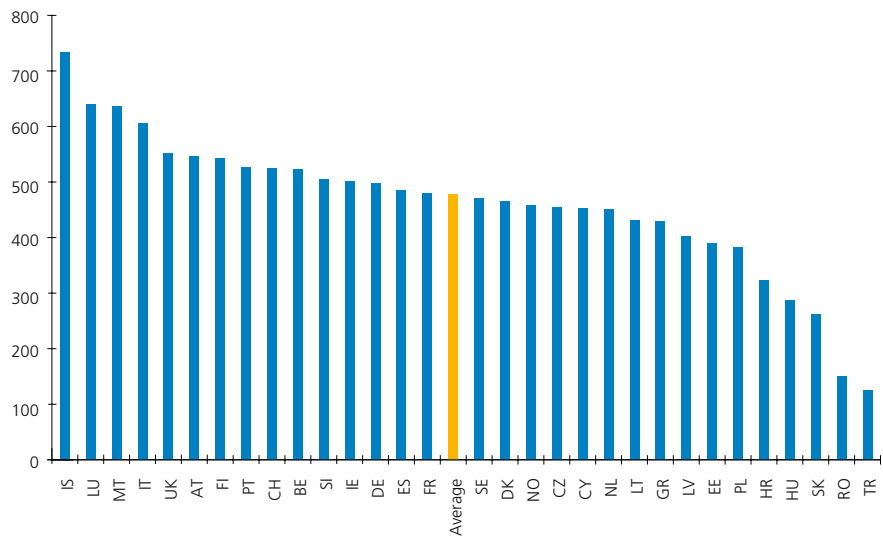
Passenger cars (four-wheeled vehicles of under 3.5 tonnes) make up the largest share (79%) of all vehicles. Utility vehicles (lorries, trucks, buses, tractors, etc.) account for 13% of the total, while the remaining 8% are two- or three-wheeled vehicles.

1.2.b Vehicle density

Europe’s car density remains far below that in the US

Average passenger car density per 1 000 inhabitants is estimated to have been 435³ in 2007. The highest density is in Iceland, which has more than 700 cars per 1 000 inhabitants, while the lowest levels are in Romania and Turkey with fewer than 150. Though the average level is gradually increasing, it is still far below the US average of 776 passenger vehicles per 1 000 inhabitants.

Chart 3 | Number of passenger vehicles per 1 000 inhabitants — 2007



Sources: CEA, Eurostat, ACEA

Note: The CEA average excludes Turkey

³ This average includes Turkey, where car density is particularly low. Removing Turkey from the calculation results in an average of 479.

II. Motor insurance market data

II.1 Total motor insurance (MTPL and own damage)

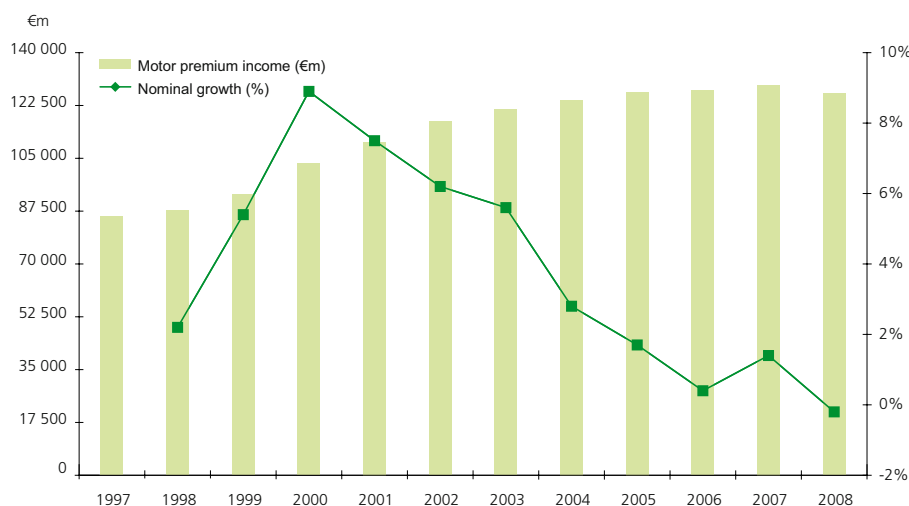
II.1.a Premiums

Motor insurance represents 30.3% of total non-life premium income and, together with accident and health, is one of the largest non-life business lines in Europe. Very low motor premium growth rates since 2006, combined with higher growth in other non-life lines, have caused this share to decrease over the last seven years.

In 2008, motor insurance premiums are estimated to have totalled €126.5bn, against €129bn in 2007. The drop represents a 0.2%⁴ decrease. This is the first nominal decrease at EU level in the last decade, but the fourth consecutive decrease in real terms. It reflects both the strong competition between motor insurers and the decrease in new car sales as a result of the economic slowdown.

Estimated total motor premiums fell to €127bn in 2008

Chart 4 | Total motor insurance premiums — 1997–2008 (€m)

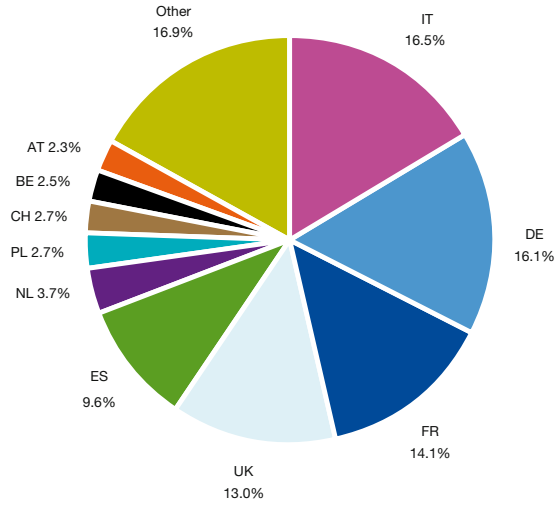


The motor market is mainly led by Italy, Germany, France and the UK, which together account for 60% of all European motor insurance premiums. The share of these four leading countries decreased by more than 5 percentage points between 2003 and 2008, reflecting a decrease of more than 1%⁵ in the premium income in these four countries combined.

⁴ -2.2% at current exchange rates

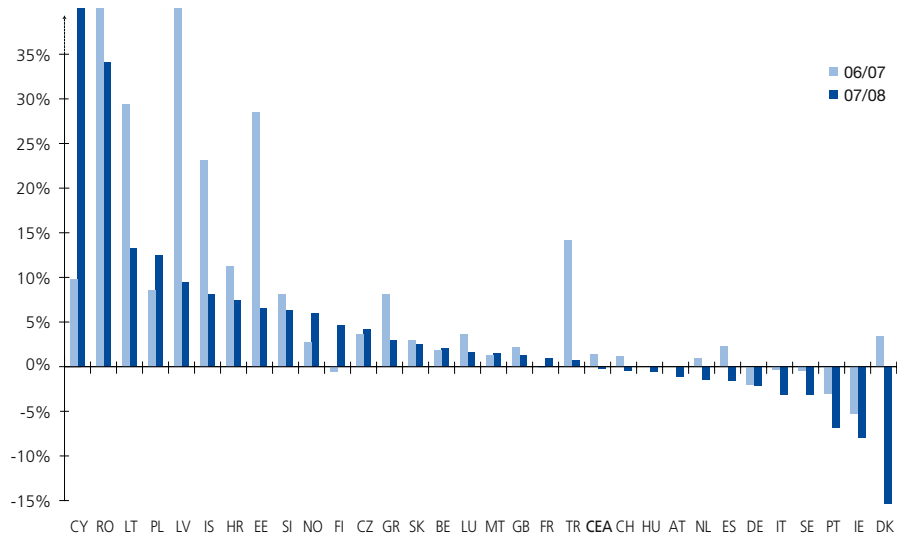
⁵ 1.2% at constant exchange rates or 4.2% at current exchange rates

Chart 5 | Distribution of motor insurance premiums by country — 2008



Individually, 11 countries recorded negative growth in their premium income in 2008 compared with only seven the previous year. It is also worth noting that this was the second consecutive year of decrease for six of the eight countries. The highest growth rates have mainly been recorded in eastern European countries, where markets are less mature and competition is less strong.

Chart 6 | Nominal growth in total motor premiums (at constant exchange rates) — 2006/07 and 2007/08



The overall increase in premiums, which is below the rate of inflation, reflects the fact that competition remains as high as in previous years. At the same time, motor insurers are offering more services in addition to traditional cover (eg assistance), new products (eg cover for occasional drivers) and more advantageous policy conditions (eg no change in bonus-malus for drivers who have had few accidents, profit sharing).

These developments have been made possible thanks to the relative stabilisation in claims expenditure (see below) and the good financial results of motor insurers up to June 2007. However, the financial crisis has reduced these returns since 2008 and may necessitate rate adjustments in the future.

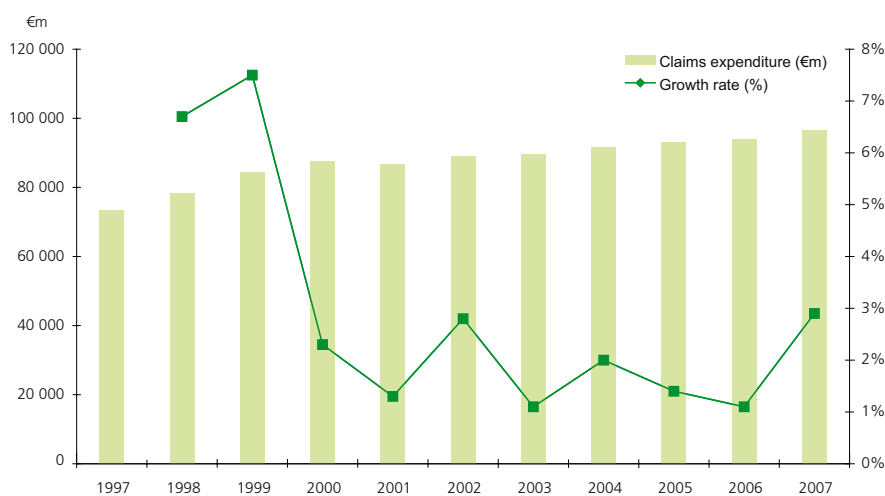
II.1.b Claims expenditure⁶

In 2007, total claims expenditure amounted to €96.3bn, compared to €93.8bn in 2006. This represents a 2.9% increase, which is a slightly higher growth rate than those recorded since the beginning of the decade but much lower than the ones recorded in the second half of the 1990s.

Claims expenditure grew 3% in 2007

Relatively low increases in claims expenditure (close to inflation rates) between 2000 and 2006 were reflected in low premium increases, particularly over the last five years. Partial figures for 2008 show a 1.1% increase in claims expenditure.

Chart 7 | Total motor claims expenditure — 1997–2007 (€m)



The claims ratio, which reflects the growth in both claims and premiums, rose to 76.8% in 2007 compared to 75.2% in 2006 and 74.6% in 2005. The long-term development of the claims ratio illustrates the cyclical pattern of the motor industry (see Box 1 on p18). The years 1997 to 1999 were characterised by a continuous rise in the claims ratio, indicating a faster increase in claims than in premium income. This trend led to an unsustainable situation and substantial underwriting losses for insurance companies. Since 2000, the stability in claims

⁶ Since 2008 data is not available for all countries, absolute amounts are not displayed. However, ratio indicators have been calculated on the basis of a sub-sample of countries that account for approximately 75% of the European market.

expenditure and a slight increase in premium income have allowed insurers to restore their profitability and to absorb the reduction in investment income that occurred during the 2001 financial crisis. The increases observed in 2006 and 2007 seem to suggest that the insurance sector has entered the growth phase of a new cycle that is likely to seriously reduce its profitability.

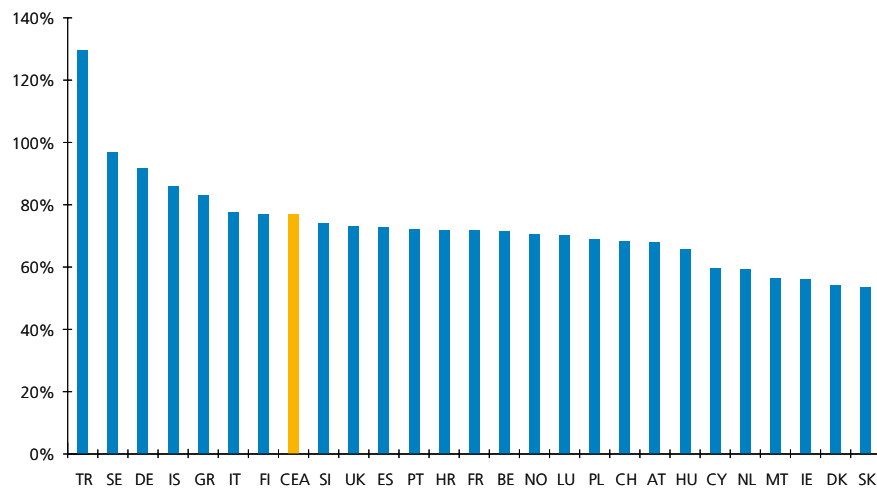
Chart 8 | Average motor insurance claims ratio in Europe — 1997–2007



Differing costs affect national claims ratios

The motor claims ratio varies from country to country. Although most countries have claims ratios close to the European average (77%), several countries are far above this level, including Turkey and Sweden which both recorded a decrease in premiums in 2007. Countries including Slovakia, Denmark, Ireland and Malta, on the other hand, have ratios below 60%. These divergencies may be due to the differing levels of other costs (distribution, administration, etc.), investment returns and risk volatility that may require higher margins.

Chart 9 | Claims ratio by country — 2007



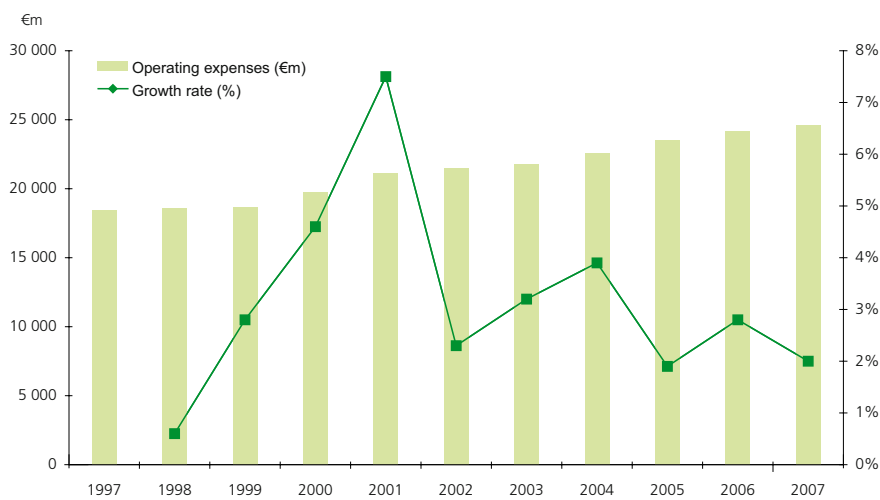
Note: For Germany the claims ratio does not take into account the change in provisions for claims related to previous years

II.1.c Operating expenses

Operating expenses are the technical costs of managing motor insurance business. They include administrative expenses and acquisition costs.

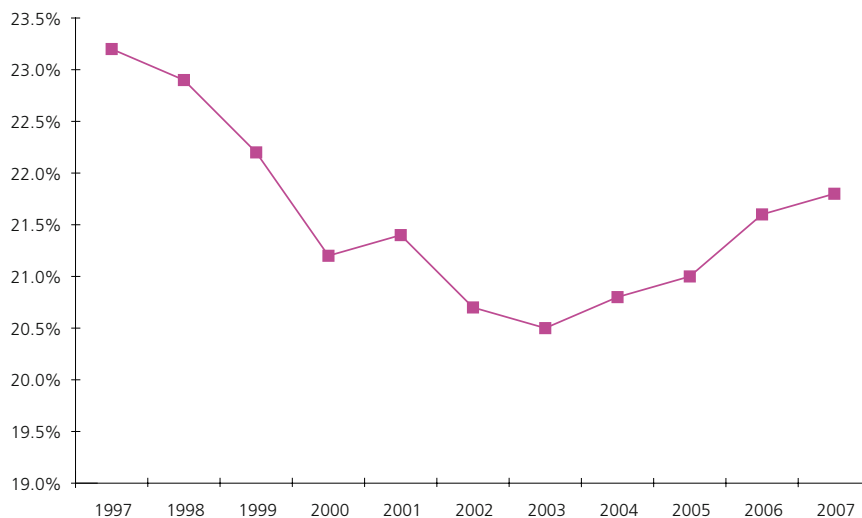
Based on a sample of countries that account for 86% of the European market, total operating expenses were estimated at €24.6bn in 2007, compared to €24.2bn in 2006. This represents a 2% growth, which is slightly lower than that observed since 2002. The slowdown in the growth in operating expenses in 2002 was closely linked to the difficult financial year experienced by insurers and by the cost reduction measures they took at that time to restore profitability.

Chart 10 | Motor insurance operating expenses — 1997–2007 (€m)



Fluctuations in the expense ratio, which relates operating expenses to premium income, have largely been driven by fluctuations in premium income, since expenses have been more or less stable and growing at a pace close to inflation. Since 2004, the very low increases in premiums have increased the relative share of expenses despite their relatively low growth.

Chart 11 | Average motor insurance expense ratio in Europe — 1997–2007



2007's combined ratio was just over 100%

II.1.d Combined ratio

The combined ratio combines the claims and expense ratios. It is mainly influenced by changes in claims expenditure and premiums, since operating expenses are relatively small. The combined ratio fell from a high of 115% in 1999 until it stabilised at around 96% in 2003 and 2004. This adjustment was made necessary by the decrease in investment returns in 2001 due to the bursting of the dotcom bubble. The improved financial environment and a slight reduction in the number of accidents have contributed to the decrease in the combined ratio, which fell below 100% for the first time in 2002. Motor insurance prices did not decrease immediately, due to the need for insurers to restore profitability. Since 2005, premiums have increased less than claims expenditure, which has led to a rise in the combined ratio. The combined ratio went above 100% in 2007, indicating an underwriting loss.

The upward and downward movements in the combined ratio mirror the approximately 9-year business cycle of the insurance industry. The growth in the combined ratio since 2005 suggests the beginning of a new cycle.

Box 1: The insurance cycle

The cyclical nature of the insurance industry is well documented. The cycle refers to the upward and downward movements in insurance prices and the combined ratio and typically takes 6 to 9 years. Several theories (relating to the cost of equity capital, claims shocks, investment income, etc.) seek to explain this underwriting cycle, but the most common explanation is that it is caused by competition. According to Cummins and Outreville⁷: "The typical explanation is that the insurance industry causes the cycle more or less on its own, through periods of destructive competition followed by cutbacks in supply".

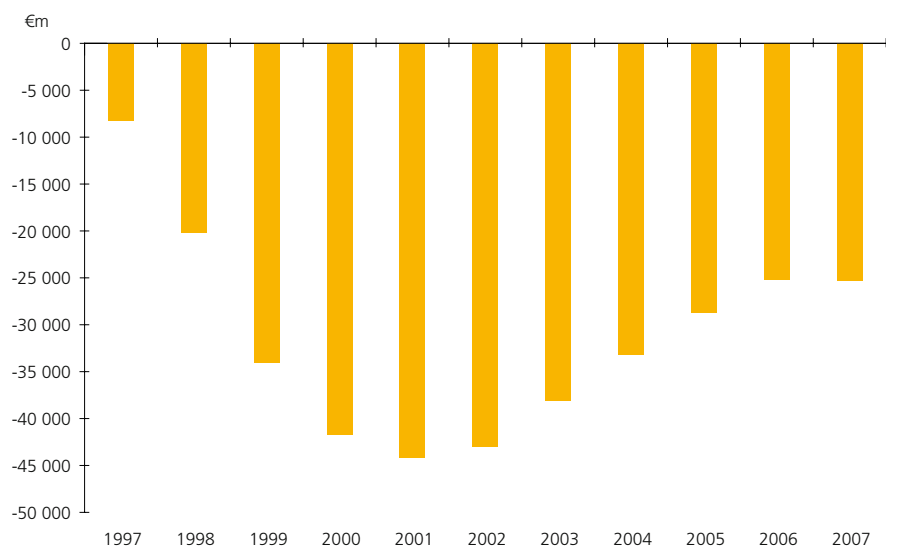
Chart 12 | Average motor insurance combined ratio — 1997–2007



⁷ "An international analysis of underwriting cycles in property-liability insurance", Journal of Risk and Insurance (1987), 54(2): pp246–262

The cumulative underwriting results in Chart 13 reflect the sum of the negative and positive underwriting results recorded by European motor insurers over an 11-year period (1997–2007) that covers one whole insurance cycle. Although the underwriting result was positive between 2002 and 2006, the cumulative underwriting result in 2007 shows a negative result of €25bn. This means that the sum of the positive results did not compensate for the sum of underwriting losses recorded at the end of the 1990s and explains why premiums have decreased less than claims expenditure in the early years of this century.

Chart 13 | Cumulative motor insurance underwriting results — 1997–2007 (€m)



II.2 Motor third party liability (MTPL)

The breakdown between MTPL and own damage cover is not available for all countries. The UK and Ireland are among those missing, because in both motor insurance is sold as comprehensive insurance. As a result, the data in this section is based on a sample of countries that represent 75–85% of the total motor market, depending on the year and the indicator analysed.

II.2.a Premiums

MTPL premiums account for around 60% of total motor premiums and are therefore responsible for most trends in total motor premiums.

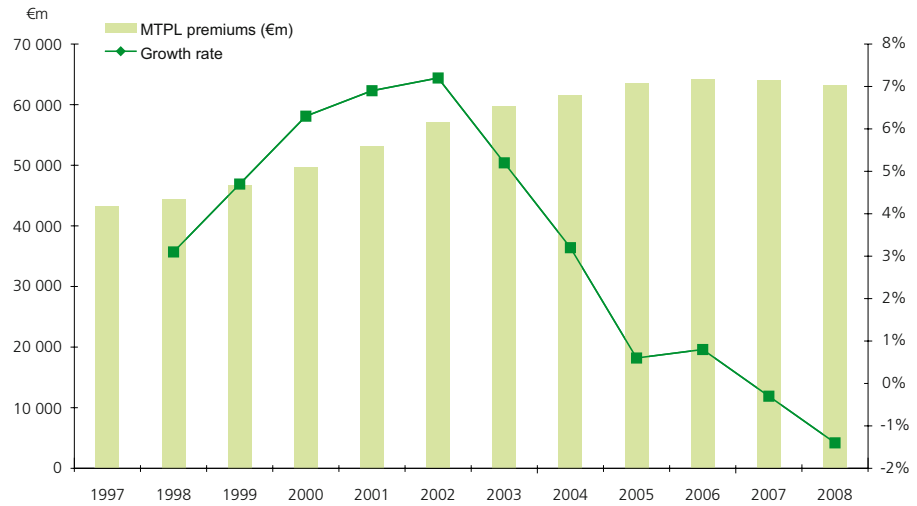
MTPL premiums fell for the second year in a row

In 2008, MTPL premium income totalled €63.1bn and was in decline for the second consecutive year: -1.4% in 2008 against -0.3% in 2007. This decrease was the highest recorded in the last ten years and reflects the intense competition between insurers to increase their market share and the decline in new car registrations.

Since MTPL policies are relatively similar in terms of cover, the competition between insurers occurs mainly through price rather than product design. Competition has also pushed insurers to include new criteria in their rating process so that they can offer rates closer to the policyholder risk profile in order to be more attractive.

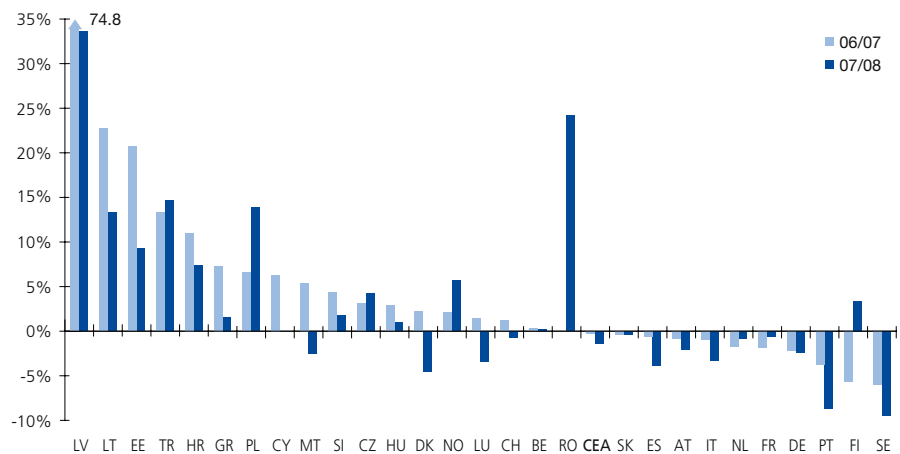
MTPL policies being rather homogeneous in term of cover, the competition between insurers therefore occurs mainly through prices rather than in product design. Competition has also pushed insurers to include new criteria in their rating process to offer rates closer to the policyholder risk profile in order to be more attractive.

Chart 14 | MTPL premiums — 1997–2008 (€m)



The European average conceals very different situations. Out of the 31 countries under review, more than 13 experienced a decrease in MTPL premium income in 2008. Most of them also experienced a drop in 2007. The sharpest drops are in Sweden, Portugal, Denmark and Spain. Eastern European countries, which are catching up with the west and facing growing risks, recorded higher growth rates.

Chart 15 | Nominal growth in MTPL premiums (at constant exchange rates) — 2006/07 and 2007/08

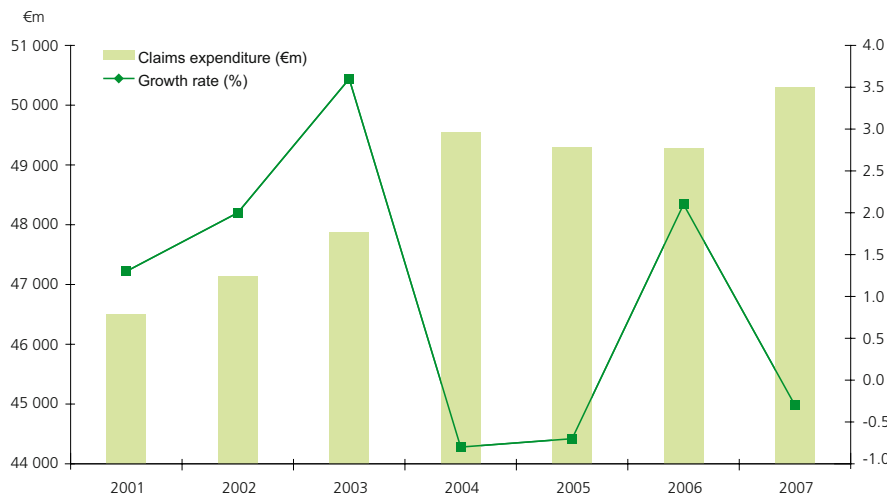


II.2.b Claims expenditure

Based on a sample of countries representing about 78% of the total European market, MTPL claims expenditure increased quickly between 2001 and 2004 before declining by 0.8% to €49.3bn in 2005 and by 0.7% in 2006. In 2007, claims expenditure grew by 2.1% due to a 2.3% increase in the number of claims. Preliminary figures for 2008 show a stabilisation in claims expenditure, with an estimated increase of 0.3% linked to a slight decrease in the number of claims.

MTPL claims expenditure is expected to stabilise in 2008

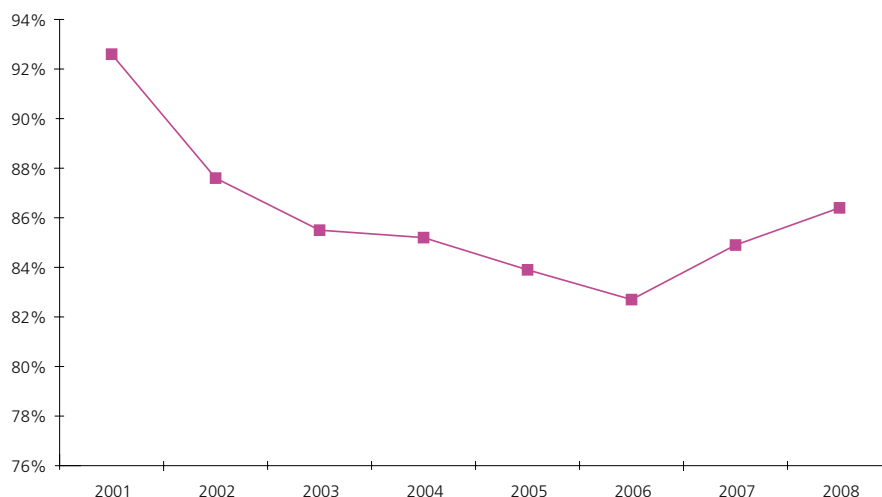
Chart 16 | MTPL claims expenditure — 2001–2007 (€m)



Changes in premiums and in claims expenditure are illustrated by the MTPL claims ratio, which was 86.4% in 2008. The claims ratio decreased continuously between 2001 and 2006. From 2001 to 2004, it was the faster growth in premium income (compared to claims expenditure growth) that contributed to the improvement in the claims ratio, while in 2005 and 2006 it was the decline in claims expenditure.

In 2007 and 2008 the decreases in MTPL premiums reversed the downward trend of the claims ratio, pushing it up from 82.7% in 2006 to 86.4% in 2008.

Chart 17 | Average MTPL claims ratio in Europe — 2001–2008



II.2.c Operating expenses

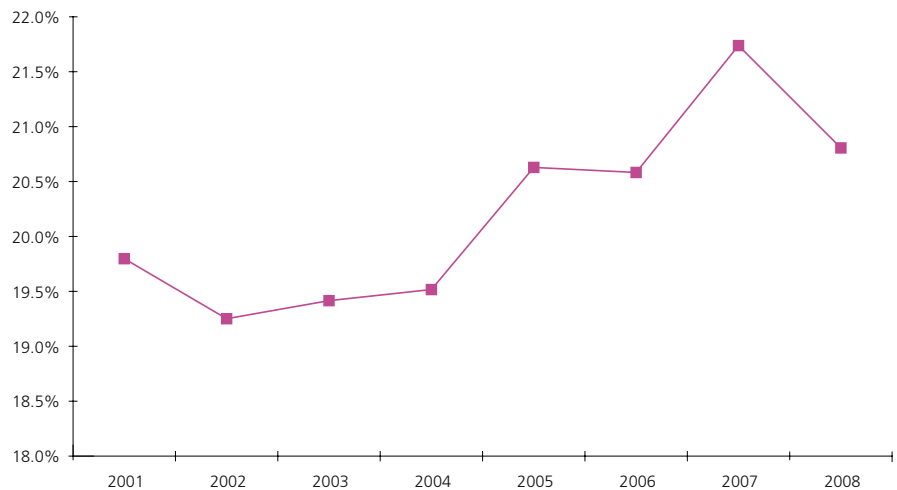
According to data for 70% of the total European market, MTPL operating expenses grew by an average of 4.1% between 2001 and 2007. The growth rate is uneven, with a high of 5.2% in 2005 and a low of 0.7% in 2006. Preliminary 2008 data shows a 3% decrease in operating expenses.

Chart 18 | MTPL operating expenses — 2001–2007 (€m)



The MTPL expense ratio grew from 19.5% in 2004 to more than 21.7% in 2007, reflecting the fact that expenses grew more than premiums. With the estimated 3% decline in expenses in 2008, the expense ratio is expected to drop to 20.8%.

Chart 19 | Average MTPL expense ratio in Europe — 2001–2008

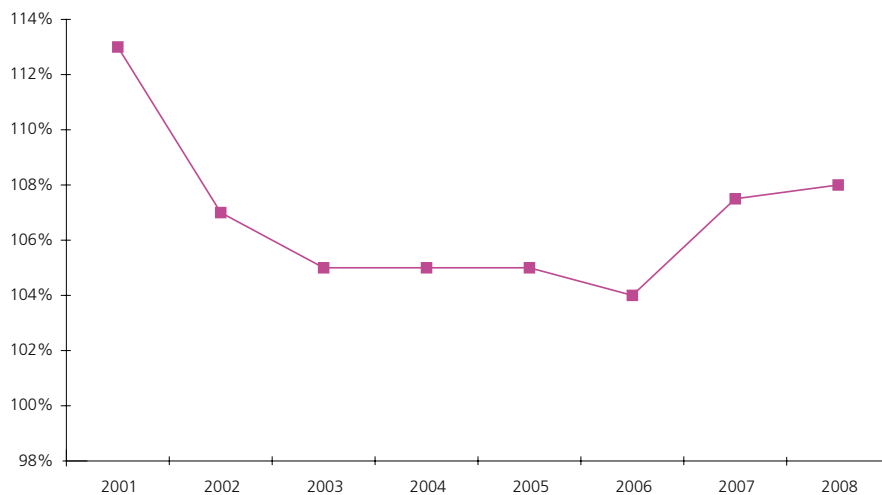


II.2.d Combined ratio

The movement in the MTPL combined ratio is similar to that of the combined ratio for both MTPL and own damage (see Section II.1.d). It decreased from 113% in 2001 to 104% in 2006 thanks to a rise in premium income up to 2004 and to a drop in claims expenditure in 2005 and 2006. The drop in premium income in 2007 and 2008 has reversed the downward trend and pushed the combined ratio from 104% in 2006 up to 108% in 2008.

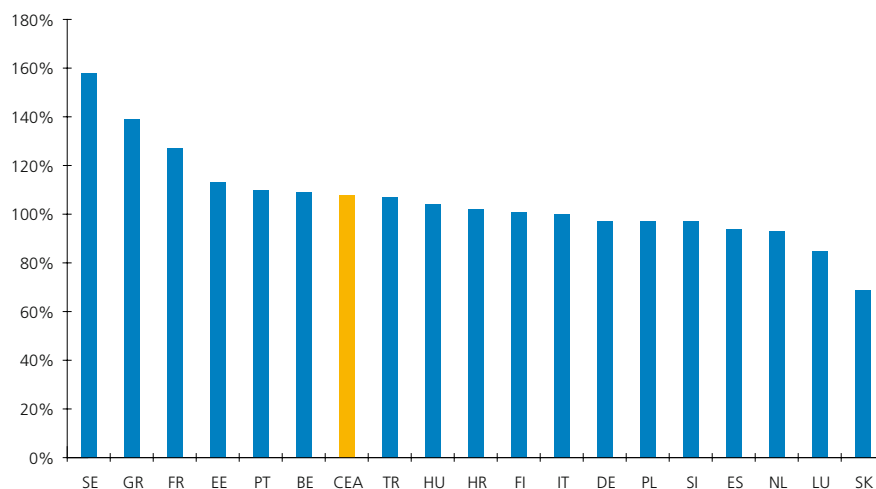
The MTPL combined ratio rose to 108% in 2008

Chart 20 | Average MTPL combined ratio in Europe — 2001–2008



In 2007, national combined ratios were very close to the European average with very few exceptions. This homogeneity illustrates both the similarities in terms of cover and the strong competition that is pushing insurers to get their combined ratio as close as possible to 100%, setting prices as low as possible to attract new customers.

Chart 21 | MTPL combined ratio by country — 2007

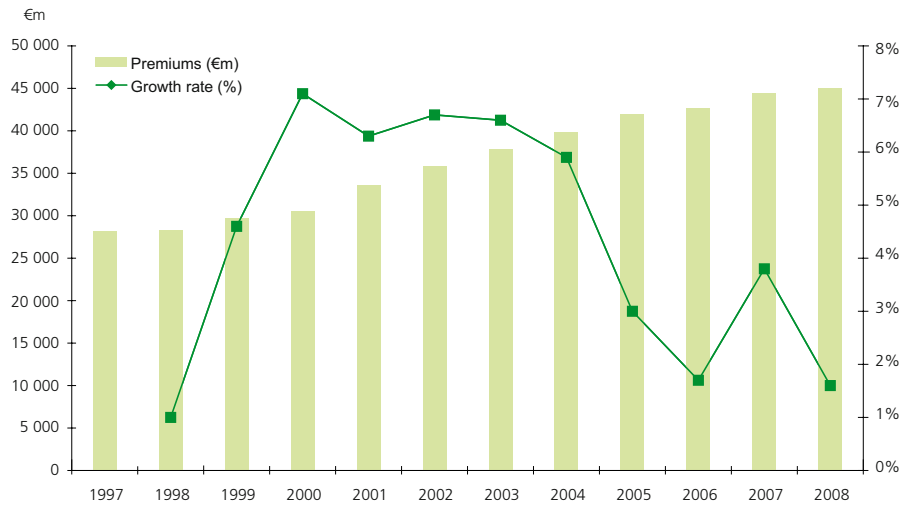


II.3 Own damage

II.3.a Premiums

Motor own damage insurance is a voluntary form of insurance and therefore accounts for a smaller, but growing, share of total motor premiums (around 40%). Own damage premiums, unlike MTPL premiums, increased in 2008, although at a slower rate than the year before (1.6% in 2008, against 3.8% in 2007). The decrease in new car registrations has probably played a role in this slowdown.

Chart 22 | Motor own damage premiums — 1997–2008 (€m)



Estimates suggest own damage claims expenditure will rise 8% in 2008

II.3.b Claims expenditure

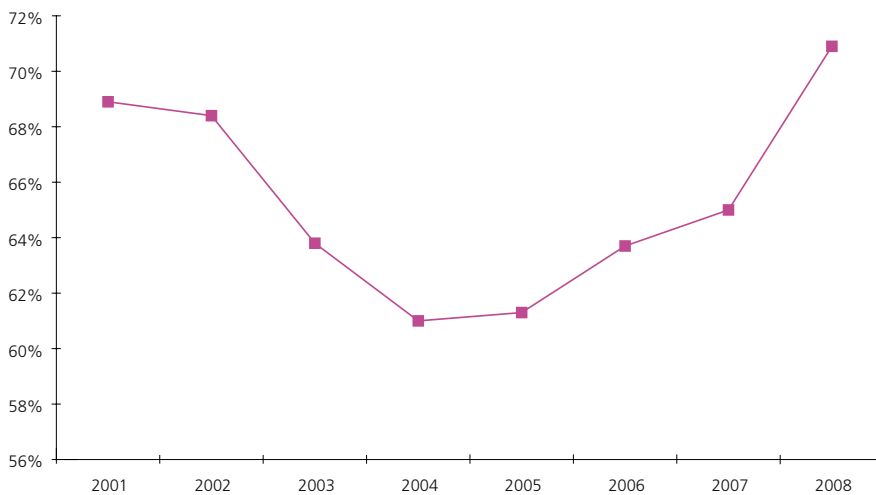
Based on a sample of countries representing 79% of the European motor insurance market, total claims paid by insurers for motor own damage cover amounted to €27.5bn in 2007, against €26.3bn in 2006. This represents growth of 4.5%, ie slightly lower than in 2006 (+5.5%). After a 1% decline in 2003, claims expenditure has increased at a growing pace, driven by a rise in the number of claims which in turn is due to the rise in the number of insured vehicles (+1.5% in 2007). Partial figures for 2008 show that claims expenditure has continued to grow by approximately 8%.

Chart 23 | Motor own damage claims expenditure — 2001–2007 (€m)



The changes in the claims ratio create a U-shape similar to that observed in MTPL. In 2008, the claims ratio reached 71%, its highest level during the period 2001–2008. The ratio decreased significantly from 69% in 2001 to 61% in 2004 thanks to both a growth in premium income of close to 6% and a drop in claims expenditure in 2003. These changes contributed to an improvement in own damage insurers’ underwriting results. Between 2005 and 2008 the own damage claims ratio increased by almost 10 percentage points following a strong rise in claims expenditure and a very low increase in premium income.

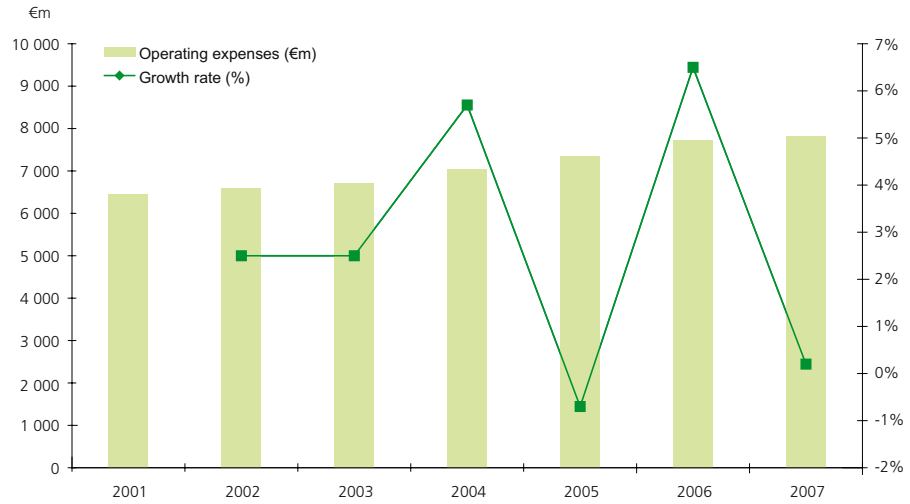
Chart 24 | Average motor own damage claims ratio — 2001–2008



II.3.c Operating expenses

Based on countries representing 69% of European motor business, operating expenses grew on average by 3.5% between 2001 and 2007. In 2007 they amounted to €8.6bn and they are expected to increase by almost 7.5% in 2008. Similarly to MTPL, own damage operating expenses show uneven growth rates of between -0.7% and +6.5%.

Chart 25 | Motor own damage operating expenses — 2001–2007 (€m)



Note: Year-on-year changes have been calculated at constant exchange rates and for comparable samples (ie by subtracting from the total amount countries for which there was no information for the previous or following year) to better reflect reality. Therefore the growth rates shown on the graph do not match the change in absolute terms.

With operating expenses increasing faster than premiums, the average own damage expense ratio has been increasing since 2003 and reached 24.5% in 2008.

Chart 26 | Average motor own damage expense ratio — 2001–2008

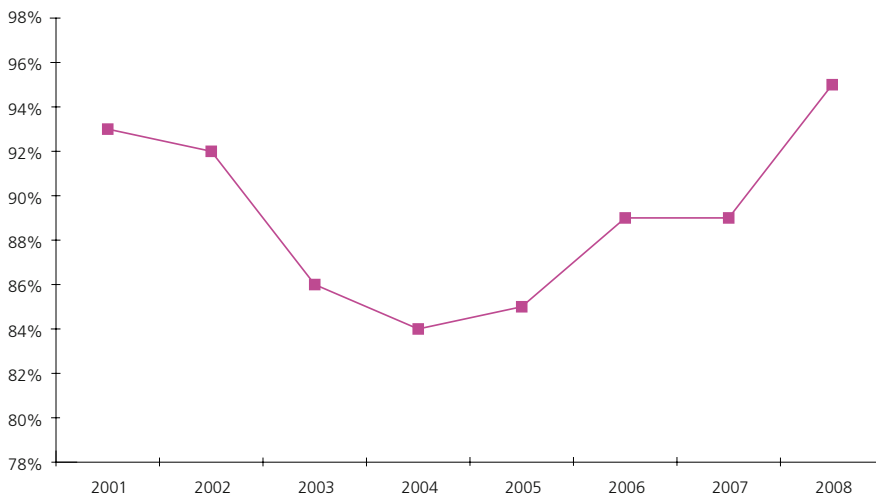


II.3.d Combined ratio

The average own damage combined ratio in Europe amounted to 95% in 2008 compared to 89% in 2007. This sharp increase was the result of simultaneous changes in the three components of the combined ratio: a strong increase in both claims expenditure and operating expenses and slow growth in premium income (just 1.6%). This has significantly reduced the margins for own damage insurers and created the need for careful monitoring to avoid any underwriting losses. For own damage insurers, this need is exacerbated by the financial crisis as their limited investment income may be further reduced.

The own damage combined ratio rose sharply to 95% in 2008

Chart 27 | Average motor own damage combined ratio — 2001–2008



As for MTPL, the national combined ratios are very close to the European average, with a few exceptions at both ends of the range. This reflects the keen competition between insurers.

Chart 28 | Motor own damage combined ratio by country — 2007



III. Price of motor insurance

III.1 Average premiums

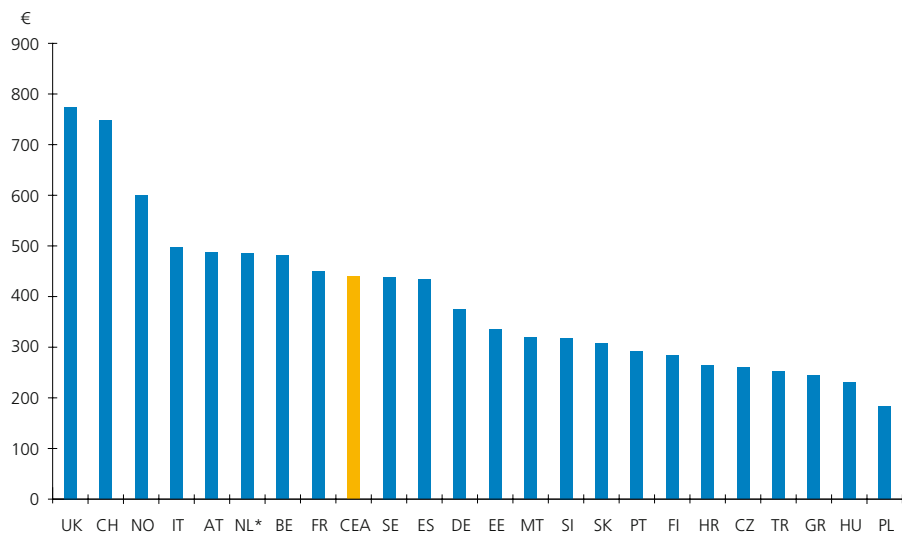
III.1.a Total motor (MTPL and own damage)

In Europe, the total average premium per insured⁸ amounted to €439 in 2007, a 0.7% increase from €436 a year earlier.

Average motor premiums vary between countries due to different local conditions

The average total motor premiums show huge differences at national level. Differences in economic development and standards of living explain many of these disparities. However, differences in the share of the population being covered for own damage risk also contribute to the variations. While all policyholders have MTPL cover, the percentage covered by an own damage policy can vary markedly between markets. The high premium level observed in the UK is largely explained by this factor, as UK motor policies are comprehensive and almost always include own damage cover. This is not the case in other countries, where own damage is not automatically included in policies.

Chart 29 | Average total motor insurance premium — 2007 (€)



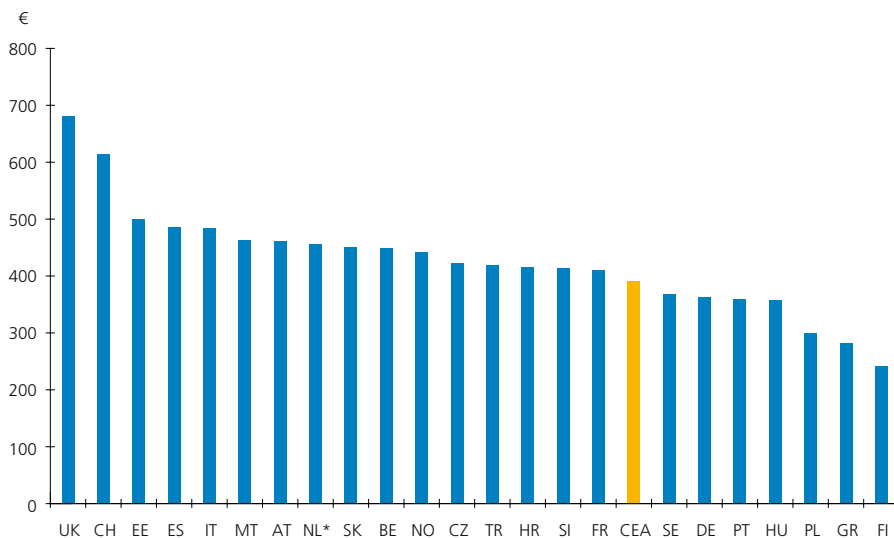
* Private cars only

As previously stated, differences in the size of economies and standards of living can explain the differences in average premiums between countries. The use of the purchasing power parity (PPP)⁹ conversion provides a more accurate method for country comparisons. As Chart 30 shows, adjusting average premiums for PPP reduces the differences and thus leads to a significant change in the ranking.

⁸ The total average premium is calculated by dividing total premium income by the number of MTPL insureds to avoid double counting of policies in which both own damage and MTPL risks are covered

⁹ The purchasing power parity theory uses the long-term equilibrium exchange rate of two currencies to equalise their purchasing power

Chart 30 | Average total motor insurance premium (PPP-adjusted) — 2007 (€)

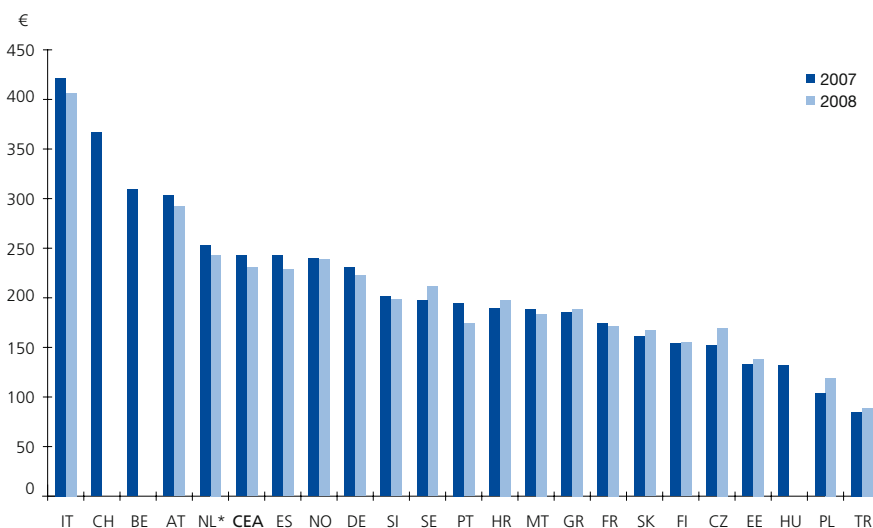


* Private cars only

III.1.b MTPL

The average MTPL premium amounted to €230 in 2008, a decrease of 5% compared with 2007. The average is mainly influenced by Italy, which is the biggest motor insurance market. This price indicator also shows significant differences between European countries. In Italy, the average premium is twice as high as in Greece, which is the median, while the level reported in Poland corresponds to slightly more than 50% of the sample average. More generally, the highest levels of premium are seen in western European countries.

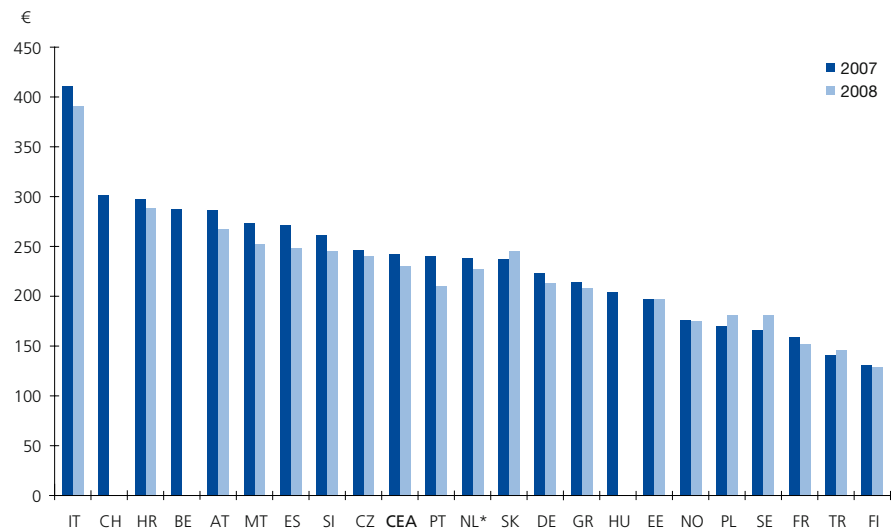
Chart 31 | Average MTPL premium — 2007–2008 (€)



* Private cars only

Adjusting the average MTPL premium for PPP again smoothes out some differences, although it does not eliminate all the differences between countries and thus reflects regional characteristics. However, most countries show a premium close to the European average.

Chart 32 | Average MTPL premium (PPP-adjusted) — 2007–2008 (€)



* Private cars only

III.1.c Own damage¹⁰

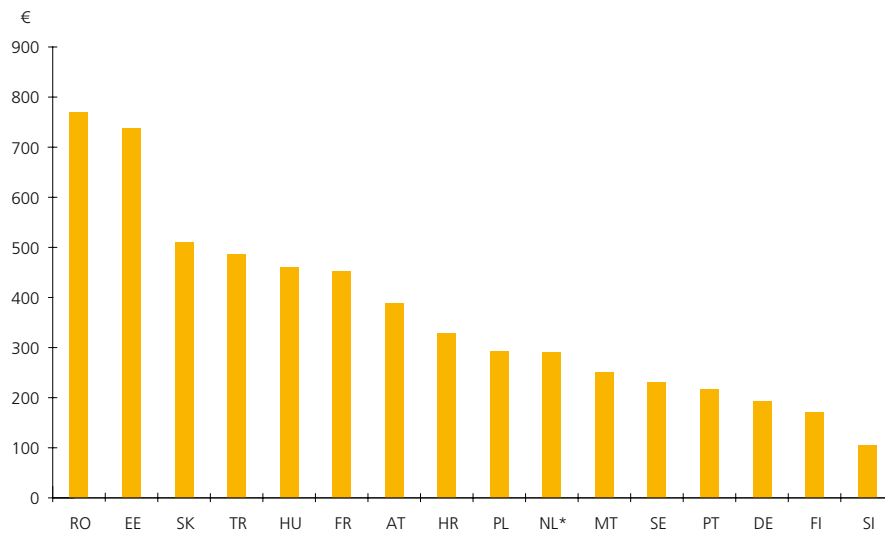
In contrast to MTPL, average own damage premiums show greater differences from country to country and the highest average premiums are not recorded in western European countries but mainly in eastern Europe.

The wide disparities between countries can be explained by differences in risk levels and, to a lesser extent, by the share of the population that has taken out own damage insurance. Own damage cover is generally purchased only for relatively new vehicles and as the share of old vehicles in the total number of vehicles is relatively high in eastern European countries, only a few vehicles are covered by own damage. This small number of insureds prevents insurers from spreading their risk, so premiums are relatively high. In addition, differences between countries may reflect differences in cover and in policy conditions. For instance, the absence of deductibles in own damage in Romania may partly explain the high average premium.

Given that the average own damage premium is generally higher in countries where the purchasing power of one currency unit is lower, adjusting these average premiums for PPP would accentuate the differences between countries.

¹⁰ Average own damage premiums are only available for 14 countries that represent less than 45% of total motor business in Europe. Overall average data is therefore not provided, in order to avoid any misleading interpretations.

Chart 33 | Average own damage premium — 2007 (€)



* Private cars only

III.2 How motor insurance premiums are set

Insurers set premiums based on their analysis of the likelihood that the policyholder will make a claim and the likely cost of such claims. The price paid by the policyholder is also affected by different national taxes and levies and other country-specific legislation. This section reviews the factors that determine both MTPL and own damage motor insurance prices.

Motor premiums are affected by both insurance-related and external factors

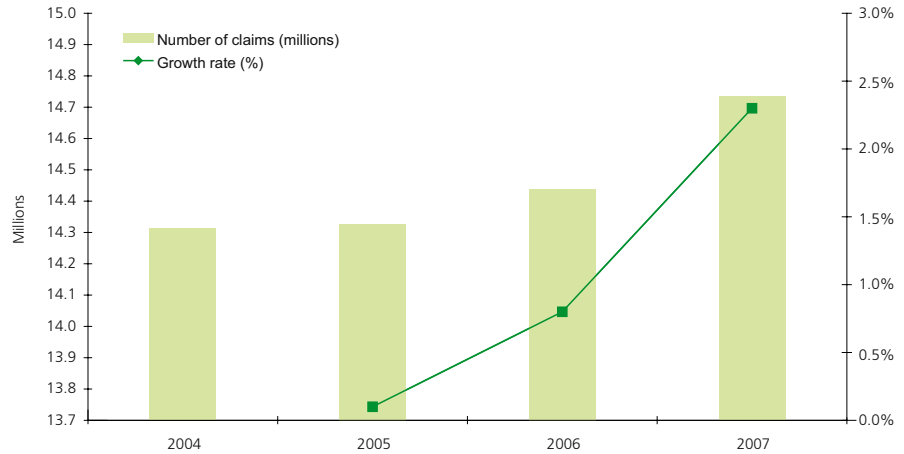
III.2.a Insurance factors

MTPL

Number of claims and claims frequency

According to the figures from a sample of countries representing approximately 70% of the European motor insurance market, the number of claims covered by MTPL increased by 2.3% in 2007, after growing by 0.8% and 0.1% in 2006 and 2005 respectively. This increase in the number of claims resulted in a 2.1% rise in MTPL claims expenditure in 2007 (see Section II.2.b), after some slight decreases in both 2005 and 2006. Provisional figures for 2008 show an increase of around 0.6% in the number of MTPL claims.

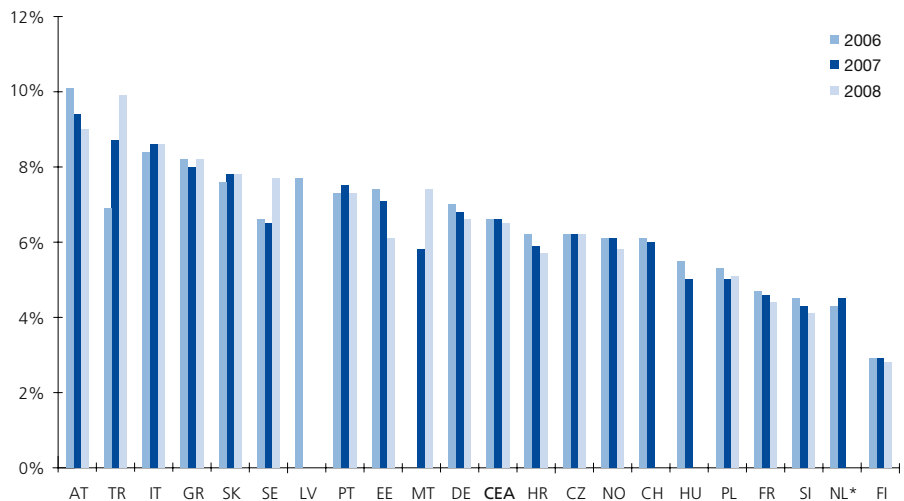
Chart 34 | Number of MTPL claims — 2004–2007 (millions)



The claims frequency, which was calculated from a sample that accounts for approximately 70% of the European market, remained stable in 2006 and 2007 at 6.6%. This stability demonstrates that the number of claims has expanded at the same pace as the number of insureds.

At national level, MTPL claims frequency not only highlights differences in terms of trends but also in terms of level even within western countries. At one end of the scale, Austria and Turkey show rates close to 10%, while at the opposite end, France and Slovenia report a claims frequency below 5%, with Finland even close to 3%.

Chart 35 | MTPL claims frequency by country — 2006–2008

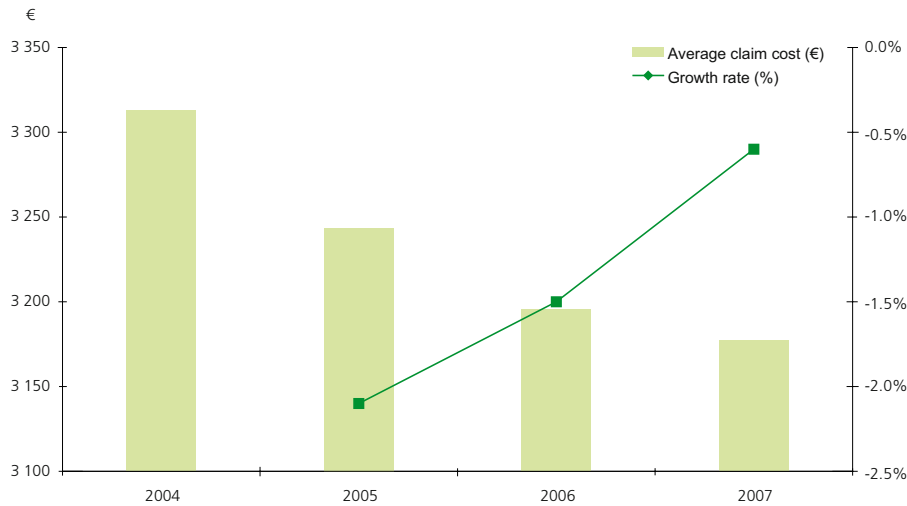


* Private cars only

Average claim cost

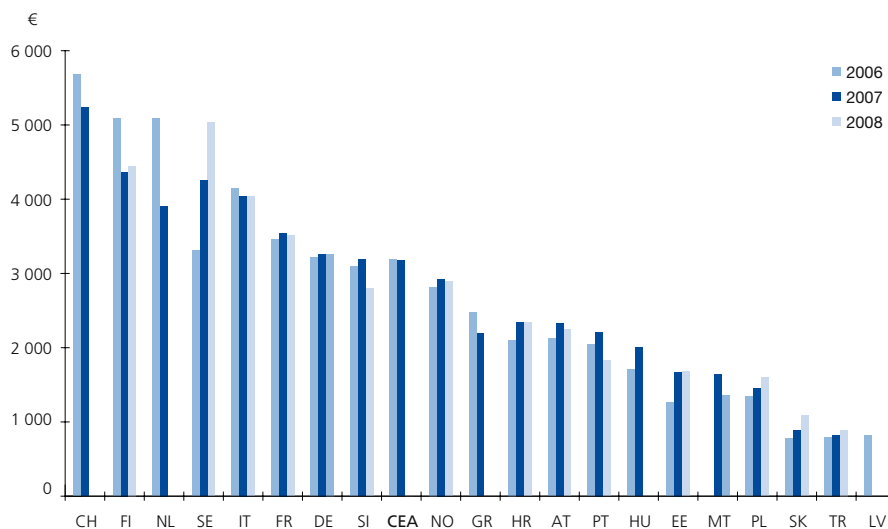
The average cost of a claim in MTPL, estimated on the basis of a sample that represents approximately 69% of the European market, decreased from more than €3 300 in 2004 to approximately €3 180 in 2007, ie at an average annual rate of -1.4%. Given that MTPL claims frequency was stable in 2007, it is therefore the reduction in the average claim cost that led to a reduction of the average MTPL premium in 2007.

Chart 36 | Average MTPL claim cost (€)



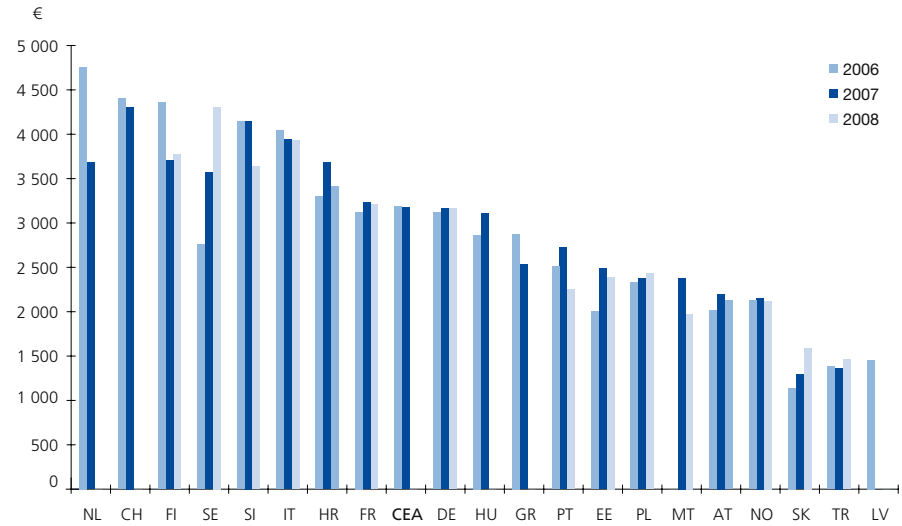
As with claims frequency, the average claim size in MTPL shows significant variations between countries. In Switzerland and Finland an MTPL claim costs on average more than €5 000, while in Slovakia, Turkey and Latvia it is less than €1 000. More generally, an MTPL claim costs less in eastern Europe than in western Europe, but the highest growth rates are seen in eastern European countries. This reflects a catch-up effect that can be expected to continue as economies develop and car values increase.

Chart 37 | Average MTPL claim cost by country — 2006–2008 (€)



Adjusting these costs for PPP reduces the disparities between countries, but some differences remain due to differences in economic development, legislation, compensation levels, etc. (see Section IV on the key factors influencing claims frequency and cost).

Chart 38 | Average MTPL claim cost by country (PPP-adjusted) — 2006–2008 (€)



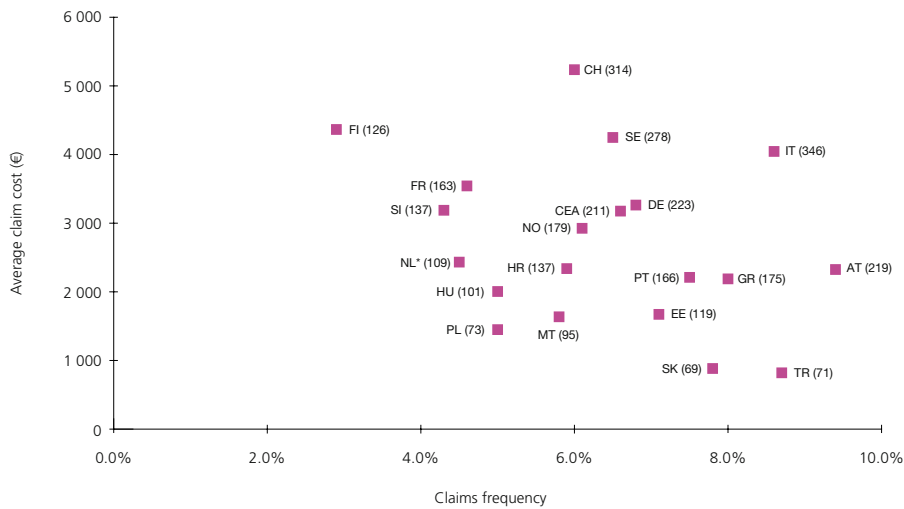
Net risk premium

Similar net risk premiums conceal different claim frequencies and costs

Multiplying the average claim cost by the claims frequency makes it possible to determine the net risk premium that corresponds to the cost of insurance per policyholder if there were no operating expenses (administrative and acquisition costs), no remuneration for the shareholder and no investment income. Equal levels of net risk premium may therefore conceal different claims frequencies and average claim costs. Therefore a decrease in one of the two factors (eg the claims frequency) may have a different impact on the net risk premium between countries, depending on the level of the other factor.

For example, as Chart 39 illustrates, France has a very similar net risk premium (€163) to Portugal (€166). However, France has a low claims frequency with a relatively higher average claim cost while Portugal has a higher claims frequency with a lower average claim cost.

Chart 39 | Net risk premium (€), average claim cost (€) and claims frequency — 2007

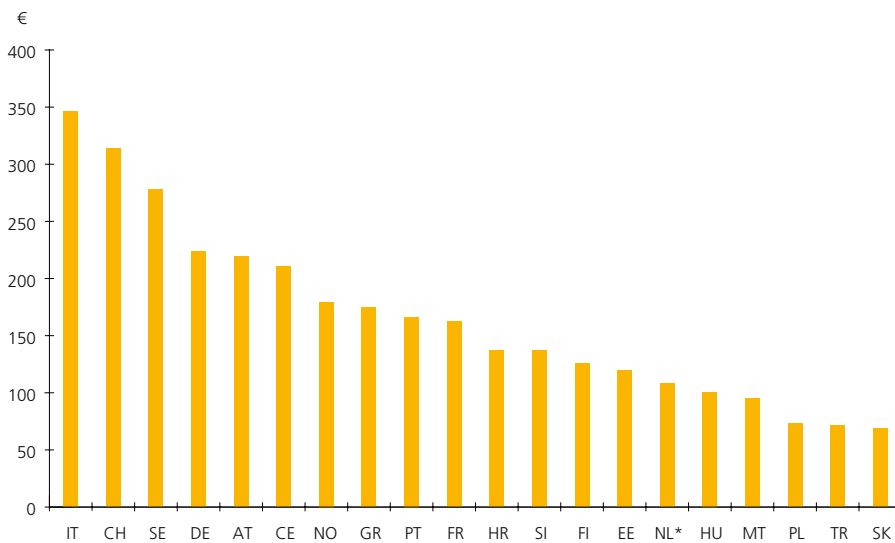


* Private cars only

Similarly to average MTPL premiums, net risk premiums show disparities between countries, with western European countries generally having higher risk premiums than eastern ones.

Differences between the net risk premium and the average premium levels are explained by the operating expenses that need to be covered by the premiums, by the profit margins that need to be taken by insurers in order to provide remuneration to shareholders and by the fact that risk theory indicates that pricing at the risk premium eventually leads to bankruptcy due to the difference that can exist between reality and the law of large numbers that underlies insurance business.

Chart 40 | MTPL net risk premium by country — 2007 (€)



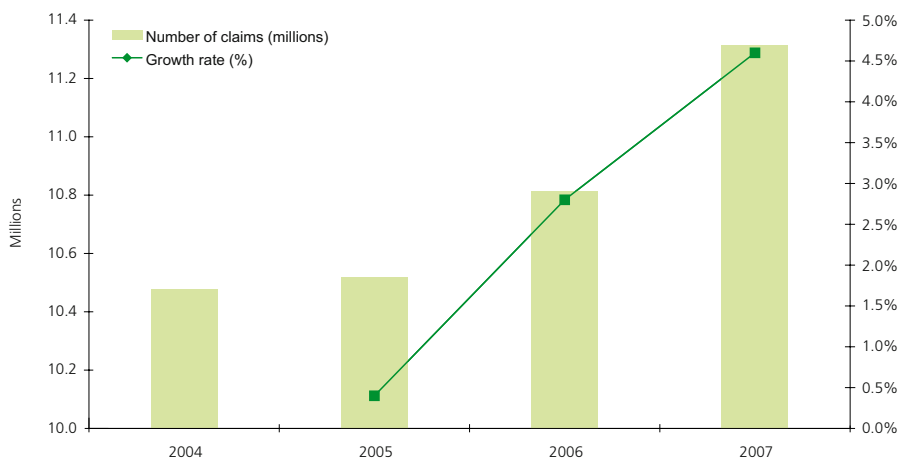
* Private cars only

Own damage

Number of claims and claims frequency

Calculated from a sample accounting for 51% of European motor business, there were 11.3bn own damage claims in 2007, versus 10.9bn in 2006. This represents a 4.6% increase, compared with a 2.3% rise reported in MTPL. This explains, to a large extent, the increase in own damage claims expenditure reported in 2007.

Chart 41 | Number of own damage claims — 2004–2007 (millions)

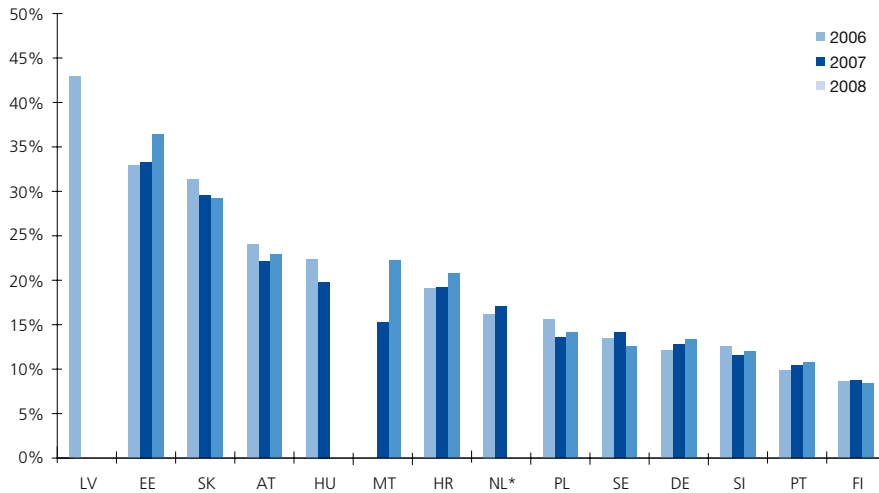


Own damage claims frequency over the last three years does not show any particular trend¹¹. According to the available data, the claims frequency in own damage is generally higher in eastern than in western European countries. This fact is one factor that explains the higher level of average own damage premiums in eastern European countries (see Section III.1.c) and may also reflect the moral hazard problem¹² faced by insurers when mainly high risk customers buy own damage cover.

¹¹ Due to a lack of representativeness in the data for the number of insureds, the average own damage claims frequency of the aggregate sample has not been calculated

¹² A situation in which a person has no incentive to act honestly or with due prudence, such as the owner of an insured car with little or no incentive to guard against theft

Chart 42 | Own damage claims frequency by country — 2006–2008

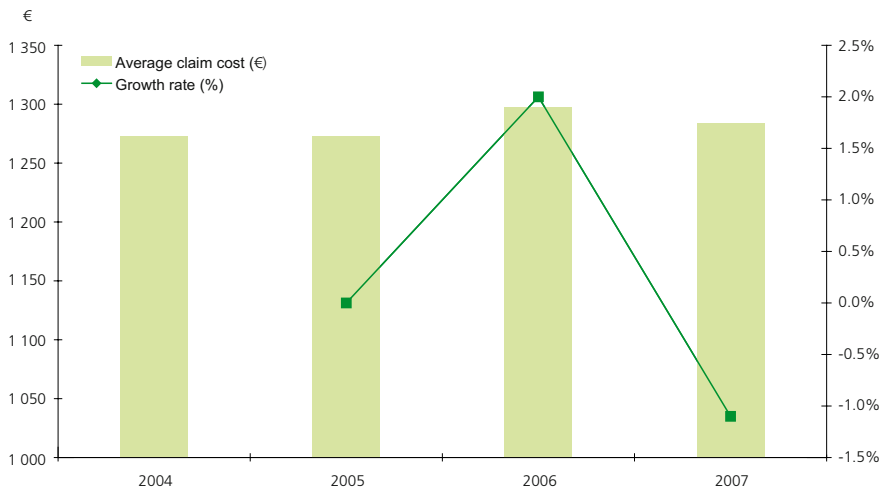


* Private cars only

Average claim cost

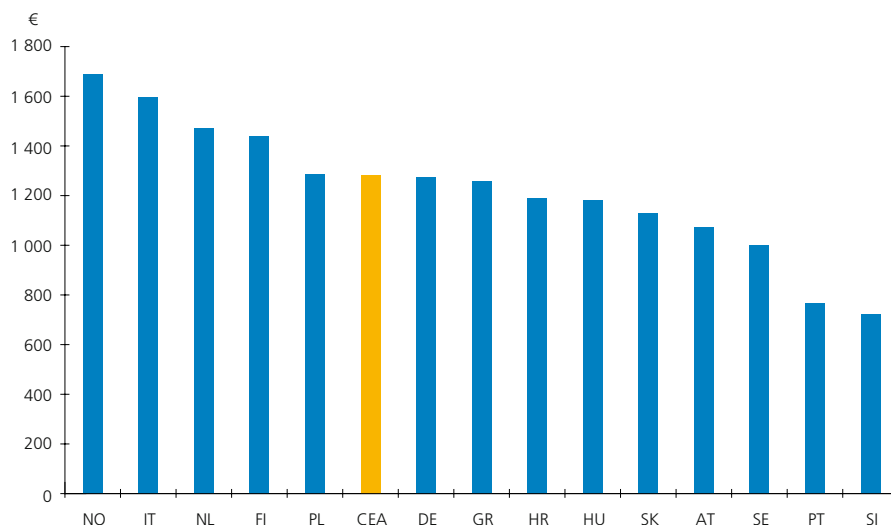
The European average claim cost in own damage, calculated for a sample of countries representing 50% of the total motor market, was relatively stable between 2004 and 2007 at around €1 280. The average own damage claim cost recorded an average growth rate of only 0.3% over those four years. This relative stability has made very low premium increases possible in the last few years.

Chart 43 | Average own damage claim cost — 2004–2007 (€)



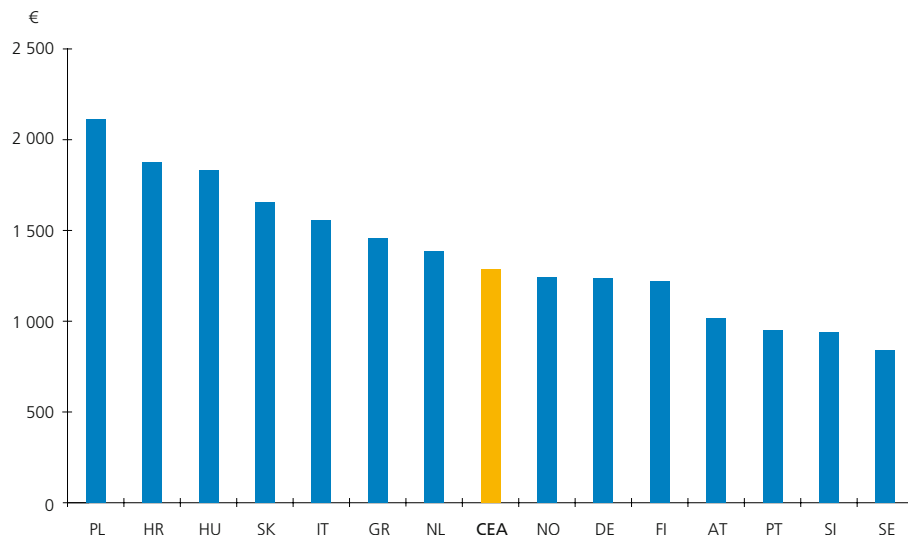
National data shows that most countries are very close to the sample average, with some exceptions such as Portugal and Slovenia, which recorded the lowest average premiums at less than €800, and Italy and Norway, where a claim in own damage insurance costs about €1 600.

Chart 44 | Average own damage claim cost by country — 2007 (€)



Adjusting the average claims cost for PPP reduces the differences between countries slightly. However, the adjusted results also show that average claim costs are still higher in eastern European countries than in western ones and therefore explain the higher own damage average premiums observed in eastern European markets (see section III.1.c).

Chart 45 | Average own damage claim cost by country (PPP-adjusted) — 2007 (€)



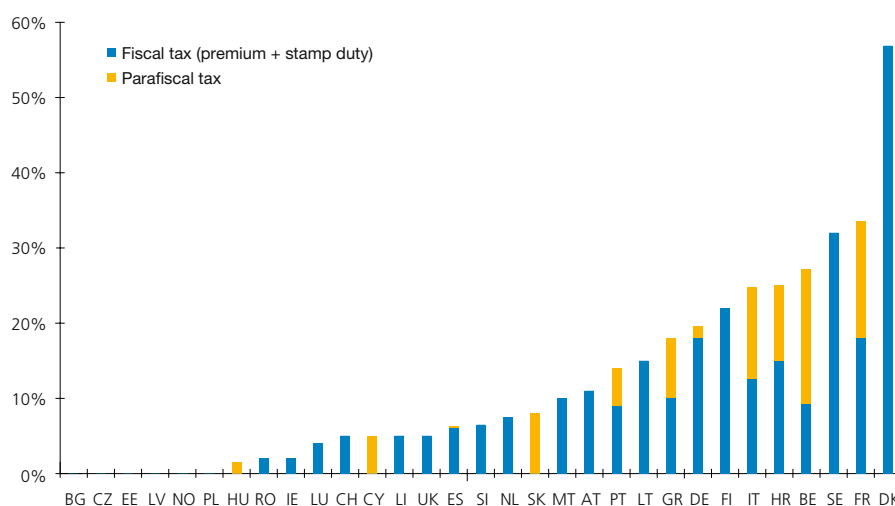
III.2.b External factors

Taxation

The average price levels presented so far are after tax and may seem lower than the prices actually paid by insureds. Although the differences between the average premium figures can largely be explained by the different risk situations and indemnity levels in the various European markets, a significant part of the difference is also due to an external factor: the fiscal regime applicable to insurance premiums. As Chart 46 shows, the taxation rate is almost 60% in Denmark, while several countries such as the Czech Republic, Estonia and Norway do not impose any tax on motor insurance premiums. Taxes, where they do occur, are frequently made up of contributions to different bodies. For instance in Portugal the 13.95% tax is split into: 9% stamp duty; 2% National Institute of Medical Emergency; 2.71% Motor Guarantee Fund; 0.242% Portuguese Insurance Supervisory Authority. An extra tax of 13% for the fire brigade is added to the 13.95% for the transport of dangerous goods, including the insurance of vehicles specifically used for transporting such goods.

Tax rates on motor premiums range from 0% to almost 60%

Chart 46 | Taxation of MTPL in Europe



Source: "Indirect Taxation on Insurance Contracts in Europe", CEA, 2009

National legislation

The Second Motor Insurance Directive specifies that all MTPL insurance has to cover both damage to property and personal injuries. The meaning of “damage” is defined by national tort law, and since national tort laws differ from one country to another, the damage covered differs.

- In several countries (eg Belgium, France) a vulnerable road-user (pedestrian, cyclist, car passenger) has special protection in the event of a road traffic accident because insurers are obliged to pay them compensation without liability being established between the parties involved. When liability is later established between the insurers of the parties involved, any necessary recoveries are made of the compensation paid to the vulnerable road-user.
- In some countries MTPL insurers are obliged by law to provide unlimited cover. This kind of cover is very difficult for insurers to offer and obliges them to take extra risks that they are not readily willing to take. Such risks are also expensive to reinsure, as reinsurers are also reluctant to cover the higher part of the risk.

IV. Key factors influencing claims frequency and cost

IV.1 Claims frequency

IV.1.a Road safety

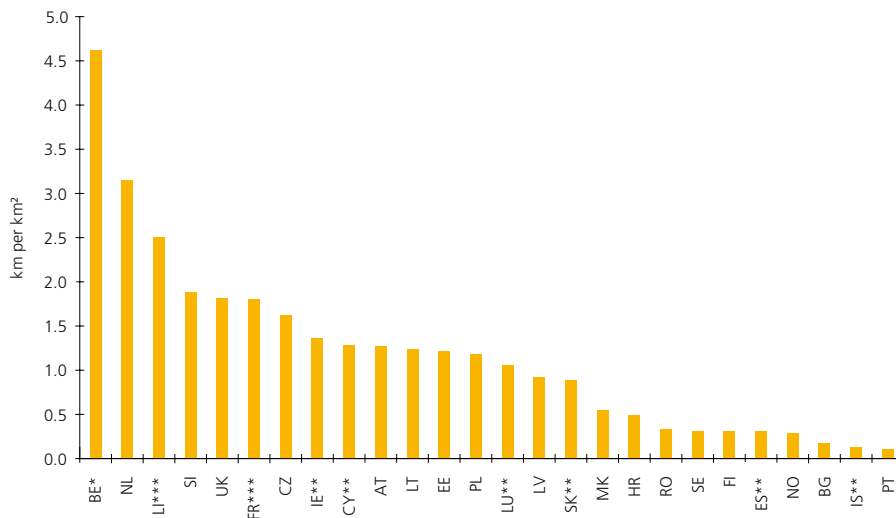
Road safety, and more specifically the number of road accidents, is a key factor influencing claims frequency in motor insurance. In addition to the measures taken by national authorities to improve road safety, insurers are also seeking new ways to reduce the number and severity of collisions on the road as part of both their commitment to social responsibility and their efforts to lower claims rates. By analysing claims data, insurers identify groups of high-risk drivers and isolate the factors that contribute to their risk as a group. Where possible, they then tailor their products to address some of these factors. In some markets this is done by incentivising safer behaviour through initiatives such as no-claims discounts, discounts for driver training or telematics¹³.

Insurers are seeking ways to improve road safety

IV.1.b Traffic conditions

Traffic conditions vary greatly from country to country due to environmental factors (eg mountainous terrain, weather conditions), road density (see Chart 47), vehicle density (see Section I), the condition of roads and driving habits.

Chart 47 | Kilometres of road per km² — 2007



Source: CEA calculations based on Eurostat data

* 2006 data

** 2005 data

*** 2004 data

¹³ For more details of insurers' contributions to road safety see the "CEA Road Safety Compendium 2009", March 2009

Even though national policies on traffic law enforcement (speed control, alcohol testing, automatic radar, etc) have created changes in driver behaviour and have improved road safety, the rules are still not wholly respected in some countries. Road safety data shows that the role of alcohol in fatal crashes, the respect for speed limits and the rate of seatbelt use vary markedly from country to country¹⁴.

IV.1.c Age and driving experience

Driving experience is a key issue in claims frequency. Young drivers with less experience generally tend to have a higher claims frequency than the rest of the population. As a consequence, differences in the age distribution of populations may partially explain the differences in claims frequency.

IV.2 Claim costs

While most of the external factors above mainly influence motor claims frequency, many other factors influence insurers' claims expenditure and explain the differences in average claim cost between European countries.

IV.2.a Vehicle repair and spare part prices

Vehicle and repair prices are important influences on motor insurance claims expenditure. Although the prices of spare parts and vehicles have not changed dramatically between 1997 and 2008 (the index increased by 1.8% on average over the period), the price of the maintenance and repair of cars has significantly increased, growing by 50% over 11 years, which represents an average annual growth rate of 4.5%.

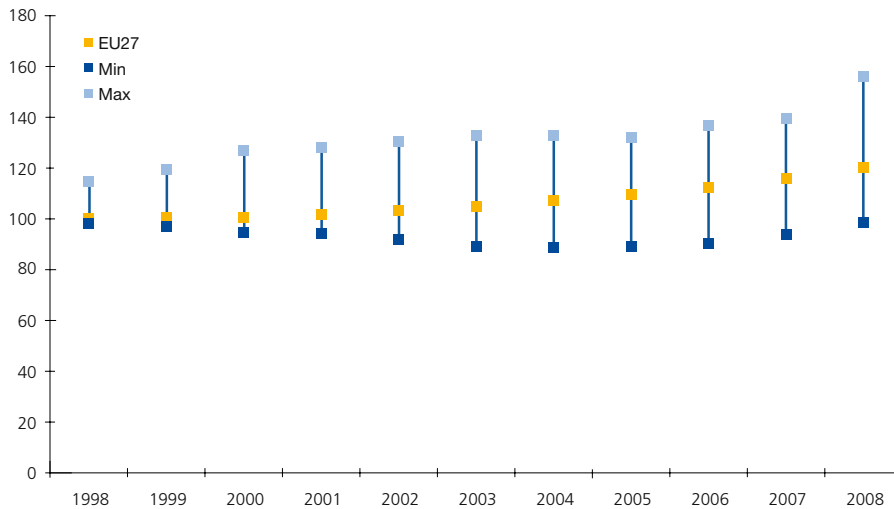
In addition, the differences between countries have constantly increased over the last 12 years, as demonstrated by the increasing length of the vertical lines in charts 48 and 49, which show the highest and lowest national price indices. The EU average is shown in green for each year on both charts.

Such discrepancies inevitably create differences in insurance pricing between countries. Although slight changes in the costs of providing insurance may be borne without significant effects on premiums, larger changes, such as the 100% increase observed in several countries in the cost of maintaining and repairing vehicles, have to be passed on to insureds if the claims frequency and other costs do not change.

Differences in repair prices between countries are increasing

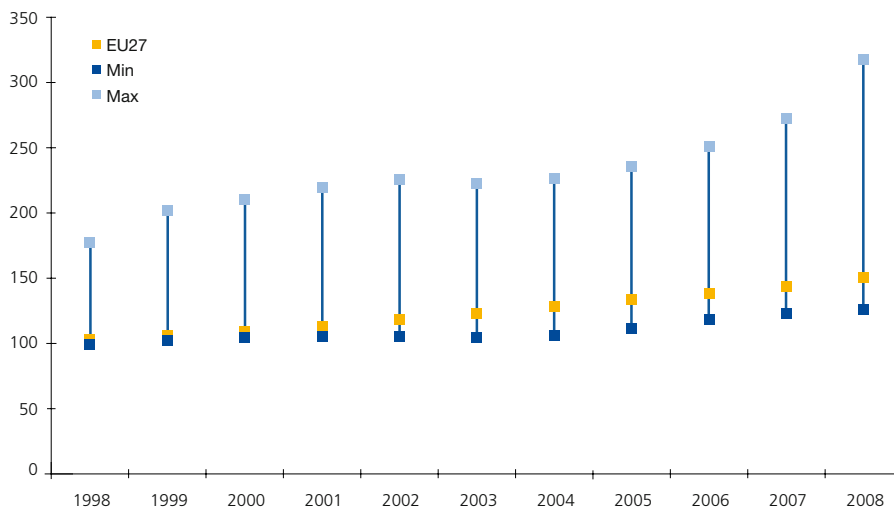
¹⁴ See CEA Statistics N°32 "The European Motor Insurance Market", December 2007

Chart 48 | Spare parts and accessories for personal transport equipment — annual average price index (1997 = 100)



Source: Eurostat

Chart 49 | Maintenance and repair of personal transport equipment — annual average price index (1997 = 100)

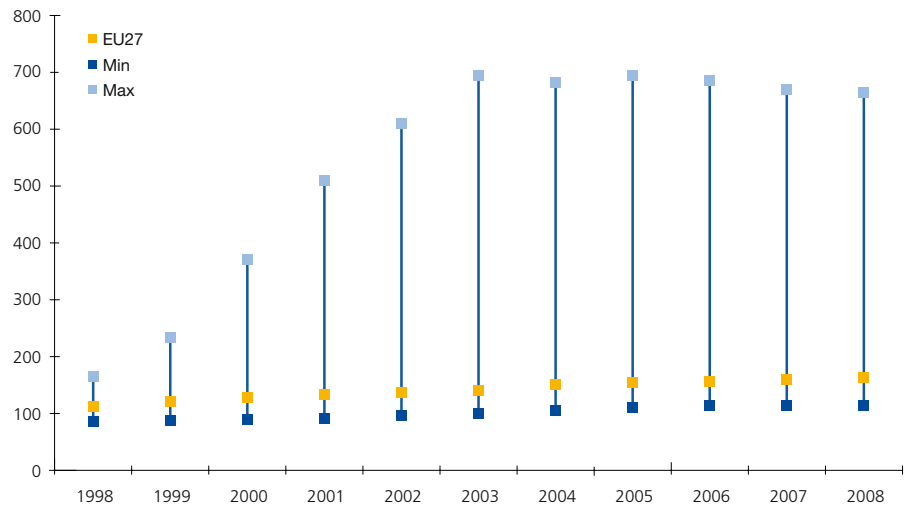


Source: Eurostat

IV.2.b Medical care prices

As a large proportion of insurers' claims expenditure is spent on bodily injuries (see Section VI), changes in healthcare prices play a major role in MTPL prices. According to Eurostat data, between 1997 and 2008 healthcare prices increased by 63%, representing an average annual growth rate of 5.8%. The difference between the lowest and the highest levels are even more marked for health costs than for transport repair and maintenance costs.

Chart 50 | Annual average healthcare price index (1997 = 100)



Source: Eurostat

In addition, medical practices vary from country to country, so the consequences of similar accidents do not lead to the same hospitalisation rates or durations in all European countries. The share of personal injury costs in claims expenditure therefore differ from one country to another and affect the premium rate.

IV.2.c Personal injury compensation

Compensation varies greatly for identical accidents in different countries

Similarly, two identical accidents in two different countries will not generate identical indemnities. Compensation for both economic loss (loss of income, annuities, medical care, adaptation of accommodation, etc) and non-economic loss (compensation for pain and suffering, indemnities for aesthetic damage, etc.) differs greatly across Europe. According to a CEA study¹⁵, total compensation for identical accidents may be five times higher in one country than another.

IV.2.d Fraud

Fraud is another factor that significantly affects insurers' claims expenditure. According to recent research by the Association of British Insurers¹⁶, the number of detected fraudulent claims represented 0.92% of all motor claims in the UK in 2008, compared with 0.61% in 2007, and these fraudulent claims represented 3.89% of all claims expenditure in 2008.

In Italy, according to estimates by the Italian insurance association, Ania, and the regulatory authority, ISVAP, 2.81% of claims in Italy appear to involve fraud and represent 2.44% of total claims paid by insurers. These rates vary significantly from region to region, with 8.31% of claims involving fraud in southern Italy against only 0.97% in the north.

¹⁵ See "L'indemnisation du dommage corporel en Europe (Données 2003)", CEA, 2004

¹⁶ "General insurance claims fraud", ABI, 2009

IV.2.e Legal expenses costs

The cost of compensation for cases dealt with by courts is now also playing an increasing role in claims expenditure, which is another reason why decreases in the number of accidents are not matched by decreases in premiums.

V. Conclusions

While the disparities between eastern and western European countries largely find their origin in differences in economic development, the difference between the average motor premium figures can be explained by many other factors such as traffic conditions, cost and compensation levels, consumer habits and national legislation. All these country-specific features have an impact on the claims frequency and the average claims cost, which are the two key determinants of the premium level.

Furthermore, within each country the average price shows significant variation from region to region and from city to city, reflecting differences in risk levels. These differences are explained by differences in traffic density, in economic development, in terrain, etc.

Two main conclusions may be drawn from this analysis of the trends in and the level of motor insurance premiums:

- The competition in mature markets has led to a decrease in the average MTPL premium in most countries, or at least a very low increase.
- New EU member states that have the lowest average MTPL premium levels also have the highest increases in premiums, demonstrating a catch-up effect in these markets which is closely linked to their expanding economies and to improvements in living standards.

VI. Personal injury claims in MTPL insurance

VI.1 Summary

Personal injuries are a key factor in the average cost of claims and form a significant share of total claims expenditure. This section, based on an ad-hoc survey, highlights the importance of personal injuries and large loss claims in MTPL claims.

An average personal injury claim is 50 times higher than the average premium

In 2006, around 2.6 million claims in Europe involved personal injuries. On average, 72 insureds out of every 1 000 reported a claim to an insurer, of which 11 involved personal injury. The number of personal injury claims has increased by 2% between 2003 and 2006.

The number of personal injury claims accounts for 14% of all claims recorded by European insurers but represents more than 50% of all claims expenditure.

At the same time, the number of large loss claims (ie personal injury claims above €100 000) accounted for only 1.1% of all personal injury claims but represented 37% of all personal injury claims expenditure.

On average, a personal injury claim cost €11 600 in 2006. This represents more than three times the average cost of all types of claims and more than 50 times the average premium paid by a policyholder.

VI.2 Methodology

The results of the study should be interpreted with care, since data on personal injury claims is not always strictly comparable from one country to another, due to differences in definitions and in methodologies.

The study is based on data from countries with approximately 215 million insured vehicles, corresponding to slightly more than 70% of the total number of vehicles in the 33 countries that are members of the CEA. However, this level of representativeness varies for some indicators, depending on the data available.

All the data examined in this study is for MTPL. However, the representativeness of the sample is calculated on the basis of total motor premiums (including both MTPL and own damage). The data represents over 90% of all the markets except Poland and Switzerland, where it represents around 50% of the market.

Data on large loss claims (ie claims above €100 000) is only available for nine countries (Belgium, Germany, Finland, France, Hungary, Iceland, Italy, Portugal, Spain) representing approximately 62% of the total European motor insurance market. For Belgium, Italy, Portugal and Hungary only partial data was available, representing 80–90% of the market. Ratio indicators comparing variables with a different level of representation have been corrected accordingly. Countries with data representing less than 50% of the market have not been included in the analysis. The data collected does not provide any breakdown between material damage and personal injury.

As there is no common definition of severe injury, the large loss claims examined in this survey have been split into three groups:

- claims from €100 000 to €500 000;
- claims from €500 001 to €1m; and,
- claims above €1m

Despite our efforts to collect comparable data, the thresholds for the breakdown by size of the large claims can differ from country to country. The main discrepancies are for Belgium (claims ranging between €125 000 and €500 000 and claims above €500 000) and France (claims ranging from €650 000 to €1.5m and claims above €1.5m).

Most data is from 2006 unless otherwise stated. Due to the lack of complete data for 2007, it has not been possible to draw any concrete conclusions for the EU as a whole.

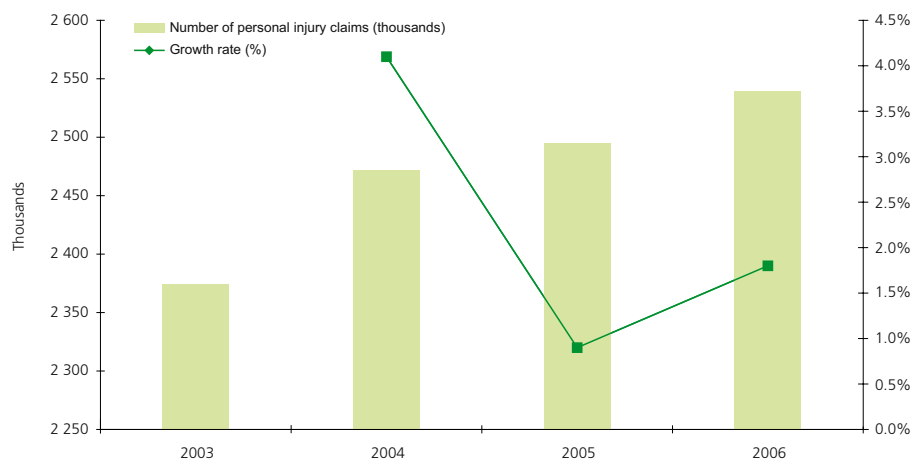
For Austria, Belgium, Estonia, Poland, Portugal and Switzerland, data refers to the accident year. For all the other countries, data is based on the accounting year.

VI.3 Number of personal injury claims and claims frequency

VI.3.a Total personal injury claims

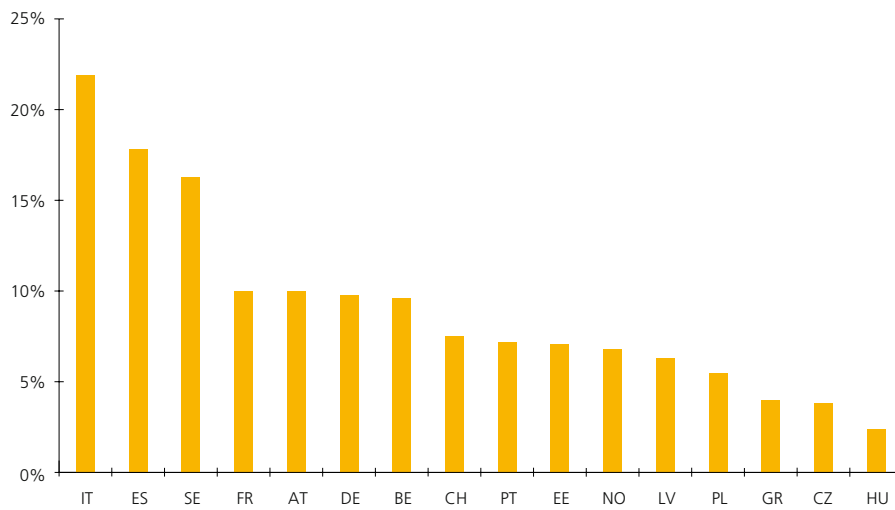
About 2.6 million personal injury claims were recorded in 16 countries, representing approximately 85% of the total European motor insurance market. This number increased between 2003 and 2006 at a yearly average rate of 2.3%.

Chart 51 | Number of personal injury claims — 2003–2006 (thousands)



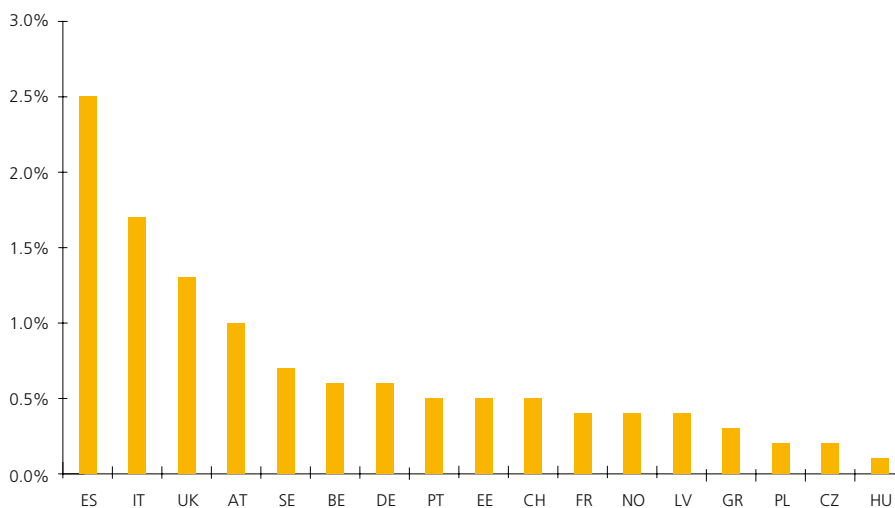
On average, claims with personal injuries represented 14% of all claims in 2006¹⁷. This level was stable between 2004 and 2006, but is slightly higher than in 2003 (13.6%). However, the level varies significantly from country to country, ranging from 2.4% in Hungary to 22% in Italy.

Chart 52 | Personal injury claims as percentage of total claims — 2006



On average, the frequency of claims involving personal injuries was 1.1% in 2006¹⁸. This level has been stable over the last four years. Yet again, the ratio shows huge variations between countries, with a low of 0.1% in Hungary up to a high of 2.5% in Spain. The frequency of personal injury claims is generally higher in western European countries than in eastern ones.

Chart 53 | Personal injury claims frequency — 2006



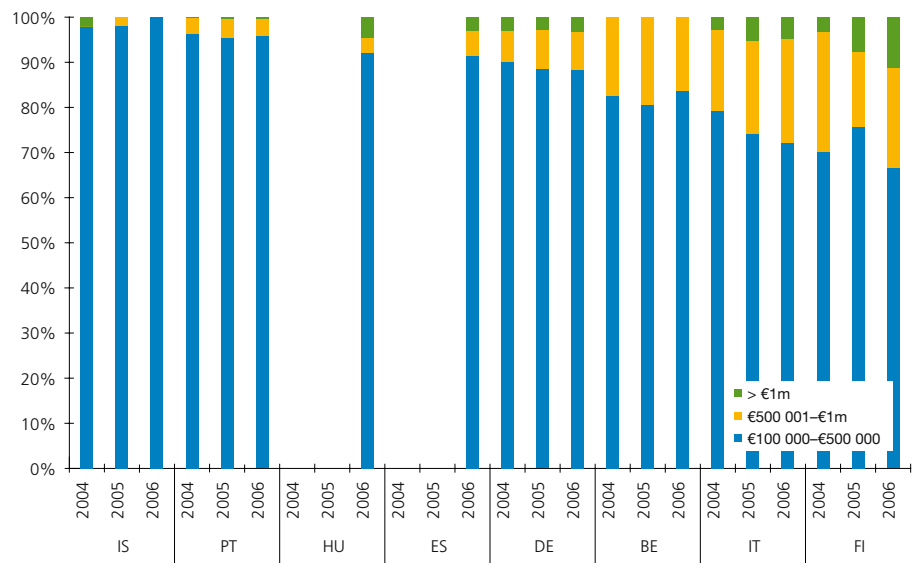
¹⁷ Calculated from countries representing 72% of the European market

VI.3.b Large personal injury claims

For a sample of 12 countries¹⁹ representing 50% of the total European motor insurance market, 16 803 claims²⁰ above €100 000 were reported. Restricting the analysis to claims above €500 000 results in 2 960 claims in 2006 in nine countries²¹ that represent 62% of the European motor market. More than 787 claims²² cost more than €1m.

More than 80% of large claims (ie >€100 000) in most countries cost between €100 000 and €500 000. The exception is Italy and Finland, where claims above €500 000 account for up to 30% of all large claims for some years. Claims above €1m accounted for 11% of all large claims in Finland in 2006.

Chart 54 | Distribution of large personal injury claims by size



The frequency of claims with personal injuries exceeding €100 000 is below 0.02% in all the countries in the sample and has to be compared with the frequency of 1.1% for all claims with personal injuries. As with the total claims frequency, the frequency of claims with personal injuries above €100 000 is higher in western European countries than those in the east.

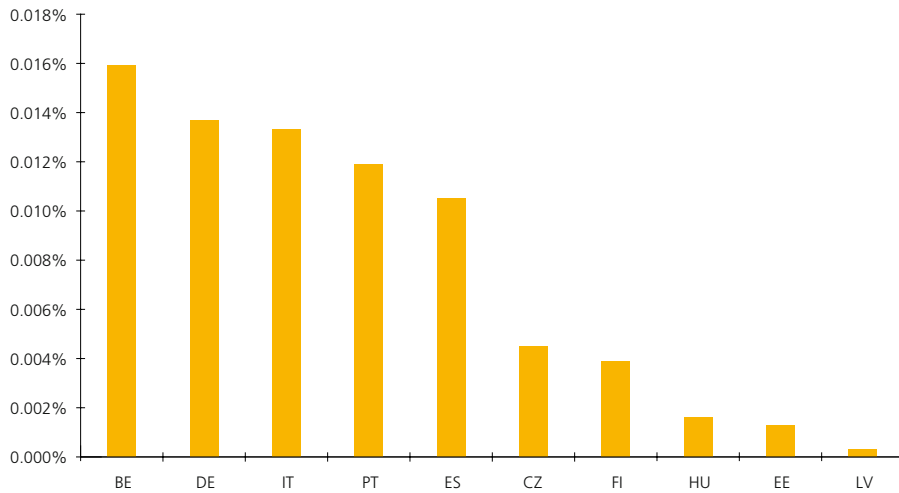
¹⁹ Belgium (claims above €125 000), Czech Republic, Germany, Estonia, Finland, Greece, Spain (claims above €30 000), Hungary, Iceland, Italy, Latvia, Portugal

²⁰ This figure includes 1 070 claims above €30 000 in Greece

²¹ Belgium, Germany, Finland, France, Spain (claims above €650 000), Hungary, Iceland, Italy, Portugal

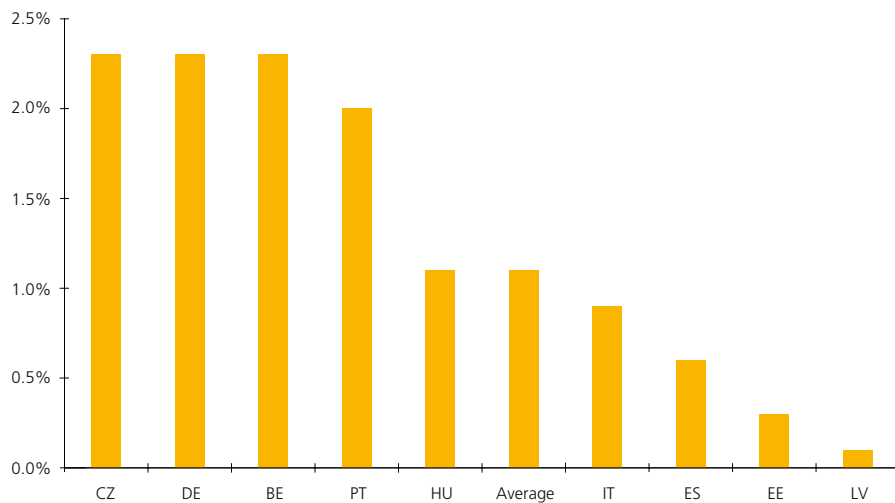
²² Same sample as for the claims above €500 000 but without Belgium

Chart 55 | Frequency of large personal injury claims — 2006



On average, claims above €100 000 represent about 1.1 % of the total number of claims with bodily injuries. This percentage varies from less than 0.5% in Estonia and Latvia to more than 2% in Belgium, Germany and the Czech Republic.

Chart 56 | Large personal injury claims as percentage of total personal injury claims — 2006



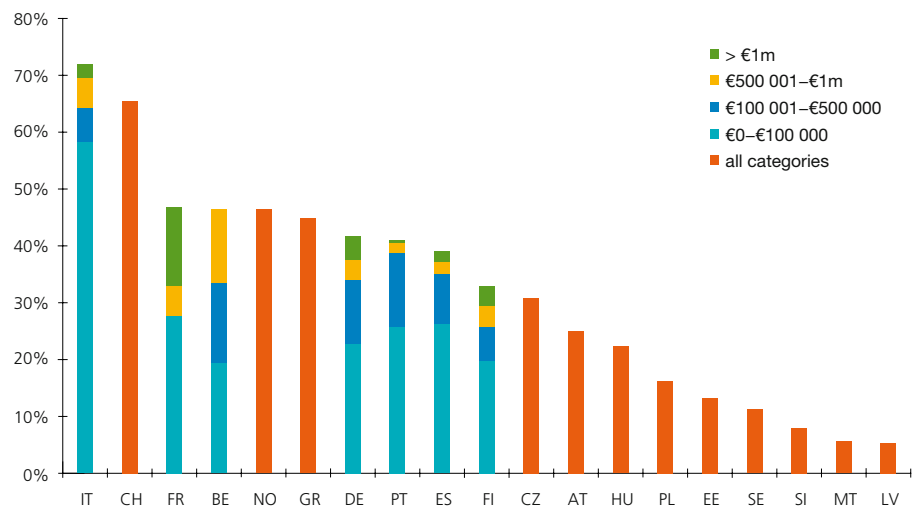
VI.4 Personal injury claims expenditure

VI.4.a Total personal injury claims expenditure

The personal injury share of claims expenditure varies from over 70% to below 20%

The share of claims with personal injuries represented 52.3%²³ of all claims expenditure in 2006, which is similar to the level observed in 2005 and is 2.5 points higher than in 2003 and 2004. The personal injury share of claims expenditure is above 70% in Italy and below 20% in most eastern European countries in our sample and also in Sweden, where social security covers a large part of the cost.

Chart 57 | Personal injury claims expenditure as percentage of total claims expenditure — 2006



Notes: For BE, the category €500 001–€1m includes all claims above €500 000
 For FR, the category €0–€100 000 includes claims up to €650 000,
 the category €500 001–€1m includes claims from €650 000 to €1.5m and
 the category >€1m includes claims above €1.5m

In 2006, the average claim cost was €3 188, down from €3 308 in 2004²⁴, while the average cost of claims with personal injuries was €11 597²⁵, compared with €10 855 in 2004. The fact that the cost of claims with personal injuries is growing (+3.4% annually between 2004 and 2006) despite the total average claims cost decreasing (-1.8% annually over the same period), combined with the rise in the number of claims involving personal injuries, has a significant effect on the claims paid by insurers.

It is also worth noting that, on average, a personal injury claim costs more than three times as much as an average claim and about 50 times the average MTPL premium paid by policyholders.

²³ This figure is calculated on the basis of a sample of countries representing 70% of the European market

²⁴ Calculated from a sample of countries representing 75% of the European market

²⁵ Calculated from a sample of countries representing 85% of the European market

Chart 58 | Average cost of personal injury claims — 2003–2006 (€)

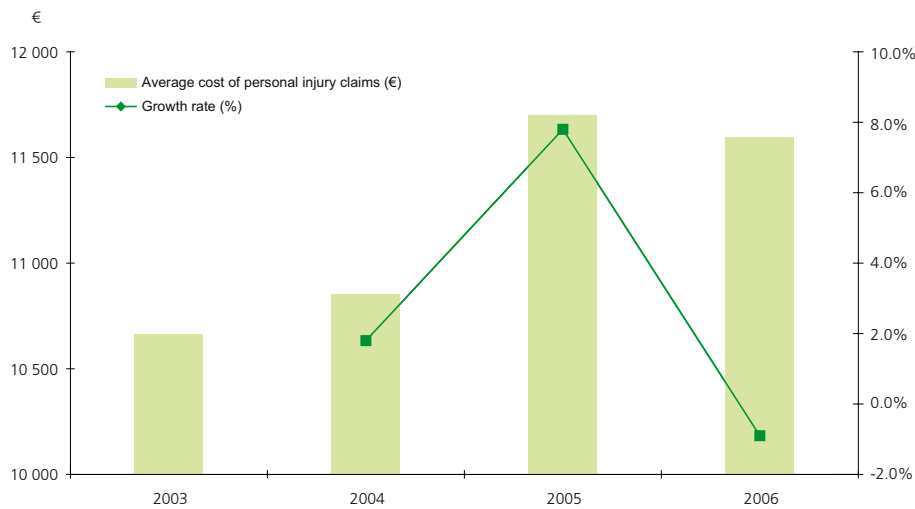
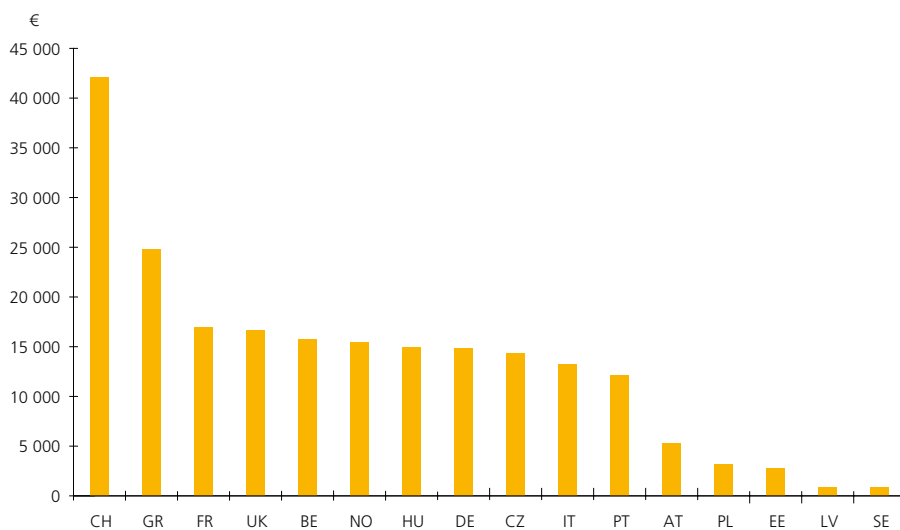
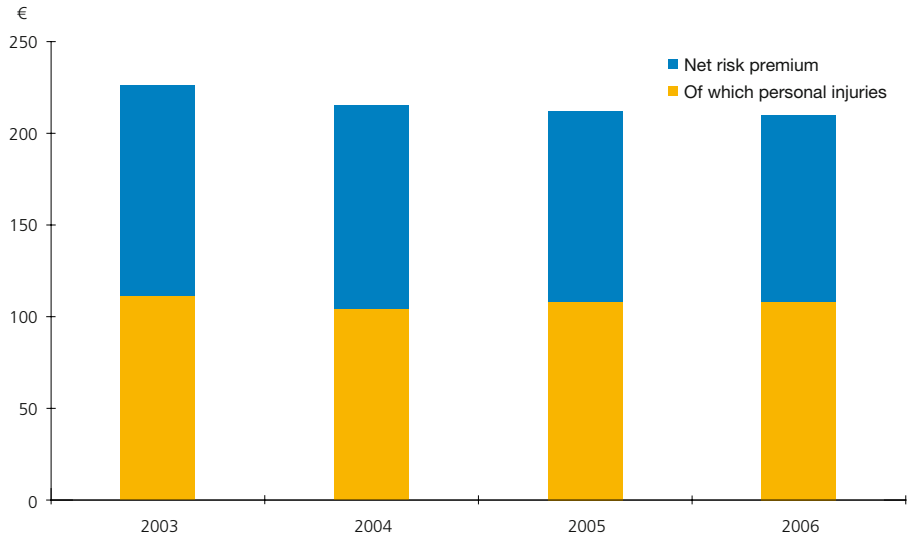


Chart 59 | Average cost of personal injury claims by country — 2006 (€)



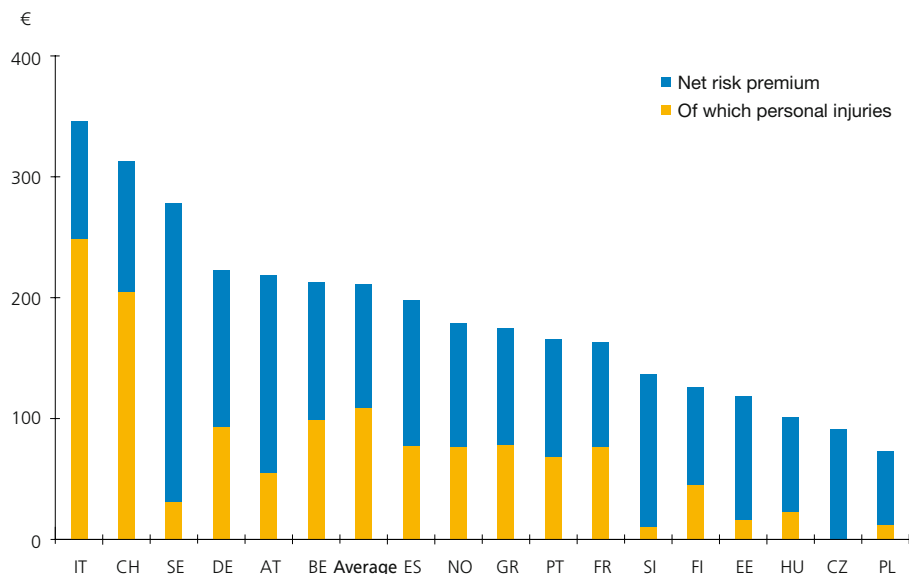
As already stated, the net risk premium shown in Chart 60 corresponds to the theoretical cost of insurance per policyholder were there no operating expenses, no remuneration for the shareholders and no investment income. On average, for a sample of 14 countries representing about 70% of the EU market, the net risk premium of claims in MTPL amounted to €210 in 2006 compared with €226 in 2003. The net risk premium has decreased by 2.4% on average between 2003 and 2006, while within the same timespan the net risk premium of personal injuries has only decreased by 0.7%. As a result, the share of personal injury costs in the net risk premium has increased from 49% in 2003 to 51.5% in 2006.

Chart 60 | Personal injury claim costs as share of total net risk premium — 2003–2006 (€)



The country analysis for 2006 shows that net risk premiums vary from €50 in Poland to more than €300 in Italy. As previously mentioned, the net risk premium and the share of personal injuries in the total net risk premium are generally higher in western European countries than in eastern ones. It is also noticeable that the differences in net risk premiums between countries is for the most part explained by the personal injury factor.

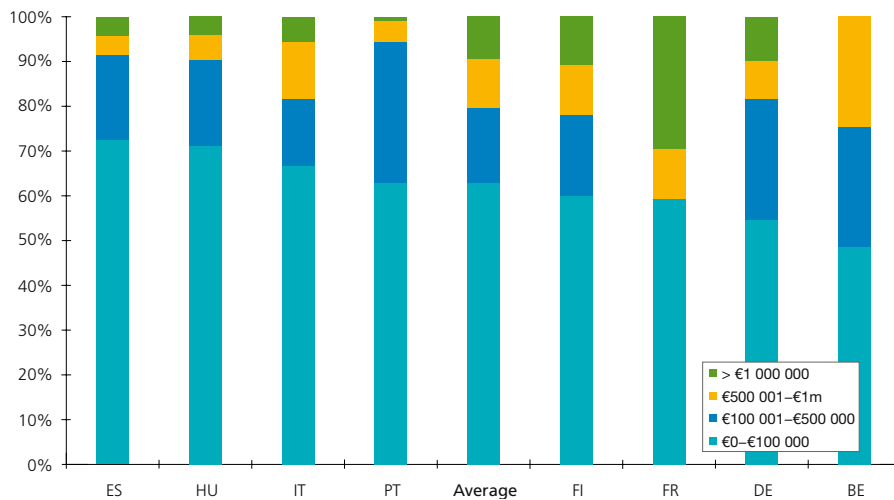
Chart 61 | Personal injury claim costs as share of total net risk premium by country — 2006 (€)



VI.4.b Large personal injury claims expenditure

On average, 37% of claims expenditure with personal injuries is for claims above €100 000, of which 17% relates to claims between €100 001 and €500 000, 10% to claims between €500 001 and €1m, and 10% to claims above €1m. Claims above €500 000 account for less than 0.2% of the personal injury claims but represent about 20% of total personal injury claim expenses.

Chart 62 | Distribution of personal injury claims expenditure by claim size
— 2006



Notes: For BE, the category €500 001-€1m includes all claims above €500 000
 For FR, the category 0-€100 000 includes claims up to €650 000,
 the category €500 001-€1m includes claims from €650 000 to €1.5m and
 the category >€1m includes claims above €1.5m

The cost of very large claims (>€500 000) rose in Italy, France and Germany between 2003 and 2006.

Chart 63 | Distribution of large loss claims expenditure by size



Two claims in the last five years cost over €25m

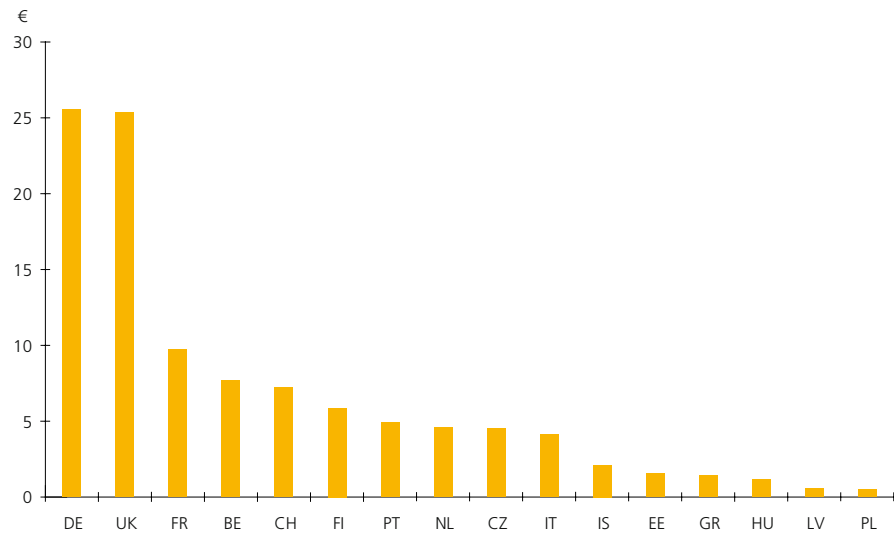
VI.5 Largest personal injury claims

The largest European claims are exceptional cases that happen very rarely (eg, the 1999 Mont Blanc tunnel fire). However, despite the low probability of the occurrence of such large claims, their cost is a significant factor in insurers’ calculation of premiums.

The two largest claims recorded in Europe over the last five years were in Germany and the UK and cost over €25m each. In other countries, the largest claims were between €5m and €10m in most western European countries and lower in eastern ones. Most of the accidents involved several cars, trucks or buses and resulted in severe injuries or fatalities. Several of the largest accidents in the last decade took place in tunnels (eg Mont Blanc in France, Tauren in Austria, Gotthard in Switzerland).

The Mont Blanc fire on 24 March 1999, which caused the death of 39 people, was one of the most expensive road accidents ever, with a total cost of approximately €89m, of which around €35m was paid by insurers.

Chart 64 | Cost of largest personal injury claim — 2001–2006 (€m)



Note: Cost includes claims paid and provisions

Expressed as a percentage of all MTPL claims expenditure (claims and provisions) of the year of an accident, the largest accident accounts for less than 1% of expenditure in most countries. The share of the largest claims in the total is generally higher in small markets than large ones. However, in Latvia, the Czech Republic and Estonia, the high cost is due to the accident occurring in western European countries where claims are generally more costly.

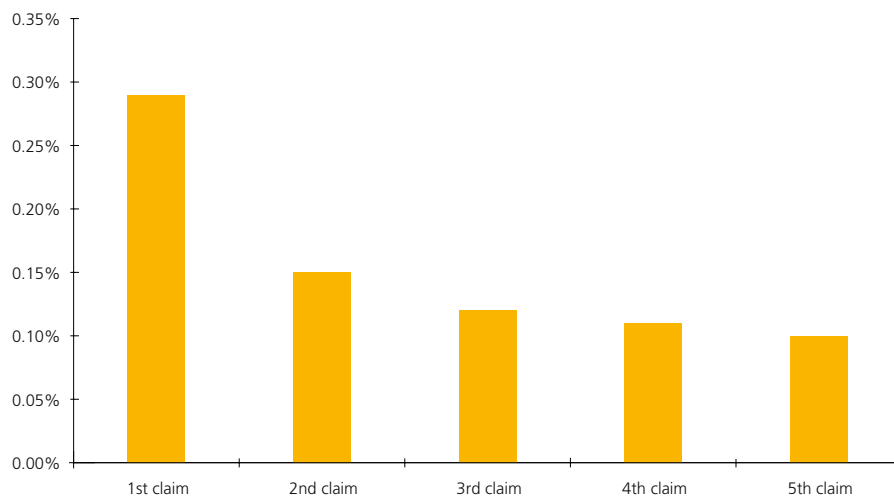
Table 1 | Largest claim by country — 2001–2006

Country (Year)	Cost (€m)	Number of injured	Number of fatalities	Type of vehicle(s)	Place of accident	Share of total MTPL claims expenditure
Germany (2004)	25.6					0.20%
UK (2002)	25.37					
France (2006)	9.73					0.20%
Belgium (2006)	7.7	23 (of which 6 severely)	7	Coach	Spain	0.60%
Switzerland (2007)	7.25					1.10%
Finland (2004)	5.9	15	23			1.30%
Portugal (2004)	4.9					0.60%
Netherlands (2005)	4.6					0.20%
Czech Republic (2004)	4.5	1 (from Germany)			Germany	0.80%
Italy	4.1	73	6	169 vehicles (cars and trucks)		0.03%
Iceland (2004)	2.1	40				
Estonia (2005)	1.53					3.90%
Greece (2005)	1.4	40	3	Coach and car		0.20%
Hungary (2002)	1.16	2	1	2 private cars		0.44%
Latvia (2006)	0.58		1		Italy	1.50%
Poland (2004)	0.5					0.20%

Notes: 1. The cost corresponds to provisions + claims paid. These amounts include not only personal injuries but also material damage.
 2. For CH, EE, UK, DE, PL, PT FR and NL, detailed information is not available

On average, the largest claim represents about 0.3% of the total claims expenditure for the year while the following four claims range from 0.15% to 0.10% (see Chart 65).

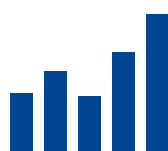
Chart 65 | Average cost of five largest claims as percentage of total claims expenditure — 2001–2006



Part II

Country reports

(as at October 2009)



AUSTRIA

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	2 883	2 883	2 883	0.0%	-1.0%
of which MTPL	1 807	1 793	1 755	-0.8%	-2.1%
of which own damage	1 076	1 090	1 098	1.3%	0.7%
Motor insurance as % of total non-life premiums	34.3%	33.3%	32.2%		
Average MTPL premium (€)	310	303	292	-2.2%	-3.6%
Combined ratio — MTPL					
Structural data					
Number of insurance companies	25	25			
Concentration ratio — 5 largest groups	67%	67%	67%		
Concentration ratio — 10 largest groups	87%	87%	86%		
Vehicles per 1 000 inhabitants		546			
Macroeconomic indicators					
Real GDP growth	3.5%	3.5%	2.0%		
Inflation	1.7%	2.2%	3.2%		

Motor insurance continues to be sold mainly by employed intermediaries, with a smaller share sold through brokers and independent agents. Sales via the internet or telephone are negligible. The development in many other markets of marketing own-brand insurance with a new vehicle has not yet reached Austria.

Some changes have been seen to products in respect of bonus-malus systems and the tariff structure but no major developments are expected in the near future.

The most common cover sold for private vehicles has a limit of €10m or €15m.

Repair costs remained a major concern for motor insurers in 2008. The increase in repair costs was 5.4%, compared to an inflation rate of 3.2%. The average hourly labour charge increased by 5.4% and now amounts to approximately €111. The insurance industry is promoting the use of alternative, cost-saving repair methods such as plastic or spot repairs (in the paint sector) through events and training. In addition, the industry is seeking to communicate with repair shops mainly electronically (eg requests for inspection, sending experts' reports and invoices).

II. Key developments

The Fifth Motor Insurance Directive was transposed by 1 July 2007 without any problems.

The new minimum sums insured are €5m for bodily injury and €1m for material damage per event, making a combined total of €6m per event. There are significantly higher minimum amounts for buses and vehicles carrying dangerous goods.

The Austrian Guarantee Fund has to provide compensation for material damage caused by unidentified vehicles where a victim is "seriously" injured. According to the definition in Austrian criminal law, this is an injury that involves impairment to health or incapacity to work for more than 24 days. This provision has caused no claims-handling problems.

The Austrian market has no experience of the provision for dispatched vehicles. There is neither demand from customers to insure Austrian vehicles bought for export with foreign insurers, nor are Austrian citizens asking Austrian insurers to cover vehicles they wish to import from other member states. As in the past, vehicles are imported to/exported from Austria with temporary plates insured in the country where the plates were issued without problems.

BELGIUM

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	3 012	3 066	3 129	1.8%	2.1%
of which MTPL	1 963	1 969	1 972	0.3%	0.2%
of which own damage	1 049	1 097	1 157	4.6%	5.5%
Motor insurance as % of total non-life premiums	33.1%	32.2%	31.6%		
Average MTPL premium (€)	314	309		-1.5%	
Combined ratio — MTPL	104%	109%		4.4%	
Structural data					
Number of insurance companies	37	36			
Concentration ratio — 5 largest groups	68%	76%			
Concentration ratio — 10 largest groups	92%	95%			
Vehicles per 1 000 inhabitants		522			
Macroeconomic indicators					
Real GDP growth	3.0%	2.8%	1.1%		
Inflation	2.3%	1.8%	4.5%		

II. Key developments

II.1 Legislation

New minimum requirements for MTPL came into effect on 1 January 2010. Bringing legislation into line with legislative, regulatory and case-law developments will bring some changes that will benefit consumers.

II.2 Road safety

After continuous improvements from 2000 to 2005 and no change in the figures in 2006 and 2007, the number of people killed on Belgian roads finally started to fall again in 2008. High petrol prices no doubt encouraged motorists to use their cars less and drive more slowly.

Accidents on weekend nights are a greater problem than ever. While the number of people killed on the roads during the week is falling, it is rising at weekends. There is a clear need for appropriate road safety campaigns, as well as stricter, more widespread police checks.

Insurers support and organise prevention campaigns, either on their own, in collaboration with third parties or as part of group initiatives. Through the Belgian insurance association, Assuralia, motor insurers have sponsored the high-profile "Bob" campaign for the fifth time in a row. The association teams up with the Belgian Road Safety Institute and the Belgian Brewers to design the festive-season campaign. It also highlights road safety issues in the spring and summer months through initiatives encouraging young people to designate a sober driver (or "Bob") for outings on Friday and Saturday nights, for example.

III. Future developments

Assuralia is currently working on several ways to enable insurance companies to speed up and simplify claims handling, such as, for example, the computerisation of the procedure by which insurance companies make applications to the judicial authorities to consult criminal files.

CROATIA

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	466	517	564	11.1%	9.1%
of which MTPL	335	371	405	10.8%	9.1%
of which own damage	131	147	160	11.9%	9.0%
Motor insurance as % of total non-life premiums	56.7%	57.7%	57.1%		
Average MTPL premium (€)	179	189	198	5.5%	4.6%
Combined ratio — MTPL	102%	102%	101%	0.5%	-1.4%
Structural data					
Number of insurance companies	12	14	14		
Concentration ratio — 5 largest groups	86%	84%	84%		
Concentration ratio — 10 largest groups	99%	98%	96%		
Vehicles per 1 000 inhabitants		324			
Macroeconomic indicators					
Real GDP growth	4.7%	5.5%	2.4%		
Inflation	3.2%	2.9%	6.0%		

I.1 Preliminary trends for 2009

The outlook at the start of 2009 was not encouraging, since in the first half of the year gross premiums declined by 1.2%, with non-life insurance premiums decreasing by 0.5% and life insurance premiums falling, for the first time in years, by 3.5% compared to the first half of 2008. The slowdown of the economy, the financial market crisis, the rise in unemployment and the decrease in real income all continue to have an adverse effect on growth in the insurance market.

II. Key developments

II.1 Legislation

The provisions of the Croatian Compulsory Traffic Insurance Law (which regulates compulsory motor, aircraft and motorboat TPL and accident insurance for passengers on public transport) enabling the liberalisation of insurance conditions and tariffs entered into force on 1 January 2008. The Croatian Insurance Law and the Compulsory Traffic Insurance Law were amended in July 2008 and March 2009 respectively, mainly to further harmonise the provisions of these laws with EU regulations.

II.2 Market practices

Motor TPL insurance is still sold mainly directly by insurance companies at the Vehicle Registration Offices. Other distribution channels are less important, although direct writing via the internet is gaining in importance.

The Croatian Insurance Bureau operates a claims database aimed at combating fraud by giving its members access to claims data in order to enable the detection of multiple and fraudulent motor insurance claims. In 2008 automated procedures were implemented supporting the detection of potentially false policies by comparing data on MTPL policies collected from insurance companies with data supplied by the Ministry of the Interior, and a further project was initiated within the Information Centre at the Bureau aimed at addressing the issue of uninsured vehicles.

Alternative dispute resolution (ADR) mechanisms are becoming more common. The Mediation Centre at the Croatian Insurance Bureau had the best results of all the mediation centres in 2008 and the work of the Insurance Ombudsman Bureau at the Croatian Insurance Bureau has improved standards of consumer protection in insurance disputes.

III. Future developments

III.1 Legislation

The amended Croatian Insurance Law and the Compulsory Traffic Insurance Law incorporate provisions that will enable the transposition of the relevant EU Directives into Croatian law when Croatia joins the EU.

The Information Centre at the Croatian Insurance Bureau is also ready to meet the requirements of the Fourth Motor Insurance Directive when Croatia joins the EU. It helps victims of traffic accidents to identify the appropriate third party liability insurer of the vehicle that caused the accident and to provide other information in accordance with the current legal provisions laid down by Croatian insurance law.

The Information Centre contains an MTPL Insurance Register of all vehicles registered in Croatia, which is also available online at www.huo.hr. It also maintains a database of shortened versions of police reports to facilitate and speed up motor insurers' claims-handling procedures.

CYPRUS

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	156	163		4.3%	
of which MTPL	109	115		5.1%	
of which own damage	47	48		2.5%	
Motor insurance as % of total non-life premiums	45.4%	45.4%			
Average MTPL premium (€)					
Combined ratio — MTPL					
Structural data					
Number of insurance companies	21	20			
Concentration ratio — 5 largest groups	55%				
Concentration ratio — 10 largest groups	80%				
Vehicles per 1 000 inhabitants		453			
Macroeconomic indicators					
Real GDP growth	4.1%	4.4%	3.7%		
Inflation	2.3%	2.2%	4.4%		

There are currently 23 insurance companies writing motor business. Of these, 19 are domestic companies, one is a branch of a non-European company and three operate on the basis of freedom of establishment.

New motor vehicle registrations totalled 67 772 in 2008, compared to 64 405 in 2007, of which 49 100 were private vehicles, compared to 48 133 in 2007.

Motor insurance continues to be sold mainly through the agency network or directly by companies. While telephone sales are increasing, internet sales remain low.

On the claims side, the electronic assessment of motor vehicle damage following an accident is being introduced and is now carried out by most insurance companies.

ESTONIA

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	137	176	187	28.5%	6.5%
of which MTPL	57	69	76	20.7%	9.3%
of which own damage	79	106	112	34.2%	4.7%
Motor insurance as % of total non-life premiums	68.4%	69.3%	68.3%		
Average MTPL premium (€)	121	133	138	9.3%	4.3%
Combined ratio — MTPL	98%	113%	92%	15.0%	-18.2%
Structural data					
Number of insurance companies	8	9	10		
Concentration ratio — 5 largest groups	96%	85%	82%		
Concentration ratio — 10 largest groups	100%	100%	99%		
Vehicles per 1 000 inhabitants		390			
Macroeconomic indicators					
Real GDP growth	10.0%	7.2%	-3.6%		
Inflation	4.5%	6.7%	10.6%		

Royal Sun Alliance entered the MTPL market in the third quarter of 2008.

Reinsurance prices increased by more than 10% in 2008.

I.1 Preliminary trends for 2009

The economic recession is continuing, with the first signs of stabilisation not expected before the end of 2009.

The number of road accidents is decreasing. A decrease of about 20% is expected in claims paid for 2009. MTPL premiums are expected to fall by 10%, mainly due to a decline in tariffs.

II. Key developments

II.1 Legislation

A law that came into force in December 2008 allows the taking of an additional premium for Green Cards valid outside the European Economic Area. Insurers have not applied this widely.

II.2 Market practices

Insurers have established a Code of Conduct, which is expected to improve customer service and customer information.

Because of increased competition, motor insurers have developed new services in addition to the main cover. Comprehensive insurance or roadside assistance can be included in the cover.

During 2008 insurance sales over the internet rose, especially those transacted by brokers, whose role in providing services via e-channels is significant.

The Traffic Insurance Fund improved processes in relation to registered uninsured vehicles. As a result, the number of uninsured vehicles has decreased and data in the Motor Vehicle Registration Centre has been corrected.

Some insurers changed their underwriting and pricing methodologies in MTPL business. For example, they now take into account the make and model of the vehicle, which has improved their bonus-malus system.

The Traffic Insurance Fund, insurers and car repairers cooperated to implement WinCabas, a computer system that calculates the total cost of body repairs for cars and light commercial vehicles. WinCabas has already had an impact on the claims-handling process and costs are more controllable. Most dealers are part of the network. Some insurers have also implemented a claims-handling procedure whereby a client can file a claim directly at a car repair workshop.

III. Future developments

III.1 Legislation

From 11 December 2009 until 10 June 2012, the compensation limits for traffic accidents in Estonia for one insured event will be €0.5m for property damage and €2.5m for personal injury. The full limits that will be implemented as of 11 June 2012 are €1m and €5m respectively.

FINLAND

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	1 196	1 189	1 245	-0.6%	4.7%
of which MTPL	683	644	666	-5.7%	3.4%
of which own damage	513	545	579	6.2%	6.2%
Motor insurance as % of total non-life premiums	38.1%	38.0%	38.1%		
Average MTPL premium (€)	175	154	155	-12.2%	0.6%
Combined ratio — MTPL	105%	101%	102%	-3.7%	1.7%
Structural data					
Number of insurance companies	18	18	18		
Concentration ratio — 5 largest groups	91%	92%	92%		
Concentration ratio — 10 largest groups	100%	100%	100%		
Vehicles per 1 000 inhabitants		542			
Macroeconomic indicators					
Real GDP growth	4.9%	4.2%	1.0%		
Inflation	1.3%	1.6%	3.9%		

II. Key developments

II.1 Legislation

The government has introduced a new vehicle registration procedure that links the vehicle register with insurance data and vehicle tax data. The new procedure updates the vehicle register and makes it possible to draw conclusions. For example, during 2008, 377 000 vehicles were laid up. At the end of the year 316 000 remained in this status (of which 230 000 were passenger cars). 962 laid-up vehicles were found to be on the road in 2008.

Preparatory work was carried out for Russian Green Card membership at the beginning of 2009.

II.2 Market practices

The largest marketing channel for MTPL is currently through car dealerships.

Two new foreign insurance companies were established in the Finnish market during 2008.

II.3 Developments in motor liability insurance

Temporary insurance cover for the transit licence of a motor vehicle is granted by the Finnish Motor Insurers' Centre. About 137 284 insurance policies were issued and 72 claims reported in 2008.

The Ministry of Health and Social Affairs has continued its work to modernise the current Finnish Motor Liability Insurance Act.

II.4 Road safety

The road safety work of the Finnish Motor Insurers' Centre was carried out by the Traffic Safety Committee of Insurance Companies (VALT). Traffic accidents were investigated with the authorities across the whole country. 20 teams investigated all fatal traffic accidents and some non-fatal accidents according to the standardised investigation method improved in 2003. Topics studied included driver illness, safety of light trailers, safety of motorcycles, driver suicide and the role of road conditions in fatal accidents involving pedestrians and cyclists.

III. Future developments

Premium rating and product development will continue to increase competition between motor insurers.

Cooperation between the insurance industry and automotive market as well as other interest groups will continue to an increased extent. Electronic claims inspection at repair shops is becoming standard.

FRANCE

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	17 729	17 703	17 880	-0.1%	1.0%
of which MTPL	6 972	6 846	6 805	-1.8%	-0.6%
of which own damage	10 757	10 857	11 075	0.9%	2.0%
Motor insurance as % of total non-life premiums	31.2%	30.2%	29.3%		
Average MTPL premium (€)	179	174	172	-2.8%	-1.4%
Combined ratio — MTPL	120%	127%	119%	5.7%	-6.4%
Structural data					
Number of insurance companies	108	99			
Concentration ratio — 5 largest groups	65%	65%			
Concentration ratio — 10 largest groups	88%	89%			
Vehicles per 1 000 inhabitants		481			
Macroeconomic indicators					
Real GDP growth	2.2%	2.3%	0.4%		
Inflation	1.9%	1.6%	3.2%		

Companies with intermediaries represent 44.5% of the market, direct business mutual companies 35.8%, bancassurance 8.2% and direct insurance 2.1%.

II. Key developments

II.1 Legislation

A law passed on 17 January 2008 created new rights for victims whose cars have been vandalised (burnt). Victims who are not insured against fire can claim compensation from the "Terrorism and other offences victims' compensation fund". To avoid fraud or uninsured driving, insurers asked parliament to set certain conditions: proof of registration, technical vehicle inspection, proof of limited means.

A government proposal for an annual tax for vehicles emitting more than 250g/km of CO₂ to be collected by insurers has been abandoned.

II.2 White Book on personal injury compensation

The French insurance association, the FFSA, and Gema, the French federation of mutual insurers, published a White Book in 2007 that aims to introduce more fairness and transparency by harmonising and clarifying personal injury compensation. The White Book contains two proposals for a comprehensive overhaul of the current system of recourse to social security agencies.

In an attempt to adapt compensation methods to reflect societal changes, insurers outlined, through this White Book, the measures they want to put in place to better assist victims (especially the most severely injured) through the development of a plan for their social and professional rehabilitation.

A press conference was held on 24 April 2008. The White Book was submitted to victims' associations, members of parliament, members of the government, judges of Courts of Appeal and of Cassation and law professors. While law professors reacted positively, the victims' associations, and especially victims' lawyers, reacted negatively. However, discussions on medical assessment then commenced with the victims' associations.

II.3 Drivers' personal insurance

An Act of 5 July 1985 provides for better treatment for non-drivers than drivers as regards compensation. Two national proposals (in the annual report of the Court of Cassation and the "Catala" report) aim to extend the terms of compensation for drivers by treating them as non-drivers.

The FFSA proposed another solution: drivers' personal insurance, which it is currently working on in a joint taskforce with Gema. The FFSA remains convinced that first party insurance for the driver is the best way to compensate all the occupants of a vehicle. This work was completed in 2009.

II.4 Pay-as-you-drive schemes

In 2005, the CNIL (the institution for the protection of personal data) vetoed a draft submission by an insurer to establish a pay-as-you-drive scheme (PAYD). Subsequent contacts with the CNIL revealed that there was no justification in principle for refusing a specific risk assessment method that was being developed in many other countries. In 2006 and 2007, many authorisation requests related to geolocation were therefore considered favourably by the CNIL.

Different kinds of pay-as-you-drive schemes have meanwhile been developed. They are aimed at young drivers and commercial fleets. For example, one scheme has a box in the car that counts the number of kilometres driven, on the basis of which the insurer calculates the cost of the insurance.

II.5 Relations with motor experts and repairers

In 2007 two best practice codes were agreed between insurers and motor experts and repairers. In 2008 taskforces were created to discuss issues such as engineer appraisals, the new damaged vehicle procedure, consumers' free choice of repairer, etc.

II.6 New vehicle registration system

In 2007 two best practice codes were agreed between insurers and motor experts and repairers. In 2008 taskforces were created to discuss issues such as engineer appraisals, the new damaged vehicle procedure, consumers' free choice of repairer, etc.

II.7 Damaged vehicle (“Véhicule Endommagé”) procedure

During 2008 insurers worked with the government, motor experts and repairers to create a procedure for damaged vehicles that was implemented in 2009. This allows the police or motor experts to immediately forbid the driving of a vehicle considered dangerous as the result of an accident, based on specific criteria. Under the procedure, the motor expert informs the authorities that a vehicle he has inspected is dangerous and they suspend the registration certificate so that the owner cannot drive or sell the vehicle until it is repaired.

II.8 Road safety

Insurers continued with their road safety activities during 2008 (creating websites, participating in “Mondial de l’Auto” or “Road Safety Week”, creating tools such as a road safety DVDs for students, training courses for young or elderly drivers, etc).

Insurers promoted lifelong driver education, with people of all ages involved in road safety and driver training. The FFSA organised a symposium on the “educational continuum” in February 2009.

At the beginning of 2008, FFSA held a press conference to set out its proposal for improving the licence for driving a moped. In 2008, a campaign warned teenagers of the dangers of amending a moped’s power rating or of ignoring the highway code (www.mortelscooter.fr). The website presents the testimonies of young injured persons and young professionals (emergency physician, physiotherapist, garage mechanic, etc.). In 2009, the government organised several meetings on two-wheelers to which insurers were invited.

II.9 Fraud and crime prevention

Under an agreement called “Trans-vol”, the police have to give insurers information to help them to find stolen vehicles. The number of stolen vehicles decreased by 3.1% in 2008 (164 564 stolen vehicles in 2008 against 169 907 in 2007). The number of vehicles found decreased by 8.3% in 2008 to 95 659.

Alfa, a professional organisation that promotes preventive measures and ways of detecting fraudulent claims, informs insurance companies of its studies, methodologies and technical documentation, and provides them with a means of exchanging information and a certified network of private investigators. A study of automotive fraud (to which 39% of companies responded), found that 10 939 cases of fraud were discovered and €27m was saved. The average cost of a fraudulent claims decreased by 32% (€4 000 to €2 700). In 2008, a taskforce of experts and insurers worked on a code of practice to detect motor fraud more easily.

Argos, a non-profit organisation created by French insurers, researches, identifies and recovers vehicles and other property reported stolen by owners. In 2008, Argos found or identified 10 163 vehicles (10 445 in 2007). This decrease was in the context of fewer vehicle thefts. The main role of Argos is the identification of stolen vehicles, for which it is compensated by insurers. It is developing links with vehicle pounds and cooperation with other European countries.

II.10 International traffic

The Bureau Central Français dealt with 12 553 cases in 2008 of accidents in France involving foreign-registered vehicles. The number of contentious cases remained unchanged, with 338 cases in 2008, compared with 340 in 2007.

GERMANY

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	21 076	20 669	20 251	-1.9%	-2.0%
of which MTPL	13 098	12 805	12 495	-2.2%	-2.4%
of which own damage	7 978	7 864	7 756	-1.4%	-1.4%
Motor insurance as % of total non-life premiums	25.4%	24.8%	24.0%		
Average MTPL premium (€)	238	230	222	-3.2%	-3.6%
Combined ratio — MTPL	95%	97%	96%	2.1%	-1.0%
Structural data					
Number of insurance companies	103	104			
Concentration ratio — 5 largest groups	46%	47%	47%		
Concentration ratio — 10 largest groups	68%	68%	68%		
Vehicles per 1 000 inhabitants		497			
Macroeconomic indicators					
Real GDP growth	3.2%	2.5%	1.3%		
Inflation	1.8%	2.3%	2.8%		

I.1 Preliminary trends for 2009

Preliminary figures and the competitive market environment suggest that the decrease in gross premium income and the increase in claims expenditure will continue in 2009. The German insurance association, the GDV, is therefore expecting an operating loss of around €600m in 2009.

II. Key developments

II.1 Electronic data exchange between motor insurers and the motor vehicle registration authorities

Vehicle registration is compulsorily linked to the proof of adequate MTPL insurance cover. Paper-based communication between the local registration authorities and motor insurers is being replaced by the electronic exchange of data. This has been implemented in two steps. On 1 March 2008 the electronic proof of MTPL coverage was successfully launched. The second step, transforming the whole communication process between vehicle registration authorities and MTPL insurers into electronic dialogues and data exchange, was completed in 2009.

II.2 “Germany Online”/“vehicle registration online”

Launched by the federal government in 2006, the main objective of this project is to provide an electronic platform for administration authorities, customers and enterprises to carry out their business transactions with state authorities and between each other electronically. One of the sub-projects of “Germany Online” is to improve the motor vehicle registration process. The first stage will be launched in 2010. Five German states will provide online vehicle registration in a pilot scheme, but the practice is limited to the application process and does not include the issuing of licence plates, although customers may instruct the registration authorities to provide them with the licence plate. The final stage of “vehicle registration online” is intended not only to provide the option to make an online application but to allow the entire registration process to take place on line, including the electronic activation and deactivation of special licence plates.

GREECE

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	1 231	1 331	1 371	8.1%	3.0%
of which MTPL	942	1 011	1 027	7.3%	1.6%
of which own damage	289	320	344	10.7%	7.5%
Motor insurance as % of total non-life premiums	59.8%	60.9%	60.3%		
Average MTPL premium (€)	215	185	189	-13.7%	1.8%
Combined ratio — MTPL	133%	139%		3.9%	
Structural data					
Number of insurance companies	41	44	45		
Concentration ratio — 5 largest groups	40%	39%	37%		
Concentration ratio — 10 largest groups	63%	64%	62%		
Vehicles per 1 000 inhabitants		429			
Macroeconomic indicators					
Real GDP growth	4.5%	4.5%	2.0%		
Inflation	3.3%	3.0%	4.2%		

II. Key developments

II.1 Legislation

The most significant of the many changes to national insurance legislation introduced by the new insurance supervisory authority, the Private Insurance Supervisory Committee (PISC), in 2009 were:

Law 3746/2009 implementing, inter alia, the Fifth Motor Insurance Directive.

- Determination of minimum amounts of compulsory motor cover for personal injury of €1m per victim and for material damage of €1m per accident. A transitional period has also been established during which the current minimum amounts will be raised. From 1 June 2009 the minimum amounts become €0.5m per victim for personal injury and €0.5m per accident for material damage, irrespective of the number of victims. From 1 January 2011 the minimum amounts become €0.75m per victim for personal injury and €0.75m per accident for material damage, irrespective of the number of victims. From 1 June 2012 the minimum amounts become €1m per victim for personal injury and €1m per accident for material damage, irrespective of the number of victims.
- Enhancement of the protection scheme for injured third parties in the event of damage to property by an unidentified vehicle. Damage to property is to be compensated in cases of significant personal injuries that have required hospital care of at least five days.

- Modifications regarding the validity of the insurance contract in cases where the ownership or possession of the motor vehicle is transferred. In such cases the insurance policy is terminated 30 days after the date of transfer, with no action required on the part of the insurer.
- Introduction of a new provision under which the policyholder or insured has the right to request a certificate regarding third party compensation claims in relation to the motor vehicle covered in the past five years.
- Establishment of the insurance undertakings' obligation to set up sufficient technical reserves on a constant basis and at any time.
- Annulment of the existing system of annual reporting of technical reserves up to 30 June of each year. It should be noted that pursuant to a decision of the new supervisory authority, adopted on November 2008, the reporting of technical reserves was required on a three-monthly basis. That decision was intended to reform the current framework of technical reserves in non-life insurance. A similar decision concerning life insurance is being processed by the authority.
- Annulment from 1 January 2009 of stamp duty imposed on a) life and non-life premiums, b) surrender value of life insurance policies and c) interest arising out of insurance indemnities. However, it should be noted that pursuant to an interpretative decision of the Ministry of Economic and Financial Affairs published after law 3746/09 came into force, premiums for legal expenses insurance are to be excluded from the scope of the specific fiscal regulation. Due to the arbitrary context of the above interpretation, the Greek insurance association, the HAIC, launched a long series of actions to argue for its withdrawal, but so far without success.

Law 3783/2009 amending law 3651/2008 in respect of roadside assistance. Law 3651/2008 encompasses regulations that may not be considered compatible with core European legislation, in particular as regards the principle of the free movement of undertakings, the free provision of services, the freedom to set rates and premiums, as well as rules on competition.

The new provisions seem to contradict European legislation even more. Serious consideration is therefore being given as to whether to refer the matter to the European Commission.

Law 3769/2009 implementing Gender Directive 2004/113/EC.

II.2 Market practices

There was a significant increase in the number of cases settled by the Direct Settlement Agreement (DSA) in 2008. 54.7% of the accidents eligible for settlement under the DSA were agreed.

III. Future developments

III.1 Market practices

Tackling insurance fraud remains an important priority for the Greek insurance market. The HAIC is working on the development of an anti-fraud data system and other fraud-prevention mechanisms.

III.2 Legislation

The PISC has published a draft of a standard claims management procedure for road traffic accident claims. The HAIC has expressed considerable doubts about the functionality of the procedure.

HUNGARY

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	884	929	923	5.1%	-0.7%
of which MTPL	490	530	534	8.2%	0.9%
of which own damage	395	400	389	1.3%	-2.8%
Motor insurance as % of total non-life premiums	57.1%	55.4%	54.1%		
Average MTPL premium (€)	124	132		6.0%	
Combined ratio — MTPL	105%	104%		-1.3%	
Structural data					
Number of insurance companies	13				
Concentration ratio — 5 largest groups					
Concentration ratio — 10 largest groups					
Vehicles per 1 000 inhabitants		287			
Macroeconomic indicators					
Real GDP growth	4.0%	1.2%	0.6%		
Inflation	4.0%	7.9%	6.0%		

II. Key developments

II.1 Legislation

Following several years of preparations, the government presented parliament with the draft bill of a new Civil Code in June 2008. The fundamental changes in insurance provisions will determine the civil law framework of the industry for the long term.

The Hungarian insurance association, the MABISZ, took part in drafting the bill as a member of the Codification Committee. The people involved in drafting the bill regularly reported on progress, primarily for the legal section, but also provided detailed analyses for other sections and general information.

More than 400 proposals had to be considered from the viewpoint of insurance companies. The MABISZ also proposed several modifications.

The association tried to present the disputed issues of codification to its membership as well as to the general public and therefore took part in scientific and professional conferences in Hungary and abroad (including the X. Aida Budapest Insurance Colloquium analysing the limits of liability under civil law) and published articles.

II.2 Market practices

Of all insurance business lines, the fiercest competition for some years has been in mandatory MTPL. As a result, one insurer, MÁV ÁBE Mutual, became insolvent in the middle of the year and the Supervisory Authority withdrew the company's licence on 15 August 2008.

The Fifth Motor Insurance Directive was transposed by Act LXII of 2009 on obligatory MTPL insurance, which came into force on 1 January 2010 and replaced the government decree N°.190/2004. The MABISZ had believed that the decree was acceptable for its purposes, but believes that the new regulation with relevant legal provisions will provide a more appropriate basis for the wide-ranging scope of MTPL insurance.

Despite the fact that the limits in Hungary have always been high enough in the recent past — even compared with the average in Europe — the limit has been increased to HUF 1.6bn for claims involving personal injuries. The act set up an historic claims database registering all accident data. The database will be managed by the Information Centre.

The termination of the activity of MÁV ÁBE will possibly affect the Hungarian insurance market and also influence legislation in the near future.

ITALY

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Total motor gross written premiums (€m)	21 612	21 523	20 845	-0.4%	-3.2%
of which MTPL	18 415	18 239	17 637	-1.0%	-3.3%
of which own damage	3 197	3 284	3 208	2.7%	-2.3%
Motor insurance as % of total non-life premiums	58.2%	57.2%	55.7%		
Average MTPL premium (€)	429	422	407	-1.7%	-3.6%
Combined ratio – MTPL	100%	100%	103%	0.8%	2.1%
Structural data					
Number of insurance companies	74	74	66		
Concentration ratio – 5 largest groups	74%	71%	70%		
Concentration ratio – 10 largest groups	91%	90%	89%		
Number of vehicles per 1 000 inhabitants		606			
Macroeconomic indicators					
Real GDP growth	2.0%	1.6%	-1.0%		
Inflation	2.2%	2.1%	3.5%		

II. Key developments

II.1 Legislation and regulation

In 2008 and 2009 the Italian Supervisory Authority (ISVAP) established further regulations in relation to the Code of Private Insurance. Among the new ISVAP interventions in the MTPL insurance field, the implementation of the One-Stop MTPL Estimator (Insurance code, Article 136) could prove particularly interesting for consumers.

II.1.a The One-Stop MTPL Estimator

This project started in 2008. Since 15 June 2009, the websites of ISVAP and of the Ministry for Economic Development have been posting the One-Stop Estimator for motor liability. The purpose is to enable consumers, with just one inquiry, to determine premium estimates for all insurers operating in Italy for the policy they are interested in, saving time and energy in making price comparisons. ISVAP has put top priority on the user-friendliness of the estimator, requiring that:

- The system must supply motor liability premium estimates — for new business and not considering any discounts (which must be requested directly from the insurer) — on the basis of all the main price parameters notified by the insurance companies themselves. Supplying the data for the parameters is at the discretion of the user. The estimation service tells the consumer that the number of estimates supplied depends on the number of data fields filled in.

- The main price parameters are assigned fixed values: the estimator gives only the costs of premiums that follow the most common formula, eg bonus-malus, where the coverage ceiling specified is the compulsory legal minimum. Consumers are advised that by consulting the estimate systems available on the individual insurers' websites they can: get estimates for policies using different pricing formulas, such as those with a fixed deductible amount or bonus-malus with deductible; and take out liability policies with a higher indemnity ceiling, or with specified forms of indemnification (permitting a lower premium in exchange for agreement to have the vehicle repaired by a mechanic under contract to the insurer). Consumers are further advised that they can apply directly to an insurance company or its agents for discounts on the price quoted by the estimator.

This is why it is essential to emphasise that the number of estimates obtained depends directly on the information supplied by the consumer on his own risk profile — eg the personal data of the car owner (age, residence, etc.) and of other members of the household, use of the vehicle and technical features of the vehicle.

For the time being, the estimating service is restricted to passenger cars, scooters and motorcycles. At a later stage it will be extended to other vehicles.

The estimator lists insurance companies and their premiums and expiry dates of the prices, in order of increasing premiums.

The site describes the estimator as a guide to help consumers to compare motor liability insurance prices, and not as a means of purchasing policies. The estimates given are binding upon the insurer for at least 60 days from the date on which they are issued.

In view of the estimator's intended function of providing initial guidance, for a fuller assessment it is advisable to consult the estimating engines of the individual insurers directly. Furthermore, for a clearer comparison of all the offers, the future policyholder should consider not only the "prices" but also the terms of the policies.

II.1.b Transparency regulation (Insurance Code Art. 182 and Art. 185)

In the first half of 2009 ISVAP launched a consultation on a proposed regulation on the transparency of and the advertising of life and non-life insurance products. The complex regulation aims at further improving the pre-contractual and contractual information that insurers must already give to consumers.

II.1.c Direct indemnity for MTPL

In Italy, the main claims settlement agreement, Card, defines the procedure for direct compensation by insurers.

The system of direct indemnity for MTPL insurance entered into force on 1 February 2007. In the case of an accident causing material damage and minor personal injuries, the party that is not liable or only partly liable applies directly to his/her own insurer, which must indemnify him/her for the damages, as established by law.

Direct indemnity can be requested only if certain conditions are met. The accident must involve only two vehicles, both identified, duly insured and registered in Italy; if one of the vehicles involved is a motor scooter, its licence plate must be numbered according to the new system. The procedure does not apply if an agricultural vehicle is involved. If, in addition to damage to the vehicles and objects transported, there are injuries to the non-labile driver, the injuries must not be serious, ie must not cause permanent disability of more than 9%

to the non-liable driver. For passengers, however, indemnity applies even when the injury results in more than 9% disability, regardless of the number of vehicles involved in the accident.

The proportion of motor vehicle accidents causing damage eligible for direct indemnity under the Card convention was 75.1% in 2007.

In its first two years of operation the direct indemnity system has certainly had positive effects, reducing settlement time and limiting the average cost of claims settled and reserved. However, there has not been overall a significant reduction in the cost of accident claims. What is more, the strict rules set for calculating the fixed compensation amounts due to the mandatory insurer made it impossible to classify accidents according to the type of vehicle, which has caused serious problems in pricing risks.

Motorcycles and scooters, for example, have a high frequency of accidents involving personal injury and consequently higher average damages. This resulted in a disparity between the settlements by insurers and the reimbursements under the fixed compensation scheme.

When the amounts for 2009 had to be calculated, the problems were still under study by the Ministry for Economic Development, which had accepted the industry's concerns. Presidential Decree 28 of 18 February 2009, published in the "Gazzetta Ufficiale" of 2 April, therefore allowed compensation between insurers to be based on average claim costs differentiated by the class of vehicle and not only, as previously, by geographical area or by claims with and without personal injury.

II.1.d Direct indemnity and new liability clauses

The rules governing direct indemnity openly allow for policies which, in return for a lower premium, commit the policyholder to have accident damage repaired at a repair shop which belongs to a network of the insurer. ISVAP has ruled that the websites of MTPL insurers "when there are contract clauses for specified forms of indemnification, must include a link to the current list of repair shops for the direct repair of the vehicle in case of accident".

In the three years in which direct indemnity has been in effect, these specified repair clauses have become increasingly common. At present they are envisaged in the contracts offered by a significant number of insurers, whose market share is equal to about half of all motor liability premium receipts in Italy.

II.1.e Insurance fraud: new rules for the ISVAP motor liability claim database

In February 2009 ISVAP launched a consultation on its new draft regulations for the MTPL claims database, which was set up in 2000 to prevent insurance fraud. Following the consultation, the supervisory authority published its final version on 1 June (Regulation 31/2009). In view of the very substantial impact that the new rules will have on insurers' organisation and data flows, it has been decided that the provisions on information transmission and database consultation will come into effect within 18 months of their publication in the "Gazzetta Ufficiale".

In the course of the consultation, the Italian insurance association, Ania, pointed to the unrealised potential of ISVAP's database and recommended changes for its more effective use by insurers.

The association also voiced the willingness of the insurance industry to support the significant cost of revising the database, on the assumption that the new structure will prove to be an invaluable asset in its anti-fraud activities. In particular, Ania made a series of proposals to transform the database from a mere file of historical motor liability claims into an active anti-fraud tool, a system capable of alerting insurers promptly to anomalies in the claims incurred and recorded, thanks to data-mining techniques that can pinpoint suspicious situations using predetermined indicators of fraud risk.

ISVAP's report on the outcome of the consultation — while reiterating the supervisor's interpretation of the existing rules — supported Ania's proposals for the creation of a specific anti-fraud body for the insurance industry. The development of effective anti-fraud tools is essential in Italy. For one thing, ISVAP's official yearly statistics based on insurers' reports of detected fraud significantly underestimate the extent of the phenomenon.

II.1.f The transposition of the Fifth Motor Directive

Italy's new minimum insurance cover for motor liability insurance policies took effect on 11 December 2009.

The change to the minimum legal cover was substantial. The old minimum indemnity ceiling of €774 685.35 per accident for passenger cars, motorcycles and scooters was far lower than the new minimum set by the Directive. Even if, with a view to the new European requirements, Italian insurers had progressively increased their policy indemnity caps well in advance — to gradual adapt premiums to the additional risk coverage required — the distribution of policies by indemnity ceiling showed that 23% of all policies current in 2007 still offered only the minimum legal cover. The Italian government therefore decided to transpose the Fifth Motor Directive over five years.

Beginning on 11 December 2009, MTPL insurance policies on all types of vehicle or water craft must comply with the following standards:

- for personal injuries the minimum cover must be at least €2.5m per accident, whatever the number of victims; and,
- for physical damage to property, the minimum cover must be at least €500 000 per accident, whatever the number of people injured.

When the new rules are fully phased in on 11 June 2012, liability policies covering any type of vehicle or water craft must conform to the following standards:

- for personal injuries the minimum cover must be at least €5m per accident, whatever the number of victims; and,
- for physical damage to property, the minimum cover must be at least €1m per accident, whatever the number of people injured.

After 2012, the Minister for Economic Development will adjust the minimum coverage requirement every five years by the percentage change in the European index of consumer prices.

MALTA

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	60	61	62	1.3%	1.5%
of which MTPL	34	36	35	5.4%	-2.5%
of which own damage	26	25	27	-4.1%	7.3%
Motor insurance as % of total non-life premiums	52.1%	48.5%	48.8%		
Average MTPL premium (€)		188	184		-2.5%
Combined ratio — MTPL					
Structural data					
Number of insurance companies	11	11	11		
Concentration ratio — 5 largest groups					
Concentration ratio — 10 largest groups					
Vehicles per 1 000 inhabitants		636			
Macroeconomic indicators					
Real GDP growth	3.8%	3.7%	2.1%		
Inflation	2.6%	0.7%	4.7%		

II. Key developments

There is a general market consensus that the current premium rating system, based mainly on engine capacity, is outdated and does not adequately reflect the extent of the risk being underwritten. It is also believed that a vehicle group rating (VGR) system, used in the premium calculation procedure, would be a more equitable and realistic alternative.

Following a seminar in 2008, the motor sector of the Maltese insurance association, the MIA, decided to develop the VGR concept for the analysis and categorisation of vehicle models.

Once this phase was concluded, each insurer would then be free to assign its own particular weighting to a vehicle model's group rating in the overall premium computation.

In view of the local market size, it would not be necessary to have a large number of vehicle groupings. The latter should be based on such aspects as:

- repair times
- performance
- security
- power-to-weight ratio
- repair costs
- parts availability

The specific grouping assigned to a particular vehicle model would be standard throughout the entire motor insurance market.

In addition to the underwriting benefits provided, the eventual implementation of VGR would also indirectly serve as an incentive for vehicle importers to upgrade their operational and service standards, particularly the availability and cost of spare parts.

A VGR sub-committee was set up which recommended that an overseas consultant should carry out a feasibility study as well as prepare a step-by-step plan for the implementation of VGR, including cost estimates.

A Motor Insurance Fraud Seminar on the 24 April 2008 was conducted by Hill Dickinson, a British legal firm which specialises in fraud management. It presented its intelligence software — Netfoil — which looks for matches against known fraudsters and for fraud indicators. This allows insurers and other organisations dealing with high-volume claims (for example, the national health service) to have their claims portfolio analysed to identify potentially fraudulent claims.

The MIA is aware that the market's Claims Check System had become outdated and fallen into disuse. It is also sensitive to the fact that fraudulent claims have been markedly increasing in other insurance markets.

A preliminary report by Hill Dickinson, based on an analysis of 2006 MIA (mostly motor) claims revealed 8 000 high-risk claims, with an estimated claim value of €4m. This represents 9.5% of total claims (excluding life insurance) or 4% of total non-life premiums.

A core group of insurers has mandated the MIA to identify a fraud management system that would protect insurers both at underwriting and at claims-settlement stages. Discussions are in progress with two potential suppliers.

II.1 Legislation

The Fifth Motor Insurance Directive has now been transposed into Maltese legislation by three legal notices:

- Legal Notice 188/2008 covers the setting up and operation of a central repository for data relating to all motor vehicle accidents in Malta
- Legal Notice 189/2008 covers insurance-exempt vehicles; third-party claimants are referred to the Compensation Body
- Legal Notice 190/2008 covers third-party property damage (TPPD) and third-party physical injury (TPPI) caps required by the Directive and their gradual introduction over a five-year period

Following the representations made by the MIA, the government opted for the five-year transition period during which the current TPPD and TPPI limits, capped in the Directive at €1m and €5m per accident respectively, initially increased to €500 000 and €2.5m respectively on 11 December 2009 before rising to their full amount on 11 June 2012.

II.2 Market practices

II.2.a Insurance-exempt vehicles

Since the Protection and Compensation Fund (PCF) — which is essentially financed by all motor insurers — cannot subsidise third-party claims caused by government vehicles, the government agreed to reimburse the PCF for any such disbursements.

II.2.b Central Accident Data Repository

As had been previously the case with the Malta Information Centre, the government determined that the electronic Accident Data Repository, required by the Fifth Motor Insurance Directive, should be based at the offices of the Malta Transport Authority (ADT). The setting-up of this repository is, however, hindered by some problems with the accident databases held by the police and the MIA (derived from the Warden Reports) and with their integration.

II.2.c Database of stolen vehicles

Following the MIA's representations, stolen vehicles are being flagged on the Electronic Vehicle Registration and Administration (eVERA) system.

A motorist is required to call at the Licensing and Testing Directorate (LTD) offices to submit a copy of the police report confirming that their vehicle is missing. The vehicle is then flagged by the LTD as stolen on the eVERA system. The road licence payment requirement will be suspended automatically as long as this flagging is in place. This procedure will facilitate a quicker identification and recovery of a missing vehicle.

II.2.d Renewal by insurers of road licence — credit risk

In the renewal of road licences by insurers, the MIA has advised members against accepting cheque payments in view of the credit risks which the ADT had hitherto refused to guarantee. Nevertheless, some insurers have opted to assume such risks for simplification or commercial reasons.

The MIA has reached an agreement with the ADT whereby the latter would refund in full a dishonoured cheque, under certain conditions.

II.2.e Adoption of system number

The eVERA system does not cater for mid-term policy amendments or cancellations. This is an important missing link which requires rectification if the system is to provide updated and precise information.

Such a development is linked directly to the availability of the system number. This is a unique six-digit number that is allocated by the eVERA system to each vehicle and remains with it throughout its lifetime. The use of the system number is the most efficient and accurate way of identifying a specific vehicle on the eVERA system.

The Malta Information Technology Agency (MITA) provided each insurer with the respective system number of each individual vehicle already on its books, enabling the insurers to populate their databases accordingly. The system number has now been adopted by all motor insurers.

III. Future developments

III.1 Trailer registration and insurance

The MIA has repeatedly expressed its serious concern that the ADT has for some time been registering trailers for an indefinite period without requiring any evidence of insurance cover.

The MIA has made the ADT aware that this practice is in breach of definitions in the Motor Vehicles Insurance (Third-Party Risks) Ordinance (Cap. 104).

The MIA has been informed that the LTD already has about 800 such trailers in its records; however, these records are not integrated in the database of the Malta Information Centre.

This unwelcome situation is compounded by the possible occurrence of overseas accidents involving liable Maltese articulated vehicles in which only the trailer's registration plate is identified. The responsibility for the respective claim would then have to be shouldered by the entire market through the Malta Green Card Bureau.

The ADT is presently considering the possibility of integrating this insurance requirement in the forthcoming Motor Transport Reform which the government intends to implement this year.

III.2 Vehicle registration — Circulation Tax

According to Ministry of Finance data, the average age of vehicles on the road is currently 15 years. The government intends to reduce this age by providing an incentive for the use of newer, cleaner and smaller vehicles in order to safeguard the environment.

A new taxation system therefore applies to all new registrations of vehicles purchased after 31 December 2008. Owners of vehicles purchased in 2008 are offered the option to migrate to the reformed regime.

New vehicles' size, age, engine power and emissions have a bearing on its taxation. Second-hand vehicles have their value determined — for taxation purposes — by an objective international system of vehicle valuation; a specialised UK firm was appointed by the government for this purpose.

The same concept is implemented in respect of the annual Circulation Tax which was designed to make up for the decrease in government revenue that would result from the revised registration tax.

This tax will remain constant during the initial five years of a vehicle's life; it will then start to increase as the vehicle's age increases, on the assumption that a vehicle engine's efficiency decreases as its age increases, thereby having a greater environmental impact.

III.3 Electronic traffic accident report services

The five-year agreement binding the MIA/motor insurers and the two Warden Firms was due for renewal in the first quarter of 2009. The opportunity was taken to invite quotations from the existing suppliers and other parties.

III.4 Bodily injury — quantification of damages

Within the scope of Act VI of 2004, in 2008 the Minister of Justice reinstated a commission to determine the criteria for the assessment of damages in respect of death or bodily injury. The commission's draft report clearly acknowledged the importance of adopting a more transparent regime that would lead to greater certainty and uniformity in claims settlement.

There is a consensus that indemnity should be based solely on dependency as a means of *restitutio in integrum*, on the need to adopt the European disability rating scale, on the appropriateness of introducing caps and on the wisdom of gradually introducing non-pecuniary damages.

The MIA still needs to consider the proposed indemnity limits and to convince the government that loss of earnings should not be payable to an injured employee who suffers no loss of salary as a result of an injury.

The commission has also recommended a new approach to the time limitations (prescriptive periods) applicable to injury claims. Currently these are linked to the time limitations applicable for criminal action, which are notably longer than those that apply to civil proceedings. This has a negative bearing on the duration of an insurer's technical reserves. There is broad agreement on the need to establish shorter and separate civil time limitations.

These discussions are also influenced by developments at European level, including proposals for compensation for cross-border traffic accidents and a draft directive that, if approved, would introduce strict liability for damages in respect of passengers on buses or coaches, advanced payments and damages for mental damage.

NETHERLANDS

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	4 671	4 705	4 711	0.7%	0.1%
of which MTPL	2 525	2 482	2 462	-1.7%	-0.8%
of which own damage	2 146	2 223	2 249	3.6%	1.2%
Motor insurance as % of total non-life premiums	9.9%	9.7%	9.2%		
Average MTPL premium (€)	349	336	326	-3.8%	-2.8%
Combined ratio — MTPL	95%	93%	99%	-2.2%	6.7%
Structural data					
Number of insurance companies	74	53			
Concentration ratio — 5 largest groups	49%	48%			
Concentration ratio — 10 largest groups	71%	70%			
Vehicles per 1 000 inhabitants		451			
Macroeconomic indicators					
Real GDP growth	3.4%	3.6%	2.0%		
Inflation	1.7%	1.6%	2.2%		

More than 30 000 private cars were damaged in a regional but violent hailstorm in June 2008. The total damage amounted to more than €100m. This was a major cause of the increase in gross claims expenditure.

The theft of private cars continued to decline in 2008. However, the theft of business vehicles, trailers, motorcycles and mopeds is increasing (see section on vehicle crime).

II. Key developments

II.1 Legislation

II.1.a Payment of compensation to next of kin and those immediately involved

Draft legislation was still passing through parliament in 2009 which would allow compensation to be awarded to the next of kin of those who have died or have been left with a serious permanent injury for which a third party is liable. The Dutch insurance association, VVN, has strongly advocated that this legislation should define narrowly the circle of those who are eligible, as well as setting a fixed amount of compensation (€10 000–15 000), to prevent discussion about who qualifies and the level of compensation.

II.1.b Preliminary draft legislation on compensation for income for next of kin

In 2005 the Ministry of Justice put forward the idea of a draft bill proposing that a person could recover costs and loss of income caused by the injury of a next of kin to a much greater extent than is possible at the moment. The proposal came in response to a motion passed in the lower house of parliament in which the government was asked to prepare legislation, which would enable immediate family and employers to more easily recover from the perpetrator the loss of income and other losses that they had suffered. The VVN has made comments on the draft bill, but the justice ministry has not yet submitted the legislation to parliament.

II.1.c Liability limits in public transport

On 1 March 2008, at the proposal of the ministries of justice and of transport and public works, legislation came into force to raise the maximum liability limit for victims of accidents involving public transport (bus, tram and metro) and private transport (taxi and group travel by bus). The maximum liability is €1m per injured party up to a maximum of €15m per event. The latter limit was inserted at the urging of the VVN and after tough talks. No overall maximum had been included in the original proposal.

In setting the limits for injured train travellers the international amounts will be taken into account.

II.1.d Compulsory insurance for trailers and caravans

The VVN is still advocating compulsory insurance for separately registered trailers and caravans. Although many are of the opinion that this obligation had been included in the First EU Motor Vehicle Insurance Directive, it proved in practice that in the various EU member states this was not the case. In the Netherlands, too, the repercussions of the lack of compulsory insurance are being felt since caravans and trailers now have separate number plates. There are regular reports that the lack of separate compulsory insurance for caravans and trailers is leading to problems, all the more so since trailers in the international transport world frequently switch from vehicle to vehicle and it is not simple to trace the owner or the insurer of the trailer. The Motorised Transport Guarantee Fund (Waarborgfonds Motorverkeer) also advocates compulsory insurance for trailers and caravans. The Guarantee Fund and the VVN contacted Jeanine Hennis-Plasschaert MEP (ALDE) who put questions to the European Commission on this matter.

II.2 Market practices

II.2.a Claims settlement

The Recourse Clearing House (Clearinghuis Regres), an automated system for settling recourse claims between the all-risk and third-party insurers, was developed further and extended in relation to the number of participating insurers. Meanwhile, a number of legal assistance insurers have joined the system. It is a non-competitive market instrument which aims at achieving an efficient handling of claims and further cost control. In 2008, 110 000 claims on an annual basis were expected among the participants with an average matching percentage of 77%. A discussion is taking place on whether car-lease companies will also be allowed to take part in the system.

II.2.b Databank certificates of cancellation

In September 2007 an electronic databank for certificates of cancellation came into operation. Up to September 2007, insurers supplied their insureds with a paper statement giving the number of claim-free years upon termination of the policy. It was decided to reduce the amount of paperwork by keeping the information in an electronic databank. In this way there will be less chance of statements being lost, the system will be more customer-friendly and the procedure will be handled much more quickly. An additional advantage is that the separate record kept of malus registration is no longer needed. The system, which entails major cost savings, is functioning well although a discussion has started on the principle of not registering a claim-free statement in future, but — in line with the Fifth Motor Insurance Directive — to register the claims history of the insured over the last five years.

II.2.c Agreement on compensation for crash barrier damage

The VVN and the public works department at the end of 2007 entered into an agreement for standard compensation for the damage done to crash barriers on national trunk roads. Insurers pay about €12m for damage to these crash barriers arising in the course of approximately 6 500 events in which vehicles damage the crash barriers themselves or through crashes with other road users. For the first time, agreements have been reached on a standard amount in compensation. The total amount per metre of crash barrier has been set at €53. For assistance and supervision €112 has been agreed for each claim. A ceiling for each event has been adopted of €1 000. Above this amount the compensation is settled on the basis of actual costs. The agreement is now subject to evaluation but all parties think it is a success so far. In 2009 the agreement was extended to other road objects such as lighting equipment.

II.2.d Personal injury and protection of victims

Victims of road traffic and other accidents have to wait a long time for compensation, especially in the case of serious injury claims. The process in which they become involved is not sufficiently transparent and is complicated. The VVN wants to simplify the process in part by introducing standard amounts for compensation and fixed procedures and protocols.

For some years now, insurers, as well as other parties involved, have been working closely, under the auspices of the University of Tilburg, to draft a code of conduct for dealing with injury claims. In mid-2006 the code of conduct was officially presented. The VVN called upon its members to ratify their adherence to the code of conduct for dealing with personal injury claims dating from 1 January 2007 onwards. The application of the code of conduct requires changes to the processes of dealing with injury claims and a different way of handling injury cases by claims settlers. Victims' organisations have said that they fully endorse the code but it is yet to be seen whether those representing the interests of victims will also use the code in practice.

The core of the code is an electronic plan of action containing agreements between the parties and deadlines. Victims can also consult the documents but not edit them.

Further implementation and application of the Code of Conduct took place in 2008 and 2009.

II.2.e Road safety

The association is working on extending the “Trials, the ultimate driving test” road safety project, run by the VVN in conjunction with road safety organisations. The project focuses specifically on young people who have had their driving licence for a year or 18 months. The idea is to give them an appealing refresher course to show them the finer points of safe driving. A relatively high number of accidents, often fatal ones, occur among 18–25 year olds. This is also one of the reasons for the high number of claims in this group.

Since the start of the project in mid-2006 up to and including August 2009, 3 500 participants had been registered. Stichting Trials, the organisation implementing the project, is looking for external financiers and sponsors, but has not been very successful so far. Research by University of Groningen academics has led to improvements in the education and coaching of young drivers.

II.2.f Vehicle crime

The recorded number of motor vehicles stolen (including business vehicles, trailers, semi-trailers, motorcycles and mopeds) increased from about 26 775 in 2007 to about 28 320 in 2008. This was caused by the inclusion in 2008 of mopeds after they began to be issued with officially registered licence plates. 11 687 mopeds were stolen in 2008 and only one in three was recovered.

No straightforward explanation can be found for the decrease in the number of car thefts but it would seem that the multi-track policy adopted by insurers in recent years is bearing fruit. The initiatives include checks on the processing of technical and economic total loss vehicles and the testing of vehicles after severe damage so that vehicle crime can be kept under control. Checks on the processing of technical and economic total loss vehicles were also extended in 2008 to include heavy vehicles (trucks, goods vehicles), motorcycles and mopeds.

NORWAY

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	1 772	1 826	1 887	3.0%	3.4%
of which MTPL	712	730	752	2.5%	3.0%
of which own damage	1 060	1 096	1 135	3.4%	3.6%
Motor insurance as % of total non-life premiums	39.4%	39.7%	39.8%		
Average MTPL premium (€)	240	240	239	0.0%	-0.5%
Combined ratio — MTPL					
Structural data					
Number of insurance companies					
Concentration ratio — 5 largest groups	96%	94%	92%		
Concentration ratio — 10 largest groups	100%	100%	100%		
Vehicles per 1 000 inhabitants		458			
Macroeconomic indicators					
Real GDP growth	2.3%	3.1%	2.1%		
Inflation	2.5%	0.7%	3.4%		

I.1 Theft

The number of car thefts and thefts from cars dropped by nearly 2 000 from 2007 to 2008. In other words, the increase in thefts from private households was more than compensated for through a corresponding reduction in motor theft. This may be the result of efforts to make new cars more secure. The fact that more expensive cars were stolen might indicate this. Compensation paid in connection with car thefts increased by 8%, while the number of stolen cars decreased by 5%. As a consequence the average value of a stolen car increased by 14%. It appears that thefts are to a greater extent committed by professionals with knowledge of security measures in new cars.

I.2 Competition

In 2008 the market was dominated by the four companies Gjensidige, If, TrygVesta and SpareBank1. Measured in premiums, they have a market share of 86.7% (2007: 89.7%).

II. Key developments

In 2008, valuation of glass was implemented into the Norwegian loss assessment system (DBS). Together with the implementation of a time study of car painting in 2009 this will result in a significant reduction in labour use.

POLAND

I. Market developments

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	2 566	2 869	3 479	11.8%	21.2%
of which MTPL	1 482	1 626	1 996	9.8%	22.7%
of which own damage	1 084	1 243	1 483	14.7%	19.3%
Motor insurance as % of total non-life premiums	60.9%	59.3%	60.0%		
Average MTPL premium (€)	100	104	119	3.4%	14.7%
Combined ratio — MTPL	98%	97%	97%	-0.2%	0.0%
Structural data					
Number of insurance companies	25	29	27		
Concentration ratio — 5 largest groups	82%	81%	76%		
Concentration ratio — 10 largest groups	96%	95%	92%		
Vehicles per 1 000 inhabitants		383			
Macroeconomic indicators					
Real GDP growth	6.2%	6.6%	5.0%		
Inflation	1.3%	2.6%	4.2%		

Poland did not suffer any weakening of the real economy in 2008. The motor market reported further growth of: sales of new cars (by 9%); the importation of used cars (by 11%); and the number of new vehicle registrations (by 10.5%). Of the 35 section II (non-life) insurers, 27 had a valid motor insurance licence, with 24 of them active in the market.

The single market has led to an increasing number of foreign providers in the Polish motor insurance market.

II. Key developments

II.1 Legislation

In 2008, insurers implemented the statutory obligation to transfer a lump sum levy amounting to 12% of each MTPL policy to the National Health Fund (NFZ). The proceeds collected from the so-called Religa tax were to be spent on medical costs incurred in the treatment of road accident victims.

The regulations introducing this levy aroused legal controversy from the very beginning. For example, as the regulations covered only drivers, they could have led to the unequal treatment of citizens. Moreover, the real medical costs of treating accident victims have never been established.

Insurers and the Insurance Guarantee Fund transferred more than PLN 758m to the NFZ in 2008, of which only PLN 34 238.73 was spent on the medical costs of road accident victims. The remaining sum was spent on financing other healthcare benefits. The Religa tax was rescinded from 1 January 2009, thanks to the endeavours of, among others, the Polish Chamber of Insurance.

Since 3 August 2008, on a person's death, a member of his or her closest family has been able to sue for an appropriate sum as pecuniary compensation for the harm suffered. The addition of §4 to Article 446 of the civil code restored the institution of compensation for the death of a close person in the Polish legal system. No special conditions apply. Article 446 §4 mentions the members of the closest family of the deceased without defining this concept, leaving the decisions about whether to pay compensation and the amounts to the courts. The payment of compensation for the death of a close person is predicted to have, in the course of time, a significant impact on the level of personal losses, which, in consequence, could affect MTPL premium rates.

II.2 Market practices

In 2008 there were further changes in insurers' offers to vehicle owners. More and more insurers promoted the purchase of their MTPL or damage insurance typically by adding free assistance or windscreen cover, other types of cover on preferential terms or discount protection. The growing competition among motor insurers is contributing to market development, especially in respect of service quality and communication with clients.

More and more insurers have simplified loss adjustment procedures. Typically, the decision concerning an indemnity payment is made on the basis of arrangements made during a phone call with the claimant or pictures sent by e-mail. Some insurers introduced electronic settlement with repair workshops, which resulted in shorter loss adjustment periods.

Insurers introduced new methods of loss reporting, such as:

- The sending of loss reports through the internet; in the case of small losses, their assessment can be carried out on the basis of the documents transmitted, without a survey by a loss adjuster.
- Reporting to a mobile bureau, ie a special motor coach equipped with satcom and access to IT systems, which helps victims to receive indemnities as quickly as possible in the case of a natural disaster, a catastrophic event, a multiple car crash or other major loss events. The loss can be reported, the cover checked and an indemnity decision made at the place of the event; the only difference from the office-based process is that the insurer is closer to the victim.

Simplified loss adjustment procedures have also been introduced for small losses, ie without a survey by a loss adjuster, on the basis of:

- a phone call, in the case of losses to property (eg by flooding); and,
- pictures sent by e-mail by the emergency road service or by the sufferer, in the case of motor losses.

III. Future developments

III.1 Market practices

Insurers that are members of the Polish insurance association, the PIU, will sign an agreement concerning the mutual recognition of recourse claims with regard to voluntary motor insurance. The agreement means a significant growth in efficiency in the recognition and settlement of recourse claims between insurers, resulting from indemnities paid from voluntary policies by MPTL insurers of those responsible for accidents.

The agreement may mean that clients may avoid the loss of premium reductions because of a very long process of recognition and settlement of recourse claims by the insurers of those responsible for accidents.

The basic rules of the agreement assume that recourse procedures will be carried out quickly and simply. It defines the rules and procedures for the recognition of recourse claims resulting from indemnities paid from voluntary policies by insurers providing MTPL cover for the persons responsible for accidents.

The agreement covers claims for reimbursement of towing or parking costs within policies such as assistance cover, provided that such parking or towing is related to the loss which has been adjusted within the framework of auto-casco insurance.

The agreement constitutes the first stage of a direct loss adjustment system to be introduced in Poland.

Insurers are also preparing to develop new strategies aimed at preventing fraud by developing IT systems that can identify high risks of fraud losses.

Insurers are also co-operating with vehicle repair companies in the case of small losses (Smart repairs), to ensure more effective aid to policyholders.

A programme is under consideration aimed at helping road accident victims to access specialised rehabilitation services.

III.2 Legislation

According to the regulations implementing the Fifth Motor Insurance Directive (2005/14/WE):

- In respect of MTPL insurance agreements concluded during the period from 11 December 2009 to 10 June 2012, the minimum guaranteed sums are the zloty equivalents, based on the average exchange rate determined by the Polish National Bank on the date when the loss occurred, of:
 - in the case of personal injuries, €2.5m per event, regardless of the number of victims; and,
 - in the case of damage to property, €500 000 per event, regardless of the number of victims.
- In respect of agreements concluded from 11 June 2012 onwards, the minimum guaranteed sums are the zloty equivalents of:
 - in the case of personal injuries, €5m per event, regardless of the number of victims; and,
 - in the case of damage to property, €1m per event, regardless of the number of victims.

PORTUGAL

I. Market developments

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	1 916	1 864	1 749	-2.7%	-6.2%
of which MTPL	1 353	1 302	1 188	-3.8%	-8.7%
of which own damage	563	562	560	-0.1%	-0.3%
Motor insurance as % of total non-life premiums	46.0%	44.4%	41.9%		
Average MTPL premium (€)	207	195	174	-5.8%	-10.5%
Combined ratio — MTPL	96%	110%	98%	14.4%	-10.7%
Structural data					
Number of insurance companies	20	20	26		
Concentration ratio — 5 largest groups	60%	59%	57%		
Concentration ratio — 10 largest groups	82%	82%	81%		
Vehicles per 1 000 inhabitants		526			
Macroeconomic indicators					
Real GDP growth	1.4%	1.9%	0.0%		
Inflation	3.0%	2.4%	2.7%		

II. Key developments

II.1 Legislation

A considerable number of legislative documents were published in 2008.

Decree-Law 291/2007 of 21 August, which transposed the Fifth Motor Insurance Directive and introduced significant structural changes in the compulsory insurance of motor vehicle liability, had a great impact in 2008 and 2009.

The new regime requires an insurance company, when notified of an accident, to carry out, within a very short period, a series of specified steps in settling the claim, specifically in relation to the booking and conclusion of the inspection, the communication of the acceptance or not of liability and the “reasonable offer procedure” in respect of claims with material damage (within 30 days) and in respect of claims with personal injuries (within 45 days).

All deadlines must be met by insurers and their compliance is monitored by the Portuguese supervisory authority.

Regarding the “reasonable offer of indemnity”, the new regime of compulsory MTPL includes a law that establishes the criteria and guidance values to be presented to those who have suffered personal injuries as a result of road traffic accidents. The law was published in May 2008 (Decree 377/2008).

The law establishes a set of rules and principles to speed up and standardise the submission of reasonable offers, to ensure: privileged treatment in cases of serious personal injury; the attribution of an indemnity in the case of future loss of income when the injured party is unable to pursue their normal professional activity; the attribution of an indemnity in cases of biological damage (physical and psychological harm) even if there is no indemnity for future loss of income; and that the indemnity calculation for loss of income is based exclusively on declared income.

To ensure that these rules and principles are well understood by the victims, their representatives and courts, the Portuguese insurance association, the APS, created a simulator, available through its website (www.apseguradores.pt), which makes it possible to estimate the values of the “reasonable offer of indemnity” provided by insurers to claimants in the event of incapacity and death.

Now that this simulator is available to the public, the current rules on compensation for injuries are more accessible and understood. This acts in the interests of the victims of road traffic accidents and also tends to reduce conflict between insurers and the victims or their representatives.

A new legal regime for insurance contracts, **Decree-Law 72/2008** of 16 April took effect on the 1 January 2009. This legislation consolidates in a single document the general regime governing insurance contracts by updating certain concepts already included in diverse legislation, regulating matters formerly omitted and introducing innovative normative solutions.

An amendment to the **Direct Claims Settlement Agreement (IDS)** on new market practice was only implemented in May 2007, but 2008 saw an amendment by the subscribing companies, insureds and the APS itself to adjust certain aspects of the workflow underlying the settlement of these claims.

Due to the amendment and the fact that compensation had not previously always been paid, the number of claims settled under this agreement rose to 12 951 and the yearly average cost was calculated at €968.65.

III. Future developments

III.1 Crime and fraud prevention policies

Given the importance of fraud prevention, the APS formed, in 2006, a technical committee comprised of representatives of insurance companies. The committee will identify and detail fraud practices and provide solutions.

In view of recent legislation that has been imposed on insurance companies and the obligation to define and implement measures for the prevention, detection and reporting of insurance fraud, the technical committee has been writing a manual that outlines the general principles of anti-fraud policies to be adopted by insurance companies.

Within this framework, cooperation between the APS and the police has been developed for the exchange of information whenever there is suspicion of fraud. Police officers have attended training courses on technical insurance matters to enable them to identify behaviour indicative of fraud or other associated crimes against the insurance industry.

SLOVAKIA

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	482	548	607	13.5%	10.8%
of which MTPL	262	287	309	9.8%	7.6%
of which own damage	221	261	298	18.0%	14.2%
Motor insurance as % of total non-life premiums	63.6%	63.6%	62.8%		
Average MTPL premium (€)	158	161	167	1.9%	3.6%
Combined ratio — MTPL		69%			
Structural data					
Number of insurance companies	9	9	9		
Concentration ratio — 5 largest groups	84%	72%	75%		
Concentration ratio — 10 largest groups	95%	90%	92%		
Vehicles per 1 000 inhabitants		262			
Macroeconomic indicators					
Real GDP growth	8.5%	10.4%	6.4%		
Inflation	4.3%	1.9%	3.9%		

II. Key developments

II.1 Legislation

Act N°381/2001 sets the following minimum MTPL insurance cover limits:

- From 1 January 2009:
 - for personal injury, €2.5m per event; and,
 - for property damage, €500 000 per event.
- From 1 January 2012:
 - for personal injury, €5m per event; and,
 - for property damage, €1m per event.

The new Act on Road Traffic N°8/2009, effective from 1 February 2009, affects insurance by dividing traffic road accidents into two categories:

- Traffic accidents, which meet the following conditions:
 - death or injury
 - damage to road, traffic signs etc.
 - leakage of dangerous materials
 - damage worth more than €3 990 to the vehicle
- Other accidents are regarded as loss accidents and they are not examined by the traffic police unless:
 - there is a suspicion that the driver of the car is intoxicated
 - those involved in the accident did not reach an agreement on liability

In both the above cases, each person involved in the accident has the right to call the police to examine the accident and to ask for a written record.

- Loss accidents, not meeting the above conditions.

In addition, there are some new obligations for drivers and other road users, eg:

- a speed limit of 50km/h in towns and cities, 90km/h out of town and 130km/h on motorways
- an obligation for vehicles weighing up to 3.5 tonnes to use winter tyres in snow or ice
- an obligation for buses, coaches and trucks to use winter tyres, irrespective of the weather, between 15 November and 31 March
- a restriction on using mobile phones when driving (except for hands-free phone calls)
- a new scale of penalties

II.2 Market practices

Some insurance companies have started to combine MTPL policies with assistance services. Assistance services were previously only provided with own damage insurance.

Codes of good practice have also been established and purchasing policies for motor spare parts or repairs have been developed.

SLOVENIA

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	483	522	555	8.0%	6.3%
of which MTPL	316	330	336	4.4%	1.8%
of which own damage	167	192	219	15.0%	14.1%
Motor insurance as % of total non-life premiums	40.8%	40.6%	40.3%		
Average MTPL premium (€)	202	201	198	-0.3%	-1.5%
Combined ratio — MTPL	96%	97%	87%	0.8%	-10.7%
Structural data					
Number of insurance companies	6	6	6		
Concentration ratio — 5 largest groups	99%	99%	99%		
Concentration ratio — 10 largest groups	100%	100%	100%		
Vehicles per 1 000 inhabitants		505			
Macroeconomic indicators					
Real GDP growth	5.8%	6.8%	3.5%		
Inflation	2.5%	3.8%	5.5%		

II. Key developments

II.1 Legislation

The Fifth Motor Insurance Directive was transposed into Slovenian legislation by the Act Amending the Compulsory Insurance in Traffic Act (MTPL insurance included), which entered into force on 27 June 2007. Full limits under the directive will be implemented on 1 January 2012.

Minimum sums insured per event, regardless of the number of injured parties, are:

- From 27 June 2007 to 31 December 2008:
 - for personal injury, €2.5m; and,
 - for property damage, €500 000.
- From 1 January 2009 to 31 December 2011:
 - for personal injury, €3.7m; and,
 - for property damage, €750 000; and,
- From 1 January 2012:
 - for personal injury, €50m; and,
 - for property damage, €1m.

With the implementation of the Act in 2007, the obligation of motor insurance companies to allow consumers to conclude insurance contracts via the internet was introduced gradually (at first only by MTPL insurers, later by any insurer) as a consequence of the Slovenian government's e-administration strategy, which included the introduction of an e-service for the extension of motor vehicle registration certificates.

In order to provide this internet solution, an MTPL insurance claims register was created by the Slovenian insurance association, the SZZ, to facilitate direct verification of the claims history (bonus-malus status) together with direct access to other motor insurance registers of the SZZ.

Higher minimum limits — €3.7m for personal injuries and €750 000 for material damage — were applied in Slovenia with effect from 1 January 2009 in accordance with the Act.

II.2 Market practices

Motor insurance is distributed mainly by tied (and wage-earning) agents, while free agents and insurance brokers are not so important and other distribution channels (internet, phone and bancassurance) are even less so. Some bigger car dealers also distribute motor insurance, especially motor own damage insurance, through arrangements with insurance companies.

No foreign insurer has yet decided to distribute motor insurance in Slovenia under Freedom of Services rules.

The handling procedures for Fourth Motor Insurance Directive claims are running well. Insurance companies are mostly acting as claims representatives for insurers from other EU member states. A large majority of claims is handled through claims representatives as Slovenian victims of cross-border accidents are well informed about the system of claims representatives and thus the possibility of being indemnified in Slovenia.

Only a few claims were handled by the SZZ in its capacity as compensation body in 2008, mainly in respect of accidents caused by unidentified or uninsured motor vehicles.

The Slovenian information centre established by the SZZ maintains the database on compulsory MTPL insurance and can be accessed through the website www.zav-zdruzenje.si.

III. Future developments

Crime prevention policies are run mainly by the member companies of the SZZ. Members have supported the initiative by the association to take a more active role and to coordinate the development of crime and fraud prevention policies.

SPAIN

I. Market developments

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	12 026	12 298	12 107	2.3%	-1.6%
of which MTPL	6 916	6 873	6 604	-0.6%	-3.9%
of which own damage	5 110	5 426	5 503	6.2%	1.4%
Motor insurance as % of total non-life premiums	40.8%	39.6%	37.1%		
Average MTPL premium (€)	255	242	229	-5.0%	-5.7%
Combined ratio — MTPL	90%	94%	96%	4.5%	1.4%
Structural data					
Number of insurance companies	57	56			
Concentration ratio — 5 largest groups		60%	59%		
Concentration ratio — 10 largest groups		81%	81%		
Vehicles per 1 000 inhabitants		485			
Macroeconomic indicators					
Real GDP growth	3.9%	3.7%	1.2%		
Inflation	3.6%	2.8%	4.1%		

II. Key developments

II.1 Legislation

Real Decreto 1507/2008, which approved the regulation on compulsory liability motor insurance, was published on 13 September 2008. The regulation established certain aspects of Law 21/2007, which amended the law on compulsory liability motor insurance in order to implement the Fifth Motor Insurance Directive.

The implementation of the Directive has not led to major difficulties. The conflicts that appeared with Law 21/2007 were largely resolved by the publication of the implementing regulation in September 2008.

The amounts of mandatory insurance cover in Spain are:

- for bodily injury, €70m per claim, whatever the number of victims; and,
- for property damage, €15m per claim.

II.2 Market practices

A successful pilot project by a leading insurance company has allowed the insurer to offer young people cover tailored to their individual driving habits. By means of new technologies and through a vehicle-mounted black box with GPS, the insurance company collects information such as kilometres travelled, speeds and location of the vehicle and links this information to concepts such as "pay-per-use" for the insurance policy. This project began in 2007.

During 2008, a true consolidation of the automated healthcare payment management system took place; this payment project has attained the following objectives:

- automation of the exchange of information for payment management relating to people injured in traffic accidents; and,
- electronic billing with healthcare centres.

Its functionality can be summarised as follows:

- transparency in the billing and payment follow-up;
- flexibility in administrative management;
- access to actual balances by companies and health centres; and,
- reduction in the costs of claims settlement.

The electronic version of the CICOS direct compensation agreement, under which companies commit themselves to pay collision claims without waiting for the party liable for the accident to be determined, settled 2 077 820 claims in 2008 in comparison with 2 242 916 in 2007¹ (a decrease of 8%).

The IT and management system for material damage claims (SDM), has permitted faster and lower claims cost settlements for material damages which are not settled under the application of the CIDE/ASCIDE (two vehicles) agreements.

The SDM applies if there are more than two vehicles involved without direct collision between them, eg material damage caused by a detached load.

Practically all the insurers (ie 88% of the market) are operating under the SDM. This is reflected in the level of claims settlement — greater than 120 000 claims per year — and economic compensation of more than €95m.

The Spanish insurance association, Unespa, is working on a project for the computerised settlement of personal injury claims among insurance companies. This system is called the SDP and was expected to be consolidated in the second half of 2009.

II.2.a Codes of practice

The Spanish insurance sector has gone beyond legal requirements by establishing best practice guides in six major areas: transparency, internal control, advertising, good governance, disability and the internet.

- Guide on transparency: Transparency requires the communication between the insurer and the customer concerning the insurance contract and the rights and obligations to be concise, truthful and easily understandable by the client. So far, 83 insurance companies have adopted this guide.
- Guide on internal control: Insurers must establish general rules that can help branches to develop their internal control systems and their internal risk management. Currently, 101 insurance companies have adopted this guide.
- Guide on advertising: As a general principle, insurance companies must use direct and simple language in their advertising, which must be tailored to the target audience. More precisely, they agree to make

¹ 99% of insurance companies are members of the CICOS system

progress in the general principles of veracity, efficiency and adequacy of their advertising. A total of 25 insurance companies have adopted this guide.

- Guide on good governance: Any defence of the principle of self-regulation must be accompanied by the requirement for an adequate level of transparency about the method of self-government adopted. For that reason, it is appropriate for each insurance company to adopt concrete measures to inform the market in general, and its partners and policyholders in particular, about the qualitative aspects of its management through the distribution of the good governance rules adopted and a regular analysis of compliance. There are 86 insurance companies that have adopted this guide.
- Guide on disability: In general, by adopting this guide, insurance companies agree to promote measures to prevent discrimination when contracting insurance policies with disabled people and their families, without prejudice to the full compatibility of this rule with the companies' freedom of entrepreneurship. There are currently 25 insurance companies that comply with this guide.
- Guide on the internet: This deals with the use of the internet as a means of dialogue between insurance companies and their clients. Currently, 22 insurance companies have adopted this guide.

II.2.b Purchasing policies for spare parts or repairs

In Spain, as in the rest of the EU, spare parts can be "original parts" or "spare parts of equivalent quality", as established and defined in Article 1 of EU Regulation 1400/2002. Unespa also thinks that it is crucial to keep the definitions contained in the Block Exemption Regulation for the car manufacturing industry, 1400/2002, about "pieces of equivalent quality" as they have opened up new business opportunities for spare parts manufacturers, independent distributors and independent repairers. All these operators have the opportunity to use "original spare parts" and "equivalent spare parts". This situation also significantly affects the costs that insurance companies estimate when repairing vehicle damage.

II.2.c Special procedures for bodily injuries

In Spain, the Baremo legal system for the assessment of personal damage caused by road accidents was introduced by Law 30/1995. The assessment system is a legal and rating system that seeks to value all types of damages, both pecuniary and non-pecuniary. The Spanish government intends to promote a reform of Baremo to adapt it to new social realities and to mitigate its main defects. At present, the full scope of this project is not known, but a comprehensive review is also being carried out internally by Unespa.

II.2.d Fraud prevention

Fraud prevention policies are very common in private insurance companies and in the government. The focus is on awards for the detection of fraud, and there are commissions that work on fraud prevention, such as the one at Unespa, and a significant increase in police checks.

There is also close collaboration between the security services, Zaragoza Centre and Unespa, to stamp out illicit traffic in vehicles and to improve the recovery of stolen cars.

It is more and more common for the latest vehicles to be equipped with GPS devices which help to locate them. There is also a significant demand for these devices to be installed in older vehicles. Premiums are adjusted for vehicles equipped with these devices.

SWITZERLAND

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	3 373	3 270	3 366	-3.1%	2.9%
of which MTPL	1 656	1 603	1 648	-3.1%	2.8%
of which own damage	1 717	1 666	1 718	-3.0%	3.1%
Motor insurance as % of total non-life premiums	25.0%	25.8%	25.4%		
Average MTPL premium (€)	385	366		-4.9%	
Combined ratio — MTPL					
Structural data					
Number of insurance companies	30	12			
Concentration ratio — 5 largest groups		79%			
Concentration ratio — 10 largest groups		99%			
Vehicles per 1 000 inhabitants		524			
Macroeconomic indicators					
Real GDP growth	3.6%	3.6%	1.8%		
Inflation	1.1%	0.7%	2.4%		

Although the Swiss motor industry did not escape unscathed from the economic crisis, new vehicle registrations in 2008 were slightly up on the previous year by 1.4%. Car importers expected 2009 registrations to fall by approximately 6%, however.

II. Key developments

II.1 Electronic insurance card (E-insurance card)

The E-insurance card project was concluded in 2008 and has entered into regular operation. The exchange of data between motor insurers and the cantonal road traffic authorities is now carried out in electronic form only. The vehicle registration authorities are notified electronically of the issuance of an insurance policy as well as of any discontinuation in insurance cover. Notifications of a vehicle's first registration and of its being taken off the road are also transmitted electronically. This project, launched by the Motor Insurance Expert Commission, simplifies administrative processes considerably.

II.2 SVV Solution

The Swiss insurance association, the ASA/SVV, founded a new special projects subsidiary, SVV Solution, in 2008. One of the projects it operates is the E-insurance card (see II.1). There are plans to commission this new company to implement other projects, initially in the motor insurance sector. Each project will be financed by the companies involved.

II.3 EU motor liability directives

Although not a member of the EU, Switzerland is compelled to go along with certain European developments in the motor insurance sector. Swiss insurers are also active in the Liechtenstein market, which is part of the European Economic Area (EEA). This means that Swiss insurers must adjust their products to comply with the EU motor liability directives. A commission has studied the relevant changes, such as the adjustment of minimum sums insured and the submission of accident records, and the corresponding changes are expected to be implemented in Switzerland.

II.4 CC-Info

In autumn 2009, the CC-Info database of motor insurance claims went on line. Developed to combat fraud, it will be able to identify the claims incurred by a particular vehicle on the basis of its loss history. Loss adjusters can introduce suitable measures if any abnormalities are detected. This claims database is operated by SVV Solution (see II.2).

II.5 Accident prevention

In cooperation with organisations outside the insurance sector specialising in accident prevention, insurers are conducting a series of accident prevention campaigns. Examples include the "Headrests protect" campaign which promotes the correct adjustment of car headrests, and pilot attempts to prevent drivers colliding with animals. Insurers are also backing the implementation of certain measures under a government programme to prevent accidents.

III. Future developments

The ASA/SVV plans to be actively involved in the further development of intelligent transport systems, particularly of the pan-European in-vehicle emergency call system e-Call.

UK

I. Market trends

	2006	2007	2008	Growth 2006/07	Growth 2007/08
Financial data					
Gross written motor premiums (€m)	18 620	18 951	16 504	1.8%	-12.9%
of which MTPL					
of which own damage					
Motor insurance as % of total non-life premiums	26.1%	26.6%	27.1%		
Average MTPL premium (€)	635	774		21.9%	
Combined ratio — MTPL					
Structural data					
Number of insurance companies	350	263			
Concentration ratio — 5 largest groups	63%	60%	61%		
Concentration ratio — 10 largest groups	78%	76%			
Vehicles per 1 000 inhabitants		551			
Macroeconomic indicators					
Real GDP growth	2.9%	2.6%	0.7%		
Inflation	2.3%	2.3%	3.6%		

The RBS Group remained the largest private car insurer in 2008. The top five insurance groups accounted for 61% of the private car insurance market. Independent intermediaries wrote 35% of private motor insurance business and direct sales accounted for a further 44%. The remaining business was sold via company agents, banks, building societies and others.

There are about 53 companies and 11 Lloyd's syndicates actively transacting motor insurance business in the UK. However, more than 200 companies are registered.

II. Key developments

II.1 Legislation

II.1.a Jackson Review

In November 2008 the Master of the Rolls appointed Lord Justice Jackson to conduct a root-and-branch review of the costs of the UK's civil litigation system. The review, in 2009, considered potential changes to the civil litigation system including changes to the cost-shifting rules, extension of fixed costs, recovery of additional liabilities (including after the event [ATE] premiums) and funding mechanisms such as contingency fees and compulsory before the event (BTE) insurance. The review is an opportunity to put forward radical reforms to the civil justice system and to propose alternative non-court resolution systems.

Changes considered included increasing the small claims track to £5 000 for uncontested personal injury claims, establishing a universal general damages assessment tool, introducing mandatory BTE cover and making ATE premiums recoverable against the defendant.

Lord Justice Jackson produced his final analysis of the current system and favoured options for change, following a consultation. The Master of the Rolls has still to decide whether to accept the recommendations, which would have to be considered by the government and put out to public consultation².

II.2 Market practices

II.2.a Personal injury

The government has been developing a new claims process for road traffic accident claims involving personal injury with a claims value between £1 000 and £10 000. The new process incorporates new fixed costs, which reflect the streamlined process with its challenging timetable for insurers. The next stage is to implement the process, which includes the development of an electronic method of communication.

II.2.b Replacement vehicles

The cost of providing replacement vehicles continues to weigh heavily on insurers. The agreement with credit hire companies on costs is still in force although some insurers are questioning its value. New measures are being introduced to make the agreement function more effectively.

II.2.c Removal of damaged vehicles

New statutory charges were introduced in 2008 to make the costs of removing and storing damaged vehicles more predictable. There have been some signs that removal companies and some statutory authorities are misusing the powers available. Insurers are currently preparing evidence for the government on this.

II.2.d Road safety

The results of a consultation on the process of learning to drive were disappointing. The government is not keen to introduce stricter regulations on young and newly qualified drivers. The UK insurance association, the ABI, is working with the Driving Standards Agency to improve the way that people learn and also on a diploma for 14 to 16 year olds on road use, which will include a section on insurance.

The government published a consultation on road safety in May 2009. This includes few new regulatory proposals and mainly focuses on recommending new lower speed limits in urban residential areas and on country roads, where a large number of road accidents occur.

² The Jackson report is available at: http://www.judiciary.gov.uk/about_judiciary/cost-review/jan2010/final-report-140110.pdf.

III. Future developments

The ABI is waiting for the government to launch a consultation on the medical licensing system of drivers, looking particularly at the retesting of older drivers.

The ABI, is also waiting for the government to produce regulations that would allow insurers to deliver certificates of motor insurance to customers electronically. The government is having problems with drafting this legislation and it is two years since ministers promised to make this change. As well as benefiting customers, the facility should result in cost savings for insurers.

The government and the insurance industry continue to work together to reduce uninsured driving. About 200 000 uninsured vehicles were seized in 2008. In 2011 the offence of being the “keeper of an uninsured vehicle” will come into force. This offence will be detected and prosecuted automatically by comparing the government’s vehicle database and the Motor Insurance Database, without the need for offenders to be caught at the roadside.

Annex I
Statistical tables

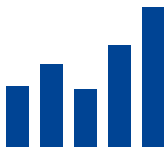


Table 1 | Number of motor insurance companies by country — 2002–2007

		2002	2003	2004	2005	2006	2007
AT	Austria	27	25	24	25	25	25
BE	Belgium	83	72	63	60	57	56
CH	Switzerland	32	30	33	33	30	33
CY	Cyprus	24	24	22	22	21	20
CZ	Czech Republic	15	15	15	14	14	17
DE	Germany	118	112	109	106	103	104
EE	Estonia	8	8	7	7	10	12
ES	Spain	71	67	63	62	57	56
FI	Finland	13	12	12	12	11	11
FR	France	137	127	119	116	108	105
GR	Greece	52	51	49	49	44	46
HR	Croatia	15	15	15	14	12	13
HU	Hungary	12	12	12	12	13	13
IS	Iceland	n.a.	5	5	4	4	4
IT	Italy	87	84	80	77	74	74
LU	Luxembourg	31	31	27	26	24	21
LV	Latvia	12	11	10	10	9	9
MT	Malta	10	11	11	11	11	11
NL	Netherlands	135	135	135	87	74	74
PL	Poland	28	31	29	27	24	27
PT	Portugal	27	25	24	24	24	24
SE	Sweden	39	39	39	39	39	38
SI	Slovenia	7	7	6	6	6	6
SK	Slovakia	13	11	11	11	11	11
TR	Turkey	38	34	31	31	24	26
UK	United Kingdom	351	350	350	350	350	263
CEA		1 385	1 344	1 301	1 235	1 179	1 099

Table 2 | Total number of vehicles by country — 2002–2007 (thousands)

		2002	2003	2004	2005	2006	2007
AT	Austria	5 419	5 506	5 576	5 647	5 723	5 797
BE	Belgium	5 902	5 984	6 071	6 155	6 257	6 374
CH	Switzerland	4 809	4 888	4 969	5 043	4 823	4 899
CY	Cyprus	465	485	515	535	551	551
CZ	Czech Republic	5 741	5 829	5 997	6 232	6 472	6 788
DE	Germany	46 330	47 491	47 869	48 256	48 601	49 134
DK	Denmark	2 388	2 411	2 462	2 555	2 642	2 714
EE	Estonia	576	614	658	681	760	703
ES	Spain	27 108	27 313	28 675	29 918	31 156	32 682
FI	Finland	2 656	2 757	2 870	2 974	3 078	3 178
FR	France	37 312	37 831	38 289	38 640	38 959	39 357
GR	Greece	5 693	5 968	6 303	6 641	6 996	7 380
HR	Croatia	1 572	1 650	1 720	1 791	1 900	1 900
HU	Hungary	3 100	3 260	3 319	3 405	3 405	3 405
IE	Ireland	1 923	1 824	2 128	2 227	2 370	2 500
IS	Iceland	n.a.	208	219	236	252	270
IT	Italy	47 763	44 079	43 951	45 184	46 329	47 131
LT	Lithuania	1 311	1 392	1 455	1 601	1 601	1 601
LU	Luxembourg	350	358	366	376	376	376
LV	Latvia	813	847	891	966	1 062	1 144
MT	Malta	258	259	260	271	281	289
NL	Netherlands	8 169	9 324	9 522	9 653	9 836	10 068
NO	Norway	2 717	2 778	2 843	2 921	3 014	3 126
PL	Poland	15 526	15 899	16 701	13 093	14 168	15 414
PT	Portugal	5 291	5 384	5 560	5 689	5 801	5 906
RO	Romania	3 700	3 829	3 985	3 985	3 985	3 985
SE	Sweden	5 015	5 085	5 177	5 289	5 385	5 181
SI	Slovenia	1 084	999	1 022	1 033	1 201	1 168
SK	Slovakia	1 834	1 880	1 971	1 801	1 841	1 859
TR	Turkey	8 497	8 852	10 389	11 287	12 180	12 964
UK	United Kingdom	35 754	36 501	37 174	37 792	38 324	38 862
CEA		289 075	291 484	298 907	301 876	309 327	316 704

Table 3 | Passenger vehicles per 1 000 inhabitants — 2007

		2007
IS	Iceland	734
LU	Luxembourg	640
MT	Malta	636
IT	Italy	606
UK	United Kingdom	551
AT	Austria	546
FI	Finland	542
PT	Portugal	526
CH	Switzerland	524
BE	Belgium	522
SI	Slovenia	505
IE	Ireland	502
DE	Germany	497
ES	Spain	485
FR	France	481
SE	Sweden	470
DK	Denmark	466
NO	Norway	458
CZ	Czech Republic	454
CY	Cyprus	453
NL	Netherlands	451
LT	Lithuania	431
GR	Greece	429
LV	Latvia	401
EE	Estonia	390
PL	Poland	383
HR	Croatia	324
HU	Hungary	287
SK	Slovakia	262
RO	Romania	150
TR	Turkey	125
CEA		479

Note: The CEA average excludes Turkey

Table 4 | Total motor insurance premium income by country — 1997–2008 (€m)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
AT Austria	2 177	2 067	2 027	2 093	2 236	2 410	2 588	2 745	2 841	2 883	2 884	2 853
BE Belgium	2 300	2 329	2 442	2 506	2 544	2 703	2 806	2 907	2 948	3 012	3 066	3 129
CH Switzerland	2 359	2 415	2 476	2 622	2 790	3 015	3 111	3 223	3 346	3 373	3 269	3 366
CY Cyprus	79	82	84	90	92	98	112	134	147	156	169	172
CZ Czech Republic	448	550	579	679	789	973	1 039	1 114	1 243	1 328	1 405	1 629
DE Germany	20 825	20 033	19 511	20 358	21 341	21 986	22 325	22 504	22 005	21 221	20 800	20 372
DK Denmark	1 044	1 116	1 135	1 192	1 230	1 365	1 581	1 637	1 692	1 751	1 812	1 531
EE Estonia	40	43	49	55	60	71	87	101	117	137	176	187
ES Spain	6 043	5 281	6 585	7 987	8 774	9 794	10 617	11 239	11 514	12 026	12 298	12 107
FI Finland	632	687	777	850	889	908	960	1 045	1 143	1 196	1 189	1 245
FR France	13 744	13 749	14 035	14 549	15 289	16 202	17 136	17 623	17 860	17 729	17 703	17 880
GR Greece	601	603	730	811	836	980	1 100	1 147	1 218	1 231	1 331	1 371
HR Croatia	n.a.	246	247	263	300	329	353	385	421	466	517	564
HU Hungary	369	375	404	452	534	675	731	818	904	884	929	923
IE Ireland	1 017	1 099	1 260	1 463	1 758	1 891	1 895	1 704	1 625	1 631	1 544	1 420
IS Iceland	63	71	92	129	132	139	141	132	158	164	202	133
IT Italy	13 174	14 306	15 863	16 899	18 155	19 608	20 708	21 232	21 352	21 612	21 524	20 845
LT Lithuania	n.a.	28	38	42	48	110	102	125	137	188	244	276
LU Luxembourg	186	201	211	226	242	256	269	288	304	316	328	333
LV Latvia	30	46	55	70	74	81	86	95	106	152	245	268
MT Malta	39	38	39	44	47	49	53	57	59	60	61	62
NL Netherlands	3 164	3 256	3 463	3 758	3 988	4 222	4 381	4 581	4 565	4 662	4 705	4 633
NO Norway	958	994	1 100	1 254	1 409	1 605	1 622	1 631	1 741	1 772	1 826	1 887
PL Poland	1 514	1 820	1 872	2 117	2 381	2 229	1 971	2 062	2 457	2 566	2 869	3 479
PT Portugal	1 226	1 344	1 413	1 550	1 738	1 829	1 852	1 905	1 997	2 004	1 944	1 810
RO Romania	n.a.	n.a.	n.a.	n.a.	n.a.	211	247	302	464	643	1 252	1 522
SE Sweden	1 201	1 254	1 388	1 586	1 610	1 920	2 262	2 409	2 456	2 477	2 466	2 297
SI Slovenia	221	241	245	260	301	338	374	415	456	483	522	555
SK Slovakia	142	188	187	207	240	281	387	479	493	482	548	607
TR Turkey	665	797	884	1 288	818	859	1 062	1 484	1 930	2 217	2 563	2 418
UK United Kingdom	11 404	12 390	13 804	17 928	19 765	20 044	19 162	18 867	19 335	18 620	18 951	16 504
CEA	85 664	87 652	92 994	103 329	110 409	117 181	121 122	124 393	127 031	127 443	129 343	126 378

Table 5 | Claims ratio by country — 2007

		2007
TR	Turkey	129.6%
SE	Sweden	96.9%
DE	Germany	91.8%
IS	Iceland	86.0%
GR	Greece	82.9%
IT	Italy	77.4%
FI	Finland	77.0%
SI	Slovenia	73.9%
UK	United Kingdom	73.0%
ES	Spain	72.7%
PT	Portugal	72.2%
HR	Croatia	71.8%
FR	France	71.7%
BE	Belgium	71.5%
NO	Norway	70.6%
LU	Luxembourg	70.0%
PL	Poland	68.9%
CH	Switzerland	68.2%
AT	Austria	68.0%
HU	Hungary	65.5%
CY	Cyprus	59.6%
NL	Netherlands	59.3%
MT	Malta	56.4%
IE	Ireland	56.0%
DK	Denmark	54.1%
SK	Slovakia	53.6%
CEA		76.8%

Table 6 | MTPL premiums by country —1997–2008 (€m)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
AT Austria	1 490	1 390	1 329	1 344	1 422	1 535	1 646	1 740	1 795	1 807	1 793	1 755
BE Belgium	1 664	1 667	1 697	1 708	1 702	1 784	1 857	1 920	1 942	1 963	1 969	1 972
CH Switzerland	1 196	1 203	1 205	1 264	1 315	1 423	1 497	1 568	1 637	1 656	1 603	1 648
CY Cyprus	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	80	89	104	109	115	n.a.
CZ Czech Republic	171	265	293	393	473	584	620	664	730	781	821	953
DE Germany	12 667	12 265	12 167	12 628	13 224	13 624	13 800	13 909	13 581	13 098	12 805	12 495
DK Denmark	350	371	386	412	422	534	661	685	701	721	738	705
EE Estonia	25	25	28	31	29	33	40	44	51	57	69	76
ES Spain	3 546	3 469	3 938	4 603	5 237	5 834	6 172	6 531	6 674	6 916	6 873	6 604
FI Finland	339	379	436	476	500	508	536	588	654	683	644	666
FR France	6 321	6 268	6 299	6 380	6 534	6 832	7 113	7 267	7 083	6 972	6 846	6 805
UK Greece	515	541	616	664	681	798	887	908	946	942	1 011	1 027
GR Croatia	n.a.	202	196	202	223	240	259	282	300	335	371	405
HR Hungary	240	231	232	250	280	346	383	438	409	490	530	534
HU Italy	10 710	11 767	13 249	14 221	15 344	16 653	17 646	18 087	18 198	18 415	18 239	17 637
IE Lithuania	n.a.	16	15	16	18	74	59	71	69	101	124	141
IS Luxembourg	104	114	117	122	131	133	135	144	147	148	150	145
IT Latvia	24	31	35	42	44	45	46	45	41	54	93	124
LT Malta	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	33	34	36	35
LU Netherlands	1 746	1 852	1 915	2 079	2 448	2 586	2 709	2 468	2 467	2 525	2 482	2 462
LV Norway	467	460	483	518	554	631	639	648	698	712	730	752
MT Poland	795	985	1 012	1 165	1 288	1 246	1 041	1 092	1 372	1 482	1 626	1 996
NL Portugal	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 365	1 353	1 302	1 188
NO Romania	n.a.	n.a.	n.a.	31	42	71	67	131	191	265	452	508
PL Sweden	524	540	598	694	719	875	1 066	1 147	1 178	1 179	1 110	966
PT Slovenia	121	135	145	165	200	230	257	286	306	316	330	336
RO Slovakia	47	69	63	79	107	139	221	292	267	262	287	309
SE Turkey	146	227	258	265	224	281	337	528	684	752	862	927
CEA	43 209	44 473	46 714	49 749	53 161	57 039	59 771	61 571	63 622	64 127	64 011	63 171

Table 7 | MTPL combined ratio by country — 2007

		2007
SE	Sweden	158%
GR	Greece	139%
FR	France	127%
EE	Estonia	113%
PT	Portugal	110%
BE	Belgium	109%
TR	Turkey	107%
HU	Hungary	104%
HR	Croatia	102%
FI	Finland	101%
IT	Italy	100%
DE	Germany	97%
PL	Poland	97%
SI	Slovenia	97%
ES	Spain	94%
NL	Netherlands	93%
LU	Luxembourg	85%
SK	Slovakia	69%
CEA		108%

Table 8 | Motor own damage premiums by country — 1997–2008 (€m)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
AT Austria	688	677	698	749	814	874	942	1 005	1 046	1 076	1 090	1 098
BE Belgium	681	711	766	828	842	919	949	987	1 006	1 049	1 097	1 157
CH Switzerland	1 162	1 212	1 270	1 358	1 474	1 592	1 614	1 656	1 708	1 717	1 666	1 718
CY Cyprus	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	33	45	43	47	48	n.a.
CZ Czech Republic	277	285	286	297	317	389	419	451	513	547	584	672
DE Germany	8 158	7 768	7 344	7 487	7 895	8 141	8 341	8 430	8 268	7 978	7 864	7 756
DK Denmark	694	745	749	780	808	831	921	953	992	1 029	1 074	1 033
EE Estonia	15	18	21	25	30	38	48	57	66	79	106	112
ES Spain	1 869	1 812	2 647	3 384	3 537	3 960	4 237	4 579	4 840	5 110	5 426	5 503
FI Finland	293	308	341	374	389	400	424	457	489	513	545	579
FR France	7 529	7 568	7 826	8 250	8 755	9 370	10 023	10 356	10 777	10 757	10 857	11 075
GR Greece	84	88	114	148	155	182	213	239	272	289	320	344
HR Croatia	n.a.	44	51	61	77	92	95	106	117	131	147	160
HU Hungary	128	145	172	203	254	320	349	380	409	395	400	389
IT Italy	2 464	2 539	2 614	2 678	2 811	2 955	3 062	3 145	3 154	3 197	3 284	3 208
LT Lithuania	n.a.	21	23	27	30	36	43	54	68	87	119	135
LU Luxembourg	82	87	94	104	111	123	134	145	157	168	178	189
LV Latvia	10	15	20	26	30	36	41	51	65	99	152	144
MT Malta	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26	26	25	27
NL Netherlands	1 418	1 404	1 547	n.a.	1 500	1 605	1 715	2 113	2 098	2 146	2 223	2 249
NO Norway	492	534	617	637	855	975	983	983	1 043	1 060	1 096	1 135
PL Poland	719	835	859	953	1 093	983	918	978	1 085	1 084	1 243	1 483
PT Portugal	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	559	563	562	560
RO Romania	n.a.	n.a.	n.a.	n.a.	109	147	135	209	291	377	801	1 014
SE Sweden	677	715	790	892	891	1 046	1 197	1 263	1 278	1 298	1 356	1 332
SI Slovenia	100	106	100	95	101	108	117	129	150	167	192	219
SK Slovakia	95	119	124	128	132	142	166	186	226	221	261	298
TR Turkey	519	570	625	1 023	594	578	726	956	1 246	1 465	1 701	1 491
CEA	28 152	28 324	29 699	30 505	33 606	35 842	37 842	39 912	41 991	42 677	44 416	45 077

Table 9 | Motor own damage combined ratio by country — 2007

		2007
SI	Slovenia	120%
HR	Croatia	101%
DE	Germany	100%
NL	Netherlands	96%
FI	Finland	96%
LU	Luxembourg	96%
TR	Turkey	93%
PL	Poland	92%
SK	Slovakia	91%
BE	Belgium	89%
ES	Spain	85%
GR	Greece	84%
FR	France	84%
IT	Italy	76%
SE	Sweden	75%
PT	Portugal	62%
CEA		89%

Table 10 | Average total motor insurance premium — 2007 (€)

		€	PPP-adjusted
UK	United Kingdom	774	681
CH	Switzerland	747	614
NO	Norway	600	442
IT	Italy	497	485
AT	Austria	488	462
NL	Netherlands	485	456
BE	Belgium	481	448
FR	France	450	410
SE	Sweden	439	369
ES	Spain	434	486
DE	Germany	374	363
EE	Estonia	336	500
MT	Malta	319	464
SI	Slovenia	318	414
SK	Slovakia	308	450
PT	Portugal	291	359
FI	Finland	284	241
HR	Croatia	264	415
CZ	Czech Republic	260	422
TR	Turkey	252	419
GR	Greece	244	283
HU	Hungary	231	358
PL	Poland	183	300
CEA		439	391

Table 11 | Average MTPL premium — 2007–2008

		2007		2008	
		€	PPP-adjusted	€	PPP-adjusted
IT	Italy	422	411	407	391
CH	Switzerland	366	301	n.a	n.a
BE	Belgium	309	288	n.a	n.a
AT	Austria	303	287	292	267
NL	Netherlands	253	238	243	227
ES	Spain	242	272	229	248
NO	Norway	240	177	239	175
DE	Germany	230	224	222	213
SI	Slovenia	201	262	198	245
SE	Sweden	197	166	212	181
PT	Portugal	195	240	174	211
HR	Croatia	189	298	198	288
MT	Malta	188	274	184	252
GR	Greece	185	215	189	209
FR	France	174	159	172	152
SK	Slovakia	161	237	167	245
FI	Finland	154	131	155	129
CZ	Czech Republic	152	247	170	240
EE	Estonia	133	197	138	197
HU	Hungary	132	204	n.a	n.a
PL	Poland	104	170	119	181
TR	Turkey	85	141	89	146
CEA		243	243	230	230

Table 12 | Average own damage premium — 2007 (€)

		2007
RO	Romania	770
EE	Estonia	737
SK	Slovakia	510
TR	Turkey	486
HU	Hungary	461
FR	France	452
AT	Austria	389
HR	Croatia	329
PL	Poland	293
NL	Netherlands	290
MT	Malta	251
SE	Sweden	231
PT	Portugal	216
DE	Germany	192
FI	Finland	171

Table 13 | MTPL claims frequency — 2006–2008

	2006	2007	2008
AT Austria	10.1%	9.4%	9.0%
TR Turkey	6.9%	8.7%	9.9%
IT Italy	8.4%	8.6%	8.6%
GR Greece	8.2%	8.0%	8.2%
SK Slovakia	7.6%	7.8%	7.8%
SE Sweden	6.6%	6.5%	7.7%
LV Latvia	7.7%	n.a.	n.a.
PT Portugal	7.3%	7.5%	7.3%
EE Estonia	7.4%	7.1%	6.1%
MT Malta	n.a.	5.8%	7.4%
DE Germany	7.0%	6.8%	6.6%
HR Croatia	6.2%	5.9%	5.7%
CZ Czech Republic	6.2%	6.2%	6.2%
NO Norway	6.1%	6.1%	5.8%
CH Switzerland	6.1%	6.0%	n.a.
HU Hungary	5.5%	5.0%	n.a.
PL Poland	5.3%	5.0%	5.1%
FR France	4.7%	4.6%	4.4%
SI Slovenia	4.5%	4.3%	4.1%
NL Netherlands	4.3%	4.5%	n.a.
FI Finland	2.9%	2.9%	2.8%
CEA	6.6%	6.6%	6.5%

Table 14 | Average MTPL claim cost by country — 2006–2008

		2006		2007		2008	
		€	PPP- adjusted	€	PPP- adjusted	€	PPP- adjusted
CH	Switzerland	5 684	4 399	5 236	4 306	n.a.	n.a.
FI	Finland	5 089	4 356	4 365	3 704	4 445	3 772
NL	Netherlands	5 084	4 759	3 909	3 679	n.a.	n.a.
SE	Sweden	3 312	2 755	4 249	3 571	5 033	4 307
IT	Italy	4 146	4 039	4 045	3 944	4 032	3 931
FR	France	3 454	3 125	3 543	3 232	3 515	3 207
DE	Germany	3 213	3 118	3 264	3 166	3 264	3 166
SI	Slovenia	3 090	4 145	3 188	4 148	2 796	3 638
NO	Norway	2 819	2 126	2 926	2 153	2 889	2 120
GR	Greece	2 471	2 874	2 189	2 535	n.a.	n.a.
HR	Croatia	2 104	3 296	2 339	3 684	2 337	3 410
AT	Austria	2 128	2 012	2 325	2 201	2 247	2 128
PT	Portugal	2 044	2 511	2 211	2 725	1 826	2 250
HU	Hungary	1 705	2 866	2 005	3 106	n.a.	n.a.
EE	Estonia	1 265	2 003	1 672	2 485	1 677	2 392
MT	Malta	n.a.	n.a.	1 636	2 378	1 357	1 972
PL	Poland	1 345	2 330	1 449	2 378	1 600	2 430
SK	Slovakia	776	1 140	883	1 293	1 086	1 590
TR	Turkey	790	1 382	820	1 365	893	1 461
LV	Latvia	821	1 454	n.a.	n.a.	n.a.	n.a.
CEA		3 188	3 188	3 176	3 176	n.a.	n.a.

Table 15 | Own damage claims frequency — 2006–2008

		2006	2007	2008
LV	Latvia	42.9%	n.a.	n.a.
EE	Estonia	32.9%	33.3%	36.4%
SK	Slovakia	31.3%	29.5%	29.2%
AT	Austria	24.0%	22.1%	22.9%
HU	Hungary	22.3%	19.8%	n.a.
MT	Malta	n.a.	15.2%	22.2%
HR	Croatia	19.1%	19.2%	20.8%
NL	Netherlands	16.2%	17.0%	n.a.
PL	Poland	15.6%	13.6%	14.1%
SE	Sweden	13.4%	14.1%	12.5%
DE	Germany	12.1%	12.8%	13.3%
SI	Slovenia	12.5%	11.5%	12.0%
PT	Portugal	9.9%	10.4%	10.7%
FI	Finland	8.6%	8.7%	8.4%
CH	Switzerland	6.1%	6.0%	n.a.
HU	Hungary	5.5%	5.0%	n.a.
PL	Poland	5.3%	5.0%	5.1%
FR	France	4.7%	4.6%	4.4%
SI	Slovenia	4.5%	4.3%	4.1%

Table 16 | Average own damage claim cost by country — 2007 (€)

		€	PPP-adjusted
NO	Norway	1 689	1 243
IT	Italy	1 596	1 556
NL	Netherlands	1 472	1 385
FI	Finland	1 440	1 222
PL	Poland	1 287	2 110
DE	Germany	1 275	1 237
GR	Greece	1 259	1 458
HR	Croatia	1 191	1 877
HU	Hungary	1 183	1 833
SK	Slovakia	1 131	1 656
AT	Austria	1 074	1 016
SE	Sweden	1 002	842
PT	Portugal	769	948
SI	Slovenia	723	941
CEA		1 284	1 284

Table 17 | Personal injury claims — 2006

		As percentage of total claims	Claims frequency
IT	Italy	21.89%	1.71%
ES	Spain	17.79%	2.47%
SE	Sweden	16.26%	0.70%
FR	France	10.03%	0.44%
AT	Austria	10.00%	1.01%
DE	Germany	9.75%	0.61%
BE	Belgium	9.64%	0.63%
CH	Switzerland	7.48%	0.46%
PT	Portugal	7.15%	0.53%
EE	Estonia	7.08%	0.50%
NO	Norway	6.84%	0.42%
LV	Latvia	6.26%	0.37%
PL	Poland	5.50%	0.23%
GR	Greece	3.96%	0.32%
CZ	Czech Republic	3.81%	0.20%
HU	Hungary	2.45%	0.14%
UK	United Kingdom	n.a.	1.33%

Table 18 | Distribution of large personal injury claims — 2004–2006

			€100 000- €500 000	€500 001-€1m	>€1m
IS	Iceland	2004	45	0	1
		2005	50	1	0
		2006	50	0	0
PT	Portugal	2004	703	25	2
		2005	700	31	3
		2006	514	21	2
HU	Hungary	2004	n.a.	n.a.	n.a.
		2005	n.a.	n.a.	n.a.
		2006	58	2	3
ES	Spain	2004	n.a.	n.a.	n.a.
		2005	n.a.	n.a.	n.a.
		2006	2 211	133	73
DE	Germany	2004	7 336	557	256
		2005	7 110	696	236
		2006	6 650	623	259
BE	Belgium	2004	637	135	0
		2005	641	154	0
		2006	700	137	0
IT	Italy	2004	2 628	591	98
		2005	2 641	733	189
		2006	2 759	883	188
FI	Finland	2004	124	47	6
		2005	146	32	15
		2006	101	34	17

Table 19 | Frequency of large personal injury claims — 2006

		Large PI claims frequency	PI claims as percentage of total claims
BE	Belgium	0.0159%	2.26%
DE	Germany	0.0137%	2.26%
IT	Italy	0.0133%	0.86%
PT	Portugal	0.0119%	1.96%
ES	Spain	0.0105%	0.64%
CZ	Czech Republic	0.0045%	2.31%
FI	Finland	0.0039%	n.a.
HU	Hungary	0.0016%	1.14%
EE	Estonia	0.0013%	0.25%
LV	Latvia	0.0003%	0.08%
Average		1.1%	n.a.

Table 20 | Personal injury claims expenditure as percentage of total claims expenditure — 2006

		All categories	€0-€100 000	€100 001- €500 000	€500 001-€1m	>€1m
IT	Italy	n.a.	58.2%	6.1%	5.3%	2.4%
CH	Switzerland	65.5%	n.a.	n.a.	n.a.	n.a.
FR	France	n.a.	27.7%	n.a.	5.2%	13.8%
BE	Belgium	n.a.	19.3%	14.0%	13.1%	n.a.
NO	Norway	46.4%	n.a.	n.a.	n.a.	n.a.
GR	Greece	44.8%	n.a.	n.a.	n.a.	n.a.
DE	Germany	n.a.	22.7%	11.2%	3.5%	4.2%
PT	Portugal	n.a.	25.7%	12.9%	1.9%	0.5%
ES	Spain	n.a.	26.1%	8.9%	2.1%	2.0%
FI	Finland	n.a.	19.8%	5.9%	3.7%	3.5%
CZ	Czech Republic	30.9%	n.a.	n.a.	n.a.	n.a.
AT	Austria	25.0%	n.a.	n.a.	n.a.	n.a.
HU	Hungary	22.3%	n.a.	n.a.	n.a.	n.a.
PL	Poland	16.2%	n.a.	n.a.	n.a.	n.a.
EE	Estonia	13.2%	n.a.	n.a.	n.a.	n.a.
SE	Sweden	11.2%	n.a.	n.a.	n.a.	n.a.
SI	Slovenia	8.0%	n.a.	n.a.	n.a.	n.a.
MT	Malta	5.6%	n.a.	n.a.	n.a.	n.a.
LV	Latvia	5.3%	n.a.	n.a.	n.a.	n.a.

Table 21 | Average costs of personal injury claims by country — 2006 (€)

		2006
CH	Switzerland	42 063
GR	Greece	24 801
FR	France	16 900
UK	United Kingdom	16 693
BE	Belgium	15 700
NO	Norway	15 460
HU	Hungary	14 914
DE	Germany	14 842
CZ	Czech Republic	14 365
IT	Italy	13 233
PT	Portugal	12 154
AT	Austria	5 320
PL	Poland	3 148
EE	Estonia	2 810
LV	Latvia	903
SE	Sweden	834

Table 22 | Distribution of personal injury claims expenditure by claim size — 2006

		€0-€100 000	€100 001- €500 000	€500 001-€1m	>€1m
ES	Spain	72.4%	19.0%	4.4%	4.2%
HU	Hungary	71.1%	19.1%	5.7%	4.1%
IT	Italy	66.7%	14.8%	12.8%	5.7%
PT	Portugal	62.9%	31.5%	4.6%	1.1%
FI	Finland	60.0%	17.9%	11.3%	10.8%
FR	France	59.3%	0.0%	11.2%	29.6%
DE	Germany	54.5%	27.0%	8.5%	10.0%
BE	Belgium	48.6%	26.6%	24.8%	0.0%
Average		62.8%	16.6%	11.0%	9.6%

Table 23 | Size distribution of claims expenditure for large loss claims — 2004–2006

			€100 000-€500 000	€500 001-€1m	>€1m
IS	Iceland	2004	82.0%	0.0%	18.0%
		2005	91.7%	8.3%	0.0%
		2006	100.0%	0.0%	0.0%
PT	Portugal	2004	81.3%	10.4%	8.3%
		2005	83.7%	12.2%	4.1%
		2006	84.8%	12.3%	3.0%
HU	Hungary	2004	n.a.	n.a.	n.a.
		2005	n.a.	n.a.	n.a.
		2006	68.7%	16.0%	15.3%
ES	Spain	2004	n.a.	n.a.	n.a.
		2005	n.a.	n.a.	n.a.
		2006	66.1%	19.7%	14.2%
DE	Germany	2004	62.4%	15.7%	21.9%
		2005	61.3%	20.3%	18.4%
		2006	59.4%	18.7%	22.0%
BE	Belgium	2004	49.1%	50.9%	0.0%
		2005	45.9%	54.1%	0.0%
		2006	51.7%	48.3%	0.0%
IT	Italy	2004	54.7%	33.9%	11.4%
		2005	46.0%	35.6%	18.4%
		2006	44.5%	38.4%	17.2%
FI	Finland	2004	40.3%	45.5%	14.3%
		2005	44.9%	28.2%	26.9%
		2006	32.4%	33.8%	33.8%

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