

**FUNDACIÓN MAPFRE**

**EUROPEAN NON-LIFE INSURANCE  
GROUPS' RANKING 2009**

**Instituto de Ciencias del Seguro**

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**Table of Contents:**

**1. Presentation**

**2. Methodology**

**3. General Comments**

**4. Comments by Group**

**Annexes**

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## 1. Presentation

For the sixth consecutive year, FUNDACIÓN MAPFRE issues its report “European Non-Life Insurance Groups' Ranking”, this time for 2009. It is based on the premium volume that each group reached in 2009 in this line of business in all of the countries where they operate. The data come from yearly reports published by the companies themselves. The study also provides information on the groups' combined ratio, comments on the year's highlights and a table with the results posted by each group in Non-Life branches. In this report, the number of groups included in the ranking has been reduced from 15 to 10. The change stemmed from the difficulty to obtain the required information in the case of the groups ranking at the end of the list at the time of the publication.

Millions of euros

EUROPE'S LARGEST NON-LIFE GROUPS IN 2009								
Ranking by gross premium volume								
Nº	Grupo	Country	Non-life premiums		% Δ	Combined ratio <sup>1</sup> %		Rank 2008
			2008	2009		2008	2009	
1	ALLIANZ	Germany	43,387	42,523	-2.0	95.4	97.4	1
2	AXA	France	28,851	29,015	0.6	95.5	99.0	2
3	ZURICH	Switzerland	25,369	24,534	-3.3	98.1	96.8	3
4	GENERALI	Italy	21,990	21,636	-1.6	96.4	98.3	4
5	EUREKO	Netherlands	15,075	14,647	-2.8	95.6	96.8	5
6	MAPFRE	Spain	10,891	11,900	9.3	93.9	95.7	8
7	TALANX	Germany	10,893	11,600	6.5	95.2	96.6	9
8	AVIVA	United Kingdom	15,033	11,207	-25.5	98.0	99.0	6
9	ERGO	Germany	10,562	11,182	5.9	90.9	93.1	10
10	GROUPAMA	France	9,988	10,331	3.4	98.7	105.9	7

Total first 5	134,672	132,354	-1.7
Total first 10	192,039	188,574	-1.8

**Source:** done by FUNDACIÓN MAPFRE with data from consolidated financial reports (under NIIF criteria).

<sup>1</sup> The Combined Ratio is the one provided by each company in its earnings report. In those cases where the Non-Life ratio and the Health ratio are given separately, we have used the Non-Life ratio.

## 2. Methodology

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1. The ranking was prepared using gross premium volumes (direct insurance plus accepted reinsurance) in Non-Life branches.

It should be noted that the ranking does not include Health insurance premiums that are assigned to the Life<sup>1</sup> branch, but it does feature those which are classified as part of Non-Life or explicitly differentiated.

2. Due to application of IFRS 8, some groups have varied the operating segments about which they provide separate information, causing difficulty in obtaining part of the figures analyzed in earlier editions of this ranking. However, whenever possible the criterion used in previous years has been retained. In the case of Groupama, which has stopped publishing information on the Life and Non-Life segments, premiums from the Property-Casualty segment have been added to those of Health insurance. For comparative purposes, the premium volume for 2008 that was included in the last ranking<sup>2</sup> has changed, but not the position held by this group.
3. Groups whose main line of business is reinsurance are not included in the ranking. The criterion is to include accepted reinsurance premiums from groups that have reinsurance units but do not rely on them as their main line of business. However, note the special case of TALANX, whose Non-Life Reinsurance premiums practically equaled its direct insurance premiums in 2009.
4. The earnings figures refer to the Non-Life sector, before taxes and minority interests.
5. The report uses the term “operating result” to refer to earnings from insurance activities, including revenue from investments linked to this line of business. Losses or gains from other investments are included under the heading “non-operating result.”
6. The information on solvency levels that appears in the annexes refers to all of the operations carried out by each group. The figure refers to the number of times the group has met the mandatory solvency requirement.
7. For comparative purposes, we have updated revenue and earnings figures for 2008 that were published by the groups in their annual reports for 2009.
8. For the euro conversions of figures expressed in other currencies, we have used the average exchange rates in 2008 and 2009, as per the following table.

EURO/1 UNIT	2008	2009
Pound sterling (GB)	1.260	1.124
US dollar	0.683	0.718

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<sup>1</sup> In general, in those cases in which Health insurance generates mathematical provisions, this branch is classified as part of Life.

<sup>2</sup> The premium volume published was 10,964 million euros, and the modified one is 9,988 million.

### 3. General comments

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Some highlights of the 2009 ranking:

- As economic difficulties and fierce competition in markets continued, increases in premium volumes were due in general to rate increases in some lines of insurance, higher revenues from international business and, to a lesser extent, acquisitions. Automobile insurance remained the branch hardest hit by fierce competition and the effects of the economic crisis, with a significant decline in new registrations and purchase of less coverage.
- Except for Zurich, all groups saw their combined ratios go up as a result of an increase in claims. Several factors help explain the increase: natural disasters in Europe; lower release of technical reserves; and a decline in premiums in some branches.
- As for natural disasters, the most significant one was Hurricane Klaus, which affected France and Spain in January. The earthquake in L'Aquila in Italy (April), flooding in central and eastern Europe in June and bad weather in general late in the year also pushed claims higher.
- In Italy, the Automobile segment continues to be affected by the so-called Bersani Law, which significantly trims the discretionary power of the "Bonus Malus" system. The Bersani decree states that a driver of an insured vehicle has the right to request that the same discount level be applied to any additional third party liability policy he or she takes out. Even more importantly, the decree establishes that the discount must be applied to vehicles bought by other members of the insured's family. The "Malus" is applied only if the driver is the "main" responsible party in an accident.
- After hefty accounting adjustments made in 2008 because of declines in asset values and losses from divestments —attributable to the crisis on financial markets —in 2009 the changes were considerably smaller and in some cases the decline in assets was reversed.

The top five spots in the ranking remained unchanged, with the first change coming in the sixth, taken over by MAPFRE after it rose by two. It was followed by the German group Talanx, which also rose two rungs, and Aviva, which fell by two because of a 25.5% fall in premiums (-16.5% in local currency). The French group Groupama slipped three spots to 10<sup>th</sup> place<sup>3</sup>. The Ergo group rose from 10<sup>th</sup> to ninth position.

Premium revenues for the top 10 European Non-Life insurance groups fell 1.8% in 2009 compared to the previous year and came in at 188,574 million euros. Half of the groups registered premiums decline, and the other half revenue increase. MAPFRE showed the biggest increase (9.3%) and Aviva the largest drop (-25.5%). In the case of MAPFRE, growth was driven by international business and reinsurance, along with Homeowner's and Health insurance in Spain. The decline

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<sup>3</sup> See section on Methodology

showed by Aviva (-16.5% in local currency), was due mainly to the fact that early in the year the group sold a minority stake in its Dutch unit, Delta Lloyd.

Zurich is the only group that improved its combined ratio in 2009, to 96.8%. This stemmed from a 1.6 percentage point improvement in the claims ratio, thanks to higher rates and an improvement in large loss events as a result of the group's risk selection strategy and the absence of major natural disasters. Ergo continued to have the best combined ratio at 93.1%<sup>4</sup>, thanks to the fact that its business in Germany still posts a ratio below 90%. MAPFRE has the second best combined ratio at 95.7%, despite a rise in claims in the Spanish market as a result of a contraction in net earned premiums.

The almost across-the-board worsening of the combined ratio was caused by an increase in the claims ratio as a result of natural disasters and bad weather in Europe late in the year. In general, the evolution of claims corresponding to previous years was better than that stemming from claims during 2009 itself.

The net result was favored by smaller accounting adjustments of asset values, which in some cases offset the worsening of the operating result. The following table shows the results from the last three years, so as to illustrate how they have evolved since the financial crisis began. The new segmentation of the Ergo group does not feature separate information on Non-Life branches, so this group was not included in the table. An analysis of these data leads to the conclusion that, although results rose 12% in 2009, they are far below those of 2007. Three of the nine groups surpassed the profit levels posted in 2007: MAPFRE, Aviva and Eureka.

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<sup>4</sup> Figure drawn from Annual Report of Munich Re and referring to the entire Property-Casualty segment.

Millions of euros

<b>Non-Life results<sup>1</sup></b>				
<b>Group</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>% Var. 2009/2008</b>
ALLIANZ	7,261	5,936	4,142	-30.2
AXA	3,336	1,419	2,692	89.7
ZURICH	3,022	1,472	1,878	27.5
MAPFRE	1,105	1,199	1,149	-4.1
AVIVA	1,033	-134	1,078	-
GENERALI	2,461	1,531	841	-45.1
TALANX	1,006	379	992	161.7
EUREKO	437	-123	601	-
GROUPAMA <sup>2</sup>	656	334	88	-
<b>TOTAL</b>	<b>20,317</b>	<b>12,014</b>	<b>13,461</b>	<b>12.0</b>

**Source:** Done by FUNDACIÓN MAPFRE with yearly reports

<sup>1</sup> Result before taxes and minority interests

<sup>2</sup> Property Casualty segment result

## 4. Comments by Group

### ALLIANZ

Gross written premiums at the Allianz group in 2009 fell by 2% compared to the previous year due to various factors: a lower volume of operations in Germany, France, Italy and in the credit insurance line; a fall in

revenue from US Crop Insurance Program; the negative impact of converting foreign currency; and the sale of part of the Swiss Health insurance business. These negative effects were offset partially by the consolidation of the group's Turkish unit, starting in July 2008.

The combined ratio stood at 97.4%, an increase of 2 percentage points compared to 2008. The rise stems from an increase in the claims ratio of 1.5 percentage points and one of 0.5 percentage points in the expense ratio, which stood at 27.9%. Some of the large Commercial operations endured a rough year, especially in Germany, France and Italy, as did the credit insurance business.

**Natural catastrophe** represented 1.2 percentage points of the accident year loss ratio in 2009, compared to 1.8 percentage points of impact the previous year. The most significant event in 2009 was Hurricane Klaus, which mainly affected operations in France.

The operating result was 4,064 million euros, 28% less than that of the previous year. Lower revenue from investments accounted for about one-third of this decline, due mainly to lower interest rates and a fall in dividend yields.

The non-operating result dropped 73% as a result of a significant fall in net gains. Because of all of the above, the result in the Property-Casualty segment, before taxes and minority interests, totalled 4,142 million euros, 30.2% less than in 2008.

### AVIVA

In 2009, AVIVA reached 9,968 million pounds in Non-Life premiums, a decline of 16.5% from the previous year. Revenue as expressed in euros totalled 11,207 million, with a negative variation of 25.5%. Early in the year the group sold a minority

Premiums and results in millions of euros

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>43,387</b>	<b>42,523</b>	<b>-2.0%</b>
<b>Combined ratio (%)</b>	<b>95.4</b>	<b>97.4</b>	<b>2.0 p.p.</b>
Claims ratio (%)	68.0	69.5	1.5 p.p.
Expense ratio (%)	27.4	27.9	0.5 p.p.
<b>Result</b>	<b>5,936</b>	<b>4,142</b>	<b>-30.2%</b>
Operating	5,647	4,064	-28.0%
Non-operating	289	78	-73.0%

Note: p.p. percentage points

Premiums and results in millions

Main indicators	2008	2009	Variat.
<b>Premiums (€)</b>	<b>15,033</b>	<b>11,207</b>	<b>-25.5%</b>
Premiums (£)	11,934	9,968	-16.5%
<b>Combined ratio (%)</b>	<b>98.0</b>	<b>99.0</b>	<b>1.0 p.p.</b>
Claims ratio (%)	62.6	66.7	4.1 p.p.
Expense ratio (%)	35.4	32.3	-3.1 p.p.
<b>Result (€)</b>	<b>-134</b>	<b>1,078</b>	-
<b>Result (£)</b>	<b>-106</b>	<b>959</b>	-
Operating result (€)	1,509	1,079	-28.5%
Operating result (£)	1,198	960	-19.9%

Note: p.p. percentage points

Operating result: result adjusted for non-operating items.

stage in its Dutch unit Delta Lloyd. Excluding the effect of this sale, the decline in premiums was smaller.

Thanks to efficiency programs, there was a rise in productivity and cost-savings. This led to an improvement in the administrative expense ratio, which went from 13.4% in 2008 to 12.6% in 2009. The combined operating ratio was 99%, a point higher than in the previous year, due to a rise in claims in the UK and the adverse weather in Europe. That claims level, along with a drop in return on investments and lower asset base, meant a 20% drop in the operating result in this line of business (as expressed in pounds).

## AXA

As for Property-Casualty insurance, premiums rose 0.7% thanks to higher rates and increase in sales of Personal lines. This was partially offset by a lower volume of sales in Commercial lines of insurance. Meanwhile, premium volume in International Insurance fell 0.7% due to lower premium revenue at AXA Corporate Solutions.

Premiums and results in millions of euros

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>28,851</b>	<b>29,015</b>	<b>0.6%</b>
Property-Casualty	26,107	26,291	0.7%
International insurance	2,744	2,724	-0.7%
<b>Combined ratio (%)</b>	<b>95.5</b>	<b>99.0</b>	<b>3.5 p.p.</b>
Claims ratio (%)	67.1	70.9	3.8 p.p.
Expense ratio (%)	28.4	28.1	-0.3 p.p.
<b>Resultado</b>	<b>1,419</b>	<b>2,692</b>	<b>89.7%</b>
Property-Casualty	1,353	2,219	64.0%
International insurance	66	473	616.7%

Note: p.p. percentage points

The combined ratio of the Property-Casualty segment rose 3.5 percentage points to 99% as a result of an increase in the claims ratio and a slight improvement in the expense ratio (the acquisition expense ratio went up 0.3 point and the administrative expense ratio dropped by 0.5 point). The worsening of the claims ratio stemmed from higher claims over natural disasters (Klaus storm, floods in the UK and difficult winter conditions overall); a rise in the current year claims ratio (not including natural events), with a greater impact both in terms of frequency and severity; and from the negative impact of the evolution of payments and reserves related to claims from previous years. Despite the worsening of the technical result, the segment's result before taxes grew 64%, thanks to the contribution from the favorable change in the value of certain assets and derivatives.

However, International Insurance posted a better technical than financial result, and this made for a significant rise in the net result.

## ERGO

The German group's 5.9% rise in Non-Life premiums in 2009 was due both to organic growth and acquisitions. One should note the integration of business from the travel insurance company ERV, which until then had belonged to Munich Re. The breakdown of the group's operating segments changed with respect to previous years. Here we explain how they performed:

- In **Health**, insurance premiums rose by 3.8%. In Germany revenue was up 1.5% while international business expanded 16.1%, thanks mainly to the launch

of the hospital in Denia (Spain). In February 2005, the Valencia regional government awarded DKV Seguros a contract to manage Health Area 13 in the Valencia Autonomous Community.

- The **Property-Casualty segment in Germany** posted a slight increase of 0.8%. Despite a strict policy on underwriting risk, the Commercial and Industrial risk line grew by 4.5%. However, revenue from Personal lines insurance fell 0.5%, mainly because Automobile insurance continued to face fierce competition and declined by 3.4%.

*Premiums and results in millions of euros*

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>10,562</b>	<b>11,182</b>	<b>5.9%</b>
Health	5,228	5,424	3.8%
Property-Casualty Germany	2,968	2,991	0.8%
International	2,047	2,026	-1.1%
Travel insurance	-	387	-
Direct insurance	319	354	11.0%
<b>Combined ratio* (%)</b>	<b>90.9</b>	<b>93.1</b>	<b>2.2 p.p.</b>
Claims ratio (%)	58.4	60.2	1.8 p.p.
Expense ratio (%)	32.5	32.9	0.4 p.p.

**Note:** p.p. percentage points

\* Figure drawn from Annual Report of Munich Re

- **Travel insurance** includes the activities of ERV, a company which until 2008 belonged to Munich Re. For this reason, only 2009 is included. In that year its premium revenue fell slightly because of the difficult and unstable economic situation.

- **Direct insurance**, which includes the activities of Neckermann and ERGO Direkt Seguros, saw a premium volume increase of 11%.

- Non-life premiums in the **International Operations** segment fell by 1.1%. In some markets the cause was a fall in exchange rates. Such was the case of the Polish company ERGO Hestia, which grew 20.1% in local currency, while premiums measured in euros fell. Legal expenses insurance was also able to manage good organic growth (6.9%).

## EUREKO

Premium volume in **Health insurance** fell 5.7% in 2009, due mainly to smaller contributions from the Dutch government than in previous years. These contributions, introduced in 2006 by the new Health insurance system, are related to risk mitigation

*Premiums and results in millions of euros*

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>15,075</b>	<b>14,647</b>	<b>-2.8%</b>
Health	11,259	10,617	-5.7%
Non Life	3,816	4,030	5.6%
<b>Combined ratio* (%)</b>	<b>95.6</b>	<b>96.8</b>	<b>1.2 p.p.</b>
Claims ratio (%)	65.3	67.8	2.5 p.p.
Expense ratio (%)	30.3	29.0	-1.3 p.p.
Combined ratio. Health (%)	100.1	98.4	-1.7 p.p.
<b>Result</b>	<b>-123</b>	<b>601</b>	<b>-</b>
Health	-28	319	-
Non Life	-95	282	-

**Note:** p.p. percentage points

and serve to compensate insurers for covering higher-risk groups. Meanwhile, premiums from Personal lines rose 2% due to a slight increase in rates and growth in new clients.

Thanks to positive results both in basic and supplementary Health insurance, the before-tax result improved significantly, going from -28 million euros in 2008 to 319 million euros in 2009. This was due mainly to the fact that in 2009 there came the (semi-final) settlement, corresponding to the year 2006, of compensation paid by the equalisation pool to insurers for underwriting higher-risk groups. Other factors that contributed to the improvement were greater efficiency, lower costs and greater revenue from investments.

Gross premiums rose 5.6% in the **Non-Life** segment due to greater revenue in the Netherlands and Greece and the full-year consolidation of the group's Russian unit Oranta, which it had acquired in 2008. Organic growth was 4%.

The before-tax result recovered significantly, going from a loss of 95 million euros to a gain of 282 million euros. This stemmed not only from better results from investments, but also from a rise in premiums in tandem with a reduction in costs. These improvements were partially offset by an increase in claims.

## GENERALI

Non-Life premiums taken in by the Generali group in 2009 reached 21,636 million euros, a decline of 1.6% from the previous year. Premiums fell 2.3% in Italy due to a contraction in Automobile insurance. This sector was affected by a drop in

the average premium following regulatory changes introduced in the insurance sector recently by the Bersani Law and by a fall in registrations of new vehicles. The group's operations in Spain fell 6.6% because of a decline in premiums in Automobile and Corporate segment. The German market remained stable, and there was growth in the markets of Switzerland (2.6%), the Netherlands (13%) and Argentina (34.6%).

The operating result was 1,300 million euros, 38.6% less than in 2008, as a result of a rise in claims (1.9 percentage points) and a decline in financial yields. Along with the prolongation of a bad period for Automobile insurance, claims were influenced by catastrophic events such as the earthquake in central Italy, winter storm Klaus and floods in central and eastern Europe.

The non-operating result went from -586 million euros to -459 million. The improvement stems from a strong drop in "net impairment losses from other financial instruments and land and buildings". As of a result of all these factors, the result of the Non-Life sector was 841 million euros, a drop of 45.1% from the previous year.

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>21,990</b>	<b>21,636</b>	<b>-1.6%</b>
<b>Combined ratio (%)</b>	<b>96.4</b>	<b>98.3</b>	<b>1.9 p.p.</b>
Claims ratio (%)	69.2	71.1	1.9 p.p.
Expense ratio (%)	27.2	27.2	0.0 p.p.
<b>Result</b>	<b>1,531</b>	<b>841</b>	<b>-45.1%</b>
Operating	2,118	1,300	-38.6%
Non-operating	-586	-459	-21.8%

**Note:** p.p. percentage points

## GROUPAMA

Since Groupama did not publish data on the Life and Non-Life segments in its report for 2009, and in order for the group's information to be as similar as possible to that of the

other groups, we have chosen to merge the premiums of the Property and Casualty segment and those of Health insurance. Using this new criterion, premiums grew 3.4% in 2009 to 10,331 million euros. They were driven mainly by the Health branch in France (it rose 9.2%). This was due on one hand to a revision of rates to account for higher costs for universal health care and on the other to an increase in the portfolio, thanks to robust commercial activity.

Property and Casualty insurance rose 2.7%, with international business doing better than the domestic segment. The former grew 7.6%. Activity in France was steady, with a slight increase in individual policies and a small decline in group and Commercial insurance. In the international segment the drive came from Household insurance, since the Automobile line, which accounts for more than 63% of premiums in this sector, posted a drop of 1.5%.

The impact of weather-related phenomena weighed heavily on results in the Property and Casualty sector. Besides the one-off effect of claims stemming from storms Klaus and Quinten, the claims ratio in 2009 worsened by 3.5 points due to an increase in claims frequency in Automobile and Fire insurance.

## MAPFRE

MAPFRE closed 2009 with 11,900 million euros in Non-Life premiums, an increase of 9.3% over the previous year. The contribution from international business

and reinsurance accounted for more than half of premiums and fueled the group's growth, along with Homeowner's and Health insurance in Spain. But the slowdown in economic activity had a negative effect on Automobile and Commercial insurance lines in Spain.

As for international business, we note a strong increase in premiums at MAPFRE AMÉRICA as a result of the excellent performance of Health and Accident insurance in the largest markets of Latin America; the consolidation throughout the year of the U.S. Group COMMERCE, as well as the recovery of sales of Automobile insurance and growth in Homeowner's insurance in Massachusetts; the strong evolution of Global Risks business in Latin America and Europe; growth of 15.5% in accepted reinsurance, which reflects both new business and increases in

*Premiums and results in millions of euros*

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>9,988</b>	<b>10,331</b>	<b>3.4%</b>
Property Casualty	8,260	8,482	2.7%
Health	1,728	1,849	7.0%
<b>Combined ratio (%)</b>	<b>98.7</b>	<b>105.9</b>	<b>7.2 p.p.</b>
<b>Property Casualty result</b>	<b>334</b>	<b>88</b>	<b>-73.7%</b>

Note: p.p. percentage points

*Premiums and results in millions of euros*

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>10,891</b>	<b>11,900</b>	<b>9.3%</b>
<b>Combined ratio (%)</b>	<b>93.9</b>	<b>95.7</b>	<b>1.8 p.p.</b>
Claims ratio (%)	68.8	70.8	2.0 p.p.
Expense ratio (%)	25.1	24.9	-0.2 p.p.
<b>Result</b>	<b>1,199</b>	<b>1,149</b>	<b>-4.1%</b>

Note: p.p. percentage points

participation in existing contracts, such as a rise in business with the group's international units.

The consolidated combined ratio was 95.7%, compared to 93.9% the previous year. The increase stems mainly from a rise in claims in the Spanish market as a result of a fall in net earned premiums and a rise in claims in the Automobile, Health and Accident branches in Latin America. This increase in claims was offset partially by a significant improvement in the expense ratio. A worsening of the technical result, countered in part by an improvement in financial and other non-technical revenues, made for a Non-Life result of 1,149 million euros, which was 4.1% less than in 2008.

## TALANX

### Property/Casualty

**Primary Insurance** fell 0.8% in 2009 to 5,847 million euros. The fall can be attributed in part to exchange rate movements, in part to a fall in premiums in the domestic market for Personal Lines and Commercial insurance and in part to the sale

of an insurance portfolio in Spain. Revenue from investments increased 33% and the segment's result improved significantly, despite a worsening of the combined ratio by 1.2 points (96.5% compared to 95.3% in 2008).

Gross written premiums in **Non-Life Reinsurance** rose 15.1% to 5,753 million euros, due mainly to a rise in rates as a result of a tougher market. The combined ratio rose 1.7 points to 96.7%, which reflects a prudent reserve policy.

Net revenue from investments rose to 620 million euros, compared to 47 million the previous year. The segment posted profits of 680 million euros.

Talanx is reorganizing its direct insurance activities to create a structure that will allow the group to respond flexibly to changes in the market. In the future, the primary insurance business will have three divisions: Global Industrial business, German retail line, and foreign retail business. In Industrial and foreign retail business the group is pursuing a clear policy of expansion, while in retail lines in Germany the group is seeking to achieve competitive expense ratios and recover market share.

As for international business, early in the year the group acquired a company in Mexico that has been part of Talanx since October 2009 under the brand name HDI Seguros México. The company works mainly in Automobile insurance and generates premium revenue of around 50 million euros a year. In India it signed a joint venture with the financial company Magma Fincorp for the sale of insurance products in the Indian market. The group also posted organic growth in foreign markets, such as that of Brazil.

Premiums and results in millions of euros

Main indicators	2008	2009	Variat.
<b>Premiums</b>	<b>10,893</b>	<b>11,600</b>	<b>6.5%</b>
P/C Primary Insurance	5,896	5,847	-0.8%
Non-life Reinsurance	4,997	5,753	15.1%
<b>Combined ratio* (%)</b>	<b>95.2</b>	<b>96.6</b>	<b>1.4 p.p.</b>
Property Casualty (%)	95.3	96.5	1.2 p.p.
Reinsurance (%)	95.0	96.7	1.7 p.p.
<b>Non-life result</b>	<b>379</b>	<b>992</b>	<b>161.7%</b>
Direct P/C insurance	205	312	52.2%
Non-life Reinsurance	45	680	1411.1%

Note: \* combined ratio of P/C and Non-life Reinsurance

p.p. percentage points

## ZURICH

Non-Life premiums at the Zurich group in 2009 totaled 24,534 million euros, a drop of 3.3% from the previous year (-8.1% in dollars). The decline was due mainly to business in North America, where certain segments of

Main indicators	Premiums and results in millions		
	2008	2009	Variat.
<b>Premiums (€)</b>	<b>25,369</b>	<b>24,534</b>	<b>-3.3%</b>
Premiums (USD)	37,151	34,157	-8.1%
<b>Combined ratio (%)</b>	<b>98.1</b>	<b>96.8</b>	<b>-1.3 p.p.</b>
Claims ratio (%)	72.6	70.9	-1.6 p.p.
Expenses (%)	25.5	25.9	0.4 p.p.
<b>Result (€)</b>	<b>1,472</b>	<b>1,878</b>	<b>27.5%</b>
Result (USD)	2,156	2,614	21.2%

**Note:** p.p. percentage points

Commercial insurance were affected acutely by the economic context, which led to a small exposure to risk by customers. The Global Corporate line was hit by lower insurance demand from customers, although this was partially offset by higher rates. General insurance in Europe was also affected by market conditions, posting lower premium volumes. International markets rose 3% as measured in local currency, thanks both to organic growth and acquisitions.

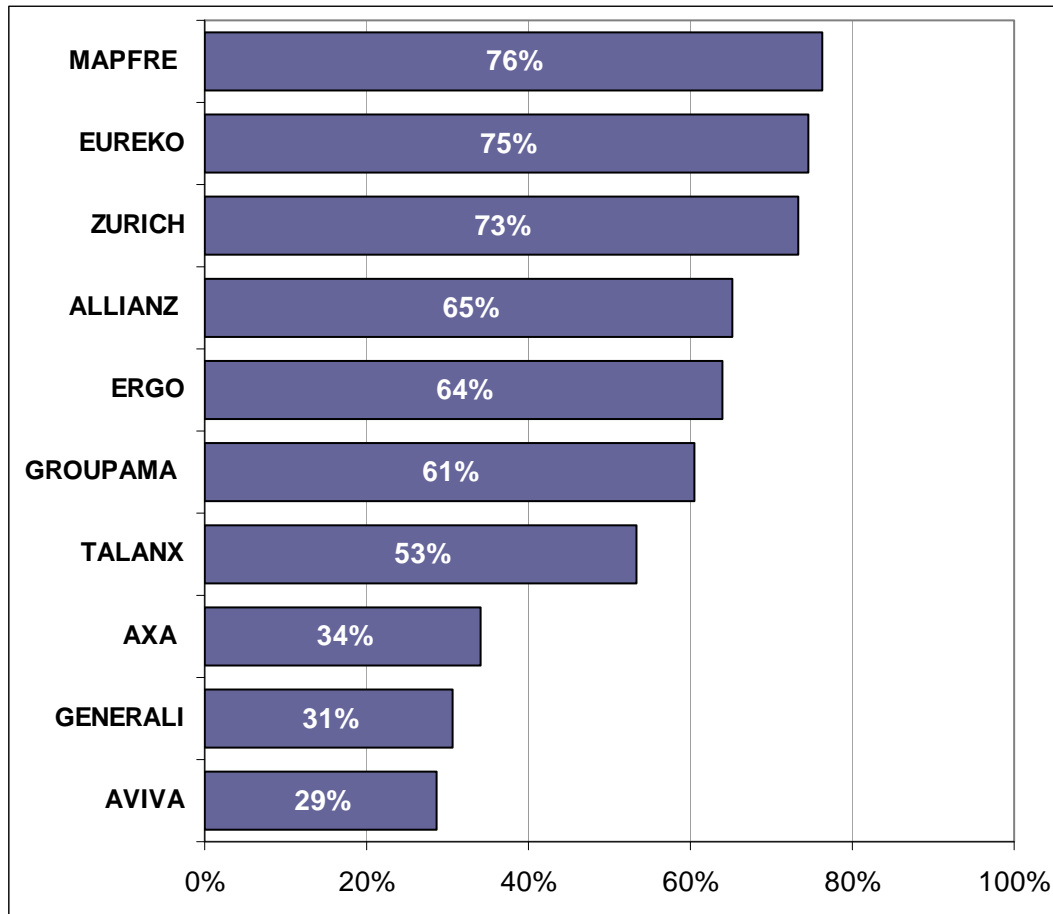
The combined ratio was 96.8%, down 1.3 points from 2008. The claims ratio improved 1.6 percentage points, while the expense ratio increased four-tenths of a point because of larger commissions. The drop in the claims ratio was due mainly to rate increases and improvements in the attritional loss ratio. This was the result of the group's risk selection strategy and the absence of major insured natural catastrophes. This reduction was offset by high incidence of claims in European personal automobile insurance, mainly in Italy and the UK, as well as lower levels of favorable development of reserves established in prior years and higher levels of large loss experience.

This improved technical result compensated for a smaller non-technical result, which was attributable mainly to lower revenue from investments and to the challenges posed by a difficult and competitive economic setting.

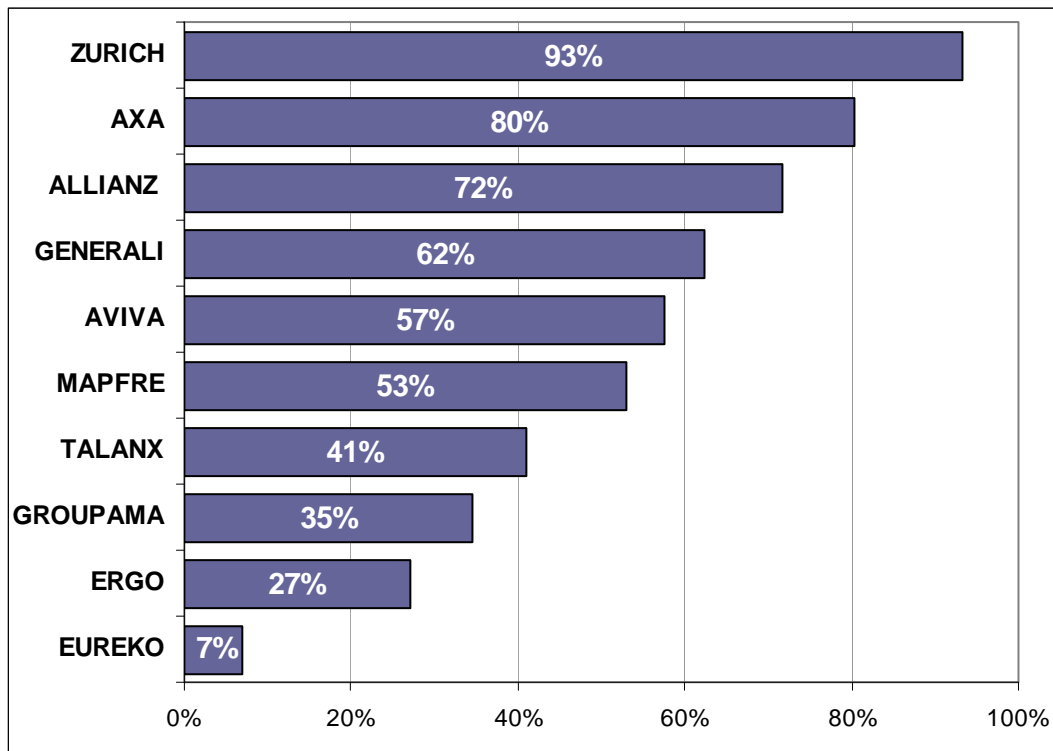
**Annex 1. Percentage of Non-Life insurance**

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**Non-life business as a percentage of total premiums**



**Percentage of Non-Life business abroad**



## Annex 2. Solvency

To complement the figures on Non-Life lines, we have added information on solvency levels. It is important to note:

- It has not been possible to give this figure for all of the companies in the ranking. The information was taken from the insurance groups' annual reports, and this figure is not included in all of them.
- The information refers to the level of solvency for all the operations carried out by each group.
- The information is not homogenous because the specific way of determining mandatory capital depends on the laws in each country.

The figures provided show the number of times the group has attained the mandatory solvency capital. In 2009, the solvency level of all groups from which it was possible to obtain information improved, confirming for another year the financial soundness of Europe's major insurance groups.

Solvency level		
Group	2008	2009
MAPFRE	2.04	2.85
EUREKO	1.50	2.16
ZURICH	1.60	1.98
GROUPAMA	1.22	1.80
AXA	1.27	1.71
AVIVA	1.30	1.70
ALLIANZ	1.57	1.64
GENERALI	1.23	1.28

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