Analysing 2024 Solvency and Financial Condition Reports of non-life insurers in the Netherlands

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This briefing note provides insights into the year-end 2024 Solvency and Financial Condition Reports (SFCRs) of selected non-life insurers based in the Netherlands.[1] The report accompanies an analysis of key information included in the Quantitative Reporting Templates (QRTs) published with the SFCRs.[2]

In this briefing note, we analyse the SFCRs of the 10 largest non-life entities of Dutch insurers, selected based on the volume of gross written premiums (GWPs) in 2024, accounting for 85% of the entire GWP market. The three largest insurers account for 65% of the €18.7 billion total of all GWPs. The 15% shown in the 'Other' category in Figure 1 represents the ~40 non-life insurance entities not considered in this briefing note. The non-life GWP for 2024 has increased by 8% compared to 2023. Furthermore, compared to 2023, the GWP of DAS has increased such that it has surpassed ABN AMRO and has broken into the top 10 largest non-life insurers.

FIGURE 1: REPORTED TOTAL GWP PER YE2024 AND YE2023 AND AS PERCENTAGE OF THE TOTAL DUTCH MARKET (FIGURE IN € BILLION)

INSURER	GWP 2024	GWP 2023	CHANGE	MARKET SHARE (%)
Achmea	4.35	4.00	0.35	23%
a.s.r.	3.97	3.54	0.43	21%
NN	3.77	3.62	0.15	20%
Univé	0.74	0.63	0.11	4%
Goudse	0.68	0.66	0.02	4%
UVM	0.61	0.57	0.04	3%
NH van 1816	0.57	0.49	0.08	3%
TVM	0.43	0.41	0.02	2%
Bovemij	0.37	0.38	-0.01	2%
DAS	0.31	0.28	0.03	2%
Other	2.89	2.71	0.18	15%
Market	18.69	17.30	1.40	100%

1. This analysis is based on non-life insurers only. Reinsurers are excluded from the analysis, as well as insurance entities underwriting mainly medical expenses related to the Dutch health risk equalisation system ('basis en aanvullende zorgverzekeringen'). The 10 largest insurance entities are selected based on gross written premium in 2024.
2. The data for individual insurers included in this briefing note has been sourced from Solvency II Wire data and company-disclosed SFCRs and QRTs. The data is available via subscription from https://www.solvencyiiwire.com/solvency-ii-wire-data-demo/.

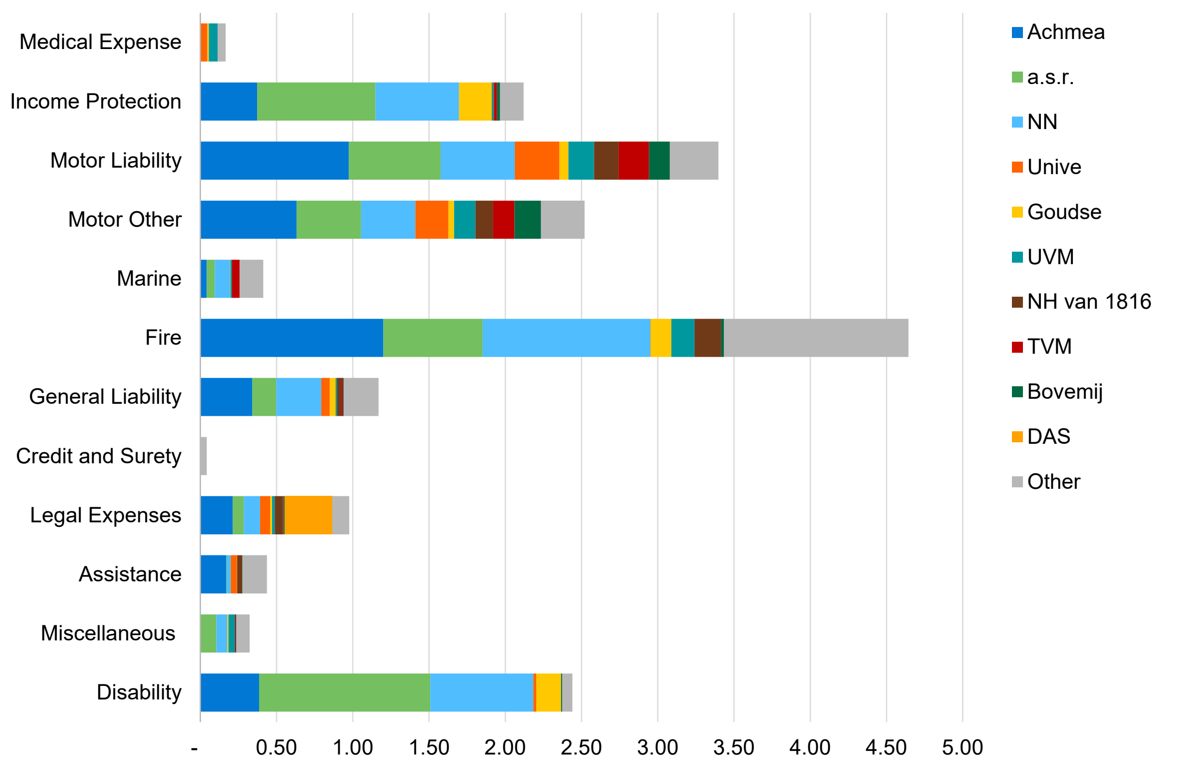
In addition to the property and casualty lines of business, the presented values include disability, income protection and medical expenses. However, specific entities underwriting medical expenses related to the Dutch Health Risk Equalisation System (Basis en Aanvullende Zorgverzekeringen) are excluded from this analysis.[3] The Dutch equalisation system's health coverages are primarily written in separate entities, resulting in a limited exposure in medical expenses for the remaining non-life insurers in our report.

Analysis of premiums

As Figure 2 shows, the largest line of business is 'Fire', followed by 'Motor Liability and 'Motor Other' (representing third-party liability and other losses) combined. These three lines of business account for €10.6 billion of the €18.7 billion in total non-life GWPs.

A distinction can be seen in the lines of business, primarily Fire, Motor Liability, Motor Other, and Income Protection and Disability (health SLT), written by the three largest insurers. Insurers categorised as 'Other' have a relatively large share in smaller lines of business, such as marine and assistance.

FIGURE 2: GWPS PER LINE OF BUSINESS (FIGURE IN € BILLIONS)



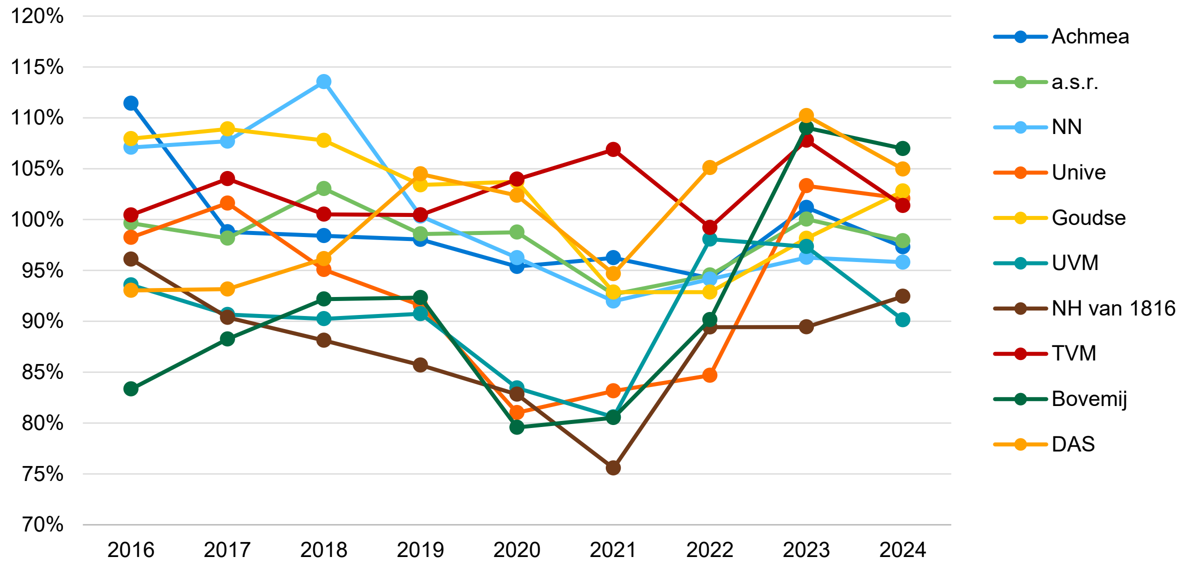
Combined ratio

Despite ongoing concerns about extreme weather, the combined ratio of most Dutch non-life insurers has actually decreased compared to 2023. While 2024 saw nine Code Orange warnings, four named storms, and several severe thunderstorms, these events did not result in significant additional damages in the Netherlands. The Dutch Association of Insurers (Verbond van Verzekeraars) also indicates no noteworthy storms for 2024. Another factor for the decrease in the combined ratio is the increase in premiums.

The combined ratio is calculated by dividing the sum of expenses incurred and claims incurred by the net earned premium. Compared to 2023, the reported combined ratios have decreased for almost all insurers in this selection, except for a slight increase for Goudse and NH van 1816.

3. Insights into the SFCRs of Dutch health insurers are described in the briefing note at https://www.milliman.com/en/insight/2024-sfcr-health-netherlands.

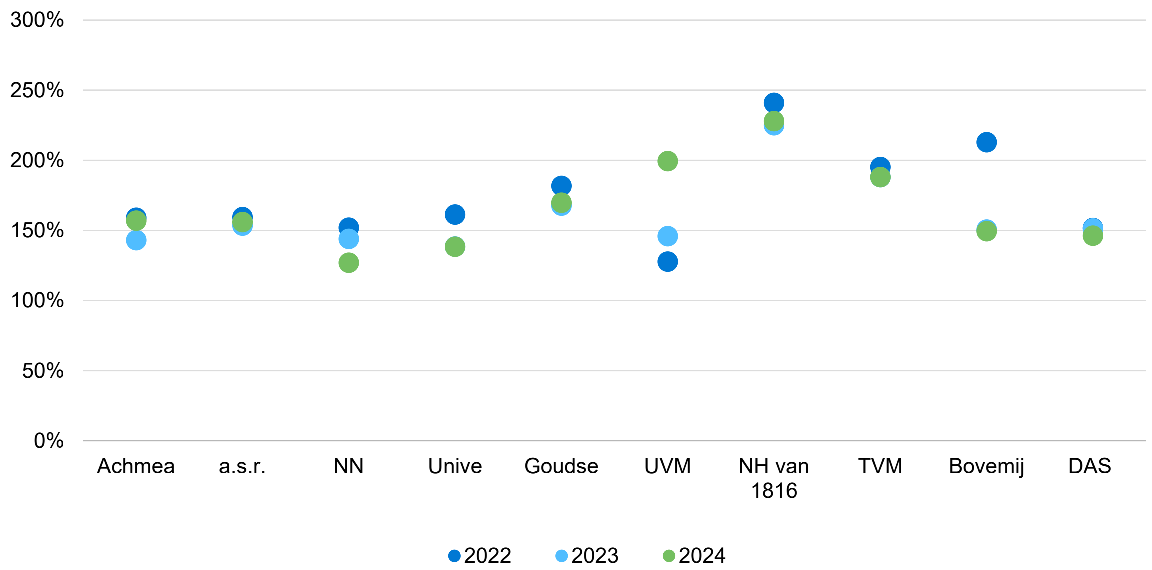
FIGURE 3: EVOLUTION OF THE COMBINED RATIOS OVER TIME



Solvency Capital Requirement coverage ratio

The weighted average Solvency Capital Requirement (SCR) coverage ratio for the selected insurance entities was 155% at year-end 2024, up from 154% at year-end 2023. Solvency coverage can change year-on-year for various reasons, including revised capital management strategies. Figure 4 shows the SCR coverage ratio of the companies included in our sample for the past three years.

FIGURE 4: SCR COVERAGE RATIO OF THE SELECTED INSURANCE ENTITIES

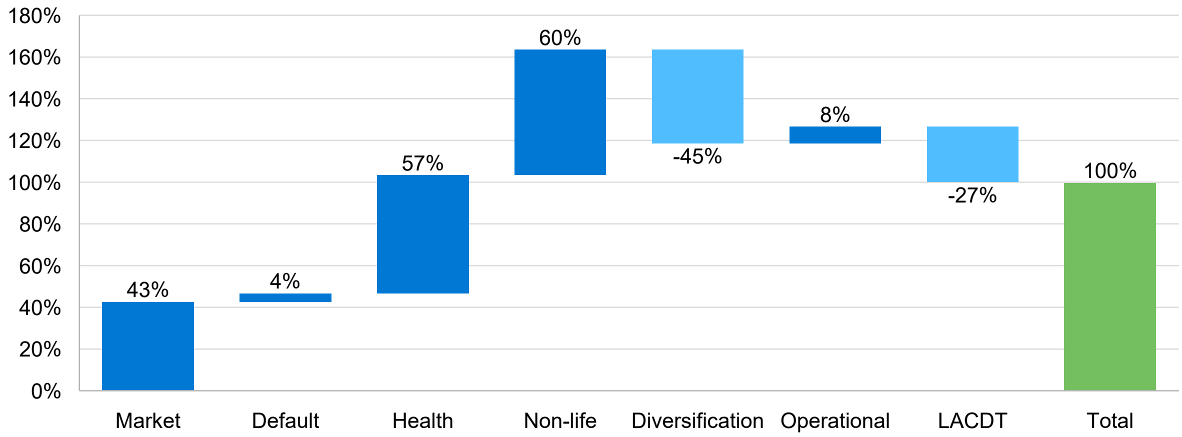


The average market SCR coverage ratio amounts to 169% in 2024 (168% in 2023). This shows that non-life insurers based in the Netherlands continue to hold a significant capital buffer—in excess of the required SCR coverage ratio of 100%. Smaller insurers have, on average, a higher SCR ratio, as the average SCR coverage ratio of the selected sample (155%) is lower than the average market SCR coverage ratio (169%).

SCR – standard formula

For the companies in our sample, the standard formula SCR[4] as of December 31, 2024 is largely driven by underwriting risk, split across health and non-life. The diversification and loss-absorbing capacity of deferred taxes (LACDT) benefits largely offset these risks to reduce the SCR.

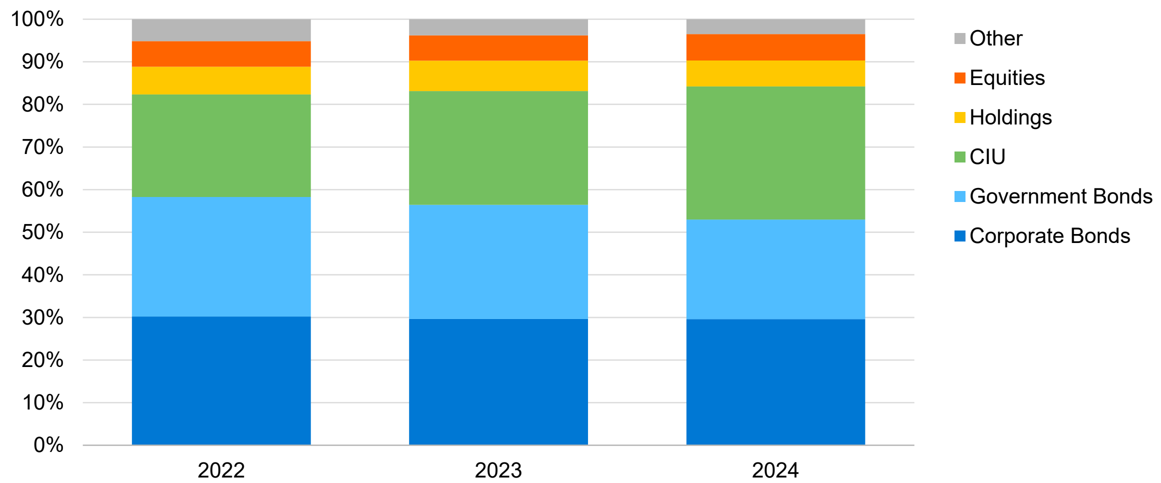
FIGURE 5: BREAKDOWN OF SCR UNDER THE STANDARD FORMULA OF THE SELECTED INSURANCE ENTITIES



Investments

The asset portfolio of the selected insurers comprises 77% of the investments of all Dutch non-life insurers, totalling €30 billion in value. Figure 6 shows how these investments can be further categorised. Investments primarily consist of government bonds, corporate bonds and collective investment undertakings (CIU). Overall, the CIU are noticeably increasing over time while the government bond proportions are declining. This is likely caused by changing interest rates in recent years, which resulted in devaluation of government and corporate bonds.

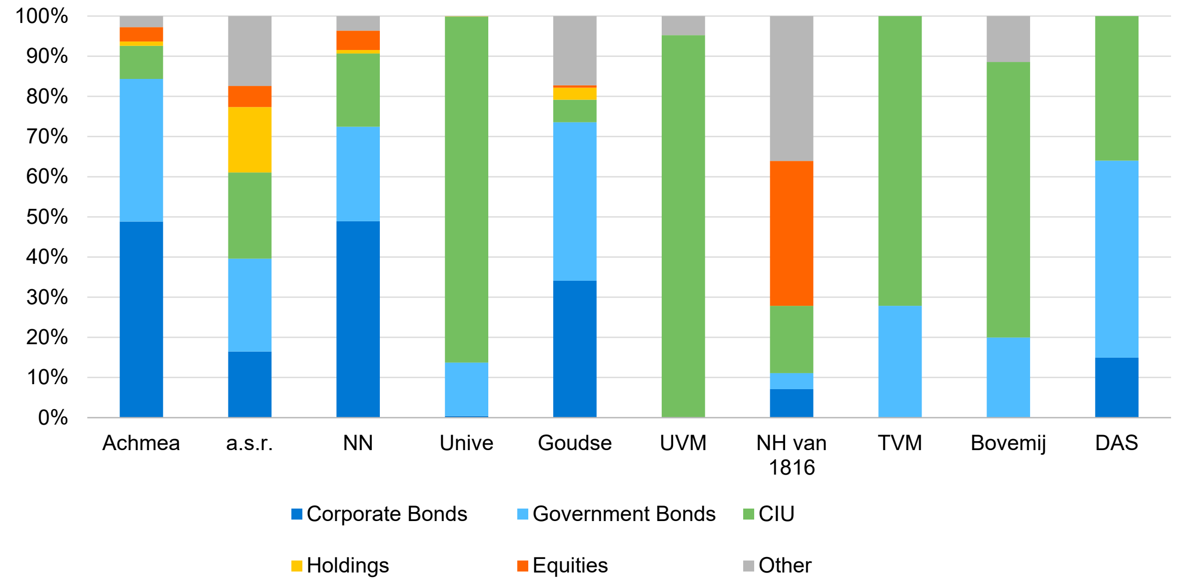
FIGURE 6: INVESTMENT MIX OF ALL NON-LIFE INSURERS



The investment mix of the three largest insurers shows that Achmea and NN have a notably higher share of corporate bonds, whereas a.s.r. has more in collective investment and 'Other' undertakings. Smaller insurers such as Univé, UVM, TVM, and Bovemij have limited investments in government bonds, instead placing most of their portfolios in collective investment undertakings. NH van 1816 is notable for its significant investments in equities and 'Other,' which are mainly derivatives.

4. Achmea and NN have been excluded from this section because they use partial internal models.

FIGURE 7: INVESTMENT MIX OF SELECTED INSURERS



What's next?

Milliman Benelux has developed an interactive application to efficiently compare the metrics of insurers, as disclosed in their QRTs. If you would like to learn more and get free access to this tool, please follow the link https://apps.nl.milliman.com/ or send an email to Benelux.tools@milliman.com.

If you have any questions or comments related to the information above, or if you are interested in learning more about Milliman and our services, please contact your usual Milliman consultant.

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