MILLIMAN RESEARCH REPORT

Analysis of Belgian insurers' Solvency and Financial Condition Reports

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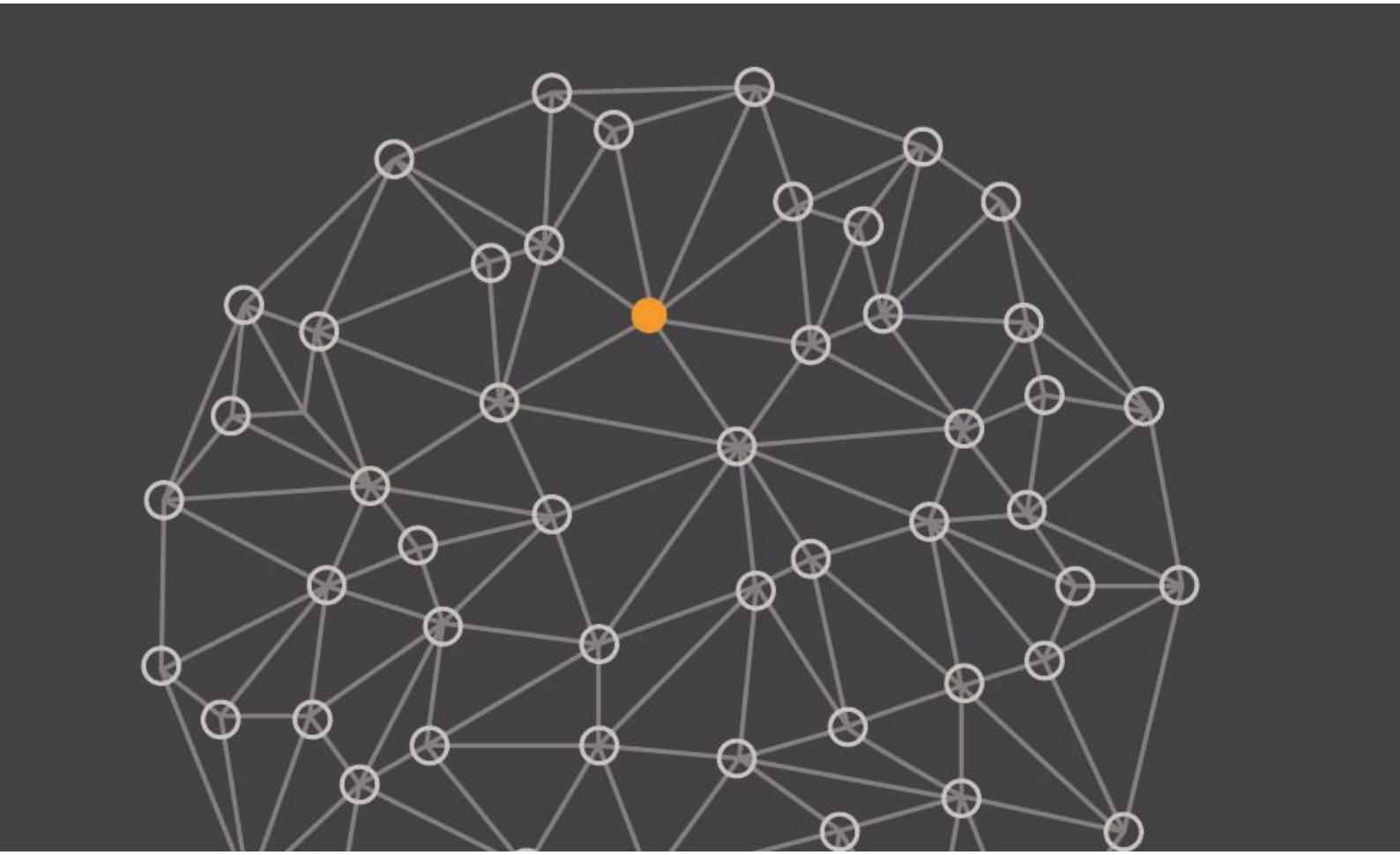

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Management summary

In May 2017 the first Solvency and Financial Condition Reports (SFCRs) were published for year-end 2016. The SFCRs contain a significant amount of information including details of the company's performance over the reporting period, systems of governance, risk profile, valuation basis and capital requirements.

In this report a summary is provided of the SFCRs of the main players in the life, non-life and health insurance business in Belgium. The report focusses on a subset of insurers in the Belgian market. The focus is on the large insurers in the Belgian market. Most of the large Belgium insurers are composite insurers writing life and non-life business in one legal entity. Composite insurers within one legal entity are not very common in other European markets but rather specific for the Belgian insurance market. In most European markets life and non-life business is required to be written in separate entities. Out of the 14 insurers included in this report 11 are composite insurers, which cover approximately 90% of the insurance market.

In this report an overview is given of the factors determining the Solvency Capital Requirement (SCR) ratio. An overview is given of the composition of SCR and own funds as well as an analysis of the SCR ratio or Solvency II ratio. This report shows that the sample of Belgian insurers is well capitalised, having an average Solvency II ratio of 177%, with no insurer having a Solvency II ratio lower than 100%. On an aggregate level the sample of insurers has €26.5 billion eligible own funds to cover €15 billion in Solvency II required capital.

Also, the assets, liabilities and underwriting for non-life and life business in Belgium are considered. The analysis of assets shows strong preference of Belgian insurers for government and corporate bonds.

We hope you enjoy reading this report.

Introduction

BACKGROUND

Under Solvency II, European insurers were required to publish their Solvency and Financial Condition Reports (SFCRs) for the first time in May 2017[1] with valuation date year-end 2016. The SFCRs contain a significant amount of information including details of the company's performance over the reporting period, systems of governance, risk profile, valuation basis and capital requirements. In addition, the SFCRs also include a number of Quantitative Reporting Templates (QRTs) providing details of the company's financial position under Solvency II.

The main basis for this analysis has been the information included in the QRTs. However, we have also reviewed the SFCRs to supplement the quantitative analysis. The objective of this analysis is to compare the information provided in the QRTs and SFCRs to see whether we can draw any conclusions on the balance sheets and risk exposures of Belgian insurers.

COMPANIES INCLUDED IN THIS ANALYSIS

In selecting the companies included in this analysis, we have focused on a subset of insurers in the Belgian market. Our focus was on the largest insurers in the Belgian market. With the selection of 14 companies we covered 90% of the market in terms of premium volume. The selected 14 companies consist of 11 companies writing life and non-life business in one entity (covering approximately 80% of the insurance market in terms of premium volume). After the figures in this introduction that are based on the 14 companies we have further based our analyses in this report on the 11 insurance entities writing both life and non-life in one entity, i.e., the composites.

In Appendix 1 a table is provided in which an overview is given of the companies included in our analysis.

UNDERLYING DATA

The analysis underlying this report focuses on the quantitative information contained in the public QRTs. Where relevant we have also studied the SFCRs to gain some additional insights into some companies, in particular if they displayed characteristics that differed from the market average. Our focus is on the 11 composite insurers. Note that for the sake of completeness of the market three additional companies are included in the Belgian Insurance Market section of this report as they are relatively large. They are two insurance groups, Argenta Group and P&V Group, and the life insurer Delta Lloyd Life Belgium. These insurers have not been included in the other chapters of the report.

[1] The publication date for solo entity SFCRs was 20 May 2017 while Group SFCRs were subject to a later publication date of 1 July 2017.

Analysis of the Belgian insurance market

In this overview of the Belgian insurance market we have analysed 14 insurers. These insurers represent around 90% of the Belgian market in terms of premium volume.

In Figure 1 and Figure 2 an overview is given of the gross written premium, assets and technical provisions per undertaking. From these figures it is clear that AG Insurance is the largest insurer, both in terms of gross written premium and total assets, covering 23% of total gross written premiums and 27% of total assets. Note that the four largest insurers, AG Insurance, Axa, Ethias and KBC, cover approximately 60% of the sample insurers in terms of gross written premiums and 63% in terms of total assets. It is noteworthy to mention that the level of assets compared to premium volume for Ethias, Allianz and Baloise are relatively low in comparison to peers.

FIGURE 1: GROSS WRITTEN PREMIUM PER INSURER

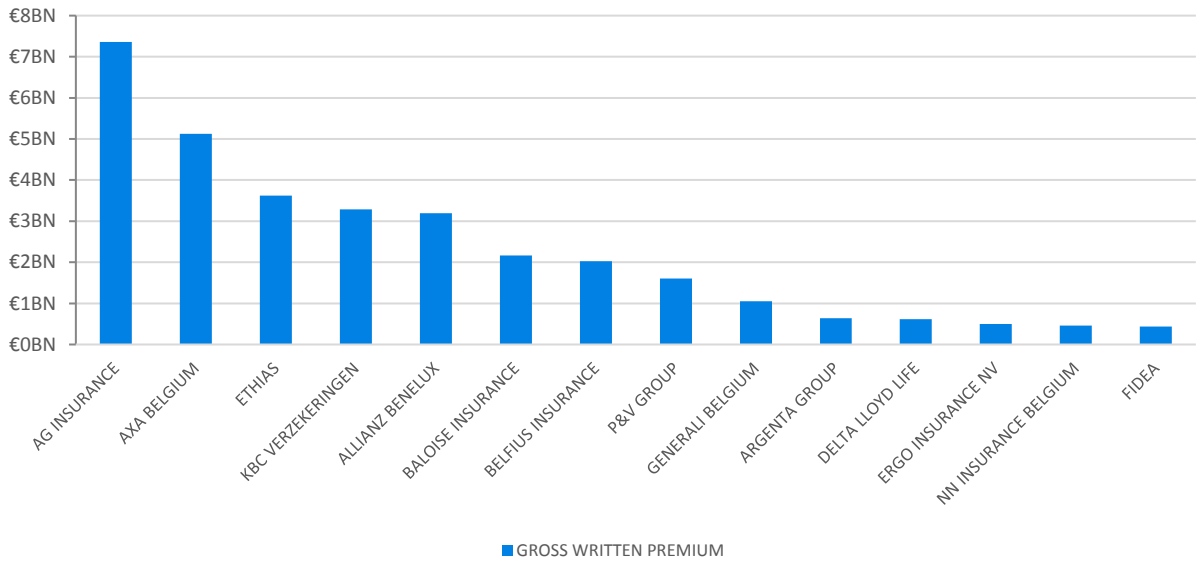
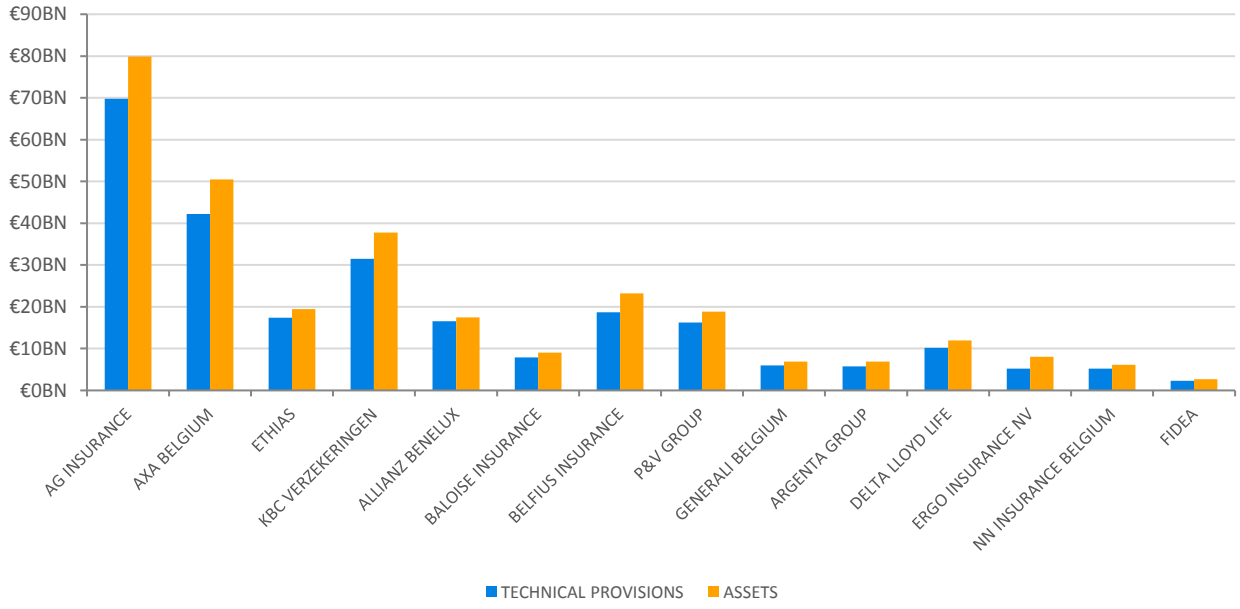


FIGURE 2: GROSS TECHNICAL PROVISIONS AND TOTAL ASSETS PER UNDERTAKING



On an aggregate level, undertakings from our sample are well capitalised with an average solvency coverage ratio (eligible own funds / Solvency Capital Requirement) equal to 177% (Figure 3) and an average MCR ratio of 355%. None of the insurers have a Solvency II ratio below 100%. Based on these numbers NN Insurance (294%), Argenta Group (282%), Belfius (211%) and AG Insurance (207%) have the highest Solvency II ratio, compared to Fidea (140%) and Ergo (127%) having the lowest Solvency II ratio. Moreover, it is useful to note that only the two largest insurers in terms of eligible own funds, AG Insurance (using a partial internal model [PIM]) and AXA Belgium (using a full internal model [FIM]) do not apply the standard formula for their capital calculations.

FIGURE 3: SOLVENCY II FIGURES BELGIAN INSURERS AT YEAR-END 2016 (FIGURES IN € MILLIONS)

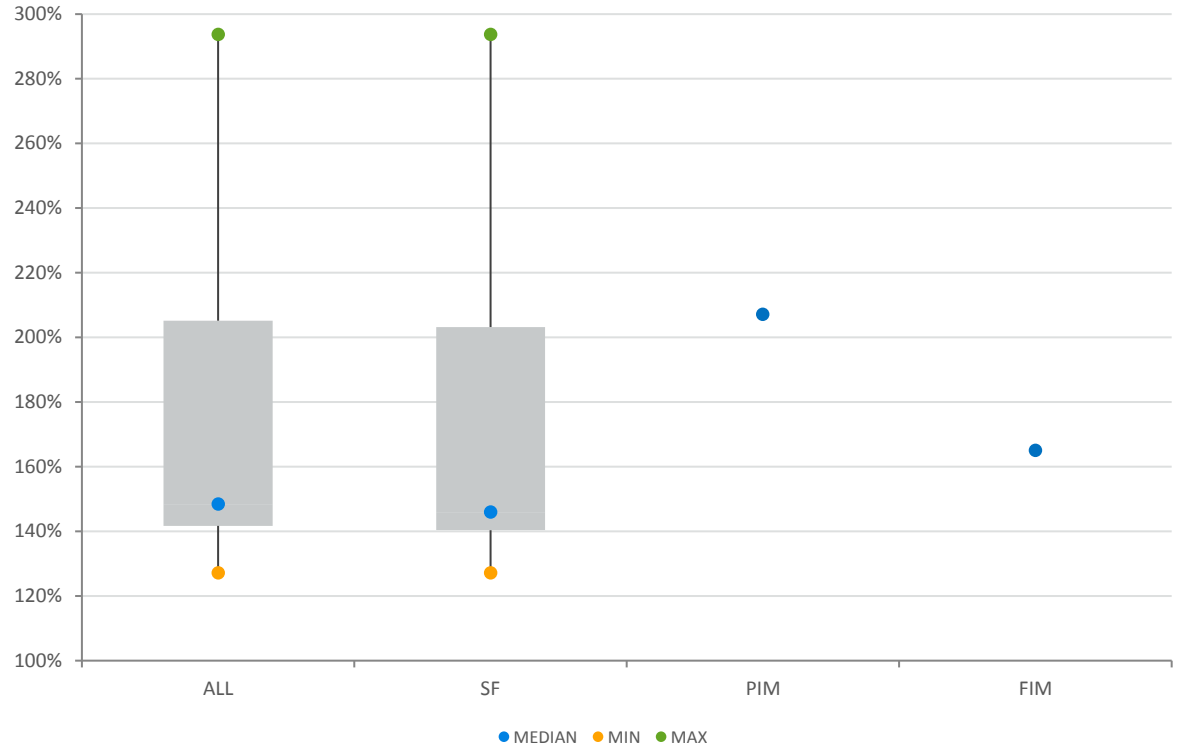
NAME	ELIGIBLE OWN FUNDS TO SCR	SCR	SCR RATIO	MCR RATIO	RANK SCR
AG INSURANCE	6,778	3,272	207%	402%	4
AXA BELGIUM	3,751	2,274	165%	367%	6
ETHIAS	2,216	1,518	146%	236%	8
KBC VERZEKERINGEN	3,619	1,781	203%	409%	5
ALLIANZ BENELUX	1,497	1,067	140%	312%	12
BALOISE INSURANCE	890	622	143%	309%	10
BELFIUS INSURANCE	2,488	1,182	211%	420%	3
P&V GROUP	1,637	1,156	142%	309%	11
GENERALI BELGIUM	532	358	148%	328%	7
ARGENTA GROUP	695	247	282%	626%	2
DELTA LLOYD LIFE	778	543	143%	268%	9
ERGO INSURANCE NV	566	445	127%	333%	14
NN INSURANCE BELGIUM	675	230	294%	653%	1
FIDEA	414	295	140%	355%	13
ALL	**26,535**	**14,990**	**177%**	**363%**	

Analysis of SCRs and own funds

Note that in the remainder of this report only the 11 composites insurers are considered. Compared to previous figures, Argenta Group, P&V Group and Delta Lloyd Life Belgium are excluded. Figure 4 shows how the solvency coverage ratio is distributed within the sample of insurers. There is a wide range of solvency coverage ratios for undertakings. Three undertakings show solvency ratios of over 200%, with NN Insurance having the highest solvency ratio of 294%. None of the undertakings in this sample has a Solvency II ratio below 100%.

All but two insurers in the Belgium market use the standard formula (SF) to calculate their SCRs. The average Solvency II (SII) ratio of AG Insurance and AXA Belgium using, respectively, a PIM and a FIM is slightly higher than the average of the companies using the standard formula.

FIGURE 4: SOLVENCY II RATIO FOR ALL INSURERS IN SAMPLE (ALL), INSURERS APPLYING STANDARD FORMULA (SF), PARTIAL INTERNAL MODEL (PIM) AND FULL INTERNAL MODEL (FIM)



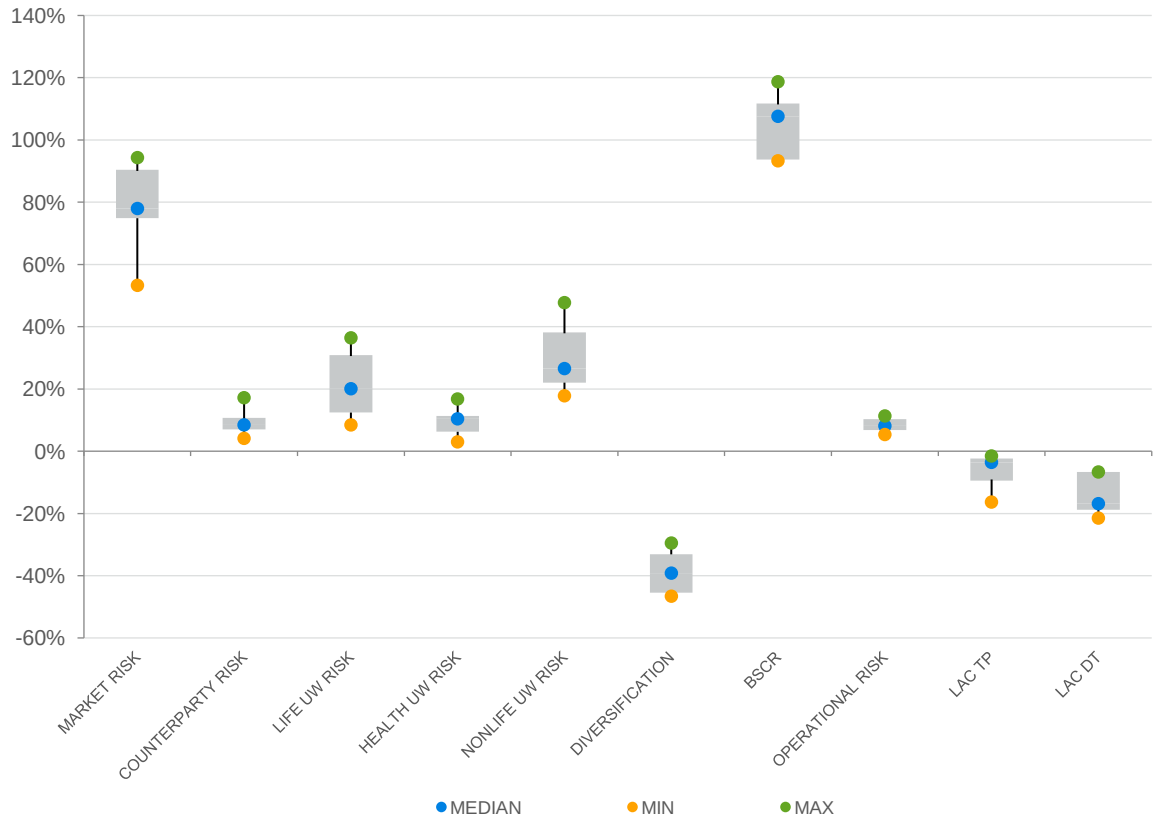
ANALYSIS OF SCR AND MCR: STANDARD FORMULA

Belgium

Undertakings are required to cover all risks that can affect their balance sheets, i.e., their solvency positions. In Figure 5 the breakdown of the SCR is shown on an aggregate basis. The intangible asset risk is not reported as all undertakings from the sample have reported 'zero' for this risk. Market risk is the highest risk as it covers 79% of the overall SCR. The second-highest risk is non-life underwriting, which covers 25%, followed by life risk at 22%. Diversification benefit accounts for 40% of total SCR.

Figure 5 shows some descriptive statistics about each risk driver for our sample. As mentioned in the paragraph above, market risk and non-life underwriting risk are clearly the highest risks, and moreover they show the widest ranges (i.e., differences among insurers). In Belgium, the loss-absorbing capacity of deferred taxes (LAC DT) is capped to the deferred tax liability (DTL). No allowance is made for future profits in determination of the LAC DT factor. On average the LAC DT is therefore relatively low, equal to 9% of the SCR.

FIGURE 5: SPLIT OF SUBMODULES WITHIN SII STANDARD FORMULA FOR NINE INSURERS IN SAMPLE APPLYING STANDARD FORMULA (NOTE THAT A DETAILED OVERVIEW OF THESE NUMBERS CAN BE FOUND IN APPENDIX B)



Comparison to Luxembourg and the Netherlands

Comparing the breakdown of risks of the sample of Belgian insurers with the breakdown of risks observed in Luxembourg and the Netherlands (see Figure 6) we can draw the following conclusions:

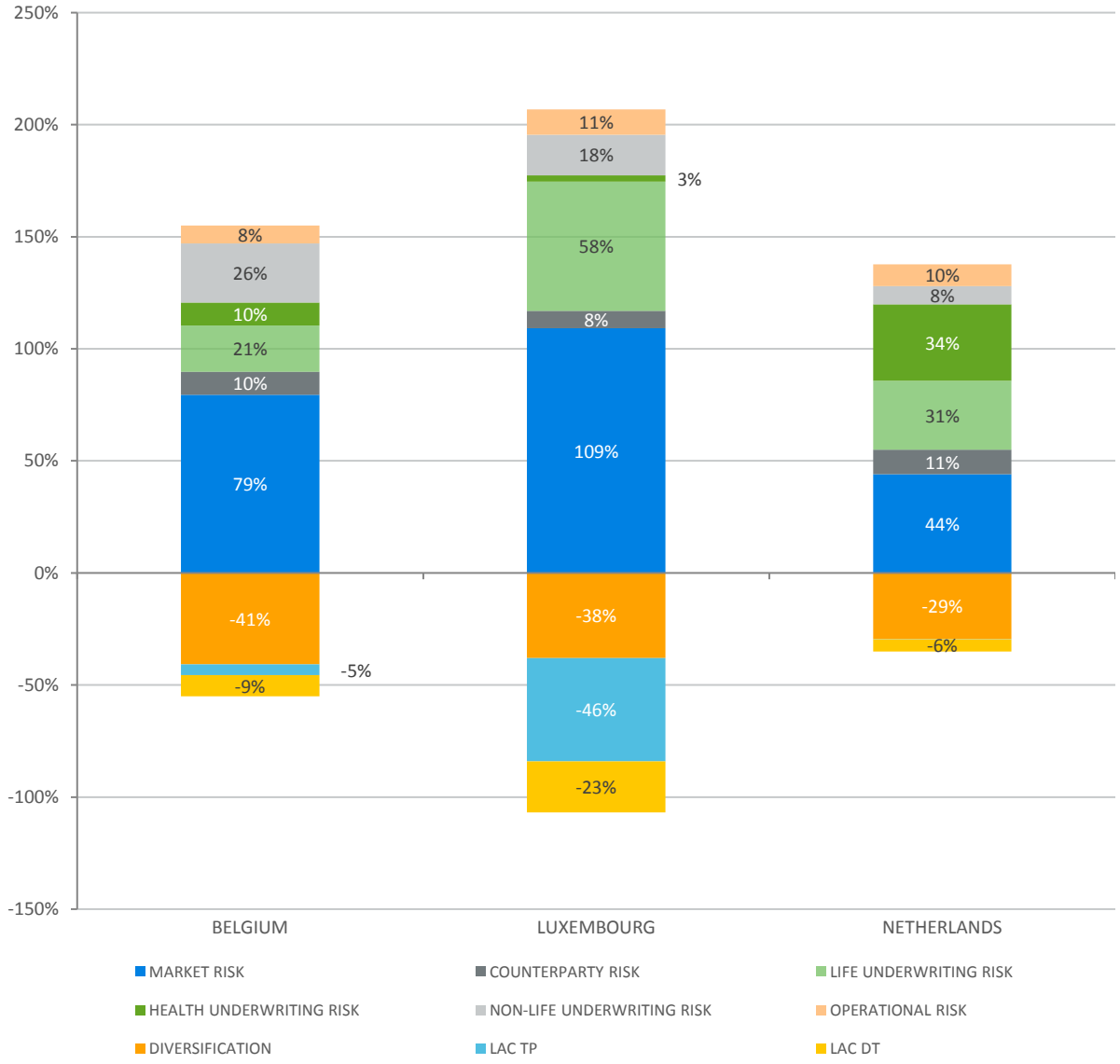
1. Market risk is the highest risk of the SCR for all countries. Luxembourg shows specific characteristics as its market risk represents more than 100% of the SCR. Market risk for Luxembourgish insurers (109%) and Belgian insurers (79%) is far higher than for the Dutch insurers (44%) in our sample. Dutch insurers have a larger portion of health and life risks than Belgium. As a consequence the market risk in the Netherlands is relatively small. The SFCRs do not provide a breakdown of market risks so it is difficult to draw any conclusions as to the reasons behind these differences.

2. The non-life underwriting risk is comparable with the life underwriting risk within the Belgian market. In Luxembourg and the Netherlands, we observe that the non-life underwriting risk is significantly lower than the life underwriting risk. This is a consequence of the relatively larger scale of life business in these countries.

3. Diversification represents approximately 40% of the SCR for Belgium and Luxembourg while it is approximately 10% lower in the Netherlands. Because most of the Belgian undertakings pursue both life and non-life activities, we would expect diversification to be significantly higher in Belgium compared with Luxembourg.

4. The loss-absorbing capacity of technical provisions (LAC TP) and loss-absorbing capacity of deferred taxes (LAC DT) in Belgium represents each less than 10% of the SCR. The high LAC DT in Luxembourg is caused by a high DTL position compared to Belgium and the Netherlands. The LAC TP in Luxembourg is quite high expectedly due to a large amount of discretionary profit sharing partly offsetting the high market risk exposure. It is notable that LAC TP is relatively low in Belgium except for Allianz (15%) and Generali (16%).

FIGURE 6: SCR BREAKDOWN BY RISK MODULE FOR UNDERTAKINGS USING STANDARD FORMULA IN BELGIUM, LUXEMBOURG AND THE NETHERLANDS.



ANALYSIS OF OWN FUNDS AND TIERING

Own funds are divided into three tiers based on quality. Tier 1 capital is the highest ranking with the greatest loss-absorbing capacity, such as equity or bonds. Tier 2 own funds are composed of hybrid debt and Tier 3 of capital. As shown in Figure 7, insurers' own funds are considered of good quality with nearly 90% classified in Tier 1. Note that the higher capital eligible for SCR compared to eligible capital for MCR is caused by Tier 2 and Tier 3 capital.

FIGURE 7: TIERING OF ELIGIBLE OWN FUNDS TO MEET SCR AND MCR (FIGURES IN € BILLIONS AND % OF TOTAL)

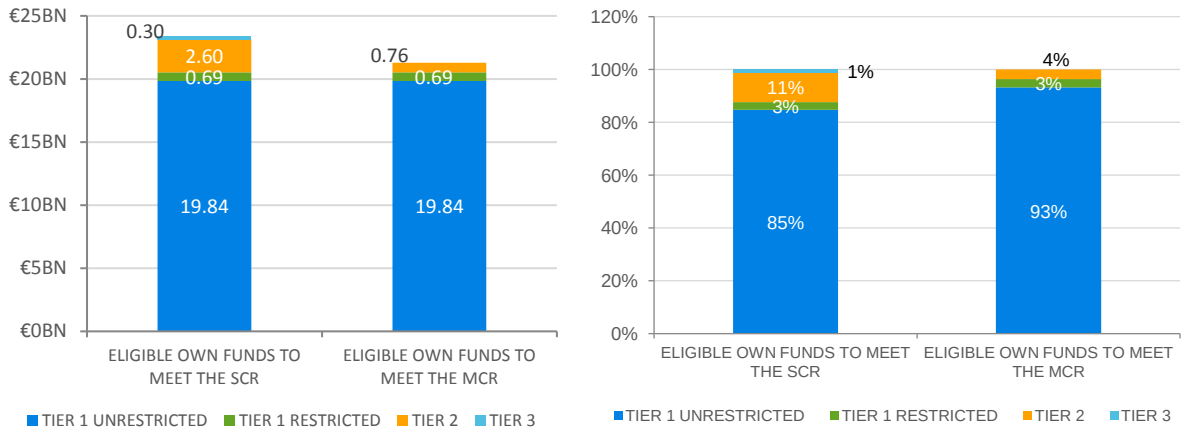
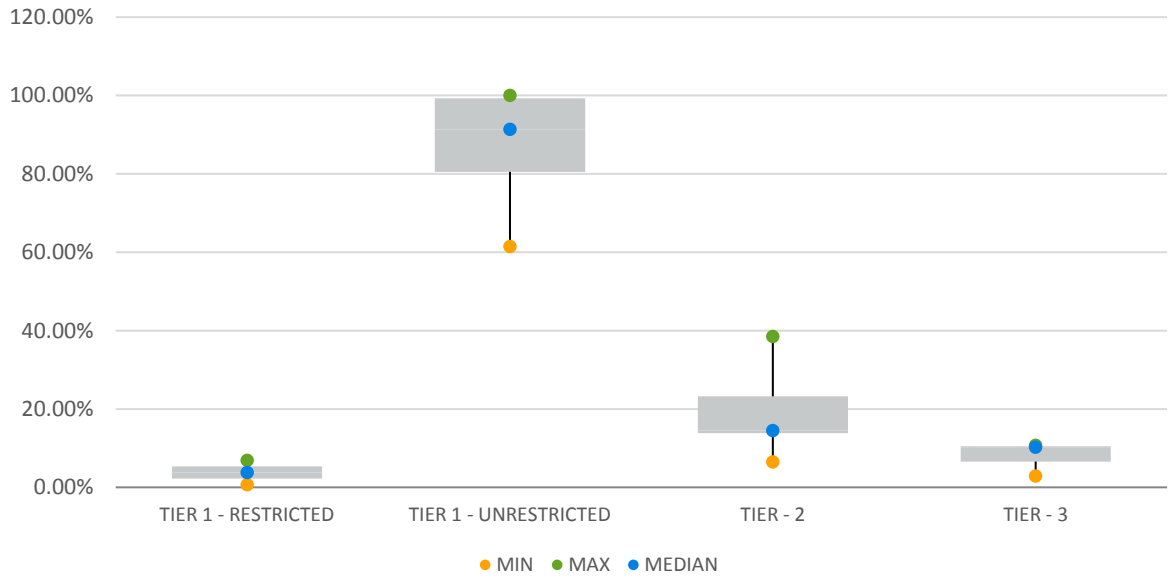


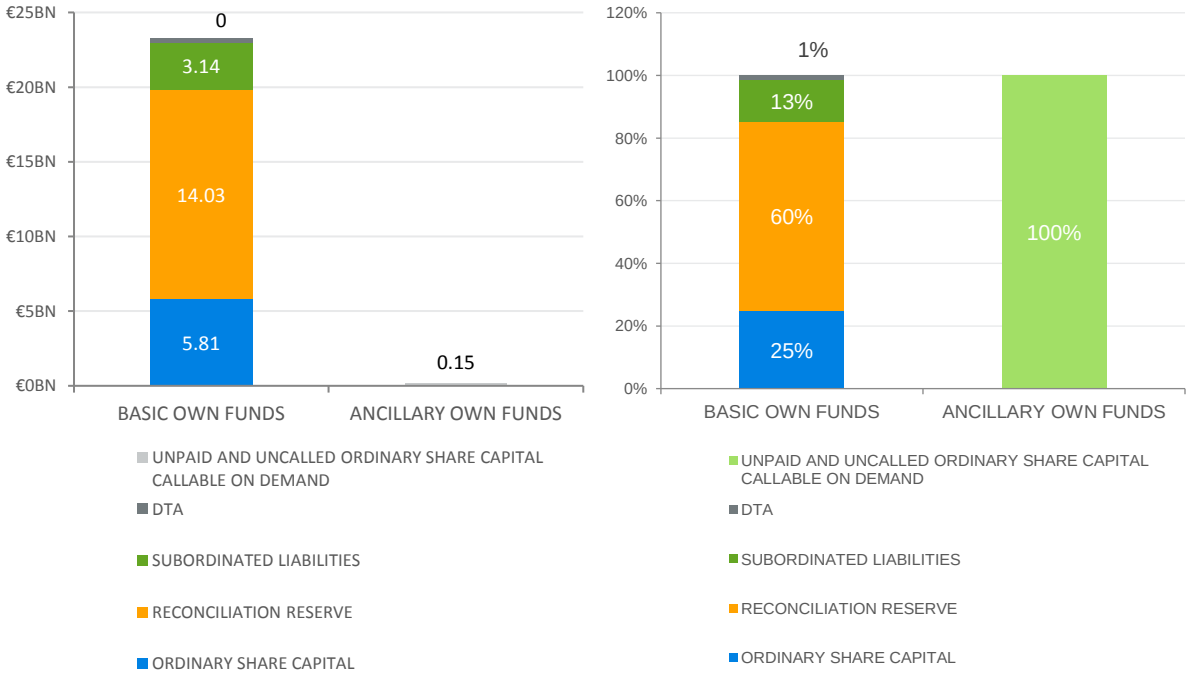
Figure 8 gives more descriptive statistics about the tiering for our sample of insurers. On average, 88% of the undertakings' own funds are classified as Tier 1—unrestricted. Three undertakings (Delta Lloyd, Ergo Insurance, and Ethias) have a far smaller-than-average portion of own funds classified in Tier 1. Ergo Insurance and Ethias have compared to their peers the highest portion in eligible own funds (respectively, 39% and 23%) in Tier 2.

FIGURE 8: DISTRIBUTION OF OWN FUNDS TIERING FOR THE COMPANIES IN THE SAMPLE



In Figure 9 the allocation of own funds in basic and ancillary own funds by type is given. As can be seen in the graph, Belgium insurers in the sample have hardly any ancillary own funds (i.e., unpaid and uncalled ordinary share capital). It appears that basic funds mainly consists of the reconciliation reserve (58%), followed by ordinary share capital (26%), subordinated liabilities (14%) and deferred tax asset (DTA), 2%.

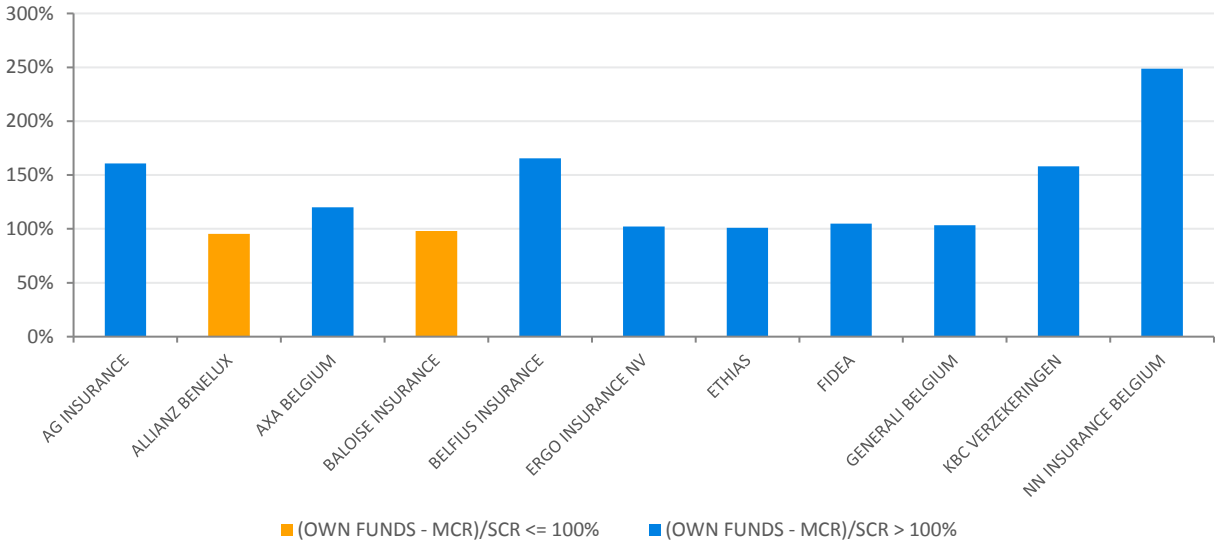
FIGURE 9: COMPOSITION OF BASIC OWN FUNDS AND ANCILLARY OWN FUNDS (FIGURES IN € BILLIONS AND % OF TOTAL)



STRESS TEST SCR AND MCR

By design, the Minimum Capital Requirement (MCR) is 'calibrated' to be the 85th percentile of the own funds distribution over a one-year period. It means that technically the firms have 15% chance of suffering a loss equal to the MCR. Should such a situation occur, two firms (Allianz Benelux and Baloise Insurance) from our sample would clearly see their solvency coverage ratios falling below 100%, as shown in Figure 10. We can also notice that four additional firms (Ergo Insurance, Ethias, Fidea and Generali) would have a ratio between the remaining own funds and SCR that is within the interval [100%, 105%]; which is significantly lower than the solvency coverage ratios of the other undertakings.

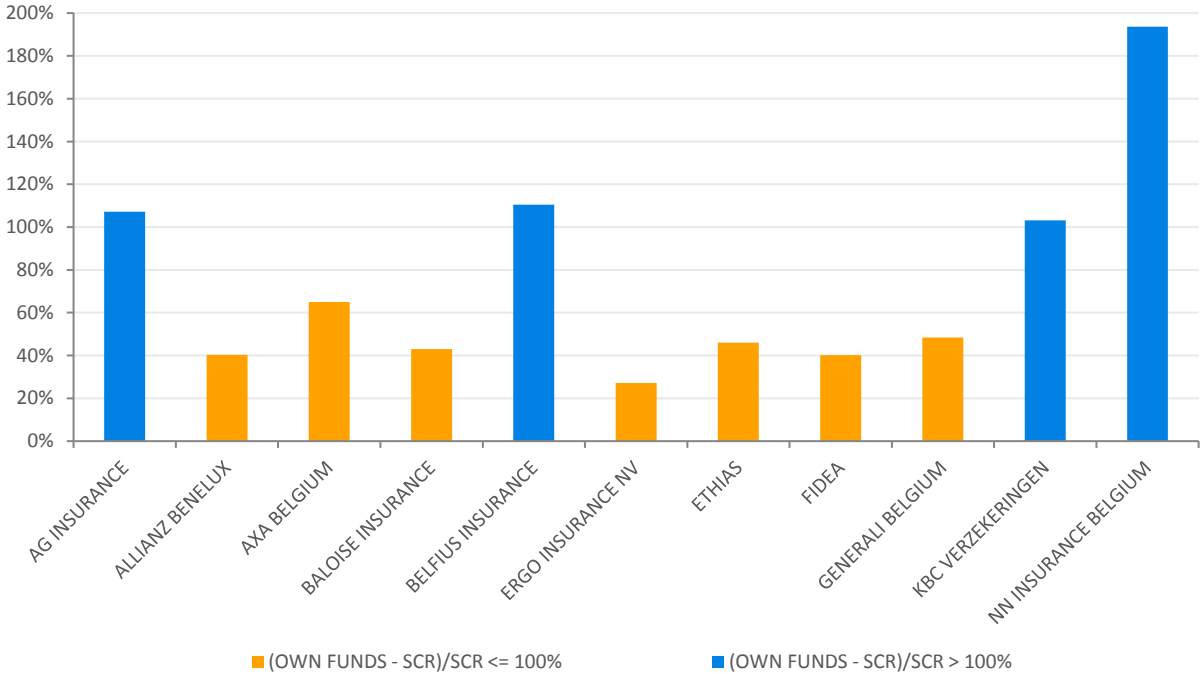
FIGURE 10: SOLVENCY COVERAGE RATIO AFTER A LOSS EQUAL TO THE MCR. THE TOTAL BAR SHOWS THE SOLVENCY COVERAGE RATIO (= OWN FUNDS / SCR)



The Solvency Capital Requirement (SCR) is calibrated such that the probability that the undertaking can meet its obligations to policyholders and beneficiaries over the following 12 months is equal to 99.5%. Should a shock to the SCR occur, Figure 11 shows that seven undertakings (i.e., Allianz Benelux, AXA Belgium, Baloise Insurance, Ergo Insurance, Ethias, Fidea and Generali Belgium) would see their own funds below the SCR.

Even after an SCR shock NN Insurance Belgium remains very soundly capitalised. The same can be said for AG Insurance, Belfius and KBC. For these companies the option of showing profits after shock may lead to opportunities, should the regulator allow for a higher LAC DT than the available DTL.

FIGURE 11: SOLVENCY COVER RATIO AFTER A LOSS EQUAL TO SCR



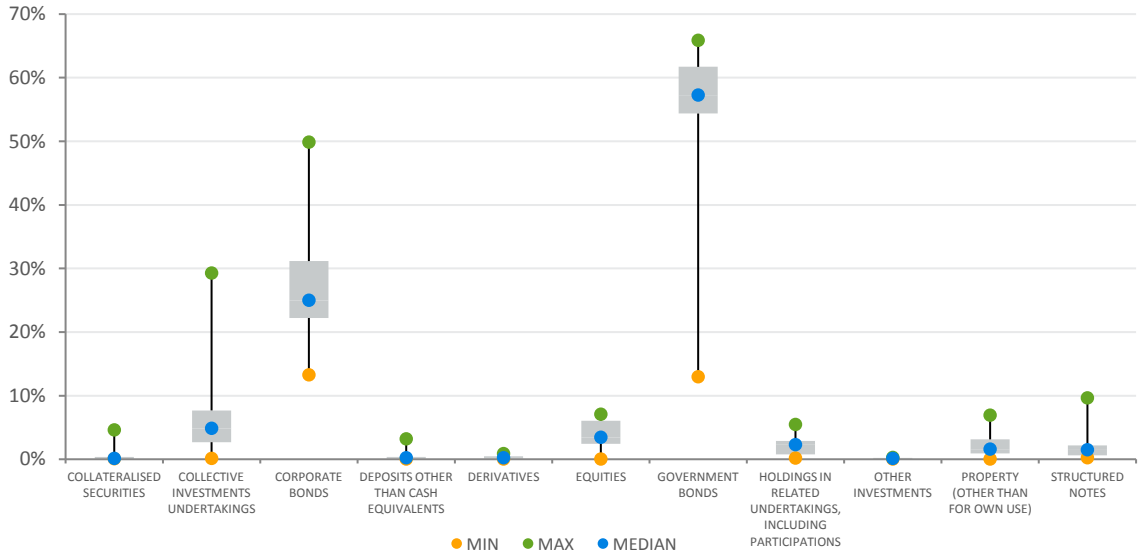
Analysis of assets

The investment strategy of undertakings in Belgium is clearly marked by a preference in government bonds which accounts for nearly 60% of the total investments (Figure 12). Corporate bonds account for 24% of total investments. Thus, corporate and government bonds still largely dominate the companies' portfolios, accounting for more than 80% of total investments. Beyond their attractive structure—regular payments allowing insurers to match the future claims payments—they are also less expensive in terms of capital than more volatile assets such as equities.

FIGURE 12: ALLOCATION OF INVESTMENTS BY ASSET CLASS

Figure 13 shows the range and average for each asset class. The wide ranges of percentages for government bonds and corporate bonds highlight differences in investment strategies observed on aggregate. Fidea has a far smaller total bond portfolio than the average observed in the market. This is due to a higher investment in collective investments. They do however have the highest percentage of corporate bonds in portfolio. All undertakings show limited interest in equities, which account for a maximum of 7% of total investments. The same counts for investments in property.

FIGURE 13: DISTRIBUTION OF INVESTMENTS BY ASSET CLASS

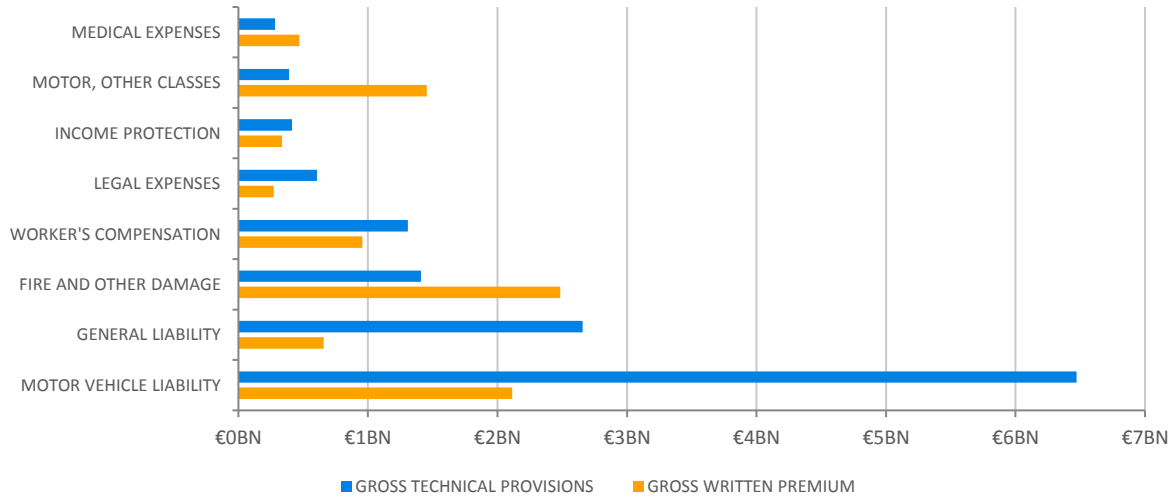


Analysis of liabilities and underwriting

NON-LIFE ACTIVITIES: TECHNICAL PROVISIONS

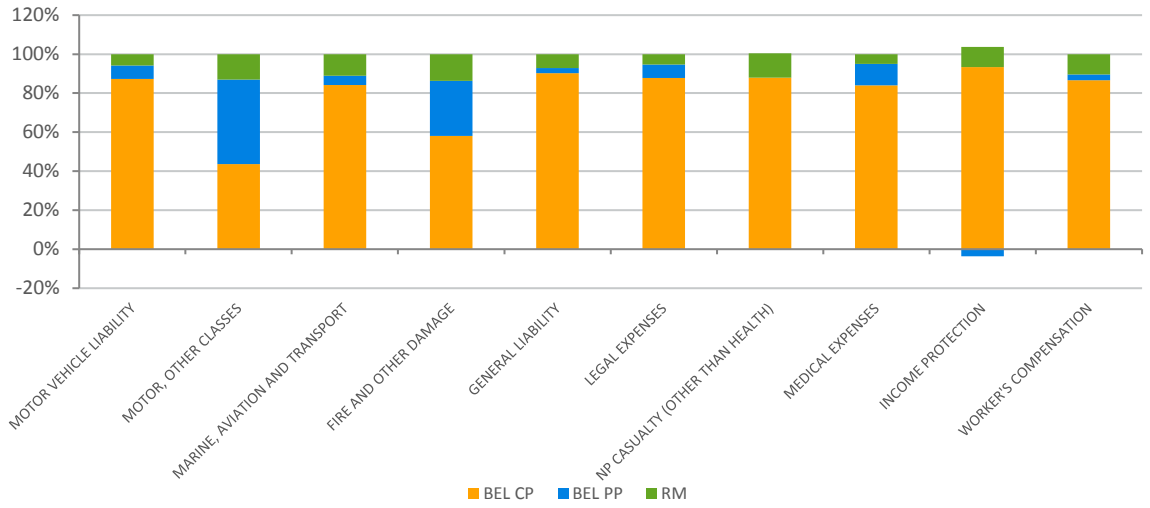
Figure 14 shows the allocation of gross technical provisions and gross written premiums across non-life lines of business as at year-end 2016. The undertakings included in our sample hold almost €15 billion of technical provisions gross of reinsurance, of which €2 billion is expected to be covered by reinsurance. More than 60% of the reserves are related to the long-tail businesses—general insurance and motor vehicle liability. Motor vehicle liability alone accounts almost for 45% of the gross technical provisions while only 24% of the gross premiums are written in this line of business. In contrast, medical expenses accounts for 3% of the technical provisions while the gross premiums written represents 13% of the total gross premium written, showing the typical short-tail character of this line of business.

FIGURE 14: GROSS TECHNICAL PROVISIONS AND GROSS WRITTEN PREMIUMS SPLIT BY LINE OF BUSINESS



In Figure 15 the best estimate of claims provisions is illustrated, which represents the largest part of the Solvency II technical provisions. The premium provision under Solvency II is composed of two main components: premiums already received but not yet earned (the unearned premium) and the expected profits or losses in existing contracts. The latter can be either positive or negative. The lines of business non proportional casualty (NP Casualty, other than health) and income protection show negative premium provision best estimates, whereas the line of business motor other shows a best estimate premium provision of similar size to the best estimate of claims provisions.

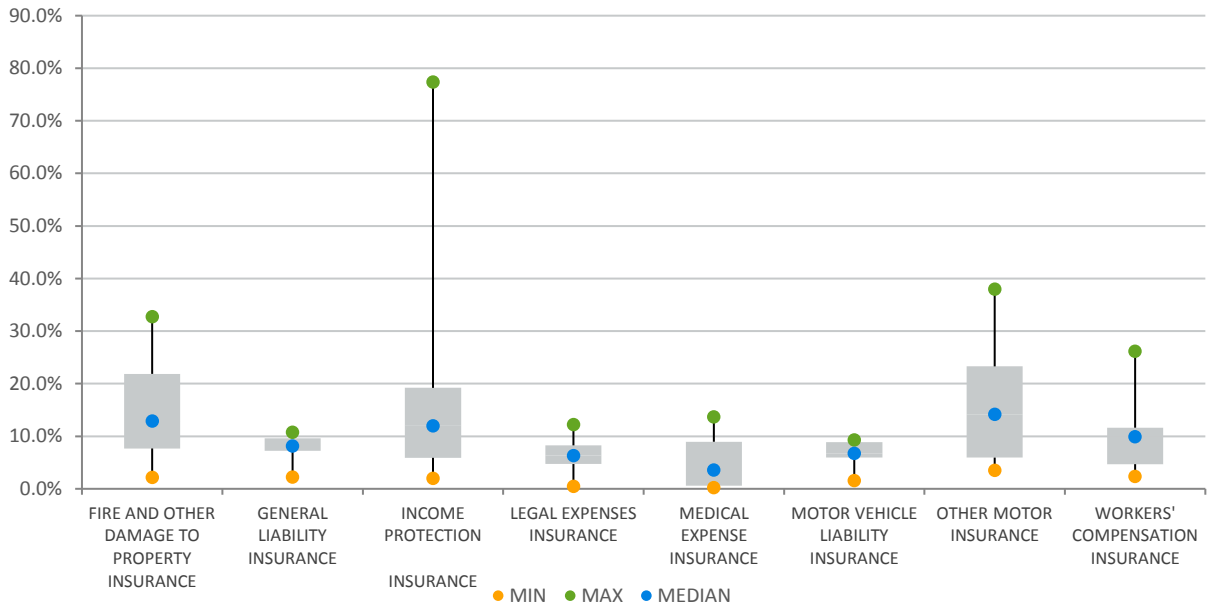
FIGURE 15: COMPONENTS OF NET TECHNICAL PROVISIONS



The Risk Margin (RM) is added to the best estimate of claims and premiums provisions to form the technical provisions to be held by the company as part of its economic balance sheet. The concept as well as the methodology used to assess this Risk Margin has been a much debated topic over the past few years. On an aggregated basis the Risk Margin represents nearly 9% of the net technical provisions.

Figure 16 shows the distribution of RM as a proportion of the total net technical provision by line of business.

FIGURE 16: DISTRIBUTION OF RISK MARGIN AS PROPORTION OF THE TOTAL NET TECHNICAL PROVISION BY LINE OF BUSINESS

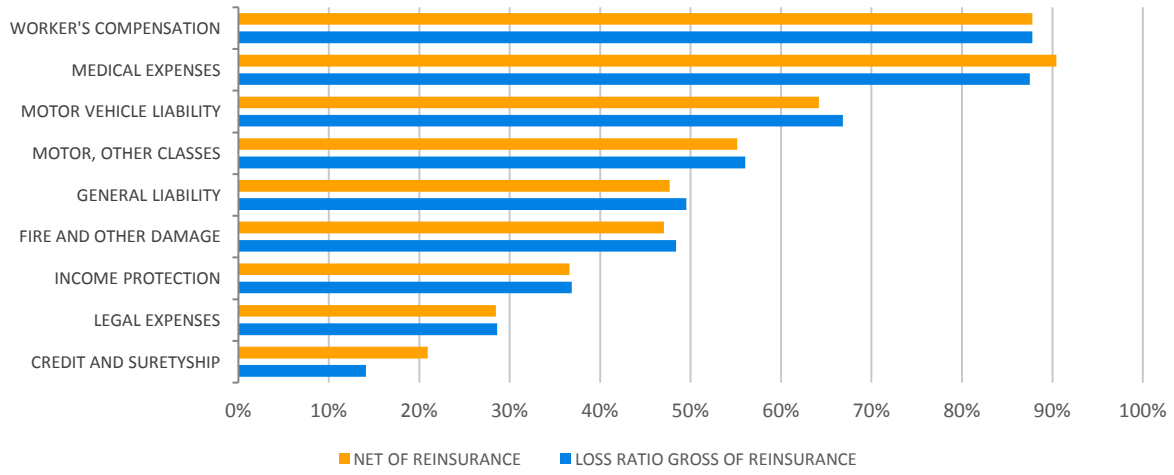


NON-LIFE ACTIVITIES: ANALYSIS OF UNDERWRITING

In 2016, the undertakings in our panel wrote more than €10 billion of gross premiums of which 24% relates to the line of business fire and other damages to property. The motor liability and general liability lines make up to €2.8 billion of the gross written premiums. In Figure 17 we show the gross and net (of reinsurance) loss ratios by line of business.

Figure 17 shows some descriptive statistics about loss ratios by Solvency II line of business. The loss ratio is defined as the net claims incurred divided by the net premium earned. Only the lines of business relating to direct business and proportional reinsurance are considered for analysis. This is motivated by the limited number of undertakings and the immateriality of the premiums observed in the lines of business relating to non-proportional reinsurance.

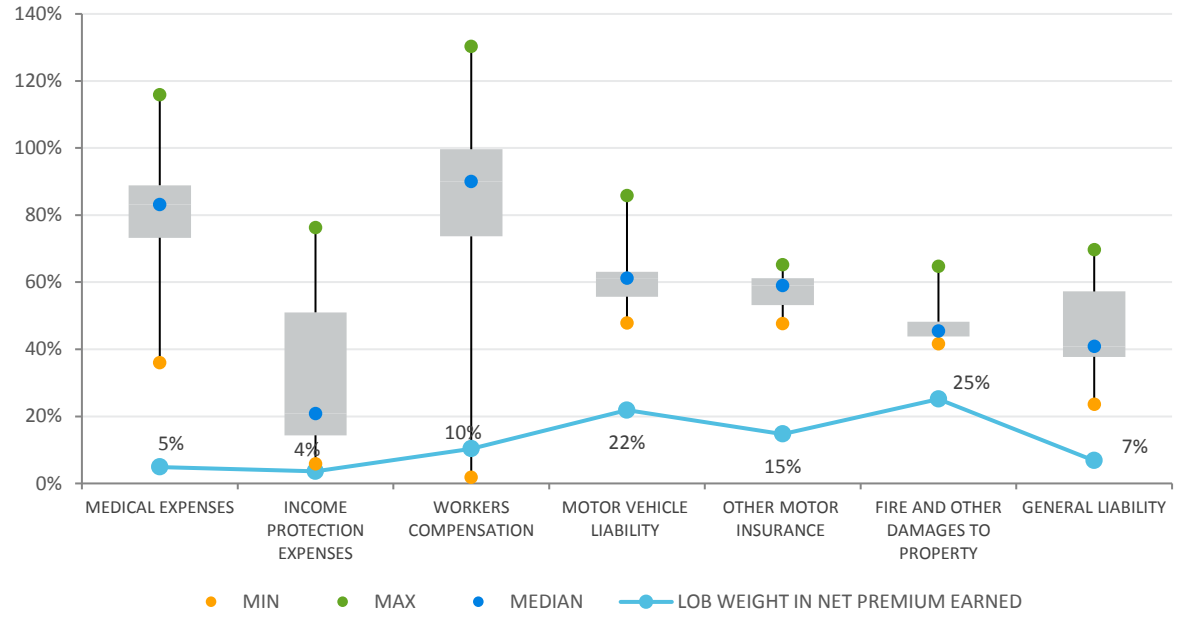
FIGURE 17: GROSS AND NET LOSS RATIOS BY LINE OF BUSINESS



In Figure 18 statistics regarding volatility in loss ratio are shown. The line of business fire and other damages to property represents 25% of the total premium earned. The range of loss ratios for the undertakings in our panel for this line of business remains narrow. Only one undertaking (Allianz Benelux) shows a loss ratio for this line of business that is materially higher (65%) than the average. Motor vehicle liability and other motor insurance show, respectively, the second- and the third-highest loss ratios. They are very competitive lines of business. One undertaking (Allianz Benelux) shows a loss ratio within the line of business motor vehicle liability that is significantly lower than average.

Although the line of businesses workers' compensation and medical expenses show high loss ratios, the average loss ratios are the highest (nearly 80%) of all lines of business. Generally, these products have more limited expense loadings, allowing for higher loss ratios. The ranges of the observed loss ratios remain high, which highlights the volatility of the loss ratio for these lines of business.

FIGURE 18: DISTRIBUTION OF LOSS RATIOS BY LINE OF BUSINESS

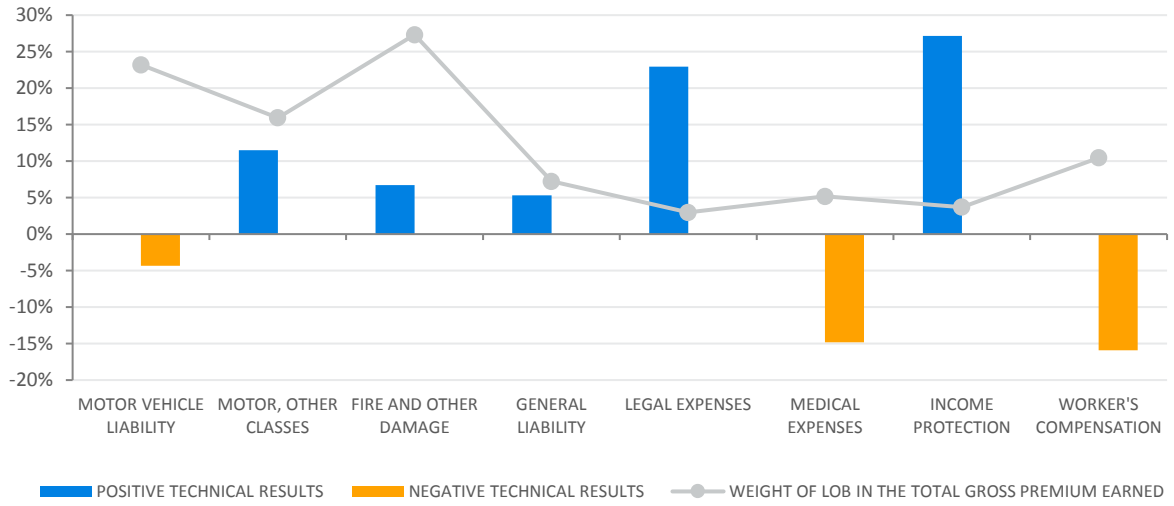


In Figure 19 the operating margins for some lines of business[2] are shown on an aggregate basis for the undertakings included in the sample. The operating margin is defined (and derived) as (net earned premium – net incurred – expenses incurred) / (gross earned premium). The operating margin, as defined, includes movements in prior year reserves (part of the net incurred) but does not include investment income.

Figure 19 indicates that three lines of business exhibit a negative technical result on the book year. The largest lines of business in terms of gross premium earned (€6 billion of a total €9 billion total non-life sample market premium) are motor vehicle liability, motor other classes and fire and other damage. Moreover, it is interesting to note that classes motor vehicle liability (negative technical result) and motor other classes (positive technical result) are often sold as a package. In that way the motor other classes business line is offsetting the loss in the motor vehicle liability line. The workers' compensation products had a book year loss of 15%, which is approximately €150 million in 2016.

[2] Note that the technical result of Non Proportional Health (NP Health) and NP Proportional Marine, Aviation, and Transport lines of business (LoBs) are not reported as the number of undertakings having activities in these LoBs is equal to 1.

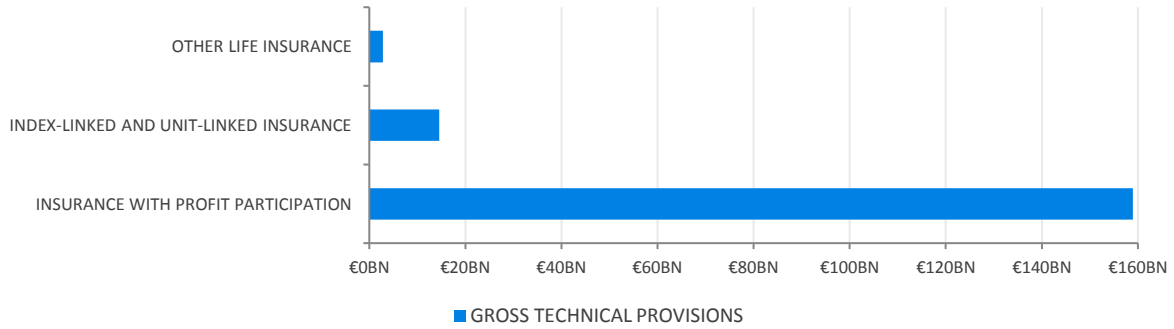
FIGURE 19: TECHNICAL RESULT BY SOLVENCY 2 LINE OF BUSINESS. NOTE THAT SOME SMALLER BUSINESS LINES ARE EXCLUDED. THEREFORE THE WEIGHTS DO NOT SUM TO 100%.



LIFE ACTIVITIES: TECHNICAL PROVISIONS

Figure 20 shows the allocation of technical provisions to type of product. Insurance with profit participation is by far the largest part of Belgian life insurance business as it represents 90% of total technical provisions. Index-linked and unit-linked insurance represents only 8% of technical provisions. Furthermore, there is very limited reinsurance of life technical provisions. On an aggregate level this equals 1%.

FIGURE 20: TECHNICAL PROVISIONS LIFE BY TYPE OF PRODUCT



The Risk Margin (RM) is added to the best estimates to form the technical provisions to be held. The average RM expressed as a percentage of SCR equals 16%. Fidea has a relatively low RM (3% of SCR). Also, AXA and Allianz have lower than average risk margins (8% and 9%, respectively). Ergo has a far higher than average RM (39% of SCR). Ergo writes only life and disability business. By writing longer-tailed business a higher than average RM would be expected.

FIGURE 21: RISK MARGIN AS A PERCENTAGE OF SCR RELATIVE TO VALUE OF SCR

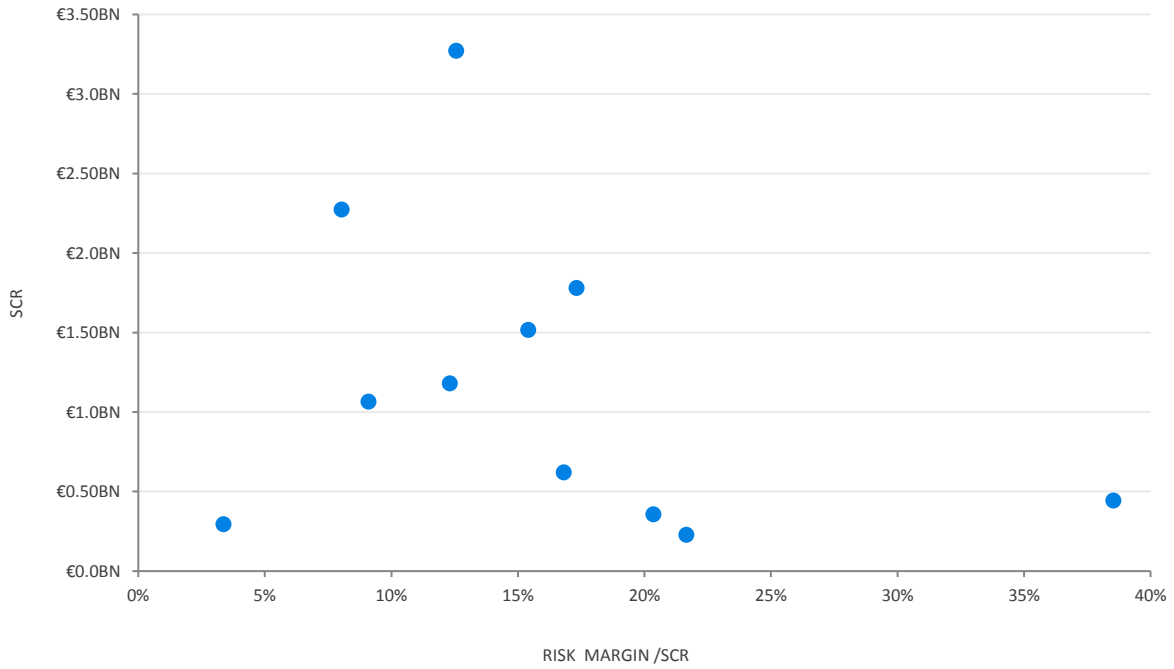
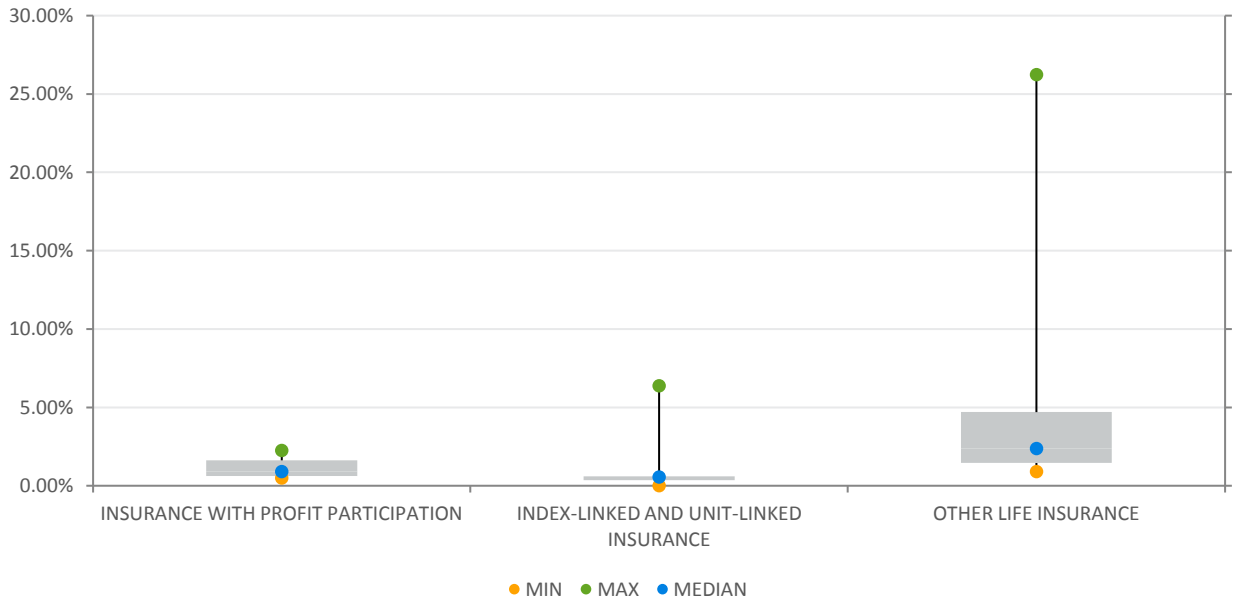


Figure 22 shows the distribution of the Risk Margins of the undertakings of our sample for the three main lines of business. For the line of business insurance with profit participation, which represents on an aggregated level 90% of the technical provisions, AXA Insurance and NN Insurance have a Risk Margin which is far lower than average. Ergo Insurance has the highest Risk Margin in our sample representing more than twice the average. Similar to insurance with profit participation, Ergo Insurance has relatively the highest Risk Margins in all the lines of business.

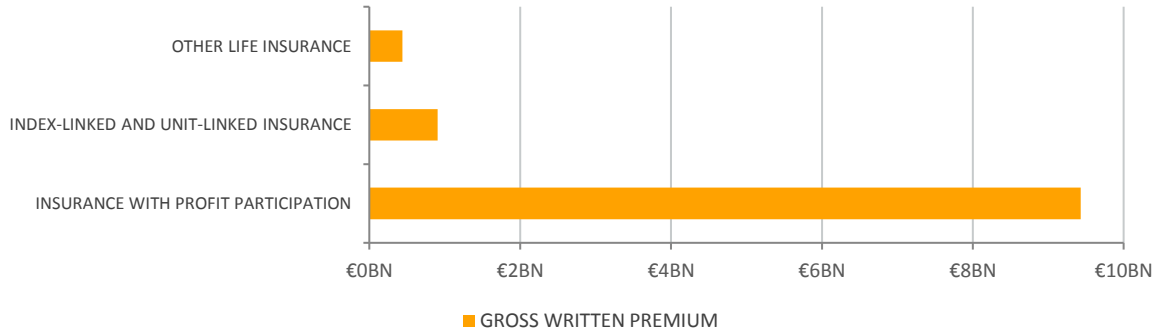
FIGURE 22: DISTRIBUTION OF RISK MARGINS BY LINE OF BUSINESS



LIFE ACTIVITIES: ANALYSIS OF UNDERWRITING

Figure 23 shows that the undertakings in our sample wrote approximately €12 billion of gross premiums in 2016, of which more than 80% is related to the line of business insurance with profit participation, which includes the branches 21 and 26, life savings and mortality insurance contracts. Index-linked and unit-linked insurance is the second most important line of business, with nearly 9% of the total gross premium written.

FIGURE 23: GROSS WRITTEN PREMIUMS IN 2016 ON LIFE BUSINESS



Reliances and Limitations

In carrying out our analysis and producing this research report, we relied on the data and information provided in the SFCRs and QRTs of our sample companies. We have not audited or verified this data or other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. It should be noted that in some cases errors were spotted in the underlying data. We made minor adjustments to the data to correct known errors such as inconsistencies across QRTs in order to better inform our analysis. However, we have not made any material changes to the underlying data. We have not made any changes to the data to reflect additional information or changes following the reporting date.

This research report is intended solely for educational purposes and presents information of a general nature. The underlying data and analysis have been reviewed on this basis. This report is not intended to guide or determine any specific individual situation and persons should consult qualified professionals before taking specific actions.

Appendix A: List of the Belgian undertakings analysed

In the Belgian Insurance Market section all listed insurers are included. In the table below one could find which are included for the remaining analysis in this report.

NAME	LEGAL ENTITY	INCLUDED IN REMAINDER OF REPORT	SCR RATIO
AG INSURANCE	AG INSURANCE SA/NV	YES	207%
AXA BELGIUM	AXA BELGIUM S.A./NV	YES	165%
ETHIAS	ETHIAS SA	YES	146%
KBC VERZEKERINGEN	KBC INSURANCE NV	YES	203%
ALLIANZ BENELUX	ALLIANZ BENELUX SA	YES	140%
BALOISE INSURANCE	BALOISE BELGIUM NV	YES	143%
BELFIUS INSURANCE	BELFIUS VERZEKERINGEN NV	YES	211%
P&V GROUP	CONSISTS OF MORE LEGAL ENTITIES	NO	142%
GENERALI BELGIUM	GENERAL BELGIUM SA	YES	148%
ARGENTA GROUP	CONSISTS OF MORE LEGAL ENTITIES	NO	282%
DELTA LLOYD LIFE	DELTA LLOYD LIFE NV	NO	143%
ERGO INSURANCE NV	ERGO INSURANCE NV	YES	127%
NN INSURANCE BELGIUM	NN INSURANCE BELGIUM NV	YES	294%
FIDEA	FIDEA NV	YES	140%

Appendix B: Some figures by undertaking

In the table below the relative size of the risk capitals are shown as percentages of total SCRs. Note that only the nine composites insurers applying the standard formula are included in this overview. The two composites with internal models are left out, as capitals on other risk type bases are not completely comparable with the standard formula.

UNDERTAKINGS	MARKET RISK	COUNTERPARTY RISK	LIFE UW RISK	HEALTH UW RISK	NONLIFE UW RISK	DIVERSI-FICATION	OPERATIONAL RISK	LAC TP	LAC DT
ALLIANZ BENELUX	78%	11%	10%	14%	44%	-47%	11%	-15%	-7%
BALOISE INSURANCE	53%	10%	18%	10%	48%	-47%	10%	-4%	
BELFIUS INSURANCE	91%	17%	20%	6%	18%	-39%	8%	-2%	-19%
ERGO INSURANCE NV	75%	7%	36%	11%		-32%	5%	-3%	
ETHIAS	62%	16%	12%	17%	32%	-45%	8%	-2%	
FIDEA	75%	5%	8%	11%	27%	-33%	6%		
GENERALI BELGIUM	90%	7%	29%	3%	20%	-38%	11%	-16%	-7%
KBC VERZEKERINGEN	94%	4%	31%	10%	24%	-44%	7%	-4%	-21%
NN INSURANCE BELGIUM	89%	8%	33%	6%		-30%	9%		-17%

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