MILLIMAN REPORT

# Analysing 2025 Solvency and Financial Condition Reports (SFCRs) of non-life insurers in Europe

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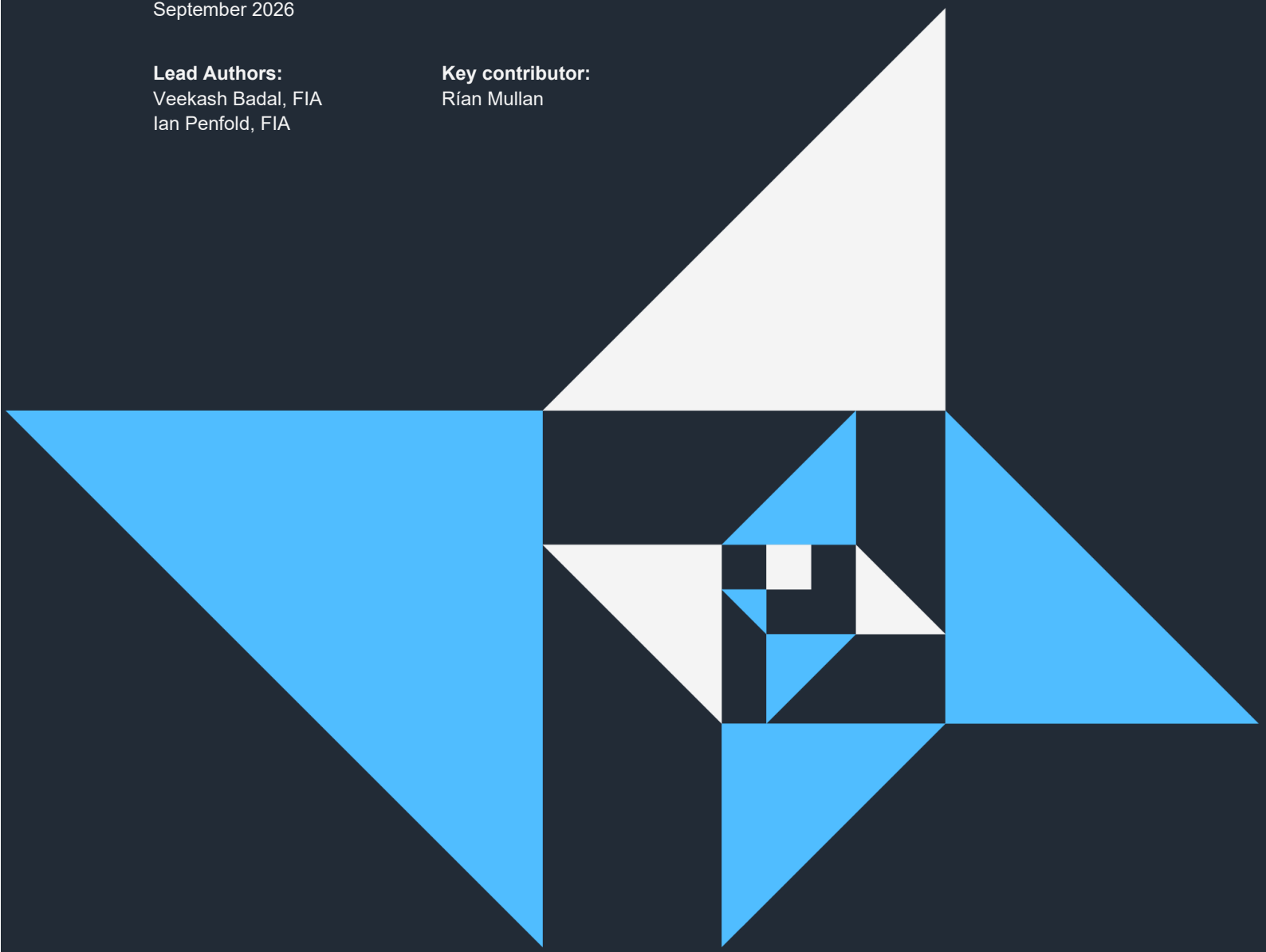

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# Introduction

In 2026, (re)insurance undertakings across the European Union (EU) published their 10th annual set of Solvency and Financial Condition Reports (SFCRs). In this research report, we summarise and discuss key metrics from a large sample of those SFCRs, comparing the figures in the 2025 year-end SFCRs with their counterparts as at the 2024 year-end (and at earlier year-ends, where relevant).

Previously, we have also included (re)insurance undertakings that are regulated in the UK and Gibraltar. Six years on from the UK leaving the EU and with the UK's recent move to Solvency UK, where the Quantitative Reporting Templates (QRTs) differ slightly from Solvency II, the UK and Gibraltar are now excluded from this analysis—we have published a separate report covering non-life insurance companies regulated in the UK and Gibraltar.[1] Having removed the UK and Gibraltar from our sample of countries, we have now included Portugal and Greece to keep the sample size to 15 countries and to give a broader perspective on the EU's non-life insurance market.

The analyses underlying this report focus on the quantitative information contained in the QRTs within the SFCRs, and we have studied the text within the SFCRs in order to gain additional insights into various companies, in particular those that displayed characteristics that differed materially from the market average. Our focus has been on solo entities rather than groups.

# Executive summary

Based on our analysis of 762 solo companies that primarily write non-life business and are regulated in the EU, we have found that:

1. Gross written premiums (GWP) increased from €533 billion at year-end 2024 to €560 billion at year-end 2025.
2. The countries with the largest GWP increases over the year were Germany and France, while Austria experienced the largest decrease in GWP volume.
3. The line of business with the largest proportional GWP increase over the year was other motor (a 0.7% increase over the year).
4. Ceded written premiums increased from €150 billion at year-end 2024 to €155 billion at year-end 2025.
5. The majority of non-life insurers continue to be heavily invested in bonds.
6. Overall, technical provisions increased between year-end 2024 and year-end 2025. As at year-end 2025, the technical provisions, gross of reinsurance, totalled €718 billion and €527 billion net of reinsurance, compared with €686 billion and €505 billion, respectively, as at year-end 2024.
7. The ratio of eligible own funds to the Solvency Capital Requirement (SCR) has increased, from 250% as at year-end 2024 to 259% as at year-end 2025. Austria has the highest coverage ratio (313%) as at year-end 2025, while Romania has the lowest coverage ratio (154%).
8. In total, across all 15 countries in our sample, there were no material changes to the tiering of own funds between 2024 and 2025.

For more information on the figures contained in this document, or for additional benchmarks, please contact your usual Milliman consultant or see the last page of this report to contact one of the authors.

1. For more information on this, refer to Milliman's most recent paper on UK and Gibraltar SFCR review.

# European market coverage

Our analysis is based upon the SFCRs for 762 solo companies from the 15 countries listed in Figure 1, which, in aggregate, account for €560 billion of GWP and €718 billion of gross non-life technical provisions. Our analysis includes some composite companies but only those writing predominantly non-life[2] business.

In Figure 1, we show the split of GWP and gross technical provisions by country. For the gross technical provisions, we have also included aggregated statistics, for pure non-life (re)insurers only (i.e., excluding health insurers and all composite insurers), as published by the European Insurance and Occupational Pensions Authority (EIOPA). For some countries in Figure 1, the aggregated technical provisions of our sample companies exceed the total technical provisions for the whole of the non-life market as provided by EIOPA. This is because our sample also includes some composite companies and therefore includes some life business. Furthermore, structured settlements, whereby claimants receive a series of payments over a period of time while they remain alive, are included as life liabilities (and not in the non-life technical provisions according to EIOPA). Note that, in the tables and graphs below, we refer to each of the countries using the abbreviations shown in parentheses in Figure 1.

**FIGURE 1: GWP AND GROSS TECHNICAL PROVISIONS BY COUNTRY**

| COUNTRY | GROSS WRITTEN PREMIUM (€ BN) | | GROSS TECHNICAL PROVISIONS (€ BN) | |
|---|---|---|---|---|
| | SAMPLE | EIOPA (S.05.01)[3] | SAMPLE | EIOPA (S.02.01) |
| **Austria (AT)** | 14.3 | 15.6 | 10.5 | 9.9 |
| **Belgium (BE)** | 20.7 | 33.8 | 24.0 | 34.9 |
| **Germany (DE)** | 207.0 | 220.5 | 271.5 | 277.0 |
| **Denmark (DK)[4]** | 7.5 | | 6.7 | 4.9 |
| **Greece (EL)** | 2.8 | 2.9 | 3.5 | 3.0 |
| **Spain (ES)** | 23.9 | 54.3 | 18.8 | 33.8 |
| **France (FR)** | 117.5 | 190.6 | 157.7 | 163.7 |
| **Ireland (IE)** | 40.0 | 53.4 | 52.9 | 67.2 |
| **Italy (IT)** | 45.9 | 49.6 | 60.1 | 57.3 |
| **Luxembourg (LU)** | 26.6 | 29.2 | 42.6 | 46.3 |
| **Netherlands (NL)** | 14.1 | 83.3 | 11.2 | 13.0 |
| **Poland (PL)** | 15.4 | 15.9 | 14.1 | 13.9 |
| **Portugal (PT)** | 6.2 | 8.6 | 5.1 | 3.6 |
| **Romania (RO)** | 3.4 | 3.5 | 2.7 | 3.2 |
| **Sweden (SE)** | 15.2 | 16.4 | 37.1 | 12.0 |
| **EU countries outside sample** | | 60.0 | | 37.6 |
| **Total EU** | **560.5** | **837.5** | **718.5** | **781.5** |

2. Undertakings identified as primarily health insurers (e.g., those for which medical expenses accounted for more than 85% of their GWP) have been removed from the analysis.
3. Annual aggregated balance sheet and GWP statistics for solo entities, as at year-end 2025. See https://www.eiopa.europa.eu/tools-and-data/insurance-statistics_en.
4. The GWP figure for Denmark was not available in the EIOPA data.

# Underlying data

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, as obtained from Solvency II Wire Data. The database tool is available via subscription from https://solvencyiiwiredata.com. We have not audited or verified the data or other information within Solvency II Wire Data. 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. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. 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 research report is not intended to guide or determine any specific individual situation, and readers should consult qualified professionals before taking specific actions.

We note that all the figures published in this report have been converted into EUR by Solvency II Wire Data, using exchange rates as at the report date of each SFCR. We also note that all but one of the SFCRs are as at 31 December 2025 (one SFCR is reported as at 30 June 2025).

In this report we consider the following metrics:

- Gross and ceded written premiums split by country and by Solvency II lines of business
- Gross and net of reinsurance loss ratios split by country
- Invested assets and technical provisions
- The solvency position of the European market as a whole
- The quality of the components of the own funds

Appendix A lists the Solvency II lines of business. It also sets out the shorter versions of the names of those lines of business that we use within this report when stating relevant figures.

# Analysis of premiums

The 10 EU non-life insurers with the highest total GWP in 2025, across the 15 countries in our sample, are shown in the table in Figure 2, along with a comparison to the previous year.

**FIGURE 2: TOP 10 GWP**

| TOTAL GROSS WRITTEN PREMIUMS (£ BILLIONS) | DOMICILE COUNTRY | 2024 | 2025 | RELATIVE MOVEMENT |
|---|---|---|---|---|
| **Munich Re**[5] | DE | 23.9 | 23.3 | -0.6 |
| **Hannover Rück SE** | DE | 23.0 | 22.9 | -0.1 |
| **Allianz SE** | DE | 17.3 | 18.5 | 1.2 |
| **Allianz Versicherungs-AG** | DE | 11.7 | 12.7 | 1.0 |
| **AXA SA** | FR | 9.7 | 10.1 | 0.4 |
| **AXA France IARD** | FR | 9.1 | 9.1 | 0.0 |
| **Generali Italia S.P.A** | IT | 8.2 | 8.6 | 0.4 |
| **Zurich Insurance Europe AG** | DE | 7.9 | 8.6 | 0.7 |
| **UnipolSai Assicurazioni S.p.A** | IT | 7.9 | 8.3 | 0.4 |
| **Allianz Re Dublin Designated Activity Company** | IE | 7.4 | 7.6 | 0.1 |

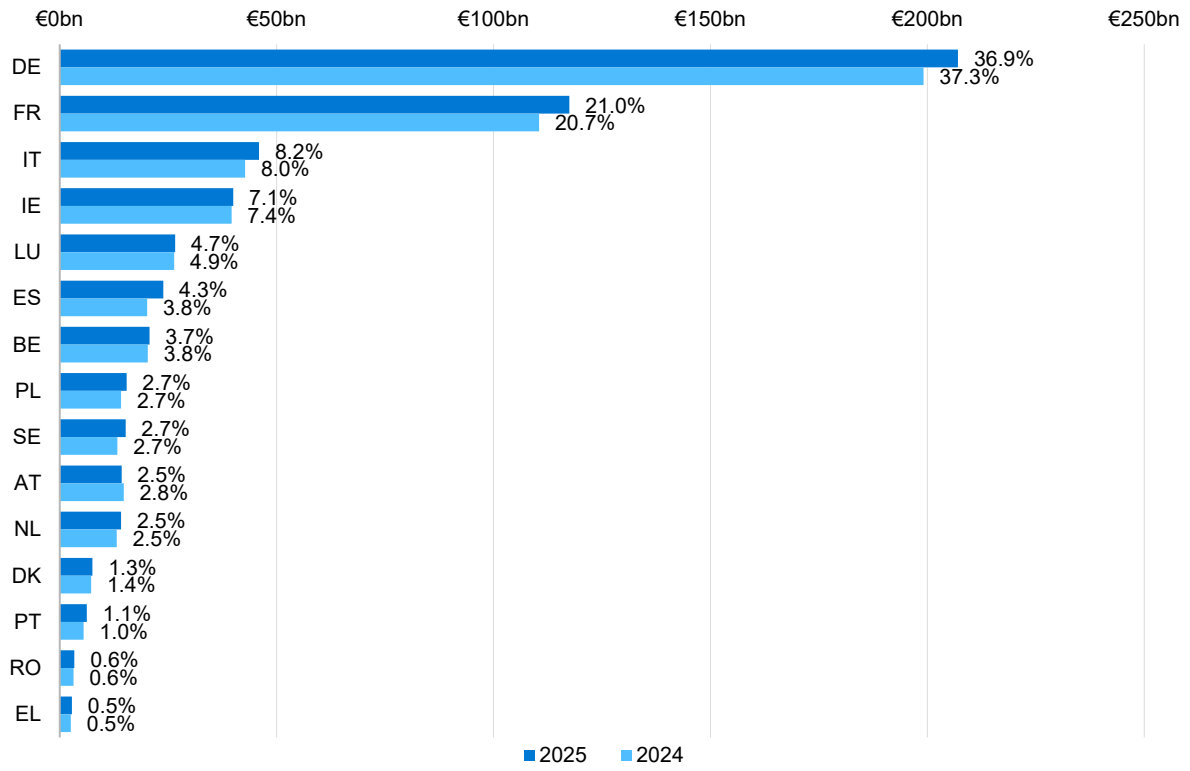
The top 10 companies shown represent approximately 25% of the total GWP in 2025. Five of the top 10 companies are domiciled in Germany, two are domiciled in France, two are domiciled in Italy, and two are domiciled in Ireland. As can be seen, the majority of the top 10 companies in the EU market have experienced an increase in premium volume in 2025 compared to 2024.

5. Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München has been shortened to Munich Re.

In 2025, our sample of European non-life insurers wrote €560 billion of gross premiums, higher than the €533 billion that was written in 2024. We illustrate the GWP by country in Figure 3. The bracket percentages after each bar represent the countries' proportions of total GWP in our sample (e.g., 36.9% of the €560 billion of gross premiums relates to insurers domiciled in Germany). Note that the categorisation relates to the domicile of the insurer, but the premiums could relate to business written internationally. For example, the data for Germany include that of several entities writing international reinsurance business.

The countries in Figure 3 and all subsequent figures, with the exception of Figure 5, have been ordered by GWP volume.

**FIGURE 3: GWP BY COUNTRY FOR CALENDAR YEARS 2024 AND 2025**




We observe that 14 of the 15 countries in our sample experienced an increase in GWP over the year. The biggest increases were observed in Germany and France, where the GWP increased by €7.9 billion and €7.0 billion, respectively; although, we note that these two countries have the largest premium volume in our sample. Ireland and Luxembourg, which are the fourth- and fifth-largest countries in our sample in GWP volume, experienced increases of only €0.4 billion and €0.2 billion, respectively. In the Milliman review of non-life Luxembourg insurers, we observe that for the majority of the 10 insurers in the selected sample (which represent 50% of the total GWP), there was an increase in GWP over 2025, resulting in an overall growth of 3% compared with 2024.[6]

The only decrease was observed in Austria, where the volume of GWP reduced by €0.5 billion. We note that in our review of UK and Gibraltar regulated companies,[7] we observed that the GWP of our sample countries decreased over the year.

In Figure 4, we illustrate the GWP proportion by line of business for calendar years 2024 and 2025, along with the movement experienced over the year. So in Figure 4, in 2025, 29.6% of the total GWP was related to the fire line of business, while 16.6% of the total GWP was related to the motor vehicle liability line of business.

6. Van der Laan, N., Vetsuypens, K., & Amara, A. (26 August 2026). Analysing 2025 Solvency and Financial Condition Reports (SFCRs) of non-life insurers in Luxembourg. Milliman. Retrieved 15 September 2026 from https://www.milliman.com/en/insight/2025-sfcr-nonlife-luxembourg.

7. Badal, V., & Penfold, I. (21 August 2026). Analysing 2025 Solvency and Financial Condition Reports (SFCRs) of non-life insurers in the UK and Gibraltar. Milliman. Retrieved 15 September 2026 from https://uk.milliman.com/en-GB/insight/2025-sfcr-non-life-uk-gibraltar.

**FIGURE 4: GWP PROPORTIONS BY LINE OF BUSINESS FOR CALENDAR YEARS 2024 AND 2025**

| SOLVENCY II LINE OF BUSINESS | 2024 | 2025 | MOVEMENT |
|---|---|---|---|
| **Fire** | 29.9% | 29.6% | -0.3% |
| **Motor vehicle liability** | 16.2% | 16.6% | 0.4% |
| **Other motor** | 12.7% | 13.4% | 0.7% |
| **General liability** | 11.2% | 10.4% | -0.7% |
| **Income protection** | 4.8% | 4.8% | 0.0% |
| **Medical expense** | 4.2% | 4.7% | 0.5% |
| **NP property** | 4.5% | 4.2% | -0.3% |
| **Credit and Suretyship** | 3.0% | 3.3% | 0.2% |
| **Miscellaneous** | 3.0% | 3.0% | 0.0% |
| **MAT** | 3.1% | 2.9% | -0.3% |
| **Assistance** | 2.2% | 2.3% | 0.1% |
| **Legal expense** | 2.3% | 2.3% | 0.0% |
| **NP casualty** | 1.6% | 1.4% | -0.2% |
| **Workers' compensation** | 0.7% | 0.7% | 0.0% |
| **NP MAT** | 0.3% | 0.3% | 0.0% |
| **NP health** | 0.1% | 0.1% | 0.0% |

Other motor experienced the largest proportional increase in GWP, with the proportion growing from 12.7% of total GWP in 2024 to 13.4% of total GWP in 2025 (a 0.7% increase over the year). Motor vehicle liability also experienced a 0.4% increase over the year.

Conversely, general liability experienced the largest proportional decrease in GWP over the year, with the proportion reducing from 11.2% of total GWP in 2024 to 10.4% of total GWP in 2025 (a 0.7% decrease over the year).

Fire, the largest line of business, experienced a 0.3% reduction over the year, with the proportion of the total GWP decreasing from 29.9% in 2024 to 29.6% in 2025; although, the proportion remains significantly higher than the other lines of business.

Other motor and motor vehicle liability experienced the largest GWP increases over the year, with the GWP increasing by ~ €14 billion for both lines of business combined. The majority of this premium increase was observed in Germany, France and Spain, with premium increases of ~€6.5 billion, ~€2.5 billion and ~€2.5 billion, respectively. Motor insurance has been subject to heightened claims inflation pressures, leading to insurers pushing up premium rates materially. The higher level of claims inflation has been driven by repair costs, as repairs are becoming more expensive due to the increasing sophistication of vehicles, with complex sensors and technology fitted on newer cars.

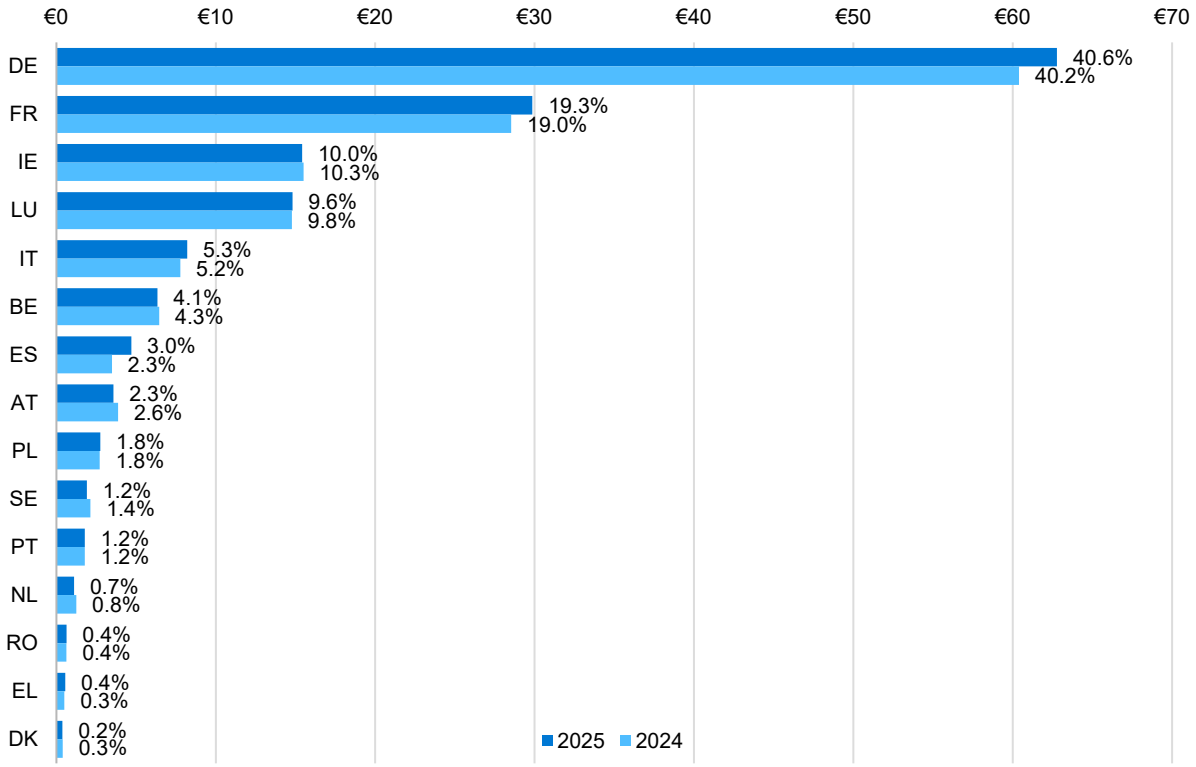
Although fire premiums as a proportion of total premiums reduced over the year, the absolute amount of fire GWP increased by ~ €7 billion. The majority of this premium increase was observed in France and Germany, with premium increases of ~ €2.5 billion and ~ €1 billion, respectively. The effects of climate change are impacting the EU insurance markets, and the EU in 2025 was affected by storms, floods and wildfires,[8] which impacted the Solvency II fire line of business.

8. Basetti Sani Vettori, N., et al. (25 March 2026). Extreme weather in Europe. Milliman. Retrieved 15 September 2026 from https://www.milliman.com/en/insight/extreme-weather-events-in-europe-2025.

Medical expense experienced a ~€4 billion increase over the year in GWP. The majority of this premium increase was observed in France and Ireland, both ~€1 billion. Medical expense insurance is also susceptible to claims inflation, as the costs of healthcare and new specialised treatments are rising.

In 2025, our sample of EU non-life insurers ceded €155 billion of premiums, higher than the €150 billion that was ceded[9] in 2024. In Figure 5 we illustrate the ceded written premium by country. The bracket percentages after each bar represent the countries' proportions of total ceded written premium in our sample (e.g., 40.6% of the €155 billion of ceded premiums relates to insurers domiciled in Germany).

**FIGURE 5: CEDED WRITTEN PREMIUMS BY COUNTRY FOR CALENDAR YEARS 2024 AND 2025**




The biggest increases were observed in Germany, France and Spain, where the ceded premiums increased by €2.4 billion, €1.3 billion and €1.2 billion, respectively. The increases observed for the other countries in our sample were negligible over the year. The biggest decreases were observed in Austria and Sweden, where the volume of ceded premiums reduced by €0.3 billion and €0.2 billion, respectively.

In Figure 6, we illustrate the ceded written premiums proportion by line of business for calendar years 2024 and 2025, along with the movement experienced over the year. So in Figure 6, in 2025, 36.8% of the total ceded premiums were related to the fire line of business, while 13.1% of the total ceded premiums were related to the general liability line of business.

9. Ceded written premiums are equivalent to outward reinsurance premiums, where outward reinsurance premiums are defined as all premiums paid or payable in respect of outward reinsurance contracts entered into by the firm during the relevant period.

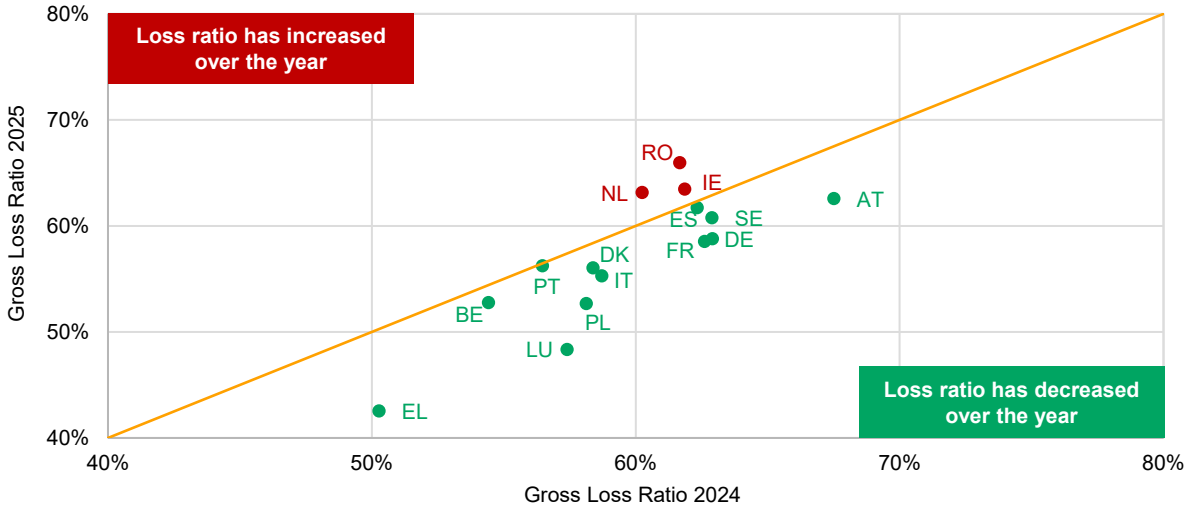
**FIGURE 6: CEDED WRITTEN PREMIUMS PROPORTIONS BY LINE OF BUSINESS FOR CALENDAR YEARS 2024 AND 2025**

| SOLVENCY II LINE OF BUSINESS | 2024 | 2025 | MOVEMENT |
|---|---|---|---|
| **Fire** | 37.4% | 36.8% | -0.6% |
| **General liability** | 14.2% | 13.1% | -1.1% |
| **Motor vehicle liability** | 10.8% | 11.5% | 0.8% |
| **Other motor** | 8.0% | 8.7% | 0.7% |
| **NP property** | 6.4% | 6.3% | -0.1% |
| **Credit and Suretyship** | 5.1% | 5.6% | 0.5% |
| **MAT** | 5.5% | 5.2% | -0.3% |
| **Miscellaneous** | 3.0% | 3.1% | 0.2% |
| **Income protection** | 2.2% | 2.0% | -0.2% |
| **Medical expense** | 1.9% | 2.0% | 0.1% |
| **Assistance** | 1.7% | 1.8% | 0.1% |
| **NP casualty** | 1.6% | 1.6% | 0.1% |
| **Legal expense** | 1.4% | 1.3% | -0.1% |
| **NP MAT** | 0.6% | 0.5% | -0.1% |
| **Workers' compensation** | 0.3% | 0.3% | 0.0% |
| **NP health** | 0.1% | 0.1% | 0.0% |

# Analysis of loss ratios

In Figure 7 we show the gross of reinsurance loss ratios for all countries for calendar years 2024 and 2025. The loss ratios shown are on a calendar-year basis and therefore reflect the gross loss ratio for the risks exposed during the calendar year, adjusted by any strengthening or weakening of the outstanding claims reserves relating to prior years' exposure. The claim figures underlying these ratios exclude claims management expenses. The gross (net) loss ratios in this section are defined as gross (net) claims costs divided by gross (net) earned premiums.

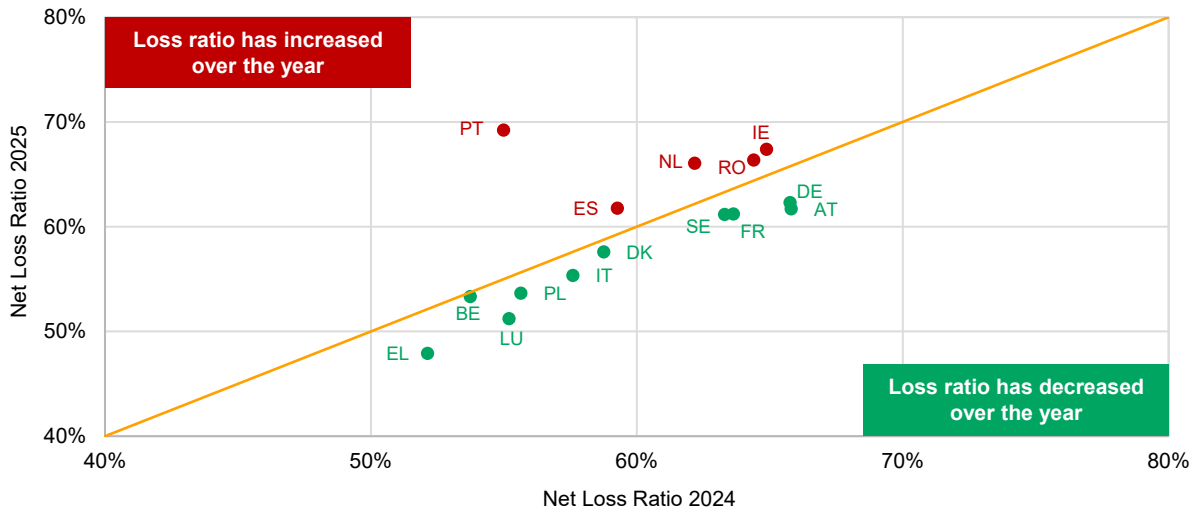
**FIGURE 7: GROSS OF REINSURANCE LOSS RATIOS BY COUNTRY FOR CALENDAR YEARS 2024 AND 2025[10]**




10. In Figure 7, the gross loss ratio for Italy is 59% for 2024 and 55% for 2025, while for Denmark the gross loss ratio is 58% for 2024 and 56% for 2025. Due to the close proximity of these two ratios, the relevant dots in Figure 7 overlap each other. Similarly, In Figure 7, the gross loss ratio for Germany is 63% for 2024 and 59% for 2025, while for France the gross loss ratio is 63% for 2024 and 59% for 2025. Due to the close proximity of these two ratios, the relevant dots in Figure 7 overlap each other.

In Figure 8 we show the net of reinsurance loss ratios for all countries for calendar years 2024 and 2025.

**FIGURE 8: NET OF REINSURANCE LOSS RATIOS BY COUNTRY FOR CALENDAR YEARS 2024 AND 2025[11]**

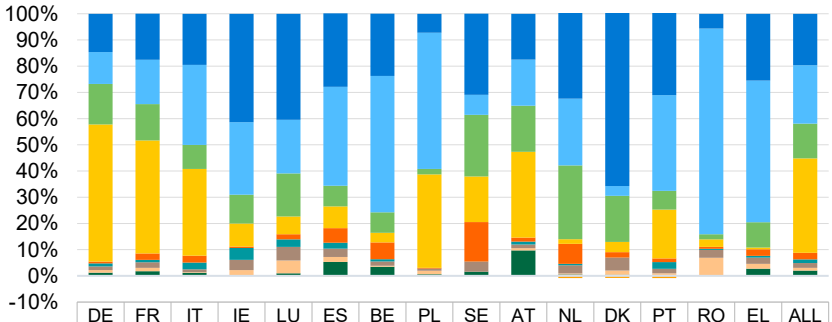



We observe that the gross (net) loss ratios have generally reduced over the year across our sample countries. Greece and Luxembourg saw the largest reductions in loss ratios (8% and 9% gross movement, with a 4% net movement). Romania experienced the largest gross increase (4%) and Portugal the largest net increase (14%).

# Analysis of investments

The total balance sheet assets of our sample companies as at year-end 2025 was £2,050 billion (£1,945 billion as at year-end 2024). Figure 9 shows the breakdown of companies' aggregate investments (including cash).

**FIGURE 9: INVESTMENT BREAKDOWN, AGGREGATED BY COUNTRY**




| | DE | FR | IT | IE | LU | ES | BE | PL | SE | AT | NL | DK | PT | RO | EL | ALL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Corporate Bonds | 15% | 18% | 20% | 41% | 40% | 28% | 24% | 7% | 31% | 17% | 33% | 67% | 32% | 6% | 25% | 20% |
| Government Bonds | 12% | 17% | 31% | 28% | 20% | 38% | 52% | 52% | 8% | 18% | 25% | 4% | 37% | 78% | 54% | 22% |
| Collective Investments Undertakings | 15% | 14% | 9% | 11% | 16% | 8% | 8% | 2% | 24% | 18% | 28% | 18% | 7% | 2% | 10% | 13% |
| Holdings in related undertakings, including participations | 52% | 43% | 33% | 9% | 7% | 8% | 4% | 36% | 17% | 33% | 2% | 4% | 19% | 3% | 1% | 36% |
| Equities | 1% | 2% | 3% | 1% | 2% | 6% | 6% | 0% | 15% | 2% | 8% | 2% | 1% | 1% | 2% | 3% |
| Other Bonds | 1% | 1% | 3% | 5% | 3% | 2% | 1% | 0% | 0% | 1% | 1% | 0% | 3% | 0% | 1% | 1% |
| Cash and Cash equivalents | 1% | 2% | 1% | 4% | 5% | 3% | 2% | 1% | 4% | 1% | 3% | 5% | 2% | 3% | 2% | 2% |
| Deposits other than cash equivalents | 1% | 1% | 0% | 2% | 5% | 2% | 0% | 1% | 0% | 1% | 0% | 2% | 1% | 7% | 2% | 1% |
| Property | 1% | 2% | 1% | 0% | 1% | 5% | 3% | 0% | 2% | 10% | 0% | 0% | 0% | 0% | 3% | 2% |
| Other investments | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Net Derivatives | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | -1% | -1% | -1% | 0% | 0% | 0% |

11. In Figure 8, the net loss ratio for France is 64% for 2024 and 61% for 2025, while for Sweden the net loss ratio is 63% for 2024 and 61% for 2025. Due to the close proximity of these two ratios, the relevant dots in Figure 8 overlap each other. Similarly, In Figure 8, the net loss ratio for Austria is 66% for 2024 and 62% for 2025, while for Germany the net loss ratio is 66% for 2024 and 62% for 2025. Due to the close proximity of these two ratios, the relevant dots in Figure 8 overlap each other.

Investments in bonds (both government and corporate) are prominent in many firms' portfolios across most of the countries covered by the sample. Bonds are attractive to insurers due to their regular payment streams, which complement duration-matching strategies, reduced volatility and the associated capital requirements, relative to investing in equities.

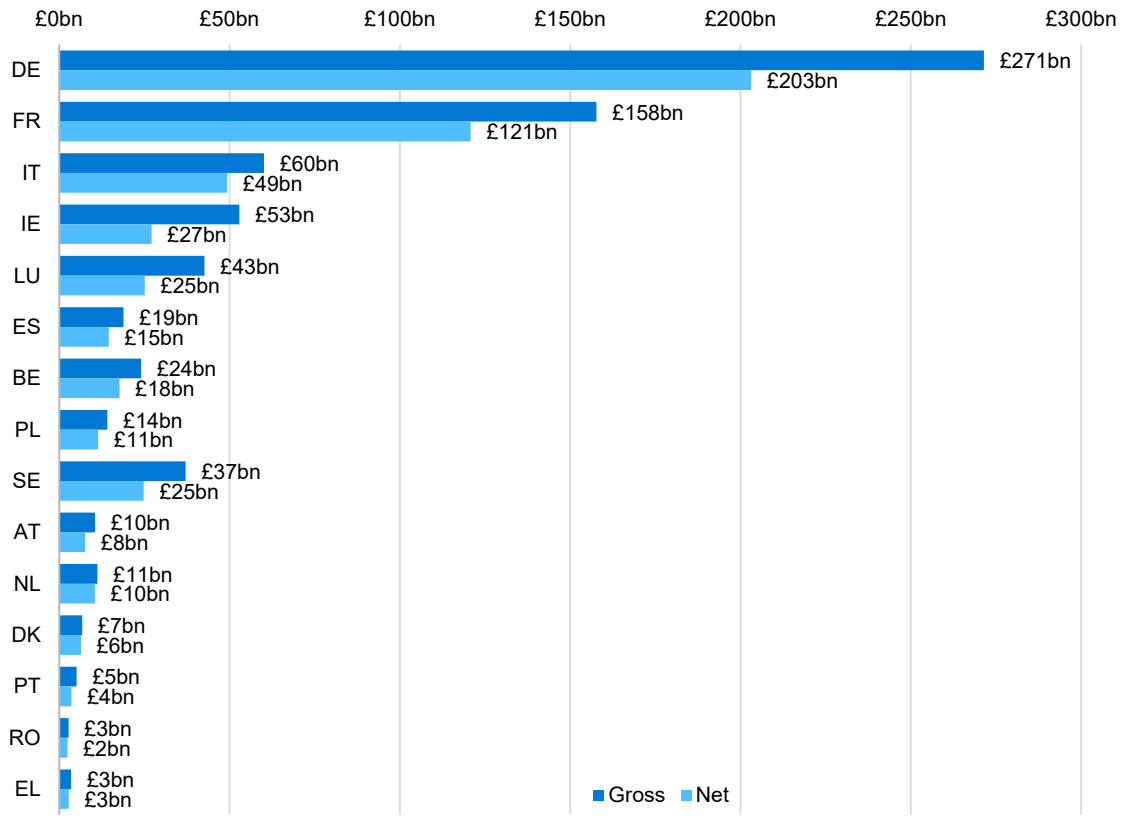
Holdings in related undertakings dominate the balance sheets in Germany and, in aggregate, make up 52% of the total investments, slightly higher than the proportion of 51% as at year-end 2024. This is driven by the size of the largest German companies in our sample, whose assets will dominate and who have sizeable investments in the industry around the world. Other countries, such as Austria, France, Italy and Poland, also have significant proportions of holdings in related undertakings of at least 30% as at year-end 2025.

In the Millman review of non-life Luxembourgish insurance companies, it is noted that the three largest insurers invest mainly in fixed income investments, while smaller insurers show more investments in collective investment undertakings, equities and others.[12]

## TECHNICAL PROVISIONS

Figure 10 shows the non-life technical provisions, both gross and net of reinsurance, for each country as at the 2025 year-end.

**FIGURE 10: AGGREGATED TECHNICAL PROVISIONS, GROSS AND NET OF REINSURANCE, AS AT YEAR-END 2025, SPLIT BY COUNTRY**




The 762 insurers included in our sample have, as at year-end 2025, aggregated technical provisions totalling €718 billion gross of reinsurance (€686 billion as at year-end 2024) and €527 billion net of reinsurance (€505 billion as at year-end 2024). Technical provisions from France and Germany comprise 60% of the total gross technical provisions as at year-end 2025, lower than the 63% as at year-end 2024.

12. Van der Laan, N., Vetsuypens, K., & Amara, A., op. cit.

In Figure 11, we illustrate the aggregated technical provisions proportions, gross of reinsurance, by line of business for calendar years 2024 and 2025, along with the movement experienced over the year.

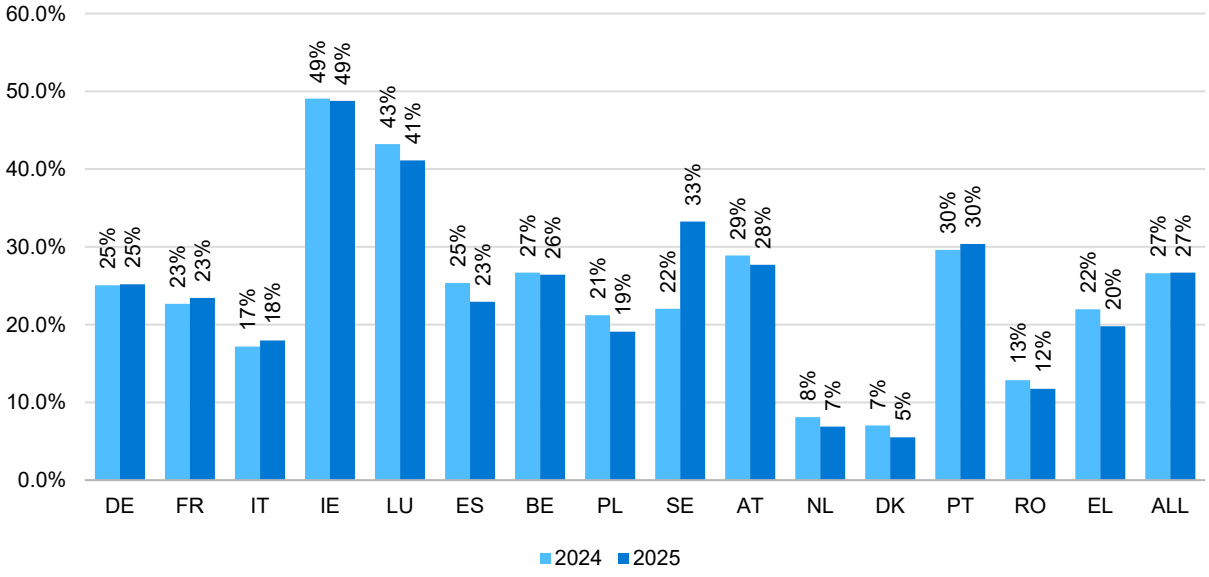
**FIGURE 11: AGGREGATED TECHNICAL PROVISIONS PROPORTIONS, GROSS OF REINSURANCE, BY LINE OF BUSINESS FOR CALENDAR YEARS 2024 AND 2025**

| SOLVENCY II LINE OF BUSINESS | 2024 | 2025 | MOVEMENT |
|---|---|---|---|
| **General liability** | 24.1% | 24.7% | 0.6% |
| **Fire** | 22.3% | 23.1% | 0.7% |
| **Motor vehicle liability** | 21.5% | 21.7% | 0.1% |
| **NP casualty** | 6.6% | 6.2% | -0.4% |
| **Other motor** | 4.6% | 4.5% | 0.0% |
| **NP property** | 4.8% | 3.8% | -1.0% |
| **Income protection** | 3.3% | 3.4% | 0.1% |
| **MAT** | 3.2% | 3.0% | -0.2% |
| **Credit and Suretyship** | 2.7% | 2.7% | 0.0% |
| **Miscellaneous** | 1.8% | 1.9% | 0.1% |
| **Legal expense** | 1.7% | 1.5% | -0.2% |
| **Medical expense** | 1.3% | 1.5% | 0.1% |
| **Workers' compensation** | 0.6% | 0.7% | 0.1% |
| **NP MAT** | 0.6% | 0.6% | 0.0% |
| **Assistance** | 0.4% | 0.4% | 0.0% |
| **NP health** | 0.4% | 0.4% | 0.0% |

Long-tail lines of business, i.e., general liability, motor vehicle liability and non-proportional (NP) casualty, comprise 53% of the gross technical provisions as at year-end 2025, slightly higher than the percentage as at year-end 2024 (52%).

Figure 12 shows the reinsurance recoverables as a percentage of the gross technical provisions for each of the countries as at year-end 2024 and year-end 2025.

**FIGURE 12: REINSURANCE RECOVERABLES AS PERCENTAGES OF GROSS TECHNICAL PROVISIONS AS AT YEAR-END 2024 AND YEAR-END 2025**



The countries with the highest proportional usage of reinsurance are Ireland and Luxembourg (49% and 41%, respectively). This is similar to the position as at year-end 2024, with the ceded proportions being almost unchanged from the year-end 2024 proportions (49% and 43%, respectively). The significant proportion of reinsurance in Ireland and Luxembourg is driven by their markets having high proportions of captives. Denmark has the lowest proportional usage of reinsurance, at approximately 5%, similar to that as at year-end 2024 (7%).

# Analysis of solvency coverage

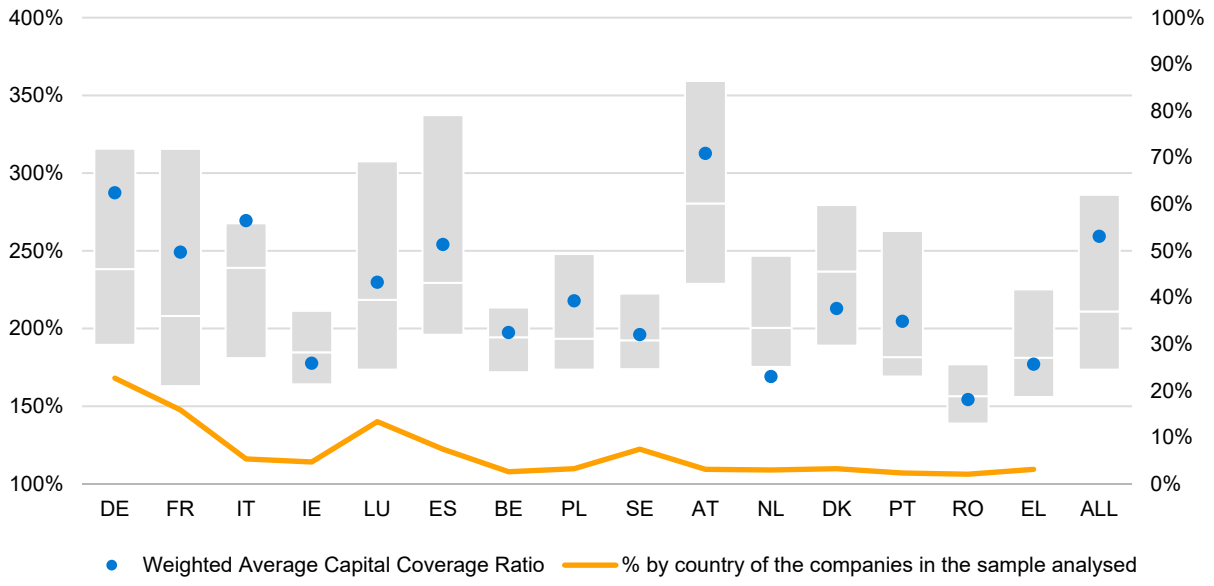
### SOLVENCY COVERAGE RATIOS

In aggregate, the EU non-life insurers that comprise our sample are more than sufficiently capitalised, with an average solvency coverage ratio of 259%. This is calculated as total eligible own funds divided by the SCR for all entities included in our analysis, based on the figures reported in SFCRs. This is higher than the equivalent figure reported in the previous set of SFCRs as at year-end 2024 of 250%. In our report focused on non-life UK and Gibraltar regulated insurance companies, we observed that the average solvency coverage ratio decreased from 191% to 184%.[13]

The solvency coverage ratio **INCREASED** from **250% to 259%** at year-end 2025.

Figure 13 shows how the average capital coverage ratios are distributed throughout the 15 countries included in our sample. It sets out the median, 25th and 75th percentiles, and the weighted average of the distribution of the capital coverage ratios, for the market as a whole and then separately for each country analysed. This shows that there is a wide range of capital coverage ratios. Insurers in some countries that were included in our review, such as Austria and Germany, were, on average, very well capitalised, with average capital coverage ratios of 313% and 287%, respectively. Conversely, Romania has the lowest capital coverage ratio (154%).

**FIGURE 13: DISTRIBUTION OF THE CAPITAL COVERAGE RATIOS BY COUNTRY[14]**




13. Badal, V., & Penfold, I., op. cit.

14. The grey bars in Figure 13 represent the inter-quartile range, and the white lines represent the median.

We note that, when considering the inter-quartile range of capital coverage ratios for each company, France, Spain, Luxembourg and Austria have very wide inter-quartile ranges of capital coverage ratios, whereas Belgium, Ireland, Romania and Sweden have much narrower inter-quartile ranges. We note that there is one company in our sample of Irish insurers which has a coverage ratio above 1,000% and three companies in our sample of Luxembourgish insurers that have coverage ratios above 1,000%. We list these below:

1. Companjon Insurance Designated Activity Company (Ireland) — Coverage ratio of 1,409% – GWP of €6.2 million
2. Compass Re S.A. (Luxembourg) — Coverage ratio of 1,666% – GWP of €9.4 million
3. Petrogas Re S.A. (Luxembourg) — Coverage ratio of 1,153% – GWP of €0.01 million
4. Svenska Re S.A. (Luxembourg) — Coverage ratio of 1,416% – GWP of €0.9 million

As can be seen by the GWP volumes, these companies are small in size. Petrogras Re S.A. and Companjon Insurance Designated Activity Company (Ireland) are both in run-off. Svenska Re S.A. is a wholly owned subsidiary of Svenska Handelsbanken AB, and Compass Re is a single-owned reinsurance captive.

We also note that, for Denmark and the Netherlands, the weighted average capital coverage ratios (213% and 169%, respectively) are well below the median coverage ratios (237% and 201%) as at year-end 2025. This implies that smaller insurers have much higher capital coverage ratios than larger insurers in Denmark and the Netherlands.

- The three largest insurers in our sample of Dutch insurers in terms of GWP in 2025 have capital coverage ratios of 136%, 147% and 164%, while three of the smallest insurers in our sample of Dutch insurers have capital coverage ratios of 212%, 220% and 273%.
- The largest insurer in our sample of Danish insurers in terms of GWP in 2025 has a capital coverage ratio of 196%, while the three smallest insurers in our sample of Danish insurers have capital coverage ratios of 352%, 363% and 449%.

We also note that, for Austria, France, Germany and Italy, the weighted average capital coverage ratios (313%, 249%, 287% and 269%, respectively) are well above the median coverage ratios (281%, 207%, 238% and 239%) as at year-end 2025. This implies that larger insurers have much higher capital coverage ratios than smaller insurers in Austria, France, Germany and Italy. This aligns with the aggregate view in Figure 13.

- The three largest insurers in our sample of German insurers in terms of GWP in 2025 have capital coverage ratios of 310%, 268% and 261%, while three of the smallest insurers in our sample of German insurers have capital coverage ratios of 173%, 190% and 214%.
- The three largest insurers in our sample of Italian insurers in terms of GWP in 2025 have capital coverage ratios of 289%, 269% and 258%, while three of the smallest insurers in our sample of Italian insurers have capital coverage ratios of 150%, 192% and 204%.

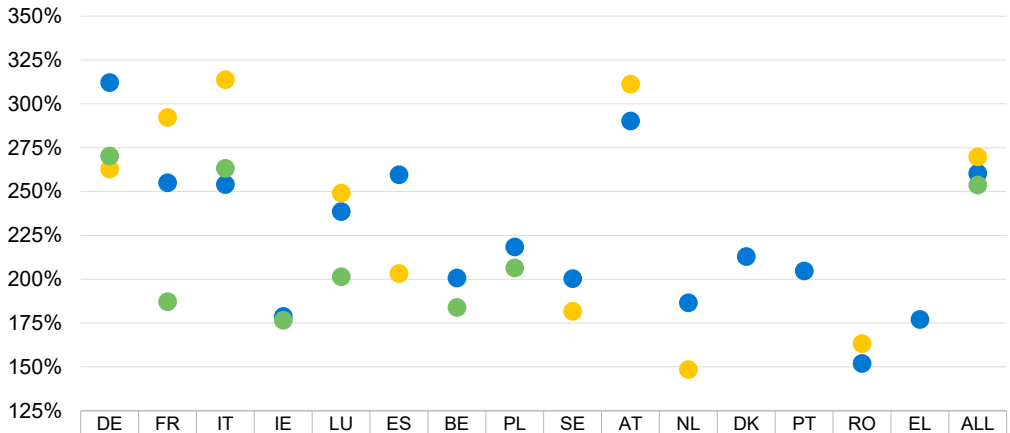
As at year-end 2025, 55% of the total value of the aggregated SCRs were generated using the standard formula (SF), 12% of the total value of the aggregated SCRs were generated using a partial internal model (PIM) and 33% using a full internal model (FIM), identical to the proportions observed as at year-end 2024. This, along with the company count on model use, highlights the fact that FIMs are primarily used by large companies and large groups. Our sample of insurers will generally include most, if not all, FIM and PIM users in each of the countries, as insurers that have published their SFCRs later (and hence have not been included within our sample group) tend to be smaller insurers, which are less likely to consider the additional costs of PIMs and FIMs to be worthwhile.

Our analysis has indicated that:

- The weighted average of the capital coverage ratios for companies using the SF is 260% as at year-end 2025, higher than the figure as at year-end 2024 (250%).
- The weighted average of the capital coverage ratios for companies using a PIM is 270% as at year-end 2025, higher than the figure as at year-end 2024 (255%).
- The weighted average of the capital coverage ratios for companies using a FIM is 254% as at year-end 2025, higher than the figure as at year-end 2024 (249%).

Using an internal model enables companies to capture specific risks that they face that are not covered in the SF (e.g., inflation risk) and to reflect better their risk and business profiles when assessing the SCR (e.g., mitigation from non-proportional outwards reinsurance, dependencies between risks, recognition of operating profits/losses within underwriting risk, etc.). Figure 14 shows the weighted average capital coverage ratio for each country, split by the method used to calculate the SCR.

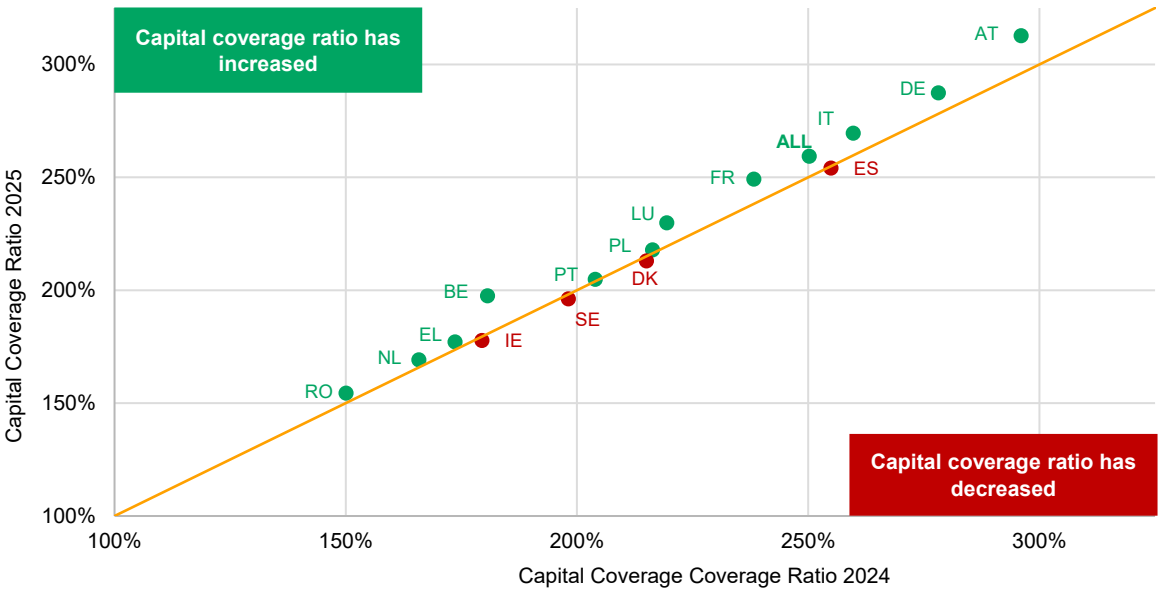
**FIGURE 14: WEIGHTED AVERAGE CAPITAL COVERAGE RATIOS[15] BY SCR CALCULATION METHODS ACROSS EUROPE[16]**




| | DE | FR | IT | IE | LU | ES | BE | PL | SE | AT | NL | DK | PT | RO | EL | ALL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Standard Formula | 312% | 255% | 254% | 179% | 239% | 260% | 201% | 218% | 200% | 290% | 187% | 213% | 205% | 152% | 177% | 260% |
| Partial Internal Model | 263% | 292% | 314% | | 249% | 203% | | | 182% | 311% | 149% | | | 163% | | 270% |
| Full Internal Model | 270% | 187% | 263% | 177% | 201% | | 184% | 206% | | 379% | | | | | | 254% |

Figure 15 compares the weighted average of the capital coverage ratios for each country as at the 2025 year-end with the figure as at the 2024 year-end (for those countries above the line, the weighted average of the capital coverage ratios as at the 2025 year-end is greater than that as at the 2024 year-end, and vice versa for those below the line).

**FIGURE 15: CHANGE IN CAPITAL COVERAGE RATIO FROM 2024 TO 2025**




15. A blank cell means that such a capital model was not used by any of the sample companies in that country.

16. In Figure 14, the capital coverage ratio for Ireland, for companies using the SF is 179%, while the capital coverage ratio for companies using the FIM is 177%. Due to the close proximity of these ratios on the graph to one another, the relevant dots in Figure 14 overlap each other.

The most material increases in the weighted average of the capital coverage ratios were for Austria, with a movement of +17% (from 296% as at year-end 2024 to 313% as at year-end 2025), and Belgium, with a movement of +16% (from 181% as at year-end 2024 to 197% as at year-end 2025).

Denmark, Ireland and Sweden had decreases of -2% in the weighted average of the capital coverage ratios, with Spain the only other country in our sample experiencing a decrease (-1%).

- **Austria:** Three of the largest companies from Austria in our sample saw increases to their capital coverage ratios in 2025.
  - UNIQA Österreich Versicherungen AG's capital coverage ratio increased by 19% (from 244% as at year-end 2024 to 263% as at year-end 2025), driven by an increase in eligible own funds.
  - Generali Versicherung AG's capital coverage ratio increased by 52% (from 324% as at year-end 2024 to 376% as at year-end 2025), driven by an increase in eligible own funds.
  - VIG Holding's capital coverage ratio increased by 10% (from 398% as at year-end 2024 to 408% as at year-end 2025), driven by an increase in eligible own funds.
- **Belgium**: The four largest companies from Belgium in our sample saw increases to their capital coverage ratios in 2025.
  - AG Insurance S.A.'s capital coverage ratio increased by 33% (from 180% as at year-end 2024 to 213% as at year-end 2025), driven by an increase in eligible own funds.
  - AXA Belgium's capital coverage ratio increased by 18% (from 197% as at year-end 2024 to 215% as at year-end 2025), driven by the SCR decreasing by more than the eligible own funds.
  - Euler Hermes's capital coverage ratio increased by 8% (from 180% as at year-end 2024 to 188% as at year-end 2025), driven by the SCR decreasing by more than the eligible own funds.
  - QBE Europe S.A./NV's capital coverage ratio increased by 28% (from 123% as at year-end 2024 to 151% as at year-end 2025), driven by an increase in eligible own funds.

Commentary on the movement of the coverage ratio of the largest insurers in Luxembourg can be found in the Milliman review of non-life Luxembourg SFCRs.[17]

### ANALYSIS OF OWN FUNDS

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 retained earnings and share capital; Tier 2 funds are typically composed of hybrid debt; and Tier 3 typically comprises deferred tax assets. As shown in Figure 16, insurers' own funds are considered to be, on average, of good quality, with 93% classified in Tier 1, which is slightly higher than the figure as at the 2024 year-end (92%). In Figure 16, the proportions of Tier 1 own funds vary from country to country, from 87% to 99%.

**FIGURE 16: STRUCTURE OF ELIGIBLE OWN FUNDS[18]**

| | DE | FR | IT | IE | LU | ES | BE | PL | SE | AT | NL | DK | PT | RO | EL | ALL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Tier 1 unrestricted** | 92% | 86% | 89% | 91% | 97% | 99% | 87% | 95% | 99% | 93% | 96% | 86% | 78% | 92% | 86% | 91% |
| **Tier 1 restricted** | 1% | 4% | 1% | 3% | 0% | 0% | 0% | 0% | 0% | 1% | 1% | 5% | 10% | 0% | 2% | 2% |
| **Tier 1 - Total** | 93% | 90% | 90% | 94% | 97% | 99% | 87% | 95% | 99% | 94% | 97% | 91% | 88% | 92% | 88% | 93% |
| **Tier 2** | 6% | 9% | 10% | 4% | 2% | 1% | 12% | 5% | 1% | 6% | 2% | 9% | 11% | 6% | 7% | 7% |
| **Tier 3** | 0% | 0% | 0% | 2% | 0% | 0% | 1% | 0% | 0% | 0% | 1% | 0% | 0% | 2% | 4% | 0% |

17. For more information on this, refer to Milliman's most recent paper on Luxembourg SFCR review.

18. Due to rounding, values in the columns may not add up to 100%.

In Figure 17, we have split the basic and ancillary own funds by type. We note that, for all countries, basic own funds mainly comprise the reconciliation reserve.

**FIGURE 17: COMPONENTS OF OWN FUNDS[19]**

| BASIC OWN FUNDS | DE | FR | IT | IE | LU | ES | BE | PL | SE | AT | NL | DK | PT | RO | EL | ALL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ordinary share capital** | 2% | 10% | 9% | 24% | 19% | 12% | 18% | 5% | 1% | 2% | 1% | 10% | 22% | 33% | 35% | 7% |
| **Share premium account related to ordinary share capital** | 12% | 17% | 9% | 8% | 18% | 4% | 7% | 8% | 1% | 9% | 15% | 1% | 10% | 6% | 11% | 12% |
| **Surplus funds** | 0% | 0% | 0% | 0% | 0% | 0% | 6% | 0% | 0% | 1% | 0% | 19% | 0% | 0% | 0% | 0% |
| **Reconciliation reserve** | 85% | 74% | 81% | 68% | 63% | 82% | 68% | 88% | 98% | 88% | 84% | 70% | 68% | 61% | 54% | 81% |
| **Other basic own funds** | 0% | 0% | 0% | 0% | 0% | 1% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

| ANCILLARY OWN FUNDS | DE | FR | IT | IE | LU | ES | BE | PL | SE | AT | NL | DK | PT | RO | EL | ALL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Letters of credit and guarantees** | 2% | 0% | | 76% | 47% | 0% | 62% | | 0% | 100% | 51% | | | | 100% | 20% |
| **Supplementary member calls** | 98% | 100% | | 0% | 45% | 0% | 38% | | 100% | 0% | 0% | | | | 0% | 76% |
| **Other ancillary own funds** | 0% | 0% | | 24% | 8% | 100% | 0% | | 0% | 0% | 49% | | | | 0% | 4% |

19. Due to rounding, values in the columns may not add up to 100%.

# Appendix A

**FIGURE 18: LIST OF SOLVENCY II LINES OF BUSINESS**

| FULL NAME | SHORT NAME USED IN THE REPORT |
|---|---|
| **Assistance** | Assistance |
| **Credit and suretyship insurance** | Credit and suretyship |
| **Fire and other damage to property insurance** | Fire |
| **General liability insurance** | General liability |
| **Income protection insurance** | Income protection |
| **Legal expenses insurance** | Legal expenses |
| **Marine, aviation, and transport insurance** | MAT |
| **Medical expense insurance** | Medical expense |
| **Miscellaneous financial loss** | Miscellaneous |
| **Motor vehicle liability insurance** | Motor vehicle liability |
| **Non-proportional reinsurance accepted / Casualty** | NP casualty |
| **Non-proportional reinsurance accepted / Health** | NP health |
| **Non-proportional reinsurance accepted / Marine, aviation, transport** | NP MAT |
| **Non-proportional reinsurance accepted / Property** | NP property |
| **Other motor insurance** | Other motor |
| **Workers' compensation insurance** | Workers' compensation |

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