



# ANNUAL REPORT

# 2008

THE FRENCH INSURANCE MARKET  
IN FIGURES



# C O N T E N T S



<b>Introduction</b>	<b>2</b>
<b>Financial data</b>	<b>4</b>
1. Population	4
2. The insurance market in 2008	5
2.1. Balance sheet	5
2.2. Analysis by type of insurer	7
2.3. Prudential ratios	8
2.4. Origin of unrealised capital gains and losses	10
2.5. Activity in 2008	10
2.6. Nationality of insurance business in France	16
2.7. Outlook for 2009	17
<b>Insurance sector results by business category</b>	<b>18</b>
1. Life and capital redemption insurance	18
2. Euro or foreign currency based individual and group insurance contracts	20
3. Whole life and term life group insurance	22
4. Unit-linked life insurance	24
5. Occupational retirement insurance (class 26 and PERP)	26
6. Motor insurance	28
7. Property insurance	30
8. General liability	32
9. Natural catastrophes	34
10. Other insurance	36
11. Transport insurance	38
12. Construction insurance	39
13. Credit insurance and surety bonding	40

# Introduction

Although it resisted well, the French insurance industry was not completely spared by the effects of the financial crisis. Total premium income was down by 4%, due in particular to the decline in life insurance business. Total net income, although down by 18.5%, remained positive at €11.8 billion. The negative financial markets trend in 2008 affected the insurance industry, whose total assets came to €1,700 billion at the end of the year, of which more than €1,500 billion is held to guarantee their commitments to policyholders. Unrealised capital gains – the sector's safety net – already significantly diminished at the end of 2007, dwindled even further, in particular the 'equities' portion, which ended the year with unrealised losses.

The solvency of the sector is not under threat, however. At the end of 2008, the solvency margin was 180% covered by the least volatile elements (equity) and 220% covered taking into account all the admissible cover elements. The sector's capacity to meet its commitments is therefore preserved, as was reflected in the insurance cover for the storm that hit the south-west of France at the beginning of the year in respect of which claims posed no particular problems.

Holders of euro-based life insurance contracts saw their savings grow by an average of 4%, which was almost the same rate as in 2007. In contrast, holders of unit-linked contracts, whose savings are directly indexed to the value of given financial investments – often mutual funds – recorded sometimes substantial losses of value, attributable in many cases to the slump in the equity markets.

In view of the rapid consumption of large chunks of the safety margins accumulated in the past, the still uncertain financial environment at the beginning of 2009 and the spill over of the financial crisis to the real economy – a factor contributing to business growth in response to increased demand for risk cover, but also a negative factor for earnings when the risks do materialise – the entire sector needs to remain vigilant and ensure that the technical balance required for future management of the business is conserved.

#### ■ SCOPE OF THE REPORT

The quantified data provided in this section is drawn from the information that insurers exercising their activity in France and supervised by ACAM must submit to ACAM each year. The study does not include European insurers that, since 1995, can exercise their activities in France under freedom of establishment or free provision of services and which are supervised in their home Member States within the framework of the 'European passport'. This type of activity accounts for less than 2% of insurance activity in France.

At the date of this report, part of the data was not yet available for statistical analysis. The quantified data in this third section is therefore based partly on estimates. The figures can nonetheless be considered representative as more than 95% of the market's activity is covered, although on a somewhat heterogeneous basis in terms of type of risk insured: 80% to 100% of the market.

# Financial data

## 1. Population

The shift toward greater concentration in the insurance market, which began in the mid 1990s, continued in 2008. The number of entities authorised to carry out insurance activities declined from 1,522 in 2007 to 1,420 in 2008. The decrease concerned almost exclusively mutual insurers governed by the French Mutual Code.

### ■ ENTITIES CARRYING OUT INSURANCE ACTIVITIES

Insurance activities are regulated at EU level by a series of directives. In France, insurance entities are governed by three different bodies of regulations: the Insurance Code, the Mutual Code and the Social Security Code. The provisions of each of these three codes are similar and compliance with all three codes is supervised by a single body – ACAM.

### ◆ Insurance entities

APPLICABLE REGULATIONS	2006	2007	2008
Insurance Code	407	389	386
Mutual Code – Livre II	1,158	1,070	973
<i>Of which substituted mutuals</i>	484	424	388
Social Security Code	66	63	61
<b>TOTAL</b>	<b>1,631</b>	<b>1,522</b>	<b>1,420</b>

Source ACAM

In 2008, the trend for concentration that has been observed in the sector for the past several years led to the disappearance of around 100 insurers, mainly mutual insurers. Concentration is essentially being driven by very keen competition among insurers and the increasingly complex nature of the supplementary insurance business. Competition and more demanding requirements for carrying out the business have prompted many insurers to adapt their strategies and seek critical mass to support their long-term development.

## 2. The insurance market in 2008

### 2.1. Balance sheet

At end-2008, the insurance and reinsurance entities supervised by ACAM had aggregate total assets of €1,703 billion at their carrying amount, corresponding to €1,709 billion at market value, i.e. including unrealised gains<sup>1</sup>.

#### 2008 SUMMARY BALANCE SHEET IN € BILLIONS

Reinsurers	73.7	130.1	Equity
Investments	1,331.3	1,244.9	Provisions
Unit-linked investments	183.4	184.5	Units of account
Other assets	114.7	143.6	Other liabilities
<b>TOTAL ASSETS</b>	<b>1,703.1</b>	<b>1,703.1</b>	<b>TOTAL LIABILITIES</b>
Unrealised gains	5.6		
Total assets at market value	1,708.7		

Source ACAM

#### 2007 SUMMARY BALANCE SHEET IN € BILLIONS

Reinsurers	66.1	120.9	Equity
Investments	1,256.4	1,168.9	Provisions
Unit-linked investments	244.9	246.6	Units of account
Other assets	108.0	139.0	Other liabilities
<b>TOTAL ASSETS</b>	<b>1,675.5</b>	<b>1,675.5</b>	<b>TOTAL LIABILITIES</b>
Unrealised gains	109.5		
Total assets at market value	1,784.9		

Source ACAM

At 31 December 2008, the insurance sector's total assets based on book value had grown again slightly relative to the previous year, up by €27 billion or 1.6%. The general trend masks contrasting trends at the level of the main balance sheet components. Unit-linked contracts, in respect of which the policyholder bears the risk of loss of value of the assets, decreased by 25%. Conversely, the amount of other provisions increased by 6% due to new business and the accumulation effects specific to long-term accumulation commitments (life insurance, retirement, some personal protection and civil liability insurance).

1. Not including the provision for liquidity risk, i.e. €9 billion in 2008

The heading “provisions” represents insurers’ commitments to policyholders. It therefore gives a **measure of the future benefits** to be paid to policyholders. For analytical purposes, the balance sheet is often expressed as a percentage of this estimated item.

#### 2008 - STRUCTURE OF SUMMARY BALANCE SHEET

Reinsurers	5.9%	10.4%	Equity
Investments	106.9%	100.0%	Provisions
Unit-linked investments	14.7%	14.8%	Units of account
Other assets	9.2%	11.5%	Other liabilities
<b>TOTAL ASSETS</b>	<b>136.8%</b>	<b>136.8%</b>	<b>TOTAL LIABILITIES</b>
Unrealised gains	0.4%		
Total assets at market value	137.2%		

Source ACAM

#### 2007 - STRUCTURE OF SUMMARY BALANCE SHEET

Reinsurers	5.7%	10.3%	Equity
Investments	107.5%	100.0%	Provisions
Unit-linked investments	21.0%	21.1%	Units of account
Other assets	9.2%	11.9%	Other liabilities
<b>TOTAL ASSETS</b>	<b>143.3%</b>	<b>143.3%</b>	<b>TOTAL LIABILITIES</b>
Unrealised gains	9.4%		
Total assets at market value	152.7%		

Source ACAM

Expressed as a proportion of provisions in euro, the balance sheet structure varied little relative to the previous year, with the exception of the unit-linked component.

## 2.2. Analysis by type of insurer

Although they are all governed by a single set of EU directives relating to insurance, the entities supervised by ACAM have their own specific business profiles which, above and beyond the specialisation rules applicable in insurance, result from their history and legal form.

### ◆ Analysis of the weight of the different types of insurers in the main balance sheet components (at 31 December 2008)

WEIGHT IN THE BALANCE SHEET	LIFE INSURERS AND COMPOSITE INSURERS	PROVIDENT INSTITUTIONS	MUTUAL INSURERS	NON-LIFE INSURERS	REINSURANCE
- equity	39.1%	9.0%	11.7%	32.4%	7.8%
- euro-based provisions	82.2%	2.4%	2.9%	9.8%	2.8%
- unit-linked provisions	99.9%	0.1%	0.1%	0.0%	0.0%
- balance sheet total	79.1%	2.8%	3.3%	11.5%	3.3%
- capital gains or losses	- 59.5%	2.6%	- 14.7%	122.6%	49.1%

Source ACAM

Given the nature of their activity, life and general insurers write the bulk of insurance contracts taken out with a view to accumulating savings in euro or in units of account. These contracts result in the entities holding significant assets and therefore give them a substantial weight in terms of the industry's total assets. Severely affected by the loss of value in the financial markets, this segment recorded overall capital losses and made a negative contribution to the overall difference between the book and market values of the total assets at the end of 2008. On the other hand, the weight of life insurers in the sector's equity (39.1%) is naturally smaller than their weight in total assets (79.1%), reflecting the nature of the life insurance activity, which on the whole requires the mobilisation of less capital, proportionally to total assets, than that required by the insurance of risks that are considered larger.

Active in the area of employee insurance schemes, provident institutions offer both long-term guarantees that consume equity – such as retirement and incapacity/disability benefits – and short-term guarantees such as group supplementary health insurance.

Numerous mutuals governed by the French Mutual Code offer individual supplementary health insurance. The rapid settlement of benefits does not require the holding of substantial investments. On the other hand, some mutual insurers specialising in life insurance hold significant volumes of assets. Overall, mutual insurers, like life insurers, recorded unrealised losses in 2008.



Based on the principle of specialisation non-life insurers do not cover risks linked to the duration of a policyholder's life. They only insure other personal risks (disability, invalidity, healthcare). In addition, they are the only insurers licensed to cover third-party liability and most property and casualty risks.

For their part, reinsurers can accept all types of risks from insurers. They therefore carry on their balance sheet a combination of the entire spectrum of risks covered by the insurance sector.

### 2.3. Prudential ratios

The EU regulatory framework currently in force – less sophisticated than that expected to follow implementation of Solvency II – requires insurers to comply with prudential ratios. It defines a set of calculation rules based on the characteristics of the business: provisions and capital at risk in life insurance, premiums and benefits in non-life insurance. These rules set a regulatory solvency margin that must be funded by equity and, under certain conditions, by other admissible assets. In addition to this safety margin, there are other requirements in terms of the security, profitability, liquidity, matching and diversification of assets held to ensure that they adequately cover commitments to policyholders.

At the end of 2008, coverage of regulated commitments was 106% for the insurance sector as a whole. Overall, assets meeting the regulatory criteria exceeded the minimum requirement by 6%. The minimum solvency margin was 180% covered by non-volatile balance sheet assets (equity and subordinated debt) and by 220% taking into account all the admissible assets.

PRUDENTIAL RATIOS LIFE AND COMPOSITE INSURERS	WEIGHTED AVERAGE	25 <sup>TH</sup> PERCENTILE	MEDIAN	75 <sup>TH</sup> PERCENTILE	AVERAGE 2007
Coverage of commitments	104.2%	103.3%	106.0%	119.6%	105%
Balance sheet margin cover	127.9%	122.0%	151.8%	344.3%	116%
Margin cover (all admissible assets)	146.9%	127.5%	167.4%	344.3%	184%

Source ACAM

PRUDENTIAL RATIOS NON-LIFE INSURERS	WEIGHTED AVERAGE	25 <sup>TH</sup> PERCENTILE	MEDIAN	75 <sup>TH</sup> PERCENTILE	AVERAGE 2007
Coverage of commitments	113.7%	109.3%	123.4%	165.8%	114%
Balance sheet margin cover	320.3%	161.9%	350.4%	900.9%	371%
Margin cover (all admissible assets)	448.6%	177.3%	385.2%	931.3%	692%

Source ACAM

PRUDENTIAL RATIOS PROVIDENT INSTITUTIONS	WEIGHTED AVERAGE	25 <sup>TH</sup> PERCENTILE	MEDIAN	75 <sup>TH</sup> PERCENTILE	AVERAGE 2007
Coverage of commitments	124.8%	108.9%	117.7%	140.0%	126.1%
Balance sheet margin cover	446.0%	236.4%	532.0%	826.7%	462%
Margin cover (all admissible assets)	463.1%	236.5%	532.0%	858.9%	534%

Source ACAM

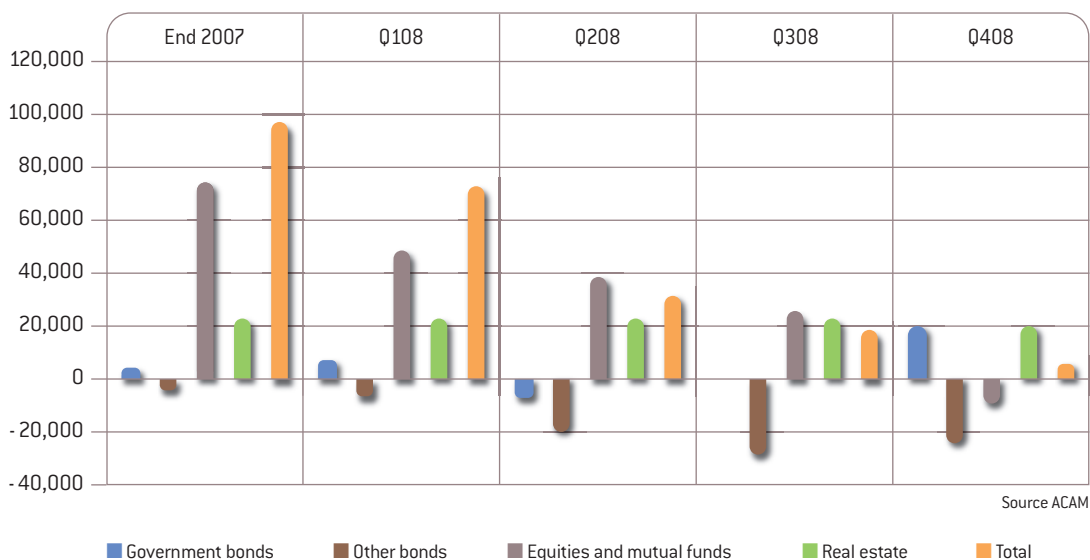
PRUDENTIAL RATIOS MUTUAL INSURERS	WEIGHTED AVERAGE	25 <sup>TH</sup> PERCENTILE	MEDIAN	75 <sup>TH</sup> PERCENTILE	AVERAGE 2007
Coverage of commitments	106.6%	n.d.	n.d.	n.d.	108.5%
Balance sheet margin cover	340%				339%
Margin cover (all admissible assets)	340%				351%

Source ACAM

For all categories of insurers, coverage of commitments to policyholders was down slightly compared with 2007, although it remained above the regulatory minimum. The rate of margin cover by balance sheet assets was also down except in the case of life insurers where it had increased by 11%. The decrease was more marked in terms of the global margin cover: down 37% for life and composite insurers, down by 243% for non-life insurers, by 71% for provident institutions and by 3% for mutual insurers governed by the French Mutual Code. This deterioration continues the trend that began in 2006 and reflects the reduction, even the disappearance, of unrealised capital gains at the end of 2008.

## 2.4. Origin of unrealised capital gains and losses

- ◆ Trends in total unrealised capital gains and losses for the insurance sector by asset class in 2008



Unrealised capital gains on property investments were the only item to remain virtually stable in 2008. Equities were affected by the financial crisis, falling over the first three quarters in line with the fall in the stock markets and in bond prices, which are influenced by the risk-free interest rate curve and by credit risk premiums.

Towards the end of the year, a flight to quality pushed up the prices of government bonds, partly offsetting the ongoing downturn in the equity markets and the growing risk premium on corporate bonds. The widening in bond spreads is directly reflected in the relative levels of unrealised capital gains or losses on government and other bonds.

## 2.5. Activity in 2008

After remaining virtually stable in 2007, total premium income declined by 4% in 2008. This decline was due solely to the life insurance segment, which posted a decline of 10% in 2008 after posting a smaller decline (1.1%) in 2007. In contrast, non-life insurance recorded stronger growth, with a 5.8% increase in premium income compared with growth of 1% in 2007.

## ■ UNDERWRITING RESULT AND NET INCOME

To ensure the comparability of insurers' financial statements independently of their levels of equity, insurance accounting rules isolate an underwriting result. The gains or losses on equity investments, non-recurring income and expense and the income tax charge therefore only have an impact on the net income or loss.

Moreover, the regulations breakdown the underwriting results by transactions linked to life and transactions linked to non-life insurance.

2008 INCOME STATEMENT (IN € BILLION)	LIFE	NON-LIFE	TOTAL	CHANGE
Premium income	140.6	103.1	243.7	- 4.0%
Benefits and claims paid (-)	- 114.7	- 77.0	- 191.6	- 27.2%
- Benefits and claims paid excluding adjustment of variable-capital transactions <sup>2</sup>	- 168.8	- 77.0	- 245.8	- 5.7%
Investment income	- 9.5	5.5	- 4.0	- 106.8%
- Investment income excluding adjustment of variable-capital transactions	44.6	5.5	50.1	- 11.9%
Administrative expenses (-)	- 12.6	- 21.1	- 33.7	+ 6.0%
Reinsurance	- 0.7	- 3.2	- 3.9	- 9.0%
Underwriting results	2.7	6.7	9.4	- 30.8%
Investment income (non-underwriting)			3.8	- 28.6%
Other non-underwriting income or expense			- 1.8	- 63.9%
<b>NET INCOME</b>			<b>11.8</b>	<b>- 18.5%</b>

Source ACAM

2007 INCOME STATEMENT (IN € BILLION)	LIFE	NON-LIFE	TOTAL
Premium income	156.3	97.5	253.8
Benefits and claims paid (-)	- 190.3	- 73.1	- 263.3
Investment income	52.8	6.8	59.6
Administrative expenses (-)	- 12.4	- 19.4	- 31.8
Reinsurance	0.3	- 4.4	- 4.2
Underwriting results	6.7	7.4	14.1
Investment income (non-underwriting)			5.3
Other non-underwriting income or expense			- 5.0
<b>NET INCOME</b>			<b>14.4</b>

Source ACAM

2. ACAV: adjustment of variable capital transactions.

The fair value accounting of assets held in respect of unit-linked contracts greatly perturbs the analysis of the market income statement for 2008. The investment risk borne by policyholders has been simultaneously recognised as a decrease in benefits and claims and a corresponding decrease in investment income, thereby making this negative. Stripping out the impact of this accounting rule, i.e. a decrease of €54 billion for these items over one year after an increase of €2 billion in 2007, the relative decrease in benefits and claims is of 5.7% while available investment income for balancing the underwriting part of the income statement remains positive, although down by 12%.

Underwriting income decreased slightly for the sector as a whole in non-life insurance [-8%] and declined far more drastically for the life insurance segment [-56%]. After taking into account investment income allocated to equity, non-recurrent items and tax charges recorded in the non-underwriting results, net income for the sector was down by 18.5% but nonetheless remained positive at €11.8 billion versus €14.4 billion in 2007.

◆ Structure of the 2008 income statement, expressed in % of premium income

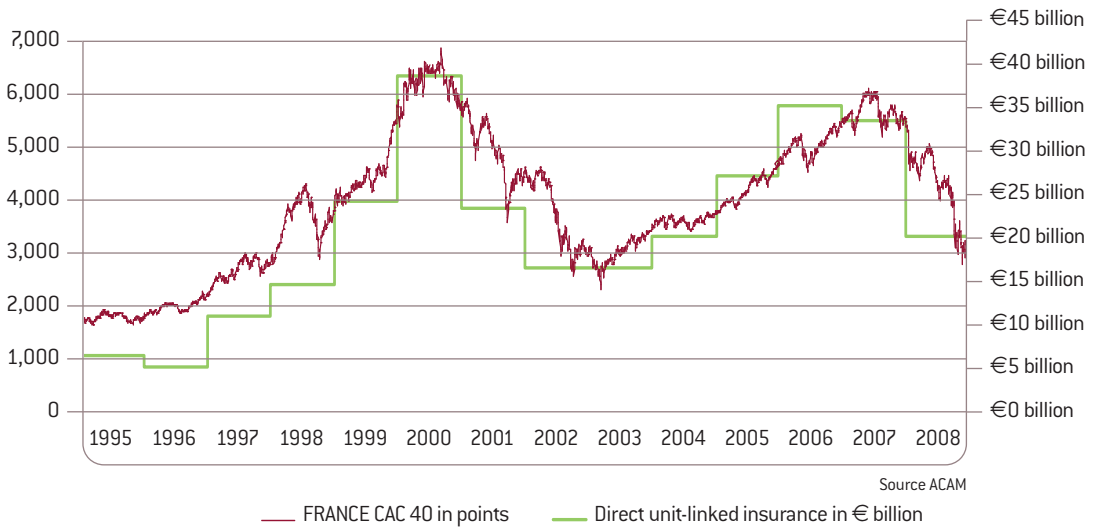
	2008			2007		
	LIFE	NON-LIFE	TOTAL	LIFE	NON-LIFE	TOTAL
Premiums	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Benefits and claims paid [-]	-81.6%	-74.6%	-78.6%	-121.7%	-75.0%	-103.8%
- Benefits and claims paid excluding adjustment of variable-capital transactions	-120.1%	-74.6%	-100.8%	-119.9%	-75.0%	-102.7%
Investment income	-6.8%	5.3%	-1.7%	33.8%	7.0%	23.5%
- Investment income excluding adjustment of variable-capital transactions	31.7%	5.3%	20.5%	32.0%	7.0%	22.4%
Administrative expenses [-]	-8.9%	-20.5%	-13.8%	-7.9%	-19.9%	-12.5%
Reinsurance	-0.6%	-3.6%	-1.9%	0.2%	-4.6%	-1.7%
Underwriting results	2.1%	6.6%	4.0%	4.3%	7.6%	5.6%
Investment income (non-underwriting)			1.6%			2.1%
Other non-underwriting income or expense			-0.7%			-2.0%
<b>NET INCOME</b>			<b>4.8%</b>			<b>5.7%</b>

Source ACAM

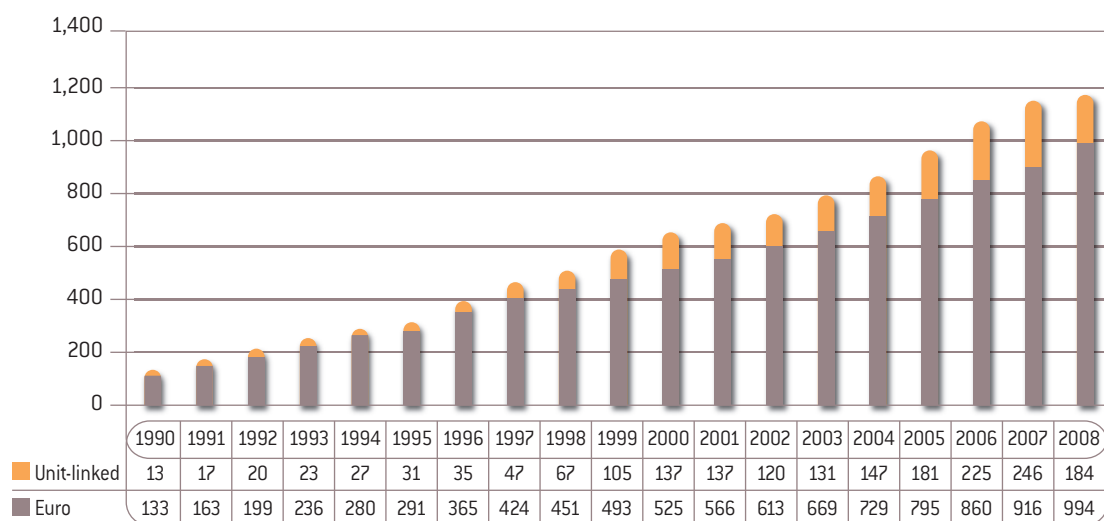
For the sector as a whole, the margin (net income/premiums) was down by around 1% to 4.8% compared with 5.7% in 2007 and 5.5% in 2006.



The breakdown by business category reveals a sharp drop in new subscriptions to unit-linked contracts, which were down by 40% year on year to €20 billion. The writing of unit-linked contracts has traditionally been very dependent on stock market trends. In addition to the fall in new business, €7 billion was switched out of unit-linked contracts into guaranteed-capital funds in euro. Taking these transfers into account, subscriptions to contracts in euro, which on the surface fell by 3.4%, actually grew by 5%. The amount of provisions in euro therefore continues to grow steadily whereas provisions in units of account dropped by 25%.



### ◆ Unit-linked and euro-based contracts



Source ACAM

Several events that occurred in 2008, in particular Lehman Brothers' collapse, the nationalisation of Fortis – formerly one of the world's leading banks – and the discovery of a major fraud (Madoff) prompted increased surveillance of movement suggesting wide-scale early surrender of life contracts, reflecting loss of confidence in the sector or in some insurers. In fact, apart from a slight increase in October and November, surrenders remained at their usual level in 2008.

### ◆ Life insurance surrender rate<sup>3</sup> as a percentage of total provisions at the beginning of the year

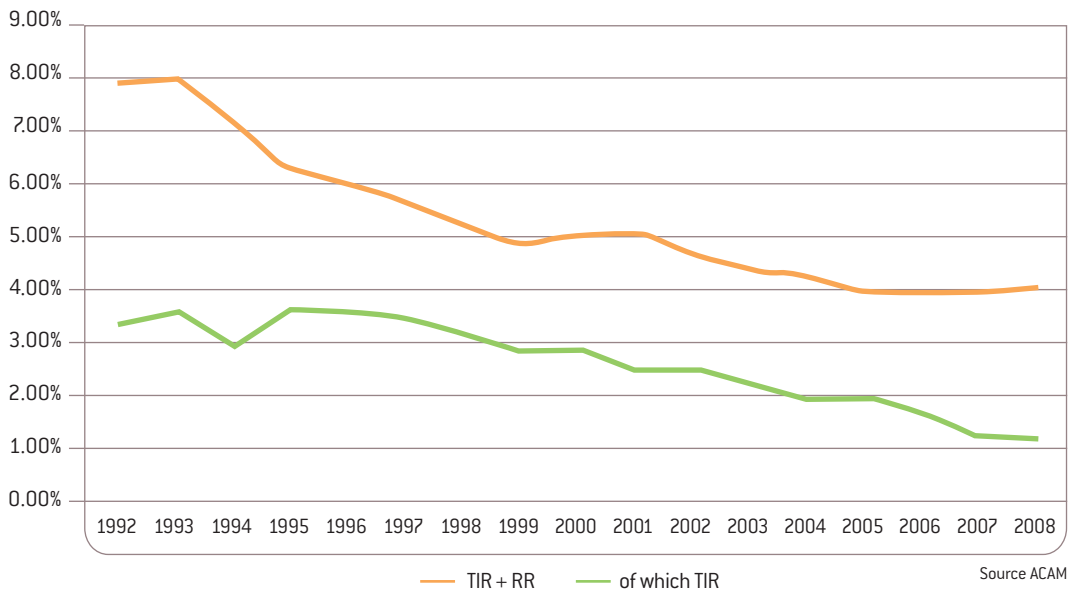
	2003	2004	2005	2006	2007	2008
Termination	1.6%	2.3%	2.0%	1.6%	2.1%	1.8%
Redemption	4.0%	4.0%	3.7%	5.4%	5.0%	4.1%
Reductions	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
<b>TOTAL</b>	<b>5.7%</b>	<b>6.4%</b>	<b>5.8%</b>	<b>7.1%</b>	<b>7.2%</b>	<b>6.0%</b>

Source ACAM

3. Redeemable medium-term savings life insurance contracts.

The redemption rates provided for 2006 and 2007 are in part overestimated. The newly-introduced possibility of converting existing euro-contracts into multi-vehicle contracts resulted in some conversions being recorded as redemptions to finance subscription to a different contract, thereby pushing up the redemption rate. In the preceding years, redemption rates usually hovered around 4% of total provisions.

◆ **Compared trends in technical interest rates (TIR) and rates of returns (RR) granted to policyholders**



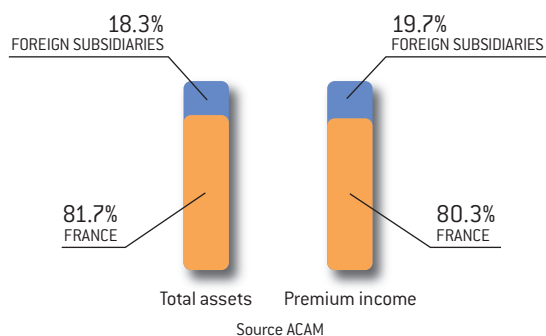
A comparison over time of the minimum guaranteed rates on insurance provisions and the rates actually paid to policyholders reveal a persistent gap of around 3%. The interest rate paid to policyholders is consistently higher than the underwriting rate, which is the minimum rate to which the insurer has committed. This significant gap plays the role of a safety net for ensuring the solvency of the life and composite insurance sector. Despite the fall in investment income in 2008, the average rates of return granted to policyholders remained virtually stable relative to the previous year, to the detriment of life insurers' underwriting results.



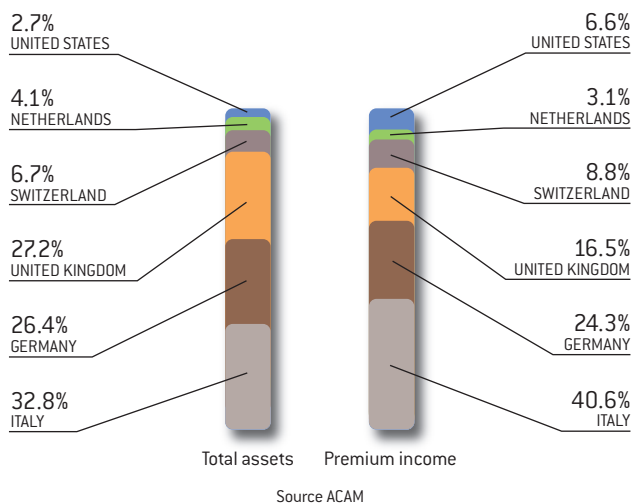
### 2.6. Nationality of insurance business in France

The direct cross-border writing of policies is very underdeveloped, with the exception of insurance business carried out to accompany corporate customers outside the national territory, such as transport insurance and credit insurance. Insurers generally choose to set up subsidiaries whose activities are supervised at primary level in the country in which they are located. The inverse is equally true. Insurance of risks in France by branches of foreign insurers or under freedom of provision of services is also very underdeveloped, accounting for less than 2% of the market. The case of international groups, mainly from other EU member states, owning subsidiaries in France is more frequent. Almost one fifth of insurance business carried out in France is carried out by subsidiaries of European groups, of which the most strongly positioned are Generali (Italy), Allianz (Germany) and Aviva (UK).

#### ◆ Nationality of insurance business carried out in France



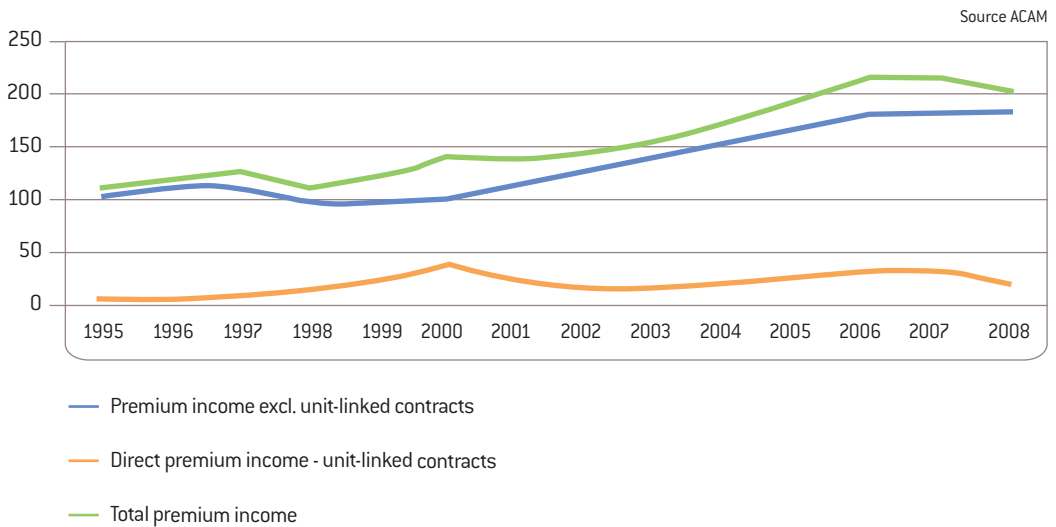
#### ◆ Breakdown by country



## 2.7. Outlook for 2009

Taking into account the transfer of funds from multi-vehicle unit-linked contracts to euro-based contracts, we can consider that excluding unit-linked contracts, all insurance business categories ended the year on a moderate growth trend. Based on the data available to date, this trend has continued over the first months of 2009 suggesting a return to growth after a year of stagnation.

### ◆ Trend in premium income (direct insurance)



# Insurance sector results by business category

## 1. Life and capital redemption insurance

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	3,011	100.0%	3,816	100,0%	5,993	100,0%
Investment income (underwriting)	955	31.7%	1,228	32,2%	994	16,6%
Reinsurers' share of expense	571	19.0%	1,176	30.8%	1,151	19,2%
<b>Total resources</b>	<b>4,537</b>	<b>150.7%</b>	<b>6,220</b>	<b>163.0%</b>	<b>8,138</b>	<b>135.8%</b>
<b>EXPENSES</b>						
Claims paid	4,423	146.9%	5 061	132,6%	6,368	106,3%
Change in insurance reserves	-1,485	-49.3%	-1,522	-39.9%	34	0.6%
Administrative and acquisition costs	193	6.4%	170	4.5%	189	3.2%
Participation in profits	651	21.6%	866	22.7%	758	12.6%
Premiums ceded to reinsurers	537	17.8%	1,144	30.0%	1,107	18.5%
<b>Total expenses</b>	<b>4,319</b>	<b>143.4%</b>	<b>5,719</b>	<b>149.9%</b>	<b>8,456</b>	<b>141.1%</b>
Net transfers between categories	25	0.8%	-97	-2.5%	254	4.2%
<b>UNDERWRITING RESULT</b>	<b>243</b>	<b>8.1%</b>	<b>404</b>	<b>10.6%</b>	<b>-64</b>	<b>-1.1%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	ASA % OF PREMIUM INCOME	ASA % OF TOTAL
Claims handling expense	24	23	29	0.5%	13.2%
Acquisition expense	87	71	92	1.5%	42.0%
Administrative costs and other underwriting expenses	106	100	98	1.6%	44.7%
<b>TOTAL</b>	<b>217</b>	<b>194</b>	<b>219</b>	<b>3.7%</b>	<b>100.0%</b>

Source ACAM

	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS
Life insurance provisions at closing date	30,871	30,281	31,741

Source ACAM

MOVEMENT IN GUARANTEED CAPITAL	CAPITAL (IN € MILLIONS)		% CHANGE
	START OF YEAR	END OF YEAR	
2006	33,290	32,372	-2.8%
2007	34,437	34,287	-0.4%
2008	34,232	35,153	2.7%

Source ACAM

CONTRACT SURRENDER	AMOUNT 2006	AMOUNT 2007	AMOUNT 2008	% OF CAPITAL
Termination	5	10	5	0.0%
Redemption	3,450	4,569	3,397	19.6%
Reductions	15	18	13	0.0%

Source ACAM

## 2. Euro or foreign currency based individual and group insurance contracts

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	89,683	100.0%	86,079	100.0%	83,142	100.0%
Investment income (underwriting)	24,582	27.4%	29,011	33.7%	25,608	30.8%
Reinsurers' share of expens	4,941	5.5%	4,851	5.6%	4,967	6.0%
<b>Total resources</b>	<b>119,206</b>	<b>132.9%</b>	<b>119,941</b>	<b>139.3%</b>	<b>113,717</b>	<b>136.8%</b>
<b>EXPENSES</b>						
Claims paid	56,743	63.3%	61,886	71.9%	66,029	79.4%
Change in insurance reserves	29,883	33.3%	25,117	29.2%	24,266	29.2%
Administrative and acquisition costs	5,871	6.5%	6,115	7.1%	6,222	7.5%
Participation in profits	20,362	22.7%	23,311	27.1%	18,960	22.8%
Premiums ceded to reinsurers	4,803	5.4%	4,682	5.4%	4,661	5.6%
<b>Total expenses</b>	<b>117,662</b>	<b>131.2%</b>	<b>121,111</b>	<b>140.7%</b>	<b>120,138</b>	<b>144.5%</b>
Net transfers between categories	861	1.0%	3,617	4.2%	7,249	8.7%
<b>UNDERWRITING RESULT</b>	<b>2,405</b>	<b>2.7%</b>	<b>2,447</b>	<b>2.8%</b>	<b>828</b>	<b>1.0%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	234	275	273	0.3%	4.2%
Acquisition expense	3,368	3,677	3,092	3.7%	47.5%
Administrative costs and other underwriting expenses	2,510	2,445	3,144	3.8%	48.3%
<b>TOTAL</b>	<b>6,112</b>	<b>6,397</b>	<b>6,509</b>	<b>7.8%</b>	<b>100.0%</b>

Source ACAM

	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS
Life insurance provisions at closing date	709,116	769,072	824,445

Source ACAM

MOVEMENT IN GUARANTEED CAPITAL	CAPITAL (IN € MILLIONS)		% CHANGE
	START OF YEAR	END OF YEAR	
2006	845,031	931,437	10.2%
2007	985,127	1,037,258	5.3%
2008	1,037,044	1,112,184	2.2%

Source ACAM

CONTRACT SURRENDER	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	% OF CAPITAL
Termination	13,416	36,322	268,853	3.0%
Redemption	45,342	48,997	42,369	4.1%
Reductions	818	874	2,004	0.0%

Source ACAM

## 3. Whole life and term life group insurance

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	9,819	100.0%	11,359	100.0%	10,992	100.0%
Investment income (underwriting)	1,952	19.9%	2,425	21.3%	1,740	15.8%
Reinsurers' share of expense	1,507	15.3%	823	7.2%	1,493	13.6%
<b>Total resources</b>	<b>13,278</b>	<b>135.2%</b>	<b>14,607</b>	<b>128.6%</b>	<b>14,225</b>	<b>129.4%</b>
<b>EXPENSES</b>						
Claims paid	6,349	64.7%	6,226	54.8%	6,389	58.1%
Change in insurance reserves	546	5.6%	2,055	18.1%	1,333	12.1%
Administrative and acquisition costs	1,596	16.3%	2,454	21.6%	2,383	21.7%
Participation in profits	2,001	20.4%	1,749	15.4%	1,252	11.4%
Premiums ceded to reinsurers	1,651	16.8%	985	8.7%	1,768	16.1%
<b>Total expenses</b>	<b>12,143</b>	<b>123.7%</b>	<b>13,469</b>	<b>118.6%</b>	<b>13,125</b>	<b>119.4%</b>
Net transfers between categories	187	1.9%	82	0.7%	-315	-2.9%
<b>UNDERWRITING RESULT</b>	<b>1,322</b>	<b>13.5%</b>	<b>1,220</b>	<b>10.7%</b>	<b>785</b>	<b>7.1%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	125	136	129	1.2%	5.1%
Acquisition expense	1,319	2,057	2,122	19.3%	83.6%
Administrative costs and other underwriting expenses	300	418	287	2.6%	11.3%
<b>TOTAL</b>	<b>1,744</b>	<b>2,611</b>	<b>2,538</b>	<b>23.1%</b>	<b>100.0%</b>

Source ACAM

	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS
Life insurance provisions at closing date	58,695	63,677	67,219

Source ACAM

MOVEMENT IN GUARANTEED CAPITAL	CAPITAL (IN € MILLIONS)		% CHANGE
	START OF YEAR	END OF YEAR	
2006	1,530,551	1,628,858	6.4%
2007	1,521,433	1,692,033	11.2%
2008	1,751,121	1,840,887	4.8%

Source ACAM

CONTRACT SURRENDER	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	% OF CAPITAL
Termination	12,999	6,561	49,533	2.3%
Redemption	357	385	385	0.0%
Reductions	300	2,003	697	0.0%

Source ACAM



## 4. Unit-linked life insurance

As well as recording a 40% decline in new business, unit-linked life insurance was affected by transfers totalling more than €7 billion to other types of contracts, which is reflected in the figures for individual life insurance.

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	35,203	100.0%	33,523	100.0%	20,182	100.0%
Investment income (underwriting)	1,757	5.0%	1,848	5.5%	1,341	6.6%
Reinsurers' share of expense	879	2.5%	3,232	9.6%	-270	-1.3%
<b>Total resources</b>	<b>37,839</b>	<b>107.5%</b>	<b>38,603</b>	<b>115.2%</b>	<b>21,253</b>	<b>105.3%</b>
<b>EXPENSES</b>						
Claims paid	7,849	22.3%	9,973	29.7%	15,749	78.0%
Change in insurance reserves	24,982	71.0%	17,978	53.6%	-4,933	-24.4%
Administrative and acquisition costs	1,833	5.2%	2,022	6.0%	1,908	9.5%
Participation in profits	733	2.1%	544	1.6%	789	3.9%
Premiums ceded to reinsurers	834	2.4%	3,174	9.5%	781	3.9%
<b>Total expenses</b>	<b>36,231</b>	<b>102.9%</b>	<b>33,691</b>	<b>100.5%</b>	<b>14,294</b>	<b>70.8%</b>
Net transfers between categories	-797	-2.3%	-3,603	-10.7%	-7,139	-35.4%
<b>UNDERWRITING RESULT</b>	<b>811</b>	<b>2.3%</b>	<b>1,309</b>	<b>3.9%</b>	<b>-180</b>	<b>-0.9%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	50	61	89	0.4%	4.5%
Acquisition expense	1,090	1,146	799	4.0%	40.2%
Administrative costs and other underwriting expenses	743	876	1,102	5.5%	55.4%
<b>TOTAL</b>	<b>1,883</b>	<b>2,083</b>	<b>1,990</b>	<b>9.9%</b>	<b>100.0%</b>

Source ACAM

	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS
Life insurance provisions at closing date	227,518	243,862	182,797

Source ACAM

5. Occupational retirement insurance (class 26 and PERP<sup>4</sup>)

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	1,862	100.0%	1,745	100.0%	1,836	100.0%
Investment income (underwriting)	519	27.9%	560	32.1%	509	27.7%
Reinsurers' share of expense	557	29.9%	501	28.7%	414	22.5%
<b>Total resources</b>	<b>2,938</b>	<b>157.8%</b>	<b>2,806</b>	<b>160.8%</b>	<b>2,759</b>	<b>150.3%</b>
<b>EXPENSES</b>						
Claims paid	454	24.4%	420	24.1%	-35	-1.9%
Change in insurance reserves	1,437	77.2%	1,272	72.9%	1,950	106.2%
Administrative and acquisition costs	67	3.6%	91	5.2%	109	5.9%
Participation in profits	687	36.9%	716	41.0%	502	27.3%
Premiums ceded to reinsurers	282	15.1%	291	16.7%	295	16.1%
<b>Total expenses</b>	<b>2,927</b>	<b>157.2%</b>	<b>2,790</b>	<b>159.9%</b>	<b>2,821</b>	<b>153.6%</b>
Net transfers between categories	0	0.0%	0	0.0%	1	0.1%
<b>UNDERWRITING RESULT</b>	<b>11</b>	<b>0.6%</b>	<b>16</b>	<b>0.9%</b>	<b>-61</b>	<b>-3.3%</b>

Source ACAM

4. Regulated personal retirement savings scheme.

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	3	3	4	0.2%	3.4%
Acquisition expense	55	68	74	4.0%	63.2%
Administrative costs and other underwriting expenses	17	27	39	2.1%	33.3%
<b>TOTAL</b>	<b>75</b>	<b>98</b>	<b>117</b>	<b>6.4%</b>	<b>100.0%</b>

Source ACAM

	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS
Life insurance provisions at closing date	15,949	18,035	20,004

Source ACAM

## 6. Motor insurance

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	17,697	100.0%	17,687	100.0%	17,846	100.0%
Investment income (underwriting)	1,542	8.7%	1,493	8.4%	1,119	6.3%
Reinsurers' share of expense	2,083	11.8%	1,978	11.2%	1,966	11.0%
<b>Total resources</b>	<b>21,322</b>	<b>120.5%</b>	<b>21,158</b>	<b>119.6%</b>	<b>20,931</b>	<b>117.3%</b>
<b>EXPENSES</b>						
Claims paid	12,994	73.4%	13,020	73.6%	13,523	75.8%
Change in insurance reserves	1,274	7.2%	1,417	8.0%	947	5.3%
Administrative and acquisition costs	3,471	19.6%	3,550	20.1%	3,726	20.9%
Participation in profits	8	0.0%	8	0.0%	16	0.1%
Premiums ceded to reinsurers	2,149	12.1%	2,189	12.4%	2,134	12.0%
<b>Total expenses</b>	<b>19,896</b>	<b>112.4%</b>	<b>20,184</b>	<b>114.1%</b>	<b>20,346</b>	<b>114.0%</b>
<b>UNDERWRITING RESULT</b>	<b>1,426</b>	<b>8.1%</b>	<b>974</b>	<b>5.5%</b>	<b>585</b>	<b>3.3%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	1,598	1,622	1,656	9.3%	30.8%
Acquisition expense	2,268	2,358	2,409	13.5%	44.7%
Administrative costs and other underwriting expenses	1,211	1,200	1,319	7.4%	24.5%
<b>TOTAL</b>	<b>5,077</b>	<b>5,180</b>	<b>5,384</b>	<b>30.2%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>28.7%</b>	<b>29.3%</b>	<b>30.2%</b>		

Source ACAM

◆ Change in claims ratio (claims/premiums, including claims handling expense)

YEAR OF CLAIM EVENT	2004	2005	2006	2007	2008
CLAIMS RATIO					
- End of 1 <sup>st</sup> year	81.7%	82.7%	84.0%	86.1%	85.5%
- End of 2 <sup>nd</sup> year	79.9%	81.8%	83.5%	85.4%	-
- End of 3 <sup>rd</sup> year	78.2%	79.9%	81.1%	-	-
- End of 4 <sup>th</sup> year	76.3%	79.1%	-	-	-
- End of 5 <sup>th</sup> year	75.6%	-	-	-	-

Source ACAM

## 7. Property insurance

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	12,419	100.0%	12,875	100.0%	13,376	100.0%
Investment income (underwriting)	760	6.1%	729	5.7%	579	4.3%
Reinsurers' share of expense	1,183	9.5%	1,168	9.1%	1,112	8.3%
<b>Total resources</b>	<b>14,362</b>	<b>115.6%</b>	<b>14,772</b>	<b>114.7%</b>	<b>15,067</b>	<b>112.6%</b>
<b>EXPENSES</b>						
Claims paid	7,539	60.7%	7,722	60.0%	7,972	59.6%
Change in insurance reserves	316	2.5%	713	5.5%	596	4.5%
Administrative and acquisition costs	3,114	25.1%	3,204	24.9%	3,440	25.7%
Participation in profits	77	0.6%	80	0.6%	88	0.7%
Premiums ceded to reinsurers	2,392	19.3%	2,294	17.8%	2,265	16.9%
<b>Total expenses</b>	<b>13,438</b>	<b>108.2%</b>	<b>14,013</b>	<b>108.8%</b>	<b>14,361</b>	<b>107.4%</b>
<b>UNDERWRITING RESULT</b>	<b>924</b>	<b>7.4%</b>	<b>759</b>	<b>5.9%</b>	<b>706</b>	<b>5.3%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	1,040	1,078	1,109	8.3%	24.4%
Acquisition expense	2,119	2,188	2,348	17.6%	51.6%
Administrative costs and other underwriting expenses	1,000	1,022	1,094	8.2%	24.0%
<b>TOTAL</b>	<b>4,159</b>	<b>4,288</b>	<b>4,551</b>	<b>34.0%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>33.5%</b>	<b>33.3%</b>	<b>34.0%</b>		

Source ACAM

◆ Change in claims ratio (claims/premiums), including claims handling expense

YEAR OF CLAIM EVENT	2004	2005	2006	2007	2008
CLAIMS RATIO					
- End of 1 <sup>st</sup> year	71.1%	72.0%	71.9%	72.2%	71.9%
- End of 2 <sup>nd</sup> year	65.5%	68.7%	69.9%	69.7%	-
- End of 3 <sup>rd</sup> year	65.8%	67.0%	67.5%	-	-
- End of 4 <sup>th</sup> year	64.1%	65.9%	-	-	-
- End of 5 <sup>th</sup> year	63.2%	-	-	-	-

Source ACAM



## 8. General liability

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	2,862	100.0%	2,959	100.0%	3,037	100.0%
Investment income (underwriting)	699	24.4%	679	22.9%	600	19.8%
Reinsurers' share of expense	461	16.1%	572	19.3%	428	14.1%
<b>Total resources</b>	<b>4,022</b>	<b>140.5%</b>	<b>4,210</b>	<b>142.3%</b>	<b>4,065</b>	<b>133.8%</b>
<b>EXPENSES</b>						
Claims paid	1,380	48.2%	1,401	47.3%	1,573	51.8%
Change in insurance reserves	678	23.7%	848	28.7%	379	12.5%
Administrative and acquisition costs	581	20.3%	583	19.7%	624	20.5%
Participation in profits	1	0.0%	3	0.1%	2	0.1%
Premiums ceded to reinsurers	642	22.4%	580	19.6%	541	17.8%
<b>Total expenses</b>	<b>3,282</b>	<b>114.7%</b>	<b>3,415</b>	<b>115.4%</b>	<b>3,119</b>	<b>102.7%</b>
<b>UNDERWRITING RESULT</b>	<b>740</b>	<b>25.9%</b>	<b>795</b>	<b>26.9%</b>	<b>946</b>	<b>31.1%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	179	187	194	6.4%	23.7%
Acquisition expense	375	389	410	13.5%	50.1%
Administrative costs and other underwriting expenses	206	194	215	7.1%	26.3%
<b>TOTAL</b>	<b>760</b>	<b>769</b>	<b>818</b>	<b>26.9%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>26.6%</b>	<b>26.0%</b>	<b>26.9%</b>		

Source ACAM

◆ Change in claims ratio (claims/premiums), including claims handling expense

YEAR OF CLAIM EVENT	2004	2005	2006	2007	2008
CLAIMS RATIO					
- End of 1 <sup>st</sup> year	82.6%	80.9%	80.3%	85.3%	83.6%
- End of 2 <sup>nd</sup> year	82.4%	78.8%	80.9%	83.0%	-
- End of 3 <sup>rd</sup> year	81.9%	76.9%	76.1%	-	-
- End of 4 <sup>th</sup> year	80.6%	74.0%	-	-	-
- End of 5 <sup>th</sup> year	78.7%	-	-	-	-

Source ACAM

## 9. Natural catastrophes

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	1,244	100.0%	1,270	100.0%	1,293	100.0%
Investment income (underwriting)	96	7.7%	88	6.9%	76	5.9%
Reinsurers' share of expense	182	14.6%	390	30.7%	336	26.0%
<b>Total resources</b>	<b>1,522</b>	<b>122.3%</b>	<b>1,748</b>	<b>137.6%</b>	<b>1,705</b>	<b>131.9%</b>
<b>EXPENSES</b>						
Claims paid	464	37.3%	593	46.7%	648	50.1%
Change in insurance reserves	-100	-8.0%	62	4.9%	18	1.4%
Administrative and acquisition costs	197	15.8%	198	15.6%	223	17.2%
Participation in profits	10	0.8%	9	0.7%	10	0.8%
Premiums ceded to reinsurers	738	59.3%	759	59.8%	751	58.1%
<b>Total expenses</b>	<b>1,309</b>	<b>105.2%</b>	<b>1,621</b>	<b>127.6%</b>	<b>1,650</b>	<b>127.6%</b>
<b>UNDERWRITING RESULT</b>	<b>213</b>	<b>17.1%</b>	<b>127</b>	<b>10.0%</b>	<b>55</b>	<b>4.3%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	61	68	74	5.7%	24.9%
Acquisition expense	128	135	141	10.9%	47.5%
Administrative costs and other underwriting expenses	69	63	82	6.3%	27.6%
<b>TOTAL</b>	<b>258</b>	<b>266</b>	<b>297</b>	<b>23.0%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>20.7%</b>	<b>20.9%</b>	<b>23.0%</b>		

Source ACAM

## 10. Other insurance

This heading covers assistance, legal expenses and diverse financial losses.

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME	IN € MILLIONS	AS A % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	2,806	100.0%	3,114	100.0%	3,287	100.0%
Investment income (underwriting)	216	7.7%	122	3.9%	85	2.6%
Reinsurers' share of expense	319	11.4%	374	12.0%	396	12.0%
<b>Total resources</b>	<b>3,341</b>	<b>119.1%</b>	<b>3,610</b>	<b>115.9%</b>	<b>3,768</b>	<b>114.6%</b>
<b>EXPENSES</b>						
Claims paid	1,285	45.8%	1,436	46.1%	1,485	45.2%
Change in insurance reserves	166	5.9%	158	5.1%	142	4.3%
Administrative and acquisition costs	957	34.1%	1,234	39.6%	1,314	40.0%
Participation in profits	104	3.7%	98	3.1%	73	2.2%
Premiums ceded to reinsurers	411	14.6%	496	15.9%	573	17.4%
<b>Total expenses</b>	<b>2,923</b>	<b>104.2%</b>	<b>3,422</b>	<b>109.9%</b>	<b>3,587</b>	<b>109.1%</b>
<b>UNDERWRITING RESULT</b>	<b>418</b>	<b>14.9%</b>	<b>188</b>	<b>6.0%</b>	<b>181</b>	<b>5.5%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	AS A % OF PREMIUM INCOME	AS A % OF TOTAL
Claims handling expense	253	288	305	9.3%	18.8%
Acquisition expense	731	962	1,010	30.7%	62.4%
Administrative costs and other underwriting expenses	226	272	305	9.3%	18.8%
<b>TOTAL</b>	<b>1,210</b>	<b>1,522</b>	<b>1,619</b>	<b>49.3%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>43.1%</b>	<b>48.9%</b>	<b>49.3%</b>		

Source ACAM

◆ Change in claims ratio (claims/premiums), including claims handling expense

YEAR OF CLAIM EVENT	2004	2005	2006	2007	2008
CLAIMS RATIO					
- End of 1 <sup>st</sup> year	59.2%	55.0%	55.5%	53.9%	52.4%
- End of 2 <sup>nd</sup> year	50.8%	52.6%	50.7%	51.1%	-
- End of 3 <sup>rd</sup> year	53.0%	51.5%	50.3%	-	-
- End of 4 <sup>th</sup> year	51.7%	50.0%	-	-	-
- End of 5 <sup>th</sup> year	51.1%	-	-	-	-

Source ACAM

## 11. Transport insurance

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	ASA % OF PREMIUM INCOME	IN € MILLIONS	ASA % OF PREMIUM INCOME	IN € MILLIONS	ASA % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	1,007	100.0%	968	100.0%	1,018	100.0%
Investment income (underwriting)	82	8.1%	94	9.7%	109	10.7%
Reinsurers' share of expense	121	12.0%	149	15.4%	202	19.8%
<b>Total resources</b>	<b>1,210</b>	<b>120.2%</b>	<b>1,211</b>	<b>125.1%</b>	<b>1,329</b>	<b>130.6%</b>
<b>EXPENSES</b>						
Claims paid	592	58.8%	601	62.1%	628	61.7%
Change in insurance reserves	-37	-3.7%	-53	-5.5%	-76	-7.5%
Administrative and acquisition costs	232	23.0%	240	24.8%	250	24.6%
Participation in profits	1	0.1%	-1	-0.1%	-1	-0.1%
Premiums ceded to reinsurers	287	28.5%	282	29.1%	341	33.5%
<b>Total expenses</b>	<b>1,075</b>	<b>106.8%</b>	<b>1,069</b>	<b>110.4%</b>	<b>1,142</b>	<b>112.2%</b>
<b>UNDERWRITING RESULT</b>	<b>135</b>	<b>13.4%</b>	<b>142</b>	<b>14.7%</b>	<b>187</b>	<b>18.4%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	ASA % OF PREMIUM INCOME	ASA % OF TOTAL
Claims handling expense	39	40	43	4.2%	14.7%
Acquisition expense	137	139	142	13.9%	48.5%
Administrative costs and other underwriting expenses	94	100	108	10.6%	36.9%
<b>TOTAL</b>	<b>270</b>	<b>280</b>	<b>293</b>	<b>28.8%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>26.8%</b>	<b>28.9%</b>	<b>28.8%</b>		

Source ACAM

## 12. Construction insurance

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	ASA % OF PREMIUM INCOME	IN € MILLIONS	ASA % OF PREMIUM INCOME	IN € MILLIONS	ASA % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	2,261	100.0%	2,460	100.0%	2,463	100.0%
Investment income (underwriting)	697	30.8%	742	30.2%	622	25.3%
Reinsurers' share of expense	399	17.6%	303	12.3%	289	11.7%
<b>Total resources</b>	<b>3,357</b>	<b>148.5%</b>	<b>3,505</b>	<b>142.5%</b>	<b>3,374</b>	<b>137.0%</b>
<b>EXPENSES</b>						
Claims paid	949	42.0%	970	39.4%	1,082	43.9%
Change in insurance reserves	1,479	65.4%	1,384	56.3%	1,157	47.0%
Administrative and acquisition costs	346	15.3%	365	14.8%	385	15.6%
Participation in profits	0	0.0%	0	0.0%	0	0.0%
Premiums ceded to reinsurers	419	18.5%	411	16.7%	426	17.3%
<b>Total expenses</b>	<b>3,193</b>	<b>141.2%</b>	<b>3,130</b>	<b>127.2%</b>	<b>3,050</b>	<b>123.8%</b>
<b>UNDERWRITING RESULT</b>	<b>164</b>	<b>7.3%</b>	<b>375</b>	<b>15.2%</b>	<b>324</b>	<b>13.2%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	ASA % OF PREMIUM INCOME	ASA % OF TOTAL
Claims handling expense	136	142	145	5.9%	27.4%
Acquisition expense	226	247	262	10.6%	49.4%
Administrative costs and other underwriting expenses	121	119	123	5.0%	23.2%
<b>TOTAL</b>	<b>482</b>	<b>508</b>	<b>530</b>	<b>21.5%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>21.3%</b>	<b>20.7%</b>	<b>21.5%</b>		

Source ACAM



## 13. Credit insurance and surety bonding

### ◆ Condensed income statement

	2006		2007		2008	
	IN € MILLIONS	ASA % OF PREMIUM INCOME	IN € MILLIONS	ASA % OF PREMIUM INCOME	IN € MILLIONS	ASA % OF PREMIUM INCOME
<b>RESOURCES</b>						
Premium income	887	100.0%	878	100.0%	882	100.0%
Investment income (underwriting)	70	7.9%	97	11.0%	84	9.5%
Reinsurers' share of expense	132	14.9%	139	15.8%	87	9.9%
<b>Total resources</b>	<b>1,089</b>	<b>122.8%</b>	<b>1,114</b>	<b>126.9%</b>	<b>1,053</b>	<b>119.4%</b>
<b>EXPENSES</b>						
Claims paid	308	34.7%	315	35.9%	369	41.8%
Change in insurance reserves	148	16.7%	85	9.7%	-47	-5.3%
Administrative and acquisition costs	210	23.7%	232	26.4%	224	25.4%
Participation in profits	29	3.3%	12	1.4%	21	2.4%
Premiums ceded to reinsurers	205	23.1%	163	18.6%	175	19.8%
<b>Total expenses</b>	<b>900</b>	<b>101.5%</b>	<b>807</b>	<b>91.9%</b>	<b>742</b>	<b>84.1%</b>
<b>UNDERWRITING RESULT</b>	<b>189</b>	<b>21.3%</b>	<b>307</b>	<b>35.0%</b>	<b>311</b>	<b>35.3%</b>

Source ACAM

OPERATING EXPENSES	2006 IN € MILLIONS	2007 IN € MILLIONS	2008 IN € MILLIONS	ASA % OF PREMIUM INCOME	ASA % OF TOTAL
Claims handling expense	52	56	47	5.3%	17.3%
Acquisition expense	172	174	174	19.7%	64.2%
Administrative costs and other underwriting expenses	56	58	50	5.7%	18.5%
<b>TOTAL</b>	<b>280</b>	<b>288</b>	<b>271</b>	<b>30.7%</b>	<b>100.0%</b>
<b>TOTAL as a % of premium income</b>	<b>31.6%</b>	<b>32.8%</b>	<b>30.7%</b>		

Source ACAM



61, rue Taitbout - 75009 Paris  
Téléphone : 01 55 50 41 41  
Télécopie : 01 55 50 41 50  
ISSN 1777-7917  
[www.acam-france.fr](http://www.acam-france.fr)