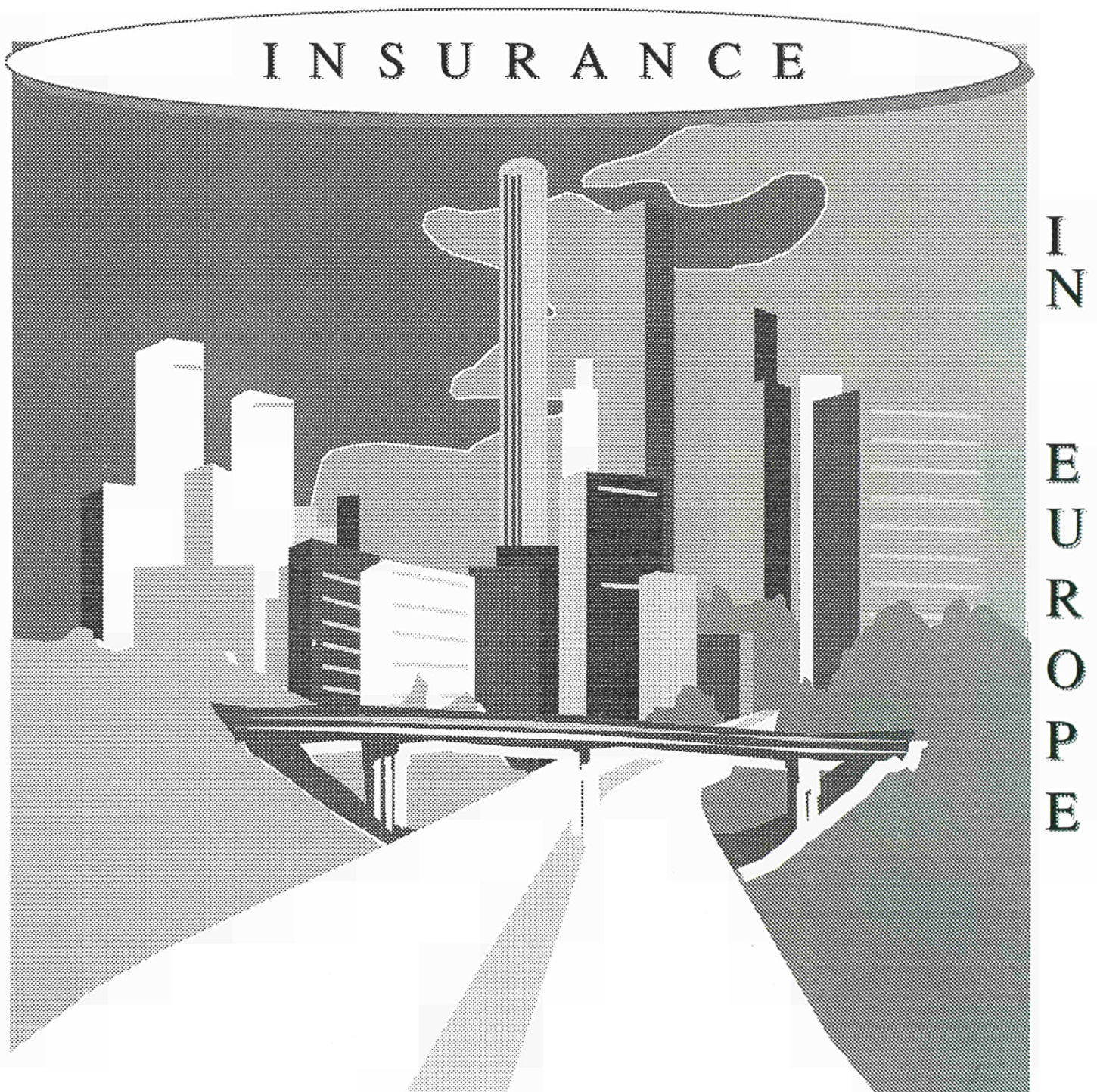


**Handel, Dienstleistungen und Verkehr**  
**Distributive trade, services and transport**  
**Commerce, services et transports**

Supplement 1 □ 1995





OFICINA ESTADÍSTICA DE LAS COMUNIDADES EUROPEAS  
DE EUROPÆISKE FÆLLESSKABERS STATISTISKE KONTOR  
STATISTISCHES AMT DER EUROPÄISCHEN GEMEINSCHAFTEN  
ΣΤΑΤΙΣΤΙΚΗ ΥΠΗΡΕΣΙΑ ΤΩΝ ΕΥΡΩΠΑΪΚΩΝ ΚΟΙΝΟΤΗΤΩΝ  
STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES  
OFFICE STATISTIQUE DES COMMUNAUTÉS EUROPÉENNES  
ISTITUTO STATISTICO DELLE COMUNITÀ EUROPEE  
BUREAU VOOR DE STATISTIEK DER EUROPESE GEMEENSCHAPPEN  
SERVIÇO DE ESTATÍSTICA DAS COMUNIDADES EUROPEIAS

L-2920 Luxembourg – Tél. 43011 – Télex : Comeur Lu 3423  
B-1049 Bruxelles, bâtiment Berlaymont, rue de la Loi 200 (bureau de liaison) – Tél. 235 1111

### Note

For any general information on the statistics in this bulletin contact:

**A. Götzfried** Tel: xx 352 4301-34432/32388

**A-E. Petit** Tel: xx 352 42 31 13 629

***For information on the chapter of Belgium contact:***

Office de Contrôle des Assurances

Avenue de Cortenbergh 61

B-1040 Bruxelles

Tel: xx 32 2 737 07 11

***For information on the chapter of Spain contact:***

Dirección General de Seguros

Ministerio de Economía y Hacienda

Paseo de la Castellana, 44

E-28046 Madrid

Tel: xx 34 1 339 71 40

***For information on the chapter of Luxembourg contact:***

Commissariat aux Assurances

7, boulevard Royal

BP 669

L-2016 Luxembourg

Tel: xx 352 22 69 11-1

- © EGKS-EG-EAG, Brüssel • Luxemburg, 1995  
Nachdruck – ausgenommen zu kommerziellen Zwecken – mit Quellenangabe gestattet.
- © ECSC-EC-EAEC, Brussels • Luxemburg, 1995  
Reproduction is authorized, except for commercial purposes, provided the source is acknowledged.
- © CECA-CE-CEEA, Bruxelles • Luxemburg, 1995  
Reproduction autorisée, sauf à des fins commerciales, moyennant mention de la source.

## INTRODUCTION

Eurostat has been working for a few years on the development of a European statistical system on insurance enterprises. The elaboration of a first comprehensive publication on life, non-life and specialist reinsurance enterprises was undertaken in this line. Eurostat will edit this publication in early 1996.

The information provided in this publication mainly refers to the accounting years 1992 and 1993. It presents the situation of the European insurance markets prior to the opening-up of the European single market.

The comprehensive publication will include 18 chapters, one for each of the EEA countries as well as for Switzerland. Additionally, it will provide a comparative analysis of these markets together with some comments on the new legal environment and some perspectives on the Eastern European insurance markets.

The present statistical document aims at giving a first idea of the publication to come and assesses the markets of Belgium, Spain and Luxembourg. A further issue reviewing the markets of Germany, Ireland and Switzerland will be published in January 1996.

The structure and contents of the country chapters are not fully harmonised as this publication is based on the data available in the contributing countries only. An increased harmonisation is expected in the forthcoming years when the EU Directives and also the legal base for insurance statistics of the EU will come into force.

Eurostat shall continue publishing insurance data in the future, on a yearly basis. These publications will however have a different structure with more data and as far as the text is concerned explanatory notes only.

*November 1995*

## General remarks

1 billion (bn) signifies 1 000 million (10<sup>9</sup>) throughout the publication.

the sign - stands for "not existing/available" throughout the publication.

the country codes, currency codes and ECU exchange rates are given for information in the table below.

ECU exchange rates (1985-92)				
ECU (1)				
Country	Currency code	1991	1992	1993
B	BFR	42.22	41.59	40.47
DK	DKR	7.91	7.81	7.59
D	DM	2.05	2.02	1.94
GR	DR	225.22	247.03	268.57
E	PTA	128.47	132.53	149.12
F	FF	6.97	6.85	6.63
IRL	IRL	0.77	0.76	0.8
I	LIT	1 533.23	1 595.51	1841.23
L	LFR	42.22	41.59	40.47
NL	HFL	2.31	2.27	2.18
P	ESC	178.61	174.71	188.37
UK	UKL	0.7	0.74	0.78
A	ÖS	14.43	14.22	13.62
SF	FMK	5	5.81	6.7
IS	IKR	73.28	74.66	79.25
N	NKR	8.02	8.04	8.3
S	SKR	7.48	7.53	9.12
CH	SFR	1.77	1.82	1.73
USA	USD	1.24	1.3	1.17
JAP	YEN	166.49	164.22	130.15

1. Annual average.

Source: Eurostat.

**BELGIUM**

1. Introduction .....	7
2. Profit and loss account .....	9
3. Analysis of the main products .....	10
4. Internationalization .....	11
5. Employment .....	12
6. Investments .....	12
7. Gross technical provisions .....	13
8. Capital and reserves .....	14
9. Summary and outlook .....	15

**SPAIN**

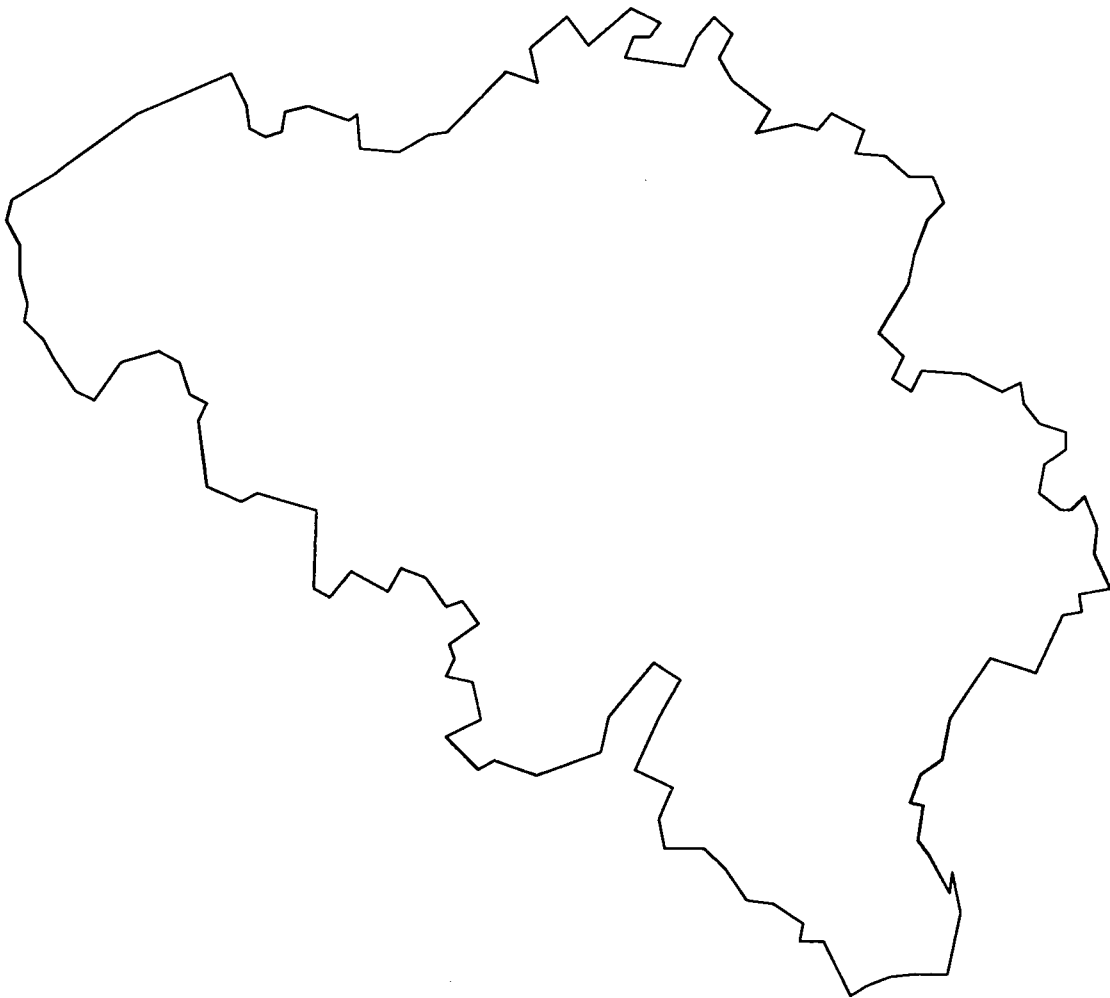
1. Introduction .....	17
2. Profit and loss account .....	19
3. Analysis of the main products .....	21
4. Internationalization .....	21
5. Employment .....	22
6. Investments .....	22
7. Gross technical provisions .....	23
8. Capital and reserves .....	23
9. Summary and outlook .....	24

**LUXEMBOURG**

1. Introduction .....	26
2. Profit and loss account .....	27
3. Analysis of the main products .....	28
4. Internationalization .....	29
5. Employment .....	29
6. Investments .....	30
7. Gross technical provisions .....	30
8. Capital and reserves .....	31
9. Summary and outlook .....	31

---

# INSURANCE IN BELGIUM

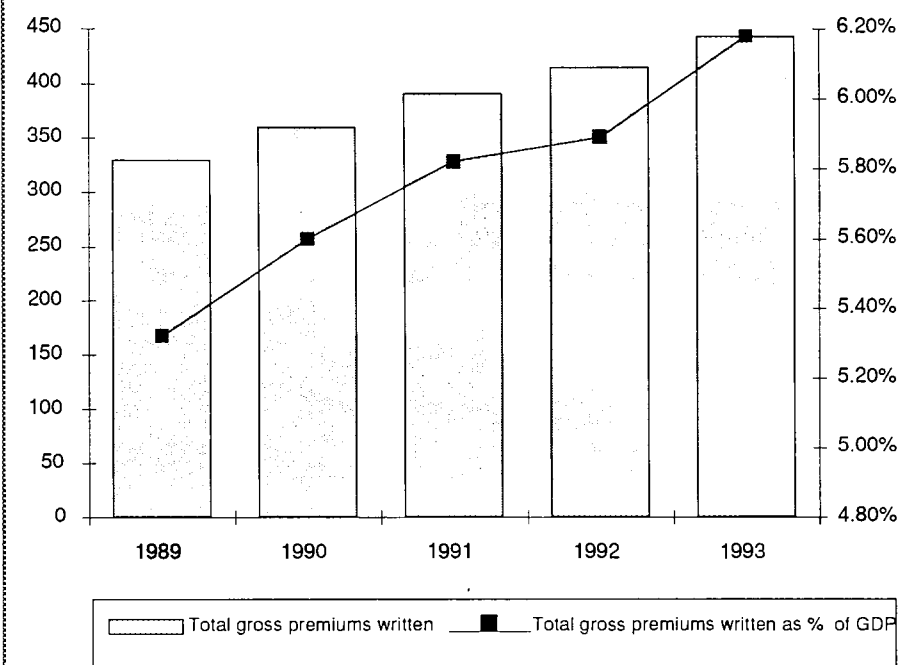


## 1. Introduction

Gross premiums written in 1993 by regulated insurance enterprises totalled BFR 443 483 million, generating 6.2% of GDP. Non-life premiums accounted for 3.8% of GDP. Per capita, Belgians spent BFR 27 310 on non-life insurance and BFR 13 868 on life insurance. Gross premiums written per capita grew by 32% between 1989 and 1993, whereas, over the same period, per-capita GDP rose by only 13.8%. Figure B1 summarizes the situation in Belgium over the past five years.

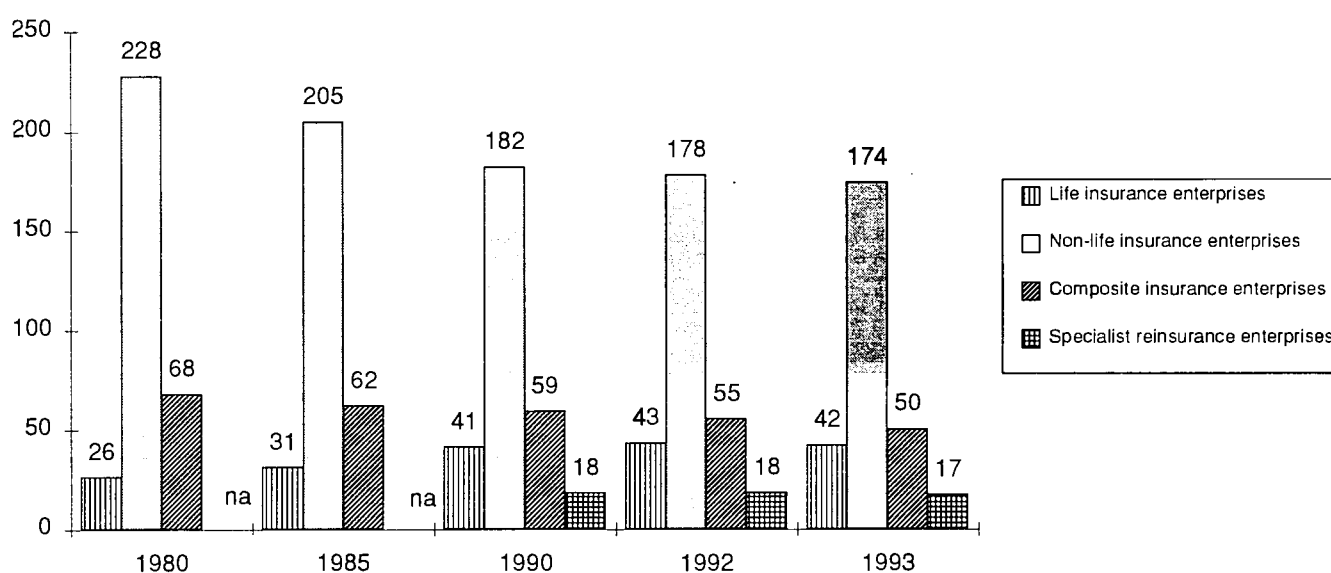
The Belgian figures are lower for the two macroeconomic indicators mentioned (gross premiums written as a percentage of GDP and total gross premiums per capita) than the EEA average (e.g. gross premiums written accounted for 6.4% of the EEA's GDP in 1992), mainly due to comparatively low life insurance

**Figure B1: The insurance sector in the Belgian economy (1989-93) (bn BFR)**



Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

**Figure B2: Number of enterprises (1980-93)**



Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

# Belgium

premiums. Nevertheless, the insurance sector has grown steadily over the past decade.

Following the introduction of new regulatory controls, especially more stringent solvency requirements, the number of insurance enterprises decreased from 322 in 1980 to 283 in 1993. While the number of life insurance enterprises increased in the period under review, non-life and composite insurance enterprises declined considerably.

Most of the Belgian enterprises are limited companies (*sociétés anonymes*). In terms of gross premiums written, these accounted for 81% of the Belgian market in 1993. The other three types of legal form adopted by Belgian insurance enterprises are branches of foreign enterprises, non-profit making mutual societies and cooperative enterprises.

Among the mutuals active on the Belgian market, there is really only one enterprise of any importance. Mutual insurers account for about 10% of total gross premiums written.

A large number of enterprises with head offices in Belgium are actually controlled by foreign interests. Of the total number of enterprises in 1992, about one quarter (26.7%) were foreign branches (36.5% in 1994). The largest number were set up by UK firms (11.1% of the total number of enterprises), followed by German firms (6.5%) and French firms (6.1%).

Of the 42 life enterprises in 1993, SMAP largely dominated the market with a 16% share of life insurance business, while the enterprise ranking second accounted for only 1.3%. SMAP is a mutual insurance

**Table B1: Top 5 life, non-life, composite and specialist reinsurance enterprises (1993)**

Names of the enterprises	Gross premiums written (Mio BFR)	Growth (%) 1992-93	Market share (%)
<b>Life insurance enterprises</b>			
1) SMAP Caisse Commune de Pension	22 323	36.58	16.01
2) Alpha life	1 775	8.17	1.27
3) Omniver Vie	1 395	35.54	1.00
4) Aegon Vie	1 227	46.55	0.88
5) Cigna Life Insurance	1 076	46.50	0.77
Total of life insurance (1)	139 442	10.88	100.00
<b>Non-life insurance enterprises</b>			
1) Cigna Insurance Company of Europe	33 051	32.71	12.10
2) SMAP Accident Droit Commun et RC	12 133	6.44	4.44
3) Chubb Insurance Cy of Europe	9 890	48.02	3.62
4) Zurich	5 270	8.30	1.93
5) Assubel Accidents et dommages	4 062	0.74	1.49
Total of non-life insurance (2)	273 160	5.12	100.00
<b>Composite insurance enterprises</b>			
1) AG 1824	47 937	8.55	11.62
2) Royale belge	33 785	7.23	8.19
3) ABB	21 074	6.51	5.11
4) CGER Assurances	17 792	-1.05	4.31
5) Axa Belgium	13 012	-0.90	3.15
Total of life and non-life insurance (3)	412 602	7.00	100.00
<b>Specialist reinsurance enterprises (4)</b>			
1) Secura	6 318	27.30	21.61
2) Royale Belge Re	6 110	57.10	20.90
3) Cigna Re	5 926	-21.40	20.27
4) Kemper Europe Re	2 249	5.10	7.69
5) P&V Réassurance	1 393	14.90	4.76
Total of specialist reinsurance	29 239	9.16	100.00

1. Business of life insurance enterprises and life business of composite insurance enterprises.
2. Business of non-life insurance enterprises and non-life business of composite insurance enterprises.
3. Total business of life, non-life and composite insurance enterprises.
4. Data 1991-92.

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

enterprise mainly involved in group insurance for civil servants and public institutions.

The non-life market is also dominated by one firm (Cigna Insurance Company of

Europe), which accounted for 12.1% of the total non-life market, while the second largest firm had a 4.4% share.

As a whole, the Belgian insurance market (life and non-life) is dominated by



composite insurance enterprises. The five largest enterprises accounted for a 32.4% share of the total market. Several composite insurance enterprises are among the largest in terms of market share (AG 1824 is the country's biggest insurer).

The specialist reinsurance market is dominated by three large firms which together command over 60% of the market. All three belong to an insurance group.

Several explanations can be given for the contrasts in growth rates between the different categories of enterprises. In the life insurance sector, apart from SMAP, there are only small enterprises, which are therefore able to make rapid progress in premium income. In the non-life insurance sector, two Belgian-based subsidiaries of American undertakings

achieved rapid growth because, thanks to their branch network and the freedom to provide services, they operate throughout Europe. Growth is often further boosted by mergers and acquisitions.



## 2. Profit and loss account

Both life and non-life insurers have experienced steady real growth over the past few years. Reinsurance accepted alone accounted for only a small proportion of total business and was subject to large fluctuations.

The trend in premium income appears not to have differed from one category of insurance enterprise to another. Changes from year to year within each category of enterprise (life, non-life, composite) were often due to mergers and take-overs,

which occasionally added to the difficulty of such comparisons.

Non-life business has been poor in recent years. The technical results were negative across the board but were, at least partly, compensated by reinsurance and investment income. These poor technical results are attributable to fairly high operating expenses rather than claims incurred.

Operating expenses include both commissions paid to intermediaries and administrative costs. As the bulk of insurance contracts in Belgium are marketed via insurance intermediaries, the level of commissions was fairly high. Administrative expenses were also rather high in comparison with other EU Member States. However, over the past few years enterprises have made serious efforts to

**Table B2: Profit and loss account of non-life, composite and specialist reinsurance enterprises (1993)**

	Non-life insurance		Composite insurance		Specialist reinsurance	
	(Mio BFR)	%	(Mio BFR)	%	(Mio BFR)	%
<b>Technical part / gross</b>						
Direct premiums written	112 631	93.78 <sup>1</sup>	148 915	97.29 <sup>1</sup>	628	2.15 <sup>1</sup>
Reinsurance premiums accepted	7 471	6.22 <sup>1</sup>	4 142	2.71 <sup>1</sup>	28 611	97.85 <sup>1</sup>
Premiums written	120 102	100.00	153 057	100.00	29 239	100.00
Claims incurred	86 345	71.89 <sup>1</sup>	103 212	67.43 <sup>1</sup>	22 569	77.19 <sup>1</sup>
Operating expenses	43 907	36.56 <sup>1</sup>	70 367	45.97 <sup>1</sup>	8 584	29.36 <sup>1</sup>
Balance of the technical account	-8 407	-7.00 <sup>1</sup>	-29 573	-19.32 <sup>1</sup>	-5 163	-17.66 <sup>1</sup>
<b>Technical part / Reinsurance share</b>						
of Gross premiums written	44 246	100.00	22 478	100.00	7 202	100.00
Reinsurance balance	-5 826	-13.17 <sup>2</sup>	-3 914	-17.41 <sup>2</sup>	625	8.68 <sup>2</sup>
<b>Non technical part</b>						
Investment income	13 526	17.83 <sup>3</sup>	27 797	21.29 <sup>3</sup>	4 626	20.99 <sup>3</sup>
Investment charges	1 251	1.65 <sup>3</sup>	1 937	1.48 <sup>3</sup>	955	4.33 <sup>3</sup>
Profit or loss for the financial year	2 489	3.28 <sup>3</sup>	1 630	1.25 <sup>3</sup>	- 799	-3.63 <sup>3</sup>

1. In percentage of gross premiums written.

2. In percentage of reinsurer's share of gross premiums written.

3. In percentage of net premiums written.

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

# Belgium

lower these costs, with particular attention to staff costs.

The overall result for the financial year was negative from 1990 to 1992. In 1993, the non-life business of both non-life and composite insurance enterprises generated a small profit. In general, there were only slight differences between specialist non-life insurers and composite enterprises, the former yielding slightly better results than the latter.

A closer look at the market structure of specialized life insurance enterprises highlights the predominance of a single enterprise, SMAP, specializing in large group insurance contracts with little or no commission, which are easily managed and therefore generate only low operating expenses.

The figure for claims incurred must be viewed together with the change in life insurance provisions. Investment income expressed as a percentage of premium income varies widely between the categories of enterprise. This might be due to the different product mix marketed by the two categories. The ratio between investment income and life insurance provisions is similar in both categories

**Table B3: Profit and loss account of life and composite insurance enterprises (1993)**

	Life insurance		Composite insurance	
	(Mio BFR)	%	(Mio BFR)	%
<b>Technical part / gross</b>				
Direct premiums written	37 009	99.63 <sup>1</sup>	100 909	98.65 <sup>1</sup>
Reinsurance premiums accepted	138	0.37 <sup>1</sup>	1 386	1.35 <sup>1</sup>
Premiums written	37 147	100.00	102 295	100.00
Investment income	13 698	36.88 <sup>1</sup>	75 572	73.88 <sup>1</sup>
Claims incurred	20 853	56.14 <sup>1</sup>	77 824	76.08 <sup>1</sup>
Change in life insurance provisions	23 354	62.87 <sup>1</sup>	47 845	46.77 <sup>1</sup>
Operating expenses	4 852	13.06 <sup>1</sup>	30 590	29.90 <sup>1</sup>
Balance of the technical account	-479	-1.29 <sup>1</sup>	9 091	8.89 <sup>1</sup>
<b>Technical part / Reinsurance share</b>				
of Gross premiums written	2 746	100.00	4 337	100.00
Reinsurance balance	-205	-7.47 <sup>2</sup>	-414	-9.55 <sup>2</sup>
<b>Non technical part</b>				
Profit or loss for the financial year	1 592	4.63 <sup>3</sup>	16 416	16.76 <sup>3</sup>

1. In percentage of gross premiums written.

2. In percentage of reinsurer's share of gross premiums written.

3. In percentage of net premiums written.

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

(8.2% for specialist life enterprises and 8% for composite enterprises).

In life insurance, the overall results, though declining from year to year, were always positive. The results of composite insurers were better than those of specialist life enterprises.

## 3. Analysis of the main products

The data in this chapter cover only total direct business written in Belgium (business written abroad by branches and via the Freedom to provide services (FPS) is not included).

**Table B4: Direct non-life insurance business of non-life and composite enterprises (1993)**

	Motor vehicle, third party liability	Fire and other damage to property	Motor vehicle, other classes	Accident and health
	Mio BFR / %	Mio BFR / %	Mio BFR / %	Mio BFR / %
<b>Technical part / gross</b>				
Direct premiums written (= 100%)	63 435	49 589	32 452	22 430
Investment income	23.68	7.99	7.11	14.54
Claims incurred	96.10	52.00	75.30	71.00
Operating expenses	37.51	49.02	40.62	36.53
<b>Balance of the technical account</b>	<b>-9.98</b>	<b>5.36</b>	<b>-9.08</b>	<b>3.85</b>

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

The poor results for non-life business as a whole are reflected in the various non-life insurance products. Motor vehicle liability insurance, which before the abolition of compulsory minimum tariffs was a very profitable product line, now generates a deficit as a result of downward pressure on tariffs owing to lively competition.

Other motor vehicle insurance, which mainly covers material damage, has experienced a structural deficit for many years. However, in the past, little was done to reorganize this line of business because of the good results generated by compulsory motor vehicle liability insurance. With the current poor results in the motor vehicle liability class, enterprises have become more aware of the problems and are trying to improve the situation.

Fire and other damage to property insurance is slowly returning to balance after disastrous results in the late eighties due to violent winter storms.

In life insurance, there are sharp differences in cost ratios between group and individual products, with lower commissions considerably decreasing the cost burden for group policies.

Over the period under review, profits for the financial year fell between 1990 and 1992, but recovered in 1993 to total BFR 18 billion (12.9% of gross premiums written). A high percentage of these profits is, of course, redistributed to policy holders.

**Table B5: Direct life insurance business of life and composite enterprises (1993) (1)**

	Individual insurance	Group insurance
	Mio BFR / %	Mio BFR / %
<b>Technical part / gross</b>		
Direct premiums written (= 100%)	69 178	65 324
Investment income	68.86	75.84
Claims incurred	51.90	92.60
Operating expenses	34.37	10.40
<b>Balance of the technical account</b>	<b>16.57</b>	<b>5.42</b>

1. Excluding unit linked life insurance.

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

**Table B6: Reinsurance business of specialist reinsurance enterprises (1992)**

	Life insurance	Non-life insurance	Workmen's compensation insurance (1)
	Mio BFR / %	Mio BFR / %	Mio BFR / %
<b>Technical part / gross</b>			
Premiums accepted (= 100%)	3 970	19 335	4 712
Investment income	27.15	6.82	35.17
Claims incurred	63.20	67.90	80.10
Operating expenses	31.39	23.27	6.71
<b>Balance of the technical account</b>	<b>6.95</b>	<b>17.57</b>	<b>1.63</b>

1. Not supervised.

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

The greater part of business accepted by specialist reinsurance enterprises is in non-life insurance (69%). Besides life business, specialist reinsurance enterprises also accept workmen's compensation cover which, as direct business, is not subject to regulation like other private insurances.

## 4. Internationalization

As regards business written abroad, only the Belgian non-life insurance enterprises achieved a significant turnover. The share of total gross premiums written attributable to foreign business was 17.8% for non-life insurance enterprises (compared to total non-life insurance business), 1.4% for life insurance enterprises (compared to total life insurance premiums), and 0.7% for composite insurance enterprises

# Belgium

(compared to total life and non-life insurance business).

Moreover, only a small number of the larger enterprises, which have started to operate throughout Europe from their Belgian headquarters, are responsible for these activities.

The market share of foreign branches in Belgium accounts for a relatively small share (6.5%) of total gross premiums written.

In life insurance, 1.4% of premiums were written by EU branches and 6.9% by non-EU branches. In non-life insurance, more premiums are written by EU branches (3.8%) than non-EU branches (1.1%).



## 5. Employment

Both the number of wage and salary earners and the number of enterprises have fallen over the past decade. The drop in employment has led to an increase in productivity and a reduction in the average number of employees per enterprise.

In keeping with their size, the composite insurance enterprises, with an average staff of 447, also have the largest number of employees.

As with other data, changes in the different categories of enterprise are sometimes of limited significance because of the effect of mergers and take-overs.

Employment may be expected to decline further, a perfectly natural trend in view of developments in data processing and the continuing efforts of Belgian insurers to grow more competitive in the European

market, where they are rather handicapped by their high operating expenses.

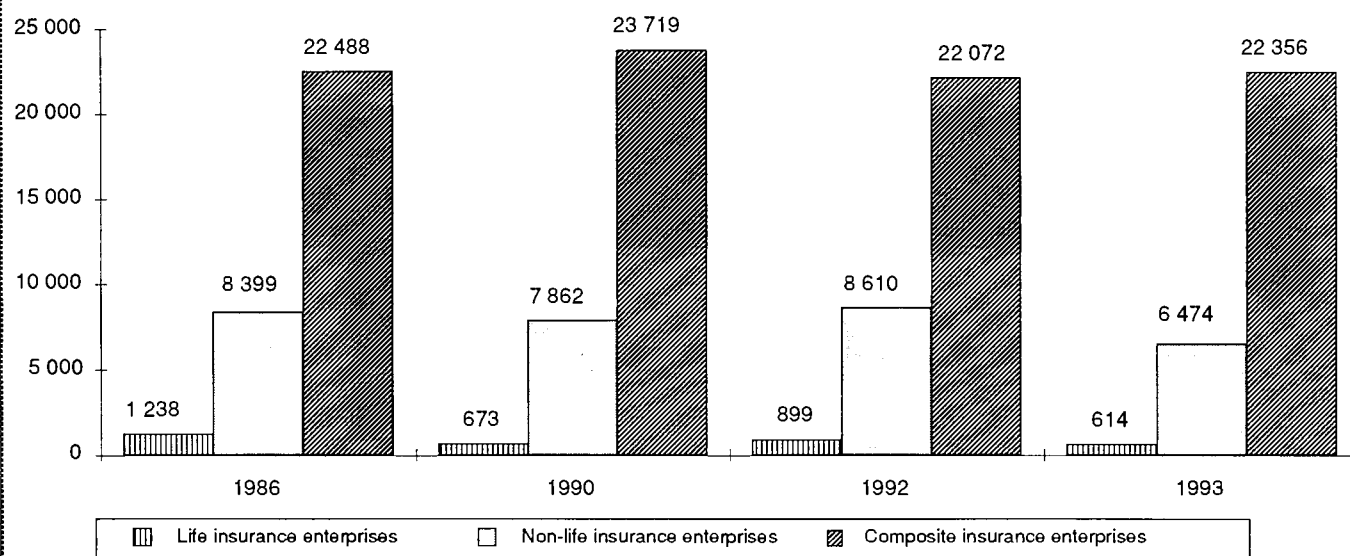


## 6. Investments

In the period under review, Belgian legislation set a minimum and maximum percentage for investment in each investment category. This meant that enterprises' investment policies had to be conducted within the narrow boundaries set by legislation.

There are significant differences between the different categories of enterprises in the structure of their investments. Among composite insurance enterprises, which sometimes act as holding companies, the share of investment in affiliated enterprises and participating interests is considerably higher than in other categories. This also applies to loans guaranteed by mortgages.

Figure B3: Employment (1986-93)



Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

**Table B7: Investments (1993)**

	Life insurance enterprises	Non-life insurance enterprises	Composite insurance enterprises	Specialist reinsurance enterprises (1992)
	Mio BFR / %	Mio BFR / %	Mio BFR / %	Mio BFR / %
Lands and buildings	3.27	5.63	4.88	1.56
Investments in affiliated enterprises and participating interest	3.79	4.65	12.85	4.11
Shares and other variable-yield securities and units in unit trusts	8.17	15.26	10.94	5.31
Debt securities and other fixed-income securities	76.80	71.60	53.69	67.60
Loans guaranteed by mortgage	7.90	1.60	16.89	3.14
Deposits with ceding undertakings	0.06	1.26	0.75	18.29
<b>Total of investments</b>	<b>176 121</b>	<b>175 657</b>	<b>1 486 015</b>	<b>53 048</b>
	= 100%	= 100%	= 100%	= 100%

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

As mentioned above, the breakdown of investments by category of insurer is affected by mergers and take-overs that are continually taking place between insurance companies with different specializations.

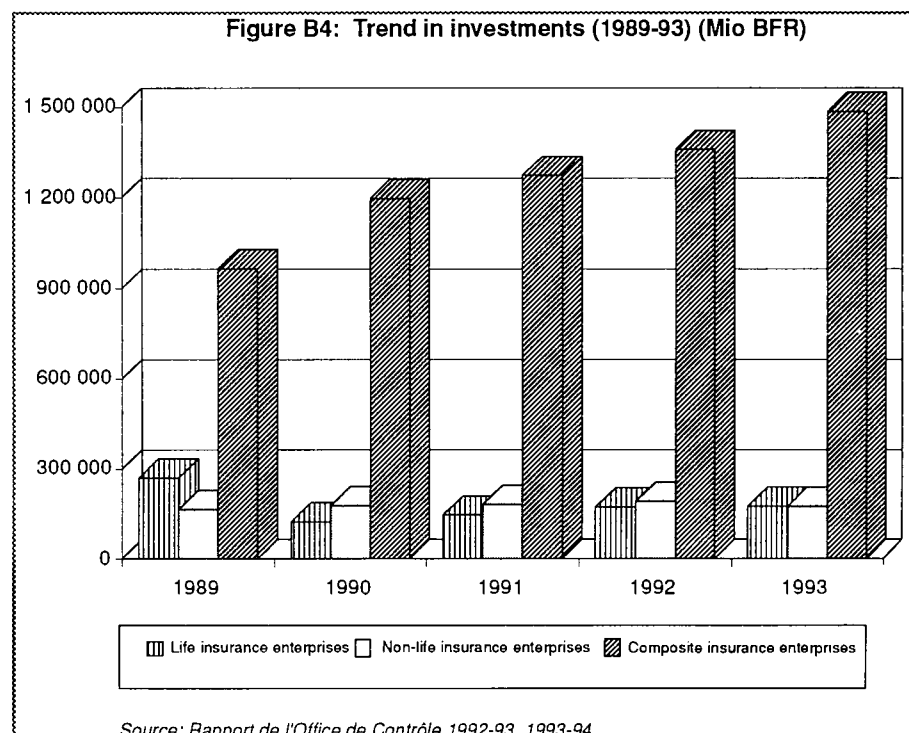
The figures show major fluctuations due both to the take-over of a life enterprise by a composite insurer and the valuation of investments at current prices. The growth of life insurance investments is a good example. In such enterprises there was a considerable decline between 1989 and 1990 (-54%). As a result of developments on the financial markets, investments grew in 1991 and 1992 by 17.7% and 18.8%. Between 1992 and 1993, investments increased by only 1.6%.

Depending on investment composition, investment fluctuations have not been as sharp for other categories.

## 7. Gross technical provisions

Among life insurance enterprises, technical provisions are composed almost exclusively of life insurance provisions (which nearly include the

provisions for unearned premiums), while among non-life insurance enterprises, 73% of technical provisions are for outstanding claims (claims for unearned premiums are shown separately).





# Belgium

**Table B8: Gross technical provisions (1993)**

	Life insurance enterprises	Non-life insurance enterprises	Composite insurance enterprises	Specialist reinsurance enterprises (1992)
	Mio BFR / %	Mio BFR / %	Mio BFR / %	Mio BFR / %
Provisions for unearned premiums	0.03	16.75	4.25	12.50
Life insurance provisions	99.60	0.95	70.35	11.99
Provisions for outstanding claims	0.30	73.31	22.50	69.15
Other technical provisions	0.08	8.99	2.90	6.36
<b>Total of gross technical provisions</b>	<b>167 053</b>	<b>206 897</b>	<b>1 351 328</b>	<b>55 530</b>
	=100%	=100%	=100%	=100%

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

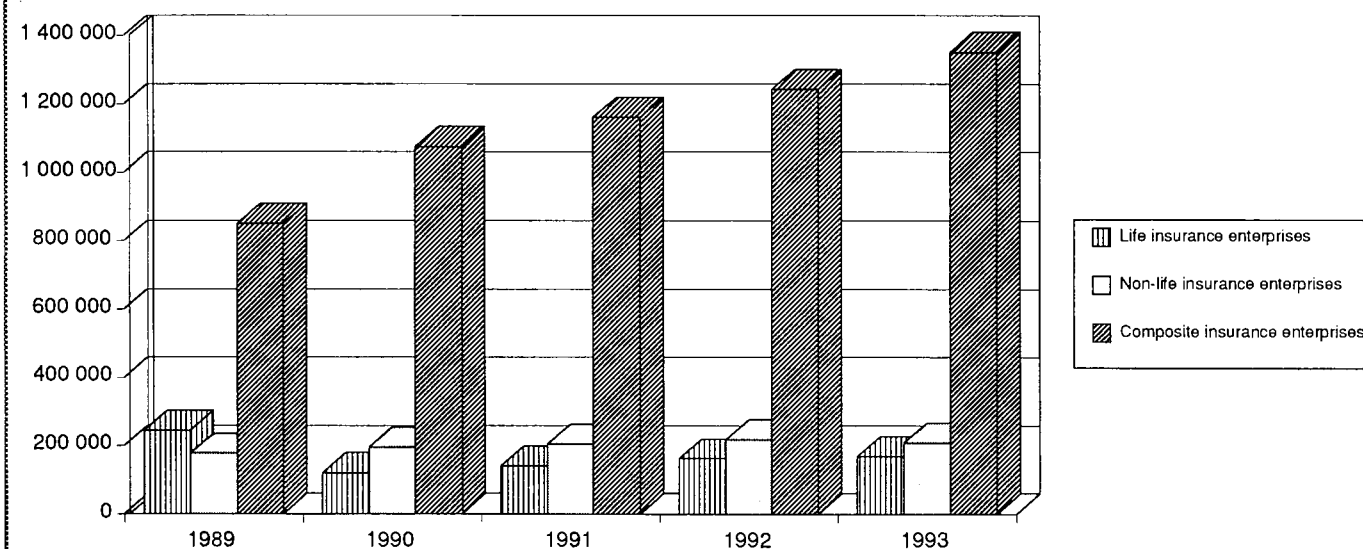
As the technical provisions must be covered by corresponding assets, the growth of investments and gross technical provisions are more or less parallel for all categories of enterprises (life, non-life and composite). While among life insurance enterprises there was a major decline in both figures between 1989 and 1990 (due to mergers and take-overs), the trend among non-life and composite insurance enterprises was more stable.

## 8. Capital and reserves

There are some striking differences between the various categories of enterprises in the composition of capital and reserves. Among composite enterprises, the largest item is reserves, while among life and non-life enterprises, subscribed capital and reserves take the largest share.

A look at the ratio of capital and reserves to gross premiums written reveals significant differences between the categories of enterprises. While life, non-life and reinsurance enterprises have ratios between 28.9% (life enterprises) and 36.6% (reinsurance enterprises), composite enterprises appear to be highly capitalized with a ratio of 72.7% of gross premiums written.

**Figure B5: Trend in gross technical provisions (1989-93) (Mio BFR)**



Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.

**Table B9: Capital and reserves (1993)**

	Life insurance enterprises	Non-life insurance enterprises	Composite insurance enterprises	Specialist reinsurance enterprises (1992)
	Mio BFR / %	Mio BFR / %	Mio BFR / %	Mio BFR / %
Subscribed capital or equivalent funds	58.55	64.92	29.52	68.33
Share premium account	0.37	2.31	13.69	0.94
Revaluation reserve	6.65	1.14	0.89	-
Reserve	34.43	31.63	55.90	30.73
<b>Total of capital and reserves</b>	<b>10 729</b>	<b>41 224</b>	<b>185 735</b>	<b>10 714</b>
	= 100%	= 100%	= 100%	= 100%

Source: Rapport de l'Office de Contrôle 1992-93, 1993-94.



## 9. Summary and outlook

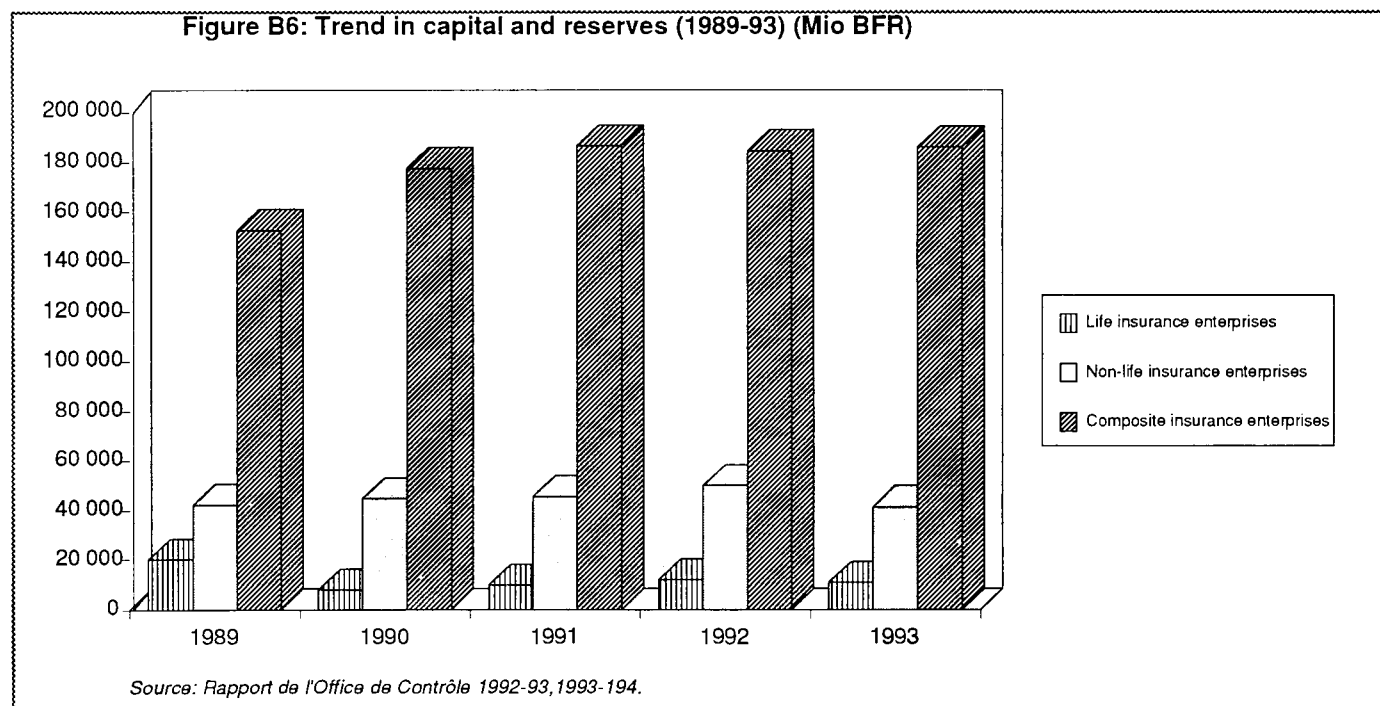
The Belgian insurance market experienced a difficult period in the early nineties and is now trying to return to balance by reverting to technical orthodoxy, which is proving more difficult than expected in some lines of business. Growing domestic competition in the eighties has now broadened to growing

international competition, forcing the Belgian market to continue its restructuring efforts. Innovation, co-operation with local and foreign insurers and banks, and exploitation of new markets are felt to be of the utmost importance.

New distribution channels, mainly banking outlets, for insurance products are

becoming more and more successful. The effect of the single market in the European Union has yet to be felt, but it is clear that the main objective of insurance enterprises is to consolidate their share of the home market before turning towards foreign markets.

**Figure B6: Trend in capital and reserves (1989-93) (Mio BFR)**



---

# INSURANCE IN SPAIN



## I. Introduction

The insurance industry has gradually strengthened its position in the Spanish economy in recent years. The introduction of a Spanish insurance law in 1984 and the regulatory provisions implementing it together form a legal framework that has enabled the insurance industry to adapt to the requirements of the modern economy. In addition to defining the limits of the sector and promoting free competition, this legislation has given rise to a number of significant developments.

In addition to insurance enterprises, pension funds and financial intermediaries (e.g. brokers) have also been regulated and have thereby strengthened their position.

As a result of the above changes, the Spanish insurance industry has expanded

considerably and become more professional. The consumption of insurance services and the contribution of the insurance sector to Spanish gross domestic product have both increased considerably: direct gross premiums written rose from PTA 14 975 per capita in 1985 to PTA 70 616 per capita in 1993 and from 2.0% of GDP in 1985 to 4.5% in 1993.

In 1993, the trends in the Spanish insurance sector were dominated by a general climate of economic recession. The number of enterprises operating in the market fell as a result of mergers, take-overs and other forms of restructuring. The growth of some specialized companies led to a slight decrease in market concentration. The output of the sector, which grew at its lowest rate in recent years, slowed down, but still generated an increase in the

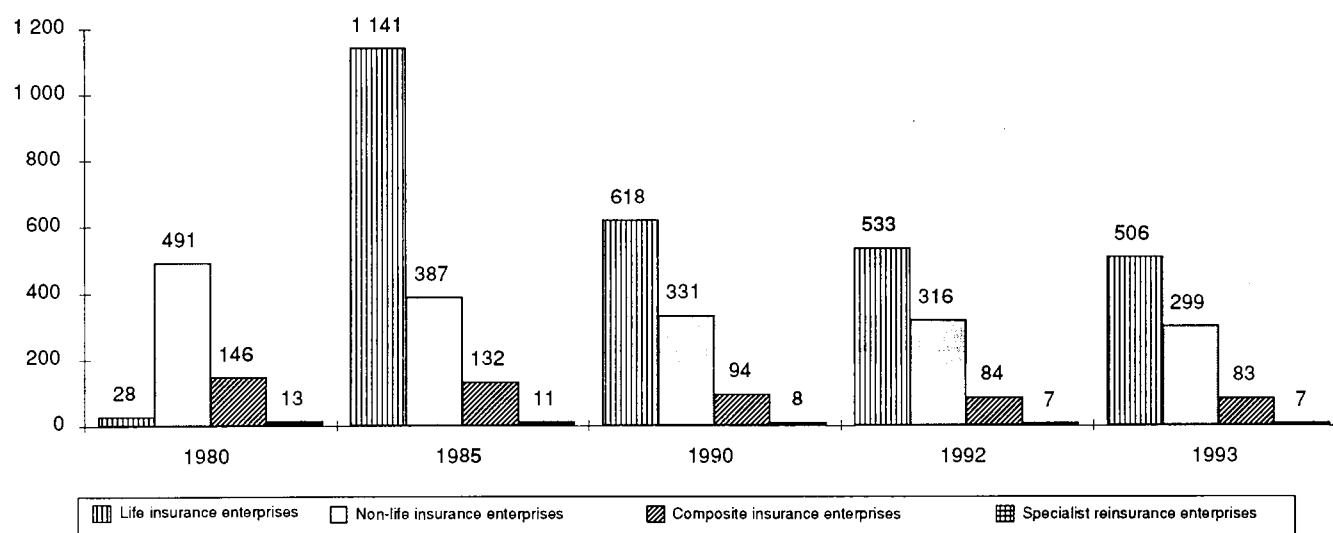
sector's contribution to GDP from 4.3% in 1992 to 4.5% in 1993.

Since the 1984 law came into force, social benefit institutions have been included in the insurance sector. In this report, they are classified under life insurance and account for the increase in such enterprises since 1984<sup>1</sup>. They are now supervised under the same rules as insurance enterprises.

These social benefit institutions are non-profit-making private mutuals operating on a fixed or adjustable premium basis and providing cover complementary to social security schemes.

<sup>1</sup>. The special characteristics of the social benefits institutions do not permit their strict allocation in any kind of insurance sector. However it appears that the life sector is the most appropriate to reflect their business.

Figure E1: Number of enterprises (1980-93)



Source: Memoria Estadística: Seguros privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1995.

**Table E1: Top 5 life, non-life, composite and specialist reinsurance enterprises (1993)**

Names of the enterprises	Gross premiums written (Mio PTA)	Growth (%) 1992-93	Market share (%)
<b>Life insurance enterprises</b>			
1) Vida-Caixa	65 971	-37.67	6.43
2) Db-Vida	42 965	270.22	4.19
3) Caser Ahorrovida	40 185	42.17	3.92
4) Bansabadell Vida	40 177	1.72	3.92
5) Seguros Genesis	21 227	9.54	2.07
Total of life insurance (1)	1 026 173	7.32	100.00
<b>Non-life insurance enterprises</b>			
1) Asisa	53 936	9.31	3.00
2) Winterthur	50 597	10.81	2.81
3) Sanitas	33 670	7.88	1.87
4) Compania de seguros Adeslas	31 682	24.95	1.76
5) Zurich	27 399	6.06	1.52
Total of non-life insurance (2)	1 798 094	8.82	100.00
<b>Composite insurance enterprises</b>			
1) Mapfre Mutualidad	125 064	26.71	4.43
2) Euroseguros	106 338	8.51	3.77
3) Banco Vitalico de Espana	88 955	-12.07	3.15
4) Mutua madrilenia automovilista	65 525	8.56	2.32
5) Mapfre Vida	55 067	3.3	1.95
Total of life and non-life insurance (3)	2 824 267	8.29	100.00
<b>Specialist reinsurance enterprises</b>			
1) Mapfre RE	36 882	74.76	50.63
2) Nacional de Reaseguros	20 804	15.15	28.56
3) Corporacion Mapfre	10 728	-22.10	14.73
4) Deleg. Gral de la Cia Europea de Reaseguros Zurich	2 760	-9.06	3.79
5) Compania Iberica de Reaseguros	1 814	4.37	2.49
Total of specialist reinsurance	72 847	22.62	100.00

1. Business of life insurance enterprises and life business of composite insurance enterprises.
2. Business of non-life insurance enterprises and non-life business of composite insurance enterprises.
3. Total business of life, non-life and composite insurance enterprises.

Source: *Balances y cuentas. Seguros Privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1994.*

They run voluntary insurance schemes covering their members or their members' property against fortuitous and predictable events or circumstances on the basis of direct contributions by their members or

other bodies.

As the series in Figure E1 shows, the number of insurance enterprises followed a sharply declining trend from 1985 onwards. This is mainly due to the effects

of the regulatory legislation introduced from 1984 onwards and to the restructuring prompted by the regulatory authorities and the pressure of market discipline. In the life insurance sector, there were 63 life insurance enterprises and 443 private mutuals in 1993.

In the same year, 40% of all Spanish insurance enterprises were limited companies, accounting for 76.8% of total premiums written. All seven specialist reinsurance enterprises were among the 360 limited companies. A total of 28 branches of foreign enterprises were operating in the Spanish market but accounted for only 5.7% of total gross premiums. Of these, 20 were branches of EU-based enterprises. In addition to the limited companies, 507 mutuals were in operation generating 17.5% of total premiums. Of this number, 443 were social benefit institutions with gross premiums written of PTA 143 597 million.

In 1993, 31.1% of direct premiums written were controlled by foreign enterprises. Foreign investment came mainly from EU Member States, principally France, the United Kingdom and the Netherlands. Non-EU countries controlled 9% of total direct premiums written.

The above mentioned restructuring process has resulted in a greater concentration and specialization of activities in the insurance sector in Spain. This specialization is most pronounced in the life insurance sector, where enterprises specializing in this activity alone accounted for 56.4% of the total volume of gross life insurance premiums in 1993, while enterprises specializing in non-life insurance accounted for 48.6% of total



gross non-life premiums.

The five leading enterprises in the field of life insurance amassed 20.5% of all gross life insurance premiums between them in 1993. In terms of gross premiums written, these enterprises experienced contrasting fortunes. While "Vida-Caixa" suffered a drop of 37.7%, "Db Vida" grew by 270.2%, mainly because it had only recently been set up (July 1991) and did not become fully operational in the market until 1993.

The value of business was more widely dispersed among enterprises specializing in non-life insurance, with the top five accounting for only 11%. There were substantial differences in how each of these enterprises fared in 1993, although

"Adeslas" does stand out for its strong growth rate.

The top five composite insurance enterprises accounted for 15.6% of the total of life and non-life business. The enterprise at the top of the list, "Mapfre Mutuallidad", and the one in fifth position, "Mapfre Vida" are separate organizations which both carry out life and non-life insurance operations. These two enterprises, along with "Mapfre Re" and "Corporación Mapfre", belong to the same financial group.

When it comes to reinsurance alone, there is a strong concentration of activity in a single enterprise, "Mapfre Re", which has 50.6% of the total of premiums. This

same enterprise enjoyed a spectacular increase in 1993 when business soared by 74.8%.



## 2. Profit and loss account

The total of gross premiums written in non-life and specialist reinsurance was 8.6% higher in 1993 than in the preceding year. This growth rate is lower than those recorded in previous years and reflects the impact of the economic recession on the insurance sector.

During 1993, the claims ratio remained at much the same level as in previous years, operating expenses fell slightly relative to

**Table E2: Profit and loss account of non-life, composite and specialist reinsurance enterprises (1993)**

	Non-life insurance		Composite insurance		Specialist reinsurance	
	(Mio PTA)	%	(Mio PTA)	%	(Mio PTA)	%
<b>Technical part / gross</b>						
Direct premiums written	657 027	96.57 <sup>1</sup>	1 085 096	97.08 <sup>1</sup>		
Reinsurance premiums accepted	23 302	3.43 <sup>1</sup>	32 669	2.92 <sup>1</sup>	72 847	100.00 <sup>1</sup>
Premiums written	680 329	100.00	1 117 765	100.00	72 847	100.00
Allocated investment return transferred from the non-technical account (4)	39 290	5.78 <sup>1</sup>	85 527	7.65 <sup>1</sup>	7 941	10.90 <sup>1</sup>
Claims incurred	500 614	73.58 <sup>1</sup>	792 088	70.86 <sup>1</sup>	54 156	74.34 <sup>1</sup>
Operating expenses	189 994	27.93 <sup>1</sup>	379 363	33.94 <sup>1</sup>	22 771	31.26 <sup>1</sup>
Balance of the technical account	18 271	2.69 <sup>1</sup>	- 19 525	-1.75 <sup>1</sup>	2 778	3.81 <sup>1</sup>
<b>Technical part / Reinsurance share</b>						
of Gross premiums written	104 001	100.00	198 107	100.00	27 486	100.00
Reinsurance balance	3 466	3.33 <sup>2</sup>	3 571	1.80 <sup>2</sup>	- 345	-1.26 <sup>2</sup>
<b>Non technical part</b>						
Investment income	6 488	1.13 <sup>3</sup>	15 853	1.72 <sup>3</sup>	402	0.89 <sup>3</sup>
Investment charges	1 004	0.17 <sup>3</sup>	4 866	0.53 <sup>3</sup>	95	0.21 <sup>3</sup>
Profit or loss for the financial year	7 349	1.28 <sup>3</sup>	- 39 837	-4.33 <sup>3</sup>	5 928	13.07 <sup>3</sup>

1. In percentage of gross premiums written.

2. In percentage of reinsurer's share of gross premiums written.

3. In percentage of net premiums written.

4. Allocated investment return derived from the investments corresponding to technical provisions.

Source: Memoria Estadística: Seguros Privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1995.

# Spain

gross premiums written, and there was an improvement in the ratio of net income from the investment of technical provisions to gross premiums written. The net outcome was improved results in the technical account, which are not reflected in the bottom line, however, due to the impact of the reinsurance account and the behaviour of certain items in the non-technical account.

The general trend in non-life insurance is marked by the behaviour of composite insurance enterprises, given the considerable weight of such enterprises in this class.

Enterprises specializing in non-life insurance and those specializing in reinsurance showed a surplus in their technical accounts in 1993, and their overall results were also positive.

The total of gross premiums for life insurance increased by 7.4% in 1993. As was the case with non-life insurance, this growth rate is lower than those recorded in previous years.

The slight rise in the ratio of claims to gross premiums written was offset by an

**Table E3: Profit and loss account of life and composite insurance enterprises (1993)**

	Life insurance		Composite insurance	
	(Mio PTA)	%	(Mio PTA)	%
<b>Technical part / gross</b>				
Direct premiums written	578 920	99.95 <sup>1</sup>	442 980	99.10 <sup>1</sup>
Reinsurance premiums accepted	270	0.05 <sup>1</sup>	4 003	0.90 <sup>1</sup>
Premiums written	579 190	100.00	446 983	100.00
Investment income	220 819	38.13 <sup>1</sup>	211 468	47.31 <sup>1</sup>
Claims incurred	301 538	52.06 <sup>1</sup>	373 268	83.51 <sup>1</sup>
Change in life insurance provisions	377 858	65.24 <sup>1</sup>	178 926	40.03 <sup>1</sup>
Operating expenses	81 181	14.02 <sup>1</sup>	58 266	13.04 <sup>1</sup>
Balance of the technical account	26 709	4.61 <sup>1</sup>	33 276	7.44 <sup>1</sup>
<b>Technical part / Reinsurance share</b>				
of Gross premiums written	13 189	100.00	16 133	100.00
Reinsurance balance	-288	-2.18 <sup>2</sup>	311	1.93 <sup>2</sup>
<b>Non technical part</b>				
Profit or loss for the financial year	25 514	4.51 <sup>3</sup>	24 032	5.58 <sup>3</sup>

1. In percentage of gross premiums written.
2. In percentage of reinsurer's share of gross premiums written.
3. In percentage of net premiums written.

Source: Memoria Estadística: Seguros Privados 1993. Dirección General de Seguros. Ministerio de Economía Y Hacienda. Madrid 1995.

increase in net income from investment and a slight drop in operating expenses, producing better results in the technical account. The impact of reinsurance during 1993 and the contribution made by items within the non-technical account produced a positive overall result of PTA 49 546 million. This is up on the 1992 figure,

when the balance was PTA 33 961 million.

Within the life insurance class, specialist enterprises accounted for 56.4% of gross premiums. However, in view of the behaviour of the various items in the technical account, these enterprises show poorer results than those returned by

**Table E4: Direct non-life insurance business of non-life and composite enterprises (1993)**

	Motor vehicle	Accident and health	Fire and other damage to property	General liability
	Mio PTA / %	Mio PTA / %	Mio PTA / %	Mio PTA / %
<b>Technical part / gross</b>				
Direct premiums written (=100%)	800 071	349 899	87 180	60 469
Investment income	11.31	4.96	7.96	15.37
Claims incurred	81.22	71.80	56.88	92.77
Operating expenses	28.81	23.78	34.97	35.03
Balance of the technical account	-5.72	7.11	14.51	-19.43

Source: Memoria Estadística: Seguros Privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1995.

composite insurance enterprises.



### 3. Analysis of the main products

**A** look at the main non-life products shows that the Spanish market is largely dominated by motor vehicle insurance, which accounted for 46.5% of all direct non-life business in 1993. In second place came accident and health insurance, accounting for 19.7%. In the motor vehicle class, the high claims ratio in conjunction with relatively heavy operating expenses, which were only partly offset by investment income of 11.3%, led to a negative balance on the technical account (-5.7%). Negative technical results and an extremely high claims ratio (92.5%) also occurred in general liability insurance. The claims ratio in the fire and other damage to property class was acceptable.

In life insurance, the biggest share of the market was taken by non-linked life insurance products. Some 42% of life insurance premiums in 1993 were generated by individual policies and 58% by group policies.

A breakdown of the volume of premiums by type of policy shows that endowment policies (including a larger savings component) made up the largest share with 49.6%, while term insurance accounted for 10.6% and combined endowment and term policies for the remaining 39.8%.

Reinsurance business was dominated by fire and other damage to property, which accounted for 37.8% of total premiums in 1993. The technical results of specialist reinsurance enterprises were determined by the three largest enterprises. While results were very acceptable in fire and other damage to property insurance and motor vehicle insurance, technical losses occurred in the marine, aviation and transport and general liability classes. The specialist reinsurance market is clearly not large enough to avoid considerable variations in technical results caused by sharp fluctuations in loss experience.



### 4. Internationalization

**D**uring the 1993 financial year, 29

Spanish insurance enterprises did business in foreign markets through 32 branches. These were mainly located in EU countries (22) and were largely involved in non-life insurance. Of the 32, 17 were branches of non-life enterprises, eight were branches of life insurance enterprises and seven were branches of composite insurance enterprises.

The proximity of the Principality of Andorra makes it a particularly attractive location for branches of Spanish firms, especially those based in the neighbouring autonomous community of Catalonia, where most of the Spanish enterprises active in the Principality have their head offices. Andorra was also the location of most of the foreign branches of composite insurance enterprises.

Gross premiums written by such branches generally accounted for only a small share of total business (0.4% in life insurance enterprises, 0.7% in non-life enterprises and 0.1% in composite insurance enterprises). Considering the opportunities created by the opening-up of the internal market, Spanish enterprises appear to be just starting to make inroads into other EU markets.

**Table E5: Reinsurance business (of specialist reinsurance enterprises) (1993)**

	Fire and other damage to property	Motor vehicle insurance	Marine, aviation and transport	General liability
	Mio PTA / %	Mio PTA / %	Mio PTA / %	Mio PTA / %
<b>Technical part / gross</b>				
Premiums accepted (= 100%)	27 592	17 965	5 824	4 359
Investment income	8.37	37.57	9.39	17.18
Claims incurred	61.05	83.53	75.81	99.70
Operating expenses	33.36	25.75	24.91	32.23
<b>Balance of the technical account</b>	<b>3.07</b>	<b>16.67</b>	<b>-3.98</b>	<b>-15.71</b>

Source: Memoria Estadística: Seguros privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1995.

# Spain

As regards the activities of foreign enterprises in Spain, 28 branches of foreign firms were active in the Spanish market with a market share of only 5.7% of total gross premiums written. Of this total, 20 were branches of enterprises with head offices in the EU.



## 5. Employment

With fast premium growth and more or less stable employment since 1990, productivity in the insurance industry rose at an acceptable rate (gross premiums written per employee totalled PTA 60.3 million in 1992 and PTA 65.4 million in 1993).

Per-capita labour costs (gross wages and salaries plus employers' social contributions per employee) totalled about PTA 5 million in 1993, in comparison with PTA 4 million in 1992.

**Table E6: Employment (1985-93)**

	1985	1990	1992	1993
Life insurance enterprises	-	-	3 608	3 835
Non-life insurance enterprises	-	-	14 390	14 414
Composite insurance enterprises	-	-	26 055	26 102
Specialist reinsurance enterprises	-	-	212	219
<b>Total</b>	<b>33 414</b> <sup>1</sup>	<b>42 895</b> <sup>1</sup>	<b>44 265</b>	<b>44 570</b>

1. unespa (source)

Source: Dirección General de Seguros. Ministerio de Economía y Hacienda.

By far the largest employers were the composite insurance enterprises. Their market share in terms of total premiums written and their share of total employment in the insurance industry were both 58.6%.



## 6. Investments

The largest share of investments was in debt securities and other fixed-income securities and in participations in investment pools. In non-

life enterprises, land and buildings claimed a relatively large share of total investments.

As regards investment policy, enterprises strove, on the one hand, to reduce tangible investments and variable-yield securities (shares) and, on the other, to maintain the share of investment in affiliated enterprises and participating interests. A considerable proportion of investment was also devoted to fixed-income securities.

**Table E7: Investments (1993)**

	Life insurance enterprises	Non-life insurance enterprises	Composite insurance enterprises	Specialist reinsurance enterprises
	Mio PTA / %	Mio PTA / %	Mio PTA / %	Mio PTA / %
Land and buildings	8.94	24.53	14.45	3.87
Investments in affiliated enterprises and participating interest	1.83	6.50	6.66	63.35
Shares and other variable-yield securities and units in unit trusts	5.62	4.83	2.79	1.41
Debt securities and other fixed-income securities	61.47	35.65	47.98	13.64
Participation in investment pools	19.39	26.92	25.97	4.37
Loans guaranteed by mortgage	2.75	0.43	1.44	0.00
Deposits with ceding undertakings	0.01	1.24	0.70	13.36
<b>Total of investments</b>	<b>1 840 031</b>	<b>425 965</b>	<b>2 644 902</b>	<b>111 342</b>
	= 100%	= 100%	= 100%	= 100%

Source: Memoria Estadística: Seguros Privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1995.

**Table E8: Gross technical provisions (1993)**

	Life insurance enterprises	Non-life insurance enterprises	Composite insurance enterprises	Specialist reinsurance enterprises
	Mio PTA / %	Mio PTA / %	Mio PTA / %	Mio PTA / %
Provisions for unearned premiums (1)	0.13	31.58	13.95	27.60
Life insurance provisions	92.80	-	58.43	2.04
Provisions for outstanding claims	2.57	62.33	26.48	70.37
Other technical provisions	4.50	6.09	1.14	0.00
<b>Total of technical provisions</b>	<b>2 007 265</b>	<b>500 553</b>	<b>2 964 393</b>	<b>65 406</b>
	=100%	=100%	=100%	=100%

1. Technical provisions for current risks.

Source: Memoria Estadística: Seguros Privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1995.

This situation is essentially determined by the particular suitability of fixed-income securities for investing technical provisions and by the situation on the financial markets, which was largely marked by high interest rates.



## 7. Gross technical provisions

The growth in insurance business, particularly in life insurance, naturally led to an increase in gross technical provisions.

Technical provisions totalled PTA 5 537 346 million on 31 December 1993, 15.7% up on the 1992 total of PTA 4 786 743 million. This growth rate is much the same as in previous years.

A breakdown by category of enterprises shows that the biggest totals and the highest growth rates in 1993 were in enterprises carrying out both life and non-life insurance business. In 1993, the gross technical provisions of composite insurance enterprises were 20.8% higher than the 1992 figure of PTA 2 453 475

million. With total technical provisions of PTA 2 007 276 million in 1993, the growth rate for specialist life insurance enterprises was 10.4%, while that for specialist non-life enterprises was 8.7%.

In life insurance, gross technical provisions are, of course almost entirely dominated by life insurance provisions, which also include provisions for unearned premiums. In non-life insurance, the main items are provisions for unearned premiums and provisions for outstanding claims.

**Table E9: Capital and reserves (1993)**

	Life insurance enterprises	Non-life insurance enterprises	Composite insurance enterprises	Specialist reinsurance enterprises
	Mio PTA / %	Mio PTA / %	Mio PTA / %	Mio PTA / %
Subscribed capital or reserves	62.52	57.91	52.35	31.70
Share premium account	0.20	7.38	7.67	3.73
Revaluation reserve	1.74	1.00	1.34	0.00
Reserve	26.40	33.43	45.08	55.85
Other parts (1)	9.13	0.28	-6.44	8.72
<b>Total of capital and reserves</b>	<b>233 985</b>	<b>184 959</b>	<b>407 587</b>	<b>82 485</b>
	= 100%	= 100%	= 100%	= 100%

1. Including unallocated profit or loss from previous financial years and profit or loss for the financial year after tax and capital losses on marketable fixed-income securities.

Source: Memoria Estadística: Seguros Privados 1993. Dirección General de Seguros. Ministerio de Economía y Hacienda. Madrid 1995.



In life insurance enterprises, technical provisions represented 347% of gross premiums written, while this percentage was far lower among composite insurance enterprises (189%) and non-life insurance enterprises (74%).



## 8. Capital and reserves

The main items in capital and reserves are subscribed capital or equivalent funds and reserves. The percentage of reserves of life insurance enterprises was lower than in composite enterprises. This could be because most life insurance enterprises are not very old and have therefore had little time to build up larger reserves.

However, the total of capital and reserves represented 40% of gross premiums written in life insurance enterprises, 27%

in non-life enterprises, 26% in composite enterprises and 113% in specialist reinsurance enterprises. Spanish insurance enterprises thus appear well-equipped for the growing competition they may be expected to face in the European single market.



## 9. Summary and outlook

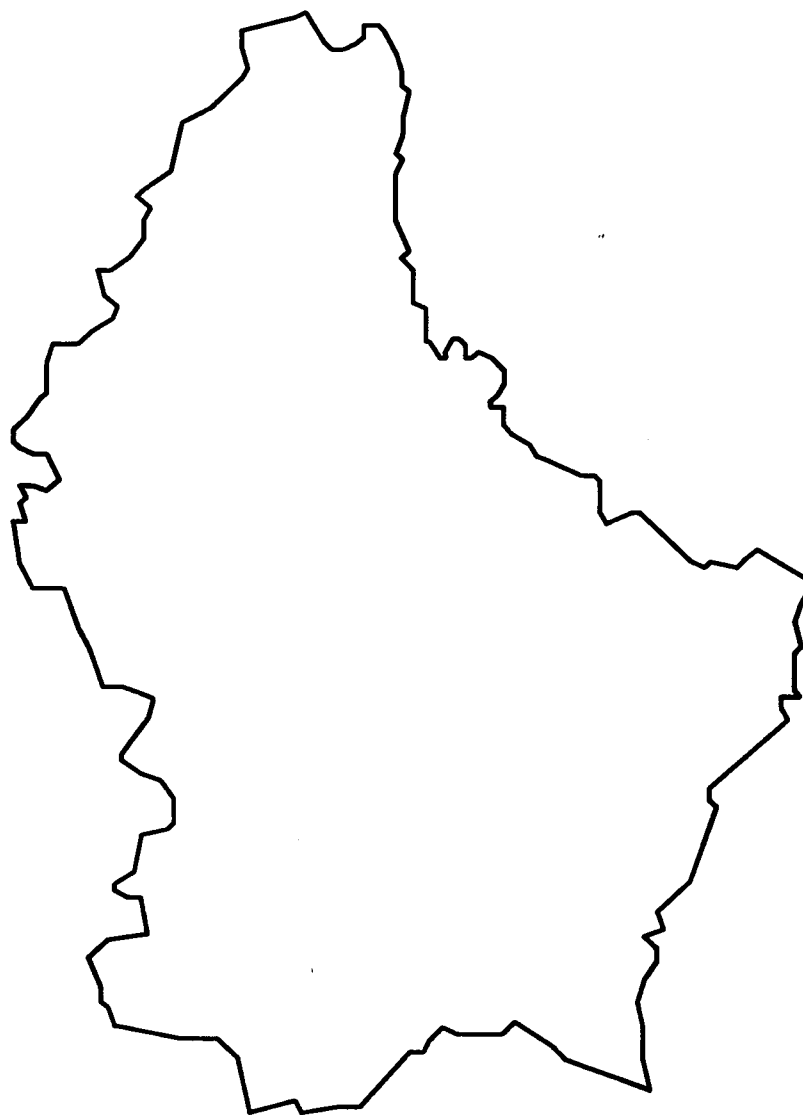
The Spanish insurance market is currently experiencing a thoroughgoing transformation. It is an expanding market with much potential for growth, which is preparing itself for adaptation to the new insurance regulations based on the third generation of EU insurance directives. These new regulations will undoubtedly pave the way for the full integration of the Spanish insurance industry into the European single market.

As far as the enterprises themselves are concerned, the adoption of the new legal framework means making adjustments aimed at strengthening their financial structures and improving their market efficiency and flexibility. This process will make Spanish enterprises more competitive and improve their position in the various markets.

These circumstances, combined with the concentration and restructuring of the enterprises in recent years, augur well for the untroubled integration of the Spanish insurance industry into the single market.

---

# INSURANCE IN LUXEMBOURG



# Luxembourg

## 1. Introduction

The Grand Duchy of Luxembourg is noted for its great stability, both in its public finances and in its economic, social and political affairs. By virtue of its central location, Luxembourg is easily accessible by all means of communication. Since the 1960s, Luxembourg has become a major banking centre, and more recently the steady growth of proper banking services has been accompanied by a considerable expansion in investment funds.

Among the financial services available on the Luxembourg market, the 1980s witnessed the addition of reinsurance activities. The consolidation and expansion of the Luxembourg insurance market is also confirmed by the sharp increase in the number of direct insurance enterprises active in the country and the considerable growth of premium income.

At the end of 1993, some 73 direct insurers were operating in the Grand Duchy, an

increase of five on the previous year's figure. Four new companies were set up in the first three quarters of 1994. As for reinsurance companies, 13 were set up in 1993 and 19 in the first three quarters of 1994. On 1 October 1994, there were a total of 201 reinsurance firms and 213 at the end of the year. Most of the reinsurance enterprises are captives.

Per capita premiums totalled LFR 48 701 (excluding the freedom to provide services (FPS) business) and gross premiums accounted for 10.4% of GDP, one of the highest percentages in the European Union.

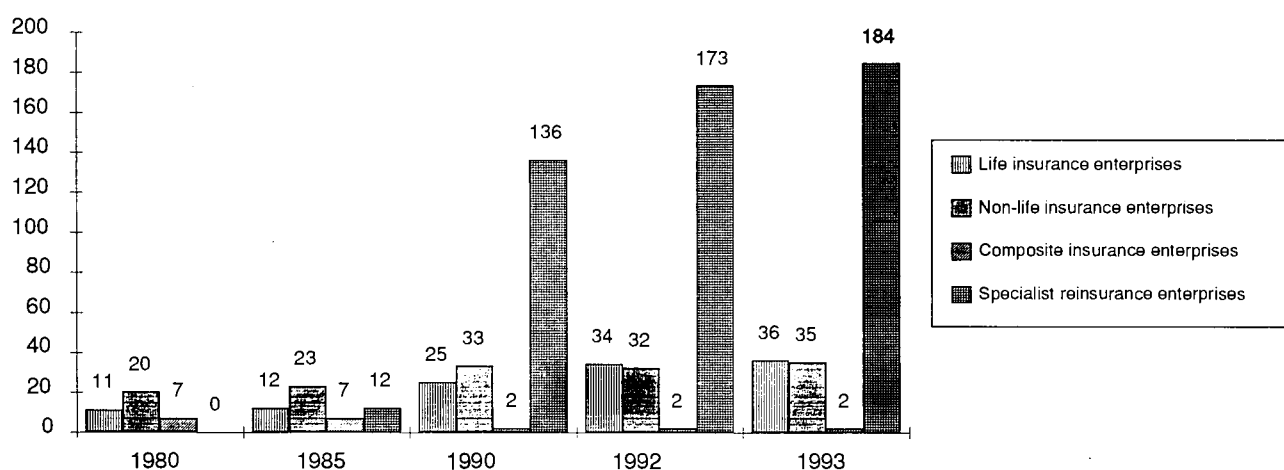
The application of Community regulations is a guarantee for policyholders, who enjoy all the protective measures provided for in European legislation. During 1993 and in the first quarter of 1994, the activities of the Insurance Supervisory Authority (Commissariat aux Assurances) were marked by the introduction of the new legal framework completing the single market in insurance. As part of this, the

third generation Directives and the accounting Directive were incorporated into Luxembourg law. Supervision and prior approval of general conditions and tariffs for insurance policies were phased out.

In 1993, a total of 36 life insurance enterprises comprised 29 domestic firms, six branches of foreign firms and a pension fund. The majority of non-life enterprises were also incorporated in Luxembourg: 20 as against 15 branches of foreign firms. As for the composite enterprises, one was a Luxembourg-registered company and one a branch of a foreign firm.

There was a noticeable upward trend in the number of life insurance firms, from 15 in 1986 to 45 on 1 June 1995. Over the same period, a drop in the number of branches set up in the Grand Duchy of Luxembourg (from 35 in 1986 to 23 in 1993) mirrored a rise

Figure L1: Number of enterprises (1980-93)



Source: Rapport annuel pour l'année 1993, Commissariat aux assurances

1986 to 50 in 1993). Some foreign firms converted their branches into Luxembourg-registered subsidiaries, while others gave up their branch status in order to carry on business in the Grand Duchy under the freedom to provide services from their head offices.



## 2. Profit and loss account

The results for the 1993 financial year may generally be described as excellent for the whole insurance and reinsurance sector. In non-life insurance, the absence of major claims enabled almost all classes to generate a profit. Life insurance, which started its spectacular growth in the early 1990s, continued its above-average expansion. The reinsurance sector pursued the trend established over the last decade.

Throughout the chapter, the figures for the two composite enterprises were broken down into life and non-life business.

The distribution between the technical and non-technical parts of the profit and loss account as set out in the accounting Directive will not be introduced until the 1995 financial year. The technical part of the profit and loss account presented here (for life, non-life and reinsurance enterprises) in fact includes certain items from the non-technical part.

In 1993, some 96.4% of life gross premiums written in the Grand Duchy were generated by Luxembourg-registered firms and only 3.6% by branches of foreign firms, owing to the

**Table L1: Top 5 life, non-life and composite insurance enterprises (1993) (1)**

Names of the enterprises	Gross premiums written (Mio LFR)	Growth (%) 1992-93	Market share (%)
<b>Life insurance enterprises</b>			
1) Paneurolife	6 336	50.19	32.45
2) Lombard International	4 332	76.75	22.19
3) AG Luxembourg-Vie	1 206	78.38	6.17
4) La Luxembourgeoise-Vie	1 127	9.77	5.77
5) Swiss Life	1 114	39.15	5.71
Total of life insurance (2)	19 525	28.78	100.00
<b>Non-life insurance enterprises</b>			
1) West of England Ship Owners...	8 227	-	36.16
2) Le Foyer Assurances	4 802	19.35	21.10
3) La Luxembourgeoise	3 373	9.81	14.83
4) Shipowners Mutual Protection...	1 448	-	6.36
5) AXA Assurances	894	8.57	3.93
Total of non-life insurance (3)	22 754	51.19	100.00

1. The total life and non-life gross premiums written only cover the Members of the ACA.
2. Business of life insurance enterprises and life business of composite insurance enterprises.
3. Business of non-life insurance enterprises and non-life business of composite insurance enterprises.

Source: Association des Compagnies d'Assurances agréées au Grand-Duché de Luxembourg.

tendency of such branches to convert into Luxembourg-based companies. Some 88.7% of non-life premiums written were generated by domestic enterprises, leaving 11.3% to branches of foreign firms. This is further evidence of the declining importance of branches of foreign firms, which, in 1986, accounted for 44.2% of life and 30.7% of non-life premiums written.

The 1993 was marked by the continuing rapid growth in the volume of life insurance premiums written, which rose by 40.4% in comparison with 1992. This increase was mainly due to the growth of business carried on under the freedom to provide services by Luxembourg-based firms. Those premiums, three quarters of which

were generated by the two largest firms in the market, accounted for 71.5% of total premiums earned in 1993.

Operating costs for direct life insurance were relatively low because a considerable proportion of such business was contracted under FPS.

Non-life insurance business grew by 18.1% between 1992 and 1993 and decreased by 9.6% in 1994.

Disregarding the activity of a number of enterprises specializing in liability for ships (sea, lake and river, and canal vessels), total premiums written amounted to LFR 14 635 million with a claims ratio of 55% and an operating expenses ratio of 26%.

# Luxembourg

**Table L2: Profit and loss account of life, non-life, composite and specialist reinsurance enterprises (1993)**

	Life insurance		Non-life insurance		Specialist reinsurance	
	(Mio LFR)	%	(Mio LFR)	%	(Mio LFR)	%
<b>Technical part / gross</b>						
Direct premiums written	20 398	100.00	24 390	100.00	-	-
Reinsurance premiums accepted	-	-	-	-	67 406	100.00 <sup>2</sup>
Premiums written	-	-	-	-	67 406	100.00
Investment income	6 348	31.12 <sup>1</sup>	2 874	11.78 <sup>1</sup>	13 215	19.61 <sup>2</sup>
Change in the equalisation provision	-	-	1 861	7.63 <sup>1</sup>	19 852	29.45 <sup>2</sup>
Claims incurred	4 589	22.50 <sup>1</sup>	15 345	62.92 <sup>1</sup>	35 949	53.33 <sup>2</sup>
Change in life insurance provisions	19 233	94.29 <sup>1</sup>	-	-	-	-
Operating expenses	2 226	10.91 <sup>1</sup>	4 806	19.70 <sup>1</sup>	9 170	13.60 <sup>2</sup>
Balance of the technical account	698	3.42 <sup>1</sup>	4 912	20.14 <sup>1</sup>	-	-

1. In percentage of direct premiums written.  
2. In percentage of gross premiums written.

Source: Rapport annuel pour l'année 1993, Commissariat aux assurances.

The fairly low level of claims on non-life insurance policies is attributable to the practice of fronting, which involves reinsuring part, or the whole of a portfolio of policies at 100%. This is mainly done by direct insurance enterprises.

As regards reinsurance enterprises, premium income rose by 14.5% between 1992 and 1993. For 1994, premiums are estimated to have grown by 4.2%.

The attraction of Luxembourg as a financial centre for specialist reinsurance enterprises acting as captives resides in the obligation on firms to constitute large provisions for fluctuations in claims, which enables them to rapidly increase their risk-carrying capacity.



### 3. Analysis of the main products

The majority of marine, aviation and transport business is composed of liability policies for ships written by a small number of specialized enterprises.

The results of the marine liability class should be viewed with caution because, owing to the special procedures adopted by such enterprises, a significant proportion of the figures are not booked

**Table L3: Direct non-life insurance business of non-life and composite insurance enterprises (1993)**

	Marine, aviation and transport	Motor vehicle, third party liability	Fire and other damage to property	Motor vehicle, other classes
	Mio LFR / %	Mio LFR / %	Mio LFR / %	Mio LFR / %
Direct premiums written (= 100%)	10 243	4 038	3 661	2 458
Investment income	5.89	25.14	7.26	5.65
Claims incurred	72.75	82.97	41.79	67.02
Operating expenses	10.35	25.41	33.33	27.67
<b>Balance (1)</b>	<b>22.75</b>	<b>7.38</b>	<b>20.05</b>	<b>1.06</b>

1. This balance is a miscellany of the technical and non technical account.

Source: Rapport annuel pour l'année 1993, Commissariat aux assurances.



to the financial year for which the risk is covered, but carried forward to subsequent financial years.

Including investment income, all insurance classes generated a surplus in 1993, whereas the 1992 results showed a deficit in the motor vehicle third-party liability and "casco".

The traditionally profit-making fire class, which nevertheless suffered a deficit in 1992 owing to a series of major claims, returned to black figures in 1993, generating a profit in the region of LFR 387 million.

A breakdown of life insurance between business contracted on the Luxembourg market and business contracted under FPS demonstrates that the latter induces lower commissions and general expenses than domestic transactions. This is attributable to the profile of products sold under FPS, which incorporate a significant saving element and involve high premiums.

The majority of reinsurance contracts cover major industrial and financial risks of non-life insurance. Generally speaking, the contracts written by Luxembourg reinsurers are becoming more and more technical and diversified, with a growing emphasis on long-term business such as liability or pollution cover, which traditional markets do not or only rarely handle.

## 4. Internationalization

In 1993, 21 branches of enterprises with head offices abroad were active in the Luxembourg market (19 in June 1995). In

recent years, there has been a drop in the number of such branches owing to changes in legal form and the fact that some branches have given up their authorization in preference to carrying on business under FPS from their head offices. The market share of branches of foreign firms in 1993 was only 7.8% of total life and non-life premiums written. They are generally branches of firms based in neighbouring countries and in Switzerland.

Since the third generation Directives came into force, 88 foreign firms stated their intention to carry on business directly in Luxembourg under the right of establishment (FPS).

In contrast, few Luxembourg-registered firms are established outside the country: only two non-life enterprises have branches in the United Kingdom and one in The Netherlands. As regards FPS, more than 40 Luxembourg-registered firms operate outside the country, two thirds of which, in life insurance.

A very high proportion of premiums written by Luxembourg-based life insurance companies is generated by FPS business (LFR 14.6 billion or 71.5%). The main markets for such services are other EU countries (66%) with the rest of the world accounting for 5%.

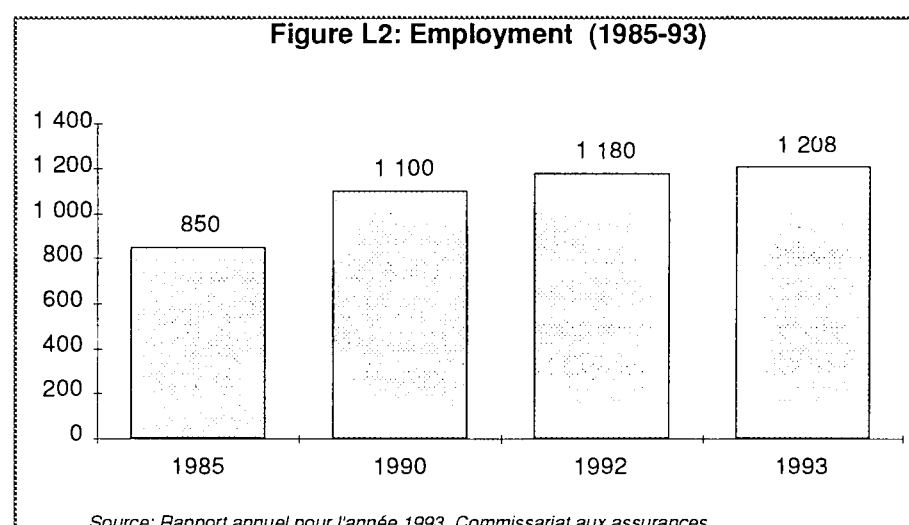
The volume of life business conducted under FPS boomed, growing by 64.5% between 1992 and 1993. The growth in such transactions in 1993 was attributable to a small number of insurers recently established in Luxembourg who have been expanding steadily since then.



## 5. Employment

A male/female breakdown of employees in the Luxembourg insurance industry shows that there are 12 male to 17 female manual workers, 601 male to 470 female clerical staff and 102 male to six female managerial staff. A nationality breakdown reveals that 721 of the 1 071 clerical staff and 58 of the 108 managerial staff were Luxembourg nationals.

Figure L2: Employment (1985-93)



# Luxembourg

It should be pointed out that the above figures relate to employees of direct insurers, i.e. people linked to the enterprise by contract of employment. They therefore exclude the vast majority of an estimated 6 200 people accredited by the authorities as insurance agents who have self-employed status. In 1993, 342 candidates sat the professional examinations organized by the Insurance Supervisory Authority, 184 of whom demonstrated that they possessed the minimum professional knowledge required to operate as insurance agents. In December 1993, a total of 13 people were authorized as insurance brokers.

Reinsurance enterprises employed about 150 people, their administration being generally entrusted to management companies.



## 6. Investments

Table L4 shows a breakdown of investments held at 31 December 1993 by insurance enterprises as coverage for their LFR-denominated liabilities.

Of the investment holdings of insurance companies in 1993, 70.7% was in the form of debt securities (of which 16.8% was composed of Luxembourg public debt or equivalent issues and 17.5% debt securities by Luxembourg companies), 11.1% was in shares (of which 3.3% was composed of shares in open-end funds) and 13.9% was in other assets, including sight and term bank deposits in particular.

**Table L4: Investments (1993)**

	Life insurance enterprises	Non-life insurance enterprises
	%	%
Land and buildings	3.44	5.49
Debt securities	73.40	66.81
Shares	10.15	12.51
Other	13.01	15.19
<b>Total of investments</b>	<b>= 100%</b>	<b>= 100%</b>

Source: Rapport annuel pour l'année 1993, Commissariat aux assurances.

As regards the Luxembourg portfolio, there is no significant difference between the investment structures of life and non-life business, as the investment policies of all insurance companies are determined by the same legal framework.

To date, cover for liabilities denominated in currencies other than Luxembourg francs has been decided case by case. On the whole, debt securities and units in unit trusts are the main assets used to cover such liabilities, with property and mortgage loans playing a minor role.

In future the distinction between liabilities in Luxembourg francs and those in currencies other than Luxembourg francs

will disappear because the incorporation of the third Directives into national law provides a single legal framework for all assets representing technical provision, regardless of the currency in which the corresponding liabilities are denominated.

Investment income was LFR 2 874 million for non-life insurance (7.1% of the average gross technical provisions) and LFR 6 348 million (13.2%) for life insurance. It should be noted that this figure is the financial yield on all assets held by enterprises, both free assets and those covering technical provisions. It also includes gains and losses on the realization of investments. Unrealized gains on

**Table L5: Gross technical provisions (1993)**

	Life insurance enterprises	Non-life insurance enterprises	Specialist reinsurance enterprises
	Mio LFR / %	Mio LFR / %	Mio LFR / %
Provisions for unearned premiums	-	9.69	-
Life insurance provisions	98.73	-	-
Provisions for outstanding claims	1.27	79.30	30.09
Equalization provisions	-	11.01	47.59
Other technical provisions	-	-	22.32
<b>Total of gross technical provisions</b>	<b>57 909</b>	<b>44 140</b>	<b>160 972</b>
	<b>=100%</b>	<b>=100%</b>	<b>=100%</b>

Source: Rapport annuel pour l'année 1993, Commissariat aux assurances.

investments are not included, while unrealized losses on investments are only taken into account if they have been recorded in the firm's general profit and loss account. In life insurance, unrealized gains and losses on assets covering technical provisions in respect of life policies in which the sum insured is determined on the basis of reference values are always included.

The yield on investments by reinsurance enterprises was LFR 13 215 million (9.0% of the average gross technical provisions).



## 7. Gross technical provisions

At the end of 1993, the mathematical provisions of life insurance enterprises totalled over LFR 57 176 million, an increase of over 50% in comparison with the previous financial year. For the first time provisions relating to business carried on under FPS were greater than those for domestic business (51.2%). Provisions for claims totalled LFR 734 million.

The technical provisions of reinsurance enterprises rose from LFR 107 700 million to LFR 160 972 million between the end of 1992 and the end of 1993 (+ 49.5%).

Generally speaking, provisions are calculated at the end of the year on a policy-by-policy basis. However, provisions can be calculated globally in the course of the financial year.



## 8. Capital and reserves

As an additional financial guarantee, Luxembourg-registered insurance firms must constitute an adequate solvency margin in respect of all their activities. Funds declared by enterprises as cover for the solvency margin totalled some LFR 10.8 billion at 31 December 1993. Of this amount, the registered capital invested, or initial capital of Luxembourg-registered enterprises alone totalled LFR 8 827 million (life insurance: LFR 7 098 million; non-life: LFR 1 729 million). However, enterprises have

considerable holdings of free assets in excess of solvency requirements.

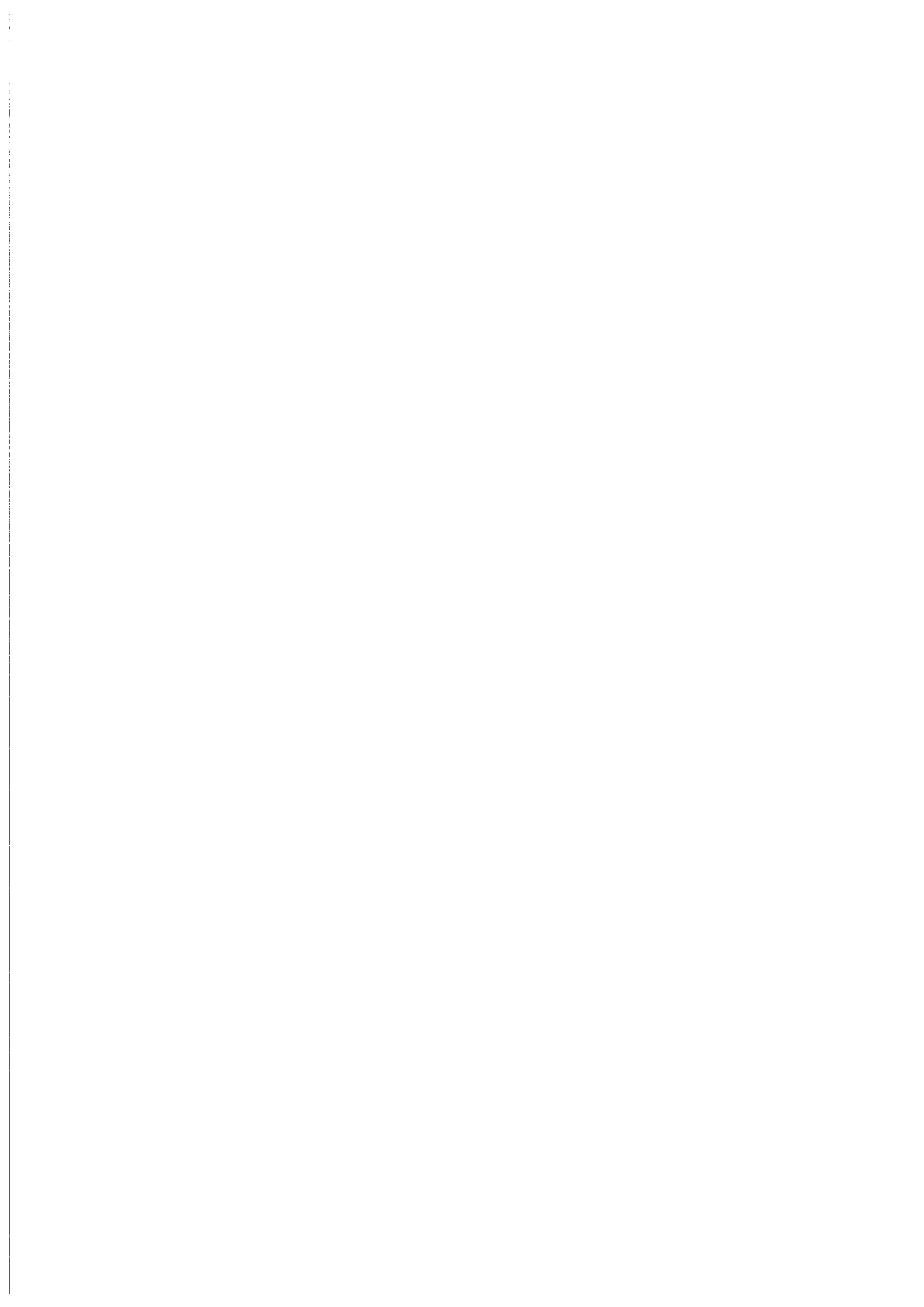
The paid-up capital of reinsurance enterprises totalled LFR 16 756 million.



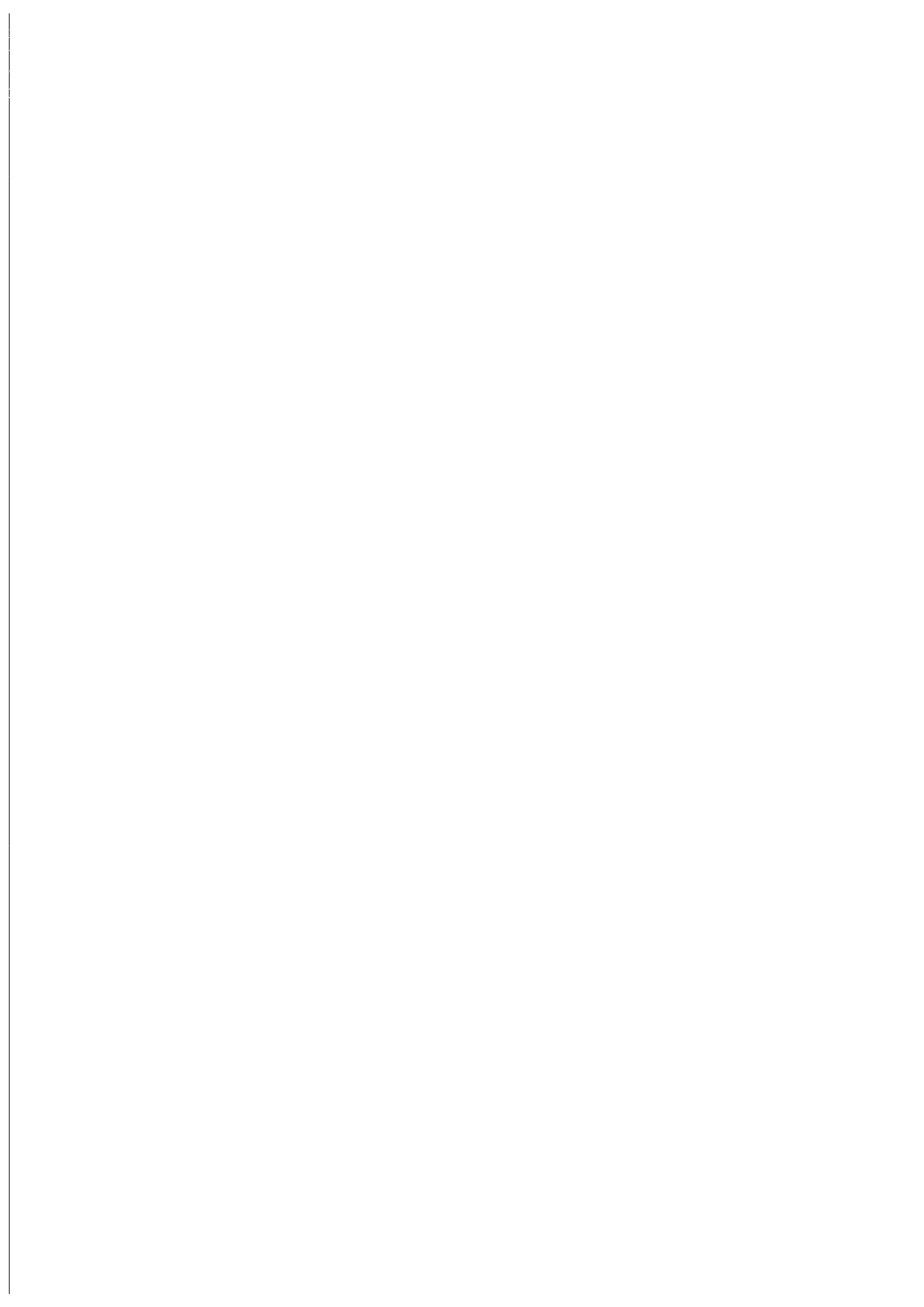
## 9. Summary and outlook

The results for the 1993 financial year may be considered very good both in insurance and reinsurance. As regards non-life insurance, nearly all classes generated a surplus owing to the lack of major claims and a judicious tariff policy. Life insurance continued its remarkable expansion, particularly in the international field.

As regards the reinsurance sector, it should be noted that, in 1993, the rate of new company start-ups eased slightly in comparison with previous financial years. This slow-down is due more to a certain degree of market saturation than to reinsurers losing interest in the Grand Duchy of Luxembourg. Alongside the collective investment undertakings sector, the reinsurance industry is still one of the most dynamic sectors in the Luxembourg economy.







**BELGIQUE / BELGIË**

**Moniteur belge/  
Belgisch Staatsblad**

Rue de Louvain 42/Leuvenseweg 42  
B-1000 Bruxelles/B-1000 Brussel  
Tél. (02) 512 00 26  
Fax (02) 511 01 84

**Jean De Lannoy**

Avenue du Roi 202/Koningslaan 202  
B-1060 Bruxelles/B-1060 Brussel  
Tél. (02) 538 51 69  
Fax (02) 538 08 41

Autres distributeurs/  
Overige verkooppunten:

**Librairie européenne/  
Europese boekhandel**

Rue de la Loi 244/Welstraat 244  
B-1040 Bruxelles/B-1040 Brussel  
Tél. (02) 231 04 35  
Fax (02) 735 08 60

Document delivery:

**Credoc**

Rue de la Montagne 34/Bergstraat 34  
Boîte 11/Bus 11  
B-1000 Bruxelles/B-1000 Brussel  
Tél. (02) 511 69 41  
Fax (02) 513 31 95

**DANMARK**

**J. H. Schultz Information A/S**

Herstedvang 10-12  
DK-2620 Albertslund  
Tlf. 43 63 23 00  
Fax (Sales) 43 63 19 69  
Fax (Management) 43 63 19 49

**DEUTSCHLAND**

**Bundesanzeiger Verlag**

Postfach 10 05 34  
D-50445 Köln  
Tel. (02 21) 20 29-0  
Fax (02 21) 2 02 92 78

**GREECE/ΕΛΛΑΔΑ**

**G.C. Eleftheroudakis SA**

International Bookstore  
Nikis Street 4  
GR-10563 Athens  
Tel. (01) 322 63 23  
Fax 323 98 21

**ESPAÑA**

**Mundi-Prensa Libros, SA**

Castelló, 37  
E-28001 Madrid  
Tel. (91) 431 33 99 (Libros)  
431 32 22 (Suscripciones)  
435 36 37 (Dirección)  
Fax (91) 575 39 98

**Boletín Oficial del Estado**

Trafalgar, 27-29  
E-28071 Madrid  
Tel. (91) 538 22 95  
Fax (91) 538 23 49

Sucursal:

**Librería Internacional AEDOS**

Consejo de Ciento, 391  
E-08009 Barcelona  
Tel. (93) 488 34 92  
Fax (93) 487 76 59

**Librería de la Generalitat  
de Catalunya**

Rambla dels Estudis, 118 (Palau Moja)  
E-08002 Barcelona  
Tel. (93) 302 68 35  
Tel. (93) 302 64 62  
Fax (93) 302 12 99

**FRANCE**

**Journal officiel  
Service des publications  
des Communautés européennes**

26, rue Desaix  
F-75727 Paris Cedex 15  
Tél. (1) 40 58 77 01/31  
Fax (1) 40 58 77 00

**IRELAND**

**Government Supplies Agency**

4-5 Harcourt Road  
Dublin 2  
Tel. (1) 66 13 111  
Fax (1) 47 52 760

**ITALIA**

**Licosa SpA**

Via Duca di Calabria 1/1  
Casella postale 552  
I-50125 Firenze  
Tel. (055) 64 54 15  
Fax 64 12 57

**GRAND-DUCHÉ DE LUXEMBOURG**

**Messageries du livre**

5, rue Raiffeisen  
L-2411 Luxembourg  
Tél. 40 10 20  
Fax 49 06 61

**NEDERLAND**

**SDU Servicecentrum Uitgeverijen**

Postbus 20014  
2500 EA 's-Gravenhage  
Tel. (070) 37 89 880  
Fax (070) 37 89 783

**ÖSTERREICH**

**Manz'sche Verlags-  
und Universitätsbuchhandlung**

Kohlmarkt 16  
A-1014 Wien  
Tel. (1) 531 610  
Fax (1) 531 61-181

Document delivery:

**Wirtschaftskammer**

Wiedner Hauptstraße  
A-1045 Wien  
Tel. (0222) 50105-4356  
Fax (0222) 50206-297

**PORTUGAL**

**Imprensa Nacional — Casa da Moeda, EP**

Rua Marquês Sá da Bandeira, 16-A  
P-1099 Lisboa Codex  
Tel. (01) 353 03 99  
Fax (01) 353 02 94/384 01 32

**Distribuidora de Livros  
Bertrand, Ld.<sup>a</sup>**

**Grupo Bertrand, SA**

Rua das Terras dos Vales, 4-A  
Apartado 37  
P-2700 Amadora Codex  
Tel. (01) 49 59 050  
Fax 49 60 255

**SUOMI/FINLAND**

**Akateeminen Kirjakauppa**

Akademiska Bokhandeln  
Pohjoisesplanadi 39 / Norra esplanaden 39  
PL / PB 128  
FIN-00101 Helsinki / Helsingfors  
Tel. (90) 121 4322  
Fax (90) 121 44 35

**SVERIGE**

**BTJ AB**

Traktorvägen 11  
Box 200  
S-221 00 Lund  
Tel. (046) 18 00 00  
Fax (046) 18 01 25

**UNITED KINGDOM**

**HMSO Books (Agency section)**

HMSO Publications Centre  
51 Nine Elms Lane  
London SW8 5DR  
Tel. (0171) 873 9090  
Fax (0171) 873 8463

**ICELAND**

**BOKABUD  
LARUSAR BLÖNDAL**

Skólavörðustíg, 2  
IS-101 Reykjavík  
Tel. 551 56 50  
Fax 552 55 60

**NORGE**

**NIC Info a/s**

Boks 6512 Etterstad  
0606 Oslo  
Tel. (22) 57 33 34  
Fax (22) 68 19 01

**SCHWEIZ/SUISSE/SVIZZERA**

**OSEC**

Stampfenbachstraße 85  
CH-8035 Zürich  
Tel. (01) 365 54 49  
Fax (01) 365 54 11

**BÄLGARIJA**

**Europress Klassica BK Ltd**

66, bd Vitoshka  
BG-1463 Sofia  
Tel./Fax (2) 52 74 75

**ČESKÁ REPUBLIKA**

**NIS ČR**

Havelkova 22  
CZ-130 00 Praha 3  
Tel./Fax (2) 24 22 94 33

**HRVATSKA**

**Mediatrade**

P. Hatza 1  
HR-4100 Zagreb  
Tel./Fax (041) 43 03 92

**MAGYARORSZÁG**

**Euro-Info-Service**

Europá Ház  
Margitsziget  
H-1138 Budapest  
Tel./Fax (1) 111 60 61, (1) 111 62 16

**POLSKA**

**Business Foundation**

ul. Krucza 38/42  
PL-00-512 Warszawa  
Tel. (2) 621 99 93, 628 28 82  
International Fax&Phone (0-39) 12 00 77

**ROMÂNIA**

**Euromedia**

65, Strada Dionisie Lupu  
RO-70184 Bucuresti  
Tel./Fax 1-31 29 646

**RUSSIA**

**CCEC**

9,60-letiya Oktyabrya Avenue  
117312 Moscow  
Tel./Fax (095) 135 52 27

**SLOVAKIA**

**Slovak Technical  
Library**

Nám. slobody 19  
SLO-812 23 Bratislava 1  
Tel. (7) 52 204 52  
Fax (7) 52 957 85

**CYPRUS**

**Cyprus Chamber of Commerce  
and Industry**

Chamber Building  
38 Grivas Dhigenis Ave  
3 Deligiorgis Street  
PO Box 1455  
Nicosia  
Tel. (2) 44 95 00, 46 23 12  
Fax (2) 36 10 44

**MALTA**

**Miller Distributors Ltd**

PO Box 25  
Malta International Airport LQA 05 Malta  
Tel. 66 44 88  
Fax 67 67 99

**TÜRKIYE**

**Pres AS**

Dünya Infotel  
TR-80050 Tünel-Istanbul  
Tel. (1) 251 91 90/251 96 96  
Fax (1) 251 91 97

**ISRAEL**

**Roy International**

17, Shimon Hatarssi Street  
P.O.B. 13056  
61130 Tel Aviv  
Tel. (3) 546 14 23  
Fax (3) 546 14 42

Sub-agent for the Palestinian Authority:

**INDEX Information Services**

PO Box 19502  
Jerusalem  
Tel. (2) 27 16 34  
Fax (2) 27 12 19

**EGYPT/  
MIDDLE EAST**

**Middle East Observer**

41 Sherif St.  
Cairo  
Tel/Fax (2) 393 97 32

**UNITED STATES OF AMERICA/  
CANADA**

**UNIPUB**

4611-F Assembly Drive  
Lanham, MD 20706-4391  
Tel. Toll Free (800) 274 48 88  
Fax (301) 459 00 56

**CANADA**

Subscriptions only  
Uniquement abonnements

**Renouf Publishing Co. Ltd**

1294 Algoma Road  
Ottawa, Ontario K1B 3W8  
Tel. (613) 741 43 33  
Fax (613) 741 54 39

**AUSTRALIA**

**Hunter Publications**

58A Gipps Street  
Collingwood  
Victoria 3066  
Tel. (3) 9417 53 61  
Fax (3) 9419 71 54

**JAPAN**

**Procurement Services Int. (PSI-Japan)**

Kyoku Dome Postal Code 102  
Tokyo Kojimachi Post Office  
Tel. (03) 32 34 69 21  
Fax (03) 32 34 69 15

Sub-agent:

**Kinokuniya Company Ltd  
Journal Department**

PO Box 55 Chitose  
Tokyo 156  
Tel. (03) 34 39-0124

**SOUTH and EAST ASIA**

**Legal Library Services Ltd**

Orchard  
PO Box 0523  
Singapore 9123  
Tel. 243 24 98  
Fax 243 24 79

**SOUTH AFRICA**

**Safto**

5th Floor, Export House  
Cnr Maude & West Streets  
Sandton 2146  
Tel. (011) 883-3737  
Fax (011) 883-6569

**ANDERE LÄNDER  
OTHER COUNTRIES  
AUTRES PAYS**

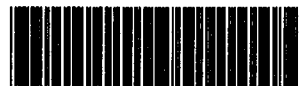
**Office des publications officielles  
des Communautés européennes**

2, rue Mercier  
L-2985 Luxembourg  
Tel. 29 29-1  
Télex PUBOF LU 1324 b  
Fax 48 85 73, 48 68 17

Preis in Luxemburg (ohne MwSt.) • Price (excl. VAT) in Luxembourg • Prix au Luxembourg, TVA exclue  
Einzelpreis • Single copy • Prix par numéro ECU 10  
Abonnement • Subscription ECU 84



OFICINA DE PUBLICACIONES OFICIALES DE LAS COMUNIDADES EUROPEAS  
KONTORET FOR DE EUROPÆISKE FÆLLESSKABERS OFFICIELLE PUBLIKATIONER  
AMT FÜR AMTLICHE VERÖFFENTLICHUNGEN DER EUROPÄISCHEN GEMEINSCHAFTEN  
ΥΠΗΡΕΣΙΑ ΕΠΙΣΗΜΩΝ ΕΚΔΟΣΕΩΝ ΤΩΝ ΕΥΡΩΠΑΪΚΩΝ ΚΟΙΝΟΤΗΤΩΝ  
OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES  
OFFICE DES PUBLICATIONS OFFICIELLES DES COMMUNAUTÉS EUROPÉENNES  
UFFICIO DELLE PUBBLICAZIONI UFFICIALI DELLE COMUNITÀ EUROPEE  
BUREAU VOOR OFFICIËLE PUBLIKATIES DER EUROPESE GEMEENSCHAPPEN  
SERVIÇO DAS PUBLICAÇÕES OFICIAIS DAS COMUNIDADES EUROPEIAS



CA-CJ-95-S01-3A-C