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International Cooperative and Mutual Insurance Federation

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# Facts and figures

Mutual and cooperative insurance in Europe  
Vol 2

## Excerpt: Greece

*Facts and figures: Mutual and cooperative insurance in Europe Vol 2*

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# Methodology

## Business scope

The study focuses on the direct insurance sector and does not in principle include reinsurance. Therefore, the report is based on direct (gross) premiums written by insurance companies (in both the total market and mutual/cooperative market) and reinsurance premiums have, where possible, been eliminated.

## Types of insurers included

The main purpose of the study is to describe the mutual and cooperative insurance sector by highlighting the size, relevance and socio-economic importance of mutual and cooperative insurers in the region.

The definition of the “total mutual/cooperative insurance sector” in this report<sup>1</sup> includes insurance undertakings whose legal status is classified as “mutual” or “cooperative” in their national law, as well as insurers whose structure and values reflect the mutual/cooperative form (see definition 3 below).

Extending the definition in this way has enabled the study to include all organisations which operate on mutual/cooperative principles, in line with the report’s research objectives, without being restricted by legal definitions, of which there is a wide variety across Europe.

Insurance companies included in this study have been categorised by three definitions relating to their legal structure and ownership.

### 1. Mutual/cooperative insurers in the legal form (definition 1)

Mutual and cooperative insurers in a legal form of a (insurance) mutual or cooperative.

In addition, insurance undertakings whose legal structure corresponds to or is in some way aligned with the mutual/cooperative model and whose legal structure is different to a joint-stock (limited) company. These include friendly societies, community benefit societies<sup>2</sup> and protection and indemnity (P&I) clubs.<sup>3,4</sup>

### 2. Subsidiaries of mutual/cooperative insurers in the legal form (definition 2)

Subsidiaries of a (definition 1) mutual or cooperative insurer in the legal form.<sup>5</sup> These are commonly operated in the legal form of a joint stock or limited company. In any given market, insurance companies within this definition include subsidiaries of both domestic and foreign-based (including non-European markets) mutual/cooperative insurers in the legal form.

### 3. Mutual/cooperative-type insurers (definition 3)

This encompasses the remaining mutual/cooperative insurance companies not classified by definition 1 or definition 2. It includes companies that:

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<sup>1</sup> Note that while this definition is the same as the definition used by ICMIF in its *Global Mutual Market Share* reports, there are a number of instances where various companies’ data included in the ICMIF research have been excluded (or classified differently) in this study. These differences will be noted.

<sup>2</sup> See chapter on the UK.

<sup>3</sup> A P&I club is a mutual insurance association that provides risk pooling, information and representation for its members. Unlike a marine insurance company, which reports to its shareholders, a P&I club reports only to its members. Originally, P&I Club members were typically ship owners, ship operators or demise charterers, but more recently freight forwarders and warehouse operators have been able to join.

<sup>4</sup> Due to the international nature of P&I Clubs, premium data on domestic risks only (if known) are included in each chapter’s figures. For this reason, P&I Clubs in Europe (either registered in or operating within) have been excluded from the ranking of the largest mutual/cooperative insurers (see Top 100 chapter).

<sup>5</sup> The main condition for inclusion in this category is that the ultimate parent company is itself actively engaged in insurance activities, even if only to a limited extent.

- are owned by, governed by and operated in the interests of their members or policyholders;
- are inspired by mutualist and/or cooperative ideas; and/or
- are structured in such a way that they are not (majority) controlled by outside capital interests.

It features a range of different company structures, often in the legal form of a limited insurance company,<sup>6</sup> which is majority-owned by a non-insurance mutual or cooperative organisation or group (including banks). It also includes insurance undertakings that are owned by or governed by a membership or community organisation, charitable trust, foundation, union or other non-profit organisation.

*Note that when reference is made throughout the report to the “total mutual/cooperative insurance sector (or market)” or the “total number of mutual/cooperative insurance companies”, this refers to all definitions (1-3) of insurers categorised above.*

## Legal research

Desk research was carried out to produce the legal sections of the report. When information was not readily available, national supervisors, national insurance associations and trade bodies have been consulted where possible.

The ECB annual average exchange rates have been used in the legal part of the report where necessary.

## Total insurance market figures

In each chapter, the total number of licensed insurance undertakings has been taken from the national insurance regulator or supervisory body where available. In certain instances, the totals have been adjusted to include insurance undertakings that are licenced and operating within the market, but were not included in the figures produced by the supervisor. Where data was not available from the national supervisor, national insurance associations and trade bodies have been consulted where possible.

To ensure consistency across all markets in this study, figures on the total insurance market in each country have been taken from Swiss Re’s *sigma* data.<sup>7</sup> These have also been compared against additional data obtained from national supervisors/regulators, although some differences between Swiss Re’s data and supervisory data may be noted. In certain instances, figures produced by Swiss Re have also been adjusted to ensure reporting year consistencies and to include insurance business that is not covered in their data.

Life and non-life business in this study are categorised according to standard EU conventions, which is the same categorisation as in Swiss Re’s data. In relation to health insurance, this is classified as non-life insurance throughout the study, even where it is classified differently in individual markets.<sup>8</sup>

For the statistical part of the report, variable currency exchange rates have been used for the different years, with all figures converted into euros (EUR). To allow for more accurate market share calculations, exchange rates used for the mutual/cooperative insurance sector are the same as those used by Swiss Re in order to be consistent with the euro conversion of the total market figures.

Growth figures of individual markets have been calculated in local currency terms throughout the report unless otherwise stated in order to eliminate misleading effects of exchange rate fluctuations and thus ensure accurate year-on-year comparisons.

## Number of members/policyholders

The definition of “members/policyholders” in this instance may refer to the number of customers, clients or people insured by mutual/cooperative insurers, as there is no consistency between markets or companies regarding which figure (if any) is reported.

<sup>6</sup> In certain markets where insurance companies cannot take the legal form of a mutual or cooperative (or have restrictions on the line of business which they can offer), figures may nevertheless be indicated for the mutual/cooperative insurance market due to the presence of definition 2 and definition 3 insurers.

<sup>7</sup> Data has been taken from updated statistics, originally published in Swiss Re Institute’s *sigma World Insurance* reports. The most recent report was Swiss Re Institute, *Q3/2016 World insurance in 2015: steady growth amid regional disparities*.

<sup>8</sup> The major example of this is in Germany, where health insurance is classed as a life insurance product.

However, it should be noted that each policy issued by a mutual/cooperative insurer equates to a single member/policyholder. If an individual person or entity purchases more than one insurance product from mutual/cooperative insurers, that multiplicity of policies will be recognised in the overall member/policyholder figures for each country.



## Mutual/cooperative insurance companies

### Landscape

The Bank of Greece (*Τράπεζα της Ελλάδος*) is the body responsible for the supervision of the private insurance system in Greece.<sup>1</sup> The supervisory duties are carried out by the Department of Private Insurance Supervision – DEIA (*Διεύθυνση Εποπτείας Ιδιωτικής Ασφάλισης*), which is in charge of the prudential supervision of Greek (re)insurance undertakings with respect to their total business in Greece. Insurance undertakings that wish to start operations are required to obtain an authorisation from the Bank of Greece.<sup>2</sup>

The insurance industry in Greece is governed by Law 4364/2016 (*Νόμος 4364/2016*) which transposes Solvency II into national legislation.<sup>3</sup> Following Article 4 of Solvency II, Law 4364/2016 applies a special regime to certain small insurance undertakings (premium income does not exceed EUR 5 million, total of technical provisions does not exceed EUR 25 million, etc.), and to mutual insurance cooperatives which pursue non-life insurance activities and which are completely reinsured by another mutual insurance cooperative.<sup>4</sup> According to Article 12 of Law 4364/2016, these undertakings are exempt from the general provisions relating to the liability status of the administrative or management body, the governance system, public disclosure and the rules relating to technical provisions, own funds, capital solvency requirements and minimum capital requirements. In addition, these undertakings are only authorised to operate in Greece.

Law 4364/2016 excludes from its scope the following operations:

- national compulsory social security schemes.<sup>5</sup>
- provident and mutual benefit institutions whose benefits vary according to the resources available, and in which the contributions of the members are determined on a flat rate basis.<sup>6</sup>
- activities performed by non-legal entities with the aim of providing mutual coverage to their members without paying premiums or creating technical reserves (for non-life).<sup>7</sup>

An insurance undertaking cannot be granted a licence for the simultaneous pursuit of both life and non-life insurance.<sup>8</sup> However, an undertaking performing life insurance operations can obtain a licence for the exercise of accident and sickness insurance, as long as the management of the two classes of activities is performed separately.<sup>9</sup>

Insurance undertakings can have one of the following legal forms:<sup>10</sup>

- joint-stock company (*ανώνυμη εταιρεία*)
- mutual insurance cooperative (*αλληλασφαλιστικός συναιτερισμός*)
- European company (*ευρωπαϊκή εταιρεία*)

<sup>1</sup> Bank of Greece's website.

<sup>2</sup> Article 10(1) of the Law 4364/2016.

<sup>3</sup> Article 1 of the Law 4364/2016.

<sup>4</sup> Article 7 of the Law 4364/2016.

<sup>5</sup> Article 6 of the Law 4364/2016.

<sup>6</sup> Article 8(1)(b) of the Law 4364/2016.

<sup>7</sup> Article 8(1)(c) of the Law 4364/2016.

<sup>8</sup> Article 48(1) of the Law 4364/2016.

<sup>9</sup> Article 48(2) of the Law 4364/2016.

<sup>10</sup> Article 14(1)(b) of the Law 4364/2016.

Mutual insurance cooperatives are permitted only to underwrite non-life insurance.<sup>11</sup> Although Law 4364/2016 does not include any special provisions for them, the preceding insurance legislation, Presidential Decree no 400/1970 stated that 'mutual insurance cooperatives provide mutual insurance exclusively to their member policyholders'. Mutual insurance cooperatives have the legal form of a cooperative and are therefore subject to Law 1667/1986 on Civil Cooperatives, which permits the activities of cooperatives to include the provision of insurance to their members.<sup>12</sup>

## Number of licensed insurance undertakings

There was a total of 62 insurance undertakings operating in the Greek insurance market<sup>13</sup> and supervised by the Bank of Greece in 2015. This Figure included 18 branches of foreign insurance companies. The remaining 44 insurance undertakings were domestic private insurance companies, of which 41 were joint-stock companies and three were mutual insurance societies.

Of the 62 undertakings present in 2015, 12 were life insurers, 39 were non-life insurers and 11 were composite insurers. Split by establishment, the 41 joint-stock companies comprised 11 life insurers, 19 non-life insurers and 11 composite insurers. All but one of the branches of foreign insurers were engaged solely in non-life insurance, with the other being a life insurer.

Since 2007, there has been a loss of 24 insurance undertakings from the Greek market (equivalent to a 28% reduction). In 2007, there were 86 insurance undertakings active (including 23 branches of foreign insurance companies), split between 16 life insurance companies, 57 non-life insurance companies and 13 composite insurance companies.

## Number of mutual/cooperative insurers

In total, nine mutual/cooperative insurance companies were present in the Greek market in 2015, comprising five non-life insurers and four composite insurers (although one of these composite insurers which was a mutual/cooperative-type insurer, was only engaged in life insurance activities).<sup>14</sup>

Three of the mutual/cooperative insurers were mutual insurance societies (in the legal form). These (non-life) mutual associations were focused on motor vehicle liability of mass transport vehicles, such as buses. There is a large number of these mutual associations conducting business in the Greek private insurance market, however, in 2015, only three were subject to all of the provisions of Greek insurance legislation. The rest are subject to specific provisions depending on their size, type and mode of activity.<sup>15</sup>

Since 2007, the total number of mutual/cooperative insurers active in Greece reduced by two (see Figure 1).

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<sup>11</sup> Article 14(1)(b) of the Law 4364/2016.

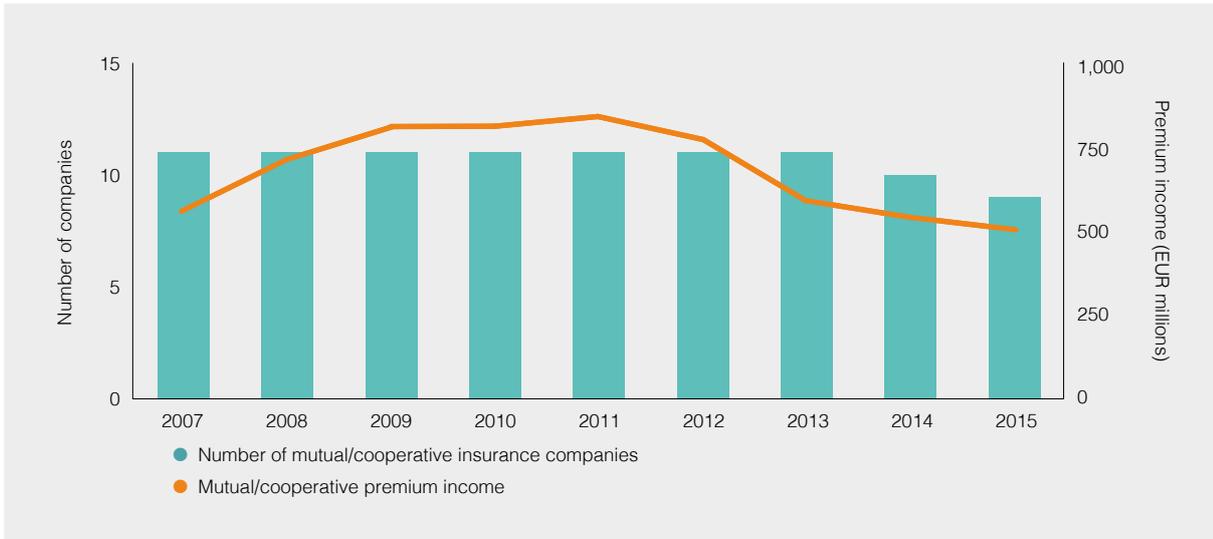
<sup>12</sup> Article 2(e) of the Law 1667/1986.

<sup>13</sup> Hellenic Association of Insurance Companies (2016) *HAIC Annual Statistical Report: Private Insurance in Greece 2015*.

<sup>14</sup> Credit Agricole Life Insurance S.A. (CA Life).

<sup>15</sup> Bank of Greece's website, *Private Insurance Firms*.

Figure 1  
 Number of mutual/cooperative insurance companies and total mutual/cooperative premium income (2007-2015)



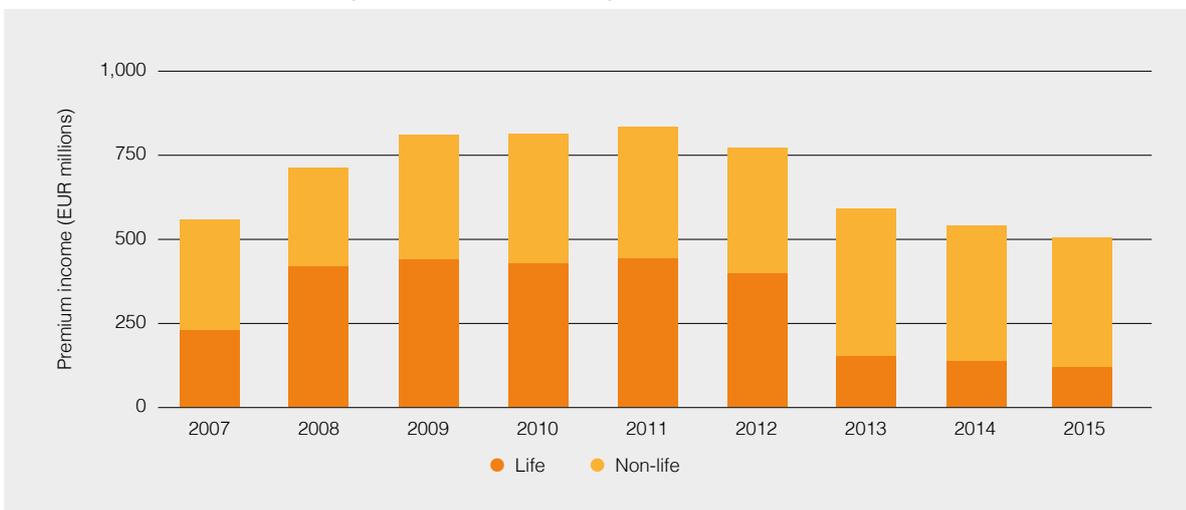
## Size and growth of the mutual/cooperative insurance sector

### Total

The Greek insurance market wrote a total of EUR 3.7 billion in insurance premiums in 2015, split between EUR 1.7 billion in life business and EUR 2.0 billion in non-life business. It was particularly impacted by weak economic conditions following the global financial crisis and Eurozone sovereign debt crisis. As a result, premium levels in 2015 were 21% lower compared to 2007 (EUR 4.7 billion) and 32% lower compared to 2009 (EUR 5.5 billion).

The mutual/cooperative sector in Greece recorded premiums of EUR 502 million in 2015, of which three-quarters were derived from non-life insurance (see Figure 2). The mutual/cooperative sector has also shrunk (-9.8%) since 2007, although at a less severe rate than the total market. Between 2007 and 2015, the mutual/cooperative sector recorded a CAGR of -1.3%; in comparison, the total Greek market CAGR was -3.0%. However, over the six-year period since the onset of the Eurozone crisis at the end of 2009, the CAGR of the mutual/cooperative sector (-7.7%) was weaker than the total market average (-6.3%).

Figure 2  
 Premium income of mutual/cooperative insurance companies (2007-2015)



## Life

Life insurance premiums in Greece experienced a considerable decline in business volumes since 2007, dropping by almost a third from EUR 2.5 billion.

Mutual/cooperative life insurers reported a sharper drop in life premiums over this period, declining from EUR 228 million in 2007 to EUR 118 million in 2015 (-48%). The largest year-on-year premium contraction took place in 2013, declining by 62.1% to EUR 150 million (from EUR 396 million in 2012).<sup>16</sup>

## Non-life

Greek non-life insurance premiums have also been in decline since 2007 (EUR 2.2 billion), although the overall fall in premiums (-10.0%) was not as harsh as that experienced by the life sector.

Mutual/cooperative insurers collectively wrote EUR 384 million of non-life business in 2015, representing a positive increase of 16.6% compared to 2007 (EUR 329 million). As a result, the mutual/cooperative sector's CAGR over this period was 1.9%, more than three percentage points ahead of the total market average (-1.3%).

## Market share of mutual/cooperative insurance sector

Overall, Greek mutual/cooperative insurers accounted for 13.5% of the market in 2015 (see Figure 3). The mutual/cooperative sector's market share of non-life insurance reached 19.0% in 2015, compared to a lower market share in life insurance (6.9%).<sup>16</sup>

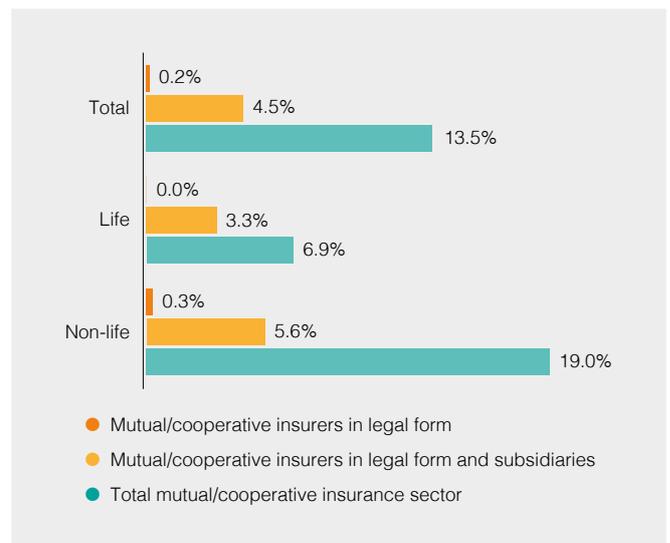
In the legal form, the total mutual/cooperative market share in 2015 was just 0.2% (and 0.3% in the non-life market). When subsidiaries of mutual/cooperative insurers in the legal form were also included, this increased to a 4.5% total share (and 3.3% and 5.6% market share in the life<sup>16</sup> and non-life segments respectively).

The total Greek mutual/cooperative sector has a small rise in its overall market share compared to 2007, increasing from a 7.6% share to 8.9% in 2015 (see Figure 4). However, market share has fallen annually since 2012, when the sector had a peak share of 17.5%.

The life market's<sup>16</sup> share of the mutual/cooperative sector was lower in 2015 compared to 2007 (9.1%), although it had lost an even more significant proportion of the market since 2010 and 2011, when the mutual/cooperative sector accounted for more than 20% of the Greek life market.

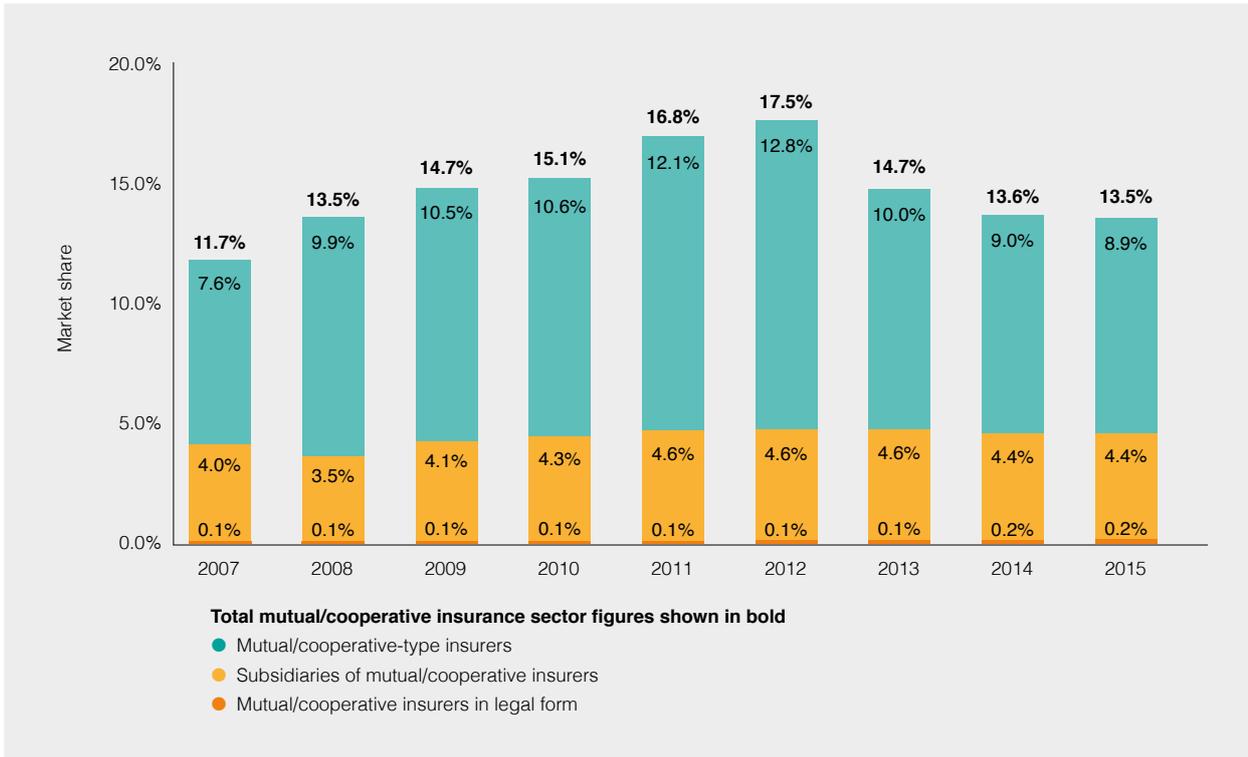
In contrast, the mutual/cooperative share of the non-life market was at a record level in 2015, having increased year-on-year since 2008, resulting in a gain of more than four percentage points compared to 2007 (14.7%).

Figure 3  
Market share of mutual/cooperative insurance companies (2015)



<sup>16</sup> Only mutual/cooperative-type insurers are permitted to underwrite life insurance in Greece.

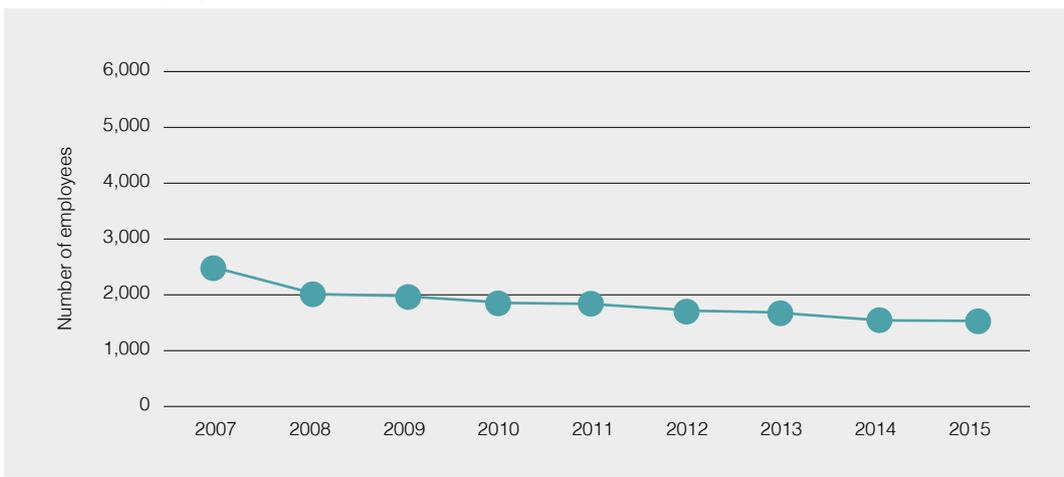
Figure 4  
Market share of the mutual/cooperative insurance sector (2007-2015)



## Number of employees

The total number of people employed by the mutual/cooperative sector in Greece has declined annually since 2007 (see Figure 5), falling from 2,500 employees in 2007 to just over 1,500 in 2015 (an overall decrease of 38.7%).

Figure 5  
Number of employees of the mutual/cooperative insurance sector (2007-2015)

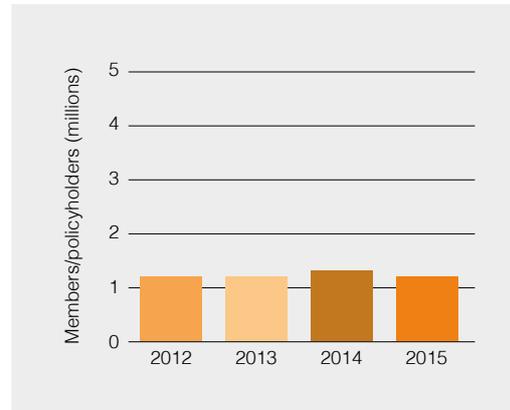


## Number of members/policyholders

There were 1.2 million members/policyholders of Greek mutual/cooperative insurers in 2015 (see Figure 6).

Despite the fall in premium levels since 2012, aggregate membership numbers of the mutual/cooperative have remained consistent.

Figure 6  
Number of members/policyholders of the mutual/cooperative insurance sector (2012-2015)

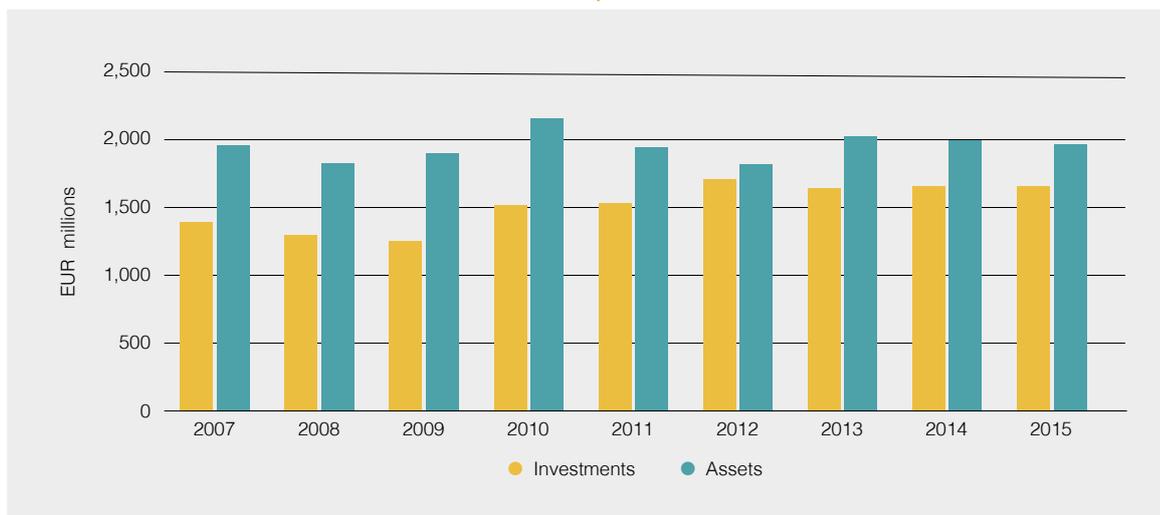


## Assets and investments

The collective assets of Greek mutual/cooperative insurers were slightly less than EUR 2 billion in 2015, and were only marginally higher than in 2007 (see Figure 7). Asset values have fluctuated since 2007, and exceeded the EUR 2 billion mark in 2010 and 2013.

Investment assets of the sector have performed much better and were 19% greater (2015: EUR 1.7 billion) in comparison to 2007 (EUR 1.4 billion).

Figure 7  
Total assets and investment assets of the mutual/cooperative insurance sector (2007-2015)



## ICMIF

Denzell House, Dunham Road, Bowdon, Cheshire,  
WA14 4QE, UK  
Tel: +44 161 929 5090 Fax: +44 161 929 5163

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International Cooperative and  
Mutual Insurance Federation

## AMICE aisbl

Rue du Trône 98/14, BE-1050 Brussels, Belgium  
Tel: +32 2 503 38 78 Fax: +32 2 503 30 55

The Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE) represents the interests of mutual and cooperative insurers in Europe with one united voice and ensures the interests of its members are taken into account in securing a level playing field for all insurers in Europe regardless of their legal form.



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Insurance Cooperatives in Europe