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International Cooperative and Mutual Insurance Federation

Facts and figures

Mutual and cooperative insurance in Europe
Vol 2

Excerpt: France

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

Published May 2018

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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 report¹ 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 societies² and protection and indemnity (P&I) clubs.^{3,4}

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.⁵ 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:

¹ 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.

² See chapter on the UK.

³ 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.

⁴ 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).

⁵ 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,⁶ 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.⁷ 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.⁸

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.

⁶ 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.

⁷ 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*.

⁸ 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 French Prudential Supervision and Resolution Authority – ACPR (*Autorité de contrôle prudentiel et de résolution*) is responsible for the supervision of the banking and insurance sectors. It ensures the stability of the financial system and the protection of customers.¹ It is an authority operating under the auspices of the French Central Bank. Insurance undertakings cannot commence operations in the French market until they have obtained an administrative authorisation from the ACPR.²

The primary law governing the insurance market in France is split into three different Codes, depending on the status of the insurance organisation (mutual, insurance company and provident institutions). The Insurance Code – Consolidated version of 29 November 2017 (*Code des assurances*) which incorporates the provisions of Solvency II into national law, is usually used as the reference code (“leading code”). The Insurance Code adopts the definitions set out in Article 4 of Solvency II in relation to undertakings that are not covered by the so-called Solvency II regime.³ These small insurance undertakings are subject to a special prudential regime which adopts an adjusted approach to their regulation, corporate solvency and internal control.

The Insurance Code stipulates that insurance undertakings can simultaneously carry out life insurance activities and non-life accident and sickness insurance, as long as these activities are managed separately.⁴

Insurance undertakings directly regulated by this Code can be established in the legal form of:⁵

- a joint-stock company (*société anonyme*)
- a mutual insurance company (*société d'assurance mutuelle*)
- a European Company (*société européenne*)

Mutual insurance companies, as defined in the Insurance Code are not for profit organisations. They are established to insure the risks of their members, against payment of a fixed or variable fee. However, mutual insurance companies engaged in the operations of life insurance or capitalisation cannot receive variable contributions. These companies function without shareholder capital, with fixed premiums.⁶ Mutual insurance companies can be active in both life and non-life classes.

A Mutual Insurance Group Company – SGAM (*Société de Groupe d'Assurance Mutuelle*), a UMG (*Union Mutualiste de Groupe*) and a SGAPS (*Sociétés de groupe assurantiel de protection sociale*) are legal entities which enable the grouping and cooperation of mutual insurance companies, health mutuals and provident institutions.⁷ The concept was created by the Ordinance of 29 August 2001 in order to provide the option for mutual insurance companies to consolidate without demutualising and to retain their mutualistic principles. The Insurance Code entails provisions in relations to SGAMs in Articles R322-160 to R322-166.

¹ ACPR's [website](#).

² Article L321-1 of the Insurance Code.

³ Article L310-3-1 of the Insurance Code.

⁴ Article 321-1-1 of the Insurance Code.

⁵ Article L322-1 of the Insurance Code.

⁶ Article L322-26-1 of the Insurance Code.

⁷ Article L322-1-3 of the Insurance Code.

Apart from the mutual insurance companies mentioned above, the Insurance Code mentions two other forms of mutual insurance:⁸

- Companies or funds of mutual agricultural insurance and reinsurance (*sociétés ou caisses d'assurances et de réassurances mutuelles agricoles*)⁹
- tontines (*tontines*)¹⁰

Insurers with a cooperative legal form are not foreseen in France and thus there are no cooperative insurance companies. However, there are a number of subsidiaries of cooperative banks or cooperative controlled groups active in the French market which are classified in this report as definition 3 insurers.

The following undertakings do not directly fall within the scope of the Insurance Code¹¹ but they are included in this study, as they are either mutuals by legal status or other institutions qualifying as definition 3 insurers:

- mutuals and unions (*Mutuelles 45*) governed by the Mutuality Code (*Code de la Mutualité*).¹²
- provident institutions and unions governed by the Social Security Code (*institutions de prévoyance régies par le Code de la sécurité sociale*).
- provident institutions and unions governed by the Rural and Sea Fisheries Code (*institutions de prévoyance régies par le Code rural et de la pêche maritime*).

Number of licensed insurance undertakings

There were 826 authorised insurance companies¹³ supervised by the ACPR in 2015.¹⁴ This represented a decline of almost 700 (equivalent to 46%) from the number of insurers in 2007 (1,522).¹⁵

A total of 301 (36%) French insurance companies were subject to the Insurance Code in 2015. This comprised 90 mixed life insurers,¹⁶ 191 non-life insurers, 16 reinsurance companies and four third country branches. They were 37 provident institutions (4%) that were subject to the Social Security Code and 488 (59%) insurers that were subject to *Livre II* of the Mutuality Code including 149 substituted mutual insurers (*mutuelles substituées*)¹⁷ and 339 non-substituted mutual insurers.

Number of mutual/cooperative insurers

Mutual insurance companies have a significant presence in the French market. There were a total of 741 mutual/cooperative insurance companies active in 2015, representing almost 90% of all total insurance undertakings in the market.

The majority (66%) of these were *Mutuelles 45* companies.¹⁸ A total of 201 mutual/cooperative insurance companies were subject to the Insurance Code, which included mutual insurance companies (SAM), mutual insurance societies (SMA) and stock companies (S.A.) that were subsidiaries of mutual insurance companies/societies and cooperative banks or organisations.

⁸ Article L322-26-4 of the Insurance Code.

⁹ According to Article L322-27 of the Insurance Code, their establishment is governed by Article L771-1 of the Rural and Sea Fisheries Code. Special provisions on the governance of these companies or funds can be found in Articles R322-118 to R322-138 of the Insurance Code.

¹⁰ According to Article R322-139 of the Insurance Code, companies in this form assemble their members in distinct groups called associations and, upon the expiry of each of these associations, distribute the funds from the common capitalisation of their contributions between the survivors of the associations in the event of life, or between the beneficiaries of the deceased persons of the associations in case of death, taking into account the age of the members and their payments. Special provisions on the governance of tontines can be found in Articles R322-139 to R322-159 of the Insurance Code.

¹¹ Subject to the provisions of the Insurance Code which treat these undertakings as insurance undertakings within the meaning of the Insurance Code.

¹² According to article L111-1 of the Mutuality Code, mutuals are not-for-profit legal entities under private law. They carry out provident, solidarity and mutual aid-based work by means of including contributions paid by their members, and in the interests of these latter and their beneficiaries, in order to contribute to the cultural, moral, intellectual and physical development of their members and to improving their living conditions. They are active predominantly in the field of complementary health insurance.

¹³ Including reinsurance companies and local branches.

¹⁴ ACPR (2015) *The French banking and insurance market in figures in 2015*.

¹⁵ Autorité de Contrôle des Assurances et des Mutuelles – ACAM (2007) *Rapport 2007 – Les chiffres du marché français de de l'assurance*.

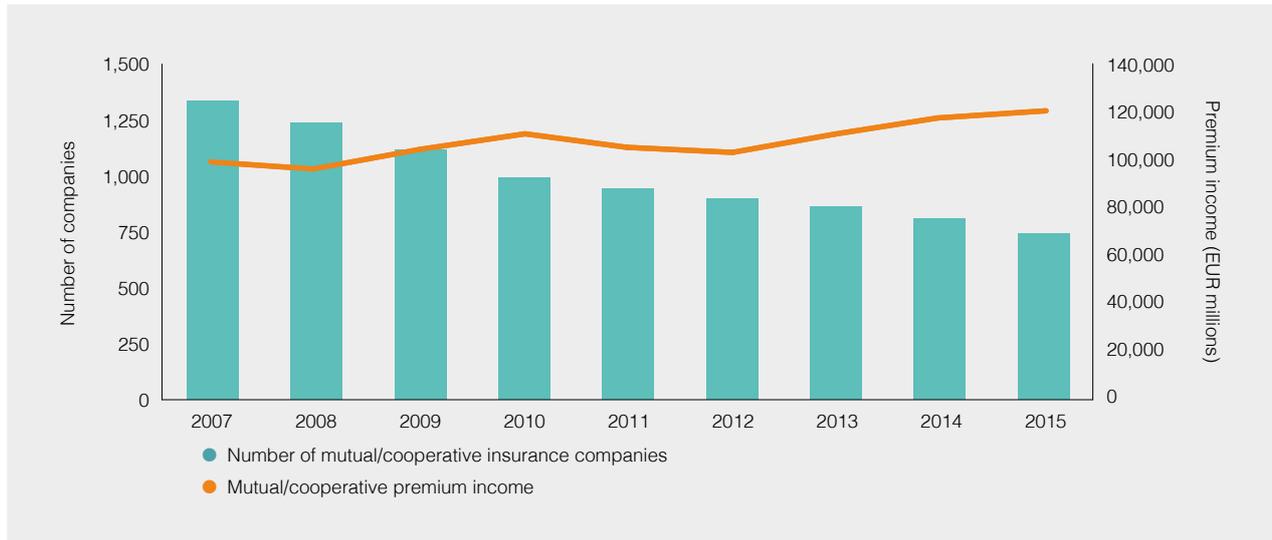
¹⁶ Mixed life insurers (*Sociétés d'assurance vie et mixte*) are life companies which can also underwrite bodily injury risks (*dommages corporels*).

¹⁷ An agreement on substitution allows a mutual entity to transfer all or part of its insurance risk to another mutual entity known as the "substituent", while keeping its legal autonomy and relationship with its members.

¹⁸ *Mutuelles 45* are mainly complimentary health mutual subject to the Mutuality Code.

There has been a considerable amount of consolidation in the French mutual/cooperative market over the previous eight years, notably among the *Mutuelles 45* companies. In 2015, there were 582 fewer *Mutuelles 45* insurers than in 2007 (1,070), representing a decline of 54%. In total, the number of mutual/cooperative insurance companies had fallen by 44% from 2007 (1,334). Despite this high level of consolidation among mostly smaller mutual insurance companies, the aggregate level of premium income written by the mutual/cooperative sector has increased by more than 20% over the eight-year period (see Figure 1).

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

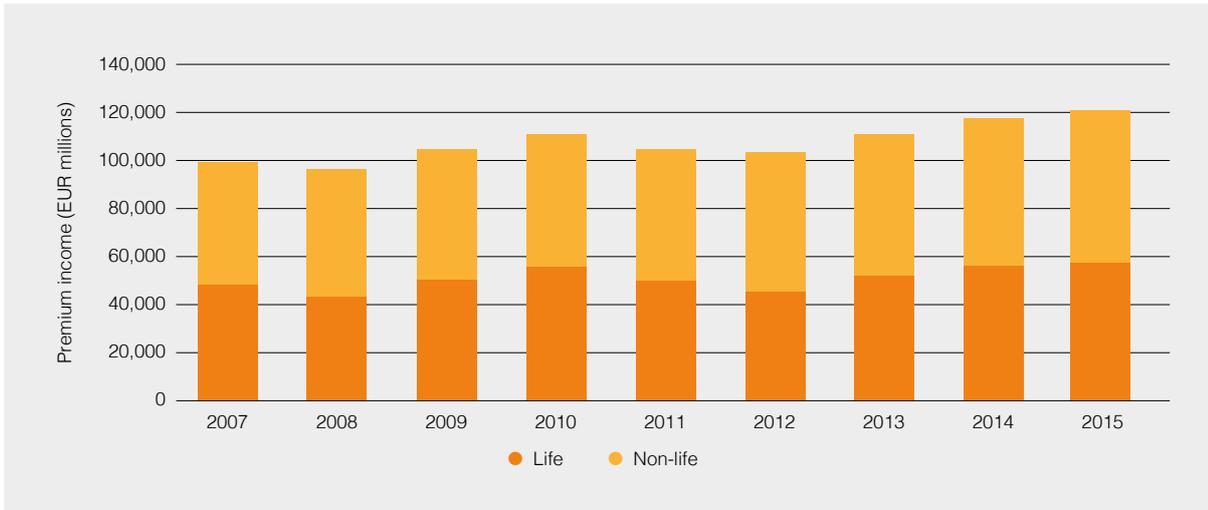
The French insurance market is the fifth largest in the world. In 2015, it was the second largest market in Europe, ranking second in the life sector and was the largest non-life market in the region.¹⁹

The total French insurance market wrote EUR 242.2 billion in premium income in 2015, of which EUR 135.3 billion was written in life insurance (representing 56% of the total) and EUR 106.9 billion in non-life insurance (44%). Total premiums had grown by 7.4% since 2007 (EUR 225.4 billion), equivalent to a modest CAGR of 0.9% over the eight-year period.

The mutual/cooperative sector wrote record premium levels of EUR 120.4 billion in 2015 (see Figure 2). Growth since 2007 had been much stronger in the mutual/cooperative sector compared to the total market as total premiums were 21.6% greater in 2015 than pre-crisis volumes. The CAGR of the mutual/cooperative sector in this period was 2.5%, more than double the total market average. Just over 47% of mutual/cooperative premium income in 2015 was derived from the life sector, although the majority of premiums were from the non-life sector (53%).

¹⁹ Swiss Re does not include premiums from complimentary health mutuals (known as *Mutuelles 45*) and non-profit provident institutions in their figures on the total French market. Therefore, Swiss Re's total market data has been adjusted to include all complimentary health insurance written in the French market.

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



Life

The French life insurance market in 2015 had contracted by 1.6% from 2007 premium levels (EUR 137.5 billion). In contrast, the mutual/cooperative life sector grew by 19.5% in the same period to EUR 57.0 billion in 2015 (from EUR 47.8 billion in 2007). This represented a positive CAGR of 2.2%, significantly greater than the total market average (-0.2%).

Non-life

French non-life insurers' performance has been far stronger than that of the life sector in the period commencing 2007. Total non-life premiums in 2015 had grown by 21.6% from 2007 levels (EUR 87.9 billion), resulting in a CAGR of 2.5%. Aggregate growth of the mutual/cooperative non-life market since 2007 was four percentage points ahead of the total industry (+23.7%), as premium income rose to EUR 63.3 billion in 2015 (2007: EUR 51.2 billion).

French mutual/cooperative non-life premiums in 2015 included EUR 34.4 billion in complimentary health insurance written by the *Mutuelles 45* and non-profit provident institutions.²⁰ This represented a market share of just under three-quarters of all complimentary health business written in the French market in 2015.

²⁰ *Mutuelles 45* wrote EUR 18.2 billion and provident institutions wrote EUR 6.2 billion in complimentary health insurance in 2015. *Mutuelles 45* were also active in life insurance amounting to EUR 2.4 billion in premiums in 2015 and provident insurance (non-life) amounting to EUR 1.1 billion.

Market share of mutual/cooperative insurance sector

Mutual/cooperative insurers accounted for almost half (49.7%) of the total French insurance market by premiums in 2015 (see Figure 3).

The total market share of mutual insurers in the legal form was 16.6%, but was considerably higher in the non-life (31.3%) sector compared to the life (5.0%) sector. However, there was a higher proportion of premiums written by mutual/cooperative-type insurers in the life market than the non-life market, mostly by subsidiaries of cooperative banks.²¹

The overall market share of the mutual/cooperative insurance sector in 2015 has grown from 43.9% in 2007 (see Figure 4), a proportional growth of 13% (or 5.8 percentage points). Premium growth of the mutual/cooperative sector outperformed the market average growth in seven of the previous eight years, resulting in seven years of positive market share growth since 2007. 2009 was the only year of negative growth as market share dropped by 0.1%.

In the life insurance market, the mutual/cooperative sector experienced a sizeable gain in market share, up to 42.2% in 2015 from 34.7% in 2007 (proportional growth of 22%). Mutual/cooperative insurers held more than half the total non-life market at 59.3% in 2015, although this was a relatively moderate rise from 2007 share (58.3%).

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

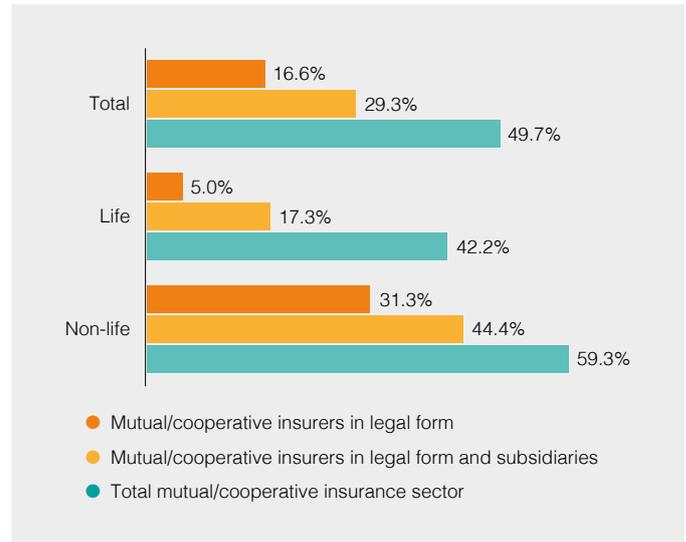
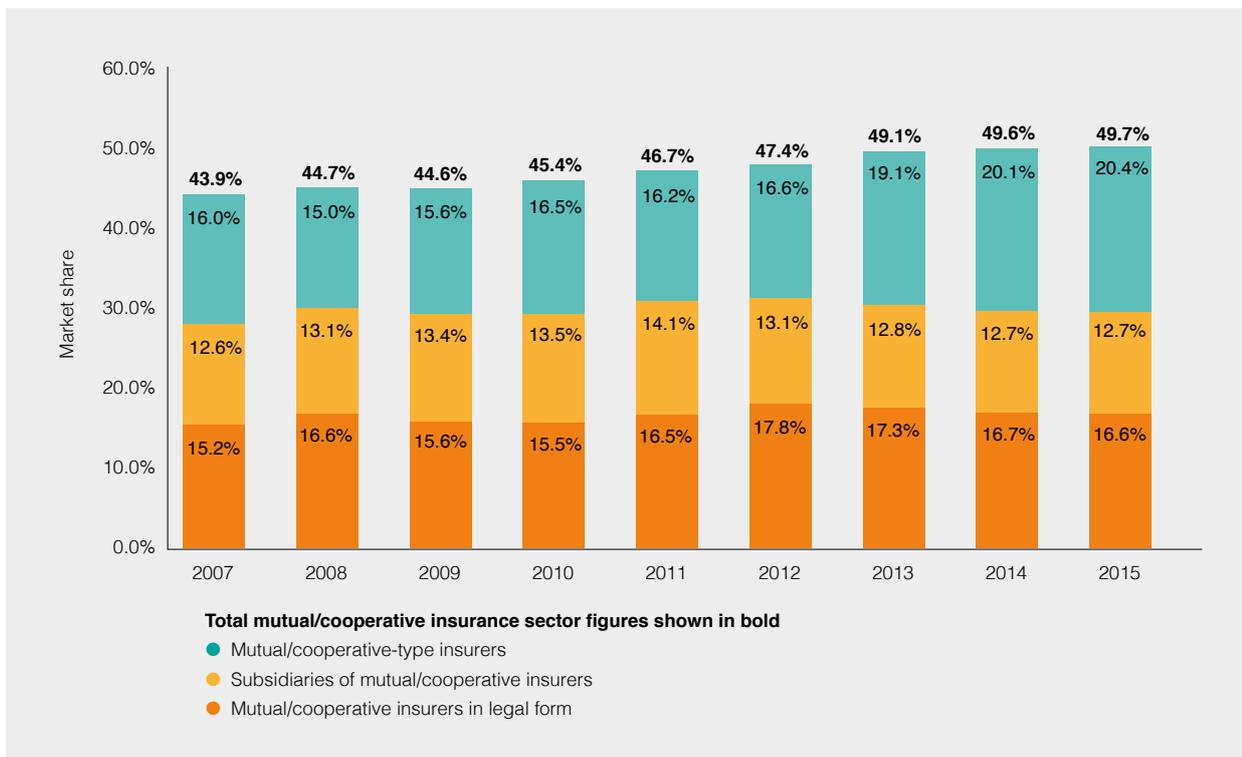


Figure 4
Market share of the mutual/cooperative insurance sector, by definition of insurer (2007-2015)

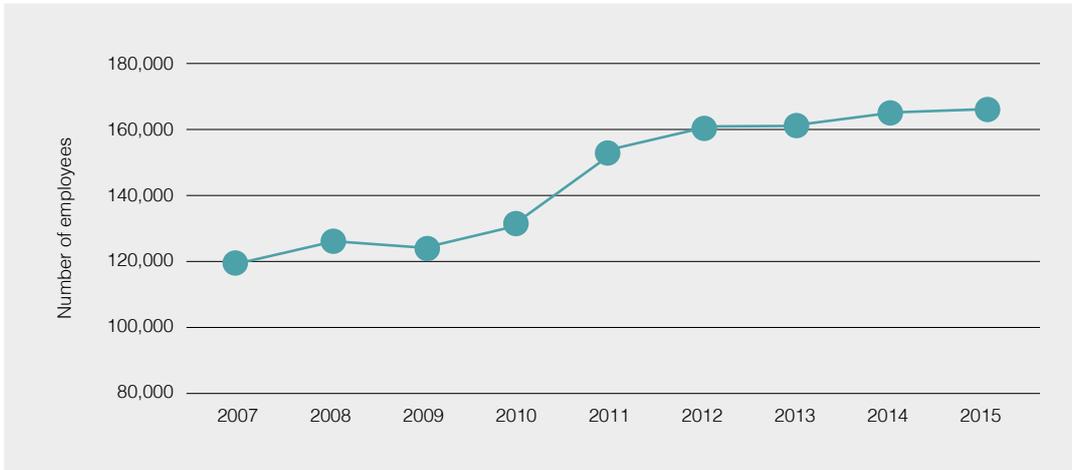


²¹ Subsidiaries of cooperative banks wrote approximately EUR 32 billion in insurance premiums in 2015 (mostly through bancassurance channels), of which EUR 28 billion was in the life sector.

Number of employees

In 2015, more than 166,000 people were employed by mutual/cooperative insurance sector. Since 2007, employment levels of the French mutual/cooperative sector have increased by a total of 47,000 people, equivalent to a 40% growth (see Figure 5).

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

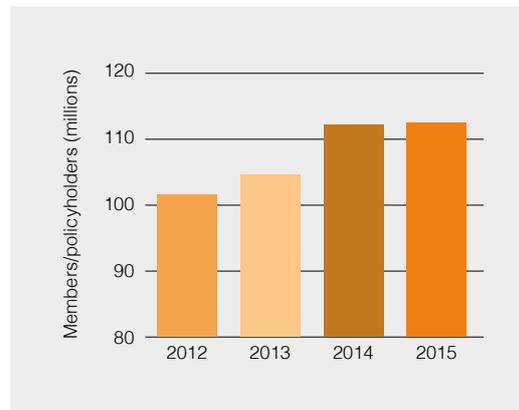


Number of members/policyholders

More than 112 million people were members or policyholders of French mutual/cooperative insurers in 2015 (see Figure 6). This represented a total growth of 10.6% from 2012 (101.6 million), and a CAGR of 2.6% over the three years.

Approximately 97 million members/policyholders were served by legal form mutuals and subsidiaries²² in 2015, including 38 million people who were members of *Mutuelles 45* companies.

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



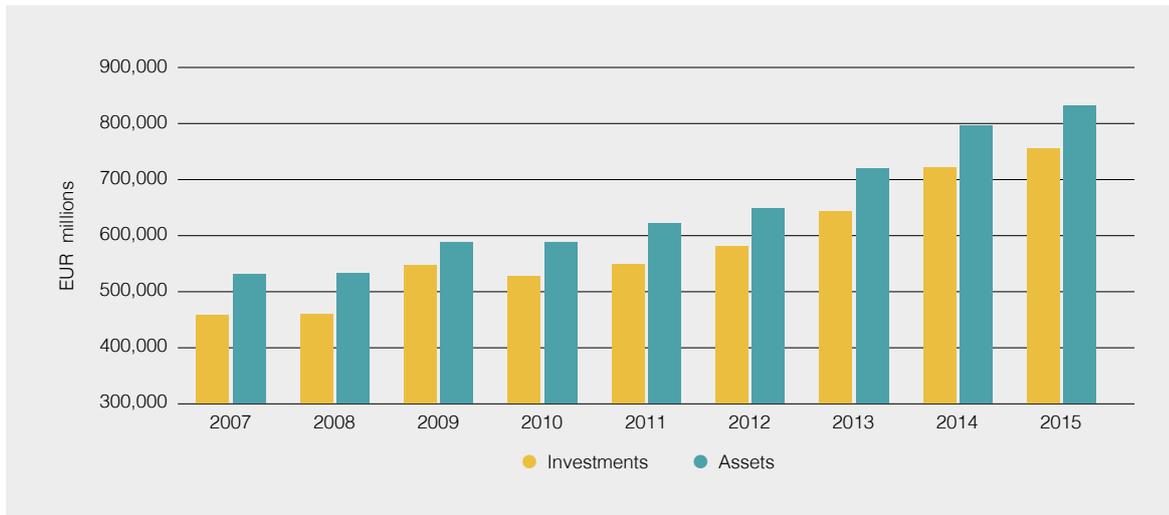
²² Due to the consolidating reporting of many French mutual groups, figures on number of members (*sociétaires*) cannot be split between mutual insurers in the legal form and subsidiaries of mutual insurers

Assets and investments

French mutual/cooperative insurers held record total assets of more than EUR 800 billion in 2015, valued at EUR 830 billion (see Figure 7). Assets values increased by 56% between 2007 (EUR 531 billion) and 2015, equivalent to a CAGR of 5.7% during this period. Invested assets represented more than 90% of French mutual/cooperative insurers' aggregate balance sheet in 2015. Investments grew by a total of 65% in the period since 2007 (CAGR of 6.4%), from just under EUR 460 billion to EUR 754 billion in 2015.

Figure 7

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



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The International Cooperative and Mutual Insurance Federation (ICMIF) is a best practice organisation committed to giving its members from around the world a competitive advantage. ICMIF helps to grow its mutual and cooperative insurance member organisations by sharing strategies and the latest market intelligence.

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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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