



Global Mutual Market Share 10

THE GLOBAL INSURANCE MARKET SHARE
HELD BY MUTUAL AND COOPERATIVE INSURERS

Including

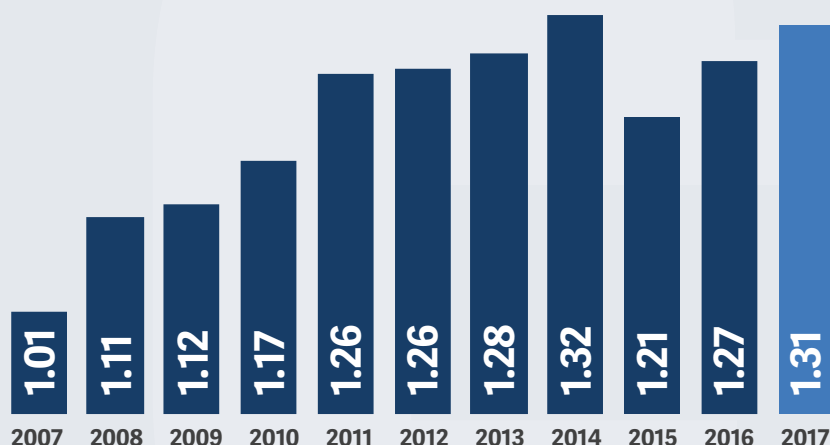
10-year premium growth | Mutual market share by region/country

Mutual market by line of business | Assets, investments, employees and members/policyholders

Global Mutual Market Share **10**

THE GLOBAL MUTUAL AND COOPERATIVE INSURANCE SECTOR IN 2017

Mutual and cooperative premium income (USD trillions)

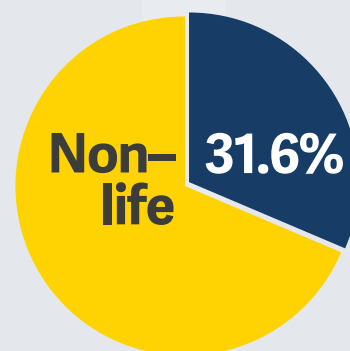
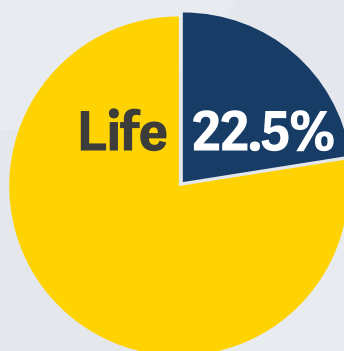
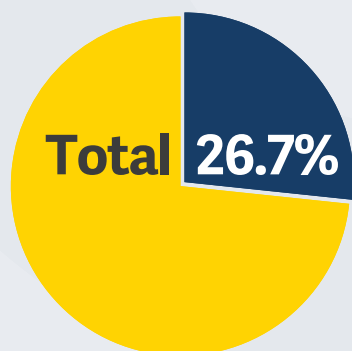


Premium growth (2007–2017)

Total market
+16.9%

Mutual/
cooperative market
+29.8%

Global mutual/cooperative market share



Mutual and cooperative insurers in 2017 collectively represented:

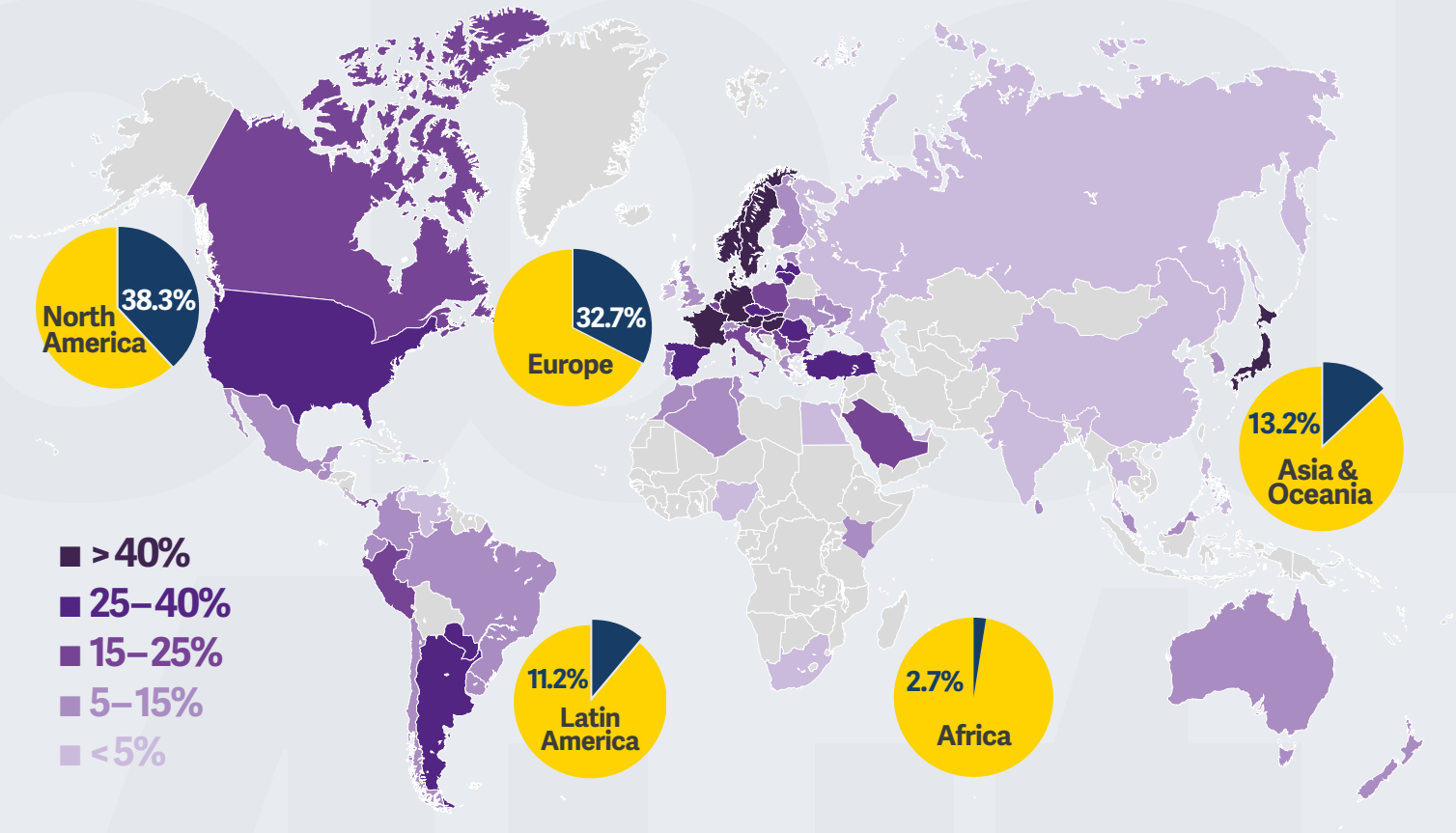
USD
8.9
trillion
in total assets

1.16
million
employees

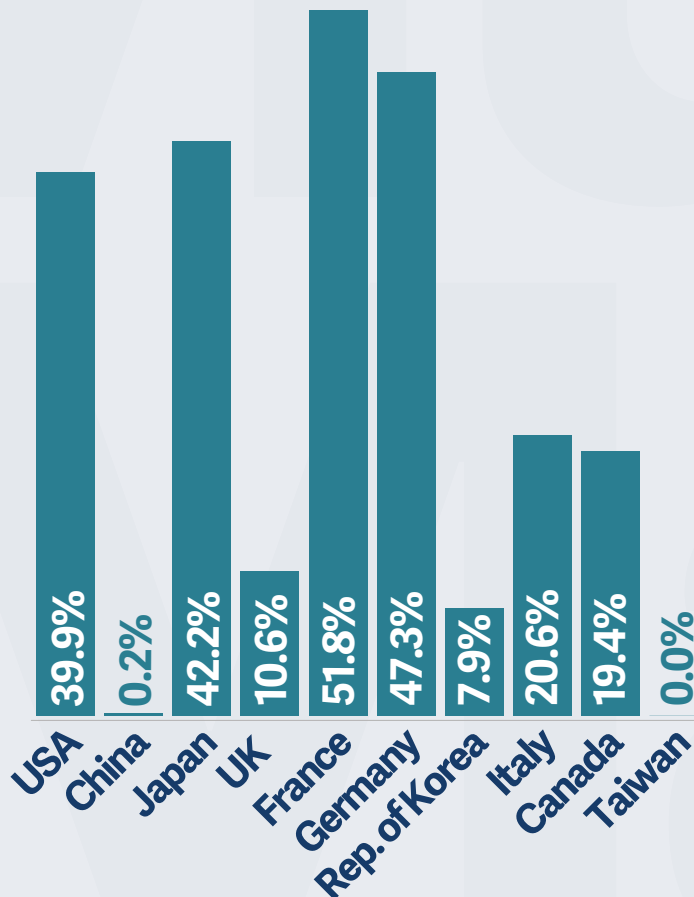
922
million
members/
policyholders



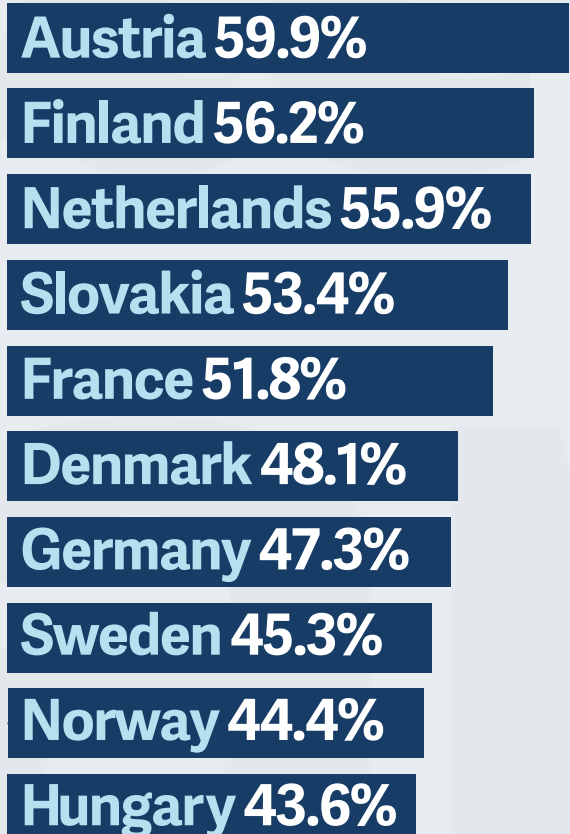
Mutual/cooperative market share by country/region



Mutual/cooperative market share in the 10 largest global insurance markets



The largest insurance markets in terms of mutual/cooperative market share



Foreword



Hilde Vernailen

Chair, International Cooperative and Mutual Insurance Federation (ICMIF)

ICMIF is delighted to share its latest analysis of the cooperative/mutual insurance sector, based on a full decade's worth of data. This edition of the *Global Mutual Market Share* report draws on extensive research data that is available only at ICMIF; it provides a robust analysis of the market position and performance of the cooperative/mutual insurance sector, at a global and regional level, from 2007 to 2017.

ICMIF began collating the *Global Mutual Market Share* data in 2007, the year that marked the start of the last global financial crisis. At this financially volatile time, as consumer trust, consumer spending and interest rates plummeted, the cooperative/mutual insurance sector began to emerge, even flourish, outperforming the insurance industry average and capturing more market share. During the following 10-year period, the global market share of the sector has grown from 24% to just under 27%.

Additional qualitative research carried out by ICMIF during this period suggests that this positive performance is linked to consumers' preference for providers that can demonstrate characteristics most commonly associated with cooperatives and mutuals: trustworthiness, security and service excellence.

Cooperative and mutual insurers are among the world's oldest insurance companies and this longevity has helped to build their reputations as sustainable and reliable. The cooperative/mutual model is nonetheless highly relevant to the socio-economic needs of new and emerging insurance markets: notably, a new mutual insurance law was passed in China, enabling the country's very first mutual to commence operations in February 2017. In 2018, mutual insurance laws were also passed in Estonia and Romania. We will follow the evolution of these brand new mutual markets with interest.

Meanwhile, this *Global Mutual Market Share* report is an important tool for ICMIF to hold evidence-based discussions about the socio-economic importance of cooperative/mutual insurers with legislators, regulators and policymakers. In emerging markets, where the lack of inclusive insurance impedes economic development, poverty reduction and disaster recovery, ICMIF continues its efforts to extend access to cooperative/mutual insurance. In developed markets, ICMIF and its members can make use of this report to make the case for due consideration and equitable treatment of the sector.

The *Global Mutual Market Share* report helps ICMIF members send a clear, positive and engaging message to a wide range of other external stakeholders: business partners, suppliers, academia, the financial press and other media sources. And finally, it also gives ICMIF members' employees, management teams and board members good reason to feel proud to be part of the fastest-growing part of the insurance industry. We look forward to continuing our work, monitoring and analysing the cooperative/mutual insurance sector's performance, and supporting it in its next phase of development.

Introduction

The 10th edition of the annual *Global Mutual Market Share* report presents the full findings from the latest research conducted by the International Cooperative and Mutual Insurance Federation (ICMIF) on the size and financial performance of the global mutual and cooperative insurance sector. This edition of the report contains statistics for the 10-year period between financial years 2007 and 2017 (inclusive). The report includes a detailed analysis of the premium income, assets, investments, number of employees and number of members/policyholders of over 5,000 mutual and cooperative¹ (hereafter referred to as “mutual”) insurance companies in 77 countries.

The highlights of the findings are:

Premium growth and market share

- ▶ In the 10-year period following the onset of the global financial crisis (2007 to 2017), premiums of the global mutual insurance sector grew by a total of 30% compared to 17% growth of the total global insurance industry.
- ▶ As a result, the global market share of mutual insurers rose from 24.0% in 2007 to 26.7% in 2017.
- ▶ In developed insurance markets, the mutual sector held an aggregate 32.8% market share in 2017. The mutual sector in these markets had outperformed the total market in nine of the previous 10 years, resulting in overall growth in market share since 2007 (25.9%). In contrast, mutual market share in emerging markets was just 3.1% in 2017, and had declined from 4.2% in 2007.
- ▶ Globally, over 5,100 mutual insurers collectively wrote USD 1.3 trillion in insurance premiums in 2017, the second highest level of premium volumes ever recorded by the mutual sector. The mutual sector registered positive annual growth in nine of the previous 10 years since 2007.
- ▶ At a country level, mutual insurance had a significant presence (market share of 40% or more) in some of the world's largest insurance markets, including the USA, Japan, France and Germany. Mutual insurance accounted for more than 25% of the national market in 20 countries.
- ▶ Mutual insurers in 80% of the countries included in this report experienced a growth in their national market share between 2007 and 2017.

Mutual life and non-life insurance

- ▶ Global mutual life business grew by a total of 23% during the period 2007 to 2017, compared to a 7% growth in the total life insurance industry. This led to an impressive increase in global mutual life market share, rising from 19.5% in 2007 to 22.5% in 2017.
- ▶ In non-life business, global mutual premiums increased by 36% between 2007 and 2017, compared to a total market growth for the entire industry of 32%. As a result, mutual non-life market share grew from 30.8% to 31.6%.

Regional analysis

- ▶ The mutual sector grew at a faster rate than the rest of the market in four of the five global regions between 2007 and 2017, resulting in growth in mutual market share in Europe, North America, Latin America and Africa.
- ▶ North America and Europe were the largest mutual regions in terms of premium income and strongest performing in terms of mutual market share growth since 2007, achieving record levels in 2017 of 38.3% and 32.7% respectively.

Assets and investments

- ▶ The total assets held by the mutual insurance sector were valued at just under USD 9 trillion in 2017, representing a 46% aggregate growth from 2007.

Social impact

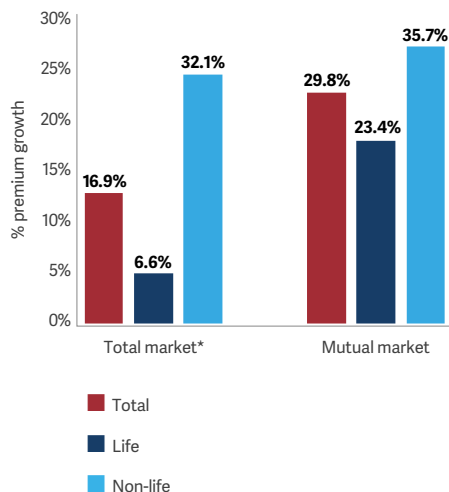
- ▶ Globally, 922 million members/policyholders were served by mutual insurance companies in 2017. The number of members/policyholders of mutual insurers increased by a total of 13% over the previous five years (from 813 million in 2012).
- ▶ A total of 1.16 million people were employed by mutual insurers worldwide in 2017. Since 2007, the number of employees of mutual insurers increased by 24%.

¹ See Methodology and Data (page 19) for ICMIF's definition of 'mutual' and 'cooperative' insurers.

Global mutual market

Global mutual insurance market

Figure 1
10-year global premium growth (2007-2017)



* Total market as per Swiss Re

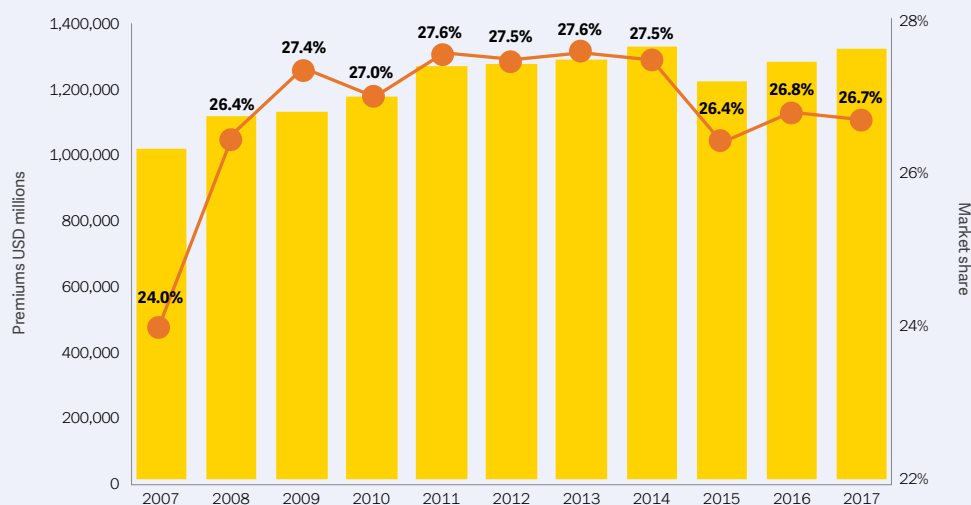
Globally, insurance markets in general made a modest recovery in the 10-year period following the onset of the global financial crisis in 2007/2008, although 10-year growth figures for many markets, especially advanced markets, remained hampered by the weak premium development experienced during the early years of the crisis. At a global level, aggregate premium volumes totalled USD 4,908 billion² in 2017 and were 16.9% greater than pre-crisis premium levels (2007: USD 4,200 billion). In comparison, the global mutual insurance sector reported a 29.8% total increase in premium income during the same 10-year period (see Figure 1), making it the fastest-growing part of the global insurance industry since the financial crisis.

The global mutual insurance sector wrote USD 1,310 billion in insurance premiums in 2017, compared to pre-crisis (2007) levels of USD 1,010 billion. 2017 was the second-highest level of premium volumes ever written by the mutual sector and was only just behind the USD 1,320 billion of premiums recorded in 2014.

In terms of annual premium growth, the global mutual market increased by 3.0% in 2017 from the previous year (2016: USD 1,272 billion), which represented the ninth year of positive premium growth since 2007; 2015 was the only year of premium contraction. Annual growth of the mutual sector exceeded the global market's average growth in five of the previous 10 years, most notably in the earliest two years of the financial crisis: in 2008, the mutual sector grew by an impressive 9.8% compared to premium stagnation in the total market (0.0%); and in 2009, the mutual sector grew by 1.2% while the global market contracted (-2.4%).

Between 2007 and 2017, the mutual sector reported a compound annual growth rate (CAGR) of 2.6%, outperforming the total market by one percentage point (CAGR +1.6%). As a result of this better-than-market growth, mutual insurers' collective share of the global market grew from 24.0% in 2007 to 26.7% in 2017 (see Figure 2).

Figure 2
Global mutual premiums and market share



² Global insurance market premium figures extracted from Swiss Re's *sigma* report have been adjusted to include insurance business (and markets) not included in Swiss Re's figures to ensure reporting consistency.

Despite the sizeable growth in mutual market share between 2007 and 2017, it has declined from peak levels between 2011 and 2014. Since 2015, the depreciation of the euro and the Japanese yen (among other major currencies) against the US dollar has had a pronounced impact on the mutual insurance sector due to the higher proportion of mutual business written in markets which use either of these two currencies³.

Strong growth in emerging markets⁴, especially since 2015, has also impacted global mutual market share figures due to the relatively low penetration of mutual business in these markets compared to developed markets (see Figure 3). Since 2007, mutual market share in developed markets rose from 25.9% to a record high 32.8% in 2017, growing its market share annually in nine of the previous 10 years. However, in emerging markets, mutual share fell from 4.2% in 2007 to 3.1% in 2017, with a sharp drop since 2014.

The growing disparity of mutual insurance in developed and emerging markets has had a significant effect due to the growing influence of emerging markets on global premium volumes. In 2007, emerging markets accounted for just 8.7% of total global insurance premiums; however, in 2017, their contribution had risen to 20.7%.

Mutual market share by country

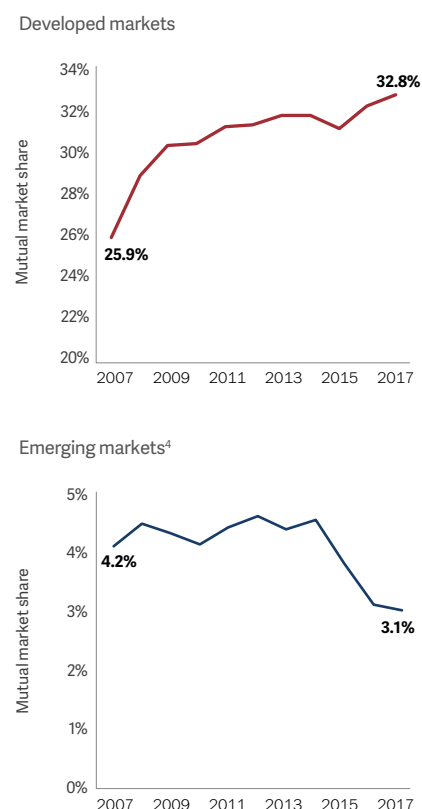
At a country level, mutual insurance had a presence in 73 of the 77 countries included in this report⁵. The highest proportion of mutual business was seen in the more mature insurance markets of mainland Europe and the Nordic countries, Japan and the USA. Insurance penetration was lower in emerging countries in Latin America and Africa, although some of the fastest-growing mutual markets (in premium terms) were located in these regions.

In 2017, mutual insurers held more than a quarter of their respective national insurance markets in 20 countries (see pages 9-10). In 16 of these countries, mutuals held a market share of more than one third, including four of the 10 largest total insurance markets in the world, and accounted for more 40% of the national market in 11 countries. The 10 largest mutual insurance markets by market share were all from Europe (see inside cover), including France⁶ (51.8%) and Germany (47.3%), which were the world's fifth and sixth largest insurance markets respectively. Austria (59.9%) was ranked as the market with the highest mutual market share in 2017, followed by Finland⁷ (56.2%) and the Netherlands (55.9%). Mutual business also had a significant presence in the world's two largest insurance markets: USA (39.9%) and Japan (42.2%).

Mutual insurers in 58 (or 80% of) countries experienced a growth in their collective share of the local market between 2007 and 2017. The mutual sector in 11 countries gained a further 10 percentage points of their national market, which included a mix of developed and emerging markets (see pages 9-10). The majority (seven) of these 11 markets were located in Europe (including the large mutual markets in Finland, Netherlands and Sweden), two in Latin America and one in Africa. The USA – the largest mutual market in the world in terms of total premiums, assets and number of companies – also impressively experienced a double-digit (10.1 percentage point) gain in mutual market share between 2007 and 2017.

Figure 3

Mutual market share in developed and emerging markets



³ In 2017, 45% of the mutual sector's total business was generated in Eurozone countries and Japan, compared to 30% of total global insurance business.

⁴ As per ICMIF definition agreed by the ICMIF Development Committee (November 2015): "Emerging markets could include those countries in low-middle income categories, as identified by the World Bank on the list of countries and lending groups (2013), and those in the high-income categories who have been identified as target countries for development activities".

⁵ No mutual business was recorded in Taiwan, Indonesia, Israel and Cyprus, although total market data for these markets are included. Note that insurers cannot take the legal form of a mutual (or cooperative) insurance organisation in many markets around the world, and figures for the mutual market share in these countries show the market share of joint-stock companies owned by mutuals, cooperatives, non-profit organisations or subsidiaries of foreign mutual insurance groups. See Methodology and Data (page 19).

⁶ French mutual market figures include premiums for complementary health insurance. See Methodology and Data.

⁷ Statutory pension business is not included in the mutual market share figures for Finland.

Life and non-life insurance markets

Since 2007, growth of the global life insurance market has been volatile and resulted in aggregated premium levels in 2017 (USD 2,669 billion) which were only 6.6% greater than pre-crisis levels (2007: USD 2,505 billion), equating to a CAGR of just 0.6% over the 10-year period.

The mutual life insurance sector wrote USD 602 billion in premium income in 2017, compared to USD 488 billion in 2007. In contrast to the total market, robust annual growth in mutual life business between 2007 and 2011, and then again in 2016, accumulated to an overall premium increase of 23.4% since 2007, exceeding the total market growth by nearly 17 percentage points. Mutual life premiums had increased by a CAGR of 2.1% over this period, although with a contrast in performance in the four-year period between 2007 and 2011 (CAGR of 6.9%) and the six-year period from 2011 to 2017 (CAGR of -1.0%).

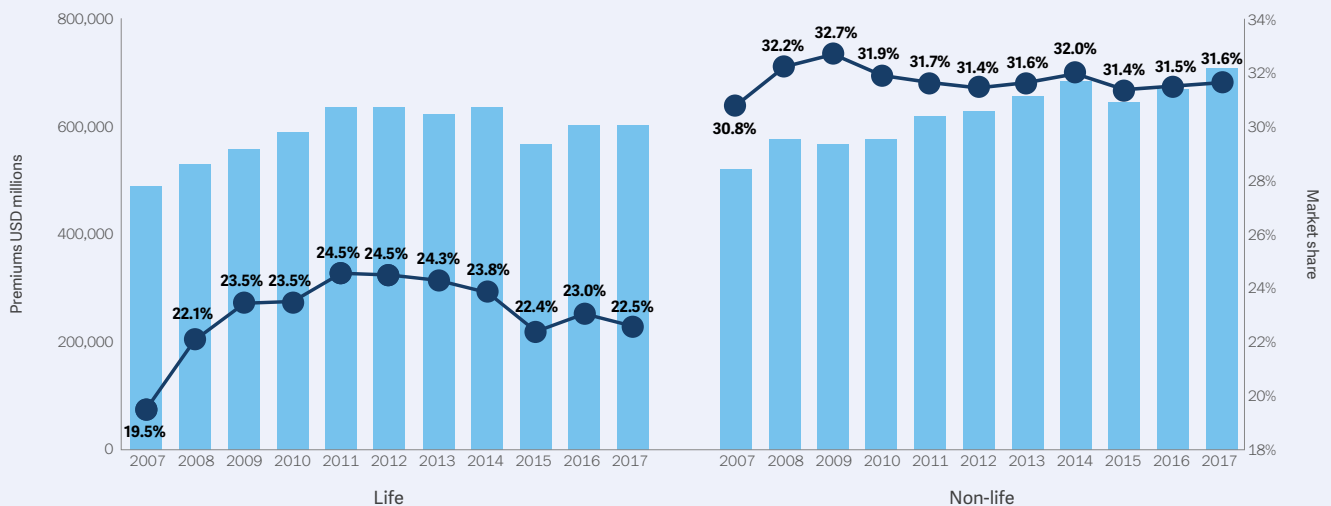
As a result, the mutual sector gained a further three percentage points of the global market since 2007, and its market share rose from 19.5% to 22.5% (see Figure 4). However, mutual share had fallen from a peak of 24.5% in 2011 and 2012.

The global non-life industry has been more resilient and stable than the life sector since the onset of the financial crisis, with premium levels increasing by a total of 32.1% during the period between 2007 (USD 1,695 billion) and 2017 (USD 2,239 billion).

Mutual non-life premiums levels surpassed the USD 700 billion mark for the first time in 2017 (USD 708 billion), representing an overall growth of 35.7% from 2007 volumes (USD 522 billion). The mutual sector recorded seven positive years of premium development since 2007, and outperformed the total market average in six of the previous 10 years. This resulted in a mutual sector CAGR of 3.1%, just ahead of the total market CAGR of 2.8%.

In 2017, the global mutual non-life sector's market share was 31.6%, compared to 30.8% in 2007. Mutual insurers' share of the global non-life market has remained relatively consistent in recent years, following strong gains in 2008 and 2009, when it reached a market share high of 32.7%.

Figure 4
Mutual life and non-life premiums and market share



Mutual market by region

Regional split of mutual premiums

The majority (82%) of total global mutual premiums were written by mutual insurers in Europe and North America in 2017 (see Figure 5).

The North American mutual sector, which wrote USD 573 billion in premiums in 2017, accounted for 43.8% of the global total, and European mutuals (USD 496 billion) contributed 37.9% of total mutual business. Since the onset of the financial crisis, strong growth in North America combined with the negative currency effects of the euro against the US dollar have resulted in North America overtaking Europe as the largest region in terms of mutual insurance business. In 2007, the contribution to global mutual market share of North America and Europe was 38.2% and 42.8% respectively.

Mutuals in Asia and Oceania (2017: USD 221 billion) generated 16.8% of total global business in 2017, slightly less than in 2007 (18.1%). The recent weakness of the Japanese yen led to a fall in the proportion of global business written in the region, from a high of 24.2% in 2012.

Just under 2% of global mutual premiums in 2017 were written by mutual insurers in Latin America (USD 18 billion) and Africa (USD 1.5 billion).

Regional mutual growth

Since 2007, the 10-year growth of the mutual sector exceeded that of the total insurance industry in four of the five regions (see page 9).

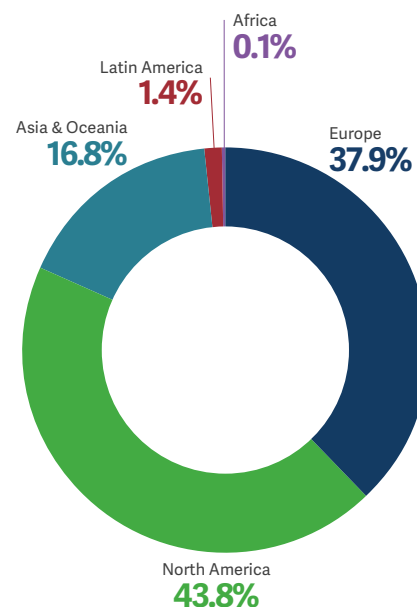
Between 2007 and 2017, Europe was the only region to report negative growth (-14.8%) in premiums for the total insurance industry, while in stark contrast, the mutual insurance sector posted a positive growth of 14.8%. North American mutuals also recorded a stronger growth in premiums (+48.6%), well ahead of the total industry's regional premium growth (+11.7%).

Although Africa was the smallest region in terms of total mutual premiums written in 2017, it recorded the strongest regional growth for mutuals since 2007, with a 170% premium increase, and significantly outperforming the total industry average (+18.8%). The Latin American mutual sector also doubled in size between 2007 and 2017 and reported faster growth (+113%) than the rest of the market (+88%).

Asia and Oceania was the only region where mutual growth since 2007 did not exceed that of the total market. Mutual insurers collectively grew by 21.0% between 2007 and 2017, which was weaker than the total market expansion of 77%.

Figure 5

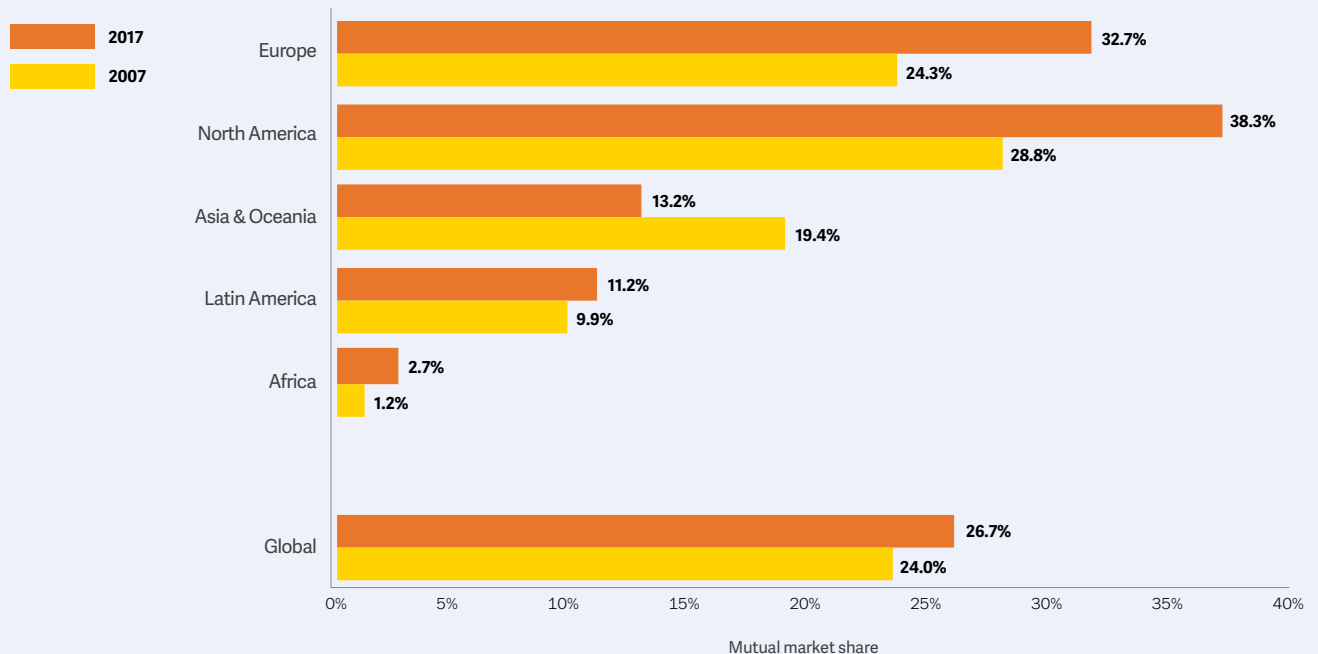
Regional split of global mutual premiums (2017)



Regional mutual market share

In the four regions where the mutual sector's growth has outpaced the industry average since 2007, mutual insurers have experienced an increase in their collective share of the regional market (see Figure 6).

Figure 6
Regional mutual market share



Mutual insurers held a record high market share in Europe and North America in 2017, the two largest regional markets. North America had the highest regional mutual share in 2017 of 38.3% and also saw the largest increase (9.5 percentage points) in mutual market share since 2007 (28.8%). In Europe, the mutual sector accounted for 32.7% of the regional market in 2017, representing a gain of more than eight percentage points over the 10-year period (2007: 24.3%).

Latin American mutuals also recorded a growth in market share between 2007 and 2017, rising from 9.9% to 11.2%. However, their regional market share in 2017 was lower than peak level achieved in 2014 (13.0%). In Africa, mutual penetration was much lower compared to other regions, although a record mutual market share was reached in 2017 (2.7%), which was more than double that at the start of the 10-year period (2007: 1.2%).

In Asia and Oceania, the mutual sector experienced a loss in market share, falling from 19.4% in 2007 (and a peak of 22.6% in 2011) to 13.2% in 2017. The decline in mutual share in the region can be attributed to: the depreciation of the Japanese yen, which adversely impacted the regional mutual figures due to a larger contribution of Japanese mutual business⁸; and the emergence of China as one of the largest insurance markets in the world⁹, where mutual penetration is currently very low¹⁰.

⁸ Japan contributed 84% of the region's mutual premiums in 2017, compared to just 26% in the total market.

⁹ In 2017, China was ranked as the second largest total insurance market. The contribution of China to total insurance premiums in Asia and Oceania in 2017 was 32.4% compared to 9.8% in 2007. For comparison, Japan's contribution fell from 47% in 2007.

¹⁰ Despite a low mutual market share in 2017 of 0.2%, a new mutual insurance law in China has enabled licences for mutual insurers to be issued by the China Banking and Insurance Regulatory Commission (CBIRC). The first mutual insurer began operations in February 2017.

Regional mutual market: life business

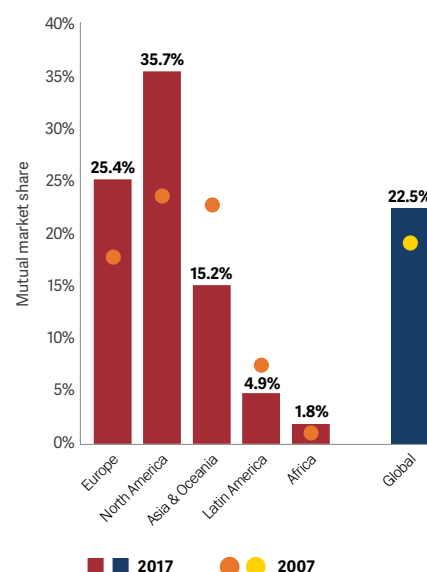
In life insurance business, mutual insurers in North America (35.7%) and Europe (25.4%) held the highest share of their regional market in 2017 and both experienced a sizeable rise in their market share compared to 2007 (see Figure 7).

In terms of life premium growth, mutual insurers in North America recorded a collective growth of 50.4% between 2007 and 2017, whilst European mutuals posted an increase of 14.1%. These growth figures were significantly better than their respective total life industry results, which in both regions suffered a sharp decline in premium volumes over this period (North America -4.2% and Europe -22.8%). As a result, North American mutuals gained a further 13 percentage points of their life market (from 22.7% in 2007 to 35.7% in 2017) to reach a record market share in 2017, and European mutual insurers expanded their share of the market by more than eight percentage points over the 10-year period (from 17.2% in 2007 to 25.4% in 2017).

Asia and Oceania was the only region where mutual market share was greater in the life sector than the non-life sector. Mutual insurers held a 15.2% share of the regional life market in 2017 (compared to 9.5% in non-life business), having decreased from a 21.8% market share in 2007 (and peak share of 26.8% in 2011).

Mutual penetration in life insurance in Latin America (4.9%) and Africa (1.8%) remained lower compared to the other regions.

Figure 7
Mutual life market share



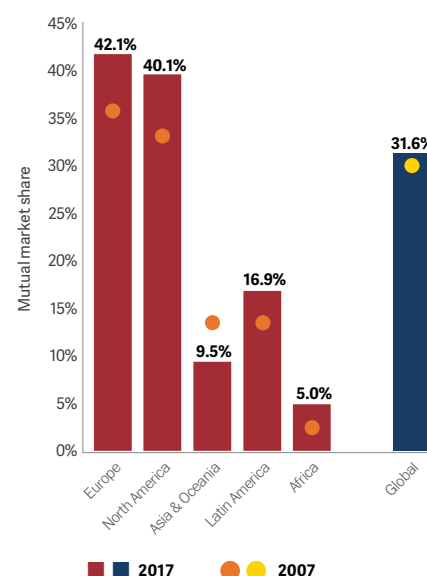
Regional mutual market: non-life business

Europe and North America were by far the largest non-life regional markets for mutuals in 2017. More than 90% of global mutual non-life premiums were written in these two regions, compared to 72% in the life sector. In both regions, mutuals achieved record market share levels in 2017 and recorded consistent market share growth since the crisis. Europe (42.1%) was the leading region in terms of mutual non-life share in 2017 (see Figure 8), rising from 35.9% in 2007, with a significant portion of this coming from mutual health business (see Figure 12, page 12). In 2017, North American mutuals held more than 40% of their regional market for the first time (compared to 34.1% in 2007).

As in life business, mutuals in Asia and Oceania also experienced a decline in their share of the regional non-life market, falling from 12.3% in 2007 to 9.5% in 2017. Despite relatively robust mutual premium expansion over this period (+82%), growth in the total regional market (+137%) was stronger, largely driven by the Chinese non-life market.

Mutual share of the non-life markets in Latin America and Africa was higher in comparison with their respective life markets. In 2017, Latin American non-life market share reached 16.9%, an increase from a 12.4% share in 2007. In Africa, regional share grew to 5.0% in 2017 from 2.6% in 2007.

Figure 8
Mutual non-life market share

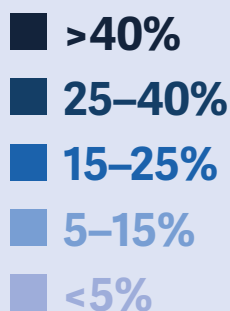
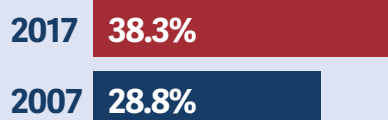


Global Mutual Market Share

Mutual market share by country/region



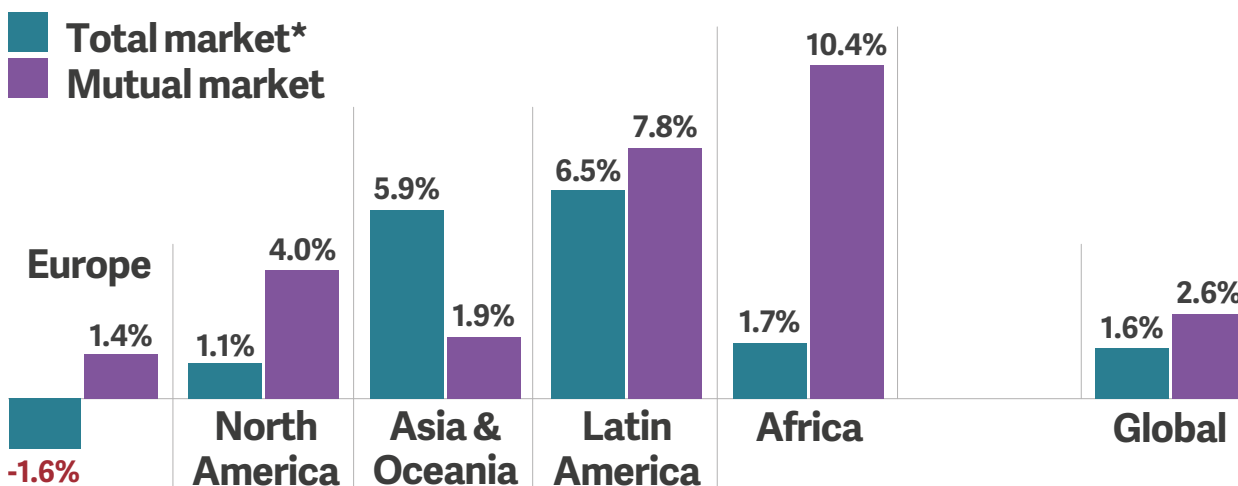
North America



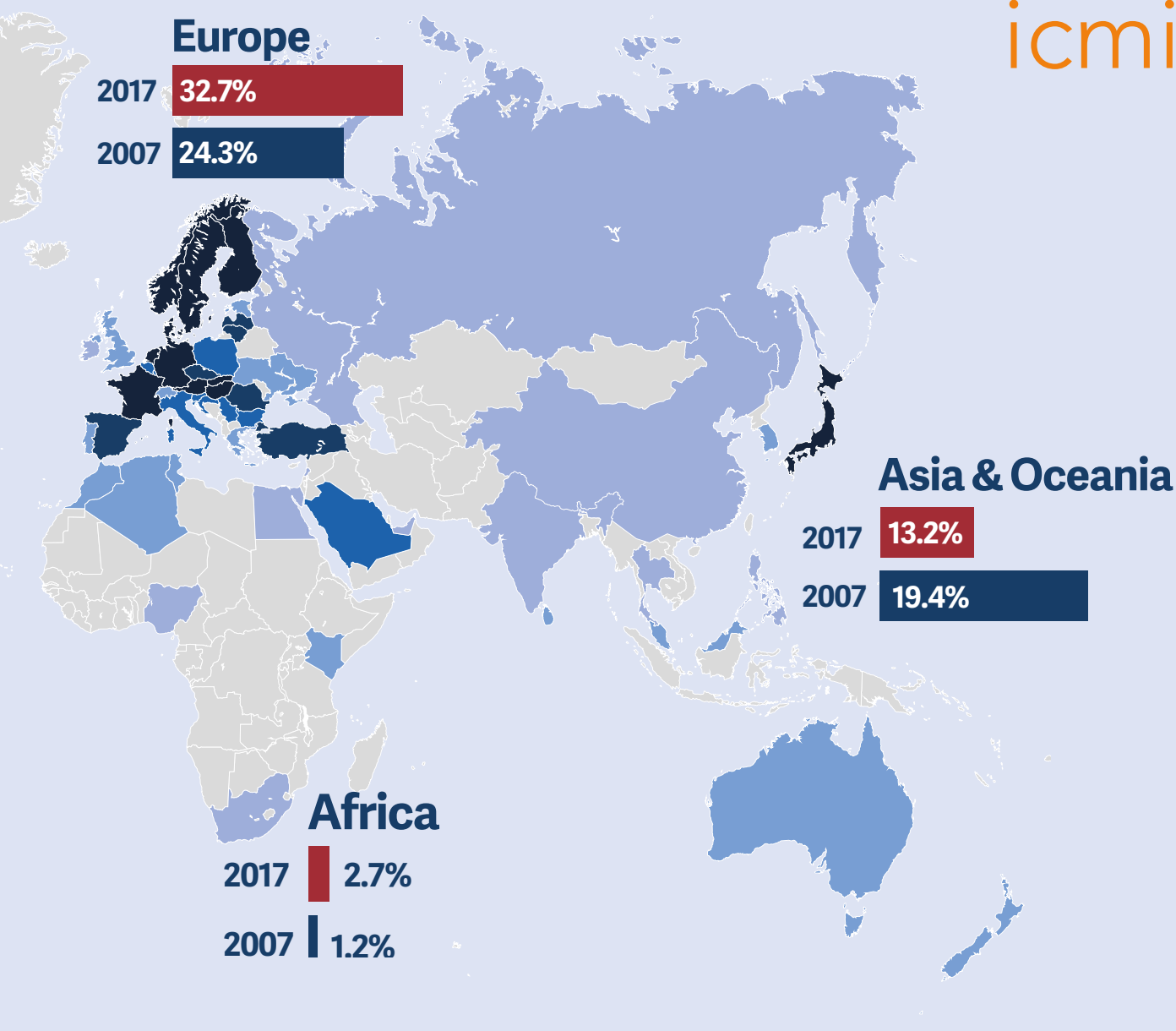
Latin America



10-year compound annual growth rates (CAGR) (2007–2017)

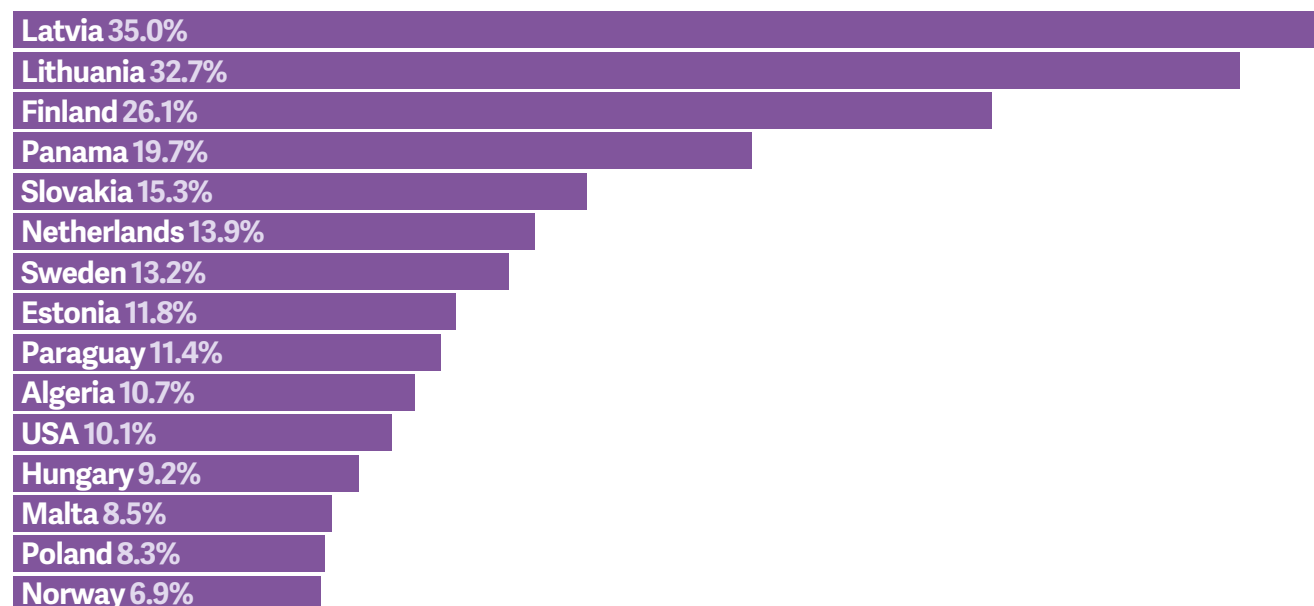


* Total market as per Swiss Re



Fastest-growing mutual markets (2007–2017)

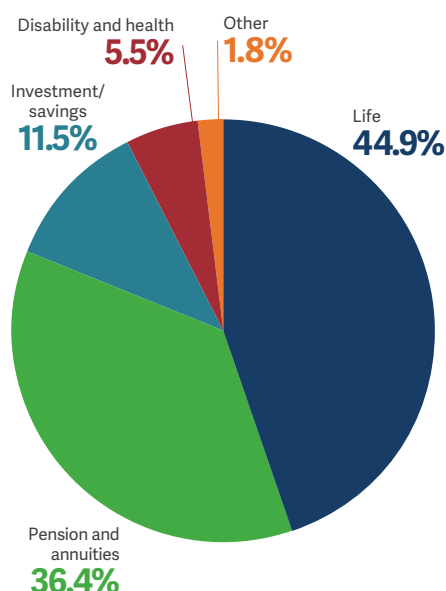
Percentage point gain



Mutual market by line of business

Life

Figure 9
Mutual life premiums by line of business (2017)

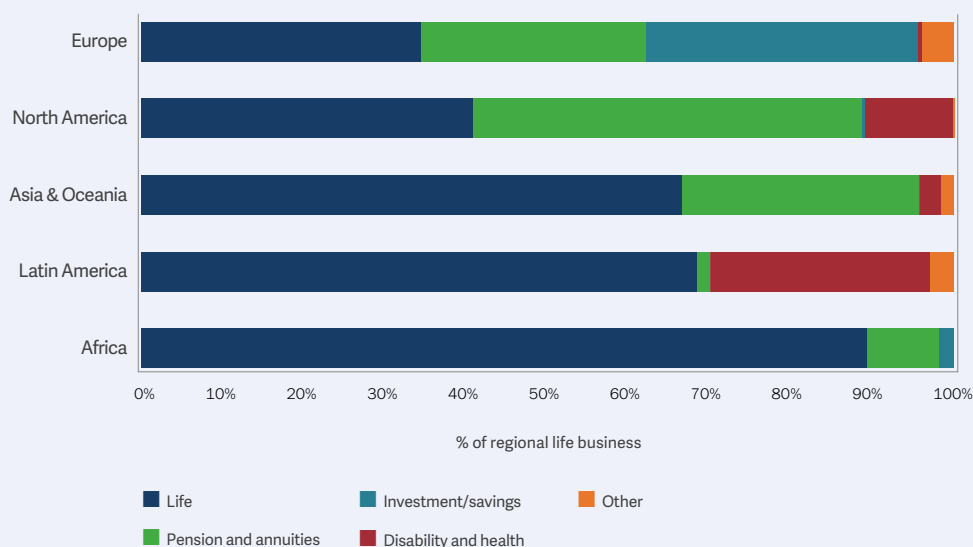


Traditional life insurance accounted for 45% of global mutual life business written in 2017 (see Figure 9). A further 36% of mutual life premiums in 2017 were derived from pension and annuity products. Investment and retirement savings policies contributed 11.5% of mutual life premiums, the majority (over 98%) of which came from European mutual insurers. The remaining 7% of mutual life premiums came from long-term health and disability insurance and other miscellaneous lines of life insurance, such as creditor and income protection.

At a regional level, traditional life protection policies were the main contributor to mutual life business in the majority of regions in 2017 (see Figure 10). In the emerging regions of Africa and Latin America, traditional life cover was the predominant line of mutual life business, accounting for just under 90% and 70% respectively. In Asia and Oceania, two-thirds of mutual life business in 2017 came from traditional life products. There was a lower concentration of life insurance in the more mature life insurance markets in North America (41%) and Europe (34%).

Pension and annuities were the largest line of life business for mutual insurers in North America, contributing 48% of mutual life premiums in 2017. More than a quarter of mutual business in Asia and Oceania (29%) and Europe (28%) was derived from pension products.

Figure 10
Lines of mutual life business by region (2017)



The majority of European pension premiums came from the Nordic markets where there was a significantly higher proportion of mutual pension business compared to other markets in the region. Mutual insurers in Latin America and Africa held a much smaller proportion of pension and annuity products at 2% and 9% respectively. In other product lines, investment and retirement savings policies only had any significant presence in the European mutual sector, where they were the second-largest line of life business and contributed a third of mutual business in the region. Disability and long-term health insurance held the largest regional share in Latin America (27%). These lines also accounted for 11% of the North American mutual market.

Non-life

Just under a third (32.7%) of global mutual non-life premiums were derived from motor insurance products in 2017 (see Figure 11). Health insurance and property and fire insurance were also major lines of business for mutual insurers at a global level, contributing 28% and 24% respectively. Accident and liability policies accounted for just under 8% of mutuals' aggregate non-life premiums and the remaining 9% came from other smaller lines of business.

Compared to classes of life insurance, there was a greater variation in the distribution of mutuals' non-life premiums in each region (see Figure 12). Motor insurance was the predominant product line for mutuals in Latin America (49% share), North America (39%) and Africa (34%). The contribution of motor insurance to total mutual business was smaller, although still significant, in Europe and Asia and Oceania at 24% and 16% respectively.

Health insurance was the largest line of mutual non-life business in Europe, contributing 45% of total regional premiums in 2017. Mutual health business was most prevalent in the Netherlands, Germany¹¹ and France¹² with more than 90% of total European mutual health premiums (and half of the global total) written in these three markets. Health insurance also represented a significant proportion of mutual non-life business in North America (21%) and Asia and Oceania (12%), including over 80% of Australian mutual non-life premiums generated by health mutuals.

Figure 11
Mutual non-life premiums by line of business (2017)

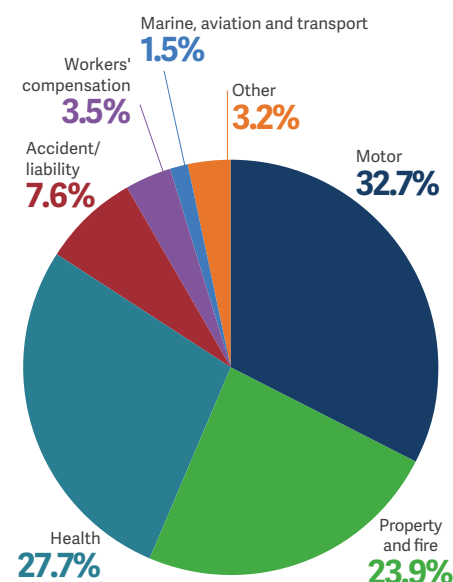
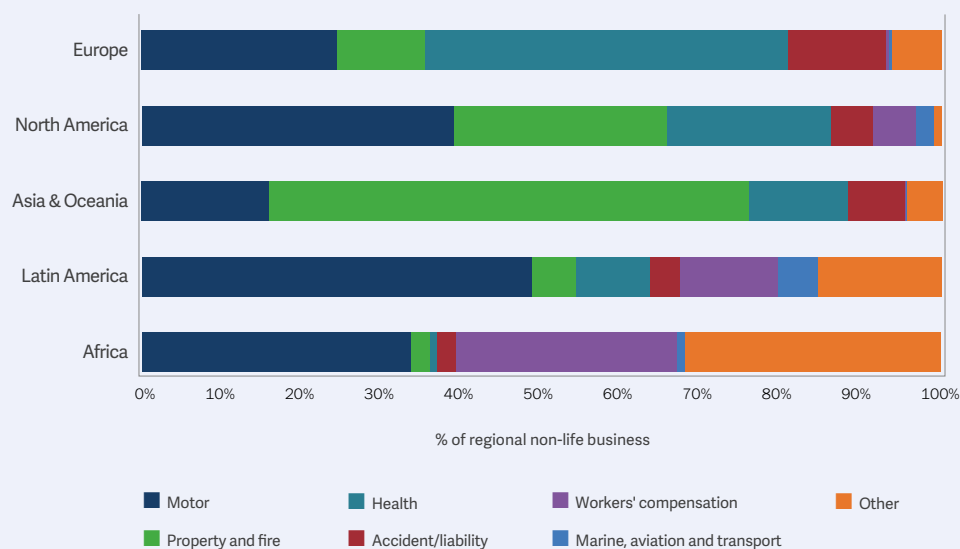


Figure 12
Lines of mutual non-life business by region (2017)



Property and fire insurance represented 60% of the mutual business in Asia and Oceania in 2017, and just under 27% of the North American mutual business. Accident and liability lines had the highest concentration in the European mutual sector (12%). Latin American and African mutuals held lower levels of property and liability insurance than those in other regions, but a higher proportion of workers' compensation business (12% and 28% respectively).

¹¹ In Germany, health insurance is classed as a life insurance product. However, to ensure consistency with Swiss Re's *sigma* data, it has been classed as a non-life product in this edition of the report.

¹² Mutual insurance companies (known as "Mutuelles 45") and non-profit provident institutions accounted for over 70% of the French complimentary health market in 2017.

Total assets of the mutual sector

The global mutual insurance sector reported just under USD 9 trillion (USD 8,904 billion) worth of assets in 2017 (see Figure 13). This was the highest amount of total assets held since 2007 and represented an overall increase of 46.3% from pre-crisis asset values (2007: USD 6,087 billion). Over this period, asset values increased in nine of the 10 years, equating to a CAGR of 3.9%. The only year of deterioration in total assets was in 2015, when widespread currency depreciation against the US dollar negatively impacted asset values.

Figure 13
Total assets of the mutual sector



Although there are no definitive statistics on the total assets of the global insurance industry¹³, data from the Organisation for Economic Cooperation and Development (OECD)¹⁴ valued the aggregate industry assets in OECD member economies¹⁵ at USD 21.8 trillion in 2016; this suggests that, based on ICMIF's asset calculations, the mutual insurance sector holds 39% of total assets in OECD countries.

Total assets by region

Europe was the largest region in terms of total assets held by the mutual sector, as European mutuals (USD 3,558 billion) accounted for 40% of total global mutual assets in 2017. Mutual asset values in the region had grown by a total of 36.6% since 2007 (USD 2,605 billion), although had fallen slightly from a peak amount in 2014 (USD 3,727 billion).

In North America, total assets of the regional mutual sector amounted to USD 3,212 billion (36% of the global total) in 2017. This represented an increase of almost two-thirds in asset values since 2007 (USD 1,954 billion). The aggregate assets of mutuals in Asia and Oceania contributed 23% of the global total (USD 2,008 billion) and were 38.3% greater compared to pre-crisis asset levels (2017: USD 1,510 billion).

The total assets held by mutual insurers in Latin America and Africa had doubled since 2007. In Latin America, mutual assets were valued at USD 36 billion in 2017, compared to USD 15 billion in 2007, and African mutuals held just under USD 10 billion worth of assets in 2017 (2007: USD 3.5 billion).

¹³ Estimates of the total assets held by the global insurance industry vary from USD 25 trillion to USD 30 trillion.

¹⁴ Data from stats.oecd.org (accessed 21 January 2019) for direct insurers in OECD economies for 2016.

¹⁵ OECD member economies represented 78.6% of global insurance premiums in 2016 (as per adjusted figures from Swiss Re World Insurance in 2017).

Total assets by country

The 10 largest mutual markets in terms of total assets represented 92% of the global mutual sector's total in 2017 (see Figure 14). Of these 10 markets, eight were located in Europe, one in North America and one in Asia.

The USA, the largest market in terms of mutual premium income, was also the largest market in terms of total mutual assets (USD 3,102 billion) in 2017. The mutual sector in two further markets, Japan (USD 1,938 billion) and France (USD 1,036 billion), reported total assets in excess of USD 1 trillion in 2017. In Germany, mutual insurers collectively held USD 852 billion in assets.

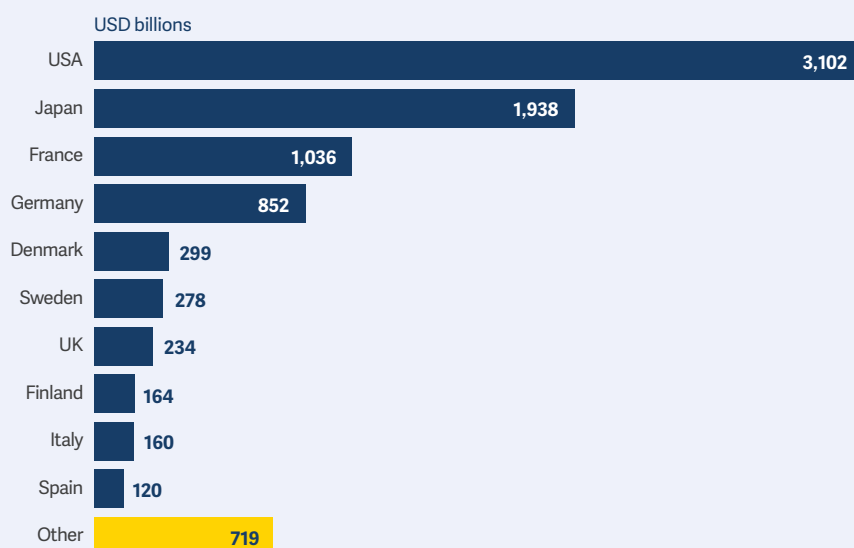
The Nordic markets of Denmark, Sweden and Finland were among the 10 largest in terms of mutual assets in 2017, despite only Finland being ranked as one of the 10 largest mutual markets in terms of premium income. This was due to a higher proportion of mutual pension business being generated in these markets (see page 11).

Mutual insurers in 68 (or 94%) of markets with total asset data¹⁶ recorded a positive growth¹⁷ in assets between 2007 and 2017. All 10 of the largest mutual markets in terms of asset values experienced a growth in total assets.

Half of all markets saw the total assets held by their national mutual sector more than double in value over this period, including Denmark, Sweden, Italy, Canada, Republic of Korea and in the majority of mutual sectors in Latin America and Africa.

Figure 14

The 10 largest mutual markets in terms of asset values



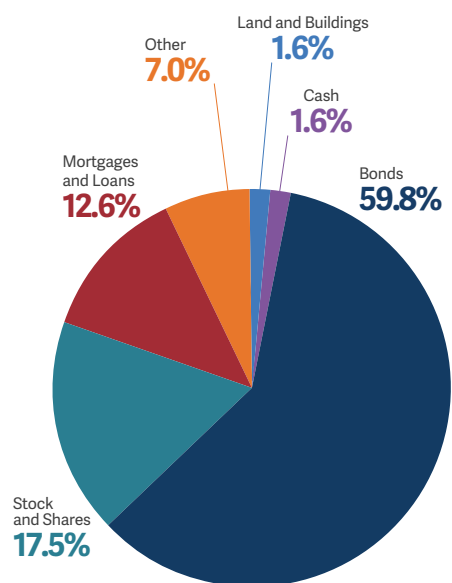
¹⁶ There were five markets where no asset figures were available.

¹⁷ In local currency terms.

Investment assets of the mutual sector

Figure 15

Investment breakdown of mutual insurers (2017)



Total investments of the global mutual insurance sector were valued at USD 7.42 trillion in 2017, representing a growth of 58.5% from invested asset values in 2007 (USD 4,680 billion).

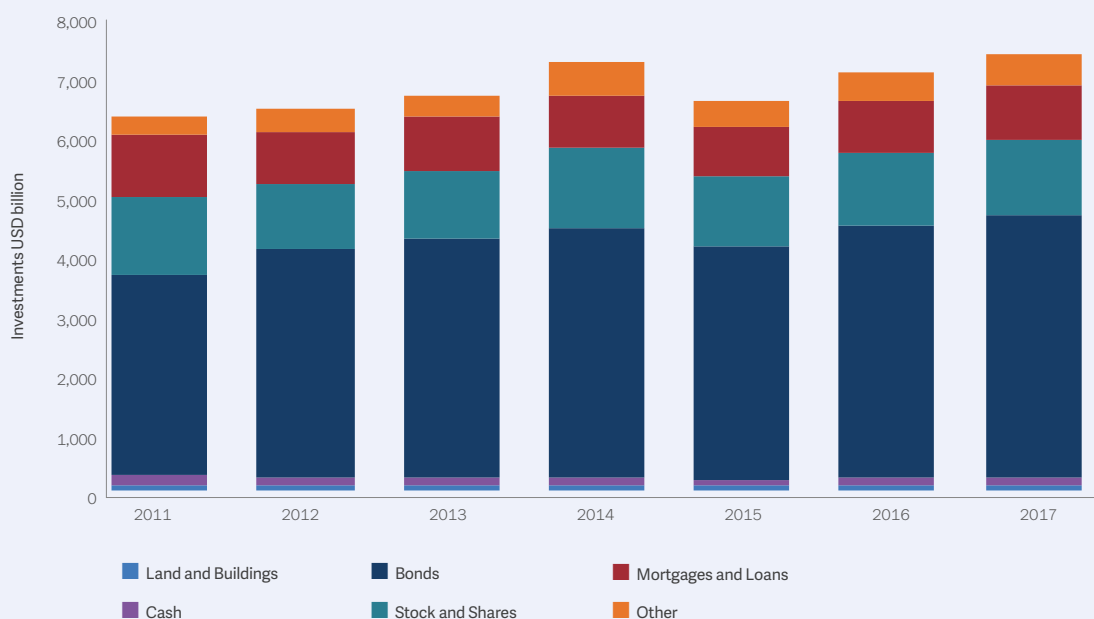
Just under 60% of mutual insurers' total investments were held in bonds in 2017 (see Figure 15). Investments in stock and shares (equities) accounted for 17.5% of mutuals' invested assets in 2017 and a further 12.6% were invested in mortgages and loans. The remaining investments of mutual insurers comprised real estate investments (1.6%), cash and other short-term investments (1.6%), and other investments (7.0%) which include derivatives and other undisclosed financial instruments.

Over the previous six-year period¹⁸, there was a modest change in the aggregate investment portfolios of mutual insurers at a global level (see Figure 16). The proportion of investments held in bonds was more than six percentage points greater in 2017 compared to 2011 (53.7%). The situation was reversed in the allocation of stocks and shares investments, which had fallen from a high of 20.6% in 2011. Mortgages and loans followed a similar trend, with a lower proportion in 2017 compared to 2011 (16.7%). In other investment classes, real estate and cash investments saw little change over the six-year period, although a greater share of assets was placed in other investments (including derivatives) in 2017 compared to 2011 (4.8%).

The USA was the largest mutual sector in terms of invested assets, with more than USD 2.2 trillion, in 2017. Japan (USD 1.79 trillion) was the second largest, followed by France (USD 923 billion), Germany (USD 815 billion) and Denmark (USD 278 billion). These five accounted for 82% of the global mutual sector's total investments in 2017.

Figure 16

Investments of mutual insurers (2011-2017)



¹⁸ There is only seven years of data on the breakdown of investments of the mutual sector as 2011 was the first year in which ICMIF collected this dataset.

Number of employees in the mutual sector

The number of people employed by the global mutual insurance sector rose to a record level of 1.16 million people in 2017. Mutual insurers' employee numbers have increased year-on-year since 2007 (935 million), accumulating to a total increase of 23.8%, or 222,000 more employees.

At a regional level, the European mutual sector employed just over 460,000 people in 2017, representing 40% of the global total (see Figure 17). Employment levels in the region grew by an impressive 31.5% between 2007 and 2017, representing a further 110,000 people employed since 2007 (352,000 employees).

Just under 35% of the global total (over 400,000 people) were employed by mutual insurers in North America. This figure was 11.9% greater than in 2007 (360,000 employees). In Asia and Oceania, the mutual sector increased its employment levels by 13% over this 10-year period, employing 237,000 people in 2017 (2007: 209,000), around 20% of the mutual sector's total employees.

Latin American mutuals employed just under 42,000 people in 2017 and the African mutual sector had 13,000 employees. Both regions experienced a significant growth in the number of employees since 2007, up from 12,000 and 1,500 respectively.

The 10 largest markets ranked by mutual employees together made up 86% of the total global employees in 2017 (see Figure 18). The US¹⁹, Japanese and French mutual sectors were the largest employers, with almost 65% of the global total located in these three markets alone. Nine of these 10 markets recorded a growth in the number of mutual employees between 2007 and 2017.

Figure 17
Regional split of employees of mutual insurers (2017)

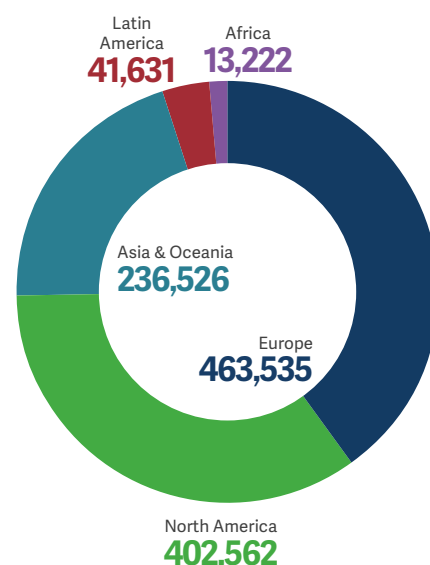
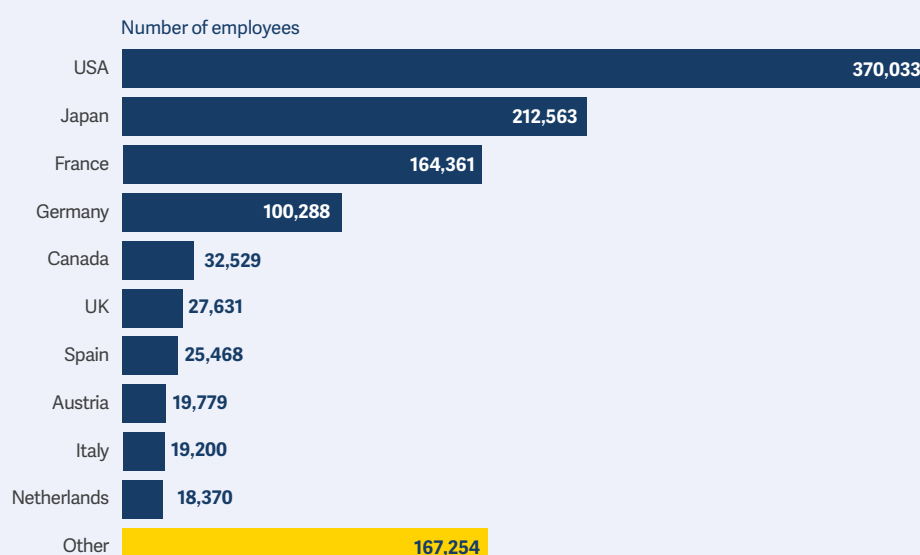


Figure 18
The 10 largest markets in terms of number of people employed by mutual insurers

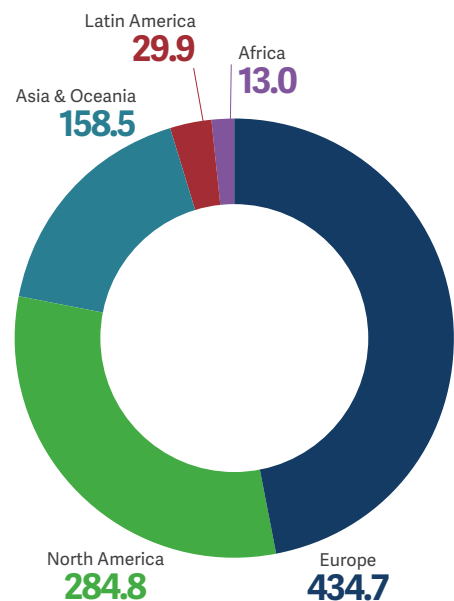


¹⁹ Figures for the USA are based on the number of employees in the 50 largest mutual insurers ranked by premium income, as employee statistics for the remaining US mutual industry are unavailable. The 50 largest mutuals represent more than 80% of total US mutual business, thus a pro rata approximation for the total US sector would be in excess of 450,000 employees.

Number of members/policyholders of mutual insurers

Figure 19

Regional split of number of members/policyholders of mutual insurers (2017)



Figures in millions

Globally, a total of 922 million members/policyholders²⁰ were served by mutual insurance companies worldwide in 2017²¹.

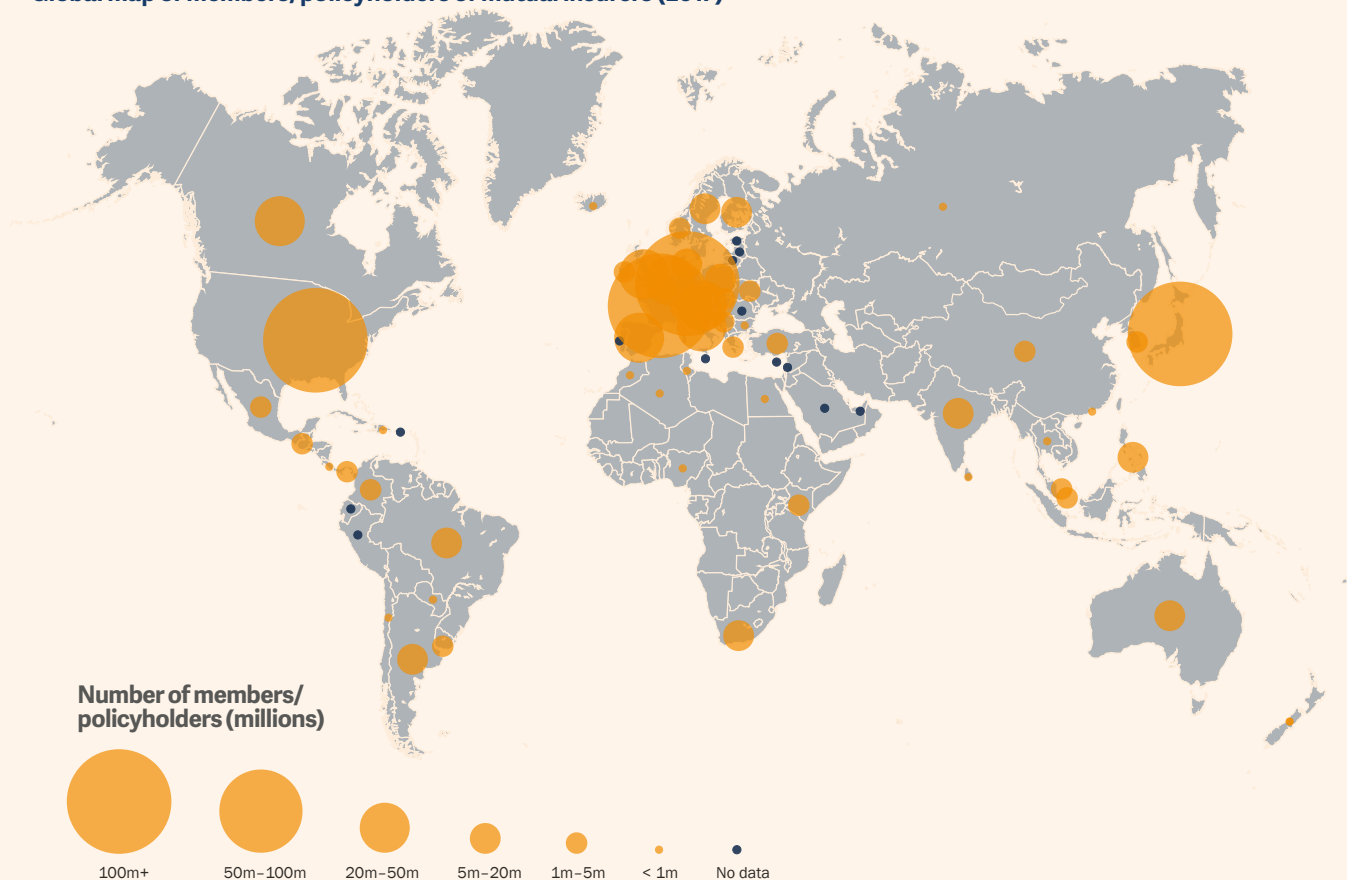
The number of members/policyholders of the mutual sector has increased annually since 2012 - the first year for which figures have been collected - and represents an overall growth of 13.3% during this period (2012: 813 million).

Just under 80% of members/policyholders of the mutual insurance industry were located in Europe (435 million) and North America (285 million) in 2017 (see Figure 19). Both regions reported a robust increase in the number of members/policyholders from 2012, at 12.8% and 13.5% respectively. In Asia and Oceania, the mutual sector saw a rise in member/policyholder numbers to 159 million in 2017 (13.1% growth from 2012).

Latin American mutuals served 30 million members/policyholders in 2017, and for African mutuals, this figure rose to 13 million, an increase of a third since 2012. Data continues to be unavailable in some markets, in particular many in Latin America, and it would be reasonable to assume that the figures reported are an underestimate.

Figure 20

Global map of members/policyholders of mutual insurers (2017)



²⁰ See Methodology and Data (page 19) for the report's definition of "members/policyholders".

²¹ Note that there may be some differences observed for the figures presented in this report, as there has been revision in how this data has been calculated. In previous editions of this report, a pro-rata estimation was made for the USA based on the 50 largest mutuals (see footnote 19, page 16). In this edition, data collection was expanded to improve the accuracy of the data for the US mutual sector and so differences may be noted. Similarly, previous year's figures (for the USA and the global total) were revised where available to ensure consistency.

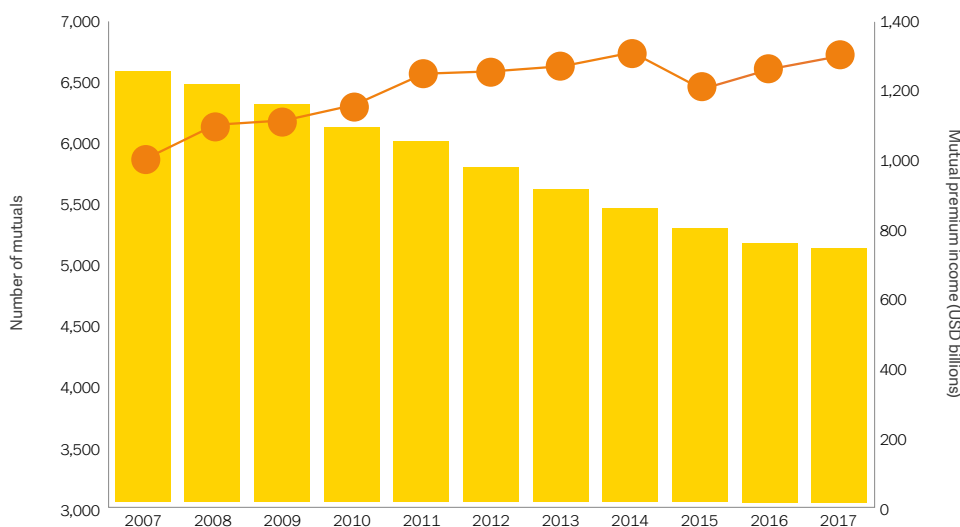
Number of mutual insurance companies

Based on ICMIF's research in this report, there were over 5,100 active mutual²² insurance organisations worldwide in 2017²³.

In the previous 10 years, the total number of mutual insurance companies has declined significantly (-22.3%), reflecting the wider trend of consolidation experienced in insurance markets across the globe. However, despite the declining numbers of insurers since 2007 (6,484 companies), the mutual sector has registered a significant increase in its aggregate premium income (+29.8%) over the same period (see Figure 21).

Figure 21

Number of mutual insurance companies



The greatest number of mutual organisations were located in Europe (2,870) and North America (1,900) in 2017. Europe has experienced the most notable consolidation within its mutual sector, which has resulted in a 31.9% decline in the number of mutuals, falling from over 4,100 active in 2007.

As may be expected, almost 90% of the world's mutual insurers were located in the 10 largest markets in terms of mutual premium income in 2017. The USA, the largest mutual insurance sector in terms of premiums, assets, employees and members/policyholders, also had the highest number of active mutual insurers, with 1,800 in 2017.

The US was followed by the European markets of Germany (905), France (651) and Spain (387) with the highest numbers of mutual insurance organisations in 2017, perhaps unsurprising given the high penetration of mutual insurance in these markets. However, all three markets saw a sizeable decrease in the number of mutual insurers operating between 2007 and 2017, especially in Germany and France which both had over 1,000 active mutuals in 2007.

Elsewhere, Canada, which had a relatively lower share of mutual insurance (19.4%) compared to the other largest mutual markets, had 110 active mutual insurers in 2017, the majority of which were smaller non-life insurers.

²² See Methodology and Data (page 19) for ICMIF's definition of "mutual".

²³ This figure refers to the number of mutual/cooperative insurers included within the report, and therefore, due to the absence of some mutual insurers in existing markets and absence of markets where there are known/mutual cooperative insurers, this figure acts as a minimum.

Methodology and data

As the only global federation for the mutual and cooperative insurance sector, ICMIF is often consulted by its members, regulators, governments, policymakers, legislators, the media, academics, researchers and other trade associations about the size and performance of the mutual/cooperative insurance sector compared to the total industry, at a national, regional or international level. The objectives of the research that goes into this report are to provide a definitive response to this question, based on rigorous calculation of the size of the mutual/cooperative insurance sector and, from this, to highlight the socio-economic importance of mutual and cooperative insurers.

Financial data from a sample of 77 countries, which together represent approximately 99% of the world insurance market, was gathered from annual reports, regulatory returns and external research. ICMIF's definition of "mutual" and "cooperative" in this report includes organisations whose legal status may not be classified as such in their national law, but whose structure and values reflect the mutual/cooperative form, i.e. companies which are owned by, governed by and operated in the interests of their member policyholders. These include limited companies owned by people-based organisations, fraternal benefit societies (fraternals), friendly societies, Takaful providers, reciprocals, non-profits, exchanges, discretionary mutuals, protection and indemnity (P&I) clubs, community organisations and foundations. Extending the definition in this way has enabled us to include all organisations which operate on mutual/cooperative principles, in line with our research objectives, without being restricted by legal definitions of which there is a wide variety across the globe and of which some are particular to one country or organisation alone.

For groups of companies, whether their operations be national or multinational, figures for the whole group, including majority-held subsidiaries, have been included. Where possible, business written outside the group's home country has been deducted from the national figures in the mutual market share data and added into the country where the business has been written. The financial data gathered for each mutual/cooperative insurer (as defined above), have been analysed to determine gross premium income figures from 2007 to 2017 (inclusive).

The totals for each country have then been compared to national total premium data as produced by Swiss Re²⁴ (and verified against additional data obtained from regulators, financial press, national trade associations and rating agencies), and aggregated to produce regional and worldwide statistics. Due to reporting year differences in certain markets, figures for Swiss Re data have been adjusted to ensure year-on-year consistency. Therefore, variations may be noted in global market premium and growth figures in this report compared to the Swiss Re data, as well as some revisions to past year's figures. Figures in the Swiss Re report have also been adjusted to include insurance business that is not covered in their data²⁵, and to also include figures from certain countries²⁶ not included in their report.

Variable currency exchange rates have been used for the different years, with all figures converted into US dollars (USD). This allows for a more accurate calculation of mutual market share, as exchange rates are consistent with those used by Swiss Re to calculate global and regional figures. Growth figures of individual markets have been calculated in local currency throughout the report in order to eliminate the misleading effects of exchange rate fluctuations and thus ensure accurate year-on-year comparisons.

ICMIF's definition of "members/policyholders" in this report may also refer to the number of customers, clients or people insured by mutual insurers, as there is no consistency between markets or companies regarding which figure (if any) is reported. However, it should be noted that each policy issued by a mutual insurer equates to a single member/policyholder. If an individual person or entity purchases more than one insurance product from mutual insurers, that multiplicity of policies will be recognised in the overall member/policyholder figures for each country.

²⁴ Swiss Re, *sigma* No.3/2018, *World insurance in 2017*

²⁵ In France, premiums from complementary health mutuals (known as "Mutuelles 45") and non-profit provident institutions are not included in Swiss Re's figures on the total French market. Therefore, Swiss Re's total market data (from 2007 to 2017) has been adjusted to include all complementary health insurance.

²⁶ Figures on the total market in Puerto Rico, Lithuania, Estonia, Paraguay and Latvia were obtained from national regulators and supervisors.

References

AAM (Association des Assureurs Mutualistes), France

A.M. Best

AFA (American Fraternal Alliance), USA

AFM (Association of Financial Mutuals), UK

L'Argus de l'Assurance, France

BaFin (Federal Financial Supervisory Authority), Germany

CAMIC (Canadian Association of Mutual Insurance Companies), Canada

CNEPS (Confederación Española de Mutualidades), Spain

Danish Insurance Association, Denmark

FFA (Fédération Française de l'Assurance), France

FNMF (Fédération nationale de la mutualité française), France

JCIA (Japanese Cooperative Insurance Association), Japan

NAIC (National Association of Insurance Commissioners), USA

NAMIC (National Association of Mutual Insurance Companies), USA

OECD (Organisation for Economic Co-operation and Development)

ROAM (Réunion des Organismes d'assurance mutuelle), France

Swiss Re

Global Mutual Market Share 10

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Global Mutual Market Share is a market research report on the size of the global mutual and cooperative insurance sector. Published annually alongside the *Global 500*, a definitive list of the 500 largest mutual and cooperative insurers in terms of premium income, the report highlights how since 2007 the mutual and cooperative model has been the fastest growing part of the global insurance market; maturing from a global share of 24.0% to 26.7% in 2017.

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