

Basic indicators – insurance companies

I. Definition and content

This overview of basic aggregate data on insurance companies includes information on all Czech insurance undertakings, branches of insurance undertakings from other EU or EEA member states and branches of insurance undertakings from other countries in the Czech Republic as of the given date. Also included are data on the branches of these insurance undertakings operating abroad. With the exception of the *Numbers of entities* dataset, data on the Czech Insurers' Bureau and reinsurance companies are not included.

In connection with the changes in reporting under the Solvency II single European framework which took place during September 2016, some indicators will not be updated (the datasets *Basic information on life insurance by life insurance category*, *Basic information on non-life insurance by non-life insurance category*, *Financial placements* and *Solvency*).

The datasets *Assets, Liabilities and equity* and *P&L statement* have been modified in accordance with the most recent version of Decree No. 502/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting units that are insurance companies, as amended.

The indicators newly include the datasets *Selected indicators of life insurance*, *Selected indicators of non-life insurance* and *Structure of investment by domestic insurance undertakings*, with the time series starting on 31 December 2016 or, in the case of the structure of investment, on 30 September 2016.

II. Sources and method of determination

The published data are based on statements submitted pursuant to CNB Decree No. 305/2016 Coll., on reporting of insurance and reinsurance companies.

The data for insurance companies are comparable over the entire time series presented. The content of most of the indicators in the tables is clear from their names. The text below provides methodological notes on the individual tables. In addition, information is given to clarify any ambiguity or to explain the content of specific indicators, in particular those characterising the prudential operation of insurance companies.

When working with the data, attention must be paid to the following:

Numbers of entities

- The data on the number of insurance undertakings refer to the situation at the end of the given period. The current number of active insurance undertakings is given,
- Insurance undertakings are classed according to whether they are predominantly Czech-owned or predominantly foreign-owned, with a further, more detailed breakdown into individual groups:
 - state-owned insurance undertakings – insurance undertakings in which the state has a share of more than 50% of the equity capital or is a controlling shareholder; state ownership means ownership at all levels, i.e. state and local;

- Czech-controlled insurance undertakings – insurance undertakings in which Czech entities have a share of more than 50% of the equity capital, excluding any state-owned share;
- foreign-controlled insurance undertakings – insurance undertakings in which foreign entities have a share of more than 50% of the equity capital;
- branches of foreign insurance undertakings – organisational units of foreign insurance undertakings operating in the Czech Republic under the single licence;
- insurance undertakings under conservatorship – insurance undertakings which have been put into conservatorship under Article 99 of Act No. 277/2009 Coll., on Insurance, as amended.

Assets (CZK thousands) and liabilities and equity (in CZK thousands) according to financial statements

- All data are given at net book value, i.e. items designated at fair value are given at this fair value and items measured at amortised cost or acquisition price are given at the value adjusted for allowances and accumulated depreciation.
- Data for branches of foreign insurance undertakings are included.
- To enable linking of data series, the item Other technical provisions related to life insurance categories for data before 31 December 2016 is the sum of these items:
 - Provision for the fulfilment of the commitments from the technical interest rate applied,
 - Non-life insurance provision related to life insurance and
 - Other provisions related to life insurance.
- the item Other technical provisions related to non-life insurance categories for data before 31 December 2016 is the sum of these items:
 - Equalisation provision,
 - Non-life insurance provision related to non-life insurance,
 - Provisions for the fulfilment of the commitments from the guarantee of the CIB and
 - Other provisions related to non-life insurance.

Profit and loss statement according to financial statements (in CZK thousands)

- The data are reported from the start of the year to the end of the reference period.
- Data for branches of foreign insurance undertakings are included.

Selected indicators of life insurance by insurance category for domestic insurance undertakings and branches of foreign insurance undertakings (in CZK thousands)

- The data on the number of policies refer to the situation at the end of the reference period.
- The data on the number of new policies and on the numbers of cases refer to the numbers from the start of the year to the end of the reference period.
- The breakdown by insurance category only includes categories with more than three insurers, so their sum may not add up to the total.
- Data for branches of foreign insurance undertakings are included.

Selected indicators of non-life insurance by insurance category for domestic insurance undertakings and branches of foreign insurance undertakings (in CZK thousands)

- The data on the number of policies refer to the situation at the end of the reference period.
- The data on the number of new policies and on the numbers of cases refer to the numbers from the start of the year to the end of the reference period.

- The breakdown by insurance category only includes categories with more than three insurers, so their sum may not add up to the total.
- Data for branches of foreign insurance undertakings are included.

Structure of investment by domestic insurance undertakings (excluding branches of foreign insurance undertakings) (in CZK thousands)

- The aggregated data on the assets of insurance undertakings are in line with Article 75 of the Solvency II Directive (Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance).
- The data include assets held for unit-linked insurance policies (i.e. policies where claim payments are tied to an index or the value of an investment fund).
- Data for branches of foreign insurance undertakings are excluded.

Basic information on life insurance by life insurance category (in CZK thousands and numbers) – data up to 30 September 2016

- The data on the number of policies refer to the situation at the end of the reference period.
- The data on the number of new policies and on the numbers of cases refer to the numbers from the start of the year to the end of the reference period.
- The breakdown by insurance category only includes categories with more than three insurers, so their sum may not add up to the total.
- Data for branches of foreign insurance undertakings are included.
- Data are available up to 30 September 2016; from then on they are not monitored in this structure of life insurance categories and are replaced by the dataset *Selected indicators of life insurance*.

Basic information on non-life insurance by non-life insurance category (in CZK thousands and numbers) – data up to 30 September 2016

- The data on the number of policies refer to the situation at the end of the reference period.
- The data on the number of new policies and on the numbers of cases refer to the numbers from the start of the year to the end of the reference period.
- The breakdown by insurance category only includes categories with more than three insurers, so their sum may not add up to the total.
- Data for branches of foreign insurance undertakings are included.
- Data are available up to 30 September 2016; from then on they are not monitored in this structure of non-life insurance categories and are replaced by the dataset *Selected indicators of non-life insurance*.

Financial placements (in CZK thousands) – data up to 30 June 2016

- The data on financial placement are for domestic insurance undertakings only. Branches of foreign insurance undertakings no longer report these data (since 1 January 2010).
- The dataset contains data from 2009; before that, data were monitored using a different methodology which does not enable the time series to be linked.
- Data are available until July 2016; from then on they are not monitored in this structure and are replaced by the dataset *Structure of investment by domestic insurance undertakings*.

Solvency (in CZK thousands) – data up to 31 December 2015

- The data are reported only annually.
- The data are available up to 31 December 2015; from then on they are not monitored.

III. Breakdown

In the case of the balance sheet and the profit and loss statement, the breakdown of the individual datasets is consistent with the structure laid down in Decree No. 502/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for accounting units that are insurance undertakings.

The balance sheet and the profit and loss statement are also given separately for domestic insurers and branches of foreign insurers.

The datasets of basic information on life insurance and non-life insurance with data up to 30 September 2016 are broken down by insurance category in accordance with Annex 2 to Act No. 277/2009 Coll., on Insurance, as amended. In the datasets on selected indicators of life insurance and non-life insurance with data from 31 December 2016, the insurance categories are in line with Article 80 of the Solvency II Directive as defined in Annex I to the relevant Commission Regulation (Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of insurance and reinsurance) and pertain to direct insurance and proportional or non-proportional reinsurance provided. The breakdown should reflect the nature of the risks of the underlying policy rather than its legal form.

The dataset concerning financial placement with data up to 30 June 2016 is sorted according to whether the asset is used to cover life insurance technical provisions and non-life insurance technical provisions or not used to cover technical provisions.

Where sorting into life insurance and non-life insurance is used, it applies to the total of the given insurance type regardless of which type of insurance undertaking (life, non-life, composite) reports it.

IV. Method of calculation

All data are only aggregations of data contained in the statements submitted by reporting entities. The data are not adjusted in any way and the datasets contain no calculated indicators.

V. Reporting population

The reporting population comprises insurance undertakings and branches of foreign insurance undertakings pursuant to Act No. 277/2009 Coll., on Insurance, as amended. The list of insurance undertakings is published on the CNB website under *Supervision, regulation / Lists and registers*

(https://apl.cnb.cz/apljerrsdad/JERRS.WEB07.INTRO_PAGE?p_lang=en).