



# INSURANCE IN SWEDEN 2010–2019

# Insurance in Sweden

## Security for the individual – growth for the economy

We are all exposed to risks. It might be the risk of being in a traffic accident or of a fire in your home. It could be theft or long-term illness. Without insurance these events could entail financial problems for those affected. Insurance makes it possible for private individuals and businesses to live and work in economically stable conditions.

The idea of insurance is simple: we share the risks. Through insurance a household or a business pays a premium in exchange for compensation by the insurance company if an accident should occur. A private individual can also take out insurance that pays a given future income, that is a pension, in exchange for premium payments made today.

This publication provides an overall view of insurance in Sweden and describes its significance for the national economy. It contains various figures on insurance based on statistics mainly from Insurance Sweden, Finansinspektionen (the Swedish Financial Supervisory Authority), Statistics Sweden and the Insurance Industry Employers' Organisation (FAO). With a few exceptions, they refer to the situation in 2019 or the past ten years. The statistics for the various figures are available on Insurance Sweden's website.

The publication is divided into three parts. The first part concerns non-life insurance and presents for example the number of claims incurred and the amount paid by insurance companies in the form of compensation for various types of claims. The second part concerns pension and life insurance. It shows, for example, how much is paid out in pensions. The final part provides an overall description of the Swedish insurance industry, including the number of employees, the amount of premiums paid in to insurance companies and how insurance companies invest their assets.

# Insurance provides important financial protection for unexpected events

*Through insurance households can obtain financial protection against different types of risk. Non-life insurance, such as home insurance, motor vehicle insurance and accident insurance, supplement society's protection and can provide financial compensation if an unexpected accident occurs. Insurance is therefore of great importance for households.*

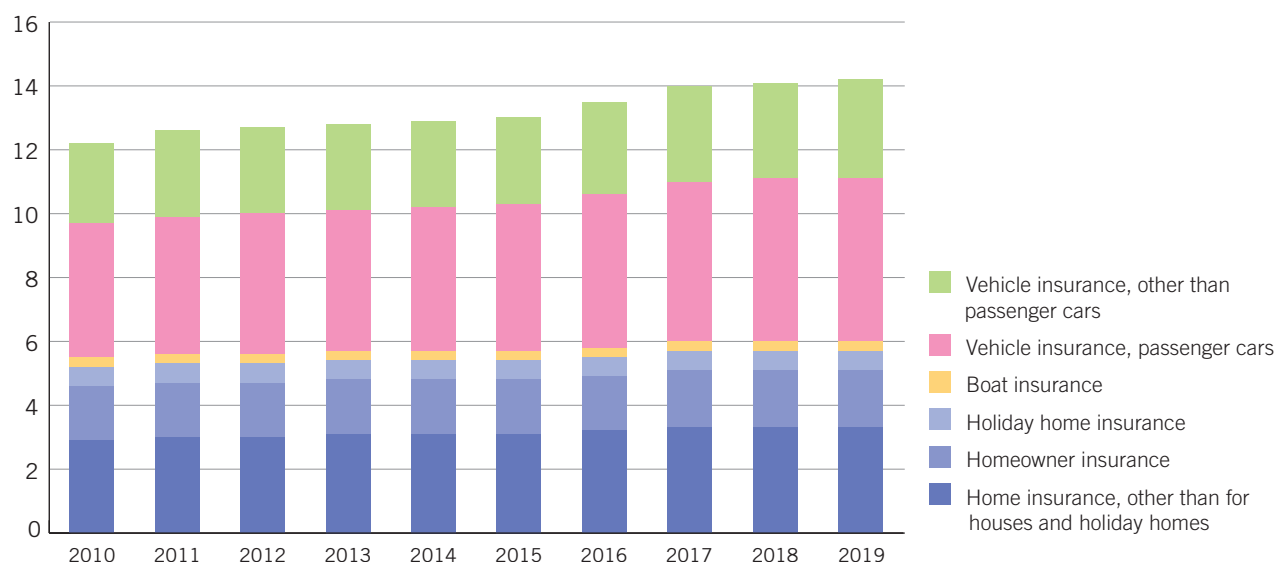
## Home insurance and vehicle insurance are common policies

Many insurance policies compensate households for loss suffered to property and personal possessions that are owned or rented, such as homes, holiday houses, boats, cars and other vehicles. Vehicle insurance is the most common type of property insurance. At the end of 2019 there were almost 5.1 million insured passenger cars and almost 3.1 million other insured motor vehicles (see Figure 1).

Home insurance and house insurance are also common policies. Homeowner insurance is a combination of these and not only covers the costs for claims covered by the ordinary home insurance, but also functions as financial protection against claims that may arise concerning the property itself. In 2019 the number of home insurance policies was just over 3.3 million and the number of homeowner insurance policies was almost 1.8 million. All in all, there were just over 14 million property insurance policies in 2019.

Figure 1. Number of non-life insurance policies for property 2010–2019

Policies in millions



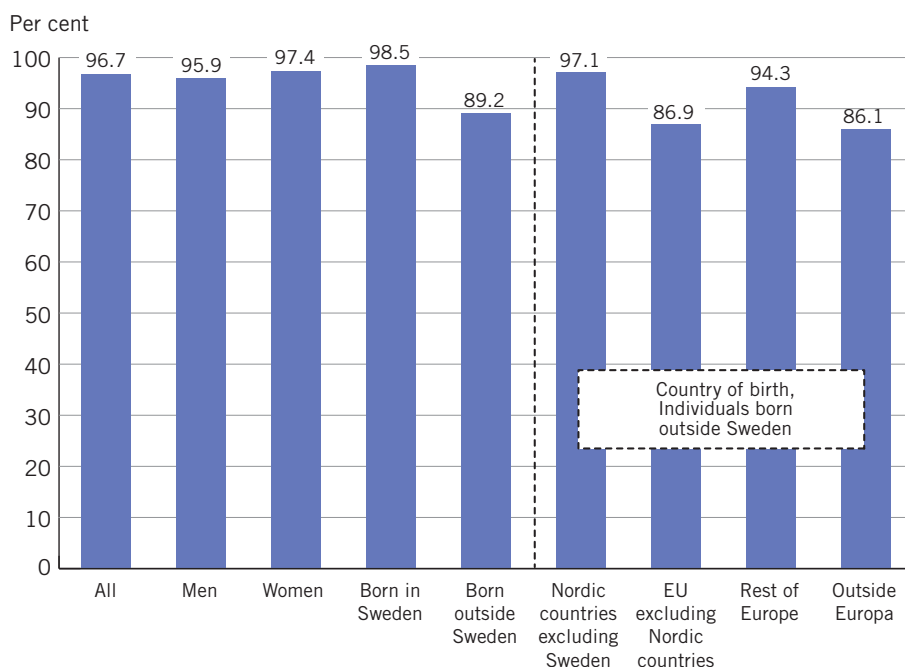
Note: This does not include business insurance, real property insurance, animal insurance or product insurance policies. Company-owned vehicles are included in passenger cars and other vehicles.  
Source: Insurance Sweden.

## Almost everyone in Sweden has home insurance

Most people living in Sweden have home insurance, but not quite everyone. Home insurance is actually a package of different insurance policies that can compensate the policyholder for such things as theft and fire. The insurance policy covers items that the policyholder owns, hires or borrows for private use, such as furniture, clothing, household utensils, domestic appliances and home electronics. It can also pay compensation for claims that may arise while travelling or if the policyholder is assaulted, required to pay damages or in need of legal protection.

At present, it is estimated that almost 97 per cent of the population in Sweden has home insurance (see Figure 2). Thus, just over 3 per cent, equivalent to almost 400,000 individuals, have no home insurance. It is more common for men not to have home insurance, as well as people born outside Sweden, particularly those born outside the Nordic countries.

Figure 2. Estimated percentage of individuals with home insurance, 2017



Note: The figure is based on a survey of living conditions for different groups in the population aged 16 and older in Sweden, carried out by Statistics Sweden in 2017.  
Source: Statistics Sweden.

## More than 26 million sickness and accident insurance policies

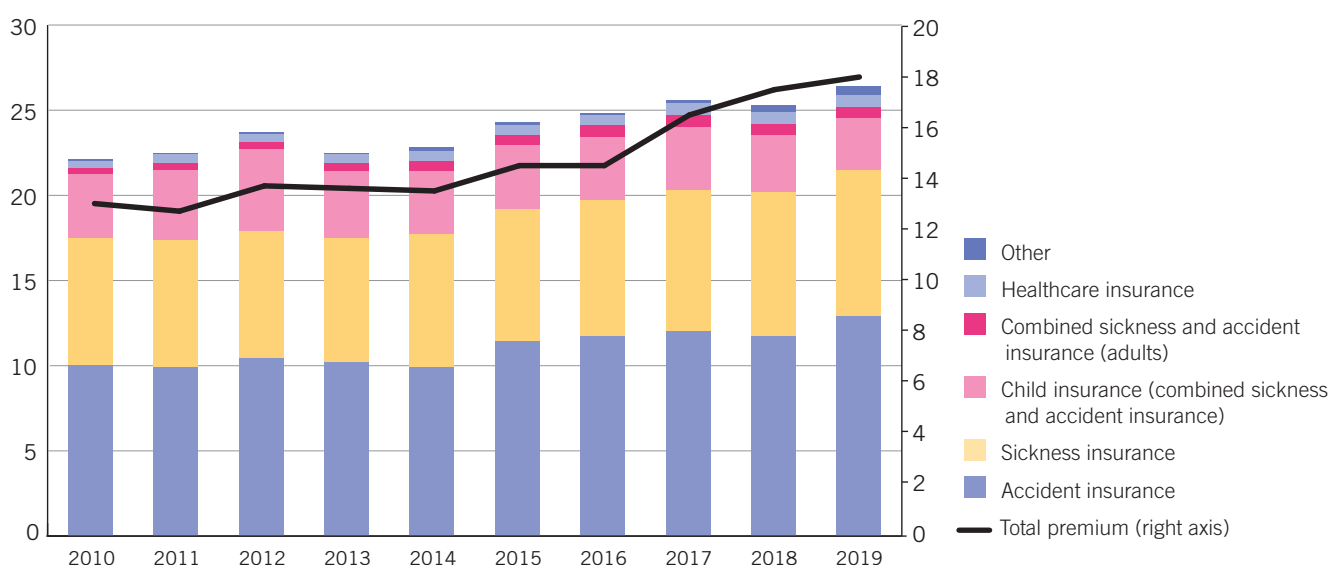
At the end of 2019 there were more than 26 million sickness and accident insurance policies in Sweden (see Figure 3). Policyholders or their employers paid SEK 18 billion in premiums for these policies. The reason there are so many sickness and accident insurance policies is that an individual can have several different policies of this kind. Just under half (49 per cent) were accident policies and one third (33 per cent) were some form of sickness policy.

There are also combined policies for sickness and accidents, for example child insurance policies are normally of this type. Child insurance constituted about 11 per cent of all sickness and accident policies at the end of 2019. About 3 per cent were combined sickness and accident policies for adults.

Just over 44 per cent of sickness and accident policies in force at the end of 2019 were not paid for by the individual but by their employer. Just over 36 per cent of the policies were for group insurance, where a representative – for example, an employer or trade union – has negotiated a scheme that an individual, via employment or membership, can sign up to, often at an advantageous price. The remaining sickness and accident policies are individual policies, taken out by the person themselves.

Figure 3. Sickness and accident policies, 2010–2019

Policies in millions (bar, left axis) and total premiums in SEK billions (line, right axis)



Note: Sickness, healthcare and accident policies are offered by both life and non-life insurance companies. 'Child insurance' in most cases covers both sickness and accidents; if a child only has accident insurance, it is included in the 'Accident insurance' category. The category 'Other' includes policies for rehabilitation and sickness interruption, and from 2017 also pregnancy insurance.  
Source: Insurance Sweden.

## An increasing number of people have healthcare insurance

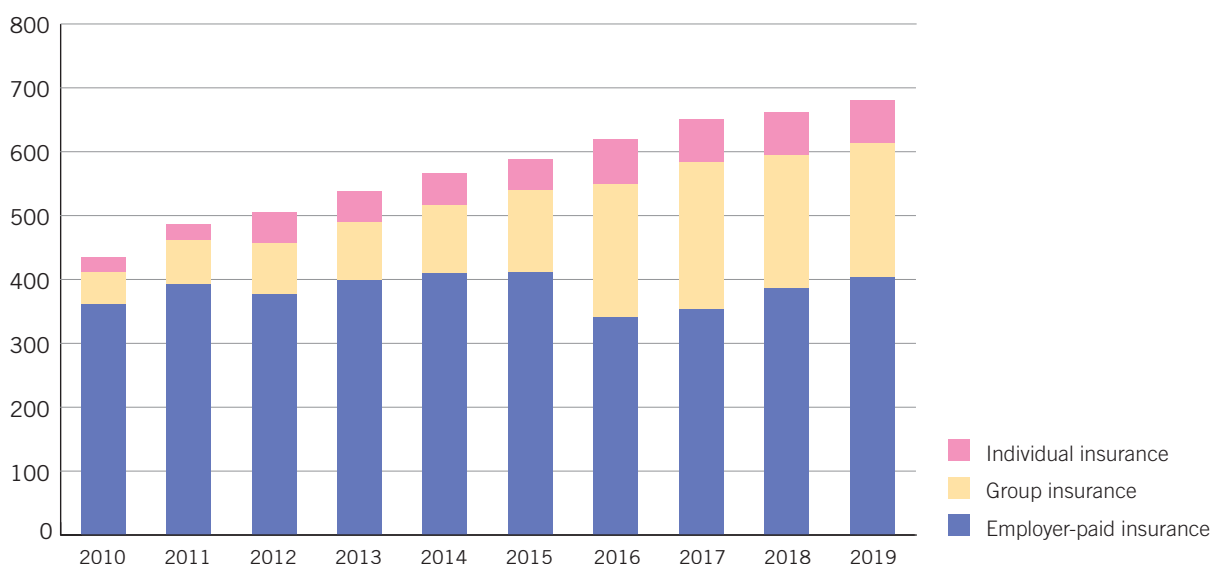
Healthcare insurance normally covers both healthcare and rehabilitation services. The content of the policies may vary somewhat, but generally includes medical on-call services, care planning and specialist care. Preventive and rehabilitative measures are often also included. Emergency care, intensive care or end of life care are not provided in the framework of healthcare insurance.

The number of healthcare policies has followed an upward trend for a long time. At the end of 2019 more than 681,000 people had private healthcare insurance (see Figure 4). That is an increase of 57 per cent since 2010. Almost 6 out of 10 policyholders have their healthcare insurance paid for by their employer, and about 3 out of 10 policyholders have bought their healthcare insurance as group insurance. The remaining approximately 10 per cent have taken out an individual healthcare policy themselves.

In 2019 policyholders paid about SEK 3.5 million in premiums for healthcare insurance.

Figure 4. Healthcare policies, 2010–2019

Policies in thousands



Note: Healthcare policies are offered by life and non-life insurance companies. The major increase in group insurance policies in 2016 is mainly due to a change in how the groups are defined in the statistics.  
Source: Insurance Sweden.

## Payments of claims incurred are increasing

Insurance companies pay out compensation for claims that may arise for example in connection with a car accident, a water leak in the home or theft.

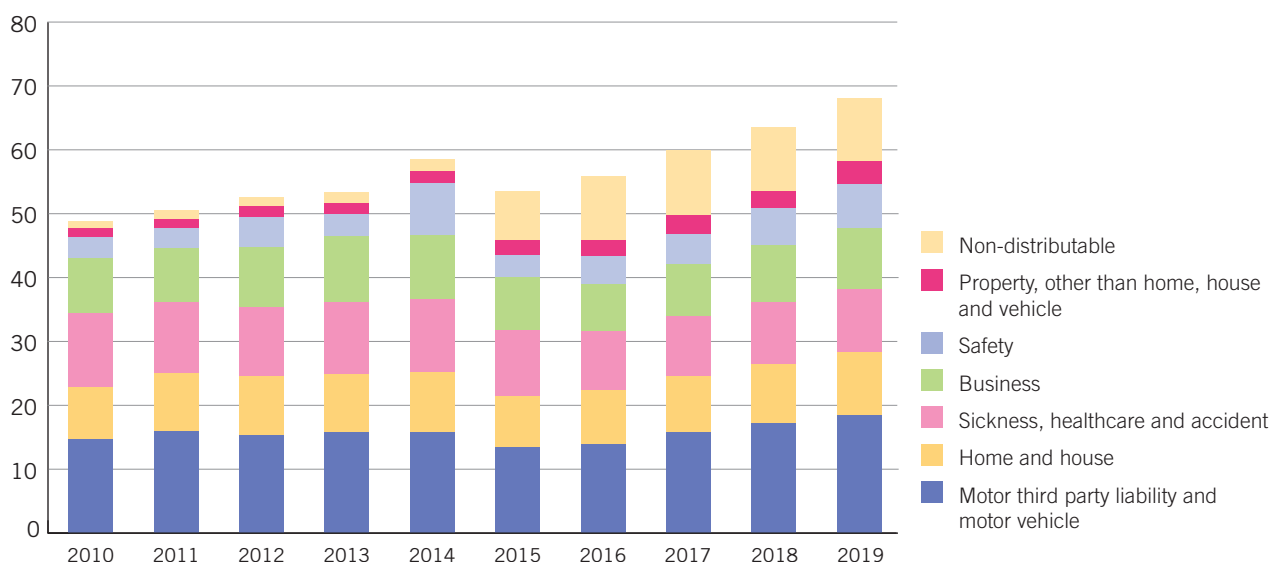
A person may also be indemnified if they fall ill or have an accident that affects their working capacity and ability to earn an income.

In 2019 just over SEK 68 billion was paid by insurance companies for claims incurred. More than half of these payments were for claims occurring in 2019, while the other half was for claims occurring in previous years. The reason for the delay is partly that some types of claim, such as some fire and traffic claims, may take a long time to investigate, and partly that claims are occasionally made some time after the damage occurred. Compensation may also be paid in the form of an annuity for a person who suffers impaired working capacity due to a traffic injury or occupational injury. The annuity is to compensate for future loss of income and is paid out over a long period of time.

The largest part of the compensation paid in 2019 was for claims linked to motor third party liability insurance and motor vehicle insurance. These claims accounted for more than a quarter (27 per cent) of the compensation paid (see Figure 5). After this came claims linked to home and house insurance (15 per cent) and sickness, healthcare and accident insurance (14 per cent). Compensation is also paid to businesses for various business insurance and property insurance claims. Compensation to businesses made up 14 per cent of the total paid out in 2019. The remainder was paid to households.

Figure 5. Payments of claims incurred to households and businesses, 2010–2019

SEK billion



Note: For a given year, payments made include compensation for claims arising during the year and delayed compensation for claims arising in previous years. They include payments from non-life policies that some life insurance companies offer. The 'Business' category includes maritime, aviation and transport insurance, property insurance for companies and real property, and third party insurance. The 'Safety' category includes credit, guarantee, legal expenses, assistance, income and severance pay insurance, as well as work injury insurance and annuities for injury. The 'Non-distributable' category includes data that cannot be separately reported in the other categories. This category is highly dependent on the composition of branches applicable in a given year, since in some cases branches cannot report data broken down into these categories. Source: Swedish Financial Supervisory Authority.

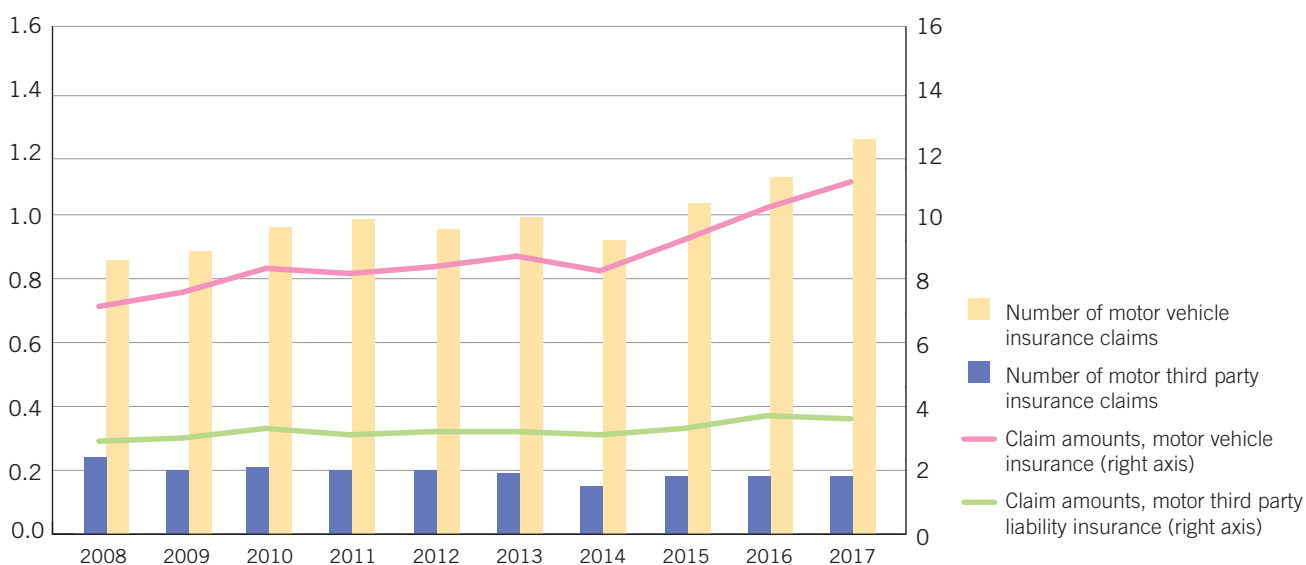
## Traffic claim amounts are increasing

In Sweden, every motor vehicle used on the roads has motor third party liability insurance that covers certain claims arising from an accident. Damage to the vehicle of the driver who caused the accident, however, is not covered. The vehicle owner can take out separate motor vehicle insurance as complementary cover. These policies may also cover more complicated insurance components such as theft and damage to the vehicle in connection with theft. In 2017 there were 1.4 million traffic claims arising from one of these policies (see Figure 6), for which the insurance companies paid out almost SEK 15 billion in compensation.

Since 2008 the number of annual claims related to vehicle insurance has increased by 44 per cent, while the number of claims related to motor third party liability insurance has decreased by 23 per cent. At the same time the amounts paid out for both policies are growing. The amounts paid out from motor vehicle insurance have increased by more than SEK 3.9 billion (55 per cent), and the amounts paid from motor third party liability policies has increased by almost SEK 0.7 billion (23 per cent). An increase in claims amounts is expected, since the costs of repairs normally increase with the general price trend.

Figure 6. Number and amounts of traffic claims, 2008–2017

Claims in millions (bar, left axis) and claim amounts paid in SEK billion (line, right axis)



Note: Refers to traffic claims in the compulsory motor third party liability insurance and complementary motor vehicle insurance. Only includes claims where payment has been started at the latest within the following financial year. Missing business data for individual years have been estimated.  
Source: Insurance Sweden.

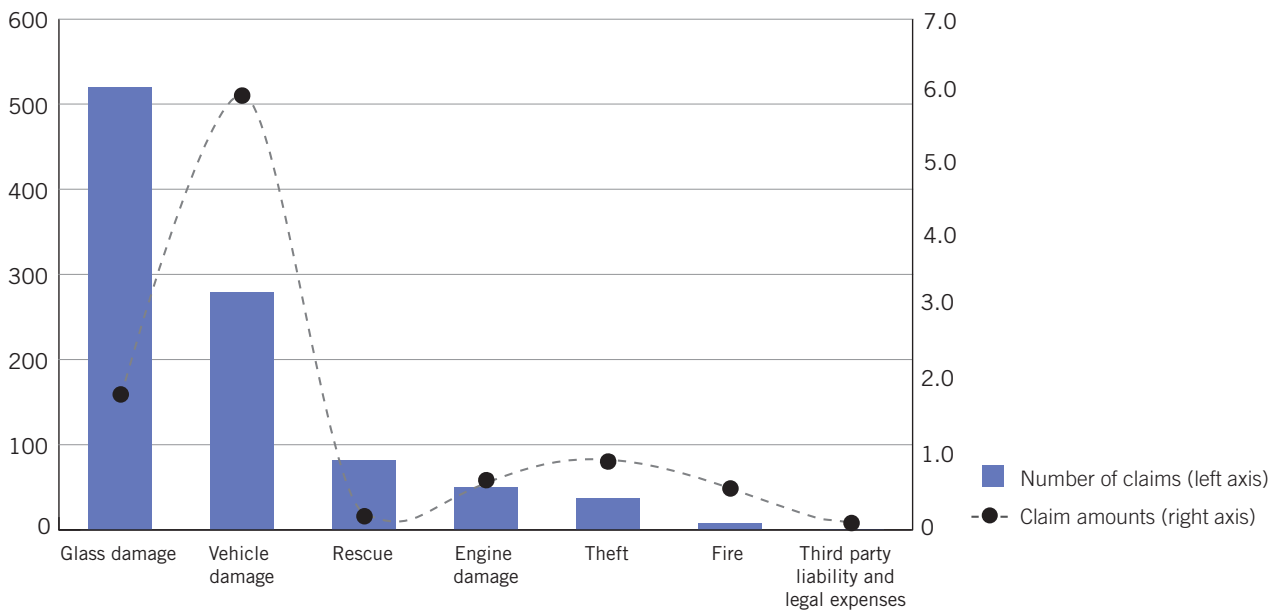


## Glass claims are the most common vehicle claims

In 2017 glass claims (for example car windscreen damage) were the most common road traffic claims. These claims accounted for more than half of all claims covered by motor vehicle insurance (see Figure 7). However, the most expensive were vehicle damage claims (damage to the vehicle), in terms of total payments.

Figure 7. Motor vehicle insurance claims by type of damage, 2017

Claims in thousands (bar, left axis) and claim amounts paid in SEK billion (point, right axis)



Note: Refers solely to claims where the respective type of claim is the main claim type; a claim can cover several insurance components such as rescue and vehicle damage, but nevertheless only be reported under the main type of claim, for instance vehicle damage. Rescue refers to breakdown services and assistance in the event of damage. Theft includes both vehicle theft and theft from a vehicle. Third party liability and legal expenses may pay the costs if an individual is liable for damages or for a legal representative if there is a legal dispute. This may apply to both material damage and personal injury caused by the individual.

Source: Insurance Sweden.

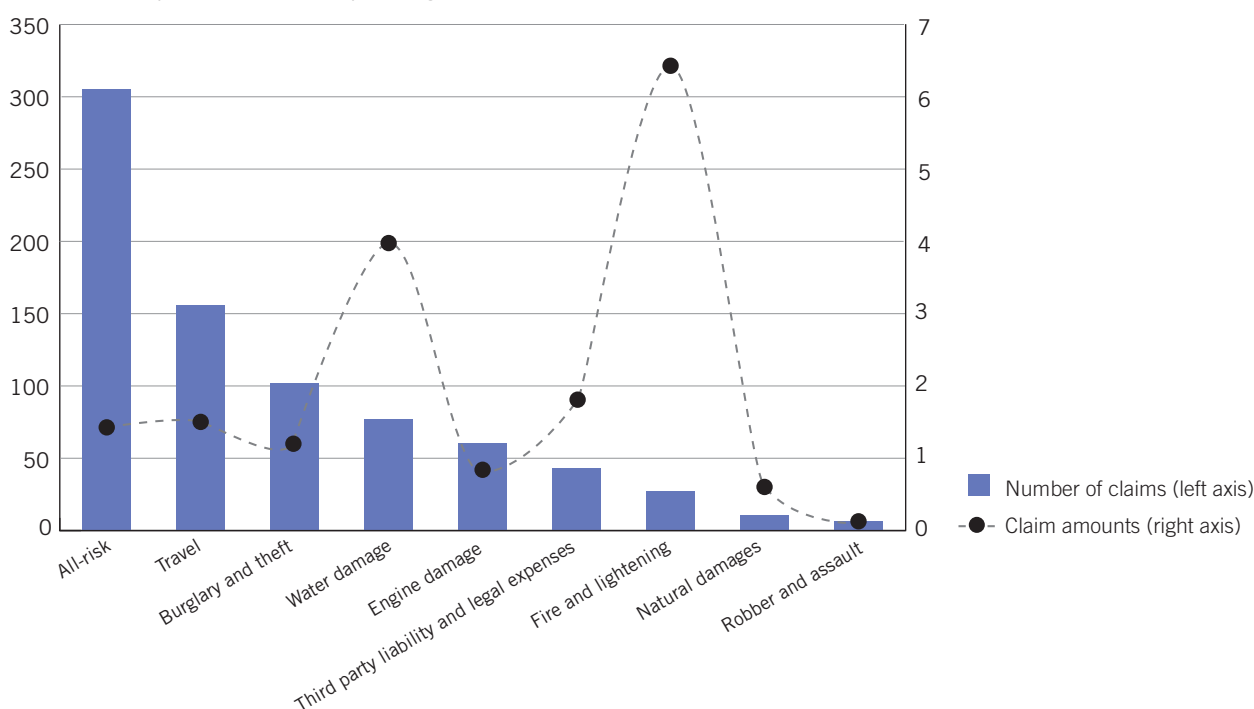
## Claims caused by fire or water are the most expensive

One of the most common reasons for a household or business to receive payment from an insurance policy is an “all risk” claim, which is covered by an all-risk policy (see Figure 8). These policies, which are often included in home insurance, apply when the policyholder experiences a sudden and unforeseen accident. The policyholder may drop a camera on the ground when travelling, drop a mobile phone from a balcony or leave a wallet on the bus. In 2018 there were more than 305,000 all-risk claims. The insurance companies paid a total of more than SEK 1.4 billion in compensation for these claims.

However, the largest claims in terms of value were for fire and lightening damage and water damage. For claims caused by fire or lightening the total amount of compensation paid was just over SEK 6.4 billion, and for water damage just over SEK 3.9 billion.

Figure 8. Number and amounts of claims for households and businesses, 2018

Claims in thousands (bar, left axis) and claim amounts paid in SEK billion (point, right axis)



Note: Includes claims in home, homeowner, holiday home, board, business and real property insurance. Third party liability and legal expenses may pay the costs if an individual is liable for damages or for a legal representative if there is a legal dispute. This may apply to both material damage and personal injury caused by the individual. The claim amounts include provisions for unsettled but known insurance events.  
Source: Insurance Sweden.

## Burglary and theft are the most common everyday crimes

Burglary and theft in businesses and homes – together with vehicle theft, bicycle theft, robbery and assault – are called everyday crime. These are quite common crimes that relatively many people may encounter.

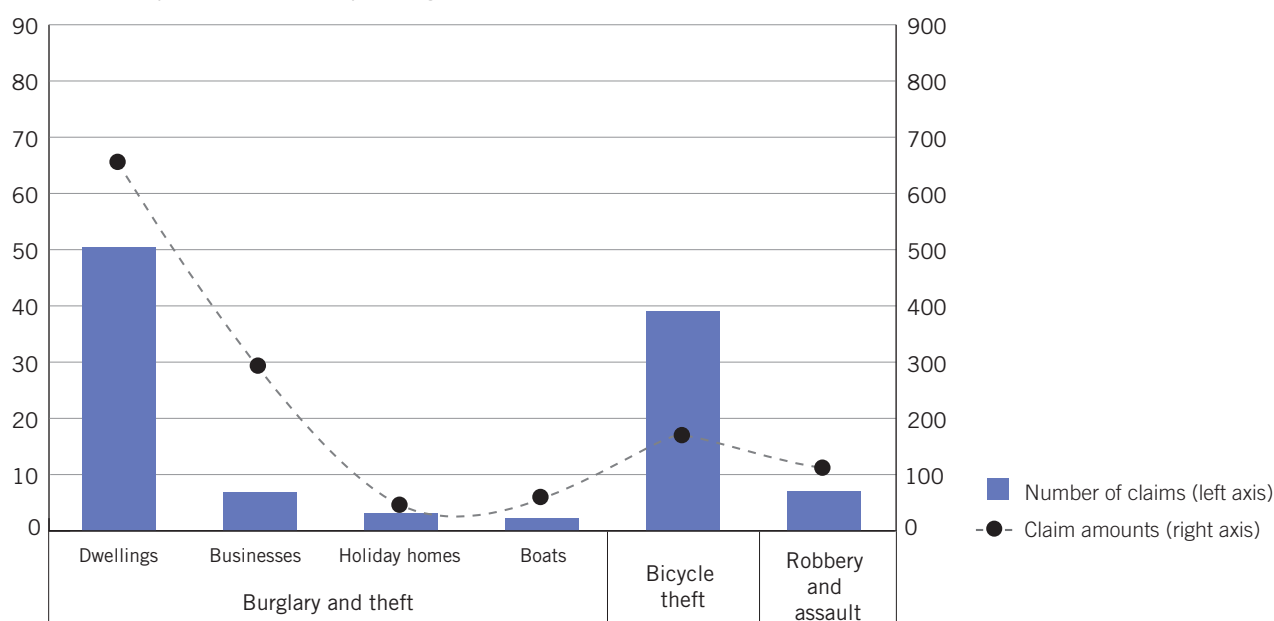
In 2018 almost 109,000 claims arose caused by everyday crime in households and businesses (see Figure 9). The most common everyday crimes were burglary and theft, with more than 50,000 claims concerning houses and other dwellings. In addition, just over 6,900 businesses and 3,100 holiday homes were affected. Another common everyday crime is bicycle theft.

For claims arising from everyday crime in households and businesses the insurance companies paid out a total of more than SEK 1.3 billion in 2018. The highest total amounts were paid out for burglary and theft in dwellings. For burglary and theft in dwellings the total amount of claims paid was just over SEK 653 million.

Insurance statistics for vehicle theft are reported with a further lag of one year compared with other everyday crimes. In 2017 there were 37,000 claims associated with vehicle theft, covering theft both from and of vehicles. The total amount paid for these claims was almost SEK 976 million.

Figure 9. Number of claims and claim amounts arising from everyday crime in households and businesses, 2018

Claims in thousands (bar, left axis) and claim amounts paid in SEK billion (point, right axis)



Note: Includes claims in home, homeowner, holiday home, boat, business and real property insurance.  
Source: Insurance Sweden.

## Fires most often occur in dwellings

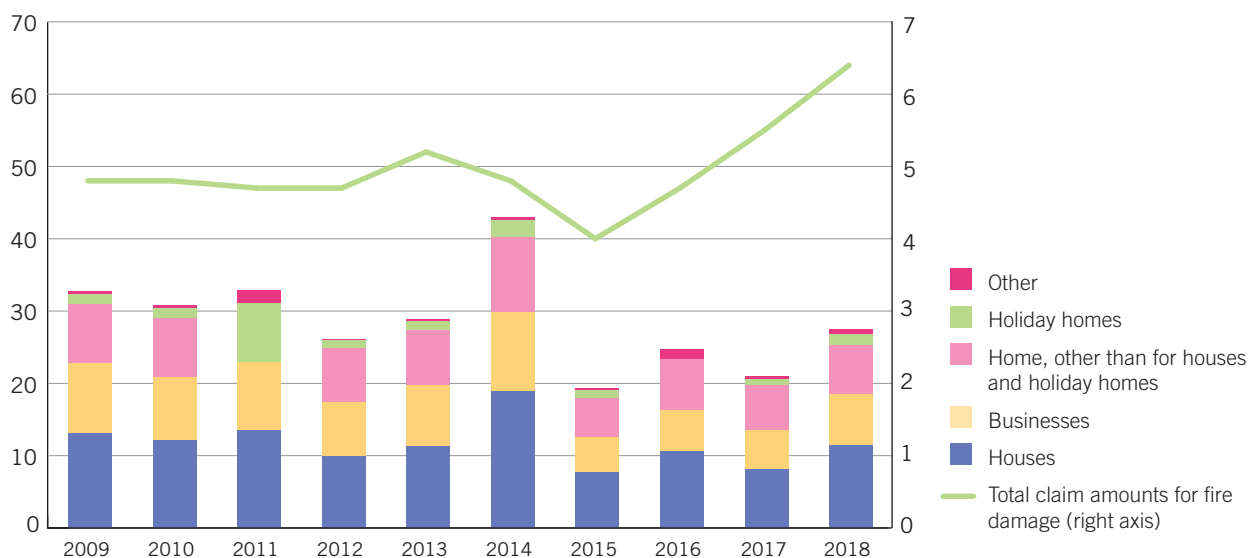
In 2018 there were 27,500 claims due to fire and lightening that were covered by home, house, holiday home, business and real property insurance (see Figure 10).

For fire damage occurring in 2018 the insurance companies paid out a total of SEK 6.4 billion in insurance compensation. Claims incurred for fire damage vary considerably depending on the type of property that has been damaged and what it is valued at, as well as the extent of the damage.

Of the claims arising in 2018 only 3 per cent were caused by fires. However, the damage caused by fires accounted for 32 per cent of the total amount of claims payments.

Figure 10. Number and amounts of claims for households and businesses, 2009–2018

Claims in thousands (bar, left axis) and claim amounts paid in SEK billion (line, right axis)



Note: Includes claims in home, homeowner, holiday home, boat, business and real property insurance.

The 'Business' category refers to business and real property insurance. Refers to claims where fire was the main cause of damage. The claim amounts include provisions for unsettled but known insurance events.

Source: Insurance Sweden.

## Large variations in the number of natural damage claims over the years

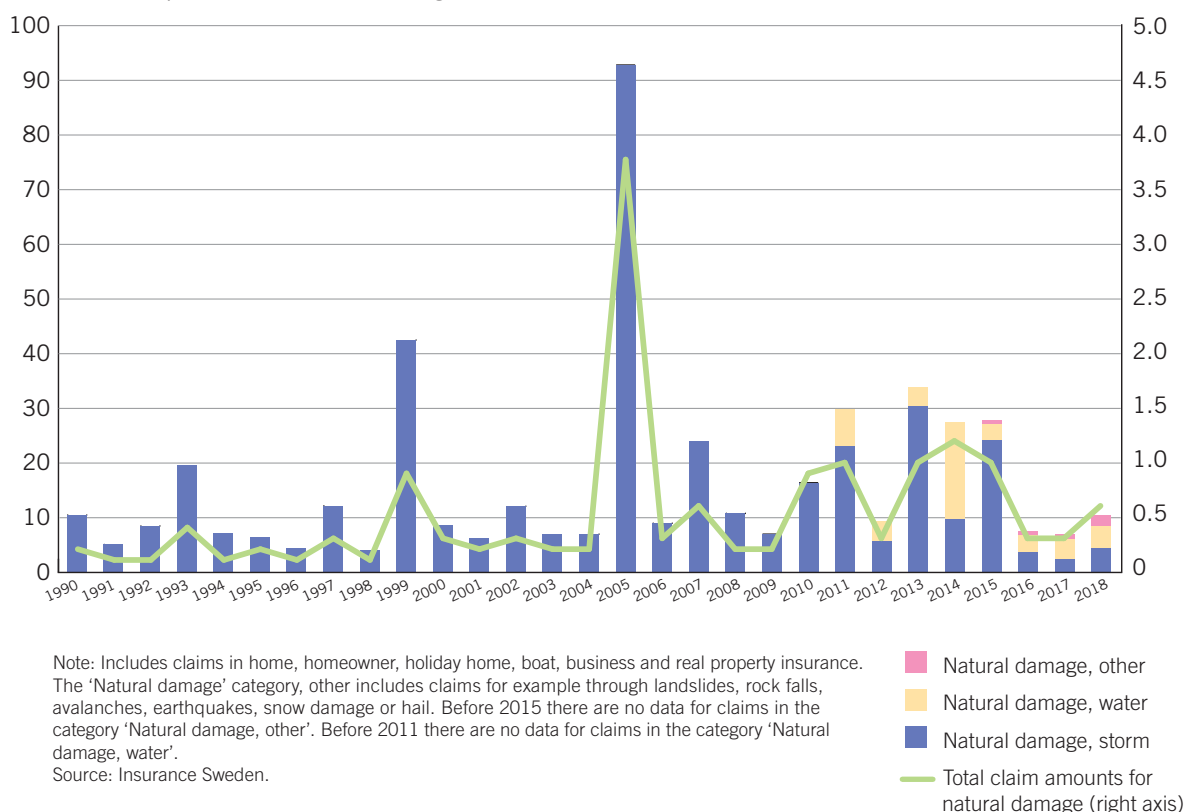
Natural damage includes damage arising from extreme weather conditions such as storms, torrential rain, flooding, landslides and avalanches. In 2018, there were 10,500 natural damage claims in Sweden that were covered by insurance, of which the absolute majority (8,400 claims) were caused by flooding and storms (see Figure 11). In total the insurance companies paid more than SEK 590 million in compensation for natural damage.

The existence of different types of natural damage varies considerably from year to year. The most dramatic year to date was 2005 when the storm Gudrun in Småland caused more than 90,000 damage claims, with compensation from insurance companies of almost SEK 4 billion.

In the past three years insurance claims for natural damage were fewer compared with the three previous years. In 2018 it was mainly the counties of Västra Götaland, Uppsala and Stockholm that suffered most damage. The county with the largest total payments for natural damage, equivalent to just under SEK 99 million, was Uppsala.

Figure 11. Number and amounts of natural damage claims for households and businesses, 1990–2018

Claims in thousands (bar, left axis) and claim amounts paid in SEK billion (line, right axis)



## Occupational pension increasingly important for total pension

*In 2019 life insurance companies paid out more than SEK 186 billion in occupational pensions, among other things. Employers pay in occupational pension premiums for their employees, which are then paid out to the employee as pension. Occupational pension is a supplement to the national pension and over time has become increasingly important for the total pension.*

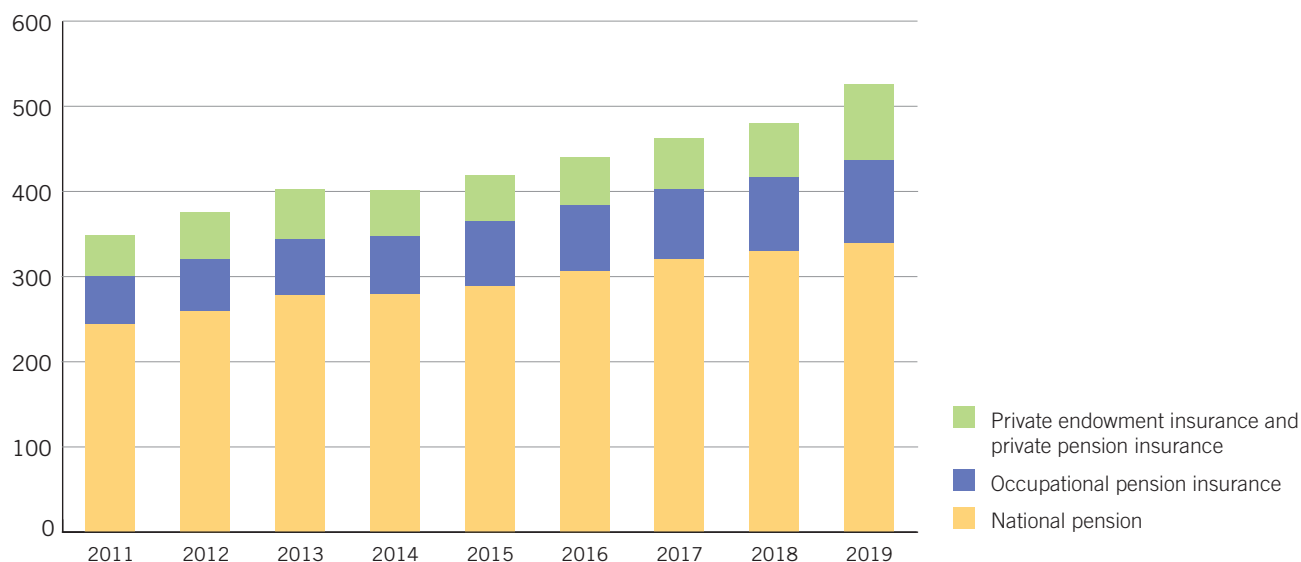
### Pension payments are increasing

In 2019 the Swedish Pensions Agency paid out more than SEK 339 billion in national pensions. The national pension includes income-based pension, supplementary pension, premium pension and guarantee pension (see Figure 12). As a complement to the national pension, the life insurance companies offer employers and private individuals the opportunity to take out life insurance savings policies in the form of occupational pension insurance, private pension insurance and private endowment insurance. The payments from life insurance savings in 2019 amounted to SEK 186 billion.

The total payments from national pension and life insurance savings increased by 48 per cent between 2011 and 2019. The share consisting of payments from occupational pension insurance in the same period increased somewhat, from 17 to 19 per cent. Occupational pensions' share of total pensions is, however, higher than is stated here. This is because an employer can secure its occupational pension commitment in other ways than via a pension insurance; for example through provisions in the balance sheet or to a pension fund.

Figure 12. Payments from national pension and life insurance savings, 2011–2019

SEK billion



Note: National pension includes income-based pension, supplementary pension, premium pension and guarantee pension paid out from the Swedish Pensions Agency. Occupational pension insurance covers the occupational pension paid via the life insurance companies. The payments from insurance companies have been adjusted for internal transfers and only the insurance payments made to customers and that refer to savings insurance are included. Risk insurance (i.e. premium exemption insurance, sickness insurance and group life insurance) are not included.

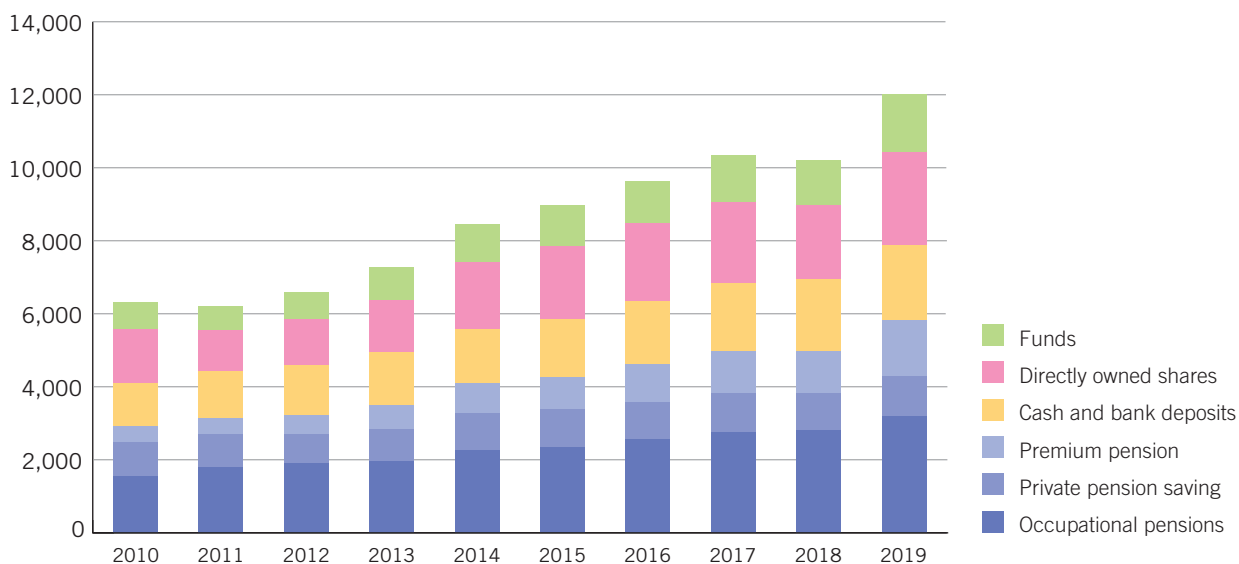
Source: Swedish Pensions Agency, Swedish Financial Supervisory Authority and Insurance Sweden.

## Pensions make up a substantial part of household savings

In the past ten years Swedish households have almost doubled their savings from just over SEK 6,300 billion in 2010 to SEK 12,000 billion in 2019 (see Figure 13). Occupational pension schemes are the largest form of savings for Swedish households. About half of the savings in 2019 were either in occupational pensions, private pension saving or premium pensions.

Figure 13. Households' financial savings, 2010–2019

SEK billion



Note: The 'Cash and bank deposits' category also includes premium bonds. 'Funds' also includes structured products. 'Private pension saving' also includes private pension insurance and private endowment insurance.

Source: Statistics Sweden.





# The insurance industry is an important part of the national economy

Every year Swedish insurance companies pay out large sums in pensions and compensation for claims. This creates financial protection for both households and businesses. In 2019 a total of SEK 261 billion was paid in insurance compensation for non-life insurance, pension insurance and other life insurance. The Swedish insurance industry consists of just under 350 companies that together employ almost 22,000 people and invest about SEK 5,350 billion in the Swedish and global economy.

## Both small local and large national insurance companies

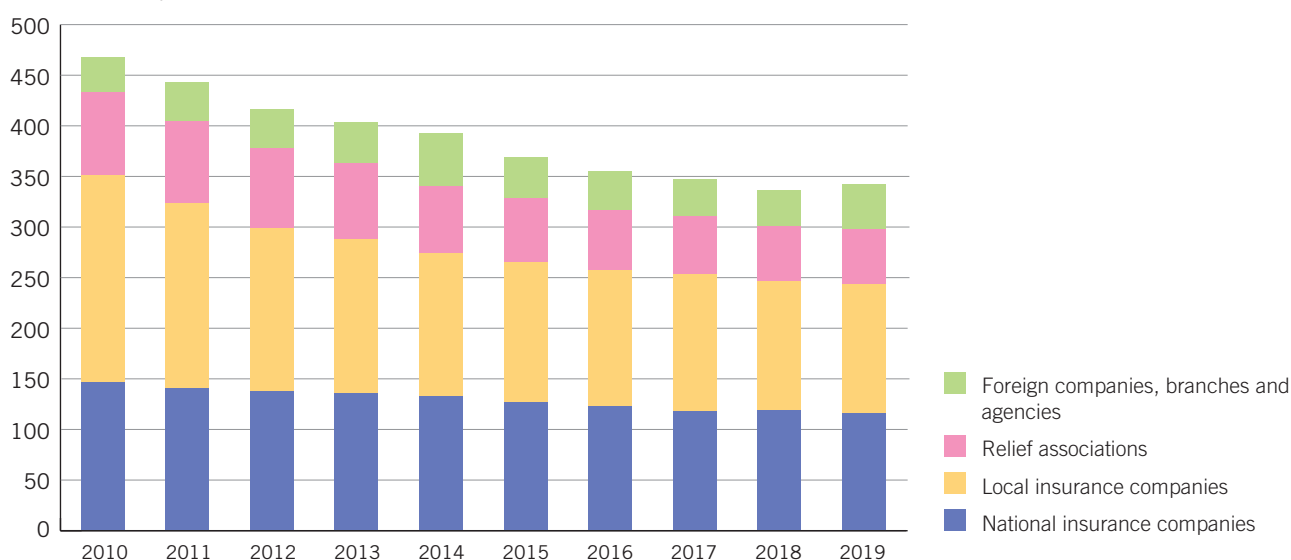
Sweden just under 22,000 people work in the insurance industry, which corresponds to about a half a percent of employees in the labour market. The employees are distributed among almost 350 insurance companies (see Figure 14).

Most companies are either national or local insurance companies. In addition there are “relief associations” (occupational pension funds) and some foreign companies that are represented via branches or agencies.

The number of companies has decreased in the past ten years. It is mainly small local insurance companies and relief associations that have decreased in numbers. Despite the decrease in the number of companies, the number of employees has remained about the same during this period.

Figure 14. Insurance companies in Sweden, 2010–2019

Number of companies



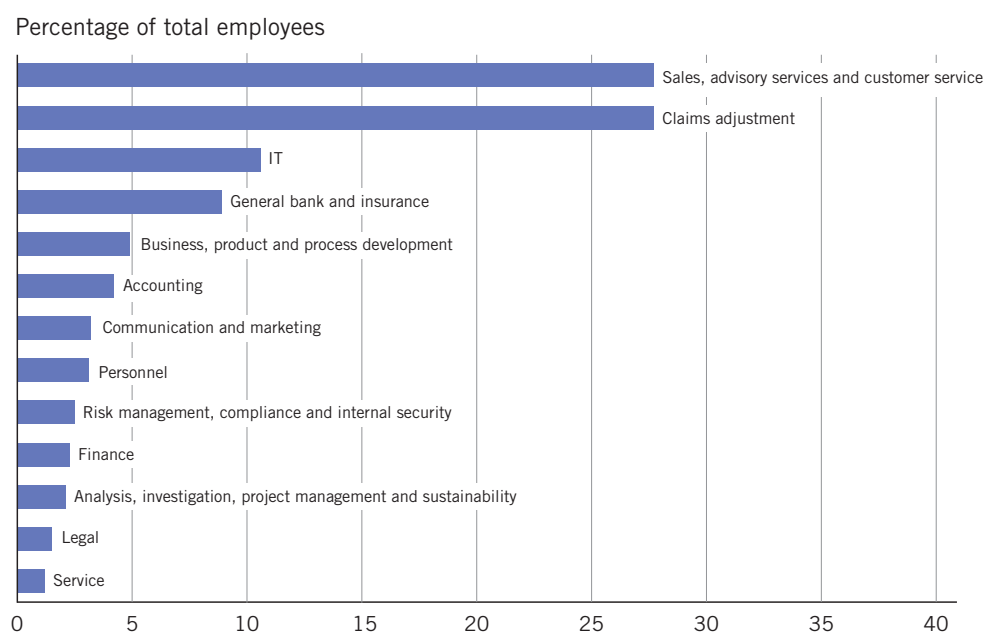
Source: Swedish Financial Supervisory Authority.



## Customer service and claims adjustment are common occupations

There are many different occupational categories in the insurance industry. Just over a quarter (more than 28 per cent) of the employees work in sales, advisory services or customer service (see Figure 15). Approximately the same proportion work on claims adjustment. The latter occupational group includes investigation of causes and liability for claims, as well as services involving risk assessment and analysis concerning reinsurance with other companies. Some specialist occupations, such as actuaries, also belong here.

Figure 15. Percentage of employees in various occupational groups, 2019



Note: Includes companies that are included in the pay statistics collected in October every year by FAO (Swedish Insurance Employers' Association). The statistics include almost all insurance companies in the insurance industry, but excludes for example companies whose main business is banking. The occupational groups are composed on the basis of FAO's occupational classification system, in which individual occupations are classified in the category that best describes them.

Source: FAO (Swedish Insurance Employers' Association).

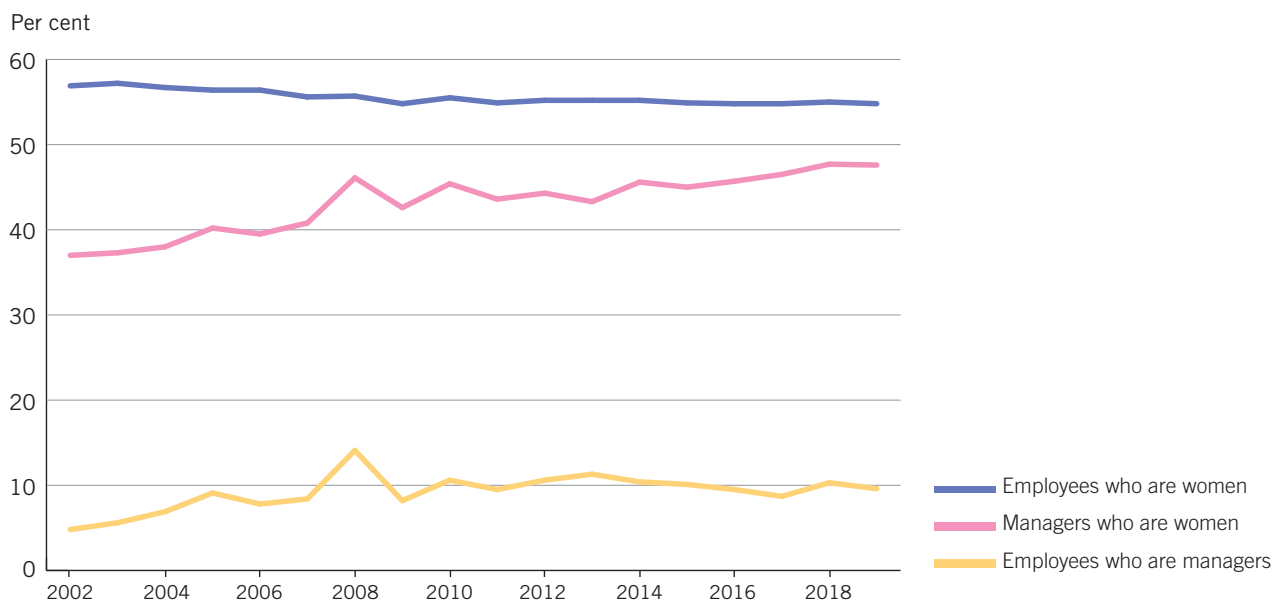
### Slightly more women than men

The Swedish insurance industry has a relatively balanced gender breakdown. Of those employed in the industry in 2019, just over half were women. The percentage of women has been consistently somewhat higher than the percentage of men during the 2000s (see Figure 16).

The percentage of managers increased steadily from 2002 to 2008. Since then the number of managers as a percentage of employees has been about 10 per cent.

The percentage of women who are managers has followed an upward trend since 2002. In 2019 about half of the managers were women.

Figure 16. Percentage of employees who are women and managers respectively, and percentage of female managers, 2002–2019



Note: Includes companies that are included in the pay statistics collected in October every year by FAO (Swedish Insurance Employers' Association). The statistics include almost all insurance companies in the insurance industry, but excludes for example companies whose main business is banking. 2002 is a natural starting point for the statistics, since FAO introduced a new occupational classification system at that time. Source: FAO (Swedish Insurance Employers' Association).

## The most common education is in accounting, retail and administration

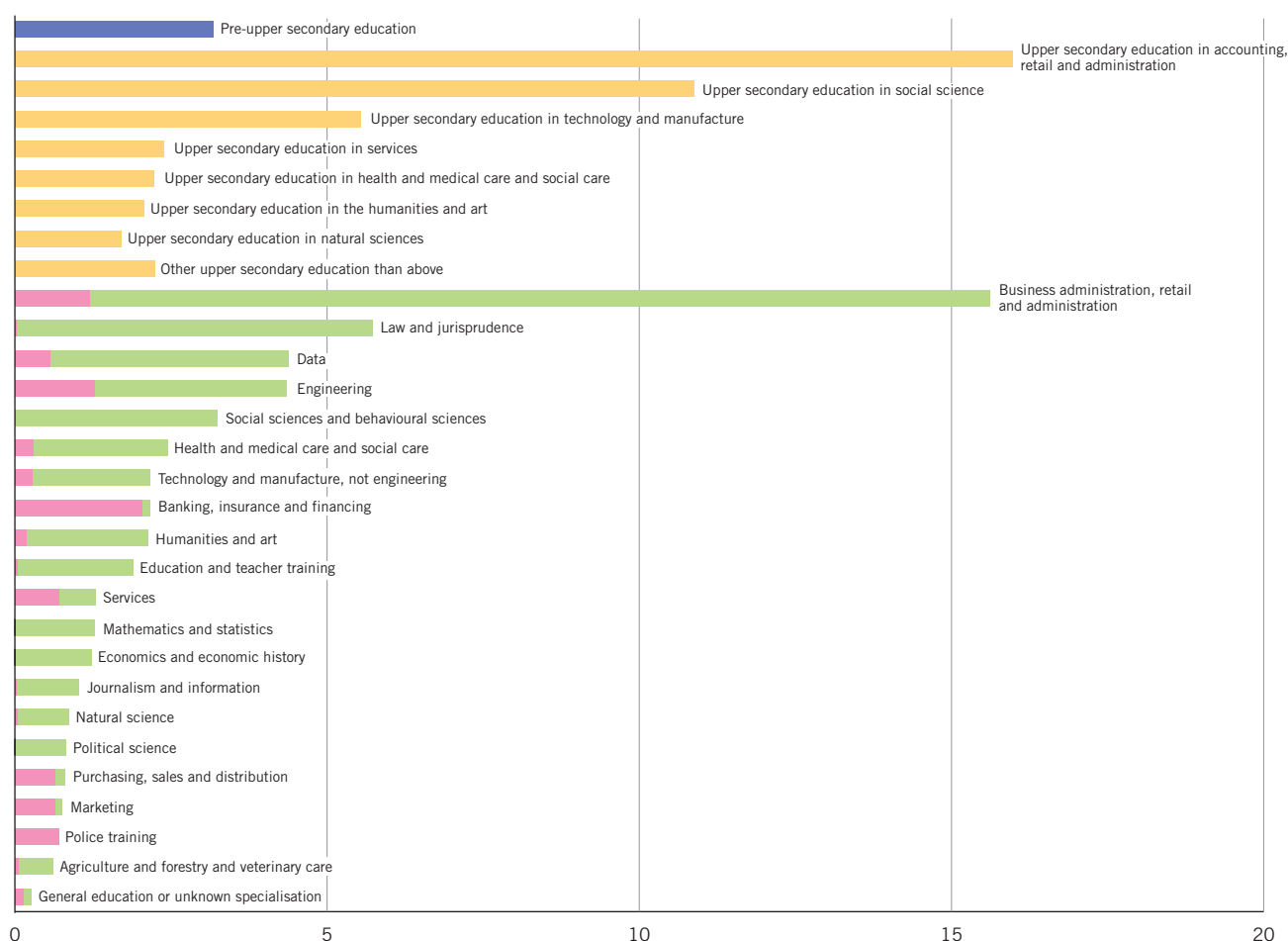
Of those employed in the insurance industry in 2018, almost 54 per cent had post-upper secondary education. Almost 43 per cent of the employees had upper secondary education as the highest level, and just over 3 per cent had pre-upper secondary education as the highest level (see Figure 17).

Among those with upper secondary education as the highest level, education in accounting, retail and administration is most common (almost 16 percentage points). Of those with post-upper secondary education, almost 45 percentage points had studied at higher education institutions, most commonly in business administration, retail and administration (almost 15 percentage points). Almost 9 percentage points of those with post-upper secondary education have studied outside higher education institutions, for example in higher vocational education. Among these, the most common education is in banking, insurance and financing (just over 2 percentage points).

Almost a half percent of all employees have postgraduate qualifications.

Figure 17. Percentage of employees with different levels of education, 2018

Percentage of total employees



Note: Refers to highest educational level. The post-upper secondary education category 'Social sciences and behavioural sciences' includes for example education in sociology, ethnology, human geography and psychology. The post-upper secondary education category 'Services' includes for example education in transport, tourism, travel, sports, health promotion and civil defence and military education. The statistics include individuals included in the education statistics produced by FAO every third year, where the latest publication was for 2018, and includes almost all insurance companies in the insurance industry, but excludes for example companies whose main business is banking.  
Source: FAO (Swedish Insurance Employers' Association).

- Pre-upper secondary education
- Upper secondary education
- Post-upper secondary education outside higher education institutions
- Post-upper secondary education at higher education institutions

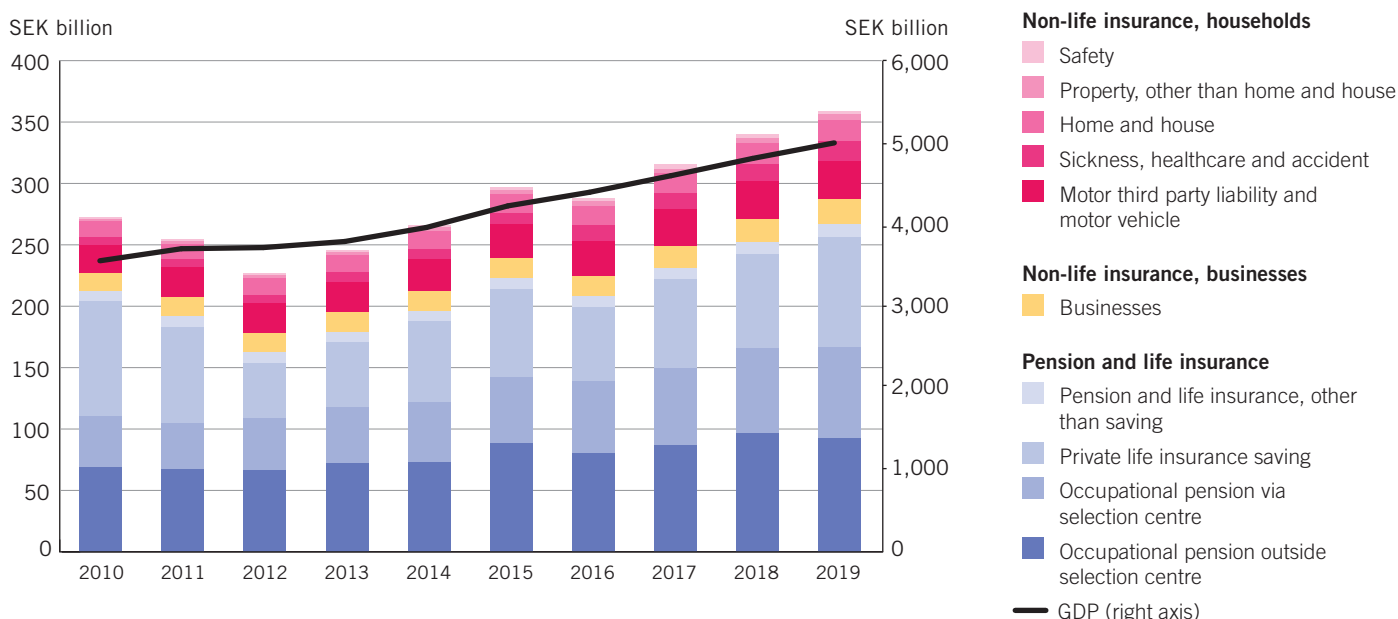
## Insurance premiums follow economic development

Insurance means that households and businesses pay in premiums to insurance companies in exchange for security in the form of compensation if an accident or illness occurs or in the form of pension (see Figure 18). For non-life insurance, premiums amounted to a total of more than SEK 92 billion in 2019, of which almost SEK 20 billion was paid by companies and just over SEK 72 billion by households. For pension and life insurance, premiums amounted to just over SEK 267 billion. The largest premium for non-life insurance were for motor third-party liability and motor vehicle insurance, and home and house policies, while the main part of premiums for pension and life insurance was for occupational pension.

The total premiums have increased by 32 per cent in the past ten years. This increase has taken place in pace with economic growth, since demand for home insurance, for example, rises when household assets grow.

On average about SEK 7,000 per person was paid in premiums for households' non-life policies and about SEK 26,000 per person in premiums for pension and life policies in 2019. It is common for one individual to have several different types of insurance, such as home insurance and motor vehicle insurance. About 62 per cent of pension and life insurance premiums are paid by employers in the form of occupational pension. Some of the non-life premiums are also paid by employers, for example for some accident and healthcare policies.

Figure 18. Premiums from households and businesses for non-life, pension and life insurance, 2010–2019



## Market share for non-life insurance

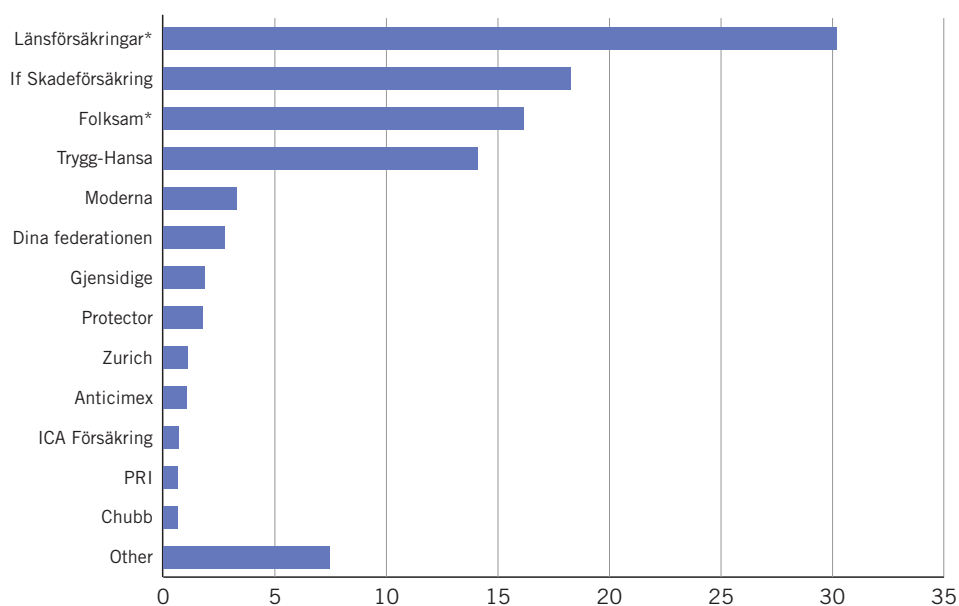
In 2019 total premiums for non-life insurance companies was almost SEK 88 billion.

The four non-life insurance companies with the highest premiums were Länsförsäkringar, If Skadeförsäkring, Folksam and Trygg-Hansa (see Figure 19). These four groups/companies together accounted for about 79 per cent of the market in terms of premiums.

Some life insurance companies also offer non-life insurance, mainly in the form of accident insurance, sickness insurance and healthcare insurance. The life insurance companies' non-life policies – which are not included in Figure 19 – comprised SEK 4.2 billion in paid-in premiums in 2019.

Figure 19. Premiums for non-life insurance by insurance group/company, 2019

Market share as a percentage of total premiums



Note: Only includes non-life policies with non-life insurance companies; life insurance companies may also offer non-life insurance, in the form of accident insurance, sickness insurance and healthcare insurance. Companies with an asterisk (\*) refer to the group.

Source: Swedish Financial Supervisory Authority.

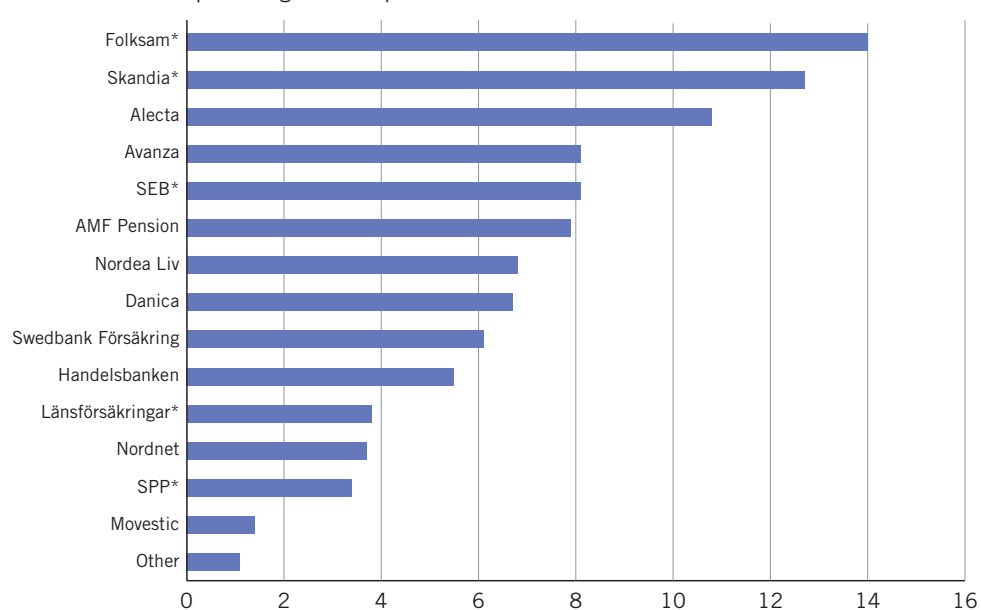
## Market share for pension and life insurance

The premiums paid for pension and life insurance exposed to competition in 2019 amounted to just over SEK 246 billion. The three life insurance groups/companies that received the most premiums were Folksam, Skandia and Alecta (see Figure 20). These groups/companies constituted 38 per cent of the market in terms of total premiums.

There are also pension and life insurance policies where it is not possible to choose between several insurers, and thus are not exposed to competition. The pension and life insurance policies not exposed to competition – and not included in Figure 20 – consisted of SEK 21 billion in total premiums in 2019.

Figure 20. Premiums paid in to pension and life insurance policies exposed to competition by insurance group/company, 2019

Market share as a percentage of total premiums



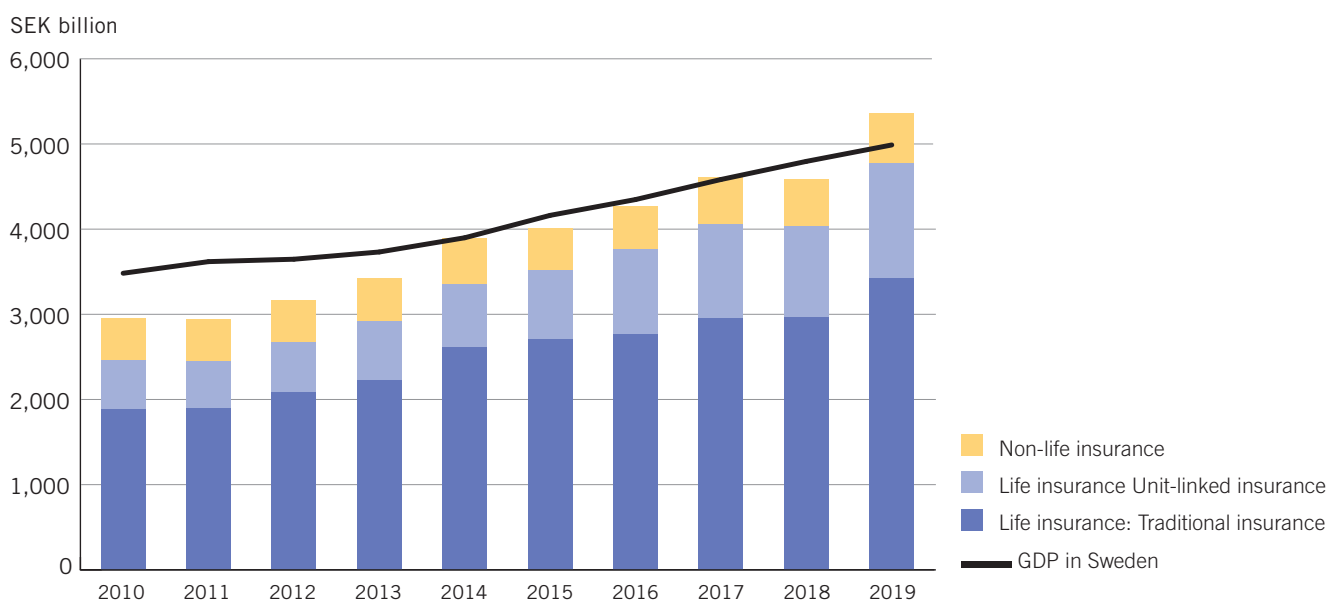
Note: The figure shows percentages of total premiums for life insurance exposed to competition in 2019. Premiums do not include transferred insurance capital and adjustments of paid-up values. An insurance policy exposed to competition offers the opportunity to choose between several insurers. Companies with an asterisk (\*) refer to the group. Premiums paid to life insurance companies' non-life policies are not included.  
Source: Swedish Financial Supervisory Authority.

## Insurance companies have large assets

At the end of 2019, Swedish insurance companies owned financial assets of about SEK 5,350 billion, which was more than Sweden's GDP (see Figure 21). Most of the capital, almost 90 per cent, is managed by life insurance companies, while the rest is managed by non-life insurance companies. The reason why life insurance companies have large assets and that these have grown in the past ten years is because premiums accumulate and generate returns. Alec-ta is the life insurance company with the largest assets, followed by Skandia, AMF Pension, Folksam and SEB Pension.

The life insurance companies' assets are mostly related to traditional life insurance, but unit-linked insurance has increased in recent years. In unit-linked insurance, the policyholders choose the funds in which to invest capital and the financial risk is borne by the policyholders. Unit-linked insurance thus differs from traditional insurance, where the insurance companies choose how to manage the capital and the financial risk is borne by the insurance companies.

Figure 21. Size of the Swedish insurance companies' assets, 2010–2019



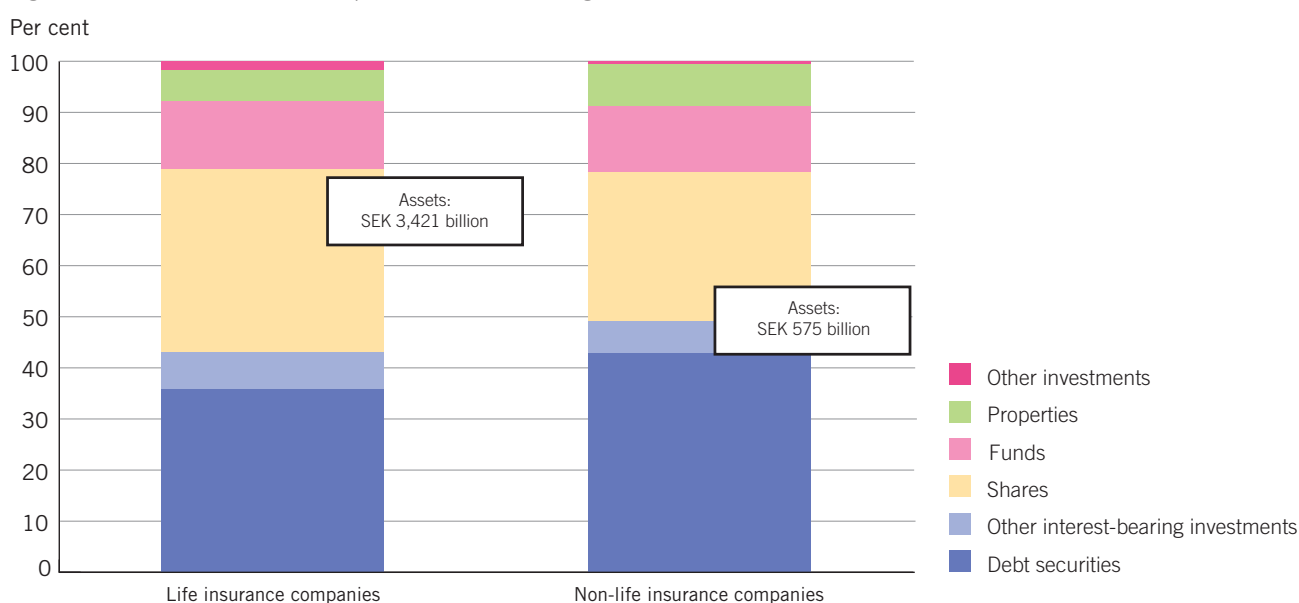
Note: All life insurance that is not unit-linked insurance is classified as traditional life insurance even if deposit insurance may also be included. GDP refers to the annual gross domestic product in Sweden.  
Source: Statistics Sweden.

## Insurance companies invest mainly in shares and bonds

By managing their assets, the insurance companies generate returns and bonuses, which benefit the policyholders. Swedish insurance companies mainly invest in Swedish and foreign equities, investment funds and debt securities, but also in properties (see Figure 22). The debt securities purchased by insurance companies are mainly bonds issued by foreign borrowers, Swedish government bonds and bonds issued by Swedish banks and mortgage institutions.

Non-life insurance companies typically invest in assets of shorter duration than the life insurance companies do. The reason why non-life insurance companies have a shorter investment horizon is that they manage ongoing claims payments. Life insurance companies often have a longer investment horizon since the savings take place over a longer period.

Figure 22. Swedish insurance companies' assets excluding unit-linked insurance, 2019



Note: Funds referring to unit-linked insurance of SEK 1,355 billion are excluded from the life insurance companies. Debt securities are mainly bonds, but also convertible securities, certificates and other debt instruments with short maturities. The category Other interest-bearing investments includes bank deposits, loans, repos and accrued interest income. Properties refers to land and buildings and shares in wholly-owned property companies. The category Other investments includes derivatives.

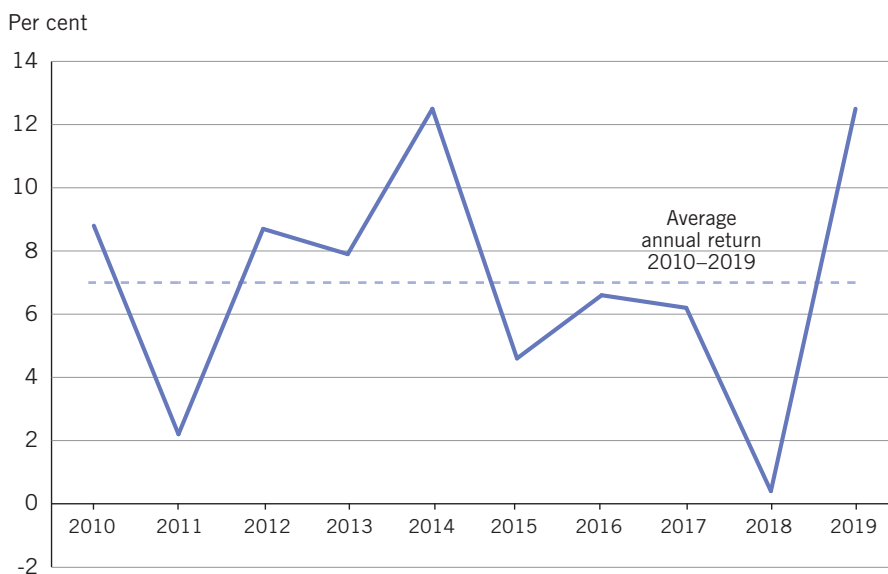
Source: Statistics Sweden.



## High return on life insurance companies' assets in 2019

The return on the life insurance companies' assets is important, since it affects the level of future pension payments. For 2019 the total return on assets managed by Swedish life insurance companies amounted to 12.5 per cent (see Figure 23). This is higher than the average annual total return on assets in the past ten years and is to a large extent explained by the positive development on stock markets in Sweden and globally in 2019. The fact that the Swedish life insurance companies' assets to a relatively great extent consist of equities has contributed to the average annual return being seven per cent since 2010.

Figure 23. Total return on assets managed by Swedish life insurance companies, 2010–2019



Note: The total return is estimated as a mean average of the life insurance companies' returns, weighted by the market value of the assets managed by the companies.  
Source: Insurance Sweden.

Insurance Sweden is the industry organisation for insurance companies. About 50 insurance companies are members and together they account for more than 90 per cent of the Swedish insurance market.

Insurance Sweden works to raise awareness of the importance of insurance to society and promote a high level of confidence in the insurance industry. Insurance Sweden also works to create good business conditions for the insurance industry and provides some industry-wide infrastructure.



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