



INSURANCE IN SWEDEN

2013–2022

Insurance in Sweden

Security for the individual – growth for society

We are all exposed to risks. This could include the risk of being involved in a traffic accident, a fire in our home, theft, or long-term illness. Without insurance, such events could result in significant economic consequences. Insurance makes economic conditions more stable for households and companies. This contributes to increased security, making households more willing to consume and companies more willing to invest. In this way, insurance contributes to growth in the society. The substantial investments made by insurance and occupational pension companies in companies and infrastructure, among other things, also contribute to increased growth and the transition to a sustainable society.

The idea behind insurance is simple: we share the risks. Through insurance, households or companies pay a premium in exchange for insurance companies compensating those affected in the event of an accident. In life insurance and occupational pension companies, households and companies can sign up for pension or endowment insurance policies that provide a certain future income, such as pension, in exchange for a premium payment in the present. The saved capital can serve as pension savings but can also act as a buffer that creates security for the future.

This publication provides an overview of insurance in Sweden and highlights its significance for the national economy and the world. The statistics presented are based primarily on data from Insurance Sweden, the Financial Supervisory Authority, Statistics Sweden (SCB), and the Insurance Industry Employers' organisation (FAO). Statistics are presented to illustrate the Swedish insurance market in 2022 and provide a long-term perspective with statistics from multiple years.

The publication is divided into four parts:

- The Swedish insurance industry: the magnitude of payments made by insurance and occupation pension companies to households and companies.
- Non-life insurance: the number of insurance claims and the amount paid out by non-life insurance companies as compensation for these claims.
- Pension and life insurance: the annual amount paid out in occupational pensions and the amount of capital households invest in various investment forms, such as private endowments and private pension insurances.
- Description of the size of investments made by insurance and occupational pension companies as well as the assets in which they invest.

Contents

The insurance industry is an important part of the national economy	5
Payments from insurance	5
Insurance premiums paid	6
Market share for non-life insurance	7
Market share for pension and life insurance	8
Companies and employees in the insurance industry	9
Nearly half of all managers are women	10
Claims adjustment and insurance regulation are common occupations	11
Non-life insurance	12
Home insurance and motor vehicle insurance are common policies	12
Motor insurance account for the largest share of premium income	13
Almost everyone in Sweden has home insurance	14
Fewer damages result in decreased claims payments	15
Payments of claims increase for motor vehicle insurance	16
Glass claims are the most common motor vehicle claims	17
Number of injured and killed individuals in traffic	18
Paid injury annuities decrease when the number of accidents decreases	19
Damages caused by fire and lightning are the most expensive claims	20
Burglary and theft are the most common acquisitive crimes	21
Claims payments for acquisitive crimes	22
Fires most commonly occur in residences	22
Large variations in the number of claims caused by natural events over the years	25
Significant variation in the areas affected by natural event-related damages	26
About 26 million sickness, accident and healthcare insurance policies	27
An increasing number of individuals have healthcare insurance	28
Treatments within the healthcare insurance	29
Marine and transport insurance	30
The market for pet insurance is growing	31
The claims payments for pet insurance are increasing	32
Pension and life insurance	33
Number of insurance policies in pension and life insurance	33
Payments from insurance savings continue to increase	35
Occupational pension is an increasingly important part of the total pension	36
Pensions make up a significant part of household financial savings	37
Higher savings for retirement more important as life expectancy rises	38
The growth in private endowment insurance is slowing down	39

The assets and investments of the Swedish insurance industry	40
Investment assets are larger than Sweden's GDP	40
Swedish companies have significant assets in a European comparison	41
Difference between the assets of life insurance and occupational pension companies by investment form	42
Insurance and occupational pension companies primarily invest in equities and bonds	43
Low return on assets in 2022	44

The insurance industry is an important part of the national economy

The Swedish insurance and occupational pension companies annually pay out significant amounts in pensions, life insurance savings, and compensation or claims. These payments create economic security for households and companies. In 2022, a total of nearly 340 billion SEK was paid out in insurance compensation. At the same time, Swedish households and companies collectively paid over 461 billion SEK in premiums for pensions, life, and non-life insurances.

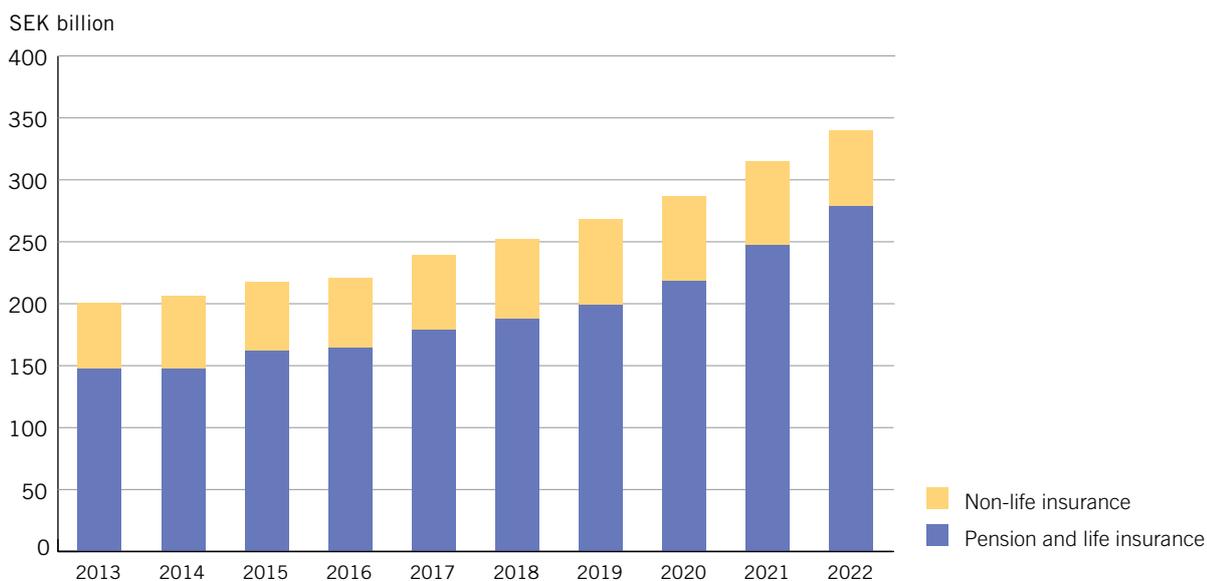
Payments from insurance

Insurance means households and companies paying premiums to insurance and occupational pension companies in exchange for security in the form of compensation for damages, accidents, illnesses, or in the form of pension payments or savings withdrawals.

Insurance and occupational pension companies paid out a total of nearly 340 billion SEK in insurance compensation in 2022 (see figure 1). The majority (82 per cent) of this amount was paid out from life and occupational pension insurance companies, while the remaining (18 per cent) was paid out by various non-life insurance companies. Compared to 2021, payments from pension and life insurance increased by 13 per cent (31.3 billion SEK), while payments from non-life insurance decreased by 9 per cent (-6.1 billion SEK).

In 2022, an average of approximately 26,500 SEK per person was paid out for occupational pensions and savings in private endowments and pension insurances. During the same period, an average of approximately 4,800 SEK per person was paid out for non-life insurance.

Figure 1. Compensations paid out to households and companies, non-life insurance, pension and life insurance, 2013–2022



Note: *Pension and life insurance* includes occupational pension and savings in private endowment insurance and private pension insurance, covering both competitive and non-competitive insurance. *Non-life insurance* provided by life and occupational pension insurance companies is included in the category of non-life insurance. Payments made to customers by life insurance and occupational pension companies includes repurchases, refunds due to repurchases, and other refunds paid. Compensation payments to customers by non-life companies refers to compensation for claims.

Source: Insurance Sweden.

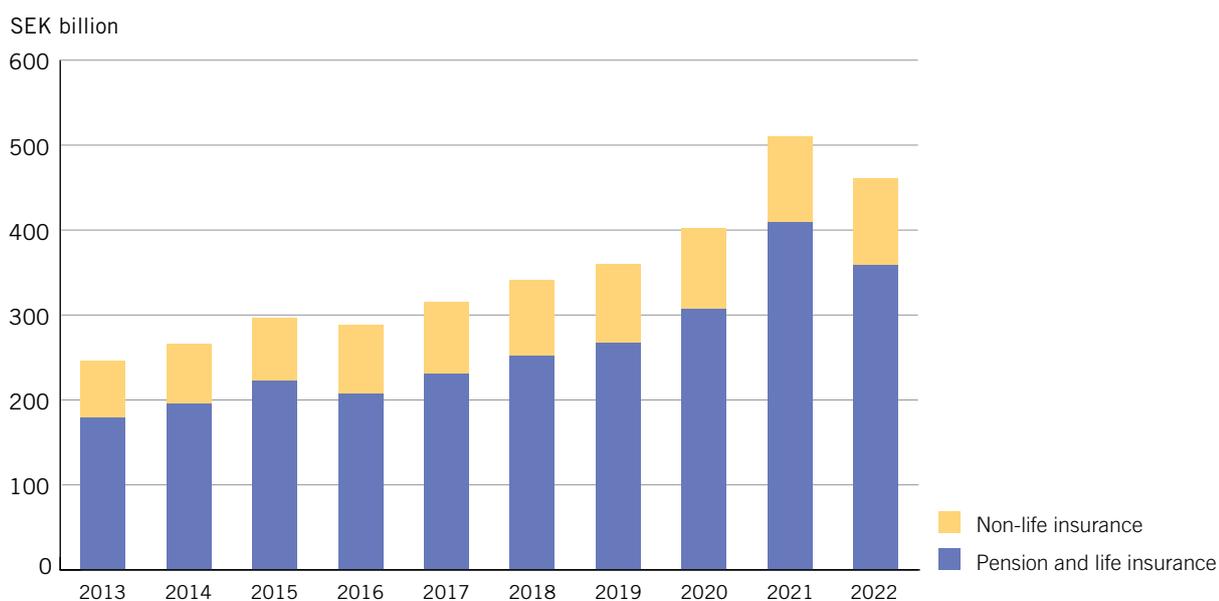
Insurance premiums paid

Insurance premiums are paid in advance to insurance and occupational pension companies to provide insurance coverage for an agreed-upon period. This means that there is a delay between the payment of the premium and the payment of any compensation in the event of a claim or, for example, the expiration of an endowment insurance policy. For pension and life insurance, there is typically many years between the payment of premiums and the pay-out in the form of a pension or other savings. In addition to payments, the premiums also cover various operating costs, such as rental expenses and salaries for insurance company employees.

For non-life insurance, the premiums amounted to a total of just under 103 billion SEK in 2022, of which over 23 billion SEK was paid by companies and over 79 billion SEK was paid by households (see figure 2). For pension and life insurance, the paid premiums amounted to just under 359 billion SEK. Compared to 2021, premium payments for pension and life insurance decreased by 12 per cent, while premium income for non-life insurance increased by 2 per cent.

It is common for an individual to have multiple types of insurance, such as home insurance, motor vehicle insurance, and occupational pension. In 2022, the average premium paid per person in Sweden was approximately 8,200 SEK for non-life insurance and around 34,100 SEK for pension and life insurance. However, it is not always the individual who pays the premium. Approximately 55 per cent of the premiums for pension and life insurance are paid by employers in the form of occupational pensions. Some of the premiums for non-life insurance are also paid by employers, for example, certain accident insurance and healthcare insurance policies.

Figure 2. Premiums paid by households and companies for non-life insurance, pension and life insurance, 2013–2022



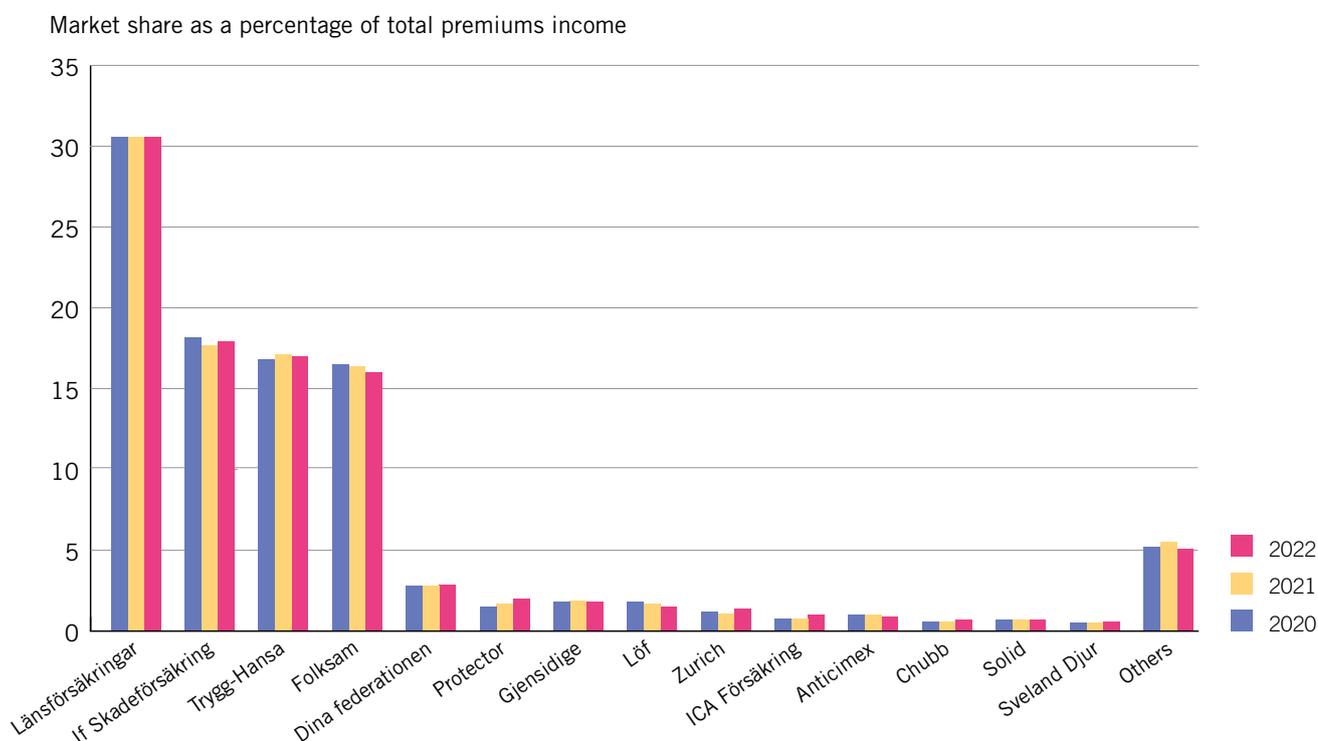
Note: Refers to premium income for non-life insurance and paid premiums (excluding adjusted paid-up insurance policies and transferred insurance capital) for pension and life insurance. *Pension and life insurance* include occupational pensions and savings in private endowment insurance and private pension insurance, covering both competitive and non-competitive insurance. *Non-life insurance* provided by life insurance and occupational pension companies falls under the category of non-life insurance. Source: Insurance Sweden.

Market share for non-life insurance

The total premium income for non-life insurance companies in 2022 amounted to just under 99 billion SEK. The four company groups/companies with the highest premium income in non-life insurance were Länsförsäkringar, If Skadeförsäkring, Folksam, and Trygg-Hansa (see figure 3). These four company groups/companies together accounted for nearly 82 per cent of the market share in terms of total premium income.

Some life insurance and pension companies also offer non-life insurance, primarily in the form of accident insurance, healthcare insurance, and sickness insurance. These non-life insurance policies, which are not included in figure 3, had a total of 3.9 billion SEK in paid premiums in 2022.

Figure 3. Market shares of non-life insurance companies distributed by company group/company, 2020–2022



Note: This figure only includes non-life insurance from non-life insurance companies. Life insurance and occupational pension companies can also offer non-life insurance in the form of accident insurance, healthcare insurance, and sickness insurance, but these are not included in this figure.

Source: Insurance Sweden.

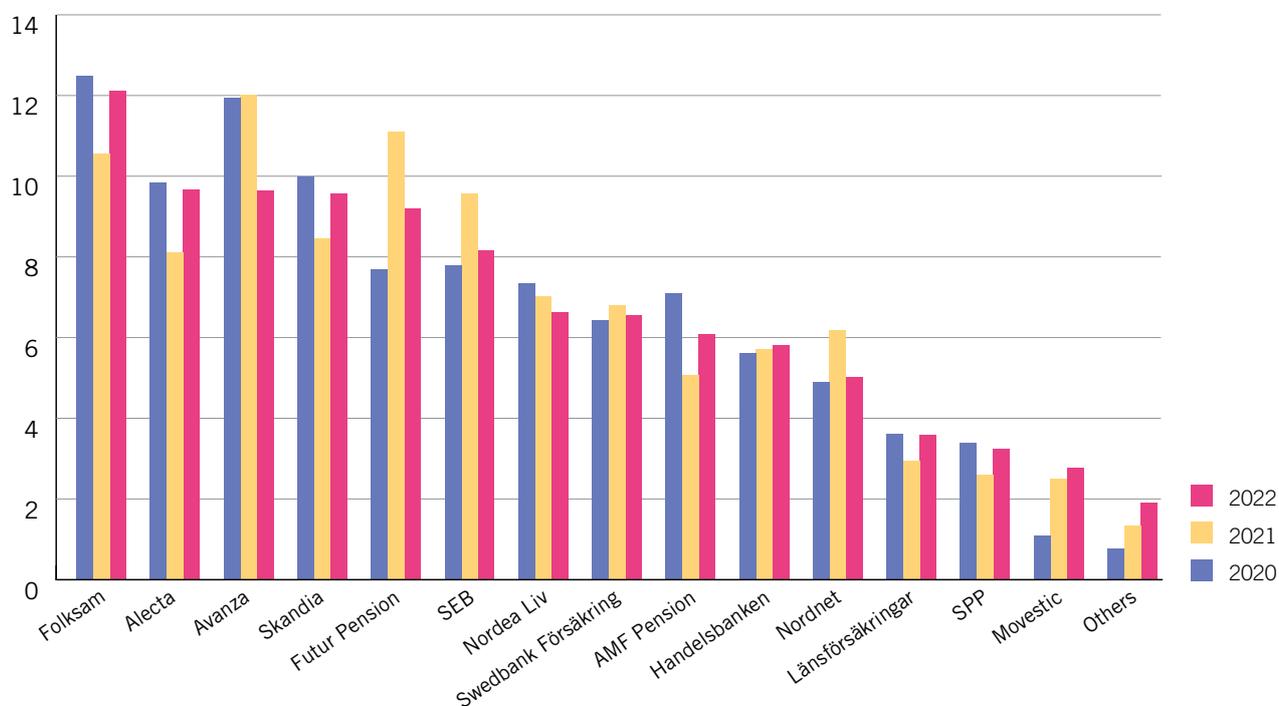
Market share for pension and life insurance

The premiums paid for competitive pension and life insurance policies in 2022 amounted to just under 331 billion SEK. A competitive insurance policy means that employers or employees can choose between multiple insurers. There are also non-competitive insurance policies where this option is not available. In addition to certain occupational pension insurance policies, Alecta's healthcare insurance and premium exemption premiums, as well as all premiums to Afa Försäkring, are non-competitive.

The four largest company groups/companies in the field of pension and life insurance were Folksam, Alecta, Avanza, and Skandia (see figure 4). These company groups/companies accounted for 41 per cent of the market in terms of total premiums paid.

Figure 4. Market share of life insurance and occupational pension companies by company group/companies, 2020–2022

Market share as a percentage of total paid-in premiums



Note: The figure shows the distribution of premiums paid for competitive pension and life insurance policies. Non-life insurance premiums are not included. The premiums paid do not include transferred insurance capital or adjustments for paid-up policies.
Source: Insurance Sweden.

Companies and employees in the insurance industry

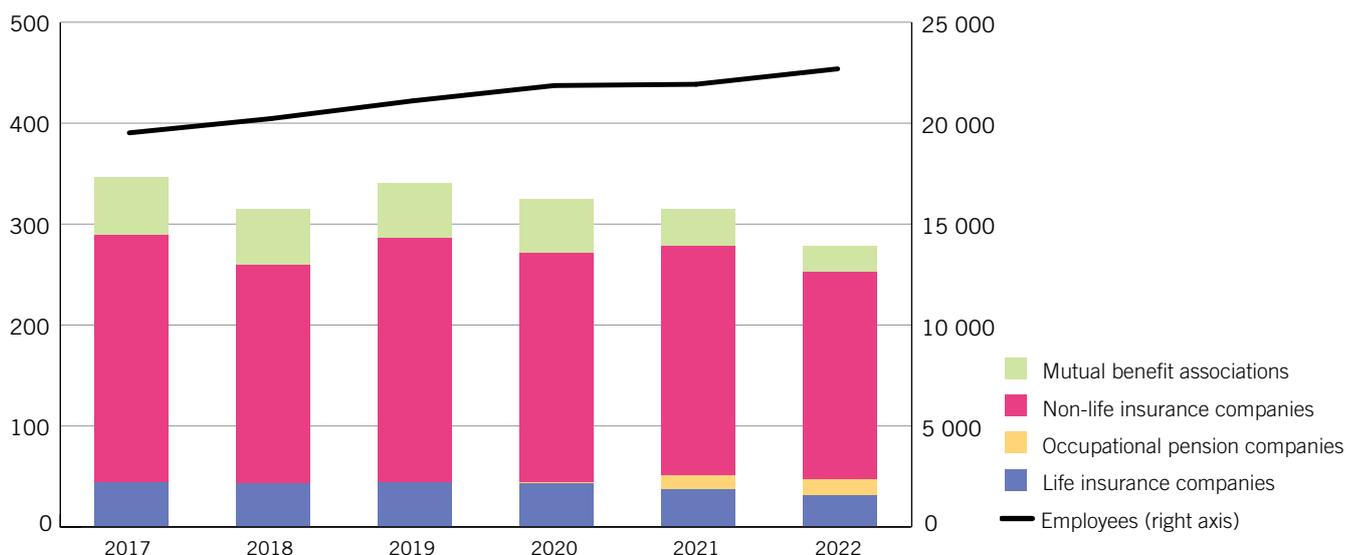
The Swedish insurance industry comprises 31 life insurance companies, 16 occupational pension companies, 206 non-life insurance companies, and 25 mutual benefit associations (see figure 5). Out of these 278 insurance and occupational pension companies, 34 are foreign-owned and represented in Sweden through branches or agencies. The number of foreign companies has remained mainly unchanged over the years. Most companies are either larger nationwide or smaller local companies.

The number of companies has varied over the years, but compared to 2017, the number of companies has decreased by 20 per cent. It is primarily mutual benefit associations that have become fewer, and according to current legislation, mutual benefit associations are to be phased out gradually. Mutual benefit associations do not engage in commercial insurance operations but instead focus on mutual assistance for their members, such as a professional group. Common benefits in mutual benefit associations include pensions, sickness benefits, or funeral assistance. Occupational pension companies have emerged since 2020. Two former non-life insurance companies and 14 former life insurance companies have converted into occupational pension companies during the period 2020–2022. The regulations differ between insurance companies and occupational pension companies. Insurance companies are governed by the Insurance Business Act, while occupational pension companies are governed by the Occupational Pension Companies Act, which was introduced in late 2019.

The industry employs nearly 23,000 people, which corresponds to approximately half a per cent of the total number of employees in the Swedish labour market. While the number of companies in the insurance industry has decreased by 20 per cent since 2017, the number of employees has increased by 16 per cent.

Figure 5. Number of companies and number of employees in the insurance industry in Sweden, 2017–2022

Number of companies and number of employees (line, right axis)



Source: Insurance Sweden.

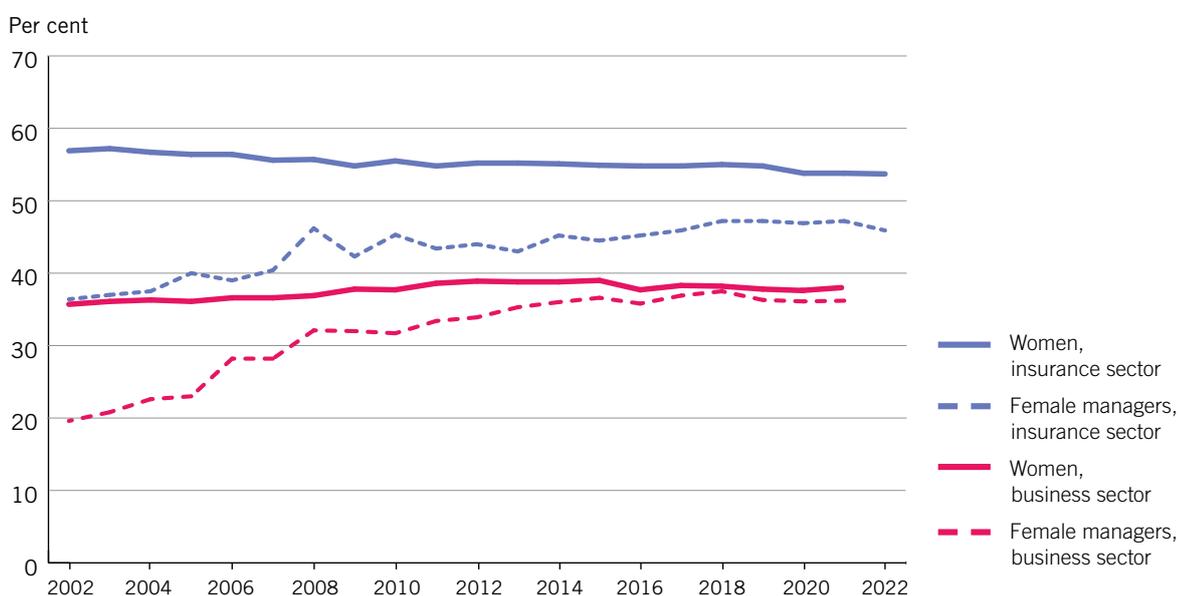
Nearly half of all managers are women

The Swedish insurance industry has a relatively equal gender distribution. In 2022, over half, 54 per cent, of the employees in the industry were women. The proportion of women has consistently been slightly higher than the proportion of men since the early 2000s (see figure 6).

The proportion of female managers has been gradually increasing over time. In 2002, just over 36 per cent of managers were women. The corresponding figure in 2022 was 46 per cent, which means close to half.

Both the proportion of women and the proportion of female managers are higher in the insurance industry than the average in the whole business sector, where the corresponding figures are 38 per cent and 36 per cent, respectively.

Figure 6. Percentage of women and percentage of female managers, insurance sector compared to the business sector, 2002–2022

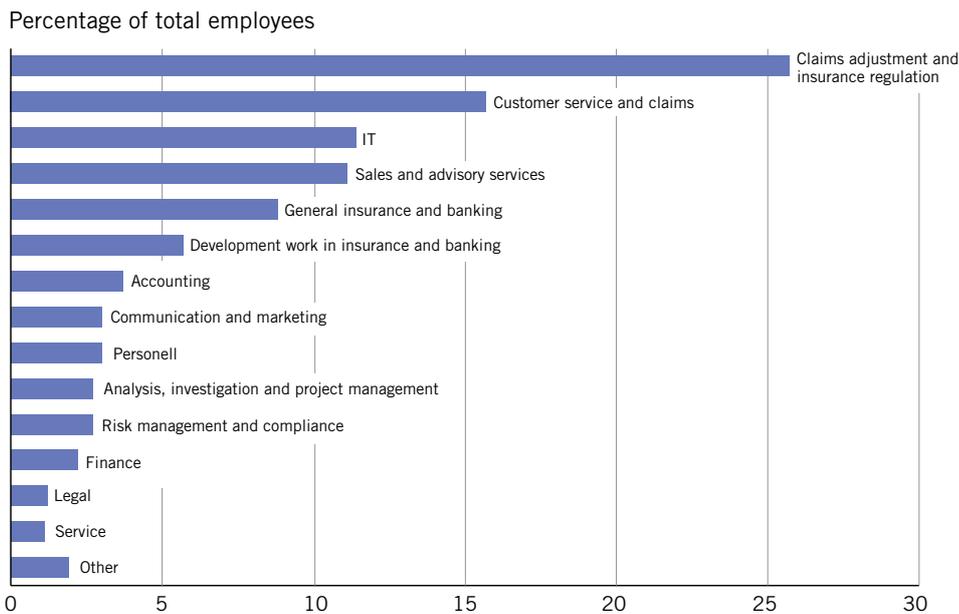


Note: For *the insurance sector*, it refers to employees within the companies included in the annual salary statistics produced annually by FAO. The statistics generally cover all insurance companies in the industry but exclude companies primarily engaged in banking activities. *The business sector* refers to both employees and workers within the member companies of Confederation of Swedish Enterprises, and in these statistics, CEOs are also included, unlike in FAO's statistics.
Source: Swedish Insurance Employers' Association (FAO) and Confederation of Swedish Enterprises.

Claims adjustment and insurance regulation are common occupations

A little more than a quarter of the employees in the insurance industry work in claims adjustment and insurance regulation (see figure 7). This occupational group includes investigations into the causes and liability of damages, as well as services involving risk assessments and analysis of reinsurance for other companies. Certain specialized professions, such as actuaries (insurance mathematicians), are also part of this occupational group. Other common occupations include customer service and claims, which are carried out by around 16 per cent of employees, followed by IT work (11 per cent) and sales and advisory roles (11 per cent).

Figure 7. Percentage of employees by occupational groups in the insurance industry, 2022



Note: Includes employees within the companies covered by the annual salary statistics produced by FAO. The statistics generally cover all insurance companies in the insurance industry but exclude companies primarily engaged in banking activities. The occupational groups are composed based on FAO's occupational classification system, where individual occupations are placed within the occupational classification that best describes the occupation. Includes employees who worked at least one hour in September 2022.

Source: Swedish Insurance Employers' Association (FAO).

Non-life insurance

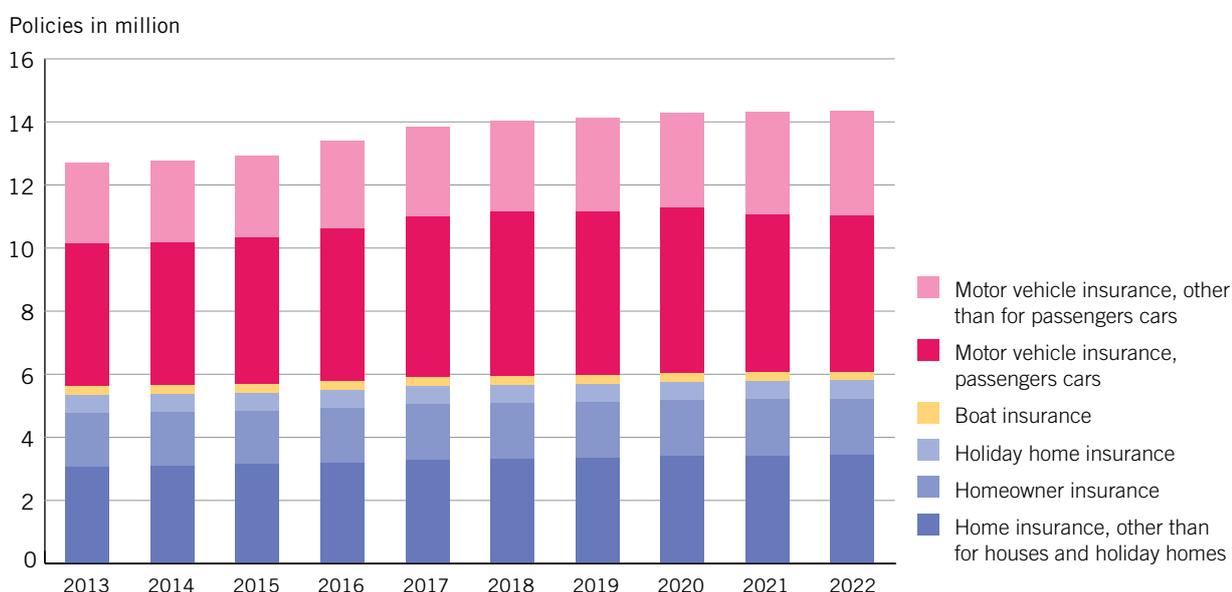
Households and companies can obtain financial protection against various types of risks through insurance. Non-life insurance, such as home insurance, motor vehicle insurance, accident insurance, and healthcare insurance serves as a supplement to societal protection and can provide financial compensation in the event of an unexpected accident. In 2022, over 61 billion SEK was paid out for property damage and personal injuries

Home insurance and motor vehicle insurance are common policies

There are many different insurance policies that provide coverage for damages to property and belongings owned or rented by households and companies, such as homes, houses, holiday homes, boats, cars, and other motor vehicles. Motor vehicle insurance is the most common policy among household insurances. At the end of 2022, there were nearly 5 million insured passenger cars and over 3.3 million other insured motor vehicles (see figure 8).

Home insurance and houseowner insurance are also common types of policies. House-owner insurance covers not only the costs for damages covered by regular home insurance but also serves as financial protection for damages that may occur to the actual property. In 2022, the number of home insurance policies amounted to over 3.4 million, and the number of houseowner insurance policies was just under 1.8 million. In total, there were nearly 14.3 million property insurance policies in 2022.

Figure 8. Number of non-life insurance policies, 2013–2022



Note: This does not include company insurance, real property insurance, pet insurance, and product insurance. In the category of *Motor vehicle insurance*, both privately owned vehicles and company-owned vehicles are included.

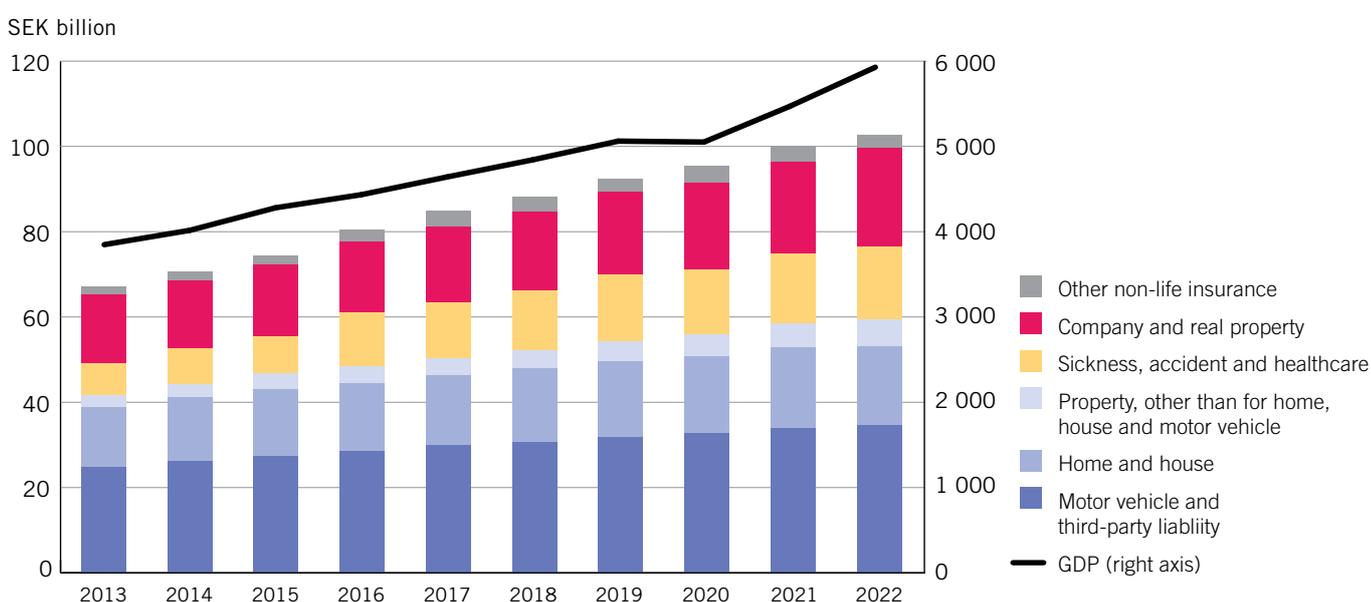
Source: Insurance Sweden.

Motor insurance account for the largest share of premium income

In total, households and companies paid nearly 103 billion SEK in premiums for various non-life insurance policies in 2022 (see figure 9). Most of the payments were made by households and went towards premiums for motor vehicle and motor third-party liability insurance (34 per cent) and home and houseowner insurance (18 per cent). Just over one-fifth (23 per cent) of the total premiums were paid by companies for company and real property insurance.

Over the past ten years, non-life insurance premiums have increased by 53 per cent. This increase can be partially explained by economic growth (GDP), as the demand for non-life insurance often rises when households' and companies' assets grow.

Figure 9. Premium income from households and companies for non-life insurance, 2013–2022



Note: The category *Motor vehicle and third-party liability* includes both privately owned and company-owned vehicles. The category *Other non-life insurance* includes credit insurance, surety insurance, legal protection insurance, assistance insurance, income insurance, severance allowance insurance, security insurance in case of work injury and non-life insurance provided by life insurance and occupational pension companies. The category *Company and real property* includes marine insurance, aviation insurance, transport insurance, property insurance for companies and real properties, and liability insurance. GDP refers to the annual gross domestic product in Sweden.

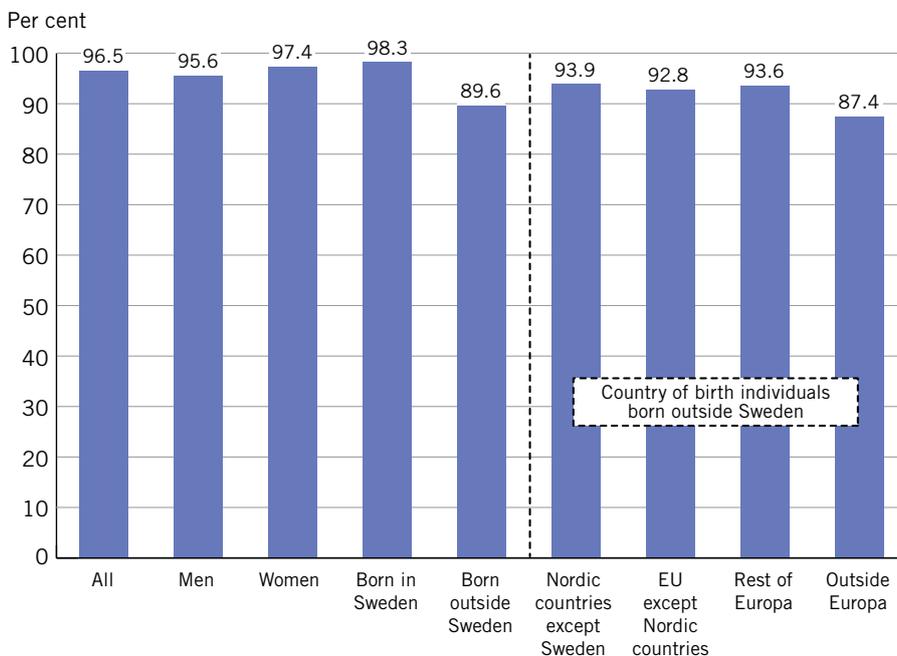
Source: Statistics Sweden and Insurance Sweden.

Almost everyone in Sweden has home insurance

Most people living in Sweden have home insurance, but not quite everyone. Home insurance is a package of various insurances that can provide compensation to the policyholder in cases such as burglary, theft, and fire. The insurance covers items owned, rented, or borrowed by the policyholder for their private use, such as furniture, clothing, household items, appliances, and electronics. It can also provide compensation for damages that may occur during travels, incidents of assault, claims for damages, or the need for legal protection.

Currently, it is estimated that more than 96 per cent of the population in Sweden has home insurance (see figure 10). Thus, just under 4 per cent, around 400,000 individuals, lack home insurance, which means they are without, among other things, legal protection and financial security both at home and while traveling. It is more common for men than women to lack home insurance, as well as for foreign-born individuals, especially those born outside of Europe.

Figure 10. Estimated percentage of individuals with home insurance, 2020



Note: The figure is based on a survey of living conditions among different groups in the population who are 16 years and older in Sweden, conducted by Statistics Sweden in 2020.
Source: Statistics Sweden.

Fewer damages result in decreased claims payments

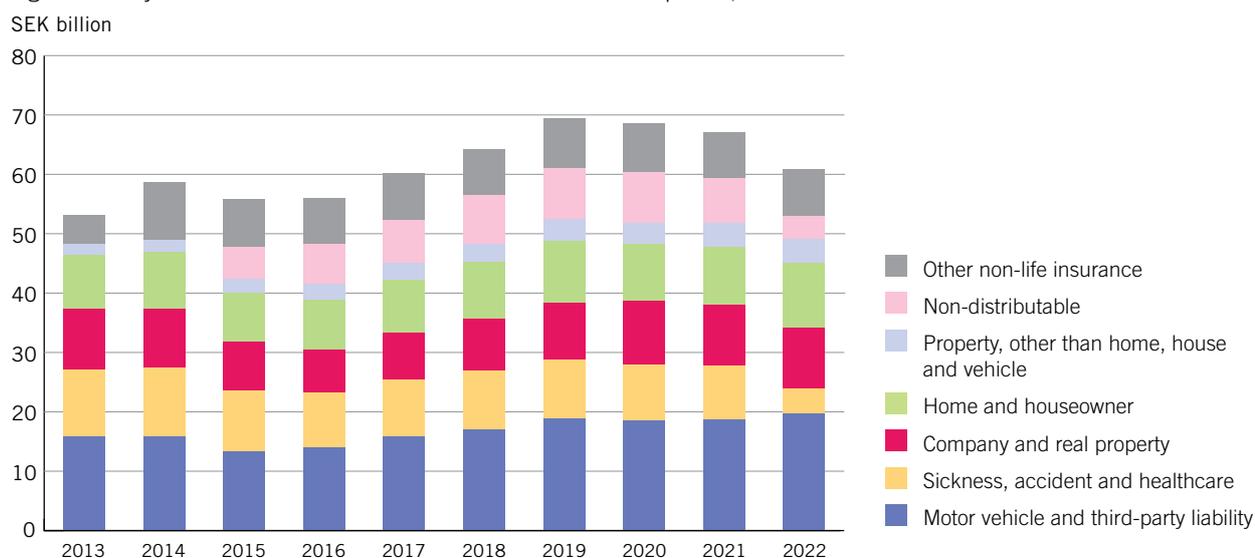
Insurance compensation is paid out for damages that can occur, such as car accidents, water leaks in the home, or theft incidents. Compensation may also be paid out if a person experiences illness or an accident that affects their ability to work and earn income.

In total, nearly 61 billion SEK was paid out in compensation for damages in 2022 (see figure 11). More than half (58 per cent) of the compensation was for damages that occurred in 2022, while the remainder was for damages that occurred in previous years. The reason for the delay in payments is that certain types of damages, such as some fire and traffic damages, can take a long time to investigate. Another explanation is that claims for damages sometimes arise sometime after the actual occurrence of the damage. Compensation for damages can also be paid out as annuities over a long period for individuals who have suffered a loss of work capacity due to, for example, a traffic accident or work-related injury. Annuities compensate for future income losses.

The largest portion of the payments in 2022 was for damages related to motor vehicle and third-party liability insurance. These damages accounted for nearly one-third (32 per cent) of the total compensation paid out. This was followed by damages related to home and houseowner insurance (18 per cent) and damages within business and real property insurance (17 per cent). Damages within sickness, accident, and healthcare insurance accounted for 7 per cent, as did damages within other property insurance (such as boat, animal, and product insurance). A total of 10.2 billion SEK was paid out to companies, while the remaining compensation of 50.7 billion SEK was paid out to households and individuals.

Over the past three years, payments have decreased due to a decrease in the number of claims, primarily during the pandemic. It was particularly claims for the travel coverage of home and houseowner insurance, as well as claims for motor vehicle and third-party liability insurance, that decreased during this period.

Figure 11. Payment of claims for incurred to households and companies, 2013–2022



Note: For a given year, the payments of claims for damages that occurred during the year and delayed compensation for damages that occurred in previous years. The payments also cover insurance claims provided by certain life insurance and occupational pension companies. The category of *Company and Real Property* includes maritime, aviation, and transportation insurance, as well as property insurance for companies and real properties, and liability insurance. The category of *Other non-life insurance* includes credit, guarantee, legal protection, assistance, income, and severance pay insurance, as well as insurance for occupational injuries and annuities for injury. The category of *Non-distributable* includes data that cannot be allocated to the other specific categories. Source: Insurance Sweden.

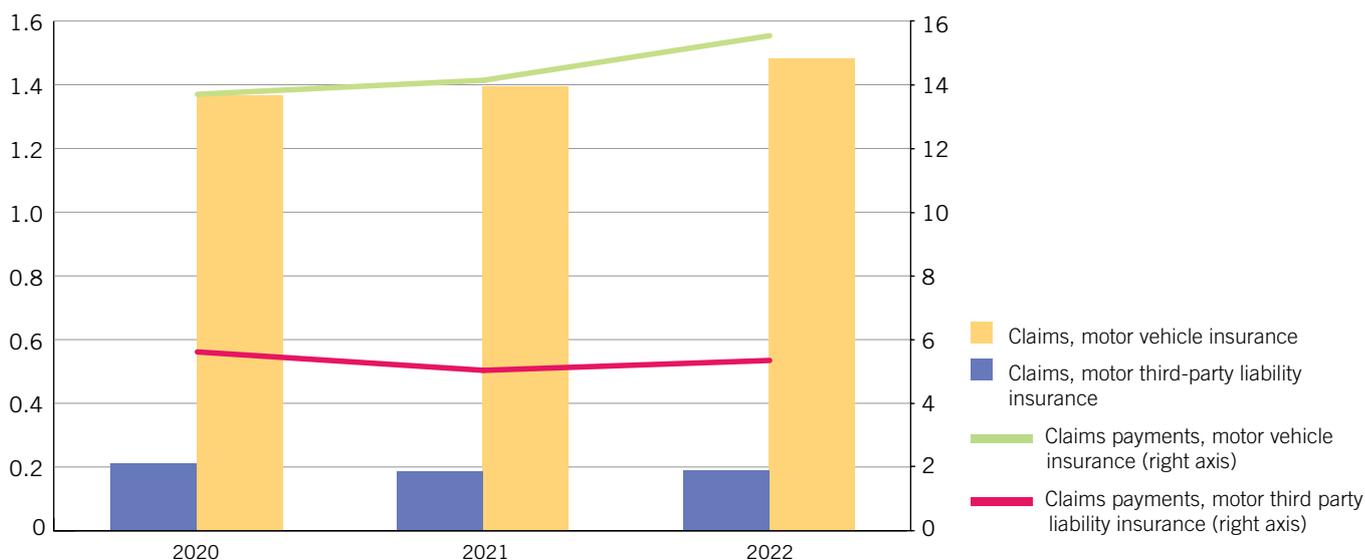
Payments of claims increase for motor vehicle insurance

In Sweden, every motorized vehicle driven on the road must have motor third-party liability insurance that covers personal and property damage in case of an accident. However, motor third-party liability insurance does not cover damages to the driver's own vehicle. For that protection, a separate motor vehicle insurance is required. Such insurance policies can also cover more complex insurance aspects such as theft and damages to the vehicle itself. In 2022, a total of nearly 21 billion SEK was paid out in insurance compensations for claims for these insurances (see figure 12). The compensation were related to almost 1.7 million claims in total.

Since 2020, the payments for claims covered by motor vehicle insurances have increased by 13 per cent, while the payments for claims covered by motor third-party liability insurance have decreased by 5 per cent. At the same time, the number of claims for which payments were made during the year of reference has increased by 8 per cent for motor vehicle insurances and decreased by 3 per cent for motor third-party liability insurance.

Figure 12. Payments of claims and the number of claims for which payments were made during the year of reference, 2020-2022

Number of million claims and paid compensation amounts in SEK billion (line, right axis)



Note: Refers to traffic accidents covered by mandatory motor third-party liability insurance and supplementary voluntary motor vehicle insurance. Claims payments refer to the total net amount paid out by insurance companies as compensation, regardless of when the damages occurred/were reported. Similarly, claims refer to the damages for which payments were made during the reference year, regardless of when the damages occurred/were reported.

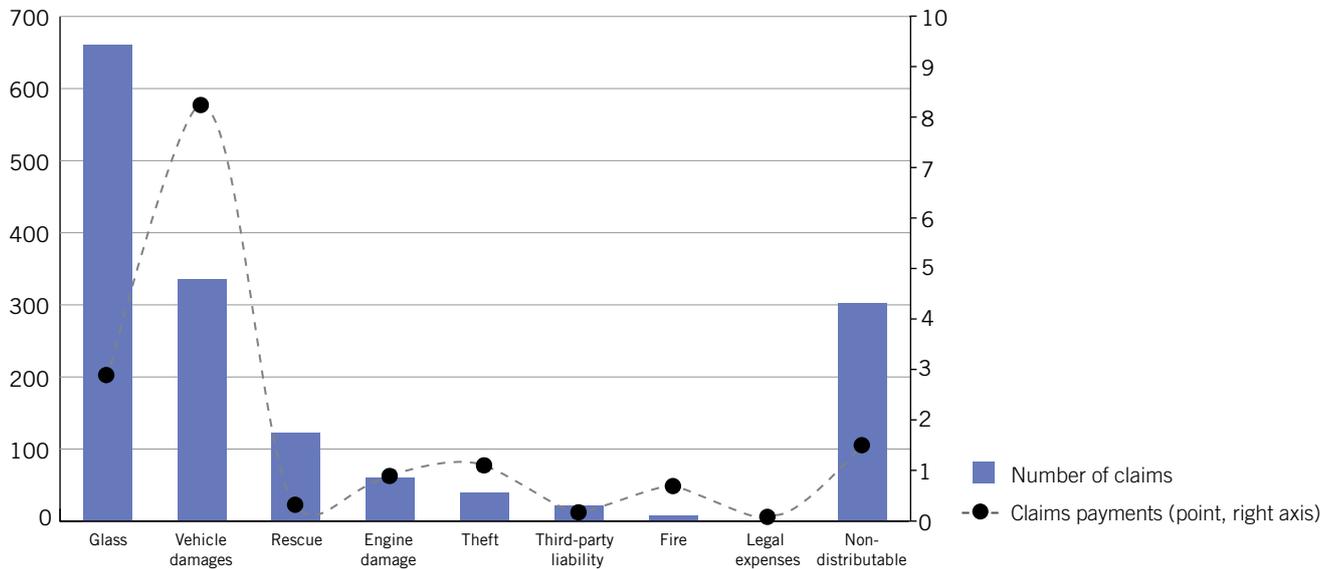
Source: Insurance Sweden.

Glass claims are the most common motor vehicle claims

Glass claims, such as damage to motor vehicle windshields, was the most common type of claim for which insurance companies paid compensation in 2022 (see figure 13). However, the highest total compensation was paid for motor vehicle claims.

Figure 13. Motor vehicle insurance claims distributed by type of damage, 2022

Number of thousand claims and paid compensations in SEK billion (point, right axis)



Note: A single incident may include multiple insurance components such as rescue and motor vehicle damage. *Rescue* refers to towing and assistance in case of damage. Theft includes both motor vehicle theft and theft of property from vehicles. *Liability and legal protection* may cover costs if an individual becomes liable for damages or requires legal representation in a legal dispute. It can apply to both property and personal injury caused by the individual. *Claims payments* refer to the total net amount paid out by insurance companies as compensation, regardless of when the damages occurred/were reported. Similarly, *damages* refer to the damages for which payments were made during the reference year, regardless of when the damages occurred/were reported.

Source: Insurance Sweden.

Number of injured and killed individuals in traffic

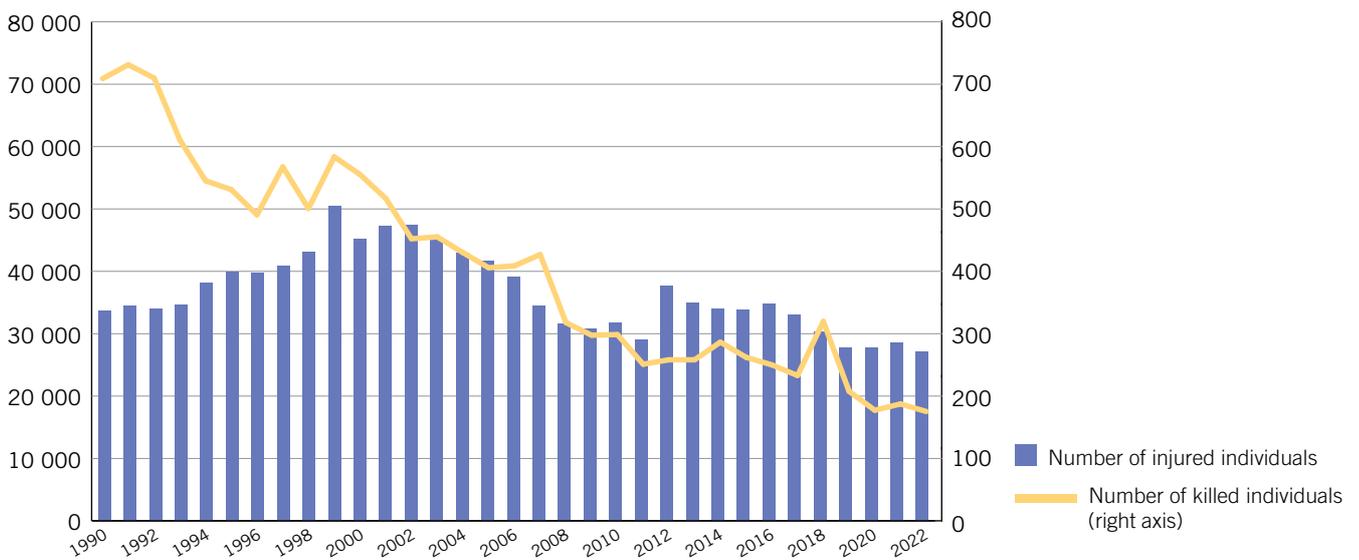
The number of casualties in traffic has been decreasing steadily since 1990. The number of individuals injured in traffic has also decreased, but not to the same extent. However, this should be considered because the motor vehicle fleet has increased in the past decades. The number of injuries is relatively lower today as a result of targeted traffic safety work and the development of increasingly safer cars. Personal injuries can involve complex investigations with long settlement times and compensations paid out over a long period (known as injury annuities).

The statistics presented here are based on data reported to insurance companies within the framework of mandatory motor third-party liability insurance. They show that in 2022, 175 individuals were killed and over 27,000 individuals were injured in traffic accidents. In two out of three cases, the accidents occurred either while the person was traveling in or was hit by privately-owned cars.

Over the past 10-year period, the number of casualties has decreased from 257 individuals to 175 individuals, representing a 32 per cent reduction. During the same period, the number of injured individuals has decreased from 35,000 individuals to 27,000 individuals, a reduction of 23 per cent.

Figure 14: Number of injured and killed individuals in traffic, 1990–2022

Number of injured individuals and number of fatalities (line, right axis)



Note: The figure shows the number of individuals injured and killed in traffic and handled by insurance companies. It does not include personal injuries in traffic for uninsured or unknown motor vehicles reported to the Motor third-party liability insurance Association (TFF). TFF reports approximately 10 casualties and around 1,000 injured individuals annually.
Source: Insurance Sweden.

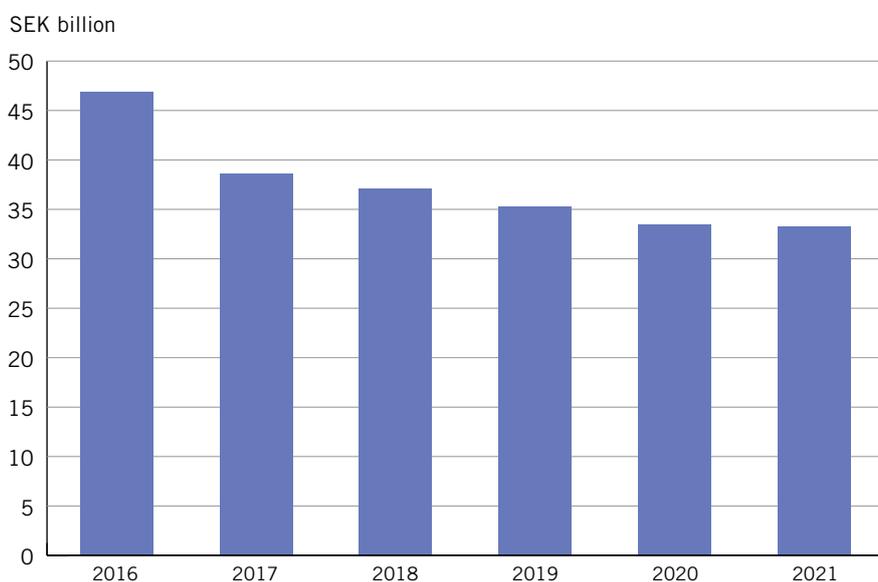
Paid injury annuities decrease when the number of accidents decreases

Motor third-party liability insurance, which is mandatory for all motor vehicles driven in traffic, provides compensation for personal injuries and damages to other vehicles in the event of an accident. It can also cover certain damages to road barriers and lampposts, for example.

When a person suffers a personal injury after a traffic accident and the injuries are severe enough to result in the person being on sick leave, it may be possible to receive compensation from the insurance policy for the loss of income that arises. The income loss is calculated based on the difference between the income that the injured party would have had if they had not been injured and the actual income they have after the accident. Compensation for income loss is paid out continuously (known as a life annuity). Depending on the duration and severity of the injury, it may also entitle the injured party to compensation for pension losses. Injury annuities are usually paid out as long as the injured party is alive.

In 2021, injury annuities for personal injuries in traffic amounted to over 33 billion SEK for injuries that occurred up until and including 2021 (see figure 15). Of the total amount, 6 per cent (1.9 billion SEK) accounted for injuries that occurred in 2021, while the rest were injuries that occurred many years ago. The total amount paid out per year has decreased since 2016 in line with the decrease in the number of injured individuals in traffic. The reduction amounts to 29 per cent (13.7 billion SEK).

Figure 15. Paid insurance compensations for injury annuities for personal injuries in traffic, 2016–2021



Note: This includes paid insurance compensations during each fiscal year, as well as provisions for unadjusted claims (excluding claims settlement costs) for motor third-party liability insurance within Swedish insurance companies. It does not include damages caused by unknown and uninsured motor vehicles handled by the Traffic Insurance Association (TFF).

Source: Insurance Sweden.

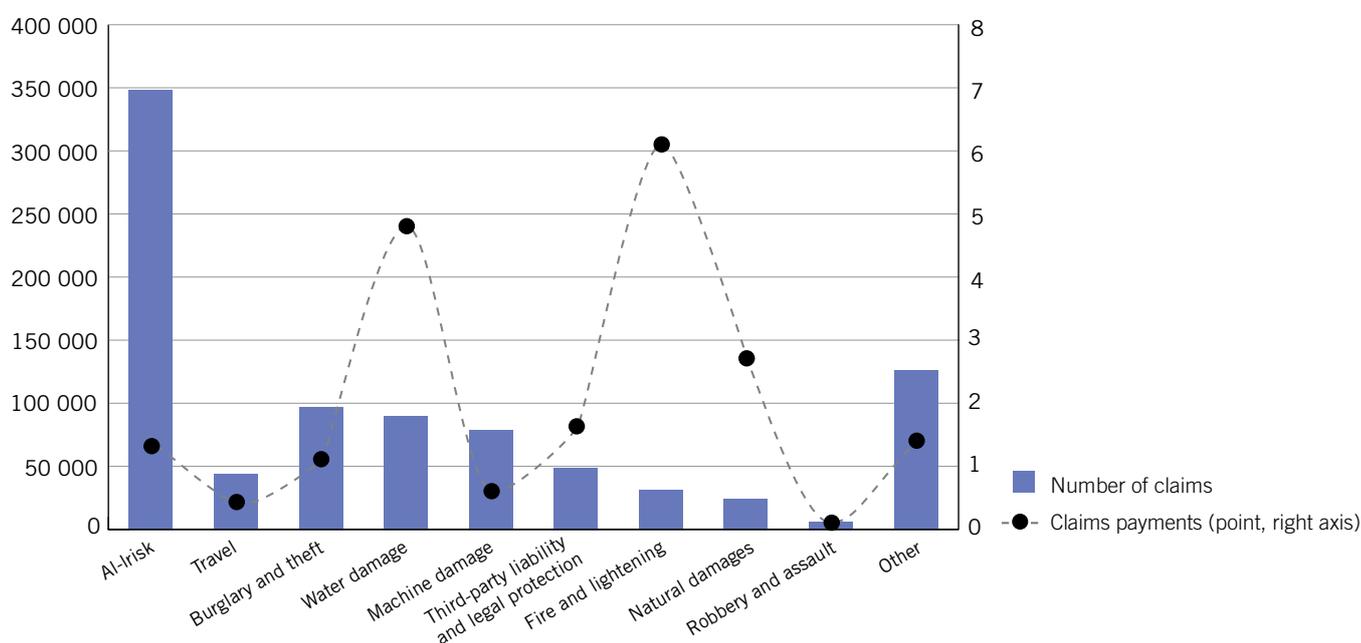
Damages caused by fire and lightning are the most expensive claims

One of the most common reasons for households and companies to receive insurance payments is for a so-called all-risk claim, which is covered by an all-risk insurance policy (see figure 16). Such policy, often included in home insurance, applies when the policyholder experiences a sudden and unforeseen accident. This can include events such as the insured person dropping their camera while traveling or forgetting their wallet on the bus. In 2021, there were over 348,000 all-risk claims. For these claims, insurance companies paid out a total of nearly 1.3 billion SEK.

However, the highest-value claims were those caused by fire and lightning, followed by water damage. The total amount paid out for fire and lightning damage was 6.1 billion SEK, and for water damage, it was 4.8 billion SEK in 2021.

Figure 16. The number of claims and claims payments for households and companies, 2021

Number of claims and claims payments in SEK billion (points, right axis)



Note: Includes claims within home, house, vacation home, boat, company and real property insurance. *Third-party liability and legal protection* can cover costs if an individual becomes liable for damages or requires legal representation in a legal dispute. The claims payments include reserves set aside for unsettled but known insurance claims.
Source: Insurance Sweden.

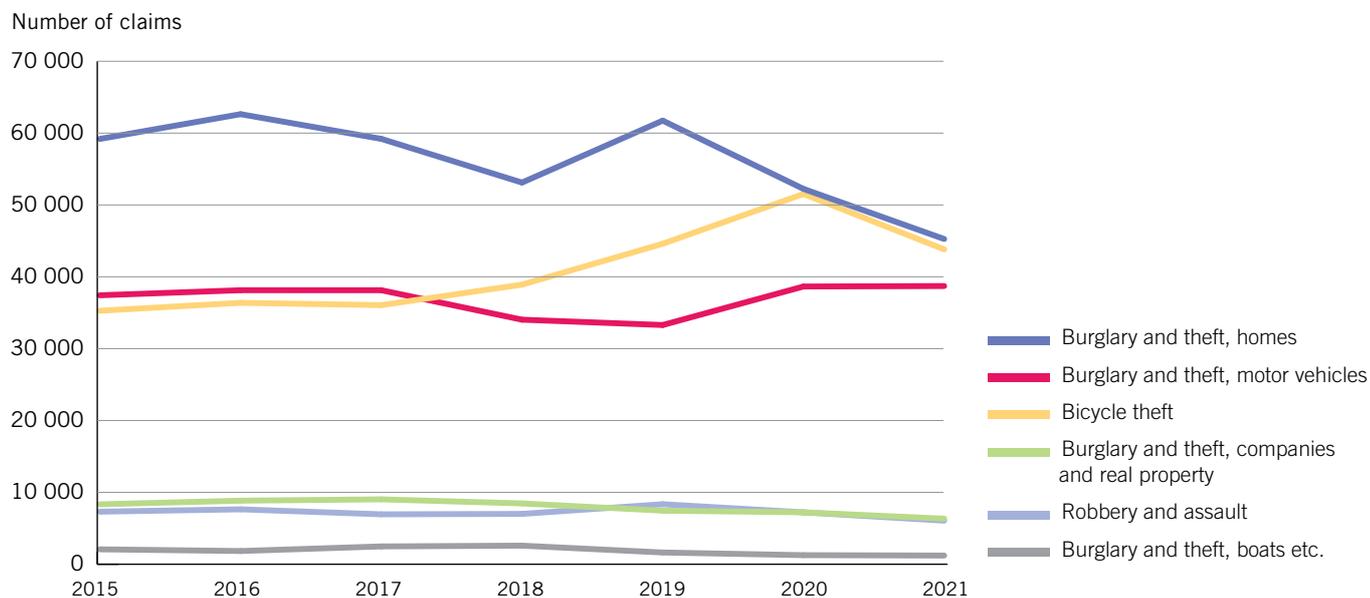
Burglary and theft are the most common acquisitive crimes

Burglary and theft in homes, companies, and motor vehicles, along with bicycle thefts and robberies, constitute what is commonly referred to as acquisitive crimes. They are relatively common crimes that affect a significant number of individuals.

In 2021, there were over 141,000 insurance claims related to acquisitive crimes (see figure 17). The most common crime were burglary and theft, with 45,000 claims affecting homes, over 6,000 claims affecting companies, and nearly 1,000 claims involving boats. Additionally, there were 44,000 bicycle thefts, 6,000 robberies, and 39,000 claims related to thefts from or out of motor vehicles.

Burglaries and thefts from homes have shown a downward trend since reaching a peak in 2016. The decline was particularly significant during the years of the pandemic and may be linked to many people working from home and being unable to go on vacation abroad, making it more challenging for burglars. However, bicycle thefts have been on the rise in recent years, although they decreased in 2021. Between 2020 and 2021, the number of acquisitive crimes decreased by 11 per cent (17,000 claims). The majority of this decrease is attributed to a decrease in bicycle thefts, which decreased by nearly 8,000 claims between 2020 and 2021.

Figure 17. Number of claims caused by acquisitive crimes in households, companies, and motor vehicles, 2015–2021



Note: Includes claims within home, houseowner, vacation home, boat, company and real property insurance, as well as motor vehicle insurance.

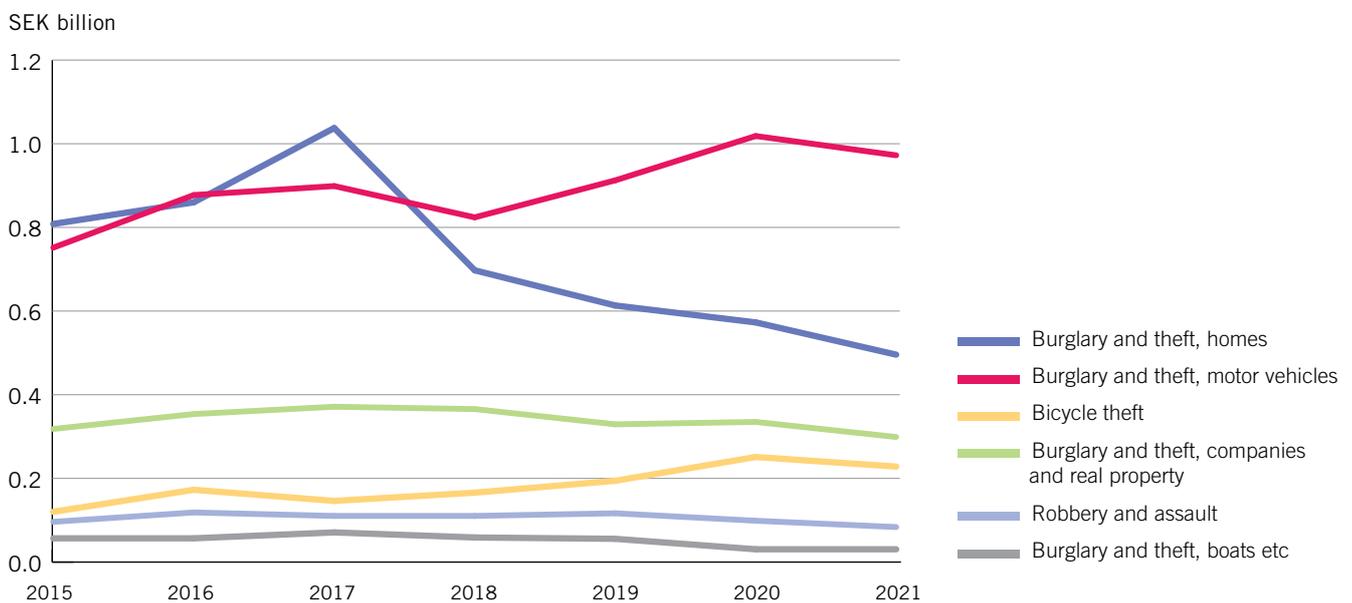
Source: Insurance Sweden.

Claims payments for acquisitive crimes

For claims related to acquisitive crimes in households, companies and real property, boats, and motor vehicles, insurance companies paid out a total of over 2.1 billion SEK in 2021. Nearly half, 46 per cent amounting to 971 million SEK, of the total amount was paid out for theft from and out of motor vehicles. Additionally, 23 per cent of the total amount was paid out for burglaries and thefts from homes.

Between 2020 and 2021, the paid compensation for acquisitive crimes decreased by 8 per cent (195 million SEK). The largest part of the decrease was attributed to residential burglaries, with compensation for this type of acquisitive crime decreasing by 13 per cent between 2020 and 2021. The claims payments have been steadily decreasing since 2017.

Figure 18. Claims payments paid for acquisitive crimes in households, companies and motor vehicles, 2015–2021



Note: Includes claims within home, homeowner, vacation home, boat, company and real property insurance, as well as motor vehicle insurance. The claims payments include reserves set aside for unresolved but known insurance claims.

Source: Insurance Sweden.

Fires most commonly occur in residences

During 2021, over 31,000 damages caused by fire and lightning were covered by home, homeowner, vacation home, boat, as well as company and real property insurance (see figure 19). For these damages, insurance companies paid out a total of nearly 6.1 SEK billion in insurance compensation.

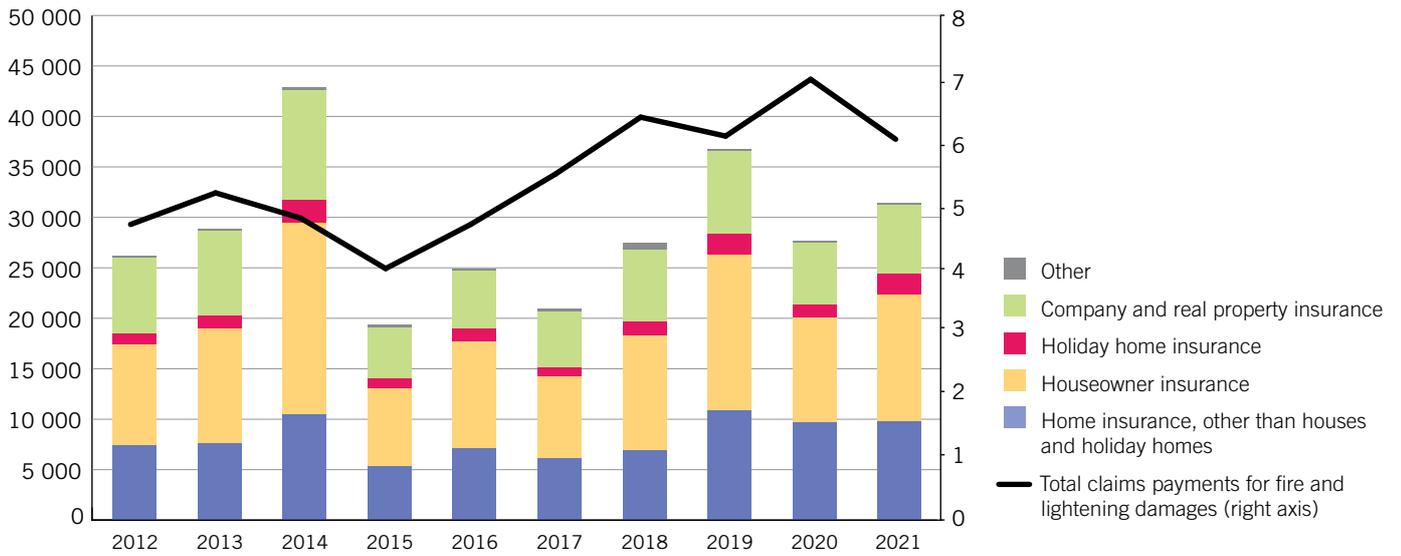
The amount of compensation for fire and lightning damages varies greatly depending on the type of property that has been damaged, its assessed value, and the extent of the damage. The number of damages caused by fires and lightning is relatively low. Out of the total number of damages that occurred in residences and companies in 2021, fires and lightning accounted for just under 4 per cent. However, these damages accounted for over 30 per cent of the total amount of all claims payments for households and companies. The majority of all fires, 71 per cent, occur in residences, while 22 per cent occur in companies.

In many cases, it can be difficult to determine the exact cause of a fire. Out of the number of fires that occurred during the period 2017-2021, one-third (33 per cent) had an undetermined cause. The claims payments for these damages accounted for nearly 60 per cent. This is partly since if a building has completely burned down, it can be almost impossible to investigate the exact cause of the fire, and the cost of reconstruction becomes higher when the property is completely destroyed and needs to be rebuilt. Among the fires where the cause could be determined, various types of electrical fires are primarily causing expensive damages. During the period 2017-2021, a total of almost 20,000 fires caused by various electrical faults occurred. This could involve short circuits in appliances and electrical faults in fixed installations. In total, during this 5-year period, 5.2 billion SEK were paid out due to electrical fires.

Every year, between 900 and 1,000 suspected cases of arson occur. The claims payments for these damages amounted to 539 million SEK in 2021. This is an increase compared to previous years, even as the total claims payments for fires decreased. Between 2020 and 2021, the claims payments increased by 35 per cent for suspected cases of arson.

Figure 19. The number and the amount of claims caused by fire and lightening for households and companies, 2012–2021

Number of claims and claims payments in SEK billion (line, right axis)



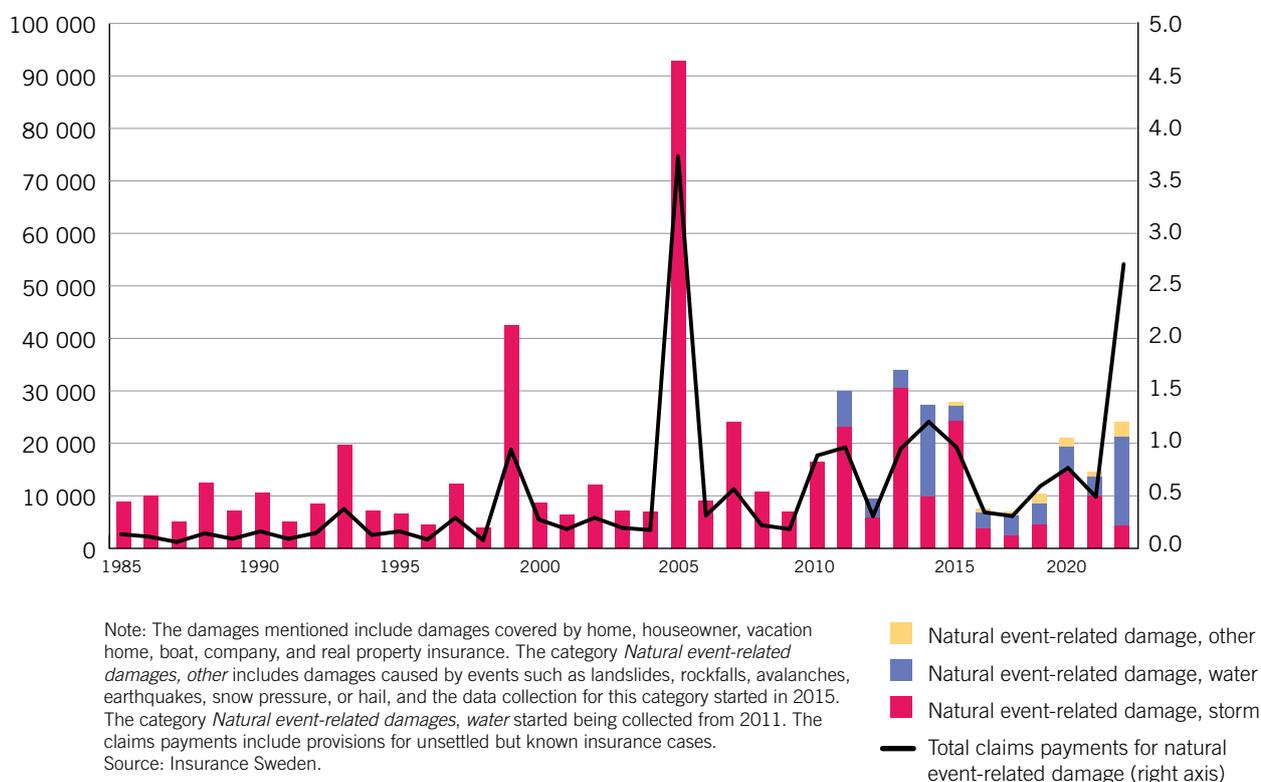
Note: The fire damage refers to damages where fire has been the main cause of the damage.
 The claims payments include provisions for unsettled but known insurance cases.
 Source: Insurance Sweden.

Large variations in the number of claims caused by natural events over the years

Natural event-related damages include damages that occur during extreme weather conditions such as storms, heavy rainfall, floods, landslides, and avalanches. In 2021, over 24,000 natural event-related damages occurred in Sweden, covered by insurance, with the vast majority (17,000 damages) caused by water-related incidents such as floods and heavy rainfall (see figure 20). In total, insurance companies paid out over 2.7 SEK billion in compensation for natural event-related damages in 2021. This is the second-highest amount paid out in a single year since the storm called “Gudrun” in the county of Småland in 2005 when nearly 3.8 billion SEK were paid out to households and companies for almost 93,000 damages. In 2021, the county of Gävleborg was particularly affected by damages caused by heavy rainfall resulting in floods.

Figure 20. Number of natural event-related claims and claims payments for households and companies, 1985-2021

Number of claims and claims payments in billion SEK (line, right axis)



Significant variation in the areas affected by natural event-related damages

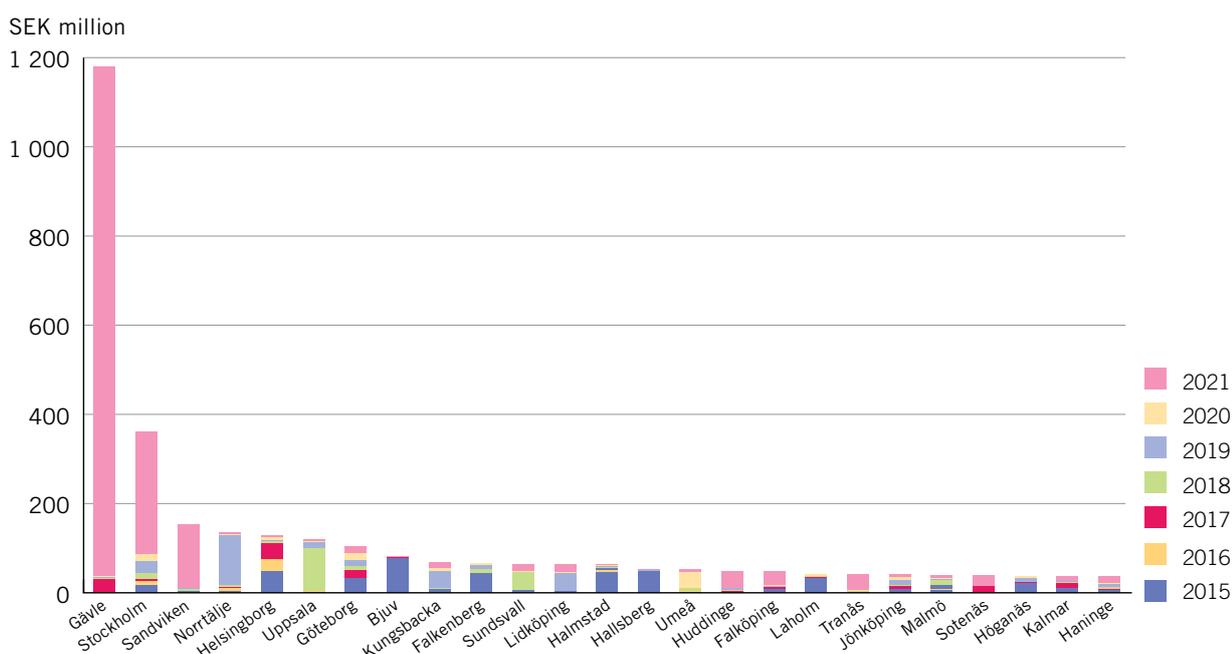
Over time, it is expected that the number of natural event-related damages will increase as the effects of climate change become more pronounced. The number of natural event-related damages varies greatly, not only between years but also between different geographical areas. It can take a long time for one area to be affected again after experiencing such damages.

During the period 2015-2021, an average of 13,800 natural event-related damages occurred per year. These damages were caused by storms, floods, landslides, rockfalls, earthquakes, erosion, settlements due to lowered groundwater levels, hail, snow pressure, avalanches, and more. The cost of these damages amounted to over 5.9 billion SEK, averaging to over 844 million SEK per year. Since the number of natural event-related damages varies between years, the claims payments for damage to property also vary.

In 2021, Gävleborg County was heavily affected by severe rainfall, leading to extensive flooding and damages to residential and commercial properties. Gävleborg County accounted for more than half (56 per cent) of the total claim costs in 2021. Stockholm County also experienced heavy rainfall and damages in the same year. Looking at the entire period from 2015 to 2021, the most affected regions after Gävleborg County are the three metropolitan counties: Stockholm County, Västra Götaland County, and Skåne County. As expected, the claims payments are highest in areas with a higher concentration of residential and other structures.

The municipalities with the highest claims payments for natural event-related damages in 2021 were Gävle Municipality, Stockholm Municipality, and Sandviken Municipality (see figure 21).

Figure 21. Total claims payments for natural event-related damages during the period 2015–2021 for the 25 most affected municipalities in Sweden



Note: The damages mentioned include damages covered by home, houseowner, vacation home, boat, company, and real property insurance. The claims payments include provisions for unsettled but known insurance cases.

Source: Insurance Sweden (report "Natural event-related insurance damages in Sweden 2015–2021, Number of damages and costs per municipality").

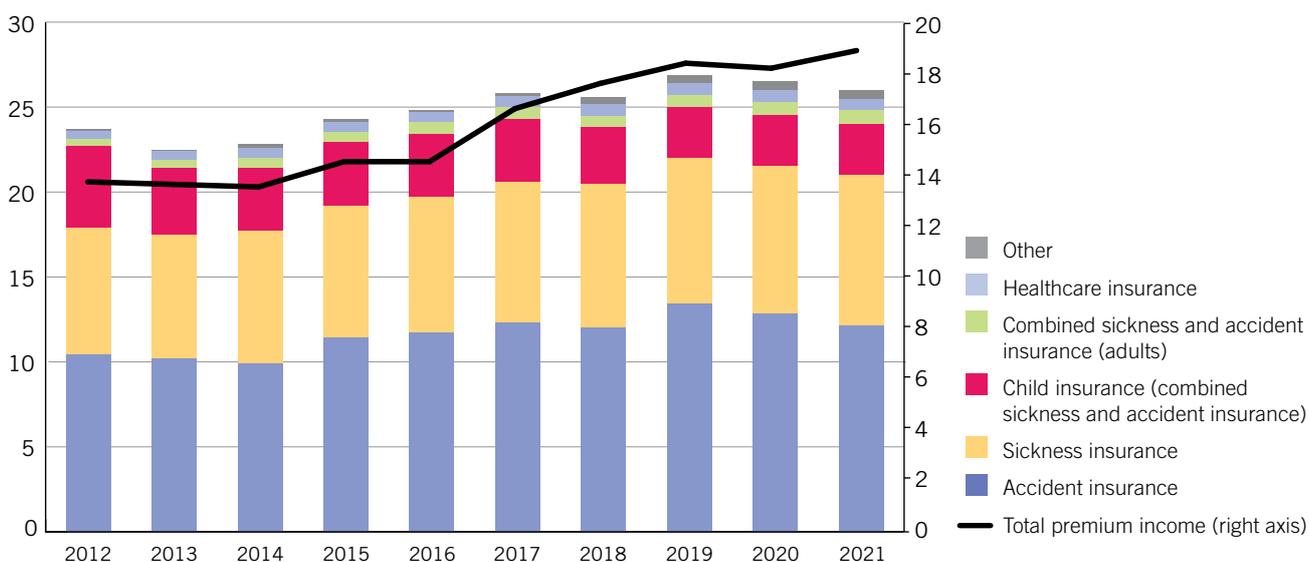
About 26 million sickness, accident and healthcare insurance policies

At the end of 2021, there were over 26 million sickness, accident, and healthcare insurance policies in Sweden (see figure 22). Policyholders paid nearly 19 billion SEK in premiums for these insurance policies. The reason for the large number of policies is that an individual can have several different policies. Just under half (47 per cent) were accident insurance policies, and just over one-third (34 per cent) were some forms of accident insurance. There are also combined sickness and accident insurance policies, such as child insurance. The latter accounted for approximately 11 per cent of all sickness and accident insurance policies at the end of 2021. About 3 per cent were combined sickness and accident insurance policies for adults.

Over 45 per cent of the sickness, accident, and healthcare insurance policies in place at the end of 2021 were not paid for by the individuals themselves but by their employers. Around 35 per cent of the policies were group insurance policies, where a representative - such as an employer or a trade union - has negotiated a scheme that allows individuals, through their employment or membership, to sign up to the insurance, often at a favourable price. The remaining sickness and accident insurance policies were individual policies, where individuals themselves have purchased the insurance.

Figure 22. Sickness, accident and healthcare insurance, 2013–2022

Number of policies in millions and total premium income in SEK billions (line, right axis)



Note: Sickness, accident, and healthcare insurance policies are available within life insurance and non-life insurance companies. Child insurance typically includes both sickness and accident coverage; if a child only has accident insurance, it falls under the category of *Accident insurance*. The category *Other* includes insurance policies for rehabilitation, sick leave, and as of 2017, pregnancy insurance.
Source: Insurance Sweden.

An increasing number of individuals have healthcare insurance

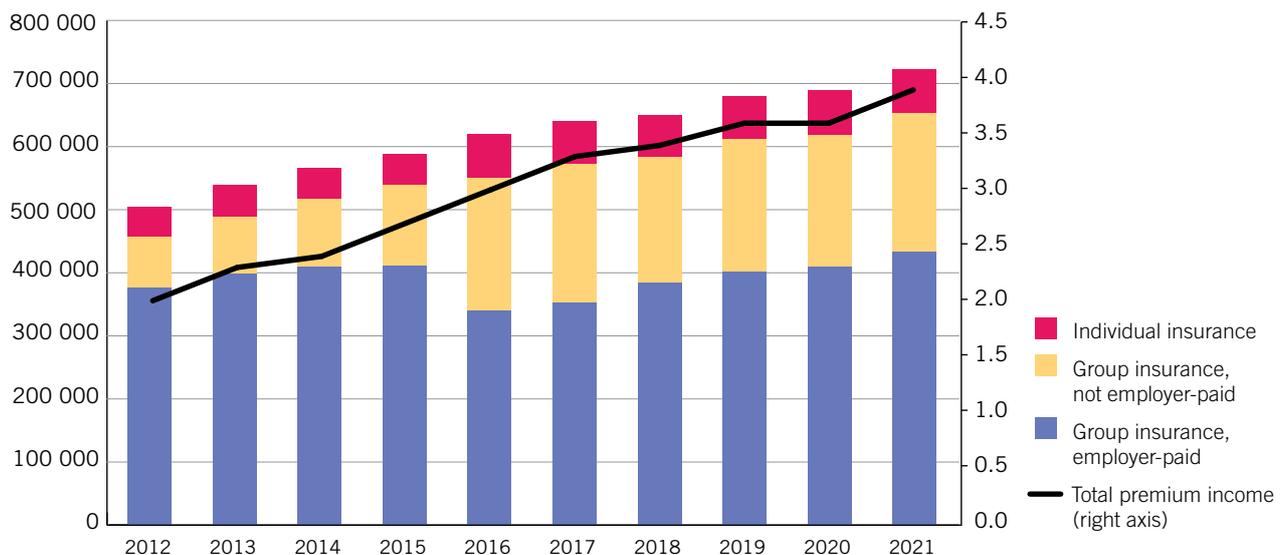
The healthcare insurance is an insurance that typically covers both health-care and rehabilitation services. Both life insurance companies and non-life insurance companies can offer healthcare insurance. Life insurance companies account for just under one-third of the number of policies, while non-life insurance companies account for the remaining two-thirds.

The number of healthcare insurance policies has been increasing steadily over a long period of time. By the end of 2021, more than 723,000 individuals had a healthcare insurance policy (see figure 23). This represents a 43 per cent increase since 2012. Nearly 6 out of 10 policyholders have their insurance paid by their employer, and slightly over 3 out of 10 have obtained their healthcare insurance as a group policy, for example, through their trade union. The remaining approximately 10 per cent have an individual healthcare insurance policy that they have personally obtained.

The healthcare insurance is financed through premiums paid by the policyholder and in 2021, policyholders paid around 3.9 billion SEK in premiums for healthcare insurance. None of the healthcare services provided under the healthcare insurance are financed by means of taxation.

Figure 23. Healthcare insurance, 2012–2021

Number of insurance policies and total premium income in SEK billion (line, right axis)



Note: Healthcare insurance is offered by both life and non-life insurance companies. The significant increase in non-employer-paid group policies in 2016 is mainly due to a redefinition of how groups are classified in the statistics.
Source: Insurance Sweden.

Treatments within the healthcare insurance

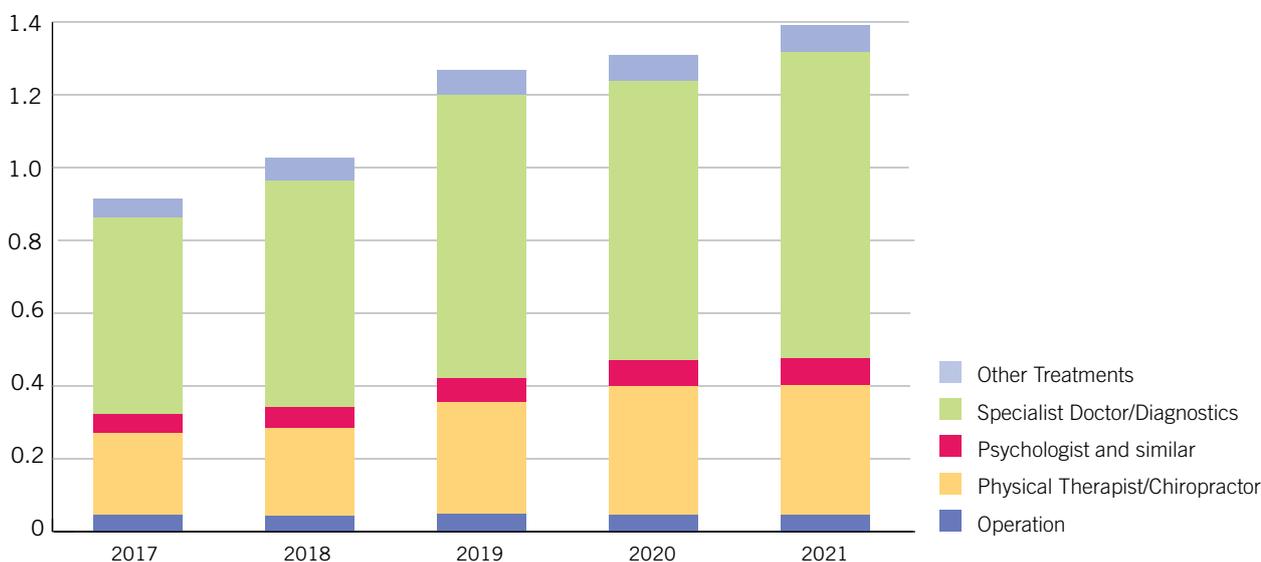
The content of a healthcare insurance policy may vary slightly between different insurance companies but generally includes healthcare advice, care planning, and specialist care. It often includes preventive measures and rehabilitation efforts as well. The policy may also cover costs for medication and post-treatment care. Services that are not covered or managed within the healthcare insurance policy include emergency care, intensive care (ICU), childbirth, cosmetic treatments, and end-of-life care. The entire cost of healthcare is financed through premiums paid by policyholders.

The healthcare provided within a healthcare insurance policy primarily focuses on planned specialist care. The most common services covered by the policy include treatments by physiotherapists and/or naprapaths, as well as visits to psychologists. Other common services within specialist care include treatments by dermatologists, ear, nose, and throat specialists, gynecologists/urologists, and more.

In 2021, approximately 1.4 million treatments were carried through under the healthcare insurance policy, including 46,413 surgeries (see figure 24). All services within the healthcare insurance policy are preceded by a medical assessment, similar to the process within publicly funded healthcare. Treatment is only carried out if there is a determined need for it, and it is performed exclusively by private healthcare providers in Sweden or abroad.

Figure 24. Number of treatments performed within the healthcare insurance policy, 2017-2021

Number of policies in millions



Note: An injury typically involves multiple treatments, such as recurring visits for rehabilitation interventions with a physiotherapist. This means that the reporting companies have, in some cases, had to make estimations of the number of treatments required for a specific type of injury.
Source: Insurance Sweden.

Marine and transport insurance

At the end of 2022, the total premium income for marine and other transport insurance amounted to nearly 2.4 billion SEK (see figure 25). Between 2021 and 2022, the premium income increased by 7 per cent, which corresponds to 154 million SEK.

Of the total premium income for marine and other transport insurance, approximately half (47 per cent) consists of cargo insurance, just over one-third (38 per cent) consists of hull insurance (i.e., insurance of the vessel/transportation vehicle), and the remainder (15 per cent) consists of liability insurance. Between 2021 and 2022, cargo insurance increased by 4 per cent, hull insurance by 6 per cent, and liability insurance by 21 per cent. Cargo insurance includes insurance for domestic and international transportation of goods, as well as various forms of carrier and forwarding liability. Liability insurance includes liability insurance for both Swedish and foreign forwarders and carriers. Liability insurance applies, for example, if the company becomes liable for personal or property damage. Hull insurance includes insurance for larger and smaller vessels/transportation vehicles (hull), including shipyards.

Figure 25. Marine and transport insurance, 2018–2022

Premium income in SEK billion



Note: The statistics include reporting from member companies of the Committee for marine insurance at Insurance Sweden. This includes all types of insurance related to cargo, including freight forwarders and transport liability, whether by land, sea, or air, both domestic and international trade. Some premiums paid directly to foreign insurance companies are not included.
Source: Insurance Sweden.

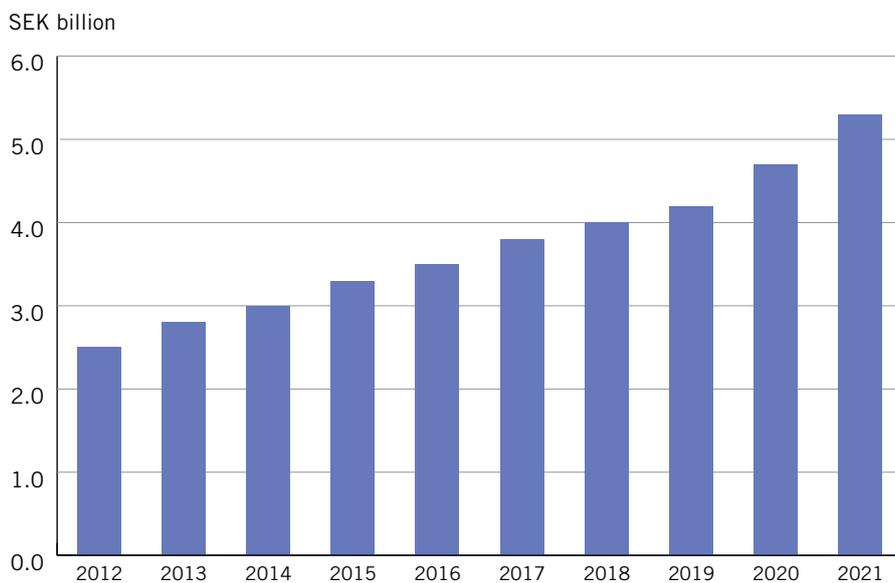
The market for pet insurance is growing

Pet insurance is taken out to provide financial protection for costs that may arise when a pet is injured or falls ill. The insurance primarily covers expenses for veterinary visits.

In 2021, a total of 5.3 billion SEK was paid in premiums for various pet insurances. The most common type of pet insurance is for dogs, but a significant portion of the premiums also covers insurances for horses and cats. Compared to 2020, the premium income for pet insurance increased by a total of 0.6 billion SEK, which represents a 13 per cent growth. This is the largest annual increase in premium income from 2012 to 2021. Over the entire period, premium income for pet insurance has more than doubled.

The overall increase in premium income is most likely due to more insurance contracts being taken out for pets. It could also be a result of increased premiums for pet insurance or policyholders choosing to take out more comprehensive and therefore more expensive insurance policies.

Figure 26. Premium income for pet insurance, 2012–2021

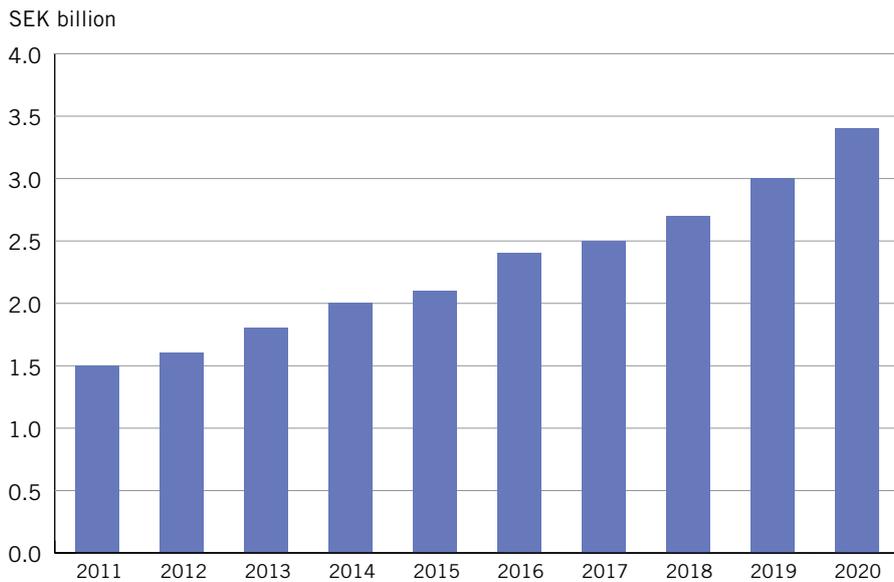


Source: Insurance Sweden.

The claims payments for pet insurance are increasing

The premiums collected by insurance companies are intended to cover both claims settlement costs and expenses such as salaries and premises. In 2020, insurance companies paid out a total of 3.4 billion SEK in compensation for costs incurred when insured animals were affected by illness or injury. The claims payments primarily consist of reimbursements for veterinary care. Compared to 2019, the payments increased by 0.4 billion SEK, representing a 14 per cent increase. This is the largest increase during the period from 2011 to 2020. Compared to 2011, the claims payments have more than doubled.

Figure 27. Claims payments for pet insurance, 2011–2020



Source: Insurance Sweden.

Pension and life insurance

During 2022, life insurance and occupational pension companies paid out over 150 billion SEK in occupational pensions and 129 billion SEK from savings invested in private endowment insurance and private pension insurance.

Employers pay premiums to occupational pension insurance for their employees, which are then paid out to the employee after retirement. Both companies and individuals can save in private endowment insurance. The accumulated capital can serve as pension savings, but it can also act as a buffer that creates security for the future, both for individuals and companies.

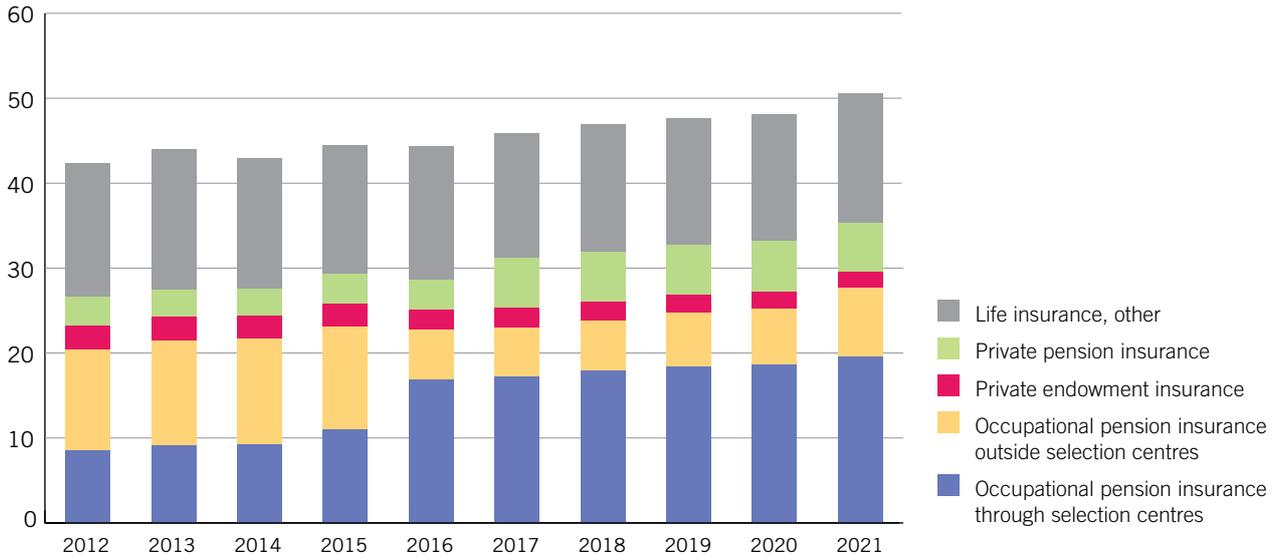
Number of insurance policies in pension and life insurance

Within pension and life insurance, there are many different types of insurance policies that provide payments in connection with retirement, as well as various forms of savings. An occupational pension insurance is a pension insurance where the insured person's employer has undertaken to pay all premiums for the insurance. The employee is the insured person and beneficiary of the insurance, while the employer is typically the policyholder who has taken out the insurance. If a person has had multiple employers throughout their life, he or she may be covered by several different occupational pension agreements. Occupational pension can also be taken out as an endowment insurance for occupational pension, for example, a so-called direct pension. For both individuals and companies, it is also possible to save in a private endowment insurance or a private pension insurance. An endowment insurance is a form of savings that can be taken out by both individuals and companies, where the savings are invested in equities, funds, and other securities. Private pension insurance is a private pension savings with a tax deduction where the savings are paid to the policyholder when he or she reaches the age of 55. Private pension insurance can currently be taken out by entrepreneurs and individuals who do not have an occupational pension in their employment.

At the end of 2021, there were a total of nearly 51 million insurance policies in pension and life insurance (see figure 28). More than half (55 per cent) of these policies are occupational pension insurance. In addition, there were 5.7 million private endowment insurances and nearly 2 million private pension insurances.

Figure 28. Number of insurance policies within pension and life insurance, 2012–2021

Number of policies in millions



Note: If an insurance policy covers more than one insured person, the number of insured and co-insured individuals is reported instead of the number of insurance policies. This figure does not include non-life insurance. The category *Life Insurance, other* includes group life insurance, premium waiver insurance, and healthcare insurance, among others.
Source: Insurance Sweden.

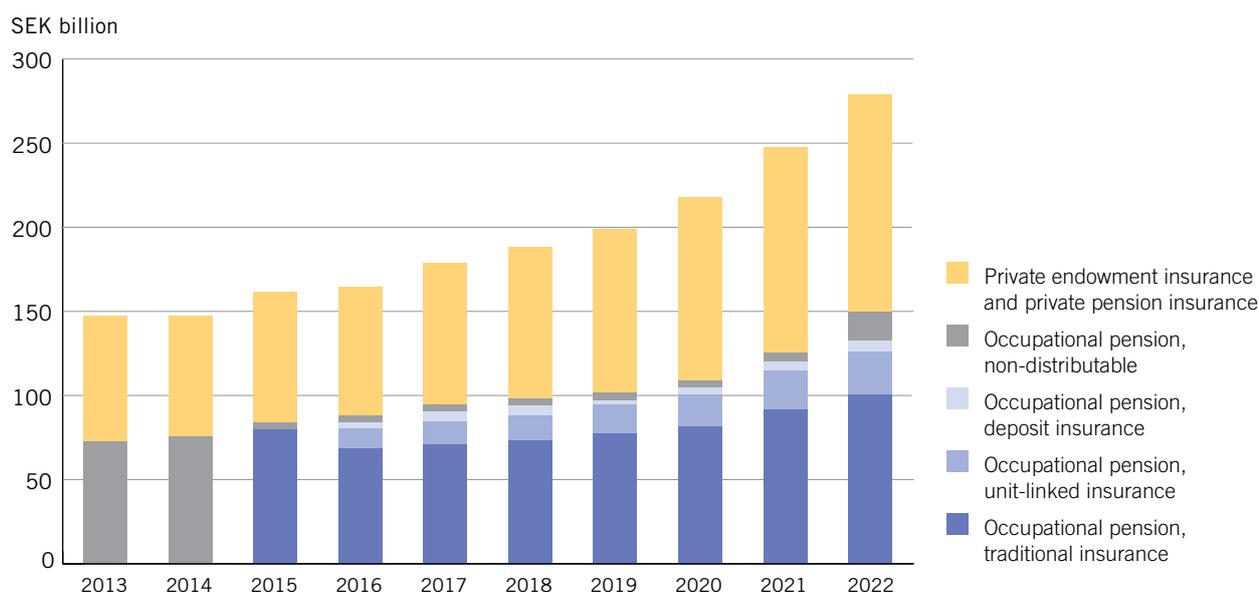
Payments from insurance savings continue to increase

Life insurance and occupational pension companies pay out insurance benefits in the form of occupational pensions and from savings in private endowment insurance and private pension insurance, among others. In total, these companies paid out over 279 billion SEK in 2022 (see figure 29).

The largest share of the payments (54 per cent) consisted of occupational pension payments amounting to 150 SEK billion. Traditional insurance was the most common savings form. In the case of traditional insurance, it is the life insurance and occupational pension companies that choose the assets in which the capital should be invested and bear the financial risk. In the case of fund and deposit insurance, it is the policyholder who chooses the funds, equities, and other financial assets in which the capital should be invested and bears the financial risk. Payments from savings, particularly in private endowment insurance, amounted to 129 billion SEK.

Over the past ten years, occupational pension payments have more than doubled, with an increase of 106 per cent. Payments from savings in private endowment insurance and private pension insurance have increased by 73 per cent during the same period.

Figure 29. Payments from pension and life insurance, 2013–2022



Note: This includes the payments made through life insurance and occupational pension companies for both competitive and non-competitive insurance. It does not include payments for non-life insurance. The category "Private endowment insurance, private pension insurance" also includes group life insurance, premium waiver insurance, and sickness insurance. Paid insurance compensation refers to payments including surrender value, paid rebates due to surrender, and other paid rebates. Starting from 2016, occupational pension can be reported separately by investment type, i.e., traditional insurance, unit-linked insurance, or deposit insurance.

Source: Insurance Sweden.

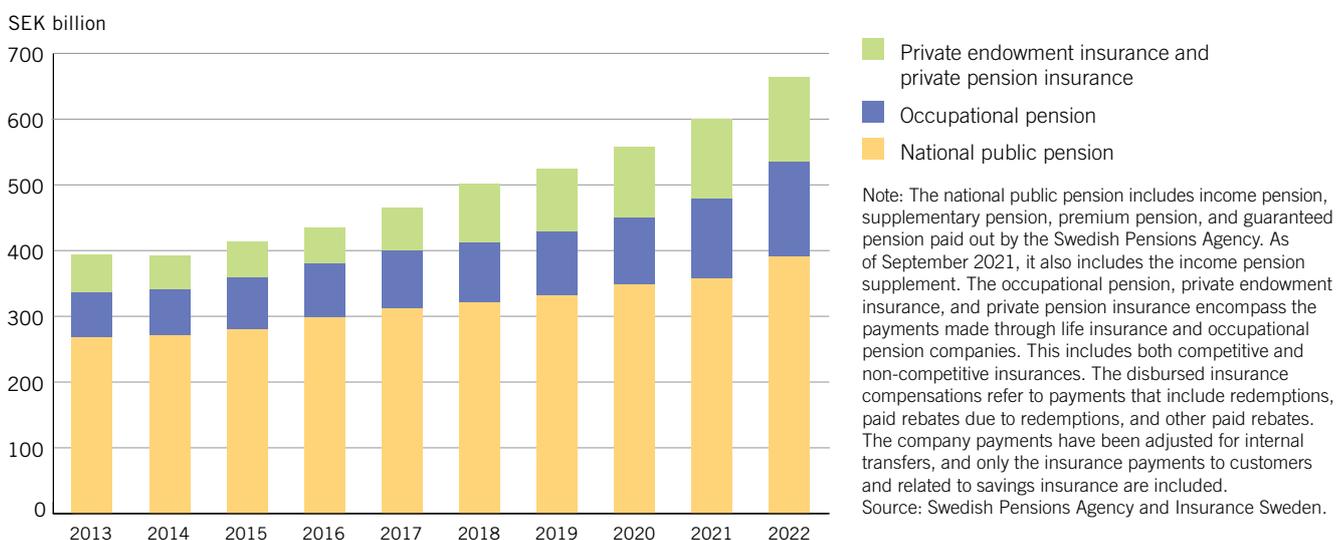
Occupational pension is an increasingly important part of the total pension

The vast majority of all employees in Sweden have an occupational pension insurance. Occupational pension is a supplement to the national public pension and has become increasingly important for the total pension of many individuals over time. In 2022, the Swedish Pensions Agency paid out over 391 billion SEK in national public pension. The national public pension includes income pension, supplementary pension, premium pension, guarantee pension, and as of September 2021, also the income pension supplement (see figure 30).

As a complement to the national public pension, life insurance and occupational pension companies offer employers and individuals the opportunity to take out occupational pension insurance and private pension insurance. The companies also offer private endowment insurances that are not specifically intended for pension savings. This is because there is the possibility to deposit and withdraw the entire or parts of the capital during the savings period, and the capital is therefore not locked until retirement. Endowment insurances serve more as a “wrapper” for various investment products, where the policyholder can choose beneficiaries and structured payouts. Payments from occupational pension insurance, private pension insurance, and endowment insurance amounted to 273 billion SEK in 2022.

The combined payments from the national public pension, occupational pension, private endowment insurance, and private pension insurance have increased by 69 per cent (271 billion SEK) between 2013 and 2022. The share represented by payments from occupational pension insurance has increased from 17 to 22 per cent during the same period. The share of occupational pension in total pension payments is higher than what is shown in figure 30. An employer can also finance and secure their occupational pension commitment internally by including the pension obligations in the company’s balance sheet or making contributions to a pension foundation. If the company adopts an internal financing method, a credit insurance is required to secure the employees’ pensions in case the company becomes insolvent. PRI Pensionsgaranti guarantees and administers paid pensions within the agreement for privately employed white-collar workers, ITP2, that is financed internally. According to PRI Pensionsgaranti, pension payments amounted to 7.7 billion SEK in 2022.

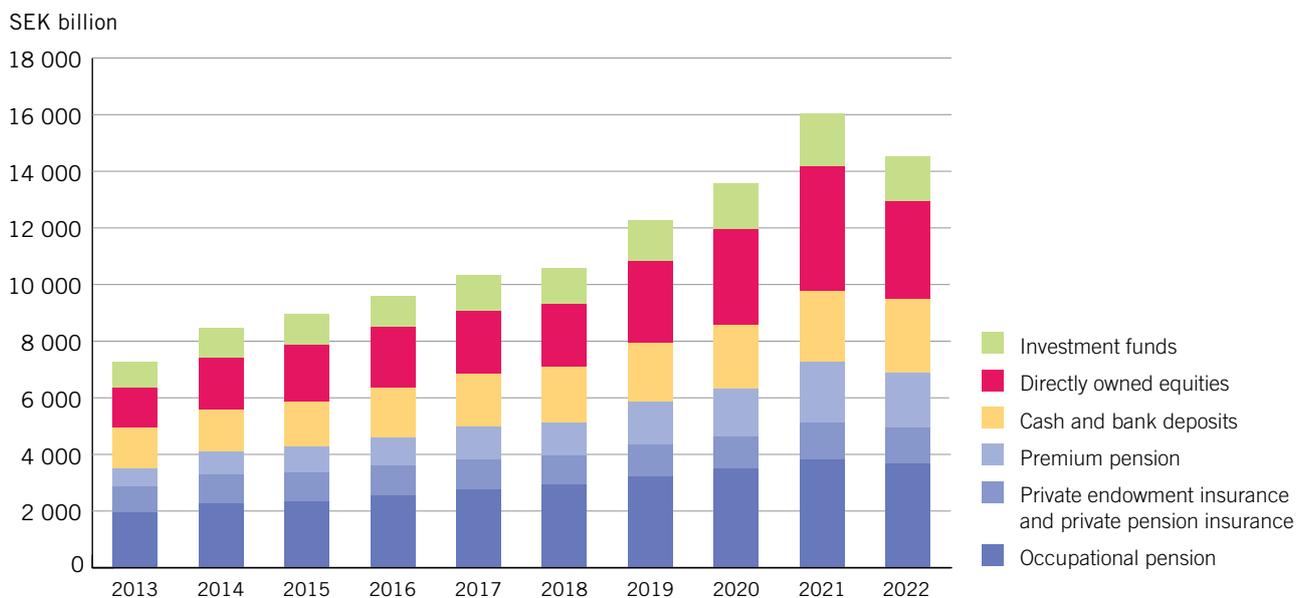
Figure 30. Payments from national public pension, occupational pension, and from savings in private endowment insurance and private pension insurance, 2013–2022



Pensions make up a significant part of household financial savings

Pension assets constitute a significant part of household financial savings. Swedish households have doubled their financial savings over the past ten years, from just under 7,300 billion SEK in 2013 to over 14,500 billion SEK in 2022 (see figure 31). Occupational pension is the single largest form of savings for Swedish households. In 2022, nearly half of the savings were allocated to either occupational pension, private pension insurance, private endowment insurance, or premium pension.

Figure 31. Household financial savings, 2013–2022



Note: The *Cash and bank deposits* category also include premium bonds. The category *Investment Funds* also includes structured products.
Source: Statistics Sweden.

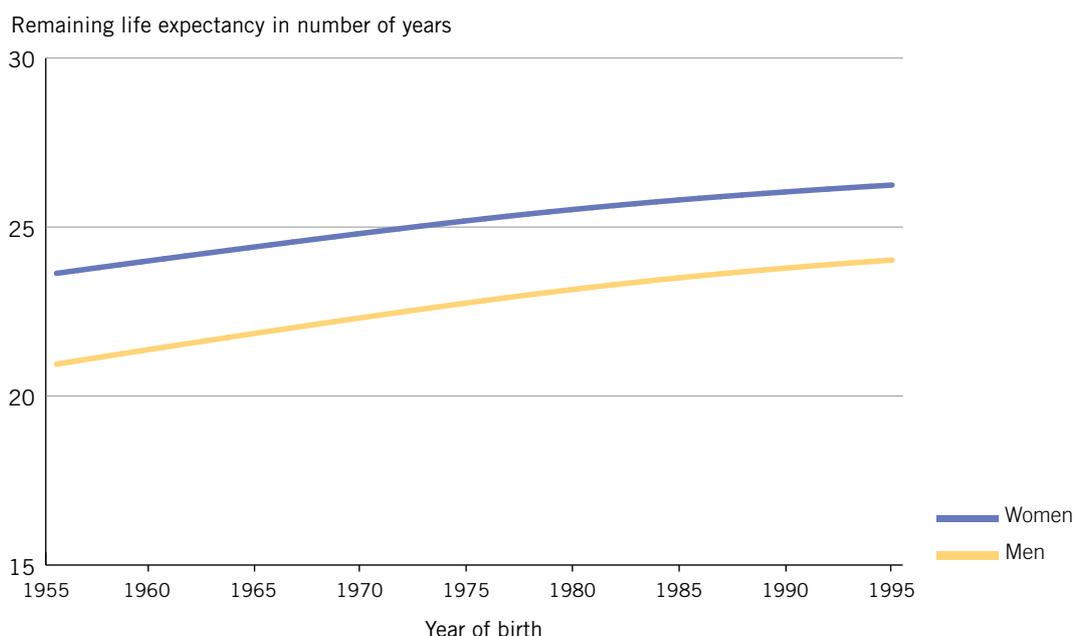
Higher savings for retirement more important as life expectancy rises

Higher savings for retirement become increasingly important as life expectancy rises. In Sweden, life expectancy is increasing, which means that pension payments need to cover a longer period for retirees, resulting in lower annual pension amounts.

For example, a woman born in 1995 with an occupational pension is expected to live an additional 26 years after reaching the age of 65, which means until the age of 91. This is over two years longer than a woman born in 1956 with an occupational pension, who is expected to live after reaching the age of 65. This implies that a woman born in 1995 needs to save more than a woman born in 1956 to achieve the same annual pension, assuming the same retirement age and all other factors being equal. A similar trend is observed for men, where men born in 1995 are expected to live approximately three years longer than men born in 1956.

Furthermore, the estimated life expectancy for women is estimated to be around two years higher than that of men in the future (see figure 32).

Figure 32. Remaining life expectancy at the age of 65 for women and men having an occupational pension based on their year of birth



Note: Occupational pension insurance refers to mandatory insured where the insurance follows automatically from an employment. Please note that the y-axis of the graph is broken.
Source: Insurance Sweden, (2021), *Försäkrade i Sverige – Livslängder och dödlighet, Prognoser 2021–2080*.

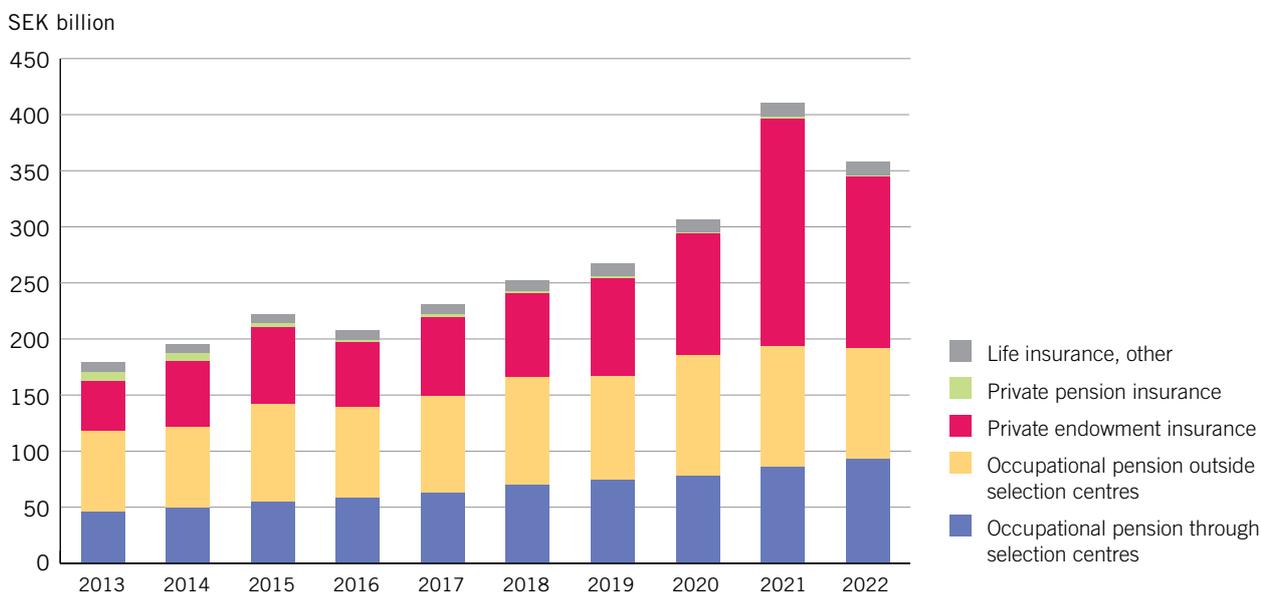
The growth in private endowment insurance is slowing down

In 2022, nearly 359 billion SEK was paid in premiums to pension and life insurance (see figure 33). Of these, more than half (53 per cent) was paid into occupational pensions, and 43 per cent went into private endowment insurance, which can be privately, or company owned.

Premium payments to pension and life insurance have doubled over the past ten years, and private endowment insurance accounts for 60 per cent of this increase.

Compared to 2021, premium payments to private endowment insurance have decreased from 203 billion SEK to 153 billion SEK, a decrease of 24 per cent. Both companies and individuals can save in endowment insurance, and the capital can be invested in securities and traditional life insurance. The poor performance of the stock market in 2022, along with higher prices and mortgage rates, may have contributed to the lower interest in endowment insurance.

Figure 33. Premium income for pension and life insurance, 2013–2022



Note: Refers to paid premiums (excluding indexed policy certificate and transferred insurance capital) for pension and life insurance. This includes both competitive and non-competitive insurances. The category *Life insurance, other* includes group life insurance, premium waiver insurance, and healthcare insurance. Source: Insurance Sweden.

The assets and investments of the Swedish insurance industry

Swedish insurance and occupational pension companies invest approximately 6,100 billion SEK in the Swedish and global economy. These investments, primarily in equities and bonds, contribute to economic growth and the transition towards a sustainable society. The returns on these assets have been high over the past twenty years, which benefits policyholders through higher pension payments and other benefits.

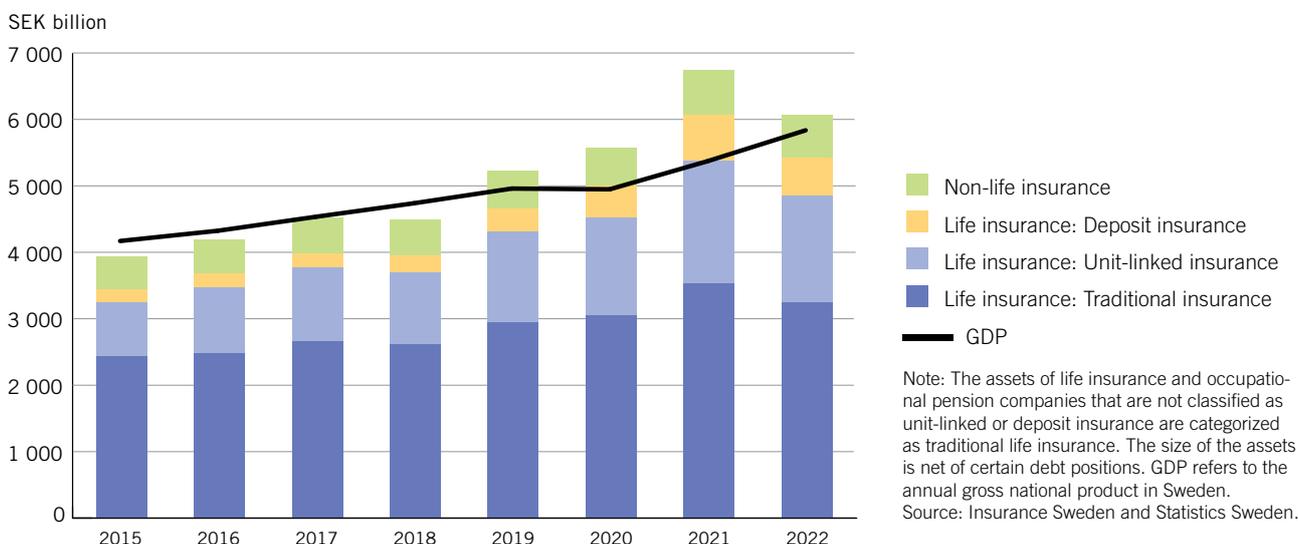
Investment assets are larger than Sweden's GDP

At the end of 2022, Swedish insurance and occupational pension companies had financial assets of nearly 6,100 billion SEK, which is larger than Sweden's gross domestic product (GDP). These assets are invested in Sweden or abroad. The majority of the assets, about 90 per cent, are managed by life insurance and occupational pension companies, while the remaining part is managed by non-life insurance companies. The large assets held by life insurance and occupational pension companies are a result of premiums being saved over many years and the capital growing due to return on the assets.

The assets of life insurance and occupational pension companies are primarily related to traditional life insurance, but unit-linked and deposit insurance products have seen an increase in recent years (see figure 34). In unit-linked and deposit insurance, policyholders choose which investment funds and other financial assets their capital should be invested in and bear the financial risk. This differs from traditional insurance, where companies choose how to manage the capital and bear the financial risk.

Of the investment assets held by life insurance and occupational pension companies, 60 per cent were tied to traditional insurance at the end of 2022, while nearly 30 per cent were tied to unit-linked insurance and almost 11 per cent to deposit insurance.

Figure 34. Size of assets of Swedish insurance and occupational pension companies by type of insurance, 2015–2022



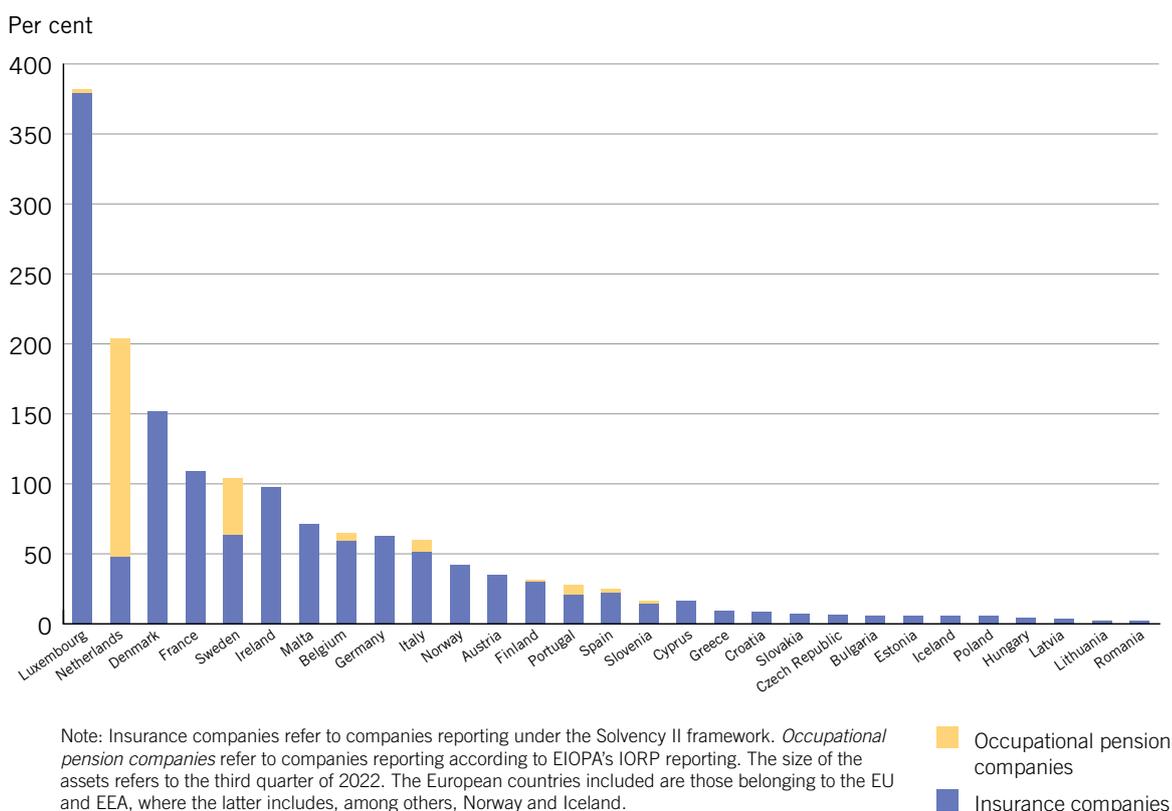
Swedish companies have significant assets in a European comparison

The size of assets held by Swedish insurance and occupational pension companies relative to the size of the economy, i.e., the country's GDP, is among the highest in Europe (see figure 35). This is a commonly used measure of the significance of the insurance industry within a country. Even in terms of the size of assets in SEK billions, Swedish companies rank among the highest in Europe. The largest assets are held by French and German companies, reflecting the fact that these countries have the largest economies in Europe.

Among European occupational pension companies, the Swedish occupational pension companies had the second-largest assets relative to GDP in 2022, following the Dutch companies, while Swedish insurance companies had the sixth-largest assets relative to GDP among insurance companies.

The reason why companies in Luxembourg have assets nearly four times (400 per cent) larger than their GDP is that many companies, primarily targeting policyholders outside Luxembourg, have chosen to establish themselves there. This may be due to Luxembourg's large financial sector and possible tax-related reasons. The significant assets held by Dutch occupational pension companies relative to GDP can largely be explained by the design of the pension system in the Netherlands, where occupational pensions account for a larger share of pension payments compared to, for example, Sweden.

Figure 35. Assets of European insurance and occupational pension companies in relation to GDP, 2022



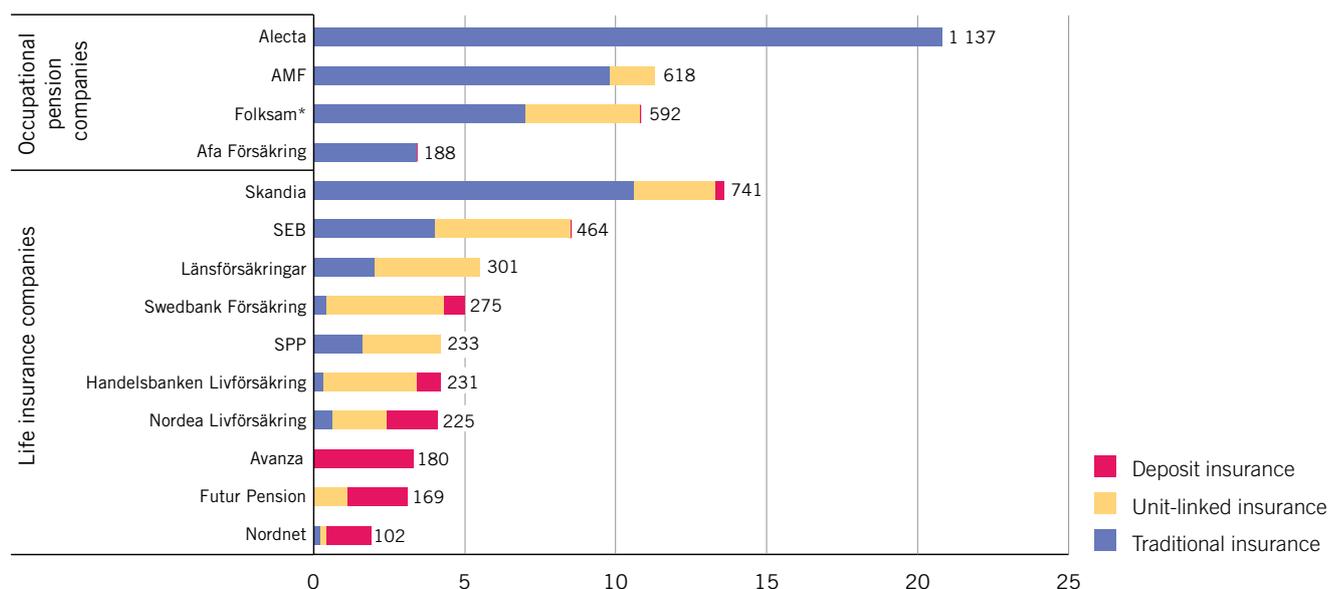
Difference between the assets of life insurance and occupational pension companies by investment form

The four company groups/companies within pension and life insurance with the largest holdings of investment assets at the end of 2022 were Alecta, Skandia, AMF, and Folksam (see figure 36). These company groups/companies accounted for 57 per cent of the market in terms of the total assets of life insurance and occupational pension companies. At the end of 2022, the total assets for occupational pension companies were just over 2,200 billion SEK, and for life insurance companies, it was just under 3,300 billion SEK.

There are differences among the company groups/companies in terms of the proportion of assets related to traditional insurance, unit-linked insurance, and deposit insurance. For the four company groups/companies with the largest assets, the assets are primarily related to traditional insurance. For the other companies, except for Afa Försäkring, the assets are primarily either unit-linked or deposit insurance.

Figure 36. Percentage of total investment assets for life insurance and occupational pension companies by company group/company and investment form

Percentages of total assets and size of managed assets in SEK billion (to the right of the bar)



Note: The figure shows the proportions of the total assets for Swedish life insurance and occupational pension companies with assets exceeding 100 billion SEK. The assets of life insurance and occupational pension companies that are not unit-linked or deposit insurance are classified as traditional insurance. The size of the assets is net of certain debt items.

*The Folksam group includes both occupational pension companies and life insurance companies. The majority of the assets are for occupational pension companies, which is why Folksam is included among the occupational pension companies in this figure. When calculating the combined assets of occupational pension and life insurance companies, Folksam's assets are distributed among the respective company types.

Source: Insurance Sweden.

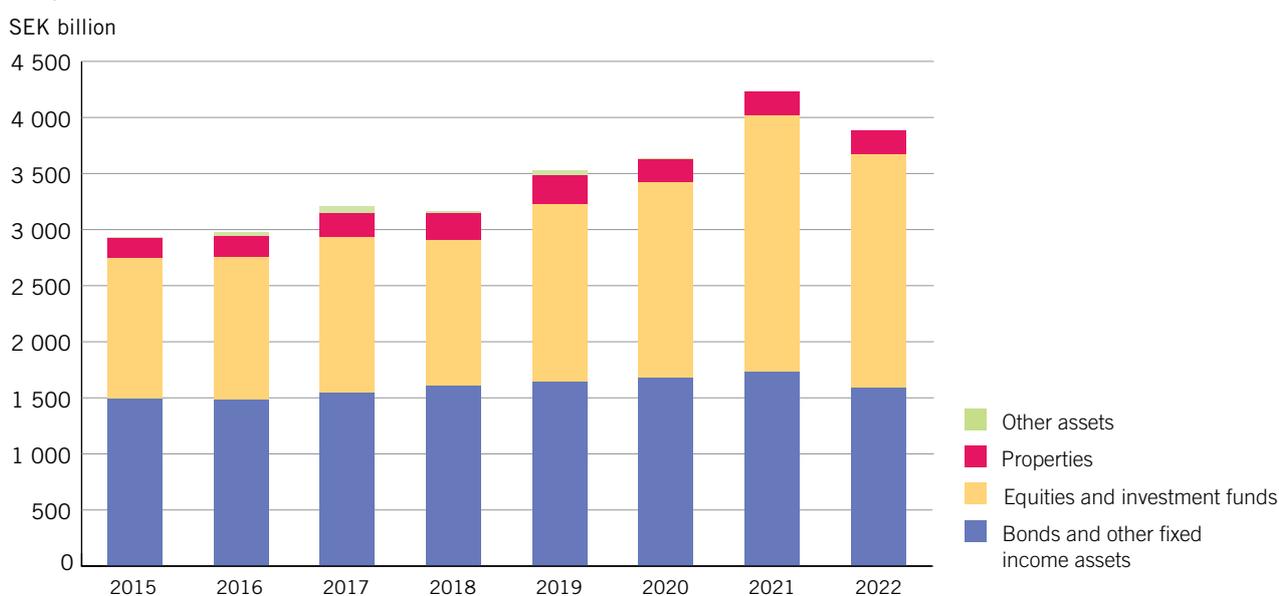
Insurance and occupational pension companies primarily invest in equities and bonds

Through asset management and investments in various assets, insurance and occupational pension companies generate returns and profits that benefit the policyholders. Swedish companies primarily invest in Swedish and foreign equities, investment funds, bonds, and properties (see diagram 37). The bonds invested in by insurance and occupational pension companies are primarily 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 with shorter duration compared to life insurance and occupational pension companies. This is because non-life insurance companies need to manage ongoing claims payments during the year. Life insurance and occupational pension companies have a longer investment horizon as pension and life insurance savings occur over an extended period. Similarly, the payment of pension savings also takes place over an extended period.

The proportion of equities and investment funds of the companies has increased since 2015 and accounted for over 53 per cent of the assets in 2022 (see figure 29). On the other hand, bonds and other fixed income assets have decreased and represented around 41 per cent of the assets in 2022. As a comparison, in 2015, bonds and other fixed income assets accounted for more than 50 per cent of the assets. The increase in equities and investment funds and the decrease in bonds and other fixed income assets can largely be attributed to favourable developments in the stock markets and low interest rates during this period. The proportion of properties has remained relatively constant and accounted for 6 per cent of the assets in 2022.

Figure 37. Holdings of assets of Swedish insurance and occupational pension companies, 2015–2022



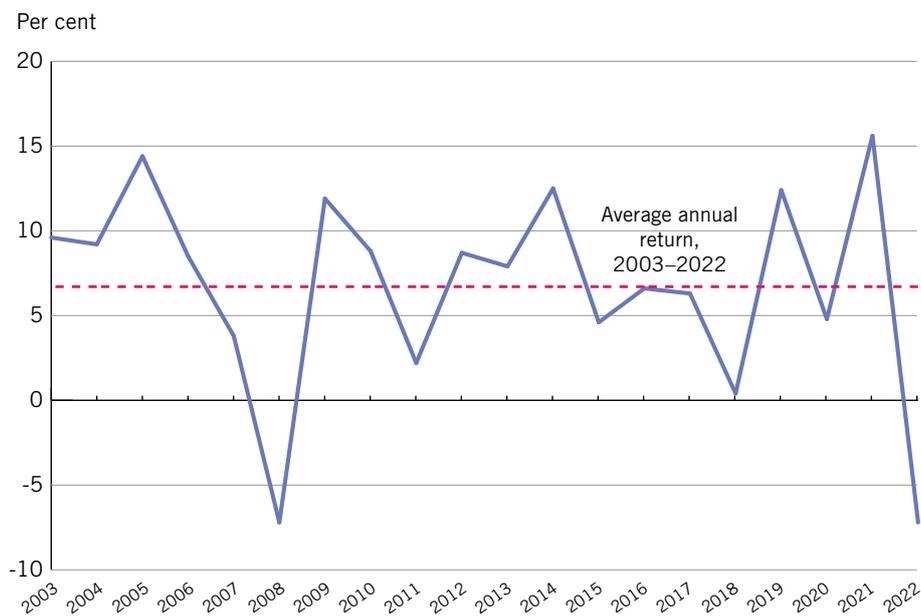
Note: Assets related to unit-linked and deposit insurance are excluded from the investment assets in this figure. *Fixed income assets* include bank deposits, loans, convertibles, and certificates. *Properties* refer to buildings, land, and equities in wholly owned property companies. The category *Other assets* includes derivatives, among other things. The assets are presented net of certain debt items.

Source: Insurance Sweden.

Low return on assets in 2022

The return on assets held by life insurance and occupational pension companies is significant as it affects the level of future pension payments. In 2022, the total return on assets managed by Swedish life insurance and occupational pension companies was -7.2 per cent (see figure 38). This is lower than the average annual total return of 6.7 per cent over the past twenty years. The low return in 2022 was primarily due to the poor performance of the stock markets in Sweden and globally, and the fact that a relatively large portion of the companies' assets are invested in equities. However, the return in a single year is of less importance as savings are long-term. Instead, it is the return over time that determines the level of future pension payments.

Figure 38. Total return on assets managed by Swedish life insurance and occupational pension companies, 2003-2022



Note: The total return is estimated as the weighted average of the returns of life insurance and occupational pension companies, based on the market value of the assets they manage.
Source: Insurance Sweden.

Insurance Sweden is the industry organisation for insurance companies. About 50 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.

