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 disaster. Insurance makes it possible for private individuals and companies to live and work in economically stable conditions.

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

This report provides an overall view of insurance in Sweden and describes its significance for the national economy. The report contains various diagrams on Swedish insurance based on statistics mainly from Insurance Sweden, Finansinspektionen (the Swedish Financial Supervisory Authority) and Statistics Sweden.

They refer, with a few exceptions, to the situation in 2018 or the past ten years. The statistics for the various diagrams are available on Insurance Sweden’s website.

The report is divided into three parts. The first part concerns non-life insurance and presents for example the number of damages and the amount paid by insurance companies in the form of compensation for various types of claims. The second part concerns life insurance, for example the amount 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 at a low cost 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 occur. Insurance is therefore of great importance for households.*

Home insurance and vehicle insurance are common policies

Many insurance policies compensate households for damages on homes and houses, boats, cars and other vehicles. Vehicle insurance is the most common of these policies. At the end of 2018, there were almost 5.1 million private cars and just over 3 million other insured motor vehicles (see Figure 1).

Home insurance and homeowner insurance are also common. Homeowner insurance policies do not only cover costs of damages under the standard home insurance policy, but also function as financial protection against damages that can affect the property itself. In 2018, the number of home insurance policies was more than 3.3 million and the number of homeowner insurance policies was 1.8 million.

![Figure 1. Number of non-life insurance policies for property, 2009–2018](image)

*Note: This does not include corporate insurance, animal insurance or product insurance policies. Private cars and other vehicles also include company-owned vehicles. Source: Insurance Sweden.*
Almost all people in Sweden have home insurance

Most people in Sweden have a home insurance, but not quite everybody. Home insurance is 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 have home insurance (see Figure 2). Thus, above 3 per cent, just under 400,000 individuals, have no home insurance, which means that they have no legal or financial protection at home or while travelling. 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 25 million sickness and accident insurance policies

Households may also have sickness and accident insurance. At the end of 2018, there were more than 25 million sickness and accident insurance policies in Sweden (see Figure 3). The reason that there are so many policies is that an individual can have several different policies of this kind. Just under half were accident policies and almost one third were some form of sickness policy.

There are also combined insurances for sickness and accidents, for example child insurance. For 2018, child insurance represents about 13 per cent of the total number of sickness and accident policies. About 3 per cent was combined insurances for sickness and accidents for adults.

Almost 42 per cent of sickness and accident policies are paid for not by the individual but by their employer. An almost equally large share, over 38 per cent, of the policies are for group insurance. A group insurance means for example that an individual can buy insurance via membership of a trade union, often at an advantageous price. The remaining sickness and accident policies are individual insurances.

Figure 3. Sickness and accident insurance policies, 2009-2018

Note: 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 ‘Other’ category includes insurance for rehabilitation.

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 include medical on-call services, care planning and specialist care. Preventive and rehabilitative measures are also often included.

The number of healthcare policies continues to increase. At the end of 2018, more than 658,000 people had healthcare insurance (see Figure 4). That is an increase of 65 per cent since 2009. Employers pay for most healthcare policies, about 59 per cent. About 32 per cent have bought their healthcare insurance as a group insurance via their trade union, for example. The remaining approximately 10 per cent have an individual healthcare policy.

Figure 4. Sickness insurance policies, 2009–2018

Policies in thousands

Source: Insurance Sweden.
The compensation for damages is increasing

Insurance companies pay out compensation for damages that may arise for example in connection with a car accident, water damage in the home or if you are robbed. Compensation may also be paid out if a person falls ill or has an accident that affects their working capacity and ability to earn income. The most common compensation payments to households in 2018 were for claims associated with traffic and motor vehicles (see Figure 5). After that came claims associated with sickness and accident insurances, and home and homeowner insurances. Compensation payments is also done to companies for damages within the company or the company’s property. Compensation to companies was about 16 per cent of the total compensation payments during 2018. The rest was paid to households.

Almost SEK 69 billion was paid out in compensation by non-life insurance companies in 2018. More than half of the compensation paid referred to claims arising in 2018, while the other half referred to claims arising in previous years. The reason for the delayed payments is partly that some types of claims, such as fire and traffic claims, may take a long time to investigate, and partly that claims are occasionally made some time after the damage took place.

Figure 5. Insurance claims paid to households and companies, 2009–2018

Note: For a given year, payments made include compensation for claims arising during the year and delayed compensation for claims arising in previous years. Additionally, they include payments from non-life policies that some life insurance companies offer. The Safety category includes income, severance and personal protection insurance for occupational injury. The Non-distributable category contains payments that cannot be categorized. This category has increased during the last five years due to the fact that several subsidiaries cannot categorize in these categories. Source: Swedish Financial Supervisory Authority, processed by Insurance Sweden.
The most expensive claims are for water damage

The most common reason for a household receiving a pay-out from an insurance policy was an all risk claim, which is covered by an all risk insurance (see Figure 6). These insurances, which are often included in home insurance, apply when the policyholder experiences a sudden and unforeseen adverse event. 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 2017, more than 305,000 all risk claims were reported for households. The insurance companies paid a total of more than SEK 1 billion in compensation for these claims. However, the largest type of claim in terms of value for households was water damage, for which the amounts paid in compensation totalled almost SEK 2.3 billion.

Figure 6. Number of claims and paid compensation to households, 2017

Number of claims in thousands (bar, left axis) and paid compensation in SEK billion (point, right axis)

Note: Third-party liability and legal protection may be used to pay costs if an individual is liable for damages or for a legal representative in a legal dispute. This may apply to both damage to property and personal injury caused by the individual.

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 usually called everyday crime. These are quite common crimes that relatively many people have encountered. In 2017, almost 150,000 claims arose due to everyday crime (see Figure 7).

The most common everyday crimes were burglary and theft, giving rise to almost 56,000 claims concerning houses and other dwellings. In addition, 9,000 businesses and 4,000 holiday homes were affected. Other common everyday crimes were theft of or from vehicles (cars, motorcycles, mopeds and off-road vehicles) and bicycle theft.

For claims arising from everyday crime insurance companies paid out in excess of SEK 2.6 billion in 2017. The highest total amounts were paid out for burglary and theft in dwellings and theft of or from vehicles.

**Figure 7. Number of claims and paid compensation due to everyday crime, 2017**

Number of claims in thousands (bar, left axis) and paid compensation in SEK million (point, right axis)

Note: The ‘Theft Vehicle’ category includes both theft of vehicles and theft from vehicles. Source: Insurance Sweden.
Large variations in the number of weather-related natural damages over the years

Weather-related natural damages include damage caused by extreme weather conditions such as storms, torrential rain, flooding, landslides and avalanches. In 2017, there were 5,800 natural damages in Sweden, the absolute majority of which (5,300) were damages caused by storm or water (see Figure 8). The insurance companies paid a total of more than SEK 220 million in compensation for these claims.

The number of different types of natural damages varies greatly from year to year. In 2013, for example, there were several significant storms, while in 2014 there were several major floods.

Figure 8. Number of natural damages and paid compensation to households, 2008-2017

Number of natural damages in thousands (bar, left axis) and paid compensation in SEK million (line, right axis)

Note: There are no data on ‘other’ natural damages before 2015.
There are no data on natural damages caused by water before 2011.
Source: Insurance Sweden
**Increasing compensation amounts for traffic-related damages**

In 2016 there were just over 1.3 million reported damages caused by traffic accidents (see Figure 9). Insurance companies paid a total of SEK 14 billion in compensation for these traffic claims. In the past ten years, the compensation amounts for traffic-related damages have increased by about SEK 4 billion. The average compensation amount paid for traffic-related damages in 2016 was slightly more than SEK 10,500 per claim.

**Figure 9. Traffic-related damages and paid compensation, 2007–2016**

Number of claims in millions (bar, left axis) and paid compensation in SEK billion (line, right axis)

Note: The traffic-related damages refer to both third-party liability and motor vehicle insurance. Missing company values for some time periods have been estimated.

Source: Insurance Sweden.
Glass damages are the most common damages for vehicles

In 2016, glass damages (for example damages on car wind screens) were the most common traffic damages. These damages accounted for more than half of all damages in motor vehicle insurance (see Figure 10). However, the most expensive damages in terms of total payments made were vehicle damages. Vehicle damage may occur, for example, in a traffic accident, if a driver accidentally drives the vehicle into something or if someone damages the paintwork.

Figure 10. Damages in motor vehicle insurance by type of damage, 2016

Number of damages in thousands (bar, left axis) and paid compensation in SEK million (point, right axis)

Note: Third-party liability and legal protection may be used to pay costs if an individual is liable for damages or for a legal representative in a legal dispute. This may apply to both damage to property and personal injury caused by the individual.

Source: Insurance Sweden.
Pension payments are increasing

In 2018, retirement pension payments totalled about SEK 480 billion (see Figure 11). Of these, the Swedish Pensions Agency paid out just under SEK 330 billion in national retirement pension. National retirement pension includes income pension, supplementary pension, premium pension and guarantee pension. The remaining SEK 150 billion was paid out by the life insurance companies as occupational pension and private pension.

From 2011 to 2018 annual pension payments increased by more than 38 per cent. In the same period, occupational pension payments rose from SEK 57 billion to SEK 87 billion, corresponding to an increase of 53 per cent. Private pensions rose from SEK 48 billion to SEK 63 billion, corresponding to an increase of a bit less than 31 per cent.

Occupational pension and private pension payments accounted for about 31 per cent of total retirement pensions in 2018. The share of occupational pensions between 2011 and 2018 increased somewhat, from 16 per cent to more than 18 per cent. By contrast, the share of private pensions decreased slightly, which is probably largely due to the change in the tax deduction rules.
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 5,500 billion in 2009 to almost SEK 10,500 billion in 2018 (see Figure 12). Occupational pension schemes are the largest form of savings for Swedish households. Slightly less than half of the savings in 2018 were either in occupational pensions, private pensions or premium pensions.

Figure 12. Households’ financial savings, 2009–2018

SEK billion

Note: The 'Cash and bank deposits' category includes premium bonds. Investment funds include structured products. Private pensions refer to those classified by Statistics Sweden as private pension savings.
Source: Statistics Sweden.
The insurance industry is an important part of the 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. The Swedish insurance industry consists of about 300 companies that together employ more than 21,000 people and invest more than SEK 4,500 billion in the Swedish and global economy.

Both small local and large national insurance companies

Sweden slightly more than 21,000 people work in the insurance industry, corresponding to about a half per cent of the employees in the labour market. There are about 300 insurance companies (see Figure 13).

Most companies are either national or local insurance companies. In addition, there are so-called 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 eight years. Mainly smaller local insurance companies and relief associations have decreased in number. Despite the decrease in the number of companies, the number of employees has remained about the same during this period.

Figure 13. Number of insurance companies in Sweden, 2010–2018

Source: Finansinspektionen (Swedish Financial Supervisory Authority).
Customer service and claims adjustment are common occupations

There are many different occupational categories in the insurance industry. Some 5,900 people, corresponding to 30 per cent of the employees, work in sales, advisory services or customer service (see Figure 14). Another common occupational category is various kinds of claims adjustment. This includes investigation into who caused a damage and what may be the reason for the claim. This occupational category is made up of more than 4,700 individuals, corresponding to about 25 per cent of the number of employees in the industry. Specialist occupations, such as actuaries (insurance mathematicians) and lawyers make up a smaller proportion of the employees.

Figure 14. Occupational groups as a percentage of total employees in the insurance industry, 2018

Per cent

<table>
<thead>
<tr>
<th>Per cent</th>
<th>Sales, advisory services and customer service</th>
<th>Claims adjustment</th>
<th>General bank and insurance</th>
<th>IT and systems</th>
<th>Business and product developments</th>
<th>Economic control, accounting, property management and economic administration</th>
<th>Risk assessment, reinsurace and underwriting</th>
<th>HR and personal management</th>
<th>Information and marketing</th>
<th>Financial control, portfolio management and financial administration</th>
<th>Risk management, compliance, internal auditing, internal control and internal security</th>
<th>Actuary</th>
<th>Investigation, project management and sustainability</th>
<th>Insurance law, corporate law and business law</th>
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Note: Includes companies that takes part in salary statistics collected annually by FAO (Swedish Insurance Employers’ Association), which cover almost the entire insurance industry.
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 2018, just over half were women. The percentage of women has also been consistently somewhat higher than the percentage of men during the 2000s (see Figure 15). During the same period, the percentage of women who are managers has risen. In 2018 almost half of the managers were women.

Figure 15. Percentage of women and of women who are managers in the insurance industry, 2000–2018

Note: Includes companies that has taken part in the salary statistics collected annually by FAO (Swedish Insurance Employers’ Association), which cover almost the entire insurance industry.
Source: FAO (Swedish Insurance Employers’ Association).
Insurance premiums follow the economic development

Insurance means that households pay in premiums to insurance companies in exchange for compensation when a damage occurs. For non-life insurance, premium income amounted to a total of more than SEK 88 billion in 2018, of which about SEK 18 billion was paid by companies and SEK 70 billion by households. For life insurance, premium income amounted to a total of almost SEK 295 billion (see Figure 16). The largest premium incomes for non-life insurance were for motor third-party liability and motor vehicle insurances, and home and homeowner insurances, while the main part of premium income for life insurance was for occupational pension.

The premiums have increased by about 50 per cent during 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, in 2018 each individual in Sweden paid about SEK 7,000 in premiums for non-life policies and about SEK 29,000 in premiums for life insurance policies. However, it is common for one individual to have several different types of insurance, such as home insurance and motor vehicle insurance. About 70 per cent of 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 16. Premium income from households for non-life and life insurance, 2009–2018

Note: Non-life insurance also includes the non-life policies written by life insurance companies. AFA Försäkring’s Sickness Insurance is excluded from non-life insurance as they repaid accumulated premiums in 2012–2016.

Source: Insurance Sweden.
Market shares for non-life and life insurance

Premium income for non-life insurance companies amounted to just over SEK 84 billion in 2018. The four non-life insurance companies with the highest premium incomes were Länsförsäkringar, Folksam, If Skadeförsäkring, and Trygg-Hansa (see Figure 17). These companies together accounted for about 80 per cent of the market in terms of premium income.

Figure 17. Premium income for non-life insurance by insurance company, 2018

Market shares as a percentage of total premium income

Note: This does not include corporate, liability, marine, aircraft or transport insurance.
Source: Insurance Sweden.
For the life insurance companies, the paid-in premiums for 2018 amounted to SEK 295 billion. The four life insurance companies that received the most premiums were Alecta, Folksam, Skandia and SEB Pension (see Figure 18). These companies accounted for almost 50 per cent of the market in terms of paid-in premiums.

Figure 18. Premiums paid for life insurance by company, 2018

![Market shares as a percentage of total premiums paid in](image)

Note: Paid-in premiums are premium income less adjustment of paid-up values and transferred capital.
Source: Insurance Sweden.
Insurance companies have large assets

At the end of 2018, Swedish insurance companies owned financial assets of almost SEK 4,600 billion, which was nearly equivalent to Sweden’s GDP (see Figure 19). 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 paid-in premiums accumulate and generate returns. Alecta is the life insurance company with the largest assets, followed by Skandia, AMF Pension, Folksam and SEB Pension.

The life insurance companies’ assets consist mostly of traditional life insurance, but unit-linked insurance has increased during the last years. In unit-linked insurance, the policyholders choose the funds in which to invest capital and the financial risk is borne by the policyholder. 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 19. Size of Swedish insurance companies’ assets, 2009–2018

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 equities 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 bonds, but also in properties (see Figure 20). The bonds purchased by insurance companies are mainly bonds issued by foreigners, 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. This is because non-life insurance companies need to manage future claims payments. Life insurance companies often have a longer investment horizon, since the savings take place over a longer period.

Figure 20. Swedish insurance companies’ assets excluding unit-linked insurance, 2018

Per cent

<table>
<thead>
<tr>
<th>Category</th>
<th>Life insurance</th>
<th>Non-life insurance</th>
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<tr>
<td>Assets life insurance: SEK 2,960 billion</td>
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<td>Assets non-life insurance: SEK 549 billion</td>
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Note: Assets (investment funds) referring to unit-linked insurance of SEK 1,068 billion are excluded from life insurance. Bonds also include certificates or other debt instruments with short maturities. Properties refer to land and buildings and wholly-owned property companies. The category ‘Other’ refers to repos, derivatives and accrued interest income.

Source: Statistics Sweden.
Lower return on life insurance companies’ assets in 2018

The return on the life insurance companies’ assets is important, since it affects the level of future occupational pension payments. For 2018, the total return on assets managed by Swedish life insurance companies amounted to around a half per cent (see Figure 21). This is below the average annual total return on assets over the past ten years and is to a large extent due to the negative developments on the Swedish and international stock markets during the fall of 2018. Despite the lower return 2018, the average yearly return on the life insurance companies’ assets has been around seven percent since 2009. The fact that Swedish life insurance companies’ assets to a relatively great extent consist of equities have contributed to the return during these years.

Figure 21. Total return on assets managed by Swedish life insurance companies, 2009–2018

Note: Total return is a weighted average of the market value of the assets on which the total return is based.
Source: Insurance Sweden.
Insurance Sweden is the industry organisation for insurance companies in Sweden. About 50 insurance companies are members of Insurance Sweden 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 to promote a high level of confidence in the insurance industry. Insurance Sweden also works to create good conditions for the insurance industry and provides some industry-wide infrastructure.