

INSUR

ANCE

IN SWEDEN

2014-2023

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 financial consequences. Insurance makes economic conditions more stable for households and businesses. This contributes to increased security, making households more willing to consume and businesses 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 businesses 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. For this to be possible, conditions need to be met. To begin with, the period when the damage occurs, and ends must be established. The risk of damage must be random and not simultaneously affect many other individuals. Insurance is based on the existence of a larger group of individuals who collectively share the risks, regardless of the diversity of risks. Finally, it must be possible to calculate the probability of the risk occurring again.

Through insurance, households or businesses 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 businesses can sign up for pension or endowment insurance policies that provide a certain future income, such as a pension, in exchange for a premium payment in the present. The saved capital can serve as pension savings but also 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 Swedish Financial Supervision Authority, Statistics Sweden, and the Swedish Insurance Employers' Association. Statistics are presented to illuminate the Swedish insurance market in 2023 and provide a long-term perspective with statistics for multiple years.

The publication is divided into four parts:

- The Swedish insurance industry: the magnitude of payments made by insurance and occupational pension companies to households and businesses.
- 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 endowment and private pension insurance.
- Description of the size of investments made by insurance and occupational pension companies as well as the assets in which they invest.

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The Insurance Industry – An Important Part of the National Economy

The Swedish insurance and pension companies annually pay out significant amounts in pensions, life insurance savings, and compensation for claims. This creates economic security for households and businesses. In 2023, a total of 358 billion SEK was paid out in insurance compensation. At the same time, Swedish households and businesses collectively paid over 469 billion SEK in premiums for pension, life, and non-life insurance.

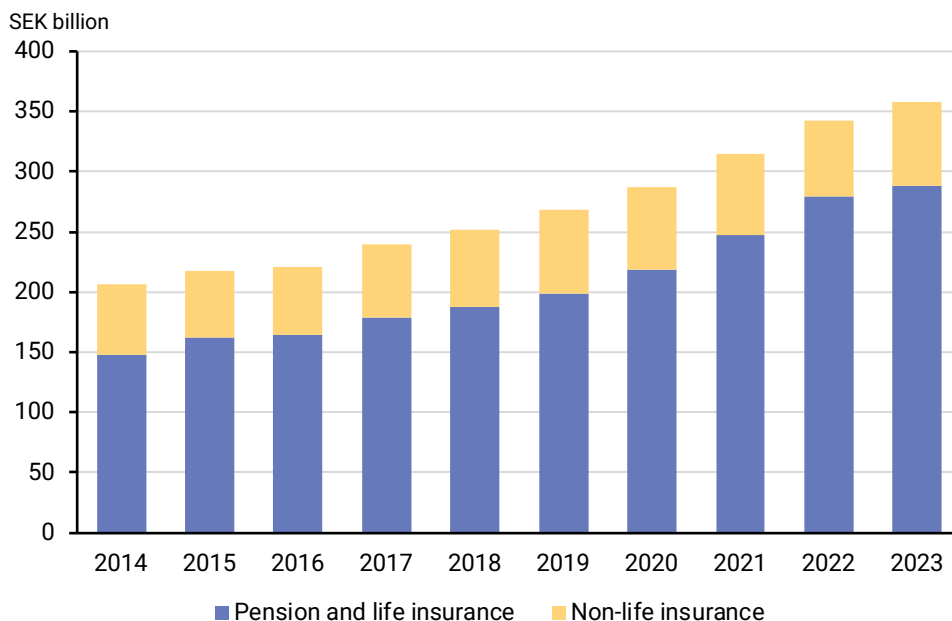
Insurance payouts are increasing

There are different forms of insurance, all with the same purpose of creating economic security, such as damage compensation when damage, an accident, or illness occurs. Other examples of payouts are occupational pensions in connection with retirement or other forms of savings' withdrawals, such as endowment insurance and pension insurance.

Insurance and occupational pension companies paid out a total of approximately 358 billion SEK in insurance compensation in 2023. The majority (80 per cent) of this amount was paid out from life and occupational pension insurance companies, while the remaining (20 per cent) was paid out by various non-life insurance companies. Over the past ten years, the payouts have increased by 74 percent, from 206 billion SEK to 358 billion SEK.

In 2023, an average of approximately 27,300 SEK per person was paid out for occupational pensions and savings in private endowment and pension insurances. During the same period, an average of approximately 5,400 SEK per person was paid out in compensation for household claims and personal injuries.

Figure 1. Compensations paid out to households and businesses, non-life insurance, pension and life insurance



Source: Insurance Sweden.

Insurance premiums are paid in advance

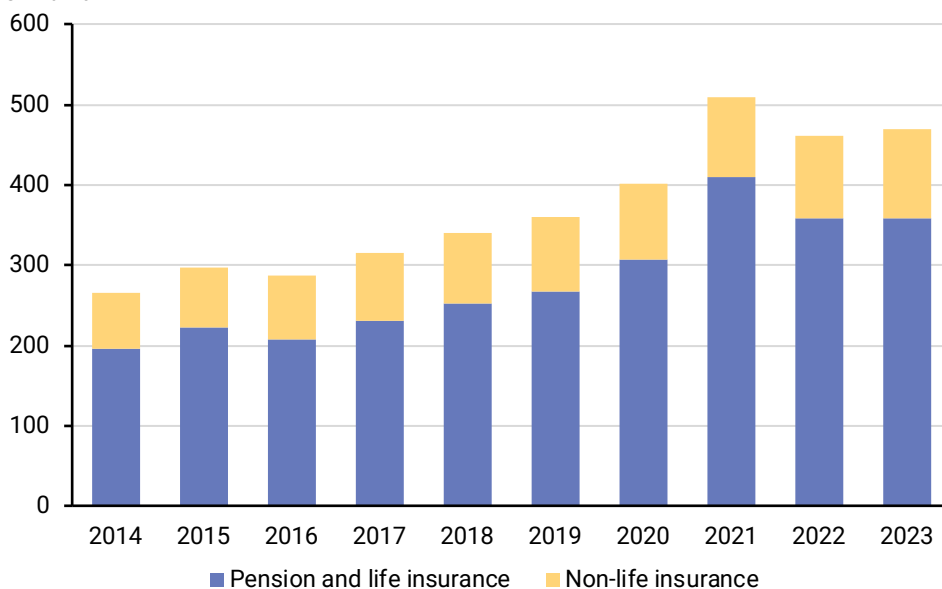
Insurance premiums are paid in advance to insurance and occupational pension companies to provide insurance coverage for an agreed-upon period. This means that there is usually a delay between the payment of the premium and the payment of any compensation in the event of a claim or, for example, the expiration of an endowment insurance policy. For pension and life insurance, there is typically many years between the payment of premiums and the payout in 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 employees in the insurance company.

For non-life insurance, the premiums amounted to a total over 110 billion SEK in 2023, of which nearly 26 billion SEK was paid by companies and over 84 billion SEK was paid by households. For pension and life insurance, the paid premiums amounted to just under 359 billion SEK.

It is common for an individual to have multiple types of insurance, such as home insurance, motor vehicle insurance, and occupational pension. In 2023, the average premium paid per person in Sweden was approximately 8,000 SEK for non-life insurance and around 34,000 SEK for pension and life insurance. However, it is not always the individual who pays the premium. More than half (57 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 businesses for non-life insurance, pension and life insurance

SEK billion



Source: Insurance Sweden.

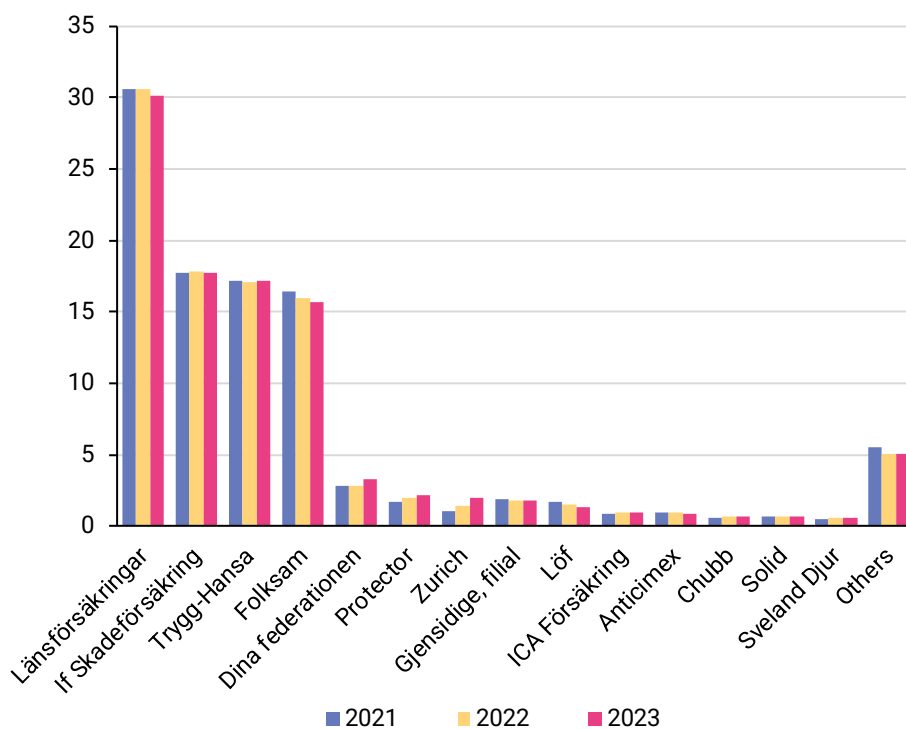
Market shares for non-life insurance

The total premium income for non-life insurance companies in 2023 amounted to just under 105 billion SEK. The four company groups/companies with the highest premium income in non-life insurance were Länsförsäkringar, If Skadeförsäkring, Trygg-Hansa, and Folksam. These four company groups/companies together accounted for nearly 81 per cent of the market 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 5.4 billion SEK in paid premiums in 2023.

Figure 3. Market shares of non-life insurance companies distributed by company groups/company

Market share as a percentage of total premiums income



Source: Insurance Sweden.

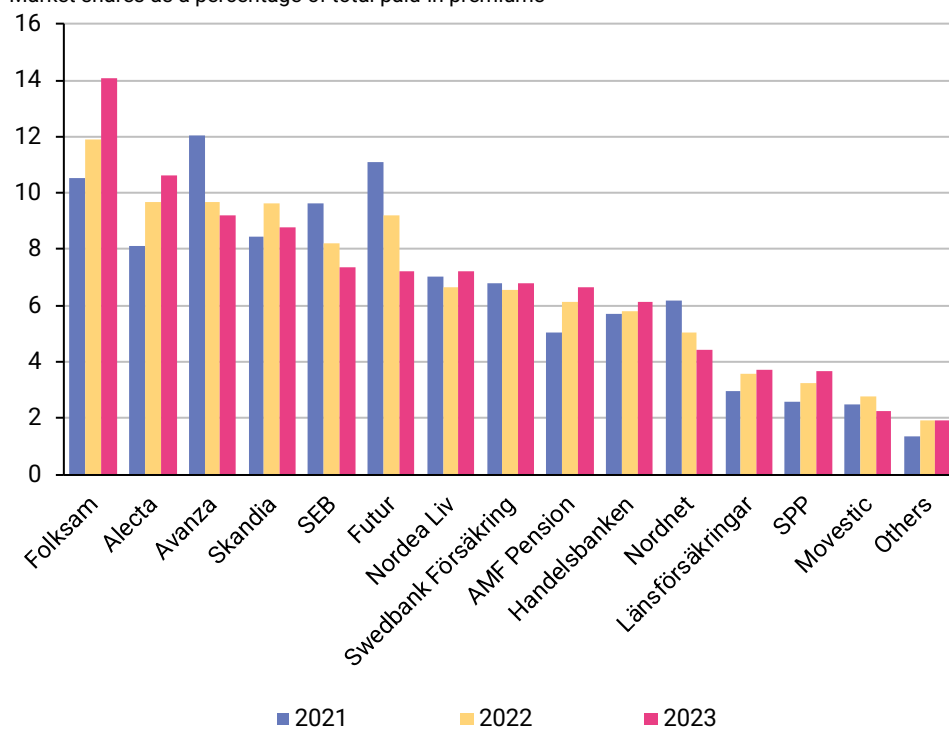
Market share for pension and life insurance

The premiums paid for competitive pension and life insurance policies in 2023 amounted to just under 333 billion SEK. A competitive insurance 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 insurance, 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. These company groups/companies accounted for 43 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

Market shares as a percentage of total paid-in premiums



Source: Insurance Sweden.

Number of companies decrease while employees increase

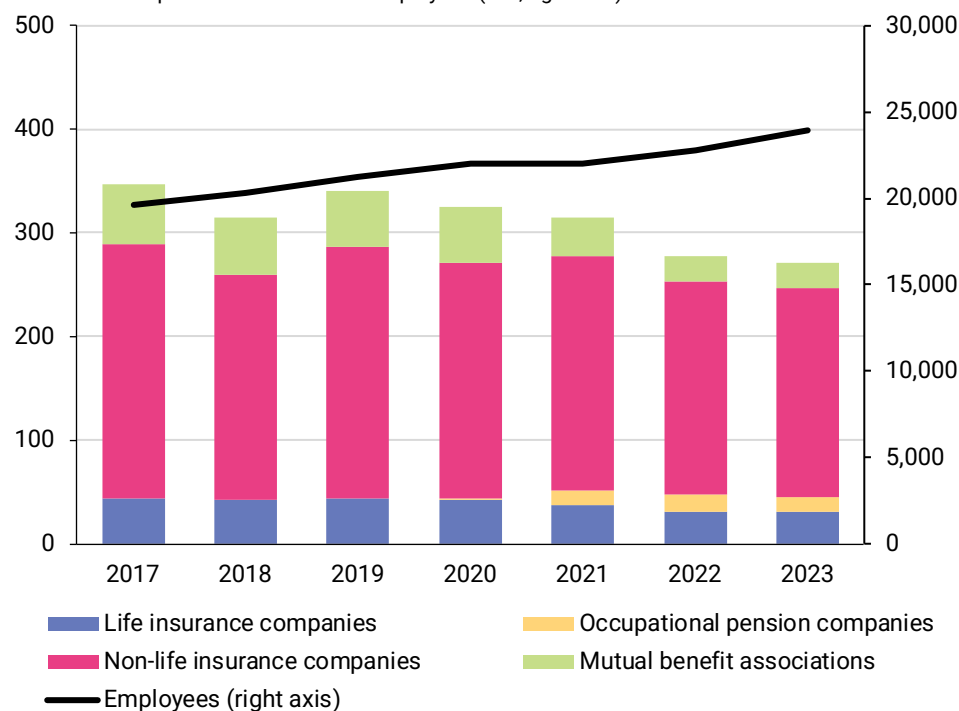
The Swedish insurance industry comprises 31 life insurance companies, 14 occupational pension companies, 202 non-life insurance companies, and 24 mutual benefit associations. Out of these 271 insurance and occupational pension companies, 34 are foreign-owned and represented in Sweden through branches or agencies. The number of foreign companies has remained largely 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 22 per cent. It is primarily mutual benefit associations that have become fewer, and according to current legislation, mutual benefit associations are supposed to be phased out gradually. Occupational pension companies have emerged since 2020. These are former insurance companies that have converted into occupational pension companies. 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 24,000 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 22 per cent since 2017, the number of employees has increased by 22 per cent.

Figure 5. Number of companies and number of employees in the insurance industry in Sweden

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



Source: Insurance Sweden and the Swedish Insurance Employers' Association.

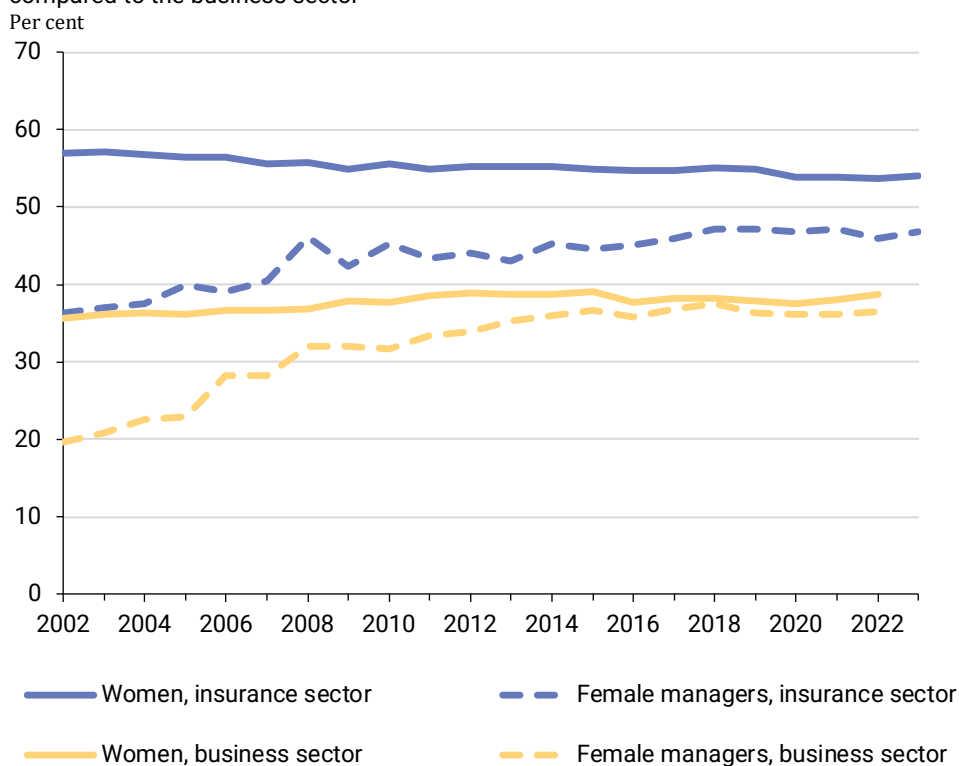
Nearly 50 per cent of all managers are women

The Swedish insurance industry has a relatively even gender distribution. In 2023, 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.

The proportion of female managers has been gradually increasing over time. In 2002, just over 36 per cent of managers were women. In 2023 the proportion was 47 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 business sector, where 39 per cent of the employees are women and 37 per cent of the managers are women.

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

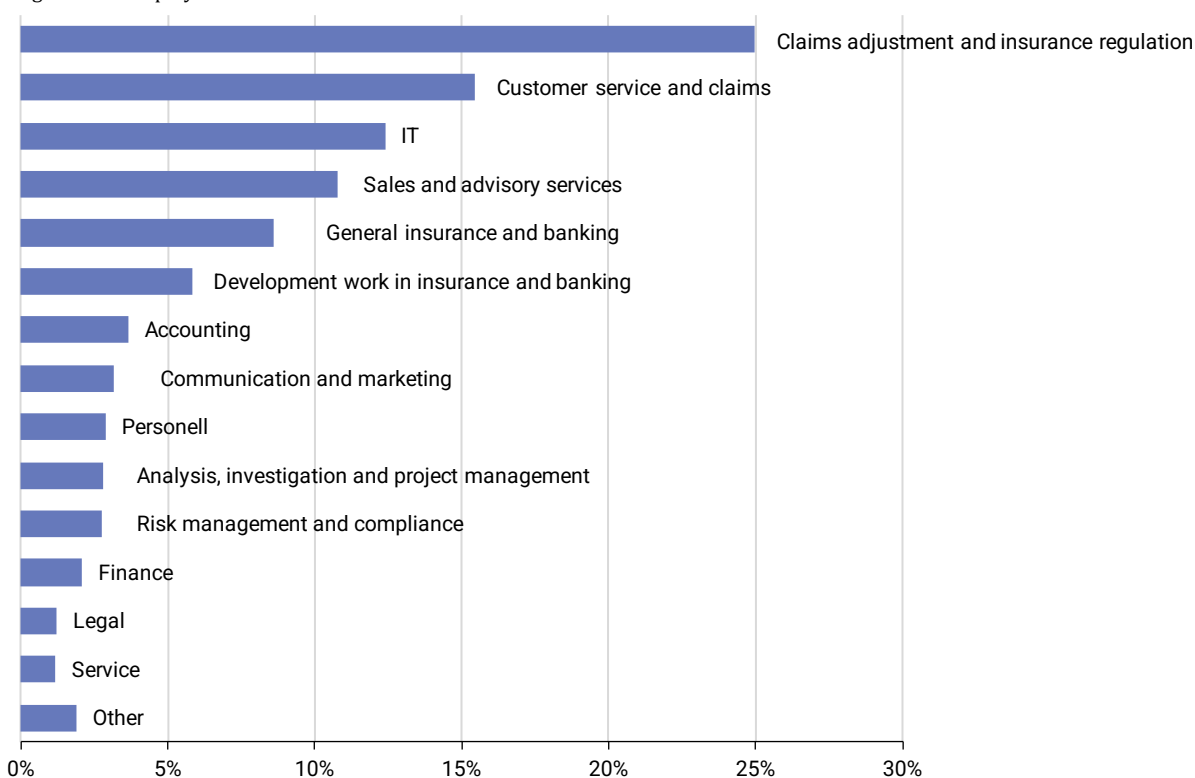


Source: The Swedish Insurance Employers' Association and Confederation of Swedish Enterprises.

Claims adjustment and insurance regulation are common occupations

A quarter of the employees in the insurance industry are handling claims and working with insurance regulation. 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 sales, which are carried out by around 15 per cent of employees, followed by IT work (12 per cent) and sales and advisory roles (11 per cent).

Figure 7. Percentage of employees by occupational groups in the insurance industry, 2023
Percentage of total employees



Source: The Swedish Insurance Employers' Association.

Non-life Insurance

Households and businesses can obtain financial protection against various types of risks through insurance. Non-life insurance, such as home insurance, motor vehicle insurance, and accident insurance, serves as a supplement to societal protection and can provide financial compensation in the event of an unexpected accident. In 2023, just over 70 billion SEK was paid out for property damage and personal injuries.

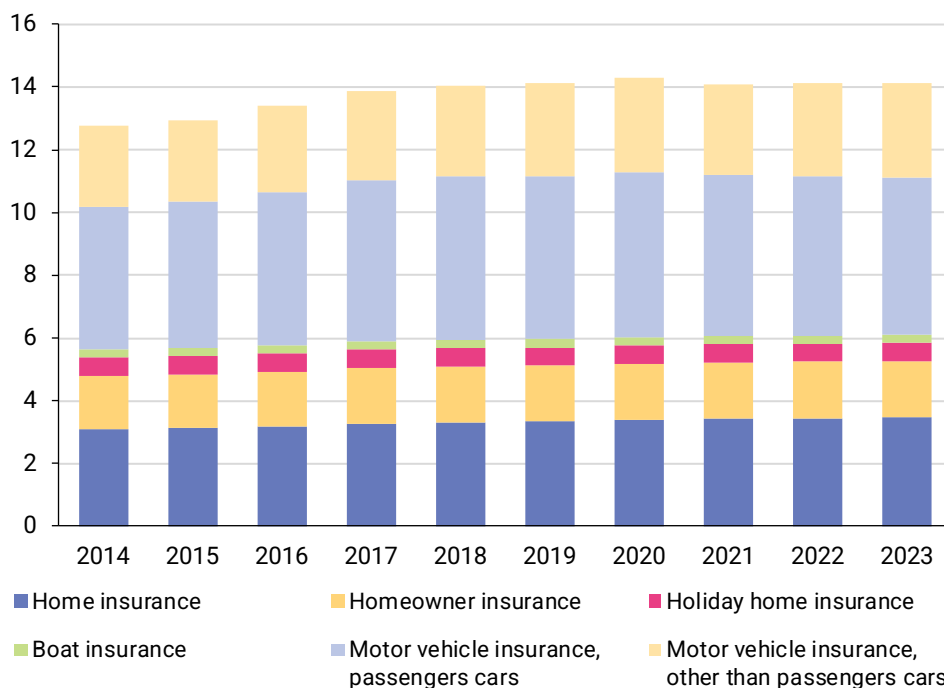
It is important for everyone to have non-life insurance

There are many different insurances that provide coverage for damages to property and belongings owned or rented by households and business, such as homes, villas, vacation homes, boats, cars, and other motor vehicles. Home insurance and homeowner insurance are both comprehensive insurance packages and the most important insurance to have because it protects your property. Homeowner 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.

Motor vehicle insurance is the most common among household insurances. At the end of 2023, there were just over 5 million insured passenger cars and nearly 3 million other insured motor vehicles.

In total, there were more than 14.1 million non-life insurances in 2023. Since 2014, the number of insurance policies has increased by 11 percent.

Figure 8. Number of non-life insurance policies
Policies in million



Source: Insurance Sweden.

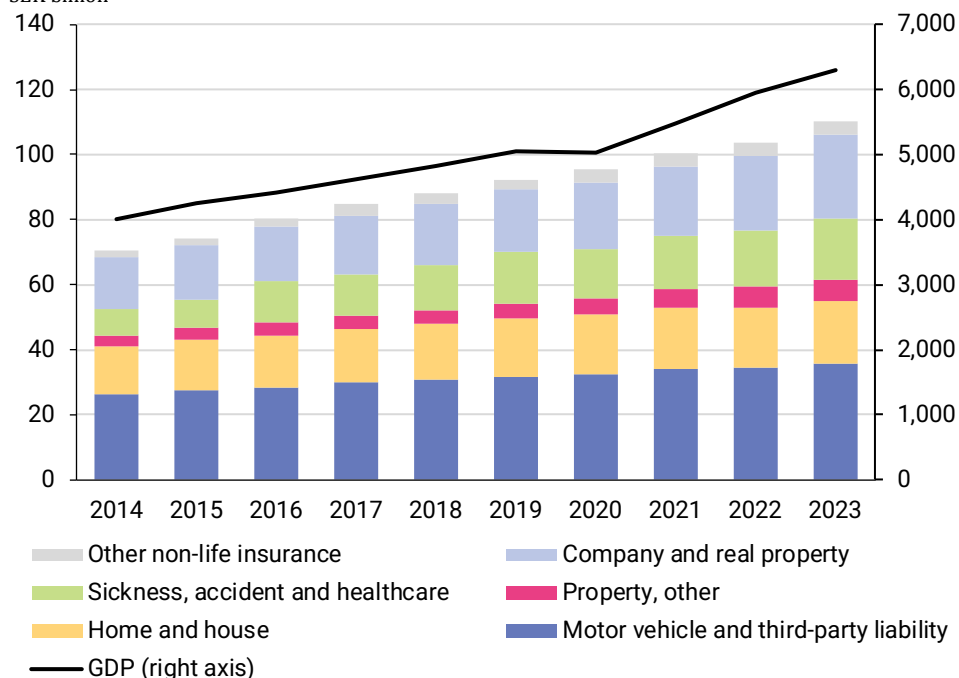
Motor insurance account for the largest share of premium income

In total, households and business paid more than 110 billion SEK in premiums for various non-life insurance policies in 2023.

Most of the payments were made by households and went towards premiums for motor vehicle and motor third-party liability insurance (33 per cent) as well as home and houseowner insurance (17 per cent). Nearly one-fourth (24 per cent) of the total premiums were paid by companies for businesses and real property insurance.

Over the past ten years, non-life insurance premiums have increased by 56 per cent. This increase can be partially explained by economic growth (GDP), as the demand for non-life insurance often rises when households' and businesses' assets grow.

Figure 9. Premium income from households and businesses for non-life insurance
SEK billion



Source: Insurance Sweden and Statistics Sweden.

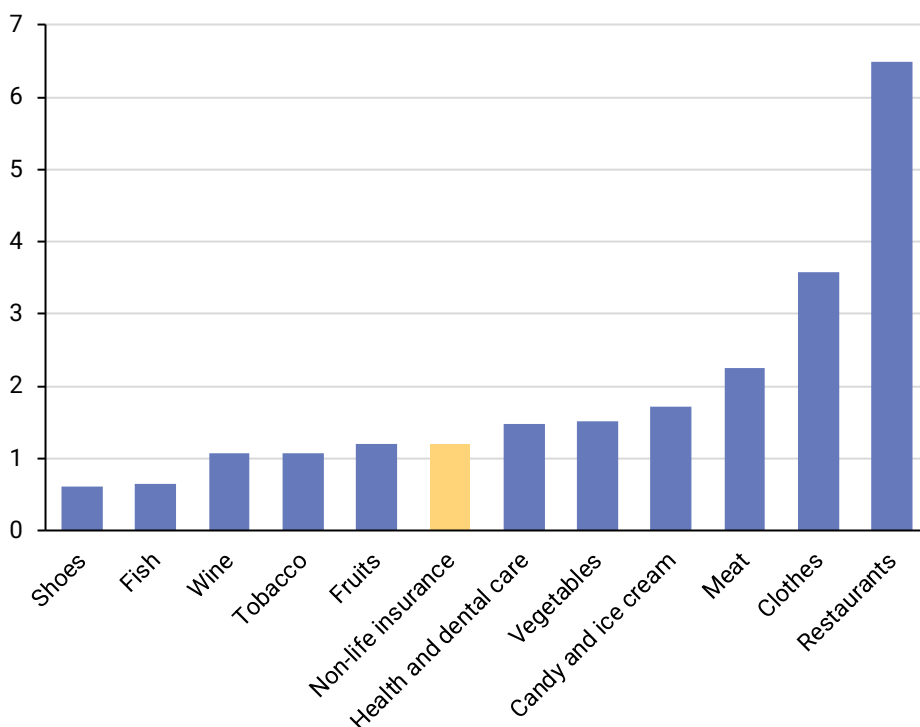
Households are estimated to spend as much on non-life insurance as on fruit

The Swedish households are estimated to consume just over one per cent on non-life insurances in 2024. This is an estimation made by Statistics Sweden as they calculate the inflation. The basis for this calculation is a basket of goods and services. The basket is intended to reflect what a household consume during a year.

Among these goods and services are non-life insurances, whose weight in the basket in 2024 is just over one percent. Compared to some of the other goods and services, the Swedish households spend as much money on non-life insurances as on fruit, and slightly more than on wine, and slightly less than on candy and ice cream, in 2024.

The purpose of including non-life insurance policies in the basket of goods and services, as well as in the calculated inflation, is to measure the price development of common insurance services that are purchased by individuals. The types of insurances included in non-life insurances when calculating inflation are home insurance, motor vehicle insurance, sickness and accident insurance.

Figure 10. Weights (weighting numbers) in the calculation of inflation during 2024
Per cent



Note: The chart includes a selection of the goods and services that are part of the consumer basket.
Source: Statistics Sweden.

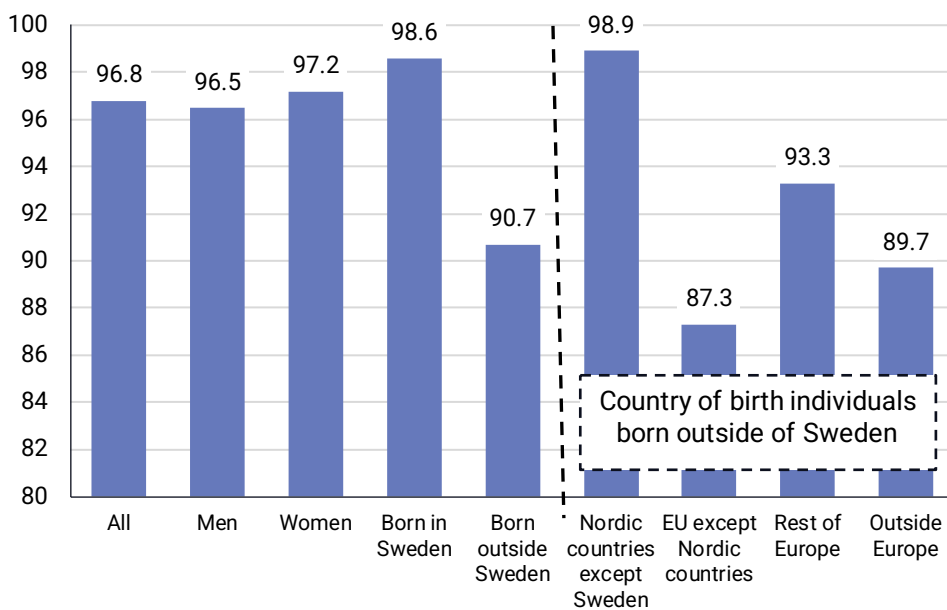
Almost everyone in Sweden has home insurance

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 approximately 97 per cent of the population in Sweden has home insurance. Thus, just over three 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 for women to lack home insurance, as well as for foreign-born individuals, especially those born outside of Europe.

Figure 11. Estimated percentage of individuals with home insurance, 2023

Per cent



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 2023.

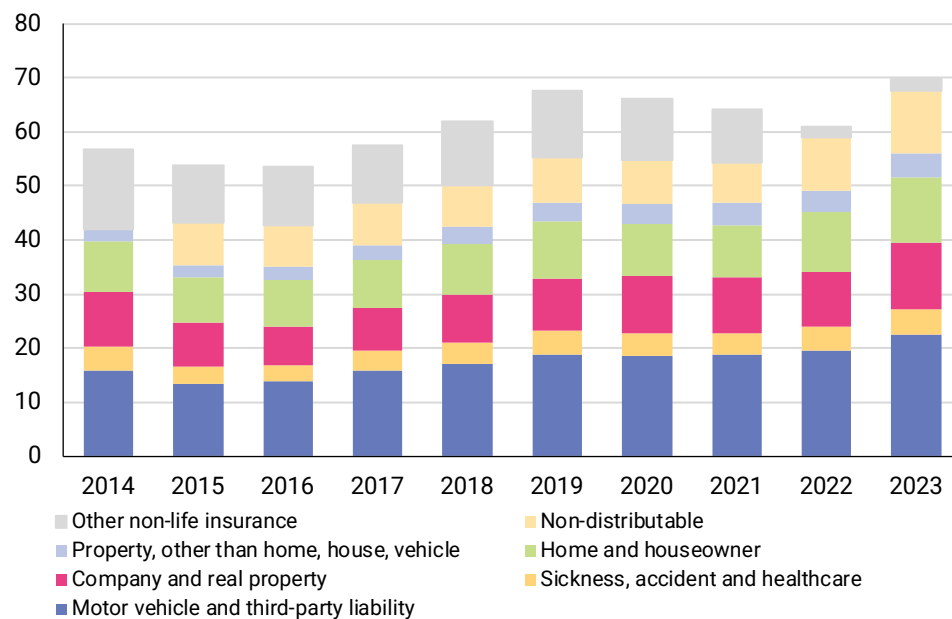
Source: Statistics Sweden.

Paid insurance compensations increase when the number of damages increases

Insurance compensations is paid out for damages that can occur, such as car accidents, water leaks in the home, or theft incidents. Compensations may also be paid out if a person experiences illness or an accident that affects their ability to work and earn income. In 2023, 3.4 million damages were reported to non-life insurance companies, which is an increase of 11 per cent. During the same period, paid compensations increased by 15 per cent. In total, close to 70 billion SEK was paid out in compensation for damages in 2023. More than half (56 per cent) of the compensations were for damages that occurred in 2023, 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 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 of time 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 2023 was for damages related to motor vehicle and third-party liability insurance. These damages accounted for nearly one-third (32 per cent). This was followed by damages related to home and houseowner insurance (17 per cent) and damages within business and real property insurance (17 per cent). Damages within sickness, accident, and healthcare insurance accounted for seven per cent, while damages within other property insurance (such as boat, animal, and product insurance) accounted for six per cent. A total of 12 billion SEK was paid out to companies, while the remaining compensation of 58 billion SEK was paid out to households and individuals.

Figure 12. Payment of claims for damages to households and businesses
SEK billion



Source: Insurance Sweden.

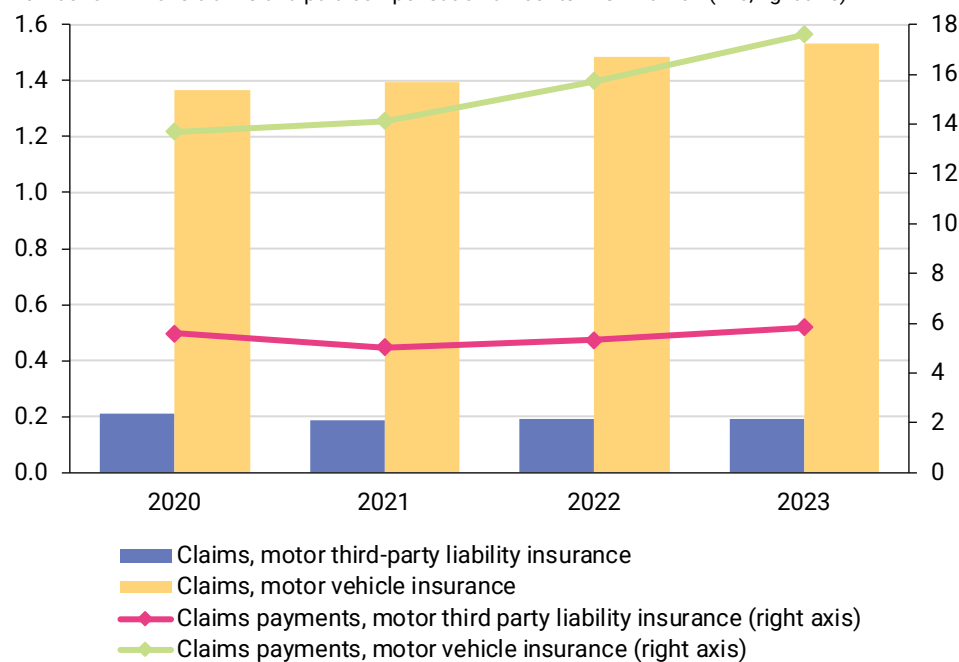
Payments of claims increase for motor vehicle insurance

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 2023, a total of just over 23 billion SEK was paid out in insurance compensations for damages covered by these insurances. The claim payments were related to just over 1.7 million damages in total.

Since 2020, the payments for damages covered by motor vehicle insurances have increased by 29 per cent, while the payments for damages covered by motor third-party liability insurance have decreased by 4 per cent. At the same time, the number of damages for which payments were made during the year of reference has increased by 12 per cent for motor vehicle insurances and decreased by 10 per cent for motor third-party liability insurance.

Figure 13. Payments of claims and the number of damages for which payments were made during the year of reference

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

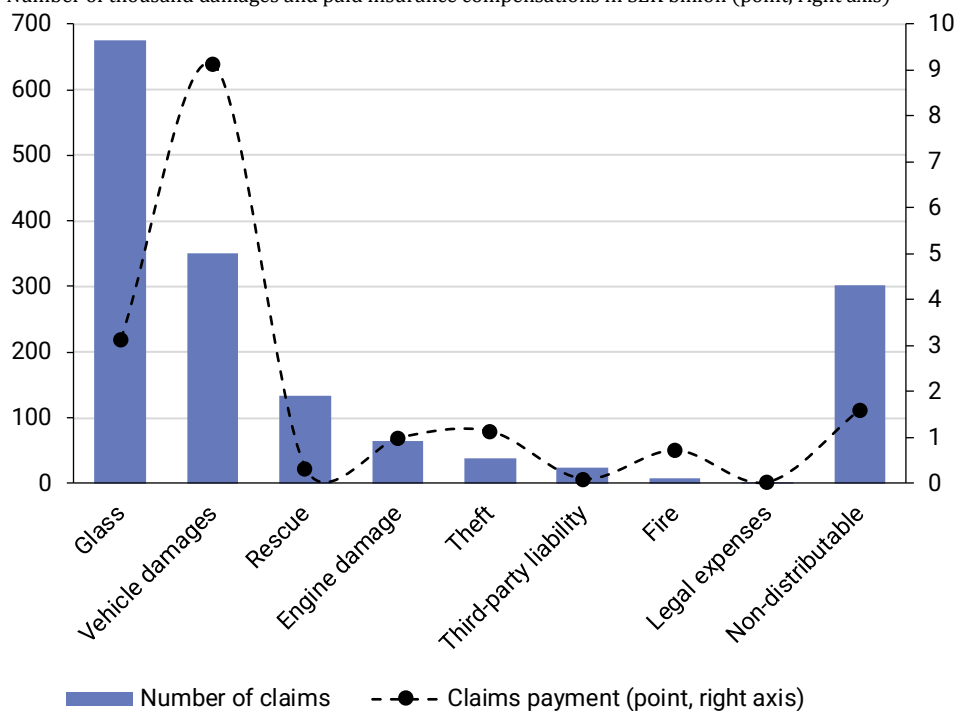


Source: Insurance Sweden.

Glass claims are the most common motor vehicle claims

Glass damage, such as damage to windshields on a motor vehicle, was the most common type of damage for which insurance companies paid compensation in 2023. Payments for glass damage amounted to 3.1 billion SEK. However, the highest total compensation was paid for motor vehicle damages (i.e. damage to the vehicle), where the payments amounted to 9.1 billion SEK.

Figure 14. Damages within motor vehicle insurance distributed by type of damage, 2023
Number of thousand damages and paid insurance compensations in SEK billion (point, right axis)



Source: Insurance Sweden.

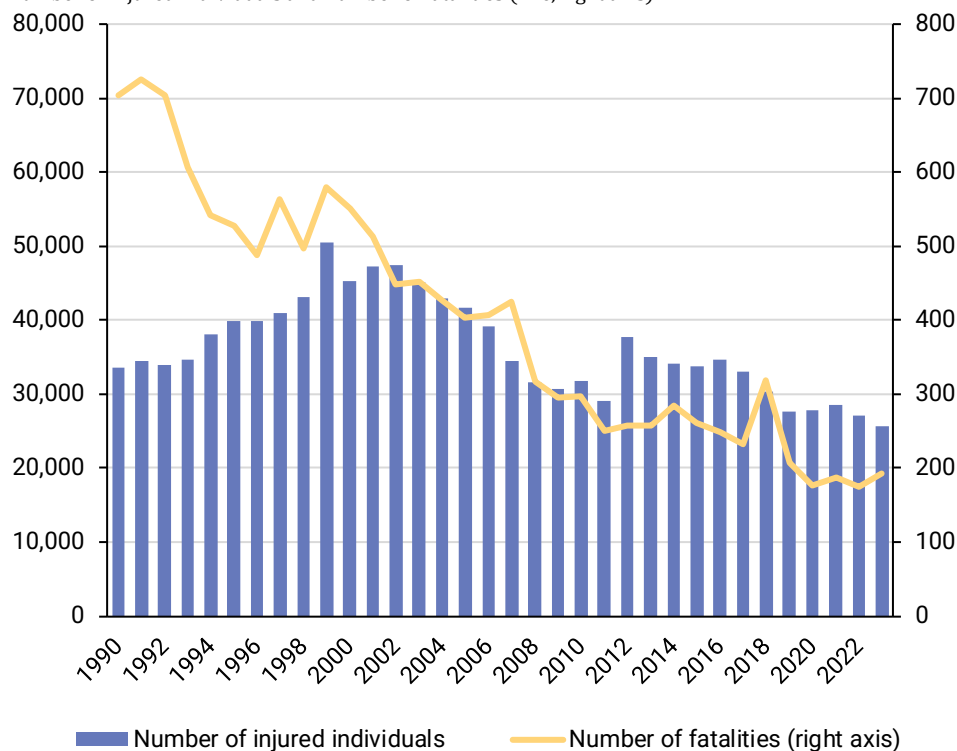
Number of injured individuals and fatalities in traffic decreases

The number of fatalities in traffic has been decreasing steadily since 1990. The number of individuals injured in traffic has also decreased, but not to the same extent. At the same time the motor vehicle fleet has increased. The number of injuries is thus relatively lower today because 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 of time (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 2023, 192 people were killed and nearly 26,000 people 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 passenger cars.

Over the past 10-year period, the number of fatalities has decreased from 285 people to 192 people, representing a 33 per cent reduction. During the same period, the number of injured individuals has decreased from 34,000 people to just under 26,000 people, a reduction of 25 per cent.

Figure 15: Number of injured individuals and fatalities in traffic
Number of injured individuals and number of fatalities (line, right axis)



Source: Insurance Sweden.

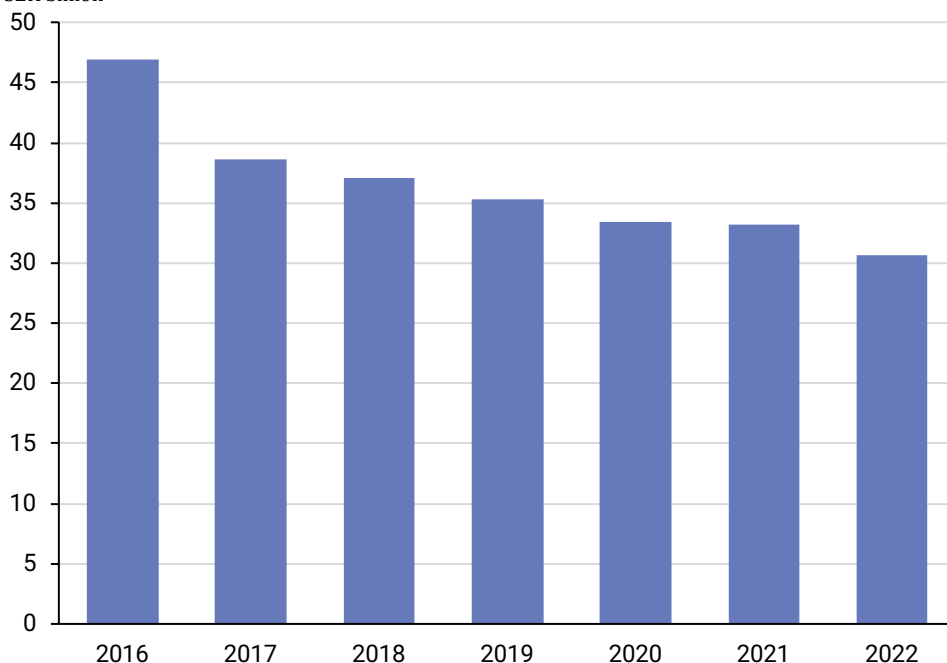
Paid injury annuities decrease when the number of accidents decreases

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 from work, it may be possible to receive compensation from the insurance 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 for life to the injured person.

In 2022, injury annuities for personal injuries in traffic amounted to nearly 31 billion SEK for injuries that occurred up until and including 2022. Of the total amount, 6 per cent (2 billion SEK) accounted for injuries that occurred in 2022, 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 35 per cent (16 billion SEK).

Figure 16. Paid insurance compensations for injury annuities for personal injuries in traffic
SEK billion



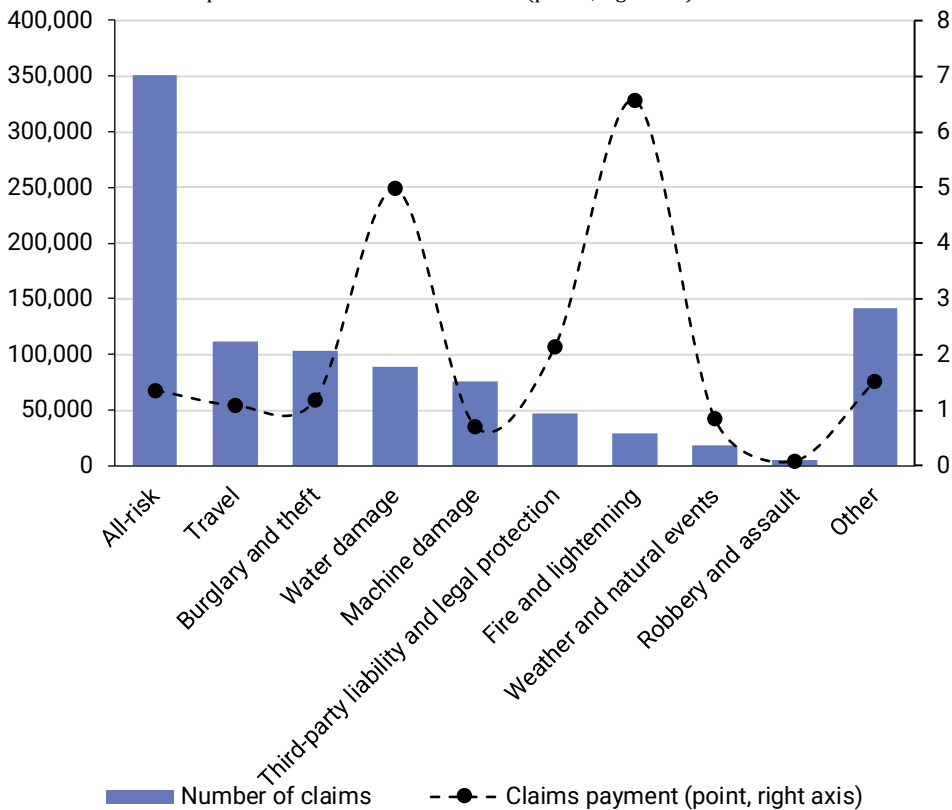
Source: Insurance Sweden.

Damages caused by fire are the most expensive claims

One of the most common reasons for households and businesses to receive insurance payments is for a so-called all-risk claim, which is covered by an all-risk insurance policy. Such insurance, often included in home insurance, applies when the policyholder experiences a sudden and unforeseen accident. This can include events such as the insured dropping their camera while traveling or forgetting their wallet on the bus. In 2022, there were over 351,000 all-risk claims. For these claims, insurance companies paid out a total of nearly 1.4 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 6.6 billion SEK, and for water damage 5 billion SEK in 2022.

Figure 17. Number of claims and paid amounts for households and businesses, 2022
Number of claims and paid claims amounts in SEK billion (points, right axis)



Source: Insurance Sweden.

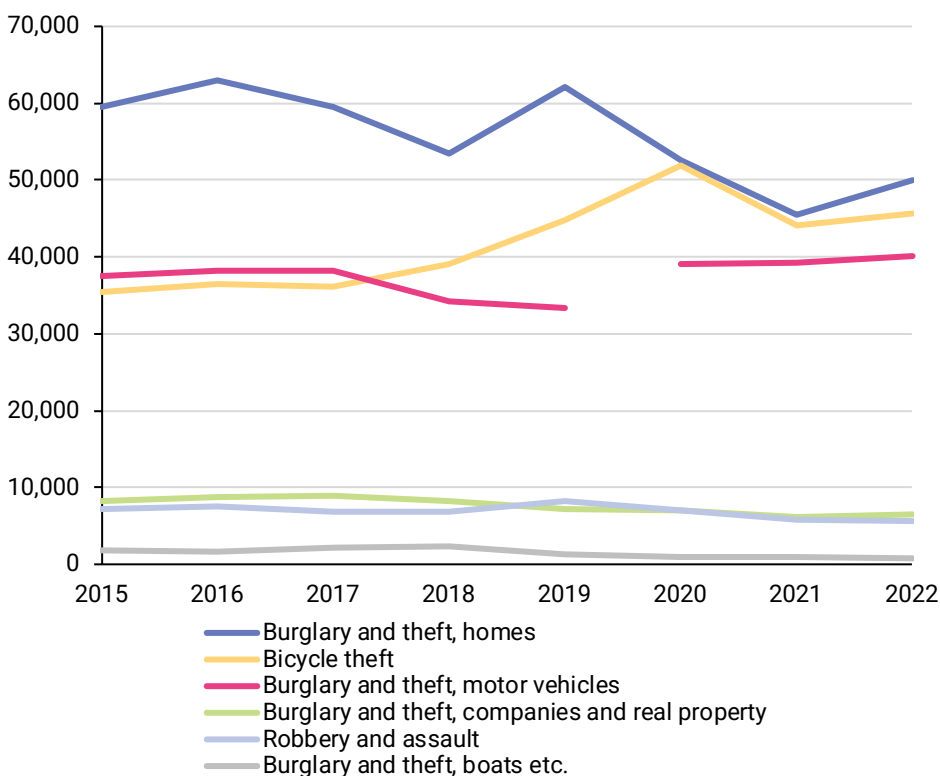
Burglary and theft are the most common acquisitive crimes

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

In 2022, there were over 148,000 insurance claims related to acquisitive crimes. The most common crime were burglary and theft, with 50,000 claims affecting homes and over 6,000 claims affecting businesses. Additionally, there were 46,000 bicycle thefts, 6,000 robberies and 40,000 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, making it more challenging for burglars.

Figure 18. Number of claims caused by acquisitive crimes in households, businesses, and motor vehicles
Number of claims

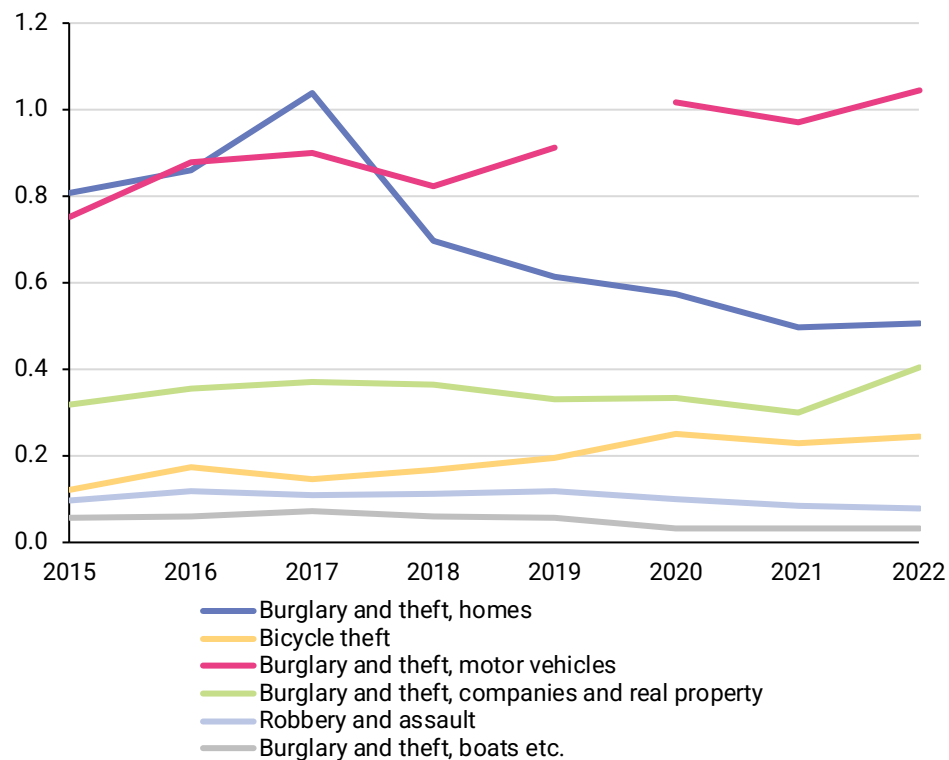


Note: For the category 'burglary and theft, vehicles' there is a time series break in 2019/2020 due to statistical restructuring. The time series before 2019 is not comparable with the time series from 2020 onwards.
Source: Insurance Sweden.

Largest compensation amount for acquisitive crimes is theft of vehicles

For claims related to acquisitive crimes in households, companies and real property, boats, and motor vehicles, insurance companies paid a total of over 2.3 billion SEK in 2022. Nearly half, 45 per cent amounting to 1 billion SEK of the total amount was paid out for theft from and out of motor vehicles. Additionally, 22 per cent of the total amount was paid out for burglaries and theft from homes. Since 2015, especially the payments for burglaries and theft in homes have decreased significantly, from 807 million SEK to 506 million SEK, which is a decrease of 38 per cent.

Figure 19. Claims amounts paid for acquisitive crimes in households, companies and motor vehicles
SEK billion



Note: For the category 'burglary and theft, vehicles' there is a time series break in 2019/2020 due to statistical restructuring. The time series before 2019 is not comparable with the time series from 2020 onwards.
Source: Insurance Sweden.

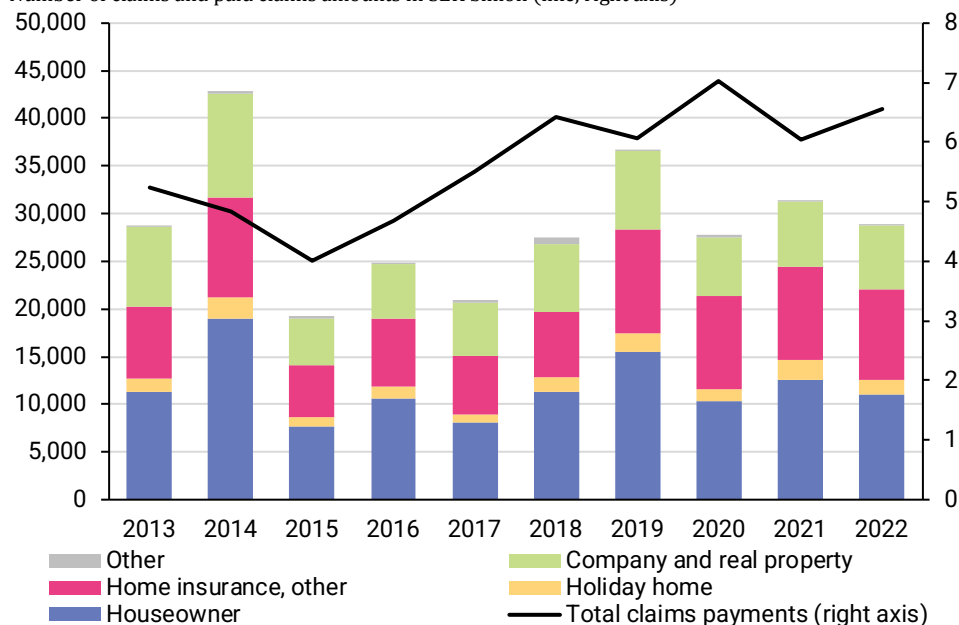
Fires most commonly occur in residences

During 2022, nearly 29,000 damages caused by fire and lightning were covered by home, houseowner, vacation home, boat, as well as business and real property insurance. For these damages, insurance companies paid out a total of just under 6.6 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 businesses in 2022, fires and lightning accounted for just under three per cent. However, these damages accounted for almost a third of the total amount of all claims payments for households and businesses. Most of all fires, 77 per cent, occur in residences, while 23 per cent occur in businesses.

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 2017–2022, one-third (34 per cent) had an undetermined cause. The paid claims amount for these damages accounted for 62 per cent. This is partly because it can be almost impossible to investigate the exact cause of the fire if a building has been completely burned down, 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 the main cause for expensive damages. During the period 2017–2022, a total of almost 24,000 fires caused by various electrical faults occurred. This could involve short circuits in appliances and electrical faults in fixed installations. In total, during this 6-year period, 6.2 billion SEK were paid out due to electrical fires.

Figure 20. The number of and paid claims amounts caused by fire and lightning for households and businesses

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



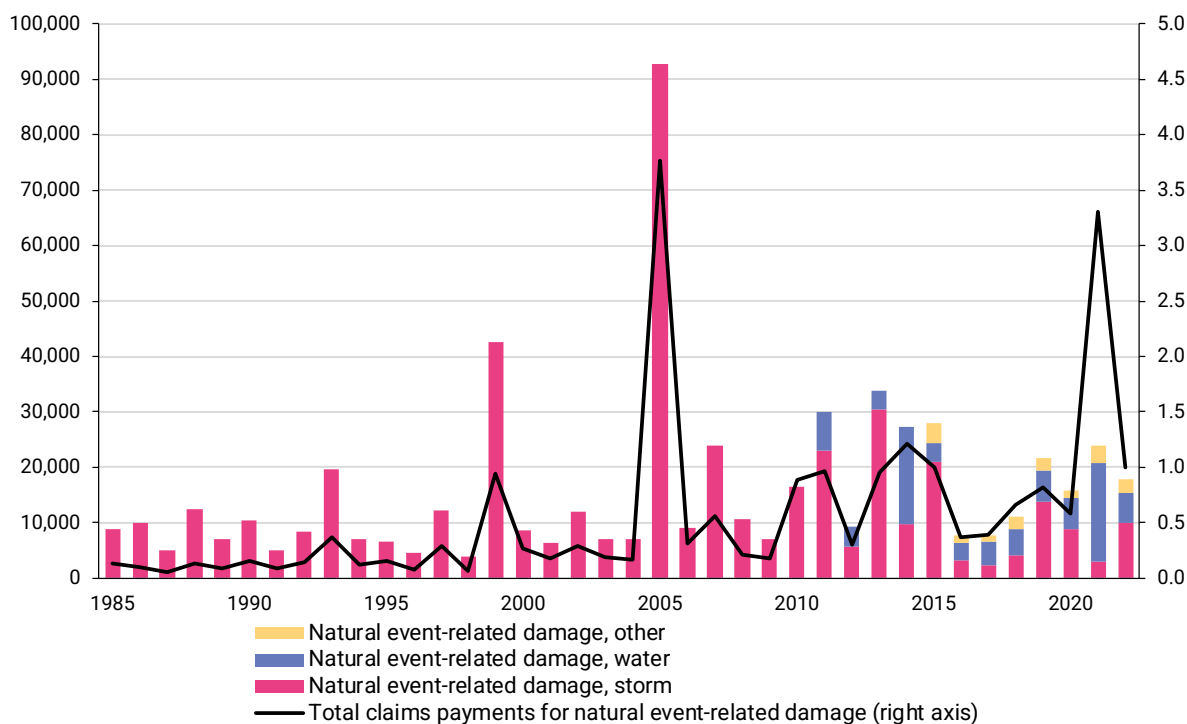
Source: Insurance Sweden.

Damage caused by natural events varies over time

Natural event-related damages include damages that occur during extreme weather conditions such as storms, heavy rainfall, floods, landslides, and avalanches. In 2022, nearly 18,000 natural event-related damages occurred in Sweden, covered by insurance, with the vast majority (10,000 damages) caused by storms. In total, insurance companies paid out over 1 billion SEK in compensation for natural event-related damages in 2022. The costs for damages caused by natural events were at its highest in 2005 followed by 2021. In 2005, the storm called “Gudrun” caused significant damage in the southern part of Sweden and insurance companies paid out a total of 3.8 billion SEK in compensation for natural event-related damages that year. In 2021, the county of Gävleborg was particularly affected by damages caused by heavy rainfall resulting in floods.

Figure 21. Number of natural event-related damages and paid claims amounts for households and businesses

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



Source: Insurance Sweden.

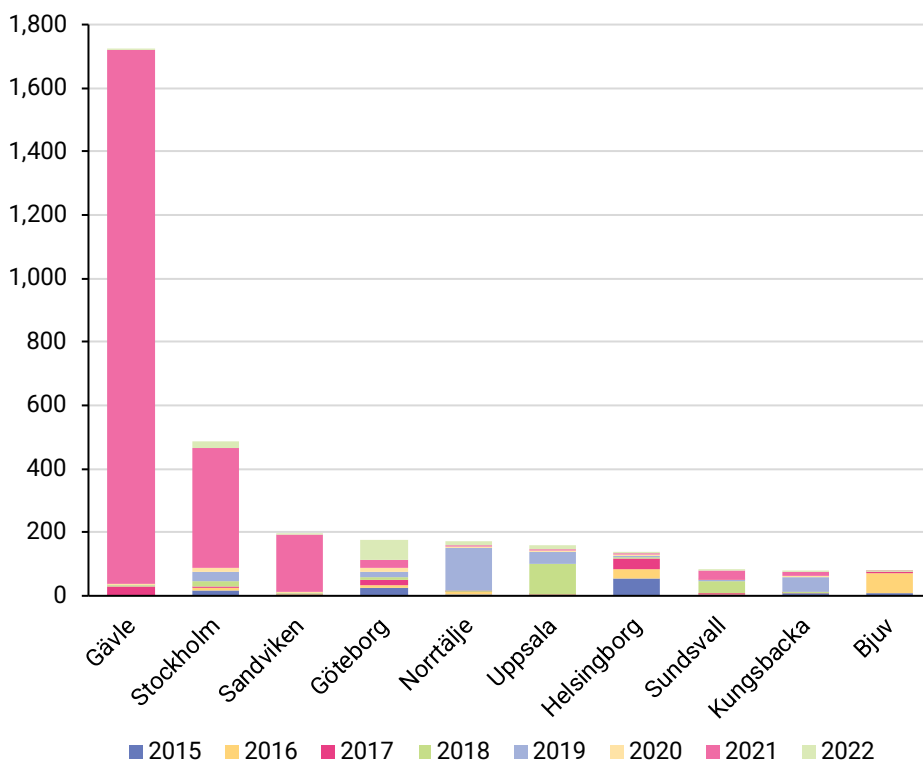
Significant variation in areas affected by natural event-related damages

Over time, there is a risk that the number of natural event-related damages will increase as the effects of the 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 2015-2022, insurance companies paid out compensation for a total of 133,700 natural event-related damages. This amounts to an average of 16,700 damages per year during that period. 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 8.1 billion SEK, averaging to slightly over 1 billion SEK per year. Since the number of natural event-related damages varies between years, the paid claims amount for property damages also varies.

The most affected municipalities in Sweden during the period 2015-2022 are Gävle, followed by Stockholm and Sandviken. The paid claims amounts are highest in areas with a higher concentration of residential and other structures. The high claims amount for Gävle and Sandviken are primarily due to the heavy rainfall that occurred in 2021, resulting in extensive flooding and damage to residential and commercial properties. Gävle municipality accounted for half of the total amount of paid claims in 2021.

Figure 22. Total paid claims amount for natural event-related damages during the period 2015-2022 for the 25 most affected municipalities in Sweden SEK million.



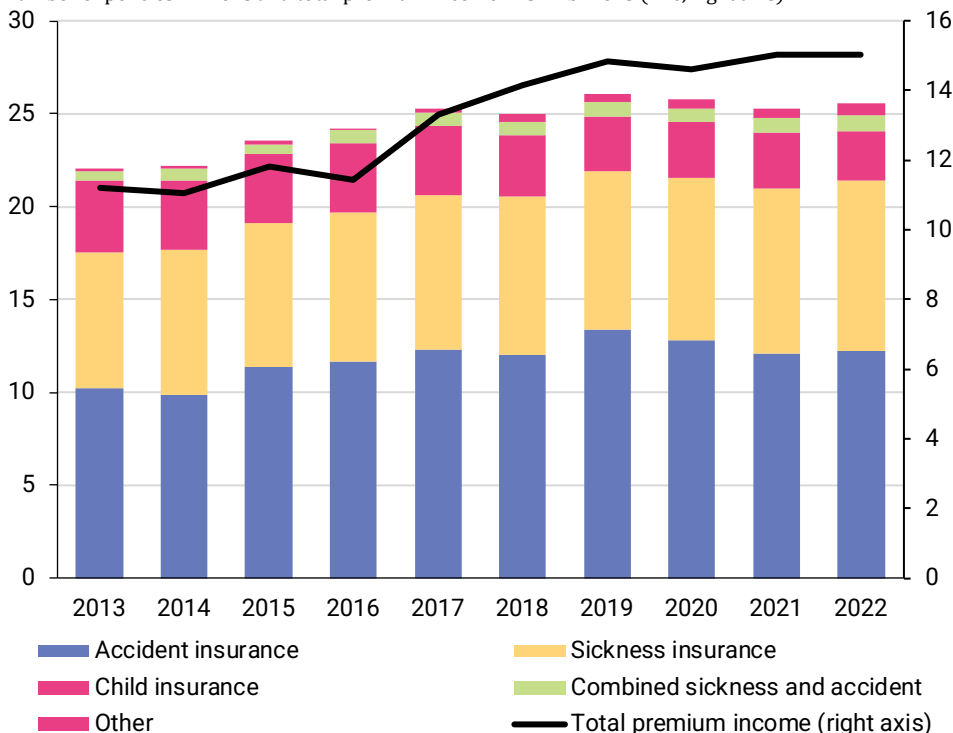
Source: Insurance Sweden (the report *Naturorsakade försäkringsskador i Sverige 2015–2022*).

About 26 million sickness, accident and healthcare insurance policies

At the end of 2022, there were nearly 26 million sickness, accident, and healthcare insurance policies in Sweden. Policyholders paid over 15 billion SEK in premiums for these insurances. The reason for the large number of policies is that an individual can have several different policies. Just under half (48 per cent) were accident insurance policies, and just over one-third (36 per cent) were some kind of accident insurance. There are also combined sickness and accident insurance policies, such as child insurance. The latter accounted for approximately eleven per cent of all sickness and accident insurance policies at the end of 2022. About three per cent were combined sickness and accident insurance policies for adults.

Over 43 per cent of the sickness, accident, and healthcare insurance policies in place at the end of 2022 were not paid by the individuals themselves but by their employers. Around 39 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, purchased by the individuals themselves.

Figure 23. Sickness, accident and healthcare insurance
Number of policies millions and total premium income in SEK billions (line, right axis).



Source: Insurance Sweden.

An increasing number of people have healthcare insurance

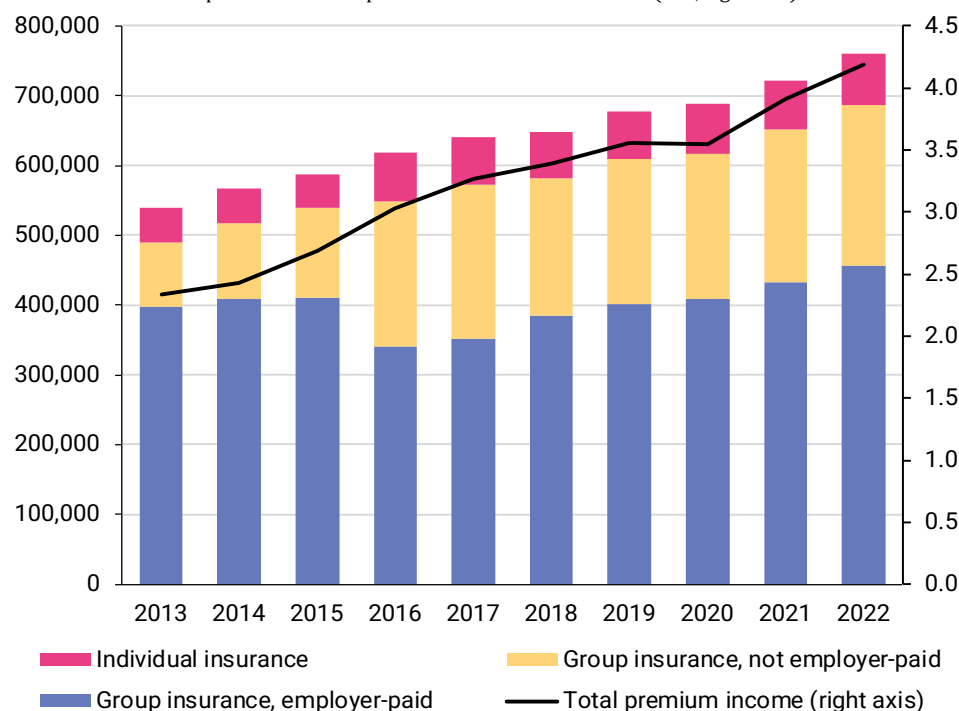
The healthcare insurance is an insurance policy that typically covers both healthcare and rehabilitation services. Both life insurance companies and non-life insurance companies offer healthcare insurance. Life insurance companies account for just under one-third of the number of policies, while non-life 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 2022, more than 761,000 individuals had a healthcare insurance policy. This represents an increase of 41 per cent since 2013. Nearly 6 out of 10 policyholders have their insurance through their employment and the premium is paid by their employer. Slightly over 3 out of 10 have signed up for their healthcare insurance as a group policy, for example, through their trade union. The remaining, approximately ten per cent, have an individual healthcare insurance policy that they have personally signed up for.

In 2022, policyholders paid around 4.2 billion SEK in premiums for healthcare insurance. The healthcare services provided under the healthcare insurance are financed only by the premiums paid by the policyholders.

Figure 24. Healthcare Insurance, 2013–2022

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



Source: Insurance Sweden.

1.6 million treatments within the healthcare insurance

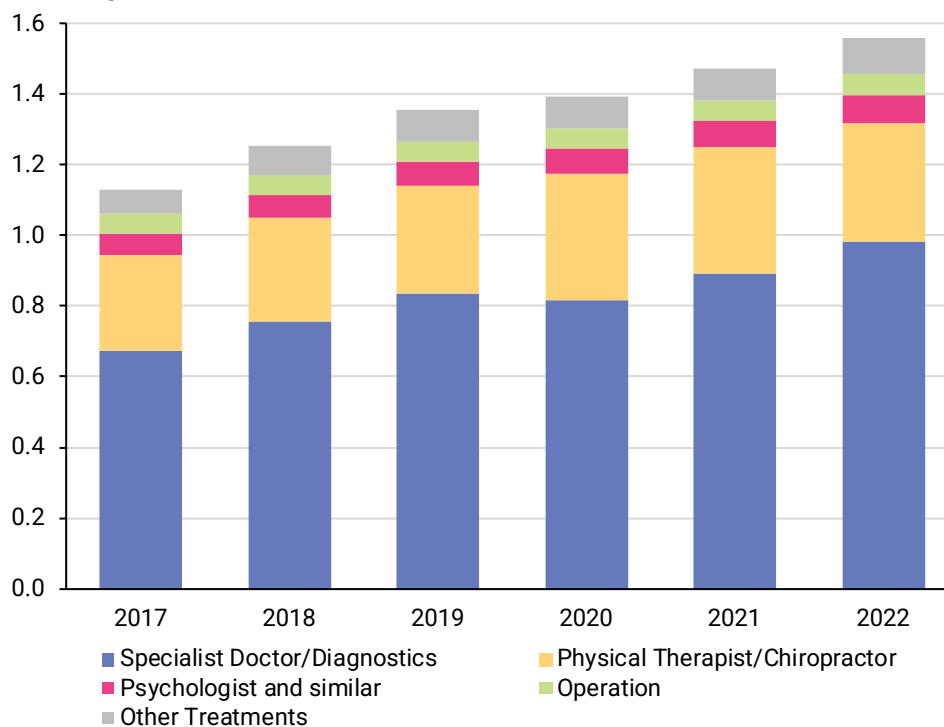
The content of a healthcare insurance policy may vary slightly between different insurance companies but it generally includes healthcare advice, care planning, and specialist care. It often includes preventive measures and rehabilitation efforts as well. The policy may also cover costs for medication 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 (palliative care).

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

In 2022, approximately 1.6 million treatments were carried out under the healthcare insurance policy. Many of these treatments were related to visits to specialist doctors for diagnostic purposes.

All services within the healthcare insurance policy are preceded by a medical assessment, like 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 25. Number of treatments performed within the healthcare insurance policy
Number of policies in millions



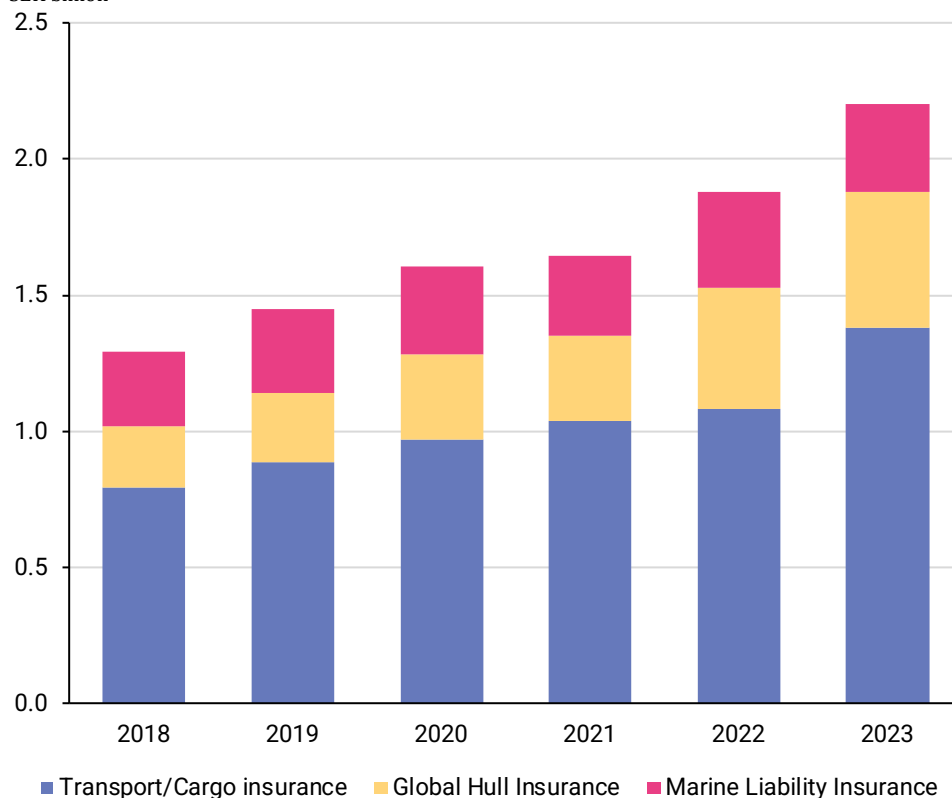
Source: Insurance Sweden.

Marine and transport insurance on the rise

At the end of 2023, the total premium income for marine and other transport insurance amounted to just over 2.2 billion SEK.

Of the total premium income for marine and other transport insurance, approximately two-thirds (63 per cent) consists of cargo insurance, just under a quarter (23 per cent) consists of hull insurance (i.e. insurance of the vessel/transportation vehicle), and the remainder (15 per cent) consists of liability insurance. Cargo insurance includes insurance for domestic and international transportation of goods, as well as various forms of carrier and forwarding liability. Liability insurance cover 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 26. Premium income for marine and other transport Insurance
SEK billion



Source: Insurance Sweden.

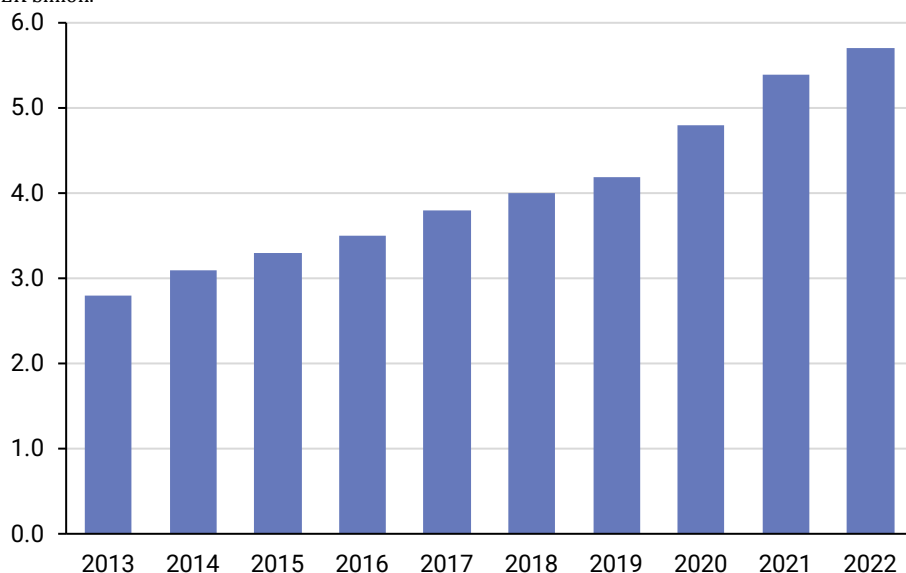
The market for pet insurance is growing

Pet insurance provides financial protection for costs that may arise when a pet is injured or ill. The insurance primarily covers expenses for veterinary visits.

In 2022, a total of 5.7 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.

Over the past ten years, premium incomes for pet insurances have 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 27. Premium income for pet insurance, 2013–2022
SEK billion.



Source: Insurance Sweden.

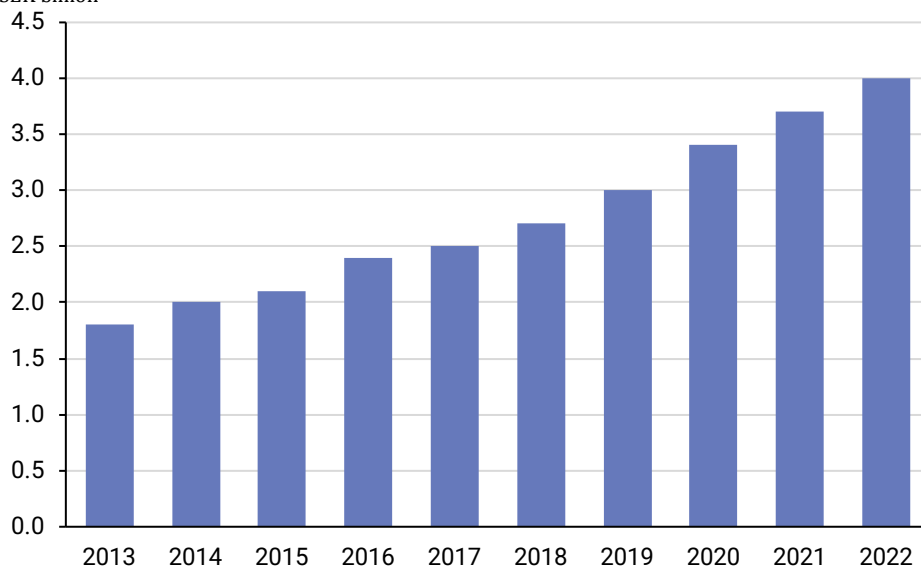
The paid claims amount for pet insurance are increasing

The premiums collected by insurance companies are intended to cover both claims settlement costs and expenses such as salaries and premises.

In 2022, insurance companies paid out a total of 4 billion SEK in compensation for costs incurred when insured animals were affected by illness or injury. The paid claims amount primarily consist of reimbursements for veterinary care. Looking at the entire period since 2013, the paid claims amounts have more than doubled.

Figure 28. Claims amounts for pet insurance

SEK billion



Source: Insurance Sweden.

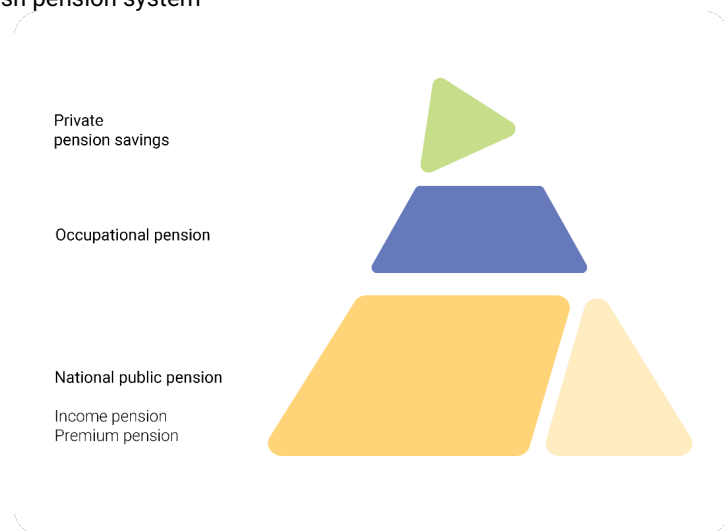
Pension and Life Insurance

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. In 2023, life insurance and occupational pension companies paid out slightly over 154 billion SEK in occupational pensions and nearly 134 billion SEK from savings invested in private endowment insurance and private pension insurance.

Occupational pension and private pension complement the national pension

The Swedish pension system is summarized in the figure below where “the base” of the triangle (both yellow areas) illustrates the national public pension consisting of income pension and premium pension. In addition, there are tax-financed benefits for pensioners and inheritors. The Swedish Pensions Agency manage both the income-based pension and the tax-financed benefits.

The Swedish pension system



Source: Own processing of figure from the Swedish Pensions Authority.

Occupational pension is a complement to the national pension and can be secured by employers in several ways. The most common way is for the employer to pay premiums into a pension insurance offered by life insurance and occupational pension companies, with the employee as the beneficiary. Other methods include employers securing their occupational pension commitment internally by making a reservation of the pension obligations in the company's balance sheet or making contributions to a pension foundation. Until 2016, there were tax incentives for private pension savings through a tax deduction against income. Today, only self-employed and individuals lacking occupational pensions through their employments have the possibility to make a tax deduction for private pension savings. Life insurance companies offer sole traders and individuals the opportunity to sign up for a private pension insurance.

Various insurance policies within pension and life insurance

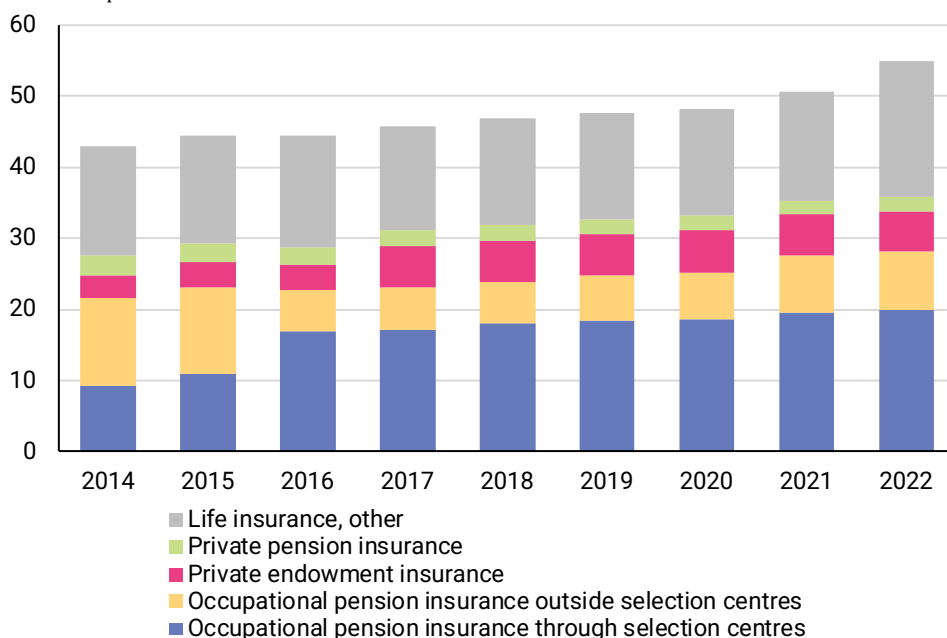
Within pension and life insurance, there are many various types of insurance policies that provide payments in connection with retirement, as well as various forms of savings.

Occupational pension insurance is a pension insurance that is related to the employment 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 of the insurance. If a person has had multiple employers throughout their life, there may be several different occupational pension agreements.

Insurance savings can be done in a private endowment insurance or a private pension insurance. An endowment insurance is a form of savings that can be bought by both individuals and companies. 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 locked in the account until the policyholder reaches the age of 55. Today, only self-employed and individuals lacking occupational pensions have the possibility to make a tax deduction for private pension savings.

At the end of 2022, there were a total of nearly 51 million insurance policies within pension and life insurance. 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 29. Number of insurance policies within pension and life insurance
Number of policies in SEK million



Source: Insurance Sweden.

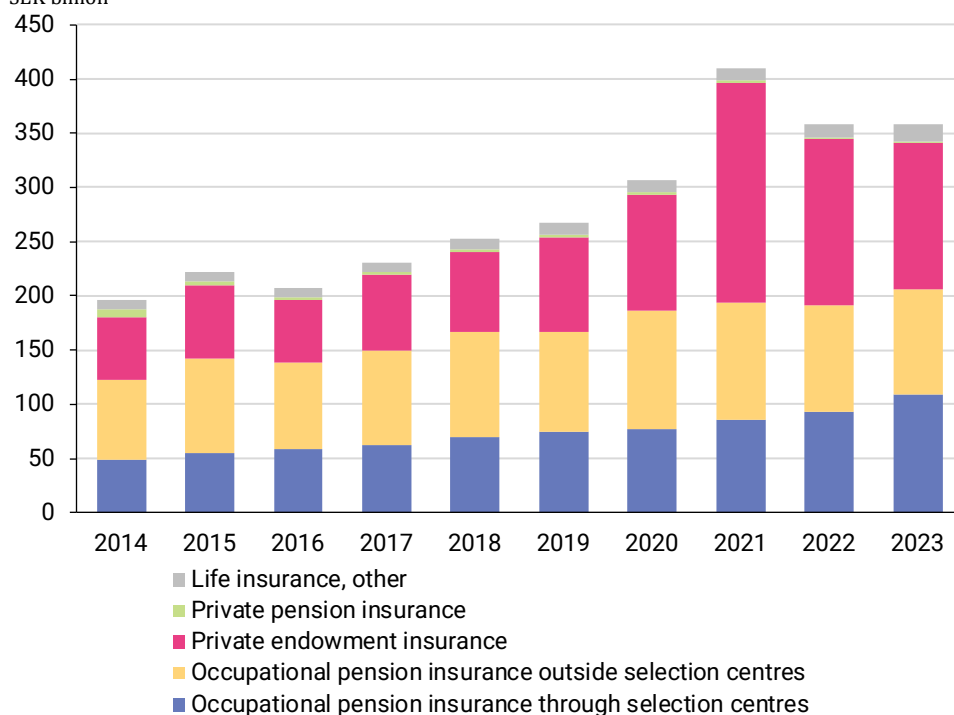
Savings in private endowment insurance increase over time

In 2023, a total of nearly 359 billion SEK was paid in premiums for pension and life insurance. Out of these, 207 billion SEK were allocated to occupational pension and private pension insurance. This amount is almost equivalent to the total contributions made to the national public pension system, which amounted to a total of 225 billion SEK.

Premium payments for pension and life insurance policies have increased by 83 per cent over the past ten years, with private endowment insurance accounting for nearly half (47 per cent) of this growth. Savings in private endowment insurance has increased significantly over time, particularly during the years of the pandemic, when reduced travel allowed for higher savings.

Figure 30. Premium income for pension and life insurance

SEK billion



Source: Insurance Sweden.

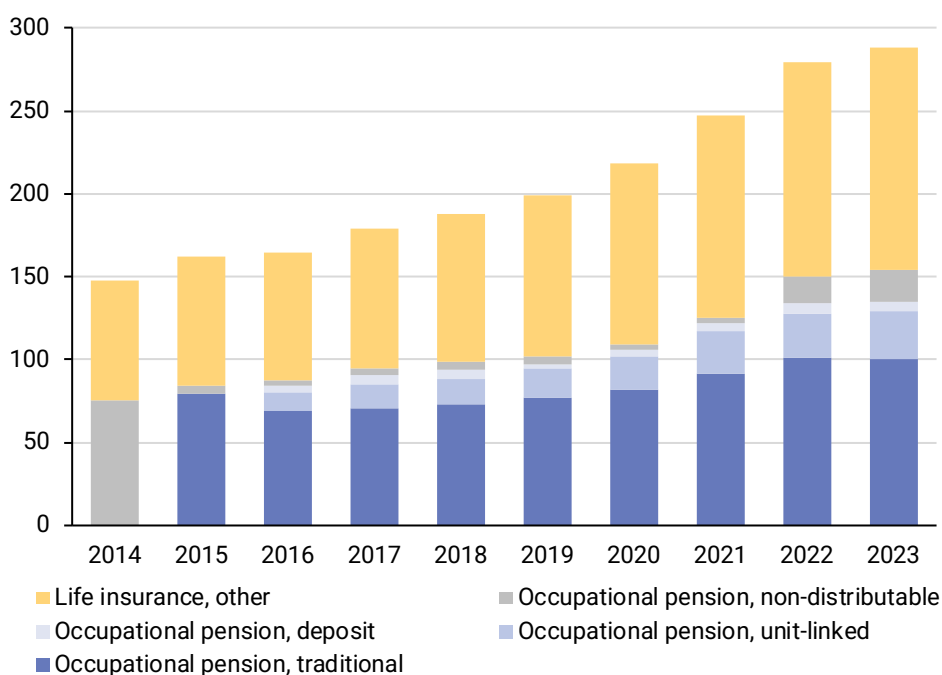
Payments from insurance savings continue to increase

Life insurance and occupational pension companies pay out insurance benefits in the form of occupational pension and from savings in private endowment insurance and private pension insurance, among others. In total, these companies paid out nearly 288 billion SEK in 2023.

The largest share of the payments (46 per cent) consisted of savings in private endowment insurance and private pension insurance, accounting for almost half of the payouts. The remaining payouts were for occupational pension, where traditional insurance accounted for the largest part (35 per cent). Within traditional insurance, it is the life insurance and occupational pension companies that choose the investments and bear the financial risk. In the case of unit-linked 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.

Over the past ten years, occupational pension payments have more than doubled, with an increase of 104 per cent. Payments from savings in private endowment insurance and private pension insurance have increased by 85 per cent during the same period.

Figure 31. Payments from pension and life insurance
SEK billion.



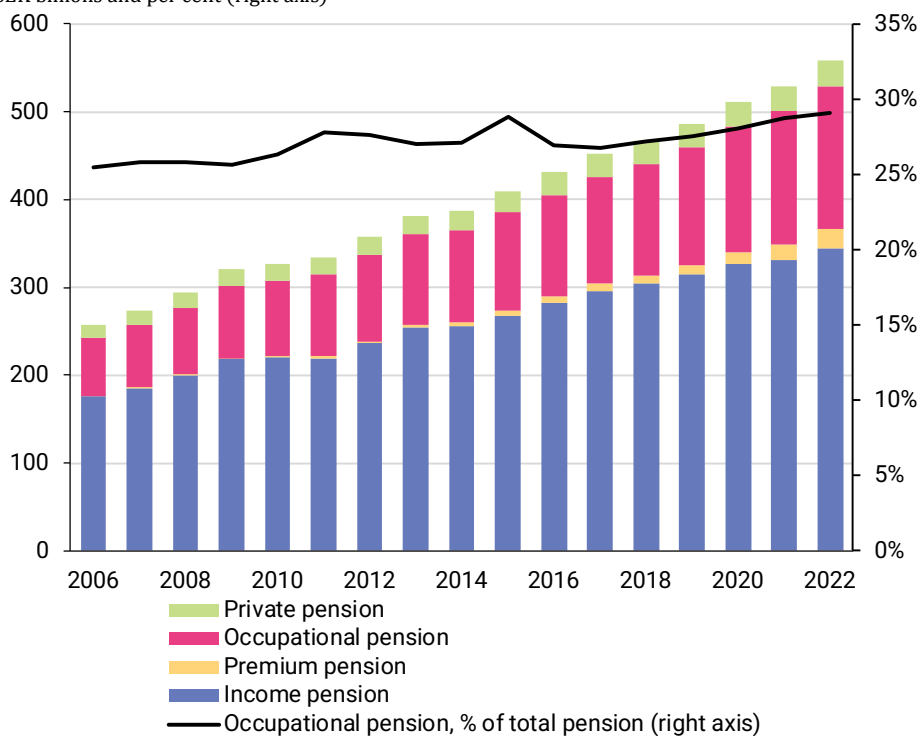
Source: Insurance Sweden.

Occupational pension is an increasingly important part of the total pension

The total pension payouts in 2022 amounted to 558 billion SEK, a duplication compared to 2006. In 2022, payouts from the national public pension by the Swedish Pensions Agency increased by 108 per cent, and payouts from life insurance and occupational pension companies increased by 135 per cent. The Swedish Pensions Agency paid out just over 367 billion SEK in income and premium pensions to individuals aged 55 and older in 2022. Payouts from occupational pension insurance and private pension insurance amounted to 191 billion SEK. Occupational pension has become increasingly important for many individuals over time. Since 2006, the share of occupational pension of the total pension has increased from 25 to 29 per cent and it is expected to continue to rise as savings in occupational pensions have increased significantly during the last decade.

The prerequisite for an occupational pension to be paid to an individual is that contributions (“savings”) have been made to the occupational pension during working life. The most common practice is for the employer to pay premiums to a life insurance or occupational pension company that manages the capital until it is time for payment. An individual who has had several different employers during their working life may have several different occupational pension insurances. An employer can also finance and secure their occupational pension commitment internally by recording the pension obligations in the company's balance sheet or making contributions to a pension foundation. Out of the total occupational pensions paid out in 2022, life insurance and occupational pension companies accounted for about 75 per cent.

Figure 32. Pension payments and occupational pension share out of the total pension
SEK billions and per cent (right axis)

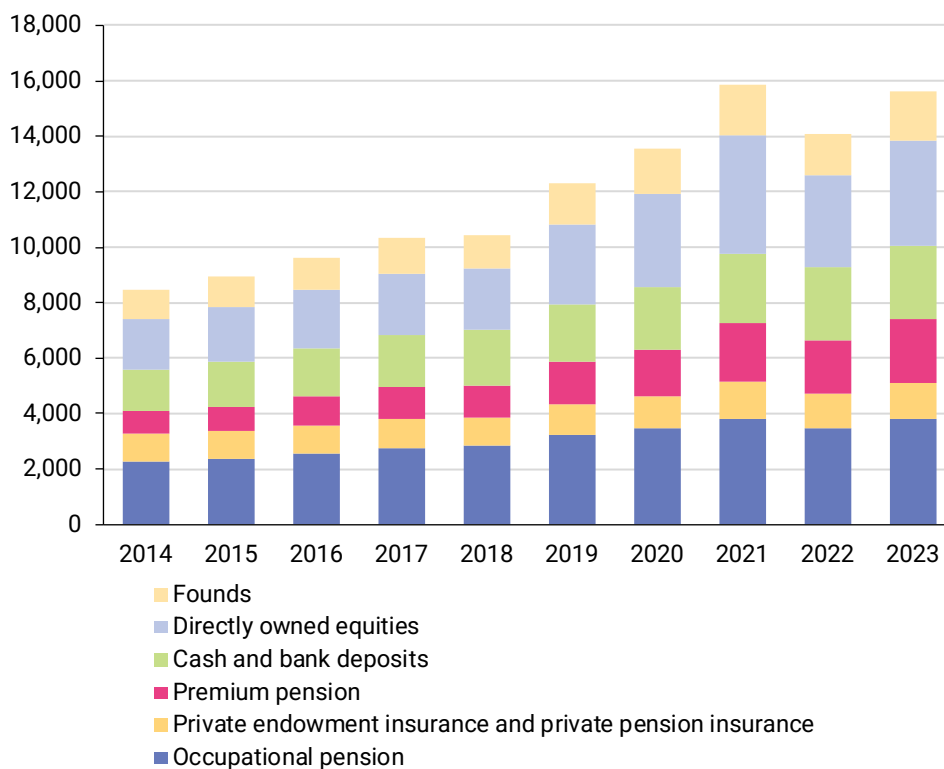


Source: Swedish Pensions Agency and Insurance Sweden.

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 8,500 billion SEK in 2014 to over 15,600 billion SEK in 2023. Occupational pension is the single largest form of savings for Swedish households. In 2023, nearly half of the savings were allocated to either occupational pension, private pension insurance, private endowment insurance, or premium pension.

Figure 33. Household financial savings
SEK billion



Source: Statistics Sweden.

Increased savings for retirement more important as life expectancy rises

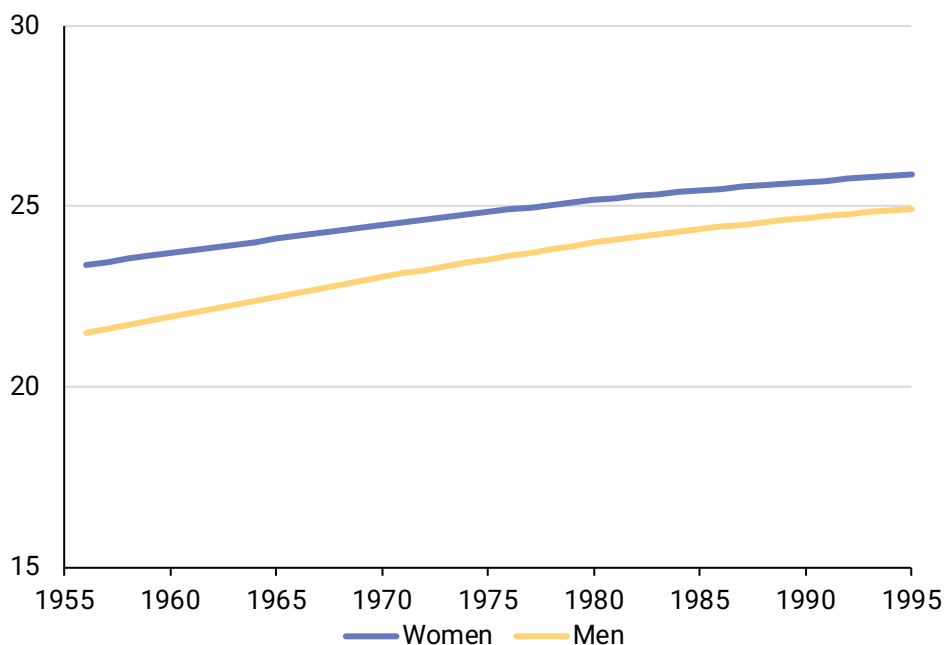
Life expectancy in Sweden is increasing. Following from this pension payments, on average, need to cover a longer period of time for retirees, resulting in lower annual pension amounts.

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, i.e. until the age of 91. This is more than two years longer than a woman born in 1956 with an occupational pension 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. A man born in 1995 is expected to live approximately three years longer than a man born in 1956.

Furthermore, the estimated life expectancy for women is estimated to be around two years higher compared to men after the age of 65, but the difference is decreasing over time. The reasons for the decreasing difference between the genders are complex, but the main reason is that the risk of dying from heart disease and stroke has decreased faster for men than for women. Also, the proportion of smokers has decreased more among men compared to women.

Figure 34. Remaining life expectancy at the age of 65 for women and men with an occupational pension

Remaining life expectancy in number of years (according to The Public Health Agency of Sweden)



Note: Occupational pension refers to mandatory insured persons where the insurance follows automatically from an employment.

Source: Insurance Sweden (the report *Dödlighetsundersökningen 2023 (DUS23) – en vidareutveckling av DUS21*).

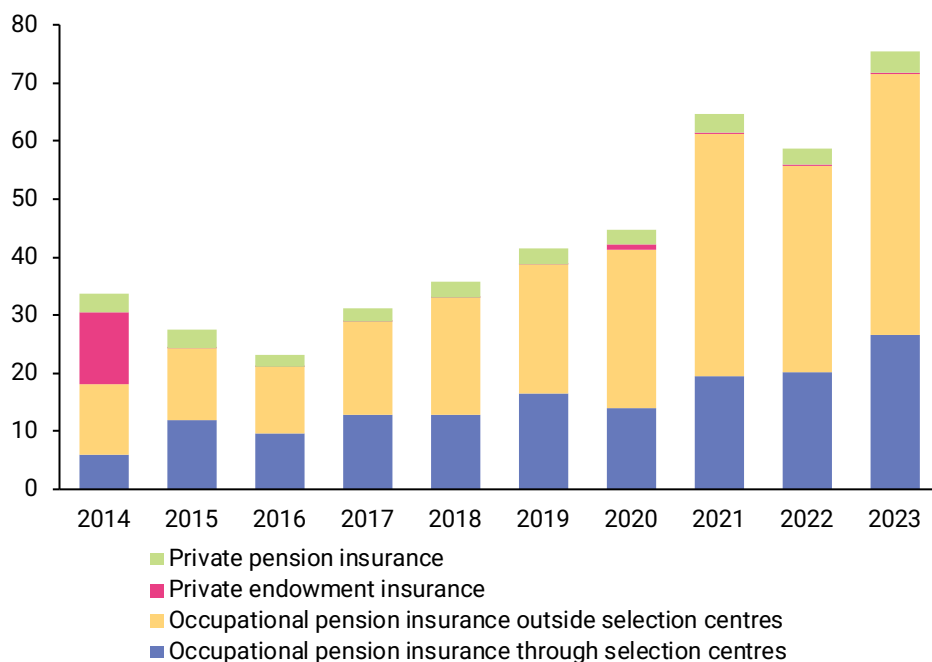
Over 75 billion SEK of insurance capital transferred in 2023

The right to transfer insurance capital has gradually expanded, making it possible to move an increasingly larger portion of the saved insurance capital. There have been periods of very positive capital returns on the managed insurance capital, which has contributed to the increase in the capital that is transferable. Therefore, looking solely at the amount of capital moved is not necessarily indicative of whether the number of transfers has increased or decreased.

In 2023, just over 75 billion SEK of insurance capital was moved to another life insurance or occupational pension company. Of the capital moved, 60 per cent was occupational pension mediated outside of selection centres and 35 per cent was occupational pension mediated through selection centres. The remaining consisted of private pension insurance (4 per cent) and private endowment insurance (0.1 per cent).

Over longer period, the transferred insurance capital has increased significantly. Over the past ten years, the amounts have increased from just under 34 billion SEK in 2014 to just over 75 billion SEK in 2023, which is more than the double. Capital transfers of occupational pension mediated outside of selection centres account for the largest part of the increase.

Figure 35. Inbound insurance capital distributed by product area
SEK Billion.



Source: Insurance Sweden.

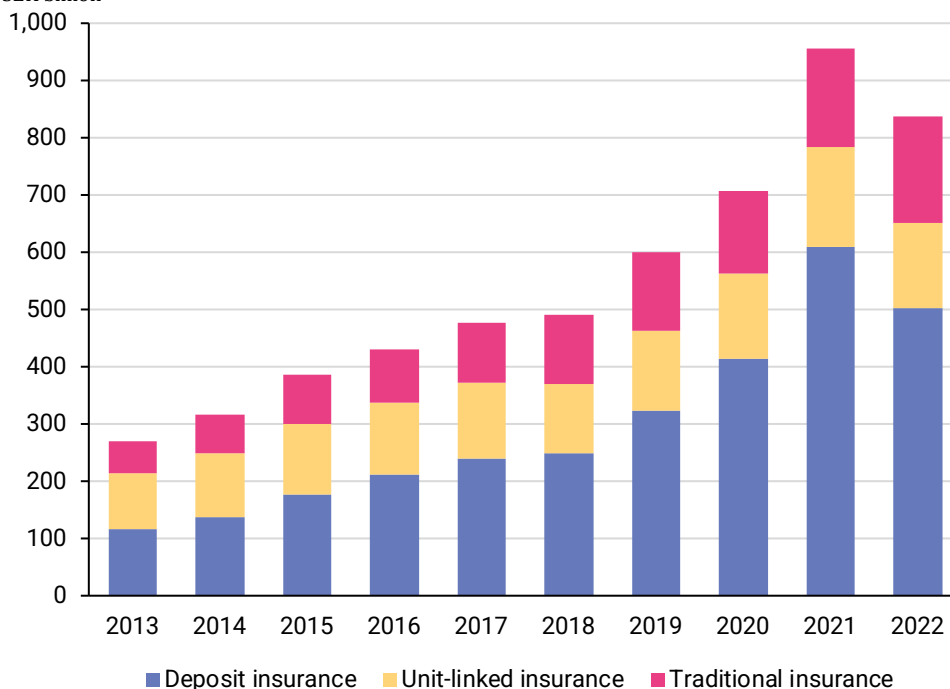
Approximately 1.5 million individuals save in endowment insurance

Both companies and individuals can save in endowment insurance. Endowment insurances serve more as a "wrapper" for various investment products, where the policyholder can choose beneficiaries and structured payouts. Endowment insurance is not specifically intended for pension savings as it is possible to deposit and withdraw the entire or parts of the capital during the savings period, and the capital is therefore not locked until retirement.

At the end of 2022, around 1.5 million individuals had endowment insurance, and the savings amounted to a total of just over 455 billion SEK. Individuals accounted for slightly over half of the total savings (54 per cent), while companies accounted for the remaining part. The average savings for individuals was 297,000 SEK per person.

In 2022, the combined value of endowment insurances amounted to nearly 838 billion SEK, which can be compared to 2013 when it amounted to nearly 271 billion. In 2022, deposit insurance accounted for nearly 60 per cent of the value of endowment insurances. The remaining part is distributed almost equally between unit-linked insurance (18 per cent) and traditional insurance (22 per cent).

Figure 36. Assets in endowment insurances
SEK billion



Note: The figure shows distributed asset values. If undistributed asset values had been included, the capital for traditional insurance would have been primarily larger.
Source: Insurance Sweden.

The Assets and Investments of the Swedish Insurance Industry

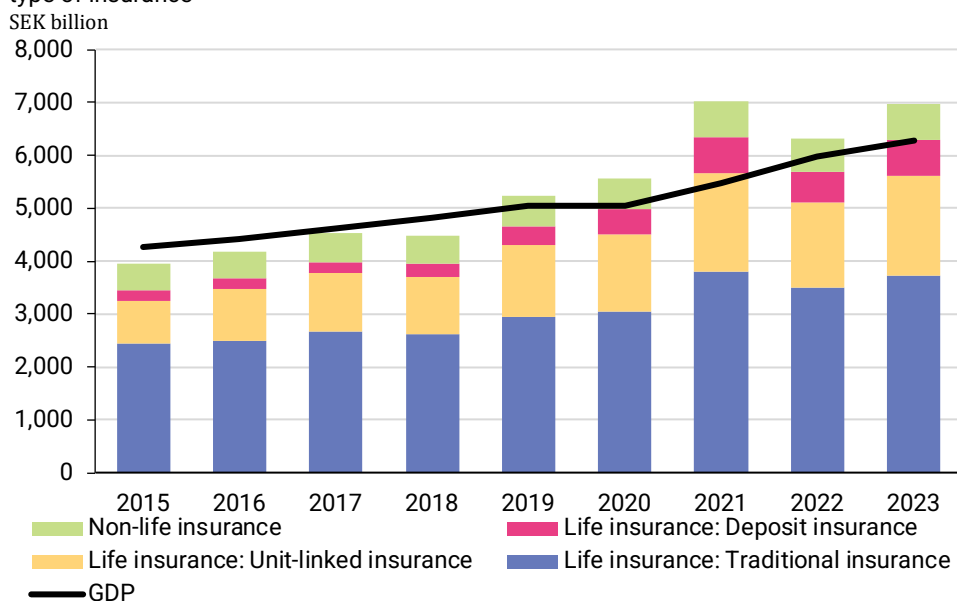
Swedish insurance and occupational pension companies invest approximately 7,000 billion SEK in the Swedish and global economy. These investments contribute to economic growth and the transition to a sustainable society. The returns on these assets have been high over the past twenty years, which benefits policyholders through higher pension payments and other benefits.

Investment assets are larger than Sweden's GDP

At the end of 2023, Swedish insurance and occupational pension companies had financial assets of nearly 7,000 billion SEK, which is larger than Sweden's gross domestic product (GDP). These assets are invested in Sweden or abroad. Most 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 deposit and unit-linked insurance products have seen an increase in recent years. In deposit and unit-linked insurance, policyholders choose which funds 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 2023, while nearly 30 per cent were tied to unit-linked insurance and under eleven per cent to deposit insurance.

Figure 37. Size of assets of Swedish insurance and occupational pension companies by type of insurance



Source: Insurance Sweden and Statistics Sweden.

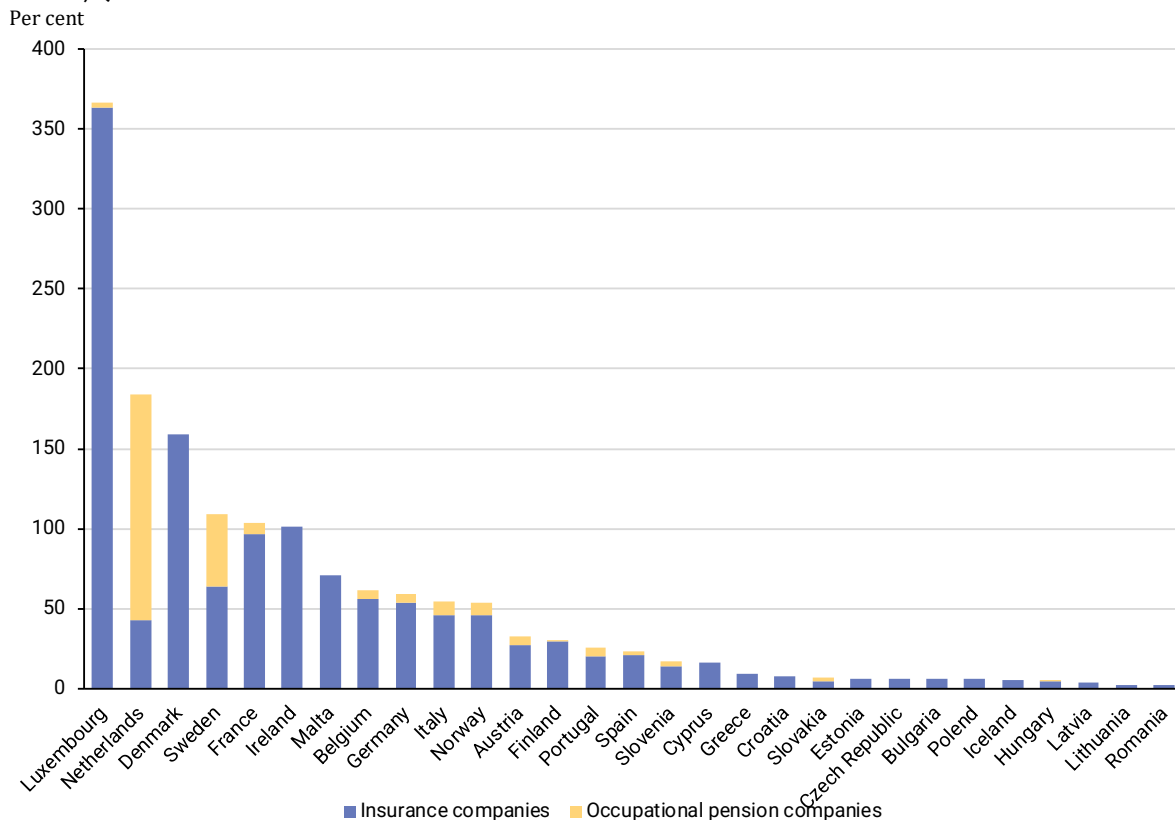
Swedish companies among those with the largest assets in Europe

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. 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 2023, 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 38. Assets of European insurance and occupational pension companies in relation to GDP, Q3 2023



Source: EIOPA and Eurostat.

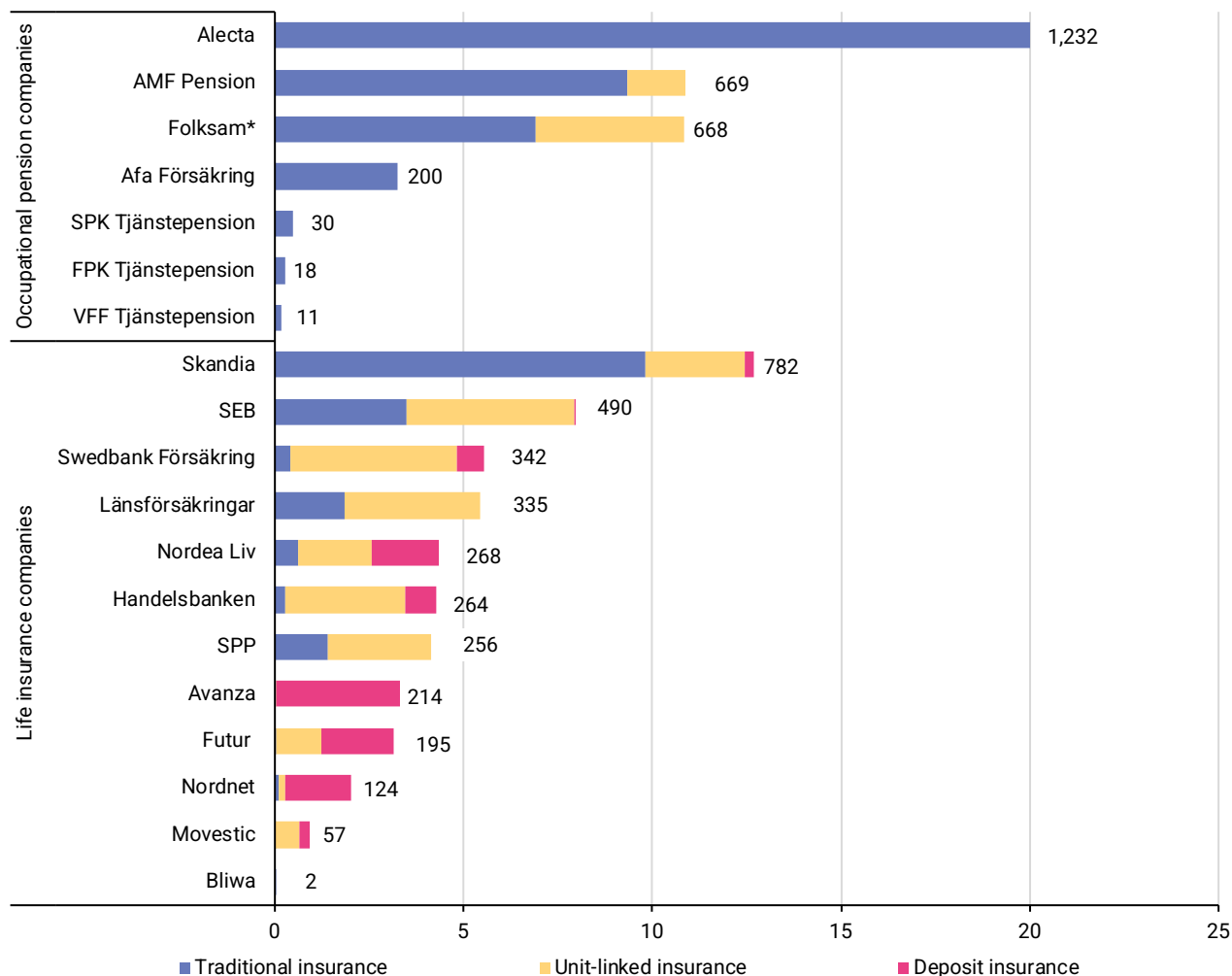
Difference in companies' assets by savings form

The four company groups/companies within pension and life insurance with the largest holdings of investment assets at the end of 2023 were Alecta, Skandia, AMF and Folksam. These company groups/companies accounted for 54 per cent of the market in terms of the total assets of life insurance and occupational pension companies. At the end of 2023, the total assets for occupational pension companies were just over 2,800 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, apart from Afa Försäkring, the assets are primarily either unit-linked or deposit insurance.

Figure 39. Percentage of total investment assets for life insurance and occupational pension companies by company group/company and investment form, 2023

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



Source: Insurance Sweden.

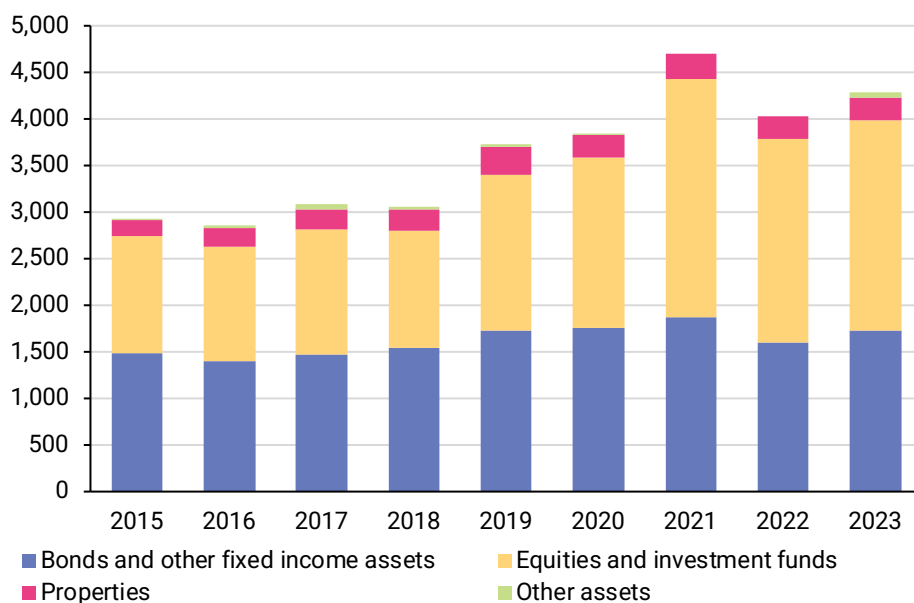
Insurance and occupational pension companies primarily invest in equities and bonds

Through asset management and investments in various assets, insurance and occupational pension companies generate returns and profits that benefit policyholders. Swedish companies primarily invest in equities, investment funds, bonds, and properties. The bonds invested in by insurance and occupational pension companies are primarily 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 payments of claims 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 in the investment portfolio has increased since 2015 and accounted for over 53 per cent of the assets in 2023. On the other hand, bonds and other fixed income assets have decreased and represented around 40 per cent of the assets in 2023. 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 in the investment portfolio has remained relatively constant and accounted for six per cent of the assets in 2023.

Figure 40. Investment assets of Swedish insurance and occupational pension companies
SEK billion



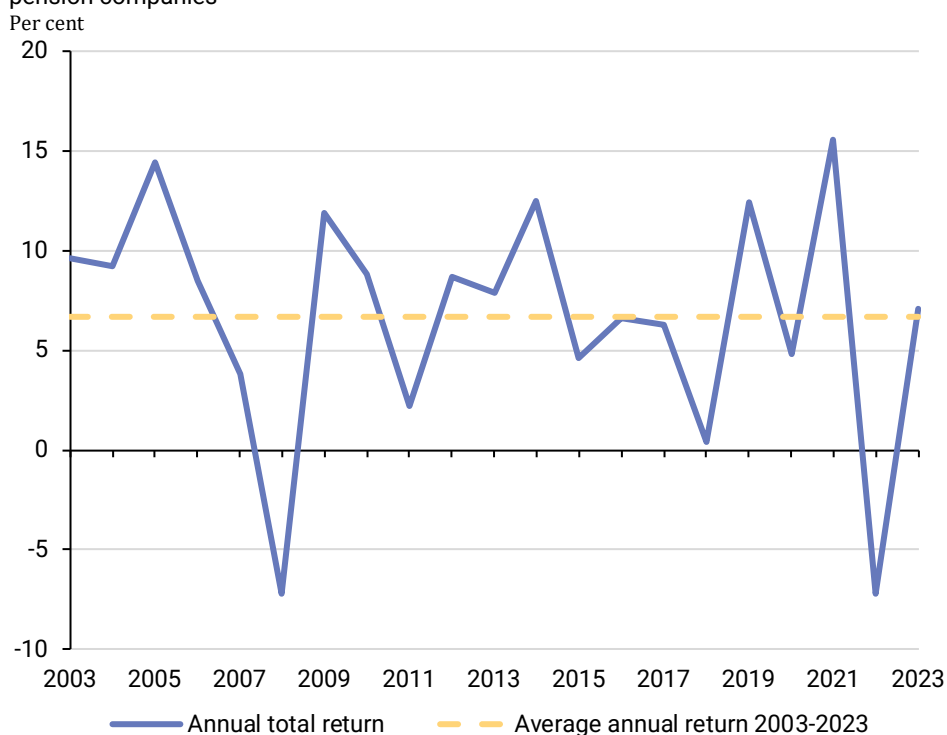
Source: Insurance Sweden.

Positive returns on assets in 2023

The return on assets held by life insurance and occupational pension companies is significant as it affects the level of future pension payments.

In 2023, the return on assets managed by Swedish life insurance and occupational pension companies was 7.1 per cent. This is slightly higher than the average annual return of 6.7 per cent over the past twenty years. The favourable return in 2023 was primarily due to the positive developments in 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 41. Total return on assets managed by Swedish life insurance and occupational pension companies



Source: Insurance Sweden.



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