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Luxembourg life insurance market outlook

Insurance market insights: 2026 edition

Introduction **03**

Executive summary **04**

Life insurance distribution 06

Market overview 07

Number of insurance contracts 08

Geographical presence 09

Investment overview 10

Life technical provisions 11

Solvency capital requirement (SCR) 12

Benchmarking your business with Deloitte **13**

Deloitte's Benchmarking Tool 13

Why benchmarking is critical for insurance 14

Benchmarking your insurance business 15

Contacts **16**

Introduction

Luxembourg's life insurance market has maintained its premium growth momentum so far in 2026. We expect this trend to continue in 2027, although fiscal and regulatory uncertainties in certain key markets pose risks to the outlook.

The priority is to convert growth into sustainable profitability. Insurers need to maintain competitive offerings by using the investment flexibility under Luxembourg's updated asset eligibility rules, while respecting applicable limits and client suitability requirements. Insurers should also advance digital transformation, including appropriate use of AI, across policy acceptance, compliance, and contract administration, with effective controls and human oversight.

The revised Solvency II framework and the Insurance Recovery and Resolution Directive (IRRD) apply from 30 January 2027. Insurers should prepare early for the requirements relevant to their business. They should also prepare early for the mandatory external audit of the Solvency II balance sheet, particularly where valuations rely on complex projection models.



Sources: CAA Annual Report 2025–2026; Solvency II reporting and Deloitte internal data.

Executive summary

- Gross written premiums (GWP) rose 18.9% in 2025, mainly as investment contract GWP grew 29.6% and accepted reinsurance GWP grew 71.6%.
- In 2025, brokers (44.7%) and banks (45.5%) accounted for almost equal shares of Luxembourg's life insurance distribution. Brokers' share declined slightly (-0.6%), while banks maintained their share. Single premium contracts dominated, accounting for 84.1% of total GWP.
- Premiums increased overall across the principal markets in 2025, with France and Italy remaining the largest. Sweden (+152%) and non-EEA markets (+42.1%) also recorded strong premium growth.
- Traditional life insurance investments remained concentrated in bonds (68.3%), with stable shares in government bonds (43.4%) and corporate bonds (24.9%). Index-linked and unit-linked contract assets favored collective investments (46.6%) and equities (19.5%).
- Luxembourg insurers' solvency capital requirement (SCR) ratio increased from 181% in 2024 to 185% in 2025. Life underwriting risk and market risk accounted for 43.7% and 51.7%, respectively, of the basic solvency capital requirement (BSCR) before diversification.



Key data FY25

Number of established life insurers:
28

Gross written premiums (GWP):
EUR35.1 billion
(+18.9% versus FY24)

Index-linked and unit-linked contracts account for
70.5%
of total GWP
(versus 64.7% in FY24)

Top five life insurers hold:
51%
of total GWP

Life product distribution relies primarily on banking channels
(45.5%) and brokers **(44.7%)**

Average SCR ratio:
185%

Employments:
3,244 full-time equivalents (FTEs)
(+4.54% compared to FY24)

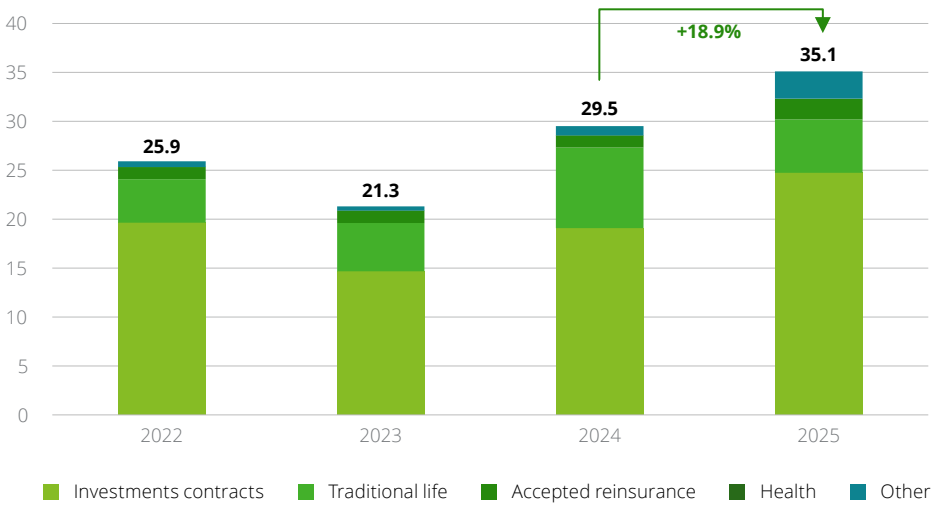


Life insurance technical result

EUR thousands	FY 2022	FY 2023	FY 2024	FY 2025
Gross written premium	25,922,140	21,306,877	29,509,391	35,095,771
Investment income	-18,786,215	16,367,474	18,661,935	11,022,556
Lapses (surrenders/maturities/claims)	-21,939,742	-29,299,617	-22,703,414	-11,392,128
Changes in technical provisions	15,865,936	-6,804,006	-23,998,907	-32,617,393
Expenses	-1,491,677	-1,499,525	-1,486,145	-1,679,246
Other	142,177	114,592	95,663	2,757
Technical result	**-287,381**	**185,795**	**78,523**	**432,317**
Reinsurance result	461,312	195,196	343,610	81,460
Net technical result	**173,931**	**380,991**	**422,133**	**513,777**

Life insurance distribution

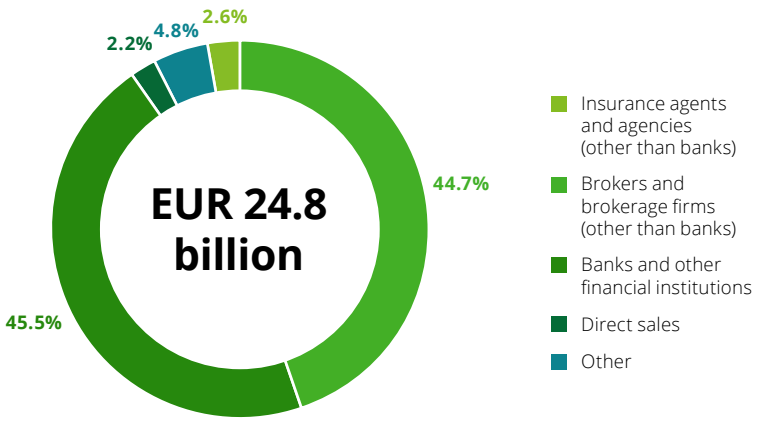
GWP by product (in EUR billion)



Product offering

- 2025 was a record year for Luxembourg's insurance market. Life insurance GWP rose 18.9%, mainly as investment contract GWP grew 29.6% and accepted reinsurance GWP grew 71.6%.
- Investment products remained central to the market in 2025. GWP grew 30% (+EUR 5.6 billion) from 2024 to EUR 24.7 billion, accounting for 70% of total GWP.
- Accepted reinsurance GWP rose from EUR 1.2 billion in 2024 to EUR 2.08 billion in 2025, an increase of EUR 868 million (+71.6%).

FY2025 new-business GWP by distribution channel

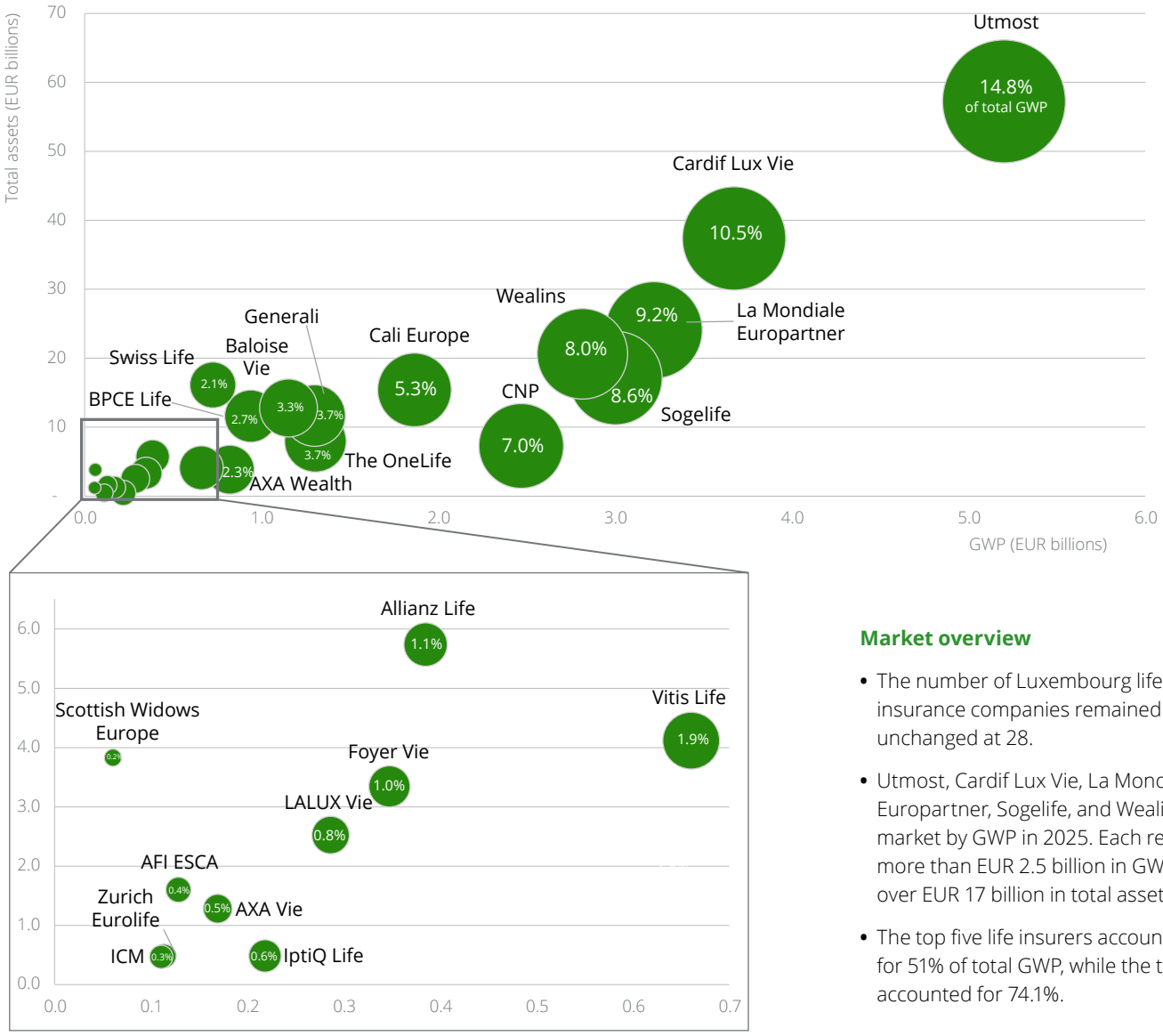


Main distribution channels

- Banks and other financial institutions led life insurance distribution, accounting for 45.5% of total new business GWP (+22% versus 2024).
- Brokers and brokerage firms other than banks ranked second, with 44.7% of new business GWP. Their share increased from 2024 (+20.4% of total new business GWP).

Market overview

Life insurance undertakings with GWP > EUR 50 million



Market overview

- The number of Luxembourg life insurance companies remained unchanged at 28.
- Utmost, Cardif Lux Vie, La Mondiale Europartner, Sogelife, and Wealins led the market by GWP in 2025. Each recorded more than EUR 2.5 billion in GWP and over EUR 17 billion in total assets.
- The top five life insurers accounted for 51% of total GWP, while the top 10 accounted for 74.1%.

Number of insurance contracts



84.1%

of GWP from **single premium** contracts

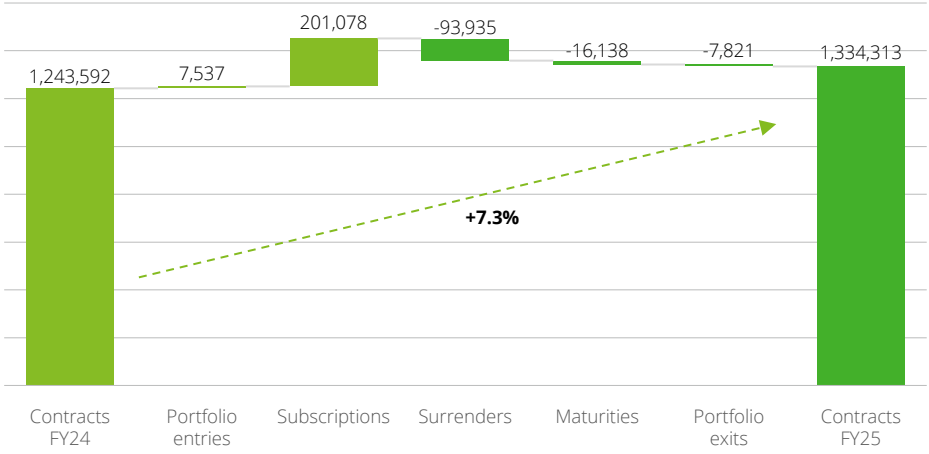
15.9%

of GWP from **periodic premium** contracts

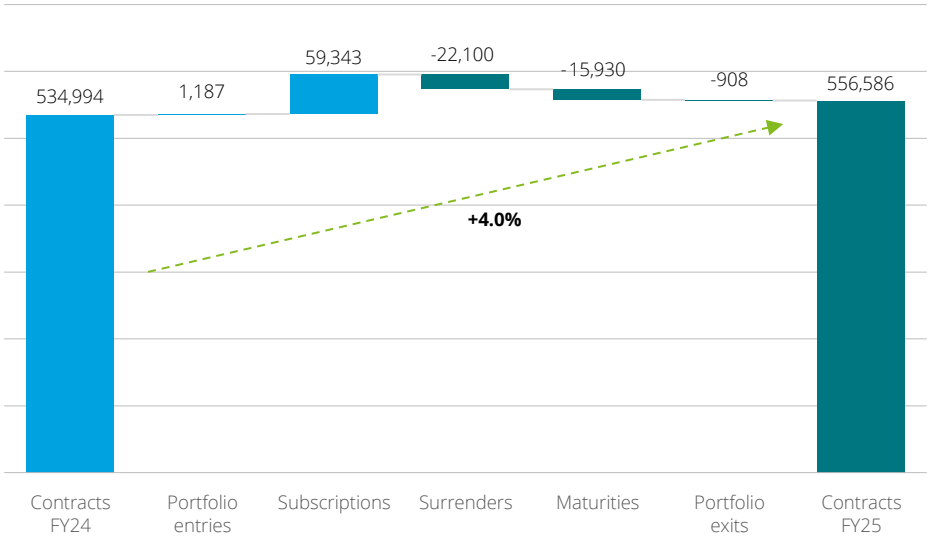
Insurance contracts

- In 2025, periodic premium contracts represented 15.9% of the total number of contracts, up from FY24 (+1.2%). Single premium contracts accounted for 84.1% of GWP (-1.2%).
- The total number of contracts rose in 2025. Periodic premium contracts (+7.3%) grew faster than single premium contracts (+6.3%), mainly because of the higher number of subscriptions.

Periodic premium contracts

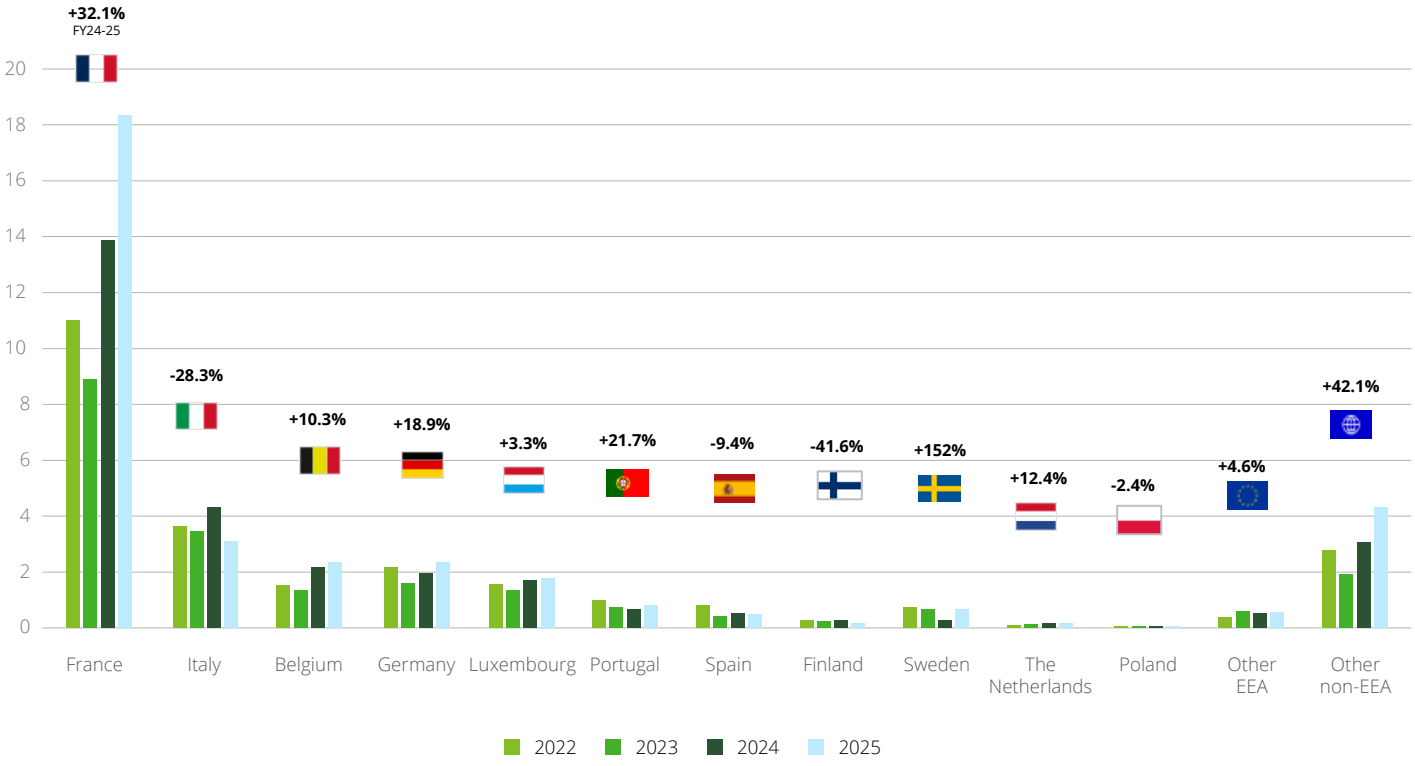


Single premium contracts



Geographic presence

Premiums by country (EUR millions)



Distribution countries

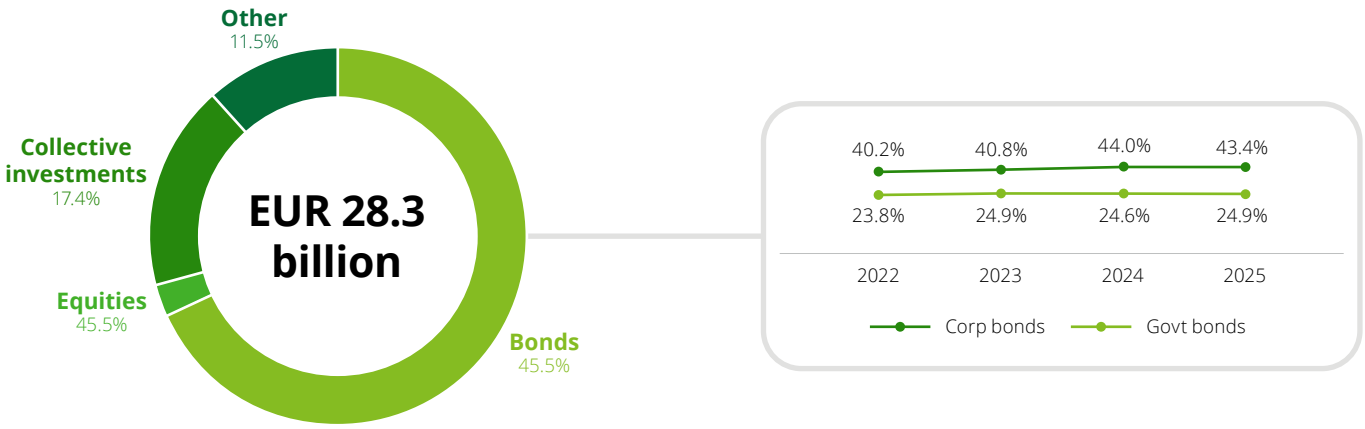
- Luxembourg's main life insurance markets, including France, Belgium, Germany, and Luxembourg, grew in 2025 compared with 2024. Italy recorded a decline.
- France maintained its leading position in international life insurance. Premiums grew 32.1% and accounted for 52% of total GWP. Italy remained the second-largest market, with 8.79% of total GWP, despite a 28.3% decline.
- Several EEA countries recorded significant premium growth, including Sweden (+152%) and Portugal (+21.7%). Non-EEA markets also recorded GWP growth (+42.1%).
- Other countries recorded significant declines, including Italy (-28.3%) and Finland (-41.6%).
- Thirteen companies generate 67% of their premiums in their primary market, while seven generate 90%.

Investment overview

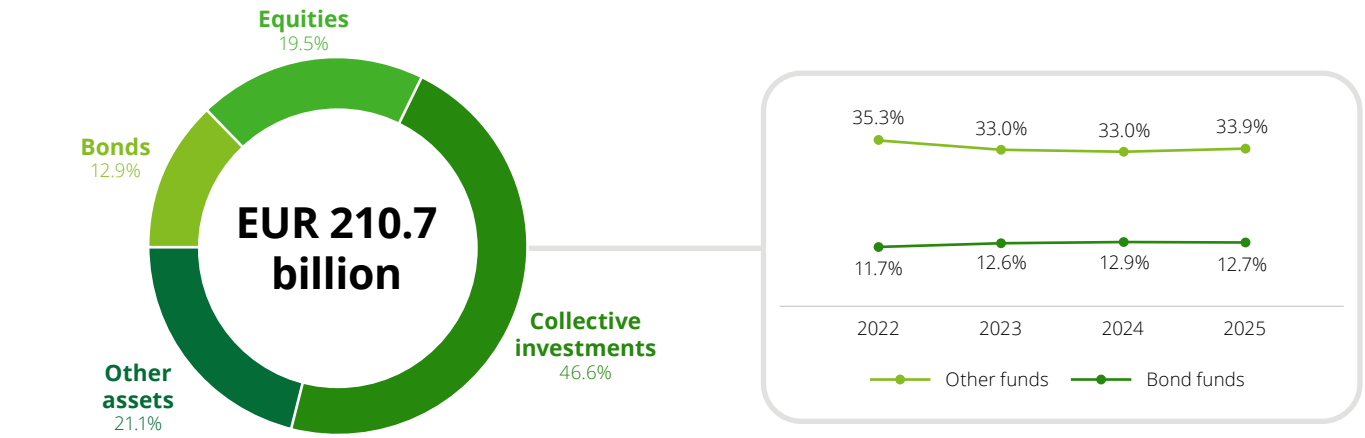
Investment breakdown

- Bonds accounted for most traditional life insurance assets (68.3%). Corporate bonds (24.9%) and government bonds (43.4%) maintained stable shares.
- Index-linked and unit-linked contract assets favored collective investments (46.6%) and equities (19.5%). Bond fund exposure declined slightly to 12.7% in 2025 from 12.9% in 2024.

Breakdown of investments (other than assets held for index-linked and unit-linked contracts)

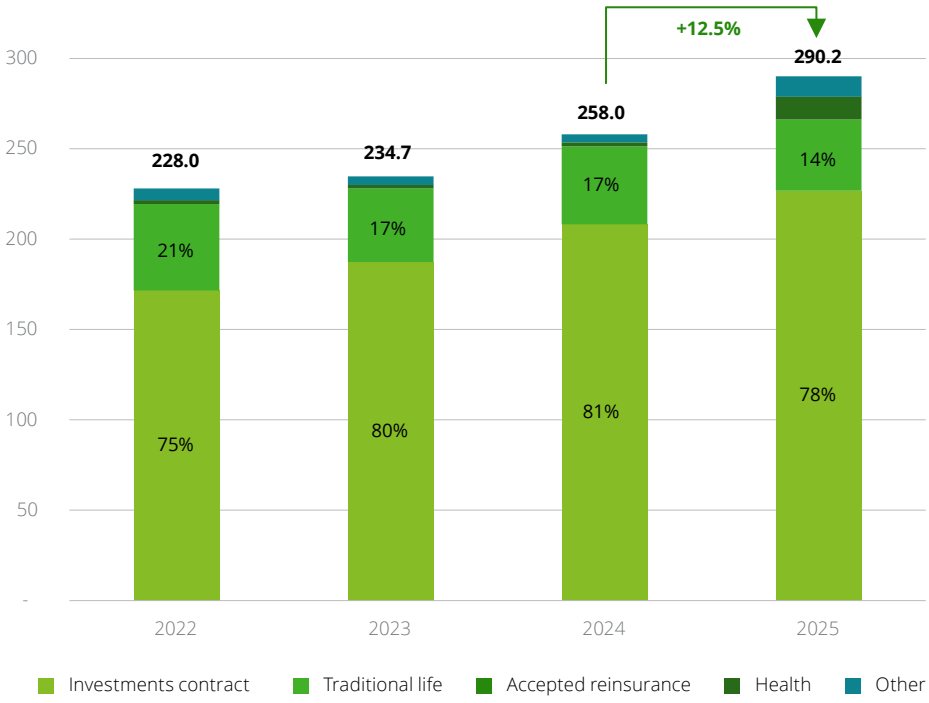


Breakdown of investments (index-linked and unit-linked contracts)



Life technical provisions

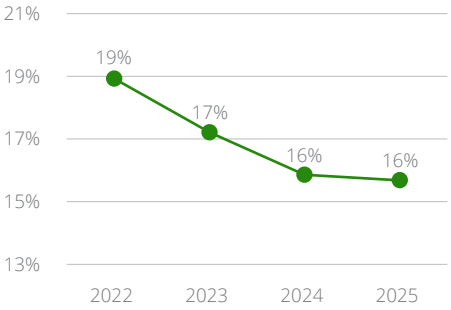
Technical provisions (EUR billions)



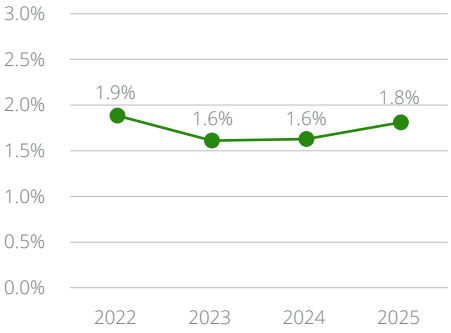
Claims provisions

- Life technical provisions increased by EUR 32.2 billion (+12.5%) in 2025 compared with year-end 2024.
- Traditional life insurance's share of technical provisions declined from 17% in 2024 to 14% in 2025. Investment contracts' share also decreased, from 81% to 78%. The reinsurance cession ratio declined steadily from 19% in 2022 to 16% in 2025.
- The risk margin's share of technical provisions increased from 1.6% in 2024 to 1.8% in 2025.
- Setting the volatility adjustment to zero had a limited impact on technical provisions, eligible own funds, and SCR.

Reinsurance cession ratio



Risk margin in technical provisions



Impact of zero volatility adjustment

+0.19% on technical provisions

-0.75% on eligible own funds to meet SCR

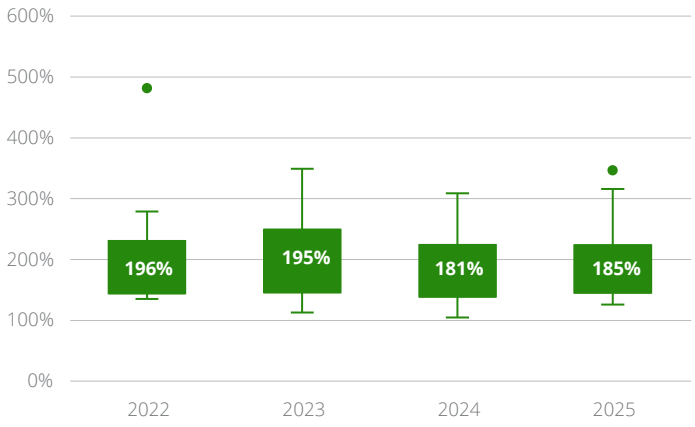
+0.52% on SCR

Solvency capital requirement (SCR)

Solvency capital requirement

- Luxembourg insurers' average SCR ratio has remained relatively stable in recent years, just below 200%, despite significant differences among companies.
- Luxembourg insurers' SCR ratio increased from 181% in 2024 to 185% in 2025.
- Market risk (51.7%) and life underwriting risk (43.7%) accounted for most of the 2024 SCR. Operational risk and counterparty risk contributed less to the basic solvency capital requirement.

SCR ratio distribution and average over time



Average market ratios

4.0% SCR/total balance sheet

4.1% Market SCR/total investments

4.4% Underwriting SCR/technical provisions

SCR breakdown by module

43.7%
Life underwriting risk/ BSCR pre-diversification

51.7%
Market risk/BSCR pre-diversification

9.3%
Operational risk/BSCR pre-diversification

4.0%
Counterparty default risk/BSCR

Deloitte's Benchmarking Tool

Deloitte Luxembourg has developed a benchmarking tool for Luxembourg insurance companies, offering interactive dashboards and comprehensive data on most companies in the sector.

Our platform allows clients to compare (re)insurers by leveraging detailed public reports on solvency and financial condition to identify strategic opportunities and challenges.

For most Luxembourg insurers...

... Data from 2016 to 2025

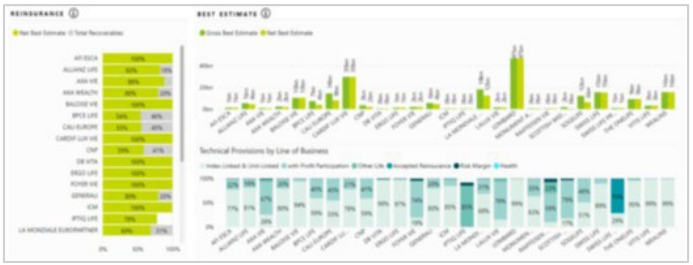
... With 3,500+ data points

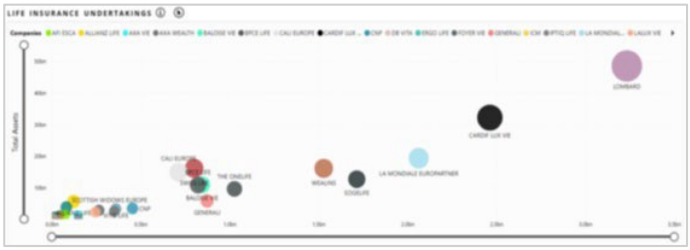




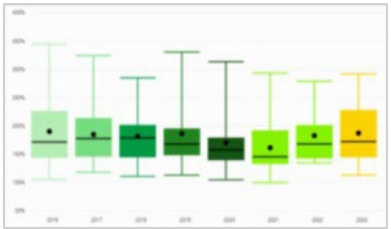


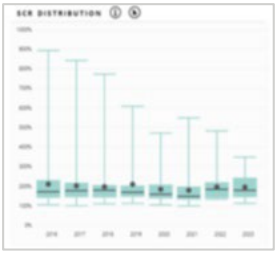


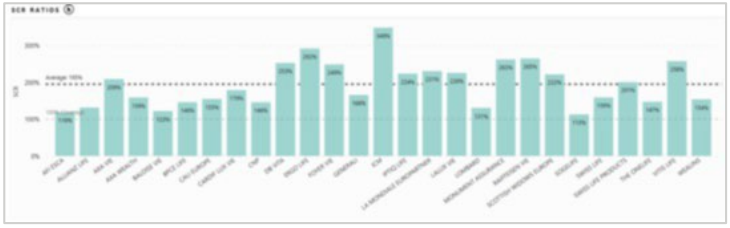


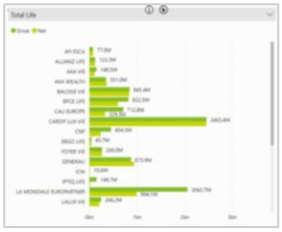












Why benchmarking is critical for insurance



1

Support strategic decision-making

Understand market dynamics and competitor strategies to make informed decisions that drive growth and innovation.

2

Enhance overall performance

Identify strengths and weaknesses across your business to target improvements and gain a competitive edge.

3

Strengthen compliance and risk management

Meet regulatory standards and adopt risk management best practices to strengthen your company's resilience and long-term stability.

Benchmarking helps **insurers improve performance** and competitiveness. **Insights** into **industry standards and best practices** support **informed decisions, innovation,** and **regulatory compliance.**

Benchmarking your insurance business

Partner with Deloitte for benchmarking services that help your business compete:

Comprehensive market insights

We analyze market trends, competitor strategies, and the regulatory landscape to keep your company informed and support its market positioning.

Data-driven insights

We use comprehensive, reliable Luxembourg insurance market data to provide precise insights that support strategic planning and decision-making.

Holistic market view

Our knowledge of the Luxembourg insurance market supports a comprehensive market view and quantitative analyses that explain the sector's broader context and dynamics.

Custom benchmarking

We benchmark financial performance, regulatory compliance, product offerings, strategy, international presence, and partnerships to provide insights across your business.

Specialist recommendations

Our industry professionals provide strategic guidance and actionable recommendations to improve decision-making, strengthen market positioning, and address critical strategic issues.



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