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Luxembourg non-life insurance market outlook

Insurance market insights: 2026 edition

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Introduction

Luxembourg's non-life market enters 2026 from a position of strength. Gross written premiums reached EUR 19.9 billion in 2025 (+1.7%), while the gross combined ratio improved to 85.6% and SCR coverage remained robust at 213.4%. Its international footprint continues to provide scale and diversification, while increasing sensitivity to developments across European and global markets.

The operating environment is becoming more demanding rather than structurally weaker. Moderate growth, persistent claims inflation and volatile financial markets are converging with catastrophe losses, cyber exposure and changing customer expectations. At the same time, DORA is now embedded in operating models and the revised Solvency II framework, effective in 2027, requires early preparation.

The executive agenda is therefore one of disciplined adaptation: maintain pricing and underwriting rigor, improve claims speed and transparency, strengthen prevention and reinsurance strategies, and deploy data and AI with effective governance. The insurers best positioned to outperform will combine capital resilience with operational agility, protecting profitability while sustaining customer value and insurability.



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

Executive summary

- Despite ongoing geopolitical and economic uncertainty, Luxembourg's non-life insurance sector recorded a 1.7% increase in gross written premiums (GWP), reaching EUR 19.9 billion in 2025.
- Brokers remained the primary distribution channel (60.5% of new-business GWP), followed by insurance agents and agencies (18.6%).
- International business represented 91.3% of total premiums in 2025, down 0.4 percentage points compared with 2024.
- Germany and France remained the leading international markets, while Luxembourg moved into third place ahead of Italy.
- The gross combined ratio improved to 85.6% in 2025, while the sector's SCR coverage ratio stood at 213.4%, confirming strong solvency.



Key data FY25

Luxembourg-law non-life insurers:
36
(-2 versus FY24)

Gross written premiums (GWP):
EUR19.9 billion
(+1.7% versus FY24)

Average gross combined ratio:
85.6%
(versus 95.9% in FY24)

Top five non-life insurers hold:
65.1%
of total GWP

Non-life products primarily distributed through brokers
(60.5%) and insurance agencies **(18.6%)**

Non-life SCR coverage:
213.4%
(versus 228.6% in FY24)

Employments:
10,115 full-time equivalents (FTEs)
(+4.0% compared to FY24)

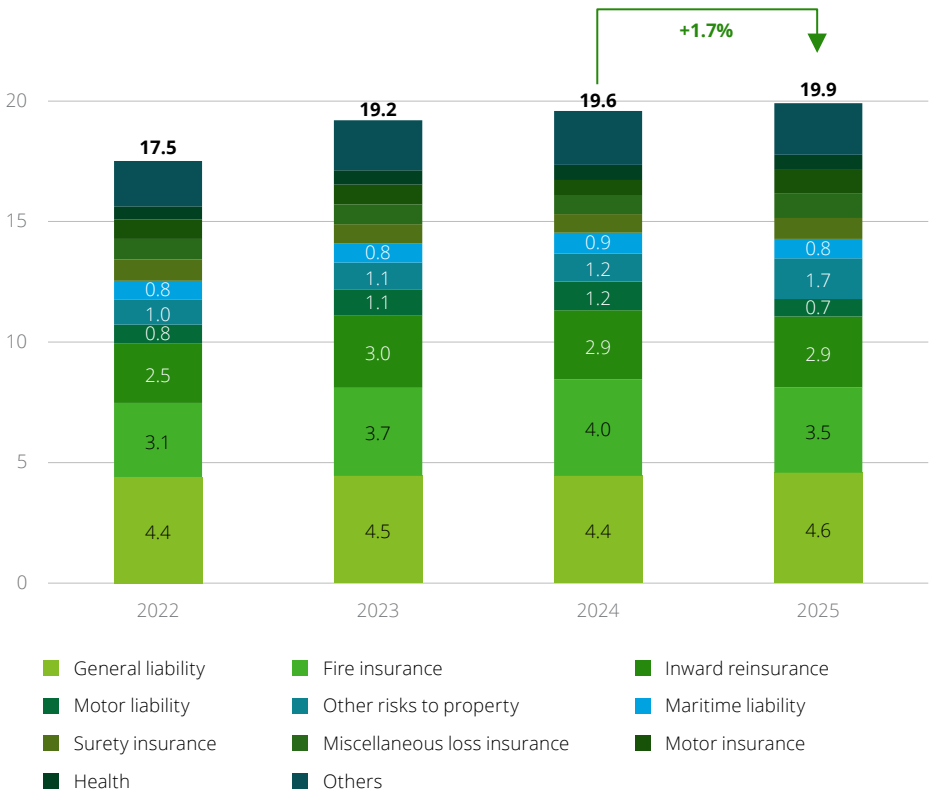


Non-life industry technical result

EUR thousands	FY 2022	FY 2023	FY 2024	FY 2025
Gross written premium	17.522.890	19.198.346	19.589.051	19.918.771
Change in the provision for unearned premium	-886.960	-744.843	-1.071.453	-475.693
Earned premium	16.635.930	-18.453.503	18.517.598	19.443.078
Investment income	-44.257	488.808	686.179	603.413
Claim expenses	-11.116.013	-11.444.563	-12.504.505	-11.125.052
Acquisition cost	-3.016.916	-3.307.986	-3.740.782	-3.848.232
Administration cost	-1.339.252	-1.702.094	-1.503.978	-1.659.811
Changes in other technical provisions	-180.477	-154.980	-178.855	-150.177
Others	497.986	291.942	1.181.796	-787.156
Technical result	**1.437.001**	**2.624.630**	**2.457.453**	**2.476.063**
Reinsurance result	-994.484	-1.488.327	-1.262.461	-1.030.779
Net technical result	**442.517**	**1.136.303**	**1.194.992**	**1.445.284**

Non-life insurance distribution

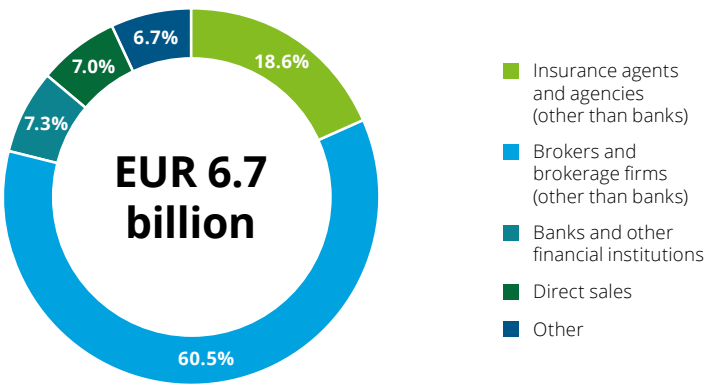
GWP by product (in EUR billion)



Product offering

- In 2025, GWP in Luxembourg's non-life insurance sector increased by 1.7% to EUR 19.9 billion.
- General liability, fire insurance, and accepted reinsurance represented 56% of total GWP in FY2025, compared with 58% in FY2024.

FY2025 new-business GWP by distribution channel

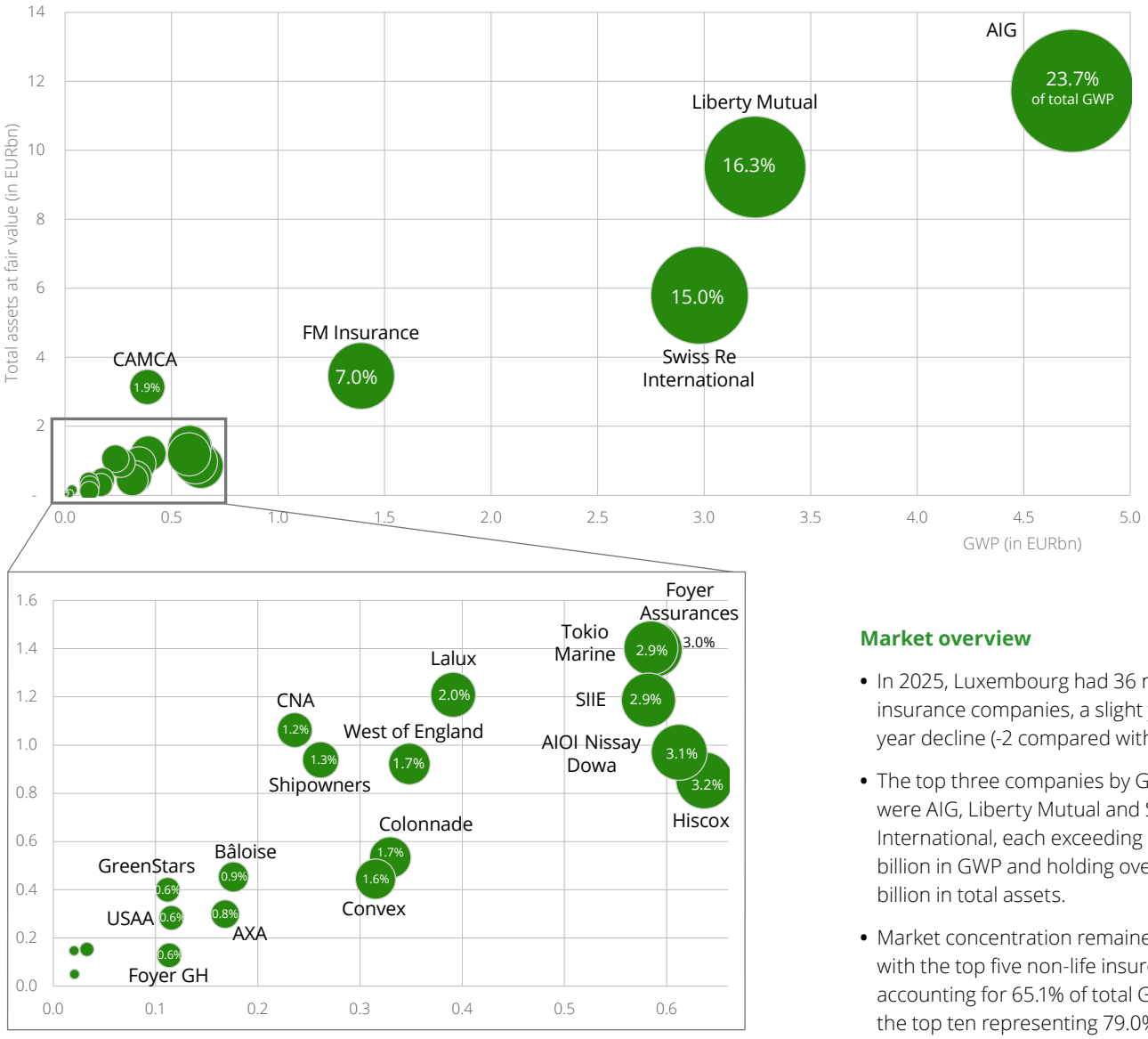


Main distribution channels

- Brokers and brokerage firms continued to dominate non-life distribution, accounting for 60.5% of new-business GWP in FY2025, down from 65.8% in FY2024.
- Insurance agents and agencies remained the second-largest channel at 18.6%, down from 19.8% in FY2024. Banks, direct sales, and other channels accounted for the remaining 20.9%.

Market overview

Non-life insurance undertakings with GWP > EUR 100 million

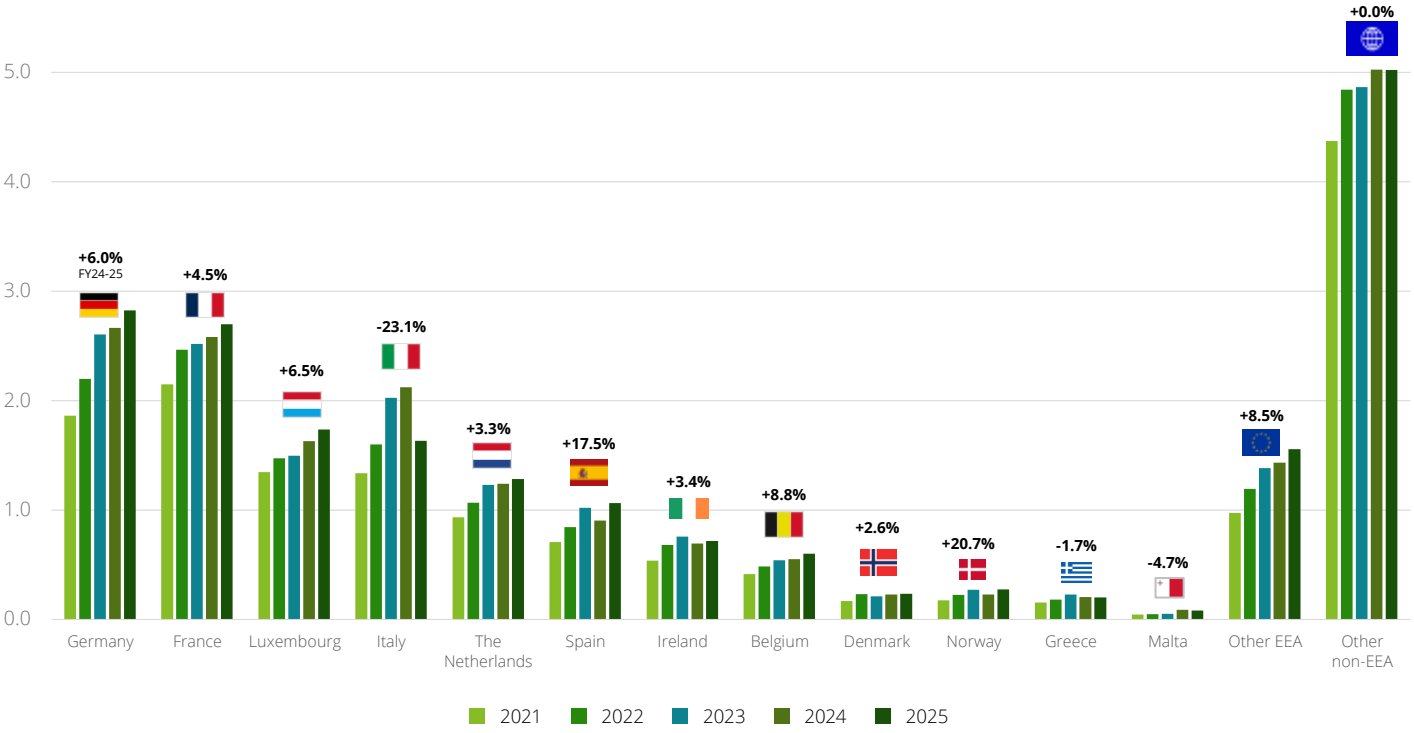


Market overview

- In 2025, Luxembourg had 36 non-life insurance companies, a slight year-over-year decline (-2 compared with FY2024).
- The top three companies by GWP were AIG, Liberty Mutual and Swiss Re International, each exceeding EUR 2.5 billion in GWP and holding over EUR 5 billion in total assets.
- Market concentration remained stable, with the top five non-life insurers accounting for 65.1% of total GWP and the top ten representing 79.0%.

Geographical presence

Premiums per country (in EUR billion)

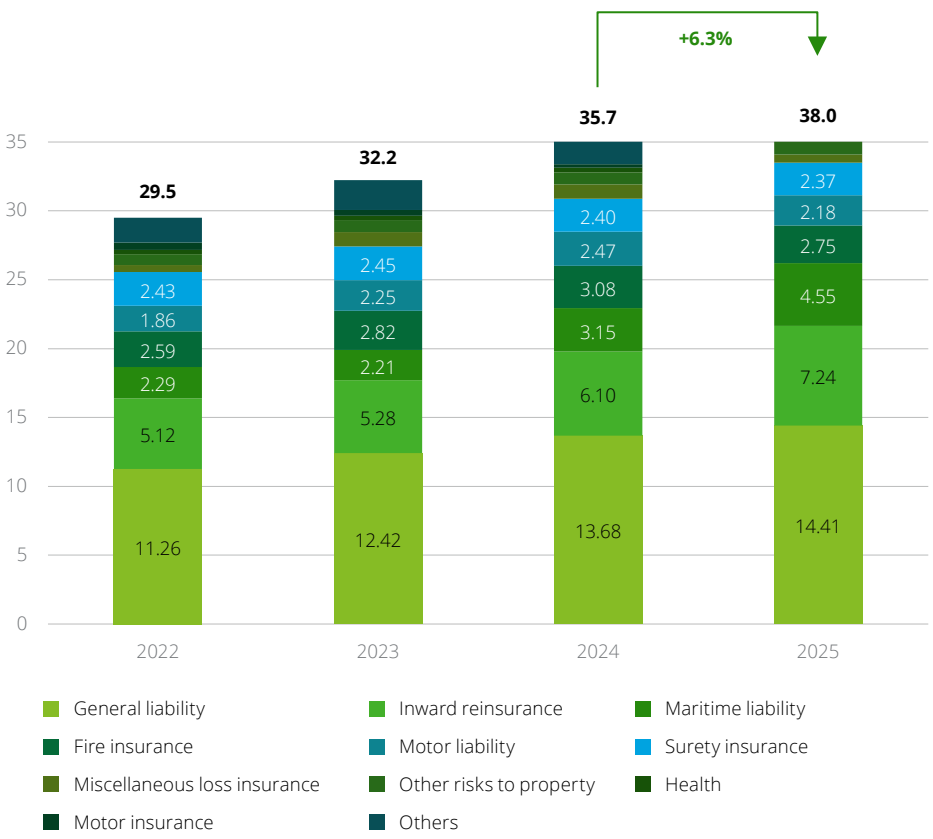


Distribution countries

- The international dimension of Luxembourg's non-life insurance sector remains significant. In 2025, international business represented 91.3% of total premiums collected, a slight decrease of 0.4 percentage points compared with 2024.
- Germany continued to lead the international non-life insurance market, having overtaken France in 2023. In 2025, Luxembourg moved into third place, overtaking Italy.
- Most major markets of Luxembourg's non-life insurance sector experienced an increase in 2025, particularly Germany (+6.0%), France (+4.5%), Luxembourg (+6.5%) and Spain (+17.5%). The strongest growth was recorded in Norway (+20.7%).
- However, some key markets recorded decreases, mainly Italy (-23.1% versus FY2024), Malta (-4.7%) and Greece (-1.7%).

Non-life technical provisions

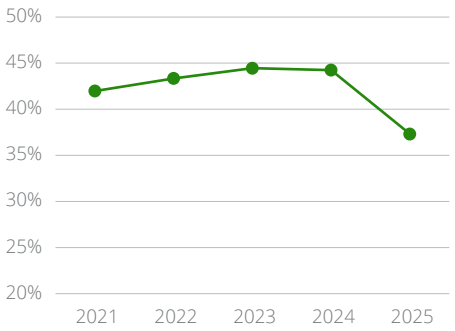
Claims provisions over time (in EUR billions)



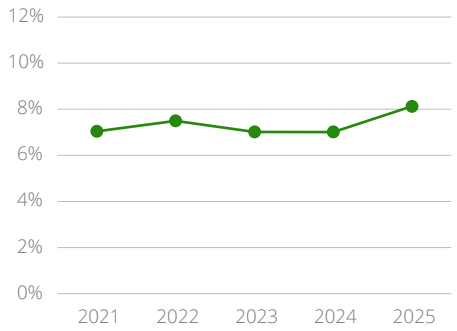
Claims provisions

- Claims provisions increased by EUR 2.3 billion (+6.3%) in 2025, reaching €38.0 billion.
- General liability, inward reinsurance, and maritime liability accounted for 69% of total claims provisions, up from 64% in 2024.
- The ceded reinsurance ratio fell to 37.3% in 2025 from 44.3% in 2024, a 6.9 percentage-point decline, mainly due to two companies with very high ceded ratios that left the market.
- The risk margin share rose to 8.1% in 2025 from 7.0% in 2024, reversing the stability seen in prior years.

Ceded ratio to reinsurance



Risk margin in non-life technical provisions

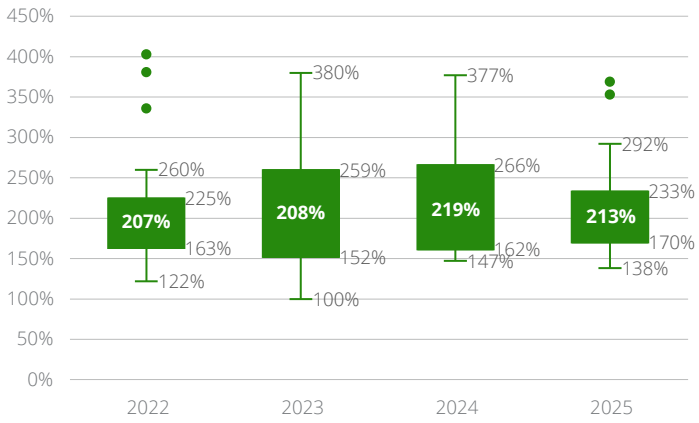


Solvency capital requirement (SCR)

Solvency capital requirement

- In 2025, Luxembourg's average SCR ratio stood at 213%, remaining comfortably above 200% despite differences across insurers.
- Non-life underwriting risk was the largest BSCR module before diversification (47.8%), followed by market risk (35.0%). Operational risk accounted for 10.4% of BSCR, while counterparty default risk represented 11.4% before diversification.

Evolution of SCR ratio distribution and average



Average market ratios (unweighted)

17.6% SCR/total balance sheet

13.7% SCR market/total investments

28.4% SCR underwriting/technical provisions

SCR breakdown by module

47.8%
Non-life underwriting risk/ BSCR pre-diversification

35%
Market risk/BSCR pre-diversification

10.4%
Operational risk/BSCR

11.4%
Counterparty default risk/ BSCR pre-diversification

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

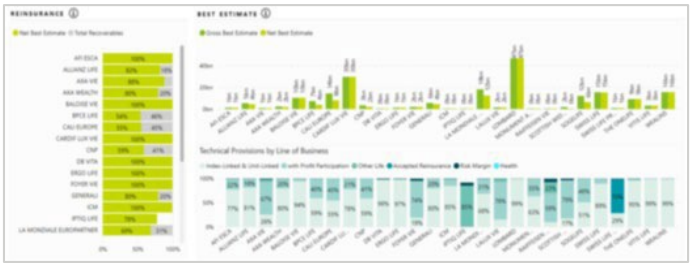
... With 3,500+ data points

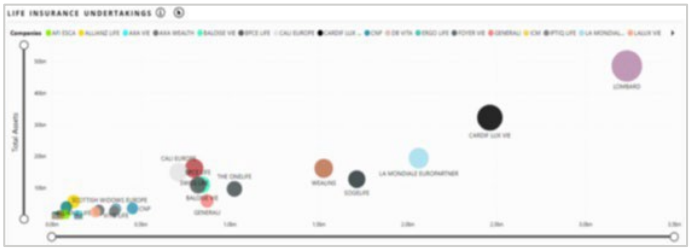




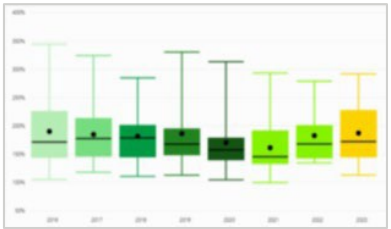


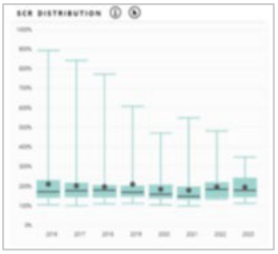


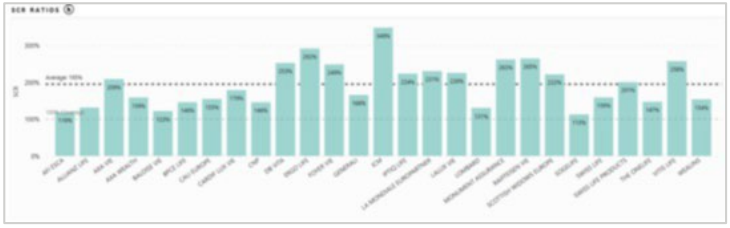


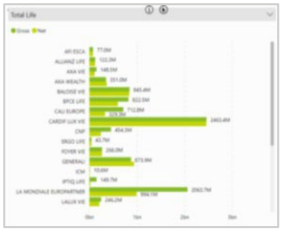












Why benchmarking is critical for insurance



1

Empower strategic decision-making

Gain a comprehensive understanding of market dynamics and competitor strategies to make informed, strategic decisions that drive growth and foster innovation.

2

Enhance overall performance

Identify strengths and weaknesses across various facets of your business to drive targeted improvements and gain a competitive edge.

3

Achieve regulatory and risk management excellence

Ensure compliance with regulatory standards while adopting best practices in risk management, strengthening your company's resilience and long-term stability.

Benchmarking is **not just about measuring performance**, it's a **powerful strategic tool** that drives improvement, innovation, and competitiveness. By **gaining insights** into **industry standards and best practices**, your insurance company can make **informed decisions, boost performance**, and ensure **regulatory compliance.**

Benchmarking your insurance business

Partner with Deloitte to harness the full power of our benchmarking services and break away from the pack with:

Comprehensive market insights

We provide in-depth analyses of market trends, competitor strategies and the regulatory landscape, ensuring your company stays well-informed and strategically positioned.

Data-driven insights

By leveraging comprehensive and reliable data from the Luxembourg insurance market, we provide precise, data-driven insights to support your strategic planning and decision-making.

Holistic market view

With our deep understanding of the Luxembourg insurance market, we offer a comprehensive market view and quantitative analyses, helping you understand the sector's broader context and underlying dynamics.

Custom benchmarking

We conduct benchmarking exercises and deliver insights across multiple aspects of your business, including financial performance, regulatory compliance, product offering, strategy, international presence and partnerships.

Specialist recommendations

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



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