



Luxembourg life insurance market outlook

Insurance Market Insights: 2025 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	12
Benchmarking your business with Deloitte	13
Deloitte Benchmarking tool	13
Why benchmarking is critical for insurance	14
Benchmarking your insurance business	15
Contacts	16

Introduction

In a context of geopolitical instability and persistent volatility in international markets, the life insurance sector in Luxembourg shows a solid recovery in premium collection in 2024, with a confirmed trend in mid-2025.

However, while the race for premium collection remains a strong target, it does not guarantee long-term sustainability. The essential challenge lies in the ability of market players to maintain sufficient profitability levels beyond commercial results.

In an environment marked by significant uncertainty and strong competition in the cross-border business, sustainable profitability becomes a strategic priority. This quest involves thoughtful choices around modernizing product offerings and distribution channels, rigorous risk management, and enhanced control of pricing policies.

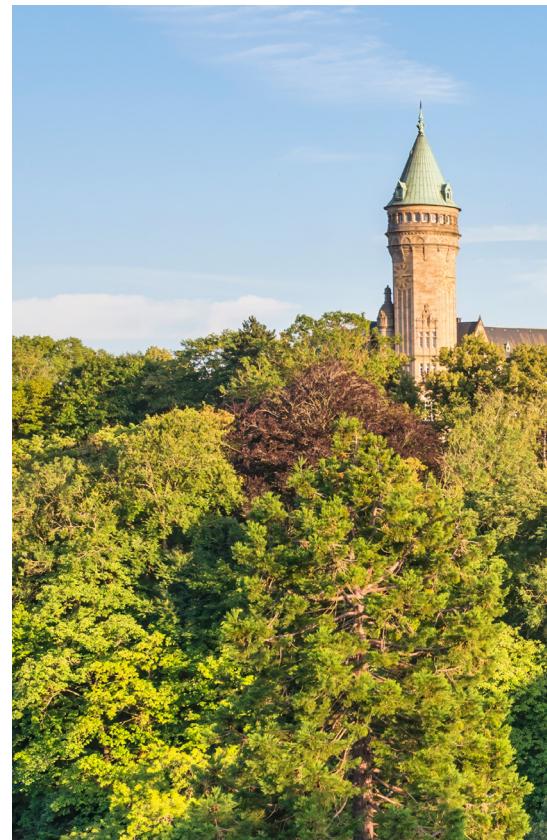
The increasing market concentration and shareholder capital return expectations also require bold strategies, either through external growth or through clear differentiation of the offering.

Thus, the future of the sector will lie in the balance between controlled growth, judicious investments, and economic optimization capacity.

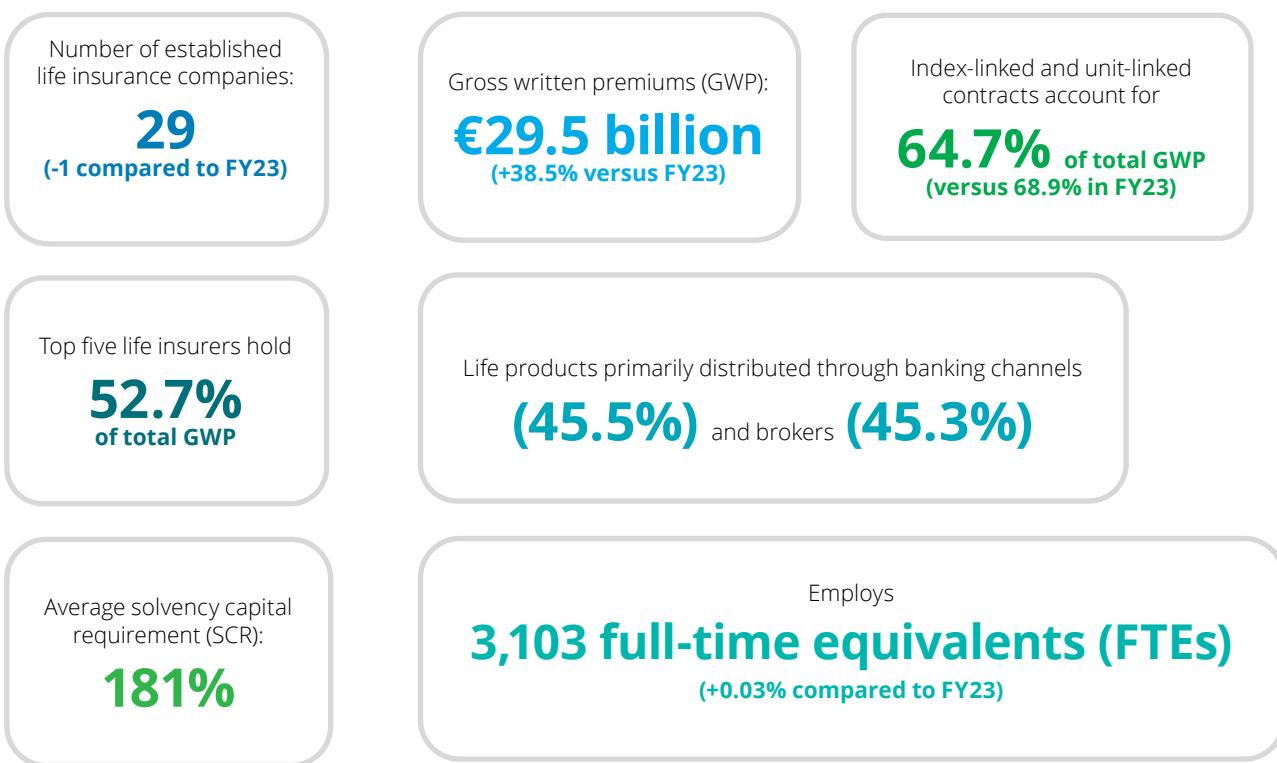


Executive summary

- Year 2024 saw a record premium collection, with an increase of 38.5% of GWP, mainly driven by an increase of investment contracts (+30%) and traditional life insurance (+67.6%) GWP.
- In 2024, life insurance in Luxembourg was almost evenly split between brokers (45.3%) and banks (45.5%). Brokers edged slightly down (-3.1%) while banks saw strong growth (+11.2%). Single premium contracts dominated, making up 85.3% of total gross written premiums.
- There was an overall increase across all principal markets in 2024, with France and Italy still leading the pack, both with premium rises (+56.3%, +24.7% respectively) since 2023. High increases in premiums were also experienced for Belgium (+60.1%) and non-EEA markets (+60.7%).
- Investment strategies for traditional life insurance remained bond-focused (68.6%), with a stable proportion of government (44%) and corporate bonds (25%). While more index-linked and unit-linked contracts were invested in collective investments (45.9%) and equities (18.8%).
- The Solvency Capital Requirement (SCR) of Luxembourg insurance companies decreased from 195% in 2023 to 181% in 2024, with key contributors being life underwriting and market risks, weighting for a respective 42.6% and 52.3% of basic solvency capital requirement (BSCR) pre-diversification.



Key data FY24



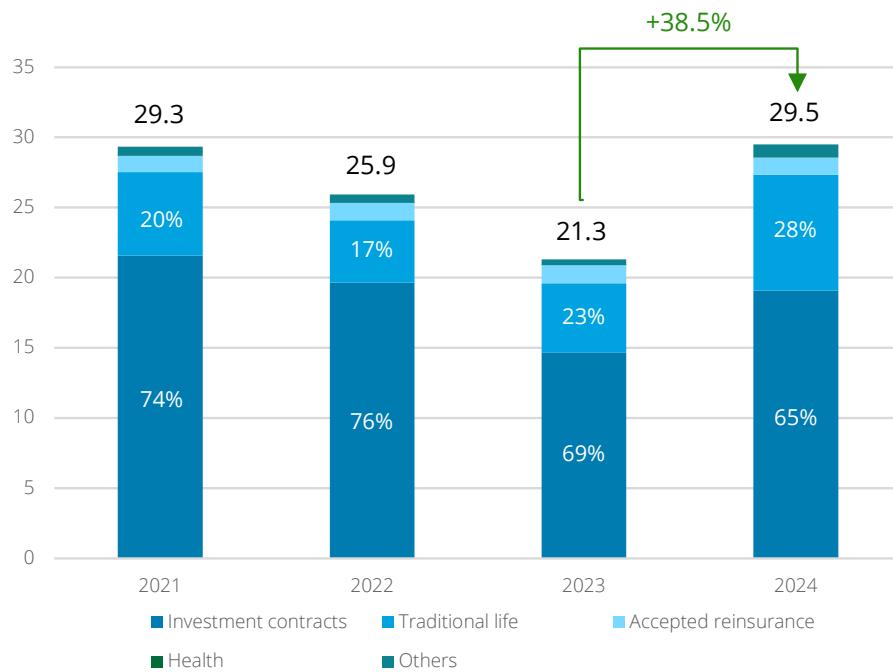


Life industry technical result

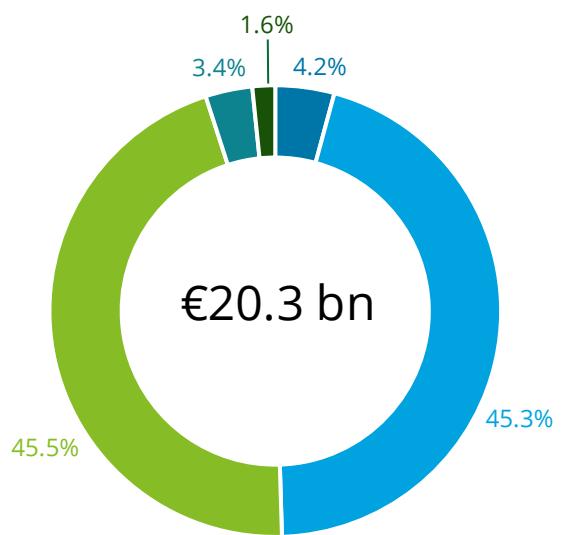
€ thousands	FY 2021	FY 2022	FY 2023	FY 2024
Gross written premium	29,327,326	25,922,140	21,306,877	29,509,391
Investment income	20,216,450	-18,786,215	16,367,474	18,661,935
Lapses (surrenders/maturities/claims)	-16,445,019	-21,939,742	-29,299,617	-22,703,414
Changes in technical provisions	-31,949,864	15,865,936	-6,804,006	-23,998,907
Expenses	-1,431,192	-1,491,677	-1,499,525	-1,486,145
Others	173,071	142,177	114,592	95,663
Technical result	-109.228	-287.381	-185.795	78.523
Reinsurance result	425,626	461,312	195,196	343,610
Net technical result	316.398	173.931	380.991	422.133

Life insurance distribution

GWP evolution per product (in €bn)



FY23 new business GWP per distribution channel



- Insurance agents and agencies (other than banks)
- Banks and other financial institutions
- Brokers and brokerage firms (other than banks)
- Direct sales

Product offering

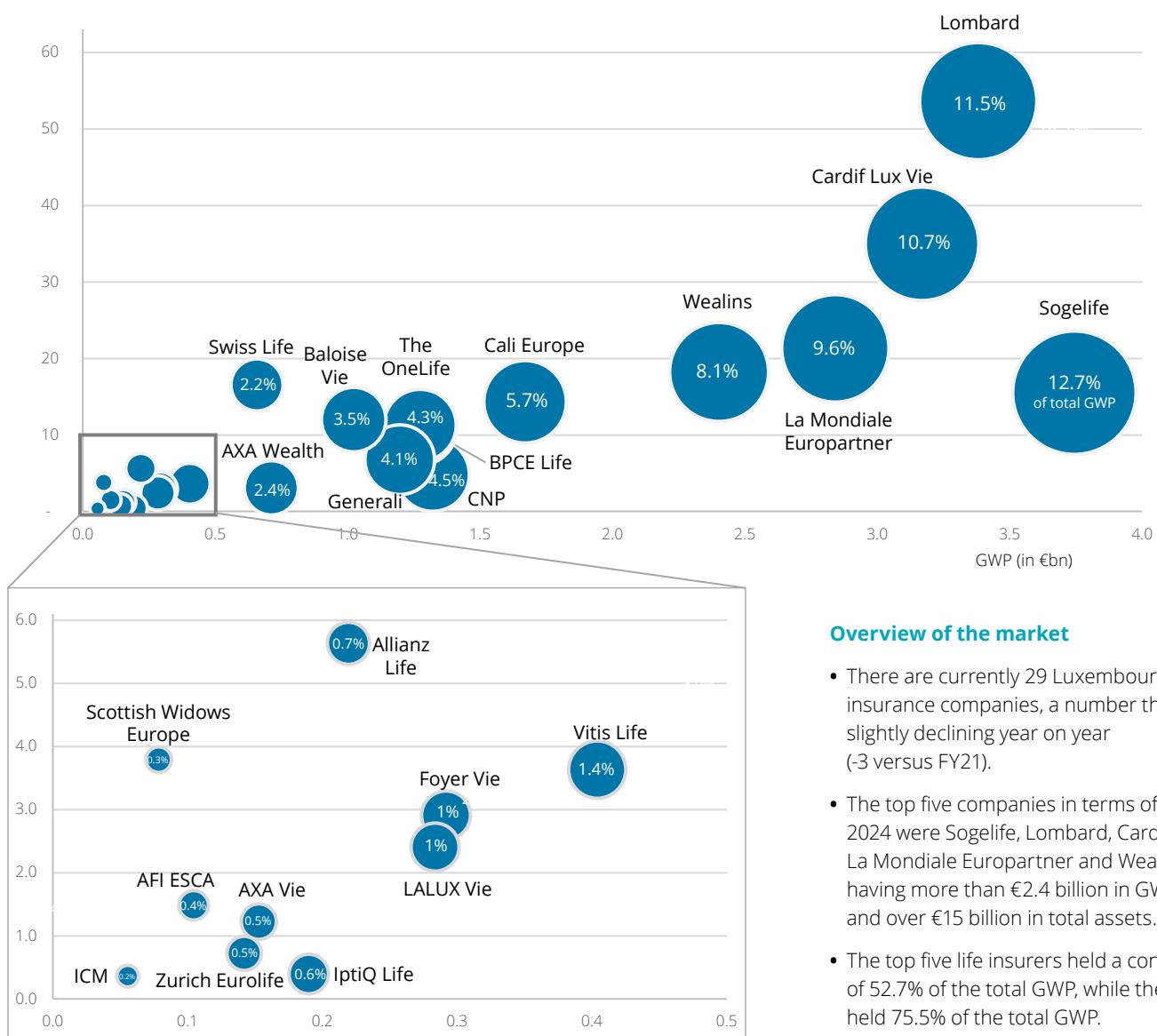
- Year 2024 was a record year for Luxembourg insurance market overall. Life insurance sector experienced a significant increase of premium collection, with a 38.5% rise of GWP, mainly driven by an increase of investment contracts (+30%) and traditional life insurance (+67.6%) GWP.
- Investment products remained central to the market in 2023, accounting for €19.1 billion (65% of total GWP), representing a 30% increase (€4.4 billion) compared to 20XX.
- Traditional life GWP rose from €4.9 billion in 2023 to €8.2 billion in 2024 (€3.3 billion, or +67.6%).

Main distribution channels

- Banks and other financial institutions represented the life insurance sector's leading distribution channel (45.5% of total new business GWP, +11.2% versus 2023).
- Brokers and other brokerage firms became the second-largest distribution channel, representing 45.3% of new business GWP, with their share rising by 3.13% compared to 2023.

Market overview

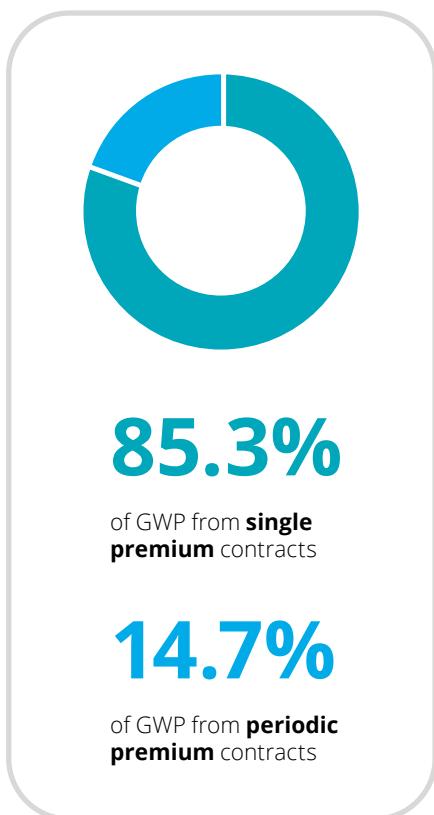
Life insurance undertakings with GWP >€50 million



Overview of the market

- There are currently 29 Luxembourg life insurance companies, a number that is slightly declining year on year (-3 versus FY21).
- The top five companies in terms of GWP in 2024 were Sogelife, Lombard, Cardif Lux Vie, La Mondiale Europartner and Wealins, each having more than €2.4 billion in GWP and over €15 billion in total assets.
- The top five life insurers held a concentration of 52.7% of the total GWP, while the top 10 held 75.5% of the total GWP.

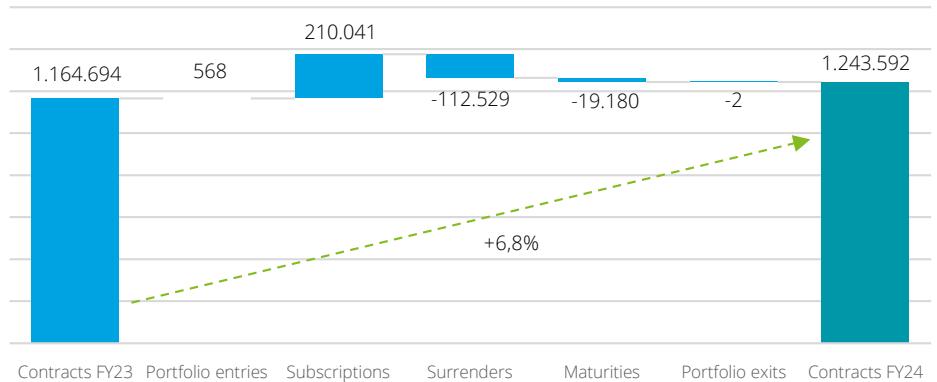
Number of insurance contracts



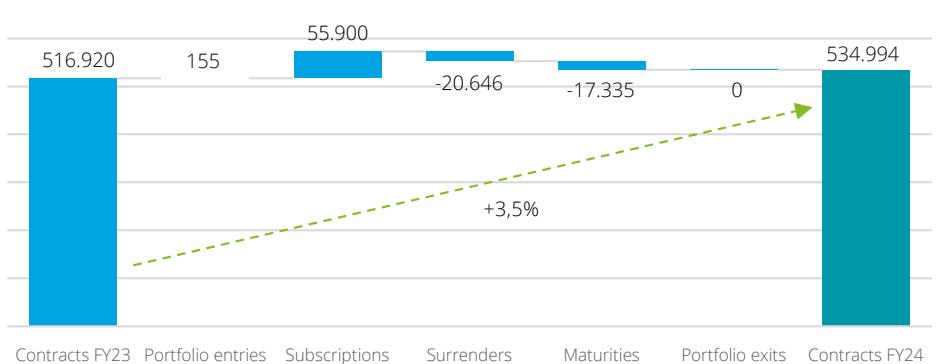
Insurance contracts

- In 2024, periodic premium contracts represented 14.7% of the total number of contracts, which has decreased since FY23 (-4.6%). Single premium contracts accounted for 85.3% of 2024's GWP (+4.6%).
- While the total number of contracts rose in 2024, period premium contracts (+6.8%) increased more than single premium contracts (+3.5%), mainly due to the relatively higher number of subscriptions.

Periodic premium contracts

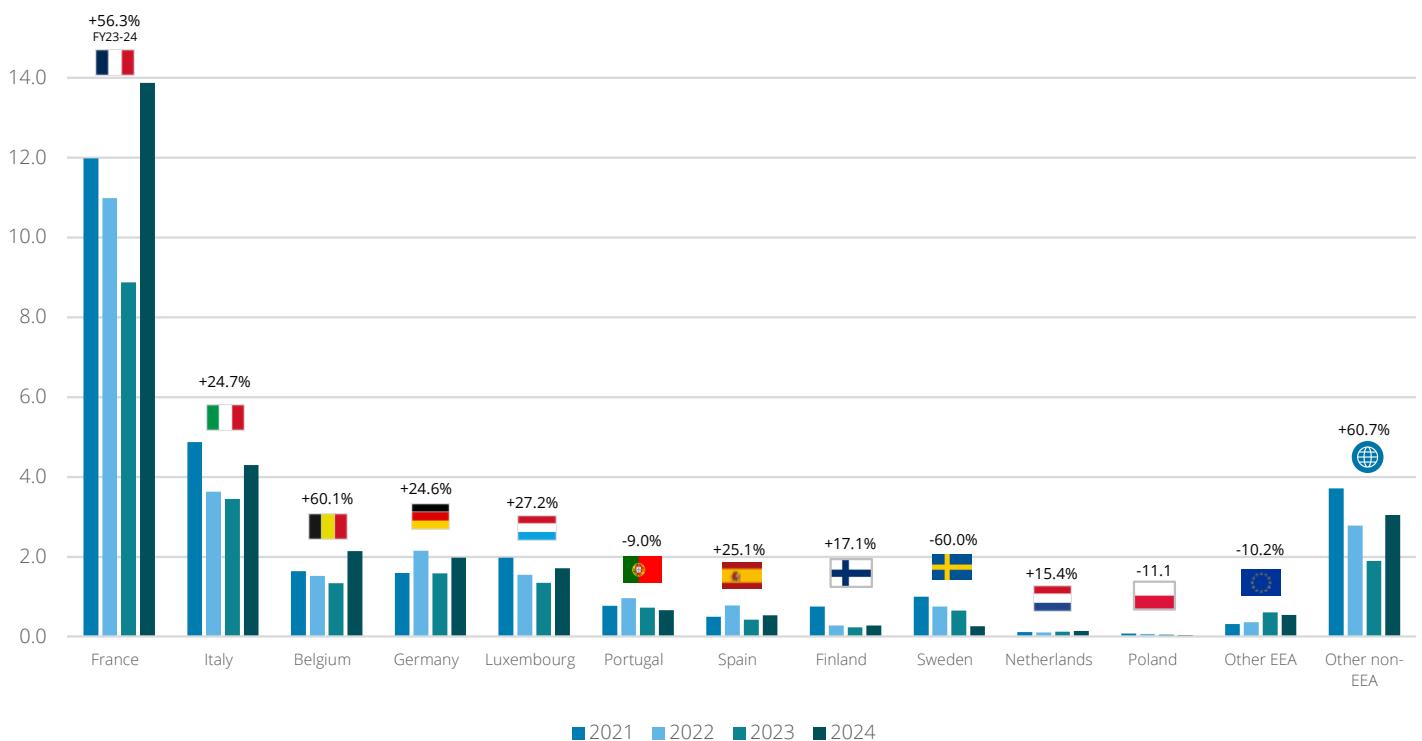


Single premium contracts



Geographical presence

Premiums per country (in €bn)



Distribution countries

- All main markets of Luxembourg life insurance sector (France, Italy, Belgium, Germany, Luxembourg) experienced growth in 2024 compared to 2023.
- France maintained its leading position in international life insurance with a 56.3% increase in premiums, representing 47% of the total GWP. Italy remained the second-largest market, with a 24.7% rise, accounting for 14.6% of the total GWP.

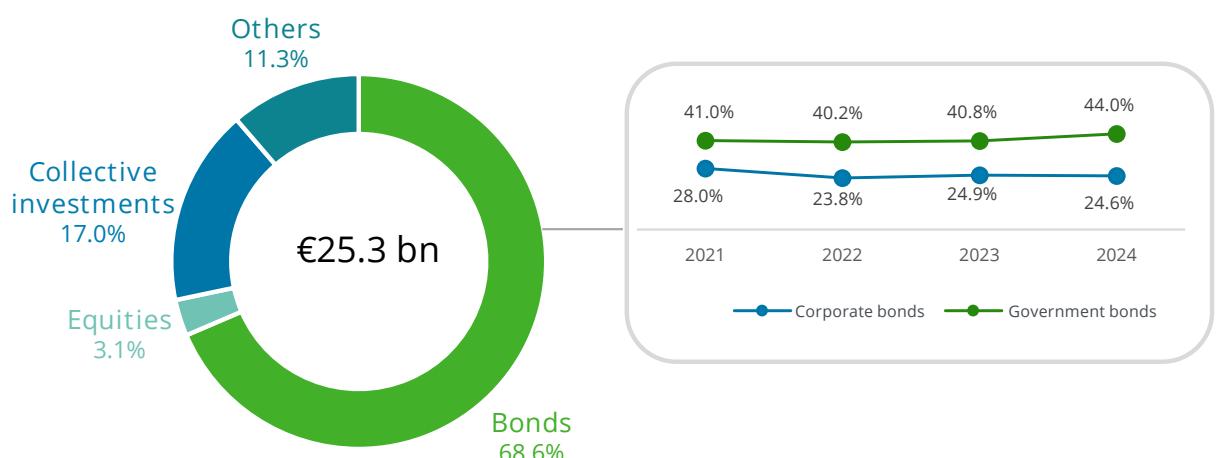
- Several EEA countries reported significant increases, such as Belgium (+60.1%), Germany (+24.6%) and Spain (25.1%). Non-EEA markets also followed this GWP rising trend (+60.7%).
- Several countries also reported significant decreases, such as Sweden (-60%) and Poland (-11.1%).
- 12 companies make 67% of their premiums from their primary market, while six make 90%.

Investments overview

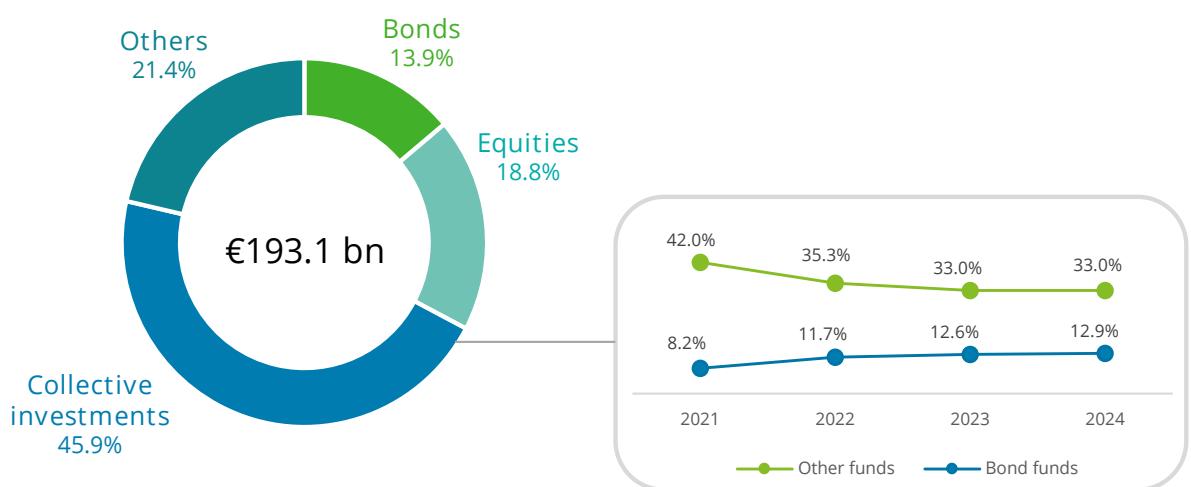
Investments breakdown

- As expected, most of the assets for traditional life insurance contracts were invested in bonds (68.6%), with a stable share of around 44% in corporate bonds and 25% in government bonds.
- Assets relating to index-linked and unit-linked contracts were more invested in collective investments (45.9%) and equities (18.8%), with exposure toward bond funds dropping slightly from 13.9% in 2024 compared to 14.2% in 2023.

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

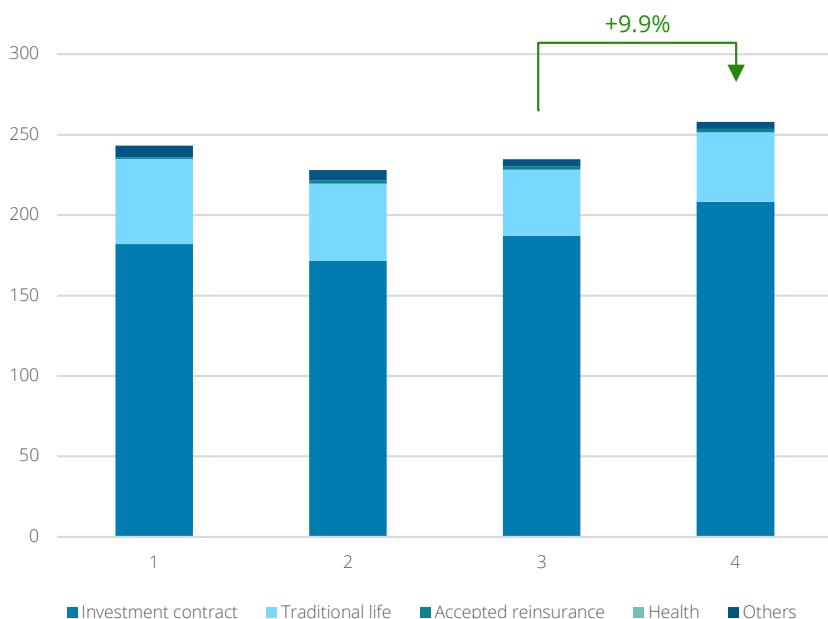


Breakdown of investments (index-linked and unit-linked contracts)

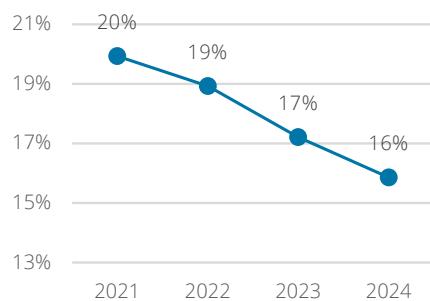


Life technical provisions

Technical provisions evolution (in €bn)



Ceded ratio to reinsurance



Risk margin in technical provisions



Claims provisions

- Life technical provisions increased in 2024 by €23.3 billion (+9.9%) compared to year-end 2023.
- The share of technical provisions for traditional life insurance stayed at 17% since 2023, while technical provisions for investment contracts rose from 80% to 81% (+€20.9 billion). The reinsurance ceded ratio decreased progressively since 2021, going from 17% in 2023 to 16% in 2024.
- The risk margin share in technical provisions remained stable between 1.5% and 2%.
- The impact of the volatility adjustment to zero was limited for technical provisions, eligible funds and SCR.

Impact of zero volatility adjustment

0.44%
on technical provisions

2.41%
on eligible own funds to meet SCR

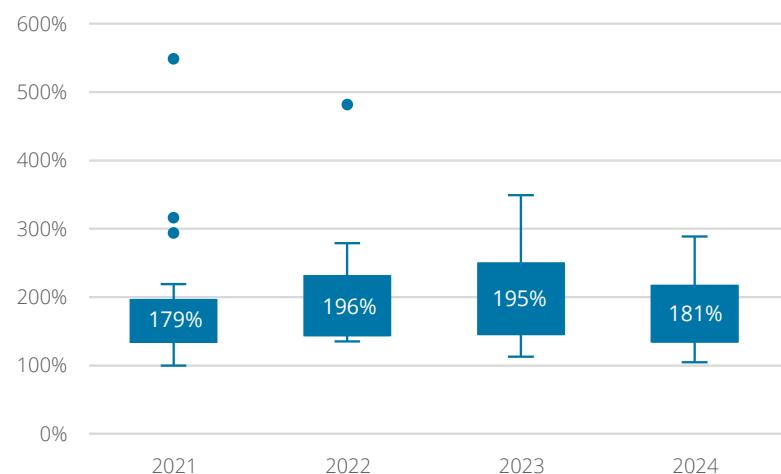
0.83%
on SCR

Solvency capital requirement

Solvency capital requirement

- In recent years, despite significant differences among certain companies, the average SCR of Luxembourg insurance companies has remained relatively stable, just below 200%.
- The SCR of Luxembourg insurance companies decreased from 195% in 2023 to 181% in 2024.
- Most of 2024 SCR came from market risk (52.3%) and life underwriting risk (42.6%), while operational risk and counterparty risk had a lower weight in the basic solvency capital requirement.

Evolution of SCR ratio distribution and average



Average market ratios

3.5%	SCR/total balance sheet
3.9%	SCR market/total investments
3.0%	SCR underwriting/technical provisions

SCR breakdown by module



Deloitte benchmarking tool

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

Our platform enables clients to compare (re)insurers using detailed public reports on solvency and financial conditions, helping to identify strategic opportunities and potential weaknesses.

For most Luxembourg insurers...

... a history from 2016 to 2024
... of 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, helping you make informed, strategic decisions that fuel growth and 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 Luxembourg to harness the full power of our benchmarking services and break away from the pack with:

Comprehensive market insights

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

Custom benchmarking

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

Specialist recommendations

Our industry specialists deliver strategic advice and practical recommendations to support your strategic thinking, help refine your market positioning, and address critical strategic issues.

Data-driven insights

By leveraging extensive and reliable data points from the Luxembourg insurance market, we can guide your strategic planning and decision-making with precise, data-driven insights.

Holistic market view

Thanks to our deep understanding of the Luxembourg insurance market, we offer a comprehensive market view and quantitative analyses, helping you grasp the sector's broader context and dynamics at play.



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