



# Luxembourg non-life insurance market outlook

**Insurance Market Insights: 2025 edition**

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# Introduction

Luxembourg's non-life market faced a familiar set of challenges in 2024. Inflation continued to push claims costs higher, climate-related losses remain volatile, while Solvency II and the upcoming 2025/2026 review forced insurers to anticipate impacts on capital management. On top of this, new risks—cyber threats, ESG exposures, and evolving regulatory demands—kept boards and risk teams under constant pressure.

Because of these challenges, market players tightened underwriting standards, refined pricing algorithms, and strengthened reinsurance partnerships to protect margins. Digital transformation accelerated across claims management, fraud detection, and customer engagement.

The 2024 results tell a story of an industry in transition—one balancing near-term profitability pressures with longer-term strategic positioning. Success increasingly depends on turning these challenges into innovation: smarter data use, sustainable underwriting practices, and agile capital management. Luxembourg's market strength lies not just in its financial resilience, but in its ability to adapt, innovate, and maintain a forward-looking vision in a rapidly evolving European insurance landscape.





# Executive summary

- Despite the challenging economic environment marked by a slower growth in Europe and ongoing geopolitical tensions, Luxembourg's non-life insurance sector recorded a 2.0% increase in gross written premiums (GWP), reaching €19.6 billion in 2024.
- Non-life insurance products continue to be distributed primarily through brokers (65.8%), followed by insurance agents and agencies (19.8%).
- For the first time since 2019, the internationalization trend of Luxembourg's non-life insurance sector slightly moderated, with international business accounting for 91.7% of collected premiums in 2024 (-0.5% versus FY23).
- All major markets experienced growth in 2024, with Germany, France and Italy remaining the sector's leading markets.
- In recent years, the sector's solvency capital requirement (SCR) has consistently exceeded 200%. In 2024, the average SCR stood at 222%, mainly driven by non-life underwriting risk (48.8%) and market risk (31.8%).

## Key data FY24

Number of established non-life insurance companies

**38**  
(same as FY23)

Gross written premiums (GWP)

**€19.6 billion**  
(+2% versus FY23)

Average gross combined ratio

**95.9%**  
(versus 89.2% in FY23)

Top five non-life insurers hold

**65.7%**  
of total GWP

Non-life products primarily distributed through brokers

**(65.8%)** and insurance agencies **(19.8%)**

Average solvency capital requirement (SCR)

**222%**

Employs

**9,725 full-time equivalents (FTEs)**  
(+2.25% compared to FY23)



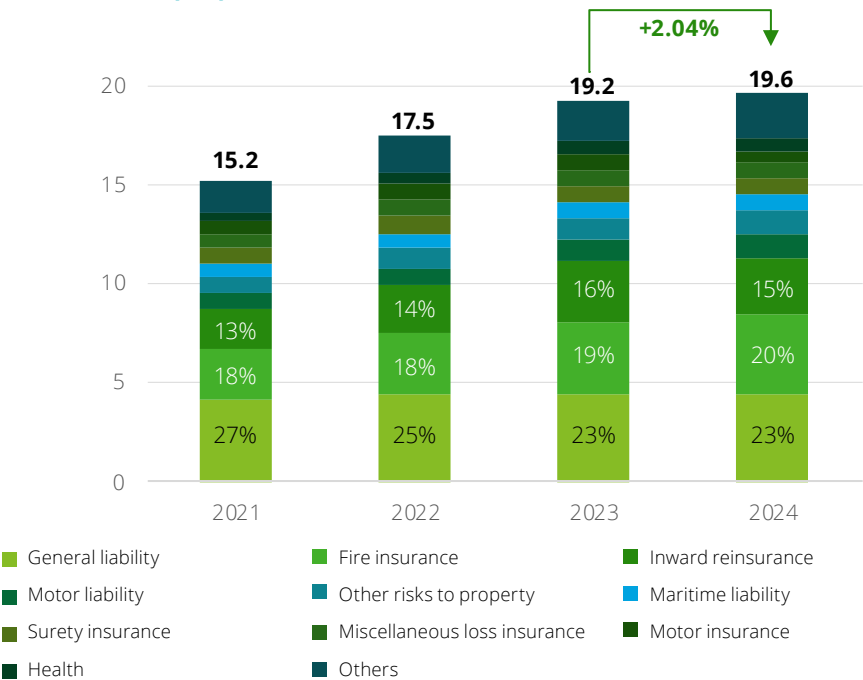


## Life industry technical result

€ thousands	FY 2021	FY 2022	FY 2023	FY 2024
Gross written premium	15,171,063	17,522,890	19,198,346	19,589,051
Change in the provision for unearned premium	-892,027	-886,960	-744,843	-1,071,453
Earned premium	14,279,036	16,635,930	18,453,503	18,517,598
Investment income	362,412	-44,257	488,808	686,179
Claim expenses	-9,162,829	-11,116,013	-11,444,563	-12,504,505
Acquisition cost	-2,651,387	-3,016,916	-3,307,986	-3,740,782
Administration cost	-1,197,410	-1,339,252	-1,702,094	-1,503,978
Changes in other technical provisions	-125,791	-180,477	-154,980	-178,855
Others	660,997	497,986	291,942	1,181,796
<b>Technical result</b>	<b>2,165,028</b>	<b>1,437,001</b>	<b>2,624,630</b>	<b>2,457,453</b>
Reinsurance result	-1,330,872	-994,484	-1,488,327	-1,262,461
<b>Net technical result</b>	<b>834,156</b>	<b>442,517</b>	<b>1,136,303</b>	<b>1,194,992</b>

# Non-life insurance distribution

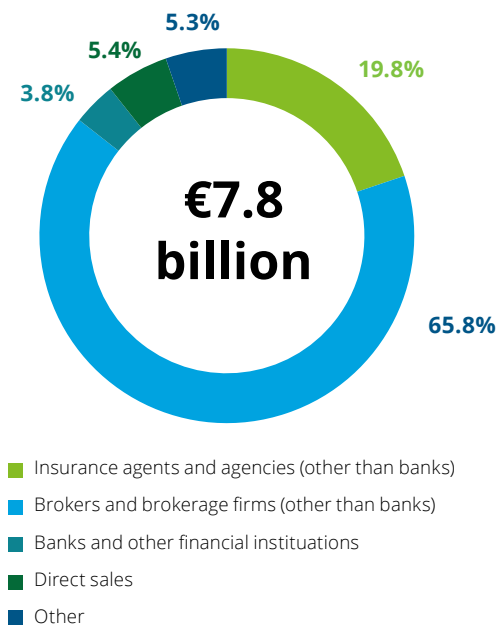
GWP evolution per product (in € billion)



## Product offering

- In 2024, Luxembourg's non-life insurance sector's GWP increased by 2% to reach €19.6 billion, despite geopolitical and economic challenges.
- General liability, fire and natural perils, and accepted reinsurance represented a substantial portion of the collected premiums, comprising 58% of the total GWP in FY24 (same in FY23).

FY24 new business GWP per distribution channel

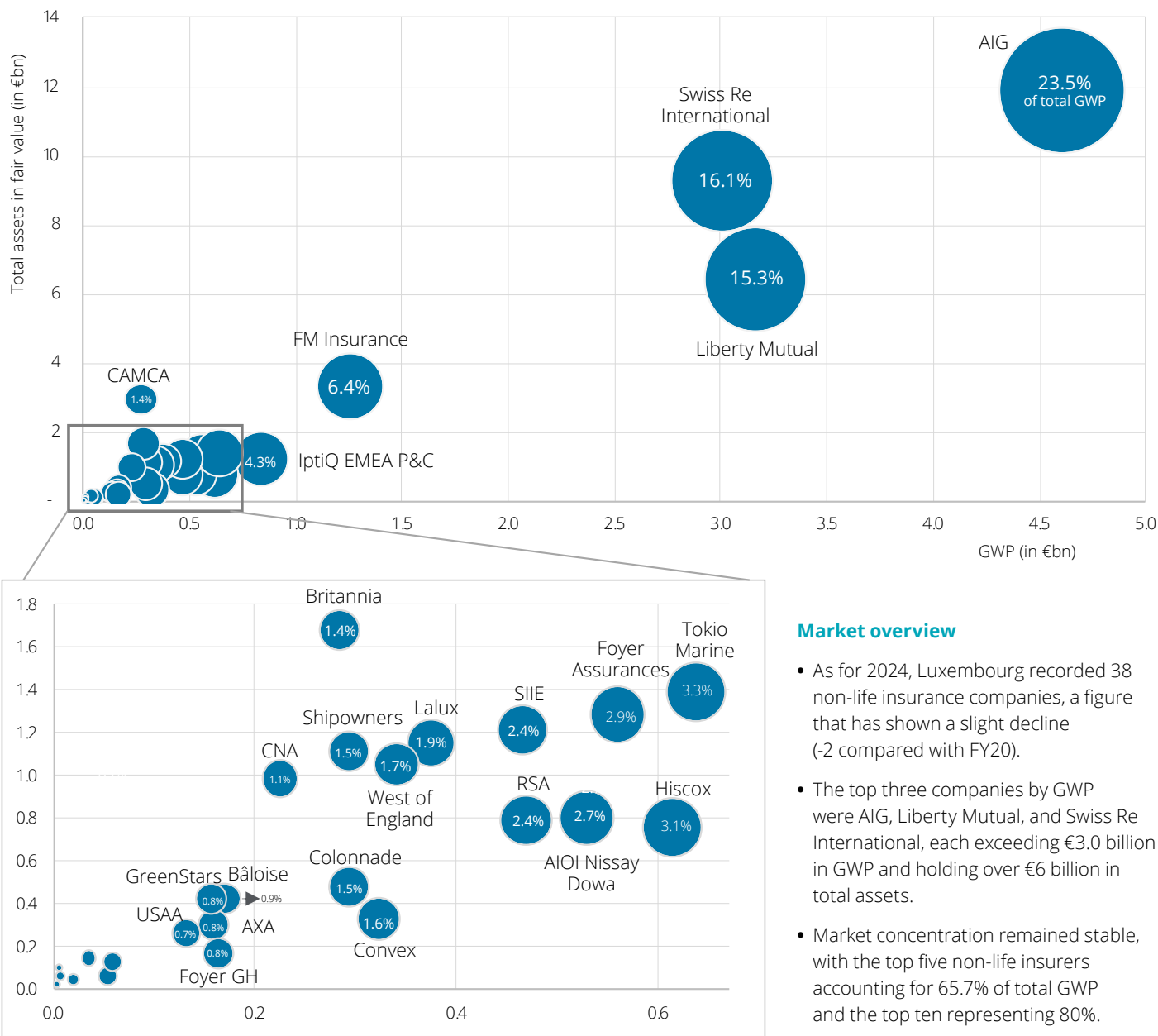


## Main distribution channels

- Brokers and brokerage firms continue to dominate the distribution of non-life products, accounting for 65.8% of the new business GWP in FY24 (versus 73.5% in FY23).
- Insurance agents and agencies remained the second most important distribution channel in 2024, with their share of total new business GWP reaching 19.8%, representing a 9.3% increase compared with 2023.

# Market overview

Non-life insurance undertakings with GWP > €250 million

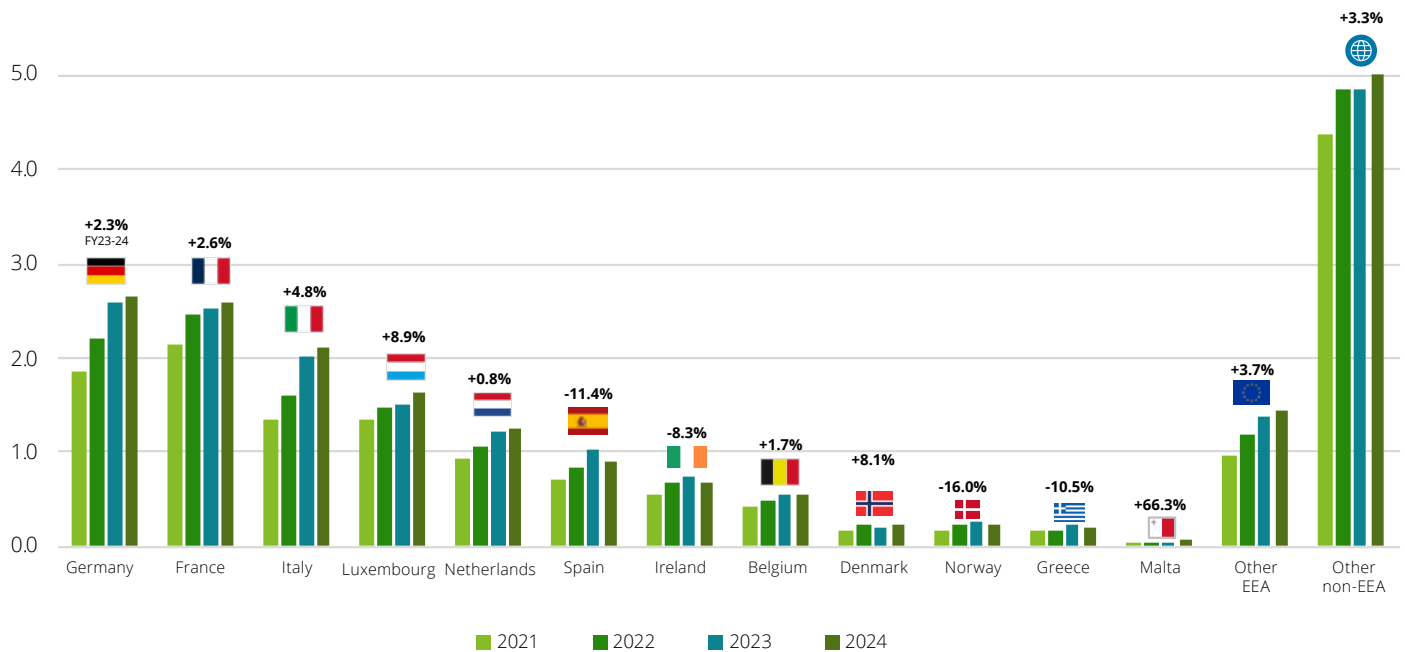


## Market overview

- As for 2024, Luxembourg recorded 38 non-life insurance companies, a figure that has shown a slight decline (-2 compared with FY20).
- The top three companies by GWP were AIG, Liberty Mutual, and Swiss Re International, each exceeding €3.0 billion in GWP and holding over €6 billion in total assets.
- Market concentration remained stable, with the top five non-life insurers accounting for 65.7% of total GWP and the top ten representing 80%.

# Geographical presence

Premiums per country (in €bn)



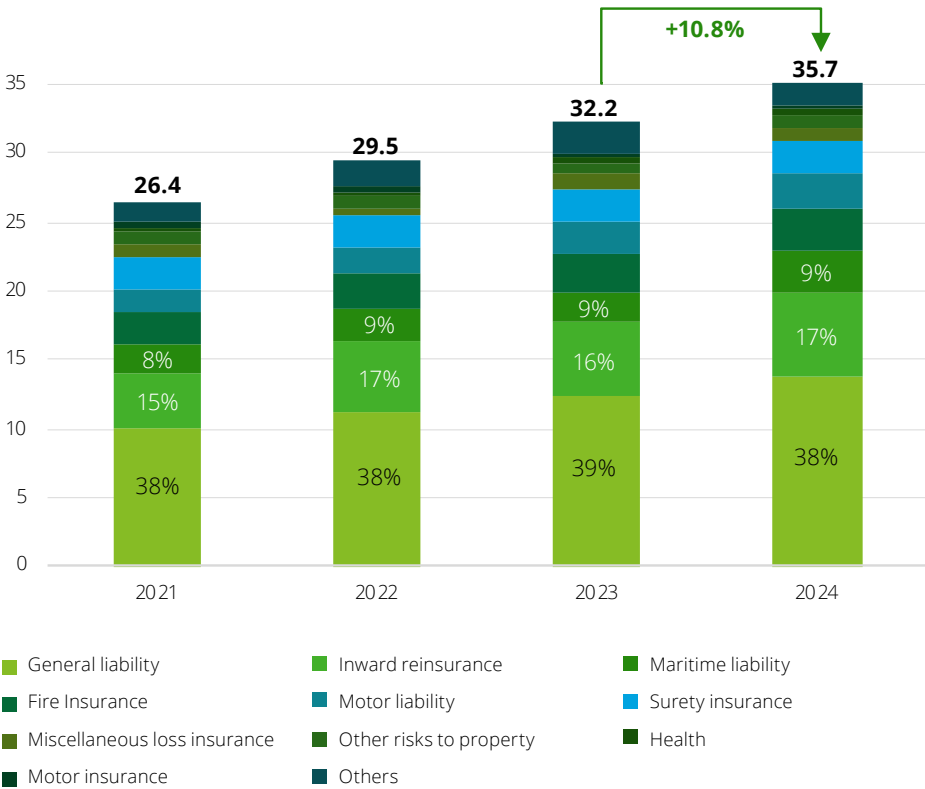
## Distribution countries

- The international dimension of the Luxembourg's non-life insurance sector remains significant. In 2024, international business represented 91.7% of total premiums collected, a slight decrease of 0.5% compared to 2023.
- Germany continues to lead the international non-life insurance market, having overtaken France in 2023. Italy completes the top three.
- All principal markets of Luxembourg's non-life insurance sector experienced an increase in 2024, particularly Germany (+2.3%), France (+2.6%), Italy (+4.8%) and Luxembourg (+8.9%). The strongest growth was recorded in Malta (66.3%).
- However, some other key markets recorded significant decreases, mainly Spain (-11.4% versus FY23), Ireland (-8.3%), Norway (-16.0%) and Greece (-10.5%).



# Non-life technical provisions

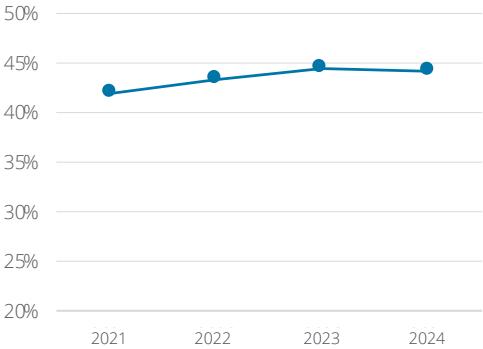
Claims provisions evolution (in €bn)



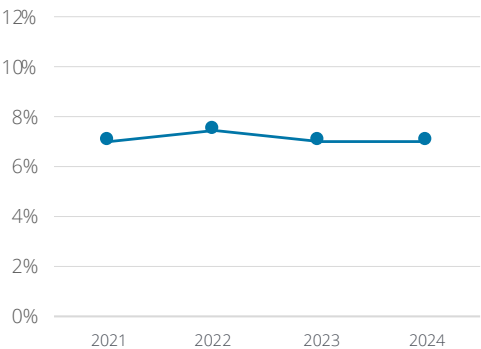
Claims provisions

- Claims provisions grew in 2024 by €3.5 billion (+10.8%) compared to 2023.
- Nearly two-thirds (64%) were related to general liability, accepted reinsurance, and maritime vehicle liability, a relatively constant share over time.
- The reinsurance ceded ratio stayed consistent at 44.3% in 2024, compared to 44.5% in 2023.
- In recent years, the risk margin share in technical provisions has remained stable at around 7%.

Ceded ratio to reinsurance



Risk margin in non-life technical provisions

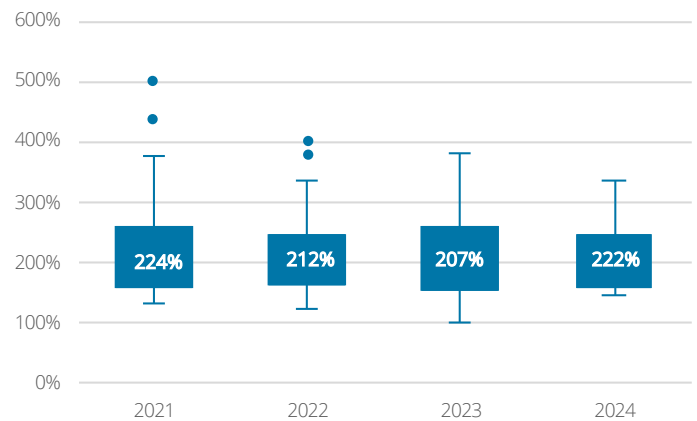


# Solvency capital requirement (SCR)

## Solvency capital requirement

- In recent years, despite differences among insurers, Luxembourg's average solvency capital requirement (SCR) ratio has remained stable at above 200%.
- Most of 2024's SCR came from non-life underwriting risk (48.8%) and market risk (31.8%), while operational risk and counterparty default risk had a lower weight in the basic solvency capital requirement (BSCR).

## Evolution of SCR ratio distribution and average



## Average market ratios (unweighted) \*

**14.9%**

SCR/total balance sheet

**12.7%**

SCR market/total investments

**24.2%**

SCR underwriting/technical provisions

## SCR breakdown by module \*

**48.8%**

Non-life underwriting risk/BSCR pre-diversification

**31.8%**

Market risk/BSCR pre-diversification

**13.6%**

Operational risk/BSCR

**16.4%**

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 of the sector's actors.

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

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, 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 Luxembourg 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.

## 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.

## 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.





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