S U M M A R Y

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The solvency ratios continue to rise

Insurance barometer 2009:2

Summary

During the second half of 2009, the recovery in the financial sector and on the markets continued, which affected the companies' reporting. Among other things, the stock exchange upswing and the higher long-term interest rates contributed to improving the insurance companies' financial strength and their own capital.

The solvency ratios for the reporting companies have continued to rise since the previous report. In the stress test using the traffic light model, however, the capital requirements in the pension funds and the mutual life insurance companies have increased to a greater extent than the capital buffer primarily in terms of financial risks. This explains why the traffic-light ratio in the pension funds and the mutual life insurance companies has declined somewhat compared with the previous insurance barometer.

On the whole, however, the insurance companies have good buffers in order to manage their risks. Per 31 December 2009, the companies' buffer was at the same levels as before the financial crisis and no insurance companies had a solvency ratio below 1.

Finansinspektionen (FI) in its supervision receives extensive reporting from the insurance companies. This insurance barometer presents the outcome of the insurance companies' reporting of solvency and the stress test using the traffic light model for the second half of 2009.