BUND DER VERSICHERTEN
Offensiv für Versicherte

Press Release 21.08.2017

German Life Insurers under tension.

Worrying results of a new study by BdV (German Association of Insured)

Henstedt-Ulzburg - BdV and Zielke Research recently presented a common study on the current situation of German life insurers. The study is based on the so-called Solvency and Financial Conditions Reports (SFCR), which had to be published by the insurers on EU-level this year for the first time. The results are poor. “The bad quality and non-sufficient transparency of some of these reports are troubling”, Kleinlein, Spokesman of BdV, points out. Besides the issue of the financial resources of the companies, the study analyzes statements on benefit prospects, the management of surplus and the capital investments. “Our conclusion is that there is an urgent need for action for nearly all companies”, Kleinlein emphasizes. The results of this study including the analyzed key figures can be downloaded – for free – from the website of BdV.

Transparency is one of the three basic pillars of the new supervisory regime. That is why BdV and Zielke Research took this aspect particularly into consideration. From this perspective “Alte Leipziger” and “Öffentliche Lebensversicherung Berlin-Brandenburg” have to be seen positively, but “Debeka”, „Karlsruher“ and „Württembergische“ in a particularly negative way. With regard to the latter, Kleinlein critizises: “A company which informs only in a non-transparent way infringes one of the three main principles of the new supervisory regime.” Accusations that the new solvency reports would not allow for reliable comparisons are refuted by Kleinlein: “Quite differently as assumed by parts of the industry and by the German financial supervisory authority, the new solvency reports allow for an analysis of the conditions of each life insurer.”

The crucial issue of the solvency reports is the analysis whether the companies possess enough solvency capital, in other words: do they have sufficiently large capital reserves? “It is worrying that 23 companies have to make use of the transitional measures in order to fulfill the solvency requirements at all”, Kleinlein declares. But the benefit prospects being analyzed are worrying, too. “With regard to 13 companies even the business model itself must be questioned, because these companies expect future losses”, following to Kleinlein. Related to capital investments the companies have very different portfolios. “The industry seems to have avoided mistakes of the past with regard to partial aspects of capital investments, e.g. to state bonds”, as Kleinlein resumes this partial aspect.

BdV is very satisfied with the cooperation of Dr. Carsten Zielke. “Dr. Zielke is a tough analyst who now is our partner elucidating the necessary facts in an objective manner”, Kleinlein states. However there are differences related to the evaluations of the results. “Dr. Carsten Zielke evaluates the results from the point of view of an analyst, but we do it from the point of view of the consumers”, Kleinlein explains possible differences.

The analysis does not only comprehend a tabular representation of the results, but an evaluation of partial aspects by BdV via a simple red-yellow-green-scheme. “If a company proves appropriate values related to one criterion from our perspective, than we award a green light. But if we discover an urgent need for action, there will be a red light. A yellow light indicates room for improvements”, Kleinlein points out. The single evaluations of Dr. Zielke are published as texts additionally.

The results, tables and explanations can be downloaded here. “Explicitly we offer all figures as tables, because we would like to encourage all those who are interested in them making their own analysis”, Kleinlein stresses.

The German Association of the Insured (BdV) is a registered association founded in 1982. It has about 50,000 members and is the only fully independent organisation representing the rights of insured people in Germany. It is therefore one of the most important German consumer associations and it acts as a political counterweight to the insurance lobby.
The BdV takes exemplary court cases against insurers to enforce consumer rights. The Federal Constitutional Court and Federal Supreme Court have made fundamental decisions in favour of policyholders in response to actions launched by the BdV. These decisions have led to legal amendments.
Federal ministries and the German Federal Parliament regularly consult with the BdV. The BdV states its position on forthcoming laws and is invited to hearings as an expert. The BdV also organises regular scientific conferences to strengthen the consumer's position in academic debate.
The organisation is represented in all media (television, radio, newspapers, magazines and online media). Its mission is to draw attention to deficiencies and lobby on behalf of fair treatment for consumers. The BdV "Leitfaden Versicherung" (insurance guide) is available in bookshops. The BdV serves as an independent and free information source through its brochures and information sheets on all important insurance issues.

MEDIA CONTACT

Bund der Versicherten e. V.
Tel. +49 40 - 3573730 97
presse@bundderversicherten.de
www.bundderversicherten.de

MEDIA SERVICE

V.i.s.d.P.: Stephen Rehmke, Bianca Boss

This e-mail is not a newsletter. It is a press release for journalists. If your e-mail address has changed, if another editor is responsible, or if you want to be removed from the distribution list, please send us an e-mail: medien@bundderversicherten.de.

Please follow BdV-Blog

Follow us in the social media

IMPRINT

Bund der Versicherten e. V.
Postfach 57 02 61
22771 Hamburg
Tel. +49 40 - 3573730 0
Fax +49 40 - 3573730 99
info@bundderversicherten.de
www.bundderversicherten.de