
Mutual Insurance – History and Underpinning Concept

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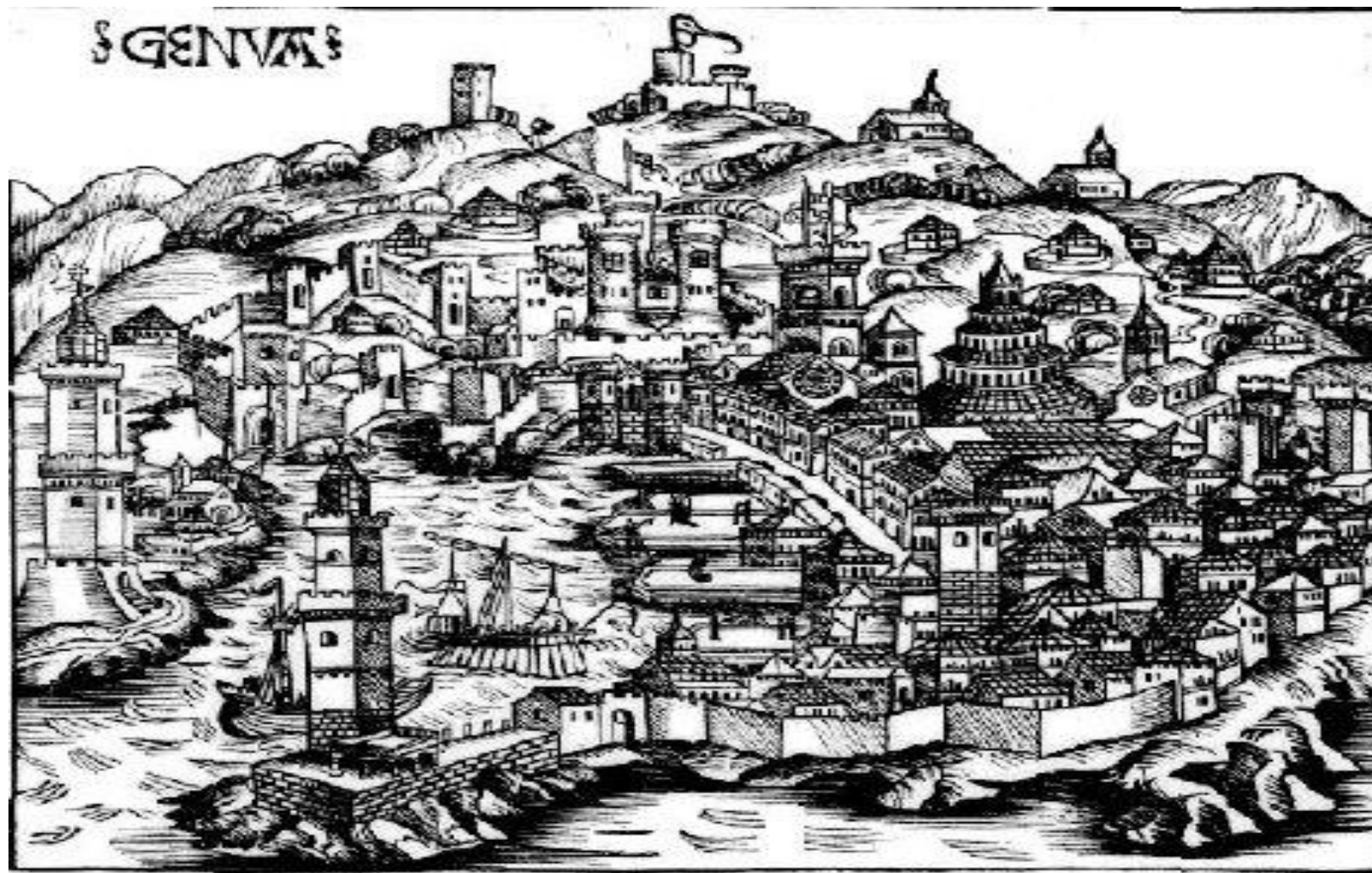
FIAR – Insurance Market Trends conference, Bucharest, 14 May, 2018

The Hammurabi Code, 1750 BC : the origins of insurance



Law Code of Hammurabi, King of Babylon, Le Louvre

Genoa, XIVth Century : the invention of insurance contracts



London, 1666 : the birth of modern insurance



The burning of London, published by Samuel Rolle, 1667

USA, 1752 : The Philadelphia Contributionship



Today: great diversity of legal forms: solo & groups



Some household names, EU

Die Mobiliar
Versicherungen & Vorsorge



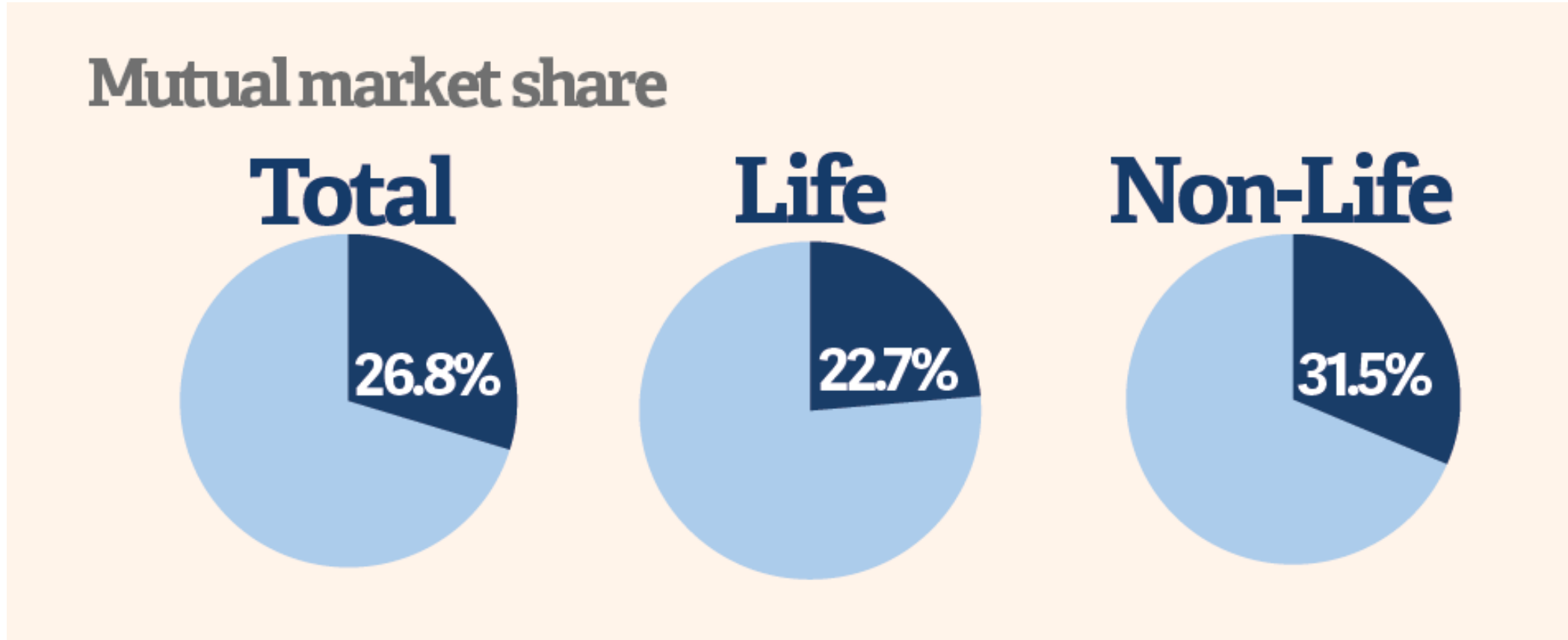
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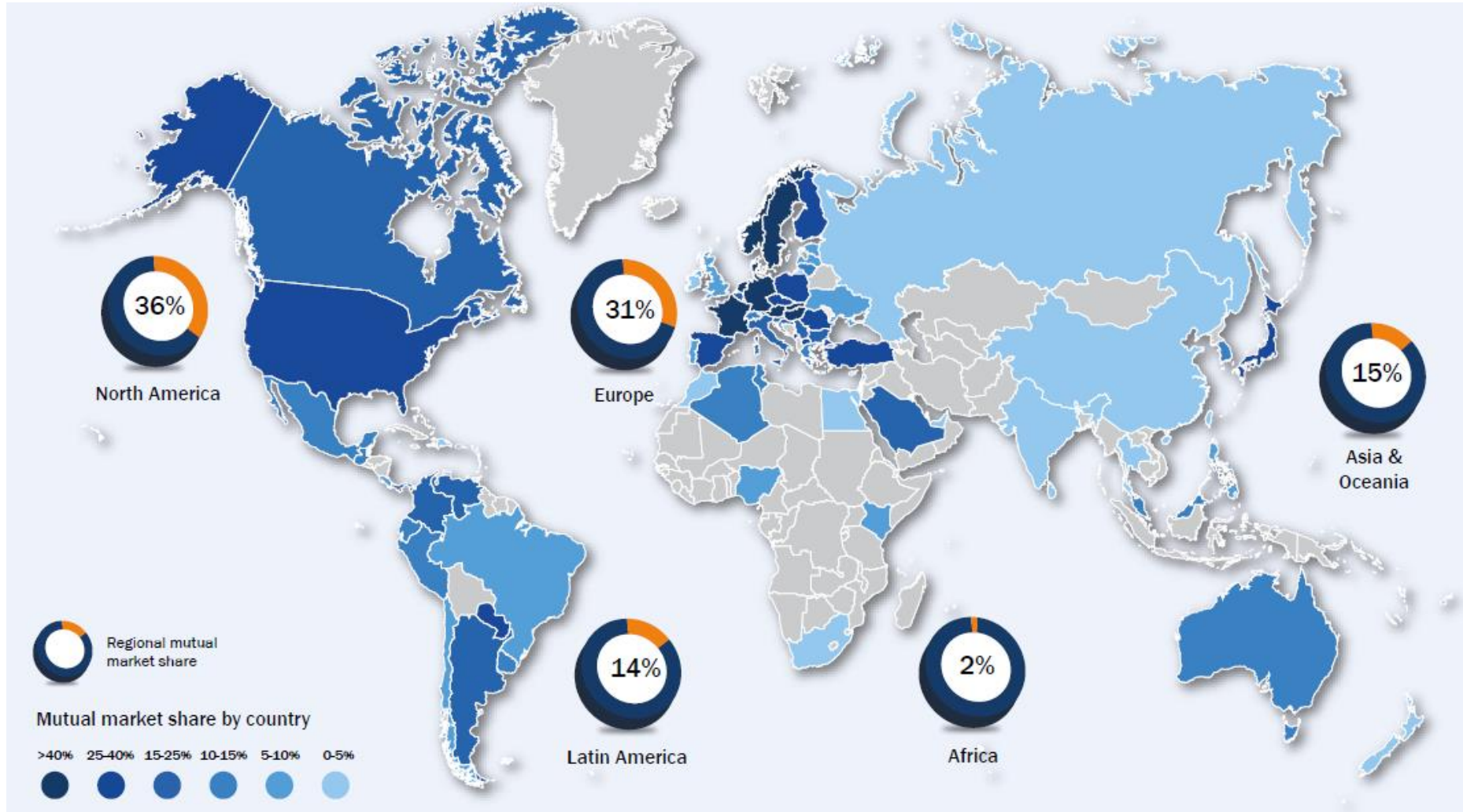
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Global mutual insurance market share (2016)



Source: ICMIF

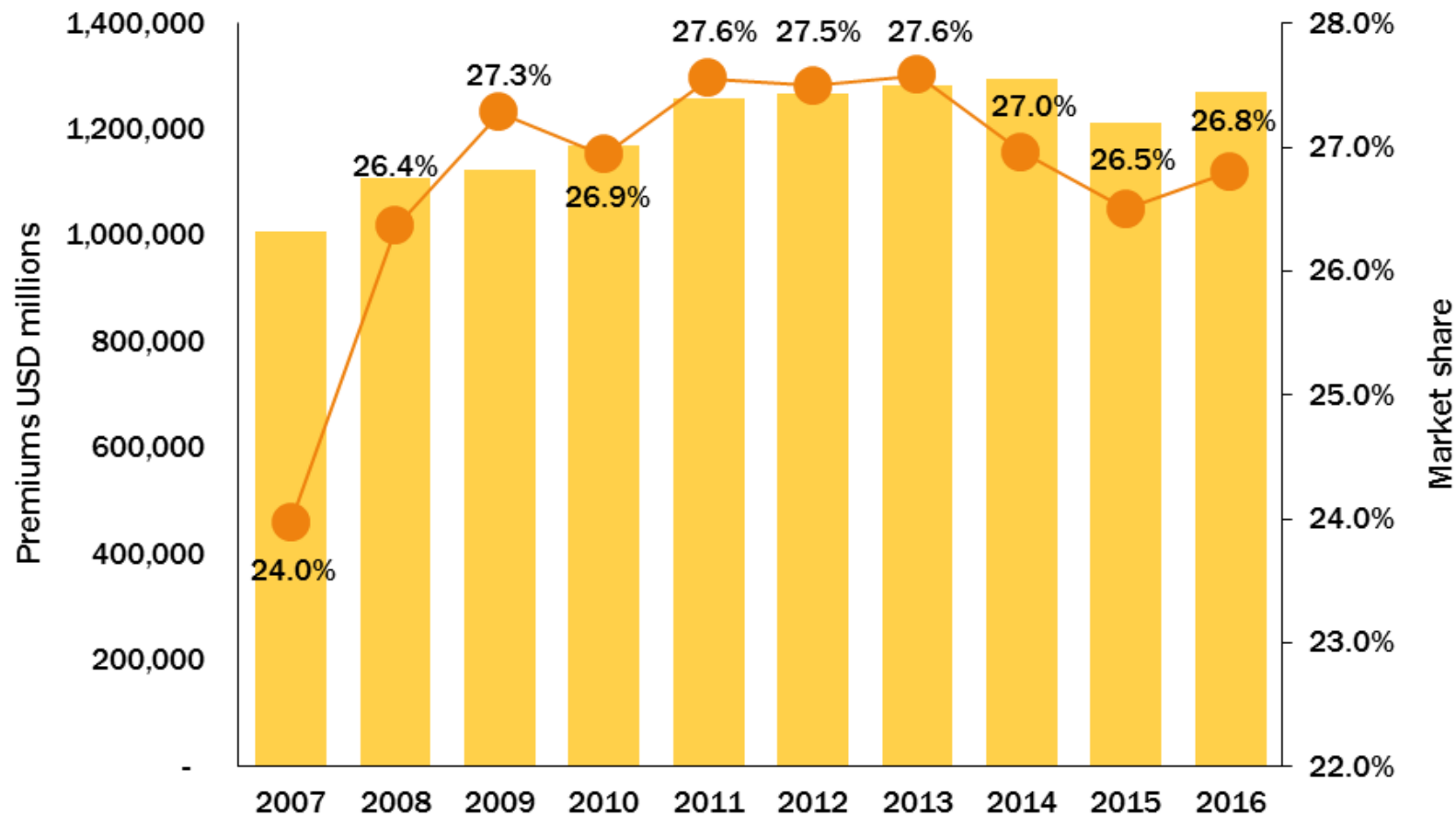
Global mutual market share by country/region



Source: ICMIF

Global mutual insurance market share

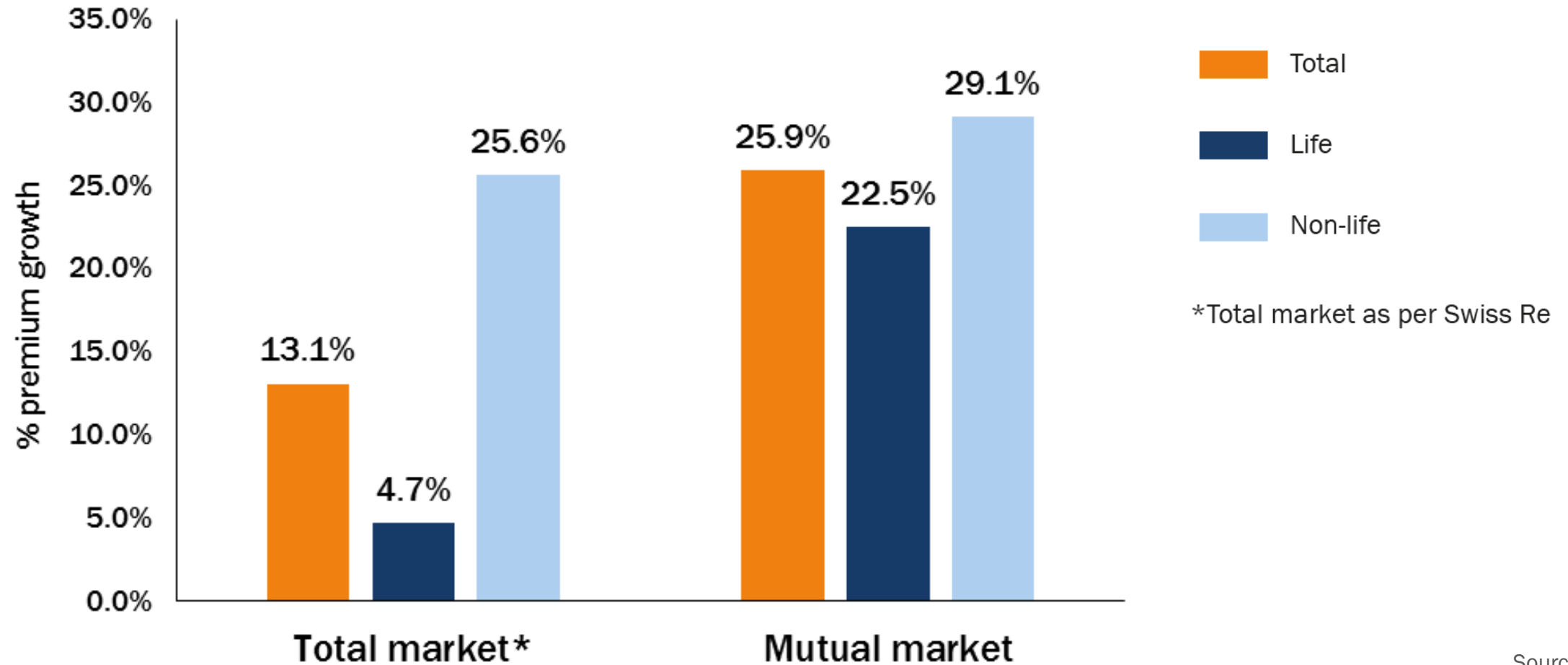
Global mutual premiums and market share



Source: ICMIF

Premium growth (2007-2016): mutuals vs total market

Mutual / cooperative market vs total market

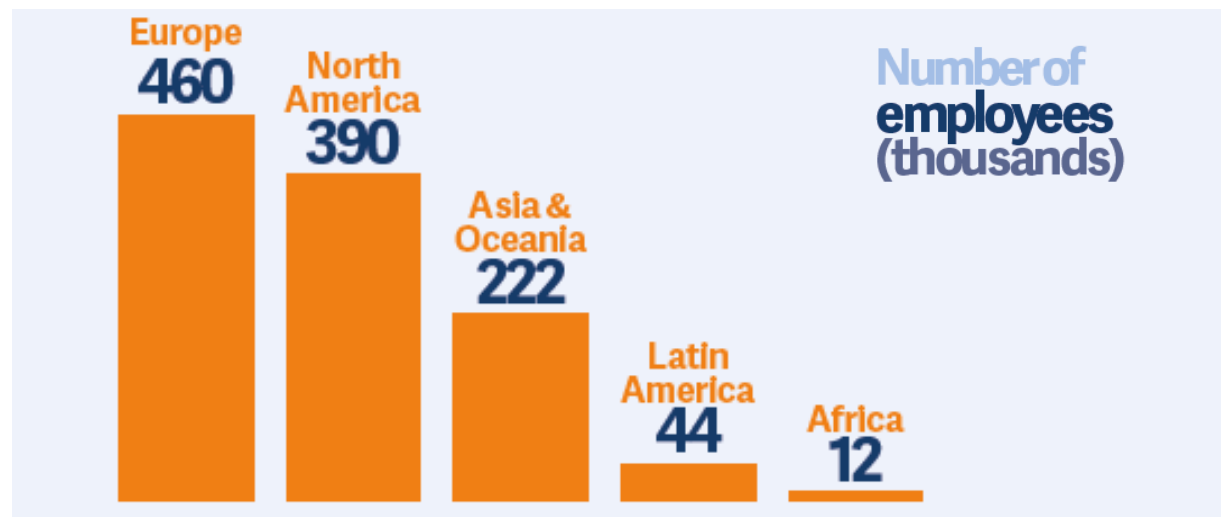


Source: ICMIF

Employees and members/policyholders

1.1 million
people employed by
mutual/cooperative
insurers

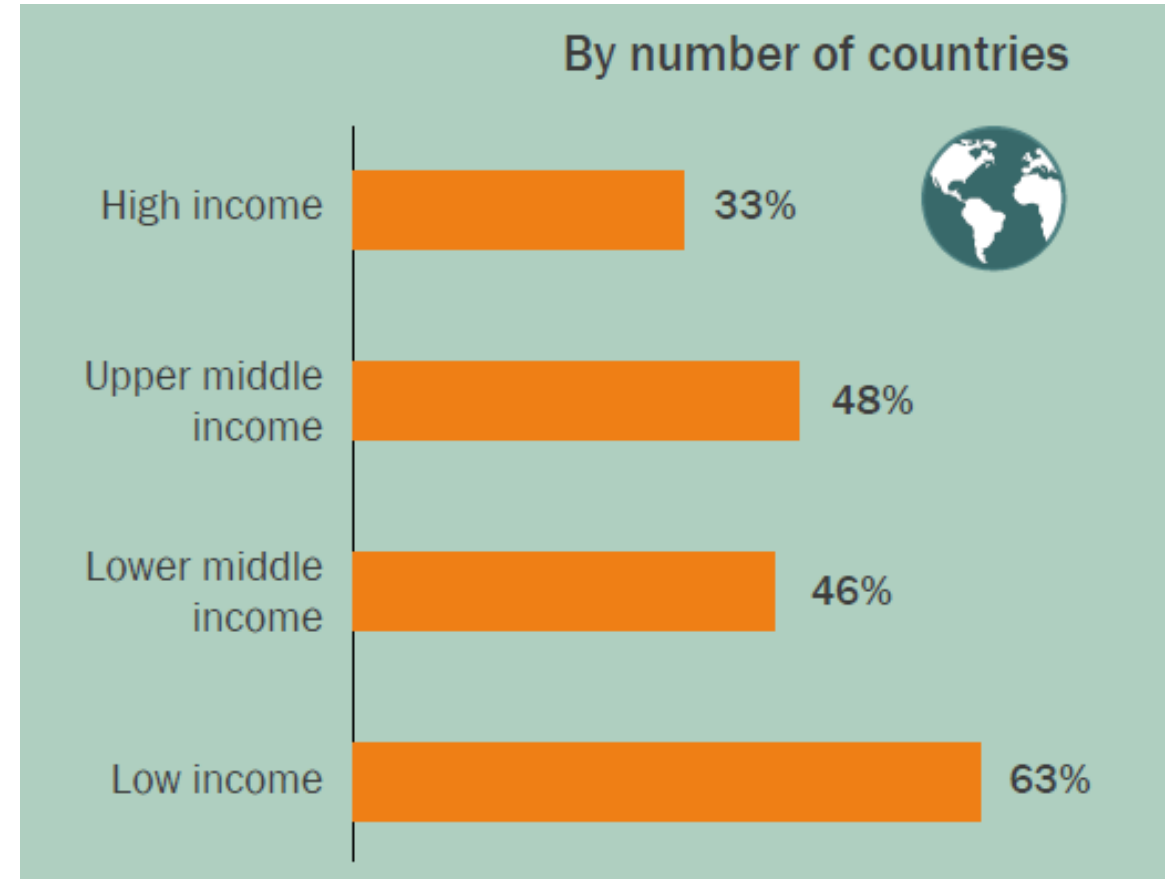
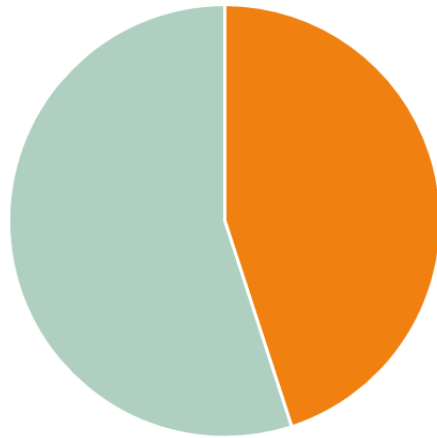
990 million
members/
policyholders
served by mutual/
cooperative insurers



Source: ICMIF

Access to mutual insurance

In **45%** of the world's countries, local law does not allow mutual/cooperative insurance



*Country income classifications as per the World Bank (2016)
Source: ICMIF

So, why mutuals?

- Mutuals are private legal entities governed by private law.
- Mutuals are groupings of persons rather than poolings of funds.
- Mutuals are collectively owned &/or controlled by their members/policyholders.
- Members/policyholders exert some control through democratic governance.
- Any profit is used for the benefit of members, sometimes redistributed to them.
- Mutuals have no external shareholders, hence their focus is long term.
- Mutuals are independent from large financial groups.
- Mutuals & P2P models share some commonalities: Mutualism 2.0 (per Swiss Re)

Concluding words

- No model is inherently superior than others.
- Advantages accrue through diversity.
- It is thus valuable to promote a pluralistic market concept in Europe.
- Yet, most rules are created for oversight of the shareholder-owned firms.
- Call for caution against destroying any successful model.
- Remind regulators/supervisors that nurturing different business forms is not incompatible with their objectives of facilitating competition.
- ‘Just as an ecosystem benefits from diversity, so the world is better off with a multitude of corporate forms’(*The Economist*, 2010).

Thank you for your attention!



Pieter Breughel the Elder, Tower of Babel, ~1563