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CPA for Insurance Services

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CPA FOR INSURANCE SERVICES

Eurostats Insurance Services Statistics cover the following Nace Rev. 1 classes¹:

Nace class 66.01 Life insurance

Nace class 66.03 Non-life insurance

In addition the following class will be included in the Nace Rev.1 classification at the earliest opportunity:

Nace class 66.04 Reinsurance

The following enterprise categories are covered by these activity classes:

Life insurance enterprises, non-life insurance enterprises, composite insurance enterprises (carrying out life and non-life insurance business), specialist reinsurance enterprises and Lloyd's underwriters. Branches of life, non-life and composite insurance enterprises whose head offices are outside the EEA and whose activity falls within the Nace classes 66.01 and 66.03 are assimilated to the enterprises mentioned before (refer also to annex 6).

The classification of products according to activities CPA.

The Council Regulation 3696/93/EEC of 29 October 1993 on the statistical classification of products by activity (CPA) in the European Economic Community includes the following details on insurance and pension funding services:

Category 66.01 Life insurance services

Category 66.02 Pension funding services

Category 66.03 Non-life insurance services

Eurostat elaborated a detailed structure of insurance and pension funding products which will be incorporated in the relevant CPA regulation as soon as possible. In accordance with Nace Rev. 1 classification the new classification shows four categories for insurance and pension funding services:

Category 66.01 Life insurance services

Category 66.02 Pension funding services

Category 66.03 Non-life insurance services

Category 66.04 Reinsurance services

The detailed breakdown of these categories (including the explanatory notes) is included in the annex found herewith. It follows -- as far as possible -- the structure provided by the basic insurance directives, i.e. the Accounting Directive, 91/674/EEC and the Third Life and Non-life Directives, 92/96/EEC and 92/49/EEC.

As an immediate incorporation of the Nace Rev.1 class 66.04 on reinsurance is not possible, an intermediate solution has been accepted for the incorporation of the CPA on insurance and pension funding services (refer to annex 7A). Annex 7B is the solution with the 66.04 reinsurance services class. It will be used after incorporation of this amendment in the Nace/ISIC nomenclatures. The variables in Eurostats Methodological Manual for Insurance Services Statistics have however been designed as if 66.04 were already existing.

Version of 10/08/1996 bis

Proposal of the CPA for Insurance Services:

General remark for all insurance services (66.01 to 66.04):

¹ Referring to annex 6: Council Regulation 3037/90/EEC of 9 October 1990 on the statistical classification of economic activities in the European Community, amended by the Council Regulation 761/93/EEC of 24 March 1993.

All products are classified according to the main risk element. Often minor risk elements are included in the products which need not to be classified separately but follow the classification of the main part of the risk.

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66.01	<i>Life insurance services</i>
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Direct life insurance services concern risks related to the life or death of the insured person(s) and equivalent risks but excluding group pension services (66.02) and reinsurance services (66.04).

66.01.1 ***Non linked life insurance services***

812.a

Life assurance on survival to a stipulated age only, life assurance on death only, life assurance on survival to a stipulated age or on earlier death, life insurance with return of premiums, annuities, marriage assurance, birth assurance, individual pensions.

The products 66.01.11 and 66.01.12 are distinguished from the term insurance products (66.01.13 and 66.01.14) as follows: For the former ones (66.01.11 and 66.01.12) large life insurance provisions are built up; for the latter ones (66.01.13 and 66.01.14) nearly no life insurance provision are built up.

Products allocated under 66.01.11 and 66.01.13 may include provision for part or the total of the capital sum being -as an option - paid as an annuity; products allocated in 66.01.12 and 66.01.14 may include provision for part or the total of the annuity being - as an option - paid as a capital sum.

66.01.11 **Insurance products accumulating capital, - producing a capital sum**

81211.1

Life assurance where the benefit is paid as a capital sum at the end of the contract period, or on earlier death - e.g. endowment insurance, whole-life insurance, sum insured under an endowment assurance.

66.01.12 **Insurance products accumulating capital, - producing an annuity**

81211.2

Life assurance where the benefit is paid as an annuity for a given period, usually until death of the insured person.

Individual pension products are partly included here. Those products provide to the beneficiary specified amounts of annuity (or in some cases capital sums earmarked for the immediate purchase of an annuity). The product may include the provision of capital sums on death or disability before normal retirement age, or of an annuity to a surviving spouse.

66.01.13 **Term insurance products, - producing a capital sum**

81211.3

Life assurance where the benefit is paid on the occurrence of the insured risk during the term of the contract.

66.01.14	Term insurance products, - producing an annuity	81211.4
	Life assurance where the benefit is paid on the occurrence of the insured risk during the period of the contract. The benefit is paid as an annuity.	
66.01.2	<i>Linked life insurance services</i>	812.b
66.01.20	Linked life insurance services	81211.5
	Life assurance on survival to a stipulated age only; life assurance on death only, life assurance on survival to a stipulated age or on earlier death; life insurance with return of premiums; marriage assurance; birth assurance, annuities and individual pensions - where the benefits are calculated by reference to the value of nominated investment funds. These assurances may also include an annuity clause (This means that the capital sum can also be paid as an annuity.).	
66.01.3	<i>Tontine insurance services</i>	812.c
66.01.30	Tontine insurance services	81211.6
	These products are established by associations of subscribers with the view to jointly capitalising their contributions and, at the end of the specified period, distributing the accumulated assets among the survivors.	
66.01.4	<i>Capital redemption insurance services</i>	812.d
66.01.40	Capital redemption insurance services	81211.7
	These products include a large savings element and sometimes a risk element. The risk element may refer to premature benefits, which are determined by regular drawing of lots. This category comprises linked and non linked products.	
66.01.5	<i>Other life insurance services</i>	812.e
66.01.50	Other life insurance services	81211.8
	Life insurance products which are national particularities, which are not comparable between Member States and which are not included in 66.01.1 to 66.01.4 are allocated here. If this category is used it has to be clarified exactly which products are included here. In any case only very minor parts of the life insurance markets shall be covered.	
66.02	<i>Pension funding services</i>	

The pension funding services cover only group pension services. Individual pension services are covered by class 66.01. The group pension services include all kinds of pension risks, with benefits supplied directly to the policyholder or the survivors. Benefits include an annuity after retirement until death; an annuity for specified surviving relatives following the death of the insured; and an annuity in the event of disablement.

66.02.1 *Group pension services* 812.f

66.02.10 *Group pension services* 81212.1

Group pension products provide policyholders with benefits in the form of a capital sum (which must be used to buy a pension annuity) or provide annuities directly. Benefits may also include a capital sum in the event of death or disablement before normal retirement age.

Products may be offered by segregated and self-administered pension funds, by non-segregated pension funds or by life insurance enterprises.

Policyholders are normally organised in groups, and may be employees of a single employer, of several employers operating in the same industry, or be self-employed in the same occupation. Contributions may be paid by the employer alone, by the beneficiary alone or by both employer and beneficiary.

Two main kind of schemes exist: Defined contribution pension schemes and defined benefit pension schemes. This category comprises linked and non linked products.

66.03	<i>Non-life insurance services</i>
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Direct non-life insurance services concerning risks other than those related to the life or death of the insured person(s) (66.01), other than reinsurance services (66.04).

66.03.1	<i>Accident and health insurance services</i>	<i>812.g</i>
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Accident and health insurance services, permanent health insurance services and group welfare services (to the extent that these cover accident and health risks) are included here. The benefits may be provided in cash for covering expenses or as an income, or in kind.

66.03.11	Accident insurance services	81291.1
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Insurance products providing benefits in case of accidents. Benefits are paid in the case the accident leads to death or invalidity. Benefits may also include daily allowances intended to cover additional costs or to replace income.

66.03.12	Health insurance services	81291.2
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Insurance products providing benefits in the case of sickness of the insured. Benefits normally cover expenses for hospitals, medicaments or other medical care. They may also include daily allowances intended to cover additional costs or to replace income.

66.03.13	Permanent health insurance services	81291.3
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Insurance products providing long-term benefits in the case of incapacity for employment caused by sickness or accidents. Benefits normally consist of long-term daily allowances intended to replace income.

66.03.2	<i>Motor vehicle insurance services</i>	<i>812.h</i>
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66.03.21	Motor vehicle insurance services, third party liability	81292.1
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Insurance services covering expenses connected with all liability arising from the use of motor vehicles on land, including carrier's liability (excluding railway rolling stock).

66.03.22	Motor vehicle insurance services, other classes	81292.2
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Insurance services covering expenses arising from the loss of or the damage to motor vehicles on land (excluding railway rolling stock).

66.03.3	<i>Marine, aviation and transport insurance services</i>	<i>812.i</i>
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66.03.30	Marine, aviation and transport insurance services	81293.1,81294.1
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Insurance services covering expenses which arise from
- all damage to or loss of railway rolling stock,

- all damage to or loss of aircraft,
- all damage to or loss of ships (river and canal vessels, lake vessels, sea vessels),
- all damage to or loss of goods in transit or baggage, or merchandise, irrespective of the form of transport,
- all liability arising out of the use of aircraft (including carrier's liability),
- all liability arising out of the use of ships, vessels or boats on the sea, lakes, rivers or canals (including carrier's liability).

66.03.4 *Fire and other damage to property insurance services 812.j*

66.03.40 Fire and other damage to property insurance services 81295.1

Insurance services covering expenses arising from

- a) all damage to or loss of property (other than property in the form of land vehicles, railway rolling stock, aircraft, ships and goods or merchandise in transit) due to fire, explosion, storm, natural forces other than storm, nuclear energy and land subsidence,
- b) all damage to or loss of property (other than property in the form of land vehicles, railway rolling stock, aircraft, ships and goods or merchandise in transit) due to hail or frost, and any event such as theft, other than those mentioned in a).

66.03.5 *General liability insurance services 812.k*

66.03.50 General liability insurance services 81297.1

Insurance services covering expenses arising from all kind of liability other than motor vehicle liability, aircraft liability, liability for ships (sea, lake and river and canal vessels).

66.03.6 *Credit and suretyship insurance services 812.l*

66.03.60 Credit and suretyship insurance services 81299.1

Credit insurance services covering expenses arising from insolvency, export credit, installment credit, mortgages and agricultural credit; suretyship insurance services covering expenses arising from direct and indirect suretyship.

66.03.7 *Assistance, legal expenses and miscellaneous financial loss insurance services 812.m*

66.03.71 Assistance insurance services 81299.2

Insurance services covering expenses arising from assistance for persons/enterprises who get into difficulties at home, while travelling, while away from home or while away from their permanent residence.

66.03.72 Legal expenses insurance services 81299.3

Insurance services covering expenses arising from legal expenses and the costs of litigation.

66.03.73 **Miscellaneous financial loss insurance services** **81296.1/81299.4**

Insurance services covering expenses arising from the following risks: employment, insufficiency of income (general), bad weather, loss of benefits, continuing general expenses, unforeseen trading expenses, loss of market value, loss of rent or revenue, indirect trading losses (other than those mentioned above), other financial loss (non-trading) and other forms of loss.

66.03.8 ***Other non life insurance services*** **812.n**

66.03.80 **Other non life insurance services** **81299.5**

Non life insurance products which are national particularities, which are not comparable between Member States and which are not included in 66.03.1 to 66.03.7, are allocated here. If this class is used it has to be clarified exactly which products are included in this class. In any case only very minor parts of the non life insurance markets shall be covered here.

The following activity class has not yet been included in NACE Rev. 1 . But at the next revision this activity class will be added:

66.04	<i>Reinsurance services</i>
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Insurance services (reinsurances accepted) concerning life and non-life risks supplied to other insurance enterprises or pension funds.

66.04.1 ***Reinsurance services related to life insurance*** **812.o**

66.04.10 **Reinsurance services related to life insurance** **81211.9**

The reinsurance of services classified in class 66.01.

66.04.2 ***Reinsurance services related to pension funding*** **812.p**

66.04.20 **Reinsurance services related to pension funding** **81212.2**

The reinsurance of services classified in class 66.02 including all types of group pension services, normally ceded by life insurance enterprises or pension funds.

66.04.3 ***Reinsurance services related to non life insurance*** **812.q**

66.04.31	Reinsurance services related to accident and health insurance	81291.4
	The reinsurance of services classified in class 66.03.1.	
66.04.32	Reinsurance services related to motor vehicle insurance	81292.3
	The reinsurance of services classified in class 66.03.2.	
66.04.33	Reinsurance services related to marine, aviation and transport insurance	
	81293.2,81294.2	
	The reinsurance of services classified in class 66.03.3.	
66.04.34	Reinsurance services related to fire and other damage to property insurance	
	81295.2	
	The reinsurance of services classified in class 66.03.4.	
66.04.35	Reinsurance services related to general liability insurance	81297.2
	The reinsurance of services classified in class 66.03.5.	
66.04.36	Reinsurance services related to credit and suretyship insurance	
	81299.6	
	The reinsurance of services classified in class 66.03.6.	
66.04.37	Reinsurance services related to assistance, legal expenses and miscellaneous financial loss insurance	
		81296.2,81299.7
	The reinsurance of services classified in class 66.03.7.	
66.04.38	Reinsurance services related to other non life insurance	
		81299.8
	The reinsurance of services classified in class 66.03.8.	

	Life insurance enterprises according to Article 1 of the Directive 79/267/EEC	Pension funds which are providing retirement income (according to the proposal for a Council Directive 93/C 171/11)	Non-life insurance enterprises according to Article 1 of the Directive 73/239/EEC	Specialist reinsurance enterprises: Undertakings carrying on reinsurance business only	Total of products
	NACE activity 66.01	NACE activity 66.02	NACE activity 66.03	NACE activity 66.04	
CPA products (4,5,6 - digit)					
66.01. Life insurance services					
66.01.1. Non-linked life insurance services	A	E	E	E	Sum
66.01.2. Linked life insurance services	A	E	E	E	Sum
66.01.3. Tontine insurance services	A	E	E	E	Sum
66.01.4. Capital redemption insurance services	A	E	E	E	Sum
66.01.5 Other life insurance services	A	E	E	E	Sum
66.02. Pension funding services					
66.02.1. Group pension services	A	A	E	E	Sum

66.03. Non-life insurance services					
66.03.11. Accident insurance services	B	E	A	E	Sum
66.03.12. Health insurance services	B	E	A	E	Sum
66.03.13 Permanent health insurance services	A	E	B	E	Sum
66.03.2. Motor vehicle insurance services	E	E	A	E	Sum
66.03.3. Marine, aviation and transport insurance services	E	E	A	E	Sum
66.03.4. Fire and other damage to property insurance services	E	E	A	E	Sum
66.03.5. General liability insurance services	E	E	A	E	Sum
66.03.6. Credit and suretyship insurance services	E	E	A	E	Sum
66.03.71. Assistance insurance services	E	E	A	E	Sum
66.03.72. Legal expenses insurance services	E	E	A	E	Sum
66.03.73. Miscellaneous financial loss insurance services	E	E	A	E	Sum
66.03.8 Other non life insurance services	E	E	A	E	Sum
66.04 Reinsurance services					
66.04.1. Reinsurance services related to life insurance	A	E	A	A	Sum
66.04.2. Reinsurance services related to pension funding	A	E	A	A	Sum
66.04.31 Reinsurance services related to accident and health insurance	B	E	A	A	Sum

66.04.32. Reinsurance services related to motor vehicle insurance	E	E	A	A	Sum
66.04.33. Reinsurance services related to marine, aviation and transport insurance	E	E	A	A	Sum
66.04.34. Reinsurance services related to fire and other damage to property insurance	E	E	A	A	Sum
66.04.35. Reinsurance services related to general liability insurance	E	E	A	A	Sum
66.04.36. Reinsurance services related to credit and suretyship insurance	E	E	A	A	Sum
66.04.37. Reinsurance services related to assistance, legal expenses and miscellaneous financial loss insurance	E	E	A	A	Sum
66.04.38 Reinsurance services related to other non life insurance	E	E	A	A	Sum
Total of activities of 66.01 to 66.04	Sum	Sum	Sum	Sum	Sum

A = According to the relevant directives the products are written by these institutional units.

B = The situation varies between Member States; it depends on national legislation which use options of the EU directives.

E = According to the relevant directives or to the situation on the market, these products are not written by these institutional units.

P = Possibly those products are also offered by institutions others than insurance enterprises or pension funds.

In the table the columns refer to NACE classes and the rows to CPA (sub)categories.

For instance, reinsurance services on accident and health insurance produced by an institutional unit (enterprise) classified to the activity class 66.03 (non-life insurance) would have the full classification NACE 66.03, CPA 66.04.31.

Composite enterprises normally are offering the products of life and non-life enterprises.