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**FOR IMMEDIATE RELEASE**

**Press Release**

## **Milliman: European insurance market sees mixed embedded value results in first half of 2016**

LONDON – December 20<sup>th</sup>, 2016 – Milliman, Inc., a premier global consulting and actuarial firm, today released an updated report detailing embedded value (EV) results for 23 major insurance companies in Europe. The report examines trends among those companies that reported EVs as of mid-year 2016. For the first half of 2016, disclosed EV results have been mixed – while interest rates remained at historically low levels and equity growth was poor, firms in the survey generally experienced an improved value of new business (VNB) as compared with the same period last year.

“Market conditions continued to be a challenge for Europe in early 2016, with high levels of short-term volatility,” said Philip Simpson, principal and consulting actuary with Milliman in the U.K. “Despite that, around 90% of surveyed firms had a generally positive – though varied – new business experience. We saw a tremendous range of growth in VNB for individual companies.”

The report also looks at practices followed by major insurance companies and discusses EV reporting issues given the move toward Solvency II in Europe and the global adoption of International Financial Reporting Standards.

Key details from the European report include:

- There has been a reduction in firms reporting on an embedded value basis at half-year (HY) 2016, compared with HY 2015.
- The implementation of Solvency II has affected the EV reporting of some firms, and the European Embedded Value (EEV) and Market Consistent Embedded Value (MCEV) Principles and Guidance, amended in May 2016, have seemingly left the door open when interpreting how to allow for Solvency II and how closely firms can align Solvency II and embedded value methodologies.
- Overall, results for new business were generally positive for the majority of companies sampled compared with last year. The total VNB reached GBP 3.4 billion at mid-year 2016, compared with GBP 2.7 billion at mid-year 2015. However, the level of growth in VNB for individual companies varied, ranging from -20% to +250%.

Interested parties may obtain a copy of the Milliman studies at <http://www.milliman.com/ev-research/> or receive further information by telephoning or emailing:

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**About Milliman**

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