KPMG

State of the Insurers 2026

A deep dive into Dutch Insurers 2025 performance disclosures

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July 2026

Foreword

We are pleased to present this year's edition of the State of the Insurers report. In this publication, we provide an overview of the market trends, financial performance and strategic developments of the four largest insurers in the Netherlands.

The broader context in which insurers operate continues to be dynamic. Inflation has moderated but remains present, and interest rates have shown volatility. Beyond rates, spread volatility and fluctuations in equity and bond valuations are adding further complexity to insurers' investment portfolios and balance sheet management.

Geopolitical developments continue to influence market conditions, and climate-related and cyber risks are becoming increasingly tangible, prompting insurers to further refine their risk management and capital allocation approaches. While the impact of climate-related events has been more visible internationally, the Dutch market has so far been spared major P&C loss events, though the underlying exposure trends remain relevant to monitor. Against this backdrop, the Dutch insurance sector continues to demonstrate resilience, supported by historically high solvency positions. This is particularly relevant in the context of the ongoing Wtp (Wet toekomst pensioenen) transition, which is driving a significant wave of pension buy-outs and defined contribution (DC) pension activity, also evidenced in the disclosures of the in-scope insurers.

Across both Life and Non-Life (including Health) segments, the report highlights key trends in insurance portfolios, balance sheets, profitability and capital positions. In Life, the Wtp transition and associated pension buy-out activity are reshaping portfolio composition and capital deployment across the sector, while Non-life focuses on streamlining cost-structures.

Additionally, a defining feature of this year's edition is the introduction of seven boardroom dilemmas which we believe are the main strategic trade-offs shaping the agenda of Dutch insurers today. These dilemmas reflect the real choices insurers face as they navigate a rapidly changing environment, from risk transfer, to growth topics, from scaling and transforming with AI to capital deployment strategies. Together, these dilemmas do not have a right answer, but they represent the strategic conversations that matter most for the sector's long-term positioning.

We trust this report offers valuable insights and helps you better understand how Dutch insurers are navigating a period of ongoing change and opportunity.

For any questions or further discussion, please feel free to contact us.

Rutger Hagendoorn
Partner, Head of Insurance
KPMG, the Netherlands

Inge van Zon-Zeilstra
Partner, Head of Risk and Regulatory and Financial Services
KPMG, the Netherlands

Executive summary

Market developments & trends

- **Sustained higher interest rates, modest global growth and persistent inflation** are shifting the balance between investment income and underwriting
- **The Dutch insurance market continues to consolidate,** with continued consolidation among underwriters and intermediaries showing that scale remains an important advantage in the market
- **Regulatory pressure is shifting from compliance to execution** across pensions, operational resilience and AI governance. The real differentiator is how effectively insurers translate regulatory requirements into their operating model
- **AI adoption is advancing with the sector's core challenge is moving beyond incremental automation** toward AI that fundamentally redesigns business and operating models

Boardroom dilemmas

- As the market navigates structural macroeconomic, technological and regulatory pressures, we see **seven dilemmas boardrooms face on sustainable value creation and the trade-offs between growth, resilience and trust**
- These dilemmas question how to **treat systemic** risks, or how to **expand presence** in the market through distribution channels without losing customer ownership
- Consistently stronger solvency positions also raise questions on whether and **how much capital is truly deployable** without compromising resilience
- Additionally, the dilemmas pose challenges in **scaling and realising true business value from digital and AI investments** and how these depends less on tools than on strategic clarity, governance and organisational readiness

Financial performance

- In 2025, **strong capital positions aid in-scope insurers in executing their growth ambitions**. This is evidenced by robust Solvency II ratios and growing Operating Capital Generation (OCG), driven by solid insurance earnings, use of reinsurance, continued use of pension buy-outs and M&A
- **Shrinking Life service books and growing Disability, Income and Health portfolios** shift balance sheets toward long-duration protection risk
- CSM growth and **new business profitability are increasingly concentrated in DC pensions, annuities and other Life products,** whereas Non-life CSM is declining at most insurers despite premium growth. Health results remain structurally weaker in the balance sheet due to its loss-making products
- Although total comprehensive income saw a decrease in 2025 due to lower net investment results and market value movements, **gross insurance results remain overall improving** as CSM releases and PAA results show an increase compared to previous years
- **Investment result sensitivity is largely driven by asset mix.** Equity-, interest-rate- and derivative-heavy exposed portfolios show higher P&L volatility, while mortgages and amortised-cost assets deliver steadier returns. FVOCI assets offset P&L volatility by allocating market movements to OCI instead

Dilemma #1

How far can insurers continue to absorb, price or transfer increasingly systemic risks without undermining affordability, trust and capital efficiency?

The challenge

- The **nature of risk is changing** in ways that challenge some of the basic assumptions in insurance. Climate-related events, cyber threats and geopolitical disruption are **becoming more interconnected, more systemic and less easily diversified across portfolios**. In this environment, the question is no longer only **whether a risk can still be priced, but whether it remains commercially insurable at all**. That shifts the discussion from underwriting mechanics to strategic boundary-setting.
- Insurers increasingly have to make explicit choices about which risks they can continue to cover, which risks need tighter conditions or exclusions, and where private markets may no longer be able to act alone. At the same time, the **sector is moving beyond pure risk transfer towards prevention, adaptation and forms of risk-sharing** that involve broader ecosystems or even public-private solutions.
- The boardroom dilemma is therefore not simply how to respond to rising risk, but **how to redefine the role of the insurer in a world where the protection gap may widen** unless these choices are made deliberately and early.

Why this matters

- As physical, digital and geopolitical risks become more severe and less predictable, insurers face increasing pressure on affordability and portfolio sustainability, particularly where risks start to behave less like isolated exposures and more like systemic shocks.
- **If insurers step back too quickly, protection gaps widen and costs could shift** to households, businesses and governments; **if they remain too exposed, they risk eroding trust, weakening capital** efficiency and locking themselves into unattractive books of business.
- The **shift towards prevention and adaptation creates new opportunities**, but only if insurers can make those services commercially meaningful rather than treating them as an add-on to an increasingly strained risk transfer model.

KPMG's perspective

"Insurers should stop treating insurability as a narrow product issue and start managing it as a strategic portfolio question. That means making explicit choices on where to retain risk, where to reprice, where to partner, and where to exit.

The most resilient insurers will be those that combine underwriting discipline with prevention capabilities, better data and ecosystem collaboration, while engaging early in the debate on when public-private solutions become necessary to keep essential risks insurable."

Rutger Hagendoorn

Head of Insurance,
KPMG the Netherlands

Macroeconomic and risk dynamics shift the balance between investment income and underwriting which changes how insurers generate and sustain profitability

Macroeconomic volatility and sustained higher interest rates

Global growth remains modest at 3,4% in 2025, pointing to a stable yet low-growth environment. At the same time, interest rates are no longer near-zero and remain materially higher than before 2020. This marks a clear shift from the previous decade, when capital was widely available at low cost.

Additionally, inflation remains persistently elevated. This continues to drive claims costs, particularly in Non-life portfolios.

Together, these dynamics shift the balance between investment income and underwriting which changes how insurers generate and sustain profitability.

3,4%

2025 Global output growth[1]

Geopolitical uncertainty as structural driver of uncertainty

Geopolitical fragmentation and rising tensions are increasing uncertainty across the global economy. These developments are no longer temporary shocks but structural features, driving volatility and complexity across both the asset and liability side of insurers' business.

As a result, insurers will have to adapt their operating models by embedding geopolitical risk more directly into underwriting and capital decisions.

Cyber risk and resilience

Cyber risk is rapidly becoming one of the most significant and complex threats facing insurers. Internally, insurers are increasingly exposed to cyber attacks that can disrupt operations and compromise sensitive data, requiring continuous investment in cyber resilience and security architecture. This is further reinforced by regulatory developments like DORA.

The rising need for cyber resilience amongst clients creates opportunities for insurers. However, despite its growing importance, insuring these risks remains a challenge with the market's level of insurance coverage (in premiums) remaining limited[2].

€5,4m

2025 average cost of data breach Benelux[3]

1. IMF, *World Economic Outlook Growth Projections*.
2. Verbond van Verzekeraars, *Cyber*
3. IBM, *Cost of a Data Breach Report 2025*

Dilemma #2

Is growth truly being created, or is it mainly being reallocated through pricing, M&A, capital deployment and selective repositioning?

The challenge

- In a mature market, **growth becomes harder to interpret and even harder to achieve sustainably**. Premiums may rise, volumes may increase and market positions may shift, but those movements do not always reflect fundamental expansion.
- In insurance, **growth is increasingly shaped by repricing, pension buy-outs, acquisitions, partnerships, capital redeployment and targeted moves** into more attractive segments rather than by broad organic market growth alone.
- This means that boards need to look beyond headline performance and ask **whether growth is really being created, or whether it is largely being reallocated within the system.**
- This distinction matters because **some forms of growth strengthen long-term position, while others consume capital, add complexity or simply mask pressure elsewhere in the business**. In a saturated market, the real challenge is not to chase activity for its own sake, but to define what kind of growth is worth having.
- The boardroom dilemma is therefore not whether growth matters, but **how to distinguish sustainable value creation from growth that is mostly the result of pricing dynamics and consolidation.**

Why this matters

- **Premium growth can be driven by repricing rather than real customer expansion**, which means reported momentum may overstate the strength of the underlying commercial position.
- **M&A, partnerships and pension buy-outs can create strategic value, but they can also introduce execution burden**, capital intensity and complexity if they are pursued without sufficient strategic focus.
- In a market where scale remains important but not sufficient, **insurers need to be more deliberate about where to grow, how to grow and whether growth translates into durable profitability and strategic relevance.**

KPMG's perspective

“Insurers should shift from volume-led thinking to value-led growth. That means being explicit about where growth is customer-driven, where it is acquisition-led, and where it is mainly the by-product of repricing or capital deployment.

The strongest positions will come from selective growth in areas with attractive economics, stronger differentiation and manageable complexity and not from pursuing scale without a clear thesis on how that scale creates resilient long-term value.”

Inge van Zon-Zeilstra

Head of Financial Services,
KPMG the Netherlands

An overview of the main trends in the Dutch Insurance market

Claims become harder to manage

For insurers, **claims are no longer just becoming more expensive. They are becoming more difficult to handle**. Extreme weather increasingly causes sudden peaks in damage, while modern vehicles and homes require more specialised repairs due to embedded technology and smart systems. At the same time, insurers face growing concerns around AI-generated fraud and manipulated claims, forcing additional checks during the claims process. As a result, operational efficiency increasingly determines how quickly and effectively insurers can respond.

Scale remains important

Consolidation continued across the Dutch insurance market in 2025, particularly among brokers, intermediaries, and smaller insurers. This year's announced transactions involving Bovemij and regional insurers such as Noorderlinge and Zevenwouden, and continued consolidation among underwriters and intermediaries show that scale remains an important advantage in the market. In parallel, **insurers continued simplifying their organisations and reducing overlap to improve efficiency and enable greater use of automation and AI**. The result of these developments is a market that is becoming gradually more concentrated, even if the pace of consolidation has slowed compared to previous years.

Pension reform enters the implementation phase

The Dutch pension transition moved further into the implementation phase in 2025. While insurers and pension providers are preparing for conversion to defined contribution schemes under the new pension law, **actual progress remains limited, with around 31% of PPI contracts and 22% of insurer contracts converted.** As a result, a large volume of conversions is still ahead, putting pressure on execution capacity. Nevertheless, insurers are increasingly active in pension buy-outs. This offers pension funds an alternative to Wtp transition, but requires insurers to deploy significant balance sheet capital, making scale, execution capacity and capital strength key competitive differentiators.

Capital looks for direction

Dutch insurers entered 2025 with stronger room to invest. Higher interest rates improved returns and eased pressure on solvency positions, ending years in which capital was largely managed preserving capital. Insurers and pension investors increasingly shifted towards infrastructure, private markets, and technology as they searched for stable long-term returns. Currently, it is important to note that this investment shift is currently evidence more explicit by some players in the market rather than a general trend. The discussion is gradually moving from protecting capital towards deploying it.

Old issues remain relevant

One of the longest-running issues in the Dutch insurance market moved closer to resolution in 2025 and early 2026. Several insurers reached compensation agreements and continued settling outstanding 'woekerpolis' cases after years of legal disputes and political scrutiny. **While most legal uncertainty has reduced, insurers are still working through final settlements and customer remediation processes.**

€15,7bn
Gross written premiums Q4 2025 – Life[1]

€19,1bn
Gross written premiums Q4 2025 – Non-life (inc. Disability)[2]

€64,7bn
Gross written premiums Q4 2025 – Health[3]

181
Licenced insurers in 2025, coming from 254 in 2015 which is a decline of 28%

€1,5tn
Will move into the new pension system

-6%
complaints registered by insurers

1: DNB, *Premiums, claims and costs, by insurance sector, Solvency II (Quarter)*, 2025 Q4. Life Gross Written Premiums excl. Disability (re)insurance and life reinsurance
2: DNB, *Premiums, claims and costs, by insurance sector, Solvency II (Quarter)*, 2025 Q4. Non-life Gross Written Premiums incl. Disability insurance, excl. Medical expenses
3: DNB, *Premiums, claims and costs, by insurance sector, Solvency II (Quarter)*, 2025 Q4. Gross Written Premiums Medical expenses

Dilemma #3

Should insurers accelerate digital transformation, or is resilience by design now the condition for transformation to succeed?

The challenge

- The more digitalised insurers become, the more resilience moves from the edge of the operating model to its core.
- Cloud adoption, data integration, automation and more interconnected technology landscapes create major opportunities for efficiency and innovation, but they also expand the attack surface and increase dependence on external providers, internal controls and governance discipline.
- This is often presented as a trade-off between agility and safety, as if insurers must choose between moving quickly and protecting continuity. In reality, the current environment suggests that this framing is becoming increasingly misleading.
- **Transformation programmes that neglect resilience can create fragility at scale, while resilience programmes that are disconnected from actual transformation risk turning into expensive compliance exercises with limited business impact.** The challenge is reinforced by rising regulatory expectations and by cyber threats that evolve quickly as digital environments become more complex.
- The boardroom dilemma is therefore not simply **how much resilience costs, but whether transformation without embedded resilience remains a viable strategic option at all.**

Why this matters

- Operational disruption, data breaches or failures in critical services have immediate implications for trust, customer continuity and regulatory credibility, which makes resilience a business issue rather than just a technology issue.
- Reliance on cloud providers, third parties and more integrated data environments increases the need to understand dependencies, sovereignty-related questions and the organisation’s true risk appetite across the broader ecosystem.
- As digital transformation scales, **insurers need a clearer view on how resilience is measured, how often it is tested and how governance keeps pace with new threat patterns and shorter response windows.**

KPMG’s perspective

“This should be treated as a false trade-off. Digital transformation and resilience should not be managed as separate agendas competing for investment, but as two sides of the same strategic design question. Insurers should embed resilience into architecture, delivery, governance and decision-making from the start. Those that do so will not just be safer; they will also be better positioned to modernize with confidence, accelerate responsibly and meet rising expectations from regulators, customers and boards alike.”

Riccardo Altenburg

Director Digital Transformation, KPMG the Netherlands

In the past year, Dutch insurers faced a wave of overlapping regulatory reforms where execution quality and operational readiness are becoming the key differentiators

Regulatory pressure is shifting from compliance to execution across pensions, operational resilience and AI governance. The real differentiator is how effectively insurers translate Wtp, DORA and AI requirements into their operating model.

From regulation to execution: how insurers responded to regulatory changes

- Over the past year, execution has overtaken policy design as the clearest divider in the Dutch insurance sector, as insurers translated three major reforms into operational reality: the Wet toekomst pensioenen (Wtp), the Digital Operational Resilience Act (DORA), and the EU AI Act.
- **Wtp implementation required a large-scale shift from defined-benefit to defined-contribution schemes, driving significant operational change.** Many firms focused on executing pension transitions in a controlled and transparent manner to preserve trust and retain assets. Execution quality has become a key differentiator under De Nederlandsche Bank's (DNB) close supervision.
- **DORA marks a more fundamental shift: the question is whether insurers will use it to build competitive resilience or approach it as a compliance exercise**. While some firms have modernised systems and strengthened operational confidence, others remain exposed, with residual gaps increasingly visible under supervisory scrutiny.
- In parallel, the EU AI Act has sharpened attention on governance maturity. **Despite growing AI adoption, DNB observations show that documentation, monitoring and risk controls are often still incomplete**, exposing uneven readiness across the market.

Solvency II review makes execution decisive

- In 2025, an **amended Solvency II Directive was published that outlined significant changes across core areas:** from balance sheet valuation and the SCR to governance, risk management (including the ORSA), and reporting (including the SFCR).
- Dutch insurers responded proactively, launching preparations and impact analyses to anticipate these revisions. **With implementation nearing, the strategic focus is shifting from general readiness to determining which decisions to take under the revised rules**. Some insurers are refining capital models while others are maintaining existing approaches.
- Additionally, insurers seek designation as Small and Non-Complex Undertakings either for regulatory relief or to request proportionality measures. **Insurers that move early can turn compliance into an advantage, improving capital efficiency and resilience.**

Phased pension reforms after Wtp

- The introduction of the '**Bedrag ineens**' pension withdrawal option and the proposed **Pension Division upon Divorce Act** has been postponed.
- A conscious decision to sequence the reforms, primarily to avoid overlapping of the implementation of the Wtp and avert overloading operations. Yet, regulators are not deferring the objectives of these reforms.
- **For insurers, this points to a phased change rather than delay as the reforms remain firmly on the horizon**. Insurers should use the available time effectively: embedding future optionality into products, strengthening data and administrative capabilities, and preparing customer communication for a more complex post-transition environment.

Uniform AML regime raises the bar on KYC accountability

- KYC compliance has risen to a top strategic priority as regulators intensify anti–money laundering (AML) demands. Europe's sweeping AML overhaul, including a new EU AML Authority (AMLA) and draft Regulatory Technical Standards (RTS), is raising the compliance bar.
- DNB is aligning its supervision accordingly: **in 2026 insurers must report cross-border activities via IRAP to identify candidates for AMLA oversight, and from 2027 DNB will compute risk scores using AMLA's methodology, requiring insurers to adapt KYC data and processes.**
- Industry response has differed. Many insurers manage integrity risks well, but persistent risks have been found numerous insurers rely on outsourced screening without fully testing its effectiveness. **The challenge remains to ensure robust, data-driven KYC systems and governance to meet the new unified standards by 2027.**

Dilemma #4

How can insurers scale AI for real business value while retaining trust, control and strategic ownership over data, models and platforms?

The challenge

- AI is moving from experimentation to broader deployment across claims, service, underwriting and sales, but **scaling it well is proving to be a strategic challenge rather than just a technical one.** The real issue is not whether insurers can identify use cases, but rather **whether they can turn scattered initiatives into sustained enterprise value.**
- That requires clear choices about what AI is actually expected to deliver: lower costs, better service, stronger growth, redesigned processes, or all of the above. At the same time, the **path to scaling is closely tied to data quality, cloud maturity, simplified IT architecture and governance discipline.** As those foundations become more important, so do the underlying strategic questions around data ownership, dependency on technology providers, control over models and the insurer's long-term position in an increasingly platform-driven value chain.
- The boardroom dilemma is therefore not whether AI matters, but **how insurers can capture its value without allowing fragmented tooling, weak governance or external dependencies to undermine trust, control and strategic autonomy.**

Why this matters

- AI can improve efficiency, customer service and operational quality, but **without a clear value thesis, it risks becoming a collection of disconnected tools that generate activity without materially changing performance.**
- The more AI is embedded into core processes, the more questions arise around data ownership, privacy, cyber resilience, regulatory readiness and the degree of dependence on external vendors and platforms.
- **Competitive advantage will not come from using AI in itself, but from combining AI with strong data foundations, process redesign and a clear view on where control must remain inside the insurer**.

KPMG's perspective

"Insurers should pursue value-led, trusted AI. This means starting from business outcomes, not from technology enthusiasm, and being explicit about where AI should create measurable impact. At the same time, they should protect strategic control over data, decision-making and operating-model design.

The insurers that scale AI successfully will be those that combine sharper prioritisation with stronger governance and avoid both extremes: slowing down because risk feels abstract or scaling too fast into technology dependence and fragmented execution."

Gerben Kraak

Partner Finance Transformation, KPMG the Netherlands

While all four insurers share a common ambition on trusted AI, the path to scaled, governed and transparently reported AI is still taking shape across the market

While AI is widely positioned as a strategic enabler of transformation across insurers, variations in implementation scope and reporting granularity hinder direct comparison of AI initiatives between organizations.

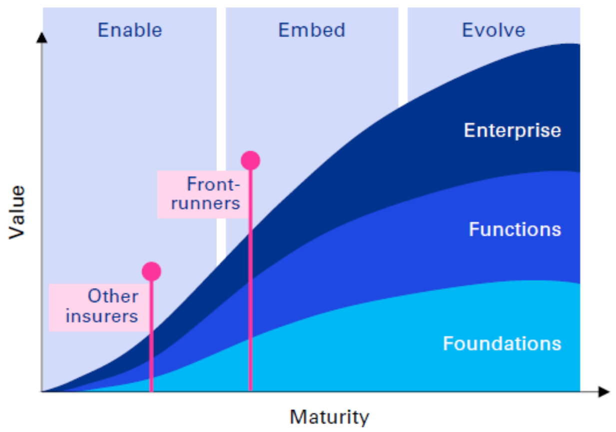
Topic	Achmea	a.s.r.	Athora Netherlands	Nationale-Nederlanden
Strategic positioning & narrative	• AI as group-wide growth accelerator and company-wide AI programme 'ElevAition'.	• a.s.r. has moved from experimentation to a structured AI adoption approach, with the creation of a coordinated AI portfolio of initiatives (AI roadmap).	• AI is positioned as part of digital transformation and efficiency efforts, with on-going AI implementation initiatives.	• AI as core pillar of 'Future Ready' programme, which focuses on standardizing and automating processes, seamless and frictionless processes and interactions with multiple players across the value chain.
Governance, responsibility & risk	• Achmea positions 'ElevAition' based on an explicit human-centric AI framework. • No further information is provided on the programme's governance structures, targets, or execution progress in its annual report.	• AI is governed through a comprehensive framework based on the *Dutch Association of Insurers' ethical framework*, with emphasis on fairness, transparency, data integrity, and responsible deployment. • No additional information is provided on the AI roadmap targets or progress.	• No explicit AI governance, ethics, or responsibility frameworks are disclosed.	• Established a Nationale-Nederlanden AI Framework in order to comply with the requirements of the EU AI Act. • Progress and targets of the 'Future Ready' programme are clearly disclosed. • Clear human-in-the-loop implemented framework.
Integration into the operating model	• Broadly deployed across processes on strong cloud and data foundation. • Moreover, the 'ElevAition' programme focuses on taking a 'green-field' approach to TOM (i.e. process redesign).	• AI is integrated into core processes and end-to-end customer journeys, with implementation occurring via a portfolio of initiatives.	• No explicit disclosures on how AI is implemented and integrated in the organisation.	• Through the 'Future Ready' programme, Nationale-Nederlanden is integrating AI into processes, customer journeys, and employee workflows.
Experimentation and use cases	• (Gen) AI is used to support service delivery and key use cases of digital enabled customer journeys and processing chains are disclosed (e.g. claim processing and health services), although the extent of gen AI involved in these activities is not reported.	• AI use cases are deployed across the organisation, with a prominent highlight of the Smart Claims Assistant (SCA) tool, intelligent Q&A for Health portfolio and AI-enabled customised pricing for Disability products.	• No mention of specific use cases, despite the reported ongoing development of new AI/GenAI applications across the organization.	• A reported total of 236 data and AI use cases in production. • Uses cases are applied to a wide variety of topics, ranging from reporting (i.e. identifying impacts, risks and opportunities linked to sustainability and materiality) to validation and approval of Non-life insurance claims, automated agentic claim handling processes or customer interaction 'SanneGTP'.
Tooling, employee enablement & productivity	• MS Copilot is available for all employees. • AI is going to be leveraged to provide targeted advice on training and development steps for employees, who have access to an unlimited training budget ('All You Can Learn').	• Large-scale rollout of MS Copilot. • AI training programme was developed and rolled out in 2025 for various employee groups (INSEAD and 'frontrunner' programmes).	• No specific mention to deployed AI tools. • Continuous education programme for Executive Committee members covering AI topics.	• More than 45 AI knowledge platforms. • Group-wide AI and training for all colleagues. • AI roadshow for 2nd Line of Defence focusing on awareness and training for the AI Act, ethical dilemmas and practical guidance on applying responsible AI.

Note: All information presented in this table is based on publicly disclosed information from the insurers Annual Reports.

Moving from AI adoption to AI-driven value creation demands a structured journey across foundations, functions and enterprise

AI is now embedded in day-to-day operations, particularly in functions involving large volumes of data and repetitive tasks, where automation and analytics are expected to deliver clear efficiency gains. Front-end activities such as marketing, distribution and early-stage product development remain less advanced, reflecting a market that is still primarily focused on improving execution. This reinforces the central challenge of *Dilemma #4: moving beyond incremental automation toward AI that fundamentally redesigns how products are created, delivered and brought to market.*

Front-runners are entering the 'Embed' phase



	Enable Enable people	**Embed** Embed AI in work	**Evolve** Evolve the enterprise
Enterprise	• Define highest-value use cases • Model value opportunities • Deploy in operating model • Initiate early AI guardrails • Invest in AI literacy • Jumpstart an initial program	• Align strategy and OKRs with AI • Define value and investments • Redesign operating model • Strengthen trust in AI • Reshape the workforce • Orchestrate enterprise change	• Define an ecosystem strategy • Model value of the ecosystem • Redesign business model • Always-on AI trust platforms • Extend with partner workforce • Orchestrate ecosystem change
Functions	• Implement functional use cases • Test and learn and refine • Augment people with AI skills • Treat AI as 'co-pilot'/'assistant' • Focus on learning rapidly • Build and deploy in sprints	• Embed AI in value streams • Embed AI in process workflows • Embed AI agents as they mature • Use AI to transform products & experiences • Focus on end-to-end value flow • Undertake agile change	• AI powers ecosystems • AI fuels inter-organization workflows • Deploy agents across ecosystems • Evolve new experience possibilities • Focus on end-to-end value outcomes • Continuous, agile change
Foundations	• Select AI strategic alliances • Implement AI applications • Configure and tailor • Introduce simple models first • Access AI through the cloud	• Build an AI development 'factory' • Select and train domain models • Curate enterprise-wide data • Invest in AI infrastructure • Invest in increased cybersecurity	• Deploy AI across ecosystem • Compete using domain models • Compete using ecosystem data • Cloud with AI optimized chips • Consider AI with quantum

Front-runners are strategically investing in AI

Accelerating your AI journey

Insurance AI Lab

The Insurance AI Lab is KPMG's innovation hub focused on helping insurers accelerate their AI journey by co-developing scalable, practical, and business-aligned solutions. By integrating capabilities across technology, operations, finance, and risk, the Lab supports insurers in moving from AI ambition to tangible outcomes.

"The Insurance AI Lab is where innovation meets impact for the insurance sector. By combining global expertise with deep sector knowledge, we co-create next generation AI solutions that are practical, scalable, and aligned with strategic business outcomes."

Gerben Kraak
Partner,
Lead of Insurance AI Lab

Dilemma #5

Why are digital & AI investments not yet consistently translating into productivity gains? What needs to change for transformation to create real value?

The challenge

- Across the sector, insurers are investing in digital tools, AI-enabled workflows and broader transformation programmes, **yet the expected productivity gains are not always clearly visible in everyday performance**.
- This suggests that the constraint is not primarily technological. In fact**, value realisation depends less on whether tools exist and more on whether the organization is genuinely ready to absorb them**.
- Workforce transformation therefore becomes a strategic execution issue rather than a purely HR-related theme. It requires clarity on organisational redesign and related governance and accountability shifts as we move to **a hybrid workforce of humans and AI collaborating seamlessly together.** It requires rethinking leadership capabilities and expectations, future roles, new skills, and the behaviours needed to make new ways of working stick. It also requires honest recognition that technology adoption and organisational change rarely move at the same speed.
- **When digital ambition moves faster than capability, frustration grows and performance stalls.** When adaptation and adoption of change by people is not prioritized, technology investment remains underused.
- The boardroom dilemma is therefore not just whether to invest in people alongside technology, but **how to prioritize and sequence transformation so that digital investments are translated into sustainable behavioural change, capability building and measurable business outcomes.**

Why this matters

- **Productivity gains will remain uneven** if employees do not understand how technological solutions such as AI change their roles, change team dynamics, how accountabilities are assigned and what the impact is on decision making, or what capabilities are now strategically required across the organization.
- Rising personnel and transformation costs increase pressure on insurers to show that **workforce transformation is not just supportive but essential in making digital and AI investments pay off.**
- **The challenge is to a large extent cultural**: adoption, communication, leadership alignment and hybrid ways of working all influence whether new technology sits on top of old habits or whether it actually reshapes performance.

KPMG's perspective

"Insurers should approach workforce transformation as the operating-model bridge between digital ambition and business value. First, that means creating a strong narrative and leaders who are both committed ánd digitally literate. Investing in leadership development is key. It also requires rethinking the way humans operate, integrating technology in their daily work and provide clarity on future roles and required capabilities. Investing in targeted reskilling, and adoption is fundamental for capitalizing on your digital & AI investments.

Technology should not simply be rolled out and left to diffuse on its own. The organisations that succeed will be those that treat workforce transformation as a disciplined change agenda aimed at value realisation, not as a parallel people initiative next to the 'real' transformation."

Caroline Tervoort

Partner HR Transformation, KPMG the Netherlands

Dilemma #6

How can insurers use intermediaries, platforms and digital channels to drive growth without losing ownership of the customer, the data and the margin?

The challenge

- **Distribution is becoming a strategic control issue rather than simply a commercial channel choice.** The market is moving towards a more hybrid model in which insurers rely on intermediaries, MGAs, digital platforms and direct channels in parallel, each with different economics and different implications for customer ownership.
- **This creates reach and growth potential, but it also weakens the insurer's direct grip on the customer conversation, the pricing logic and the underlying data** that increasingly determine competitive advantage.
- At the same time, digital comparison and platform models can make insurance more transparent and potentially more commoditized, while emerging AI-driven agents could further reshape how customers select and buy products. In such an environment, **customer access is no longer just about presence in the channel**; it is about who controls the interaction, who learns from the data, and who captures the economics of the relationship.
- The boardroom dilemma is therefore not whether insurers should participate in broader ecosystems, but **how to do so without becoming dependent on others for customer relevance, margin protection and long-term strategic position.**

Why this matters

- Growth through third parties can be attractive in the short term, but it often comes with weaker customer visibility, lower pricing power and reduced ownership of the insights that shape retention, cross-selling and future product design.
- As distribution becomes more fragmented, **insurers risk being pushed into the role of a balance sheet provider** while intermediaries, platforms or algorithms own the customer interface and influence buying decisions.
- The rise of AI-enabled distribution could accelerate this trend by taking over parts of the traditional intermediary role, **making the question of who owns customer and decision-making even more critical.**

KPMG's perspective

"Insurers should accept that they may not control every channel, but they should not give away the strategic assets that matter the most. The winners will be those who build strength in customer logic, pricing intelligence, data usage and channel economics, enabling them to participate in ecosystems without becoming captive to them. In practice, this means being deliberate about where to play directly, where to partner, and how to preserve enough control to keep growth profitable and defensible over time."

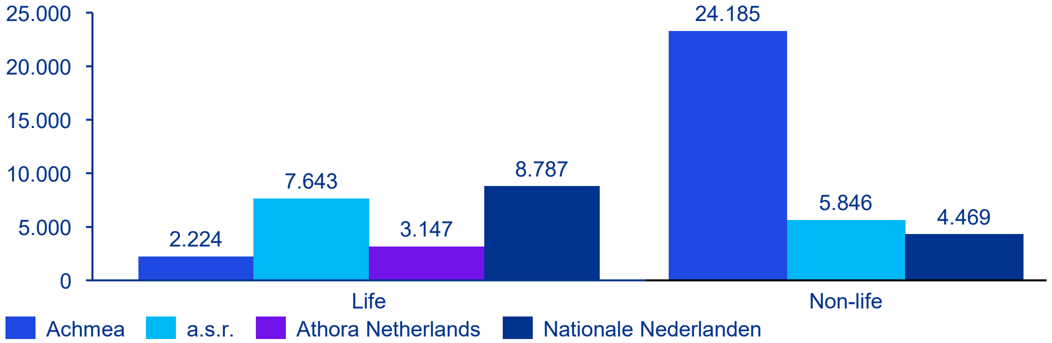
Michael Akerboom

Senior Manager Strategy & Operations, KPMG the Netherlands

This report zooms into the disclosures of four large Dutch insurers – Achmea, a.s.r., Athora Netherlands and Nationale-Nederlanden, selected due to their representation of the Dutch market

KEY FIGURES

Gross Written Premiums 2025 (in millions of EUR)[1,2]



Combined ratios 2025 (in percentages)

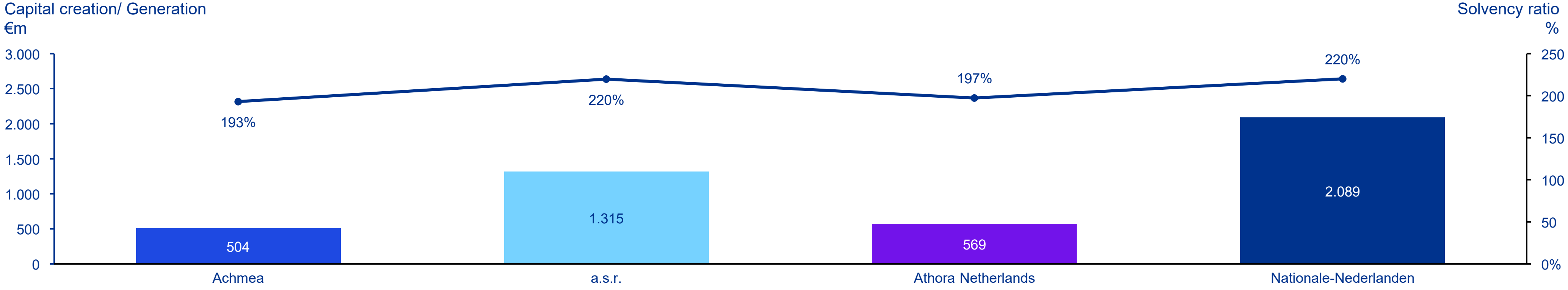
93% Achmea

92% a.s.r.

N/A Athora Netherlands

93% Nationale-Nederlanden

Solvency and capital positions (in percentages and in millions of EUR)



1. The reported Life Gross Written Premium (GWP) for a.s.r. includes Defined Contribution (DC) inflows.
2. Gross Written Premium GWP for Non-life includes Health insurance, which is not separately disclosed by a.s.r. and Nationale Nederlanden

These insurers vary in international presence, scale and portfolio focus as evidenced below

Company overview	Achmea	a.s.r.	Athora Netherlands	Nationale-Nederlanden
Presence	Netherlands (HQ), Australia, Greece, Slovakia and Turkey	Netherlands (HQ)	Netherlands	Netherlands (HQ), Belgium, Czech Republic, Greece, Hungary, Japan, Poland, Romania, Slovakia and Spain
Portfolio	Life & Pensions, Non-Life, Health, Banking	Life & Pensions and Non-Life (including Health)	Life & Pensions	Life & Pensions, Non-Life (including Health), Banking
Client base (in millions)	More than 10	5,2	1,9[1]	18
Headcount (in FTE)	17,864	8,689	872	16,409
Distribution channels	• Direct (including Online channels) • Bancassurance (Rabobank partnership) • Intermediaries	• Direct (including Online channels) • Intermediaries • Brokers, aggregators and service providers	• Direct • Intermediaries	• Direct (including Online channels) • Bancassurance (ABN-Amro, ING and ASN partnership) • Intermediaries
Underlying brands	• Achmea • Centraal Beheer • Zilveren Kruis • Interpolis • Avéro	• a.s.r. • Aegon • Corins • Loyalis • Woonnu	• Zwitserleven • Reaal	• Nationale Nederlanden • NN • BeFrank • AZL • OHRA • Movir • HCS • HeinenoordZicht Groep • ABN-AMRO Verzekeringen
Examples of key strategic priorities	• Accelerating digital transformation and AI adoption • Expand international presence while maintaining market leadership • Strengthening Pension & Life portfolios • Achieve net zero own operations by 2030	• Drive sustainable and profitable growth across all business lines • Strengthen customer and intermediary relationships • Improve efficiency and enhance income through operational excellence and investment performance • Pursue selective M&A to add scale and capabilities • Optimise capital and financial flexibility • Maintain leadership in ESG	• Become a leading player in the pension and life market • Improve investment returns via more efficient capital allocation • Accelerate growth in the pension market enabled by partnerships and simpler, more agile operations • Strengthen sustainable investing and social responsibility	• Deliver an outstanding customer and distributor experience, and develop and provide attractive products and service • Foster a value-based culture and empower colleagues to be their best • Contribute to the well-being of people and the planet • To be financially strong and seek solid long-term returns for shareholders • Use technology and data responsibly to transform business and drive operational excellence

1. The total number of customers is not explicitly disclosed in the annual report. The estimate provided is based on information sourced from Athora Netherlands' official website

Dutch insurers maintain strong capital positions in 2025, with solvency ratios ranging from 193%–220% and rising capital generation, which can support them in the execution of growth ambitions

Solvency Position

- Achmea, Nationale-Nederlanden and a.s.r. report improvements in solvency ratios, supported by operating capital generation and favourable market developments. In the case of Achmea, this improvement is further supported by management actions, including the strategic partnership with Sixth Street, which strengthened its equity position.
- At a.s.r., the increase in the solvency ratio is further supported by the implementation of the partial internal model, which contributed approximately 12 % points to the group Solvency II ratio.
- In contrast, Athora Netherlands shows some moderation in its capital position, driven by a decline in eligible own funds, as capital management actions — including significant shareholder distributions and investment deployment — outweighed strong operating capital generation. Overall, the results highlight the continued importance of capital generation, market conditions, model choices and targeted management actions in shaping solvency levels across insurers.

2025 Solvency ratios:

193%-220%

with Nationale-Nederlanden & a.s.r. leading

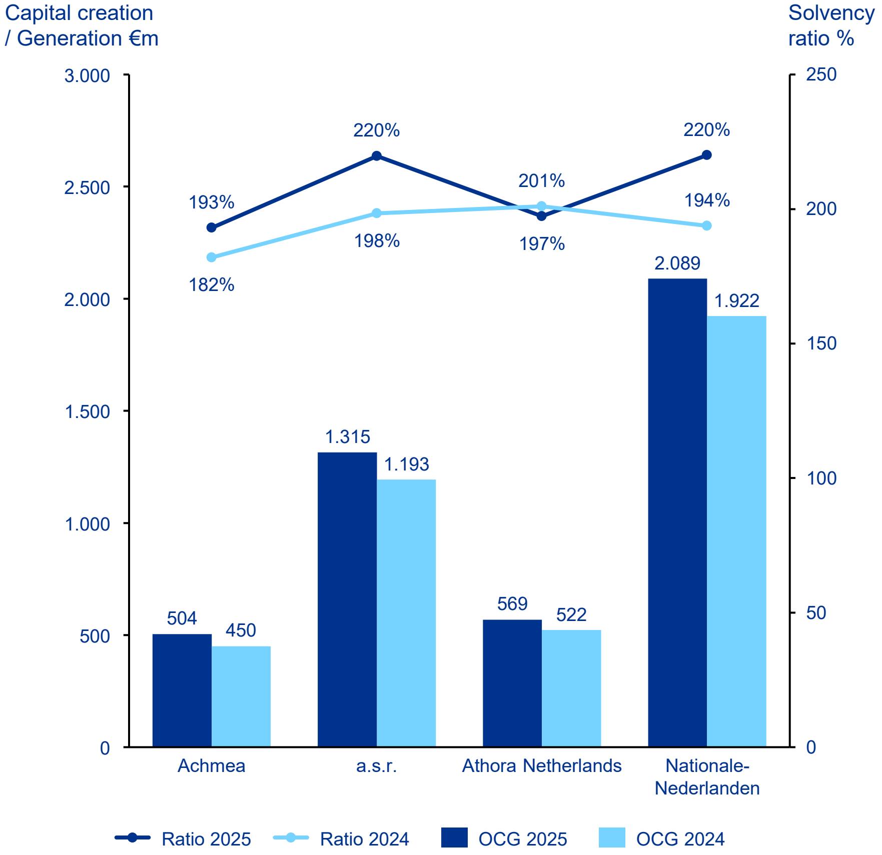
9%-12%

increase in OCG across the four insurers.

Operating Capital Generation

- **Achmea** reported OCG of €504 million, driven by contributions from Non-life, Pension & Life and international activities, as well as strong investment and Health results.
- **a.s.r.** reported Operating Capital Creation (OCC) of €1,315 million, driven by improved business performance, cost synergies and higher financial capital generation from a re-risked investment portfolio and positive market developments.
- **Athora Netherlands** increased OCG to €569 million, supported by strong investment performance and higher business volumes, driven by two pension buy-outs and an increase in annuities and DC inflows.
- **Nationale-Nederlanden** increased OCG to €2,089 million, supported by growth across Netherlands Life, Non-life and Insurance Europe, reflecting favourable experience, higher investment returns and a benign claims environment.

Solvency and capital positions (in percentages and in millions of EUR)



Dilemma #7

How much capital is truly deployable for growth, shareholder returns and strategic flexibility without weakening resilience in a more volatile environment?

The challenge

- **Strong solvency positions and solid capital generation are giving insurers more strategic room to manoeuvre, but** that room immediately creates a harder leadership question: **what should capital be used for now?** Boards face a growing range of competing priorities.
- Capital can be returned to shareholders, invested in growth, deployed into acquisitions or pension buy-outs, used to support reinsurance strategies, or retained to preserve resilience against market shocks and long-term obligations.
- At the same time, **what looks available on paper is not always fully deployable in practice**. Different steering regimes, volatility in markets, regulatory frameworks and asset-liability dynamics all shape how much flexibility insurers truly have. That means **capital can no longer be treated simply as a regulatory buffer.** It becomes a strategic instrument that needs active management and clear decision rules.
- The boardroom dilemma is therefore not whether insurers have strong capital positions, but **how much of that strength is genuinely free to deploy and at what point capital deployment starts to reduce optionality and resilience rather than enhance them.**

Why this matters

- The same capital base is expected to support multiple goals at once: growth, resilience, dividends and strategic flexibility, which makes **allocation choices more consequential and more visible to boards and investors.**
- Market volatility, long-duration liabilities, reinsurance choices and different steering metrics complicate the distinction between capital that appears strong and capital that is actually deployable under stress.
- **Decisions on capital deployment increasingly shape strategic positions**, including the ability to invest, compete, resist shocks and avoid becoming overly constrained – or overly exposed – in a changing environment.

KPMG's perspective

"Capital should be managed as a strategic enabler, not just monitored as a solvency outcome. Boards should rigorously test capital allocation decisions against downside scenarios, long-term obligations and strategic priorities before treating buffers as deployable headroom. The insurers that make better capital choices will be those that combine discipline with ambition: willing to invest where value is clear, but equally clear on when preserving flexibility matters more than using capital simply because it appears available."

Ted van der Aalst

Director Financial Risk Management, KPMG the Netherlands

Reinsurance and M&A are the main strategic levers used in 2025 to achieve strong capital performance

Regulations

In 2025, the Solvency II 2020 review progressed from Level 1 amendments towards detailed implementation, with the amended Directive expected to apply from 30 January 2027:

- Achmea makes no mention of impacts related to the Solvency II review.
- a.s.r. notes that the IRRD and Solvency II review introduce new requirements, with ongoing uncertainty and increasing data-driven supervision expected to create operational pressure and higher costs.
- Athora Netherlands indicates that it is progressing with internal preparations, without providing a quantified impact on its solvency position.
- Nationale-Nederlanden expects a broadly neutral impact on its solvency position, but highlights uncertainty depending on market developments and the finalisation of Level II/III measures.

Reinsurance

Reinsurance remained an important tool for capital and risk management in 2025, with insurers actively managing longevity and catastrophe exposures. The four largest Dutch insurers adopted different approaches:

- Achmea entered into large-scale longevity reinsurance transactions covering approximately 50% of its exposure (around €8 billion of technical provisions), which is expected to materially improve its Solvency II ratio by 11%-points.
- a.s.r., signed a new longevity risk reinsurance deal in early 2026 and expanded its windstorm excess-of-loss cover to €900 million to further reduce catastrophe risk exposure.
- Athora Netherlands did not report notable new reinsurance transactions during 2025.
- Nationale-Nederlanden signed a new longevity reinsurance agreement with Prudential, covering approximately €4 billion on a run-off basis, supporting capital efficiency.

>€12bn

New reinsured exposure in 2025

Buy-outs & acquisitions

Buy-outs and acquisitions continued to be an important strategic lever in the Dutch insurance market, particularly driven by pension buy-outs and targeted acquisitions to strengthen distribution capabilities:

- Achmea attracted a new strategic shareholder (Sixth Street, 20% stake) and completed a €1,5 billion pension buy-out for FrieslandCampina, creating synergies and supporting its growth ambitions.
- a.s.r. remained active in M&A, acquiring the remaining 55% stake in HumanTotalCare and announcing the intended acquisition of Bovemij's insurance activities in early 2026. Despite capital deployment for acquisitions and three pension buy-outs worth €2,8 billion, a.s.r.'s Solvency II ratio increased to 218%, mostly driven by the implementation of PIM and operational gains.
- Athora Netherlands continued to expand its pension buy-out activities through Zwitserleven, completing transactions for Nedlloyd (€950 million) and Trespa (€180 million).
- Nationale-Nederlanden strengthened its intermediary distribution capabilities by acquiring the remaining 30% stake in broker Heinenoord Holding.

>€5bn

New buyouts in 2025

Liabilities shift from shrinking Life service books to growing Disability, Income & Health portfolios, tilting balance sheets toward long-term protection risk while LRC/LIC split stays broadly stable

Life portfolios

- The Dutch insurance market shows a clear split between **shrinking service books and growing pension-driven products**, fuelled by the Wtp transition.
- Although overall Life insurance liabilities are declining due to the natural shrinkage of the service books portfolios, the split between liabilities for remaining coverage (LRC) and liabilities for incurred claims (LIC) remains broadly stable across insurers.
- While growth in DC products and pension buy-out activity is increasing LRC, this is not clearly reflected in overall LRC trends across the four main insurers as the split between LRC and LIC remains largely unchanged.

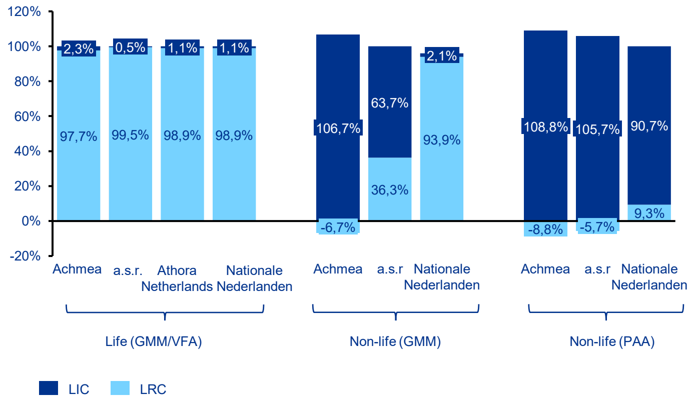
Group/individual income & Disability portfolios

- **Non-life liabilities increased across most Dutch insurers, driven by growth in long-term disability and income protection portfolios**. Despite the increase in liabilities, the split between LRC and LIC remained broadly unchanged across insurers, with exception of a.s.r.
- In 2025, a.s.r.'s changes in accounting policies have led to a reclassification of incurred claims in its Individual Disability portfolio to liabilities for remaining coverage, increasing LRC by €1,7 billion and reducing LIC under this portfolio by €1,7 billion. This shift also impacted the portfolio's CSM, since experience adjustments are now recognised in CSM rather than directly affecting P&L.
- Consistent with previous years, Nationale-Nederlanden chooses to include expected future disability claims under LRC, which would inflate it relative to LIC compared to the other peers which include these claims under LIC.

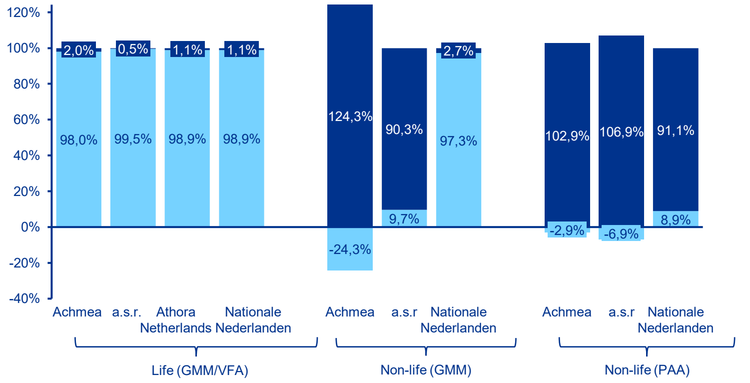
Health and P&C portfolios

- **PAA-measured, such as Health and Property & Casualty (P&C), portfolios showed steady growth across most Dutch insurers in 2025.**
- Achmea shows an increase in total LIC in the portfolio due to higher claims experience in Sickness, Absence and WIA and inflation effects. This liability is partially offset by a doubling negative LRC amount related to the higher discounting effect as a consequence of rising interest rates.

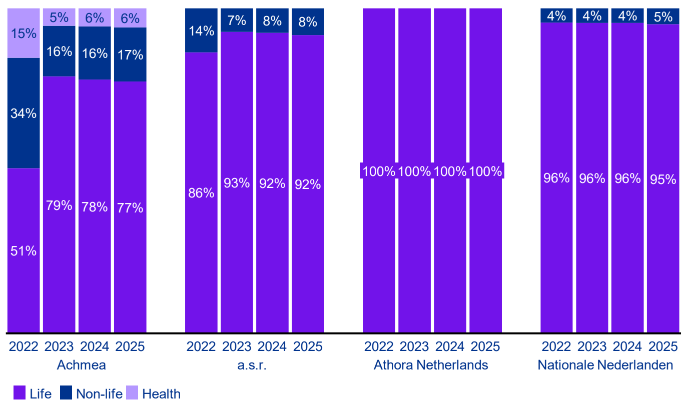
Breakdown of the liability between the LIC/LRC, 2025 (in percentages)



Breakdown of the liability between the LIC/LRC, 2024 (in percentages)



Total liability split per portfolio and insurer, 2022-2025 *(in percentages)*



CSM developments show insurers are increasingly relying on Life & Pension products to drive profitability and growth

Dutch markets continues to show increasing overall CSM

The four Dutch insurers continue to show a steady rise in profitability and long-term growth in 2025, in line with previous years, with Athora Netherlands and Nationale-Nederlanden leading the increase. Overall, **the closing balance grows 11% to €18,562 million, supported by stronger new business performance and favourable updates in assumptions.**

New business profitability increasingly driven by pensions and Life products

The profitability of new contracts in 2025 shows a clear increase in profitability generated through Life portfolios, with Nationale-Nederlanden and Athora Netherlands generating the largest volumes of profitable new business and continuing to grow compared to 2024. This is supported by Nationale-Nederlanden's strong investment in DC pensions and annuities products and Athora's benefit from pension buy-outs and higher new business volumes. At a.s.r., this is further amplified by pension buy-outs and the introduction of the Partial Internal Model, boosting CSM build-up.

Non-life CSM declines despite overall premium growth

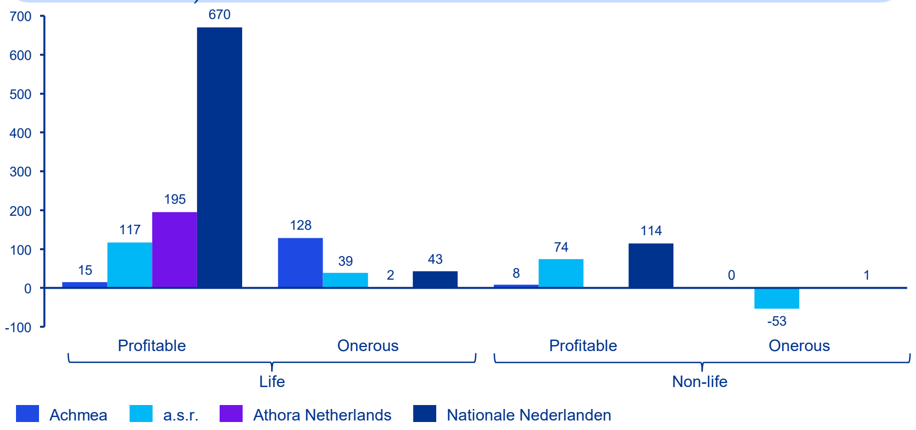
Despite continuous growing GWP evidenced by the in-scope insurers, **Non-life CSM shows a reversal in trend in 2025, with most insurers reporting declining balances.** These are mostly driven by adverse future assumption updates. Nationale-Nederlanden's Non-life growth is primarily driven by rate increases and broad volume of P&C and Group income products.

Changes in assumptions drive most CSM movements

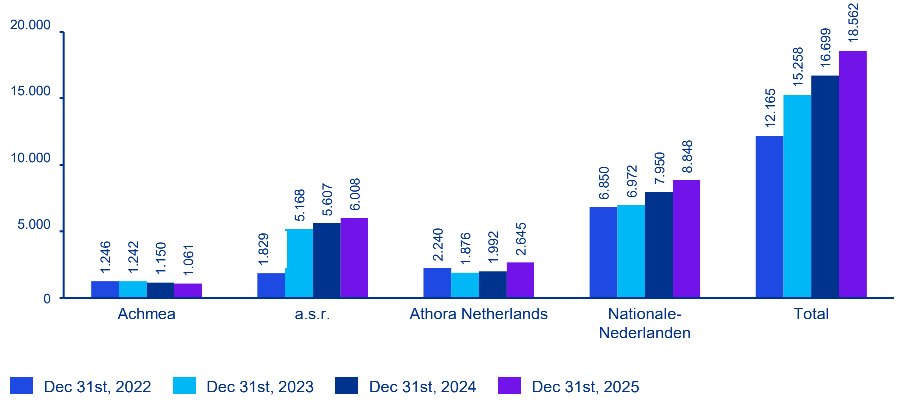
Similar to previous years, the **development of CSM differs across insurers, with a high influence of changes in assumptions, reinforcing the critical importance of accurate estimations:**

- Changes in estimates related to future service had a negative effect on CSM for Achmea, particularly regarding its Non-life portfolio.
- For a.s.r., changes in assumptions associated with accounting policies on treatment of incurred claims for the Individual Disability portfolio have driven the reduction of CSM of 19% for the Non-life portfolio. This decrease was offset by the increase in CSM observed in the Life portfolio from new business contracts and the introduction of its Partial Internal Model (PIM). The introduction of the PIM has reduced the Risk Adjustment (RA) under Solvency II, which is the basis for RA under IFRS17. These adjustments translated into a substantial increase in the CSM build-up and release in 2025.
- Athora Netherlands reported a positive impact from these changes, as assumption updates reduced expected future cash flows and therefore increased CSM.
- For Nationale-Nederlanden, the impact remained largely unchanged compared to last year.

Profitability of new contracts issued measured applying GMM/VFA, 2025 *(in millions of euros)*



CSM closing balance, 2022-2025 *(in millions of euros)*



Concentrated losses signal the need for more accurate assumptions

Life, Group/individual income and Disability portfolios continue to drive overall market loss in 2025

Similarly to 2024, despite general decreasing loss closing balances for the majority of insurers, market loss components show an **upward trend compared to total loss balances in 2024, driven solely by GMM/VFA measured portfolios and concentrated increases at Achmea**. PAA losses are almost entirely driven by Achmea, with limited to no movement across the other insurers.

Life portfolios show mixed trends, with Lifetri acquisition inflating Achmea's loss component

Life portfolios show a decrease in loss component for the majority of insurers with exception of Achmea, which has reported a two-fold increase in the loss component associated with its Unit Linked portfolio, driven by the acquisition of Lifetri and changes in estimates of the portfolio resulting from the acquisition.

Model-driven discount rate shifts reverse previous recognised loss

The application of the PIM enabled a.s.r. to reduce its loss component by approximately 20%, mainly due to differences between current discount and locked-in rates used for the Risk Adjustment (RA) and applied to the CSM. While this rate differential negatively impacted the insurance finance result by €94 million, it also contributed to a partial reversal in 2025 of loss components previously recognised in profit or loss.

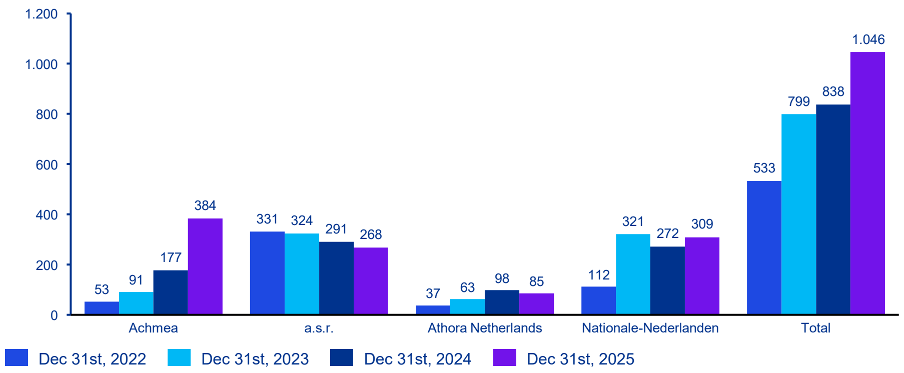
Losses rise across Nationale-Nederlanden's Group/Individual income and a.s.r.'s Disability portfolios as a result of adverse future assumption changes

Loss components in Non-life portfolios have increased across all GMM-measured portfolios. Nationale-Nederlanden stands out, with a 13% rise driven by adverse changes in future estimates for its Group/individual income portfolios. a.s.r. also recorded a notable increase compared to last year, although absolute levels remain small.

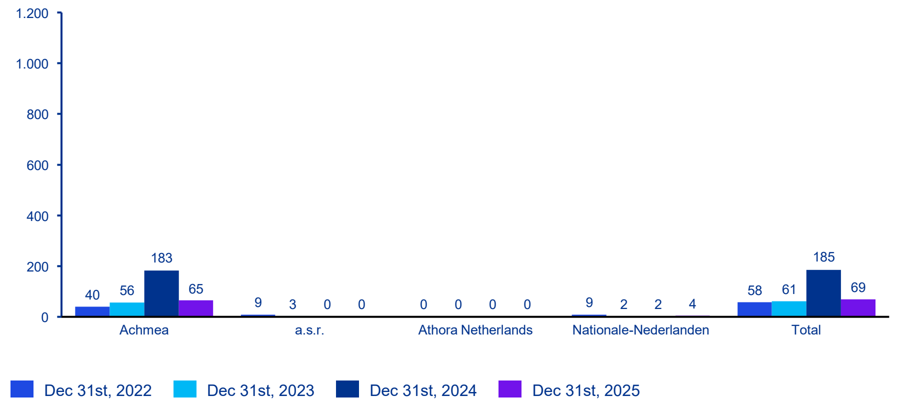
Health portfolio remains onerous due to persistent loss-making premiums

Following the recognition of losses in 2024 in anticipation of loss-making premiums in 2025 - particularly in the basic health insurance portfolio of Zilveren Kruis Zorgverzekeringen N.V., selected supplementary health insurance packages, and part of the Slovakian health portfolio - Achmea recorded a €65 million loss in 2025. **This loss relates to loss-making premiums in the basic health insurance portfolio of Zorg Nederland, several supplementary health insurance packages, and part of the healthcare portfolio in Greece.**

Loss Component closing balance – GMM/VFA portfolios, 2022-2025 *(in millions of euros)*



Loss Component closing balance – PAA portfolios, 2022-2025 *(in millions of euros)*

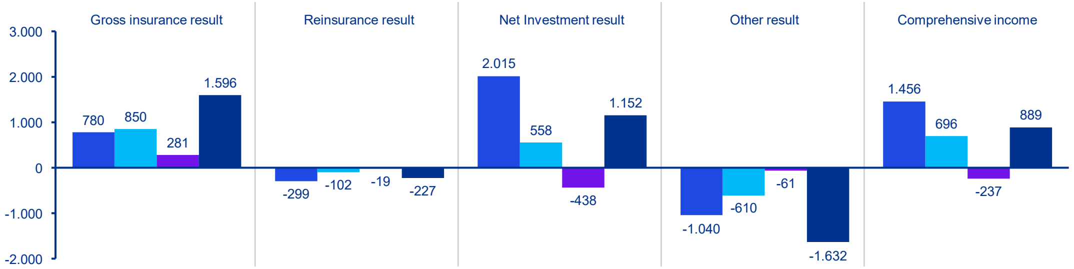


Resilient insurance earnings offset by market-driven investment volatility

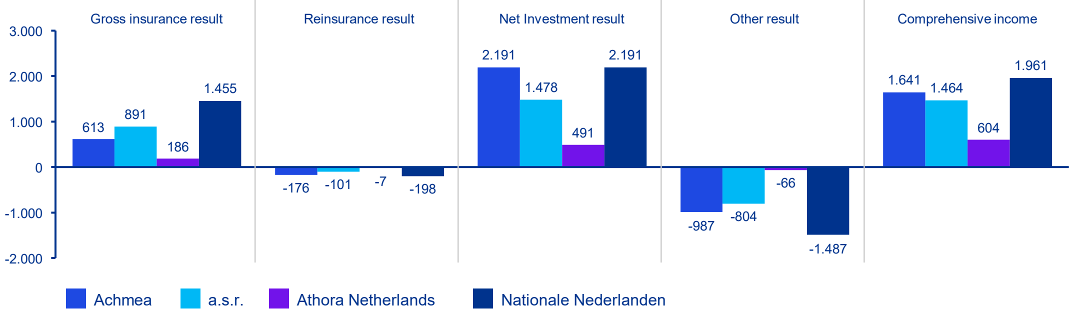
Underlying insurance profitability improved across most insurers. Differences in reported earnings were driven primarily by investment market movements and portfolio construction.

2025 results confirm that Dutch insurers remain operationally resilient, with stronger insurance performance across most insurers. However, reported earnings weakened due to lower net investment results, reflecting interest-rate driven movements, asset valuation impacts and hedge performance. Reported P&L comparability differs across insurers. At Nationale-Nederlanden, a portion of interest-rate related asset and liability movements is recognized in OCI rather than P&L, making reported earnings appear more resilient despite similar underlying economic sensitivities.
Core insurance earnings remained resilient. Reported profitability was increasingly driven by investment and accounting effects rather than underwriting performance.

Total Comprehensive Income Breakdown, 2025 *(in millions of euros)*



Total Comprehensive Income Breakdown, 2024 *(in millions of euros)*



Net Investment results

- **Net investment results weakened across all insurers, reflecting adverse market movements.**
- Higher discount rate in 2025 resulted in a lower present value of insurance liabilities and improved insurance finance income and expense (IFIE) across all insurers.
- Asset-side results weakened materially due to adverse movements in derivatives and fair value changes. These outcomes were influenced by the underlying asset composition and the structure of hedge programmes.
- Net investment result impact differs by insurer due to asset mix, hedge alignment, accounting classification and insurer-specific discount curve assumptions.
- Changes in discount curve construction further impact IFIE by altering the valuation of long-duration liabilities. For insurers with significant investment portfolios measured at FVOCI, a meaningful portion of interest rate effects is recognised in OCI rather than P&L.

Insurance results

- **Insurance performance remained robust across the market.**
- CSM release continues to provide stable earnings emergence.
- PAA portfolios remain an important contributor to insurance profitability.
- Results improved for Athora, Nationale-Nederlanden and Achmea, while a.s.r. declined modestly.

Other results

- Other results improved at Athora Netherlands and a.s.r. but weakened at Nationale-Nederlanden and Achmea.
- **Movements were largely driven by non-operational and one-off items.**
- Fee income increased across insurers, while operating expenses also continued to rise.

Insurance performance remained resilient in 2025, with insurer-specific movements driven by portfolio mix and business model differences

Stable underlying insurance profitability

Recurring earnings drivers continued to support stable insurance profitability across the Dutch market. Across all insurers, CSM release continues to anchor long-term earnings, providing predictable profit emergence from in-force portfolios. Nationale-Nederlanden shows the largest increase, reflecting the scale of its long-duration book.

Earnings volatility driven by experience and loss component movements

While underlying results remain stable, short-term volatility continues to arise through:

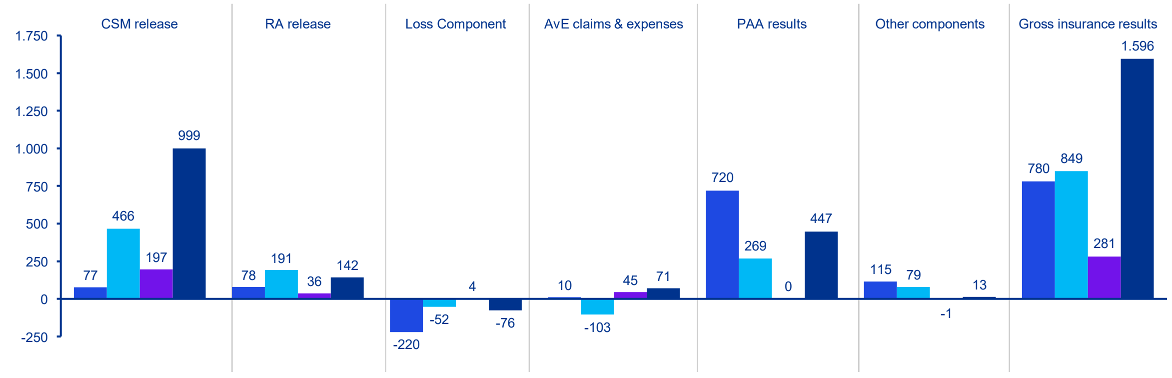
- **experience adjustments** (differences between actual and expected claims & expenses);
- **loss component movements**; and
- **changes in attributable cost assumptions.**

The decline at a.s.r. was mainly driven by adverse experience and additional onerous contract losses, while NN and Achmea benefited from offsetting positive developments.

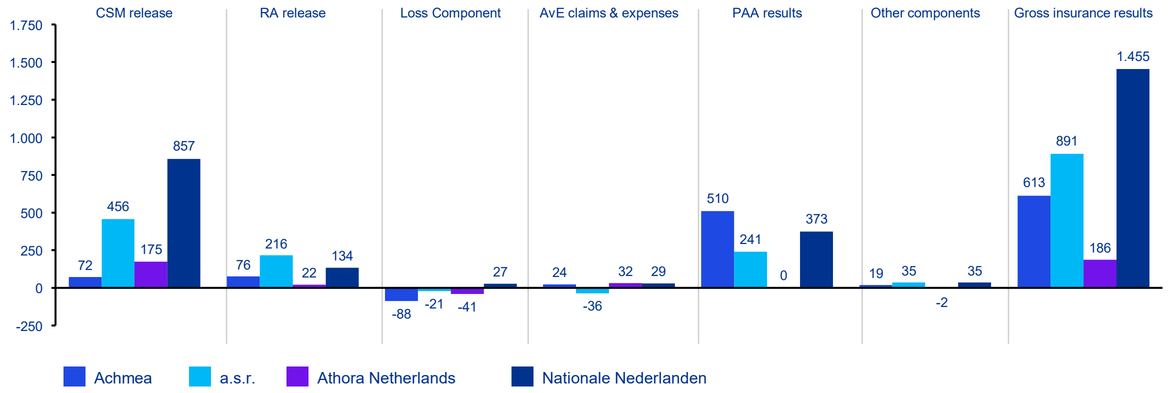
PAA portfolios support earnings but introduce short-term responsiveness

- **Differences in results are largely driven by business mix.** PAA portfolios provide a strong contribution to insurance results, particularly at Achmea (€510 million to €742 million), and contribute positively at a.s.r. and Nationale-Nederlanden.
- Due to their short-duration nature, PAA portfolios result in earnings that are more immediately responsive, both positively and negatively, to changes in pricing, volume and claims experience. Strong PAA performance was an important contributor to Achmea's improvement alongside favourable experience developments.
- **Differences in insurance results are partly driven by the balance between short-duration (PAA-driven) and long-duration (CSM-driven) business, which influences how earnings emerge in the P&L**. Insurers with larger PAA portfolios, such as Achmea, experience more immediate earnings impacts from changes in pricing, volume and claims experience – resulting in greater volatility. This contributed significantly to Achmea's year-on-year improvement.

Breakdown of the insurance result, 2025 *(in millions of euros)*



Breakdown of the insurance result, 2024 *(in millions of euros)*



The key driver of 2025 volatility was not underlying investment income, but the interaction between discount rate movements, asset valuations and hedge performance

Higher discount rates improved IFIE

- **All four insurers show an improvement in IFIE, which is consistent with the increase in 2025 discount rates.** This is economically intuitive: higher discount rates reduce the present value of long-duration insurance liabilities and therefore improve the liability-side finance result.
- For Athora Netherlands, the improvement in IFIE was driven by both higher observable discount rates and structural changes in the discount curve. The reduction in the last liquid point from 30 to 20 years results in earlier extrapolation of the curve, increasing the weight of the UFR. This effect is amplified by the increase in the UFR from 2,0% to 3,3%, which materially raises long-term discount rates. Combined, these factors significantly reduce the present value of long-duration liabilities, contributing to the IFIE improvement.
- By contrast, a.s.r.'s reduction in UFR from 3,25% to 3,2% partially dampened the benefit of higher market rates, although IFIE remained strongly positive.

Market movements weakened asset performance

Although higher interest rates reduced insurance liabilities and improved IFIE, asset-side performance weakened across most insurers (specifically for debt securities, derivatives and hedge instruments).

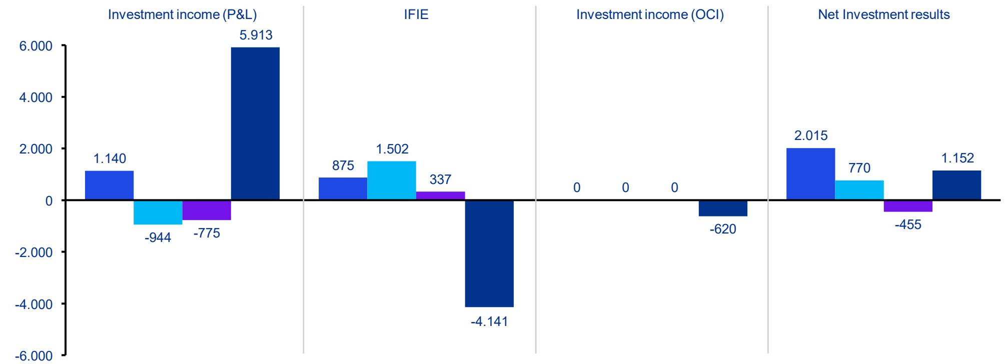
Losses were primarily driven by:

- Fair value movements on FVOCI and FVTPL assets
- Revaluations of interest-rate-sensitive securities
- Derivative and a hedge performance

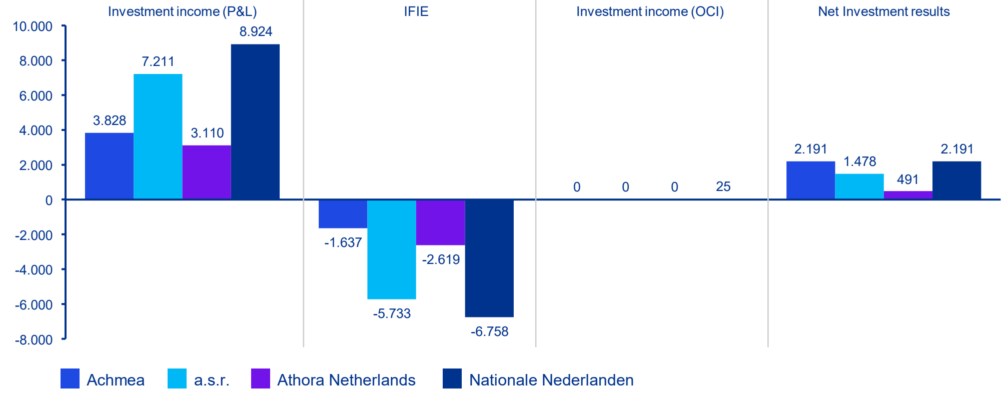
The impact varied by insurer depending on asset allocation, hedge design and accounting classification.

- **Portfolios with greater exposure to equities, interest-rate-sensitive debt and derivatives showed higher reported P&L sensitivity.** OCI presentation reduced P&L volatility but did not change underlying economic exposure. Portfolios with higher allocations to mortgages and amortised cost assets exhibited lower short-term P&L volatility.
- Overall, **differences in reported outcomes were driven mainly by portfolio construction and accounting presentation rather than underlying investment income**.

Breakdown of the Net Investment Result, 2025 *(in millions of euros)*

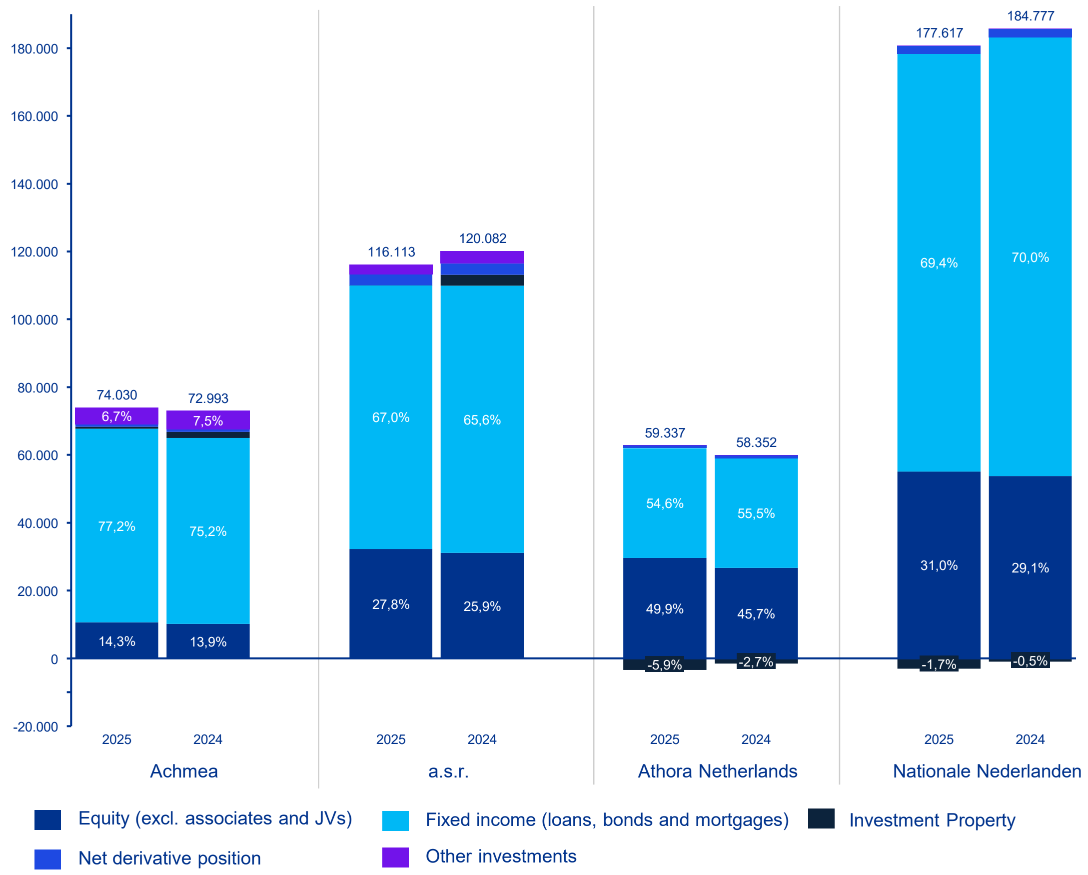


Breakdown of the Net Investment Result, 2024 *(in millions of euros)*



Asset allocation determines economic sensitivity, while accounting classification determines where volatility is reported. Together they explain most differences in reported investment results

Asset Mix per Insurer, 2024-2025 *(in millions of euros)*



Asset mix drives result volatility

The sensitivity of investment results is primarily driven by asset mix. Portfolios with greater exposure to equities, interest rate movements and derivatives typically exhibit higher P&L volatility, while mortgages and amortised cost assets provide more stable, yield-driven returns. FVOCI classification reduces reported P&L volatility by recognising market movements in OCI rather than P&L.

Differences in reported results are therefore closely linked to portfolio construction and accounting treatment:

- **Achmea** has a more stable investment profile, with 75-76% of investments at fair value and the rest at amortised cost. Higher mortgage exposure (35-36%) and lower equity exposure (14%) support a more yield-oriented profile and lower reported volatility than peers.
- **a.s.r.** predominantly measures investments at fair value (95%) and maintains a balanced mix of debt instruments (32-24%), mortgages (26-27%) and equities (25-27%), resulting in sensitivity to both fair value and hedge movements.
- **Athora** has 100% of investments measured at fair value through profit and loss (FVTPL), with significant equity exposure (46-50%) and negative net derivative exposure, resulting in higher sensitivity to market revaluations.
- **Nationale-Nederlanden** holds a more diversified portfolio, with 87-88% at fair value (both FVTPL and FVOCI) and the rest at amortized cost. The use of FVOCI reduces reported P&L volatility, with a significant portion of market movements recognized in OCI.

Accounting policy choice affects presentation of investment results

- **Differences in accounting presentation influence where investment volatility is recognized, affecting comparability of reported P&L results across insurers.**
- Nationale-Nederlanden has a large portfolio of assets classified at FVOCI, meaning that a meaningful share of market-driven asset valuation movements is recognized in OCI rather than P&L.
- As a result, Nationale-Nederlanden's P&L investment result appears relatively resilient, but this is a presentation effect rather than an economic one. When P&L and OCI are considered together, Nationale-Nederlanden's total economic investment outcome deteriorates more materially than the P&L alone suggests.

Running yield is relatively stable, insurance net investment results volatility comes from fair value & hedging

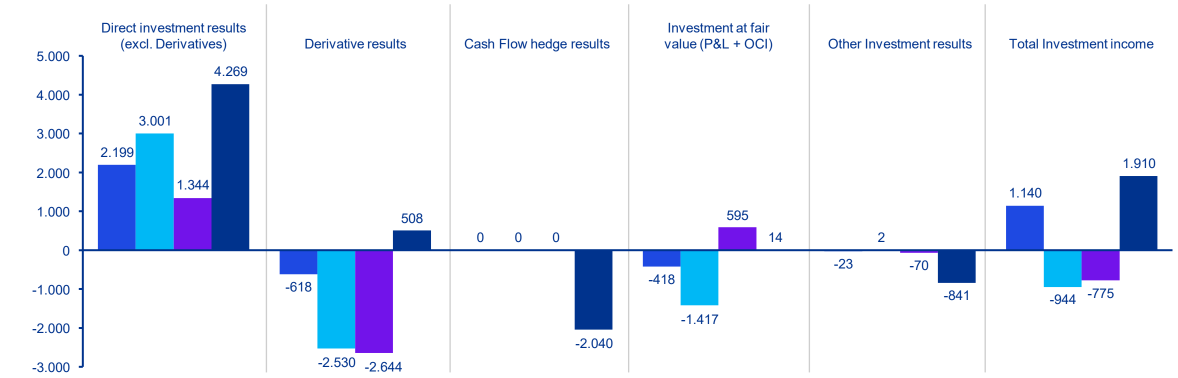
Underlying investment income remained broadly stable across insurers

Across all four insurers, direct investment income excluding derivatives remained relatively stable year-on-year. When scaled to portfolio size, running yields were also broadly consistent:

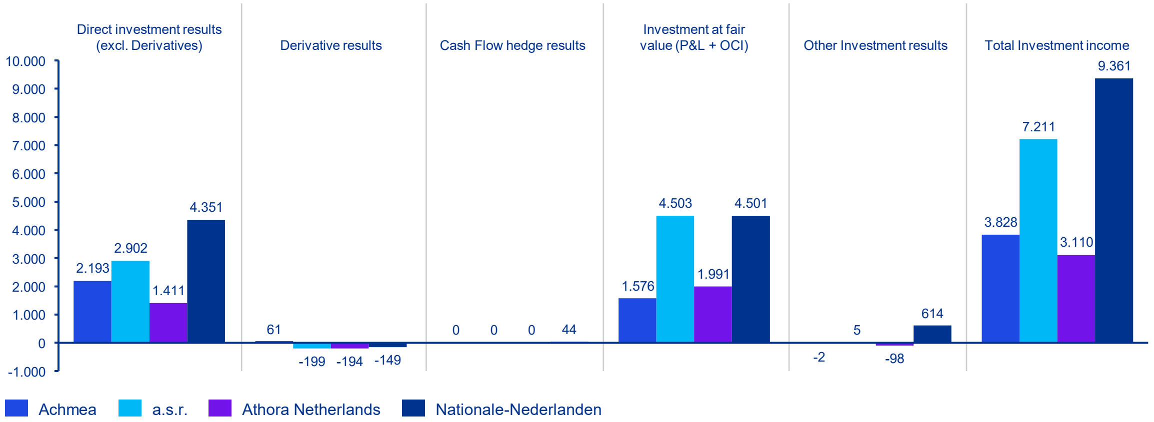
- Athora Netherlands: 2,27% vs 2,42%
- a.s.r.: 2,58% vs 2,42%
- Nationale-Nederlanden: 2,40% vs 2,35%
- Achmea: 2,97% vs 3,00%

Running yields remained broadly consistent across insurers, indicating that differences in reported investment results were driven primarily by fair value, derivative and hedge-related movements rather than recurring investment income.

Detailed breakdown of the Investment Income, 2025 *(in millions of euros)*



Detailed breakdown of the Investment Income, 2024 *(in millions of euros)*



Other results increasingly reflect one-off and strategic items

Period-on-period comparability is increasingly affected by disposals, valuation effects and strategic transactions rather than underlying operating trends

Other results show a mixed picture, with improvements at Athora Netherlands and a.s.r. and slight deterioration at Nationale-Nederlanden and Achmea. **Importantly, this category is increasingly influenced by non-recurring items, strategic portfolio actions and valuation effects, rather than purely underlying operating trends.**

Improvements at Athora and a.s.r. driven by specific non-recurring items

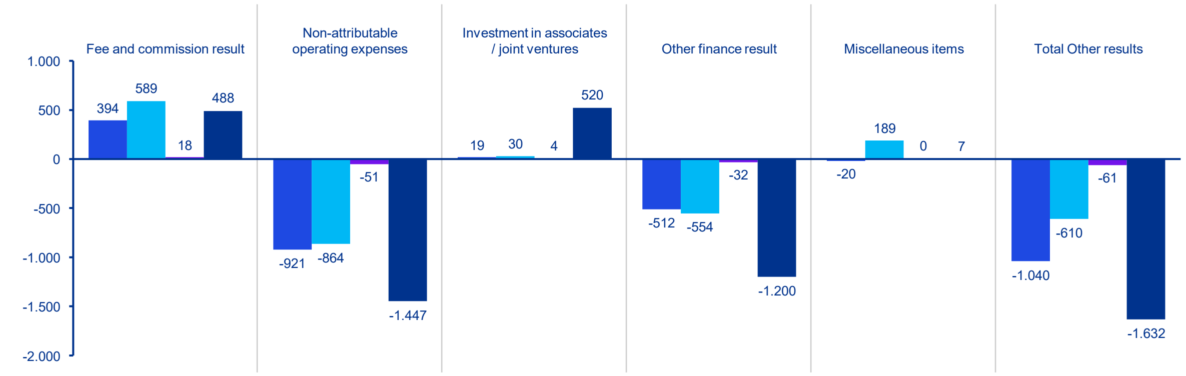
Athora Netherlands and a.s.r. both show improvements in other results. For a.s.r., this is primarily driven by:

- €35 million gain from derecognition of associates and joint ventures; and
- €31 million from revaluation of a property development project and VAT-related benefits.

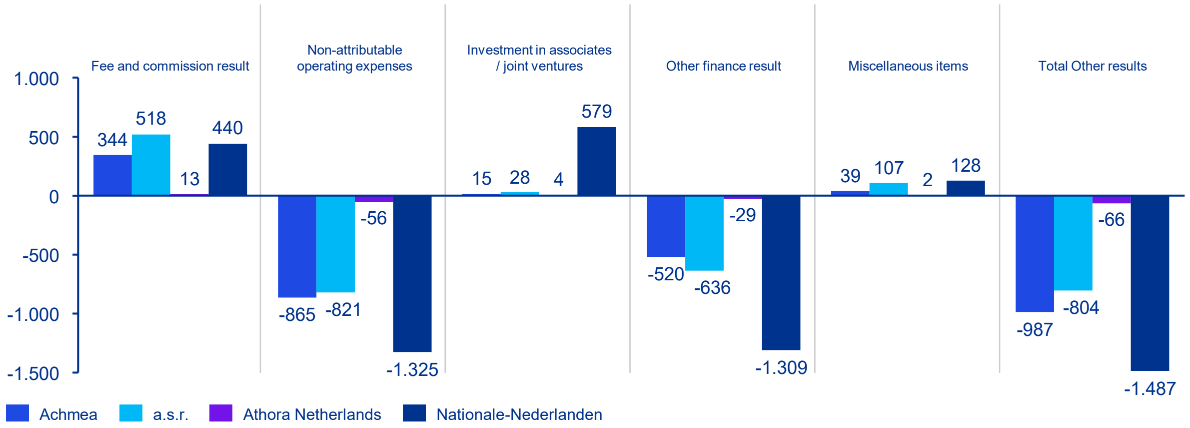
Deterioration at Nationale-Nederlanden driven by disposals

Movements were influenced by several non-recurring items, including disposal-related losses and valuation effects. The decrease in the miscellaneous items is driven by a €123 million loss in 2025 linked to disposal of group companies, consisting of the Turkish operations.

Breakdown of Other Results per Insurer, 2025 *(in millions of euros)*



Breakdown of Other Results per Insurer, 2024 *(in millions of euros)*



Closing remarks and outlook

- In 2025, Dutch insurers delivered solid performance, supported by strong solvency positions and capital generation, while facing increasing claims complexity, evolving risks and ongoing pressure on operational execution.
- Portfolios continue to shift toward long-term protection products, with shrinking Life books and growth in Disability, Income, and Health lines. CSM growth and new business profitability are increasingly concentrated in DC pensions, annuities and other Life products, whereas Non-life CSM is declining at most insurers despite premium growth. Health results remain structurally weaker due to loss-making products
- P&L results saw a decrease in 2025 due to lower net investment results and market value movements, despite overall strong gross insurance results driven by increasing CSM releases and PAA results show an increase compared to previous years.

Lessons learned

Deployment of M&A and reinsurance as strategic levers to increase capital generation: Solvency positions are increasingly shaped by capital actions such as M&A, pension buy-outs, reinsurance and model choices, alongside underlying capital generation.

Wtp as a driver of Life growth and profitability: Pension reform is accelerating demand for DC pensions, annuities and buy-outs, with new business profitability (CSM) increasingly concentrated in Life products.

Impact of accounting policies and assumptions: Reported results are significantly influenced by discount rate movements, accounting classification (OCI vs P&L) and assumption changes, affecting both volatility and comparability across insurers.

Asset mix as key driver of earnings volatility: Investment result sensitivity is largely determined by asset allocation, with equity-, interest-rate- and derivative-heavy portfolios showing higher P&L volatility, while mortgages and amortised-cost assets deliver more stable returns.

Looking forward

#1 **Regulatory change in 2027 will be defined by implementation and execution**, with insurers implementing Solvency II revisions, scaling WTP programmes, strengthening AML compliance, and adapting financial reporting to IFRS 18.

#2 Insurability becomes a strategy portfolio question, requiring insurers to consider **where to retain risk, reprice, partner, or exit.**

#3 Channel strategy increasingly requires deliberate choices, particularly in **how insurers retain control over key assets** (customer logic, pricing intelligence and data) while participating in broader ecosystems.

#4 As digital transformation scales, insurers need to consider **how resilience is measured, how often it is tested and how governance keeps pace** with new threat patterns and shorter response windows

#5 As AI becomes embedded in core processes, insurers need to consider **how to establish strong oversight on data ownership, privacy, cyber resilience, regulatory readiness, and reliance on external vendors**

#6 As digital transformation scales, it is important for insurers to understand **how to establish a clear approach to workforce transition** that best enables effective value realisation

#7 In a market where scale remains important but not sufficient, insurers need to be more deliberate about **where to grow, how to grow and whether growth translates into durable profitability and strategic relevance**.

#8 Capital is increasingly viewed as strategic enabler, requiring insurers to make deliberate choices **on where to invest without becoming overly exposed or constrained** in the changing environment

Transparency disclosure

In preparing this year's State of the Insurers, (gen) AI has been used in a controlled and supportive manner to enhance efficiency in data collection and content development. Throughout the process, expert judgement and validation remained central to ensure accuracy, consistency, and reliability of the outputs produced. While every effort has been made to ensure the quality of the analysis and findings presented, readers should consider them in the context of the sources available at the time of publication.

01

Data collection

- Subject matter experts identified the relevant metrics and definitions to ensure comparability across insurers.
- A Large Language Model (LLM) was used to extract financial figures from publicly available Annual Reports using structured prompts.
- All outputs were reviewed and where needed corrected by experts to ensure accuracy of figures quoted.

02

Data analysis and insights

- Market knowledge and expert insight guided the selection of themes and input materials. Draft outputs served as a starting point for further development.
- AI was applied to support desk research on qualitative topics, including the identification of key sector trends and aggregation of relevant external sources. AI was also used to compile information and generate initial draft texts.

03

Validation and review

- All outputs were subjected to detailed expert review and validated against source documents to ensure completeness and correctness.
- Content was critically reviewed, refined, and validated for accuracy, coherence, and alignment with KPMG standards.
- Audit-level checks confirmed consistency and comparability of key figures.

04

Publication

- Human oversight was embedded throughout the process with clear controls for validation, review, and refinement.
- No AI-generated content, data or outputs were included without human verification.

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Glossary

Anti-Money Laundering (AML)	Regulations and processes aimed at preventing, detecting, and reporting money laundering and financial crime.
Anti-Money Laundering Authority (AMLA)	The European authority responsible for overseeing AML supervision and coordination across EU member states.
Contractual Service Margin (CSM)	The unearned profit on insurance contracts that is recognised over time as services are delivered.
Defined Contribution (DC)	A pension scheme where benefits depend on contributions and investment performance, with the risk borne by the participant.
Digital Operational Resilience Act (DORA)	EU regulation aimed at strengthening the digital resilience and ICT risk management of financial institutions.
Fair Value Through Other Comprehensive Income (FVOCI)	Measurement category where assets are valued at fair value, with changes recognised in OCI instead of P&L.
Fair Value Through Profit or Loss (FVTPL)	Measurement category where assets are valued at fair value, with all changes recognised directly in P&L.
General Measurement Model (GMM)	Default measurement model used in IFRS 17 for measuring insurance contracts. For contracts with direct participation features, it is mandatory.
Insurance finance income and expense (IFIE)	Comprises the change in the carrying amount of the group of insurance contracts arising from the effect of, and changes to, the time value of money and financial risk.
Integrity Report (IRAP)	Annual regulatory report submitted to DNB covering integrity, AML, and financial crime risks.
Insurance Recovery and Resolution Directive (IRRD)	EU directive establishing rules for recovery and orderly resolution of insurers in financial distress.
Know Your Customer (KYC)	Processes used to verify customer identity and assess risk in order to prevent financial crime.
Liability for incurred claims (LIC)	An insurer's obligation to investigate and pay claims for insured events that have already occurred. This includes events that have occurred but have not been reported, and other incurred insurance expenses.
Liability for remaining coverage (LRC)	An insurer's obligation for insured events related to the unexpired portion of the coverage period.

Glossary

Locked-in discount rate	to use the VFA model, while there is the option for entities to use PAA as a simplified measurement model for contracts with coverage period shorter than one year. Discount rates determined on initial recognition of the contract/ group of contracts.
Managing General Agent (MGA)	A specialized insurance intermediary that is granted underwriting and binding authority by an insurance company (the carrier). Unlike traditional brokers who primarily represent the customer, MGAs operate on behalf of the insurer.
Operating Capital Generation (OCG)	A measure of the capital generated by an insurer from its core operational activities.
Other Comprehensive Income (OCI)	A financial statement category for gains and losses that are excluded from the profit and loss statement.
Own Risk and Solvency Assessment (OSRA)	Internal process where insurers assess their risk profile and capital adequacy in a forward-looking way.
Partial Internal Model (PIM)	A Partial Internal Model (PIM) is an entity-specific internal model, approved by supervisory authorities, used to calculate the Solvency Capital Requirement for selected risk modules, sub-modules, or business units instead of the full standard formula..
Premium Allocation Approach (PAA)	Simplified measurement model for liability for remaining coverage that can be used for eligible contracts.
Risk Adjustment (RA)	The risk adjustment for non-financial risk reflects the compensation that the insurer requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risks.
Regulatory Technical Standards (RTS)	Detailed technical rules developed by regulators to operationalise EU legislation.
Solvency Capital Requirements (SCR)	The minimum capital insurers must hold to absorb losses and remain solvent under stress scenarios.
Solvency and Financial condition Report (SFCR)	Public report providing transparency on an insurer’s financial position, risks, and solvency.
Ultimate Forward Rate (UFR)	Long-term interest rate used to extrapolate the discount curve for valuing long-duration liabilities.
Variable Fee Approach (VFA)	Measurement model under IFRS 17. The variable fee approach modifies the treatment of the CSM under the general measurement model to accommodate direct participating contracts.
Wet toekomst pensioen (Wtp)	Dutch pension reform law transitioning the system towards defined contribution schemes.
Work and Income (Capacity for Work) Act (WIA)	Dutch social security law that provides disability income if a long-term illness or impairment causes a person to earn 35% or less of their previous salary after two years of being sick.

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