

To: Organisation for Economic Co-operation and Development  
Statistics Directorate  
Chief Statistician  
Ms Martine Durand  
2 rue André-Pascal  
75775 PARIS CEDEX 16  
FRANCE

cc:

Date: 14 March 2014

Subject: Representation of the Insurance Industry in National Accounts

Dear Ms. Durand,

The Global Federation of Insurance Associations (GFIA) is a non-profit association established in October 2012, which, through its 37 member associations, represents insurers that account for around 87% or more than \$4.0 trillion in total insurance premiums worldwide. As the global voice of insurance, the GFIA has a keen interest in a number of activities carried out by the OECD, which may have an impact on the sector, notably in the areas of long-term investment, trade and pensions.

The members of the GFIA also follow with great interest the ongoing work at the international level in the field of national accounts, where again the OECD plays a decisive role. The national accounts are instrumental in providing an accurate image of the different economic sectors. In our opinion, with the adoption of SNA 2008, an important step was made in the right direction as far as the insurance sector is concerned. Specifically, the adoption of new rules for calculating reinsurance transactions (which have already been applied in the US and will come into force this year in the European Union) will result in a more accurate calculation of the gross value added of the insurance sector and thus in turn is a better picture of the importance of insurance as an economic sector.

The GFIA is however of the opinion that additional changes would lead to further improving the accuracy of the calculation of the gross value added of the insurance sector. In particular, we are concerned by the current treatment of capital income in the measurement of the gross value added of the insurance industry, which as it stands leads to an underestimation of the insurance sector's contribution to economic activity. You shall find in the document attached to this letter the GFIA's main findings on this particular question.

As a possible way forward, the GFIA would suggest including the treatment of capital income from own funds in the field of insurance on the SNA Research Agenda, which lists the areas which should be discussed in order to increase the accuracy of the calculation of national accounts. We understand that for now, the issue raised in this letter is not on the Research Agenda.



We are at your full disposal to discuss this issue with you in more depth, and would be grateful for an opportunity to explain our concerns to you or your collaborators in more detail.

Yours sincerely,

(Original signed by)

Frank Swedlove  
Chair, Global Federation of Insurance Associations

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**About the GFIA**

Through its 37 member associations, the Global Federation of Insurance Associations (GFIA) represents the interests of insurers and reinsurers in 58 countries. These companies account for around 87% of total insurance premiums worldwide. The GFIA is incorporated in Switzerland and its secretariat is based in Brussels.