Dear colleagues,

Enclosed please find the comments made by Statistics Austria.

- Comments on Volume 1 of the updated System of National Accounts

Chapter 17: Cross-cutting and other special issues

5. Defining insurance output

Life insurance

When defining insurance output of non-life insurance the "2008 SNA" recommends the use of adjusted claims when calculating output. The underlying argument is that its measurement should not be affected by the occurrence of exceptional events. It is also stated that an adjustment of benefits of life insurance is not necessary, because life insurance benefits are less volatile.

This may be true, but what can show volatility to a larger extent, are the increases/decreases in actuarial reserves, for example through changes in legal requirements. For example in 2005, the Austrian government forced the Austrian insurance companies to raise their actuarial reserves because the mortality tables showed higher life expectancies. This caused a major drop in the output of life insurance. The question now is, is that case similar to the occurrence of an exceptional event that should be adjusted, or does it reflect the "economic reality" of the examined period. If it is not seen as a "normal" development, then the adjustment of increases in reserves should be possible in the case of exceptional occurrences for life insurance as well.


Best regards
Ursula Havel

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Mag. Ursula Havel