



sigma

No 3/2008

World insurance in 2007:
emerging markets leading the way

- 3 Executive summary
- 4 Global economy:
slower growth and a challenging
investment environment
- 7 World insurance:
industry in good shape;
growth temporarily slowing down
- 14 Industrialised countries:
weak non-life premium growth;
life continues to expand
- 20 Emerging markets: robust growth
- 28 Methodology and data
- 31 Statistical appendix

Published by:
Swiss Reinsurance Company Ltd
Economic Research & Consulting
P.O. Box
8022 Zurich
Switzerland

Telephone +41 43 285 2551
Fax +41 43 285 4749
E-mail: sigma@swissre.com

New York Office:
55 East 52nd Street
40th Floor
New York, NY 10055

Telephone +1 212 317 5135
Fax +1 212 317 5455

Hong Kong Office:
18 Harbour Road, Wanchai
Central Plaza, 61st Floor
Hong Kong, SAR

Telephone +852 2582 5691
Fax +852 2511 6603

Authors:
Daniel Staib
Telephone +41 43 285 8136
Lucia Bevere
Telephone +44 20 7933 3732

sigma co-editor:
Dr. Brian Rogers
Telephone +41 43 285 2733

Managing editor:
Thomas Hess, Head of Economic Research
& Consulting, is responsible for the *sigma*
series.

The editorial deadline for this study was
20 May 2008.

sigma is available in English (original lan-
guage), German, French, Italian, Spanish,
Chinese and Japanese.

sigma is available on Swiss Re's website:
www.swissre.com/sigma

The internet version may contain slightly
updated information.

Translations:
CLS Communication

Graphic design and production:
Swiss Re Logistics/Media Production

© 2008
Swiss Reinsurance Company Ltd
All rights reserved.

The entire content of this *sigma* edition is
subject to copyright with all rights reserved.
The information may be used for private
or internal purposes, provided that any
copyright or other proprietary notices are
not removed. Electronic reuse of the data
published in *sigma* is prohibited.

Reproduction in whole or in part or use
for any public purpose is permitted only
with the prior written approval of Swiss Re
Economic Research & Consulting and if
the source reference "Swiss Re, *sigma*
No 3/2008" is indicated. Courtesy copies
are appreciated.

Although all the information used in this
study was taken from reliable sources,
Swiss Reinsurance Company does not ac-
cept any responsibility for the accuracy
or comprehensiveness of the information
given. The information provided is for in-
formational purposes only and in no way
constitutes Swiss Re's position. In no
event shall Swiss Re be liable for any loss
or damage arising in connection with the
use of this information.

Executive summary

Real premium growth 2007

	Life	Non-life	Total
Industrialised countries	4.7%	-0.3%	2.5%
Emerging markets	13.1%	10.2%	11.8%
World	5.4%	0.7%	3.3%

Slower economic growth; more difficult investment environment

In 2007, premium growth and profitability were strong in the global insurance industry. Total direct premium volume grew by 3.3% in real terms,¹ with life premiums increasing by 5.4% and non-life premiums by 0.7%. Worldwide insurance premium income climbed to USD 4 061bn in 2007. The life business accounted for USD 2 393bn of this total; non-life insurance accounted for the remaining USD 1 668bn. Due to soft market conditions, profitability eased slightly in the non-life sector.

The macroeconomic environment was characterised by marginally slower economic growth and rising inflation that was driven by a steep increase in food and energy prices. Key interest rates diverged, but were generally low. Though strong at the end of 2007, stock markets fell in early 2008. Meanwhile, the global sub-prime credit crisis is expected to affect economic growth in 2008 and 2009.

Life insurance in 2007: growth accelerated

Life insurance continued to expand in 2007, accelerating in the industrialised economies, with the exception of Japan and Continental Europe. Sales of retirement and other wealth accumulation products spurred growth in the industrialised countries. Life insurance in the emerging markets was fuelled by strong economic performance and catch-up potential.

Non-life insurance in 2007: profitable despite slowing growth

Non-life premium growth continued to follow divergent trends in the industrialised and the emerging markets. While premium volume retreated in the industrialised markets, growth slowed marginally in the emerging markets. Downward pressure on premium rates continued. However, technical results were favourable and profitability remained sound.

2008 – strong life insurance growth but stagnating non-life premiums, at best.

Growth in life insurance premiums in 2008 is expected to moderate as capital and stock market turmoil dampen demand. However, the medium term outlook remains positive for life insurance, supported by the need for old-age provision.

Profitability to remain robust.

Non-life insurance premiums are expected to stay flat, at best. Combined ratios are set to continue to deteriorate given the prevailing pressure on rates and sluggish premium growth.

Limited impact of sub-prime crisis on insurance industry as a whole

The sub-prime crisis will have some negative implications for the insurance industry, but not on the scale seen in the banking industry. Insurers have only minor exposure to mortgage-related assets; the negative effects on the liabilities side are expected to be limited to the specialised lines of business. As the crisis spills over to the real economy, corporate bond default rates will rise and hamper investment results.

This sigma delivers the latest data available, complemented by some estimates.

This study contains the latest market data available at the time of going to press. For most insurance markets, it was too early for definitive 2007 figures. For these, *sigma* used provisional data released by supervisory authorities and insurance associations, or Swiss Re Economic Research & Consulting estimates.

¹ All premium growth rates provided in this study are in real terms, ie factoring out inflation – measured by local consumer prices indices.

Strong growth continues in most regions, but a slowdown is expected in 2008

Economic growth solid, but slowing

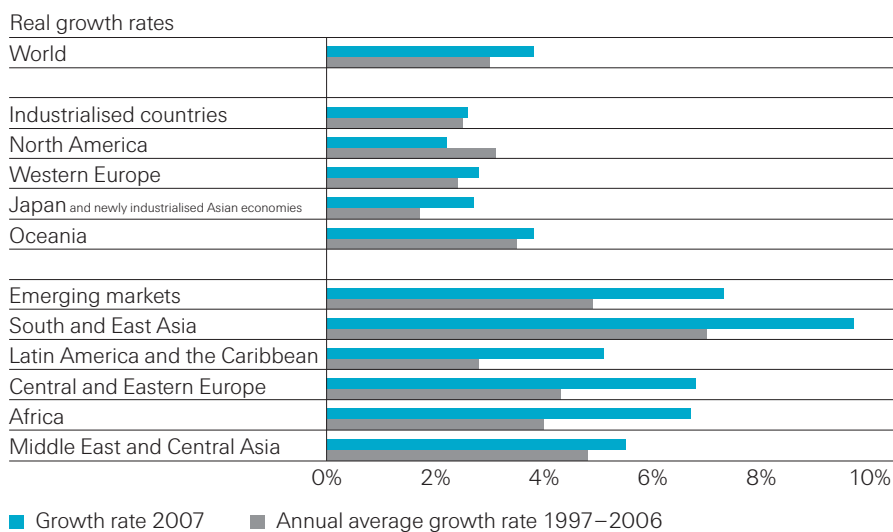
Macroeconomic indicators

The US sub-prime crisis hit the global financial markets mid-2007 and gradually evolved into a serious credit crisis in the industrialised countries. However, in 2007, it only had a limited impact on the global real economy. Growth, in fact, was only down slightly to 3.8% in real terms² (2006: 4%) and still well above the 10-year average growth of 3%. World gross domestic product (GDP) surpassed the USD 54 000bn mark. In contrast to the past, North America was the only region which grew below its previous 10-year average pace (see Figure 1). Across the industrialised world, growth decelerated in 2007, while the opposite occurred in the emerging markets.

Economic growth slowed slightly in the industrialised countries.

The slowdown was most pronounced in the US and Japan. Western Europe was less affected, though the widening crisis and rising oil prices took their toll on growth. In contrast, growth increased in the UK, Australia and in some of the newly industrialised Asian economies, boosted by high commodity prices. In 2008, growth is expected to continue to slow, with the US economy likely to enter into a modest recession.

Figure 1
Real GDP growth by region,
2007 versus the 10-year average



Remarks: Countries' GDPs weighted with market exchange rates.

Source: Oxford Economic Forecasting

² The aggregation of countries is weighted by USD GDP based on market exchange rates. International statistics using purchasing-power parity show higher world GDP growth rates because of their heavier weighting of fast-growing countries such as China and India.

Growth accelerated in the emerging markets.

In contrast, the emerging market economies grew 7.3% in 2007 (2006: 7.2%), well above the long term trend. These economies benefited from further increases in energy and food prices as well as robust domestic demand. Africa was the only region that reported significantly higher growth, with 6.7% (2006: 5.4%). China and India continued to expand at exceptional rates, though growth in India slowed slightly. In 2008, the emerging market economies are expected to expand appreciably, but not quite at the levels of the two previous years. Eventually the slowdown in the developed markets will have an impact, especially on export-oriented countries.

Inflation rose sharply in 2007.

World inflation rates began to rise sharply during the third quarter of 2007, though the rise is more pronounced in the emerging markets. Consumer prices have continued to increase during the first three months of 2008. The main drivers were surging food and energy prices. However, the expected cooling of the world economy in 2008 should help to keep inflation in check.

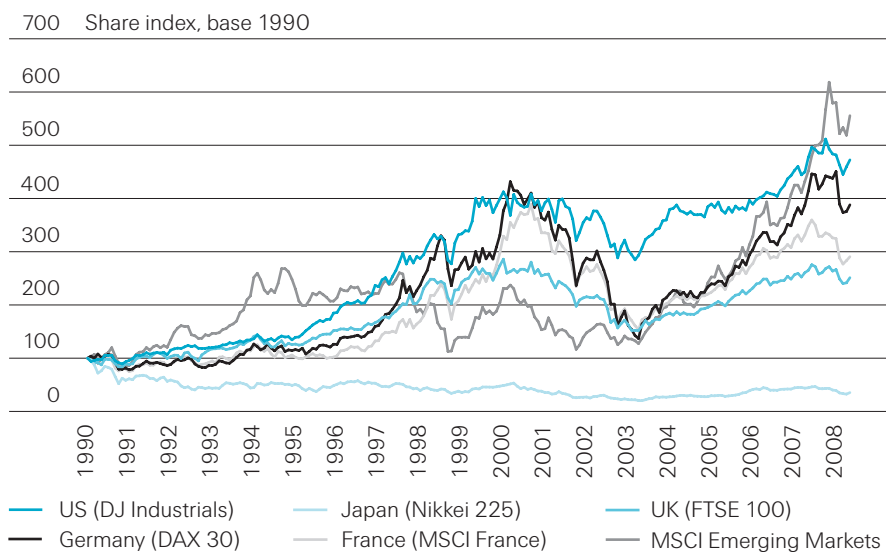
Stocks peaked in the fourth quarter of 2007, but significantly lost value thereafter.

Capital markets

With the exception of Japan, stock markets around the globe rose steadily during the first three quarters of 2007. The stock index for the emerging markets posted full-year growth of 37%. The German index also rose a strong 22%. The US Dow Jones was up a solid 6.4%, while the UK index grew at a slightly slower pace (3.8%). In Japan, however, stocks slid a disappointing 11%.

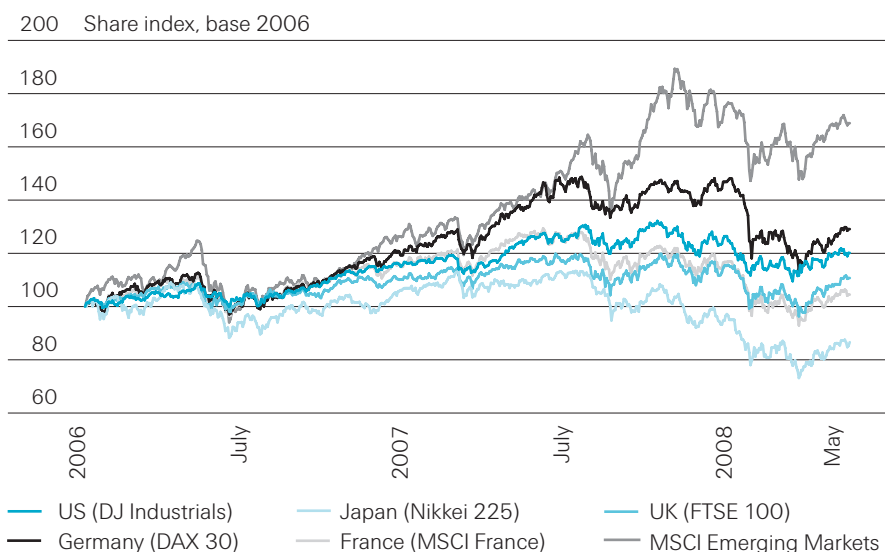
Corporations continued to report strong earnings. However, most markets peaked in the last quarter of 2007 and stocks significantly lost value, led by the banking sector. In the first five months of 2008, the losses ranged between -2.9% (DJ) and -13% (DAX). Markets seem to have stabilised somewhat; nevertheless, a full recovery before the end of the year seems unlikely in most markets. Assuming the global economic slowdown remains moderate, stocks do not appear to be overvalued.

Figure 2
Development of stock market indices,
1990–2008



Source: Datastream

Figure 3
Stock market performance since 2006



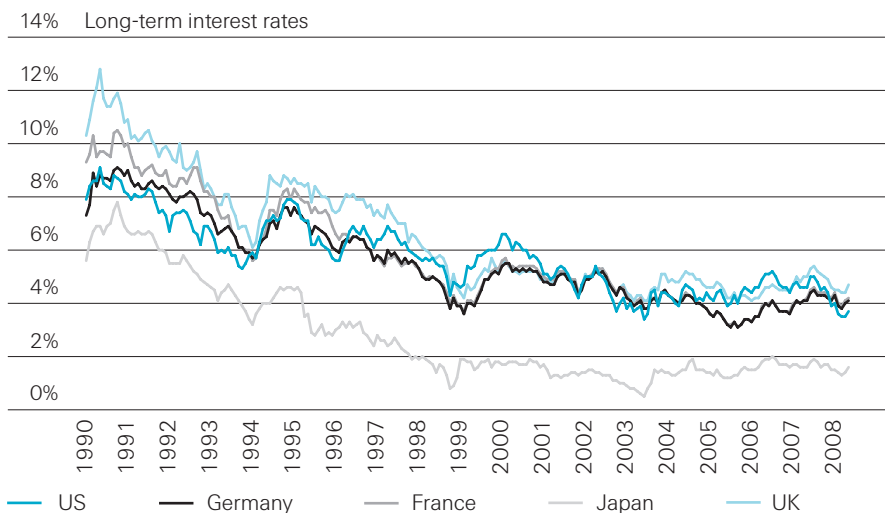
Source: Datastream

Long-term interest rates: down in the Anglo-Saxon countries, steady in other countries

Monetary policy varied across the developed economies. The US Fed began cutting interest rates aggressively in the wake of the credit crisis, while the Bank of England loosened the monetary reins slightly. Meanwhile, the European Central Bank, which is primarily focused on containing inflation, left rates unchanged. As a consequence, the rising trend in long-term interest rates was reversed in mid-2007. In the US and the UK, interest rates fell significantly through early 2008, while they decreased only slightly in Europe (see Figure 4).

If inflationary pressures ease and the economic situation deteriorates further, interest rates could fall in 2008. Rates would be expected to rise in 2009 as economic growth resumes. Lower interest rates in 2008 pose a challenge, especially for life insurers.

Figure 4
Economic slowdown reversed the upward trend in long-term bond yields in mid-2007



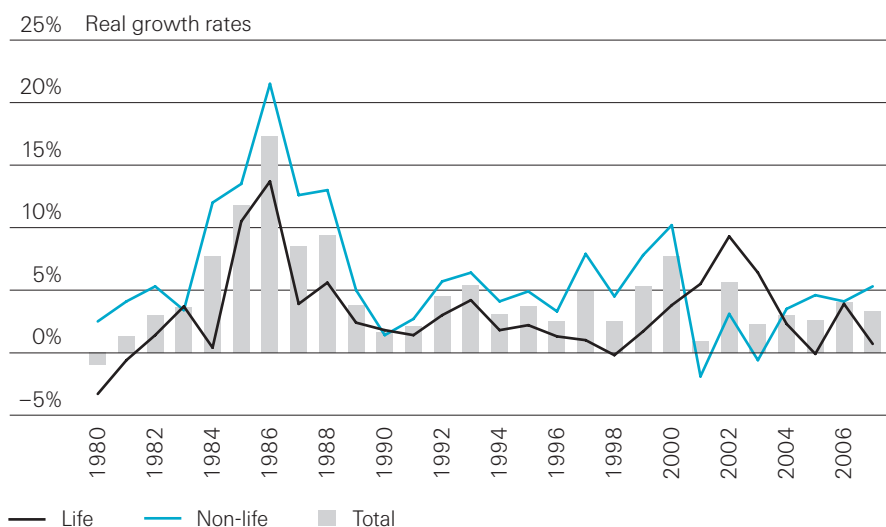
Source: Datastream

Solid expansion of global premium volume continues

The life business is driving growth.

In 2007, life and non-life world premium volume overall continued to grow solidly at 3.3% (2006: 4%), which was below the long-term trend.³ Global non-life premiums expanded by only 0.7%, while global life premiums grew 5.4% in 2007. In 2006, non-life and life premiums rose 3.9% and 4.1%, respectively. Global premium income climbed to USD 4 061 bn. Of this amount, life accounted for USD 2 393bn, non-life accounted for USD 1 668bn.

Figure 5
Real premium growth in 2007;
growth in life faster than non-life



Source: Swiss Re Economic Research & Consulting

Sub-prime crisis: limited impact on insurance industry in 2008

Impact of the sub-prime crisis

The insurance industry is exposed to the sub-prime credit problems in two ways. First, as large institutional investors, insurers may hold mortgage-related securities and/or securities wrapped by monoline insurers in their asset base. Second, insurers may be exposed as providers of insurance coverage. The extent of the losses on both the asset and the insurance side are still uncertain. On the insurance side, mortgage guaranty policies, financial guaranty insurance policies, and directors & officers/errors & omissions insurance policies (D&O, E&O) are the most affected.⁴ On the asset side, only a small portion of total invested assets are sub-prime related. These effects will only start to impact the industry in 2008. The crisis will reduce the insurance industry's capital, and some companies will be significantly affected. However, in contrast to the banking sector, the insurance sector as a whole is not in a crisis.

³ Revised data for 2006 for the UK and the US implies that non-life insurance grew faster than previously estimated, while the life sector grew at a slower pace.

⁴ Estimates for claims are in the following range: financial guaranty (USD 40bn), mortgage guaranty (USD 10bn) and D&O (USD 3 to 9bn)

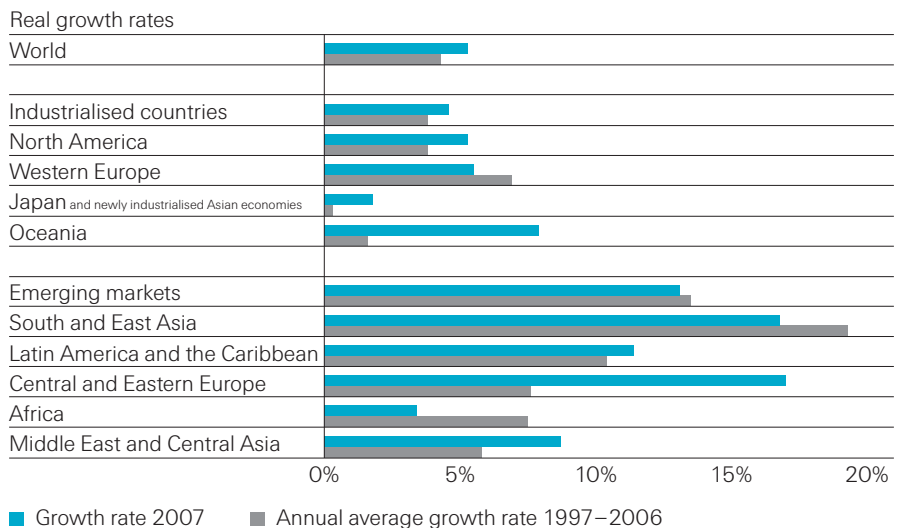
Life insurance: growth accelerated

Global life premium growth in 2007 well above the long-term average

Premiums

In 2007, world life insurance premiums increased by 5.4% to USD 2 393bn, outpacing the long-term premium income growth rate in the industrialised economies, with the exception of Western Europe and Japan. In Western Europe, the strong performance in the UK, the largest market, was offset by negative developments in Germany, France and Italy. Similarly, strong acceleration in the newly industrialised Asian economies⁵ was partly offset by yet another disappointing performance in Japan. In the emerging markets, marked regional differences resulted in overall significant growth of 13.1%, slightly lower than the long-term rate of 13.5%. Central and Eastern Europe continued to grow above the long-term rate, thanks to a robust economic environment, strong demand for unit-linked products and the recovery of the Russian life market.

Figure 6
Life insurance real premium growth in 2007 above long-term average



Source: Swiss Re Economic Research & Consulting

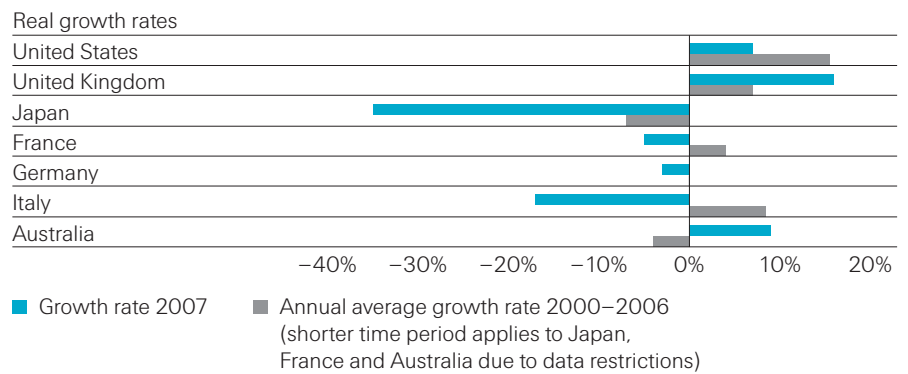
Mixed results in new business sales

New business sales in the largest markets mirror the overall business. Growth rates reached double-digit territory in the UK, driven by a strong increase in pensions and non-pension savings products. In the US, growth was also strong, boosted by the increased focus on retirement and estate planning as well as products with attractive guarantees. In contrast, growth in France and Germany

⁵ Hong Kong, Singapore, Taiwan and South Korea.

was negative after having been boosted by one-off factors in 2006. In Japan and Italy, new business sales were particularly negative, reflecting a development from a few years earlier in Japan and, more recently, in Italy, thereby reversing a 20-year trend of buoyant life sales. In both countries, the toughening economic environment and localised factors continued to weigh on both consumer sentiment and sales conditions.⁶

Figure 7
Real new business growth in life:
a mixed bag



Source: Insurance associations

Despite marked differences across all regions, a number of factors influenced the expansion:

- The trend towards single premium business and pension and annuities products continued to drive sales in countries where an aging population and reductions in state social security benefits are causing a shift from a traditional life insurance model to a pension-driven one.
- In the emerging markets, the growing economies, a relatively young population and an expanding middle class are driving sales across all products.
- In 2007, the severe credit crisis and turbulent financial markets did not significantly affect life insurance sales. Financial market guarantees embedded in many unit-linked products supported sales as stock market volatility increased. The crisis has resulted in a shift from linked to non-linked products in countries where guarantees are absent.

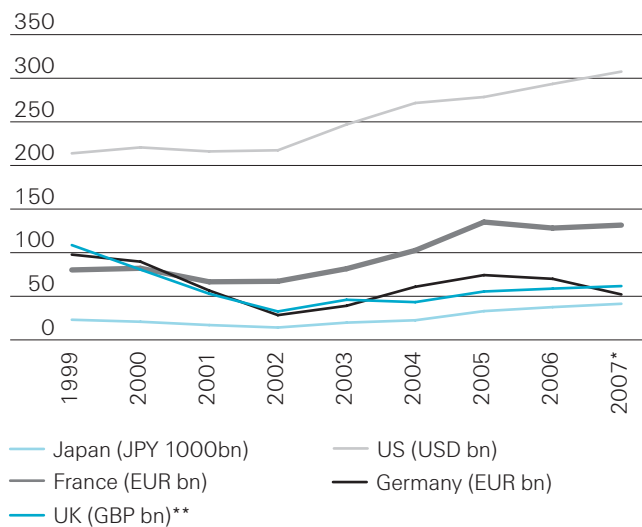
⁶ Increasingly, life policies sold in Italy are being manufactured by subsidiaries of Italian companies in countries such as Ireland and Luxembourg in order to capitalise on their tax advantages. This cross-border business is accounted for in the national data of the country where it is manufactured. ANIA (Italian Insurance Association) estimates that in Italy in 2007, this segment totalled around USD 13.7bn (16% of supervisory data). Cross-border life business increased almost tenfold in the last four years, partly offsetting the collapse registered in the national data. If we include cross-border premium income, which consists almost entirely of single premium unit-linked products, the contraction in total business in 2007 would amount to -7% instead of -13.6%. Similarly, the contraction in new business would be more subdued a figure than the one given in Figure 7.

Profitability and risk capital position of life insurers improved further in 2007.

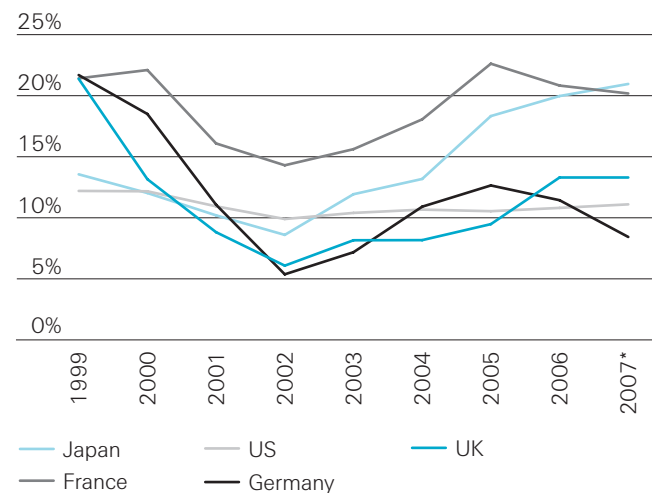
Financial strength

US and global insurers suffered from exposure to sub-prime related assets, albeit in most cases only to a very limited extent. As a result, the overall profitability of world life insurance was virtually unaffected by the credit crisis, and the majority of life insurers reported yet another year of very good results. Similarly, despite the fall in the market value of some assets, notably asset-backed securities (ABS) and equities, the capital position of the sector remains very sound – in contrast to other financial sectors. France and Germany are the only countries where insurers' risk capital has decreased since 2005. This is due to the decline in unrealised capital gains on the investment portfolio, which consists mainly of long-term fixed-income securities, given rising interest rates. Since most of the assets will be held to maturity, the decline in risk capital is overstated.⁷

Figure 8
Risk capital in local currency



Risk capital* as a % of non-linked technical reserves



* Risk capital = capital and unrealised capital gains on investment portfolio
 ** 2004–2006 data are on the basis of a realistic assessment of both assets and liabilities⁸

Source: Swiss Re Economic Research & Consulting

Growth and profitability to moderate in 2008 and to speed up thereafter

Life outlook

The life market is expected to suffer from weaker demand in 2008, as spreading equity market uncertainty dampens the demand for unit-linked insurance. However, as the economic environment and capital markets stabilise, life insurance is projected to resume its strong performance in the medium term, both in terms of growth and profitability. In the industrialised countries, the need for old-age provision will continue to fuel sales of pension and annuity products. In many emerging markets, the potential for significant market expansion, in tandem with higher disposable income and a relatively young population, will drive sales of both savings and protection products in the years to come.

⁷ In contrast, the regulatory solvency ratio in Germany has increased steadily since 2002.
⁸ Options and guarantees are considered for the valuation of the liabilities. This has often not been the case prior to 2004, leading to an underestimation of liabilities and overestimation of the risk capital in these years.

Non-life: decline in the industrialised countries partly offset by strong emerging markets

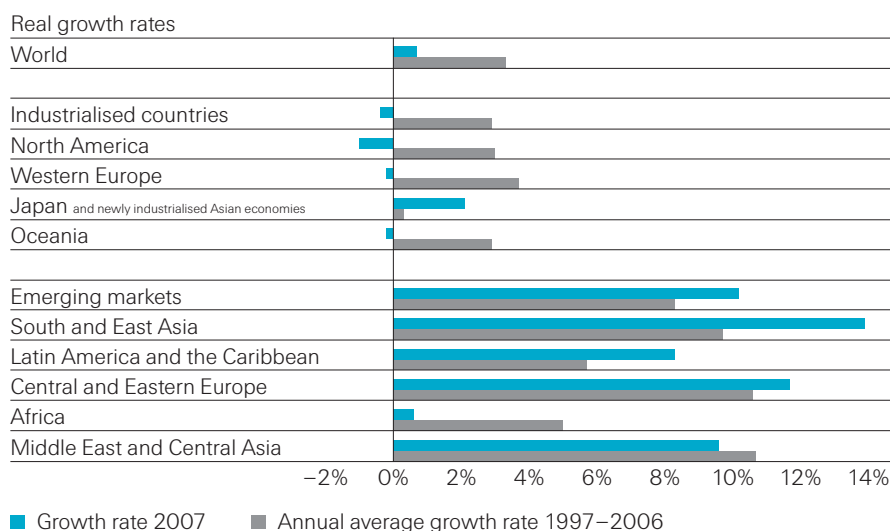
Non-life premiums grew marginally to USD 1 668bn

Premiums

Global non-life premium growth slowed to 0.7% in real terms, totalling USD 1 668bn in 2007. Premiums declined across all industrialised regions, with the notable exception of the newly industrialised Asian economies. The weak growth in the industrialised world, due to sustained pressure on rates, was mirrored by strong expansion in the emerging markets, where growth was only marginally slower than in 2006 and still exceeded the ten-year trend.

Premium development was particularly sluggish in North America (–1.0%) and Western Europe (–0.2%). In Europe, continuing strong growth in Central and Eastern Europe (12%) compensated for the decline of the developed countries. Of the emerging markets, Africa was the only region to post a significant deterioration to a mere 0.6% (2006: 6.2%). The Middle East and Central Asia continued to expand at very healthy levels of 9.6%, very much in line with the long-term trend of around 10%.

Figure 9
2007 non-life growth below long-term average, except for the newly industrialised Asian economies and the emerging markets



Source: Swiss Re Economic Research & Consulting

Average catastrophe losses overall; high losses in Europe

Catastrophe losses

In terms of catastrophes and large losses, 2007 was an average year, with insured losses amounting to USD 28bn.⁹ A quiet hurricane season in the US and low typhoon activity in Japan led to fewer losses in North America and Asia. Europe, in contrast, experienced significant losses due to Storm Kyrill (USD 6bn) and the summer floods in the UK (USD 5bn). Due to these large events, the loss ratios in Germany and the UK increased by approximately 5 percentage points. The emerging markets were also affected by the floods in Mexico (USD 0.5bn insured loss) and by Cyclone Gonu which hit the coast of Oman, resulting in an insured loss of USD 0.6bn.

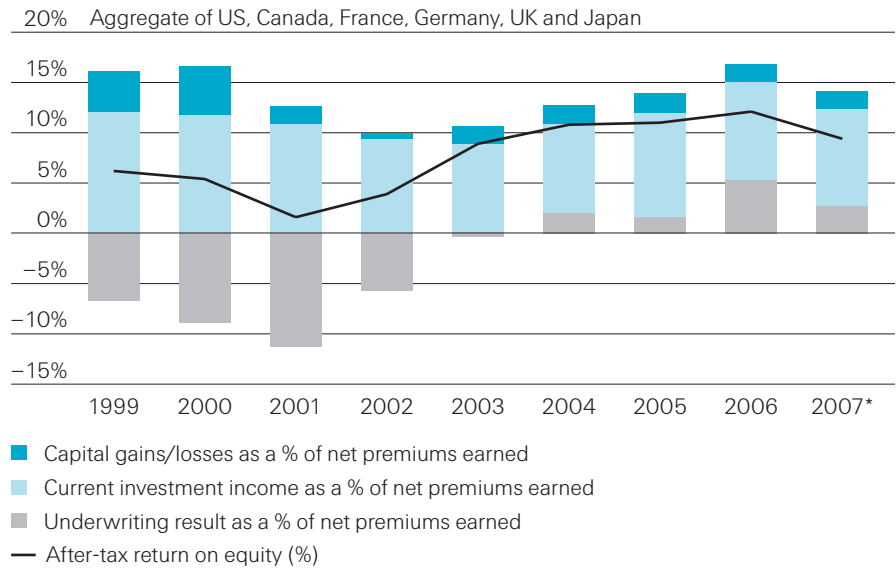
⁹ See Swiss Re, sigma No 1/2008, "Natural catastrophes and man-made disasters in 2007".

Favourable underwriting results in the non-life sector.

Profitability and financial strength

The non-life sector posted solid results in 2007. The results from six major primary insurance markets suggest that the combined ratio deteriorated slightly to 97%, on the back of continuing pressure on rates. Average catastrophic losses and favourable prior-year reserve developments contributed positively to the technical results. The profit contribution from investment results was only marginally lower than in 2006. Profitability of the sector declined; the average ROE was 9.4% (2006: 12%).

Figure 10
Underwriting results still solid in 2007



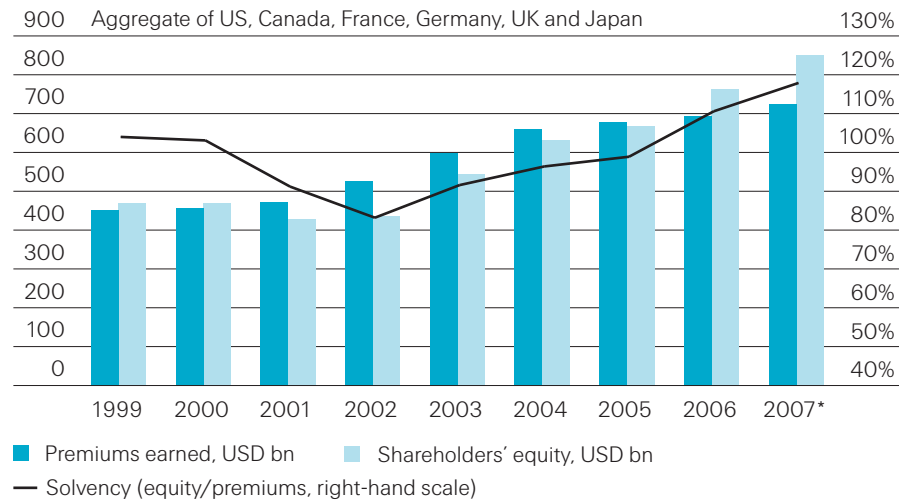
* Provisional figures

Source: Economic Research & Consulting

Insurers' financial strength further improved thanks to high profits.

Due to the underwriting discipline of recent years, insurers were able to release loss reserves. Shareholder capital continued to grow (see Figure 11). In 2007, capital again expanded faster than direct premiums in 2006. The solvency position continued to improve after having bottomed out in 2002, revisiting the high levels last seen during the late 1990s.

Figure 11
Non-life insurers' solvency ratios reach
levels of the late 1990s



* Provisional figures

Source: Swiss Re Economic Research & Consulting

Decline in non-life premiums in industrialised countries; slowdown of growth in emerging markets

Non-life outlook

2008 will be a challenging year for non-life insurance given the soft market. With the sustained pressure on rates and the slowdown in economic activity, premium growth in the non-life market is expected to stagnate, at best. In the industrialised economies, premiums are expected to decline, while in the emerging economies, growth is expected to slow. Underwriting results are expected to deteriorate further. A strong rise in inflation would have a severe, negative impact on the technical results of liability insurance and other long-tail business lines. However, a cooling economy should also contain inflation.

Industrialised countries: weak non-life premium growth; life continues to expand

Strong growth in life supported the sector in the industrialised countries

Life insurance continued to lead premium growth in the industrialised countries.

Life insurance premium income rose by 5% in 2007 ...

... whereas non-life premium income fell by 0.4%.

Premium income in the industrialised countries, which generate 90% of world premiums, grew by 2.4% in 2007 to USD 3 644bn. This is in line with overall economic performance, but below the long-term growth rate.

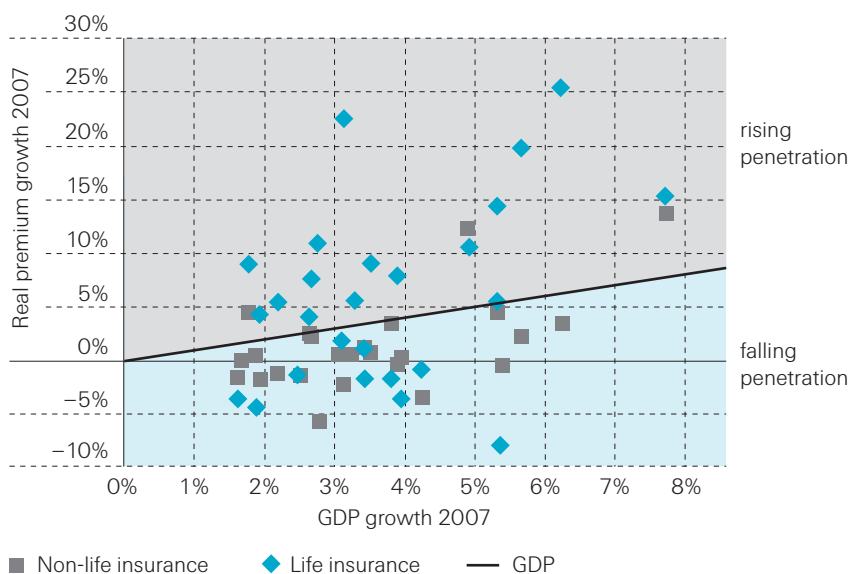
Life insurance

In 2007, life insurance premiums grew by 4.6% (2006: 3.1%). This was above the long-term rate of 3.8%, and outpaced GDP growth in all countries, except Japan and the continental European countries. The overall rebound was driven by strong premium growth in the US and the UK. Sales of non-pension savings products as well as pensions and annuity products led to double digit growth in the UK. Growth significantly accelerated in the newly industrialised Asian markets, driven by strong demand for unit-linked and annuity products. Japan registered yet another negative performance, as the stiffening economic environment and earlier non-payment scandals weighed heavily on consumer confidence.

Non-life insurance

Non-life insurance premiums in the industrialised countries declined by 0.4% in 2007, down from 3.2% in 2006, on the back of the negative performance of the US, Japanese and all other major industrialised economies. The contraction was observed across all lines of business, albeit with some local differences. In contrast, the newly industrialised Asian economies experienced robust premium growth, thanks to the favourable economic environment. The sector is in the midst of a soft cycle, with both premium volume and premium rates deteriorating. Economic uncertainty added to the already depressed business environment of the largest economies, where non-life premiums are expected to continue to contract in 2008.

Figure 12
Premium versus GDP growth in
the industrialised countries in 2007



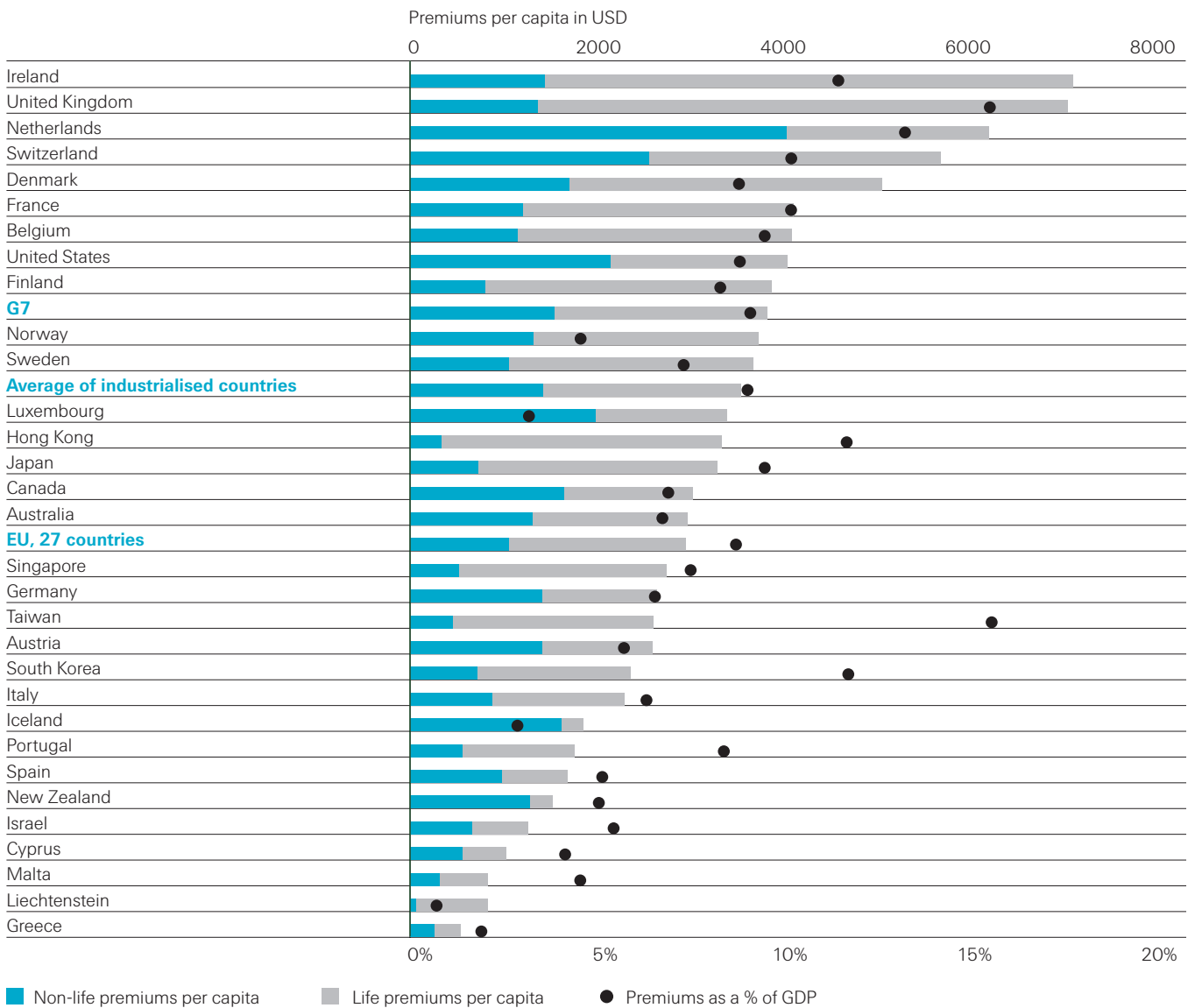
Source: Swiss Re Economic Research & Consulting

Insurance density USD 3 577, insurance penetration 9%

Insurance density and penetration

On a per-capita basis, an average of USD 3 577 was spent on insurance in the industrialised countries in 2007 (see Figure 11); of this amount, USD 2 143 was spent on life insurance while USD 1 434 was spent on non-life insurance. This is roughly USD 270 higher than in 2006, though half of this increase is due to the depreciation of the dollar. Insurance penetration, measured as a percentage of GDP, remained unchanged at 9%. This is the result of an overall increase in life penetration in two thirds of the industrialised countries to 5.4% and an overall decrease in non-life in almost all industrialised countries to 3.6%.

Figure 13
Insurance density and penetration in industrialised countries in 2007



Source: Swiss Re Economic Research & Consulting

Wealth accumulation products drive growth in the North American life insurance market.

North America: life sector is driving growth

Life insurance

Life insurance in North America expanded by 5.8% in 2007, due to the exceptionally strong growth in both the US and Canada life insurance businesses. This favourable development can be attributed to several factors. First, an increased focus on retirement and estate planning led to robust sales of combined savings-protection products and annuities. Additionally, volatile equity returns and the decline in interest rates favoured savings products with guarantees, such as variable annuities with living benefits and group annuities. Furthermore, the expansion of life settlements has made life insurance attractive for elderly individuals and has added momentum to sales in this segment. In Canada, premiums grew by a very strong 11% in 2007, which was four times 2007 GDP growth. New business increased at a healthy pace due to robust sales of wealth-management products and combined protection-savings products. The trend toward equity-linked products continued. North American life insurers posted good results, with profitability only slightly down compared to 2006 – still strong by historical standards.

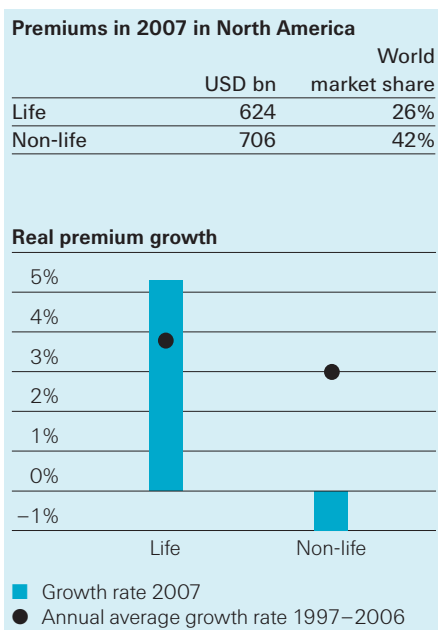
In 2008, premium growth is expected to slow due to a likely recession in the US and prevailing uncertainty in the financial markets. This is expected to lead to a decline in profitability and a decrease in capital growth. Premiums, profitability and capital growth are expected to bounce back in the medium term, along with the recovery of the overall economy.

Non-life insurance

Direct premiums for non-life insurance are estimated to have decreased by 1.0% in 2007, versus a 1.8% growth in 2006. The disappointing performance was entirely due to a 1.3% fall in US non-life premiums. The US contraction was across the board, with all lines, except property and marine, reporting declining premiums in 2007. The US P&C industry's net income declined 7% in 2007. Underwriting results were down but still strong – especially in commercial lines – and were helped by years of underwriting discipline that allowed reserve releases. Also, fortuitously low cat losses resulted in only a modest deterioration of the combined ratio from 93% in 2006 to 95% in 2007. However, in Canada, which makes up 8% of the North American market, non-life premiums grew by 2.9% in 2007. This was on the back of premium increases in property lines – with the exception of motor, which has the largest share. The combined ratio also deteriorated from 89% in 2006 to 92% in 2007; net income fell 15%.

Looking to the future, premium growth in North American non-life markets is expected to slow further in 2008. Though industry results are expected to deteriorate, the sector will continue to be profitable.

Real non-life premiums in North America declined in 2007.



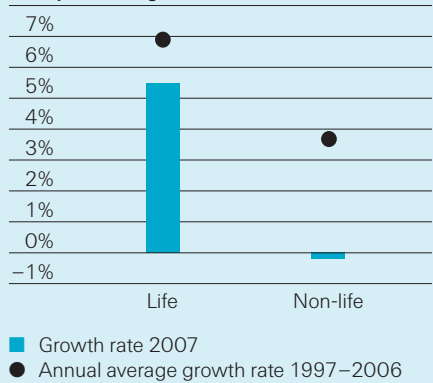
Developments varied greatly across the region – growth of premium income was high in the UK and Ireland, but low in Italy and France.

Life premiums are expected to continue to outpace GDP growth.

Non-life insurance premiums declined slightly and operating margins fell by one third.

Premiums in 2007 in Western Europe		
	USD bn	World market share
Life	1 018	43%
Non-life	588	35%

Real premium growth



Western Europe: the life market accelerates

Life insurance

In 2007, life insurance premiums in Western Europe increased by 5.5%, down from 6.6% in 2006. Growth was driven by increased disposable income, the booming stock markets in the first half of 2007 and firm sales of individual and occupational pension products. Growth, however, varied substantially. In the UK, premiums soared by 23%, driven by volatility in the institutional pension fund management business, as well as strong increases in savings and personal pensions. Premium income in Ireland also grew strongly (14%), though in many major European markets, income declined, notably in France (-4%) and Italy (-14%). However, national figures do not capture inward cross-border business (written on the basis of the Freedom of Service Act); as a result domestic business is understated (see footnote 6). The shift towards unit-linked and single-premium business has continued, with individual and group pension business activities becoming increasingly important.

While life protection is expected to grow significantly in certain markets, saving products will remain the dominant line in life insurance, followed by pensions and annuities. Increased equity market volatility has created a difficult sales environment in 2008 thus far, though long-term growth prospects remain positive. Growth will benefit from an aging population, tax incentives for pension products and reductions in social security benefits. As a consequence, the western European life market is moving away from the traditional life business model to a pension-driven market. In some markets, pension business will be the largest line in the future.

Non-life insurance

Non-life premiums in Western Europe declined slightly, by -0.2%, in 2007. Premiums had grown 5.8% in 2006 due to the doubling of Dutch premiums – the result of the privatisation of the public health insurance system. The good results of the period 2003–2006 had boosted insurers' solvency positions; this increase in supply also resulted in stiffer competition and sluggish premium growth in most European markets. The largest markets, Germany and the UK, reported shrinking premium volume, mainly because of slipping motor rates in Germany and declining rates in commercial lines in the UK. Among the top five European markets, only France and the Netherlands showed some growth, while Italy stagnated. Growth in those countries stemmed mainly from accident and health insurance. The combined ratios for direct business deteriorated slightly to 97% in 2007 due to the flood catastrophe losses in the UK and the Storm Kyrill damage in Northern Europe, as well as lower prices. Operating results for a few large European markets fell by one third, to 9.5% of net premiums earned.

For 2008, growth of real premium volumes is expected to be sluggish. Increasing prices for motor coverage in the UK, Germany and France, as well as sticky prices in property because of increased flood and storm losses, will counterbalance decreasing prices in other countries. Profitability is expected to suffer from deteriorating underwriting results and weaker investment results.

Japanese postal life business remains sluggish after privatisation began in 2007.

Newly industrialised economies strengthened non-life premium growth in the Asian region.

Japan and newly industrialised Asian economies: mixed results for 2007

Life insurance

Japan's total life insurance premiums are estimated to have dropped 3.6% in 2007, as earlier non-payment scandals and the recent increase in economic uncertainty continued to depress consumer sentiment. Both new individual life and annuity sales are expected to have declined in 2007. The national postal insurance service was privatised, starting in October 2007, but new business sales have remained slow, due to the unattractiveness of their mainstay endowment product with its low guaranteed rates. Profitability of the sector was hit by a weak stock market – the TOPIX lost 29% in 2007. Coupled with a steady 2% rise in operating expenses over the year, many life insurers have reported significant drops (>50%) in profits for the year ending March 2008. All other advanced Asian markets continued to register ongoing strong growth in life insurance premiums, ranging from 10.5% in South Korea to 25.5% in Hong Kong. Similar to the preceding year, growth was driven by strong demand for unit-linked products, particularly in Hong Kong and Singapore. Annuity products also played an increasingly important role in South Korea and Taiwan. Profitability is believed to be generally good in all markets.

For Japan, the short-term outlook remains questionable, given the nation's slowing economic momentum and the increasing volatility of the investment markets. For the other markets, the increasingly volatile equity market could adversely impact demand for individual-linked products and reduce insurers' ability to offer variable annuity products with guarantees, thereby limiting premium growth.

Non-life insurance

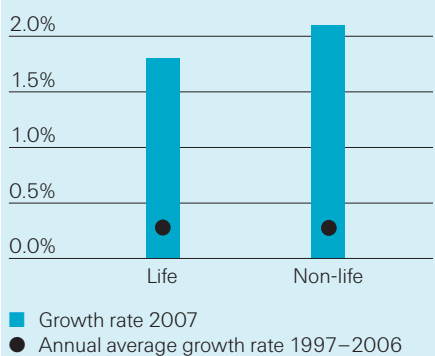
Non-life insurance premiums in Japan sustained a further decline of 1.6% in 2007, after having fallen by 0.6% during the previous year. Weaknesses were mainly apparent in the fire and personal accident business lines. Underwriting results are expected to have deteriorated marginally, reflecting in part the Niigata earthquake in July, which led to insurance losses of JPY 7.8bn, the fifth biggest earthquake insurance loss ever incurred in Japan. In the light of sustained contractions in premiums, insurers have been trying to broaden distribution to tap into additional business areas. Non-life premiums rose strongly in South Korea (+12.4%) and Singapore (+13.7%), due to strong economic activity; premiums rose more slowly in Hong Kong and Taiwan. Business in Hong Kong was slowed by the deteriorating performance of statutory lines, while broad-based weakness was reported in Taiwan. Business results are expected to remain stable, except in South Korea, where insurers are benefiting from lower loss ratios in motor and higher investment income.

Since the complete liberalisation of bancassurance in Japan in January 2008, non-life insurers are actively engaging banks in motor policy sales. Despite this, premiums are expected to fall further in 2008 due to weaker economic growth and the implementation of a 24% reduction in compulsory motor third-party liability premium rates, the first reduction in this area in 11 years. The outlook for business in the other countries in 2008 is increasingly clouded by softening prices, expectations of lower economic growth levels and rising inflation.

Premiums in 2007 in Japan and the newly industrialised Asian economies

	USD bn	World market share
Life	494	21%
Non-life	147	9%

Real premium growth



The superannuation and life risk business areas are the key factors driving growth in Australia.

Non-life premiums decreased in Australia on top of falling rates; consolidation continues.

Oceania: healthy development of life while non-life suffers

Life insurance

In Oceania, life insurance business increased by 7.9% in 2007, boosted by a 8% increase in Australia. Growth in the region had been 6.2% in 2006. Superannuation reform – consisting of newly imposed limits to the maximum contribution from 1 July 2007 onward – had been instrumental in driving business growth during the second quarter. As a result, individual investment-linked superannuation business, which accounted for one-third of life insurers' income from premiums, rose by approximately 30% for the year ending June 2007. At the same time, group risks (+16%), individual term (+8.1%) and disability insurance (+5.9%) also grew robustly. In New Zealand, the life business grew by 5.5% in 2007, versus 5.0% in 2006. While term life rose 9.2% for the year ending in June 2007, sales of whole life and endowment products continued their downward trend, falling approximately 9%. Neither favourable regulatory changes, such as the government's Kiwisaver initiative launched in July 2007, nor an increase in the tax deduction for retirement savings contributions, effective from 1 October 2007, have resulted in substantial benefits to the life risk business.

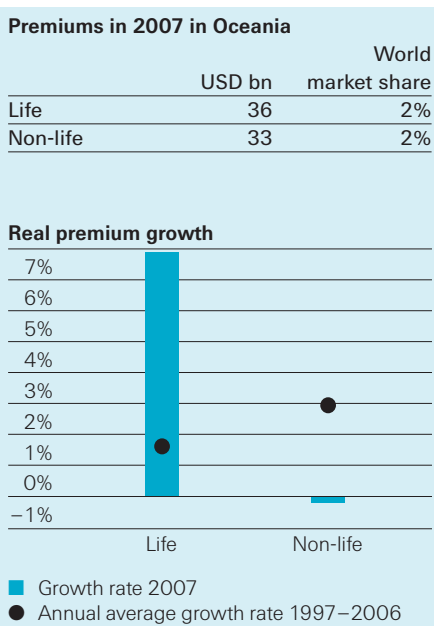
Looking ahead, growth should remain healthy in Oceania. In Australia, the tax exemption granted on benefits earned from retirement products for the elderly (60+) will continue to drive growth in the Australian life insurance sector. In New Zealand, however, the life insurance market is expected to maintain its stable growth levels in the short run.

Non-life insurance

Premium growth has continued to be disappointing in the region, declining marginally by 0.2%. In Australia's non-life sector, premiums are estimated to have declined marginally by 0.3% in 2007 (2006: -2.4%). The weakness mainly reflects softening prices in a highly competitive market. Commercial lines such as liability, commercial motor and property, in particular, are under pressure. In comparison, personal lines business is estimated to have performed well, particularly homeowners insurance. Losses arising from the severe storms in June and December 2007 have hampered the industry's profitability.

Nevertheless, non-life insurers remain well capitalised. In New Zealand, non-life premium growth was relatively flat in 2007, at 0.7% (2006: +1.9%). Similar to Australia, top-line growth in the commercial market has remained flat, while personal lines fared better.

Looking ahead, the recent large losses due to natural disasters in Australia could help to revive premium growth in the coming year. For New Zealand's outlook, a deciding factor is the proposed implementation of compulsory third-party liability cover for drivers.



Emerging markets: robust growth

Life and non-life premiums: continued strong growth

Premium growth eased only marginally, to 12%, in 2007.

In 2007, the total premium volume in emerging markets amounted to USD 414bn, or 10% of world premium volume (2006: 9%).¹⁰ The considerable growth of the South & East Asia regions contributed the most to this rise in market share (+0.6%), though the other regions contributed as well. Premiums continued to grow at double-digit rates, but not quite at the pace observed in 2006, due to a slowdown within both the life and non-life businesses.

Life premiums grew by 13%, to USD 219bn.

Life insurance

Life insurance in emerging markets grew by 13% in 2007, down from a record 18% in 2006, and just below the 10-year average of 13.5%. Africa slowed the most – to 3.4% in 2007 versus 22% in 2006 – while the other regions expanded about one to two percentage points below 2006's double-digit rates. Given the healthy economic environment, unit-linked and pension products grew strongly. The introduction of new products and distribution channels also stimulated growth. Generally speaking, premium growth was strong, with volumes increasing in most countries – eg Indonesia (+57%) and South Africa (+2.6%). Among the exceptions, however, were Peru (–1.1%) and Turkey (–5.9%).

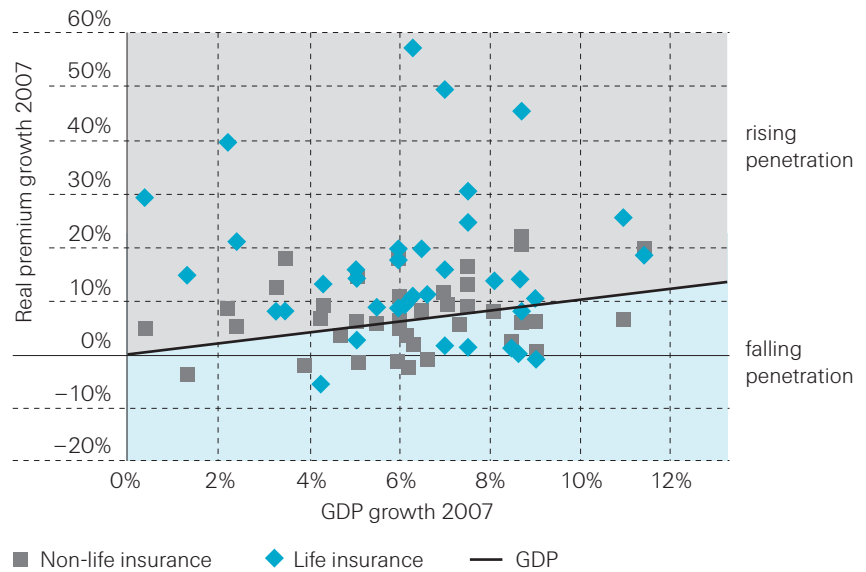
Non-life premiums grew by 10%, to USD 196bn.

Non-life insurance

In 2007, non-life insurance premiums in the emerging markets grew by 10% (2006: 11%), but still well above the 10-year average of 8.3%. At the regional level, South and East Asia grew 14%, the same as in 2006. Premiums in Central and Eastern Europe climbed two percentage points to 12%. Africa (+0.6%) and the Middle East and Central Asia were the only regions expanding at a rate below the long-term trend. Strong GDP growth continued to stimulate the success of the non-life insurance sector in the emerging markets. Compulsory lines were also a factor driving growth, eg motor third-party liability in China and health insurance in the Middle East. Price pressure increased in the emerging markets; meanwhile, demand – stimulated by the continued heightening of risk awareness and higher incomes – partly offset the softening rates. In general, premiums declined in only a few countries – eg in the Czech Republic and Hungary, where weak property and motor sales led to disappointing results.

¹⁰ The depreciation of the USD in 2007 had only a minor impact on this rise in market share (0.2 percentage points).

Figure 14
Premium versus GDP growth
in emerging markets



Source: Swiss Re Economic Research & Consulting

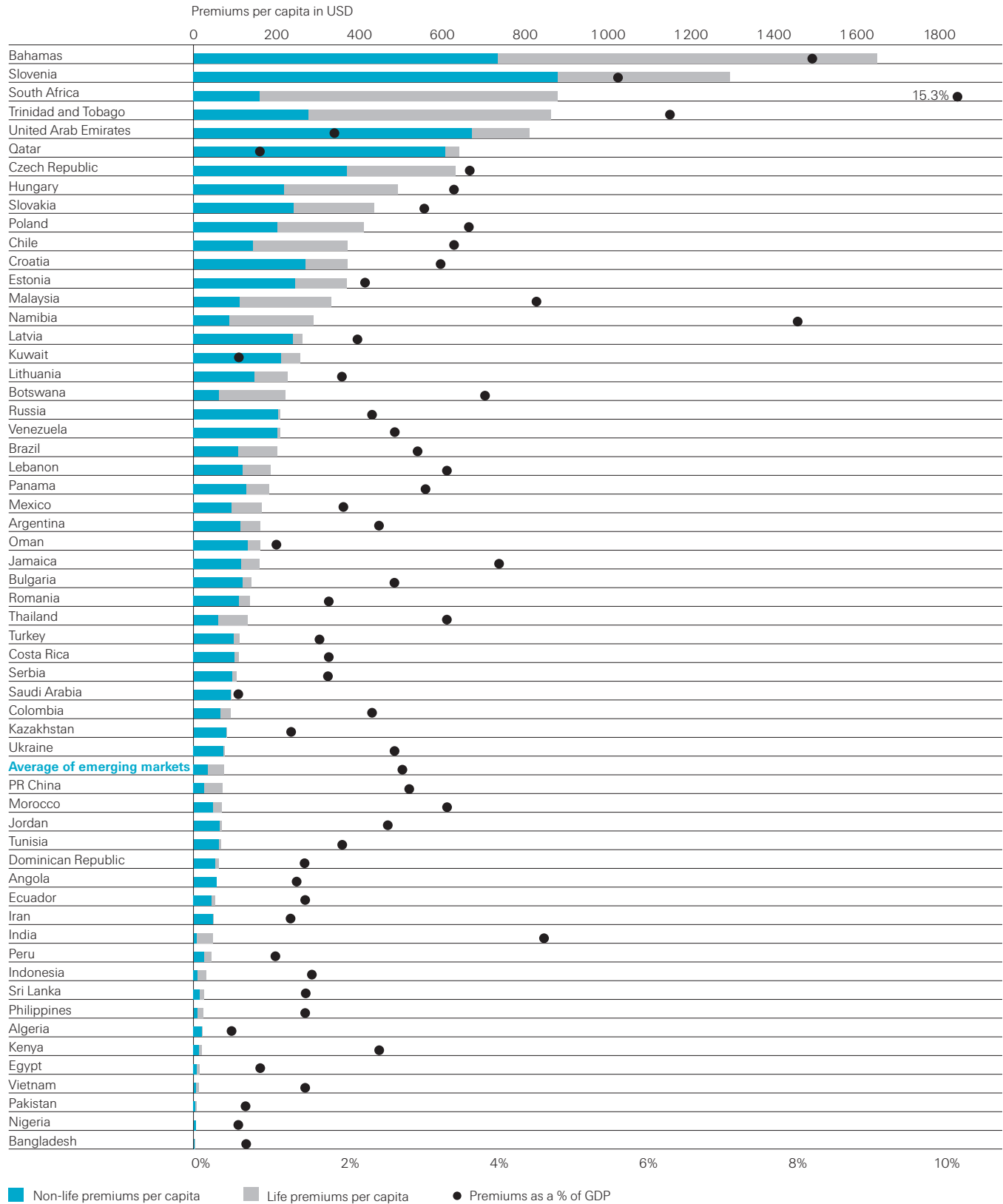
Average premiums were USD 72 per capita, or 2.8% of GDP.

Insurance density and penetration

In 2007, the amount of insurance premiums spent per capita rose to USD 72 (2006: USD 53). Of this amount, life insurance accounted for USD 38; non-life accounted for the remaining USD 34.¹¹ Significant differences exist at the regional level, which can partly be explained by differing levels of economic development and uneven wealth distribution. Insurance penetration of the emerging markets averaged 1.5% in life and 1.3% in non-life insurance. Overall, life and non-life insurance premiums continued to outpace GDP growth. In more than two-thirds of the individual markets, life penetration increased, while in non-life the results were mixed.

¹¹ The depreciation of the US dollar was only a minor factor, accounting for just USD 5 of this rise.

Figure 15
Emerging markets:
insurance density and penetration



Source: Swiss Re Economic Research & Consulting

South and East Asia: continued strong growth in most markets

Life insurance premium growth still impressive

Life insurance

Life insurance premiums in China grew strongly (+19%) in 2007, versus 8.7% in 2006. Solid growth in household and personal income and increasing efforts by insurers to penetrate different segments of the market were key factors driving growth. In India, the growth of life business slowed from the exceptionally strong pace of 39.1% in 2006 to a more sustainable rate of 14.2% in 2007. Private sector companies continued to gain market share with new products and distribution channels. In Southeast Asia, strong sales in investment-linked products (for example, in Indonesia and the Philippines) boosted market growth. Premiums in Vietnam also increased sharply in 2007, its first year of WTO membership.

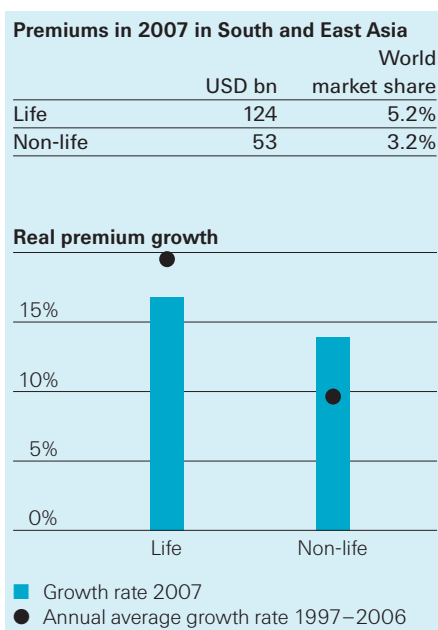
In China, growth could slow in 2008 due to weakening stock market performance. In India, a new wave of start-up companies will help counter some of the emerging weaknesses in premium growth. In the short run, the deteriorating investment environment in Southeast Asia could tangibly weigh down the life market, as sales of single-premium and investment-linked products have been major contributors to premiums in the past few years. This will be countered, to a certain extent, by the introduction of new products and channels.

China and India in the spotlight

Non-life insurance

In 2007, non-life premiums rose again, by 20%, due to sustained strong economic growth and the introduction of compulsory motor third-party liability in July 2006. The absence of major losses and the booming asset markets contributed to insurers' profitability in 2007. Steady growth in non-life premiums was reported in India (5.6%), spearheaded by the further expansion of private companies. Profitability, meanwhile, was hampered by the premium rate reductions resulting from detariffication, the full impact of which has only been felt since January 2008, when all pricing restrictions were removed. In Southeast Asia, non-life premiums are estimated to have increased, but only slightly. Competitive pricing has offset some of the gains made possible by strong economic growth. The capital strength of insurers remains a key issue, both in terms of supporting long-term business growth and meeting more stringent capital requirements.

The outlook for 2008 will be increasingly overshadowed by price competition and the economic uncertainty related to the weakening external environment. For China, the outlook is mixed – premium growth should continue to derive support from the strong economy and the Olympic Games, but the severe snowstorm in early 2008 will have a tangible negative impact on insurers' profits.



Double-digit growth in life continues in 2008.

Non-life insurance fuelled by broad-based dynamics

Latin America and the Caribbean: strong, broad-based growth

Life insurance

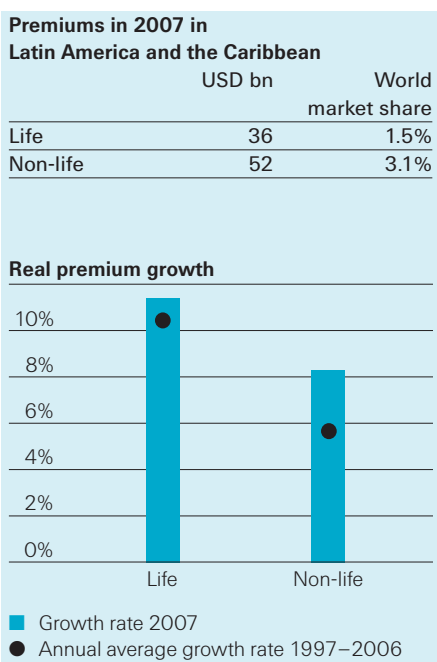
The strong economic performance and improved fundamentals in most Latin American countries supported the development of the life market in 2007. With a premium growth of 11%, the region achieved a second consecutive year of double-digit growth rates (2006: +13.7%). The two biggest markets of the region, Brazil and Mexico, were the main contributors to overall growth on the back of individual life. Chile, propelled by pension sales, also contributed significantly to this result, while group life was the main factor spurring growth in Colombia.

In 2008, positive growth is again expected, albeit at a slower pace, as the global economic downturn will also be felt in Latin America.

Non-life insurance

The non-life premium volume in Latin America grew by 8.3% in 2007 (2006: +9.7%), and was also supported by the solid economic environment. In Brazil, all lines of business grew during 2007; motor (+2.0%) and property (+7.0%) were the lines that contributed the most to growth due to their size. In most of the other major economies, motor was the common driver of growth – even in Mexico and Colombia, where competition is quite intense. Property insurance also experienced growth, notably in Mexico, reflecting the renewal of the multi-year multi-line programme by PEMEX, the state-owned Mexican oil company.

Non-life premiums are expected to continue to increase in 2008, propelled by the dynamics of the Brazilian insurance market, which will benefit from its resilient domestic economy. In some markets and business lines where technical results were poor in the recent past, such as motor in Mexico and Colombia, increasing rates are expected.



Strong life insurance growth in Central and Eastern Europe

Central European non-life premium growth below GDP growth

Central and Eastern Europe: healthy performance in life

Life insurance

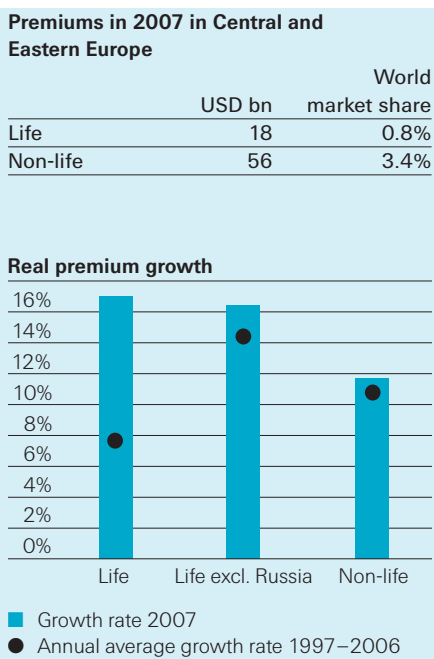
Life insurance premiums in Central and Eastern Europe grew by 17% in 2007 (2006: +19%). Growth was broad-based across the region. Available data show that – with a few exceptions – the major markets expanded at double-digit rates. In Russia, life insurance premium volume expanded by 30%, after three years of declining premiums, reflecting the successful implementation of the new regulatory framework. The Central European countries registered real premium growth between 9% and 20% in 2007, mainly driven by the strong growth of unit-linked, life protection and supplementary covers. Of the remaining Eastern European countries, the Baltic States (+34%) and the South-eastern European countries (+15%) registered double-digit growth again.

Looking ahead, the ongoing strength of the economic environment, combined with the potential for significant market expansion, should lead to further life insurance growth. The outlook is particularly positive for the Russian life market, whose potential has only begun to be exploited.

Non-life insurance

Non-life insurance premiums grew by about 12% in Central and Eastern Europe in 2007. Growth in Russia remained strong at 16%, driven by the growth of compulsory medical covers. In the Central European countries, non-life insurance growth (+3.7%) remained below GDP. In the Czech Republic (–0.7%) and Hungary (–3.5%), premiums even shrank in real terms, reflecting weak performance in the motor and property lines. The Baltic and South-eastern European non-life insurance markets grew by 24% and 12%, respectively.

In Central and Eastern Europe, non-life insurance growth may remain moderate in 2008, as competition in the main lines – property and motor – is expected to be considerable.



Disappointing growth in Turkey adversely impacts the results of the region's life business.

Continuing strong growth of premiums led by the oil-based economies

The Middle East, Central Asia and Turkey

Life insurance

Life insurance in this region is estimated to have grown by 7.4% in 2007 (2006: +8.8%), which is below the long-term trend. The pace of development varied within the region. While the countries of the Gulf Cooperation Council (GCC) and Lebanon experienced very healthy double-digit growth rates, this could not offset the very disappointing development in Turkey (-5.9%). Turkish life business has continued to suffer from the shift of life insurance policies to the pension sector brought about by regulatory changes. The cooling economy and the persistence of elevated inflation rates have further hampered growth.

In the countries with large Muslim populations, the development of the life insurance sector has been stalled by belief that insuring one's own life is not in line with the Sharia. However, it is expected that the development of Takaful products (ie Islamic insurance based on cooperation and mutuality) will benefit growth in the region. Moreover, in Turkey, growth should regain momentum, provided the political and economic environment remains stable.

Non-life insurance

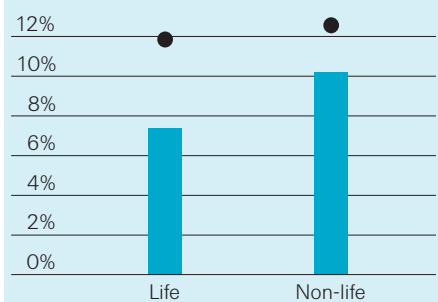
Non-life insurance in the Middle East, Central Asia & Turkey grew by 10% in 2007. This strong result is nevertheless significantly lower than the 18% achieved in 2006. In Turkey, which contributes more than one-third of the region's non-life premium volume, growth slowed noticeably, to a still healthy 6.9%, due to the weak development of property and compulsory earthquake insurance (2006: +15%). In the GCC countries, estimated 2007 growth is also slightly below the exceptional 2006 result. Non-life insurance in Saudi Arabia and the United Arab Emirates continued to be driven by property, engineering, motor and health insurance. Additional growth factors were more stringent regulation and increased enforcement as well as the introduction of compulsory lines (ie motor third-party liability and health insurance).

Looking ahead, growth is set to continue, particularly in the booming energy-rich economies. With the favourable economic outlook due to high energy prices, a wide range of huge infrastructure projects will be realised and the non-life insurance sector is expected to benefit accordingly. Aside from engineering and property, health insurance will contribute the most to growth. Despite increasing price pressure, growth in Turkey is expected to rebound if a stable political environment emerges.

Premiums in 2007 in emerging Middle East countries, Central Asia and Turkey¹²

	USD bn	World market share
Life	2.6	0.1%
Non-life	20	0.6%

Real premium growth



■ Growth rate 2007
● Annual average growth rate 1997-2006

¹² The figures in this section exclude Israel, which belongs to the group of industrialised countries.

Africa: slowdown of insurance sector in South Africa depresses regional growth

Growth in African life insurance stalled due to developments in South Africa.

Life insurance

Life insurance premiums in Africa increased by 3.4% in 2007, compared to 21.6% in 2006. South Africa is the dominant market, with a 92% share of the regional life premium volume. Life insurance premiums in South Africa grew by 2.6% (down from 21.9% in 2006), benefiting from increases in single-premium unit-linked business. The settlement between government and industry on retirement annuity products helped improve sentiment towards life products, after a long period of uncertainty in this area. Morocco and Egypt, the second and third largest markets, also grew strongly by 39.5% and 25.4%, respectively, though these are still relatively small markets.

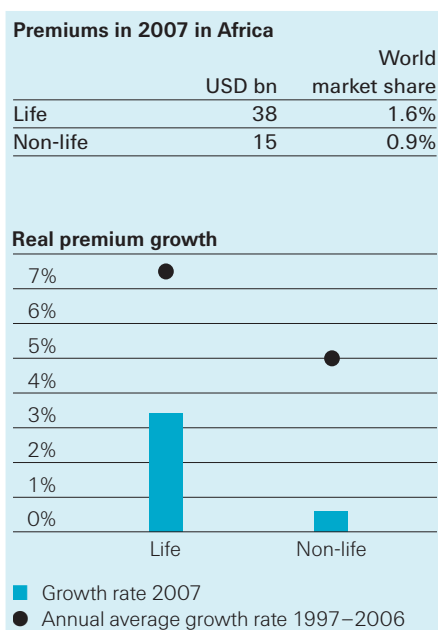
Life insurance may be impacted by the current economic slowdown, but it is likely to profit from the positive economic development expected in the medium term.

Non-life insurance

After two strong years, non-life business grew by a mere 0.6% in 2007, having increased by 6.2% during the previous year. This considerable slowdown was primarily due to the –1.3% result in South Africa, which accounts for about half of the regional non-life premium volume. In Morocco, the second largest market, premium growth was a strong 8.8%, more than double that of the previous year.

In 2008, non-life insurance in the commodity-based economies should continue to enjoy strong growth, while in the other countries, a slowdown is likely.

South Africa slowing down, growth of non-life insurance in other countries remains healthy



This study is based on the direct premium volume of insurance companies, regardless of whether they are privately held or state owned. Premiums paid to state social insurers are not included.

Basis: direct premium income in 147 countries

The study examines non-life and life premium volume in 147 countries. The statistical appendix provides detailed information on the largest 88 countries, measured by total insurance premium volume.

Data sources

The insurance data (and estimates where data were not yet available) contained in the study originate primarily from national supervisory authorities and, in some cases, from insurance associations. The macroeconomic data stem from the International Financial Statistics of the International Monetary Fund (IMF), Oxford Economic Forecasting (OEF), the Economist Intelligence Unit (EIU) and the Wiener Institut für internationale Wirtschaftsvergleiche (WIIW).¹³

Changes

Figures for previous years are adjusted as new information becomes available. An update of sigma's world insurance tables will be posted online in December 2008 (at www.swissre.com/sigma). Compared to the December 2007 update, world premiums for 2006 have been revised by -3.0% or USD 67bn in life and by +0.6% or USD 9.5bn in non-life insurance. Compared to the last edition (*sigma* No 4/2007), the revision was -3.8% for life and +2.3% for non-life premiums. These rather large revisions are due to changes in the largest markets. In life, market estimates for the UK (preliminary estimates are very difficult to derive due to the volatility of the large single-premium institutional pension fund business) and Japan were revised. In non-life, the estimates for the US accident and health business were revised. Also, Dutch premiums doubled because the Netherlands' public health system was privatised. Due to the large size of these markets, the impact on volume as well as on growth rates is substantial.

Definition of premium income

This report is based on information concerning the premiums written for direct business by all registered insurers. This means:

1. Direct insurance premiums, including commissions and other charges, are considered prior to cession to a reinsurance company.
2. Domestic insurers – regardless of their ownership – and domestic branches of foreign insurers are regarded as domestically domiciled business units. By contrast, business undertaken by the foreign branches of domestic insurers is not regarded as domestic business.
3. Business that has been written in the domestic market includes premiums for cover of domestic risks as well as those covering foreign risks, as long as they are written by domestic insurers (cross-border business).

¹³ It should be noted that both the insurance and macroeconomic data listed in this study may deviate from the 2005 and 2006 figures published in earlier World Insurance sigmas. These discrepancies are due to statistical adjustments or the use of better sources.

Health insurance allocated to non-life business

Life and non-life business areas are categorised in this study according to standard EU and OECD conventions. This means that accident and health insurance are counted as part of non-life insurance, even if these lines are classified differently in the individual countries.

Growth rates in local currency adjusted for inflation

Unless stated otherwise, all premium growth rates in the text indicate changes in real terms. These real growth rates are calculated using premiums in local currencies and adjusted for inflation using the consumer price index for each country. In addition to the real growth rate, the statistical appendix provides the nominal change in growth for each country. Regional aggregated growth rates were calculated using the previous year's premium volumes, which were converted into USD at market exchange rates. The same procedure was used for the economic aggregates of Table X, for which the previous year's nominal GDPs in USD were used as weights.

US dollar figures facilitate an international perspective.

Using the average exchange rate for the financial year, premium volumes are converted into USD to facilitate comparisons between the different markets and regions.¹⁴ Where no premium data are available (indicated by "na" for the local currency value), the premium income in USD is estimated based on the assumption that the ratio of insurance premiums to GDP remained constant (ie constant insurance penetration). Regional growth rates are calculated using a weighted average of the real growth rates of the individual countries. The weighting is based on the relevant premium of the previous year, in USD.

The statistical appendix contains additional calculations as well as the macro-economic data used for currency conversions. Alongside real growth rates, the changes are also shown at current prices (nominal growth rates) in both the local currency and in USD.

Density and penetration do not include cross-border business.

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included. This has a significant effect in Luxembourg, Italy and Ireland.

Acknowledgement

The *sigma* editorial team would like to thank the supervisory authorities, associations and companies that helped to compile the data.

¹⁴ In Egypt, India, Iran, Japan, South Korea and Malaysia, the financial year is not the same as the calendar year. Precise details about the differences in dates are given in the notes to the statistical appendix.



Premium data on countries and regions are now available electronically at the following prices:

	1995–2007	1990–2007	1980–2007	Update per package
Life insurance				
CHF	1 300	CHF 1 900	CHF 3 600	CHF 440
USD	1 240	USD 1 810	USD 3 430	USD 420
EUR	800	EUR 1 170	EUR 2 220	EUR 270
Non-life insurance				
CHF	1 300	CHF 1 900	CHF 3 600	CHF 440
USD	1 240	USD 1 810	USD 3 430	USD 420
EUR	800	EUR 1 170	EUR 2 220	EUR 270
Total premium volume (non-life and life)				
CHF	2 600	CHF 3 800	CHF 7 200	CHF 880
USD	2 480	USD 3 620	USD 6 860	USD 840
EUR	1 600	EUR 2 340	EUR 4 440	EUR 540

Further information and order forms can be downloaded from “Facts and Figures” and “Dataselling” at www.swissre.com/sigma

Legend for tables I to X

- ¹ Excluding cross-border business
- ² Insurance penetration (premiums as a percentage of GDP) and density (premiums per capita) include cross-border business
- ³ North America, Western Europe (w/o Turkey), Japan, Hong Kong, Singapore, South Korea, Taiwan (counted as an emerging market in earlier editions), Oceania, Israel
- ⁴ Latin America, Central and Eastern Europe, South and East Asia, the Middle East (w/o Israel) and Central Asia, Turkey, Africa
- ⁵ 30 member countries
- ⁶ US, Canada, UK, Germany, France, Italy, Japan
- ⁷ US, Canada, Mexico
- ⁸ Singapore, Malaysia, Thailand, Indonesia, Philippines, Vietnam. The four remaining member countries – Brunei, Cambodia, Laos and Myanmar – are not included.
- ⁹ Life insurance: premiums are supplemented by estimated premiums for group pension business, which has not been included in the statistics for some regions since 2001. Non-life insurance incl. state funds.
- ¹⁰ Life insurance: net premiums
- ¹¹ Non-life insurance: gross premiums, including a small amount of reinsurance premiums
- ¹² Financial year 1.4.2007–31.3.2008
- ¹³ Financial year 21.3.2007–20.3.2008
- ¹⁴ Financial year 1.7.2006–30.6.2007
- ¹⁵ Non-life insurance: financial year 1.7.2006–30.6.2007
- ¹⁶ Inflation-adjusted premium growth rates in local currency, see Tables II, IV and VI
- ¹⁷ Including remaining countries
- + provisional
- * estimated
- ** estimated USD value assuming constant insurance penetration

Table I: Premium volume by region and organisation in 2007

	Premium volume (in millions of USD)		Change (in %) inflation-adjusted		Share of world market (in %) 2007	Premiums ¹ in % of GDP 2007	Premiums ¹ per capita (in USD) 2007
	2007	2006	2007	2006			
Total business							
America	1 417 463	1 333 591	2.5	3.0	34.91	7.58	1 573.3
North America	1 330 066	1 262 060	2.1	2.6	32.75	8.71	3 984.8
Latin America and Caribbean	87 397	71 532	9.6	11.2	2.15	2.54	154.1
Europe	1 680 693	1 455 509	3.4	6.5	41.39	8.03	1 962.4
Western Europe	1 606 324	1 398 515	3.0	6.3	39.56	8.85	3 138.1
Central and Eastern Europe	74 369	56 994	12.9	11.8	1.83	2.78	228.6
Asia	840 601	777 680	4.5	1.0	20.70	6.20	210.7
Japan and newly industrialised Asian economies	640 754	622 513	1.9	-2.0	15.78	10.38	3 018.1
South and East Asia	176 654	135 587	15.9	16.3	4.35	3.05	51.0
Middle East and Central Asia	23 193	19 579	9.3	11.6	0.57	1.45	75.4
Oceania	68 818	58 238	3.9	2.1	1.69	6.58	2 059.5
Africa	53 294	49 874	2.8	17.3	1.31	4.31	55.3
World²	4 060 870	3 674 892	3.3	4.0	100.00	7.49	607.7
Industrialised countries ³	3 646 523	3 342 459	2.5	3.1	89.80	9.05	3 577.2
Emerging markets ⁴	414 347	332 433	11.8	14.6	10.20	2.75	72.8
OECD ⁵	3 586 703	3 290 287	2.2	3.1	88.32	8.65	2 948.1
G7 ⁶	2 852 637	2 656 388	1.7	1.9	70.25	9.22	3 860.5
EU, 15 countries	1 527 535	1 327 382	3.1	6.6	37.62	9.16	3 668.0
EU, 27 countries	1 566 506	1 357 644	3.2	6.7	38.58	8.76	2 982.3
NAFTA ⁷	1 347 482	1 277 238	2.2	2.7	33.18	8.34	3 060.2
ASEAN ⁸	41 358	33 747	12.7	4.5	1.02	3.17	78.7
Life business							
America	659 759	600 078	6.1	3.9	27.57	3.53	732.3
North America	623 950	571 352	5.8	3.5	26.07	4.09	1 869.3
Latin America and Caribbean	35 809	28 727	11.4	13.7	1.50	1.04	63.1
Europe	1 035 942	881 806	5.6	6.8	43.29	5.00	1 222.6
Western Europe	1 017 881	868 567	5.5	6.6	42.53	5.68	2 014.0
Central and Eastern Europe	18 062	13 239	17.0	19.2	0.75	0.68	55.5
Asia	623 469	579 043	4.3	-0.3	26.05	4.61	156.7
Japan and newly industrialised Asian economies	493 567	480 169	1.8	-3.1	20.62	8.02	2 331.6
South and East Asia	124 136	93 985	16.8	17.4	5.19	2.15	35.9
Middle East and Central Asia	5 766	4 888	8.7	7.0	0.24	0.36	18.7
Oceania	35 807	29 176	7.9	6.2	1.50	3.42	1 071.4
Africa	38 111	35 688	3.4	21.6	1.59	3.08	39.6
World²	2 393 089	2 125 791	5.4	4.1	100.00	4.41	358.1
Industrialised countries ³	2 174 313	1 951 947	4.7	3.1	90.86	5.42	2 142.6
Emerging markets ⁴	218 776	173 845	13.1	17.7	9.14	1.45	38.4
OECD ⁵	2 105 446	1 894 411	4.2	2.9	87.98	5.10	1 738.7
G7 ⁶	1 681 968	1 533 161	3.7	2.7	70.28	5.51	2 304.5
EU, 15 countries	975 158	829 823	5.6	6.9	40.75	5.94	2 376.1
EU, 27 countries	992 219	842 446	5.7	7.1	41.46	5.62	1 915.3
NAFTA ⁷	631 603	578 164	5.8	3.7	26.39	3.91	1 434.4
ASEAN ⁸	26 988	21 289	16.7	7.4	1.13	2.16	53.8
Non-life business							
America	757 703	733 513	-0.4	2.2	45.43	4.05	841.0
North America	706 116	690 708	-1.0	1.8	42.34	4.62	2 115.5
Latin America and Caribbean	51 588	42 805	8.3	9.7	3.09	1.50	91.0
Europe	644 751	573 703	0.7	6.1	38.66	3.03	739.8
Western Europe	588 443	529 948	-0.2	5.8	35.28	3.17	1 124.1
Central and Eastern Europe	56 308	43 755	11.7	9.6	3.38	2.11	173.1
Asia	217 132	198 637	5.1	5.0	13.02	1.59	54.1
Japan and newly industrialised Asian economies	147 187	142 344	2.1	2.1	8.83	2.36	686.5
South and East Asia	52 518	41 602	13.9	13.9	3.15	0.91	15.2
Middle East and Central Asia	17 427	14 691	9.6	13.4	1.04	1.09	56.7
Oceania	33 011	29 062	-0.2	-1.6	1.98	3.16	988.1
Africa	15 183	14 186	0.6	6.2	0.91	1.23	15.8
World²	1 667 780	1 549 100	0.7	3.9	100.00	3.08	249.6
Industrialised countries ³	1 472 209	1 390 512	-0.3	3.2	88.27	3.63	1 434.6
Emerging markets ⁴	195 571	158 588	10.2	11.2	11.73	1.30	34.4
OECD ⁵	1 481 257	1 395 876	-0.3	3.3	88.82	3.55	1 209.4
G7 ⁶	1 170 669	1 123 227	-1.0	0.7	70.19	3.72	1 555.9
EU, 15 countries	552 376	497 559	-0.3	5.9	33.12	3.23	1 291.9
EU, 27 countries	574 287	515 199	-0.1	5.9	34.43	3.13	1 067.0
NAFTA ⁷	715 879	699 073	-0.8	1.8	42.92	4.43	1 625.8
ASEAN ⁸	14 370	12 458	5.8	-0.1	0.86	1.00	24.9

Table III: Total premium volume in USD in 2007

Ranking	Country	Premium volume (in millions of USD)		nominal (in USD)	Change (in %) 2007 inflation- adjusted ¹⁷	Share of world market 2007 (in %)
		2007	2006			
North America						
1	United States ⁹	1 229 668 *	1 174 556 +	4.69	1.78	30.28
9	Canada ¹⁰	100 398 *	87 503 +	14.74	6.35	2.47
	Total	1 330 066	1 262 060	5.39	2.10	32.75
Latin America and Caribbean						
19	Brazil	38 786 *	30 365	27.73	10.32	0.96
28	Mexico	17 416 +	15 178	14.75	10.66	0.43
39	Argentina	6 315	5 643	11.91	4.22	0.16
40	Chile	6 169 +	4 704	31.15	14.14	0.15
42	Venezuela	5 785 **	4 890	18.31	na.	0.14
45	Colombia	4 103	3 200	28.21	6.94	0.10
57	Peru	1 187	1 083	9.62	2.98	0.03
58	Trinidad and Tobago	1 149 **	1 042 **	10.36	na.	0.03
73	Ecuador	678	616	10.05	7.60	0.02
74	Panama	607	496	22.25	17.33	0.01
75	Dominican Republic	601 *	525	14.50	7.58	0.01
79	Bahamas	546 **	517	5.63	na.	0.01
82	Costa Rica	483 **	416 **	16.08	na.	0.01
85	Jamaica	433 **	420 **	2.94	na.	0.01
	Other countries	3 138	2 436			0.08
	Total	87 397	71 532	22.18	9.61	2.15
Europe						
2	United Kingdom	463 686 *	361 790	28.16	15.31	11.42
4	France	268 900 +	250 208	7.47	-2.90	6.62
5	Germany	222 825 *	202 397	10.09	-1.33	5.49
6	Italy	142 328 +	140 549	1.27	-8.82	3.50
8	Netherlands ¹¹	102 831 *	91 826	11.98	1.05	2.53
11	Spain	74 696 +	65 813	13.50	1.25	1.84
13	Ireland	60 693 **	47 313	28.28	na.	1.49
16	Belgium	45 841 *	38 986	17.58	5.88	1.13
17	Switzerland	43 580 *	40 909	6.53	1.30	1.07
20	Sweden	33 646 *	28 592	17.67	5.52	0.83
21	Russia	29 846	22 337	33.62	16.59	0.73
22	Denmark	27 771 *	23 252	19.43	7.49	0.68
24	Austria	21 748 +	19 577	11.09	-0.30	0.54
25	Finland	20 535 *	18 634	10.20	-1.43	0.51
26	Norway	19 412 *	16 688	16.33	5.56	0.48
27	Portugal	19 000 +	16 619	14.32	2.32	0.47
29	Luxembourg	17 030 +	16 384	3.94	-7.16	0.42
30	Poland	15 626 +	11 954	30.72	13.73	0.38
34	Turkey	8 297 +	6 609	25.53	5.07	0.20
38	Czech Republic	6 419 **	5 400	18.87	3.85	0.16
41	Greece	6 004 *	5 442	10.33	-1.70	0.15
43	Liechtenstein	5 705 **	5 388	5.89	0.69	0.14
44	Hungary	4 945 +	3 774	31.01	5.88	0.12
48	Ukraine	3 469 *	2 739	26.67	12.30	0.09
49	Romania	2 898 *	2 040	42.07	17.67	0.07
50	Slovenia	2 592 +	2 163	19.83	6.01	0.06
51	Slovakia	2 336 +	1 810	29.07	4.71	0.06
55	Croatia	1 689 +	1 402	20.45	7.57	0.04
61	Bulgaria	1 064	804	32.34	11.89	0.03
64	Cyprus	891 **	766	16.35	na.	0.02
66	Lithuania	771 +	521	47.87	28.25	0.02
67	Serbia	766	574	33.54	8.18	0.02
77	Latvia	596 **	360	65.52	37.85	0.01
78	Iceland	563 *	478	17.81	na.	0.01
81	Estonia	493	375	31.40	13.07	0.01
	Other countries	1 200	1 037			0.03
	Total	1 680 693	1 455 509	15.47	3.43	41.39
Asia						
3	Japan ¹²	424 832 *	439 385	-3.31	-3.17	10.46
7	South Korea ¹²	116 990 *	100 613	16.28	11.06	2.88
10	PR China	92 487 +	70 737	30.75	19.02	2.28
14	Taiwan	60 446 +	51 571	17.21	16.23	1.49
15	India ¹²	54 375 *	40 334	34.81	13.00	1.34
23	Hong Kong	24 307 **	19 472 **	24.83	22.88	0.60
31	Singapore	14 179 *	11 473	23.59	14.82	0.35
32	Israel	8 857 *	7 743	14.40	4.90	0.22
33	Malaysia ¹²	8 824 *	7 615 +	15.88	7.49	0.22
35	Thailand	8 285 *	7 127 +	16.25	3.62	0.20
36	Indonesia	6 938 *	4 846	43.18	34.04	0.17
46	United Arab Emirates ¹¹	3 555 *	2 808	26.59	14.98	0.09
47	Iran ¹³	3 505 **	2 896	21.01	na.	0.09
52	Saudi Arabia	2 269 *	1 852	22.47	17.65	0.06
54	Philippines	2 105	1 751	20.21	5.08	0.05
56	Kazakhstan	1 238 +	1 003	23.43	8.31	0.03
60	Pakistan	1 065 **	932	14.29	na.	0.03
62	Vietnam	1 027	937	9.71	1.83	0.03
68	Lebanon	761	656	16.05	12.45	0.02
69	Kuwait	734 **	641 **	14.38	na.	0.02
80	Qatar	538 **	485 **	10.98	na.	0.01
83	Sri Lanka	480 +	414	15.97	5.69	0.01
84	Bangladesh	453 **	403 **	12.55	na.	0.01
87	Oman	414 **	375	10.34	na.	0.01
88	Jordan	407 +	365	11.44	5.93	0.01
	Other countries	1 530	1 246			0.04
	Total	840 601	777 680	8.09	4.52	20.70
Africa						
18	South Africa ¹⁰	42 676 *	40 743	4.74	1.88	1.05
53	Morocco	2 153 +	1 675	28.51	17.36	0.05
59	Egypt ¹⁴	1 090	861	26.50	14.78	0.03
63	Angola	949 **	680 **	39.40	na.	0.02
65	Nigeria	814 **	712 **	14.37	na.	0.02
70	Kenya	721 **	575	25.40	na.	0.02
71	Algeria	711 **	625 +	13.72	na.	0.02
72	Tunisia	694 +	650	6.72	-0.36	0.02
76	Namibia	601 **	563 **	6.74	na.	0.01
86	Botswana	418 **	382 **	9.57	na.	0.01
	Other countries	2 469	2 408			0.06
	Total	53 294	49 874	6.86	2.80	1.31
Oceania						
12	Australia ¹⁵	62 233	52 561	18.40	4.16	1.53
37	New Zealand	6 453 *	5 487	17.60	1.39	0.16
	Other countries	133	190			0.00
	Total	68 818	58 238	18.17	3.89	1.69
World		4 060 870	3 674 892	10.50	3.32	100.00

Table VIII: Insurance density: premiums¹ per capita in USD in 2007

	Ranking	Country	Total business	Life business	Non-life business
North America	8	United States ⁹	4 086.5 *	1 922.0 +	2 164.4 *
	15	Canada ¹⁰	3 053.8 *	1 386.8 +	1 667.0 *
		Total	3 984.8	1 869.3	2 115.5
Latin America and Caribbean	26	Bahamas	1 648.8 **	915.3 **	733.5 **
	32	Trinidad and Tobago	862.3 **	586.0 **	276.4 **
	41	Chile	370.9 +	228.0 +	142.9 +
	51	Venezuela	209.2 **	7.0 **	202.2 **
	52	Brazil	202.2 *	95.3 *	106.9 *
	54	Panama	181.5	54.5	127.0
	55	Mexico	163.5 +	71.8 +	91.6 +
	56	Argentina	159.8	46.6	113.1
	58	Jamaica	159.4 **	45.0 **	114.4 **
	63	Costa Rica	108.1 **	9.7 **	98.3 **
	66	Colombia	88.9	24.9	64.0
	73	Dominican Republic	61.6 *	10.1 *	51.5 *
	75	Ecuador	50.9	8.0	42.9
78	Peru	42.5	18.3	24.2	
		Total	154.1	63.1	91.0
Europe	1	Ireland ¹	7 171.4 **	5 715.1 *	1 456.4 **
	2	United Kingdom ¹	7 113.7 *	5 730.5 *	1 383.2 +
	3	Netherlands ¹¹	6 262.9 *	2 192.4 *	4 070.5 *
	4	Switzerland	5 740.7 *	3 159.1 *	2 581.7 *
	5	Denmark	5 103.1 *	3 381.0 *	1 722.1 *
	6	France ¹	4 147.6 +	2 928.3 +	1 219.3 +
	7	Belgium ¹	4 131.5 *	2 972.6 *	1 158.9 *
	9	Finland	3 905.8 *	3 093.1 *	812.7 *
	10	Norway ¹	3 770.2 *	2 438.5	1 331.7 *
	11	Sweden	3 705.1 *	2 639.5	1 065.6 *
	12	Luxembourg ¹	3 423.4 +	1 414.5 +	2 009.0 +
	18	Germany ¹	2 662.1 *	1 234.1 *	1 427.9
	20	Austria	2 620.5 +	1 189.6 +	1 430.9 +
	22	Italy ¹	2 322.0 +	1 439.4	882.7 +
	23	Iceland	1 871.5 *	234.2 *	1 637.3 *
	24	Portugal	1 775.6 +	1 210.0 +	565.6 +
	25	Spain	1 699.9 +	709.3 +	990.6 +
	28	Slovenia	1 294.8 +	416.5 +	878.3 +
	30	Cyprus	1 042.3 **	474.2 **	568.1 **
	33	Liechtenstein	835.6 **	774.1 **	61.5 **
	36	Czech Republic	631.3 **	261.0 +	370.3 **
	37	Greece	537.9 *	277.2 *	260.7 *
	38	Hungary	491.9 +	273.6 +	218.3 +
	39	Slovakia	435.4 +	194.1 +	241.3 +
	40	Poland	411.0 +	209.1 +	201.9 +
	42	Croatia	370.7 +	101.3 +	269.5 +
	43	Estonia	369.3	125.3	244.0
	46	Latvia	261.8 **	22.1 **	239.7
48	Lithuania	227.4 +	81.2 +	146.1 +	
50	Russia	209.4	6.1	203.3	
59	Bulgaria	139.3	20.9	118.4	
60	Romania	135.2 *	26.2 *	109.0 *	
62	Turkey	110.8 +	14.5 +	96.3 +	
64	Serbia	103.1	10.6	92.5	
68	Ukraine	75.1 *	3.3 *	71.8 *	
		Total	1 962.4	1 222.6	739.8
Asia	13	Hong Kong	3 373.2 **	3 031.9 **	341.3 **
	14	Japan ¹²	3 319.9 *	2 583.9 *	736.0 *
	17	Singapore ¹	2 776.0 *	2 244.7 +	531.2 *
	19	Taiwan	2 628.0 +	2 165.7 +	462.3 +
	21	South Korea ¹²	2 384.0 *	1 656.6 *	727.3 *
	29	Israel	1 278.5 *	605.2 *	673.3 *
	34	United Arab Emirates ¹¹	811.6 *	140.9 *	670.7 *
	35	Qatar	640.2 **	34.2 **	606.0 **
	44	Malaysia ¹²	332.1 *	221.5 *	110.6 +
	47	Kuwait	257.3 **	46.3 **	211.0 **
	53	Lebanon	185.7	67.9	117.7
	57	Oman	159.5 **	28.8 **	130.7 **
	61	Thailand	129.7 *	70.8 *	58.9 +
	65	Saudi Arabia	91.7 *	2.7 *	89.1 *
	67	Kazakhstan	80.3 +	2.4 +	77.8 +
	69	PR China	69.6 +	44.2 +	25.5 +
	71	Jordan	68.6 +	6.9 +	61.8 +
	76	Iran ¹³	49.2 **	3.0 **	46.2 **
77	India ¹²	46.6 *	40.4 *	6.2 *	
79	Indonesia	30.0 *	20.4 *	9.5 *	
80	Sri Lanka	24.9 +	10.2 +	14.7 +	
81	Philippines	23.9	15.1	8.8 *	
85	Vietnam	11.8	6.5	5.3	
86	Pakistan	6.5 **	2.6 **	3.9	
88	Bangladesh	2.9 **	1.9 **	0.9 **	
		Total	210.7	156.7	54.1
Africa	31	South Africa ¹⁰	878.5 *	719.0 *	159.5 *
	45	Namibia	289.6 **	203.5 **	86.0 **
	49	Botswana	222.1 **	162.0 **	60.1 **
	70	Morocco	68.9 +	22.9 +	46.0 +
	72	Tunisia	67.2 +	7.0 +	60.1 +
	74	Angola	55.7 **	0.7 **	55.0 **
	82	Algeria	21.0 **	1.3 **	19.7 **
	83	Kenya	19.2 **	6.1 **	13.1 **
	84	Egypt ¹⁴	14.4	6.8	7.6
87	Nigeria	5.5 **	0.9 **	4.6 **	
		Total	55.3	39.6	15.8
Oceania	16	Australia	3 000.2	1 674.1	1 326.1
	27	New Zealand	1 544.0 *	244.7 +	1 299.3 *
		Total	2 059.5	1 071.4	988.1
World ²		607.7	358.1	249.6	

Table IX: Insurance penetration: premiums¹ in % of GDP in 2007

	Ranking	Country	Total business	Life business	Non-life business
North America	13	United States ⁹	8.9 *	4.2 +	4.7 *
	20	Canada ¹⁰	7.0 *	3.2 +	3.8 *
		Total	8.7	4.1	4.6
Latin America and Caribbean	16	Bahamas	8.3 **	4.6 **	3.7 **
	24	Trinidad and Tobago	6.4 **	4.3 **	2.0 **
	34	Jamaica	4.1 **	1.2 **	2.9 **
	39	Chile	3.5 +	2.2 +	1.4 +
	46	Panama	3.1	0.9	2.2
	47	Brazil	3.0 *	1.4 *	1.6 *
	52	Venezuela	2.7 **	0.1 **	2.6 **
	55	Argentina	2.5	0.7	1.7
	57	Colombia	2.4	0.7	1.7
	62	Mexico	2.0 +	0.9 +	1.1 +
	65	Costa Rica	1.8 **	0.2 **	1.7 **
	71	Ecuador	1.5	0.2	1.3
	72	Dominican Republic	1.5 *	0.2 *	1.2 *
	78	Peru	1.1	0.5	0.6
		Total	2.5	1.0	1.5
Europe	2	United Kingdom ¹	15.7 *	12.6 *	3.0 +
	4	Netherlands ¹¹	13.4 *	4.7 *	8.7 *
	7	Ireland ¹	11.6 **	9.3 *	2.4 **
	8	Switzerland	10.3 *	5.7 *	4.6 *
	9	France ¹	10.3 +	7.3 +	3.0 +
	11	Belgium ¹	9.6 *	6.9 *	2.7 *
	12	Denmark	8.9 *	5.9 *	3.0 *
	14	Portugal	8.5 +	5.8 +	2.7 +
	15	Finland	8.4 *	6.7 *	1.8 *
	19	Sweden	7.4 *	5.3	2.1 *
	22	Germany ¹	6.6 *	3.1 *	3.6
	23	Italy ¹	6.4 +	4.0	2.4 +
	25	Austria	5.8 +	2.6 +	3.2 +
	26	Slovenia	5.7 +	1.8 +	3.8 +
	28	Spain	5.2 +	2.2 +	3.0 +
	31	Norway ¹	4.6 *	3.0	1.6 *
	33	Cyprus	4.2 **	1.9 **	2.3 **
	36	Poland	3.7 +	1.9 +	1.8 +
	37	Czech Republic	3.7 **	1.5 +	2.2 **
	38	Hungary	3.5 +	2.0 +	1.6 +
	43	Croatia	3.3 +	0.9 +	2.4 +
	44	Luxembourg ¹	3.2 +	1.3 +	1.9 +
	45	Slovakia	3.1 +	1.4 +	1.7 +
	49	Iceland	2.9 *	0.4 *	2.5 *
	50	Ukraine	2.7 *	0.1 *	2.6 *
	51	Bulgaria	2.7	0.4	2.3
	56	Russia	2.4	0.1	2.4
	58	Estonia	2.3	0.8	1.5
	59	Latvia	2.2 **	0.2 **	2.0
	60	Lithuania	2.0 +	0.7 +	1.3 +
	63	Greece	1.9 *	1.0 *	0.9 *
	66	Serbia	1.8	0.2	1.6
67	Romania	1.8 *	0.3 *	1.4 *	
68	Turkey	1.7 +	0.2 +	1.5 +	
82	Liechtenstein	0.7 **	0.7 **	0.1 **	
	Total	8.0	5.0	3.0	
Asia	1	Taiwan	15.7 +	12.9 +	2.8 +
	5	South Korea ¹²	11.8 *	8.2 *	3.6 *
	6	Hong Kong	11.8 **	10.6 **	1.2 **
	10	Japan ¹²	9.6 *	7.5 *	2.1 *
	18	Singapore ¹	7.6 *	6.2 +	1.5 *
	27	Israel	5.5 *	2.6 *	2.9 *
	30	India ¹²	4.7 *	4.0 *	0.6 *
	32	Malaysia ¹²	4.6 *	3.1 *	1.5 +
	40	Lebanon	3.4	1.3	2.2
	41	Thailand	3.4 *	1.8 *	1.5 +
	48	PR China	2.9 +	1.8 +	1.1 +
	53	Jordan	2.6 +	0.3 +	2.3 +
	64	United Arab Emirates ¹¹	1.9 *	0.3 *	1.5 *
	69	Indonesia	1.6 *	1.1 *	0.5 *
	70	Sri Lanka	1.5 +	0.6 +	0.9 +
	73	Philippines	1.5	0.9	0.5
	74	Vietnam	1.5	0.8	0.7
	76	Kazakhstan	1.3 +	0.0 +	1.3 +
	77	Iran ¹³	1.3 **	0.1 **	1.2 **
	79	Oman	1.1 **	0.2 **	0.9 **
80	Qatar	0.9 **	0.0 **	0.9 **	
83	Pakistan	0.7 **	0.3 **	0.4 **	
84	Bangladesh	0.7 **	0.5 **	0.2 **	
86	Kuwait	0.6 **	0.1 **	0.5 **	
87	Saudi Arabia	0.6 *	0.0 *	0.6 *	
	Total	6.2	4.6	1.6	
Africa	3	South Africa ¹⁰	15.3 *	12.5 *	2.8 *
	17	Namibia	8.1 **	5.7 **	2.4 **
	35	Botswana	3.9 **	2.8 **	1.1 **
	42	Morocco	3.4 +	1.1 +	2.2 +
	54	Kenya	2.5 **	0.8 **	1.7 **
	61	Tunisia	2.0 +	0.2 +	1.8 +
	75	Angola	1.4 **	0.0 **	1.4 **
	81	Egypt ¹⁴	0.9	0.4	0.4
	85	Nigeria	0.6 **	0.1 **	0.5 **
	88	Algeria	0.5 **	0.0 **	0.5 **
	Total	4.3	3.1	1.2	
Oceania	21	Australia	6.8	3.8	3.0
	29	New Zealand	5.1 *	0.8 +	4.3 *
	Total	6.6	3.4	3.2	
World ²			7.5	4.4	3.1

Table X: Macroeconomic indicators in 2007

Ranking by GDP	Country	Population (millions) 2007	Gross domestic product			Inflation rate (in %)		Exchange rate local currency per USD		
			USDbn 2007	Real change (in %) 2007 2006		2007	2006	2007	2006	Change (in %)
North America	1 United States	300.9	13844	2.2	2.9	2.9	3.2	1.00	1.00	0.00
	9 Canada	32.9	1426	2.6	2.8	2.1	2.0	1.07	1.13	-5.32
	Total	333.8	15 270	2.2	2.9					
Latin America and Caribbean	10 Brazil	191.8	1 314	5.0	3.8	3.6	4.2	1.95	2.18	-10.49
	15 Mexico	106.5	889	3.3	4.8	4.0	3.6	10.93	10.90	0.27
	32 Argentina	39.5	256	8.7	8.5	8.8	10.9	3.10	3.05	1.35
	36 Venezuela	27.7	215	8.4	10.3	18.7	13.7	2.15	2.15	0.00
	40 Colombia	46.2	175	7.1	6.8	5.5	4.2	2 078.29	2 361.14	-11.98
	42 Chile	16.6	174	5.1	4.0	6.6	2.7	495.82	534.43	-7.22
	55 Peru	27.9	108	9.0	7.6	1.7	2.0	3.13	3.27	-4.46
	66 Ecuador	13.3	45	2.4	3.9	2.3	3.0	1.00	1.00	0.00
	68 Dominican Republic	9.8	41	7.5	10.7	6.1	7.6	33.26	33.36	-0.31
	76 Costa Rica	4.5	26	6.8	8.8	9.4	11.4	516.62	511.30	1.04
	81 Panama	3.3	20	8.7	8.6	4.2	2.1	1.00	1.00	0.00
	82 Trinidad and Tobago	1.3	18	6.0	12.0	8.1	8.3	6.36	6.31	0.76
	85 Jamaica	2.7	11	1.8	2.5	6.6	8.6	68.90	65.36	5.42
	87 Bahamas	0.3	7	3.2	3.4	2.4	2.4	1.00	1.00	0.00
Total¹⁷	567.1	3 437	5.1	5.2						
Europe	3 Germany	82.7	3 326	2.5	2.9	2.3	1.6	0.73	0.80	-8.31
	5 United Kingdom	61.0	2 773	3.1	2.9	2.3	2.3	0.50	0.54	-7.94
	6 France	63.4	2 558	1.9	2.2	1.5	1.7	0.73	0.80	-8.31
	7 Italy	58.5	2 111	1.7	1.9	1.8	2.1	0.73	0.80	-8.31
	8 Spain	43.9	1 438	3.8	3.9	2.8	3.5	0.73	0.80	-8.31
	11 Russia	142.5	1 231	7.5	6.7	9.0	9.8	26.00	27.34	-4.89
	16 Netherlands	16.4	766	3.4	3.0	1.6	1.1	0.73	0.80	-8.31
	17 Turkey	74.9	496	4.3	6.2	8.8	9.6	1.30	1.43	-8.97
	18 Sweden	9.1	453	2.8	4.5	2.2	1.4	6.76	7.37	-8.35
	19 Belgium	10.5	452	2.7	2.9	1.8	1.8	0.73	0.80	-8.31
	21 Switzerland	7.6	424	3.1	3.2	0.7	1.1	1.20	1.25	-4.22
	22 Poland	38.0	418	6.5	6.2	2.5	1.0	2.77	3.10	-10.82
	24 Norway	4.7	384	3.5	2.5	0.7	2.3	5.86	6.41	-8.60
	26 Austria	8.3	374	3.4	3.1	2.2	1.4	0.73	0.80	-8.31
	27 Greece	11.2	313	4.0	4.2	2.9	3.2	0.73	0.80	-8.31
	28 Denmark	5.4	311	1.8	3.9	1.7	1.9	5.44	5.95	-8.46
	31 Ireland	4.2	258	5.4	5.8	4.9	3.9	0.73	0.80	-8.31
	34 Finland	5.3	243	4.3	4.8	2.5	1.6	0.73	0.80	-8.31
	35 Portugal	10.6	223	1.9	1.2	2.5	3.1	0.73	0.80	-8.31
	41 Czech Republic	10.2	174	6.6	6.4	2.8	2.5	20.29	22.60	-10.19
	44 Romania	21.4	162	6.0	7.8	4.8	6.6	2.44	2.81	-13.20
	48 Hungary	10.1	139	1.3	3.9	8.0	3.9	183.63	210.39	-12.72
	52 Ukraine	46.2	126	7.0	7.1	12.8	9.1	5.05	5.05	0.00
	57 Slovakia	5.4	75	9.0	8.5	2.8	4.5	24.69	29.61	-16.60
	63 Croatia	4.6	51	6.0	4.8	2.9	3.2	5.36	5.83	-8.10
	64 Luxembourg	0.5	50	5.4	6.1	2.7	3.0	0.73	0.80	-8.31
	65 Slovenia	2.0	46	6.0	5.7	3.6	2.5	0.73	0.80	-8.34
	67 Serbia	7.4	42	6.0	5.7	8.0	11.6	58.46	66.82	-12.51
	70 Bulgaria	7.6	39	6.0	6.1	8.4	7.3	1.43	1.56	-8.35
71 Lithuania	3.4	38	8.7	7.7	5.7	3.8	2.52	2.75	-8.30	
75 Latvia	2.3	27	10.8	11.9	10.1	6.6	0.51	0.56	-8.32	
78 Estonia	1.3	21	7.0	11.2	6.6	4.5	11.43	12.47	-8.28	
79 Cyprus	0.9	21	4.4	4.0	2.2	2.2	0.73	0.80	-8.35	
80 Iceland	0.3	20	2.6	2.6	5.1	6.7	64.06	69.85	-8.29	
88 Liechtenstein	0.0	4	2.0	5.9	0.7	1.1	1.20	1.25	-4.22	
Total¹⁷	805.0	19 676	3.3	3.4						
Asia	2 Japan	128.0	4 408	1.6	2.5	0.1	0.2	117.22	116.98	0.20
	4 PR China	1 328.3	3 214	11.4	11.1	4.8	1.7	7.61	7.97	-4.59
	12 India	1 168.0	1 167	8.7	9.5	6.5	6.0	40.26	45.12	-10.76
	13 South Korea	49.1	995	4.9	5.1	2.5	2.2	926.14	945.70	-2.07
	20 Indonesia	231.6	433	6.3	5.5	6.4	13.1	9 132.50	9 167.41	-0.38
	23 Taiwan	23.0	385	5.7	4.9	1.8	0.6	32.84	32.53	0.95
	25 Saudi Arabia	24.7	376	3.5	4.3	4.1	2.3	3.75	3.74	0.02
	30 Iran	71.2	270	6.0	5.8	17.1	11.9	9 407.46	9 170.94	2.58
	33 Thailand	63.9	246	4.7	5.1	2.2	4.6	34.52	37.88	-8.88
	37 Hong Kong	7.2	207	6.2	7.1	2.0	2.0	7.80	7.77	0.43
	38 Malaysia	26.6	192	6.3	5.9	2.0	3.6	3.42	3.61	-5.36
	39 United Arab Emirates	4.4	190	7.5	9.4	10.1	9.3	3.67	3.67	0.00
	43 Israel	6.9	162	5.3	5.2	0.5	2.1	4.11	4.46	-7.80
	45 Singapore	4.4	161	7.7	8.2	2.1	1.0	1.51	1.59	-5.15
	46 Pakistan	163.9	146	7.0	6.2	7.6	7.9	60.73	60.27	0.75
	47 Philippines	88.0	144	7.3	5.4	2.8	6.2	46.05	51.26	-10.16
	54 Kuwait	2.9	117	3.2	5.2	5.2	3.0	0.28	0.29	-2.05
	56 Kazakhstan	15.4	95	8.1	10.6	10.8	8.5	122.55	126.09	-2.81
	58 Vietnam	87.4	71	8.5	8.2	8.3	7.7	16 078.00	15 994.30	0.52
	59 Bangladesh	158.7	68	6.5	6.6	9.2	6.8	68.87	68.93	-0.08
62 Qatar	0.8	59	5.8	7.5	13.5	11.8	3.64	3.64	0.00	
69 Oman	2.6	39	4.9	5.5	4.5	3.2	0.38	0.38	0.00	
73 Sri Lanka	19.3	31	6.1	7.4	16.8	13.7	110.63	103.91	6.46	
77 Lebanon	4.1	22	0.4	-3.0	3.2	5.6	1507.50	1507.50	0.00	
83 Jordan	5.9	16	5.5	6.3	5.2	6.2	0.71	0.71	0.00	
Total¹⁷	3 979.9	13 538	5.7	5.8						
Africa	29 South Africa	48.6	280	5.1	5.4	7.1	4.6	7.05	6.76	4.17
	49 Algeria	33.9	131	4.8	3.6	3.5	2.5	69.29	72.65	-4.62
	50 Egypt	75.5	128	10.9	4.2	9.5	7.7	5.71	5.75	-0.67
	51 Nigeria	148.1	127	6.0	5.6	5.4	8.2	125.67	128.65	-2.31
	60 Angola	17.0	66	22.4	14.3	12.0	11.7	76.66	80.37	-4.62
	61 Morocco	31.2	64	2.2	7.3	2.0	3.4	8.19	8.80	-6.86
	72 Tunisia	10.3	35	6.0	5.2	3.1	4.5	1.28	1.33	-3.73
	74 Kenya	37.5	29	6.7	6.2	9.7	14.5	67.30	72.10	-6.66
	84 Botswana	1.9	11	5.0	-0.3	7.1	11.6	6.17	5.84	5.71
	86 Namibia	2.1	7	4.3	4.1	6.7	5.1	7.05	6.77	4.07
	Total¹⁷	963.3	1 236	6.7	5.4					
Oceania	14 Australia	20.7	910	3.9	2.8	2.3	3.5	1.20	1.33	-9.98
	53 New Zealand	4.2	126	3.3	2.2	2.4	3.4	1.36	1.54	-11.76
	Total¹⁷	33.4	1 046	3.8	2.7					
World		6 682.5	54 204	3.8	4.0					

Recent *sigma* publications

No 3/2008	World insurance in 2007: emerging markets leading the way
No 2/2008	Non-life claims reserving: Improving on a strategic challenge
No 1/2008	Natural catastrophes and man-made disasters in 2007: high losses in Europe
No 6/2007	To your health: diagnosing the state of healthcare and the global private medical insurance industry
No 5/2007	Bancassurance: emerging trends, opportunities and challenges
No 4/2007	World insurance in 2006: Premiums came back to "life"
No 3/2007	Annuities: a private solution to longevity risk
No 2/2007	Natural catastrophes and man-made disasters in 2006: low insured losses
No 1/2007	Insurance in emerging markets: sound development; greenfield for agricultural insurance
No 7/2006	Securitization – new opportunities for insurers and investors
No 6/2006	Credit and surety: solidifying commitments
No 5/2006	World insurance in 2005: moderate premium growth, attractive profitability
No 4/2006	Solvency II: an integrated risk approach for European insurers
No 3/2006	Measuring underwriting profitability of the non-life insurance industry
No 2/2006	Natural catastrophes and man-made disasters 2005: high earthquake casualties, new dimension in windstorm losses
No 1/2006	Getting together: globals take the lead in life insurance M&A
No 5/2005	Insurance in emerging markets: focus on liability developments
No 4/2005	Innovating to insure the uninsurable
No 3/2005	Insurers' cost of capital and economic value creation: principles and practical implications
No 2/2005	World insurance 2004: growing premiums and stronger balance sheets
No 1/2005	Natural catastrophes and man-made disasters in 2004: more than 300 000 fatalities, record insured losses
No 7/2004	The impact of IFRS on the insurance industry
No 6/2004	The economics of liability losses – insuring a moving target
No 5/2004	Exploiting the growth potential of emerging insurance markets – China and India in the spotlight
No 4/2004	Mortality protection: the core of life
No 3/2004	World insurance 2003: insurance industry on the road to recovery
No 2/2004	Commercial insurance and reinsurance brokerage – love thy middleman
No 1/2004	Natural catastrophes and man-made disasters in 2003: many fatalities, comparatively moderate insured losses

Swiss Reinsurance Company Ltd
Economic Research & Consulting
Mythenquai 50/60
P.O. Box
8022 Zurich
Switzerland

Telephone +41 43 285 2551
Fax +41 43 285 4749
sigma@swissre.com