Swiss Re Institute

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sigma

World insurance in 2017: solid, but mature life markets weigh on growth

sigma 50 YEARS

Foreword

This year, we celebrate the 50th anniversary of *sigma*, the flagship publication of the Swiss Re Institute´s research portfolio. Over the last half century, *sigma* has provided thought leadership spanning the ever-evolving risk landscape facing society, the economic and regulatory environments and their impact on insurance markets, and industry-specific topics such as underwriting cycles and distribution channels. As the industry´s leading research publication, *sigma* continues to support Swiss Re´s vision to make the world more resilient.

This edition of *sigma*, also referred to as the world insurance *sigma*, covers direct premiums written in the global primary insurance industry. Published annually, it has become one of the fixtures of the *sigma* programme. Already in 1968, the publication´s inaugural year, *sigma* provided several overviews of the global insurance markets. One of the earliest *sigmas* covered the number of insurance companies and the regional distribution based on data from 71 countries. A second study mentioned rapid growth in non-life premium income due to ˝almost explosive˝ growth of motor insurance between 1951 and 1966. At the time, *sigma* did not specify if trends were expected to continue, as it was deemed too difficult to predict whether sales of motor vehicles would increase exponentially and fuel demand for motor insurance.

In 1969, *sigma* estimated that between 1969 and 1980, global premiums were projected to rise from USD 73 million to USD 222 million based on past growth trends. Until the early 1970s, the *sigma* forecast was on track. Afterwards, tectonic changes, such as the break-up of the fixed exchange rate system, oil prices shocks, surging inflation and a boom in the life savings business led to a surge in insurance premiums beyond what was expected. Projecting into the future always involves inherent uncertainty. Despite this challenge, strategic decision-making requires informed guidance. In this context, sigma provides a useful frame of reference for navigating changes in insurance market dynamics even if the frame needs to be constantly revised as new information becomes available.

Swiss Re Institute therefore remains committed to devoting an issue of *sigma* every year to analyse factual and forward looking global premium developments.

Please visit the *sigma* 50 years section on the Swiss Re Institute website (institute.swissre.com/sigma50years) to find out more about the evolution of *sigma*, and the breadth and depth of our overall research offering.

Moses Ojeisekhoba
Chief Executive Officer Reinsurance
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Executive summary

The focus of this *sigma* is the development of premiums in the primary insurance industry.

In this edition of *sigma*, Swiss Re Institute examines the development of premiums in the global primary insurance industry (direct premiums written) for the life and non-life sectors. We also analyse profitability trends and provide an outlook for the sectors in the context of industry trends as well as the global macroeconomic environment and financial markets.

Global economy grew at a higher rate than the 10 year average, but long term interest rates remain low by historical standards.

The global economy improved considerably in 2017, with real gross domestic product (GDP)[1] rising 3.3%. Advanced markets, except for the UK, experienced a broad-based cyclical upswing. In emerging markets, the improvement in commodity exporting countries, continued expansion of China and robust growth in Central and Eastern Europe (CEE) contributed positively as well. Inflation began to rise in advanced markets, and largely remained within central bank targets, while easing in most emerging markets. Long term interest rates remain low by historical standards, but approaches to monetary policy have diverged.

The premium expansion cooled in 2017 due to a slowdown in the life sector in advanced markets…

The expansion of total direct insurance premiums cooled to 1.5% in real terms in 2017[2], (2016: 2.2%). Both the non-life and life sector slowed, but falling life premiums in advanced markets were the main cause of drag on overall global premium growth. While the life segment among advanced markets continues to underperform since the financial crisis, the non-life segment is following the recovery of the overall economy quite closely.

…but we expect life and non-life premium growth to improve in the coming years largely supported by China.

Looking ahead, we expect global life insurance premium growth to improve over the next few years. While advanced markets are expected to grow at a moderate pace, emerging markets are set to outperform, mainly driven by strong growth in China. Nevertheless, in terms of absolute volume, advanced markets will contribute around half of the additional future annual premium income over the next five years. Life business will be challenging among advanced markets, but strong in emerging ones. The global non-life sector is expected to improve, supported by advanced markets, due to a solid economic environment, especially in the US. In emerging markets, non-life premium growth will remain robust, but slightly lower than in the recent past due to less strong growth in emerging Asia and ongoing soft rates.

Table 1
Real premium growth in 2017, vs average 2007–16 and outlook

	Life			Non-life			Total	
Markets	**2017**	**´07–16**	**Outlook***	**2017**	**´07–16**	**Outlook***	**2017**	**´07–16**
Advanced	–2.7%	–0.2%	→	1.9%	0.9%	↗	–0.6%	0.3%
Emerging	14%	8.3%	→	6.1%	8.4%	⇨	10%	8.4%
World	**0.5%**	**0.9%**		**2.8%**	**2.1%**		**1.5%**	**1.4%**

*Direction of the arrow indicates whether real growth will improve, remain the same or worsen.
Source: Swiss Re Institute

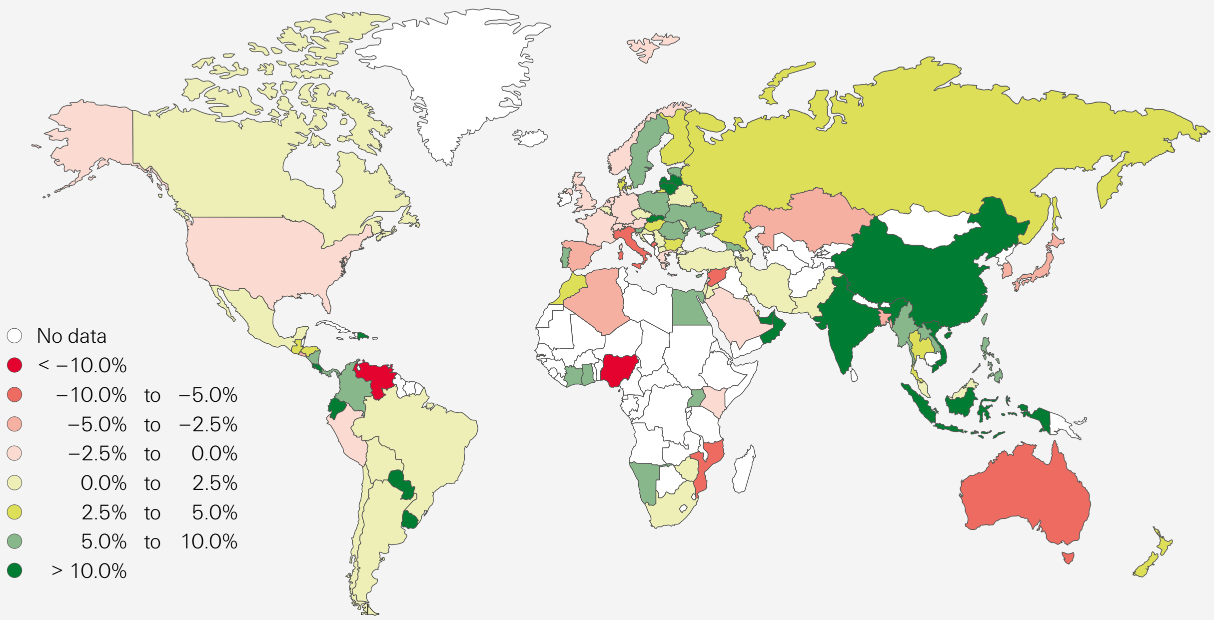
Industry profitability remains under pressure.

Profitability continues to be under pressure in both the life and non-life sectors. In the life segment, low interest rates are affecting investment returns, while competition and regulatory changes have increased the pressure on profitability as well. On the other hand, the ROE of the non-life sector declined for the third consecutive year as the industry experienced underwriting losses due to heavy losses from natural catastrophes as well as continuing price pressure.

[1] The aggregation of the individual economies that make up the global economy is weighted using US dollar GDP based on market exchange rates. International statistics using purchasing-power parity place more weight on fast-growing countries like China and India and thus show higher world GDP growth rates.
[2] All growth figures quoted in this study are in real terms, ie adjusted for local consumer price inflation.

Executive summary

Figure 1
Total real premium growth, 2017
(click chart to open in *sigma* explorer)



Source: Swiss Re Institute

Global life premium growth was weak in 2017 due to falling premiums in advanced markets.

Global life premiums increased only marginally by 0.5% to USD 2 657 billion in 2017 (2016: 1.4%). The slowdown was primarily driven by advanced markets, which declined 2.7% in 2017 (2016: –1.9%) as all regions experienced negative growth mostly due to low interest rates that continued to adversely affect the supply and demand for savings products. In emerging markets, life premium growth remained strong at 14%, mainly driven by China. In other emerging markets, the expansion was much slower at 5.8%. The main cause was the weak performance of Latin America, while other emerging Asia and CEE developed favourably.

Global non-life premiums growth slowed due to lower growth in emerging markets.

Global non-life insurance premiums increased 2.8% to USD 2 234 billion in 2017, down from 3.3% in 2016, but remained slightly above the 10-year average. The slowdown was mainly due to lower growth in emerging markets, while growth in advanced markets was roughly steady. Growth trends diverged in advanced markets. North America and Western Europe showed improvements, while growth in all advanced Asia markets except Taiwan deteriorated. The slowdown in emerging market growth was largely driven by China, where the speed of expansion halved to a still robust 10%, about the same as other emerging Asia. The moderate pace in CEE continued, but premiums continued to decline in Latin America and the Caribbean.

The data in this study are the latest available at the time of going to press.

This *sigma* study contains the latest market data available at the time of going to press. The final figures for 2017 are not available for most insurance markets. As such, the *sigma* also contains Swiss Re Institute estimates and provisional data released by supervisory authorities and insurance associations.

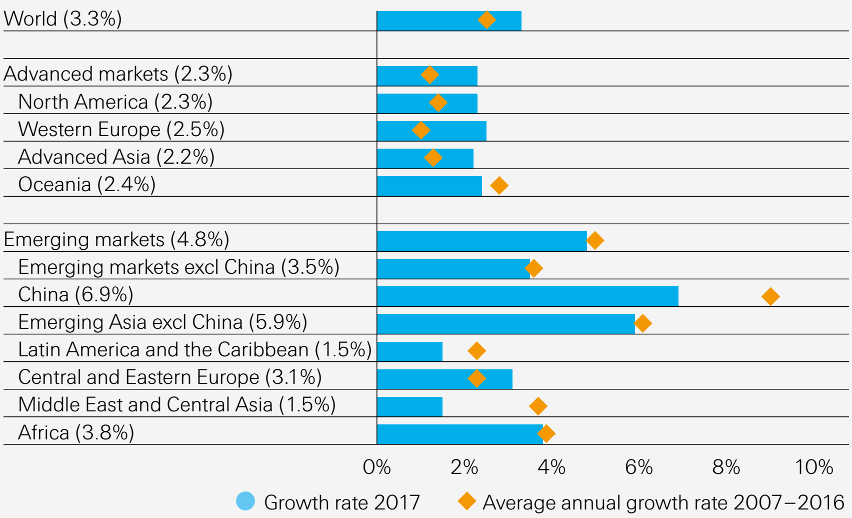
The global economy and financial markets in 2017

Global economic growth and inflation

The global economy grew by 3.3% in 2017.

The economic environment improved in 2017. Global real gross domestic product (GDP)[3] accelerated significantly, at 3.3% over the year, up from 2.6% in 2016. A synchronised upswing in both advanced and emerging markets and an acceleration in global trade were the driving forces for the development. GDP growth was substantially above the 2007–2016 average of 2.5%, which was weakened by the 2008/2009 recession (see Figure 2 below). GDP in advanced markets rose 2.3%, up from 1.7% in 2016, while growth in emerging markets increased from 4.0% to 4.8%, slightly below the long-term average.

Figure 2
Real GDP growth by region (2017 readings in brackets)



Source: Oxford Economics, IHS-Markit, WIIW, Swiss Re Institute

Except for the UK, GDP rose in the advanced markets…

Among the advanced markets, there was a broad-based cyclical upswing, except in the UK. The US continued its volatile growth pattern in 2017, with real GDP growth rising to 2.3% (2016: 1.5%). The Euro area expanded at 2.5%, which is almost double its potential growth. Germany (2.5%) and France (2.0%) experienced very strong growth in 2017, versus 1.9% and 1.1% in 2016, while GDP growth in Italy improved 1.5%. GDP growth in the UK slowed to 1.7%, as Brexit-related uncertainty continued to impact investment, while above target inflation of 2.7% constrained consumer spending. Japan´s economy accelerated 1.7% in 2017.

…while GDP in emerging markets also grew strongly. China reclaimed the crown from India as the world´s fastest growing large economy in 2017.

The economic environment among emerging markets improved, as commodity exporting countries like Brazil (1.0%) and Russia (1.6%) emerged from recession, and China continued to expand at a strong pace. Boosted by a combination of fiscal stimulus and stronger demand, China (6.9%) reclaimed the spot as the fastest growing large economy from India (6.6%) in 2017. Encouragingly, Chinese growth is increasingly also driven by domestic consumption as the economy slowly rebalances. In India, growth was still impacted by the November 2016 demonetisation, real estate regulation, and goods and services tax reforms. Consequently, private consumption growth was a little weaker than expected, and private investment was also sluggish, but government investments accelerated in the final quarter of the year, providing momentum into 2018.

[3] The aggregation of the individual economies that make up the global economy is weighted using US dollar GDP based on market exchange rates. International statistics using purchasing-power parity place more weight on fast-growing countries like China and India and thus show higher world GDP growth rates.

GDP growth in CEE EU member countries was robust, while the CIS region and Latin American countries are recovering from an oil price shock.

Elsewhere, most notably in Central and Eastern Europe (CEE), EU member countries grew by more than 4%, as strong global trade and robust domestic wage growth translated into solid consumption spending. In the Commonwealth of Independent States (CIS) region, countries also benefitted from higher oil prices and more supportive monetary policies as well as lower inflation. In Russia, inflation dropped below the 4% target in late 2017 and reached a record low in early 2018. Supported by higher oil prices and strong private consumption, economies in Latin America and the Caribbean rebounded in 2017 (1.5%) from the 2016 commodity price induced recession. However, growth remained weak compared to the long-term average of 2.3%.

The recovery in commodity prices was not enough to boost growth in the Middle East, but did help growth in Africa recover from a low level.

Despite the slight recovery in oil prices, growth in the Middle East slowed to 1.5% in 2017 (2016: 4.0%). Due to oil production cuts, government revenues were generally lower in the GCC countries; for example, GDP growth in Saudi Arabia fell 0.7%. In Turkey, GDP rose 6.9% in 2017 (2016: 3.3%) as the economic impact of the attempted military coup and the continuing war in neighbouring Syria faded. Aided by the recovery in commodity prices, GDP growth in Africa accelerated in 2017 to 3.8%, up from 1.7% (its lowest level since the early 1990s).

Inflation in advanced markets is on the rise, but has eased in emerging markets.

Across the advanced regions, inflation rates have risen, but remain mostly within central bank targets. Inflation was the highest in the UK (2.7%), followed by the US (2.1%). This compares to inflation in the Euro area and Japan, which were below target at 1.5% and 0.6% respectively. Inflation in emerging markets overall has eased, falling in Brazil and Russia, for example, while remaining low in CEE EU-countries, despite rapidly rising wages.

Interest rates and stock market developments

The US Federal Reserve Bank and the Bank of England raised interest rates, while the European Central Bank and the Bank of Japan continued to ease monetary policy.

Although the low interest rate environment continues, major central banks around the globe have finally begun to tighten policy or have prepared markets for normalisation in the coming years. At the forefront, the US Federal Reserve Bank (The Fed) raised interest rates three times in 2017. The Bank of England (BoE) reversed its emergency post-referendum rate cut and signalled that further interest rate increases would be appropriate in 2018 and 2019, as inflation significantly overshot the BoE´s 2% target following the sharp depreciation of the sterling after the referendum. Meanwhile, the European Central Bank (ECB) maintained its expansionary monetary policy, extending asset purchases until the end of September 2018, but at half the previous pace of EUR 30 billion a month. In an effort to encourage inflation, the Bank of Japan (BoJ) also plans to continue its expansionary monetary policy.

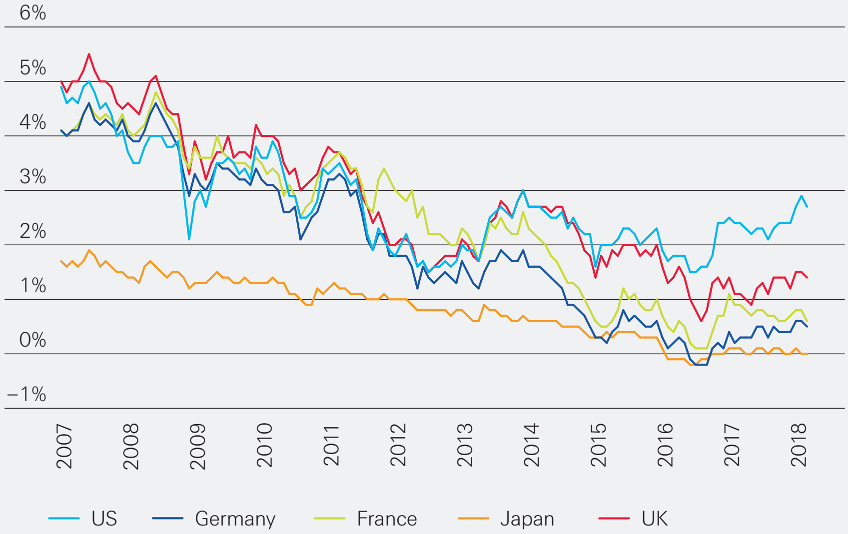
Central banks in commodity exporting countries were able to loosen monetary policy in 2017, and are now joined by China, which is loosening monetary policy to support economic growth.

While advanced economies continued to tighten monetary policy in 2017, emerging economies with falling inflation, such as Brazil and Russia, opted to loosen monetary policy to unwind post-oil shock rate hikes. Brazil cut interest rates from 13% in January 2017 to 6.5% in March 2018 amid steeply falling inflation rates. In Russia, the central bank has been a bit more cautious, lowering rates more slowly, despite record low levels of inflation, in order to maintain a stable rouble exchange rate. In China, the People´s Bank of China (PBoC) employed various prudential and liquidity tools in order to maintain financial stability, steering market rates indirectly throughout 2017.[4] In April 2018, the PBoC lowered banks´ reserve requirement ratio purportedly to manage market liquidity and steer credit allocation. Given the still robust economic growth and timid inflation, the PBoC is expected to keep a neutral policy stance over the year.

[4] Policy rates remained unchanged as liquidity was constrained.

Figure 3
Long-term interest rates, January 2007 to April 2018

Interest rates remain low, but started to recover



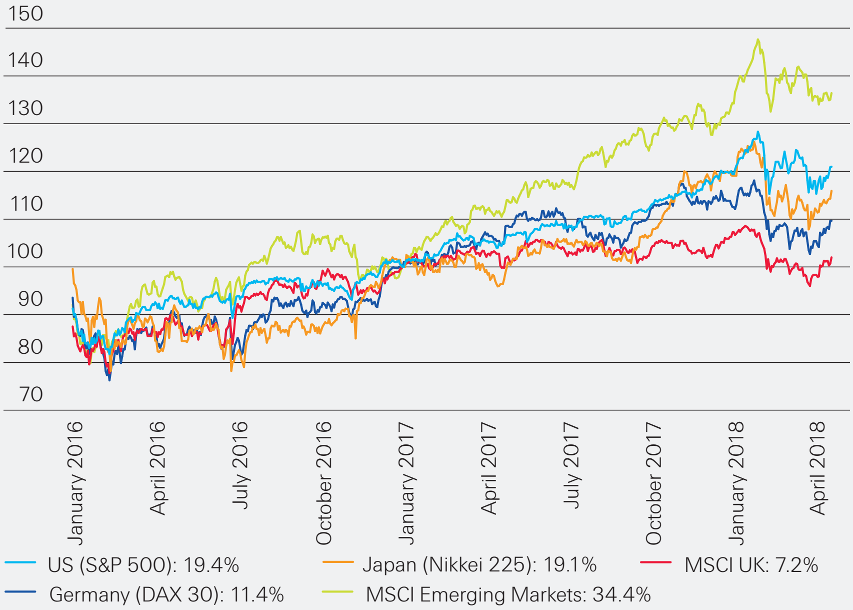
Source: Datastream

Long-term interest rates remained roughly unchanged in 2017 amid weak wage pressures and despite rising inflation.

Against the backdrop of marginal monetary tightening, long-term interest rates were virtually unchanged over the year. The exception was the Euro area, where the yield on German Bunds rose by over 30 bps (see Figure 3). Yields in the US and UK were broadly unchanged amid weak wage pressures and despite rising inflation and initial monetary tightening. In 2018 so far, yields in the US and UK have also risen more sharply, and were even briefly back above 3% in the US, the first time since 2014.

Figure 4
Stock market developments, January 2016 – April 2018 return in %, (31 December 2016 =100).

Government policies boosted equity markets in 2017



Source: Datastream

Stock markets had another strong year in 2017, delivering solid returns, but in 2018, markets have struggled to maintain their strong performance.

2017 proved to be another strong year for stock markets. Equities benefited from continued accommodative monetary policy and supportive fiscal policies such as the US tax reforms (see Figure 4), boosting the investment income of insurance companies. The S&P 500 in the US was up almost 20% over the year, while the MSCI Emerging Markets outperformed, ending the year up 34%. The laggards were the European stock markets. Political events (ie, elections in various countries), as well as Brexit, created uncertainty and exchange rate effects, weighing on stock market returns. Additionally, the stronger euro also weighed on financial markets. In early 2018, stock markets have struggled to maintain their strong performance.

Outlook: synchronised global expansion ahead, but for how long?

We believe the global expansion will continue in 2018, but growth in advanced economies will slow in 2019 and beyond.

In the current synchronised global expansion, Swiss Re Institute expects global economic growth to improve marginally in 2018 (3.4%), before slowing again in 2019 (3.1%). Advanced markets are a key driver of this expansion. In the US, real GDP growth is expected to reach almost 3% in 2018, as supportive fiscal policy from tax cuts and fiscal spending is set to boost growth through 2019. The upswing in the Euro area is expected to continue in 2018, before gradually slowing to a more sustainable pace in the following years. In contrast, growth in the UK is expected to slow more substantially to 1.3% in 2018, as Brexit-related uncertainty continues to weigh on investments and consumer spending. Real GDP growth in Japan is expected to stabilise at 1.5% in 2018, supported by fiscal and monetary policy, as well as strong overseas demand for exports. The outlook for 2019, however, is somewhat dampened by the planned implementation of the second phase of the sales tax hike in October 2019.

Inflation in advanced economies is expected to rise.

We expect inflation in advanced economies to pick up in 2018 as strong growth continues. More recently, oil prices have also increased. Headline inflation in the US will remain above target (2.3%) in 2018, while core inflation, which excludes food and energy prices and is a better measure of underlying price pressures, is also expected to rise to target. In the UK, inflation is expected to fall to target, as the impact from the currency depreciation post-referendum is fading. However, a tight labour market and oil prices could mean inflation stays above target for some time. In the Euro area, inflation is forecast to remain unchanged in 2018 at 1.5%, well below the ECB´s 2% target. If above-forecasted growth continues and labour market slack diminishes, Euro area core inflation could rise to 2% by early 2020.

We forecast emerging markets to grow at a strong pace, with all regions contributing.

Our projections show emerging markets to continue to expand at a strong pace. China´s economy, the biggest contributor to global growth, is expected to slow slightly over the coming years as it continues to transition and rebalance from investment to domestic demand. However, stronger growth in Latin America and CIS is likely to more than compensate for this. In India, the recent reforms are expected to help push growth above 7% in 2018 and 2019. Meanwhile, the economies of the commodity producers Russia and Brazil are expected to continue to grow slowly. Russia´s growth will be hampered by the lack of structural reforms and the continuation of sanctions. In Brazil, lower interest rates and lower inflation should boost consumer spending and investment; however, political support will be lacking this year as the country prepares for presidential elections in October.

Financial conditions are expected to tighten in 2018, with the BoJ the only major central bank still engaged in monetary easing at year-end.

Global monetary policy is starting to move in the same direction, as all major central banks are tightening to varying degrees. In the US, we predict the Fed to raise rates the most, followed by the BoE. The ECB has announced that it is concluding its asset purchase programme by year end, effectively leaving the BoJ as the only major central bank still engaged in monetary easing. Thus, despite slight policy normalisation in the Euro area and the UK, Europe will remain relatively accommodative compared to the US. As monetary policy becomes more restrictive, yields in Europe are forecast to rise modestly, while in the US, yields will be roughly unchanged from current levels.

Risks to the outlook are roughly balanced. On the downside, the key concerns are a central bank policy error …

In our view, risks to the outlook are roughly balanced. Upside potential comes from a stronger boost to growth from US fiscal policy than currently expected, particularly in 2019. In addition, strong expansion in the Euro area may turn out to be more sustained than expected, if, for example, wage growth picks up, significantly boosting consumer spending. On the downside, a global trade war and a central bank policy error are the most significant risks. If US inflation surprises to the upside, the Fed could be forced to raise rates more aggressively. This could lead to financial market volatility and emerging market contagion. In the Euro area, the ECB risks withdrawing stimulus too early, despite muted inflation pressures.

… and the escalation of trade disputes into a trade war.

In March 2018, the US introduced tariffs on steel and aluminium imports that led to retaliatory actions by trade partners. Rising tensions could escalate into an outright trade war, which would be very damaging to global growth and, adversely impact the related insurance lines, such as credit or marine. A trade war would also significantly impact the transfer of innovation, particularly if the protectionist measures are viewed as permanent. Other risks, such as a hard landing in China have eased as reforms slowly progress.

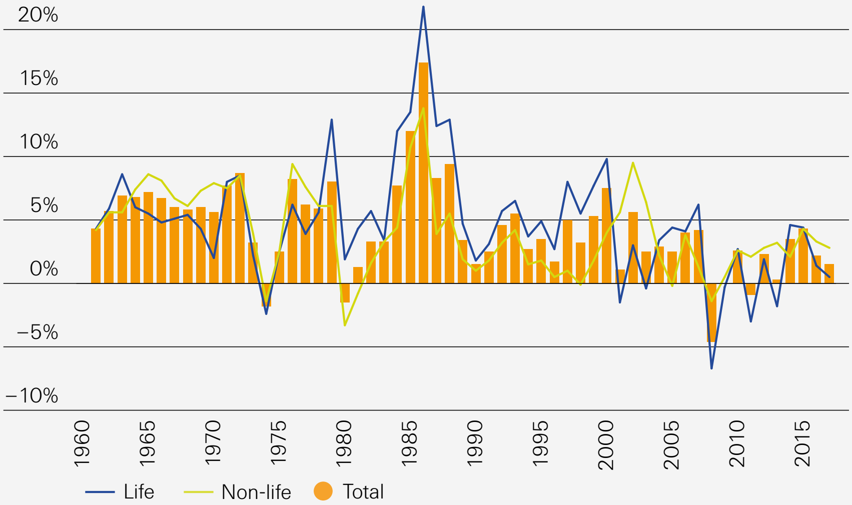
The global insurance sector

Further cool down of premium growth

Premium growth eased further in 2017, mainly due to weakness in the life sector of advanced markets.

In 2017, total direct premiums written in the global insurance industry rose 1.5% in real terms, versus 2.2% in 2016 (see Figure 5). Premiums in nominal USD terms totalled USD 4892 billion in 2017, up from USD 4703 billion in 2016). While life and non-life premium growth slowed compared to 2016, life premiums in advanced markets, which fell 2.7% in 2017 (2016: –1.9%), were the primary cause of the drag on global growth. In contrast, non-life premium growth in advanced markets remained roughly the same in 2017, at 1.9%. In emerging markets, the expansion was two to three percentage points lower at 14% and 6.1% in life and non-life respectively. China continues to be the main growth engine there.

Figure 5
Global real premium growth, 1960–2017
(click chart to open in *sigma* explorer)



Source: Swiss Re Institute

The weak growth performance recently in the insurance sectors is, to a large extent, a result of the weak economic environment…

The most recent weakness in premium developments is the result of the weak economic environment. However, it is in line with long term trends. Overall economic growth is a key determinant for the insurance markets. Figure 6 shows real premium growth and GDP growth for advanced (left panel) and emerging markets (right panel) based on our dataset going back to the early 1960s. A 7 year moving average is used to smooth the high volatility of growth. The non-life sectors in advanced markets followed economic growth quite closely. Until 1990, the non-life insurance sector outpaced the overall economy (elasticity greater than one) because insurance markets were not yet saturated and middle class incomes were growing strongly. In recent years, however, the non-life market has moved parallel to the economy, ignoring the spikes and troughs driven by the price cycle. In fact, the recovery from the global financial crisis in the non-life segment follows the overall (weak) economy very closely.

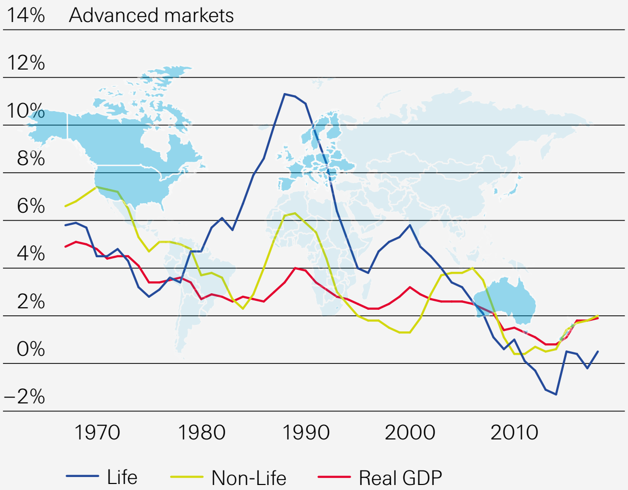
…but other factors are at play on the life side, which challenge the traditional life insurer business model.

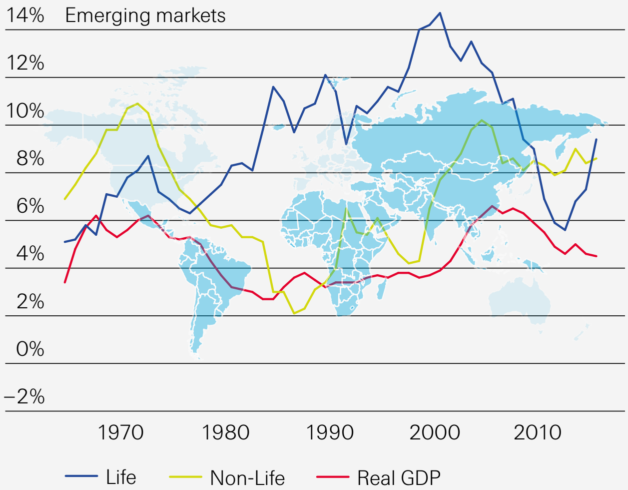
The relationship of life insurance growth to the economy is not as close as in the non-life sector, as regulation, tax incentives or distribution strategies can have a very big impact on market developments. Since the global recession in 2008/2009, the life sector in advanced markets has failed to recover from the downturn. Well documented factors, such the depressed economic environment, stagnant wages combined with low interest rates and changing solvency regimes made traditional savings products with interest rate guarantees both unattractive for consumers and life insurers. Typically, biometric risk related business has performed much better, but generates much smaller premium volumes than savings business. Unless life insurers find new ways to profitably offer attractive life insurance savings products, the downturn of the life market could continue for some time.

The outperformance of the insurance sectors relative to GDP in emerging markets has continued for decades.

In contrast, the insurance markets in emerging countries have solidly outperformed the corresponding economies for decades, which is expected given the current low levels of penetration. Also, many emerging markets are in the sweet spot of growth, where individuals and companies see incomes, revenues and assets to be insured grow, which in turn boosts the demand for insurance.[5] In the case of China, the development of insurance markets is strongly supported by government policies. Until now, the value proposition of life insurance as a savings vehicle is still intact in emerging markets. Recently, trend life growth is rebounding despite a more muted economic environment. Non-life premiums in emerging markets have also held up well, which is largely due to China.

Figure 6
Life and non-life premium growth vs GDP growth in real terms (7 year moving average).





Source: Swiss Re Institute

5 This is stipulated by the S-Curve relationship developed by the Swiss Re Institute. See for example Swiss Re, *sigma* No 6/1996, Asia's insurance industry on the rise: into the next millennium with robust growth, Swiss Re.

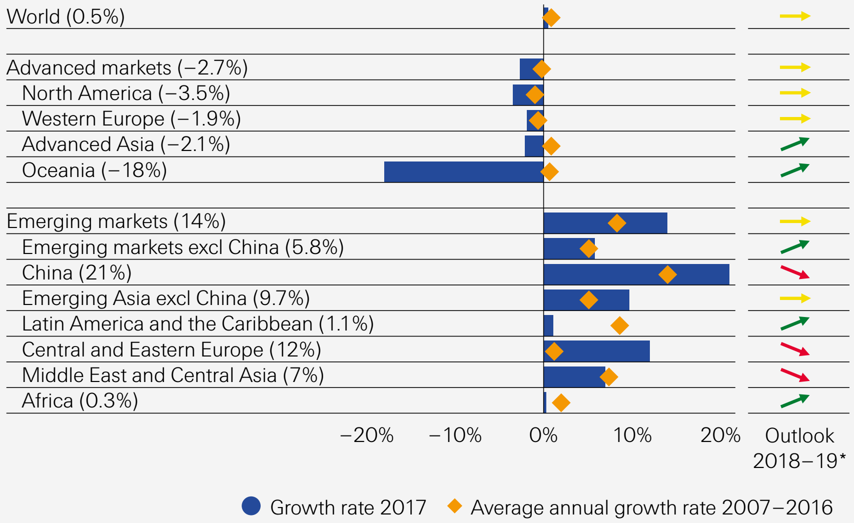
Life insurance

Premium development

Life insurance premiums grew marginally in 2017, as fortunes digressed between emerging and advanced markets.

Global life insurance premiums grew only marginally at 0.5% in 2017 (see Figure 7) totalling USD 2657 billion. The slowdown from the previous year (1.4%) was caused by contraction in advanced markets. In fact, fortunes diverged dramatically between advanced and emerging markets. Life premiums in advanced markets shrank 2.7% in 2017, with real premiums stagnating over the previous ten years. In contrast, life premiums in emerging markets jumped 14%, largely driven by China, and remained well above the ten year average (8.3%).

Figure 7
Life premium growth in real terms by region, (2017 readings in brackets)



*Direction of the arrow indicates whether real growth will improve, remain the same or worsen.
Source: Swiss Re Institute

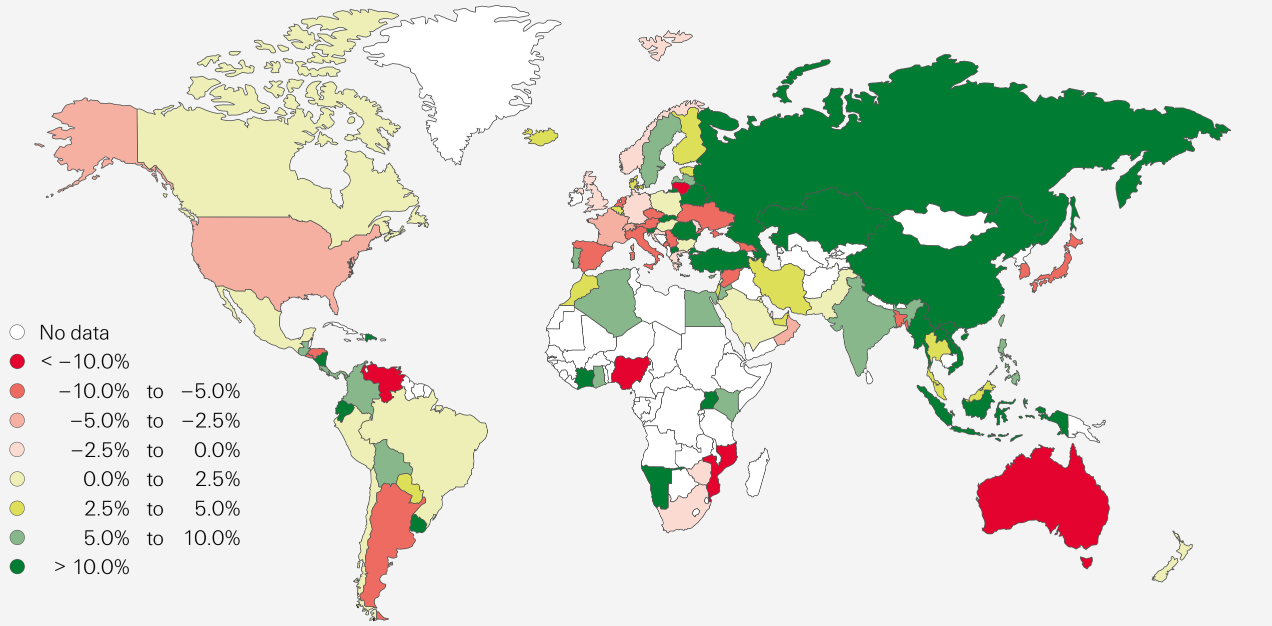
Low interest rates are weakening the demand for life savings products, but other factors are at play as well.

Among advanced markets, the life insurance market underperformed, with all regions showing negative premium development. Due to prevailing low interest rates, insurance companies are unable to offer attractive interest rate guarantees, which drags on demand for traditional savings business. However, the premium declines in real terms are also intensified by firming inflation. The North American life market declined by 3.5%, driven by supply side factors as players are exiting the retirement savings business, ie variable annuities. In Western Europe (–1.9%), the three major markets – the UK, France and Germany – are estimated to have contracted, but there were some positive developments in Scandinavia and Portugal. Among advanced Asian markets (–2.1%), expectations of lower mortality rates have delayed life insurance purchases in Japan, and in Korea, premiums dropped after two years of strong growth (see the regional sections for additional details on country developments).

China is the key driver of the solid insurance market performance in emerging markets, but developments were positive in many other markets as well.

The strong growth in emerging markets was driven by the Chinese life market, which grew by 21% in 2017, well above its ten year average of 14%. China is now the second largest life market globally after the US and accounts for more than half of emerging market life insurance premiums written, or 11% of the world total. Excluding China, emerging market growth of 5.8% was somewhat above the long-term average. Sales of unit linked and traditional savings products were strong in many other Asian emerging markets. Growth in CEE, was mostly due to the continuing strong expansion of bancassurance distributed savings products in Russia, which has become the largest life market in the region. In Latin America, Brazil and Mexico dragged on growth; in Brazil, savings business was affected by declining interest rates, while in Mexico, the sharp slowdown was due to the shift to a Solvency II type reporting regime.

Figure 8
Life real premium growth, 2017
(click chart to open in *sigma* explorer)

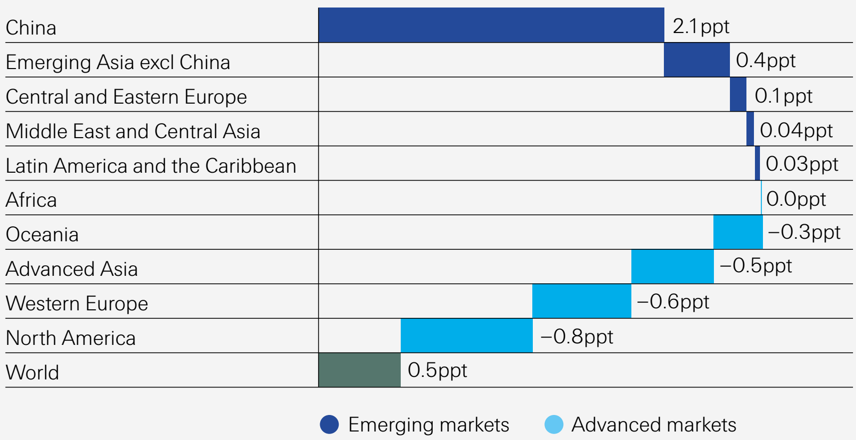


Source: Swiss Re Institute

The breakdown of life premium growth (Figure 9) by region shows how the contribution of China (2.1ppt) is more than neutralised by contractions in North America (–0.8ppt), Western Europe (–0.6ppt), advanced Asian markets (–0.5ppt) as well as Oceania (–0.3ppt). Among emerging markets, CEE (0.1ppt) and the other emerging Asian markets (0.4ppt) also contributed to growth, while the remaining regions had only a marginal impact on the overall growth results.

Figure 9
Contribution to real life premium growth by region, 2017

China was the biggest contributor to global life premium growth in 2017



Source: Swiss Re Institute

The ongoing low interest rates remain a major concern for life insurers.

Profitability

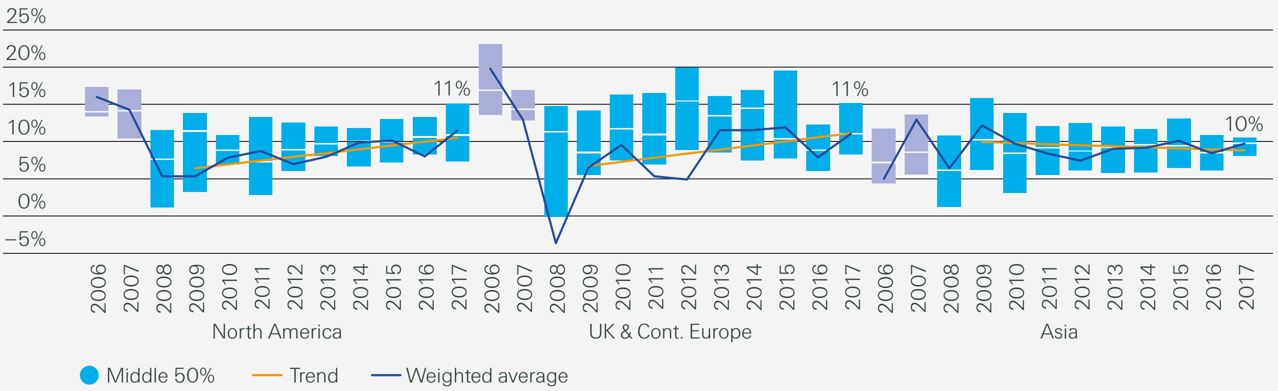
The ongoing low interest rate environment remains a major concern for life insurers. Savings-type business is under particularly severe pressure given the inability of insurers to provide attractive returns. The low interest rates also have other implications:

- Investments are predominantly in fixed-income instruments. Low returns undermine insurers´ ability to fund guarantees (offered at too low prices in the past), pay future claims/benefits, and offer attractive prices.
- Because many business lines are of longer duration than available assets, insurers have to reinvest in lower-yielding assets and/or take more asset risk, exposing their balance sheets to more financial risk.

Overall profitability remains low, but we expect the slow upward trend to continue.

Life insurers´ overall profitability – as measured by ROE – remains below pre-crisis levels, but is slowly trending upwards from the financial crisis low (see Figure 10). At the end of 2017, ROE was 11% for both a sample of North American and European life insurers. For Asia, key market players have not yet reported their 2017 ROE, but the preliminary result of 10% indicates more or less stable profitability since the financial crisis.

Figure 10
ROE for a sample of 32 life insurance companies



Note: The boxes represent the "middle" 50% of ROEs ranging from the first to the third quartile (medians shown as white lines within boxes). Based on IFRS/local GAAP data. North America: Aflac, CNO, Great West Lifeco, Lincoln National, Manulife, MetLife, Principal Financial, Prudential, Sun Life, Unum. UK & Cont. Europe: Anadolu Hayat Emeklilik, Aviva, Legal & General, Old Mutual, Prudential PLC, St. James´s Place, Standard Life, Swiss Life. Asia: Cathay FHC, China Life ´A´, China Pacific ´A´, Dai-Ichi Life, Great Eastern, Max India, Panin Financial, Shin Kong FHC, Sony Financial, T&D Holdings.
Source: Bloomberg, Swiss Re Institute calculations

To address the market challenges, life insurers are applying different strategies.

In addition to low investment returns, competition is also putting pressure on profitability, and regulation has increased the transparency of the true costs of providing insurance. To address these market challenges, life insurers are applying different strategies.

Life insurers are adjusting product features to reflect current market conditions.

Life insurers, particularly in the advanced markets, are lowering guaranteed benefits – ie, making them more flexible (not fixed for life) – and are in some cases abolishing guaranteed products altogether. Increasingly, asset managers are defining guaranteed benefits and credited rates to ensure alignment with expected investment returns. Some insurers have varied the extent to which the principal is guaranteed in return for higher upside that can be earned by investing premiums in riskier assets.

Many life insurers have been improving consumer value and long-term profitability through managing their existing business.

Traditionally, life insurers have focused on growing new business. However, with weak growth in new business, insurers have been paying more attention to enhancing the value of existing books. In doing so, they are applying different levers for more effective management of their in-force business. A number of insurers have reported significant improvements in profitability after implementing in-force management (IFM) programmes.[6]

The global pension crisis – an opportunity for life insurers?

The WEF expects the global retirement savings gap to increase to USD 400 trillion by 2050.

With increasing life expectancy and a rising ratio of non-working age population (aged below 15 and above 64) to the working age population, the global retirement savings gap is set to increase dramatically if the retirement ages are not increased or benefits are reduced. The World Economic Forum (WEF)[7] estimates that the gap will widen from USD 70 trillion in 2017 to USD 400 trillion by 2050. The savings gap is comprised of: underfunded public pensions systems and pensions for public servants (75%), the gap in individual savings (24%) and the underfunded corporate pension schemes (1%).[8]

Potential longer-term side effects of ageing and the pension crisis include a drag on firms´ future earnings and increasing intergenerational inequality.

The longer-term impact of ageing and the pension crisis are manifold. On the private-sector side, the pension gap is a contingent liability for firms and a potential drag on future earnings and investment. To reduce the liability, corporates have been moving from defined benefit to defined contributions schemes for many years (eg for the US S&P 500, the gap amounted to USD 375 billion in 2017 or 1.6% of the total market capitalisation). On the public sector side, intergenerational inequality will increase further and fiscal consolidation may have to be dampened.[9]

Pension reforms have been effective in helping to prevent the pension gap from widening.

Under the pressure of rising government debt, political debates about public pension reforms are dragging on for years in numerous countries. Reforms such as moving from defined benefit to defined contribution plans, granting less generous pension pay-outs, and/or increasing the retirement age are being discussed. These changes are paramount to tackle the widening public pension savings gap. However, a lack of political consent often leads to reforms that do not go far enough in reducing the public pension funding gap substantially.

Life insurers can play a supporting role in closing the gap.

In anticipation of reduced benefits from public pension schemes, individuals are likely to increase private retirement saving. In some areas, life insurers could play a vital role in reducing the pension savings gap, particularly if supported by government policy (eg tax incentives). With new innovative products, life insurers (or other providers such as banks or the mutual fund industry) could address the need for increased private voluntary savings. However, low interest rates and the increased costs of offering attractive guaranteed interest rates under regulatory regimes (eg, Solvency II in Europe) lower the attractiveness of life insurance solutions for insurers and consumers alike.

Outlook

We expect global premium growth to surpass the average of the past ten years.

We expect life insurance premium growth to improve over the next few years to surpass the average of the last ten years. The regional contributions to global growth vary. In the advanced markets, growth is expected to remain slow, led by advanced Asia-Pacific. The emerging markets, on the other hand, are forecast to grow at a much faster pace, with China remaining the growth engine, although at a slightly

[6] See *sigma* No 6/2017: Life in-force management: improving consumer value and long-term profitability, Swiss Re Institute.
[7] See "We´ll Live to 100 – How Can We Afford It?", World Economic Forum White Paper, May 2017. http://www3.weforum.org/docs/WEF_White_Paper_We_Will_Live_to_100.pdf
[8] IIF (2018), "Council for Asset and Investment Management – Background note for March 18 meeting in Buenos Aires"
[9] ECB (2018), "The economic impact of population ageing and pension reforms", ECB Economic Bulleting Issue 2 /2018, https://www.ecb.europa.eu/pub/economic-bulletin/html/eb201802.en.html

reduced pace compared with the recent past. Nevertheless, due to their sizes, advanced markets will continue to contribute around half of the additional future annual premium income over the next five years. Around a third will come from China. All other emerging markets combined – including Brazil, Russia, India and South Africa – will account for 15% of premiums added.

Despite rising interest rates, we predict that profitability in life insurance will only improve modestly going forward.

With interest rates expected to stay low, we predict that overall profitability in the life insurance sector will likely remain under pressure for the foreseeable future. Even a sharp increase in interest rates would not necessarily improve the situation. In this scenario, life insurers could well face a sharp spike in lapse rates from consumers cancelling current policies to switch to higher-return policies, which could further weaken earnings. On the asset side, a sharp interest rate increase would also hit shareholders´ equity, while the benefit on the higher running yield would materialise only over time.

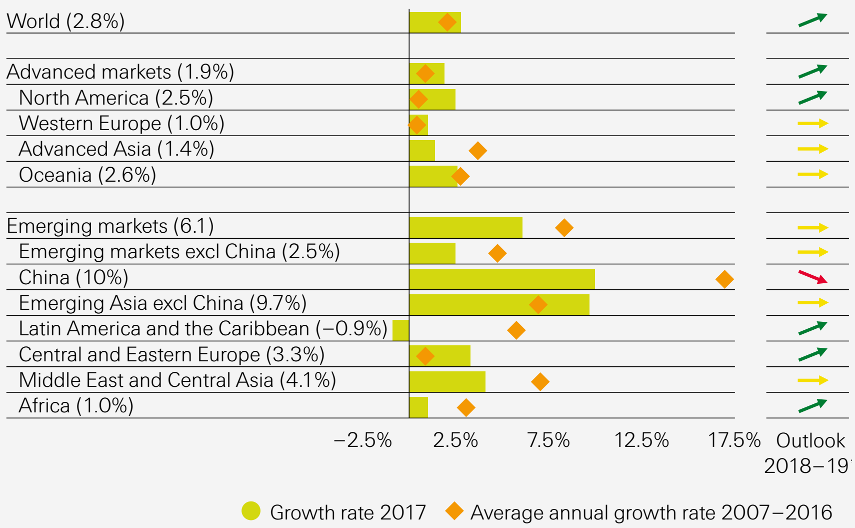
Non-life insurance

Premium development

Global non-life premiums grew by 2.8%, lower than 2016, but slightly more than the 10-year average.

Global non-life insurance premiums increased by 2.8% (in real terms) to USD 2 234 billion in 2017, a further slowdown from the past two years, but slightly above the 10-year average of 2.1% (see Figure 11). Premium growth in emerging markets slowed to 6.1% in 2017 (2016: 9.8%), while growth in advanced markets remained steady at 1.9%. Emerging markets continue to outpace the advanced markets by more than a factor of three. However, the absolute real premium contribution of advanced markets was slightly higher (1.5ppt) compared to emerging markets (1.35ppt; see Figure 13).

Figure 11
Non-life premium growth in real terms by region, (2017 readings in brackets)

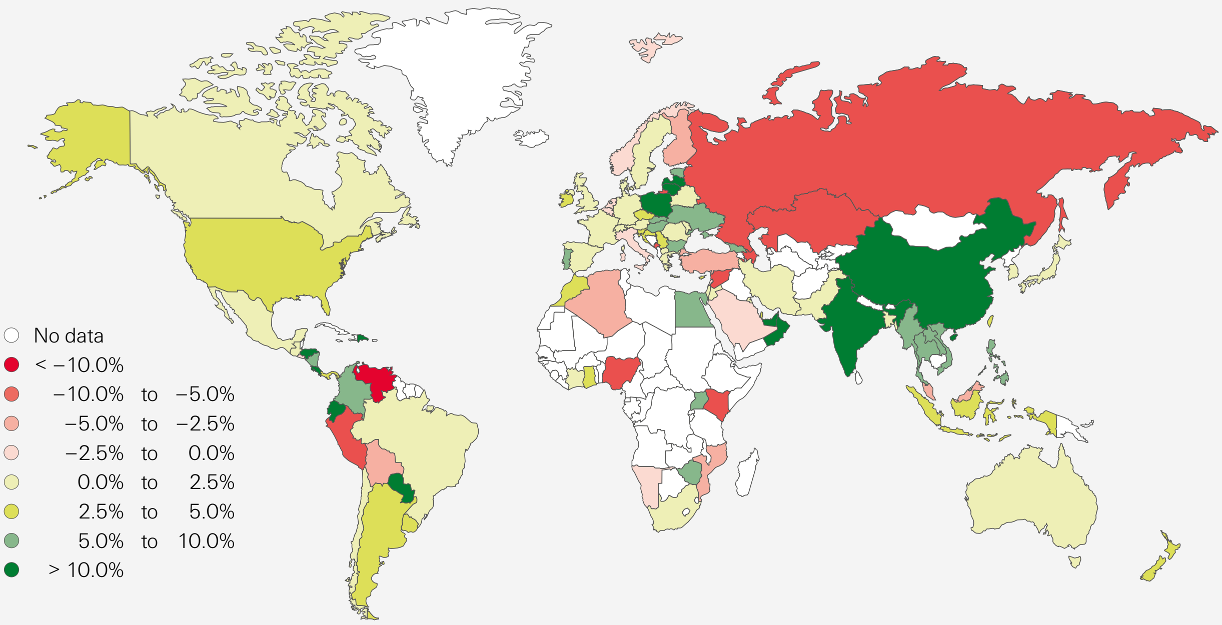


*Direction of the arrow indicates whether real growth will improve, remain the same or worsen.
Source: Swiss Re Institute

Non-life premium growth varied across the major advanced markets.

In advanced markets, non-life premiums increased by 1.9% in 2017, almost at the same rate as in 2016 (1.7%), but somewhat above the 10-year average of 0.9%. Trends diverged across regions and rising inflation weighed on real growth rates. In the US, where growth was roughly stable (2.6%), the industry benefitted from higher rates in motor business. In Western Europe, growth remained moderate but was slightly up compared to 2016 and also above the 10 year average. Here, the improvement was observed in personal lines such as health and motor in the key markets. While premiums continue to recover solidly in Spain and Portugal, the market in Italy is still contracting (although growth turned positive in nominal terms). Growth improved in Oceania as well, supported by solid personal lines and improvement in commercial lines. On the other hand, growth slowed in all markets of advanced Asia, except Taiwan, where higher property rates and strong car sales led to some improvement.

Figure 12
Non-life real premium growth, 2017 (click chart to open in *sigma* explorer)



Source: Swiss Re Institute

Non-life growth in emerging markets slowed, mainly driven by lower growth in China.

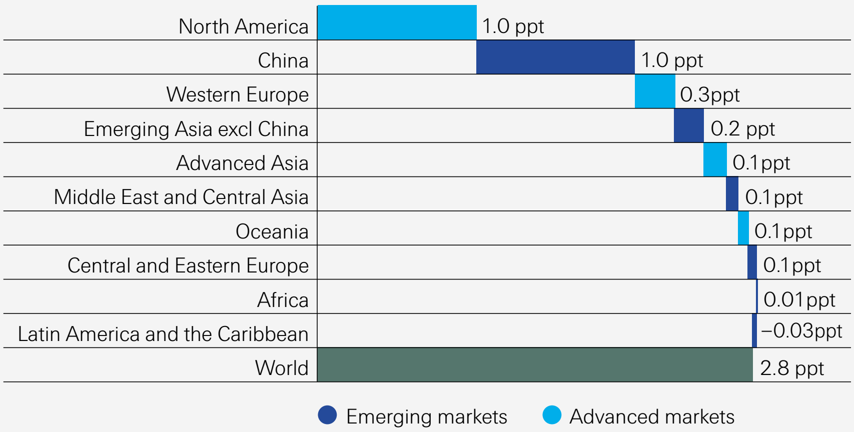
In emerging markets, non-life premiums grew by 6.1% in 2017, lower than the 9.8% growth in 2016 and the 10 year average of 8.4%. The slowdown was largely driven by China, where growth fell from 20% in 2016 to 10% in 2017 due to lower motor premium rates. China nevertheless continues to be the growth engine in emerging markets. Excluding China, growth remained modest in emerging markets at 2.5% in 2017 (2016: 2.1%). Growth was robust (9.7%) in emerging Asia (excluding China), strengthened by double digit growth in India and improvement in Thailand and Indonesia. In CEE, premiums continued to expand at a moderate pace (3.3%) supported by improving economic activity, especially in some of the EU member countries, which more than offset the contraction in Russia. Meanwhile, the decline in Latin America and the Caribbean (–0.9%) in 2017 was less severe (2016: –6.0%) as Brazil and Argentina experienced positive growth. In the Middle East and Central Asia, the premium contraction in Turkey and continuing stagnation in Saudi Arabia dragged down overall premium growth. In Africa, premiums are estimated to have increased marginally (1.0%), due to weak growth in South Africa, while growth was mixed in other countries of the region.

China and North America were the biggest contributors to global non-life premium growth.

Advanced markets contributed slightly more than emerging markets to real non-life premium growth in 2017 (see Figure 13). The key drivers were China and North America, which contributed 1.0ppt each. Western Europe (0.3ppt), also made a significant contribution, while advanced Asia and emerging Asia were also impressive. The contribution of the other regions was smaller, with Latin America the only region with negative real growth.

Figure 13
Contribution to real non-life premium growth by region, 2017

Advanced and emerging markets contributed about the same to global non-life premium growth



Source: Swiss Re Institute

There were 301 disaster events in 2017, which resulted in a total economic losses of USD 337 billion...

Catastrophe losses[10]

Although there were slightly less catastrophes in 2017 than in 2016, the damage they inflicted was significantly higher. There were 301 disaster events in 2017 (vs 329 in 2016); 183 were classified as natural catastrophes, while the remaining 118 were man-made disasters. Total economic losses caused by catastrophes were estimated at USD 337 billion in 2017, nearly double the 2016 total (USD 180 billion) and well above the inflation-adjusted average of USD 190 billion of the previous 10 years. North America was hardest hit with total losses of USD 244 billion.

...of which the insurance sector covered USD 144 billion, highlighting a large protection gap globally for catastrophe events.

Overall, the insurance sector covered USD 138 billion of losses from natural catastrophes and USD 6 billion from man-made disasters in 2017. The biggest insured losses were related to the three hurricanes – Harvey, Irma and Maria – which together accounted for an estimated USD 92 billion. The USD 193 billion difference between total and insured losses illustrates the large global protection gap for catastrophe events.

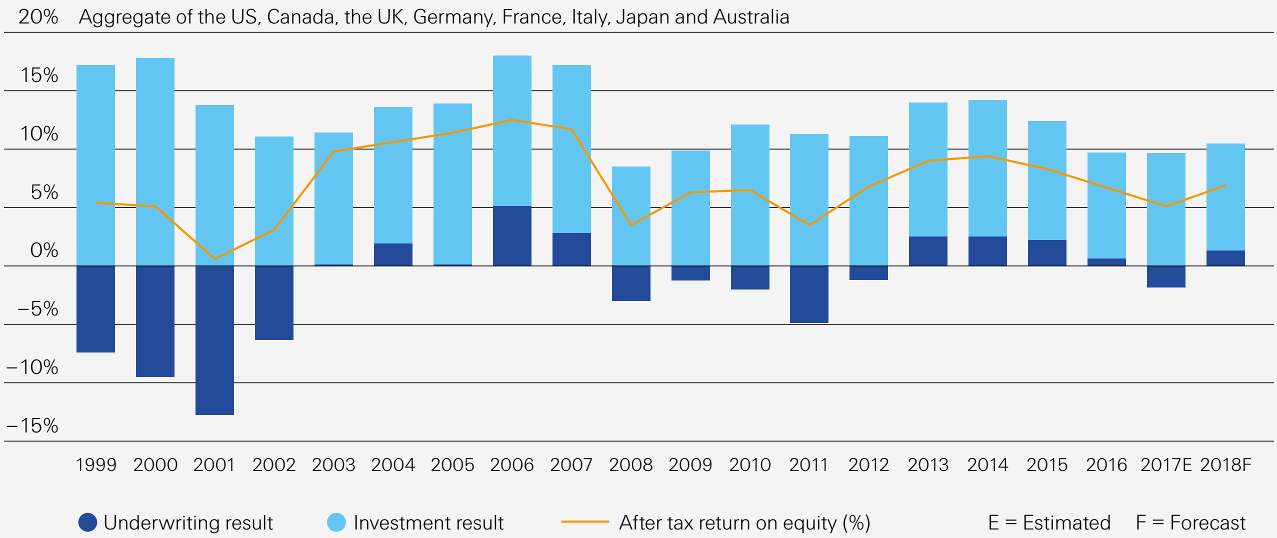
[10] *sigma* No 1/2018 – Natural catastrophes and man-made disasters in 2017: a year of record breaking losses, Swiss Re Institute.

High nat cat losses weighed on non-life sector profitability in 2017.

Profitability and capital position

The downward trend of the overall profitability of property & casualty insurance continued for the third consecutive year. The sector ROE declined to 5.1% in 2017 (see Figure 14) as the industry experienced underwriting losses due to heavy nat cat losses in North America. A marginal improvement in the total investment result to 9.7% of net premiums earned could not offset the underwriting losses. The overall combined ratio (CR) for the eight major markets deteriorated from 99.4% in 2016 to 101.8% in 2017. However, results varied by region. In the US, in addition to the increasing losses in motor and declining rates, the 2017 underwriting profitability was also affected by high nat cat losses. Underwriting profitability remained stable in Western Europe with an average CR of around 94%–95%. A slight worsening in Germany was offset by slight improvement in the UK, Italy and Nordic countries. On the other hand, the lack of cat losses helped to improve non-life profitability in advanced Asia, except for Hong Kong, where underwriting profits dropped significantly due to increasing provisions for A&H business. Profitability also improved in Australia, supported by higher premium rates, reserve releases and higher reinsurance recoveries for peril claims.

Figure 14
Profitability of the eight major non-life markets, 1999–2018F, in % of net premiums earned (except for ROE)

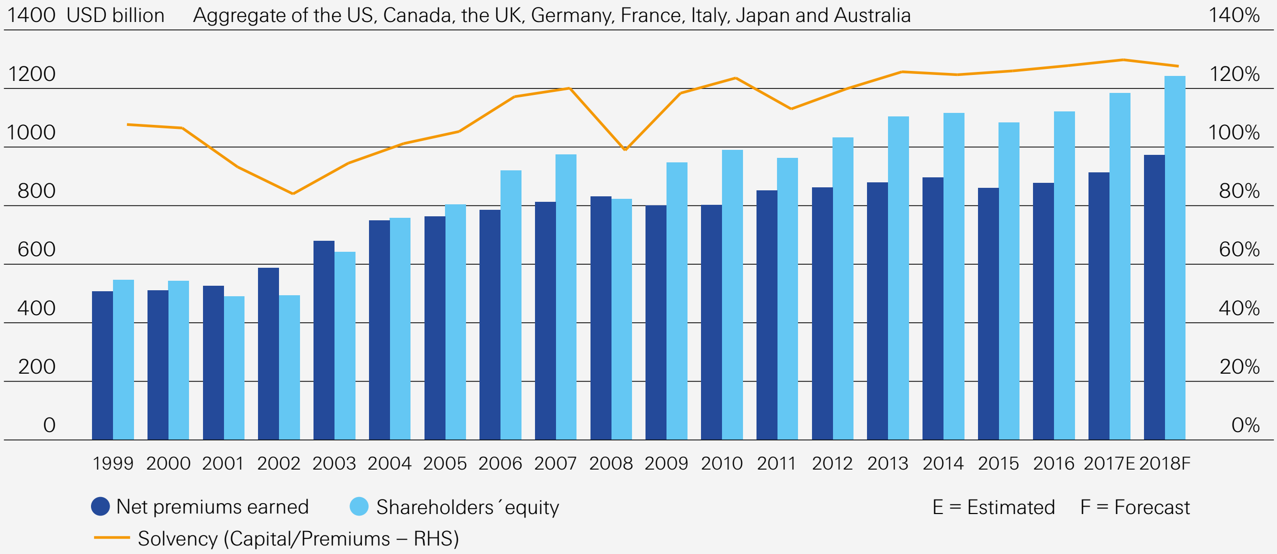


Source: Swiss Re Institute

Record high solvency levels in 2017 were supported by strong capitalisation.

The overall solvency (capital/premiums) of the non-life sector reached a record high level of around 130% in 2017, up from 128% in 2016, supported by higher shareholder surplus. Capitalisation will remain strong, but support from unrealised gains will gradually weaken once interest rates begin to rise.

Figure 15
Solvency of the eight major non-life markets, 1999–2018F



Source: Swiss Re Institute

Premium growth in advanced markets will be to a large extent driven by the US.

Outlook

Swiss Re Institute expects that the global non-life sector will continue to improve, supported by advanced markets, which will contribute more than half of the additional premiums in absolute terms. Premium growth in advanced markets will be driven by the US, where the solid economic conditions and firming prices in some lines should lead to rising premiums. Although the natural catastrophe events towards the end of 2017 triggered some rate hikes, prices increases have remained below expectations in the non-affected lines of business. Premium growth in Western Europe is expected to remain moderate despite a comparably strong economic recovery in Continental Europe. In advanced Asia, where a planned lowering of rates in Japan for voluntary motor will affect premium growth adversely, recent earthquakes in South Korea could increase risk awareness and demand for insurance. Premium growth in Oceania is expected to be solid in 2018–19, driven by continuing rate increases in motor, home and commercial lines.

We predict that premium growth in the emerging markets will be robust, but lower than in the recent past.

We predict that non-life growth will remain robust in emerging markets, although slightly lower than in the recent past. In emerging Asia, growth will be weaker due to less strong economic growth and ongoing soft rates. However, government policies (such as those promoting digitisation, market liberalisation, agriculture and health insurance etc.) aimed at increasing insurance penetration should lend some support. In addition, investment in infrastructure as part of China´s Belt & Road Initiative should also boost insurance growth. In CEE, premiums are expected to continue to grow, driven by strong economic growth, solid labour markets and improvement in domestic consumption in EU member countries, while growth will pick up slightly in Russia. In Latin America, premium growth is expected to improve in 2018, supported by economic improvement, but will remain below trend. The market is expected to remain soft as rates did not increase as much as initially expected following the 2017 nat cat events. In the Middle East, the expansionary fiscal policies should support the industry, while health insurance will continue to drive growth. In Africa, premium growth will improve as the economies continue their cyclical recoveries, particularly in the resource-intensive countries.

Soft premium rates pressure profitability, but higher interest rates will increase investment returns.

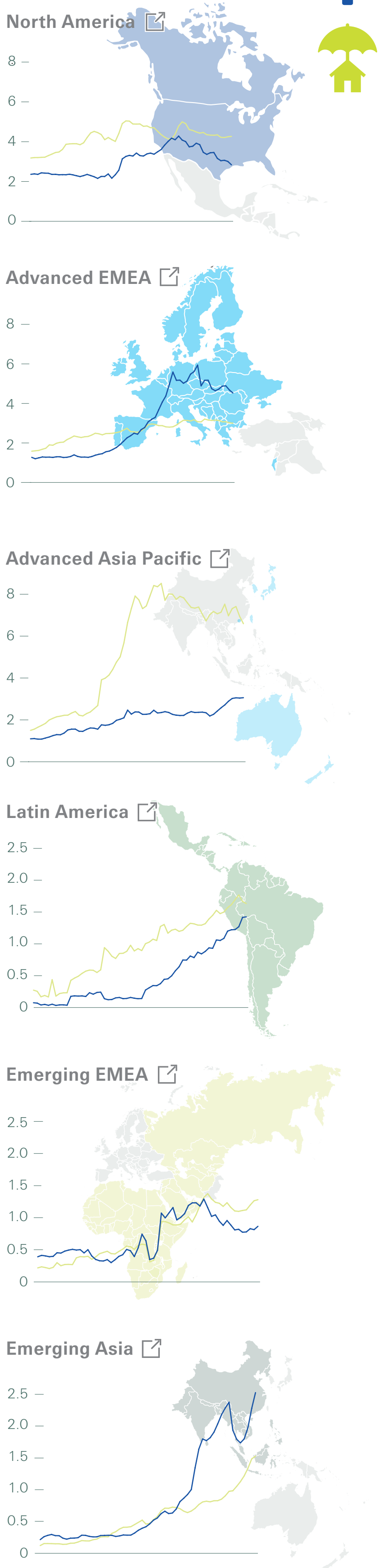
Underwriting profitability of non-life insurers will continue to be affected by soft premium rates, particularly in commercial lines, and deteriorating claims experience. On the other hand, increasing interest rates should gradually support investment returns.

Premium developments since 1960

and a look ahead to the next fifty years of sigma: regional growth patterns and insurance penetration

sigma 50 YEARS

Life and non-life insurance penetration in %, 1960–2017



For 50 years, sigma has been publishing data on premiums written in the global insurance markets. These data provide an unmatched overview of the changing growth patterns and developments of insurance penetration over the past six decades and are helpful in predicting the future.

A first shift to Asia

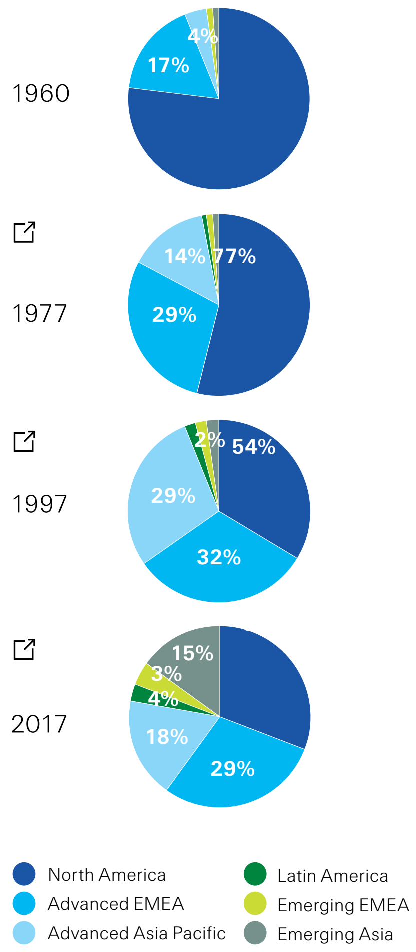
Up until the late 1970s, North America and Western Europe were the main contributors to global real premium growth. After World War II, the mass production of automobiles in the 1950s boosted the motor insurance business. Consequently, non-life insurance penetration (premiums/GDP) was on an upwards path (see left figures), ie insurance markets expanded more strongly than GDP (see Figure 6 *sigma* No 3/2018). Life insurance in these two regions, however, grew at about the same rate as GDP, ie penetration levels remained stable until the late 1970s.

The insurance industry also expanded rapidly in the advanced Asian markets, dominated by Japan. With the economy growing at 8% on average in the 1960s and 1970s, and GDP per capita converging towards US levels, life insurance growth outpaced economic growth. Life insurance in Japan was popular due to the soaring levels of household saving and the country's developing social security system for old age provision. sigma No 11/1981 notes that in the 1960s and 1970s, insurance growth cycles followed the economic cycles quite closely. In the life sector, this link has since weakened. Life insurance markets in North America and Western Europe surged in the 1980s until the turn of the century. Life savings business growth was supported by tax incentives, attractive interest rate guarantees and innovations, such as unit-linked products, which tied the return to the performance of a particular investment.

Fast growth in the 1980s

Non-life premium growth gained strong momentum in the 1980s after a weak start to the decade and an oil price shock. According to sigma No 5/1995, growth was driven by „extraordinarily high claims payments that were incurred in the US because of changing legal precedents in questions of liability." This strained the capital base of the insurance industry and gave rise to massive premium rate increases, but the reviving economy also had a positive effect. As a result, premiums were rising at a rate that had never been seen before.

Regional market shares, 1960–2017



The life boom in Japan came to a halt in 1990. Meanwhile, the European and US life sectors continued to be the main growth drivers for the global insurance markets well after the turn of the century as savings products were attractive in an environment of gradually declining interest rates. In contrast, non-life markets grew more slowly in the US and in Europe during the same period, as deregulation, alternative forms of risk transfer and competition from traditional suppliers put pressure on premium rates. This changed, however, with the terror attack of 9/11, which triggered another hard market. Since then, penetration in North America and Europe has remained virtually unchanged in the non-life sector – excluding the 9/11 spike – and has declined gradually in the life sector.

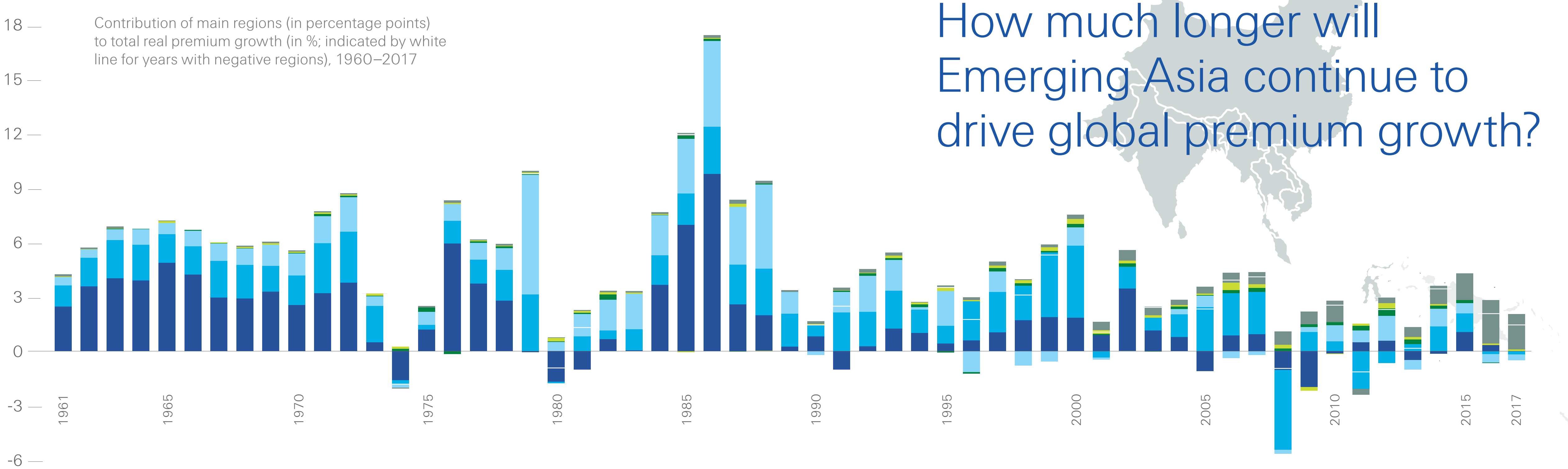
The second shift to Asia and the rise of emerging markets

Emerging markets, especially China, have started to make a bigger contribution to premium growth since the turn of the century. This became clear in the aftermath of the financial crisis in 2008/2009, which affected advanced market non-life growth, and further weakened the already struggling life insurance markets. Since 2010, Emerging Asia has become the largest source of growth in the global insurance markets, although penetration levels have been gradually increasing across all regions.

The economic outlook for the advanced markets remains solid. They will remain an important source of growth given their current market share of 78% (see figures to the left). However, the ability of the insurance industry to offer solutions for new risks, such as cyber, and to offer viable savings products will be vital for future growth.

In the shorter term, China is likely to become the next Japan for insurance market growth given the recent steep increases in penetration levels and strong economic growth. Due to the sheer size of its population and the economy, China will remain the biggest contributor to global insurance market growth among emerging markets for the next decade at least. However, fifty years from now, when sigma celebrates its 100th anniversary, the world's fastest growing insurance market could be India, Indonesia, Brazil, Mexico, Pakistan, Nigeria or Ethiopia. Only time will tell.

How much longer will Emerging Asia continue to drive global premium growth?



Contribution of main regions (in percentage points) to total real premium growth (in %; indicated by white line for years with negative regions), 1960–2017

Remark: some structural breacks affect series and country coverage is limited for the 1960s and the 1970s
Source for all charts: Swiss Re Institute

Advanced markets

Global share of advanced markets fell to 78% in 2017

The ratio of premiums in advanced markets to global premiums fell slightly in 2017.

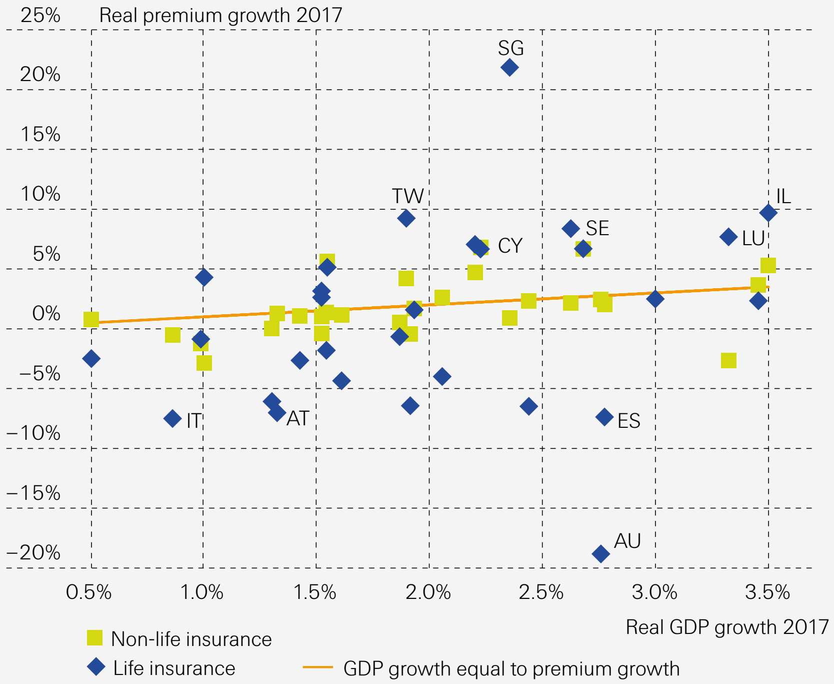
Total insurance premiums in the advanced markets declined 0.6% in 2017, after remaining almost constant (–0.3%) in 2016. In nominal USD terms, premiums increased by 1.5% to USD 3 819 billion. The ratio of premiums in advanced markets to global premiums declined to 78.1% in 2017 (2016: 80.0%) due to slow growth in the advanced markets and robust growth combined with real appreciation of currencies in the emerging markets.

Life insurance

Life insurance premiums growth was lower than GDP growth…

Total life premiums in the advanced markets declined 2.7% in 2017 (2016: –1.9%). The gap between advanced market premium growth and GDP growth (2.3%) led to a slight decline in insurance penetration (premiums/GDP). In 17 of the 29 markets for which data are available, life premiums growth underperformed compared to economic growth. In Figure 16, the blue dots below the orange line indicate life premium growth below GDP growth.

Figure 16
Life and non-life premium growth versus GDP growth in the advanced markets, 2017
(click chart to open in *sigma* explorer)



Remark: AT = Austria, AU = Australia, CY = Cyprus, ES = Spain, FL = Liechtenstein, IL = Israel, IT = Italy, LU = Luxembourg, SE = Sweden, SG = Singapore, TW = Taiwan
Source: Swiss Re Institute

Non-life insurance

…but non-life insurance penetration remained constant.

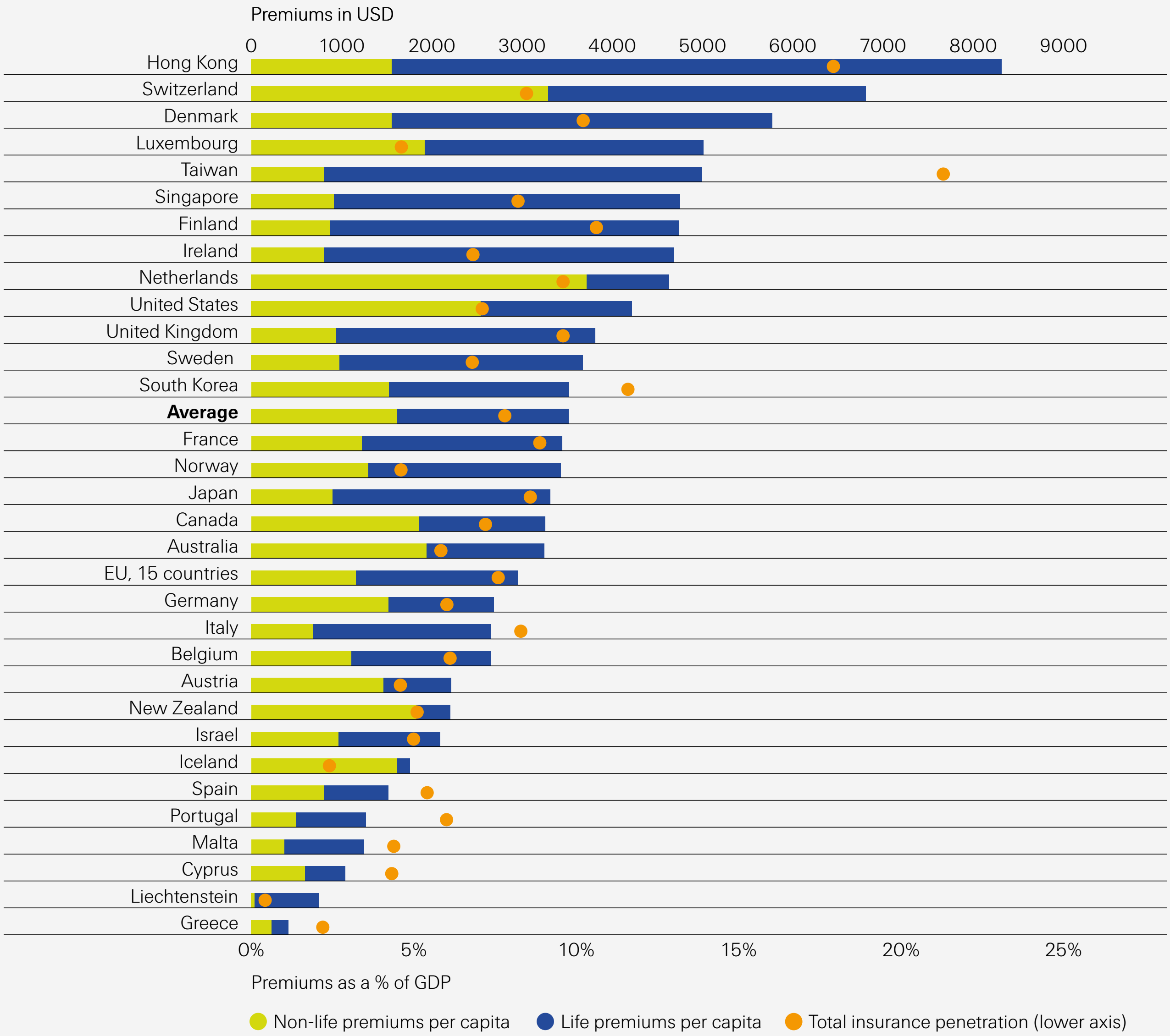
In non-life, total premiums in the advanced markets rose 1.9% in 2017, almost the same as in 2016, but slightly lower than aggregate GDP growth. Although penetration was unchanged at 3.6% for advanced markets as a whole, premium growth was lower than GDP growth in 19 of the 29 markets for which data are available.

Per capita spending on insurance in advanced markets increased slightly in 2017.

Insurance penetration and density

Average per capita spending on insurance in advanced markets was USD 3 517 in 2017 (see Figure 17), up 1.1% from 2016. While per capita spending on life insurance fell 1.1% to USD 1 899, per capita spending on non-life insurance rose 3.8% to USD 1 618. Total insurance penetration decreased slightly during the period.

Figure 17
Insurance density and penetration in advanced markets, 2017



Source: Swiss Re Institute

North America: non-life growth stable, life contracts

Life insurance

Life premiums in North America contracted 3.5% in real terms in 2017, following a more modest decline in the previous year.

Despite an improving economic environment, US life premiums fell 4.0% in 2017 (2016: –0.7%), largely driven by individual annuities, although firming inflation intensified the contraction in real terms. Retirement savings products, in particular variable annuities, continue to be negatively impacted by big players exiting the business, a lower supply of products with guarantees, as well as the delays/changes in the Department of Labor´s fiduciary rule. Individual life premiums grew only marginally. Nevertheless, the US life industry realised profits through better management of expenses and higher investment income. The ROE rose to 12%, while the investment yield levelled off at 4.5%. In contrast to the US, Canadian life premium growth remained moderately positive at 1.6% (2016: 0.8%). Individual life business decelerated sharply after a tax-policy driven double-digit increase in 2016. Meanwhile, annuities saw small gains in 2017, compared to a contraction the year before. Group life sales also strengthened. However, Canadian life insurers´ profitability deteriorated slightly on stronger expense growth.

In our view, the industry´s profitability should gradually improve in 2018.

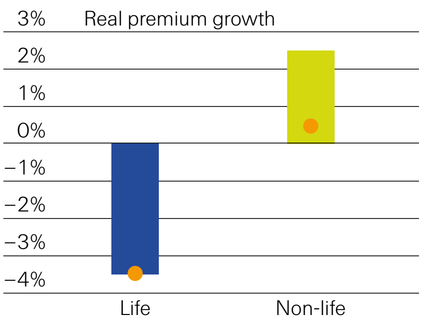
In our view, dynamic economic growth in the US, spurred by fiscal stimulus, should support insurance demand in 2018. The rise in interest rates, driven by monetary tightening, should slowly strengthen insurers´ investment income and profitability. Structural changes in the industry will persist as insurers seek to focus on their core business. In Canada, premium growth should improve in 2018, and reach trend growth by 2019. Profitability is forecast to recover in 2018, but remain well below pre-crisis levels.

Non-life insurance

Real premium growth in the North American non-life segment remained stable in 2017 at 2.5%.

North America premiums, 2017

	USD bn	World market share
Life	598	23%
Non-life	898	40%



Growth rate 2017
Average annual growth rate 2007–2016

US non-life premium growth remained stable at 2.6% in 2017, although firming inflation masked a stronger upswing in nominal terms. Motor market developments fuelled growth, with auto insurers increasing rates to catch up with rising claims costs. Since 2015, US motor pricing has increased, but more is needed to close a large profitability gap, especially since the commercial business was significantly under-priced in the years immediately following the financial crisis. Profitability has also been under pressure for other commercial lines, impacted by rate declines over several years. Furthermore, high natural catastrophe losses from Hurricanes Harvey, Irma and Maria, a number of tornadoes, convective storms and the California wildfires all adversely impacted profitability in 2017. The CR was estimated at roughly 105%, and a –5% ROE is likely to result. In Canada, non-life premiums grew 1.7% in 2017 (1.5% in 2016), supported by property and accident & health business. Despite a series of summer storms and a harsh winter, the underwriting performance of Canadian insurers (excluding government auto writers) improved in 2017, with a CR of around 96%, compared to 99% in 2016. The industry ROE climbed to roughly 8%, from 5% in 2016.

We expect North American non-life premium growth will improve in 2018 and 2019, supported by a solid economic backdrop and strengthening prices in some lines. Assuming a normal cat loss burden and a gradual improvement of investment results, non-life ROE for the region could be 7% to 8% for the next few years. In the US, rate and premium growth for commercial auto is robust, supporting profitability. However, general underwriting conditions are still soft, and support from reserve releases is fading. The large nat cat losses from 2017 set the stage for a potential industry-wide price correction, but rate increases for non-affected accounts and lines of business have thus far been below initial expectations. Competition has remained fierce because of insurers´ strong capitalisation and the availability of alternative capital. Additionally, the US tax reform is expected to have a significant long-term impact on growth and structure of the re/insurance market. The viability of the current Bermuda business model is in question, while onerous base erosion tax rules level the playing field between domestic and foreign-owned US carriers.

Western Europe: life in negative territory

Life insurance

Life insurance premiums in Western Europe declined by 1.9% in 2017.

In Western Europe, life insurance premiums are estimated to have declined by around 1.9% (in real terms) in 2017 as the three major markets in the region contracted (UK –0.7%, France –2.7% and Germany –1.8%). However, in nominal terms, life insurance premiums grew modestly in the UK against a backdrop of ongoing moderate personal income growth. Some pockets of the market nonetheless show signs of stronger upward momentum. In Germany, nominal growth was flat with unit-linked and disability business offsetting the shrinking traditional savings business. Among the Nordic countries, premium growth in Sweden (8.4%), Denmark (3.2%) and Finland (4.3%) was positive, but slightly negative in Norway (–0.9%). In southwestern Europe, Portugal had a good year in 2017, with premium growth of 5.1%. On the other hand, the Spanish and Italian life insurance sectors contracted by 7.4 and 7.5% respectively. Life insurers reported solvency capital ratios (SCR) significantly above 100% for 2016, confirming healthy solvency coverage (2017 data not yet available). The average SCR for a sample of some 49 life insurers was 187%.[11] However, the ratios of some major markets, namely Germany, UK and Spain, are significantly lower without long-term guarantee measures that are applied to smooth the transition to the new solvency regime.

With both sides of the balance sheet under pressure, we believe that growing the business will remain a challenge.

With both sides of the balance sheet under pressure, we think that it will be challenging for life insurers in the region to grow business in the short term. Their success will depend on their ability to develop innovative products and services, improve customer experience and increase operational efficiency by using modern technology.

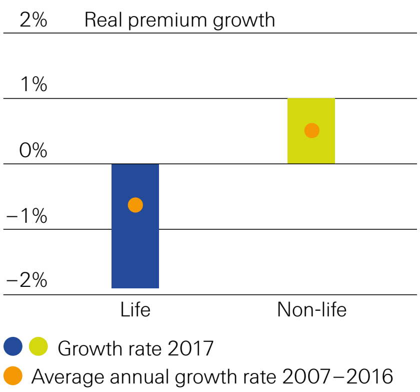
Non-life insurance

Non-life premium growth in Western Europe was at a moderate 1.0% in 2017.

Premium growth in Western Europe was at a moderate 1.0% in 2017, slightly up from 0.5% in 2016, and above the 10 year average of 0.5%. Germany, and France grew by 1.3% and 1.1% respectively, driven by expanding personal lines such as private medical expense, household and residential covers and motor insurance, while commercial lines expanded moderately. In the UK, premiums rose marginally, despite significant rate increases after the Ogden rate change (see also below). The Nordic markets were mixed. Among the southern EU countries, premiums continued to grow solidly in Spain and Portugal. In Greece, premiums were slightly up in 2017, after a solid rebound in 2016 and consecutive declines since 2010. In Italy, premiums declined again (–0.5%), due to weak motor insurance growth.

Western Europe premiums, 2017

	USD bn	World market share
Life	840	32%
Non-life	577	26%



Underwriting profitability remained stable in 2017, with an average CR of around 95%.[12] In Germany, the combined ratio was slightly up to 95%, with deteriorating liability and accident results partly offsetting improvements in property and motor insurance. Underwriting results remained stable in Switzerland and were slightly better in Italy and in the Nordics. In the UK, the CR slightly improved from 100% to 99% as the higher claims cost due to the Ogden rate change was offset by significant price increases in the motor liability insurance market.

In our view, non-life premium growth will remain moderate despite a comparably strong economic recovery in Continental Europe. Underwriting profitability is expected to deteriorate as a result of softer rates in commercial lines and motor insurance, while claims growth will remain moderate. Profitability will remain under pressure due to still-low investment yields.

[11] Analysis of life insurers´ first set of Solvency and Financial Condition Reports, European and UK life insurers, Milliman, January 2018.
[12] Based on a sample of leading insurance companies active in the respective non-life insurance markets.

Advanced Asia: Mixed performance across markets

Life insurance

Overall premium growth in Advanced Asia remained sluggish due to the uneven performance across markets.

Life insurance premiums in advanced Asian markets continued to weaken, falling 2.1% in 2017 (2016: –3.8%). In Japan, life premiums are estimated to have shrunk by around 6.1% in 2017 (2016: –11%), reflecting continued weakness in annuity products after the cut of the standard assumed interest rate to 0.25%.[13] In addition, consumers are delaying term life insurance purchases in anticipation of lower rates after the adoption of the new mortality table.[14] In South Korea, premiums are estimated to have fallen by 6.5%, as the growth of protection products eased after two years of strong increases, and sales of endowment policies remained weak. Growth eased to around 6.7% in Hong Kong due to tightening controls on capital outflows from mainland China, but demand from Chinese visitors still account for around 33% of new individual life premiums. In Taiwan, a strong increase in individual annuity premiums, albeit from a low base, contributed to higher growth, while Singapore´s stellar growth of 22% in 2017 was broad-based.

Due to intense competition, we believe the outlook remains challenging.

Low interest rates and volatile equity markets will continue to dampen growth of saving business. In Japan, major insurers have cut life premium rates from April 2018. However, the negative impact on premium growth will be partly offset by the release of pent-up demand that has built up in anticipation of the new mortality table. Overall, Asian insurers are looking to annuities and other venues for growth, with an increasing focus on protection products. Profitability will continue to be depressed.

Non-life insurance

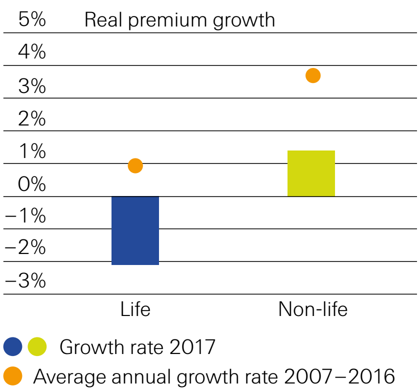
Non-life premium growth slowed in 2017, with the exception of Taiwan.

In 2017, non-life premiums in advanced Asia grew by 1.4% (2016: 2.9%). Growth slowed in all markets except Taiwan. In Japan, the drag from the withdrawal of long-term fire contracts is fading, but overall premiums failed to register growth as the compulsory motor rates were cut by around 6–7% in April 2017.[15] In Hong Kong, a stronger contribution from accident & health (A&H) as well as motor drove growth. In South Korea, the steady growth in long-term business, particularly in A&H, partly compensated for the sluggish growth in motor due to rate cuts. In the case of Singapore, intense competition from new entrants and soft rates hindered overall non-life premium growth. In comparison, rising property rates and stronger car sales were the factors behind the stable premium increases in Taiwan.

The outlook of advanced Asia varies by country. For instance, Japanese non-life insurers are planning to lower rates for voluntary motor by an average of 2–3% in 2018 due to lower claims, which will negatively impact premium growth. In Korea, it is expected that risk awareness and demand could increase after the earthquakes hit Pohang in November 2017 and Gyeongju in September 2016. A lack of catastrophe losses led to the improved profitability of non-life insurers in 2017. Hong Kong, where underwriting profits dropped significantly due to increasing provisions for A&H business, is the exception. At the same time, lower motor claims have increased pressure on insurers to reduce premium rates in most markets. Insurers also have to contend with low interest rates. In response, insurers in Japan increased the share of overseas stocks and bonds in their portfolios in search of higher yields.

Advanced Asia premiums, 2017

	USD bn	World market share
Life	580	22%
Non-life	231	10%



[13] In April 2017, the FSA cut the standard assumed interest rate to 0.25% from 1%. Saving-type policies are becoming less attractive due to lower assumed standard interest rates, which also means higher policy reserve requirements. Some insurers are considering to stop selling single-premium saving products.
[14] Starting from April 2018, life insurers will be required to use the new mortality table. Because of mortality rate reductions and increased average lifespans, life premium rates should decline, while medical and health insurance prices should go up.
[15] See *sigma* No 3/2017: World insurance in 2016: the China growth engine steams ahead.

Oceania: life and non-life expected to improve

Life insurance

Life premium contracted sharply in 2017 due to continued weakness in saving products.

Life premiums in Oceania are estimated to have fallen 18% in 2017; for the third year in a row, premiums have decreased. This was primarily due to a 19% decline in Australia, where low investment returns continue to render savings and annuity products unattractive. In terms of profitability, Australian life insurers´ overall net profit after tax increased, supported by gains in investment income due to the strong performance of the equity markets. The profitability of risk products also improved, as the losses from individual disability income (DI) products decreased after aggressive repricing.[16] In New Zealand, life premium growth slowed to 2.3% in 2017. Due to rising inflation, sales of traditional whole life and endowment products were slow.

We expect life premiums to grow moderately in 2018 and 2019, driven by risk products.

We believe that life premiums will return to moderate growth in 2018 and 2019. In Australia, the outlook for saving products remains challenging, although risk products are likely to continue to drive growth. In New Zealand, the premium outlook remains stable. The Australian regulator is reviewing the recent heavy losses in disability products and how to consolidate this line of business. Consumer protection is also becoming more important. In Australia, the mandatory code of practice became effective mid-2017,[17] and a voluntary code of practice for superannuation providers is planned in 2018. In September 2017, draft legislation in Australia was released that could have a dampening effect on sales.[18] New Zealand is also expected to introduce a more transparent financial advice regime in late 2018.[19]

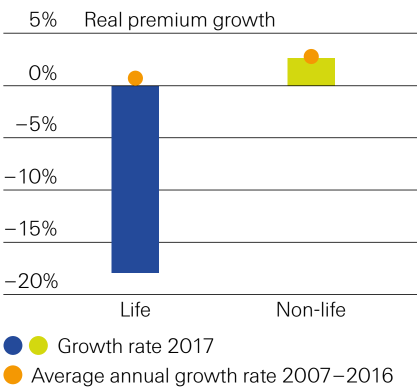
Non-life insurance

Non-life premium growth improved in 2017, on the back of a recovery in commercial lines and solid growth in personal lines.

Non-life premiums in Oceania increased by 2.6% in 2017 (2016: 1.6%). Premium growth in personal lines remains solid, and commercial insurance premiums resumed growth supported by more favourable pricing. In Australia, premiums grew steadily by 2.5% and the sector also reported higher profits, which reflected higher premium rates, reserve releases and higher reinsurance protection for peril claims. In New Zealand, non-life insurance premiums are estimated to have risen by 3.7% in 2017 (2016: –2.4%) and underwriting margins also increased. Personal lines growth was supported by higher rates and increasing demand, led by motor, while commercial lines growth was mainly driven by higher rates.

Oceania premiums, 2017

	USD bn	World market share
Life	34	1.3%
Non-life	57	2.5%



According to our analysis, solid premium growth should continue and the underlying margin outlook is also positive, driven by continuing rate increases in motor, home and commercial lines. Meanwhile, for protection against natural catastrophes, governments differ in their approach. In December 2017, the Australian government concluded that for home, motor and strata insurance, mitigation activities to reduce the risk of damage from cyclones are the only way to reduce premiums on a sustainable basis. The government will not intervene directly in the insurance market, but aims to increase accountability and transparency within the industry, as well as raise consumer awareness about insurance. In New Zealand, on the other hand, the government raised the Earthquake Commission levy by 33% on 1 November 2017 to 0.2‰ to provide the first layer cover to victims after nat cat events.[20]

[16] Premiums of for all accident & health business is reported under non-life (see Appendix), however, for profitability issues it is mentioned under life, as it is affecting the life insurance companies in Australia.
[17] For details, please see Australia Financial Services Council, Life Insurance Code of Practice. https://www.fsc.org.au/policy/life-insurance/code-of-practice/
[18] See Superannuation (Objective) Bill 2016, Parliament of Australia at https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/bd1617a/17bd069
[19] For details, please see http://www.mbie.govt.nz/info-services/business/business-law/financial-advisers/review-of-financial-advisers-act-2008/regulations-to-support-the-financial-services-legislation-amendment-bill
[20] https://www.eqc.govt.nz/news/budget-announcement-eqc-levy-to-increase

Emerging markets

Insurance market continues to expand

Emerging markets registered robust growth in 2017.

Total real insurance premiums in the emerging markets increased by a robust 10% in 2017 (2016: 14%). In nominal USD terms, however, premiums increased by 14% to USD 1 072 billion, as currencies appreciated in real terms. The ratio of premiums in emerging markets to global premiums grew by 1.9 ppt to 21.9% in 2017.

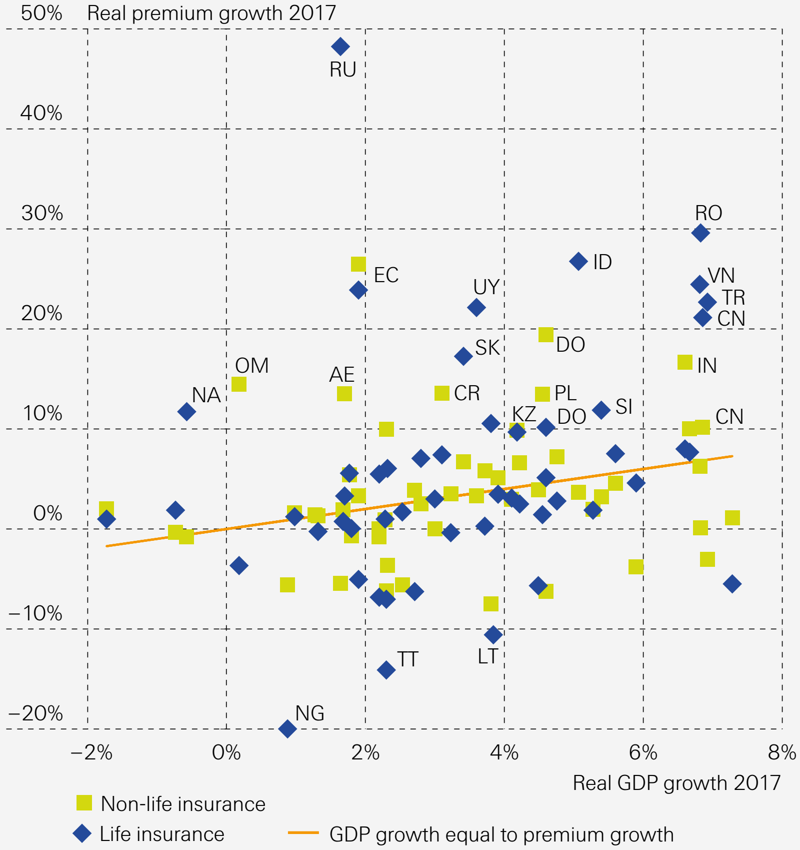
Life insurance

Life insurance penetration continued to increase in 2017.

Life premiums in the emerging markets grew by 14% in 2017, lower than the 17% growth of 2016, but well above the emerging markets GDP growth of 4.8%. Premium growth was higher than economic growth in 27 of the 53 markets for which data are available. In Figure 18, the blue dots above the orange line represent those markets where premium growth exceeded GDP growth last year (ie, where insurance penetration increased).

Figure 18
Life and non-life premium growth versus GDP growth in emerging markets, 2017
(click chart to open *sigma* explorer)

Premiums are rising faster than GDP in some emerging market countries



AE = United Arab Emirates, CN = PR China, CR = Costa Rica, DO = Dominican Republic, EC = Ecuador, ID = Indonesia, IN = India, KZ = Kazakhstan, LT = Lithuania, NA = Namibia, NG = Nigeria, OM = Oman, PL = Poland, RO = Romania, RU = Russia, SI = Slovenia, SK = Slovakia, TR = Turkey, TT = Trinidad and Tobago, UY = Uruguay, VE = Venezuela, VN = Vietnam
Source: Swiss Re Institute

Non-life

Non-life premium growth slowed, but was higher than economic growth.

Non-life premiums in the emerging markets overall grew by 6.1% in 2017, lower than the 9.8% growth in 2016, but above GDP growth. At the country level, insurance penetration increased in 27 of the 54 markets for which data are available.

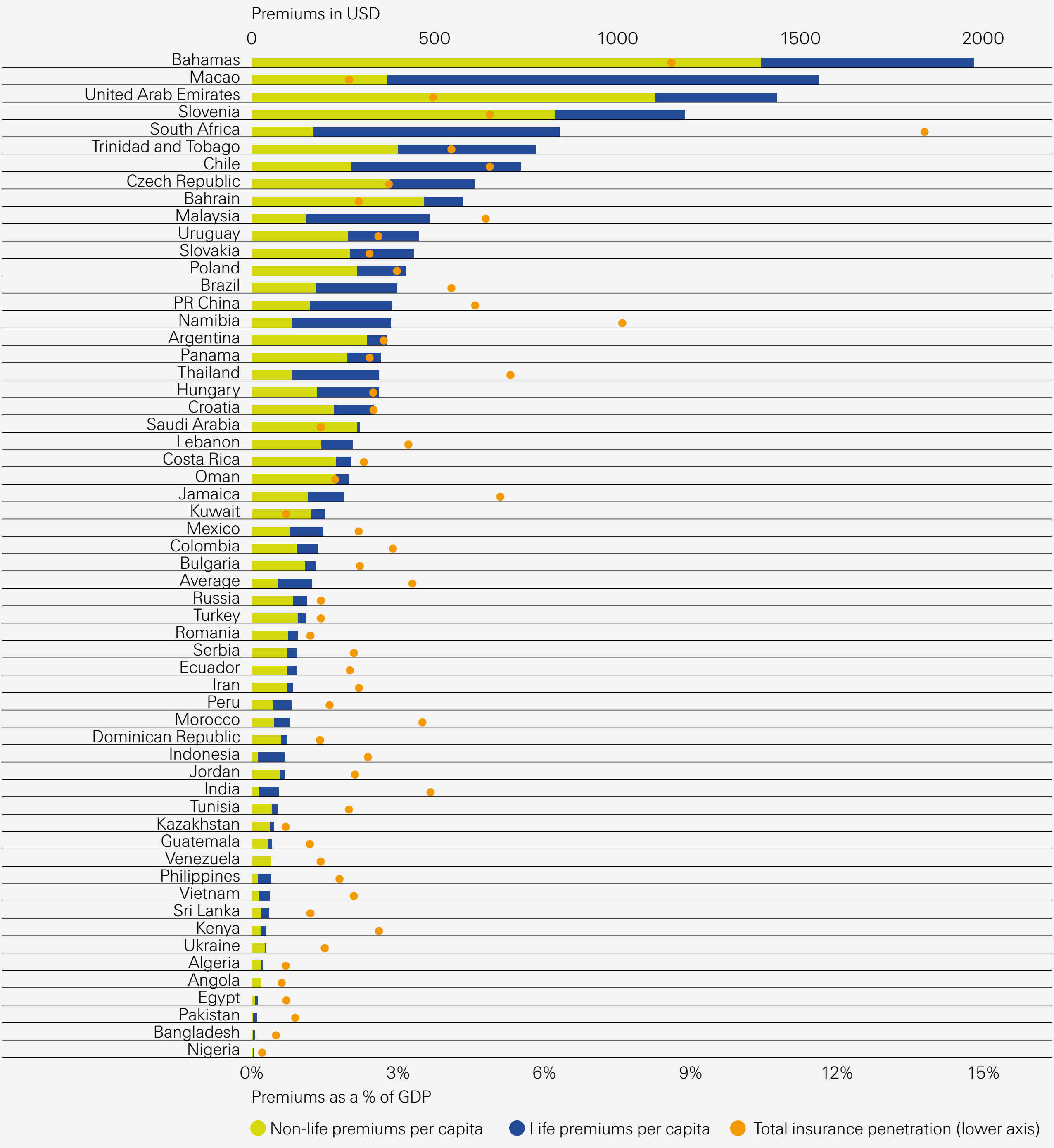
Per capita spending on insurance and insurance penetration increased in the emerging markets in 2017.

Insurance penetration and density

Average per capita spending on insurance in emerging markets increased 13% to USD 166 in 2017 (see Figure 19); of this amount, USD 92 was spent on life insurance and USD 73 on non-life. The average insurance penetration in emerging markets increased to 3.3% in 2017 (2016: 3.2%), as premium growth continued to outpace GDP growth.

Figure 19

Insurance density and penetration in emerging markets, 2017



Source: Swiss Re Institute

Emerging Asia: Strong growth in life; Non-life slowed

Life insurance

Life insurance saw another year of strong growth, partly underpinned by stellar equity market performance.

Strong growth in emerging Asia´s life insurance sector continued, with premiums rising 18% in 2017 (2016: 23%), supported by broad-based gains in most markets. The strong equity market performance over the year increased the attractiveness of investment-linked products. Life premiums rose 21% in China (2016: 29%), supported by higher demand for traditional as well as universal life insurance. Outside China, premiums rose significantly in Indonesia (27%) and Vietnam (24%), on strong increases in both ordinary life and unit-linked policies. Thailand and Malaysia reported relatively stable growth, while premiums in the Philippines recovered in 2017, increasing 7.7% (2016: –4.9%). In India, life premiums grew by 8.0% (2016: 9.1%) driven by strong immediate annuity sales and group business.

Strong growth is expected in 2018, although rising financial market volatility could hamper results.

The outlook remains solid, however, in early 2018, GDP growth likely reached a cyclical peak and equity market volatility increased significantly.[21] The pace of interest rate normalisation in the region, as well as ongoing regulatory changes, including solvency reforms (eg RBC II in Thailand), and the adoption of international standards (eg IFRS 17) all have the potential to influence premium growth. In China, the merger of its banking and insurance regulators should calm concerns about the increasing financial risks from the proliferation of short-term wealth-management type insurance products.

Profitability outlook remains positive, but lower than the high level in 2017.

Life insurers largely reported positive profits in 2017, partly driven by higher investment returns, despite low interest rates. However, as equity volatility has increased and regional central banks may need to adjust rates, profitability is expected to revert from last year´s high level.

Non-life insurance

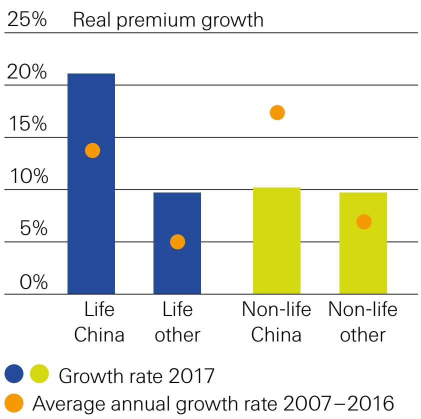
Non-life premiums grew below the 10 year trend level in 2017.

Non-life premiums grew by 10% in 2017, compared to a 10 year trend rate of 15%, due to slower growth in China, which accounts for more than 80% of the region´s total non-life premiums. In China, premium growth dropped from 20% in 2016 to 10% in 2017. Motor premiums were held back because of ongoing tariff liberalisation, but A&H, liability and agricultural insurance grew more strongly. Outside China, non-life premiums grew by 9.7% (2016: 12%). India benefitted from strong crop insurance growth, while the motor business in the Philippines was robust. Indonesia managed to rebound from a contraction in 2016 to increase by 3.7%, underpinned by a strong pipeline of government-sponsored infrastructure projects. In Malaysia, premiums fell by 3.8% due to a fall in transport insurance. Profitability is estimated to have remained positive in 2017 due to higher investment income and the absence of major natural catastrophe losses. The biggest regional loss event in 2017 was the flooding of the Yangtze River in China, which is estimated to have resulted in total economic losses of around USD 6 billion. Similarly, severe flooding in South Asia and Nepal resulted in major economic losses. However, due to low insurance penetration, insurance claims were negligible.

We predict that premiums will remain stable in 2018, due to modest growth and ongoing soft rates. This will in part be countered by supportive government policies – eg, fostering innovation and digitalisation, promoting market liberalisation, building up national resilience against natural catastrophes and supporting growth of agricultural and health insurance. In addition, the gradual implementation of China´s Belt and Road Initiative will likely result in more investment in infrastructure projects across the region.

Emerging Asia premiums, 2017

	USD bn	World market share
Life	448	17%
Non-life	272	12%



[21] The MSCI Emerging Asia index ended 1Q18 flat from end-2017, despite heightened volatility.

Latin America: demand lagging the economic recovery

Life insurance

The demand for life insurance lags the broader economic recovery.

Life premiums in Latin America and the Caribbean grew 1.1%, significantly lower than the 7.3% growth in 2016 and 8.6% average of the last decade. Performance in the region is mostly driven by developments in Brazil and Mexico, which together account for nearly 75% of the market. Premium growth in Brazil dropped from 6.3% in 2016 to 1.2% in 2017, due to the sharp decrease in Vida Gerador de Benefícios Livres (VGBL) following a decline in interest rates. In Mexico, the drop is estimated to have been steeper, from 12% to 1.0%; growth in 2016 was unusually high due to changes in accounting procedures stemming from the recently introduced Solvency-II type law. In Argentina, real growth rates continue to be affected by high inflation, with life premiums contracting by 6.3% in real terms, but growing 18% nominally. In Colombia, growth slowed to 5.6% (2016: 9.9%) due to lower demand for savings-related products.

Life penetration remains low, but insurance demand is expected to recover over the next two years.

In our view, demand for life insurance in the region is expected to improve in 2018 and 2019 as the economy improves. Life insurance penetration (excluding pension-related products) in the region remains low and the improving per capita income should increase demand for insurance. Several markets have lower investment restrictions on pension fund administrators, in an effort to drive demand for long-term products and help cope with longevity risks. Adequate use of monetary policy would help decrease macroeconomic and financial volatility, preserving the value of local currencies and supporting the demand for life insurance products.

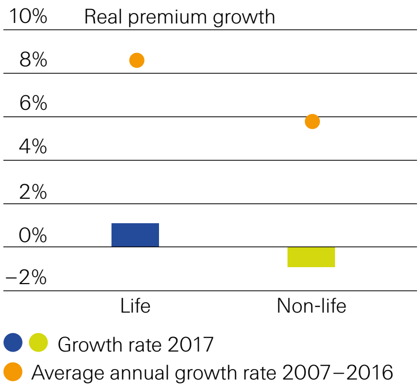
Non-life insurance

Cycle-sensitive lines of business weighed negatively on non-life insurance growth.

Non-life premium growth in Latin America and the Caribbean remains in negative territory, falling 0.9% in 2017, after a much steeper drop in 2016 (–6.0%). The real annual average growth rate over the last decade was 5.8%. Premium rates in different lines of business (eg, medical expenses, motor) increased due to currency depreciations (especially in Mexico), as the costs to service claims in certain lines of business are fixed in USD and eventually passed on to the consumers. Non-life premiums in Brazil grew 1.6% in 2017, recovering from a 4.1% decline in 2016. The rebound occurred in part due to an estimated 7.3% growth in health and medical insurance, which offset the slight contraction in P&C lines. In Mexico, growth is estimated to have been a tepid 0.9%, as the growth in casualty and specialty lines was largely offset by falling demand for property lines. In Colombia, non-life premiums grew 5.4% with robust growth in marine and motor, offsetting the drop in surety and certain engineering insurance lines. In Chile, property and specialty rebounded from negative growth in 2016, while casualty decelerated. The September earthquakes led to higher claims in Mexico, triggering insured losses of USD 1.55 billion as per the most recent estimates by the insurers´ association (AMIS). In other major markets, non-life loss ratios remained relatively unchanged.

Latin America premiums, 2017

	USD bn	World market share
Life	78	2.9%
Non-life	90	4.0%



We predict that the non-life sector in Latin America will continue its recovery in 2018, but premium growth will remain low. Cycle-sensitive lines, such as engineering, credit & surety, motor and marine are likely to benefit from the anticipated economic expansion. Higher purchasing power as inflation is trending lower in many markets and supportive credit conditions (except for Mexico) would support demand for both commercial and personal insurance. Favourable developments in financial markets and commodity prices would help stabilise local currencies and support the dependent lines of business. Insurance rates on nat cat-related lines of business have not increased as much as initially expected following the 2017 nat cat events, posing a challenge for the industry as the soft market conditions have prevailed for longer than anticipated. However, an increase in risk awareness following the catastrophic calendar year could help boost the demand in property-related lines.

Central and Eastern Europe: diverging growth trends

Life insurance

Life premiums in CEE rebounded in 2017, driven by Russia, and a recovery in Poland.

Life insurance premiums in CEE increased by a strong 12% in 2017, after remaining flat in 2016. The rebound was supported by a 48% growth in Russia driven by bancassurance sales (over 90% of new contracts according to market intelligence) of savings contracts. Additionally, Russia, supported by the rouble´s appreciation, replaced Poland as the largest market in the region. Premiums in Poland also managed to return to growth (1.4%), following a phase of decline and stagnation. A decline in traditional life products was offset by growth in unit-linked products. In Hungary, premium growth was supported by a pick-up in unit-linked and other savings products. The changes to fee regulation introduced in recent years have helped. However, premium volumes remain almost 10% below their pre-crisis peak.[22] In the Czech Republic, premiums continued to decline (–5.7%).

We predict that premiums will grow at a gradual pace in CEE EU-countries, while growth in Russia will continue at a very rapid pace.

In our view, the life sector will continue to recover only gradually as the investment environment remains unattractive given the record low interest rates. In the Czech Republic, a relative tightening of monetary policy may help premium volumes stabilise. In Hungary and Poland, we expect premiums to continue to grow, based on strong real income growth. In Russia, we estimate that premiums will continue to grow at a rapid pace, albeit lower than in 2016 and 2017 as the interest rates have been cut in response to declining inflation and the economy continues to recover from the two year recession.

Non-life insurance

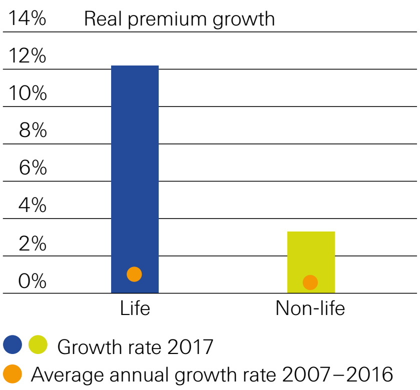
Non-life premiums continued to grow, supported by rapid growth in Poland and Hungary.

Non-life premiums in CEE grew 3.3% in 2017, slightly lower than in 2016 (4.8%), and in line with real GDP growth. However, there was a clear split between CEE EU-member countries and Russia. In Poland (14%), Hungary (6.6%), and the Czech Republic (3.9%), growth was supported by robust increases in motor rates. In Russia, on the other hand, real premiums contracted by 5.4% due to a decline in premiums in motor and property lines. Excluding Russia, regional growth was 9.1%. A similar pattern developed in underwriting profitability as well. In Russia, although the overall insurance sector remains profitable, the loss ratio for motor remained significantly above the total non-life sector. In Poland, the industry loss ratio improved considerably with significant declines in motor claims, offsetting deteriorating profitability in other lines. Profitably also improved in Hungary and the Czech Republic. In Lithuania, non-life premiums almost doubled in 2017, as motor insurance premiums were up close to 250% due to a sharp rise in motor premium rates.

Strong economic growth in CEE EU-member countries should support non-life premium growth in 2018, with higher wage growth supporting domestic consumption. In Russia, premiums are expected to pick up slightly, assuming stabilisation in motor premium rates. Although rates are government controlled, liberalisation is being discussed as the government is aware of the unsustainable nature of the business under current conditions. However, any change would be gradual and come about over the medium term, as this is a socially sensitive topic.[23] Non-life premiums in other CIS countries will continue to benefit from the recovery in oil prices, which will help to stabilise their economies.

Central and Eastern Europe premiums, 2017

	USD bn	World market share
Life	19	0.7%
Non-life	44	2.0%



[22] In nominal terms, not inflation adjusted.
[23] A recent survey found that a majority of people would be in favour of a liberalisation. http://newtariffs.ru/news/protiv-perehoda-osago-na-svobodnye-tarify-progolosovalo-bolshe-40-procentov-rossiyan>> viewed 13 April 2018.

The Middle East, Central Asia, and Turkey: robust growth in life, sluggish growth in non-life[24]

Life insurance

Life premium growth slowed to 7.5% in the Middle East, Central Asia and Turkey in 2017.

Life insurance premium growth in the Middle East, Central Asia and Turkey slowed to 7.5 % in 2017 (2016: 15%). Life business in the region has been sluggish due to slowing economic growth and lower disposable income after the governments cut subsidies on utilities and gasoline. Premium growth in Turkey remained strong (23%), supported by solid growth in credit-linked business. Excluding Turkey, life premiums grew by 3.2% (2016: 12%) in the region. In the UAE, the region´s biggest market, premium growth slowed to an estimated 3.3% in 2017 (2016: 13%) as a large number of expatriates are leaving the UAE due to Emiratisation and the economic slowdown. In Saudi Arabia, life premiums grew by 1.9% in 2017, after declining slightly in 2016. In Oman, premiums contracted by 3.7% in 2017 as redundancies in the construction industry led to lower insurance requirements for employees. Premiums in Pakistan have grown rapidly over the last few years fuelled by bancassurance and the introduction of tax credits in 2011 for investments in life insurance. Ongoing war and strife in markets such as Syria, Yemen and Libya continues to restrain sector growth in those countries, though these are small markets.

Our long-term outlook is positive given low penetration, rising risk awareness and favourable demographics in the region.

The projected economic slowdown in the Gulf Cooperation Council (GCC) countries will stifle life premium growth in the medium term. However, our long-term outlook for the Middle East and Pakistan region remains positive. Low penetration rates and increasing awareness of insurance, coupled with structural factors such as smaller families and growth of private-sector employment, should increase demand. A large working age population will push demand for savings, protection and retirement products. On the other hand, the recent drive by the GCC governments to increase local employment in companies, resulting in expatriates leaving the country, may hurt the life insurance sector in the near-term, since a big chunk of life insurance is purchased by them.

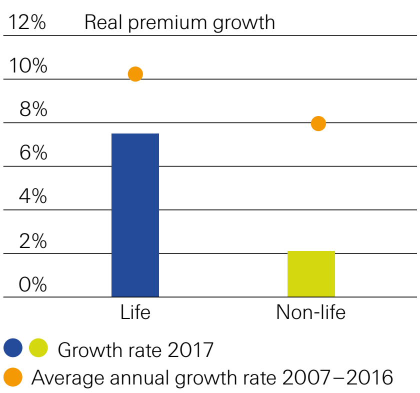
Non-life insurance

In 2017, non-life premiums growth slowed to 2.1%, driven by sluggish markets in Turkey and Saudi Arabia.

Non-life premium growth in the region slowed to 2.1% in 2017 (2016: 10%) driven by sluggish growth in Turkey and Saudi Arabia. In Turkey, premiums are estimated to have fallen by 3.0% in 2017 (2016: 21%) due to a decline in motor following the implementation of a premium ceiling in April 2017. In Saudi Arabia, premiums continued to stagnate as growth in the health sector was offset by weakness in motor. In the UAE, non-life premium growth remained strong at around 14% in 2017 (2016: 18%), bolstered by regulatory initiatives such as the introduction of higher unified motor premium rates in January 2017 and compulsory medical insurance. Iran´s real non-life premiums were flat in 2017 as growth was normalised after strong growth in 2016 (11%) when the international sanctions were lifted. Profitability remained under pressure due to inadequate pricing, lack of underwriting discipline and the higher cost of compliance due to recent regulatory developments.

Middle East, Central Asia, and Turkey premiums, 2017

	USD bn	World market share
Life	8	0.3%
Non-life	47	2.1%



In our view, the outlook for non-life insurers is mixed. The budget spending on health care, education and infrastructure announced by the Gulf States will support related business lines. Health insurance will continue to drive growth as local laws mandate and/or extend compulsory health coverage for nationals and/or expatriates. In personal lines, premium growth will pick up as awareness and acceptance of Takaful and conventional insurance products rises, and as more banks begin to sell insurance products. We also believe that intense competition will continue to affect rates and profitability. Although the regulatory developments could further squeeze margins in the short-term, they should lead to improved profitability and stability in the longer term.

[24] The figures in this section exclude Israel, which falls under advanced countries.

Africa – stuck in the doldrums, but trade winds to set in

Life insurance

Life insurance growth in Africa remains weak as the largest market South Africa stagnates...

Based on preliminary data, we estimate that African life insurance premiums stagnated in 2017, after a decline of 1.0% in 2016. Growth was worse than expected last year as more data became available. In 2017, sluggish developments in South Africa, by far the largest market in Africa (85% market share), are the main cause of the relative stagnation. The weak economic environment and high unemployment are having lasting effects on demand for life insurance products. Elsewhere, developments are mixed. A number of markets have seen continuous healthy to strong growth in 2017, eg Uganda (18%), Cote d´Ivoire (12%), Namibia (12%), Egypt (9.7%) and Algeria (6 %). On the other hand, in Kenya (5.1%) and Morocco (3.1%), growth has weakened considerably, as the sales of savings products has eased. On the other hand, a number of markets declined sharply, such as Zimbabwe (–3.7%), Nigeria (–20%) and Mozambique (–39%). Such volatility, on the one hand, reflects the weak economic conditions in these markets, and on the other hand, shows that these markets are mostly still very small. Because of this, regulatory changes or distributional activities of individual companies can have a big impact on overall market growth.

...but longer term prospects remain strong as the economies continue their recovery and large untapped growth segments remain.

In South Africa, the economy has received a short term confidence boost after President Zuma was forced to resign and technocrat ministers replaced Zuma allies in sectors vital to fiscal discipline and economic reform. We expect these developments to boost demand for life insurance, but many economic reforms are needed to boost longer term growth potential. Elsewhere, the economic situation is also improving. As insurance penetration is low, new ways to offer life insurance to low income segments will provide major growth opportunities in the coming years.

Non-life insurance

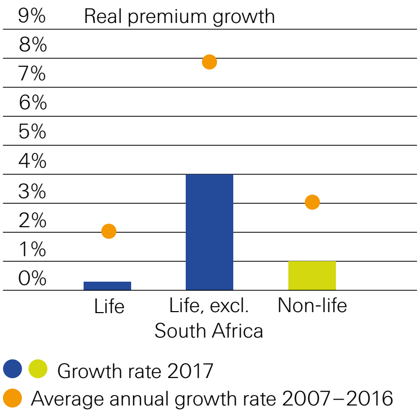
The weak insurance market environment reflects the fragile economic situation.

Non-life premiums in Africa grew only marginally in 2017 (1.0%) after declining by about the same in 2016. Growth in South Africa (44% of the African non-life market) was weak at just 1.3%, reflecting the political uncertainty and slow economic growth. While premium growth was sluggish, the devastation from major disasters in 2017, including forest fires in Knysna, floods in Durban and hailstorms in Gauteng, lowered the profitability of South African non-life insurers. Elsewhere in Africa, premium growth varied. Non-life insurers benefitted from economic reforms and a reviving economy in Egypt (9.9%), in Uganda (7.3%), in Zimbabwe (7.5%), in Ghana (5.0%) and Morocco (3.0%). In other markets, such as Kenya, the non-life market shrank. For example, medical business in Kenya decreased after years of strong growth. Also in Nigeria, premiums are estimated to have declined 5.6%, which is still an improvement over the previous year (–15%).

Going forward, we predict stronger non-life insurance market growth in Africa as the economies continue their cyclical recoveries, particularly in the resource-intensive countries. Additional support is likely to come from rate hikes in lines that performed poorly in recent years, eg, motor. In South Africa, the recent presidential change will likely promote business confidence and stronger investment in South Africa. In our view, this should underpin insurance demand and bolster premium growth even as the headwinds of high unemployment and low personal income growth persist. Other growth areas are infrastructure and natural resource extraction-related lines of business, agriculture and the growing segment of personal insurance buyers, particularly microinsurance. We also expect medical insurance to grow strongly.

Africa premiums, 2017

	USD bn	World market share
Life	45	1.7%
Non-life	22	1.0%



Methodology and data

This study looks at insurance premium volumes data from 147 countries.

This *sigma* study is based on the direct premium volumes of insurance companies, regardless of whether they are privately or state owned. Premiums paid to state social insurers are not included. Life and non-life premium volumes in 147 countries are examined. Detailed information on the largest 88 countries in terms of total insurance premium volume can be found in the statistical appendix. Additional country information is available online at www.sigma-explorer.com. Where not indicated, figures and chart information in this report are all sourced from Swiss Re Institute.

All quoted growth rates are in real terms.

All premium growth rates quoted in the text are in real terms, ie adjusted for inflation (measured using local consumer price indices), unless otherwise stated.

Country classifications generally follow IMF conventions.

The designation of the economies in this *sigma* as "advanced" or "emerging" is generally in keeping with the conventions of the International Monetary Fund (IMF). Advanced economies include the US, Canada, Western Europe (excluding Turkey), Israel, Oceania, Japan and the other advanced Asian economies (Hong Kong, Singapore, South Korea and Taiwan). All other countries are classified as "emerging" and generally correspond to the IMF´s "emerging and developing" economies.[25]

Data sources

The insurance data and estimates contained in the study originate primarily from national supervisory authorities and, in some cases, from insurance associations. Macroeconomic data was sourced from the International Financial Statistics of the IMF, Oxford Economics and IHS-Markit.

Data revisions

Figures for past years are adjusted as new information becomes available. Since the publication of last year´s *sigma*, global premium volume for 2016 has been revised down by 0.6% overall. Life insurance premium volume was revised down by 1.3%, while non-life premiums were revised up by 0.3%.

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).

Health insurance is allocated to non-life business.

Life and non-life business areas in this *sigma* study are categorised according to standard EU and OECD conventions: health insurance is allocated to non-life insurance, even if it is classified differently in the individual countries.

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 Belgium, France, Liechtenstein, Luxembourg, Ireland, Malta, Norway, Singapore or the UK.

Growth rates in local currency are adjusted for inflation.

Unless otherwise stated, premium growth rates indicate changes in real terms. These real growth rates are calculated using premiums in local currencies and are adjusted for inflation using the consumer price index for each country. The statistical appendix also provides the nominal change in growth for each country. Regional aggregated growth rates are calculated using the previous year´s premium volumes

[25] The only exceptions are the Czech Republic, Estonia, Latvia, Lithuania, Slovenia and Slovakia.

and converted into US dollars at market exchange rates. The same procedure applies to the economic aggregates of Table X, where the previous year´s nominal GDP figures in US dollars are used as weights.

Figures are converted into US dollars to facilitate international comparisons.

Using the average exchange rate for the financial year, premium volumes are converted into US dollars to facilitate comparisons between markets and regions.[26] Where no premium data is available (indicated by "na." for the local currency value in the tables), the premium income in US dollars is estimated assuming a constant ratio of insurance premiums to GDP. 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 premiums of the previous year in USD.

Statistical appendix

The statistical appendix contains additional calculations and the macroeconomic data used for currency conversions.

Acknowledgements

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

[26] 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.

Statistical appendix

1 Excluding cross-border business

2 Excludes advanced countries in South and East Asia (Hong Kong, Singapore, South Korea, Taiwan)

3 Insurance penetration (premiums as a percentage of GDP) and density (premiums per capita) include cross-border business

4 North America, Western Europe (excluding Turkey), Japan, Hong Kong, Singapore, South Korea, Taiwan (counted as an emerging market in earlier editions), Oceania, Israel

5 Latin America, Central and Eastern Europe, South and East Asia, the Middle East (excluding Israel) and Central Asia, Turkey, Africa

6 34 member countries

7 The US, Canada, the UK, Germany, France, Italy, Japan

8 The US, Canada, Mexico

9 Singapore, Malaysia, Thailand, Indonesia, the Philippines, Vietnam. The four remaining member countries – Brunei, Cambodia, Laos and Myanmar – are not included.

10 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 includes state funds.

11 Life insurance: net premiums

12 Non-life insurance: gross premiums, including reinsurance premiums

13 Financial year 1 April 2017–31 March 2018

14 Financial year 21 March 2017–20 March 2018

15 Financial year 1 July 2016–30 June 2017

16 Financial year 1 July 2016–30 June 2017.
Australia: until 2012, supervisory data included premiums written by public insurers. However, this is not available in 2013 thus contributing to the significant decline in annual comparison.

17 Inflation-adjusted premium growth rates in local currency, see Tables II, IV and VI

18 Including the remaining countries

19 Effective Inflation used for calculating real growth rates are estimated by the Institute for International Finance. These are twice the official figures.

20 Supervisory authority data for 2013 does no longer report premiums written by public insurers. Retrospectively starting 2003, public insurer data has been removed from the *sigma* data set and the data has been changed to calendar year data. Prior 2003 financial year is from 1 July–30 June, ie 2002 stands for data from 1 July 2002–30 June 2003

\+ provisional
* estimated
** estimated USD value assuming constant insurance penetration

Table I
Premium volume by region and organisation in 2017

Total business		Premium volume (in millions of USD) 2017	2016	Change (in %) inflation-adjusted 2017	2016	Share of world market (in %) 2017	Premiums[1] in % of GDP 2017	Premiums[1] per capita (in USD) 2017
America		**1 664 522**	**1 616 070**	**0.0**	**1.0**	**34.03**	**6.27**	**1 657.2**
North America		1 496 634	1 463 310	0.0	1.1	30.60	7.11	4 119.7
Latin America and Caribbean		167 888	152 760	0.1	–0.4	3.43	3.06	261.9
Europe		**1 479 197**	**1 448 819**	**–0.5**	**–0.3**	**30.24**	**6.45**	**1 651.1**
Western Europe		1 416 184	1 394 667	–0.7	–0.4	28.95	7.28	2 568.1
Central and Eastern Europe		63 013	54 152	5.8	3.5	1.29	1.92	197.9
Asia		**1 590 688**	**1 486 574**	**5.7**	**7.2**	**32.52**	**5.62**	**359.5**
Advanced Asian markets		810 858	811 370	–1.1	–2.1	16.58	10.51	3 754.5
Emerging Asia	2	719 778	619 362	14.7	21.0	14.71	4.06	187.7
Middle East and Central Asia		60 052	55 842	5.0	7.5	1.23	2.12	163.5
Africa		**66 691**	**59 408**	**0.5**	**–1.0**	**1.36**	**2.96**	**53.8**
Oceania		**90 597**	**91 968**	**–6.2**	**–5.4**	**1.85**	**5.62**	**2 236.0**
World	3	**4 891 694**	**4 702 841**	**1.5**	**2.2**	**100.00**	**6.13**	**649.8**
Advanced markets	4	3 819 644	3 763 386	–0.6	–0.3	78.08	7.76	3 516.7
Emerging markets	5	1 072 050	939 455	10.3	13.7	21.92	3.34	165.6
Emerging markets excl China		530 604	473 324	4.2	4.1	10.85	2.62	104.8
OECD	6	3 682 760	3 648 225	–1.1	–0.6	75.29	7.18	2 752.6
G7	7	2 822 106	2 817 433	–1.2	–1.2	57.69	7.57	3 629.5
Eurozone		973 953	949 320	–1.3	–0.5	19.91	7.07	2 613.5
EU		1 357 895	1 332 688	–0.6	–0.5	27.76	7.19	2 429.1
EU, 15 countries		1 315 086	1 294 517	–0.8	–0.6	26.88	7.62	2 953.4
NAFTA	8	1 521 927	1 487 215	0.0	1.3	31.11	6.85	3 089.3
ASEAN	9	102 999	90 199	11.4	6.6	2.11	3.63	155.6
Life business								
America		**676 593**	**676 760**	**–3.1**	**0.2**	**25.46**	**2.55**	**673.6**
North America		598 392	606 551	–3.5	–0.6	22.52	2.84	1 647.2
Latin America and Caribbean		78 201	70 209	1.1	7.3	2.94	1.42	122.0
Europe		**858 025**	**850 956**	**–1.6**	**–1.0**	**32.29**	**3.77**	**965.3**
Western Europe		839 509	835 870	–1.9	–1.0	31.59	4.36	1 537.7
Central and Eastern Europe		18 516	15 086	12.2	0.1	0.70	0.56	58.1
Asia		**1 043 690**	**975 306**	**5.6**	**5.5**	**39.28**	**3.69**	**236.2**
Advanced Asian markets		580 003	586 692	–2.1	–3.8	21.83	7.54	2 692.8
Emerging Asia	2	448 237	374 805	17.7	22.5	16.87	2.53	116.9
Middle East and Central Asia		15 450	13 810	7.0	7.8	0.58	0.54	42.0
Africa		**44 899**	**39 465**	**0.3**	**–1.0**	**1.69**	**2.00**	**36.2**
Oceania		**34 063**	**39 484**	**–17.9**	**–13.3**	**1.28**	**2.11**	**840.7**
World	3	**2 657 270**	**2 581 972**	**0.5**	**1.4**	**100.00**	**3.33**	**353.0**
Advanced markets	4	2 059 481	2 074 941	–2.7	–1.9	77.50	4.19	1 898.5
Emerging markets	5	597 790	507 031	13.8	17.1	22.50	1.86	92.3
Emerging markets excl China		280 219	244 415	5.8	6.1	10.55	1.39	55.3
OECD	6	1 918 093	1 953 223	–3.7	–2.7	72.18	3.74	1 432.0
G7	7	1 459 897	1 503 544	–3.8	–3.4	54.94	3.97	1 904.1
Eurozone		555 096	548 787	–3.0	–1.5	20.89	3.92	1 447.2
EU		806 292	801 109	–1.8	–1.0	30.34	4.30	1 454.5
EU, 15 countries		792 019	787 954	–1.9	–0.9	29.81	4.63	1 793.0
NAFTA	8	610 236	617 740	–3.5	–0.4	22.96	2.75	1 238.7
ASEAN	9	74 812	63 399	15.2	8.5	2.82	2.70	115.5
Non-life business								
America		**987 929**	**939 310**	**2.2**	**1.5**	**44.21**	**3.72**	**983.6**
North America		898 242	856 759	2.5	2.4	40.20	4.27	2 472.6
Latin America and Caribbean		89 687	82 551	–0.9	–6.0	4.01	1.63	139.9
Europe		**621 171**	**597 863**	**1.1**	**0.8**	**27.80**	**2.68**	**685.8**
Western Europe		576 674	558 797	1.0	0.5	25.81	2.92	1 030.4
Central and Eastern Europe		44 497	39 066	3.3	4.8	1.99	1.36	139.7
Asia		**546 998**	**511 268**	**5.8**	**10.6**	**24.48**	**1.93**	**123.3**
Advanced Asian markets		230 855	224 678	1.4	2.9	10.33	2.97	1 061.7
Emerging Asia	2	271 541	244 558	10.1	18.7	12.15	1.53	70.8
Middle East and Central Asia		44 602	42 032	4.1	7.1	2.00	1.57	121.5
Africa		**21 792**	**19 943**	**1.0**	**–1.1**	**0.98**	**0.97**	**17.6**
Oceania		**56 533**	**52 484**	**2.6**	**1.6**	**2.53**	**3.50**	**1 395.3**
World	3	**2 234 424**	**2 120 869**	**2.8**	**3.3**	**100.00**	**2.80**	**296.8**
Advanced markets	4	1 760 163	1 688 445	1.9	1.7	78.77	3.57	1 618.2
Emerging markets	5	474 261	432 424	6.1	9.8	21.23	1.48	73.2
Emerging markets excl China		250 385	228 909	2.5	2.1	11.21	1.24	49.5
OECD	6	1 764 667	1 695 002	1.8	1.8	78.98	3.45	1 320.7
G7	7	1 362 209	1 313 889	1.9	1.5	60.96	3.60	1 725.4
Eurozone		418 857	400 533	0.9	0.9	18.75	3.16	1 166.3
EU		551 602	531 579	1.2	0.3	24.69	2.88	974.6
EU, 15 countries		523 067	506 562	0.8	0.0	23.41	2.99	1 160.4
NAFTA	8	911 691	869 474	2.5	2.5	40.80	4.10	1 850.6
ASEAN	9	28 187	26 800	2.6	2.3	1.26	0.94	40.1

Table II

Total premium volume in local currency in 2017

Region	Country		Currency	Premium volume (in millions of local currency) 2017	2016	2015	Change (in %) nominal 2017	2016	Change (in %) inflation-adjusted 2017	2016
North America	United States	10	USD	1 377 114 *	1 349 981	1 318 485	2.0	2.4	–0.1	1.1
	Canada	11	CAD	155 130 *	150 229	146 320	3.3	2.7	1.6	1.2
	Total								**0.0**	**1.1**
Latin America and Caribbean	Brazil		BRL	265 933 *	253 519	229 656	4.9	10.4	1.4	1.5
	Mexico		MXN	478 249 *	446 743	396 675	7.1	12.6	1.0	9.5
	Argentina	19	ARS	272 217	211 027	153 322	29.0	37.6	2.2	–2.7
	Chile		CLP	8 625 922 *	8 301 193	7 408 342	3.9	12.1	1.2	8.7
	Colombia		COP	26 238 720	23 849 430	21 507 230	10.0	10.9	5.5	3.1
	Peru		PEN	11 327	11 256	11 744	0.6	–4.2	–2.3	–7.5
	Ecuador		USD	2 046	1 618	2 232	26.4	–27.5	25.9	–28.7
	Venezuela		VEB	3 830 156 *	871 509	323 535	339.5	169.4	–68.1	–41.7
	Uruguay		UYU	45 207	38 531	34 478	17.3	11.8	10.5	1.9
	Panama		PAB	1 444	1 359	1 359	6.2	0.0	5.3	–0.8
	Costa Rica		CRC	749 330	654 715	564 060	14.5	16.1	12.6	16.1
	Trinidad and Tobago		TTD	7 167	7 624	7 103	–6.0	7.3	–10.2	4.1
	Dominican Republic		DOP	49 354	40 589	35 628	21.6	13.9	17.7	12.1
	Guatemala		GTQ	6 802	6 313	5 966	7.7	5.8	3.4	1.3
	Bahamas		BSD	na.	758	769	na.	–1.5	na.	–2.2
	Cayman Islands		KYD	na.	598	633	na.	–5.5	na.	–6.7
	Jamaica		JMD	na.	na.	84 995	na.	na.	na.	na.
	Total								**0.1**	**–0.4**
Europe	United Kingdom		GBP	219 810 *	214 660	215 167	2.4	–0.2	–0.3	–0.9
	France		EUR	213 877	214 561	215 918	–0.3	–0.6	–1.3	–0.8
	Germany		EUR	197 389 *	194 115	193 856	1.7	0.1	–0.1	–0.4
	Italy		EUR	137 663 *	144 259	151 967	–4.6	–5.1	–5.7	–5.0
	Netherlands		EUR	69 946 *	70 193	71 840	–0.4	–2.3	–1.7	–2.6
	Spain		EUR	62 451 +	62 910	55 047	–0.7	14.3	–2.6	14.5
	Ireland		EUR	na. *	53 587 *	50 211 *	na.	6.7	na.	6.9
	Switzerland		CHF	57 018 +	57 740	59 162	–1.3	–2.4	–1.8	–2.0
	Sweden		SEK	312 510	287 866	299 791	8.6	–4.0	6.6	–4.9
	Belgium		EUR	30 727 *	29 759	29 979	3.3	–0.7	1.1	–2.7
	Denmark		DKK	218 759 *	210 858	194 501	3.7	8.4	2.6	8.1
	Luxembourg		EUR	26 851 *	24 738	24 384	8.5	1.4	6.3	1.4
	Finland		EUR	23 156 *	22 335	23 830	3.7	–6.3	2.9	–6.6
	Russia		RUB	1 277 585	1 180 632	1 023 819	8.2	15.3	4.4	7.7
	Norway		NOK	163 642 *	162 264	158 993	0.8	2.1	–1.0	–1.5
	Austria		EUR	17 063	17 006	17 404	0.3	–2.3	–1.7	–3.2
	Poland		PLN	60 340 +	54 090	53 653	11.6	0.8	9.4	1.5
	Portugal		EUR	11 724 *	10 981 *	12 789 *	6.8	–14.1	5.3	–14.7
	Turkey		TRY	43 978	39 496	30 286	11.3	30.4	0.2	21.0
	Czech Republic		CZK	150 488	146 866	153 450	2.5	–4.3	0.0	–4.9
	Liechtenstein		CHF	5 070	3 510	3 282	44.4	6.9	43.7	7.4
	Malta		EUR	4 153 *	3 844 *	3 845	8.0	0.0	6.7	–0.9
	Greece		EUR	3 906 *	3 890	3 725	0.4	4.5	–0.7	5.3
	Hungary		HUF	936 206 +	875 065	828 055	7.0	5.7	4.5	5.3
	Romania		RON	9 999 *	9 387	8 535	6.5	10.0	5.1	11.7
	Slovenia		EUR	2 179	2 033	1 975	7.2	2.9	5.7	3.0
	Slovakia		EUR	2 134	1 903	1 981	12.1	–3.9	10.7	–3.4
	Ukraine		UAH	43 432	35 170	29 736	23.5	18.3	8.6	3.8
	Croatia		HRK	9 056	8 761	8 709	3.4	0.6	2.2	1.7
	Bulgaria		BGN	2 145 +	2 005	1 895	7.0	5.8	4.8	6.7
	Cyprus		EUR	814 +	765	706	6.4	8.4	5.7	9.7
	Serbia		RSD	93 094 +	89 138	80 926	4.4	10.1	1.3	8.9
	Total								**–0.5**	**–0.3**
Asia	PR China		CNY	3 658 101 +	3 095 911	2 428 252	18.2	27.5	16.4	25.0
	Japan	13	JPY	46 964 660 *	48 905 610	53 184 020	–4.0	–8.0	–4.5	–8.0
	South Korea	13	KRW	200 837 900 *	203 250 300	196 443 000	–1.2	3.5	–2.9	2.2
	Taiwan		TWD	3 576 310	3 279 319	3 062 796	9.1	7.1	8.4	5.6
	India (13)		INR	6 301 680 *	5 494 467	4 662 762	14.7	17.8	10.1	12.8
	Hong Kong		HKD	477 557 +	441 084	362 922	8.3	21.5	6.7	18.7
	Singapore		SGD	39 813 *	34 199	32 149	16.4	6.4	15.7	6.9
	Thailand		THB	816 614 *	780 065	746 789	4.7	4.5	4.0	4.3
	Indonesia		IDR	320 572 100 +	254 170 400	218 357 100	26.1	16.4	21.5	12.4
	Israel		ILS	62 730 +	58 153	54 869	7.9	6.0	7.6	6.6
	Malaysia	13	MYR	64 462 *	61 248	58 413	5.2	4.9	1.9	2.5
	United Arab Emirates	12	AED	49 655 *	43 881 *	36 954	13.2	18.7	11.0	16.9
	Saudi Arabia		SAR	36 439 *	36 855	36 496	–1.1	1.0	–0.3	–1.0
	Iran	14	IRR	311 254 500	280 176 000	228 439 000	11.1	22.6	0.4	12.5
	Philippines		PHP	282 386 *	253 301	252 477	11.5	0.3	8.4	–0.9
	Vietnam		VND	105 611 000 *	87 362 000	70 163 000	20.9	24.5	16.8	21.3
	Pakistan		PKR	273 952	258 281	233 280	6.1	10.7	1.9	6.7
	Lebanon		LBP	2 463 516 *	2 368 686	2 299 660	4.0	3.0	–0.5	3.8
	Bangladesh		BDT	108 298 *	106 345 *	99 388	1.8	7.0	–3.7	1.4
	Oman		OMR	467 *	412	407	13.4	1.1	11.6	0.0
	Kazakhstan		KZT	332 012	323 176	263 308	2.7	22.7	–4.4	7.1
	Sri Lanka		LKR	na.	137 458 *	119 373	na.	15.1	na.	10.7
	Macao		MOP	na.	na.	na.	na.	na.	na.	na.
	Jordan		JOD	606 *	583	552	4.0	5.7	0.7	6.5
	Kuwait		KWD	249 *	241 *	245	3.4	–1.8	1.8	–4.6
	Bahrain		BHD	286 *	272	273	5.3	–0.3	3.8	–3.0
	Total								**5.7**	**7.2**
Africa	South Africa		ZAR	636 544 *	604 358	580 020	5.3	4.2	0.1	–2.0
	Morocco		MAD	36 214 *	34 920	30 212	3.7	15.6	3.0	13.7
	Kenya		KES	206 766	195 230	172 540	5.9	13.2	–2.0	6.4
	Egypt	15	EGP	23 508 *	17 334	15 457	35.6	12.1	9.8	1.8
	Algeria		DZD	134 550	130 973	128 685	2.7	1.8	–2.8	–4.3
	Namibia		NAD	12 845 *	11 226	10 844	14.4	3.5	7.8	–3.0
	Nigeria		NGN	291 585 *	279 554 +	277 557	4.3	0.7	–10.5	–12.9
	Tunisia		TND	na.	1 841	1 663	na.	10.8	na.	6.8
	Angola		KZR	na. *	101 000 *	96 900 *	na.	4.2	na.	–22.6
	Total								**0.5**	**–1.0**
Oceania	Australia	20	AUD	104 443	110 518	115 840	–5.5	–4.6	–7.3	–5.8
	New Zealand	16	NZD	14 337 *	13 609	13 704	5.3	–0.7	3.4	–1.3
	Total								**–6.2**	**–5.4**
World	World								1.5	2.2

Table III
Total premium volume in USD 2017

	Ranking	Country		Premium volume (in millions of USD) 2017	2016	Change (in %) 2017 nominal (in USD)	inflation–adjusted	Share of world market 2017 (in %)
North America	1	United States	10	1 377 114 *	1 349 981	2.0	–0.1	28.15
	9	Canada	11	119 520 *	113 329	5.5	1.6	2.44
		Total		**1 496 634**	**1 463 310**	**2.3**	**0.0**	**30.60**
Latin America and Caribbean	12	Brazil		83 315 *	72 754	14.5	1.4	1.70
	26	Mexico		25 293 *	23 905	5.8	1.0	0.52
	33	Argentina	19	16 435	14 291	15.0	2.2	0.34
	37	Chile		13 294 *	12 263	8.4	1.2	0.27
	43	Colombia		8 890	7 809	13.8	5.5	0.18
	51	Peru		3 473	3 334	4.2	–2.3	0.07
	57	Ecuador		2 046	1 618	26.4	25.9	0.04
	59	Venezuela		1 714 *	4 241	–59.6	–68.1	0.04
	63	Uruguay		1 576	1 277	23.4	10.5	0.03
	64	Panama		1 444	1 359	6.2	5.3	0.03
	67	Costa Rica		1 331	1 216	9.5	12.6	0.03
	71	Trinidad and Tobago		1 062	1 144	–7.1	–10.2	0.02
	72	Dominican Republic		1 040	881	18.1	17.7	0.02
	77	Guatemala		932	831	12.2	3.4	0.02
	84	Bahamas		780 **	758	2.9	na.	0.02
	87	Cayman Islands		746 **	718	3.9	na.	0.02
	88	Jamaica		732 **	707 **	3.5	na.	0.01
		Other countries		3 784	3 657			0.08
		Total		**167 888**	**152 760**	**9.9**	**0.1**	**3.43**
Europe	4	United Kingdom		283 331 *	290 855	–2.6	–0.3	5.79
	5	France		241 603 **	237 417	1.8	–1.3	4.94
	6	Germany		222 978 *	214 793	3.8	–0.1	4.56
	8	Italy		155 509 *	159 626	–2.6	–5.7	3.18
	14	Netherlands		79 013 *	77 670	1.7	–1.7	1.62
	15	Spain		70 547 +	69 611	1.3	–2.6	1.44
	16	Ireland		64 306 *	59 295 *	8.5	na.	1.31
	18	Switzerland		57 904 +	58 612	–1.2	–1.8	1.18
	20	Sweden		36 580	33 633	8.8	6.6	0.75
	21	Belgium		34 710 *	32 929	5.4	1.1	0.71
	22	Denmark		33 141 *	31 321	5.8	2.6	0.68
	23	Luxembourg		30 277 *	27 381	10.6	6.3	0.62
	25	Finland		26 158 *	24 714	5.8	2.9	0.53
	29	Russia		21 898	17 607	24.4	4.4	0.45
	30	Norway		19 790 *	19 315	2.5	–1.0	0.40
	31	Austria		19 275 **	18 818	2.4	–1.7	0.39
	34	Poland		15 970 +	13 708	16.5	9.4	0.33
	38	Portugal		13 243 *	12 151 *	9.0	5.3	0.27
	39	Turkey		12 054	13 072	–7.8	0.2	0.25
	44	Czech Republic		6 438	6 009	7.1	0.0	0.13
	46	Liechtenstein		5 149 **	3 563 **	44.5	43.7	0.11
	47	Malta		4 691 *	4 253 *	10.3	6.7	0.10
	49	Greece		4 412 *	4 305	2.5	–0.7	0.09
	52	Hungary		3 411 +	3 108	9.8	4.5	0.07
	54	Romania		2 467 *	2 313	6.7	5.1	0.05
	55	Slovenia		2 462	2 251	9.4	5.7	0.05
	56	Slovakia		2 410 **	2 106	14.5	10.7	0.05
	61	Ukraine		1 633	1 376	18.6	8.6	0.03
	65	Croatia		1 367	1 287	6.2	2.2	0.03
	68	Bulgaria		1 236 +	1 134	9.0	4.8	0.03
	78	Cyprus		920 +	847	8.6	5.7	0.02
	80	Serbia		864 +	801	7.8	1.3	0.02
		Other countries		3 448	2 941			0.07
		Total		**1 479 197**	**1 448 819**	**2.1**	**–0.5**	**30.24**
Asia	2	PR China		541 446 +	466 131	16.2	16.4	11.07
	3	Japan	13	422 050 *	451 433	–6.5	–4.5	8.63
	7	South Korea	13	181 218 *	176 909	2.4	–2.9	3.70
	10	Taiwan		117 474	101 448	15.8	8.4	2.40
	11	India	13	98 003 *	81 897	19.7	10.1	2.00
	17	Hong Kong		61 286 +	56 826	7.8	6.7	1.25
	24	Singapore		28 831 *	24 754	16.5	15.7	0.59
	27	Thailand		24 062 *	22 100 **	8.9	4.0	0.49
	28	Indonesia		23 960 +	19 105	25.4	21.5	0.49
	32	Israel		17 426 +	15 142	15.1	7.6	0.36
	35	Malaysia	13	15 405 *	14 550	5.9	1.9	0.31
	36	United Arab Emirates	12	13 521 *	11 949 *	13.2	11.0	0.28
	41	Saudi Arabia		9 717 *	9 828	–1.1	–0.3	0.20
	42	Iran	14	9 166 **	8 907	2.9	0.4	0.19
	45	Philippines		5 602 *	5 334	5.0	8.4	0.11
	48	Vietnam		4 651 *	3 908	19.0	16.8	0.10
	53	Pakistan		2 598 **	2 465	5.4	1.9	0.05
	60	Lebanon		1 634 *	1 571	4.0	–0.5	0.03
	66	Bangladesh		1 345 *	1 355 *	–0.7	–3.7	0.03
	70	Oman		1 214 *	1 071	13.4	11.6	0.02
	73	Kazakhstan		1 018	945	7.8	–4.4	0.02
	74	Sri Lanka		987 **	944 *	4.5	na.	0.02
	76	Macao		964 **	887 **	8.8	na.	0.02
	81	Jordan		854 *	821	4.0	0.7	0.02
	82	Kuwait		821 *	797 *	3.0	1.8	0.02
	86	Bahrain		762 *	724	5.3	3.8	0.02
		Other countries		4 671	4 774			0.10
		Total		**1 590 688**	**1 486 574**	**7.0**	**5.7**	**32.52**
Africa	19	South Africa		47 796 *	41 080	16.4	0.1	0.98
	50	Morocco		3 718 *	3 561	4.4	3.0	0.08
	58	Kenya		2 000 **	1 923	4.0	–2.0	0.04
	62	Egypt	15	1 587 *	2 125	–25.3	9.8	0.03
	69	Algeria		1 215 **	1 197	1.6	–2.8	0.02
	75	Namibia		965 *	763	26.4	7.8	0.02
	79	Nigeria		902 *	1 103 +	–18.2	–10.5	0.02
	83	Tunisia		814 **	857	–5.1	na.	0.02
	85	Angola		780 *	617 *	26.4	na.	0.02
		Other countries		6 914	6 183			0.14
		Total		**66 691**	**59 408**	**12.3**	**0.5**	**1.36**
Oceania	13	Australia	20	80 061	82 171	–2.6	–7.3	1.64
	40	New Zealand	16	10 186 *	9 477	7.5	3.4	0.21
		Other countries		349	320			0.01
		Total		**90 597**	**91 968**	**–1.5**	**–6.2**	**1.85**
World		**World**		**4 891 694**	**4 702 841**	**4.0**	**1.5**	**100.00**

Table IV
Life insurance premium volume in local currency in 2017

	Country		Currency	Premium volume (in millions of local currency) 2017	2016	2015	Change (in %) nominal 2017	2016	Change (in %) inflation–adjusted 2017	2016
North America	United States	10	USD	546800*	557604	554731	–1.9	0.5	–4.0	–0.7
	Canada	11	CAD	66964*	64885	63439	3.2	2.3	1.6	0.8
	Total								**–0.2**	**4.2**
Latin America and Caribbean	Brazil		BRL	149617	142887	123619	4.7	15.6	1.2	6.3
	Mexico		MXN	223944*	209111	181918	7.1	14.9	1.0	11.8
	Chile		CLP	5446513*	5263465	4541207	3.5	15.9	0.8	12.4
	Colombia		COP	8269299	7509037	6357440	10.1	18.1	5.6	9.9
	Argentina	19	ARS	41011	34664	24642	18.3	40.7	–6.3	–0.5
	Peru		PEN	5356	5113	5618	4.7	–9.0	1.7	–12.1
	Uruguay		UYU	19075	14707	11672	29.7	26.0	22.1	14.9
	Trinidad and Tobago		TTD	3477	3867	3046	–10.1	27.0	–14.1	23.2
	Ecuador		USD	431	347	355	24.4	–2.3	23.9	–3.9
	Panama		PAB	371	342	321	8.5	6.4	7.5	5.6
	Jamaica		JMD	na.	na.	33696	na.	na.	na.	na.
	Bahamas		BSD	na.	224	195	na.	14.6	na.	13.7
	Costa Rica		CRC	111184	101881	72182	9.1	41.1	7.4	41.2
	Guatemala		GTQ	1418	1271	1176	11.5	8.1	7.0	3.5
	Dominican Republic		DOP	8480	7453	6314	13.8	18.0	10.1	16.2
	Venezuela		KYD	89890*	20453	5119	339.5	299.5	–68.1	–13.5
	Cayman Islands			na.	24	31	na.	–22.1	na.	–23.1
	Total								**1.1**	**7.3**
Europe	United Kingdom		GBP	147273*	144386	142855	2.0	1.1	–0.7	0.4
	France		EUR	135902	138188	140391	–1.7	–1.6	–2.7	–1.7
	Italy		EUR	100871*	107727	115046	–6.4	–6.4	–7.5	–6.3
	Germany		EUR	85845*	85931	87406	–0.1	–1.7	–1.8	–2.2
	Ireland		EUR	na.*	46301	43272	na.	7.0	na.	7.2
	Spain		EUR	29404+	31136	25567	–5.6	21.8	–7.4	22.0
	Switzerland		CHF	29486+	30667	32640	–3.9	–6.0	–4.4	–5.6
	Sweden		SEK	229266	207815	222393	10.3	–6.6	8.4	–7.5
	Luxembourg		EUR	23546*	21412	21183	10.0	1.1	7.7	1.0
	Denmark		DKK	159740*	153101	138324	4.3	10.7	3.2	10.4
	Finland		EUR	18917*	18004	19491	5.1	–7.6	4.3	–8.0
	Belgium		EUR	15625*	14909	15325	4.8	–2.7	2.6	–4.6
	Netherlands		EUR	13818*	14568	14688	–5.1	–0.8	–6.4	–1.1
	Norway		NOK	93348*	92421	90785	1.0	1.8	–0.9	–1.7
	Portugal		EUR	7172*	6729*	8741*	6.6	–23.0	5.1	–23.5
	Austria		EUR	5797*	6109	6726	–5.1	–9.2	–7.0	–10.0
	Russia		RUB	331537	215740	129715	53.7	66.3	48.2	55.4
	Poland		PLN	19027+	18394	22093	3.4	–16.7	1.4	–16.2
	Czech Republic		CZK	57231	59240	62415	–3.4	–5.1	–5.7	–5.7
	Liechtenstein		CHF	2380	2310	2275	3.0	1.5	2.5	2.0
	Greece		EUR	1756*	1781	1679	–1.4	6.1	–2.5	7.0
	Turkey		TRY	6767	4963	3700	36.3	34.1	22.7	24.5
	Hungary		HUF	458334+	436986	439404	4.9	–0.6	2.5	–1.0
	Malta		EUR	1366*	1265*	1275	8.0	–0.8	6.7	–1.7
	Slovakia		EUR	846	712	883	18.8	–19.4	17.3	–18.9
	Slovenia		EUR	654	576	566	13.5	1.8	11.9	1.8
	Romania		RON	2090*	1592	1533	31.3	3.9	29.6	5.5
	Croatia		HRK	2940	2918	2919	0.7	0.0	–0.4	1.1
	Cyprus		EUR	348+	323	281	7.8	15.0	7.0	16.4
	Bulgaria		BGN	370+	362	330	2.3	9.6	0.3	10.5
	Serbia		RSD	21385	21837	18156	–2.1	20.3	–5.0	18.9
	Ukraine		UAH	2914	2756	2187	5.7	26.0	–7.0	10.7
	Total								**–1.6**	**–1.0**
Asia	PR China		CNY	2145557+	1744222	1324152	23.0	31.7	21.1	29.1
	Japan	13	JPY	34188000*	36201080	40637070	–5.6	–10.9	–6.1	–10.9
	South Korea	13	KRW	113973500*	119811300	117213700	–4.9	2.2	–6.5	0.9
	Taiwan		TWD	3001760	2731353	2540987	9.9	7.5	9.2	6.0
	India	13	INR	4709369*	4184766	3669432	12.5	14.0	8.0	9.1
	Hong Kong		HKD	388123+	358582	290870	8.2	23.3	6.7	20.4
	Singapore		SGD	29720*	24251	22440	22.6	8.1	21.8	8.6
	Indonesia		IDR	258374400+	196384600	161652400	31.6	21.5	26.7	17.3
	Thailand		THB	554952+	532745	504508	4.2	5.6	3.5	5.4
	Malaysia	13	MYR	44937*	41594	39024	8.0	6.6	4.6	4.2
	Israel		ILS	33722+	30670	29417	10.0	4.3	9.7	4.8
	Philippines		PHP	195797*	176770	183670	10.8	–3.8	7.7	–4.9
	United Arab Emirates	12	AED	11507*	10926*	9489	5.3	15.1	3.3	13.3
	Vietnam		VND	65050000*	50497000	38271000	28.8	31.9	24.4	28.5
	Pakistan		PKR	190875	180000	161940	6.0	11.2	1.9	7.1
	Iran	14	IRR	43245520*	37961000	27869000	13.9	36.2	3.0	24.9
	Bangladesh		BDT	78436*	78436*	73305	0.0	7.0	–5.5	1.4
	Macao		MOP	na.	na.	na.	na.	na.	na.	na.
	Lebanon		LBP	760690*	727844	692683	4.5	5.1	0.0	5.9
	Sri Lanka		LKR	na.	63715*	53575	na.	18.9	na.	14.4
	Saudi Arabia		SAR	1061*	1051	1036	1.0	1.5	1.9	–0.5
	Kazakhstan		KZT	66199	55735	55040	18.8	1.3	10.5	–11.6
	Oman		OMR	62*	63	49	–2.1	28.4	–3.7	27.0
	Kuwait		KWD	47*	45*	46	2.6	–0.7	1.0	–3.6
	Bahrain		BHD	52*	52	55	1.2	–6.2	–0.2	–8.7
	Jordan		JOD	77*	71	61	9.0	15.6	5.5	16.5
	Total								**5.6**	**5.5**
Africa	South Africa		ZAR	509891*	485611	468595	5.0	3.6	–0.3	–2.5
	Morocco		MAD	14834*	14294	10561	3.8	35.4	3.1	33.2
	Kenya		KES	83491	73519	62065	13.6	18.5	5.1	11.4
	Egypt	15	EGP	11279*	8325	7339	35.5	13.4	9.7	2.9
	Namibia		NAD	9135*	7704	7350	18.6	4.8	11.7	–1.8
	Nigeria		NGN	88625*	95045+	90952	–6.8	4.5	–20.0	–9.7
	Tunisia		TND	na.	376	302	na.	24.6	na.	20.2
	Algeria		DZD	12925	11533	10583	12.1	9.0	6.0	2.4
	Angola		AOA	na.*	2000*	1900*	na.	5.3	na.	–21.9
	Total								**0.3**	**–1.0**
Oceania	Australia	20	AUD	41965	50713	58140	–17.3	–12.8	–18.8	–13.9
	New Zealand	16	NZD	2462*	2362	2259	4.2	4.6	2.3	3.9
	Total								**–17.9**	**–13.3**
World	**World**								**0.5**	**1.4**

Table V
Life premium volume in USD in 2017

	Ranking	Country		Premium volume (in millions of USD) 2017	2016	Change (in %) 2017 nominal (in USD)	inflation-adjusted	Share of total business 2017 (in %)	Share of world market 2017 (in %)
North America	1	United States	10	546 800 *	557 604	–1.9	–4.0	39.7	20.58
	12	Canada	11	51 592 *	48 947	5.4	1.6	43.2	1.94
		Total		**598 392**	**606 551**	**–1.3**	**–3.5**	**40.0**	**22.52**
Latin America and Caribbean	14	Brazil		46 874	41 005	14.3	1.2	56.3	1.76
	28	Mexico		11 844 *	11 189	5.8	1.0	46.8	0.45
	32	Chile		8 394 *	7 775	8.0	0.8	63.1	0.32
	40	Colombia		2 802	2 459	14.0	5.6	31.5	0.11
	41	Argentina	19	2 476	2 347	5.5	–6.3	15.1	0.09
	49	Peru		1 642	1 515	8.4	1.7	47.3	0.06
	60	Uruguay		665	488	36.4	22.1	42.2	0.03
	62	Trinidad and Tobago		515	580	–11.2	–14.1	48.5	0.02
	66	Ecuador		431	347	24.4	23.9	21.1	0.02
	68	Panama		371	342	8.5	7.5	25.7	0.01
	69	Jamaica		290 **	280 **	3.5	na.	39.6	0.01
	72	Bahamas		230 **	224	2.9	na.	29.5	0.01
	76	Costa Rica		198	189	4.4	7.4	14.8	0.01
	77	Guatemala		194	167	16.1	7.0	20.8	0.01
	78	Dominican Republic		179	162	10.5	10.1	17.2	0.01
	86	Venezuela		40 *	100	–59.6	–68.1	2.3	0.00
	87	Cayman Islands		30 **	29	3.9	na.	4.0	0.00
		Other countries		1 025	1 012			27.1	0.04
		Total		**78 201**	**70 209**	**11.4**	**1.1**	**46.6**	**2.94**
Europe	4	United Kingdom		189 833 *	195 637	–3.0	–0.7	67.0	7.14
	5	France		153 520 **	152 909	0.4	–2.7	63.5	5.78
	6	Italy		113 947 *	119 202	–4.4	–7.5	73.3	4.29
	9	Germany		96 973 *	95 084	2.0	–1.8	43.5	3.65
	11	Ireland		55 680 *	51 233	8.7	na.	86.6	2.10
	16	Spain		33 216 +	34 453	–3.6	–7.4	47.1	1.25
	18	Switzerland		29 944 +	31 130	–3.8	–4.4	51.7	1.13
	19	Sweden		26 836	24 280	10.5	8.4	73.4	1.01
	20	Luxembourg		26 549 *	23 700	12.0	7.7	87.7	1.00
	21	Denmark		24 200 *	22 741	6.4	3.2	73.0	0.91
	23	Finland		21 370 *	19 922	7.3	4.3	81.7	0.80
	25	Belgium		17 650 *	16 497	7.0	2.6	50.9	0.66
	27	Netherlands		15 610 *	16 120	–3.2	–6.4	19.8	0.59
	29	Norway		11 289 *	11 001	2.6	–0.9	57.0	0.42
	33	Portugal		8 101 *	7 446 *	8.8	5.1	61.2	0.30
	34	Austria		6 549 *	6 760	–3.1	–7.0	34.0	0.25
	35	Russia		5 683	3 217	76.6	48.2	26.0	0.21
	36	Poland		5 036 +	4 661	8.0	1.4	31.5	0.19
	42	Czech Republic		2 448	2 424	1.0	–5.7	38.0	0.09
	43	Liechtenstein		2 417 **	2 345 **	3.1	2.5	46.9	0.09
	44	Greece		1 984 *	1 971	0.7	–2.5	45.0	0.07
	45	Turkey		1 855	1 643	12.9	22.7	15.4	0.07
	48	Hungary		1 670 +	1 552	7.6	2.5	49.0	0.06
	50	Malta		1 544 *	1 400 *	10.3	6.7	32.9	0.06
	54	Slovakia		956 **	788	21.3	17.3	39.6	0.04
	57	Slovenia		738	638	15.8	11.9	30.0	0.03
	61	Romania		516 *	392	31.5	29.6	20.9	0.02
	65	Croatia		444	429	3.5	–0.4	32.5	0.02
	67	Cyprus		394 +	358	10.0	7.0	42.8	0.01
	73	Bulgaria		213 +	205	4.3	0.3	17.3	0.01
	75	Serbia		198	196	1.1	–5.0	23.0	0.01
	84	Ukraine		110	108	1.6	–7.0	6.7	0.00
		Other countries		553	515			16.0	0.02
		Total		**858 025**	**850 956**	**0.8**	**–1.6**	**58.0**	**32.29**
Asia	2	PR China		317 570 +	262 616	20.9	21.1	58.7	11.95
	3	Japan	13	307 232 *	334 161	–8.1	–6.1	72.8	11.56
	7	South Korea	13	102 839 *	104 284	–1.4	–6.5	56.7	3.87
	8	Taiwan		98 602	84 496	16.7	9.2	83.9	3.71
	10	India	13	73 240 *	62 375	17.4	8.0	74.7	2.76
	13	Hong Kong		49 808 +	46 197	7.8	6.7	81.3	1.87
	22	Singapore		21 522 *	17 554	22.6	21.8	74.6	0.81
	24	Indonesia		19 312 +	14 762	30.8	26.7	80.6	0.73
	26	Thailand		16 352 +	15 093	8.3	3.5	68.0	0.62
	30	Malaysia	13	10 739 *	9 881	8.7	4.6	69.7	0.40
	31	Israel		9 368 +	7 986	17.3	9.7	53.8	0.35
	37	Philippines		3 885 *	3 722	4.4	7.7	69.3	0.15
	38	United Arab Emirates	12	3 133 *	2 975 *	5.3	3.3	23.2	0.12
	39	Vietnam		2 865 *	2 259	26.8	24.4	61.6	0.11
	46	Pakistan		1 810 **	1 718	5.3	1.9	69.7	0.07
	52	Iran	14	1 274 *	1 207	5.5	3.0	13.9	0.05
	53	Bangladesh		974 *	1 000 *	–2.5	–5.5	72.4	0.04
	58	Macao		734 **	675 **	8.8	na.	76.1	0.03
	63	Lebanon		505 *	483	4.5	0.0	30.9	0.02
	64	Sri Lanka		458 **	438 *	4.5	na.	46.4	0.02
	70	Saudi Arabia		283 *	280	1.0	1.9	2.9	0.01
	74	Kazakhstan		203	163	24.7	10.5	19.9	0.01
	80	Oman		161 *	164	–2.1	–3.7	13.3	0.01
	81	Kuwait		153 *	150 *	2.1	1.0	18.7	0.01
	82	Bahrain		139 *	137	1.2	–0.2	18.2	0.01
	85	Jordan		108 *	99	9.0	5.5	12.7	0.00
		Other countries		423	431			9.0	0.02
		Total		**1 043 690**	**975 306**	**7.0**	**5.6**	**65.6**	**39.28**
Africa	15	South Africa		38 286 *	33 008	16.0	–0.3	80.1	1.44
	51	Morocco		1 523 *	1 457	4.5	3.1	41.0	0.06
	55	Kenya		807 **	724	11.5	5.1	40.4	0.03
	56	Egypt	15	761 *	1 020	–25.4	9.7	48.0	0.03
	59	Namibia		686 *	524	31.0	11.7	71.1	0.03
	71	Nigeria		274 *	375 +	–26.9	–20.0	30.4	0.01
	79	Tunisia		166 **	175	–5.1	na.	20.4	0.01
	83	Algeria		117 **	105	10.8	6.0	9.6	0.00
	88	Angola		15 *	12 *	26.4	na.	2.0	0.00
	88	Other countries		2 262	2 064			32.7	0.09
		Total		**44 899**	**39 465**	**13.8**	**0.3**	**67.3**	**1.69**
Oceania	17	Australia	20	32 169	37 706	–14.7	–18.8	40.2	1.21
	47	New Zealand	16	1 749 *	1 645	6.3	2.3	17.2	0.07
		Other countries		146	134			41.8	0.01
		Total		**34 063**	**39 484**	**–13.7**	**–17.9**	**37.6**	**1.28**
World		**World**		**2 657 270**	**2 581 972**	**2.9**	**0.5**	**54.3**	**100.00**

Table VI
Non-life insurance premium volume in local currency in 2017

	Country		Currency	2017	Premium volume (in millions of local currency) 2016	2015	Change (in %) nominal 2017	2016	Change (in %) inflation-adjusted 2017	2016
North America	United States	10	USD	830315 *	792378	763754	4.8	3.7	2.6	2.4
	Canada	11	CAD	88166 *	85344	82881	3.3	3.0	1.7	1.5
	Total								**2.5**	**2.4**
Latin America and Caribbean	Brazil		BRL	116316 *	110632	106037	5.1	4.3	1.6	–4.1
	Argentina	19	ARS	231205	176363	128679	31.1	37.1	3.9	–3.1
	Mexico		MXN	254305 *	237632	214757	7.0	10.7	0.9	7.6
	Colombia		COP	17969420	16340390	15149790	10.0	7.9	5.4	0.3
	Chile		CLP	3179409 *	3037728	2867135	4.7	5.9	1.9	2.8
	Peru		PEN	5972	6143	6126	–2.8	0.3	–5.6	–3.2
	Venezuela		VEF	3740266 *	851055	318416	339.5	167.3	–68.1	–42.1
	Ecuador		USD	1614	1271	1878	27.0	–32.3	26.5	–33.4
	Costa Rica		CRC	638146	552835	491878	15.4	12.4	13.6	12.4
	Panama		PAB	1072	1017	1037	5.5	–2.0	4.6	–2.7
	Uruguay		UYU	26132	23824	22807	9.7	4.5	3.3	–4.7
	Dominican Republic		DOP	40875	33136	29315	23.4	13.0	19.4	11.2
	Guatemala		GTQ	5384	5042	4790	6.8	5.3	2.5	0.8
	Cayman Islands		KYD	na.	574	602	na.	–4.7	na.	–5.9
	Bahamas		BSD	na.	534	574	na.	–6.9	na.	–7.6
	Trinidad and Tobago		TTD	3690	3758	4058	–1.8	–7.4	–6.2	–10.1
	Jamaica		JMD	na.	na.	51299	na.	na.	na.	na.
	Total								**–0.9**	**–6.0**
Europe	Germany		EUR	111545 +	108184	106451	3.1	1.6	1.3	1.1
	United Kingdom		GBP	72537 *	70274	72312	3.2	–2.8	0.5	–3.4
	France		EUR	77975 *	76372	75527	2.1	1.1	1.1	0.9
	Netherlands		EUR	56128 *	55625	57152	0.9	–2.7	–0.5	–3.0
	Italy		EUR	36792 *	36532	36921	0.7	–1.1	–0.5	–1.0
	Spain		EUR	33047 +	31774	29481	4.0	7.8	2.0	8.0
	Switzerland		CHF	27532 +	27073	26521	1.7	2.1	1.2	2.5
	Belgium		EUR	15102 *	14850	14654	1.7	1.3	–0.4	–0.6
	Russia		RUB	946048	964891	894105	–2.0	7.9	–5.4	0.8
	Austria		EUR	11266	10897	10678	3.4	2.1	1.3	1.1
	Poland		PLN	41313 +	35696	31560	15.7	13.1	13.5	13.8
	Turkey		TRY	37212	34533	26586	7.8	29.9	–3.0	20.5
	Sweden		SEK	83244	80051	77398	4.0	3.4	2.2	2.4
	Denmark		DKK	59018 *	57757	56177	2.2	2.8	1.0	2.6
	Ireland		EUR	7650 *	7286 *	6939 *	5.0	5.0	4.7	5.2
	Norway		NOK	70294	69843	68208	0.6	2.4	–1.2	–1.1
	Portugal		EUR	4552 *	4252 *	4049 *	7.1	5.0	5.6	4.4
	Finland		EUR	4239 +	4331	4339	–2.1	–0.2	–2.9	–0.5
	Czech Republic		CZK	93257	87625	91034	6.4	–3.7	3.9	–4.4
	Luxembourg		EUR	3305 *	3325	3201	–0.6	3.9	–2.7	3.8
	Malta		EUR	2786 *	2579 *	2569	8.0	0.4	6.7	–0.5
	Liechtenstein		CHF	2690	1200	1007	124.2	19.2	123.0	19.7
	Greece		EUR	2150 *	2109	2046	1.9	3.1	0.8	4.0
	Romania		RON	7908 *	7795	7002	1.4	11.3	0.1	13.1
	Hungary		HUF	477872 +	438079	388651	9.1	12.7	6.6	12.3
	Slovenia		EUR	1526	1457	1409	4.7	3.4	3.2	3.5
	Ukraine		UAH	40518	32414	27549	25.0	17.7	9.9	3.3
	Slovakia		EUR	1288	1191	1098	8.1	8.5	6.7	9.1
	Bulgaria		BGN	1774 +	1643	1565	8.0	5.0	5.8	5.9
	Croatia		HRK	6116	5843	5790	4.7	0.9	3.5	2.1
	Serbia		RSD	71709 +	67301	62770	6.5	7.2	3.3	6.0
	Cyprus		EUR	466 +	442	425	5.4	4.0	4.7	5.3
	Total								**1.1**	**0.8**
Asia	PR China		CNY	1512544 +	1351689	1104100	11.9	22.4	10.2	20.0
	Japan	13	JPY	12776650 *	12704530	12546950	0.6	1.3	0.0	1.3
	South Korea	13	KRW	86864370 *	83439040	79229310	4.1	5.3	2.3	4.0
	India	13	INR	1592311 *	1309700	993330	21.6	31.8	16.7	26.2
	Taiwan		TWD	574550	547966	521809	4.9	5.0	4.2	3.6
	Hong Kong		HKD	89434 +	82502	72052	8.4	14.5	6.8	11.8
	United Arab Emirates	12	AED	38148 *	32956 *	27465	15.8	20.0	13.5	18.1
	Saudi Arabia	14	SAR	35377 *	35804	35461	–1.2	1.0	–0.3	–1.0
	Israel		ILS	29009 +	27483	25452	5.6	8.0	5.3	8.6
	Iran	14	IRR	268009000	242215000	200570000	10.6	20.8	0.0	10.8
	Thailand		THB	261662 *	247319	242281	5.8	2.1	5.1	1.9
	Singapore		SGD	10093 *	9948	9708	1.5	2.5	0.9	3.0
	Malaysia	13	MYR	19526 *	19654	19389	–0.7	1.4	–3.8	–0.9
	Indonesia		IDR	62197710 +	57785790	56704720	7.6	1.9	3.7	–1.6
	Vietnam		VND	40561000 *	36865000	31892000	10.0	15.6	6.3	12.6
	Philippines		PHP	86588 *	76531	68807	13.1	11.2	10.0	9.8
	Lebanon		LBP	1702826 *	1640842	1606977	3.8	2.1	–0.7	2.9
	Oman		OMR	405 *	348	358	16.3	–2.6	14.4	–3.7
	Kazakhstan		KZT	265813	267441	208269	–0.6	28.4	–7.5	12.1
	Pakistan		PKR	83076 *	78281	71340	6.1	9.7	2.0	5.8
	Jordan		JOD	529 *	512	491	3.3	4.4	0.0	5.2
	Kuwait		KWD	203 *	196 *	200	3.6	–2.0	2.0	–4.8
	Bahrain		BHD	234 *	220	218	6.2	1.2	4.8	–1.5
	Sri Lanka		LKR	na.	73743 *	65798	na.	12.1	na.	7.8
	Bangladesh		BDT	29862 *	27909 *	26083	7.0	7.0	1.1	1.4
	Macao		MOP	na.	na.	na.	na.	na.	na.	na.
	Total								**5.8**	**10.6**
Africa	South Africa		ZAR	126653 *	118747	111424	6.7	6.6	1.3	0.2
	Morocco		MAD	21380 *	20626	19651	3.7	5.0	3.0	3.3
	Kenya		KES	123275	121711	110475	1.3	10.2	–6.2	3.6
	Algeria		DZD	121625	119440	118102	1.8	1.1	–3.7	–4.9
	Egypt	15	EGP	12229 *	9009	8118	35.7	11.0	9.9	0.7
	Angola		AOA	na. *	99000 *	95000 *	na.	4.2	na.	–22.7
	Tunisia		TND	na.	1465	1361	na.	7.7	na.	3.8
	Nigeria		NGN	202959 *	184508 +	186604	10.0	–1.1	–5.6	–14.5
	Namibia		NAD	3709 *	3522	3493	5.3	0.8	–0.8	–5.5
	Total								**1.0**	**–1.1**
Oceania	Australia	20	AUD	62478	59805	57701	4.5	3.6	2.5	2.3
	New Zealand	16	NZD	11875 *	11247	11445	5.6	–1.7	3.7	–2.4
	Total								**2.6**	**1.6**
World	**World**								**2.8**	**3.3**

Table VII
Non-life premium volume in USD in 2017

	Ranking	Country		Premium volume (in millions of USD) 2017	2016	Change (in %) 2017 nominal (in USD)	inflation-adjusted [17]	Share of total business 2017 (in %)	Share of world market 2017 (in %)
North America	1	United States	10	830 315 *	792 378	4.8	2.6	60.3	37.16
	8	Canada	11	67 927 *	64 381	5.5	1.7	56.8	3.04
		Total		**898 242**	**856 759**	**4.8**	**2.5**	**60.0**	**40.20**
Latin America and Caribbean	13	Brazil		36 441 *	31 749	14.8	1.6	43.7	1.63
	19	Argentina (19)	19	13 959	11 943	16.9	3.9	84.9	0.62
	20	Mexico		13 449 *	12 715	5.8	0.9	53.2	0.60
	37	Colombia		6 089	5 350	13.8	5.4	68.5	0.27
	39	Chile		4 900 *	4 487	9.2	1.9	36.9	0.22
	50	Peru		1 831	1 820	0.6	–5.6	52.7	0.08
	55	Venezuela		1 673 *	4 141	–59.6	–68.1	97.7	0.07
	56	Ecuador		1 614	1 271	27.0	26.5	78.9	0.07
	60	Costa Rica		1 134	1 027	10.4	13.6	85.2	0.05
	63	Panama		1 072	1 017	5.5	4.6	74.3	0.05
	67	Uruguay		911	790	15.4	3.3	57.8	0.04
	68	Dominican Republic		862	719	19.8	19.4	82.8	0.04
	74	Guatemala		738	663	11.2	2.5	79.2	0.03
	75	Cayman Islands		716 **	689	3.9	na.	96.0	0.03
	81	Bahamas		550 **	534	2.9	na.	70.5	0.02
	82	Trinidad and Tobago		547	564	–3.0	–6.2	51.5	0.02
	85	Jamaica		442 **	426 **	3.5	na.	60.4	0.02
		Other countries		2 759	2 645			72.9	0.12
		Total		**89 687**	**82 551**	**8.6**	**–0.9**	**53.4**	**4.01**
Europe	3	Germany		126 005 +	119 709	5.3	1.3	56.5	5.64
	5	United Kingdom		93 499 *	95 218	–1.8	0.5	33.0	4.18
	6	France		88 083 *	84 508	4.2	1.1	36.5	3.94
	9	Netherlands		63 404 *	61 550	3.0	–0.5	80.2	2.84
	11	Italy		41 562 *	40 424	2.8	–0.5	26.7	1.86
	12	Spain		37 331 +	35 158	6.2	2.0	52.9	1.67
	14	Switzerland		27 960 +	27 482	1.7	1.2	48.3	1.25
	17	Belgium		17 060 *	16 431	3.8	–0.4	49.1	0.76
	18	Russia		16 215	14 390	12.7	–5.4	74.0	0.73
	21	Austria		12 726 **	12 058	5.5	1.3	66.0	0.57
	23	Poland		10 934 +	9 046	20.9	13.5	68.5	0.49
	25	Turkey		10 200	11 429	–10.8	–3.0	84.6	0.46
	26	Sweden		9 744	9 353	4.2	2.2	26.6	0.44
	29	Denmark		8 941 *	8 579	4.2	1.0	27.0	0.40
	30	Ireland		8 626 *	8 062 *	7.0	4.7	13.4	0.39
	31	Norway		8 501	8 314	2.3	–1.2	43.0	0.38
	38	Portugal		5 142 *	4 705 *	9.3	5.6	38.8	0.23
	40	Finland		4 788 +	4 792	–0.1	–2.9	18.3	0.21
	43	Czech Republic		3 989	3 585	11.3	3.9	62.0	0.18
	44	Luxembourg		3 727 *	3 681	1.3	–2.7	12.3	0.17
	45	Malta		3 147 *	2 854 *	10.3	6.7	67.1	0.14
	46	Liechtenstein		2 732 **	1 218 **	124.3	123.0	53.1	0.12
	47	Greece		2 428 *	2 334	4.1	0.8	55.0	0.11
	49	Romania		1 951 *	1 920	1.6	0.1	79.1	0.09
	52	Hungary		1 741 +	1 556	11.9	6.6	51.0	0.08
	53	Slovenia		1 724	1 613	6.9	3.2	70.0	0.08
	57	Ukraine		1 523	1 269	20.1	9.9	93.3	0.07
	58	Slovakia		1 455	1 318	10.4	6.7	60.4	0.07
	65	Bulgaria		1 022 +	929	10.0	5.8	82.7	0.05
	66	Croatia		923	858	7.6	3.5	67.5	0.04
	77	Serbia		665 +	605	10.0	3.3	77.0	0.03
	84	Cyprus		526 +	489	7.6	4.7	57.2	0.02
		Other countries		2 895	2 426			84.0	0.13
		Total		**621 171**	**597 863**	**3.9**	**1.1**	**42.0**	**27.80**
Asia	2	PR China		223 876 +	203 515	10.0	10.2	41.3	10.02
	4	Japan	13	114 818 *	117 272	–2.1	0.0	27.2	5.14
	7	South Korea	13	78 378 *	72 625	7.9	2.3	43.3	3.51
	15	India	13	24 764 *	19 522	26.9	16.7	25.3	1.11
	16	Taiwan		18 873	16 952	11.3	4.2	16.1	0.84
	22	Hong Kong		11 477 +	10 629	8.0	6.8	18.7	0.51
	24	United Arab Emirates	12	10 388 *	8 974 *	15.8	13.5	76.8	0.46
	28	Saudi Arabia		9 434 *	9 548	–1.2	–0.3	97.1	0.42
	33	Israel		8 058 +	7 156	12.6	5.3	46.2	0.36
	34	Iran	14	7 893 **	7 700	2.5	0.0	86.1	0.35
	35	Thailand		7 710 *	7 007 **	10.0	5.1	32.0	0.35
	36	Singapore		7 309 *	7 200	1.5	0.9	25.4	0.33
	41	Malaysia	13	4 666 *	4 669	–0.1	–3.8	30.3	0.21
	42	Indonesia		4 649 +	4 344	7.0	3.7	19.4	0.21
	51	Vietnam		1 786 *	1 649	8.3	6.3	38.4	0.08
	54	Philippines		1 718 *	1 611	6.6	10.0	30.7	0.08
	61	Lebanon		1 130 *	1 088	3.8	–0.7	69.1	0.05
	64	Oman		1 053 *	906	16.3	14.4	86.7	0.05
	70	Kazakhstan		815	782	4.3	–7.5	80.1	0.04
	71	Pakistan		788 *	747	5.4	2.0	30.3	0.04
	73	Jordan		746 *	722	3.3	0.0	87.3	0.03
	76	Kuwait		668 *	647 *	3.2	2.0	81.3	0.03
	80	Bahrain		623 *	586	6.2	4.8	81.8	0.03
	83	Sri Lanka		530 **	507 *	4.5	na.	53.6	0.02
	86	Bangladesh		371 *	356 *	4.3	1.1	27.6	0.02
	88	Macao		230 **	212 **	8.8	na.	23.9	0.01
		Other countries		4 248	4 344			90.9	0.19
		Total		**546 998**	**511 268**	**7.0**	**5.8**	**34.4**	**24.48**
Africa	27	South Africa		9 510 *	8 072	17.8	1.3	19.9	0.43
	48	Morocco		2 195 *	2 103	4.4	3.0	59.0	0.10
	59	Kenya		1 192 **	1 199	–0.6	–6.2	59.6	0.05
	62	Algeria		1 099	1 091	0.7	–3.7	90.4	0.05
	69	Egypt	15	826 *	1 104	–25.2	9.9	52.0	0.04
	72	Angola		764 *	605 *	26.4	na.	98.0	0.03
	78	Tunisia		647 **	682	–5.1	na.	79.6	0.03
	79	Nigeria		628 *	728 +	–13.7	–5.6	69.6	0.03
	87	Namibia		279 *	239	16.3	–0.8	28.9	0.01
		Other countries		4 653	4 119			67.3	0.21
		Total		**21 792**	**19 943**	**9.3**	**1.0**	**32.7**	**0.98**
Oceania	10	Australia	20	47 893	44 465	7.7	2.5	59.8	2.14
	32	New Zealand	16	8 437 *	7 832	7.7	3.7	82.8	0.38
		Other countries		203	186			58.2	0.01
		Total		**56 533**	**52 484**	**7.7**	**2.6**	**62.4**	**2.53**
World		**World**		**2 234 424**	**2 120 869**	**5.4**	**2.8**	**45.7**	**100.00**

Table VIII
Insurance density: premiums (1) per capita in USD in 2017

	Ranking	Country		Total business	Life business	Non-life business
North America	10	United States		4 216 *	1 674 *	2 542 *
	18	Canada		3 260 *	1 407 *	1 853 *
		Total		**4 120**	**1 647**	**2 473**
Latin America and Caribbean	1	Cayman Islands		12 122 **	490 **	11 632 **
	26	Bahamas		1 976 **	583 **	1 393 **
	35	Trinidad and Tobago		777	377	400
	37	Chile		736 *	464 *	271 *
	41	Uruguay		456	192	264
	45	Brazil		398 *	224	174 *
	48	Argentina		371	56	315
	49	Panama		352	91	262
	55	Costa Rica		272	40	231
	57	Jamaica		253 **	100 **	153 **
	59	Mexico		196 *	92 *	104 *
	60	Colombia		181	57	124
	66	Ecuador		123	26	97
	68	Peru		108	51	57
	70	Dominican Republic		97	17	80
	76	Guatemala		55	11	44
	77	Venezuela		54 *	1 *	52 *
		Total		**262**	**122**	**140**
Europe	3	Switzerland		6 811 +	3 522 +	3 289 +
	4	Denmark		5 772 *	4 215 *	1 557 *
	5	Luxembourg	1	5 011 *	3 091 *	1 920 *
	8	Finland		4 737 *	3 870 *	867 +
	9	Ireland	1	4 687 *	3 880 *	807 *
	10	Netherlands		4 631 *	915 *	3 716 *
	12	United Kingdom	1	3 810 *	2 873 *	938 *
	13	Sweden		3 672	2 694	978
	15	France	1	3 446 **	2 222 **	1 224 *
	16	Norway	1	3 429 *	2 134 *	1 296
	20	Germany	1	2 687 *	1 169 *	1 519 +
	21	Italy	1	2 660 *	1 977 *	683 *
	22	Belgium	1	2 655 *	1 546 *	1 110 *
	23	Austria		2 217 **	753 *	1 464 **
	28	Spain		1 519 +	715 +	804 +
	30	Portugal		1 271 *	778 *	493 *
	31	Malta		1 251 *	887 *	364 *
	32	Slovenia		1 184	355	829
	33	Cyprus		1 042 +	446 +	596 +
	36	Liechtenstein		746 **	709 **	36 **
	38	Czech Republic		609	232	377
	42	Slovakia		444 **	176 **	268
	43	Poland		421 +	133 +	288 +
	44	Greece		411 *	185 *	226 *
	51	Hungary		348 +	170 +	178 +
	52	Croatia		333	108	225
	61	Bulgaria		175 +	30 +	145 +
	62	Russia		152	39	113
	63	Turkey		149	23	126
	64	Romania		125 *	26 *	99 *
	65	Serbia		123 +	28	95 +
	82	Ukraine		38	3	36
		Total		**1 651**	**965**	**686**
Asia	2	Hong Kong		8 313 +	6 756 +	1 557 +
	6	Taiwan		4 997	4 195	803
	7	Singapore	1	4 749 *	3 835 *	915 *
	14	South Korea	13	3 522 *	1 999 *	1 523 *
	17	Japan	13	3 312 *	2 411 *	901 *
	25	Israel		2 093 +	1 125 +	968 +
	27	Macao		1 552 **	1 181 **	371 **
	29	United Arab Emirates	12	1 436 *	333 *	1 103 *
	39	Bahrain		577 *	105 *	471 *
	40	Malaysia	13	486 *	339 *	147 *
	46	PR China		384 +	225 +	159 +
	50	Thailand		348 *	237 +	112 *
	53	Saudi Arabia		296 *	9 *	287 *
	54	Lebanon		276 *	85 *	191 *
	56	Oman		265 *	35 *	230 *
	58	Kuwait		201 *	38 *	164 *
	67	Iran	14	113 **	16 *	97 **
	71	Indonesia		91 +	73 +	18 +
	72	Jordan		89 *	11 *	78 *
	73	India	13	73 *	55 *	18 *
	75	Kazakhstan		61	10	50
	78	Philippines		53 *	37 *	16 *
	79	Vietnam		49 *	30 *	19 *
	80	Sri Lanka		47 **	22 **	25 **
	86	Pakistan		13 **	9 **	4 *
	87	Bangladesh		8 *	6 *	2 *
		Total		**360**	**236**	**123**
Africa	34	South Africa		842 *	674 *	167 *
	47	Namibia		381 *	271 *	110 *
	69	Morocco		104 *	43 *	61 *
	74	Tunisia		71 **	14 **	56 **
	81	Kenya		40 **	16 **	24 **
	83	Algeria		29 **	3 **	27
	84	Angola		26 *	1 *	26 *
	85	Egypt	15	16 *	8 *	8 *
	88	Nigeria		5 *	1 *	3 *
		Total		**54**	**36**	**18**
Oceania	19	Australia		3 247	1 304	1 942
	24	New Zealand		2 209 *	379 *	1 829 *
		Total		**2 236**	**841**	**1 395**
World		**World**	**3**	**650**	**353**	**297**

Table IX
Insurance penetration: premiums (1) as a % of GDP in 2017

	Ranking	Country		Total business	Life business	Non-life business
North America	17	Canada	11	7.23 *	3.12 *	4.11 *
	18	United States	10	7.10 *	2.82 *	4.28 *
		Total		**7.11**	**2.84**	**4.27**
Latin America and Caribbean	2	Cayman Islands		19.61 **	0.79 **	18.82 **
	12	Bahamas		8.59 **	2.53 **	6.06 **
	27	Jamaica		5.10 **	2.02 **	3.08 **
	31	Chile		4.88 *	3.08 *	1.80 *
	39	Trinidad and Tobago		4.07	1.97	2.09
	40	Brazil		4.05 *	2.28	1.77 *
	46	Colombia		2.88	0.91	1.97
	48	Argentina		2.65	0.40	2.25
	50	Uruguay		2.56	1.08	1.48
	53	Panama		2.41	0.62	1.79
	56	Costa Rica		2.31	0.34	1.97
	60	Mexico		2.20 *	1.03 *	1.17 *
	66	Ecuador		2.03	0.43	1.60
	70	Peru		1.63	0.77	0.86
	75	Dominican Republic		1.38	0.24	1.14
	76	Venezuela		1.36 *	0.03 *	1.33 *
	78	Guatemala		1.21	0.25	0.96
		Total		**3.06**	**1.42**	**1.63**
Europe	6	Finland		10.65 *	8.70 *	1.95 +
	7	Denmark		10.21 *	7.46 *	2.75 *
	8	United Kingdom	1	9.58 *	7.22 *	2.36 *
	9	Netherlands		9.56 *	1.89 *	7.67 *
	10	France	1	8.95 **	5.77 **	3.18 *
	13	Switzerland		8.53 +	4.41 +	4.12 +
	14	Italy	1	8.34 *	6.20 *	2.14 *
	19	Sweden		6.79	4.98	1.81
	20	Ireland	1	6.79 *	5.62 *	1.17 *
	21	Belgium	1	6.09 *	3.55 *	2.55 *
	22	Germany	1	6.04 *	2.63 *	3.41 +
	23	Portugal		6.02 *	3.68 *	2.33 *
	25	Spain		5.37 +	2.53 +	2.84 +
	30	Slovenia		4.94	1.48	3.46
	33	Luxembourg	1	4.64 *	2.86 *	1.78 *
	34	Norway	1	4.64 *	2.89 *	1.75
	35	Austria		4.61 **	1.57 *	3.04 **
	37	Malta		4.44 *	3.15 *	1.29 *
	38	Cyprus		4.35 +	1.86 +	2.49 +
	45	Poland		3.04 +	0.96 +	2.08 +
	47	Czech Republic		2.85	1.08	1.76
	51	Croatia		2.52	0.82	1.70
	52	Hungary		2.50 +	1.22 +	1.28 +
	54	Slovakia		2.37 **	0.94 **	1.43
	59	Greece		2.20 *	0.99 *	1.21 *
	61	Bulgaria		2.18 +	0.38 +	1.80 +
	64	Serbia		2.07 +	0.48	1.59 +
	71	Ukraine		1.51	0.10	1.41
	72	Turkey		1.42	0.22	1.20
	74	Russia		1.40	0.36	1.04
	77	Romania		1.22 *	0.25 *	0.96 *
	87	Liechtenstein		0.43 **	0.41 **	0.02 **
		Total		**6.45**	**3.77**	**2.68**
Asia	1	Taiwan		21.32	17.89	3.42
	3	Hong Kong		17.94 +	14.58 +	3.36 +
	5	South Korea	13	11.57 *	6.56 *	5.00 *
	11	Japan	13	8.59 *	6.26 *	2.34 *
	15	Singapore	1	8.23 *	6.64 *	1.58 *
	26	Thailand		5.29 *	3.59 +	1.69 *
	29	Israel		4.97 +	2.67 +	2.30 +
	32	Malaysia	13	4.77 *	3.32 *	1.44 *
	36	PR China		4.57 +	2.68 +	1.89 +
	41	India	13	3.69 *	2.76 *	0.93 *
	42	United Arab Emirates	12	3.65 *	0.85 *	2.81 *
	44	Lebanon		3.15 *	0.97 *	2.18 *
	55	Indonesia		2.36 +	1.90 +	0.46 +
	57	Iran	14	2.23 **	0.31 *	1.92 **
	58	Bahrain		2.22 *	0.40 *	1.81 *
	62	Vietnam		2.10 *	1.29 *	0.81 *
	63	Jordan		2.09 *	0.27 *	1.82 *
	67	Macao		1.98 **	1.51 **	0.47 **
	68	Philippines		1.79 *	1.24 *	0.55 *
	69	Oman		1.74 *	0.23 *	1.51 *
	73	Saudi Arabia		1.42 *	0.04 *	1.38 *
	79	Sri Lanka		1.16 **	0.54 **	0.62 **
	80	Pakistan		0.86 **	0.60 **	0.26 *
	82	Kuwait		0.71 *	0.13 *	0.58 *
	83	Kazakhstan		0.69	0.12	0.57
	86	Bangladesh		0.55 *	0.40 *	0.15 *
		Total		**5.62**	**3.69**	**1.93**
Africa	4	South Africa		13.75 *	11.02 *	2.74 *
	16	Namibia		7.55 *	5.37 *	2.18 *
	43	Morocco		3.49 *	1.43 *	2.06 *
	49	Kenya		2.60 **	1.05 **	1.55 **
	65	Tunisia		2.04 **	0.42 **	1.62 **
	81	Algeria		0.72 **	0.07 **	0.65
	84	Egypt	15	0.68 *	0.33 *	0.35 *
	85	Angola		0.59 *	0.01 *	0.58 *
	88	Nigeria		0.25 *	0.08 *	0.17 *
		Total		**2.96**	**2.00**	**0.97**
Oceania	24	Australia		5.81	2.33	3.48
	28	New Zealand		5.08 *	0.87 *	4.21 *
		Total		**5.62**	**2.11**	**3.50**
World			3	**6.13**	**3.33**	**2.80**

Table X
Macroeconomic indicators in 2017

	Ranking by GDP	Country		Population (millions) 2017	USDbn 2017	Gross domestic product Real change (in%) 2017	2016	Inflation rate (in %) 2017	2016	Exchange rate local currency per USD 2017	2016	Change (in %)
North America	1	United States		327	19407	2.3	1.5	2.1	1.3	1.00	1.00	0.0
	10	Canada		37	1652	3.0	1.4	1.6	1.4	1.30	1.33	–2.1
		Total		**363**	**21059**	**2.3**	**1.5**					
Latin America and Caribbean	8	Brazil		209	2055	1.0	–3.5	3.5	8.8	3.19	3.48	–8.4
	15	Mexico		129	1152	2.3	2.7	6.0	2.8	18.91	18.69	1.2
	21	Argentina	19	44	620	2.7	–2.2	26.2	41.4	16.56	14.77	12.2
	40	Colombia		49	309	1.8	2.0	4.3	7.5	2951.33	3054.12	–3.4
	42	Chile		18	272	1.7	1.5	2.7	3.1	648.85	676.94	–4.1
	49	Peru		32	213	2.5	4.1	3.0	3.6	3.26	3.38	–3.4
	57	Venezuela		32	126	–8.7	–10.0	1277.1	361.7	2235.00	205.50	987.6
	62	Ecuador		17	101	1.9	–1.6	0.4	1.7	1.00	1.00	0.0
	65	Guatemala		17	77	2.8	3.1	4.2	4.4	7.30	7.60	–3.9
	66	Dominican Republic		11	75	4.6	6.6	3.3	1.6	47.44	46.08	2.9
	69	Uruguay		3	62	3.6	1.5	6.2	9.6	28.68	30.16	–4.9
	70	Panama		4	60	5.6	5.0	0.9	0.7	1.00	1.00	0.0
	71	Costa Rica		5	58	3.1	4.5	1.6	0.0	562.87	538.43	4.5
	81	Trinidad and Tobago		1	26	2.3	–2.7	4.7	3.1	6.75	6.66	1.2
	83	Jamaica		3	14	2.2	1.5	4.4	2.3	128.96	124.96	3.2
	86	Bahamas		0	9	1.4	0.0	2.4	0.8	1.00	1.00	0.0
	88	Cayman Islands		0	4	2.1	2.7	–2.6	1.3	0.83	0.83	0.0
		Total	**18**	**636.6**	**5134.6**	**–1.0**	**–0.2**					
Europe	4	Germany		83	3691	2.5	1.9	1.7	0.5	0.89	0.90	–2.0
	6	United Kingdom		66	2628	1.7	1.9	2.7	0.6	0.78	0.74	5.1
	7	France		67	2586	2.0	1.1	1.0	0.2	0.89	0.90	–2.0
	9	Italy		61	1941	1.5	1.0	1.2	–0.1	0.89	0.90	–2.0
	12	Russia		144	1562	1.6	–0.3	3.7	7.0	58.34	67.06	–13.0
	14	Spain		46	1315	3.0	3.3	2.0	–0.2	0.89	0.90	–2.0
	17	Turkey		81	848	6.9	3.3	11.1	7.8	3.65	3.02	20.7
	18	Netherlands		17	827	3.2	2.1	1.4	0.3	0.89	0.90	–2.0
	20	Switzerland		9	679	1.0	1.4	0.5	–0.4	0.98	0.99	0.0
	23	Sweden		10	538	2.7	3.0	1.8	1.0	8.54	8.56	–0.2
	24	Poland		38	526	4.5	2.9	2.0	–0.7	3.78	3.95	–4.2
	25	Belgium		11	496	1.7	1.5	2.1	2.0	0.89	0.90	–2.0
	27	Austria		9	418	3.1	1.5	2.1	0.9	0.89	0.90	–2.0
	29	Norway		5	391	1.9	1.0	1.9	3.6	8.27	8.40	–1.6
	35	Ireland		5	331	6.1	5.1	0.3	–0.2	0.89	0.90	–1.9
	36	Denmark		6	325	2.1	2.0	1.1	0.3	6.60	6.73	–2.0
	43	Finland		6	246	3.0	2.1	0.8	0.4	0.89	0.90	–2.0
	46	Czech Republic		11	226	4.5	2.5	2.4	0.7	23.38	24.44	–4.4
	48	Portugal		10	217	2.7	1.5	1.4	0.6	0.89	0.90	–2.0
	50	Romania		20	203	6.8	4.8	1.3	–1.6	4.05	4.06	–0.2
	51	Greece		11	201	1.4	–0.3	1.1	–0.8	0.89	0.90	–2.0
	55	Hungary		10	137	4.2	2.1	2.3	0.4	274.43	281.52	–2.5
	59	Ukraine		43	108	2.3	2.3	13.7	13.9	26.60	25.55	4.1
	61	Slovakia		5	101	3.4	3.3	1.3	–0.5	0.89	0.90	–2.0
	68	Luxembourg		1	63	3.3	3.1	2.1	0.0	0.89	0.90	–1.8
	72	Bulgaria		7	57	3.7	3.9	2.1	–0.8	1.74	1.77	–1.8
	73	Croatia		4	54	3.2	2.9	1.1	–1.1	6.62	6.81	–2.7
	75	Slovenia		2	50	5.4	3.3	1.4	–0.1	0.89	0.90	–2.0
	77	Serbia		7	42	1.9	2.8	3.1	1.1	107.76	111.28	–3.2
	82	Cyprus		1	21	3.7	2.8	0.7	–1.2	0.89	0.90	–2.0
	85	Malta		0	12	6.5	5.5	1.3	0.9	0.89	0.90	–2.0
	87	Liechtenstein		0	7	3.0	1.2	0.5	–0.4	0.98	0.99	0.0
		Total	**18**	**823**	**21087**	**2.6**	**1.8**					
Asia	2	PR China		1410	11856	6.9	6.7	1.5	2.0	6.76	6.64	1.7
	3	Japan		127	4911	1.7	0.9	0.6	–0.1	111.28	108.33	2.7
	5	India		1341	2655	6.6	7.1	4.2	4.5	64.30	67.09	–4.2
	11	South Korea		51	1567	3.1	2.8	1.7	1.3	1108.27	1148.90	–3.5
	16	Indonesia		264	1016	5.1	5.0	3.8	3.5	13379.30	13303.68	0.6
	19	Saudi Arabia		33	684	–0.7	1.7	–0.9	2.0	3.75	3.75	0.0
	22	Taiwan		24	551	2.8	1.5	0.6	1.4	30.44	32.33	–5.8
	26	Thailand		69	455	3.9	3.3	0.7	0.2	33.94	35.30	–3.8
	28	Iran		81	410	3.0	13.4	10.6	9.0	33955.67	31457.40	7.9
	30	United Arab Emirates		9	370	1.7	3.0	2.0	1.6	3.67	3.67	0.0
	32	Israel		8	351	3.3	4.0	0.2	–0.5	3.60	3.84	–6.3
	34	Hong Kong		7	342	3.8	2.1	1.5	2.4	7.79	7.76	0.4
	37	Singapore		6	324	3.6	2.4	0.6	–0.5	1.38	1.38	0.0
	38	Malaysia		32	323	5.9	4.2	3.3	2.3	4.18	4.21	–0.6
	39	Philippines		105	313	6.7	6.9	2.9	1.3	50.40	47.49	6.1
	41	Pakistan		197	302	5.3	4.5	4.1	3.8	105.45	104.76	0.7
	44	Bangladesh		165	245	7.3	7.1	5.8	5.5	80.50	78.47	2.6
	47	Vietnam		95	222	6.8	6.2	3.5	2.7	22705.25	22354.58	1.6
	54	Kazakhstan		18	161	3.8	0.9	7.4	14.6	326.00	342.16	–4.7
	58	Kuwait		4	116	–1.7	3.5	1.6	2.9	0.30	0.30	0.4
	63	Sri Lanka		21	85	4.4	4.4	6.6	4.0	153.53	145.58	5.5
	67	Oman		5	70	0.2	5.4	1.6	1.1	0.38	0.38	0.0
	74	Lebanon		6	52	1.8	2.0	4.5	–0.8	1507.50	1507.50	0.0
	76	Macao		1	49	9.1	–0.9	1.2	2.4	8.03	8.00	0.4
	78	Jordan		10	41	2.2	2.0	3.3	–0.8	0.71	0.71	0.0
	80	Bahrain		1	34	3.0	3.2	1.4	2.8	0.38	0.38	0.0
		Total	**18**	**4419**	**28251**	**4.8**	**4.8**					
Africa	31	Nigeria		191	366	0.9	–1.6	16.5	15.7	323.20	253.49	27.5
	33	South Africa		57	348	1.3	0.6	5.3	6.3	13.32	14.71	–9.5
	45	Egypt		97	234	4.2	4.3	23.5	10.2	14.81	8.16	81.5
	53	Algeria		41	168	2.3	3.3	5.7	6.4	110.70	109.44	1.2
	56	Angola		30	132	0.9	–3.8	32.2	34.7	165.06	163.66	0.9
	60	Morocco		36	107	4.1	1.1	0.7	1.6	9.74	9.81	–0.7
	64	Kenya		50	77	4.6	5.8	8.0	6.3	103.41	101.50	1.9
	79	Tunisia		12	40	2.0	1.2	5.3	3.7	2.43	2.15	13.1
	84	Namibia		3	13	–0.6	1.1	6.2	6.7	13.32	14.71	–9.5
		Total	**18**	**1241**	**2250**	**3.8**	**1.7**					
Oceania	13	Australia		25	1378	2.3	2.6	1.9	1.3	1.30	1.34	–3.0
	52	New Zealand		5	200	2.8	4.1	1.9	0.7	1.41	1.44	–2.0
		Total	**18**	**41**	**1613**	**2.4**	**2.8**					
World		**World**		**7527**	**79752**	**3.3**	**2.6**					

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