FUNDACIÓN MAPFRE

RANKING OF INSURANCE GROUPS

IN LATIN AMERICA IN 2010

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1. Presentation

For the ninth straight year, FUNDACIÓN MAPFRE presents its ranking of the 25 largest insurance groups in Latin America by premium volume, this time for 2010. Three rankings have been compiled – Overall, Life and Non-Life – and separate information is included on local and multinational insurers.

- ### Overall Ranking

Ranking of insurance groups in Latin America in 2010
OVERALL

Ranking 2010	Groups	Country	Premiums (millions of euros) 2009	Premiums (millions of euros) 2010	%Δ	Market share 2010 (%)	Ranking 2009
1	BRADESCO SEGUROS	Brazil	5,834	8,014	37.3	8.9	**1**
2	MAPFRE[1]	Spain	4,284	6,705	56.5	7.4	**3**
3	ITAÚ/UNIBANCO HOLDING	Brazil	4,741	5,351	12.9	5.9	**2**
4	METLIFE[2]	United States	2,527	3,575	41.5	4.0	**4**
5	BRASILPREV[3]	Brazil	1,528	3,258	113.1	3.6	**-**
6	SANTANDER	Spain	2,311	3,239	40.2	3.6	**7**
7	PORTO SEGURO	Brazil	1,858	3,090	66.3	3.4	**8**
8	LIBERTY MUTUAL	United States	2,317	2,351	1.4	2.6	**6**
9	CNP	France	1,527	2,085	36.5	2.3	**9**
10	ALLIANZ	Germany	1,267	1,712	35.1	1.9	**16**
11	GRUPO NACIONAL PROVINCIAL	Mexico	1,417	1,657	17.0	1.8	**11**
12	AXA	France	1,393	1,589	14.1	1.8	**13**
13	MCS	United States	1,112	1,541	38.6	1.7	**21**
14	TRIPLE-S	Puerto Rico	1,411	1,513	7.2	1.7	**12**
15	HSBC	Reino Unido	1,216	1,504	23.7	1.7	**17**
16	ZURICH	Switzerland	1,328	1,500	12.9	1.7	**14**
17	SUL AMÉRICA	Brazil	1,489	1,338	-10.1	1.5	**10**
18	GENERALI	Italy	1,146	1,309	14.3	1.4	**19**
19	BBVA	Spain	1,278	1,188	-7.0	1.3	**15**
20	SURAMERICANA	Colombia	805	1,116	38.6	1.2	**24**
21	MMM HEALTHCARE	United States	947	1,007	6.3	1.1	**22**
22	AIG	United States	1,213	994	-18.1	1.1	**18**
23	ACE	United States	656	882	34.4	1.0	**26**
24	RSA	United Kingdom	629	830	31.9	0.9	**28**
25	INBURSA	Mexico	1,143	781	-31.6	0.9	**24**

Total for top 10		**28,196**	**39,380**	**39.7**	**43.6**
Total for top 25		**45,379**	**58,131**	**28.1**	**64.4**
Total for sector		**75,769**	**90,316**	**19.2**	**100**

[1] Includes BrasilVeículos and Aliança do Brasil

[2] Includes the companies of ALICO

[3] Stakes held by do Brasil and Principal; in earlier rankings its premiums were included under Banco do Brasil.

o Non-Life Ranking

Ranking of insurance groups in Latin America in 2010 NON-LIFE							
Ranking 2010	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2010 (%)	Ranking 2009
			2009	2010			
1	MAPFRE	Spain	3,371	4,969	47.4	10.5	1
2	PORTO SEGUROS	Brazil	1,752	2,944	68.0	6.2	3
3	LIBERTY MUTUAL	United States	2,238	2,252	0.6	4.7	2
4	BRADESCO	Brazil	1,435	1,972	37.4	4.2	5
5	ITAÚ/UNIBANCO HOLDING	Brazil	1,728	1,611	-6.8	3.4	4
6	ALLIANZ	Germany	1,101	1,454	32.1	3.1	7
7	AXA	France	1,062	1,215	14.4	2.6	8
8	SUL AMÉRICA	Brazil	1,338	1,127	-15.8	2.4	6
9	GRUPO NACIONAL PROVINCIAL	Mexico	912	1,050	15.2	2.2	11
10	ZURICH	Switzerland	956	1,031	7.9	2.2	9
11	GENERALI	Italy	846	979	15.7	2.1	13
12	AIG[1]	United States	809	942	16.5	2.0	14
13	ACE	United States	553	746	34.9	1.6	18
14	TALANX	Germany	526	740	40.7	1.6	19
15	RSA	United Kingdom	609	705	15.7	1.5	17
16	MERCANTIL	Venezuela	912	692	-24.2	1.5	10
17	QUÁLITAS	Mexico	467	589	26.0	1.2	20
18	CNP ASSURANCES	France	405	563	38.9	1.2	22
19	INBURSA	Mexico	864	534	-38.2	1.1	12
20	SANTANDER	Spain	337	523	55.0	1.1	28
21	SANCOR	Argentina	415	495	19.1	1.0	21
22	BBVA	Spain	389	450	15.7	0.9	23
23	METLIFE	United States	293	428	46.4	0.9	31
24	CHUBB	United States	337	428	27.0	0.9	27
25	SURAMERICANA	Colombia	317	423	33.2	0.9	29

Total for top 10		**15,893**	**19,625**	**23.5**	**41.4**
Total for top 25		**23,973**	**28,859**	**20.4**	**60.8**
Total for sector		**42,889**	**47,460**	**10.7**	**100**

[1] Includes Chartis

o Life Ranking

Ranking 2010	Groups	Country	Premiums (millions of euros) 2009	Premiums (millions of euros) 2010	%Δ	Market share 2010 (%)	Ranking 2009
Ranking of insurance groups in Latin America in 2010 LIFE							
1	BRADESCO	Brazil	4,399	6,042	37.3	14.1	**1**
2	ITAÚ/UNIBANCO HOLDING	Brazil	3,013	3,741	24.2	8.7	**2**
3	BRASILPREV[1]	Brazil	1,528	3,258	113.1	7.6	**-**
4	METLIFE	United States	2,235	3,147	40.8	7.3	**3**
5	SANTANDER	Spain	1,974	2,717	37.6	6.3	**5**
6	MAPFRE	Spain	913	1,736	90.2	4.1	**10**
7	MCS	United States	1,112	1,541	38.6	3.6	**8**
8	CNP	France	1,122	1,523	35.7	3.6	**7**
9	TRIPLE-S	Puerto Rico	1,294	1,392	7.6	3.2	**6**
10	HSBC	United Kingdom	829	1,083	30.7	2.5	**12**
11	MMM HEALTHCARE	United States	947	1,007	6.3	2.4	**9**
12	BBVA	Spain	889	738	-17.0	1.7	**11**
13	SURAMERICANA	Colombia	488	693	42.2	1.6	**14**
14	GRUPO NACIONAL PROVINCIAL	Mexico	505	607	20.2	1.4	**13**
15	HUMANA	United States	483	591	22.3	1.4	**15**
16	NEW YORK LIFE	United States	473	549	16.0	1.3	**16**
17	BANAMEX	Mexico	375	531	41.6	1.2	**19**
18	ZURICH	Switzerland	372	469	25.9	1.1	**21**
19	FIRST MEDICAL HEALTH PLAN	United States	373	427	14.5	1.0	**20**
20	PMC MEDICARE CHOICE	Puerto Rico	386	387	0.1	0.9	**18**
21	AXA	France	331	374	13.0	0.9	**22**
22	CONSORCIO	Chile	242	340	40.7	0.8	**28**
23	GENERALI	Italy	300	330	10.3	0.8	**23**
24	CARDIF	France	285	318	11.6	0.7	**26**
25	ING	Netherlands	286	315	10.1	0.7	**25**

Total for top 10		**18,418**	**26,179**	**42.1**	**61.1**
Total for top 25		**25,154**	**33,856**	**34.6**	**79.0**
Total for sector		**32,880**	**42,856**	**30.3**	**100**

[1] Stakes held by Banco do Brasil and Principal; in earlier rankings its premiums were included under Banco do Brasil.

o Ranking of local and multinational groups

Ranking of local insurance groups in Latin America in 2010 OVERALL							
Ranking 2010	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2010 (%)	Ranking 2009
			2009	2010			
1	BRADESCO	Brazil	5,834	8,014	37.3	8.9	1
2	ITAÚ/UNIBANCO HOLDING	Brazil	4,741	5,351	12.9	5.9	2
3	BRASILPREV	Brazil	1,528	3,258	113.1	3.6	-
4	PORTO SEGURO	Brazil	1,858	3,090	66.3	3.4	4
5	GRUPO NACIONAL PROVINCIAL	Mexico	1,417	1,657	17.0	1.8	6
6	TRIPLE-S	Puerto Rico	1,411	1,513	7.2	1.7	7
7	SUL AMÉRICA	Brazil	1,489	1,338	-10.1	1.5	5
8	SURAMERICANA	Colombia	1,143	1,116	-2.4	1.2	8
9	INBURSA	Mexico	1,143	781	-31.6	0.9	9
10	MERCANTIL	Venezuela	936	708	-24.4	0.8	10

Total for top 10		**21,502**	**26,827**	**24.8**	**29.7**
Total for sector		**75,769**	**90,316**	**19.2**	**100.0**

Ranking of multinational insurers in Latin America in 2010 OVERALL							
Ranking 2010	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2010 (%)	Ranking 2009
			2009	2010			
1	MAPFRE	Spain	4,284	6,705	56.5	7.4	1
2	METLIFE	United States	2,527	3,575	41.5	4.0	2
3	SANTANDER	Spain	2,311	3,239	40.2	3.6	4
4	LIBERTY MUTUAL	United States	2,317	2,351	1.4	2.6	3
5	CNP	France	1,527	2,085	36.5	2.3	5
6	ALLIANZ	Germany	1,267	1,712	35.1	1.9	9
7	AXA	France	1,393	1,589	14.1	1.8	6
8	HSBC	United Kingdom	1,216	1,504	23.7	1.7	10
9	ZURICH	Switzerland	1,328	1,500	12.9	1.7	7
10	GENERALI	Italy	1,146	1,309	14.3	1.4	12

Total for top 10		**19,316**	**25,569**	**32.4**	**28.3**
Total for sector		**75,769**	**90,316**	**19.2**	**100.0**

2. Observations on the ranking

The consolidation of economic recovery in most countries of Latin America in 2010 was reflected in the insurance sector, which posted growth in all markets, in local currency and at current prices. Premium volume expressed in euros rose 19.2% compared to the previous year and totaled 90,316 million[1]. This growth was favored by the rise in most local currencies against the euro, mainly the Brazilian real and the Colombian peso. On the other hand the devaluation of the bolivar in January 2010 caused a 35% drop in premium volume in euros in the Venezuelan insurance market, in contrast with a 23% increase when measured in local currency.

Brazil, which has Latin America's largest insurance market, grew 17% in local currency and 39% in euros. This expansion was fueled yet again by the class of insurance known as *Vida Gerador de Benefício Livre* (VGBL), a product distributed mainly by banks and which offers tax incentives. In Mexico, the second largest market, the rise in the sector (excluding Pensions) was 1% in local currency and 14% in euros. The performance of Non-Life branches was negative, as the renewal of the overall multi-year policy held by Petróleos Mexicanos (PEMEX) took place in 2009 and in 2010 it was not issued.

The fall in premiums in Venezuela made Puerto Rico's the third-largest insurance market in the region, with premium volume of 7,943 million euros. That revenue was up 6% compared to the previous year, thanks to growth in Health insurance (10%). The other three largest markets, Chile, Argentina and Colombia, saw increases of 37%, 10% and 29%, respectively, when measured in euros.

Overall Ranking

In 2010, the 25 largest insurance groups in Latin America posted revenue of 58,131 million euros, a rise of 28.1% from the previous year, and accounted for 64.4% of premiums in the region, an increase of nearly three points from 2009.

Among the top 10 groups that concentration has risen five points to 43.6% and this is closely linked to the performance of the Brazilian insurance market: four of the 10 largest groups are Brazilian and the other six have units in that country. Premium growth in the Brazilian market was enhanced significantly because of the rise of the Brazilian real against the euro. Another factor that contributed to the increased concentration at the top of the ranking was a series of business transactions that took place in 2010, such as

[1] Does not include Health insurance in Brazil, Life Annuities and Retirement insurance in Argentina, or Pensions in Mexico.

the agreement signed by MAPFRE and Banco do Brasil, and the acquisition by MetLife of the Life insurance unit of AIG, American Life Insurance Company (ALICO).

For yet another year the ranking was led by the Brazilan group Bradesco with premium volume of 8,014 million euros. In 2010 the group boosted its revenue by 37.3% and its market share by just over a point to 8.9% (compared to 7.7% in 2009). Next was the MAPFRE group, which climbed one spot in the ranking and increased its market share by 1.7 points, thanks to the accord reached with Banco do Brasil. The deal was carried out by creating two holding companies (BB-MAPFRE, for Life and Agricultural insurance, and MAPFRE-BB, for Automobile and General Insurance). The insurance units that both companies have in Brazil will be part of these two holding companies.

Itaú went from second to third place[2] and MetLife held on to fourth place, while boosting its market share seven-tenths of a point. Brasilprev[3], in which stakes are held by Banco do Brasil and the Principal group, held fifth place in the ranking thanks to a huge rise in premiums from sales of its VGBL product.

In general, besides the mergers and acquisitions that took place in 2010, the main causes of the changes in positions on the ranking are those mentioned earlier: the strong rise in local currencies against the euro, especially the Brazilian real and the Colombian peso. This favored the growth of groups with units in those countries. The influence of the rise in the Mexican peso was also positive, if we take into account the fact that Mexico's is the second largest market in the region. However, although the Venezuelan market continues to grow when measured in local currency, the devaluation of the bolivar at the beginning of the year had the opposite effect to the one described earlier.

The biggest rises were those of MCS, a company that specializes in Life and Health insurance in Puerto Rico, which climbed eight spots after taking over the Health portfolio of Cooperativa de Seguros and that of Allianz – which rose from 16th to 10th place thanks to growth in all of the markets where it operates, mainly Brazil, Colombia and Mexico. But Sul América fell from 10th to 16th after selling its 60% stake in Brasilveículos to Banco do Brasil. Spanish group BBVA dropped four spots as a result of a decline in premiums from its units in Mexico and Colombia.

Finally, we should mention that the Venezuelan groups Mercantil and La Previsora fell off the ranking, which they had joined in 2009. Taking their place were the U.S. company ACE

[2] In 2009 Itaú/Unibanco and Porto Seguro signed an agreement to merge their Automobile and Homeowner's insurance lines, creating a new company called Itaú Seguros de Auto e Residência, which is controlled by Porto Seguro.

[3] In earlier editions of this ranking, this company´s premiums were included under Banco do Brasil.

and the British one RSA. The U.S. group rejoins the ranking after dropping off the previous year.

Non-Life Ranking

The 25 largest insurance groups in the Non-Life branch had a market share of 60.8% compared to 58% in 2009. Concentration rose the most in the top 10 groups, whose market share increased four points to 41.4%. The main reason is the one discussed in the previous section: influence from the Brazilian insurance market and the agreement between MAPFRE and Banco do Brasil. Unlike in 2009, the contribution from Mexican companies was positive, and favored by the rise of the Mexican peso against the euro.

With growth of 47.4%, MAPFRE continued to lead the Non-Life ranking and accounted for 10.5% of the premiums in this line of insurance, or 4,969 million euros, 2.6 points more than in 2009. The reasons for this growth were a strong performance by all of its units in the región and the fact that it included revenue from BrasilVeículos and Aliança do Brasil, as a result of the alliance formed in 2010 with Banco do Brasil.

The accord signed by Itaú/Unibanco and Porto Seguro in 2009 continued to fuel growth for Porto Seguro, which overtook Liberty to occupy second place in the ranking. Bradesco, with premium volume of 1,972 million euros, slipped to fourth place and sent Itaú/Unibanco down to fifth.

As for other changes, we note the decline of the Venezuelan group Mercantil, due to the devaluation of the bolivar (its premiums rose 11% in local currency), and of Inbursa, which holds the multi-year policy of PEMEX. Other highlights include the incorporation of Santander, MetLife, Chubb and the Colombian group Suramericana (Grupo Sura) onto the ranking.

Life Ranking

The 25 groups that make up the Life ranking took in 33,856 million euros in premiums, 34.6% more than in the previous year. Concentration increased slightly (six-tenths of a point) in the 25 largest groups, and just over three points among the top 10.

The first three spots on the list are still held by Brazilian groups, led once again by Bradesco, which in 2010 posted premium revenue of 6,042 million euros. Next came Itaú/Unibanco, although at a considerable distance behind, with revenue of 3,741 million euros. Brasilprev[4] posted spectacular growth of 113.1% (79% in local currency) thanks to

[4] In earlier editions of this ranking, this company´s premiums were included under Banco do Brasil.

growth of its VGBL product, which took it to third place, ahead of MetLife, which also saw a major rise in revenue thanks to its purchase of the Life insurance branch of AIG.

The changes with respect to the ranking of 2009 were not very significant. Those most noteworthy include the rise of MAPFRE, which went from 10th place to sixth for the reasons discussed earlier, and that of Zurich, which gained three spots, thanks to growth in all of its units, especially its Chilean company. Othe-r novelties are that the Chilean company Consorcio and the French firm Cardif joined the ranking, while AIG dropped off of it following the sale of ALICO to MetLife, as did the Colombian group Bolívar.

Ranking of local and multinational groups

The ranking of local groups did not change. Bradesco remained the leader, distancing itself further from its most immediate competitor, Itaú/Unibanco, which is also Brazilian.

MAPFRE continued to lead the ranking of multinational groups in Latin America, followed by MetLife and Santander. With growth of 40.2%, the Spanish banking-insurance group surpassed the premium volume of Liberty Mutual and took over third place. BBVA's dropping off the ranking as a result of a decline in its premiums in Colombia and Mexico allowed Generali to join the list, thanks to across-the-board growth by the group's companies operating in the region, especially Argentina and Mexico.

3. Methodology

In the preparation of this study, the same methodology was used as in earlier versions. The data come from information published by the insurance regulatory bodies in the various countries, and the premium volume of each group is the sum of the premiums issued in each country. In calculating data, we have taken into account the mergers and acquisitions announced in 2010.

One must also note that in carrying out this kind of study, a complication arises because of the different makeup of the Life and Non-Life branches in each country. In general, and wherever possible, Health and Accident insurance have been included in the Non-Life branch. But it was not possible to apply this criterion to Puerto Rico, for instance, where the Disability line (Health) is considered part of Life insurance. In fact, the largest insurers of Life and Health in Puerto Rico are mainly Health insurers. Some of them are among the top 25 Life insurance groups in Latin America.

Also, in Brazil, contributions from Previdencia Privada, or private pension plans, were not included, nor were Health insurance premiums because they are under the control of the Agência Nacional de Saúde Suplementar (ANS). In Argentina, life annuities and retirement insurance are not included and in Mexico pensions are excluded[5].

To convert data expressed in other currencies into euros, we used the average exchange rate for the year. Growth rates are calculated using revenue in euros.

The rankings can be obtained from the electronic publications section of the Institute of Insurance Sciences at FUNDACIÓN MAPFRE, at www.fundacionmapfre.com/cienciasdelseguro.

[5] For this reason, and due to the differences in the makeup of the Life and Non-Life branches, the figure on total Life and Non-Life premiums in this study is different from the one published in the FUNDACIÓN MAPFRE's study "The Latin American Insurance Market".