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NEW MARKETS – NEW REGULATION

Filomeno Mira (MAPFRE – SPAIN)

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The 32nd. General Assembly of the Geneva Association

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WORLDWIDE ECONOMIC FRAMEWORK



- **Global market**
- **Common rules and regulations**
- **Supra-national bodies**
- **Increasing economic growth**



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GDP ANNUAL AVERAGE GROWTH (%)



	1980	1990	2000
OECD	3.2	2.7	1.6
RUSSIA	2.4	-3.4	5.7
CHINA	10.1	10.3	8.2
INDIA	5.8	6.0	5.9
LATIN AMERICA .	1.7	3.3	0.6



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GDP PER CAPITA (CURRENT US DOLLARS)



Average
growth
(%)

1990 2000 2003

OECD	16,700	24,600	26,300	4.4
RUSSIA	3,500	1,800	3,000	-1.0
CHINA	350	850	1,100	16.4
INDIA	375	450	600	3.8
LATIN AMERICA .	2,600	3,900	3,300	2.0



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WORLDWIDE INSURANCE DEVELOPMENT



- **Economic development (n.m.)**
- **Saturation in western countries**
- **New economies (foreign investment)**
- **Financial turmoil**
- **Inflation rates**



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PREMIUM GROWTH (%) Inflation-adjusted

	1997	2003
	2002	
	(Annual Average)	
Industrialised Countries	3.6	1.2
Emerging Markets	7.3	9.2
World	4.0	2.1



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PREMIUM GROWTH (%) Inflation-adjusted



	<u>LIFE</u>		<u>NON-LIFE</u>	
	1997	2003	1997	2003
	(Annual Average)	(Annual Average)	(Annual Average)	(Annual Average)
Industrialised Countries	3.9	-2.2	3.4	6.0
Emerging Markets	8.2	9.7	6.2	8.5
World	4.3	-0.9	3.7	6.3



NEW INSURANCE MARKETS

- 20 % GDP - 80 % population
- Premium increase: 10 % vs 3 %
- Weight: 9.3 % (1998) → 10.9 % (2003)
- Economic growth: 4-6 % vs 2-3 %



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PREMIUM VOLUME

2003

(billions US \$)

Emerging Regions

Asia (without Japan, Korea) ...	139.0
Africa	31.7
Eastern Europe	34.5
Latin America	41.8
Middle East	12.9
TOTAL	259.9



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INSURANCE DEVELOPMENT & REGULATION



- **Internal legal framework**
- **Distribution channels**
- **Privatisation of state-owned insurers**
- **Entrance of foreign investors**
- **Supervision of insurance companies**
- **Promoting associations**
- **Regulate compulsory insurance**
- **Regulation for investment and tax deductions**
- **Professional education**
- **Corporate and transparency rules**



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FINAL REMARKS

- **Market's peculiarities**
- **Adapting to local conditions**
- **Testbed for business innovations**
- **Cooperative or Mutual systems**
- **International financial collaboration**
- **Insurance economic advantages**
- **Open regulatory system**
- **Stable legal system**



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