

FUNDACIÓN MAPFRE

**RANKING OF INSURANCE GROUPS IN
LATIN AMERICA IN 2009**

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Instituto de Ciencias del Seguro

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Bárbara de Braganza, 14
28004 Madrid
www.fundacionmapfre.com/cienciasdelseguro
Tel.: 91 581 23 39

Presentation

For the eighth straight year, FUNDACIÓN MAPFRE presents its ranking of the top 25 insurance groups in Latin America by premium volume, this time for 2009. Three rankings have been compiled – Overall, Life and Non-Life – and separate information is also included on local and multi-national insurers.

Ranking of insurance groups in Latin America in 2009							
TOTAL							
Ranking 2009	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2009 (%)	Ranking 2008
			2008	2009			
1	BRDESCO SEGUROS	Brasil	5,203	5,834	12.1	7.7	1
2	ITAÚ/UNIBANCO HOLDING	Brasil	5,035	4,741	-5.8	6.3	2
3	MAPFRE	España	3,490	4,284	22.7	5.7	3
4	METLIFE	Estados Unidos	2,509	2,527	0.7	3.3	4
5	BANCO DO BRASIL	Brasil	1,523	2,370	55.6	3.1	8
6	LIBERTY MUTUAL	Estados Unidos	1,839	2,317	26.0	3.1	5
7	SANTANDER	España	1,166	2,311	98.3	3.1	18
8	PORTO SEGURO	Brasil	1,565	1,858	18.7	2.5	6
9	CNP	Francia	1,311	1,527	16.5	2.0	13
10	SUL AMÉRICA	Brasil	1,348	1,489	10.4	2.0	11
11	GRUPO NACIONAL PROVINCIAL	México	1,555	1,417	-8.9	1.9	7
12	TRIPLE-S	Puerto Rico	1,229	1,411	14.8	1.9	14
13	AXA	Francia	1,480	1,393	-5.9	1.8	9
14	ZURICH	Suiza	1,222	1,328	8.7	1.8	15
15	BBVA	España	1,377	1,278	-7.2	1.7	10
16	ALLIANZ	Alemania	1,343	1,267	-5.6	1.7	12
17	HSBC	Reino Unido	1,084	1,216	12.1	1.6	20
18	AIG	Estados Unidos	1,205	1,213	0.6	1.6	16
19	GENERALI	Italia	1,111	1,146	3.1	1.5	19
20	INBURSA	México	682	1,143	67.7	1.5	24
21	MCS	Estados Unidos	895	1,112	24.2	1.5	21
22	MMM HEALTHCARE	Estados Unidos	745	947	27.1	1.3	23
23	MERCANTIL	Venezuela	645	936	45.1	1.2	-
24	SURAMERICANA	Colombia	811	805	-0.7	1.1	22
25	LA PREVISORA	Venezuela	662	790	19.3	1.0	-

Total of the top 10		24,989	29,259	17.1	38.6
Total of the top 25		41,036	46,660	13.7	61.6
Total for the sector		68,430	75,769	10.7	100

Ranking of insurance groups in Latin America in 2009							
NON-LIFE							
Ranking 2009	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2009 (%)	Ranking 2008
			2008	2009			
1	MAPFRE	España	2,669	3,371	26.3	7.9	1
2	LIBERTY MUTUAL	Estados Unidos	1,759	2,238	27.2	5.2	3
3	PORTO SEGURO	Brasil	1,462	1,752	19.8	4.1	4
4	ITAÚ/UNIBANCO HOLDING	Brasil	2,224	1,728	-22.3	4.0	2
5	BRDESCO	Brasil	1,356	1,435	5.8	3.3	5
6	SUL AMÉRICA	Brasil	1,191	1,338	12.4	3.1	6
7	ALLIANZ	Alemania	1,018	1,101	8.1	2.6	9
8	AXA	Francia	1148	1062	-7.5	2.5	7
9	ZURICH	Suiza	881	956	8.5	2.2	10
10	MERCANTIL	Venezuela	628	912	45.4	2.1	14
11	GRUPO NACIONAL PROVINCIAL	México	1,037	912	-12.1	2.1	8
12	INBURSA	México	451	864	91.6	2.0	20
13	GENERALI	Italia	721	846	17.3	2.0	12
14	AIG	Estados Unidos	860	809	-6.0	1.9	11
15	LA PREVISORA	Venezuela	655	781	19.2	1.8	13
16	GRUPO MULTINACIONAL	Venezuela	503	631	25.4	1.5	19
17	RSA	Reino Unido	611	609	-0.3	1.4	15
18	ACE	Estados Unidos	580	553	-4.8	1.3	16
19	HDI	Alemania	420	526	25.1	1.2	21
20	QUÁLITAS	México	559	467	-16.4	1.1	18
21	SANCOR	Argentina	308	415	34.7	1.0	-
22	CNP ASSURANCES	Francia	363	405	11.7	0.9	24
23	BBVA	España	381	389	2.0	0.9	22
24	BANCO DO BRASIL	Brasil	296	388	31.0	0.9	-
25	HSBC	Reino Unido	376	387	2.9	0.9	23

Total of the top 10		14,337	15,894	10.9	37.1
Total of the top 25		22,460	24,875	10.8	58.0
Total for the sector		38,837	42,889	10.4	100

Ranking of insurance groups in Latin America in 2009							
LIFE							
Ranking 2009	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2009 (%)	Ranking 2008
			2008	2009			
1	BRADESCO	Brasil	3,846	4,399	14.4	13.4	1
2	ITAÚ/UNIBANCO HOLDING	Brasil	2,811	3,013	7.2	9.2	2
3	METLIFE	Estados Unidos	2,205	2,235	1.3	6.8	3
4	BANCO DO BRASIL	Brasil	1,227	1,982	61.5	6.0	4
5	SANTANDER	España	903	1,974	118.6	6.0	8
6	TRIPLE-S	Puerto Rico	1,114	1,294	16.1	3.9	5
7	CNP	Francia	948	1,122	18.4	3.4	7
8	MCS	Estados Unidos	895	1,112	24.2	3.4	9
9	MMM HEALTHCARE	Estados Unidos	745	947	27.1	2.9	11
10	MAPFRE	España	821	913	11.2	2.8	10
11	BBVA	España	996	889	-10.7	2.7	6
12	HSBC	Reino Unido	708	829	17.1	2.5	12
13	GRUPO NACIONAL PROVINCIAL	México	518	505	-2.6	1.5	14
14	SURAMERICANA	Colombia	516	488	-5.4	1.5	15
15	HUMANA	Estados Unidos	456	483	6.0	1.5	17
16	NEW YORK LIFE	Estados Unidos	433	473	9.1	1.4	18
17	AIG	Estados Unidos	345	404	17.1	1.2	21
18	PMC MEDICARE CHOICE	Puerto Rico	289	386	33.9	1.2	-
19	BANAMEX	México	355	375	5.7	1.1	20
20	FIRST MEDICAL HEALTH PLAN	Estados Unidos	335	373	11.2	1.1	23
21	ZURICH	Suiza	341	372	9.1	1.1	22
22	AXA	Francia	332	331	-0.4	1.0	24
23	GENERALI	Italia	390	300	-23.2	0.9	19
24	BOLÍVAR	Colombia	245	292	18.9	0.9	-
25	ING	Holanda	476	286	-39.9	0.9	16

Total of the top 10		15,516	18,990	22.4	57.8
Total of the top 25		22,252	25,776	15.8	78.4
Total for the sector		29,593	32,880	11.1	100

Ranking of local insurance groups in Latin America in 2009							
TOTAL							
Ranking 2009	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2009 (%)	Ranking 2008
			2008	2009			
1	BRDESCO	Brasil	5,203	5,834	12.1	7.7	1
2	ITAÚ/UNIBANCO HOLDING	Brasil	5,035	4,741	-5.8	6.3	2
3	BANCO DO BRASIL	Brasil	1,523	2,370	55.6	3.1	5
4	PORTO SEGURO	Brasil	1,565	1,858	18.7	2.5	3
5	SUL AMÉRICA	Brasil	1,348	1,489	10.4	2.0	6
6	GRUPO NACIONAL PROVINCIAL	México	1,555	1,417	-8.9	1.9	4
7	TRIPLE-S	Puerto Rico	1,229	1,411	14.8	1.9	7
8	SURAMERICANA	Colombia	811	1,143	41.0	1.5	8
9	INBURSA	México	682	1,143	67.7	1.5	9
10	MERCANTIL	Venezuela	645	936	45.1	1.2	-

Total of the top 10		19,596	22,343	14.0	29.5
Total for the sector		68,430	75,769	10.7	100

Ranking of multinational insurance groups in Latin America in 2009							
TOTAL							
Ranking 2009	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2009 (%)	Ranking 2008
			2008	2009			
1	MAPFRE	España	3,490	4,284	22.7	5.7	1
2	METLIFE	Estados Unidos	2,509	2,527	0.7	3.3	2
3	LIBERTY MUTUAL	Estados Unidos	1,839	2,317	26.0	3.1	3
4	SANTANDER	España	1,166	2,311	98.3	3.1	-
5	CNP	Francia	1,311	1,527	16.5	2.0	7
6	AXA	Francia	1,480	1,393	-5.9	1.8	4
7	ZURICH	Suiza	1,222	1,328	8.7	1.8	8
8	BBVA	España	1,377	1,278	-7.2	1.7	5
9	ALLIANZ	Alemania	1,343	1,267	-5.6	1.7	6
10	HSBC	Reino Unido	1,084	1,216	12.1	1.6	-

Total of the top 10		16,821	19,448	15.6	25.7
Total for the sector		68,430	75,769	10.7	100

Observations on the ranking

After six years of economic growth, the countries of Latin America and the Caribbean saw their GDP decline by 1.9 percent in 2009. The impact of the international financial crisis was acute in late 2008 and early 2009, although internal and external factors helped speed up the process of recovery starting in the third quarter of 2009: counter-cyclical measures under taken by several countries of the region through fiscal and monetary policy; the sustained strength of some Asian economies, whose demand for products from the region boosted the recovery of exports; and the improvement in the U.S. economy, which helped create a better scenario for the economies of Mexico and Central America.

The insurance markets of Latin America continued to show signs of strength, with nominal increases in premium volume as measured in local currencies in all countries except Chile. For yet another year, the rise in the euro against some local currencies did not favor converting premium revenue into the single European currency. Indeed, the Mexican peso's fall against the euro was one of the factors that contributed most to the changes in this ranking. On the other hand, the dollar's rise against the euro had the opposite effect in other markets, such as that of Puerto Rico, for instance.

Premium volume in Latin America totaled 75,769 million euros¹ in 2009, with a nominal rise of 10.7% compared to 2008. Events in the main insurance markets of the region can be summed up in the following way:

- In Argentina, Non-Life insurance was once again the main driving force in the market's development, with the biggest increases coming in Automobile and Workmen's Compensation insurance.
- In Brazil, life insurance known as Vida VGBL (*Vida Gerador de Benefício Livre*), which is sold mainly by banks, confirmed its role as the main source of growth in that country's market.
- The Chilean insurance sector contracted because of the economic crisis, especially in Life insurance, which is the main branch there, due to a fall in demand for lifetime annuities.
- Colombia's main source of growth was the Life insurance branch.
- The Mexican insurance market posted a higher rate of growth as compared to the previous year, with the biggest contribution to this expansion coming from Non-Life insurance.

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

- Growth in Puerto Rico's market was fueled only by Health insurance, specifically the Medicare program, which resumed growth after stagnating the previous year.
- The growth rate in the Venezuelan insurance sector remained at a level similar to that of 2008. The 34.7% increase as measured in local currency came against a backdrop of 25.1% inflation, which made for a positive rate of growth in real terms. Expansion in the sector came mainly from the Automobile and Health lines.

Overall ranking

The ten largest insurance groups in Latin America in 2009 posted 29,200 million euros in premiums, which marked growth of 17.1% compared to their revenue the previous year. The sector in general expanded 10.7%. The rise among the largest groups was influenced by the significant increase in revenues seen at MAPFRE, Liberty Mutual, Porto Seguro and Sul América in the Non-Life segment, and by Bradesco, Banco do Brasil, Santander and CNP in Life insurance. The concentration of these ten groups compared to the ranking for 2008 increased by 1.2 percentage points, with Brazilian groups clearly dominating.

Brazil's Bradesco and Itaú/Unibanco continue to lead the ranking, taking the first and second places, respectively. Bradesco's market share went up one-tenth of a point to 7.7%, while that of Itaú/Unibanco fell by more than a point from 7.4% to 6.3%, as a result of a 5.8% decline in premium revenue. MAPFRE² remained in third place, with a rise in market share of six-tenths of a point, and MetLife stayed in fourth place, although its market share declined somewhat.

The fall in premiums at Itaú/Unibanco is linked to the rise of Porto Seguro. In August 2009 the two companies signed an agreement to merge their Automobile and Homeowner's insurance. The partnership was implemented through a deal in which Itaú/Unibanco transferred all of its assets and liabilities stemming from these policies to a new company, Itaú Seguros de Auto e Residência, which is controlled by Porto Seguro. In exchange for this, Porto Seguro issued shares equivalent to 30% of its capital and gave them to Itaú/Unibanco. In this report, the premiums of the new company have been added to Porto Seguros.

As for MAPFRE, all of its units except for those in Chile, Mexico and Puerto Rico saw major increases in revenue, although those of Venezuela and Brazil stand out because they are the companies with the largest premium volume. Another positive factor was the strategic alliance that the Spanish group signed with Grupo Mundial, which is made up of the Panamanian company Aseguradora Mundial and

² This does not take into account the accord with Banco do Brasil, which is contingent on approval by SUSEP.

its insurance units in Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala.

The changes in the ranking began as of the fifth rung, with major rises such as that of Banco do Brasil, thanks to the increase in premium revenue at its Brasilprev unit (in which the Principal group also has a stake); that of Santander Seguros, following its acquisition of 50% of the Brazilian company Real Tokio Marine Vida e Previdencia; and that of CNP, due to growth in its Brazilian unit.

As for companies joining the ranking for the first time, we can highlight the entry of the Venezuelan groups Mercantil and La Previsora, which replaced the Japanese firm Tokio Marine and the U.S. company ACE. In the case of the Japanese group, its departure is due to its sale of its 50% stake in Real Tokio Marine Vida e Previdencia to the Santander group, which, with this deal, now controls 100% of the company. The Spanish bank acquired its first 50% stake in this company indirectly when in 2007 it took on the Brazilian business of ABN Amro, which implied the acquisition of Banco Real. As for ACE, its revenue went down slightly in Brazil and Mexico because of the depreciation of the Mexican peso and the Brazilian real against the euro.

The total premium volume of the 25 groups that make up the ranking in 2009 was 46,600 million euros, up from 41,500 million for the groups that were on the list in 2008.

In broad terms, we can point out the following factors:

- The Brazilian market's heavy influence in the positioning of groups and clear domination by bancassurance groups from Brazil.
- The negative effect of the Mexican peso's depreciation against the euro. One exception was the extraordinary growth of the group Inbursa, thanks to the renewal of a Damage policy with Petróleos Mexicanos, carried out in February 2009 and lasting two years.
- A significant increase in premium volume in Venezuela led to two groups from that country joining the ranking. One must note the growing weight of the Venezuelan state in this sector as an insurer, through the companies Horizonte and Previsora (which it took control of in 2009) and as an insured, because of the high volume of insurance policies taken out by public-sector companies, especially in collective Health insurance.

Non-Life Ranking

The 25 largest insurance groups in the Non-Life sector in Latin America had nearly 25,000 million euros in premiums in 2009, a rise of 10.8% from the revenue of the previous year. But the market share of these 25 groups has dropped six-

tenths of a point as compared to the 2008 ranking. The fall of the Mexican peso against the euro and major growth in the Venezuelan insurance market, mainly in the Automobile and Health lines, are some of the factors that have influenced the evolution of the various groups and their position in the ranking.

After growing 26.3%, MAPFRE continues to lead the Non-Life ranking and accounts for 7.9% of the premiums in this sector of the market, one-tenth of a point more than in the previous year. As we already said, contributing to this result was a major rise in premiums by its units and the inclusion of revenue from Grupo Mundial, as a result of the agreement signed by both groups in late 2009.

The Liberty group registered important premium growth in Venezuela, its main market in Iberoamerica, and went from third to second place in the ranking. The agreement signed by Itaú/Unibanco and Porto Seguro, which we mentioned earlier, caused the rise of Porto Seguro to third place and Itaú/Unibanco's decline to fourth. The Brazilian companies Bradesco and Sul América remained in the fifth and sixth spots, respectively. The biggest rise was that of the Mexican company Inbursa, which jumped eight rungs, thanks to its policy renewal in 2009 with Petróleos Mexicanos.

Finally, we should point out as news that two companies have joined the ranking for the first time, Sancor and Banco do Brasil, while Tokio Marine and Chubb are no longer on the list.

Life Ranking

The 25 insurance groups that make up the Life ranking for 2009 saw their revenue rise 15.8%, and account for 78.4% of Life premiums in the region, which makes for an increase of nearly two points compared to the 2008 list. The level of concentration of the top 10 groups increased by more than four points.

The top four spots on the ranking have not changed compared to the previous year, with Bradesco in the lead, followed by Itaú/Unibanco, MetLife and Banco do Brasil. The market shares of Bradesco and Banco do Brasil rose, while those of the other two declined. After completing its stake in Real Tokio Marine Vida e Previdencia, the Santander group rose three spots on the list to take over fifth.

As for the other two Spanish groups, MAPFRE continues to hold 10th place, with the same market share as a year earlier, while BBVA, which saw its Life premium volume fall 10.7 percent, slipped from sixth to 11th place.

Insurance companies operating in Puerto Rico, most of which are units of U.S. groups, saw their positions improve thanks to growth in Health³ insurance. Triple

³ The main insurers in the Life and Health branch in Puerto Rico are mainly Health insurers.

S took over the health business of La Cruz Azul de Puerto Rico, and Cooperativa de Seguros de Vida transferred its Health insurance portfolio to MCS.

Meanwhile, Generali and ING saw significantly lower revenue. In the case of the Italian group this was because of lower Life premium volume at its Mexican unit, mainly in single-premium products distributed by Banks. These products were the ones hardest hit by instability in financial markets. In the case of ING, the reason for the decline stems from the sale of its life annuity portfolio in Chile.

Ranking of local and multinational groups

The top five spots on the ranking of local groups are held by Brazilian insurers, mainly in bancassurance. Bradesco is still the leader, gaining market share on its most immediate competitor, Itaú/Unibanco. As for newcomers, we should mention the Venezuelan group Mercantil's replacing La Previsora.

MAPFRE continues to lead the ranking of multinationals in Latin America, followed by MetLife and Liberty. Fourth place is held by the Santander group, and another Spanish group, BBVA, holds the eighth spot. With Santander and HSBC on the list, eight of the top 10 multinationals established in the region are European groups.

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 that were carried out in 2009.

It is important to note that, besides including information on 2009, some figures corresponding to 2008 were updated.

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 excluded⁴.

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.

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⁴ 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".