

FUNDACIÓN MAPFRE

**RANKING OF INSURANCE GROUPS IN
LATIN AMERICA IN 2008**

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Instituto de Ciencias del Seguro

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Presentation

For the seventh straight year, FUNDACIÓN MAPFRE presents its ranking by premium volume of the 25 largest insurance groups in Latin America, this time in 2008. We have devised three rankings – Overall, Life and Non-Life – and include separate information on local and multi-national insurers.

Ranking of insurance groups in Latin America							
TOTAL							
Ranking 2008	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2008 (%)	Ranking 2007
			2007	2008			
1	BRDESCO SEGUROS	Brazil	4,980	5,203	4.5	7.6	1
2	ITAÚ/UNIBANCO HOLDING	Brazil	2,807	5,035	79.4	7.4	4
3	MAPFRE	Spain	2,823	3,490	23.6	5.1	3
4	METLIFE	US	2,296	2,509	9.3	3.7	5
5	LIBERTY MUTUAL	US	1,525	1,839	20.6	2.7	8
6	PORTO SEGUROS	Brazil	1,402	1,565	11.6	2.3	9
7	GRUPO NACIONAL PROVINCIAL	Mexico	1,662	1,555	-6.5	2.3	7
8	BANCO DO BRASIL	Brazil	1,207	1,523	26.2	2.2	10
9	AXA	France	75	1,480	1873.7	2.2	-
10	BBVA	Spain	1,138	1,377	21.0	2.0	13
11	SUL AMÉRICA	Brazil	1,175	1,348	14.8	2.0	11
12	ALLIANZ	Germany	995	1,343	34.9	2.0	18
13	CNP	France	952	1,311	37.7	1.9	20
14	TRIPLE-S	Puerto Rico	1,150	1,229	6.9	1.8	12
15	ZURICH	Switzerland	1,031	1,222	18.6	1.8	17
16	AIG	US	2,936	1,205	-58.9	1.8	2
17	TOKIO MARINE	Japan	1,091	1,168	7.1	1.7	15
18	SANTANDER	Spain	948	1,166	22.9	1.7	21
19	GENERALI	Italy	1,116	1,111	-0.5	1.6	14
20	HSBC	United Kingdom	1,059	1,084	2.4	1.6	16
21	MCS	US	974	895	-8.1	1.3	19
22	SURAMERICANA	Colombia	538	811	50.8	1.2	-
23	MMM HEALTHCARE	US	780	745	-4.5	1.1	23
24	INBURSA	Mexico	932	682	-26.9	1.0	22
25	ACE	US	618	665	7.6	1.0	25

Total of the top 10		19,915	25,576	28.4	37.4
Total of the top 25		36,211	41,562	14.8	60.7
Total for the sector		61,552	68,430	11.2	100

Ranking of insurance groups in Latin America							
NON-LIFE							
Ranking 2008	Groups	Country	Premiums (millions de euros)		%Δ	Market share 2008 [%]	Ranking 2007
			2007	2008			
1	MAPFRE	Spain	2,110	2,669	26.5	6.9	1
2	ITAÚ/UNIBANCO HOLDING	Brazil	1,005	2,224	121.2	5.7	9
3	LIBERTY MUTUAL	US	1,455	1,759	20.9	4.5	3
4	PORTO SEGUROS	Brazil	1,313	1,462	11.4	3.8	5
5	BRADESCO	Brazil	1,281	1,356	5.9	3.5	6
6	SUL AMERICA	Brazil	1,068	1,191	11.5	3.1	8
7	AXA	France	-	1148	-	3.0	-
8	GRUPO NACIONAL PROVINCIAL	Mexico	1,123	1,037	-7.7	2.7	7
9	ALLIANZ	Germany	871	1,018	16.8	2.6	10
10	ZURICH	Switzerland	742	881	18.8	2.3	11
11	AIG	US	2,065	860	-58.3	2.2	2
12	GENERALI	Italy	671	721	7.4	1.9	13
13	LA PREVISORA	Venezuela	438	655	49.5	1.7	20
14	MERCANTIL	Venezuela	466	628	34.8	1.6	19
15	ROYAL & SUN ALLIANCE	United Kingdom	615	611	-0.7	1.6	14
16	ACE	US	557	580	4.3	1.5	17
17	TOKIO MARINE	Japan	603	572	-5.2	1.5	15
18	QUALITAS	Mexico	571	559	-2.2	1.4	16
19	GRUPO MULTINACIONAL	Venezuela	422	503	19.3	1.3	21
20	INBURSA	Mexico	684	451	-34.1	1.2	12
21	HDI	Germany	324	420	29.8	1.1	25
22	BBVA	Spain	341	381	11.9	1.0	24
23	HSBC	United Kingdom	363	376	3.6	1.0	23
24	CNP ASSURANCES	France	382	363	-5.1	0.9	22
25	CHUBB	US	313	319	2.1	0.8	-

Total of the top 10		10,968	14,746	34.4	38.0
Total of the top 25		19,782	22,747	15.0	58.6
Total for the sector		34,335	38,849	13.1	100

Ranking of insurance groups in Latin America							
LIFE							
Ranking 2008	Groups	Country	Premium (millions of euros)		%Δ	Market share 2008 (%)	Ranking 2007
			2007	2008			
1	BRADESCO	Brazil	3,699	3,846	4.0	13.0	1
2	ITAÚ/UNIBANCO HOLDING	Brazil	1,802	2,811	56.0	9.5	3
3	METLIFE	US	2,015	2,205	9.5	7.5	2
4	BANCO DO BRASIL	Brazil	952	1,227	28.8	4.1	6
5	TRIPLE-S	Puerto Rico	1,026	1,114	8.6	3.8	4
6	BBVA	Spain	797	996	24.9	3.4	8
7	CNP	France	569	948	66.5	3.2	14
8	SANTANDER	Spain	749	903	20.6	3.1	10
9	MCS	US	974	895	-8.1	3.0	5
10	MAPFRE	Spain	713	821	15.2	2.8	11
11	MMM HEALTHCARE	US	780	745	-4.5	2.5	9
12	HSBC	United Kingdom	696	708	1.7	2.4	12
13	TOKIO MARINE	Japan	488	596	22.2	2.0	17
14	GRUPO NACIONAL PROVINCIAL	Mexico	540	518	-3.9	1.8	15
15	SURAMERICANA	Colombia	303	516	70.0	1.7	22
16	ING	Netherlands	656	476	-27.4	1.6	13
17	HUMANA	US	501	456	-9.1	1.5	16
18	NEW YORK LIFE	US	439	433	-1.3	1.5	19
19	GENERALI	Italy	445	390	-12.4	1.3	18
20	BANAMEX	Mexico	411	355	-13.6	1.2	20
21	AIG	US	871	345	-60.4	1.2	7
22	ZURICH	Switzerland	289	341	18.0	1.2	23
23	FIRST MEDICAL HEALTH PLAN	US	350	335	-4.1	1.1	21
24	AXA	France	75	332	341.5	1.1	-
25	ALLIANZ	Germany	124	325	162.1	1.1	-

Total of the top 10		13,297	15,767	18.6	53.3
Total of the top 25		20,266	22,639	11.7	76.5
Total for the sector		27,217	29,582	8.7	100

Ranking of local insurance groups in Latin America							
TOTAL							
Ranking 2008	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2008 (%)	Ranking 2007
			2007	2008			
1	BRDESCO	Brazil	4,980	5,203	4.5	7.6	1
2	ITAÚ/UNIBANCO HOLDING	Brazil	2,807	5,035	79.4	7.4	2
3	PORTO SEGUROS	Brazil	1,402	1,565	11.6	2.3	4
4	GRUPO NACIONAL PROVINCIAL	Mexico	1,662	1,555	-6.5	2.3	3
5	BANCO DO BRASIL	Brazil	1,207	1,523	26.2	2.2	5
6	SUL AMERICA	Brazil	1,175	1,348	14.8	2.0	6
7	TRIPLE-S	Puerto Rico	1,150	1,229	6.9	1.8	7
8	SURAMERICANA	Colombia	538	811	50.8	1.2	-
9	INBURSA	Mexico	932	682	-26.9	1.0	8
10	LA PREVISORA	Venezuela	443	662	49.6	1.0	-

Total of the top 10		16,296	19,613	20.4	28.7
Total for the sector		61,552	68,430	11.2	100

Ranking of multinational insurance groups in Latin America							
TOTAL							
Ranking 2008	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2008 (%)	Ranking 2007
			2007	2008			
1	MAPFRE	Spain	2,823	3,490	23.6	5.1	2
2	METLIFE	US	2,296	2,509	9.3	3.7	3
3	LIBERTY MUTUAL	US	1,525	1,839	20.6	2.7	5
4	AXA	France	75	1,480	1873.7	2.2	-
5	BBVA	Spain	1,138	1,377	21.0	2.0	6
6	ALLIANZ	Germany	995	1,343	34.9	2.0	-
7	CNP	France	952	1,311	37.7	1.9	-
8	ZURICH	Switzerland	1,031	1,222	18.6	1.8	10
9	AIG	US	2,936	1,205	-58.9	1.8	1
10	TOKIO MARINE	Japan	1,091	1,168	7.1	1.7	8

Total of the top 10		14,862	16,945	14.0	24.8
Total for the sector		61,552	68,430	11.2	100

Observations on the ranking

The year 2008 was a good one for the Latin American economy, although the effects of the international financial crisis, especially in the latter part of the year, led to a more moderate rate of growth. According to a recent report by ECLAC, the GDP of Latin America and the Caribbean grew 4.2% in 2008, down from 5.8% the previous year. However, after six straight years of economic expansion, major structural progress has been achieved in the region. It includes fiscal discipline, with primary surpluses and declining levels of public debt; low, stable inflation, with orthodox monetary policy and a system of flexible exchange rates; and reforms which have allowed institutions and financial markets to lure capital from developed countries with low risk premiums.

In 2008, Latin American insurance markets continued to show signs of strength, with nominal and real increases —measured in local currency— in premium issuance in all countries except for Puerto Rico. As was the case in 2007, the rise of the euro against most local currencies did not favor conversion of premium revenue in the region into the European single currency. The decline of the Argentine and Mexican pesos against the euro had a role in some of the changes seen in the ranking, due to the size of the markets in those two countries. The effect was less acute with some currencies, such as the Brazilian real, the average exchange rate of which against the euro was only half a point below that of 2007. On the other hand, the currencies of Bolivia, Paraguay and Uruguay appreciated.

Premium volume in Latin America surpassed 68,000 million euros¹ in 2008, posting a nominal increase of 11.2% compared to 2007. The Non-Life branch did better than the Life line, although a smaller expansion of economic activity and stiff competition over rates made for slower growth, which came in at 13.1%, very similar to the figure for 2007 (13.4%). Premium volume in Life insurance was nearly 30,000 million euros, up 8.7% from the previous year.

The following are highlights of what happened in 2008 in the **main Life insurance markets** in the region:

- In Argentina there was a significant decline in Private Pension Plans, due to the transfer of Disability and Death insurance to the State.
- The product known as *Vida Gerador de Benefício Livre* (VGBL) continued to be the main engine for growth in Life insurance in Brazil.
- Life insurance in Chile (including Health) performed well, rising 6.1% in local currency, down from 13.1% in 2007. The slowdown stems mainly from slacker

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

demand for annuities because of uncertainty over how financial markets will evolve, and a relative saturation of the market for group insurance.

- For yet another year, companies selling Life insurance were the main sources of growth in the market in Colombia, especially with regard to group insurance—due to an increase in the number of people paying into the Social Security system and the growing level of massification of this class of insurance—and life annuities, thanks to growing demand from retired persons.
- In Mexico, Life insurance posted growth similar to that of the previous year, 10%, thanks to favorable taxation terms and development of the bancassurance business.
- In Puerto Rico, Health insurance (which is included as part of Life) hardly grew at all, because of the high penetration of Medicare. Finally, even though Life insurance grew at a higher rate, it also showed a certain tendency toward slowing down. This stemmed from a cut in benefits that companies offer their employees and a fall in consumers' capacity to save and in their level of confidence because of the economic crisis.

As for the **largest Non-Life insurance markets**, the following are worth noting:

- In Argentina, Non-Life insurance continues to be the driving force behind the development of the market. Highlights include increases in the Motor and Workmen's Compensation insurance as a result of development of the economy and the subsequent increase in demand.
- Non-Life branches in Brazil have experienced a higher rate of growth, mainly from Motor insurance, as a result of a major increase in sales of vehicles, and warranty-extension insurance linked to sales of electronic equipment and home appliances.
- In Chile, the rate of growth of Non-Life insurance fell significantly, although less than Life branches did, mainly because of a contraction in domestic demand.
- In Colombia, growth in Non-Life insurance came mainly from Motor insurance, due to an increase in the number of insured vehicles and higher insurance rates. However, the sector was hit by a drop in sales of vehicles and competition in rates for Mandatory Transit Accident Insurance. (SOAT in Spanish).
- In Mexico, the sector was affected by low growth in Motor insurance as a result of a decrease in vehicle sales and a decline in Property Damage insurance. This is because policies issued by one large corporation in 2007 will not be renewed until 2009.

- Non-Life insurance (*Property/Casualty*) in Puerto Rico fell because of stiff competition over rates and a weak economy.
- Health insurance continued to drive the insurance sector in Venezuela.

Overall ranking

This ranking features major changes in companies' positions with respect to the previous year. In 2008, there were two important business transactions that had a major effect on the ranking: the merger of Itaú and Unibanco in Brazil, and the acquisition of ING Seguros, Mexico's third-largest insurance company, by the AXA group. In November 2008, Unibanco bought the 50% stake that AIG held in its insurance company. That same month the merger of the banks Itaú and Unibanco was announced. This created the largest privately held financial group in Latin America. As a result of these operations, Itaú/Unibanco Holding took second place in the overall ranking, replacing AIG which had held it since 2005. Meanwhile, AXA joined the list, at ninth place.

The 25 groups that made up the ranking in 2008 had revenue of 41,500 million euros, up 14.8% from the previous year, and a 60.7% share of the Latin American market. Bradesco Seguros still leads the overall ranking with a market share of 7.6%. Its next closest competitor, Itaú/Unibanco Holding, has narrowed the gap and has a market share of 7.4%. Brazilian groups continue to dominate the ranking: five groups from that country are among the region's 11 largest.

MAPFRE group remains in third place, with a 23.6% increase in premium volume and a market share of 5.1%, an increase of half a point from the previous year. That rise stems from growth in its units in Venezuela, Peru, Colombia, Argentina and Brazil and from its acquisitions in Brazil (VIDA SEGURADORA) and Ecuador (ATLAS SEGUROS). The U.S. groups Metlife and Liberty rose to fourth and fifth place in the ranking, respectively. In the case of the U.S. mutual insurer, growth came from its units in Chile and Brazil, while for Liberty, its Venezuelan unit Caracas Seguros posted strong expansion.

For yet another year, growth in Life insurance in Brazil and the smaller depreciation of the real against the euro helped Brazilian companies and multinational companies with a strong presence in that country move up in the ranking. Such is the case of Porto Seguro and Banco de Brasil's insurance companies, which rose three and two rungs, respectively, to sixth and eighth place. Mexico's Grupo Nacional Provincial held on to seventh place. As stated earlier, AXA moved into the ninth spot and the insurance companies of the Spanish bank BBVA gained market share to take over 10th place.

One should also note important growth posted by Allianz and CNP. The German company's growth is due mainly to a major rise in Life insurance revenue at its Colombian unit, Colseguros, and growth in its Brazilian insurance unit. The CNP

group had major Life insurance premium volume in Brazil, thanks to sales of the VGBL product. AIG dropped from second to 16th place following the sale of its stake in Unibanco to AIG Seguros.

Besides the emergence of AXA, another novelty in the ranking is the Colombian group Suramericana, which holds 22nd place. Royal & Sun Alliance and ING dropped out of the ranking.

Non-Life Ranking

The 25 largest groups in the Non-Life sector in Latin America accounted for nearly 23,000 million euros in premiums in 2008, a rise of 15% from 2007. If we analyze the ranking as a whole, we see the influence of the evolution of the various markets on the position of the various groups: Brazilian and Venezuelan groups rise, thanks to growth in Motor and Health insurance, while Mexican groups decline because of scant growth in Non-Life insurance and the depreciation of the peso against the euro.

MAPFRE continued to lead the Non-Life ranking in 2008 with a market share of 6.9%, up eight-tenths of a point from 2007. The group's new acquisitions, along with excellent revenue figures from its units, contributed to this result. Next comes Itaú Unibanco Holding with a market share of 5.7%, replacing the U.S. group AIG, which went down to 11th place. Liberty stayed in third place, with an increase of 20.9% in premiums, due largely to expansion of its unit in Venezuela. It is followed by three Brazilian groups, Porto Seguros, Bradesco and Sul América, which rose in the ranking but did not gain market share. France's AXA took seventh place as a result of its acquisition of ING Seguros in Mexico.

One should note the rise of the Venezuelan groups La Previsora and Mercantil. Thanks to big increases in their revenue, they moved into 12th and 13th place, rising five and seven rungs, respectively.

As for new companies in the ranking, we should note that, besides AXA, the U.S. group CHUBB is now at the bottom of the ranking. On the other hand, ING and Banvalor dropped out of the top 25 Non-Life insurance groups in Latin America.

Life Ranking

The 25 groups that make up the Life ranking posted premium revenue of 20,000 million euros in 2008, a nominal increase of 11.7%. Mergers and acquisitions caused major changes in the list, and a two-point increase in the market share of the 25 leading groups, as well as a nearly four-rise in the share held by the top 10.

As stated earlier in this report, growth of Life insurance in Brazil, along with the merger of two large Brazilian Banks, Itaú and Unibanco, consolidated the position

of the top two bancassurance companies in that country, Bradesco and Itaú Unibanco Holding, with a market share of 13% and 9.5%, respectively. Even though it grew nearly 10%, the American Group Metlife failed to hold on to second place and dropped to third. In fourth place was Banco do Brazil, which climbed two spots compared to 2007.

Another important change in the ranking, fueled by the excellent results obtained by its Brazilian units, is the rise of the French group CNP Assurances, which rose to seventh place, and Tokyo Marine, which moved up four spots.

The Colombian market is another one that enjoyed strong growth in the Life insurance business, highlighted by Suramericana, which saw premium growth of 70%. It went from 22nd place to 15th. Its Suratep unit did very well.

As for Spanish groups, BBVA, Santander and MAPFRE continued to move up in the ranking, holding the sixth, eighth and tenth positions in the list.

In other changes, the French group AXA and Germany's Allianz have joined the ranking, while the Chilean group Consorcio Financiero and Inbursa of Mexico dropped out of it.

Ranking of local and multinational groups

Bradesco continues to lead the ranking of local companies, and Itaú Unibanco Holding is closing the gap, with a market share of 7.4%, two-tenths of a point off the pace. Porto Seguros rose one spot to third, followed by Mexico's Grupo Nacional Provincial, which fell one rung. Two other Brazilian groups, Banco do Brazil and SulAmérica, hold the fifth and sixth positions, while Puerto Rico's Triple-S continues in seventh place.

Joining the ranking for the first time were the groups Suramericana of Colombia and Venezuela's La Previsora, and dropping it were Banvalor and Quálitas.

MAPFRE became the top multinational company in Latin America, replacing AIG. Another Spanish group, BBVA, moved up one position to fifth. Of the 10 largest multinational companies established in the region, six are European groups, two are from the United States and one is Asian.

Since this ranking began in 2003 and through 2008, one can say that the insurance markets of Latin America have achieved significant development, with premium growth of 95%. The following tables show this, as well as the changes that have occurred in the positions of the main local and multinational insurance groups that operate in the region.

Ranking of insurance groups in Latin America, 2003 and 2008									
Ranking 2003	Groups	Country	Premiums 2003 (millions of euros)	Market share 2003 (%)	Ranking 2008	Groups	Country	Premiums 2008 (millions of euros)	Market share 2008 (%)
1	ING	Netherlands	2,632	7.5	1	BRADESCO SEGUROS	Brazil	5,203	7.6
2	BRADESCO	Brazil	2,045	5.8	2	ITAÚ/UNIBANCO	Brazil	5,035	7.4
3	METLIFE	US	1,737	5.0	3	MAPFRE	Spain	3,490	5.1
4	AIG	US	1,692	4.8	4	METLIFE	US	2,509	3.7
5	GNP	Mexico	1,511	4.3	5	LIBERTY MUTUAL	US	1,839	2.7
6	MAPFRE	Spain	1,303	3.7	6	PORTO SEGUROS	Brazil	1,565	2.3
7	TRIPLE-S	Puerto Rico	1,172	3.3	7	GNP	Mexico	1,555	2.3
8	ITAÚ	Brazil	1,104	3.1	8	BANCO DO BRASIL	Brazil	1,523	2.2
9	ALLIANZ	Germany	786	2.2	9	AXA	France	1,480	2.2
10	ZURICH	Switzerland	773	2.2	10	BBVA	Spain	1,377	2.0
Total of the top 10			14,754	42.1	Total of the top 10			25,576	37.4
Total for the sector			35,045	100	Total for the sector			68,430	100

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 2008.

It is important to note that, besides including information on 2008, some figures corresponding to 2007 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 pensions² are excluded.

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 ranking 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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² For this reason, and due to differences in the make-up of 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 FUNDACION MAPFRE's study "The Latin American Insurance Market."