

IMIA Country Analysis 2010

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>SWEDEN</p>	<p>The premium income for 2010 was MSEK 871.4 (US\$ 117 million) which is just below the level MSEK 896.9 (US\$ 125 million) for 2009. The price index change was approx. + 1 % during 2010. Please note that the leading mutual company for smaller/Commercial risks does not release their figures.</p> <p>The premium income changes mainly reflect the following:</p> <ul style="list-style-type: none"> • Harder competition than in the years before, intensified by new entries to the market. • Increase in premium income from new project business mainly within the sectors infrastructure, residential/office buildings and power plants. <p>Premium rates are further eroded by broader policy terms and conditions slowly becoming common in the market.</p>	<p>The Overall Loss Ratio for 2010 was 51.8%, which meets the requirements for an acceptable underwriting profit.</p> <p>Two large claims have been reported:</p> <ul style="list-style-type: none"> • A fire claim (“hot works”) within the ore preparation section of an open mine plant in the north part of Sweden, occurred during construction. • Due to faulty operation a passenger train was moved too fast into a buffer unit within a station area. 	<p>The competition in the Swedish insurance market was harder than in the years before.</p> <p>During 2002 – 2003 the rates for Engineering insurance had started to increase including stricter terms and conditions as well as more profitable premium rates.</p> <p>This tendency has changed during 2005 - 2010 due to ever harder competition.</p> <p>Nevertheless, the Overall Loss Ratio in Engineering Lines was 51.8% in 2010, which still meets the requirements for an acceptable underwriting profit.</p>	<p>Nordic and International insurers intensify their efforts to enter this market which causes harder competition.</p> <p>The important investments in the pulp & paper industry during the last five years seem clearly to slow down. On the other hand, a number of larger investments in the Swedish infrastructure (roads, railways etc.) and mining industry have already been decided and will take off in 2011 and 2012.</p> <p>We expect new opportunities from alternative financial solutions for large infrastructure projects, like PPP (Public Private Project) and BOT (Build, Operate and Transfer).</p> <p>Some large projects in energy (new projects, renewable energies, but also upgrading and renovation of existing plants) will also start during the next years.</p>