

IMIA Country Analysis 2011

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>Brazil</p> <p>Report 2011</p>	<p>In the year of 2011, the uncommon increase of the premiums by some 92% to USD 425 million resulted mainly from a big project. Further than this, the values are higher because of the world crisis in 2009 that had diminished the business in 2010.</p>	<p>Claims development has a huge increase, primarily because of a big claim in Termopernambuco. Considering the whole market, there was an increase of more than 100% in engineering total claims to about USD 26.1 million.</p>	<p>The loss ratio in Brazil is considerably low. That is due to the growth of this market, since it's becoming more popular each day to make insurance, as the Brazilian economy is getting continuously better, increasing the number buildings/ projects. The market situation is still soft since there are over 30 insurers providing engineering insurance capacity in Brazil. The capacity available is slightly increasing, but the biggest competition problem is that, despite underwriting is being done with less and less information, rates continue to get lower, featuring a very aggressive market condition.</p>	<p>Brazilian Economy growth in 2011 was lower than expected by the government. The increase of 2,7% was less than the 3% to 3,5% expected, because of the global crisis and the country's inflation. Still we can also expect, as usual, projects with high Total Contract Value from Vale and Petrobras, former public companies that have been enlarging their investment through private guidance and public support. Brazil's president Dilma Roussef assured, after the extremely low growth of GDP in first quarter of 2012, that the country has wide opportunities in infrastructure, transport, and energy and the government will invest heavily on those issues.</p>