

## Country Analysis Report 2012 – Sweden

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p><b>SWEDEN</b></p>	<p>The price index change between 2011 and 2012 was approx. 1% which compared to the two years before is a reduction of 1%.</p> <p>A slight recovery of the overall premium for the last year compared to the year before can be noted. The reason is most likely related to the continuing growth of the energy sector together with investments of some major infrastructure projects within the country.</p> <p>The competition in the Swedish market has been very hard for many years now and there are no signs of changes even though that some actors on the market have lately become somewhat more restrictive to write some business.</p> <p>The tendency of not only low rates but also widening policy wordings is still ongoing.</p>	<p>There has been one severe EAR loss of a steam turbine set during testing in a Combined Heat and Power Plant in Sweden during 2012, but the information on the circumstances of this accident is still very limited. Further investigations have to be completed before any details can be given. Except for this incident (which is not included in the figures below), there has not been any large losses to report for 2012.</p>	<p>Engineering business as such have during many year been profitable, but we have now for the last 3-4 years noted that the profit is slowly reducing. A slight increase of the loss ratio for all the type of policies can be noted:</p> <p>2010: 51,8% / 2011: 53,3% / 2012: 57,3%</p> <p>The trend that CAR/EAR show better results than MB/MBLOP seems to be constant.</p> <p>The fierce competition leading to reduced rates and wider wordings is most likely the reason for the continuing eroding figures even though the result is still acceptable.</p>	<p>The Swedish economy was slowly improving during the first quarter of the year 2012 but was in the spring influenced of the turbulent and insecure economy affecting the south European countries, which also turned the Swedish economy downwards. The Swedish industry suffered from this, which also affected the unemployment to increase and is now just over 8%.</p> <p>A slight improvement have been noticed for the first quarter of 2013 but still very limited. A more evident increase is expected in the autumn.</p> <p>Even though the rather tough economical situation, several large infrastructure projects are ongoing within the country and expected to start within the year. That together with ongoing expansion projects of power generation plants and the mining industry makes the situation for interesting Engineering insurance projects within the country quite promising.</p>