

## IMIA Country Analysis – Year 2013

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<b>Brazil</b>	<p>GWP decreased 3,5% compared with 2012 following the recession that Brazil is facing since then. The Government tenders for infrastructure projects promised for 2013 didn't come and the insurance market felt directly their impact. There were only few big projects coming as subways in Rio de Janeiro, São Paulo and Fortaleza with 1,5M USD average SI.</p>	<p>The expressive increase of 73% is not mainly related to large losses but a lot of small ones.</p>	<p>The 2013 Loss Ratio increased 78% compared with 2012 and 262% compared with 2011. The losses increased a lot while the premium decreased insignificantly compared with claims. So, these negative figures could be explained by the continuous soft market wave present in Brazil that is day to day softer. The rates are extremely low (less than 30% of 10 years ago) and, because of the tough competition, the market is more aggressive facing large loss ratios. Considering that, the companies are looking for different strategies. The extremely low rates are forcing the insurers and reinsurers to be even more selective during the underwriting process.</p>	<p>The last country economic information pointed a 0,2% growth in the first quarter of 2013. The World Cup has come and the major infrastructure projects are not completed, most of them weren't even started or started too late. Considering that plus the tenders of 2013 and the Elections, 2014 perspectives in respect of construction and infrastructure aren't excellent, but could be considered slightly better than 2013.</p>

1) Market figures were drawn from SUSEP (local regulator) website ([www.susep.gov.br](http://www.susep.gov.br))

2) The values regard only Engineering, excluding MB and BI