

IMIA Country Analysis 2013

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
SWEDEN	<p>The price index change between 2012 and 2013 was approx. 0.2% which compared to the two years before is a reduction of 1%.</p> <p>A slight recovery of the overall premium for the last two years compared to 2011 can be noted.</p> <p>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>2013 was a very good year with no large losses reported. The number of smaller losses continued however to increase.</p> <p>The slight increase of the overall loss ratio that can be noted, is most likely due to the tough competition in the market we have seen for the last years.</p> <p>The trend that CAR/EAR show better result than MB/MBLOP seems to be constant even though the EAR/CAR loss ratio result continues to deteriorate.</p>	<p>Engineering business as such has during many years been profitable but we have now for the last 34 years noted that the profit is slowly reducing. Loss ratio figures for the last 3 years are as follows:</p> <p>2011: 53.3%</p> <p>2012: 57.3%</p> <p>2013: 60.1%</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 has continued slowly to improve but is still influenced by 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 below 8%.</p> <p>Sweden's GDP grew fastest in the EU last quarter of 2013. During 2014 GDP is expected to grow with 2.2% and 3 % in 2015. In particular, residential investment rises sharply with a historically high number of apartment buildings being constructed.</p> <p>Even though the rather tough economical situation, several large infrastructure projects are ongoing within the country and expected to start within the coming years. 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>