

IMIA Country Analysis 2014

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>Sweden</p> <p>2014</p>	<p>The change of the Swedish price index between 2013 and 2014 was approx. -0.59% which compared to the two years before is a reduction of 0.64%.</p> <p>A major recovery of the overall premium can be noted for the last two years compared to 2012. The reason is most likely related to the continuing growth of the construction sector together with investments of some major infrastructure projects within the country, however a reduction of major investments in the heavy industry sector and particularly in the energy and pulp-and-paper sectors can be noted.</p>	<p>2014 was a very good year with no large losses reported. The number of attritional claims continued however to increase.</p> <ul style="list-style-type: none"> • The increase of the overall loss ratio continues. This is most likely due to the tough competition in the market we have seen for the last years. • The trend that CAR/EAR show better result than MB & BE + LOP seems to be constant even though the EAR/CAR loss ratio result continues to deteriorate. The bad results in MB & BE + LOP can be related to the even harder competition environment within PD insurance. 	<p>Engineering business as such has during many years been profitable but we have now for the last 3-4 years noted that the profit is slowly reducing. Loss ratio figures for the last 3 years are as follows:</p> <p>2012: 57.3% / 2013: 60.1% / 2014: 65.6%</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 are 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% and is expected to decrease in 2015.</p> <p>Sweden's GDP grew fastest in the EU last quarter of 2013. During 2014 GDP grew with 2.3% and is expected to grow with 2.6% in 2015 and 2.7% in 2016. In particular, residential investment rises sharply with a historically high number of apartment buildings being constructed.</p> <p>Even though the rather tough economic situation, several large infrastructure projects are ongoing within the country and expected to start within the coming years mostly in the Stockholm and Gothenburg regions. That together with expected expansion projects of power generation plants and the mining industry makes the situation for interesting Engineering insurance projects within the country quite promising.</p>