



How does the Mexican Insurance market work?

Javier Rodríguez Gómez

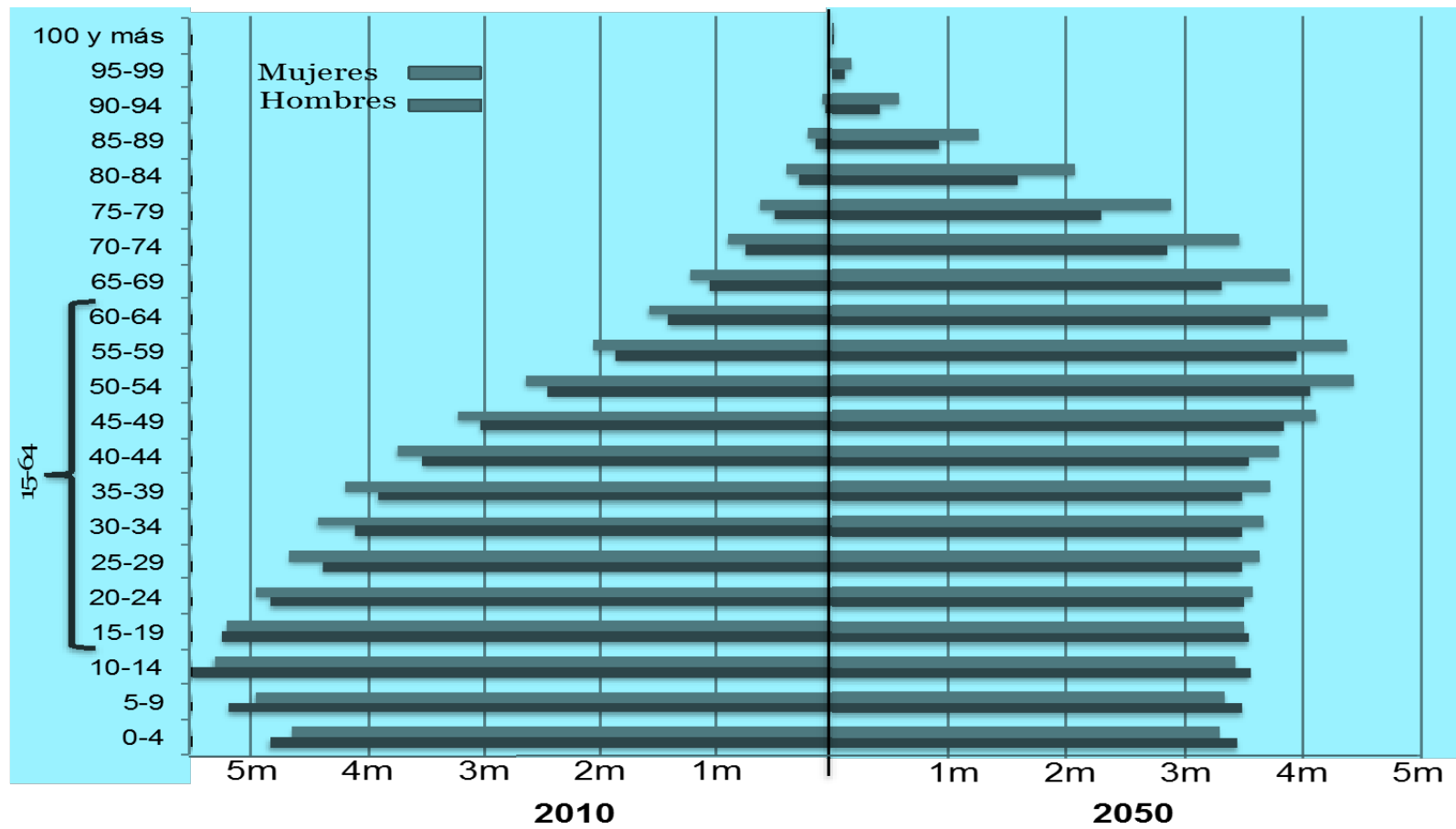
Re- + Insurance Consultant

September 28th, 2015

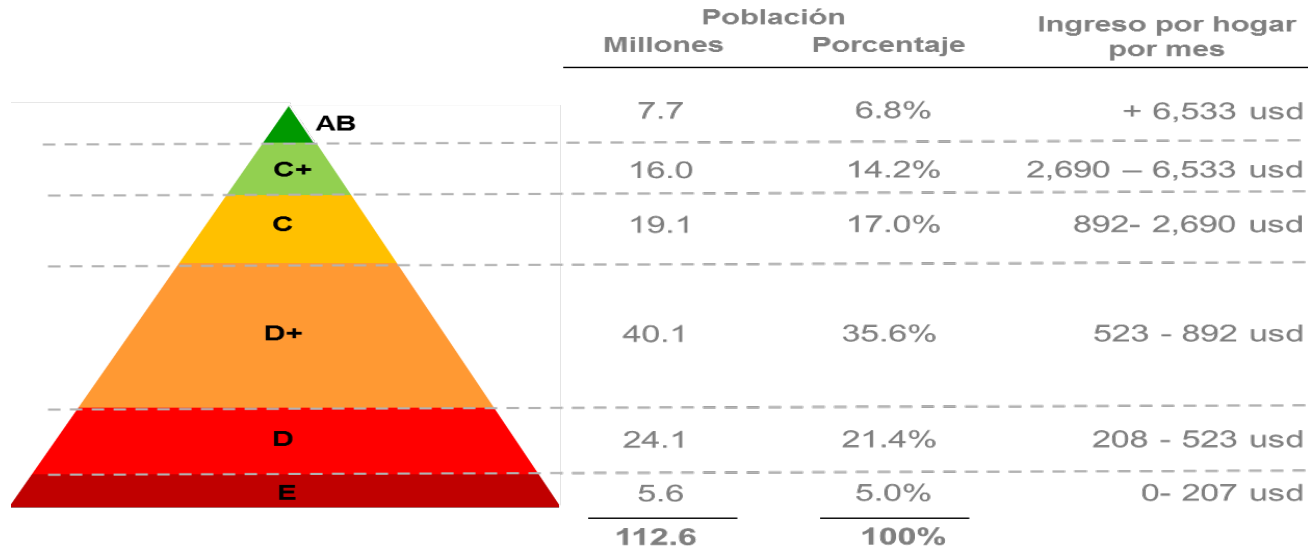
Mexico: Demography and Economy



- Mexico's population is 122 million inhabitants, in a territory of around 2'0 Mio of sq. km.



Mexico: Demography and Economy



- Evidently, the income distribution has been a big problem.
- In 2010, 62% of mexican families (Income Group D+, D and E) had an Income up to USD 892/month.
- Five years after, due to a recent 25% devaluation, the USD income of the whole population is smaller.

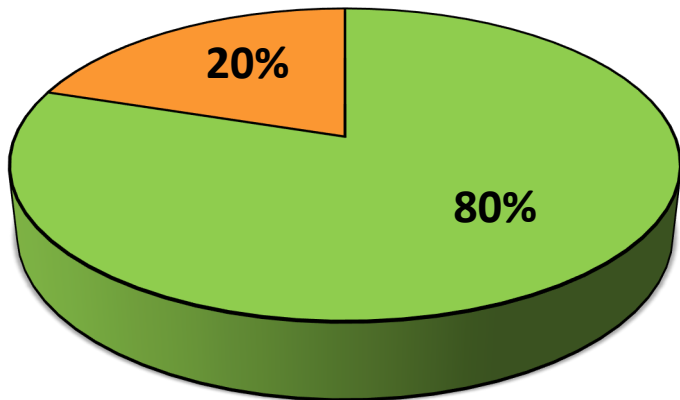
Mexican Insurance Market Composition

Associated Companies	88
Domestic	29
Foreign	59
Specialized	58
Multi-line	30
Motor	41
Life	47
Personal Accidents	42
P & C	49
Pensions	9
Health	14

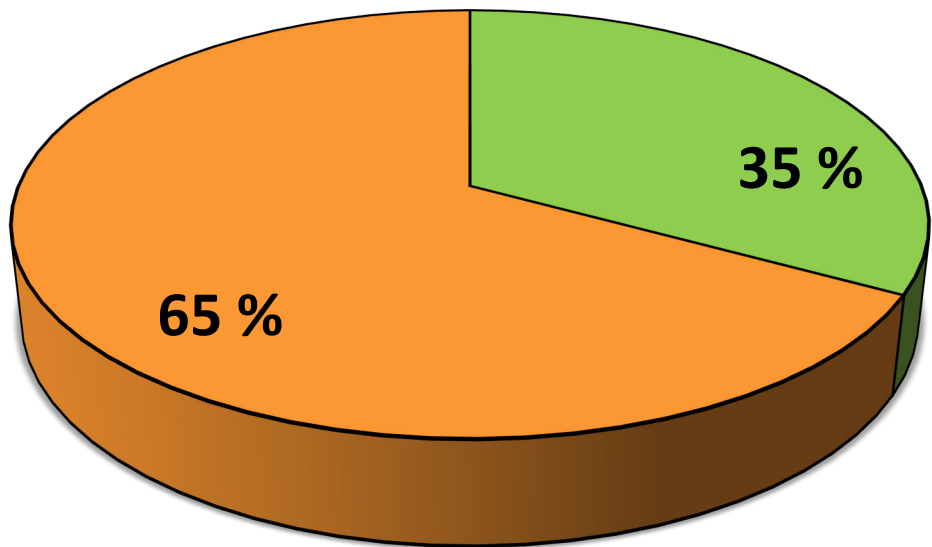
- There are **105** companies, from which **88** are associated under AMIS (Asociación Mexicana de Instituciones de Seguros).
- The regulatory changes as from 1994 (incl. NAFTA) eliminated all operation barriers for foreign investment. As a result now a days there are 59 foreign insurers with a branch operating in Mexico.

Mexican Insurance Market Composition

1990



2014



■ Domestic ■ Foreign

Total Premium 2014: USD 26,2 Billion

Domestic Companies


35%

Foreign Companies


65%

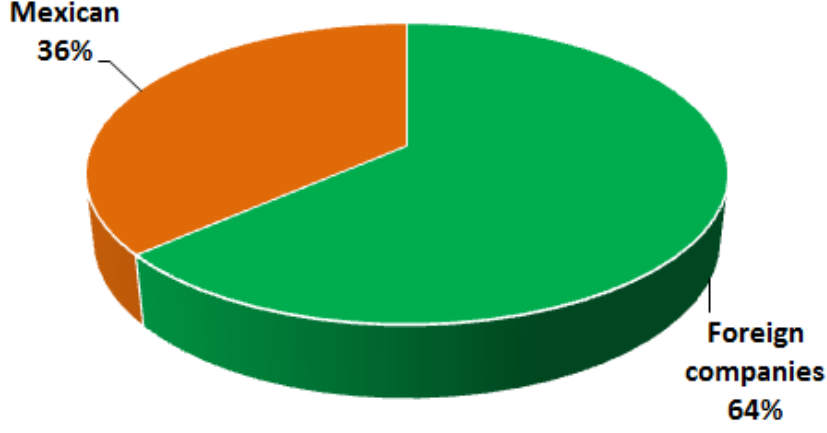
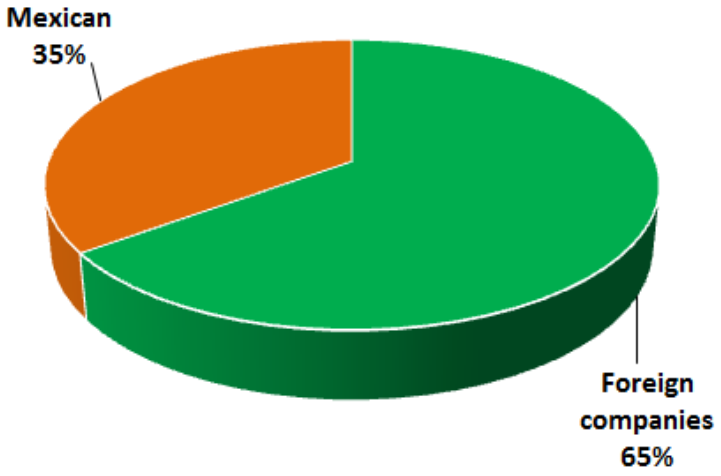
Market Share 2014

(Millions Dollars)

	Premiums	%
Foreign companies	17,051	65%
	9,187	35%
TOTAL	26,238	100%

(Millions Dollars)

	Capital	%
Foreign companies	6,630	64%
	3,805	36%
TOTAL	10,434	100%




Source: AMIS


Premium and Claims 2014 (Non Life w/o Motor)

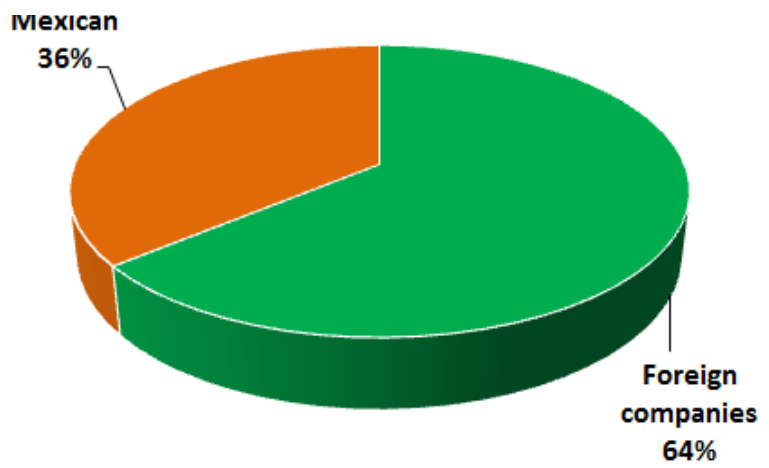
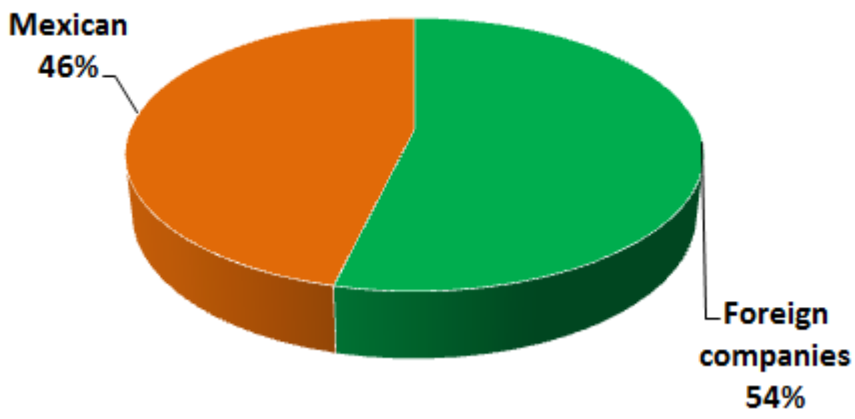


(Millions Dollars)

	Premiums	%
Foreign companies	2,330	46%
	2,005	54%
TOTAL	4,335	100%

(Millions Dollars)


	Claims	%
Foreign companies	1,740	64%
	979	36%
TOTAL	2,720	100%




Source: AMIS

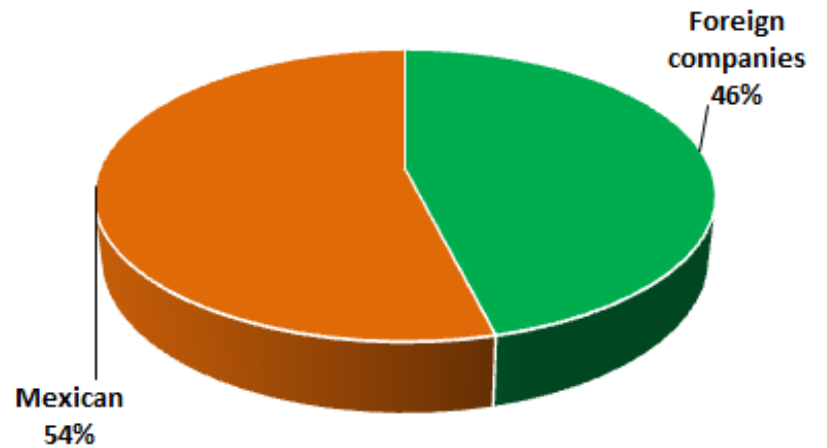
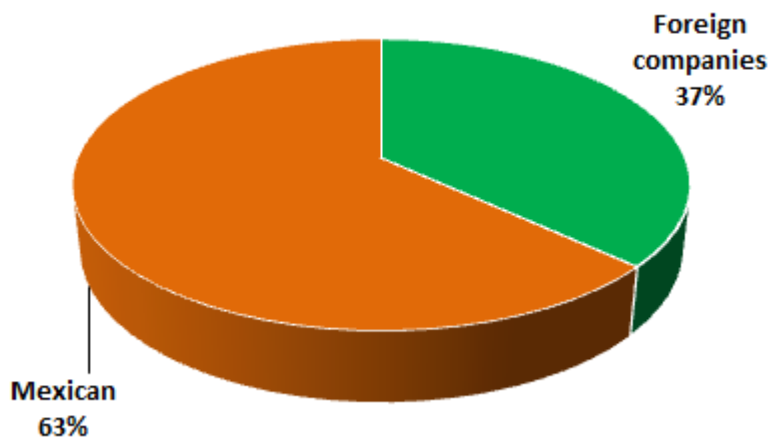
Premium and Claims 2014 (Engineering)

(Millions Dollars)

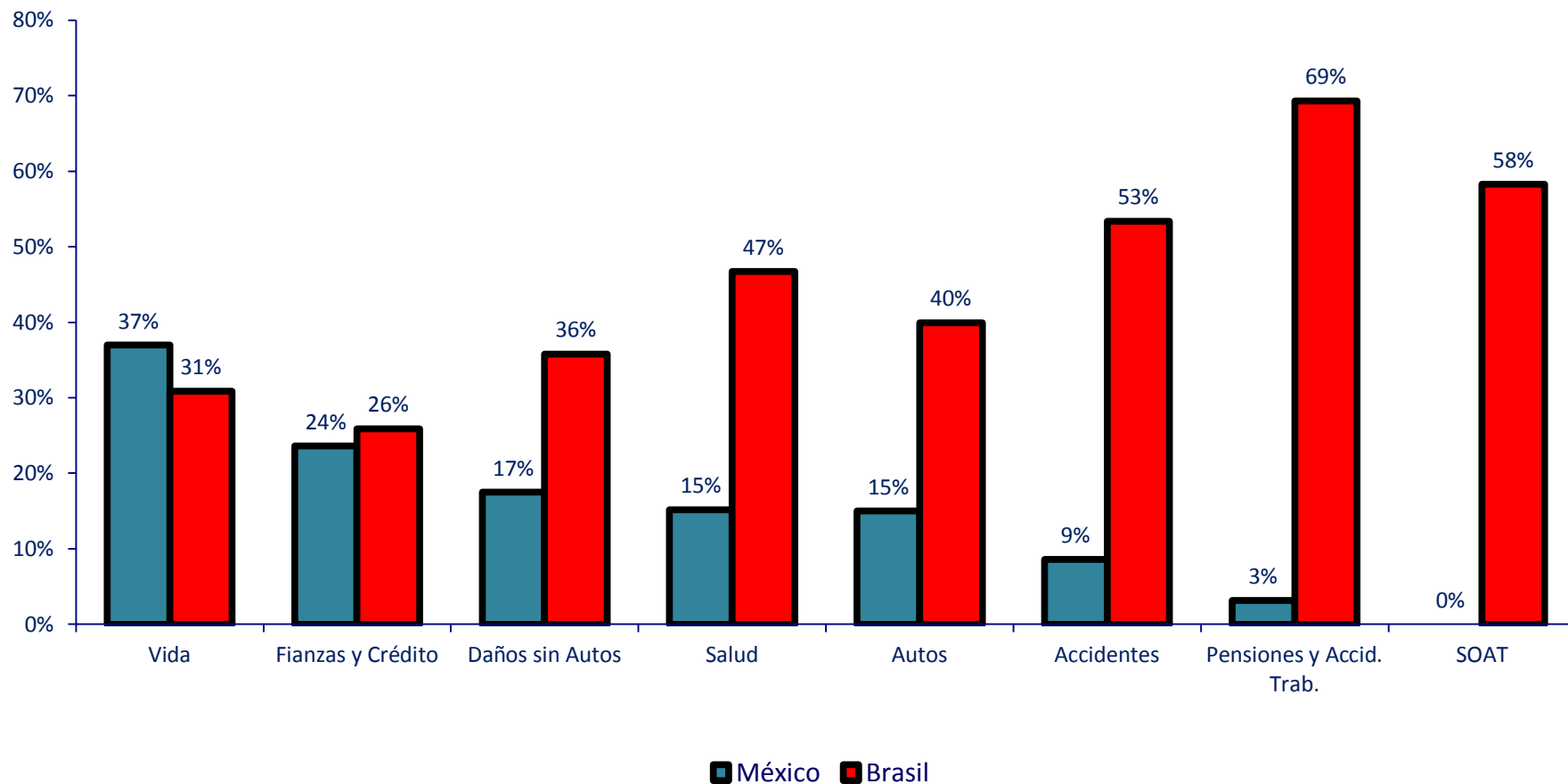
	Premiums	%
Foreign companies	271	37%
	465	63%
TOTAL	737	100%

(Millions Dollars)

	Claims	%
Foreign companies	124	46%
	145	54%
TOTAL	270	100%



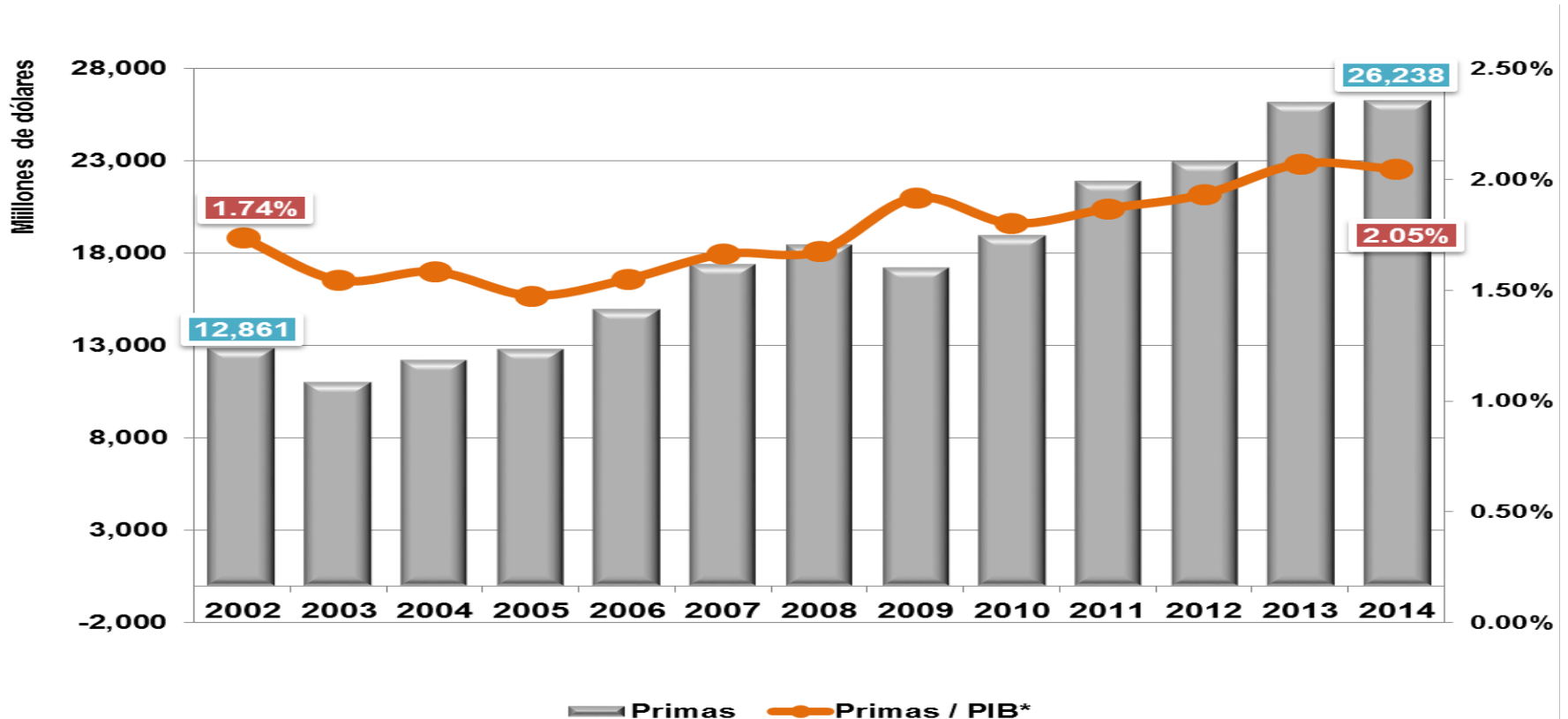
Mexico, Brazil & LA: 2011 Written premium / Branch.



Source: Fundación Mapfre, El Mercado Asegurador Latinoamericano, 2010-2011, Instituto de Ciencias del Seguro, December 2011.

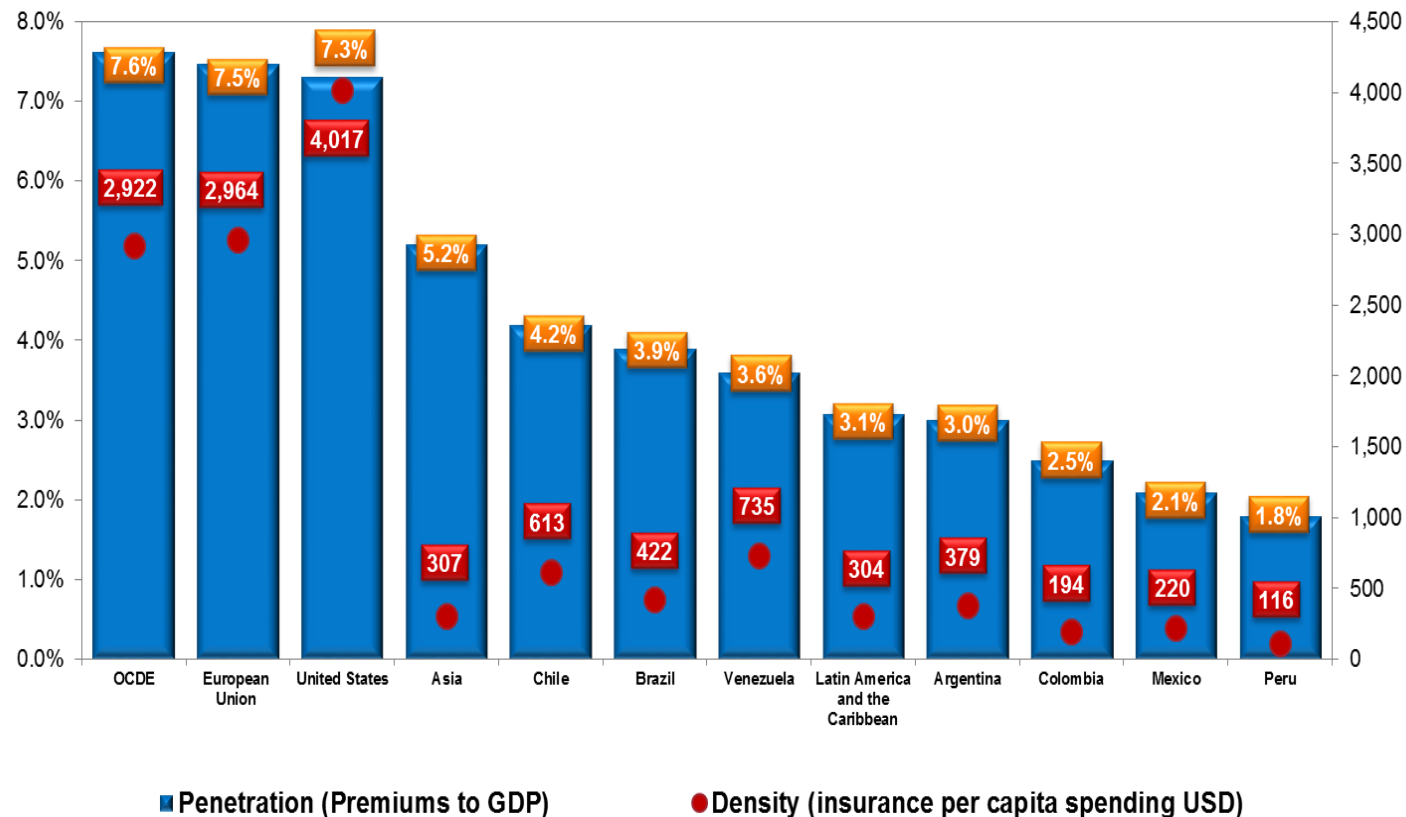
Insurance Market Penetration (Premium / GDP)

- As from 2002 the Market Penetration has steadily grown up, but.....
- until 2014 the market has finally reached 2.05% (USD 26.2 Bio)

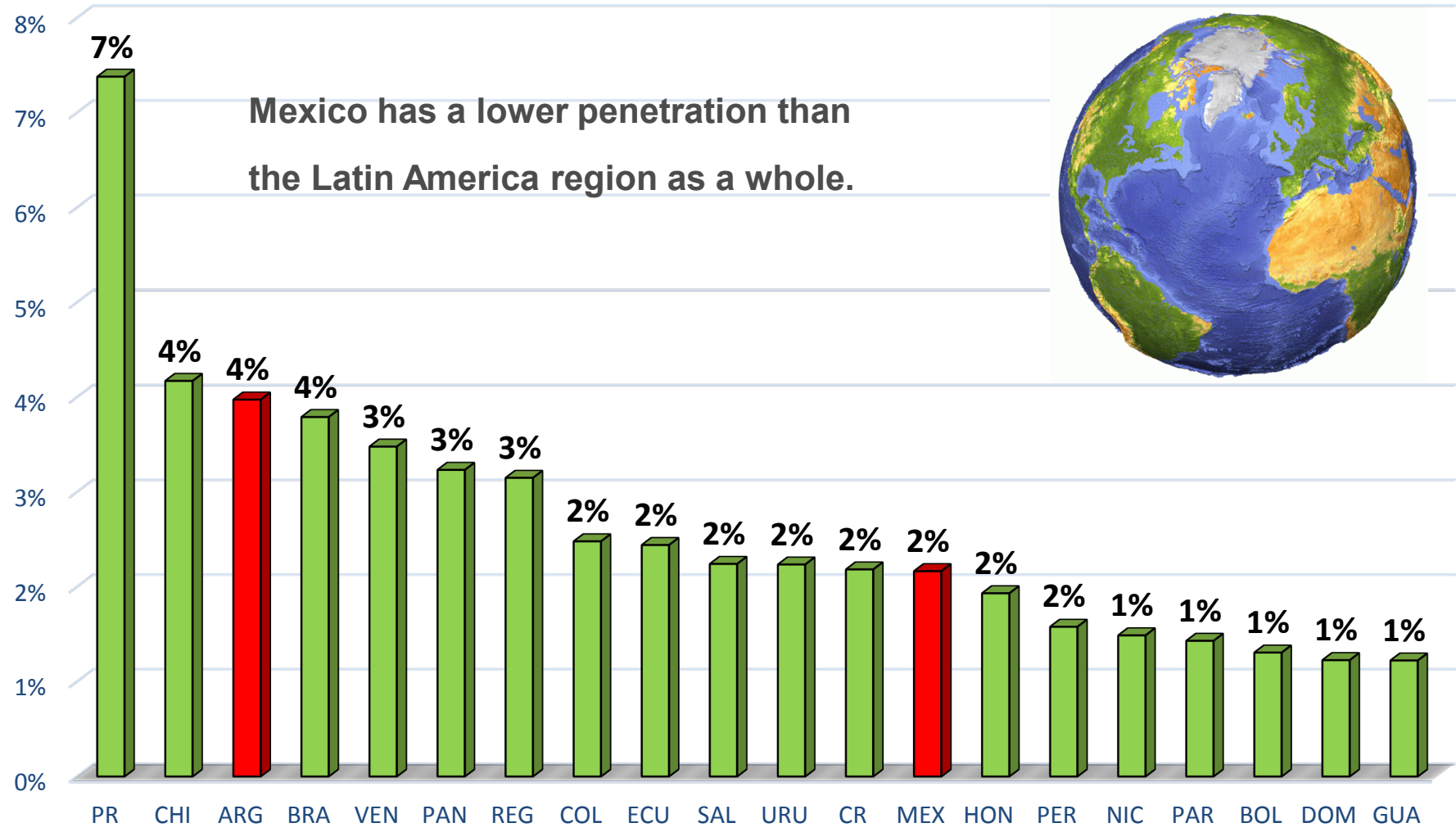


Insurance Market Penetration (Premium / GDP)

- Mexico is the 15th largest economy worldwide, but is 58th place in terms of insurance market penetration.
- Mexico has a lower penetration than the Latin America region as a whole.

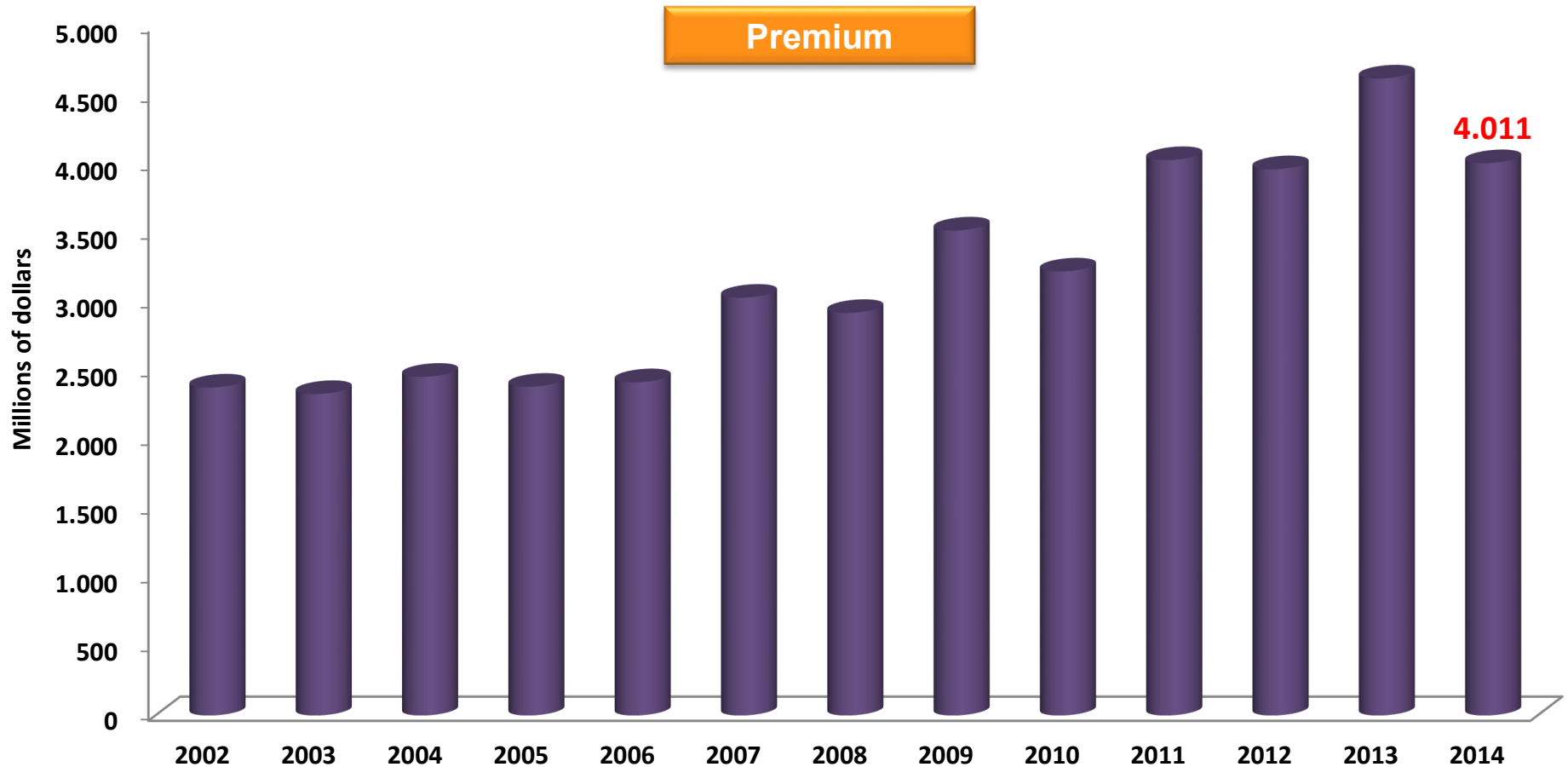


Insurance Market Penetration (Premium / GDP)

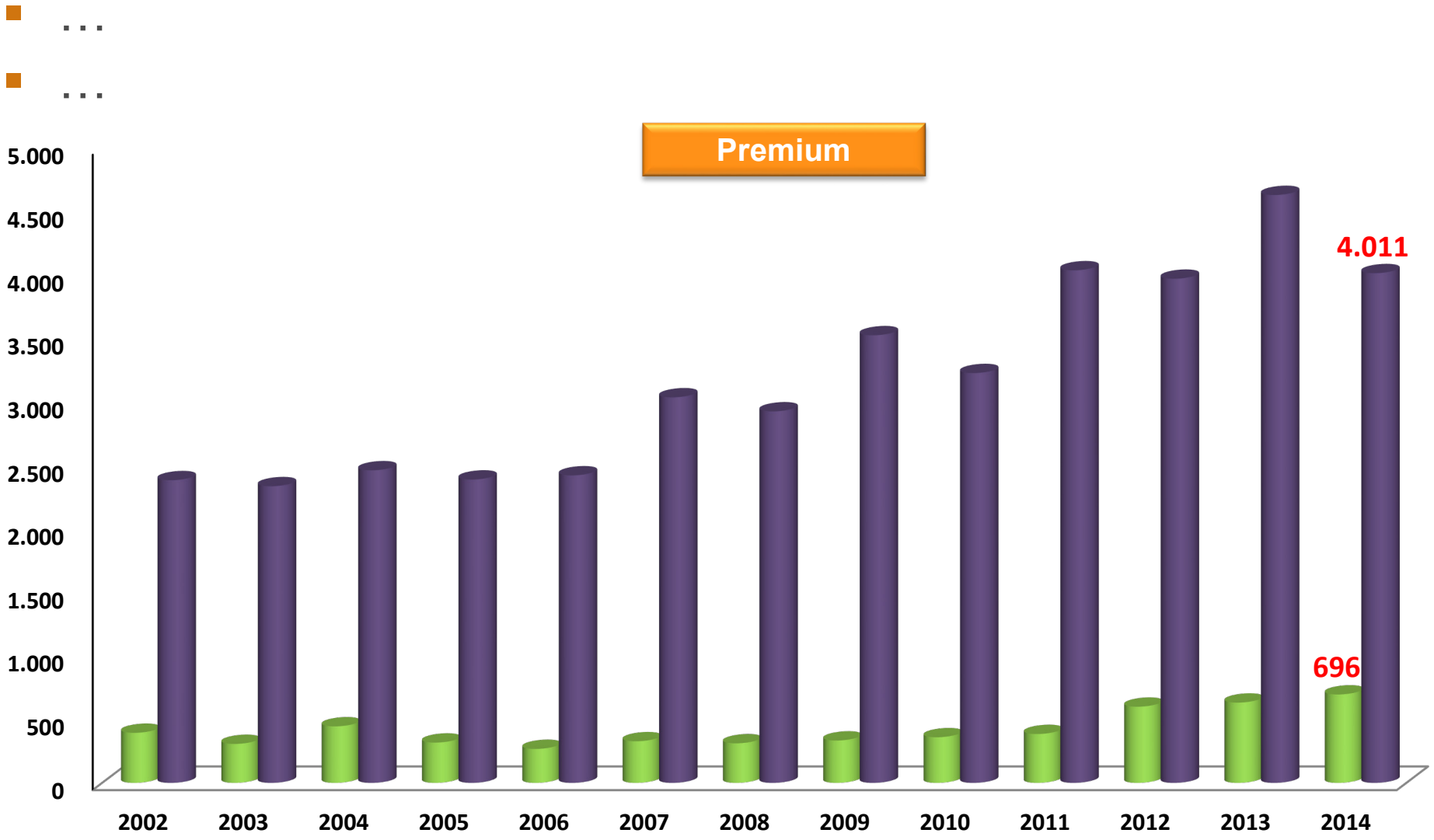


Non Life (w/o Motor)

- It is estimated an increase in MEX PESOS for 2015, but.....
- the recent devaluation will reduce the USD Premium in 8.47%



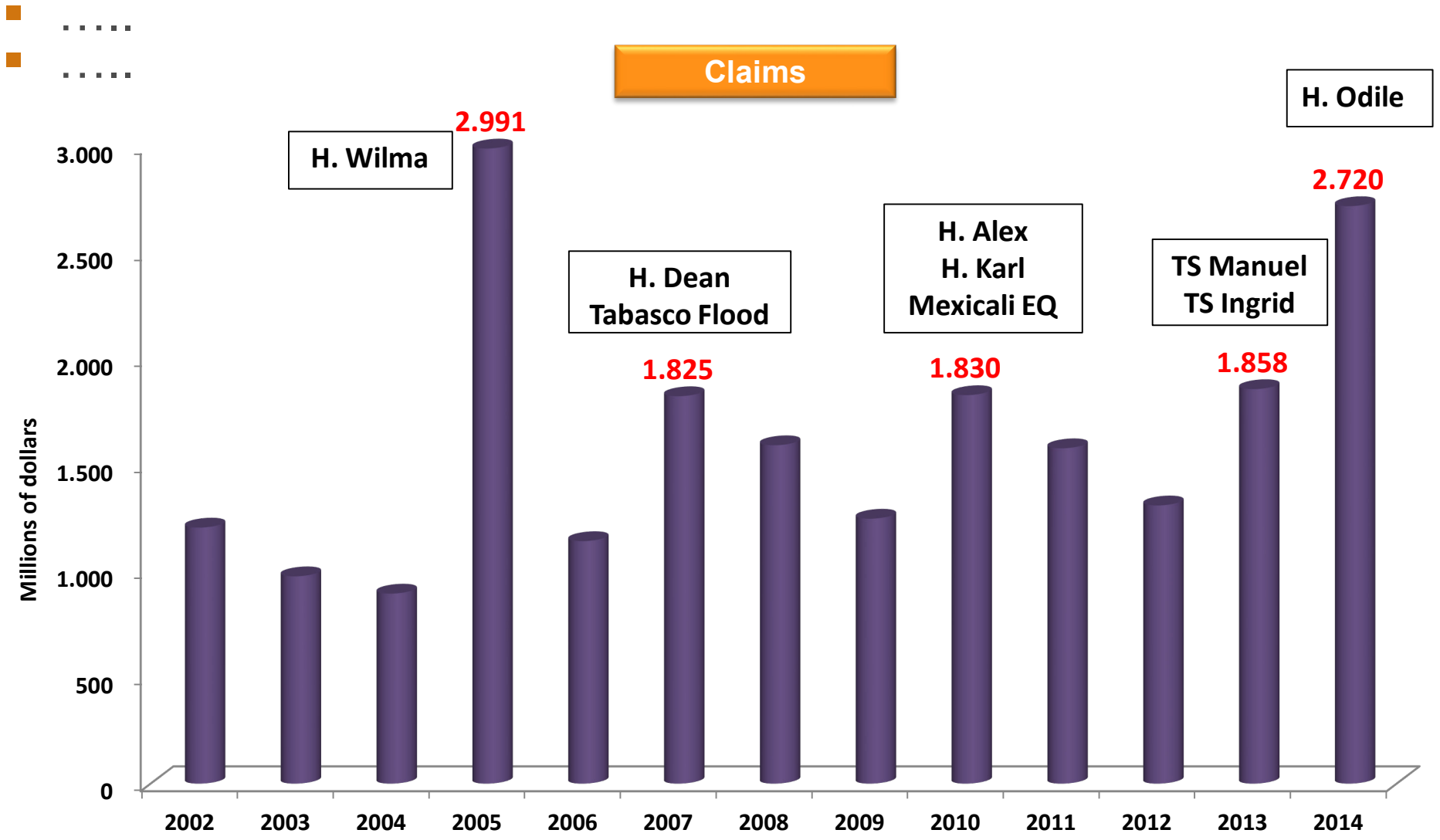
Engineering vs Non Life (w/o Motor)



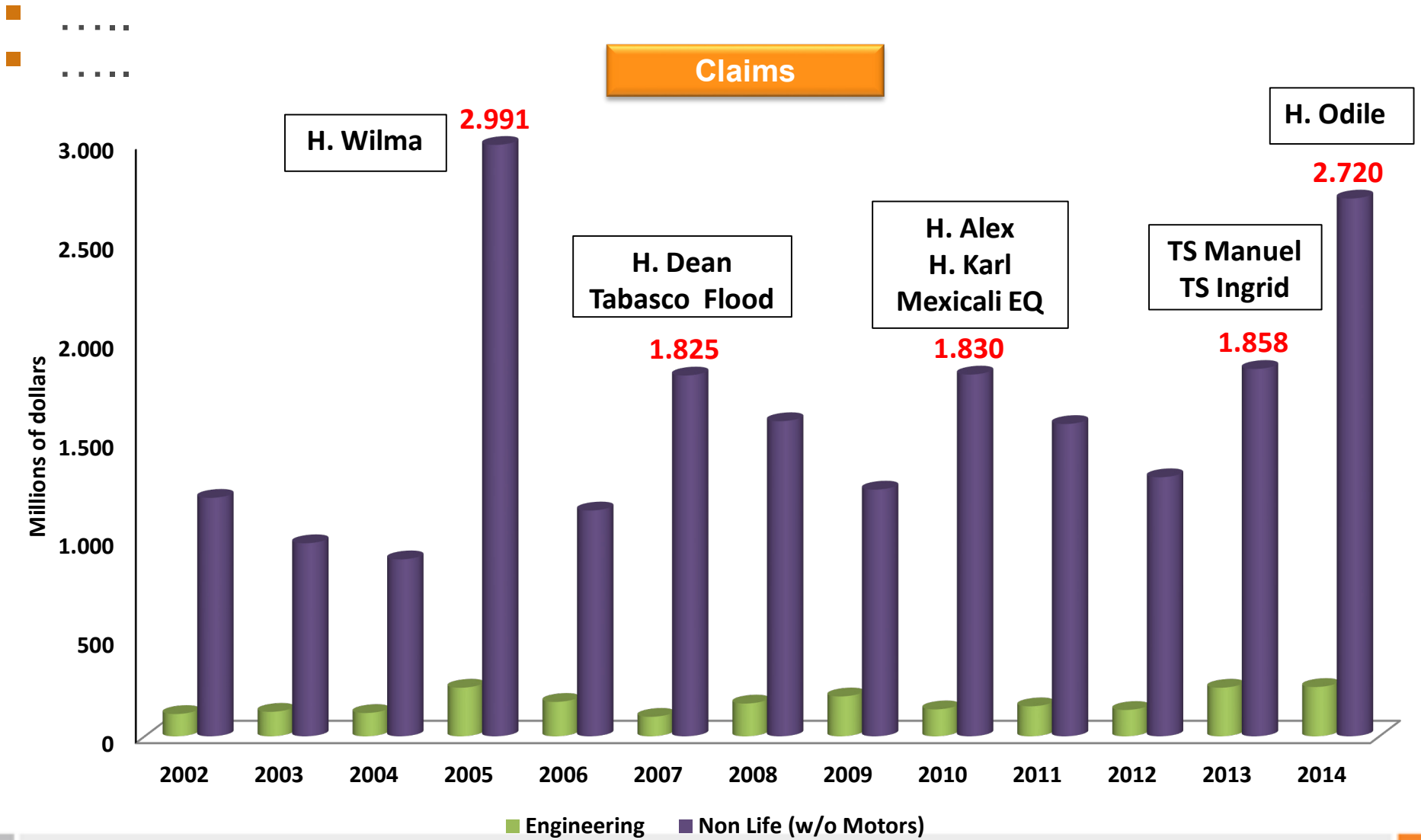
Source: AMIS

■ Engineering ■ Non Life (w/o Motors)

Non Life (w/o Motor)



Engineering vs Non Life (w/o Motor)

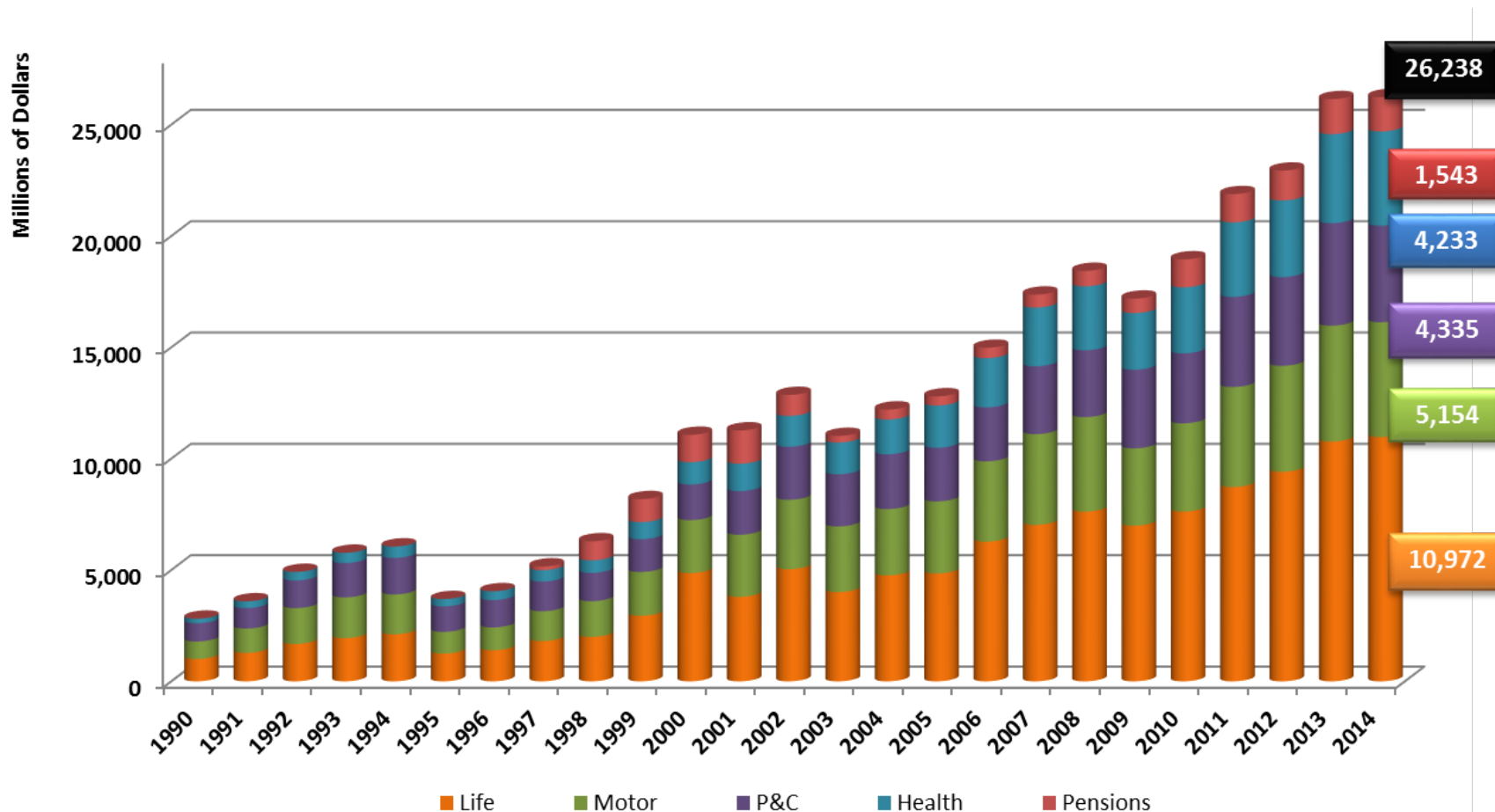


Insurance Market Development

Insurance Industry Structure

Direct Premiums

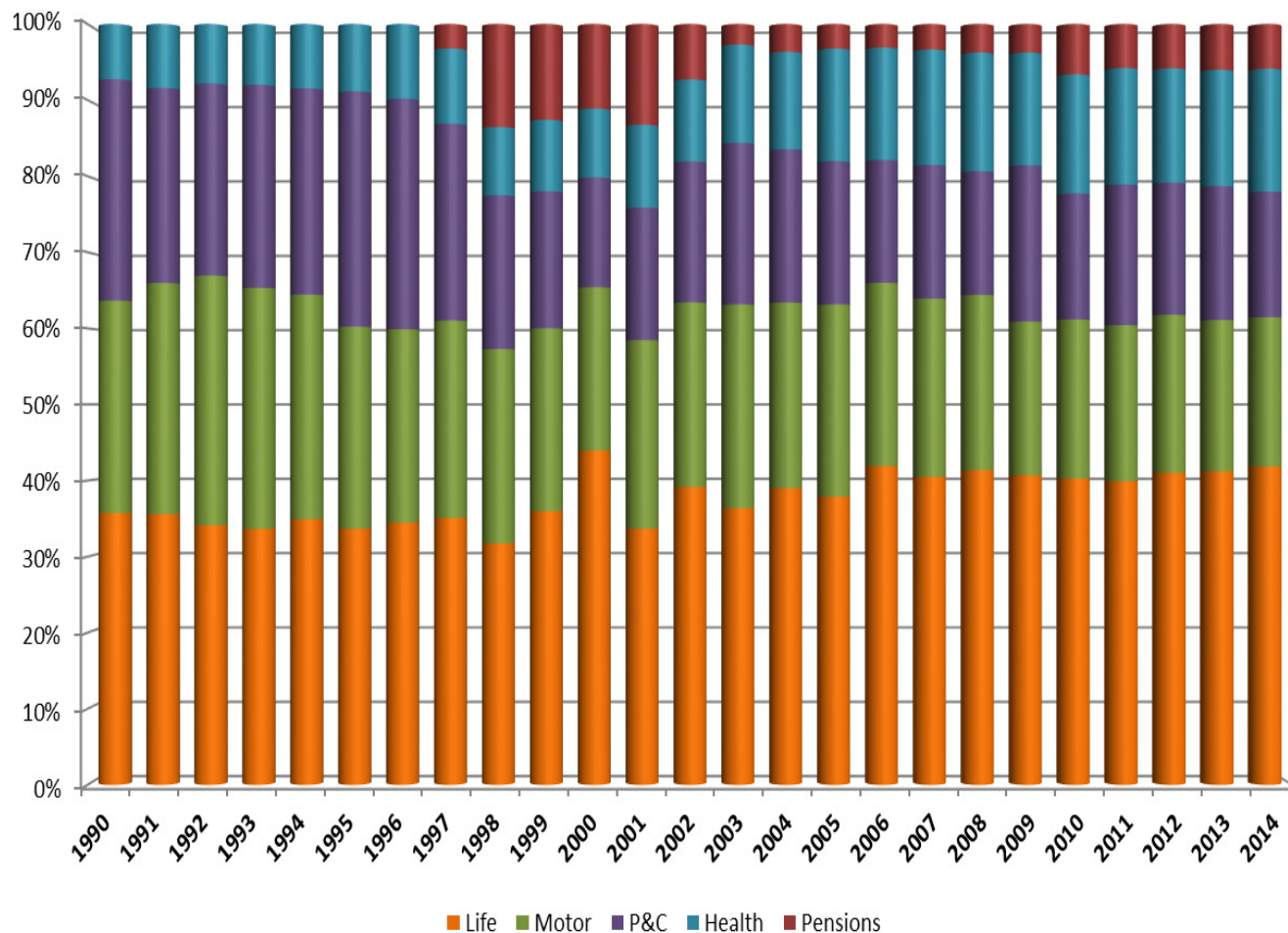
- Market has grown almost every year during the last decade.



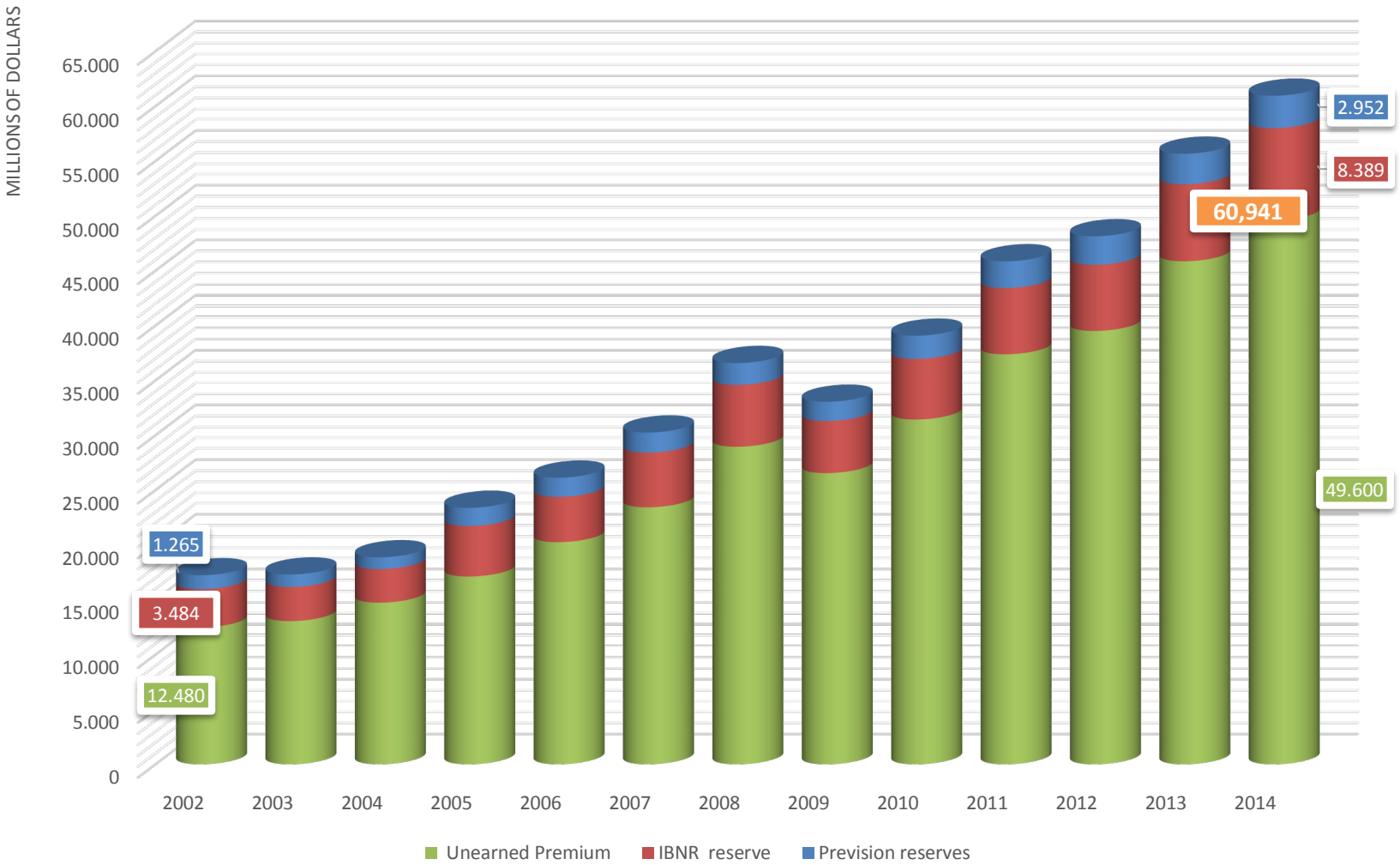
Insurance Industry Structure

Market Participation

- However, market composition by line of business has not suffered major changes.

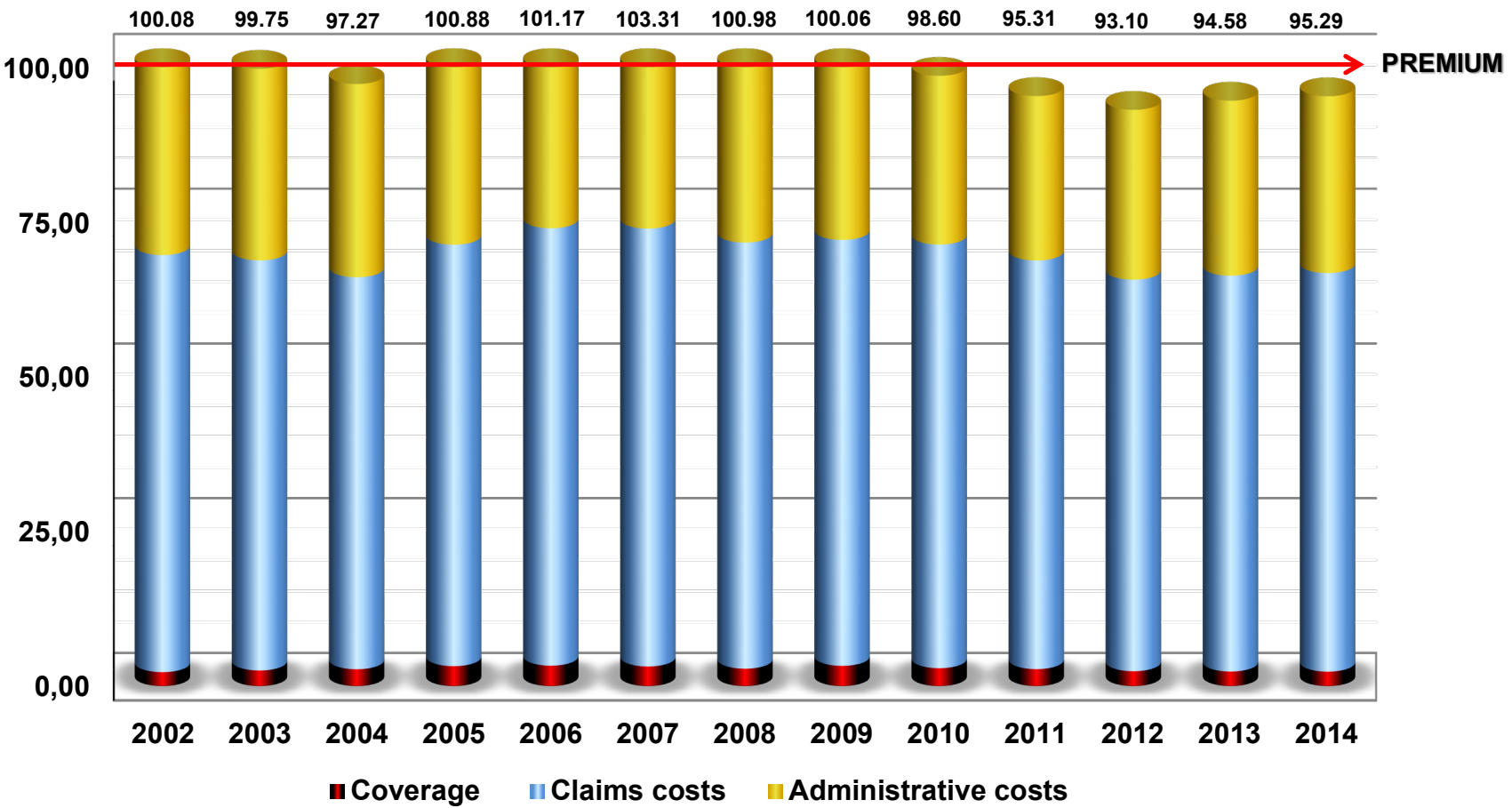


Evolution of technical reserves in the Mexican Market

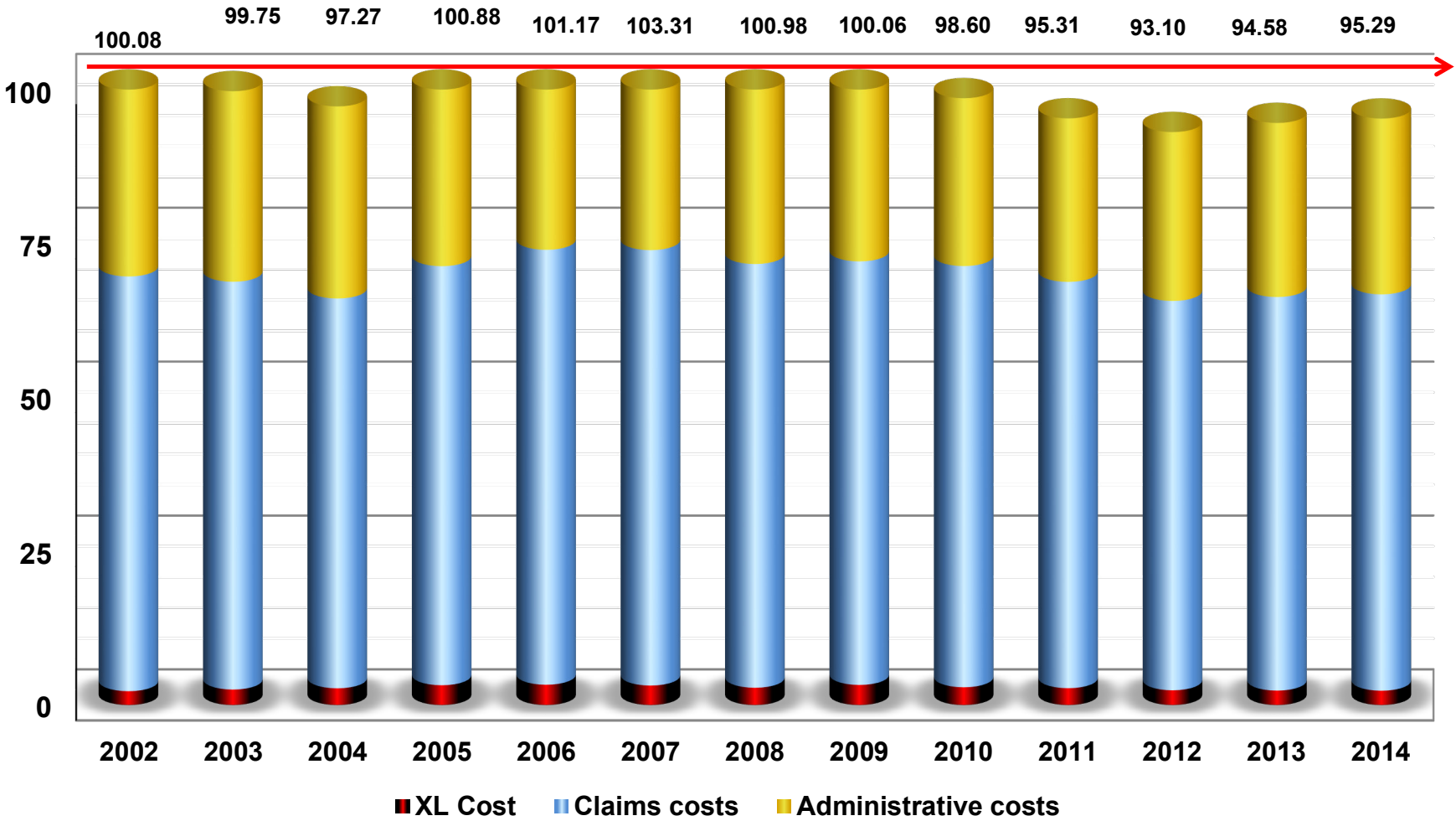


Market Combined Ratio

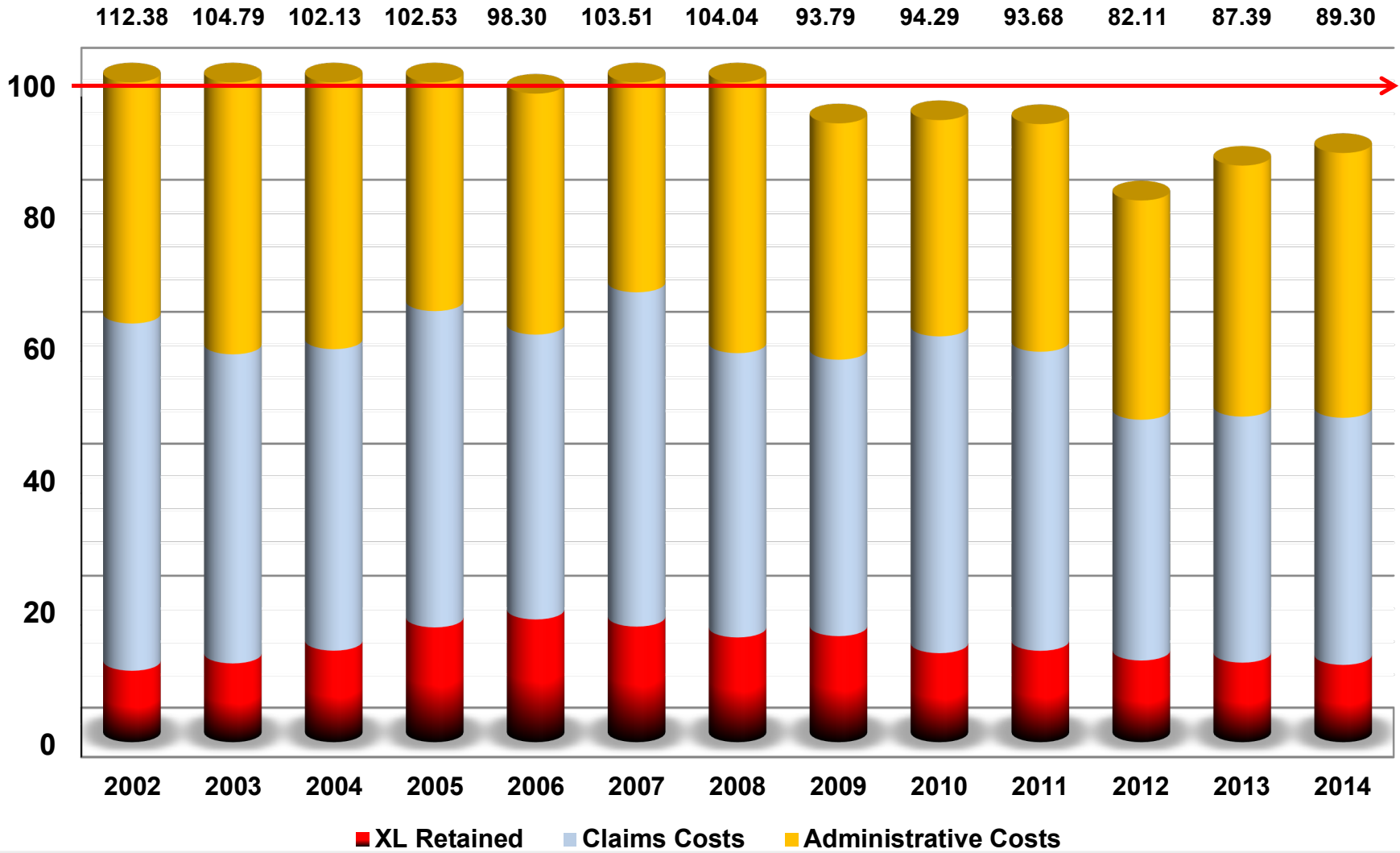
Overall Combined Ratio



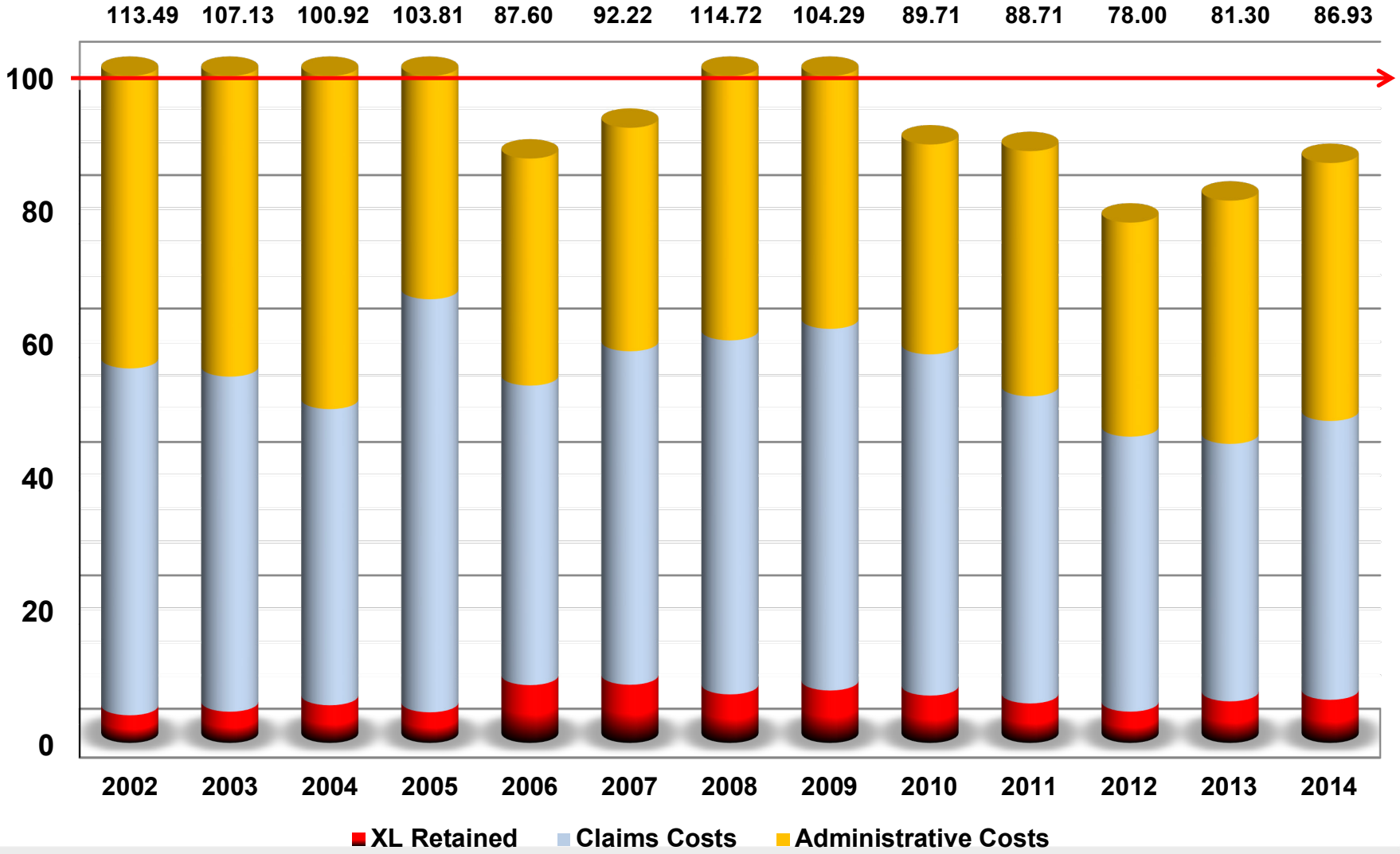
Retention Combined Ratio (w/o Life)



Retention Combined Ratio (Non Life w/o Motor)



Retention Combined Ratio (Engineering)

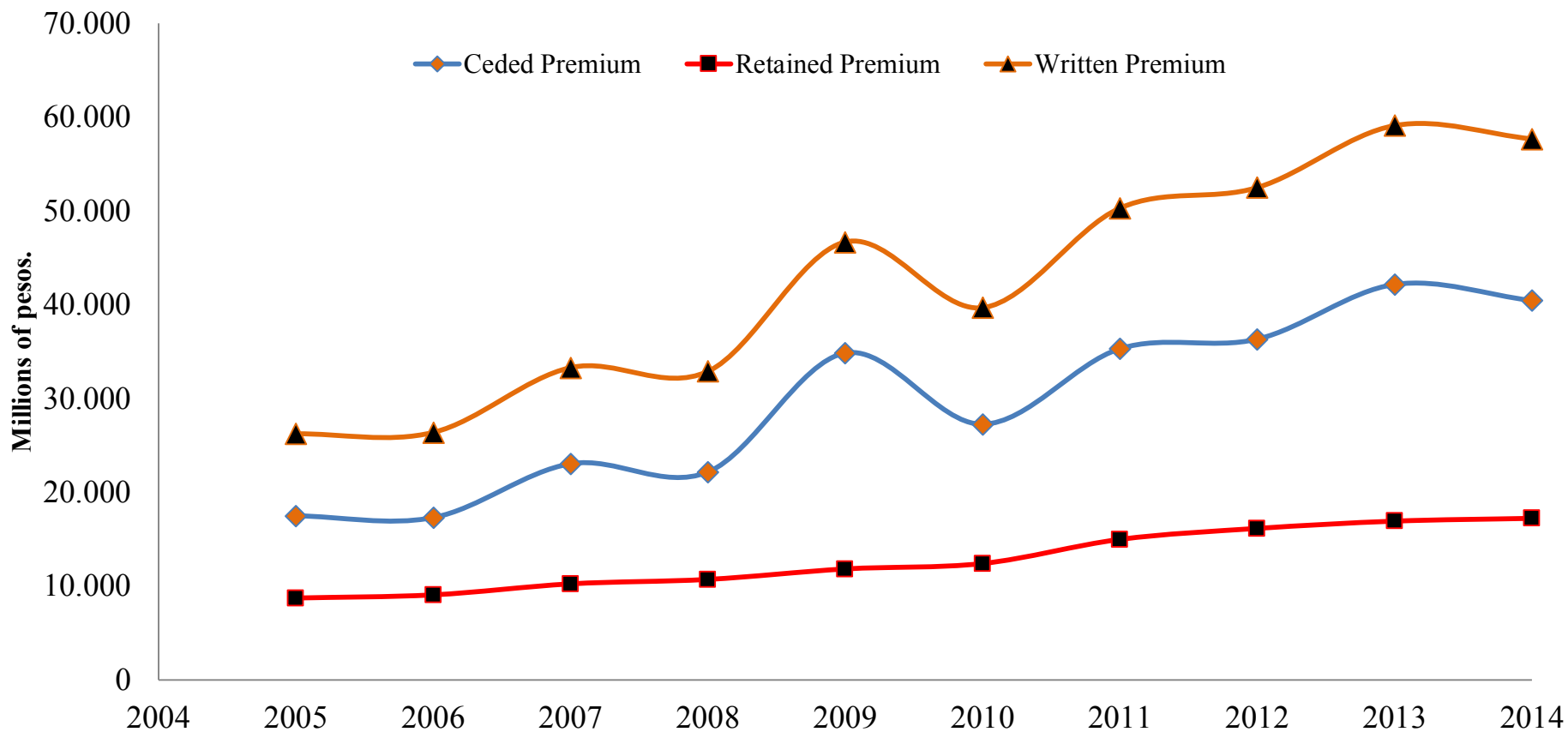




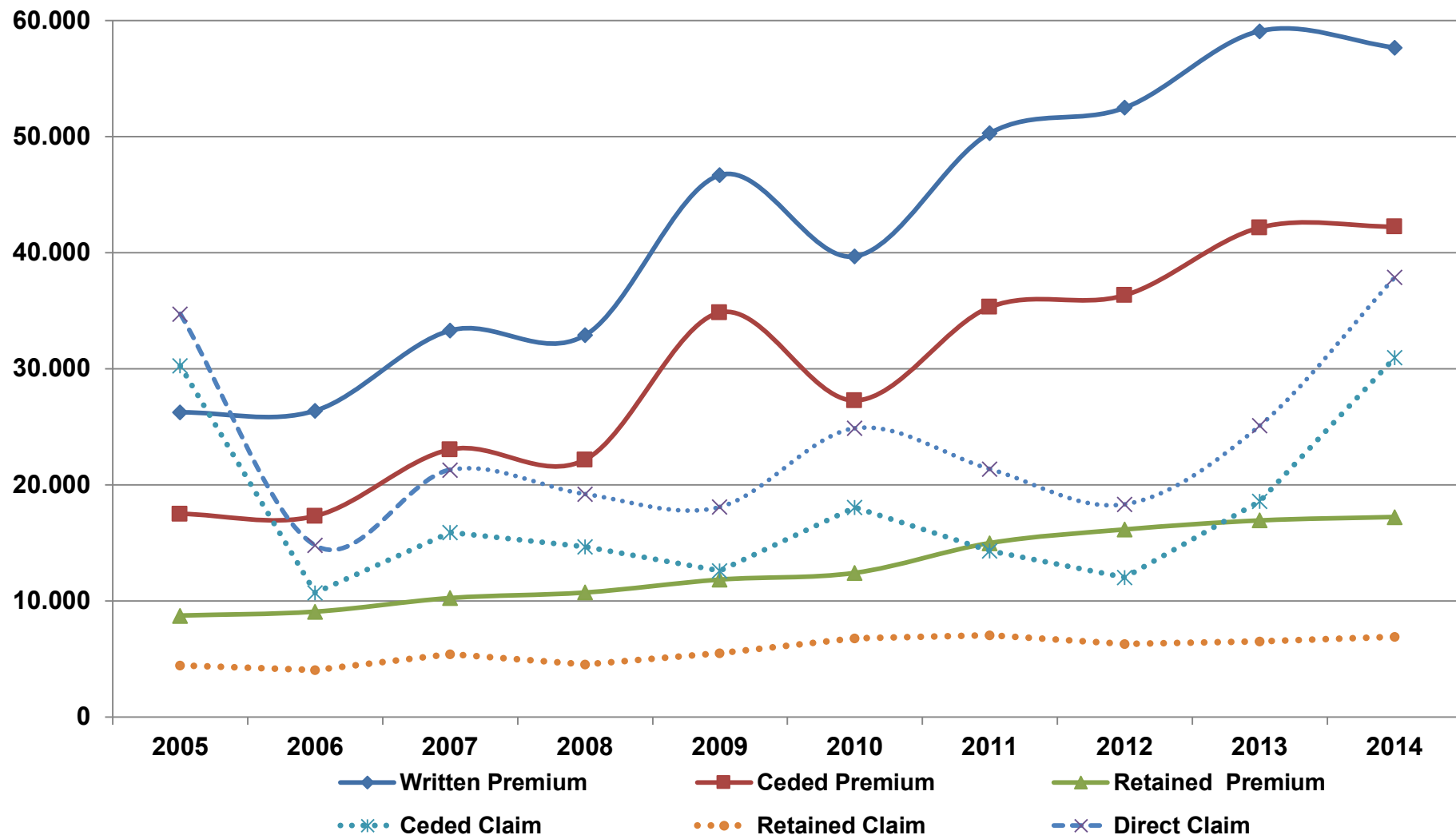
Reinsurance

Non Life Insurance Premiums

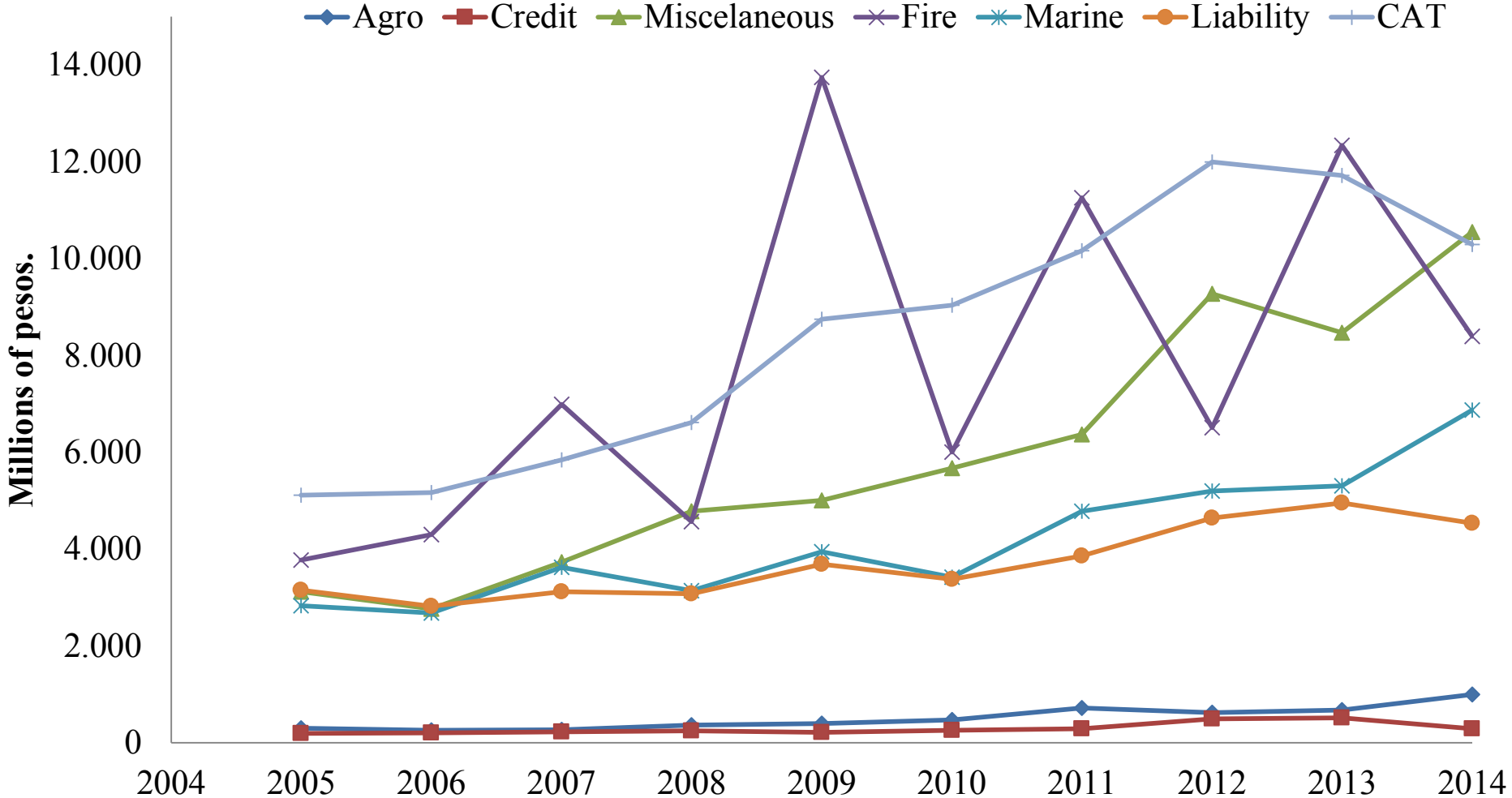
Current figures



Non Life (Premium and Claims, w/o Motor)



Non Life Ceded Premiums (w/o Motor)



Source: FinanciAMIS (IV Quarter figures 2005 – 2014)

Thank
You
for
your
attention

*Muchas
Gracias*

