

Topical views: Casualty

How **INSURANCE** emerging are the Emerging Markets?

How mature / reflective of advanced economies are the **CASUALTY** components of the emerging markets?

Are the market **CASUALTY** premium and claims trends / ratios / proportions similar?

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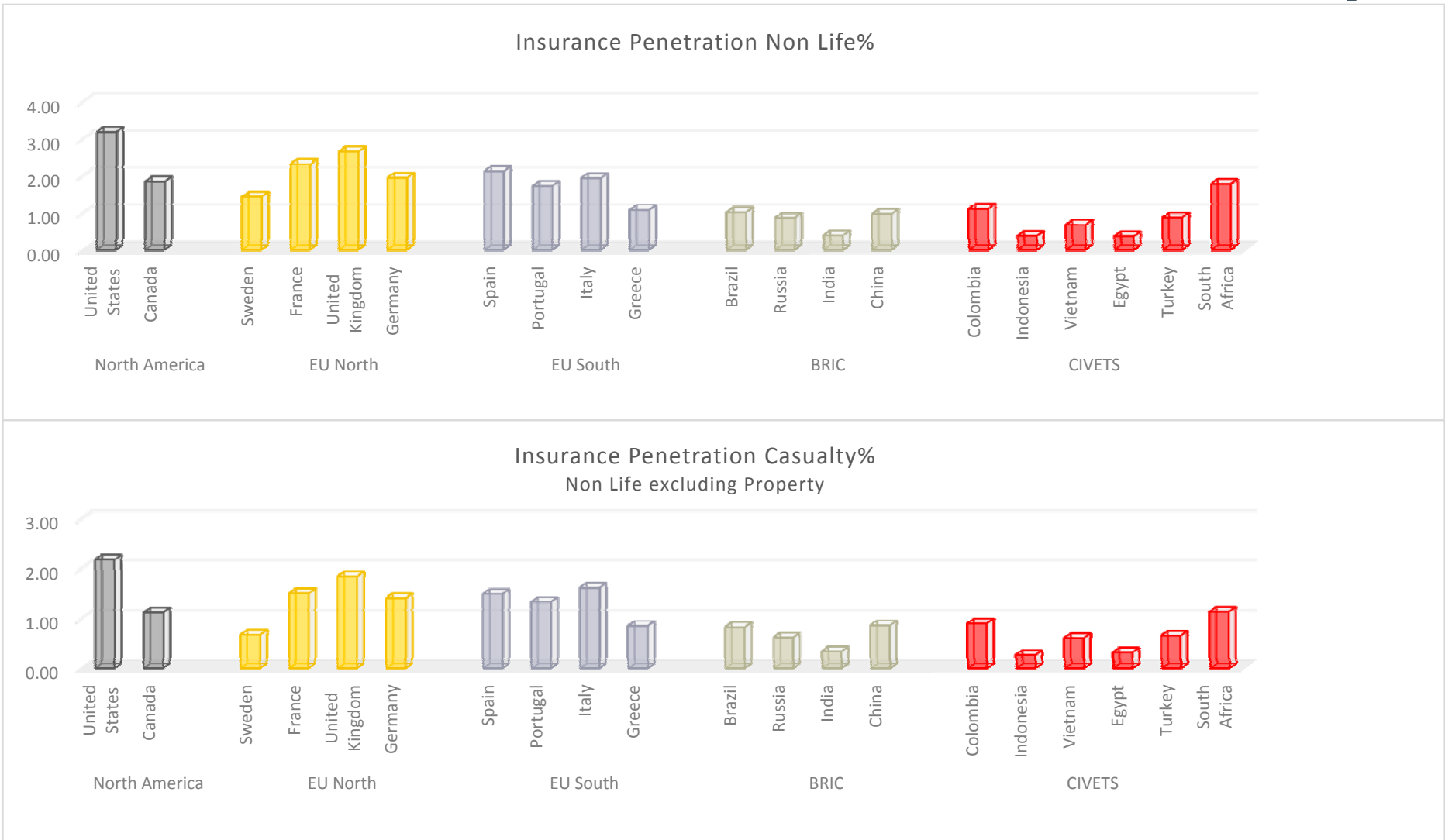
INTERNATIONAL CASUALTY

This session will provide a survey of the various European and worldwide markets and hot topics. The session will explore various localized issues and trends in Liability in Europe including claims inflation and propensity to sue in most relevant lines and countries including medical malpractice and European sourced asbestos. Will also provide an overview of the continuing impact that the introduction of annuity-type settlements for large UK bodily injury claims (Periodic Payment Orders or PPOs) has had on insurance & reinsurance markets, including the challenges of introducing "life" aspects to a GI insurance & reinsurance product. The resulting disconnect between insurers and reinsurers, and implications for other European territories will be explored.



So how big is the insurance market? (and Casualty specifically)

Life	\$ 2 455 000 000 000	51.68%
Property & Casualty	\$ 1 314 000 000 000	27.64%
Prop \$ 351 b (27% of P&C)		
Motor \$ 598 b (45% of P&C)		
Rest \$ 365 b (28% of P&C) – or 7,67% of All Of it!		
PA & Health	\$ 983 000 000 000	20.68%
Influencer (USA = \$ 607 = 61.74% of PA & Health)		
TOTAL 2011	\$ 4 753 000 000 000	

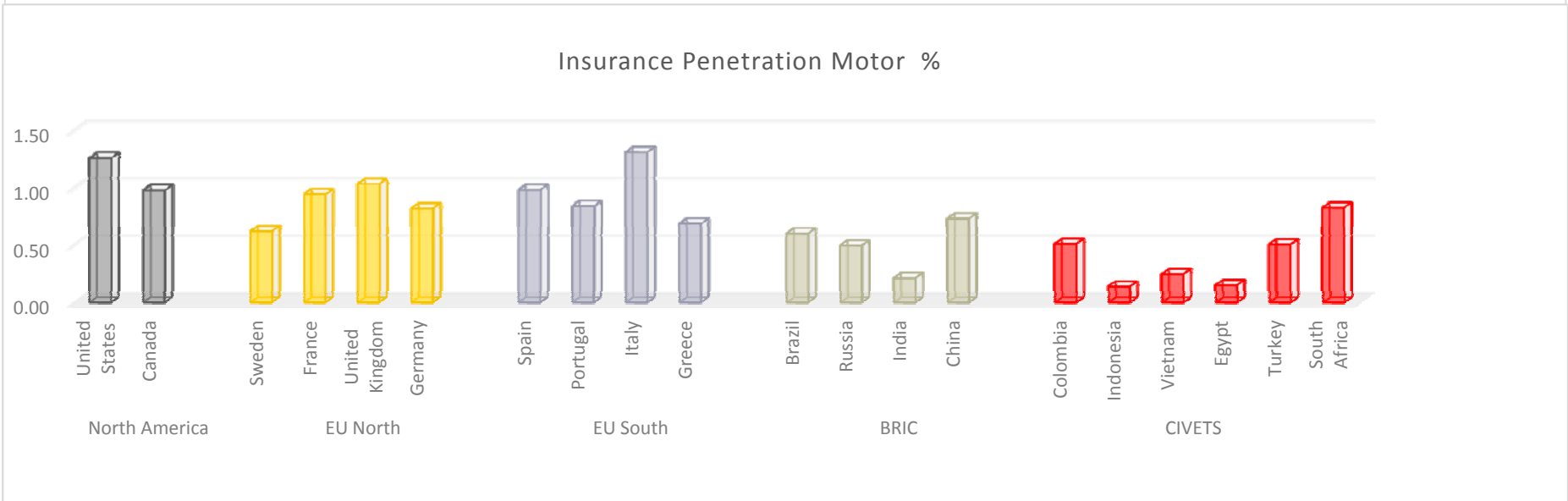
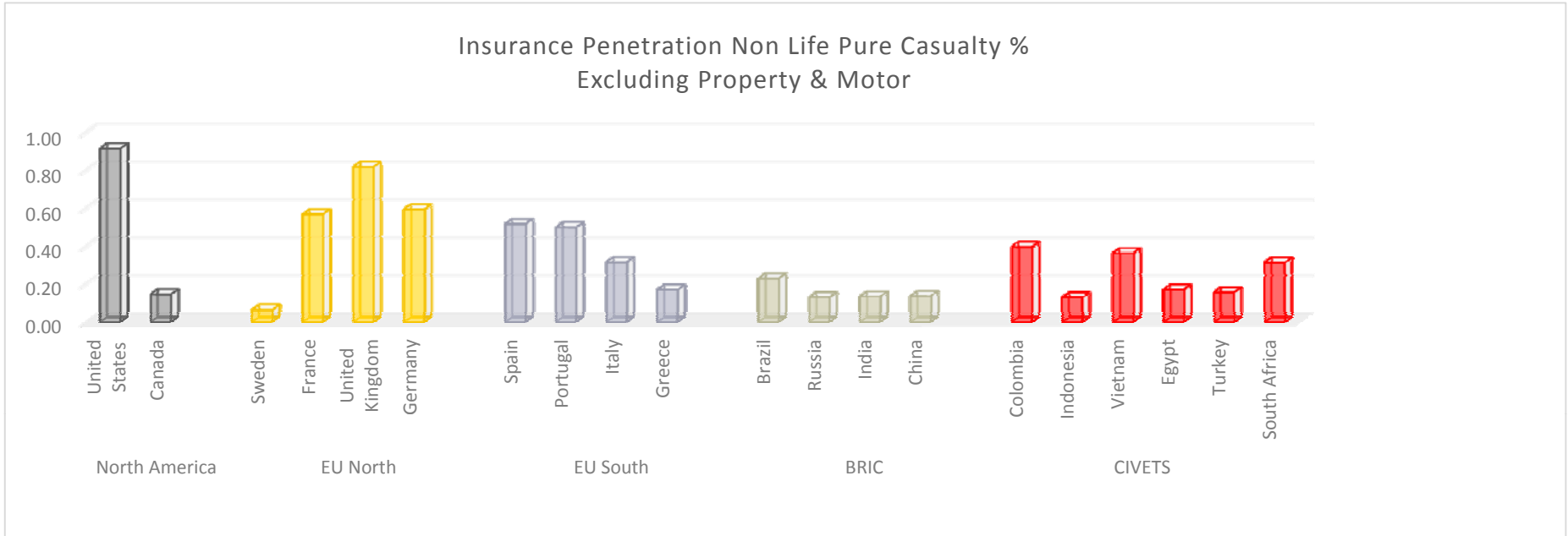


Insurance Premiums and contributions to the P&C component are more influenced with the Casualty area, by “ Compulsory Insurances” i.e. Motor TP

Prop \$ 351 b (27% of P&C)
Rest \$ 365 b (28% of P&C)
Motor \$ 598 b (45% of P&C)

The more “mature markets” have 3rd Party hidden within the Comprehensive

CARE Bermuda – International Property
Survey of Europe/Worldwide / Developed & Developing CASUALTY Markets



“As reported “: - the split of P&C across the “standard classes”

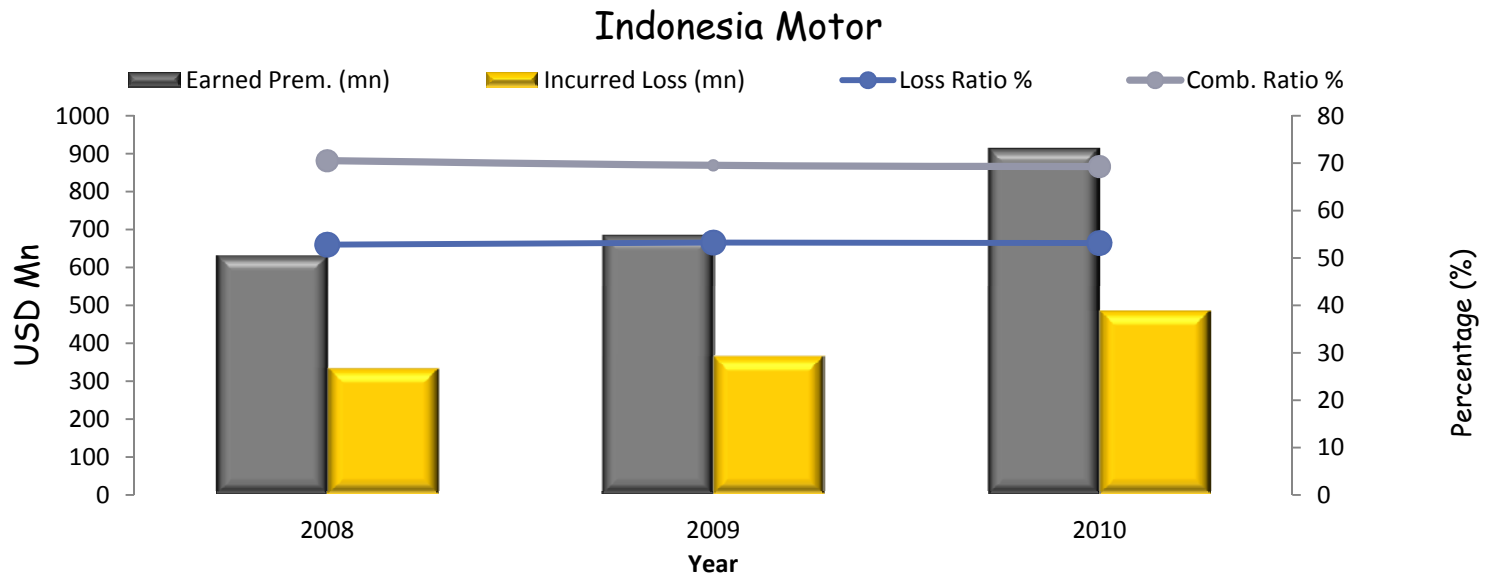
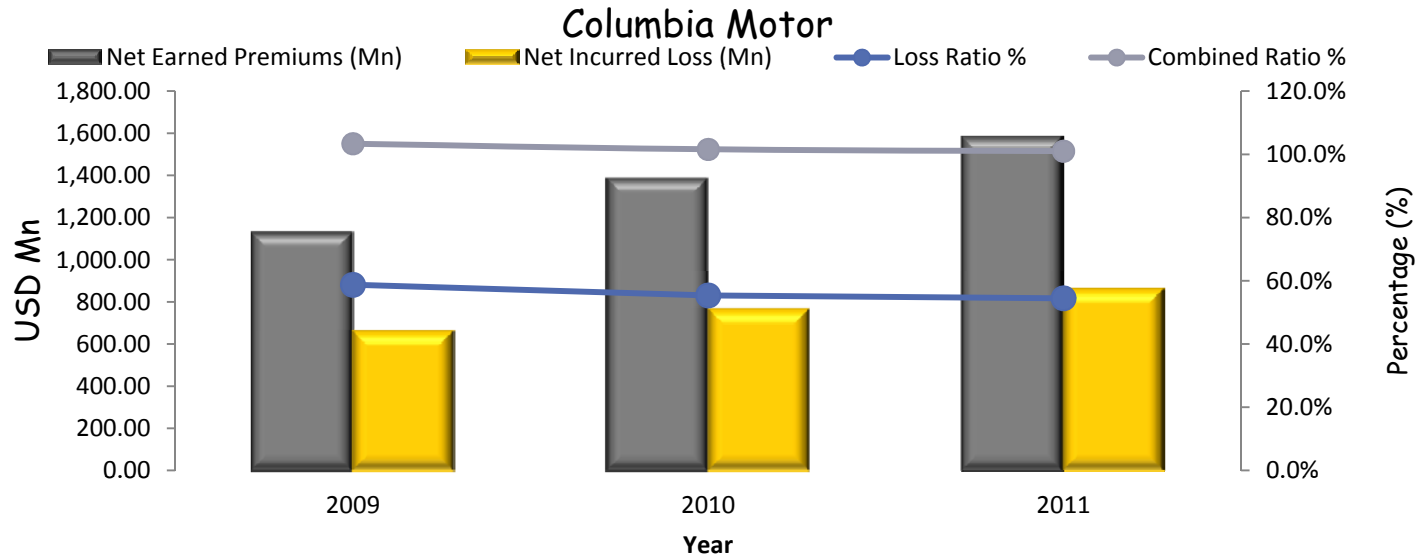
So many different regulatory and association “types” of filings, that classes within classes are not consistent across the world, even though close on the principal lines

In order to get really deep, you need to burrow down into : -
Line of Business by Insurer – and the data set expands over 100 fold

Trends can then be “seen” and tracked on an individual line of business at the most granular level

A ten year look-back can open up the data by Line of Business and show how the regulatory changes
In a country or region closely track and follow more mature markets

The catch up in claims trends is quite quick in the main motor and accident classes, less so in
Liability and long tail areas

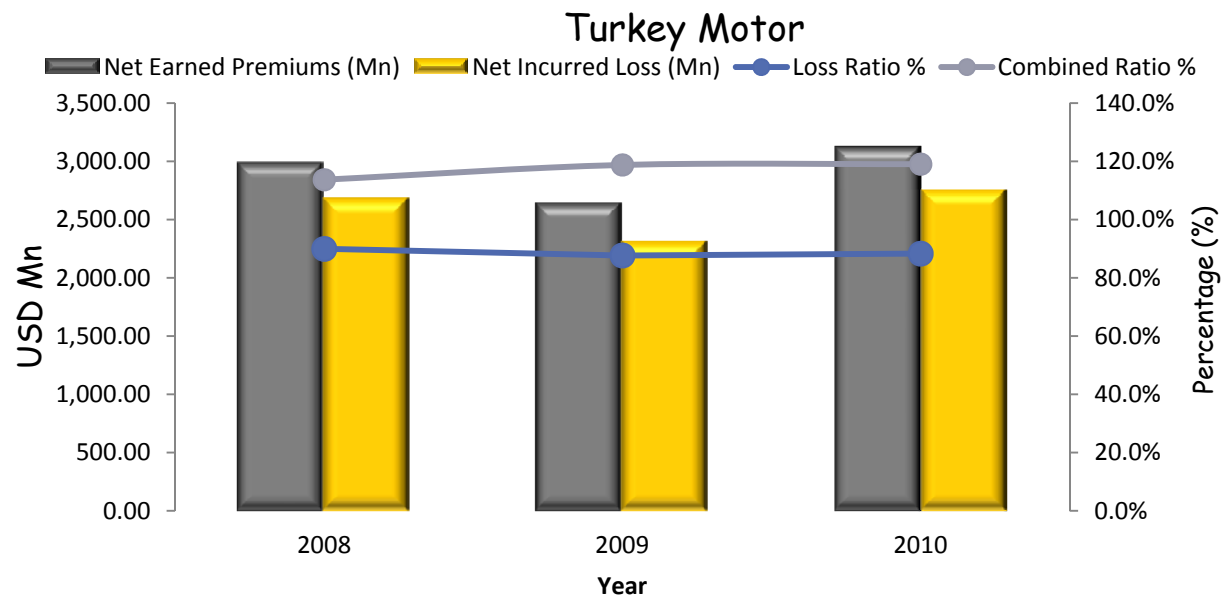


Regulatory factors influence the figures:

How much of the Motor is TP

How much is compulsory

What is the commission regulatory environment



CARE Bermuda – International Property
Survey of Europe/Worldwide / Developed & Developing CASUALTY Markets



MOTOR	Country	Total	Property	Motor	Work Comp	Liability	MAT	Surety Credit	Sub Total	"Rest"
40%	United States	480,652.81	152,547.08	190,044.28	44,236.67	58,121.52	4,409.37	16,335.75	465,694.67	14,958.14
46%	Canada	36,946.30	12,614.97	17,015.38		4,776.31	612.84	1,570.64	36,590.14	356.16
		517,599.11	165,162.05	207,059.66	44,236.67	62,897.83	5,022.21	17,906.39	502,284.81	15,314.30
39%	United Kingdom	64,731.58	19,687.66	25,132.18		8,817.59	4,279.18		57,916.61	6,814.97
42%	Germany	69,684.63	19,156.04	29,273.44		9,629.46	2,527.26	2,140.81	62,727.01	6,957.62
41%	France	64,571.71	22,547.97	26,245.73		4,239.91	1,431.84	1,404.04	55,869.49	8,702.22
43%	Sweden	7,772.68	4,100.13	3,328.74			147.24	87.52	7,663.63	109.05
		206,760.60	65,491.80	83,980.09	-	22,686.96	8,385.52	3,632.37	184,176.74	22,583.86
	Italy	42,682.41	6,934.76	28,753.37		4,077.07	843.06	926.93	41,535.19	1,147.22
	Spain	31,792.15	9,420.40	14,639.52		1,650.30	746.97	951.52	27,408.71	4,383.44
	Portugal	4,120.89	932.07	1,999.41	749.80	128.01	85.37	51.20	3,945.86	175.03
	Greece	3,250.52	685.53	2,056.29		98.71	68.16	63.60	2,972.29	278.23
		81,845.97	17,972.76	47,448.59	749.80	5,954.09	1,743.56	1,993.25	75,862.05	5,983.92
58%	Brazil	25,395.86	4,826.71	14,827.21		557.94	1,947.46	894.15	23,053.47	2,342.39
57%	Russia	16,473.57	4,651.65	9,363.69	231.58	570.88	1,243.72	412.05	16,473.57	-
53%	India	7,613.18	1,047.86	4,020.19		189.46	556.11		5,813.62	1,799.56
75%	China	71,500.83	8,189.93	53,408.41		2,265.00	2,939.23	2,590.03	69,392.60	2,108.23
		120,983.44	18,716.15	81,619.50	231.58	3,583.28	6,686.52	3,896.23	114,733.26	6,250.18
						3%	6%			-
45%	Colombia	3,726.72	710.28	1,690.30		290.53		441.12	3,132.23	594.49
35%	Indonesia	3,287.69	984.99	1,143.55		65.83	596.09	142.36	2,932.82	354.87
36%	Vietnam	845.75	90.46	303.78		22.14	295.72	1.16	713.26	132.49
40%	Egypt	867.90	90.00	345.72			220.34		656.06	211.84
57%	Turkey	6,807.40	1,694.94	3,902.85	42.81	180.89	374.54	35.26	6,231.29	576.11
46%	South Africa	7,291.77	2,626.86	3,369.78		375.77	202.15	196.93	6,771.49	520.28
		22,827.23	6,197.53	10,755.98	42.81	935.16	1,688.84	816.83	20,437.15	2,390.08
						4%				
	Class totals	950,016.35	273,540.29	430,863.82	45,260.86	96,057.32	23,526.65	28,245.07	897,494.01	52,522.34
	Percentage		29%	45%	5%	10%	2%	3%		6%

Zoom in

MOTOR

		Total	Property	Motor	Work Comp	Liability	MAT	Surety Credit
39%	United Kingdom	64,731.58	19,687.66	25,132.18		8,817.59	4,279.18	
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Class totals		950,016.35	273,540.29	430,863.82	45,260.86	96,057.32	23,526.65	28,245.07

Percentage ALL COUNTRIES		29%	45%	5%	10%	2%	3%
EU North		32%	41%	0%	11%	4%	2%
BRICS		15%	67%	0%	3%	6%	3%

Casualty is largely driven by forced or compulsory insurance, either by regulation or conditional sale

Compulsory Third Party / Loan / Mortgage / Asset finance

Slow regulations and enforcement of Liability / Environmental / Professional classes

If you can, dive deeper into the sub-classes and see the “influencers”