



Swiss Re



World insurance in 2007

Emerging markets leading the way
sigma No 3/2008

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World insurance in 2007: Content

- Economy and financial markets
- Growth of the insurance industry since 1980
- Development of the life and non-life industry
- Summary



Global real GDP growth in 2007 above the long-term average

In 2007, real GDP grew faster than in the last 10 years in most regions of the world.

Real growth rates



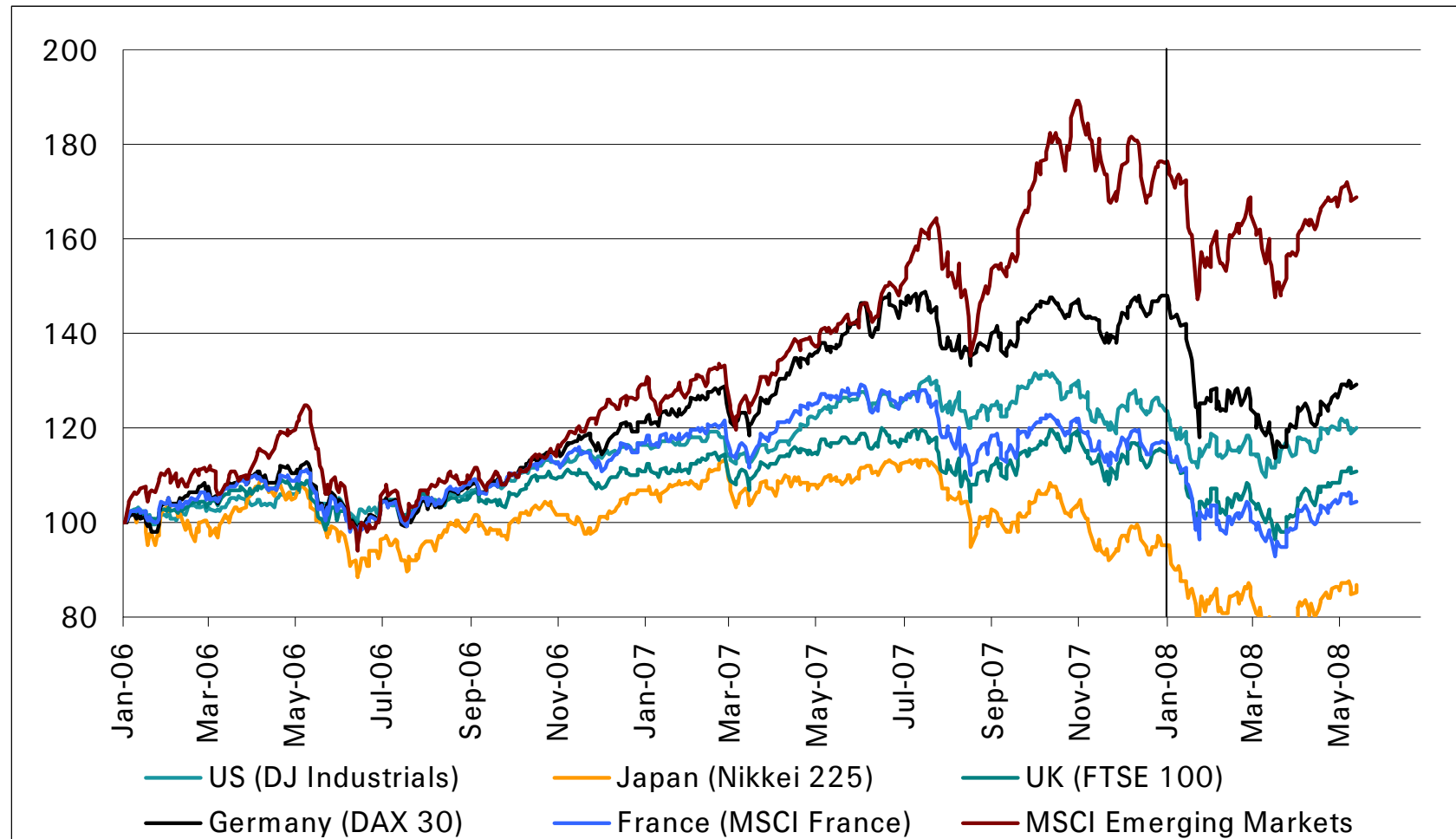


Stock markets expanded solidly in the first three quarters of 2007 in most markets

With the exception of Japan, stock markets around the globe rose steadily during the first three quarters of 2007.

However they lost value significantly thereafter.

Base Jan 2006





Solid growth of global premium volume continued in 2007

Growth of premium volume

Figures are adjusted for inflation

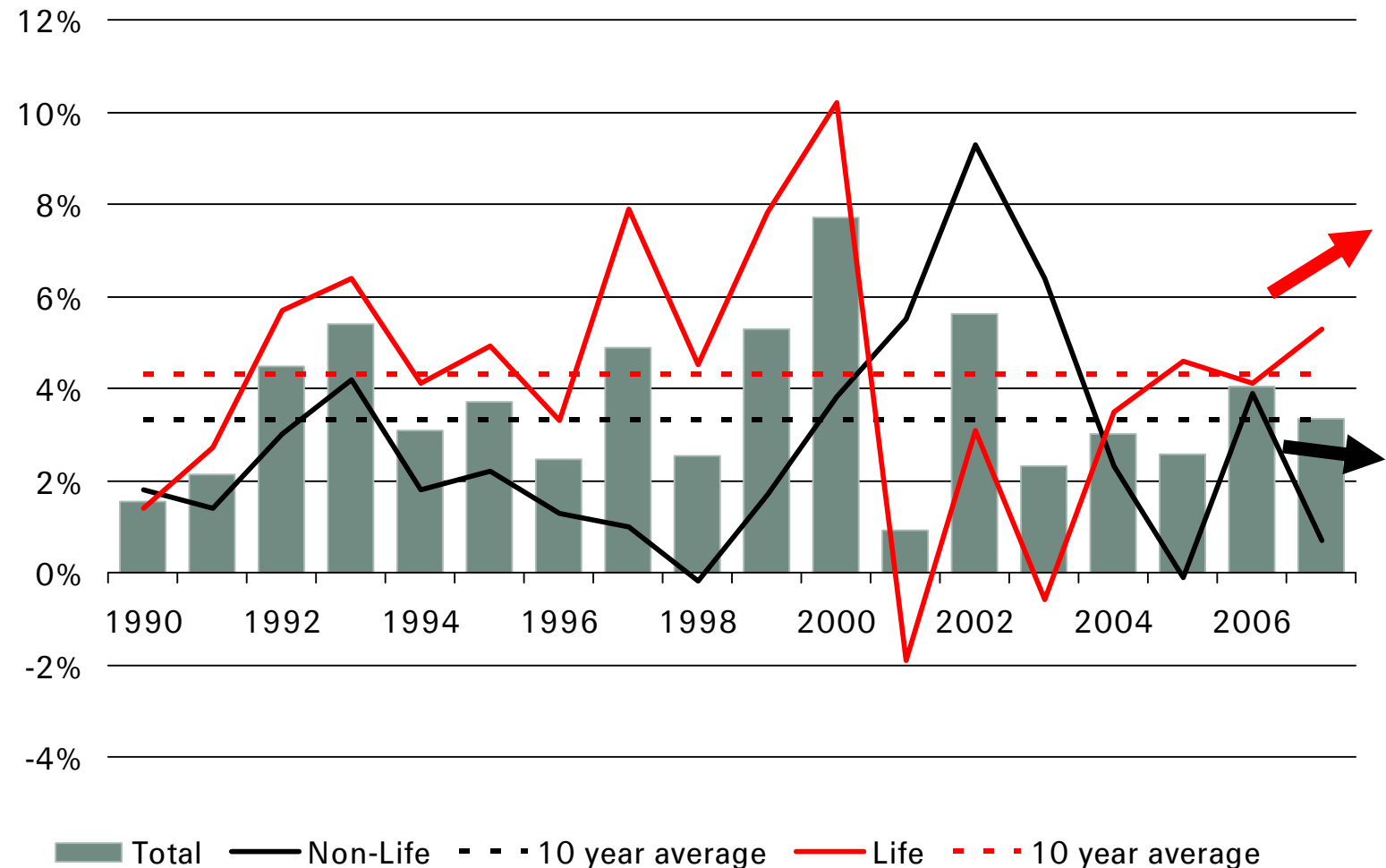
Global insurance premiums (USDbn):

Life: 2393
Non-Life: 1668
Total: 4061

Media conference call
24 June 2008

Slide 5

Real growth rates



Source: Swiss Re sigma No. 4/2008



Global life premium growth in 2007 outpaced long-term average

In 2007, world life premium growth outpaced the 10-year average in the industrialised countries while in the emerging markets growth was about the long-term average.

Real growth rates



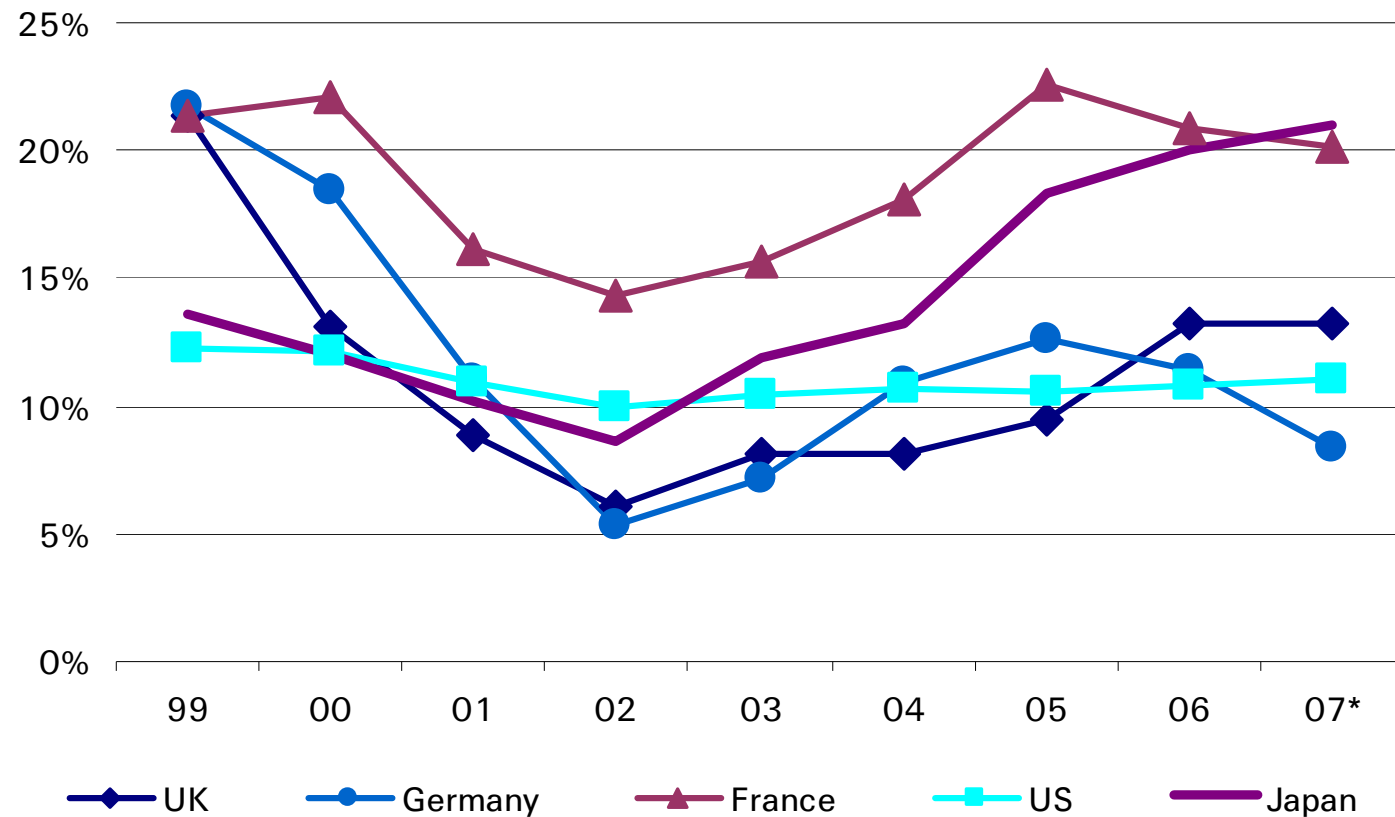


Further increased risk capital position of life insurers

Despite some sub-prime exposure the capital position of life insurers is very sound.

The decline in France and Germany is overstated by these figures.*

Risk capital in % of non-linked technical reserves



* This is due to the decline in unrealised capital gains on the investment portfolio, which consists mainly of long-term fixed-income securities, given rising interest rates. Since most of the assets will be held to maturity, the decline in risk capital is overstated.

Source: sigma No. 3/2008, Figure 8, page 10.

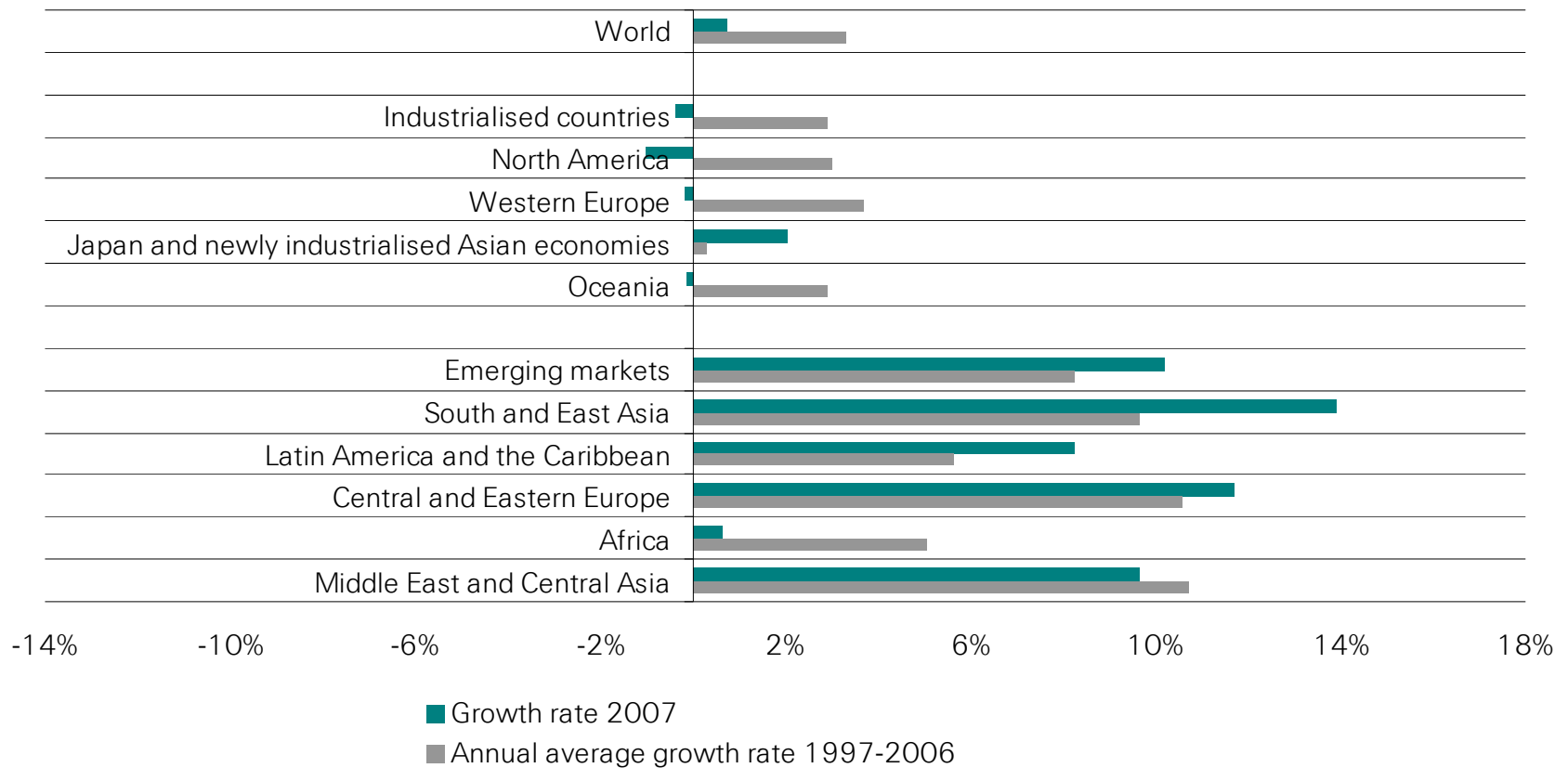


Non-life premium growth in 2007: emerging markets strong while industrialised countries retreat

In 2007, global non-life premiums expanded by a mere 0.7% well below the 10-year average of 3.3%.

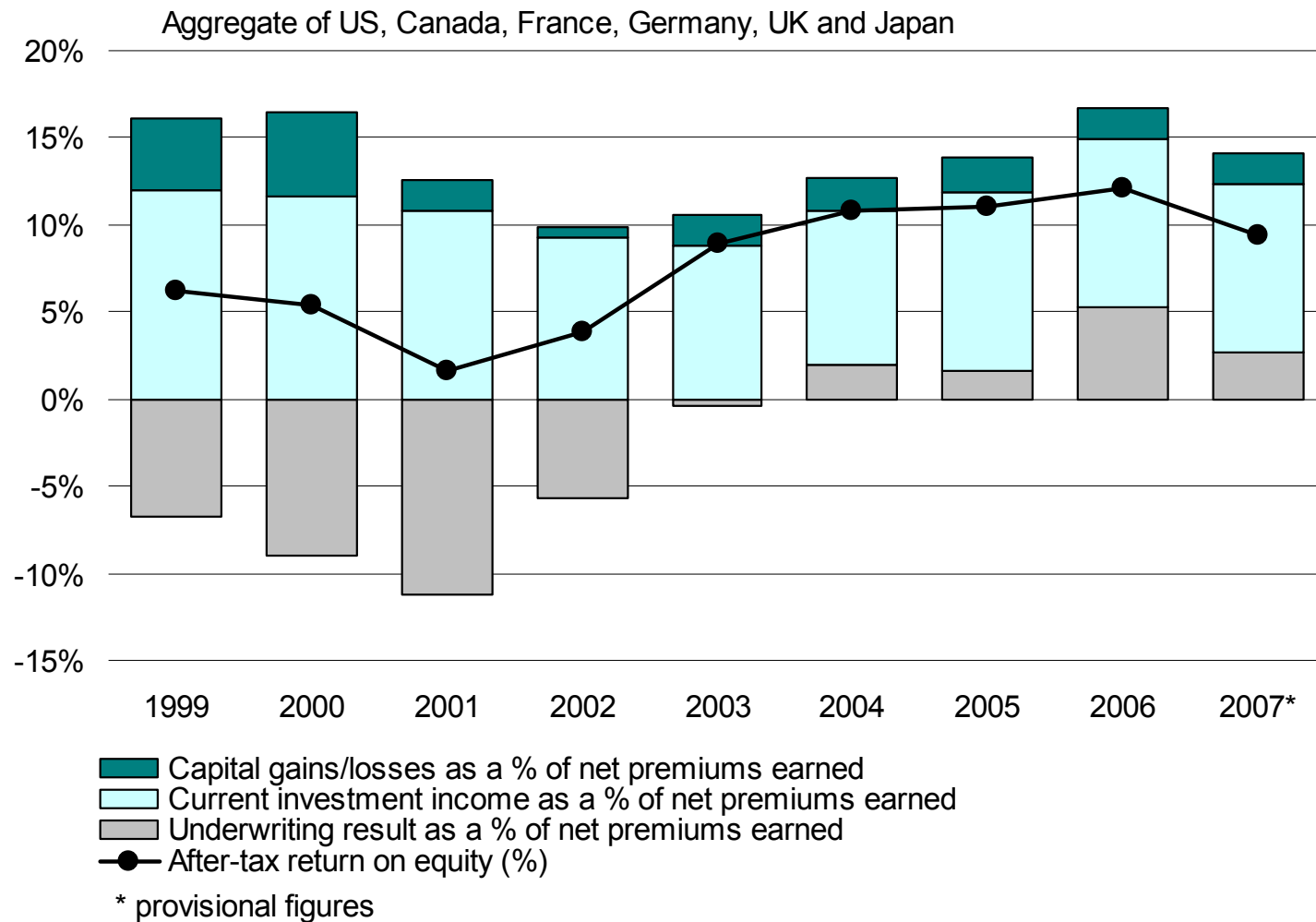
The Emerging markets continued to grow strongly at 10.2%.

Real growth rates





Non-life insurance: Still solid profitability





Summary

- The insurance industry performed well in 2007, particularly in the emerging markets and is financially in sound shape.
- The economic environment was still robust. Growth slowed only marginally, but steeply rising inflation becomes major concern.
- Growth of life insurance was strong overall, due to strong growth of retirement and other wealth accumulation products. Temporary slow-down is expected. But prospects remain good due to favourable long-term trends.
- Non-life retreated in the developed countries, with pressure on rates remaining in place. Emerging markets showed another strong year. Underwriting results and profitability remained sound in non-life. Pressure on rates is expected to continue and rising inflation is a concern for liability and other long-tail lines.
- Overall, the insurance industry is in good shape. The unfolding sub-prime/credit-crisis is expected to have only a limited impact on the insurance industry.