

# HORUS

## Insurance Newsletter

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## World Insurance Market 2004 Swiss Re

### Executive Summary

World insurance premiums rose to USD 3 244bn in 2004. USD 1 849bn went to life insurance and USD 1 395bn to non-life. Life business returned to growth in most markets and reached 2.3% real growth rate at the worldwide level. The pace of growth in non-life has been slowing down. Nevertheless, non-life premiums still grew by 2.3% in real terms in 2004. Profitability improved further in 2004 in spite of high catastrophe losses. In non-life insurance, the disciplined underwriting applied since late 2001 formed the basis for this positive development.

In life, several factors contributed to rising profits. Reduced profit participations, lower guaranteed rates and cost savings were the biggest help.

Since 2002, insurers have kept a low equity exposure and have retained earnings to replenish their capital base. In 2004 insurers succeeded in combining revenue growth with higher profitability and a stronger capital base than in the previous two years. Investment banks and rating agencies acknowledged these developments and positively changed their outlook on the insurance industry.

Europe outstripped the US in terms of life premium growth. While anaemic sales of individual annuities resulted in stagnation in the US, pension reforms strongly contributed to the 4.0% real growth recorded in Western Europe. Total life premiums declined by around 1% in Japan, although private insurance grew.

Emerging markets again reported strong life premium growth (2003: +10.5%, 2004: +7.4%), although the scale of the growth differed from country to country.

In 2004, both the US and Western Europe increased their non-life business by around 2%. This achievement in the markets that account for about 77% of the world's non-life premiums powered the expansion of the global non-life industry.

However, developing countries also contributed to global growth by recording a robust 7.7% real growth rate. In non-life insurance, too, the picture in the various emerging markets was patchy. While some developing economies underperformed industrialized countries with mature insurance markets, others

raised their non-life insurance premiums by more than 15%.

The GDP of the industrialized countries will grow by around 2.5% in 2005, and emerging markets are expected to double this growth rate. Long-term interest rates will slowly rise and stock markets will moderately improve their performance in the course of 2005. Regulatory changes will open up opportunities for insurers, particularly in Western Europe and developing countries.

Life insurance will benefit the most from the outlined scenario and will grow by around 3% at the worldwide level in 2005. Given the volatile investment returns, risk products and pension business are predicted to grow faster than profit-participation products. Economic growth will spur demand for non-life covers, especially in emerging markets with a low insurance density. Pricing is expected to remain adequate in 2005 and the operating result<sup>1</sup> as percentage of net premiums earned to be again in the low double-digit

## **Economic growth consolidates, financial markets improve slightly**

The global economy expanded by 4.0% in real terms in 2004. Growth accelerated both in industrialized countries and emerging markets. The US gross domestic product rose by 4.4% in 2004 (2003: +3.0%). Western Europe achieved a 2.3% real GDP growth, while Central and Eastern European countries increased their output by more than 6%. Growth in Japan, China and India consolidated and spilled over to other Asian countries through regional trade. Despite the rising prices of oil-related products, inflation remained low and stable in 2004 within the industrialized countries. The picture is patchy among the emerging markets. While some large countries such as Brazil and Russia managed to curb inflation in 2004, others like China and Poland reported higher inflation rates, although they still remained below 4%. The GDP of the industrialized countries is expected to rise by around 2.5% in 2005. Although the US economy is predicted to report a lower real growth rate than in 2004, it is still expected to be the locomotive of the industrialized countries.

In 2005, the aggregated GDP of the emerging markets is likely to grow by about 5%, fuelled by strong growth in China (+8.2%), India (+7.0%) and Russia (+5.8%). As regards inflation, the outlook is encouraging. Lower oil prices and climbing interest rates are expected to reinforce inflation stability within the industrialized countries and to promote a downward trend among the developing countries.

## **World insurance: moderate growth combined with attractive profitability**

### **A stronger insurance industry**

2004 featured several changes in the overall insurance context. These are briefly described in the first section of this chapter. A more detailed insight on life and non-life developments is provided in the second and third sections.

#### ***Premium development***

Total world premiums repeated their 2003 performance and increased by 2.3% in real terms in 2004. Figure 4 reveals that life and non-life business showed opposite trends: while growth gained momentum in life, it slowed down in non-life.

In 2004, regional shares in the global premium volume shifted slightly. The depreciation of the dollar in the course of 2004 only partially explains this phenomenon.

Regional differences in economic growth and in insurance and tax regulation were also important drivers of market-share rebalancing. Europe gained 1.9% points – thanks to the recovery of life insurance – while North America and Asia lost 1.8% and 0.5%, respectively, mainly because of a sluggish demand for life insurance in the US and Japan, the dominating markets in those regions.

#### ***Insurance captives***

High insurance prices and capacity shortages in certain insurance segments boosted captive growth in 2001/02. Industry scandals and greater accountability of executives for risk management decisions (Sarbanes-Oxley Act) fuelled it further in 2003/04. Up to now, captive formation has been strongly correlated to the insurance market cycle. However, the integrated risk management approach has gained ground within large corporates, and this may result in a less cyclical captive market.

#### ***Regulation and transparency***

Proliferating reporting requirements together with the need for more sophisticated managerial information have compelled insurers to invest heavily in turning their static accounting and capital steering systems into complex and dynamic systems. In 2004, insurers had to devote significant resources to spreading knowledge of the International Financial Accounting Standards (IFRS) and the Sarbanes-Oxley Act within their organisations. Although some fine-tuning may still be needed, insurers have managed to operationally adapt to the new regulatory requirements. In the short to medium term, insurers' efforts will focus on enhancing stakeholders' understanding of the volatility that the implementation of IFRS is going to bring into their financial statements.

In late 2004, corporate governance in the context of finite insurance and broking practices became a subject of legal scrutiny. The presumption of misuse was enough to inflict a serious drawback on the volume of international finite business in 2004 and to send growth expectations for 2005 plummeting. Investigations will determine whether subpoenaed corporations complied with the required risk transfer level set by regulators, but also will enhance awareness of the principles of finite insurance. Contingent commissions charged by brokers have also been extensively discussed in public and restricted legal forums.

Large brokers have suffered worst during this process. Although they have managed to retain the bulk of the business they handled in the past, they have faced lawsuits in the millions, and their managers have had to devote as much time to dealing with legal and reputational issues as to increasing revenues and profits. Looking ahead, the ongoing investigations are likely to have

positive impact by further improving transparency in industry practices and, consequently, investors' confidence in the insurance sector.

## **World insurance: moderate growth combined with attractive profitability**

### **Life insurance: Back to growth**

#### *Premiums*

Life insurers leveraged on the savings upswing and pension reforms and pushed world premium volume up by 2.3% to USD 1 849bn, reversing the 0.7% premium decline reported in 2003. Figure 7 reveals that aggregated growth rates for both industrialised and developing countries in 2004 were below the long-term average. While Western Europe, the largest regional life market, expanded by 4.0% in 2004, growth remained sluggish in North America and was absent in Japan. The Anglo-Saxon markets, except for the US, reported noteworthy growth in life business.

Overall growth in the emerging markets is the result of opposite regional trends.

Life insurance real growth in 2004 exceeded the long-term average in Latin America and almost hit it in South and East Asia. However, changes in taxation in Russia, the largest insurance market in Central and Eastern Europe, led to a contraction of the regional premium volume. A strong decline in single-premium business in South Africa, the dominating market in Africa, also made regional premiums shrink.

The stake of premiums from savings products in the global life business portfolio increased by almost 2% between 1995 and 2000. In 2001, risk premiums won back almost 1%, and since then the global premium split has remained stable.

In Western Europe, however, the fluctuations in savings premiums have been much wider. Figure 8, based on definitive market data, shows that the share of unit-linked premiums in total life premiums in Western Europe increased from 18.4% in 1995 to 46.0% in 2000 and then decreased to 29.0% in 2003. Estimates point to a further drop in 2004.

#### *Life and health outlook*

Life premium growth in the industrialized countries is expected to be in the range of 2% in 2005. Emerging markets are likely to leverage strongly on the expansion of their economies and are forecast to boost their life premiums by around 8% in 2005 in real terms. Given the willingness of some governments to offload pension liabilities from the fiscal budget, the future of pension business looks very promising. In many countries, there is a mortality risk protection gap.

Furthermore, some governments are also cutting social security benefits (such as occupational disability benefits). Given this background, the growth outlook for private risk insurance products (such as term life, disability or critical illness) is also very positive.

### **Non-life insurance: growth in premiums and profits**

#### *Premiums*

Global non-life premiums expanded by 2.3% in real terms in 2004, amounting to USD 1395bn. Even though the growth rate is only moderate in absolute terms, it is nevertheless an achievement in the light of the high real premium growth rates already recorded in 2002 (+9.0%) and 2003 +(6.4%). Premiums in the US, the largest non-life market, rose by 2.0% and set the trend in North America, although Canada reported a similar growth rate. However, premium development in Western Europe, the second most substantial region, varied from country to country. Non-life business recorded a minor decrease in the UK (-0.5%), increased at a moderate pace in France (+2.1%) and Italy (+2.5%) and grew strongly in Spain (+5.5%).

#### *Catastrophe losses*

Insured losses from natural catastrophes, which had been increasing since the late 1980s, reached a record high in 2004 and markedly underlined the need for risk-adequate pricing. The insured property and business interruption losses of USD 49bn stemmed mainly from hurricanes in the US and the Caribbean and from typhoons in Japan.

#### *Profitability and financial strength*

Overall pricing remained satisfactory in 2004. Only some property lines in certain countries experienced price softening, while casualty prices – in general – remained stable. Thanks to disciplined underwriting, industry performance – measured in terms of combined ratio – was good across all lines of business in the key industrialised countries that drive worldwide trends.

Investment returns remained moderate, but the underwriting result improved – despite the high catastrophe losses – and pumped up the non-life operating result even in highly competitive primary markets. According to sound estimates, the US, Canada, the UK, Germany, France and Japan achieved positive underwriting results, and double-digit operating result in 2004.

### ***Non-life outlook***

The real growth rate of global premiums has been declining over the last two years. It will slow down even further in 2005. Growth in insurance demand is forecast to be offset by some adverse insurance pricing developments. However, insurers are expected to actively manage the industry cycle and deliver positive underwriting results in 2005.

### **Industrialized countries: slow growth, improved financial strength**

*In 2004, life business reverted to growth and non-life held on to it*

The industrialized countries – generating about 88% of world life premiums – increased their life insurance business by 1.7% in real terms (2003: –2.0%).

Although economic conditions improved, the US and Japan could not achieve substantial growth in their life business. Regulatory changes, among other factors, were key drivers of growth in Western Europe, which expanded its life premiums by 4.0% in 2004. After three years of depressed sales in UK, the largest Western European market, consumers' confidence in life insurance increased and premiums were up 3.6%. France, the region's second important market, recorded an extraordinary growth of 10.6%, mainly due to changes in the pension system. Oceania achieved 6.2% real growth due to strong expansion of the Australian market (+6.3%) and moderate growth in New Zealand (+3.8%).

In 2004, the industrialised countries – which account for around 90% of the world non-life market – increased their non-life premiums by 1.7% in real terms.

This aggregated rate reflects the trends in most of the individual countries. Only Japan, UK and Ireland reported minor premium drops in 2004. The US, which account for about 43% of world premiums, reported 2.0% real growth in 2004.

Germany, the second largest market, posted 1.5% real growth. The UK reported a decline of 0.5% – after an extraordinary 9.6% growth in 2003 –, while France and Italy recorded growth rates slightly above 2%.

Net underwriting results in the industrialized countries were positive in 2004 and thus helped insurers to achieve attractive returns on equity. Operating results are expected to remain attractive in 2005, but the positive contribution of underwriting results is expected to gradually fade away in the medium term.

In 2004, the average amount spent on insurance in industrialized countries was USD 2 966 per capita. 57.0% of this amount went to life insurance and the remaining 43.0% to non-life. Insurance penetration, measured as a percentage of GDP, remained stable among the industrialized countries. Life insurance penetration was 5.1%, while non-life was 3.9%.

### **Emerging markets: sustained growth, different speeds**

#### **Both life and non-life premiums reported strong growth**

Growth continued to be strong among emerging markets, both in life and non life business. In the low interest-rate environment, significant foreign direct investment flowed to emerging markets with low labor costs and/or attractive GDP forecasts. This flow, combined with changes in taxation and pension systems, boosted insurance growth. South and East Asia, the largest cluster of emerging markets, achieved a sound 9.0% real growth rate. As the tsunami in the Indian Ocean occurred in late December 2004, it had no impact on the premium volume of the 2004 business year. The Latin America and Caribbean region achieved a 10.5% real growth, the highest rate in 2004.

The emerging markets category groups countries that differ widely in terms of size, culture, politics, financial stability, insurance regulation and GDP per capita.

Therefore there are usually significant differences – both in life and non-life business – between national growth rates and the emerging markets average rate.

The main differences are described in the paragraphs below, but more detailed information is provided in the regional chapters and the statistical appendix.

After achieving a robust 10.5% real growth rate in 2003, life business in the emerging markets again increased strongly in 2004. The 7.4% regional growth rate is representative of the trend in the vast majority of the emerging markets – Russia and South Africa were the only sizeable countries reporting declining premiums – but it differs significantly in terms of magnitude from some national growth rates. On the one hand, life premiums in Argentina and Hong Kong recorded extraordinary real growth rates in excess of 25%. Growth rates in Mexico, Brazil, Ecuador, Panama, Taiwan and Singapore were in the 15–25% range.

On the other hand, key emerging markets such as China, Hungary and Israel reported growth rates below 3.5%.

In the medium term, life premiums in the emerging markets as a whole are expected to keep on growing at around 8% per year. Differences at country level will continue and even strengthen due to further market deregulation, tax advantages and reforms to state pension schemes.

Non-life insurance in the emerging markets repeated its extraordinary 2003 performance and recorded a 7.7% real average growth in 2004. In terms of regions, South and East Asia retained its dominant market share and raised its premium volume by 6.6%. Latin America and the Caribbean grew 5.9% and lost second place in terms of market share to Central and Eastern Europe, whose non-life business expanded by around 13.5%. Although it was the weakest among the emerging regions, the Middle East and Central Asia increased its non-life premiums by 2.2%. The comparisons drawn below illustrate the differences between the various countries. China, Russia, Romania and Venezuela achieved more than double the average rate. Non-life premiums in South Africa, India, Argentina and Lithuania grew in the 10–15% range. By contrast, premiums in Hungary and Hong Kong declined by 1.4% and 3.5%, respectively. USD 68.7 was the average amount spent per capita on insurance in the emerging markets in 2004. 61.3% of this expenditure went to life insurance and the remaining 38.7% to non-life. Regionwise, South and East Asia hit the average, while Latin America and the Caribbean along with Central and Eastern Europe were well above the USD 68.7 per capita. Central and Eastern Europe achieved the highest growth in terms of premiums per capita, the Middle East and Central Asia the lowest. There are some astonishing differences from country to country when US dollar values and percentage changes are compared: Singapore increased its premiums per capita by about 17.5% in nominal terms in 2004, reaching USD 1849. The nominal growth rate of premiums per capita in Pakistan was 10 percentage points higher than Singapore's rate, but its premiums per capita still remained below USD 4. Insurance penetration in the emerging markets picked up only marginally in 2004. Overall insurance penetration – measured in terms of GDP – was 3.9%, life premiums being accountable for 2.4% and non-life for the remaining 1.5%.

#### **Middle East and Central Asia: life insurance recovers**

Life insurance premiums in the Middle East and Central Asia grew 4.1% in real terms in 2004, after shrinking by 4.7% in 2002 and by 1.4% in 2003. Regional growth was fostered by the recovery of the Israeli market, where premiums increased by 2.9% in 2004. Israel accounts for over 80% of life premiums, even though its share has been declining steadily since 1997. Life premium growth in Lebanon and Bahrain was double-digit in 2004, amounting to 27.4% and 15.6%, respectively.

Non-life insurance premiums in the Middle East and Central Asia increased around 2.2% in 2004, thereby recording three consecutive years of growth (2003: +7.0%, 2002: +16.8%). Like in the life sector, Israel is the largest market in the region, with a share of over 40%. Its premium volume rose by 1.0% in 2004, which was below real GDP growth (+4.3%). Except for Lebanon (+2.6%) and Bahrain (+11.3%), there is no data available on insurance growth in 2004.

However, the economic performance – a key driver of premium growth – of the hydrocarbon-exporting countries of the Gulf Region was outstanding in 2004.

Accordingly, insurance premiums are estimated to have increased significantly in these countries. In the coming years, the introduction of compulsory insurance in the region, as recently seen in Saudi Arabia, should provide further growth impetus to the insurance industry.

#### **Africa: ongoing recession in life, accelerated growth in non-life insurance**

After decreasing by 11.2% in 2003, life insurance premiums in Africa again declined by 4.7% in real terms in 2004. Regional growth trends are determined by South Africa, which accounts for more than 95% of the region's life insurance premium volume. In 2004, total premium income in South Africa, hit by a decline in single-premium investment business, shrank by 4.8%. Also in the second biggest market – Morocco – premiums were down again: after declining by 14.4% in 2003, premiums dropped by a further 18.8% in 2004. Egypt, by contrast, exhibited strong growth: after increasing by 27.6% in 2003, premiums again rose by 28.8% in 2004, with individual life premiums reporting the strongest growth. Going forward, regional premiums are forecast to grow in line with the South African market, which is expected to revert to growth, though contingent upon stable equity markets, since a lot of the new sales are unit-linked.

Non-life business grew by a healthy 10.1% in 2004, after having already increased by 7.1% in the previous year. The regional trend was determined by South Africa – the dominant market –, where premiums were 12.3% up. In Morocco, the second biggest market in the region, premiums rose by 2.4%, with growth in motor insurance partly offset by declines in workers' compensation insurance. In Algeria, premiums rose by 4.5%. Egypt again outperformed the other markets: premiums were up 14.1%, after having already risen by 19.4% in the previous year. Growth was driven by a doubling of engineering premiums, which offset declines in motor and property insurance. In 2005, the African insurance sector will continue to benefit from increasing economic output, but growth will be subdued due to stabilizing or declining rates in the property sector.

## Premium volume by region and organization in 2004

	Premium volume (in millions of USD)		Change (in %) inflation- adjusted		Share of world market (in %)	Premiums <sup>1</sup> in % of GDP	Premiums <sup>1</sup> per capita (in USD)
	2004	2003	2004	2003			
<b>Total business</b>	<b>1216900</b>	<b>1158</b>	<b>1.8</b>	<b>2.8</b>	<b>37.51</b>	<b>8.27</b>	<b>1404.3</b>
<b>America</b>	<b>1216900</b>	<b>1158</b>	<b>1.8</b>	<b>2.8</b>	<b>37.51</b>	<b>8.27</b>	<b>1404.3</b>
North America	1 167	1116897	1.4	2.9	35.99	9.17	3601.1
Latin America and Caribbean	49 323	42 089	10.5	1.6	1.52	2.47	90.9
<b>Europe</b>	<b>1198184</b>	<b>1035</b>	<b>3.2</b>	<b>1.8</b>	<b>36.94</b>	<b>7.89</b>	<b>1427.9</b>
Western Europe	1156511	1 001	3.1	1.3	35.65	8.41	2359.5
Central/Eastern Europe	41 673	34 464	5.6	18.5	1.28	2.97	125.2
<b>Asia</b>	<b>736036</b>	<b>684 970</b>	<b>2.1</b>	<b>2.4</b>	<b>22.69</b>	<b>7.40</b>	<b>194.3</b>
Japan	492 425	472 820	-0.9	-1.5	15.18	10.51	3 874.8
South and East Asia	229 558	199 149	9.0	12.5	7.08	5.19	67.8
Middle East/Central Asia	14 052	13 002	2.6	4.2	0.43	1.65	48.4
<b>Africa</b>	<b>37609</b>	<b>32461</b>	<b>-1.3</b>	<b>-6.9</b>	<b>1.16</b>	<b>4.89</b>	<b>43.4</b>
<b>Oceania</b>	<b>55 177</b>	<b>46 103</b>	<b>3.2</b>	<b>0.0</b>	<b>1.70</b>	<b>7.65</b>	<b>1736.9</b>
<b>World<sup>2</sup></b>	<b>3243906</b>	<b>2 958</b>	<b>2.3</b>	<b>2.3</b>	<b>100.00</b>	<b>7.99</b>	<b>502.0</b>
Industrialised countries <sup>3</sup>	2871690	2 637	1.7	1.5	88.53	9.02	2966.1
Emerging markets~	372 215	321 165	7.5	9.3	1 1.47	3.94	68.7
OECD~	2 967	2 720	1.7	1.4	91.48	8.81	2517.1
G7~	2469065	2288110	1.4	1.6	76.11	9.39	3428.2
EU, 15 countries	1094623	945468	3.2	1.4	33.74	8.56	2 727.4
EU, 25 countries	1114408	961 986	3.2	1.6	34.35	8.32	2 324.3
NAFTA~	1179807	1	1.5	2.7	36.37	8.81	2756.4
ASEAN~	27472	24166	12.7	4.6	0.85	3.31	54.4
<b>Life business</b>							
<b>America</b>	<b>544 530</b>	<b>521 636</b>	<b>1.2</b>	<b>-1.8</b>	<b>29.45</b>	<b>3.70</b>	<b>628.4</b>
North America	524 327	505 399	0.7	-1.9	28.36	4.12	1 617.2
Latin America and Caribbean	20 203	16 236	17.1	1.0	1.09	1.01	37.2
<b>Europe</b>	<b>694563</b>	<b>597 830</b>	<b>3.8</b>	<b>-1.1</b>	<b>37.57</b>	<b>4.68</b>	<b>848.1</b>
Western Europe	683 334	586 791	4.0	-1.4	36.96	5.10	1 430.6
Central/Eastern Europe	11 229	11 039	-11.2	17.7	0.61	0.80	33.7
<b>Asia</b>	<b>556321</b>	<b>518051</b>	<b>2.0</b>	<b>1.9</b>	<b>30.09</b>	<b>5.61</b>	<b>147.2</b>
Japan	386 839	371 831	-1.0	-2.4	20.93	8.26	3 044.0
South and East Asia	165 480	142 455	9.8	14.8	8.95	3.77	49.2
Middle East/Central Asia	4 002	3 765	4.1	-1.4	0.22	0.47	13.8
<b>Africa</b>	<b>26241</b>	<b>23 269</b>	<b>-4.7</b>	<b>-11.2</b>	<b>1.42</b>	<b>3.41</b>	<b>30.3</b>
<b>Oceania</b>	<b>27034</b>	<b>21957</b>	<b>6.2</b>	<b>-14.2</b>	<b>1.46</b>	<b>3.75</b>	<b>851.0</b>
<b>World<sup>2</sup></b>	<b>1848688</b>	<b>1682</b>	<b>2.3</b>	<b>-0.7</b>	<b>100.00</b>	<b>4.55</b>	<b>288.7</b>
Industrialised countries <sup>3</sup>	1621	1485979	1.7	-2.0	87.71	5.14	1 691.1
Emerging markets~	227 155	196 764	7.4	10.5	12.29	2.41	42.1
OECD~	1681176	1 537	1.7	-2.0	90.94	5.04	1 439.4
G7~	1396189	1290	1.4	-1.7	75.52	5.38	1963.4
EU, 15 countries	650 005	555 681	4.4	-1.2	35.16	5.22	1 663.2
EU, 25 countries	657 526	561 783	4.4	-1.0	35.57	5.04	1 407.5
NAFTA~	529 540	509 680	0.9	-2.2	28.64	3.96	1 237.2
ASEAN~	16844	14 268	19.2	2.7	0.91	2.16	35.4
<b>Non-life business</b>							
<b>America</b>	<b>672370</b>	<b>637 351</b>	<b>2.2</b>	<b>7.0</b>	<b>48.19</b>	<b>4.57</b>	<b>775.9</b>
North America	643 249	611 498	2.0	7.2	46.10	5.05	1 984.0
Latin America and Caribbean	29 121	25 853	5.9	2.1	2.09	1.46	53.7
<b>Europe</b>	<b>503621</b>	<b>438 008</b>	<b>2.5</b>	<b>6.0</b>	<b>36.10</b>	<b>3.20</b>	<b>579.8</b>
Western Europe	473 177	414 583	1.8	5.4	33.91	3.31	928.9
Central/Eastern Europe	30 444	23 425	13.5	18.8	2.18	2.17	91.5
<b>Asia</b>	<b>179715</b>	<b>166 920</b>	<b>2.1</b>	<b>4.0</b>	<b>12.88</b>	<b>1.79</b>	<b>47.1</b>
Japan	105 587	100 989	-0.5	2.0	7.57	2.25	830.8
South and East Asia	64 078	56 694	6.6	7.0	4.59	1.42	18.6
Middle East/Central Asia	10 050	9 237	2.2	7.0	0.72	1.18	34.6
<b>Africa</b>	<b>11368</b>	<b>9192</b>	<b>10.1</b>	<b>7.1</b>	<b>0.81</b>	<b>1.48</b>	<b>13.1</b>
<b>Oceania</b>	<b>28 144</b>	<b>24 145</b>	<b>0.4</b>	<b>17.7</b>	<b>2.02</b>	<b>3.90</b>	<b>885.9</b>
<b>World<sup>2</sup></b>	<b>1395218</b>	<b>1275</b>	<b>2.3</b>	<b>6.4</b>	<b>100.00</b>	<b>3.44</b>	<b>213.3</b>
Industrialised countries <sup>3</sup>	1250157	1151215	1.7	6.3	89.60	3.88	1 275.0
Emerging markets~	145 060	124 401	7.7	7.7	10.40	1.52	26.6
OECD~	1286376	1 183	1.7	6.2	92.20	3.77	1 077.7
G7~	1072876	997 773	1.5	6.2	76.90	4.01	1 464.8
EU, 15 countries	444617	389 787	1.6	5.4	31.87	3.34	1 064.1
EU, 25 countries	456 882	400 203	1.7	5.5	32.75	3.28	916.9
NAFTA~	650268	618 235	2.1	7.1	46.61	4.86	1 519.2
ASEAN~	10620	0 007	2 0	7 5	0 76	1 15	10 0

## Total premium volume in USD in 2004

Ranking	Country	Premium volume		nomina	Change (in %)	Share of world
		2004	2003			
<b>North America</b>						
1	United States <sup>9</sup>	1097836 <sup>+</sup>	1057162	3.8	1.1	33.84
7	Canada <sup>10</sup>	69 741 <sup>+</sup>	59 735	16.8	6.5	2.15
	<b>Total</b>	<b>1167576</b>	<b>1116897</b>	<b>4.5</b>	<b>1.4</b>	<b>35.99</b>
<b>Latin America and Caribbean</b>						
21	Brazil	18 042	14 519	24.3	10.8	0.56
28	Mexico	12 231 <sup>+</sup>	11 017	11.0	10.9	0.38
39	Argentina	4 098 <sup>+</sup>	3 300	24.2	19.9	0.13
40	Chile	4 026 <sup>+</sup>	3 396	18.6	8.1	0.12
44	Venezuela	2 629 <sup>+</sup>	2 157	21.9	18.0	0.08
45	Colombia	2336	1998	16.9	1.1	0.07
56	Peru	883**	873	1.2	-4.2	0.03
57	Trinidad and Tobago	874	802	8.9	na.	0.03
64	Ecuador	491**	458	7.2	4.3	0.02
69	Jamaica	431	393 <sup>+</sup>	9.7	na.	0.01
70	Panama	422 <sup>+</sup>	388	8.8	6.6	0.01
74	Dominican Republic	366	320	14.5	2.7	0.01
75	El Salvador	351	350	0.3	-3.4	0.01
76	Costa Rica	348	318	9.5	7.2	0.01
82	Guatemala	290	271	7.2	2.0	0.01
	Other countries	1 504	1 530			0.05
	<b>Total</b>	<b>49323</b>	<b>42089</b>	<b>17.2</b>	<b>10.5</b>	<b>1.52</b>
<b>Europe</b>						
3	United Kingdom	294 831 <sup>+</sup>	254 363	15.9	2.1	9.09
4	France	194 624 <sup>+</sup>	161 483	20.5	7.6	6.00
5	Germany	190 797 <sup>+</sup>	170 137	12.1	0.6	5.88
6	Italy	128 811**	112 410	14.6	2.3	3.97
9	Netherlands <sup>11</sup>	58 577 <sup>+</sup>	52 037 <sup>+</sup>	12.6	na.	1.81
10	Spain	55 903 <sup>+</sup>	47 282	18.2	4.6	1.72
14	Switzerland	42 006**	39 866	5.4	-3.4	1.29
15	Belgium	38 853 <sup>+</sup>	33 088	17.4	na.	1.20
17	Ireland	27 882 <sup>+</sup>	24 519 <sup>+</sup>	13.7	1.5	0.86
18	Sweden	24 075**	21 040 <sup>+</sup>	14.4	3.6	0.74
20	Denmark	19 512 <sup>+</sup>	17 120 <sup>+</sup>	14.0	na.	0.60
22	Austria	17 395 <sup>+</sup>	14 887	16.8	4.4	0.54
23	Russia	16 352 <sup>+</sup>	14 145 <sup>+</sup>	15.6	-1.7	0.50
24	Finland	16 330 <sup>+</sup>	14 390 <sup>+</sup>	13.5	3.3	0.50
26	Norway	13 886 <sup>+</sup>	11 530	20.4	14.2	0.43
27	Portugal	13 174**	10 913 <sup>+</sup>	20.7	7.6	0.41
30	Luxembourg	9 535 <sup>+</sup>	8 141	17.1	na.	0.29
31	Poland	7 431 <sup>+</sup>	6 258	18.8	7.9	0.23
36	Turkey <sup>12</sup>	4 619 <sup>+</sup>	3 302	39.9	20.0	0.14
37	Czech Republic	4 393 <sup>+</sup>	3 755	17.0	3.7	0.14
38	Greece	4 323 <sup>+</sup>	3 660	18.1	na.	0.13
54	Romania	1 068 <sup>+</sup>	796	34.3	18.0	0.03
58	Cyprus	669	569	17.5	na.	0.02
66	Serbia and Montenegro	478 <sup>+</sup>	436	9.7	-0.1	0.01
67	Bulgaria	465 <sup>+</sup>	385	21.0	3.6	0.01
73	Iceland	377	353	7.0	-4.8	0.01
77	Lithuania	329 <sup>+</sup>	266	23.9	11.2	0.01
81	Malta	292	247	18.1	na.	0.01
88	Estonia	252	190	32.4	16.8	0.01
	Other countries	737	632			0.02
	<b>Total</b>	<b>1198184</b>	<b>1035838</b>	<b>15.7</b>	<b>3.2</b>	<b>36.94</b>
<b>Asia</b>						
2	Japan <sup>13</sup>	492 425 <sup>+</sup>	472 820	4.1	-0.9	15.18
8	South Korea <sup>13</sup>	68 623 <sup>+</sup>	60 138	14.1	3.1	2.12
11	PR China	52 171 <sup>+</sup>	46 881	11.3	7.1	1.61
13	Taiwan	43 236 <sup>+</sup>	36 147	19.6	14.3	1.33
19	India <sup>13</sup>	21 249 <sup>+</sup>	18 132	17.2	10.4	0.66
25	Hong Kong	15 260**	12 292 <sup>+</sup>	24.1	24.2	0.47
29	Singapore	9 696 <sup>+</sup>	8 638 <sup>+</sup>	12.2	na.	0.30
32	Israel	7 094 <sup>+</sup>	6 883 <sup>+</sup>	3.1	1.8	0.22
33	Malaysia <sup>13</sup>	6453	5609	15.1	13.5	0.20
34	Thailand	5 747**	4 930	16.6	10.0	0.18
41	Indonesia	3 381**	3 130	8.0	na.	0.10
46	Iran <sup>14</sup>	1 880**	1 539 <sup>+</sup>	22.2	na.	0.06
48	United Arab Emirates	1 493**	1 318 <sup>+</sup>	13.3	na.	0.05
51	Philippines	1 292**	1 186**	8.9	na.	0.04
52	Saudi Arabia <sup>15</sup>	1 196 <sup>+</sup>	1 029	16.2	na.	0.04
55	Vietnam	904 <sup>+</sup>	674	34.2	26.3	0.03
60	Lebanon	577**	520**	11.0	9.3	0.02
61	Pakistan	563**	497	13.2	na.	0.02
72	Kuwait	393**	368**	6.7	na.	0.01
78	Banladesh	321**	293	9.5	na.	0.01
83	Jordan	284**	242**	17.2	na.	0.01
84	Qatar	283**	242	17.0	na.	0.01
85	Oman	274**	263	4.1	na.	0.01
87	Sri Lanka	273	250	9.0	na.	0.01
	Other countries	845	831			0.03
	<b>Total</b>	<b>736036</b>	<b>684970</b>	<b>7.5</b>	<b>2.1</b>	<b>22.69</b>
<b>Africa</b>						
16	South Africa <sup>10</sup>	30 682 <sup>+</sup>	26 268	16.8	-1.7	0.95
50	Morocco	1 372 <sup>+</sup>	1 288	6.5	-3.5	0.04
59	Egypt <sup>16</sup>	612**	567**	7.9	18.8	0.02
62	Nigeria	559**	471	18.6	na.	0.02
63	Tunisia	554	489	13.4	na.	0.02
65	Algeria	480**	405	18.7	6.3	0.01
68	Namibia	456**	354	28.7	na.	0.01
71	Kenya	408**	385	6.1	na.	0.01
79	Botswana	313**	277**	12.9	na.	0.01
80	Anoala	305**	198	54.2	na.	0.01
86	Mauritius	273	246	10.9	na.	0.01
	Other countries	1 594	1 513			0.05
	<b>Total</b>	<b>37609</b>	<b>32461</b>	<b>15.9</b>	<b>-1.3</b>	<b>1.16</b>
<b>World</b>						
		<b>3243906</b>	<b>2958359</b>	<b>9.7</b>	<b>2.3</b>	<b>100.00</b>

## Life insurance premium volumes in USD 2004

	Ranking	Country	Premium 2004	Premium 2003	Change (in %) nominal (in USD)	2004 inflation- adjusted	Share of total	Share of world
<b>North America</b>	1	United States <sup>9</sup>	494 818 <sup>+</sup>	481 527	2.8	0.1	45.1	26.77
	11	Canada <sup>10</sup>	29 509 <sup>+</sup>	23 873	23.6	12.7	42.3	1.60
		<b>Total</b>	<b>524 327</b>	<b>505 400</b>	<b>3.7</b>	<b>0.7</b>	<b>44.9</b>	<b>28.36</b>
<b>Latin America and Caribbean</b>	24	Brazil	8 199	6 306	30.0	16.0	45.4	0.44
	29	Mexico	5 213 <sup>+</sup>	4 280	21.8	21.7	42.6	0.28
	35	Chile	2 617 <sup>+</sup>	2 171	20.5	9.9	65.0	0.14
	39	Argentina	1 345 <sup>+</sup>	921	46.0	40.9	32.8	0.07
	44	Colombia	645 <sup>**</sup>	548	17.6	1.7	27.6	0.03
	45	Trinidad and Tobago	642	589	8.9	na.	73.5	0.03
	68	El Salvador	105 <sup>+</sup>	104	1.7	-2.1	30.0	0.01
	72	Venezuela	79 <sup>+</sup>	65	21.9	18.0	3.0	0.00
	75	Ecuador	59	46	27.2	23.8	12.0	0.00
	77	Guatemala	44 <sup>+</sup>	48	-8.7	-13.1	15.3	0.00
	82	Dominican Republic	33	27	22.0	9.4	9.0	0.00
	85	Costa Rica	28	28	-2.3	-4.4	8.0	0.00
		Other countries	477	175				0.03
		<b>Total</b>	<b>19357</b>	<b>16236</b>	<b>19.2</b>	<b>17.1</b>	<b>41.0</b>	<b>1.05</b>
<b>Europe</b>	3	United Kingdom	189 591 <sup>+</sup>	161 220	17.6	3.6	64.3	10.26
	4	France	128 813 <sup>+</sup>	103 947	23.9	10.6	66.2	6.97
	5	Germany	84 535 <sup>+</sup>	76 246	10.9	-0.6	44.3	4.57
	6	Italy	82 083 <sup>+</sup>	71 694	14.5	2.3	63.7	4.44
	10	Netherlands <sup>11</sup>	31 512 <sup>+</sup>	27 994 <sup>+</sup>	12.6	na.	53.8	1.70
	14	Belgium	24 112 <sup>+</sup>	20 302	18.8	6.1	62.1	1.30
	15	Switzerland	24 067	23 921	0.6	-7.7	57.3	1.30
	16	Spain	23 592 <sup>+</sup>	20 182 <sup>+</sup>	16.9	3.4	42.2	1.28
	17	Ireland	19 068	16 250 <sup>+</sup>	17.3	4.7	68.4	1.03
	19	Sweden	15 790 <sup>+</sup>	14 297	10.4	0.0	65.6	0.85
	21	Finland	12 823 <sup>**</sup>	11 370 <sup>+</sup>	12.8	2.7	78.5	0.69
	22	Denmark	12 453 <sup>+</sup>	10 926 <sup>+</sup>	14.0	na.	63.8	0.67
	23	Luxembourg	8 203 <sup>+</sup>	7 003	17.1	4.1	86.0	0.44
	25	Norway	7 850	6 030	30.2	23.4	56.5	0.42
	26	Portugal	7 823 <sup>+</sup>	6 161 <sup>+</sup>	27.0	13.1	59.4	0.42
	27	Austria	7 695 <sup>+</sup>	6 469	19.0	6.3	44.2	0.42
	31	Russia	3 544 <sup>+</sup>	4 887	-27.5	-38.4	21.7	0.19
	34	Poland	2 828 <sup>+</sup>	2 312	22.3	11.2	38.0	0.15
	36	Greece	1 913	1 620	18.1	na.	44.3	0.10
	37	Czech Republic	1 720 <sup>+</sup>	1 458	18.0	4.6	39.2	0.09
	41	Hungary	1 179 <sup>+</sup>	981	20.2	1.7	40.8	0.06
	42	Turkey <sup>12</sup>	857 <sup>+</sup>	684	25.3	7.5	18.5	0.05
	46	Slovakia	603 <sup>+</sup>	463	30.4	6.4	40.5	0.03
	48	Slovenia	531 <sup>+</sup>	344	54.2	38.3	29.4	0.03
	50	Cyprus	352	299	17.5	na.	52.6	0.02
	53	Croatia	260 <sup>+</sup>	201	29.1	13.9	23.7	0.01
	55	Romania	251 <sup>+</sup>	187	34.3	18.0	23.5	0.01
	65	Malta	147	125	18.1	na.	50.5	0.01
	71	Lithuania	85 <sup>+</sup>	70	21.3	8.8	25.7	0.00
	73	Bulgaria	64 <sup>+</sup>	39	66.1	42.1	13.8	0.00
	74	Estonia	64	42	53.0	35.0	25.4	0.00
	80	Iceland	37	32	15.4	2.7	9.7	0.00
	81	Serbia and Montenegro	34 <sup>+</sup>	15	121.0	101.3	7.1	0.00
	84	Ukraine	29 <sup>+</sup>	14	115.7	97.4	1.0	0.00
		Other countries	57	47				0.00
		<b>Total</b>	<b>694563</b>	<b>597830</b>	<b>16.2</b>	<b>3.8</b>	<b>58.0</b>	<b>37.57</b>
<b>Asia</b>	2	Japan <sup>13</sup>	386 839 <sup>+</sup>	371 831	4.0	-1.0	78.6	20.93
	7	South Korea <sup>13</sup>	48 680 <sup>+</sup>	42 524	14.5	3.4	70.9	2.63
	8	PR China	35 407 <sup>+</sup>	33 093	7.0	2.9	67.9	1.92
	9	Taiwan	33 851 <sup>+</sup>	27 506	23.1	17.6	78.3	1.83
	18	India	16 919 <sup>+</sup>	14 425	17.3	10.5	79.6	0.92
	20	Hong Kong	12 969 <sup>**</sup>	9 917 <sup>+</sup>	30.8	30.8	85.0	0.70
	28	Singapore	6 459	5 584 <sup>+</sup>	15.7	na.	66.6	0.35
	30	Malaysia <sup>13</sup>	4 208 <sup>+</sup>	3 455 <sup>+</sup>	21.8	20.1	65.2	0.23
	32	Israel	3 178 <sup>+</sup>	3 052 <sup>+</sup>	4.1	2.9	44.8	0.17
	33	Thailand	3 167 <sup>**</sup>	2 587	22.4	15.5	55.1	0.17
	38	Indonesia	1 626 <sup>**</sup>	1 506	8.0	na.	48.1	0.09
	43	Philippines	783 <sup>+</sup>	719	8.9	na.	60.6	0.04
	47	Vietnam	601 <sup>**</sup>	419	43.5	35.1	66.5	0.03
	54	United Arab Emirates	254 <sup>**</sup>	225 <sup>**</sup>	13.3	na.	17.0	0.01
	56	Pakistan	224 <sup>**</sup>	198 <sup>**</sup>	13.2	na.	39.8	0.01
	59	Bangladesh	210	192	9.5	na.	65.4	0.01
	60	Lebanon	180 <sup>**</sup>	139	29.4	27.4	31.2	0.01
	64	Iran	153 <sup>**</sup>	125	22.2	na.	8.1	0.01
	66	Sri Lanka	120 <sup>**</sup>	110	9.0	na.	44.0	0.01
	70	Kuwait	95 <sup>**</sup>	89 <sup>**</sup>	6.7	na.	24.2	0.01
	76	Saudi Arabia <sup>15</sup>	50 <sup>**</sup>	43	16.2	na.	4.2	0.00
	79	Oman	38 <sup>**</sup>	36	4.1	na.	13.8	0.00
	82	Jordan	32 <sup>**</sup>	30 <sup>**</sup>	8.2	na.	11.5	0.00
	87	Qatar	12	10	17.0	na.	4.3	0.00
		Other countries	265	236				0.01
		<b>Total</b>	<b>556321</b>	<b>518051</b>	<b>7.4</b>	<b>2.0</b>	<b>75.6</b>	<b>30.09</b>
<b>Africa</b>	13	South Africa <sup>10</sup>	24 381 <sup>+</sup>	21 550	13.1	-4.8	79.5	1.32
	51	Morocco	323 <sup>**</sup>	361	-10.4	-18.8	23.6	0.02
	52	Namibia	313 <sup>**</sup>	243	28.7	na.	68.6	0.02
	57	Botswana	216	192	12.9	na.	69.1	0.01
	58	Egypt <sup>16</sup>	211 <sup>**</sup>	181	16.9	28.8	34.6	0.01
	61	Mauritius	165 <sup>**</sup>	148	10.9	na.	60.3	0.01
	67	Kenya	119 <sup>**</sup>	112 <sup>**</sup>	6.1	na.	29.2	0.01
	69	Nigeria	104 <sup>**</sup>	87	18.6	na.	18.5	0.01
	78	Tunisia	43	38	13.4	na.	7.8	0.00
	86	Algeria	26 <sup>**</sup>	15 <sup>**</sup>	72.1	54.1	5.4	0.00
	88	Angola	9	6	54.2	na.	2.8	0.00
		Other countries	331	336				0.02
		<b>Total</b>	<b>26241</b>	<b>23269</b>	<b>12.8</b>	<b>-4.7</b>	<b>69.8</b>	<b>1.42</b>
<b>World</b>			<b>184868</b>	<b>1682743</b>	<b>9.9</b>	<b>2.3</b>	<b>57.0</b>	<b>100.00</b>

## Non-life insurance premium volumes in USD 2004

	Ranking	Country	2004	Premium vol. 2003	Change (in %) nominal (in USD)	2004 inflation- adjusted	Share of total	Share of world
<b>North America</b>	1	United States <sup>9</sup>	603 <sup>+</sup>	575 635	4.8	2.0	54.9	43.22
	7	Canada <sup>10</sup>	40 232 <sup>+</sup>	35 862	12.2	2.3	57.7	2.88
		<b>Total</b>	<b>643 249</b>	<b>611 498</b>	<b>5.2</b>	<b>2.0</b>	<b>55.1</b>	<b>46.10</b>
<b>Latin America and Caribbean</b>	16	Brazil	9 843	8 213	19.9	6.9	54.6	0.71
	22	Mexico	7 019 <sup>+</sup>	6 737	4.2	4.1	57.4	0.50
	34	Argentina	2 752 <sup>+</sup>	2 378	15.7	11.7	67.2	0.20
	37	Venezuela	2 550 <sup>+</sup>	2 092	21.9	18.0	97.0	0.18
	44	Colombia	1 691	1 449	16.6	0.9	72.4	0.12
	45	Chile	1 410	1 225	15.1	5.0	35.0	0.10
	77	Guatemala	246	222	10.6	5.3	84.7	0.02
	78	El Salvador	246 <sup>**</sup>	246	-0.3	-4.0	70.0	0.02
	81	Trinidad and Tobago	232	213	8.9	na.	26.5	0.02
		Other countries	1027	1070				0.07
		<b>Total</b>	<b>29 121</b>	<b>25 853</b>	<b>12.6</b>	<b>5.9</b>	<b>59.0</b>	<b>2.09</b>
<b>Europe</b>	2	Germany	106 <sup>+</sup>	93 891	13.2	1.5	55.7	7.62
	4	United Kingdom	105 <sup>+</sup>	93 143	13.0	-0.5	35.7	7.54
	5	France	65 811 <sup>+</sup>	57 536	14.4	2.1	33.8	4.72
	6	Italy	46 728 <sup>+</sup>	40 716	14.8	2.5	36.3	3.35
	8	Spain	32 311 <sup>**</sup>	27 100	19.2	5.5	57.8	2.32
	9	Netherlands <sup>11</sup>	27 064 <sup>+</sup>	24 042	12.6	na.	46.2	1.94
	12	Switzerland	17 939 <sup>**</sup>	15 944	12.5	3.2	42.7	1.29
	14	Belgium	14 741 <sup>+</sup>	12 786	15.3	na.	37.9	1.06
	15	Russia	12 809 <sup>+</sup>	9 257	38.4	17.6	78.3	0.92
	17	Austria	9 701 <sup>+</sup>	8 418	15.2	3.0	55.8	0.70
	19	Ireland	8 815 <sup>+</sup>	8 269	6.6	-4.9	31.6	0.63
	20	Sweden	8 285 <sup>**</sup>	6 742	22.9	11.3	34.4	0.59
	21	Denmark	7 060	6 194	14.0	na.	36.2	0.51
	24	Norway	6 037 <sup>*</sup>	5 501	9.7	4.0	43.5	0.43
	25	Portugal	5 351 <sup>+</sup>	4 751	12.6	0.3	40.6	0.38
	26	Poland	4 604 <sup>+</sup>	3 946	16.7	6.0	62.0	0.33
	30	Turkey <sup>12</sup>	3 763 <sup>+</sup>	2 618	43.7	23.3	81.5	0.27
	31	Finland	3 507 <sup>+</sup>	3 020	16.1	5.7	21.5	0.25
	33	Ukraine	2 894 <sup>+</sup>	1 699	70.3	55.8	99.0	0.21
	35	Czech Republic	2 673 <sup>**</sup>	2 297	16.4	3.1	60.8	0.19
	38	Greece	2 410 <sup>+</sup>	2 040	18.1	na.	55.7	0.17
	43	Hungary	1 708 <sup>**</sup>	1 466	16.5	-1.4	59.2	0.12
	46	Luxembourg	1 333 <sup>+</sup>	1 138	17.2	na.	14.0	0.10
	47	Slovenia	1 278 <sup>+</sup>	1 095	16.6	4.6	70.6	0.09
	51	Slovakia	885 <sup>+</sup>	675	31.2	7.1	59.5	0.06
	52	Croatia	838 <sup>+</sup>	704	19.1	5.0	76.3	0.06
	53	Romania	818 <sup>+</sup>	609	34.3	18.0	76.5	0.06
	59	Serbia and Montenegro	444 <sup>+</sup>	420	5.6	-3.9	92.9	0.03
	61	Bulgaria	401 <sup>+</sup>	346	16.0	-0.7	86.2	0.03
	64	Iceland	341 <sup>**</sup>	321	6.2	-5.5	90.3	0.02
	68	Cyprus	317	269	17.5	na.	47.4	0.02
	79	Lithuania	245 <sup>+</sup>	196	24.8	12.0	74.3	0.02
	82	Estonia	188 <sup>**</sup>	148	26.6	11.7	74.6	0.01
	84	Malta	144	122	18.1	na.	49.5	0.01
		Other countries	680	585				0.05
		<b>Total</b>	<b>503 621</b>	<b>438 008</b>	<b>15.0</b>	<b>2.5</b>	<b>42.0</b>	<b>36.10</b>
<b>Asia</b>	3	Japan <sup>13</sup>	105 <sup>+</sup>	100 989	4.6	-0.5	21.4	7.57
	11	South Korea <sup>13</sup>	19 944 <sup>+</sup>	17 614	13.2	2.3	29.1	1.43
	13	PR China	16 765 <sup>+</sup>	13 788	21.6	17.0	32.1	1.20
	18	Taiwan	9 385 <sup>+</sup>	8 641	8.6	3.7	21.7	0.67
	27	India	4 330 <sup>+</sup>	3 707	16.8	10.1	20.4	0.31
	29	Israel	3 916 <sup>+</sup>	3 831	2.2	1.0	55.2	0.28
	32	Singapore	3 237 <sup>+</sup>	3 054	6.0	1.1	33.4	0.23
	36	Thailand	2 581 <sup>+</sup>	2 343	10.1	3.9	44.9	0.18
	39	Hong Kong	2 291 <sup>+</sup>	2 375	-3.5	-3.5	15.0	0.16
	40	Malaysia <sup>13</sup>	2 245 <sup>**</sup>	2 154	4.2	2.8	34.8	0.16
	41	Indonesia	1 754 <sup>**</sup>	1 624	8.0	na.	51.9	0.13
	42	Iran	1 727 <sup>**</sup>	1 413	22.2	na.	91.9	0.12
	48	United Arab Emirates	1 239 <sup>**</sup>	1 093 <sup>**</sup>	13.3	na.	83.0	0.09
	49	Saudi Arabia <sup>15</sup>	1 146 <sup>**</sup>	986	16.2	na.	95.8	0.08
	55	Philippines	509	467	8.9	na.	39.4	0.04
	63	Lebanon	397 <sup>**</sup>	381 <sup>**</sup>	4.2	2.6	68.8	0.03
	65	Pakistan	339	299	13.2	na.	60.2	0.02
	69	Vietnam	302 <sup>+</sup>	254	18.8	11.9	33.5	0.02
	70	Kuwait	298 <sup>**</sup>	279 <sup>**</sup>	6.7	na.	75.8	0.02
	73	Qatar	271 <sup>**</sup>	232	17.0	na.	95.7	0.02
	76	Jordan	251 <sup>**</sup>	212 <sup>+</sup>	18.5	15.0	88.5	0.02
	80	Oman	236 <sup>**</sup>	227	4.1	na.	86.2	0.02
	83	Sri Lanka	153 <sup>**</sup>	140 <sup>**</sup>	9.0	na.	56.0	0.01
	86	Bangladesh	111	101	9.5	na.	34.6	0.01
		Other countries	579	862				0.04
		<b>Total</b>	<b>179 715</b>	<b>166 920</b>	<b>7.7</b>	<b>2.1</b>	<b>24.4</b>	<b>12.88</b>
<b>Africa</b>	23	South Africa <sup>10</sup>	6 301 <sup>+</sup>	4 718	33.6	12.3	20.5	0.45
	50	Morocco	1 049 <sup>**</sup>	927	13.1	2.4	76.4	0.08
	54	Tunisia	511 <sup>**</sup>	450 <sup>**</sup>	13.4	na.	92.2	0.04
	57	Nigeria	455 <sup>+</sup>	384	18.6	na.	81.5	0.03
	58	Algeria	454 <sup>+</sup>	389	16.7	4.5	94.6	0.03
	62	Egypt <sup>6</sup>	400 <sup>**</sup>	386 <sup>**</sup>	3.6	14.1	65.4	0.03
	71	Anoala	297 <sup>**</sup>	192	54.2	na.	97.2	0.02
	72	Kenya	289 <sup>**</sup>	273	6.1	na.	70.8	0.02
	85	Namibia	143 <sup>**</sup>	111	28.7	na.	31.4	0.01
	87	Mauritius	108 <sup>**</sup>	98	10.9	na.	39.7	0.01
	88	Botswana	97	86	12.9	na.	30.9	0.01
		Other countries	1263	1177				0.09
		<b>Total</b>	<b>11 368</b>	<b>9 192</b>	<b>23.7</b>	<b>10.1</b>	<b>30.2</b>	<b>0.81</b>
<b>World</b>			<b>139521</b>	<b>1275616</b>	<b>9.4</b>	<b>2.3</b>	<b>43.0</b>	<b>100.00</b>

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Insurance density: premiums<sup>1</sup> per capita in USD in 2004

	Rankin	Country	Total	Life	Non-life
North America	5	United States <sup>9</sup>	3 755.1 <sup>+</sup>	1 692.5 <sup>+</sup>	2 062.6 <sup>+</sup>
	18	Canada <sup>10</sup>	2 188.7 <sup>+</sup>	926.1 <sup>+</sup>	1 262.6 <sup>+</sup>
		<b>Total</b>	<b>3601.1<sup>**</sup></b>	<b>1617.2<sup>**</sup></b>	<b>1984.0</b>
Latin America and Caribbean	32	Trinidad and Tobago	659.3	484.5	174.8 <sup>**</sup>
	40	Chile	253.1 <sup>**</sup>	164.5 <sup>**</sup>	88.6
	47	Jamaica	161.6	60.8	100.7 <sup>**</sup>
	49	Panama	139.3	50.6 <sup>+</sup>	88.7
	51	Mexico	117.8 <sup>+</sup>	50.2 <sup>+</sup>	67.6 <sup>+</sup>
	53	Argentina	105.1 <sup>+</sup>	34.5 <sup>+</sup>	70.6 <sup>+</sup>
	55	Brazil	101.1 <sup>+</sup>	45.9 <sup>+</sup>	55.2
	56	Venezuela	101.1 <sup>+</sup>	3.1 <sup>+</sup>	98.0 <sup>+</sup>
	59	Costa Rica	85.7	6.8	78.8
	64	El Salvador	52.7	15.8	36.9
	66	Colombia	51.9 <sup>*</sup>	14.3 <sup>*</sup>	37.6 <sup>*</sup>
	71	Dominican Republic	41.3	3.7	37.6 <sup>*</sup>
	73	Ecuador	37.1	4.5	32.6
	74	Peru	32.1	14.5	17.5
	76	Guatemala	23.0	3.5	19.5
			<b>Total</b>	<b>90.9</b>	<b>37.2</b>
Europe	1	Switzerland	5 716.4 <sup>*</sup>	3 275.1 <sup>*</sup>	2 441.2 <sup>+</sup>
	2	United Kingdom <sup>1</sup>	4 508.4 <sup>**</sup>	3 190.4 <sup>**</sup>	1 318.0 <sup>*</sup>
	3	Ireland <sup>1</sup>	4 091.2 <sup>**</sup>	2 617.4 <sup>**</sup>	1 473.8 <sup>**</sup>
	6	Denmark	3 620.4 <sup>**</sup>	2 310.5 <sup>**</sup>	1 309.9 <sup>**</sup>
	7	Netherlands <sup>11</sup>	3 599.6 <sup>**</sup>	1 936.5 <sup>**</sup>	1 663.1 <sup>**</sup>
	8	Belgium <sup>1</sup>	3 275.6 <sup>**</sup>	2 291.2 <sup>**</sup>	984.4 <sup>**</sup>
	9	France	3 207.9 <sup>**</sup>	2 150.2 <sup>**</sup>	1 057.7 <sup>**</sup>
	10	Finland	3 134.1 <sup>*</sup>	2 461.0 <sup>*</sup>	673.1 <sup>**</sup>
	11	Norway <sup>1</sup>	2 842.2	1 714.4	1 127.8
	12	Sweden	2 690.0 <sup>+</sup>	1 764.3 <sup>+</sup>	925.7 <sup>+</sup>
	13	Luxembourg <sup>1</sup>	2 562.9 <sup>**</sup>	1 007.1 <sup>**</sup>	1 555.8 <sup>**</sup>
	15	Germany <sup>1</sup>	2 286.6 <sup>**</sup>	1 021.3 <sup>**</sup>	1 265.3 <sup>**</sup>
	16	Italy <sup>1</sup>	2 217.9 <sup>**</sup>	1 417.2 <sup>**</sup>	800.7 <sup>**</sup>
	19	Austria	2 159.7 <sup>**</sup>	955.3 <sup>**</sup>	1 204.4 <sup>**</sup>
	24	Spain	1 355.2	571.9	783.3 <sup>**</sup>
	25	Iceland	1 310.2 <sup>**</sup>	126.9 <sup>**</sup>	1 183.3
	26	Portugal	1 293.5	768.1	525.4 <sup>**</sup>
	28	Slovenia	919.6 <sup>+</sup>	270.0 <sup>+</sup>	649.5 <sup>+</sup>
	29	Cyprus	861.5 <sup>**</sup>	453.3 <sup>**</sup>	408.2 <sup>**</sup>
	30	Malta	728.6	368.2	360.4 <sup>**</sup>
	34	Czech Republic	430.5 <sup>+</sup>	168.6 <sup>+</sup>	261.9 <sup>+</sup>
	35	Greece	402.1	177.9	224.1 <sup>**</sup>
	37	Hungary	287.3 <sup>+</sup>	117.3 <sup>+</sup>	170.0 <sup>+</sup>
	38	Slovakia	276.0 <sup>+</sup>	111.8 <sup>+</sup>	164.2 <sup>+</sup>
	41	Croatia	247.9 <sup>+</sup>	58.7 <sup>+</sup>	189.2 <sup>+</sup>
	44	Poland	192.7 <sup>+</sup>	73.3 <sup>+</sup>	119.4 <sup>+</sup>
	45	Estonia	188.0	47.8	140.2
	52	Russia	114.4 <sup>+</sup>	24.8 <sup>+</sup>	89.6 <sup>+</sup>
	57	Lithuania	95.7 <sup>+</sup>	24.6 <sup>+</sup>	71.1 <sup>+</sup>
	60	Turkey <sup>12</sup>	64.5 <sup>+</sup>	12.0 <sup>+</sup>	52.6 <sup>+</sup>
61	Ukraine	60.9 <sup>+</sup>	0.6 <sup>+</sup>	60.3 <sup>+</sup>	
62	Bulgaria	59.4 <sup>+</sup>	8.2 <sup>+</sup>	51.2 <sup>+</sup>	
68	Romania	48.2 <sup>+</sup>	11.3 <sup>+</sup>	36.9 <sup>+</sup>	
70	Serbia and Montenegro	44.7 <sup>+</sup>	3.2 <sup>+</sup>	41.5 <sup>+</sup>	
		<b>Total</b>	<b>1 427.9</b>	<b>848.1</b>	<b>579.8</b>
Asia	4	Japan <sup>13</sup>	3 874.8	3 044.0	830.8 <sup>*</sup>
	17	Hong Kong	2 217.2 <sup>+</sup>	1 884.3 <sup>+</sup>	332.9 <sup>+</sup>
	20	Taiwan	1 909.0 <sup>**</sup>	1 494.6 <sup>**</sup>	414.4
	21	Singapore <sup>1</sup>	1 849.3 <sup>*</sup>	1 483.9 <sup>*</sup>	365.5 <sup>+</sup>
	22	South Korea <sup>13</sup>	1 419.3	1 006.8	412.5 <sup>*</sup>
	27	Israel	1 043.4 <sup>**</sup>	467.4 <sup>**</sup>	576.0 <sup>+</sup>
	33	Qatar	444.4 <sup>**</sup>	19.1 <sup>**</sup>	425.3 <sup>**</sup>
	36	United Arab Emirates	350.2	59.7	290.6 <sup>**</sup>
	39	Malaysia <sup>13</sup>	256.5 <sup>**</sup>	167.3 <sup>**</sup>	89.3
	48	Kuwait	161.2	39.1	122.2 <sup>**</sup>
	50	Lebanon	126.7 <sup>**</sup>	39.6 <sup>**</sup>	87.2
	54	Oman	103.1	14.2	88.9 <sup>**</sup>
	58	Thailand	92.1 <sup>**</sup>	50.8 <sup>**</sup>	41.4 <sup>+</sup>
	65	Jordan	52.1 <sup>**</sup>	6.0 <sup>**</sup>	46.2 <sup>**</sup>
	67	Saudi Arabia <sup>15</sup>	51.4	2.1	49.3 <sup>**</sup>
	72	PR China	40.2 <sup>**</sup>	27.3 <sup>**</sup>	12.9 <sup>+</sup>
	75	Iran <sup>13</sup>	27.9 <sup>*</sup>	2.3 <sup>*</sup>	25.7 <sup>**</sup>
	78	India	19.7 <sup>**</sup>	15.7 <sup>**</sup>	4.0 <sup>**</sup>
	79	Philippines	15.6 <sup>**</sup>	9.4 <sup>**</sup>	6.1 <sup>**</sup>
	80	Indonesia	15.5 <sup>**</sup>	7.5 <sup>**</sup>	8.1 <sup>**</sup>
82	Sri Lanka	14.1 <sup>+</sup>	6.2 <sup>+</sup>	7.9 <sup>**</sup>	
84	Vietnam	11.0 <sup>+</sup>	7.3 <sup>+</sup>	3.7 <sup>+</sup>	
87	Pakistan	3.7 <sup>**</sup>	1.5 <sup>**</sup>	2.2 <sup>**</sup>	
88	Bangladesh	2.3	1.5	0.8 <sup>**</sup>	
		<b>Total</b>	<b>194.3</b>	<b>147.2</b>	<b>47.1</b>
Africa	31	South Africa <sup>10</sup>	686.5 <sup>+</sup>	545.5 <sup>+</sup>	141.0 <sup>+</sup>
	42	Namibia	225.0 <sup>**</sup>	154.3 <sup>**</sup>	70.7 <sup>**</sup>
	43	Mauritius	220.8 <sup>**</sup>	133.1 <sup>**</sup>	87.7 <sup>**</sup>
	46	Botswana	181.4 <sup>**</sup>	125.5 <sup>**</sup>	56.0 <sup>**</sup>
	63	Tunisia	55.3	4.3	51.0 <sup>**</sup>
	69	Morocco	44.9 <sup>+</sup>	10.6 <sup>+</sup>	34.3 <sup>+</sup>
	77	Angola	21.8	0.6	21.2 <sup>**</sup>
	81	Algeria	14.8 <sup>**</sup>	0.8 <sup>**</sup>	14.0 <sup>+</sup>
	83	Kenya	12.6	3.7	8.9 <sup>**</sup>
	85	Egypt <sup>16</sup>	8.9 <sup>**</sup>	3.1 <sup>**</sup>	5.8 <sup>*</sup>
	86	Nigeria	4.0	0.7	3.3 <sup>**</sup>
		<b>Total</b>	<b>43.4</b>	<b>30.3</b>	<b>13.1</b>
World <sup>2</sup>			<b>511.5</b>	<b>291.5</b>	<b>220.0</b>

### Insurance penetration: premiums<sup>1</sup> in % of GDP in 2004

	Rankin	Country	Total	Life	Non-life	
North America	10	United States <sup>9</sup>	9.36 <sup>+</sup>	4.22 <sup>+</sup>	5.14	
	21	Canada <sup>10</sup>	7.02 <sup>+</sup>	2.97 <sup>+</sup>	4.05	
		<b>Total</b>	<b>9.17<sup>**</sup></b>	<b>4.12<sup>**</sup></b>	<b>5.05</b>	
Latin America and Caribbean	16	Trinidad and Tobago	7.85 <sup>**</sup>	5.77 <sup>**</sup>	2.08	
	32	Jamaica	5.00	1.88	3.11	
	37	Chile	3.93	2.55	1.38	
	46	Panama	3.07	1.12	1.96	
	49	Brazil	2.98	1.36	1.63	
	54	Argentina	2.68 <sup>+</sup>	0.88 <sup>+</sup>	1.80	
	56	Venezuela	2.55 <sup>+</sup>	0.08 <sup>+</sup>	2.47	
	57	Colombia	2.51	0.69	1.82	
	59	El Salvador	2.28 <sup>*</sup>	0.68 <sup>*</sup>	1.60	
	62	Dominican Republic	2.05	0.18	1.86 <sup>*</sup>	
	66	Costa Rica	1.87 <sup>+</sup>	0.15	1.72	
	67	Mexico	1.86 <sup>+</sup>	0.79 <sup>+</sup>	1.06	
	68	Ecuador	1.68	0.20	1.48	
	77	Peru	1.31	0.59	0.72	
	81	Guatemala	1.09	0.17	0.92	
			<b>Total</b>	<b>2.47<sup>*</sup></b>	<b>1.01</b>	<b>1.46</b>
	Europe	3	United Kingdom <sup>1</sup>	12.60 <sup>*</sup>	8.92 <sup>*</sup>	3.68 <sup>*</sup>
4		Switzerland	11.75 <sup>**</sup>	6.73 <sup>**</sup>	5.02	
6		Netherlands <sup>11</sup>	10.10 <sup>**</sup>	5.43 <sup>**</sup>	4.67	
7		Belgium <sup>1</sup>	9.62 <sup>**</sup>	6.73 <sup>**</sup>	2.89	
9		France	9.52 <sup>**</sup>	6.38 <sup>**</sup>	3.14	
12		Ireland <sup>1</sup>	8.97 <sup>**</sup>	5.74 <sup>**</sup>	3.23	
13		Finland	8.77 <sup>**</sup>	6.89 <sup>**</sup>	1.88	
14		Denmark	8.07 <sup>**</sup>	5.15 <sup>**</sup>	2.92	
17		Portugal	7.85 <sup>**</sup>	4.66 <sup>**</sup>	3.19	
19		Italy <sup>1</sup>	7.60 <sup>**</sup>	4.86 <sup>**</sup>	2.74	
22		Germany <sup>1</sup>	6.97	3.11	3.86	
23		Sweden	6.96 <sup>+</sup>	4.56 <sup>+</sup>	2.39	
25		Austria	5.95 <sup>**</sup>	2.63 <sup>**</sup>	3.32	
27		Spain	5.63 <sup>**</sup>	2.38 <sup>**</sup>	3.25	
28		Malta	5.61	2.84	2.78	
29		Slovenia	5.61 <sup>+</sup>	1.65 <sup>+</sup>	3.96	
31		Norway <sup>1</sup>	5.20	3.14	2.06	
33		Ukraine	4.82 <sup>+</sup>	0.05 <sup>+</sup>	4.77	
35		Cyprus	4.39	2.31	2.08	
36		Czech Republic	4.15 <sup>+</sup>	1.62 <sup>+</sup>	2.53	
39		Luxembourg	3.64	1.43	2.21	
40		Slovakia	3.61 <sup>+</sup>	1.46 <sup>+</sup>	2.15	
43		Croatia	3.20 <sup>+</sup>	0.76 <sup>+</sup>	2.44	
45		Poland	3.07 <sup>+</sup>	1.17 <sup>+</sup>	1.90	
48		Iceland	3.01	0.29	2.72	
50		Hungary	2.83 <sup>+</sup>	1.15 <sup>+</sup>	1.67	
51		Russia	2.83 <sup>+</sup>	0.61 <sup>+</sup>	2.21	
58		Estonia	2.29	0.58	1.71	
60		Serbia and Montenegro	2.20 <sup>+</sup>	0.16 <sup>+</sup>	2.04	
61		Greece	2.10	0.93	1.17	
65		Bulgaria	1.92 <sup>+</sup>	0.26 <sup>+</sup>	1.65	
70		Turkey <sup>2</sup>	1.54 <sup>+</sup>	0.29 <sup>+</sup>	1.25	
71		Romania	1.51 <sup>+</sup>	0.35 <sup>+</sup>	1.15	
74		Lithuania	1.48 <sup>+</sup>	0.38 <sup>+</sup>	1.10	
		<b>Total</b>	<b>7.89</b>	<b>4.68</b>	<b>3.20</b>	
Asia	2	Taiwan	14.13 <sup>+</sup>	11.06 <sup>+</sup>	3.07 <sup>*</sup>	
	5	Japan <sup>3</sup>	10.51 <sup>*</sup>	8.26 <sup>*</sup>	2.25 <sup>*</sup>	
	8	South Korea <sup>13</sup>	9.52	6.75	2.77 <sup>*</sup>	
	11	Hong Kong	9.27 <sup>**</sup>	7.88 <sup>**</sup>	1.39	
	20	Singapore <sup>1</sup>	7.50 <sup>+</sup>	6.02 <sup>+</sup>	1.48	
	24	Israel	6.16 <sup>+</sup>	2.76 <sup>+</sup>	3.40	
	30	Malaysia <sup>13</sup>	5.40	3.52	1.88	
	41	Thailand	3.52 <sup>+</sup>	1.94 <sup>+</sup>	1.58	
	42	PR China	3.26 <sup>+</sup>	2.21 <sup>+</sup>	1.05	
	44	India <sup>13</sup>	3.17	2.53	0.65 <sup>*</sup>	
	47	Lebanon	3.06 <sup>**</sup>	0.95 <sup>**</sup>	2.10	
	55	Jordan	2.67 <sup>+</sup>	0.31	2.36	
	63	Vietnam	2.02 <sup>+</sup>	1.35 <sup>+</sup>	0.68	
	69	United Arab Emirates	1.65 <sup>**</sup>	0.28 <sup>**</sup>	1.37	
	73	Philippines	1.49 <sup>**</sup>	0.91 <sup>**</sup>	0.59	
	75	Sri Lanka	1.37 <sup>**</sup>	0.60 <sup>**</sup>	0.77	
	76	Indonesia	1.31 <sup>**</sup>	0.63 <sup>**</sup>	0.68	
	78	Oman	1.28 <sup>**</sup>	0.18 <sup>**</sup>	1.10	
79	Qatar	1.23 <sup>**</sup>	0.05 <sup>**</sup>	1.18		
80	Iran <sup>1</sup>	1.15 <sup>**</sup>	0.09 <sup>**</sup>	1.06		
83	Kuwait	0.93 <sup>**</sup>	0.22 <sup>**</sup>	0.70		
85	Pakistan	0.71 <sup>**</sup>	0.28 <sup>**</sup>	0.43		
87	Bangladesh <sup>15</sup>	0.57 <sup>**</sup>	0.37 <sup>**</sup>	0.20		
88	Saudi Arabia <sup>15</sup>	0.48	0.02	0.46		
		<b>Total</b>	<b>7.37</b>	<b>5.58</b>	<b>1.79</b>	
Africa	1	South Africa <sup>10</sup>	14.38 <sup>+</sup>	11.43 <sup>+</sup>	2.95	
	18	Namibia	7.61 <sup>**</sup>	5.22 <sup>**</sup>	2.39	
	34	Mauritius	4.61 <sup>**</sup>	2.78 <sup>**</sup>	1.83	
	38	Botswana	3.75 <sup>**</sup>	2.59 <sup>**</sup>	1.16	
	52	Kenya	2.81	0.82	1.99	
	53	Morocco	2.70 <sup>+</sup>	0.64 <sup>+</sup>	2.06	
	64	Tunisia	2.01 <sup>**</sup>	0.16 <sup>**</sup>	1.86	
	72	Angola	1.50 <sup>**</sup>	0.04 <sup>**</sup>	1.46	
	82	Nigeria	0.94	0.17	0.76	
	84	Egypt <sup>16</sup>	0.79	0.27	0.52	
	86	Algeria	0.58 <sup>+</sup>	0.03 <sup>+</sup>	0.55	
		<b>Total</b>	<b>4.89</b>	<b>3.41</b>	<b>1.48</b>	
Oceania	15	Australia <sup>17</sup>	8.02 <sup>*</sup>	4.17 <sup>*</sup>	3.85 <sup>*</sup>	
	26	New Zealand	5.74	1.32	4.42 <sup>*</sup>	
		<b>Total</b>	<b>7.65</b>	<b>3.75</b>	<b>3.90</b>	
World <sup>2</sup>			<b>7.99</b>	<b>4.55</b>	<b>3.43</b>	

## Arab Insurance Markets 2003

### Arab Insurance Group ARIG

#### Geographic Grouping

**Gulf Cooperation Council (GCC):** Qatar, Bahrain, Oman and Kuwait.

**Arab Africa:** Algeria, Egypt, Tunisia, Morocco, Libya, Sudan and Mauritania.

**Levant:** Jordan, Lebanon, Syria, Iraq, Yemen and Palestine.

#### Economic Grouping

**Energy-based economies:** Saudi Arabia, UAE, Kuwait, Iraq, Qatar, Oman, Bahrain, Algeria and Libya.

**Non energy-based economies:** Egypt, Jordan, Lebanon, Morocco, Yemen, Syria, Palestine and Tunisia (although Egypt, Syria, Tunisia and Yemen export natural resources, the energy contribution to their overall economies is minimal).

**Agricultural economies:** Mauritania and Sudan.

#### Economic Overview

Against the background of well established global recovery, the Arab economies registered rapid expansion in 2003. Higher oil production combined with rising oil prices was the main contributor to the economic growth in the region. In addition, the boom in the banking industry and increased activity in the construction, tourism and services sectors added to the stronger economic growth. GDP growth was more pronounced in the GCC than in the North African region. While GCC benefited from higher oil revenues and the on-going reform process, continued export growth and domestic demand helped other economies in the Arab region. More of the money being generated in the region has stayed here, helping to boost local economies and create additional wealth. While Energy-based economies in the Arab region have recorded substantially higher real GDP growth of 7% in 2003 vis-a-vis 4.6% in 2002, the other regions mainly the Arab Africa region had a lower real GDP growth of 3% in 2003 compared to 3.4% the previous year. Overall, Middle Eastern economies have grown 6% in 2003 vs. 4.3% in 2002. With a population of 286 million as shown in Appendix No. 1, the region's average per capita stood at US\$ 2,292, placing the region in the middle-income group worldwide.

#### Insurance Market Overview

The year 2003 shows growth in Non-Life premium volumes, but a drop in Life business. In 2003, Non-Life insurance premiums in the Arab region continues to grow but with a lower growth rate of 11.3% compared to 13.3% in 2002. Whereas, Life business registered a decline of 2.6% compared to 20.6% growth in 2002. Exchange rate fluctuations were the main contributor to the reduced increase in Non-Life premiums (mainly in Egypt).

Regarding Life insurance, major part of the drop in premiums emanated from the Moroccan market where substantial premiums were transferred from the direct insurance companies to the "CIMR" (Private Pension Fund).

The market achieved differing growth rates over the period 1999-2003. Among Arab countries, GCC recorded the highest average annual growth rate in 2003.

Life and Non-Life premium growth rates based on local currencies and US dollars by country

In 2003, per capita expenditure (insurance density) in the Arab region reached US\$ 23.7 compared to US\$ 22.1 in 2002, but it is still significantly lower than the world average of approximately US\$ 470. Among Arab countries, the GCC represented the highest insurance density with US\$ 97.4 (in view of its relatively small population and high per capita income), followed by Arab Africa with US\$ 15.3 and the Levant with US\$ 12.7.

In 2003, the average insurance penetration (premiums in percentages of GDP) for the Arab region remained constant at 1% compared to 2002. Country comparisons are shown in Appendix.

In 2003, the total insurance premium volume generated by Arab countries amounted to US\$ 6,780 million – an increase of 8.7% over 2002. Country breakdown is shown in Appendix.

Non-Life premiums accounts for US\$ 5,661 million (83%). Life business produced gross premiums of US\$ 1,119 million (17%).

The Arab region contributed 0.4% and 0.2% respectively to the world's Non-Life and Life premiums in 2003. Motor insurance represents the dominant class for many Arab countries and constitutes 38% of the overall Non-Life market premium (excluding UAE as split was not available). Portfolio mix for each country is shown in Appendices.

In 2003, the total number of insurance companies was 397 compared to 395 in 2002. In 2003, 245 of these companies were under national ownership. Over the period 1999-2003, most countries have seen consolidation in the number of insurance companies. Details are shown in Appendix.

### **Reinsurance**

The reinsurance cycle had not reversed in 2003 and the hardening of the reinsurance market continued. However, the end of 2003 saw some relaxation in premium rates for profitable business.

Total ceded premiums in the Arab region reached US\$ 2,853 million, representing an average cession rate of 42%. However, this rate varies significantly by class of business and by country.

GCC countries registered the highest cession rate of 59.1% followed by Arab Africa (28.1%) and Levant countries (27.6%).

The difference in the cession rates reflects the portfolio mix, as well as the economic structure from one sub region/market to another.

The ceded premiums breakdown is as follows:

<b>Country</b>	<b>Gross Premium (US\$ m) 2003</b>	<b>Ceded Premium (US\$ m) 2003</b>	<b>Reins. 2003 (%)</b>
Kuwait	372.1	281.9	
Li bya	159.2	110.2	69.2%
Qatar	247.1	168.2	68.1 %
Yemen	35.1	23.9	68.0%
U.A.E *	971.2	640.9	66.0%
Oman	277.8	161.6	58.2%
Bahrain	210.1	113.4	54.0%
Saudi Arabia	994.0	450.0	45.3%
Algeria*	407.7	163.1	40.0%
Mauritania	7.9	3.2	40.0%
Sudan	89.1	32.8	36.9%
Egypt	472.3	159.8	33.8%
Jordan	236.4	74.7	31.6%
Lebanon	516.3	137.4	26.6%
Tunisia*	418.9	100.5	24.0%
Palestine	35.8	7.1	19.8%
Morocco	1,217.3	209.4	17.2%
I raq	2.5	0.3	13.4%
Syria	109.5	14.4	13.2%
<b>Arab Africa</b>	<b>2,772.4</b>	<b>778.9</b>	<b>28.1 %</b>
<b>GCC</b>	<b>3,072.4</b>	<b>1,815.9</b>	<b>59.1%</b>
<b>Levant</b>	<b>935.7</b>	<b>257.8</b>	<b>27.6%</b>
<b>Total Arab Markets</b>	<b>6,780.4</b>	<b>2,852.6</b>	<b>42.1%</b>

### Trends and Reforms

Insurance regulation in some of the Arab markets is ongoing with focus on attracting foreign investment and providing greater security for policyholders in a transparent environment.

**Saudi Arabia** promulgated in 2003 the long-expected comprehensive regulations relating to the establishment and licensing of insurance and reinsurance companies.

**Egypt** continued to make significant strides in insurance reforms by introducing provisions to prevent money laundering and formed internal audit committees for public and private sectors to ensure compliance with government regulations.

**Jordan** introduced a whole set of new regulations, most important of which is increased minimum capital requirements, and requiring all companies to achieve and maintain a solvency margin of 150% at all times.

**Kuwait** issued a decree revising the licensing requirements for brokers, agents and consultants.

**Bahrain** is finalising a new rules book in consultation with the industry, including regulating the Takaful (Islamic insurance) market as well as the establishment of captive insurers on the island.

**Algeria** passed a law in August 2003, following the earthquake in May of that year, making insurance against natural hazards obligatory.

**Libya** is expecting new insurance companies to be established following the opening of its insurance market.

Country	Premiums as % of GDP	
	2002	2003
Lebanon	2.6%	2.9%
Morocco	3.0%	2.7%
Jordan	2.2%	2.4%
Bahrain	2.1 %	2.2%
Tunisia	1.3%	1.7%
Qatar	1.2%	1.4%
U.A.E.	1.2%	1.4%
Oman	1.3%	1.3%
Kuwait	0.9%	1.1 %
Palestine	1.0%	1.0%
Li bya	0.4%	0.8%
Egypt	0.6%	0.7%
Mauritania	0.5%	0.7%
Algeria	0.7%	0.6%
Syria	0.6%	0.5%
Sudan	0.5%	0.5%
Saudi Arabia	0.5%	0.5%
Yemen	0.3%	0.3%
I raq	na	na
<b>Total Average</b>	<b>1.0%</b>	<b>1.0%</b>

**Premium By Class and Country - 1999 to 2003 in US\$ millions**

Country	Year	Exchange Rate	Life			Non-Life			Total		No. of Companies	
			Total GPI	Total	% of GPI	Motor	Property & Misc. Accident	Marine & Aviation	Non-Life	% of GPI	National	Foreign
<b>Algeria</b>	1999	66.5700	257.7	13.4	5.2%	114.8	91.4	38.1	244.3	94.8%	7	0
	2000	75.2600	258.8	14.3	5.5%	108.2	97.1	39.3	244.5	94.5%	7	0
	2001	77.2650	281.9	13.0	4.6%	114.5	109.9	44.5	268.9	95.4%	10	3
	2002	79.6850	374.8	14.5	3.9%	128.6	182.1	49.6	360.3	96.1%	10	3
	2003	77.3600	407.7	15.1	3.7%	161.8	181.8	49.0	392.6	96.3%	10	3
<b>Bahrain</b>	1999	0.3760	134.4	31.1	23.1%	51.3	44.3	7.8	103.3	76.9%	9	10
	2000	0.3760	138.0	35.1	25.5%	55.0	40.9	7.0	102.9	74.5%	9	13
	2001	0.3800	152.6	34.2	22.4%	60.5	47.4	10.5	118.4	77.6%	10	9
	2002	0.3760	180.9	38.1	21.1%	68.3	62.5	12.0	142.8	78.9%	9	9
	2003	0.3760	210.1	45.2	21.5%	81.0	70.7	13.2	164.9	78.5%	12	9
<b>Egypt</b>	1999	3.4000	568.5	155.6	27.4%	147.4	194.4	71.2	412.9	72.6%	12	0
	2000	3.4400	586.0	174.1	29.7%	144.8	198.8	68.3	411.9	70.3%	14	0
	2001	3.8500	545.7	169.9	31.1%	124.4	176.6	74.8	375.8	68.9%	15	0
	2002	4.5000	507.5	160.1	31.5%	103.2	165.6	78.5	347.4	68.5%	18	0
	2003	6.0300	472.3	149.8	31.7%	81.4	165.1	76.1	322.6	68.3%	20	0
<b>Jordan<sup>(1)</sup></b>	1999	0.7100	140.4	21.3	15.1%	63.6	45.5	10.0	119.2	84.9%	25	1
	2000	0.7100	146.7	22.9	15.6%	62.6	50.0	11.2	123.8	84.4%	26	1
	2001	0.7100	169.6	24.5	14.4%	69.4	62.9	12.8	145.1	85.6%	24	2
	2002	0.7080	207.5	26.1	12.6%	91.2	75.4	14.8	181.4	87.4%	25	1
	2003	0.7080	236.4	27.8	11.8%	108.9	82.7	16.9	208.6	88.2%	25	1
<b>Kuwait</b>	1999	0.3000	199.0	35.7	17.9%	63.0	69.7	30.7	163.3	82.1%	5	11
	2000	0.3000	222.3	44.3	19.9%	68.0	76.7	33.3	178.0	80.1%	5	11
	2001	0.3100	252.6	55.2	21.8%	74.2	76.8	44.2	195.2	77.3%	7	11
	2002	0.3000	315.3	75.3	23.9%	89.0	109.0	42.0	240.0	76.1%	7	12
	2003	0.2948	372.1	61.1	16.4%	112.3	148.9	49.9	311.1	83.6%	7	10
<b>Lebanon</b>	1999	1,516.1300	387.9	89.2	23.0%	67.8	219.1	11.7	298.6	77.0%	65	11
	2000	1,507.5000	372.8	87.0	23.3%	64.9	209.6	11.2	285.7	76.7%	65	11
	2001	1,507.5000	409.4	97.3	23.8%	76.9	222.9	12.4	312.1	76.2%	58	8
	2002	1,507.5000	467.1	122.9	26.3%	89.9	240.8	13.5	344.3	73.7%	55	9
	2003	1,507.5000	516.3	135.9	26.3%	114.4	252.5	13.5	380.4	73.7%	54	8
<b>Libya<sup>(2)</sup></b>	1999	0.4600	170.0	11.3	6.6%	46.5	72.8	39.3	158.7	93.4%	2	0
	2000	0.5100	145.1	9.4	6.5%	45.3	62.9	27.5	135.7	93.5%	2	0
	2001	0.6420	152.5	6.8	4.5%	38.0	55.2	42.1	145.7	95.5%	2	0
	2002	1.2295	119.3	4.1	3.4%	21.1	64.1	30.0	115.2	96.6%	2	0
	2003	1.2654	159.2	4.5	2.8%	21.6	106.8	26.3	154.7	97.2%	2	0
<b>Morocco</b>	1999	9.8000	964.8	269.9	28.0%	357.6	291.1	46.2	694.9	72.0%	19	0
	2000	10.6190	964.0	280.6	29.1%	347.4	291.5	44.6	683.5	70.9%	17	0
	2001	11.5600	937.4	269.1	28.7%	337.8	281.1	49.3	668.2	71.3%	17	0
	2002	10.1665	1,191.8	393.5	33.0%	396.1	346.6	55.6	798.3	67.0%	18	0
	2003	10.1665	1,217.3	339.9	27.9%	400.5	419.2	57.7	877.4	72.1%	18	0
<b>Oman</b>	1999	0.3800	168.0	37.6	22.4%	73.2	38.5	18.7	130.3	77.6%	8	10
	2000	0.3900	161.1	28.9	17.9%	80.3	40.3	11.7	132.2	82.1%	9	11
	2001	0.3900	209.9	34.9	16.6%	96.4	61.7	16.9	175.0	83.4%	7	10
	2002	0.3900	264.7	32.0	12.1%	98.7	107.1	26.9	232.7	87.9%	7	10
	2003	0.3855	277.8	36.2	13.0%	107.6	110.1	24.0	241.7	87.0%	7	9

**Gross Premium By Class and Country - 1999 to 2003 in US\$ millions (Contd.)**

Country	Year	Exchange Rate	Life							Non-Life		No. of Companies	
			Total GPI	Total	% of GPI	Motor	Property & Misc. Accident	Marine & Aviation	Total Non-Life	% of GPI	National	Foreign	
Palestine	1999		na	na	na	na	na	na	na	na	na	na	na
	2000	na	71.3	3.6	5.0%	48.7	17.1	1.9	67.7	95.0%	na	na	
	2001	4.0773	57.2	2.9	5.0%	36.4	16.5	1.5	54.3	95.0%	6	na	
	2002	4.2057	33.3	0.2	0.5%	17.7	14.2	1.2	33.1	99.5%	7	na	
	2003	4.7378	35.8	0.2	0.6%	21.0	13.2	1.4	35.6	99.4%	6	na	
Qatar <sup>(3)</sup>	1999	3.6400	131.8	0.0	0.0%	42.5	55.9	33.4	131.8	100.0%	4	4	
	2000	3.6400	116.3	0.0	0.0%	41.6	47.4	27.3	116.3	100.0%	4	4	
	2001	3.6410	141.8	0.0	0.0%	48.1	58.9	32.0	141.8	100.0%	5	4	
	2002	3.6410	205.7	0.0	0.0%	57.1	117.9	30.6	205.7	100.0%	5	4	
	2003	3.6410	247.1	0.0	0.0%	57.7	149.6	39.8	247.1	100.0%	5	3	
Saudi Arabia <sup>(4)</sup>	1999	3.7500	785.1	43.1	5.5%	186.9	447.0	108.1	741.9	94.5%	1	68	
	2000	3.7500	780.0	44.0	5.6%	190.6	435.7	109.8	736.1	94.4%	1	64	
	2001	3.7500	693.7	30.0	4.3%	131.2	412.3	120.2	663.7	95.7%	1	74	
	2002	3.7500	903.9	37.8	4.2%	203.3	534.9	127.9	866.2	95.8%	1	74	
	2003	3.7500	994.0	27.7	2.8%	309.7	521.4	135.2	966.2	97.2%	1	74	
Sudan <sup>(5)</sup>	1999	222.5500	32.7	1.7	5.1%	12.7	8.3	10.0	31.0	94.9%	16	0	
	2000	257.1200	42.9	3.1	7.3%	20.1	9.7	9.9	39.8	92.7%	16	0	
	2001	258.7000	53.6	6.9	12.9%	26.9	7.3	12.4	46.7	87.1%	17	0	
	2002	261.7000	72.6	6.7	9.3%	31.3	16.6	17.9	65.8	90.7%	15	1	
	2003	260.2000	89.1	9.6	10.7%	42.7	18.4	18.4	79.5	89.3%	15	1	
Syria	1999	46.0000	87.7	0.6	0.7%	46.3	15.0	25.7	87.0	99.3%	1	0	
	2000	46.0000	89.6	0.7	0.8%	47.0	16.2	25.8	89.0	99.2%	1	0	
	2001	46.0000	101.2	0.7	0.7%	56.9	17.9	25.7	100.6	99.3%	1	0	
	2002	46.0000	113.5	0.7	0.6%	62.5	24.5	25.8	112.8	99.4%	1	0	
	2003	48.5150	109.5	0.8	0.7%	60.3	23.5	24.9	108.8	99.3%	1	0	
Tunisia <sup>(6)</sup>	1999	1.1914	330.7	26.0	7.9%	139.3	141.0	24.3	303.8	91.9%	16	0	
	2000	1.3700	324.8	26.3	8.1%	138.0	137.2	23.4	298.5	91.9%	16	0	
	2001	1.4391	326.6	27.8	8.5%	139.7	132.7	25.7	298.8	91.5%	17	4	
	2002	1.4212	378.6	32.4	8.6%	162.5	149.9	33.8	346.2	91.4%	18	4	
	2003	1.2900	418.9	35.2	8.4%	na	na	na	383.7	91.6%	18	4	
U.A.E. <sup>(7)</sup>	1999	3.6700	772.2	159.9	20.7%	231.3	275.7	105.2	612.3	79.3%	19	28	
	2000	3.6700	833.2	188.6	22.6%	252.9	281.7	110.1	644.7	77.4%	19	28	
	2001	3.6700	907.4	174.1	19.2%	290.2	321.1	121.3	733.2	80.8%	19	28	
	2002	3.6700	856.1	200.0	23.4%	na	8	na	656.1	76.6%	19	28	
	2003	3.6700	971.2	226.0	23.3%	na	na	na	745.2	76.7%	19	28	
Yemen	1999	155.7500	18.8	1.8	9.5%	5.6	7.0	4.3	17.0	90.5%	10	0	
	2000	161.7200	21.7	1.9	8.8%	6.4	8.6	4.8	19.7	91.2%	10	0	
	2001	169.0000	26.1	2.3	8.7%	7.6	10.6	5.6	23.8	91.3%	10	0	
	2002	165.0000	32.1	2.8	8.8%	8.6	13.9	6.8	29.3	91.2%	10	0	
	2003	165.0000	35.1	2.9	8.3%	9.2	14.3	8.7	32.2	91.7%	11	0	
<b>The Premium figures are in Local Currency for Iraq</b>													
Iraq <sup>(8)</sup>	2000		3,805.6	48.5	1.3%	3,198.7	479.1	78.8	3,757.0	98.7%	3		
	2001		10,000.0	1,300.0	13.0%	na	na	na	8,700.0	87.0%	7		
	2002		7,004.6	2,172.3	31.0%	2,411.4	2,261.4	149.3	4,832.3	69.0%	7		
	2003		3,719.7	1,645.6	44.2%	537.8	1,477.2	53.3	2,074.1	55.8%	7		