



BRAZILIAN INSURANCE MARKET

2015



CNseg
Brazilian Insurance
Confederation



The institutional representation of the **insurance market**

The Brazilian Insurance Confederation – CNseg is the ultimate representative entity of the Brazilian insurance market, with operations nationwide.

CNseg is composed of four associative Federations, which represent the companies within the segments of General Insurance, Open-ended Private Pension and Life, Private Healthcare and Capitalization (*).

(*) Capitalization: a product similar to premium bonds, which is offered by private companies.

General Insurance, Open-ended Private Pension and Life and Capitalization

are segments regulated by the National Council of Private Insurance – CNSP and supervised by the Superintendence of Private Insurance – Susep.

The private healthcare segment,

which encompasses health plans and health insurance, is regulated and supervised by the National Regulatory Agency for Private Health Insurance and Plans – ANS.

National Council of **Private Insurance**

The National Council of Private Insurance – CNSP is the Brazilian Private Insurance System's regulatory body, responsible for setting policy guidelines and standards to private insurance.



CNSP

Superintendence of **Private Insurance**

This is the regulatory body under the Ministry of Finance, responsible for regulating the guidelines and standards established by the National Council of Private Insurance and for the supervision of the companies in the insurance, open-ended private pensions, capitalization and reinsurance markets, as well as insurance and reinsurance brokers.



Susep

www.susep.gov.br

National Regulatory Agency for Private Health **Insurance and Plans**

This is the regulatory agency linked to the Ministry of Health with the task of promoting the public interest in private healthcare, regulating and supervising the following types of companies: private health insurance, health management organizations, dental organizations, self-insured plans, medical cooperatives, dental cooperatives and non-profit health organizations. Also, it deals with their relationship with medical providers and consumers.

www.ans.gov.br

ANS

A large, stylized orange map of Brazil serves as the background for the slide. The map is positioned on the right side, with its left edge partially overlapping the text area.

The Brazilian Insurance Market

The insurance industry plays an important role in the Brazilian economy and society, contributing significantly to the development of infrastructure, income generation and composition of internal savings.



116
insurance
companies



22
open-ended private
pension entities



1,159
private healthcare
organizations



17
capitalization
companies

Local

16



131
reinsurers

77

Eventual

38

Admitted



101,000
brokers

insurance industry
premium reached

 R\$ **365**
billion in 2015

nominal growth
rate in 2015 was

 **11.6%**

reinsurance industry
premium reached

 R\$ **8.5**
billion in 2015

the sector employs over

 **148**
thousand

Insurance industry premium reached R\$ 365 billion in 2015, the equivalent to 6.2%* of Brazil's GDP, maintaining its historic positive performance and its importance in the national economic context. Reinsurance premium grew 7,9% to R\$ 8.5 billion in 2015. The sector employs over 148 thousand direct workers and it was responsible for R\$ 15.1 billion in tax payments in 2015.

*Considering the new methodology announced in March, 2015

an increase of

 **15.2%**

in technical provisions
and equity in 2015

The sector closed 2015 with a nominal premium growth rate of 11.6%. An amount of R\$ 234.5 billion was paid in claims, capitalization prize draws, benefits and redemptions. Technical provisions and equity reached an amount of R\$ 802.9 billion in 2015, a 15.2% increase on the previous year figure. A return on equity (ROE) of 21.2% demonstrates the Brazilian Insurance Market's strength and sustainability.

a return on
equity of

 **21.2%**

in 2015



R\$

234.5

billion paid in
claims in 2015

Brazil's main indicators in the international insurance scenario in 2014 | Worldwide

7th

economy in
the world

GDP

44th

in the world
ranking

Premium per capita - penetration

39th

GDP x insurance market

Brazil's position in the insurance premium ranking



Worldwide



Latin America



SOURCE: Swiss Re, Sigma #4/2015

Brazilian Insurance Market in figures

Global Vision

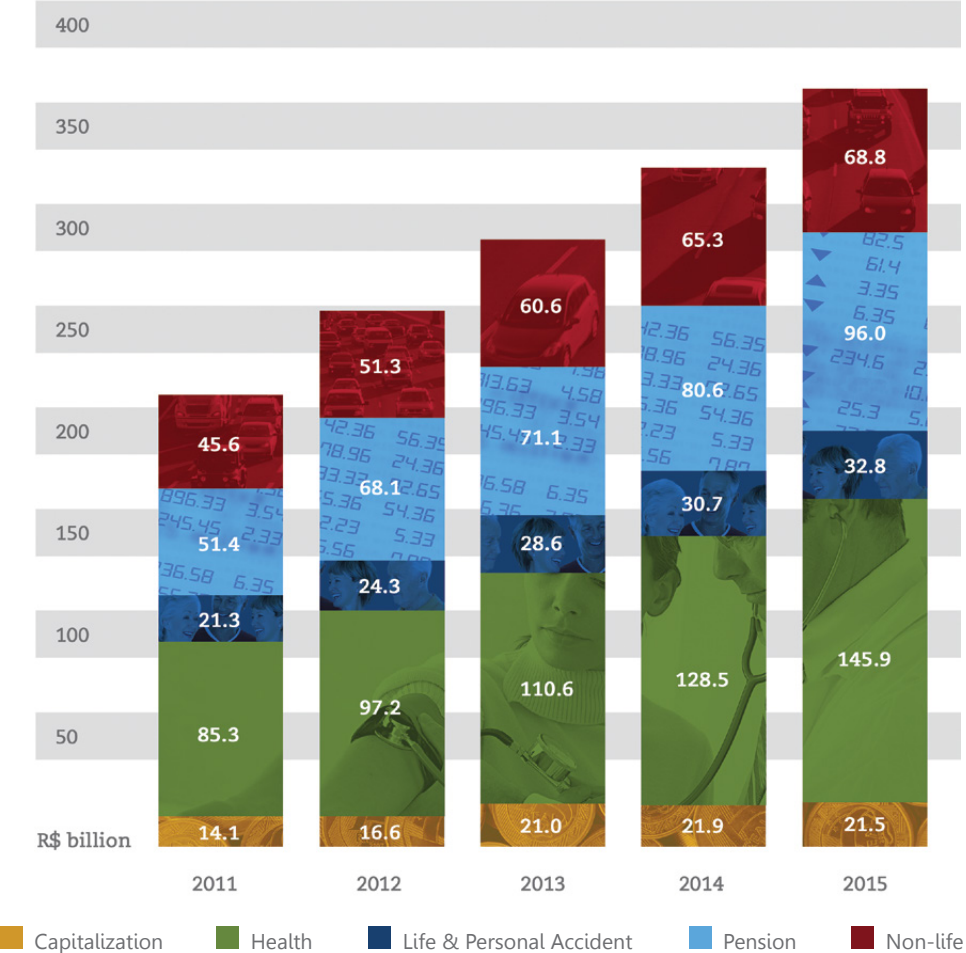
premium nominal
growth was

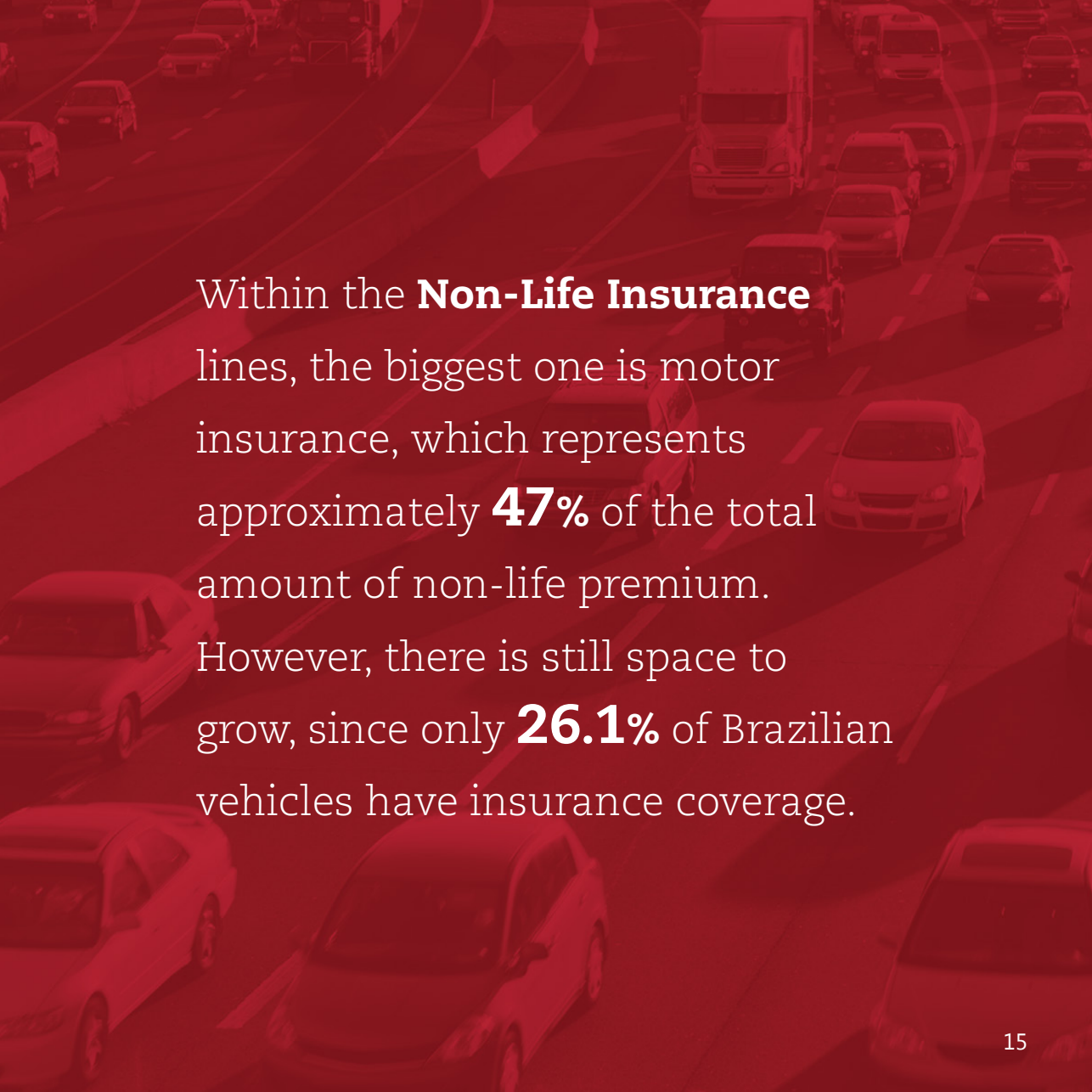
 **67.6%**

from 2011 to 2015

GRAPH 1

Brazilian Insurance Market premium by segments

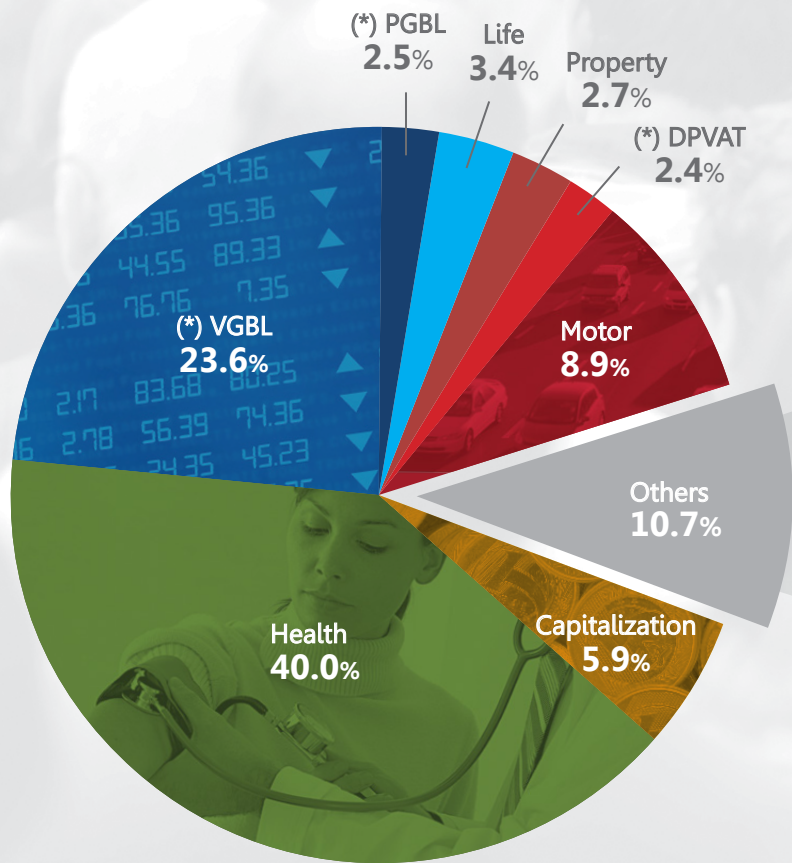




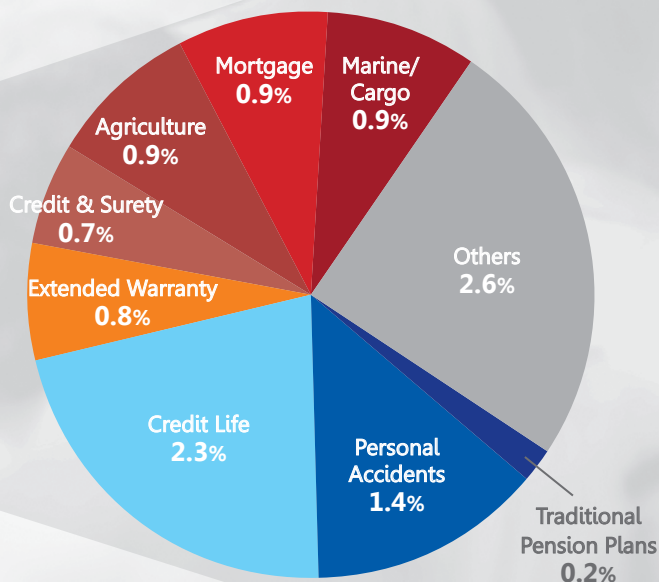
Within the **Non-Life Insurance** lines, the biggest one is motor insurance, which represents approximately **47%** of the total amount of non-life premium. However, there is still space to grow, since only **26.1%** of Brazilian vehicles have insurance coverage.

GRAPH 2

The biggest Brazilian insurance lines
R\$ 365 billion




in 2015 in terms of Premium



(*) **Vida Gerador de Benefício Livre** (Free Benefit Life Generator) – **VGBL**: an Insurance in which, during the deferral period, the remuneration of the mathematical provision for benefits to be granted is based on the profitability of the investment portfolio. It is always structured under a variable contribution model.

(*) **Plano Gerador de Benefício Livre** (Free Benefit Plan Generator) – **PGBL**: An open-ended pension plan in which, during the deferral period, the remuneration of the mathematical provision for benefits to be granted is based on the profitability of the investment portfolio. It is always structured under a variable contribution model. Contributions to PGBL, up to 12% of annual taxable income, are deducted from one's tax base.

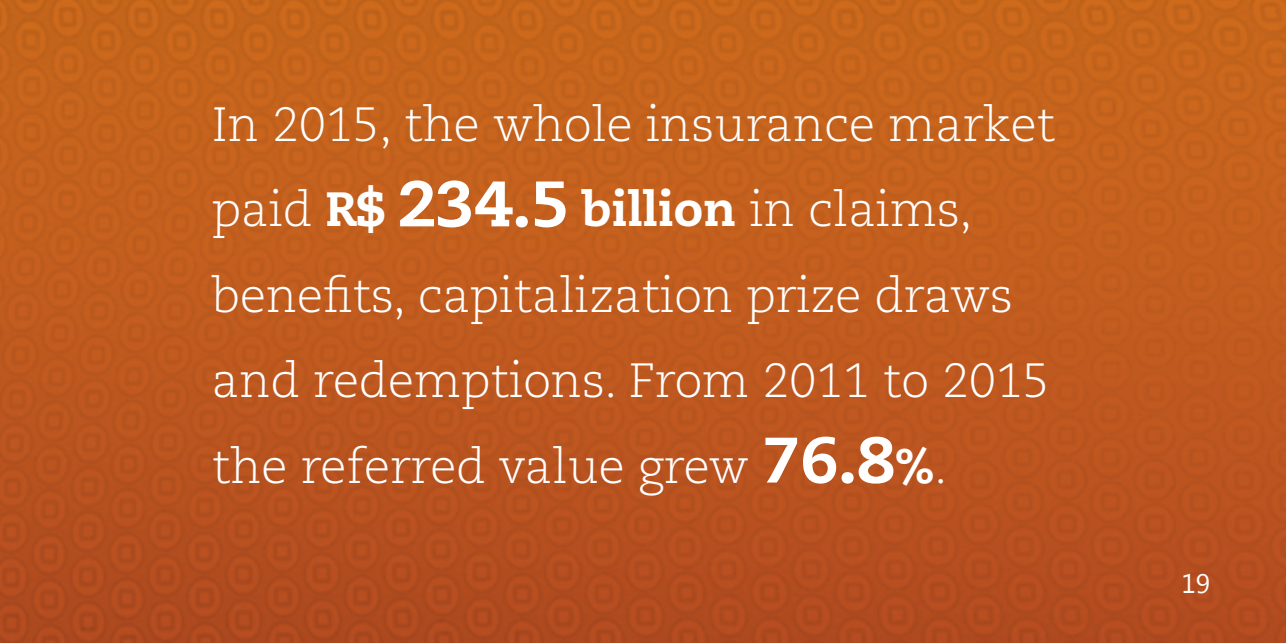
(*) **Seguro DPVAT – Seguro Obrigatório de Danos Pessoais Causados por Veículos Automotores de Via Terrestre, ou por sua Carga, a Pessoas Transportadas ou não** (Compulsory Insurance for Personal Injury arising from Auto Road Vehicles or its Cargo to Transported or Non-transported People)



The **Private Healthcare** segment, which comprises insurers and healthcare organizations, kept the leadership in the total amount of premium volume during the last five years, with **40.0%** of the market share in 2015. It is estimated that it has reached **71.7 million** policyholders.

The top half of the slide features a background of numerous gold coins, likely Brazilian Real coins, overlapping each other. The coins have intricate designs, including the year '2007' and the word 'REAL'.

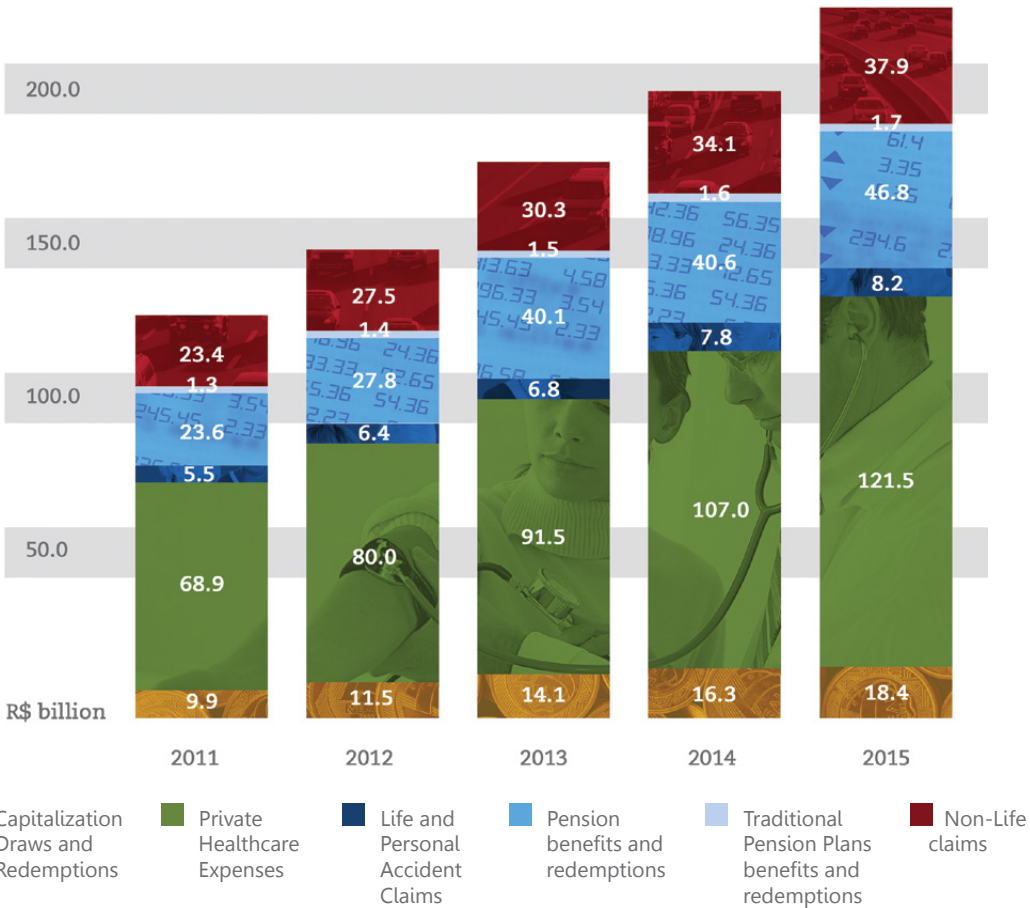
Over the past five years, capitalization companies have paid out more than **R\$ 4.8 billion** in prizes and over **R\$ 65.4 billion** has been returned to society in the form of redemptions.

The bottom half of the slide has a solid orange background with a subtle pattern of small, lighter orange circles.

In 2015, the whole insurance market paid **R\$ 234.5 billion** in claims, benefits, capitalization prize draws and redemptions. From 2011 to 2015 the referred value grew **76.8%**.

GRAPH 3

Brazilian Insurance Market claims by segment and type of expense



The **Open-Ended Pension Plans** pay benefits to its policyholders and beneficiaries as redemptions or annuities. These are due, for example, in case of the policyholder's death or his/her survival after a certain age.

Capitalization prize draws are, on average, **R\$ 4.2 million** every working day.

In the **General Insurance** sector, the coverage for personal injury caused by road vehicles (DPVAT) constituted **R\$ 3.7 billion** in claims arising from 650 thousand events during 2015.



Our **mission** is

to bring together key leaders, coordinate policy-making actions, prepare the strategic planning of the sector and represent the market before national and international institutions.

The **insurance**

industry has an important role in Brazilian economy and society. It contributes significantly to the development of the infrastructure, and fosters income-generation and access to supplementary health in the country.



Promote **greater**

integration of all participants in the insurance market: leaders thinking together, sharing business experiences, proximity of the regulatory body, consumers and society in general, to build an agenda that favors insurance expansion and its sustainable growth.

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