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World insurance: stirred, and not shaken

Executive summary

The global economic slowdown has been milder than expected, but momentum is waning.

The global economic slowdown has been milder than anticipated. Even so, with the full effect of monetary policy tightening still pending, we see just near 1% real gross domestic product (GDP) growth in advanced markets in 2023–24. We forecast global growth of 2.3% this year and next in real terms, both lower than market consensus. Emerging Asia is expected to be the engine of growth, with the reopening of China's economy adding impetus. Inflation is still the top global macroeconomic concern. Price pressures remain as labour market tightness prevails and inflation has shifted from goods to the services sector. A recurring stress this year is financial system instability, this time triggered by the lagged effects of monetary tightening on the banking sector. This also adds uncertainty to the inflation outlook, as fresh liquidity measures to shore up banks could delay the return to conventional monetary policy in many economies.

Slowdown and inflation are challenging for insurers, but we expect the industry will demonstrate resilience.

Both the slowdown and inflation raise challenges for insurers, but we believe the industry will be resilient over the next two years. With inflation pressure persistent, hard market conditions in non-life are set to continue as insurers offset elevated claims costs with higher premium prices. Lower claims once disinflation does take hold, and higher returns on interest rate-sensitive investments, should support profitability. With respect to the financial system, we believe insurers' liquidity and capital positions are sound and should enable them to weather, and not be shaken by, any instability still to come. Relative to other financial sectors, insurers are absorbers, not multipliers, of market woes.

Rate hardening, also now in personal lines, will support non-life premium growth. The motor market is set to return to growth after three years of contraction.

We estimate that global insurance premium volumes (non-life and life) will grow by 1.1% in 2023 and by 1.7% in 2024 in real terms (both below the 10-year trend of 2.6%), after a 1.1% decline in 2022. Reflecting the stirrings of growth, we estimate that premium volumes will total USD 7.1 trillion in 2023, a new high. For non-life, we see premium growth strengthening to 1.4% in real terms this year after a 0.5% gain in 2022. This improvement will be largely due to rate hardening in personal and ongoing price strength in commercial lines. We see the motor market returning to growth after three years of contraction, also based on rising premium prices. A decline in health premiums due to the end of the pandemic support policies in the US will likely offset some of the volume increases in other lines of business.

Non-life sector profitability will improve, with ROE estimated to rise to 7.8% this year and the profitability gap to narrow by 3 percentage points.

The profitability of non-life business is set to improve, with improved investment and slowing inflation (eventually) taking the edge off claims severity. We estimate that non-life sector return on equity (ROE) will rise to 7.8% in 2023 from 3.4% last year, and to 9.3% in 2024. The cost of capital is rising in parallel with stronger investment return, but we expect the profitability gap to narrow. Reserve adequacy has emerged as a key consideration as a prolonged period of favourable development wanes, due to the current and recent shocks of high inflation and COVID-19. Despite having a large buffer, the pace of industry reserve releases has slowed and there are many uncertainties, such as delayed settlements, which can be a larger problem in periods when high economic and social inflation push claims settlements higher, particularly in the US. More broadly, the shift of inflation from goods to services could impact liability exposures.

High interest rates have boosted life insurer profits, and demand for annuities and pension risk transfer products.

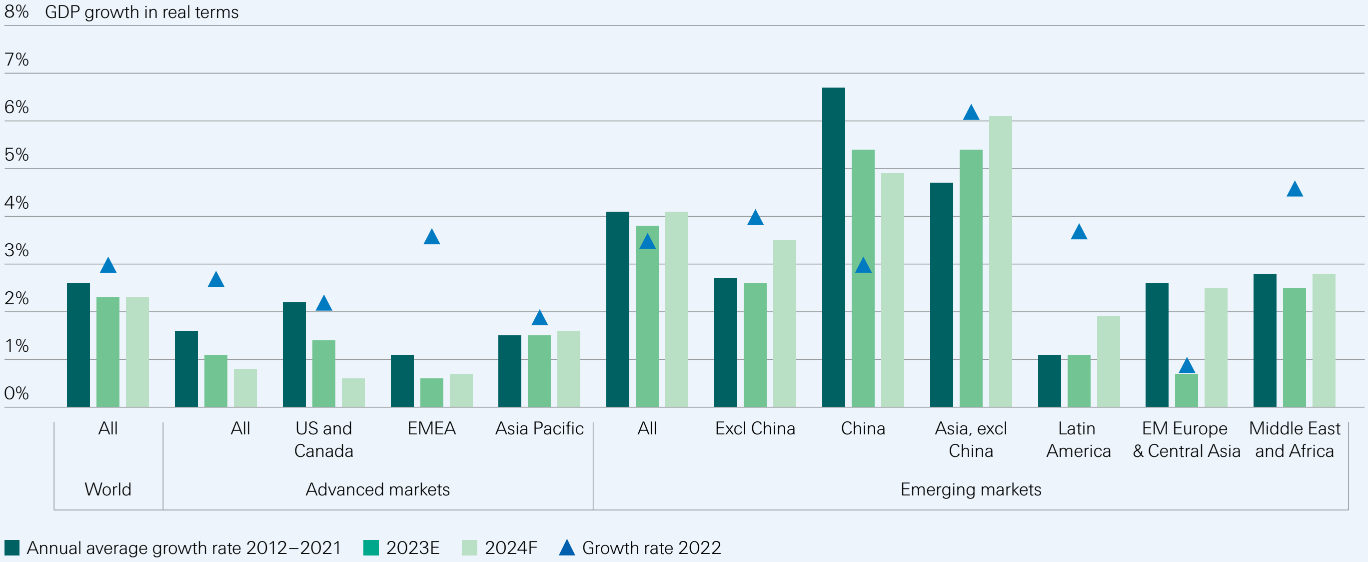
In life insurance, we forecast global premiums to grow by a below-trend 0.7% in real terms in 2023. This is still an improvement from 2022, when the market contracted by 3.1% as high inflation eroded consumer savings and nominal premium growth. We estimate that premiums will rise by 1.5% in 2024, above the 10-year trend of 1.3%. The start of the interest rate hiking cycle last year has boosted sector earnings. And this year, rising wages and interest rates in advanced markets are creating favourable growth and profitability tailwinds. We also see new life risk pools in Hong Kong, a result of China's reopening. The higher interest rate environment is creating new tailwinds for the annuity business and pension risk transfer deals (particularly in the US, UK), which benefit from higher crediting rates and funding ratios.

Credit downgrades and lapses are two tail risks for life sector profitability.

In this low growth and high inflation environment, we flag credit downgrades and surrenders as two potential downside tail risks for life sector profitability. Credit downgrades could weigh on solvency requirements and increase unrealised losses. The risk of lapses is that they reach levels requiring sales of bonds and capital losses to meet redemptions. So far both risks appear contained.

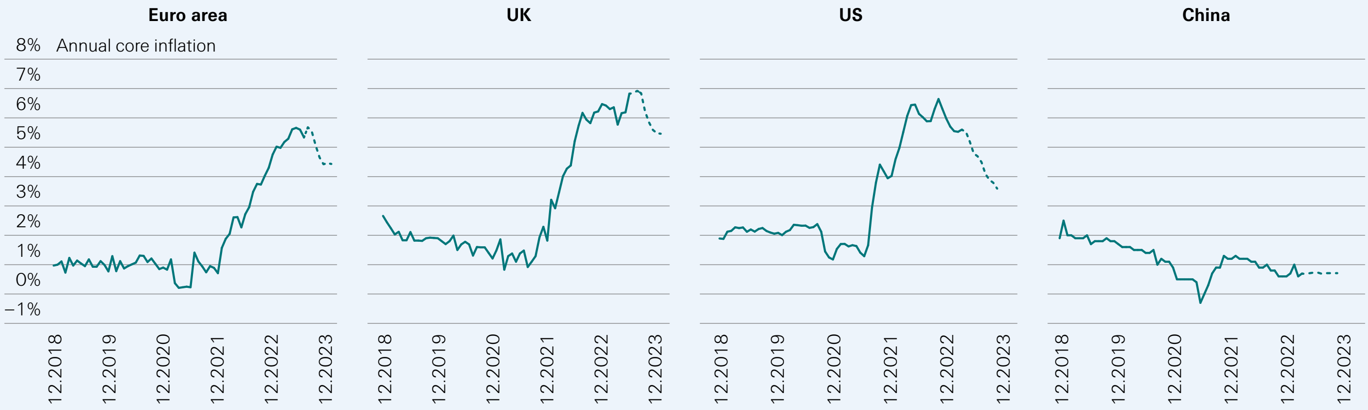
Key takeaways

The global economy is slowing and downside risk is elevated, including an anticipated mild US recession to come this year. We see emerging Asia driving global growth in the coming years.



Source: Swiss Re Institute

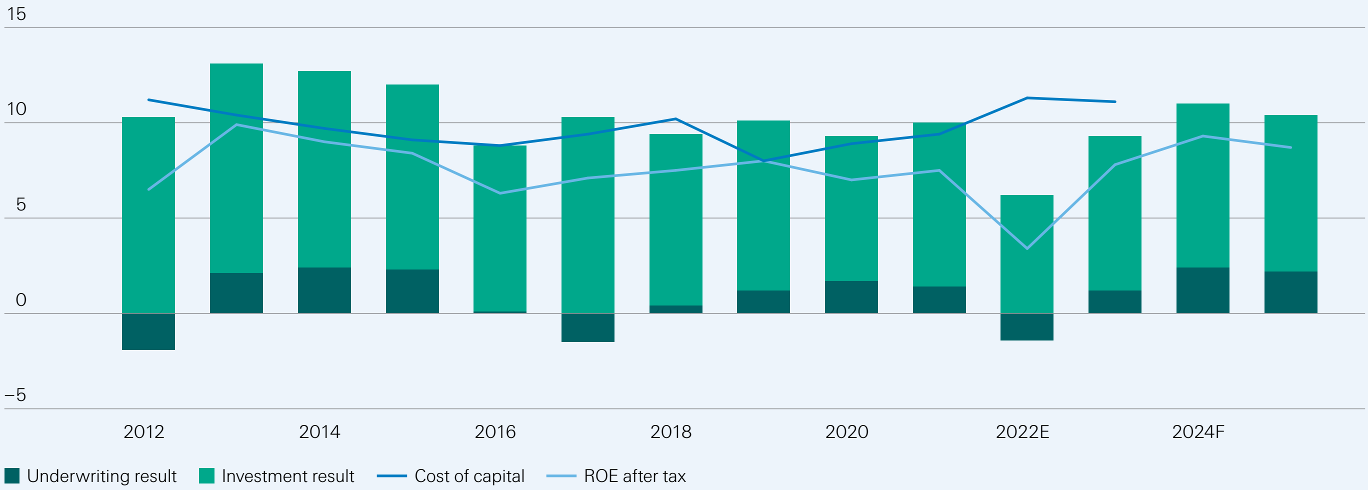
Inflation risk is still front and centre. Price pressure has shifted from goods to services and financial system instability this year has added uncertainty to the inflation outlook.



Source: Swiss Re Institute

Economic slowdown may weigh on premium growth, but rate hardening, better combined ratios and stronger investment returns from higher interest rates should support earnings in Property and Casualty (P&C).

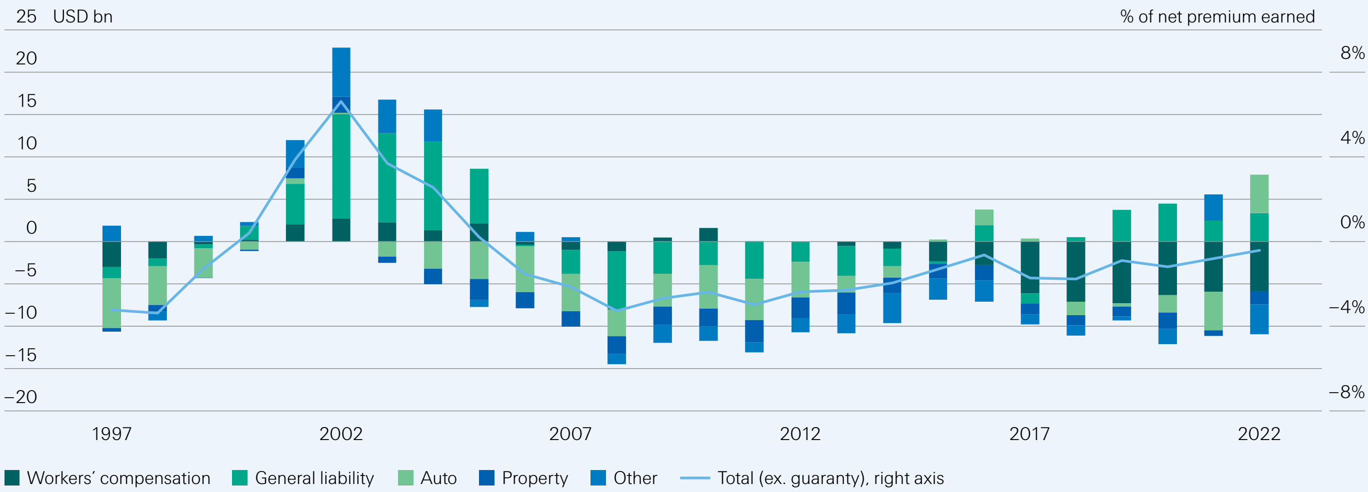
Global P&C financial performance, % of NPE (ROE, CoC % of equity)



Source: Swiss Re Institute

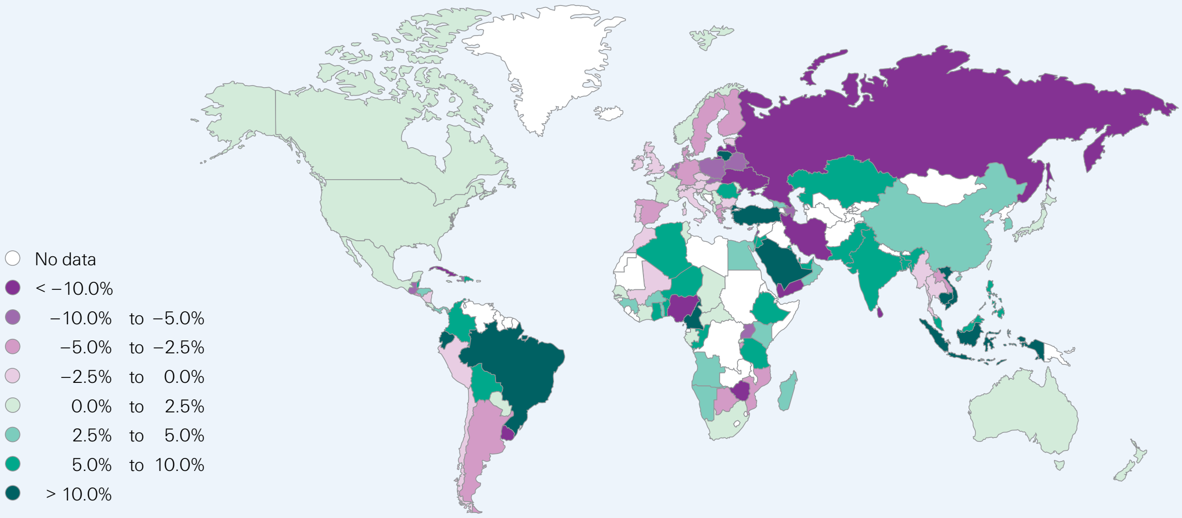
Reserve adequacy is a key question. Despite a historically large cushion for incurred but not reported claims, a greater focus on reserve adequacy may be needed.

US P&C reserve developments



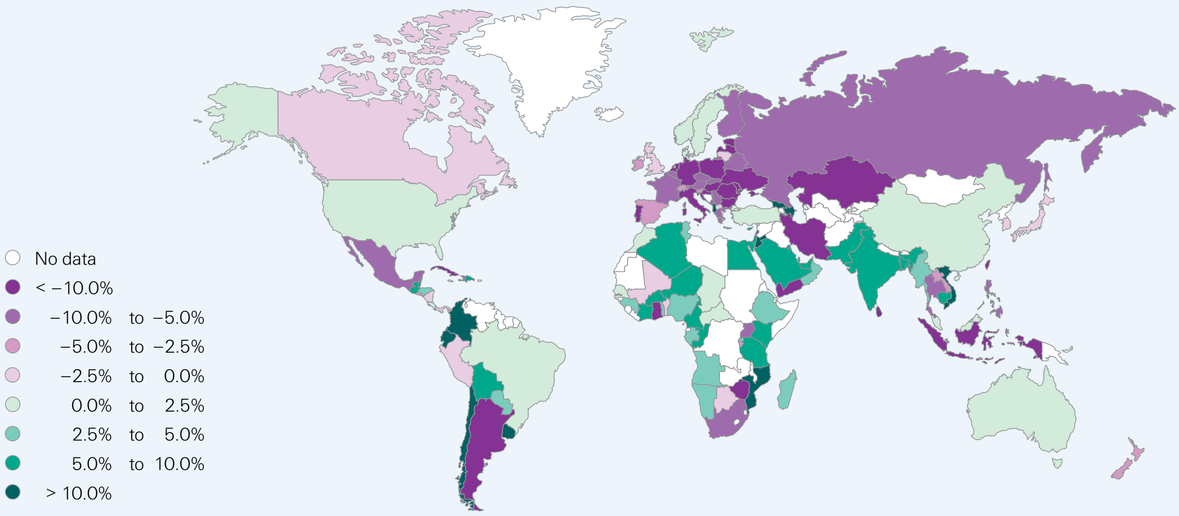
Source: NAIC, Swiss Re Institute

Non-life real premium growth, 2022



Source: Swiss Re Institute

Life real premium growth, 2022



Source: Swiss Re Institute

Macroeconomic environment for insurers

The global slowdown is taking longer than expected and the now firmer-for-longer interest rate environment will likely cut into 2024 recovery momentum. Inflation pressures are concentrated on core components such as shelter and services while labour market resilience continues to support income and consumption levels. In the new high interest rate environment, financial stability risks have seeped into the central banks' traditional trade-off of inflation versus growth. The lingering upside risks for inflation will remain a headwind for P&C underwriting.

Growth and inflation outlook

This year's global cyclical slowdown is milder than anticipated.

Higher-for-longer interest rates to bite 2024 growth momentum
The global economy has proven more resilient than expected during the current cyclical slowdown, with only the euro area crossing the recession threshold by the smallest of margins with revised data. Yet the accumulated effect of 18+ months of rising interest rates, deteriorating credit conditions and further central balance sheet reductions will likely dampen growth prospects in the coming quarters. We forecast global growth of 2.3% this year and next in real terms, both projections below consensus. We hold the view that policymakers will err on the side of inflation caution and maintain monetary restrictions for longer than anticipated. The risk to our growth outlook remains skewed to the downside given 1) the challenges faced by the US banking sector as a result of the fast-paced tightening process; 2) that global disinflation has been more gradual than expected, signalling higher interest rates for longer; and 3) that we see little upside potential from global spill over from China's recovery, which appears to be domestic-demand driven and based on services rather than manufacturing.

Table 1
Key economic forecasts for major markets

	Real GDP growth				Inflation				CB policy rate				10-year govt. yield			
	2023		2024		2023		2024		2023		2024		2023		2024	
	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus
US	1.5%	1.3%	0.5%	0.7%	4.0%	4.1%	2.8%	2.6%	5.4%	5.35%	3.9%	3.9%	3.6%	3.5%	3.2%	3.3%
Euro area	0.4%	0.6%	0.3%	1.0%	5.5%	5.4%	2.6%	2.5%	4.5%	4.25%	3.5%	3.5%	2.5%	2.3%	2.3%	2.1%
China	5.4%	5.5%	4.9%	4.8%	1.5%	1.2%	2.4%	2.2%	1.8%	–	1.9%	–	3.0%	2.8%	3.0%	2.9%

Source: Swiss Re Institute, consensus numbers on 6 July 2023.

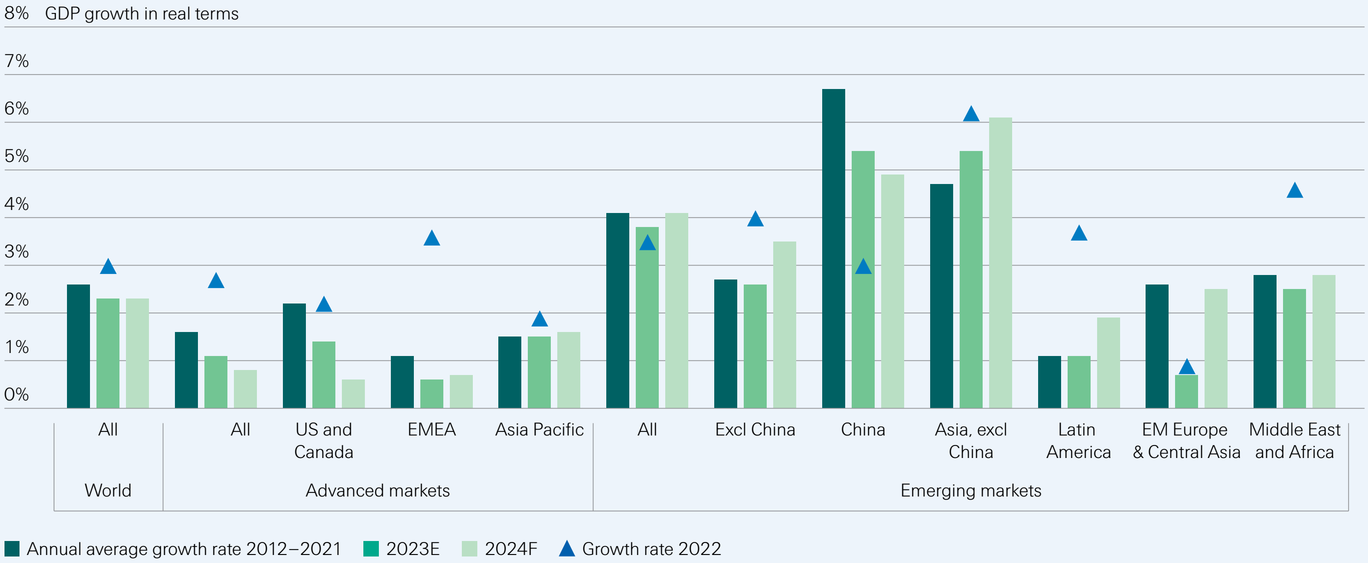
We estimate a 3.3x emerging-to-advanced market growth multiplier in 2023, up from an average of 2.2x in the past two decades.

The emerging markets will underpin the global economy this year, with aggregate GDP growing by an estimated 3.8% in real terms, compared with just 1.1% in the advanced markets. We estimate a 3.3x emerging-to-advanced market growth multiplier in 2023, up from an average of 2.2% in the past 20 years. Excluding the contribution from China, which we estimate will grow by 5.4%, emerging markets will post an estimated 2.6% increase in GDP in 2023, this rising to 3.5% in next year. We forecast around 1% growth in advanced markets in 2024. Our forecasts suggest that growth in advanced EMEA will not exceed 1% this year or next. Advanced Asia-Pacific (APAC) and North America should both clear 1% in 2023, but only advanced APAC will do so in 2024.

We see emerging Asia driving global growth, but Latin America being held back by tight credit conditions.

Emerging Asia will be the engine of global growth, with the reopening of China's economy this year and a recovery in demand providing the fuel. We forecast 5.4% growth in emerging Asia over 2023–2024 in compound annual growth rate terms (CAGR). In terms of the different emerging regions, we forecast 2.6% growth in the Middle East & Africa over the same period. Growth in emerging Europe & Central Asia will be held back on account of the war in Ukraine before recovering to 2.5% in 2024. We estimate just 1.5% average real GDP growth in Latin America & the Caribbean over 2023–2024, with the rapid pace of interest rate hikes in the region a main headwind.

Figure 1
Real growth rates



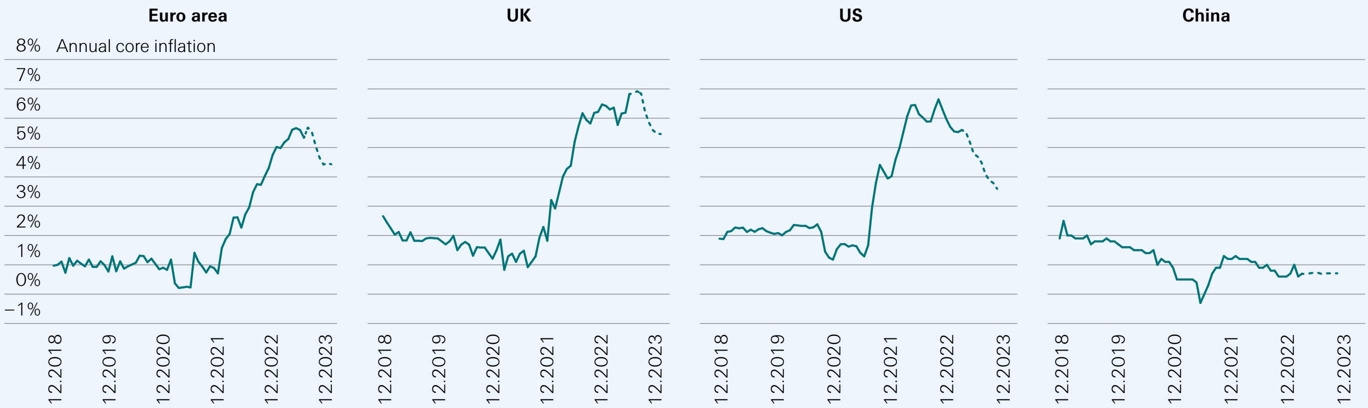
Source: Swiss Re Institute

Inflation has become more entrenched this year as price pressures remain concentrated on core components.

Underlying global inflation pressures remain elevated and persistent

This year, global inflationary pressures stem from stickier core components such as shelter and services, and are largely conditioned by the strength of the labour market. That is a change from last year when inflation stemmed from supply chain bottlenecks, and the effects of the war in Ukraine on commodity prices (energy, food). Attention has turned to the pace of disinflation as central banks seek to get back to inflation targets. To do so while simultaneously trying to avoid triggering recessions will entail a slower return to target and thus risks that expectations of higher inflation could become entrenched. The trade-off also implies less fiscal space to support growth in case of an economic downturn as we expect over the next year.

Figure 2
Annual core inflation



Source: National statistics agencies, Refinitiv, Swiss Re Institute

Ongoing slowing of nominal wage growth is key for disinflation to take hold.

In the US inflation fight, policymakers are increasingly focused on labour market tightness because of the high share of wage-sensitive sectors in total non-housing services spending. These service sectors accounted for 41% of annual core inflation US as of April 2023, and have been found to lag nominal wage growth by 10 months.[1] If wage growth remains stubbornly high, inflation could turn into an unstable price spiral where employers try to make up the higher employment costs by increasing prices, and workers demand higher pay to make up for the higher cost of living. The Philips curve approach, however, has shown spirals to be short-lived, as nominal wage growth typically tends to have an initial acceleration stage followed by a period of stabilisation consistent with inflation and labour market conditions.[2] So far in this cycle, nominal wage growth has not been abnormally higher than historical experience, suggesting that the risk of wage-price spirals remains contained.[3] We hence anticipate that inflation and wages will continue to come down over the next two years. The disinflation process may currently feel long and drawn out, but research shows that the average lag period for the full effects of monetary policy to cement is two and a half years (see *Monetary policy transmission mechanism lags: help is on the way*). This suggests the disinflation effects from the current tightening cycle are not yet all in play.

Inflation in 2023 will be lower than in 2022, but risks remain skewed to the upside.

Regionally speaking, our inflation outlook for Europe is more pessimistic than for the US, as energy prices risks related to the war in the Ukraine remain real and could intensify next winter. In emerging markets, the disinflation process may be more gradual than in the US or Europe, particularly for net commodity importing markets exposed to rising commodity prices. Inflation in China is bucking the global the trend (see *Recovery in China: limited impact on global growth and inflation*). There has been a sustained disinflation trend since 2021 following the drawn out supply chain normalisation process, and we expect the annual inflation rate to hold below 2.5% through 2024.

Higher wages can increase the claim costs for worker´ compensation and healthcare.

With respect to implications of rising price pressures for insurers, we estimate that inflation alone increased claims pay outs in Property and Casualty (P&C) by 5–7.5% across five key markets in 2022.[4] This year's robust gains in nominal wages could continue the trend by pushing bodily injury claims higher. Different lines of business, including workers' compensation and medical expenses, would be impacted. We expect current market hardening conditions to remain through 2024 as insurers are likely to raise rates to keep up with claims inflation.

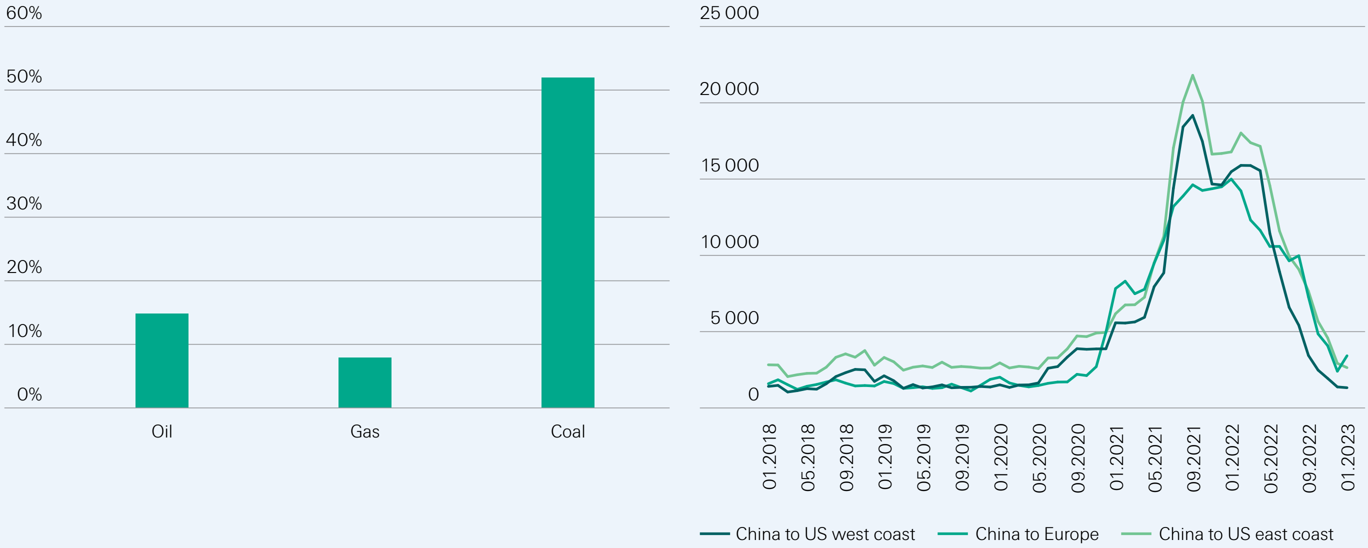
This year's recovery in China will have little spill over impact on the global economy.

Recovery in China: limited impact on global growth and inflation

The increasing integration of China into the world economy over many years, including in supply chains, has made developments there a main factor shaping global growth and inflation conditions. Given the reopening of its economy from pandemic-induced shutdowns in December last year, we expect China will be one of the few countries to register stronger growth this year than in 2022. In prior episodes of recovery in China, growth was mostly investment-led but so far this year it has been is based mostly on demand for domestic services. Hence, higher demand in China does not reverse our baseline outlook of global disinflation this year. We anticipate only a limited upside inflationary boost via commodity prices, partly offset by improving supply chain conditions.

1 *Wage Sensitivity in Non-Housing Services Inflation*, The White House, 31 May 2023.
2 *Wage-Price Spirals: What is the Historical Evidence?*, IMF, 11 November 2022.
3 *Wage-Price Spiral Risks Still Contained, Latest Data Suggests*, IMF Blog, 24 February 2023.
4 *Economic Insights: Inflation may be easing, but claims severity pressures in P&C are likely to remain*, Swiss Re Institute, 20 March 2023.

Figure 3
China's consumption of commodities as % of world consumption, 2019 (LHS); Freightos ocean freight rate index (USD/40-ft box, RHS))



Source: BP Statistical Review of World Energy, Freightos, Bloomberg, Swiss Re Institute

Inflation in China is subdued, reflecting a weaker-than-expected recovery in demand. Consumer price index (CPI) inflation rose on average by 1% in the first four months of 2023 year-on-year (yoy), also in part because China did not ease interest rates as much as other countries during the pandemic. The outcome is well below the CPI averages of 5.6% for US and 7.7% for the euro area for the same period. We estimate inflation in China will be below 2% in 2023. Weaker overall demand also creates low demand for credit, even though borrowing costs are low, undermining the effectiveness of still-easy monetary policy. Hence, in spite of a stronger-than-anticipated GDP outcome in the first quarter, we keep our full-year real growth forecast at 5.4%, with risks to the downside. Therefore, we expect China's recovery to have relatively muted impact on other Asian economies, in many of which growth is also being driven more by domestic consumption. We also see limited impact on global growth. Growth in some smaller economies with reliance on tourism (eg, Hong Kong, Thailand) may see a boost as visitor numbers from mainland China rebound from low levels.

We expect inflation to remain structurally higher till 2030.

We maintain our view that inflation will remain structurally higher for the reminder of the current decade at least as:

1. **Decarbonisation** remains a net inflationary factor over the short- to medium-term. The transition to renewable energy sources is costly in its early stages and will likely prevail with increasing awareness of global warming and energy security concerns.

2. **The restructuring of supply chains** exacerbates deglobalisation momentum, with heightened geopolitical tensions pushing countries to prioritise security and control over cost consciousness.

3. **Policymakers develop a greater tolerance for inflation.** Central banks could revise their current targets as the employment and growth trade-off may prove too costly. Tolerating higher (but still manageable) levels of inflation may allow for more robust economic recoveries.

Financial conditions and the economic policy mix

The challenges policymakers currently face impact the insurance industry.

This year's economic risks are pushing policymakers to limits of their reach. Their resolve will help shape the long-term equilibria crucial to insurers, such as interest rates, inflation, and debt sustainability. For now, the higher-for-longer rate environment we expect from central banks and the limited space for fiscal stimulus that governments hold suggests insurers will face demand headwinds over the short- and medium-term as growth softens. However greater returns from rate-sensitive investments and less expensive claims from a disinflation process will both be profitability tailwinds for the industry.

Financial instability is stretching the central bank's capabilities

The classic trade-off between inflation and output is being combined with one of inflation versus financial stability.

For now, the classic central bank trade-off of inflation versus output has shifted to also include a focus inflation versus financial stability, further complicating the task of fighting inflation. The shift stems from the fragility exposed by recent events in the banking sector that required market intervention. Although central banks use different policy tools to address both challenges, financial instability risks could limit the ability with which they will be able to push terminal rates.

Central banks have managed to address financial instability with targeted policy measures.

A first episode of financial instability triggered by the current steep hiking cycle occurred in September 2022, as UK pension funds faced a liquidity crisis in the Gilt market for fast-rising long-maturity yields. This forced the Bank of England (BoE) to put forward a two-week purchase programme for long-dated bonds and to delay the bank's planned gilt sales. The BoE embraced both challenges (inflation and stability) with a targeted market intervention and continued thereafter on its policy path of rate hikes. The next episode occurred this year in the US, when four US regional banks (USD 532 billion in assets) succumbed to deposit flight after rapid interest rate hikes sparked large declines in the market value of their Treasury bonds and other securities. The US government stepped in to guarantee depositors' funds to avoid cascading bank failures, while the Federal Reserve (Fed) opened new specific lending facilities to provide liquidity. Meanwhile in Europe, banking jitters ended up toppling Credit Suisse as investors lost further confidence in management following several previous well-publicised issues.[5] Swiss authorities stepped in with a rescue package of financial guarantees for a takeover by UBS, while the Swiss National Bank continued to hike rates.

We see terminal rates marginally lower due to additional tightening of financial conditions.

In our view, despite successful policy interventions to maintain liquidity, the fight against inflation will be had with terminal rates marginally lower than initially expected but held for a longer period of time. This is also in part because of the additional tightening in lending standards resulting from the bank sector woes, which is effectively doing some of the central bank's work. Research suggests for example that in the US, ongoing credit reductions are the equivalent of 25 to 100bps of policy tightening.[6] To this point, the Fed cut its end of year projection for the Fed Funds rate by 50 basis points in the subsequent meeting to the collapse of Silicon Valley Bank in March 2023. Other central banks have signalled a similar approach, by opting for a wait-and-see approach while maintaining a tightening bias.

Asia and Latin America managed to avoid contagion, seeing just temporary capital outflows.

Economies in Asia and in Latin America have so far been able to avoid financial system contagion turmoil. The initial "flight-to-safety" reaction of investors resulted in some capital outflows from emerging markets in the early days of the bank sector events, but they stabilised soon after.[7] In the case of Asia, interest rates had not been hiked as fast nor as high as in the western world because inflation was lower. That allowed more gradual repricing of assets, mitigating concerns over asset-liability mismatches. In Latin America, because of the usual volatility in inflation, banks tend to invest most of their liquidity in bonds and notes at variables rates linked to CPI. This has helped contain the risks associated with swift swings in interest rates.[8] Banking sector stock indices in Brazil and Chile for example are up since SVB's collapse (on 9 March 2023), while Mexico's is slightly behind, a difference attributable to its stronger economic and financial ties to the US. Any forthcoming bank stress events could trigger further volatility in financial and asset conditions, but a systemic setback is not part of our baseline scenario.

5 *Factbox: Credit Suisse's scandals – spies, lies and money laundering*, Reuters, 3 October 2022.
6 *The Macroeconomic Impact of Small Bank Stress*, Goldman Sachs, 15 March 2023.
7 *Economic Insights: Asia contagion-another close shave*, Swiss Re Institute, 5 April 2023.
8 *Latin American banks to face secondary effects of SVB turmoil*, S&P, 23 March 2023.

Insurers are insulated from the recent banking sector woes.

Even as financial market woes will impact insurers' investment portfolios, their asset-liability management operating framework means they are duration matched, and their "long liquidity" business models implies they are not vulnerable to rapid withdrawals like banks.

Monetary policy transmission mechanism lags: help is on the way

Transmission graduality: the lay between policy action and real economy impact.

To meet inflation targets, central banks seek to effect adequate and timely policy stances that increase or reduce levels of economic activity. To this pursuit, key are the lags with which policy actions affect financial conditions and the real economy. This year, market commentary has reinforced the graduality with which demand and inflation are reacting to the rapid pace of interest rate hikes[9,10] and so far, the waiting window is playing out as slowly as the research literature suggests.

Transmission mechanisms have been found to be as long as 29 months on average.

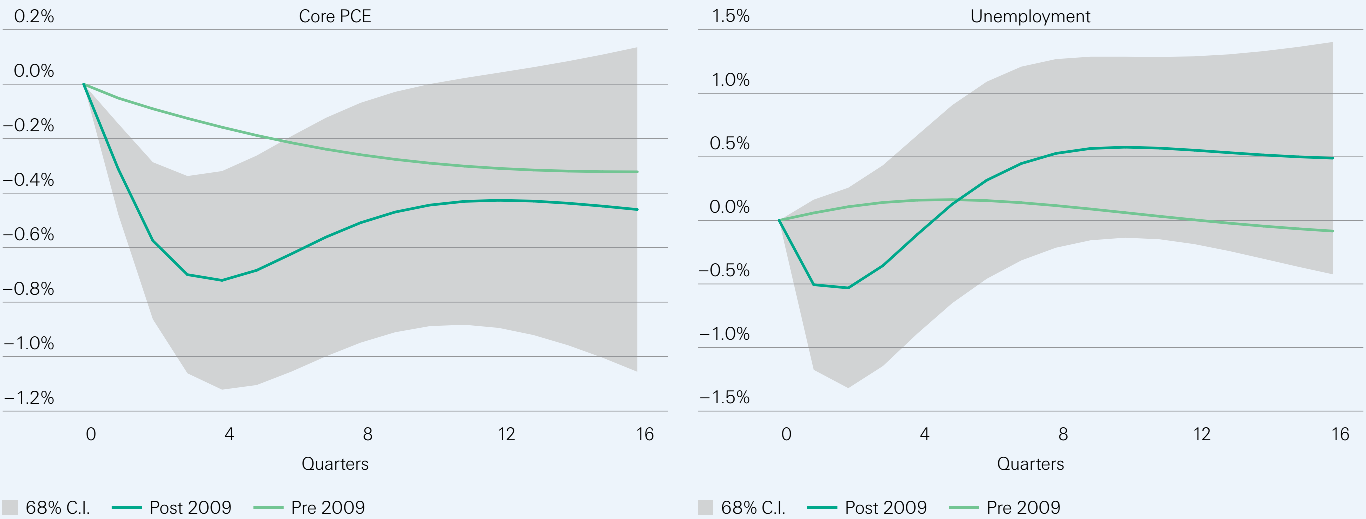
The usual characterisation of transmission mechanism periods as "long and variable" is vague. Meta-analysis finds the time frame to be 29 months with a standard deviation of 19 months.[11] On average, a 1% hike in the policy rate yields a maximum 0.9% reduction in prices. Countries with greater degree of financial development have more delayed transmission as local institutions have more ways to hedge against a surprise monetary policy decision. There is great variability in the monetary policy transmission mechanism lag research estimates, however there is the general consensus that changes take much longer to affect prices than to affect output, and that the bulk of the effect takes shape in the second year (between the 4th and the 8th quarter).[12,13]

In the US, the transmission mechanism lag has been shortening since 2009.

A point of optimism on this regard is that, at least for the US, more recent research suggests that the lag may be shortening. The use of forward-looking guidance and balance sheet policy (dubbed "unorthodox policymaking"' prior to 2009) appears to have made it so as the reaction time in financial markets and inflation has come down since the global financial crisis (GFC). Figure 4 compares two eras and how long it takes for inflation and unemployment to react (in quarters) to a 1% increment in a proxy of the Fed Funds rate. As it relates to the lag for the core personal consumption expenditures price index (the Fed's favourite measure of inflation), peak effect is estimated to take place at the four-quarters mark, and its full effect eight quarters in.

Figure 4

Macroeconomic responses to a tightening in policy in the US, pre- and post-2009[14]



Source: Federal Reserve Bank of Kansas City, Swiss Re Institute

9 *Policy Lags Are Real – Inflation's Days Are Numbered, Forbes*, 26 May 2023.
10 *Beware of Time Lag in Monetary Policy*, Institutional Investor, 6 March 2023.
11 *Transmission lags of monetary policy: a meta-analysis*, International Journal of Central Banking, December 2013.
12 *Have Monetary Policies Failed?*, American Economic Review, vol 62, 1972.
13 *The Lag from Monetary Policy Actions to Inflation: Friedman Revisited*, Bank of England. 2002.
14 *Have Lags in Monetary Policy Transmission Shortened?* Federal Reserve Bank of Kansas City, 21 December 2022.

The lag for the peak financial and inflation response to US monetary policy has shortened since 2009.

In the case of the transmission lag to financial markets, a proxy for the Fed funds rate that assesses the broader stance of monetary policy has shown to be substantially tighter than what the official Fed Funds rate would indicate since late 2021.[15] In February of 2022 for example, the proxy had already risen 2 percentage points (ppt) before the FOMC had officially increased its target. On the inflation front, the peak response seems to have come down from 12 quarters in the pre-2009 period to eight quarters in the post-2009 period – albeit with a greater degree of uncertainty in the estimations.[16]

The fiscal and monetary policy mix revisited

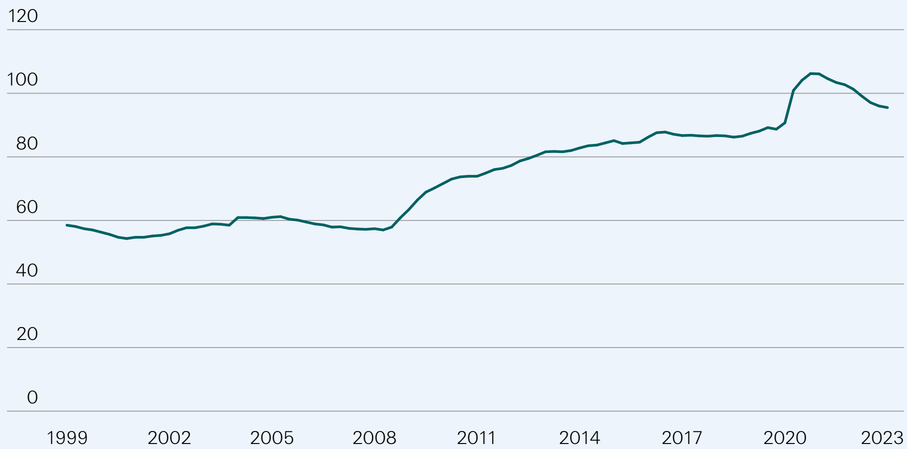
In their recent form, fiscal and monetary policy have been acting against one another.

Last year, we flagged a new interest rate regime in the making, with the ultra-low interest rate landscape of the 2010s set to disappear. In this new reality, the post-pandemic economy born of extraordinary fiscal and monetary rescue efforts has resurfaced the need to recalibrate the fiscal and monetary policy mix because in their recent form, they are pitted against one another.

Current interest rates make debt more expensive, and current inflation makes fiscal spending more incendiary.

The lower-for-longer interest rate environment of the 2010s reduced the relative debt service burden, which promoted public and private indebtedness and took it to today's historically high levels (e.g., the euro area public debt as a share of GDP grew 20 ppt from 2007 to 2019). Today's higher interest rates make debt more expensive, making debt sustainability a global concern; while, the inflation environment makes fiscal stimulus more incendiary.

Figure 5
Global government debt as a share of GDP



Source: Institute of International Finance

High inflation is masking underlying fiscal accommodation.

For now, high inflation is masking fiscal accommodation. As long as nominal GDP grows faster than the sovereign debt, debt-to-GDP ratios will continue to fall (see Figure 5). However, the eventual return to target inflation and a consequent normalisation of nominal GDP growth will require a similar fiscal alignment. An alternative could be to raise the inflation target or switching to a nominal GDP targeting framework. These would give debt-taking a bit more leeway as they would create a more inflation-tolerant environment. However, they could erode policymaking credibility as it could be perceived as a moving of the goalpost.

Policymakers run the risk of de-anchoring inflation expectations.

For now, remaining overly accommodative in fiscal spending and not firm enough in monetary tightening would further risk de-anchoring inflation expectations. On the fiscal front and over the long term, deficits require surpluses via tax hikes or less spending. On the monetary front and in the short term, given the transmission lag, central banks run the risk of wrongly assuming that the current level of interest rates guarantee a path towards sustained disinflation. In the case of the US, real rates for the next year are

[15] *Monetary Policy Stance Is Tighter than Federal Funds Rate*, Federal Reserve Bank of San Francisco, 7 November 2022.
[16] Reserve Bank of Kansas City, December 2022, op cit.

expected to remain well below the peak real rates that prevailed prior to past recessions (see Table 2). A credible commitment to long-term goals with high enough real rates can help. Either lever will likely inflict pain to the economy sooner or later. Insurers' asset managers can expect elevated sovereign bond yield volatility as high uncertainty over the future path of monetary policy, growth and inflation prevails throughout the back end of the current cycle.

Table 2
Real interest rates in the US (%)

	2023				2024		Peak prior to recession		
	1Q	**2Q**	**3QE**	**4QE**	**1QF**	**2QF**	**1989**	**2000**	**2007**
Fed Funds rate	4.9	5.1	5.4	5.4	4.6	4.1			
Core CPI	5.6	4.8	4.0	3.5	2.6	2.3			
Real rate	–0.7	0.3	1.4	1.9	2.0	1.8	5.5	4.3	3.5
Real rate adjusted for r*	**–1.8**	**–0.8**	**0.3**	**0.8**	**1.0**	**0.8**	**2.9**	**1.7**	**2.4**

Note: r* is the real interest rate expected to prevail when the economy is operating at its full sustainable level. Assumptions obtained from the two-sided Laubach-Williams estimates from the Federal Reserve Bank of New York.
Source: Swiss Re Institute

Trends in the global insurance markets

Persistent inflation remains the top risk for insurers. Economic slowdown will drag on the market, with total global premiums (non-life and life) forecast to grow at a below-trend 1.1% and 1.7% in real terms in 2023 and 2024, respectively. Even so, reflecting stirrings of growth, we estimate that premium volumes will total USD 7.1 trillion in 2023, a new high. And we expect insurers to prove resilient against any further financial instability like that experienced earlier this year, given very strong solvency ratios and balance sheets. Rate hardening in commercial and now also personal lines will support nominal premium growth in non-life, but higher claims on the back of rising wage and medical expense costs could weigh on sector profitability. Life insurance should benefit from a rise in pension, annuity and savings product sales. High interest rates will support industry profits via improved investment returns.

Stirred, and not shaken

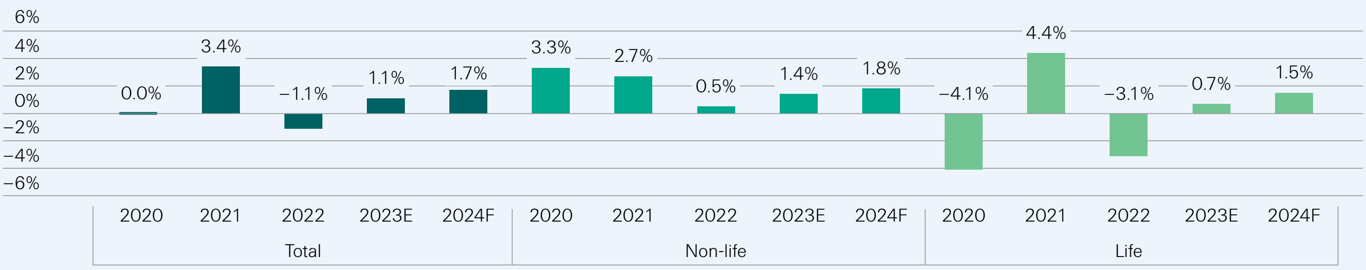
Global insurance premiums will grow by an estimated 1.1% and 1.7% this year and next, respectively, below trend.

Cyclical slowdown, high inflation and geopolitical uncertainties cloud the outlook for the insurance industry. That said, we expect industry results to be stronger this year and next than in 2022, when real premium growth was hit by rapid gains in global inflation rates. We estimate that global insurance premium volumes (non-life and life) will grow by 1.1% in 2023 and by 1.7% in 2024 in real terms, after a 1.1% decline in 2022 (see Figure 6). Non-life premiums were up just 0.5% in real terms last year, even with rate gains in commercial lines. The main offsetting factor was a decline in health insurance business. Life premiums contracted by 3.1% in real terms, with higher and persistent inflation eroding household disposable incomes and demand.

Even so premium volumes will be 16% higher this year than before the pandemic.

Still-high inflation will continue to weigh, keeping real growth in global premiums over 2023–24 below the 10-year average of 2.6% (2012–2021). Even so, with 3.7% average annual growth over the last four years, we estimate that volumes will total USD 7.1 trillion by the year end, a record high, 16% higher than at the end of 2019 before the onset of COVID-19. We also project improved profitability, with tailwinds rate hardening in P&C markets and higher interest rates. Current financial stability issues cast a shadow over the outlook, but most insurers have strong balance sheets, with high solvency ratios and solid liquidity positions. If anything, we see insurers as volatility stabilisers.

Figure 6
Real premium growth, 2020–2024F, total, non-life and life



Source: Swiss Re Institute

The US, China and the UK are the world's three largest insurance markets.

Ranking the world's insurance markets

The US is and remains the largest insurance market in the world, with total premiums of close to USD 3 trillion in 2022, according to *sigma* data. Its global market share rose from 40% to 44%, driven by strong premium growth in nominal terms (8.6%) and US dollar appreciation against virtually all major currencies. China is the second largest market with premium volumes of USD 698 billion. The UK moved up to third place last year (premiums of USD 363 billion, this total including premiums from Lloyd's), switching position with Japan, which slipped to fourth (see Table 3). The UK gained one ranking pace, even with a decline in premium volumes. France, Germany and South Korea maintained their rankings, albeit losing premium market share as a result of negative growth and currency devaluations.

Table 3
The world's 20 largest insurance markets by nominal premium volumes, 2022 vs 2021

Rank	Market	Total premium volumes (USD bn)			Global market share	
		2022	2021	% change	2022	2021
1	**US**	2 960	2 725	8.6%	43.7%	40.3%
2	**China**	698	696	0.2%	10.3%	10.3%
3	**UK**	363	374	–2.8%	5.4%	5.5%
4	**Japan**	338	398	–15.1%	5.0%	5.9%
5	**France**	261	293	–10.7%	3.9%	4.3%
6	**Germany**	242	272	–11.3%	3.6%	4.0%
7	**South Korea**	183	193	–5.3%	2.7%	2.9%
8	**Canada**	171	166	2.8%	2.5%	2.5%
9	**Italy**	160	192	–16.5%	2.4%	2.8%
10	**India**	131	123	6.5%	1.9%	1.8%
11	**Taiwan**	86	113	–23.8%	1.3%	1.7%
12	**Netherlands**	84	92	–9.2%	1.2%	1.4%
13	**Brazil**	76	63	20.7%	1.1%	0.9%
14	**Australia**	72	72	–0.7%	1.1%	1.1%
15	**Hong Kong**	69	73	–5.6%	1.0%	1.1%
16	**Spain**	68	73	–6.7%	1.0%	1.1%
17	**Switzerland**	56	58	–3.2%	0.8%	0.9%
18	**Sweden**	54	59	–8.5%	0.8%	0.9%
19	**Singapore**	47	45	3.9%	0.7%	0.7%
20	**South Africa**	46	50	–7.9%	0.7%	0.7%
	Top 20 markets	**6 165**	**6 131**	**–0.5%**	**91.0%**	**90.7%**
	World	**6 782**	**6 765**	**0.3%**		

Source: Swiss Re Institute

India is on course to be the sixth largest market in the world by 2032.

Canada, India and most notably Brazil increased their shares of global premiums last year. The share of the five largest markets rose from 66.4% to 68.2%. Asian markets have eight seats in our Top 20 rankings, with a 24% market share in 2022. India is one of the fastest growing insurance markets in the world, and we forecast that it will be the sixth largest by 2032 ahead of Germany, Canada and South Korea. Our outlook is based on expectations of strong economic growth, rising levels of disposable income, India's young population, increased risk awareness and also digital penetration, and regulatory developments.[17]

Yet, there are large protection gaps in India; many families cannot afford private insurance cover.

The life market in India is more developed than non-life. The penetration of life insurance was 3.0% in 2022, almost twice the emerging market and slightly above the global average. However, as per Swiss Re Institute estimates, the mortality resilience index in India was still low in 2021, with a household asset and insurance coverage shortfall of around 91%. Another issue in India's market is inequality of coverage. A great proportion of the country's burgeoning population works in the informal sector and many cannot afford private insurance. India's so-called "missing middle" number around 400 million or 30% of the population. Household income levels are characterised as being "too poor to be rich, and too rich to be poor". The missing middle are not poor enough to be eligible for the state health insurance scheme, but also cannot afford private cover. Out of pocket expenses on health can be high and force families into poverty. A separate Swiss Re Institute study found that lack of affordability is a main reason for lack on inclusivity of India's Life and Health insurance market. [18] This can be a common theme among emerging markets. The same study found that in Brazil and most prominently South Africa, lack of affordability is a main driver of lack of insurance market inclusivity.

[17] *India's insurance market: poised for rapid growth*, Swiss Re Institute, January 2023.
[18] *The Life and Health Insurance Inclusion Radar*, Swiss Re Institute, 14 March 2023.

Non-life insurance

We forecast 1.4% growth in non-life global premiums in 2023...

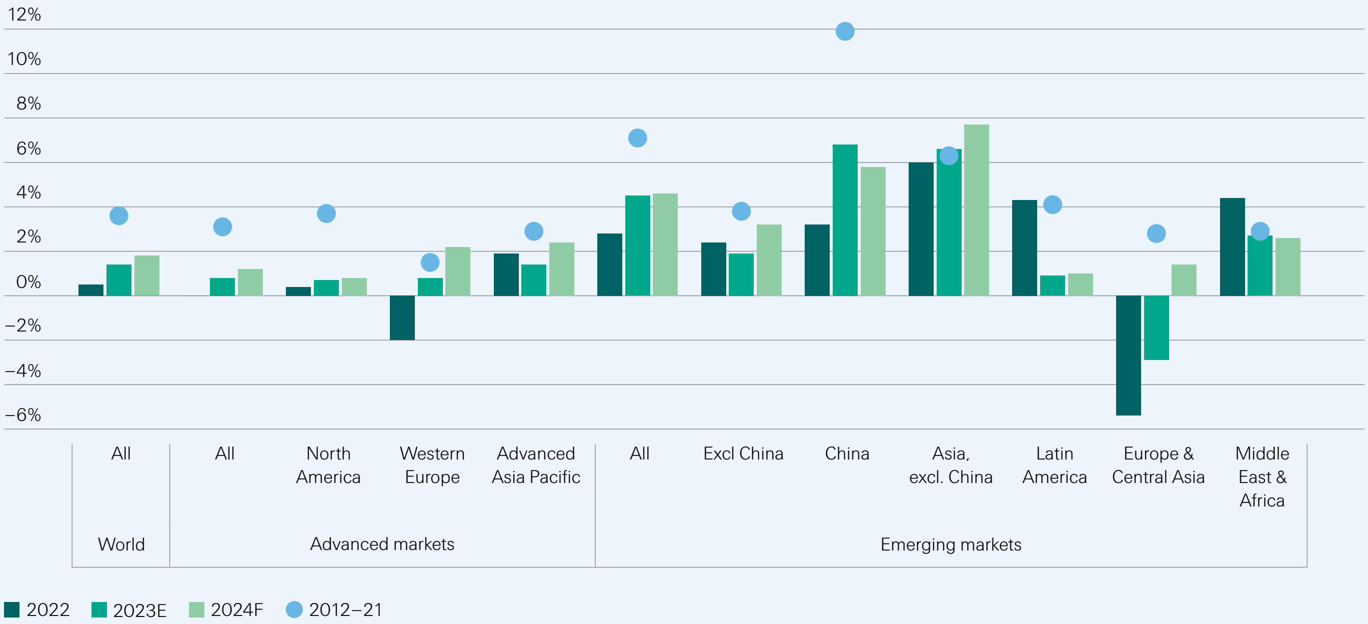
Key developments

Non-life premiums grew 0.5% year-on-year in real terms in 2022, well below the previous 10-year average of 3.6%. The outcome was mainly driven by weak pricing in personal lines and high inflation. We forecast an improvement to 1.4% premium growth this year. This will be largely based on rate hardening in mostly personal and also in some commercial lines. These positives will likely be offset by a decline in health premium volumes (estimated to fall 0.6%) mainly due to the end of the pandemic healthcare support policies in the US.

...and further slow market strengthening next year.

We expect the gradual improvement will continue in 2024, with non-life premiums up an estimated 1.8% in real terms from the year before. We anticipate growth in both the advanced and emerging markets to remain below the 2012–2021 average, and that health lines will continue to underperform. Profitability should improve in 2023–24, supported by better pricing, higher interest rates and reduced claims severity as inflation rates retreat from recent highs.

Figure 7
Non-life real premium growth, by region



Source: Swiss Re Institute

Over the longer-term, the personal motor market risk pool will shrink...

Taking a longer-term view, the non-life market is set to undergo fundamental structural shifts. For example, a likely shrinking of the personal motor risk pool, given the move to autonomous vehicles and diminishing use of private cars. One estimate is that premiums in the US personal motor market could shrink by USD 140–160 billion by 2030, on account of improvements in car safety and also as consumers move to more efficient and convenient shared-transportation modes (eg, driverless, networked shared minibuses).[19] And while the personal motor sector contacts, the market share of lines of business such as product liability and specialised forms of cyber insurance will likely grow. Other business areas, such as credit and surety, could also become main engines of growth for the non-life sector.

[19] *Shifting gears in auto insurance*, McKinsey, 29 November 2022.

...and other lines of business will become main drivers of non-life sector growth.

Credit and surety business has performed well over the last 20 years, with annual premiums up 5.1% in nominal terms on average, slightly more than the growth in total P&C premiums over the same period of time (4.4%). One reason is the segment's strong correlation with the economic cycle; it is not exposed to the same mark-to-market volatilities that, for instance, property insurance is vulnerable to. Credit insurance has benefited from a low level of claims during the pandemic as fiscal support helped limit bankruptcies. We expect premiums to continue to grow in 2023, although economic slowdown, higher interest rates and ongoing inflation will likely create headwinds and lead to more insolvencies. Surety could also be impacted by higher claims and lower construction sector activity. Longer-term, however, investments in big infrastructure projects in advanced and emerging markets will support demand.

P&C pricing outlook

There are signs of life in personal line pricing...

Profitability in personal lines, in particular motor own-damage insurance, has been pressured by rising costs of repair and replacement, and also high claims frequency as mobility patterns returned to normal after the pandemic.[20] Personal line pricing lagged claims growth in 2021–22, but latest data show signs of improvement. In the UK for example, *confused.com* reported a 20% gain in motor insurance policies in the first quarter of 2023 from the same year-earlier period.[21] And in the euro area, Eurostat reported that the price of motor insurance was up 2% in the first four months of 2023, and that of personal property insurance rose 3.5% over the same period relative to the year before.[22] Pricing in personal lines are expected to continue to rise during the rest of the year, although regulatory and competitive pressures will weigh to a degree.

...despite political pressures on insurance prices in some markets.

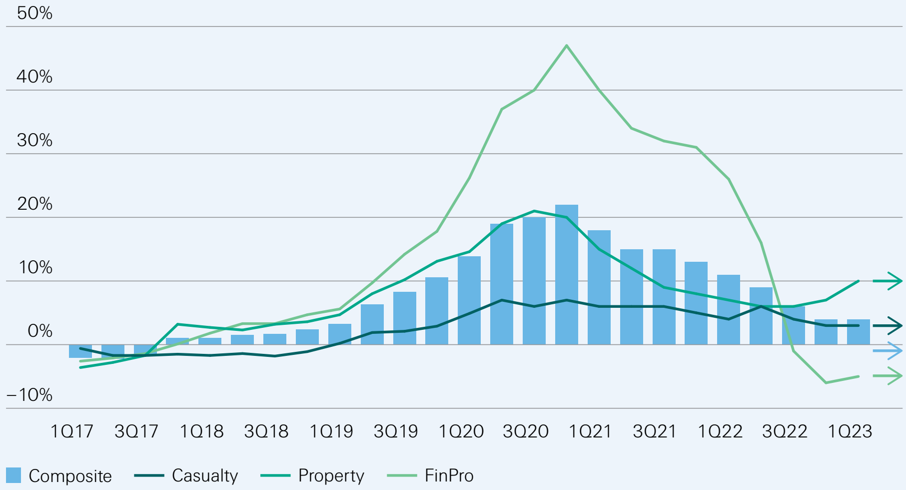
In France, for example, insurers have agreed to keep growth in personal insurance pricing below the pace of headline inflation in 2023. This follows pressure from the government to protect the purchasing power of consumers.[23] We also see political pressure on prices in Latin America, with interventionist policies aiming to keep car ownership affordable. For example, last year Colombia's government mandated a 50% cut in the price of the compulsory motor third-party liability (MTPL) insurance cover for some vehicles,[24] causing surge in demand. COVID-19 impacted living standards in Latin America, and such policies may be a political response. Another example of political pressure, but in this case not pricing related, is that in Argentina, since 2014 insurers have been required to allocate 8–18% of their asset portfolio to potentially risky local infrastructure and SME projects.[25]

Commercial pricing is likely to remain relatively hard.

To date, commercial insurance pricing outperformed that of personal lines business and rose again in the first quarter of this year, the 22nd consecutive quarter of rate gains. Commercial property pricing accelerated to 10% year-on-year growth (see Figure 8) fuelled by capacity shortages, high catastrophe activity and the impact of inflation on losses. In casualty, elevated wage, medical and social inflation[26] pressures will likely support continued, but more muted rate hardening in the near and medium terms. Prices in Financial and Professional Liability (FinPro) have softened recently after strong gains from 2019 to the middle of 2022.

[20] See recent analysis on this topic in our April 2023 *US P&C Outlook* and in *sigma 6/2022*, section *Motor in focus: a rebalancing after COVID-19 disruption*. Swiss Re Institute, 17 November 2022.
[21] *Car insurance price index – Q1 2023*, confused.com
[22] Data are available on *Eurostat*.
[23] *Insurers promise that their rates will not increase faster than prices*, News in France, September 2022
[24] *Colombia reduces the cost of SOAT for low-cylinder motorcycles and other vehicles by 50%*, Rival Times, 14 December 2022
[25] *Argentina's new Inciso K requirements to hit insurers' liquidity and credit quality*, Moody's, February 2014.
[26] *Social inflation – unpredictable, costly and on the rise*, Swiss Re, 8 September 2022.

Figure 8
Commercial insurance composite rate outlook



Source: Marsh Global insurance market index, Swiss Re Institute

Premium outlook: pricing boosts P&C premiums, health growth softens

Commercial line premium volumes grew faster than personal 2022; we expect convergence this year.

Personal and commercial premium growth diverged in 2022 but we expect that will end this year. Global personal gross premiums written, which account for 25% of total non-life volumes, grew by 0.5% in real terms, mainly due to weak pricing. Global supply shortages dampened new car sales, meaning that a limited number of new policies were underwritten. We estimate 3.0% growth in personal line premiums in 2023, in line with the 2012–2021 annual average, as prices rise and inflation shifts from goods to services. Premiums in commercial lines (26% of non-life) grew by 2.6% in real terms in 2022, and we estimate a slight improvement to 3% in 2023, just below the 10-year annual average. The main driver here too will be rising rates.

Rate hardening should support motor insurance market growth.

Motor insurance: we estimate a rebound to 2.8% growth in global premiums in real terms in 2023 for this second largest non-life line of business (21% of premiums). The driver will be rate hardening. This after three consecutive years of decline (premium volumes down 0.2% in 2022). For 2024, our growth forecast is 2.2%, based on improved economic conditions and the release of pent-up demand for new cars as global supply chain disruptions ease (see *Motor in focus: a rebalancing act after COVID-19 disruptions*).

Hard market conditions in property are set to continue.

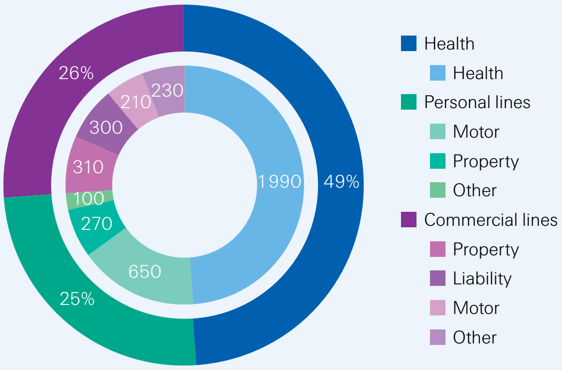
In **property** (14% of total volumes), the long period of hard market conditions that started in 2018 should continue through this year. Long-run investments into infrastructure needed for the energy transition, rebuilding aging structures and providing greener buildings will also be supportive.[27,28] We estimate that global premiums will grow by 4.2% in real terms in 2023 and by 2.6% in 2024.

Liability premium volumes grew by 1.6% last year; we estimate a 2.1% rise in 2023.

Liability insurance premiums increased by only 1.6% in real terms in 2022 after growing by 12.3% in 2021. Growth was soft in all regions except Asia. This marked a normalisation after a significant repricing in 2020–21. With price changes likely to remain small, we estimate real growth of 2.1% in 2023. There is an upside risk to this forecast: the elevated wage and medical expenditure growth anticipated in the near to mid-term could translate into more rate hardening. Social inflation could also contribute. To date, social inflation has been a theme in the US, Australia and the UK. It has been much less an issue for continental Europe, where there has been a trend for higher indemnities, but one that is weaker and more stable. There have been fears of more class actions but many European jurisdictions that have so far resisted legal mechanisms.[29]

[27] *sigma* 3/2020: Power up: investing in infrastructure to drive sustainable growth in emerging markets, Swiss Re Institute, 17 June 2020
[28] *Fact Sheet: Biden-Harris Administration Kicks off Infrastructure Week by Highlighting Tremendous Progress Rebuilding America's Infrastructure 18 Months In*, The White House, 12 May 2023
[29] *A collective effort: European class action (finally) on the way, or is it?* DFW, 13 March 2023.

Figure 9
Global non-life premiums market share and volumes in 2022, by line of business (USD billion)



Note: The allocation of lines of business is harmonised, to allow regional comparisons. Accident & health business is allocated to non-life insurance, independent of whether it is written by life, non-life or composite insurers.
Source: Swiss Re Institute

Health premiums will likely contract in 2023 as post-pandemic normalisation continues.

The remainder of global non-life premiums come from **health insurance** (49%). Premiums were flat globally in 2022, as the demand sparked by increased risk awareness as a result of the pandemic waned. In the US, the largest market in the world (80% share of global premiums), pandemic-era healthcare support policies will end this year.[30] We see that as triggering a 1.4% fall in US health premiums in real terms in 2023. We see no change in advanced Europe and modest growth in most other regions outside of emerging Asia. In China, we estimate premiums will grow by 8.9% in 2023, supported by government-backed medical covers such as Huiminbao[31] and increased digitalisation. We estimate that global medex premiums will fall by 0.6% in 2023, with a return to 0.6% growth in 2024, well down on 2012–2012 annual average of 4.5%.

Motor in focus: a rebalancing act after COVID-19 disruption

Motor claims frequency and severity are rapidly increasing

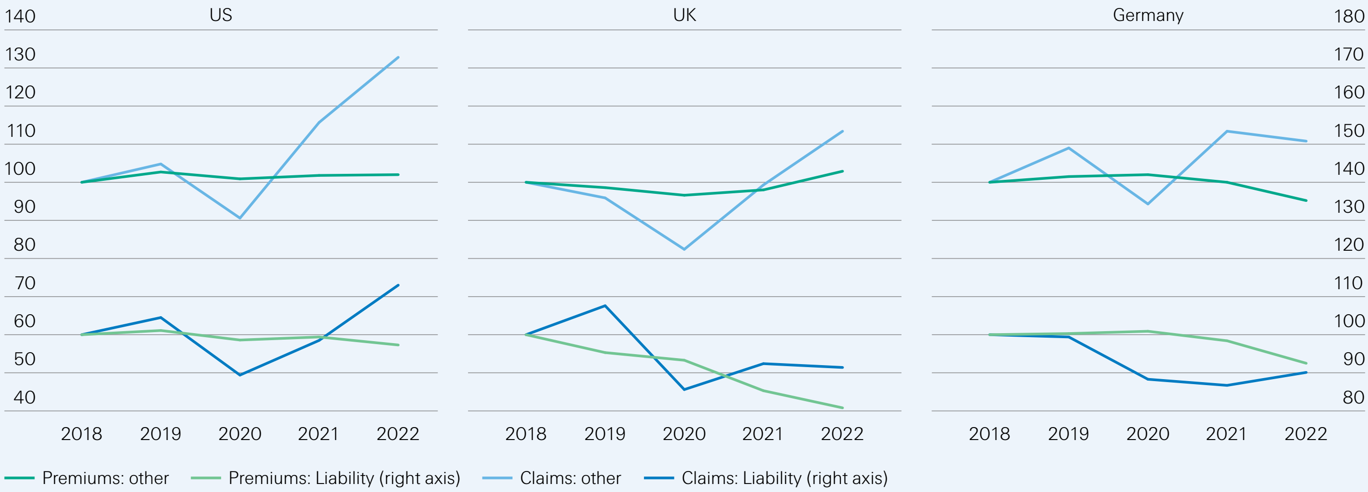
There was a strong increase in claims frequency and severity in motor insurance in 2022, in major markets. Premium income, however, remained largely stable. Windfall gains due to reduced traffic from COVID-19 lockdowns in 2020 turned into windfall losses from elevated inflation. This affected mainly motor-own damage claims.

Premium income in accident and property damage has lagged claims trends.

Figure 10 shows premium and claims trends in the US, the UK and Germany. Premium income has lagged claim trends. In the UK, claims frequency in 2022 was still 13% below pre-pandemic levels. Claims severity was much stronger, however. For accident and property damage it was more than 30% higher in 2022 than pre-COVID-19. Bodily injury claims were only 9% higher, reflecting a much lower health care cost index as opposed to replacement parts. Premiums per policy further increased in the first quarter of 2023, further approaching pre-pandemic levels. But this may be insufficient while, in a persistent inflationary environment, claims frequency and severity continue to rise. Without a similar rise in premium rates, the outlook will be challenging.

[30] *Unwinding the Medicaid Continuous Enrollment Provision*, ASPE, August 2022.
[31] Huiminbao is a low-cost, inclusive supplementary medical insurance plan aiming to encourage enrollment of city dwellers.

Figure 10
US, UK and German motor insurance premiums and claims in real terms (2018 = 100)



Source: AM Best, GDV, Swiss Re Institute

Rising claims and sluggish premiums in Germany.

In Germany, motor insurance claims picked up 11% for liability covers in 2022, and by 14% for own-damage. Claims frequency in liability remained around 15% below pre-pandemic levels, and claims paid were just slightly above. For own-damage claims, frequency returned to pre COVID-19 levels, while claim amounts were 22% higher. Premium income has remained sluggish over the last few years. It grew slightly in nominal terms (and declined 10% in real terms) between 2019 and 2022, based on a slightly growing exposure base.

In the US, personal auto faced its worst result in over 25 years...

In the US, personal motor posted its worst result in over 25 years in 2022. The net combined ratio exceeded 112% compared to a 25-year average of 101%. Commercial auto fared slightly better but experienced 7 ppt of loss ratio deterioration, with the combined ratio above 105%. Severity was the main driver, but frequency increased as well as miles traveled and work-life patterns normalised. The surge in used car prices was a driver of claims inflation, with over 1 million cars written off as total losses per year. Higher repair costs and wages added to physical damage claims; and medical and social inflation contributed to higher liability severities. The normalisation of driving habits amidst increased prevalence of remote work affected accident frequency as well as severity. 2021 had the highest number of traffic fatalities of any year since 2006, and 2022 was close behind. Less congestion during traditional commute times has contributed to faster driving overall and more severe accidents,[32] and the claims impact has become increasingly evident as courts reopen.

...but the worst is over; rate momentum should support combined ratios in 2023–24.

Adverse results continued into the first quarter of this year, with our data sources indicating that US motor insurers reported a direct loss ratio of 76% compared to a long-run average of 65%. However, the worst is likely over. The loss ratio is down from 80% in 2022 with rate increases taking effect and used car prices beginning to decline. Personal motor premiums rose by more than 12% in the first quarter from a year earlier, and we anticipate rate hardening momentum will continue through 2023. We forecast strong combined ratio improvement this year and next, and a return to average (2010–2019) levels of profitability by 2024.

Profitability: optimism for investment and underwriting results

We expect P&C sector ROE to improve notably this year.

P&C sector profitability is likely to improve notably in 2023. Contributing factors will include rate hardening in personal lines business; still firm prices in commercial insurance; higher interest rates leading to improved investment returns; and easing (slowly), inflation. Slow GDP growth is a headwind and real premium growth may be below trend in many markets, but we nevertheless estimate that as a measure of

[32] *Traffic Safety Impact of the COVID-19 Pandemic: Fatal Crashes Relative to Pre-Pandemic Trends, United States, May-December 2020*, AAA Foundation for Traffic Safety, December 2022.

profitability, return on equity (ROE) will improve to 7.8% in 2023 from 3.4% last year, and strengthen to 9.3% in 2024.[33]

The insurance cost of capital is expected to rise in parallel with ROE…

All told, the improvement has to be weighed against parallel increases in returns desired by investors. Higher risk premiums make investors more risk averse and they expect better rewards. Also, rising risk-free rates reduce the attractiveness of the insurance sector as an investment proposition. Taken together, this led to an increase in the global non-life cost of capital (CoC) for insurers of 2.5 ppt to about 11% between 2020 and 2022. We expect it to remain broadly stable in 2023.

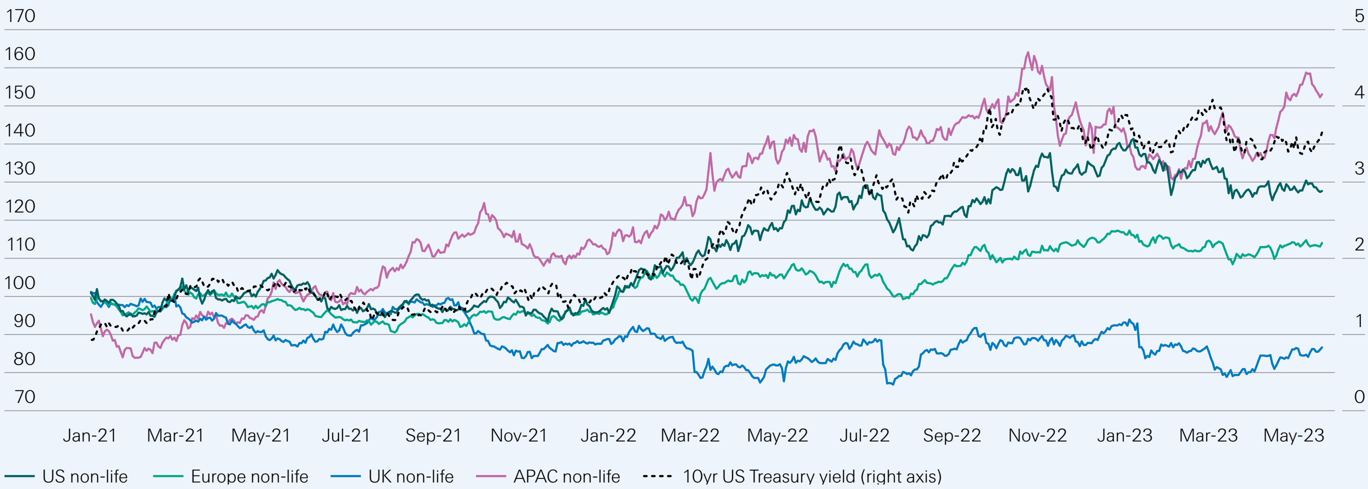
…meaning that in most large markets, insurers will need to maintain underwriting discipline.

Assuming that insurers aim to match their targeted ROE with the CoC, the above changes translate into a profitability gap of around 3 ppt in 2023, down from 7% in 2022. Among our sample of eight large insurance markets, Canada and Australia were the only two countries in which insurers exceeded their ROE targets in 2022. We expect continued outperformance but with reversion toward target. Meanwhile, we see significant ROE improvement for insurers in the US, the UK, Germany, France and Italy. Those markets benefit from the tailwinds previously outlined – higher interest rates and better pricing, in particular. The gap in Japan was already lower than in most other markets in 2022, and we do not see a significant narrowing in 2023. The global profitability level can therefore still be seen as too low, supporting a call for further underwriting discipline, including possibly still- higher rates and tighter coverage.

The stock market performance of non-life insurers has been stable so far this year. Investment returns are likely near their peak.

Despite the encouraging financial outlook, the stock market performance of non-life insurers has been broadly stable since the start of 2023. Comparing non-life insurers with the broader market shows that sector stock price ratios have trended sideways. This likely reflects the losses seen in motor earlier in 2023, changing COVID-19 policy for US health insurance, and also large natural catastrophe events early this year.[34] The currently near flat 10-year US Treasury yield also highlights that investment returns are close to peak (see Figure 11).

Figure 11
Non-life insurance sector stock price index performance relative to main stock indices: Dec 2020 = 100 (LHS); US 10-year Treasury yield, % (RHS)



Indices: US = Dow Jones US Non-life Insurance Index, Europe = STOXX Europe Non-life Insurance Index, UK = FTSE 350 Non-life Insurance Index, APAC = BI APAC Non-life Insurance Valuation Peers, UST10 corresponds to the market yield on U.S. 10-year Treasury securities. Each regional index is divided by the corresponding stock market index to obtain the relative valuation.
Source: Bloomberg, Fred St. Louis Fed, Swiss Re Institute

[33] This is based on a sample of eight large, advanced economies (Australia, Canada, France, Germany, Italy, Japan, UK and US). Realized investment results are considered in the modelled income statement but unrealized ones only appear in the balance sheet.
[34] That includes the Turkey-Syria earthquake, flooding in New Zealand and California as well as storms in the US. See *Natural Catastrophe Report: Q1 2023*, Gallagher Re, April 2023 for an early assessment.

Non-life insurers not a source of systemic financial risk

Financial market stresses can impact non-life insurers via reduced capital and loss-making realised investments...

Recent stress in the global financial system – largely caused by high and rising interest rates – has created market volatility, notably in the banking sector. Financial market woes can impact non-life insurers (in particular those with reduced capital interest rate effects, depending on accounting regime) through realised reinvestment returns and possible asset write-offs.

... but non-life insurers are by construction more resilient than most other financial services.

However. we see non-life insurance as one sector of financial services that is more insulated from interest rate and market liquidity risks. Unlike banks and asset managers, non-life insurers cannot experience panic withdrawals or early redemptions, as liabilities are not callable by clients. Unrealised losses from rising interest rates are less problematic since assets and liabilities are mostly duration matched. Therefore, bonds can be held to maturity and benefit from the so-called pull-to-par effect, meaning the notional values of assets and liabilities converge as they come due. Further, non-life insurers' asset leverage is typically lower than other categories of financial firms and most insurers have strong balance sheets with high solvency ratios and liquidity. The exposure of non-life insurers to risky assets which experienced financial stress in early 2023 is also fairly limited.

Moreover, the exposure of non-life insurers to interest rate sensitive sectors like commercial real estate is limited.

Apart from bonds, there have also been concerns about the exposure of insurers to regional US banks, commercial real estate (CRE) and residential mortgages. Some insurers have a consequent share of their investment portfolio in CRE. But when looking at non-life, sector exposure is moderate. In the fourth quarter of 2022, only about 1% of assets of non-life firms in Europe covered by the European Insurance and Occupational Pensions Authority (EIOPA) were subordinated bonds.[35] Around 7% of assets were held in mortgage or CRE. In the US, insurers' exposure to mortgages or CRE is similar that in Europe, but mortgages carry more weight.[36] The limited exposures imply that insurers could absorb sizeable mark-downs or write-offs in CRE, mortgages and subordinated bonds with limited consequence. And hence, we do not consider non-life insurers to be a source of systemic risk.

Better insurance pricing and slightly slower inflation should improve sector underwriting results.

We expect a meaningful improvement in the P&C underwriting result in 2023, with a combined ratio of 97%, vs 99% in 2022 and in line with the long-term average. The key drivers are rate hardening, rising values of insured assets boosting premium income, and an eventual easing in core inflation dampening claims growth. As the direction of travel in these factors persists, underwriting results are set to improve in 2024 also.

The transition from goods to services inflation will likely pressure certain lines.

The impact of inflation on claims growth should ease slightly in 2023 from the highs of 2022, but remain elevated as specific sectors see further price rises. For example, we forecast that construction costs in the US, relevant for property insurance, will rise by more than 11% in 2023 following a 17.5% increase in 2022. The transition from goods inflation to services inflation is likely to be a key story for 2023 and 2024 for many lines of business. It should see motor and property results improve while putting earnings in liability and accident lines under renewed pressure (see Table 4).

Table 4
Impact of inflationary shock by line of P&C business

	Current state	Persistence	Reason
Property	🔴	🟠	High construction prices, downward trend
Motor, physical damage	🔴	🟠	High prices for used and new cars, bodywork. Some components now easing
Motor, bodily injury	🟠	🔴	High healthcare spending, social inflation, rising wages
Accidents	🟠	🔴	High healthcare spending, social inflation, rising wages
Liability	🔴	🔴	High healthcare spending, social inflation (with high weight), rising wages

Forecasts for price categories relevant for each lines (eg, construction prices for property).
Source: Swiss Re Institute

[35] This is based on fourth-quarter 2022 data accessible at *EIOPA's website*.
[36] *Year-end 2022 Capital markets special report*, NAIC

The duration of the hard market will depend on an array of factors.

Most of the current step-up in prices can be attributed to uncertainty around claims and high inflation. But other economic drivers provide additional fuel to the hard market. The duration of the hard market will depend on the continued presence of these factors (see Table 5).

Table 5
Economic drivers of the pricing cycle

	Current trend	Current impact on pricing power	Medium-term trend	Future impact on pricing power	Comment
Underwriting profitability of new business	improving	↘	high	↓	peak in 24–25?
Claims uncertainty	elevated: inflation surge & model uncertainties	↑	disinflation, u/w uncertainties continue	↗	structurally higher
Investment yields	up for new business, re-pricing of yield curve	↘	re-set at higher level, positive term premium	↓	multi-year transition of average yields
Cat losses	recalibration to higher trend	↑	continued real exposure growth at 5–7% CAGR	↗	structurally higher
Overall balance of trend factors		↑		↘	turning point in 24–25?

Source: Swiss Re Institute

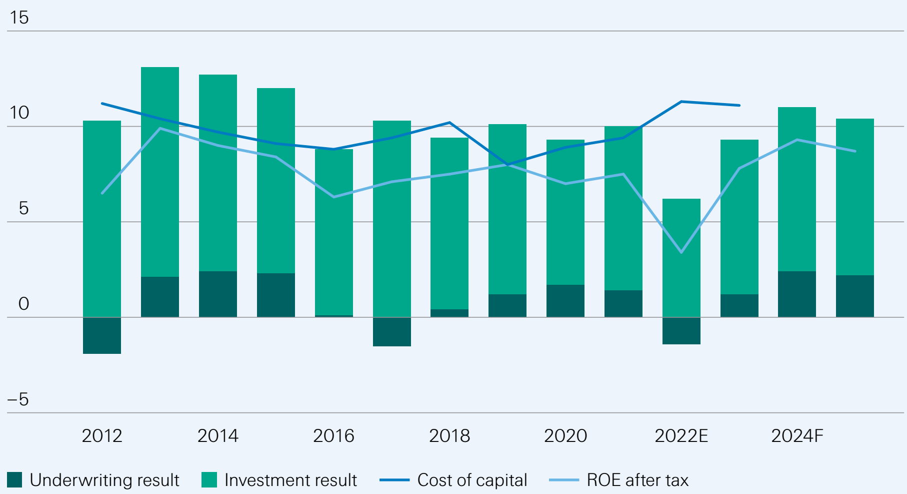
While most key insurance countries will improve, Australia and Canada performance will ease to more normal levels.

Regionally, insurers in Australia and Canada reported strong underwriting results in 2022, and we see a reversion to mean performance in the coming years. In the US, a historically bad year for personal motor contributed to a negative industry result, but we anticipate rapid improvement by the second half of 2023 as auto rate rise finally outpace claims trends.[37] The large advanced European markets and Japan will likely also see marked gains. China is not part of our sample, but we estimate underwriting profits were strong in 2022 due to low natural catastrophe activity and lower motor claims during the pandemic. We anticipate profits may reduce to a normalised level in 2023.

The industry investment result should climb to an estimated 8.1% of NPE in 2023 and 8.6% in 2024.

High interest rates will strengthen investment results in P&C globally as higher yields trickle through into asset portfolios. For 2023, we estimate that the industry investment result will move up to 8.1% of net premiums earned (NPE) (6.2% in 2022) before a further gain in 2024 to 8.6%. While investment results as a share of NPE will continue to make up the bulk of the operating income, their contribution to the it will soften in 2023–24.

Figure 12
Profitability of the eight major non-life markets, 2007–2022F, underwriting and investment results are in % of NPE, ROE and CoC are in % of equity



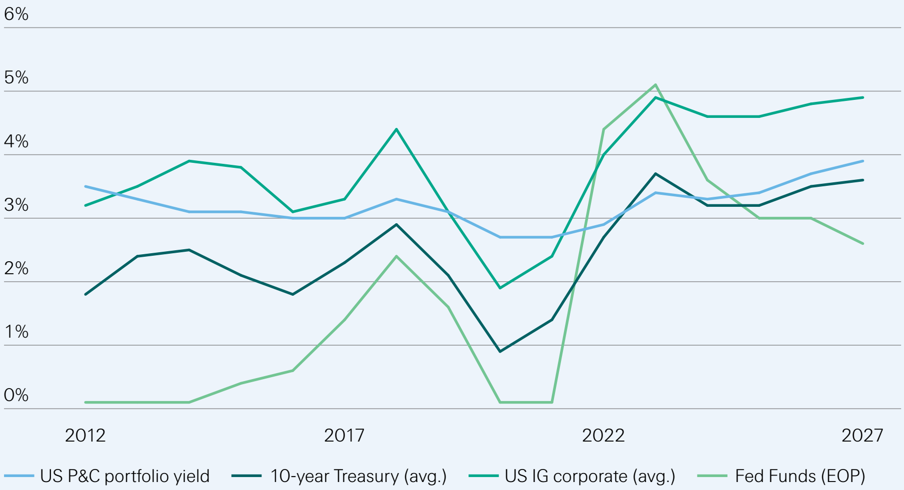
Note: Aggregate of eight major advanced markets (Australia, Canada, France, Germany, Italy, Japan, UK and US).
Source: Swiss Re Institute

[37] *US property & casualty outlook*, Swiss Re Institute, April 2023

US P&C investment results should rise steadily each year to 2027.

US P&C investment results are benefiting from higher reinvestment rates in bond portfolios, although these accrue gradually, with a weighted average time to maturity is six years. We project that the portfolio yield (excluding realised capital gains) will rise from 2.9% in 2022 to 3.4% in 2023, and anticipate a steady uptick to 2027 (see Figure 13).

Figure 13
Yield on US P&C insurer portfolios vs market yields for cash, corporate and 10-year Treasuries



Source: AM Best, Barclays, Swiss Re Institute

Japan sees slightly different investment trends to other markets, but better returns.

In **Japan,** insurer investment yields are higher than still-accommodative Bank of Japan policy rates suggest. This is because insurers in the country, in search of yield typically allocate about 30% of their investments to foreign securities and less than 15% in JGBs. We expect further gradual improvement in returns.

Reserving: more uncertainty and pressure around adequacy

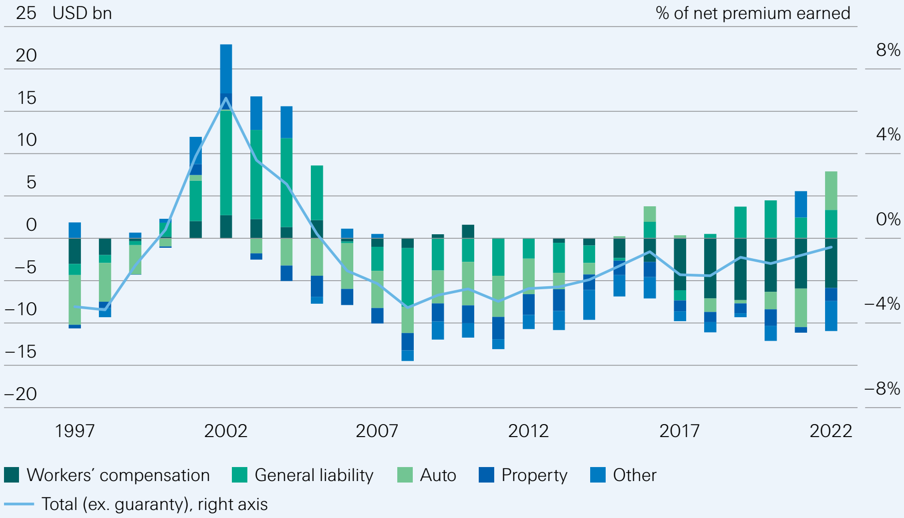
Industry reserves buffers are significant but uncertainty is heightened and releases have slowed…

Reserve adequacy has emerged as a key risk for insurers in the current economic environment. A prolonged period of favourable development is waning and being stressed by inflation. Excluding workers' compensation, US industry reserve development was already unfavourable in 2021 and 2022. Industry analysts generally view industry reserve buffers as elevated but acknowledge a range of uncertainties, which are heightened as inflation persists.

…due to factors including economic and social inflation, and delayed settlements. Liability lines likely to be most impacted.

Court backlogs, the inflation shock, and changing consumer, transportation and workplace behaviours magnify the uncertainty inherent in any reserve analysis. Delayed settlements can be a larger problem during inflationary episodes, linking economic and social inflation, and pushing jury verdicts and claim settlements higher. The rotation from goods to services inflation will impact liability exposures in particular, with an outsized impact on reserves. In the US, liability lines accounted for 52% of industry premiums in 2022 but 87% of year-end reserves. Inadequate reserving in general liability lines has been offset by favourable development in workers' compensation over the several years (see Figure 14). Insurers have responded with a historically large cushion for incurred but not reported claims, primarily for the 2020 and 2021 accident years in response to COVID-19 claim risk. With uncertainty high, insurers may reduce risk appetite and new business capacity, which may in turn sustain current hard market conditions.

Figure 14
Changes in US P&C reserves (positive implies strengthening, LHS);
total reserve developments (RHS)



Source: NAIC, Swiss Re Institute

There are also pressures on reserves in Europe.

Uncertainty and pressures from inflation are felt outside the US also. In some key European markets like the UK, the historical trend of significant reserve releases has continued in 2021–22, but to a slightly lesser degree than before.

Life insurance

Key developments

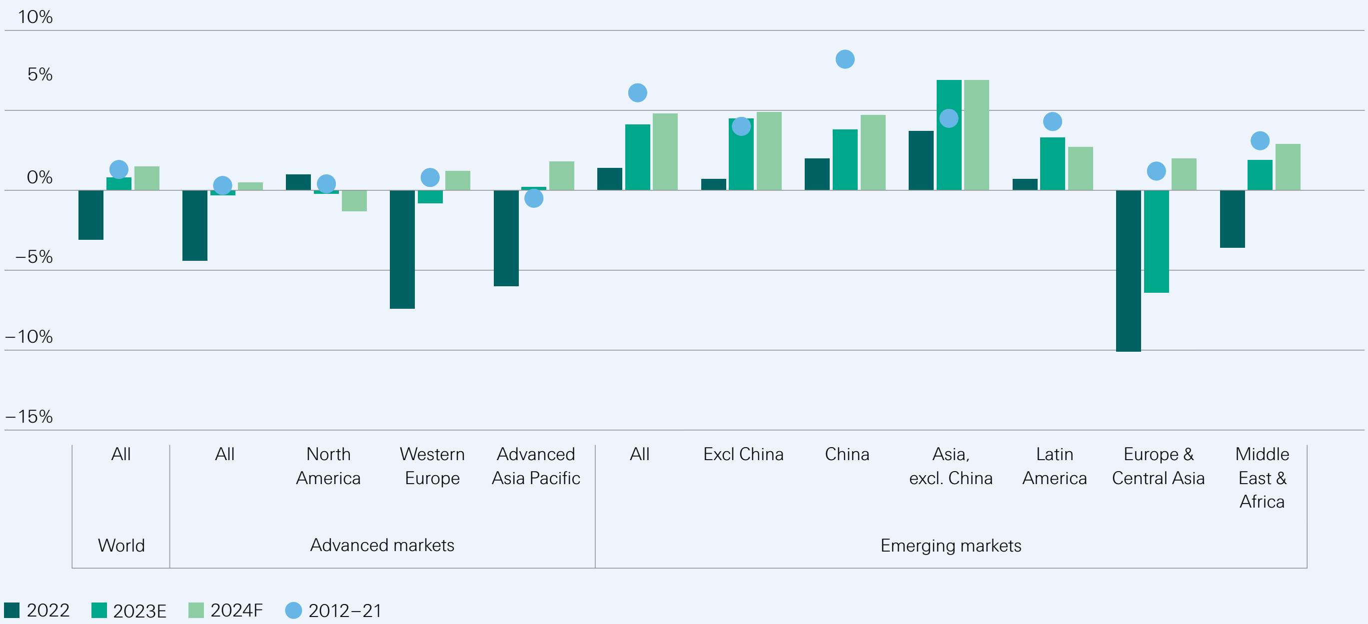
We expect global life premiums to turn positive this year, with a below-trend real growth of 0.7%...

We estimate that global life premiums will grow by a below-trend 0.7% in real terms (4.6% nominal) in 2023, and that premium volumes will rise to USD 2.9 trillion by the year-end. This after the market contracted 3.1% in 2022, with high inflation eroding consumer savings and nominal premium growth. We see premiums rising by 1.5% in 2024. The start and rapid acceleration of the interest rate hiking cycle last year has boosted sector profitability. And this year, rising wages and interest rates in advanced markets are creating favourable market and profitability tailwinds. We also see the emergence of new demand pools in Hong Kong, a result of China's reopening. The higher interest rate environment is creating new tailwinds for the annuity business and pension risk transfer deals (in the US, UK), which benefit from higher crediting rates and funding ratios. We expect these factors to offset pressures from still elevated inflation rates. Credit and lapse risks are so far contained, but they do represent a downside risk to sector profitability.

...and that performance will improve further in 2024.

This year's premium growth forecast is below the 1.4% annual average of the 2012–2021 period and is based on anticipation of slowdown across advanced markets. High base effects from 2022 in North America, still-elevated inflation in western Europe and regulatory headwinds in advanced APAC underpin our forecast.[38] Offsetting factors include nominal wage growth, rising interest rates, and the growing size of pension de-risking deals in both the US and the UK. Emerging market premiums will grow by an estimated 4.2% in 2023, below the historical annual average of 6%, with strengthening to 4.8% in 2024. Rising aggregate nominal incomes are supporting saving and protection business in emerging markets.

Figure 15
Life real premium growth, by region



Source: Swiss Re Institute

[38] Since 2019, Taiwan's insurance supervisor is tightening its regulatory oversight on saving products sales, capital strength and ALM by insurers ahead of the IFRS 17 transition. The objective is to limit the sale of high-yielding guaranteed products in favour of protection products. This came in response to rising sales of high-yielding guaranteed products in earlier years deemed as risky from an ALM perspective and vulnerable to FX risks, especially for small industry players. See *EDITORIAL: Weaning Taiwan off savings policies*, Taipei Times, 3 June 2019.

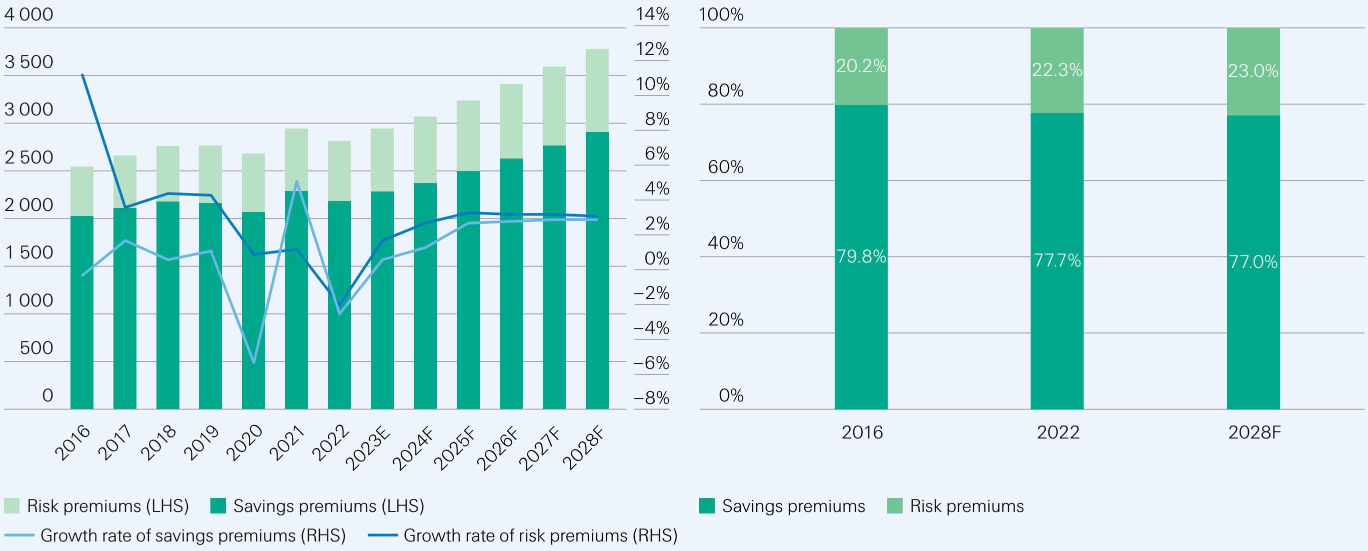
The share of risk premiums of the global life market should stabilise at an estimated 23% in 2028, as pandemic-driven risk awareness fades.

Premium outlook: the share of risk premiums should stabilise

Savings products premiums should grow by 0.7%, with below average (negative) growth across advanced markets. We project 4.3% growth in savings premiums in the emerging markets, with most momentum coming from emerging Asia. We forecast that the share of risk business in the global life insurance sector to stabilise at 23% by 2028, up from 22.3% in 2022. Global risk premiums will grow by an estimated 1.7% in 2023, below the long-term trend (CAGR 2011–21: 4.2%). Protection business is slowing in western Europe and North America, as pandemic-driven risk awareness gradually fades away.[39] In emerging markets, we estimate 4% growth in protection business this year. Above-average growth in most emerging regions will likely be offset by slowdown in China, where risk business peaked in 2022. Global medium-term demand for life products remains solidly anchored with a need for both life protection and retirement incomes as populations age.

Figure 16

(LHS) Global L&H market by risk and savings products' premiums (USD billon) and growth (%, right); (RHS) share of savings, risk premiums (%)



Source: Swiss Re Institute

The profit outlook for life insurers is positive.

Life sector profitability outlook

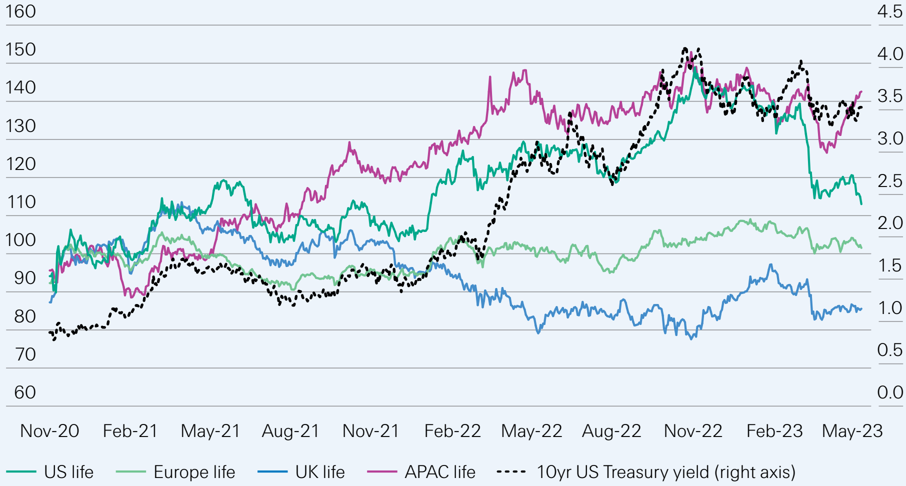
The 2023 profitability outlook for the life insurance sector is positive, even if overcast by short-term financial system instability, as reflected in sectoral stock price index ratios (see Figure 17). In 2022, the relative valuations of US life insurers improved, following the US 10-year Treasury yield pattern, the expectation being rising reinvestment yields from maturing bonds. In Europe and the UK, relative valuations started to increase as the interest rate hiking cycle started in earnest in the second half of 2022. Asia's performance remained flat in 2022, reflecting residual COVID-related pay-outs.

Recent financial systems instabilities weighed on life insurers in the US and UK in particular.

The banking crisis in March 2023 accentuated credit and liquidity risks in financial markets, particularly related to commercial real estate. This weighed on the valuations of life insurers' in the US and the UK in particular, as they have large exposure to corporate credit, loans and illiquid assets.[40] The prospect of reinvestment yields close to peak given the interest rate hiking cycle may soon come to an end, and a very hard non-life market further have weighed on the relative valuations of life insurers in the US. The prospect of a yield-curve-control exit in Japan would terminate multi-years of negative interest rates, prop up reinvestment yields and reset life insurers valuation in advanced Asia-Pacific.

[39] We estimate that Advanced APAC should grow by an above-average 2.6%, as Hong Kong is capturing renewed demand from Chinese consumers.
[40] Life insurers' exposure to real estate and mortgages in the US stands close to 14% (8% in Europe).

Figure 17
Life insurance sector stock price index performance relative to main stock indices: December 2020 = 100 (LHS); US 10-year Treasury yield, (%, RHS)



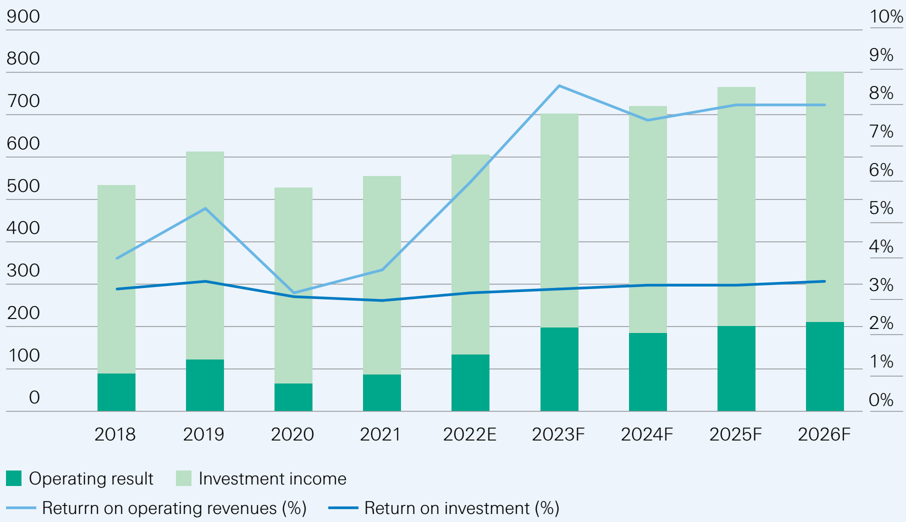
Note: indices: US = Dow Jones US Life Insurance Index, Europe = STOXX Europe Life Insurance Index, UK = FTSE 350 Life Insurance Index, APAC = BI APAC Life Insurance Valuation Peers. Each regional indices is divided by the corresponding stock market index to obtain the relative valuation. UST10 corresponds to the market yield on U.S. 10-year treasury securities maturities. Source: Bloomberg, Fred St. Louis Fed, Swiss Re Institute estimates

The model covers eight major market traditionally included under the L&H profitability model (which excludes China).

Major life markets: improved operating profitability in 2022/2023[41]

Our life profitability model estimates that the average return on operating revenues for primary life insurers in eight major life markets covered improved to 6% in 2022, and that it will rise to 8.5% in 2023. Investment income improved to above pre-pandemic levels last year. This contributes to higher returns on investment (ROI), which rose by 20 basis points (bp) to 3.1% in 2022. We estimate that the aggregate ROI in said markets will rise to 3.2% in 2023 due to higher yields on fixed-income investments and reinvestments (see Figure 18).

Figure 18
Life insurance operating and investment results, G8 markets (USD billion)



Source: Swiss Re Institute

[41] Based on the life profitability model developed by the Swiss Re Institute to forecast operating investment profitability trends. The eight major life insurance markets covered (US, Canada, UK, Germany, Italy, France, Japan, and Australia) are referred to as "Major life markets" in this report. Life insurance premiums written in these eight markets represents close to three-fifths of the global life premiums and around three-fourths of the life premiums in advanced markets

Four factors should be considered in the context of global life sector profitability:

Four factors underpinning profitability trends.

- **Continuing improvement in investment income** as fixed-income portfolios gradually roll into higher yields in all major markets. However, peak reinvestment yields are contingent on interest rate trajectories, and thus recession risks.
- **Normalising COVID-19 claims**: diminishing pandemic-related claims will likely support operating income growth.
- **Attractive pension de-risking deals and annuities:** de-risking affordability improved in the US and the UK as pension schemes have high funding levels.[42] Higher interest rates and larger spreads also benefit crediting rates for new fixed annuities, while larger spreads on in-force books improve margins.
- **Accounting impact:** implementation of IFRS17 since 2023 is likely to reset key profitability metrics, with the Contractual Service Margin (CSM) becoming a forward-looking indicator of future operating profit.[43] Joint adoption with IFRS 9, the accounting standard governing the asset side of the balance sheet, provides an optimal tool for asset-liability valuations alignments. Over time, reported earnings volatility should stabilise under the new standards and become more transparent.

Financial stability risks contained, so far

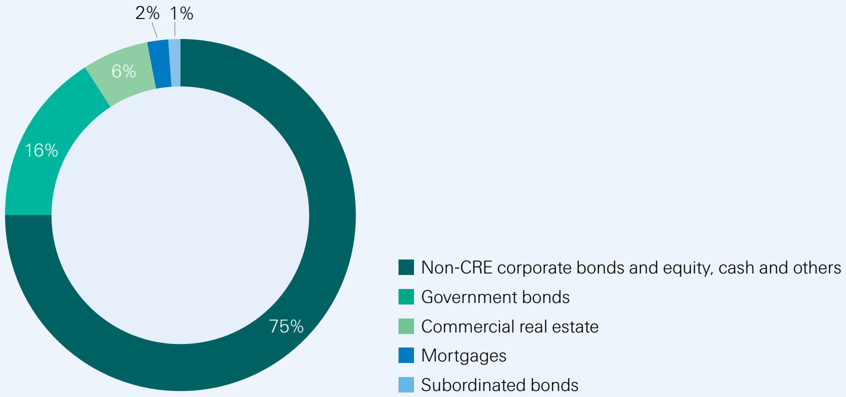
Life insurers are resilient to financial market instabilities.

The volatility triggered by rapid interest rate hikes has exposed systemic financial stability risks, with potential ramifications for the life insurance industry. So far effects have been limited given sound capitalisations, solid liquidity positions and punctual regulatory interventions, reinforcing the role of life insurers (long-term asset holders) as volatility stabilisers rather than multipliers. Yet, three potential risks on the radar are:

1. **Credit risks:** credit quality deterioration is a tail risk for the industry. Market concerns have mounted on asset exposures to commercial real estate (CRE) and residential mortgages. In the US, insurers face less immediate pressure given a larger weight towards higher-quality CRE mortgages and securities.[44] Total life sector exposure to real estate and mortgages in the US stands close to 14%, against 8% in Europe (Figure 19) where the share of subordinated bonds is only 1%. Insurers could thus withstand sizeable mark-downs or write-offs in CRE, mortgage and subordinated bonds. Yet, the risk of broad-based credit downgrades would weigh on solvency requirements and increase unrealised losses.[45] We see adverse credit developments as still relatively contained in our baseline economic outlook.

[42] Global demand for pension risk transfer (PRT) deals is growing as rising interest rates and widening credit spreads reduce pension deficits and allow more funds to consider de-risking.
[43] For instance, L&G estimated an initial reduction in operating profit due to the deferral of new business profits and assumption reviews in the range of 20–25%, at IFRS17 implementation. Source: *An introduction to IFRS17*, L&G, November 2022. Likewise, restated 2022 earnings under the new standard for a selection of European composite insurers shows a mixed impact ranging from –24.3% to +54.7%, notably due to the new accounting treatments of reserves and reinsurance profit. Source: *Opening the Lid on Insurers New Accounting Standards*,, Bloomberg Intelligence, June 2023.
[44] *Economic Insights: US commercial real estate – expecting prolonged challenges*, Swiss Re Institute, 17 April 2021.
[45] *Silicon Valley Bank Collapse Highlights Critical Lessons for the Insurance Industry*, AM Best, March 2023.

Figure 19
Asset exposure of euro area life insurers by category, fourth quarter 2022



Source: EIOPA

2. **Liquidity risks:** Liquidity positions remain solid. Insurers face lower risks of runs on assets and limited industry interlinkages than compared to banks, as assets are generally held to maturity. Yet, the life sector's exposure to illiquid and riskier assets is a dangerous legacy of the low-interest rate environment.[46] Credit downgrades on securities or real estate market downturns could trigger new capital charges and potential loss positions for insurers exposed to these asset classes.[47] Whether these loss positions materialise depends on an insurer's liquidity position and lapse experience.

3. **Lapse risks:** surrenders have started to increase in some markets but overall, lapse risks remain contained and have not reached levels that would require sales of bonds and the realisation of capital losses to meet redemptions.[48] Regulatory frameworks allowing for supervisory interventions, insurance products differentiation and transfer of risks through reinsurance solutions are risk mitigators here.

In North America, lapses are in line with pricing expectations.

In the US, annuity withdrawal rates are trending slightly higher in 2023 but are also reflected into new sales.[49] According to the earning calls of some US life insurers, surrender rates are ticking up marginally but are in line with long-term actuarial assumptions. Built-in surrender charges combined to market-value adjustments provisions for a majority of the life portfolio provide structural protection against early withdrawals. Further, life insurers tend to gradually back annuity contracts close to termination with shorter duration assets, a natural hedge under stable credit quality conditions. So far, annuity surrenders activity in the US is seen as stable and predictable.

In Europe, there are disincentives to prevent lapses

In Europe, life insurers' capitalisation and liquidity profiles remain solid. Regulatory frameworks allow for interventions by insurance supervisors to prevent policy lapses in our main coverage markets. Disincentives to lapses also exist in the form of withdrawal penalties or limits, tax advantages (France, Germany) and maturity bonuses. Crediting rates in Germany are flexible and competitive to other saving products available to consumers. This helped to keep the lapse ratio at 2.6% in 2022 (historically low).[50] However, lapse risks are more elevated in markets offering attractive investment alternatives (France) or where the need for short-term liquidity increased due to inflation (Italy). In the UK, where unit-linked products are more prominent, lapse risks are lower.[51]

[46] *Rising interest rates are a double-edged sword for German life insurers"*, S&P Global, 16 May 2023.
[47] *Consequences of France downgrade to AA- by Fitch*, Barclays Credit Research, May 2023.
[48] In Europe, lapses have been trending upwards in France and Italy. The average surrenders to premium ratio reached respectively 58% at end-2022 and 85% in the first quarter of 2023. This compares to historical averages of close to 50%. In the US, lapse rates on fixed rate deferred annuities peaked to 9.5% in the fourth quarter of 2022 against a 5-year average of 8.1%. Source: FFA (France), IVASS (Italy), LIMRA (US), Swiss Re Institute estimates.
[49] *US Life Insurers*, Autonomous Research, 11 April 2023.
[50] S&P Global, 16 May 2023, op. cit.
[51] *What investors want to know: European life insurers managing liquidity and surrender risks*, FitchRatings, May 2023.

Italy is the weak regional spot.

In Italy, lapse risks started to crystallize in early 2023, with the surrenders to premium income ratio rising to 85% in March 2023, up from 53% a year earlier.[52] Capitalisation concerns with respect to one life insurer mounted and triggered asset outflows at this company in January-February. This jeopardised liquidity positions and prompted the national regulator to temporarily suspend policyholder redemptions under private insurance law to safeguard the stability of the financial system. The higher need for short-term liquidity in an inflationary environment, and the availability of profitable alternatives to insurance-based investments for consumers, amplified the crisis.[53]

Life profitability by region

North American's insurers profitability set to benefit from declining COVID-19 claims and rising annuity business.

We estimate that operating results in **North America** will improve in 2023 on the back of higher spread margins, declining COVID-19 claims and strong annuity premiums growth offsetting subdued risk premiums. In the US, supplement accident and health claims remain favourable on low utilization, although contingent on labour market dynamics. Legacy liabilities in long-term care, universal life and variable annuities comprise a tail risk that could weigh on profitability in the medium term. The prospect of a hike cycle reversal and economic slowdown in 2024 would lower demand for annuities and operating profitability.[54]

Reserves releases, pension de-risking deals and investment income to benefit life insurers in western Europe.

Life profitability in **Western Europe** improved in all markets in 2022 except Italy. A continued shift towards saving-linked contracts (France, Germany) underpinned operating income growth. In the UK, improved pricing conditions and strong pension funds demand supported growth of pension de-risking deals. In Germany, the higher reference rate and phasing out of guaranteed contracts decreased the *Zinzusatzreserve* (ZZR) funding requirement, a positive that should also allow more crediting rates flexibility. A similar mechanism exists in France. A higher surrenders rate in Italy weighed on profitability. Lapse risks are a downside profitability risk for French and Italian insurers.

Japan's life insurance profitability to turn positive as COVID-19 pay-outs decrease.

Japan's life insurance industry continued to experience negative operating profitability in 2022, mainly due to COVID-19 related payouts for "deemed hospitalization". Profitability should turn positive in 2023, due to changing (more restrictive) market practices for pandemic-related payouts and new underwriting, reserve releases and rising investment income. A Bank of Japan exit from yield curve control would prop-up domestic bond holding, spillover into global yields and edge up investment profitability for global life insurers. In **Australia**, the profitability of multi-year loss-making individual disability income insurance turned positive in 2022, attributed to movements in bond yields, repricing and releases of COVID-19 reserves throughout the year.

[52] *Financial Stability Report*, Banca d'Italia Eurosistema, April 2023.
[53] Ibid.
[54] Investment profitability remains positive for 2024. Life insurers' exposure to the housing market remains low at 14% of assets under management (21% for commercial real estate) and well-diversified across property types and geographies. See Swiss Re Institute, 17 April 2023, op. cit.

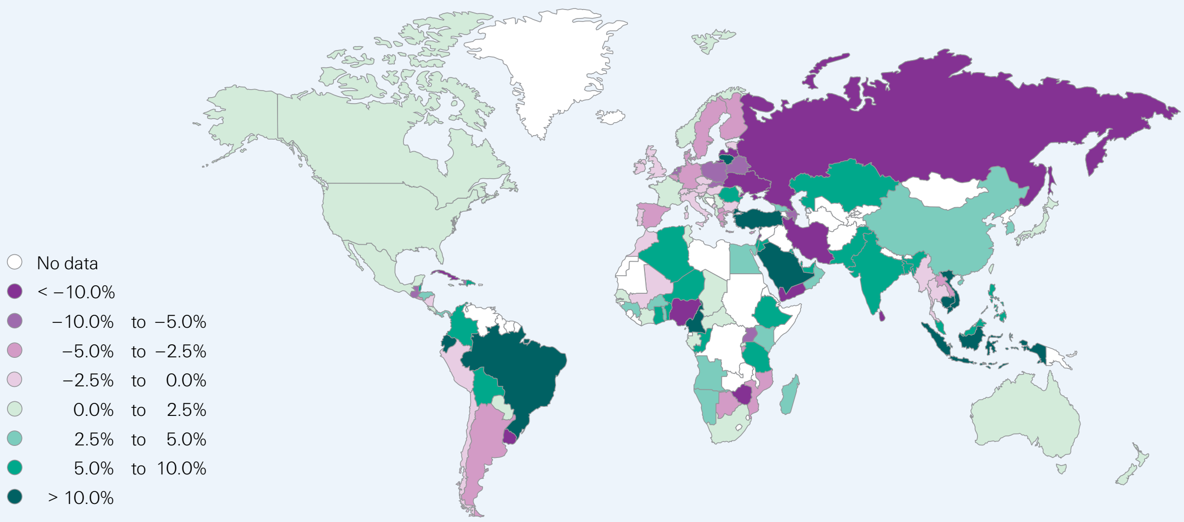
Appendix I: premium developments by region

Non-life

In **advanced economies**, real premium growth was flat in 2022. With inflation easing but still high in 2023, and insurance pricing moving upwards, we estimate a modest improvement to 0.8% growth this year, with nominal growth strong at around 4.7%. We see similar premium growth performance (0.7–0.8%) in the **advanced EMEA** (17% of global non-life premiums) and **North America** (60%) regions this year. We estimate an uptick to 1.4% growth in **advanced Asia** (7% of global premiums), partly caused by the reopening of China, and price hardening in that market.

Real premiums in **emerging markets** grew by 2.8% in 2022. In **emerging EMEA**, the war in Ukraine was the main driver of a 0.9% contraction in premium volumes. For the emerging economies overall, we estimate 4.5% premium growth in real terms this year, though that is also below the 2012–2021 annual average of 7.1%. The step up from 2022 is seen as primarily driven by the reopening of **China's** economy, with non-life premiums to grow by an estimated 6.8%. Premiums in **emerging Asia** (excluding China) is forecast to expand by 6.6% in real terms. That is a marginal change from 6% growth in 2022, and is close to the 2012–2021 average (6.3%). Elsewhere, growth in emerging EMEA will be largely flat in 2023. In **Latin America**, growth will slow to an estimated 0.9% from 4.3% in 2022. This is because still high levels of inflation make personal insurance less affordable, and interventionist policies in socialist-leaning countries are limiting rate increases for personal lines like motor insurance.

Figure 20
Non-life real premium growth, 2022



Source: Swiss Re Institute

Life

In **advanced markets**, life premiums contracted 4.4% in real terms in 2022 and we estimate an improvement to essentially flat growth in 2023. High inflation and declining purchasing power created a cost-of-living crisis across advanced economies last year, which eroded nominal life premium growth. Premiums in **Europe** declined most (down 7.3% in real terms). In **Asia**, further negative wealth effects on account property market weakness (eg, through housing prices declines in South Korea and Australia), shrinking saving business (Australia) and already high penetration rates (Japan), in addition to inflation weighed on life market growth (real premiums down 6.0%). Record annuity sales in **North America**, aided by higher interest rates and positive US regulatory developments in recent year supported a 1% uptick in growth.[55]

Life premiums in **emerging markets** grew below trend at 1.4% in 2022. Subdued income growth in **China** due to prolonged pandemic lockdowns undermined consumers' confidence in their financial position and also demand for new life policies. At the same time, competition from the health segment and the residual impact of a declining insurance agent workforce weighed on protection business, which grew 0.5% in 2022, well below historical trend. With premiums growing by 3.7% in real terms, **emerging Asia** (excluding China) was the fastest growing region last year. The main driver was an 8.2% expansion of India's life market, where premium volumes rose to USD 100 billion. Premiums declined in **emerging EMEA** on the back of elevated inflation and the impact of the war in Ukraine. The Latin America region market grew 0.7% in 2022, below long-term trend.

We expect life insurance premiums in **North America** to decline by 0.2% in real terms in 2023, due to the impact of still-elevated inflation on our nominal growth forecast of 3.8%, and high base effect. Last year's record fixed individual annuity sales and strong group annuity sales should continue in 2023. Economic slowdown could weigh on demand for annuities and the outlook for 2024.

In **Western Europe**, real life premiums are estimated to contract by 0.8% in 2023. But nominal wages growth, bulk annuity transfers in the UK and the ongoing shift towards saving-linked policies should positively impact saving and pension business in 2023–24. Nevertheless, lapses are a risk to watch. There have already been some lapses in Italy and France.

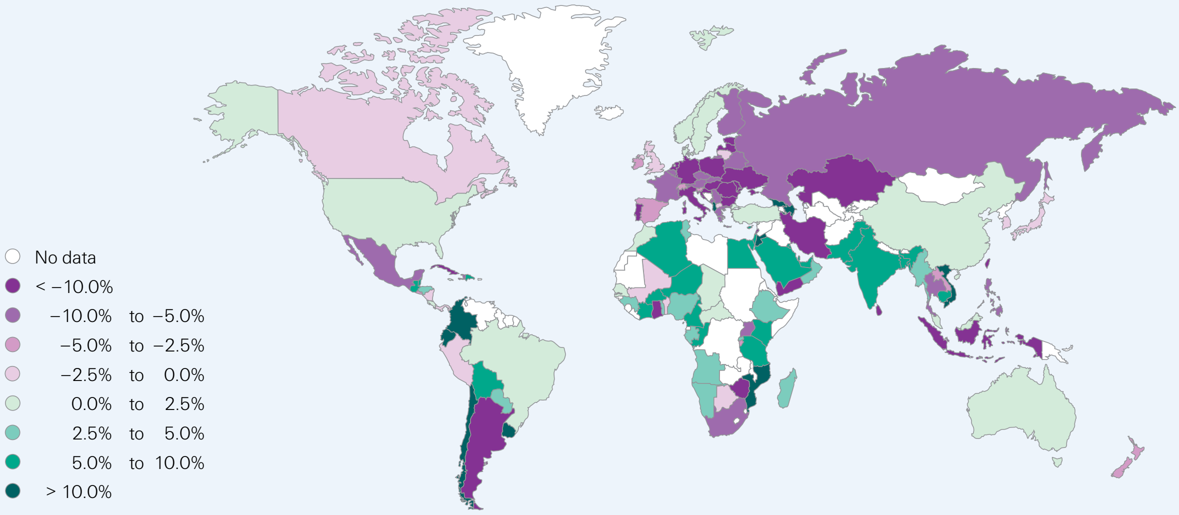
Life premiums in **Advanced Asia-Pacific** should grow by an estimated 0.2% in real terms in 2023. The border reopening with China underpins our 7.3% real growth forecast for life premiums in Hong Kong this year. The attractive returns and currency hedging feature of the USD-denominated policies offered by insurers in Japan is generating interest, and we estimate that associated sales will grow by close to 1% in 2023.

In **China**, we see 3.8% real growth in premiums in 2023 and 4.7% in 2024. The ending of COVID-19 restrictions should improve consumer sentiment and disposable incomes. Saving products are seen growing by an estimated 4.1%. However, we expect subdued sales of "pure" critical illness (CI) products this year due to competition from medical expenses covers, and the residual impact of the agent workforce decline in recent years.

Rising penetration rates, regulatory tailwinds and new distribution platforms should support life premium growth in **other emerging markets (excl. China)**. We expect 3.8% real growth in 2023 and 4.7% in 2024, above the long-term trend (3.8%). India will lead. In Latin America, we estimate that premiums will grow by 3.3% in real terms this year. The outlook for emerging Europe and central Asia remains negative (premiums down an estimated 6.4% this year), but less so than in 2022 when the impact of the war in Ukraine was more acute. We estimate 1.9% growth in premiums in the Middle East and Africa in 2023.

[55] The US Department of Labor's new fiduciary rules came into effect in 2021, and the 2019 SECURE Act opened the door to annuities in 401(k)s and other retirement plans.

Figure 21
Life premium growth in real terms, 2022



Source: Swiss Re Institute

Appendix II

Methodology and data

This study looks at insurance premium volumes data from 147 countries.

This *sigma* study is based on the direct premium volumes of insurance companies, regardless of whether they are privately or state owned, for example, Premiums paid to state social are not included. Life and non-life premium volume in 147 countries is examined. Detailed information on the largest 88 countries in terms of total insurance premium volume can be found in the statistical appendix. Additional country information is available online at *www.sigma-explorer.com*. Where not indicated, figures and chart information in this report are all sourced from Swiss Re Institute.

All quoted growth rates are in real terms, ie adjusted for local inflation to facilitate international comparison.

Unless otherwise stated, premium growth rates indicate changes in real terms. These real growth rates are calculated using premiums in local currencies and are adjusted for inflation using the consumer price index for each country. The statistical appendix also provides the nominal change in growth for each country. Regional aggregated growth rates are calculated using the previous year's premium volumes and converted into US dollars at market exchange rates. The same procedure applies to the economic aggregates of Table X, where the previous year's nominal GDP figures in US dollars are used as weights. Real growth rates are used to cancel out exchange rate movements while facilitating international comparisons particularly between high and low inflation countries.

Figures are converted into US dollars at running annual average market exchange rates.

Using the average exchange rate for the financial year, premium volumes are converted into US dollars to facilitate comparisons between markets and regions.[56] Where no premium data is available (indicated by "na." for the local currency value in the tables), the premium income in US dollars is estimated assuming a constant ratio of insurance premiums to GDP. Regional growth rates are calculated using a weighted average of the real growth rates of the individual countries. The weighting is based on the relevant premiums of the previous year in USD.

Country classifications generally follow IMF conventions.

The designation of the economies in this *sigma* as "advanced" or "emerging" is generally in keeping with the conventions of the International Monetary Fund (IMF). Advanced economies include the US, Canada, Western Europe (excluding Turkey), Israel, Oceania, Japan and the other advanced Asian economies (Hong Kong, Singapore, South Korea and Taiwan). All other countries are classified as "emerging" and generally correspond to the IMF's "emerging and developing" economies.[57]

Data sources

The insurance data and estimates contained in the study originate primarily from national supervisory authorities and, in some cases, from insurance associations. Macroeconomic data was sourced from the International Financial Statistics of the IMF, Oxford Economics and IHS Markit.

Definition of premium income

This report is based on information concerning the premiums written for direct business by all registered insurers. This means:

1. Direct insurance premiums, including commissions and other charges, are considered prior to cession to a reinsurance company.

2. Domestic insurers – regardless of their ownership – and domestic branches of foreign insurers are regarded as domestically domiciled business units. By contrast, business undertaken by the foreign branches of domestic insurers is not regarded as domestic business.

3. Business that has been written in the domestic market includes premiums for cover of domestic risks as well as those covering foreign risks, as long as they are written by domestic insurers (cross-border business).

[56] In Egypt, India, Iran, Japan, South Korea and Malaysia, the financial year is not the same as the calendar year. Precise details about the differences in dates are given in the notes to the statistical appendix.
[57] The only exceptions are the Czech Republic, Estonia, Latvia, Lithuania, Slovenia and Slovakia.

Health insurance is allocated to non-life business.

Life and non-life business areas in this *sigma* study are categorised according to standard EU and OECD conventions: health insurance is allocated to non-life insurance, even if it is classified differently in the individual countries.

Density and penetration do not include cross-border business.

Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included. This has a significant effect in Belgium, France, Liechtenstein, Luxembourg, Malta, Norway, Singapore or the UK. Since this year, we have revised premium income for Ireland down to adjust for large EU foreign risks that are transacted through insurers domiciled in Ireland.

Statistical appendix

The statistical appendix contains additional calculations and the macroeconomic data used for currency conversions.

Acknowledgements

The *sigma* editorial team would like to thank the supervisory authorities, associations and companies that helped with data compilation.

Statistical appendix

+	provisional
*	estimated
**	estimated USD value assuming constant insurance penetration.
1	Excluding cross-border business
2	Insurance penetration (premiums as a percentage of GDP) and density (premiums per capita) include cross-border business
3	US and Canada, Advanced EMEA, Advanced-Asia Pacific
4	Latin America and Caribbean, Emerging Europe and Central Asia, Emerging Middle East, Africa, Emerging Asia
5	34 member countries
6	The US, Canada, the UK, Germany, France, Italy, Japan
7	The US, Canada, Mexico
8	Singapore, Malaysia, Thailand, Indonesia, the Philippines, Vietnam. The four remaining member countries – Brunei, Cambodia, Laos and Myanmar – are not included.
9	Life insurance: premiums are supplemented by estimated premiums for group pension business, which has not been included in the statistics for some regions since 2001. Non-life insurance includes state funds.
10	Life insurance: net premiums
11	Non-life insurance: gross premiums, including reinsurance premiums
12	Financial year 1 April 2022 – 31 March 2023
13	Financial year 21 March 2022 – 20 March 2023
14	Financial year 1 July 2021 – 30 June 2022
15	Inflation-adjusted premium growth rates in local currency, see Tables II, IV and VI

Table I

Premium volume by region and organisation in 2022

	Premium volume (in millions of USD)		Change (in %) inflation–adjusted		Share of world market (in %)	Premiums[1] in % of GDP	Premiums[1] per capita (in USD)
Total business	**2022**	**2021**	**2022**	**2021**	**2022**	**2022**	**2022**
America	**3300729**	**3040925**	**0.7**	**3.6**	**48.7**	**9.9**	**3208**
US and Canada	3130779	2891090	0.6	3.4	46.2	11.3	8415
Latin America and Caribbean	169950	149835	2.7	6.1	2.5	3.0	258
Europe, Middle East and Africa (EMEA)	**1756531**	**1906282**	**–4.8**	**6.6**	**25.9**	**5.1**	**570**
Advanced EMEA	1561721	1710937	–5.1	7.0	23.0	7.4	3308
Emerging Europe and Central Asia	81394	83939	–6.6	2.6	1.2	1.4	165
Middle East and Africa	113416	111406	0.3	3.8	1.7	1.7	58
Emerging Middle East	43250	38114	5.7	–0.1	0.6	1.2	80
Africa	70166	73292	–2.6	6.1	1.0	2.4	50
Asia–Pacific	**1724974**	**1817487**	**–0.1**	**0.2**	**25.4**	**5.0**	**403**
Advanced Asia-Pacific	804378	904799	–3.2	0.4	11.9	8.6	3096
Emerging Asia	920596	912688	3.0	0.0	13.6	3.6	229
China	697806	696128	2.6	–1.7	10.3	3.9	489
Emerging Asia, excl China	222790	216560	4.3	5.8	3.3	3.0	86
World (2)	**6782235**	**6764694**	**–1.1**	**3.4**	**100.0**	**6.8**	**853**
Advanced markets (3)	5496878	5506825	–1.8	3.9	81.0	9.5	5035
Emerging markets (4)	1285357	1257869	2.1	1.2	19.0	3.0	187
Emerging Markets excl China	587551	561741	1.5	5.0	8.7	2.3	103
OECD (5)	5374361	5352335	–1.3	4.2	79.2	8.9	4001
G7 (6)	4494654	4419586	–1.1	4.1	66.3	10.2	5717
Eurozone	997795	1128199	–7.4	6.2	14.7	6.6	2713
EU	1130540	1269871	–6.8	6.9	16.7	6.4	2377
NAFTA (7)	3164667	2922851	0.5	3.4	46.7	10.9	6329
Life business							
America	**817570**	**751865**	**1.0**	**4.3**	**29.1**	**2.5**	**794**
US and Canada	743646	685282	1.0	4.4	26.4	2.7	1999
Latin America and Caribbean	73924	66583	0.7	4.1	2.6	1.3	112
Europe, Middle East and Africa (EMEA)	**962652**	**1075328**	**–7.1**	**9.8**	**34.2**	**2.9**	**323**
Advanced EMEA	888473	997214	–7.3	10.1	31.6	4.3	1957
Emerging Europe and Central Asia	20327	21278	–10.1	1.2	0.7	0.3	41
Middle East and Africa	53851	56836	–3.6	6.8	1.9	0.8	28
Emerging Middle East	6948	6443	1.0	6.3	0.2	0.2	13
Africa	46903	50393	–4.2	6.9	1.7	1.6	33
Asia–Pacific	**1032811**	**1113073**	**–2.0**	**–0.1**	**36.7**	**3.0**	**242**
Advanced Asia-Pacific	508356	591231	–6.0	–0.2	18.1	5.4	1964
Emerging Asia	524455	521841	2.5	–0.1	18.6	2.1	131
China	364359	365456	2.0	–2.6	13.0	2.0	255
Emerging Asia, excl China	160096	156386	3.7	6.1	5.7	2.2	62
World (2)	**2813032**	**2940266**	**–3.1**	**4.4**	**100.0**	**2.8**	**354**
Advanced markets (3)	2140475	2273728	–4.4	5.4	76.1	3.7	1973
Emerging markets (4)	672557	666538	1.4	0.9	23.9	1.6	98
Emerging Markets excl China	308199	301082	0.7	5.4	11.0	1.2	54
OECD (5)	2009883	2113931	–3.4	6.1	71.4	3.4	1504
G7 (6)	1608058	1674589	–3.1	5.9	57.2	3.7	2066
Eurozone	513246	610488	–11.8	10.3	18.2	3.5	1408
EU	598238	701788	–10.4	11.3	21.3	3.4	1269
NAFTA (7)	758791	700076	0.8	4.3	27.0	2.6	1518
Non–life business							
America	**2483160**	**2289060**	**0.6**	**3.3**	**62.6**	**7.5**	**2413**
US and Canada	2387133	2205807	0.4	3.2	60.1	8.6	6416
Latin America and Caribbean	96026	83252	4.3	7.7	2.4	1.7	146
Europe, Middle East and Africa (EMEA)	**793880**	**830954**	**–1.8**	**2.8**	**20.0**	**2.2**	**247**
Advanced EMEA	673248	713723	–2.0	2.9	17.0	3.0	1351
Emerging Europe and Central Asia	61067	62661	–5.4	3.1	1.5	1.0	124
Middle East and Africa	59565	54571	4.4	1.1	1.5	0.9	30
Emerging Middle East	36302	31671	6.7	–1.3	0.9	1.0	67
Africa	23263	22899	1.2	4.5	0.6	0.8	16
Asia–Pacific	**692163**	**704414**	**2.9**	**0.8**	**17.4**	**2.0**	**161**
Advanced Asia-Pacific	296022	313567	1.9	1.5	7.5	3.1	1133
Emerging Asia	396141	390847	3.6	0.2	10.0	1.6	98
China	333448	330672	3.2	–0.7	8.4	1.9	234
Emerging Asia, excl China	62694	60174	6.0	4.8	1.6	0.8	24
World (2)	**3969203**	**3824428**	**0.5**	**2.7**	**100.0**	**4.0**	**499**
Advanced markets (3)	3356403	3233098	0.0	2.9	84.6	5.8	3061
Emerging markets (4)	612800	591331	2.8	1.6	15.4	1.4	89
Emerging Markets excl China	279352	260658	2.4	4.5	7.0	1.1	49
OECD (5)	3364478	3238404	0.1	2.9	84.8	5.6	2497
G7 (6)	2886596	2744997	0.1	3.1	72.7	6.5	3652
Eurozone	484549	517712	–2.2	1.7	12.2	3.2	1305
EU	532302	568083	–2.3	1.9	13.4	3.0	1108
NAFTA (7)	2405876	2222775	0.4	3.2	60.6	8.3	4812

Table II

Total premium volume in local currency in 2022

			Premium volume (in millions of local currency)			Change (in %) nominal		Change (in %) inflation-adjusted	
	Country	Currency	2022	2021	2020	2022	2021	2022	2021
	United States (9)	USD	2 959 808	2 724 798	2 522 322	8.6	8.0	0.6	3.2
	Canada (10)	CAD	222 559	208 477	186 752	6.8	11.6	0.0	8.0
US and Canada	**Total**							**0.6**	**3.4**
	Brazil	BRL	391 675	339 491	298 605	15.4	13.7	5.5	5.0
	Mexico	MXN	681 651	644 337	595 153	5.8	8.3	−2.0	2.4
	Argentina	ARS	1 672 288	1 035 019	700 542	61.6	47.7	−6.3	−0.4
	Chile	CLP	10 061 580	8 624 662	8 051 552	16.7	7.1	4.5	2.5
	Colombia	COP	42 911 830	35 344 000	30 489 760	21.4	15.9	10.2	12.0
	Peru	PEN	18 746	17 695	14 021	5.9	26.2	−1.8	21.4
	Ecuador	USD	2 465 *	1 996	2 149	23.5	−7.1	19.4	−7.2
	Dominican Republic	DOP	98 652 *	86 021	72 241	14.7	19.1	5.4	10.0
	Panama	PAB	1 702	1 611	1 511	5.6	6.6	2.7	4.9
	Trinidad and Tobago	TTD	11 011 *	9 370	9 388	17.5	−0.2	11.1	−2.2
	Costa Rica	CRC	993 091 *	900 209	841 870	10.3	6.9	1.9	5.1
	Guatemala	GTQ	11 596	11 460	11 368	1.2	0.8	−5.3	−3.3
	Uruguay	UYU	60 345	69 684	61 448	−13.4	13.4	−20.6	5.2
	Cayman Islands	KYD	1 193 *	1 063	968	12.2	9.8	3.9	4.9
	Bahamas	BSD	1 117 *	982 *	850	13.8	15.6	7.7	12.3
	Jamaica	JMD	161 692 *	144 885	122 342	11.6	18.4	1.1	11.9
	El Salvador	USD	849 *	826	722	2.8	14.5	−4.1	10.7
Latin America and Caribbean	**Total**							**3.7**	**−1.2**
	United Kingdom	GBP	293 398 *	271 545 *	244 079 *	8.0	11.3	−0.9	8.5
	France	EUR	247 997 *	247 325	209 425	0.3	18.1	−4.7	16.2
	Germany	EUR	229 372 *	230 205	227 462	−0.4	1.2	−6.8	−1.8
	Italy	EUR	152 041 +	162 177	151 682	−6.2	6.9	−13.4	5.0
	Netherlands	EUR	79 619 +	78 105	77 097	1.9	1.3	−7.3	−1.3
	Spain	EUR	64 775	61 803	58 889	4.8	4.9	−3.3	1.8
	Switzerland	CHF	53 549 +	52 946	53 577	1.1	−1.2	−1.6	−1.7
	Sweden	SEK	550 033 *	509 838	402 219	7.9	26.8	−0.4	24.1
	Denmark	DKK	305 720 *	285 325	261 068	7.1	9.3	−0.5	7.3
	Luxembourg	EUR	38 335 *	41 386	32 368	−7.4	27.9	−14.4	23.6
	Belgium	EUR	34 369	33 576	32 032	2.4	4.8	−6.6	2.3
	Finland	EUR	26 586 *	26 084	22 923	1.9	13.8	−4.9	11.3
	Ireland	EUR	26 229 *	25 169	22 381	4.2	12.5	−3.3	9.9
	Norway	NOK	241 033 *	224 737	189 791	7.3	18.4	1.4	14.4
	Israel	ILS	73 741 *	66 397	64 791	11.1	2.5	6.4	1.0
	Austria	EUR	19 409 +	18 647	18 042	4.1	3.4	−4.1	0.6
	Portugal	EUR	12 057	13 350	9 951	−9.7	34.2	−16.2	32.5
	Liechtenstein	CHF	5 831 **	5 535 *	5 464	5.3	1.3	2.4	0.7
	Greece	EUR	4 974 *	4 771	4 339	4.3	10.0	−4.9	8.6
	Malta	EUR	4 163 *	4 013	3 679	3.7	9.1	−2.3	8.3
	Cyprus	EUR	1 038 *	956	917	8.6	4.2	0.5	1.9
Advanced EMEA	**Total**							**6.6**	**−5.2**
	South Africa	ZAR	750 334 *	735 275 *	665 233	2.0	10.5	−4.5	5.7
	Russia	RUB	1 324 850	1 592 353	1 537 467	−16.8	3.6	−26.9	−2.9
	Poland	PLN	69 026 *	65 887	60 488	4.8	8.9	−8.4	3.6
	Saudi Arabia	SAR	53 356 *	42 030	38 779	26.9	8.4	23.9	5.2
	United Arab Emirates (11)	AED	48 679 *	43 552	42 497	11.8	2.5	6.6	2.6
	Turkey	TRY	218 293	96 607	75 735	126.0	27.6	31.1	6.7
	Czech Republic	CZK	199 485	179 158	167 465	11.3	7.0	−3.3	3.0
	Morocco	MAD	53 199 *	49 816	45 340	6.8	9.9	0.1	8.4
	Iran (13)	IRR	1 261 741 000 *	1 044 146 000 *	820 289 000	20.8	27.3	−18.7	−9.2
	Hungary	HUF	1 416 433 *	1 318 980	1 193 892	7.4	10.5	−6.3	5.1
	Romania	RON	17 171 *	14 241	11 496	20.6	23.9	6.0	17.9
	Egypt (14)	EGP	52 507 *	46 042	38 721	14.0	18.9	5.1	13.8
	Slovenia	EUR	2 799 +	2 609	2 570	7.3	1.5	−1.4	−0.4
	Pakistan	PKR	557 605 *	433 000 *	347 600	28.8	24.6	7.4	13.8
	Kenya	KES	306 362 +	270 468	233 136	13.3	16.0	5.2	9.3
	Lebanon	LBP	3 087 678 *	2 573 065	2 357 090	20.0	9.2	−55.8	−57.2
	Slovakia	EUR	1 872	1 806	2 173	3.6	−16.9	−8.1	−19.4
	Bulgaria	BGN	3 562 *	3 200	2 835	11.3	12.9	−3.5	9.3
	Croatia	HRK	12 676	11 717	10 475	8.2	11.9	−2.4	9.1
	Kazakhstan	KZT	811 488	744 836	514 141	8.9	44.9	−5.3	34.1
	Qatar	QAR	6 415 *	5 845 *	5 619 *	9.8	4.0	4.5	1.7
	Kuwait	KWD	520 *	464 *	437 *	12.0	6.3	7.7	2.7
	Nigeria	NGN	719 166 *	631 416 *	514 588 *	13.9	22.7	−4.2	4.9
	Oman	OMR	517 *	480	466	7.7	3.0	4.7	1.4
	Ukraine	UAH	39 616	49 703	45 175	−20.3	10.0	−33.7	0.6
	Algeria	DZD	171 781 *	145 447	138 825	18.1	4.8	7.7	−1.7
	Serbia	RSD	134 037	119 409	109 917	12.3	8.6	0.2	4.4
	Tunisia	TND	3 122	2 834	2 556	10.2	10.9	1.7	4.9
	Namibia	NAD	16 182	14 687	12 966	10.2	13.3	3.9	9.3
	Jordan	JOD	706 +	634	625	11.3	1.5	6.8	0.1
	Ivory Coast	XOF	508 313 *	463 000 *	413 700	9.8	11.9	4.3	7.5
	Bahrain	BHD	300 *	276	277	8.9	−0.3	5.0	0.3
Emerging EMEA	**Total**							**4.8**	**−1.9**
	Japan (12)	JPY	45 799 100 *	44 720 900	44 056 510	2.4	1.5	−0.8	1.4
	South Korea (12)	KRW	239 341 300 +	225 186 100	220 582 300	6.3	2.1	0.9	−1.0
	Taiwan	TWD	2 577 565 +	3 178 544	3 352 076	−18.9	−5.2	−21.2	−7.0
	Australia	AUD	103 584	96 289	90 942	7.6	5.9	0.9	3.0
	Hong Kong	HKD	538 464 +	566 032	565 710	−4.9	0.1	−6.6	−1.5
	Singapore	SGD	64 775 *	60 745	50 645	6.6	19.9	0.5	17.2
	New Zealand (14)	NZD	14 287 *	13 427	12 481	6.4	7.6	−0.7	3.5
Advanced Asia-Pacific	**Total**							**0.9**	**−2.0**
	PR China	CNY	4 695 718	4 490 017	4 525 733	4.6	−0.8	2.6	−1.7
	India (12)	INR	10 530 900 *	9 166 160	8 308 134	14.9	10.3	7.7	4.6
	Thailand	THB	884 501 *	876 640	852 428	0.9	2.8	−4.9	1.6
	Malaysia (12)	MYR	89 526	83 412	76 803	7.3	8.6	3.5	5.5
	Indonesia	IDR	280 254 500 *	280 264 400	255 694 400	0.0	9.6	−4.0	7.9
	Vietnam	VND	263 882 900 *	218 357 000	187 446 200	20.8	16.5	17.2	14.4
	Philippines	PHP	420 471 *	406 866	333 120	3.3	22.1	−2.3	17.5
	Macao	MOP	37 031 *	35 886	28 882	3.2	24.3	2.1	24.2
	Bangladesh	BDT	193 494 *	169 286 *	148 263 *	14.3	14.2	6.1	8.2
	Sri Lanka	LKR	210 883 *	191 574 +	194 683	10.1	−1.6	2.9	−7.3
Emerging Asia	**Total**							**3.0**	**0.0**
World	**World**							**−1.1**	**3.4**

Table III

Total premium volume in USD in 2022

	Ranking			Premium volume (in millions of local currency)				Change (in %) 2022		Share of world market 2022 (in%)
	2022	2021	Country	2022		2021		nominal (in USD)	inflation–adjusted[15]	
	1	1	United States (9)	2 959 808	**	2 724 798	**	8.6	0.6	43.6
	8	9	Canada (10)	170 972	**	166 292	**	2.8	0.0	2.5
US and Canada			**Total**	**3 130 779**		**2 891 090**		**8.3**	**0.6**	**46.2**
	13	16	Brazil	75 876		62 878		20.7	5.5	1.1
	24	24	Mexico	33 888		31 761		6.7	–2.0	0.5
	38	40	Argentina	12 811		10 882		17.7	–6.3	0.2
	40	37	Chile	11 523		11 362		1.4	4.5	0.2
	42	43	Colombia	10 082		9 440		6.8	10.2	0.1
	49	50	Peru	4 887		4 559		7.2	–1.8	0.1
	59	60	Ecuador	2 465	*	1 996		23.5	19.4	0.0
	64	72	Dominican Republic	1 789	*	1 503		19.0	5.4	0.0
	68	67	Panama	1 702		1 611		5.6	2.7	0.0
	71	75	Trinidad and Tobago	1 630	*	1 386		17.6	11.1	0.0
	72	74	Costa Rica	1 543	*	1 458		5.8	1.9	0.0
	73	73	Guatemala	1 497		1 482		1.0	–5.3	0.0
	74	69	Uruguay	1 466		1 600		–8.4	–20.6	0.0
	75	76	Cayman Islands	1 431	*	1 275		12.2	3.9	0.0
	80	83	Bahamas	1 117	*	982	*	13.8	7.7	0.0
	82	84	Jamaica	1 048	*	956		9.6	1.1	0.0
	86	87	El Salvador	849	*	826		2.8	–4.1	0.0
			Other countries	4 346		3 878				0.1
Latin America and Caribbean			**Total**	**169 950**		**149 835**		**13.4**	**2.7**	**2.5**
	3	4	United Kingdom	363 009	*	373 613	*	–2.8	–0.9	5.4
	5	5	France	261 254	*	292 649		–10.7	–4.7	3.9
	6	6	Germany	241 633	*	272 390		–11.3	–6.8	3.6
	9	8	Italy	160 168	+	191 896		–16.5	–13.4	2.4
	12	12	Netherlands	83 875	+	92 418		–9.2	–7.3	1.2
	16	13	Spain	68 237		73 129		–6.7	–3.3	1.0
	17	18	Switzerland	56 082	+	57 938		–3.2	–1.6	0.8
	18	17	Sweden	54 363	*	59 411		–8.5	–0.4	0.8
	21	21	Denmark	43 204	*	45 383		–4.8	–0.5	0.6
	22	20	Luxembourg	40 369	*	48 949		–17.5	–14.4	0.6
	23	23	Belgium	36 206	**	39 729	**	–8.9	–6.6	0.5
	25	25	Finland	28 007	*	30 864		–9.3	–4.9	0.4
	26	26	Ireland	27 632	*	29 781		–7.2	–3.3	0.4
	28	28	Norway	25 060	*	26 155		–4.2	1.4	0.4
	29	31	Israel	21 962	*	20 561		6.8	6.4	0.3
	30	29	Austria	20 447	+	22 064		–7.3	–4.1	0.3
	39	35	Portugal	12 702		15 797		–19.6	–16.2	0.2
	46	46	Liechtenstein	6 106	**	6 057	*	0.8	2.4	0.1
	47	47	Greece	5 240	*	5 645		–7.2	–4.9	0.1
	51	49	Malta	4 383	*	4 747		–7.7	–2.3	0.1
	81	79	Cyprus	1 093	*	1 131		–3.3	0.5	0.0
			Other countries	689		633				0.0
Advanced EMEA			**Total**	**1 561 721**		**1 710 937**		**–8.7**	**–5.1**	**23.0**
	20	19	South Africa	45 831	*	49 748	*	–7.9	–4.5	0.7
	32	30	Russia	19345.4		21619.3		–10.5	–27	0
	34	34	Poland	15 487	*	17 063		–9.2	–8.4	0.2
	35	38	Saudi Arabia	14 228	*	11 208		26.9	23.9	0.2
	36	36	United Arab Emirates (11)	13 255	*	11 859		11.8	6.6	0.2
	37	39	Turkey	13 172		10 895		20.9	31.1	0.2
	44	44	Czech Republic	8 541		8 264		3.3	–3.3	0.1
	48	48	Morocco	5 236	*	5 542		–5.5	0.1	0.1
	52	51	Iran (13)	4 257	*	4 524	*	–5.9	–18.7	0.1
	53	53	Hungary	3 802	*	4 351		–12.6	–6.3	0.1
	54	54	Romania	3 662	*	3 423		7.0	6.0	0.1
	55	56	Egypt (14)	3 182	*	2 925		8.8	5.1	0.0
	56	55	Slovenia	2 948	+	3 086		–4.5	–1.4	0.0
	57	57	Pakistan	2 721	*	2 657	*	2.4	7.4	0.0
	58	58	Kenya	2 599	+	2 467		5.4	5.2	0.0
	61	66	Lebanon	2 048	*	1 707		20.0	–55.8	0.0
	62	59	Slovakia	1 972		2 137		–7.7	–8.1	0.0
	63	62	Bulgaria	1 915	*	1 935		–1.0	–3.5	0.0
	65	63	Croatia	1 771		1 843		–3.9	–2.4	0.0
	66	65	Kazakhstan	1 763		1 749		0.8	–5.3	0.0
	67	68	Qatar	1 762	*	1 606	*	9.8	4.5	0.0
	69	71	Kuwait	1 698	*	1 539	*	10.3	7.7	0.0
	70	70	Nigeria	1 685	*	1 542	*	9.3	–4.2	0.0
	76	77	Oman	1 344	*	1 248		7.7	4.7	0.0
	77	64	Ukraine	1 225	**	1 822		–32.8	–33.7	0.0
	78	80	Algeria	1 210	*	1 077		12.3	7.7	0.0
	79	78	Serbia	1 200	**	1 201		–0.1	0.2	0.0
	83	81	Tunisia	1 006	**	1 014		–0.8	1.7	0.0
	84	85	Jordan	994	+	893		9.4	11.3	0.0
	85	82	Namibia	988	**	994	**	–0.5	3.9	0.0
	87	86	Ivory Coast	815	*	835	*	–2.4	4.3	0.0
	88	88	Bahrain	799	*	734		8.9	5.0	0.0
			Other countries	12 365		11 839				0.2
Emerging EMEA			**Total**	**194 810**		**195 345**		**–0.3**	**–2.7**	**2.9**
	4	3	Japan (12)	337 812	*	397 948		–15.1	–0.8	5.0
	7	7	South Korea (12)	182 846	+	193 008		–5.3	0.9	2.7
	11	11	Taiwan	86 475	+	113 424		–23.8	–21.2	1.3
	14	15	Australia	71 805		72 294		–0.7	0.9	1.1
	15	14	Hong Kong	68 767	+	72 825		–5.6	–6.6	1.0
	19	22	Singapore	46 984	*	45 215		3.9	0.5	0.7
	43	42	New Zealand (14)	9 067	*	9 497		–4.5	–0.7	0.1
			Other countries	623		588				0.0
Advanced Asia-Pacific			**Total**	**804 378**		**904 799**		**–11.1**	**–3.2**	**11.9**
	2	2	PR China	697 806	**	696 128		0.2	2.6	10.3
	10	10	India (12)	131 041	*	123 016		6.5	7.7	1.9
	27	27	Thailand	25 227	*	27 415		–8.0	–4.9	0.4
	31	32	Malaysia (12)	20 115		19 977		0.7	3.5	0.3
	33	33	Indonesia	18 870	*	19 610		–3.8	–4.0	0.3
	41	41	Vietnam	11 286	*	9 526		18.5	17.2	0.2
	45	45	Philippines	7 718	*	8 261		–6.6	–2.3	0.1
	50	52	Macao	4 591	*	4 483		2.4	2.1	0.1
	60	61	Bangladesh	2 061	*	1 990	*	3.6	6.1	0.0
			Other countries	1 879		2 283				0.0
Emerging Asia			**Total**	**920 596**		**912 688**		**0.9**	**3.0**	**13.6**
World			**World**	**6 782 235**		**6 764 694**		**0.3**	**–1.1**	**100.0**

Table IV

Life insurance premium volume in local currency in 2022

			Premium volume (in millions of local currency)			Change (in %) nominal		Change (in %) inflation-adjusted	
	Country	Currency	2022	2021	2020	2022	2021	2022	2021
	United States (9)	USD	672 006 +	615 363	567 532	9.2	8.4	1.1	3.6
	Canada (10)	CAD	93 255 +	87 657	75 537	6.4	16.0	–0.4	12.2
US and Canada	**Total**							**1.0**	**4.4**
	Brazil	BRL	204 983	184 797	166 053	10.9	11.3	1.5	2.8
	Mexico	MXN	304 647	300 119	274 240	1.5	9.4	–5.9	3.5
	Chile	CLP	5 173 413	4 201 211	4 165 158	23.1	0.9	10.3	–3.5
	Colombia	COP	13 182 180	10 760 150	9 266 495	22.5	16.1	11.2	12.2
	Peru	PEN	9 741	9 217	6 654	5.7	38.5	–2.0	33.2
	Argentina	ARS	171 660	134 224	90 933	27.9	47.6	–25.8	–0.5
	Uruguay	UYU	39 372	32 680	28 099	20.5	16.3	10.4	7.9
	Trinidad and Tobago	TTD	5 029 *	4 280	4 529	17.5	–5.5	11.1	–7.4
	Ecuador	USD	676 *	503	480	34.5	4.7	30.0	4.6
	Jamaica	JMD	65 563 *	58 748	41 780	11.6	40.6	1.1	32.8
	Panama	PAB	419	410	398	2.1	3.0	–0.7	1.3
	Guatemala	GTQ	2 664	2 355	2 122	13.2	10.9	5.9	6.4
	El Salvador	USD	337 *	328	260	2.8	26.2	–4.1	22.0
	Dominican Republic	DOP	14 953 *	13 039	10 625	14.7	22.7	5.4	13.4
	Costa Rica	CRC	163 068 *	147 816	125 503	10.3	17.8	1.9	15.8
	Bahamas	BSD	253 *	222 *	193	13.8	15.6	7.7	12.3
	Cayman Islands	KYD	93 *	83	76	12.2	8.8	3.9	3.9
Latin America and Caribbean	**Total**							**0.7**	**4.1**
	United Kingdom	GBP	200 637 *	184 410 *	165 432 *	8.8	11.5	–0.2	8.7
	France	EUR	149 203 *	153 697	120 475	–2.9	27.6	–7.7	25.5
	Italy	EUR	110 055 +	122 703	113 312	–10.3	8.3	–17.1	6.3
	Germany	EUR	94 132 *	100 048	102 433	–5.9	–2.3	–12.0	–5.2
	Sweden	SEK	446 350 *	409 645	306 817	9.0	33.5	0.5	30.7
	Denmark	DKK	231 050 *	213 882	193 546	8.0	10.5	0.3	8.5
	Spain	EUR	27 162	26 121	24 328	4.0	7.4	–4.1	4.2
	Luxembourg	EUR	23 038 +	28 166	20 949	–18.2	34.4	–24.4	29.9
	Switzerland	CHF	22 971 +	23 084	24 601	–0.5	–6.2	–3.2	–6.7
	Finland	EUR	21 641 *	21 294	18 325	1.6	16.2	–5.1	13.7
	Ireland	EUR	17 739 *	17 150	14 656	3.4	17.0	–4.1	14.3
	Belgium	EUR	16 242 *	16 393	15 760	–0.9	4.0	–9.6	1.5
	Norway	NOK	141 460 *	132 685	104 058	6.6	27.5	0.8	23.2
	Netherlands	EUR	11 058 +	11 862	12 195	–6.8	–2.7	–15.3	–5.3
	Israel	ILS	37 601 *	33 785	32 956	11.3	2.5	6.6	1.0
	Portugal	EUR	6 020	7 728	4 585	–22.1	68.5	–27.8	66.4
	Austria	EUR	5 372 +	5 431	5 399	–1.1	0.6	–8.9	–2.1
	Greece	EUR	2 429 *	2 372	2 085	2.4	13.8	–6.6	12.4
	Liechtenstein	CHF	2 001 **	1 900 *	2 281	5.3	–16.7	2.4	–17.2
	Malta	EUR	812 +	809	731	0.4	10.7	–5.4	9.9
	Cyprus	EUR	505 *	443	410	13.9	8.1	5.3	5.7
Advanced EMEA	**Total**							**–7.3**	**10.1**
	South Africa	ZAR	603 511 *	598 412 *	542 140	0.9	10.4	–5.6	5.6
	Russia	RUB	464 882	441 515	430 517	5.3	2.6	–7.4	–3.9
	Poland	PLN	14 022	15 028	14 117	–6.7	6.5	–18.4	1.3
	United Arab Emirates (11)	AED	10 128 *	8 970	7 988	12.9	12.3	7.7	12.4
	Morocco	MAD	24 611 *	22 942	20 395	7.3	12.5	0.6	10.9
	Czech Republic	CZK	53 721	51 141	51 326	5.0	–0.4	–8.7	–4.1
	Pakistan	PKR	374 742 *	291 000 *	225 000	28.8	29.3	7.4	18.1
	Turkey	TRY	30 164	17 331	14 291	74.1	21.3	1.0	1.4
	Egypt (14)	EGP	27 572 *	23 976	18 476	15.0	29.8	6.0	24.2
	Hungary	HUF	599 605 *	595 232	525 101	0.7	13.4	–12.1	7.9
	Kenya	KES	140 845 +	123 687	102 078	13.9	21.2	5.8	14.2
	Slovenia	EUR	770 +	740	749	4.0	–1.2	–4.4	–3.1
	Nigeria	NGN	330 951 *	265 619 *	231 876 *	24.6	14.6	4.8	–2.0
	Namibia	NAD	12 111	10 945	9 480	10.7	15.5	4.3	11.4
	Iran (13)	IRR	219 152 500 *	175 322 000 *	125 230 000	25.0	40.0	–15.9	–0.2
	Slovakia	EUR	685	658	753	4.1	–12.6	–7.7	–15.3
	Kazakhstan	KZT	278 803	315 018	175 211	–11.5	79.8	–23.0	66.5
	Romania	RON	2 399 *	2 405	2 037	–0.2	18.1	–12.3	12.4
	Saudi Arabia	SAR	1 874 *	1 707	1 264	9.7	35.1	7.1	31.1
	Lebanon	LBP	629 611 *	524 676	623 520	20.0	–15.9	–55.8	–67.0
	Croatia	HRK	2 846	2 897	2 647	–1.8	9.4	–11.3	6.7
	Ivory Coast	XOF	232 914 *	205 300 *	181 800	13.5	12.9	7.8	8.5
	Tunisia	TND	810	722	624	12.2	15.7	3.6	9.5
	Bulgaria	BGN	483 *	493	337	–1.9	46.0	–14.9	41.4
	Serbia	RSD	26 429	25 298	24 377	4.5	3.8	–6.7	–0.3
	Kuwait	KWD	51 *	46 *	43 *	12.0	6.3	7.7	2.7
	Jordan	JOD	128 +	110	98	16.6	12.3	11.3	10.8
	Oman	OMR	62 *	57	54	7.7	6.6	4.7	5.0
	Bahrain	BHD	58 *	53	62	8.9	–15.1	5.0	–14.6
	Ukraine	UAH	4 854	5 882	5 017	–17.5	17.2	–31.3	7.2
	Algeria	DZD	16 137	13 478	12 761	19.7	5.6	9.2	–0.9
	Qatar	QAR	180 *	164 *	158 *	9.8	4.0	4.5	1.7
Emerging EMEA	**Total**							**–5.4**	**5.1**
	Japan (12)	JPY	33 065 870 *	32 606 450	31 903 840	1.4	2.2	–1.7	2.1
	South Korea (12)	KRW	115 223 800 +	110 218 000	111 099 300	4.5	–0.8	–0.7	–3.8
	Taiwan	TWD	1 869 323 +	2 495 772	2 696 786	–25.1	–7.5	–27.2	–9.2
	Hong Kong	HKD	470 745 +	499 742	501 647	–5.8	–0.4	–7.5	–1.9
	Singapore	SGD	48 674 *	46 543	37 286	4.6	24.8	–1.5	22.0
	Australia	AUD	22 868	21 398	21 194	6.9	1.0	0.3	–1.8
	New Zealand (14)	NZD	3 015 *	2 910	2 719	3.6	7.0	–3.3	3.0
Advanced Asia-Pacific	**Total**							**0.6**	**–4.1**
	PR China	CNY	2 451 863	2 357 185	2 398 193	4.0	–1.7	2.0	–2.6
	India (12)	INR	7 996 369 *	6 926 142	6 287 311	15.5	10.2	8.2	4.4
	Malaysia (12)	MYR	65 455	61 914	56 094	5.7	10.4	1.9	7.2
	Thailand	THB	484 906 *	496 009	492 660	–2.2	0.7	–7.8	–0.5
	Indonesia	IDR	174 515 600 *	192 041 100	174 354 800	–9.1	10.1	–12.8	8.5
	Vietnam	VND	193 078 600 *	159 222 000	130 769 000	21.3	21.8	17.6	19.6
	Philippines	PHP	292 968 *	297 012	235 291	–1.4	26.2	–6.8	21.5
	Macao	MOP	33 908 *	33 025	26 261	2.7	25.8	1.6	25.7
	Bangladesh	BDT	150 567 *	132 182 *	116 263 *	13.9	13.7	5.8	7.7
Emerging Asia	**Total**							**2.5**	**–0.1**
World	**World**							**–3.1**	**4.4**

Table V

Life premium volume in USD in 2022

	Ranking			Premium volume (in millions of USD)				Change (in %) 2022		Share of total business 2022 (in %)	Share of world market 2022 (in %)
	2022	2021	Country	2022		2021		nominal (in USD)	inflation–adjusted[15]		
	1	1	United States (9)	672 006	+	615 363	**	9.2	1.1	22.7	23.9
	10	11	Canada (10)	71 639	+	69 920	**	2.5	–0.4	41.9	2.5
US and Canada			**Total**	**743 646**		**685 282**		**8.5**	**1.0**	**23.8**	**26.4**
	14	16	Brazil	39 709		34 227		16.0	1.5	52.3	1.4
	25	28	Mexico	15 146		14 794		2.4	–5.9	44.7	0.5
	35	37	Chile	5 925		5 535		7.0	10.3	51.4	0.2
	40	40	Colombia	3 097		2 874		7.8	11.2	30.7	0.1
	43	44	Peru	2 539		2 375		6.9	–2.0	52.0	0.1
	53	53	Argentina	1 315		1 411		–6.8	–25.8	10.3	0.0
	55	59	Uruguay	956		750		27.5	10.4	65.2	0.0
	59	63	Trinidad and Tobago	745	*	633		17.6	11.1	45.7	0.0
	63	66	Ecuador	676	*	503		34.5	30.0	27.4	0.0
	68	70	Jamaica	425	*	388		9.6	1.1	40.5	0.0
	69	69	Panama	419		410		2.1	–0.7	24.6	0.0
	73	74	Guatemala	344		304		12.9	5.9	23.0	0.0
	74	73	El Salvador	337	*	328		2.8	–4.1	39.7	0.0
	75	79	Dominican Republic	271	*	228		19.0	5.4	15.2	0.0
	78	78	Costa Rica	253	*	239		5.8	1.9	16.4	0.0
	79	80	Bahamas	253	*	222	*	13.8	7.7	22.7	0.0
	87	87	Cayman Islands	112	*	100		12.2	3.9	7.8	0.0
			Other countries	1 401		1 262				32.3	0.0
Latin America and Caribbean			**Total**	**73 924**		**66 583**		**11.0**	**0.7**	**43.5**	**2.6**
	3	4	United Kingdom	248 240	*	253 726	*	–2.2	–0.2	68.4	8.8
	5	5	France	157 179	*	181 862		–13.6	–7.7	60.2	5.6
	6	6	Italy	115 938	+	145 189		–20.1	–17.1	72.4	4.1
	8	7	Germany	99 164	*	118 382		–16.2	–12.0	41.0	3.5
	13	13	Sweden	44 116	*	47 735		–7.6	0.5	81.1	1.6
	17	17	Denmark	32 652	*	34 019		–4.0	0.3	75.6	1.2
	18	19	Spain	28 613		30 908		–7.4	–4.1	41.9	1.0
	19	18	Luxembourg	24 260	+	33 313		–27.2	–24.4	60.1	0.9
	20	20	Switzerland	24 057	+	25 260		–4.8	–3.2	42.9	0.9
	21	21	Finland	22 798	*	25 196		–9.5	–5.1	81.4	0.8
	22	22	Ireland	18 687	*	20 292		–7.9	–4.1	67.6	0.7
	23	23	Belgium	17 110	*	19 397		–11.8	–9.6	47.3	0.6
	26	26	Norway	14 708	*	15 442		–4.8	0.8	58.7	0.5
	30	29	Netherlands	11 649	+	14 036		–17.0	–15.3	13.9	0.4
	31	31	Israel	11 198	*	10 462		7.0	6.6	51.0	0.4
	34	32	Portugal	6 342		9 145		–30.7	–27.8	49.9	0.2
	36	34	Austria	5 659	+	6 426		–11.9	–8.9	27.7	0.2
	42	41	Greece	2 558	*	2 806		–8.8	–6.6	48.8	0.1
	46	46	Liechtenstein	2 096	**	2 079	*	0.8	2.4	34.3	0.1
	56	55	Malta	855	+	957		–10.6	–5.4	19.5	0.0
	65	65	Cyprus	532	*	525		1.4	5.3	48.6	0.0
			Other countries	62		57				9.0	0.0
Advanced EMEA			**Total**	**888 473**		**997 214**		**–10.9**	**–7.3**	**56.9**	**31.6**
	15	14	South Africa	36 863	*	40 488	*	–9.0	–5.6	80.4	1.3
	33	36	Russia	6 788		5 994		13.2	–7.4	35.1	0.2
	39	39	Poland	3 146		3 892		–19.2	–18.4	20.3	0.1
	41	43	United Arab Emirates (11)	2 758	*	2 442		12.9	7.7	20.8	0.1
	44	42	Morocco	2 422	*	2 552		–5.1	0.6	46.3	0.1
	45	45	Czech Republic	2 300		2 359		–2.5	–8.7	26.9	0.1
	48	50	Pakistan	1 829	*	1 786	*	2.4	7.4	67.2	0.1
	49	49	Turkey	1 820		1 955		–6.9	1.0	13.8	0.1
	50	52	Egypt (14)	1 671	*	1 523		9.7	6.0	52.5	0.1
	51	48	Hungary	1 609	*	1 964		–18.0	–12.1	42.3	0.1
	54	54	Kenya	1 195	+	1 128		5.9	5.8	46.0	0.0
	57	56	Slovenia	811	+	876		–7.3	–4.4	27.5	0.0
	58	62	Nigeria	775	*	649	*	19.5	4.8	46.0	0.0
	60	60	Namibia	740	**	741	**	–0.1	4.3	74.8	0.0
	61	58	Iran (13)	739	*	760	*	–2.6	–15.9	17.4	0.0
	62	57	Slovakia	722		779		–7.3	–7.7	36.6	0.0
	64	61	Kazakhstan	606		740		–18.1	–23.0	34.4	0.0
	66	64	Romania	512	*	578		–11.5	–12.3	14.0	0.0
	67	68	Saudi Arabia	500	*	455		9.7	7.1	3.5	0.0
	70	72	Lebanon	418	*	348		20.0	–55.8	20.4	0.0
	71	67	Croatia	398		456		–12.8	–11.3	22.4	0.0
	72	71	Ivory Coast	373	*	370	*	0.9	7.8	45.8	0.0
	76	76	Tunisia	261	**	258		1.1	3.6	26.0	0.0
	77	75	Bulgaria	260	*	298		–12.8	–14.9	13.6	0.0
	80	77	Serbia	237	**	255		–7.0	–6.7	19.7	0.0
	81	82	Jordan	180	+	154		5.2	11.3	16.6	0.0
	82	83	Kuwait	167	*	151	*	10.3	7.7	9.8	0.0
	83	84	Oman	161	*	149		7.7	4.7	11.9	0.0
	84	85	Bahrain	153	*	141		8.9	5.0	19.2	0.0
	85	81	Ukraine	150	**	216		–30.4	–31.3	12.3	0.0
	86	86	Algeria	114		100		13.9	9.2	9.4	0.0
	88	88	Qatar	49	*	45	*	9.8	4.5	2.8	0.0
			Other countries	3 469		3 514				28.1	0.1
Emerging EMEA			**Total**	**74 178**		**78 114**		**–5.0**	**–5.4**	**38.1**	**2.6**
	4	3	Japan (12)	243 892	*	290 148		–15.9	–1.7	72.2	8.7
	9	8	South Korea (12)	88 026	+	94 468		–6.8	–0.7	48.1	3.1
	11	10	Taiwan	62 714	+	89 059		–29.6	–27.2	72.5	2.2
	12	12	Hong Kong	60 119	+	64 296		–6.5	–7.5	87.4	2.1
	16	15	Singapore	35 305	*	34 643		1.9	–1.5	75.1	1.3
	24	24	Australia	15 852		16 066		–1.3	0.3	22.1	0.6
	47	47	New Zealand (14)	1 913	*	2 058		–7.0	–3.3	21.1	0.1
			Other countries	534		492				85.7	0.0
Advanced Asia–Pacific			**Total**	**508 356**		**591 231**		**–14.0**	**–6.0**	**63.2**	**18.1**
	2	2	PR China	364 359		365 456		–0.3	2.0	52.2	13.0
	7	9	India (12)	99 503	*	92 953		7.0	8.2	75.9	3.5
	27	27	Malaysia (12)	14 707		14 828		–0.8	1.9	73.1	0.5
	28	25	Thailand	13 830	*	15 511		–10.8	–7.8	54.8	0.5
	29	30	Indonesia	11 751	*	13 437		–12.6	–12.8	62.3	0.4
	32	33	Vietnam	8 258	*	6 946		18.9	17.6	73.2	0.3
	37	35	Philippines	5 378	*	6 030		–10.8	–6.8	69.7	0.2
	38	38	Macao	4 204	*	4 125		1.9	1.6	91.6	0.1
	52	51	Bangladesh	1 604	*	1 554	*	3.2	5.8	77.8	0.1
			Other countries	862		1 000				45.9	0.0
Emerging Asia			**Total**	**524 455**		**521 841**		**0.5**	**2.5**	**57.0**	**18.6**
World			**World**	**2 813 032**		**2 940 266**		**–4.3**	**–3.1**	**41.5**	**100.0**

Table VI

Non-life insurance premium volume in local currency in 2022

			Premium volume (in millions of local currency)			Change (in %) nominal		Change (in %) inflation–adjusted	
	Country	Currency	2022	2021	2020	2022	2021	2022	2021
	United States (9)	USD	2 287 801	2 109 435	1 954 790	8.5	7.9	0.4	3.1
	Canada (10)	CAD	129 304	120 820	111 215	7.0	8.6	0.2	5.1
US and Canada	**Total**							**0.4**	**3.2**
	Brazil	BRL	186 693	154 694	132 552	20.7	16.7	10.4	7.8
	Mexico	MXN	377 004	344 217	320 913	9.5	7.3	1.5	1.5
	Argentina	ARS	1 500 628	900 795	609 610	66.6	47.8	–3.4	–0.4
	Colombia	COP	29 729 650	24 583 850	21 223 260	20.9	15.8	9.8	11.9
	Chile	CLP	4 888 165	4 423 451	3 886 394	10.5	13.8	–1.0	8.9
	Peru	PEN	9 005	8 478	7 367	6.2	15.1	–1.5	10.7
	Ecuador	USD	1 789 *	1 493	1 669	19.8	–10.5	15.8	–10.6
	Dominican Republic	DOP	83 698 *	72 982	61 616	14.7	18.4	5.4	9.4
	Cayman Islands	KYD	1 100 *	980	892	12.2	9.9	3.9	4.9
	Costa Rica	CRC	830 024 *	752 393	716 367	10.3	5.0	1.9	3.2
	Panama	PAB	1 283	1 201	1 113	6.8	7.9	3.9	6.2
	Guatemala	GTQ	8 932	9 106	9 245	–1.9	–1.5	–8.2	–5.5
	Trinidad and Tobago	TTD	5 982 *	5 091	4 859	17.5	4.8	11.1	2.7
	Bahamas	BSD	864 *	759 *	657	13.8	15.6	7.7	12.3
	Jamaica	JMD	96 129 *	86 137	80 562	11.6	6.9	1.1	1.0
	El Salvador	USD	512 *	498	462	2.8	7.9	–4.1	4.3
	Uruguay	UYU	20 973	37 004	33 349	–43.3	11.0	–48.1	3.0
Latin America and Caribbean	**Total**							**4.3**	**7.7**
	Germany	EUR	135 240 *	130 157	125 029	3.9	4.1	–2.8	1.0
	United Kingdom	GBP	92 761 *	87 135	78 647	6.5	10.8	–2.4	8.0
	France	EUR	98 794 *	93 629	88 951	5.5	5.3	0.3	3.6
	Netherlands	EUR	68 561 +	66 243	64 902	3.5	2.1	–5.9	–0.6
	Italy	EUR	41 985 +	39 474	38 370	6.4	2.9	–1.7	1.0
	Spain	EUR	37 613	35 682	34 561	5.4	3.2	–2.7	0.1
	Switzerland	CHF	30 578 +	29 862	28 976	2.4	3.1	–0.4	2.5
	Belgium	EUR	18 127	17 183	16 272	5.5	5.6	–3.7	3.1
	Luxembourg	EUR	15 297 *	13 220	11 419	15.7	15.8	7.0	11.9
	Austria	EUR	14 037 +	13 216	12 643	6.2	4.5	–2.2	1.7
	Israel	ILS	36 140 *	32 613	31 835	10.8	2.4	6.2	0.9
	Denmark	DKK	74 670 *	71 443	67 522	4.5	5.8	–3.0	3.9
	Norway	NOK	99 574	92 052	85 733	8.2	7.4	2.3	3.8
	Sweden	SEK	103 683	100 193	95 402	3.5	5.0	–4.5	2.8
	Ireland	EUR	8 491 *	8 019	7 724	5.9	3.8	–1.8	1.4
	Portugal	EUR	6 038	5 622	5 366	7.4	4.8	–0.4	3.5
	Finland	EUR	4 946	4 790	4 598	3.2	4.2	–3.6	1.9
	Liechtenstein	CHF	3 829 **	3 635 *	3 183	5.3	14.2	2.4	13.5
	Malta	EUR	3 351 *	3 204	2 948	4.6	8.7	–1.5	7.9
	Greece	EUR	2 546 *	2 399	2 254	6.1	6.4	–3.2	5.2
	Cyprus	EUR	533 *	512	507	4.1	1.1	–3.7	–1.1
Advanced EMEA	**Total**							**–2.0**	**2.9**
	Saudi Arabia	SAR	51 483 *	40 323	37 515	27.7	7.5	24.6	4.3
	Russia	RUB	859 968	1 150 838	1 106 950	–25.3	4.0	–34.3	–2.6
	Poland	PLN	55 003 *	50 858	46 372	8.2	9.7	–5.4	4.3
	Turkey	TRY	188 128	79 276	61 444	137.3	29.0	37.7	7.9
	United Arab Emirates (11)	AED	38 551 *	34 582	34 509	11.5	0.2	6.3	0.3
	South Africa	ZAR	146 823 *	136 863	123 093	7.3	11.2	0.4	6.3
	Czech Republic	CZK	145 764	128 017	116 139	13.9	10.2	–1.1	6.1
	Iran (13)	IRR	1 042 588 000 *	868 823 700 *	695 059 000	20.0	25.0	–19.3	–10.9
	Romania	RON	14 772 +	11 836	9 459	24.8	25.1	9.7	19.1
	Morocco	MAD	28 588 *	26 874	24 945	6.4	7.7	–0.3	6.2
	Hungary	HUF	816 828 *	723 748	668 790	12.9	8.2	–1.5	3.0
	Slovenia	EUR	2 029 +	1 869	1 820	8.5	2.7	–0.3	0.7
	Qatar	QAR	6 235 *	5 681 *	5 462	9.8	4.0	4.5	1.7
	Bulgaria	BGN	3 079 *	2 707	2 497	13.7	8.4	–1.4	4.9
	Lebanon	LBP	2 458 067 *	2 048 389	1 733 570	20.0	18.2	–55.8	–53.6
	Kuwait	KWD	469 *	419 *	394 *	12.0	6.3	7.7	2.7
	Egypt (14)	EGP	24 935 *	22 067	20 245	13.0	9.0	4.1	4.3
	Kenya	KES	165 518 +	146 781	131 058	12.8	12.0	4.7	5.6
	Croatia	HRK	9 830	8 820	7 828	11.5	12.7	0.6	9.9
	Slovakia	EUR	1 187	1 148	1 420	3.4	–19.2	–8.3	–21.6
	Oman	OMR	455 *	423	412	7.7	2.5	4.7	1.0
	Kazakhstan	KZT	532 685	429 818	338 930	23.9	26.8	7.8	17.4
	Algeria	DZD	155 644 *	131 969	126 064	17.9	4.7	7.5	–1.8
	Ukraine	UAH	34 762	43 821	40 158	–20.7	9.1	–34.0	–0.2
	Serbia	RSD	107 608	94 111	85 540	14.3	10.0	2.1	5.7
	Nigeria	NGN	388 215 *	365 797 +	282 712 +	6.1	29.4	–10.7	10.6
	Pakistan	PKR	182 864 *	142 000 *	122 600	28.8	15.8	7.4	5.8
	Jordan	JOD	578 +	524	527	10.2	–0.5	5.8	–1.8
	Tunisia	TND	2 311 *	2 112	1 932	9.4	9.3	1.0	3.4
	Bahrain	BHD	243 *	223	214	8.9	4.0	5.0	4.6
	Ivory Coast	XOF	275 399 *	257 700 *	231 900	6.9	11.1	1.5	6.8
	Namibia	NAD	4 071	3 741	3 486	8.8	7.3	2.6	3.6
Emerging EMEA	**Total**							**–0.9**	**2.2**
	South Korea (12)	KRW	124 117 500 +	114 968 100	109 483 000	8.0	5.0	2.5	1.9
	Japan (12)	JPY	12 733 230 *	12 114 450	12 152 670	5.1	–0.3	1.9	–0.4
	Australia	AUD	80 716	74 891	69 749	7.8	7.4	1.1	4.4
	Taiwan	TWD	708 242 +	682 772	655 290	3.7	4.2	0.8	2.2
	Singapore	SGD	16 100 *	14 203	13 360	13.4	6.3	6.8	3.9
	Hong Kong	HKD	67 719 +	66 290	64 062	2.2	3.5	0.3	1.9
	New Zealand (14)	NZD	11 272 *	10 517	9 762	7.2	7.7	0.0	3.6
Advanced Asia–Pacific	**Total**							**1.9**	**1.5**
	PR China	CNY	2 243 855	2 132 832	2 127 540	5.2	0.2	3.2	–0.7
	India (12)	INR	2 534 529 *	2 240 019	2 020 823	13.1	10.8	6.0	5.1
	Thailand	THB	399 595 *	380 632	359 769	5.0	5.8	–1.0	4.5
	Indonesia	IDR	105 738 900 *	88 223 310	81 339 540	19.9	8.5	15.0	6.8
	Malaysia (12)	MYR	24 070	21 499	20 709	12.0	3.8	8.0	0.9
	Vietnam	VND	70 804 340 *	59 135 000	56 677 200	19.7	4.3	16.1	2.5
	Philippines	PHP	127 503 *	109 854	97 828	16.1	12.3	9.7	8.0
	Bangladesh	BDT	42 927 *	37 104 *	32 000 *	15.7	15.9	7.4	9.9
	Macao	MOP	3 123 *	2 861	2 621	9.2	9.2	8.0	9.1
Emerging Asia	**Total**							**3.6**	**0.2**
World	**World**							**0.5**	**2.7**

Table VII

Non-life premium volume in USD in 2022

	Ranking			Premium volume (in millions of USD)				Change (in %) 2022		Share of total business 2022 (in %)	Share of world market 2022 (in %)
	2022	2021	Country	2022		2021		nominal (in USD)	inflation–adjusted[15]		
	1	1	United States (9)	2 287 801	**	2 109 435	**	8.5	0.4	77.3	57.6
	6	8	Canada (10)	99 332	**	96 372	**	3.1	0.2	58.1	2.5
US and Canada			**Total**	**2 387 133**		**2 205 807**		**8.2**	**0.4**	**76.2**	**60.1**
	13	15	Brazil	36 166		28 651		26.2	10.4	47.7	0.9
	18	18	Mexico	18 743		16 967		10.5	1.5	55.3	0.5
	25	31	Argentina	11 496		9 471		21.4	–3.4	89.7	0.3
	38	38	Colombia	6 985		6 566		6.4	9.8	69.3	0.2
	41	41	Chile	5 598		5 827		–3.9	–1.0	48.6	0.1
	51	54	Peru	2 348		2 184		7.5	–1.5	48.0	0.1
	55	58	Ecuador	1 789	*	1 493		19.8	15.8	72.6	0.0
	60	65	Dominican Republic	1 518	*	1 275		19.0	5.4	84.8	0.0
	64	69	Cayman Islands	1 320	*	1 176		12.2	3.9	92.2	0.0
	65	66	Costa Rica	1 290	*	1 218		5.8	1.9	83.6	0.0
	66	67	Panama	1 283		1 201		6.8	3.9	75.4	0.0
	70	68	Guatemala	1 153		1 177		–2.1	–8.2	77.0	0.0
	76	79	Trinidad and Tobago	886	*	753		17.6	11.1	54.3	0.0
	77	77	Bahamas	864	*	759	*	13.8	7.7	77.3	0.0
	81	83	Jamaica	623	*	568		9.6	1.1	59.5	0.0
	83	84	El Salvador	512	*	498		2.8	–4.1	60.3	0.0
	84	76	Uruguay	509		850		–40.0	–48.1	34.8	0.0
			Other countries	2 944		2 616				67.8	0.1
Latin America and Caribbean			**Total**	**96 026**		**83 252**		**15.3**	**4.3**	**56.5**	**2.4**
	3	3	Germany	142 469	*	154 009		–7.5	–2.8	59.0	3.6
	4	4	United Kingdom	114 769	*	119 887		–4.3	–2.4	31.6	2.9
	5	5	France	104 075	*	110 787		–6.1	0.3	39.8	2.6
	9	9	Netherlands	72 225	+	78 382		–7.9	–5.9	86.1	1.8
	11	11	Italy	44 229	+	46 708		–5.3	–1.7	27.6	1.1
	12	12	Spain	39 624		42 221		–6.2	–2.7	58.1	1.0
	14	13	Switzerland	32 024	+	32 677		–2.0	–0.4	57.1	0.8
	17	17	Belgium	19 096	**	20 331	**	–6.1	–3.7	52.7	0.5
	19	20	Luxembourg	16 108	*	15 636		3.0	7.0	39.9	0.4
	20	19	Austria	14 787	+	15 638		–5.4	–2.2	72.3	0.4
	28	29	Israel	10 763	*	10 099		6.6	6.2	49.0	0.3
	29	25	Denmark	10 552	*	11 363		–7.1	–3.0	24.4	0.3
	31	27	Norway	10 353		10 713		–3.4	2.3	41.3	0.3
	32	24	Sweden	10 248		11 675		–12.2	–4.5	18.9	0.3
	34	30	Ireland	8 945	*	9 489		–5.7	–1.8	32.4	0.2
	39	37	Portugal	6 360		6 652		–4.4	–0.4	50.1	0.2
	43	42	Finland	5 210		5 668		–8.1	–3.6	18.6	0.1
	44	44	Liechtenstein	4 010	**	3 978	*	0.8	2.4	65.7	0.1
	45	45	Malta	3 528	*	3 790		–6.9	–1.5	80.5	0.1
	50	49	Greece	2 682	*	2 839		–5.5	–3.2	51.2	0.1
	82	81	Cyprus	561	*	606		–7.4	–3.7	51.4	0.0
			Other countries	627		575				91.0	0.0
Advanced EMEA			**Total**	**673 248**		**713 723**		**–5.7**	**–2.0**	**43.1**	**17.0**
	21	26	Saudi Arabia	13 729	*	10 753		27.7	24.6	96.5	0.3
	22	21	Russia	12 557		15 625		–19.6	–34.3	64.9	0.3
	23	22	Poland	12 341	*	13 171		–6.3	–5.4	79.7	0.3
	27	34	Turkey	11 352		8 941		27.0	37.7	86.2	0.3
	30	32	United Arab Emirates (11)	10 497	*	9 416		11.5	6.3	79.2	0.3
	33	33	South Africa	8 968	*	9 260		–3.2	0.4	19.6	0.2
	40	40	Czech Republic	6 241		5 905		5.7	–1.1	73.1	0.2
	46	46	Iran (13)	3 518	*	3 764	*	–6.5	–19.3	82.6	0.1
	47	48	Romania	3 151	+	2 845		10.7	9.7	86.0	0.1
	49	47	Morocco	2 814	*	2 990		–5.9	–0.3	53.7	0.1
	53	51	Hungary	2 192	*	2 387		–8.2	–1.5	57.7	0.1
	54	53	Slovenia	2 137	+	2 210		–3.3	–0.3	72.5	0.1
	56	57	Qatar	1 713	*	1 561	*	9.8	4.5	97.2	0.0
	57	55	Bulgaria	1 655	*	1 637		1.1	–1.4	86.4	0.0
	58	62	Lebanon	1 631	*	1 359		20.0	–55.8	79.6	0.0
	59	60	Kuwait	1 531	*	1 388	*	10.3	7.7	90.2	0.0
	61	59	Egypt (14)	1 511	*	1 402		7.8	4.1	47.5	0.0
	62	64	Kenya	1 404	+	1 339		4.9	4.7	54.0	0.0
	63	61	Croatia	1 373		1 387		–1.0	0.6	77.6	0.0
	67	63	Slovakia	1 250		1 358		–8.0	–8.3	63.4	0.0
	68	70	Oman	1 183	*	1 099		7.7	4.7	88.1	0.0
	69	71	Kazakhstan	1 158		1 009		14.7	7.8	65.6	0.0
	71	72	Algeria	1 096	*	977		12.2	7.5	90.6	0.0
	72	56	Ukraine	1 075	**	1 606		–33.1	–34.0	87.7	0.0
	73	73	Serbia	964	**	947		1.8	2.1	80.3	0.0
	74	74	Nigeria	910	*	893	+	1.8	–10.7	54.0	0.0
	75	75	Pakistan	892	*	871	*	2.4	7.4	32.8	0.0
	78	80	Jordan	814	+	738		10.2	5.8	83.4	0.0
	79	78	Tunisia	745	*	756		–1.5	1.0	74.0	0.0
	80	82	Bahrain	645	*	593		8.9	5.0	80.8	0.0
	86	85	Ivory Coast	442	*	465	*	–5.0	1.5	54.2	0.0
	88	88	Namibia	249	**	253	**	–1.8	2.6	25.2	0.0
			Other countries	8 896		8 325				71.9	0.2
Emerging EMEA			**Total**	**120 632**		**117 231**		**2.9**	**–0.9**	**61.9**	**3.0**
	7	7	South Korea (12)	94 820	+	98 539		–3.8	2.5	51.9	2.4
	8	6	Japan (12)	93 920	*	107 800		–12.9	1.9	27.8	2.4
	10	10	Australia	55 952		56 228		–0.5	1.1	77.9	1.4
	16	16	Taiwan	23 761	+	24 364		–2.5	0.8	27.5	0.6
	24	28	Singapore	11 678	*	10 572		10.5	6.8	24.9	0.3
	35	35	Hong Kong	8 648	+	8 529		1.4	0.3	12.6	0.2
	36	36	New Zealand (14)	7 153	*	7 439		–3.8	0.0	78.9	0.2
			Other countries	89		96				14.3	0.0
Advanced Asia-Pacific			**Total**	**296 022**		**313 567**		**–5.6**	**1.9**	**36.8**	**7.5**
	2	2	PR China	333 448	**	330 672		0.8	3.2	47.8	8.4
	15	14	India (12)	31 538	*	30 062		4.9	6.0	24.1	0.8
	26	23	Thailand	11 397	*	11 903		–4.3	–1.0	45.2	0.3
	37	39	Indonesia	7 120	*	6 173		15.3	15.0	37.7	0.2
	42	43	Malaysia (12)	5 408		5 149		5.0	8.0	26.9	0.1
	48	50	Vietnam	3 028	*	2 580		17.4	16.1	26.8	0.1
	52	52	Philippines	2 340	*	2 230		4.9	9.7	30.3	0.1
	85	86	Bangladesh	457	*	436	*	4.9	7.4	22.2	0.0
	87	87	Macao	387	*	357		8.3	8.0	8.4	0.0
			Other countries	1 017		1 283				54.1	0.0
Emerging Asia			**Total**	**396 141**		**390 847**		**1.4**	**3.6**	**43.0**	**10.0**
World			**World**	**3 969 203**		**3 824 428**		**3.8**	**0.5**	**58.5**	**100.0**

Table VIII

Insurance density: premiums[1] per capita in USD in 2022

	Ranking	Country	Total business	Life business	Non–life business
	3	United States (9)	8 885 **	2 017 +	6 868 **
	14	Canada (10)	4 392 **	1 840 +	2 552 **
US and Canada		**Total**	**8 415**	**1 999**	**6 416**
	1	Cayman Islands	20 834 *	1 627 *	19 207 *
	22	Bahamas	2 725 *	617 *	2 108 *
	34	Trinidad and Tobago	1 065 *	486 *	578 *
	39	Chile	582	299	283
	44	Uruguay	428	279	149
	49	Panama	386	95	291
	52	Jamaica	371 *	150 *	220 *
	55	Brazil	352	184	168
	56	Costa Rica	298 *	49 *	249 *
	57	Argentina	281	29	252
	60	Mexico	265	118	146
	61	Colombia	194	60	135
	64	Dominican Republic	159 *	24 *	135 *
	66	Peru	144	75	69
	68	Ecuador	137 *	38 *	99 *
	69	El Salvador	134 *	53 *	81 *
	75	Guatemala	84	19	65
Latin America and Caribbean		**Total**	**258**	**112**	**146**
	5	Denmark	7 320 *	5 532 *	1 788 *
	7	Switzerland	6'364 +	2 730 +	3 634 +
	8	Ireland (1)	5'438 *	3 678 *	1 760 *
	9	Sweden	5 180 *	4 203 *	976
	10	Finland	5 036 *	4 099 *	937
	11	United Kingdom (1)	4 781 *	3 669 *	1 111 *
	12	Luxembourg (1)	4 762 *	2 392 +	2 370 *
	13	Netherlands	4 731 +	657 +	4 074 +
	15	Norway (1)	4 178 *	2 691 *	1 487
	17	France (1)	3 578 *	2 239 *	1 339 *
	19	Germany (1)	2 881 *	1 182 *	1 699 *
	21	Belgium (1)	2 756 **	1 449 *	1 307 **
	23	Italy (1)	2 716 +	1 966 +	750 +
	25	Israel	2 430 *	1 239 *	1 191 *
	26	Austria	2 262 +	626 +	1 636 +
	28	Spain	1 433	601	832
	31	Malta	1 250 *	781 +	469 *
	32	Cyprus	1 197 *	582 *	615 *
	33	Portugal	1 126	577	549
	41	Greece	502 *	245 *	257 *
	88	Liechtenstein	na. **	na. **	na. **
Advanced EMEA		**Total**	**3 308**	**1 957**	**1 351**
	29	United Arab Emirates (11)	1'404 *	292 *	1 112 *
	30	Slovenia	1'396 +	384 +	1 012 +
	35	Czech Republic	791	213	578
	36	South Africa	764 *	614 *	149 *
	37	Qatar	614 *	17 *	597 *
	40	Bahrain	525 *	101 *	424 *
	43	Croatia	456	102	353
	45	Poland	409 *	83	326 *
	46	Saudi Arabia	407 *	14 *	393 *
	47	Kuwait	398 *	39 *	359 *
	48	Hungary	391 *	166 *	226 *
	50	Namibia	385 **	288 **	97 **
	51	Lebanon	373 *	76 *	297 *
	54	Slovakia	359	132	228
	58	Bulgaria	281 *	38 *	242 *
	59	Oman	272 *	33 *	240 *
	62	Romania	192 *	27 *	166 +
	63	Serbia	177 **	35 **	142 **
	65	Turkey	154	21	133
	67	Morocco	140 *	65 *	75 *
	70	Russia	134	47	87
	73	Kazakhstan	91	31	60
	74	Jordan	87 +	14 +	72 +
	76	Tunisia	81 **	21 **	60 *
	79	Kenya	48 +	22 +	26 +
	80	Iran (13)	48 *	8 *	40 *
	81	Ukraine	30 **	4 **	26 **
	82	Ivory Coast	29 *	13 *	16 *
	83	Egypt (14)	29 *	15 *	14 *
	84	Algeria	27 *	3	24 *
	86	Pakistan	12 *	8 *	4 *
	87	Nigeria	8 *	4 *	4 *
Emerging EMEA		**Total**	**80**	**30**	**49**
	2	Hong Kong	9 159 +	8 007 +	1 152 +
	4	Singapore (1)	7 563 *	6 074 *	1 489 *
	16	Taiwan	3 662 +	2 656 +	1 006 +
	18	South Korea (12)	3 541 +	1 705 +	1 836 +
	20	Australia	2 758	609	2 149
	24	Japan (12)	2 690 *	1 942 *	748 *
	27	New Zealand	1 768 *	373 *	1 395 *
Advanced Asia-Pacific		**Total**	**3 096**	**1 964**	**1 133**
	6	Macao	6 605 *	6 048 *	557 *
	38	Malaysia (12)	592	432	159
	42	PR China	489 **	255	234 **
	53	Thailand	369 *	235 *	134 *
	71	Vietnam	95 *	66 *	30 *
	72	India (12)	92 *	70 *	22 *
	77	Indonesia	68 *	43 *	26 *
	78	Philippines	67 *	46 *	20 *
	85	Bangladesh	12 *	9 *	3 *
Emerging Asia		**Total**	**229**	**131**	**98**
World		**World (3)**	**853**	**354**	**499**

Table IX

Insurance penetration: premiums[1] in % of GDP in 2022

	Ranking	Country	Total business	Life business	Non–life business
	4	United States (9)	11.6 **	2.6 +	9.0 **
	17	Canada (10)	8.0 **	3.3 +	4.6 **
US and Canada		**Total**	**11.3**	**2.7**	**8.6**
	1	Cayman Islands	23.2 *	1.8 *	21.4 *
	13	Bahamas	8.8 *	2.0 *	6.8 *
	21	Jamaica	6.7 *	2.7 *	4.0 *
	25	Trinidad and Tobago	5.3 *	2.4 *	2.9 *
	36	Brazil	4.0	2.1	1.9
	41	Chile	3.8	2.0	1.9
	45	Colombia	2.9	0.9	2.0
	47	El Salvador	2.6 *	1.0 *	1.6 *
	50	Mexico	2.4	1.1	1.3
	54	Costa Rica	2.2 *	0.4 *	1.9 *
	55	Panama	2.2	0.5	1.7
	58	Ecuador	2.1 *	0.6 *	1.6 *
	60	Uruguay	2.1	1.3	0.7
	62	Argentina	2.0	0.2	1.8
	63	Peru	2.0	1.0	1.0
	68	Dominican Republic	1.6 *	0.2 *	1.3 *
	69	Guatemala	1.6	0.4	1.2
Latin America and Caribbean		**Total**	**3.0**	**1.3**	**1.7**
	8	Denmark	10.9 *	8.3 *	2.7 *
	9	United Kingdom (1)	10.5 *	8.1 *	2.4 *
	10	Finland	10.0 *	8.1 *	1.9
	11	Sweden	9.3 *	7.5 *	1.8
	14	France (1)	8.7 *	5.5 *	3.3 *
	15	Netherlands	8.5 +	1.2 +	7.3 +
	18	Italy (1)	8.0 +	5.8 +	2.2 +
	20	Switzerland	6.9 +	3.0 +	4.0 +
	22	Germany (1)	5.9 *	2.4 *	3.5 *
	23	Belgium (1)	5.5 **	2.9 *	2.6 **
	26	Ireland (1)	5.2 *	3.5 *	1.7 *
	28	Spain	4.9	2.0	2.8
	30	Portugal	4.6	2.4	2.3
	31	Austria	4.3 +	1.2 +	3.1 +
	33	Israel	4.2 *	2.1 *	2.1 *
	35	Norway (1)	4.0 *	2.6 *	1.4
	39	Malta	3.9 *	2.4 +	1.4 *
	40	Cyprus	3.8 *	1.9 *	2.0 *
	42	Luxembourg (1)	3.8 *	1.9 +	1.9 *
	49	Greece	2.4 *	1.2 *	1.2 *
	88	Liechtenstein	na. **	na. **	na. **
Advanced EMEA		**Total**	**7.4**	**4.3**	**3.0**
	6	South Africa	11.3 *	9.1 *	2.2 *
	19	Namibia	7.8 **	5.9 **	2.0 **
	29	Slovenia	4.7 +	1.3 +	3.4 +
	37	Morocco	3.9 *	1.8 *	2.1 *
	44	Czech Republic	2.9	0.8	2.1
	46	United Arab Emirates (11)	2.6 *	0.5 *	2.1 *
	48	Croatia	2.6	0.6	2.0
	52	Kenya	2.3 +	1.1 +	1.2 +
	53	Poland	2.2 *	0.5	1.8 *
	56	Tunisia	2.2 **	0.6 **	1.6 *
	57	Bulgaria	2.2 *	0.3 *	1.9 *
	59	Hungary	2.1 *	0.9 *	1.2 *
	61	Jordan	2.1 +	0.3 +	1.7 +
	65	Serbia	1.9 **	0.4 **	1.5 **
	66	Bahrain	1.7 *	0.3 *	1.4 *
	67	Slovakia	1.7	0.6	1.1
	70	Turkey	1.5	0.2	1.3
	72	Saudi Arabia	1.3 *	0.0 *	1.2 *
	73	Romania	1.2 *	0.2 *	1.1 +
	74	Iran (13)	1.2 *	0.2 *	1.0 *
	75	Ivory Coast	1.2 *	0.5 *	0.6 *
	76	Oman	1.2 *	0.1 *	1.0 *
	77	Kuwait	1.0 *	0.1 *	0.9 *
	78	Russia	0.9	0.3	0.6
	79	Pakistan	0.8 *	0.6 *	0.3 *
	80	Kazakhstan	0.8	0.3	0.5
	81	Ukraine	0.8 **	0.1 **	0.7 **
	82	Qatar	0.7 *	0.0 *	0.7 *
	83	Algeria	0.6 *	0.1	0.6 *
	84	Egypt (14)	0.6 *	0.3 *	0.3 *
	86	Lebanon	0.4 *	0.1 *	0.3 *
	87	Nigeria	0.4 *	0.2 *	0.2 *
Emerging EMEA		**Total**	**1.5**	**0.6**	**1.0**
	3	Hong Kong	19.0 +	16.7 +	2.4 +
	5	Taiwan	11.4 +	8.2 +	3.1 +
	7	South Korea (12)	11.1 +	5.4 +	5.8 +
	12	Singapore (1)	9.2 *	7.4 *	1.8 *
	16	Japan (12)	8.2 *	5.9 *	2.3 *
	32	Australia	4.2	0.9	3.3
	43	New Zealand	3.8 *	0.8 *	3.0 *
Advanced Asia-Pacific		**Total**	**8.6**	**5.4**	**3.1**
	2	Macao	20.9 *	19.1 *	1.8 *
	24	Thailand	5.3 *	3.4 *	1.9 *
	27	Malaysia (12)	5.0	3.7	1.3
	34	India (12)	4.0 *	3.0 *	1.0 *
	38	PR China	3.9 **	2.0	1.9 **
	51	Vietnam	2.3 *	1.6 *	0.7 *
	64	Philippines	1.9 *	1.3 *	0.6 *
	71	Indonesia	1.4 *	0.9 *	0.5 *
	85	Bangladesh	0.5 *	0.4 *	0.1 *
Emerging Asia		**Total**	**3.6**	**2.1**	**1.6**
World		**World (3)**	**6.8**	**2.8**	**4.0**

Table X

Macroeconomic indicators in 2022

		Population (millions)	Gross domestic product			Inflation rate (in %)		Exchange rate local currency per USD		
			USDbn	Real change (in %)						
Ranking	Country	2022	2022	2022	2021	2022	2021	2022	2021	Change (in %)
1	United States	333	25 463	2.1	6.1	8.0	4.7	1.0	1.0	0.0
9	Canada	39	2 140	3.4	5.2	6.8	3.4	1.3	1.3	3.8
US and Canada	**Total**	**372**	**27 602**	**2.2**	**6.0**					
11	Brazil	216	1 921	3.0	5.5	9.3	8.3	5.2	5.4	−4.4
14	Mexico	128	1 416	3.1	5.5	7.9	5.7	20.1	20.3	−0.8
23	Argentina (17)	46	633	5.2	10.5	72.4	48.4	130.5	95.1	37.2
44	Colombia	52	344	7.5	11.0	10.2	3.5	4 256.2	3 744.2	13.7
46	Chile	20	301	2.6	12.2	11.6	4.5	873.2	759.1	15.0
51	Peru	34	244	2.7	13.4	7.9	4.0	3.8	3.9	−1.2
62	Ecuador	18	115	2.9	4.2	3.5	0.1	1.0	1.0	0.0
64	Dominican Republic	11	114	4.9	12.3	8.8	8.2	55.1	57.2	−3.6
66	Guatemala	18	95	4.1	8.0	6.9	4.3	7.7	7.7	0.2
69	Panama	4	77	10.8	15.8	2.9	1.6	1.0	1.0	0.0
70	Uruguay	3	71	4.9	5.3	9.1	7.7	41.2	43.6	−5.5
72	Costa Rica	5	69	4.3	7.8	8.3	1.7	643.7	617.6	4.2
79	El Salvador	6	32	2.6	11.2	7.2	3.5	1.0	1.0	0.0
80	Trinidad and Tobago	2	31	9.4	−1.0	5.8	2.1	6.8	6.8	−0.1
84	Jamaica	3	16	4.0	4.6	10.3	5.9	154.3	151.5	1.8
85	Bahamas	0	13	8.1	13.7	5.6	2.9	1.0	1.0	0.0
88	Cayman Islands	0	6	2.8	1.7	8.0	4.7	0.8	0.8	0.0
Latin America and Caribbean	**Total**	**657**	**5 700**	**3.8**	**7.1**					
4	Germany	84	4 070	1.9	2.8	6.9	3.0	0.9	0.8	12.3
6	United Kingdom	68	3 082	4.2	8.5	9.1	2.6	0.8	0.7	11.2
7	France	68	2 781	2.6	7.2	5.2	1.6	0.9	0.8	12.3
10	Italy	59	2 012	3.9	7.3	8.2	1.9	0.9	0.8	12.3
15	Spain	48	1 398	5.5	6.1	8.4	3.1	0.9	0.8	12.3
18	Netherlands	18	991	4.5	5.0	10.0	2.7	0.9	0.8	12.3
20	Switzerland	9	807	2.2	4.3	2.8	0.6	1.0	0.9	4.5
24	Sweden	10	585	2.7	5.3	8.4	2.2	10.1	8.6	17.9
25	Belgium	12	579	3.3	6.5	9.6	2.4	0.9	0.8	12.3
26	Norway	5	576	3.2	4.1	5.8	3.5	9.6	8.6	11.9
27	Ireland	5	529	12.2	13.5	7.8	2.4	0.9	0.8	12.3
29	Israel	9	522	6.4	8.7	4.4	1.5	3.4	3.2	4.0
33	Austria	9	471	5.1	5.0	8.5	2.8	0.9	0.8	12.3
41	Denmark	6	395	3.8	4.9	7.7	1.9	7.1	6.3	12.6
49	Finland	6	281	2.1	3.1	7.1	2.2	0.9	0.8	12.3
50	Portugal	10	252	6.8	5.9	7.8	1.3	0.9	0.8	12.3
55	Greece	10	218	6.1	8.4	9.6	1.2	0.9	0.8	12.3
68	Luxembourg	1	82	1.6	5.1	8.2	3.5	0.9	0.8	12.3
81	Cyprus	1	28	5.6	6.6	8.1	2.3	0.9	0.8	12.3
83	Malta	1	18	6.9	11.7	6.1	0.7	0.9	0.8	12.3
87	Liechtenstein	0	7	2.5	3.5	2.8	0.6	1.0	0.9	4.5
Advanced EMEA	**Total**	**438**	**19 716**	**3.7**	**6.0**					
8	Russia	144	2 240	−1.9	5.6	13.8	6.7	68.5	73.7	−7.0
17	Saudi Arabia	35	1’108	8.7	3.9	2.5	3.1	3.8	3.8	0.0
19	Turkey	85	906	5.8	11.8	72.3	19.6	16.6	8.9	86.9
22	Poland	38	690	5.4	6.9	14.4	5.1	4.5	3.9	15.4
28	Egypt	111	524	4.2	7.1	8.5	4.5	16.5	15.7	4.8
30	United Arab Emirates	9	502	7.9	3.9	4.8	−0.1	3.7	3.7	0.0
32	Nigeria	219	473	3.3	3.7	18.8	16.9	426.8	409.4	4.2
34	Lebanon	5	467	−2.7	−7.0	171.2	154.8	1 507.5	1 507.5	0.0
38	South Africa	60	405	2.1	5.5	6.9	4.6	16.4	14.8	10.8
43	Iran	89	358	2.5	4.7	48.7	40.2	296 364.4	230 818.8	28.4
45	Pakistan	236	327	6.2	6.5	19.9	9.5	204.9	162.9	25.8
47	Romania	19	300	4.2	6.0	13.8	5.0	4.7	4.2	12.7
48	Czech Republic	11	291	2.5	3.6	15.1	3.8	23.4	21.7	7.7
53	Qatar	3	237	4.8	1.6	5.0	2.3	3.6	3.6	0.0
54	Kazakhstan	19	226	2.7	4.0	15.0	8.0	460.2	425.9	8.0
56	Algeria	45	192	2.9	3.5	9.7	6.6	142.0	135.1	5.1
57	Hungary	10	179	4.6	7.5	14.6	5.1	372.6	303.1	22.9
58	Kuwait	4	174	7.0	2.5	4.0	3.4	0.3	0.3	1.5
59	Ukraine	41	161	−29.1	3.4	20.2	9.4	32.3	27.3	18.5
60	Morocco	37	134	1.1	7.9	6.7	1.4	10.2	9.0	13.0
61	Slovakia	5	116	1.7	5.0	12.8	3.1	0.9	0.8	12.3
63	Oman	5	115	4.3	3.1	2.8	1.5	0.4	0.4	0.0
65	Kenya	54	113	4.9	7.7	7.7	6.1	117.9	109.6	7.5
67	Bulgaria	7	89	3.8	7.1	15.3	3.3	1.9	1.7	12.5
71	Croatia	4	69	6.4	13.1	10.8	2.6	7.2	6.4	12.6
73	Ivory Coast	28	69	6.8	7.4	5.3	4.1	623.8	554.6	12.5
74	Serbia	7	64	2.3	7.5	12.0	4.1	111.7	99.4	12.3
75	Slovenia	2	62	5.7	8.3	8.8	1.9	0.9	0.8	12.3
76	Jordan	11	47	2.5	2.2	4.2	1.3	0.7	0.7	0.0
77	Tunisia	12	46	2.5	4.4	8.3	5.7	3.1	2.8	11.1
78	Bahrain	2	46	4.2	2.7	3.6	−0.6	0.4	0.4	0.0
86	Namibia	3	13	4.6	3.5	6.1	3.6	16.4	14.8	10.8
Emerging EMEA	**Total**	**2 448**	**12 671**	**2.9**	**5.6**					
3	Japan	126	4 105	1.0	2.3	3.2	0.1	135.6	112.4	20.6
12	Australia	26	1 699	3.7	5.3	6.6	2.8	1.4	1.3	8.3
13	South Korea	52	1 644	2.6	4.2	5.3	3.1	1 309.0	1 166.7	12.2
21	Taiwan	24	762	2.5	6.5	2.9	2.0	29.8	28.0	6.4
35	Singapore	6	467	3.7	9.1	6.1	2.3	1.4	1.3	2.6
42	Hong Kong	8	361	−3.5	6.5	1.9	1.6	7.8	7.8	0.7
52	New Zealand	5	241	2.2	6.4	7.2	3.9	1.6	1.4	11.5
Advanced Asia-Pacific	**Total**	**259**	**9 316**	**1.8**	**3.8**					
2	PR China	1 427	17 984	3.0	9.1	2.0	0.9	6.7	6.4	4.3
5	India	1 422	3 298	7.2	9.1	6.7	5.5	80.4	74.5	7.9
16	Indonesia	276	1 319	5.3	3.7	4.2	1.6	14 851.5	14 291.7	3.9
31	Thailand	72	495	2.6	1.7	6.1	1.2	35.1	32.0	9.6
36	Bangladesh	171	423	7.1	6.9	7.7	5.5	93.9	85.1	10.3
37	Vietnam	98	407	8.0	2.6	3.2	1.8	23 380.5	22 921.8	2.0
39	Philippines	116	404	7.6	5.8	5.8	3.9	54.5	49.3	10.6
40	Malaysia	34	402	8.7	3.8	3.7	2.9	4.5	4.2	6.6
82	Macao	1	22	−26.8	19.3	1.0	0.0	8.1	8.0	0.7
Emerging Asia	**Total**	**4 015**	**25 379**	**3.9**	**8.2**					
World	**World**	**7 953**	**100 059**	**3.0**	**6.3**					

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