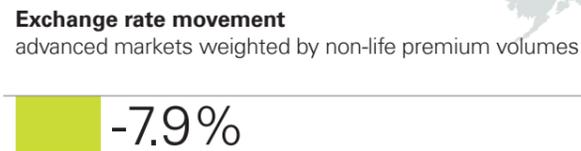


World insurance in 2015 – strong or weak?

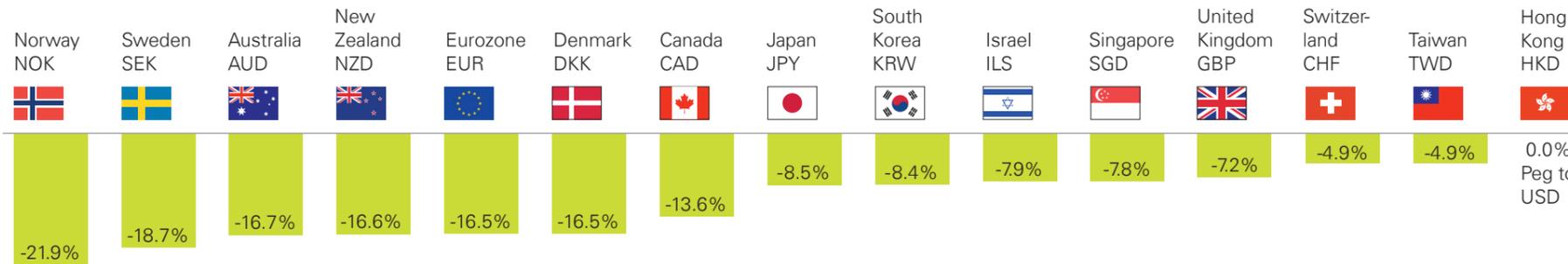


Advanced markets

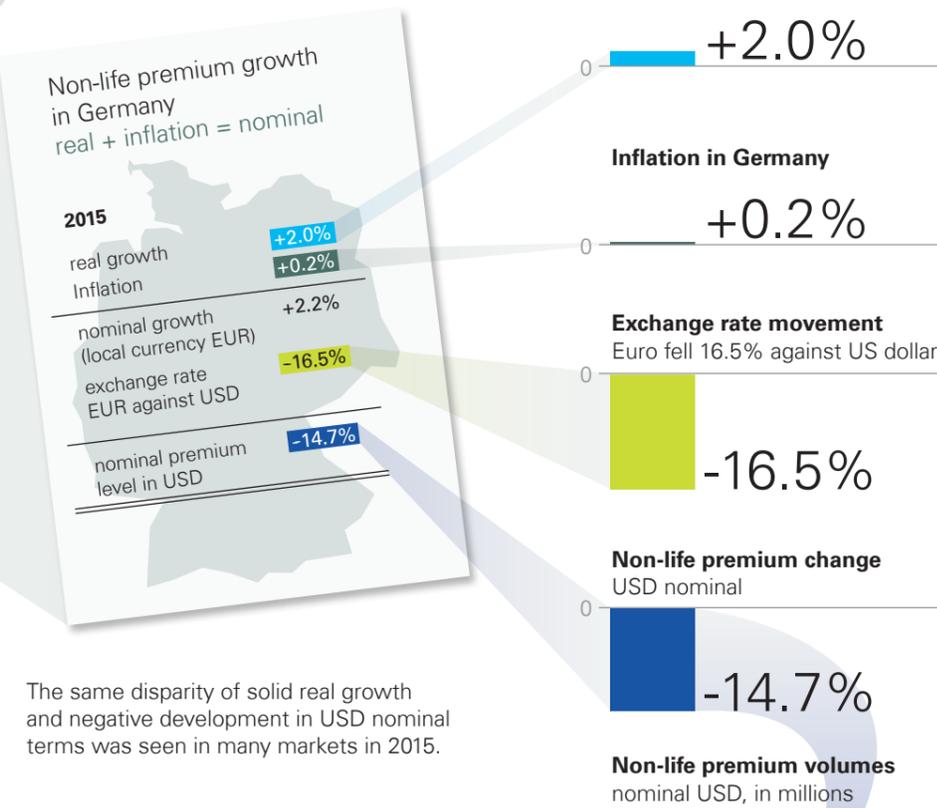


- Currency depreciation against the US dollar**
The main reason for the disparity between insurance premium growth expressed in real and US dollar nominal terms in 2015 was widespread depreciation of advanced market currencies against the US dollar. Reasons for the currency weakness include:
- the impact of loose monetary policy outside of the US
 - US dollar strength on expectations of rising interest rates in the US
 - economic slowdown due to weak commodity prices

Exchange rate movements in the advanced markets



Germany



The same disparity of solid real growth and negative development in USD nominal terms was seen in many markets in 2015.

Outlook

- No need to panic!**
- The decline in premiums expressed in USD nominal terms is likely to be temporary only.
 - With steady or even stronger exchange rates in 2016, there will be positive growth in real and USD-nominal insurance premiums in the coming year.
 - The underlying insurance markets are solid, as the steady growth in global premiums in real terms in 2015, in spite of just moderate economic growth, shows.



sigma relies on growth rates in real terms
The currency effect is one of the main reasons why premium growth rates in sigma are stated in real terms. Real growth rates also cancel out local inflation rates to expose the true growth in a country or region. This is particularly important when comparing advanced markets (which have mostly low inflation) and emerging markets (where inflation rates are mostly higher).



At a global level, real growth rates are the only way to make meaningful statements about the performance of premium development.

Download the full report from www.swissre.com/sigma