

**(Re)emerging Mercados:
Significant Recent Developments
in the Latin American
Insurance and Reinsurance Markets**

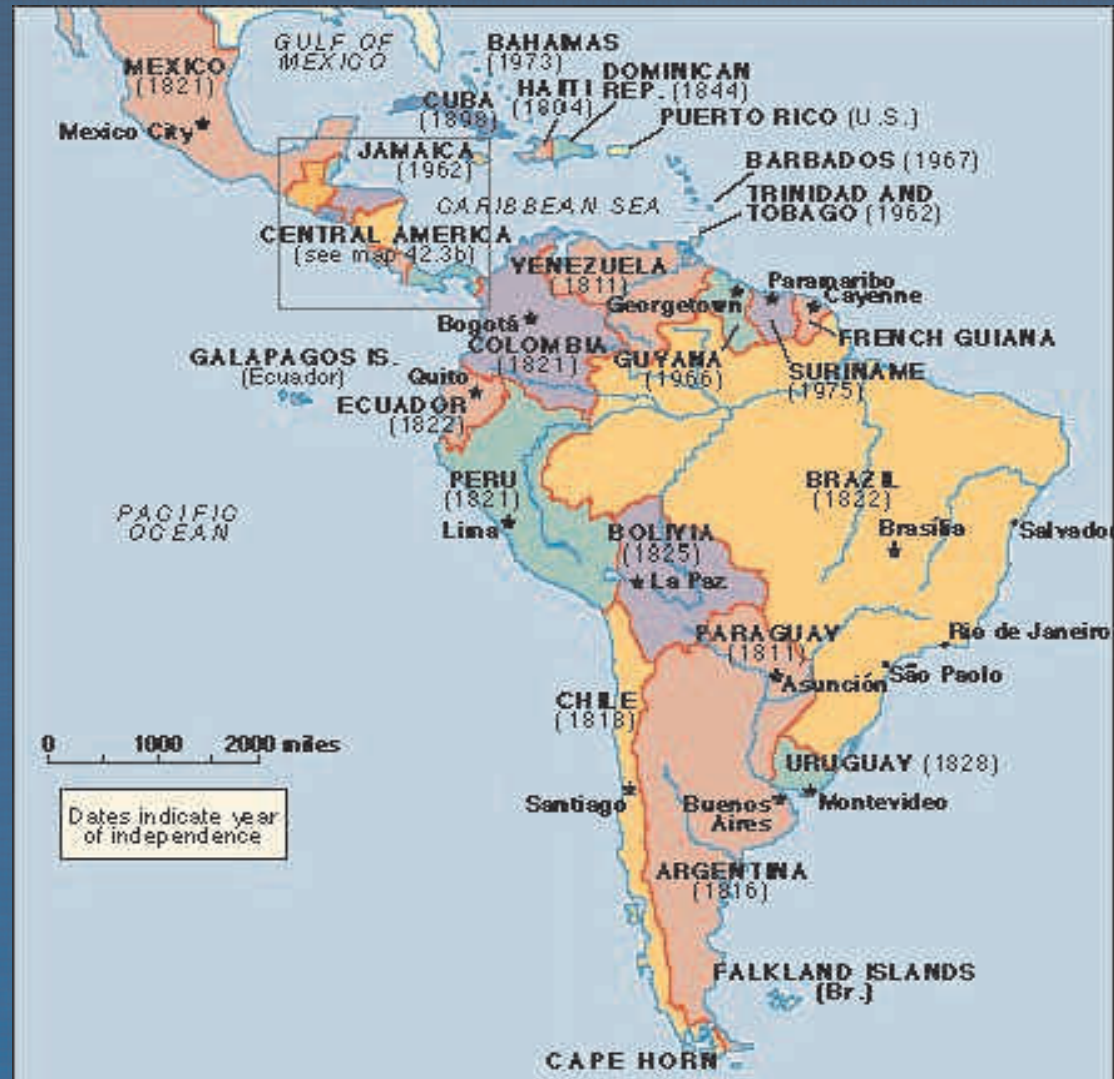
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Latin America



Latin American Developments in 2008

Overview

Part I: General Trends and Indicators

Part II: Developments in Individual Markets

- Brazil
- Chile
- Argentina
- Mexico
- Costa Rica

Rediscovering Latin America – Recent Trends

- Steady economic growth in the region.
- Double digit annual premium growth.
- Liberalization of Insurance Regulation in Brazil, Chile and Costa Rica.

Rediscovering Latin America— Interest Spurred by Global Economic Crisis

- Many Latin American markets including Brazil, Argentina, Bolivia, Colombia and Ecuador may be well positioned to weather the economic crisis.
- Political unrest and local restrictions still exist in some Latin American countries.
- Nevertheless, current trends present myriad opportunities.

Major Jurisdictional Developments in 2008

- **Brazil:** Reinsurance Explosion
- **Chile:** A Mature market Flirts with Further Modernization, Taxation
- **Argentina:** Consolidation and Uncertainty Despite Promise
- **Mexico:** Steady Growth and Development
- **Costa Rica:** Opportunity and Risk in a “New” Market

Brazil: Reinsurance Explosion

- Background: The Monopoly Comes to an End
- Market Reaction: The Rush to Register
- Remaining Issues: Regulatory and Market Limitations
 - “Right of First Refusal”
 - Cession Limits
 - “Tax Haven” Restriction for Occasional Reinsurers
 - Growing Pains and Market Uncertainties

Chile: A Mature Market Flirts with Further Modernization, Taxation

- Modernizing Legislation
 - Insurance
 - Reinsurance
- Capital Gains Tax Hikes for Foreign Insurers

Argentina: Consolidation and Uncertainty Despite Promise

- Pension Fund Nationalization
 - Potential effect on capital markets
 - Potential effect on foreign confidence in market
 - National vs. international views

Mexico:

Steady Growth and Development

- Growth and Stability
- Regulatory Updates
 - Reporting requirements for reinsurers
 - Minimum ratings for foreign reinsurers
- Unfortunate Incident/Healthy Reminder

Costa Rica:

Opportunity and Risk in a “New” Market

- “New”?
- A New Opportunity
- New Risks
- Market Reaction: The INS Prepare and the Market Waits

Conclusion: Cautious Optimism

- Strategic Plan
- Good advice