

Local Brazilian reinsurers grow foreign and domestic business at H1

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Local reinsurers in Brazil accepted 30% more business from offshore insurers and 5% more from Brazilian insurers over the first half of 2018, according to data from Brazilian reinsurer Terra Brasis Resseguros.

From January to June of 2018, local reinsurers accepted BRL 1.38 billion (US \$370 million) of premium from offshore insurers, representing a 30.3% rise when compared with H1 2017 and accounting for 24% of local reinsurers' total written premium.

Terra Brasis Re also found that the gross written premium of local reinsurers in Brazil grew 9.0% to BRL 4.77 billion (US \$1.26 billion) over H1 2018.

73% of ceded reinsurance originated by Brazilian insurers was placed in local reinsurance over the same period, while the proportion of reinsurance ceded to local reinsurers grew by 4.7% to BRL 4.11 billion.

The total amount of ceded reinsurance originated by Brazilian insurers stood at BRL 5.62 billion over H1 2018, an increase of 3.6% in comparison to the same period of 2017.

IRB claimed a total of 36% of the reinsurance ceded from Brazilian insurers over H1 2018, while other local reinsurers ended the period with a 37% share and offshore reinsurers took 27%.

Looking at only the local reinsurance market, IRB detained 49% of market share, while other local reinsurers shared the remaining 51%.

The loss ratio of local reinsurers remained comparatively stable at H1 2018, standing at 61%, while their combined ratio improved to 89% from 95% in 2017, Terra Brasis Re found.

This reflects a growth in local reinsurers' profit, which reached BRL 631 million up to June 2018 and was 7.4% higher than the BRL 588 million achieved over the same period in 2017.

Terra Brasis Re said that it considered the stable indexes and positive results for both insurers and reinsurers in the Brazilian market to be a continuation of the trend exhibited throughout 2017.

