



# Latin America Region Offers Insurance Industry Opportunities

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Latin America is a dynamic market offering the insurance industry opportunities to forge new paths for greater penetration within selected sectors. Insurance industry in-roads with Latin American countries will need to focus on product development, geographic diversification and strategic partnerships.

Introducing new insurance programs to Latin America is steeped in the challenges of navigating the delivery of capacity on a country-by-country basis to satisfy insurance sector demand. The insurance industry within the region has shifted in that the method and supply of capital has changed in recent years. Traditional distribution lines have been consolidated and new channels have emerged.

Political uncertainty remains high as a number of country economies have been embroiled in corruption scandal. The restlessness is likely to continue into 2018 in the wake of country elections. Meanwhile, the result of the Argentinian mid-term elections strengthened the current government to continue driving the change to the country's economy. Elections in 2018 being held in Brazil, Colombia, Mexico and Paraguay will determine the characteristics and anticipated sustainability of in-country economic health. Overall, despite political tensions, Latin American economies should return to growth in 2018 if foreign investment remains strong.



While London remains a significant specialty market, insurance companies are investing in Latin America in order to expand their distribution platform to access greater prospects. Ironshore's most recent initiatives have been investment in strategic partnerships, which involve building and managing a Lloyd's presence for third parties in the region. London-based Pembroke Managing Agency provides third-party services to develop strategic business plans, structure exposure swaps, and guide new entrants through the approval process.

As an example, Pembroke launched Patria Re and in 2015 received Lloyd's approval to establish the entrant as a Special Purpose Syndicate (SPS), which was the first Mexican reinsurance company to join the Lloyd's platform intended to direct specialty lines of business to London markets. The announcement was made to coincide with the opening of Lloyd's Representative Office in Mexico City. Patria Re offers an opportunity to build a broader, more balanced portfolio of Latin American business in the Lloyd's market through an enhanced distribution model. Today, Patria Re underwrites a diverse portfolio of property casualty programs for Latin American cedents.

Insurance companies striving to uncover opportunities for growth throughout the region are being challenged to offer competitive coverage solutions, while sustaining profitability.

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