



6M21

# Automobile Insurance Industry Report

# 2021

# Mexico's auto insurance industry report 6M21

Figures in this document are stated in millions of Mexican pesos, except where otherwise specified, and they may vary due to rounding.

According to the Mexican Association of Insurance Institutions (AMIS), during the first half of 2021 the auto insurance industry had a nominal increase of 3.3% in written premiums. It is worth mentioning that during the same period, the GDP increased 7.4%<sup>1</sup> in comparison with the first half of last year. On the other hand, the cumulative inflation rate as of June was 5.4%<sup>2</sup>.

Regarding the industry's cost ratios, as of the 6M21, registered a combined ratio of 89.0%, an increase of 5.8 percentage points in comparison to the same period 2020. This reflects the mobility recovery due to economic reopening, which has caused a greater vehicle capacity and an increase in claims. On the other hand, robberies continued its downtrend for the whole industry.

In the table below<sup>3</sup>, we disaggregate bank-owned insurance companies, since some of these companies belong to a financial group and have cross selling between the bank clients and have a different cost structure.

Companies	Written premium	Growth	Underwriting result	Financial income	Net result	Loss ratio	Combined ratio
Quálitas	17,120	11.4%	1,802	677	1,823	60.1%	88.3%
Others	27,808	(1.4%)	2,432	1,417	3,045	60.4%	92.8%
Sum insurance companies	44,928	3.1%	4,234	2,094	4,868	60.3%	91.0%
Bank-owned	8,617	4.3%	1,910	509	2,523	54.8%	76.9%
<b>Total market (33 companies)</b>	<b>53,545</b>	<b>3.3%</b>	<b>6,144</b>	<b>2,602</b>	<b>7,391</b>	<b>59.4%</b>	<b>89.0%</b>

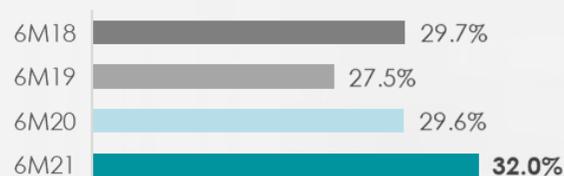
Figures in million pesos

## Qualitas Mexico (Q MX)<sup>3</sup>

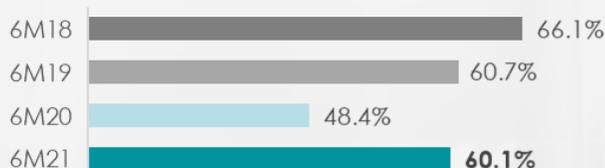
### Written Premiums (million MXN)



### Market Share



### Loss Ratio



### Combined ratio

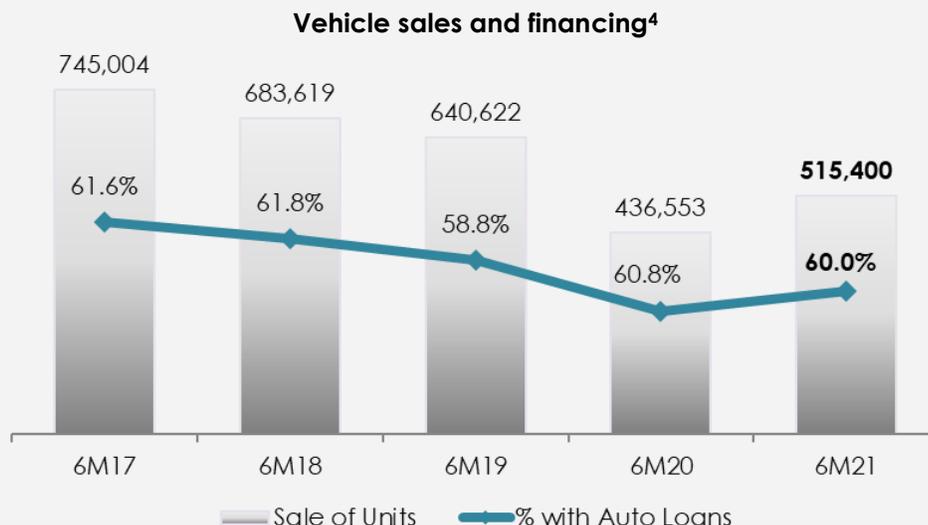


<sup>1</sup> Source: INEGI

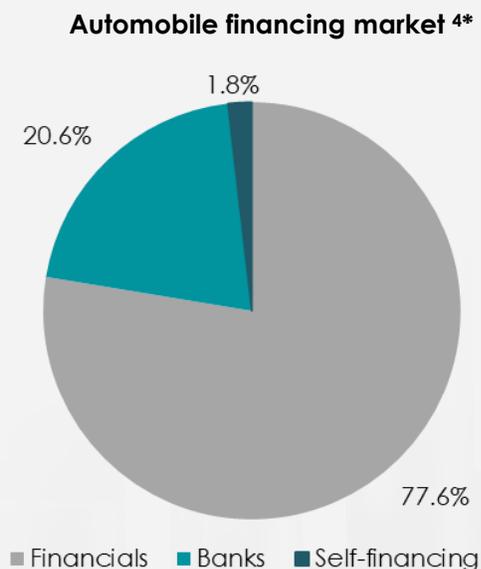
<sup>2</sup> Source: BANXICO

<sup>3</sup> Source: AMIS

# Automobile industry and financing



Light unit's sales (automobile and trucks) increased 18.1% during the first half of the year when compared to the same period of 2020, reaching 515,400 commercialized units. The commercialization of wholesale trucks increased 60.8% when compared to 6M20. The automotive credit reached 60.0% of the commercialization of light vehicles, 0.8 pp below the end of 2020.



The main sources of financing to purchase vehicles were through financial institutions (financial arms of the car dealers) with a 77.6% market share, an increase of 4.2 pp when compared to 2020, followed by bank financing, which had a decrease of 2.9 pp. The reference rate in Mexico stood at 4.25%<sup>2</sup> by the end of the quarter.

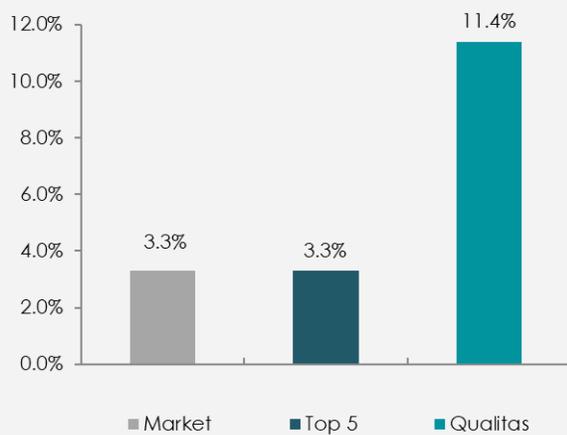
<sup>4</sup> Source: AMDA  
<sup>2</sup> Source: BANXICO  
<sup>\*</sup>Figures in allocations

# Automobile insurance industry

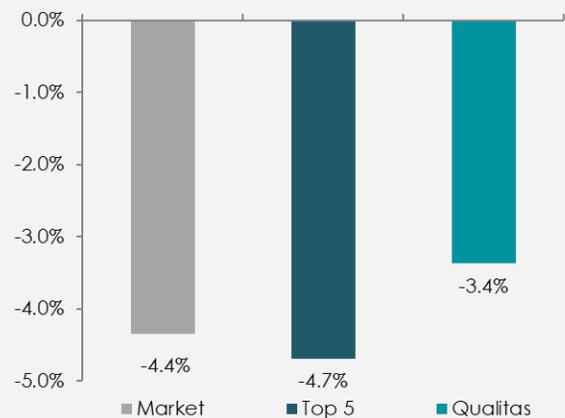
The total of written premiums for the market reached \$53,545 million, an increase of 3.3% when compared with the first half of 2020. The underwriting for the top 5 insurance companies increased 3.3% in line with the industry growth, the medium companies increased 4.9%; however, other insurance companies presented an 8.0% decrease.

Net result for the market reached \$7,391 million. This can be explained by an underwriting result of \$6,144 million and a financial income of \$2,602 million.

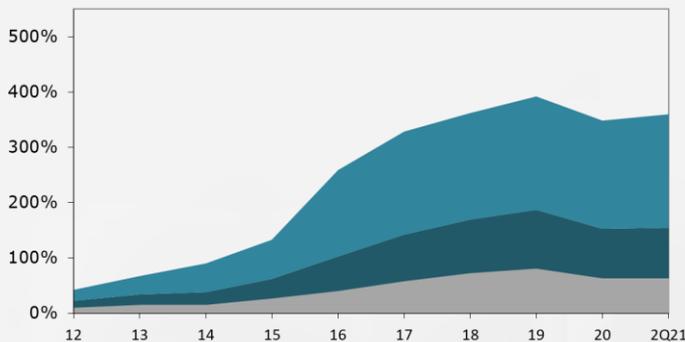
**Written premium growth  
6M21 vs 6M20**



**Earned premium growth  
6M21 vs 6M20**



**Cumulative growth in written premiums  
(Base 2012)**



CAGR (%) <sup>5</sup>	
Q	10.9%
Market	6.1%
Market without Q	4.5%

**Net result**



<sup>5</sup> CAGR: Compound Annual Growth Rate  
Figures in millions (MXN)  
Fuente: AMIS

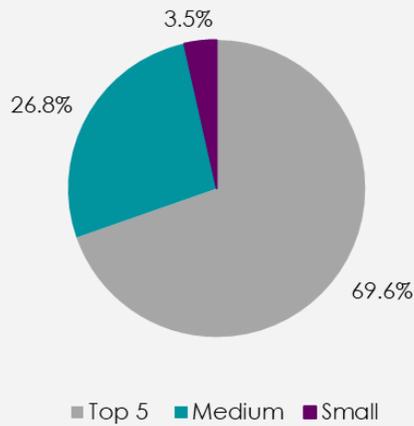
# Automobile insurance industry

Company	Written premiums	Growth 6M21 vs 6M20	Market share	Earned premiums	Market share
Quálitas	17,120	11.4%	32.0%	16,576	33.1%
G.N.P.	6,653	(10.5%)	5.1%	7,038	14.1%
Chubb Seguros México	5,701	(2.1%)	10.7%	2,728	5.4%
AXA Seguros	4,463	0.8%	8.3%	4,535	9.1%
HDI Seguros	3,352	10.2%	6.3%	3,304	6.6%
<b>Top 5</b>	<b>37,289</b>	<b>3.3%</b>	<b>69.6%</b>	<b>34,181</b>	<b>68.3%</b>
BBVA Seguros	2,717	10.2%	5.1%	2,387	4.8%
Banorte	2,353	(9.1%)	4.4%	2,397	4.8%
Inbursa	1,779	21.6%	3.3%	1,800	3.6%
Atlas	1,574	4.0%	2.9%	1,553	3.1%
Mapfre México	1,364	6.0%	2.6%	1,621	3.2%
ANA	1,304	12.3%	2.4%	1,001	2.0%
Afirme	1,251	(2.4%)	2.3%	1,233	2.5%
Zurich Daños	994	6.0%	1.9%	1,103	2.2%
General de Seguros	551	0.8%	1.0%	554	1.1%
El Potosí	488	5.6%	0.9%	467	0.9%
<b>Medium</b>	<b>14,374</b>	<b>4.9%</b>	<b>26.8%</b>	<b>14,117</b>	<b>28.2%</b>
<b>Others</b>	<b>1,882</b>	<b>(8.0%)</b>	<b>3.5%</b>	<b>1,771</b>	<b>3.5%</b>
<b>Total market (33 companies)</b>	<b>53,545</b>	<b>3.3%</b>	<b>100.0%</b>	<b>50,069</b>	<b>100.0%</b>

Company	Underwriting result	Investment income	Net result	Loss ratio	Combined ratio
Quálitas	1,802	677	1,823	60.1%	88.3%
G.N.P.	499	343	624	62.4%	94.6%
Chubb Seguros México	307	35	250	65.3%	98.5%
AXA Seguros	574	375	794	57.2%	88.2%
HDI Seguros	274	236	361	62.6%	97.6%
<b>Top 5</b>	<b>3,456</b>	<b>1,665</b>	<b>3,851</b>	<b>60.9%</b>	<b>91.2%</b>
BBVA Seguros	428	262	616	67.3%	80.3%
Banorte	911	130	1,334	45.6%	62.3%
Inbursa	338	61	344	55.7%	81.5%
Atlas	354	81	385	55.4%	77.0%
Mapfre México	303	56	253	53.4%	86.6%
ANA	120	20	91	50.7%	87.0%
Afirme	144	31	126	55.4%	87.8%
Zurich Daños	65	37	144	62.2%	105.6%
General de Seguros	(050)	172	113	73.4%	109.2%
El Potosí	49	12	63	61.2%	89.1%
<b>Medium</b>	<b>2,663</b>	<b>862</b>	<b>3,469</b>	<b>56.6%</b>	<b>81.7%</b>
<b>Others</b>	<b>25</b>	<b>76</b>	<b>71</b>	<b>52.6%</b>	<b>103.8%</b>
<b>Total market (33 companies)</b>	<b>6,144</b>	<b>2,602</b>	<b>7,391</b>	<b>59.4%</b>	<b>89.0%</b>

# Market share

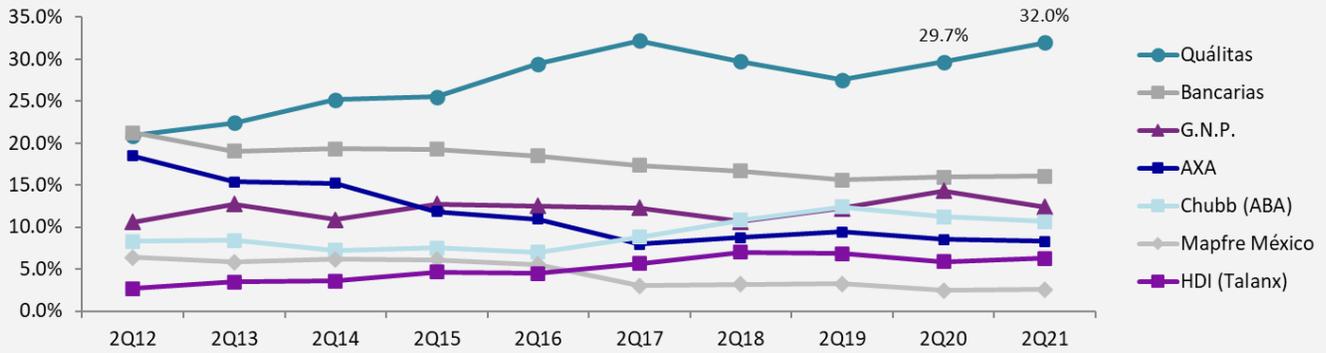
Automobile insurance market share



The 69.6% of the automobile insurance market share is held by the top 5 companies in the industry, these companies maintained its market share when compared to the end of first half 2021, while the medium companies won 40 bp, and the rest of the automobile insurance companies lost 43 bp.

Qualitas continues to be the leader in the automobile insurance sector with a 32.0% market share, which represents an increase of 232 bp when compared to same period previous year. The company continues to have a solid position in the main segments of the market, remaining within the first places, in terms of market share, in all the subbranches.

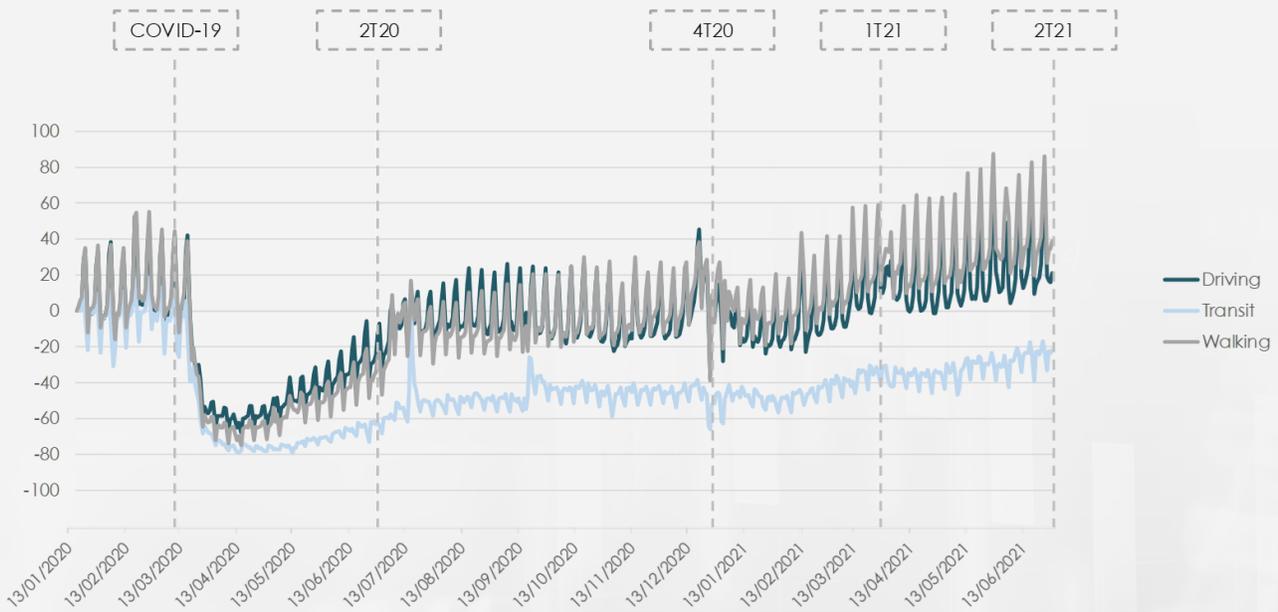
Total Auto	Cars	Trucks	Tourists	Others
 <b>Total Auto</b>	 <b>Cars</b>	 <b>Trucks</b>	 <b>Tourists</b>	 <b>Others</b>
Written premiums: \$17,120	Written premiums: \$8,873	Written premiums: \$7,734	Written premiums: \$130	Written premiums: \$ 383
Market share: <b>32%</b> <span style="color: green;">↑</span> Δpb* 232	Market share: <b>26.3%</b> <span style="color: green;">↑</span> Δpb* 407	Market share: <b>44.4%</b> <span style="color: green;">↑</span> Δpb* 32	Market share: <b>17.6%</b> <span style="color: red;">↓</span> Δpb* (170)	Market share: <b>23.6%</b> <span style="color: green;">↑</span> Δpb* 566
<b>Place:</b> 1°	<b>Place:</b> 1°	<b>Place:</b> 1°	<b>Place:</b> 2°	<b>Place:</b> 2°



## Mobility trends

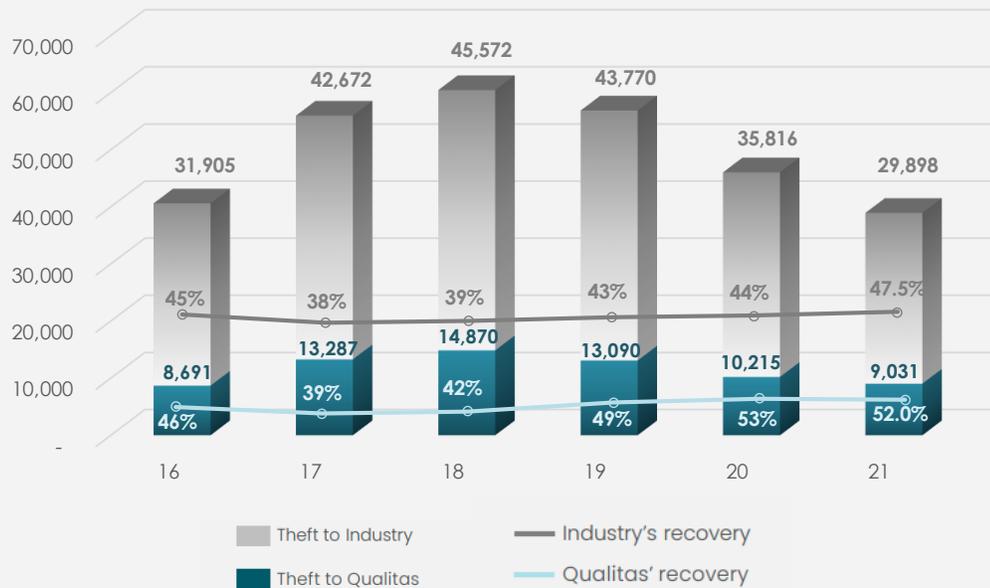
During the second quarter of the year, mobility continued its normalization trend, given the reopening and the economic recovery, showing a greater number of vehicles in circulation in comparison to previous quarters.

In Mexico, according to Apple Mobility Trends different transportation means present data that reflects the normalization; those who are using private vehicles have totally returned to normality and even present an increase of 9.5% versus the end of 2019, pedestrians have increased a 22.4%, while the public transport use still shows a 37.6% decrease during the 6M21 versus the end of 2019.



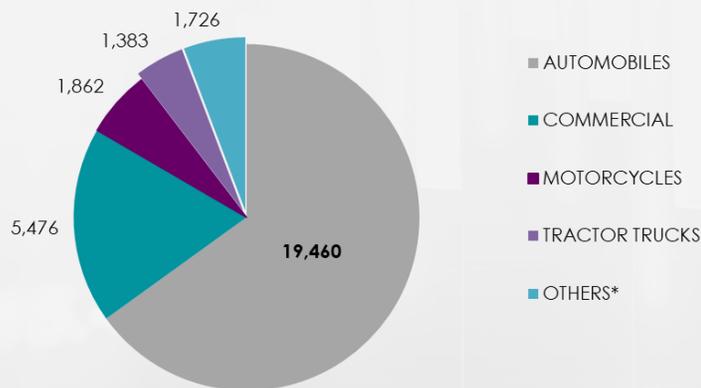
## Theft and recovery

During the first half of 2021, the decrease in robberies in Mexico continued its positive trend, although with a lesser magnitude during 2Q21. According to figures reported by the Office for the Coordination of Insured Risks (OCRA per its acronym in Spanish), the theft of insured units in Mexico decreased 16.5% for the industry compared to the same period of previous year; from which 47.5% were recovered. For Qualitas, the decrease in thefts was 11.6%, recovering 52.0% of the stolen units, almost 5 percentage points higher than industry average, which presented an increase of 3.3% compared to the same period of 2020.



From the 29,898 stolen units, 65.1% were automobiles, followed by 18.3% of commercial cars, and in third place with 6.2% were motorcycles. Motorcycle theft was the type of transportation that presented the greatest theft decrease of 28.7% in comparison to the end of 2020.

Theft by type of transport<sup>6</sup>

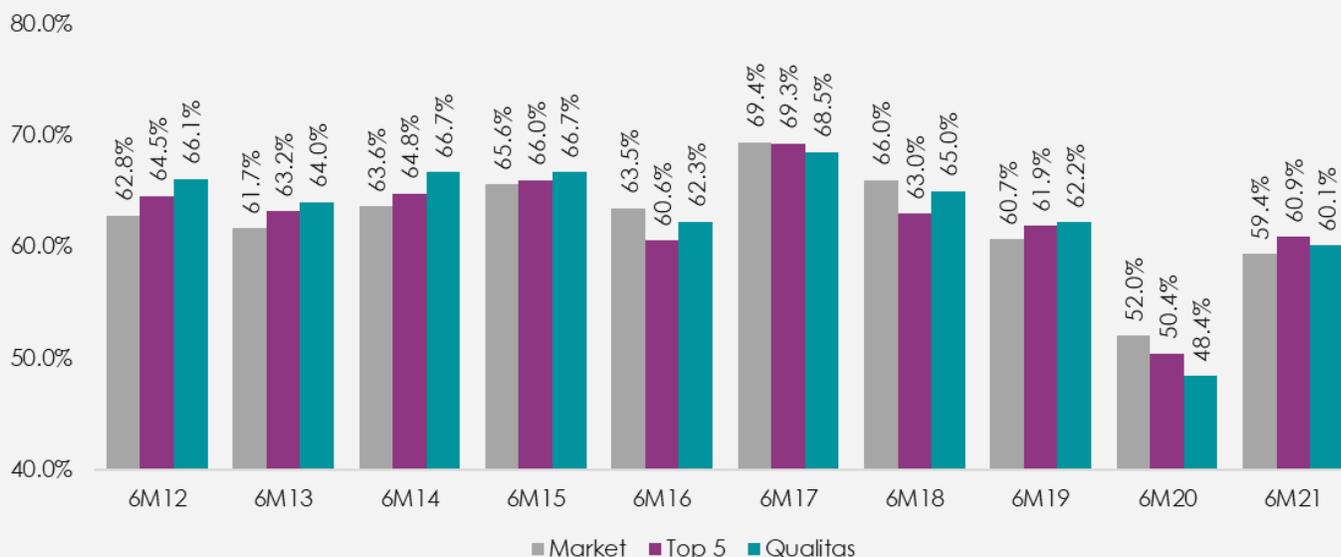


<sup>6</sup> Source: OCRA  
\*Others: semi-trailers, trucks, buses, etc.

## Cost ratios

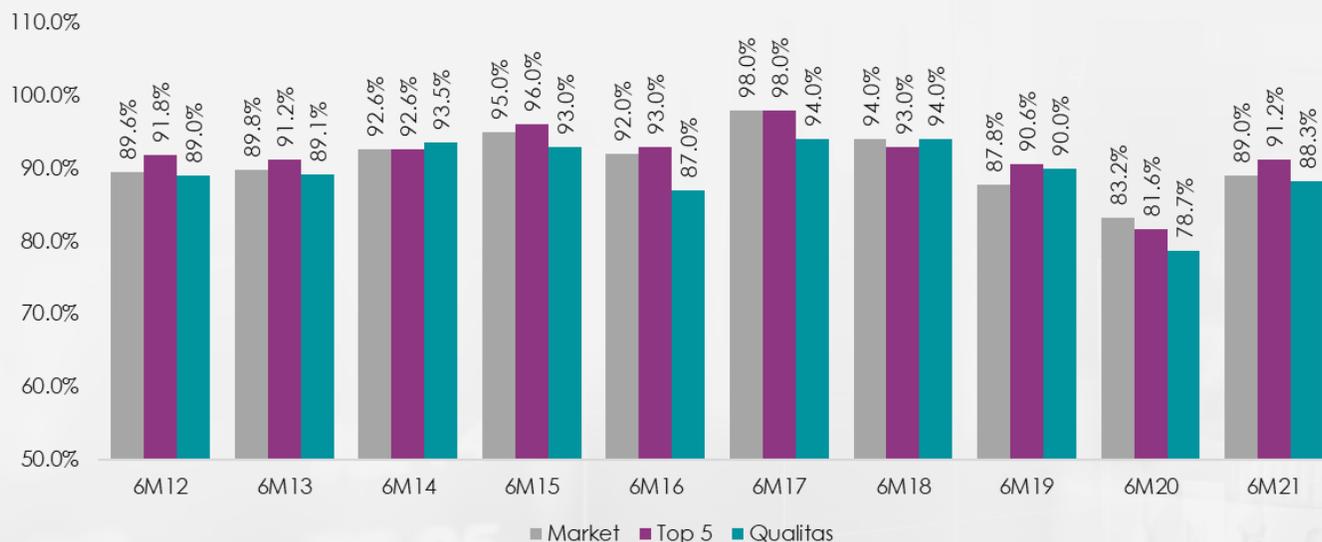
The industry recorded a higher loss ratio compared to the same period of 2020, driven by the already mentioned normalization in mobility trends. The ratio of the five main companies presented an increase of 10.5 pp, standing at 60.9%, Qualitas also presented an increase going from 48.4% to 60.1%.

Loss ratio



The industry's combined ratio was 89.0%, 5.8 percentage points above what was reported the same period of last year. The five largest companies registered a ratio of 91.2%, and Qualitas increased from 78.7% to 88.3%, showing the effects already mentioned and showing a normalization in the ratios.

Combined ratio



## Information sources

- AMIS. Asociación Mexicana de Instituciones de Seguros, A.C.; [www.amis.com.mx](http://www.amis.com.mx)
- AMDA. Asociación Mexicana de Distribuidores de Automotores, A.C.; [www.amda.mx](http://www.amda.mx)
- BANXICO. Banco de México; [www.banxico.org.mx](http://www.banxico.org.mx)
- INEGI. Instituto Nacional de Estadística y Geografía; [www.inegi.org.mx](http://www.inegi.org.mx)
- OCRA. Oficina Coordinadora de Riesgos Asegurados, S.C.; [www.ocra.com.mx/](http://www.ocra.com.mx/)

If you wish to refer to another source, you may visit the Mexican Insurance Companies' Regulator (National Insurance and Bonds Commission) web page: [www.cnsf.gob.mx](http://www.cnsf.gob.mx)

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## About Qualitas

Qualitas (Q) is the largest auto insurance company in Mexico in terms of market share, with operations in El Salvador, Costa Rica, USA and Peru. Its specialized business model has allowed the company to provide top quality service under the largest network in the country. Qualitas is listed in the Mexican Stock Exchange (BMV) under the ticker "Q" (Bloomberg: Q\*:MM).

## Investor relations contacts

### Santiago Monroy

[smonroy@qualitas.com.mx](mailto:smonroy@qualitas.com.mx)

T: +52 (55) 1555-6056

### Andrea González

[angonzalez@qualitas.com.mx](mailto:angonzalez@qualitas.com.mx)

T: +52 (55) 1555-6316

### Raquel Leetoy

[rleetoy@qualitas.com.mx](mailto:rleetoy@qualitas.com.mx)

T: +52 (55) 1555-6313

[qiinversionistas.qualitas.com.mx](http://qiinversionistas.qualitas.com.mx)