

# Automobile Insurance Industry Report

2019 ↘



DRAWING NEW ROADS

# Mexico's Auto insurance industry report 2019

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 Association of Insurance Institutions (AMIS), during 2019 auto insurance industry in Mexico had a nominal growth of 4.7% in written premiums. It is worth mentioning that GDP decrease 0.4%<sup>1</sup> in comparison with the same period of last year, and also decrease 0.1% annual in real terms of 2019; the annual inflation rate as of December was 0.59%<sup>2</sup>.

Automobile financing represented 68.5% of new car sales, with a 6.9% decrease compared to 2018, mainly caused by the 9.2% decrease in the placement of new vehicles. New light vehicles sales slowed down by 7.7% at the end of 2019 compared to the same period of 2018, while wholesales truck decreased 3.8% compared to the same period of the previous year<sup>3</sup>.

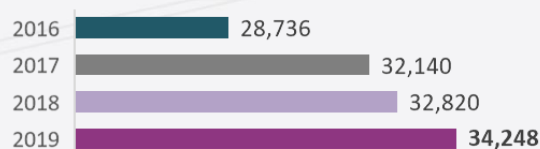
Regarding costs ratios, the industry registered a combined ratio of 91.3%, a significantly lower figure when compared to the 94.3% reported during the same period last year. This change is mainly related to a lower loss and acquisition ratio. Also, it is important to mention that during the year the number of meteorological events decreased, which directly impacts the loss ratio.

In order to have a better analysis of the industry<sup>4</sup>, we disaggregate bank-owned insurance companies. These companies, as they are part of financial groups, have cross selling with the banks costumers, and have different cost structures.

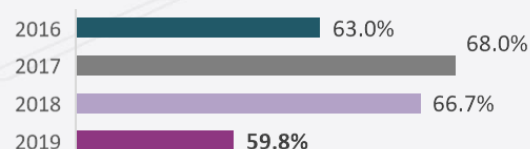
Companies	Written premium	Growth	Operating result	Financial income	Net result	Loss ratio	Combined ratio
Quálitas	34,248	4.4%	4,449	2,472	5,080	59.8%	86.5%
Others	63,589	5.9%	3,274	3,506	5,264	64.5%	95.2%
Sum insurance companies	97,837	5.3%	7,723	5,978	10,344	62.7%	91.8%
Bank-owned	17,223	1.1%	2,487	1,547	3,144	64.6%	86.3%
<b>Total market (35 companies)*</b>	<b>115,060</b>	<b>4.7%</b>	<b>10,209</b>	<b>7,525</b>	<b>13,488</b>	<b>63.0%</b>	<b>91.3%</b>

## Quálitas México (Q MX)<sup>4</sup>

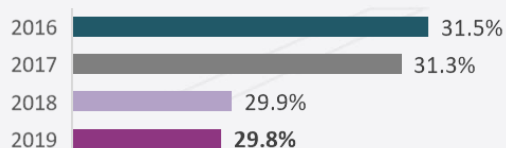
### Written premiums (million MXN)



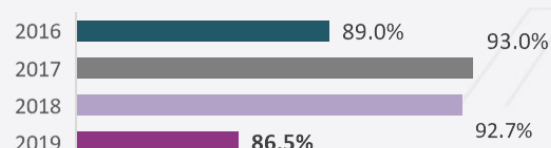
### Loss ratio



### Market share



### Combined ratio



<sup>1</sup> Source: INEGI (Instituto Nacional de Estadística y Geografía)

<sup>2</sup> Source: Banco de México

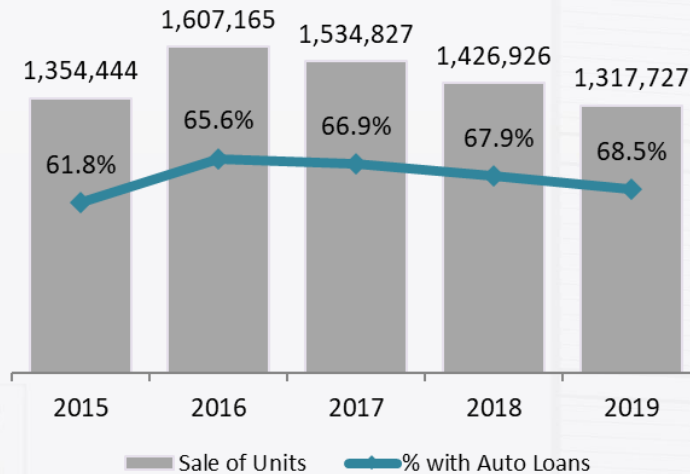
<sup>3</sup> Source: AMDA (Asociación Mexicana de Distribuidores de Automotores)

<sup>4</sup> Source: AMIS (Asociación Mexicana de Instituciones de Seguro)

\*34 insurance companies y 1 reinsurer

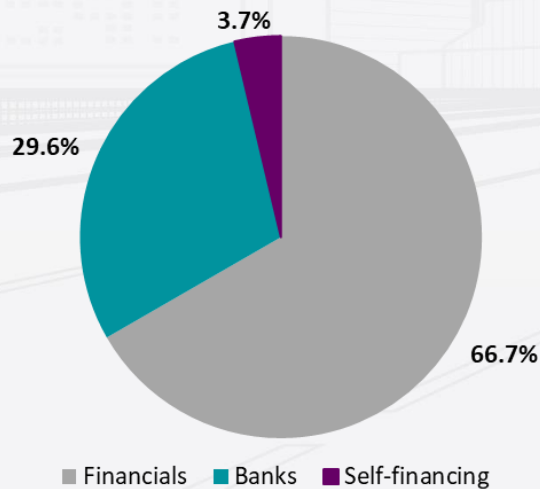
# Automobile industry and financing

Nationwide sales of vehicles and financing<sup>5</sup>



The automotive credit reached 68.5% of the commercialization of light vehicles sales compared to the 67.9% registered in the previous year. Likewise, new unit's sales (automobile and trucks) decreased 7.7% compared to 2018, reaching a total of 1,317,727 commercialized vehicles.

Automobile financing market<sup>5\*</sup>



The main sources of financing to purchase a car were through financial institutions with a 66.7% market share, followed by bank financing with a 29.6% market share which had an increase of 210 bp when compared to 2018.

<sup>5</sup> Source: AMDA  
\*Figures in allocations

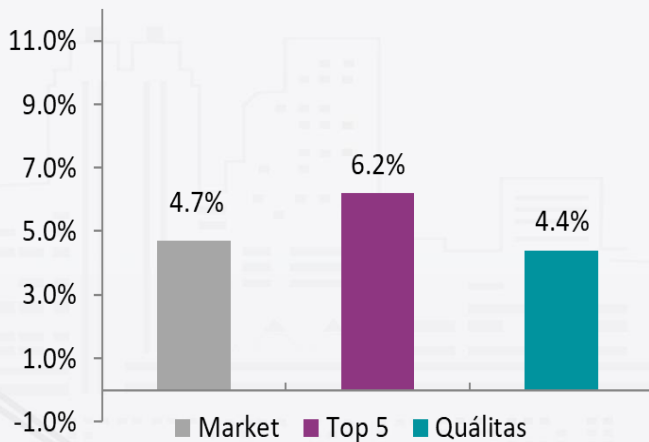
# Automobile insurance industry

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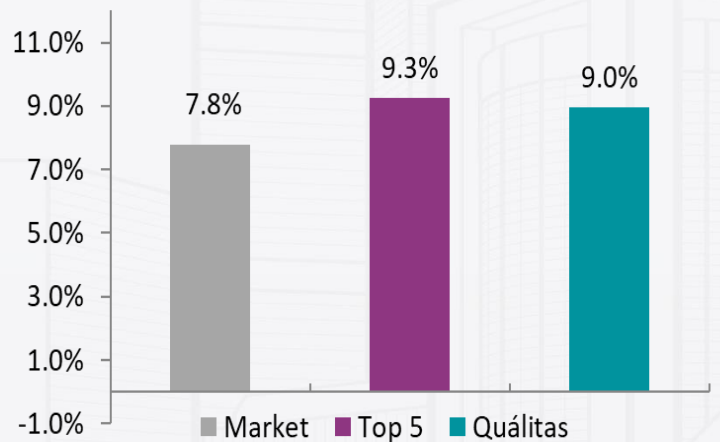
In 2019, the market recorded total written premiums of \$115,060 million, an increase of 4.7% in comparison with last year. Top 5 companies grew 6.2%, medium companies 0.9% and small companies 4.7%.

Market's net result was \$13,488 million, this is mainly explained by an operating result of \$10,209 million and a financial income of \$7,525 million.

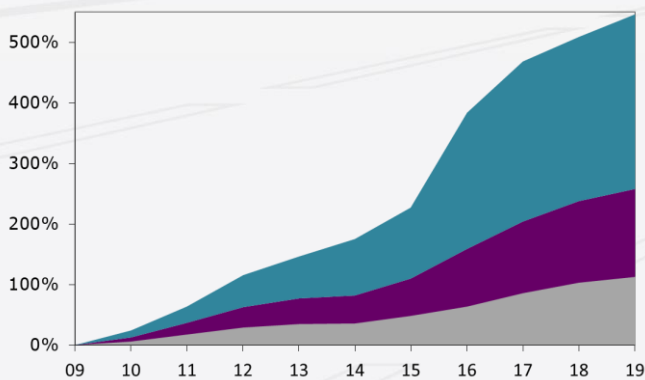
**Written premiums growth  
2019 vs 2018**



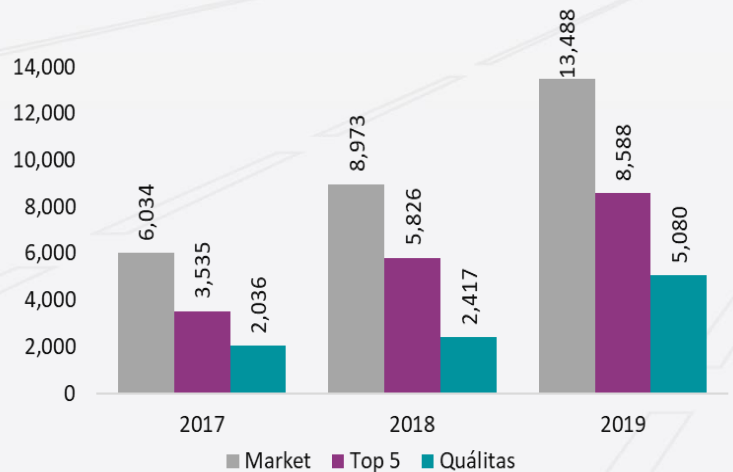
**Earned premiums growth  
2019 vs 2018**



**Cumulative growth in premiums written  
(Base 2010)**



**Net result**



# Automobile insurance industry 2019

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Company	Written premiums	Market share	Growth 9M19 vs 9M18	Earned premiums	Market share
Quálitas	34,248	29.8%	4.4%	33,776	32.0%
G.N.P.	15,288	13.3%	15.9%	13,953	13.2%
Chubb Seguros México	12,467	10.8%	6.9%	5,656	5.4%
AXA Seguros	10,464	9.1%	5.3%	10,557	10.0%
HDI Seguros	7,484	6.5%	(2.5%)	6,885	6.5%
<b>Top 5</b>	<b>79,951</b>	<b>69.5%</b>	<b>6.2%</b>	<b>70,829</b>	<b>67.0%</b>
Banorte	5,601	4.9%	(0.7%)	5,710	5.4%
BBVA Bancomer	4,663	4.1%	11.2%	4,527	4.3%
Mapfre México	3,583	3.1%	0.8%	3,772	3.6%
Inbursa	3,364	2.9%	(17.9%)	3,931	3.7%
Atlas	3,328	2.9%	2.8%	3,266	3.1%
Zurich Daños	2,682	2.3%	(11.4%)	2,564	2.4%
Afirme	2,316	2.0%	12.1%	2,223	2.1%
ANA	2,287	2.0%	24.4%	1,674	1.6%
Seguros SURA	1,344	1.2%	11.1%	1,332	1.3%
General de Seguros	1,221	1.1%	(3.6%)	1,261	1.2%
<b>Medium</b>	<b>30,390</b>	<b>26.4%</b>	<b>0.9%</b>	<b>30,260</b>	<b>28.6%</b>
<b>Other</b>	<b>4,720</b>	<b>4.1%</b>	<b>4.7%</b>	<b>4,557</b>	<b>4.3%</b>
<b>Total market (35 Companies)*</b>	<b>115,060</b>	<b>100.0%</b>	<b>4.7%</b>	<b>105,646</b>	<b>100.0%</b>

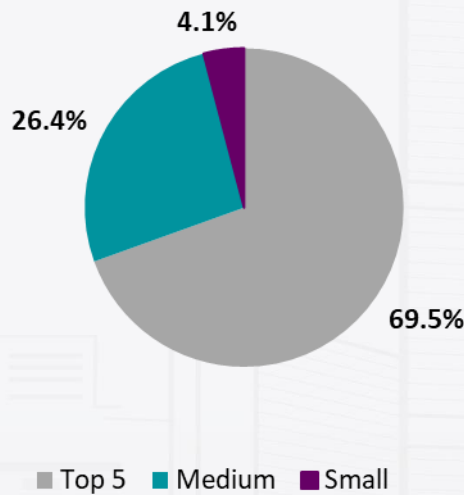
Company	Operating result	Investment income	Net result	Claims ratio	Combined ratio
Quálitas	4,449	2,472	5,080	59.8%	86.5%
G.N.P.	816	756	1,090	61.6%	93.8%
Chubb	282	403	404	69.0%	101.7%
AXA Seguros	1,229	746	1,791	66.0%	88.6%
HDI Seguros	(87)	402	224	70.2%	104.3%
<b>Top 5</b>	<b>6,689</b>	<b>4,779</b>	<b>8,588</b>	<b>62.8%</b>	<b>91.3%</b>
Banorte	1,106	537	1,657	64.5%	81.0%
BBVA Bancomer	476	620	475	75.6%	89.1%
Mapfre México	139	149	188	65.8%	97.9%
Inbursa	518	153	486	60.1%	91.3%
Atlas	511	197	577	57.6%	84.0%
Zurich Daños	205	72	243	61.5%	102.4%
Afirme	16	167	140	61.9%	97.7%
ANA	127	86	156	55.9%	89.9%
General de seguros	232	41	249	64.1%	84.4%
General de Seguros	(227)	400	166	77.7%	119.3%
<b>Medium</b>	<b>3,104</b>	<b>2,421</b>	<b>4,336</b>	<b>64.6%</b>	<b>91.0%</b>
<b>Other</b>	<b>416</b>	<b>325</b>	<b>563</b>	<b>55.2%</b>	<b>92.5%</b>
<b>Total market (35 Companies)*</b>	<b>10,209</b>	<b>7,525</b>	<b>13,488</b>	<b>63.0%</b>	<b>91.3%</b>

# Market share





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The five largest companies in the industry accounted for 69.5% of automobile insurance market share. During the year, large companies gained 100 bp of market share when compared to the same period of 2018, medium companies lost 100 bp and small had no changes.

Automobile insurance market share



Qualitas continues to be the leader in the automobile insurance sector with 29.8% share and remains well positioned amongst key segments of the market. The company is ranked in the first two places in every branch of the industry in terms of market share.

<p><b>Cars</b></p> 	<p><b>Written premiums:</b> \$ 16,030</p> <p><b>Market share:</b> 21.6%</p> <p><b>Place:</b> 1<sup>o</sup></p>	<p><b>Trucks</b></p> 	<p><b>Written premiums:</b> \$ 17,361</p> <p><b>Market share:</b> 46.7%</p> <p><b>Place:</b> 1<sup>o</sup></p>
<p><b>Tourists</b></p> 	<p><b>Written premiums:</b> \$ 266</p> <p><b>Market share:</b> 18.2%</p> <p><b>Place:</b> 2<sup>o</sup></p>	<p><b>Other</b></p> 	<p><b>Written premiums:</b> \$ 591</p> <p><b>Market share:</b> 27.2%</p> <p><b>Place:</b> 1<sup>o</sup></p>

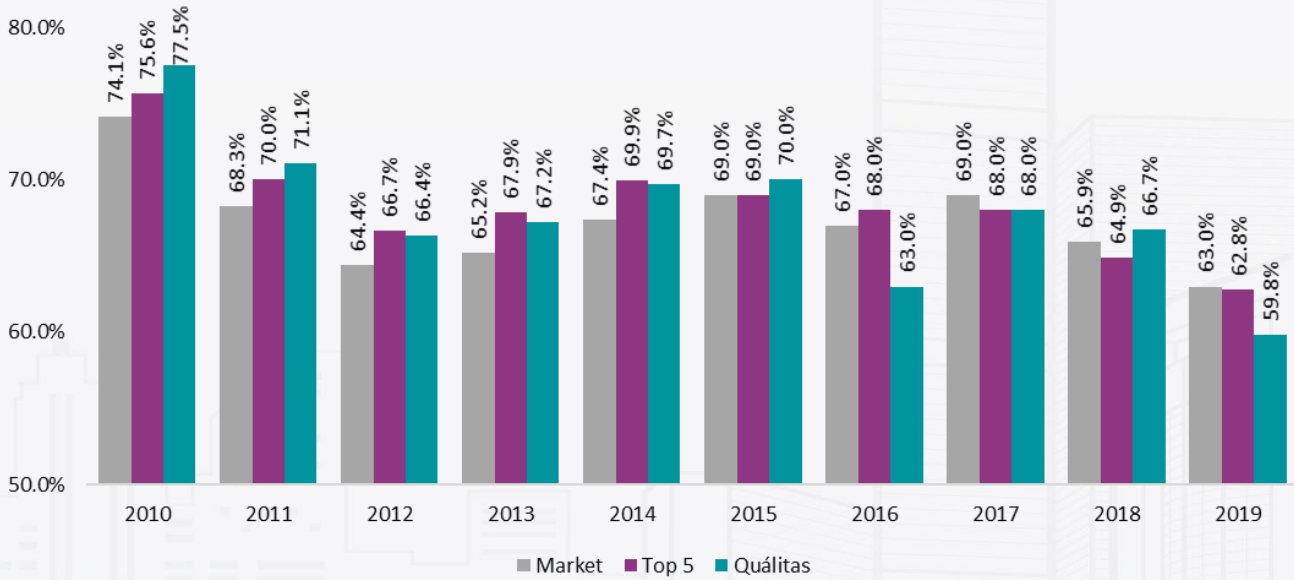
 <p><b>Total Auto</b></p>	<p><b>Written premiums:</b> \$ 34,248</p>	<p><b>Market share:</b> 29.8%</p>	<p><b>Place:</b> 1<sup>o</sup></p>
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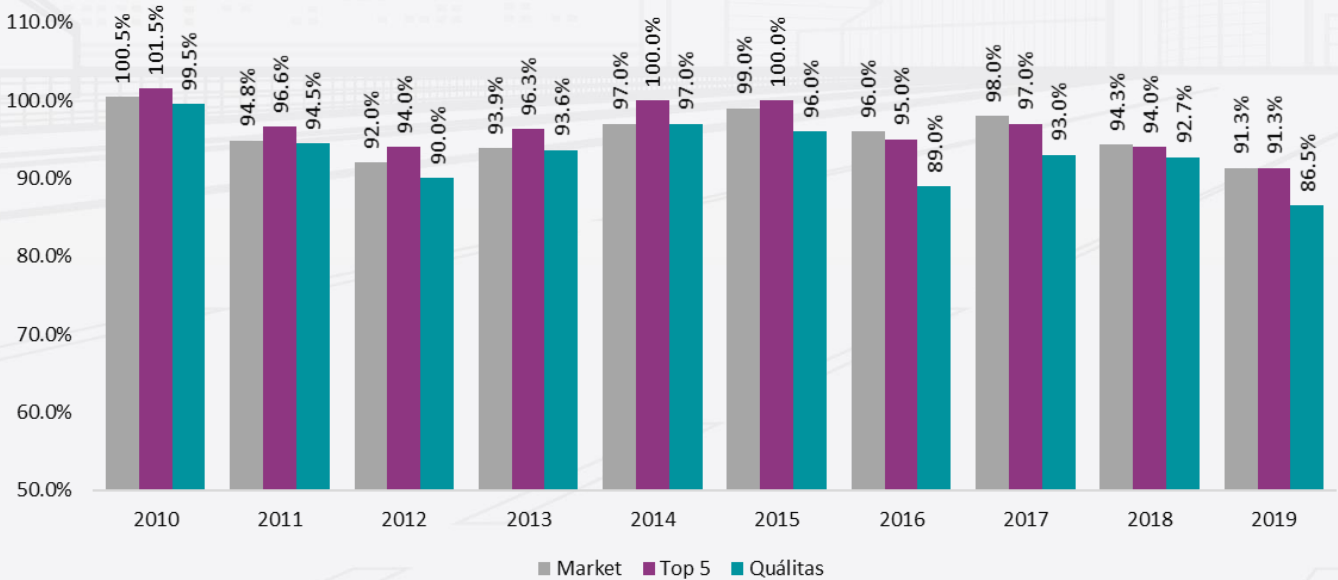
# Costs ratios

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The industry recorded lower loss ratio when compared to the previous year. Loss ratio of the five largest companies decreased 210 bp, while Quálitas loss ratio dropped from 66.7% to 59.8%



Combined ratio for the industry reached 91.3%, figure lower than the 94.3% registered at the end of 2018. The five largest companies recorded 91.3% and Quálitas combined ratio reached 86.5%.



## Information sources:

1. AMIS. Asociación Mexicana de Instituciones de Seguros, A.C.; [www.amis.com.mx](http://www.amis.com.mx)
2. AMDA. Asociación Mexicana de Distribuidores de Automotores, A.C.; [www.amda.mx](http://www.amda.mx)
3. BANXICO. Banco de México; [www.banxico.org.mx](http://www.banxico.org.mx)
4. INEGI. Instituto Nacional de Estadística y Geografía; [www.inegi.org.mx](http://www.inegi.org.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 Quálitas:

Quálitas (Q) is the largest auto insurance company in Mexico in terms of market cap penetration, 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. Quálitas is listed on the Mexican Stock Exchange (BMV) under the ticker "Q" (Bloomberg: Q\*:MM).

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