

Insurance and Reinsurance – 2020 Outlook

The sector is expected to continue to grow at a steady rate in 2020



The new leadership of SUSEP has introduced more transparency to the regulatory process and focused on four objectives:

greater competition; legal certainty; flexibility and credibility.

WHAT IS GOING ON:



Recently enacted Economic Freedom Act will have an impact on (re)insurance markets;



Deregulation of insurance brokers;



Intermittent coverage will be allowed;



New investment rules for Local Insurers and Reinsurers;



New risk assignment rules for occasional reinsurers;



Changes to the mandatory auto insurance (DPVAT);



Brazilian General Data Protection Act will create an increased demand for cyber risk insurance.



INNOVATION:

- Regulatory sandbox
- Further digitization of recordkeeping
- Open insurance
- Market segmentation according to the size of a company
- Insurtechs

TRENDS:

Legislation

- Insurance Bill, if passed, will have a far reaching impact on (re)insurance markets;
- Public Bidding Bill, if passed, will impact guarantee insurance market and infrastructure projects.

Transactions

- IPO of Caixa Econômica Federal;
- Market consolidation via M&A activity and joint ventures between insurance companies from different holding companies.

Litigation

- More participation in/ more awareness of alternative means of conflict resolution, such as mediation;
- Use of technology to monitor lawsuits and decisions;
- New rulings expected on some relevant topics such as subrogation of the insurer and statute of limitation.