

Reinsurance

Each year the Reinsurance Association of America (RAA) provides an overview of the countries from which U.S. insurance companies obtain reinsurance, i.e., the countries to which they have ceded, or transferred, some of their risk. The analysis includes premiums that a U.S. insurance company cedes to "offshore" i.e., foreign, reinsurance companies that are not part of the insurer's own corporate group ("unaffiliated offshore insurers" in the chart below), as well as business ceded to overseas reinsurers that are part of the insurer's corporate family ("affiliated offshore reinsurers" in the chart below).

The RAA report compares U.S. insurance premiums ceded to U.S. professional reinsurance companies to the U.S. premiums ceded to offshore, i.e., foreign, companies. U.S. professional reinsurance companies accounted for 38.2 percent of the U.S. premium written that was ceded in 2013, while offshore companies accounted for 61.8 percent. However, a number of U.S.-based reinsurers are owned by foreign companies. Taking this into consideration, foreign reinsurers accounted for 91.9 percent while U.S. professional reinsurers accounted for 8.1 percent.

U.S. REINSURANCE PREMIUMS CEDED TO UNAFFILIATED AND AFFILIATED OFFSHORE REINSURERS BY COUNTRY, 2011-2013 (1)

(\$ millions)

Rank	Country	Unaffiliated offshore reinsurers			Affiliated offshore reinsurers		
		2011	2012	2013	2011	2012	2013
1	Bermuda	\$9,798	\$9,387	\$9,676	\$21,802	\$23,918	
2	Switzerland	1,316	1,151	1,388	7,496	9,013	
3	United Kingdom	4,680	4,719	4,781	792	544	
4	Germany	2,697	2,883	3,655	972	1,318	
5	Cayman Islands	2,548	2,963	3,308	377	591	
6	Turks and Caicos	733	873	1,047	79	234	
7	Channel Islands	1,518	2,883	1,261	NA	NA	
8	Ireland	485	454	490	323	194	
9	Barbados	607	652	659	NA	NA	
10	France	NA	NA	NA	436	256	
11	British Virgin Islands	355	434	464	NA	NA	
12	Spain	NA	NA	NA	164	278	
13	Canada	NA	NA	NA	92	96	
	Total, countries shown	\$24,737	\$26,399	\$26,729	\$32,533	\$36,442	
	Total, all countries	\$26,374	\$26,790	\$28,386	\$33,051	\$36,929	

- (1) Ranked by 2013 total reinsurance premiums.
- (2) Includes (\$1.91) billion in affiliated premiums ceded to Japan.

NA=Data not available.

Source: Reinsurance Association of America.

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