

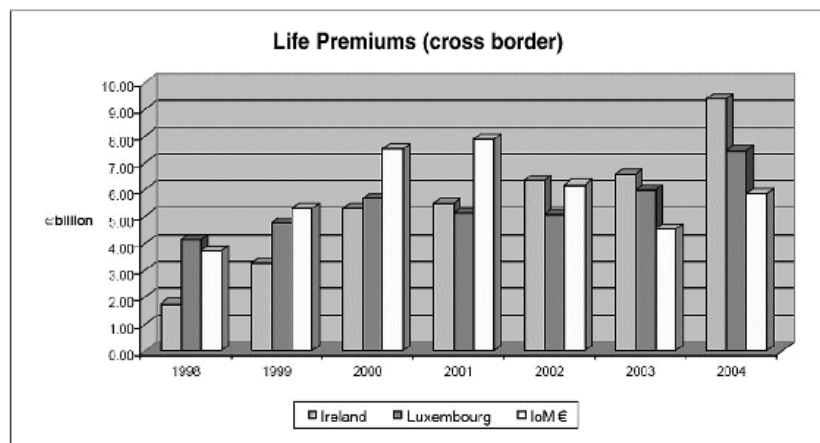
## Ireland Remains Top For Life Assurance

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Ireland has maintained its position as the largest cross-border life assurance centre according to a survey of 2004 figures, writes Boal & Co, who say that this growth was driven by tax changes in Germany. A fall-off in this business in 2005 however, could see the Isle of Man regain some ground.

Ireland has surged significantly ahead of Luxembourg and the Isle of Man in 2004 cross border life assurance premium income, according to Boal & Co's latest annual analysis of the cross-border industry.

In 2004 Ireland broke the €9 billion barrier for the first time and wrote almost €2 billion more than its nearest competitor, Luxembourg. All three of the cross-border locations have reason to be pleased, however, in a year where each achieved a year on year premium income growth in excess of 25 per cent.



Boal & Co's analysis has been produced following the recent publication of the 2004 Annual Statistics from the regulators in each of the three jurisdictions. The graph above was produced by Boal & Co as part of their analysis.

Ireland will be delighted with this result which has significantly strengthened their number one position. Significant new business from the larger Italian companies and from the 'fire-sale' in Germany caused by tax changes helped to contribute to a 43 per cent growth in premium income over the year. Total gross premiums of €9.4 billion consisted of €8.7 billion single premiums and €0.7 billion regular premiums. We estimate that almost half of that regular premium figure was attributed to 2004 German new business.

Luxembourg, too, benefited from the change in German tax regime at the end of 2004 with new business from Germany almost doubling compared to 2003.

The Isle of Man will be very pleased to have turned around two previous years of declining premium income. They remain in 3rd place on this measure, but their 30 per cent growth in premium income has helped to ensure that little further ground is lost. The Isle of Man's gross premium income of €5.9 billion was split €5.3 billion single premium and €0.6 billion regular premium. The Isle of Man's growth in premiums will be all the more pleasing as their insurers have not benefited from the once off increase in German new business.

Looking forward to 2005 it is difficult to imagine either Luxembourg or the Isle of Man catching Ireland in gross premium terms. We would expect Ireland to continue growing, with its greater diversification of companies allowing it to take advantage of emerging opportunities in Europe. Both Ireland and Luxembourg will, however, suffer some hangover from a large drop-off in German business.

Isle of Man companies remain very well placed in markets such as the UK, Far East and Middle East and have overall had an excellent 2005 year to date. This could allow the Isle of Man to regain some ground, particularly so when business is assessed in annual premium equivalent terms.