



## **International Institute of Loss Adjusters**

### **AGM Meeting Report of Regional Vice President, Alfredo Landívar V.**

#### **(Latin America)**

5<sup>th</sup> November 2010.

To the President and Members of the IILA

In line with the e-mail message dated 9<sup>th</sup> October 2010, sent by our President, I am pleased to present my Report concerning this Region which, I regret not being able to deliver personally due to several reasons out of my control.

#### **Market & or Business Developments**

As regards these matters, I may indicate that our region, despite the international economic crisis, has been growing in the economic aspect due, not only to the increase of the productions and/or the adequate handling of their global economies but, mainly, to the raise of the prices of all the commodities that the region produces and exports. Obviously, this means that automatically the insurance markets in our region have also grown.

It must be remarked that, in the immediate past, Latin America has not stand out precisely due to its growing and correct economical handling; however, the situation described above has been strengthening over time in direct relation with the global development in the world. Of course, Latin America is still a market quite small if it is compared with the markets in other continents.

No doubt, México y Brasil are the countries with major economic importance in the region and the quite recent opening, even partial and slow but effective, of the Brazilian market has produced very important changes in the continental insurance world.

It must also be noted that, the insurance laws which regulate the Latin American markets are quite different and the economic policies of the countries also differ from one economic group to other; i.e. some countries are increasing the state control frames and others are liberalizing them in line with their economic policies.

#### **Current News**

In the majority of the Latin American countries, an opening position to the establishment of foreign insurance companies has been noticed.

With the only exception of the situations created in the insurance world by the major claims caused by the earthquake in Chile on February of this year, in Latin America we have seen a



gradual return to the calm after the global economic crisis presented as a consequence of the disturbances sustained in the North American real state economy.

## **Changes in Insurance Law and/or Regulation**

During this last period of time, only in Mexico there have been some changes in the insurance legislation in order to increase the structure of the legal frame related, among other things, to the regulation of distribution and capitalization of the insurance products and the companies.

## **Disasters in Region**

Though, in our region, we have had to suffer several disasters, of different magnitude, during the year the major ones have been the earthquakes which took place in Haiti and Chile.

In Haiti, despite the fact that the quake ( 12/01/10 ) was of lower intensity ( 7.0 ) than the quake ( 8.8. ) and tsunami suffered in Chile on 27/02/10, it caused a lot more damages to the Haitian infrastructure and quite a larger number of deaths (aprox. 250,000) and injured people (aprox. 300,000). This may easily be explained by the difference of materials, designs and engineering applied in these two countries. In Chile, we had around 550 people killed and almost 500 persons injured.

As you may suppose, I myself had to go through the terrible experience of the earthquake in Santiago. That is why, I may give more details in respect of this disaster that, we all had to suffer here early in the morning of Saturday the 27th of February of 2010. The 8.8 earthquake in Santiago took place at Hrs. 03:34 of said date.

It is said the costs of said quake are around 30,000 Millions U.S. Dollars. It has been reported that more than 200,000 claims were presented against the local insurance companies and it is calculated that, the insurers will have to pay around USD 8,000,000,000 to their assureds.

The quake affected half of the Chilean territory, as from the central part of Chile (Santiago) down to the south. It has been reported that the epicentre was located in the Chilean sea in front of the villages of Curanipe and Cobquecura, at about 150 Kms. from the city of Concepción and at a depth of 47.4 Kms. below the earth's crust; due to this, Concepción was one of the Chilean cities more damaged by the earthquake. A tsunami also took place almost 20 minutes after the big earthquake which mainly affected the city of Talcahuano (where there was a naval base) and the island of Juan Fernandez. The quake was felt in other countries like Peru, Bolivia, Argentina and Brazil. As said before, around 550 people resulted dead and more that 500,000 houses were damaged.

The quake lasted almost 3 minutes which made it more terrible than others of the same magnitude but with a shorter lasting of time. It has been catalogued as the 2nd one in intensity in Chile and the 5th one in the world. This quake reportedly liberated 178 times more energy than the devastating earthquake of Haiti. The liberated energy is said to be near to 100,000 atomic bombs compared with the bomb liberated in Hiroshima in 1945. You have to be there (as regrettably I was) at the time of occurrence of such an event for understanding it. I may only say that, after a minute of lasting and in the middle of the mixed sounds of the ground, the moving



walls of your house / apartment and the dropping of the objects which are falling down, those who believe in God (as I do) just have a chance to pray and “deliver” yourself to Him because you think that the moment of your death has come.

As regards the city of Santiago, it must be said that most of the buildings have been properly built because, despite of the high intensity of the quake (and the thousands of replicas felt since the big event took place) just a few of them resulted severely damaged and hundreds of them are currently being repaired.

I may finish pointing out that, after said disaster, at this moment, Chile is mainly dedicated to rebuild the country and at the same time trying to develop it in all its areas as It was doing before the quake and tsunami took place.

This is all what I may report.

I would like to finish sending my best regards to the President and all members of the IILA, wishing that you have a wonderful Convention in Singapore.

A handwritten signature in black ink, appearing to read "Alfredo Landívar V.", is written over a horizontal line. The signature is stylized and cursive.

**Alfredo Landívar V.**

**Regional Vice President  
Latin America**