

Press Release



SUPERINTENDENCIA
VALORES Y SEGUROS

INSURANCE MARKET FINANCIAL REPORT AS OF DECEMBER 2007

- *Life insurance company earnings were close to US\$ 400 million last year, indicating a 26.3% fall in comparison to 2006 results.*
- *Regarding the direct premium of each company, 22 of the 28 insurance companies experienced an increase in sales during the year 2007, in comparison to the previous year.*
- *Additionally, the total value of the direct premium recorded represented 3.84% of the country's Gross Domestic Product.*
- *In the area of general insurance, earnings stayed practically the same at US\$ 27.3 million.*
- *Old Age Annuities sales showed a strong recovery, increasing by 30% with respect to 2006, turning around the downward trend that they had been demonstrating.*
- *Traditional insurance sales by life insurance companies increased by 10.44% last year. In the area of general insurance, earthquake and vehicle coverage rose by 18.3% and 15.02% respectively.*

I. LIFE INSURANCE COMPANIES

At the end of 2007, life insurance market earnings closed at US\$ 399.3 million. This indicates a 26.3% decrease in industry earnings in comparison to the year 2006.

Net Earnings by Company

Company (\$thousand December 2007)	Jan-Dec 2007	Jan-Dec 2006
Abn Amro	-173,398	-358,985
Ace	-77,294	111,534
Banchile	3,290,485	2,700,896
Bbva	1,482,282	2,906,729
Bci	3,492,518	4,786,970
Bice	31,804,408	36,582,396
Cardif	-3,288,623	1,597,100
Chilena Consolidada	14,048,376	16,630,678
Cigna (2)	-	2,850,246
Clc (2)	-168,420	62,079
Cn Life	8,333,179	12,475,964
Consorcio Nacional	47,024,517	64,376,873
Corpvida	8,520,440	8,827,146
Cruz Del Sur	4,231,635	7,001,966
Euroamerica	7,140,301	4,696,165
Huelen	38,081	208,422
Ing	10,689,001	9,987,705
Interamericana	2,940,956	2,421,556
Mapfre	-390,376	-785,619
Metlife	2,650,714	3,704,207
Mut De Carabineros	3,059,699	2,810,698
Mut. Ejerc. Y Aviac.	2,539,316	4,676,708
Mutual De Seguros	9,824,775	11,063,069
Ohio	1,558,460	-267,066
Penta	6,087,479	17,563,393
Principal	5,290,230	4,159,970
Renta Nacional	1,170,148	9,962,401
Santander (3)	24,700,035	17,720,203
Security Prevision (1) (4)	2,178,689	1,870,147
Security Rentas (4)	-	18,339,182
TOTAL	197,997,613	268,682,733

(1) On December 31, 2007, the company Security Prevision took over the company Cigna.

(2) Seguros CLC was created by Resolution N°237 of June 2006.

(3) By Resolution N°352 of August 2006, Altavida changed its name to Santander Seguros de Vida.

(4) On June 30, 2007, the company Seguros Vida Security Prevision took over the company Security Rentas Seguros de Vida S.A.

This decrease in earnings generated a decline in profitability indicators. Return on equity went from 19.34% during 2006 down to 12.41% during 2007. Return on investments also declined from 6.94% annually in 2006, to 5.98% annually in 2007.

A heavy increase in old age annuities insurance by more than 30%, along with an increase in traditional life insurance sales of both individual and group policies, allowed the life insurance companies' premiums to go up by more than US\$ 460 million during 2007, in comparison with the year 2006, rising by 12.68% from US\$ 3,650.6 million to US\$ 4,113.5 million.

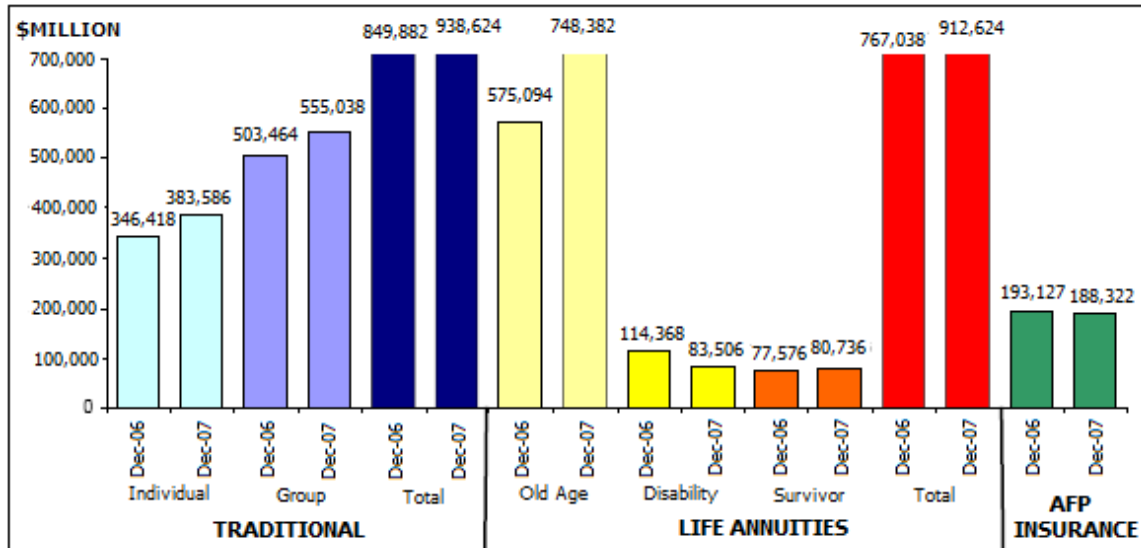
Traditional insurance sales increased by 10.44% during the year 2007, with a 10.73% rise in individual policies and a 10.24% rise in group policies.

Additionally, Life Annuities – which represented 44.75% of the total direct premium for the life insurance industry – showed a significant recovery in 2007, improving by 18.98% with respect to the previous year, due mainly to a heavy increase in Old Age Annuities sales, whose premium revenues rose by 30.13%.

Direct Premium Variation by Area

Direct Premium (\$thousand, December 2007)	<i>December 2007</i>	<i>December 2006</i>	<i>Variation</i> 2006-2007
Traditional - Individual	383,586,063	346,418,176	10.73%
Traditional - Group	555,037,917	503,463,586	10.24%
Total Traditional	938,623,980	849,881,763	10.44%
Old Age Annuities	748,381,910	575,093,982	30.13%
Disability Annuities	83,505,985	114,368,019	-26.98%
Survivor Annuities	80,736,407	77,575,697	4.07%
Total Life Annuities	912,624,302	767,037,699	18.98%
AFP Insurance	188,321,758	193,127,274	-2.49%
TOTAL	2,039,570,040	1,810,046,736	12.68%

Direct Premium by Area of Life Insurance (December 2006 – December 2007)



With respect to the direct premium of each company, 22 of the 28 insurance companies experienced an increase in sales during the year 2007, in comparison with the previous year.

Direct Premium Variation by Company

Company	Jan. – Dec. 2007 (\$thousand Dec. 2007)	Jan. – Dec. 2006 (\$thousand Dec. 2007)	Variation %
Abn Amor	0	321,488	-
Ace	6,303,142	4,909,971	28.37%
Banchile	42,782,090	36,403,174	17.52%
Bbva	91,902,854	74,180,650	23.89%
Bci	40,565,794	32,826,614	23.58%
Bice	122,715,870	106,550,265	15.17%
Cardif	88,656,756	68,871,070	28.73%
Chilena Consolidada	121,374,852	111,375,433	8.98%
Clc (1)	2,523,907	520,598	384.81%
Cn Life	835,737	647,31	29.11%
Consortio Nacional	203,080,319	163,636,479	24.10%
Corpvida	99,786,630	78,856,762	26.54%
Cruz Del Sur	78,341,109	63,752,095	22.88%
Euroamerica	99,890,967	79,839,075	25.12%
Huelen	853,886	442,715	92.87%
Ing	290,023,482	297,260,563	-2.43%
Interamericana	76,989,855	75,076,578	2.55%
Mapfre	3,758,389	8,698,926	-56.79%
Metlife	220,865,695	178,470,270	23.75%
Mut De Carabineros	11,690,092	7,594,549	53.93%
Mut. Ejerc. Y Aviac	12,352,691	11,140,056	10.89%
Mutual De Seguros	16,711,319	15,577,522	7.28%
Ohio	39,121,477	35,107,614	11.43%

Penta	102,471,075	92,256,724	11.07%
Principal	138,927,282	128,387,630	8.21%
Renta Nacional	233,917	242,707	-3.62%
Santander (2)	78,680,538	82,581,458	-4.72%
Security Prevision (3)	48,130,315	54,518,422	-11.72%
Total	2,039,570,040	1,810,046,736	12.68%

It is important to point out that direct premiums received by Life insurance companies during 2007 represent 2.56% of the estimated national GDP (IMF).

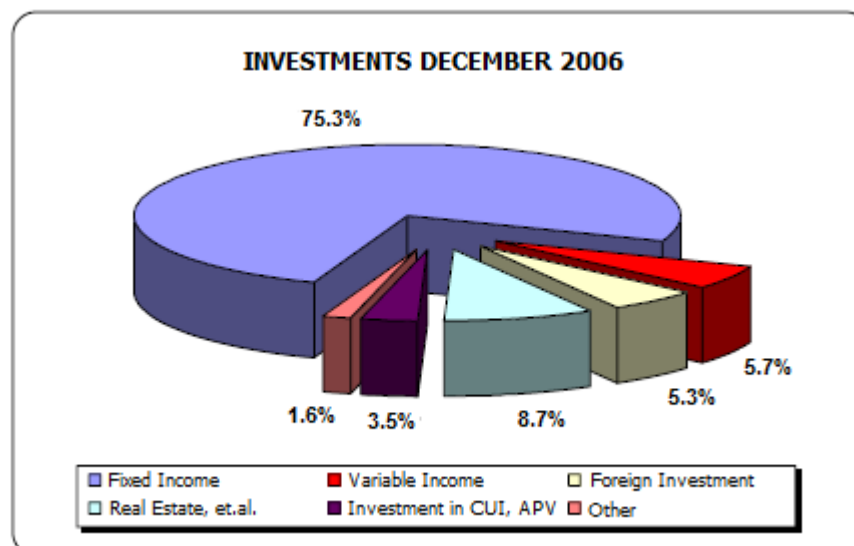
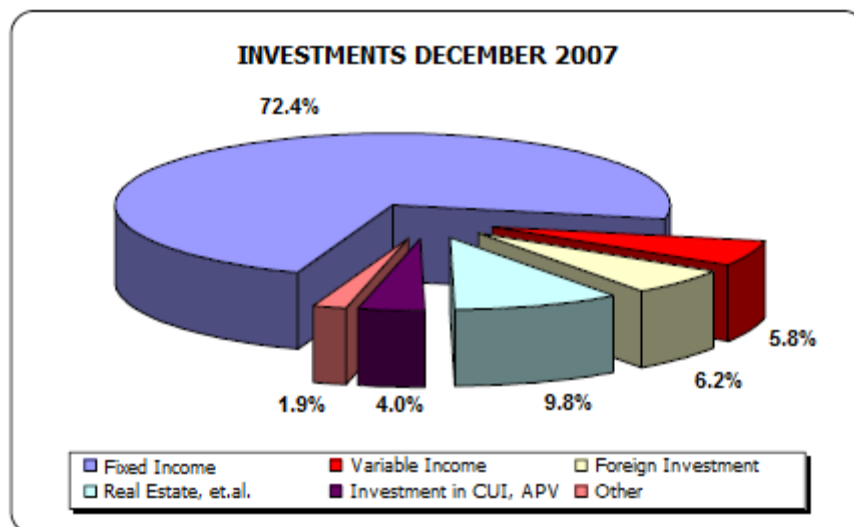
A.- Investment Structure

Investments made by life insurance companies during the year 2007 grew by 5.23% in comparison with the previous year. An overwhelming amount of investments were in fixed-income titles, representing 72.4% of total investments up to December 2007.

Nevertheless, investment in fixed-income instruments has experienced a decline during the past few years regarding its portfolio participation, giving room to investments that generate greater profits. Given this, an increase in portfolio participation can be seen by other types of investment during the year 2007, with respect to the same period of last year, with a significant 24.1% increase in foreign investments.

Type of Investment	December 2007 (\$thousand Dec. 2007)	Percentage (%)	December 2006 (\$thousand Dec. 2007)	Percentage (%)
Fixed Income	10,736,040,027	72.43	10,604,658,934	75.29
Variable Income	855,335,626	5.77	797,270,236	5.66
Foreign	919,433,248	6.2	740,903,519	5.26
Real Estate, et.al	1,447,168,429	9.76	1,228,086,584	8.72
CUI (*) and APV	586,582,331	3.96	491,175,924	3.49
Other	277,134,307	1.87	222,469,131	1.58
Total Investments	14,821,693,968	100	14,084,564,328	100

*CUI: Insurance with a unique investment account.



B. Indicators

Even though earnings went down during the period, solvency indicators, such as the total debt ratio and the Available Equity to Required Equity ratio stayed strong, showing reduced variation for the industry, as you can see in the following table.

Solvency Indicators by Company

LIFE INSURANCE COMPANY	DECEMBER 31, 2007		DECEMBER 31, 2006	
	Total Leverage	Available Eq./ Required Eq. (1)	Total Leverage	Available Eq./ Required Eq. (1)
ABN AMRO	0.42	1.25	0.29	1.34
ACE	0.62	1.15	0.40	1.21
BANCHILE	2.12	2.13	2.27	1.72
BBVA	7.71	2.15	6.72	2.30
BCI	5.41	1.42	4.23	1.59

BICE	8.45	1.95	8.47	1.84
CARDIF	2.85	1.24	2.43	1.22
CHILENA CONSOLIDADA	8.22	1.97	10.11	1.03
CIGNA (2)			4.71	2.95
CLC	0.86	1.04	0.62	1.13
CN LIFE	5.42	3.32	5.41	3.15
CONSORCIO NACIONAL	7.06	2.01	6.87	1.80
CRUZ DEL SUR	5.37	3.01	6.02	2.22
EUROAMERICA	11.27	1.60	10.98	1.37
HUELEN	0.61	1.62	0.73	1.71
ING	8.28	1.97	8.35	1.85
INTERAMERICANA	2.90	2.35	3.04	2.48
MAPFRE	12.37	1.36	9.17	1.46
METLIFE	11.09	1.46	10.60	1.46
OHIO	11.65	1.52	12.68	1.32
PENTA	9.73	1.80	8.76	1.89
PRINCIPAL	16.48	1.09	14.85	1.14
RENTA NACIONAL	8.19	2.20	7.24	2.35
SANTANDER	0.76	5.02	0.82	4.25
SECURITY PREVISION	9.06	1.72	5.50	1.33
SECURITY RENTAS (3)			8.32	2.04
VIDA CORP	8.24	2.15	8.57	1.93
TOTAL	8.09	1.91	7.97	1.76

(1) Corresponds to the quotient between Net Equity and Risk Equity.

(2) AND (3) bought by Security Previsión in 2007.

With respect to debt indicators, the Required Liability to Equity ratio shows a slight decline in comparison with the previous year, with an indicator of 7.46 during 2007

and of 7.35 during the year 2006. On the other hand, the Financial Liabilities to Equity ratio maintained constant, with a ratio of 0.07.

Indicator	Market Total
Return on Equity Jan-Dec 2007	12.41%
Return on Equity Jan-Dec 2006	19.34%
Return on Investments Jan-Dec 2007	5.98%
Return on Investments Jan-Dec 2006	6.94%
Required Liabilities to Equity Jan-Dec 2007 (Ratio)	7.46
Required Liabilities to Equity Jan-Dec 2006 (Ratio)	7.35
Financial Liabilities to Equity Jan-Dec 2007 (Ratio)	0.07
Financial Liabilities to Equity Jan-Dec 2006 (Ratio)	0.07

II. GENERAL INSURANCE COMPANIES

General insurance market earnings stayed fairly constant during 2007, with respect to the previous year, closing at US\$ 27.3 million.

Company	Jan-Dec 2007 (\$thousand Dec.2007)	Jan-Dec 2006 (\$thousand Dec.2007)
Abn Amro	-244,143	-236,911
Ace	-2,507,960	45,061
Aseg. Magallanes	1,441,085	1,988,604
Bci	3,856,240	3,201,555
Cardif	-4,894,569	3,902,191
Chilena Consolidada	1,947,964	1,341,782
Chubb	94,208	-752,610
Coface	303,847	550,557
Consortio Nacional	227,683	831,161
Credito Continental	2,047,349	2,137,422
Huelen Generales	-15,191	80,863
Interamericana	4,007,570	2,361,277
Ise Chile	1,812,019	794,375
Liberty	1,156,627	1,068,205
Mapfre	-5,564,950	-5,854,089
Mapfre Gar. Y Credito	681,702	780,517
Mut De Carabineros	770,649	783,734
Penta-Security	2,827,507	3,274,899
Renta Nacional	40,738	445,851
Royal	4,807,676	-3,474,569
Santander	720,108	356,933
Total	13,516,159	13,626,815

(1) In June 2006, Royal & Sun Alliance bought all shares for the Compañía Cruz del Sur.

(2) Santander Seguros Generales S.A. was created by Resolution N°297 of July 2006.

Cumulative Direct Premiums during the year 2007 for General Insurance Companies totaled US\$ 2,055.9 million, showing a 14.42% increase with respect to the previous year. This value contributed 1.28% to the total national GDP for the year.

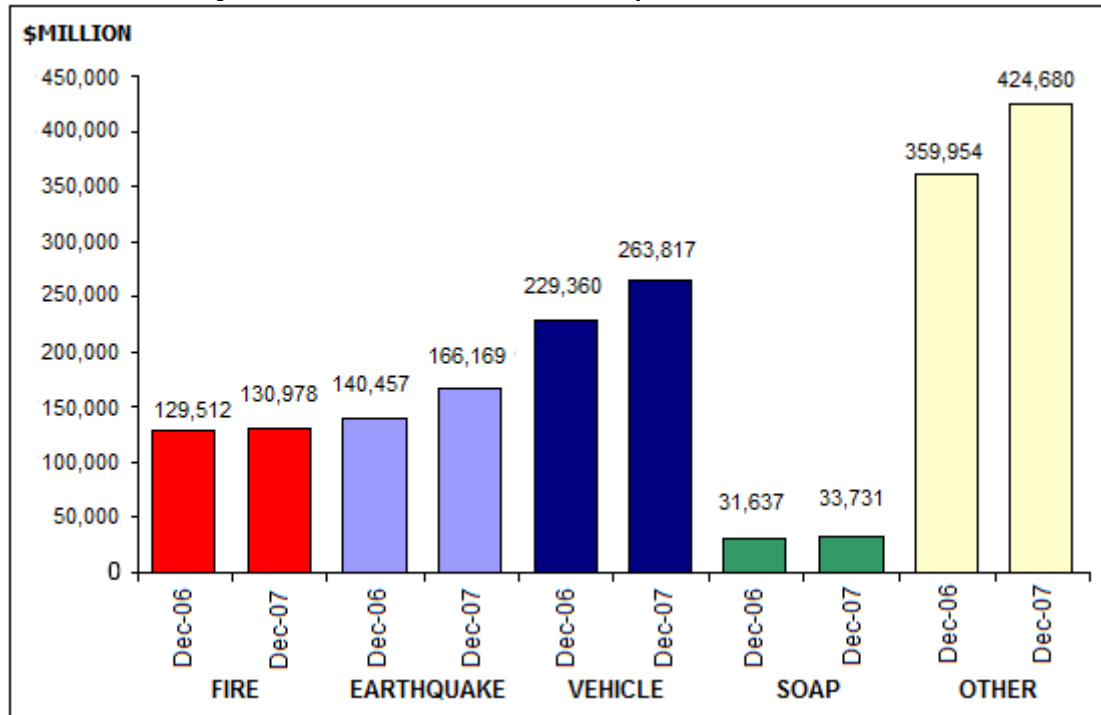
It should be pointed out that an increase is seen in all areas, but with a significant rise in earthquake insurance sales, which increased by 18.31%, and in vehicle insurance, which grew by 15.02% during the period.

Direct Premium Variation by Area

Area	Jan-Dec 2007 (\$thousand Dec 2007)	Jan-Dec 2006 (\$thousand Dec 2007)	Variation (%)
Fire	130,978,168	129,512,044	1.13%
Earthquake	166,169,384	140,456,873	18.31%
Vehicle	263,816,545	229,359,813	15.02%
SOAP (Obligatory Vehicle Insurance)	33,731,040	31,637,392	6.62%
Other	424,680,334	359,954,196	17.98%
Total Direct Premium	1,019,375,471	890,920,318	14.42%

The companies that showed the greatest percentage growth in sales from the 2006 to 2007 were: HUELEN, CONSORCIO, BCI and CARDIF.

Direct Premium by Area of General Insurance (December 2006 – December 2007)



Direct Premium Variation by Company

Company	Jan-Dec 2007 (\$thousand Dec 2007)	Jan-Dec 2006 (\$thousand Dec 2007)	Variation (%)
Abn Amro	0	-1,155,947	-
Ace	42,460,061	34,114,313	24.46%
Aseg. Magallanes	72,183,000	58,316,148	23.78%
Bci	72,089,277	52,601,494	37.05%
Cardif	78,792,865	61,423,689	28.28%
Chilena Consolidada	118,284,534	115,590,942	2.33%
Chubb	9,736,990	10,094,842	-3.54%
Coface	5,298,069	5,013,058	5.69%
Consortio Nacional	18,518,690	12,688,586	45.95%
Credito Continental	12,038,319	10,393,221	15.83%
Huelen Generales	222,369	151,297	46.98%
Interamericana	102,622,392	100,806,967	1.80%
Ise Chile	19,364,791	19,163,474	1.05%
Liberty	75,597,757	64,455,546	17.29%
Mapfre	82,889,923	77,287,376	7.25%

Mapfre Gar. Y Credito	6,191,833	5,768,486	7.34%
Mut De Carabineros	953,622	949,804	0.40%
Penta-Security	106,525,266	87,028,898	22.40%
Renta Nacional	12,530,632	10,585,291	18.38%
Royal (1)	163,653,363	160,415,423	2.02%
Santander (2)	19,421,718	5,227,402	-
Total	1,019,375,471	890,920,318	14.42%

(1) In June 2006, Royal & Sun Alliance bought all shares for the Compañía Cruz del Sur.

(2) Santander Seguros Generales S.A. was created by Resolution N°297 of July 2006.

With respect to the return on equity indicator during the year 2007, general insurance companies show a slight drop with respect to the previous year. Return on equity dropped to 5.54% from the 6.16% presented during previous year.

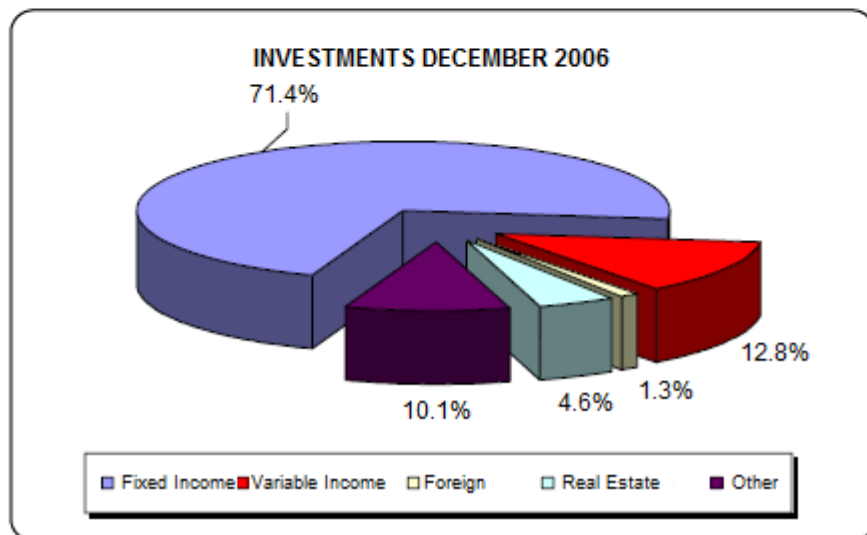
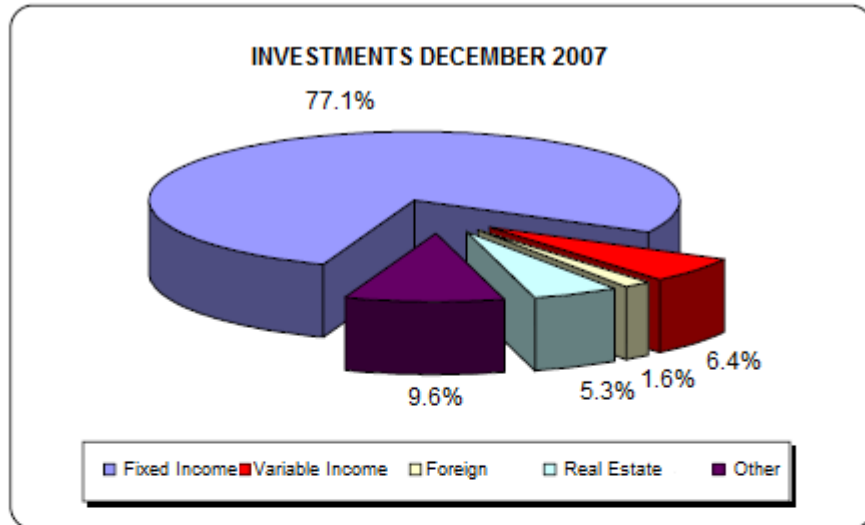
Additionally, return on investments fell during the year 2007, in comparison with the previous year, going from 4.10% in 2006 to 2.76% in 2007, mainly caused by a 20% drop in investment results.

A.- Investment Structure

The total amount of investments held in the portfolios of general insurance companies during 2007, increased by 15.15% in comparison with the previous year, closing at US\$ 931.9 million.

Investments made by General Insurance Companies were heavily concentrated in national fixed income securities, representing 77.1% of all investments. During this period, it should be pointed out that there were increases in foreign investment, real estate and national fixed income securities, of 48.9%, 33.7%, and 24.4% respectively. On the other hand, there was a sharp 42.5% drop in investment in national variable income securities.

Type of Investment	December 2007 (\$thousand Dec. 2007)	Percentage (%)	December 2006 (\$thousand Dec. 2007)	Percentage (%)
Fixed Income	356,219,584	77.1	286,346,375	71.4
Variable Income	29,473,045	6.4	51,285,915	12.8
Foreign	7,446,220	1.6	5,001,782	1.3
Real Estate	24,448,708	5.3	18,288,991	4.6
Other	44,476,666	9.6	40,350,204	10.1
Total	462,064,223	100	401,273,267	100



B.- Debt Ratio Indicators

For the general insurance industry, solvency indicators maintained a good level, similar to that of the previous year.

Solvency Indicators by Company

LIFE INSURANCE COMPANY	DECEMBER 31, 2007		DECEMBER 31, 2006	
	Total Leverage	Available Eq./ Required Eq. (1)	Total Leverage	Available Eq./ Required Eq. (1)
ABN AMRO (2)	0,46	0,77	0,42	0,91
ACE	1,42	1,87	0,87	2,92
ASEG. MAGALLANES	3,21	1,42	2,74	1,76
BCI	3,17	1,58	3,03	1,55

CARDIF	1,97	1,02	1,79	0,99
CHILENA CONSOLIDADA	3,22	1,55	3,51	1,42
CHUBB	0,90	3,03	1,11	3,06
COFACE	1,61	2,14	1,59	2,25
CONSORCIO NACIONAL	2,72	1,83	1,96	2,27
CREDITO CONTINENTAL	0,57	5,85	0,64	4,90
HUELEN GENERALES	0,14	1,36	0,12	1,41
INTERAMERICANA	3,04	1,48	3,54	1,41
ISE CHILE	2,25	1,60	2,87	1,33
LIBERTY	3,03	1,31	2,74	1,61
MAPFRE	4,89	0,98	4,79	1,00
MAPFRE GAR. Y CREDITO	0,46	2,89	0,40	2,86
MUT DE CARABINEROS	0,09	4,60	0,09	4,36
PENTA-SECURITY	3,75	1,33	3,79	1,32
RENTA NACIONAL	2,49	1,54	2,27	1,96
ROYAL	3,54	1,41	4,53	1,10
SANTANDER	0,98	2,15	0,38	4,81
TOTAL	2,62	1,48	2,63	1,52

(1) Corresponds to the quotient between Net Equity and Risk Equity.

(2) Abn Amro is in the process of changing its corporate purpose (04/06/2006).

With respect to debt levels, we can see a slight increase in the Required Liabilities to Equity ratio which reached 2.48 during the year 2007, in comparison with 2.45 during the previous year. On the other hand, the Financial Liabilities to Equity indicator stayed the same, at 0.02.

Indicator	Market Total
Return on Equity Jan-Dec 2007	5.54
Return on Equity Jan-Dec 2006	6.16
Return on Investments Jan-Dec 2007	2.76
Return on Investments Jan-Dec 2006	4.10
Required Liabilities to Equity Jan-Dec 2007 (Ratio)	2.48
Required Liabilities to Equity Jan-Dec 2006 (Ratio)	2.45
Financial Liabilities to Equity Jan-Dec 2007 (Ratio)	0.02
Financial Liabilities to Equity Jan-Dec 2007 (Ratio)	0.02