Erratum

Successful Business Strategies for Insurers Entering and Growing in Emerging Markets

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The Geneva Papers (2010) 35, 349–359. doi:10.1057/gpp.2010.9

Correction to: (GP 35(1): 110–129). doi: gpp.2009.35

In the version of this article initially published, the authors' amendments were not correctly implemented. Please find the corrected Tables 1–5 in the following pages.

Table 1 Descriptive statistics of insurer and country characteristics, 2004–2007

	Median					Fraction of Sample Population								
	ROE	RAROE	Premium growth	Life premium/premium	Total assets in U.S.\$ mill.	Surplus/total assets	GDP per capita	Inflation	Market share, five largest insurers	Insurance penetration	% Diversified insurers	% Mutual insurers	% Insurer in groups	Firm-year obs.
Middle East	17.51	4.23	22.91	8.09	368.13	42.39	6,479	4.87	11.48	0.87	48.48	0	22.73	66
Bahrain	11.82	2.71	16.54	4.04	262.07	37.96	10,677	2.35	n/a	n/a	16.67	0	58.33	12
Egypt	19.04	5.90	20.79	47.63	620.43	24.64	n/a	7.64	46.42	0.81	100.00	0	0	15
Jordan	23.07	6.43	3.01	7.04	93.92	67.50	894	3.49	18.95	3.05	100.00	0	0	3
Kuwait	19.12	6.48	26.26	13.49	311.43	60.25	n/a	3.60	n/a	0.90	50.00	0	50.00	8
Oman	30.06	1.89	-2.32	41.20	143.26	29.43	6,271	2.53	n/a	1.18	75.00	0	100.00	4
Qatar	14.68	3.77	49.59	0.00	247.52	67.15	n/a	11.83	n/a	n/a	0	0	0	5
Saudi Arabia	20.68	3.28	18.63	0.00	1,142.85	49.58	6,571	1.46	n/a	0.66	0	0	0	2
United Arab Emirates	20.13	3.54	45.70	0.00	535.97	62.30	25,686	n/a	10.57	2.17	29.41	0	0	17
Western hemisphere	10.88	0.70	25.61	0.00	56.66	32.70	3,908	4.42	21.00	3.33	12.55	4.55	28.85	988
Antigua and Barbuda	35.63	5.47	7.03	0.00	58.83	32.49	8,812	n/a	n/a	n/a	0	0	0	4
Argentina	8.94	0.46	30.02	0.00	27.89	36.54	5,157	9.64	19.59	2.38	5.45	6.54	16.89	367
Bahamas	15.59	0.72	5.18	0.00	60.29	27.17	n/a	1.59	41.73	n/a	16.67	0.00	58.33	24
Barbados	17.19	1.31	12.79	0.00	123.68	32.04	n/a	6.08	n/a	n/a	4.55	18.18	72.73	22
Bolivia	11.82	1.19	11.25	0.00	9.17	44.42	464	4.28	n/a	n/a	5.88	0	5.88	17
Brazil	12.28	1.21	40.38	0.00	107.59	35.54	1,901	6.60	44.94	4.92	10.49	0	30.25	162
Chile	11.18	1.16	23.93	100.00	192.69	24.18	3,055	3.05	33.13	5.51	10.60	8.61	24.50	151
Dominican Republic	26.98	3.22	17.48	4.26	198.73	31.12	929	6.86	n/a	4.69	100.00	0	0	4
Ecuador	1.80	0.11	17.10	0.00	19.63	35.60	608	2.74	13.29	4.31	36.54	0	5.77	52
El Salvador	8.87	1.11	14.08	0.00	38.61	53.57	1,029	4.58	23.83	2.95	0	0	50.00	6
Jamaica	20.05	3.10	19.70	0.00	132.54	29.02	2,837	13.63	n/a	8.95	28.57	0	85.71	7
Mexico	11.46	0.87	21.00	0.00	174.15	25.96	3,977	3.99	31.78	2.56	22.22	3.42	56.41	117
Panama	9.47	1.41	13.27	54.47	137.44	38.00	2,893	2.10	n/a	3.23	100.00	0	57.14	7
Peru	14.25	1.21	16.11	100.00	311.95	17.19	1,110	2.00	59.52	1.72	14.81	0	25.93	27

Table 1 (continued)

	Median							Fraction of Sample Population						
	ROE	RAROE	Premium growth	Life premium/ premium	Total assets in U.S.\$ mill.	Surplus/ total assets	GDP per capita	Inflation	Market share, five largest insurers	Insurance penetration	% Diversified insurers	% Mutual insurers	% Insurer in groups	Firm-year obs.
Trinidad and Tobago	12.35	1.65	12.89	44.76	304.95	44.16	6,509	6.89	59.88	10.84	15.38	0	100.00	13
Uruguay	-6.40	-0.14	43.97	0.00	15.56	31.63	4,333	9.16	n/a	n/a	12.50	0	50.00	8
Asia	14.41	2.35	15.53	0.00	177.59	36.77	1,938	3.61	36.91	6.41	13.11	0	31.69	183
India	6.99	0.97	20.59	0.00	3,476.40	49.04	117	5.03	70.47	6.29	10.00	0	10.00	20
Indonesia	21.47	4.69	25.64	0.00	138.65	37.99	260	6.41	8.65	3.20	0	0	30.77	13
Malaysia	16.37	2.44	13.68	0.00	201.52	31.69	1,998	2.96	36.91	7.05	22.00	0	41.00	100
Pakistan	48.19	2.64	27.85	0.00	47.35	40.77	179	7.60	55.11	1.28	0	0	0	17
Philippines	7.62	2.63	21.35	0.00	39.66	42.45	268	5.98	11.73	1.73	0	0	42.11	19
Thailand	6.64	3.02	15.31	0.00	70.23	54.65	789	4.54	3.62	4.54	0	0	21.43	14
Russia	7.29	1.41	53.80	0.00	485.34	22.34	668	9.68	12.42	12.54	36.84	0	10.53	19
Kazakhstan	34.83	1.46	61.41	0.00	386.13	62.25	635	9.68	n/a	4.34	0	0	100.00	2
Russian Federation	6.66	1.41	46.54	0.00	535.79	21.15	668	9.68	12.42	12.54	41.18	0	0	17
Europe	15.31	0.98	32.00	15.64	199.35	21.35	2,245	3.55	57.68	6.52	53.78	0	42.23	251
Bosnia and Herzegovina	20.92	7.04	49.66	0.00	54.78	20.35	n/a	n/a	n/a	n/a	0	0	0	3
Bulgaria	6.66	0.69	30.48	0.00	186.70	19.80	580	7.26	42.08	6.29	0	0	0	6
Croatia	14.55	4.59	17.86	5.08	625.49	32.37	2,409	3.04	43.67	6.40	50.00	0	0	8
Czech Republic	22.57	1.19	24.82	36.67	402.30	17.67	2,560	2.54	65.54	8.38	75.81	0	56.45	62
Estonia	18.33	1.22	31.16	0.00	66.69	38.55	2,946	4.43	56.82	5.01	24.00	0	36.00	25
Hungary	23.62	2.68	21.72	44.44	170.67	17.69	2,110	3.88	37.33	7.55	100.00	0	80.00	20
Latvia	4.55	0.53	38.96	0.00	32.82	40.73	2,359	6.76	n/a	4.76	25.00	0	0	12
Lithuania	11.38	0.58	52.79	0.00	36.15	29.13	1,983	3.84	60.37	3.19	36.36	0	25.00	44
Poland	18.12	1.29	35.61	20.39	544.06	22.05	2,349	2.11	61.09	6.52	34.29	0	60.00	35

Table 1 (continued)

	Median							Fraction of Sample Population						
	ROE	RAROE	Premium growth	Life premium/ premium	Total assets in U.S.\$ mill.	Surplus/ total assets	GDP per capita	Inflation	Market share, five largest insurers	Insurance penetration	% Diversified insurers	% Mutual insurers	% Insurer in groups	Firm-year obs.
Romania	-6.12	-0.32	24.93	16.10	614.35	14.41	705	5.71	n/a	11.50	75.00	0	0	4
Slovakia	4.74	0.26	45.34	51.67	148.60	14.76	1,596	4.48	13.88	8.86	93.33	0	60.00	15
Turkey	11.99	0.71	52.45	0.37	1,602.59	27.74	2,116	10.51	29.77	5.64	58.82	0	29.41	17
Africa	32.91	2.84	17.87	0.00	288.16	25.95	1,182	4.64	24.85	26.42	28.40	0	43.21	81
Ghana	18.57	1.62	40.02	0.00	42.24	48.56	36	12.62	n/a	n/a	0	0	0	3
Morocco	18.36	1.70	16.88	46.02	861.97	4.75	523	1.49	n/a	3.37	100.00	0	0	3
Nigeria	7.62	2.37	51.89	10.12	166.00	57.16	208	8.24	n/a	2.45	100.00	0	0	3
South Africa	37.69	2.94	15.27	0.00	436.36	25.03	1,227	4.64	24.85	32.33	23.44	0	50.00	64
Tanzania	37.92	0.33	49.59	0.00	11.00	24.88	162	6.42	n/a	n/a	28.57	0	28.57	7
Tunisia	7.68	3.56	25.71	0.00	159.15	45.80	757	3.63	n/a	2.66	0	0	100.00	1
Total	13.49	1.10	24.58	0.00	117.36	31.92	2,510	4.41	31.78	4.31	21.73	2.83	31.55	1588

Note: Median values for continuous variables and means for dummy variables are based on the pooled sample for the years 2004–2007. Return on Equity (ROE) is calculated as profit before taxes/policy-holder surplus and reported in %. Risk-adjusted return on equity (RAROE) is the ROE divided by the standard deviation of the ROE over the past 5 years. Premium growth is the 1-year growth rate in the insurer's premiums earned and reported in %. Life Premium/Premium is the ratio of an insurer's premium earned in the life segment to total premium earned and reported in %. Total Assets are in millions of 2000 U.S.\$.

Surplus/Assets is the ratio of policy-holder surplus to total assets and reported in %. GDP per Capita is the ratio of GDP to total population in 2000 PPP-adjusted U.S.\$.

Market Share, five Largest Insurers is calculated as the sum of premiums earned for the five largest insurers in the sample divided by the industry's premiums written as reported in Swiss Re's *Sigma* publications; reported values are in %.

Insurance Penetration is the ratio of the industry's premiums written to GDP and reported in %.

% Diversified Insurers is the fraction of insurers that writes both life and non-life business.

% Mutual Insurers is the fraction of mutuals in the sample.

% Insurers in Groups is the fraction of insurers that belong to a group. Data are for the years 2004 through 2007.

Table 2 Univariate comparison between high-performance and low-performance insurers

	<i>Top 10% insurers</i>		<i>Top 20% insurers</i>		<i>Bottom 80% insurers</i>	
	<i>Mean</i>	<i>Median</i>	<i>Mean</i>	<i>Median</i>	<i>Mean</i>	<i>Median</i>
<i>Panel A: ROE</i>						
Total assets	2,029.526	211.773***	1,651.358	105.997***	1,002,525	164.905
ln (Total assets)	12.297***	12.263***	12.082***	11.571***	11.471	12.013
Surplus/assets	0.277***	0.257***	0.294***	0.336***	0.363	0.270
Life premium/premium	0.512***	0.392***	0.440***	0.000***	0.318	0.246
Diversification dummy	0.217		0.253*		0.208	
Fast growth dummy	0.429**		0.409**		0.336	
Mutual dummy	0.019		0.013*		0.323	
Group dummy	0.404**		0.366**		0.303	
No. of observations	161		320		1268	

Countries with more top 20% insurers than sample average: Antigua and Barbuda, Czech Republic, Hungary, Kazakhstan, Oman, Pakistan, South Africa, Tanzania.

<i>Panel B: RAROE</i>						
Total assets	2,789.423***	213.917***	2,246.623***	90.647***	852.300	203.386
ln (Total assets)	12.561***	12.273***	12.460***	11.415***	11.376	12.223
Surplus/assets	0.332	0.307	0.339	0.322	0.352	0.317
Life premium/premium	0.368	0.111**	0.315	0.000	0.349	0.000
Diversification dummy	0.342***		0.297***		0.197	
Fast growth dummy	0.416*		0.391*		0.341	
Mutual dummy	0.043		0.047**		0.024	
Group dummy	0.348		0.391***		0.297	
No. of observations	161		320		1268	

Countries with more top 20% insurers than sample average: Antigua and Barbuda, Bahrain, Barbados, Bosnia and Herzegovina, Croatia, Egypt, Hungary, Indonesia, Jamaica, Jordan, Kuwait, Malaysia, Philippines, Poland, Qatar, South Africa, Tanzania, Thailand, Trinidad and Tobago, Tunisia, United Arab Emirates.

Note: Statistical significance of difference in means between top 10% insurers and Bottom 90% insurers and between top 20% insurers and Bottom 80% insurers is based on a *t*-test. Statistical significance of difference in medians is based on a non-parametric median test. For the dummy variables, the reported significance is based on a χ^2 -test. The listed countries have significantly more top 20% insurers than the sample average based on a χ^2 -test and a 10 per cent significance level. ***, **, and * denotes statistical significance at the 1, 5, and 10 per cent level, respectively. Data are for the years 2004 through 2007.

Table 3 Regression of insurer performance on business strategy variables and controls

	ROE			RAROE		
	(1)	(2)	(3)	(4)	(5)	(6)
Diversification dummy	−0.005 (−0.23)		−0.006 (−0.30)	0.539 (1.39)		0.528 (1.37)
Fast growth dummy		0.038*** (3.18)	0.038*** (3.18)		0.408** (2.15)	0.406** (2.14)
Slow growth dummy		−0.014 (−0.96)	−0.014 (−0.96)		−0.055 (−0.31)	−0.048 (−0.28)
Life premium/premium	0.074*** (3.80)	0.074*** (3.87)	0.075*** (3.84)	0.485** (2.30)	0.525** (2.36)	0.484** (2.29)
ln (Total assets)	0.023*** (3.00)	0.023*** (3.14)	0.023*** (3.12)	0.295*** (5.05)	0.331*** (5.18)	0.304*** (5.17)
Surplus/assets	0.072 (1.19)	0.079 (1.30)	0.079 (1.31)	1.438*** (2.94)	1.519*** (3.06)	1.503*** (3.07)
Growth in assets	−0.003 (−0.83)	−0.003 (−0.85)	−0.003 (−0.85)	−0.027 (−1.38)	−0.027 (−1.32)	−0.027 (−1.38)
Growth in income	0.000 (0.97)	0.000 (1.40)	0.000 (1.37)	0.000 (0.27)	0.000 (0.34)	0.000 (0.52)
Mutual dummy	−0.015 (−0.17)	−0.011 (−0.13)	−0.010 (−0.12)	1.966** (2.02)	2.069** (2.01)	2.008** (2.06)
Group dummy	−0.000 (−0.00)	−0.000 (−0.01)	0.001 (0.05)	0.022 (0.09)	0.147 (0.65)	0.032 (0.13)
GDP per capita growth	0.763* (1.71)	0.747* (1.65)	0.752* (1.66)	10.163 (1.35)	10.472 (1.40)	10.050 (1.34)
Inflation	0.004 (1.62)	0.004 (1.58)	0.004 (1.60)	−0.010 (−0.30)	−0.005 (−0.16)	−0.010 (−0.30)
R^2	0.190	0.200	0.200	0.244	0.246	0.248
No. of observations	1501	1501	1501	1501	1501	1501

Note: The regressions include country and year dummies (not reported here). Standard errors are adjusted for clustering at the company level. Data are for the years 2004 through 2007. ***, **, and * denotes statistical significance at the 1, 5, and 10 per cent level, respectively.

Table 4 Interaction of business strategy variables with country characteristics

<i>Mediator variable:</i>	<i>GDP per capita</i>		<i>Market concentration</i>	
	<i>ROE</i>	<i>RAROE</i>	<i>ROE</i>	<i>RAROE</i>
<i>Dependent variable:</i>				
<i>Panel A</i>				
<i>Interactions</i>				
Diversification dummy*mediator-variable (below 33rd percentile)	−0.026 (−0.67)	1.170 (1.33)	0.038 (1.20)	1.596** (1.99)
Diversification dummy* mediator-variable (between the 33rd and 66th percentile)	−0.028 (−0.77)	−0.061 (−0.13)	−0.019 (−0.77)	0.395 (0.76)
Diversification dummy* mediator-variable (above the 66th percentile)	0.015 (0.64)	0.767 (1.43)	0.013 (0.34)	−0.224 (−0.48)
Fast growth dummy* mediator-variable (below 33rd percentile)	0.025 (1.02)	0.860 (1.28)	0.047** (2.38)	0.177 (0.61)
Fast growth dummy* mediator-variable (between the 33rd and 66th percentile)	0.038* (1.80)	0.495 (1.29)	0.040** (2.23)	0.723*** (2.67)
Fast Growth Dummy* mediator-variable (above the 66th percentile)	0.042** (2.35)	0.203 (1.19)	0.048* (1.80)	0.946*** (2.76)
Slow growth dummy* mediator-variable (below 33rd percentile)	−0.022 (−0.62)	−0.150 (−0.34)	−0.015 (−0.59)	−0.268 (−1.26)
Slow growth dummy* mediator-variable (between the 33rd and 66th percentile)	−0.017 (−0.73)	−0.057 (−0.18)	−0.019 (−0.89)	0.199 (0.84)
Slow growth dummy* mediator-variable (above the 66th percentile)	−0.011 (−0.57)	−0.058 (−0.28)	0.003 (0.12)	0.043 (0.12)
Life premium/premium* mediator-variable (below 33rd percentile)	0.001 (0.03)	−0.075 (−0.16)	0.154*** (5.47)	0.954*** (3.16)
Life premium/premium* mediator-variable (between the 33rd and 66th percentile)	0.073 (1.73)*	0.453 (1.04)	0.029 (1.07)	0.156 (0.58)
Life Premium/premium* mediator-variable (above the 66th percentile)	0.085*** (3.62)	0.600** (2.37)	0.036 (0.89)	0.432 (0.81)
<i>Control variables</i>				
ln (Total assets)	0.024*** (3.17)	0.316*** (5.06)	0.027*** (3.51)	0.344*** (5.76)
Surplus/assets	0.079 (1.30)	1.452*** (2.97)	0.075 (1.13)	1.689*** (3.33)
Growth in assets	−0.003 (−0.83)	−0.026 (−1.25)	−0.003 (−0.80)	−0.027 (−1.31)
Growth in income	0.000 (1.27)	0.000 (0.60)	0.000** (2.01)	0.000 (0.79)
Mutual dummy	−0.008 (−0.09)	2.029** (2.12)	0.010 (0.12)	2.136** (2.21)
Group dummy	0.001 (0.07)	0.057 (0.23)	−0.007 (−0.32)	0.029 (0.11)
GDP per capita growth	0.816* (1.82)	9.576 (1.31)	−0.128 (−0.25)	−0.100 (−0.01)
Inflation	0.004* (1.68)	−0.014 (−0.40)	−0.001 (−0.35)	−0.050 (−0.93)
<i>R</i> ²	0.203	0.253	0.203	0.238
No. of observations	1501	1501	1371	1371

Table 4 (continued)

<i>Mediator variable:</i>	<i>Insurance penetration</i>		<i>Credit to private sector</i>	
	<i>ROE</i>	<i>RAROE</i>	<i>ROE</i>	<i>RAROE</i>
<i>Panel B</i>				
<i>Interactions</i>				
Diversification dummy*mediator-variable (below 33rd percentile)	0.032 (1.17)	0.337 (1.20)	0.012 (0.48)	0.196 (0.66)
Diversification dummy* mediator-variable (between the 33rd and 66th percentile)	−0.016 (−0.50)	0.701 (1.05)	0.024 (0.70)	1.747** (2.00)
Diversification dummy* mediator-variable (above the 66th percentile)	−0.018 (−0.55)	0.651 (0.88)	−0.049* (−1.75)	0.130 (0.19)
Fast growth dummy* mediator-variable (below 33rd percentile)	0.043** (2.08)	0.312 (1.60)	0.039* (1.95)	0.065 (0.31)
Fast growth dummy* mediator-variable (between the 33rd and 66th percentile)	0.036* (1.89)	0.467 (1.24)	0.042** (1.99)	0.753* (1.88)
Fast Growth Dummy* mediator-variable (above the 66th percentile)	0.031 (1.48)	0.597 (1.38)	0.035** (1.98)	0.569 (1.37)
Slow growth dummy* mediator-variable (below 33rd percentile)	−0.011 (−0.42)	−0.118 (−0.73)	−0.010 (−0.42)	−0.325* (−1.78)
Slow growth dummy* mediator-variable (between the 33rd and 66th percentile)	−0.027 (−1.23)	−0.581 (−1.61)	0.028 (1.18)	0.631* (1.77)
Slow growth dummy* mediator-variable (above the 66th percentile)	−0.005 (−0.24)	0.541 (1.25)	−0.052** (−2.28)	−0.086 (−0.22)
Life premium/premium* mediator-variable (below 33rd percentile)	0.125*** (4.60)	0.604*** (2.87)	0.122*** (4.43)	0.653*** (3.03)
Life premium/premium* mediator-variable (between the 33rd and 66th percentile)	0.036 (0.98)	0.740 (1.51)	0.014 (0.34)	0.478 (0.91)
Life Premium/premium* mediator-variable (above the 66th percentile)	0.010 (0.29)	−0.163 (−0.34)	0.057* (1.67)	0.228 (0.50)
<i>Control variables</i>				
ln (Total assets)	0.027*** (3.41)	0.328*** (5.21)	0.025*** (3.23)	0.308*** (5.01)
Surplus/assets	0.069 (1.10)	1.570*** (3.05)	0.059 (0.99)	1.445*** (2.98)
Growth in assets	−0.003 (−0.86)	−0.027 (−1.34)	−0.003 (−0.95)	−0.033* (−1.84)
Growth in income	0.000 (0.80)	0.000 (0.27)	0.000 (0.79)	0.000 (0.22)
Mutual dummy	0.017 (0.19)	2.089** (2.14)	0.016 (0.18)	2.111** (2.09)
Group dummy	−0.004 (−0.20)	0.062 (0.25)	0.000 (0.02)	0.028 (0.11)
GDP per capita growth	0.703 (1.54)	6.742 (0.95)	0.754* (1.65)	8.901 (1.23)
Inflation	0.003 (1.50)	−0.017 (−0.50)	0.004 (1.56)	−0.003 (−0.09)
R^2	0.201	0.248	0.213	0.261
No. of observations	1453	1453	1501	1501

Table 4 (continued)

<i>Mediator variable:</i>	<i>Stock market turnover</i>		<i>Trade openness</i>	
	<i>ROE</i>	<i>RAROE</i>	<i>ROE</i>	<i>RAROE</i>
<i>Dependent variable:</i>				
<i>Panel C</i>				
<i>Interactions</i>				
Diversification dummy*mediator-variable (below 33rd percentile)	−0.014 (−0.46)	0.039 (0.10)	0.031 (0.79)	0.904** (2.21)
Diversification dummy* mediator-variable (between the 33rd and 66th percentile)	−0.019 (−0.77)	0.430 (0.77)	−0.020 (−0.76)	1.535* (1.86)
Diversification dummy* mediator-variable (above the 66th percentile)	0.031 (0.80)	1.089 (1.57)	0.002 (0.06)	−1.166** (−2.21)
Fast growth dummy* mediator-variable (below 33rd percentile)	0.027 (1.31)	0.223 (0.83)	0.035** (2.12)	0.550*** (2.72)
Fast growth dummy* mediator-variable (between the 33rd and 66th percentile)	0.054*** (3.21)	0.556** (2.17)	0.068*** (3.09)	0.255 (0.55)
Fast growth dummy* mediator-variable (above the 66th percentile)	0.018 (0.81)	0.304 (0.64)	0.023 (0.87)	0.440 (0.87)
Slow growth dummy* mediator-variable (below 33rd percentile)	−0.012 (−0.39)	0.051 (0.21)	−0.027 (−1.32)	0.059 (0.35)
Slow growth dummy* mediator-variable (between the 33rd and 66th percentile)	−0.012 (−0.68)	−0.080 (−0.35)	0.015 (0.60)	−0.367 (−0.74)
Slow growth dummy* mediator-variable (above the 66th percentile)	−0.017 (−0.59)	−0.045 (−0.12)	−0.042* (−1.70)	−0.269 (−0.64)
Life premium/premium* mediator-variable (below 33rd percentile)	0.129*** (4.43)	0.455*** (1.54)	0.083*** (3.14)	0.589*** (2.79)
Life premium/premium* mediator-variable (between the 33rd and 66th percentile)	0.058** (2.52)	0.428 (1.62)	0.073** (2.34)	0.709 (1.28)
Life premium/premium* mediator-variable (above the 66th percentile)	0.046 (1.11)	0.619 (1.30)	0.012 (0.26)	0.175 (0.26)
<i>Control variables</i>				
ln (Total assets)	0.024*** (3.19)	0.300*** (5.13)	0.021*** (2.68)	0.303*** (4.80)
Surplus/assets	0.066 (1.08)	1.511*** (3.07)	0.052 (0.85)	1.226** (2.38)
Growth in assets	−0.003 (−0.88)	−0.025 (−1.23)	−0.003 (−0.90)	−0.028 (−1.55)
Growth in income	0.000 (1.56)	0.000 (0.46)	0.000 (1.53)	0.000 (0.47)
Mutual dummy	0.001 (0.01)	2.033** (2.07)	0.031 (0.33)	2.446** (2.48)
Group dummy	−0.001 (−0.04)	0.059 (0.23)	−0.004 (−0.20)	0.043 (0.17)
GDP per capita growth	0.800 (1.60)	11.148 (1.30)	0.719 (1.39)	4.564 (0.60)
Inflation	0.003 (0.89)	−0.028 (−0.63)	0.004 (1.04)	−0.055 (−1.09)
R^2	0.199	0.247	0.213	0.258
No. of observations	1477	1477	1341	1341

Table 4 (continued)

<i>Mediator variable:</i>	<i>Corruption index</i>	
	<i>ROE</i>	<i>RAROE</i>
<i>Panel D</i>		
<i>Interactions</i>		
Diversification dummy*mediator-variable (below 33rd percentile)	0.031 (1.21)	1.144** (2.14)
Diversification dummy* mediator-variable (between the 33rd and 66th percentile)	0.011 (0.37)	1.214** (2.06)
Diversification dummy* mediator-variable (above the 66th percentile)	−0.034 (−1.24)	−0.272 (−0.48)
Fast growth dummy* mediator-variable (below 33rd percentile)	0.025 (1.18)	0.348 (1.29)
Fast growth dummy* mediator-variable (between the 33rd and 66th percentile)	0.065*** (3.24)	0.309 (0.87)
Fast growth dummy* mediator-variable (above the 66th percentile)	0.032 (1.63)	0.508 (1.37)
Slow growth dummy* mediator-variable (below 33rd percentile)	−0.027 (−1.10)	−0.131 (−0.72)
Slow growth dummy* mediator-variable (between the 33rd and 66th percentile)	0.043 (1.58)	−0.212 (−0.59)
Slow growth dummy* mediator-variable (above the 66th percentile)	−0.045** (−2.14)	0.187 (0.52)
Life premium/premium* mediator-variable (below 33rd percentile)	0.103*** (3.28)	0.517** (2.34)
Life premium/premium* mediator-variable (between the 33rd and 66th percentile)	0.081** (2.02)	0.787 (1.59)
Life premium/premium* mediator-variable (above the 66th percentile)	0.040 (1.24)	0.369 (0.90)
<i>Control variables</i>		
ln (Total assets)	0.025*** (3.38)	0.286*** (4.58)
Surplus/assets	0.067 (1.10)	1.386*** (2.77)
Growth in assets	−0.003 (−0.97)	−0.032 (−1.63)
Growth in income	0.000 (1.20)	0.000 (0.62)
Mutual dummy	0.006 (0.06)	2.128** (2.06)
Group dummy	−0.001 (−0.06)	0.009 (0.04)
GDP per capita growth	0.904** (2.02)	11.957 (1.54)
Inflation	0.003 (1.19)	−0.026 (−0.69)
R^2	0.210	0.257
No. of observations	1501	1501

Note: The regressions include country and year dummies (not reported). Standard errors are adjusted for clustering at the company level. Data are for the years 2004 through 2007. ***, **, and * denotes statistical significance at the 1, 5, and 10 per cent level, respectively.

Table 5 Logistic regression of top-performance dummy on strategy variables and controls

	<i>ROE</i>		<i>RAROE</i>	
	<i>Top 20% insurers</i>	<i>Top 10% insurers</i>	<i>Top 20% insurers</i>	<i>Top 10% insurers</i>
Diversification dummy	−0.267 (−1.18)	−0.492 (−1.57)	0.100 (0.42)	0.586* (1.95)
Fast growth dummy	0.384** (2.26)	0.535** (2.30)	0.566*** (3.04)	0.617** (2.52)
Slow growth dummy	−0.103 (−0.55)	0.062 (0.25)	0.243 (1.22)	0.234 (0.87)
Life premium/premium	0.799*** (4.67)	1.328*** (5.62)	−0.073 (−0.33)	0.514* (1.78)
ln (Total assets)	0.102** (1.97)	0.135* (1.91)	0.294*** (5.20)	0.116 (1.60)
Surplus/assets	−0.917* (−1.92)	−1.297* (−1.92)	0.961* (1.79)	0.416 (0.57)
Growth in assets	0.026 (1.49)	−0.013 (−0.53)	−0.006 (−0.29)	0.011 (0.62)
Growth in income	−0.000 (−0.27)	−0.003 (−0.99)	0.000 (0.14)	−0.001 (−0.18)
Mutual dummy	−0.141 (−0.26)	0.773 (1.20)	2.435*** (5.66)	2.233*** (3.77)
Group dummy	0.134 (0.76)	0.413* (1.75)	0.137 (0.73)	−0.217 (−0.86)
GDP per capita growth	4.643 (0.58)	11.688 (0.86)	−15.541* (−1.73)	−3.351 (−0.28)
Inflation	0.038 (1.05)	−0.006 (−0.10)	−0.002 (−0.04)	−0.003 (−0.05)
R^2	0.169	0.257	0.244	0.259
χ^2	258.08	259.46	354.63	237.80
No. of observations	1501	1501	1501	1501

Note: The regressions include country and year dummies (not reported). Data are for the years 2004 through 2007. ***, **, and * denotes statistical significance at the 1, 5, and 10 per cent level, respectively.