



INSURERS CUTTING JOBS IN DOWNTURN

Dutch life insurer Aegon, owner of US firm Transamerica, may cut more costs and jobs to cope with fresh writedowns and a deteriorating economic environment. Aegon, based in The Hague, gets three quarters of its pre-tax operating profit from US operations. It plans to cut costs by 150 million (\$194 million) this year, but this may not be enough. Dutch bank and insurer ING is cutting costs by 1 billion this year, including the reduction of 7,000 jobs or 7% of its workforce, while US insurer Genworth Financial is cutting 1,000 jobs, about 14% of its workforce. US rivals such as MetLife and Prudential Financial have also been hit since the credit crisis triggered steep falls in asset prices, while reinsurer Swiss Re got a 3 billion Swiss franc (\$2.6 billion) injection from Warren Buffett earlier this month. Aegon, which also offers pensions and savings products, is not expected to need further capital after getting a 3 billion injection from the Dutch state last October, but may need to do more than lowering investments risks by securitizations or reinsurance.

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