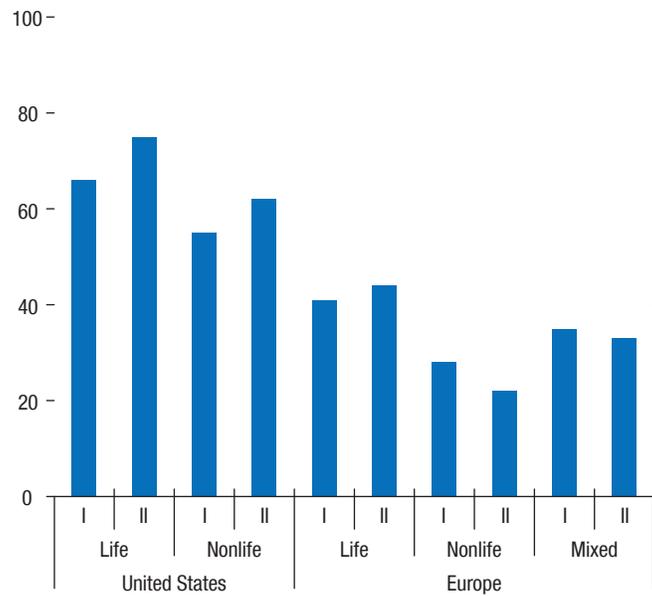


Figure 3.6. Variation of Insurers' Equity Return Due to First Principal Component
(Percent)



Sources: Bloomberg, L.P.; J.P. Morgan; and IMF staff calculations.

Note: Figure shows explanatory power (R^2) of first principal component of U.S. and European insurers' equity returns, using daily data (2004 through 2015). Period I is before the crisis, and period II is after the crisis. Crisis is July 2007 through December 2008 for the United States, and July 2009 through December 2011 for Europe.