State of the Reinsurance Market

Fall AGRIP

1 October 2018
Lauren Tredinnick, VP – Munich Re

Agenda

1. Overall Market Results and Outlook
2. Property Trends and Renewal Expectations
3. Casualty Trends and Renewal Expectations
4. Cyber Trends and Renewal Expectations
5. Trending Exposures
6. Reinsurer Value Proposition
7. Questions

Overall Market Results and Outlook - Profitability
Overall Market Results and Outlook - Profitability

Overall Market Results and Outlook – Financial Stability

Overall Market Results and Outlook – Capital
Overall Market Results and Outlook - Alternative Capital

**Insurance Linked Securities (ILS)**

**Cat Bonds**
- High risk, low severity
- Long-term instrument
- Wide range of perils and geographical locations
- Reduce reinsurance costs and free up capital for insurers

**Side Cars**
- Special purpose vehicle
- Ensures claims are paid if they arise
- Limited duration during hard market

**Others**
- Life Insurance Securitization
- Collateralized Reinsurance Contracts
- Industry Loss Warranties

Overall Market Results and Outlook – M&A

My brain has too many tabs open.
“...unless losses are materially outside of expectations or followed up by subsequent large catastrophic losses, it is unlikely to see any meaningful market hardening outside of loss-affected areas.”

A.M. Best
Casualty Trends and Renewal Expectations
General Liability

Increasing impact on General Liability Exposure

- Excessive force claims
- Sexual Abuse claims
- Western exposure claims

Casualty Trends and Renewal Expectations
Professional Liability

Claims Trends and Emerging Exposures – Cyber

Ransomware:
- A claims driver for a couple of years
- Old dog, new tricks

Data Breaches:
- Steady stream of claims
- Hold on to your hardware

Social Engineering Fraud:
- Increasing amount of claims
- Easy traps
- Dishonest impersonations

Accumulation:
- Concerns
- Alternative Capital

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Trending Exposures

- Traumatic Brain Injury (TBI)
- MeToo
- Traumatic Events
- Active Shooters
- Active Assaults

Trending Exposures – Active Shooter Preparedness

- Exposure
- What you can expect from your membership and your reinsurers
- Crisis Management
- Products
- Laws changing fast and wide variations
- Value Proposition – services from your reinsurers

Reinsurer Value Proposition
Questions

Thank You

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