

A la une



Smoother 1/1 with motivated market and more capital – Guy Carpenter

29/12/2023

The 1 January 2024 reinsurance renewals reflect a motivated and responsive market with increasing capital, Guy Carpenter has put forth in a briefing on the eve of the global sector's biggest annual renewal.

Reinsurers' capacity deployment picked up pace in the approach to January 1, while remaining focused on pricing adequacy and programme structure, according to the reinsurance broker.

Guy Carpenter, in partnership with credit rating agency AM Best, estimated total dedicated reinsurance capital increased by 10% compared with year-end 2022.

Reinsurance capacity increased through year end, driven by rebounding capital in the sector and healthy reinsurer returns, estimated to be near 20% for 2023.

However there has been "no start-up class of 2023", the broker emphasised, differing from past years following a major market correction, such as in the aftermath of hurricanes Andrew and Katrina, with capital growth instead driven by existing reinsurers.

President and CEO, Guy Carpenter, Dean Klisura said: "The January 1 market reflected more balanced trading conditions providing cedents improved opportunities to achieve



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their objectives while maintaining key reinsurer relationships.

"Technical discussions were essential to reinsurers' increasing appetite and capacity allocations," Klisura added.

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La Tunisie impose la nouvelle norme d'assurances pour les véhicules libyens.

29/12/2023

Le directeur général du bureau unifié tunisien des automobiles, Ahmed Hadroug, a confirmé qu'à partir du 1er janvier 2024, les véhicules en provenance de Libye souhaitant entrer en Tunisie doivent obligatoirement présenter une carte d'assurance électronique de couleur orange.

Cette mesure, en réponse à la demande formulée par la fédération arabe des assurances, vise à renforcer la supervision du système de la carte d'assurance arabe unifiée afin de suivre les évolutions technologiques et de réduire les cas de contrefaçon des cartes d'assurance internationales.

Ahmed Hadroug a souligné que chaque mois, environ 85 000 voitures en provenance d'Algérie et de Libye entrent en Tunisie.

BCT : L'année 2023 se termine sur un TMM à 7,99 %

29/12/2023

Le Taux moyen du Marché Monétaire (TMM) du dernier mois de l'année 2023 s'est stabilisé à 7,99% pour le troisième mois consécutif, contre 7,26% en décembre 2022.

Rappelons que le Conseil d'administration de la BCT s'est réuni six fois durant l'année 2023 et a décidé de maintenir inchangé le taux directeur de la banque à 8% au terme de toutes ses réunions.

Evolution du TMM

Evolution du TMM

2023												
Jan	Fev	Mars	Avr	Mai	Jui	Juil	Août	Sep	Oct	Nov	Déc	
TMM	7,96%	8,02%	8,05%	8,01%	8%	8%	8%	8%	8%	7,99%	7,99%	7,99%

Inclusion financière: Signature d'une convention cadre entre le CBS et l'OIF

02/01/2024

Le Conseil Bancaire et Financier (CBF) a annoncé la signature avec l'Observatoire de l'inclusion financière (OIF) une convention cadre d'échange dans le domaine de l'inclusion financière. A l'écriture de ces lignes, les détails de cette convention n'ont pas été dévoilés.

Le conseil de l'observatoire est présidé par Marouane El ABASSI, Gouverneur de la Banque centrale de Tunisie (BCT). Néji Ghandri est Président du Conseil Bancaire et Financier (CBF).



Algérie : Assurance automobile : plus de 634.000 réclamations traitées depuis 2022 via la plateforme e-recours

02/01/2024

La plateforme numérique inter-compagnies d'assurances dédiée à la branche automobile a permis depuis sa mise en place en 2022, le traitement de plus de 634.000 réclamations, pour un montant de 35,82 milliards de dinars, a indiqué le président de l'Union algérienne des sociétés d'assurances et de réassurances (UAR), Youcef Benmicia.

« Depuis le lancement de la plateforme e-recours, 634.731 réclamations inter-compagnies ont été échangées pour un montant de 35,82 milliards de dinars, soit une moyenne de 2.027 réclamations par jour. 116.394 réclamations pour un montant de 6,38 milliards de dinars concernent uniquement des sinistres survenus en 2023 », a-t-il précisé dans un entretien accordé à la revue Indjazat, repris par l'agence APS.

La plateforme digitale e-recours mise en place en octobre 2022 sous la supervision de l'UAR, est une initiative qui s'inscrit dans la stratégie de transformation numérique du secteur des assurances, visant à améliorer la qualité des services offerts aux citoyens, selon le responsable de l'UAR.

M. Benmicia a souligné dans ce contexte que cet outil jouait actuellement un « rôle-clé » dans le traitement des réclamations inter-compagnies pour les sinistres automobiles matériels, entraînant « une réduction notable des délais, une amélioration de la qualité des services et une transparence renforcée ».

« La plateforme e-recours offre des avantages en termes de gouvernance en centralisant les données, facilitant le suivi et le contrôle, améliorant la gestion des risques, favorisant la collaboration et la coordination, ainsi qu'en fournissant des rapports et des analyses pertinentes », affirme encore le premier responsable de l'association professionnelle.

Le taux de traitement des réclamations échangées, à fin septembre 2023, a atteint déjà 83% du total enregistré, d'après les chiffres du président de l'UAR.

Concernant le nombre de transactions effectuées par voie électronique dans le secteur des assurances M. Benmicia a fait savoir qu' « il ne fait qu'augmenter », passant de 8.372 transactions en 2021 à 23.571 transactions en 2022, soit un bond de plus de 181%.

Pour l'année 2023, « nous étions déjà au-delà du niveau de l'année 2022 en mois d'août, avec 24.236 transactions et nous nous attendons à enregistrer plus de 35.000 transactions pour toute l'année, soit une progression de 48% par rapport à 2022 », a-t-il détaillé, estimant que la tendance de croissance est « forte et très encourageante ».

LE MATIN.ma

Maroc Assurance automobile : Sanlam lance le pack "Assur'Auto L'Hemza"

25/12/2023

Dans le but de permettre au plus grand nombre de bénéficier d'une couverture d'assurance automobile plus complète, et d'être ainsi mieux protégés dans leur quotidien, Sanlam lance le pack « Assur'Auto L'Hemza », une formule inédite d'assurance automobile, combinant Responsabilité civile (RC), et des garanties additionnelles pour seulement 250dh de plus.

Sanlam estime que la majorité des assurés automobile au Maroc souscrit uniquement à la responsabilité civile, assurance obligatoire qui indemnise les dommages causés à autrui par l'usage du véhicule de l'assuré, mais ne couvre pas les dommages causés à l'assuré lui-même si celui-ci est responsable de l'accident.

Afin d'encourager les gens à mieux couvrir leurs intérêts, Sanlam Maroc lance aujourd'hui Assur'Auto L'Hemza, nouvelle offre s'adressant aux personnes habituées à souscrire à la RC seule, et qui leur propose, en ajoutant un supplément annuel de 250dh seulement par rapport à ce qu'ils avaient prévu de dépenser, de bénéficier également d'un premier niveau de couverture en cas de collision, bris de glaces, vol et incendie, ainsi que de services d'assistance en cas de panne et d'accident.



Maroc: Digitalisation en assurance : Est-ce bien appliqué ?

31/12/2023

La digitalisation devient incontournable dans le monde de l'assurance, pour bon nombre d'avantages. Mais sur le terrain, est-ce que cela suit comme on le souhaite ?

L'ACAPS a intimé le mouvement, et demandé à toute la chaîne d'assurance de développer le digital. Commercial, souscription, gestion, les applicatifs sont nombreux. Pour preuve, la plupart des compagnies d'assurance marocaines proposent leur souscription en ligne. Les distributeurs suivent, avec des solutions compagnies pour les agents, ou des développements personnels de solutions digitales par ou pour certains courtiers.

Certaines plateformes de gestion apparaissent également. Tout le monde y va de ses solutions pour intégrer la dématérialisation. Nous n'en sommes qu'au début, jugé balbutier par certains, soit de par le nombre d'acteurs, soit de par les solutions qui se mettent en place progressivement, voire parfois les couacs qui peuvent apparaître à l'usage.

Certes, nous voyons les efforts accomplis sur le marché marocain de l'assurance, et c'est reconnu par toutes les parties concernées : Souscription en ligne, prospection digitale active, signature électronique, e-constat, dématérialisation future de l'attestation d'assurance, et dématérialisation déjà mise en place pour la carte verte.

212assurances écoute le marché qui s'exprime sur ces sujets. Bien que les formations, les campagnes d'accompagnement sur le sujet soient présentes, la perception du sujet n'est pas vécue de la même manière par tous les distributeurs. Parfois même, face aux nouveaux process, certains se sentent « en décalage ». Suis-je bien équipé pour la signature électronique, ai-je la capacité concrète de l'appliquer, pensent certains. Pour d'autres des inquiétudes apparaissent avec récurrence, comme la question suivante : Le digital ne va-t-il pas diminuer, voire effacer le rôle du distributeur ?

Dernière inquiétude en date : la non compréhension d'intermédiaires qui se sentent lésés par certains process de paiement des primes aux compagnies, quand le digital y est totalement opérationnel.

Ces circuits de paiement, qui utilisent des « jetons », ne sont pas gérés de la même manière par toutes les compagnies, alors que le digital doit au contraire apporter un gain dans le circuit de distribution. Aux dires de quelques courtiers, là où la digitalisation devrait raccourcir ces circuits, il semblerait qu'au contraire, ces derniers n'ont pas été réduits, voire même parfois, aient été rallongés.

Parmi les courtiers avec qui 212assurances a échangé, l'un est affirmatif: " Le problème c'est un processus alourdi du fait de la mise en place par certaines compagnies de processus lourds de validation du paiement des certificats". En enquêtant, et en interrogeant également un professionnel du secteur sur ce système, ce dernier explique que ce hiatus serait dû à une situation personnelle de chaque courtier avec les compagnies.

Bref, chacun l'aura compris, une révolution est en marche, mais est-elle bien appliquée et vécue par tous de la même manière, là où tout devrait être plus simple ?

Regulator shocks 20 Kenyan insurers with record fines over breaches

02/01/2024

The insurance regulator has fined 20 insurers a record Sh94.85 million over various breaches, including failure to pay claims, shining a spotlight on the sector that collects billions of shillings from customers with the promise of compensation in case of a loss.

The Insurance Regulatory Authority (IRA) data shows the year ended 2022 marked the third straight year of rising fines as well as the number of insurers getting penalised.

The regulator had in the preceding financial year penalised 10 insurers Sh56.9 million, which was an increase from Sh17.6 million in 2020 and Sh2.7 million in 2019.

The breaches included failing to pay claims, late payment of annual licensing fee and late submission of financial performance records, leaving the regulator in the dark over their stability and safety of covers.

The growth in the number of insurance companies breaching industry regulations puts focus on the stability of many of the firms and presents a worry to millions of customers in an environment where complaints over delayed or unpaid claims have been mounting. Trident Insurance Company Limited was hit with the heaviest fine of Sh48.86 million over eight breaches followed by Invesco Assurance Company (Sh31.26 million), which is currently battling a liquidation order after defaulting on claims payments.

According to the law, an insurer should admit or deny liability, determine the amount, identify the claimant and pay within 90 days. A company can request a 30-day extension but attract a five percent penalty on the unpaid amount.

Xplico Insurance Company Limited, which the IRA placed under statutory management early this month, was fined Sh5.5 million while Monarch Insurance Company Limited and Intra Africa Assurance Company Limited were hit with Sh2.43 million and Sh1.3 million fines respectively, closing the top five casualty list.

The five, except Intra Africa, had the previous year also been fined by the IRA, with Invesco having been hit with a Sh24.94 million fine to stay in the IRA's black book. Xplico was in 2021 fined Sh18.9 million while Trident and Monarch paid fines of Sh900,000 and Sh32,500.

The Consumers Federation of Kenya (Cofek) in September wrote to the IRA claiming that consumers risked losing over Sh100 billion in the hands of at least 20 insurers it says continue collecting premiums yet have no capacity to pay claims due to their weak capital position. It then sued the regulator.

"From our investigations, the number of non-compliant licensees masquerading as bona fide insurers has risen. This reality points to a serious challenge in regulation as well as leadership at the Authority," said Stephen Mutoro, Cofek secretary general, in a letter to the IRA.

Trident was late in the submission of claims return that shows premiums received and claims paid out as provided in law. It also failed to pay claims and was also late in submitting the premium levy return.

The IRA fined Xplico for late submission of claims return and premium levy return, late filing of quarterly returns and paying annual licensing fee after the deadline.

African Merchant Assurance Company (Amaco) was fined Sh1.02 million while Kuscco Mutual Assurance, which also failed to submit its quarterly unaudited financial statements as required by law, was fined Sh720,000.



Fake Insurance Unveiled: A Wake-Up Call for Motorists in Nigeria.

03/01/2024

On a bustling street in Lagos, Nigeria, a Toyota Highlander SUV and a Mitsubishi Salon car, property of a State Ministry, found themselves entangled in an unfortunate accident. The driver of the Highlander, in a bid to quell the ensuing chaos, assured the Mitsubishi driver that his third-party vehicle insurance would absolve him of any financial responsibility regarding the damages incurred. But as reality would have it, not all that glitters is gold.

Fake Insurance Unveiled.

The traffic police, in a routine verification, discovered that the Highlander's insurance certificate was a counterfeit – a sham obtained from a vehicle licensing office instead of a legitimate insurance company. This revelation led to the bitter truth that the alleged insurance policy could not meet any claims obligation, leaving the Mitsubishi driver in a quandary and the Highlander driver facing grave consequences.

Legal Consequences of Fake Insurance

In Lagos and Ogun State, driving with fake insurance is not merely frowned upon but met with stringent penalties. Offenders face fines ranging from N20,000 to N30,000 per year for not renewing genuine insurance. Further, they are required to personally absorb all accident damages, an expense that could run into millions. The most damning of all, however, is the risk of arrest by law enforcement agencies. The long arm of the law offers no reprieve for such transgressions.

NIID: A Beacon of Truth

Fortunately, for those who respect the law and the rights of others, the Nigerian Insurance Industry Database (NIID) allows for the verification of insurance certificates' authenticity. This service, provided in the public interest, helps in the fight against insurance fraud and simultaneously aids in the identification of genuine policyholders.

Genuine Third-Party Motor Insurance

As a direct response to the scourge of insurance fraud, genuine third-party motor insurance in Nigeria has been updated. Now, for a yearly premium of N15,000, it provides a claims limit of N3 million for third-party property damage.

Digitalisation de l'attestation d'assurance automobile au Sénégal

29/12/2023

L'Association des Assureurs du Sénégal (A.S.S) met sur le marché une plateforme numérique de gestion des attestations automobile.

La solution digitale permet d'accélérer le règlement des sinistres et de garantir la transparence et la fiabilité des transactions au cours du processus de souscription, paiement, renouvellement, etc.

Selon l'ASS, la dématérialisation de l'attestation automobile répond aux besoins des clients et contribue, entre autres, au renforcement de la sécurité routière.

Egypt: Market sees tightening of reinsurance terms

02/01/2024

Reinsurers are unlikely to relax strict conditions in the January 2024 renewals, including risk retention rates for insurance companies and other stringent terms and conditions that they imposed in recent years, according to Ms Amany Elmahy of Misr Insurance Company.

She told Al Mal News that the increased demand for property reinsurance coverage had been met, but at the same time, the market had not budged from the increased retention requirement and strict terms and conditions that were implemented previously.

She expects that reinsurance rates for property catastrophe risk would rise, attributing this to loss rates in the sector. At the same time, reinsurance companies are looking to attract more capital, so they focus largely on the upper and middle segments of the market.

She explains that reinsurance renewals in January 2024 seem less contentious, but they are economically painful to insurers compared to last year, because of higher prices.

She says that the global reinsurance market is still facing an imbalance between the growing demand for protection and capital flows into the sector are slow, while the tightening renewal market in January 2023 provides less capacity amid fundamental shifts in pricing.

Ms Elmahy also says that secondary risks will be a strong focus in January 2024 reinsurance renewals, with reinsurers supported by the results they are witnessing, as they seek to avoid recurring losses thanks to improving conditions.

She adds that property and liability reinsurance premium rates will jump by at least 10% in general, with loss-making portfolios in particular to see an increase of approximately 30%. Reinsurers will seek to maintain the retention rate to cope with exposure to exchange rate changes and inflation.

Mr Khaled Yousry, chairman of the Reinsurance Committee of the Insurance

Federation of Egypt, says international reinsurance companies have reduced their dealings, a move which has greatly affected the size of their absorptive capacity, especially after the 2020 Beirut Port explosion, the 2023 earthquakes in Turkey, Syria, and Morocco, and the 2023 Derna hurricane in Libya.

He adds that reducing the limits of compensation amounts for a single accident will prompt insurance companies to periodically review the proportion of business ceded for some natural hazard risks. This is to ensure that insurers remain within the reinsurance coverage limit and would not be forced to purchase additional coverage from reinsurers.

He points out that insurance companies will reduce coverage for natural hazards by 20% in areas with moderate weather conditions, while the decrease will be higher in areas adjacent to mountains and seas.

ARAB NEWS

Saudi insurance sector sees 14.6% growth, according to new authority

01/01/2024

Increases in vehicle, health, and property insurance premiums in Saudi Arabia helped fuel a 14.6 percent year-on-year growth in the sector in the third quarter of 2023.

A report from the Kingdom's Insurance Authority revealed the total written premiums stood at SR14.9 billion (\$3.97 billion) in the three months to the end of September 2023, compared to SR13 billion during the same quarter of the previous year.

According to the Saudi Press Agency, the report showed an increase in the insurance sector's depth of non-oil gross domestic product to reach 2.2 percent during the third quarter of 2023, compared to 2.1 percent during the same quarter of 2022.

This was as a result of the increase in total written premiums, while the loss rate stabilized at 80.7 percent, compared to 81.6 percent for the same period of the previous year.

The authority stated in its report that the sector's net income reached SR869.6 million during the third quarter of 2023, compared to SR370.6 million in the equivalent three months of 2022.

This came as insurance services increased from SR255 million to SR693.2 million during the third quarter of 2023, while net investment income increased from SR314 million to SR543.9 million.

The Insurance Authority began operations in November 2023, after its creation was approved by the Saudi Cabinet three months earlier.

According to its website, the Authority's mission is to "regulate the insurance sector in the Kingdom, in a manner that enhances its efficiency and stability, and aligns with the goals of Saudi Vision 2030 and the aspirations of the wise leadership."

Speaking to Arab News in September 2023, Adel Al-Eisa, media spokesperson for Insurance Companies in Saudi Arabia, said the creation of the authority "underlines the Kingdom's commitment to building and developing a world class insurance sector."

He added: "The establishment of the Saudi Insurance Authority will serve the greater purpose of enhancing the Kingdom's insurance sector, bolstering local infrastructure and creating an advanced, thriving ecosystem that empowers both Saudi-based, regional and global businesses — and, of course, the people, communities and businesses they serve."

Jordan forms committee to monitor impact of Red Sea developments on shipping

29/12/2023

The Jordan Chamber of Commerce and the Transport Ministry on Thursday agreed to form a joint committee to monitor shipping safety in the Red Sea and other developments in the key waterway.

Members of the committee include those from the Jordan Chamber of Commerce, Jordan Maritime Union, Logistics Union, and Clearance Companies Union, as well as the Freight Transport Union, the state-run Al Mamlaka TV reported.

The committee is formed to unify efforts and address technical issues to overcome any obstacles related to maritime shipping, it reported.

Speaking at a meeting of the Jordan Chamber of Commerce, Minister of Transport Wesam Al Tahtamouni said that supply chains to the port of Aqaba remain intact, but the challenge lies in the rising costs.

The Jordanian government is considering a series of measures to mitigate the impact of increasing shipping and insurance costs on consumers, he noted.

Tahtamouni said the rising costs are due to the recent attacks on commercial ships in the Bab el Mandeb area, a strait that connects the Red Sea to the Gulf of Aden, leading to route changes which result in longer journeys and higher shipping prices as many shipping companies have to avoid the Red Sea



Smoother 1/1 with motivated market and more capital – Guy Carpenter

29/12/2023

Renewals characterised by ample capacity and a commercial approach to trading partnerships, albeit with continued underwriting scrutiny for casualty, cyber and SRCC, according to the broker.

The 1 January 2024 reinsurance renewals reflect a motivated and responsive market with increasing capital, Guy Carpenter has put forth in a briefing on the eve of the global sector's biggest annual renewal.

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However there has been "no start-up class of 2023", the broker emphasised, differing from past years following a major market correction, such as in the aftermath of hurricanes Andrew and Katrina, with capital growth instead driven by existing reinsurers.

President and CEO, Guy Carpenter, Dean Klisura said: "The January 1 market reflected more balanced trading conditions providing cedents improved opportunities to achieve their objectives while maintaining key reinsurer relationships.

The market increased contract-level consistency on both wording and structural variations, the broker claimed, reducing non-concurrencies from the previous cycle, "a signal of counterparties working toward balance in a complicated market".

These improvements led to "a smoother January 1 renewal period compared with year-end 2022", the broker thought, before adding that there were still geographies and client segments facing challenges reaching market-clearing pricing and structure.

While property renewals were the focus a year

ago, casualty faced more scrutiny this year. Outcomes were dependent on loss experience and technical, data-driven insights, reflective of reinsurers' focus on a more in-depth understanding of portfolio dynamics, according to the broker.

The broker characterised the key developments at 1/1 like this:

- A more consistent trading rhythm returned to the property market, with capacity deployment outside of frequency-exposed layers and more heavily loss-impacted segments showing meaningful bounce-back, including on new business where reinsurer activity increased measurably. Markets remain sensitive to pricing, attachment point and overall structure adequacy, but with terms and conditions that were borne out of the demonstrable corrections made throughout 2023.

- Proactive discussions early in the renewal process on subjectivities such as strike, riot and civil commotion (SRCC), terror, and cyber led to material concurrency improvements among placements.

- Global property catastrophe reinsurance risk-adjusted rate changes averaged from near-flat to single-digits up for non-loss impacted and 10%-30% up for loss-impacted programs, with a wide range of outcomes around these averages. Generally, pricing pressure was greatest at the lower ends of programs, with any risk-adjusted decreases near the upper portion of placements, reflecting the adequacy of minimum rates-on-line and sufficient capacity.

- Casualty saw pressure on pro rata ceding commissions as well as excess of loss pricing. While negotiations were nuanced and bespoke, capacity was ample once market clearing terms were met.

- The key to driving renewal capacity was differentiating client portfolios and ensuring actuarial assumptions reflected go-forward portfolio strategies. Additionally, it was important to demonstrate continued discipline in limit deployment, risk selection and other underwriting measures, as these efforts needed to be accounted for in renewal pricing.

- 2023 is shaping up to be profitable for reinsurers, reflecting the degree of market correction and patterns of loss activity. Return on capital is exceeding reinsurers' cost of capital, as projected average returns are nearing 20%.

- Property retrocessional capacity was available and not constraining reinsurers' risk appetite, in sharp contrast to this time last year. Price improvement generally occurred in middle to upper layers, retention levels largely held steady despite growth in underlying

portfolios, and terms were more consistent within contracts.

Other significant market developments, noted by Guy Carpenter, included:

- Dedicated reinsurance capital, calculated in partnership with AM Best, bounced back in 2023, aided by strong underwriting and investment earnings and the unwinding of the significant mark-to-market investment losses that hit the sector hard in 2022.

- Guy Carpenter and AM Best's 2023 estimate of traditional dedicated reinsurance capital is \$461bn, a 12% increase from the initial year-end 2022 level, while alternative capital is estimated to have increased 3.7% to \$100bn net.

- The catastrophe bond market had a record year in 2023. Sixty-nine different bonds were brought to the 144A market, totalling more than \$15.2bn in limit placed (of which \$415m includes cyber limited placed), taking the total outstanding notional amount of P&C and cyber catastrophe bonds placed to an all-time high of more than \$41.3bn.

- The total insured industry large losses for 2023, an aggregation of events in excess of \$100m of insured loss, currently stands at \$94bn, including Hurricane Otis, the Turkey earthquake, New Zealand floods and cyclone, and US windstorms. This preliminary estimate is expected to increase, as we finish out the year and more information becomes available.

FINANCIAL TIMES

Reinsurance costs surge after Turkey quake as industry assesses Japan fallout

01/01/2024

The cost of reinsuring properties in Turkey against natural catastrophes has doubled in areas devastated by last year's earthquake, according to new figures, as the industry assessed the fallout from another major quake in Japan.

The earthquake in Turkey and Syria last year, which killed tens of thousands of people and left insurers with an estimated bill of \$6bn, prompted a "radical tightening" in some types of property catastrophe reinsurance, according to broker Gallagher Re.

The price of such reinsurance, which insu-

urers buy to share the cost of claims for events such as hurricanes and earthquakes, rose by between 50 per cent and 100 per cent in Turkey in end-of-year policy renewals, Gallagher Re said on Tuesday.

This added up to the "most challenging renewal faced by Turkish [insurers] in a generation", the broker said.

The quake was the biggest single contributor to natural catastrophe-related insurance losses reaching \$100bn last year for the fourth year running. This set the backdrop for the negotiations for the many policies that renewed on January 1.

A powerful earthquake off Japan's west coast on New Year's Day, which had a preliminary magnitude of 7.6, left at least 55 dead and caused significant damage to roads and infrastructure. Industry figures said it was too early to gauge the size of the likely claims, but that the event would be a factor in another round of renewals on reinsurance contracts in April.

Initial estimates from the US Geological Survey indicate a 36 per cent chance that economic losses caused by the quake — whether covered by insurance or not — will fall in the \$1bn to \$10bn range.

Another report on Tuesday by London-based broker Howden said the cost of global property catastrophe reinsurance had risen by 3 per cent in the January renewals, more modest than the previous year, but disappointing insurers who had hoped for some reprieve. Reinsurance prices have surged over the past 18 months, squeezing insurers and their customers.

David Flandro, head of industry analysis at Howden's reinsurance broking arm, said "generationally strong pricing" had "enticed" reinsurers to take on more business.

However, that was not enough to prevent the cost of reinsurance rising sharply in some other parts of the world, including areas of the US afflicted by extreme weather last year. The cost of reinsuring such areas rose by between 10 per cent and 50 per cent, according to Gallagher Re's report.



More cyber reinsurance capacity expected in 2024: CyberCube CEO

01/01/2024

The global cyber insurance market is expected to benefit from a growing pool of available reinsurance capital to cover cyber risks in 2024, with insurance-linked securities (ILS) and catastrophe bonds one of the solutions expected to expand in use, modeller CyberCube has said. CyberCube's CEO Pascal Millaire believes that traditional reinsurance companies will start offering meaningful cyber capacity in 2024.

While cyber insurance is "one of the fastest growing lines of insurance to emerge in a generation," Millaire believes that 2024 will see more reinsurers turning on to the underwriting opportunity.

Millaire said that many traditional reinsurers have not seen cyber as an area of growth, but that 2024 will "lay the groundwork for future growth of capital."

He explained, "As reinsurers look at traditional lines of insurance being transformed by internet-connected risk, as well as the opportunity to participate in a rich new line of insurance, those reinsurers who were hesitant to dip their toe in the waters of cyber will increasingly see the imperative to do so."

Millaire sees three drivers, the first being the availability of increasingly sophisticated cyber insurance analytics and risk models.

Secondly, Millaire highlights that new analytical tools are helping reinsurers to better understand the quality of portfolios they might look to write.

While third, Millaire states that "cyber is a risk that is too big to ignore."

"As new reinsurers start offering cyber in meaningful ways for the first time in 2024, this will contribute "many new trickles" of capacity, rather than a flood of reinsurance," Millaire said. "Over time, 2024

will lay the groundwork for future growth of capital, supporting the future of what could become one of the largest lines of P&C reinsurance."

But, perhaps the most critical area of cyber market development, in just the last few months, is the emergence of a robust and rapidly developing cyber catastrophe bond market.

The cyber insurance market has lacked reinsurance, while cyber reinsurers have lacked access to retrocession and this has been a hindrance to cyber risk getting underwritten.

With now four 144A cyber catastrophe bonds launched, three with indemnity triggers and one with an industry-loss index trigger, the cyber cat bond market is rapidly developing and this could become a critical source of capacity to help encourage new reinsurers into the market.

Access to retrocession will help new cyber reinsurers in managing their PML's and making their capital work more efficiently for them.