

A la une

Reinsurance News

Insured nat cat losses hit \$123bn in record-setting 2023: Gallagher Re

17/01/2024

The global economic cost of natural catastrophe events reached an estimated \$357 billion in 2023, of which approximately 34%, or \$123 billion was covered by re/insurance, as broker Gallagher Re reports an annual record of 34 individual billion-dollar insured loss events in the year.

The reinsurance broker's 2023 Natural Catastrophe and Climate Report reveals that 2023 was the fourth consecutive year in which global insured losses from nat cats exceeded the \$100 billion mark.

The dominant driver of losses in 2023 was the severe convective (SCS) storm peril, which accounted for roughly 58%, or a record \$71 billion of the global insured loss total, of which the U.S. accounted for \$60 billion.

According to Gallagher Re, six of the top 10 most expensive insured events of the year were SCS events in the U.S.

"Peak' perils are still anticipated to drive the highest individual event losses. However, the continued growth of damage from 'non-peak/secondary' perils, such as SCS, is changing the way we view and plan for natural catastrophe risk.



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It also increases the importance of analytics and catastrophe modeling to properly gauge how a combination of climate change-influenced event behavior and socioeconomic parameters are leading to higher loss potentials," said Steve Bowen, Gallagher Re's Chief Science Officer.

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Assurance maladie en Tunisie : Détail de l'augmentation du plafond annuel des soins

17/01/2024

Le ministère des affaires sociales a annoncé lundi l'augmentation à partir du 1er février 2024, du plafond annuel des montants des services de santé externes pris en charge dans le cadre du régime d'assurance maladie concernant le système de remboursement des frais de soins ou le système privé des soins.

Le ministère a indiqué dans un communiqué publié lundi que cette mesure a été décidée conformément aux dispositions de la constitution qui garantit le droit à la santé, aux recommandations du président de la république Kais Saïd et pour répondre aux demandes des citoyens.

Ces augmentations se répartissent comme suit:

- 450d pour un assuré social sans personne à charge au lieu de 350d actuellement
- 675d pour assuré social avec une personne à charge au lieu de 375d actuellement
- 900d pour un assuré social avec deux personnes à charge au lieu de 450d actuellement
- 1125d pour un assuré social avec trois personnes à charge au lieu de 525d actuellement
- 1350d pour un assuré social avec quatre personnes ou plus à charge au lieu de 600d actuellement

Le communiqué ajoute que le plafond annuel sera ajusté en ajoutant les montants suivants en fonction des cas:

- 100 dinars pour chaque personne prise en charge (ascendant)
- 100 dinars pour chaque enfant à charge en situation de handicap
- 150 dinars pour les frais de soins dentaires
- 150 dinars pour les frais de suivi de grossesse ou épouses d'assurés sociaux.

Le ministère des affaires sociales a annoncé également l'augmentation des montants de prise en charge des lunettes de vue de 50 à 200 dinars, précisant que les frais de prise en charge de l'IRM et du scanner seront révisés avant fin février 2024.

A noter que les frais de Cone beam et de scintigraphie seront exemptés du plafond annuel des dépenses.

Moez DIMASSI nommé nouveau Directeur Général d'ASTREE Assurances

17/01/2024

La compagnie d'assurances et de réassurances ASTREE a annoncé ce mercredi que son Conseil d'Administration, réuni le vendredi 12 janvier 2024, a décidé la nomination de Monsieur Moez DIMASSI en tant que Directeur Général pour succéder à Monsieur Abdelmonem KOLSI.

Titulaire d'une maîtrise en comptabilité (1996), M. DIMASSI occupe jusqu'ici le poste de Directeur Central chez Assurances BIAT responsable du pôle comptabilité, budget, contrôle de gestion et recouvrement.



La MAE Assurances s'engage pour le reboisement des forêts tunisiennes ravagées par les incendies

17/01/2024

La MAE assurances est fière d'annoncer son partenariat avec les autorités tunisiennes pour soutenir le reboisement des forêts tunisiennes endommagées par les incendies. La MAE s'associe ainsi aux efforts nationaux de reboisement entrepris notamment par la direction générale des forêts du ministère de l'Agriculture, de la pêche et des ressources hydraulique et lance une campagne de reboisement afin de remédier aux conséquences désastreuses des incendies qui prennent d'assaut chaque année nos forêts.

Une action a été déjà lancée dans la région de SAJNENE, où 11 mille arbres d'Eucalyptus seront plantés. Cette action de boisement contribuera non seulement à redonner vie aux forêts ravagées par les feux mais aussi de créer de l'emploi aux indigènes qui extraient le miel et le commercialisent à partir des eucalyptus.

Cette initiative qui s'inscrit dans le cadre de la stratégie RSE de la MAE Assurances, fait partie dans un grand programme de reboisement qui vise à planter près de 100 milles arbres sur tout le territoire tunisien, durant les trois prochaines années.



Algérie : La GAM Assurances signe un partenariat avec Burgan International (DFSK)

13/01/2024

Burgan International, le représentant officiel de la marque automobile DFSK en Algérie, a récemment annoncé la conclusion d'un partenariat stratégique avec GAM Assurances. Conformément aux termes de cet accord, la GAM Assurances établira ses bureaux au sein des showrooms de DFSK, renforçant ainsi sa présence directe dans l'environnement automobile. La signature de ce contrat de partenariat avec le représentant algérien de la marque chinoise témoigne de la volonté de GAM Assurances de développer ses services au sein du marché automobile en pleine croissance.

Ce partenariat vise à offrir aux clients de DFSK des solutions d'assurance sur mesure, répondant spécifiquement à leurs besoins, et ce, à des tarifs avantageux. Les deux entités s'engagent ainsi à fournir une gamme complète de produits d'assurance automobile, renforçant la confiance des clients dans leur choix de véhicules DFSK.

Il est important de souligner que DFSK Algérie propose une gamme étendue de véhicules utilitaires et touristiques, avec des prix débutant à partir de 1 600 000 Dinars.



Macir Vie révolutionne l'assurance en Algérie avec Hayat, son chatbot révolutionnaire"

11/01/2024

L'industrie de l'assurance en Algérie est en train de faire un pas de géant dans l'ère de la technologie avec le lancement de Hayat, le premier chatbot d'assurance basé sur l'intelligence artificielle (IA) par Macir Vie. Cette filiale du groupe privé Ciar a annoncé cette initiative audacieuse le jeudi 4 janvier, marquant ainsi un tournant majeur dans l'expérience client en Algérie.

L'Assurance en Algérie : Un Nouveau Souffle
Macir Vie est une compagnie d'assurance spécialisée dans l'assurance vie, y compris l'assurance voyage, une composante cruciale pour l'obtention de visas et les voyages internationaux. Forte de son expérience et de son engagement envers ses clients, Macir Vie franchit une nouvelle étape en introduisant Hayat, son chatbot d'assurance révolutionnaire.

Hayat : L'IA au Service des Clients

Selon Macir Vie, Hayat a été conçu pour « transformer l'expérience client dans le monde de l'assurance. » Cette déclaration ambitieuse souligne l'engagement de l'entreprise à innover et à améliorer la manière dont les clients interagissent avec l'assurance en Algérie. Le chatbot Hayat offre aux clients de Macir Vie la possibilité d'engager des conversations directes en ligne. Que ce soit pour discuter des modalités de souscription aux contrats d'assurance, pour obtenir des informations sur les sinistres ou pour suivre le remboursement, Hayat est là pour simplifier et faciliter chaque étape du processus.

Un Pionnier en Algérie

Ce lancement marque un moment historique pour Macir Vie, qui devient ainsi la première compagnie d'assurance en Algérie à mettre à disposition une solution d'intelligence artificielle pour le grand public. Ce pas audacieux la place à l'avant-garde de l'industrie de l'assurance dans le pays. Hakim Soufi, le dirigeant de Macir Vie, a exprimé sa fierté et son enthousiasme pour cette avancée technologique majeure. Dans un communiqué, il a déclaré que ce lancement positionne Macir Vie comme un leader de l'innovation et de l'excellence dans le secteur de l'assurance en Algérie.

Une Transformation Digitale Bienvenue

Le secteur de l'assurance est en constante évolution, et la digitalisation joue un rôle central dans cette transformation. L'introduction de Hayat représente une réponse intelligente à la demande croissante des clients pour des solutions d'assurance plus accessibles et conviviales. Avec Hayat, Macir Vie répond aux besoins des clients modernes en offrant une plateforme de communication directe et instantanée. Le chatbot peut également orienter les clients vers les ressources appropriées au sein de la compagnie, garantissant ainsi une expérience client fluide et personnalisée.

L'Avenir de l'Assurance en Algérie

Le lancement de Hayat par Macir Vie témoigne de l'engagement continu de la compagnie envers l'innovation et l'amélioration de l'expérience client. L'Algérie, un marché en plein essor pour l'assurance, est témoin de la naissance d'une nouvelle ère où la technologie et l'accessibilité priment.



Rendez-vous de Casablanca de l'Assurance : La 10^{ème} édition aura lieu les 17 et 18 avril 2024

09/01/2024

Sous le Haut Patronage de Sa Majesté le Roi Mohammed VI, la Fédération Marocaine de l'Assurance (FMA) organise la 10^{ème} édition du Rendez-vous de Casablanca de l'Assurance, au Hyatt Regency Casablanca.

Cette édition met en avant le thème : « Quelle assurance dans un monde d'incertitudes ? », avec pour invité d'honneur les Émirats Arabes Unis.

Après le succès de la 9^{ème} édition, le Rendez-vous de Casablanca de l'Assurance revient en force pour cette 10^{ème} édition. Cette rencontre annuelle incontournable rassemblera des acteurs clés du secteur de l'assurance pour des échanges et des débats approfondis, à la recherche de solutions innovantes face aux défis futurs.

La thématique choisie cette année, reflète l'urgence de repenser le rôle de l'assurance dans un contexte d'incertitudes constantes, que ce soit face aux aléas naturels, aux bouleversements économiques mondiaux ou aux évolutions technologiques rapides.

Pour cette édition spéciale marquant le 10^{ème} anniversaire du Rendez-vous de Casablanca de l'Assurance, la Fédération Marocaine de l'Assurance offre une remise exceptionnelle de 10% sur les frais de participation pour toute inscription avant le 15 février 2024.

Afrique



Bénin: plus d'assurance automobile sans TVM et visite technique

15/01/2024

Au Bénin, il n'est désormais plus possible de prendre une assurance automobile sans au préalable avoir effectué la visite technique de la voiture ainsi que le paiement de la TVM (Taxe sur les Véhicules à Moteur). La décision provient d'un arrêté interministériel signé le 09 janvier 2024.

La Quittance de la Taxe sur les Véhicules à Moteur (TVM) de l'Année en Cours : Cette taxe, perçue annuellement, est un prérequis pour la validité de l'assurance. Elle représente une part importante des revenus fiscaux et vise à réguler l'utilisation des véhicules.

La Visite Technique à Jour : La conformité à la visite technique garantit que le véhicule est en bon état et répond aux normes de sécurité requises. Cela aide à réduire les risques d'accidents liés à des défaillances techniques.

Selon l'arrêté, tout propriétaire de véhicules terrestres à moteur qui contreviendrait aux dites dispositions est passible de sanctions fiscales applicables conformément au code général des impôts.

Aussi, toute compagnie d'assurances de dommages qui contreviendrait aux disposition dudit arrêté est passible des sanctions prévues à l'articles 312 du code des assurances ainsi que du paiement solidaire des pénalités applicables.

Zimbabwean insurer ZimRe merges two Botswana reinsurance businesses

17/01/2024

Zimre Holdings Limited (ZHL), an investment holding company, has combined its two Botswana reinsurance businesses after changes to the law enabled it to underwrite domestic business, according to a NewsDay report.

The report states that the two units – Emeritus Reinsurance Botswana and Emeritus Reinsurance International – have been combined under the flagship of EmeritusRe International. Moreover, this move comes as recent changes in law now allow for International Financial Condition Standard (IFCS) businesses to underwrite domestic business.

It is important to highlight, that ZHL is the majority shareholder in Emeritus International with a stake of over 50%, and the ownership structure allows ZHL to exert major influence over the operations and strategic direction of the organisation.

In addition, Emeritus International Reinsurance Company was established in Botswana in 2010 as an IFCS company and as the holding company for all the group's reinsurance companies outside Zimbabwe.

Emeritus International managing director Patience Marwiro, who spoke at the amalgamation ceremony in Botswana recently, said that as an IFCS company, the law barred it from writing domestic business in Botswana. She said: "Recent changes in the law have allowed the IFCS companies to write domestic business. There is, therefore, no need for the two separate entities in Botswana, hence the recent amalgamation which takes effect on January 1, 2024."

Adding: "The operational company in Botswana will be Emeritus International, a holding company with subsidiaries in Malawi, Zambia and Mozambique, plus an investment footprint in Kenya, Uganda and Eswatini."

Marwiro also stated that the amalgamation signified "a new chapter in the group's journey", as well as a new chapter as the strategic move allowed it to underwrite more business, as well as explore new product offerings and enhance its market presence.

The small green solution to Africa's big electricity problem

17/01/2024

Small-scale solar deployments have been instrumental in improving energy access and security across the continent. Consolidation in the market is set to attract increased attention from mainstream investors.

The now traditional early-January announcement of a new hottest year on record is a stark reminder – if one were needed – of the global need to transition from fossil fuels to renewable energy.

Last month's pledge by world leaders at the COP28 summit in the UAE to triple global renewable energy capacity remains a daunting, but not impossible, prospect. Renewable energy capacity increased by 50% in 2023 – the fastest annual increase on record – thanks to rapid expansion in China, Europe, the US and Brazil.

Despite such progress, there is an urgent need to scale up deployments in emerging and developing economies in the coming years, according to the International Energy Agency's (IEA's) executive director Fatih Birol. "Success in meeting the tripling goal will hinge on this," he said in the agency's latest report.

As home to 60% of global solar resources, Africa is a key geography for such capacity expansion. Yet, despite the deployment of major solar projects such as Morocco's Ouarzazate and Egypt's Benban, the priorities for much of the continent remain far more mundane.

"For much of the continent, energy security is a more urgent concern than focusing on the transition to renewables," says Rentia van Tonder, head of renewable energy, power and infrastructure at Standard Bank.

Responsible for less than 5% of global carbon emissions, the IEA estimates that 600 million people in sub-Saharan Africa do not have regular access to electricity (see chart), acting as a significant break on economic growth.

Over the past five years, African utility providers have been running to stand still, incurring mounting debt levels to maintain energy prices at affordable levels, with the maintenance and extension of national grids suffering as a result, a trend only exacerbated by the recent rise in inflation across the continent.

Egypt: Lawmaker seeks update on likely establishment of national reinsurance company

16/01/2024

Current economic conditions have made it necessary for Egypt to have a national reinsurance company to help the local economy by retaining within the country a higher percentage of insurance business.

These comments were made by Dr Ghada Ali, a member of the Economic Committee of the House of Representatives. Dr Ali, who has several years of experience in the risk management and insurance field, submitted a briefing request about the leakage of foreign exchange due to the lack of a domestic reinsurer, reported the economic magazine Amwal Alghad.

Dr Ali indicated in her request that since the government's decision in 2007 to liquidate the Egyptian Reinsurance Company and merge its operations into those of Misr Insurance Company, Egypt has become one of the few countries in the world that does not have a national reinsurance company.

Opportunities

Regarding the opportunities lost due to the lack of a national reinsurance company, Dr Ali noted that the most prominent of these opportunities is the premiums leaked abroad. She pointed out that reinsurance premiums that have flowed outside the country have reached more than 60% of the insurance sector's total premiums.

She added that these opportunities also included reinsurance commissions for local brokers and tax revenues resulting from reinsurance profits.

She said that a national reinsurer would contribute to alleviating external pressures and overcoming the intransigence of international companies that impose conditions on Egyptian insurers.

Dr Islam Azzam, vice chairman of the Financial Regulatory Authority, said in December 2023 that the possibility of establishing an Egyptian reinsurance company was being studied. The study is in its early stages.

UAE's central bank cancels broker's license over non-compliance

16/01/2024

The Central Bank of the United Arab Emirates (CBUAE) has revoked the operating license of First Insurance Brokers Company, marking the second insurance firm to face such action in recent weeks due to non-compliance issues.

The decision aligns with the UAE's stringent regulatory framework aimed at maintaining transparency and integrity within the insurance sector.

As per a report from Gulf News, the cancellation was enacted under Article 22 (2) of the Board of Directors Resolution No.15 of 2013, which pertains to Insurance Brokerage Regulations. As a result, First Insurance Brokers Company's name has been removed from the official register.

In a statement, the CBUAE emphasised its commitment to supervising and regulating the insurance industry. The central bank's role is to ensure adherence to UAE laws and regulations by all insurance-related entities, thereby protecting the transparency and integrity of both the insurance industry and the UAE's financial system, it stated.

The move follows similar action taken last month against Cogent Insurance Broker. In recent times, the CBUAE had given licensed entities sufficient opportunity to update and align their internal processes with compliance requirements, it believes.

The current enforcement measures reflect a more rigorous approach by the regulator, indicating a shift towards stricter compliance and regulatory oversight in the UAE's insurance sector.

Red Sea war insurance rises with more ships in firing line

16/01/2024

War risk insurance premiums for shipments through the Red Sea are rising after further attacks on merchant vessels by Yemen's Houthi movement and the expectation that ships with a UK or U.S. connection will be targeted, insurance sources said on Tuesday.

The Iran-aligned Houthis, who are well equipped and trained, have launched multiple attacks on ships in the Red Sea since November. They will expand their targets to include U.S. ships, a Houthi official said on Monday.

Even before the recent Houthi attacks, the London insurance market listed the southern Red Sea among its high risk areas and ships need to notify their insurers when sailing through such areas and pay an additional premium, which until earlier this month was typically for a seven-day cover period.

Insurance industry sources said that war risk premiums had risen to around 1% of the value of a ship, from around 0.7% last week with various discounts applied by underwriters. They added that rates were expected to move higher.

This translates into hundreds of thousands of dollars of additional costs for a seven-day voyage.

The terms being offered for war risk quotes are now significantly shorter, «with 24 hours being the norm», said Munro Anderson, head of operations at marine war risk and insurance specialist Vessel Protect, which is part of Pen Underwriting.

«Rates are increasing which is reflective of the significant and opaque risk exposure within the Red Sea,» he told Reuters.

«Since the naval and air strikes in Yemen, it is now broadly considered that, in addition to Israeli-connected vessels, there is an elevated threat to vessels associated with the UK, U.S., including dependent flags, as well as those connected to Australia, the Netherlands, Bahrain and Canada,» he added referring to a U.S.-led navy coalition trying to safeguard commercial shipping.

U.S.-based operator Eagle Bulk Shipping said on Monday one of its vessels was hit by an «unidentified projectile» while sailing 100 miles (160 km) off the Gulf of Aden.

«The Houthi attacks are encompassing all vessels with less and less clear criteria,» an insurance source said. «U.S. and UK flags are advised now that they should not go through the Red Sea.»

GCC:GIG Gulf launches innovative online motor insurance solution for micro-SMEs across the region

17/01/2024

GIG Gulf, one of the largest insurance providers in the MENA region, has announced the launch of an online capability aimed at simplifying and streamlining motor insurance purchases for micro-SMEs in the UAE, Bahrain, Qatar, and Oman. This digital initiative is designed to revolutionise the way micro-SMEs purchase motor insurance for small fleets of up to five vehicles, offering efficiency, customization, and accessibility like never before, GIG Gulf says in a statement.

This solution addresses a critical gap in the market – the need for a swift, efficient, and customisable insurance purchasing process for commercial vehicles. By introducing this digital initiative, GIG Gulf is catering to the evolving needs of micro-SMEs, offering an unprecedented 2-minute quote and a 3-minute purchase process.

The platform is a game-changer for micro-SMEs, offering real-time premium viewing, customisable plans at the vehicle level, and a streamlined online payment system. Additionally, it includes the convenience of online/automatic vehicle registration with the traffic department, which aims to make the process seamless and easy for customers. Customers can now tailor their motor insurance according to their specific needs, choosing from a range of optional covers, thereby ensuring that they get the most suitable and cost-effective insurance for their small fleets.

This digital initiative is aligned with GIG Gulf's ongoing efforts to support the digital economy in the GCC region. By leveraging technology, GIG Gulf is not only enhancing the customer experience but also contributing significantly to the digital transformation of the insurance sector. The platform is now live and accessible to micro-SMEs in the specified regions.

GIG Gulf is part of the Gulf Insurance Group (GIG), the #1 largest regional composite insurer in the Middle East and North Africa, with a presence in 13 markets including Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and the UAE. Its reported consolidated assets stand at \$4.4bn as of 31 December 2022.

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The dominant driver of losses in 2023 was the severe convective (SCS) storm peril, which accounted for roughly 58%, or a record \$71 billion of the global insured loss total, of which the U.S. accounted for \$60 billion. According to Gallagher Re, six of the top 10 most expensive insured events of the year were SCS events in the U.S.

"Peak' perils are still anticipated to drive the highest individual event losses. However, the continued growth of damage from 'non-peak/secondary' perils, such as SCS, is changing the way we view and plan for natural catastrophe risk. It also increases the importance of analytics and catastrophe modeling to properly gauge how a combination of climate change-influenced event behavior and socioeconomic parameters are leading to higher loss potentials," said Steve Bowen, Gallagher Re's Chief Science Officer.

At \$357 billion, the economic loss total surpassed \$300 billion for the eighth consecutive year in 2023, and excluding losses from earthquakes and other non-atmospheric-driven events, the economic loss total falls to \$301 billion and the insured loss total declines to \$116 billion.

What is clear from the figures is that the protection gap (disparity between economic and insured losses) remains large across the globe.

On an economic basis, the February earthquake in Turkey and Syria was the costliest event of 2023 with losses of \$46.2 billion. However, just

13%, or \$6.1 billion was covered by insurance. This event, alongside the Marrakech-Safi earthquake in Morocco, Typhoon Doksuri in China, and Hurricane Otis in Mexico, contributed to the 66% global protection gap in 2023.

"We continue to witness an increase in the severity and high-impact frequency of natural catastrophe events. These effects bring multifaceted and complex challenges to the (re)insurance industry, as the importance of blending today's view of risk with the anticipated downstream implications of tomorrow grows more critical," said Bowen.

"While we continue to witness an expansion of insurance protection into vulnerable parts of the world, there remain considerable gaps in coverage that leave many developing countries highly exposed to catastrophe risk. The need for more guaranteed climate or natural catastrophe financing to mitigate or adapt to a more complex world of natural hazards becomes more critical by the day. The growth of private and public sector partnerships bringing new insurance options to underserved communities is a promising trend that needs to further accelerate," he added.

Gallagher Re's comprehensive report examines a record-setting year in which 66 individual billion-dollar economic loss events were recorded.

The 2023 economic and insured loss estimates from the reinsurance broker follows comments from Bowen in November 2023 stating that the \$100 billion insured loss threshold had already been breached.

It's worth noting that at \$123 billion, Gallagher Re's insured loss estimate is higher than Munich Re's estimate of \$95 billion for the year, and Swiss Re's estimate of \$100 billion, but in line with broker BMS Group's December 29th estimate, which said that worldwide insured losses for 2023 should end up below the modeled average annual loss suggested by Verisk Annual Global Modeled Catastrophe Losses of \$133 billion.

Top insurance and risk issues to watch in 2024 –

16/01/2024

Geopolitical risks, medical inflation, and climate change are among a ream of issues that could have a critical impact for insurance stakeholders in 2024. During a recent Out Front Ideas webinar, Sedgwick global head of innovation and product development Kimberley George, and Safety National vice president of client engagement Mark Walls shared their take on 20 issues that North American insurance workers and risk managers need to be paying attention to this year.

Five insurance and risk issues to watch in 2024

Five big issues for insurance industry stakeholders and risk managers to watch in 2024, according to George and Walls, are:

- Presidential election year
 - Economic outlook
 - Geopolitical risks
 - Employee benefits
 - Frequency rates

US presidential election year

With candidates gearing up for 2024's US presidential election year, the result could have "significant implications" for both individuals and businesses, Walls said.

The Department of Labor's independent contractor classification rules, which take effect March 11 and look to reduce the number of workers classified as independent contractors, are already set to have a significant impact on workforces. Walls predicted a "lot of litigation" will ensue as they come into force.

From an insurance standpoint, Governors' elections are likely to be the most hotly watched, given their influence over state-level insurance policy. "There are 11 Governor tutorial offices on the ballot in Delaware, Indiana, Missouri, Montana, New Hampshire, North Carolina, North Dakota, Utah, Vermont, Washington, and West Virginia," Walls said. "Only two of those races – New Hampshire and North Carolina – are currently rated as toss ups by political rating organizations."

Economic outlook

Economic growth is set to decelerate in 2024, JP Morgan has predicted, and views differ on when interest rate cuts are likely to kick in.

Mortgage rates are expected to drop – from around 7% to 6.1%-6.5% by year-end – and commercial property has continued to face challenges. "When leases expire, many companies are downsizing their office footprint, which is leading to rising commercial vacancy levels," said George. "The Financial Times reported last week that \$117 billion of commercial mortgages related to offices either need to

be repaid or refinance by the end of 2024.

"Refinancing obviously will result in higher interest rates – some property owners have walked away, letting the bank take over, and other large commercial properties have sold for a fraction of the pre-pandemic valuation. Mergers & acquisitions (M&A), meanwhile, is set to see volume in the health and IT space.

"S&P Global suggests creative deal structures and a relentless focus on value creation and private equity portfolios are critical in the year ahead," said George. "I completely agree that value creation is top of mind, successful companies must find that sweet spot between cost cutting and driving growth."

Geopolitical risks

Global geopolitical risk is "higher than it's been in years", Walls said.

War in the Middle East, in addition to the Russia-Ukraine conflict and the threat of animosity between the US and China over Hong Kong have added to uncertainty. In recent months, there have been violent protests throughout Europe, and the wars in the Middle East and Ukraine have potential to spread," Walls said. "If you have employees that travel overseas for business, it's important to know where they are, and have plans to evacuate them if unrest develops."

War risk exclusions are common in insurance policies and brokers and risk managers should work together to ensure insureds understand what their insurance does and does not cover, Walls urged.

Employee benefits

Employers are expected to continue expanding employee benefits offerings into 2024, with areas such as fertility, family planning, trans care, and menopause care having been in the spotlight.

Financial wellness programs and health plans also continue to be important, George said.

New entrant Surest has challenged incumbents with its no deductible and no coinsurance health plan, which includes price transparency for comparable services and providers.

"I've often shared with our Out Front Ideas audience that insurance models are designed around sick care and not well care and the founders of Surest are hoping their insureds will invest more in health to reduce sickness," George said.

Frequency rates

Workers' compensation accident frequency rates have "mostly" trended down in the past 20 years, but this could be about to change, Walls cautioned.

Private industry employers saw a 4.5% increase in workplace injuries and a 5.7% increase in fatal workplace injuries in 2022, with the workplace injury rate essentially flat on 2021, according to Bureau of Labor Statistics figures cited by George.

However, when factoring in work related illnesses, the frequency rate was up. Large employers and public entities have further reported overall accident frequency rates having increased into 2023.



Swiss Re: \$50m cyber ILW is “novel and complementary” retro cover

16/01/2024

Swiss Re secured \$50 million of cyber industry-loss warranty (ILW) cover recently in a transaction that the broker involved, Gallagher Re, is hailing as the first cyber retrocession ILW ever traded. The transaction was supported by a number of specialist reinsurers, according to Gallagher Re.

We cannot be certain, but there is a chance that this \$50 million cyber industry-loss warranty (ILW) trade is actually the same trade as the 144A securitized Matterhorn Re Ltd. (Series 2023-1) issuance that we covered last year.

It's possible Swiss Re simply transformed the ILW arrangement into a 144A format, to make it more broadly acceptable to catastrophe bond investors and funds.

It is also possible that the \$50 million cyber ILW is in addition to the \$50 million of cyber industry loss protection from the Matterhorn Re cat bond, which is perhaps more notable as it shows Swiss Re securing even more industry-loss based cyber retro.

Either way, the coverage provided by the \$50 million cyber industry-loss warranty (ILW) protects Swiss Re against catastrophic US cyber events, including coverage for widespread malicious ransomware or malware, prolonged catastrophic cloud outage and systemic data breach, the companies involved explained.

Commenting on the coverage provided, Nick Meuli, Head of P&C Capacity Management at Swiss Re, said, “Accessing alternative external sources of cyber capacity to support our inwards cyber business has been a key priority for us.

“We are very pleased to have secured significant ILW protection which provides yet another novel and complementary cover for our cyber portfolio.”

Ian Newman, Global Head of Cyber at Gallagher Re, further explained, “Alongside traditional retro and cat bond solutions, we believe ILWs and parametric solutions will form a critical part of the cyber value chain in the coming years.

“We are proud to have delivered another market first on behalf of Swiss Re, a true market leader in this space.”

Gallagher Re said that, “Swiss Re’s purchase of cyber market’s first Retro ILW comes after years of work in the field and reflects a market which is growing in confidence.”

The broker is expecting further growth of the cyber insurance-linked securities (ILS) market, with more cyber cat bonds expected to be issued.

Theo Norris, Head of Cyber ILS at Gallagher Re, added, “Successfully executing this innovative solution for Swiss Re is another step forward in broadening the potential access for capital to enter the Cyber insurance space and to provide effective, alternative solutions for insurers and reinsurers alike.”

As said, this could be the same arrangement as the Matterhorn Re 144A cyber industry-loss securitization that we had covered back in December, which was the first industry-loss triggered cyber cat bond to hit the market.

That deal took the number of completed cyber cat bonds to four, with four deals priced and a range of structural feature that can be incorporated into cyber cat bonds, including the industry-loss trigger, now tested and approved by the investor base.

As we reported at the time, the industry-loss trigger uses data from CyberAcuView, with PERILS acting as the reporting agency. The industry-loss trigger attaches at a \$9 billion US cyber insurance industry loss, as reported by the agencies above.

You can read all about the industry-loss trigger cyber catastrophe bond from Swiss Re, the Matterhorn Re Ltd. (Series 2023-1) transaction, and every other cat bond ever issued in the Artemis Deal Directory.