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La référence économique

Tunis Re annonce un bénéfice net de plus de 18 millions de dinars en 2023

29/03/2024

La compagnie tunisienne de réassurance, Tunis Re, a annoncé que son Conseil d'Administration, réuni hier jeudi 28 mars 2024, a examiné l'activité de la société au cours de l'exercice 2023 et a arrêté les états financiers relatifs à cet exercice.

Ces états font ressortir une nette amélioration de 14% du chiffre d'affaires combiné (Ordinaire et Retakaful) totalisant 222,5 millions de dinars et une croissance de 19% de la prime retenue ramenant le taux de rétention à 73%.

La compagnie souligne une maîtrise du ratio combiné à 92,7% ainsi qu'une croissance de 11% des produits financiers pour atteindre 32 millions de dinars.

Enfin, l'exercice 2023 s'est soldé par un résultat global excédentaire avant impôt de 29,5 millions de dinars et un résultat net d'impôt excédentaire de 18,5 millions de dinars.

Le Conseil a décidé de proposer la distribution d'un dividende de 0,420 dinars par action, et de convoquer les actionnaires de la société pour une réunion de l'Assemblée Générale Ordinaire qui se tiendra le mardi 30 Avril 2024 à l'IACE Tunis à 14H30.

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Jouda Khemiri est la nouvelle présidente du Comité général des assurances

02/04/2024

En vertu d'un décret paru au JORT en date du 2 avril 2024, Jouda Khemiri, contrôleur d'assurance général classe 2, est chargée des fonctions de la présidente du Comité général des assurances.

faut-il signaler que le Comité général des assurances en Tunisie (CGA) est une autorité publique indépendante chargée de réglementer et de superviser le secteur des assurances dans le pays. Sa mission principale est de protéger les intérêts des assurés, de garantir la stabilité du marché des assurances et de promouvoir la transparence et la bonne gouvernance au sein de l'industrie.



Tunisie : Le TMM s'établit à 7,96%, en mars 2024

01/04/2024

Selon les données mises à jour par la Banque Centrale de Tunisie (BCT), le taux moyen du marché monétaire (TMM) a enregistré une légère baisse à 7,96 % durant le mois de mars 2024, contre 7,97% enregistré en février 2024.

Il est à préciser que le taux de rémunération de l'épargne (TRE) du mois d'avril est de 7% et le conseil d'administration de la BCT a pris la décision de maintenir inchangé le taux directeur à 8 %.

Finance durable: Les recommandations du CMF en matière de RSE

28/03/2024

Le Conseil du marché financier (CMF) et dans le cadre de l'engagement national pour une économie durable, a publié ses recommandations en vue de l'adoption par les sociétés faisant appel public à l'épargne (FAPE) et par les intervenants relevant de sa compétence des meilleures pratiques RSE et la consécration par ces entités d'une gestion écoresponsable permettant d'aboutir à une finance durable.

La finance durable désigne l'ensemble des pratiques financières qui intègrent les critères ESG (environnementaux, sociaux et de gouvernance), aussi appelés critères extra-financiers, dans les décisions d'investissement. Le but est de responsabiliser les investisseurs en contribuant à financer des projets responsables.

Le CMF a souligné l'importance d'une démarche dynamique et une culture RSE anticipative pour les sociétés FAPE, se propose de rappeler la nécessité d'intégrer la notion de « durabilité » dans les conditions de fonctionnement et les exigences opérationnelles des différents intervenants dans le marché ainsi que dans la gouvernance des différents produits du marché financier.

Le CMF a souligné que l'adoption par les sociétés FAPE, d'une stratégie écoresponsable permettrait de satisfaire aux différentes exigences réglementaires internationales, notamment européennes pour intégrer les marchés internationaux (le devoir de vigilance en matière de durabilité, mécanismes d'ajustement carbone aux frontières de l'Europe...).

En effet, l'adoption par les sociétés FAPE, d'une stratégie écoresponsable permettrait, de satisfaire aux différentes exigences réglementaires internationales, notamment européennes pour intégrer les marchés internationaux (le devoir de vigilance en matière de durabilité, mécanismes d'ajustement carbone aux frontières de l'Europe...).

Le CMF a attiré l'attention des investisseurs sur l'opportunité de prendre en considération la durabilité dans leurs orientations et choix d'investissement.

Algérie: Publication de la Loi portant « Règles de prévention, d'intervention et de réduction des risques de catastrophes »

27/03/2024

La Loi n°24-04 du 26 février 2024, relative aux nouvelles règles de prévention, d'intervention et de réduction des risques de catastrophes dans le cadre du développement durable, est promulguée et publiée dans le Journal Officiel n° 16 du 06 mars 2024.

Le texte législatif enrichi compte, désormais, 92 articles répartis sur 9 chapitres, dont 24 articles nouveaux, tandis que 66 autres ont été reformulés. Cette loi, dans sa nouvelle mouture, vise à édicter les règles de prévention, d'intervention et de réduction des risques de catastrophes dans le cadre du développement durable, et combler, ainsi, les insuffisances de l'ancienne loi n° 04-20 du 25 décembre 2004. En plus de la dizaine de risques déjà identifiés dans l'ancien texte, de nouveaux risques ont été introduits dans la Loi n°24-04, notamment ceux liés aux changements climatiques, à la cybernétique, au risque acridien, au risque biotechnologique, ainsi qu'à l'activité spatiale, telle que la fabrication, le lancement et l'exploitation d'objets spatiaux. (Article 3).

Outre les dispositions législatives et réglementaires relatives à chacun des risques prévus à l'article 3, le texte révisé propose un plan général de prévention pour chacun des risques identifiés. Ce plan fixe l'ensemble des règles et procédures visant à atténuer la vulnérabilité aux aléas, pouvant favoriser la manifestation du ou des risque(s) de catastrophes, et à prévenir les effets induits par leur survenance (article 20).

Et pour réaliser les objectifs fixés par cette loi, l'État favorise l'élaboration et la mise en œuvre d'une stratégie nationale de communication en rapport avec les risques de catastrophes, en mettant en place des modes d'organisation des communications, de la promotion et du soutien de toute campagne ou action d'information liée aux risques de catastrophes (article 12).

La notion de risques de catastrophes sera également introduite dans les programmes d'enseignement, tous cycles confondus afin de vulgariser les connaissances relatives aux risques et à leur prévention et préparer les différents publics à faire face aux situations de crises pouvant être provoquées par des catastrophes.

Algérie : un chiffre d'affaires de 169,6 milliards de dinars en 2023

28/03/2024

Le marché des assurances a enregistré un chiffre d'affaires de l'ordre de 169,6 milliards de Da en progression de 3,5% par rapport à l'exercice précédent, a indiqué le Conseil national des assurances (CNA) dans sa note de conjoncture pour le dernier trimestre et clôture de l'année 2023.

Avec une part de marché de 85%, la branche des assurances de dommages a réalisé un chiffre d'affaire de 144,2 mds de Da à fin décembre 2023 (+2,6%) suivie de celle des assurances de personnes avec un chiffre d'affaires de 17,6 mds Da (+7,1%) et une part de marché de 10,4% sur l'année, détaille le même bilan.

L'assurance automobile qui se taille 45,6% du total de la production des assurances de dommages, elle a réalisé au titre de l'exercice 2023 un chiffre d'affaires de près de 65,8 milliards de Da, soit une progression de 1,6% comparativement à la même période de l'exercice 2022, «générée par les 'risques obligatoires' qui progressent de 11,2% et détiennent une part de 20,9% du portefeuille de la ladite branche», explique le même organisme.

Quant à l'activité Takaful, une branche naissante mais qui enregistre une croissance à trois chiffres (343%) elle a généré un chiffre d'affaires de 214,8 millions de Da dont 129,6 millions de Da générés par la sous-branche «takaful général» et 85,2 millions de DA par celle du «takaful familial».

Dans le domaine de la réassurance et concernant les acceptations internationales, ces dernières détiennent 4,4% de parts, pour une valeur de 7,4 milliards de DA réalisés par la compagnie centrale de réassurance (CCR) à fin 2023, contre 6,8 milliards de Da à fin 2022, soit une augmentation de 8,7% relève encore le CNA qui fait état aussi qu'une « première réalisation est enregistrée au titre de l'activité Réassurance takaful +Re-takaful+ d'un montant de 180,5 millions de DA».

L'évolution du marché de la réassurance «est principalement attribuable à la branche +incendie+, représentant 70,9% du total des acceptations internationales. Le chiffre d'affaires de cette branche connaît une croissance de 12,5%, passant de 4,7 milliards de DA, en 2022, à 5,2 milliards de Da en 2023», indique le document.

S'agissant des sinistres déclarés auprès de l'ensemble des sociétés d'assurance, ils se sont élevés à 76,4 milliards de Da, pour un total de plus de 1,6 million de dossiers déclarés, dominés en montant, à hauteur de 91,6% par l'activité assurances de dommages, alors que les indemnités ont atteint 74,1 milliards Da pour un total de 1,4 million de dossiers réglés.

Quant aux sinistres restants à payer, ils sont estimés, à fin 2023, à 104,2 milliards de DA, pour 1 695 472 dossiers en instance de règlement, selon les données du CNA. La note de conjoncture du CNA a relevé, d'autre part, que les sociétés publiques dominent le marché des assurances de dommages avec 75,9% du chiffre d'affaires global, atteignant ainsi 109,4 milliards de Da, ajoutant dans ce sillage que les sociétés privées, qui comptabilisent 33,3 milliards de DA de primes émises, se taillent 23,1% de ces parts.

En outre, les sociétés d'assurance de personnes à capitaux privés avaient à fin 2023 une part de 31,8% du total des primes émises du marché des assurances de personnes avec un montant de 5,6 milliards de Da, réalisé essentiellement par l'assurance «vie-décès» soit 62,5%, selon les données du CNA.

Challenge

Maroc: RMA: Tawfiq Drhimeur nommé Administrateur Directeur Général

03/04/2024

Le conseil d'administration de la Royale Marocaine d'Assurance (RMA) a officialisé le 27 mars 2024 la désignation de Tawfiq Drhimeur en tant qu'Administrateur Directeur Général de la RMA.

Drhimeur a effectué une grande partie de sa carrière au sein d'RMA, qu'il a intégré en juillet 2000. Il y a notamment assumé divers postes, bénéficiant d'une solide expérience dans le secteur de l'assurance ainsi que d'une expertise avérée en gestion stratégique, financière et opérationnelle.



Nigeria insurance sector gross premiums hit N1trn for the first time

01/04/2024

Nigeria's insurance sector gross written premiums (GWP) have hit the N1trn (US\$766.7m) mark for the first time ever, driven by the oil and gas deals in the West African economy

Latest data from the National Insurance Commission (NAICOM), the regulator of underwriting business in Nigeria, shows GWP hit N1.003 trillion (\$720m) at the end of December 2023, representing a 27% growth compared to the N790bn (\$567m) achieved in the preceding similar period. Reacting to the development, Fola Daniel, former commissioner for insurance and CEO of NAICOM said: "Great ... the market is making giant strides, which I hope will lead to enhanced insurance penetration and increased insurance contributions to the nation's Gross Domestic Product (GDP)." In the analysis, the non-life business accounted for 61.3% of all premiums written during the year while the life segment contributed 38.7%, valued at N388.1bn (\$278.5m).

Major growth drivers in the non-life segment of the market were oil and gas, and fire insurances, contributing 27.3% and 24.1% respectively, pointing to the significance of these two classes of insurance in driving growth in the sector. The market also recorded a retention of about 87.7% for the life business, just about 54% for non-life, taking the aggregate market average retention to 66.7% during the same period.

In a direct reflection to the ongoing regulatory measures regarding claims settlement, the life business recorded about 95% of net claims to the total recorded claims during the year while the market average stood at about 71.4% of the N536.5bn gross claims reported at the close of the year. The review period saw outstanding premiums continue to decline, closing at just 1.6% of all the premiums generated in the market during the period. The drop in the outstanding premiums shows the success being achieved by NAICOM's "no-premium no-cover" policy. Jide Orimolade, managing director and CEO of Stanbic IBTC Insurance Limited, commended both the regulator and operators for the performance.

"It shows positive signs of better things ahead. Kudos to the regulator on the motor and group life rates. I must commend the Nigerian Insurers Association on the awareness created and that insurance companies are paying claims that further restores confidence in the industry," said Orimolade.

CIMA: Getting down to the determinants of insurance purchases

04/04/2024

The insurance penetration rate remains notably low in the Inter-African Conference of Insurance Markets (CIMA) zone, an organisation of mostly French-speaking nations in sub-Saharan Africa that aims to harmonise insurance regulation in the region.

In 2020, the penetration rate ranged from 0.14% in Guinea Bissau to 1.69% in Togo – in contrast to 6.8% in Germany, 8.6% in France, 12% in the US and 13.7% in South Africa, said Mr Yoboua Angoua, who is chief actuary and chief digital officer at Sanlam Assurance in Côte d'Ivoire.

He said this in an article, titled "Franc talk: insurance issues in French-speaking sub-Saharan Africa", published in the March 2024 edition of *The Actuary*, a magazine of the Institute and Faculty of Actuaries. He said that weak insurance development hampers economic growth, and low-income levels deter the take-up of insurance. "To break this cycle, we must identify all obstacles and growth drivers beyond liquidity and income constraints," Mr Angoua said.

Income and socio-professional class were significant determinants of health, life and household insurance take-up, Mr Angoua said, citing the results of Côte d'Ivoire's Harmonised Survey on Household Living Conditions 2018-19 consolidated responses from nearly 13,000 heads of household across different regions. Interestingly, the findings contradicted previous studies: age did not affect the take-up of health, life or household insurance, while religion yielded different results, with adherence to Islam not seeming to limit insurance consumption.

Employer type significantly influenced consumption, especially for health insurance. Additionally, a person with health insurance was 30 times more likely to also have life insurance (and vice-versa). An intuitive explanation for this would be the increasing prevalence of employers providing health and life insurance coverage for employees. Despite identifying these determinants, the ability to accurately predict insurance status remains limited for various insurance products. More broadly, the study helps in understanding the disparities in adoption rates between health insurance on the one hand and life and home insurance on the other. It underscores that the lower adoption rates of life and home insurance cannot only be attributed to income and educational levels.



Zimbabwe :Government takes over third-party motor vehicle insurance

31/03/2024

THE Government is finalising new regulations to set up a State-controlled third-party motor vehicle insurance scheme that will assume the responsibility of underwriting compulsory vehicle liability insurance, currently handled by private insurers.

The regulations, set to be unveiled next month, will see private insurers relinquishing their role in underwriting third-party motor vehicle insurance, which is compulsory in terms of the Road Traffic Act. Presently, it covers death, injury and damage to property in road traffic accidents.

The authorities believe the coverage offered by private insurers is insufficient and often leaves policyholders with additional expenses, especially when claims are made after accidents.

Conversely, the State-backed scheme is envisaged to offer a broader range of benefits, including covering medical expenses incurred following accidents; financial compensation for injuries sustained in accidents; funeral grants in the event of an accident-related death and compensation for lost income due to injuries.

In an interview with The Sunday Mail, Transport and Infrastructural Development Minister Felix Mhona said Cabinet will deliberate on the proposed regulations this week.

“We are working on the modalities, which include promulgation of a statutory instrument (SI),” he said. “How the scheme will work will be revealed through the SI. At the moment, we do not know under which department the insurance will be housed.

“But we are making proposals on how to handle it. I am presenting a Cabinet paper on that next week (this week). We will be able to share more on how it will work then.”

Presenting the 2024 National Budget last year, Finance, Economic Development and Investment Promotion Minister Professor Mthuli Ncube said the authorities were facing challenges in enforcing third-party liabilities.

“Whilst insurance is an appropriate mechanism to cover liability costs, it has, however, proved difficult to enforce third-party liabilities since private insurers are profit-oriented and, hence, have no motivation to compensate for the losses incurred,” he said.

“In that regard, I propose that the Government assumes third-party motor vehicle insurance to

private and public motor vehicles, as is the case with other countries in the region.

“The prescribed compensation limits provided through the Road Traffic Act are not adequate since they are restricted to death, permanent disability, medical and funeral expenses.”

Private insurers offer three basic vehicle insurance policies — third-party cover; full third-party, fire and theft (FTPFT); and comprehensive insurance.

FTPFT covers third-party bodily injury or death; third-party property damage; and damage or loss caused by fire or theft.

Comprehensive cover offers insurance against accidental damage or loss; fire, lightning, explosion or damage to the insured vehicle; and theft of vehicle, accessories or spare parts.

It also covers accidental damage of windscreen or door glass; and legal liability of the insured arising from loading and unloading risk up to set limits.

Third-party policy holders have often complained



Askia Assurances : émission de la première attestation automobile digitale au Sénégal

01/04/2024

Askia Assurances a procédé à l'émission de la première attestation digitale d'assurance automobile au Sénégal.

La dématérialisation de l'attestation automobile répond aux besoins des clients en proposant un service simple et rapide.

Figurent parmi les avantages de la nouvelle solution, un gain de temps, un contrôle routier simplifié et un règlement rapide des sinistres.

Pour rappel, l'Association des Assureurs du Sénégal (A.A.S) a mis en place en décembre 2023 une plateforme numérique visant à aider les sociétés d'assurance à digitaliser la souscription et à régler rapidement les sinistres automobile.

Egypt: Insurers increase capital to counter impact of depreciation of local currency

01/04/2024

Insurance companies are seeking to increase their paid-up capital under pressure from credit rating agencies and reinsurers concerned about the impact of the decline in the value of the Egyptian pound against the dollar.

Wethaq Takaful Insurance managing director Adel Fatoury said that the need to increase the capital of insurance companies is urgent following the 6 March 2024 flotation of the Egyptian pound, reported Al Mal News. The exchange rate currently hovers at EGP47 to the greenback compared to EGP31 before the flotation.

Mr Fatoury said that capital increases are needed to support the financial solvency of the insurers and for them to meet their various obligations, especially to policyholders.

He indicated that the capital of insurance companies should not be less than EGP600m (\$12.7m) for them to be able to face the various challenges and risks.

In contrast, the minimum capital at present for insurance companies under Law 10 of 1981 is about EGP60m, while the draft of the unified insurance regulation law now before Parliament stipulates a minimum capital of EGP250m.

On his part, Mr Othman Shehata, an independent financial consultant, called on insurance companies to raise their capital to at least EGP500m. He added that the capital of insurance companies is currently EGP300-400m on average.

He said that insurers' application of IFRS17 would involve a re-evaluation of the sector's liabilities and assets and would therefore lead to the need to increase the capital base.

The current financial year ending 30 June 2024 (FY2024) is a pilot year in Egypt for adopting IFRS17, which is set to be implemented at the beginning of FY2025.

UAE insurance sector gross premium up 12.7% to \$14.48bn

02/04/2024

The UAE insurance sector continued to grow in Q4-2023, as reflected by increase in the gross written premiums, a news report said, citing the Central Bank of the UAE's (CBUAE) Quarterly Economic Review (Q4-2023). As of year-end, the number of licensed insurance companies in the UAE remained at 60, Emirates News Agency, WAM, said, quoting the review.

The insurance sector comprised 23 traditional national companies, 10 Takaful national and 27 foreign companies, while the number of insurance related professions remained at 491.

The review on insurance sector structure and activity showed that the gross written premium increased by 12.7% Y-o-Y in Q4 2023 to AED 53.2 billion (\$14.48 billion), mostly due to an increase in health insurance premiums by 16.5% Y-o-Y and an increase in property and liability insurance premiums by 18.9% Y-o-Y.

However, the insurance of persons and fund accumulation premiums decreased by 12.4% Y-o-Y, resulting primarily from decrease in individual life premiums. Gross paid claims of all types of insurance plans increased by 12.8% Y-o-Y to AED 31.1 billion at the end of 2023.

This was mainly driven by the increase in claims paid in health insurance by 16.9% Y-o-Y and increase in paid claims in property and liability insurance by 10.9% Y-o-Y, partially offset by the decline in claims paid in insurance of persons and fund accumulation by 2.8% Y-o-Y. The total technical provisions of all types of insurance increased by 8.4% Y-o-Y to AED 74.4 billion in Q4 2023 compared to AED 68.6 billion in Q4 2022. The volume of invested assets in the insurance sector amounted to AED 76 billion (60.4% of total assets) in Q4 2023 compared to AED 71.4 billion (59.4% of total assets) in Q4 2022. The retention ratio of written insurance premiums for all types of insurance was 52.9% (AED 28.1 billion) in Q4 2023, compared to 54.9% (AED 25.9 billion) at the end of 2022.

The UAE insurance sector remained well capitalised in terms of early warning ratios and risk assessment.

Own funds to minimum capital requirement ratio increased to 335.7% in Q4 2023, compared to 309.3% at the end of 2022, due to an increase in own funds eligible to meet the minimum capital requirements.

Al Rajhi Takaful says entire ARIG case amount reserved, risks pre-assessed

28/03/2024

Al-Rajhi Company for Cooperative Insurance (Al Rajhi Takaful) issued an explanatory statement today, March 28, on the lawsuit filed by Arab Insurance Group (ARIG) over a dispute on insurance premiums, indicating the final judgment was issued in 2024 directing to pay SAR 25.44 million to ARIG, including chartered account fees. The company confirmed that financial reserves covered the lawsuit amount, with pre-assessed risks, considering the matter is a non-material event. Al Rajhi Takaful detailed taking the necessary precautions since the lawsuit's start, including securing 100% of the claim's value in financial reserves.

Of this, SAR 15.81 million, mainly for insurance premiums, was agreed to be paid by Al Rajhi Takaful before the lawsuit. The actual dispute over cancelled documents, initially SAR 16.42 million, was reduced to SAR 9.63 million following the decision. Furthermore, a leading law firm provided legal advice on the litigation.

The company clarified that a dispute over insurance premium amounts started in 2015 between the parties due to non-receipt of premiums from the insured related to the extended warranty insurance on insured policies, which ARIG reinsured. ARIG filed a lawsuit against Al Rajhi Takaful with the Committees for Resolution of Insurance Disputes & Violations over a disagreement on the owed amount. Al Rajhi Takaful recognized a claim of only SAR 158.1 million, while ARIG demanded SAR 33.26 million for unpaid premiums.

BUSINESS INSURANCE

Gulf Insurance Group names new chief executive

02/04/2024

Kuwait-based Gulf Insurance Group KSCP has promoted Ali Alhendal to the role of chief executive and board member and Farid Saber to the position of group chief operating officer, Middle East Insurance Review reported. Mr. Alhendal, who joined the firm in 2005, is succeeding Tareq Al Sahhaf, who retired in March after being in office for the past 19 years.



Redistribution of risk opened up more reinsurance capacity at April 1: Gallagher Re

03/04/2024

The "redistribution of risk" between primary insurers and reinsurance capital providers that occurred in 2023 has now helped to encourage and rebuild appetites, resulting in more reinsurance capacity being available at the April 1st renewals, Gallagher Re has said.

In particular this has been evident in the property catastrophe and specialty reinsurance sectors, the broker noted, and this has led to more stable conditions at the renewal. At the same time, it has also helped to encourage more demand, resulting in better pricing and more capacity being available, so a far more calm renewal environment than was seen a year earlier. In the property catastrophe reinsurance market, Gallagher Re notes a "continuation of reinsurance markets taking on more risk in search of the growth seen at the January 1st renewal."

As a result, there was more available capacity for property catastrophe reinsurance programs and "incremental improvement" in risk-adjusted pricing at firm-order-terms, which the broker noted was "primarily at the top end of property programs."

Interestingly, Gallagher Re noted that multi-class placement strategies were more prevalent, as buyers looked to capitalise on reinsurers appetites to write more property catastrophe business. These multiclass placement strategies helped to support more challenging property per risk and casualty treaties, Gallagher Re said.

In addition, thanks to the increased level of reinsurance capacity being made available, Gallagher Re noted that property and specialty buyers were able to "secure improved terms and support in non-catastrophe areas."

Gallagher Re CEO, Tom Wakefield, commented on the state of the reinsurance market at the April 1st 2024 renewals, "Broadly, the market has more capacity available, which is really encouraging. Industry capital has gone up by about 12% thanks to better combined ratios, fewer losses from natural disasters, and improved investment income.

"This means there's more room to accommodate clients' needs and should lead to better terms and conditions as a result. However, recent events in Baltimore remind us of the ever-changing dynamic market we are operating in."

Fitch Says Baltimore Bridge Collapse Likely to Be Largest Marine Insurance Claim in History

28/03/2024

The collapse of the Francis Scott Key Bridge in Baltimore is likely to be the largest marine insurance claim in history, with \$2 billion to \$4 billion industry loss anticipated to be spread widely across carriers, Fitch Ratings said.

The ultimate insured loss will depend on a number of factors, including the length of time the port is blocked, Fitch said Thursday. Even after the bridge debris are cleared, new bridge construction will cause disruptions to port traffic.

Most of the losses will be borne by reinsurers participating in the International Group of Protection and Indemnity Clubs' reinsurance pool, according to Fitch. «The event is anticipated to have a limited impact on individual reinsurer earnings and therefore is unlikely to affect the ratings for global reinsurers,» Fitch Ratings said.



Europe's big four reinsurers well placed for a strong 2024: Fitch

02/04/2024

Large European reinsurers posted very strong financial results for 2023, enabling them to bolster reserves and balance sheets and this will support ratings in 2024, according to analysis by Fitch Ratings.

The ratings agency feels that Europe's big four reinsurers, Munich Re, Swiss Re, Hannover Re, and SCOR are well placed for a strong 2024, even though underwriting margins will likely peak this year.

In contrast to 2022 when high inflation, rising interest rates and climate-related losses had a real impact on results, Fitch highlights a notable shift in profitability in 2023, "with both the property and casualty (P&C) and life and health (L&H) segments posting improved underwriting results, paired with a marked increase in investment returns."

In fact, during 2023, the reported average P&C combined ratio strengthened by 9 percentage points on a like-for-like basis from the prior year to 90%, driven by significantly higher prices and conditions and lower natural catastrophe claims. In L&H, profits increased as a result of lower excess mortality claims linked to the COVID-19 pandemic.

European reinsurers also produced strong investment results in 2023 as returns recovered from the lows in 2022, driven by rising recurring income on higher reinvestment yields and supported by positive fair value changes.

"Fitch anticipates that the reinsurance pricing cycle, along with reinsurers' margins, will peak in 2024. At the January 2024 renewals, risk-adjusted price increases slowed but the improved programme structures (e.g. higher attachment points) as well as terms and conditions were maintained," says Fitch.

The four reinsurers also took advantage of the profitable underwriting margins in property to set aside additional reserve buffers in liability lines, which Fitch says enhances the resilience of balance sheets and ultimately supports ratings.

Additionally, Fitch reports that all of the reinsurers maintained a very strong capital adequacy as of year-end 2023.

"Strong earnings generation and positive market effect broadly offset capital deployment for new business and higher capital repatriation to shareholders. Financial debt leverage improved slightly on average," says the firm.