PHILADELPHIA 2026
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Hard Market Reset: The Reinsurance Landscape Ahead

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Agenda

- Market Segment Outlook
- Operating Results
- Dedicated Reinsurance Capital
- Challenges & Opportunities
- AM Best's Expectations
- Q&A

Market Segment Outlook

Global Re Outlook Revised to Stable from Positive – Headwinds



Accelerated softening in property reinsurance pricing, accompanied by modest relaxation of some terms and conditions



Persistent social inflation and corresponding historical reserve and pricing insufficiency in certain large subclasses of casualty lines of business



Continued elevated frequency and severity of weather-related events, underscored by six consecutive years of global insured catastrophe losses exceeding $100B



Macroeconomic uncertainty, including inflation pressures, shifting monetary policy, and potential volatility in financial markets

Global Re Outlook Revised to Stable from Positive – Tailwinds



Terms & conditions and attachment points are largely intact.
Property pricing supports technical adequacy on average.



Reinsurers' risk-adjusted capital positions remain robust, bolstered by retained earnings and prudent capital deployment.



Limited new market entrants help preserve rate integrity and prevent new capacity from eroding underwriting margins.



Elevated interest rates continue to amplify earnings, complementing underwriting results.

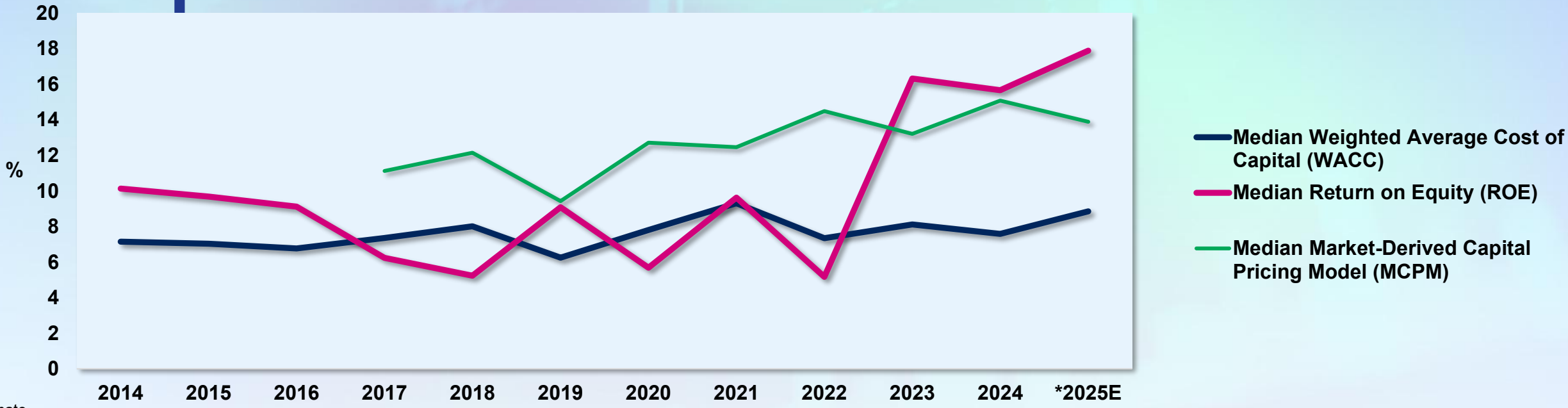


Life/Health reinsurance operations continue to act as a diversifying source of income and earnings.

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Operating Performance

Returns Still Exceeding Cost Of Capital – Sustainable?



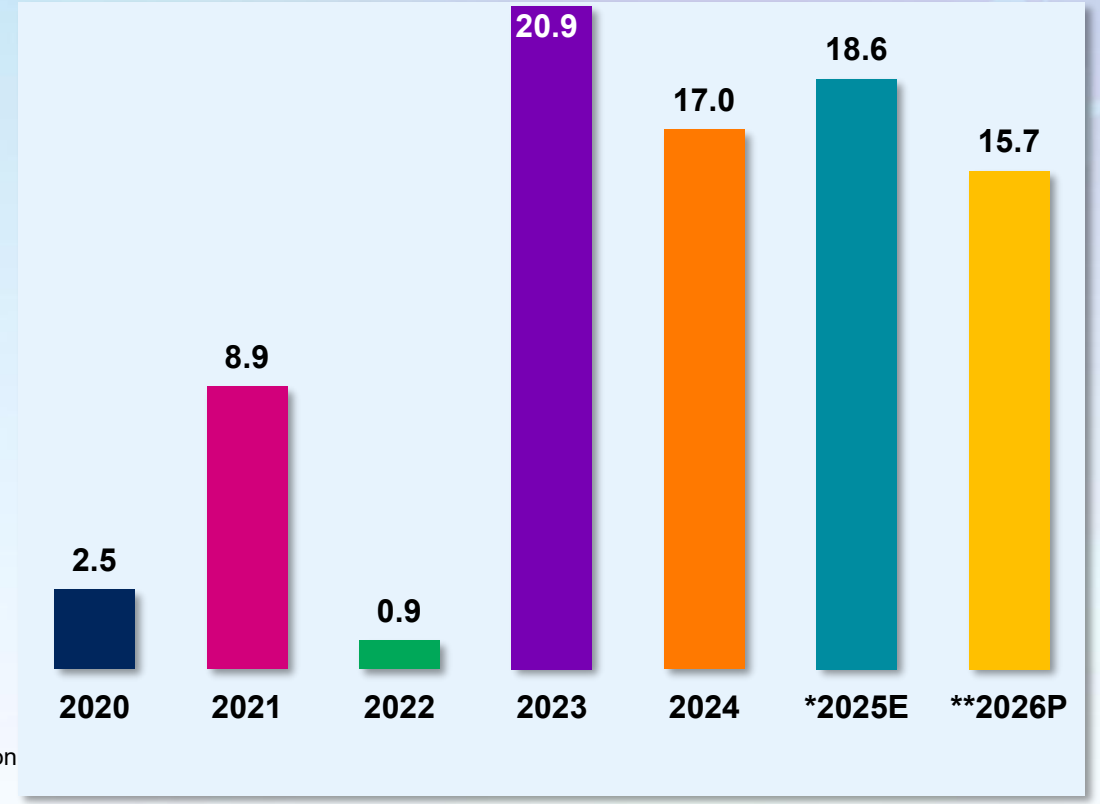
*Estimate
Source: Bloomberg

Reinsurers Meeting Cost of Capital

- **Profits** — Stabilized technical profitability
- **Secular factors** — Climate and geopolitical trends
- **Interest rates** — Higher for longer
- **Outlook** — Stable

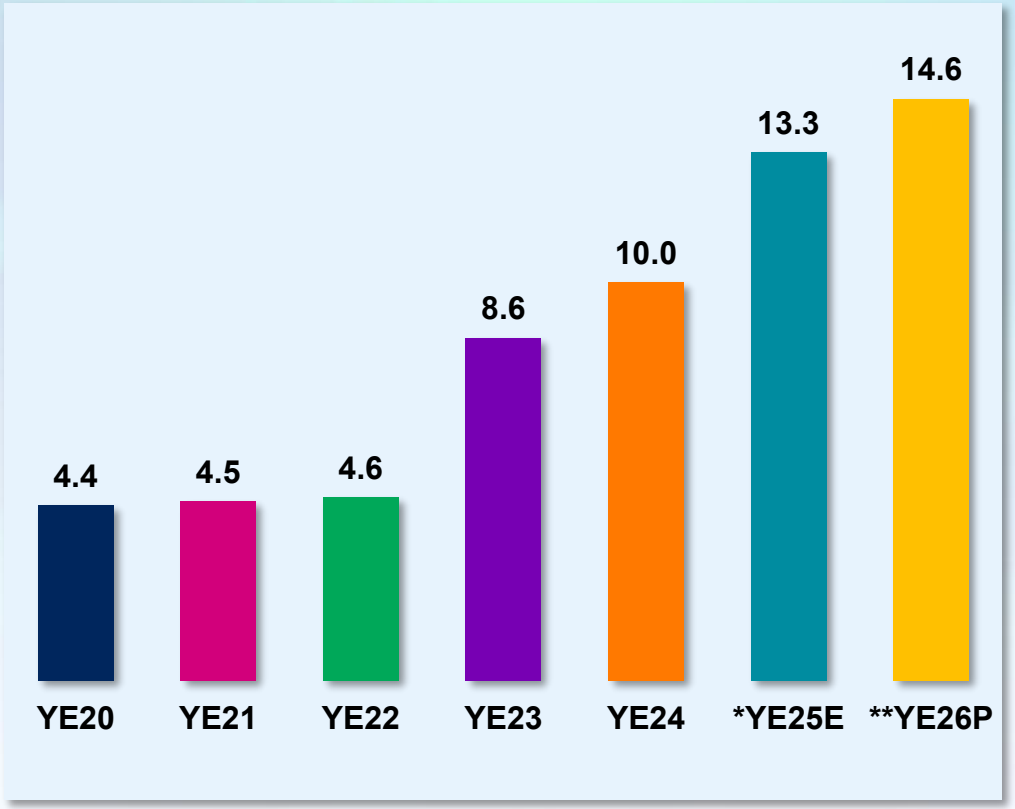
Dramatically Improved Performance Since Market Turned

Return on Equity (%)

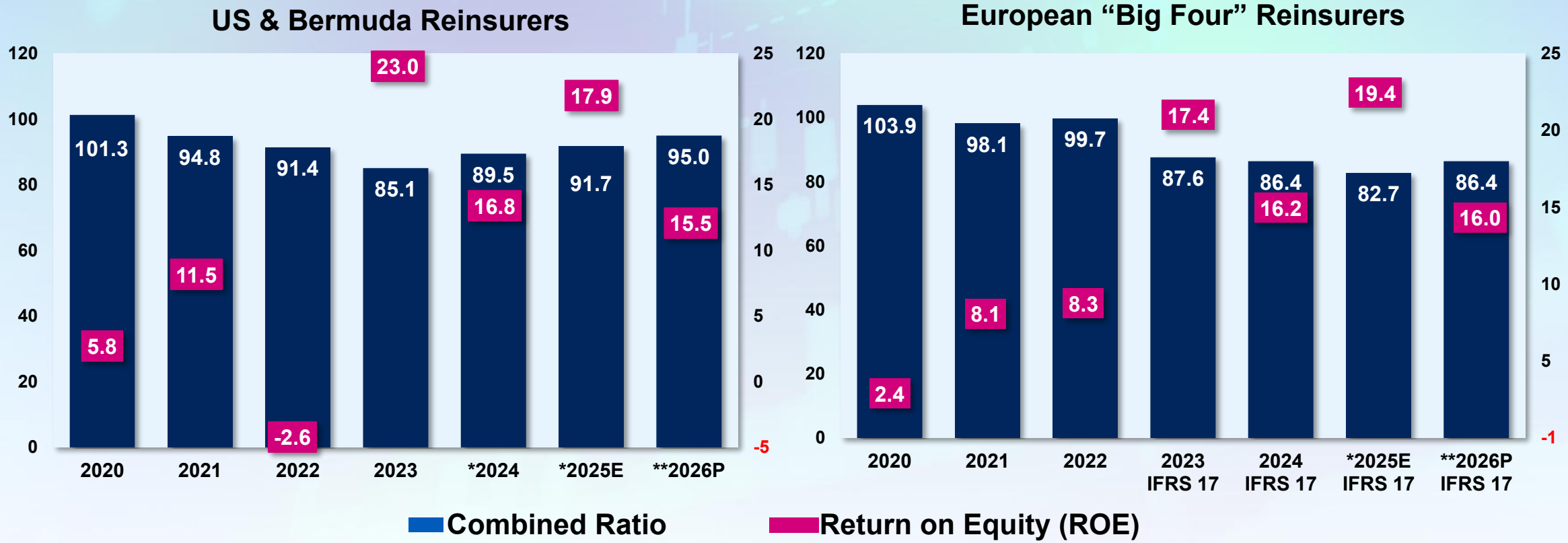


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**Projection

Rolling Five-Year Average Return on Equity (%)



Performance Has Improved Segment-Wide



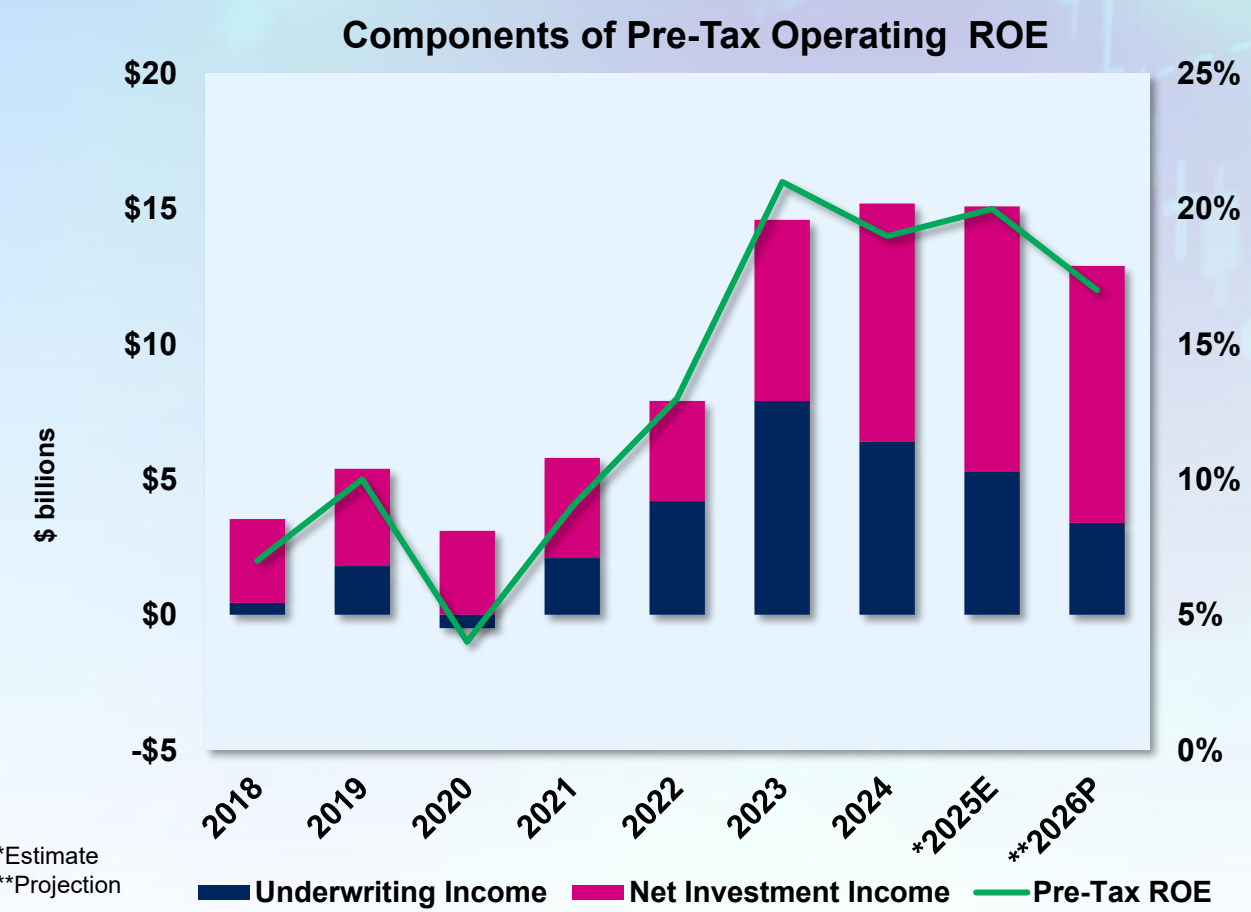
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Discount Effect of 6%-9% Points

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US & Bermuda – NII and Reserve Releases Have Boosted Results



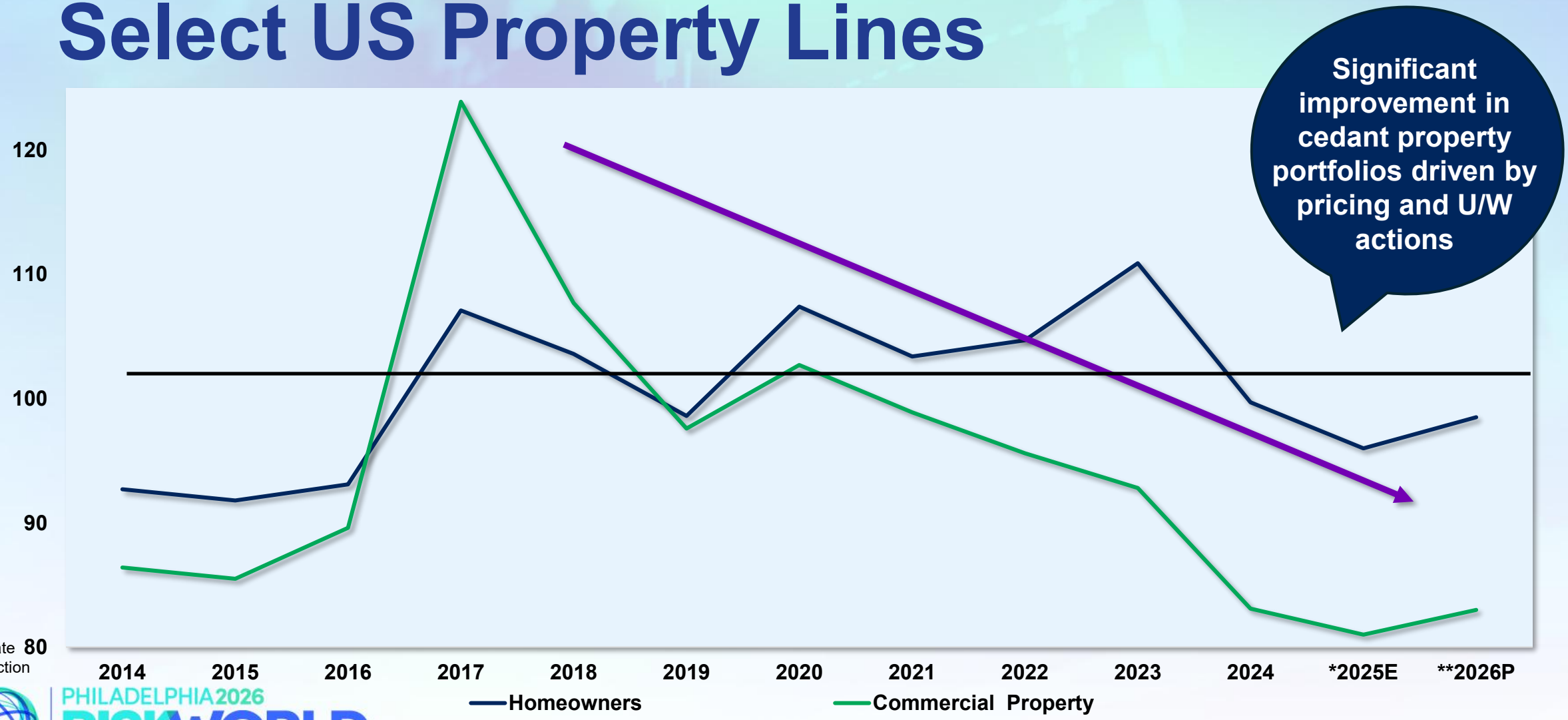
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Net Calendar Year Combined Ratio – Select US Property Lines



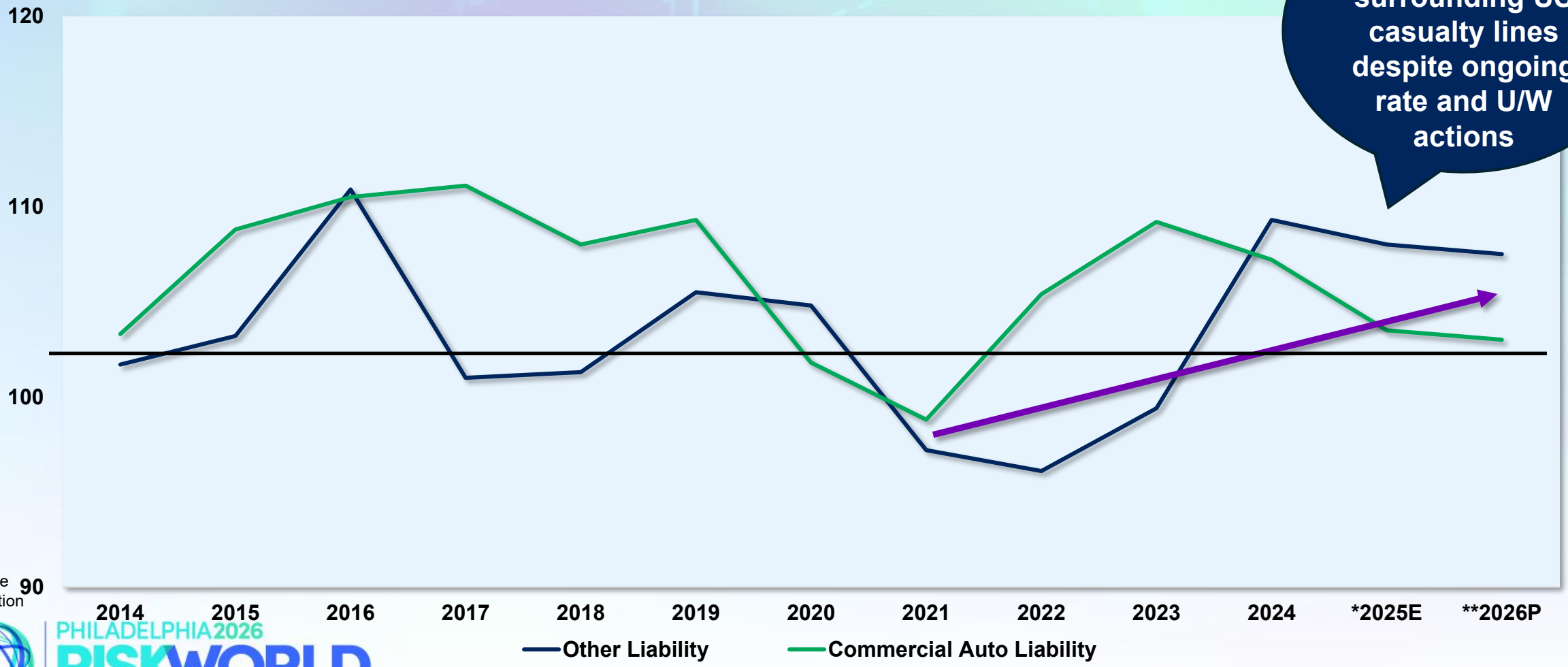
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Net Calendar Year Combined Ratio - Select US Casualty Lines

Continued uncertainty surrounding US casualty lines despite ongoing rate and U/W actions



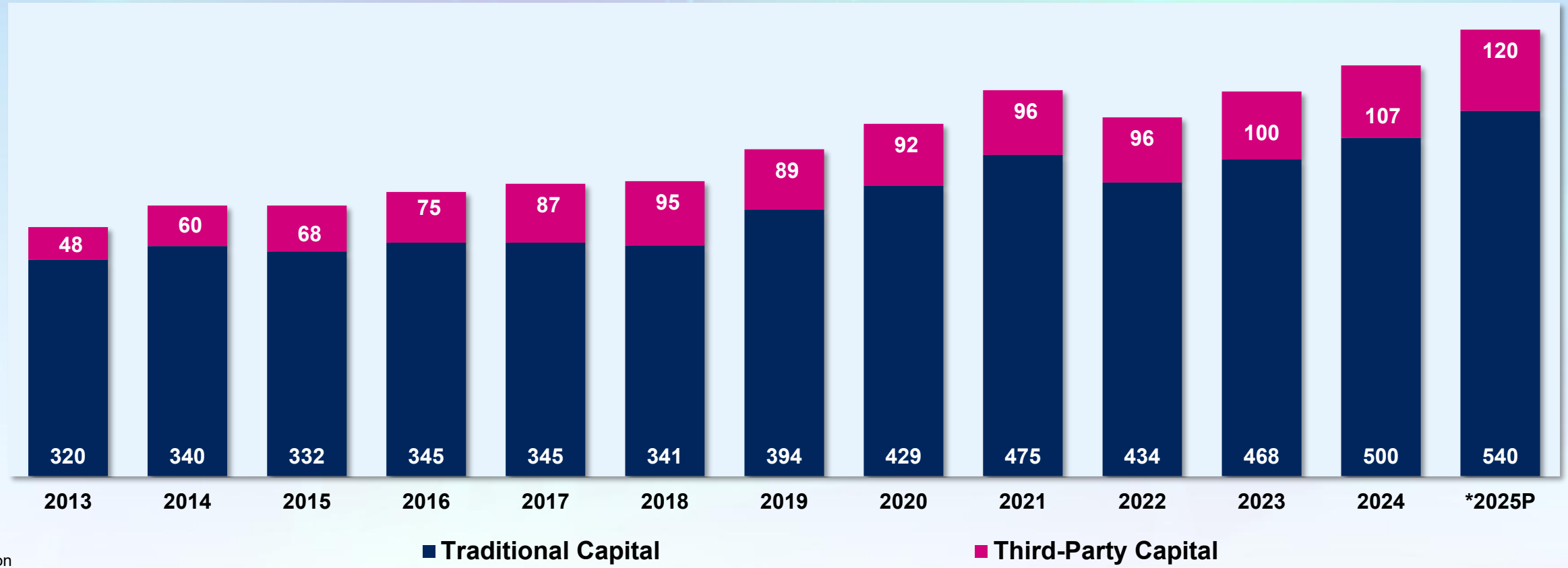
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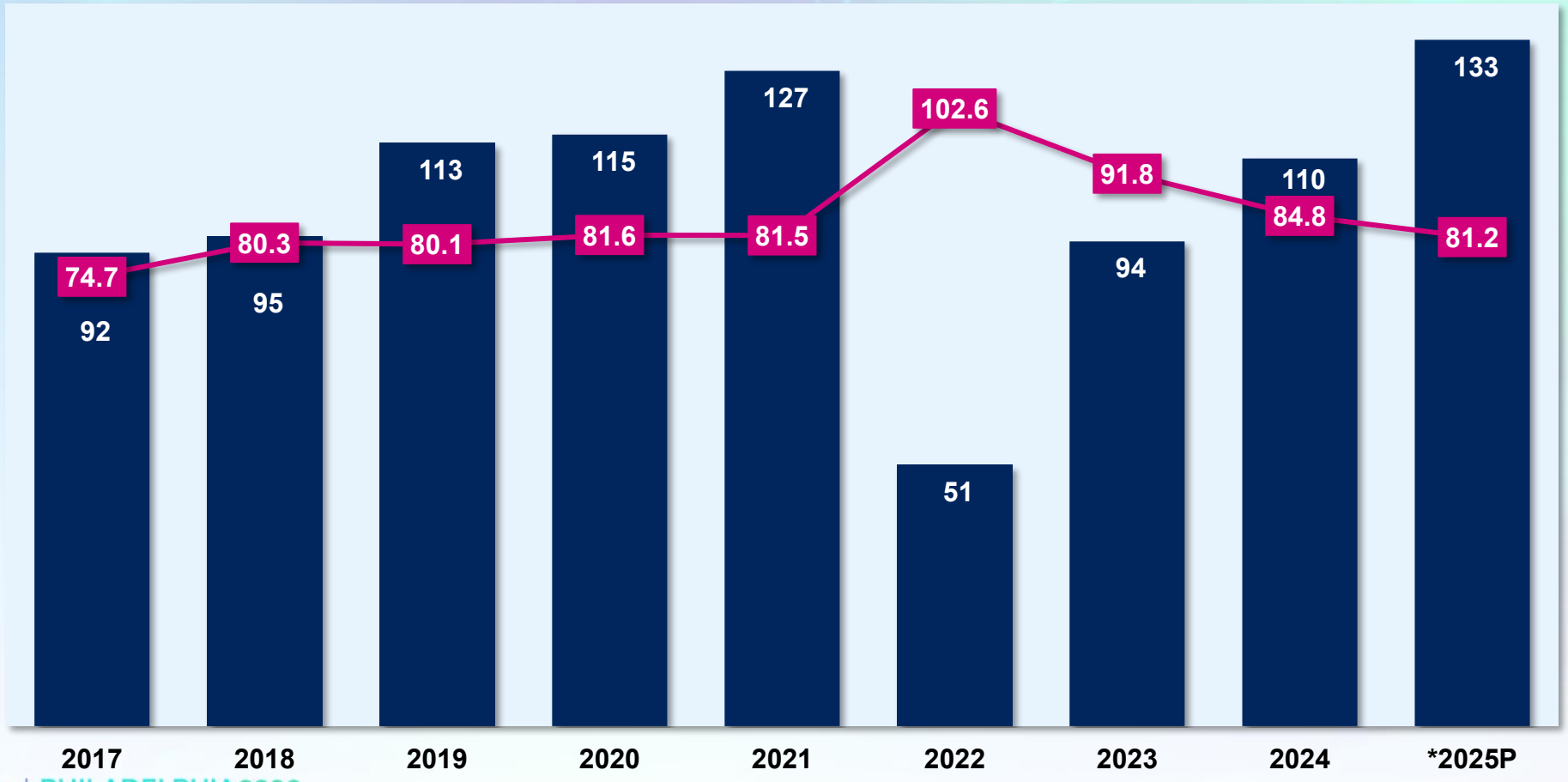
Dedicated Reinsurance Capital

Dedicated Reinsurance Capital at Record Highs



*Projection
Sources: AM Best data and research, Guy Carpenter

Risk-Adjusted Capitalization Remains Strong ($B)



*Projection

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Challenges & Opportunities

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Challenges	Opportunities
• Casualty reserving	• Efficient capital markets
• Macroeconomic and geopolitical risks	• Addressing the protection gap
• Climate risks	• Changing demographics
• Artificial intelligence	• Technology, artificial intelligence
• Cyber risks	• Cyber and other “new” markets
• Private credit	

Expectations

AM Best's Expectations – The Next 12 Months

Operating results remain solid – exceeding cost of capital

Dedicated capital – driven by established players & ILS

Rate movements – continued moderate property rate declines; casualty rates in line with trend

Geopolitical & macroeconomic uncertainty remains

Terms & conditions – some broadening, but retentions remain

Alternative capital embedded in capital structures

What Might Change Our Outlook



Broad and significant rate reductions



Looser terms & conditions



Lower attachment points into “working layers”



Expected RoE at or below cost of capital



Combination of the above

Q&A