Convene 200 Aldersgate, St.Paul's - London

AM Best's Europe Insurance Market Briefing & Methodology Review Seminar - London

06 November 2025

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Andrea Keenan
Executive Vice President &
Chief Strategy Officer

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Our 2025 EMEA Insurance Market Briefings ‘Roadshow’ …

11 & 12 March

Germany – Cologne, Munich

18 March

France – Paris

10 April

Algiers - Algeria

18 June

Italy – Milan

7 September

Reinsurance – Monte Carlo

6 November

Europe – London

25 November

MENA – Dubai

AM Best Hosted Events:
Learn more about the events we organise throughout the year, and find out how to participate

Agenda – Insurance Market Briefing

09:00 **Welcome and Introductory Comments**
Andrea Keenan, Executive Vice President & Chief Strategy Officer

09:10 **EMEA Market Overview**
Greg Carter, Managing Director, Analytics, EMEA & AP

09:25 **Thematic Session: Globalisation vs. Protectionism**
Dr Angela Yeo, Senior Director, Head of Analytics, Amsterdam
Mahesh Mistry, Senior Director, Head of Analytics, London

10:00 **Keynote Presentation: Economic and Geopolitical Outlook**
Jérôme Jean Haegeli, Group Chief Economist & Head of Swiss Re Institute

10:45

11:10 **Thematic Session: Reinsurance Market Highlights**
Dr Mathilde Jakobsen, Senior Director, Analytics, Amsterdam
Ghislain Le Cam, Senior Director, Analytics, London

11:35 **Thematic Presentation: Exploring Balance Sheet and Exposure Management Considerations**
Timothy Prince, Director, Analytics, London
Eli Sanchez, Director, Analytics, Amsterdam

12:00 **Panel Discussion: Climate Challenges and Opportunities for the (Re) Insurance Industry**

Moderator:
Richard Banks, Global Editor, The Insurer at Reuters

Panellists:
- *Alex Hindson, Partner, Head of Sustainability, Crowe UK*
- *Amy Barnes, Head of Energy & Power, Head of Climate & Sustainability Strategy, Marsh*
- *Domenico del Re, Director, Sustainability, PwC UK*
- *Jessica Botelho-Young, Director, Analytics, London, AM Best*

12:50 **Closing Comments**
Andrea Keenan, Executive Vice President & Chief Strategy Officer

13:00 **Networking Lunch**

Agenda – Methodology Review Seminar

14:15 Welcome and Introductory Comments
Myles Gould, Senior Director, Credit Rating Criteria Research & Analytics

14:20 Benchmarking EMEA Ratings
Dale Kirby, Senior Financial Analyst
Andrea Porta, Senior Financial Analyst

14:40 Revised Criteria: Rating Captives and Other Alternative Risk Transfer Entities
Kanika Thukral, Associate Director, Analytics, London
Konstantin Langowski, Associate Director, Credit Rating Criteria, Research & Analytics

15:00 Warning Signs: Examining Events Leading to Insurer Failure
Valeria Ermakova, Associate Director, Credit Rating Criteria Research & Analytics
Stanislav Stoev, Senior Financial Analyst

15:25 IFRS 17: Latest Observations
Ben Diaz-Clegg, Associate Director, Analytics
Todor Kitin, Associate Director, Analytics

15:50 Q&A

16:30 Close

Q&A Sessions

Use the QR code to submit questions to our speakers

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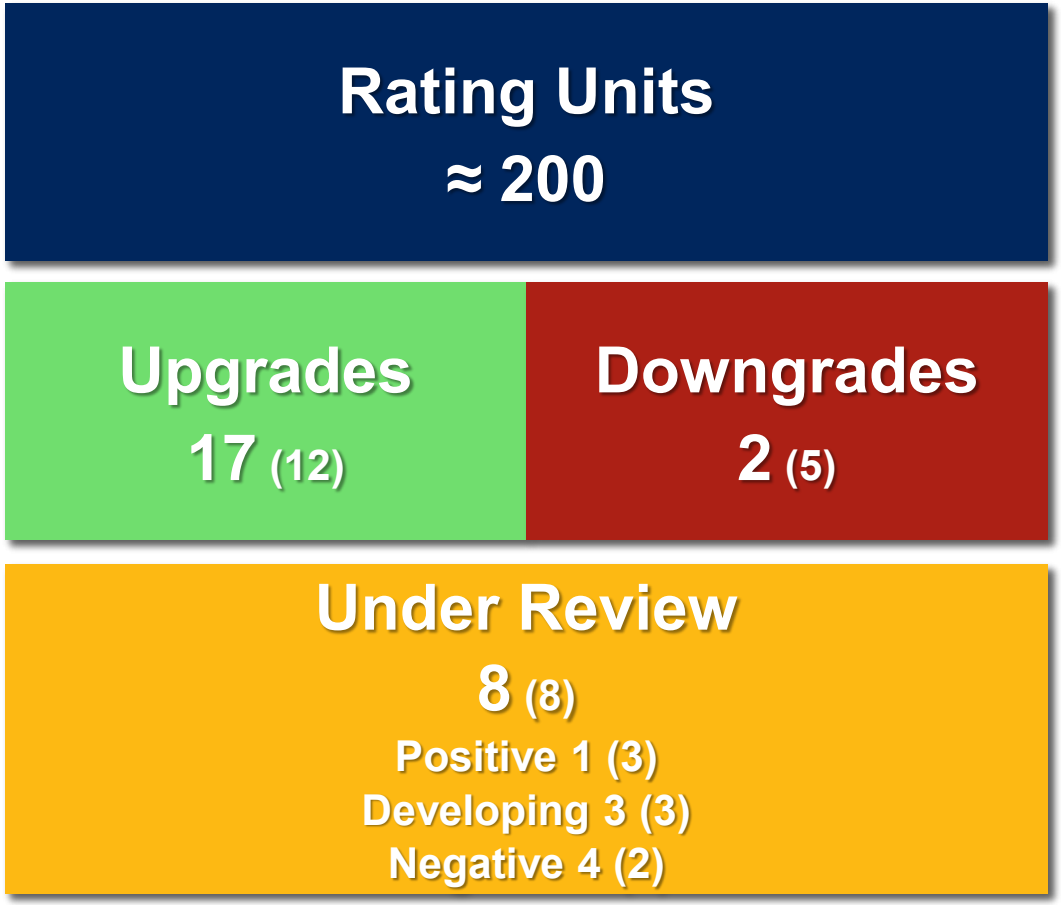
No part of this presentation amounts to sales / marketing activity and AM Best's Rating Division employees are prohibited from participating in commercial discussions.

Any queries of a commercial nature should be directed to AM Best's Market Development function.

EMEA Market Overview
Update on Credit Rating Activity & Outlooks

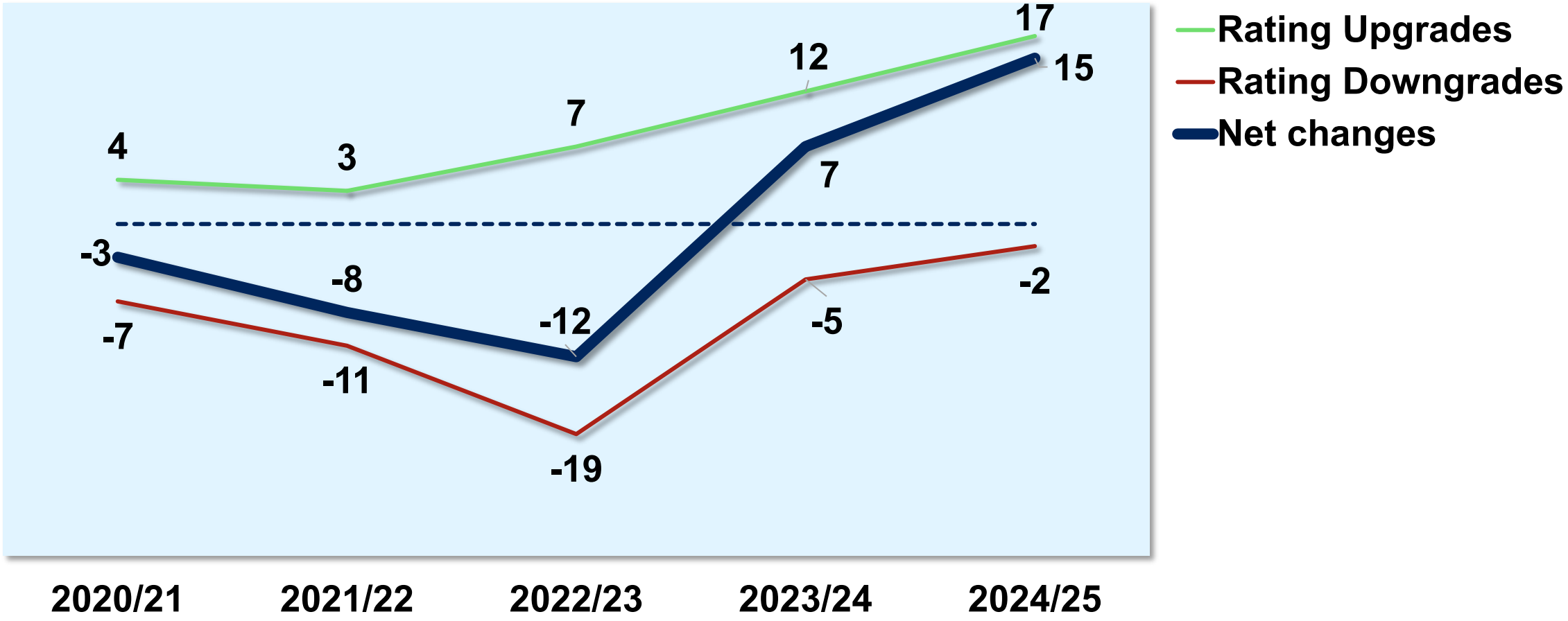
Greg Carter
Managing Director, Analytics, EMEA & Asia Pacific

Rating Actions



Note: Published rating actions 1 October 2024 to 30 September 2025.
2023/24 numbers in brackets.

Trend – Rating Movements



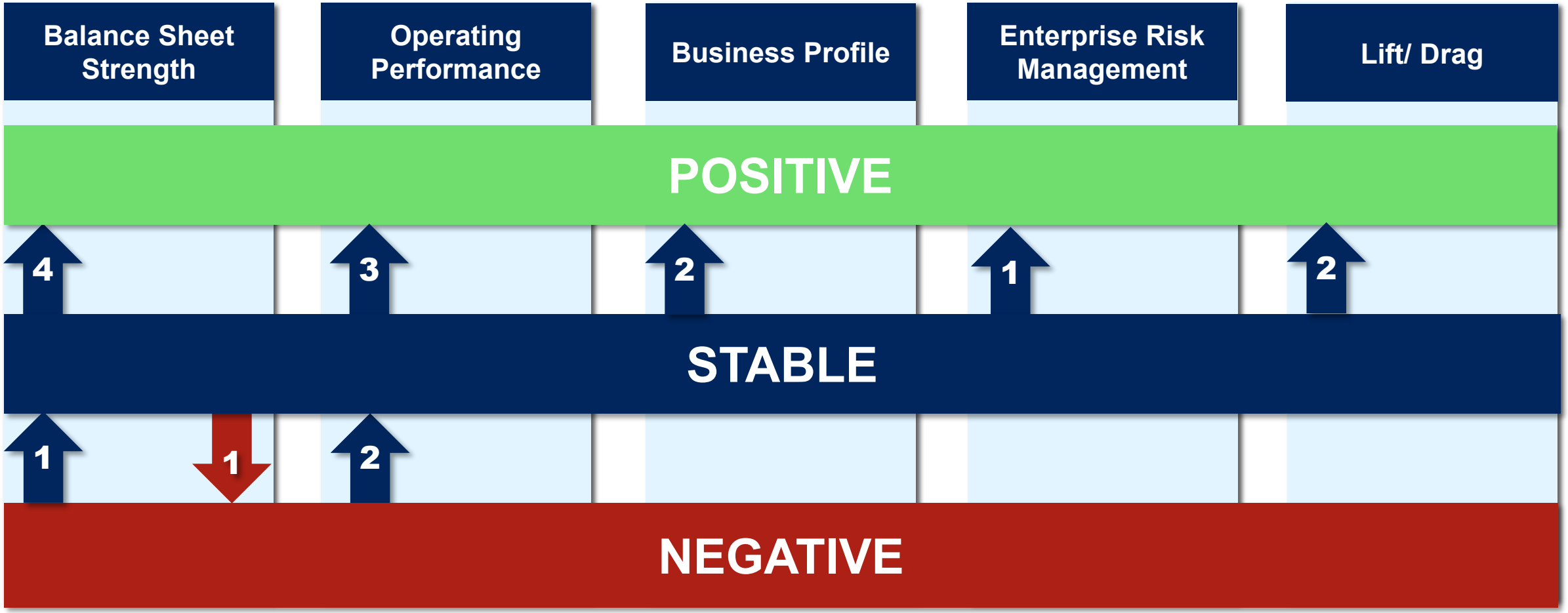
Notes:
2020/21 etc. run 1 October to 30 September

Credit Drivers – Causes of Rating Actions 2024/25

Changes in Balance Sheet Strength **9 Upgrades, 1 Downgrade**
Operating Performance **3 Upgrades, 1 Downgrade**
Business Profile **N/A**
Enterprise Risk Management **1 Upgrade**
Changes to Lift/Drag **4 Upgrades**

Outlook Changes

Drivers of Outlook Changes



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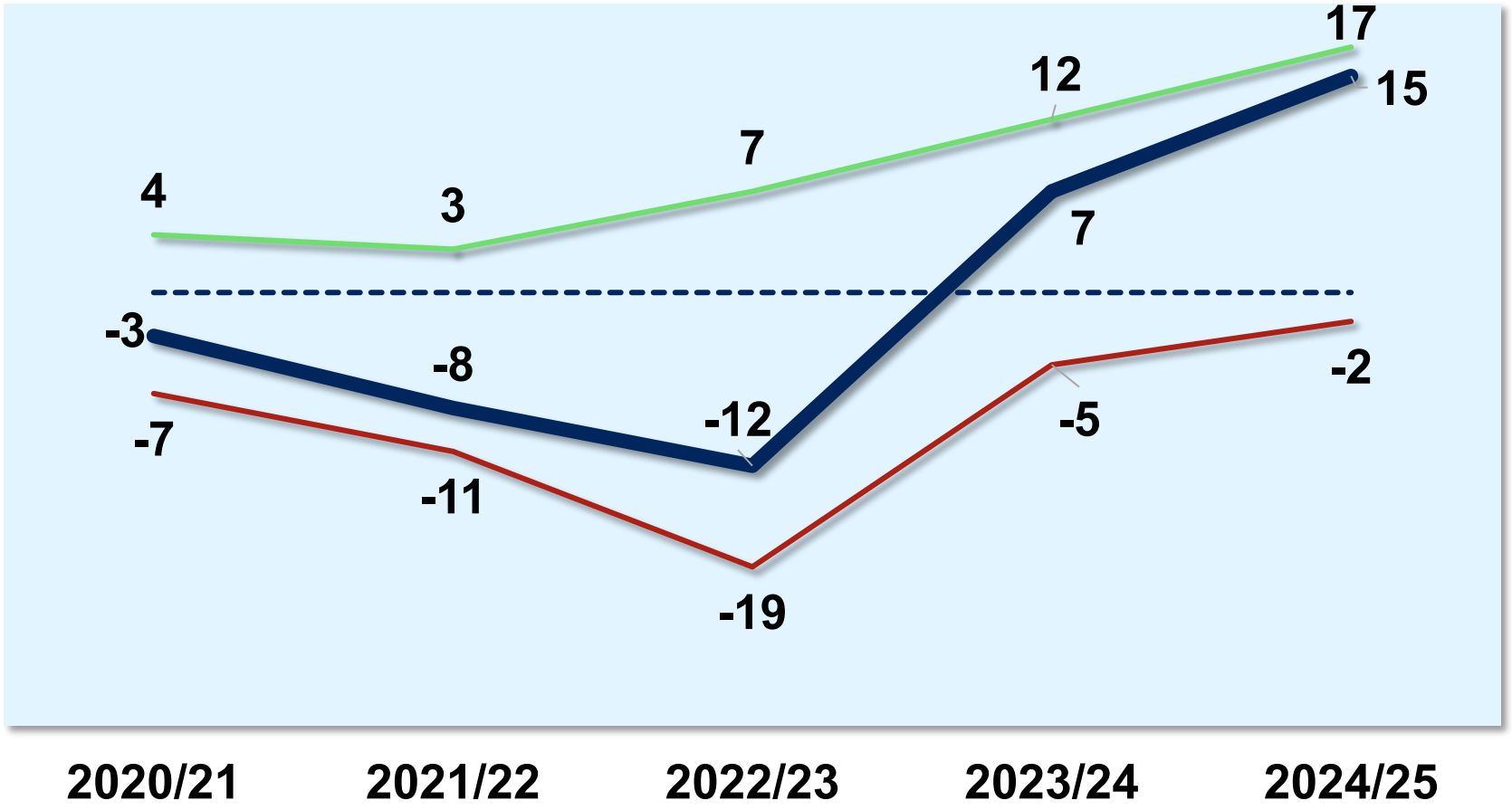


Notes:
2020/21 etc. run 1 October to 30 September

Outlook – Future Credit Drivers – 10th Banana Skins Survey

2025 Rank		Risk	2023 Rank	2021 Rank
1	-	Cyber Crime	1	1
2	▲	Artificial Intelligence	7	-
3	▲	Technology	4	3
4	▲	Macro-Economy	6	10
5	▼	Climate Change	3	4
6	-	Regulatory Change	-	-
7	▼	Human Talent	5	6
8	▲	Change Management	10	7
9	▲	Political Risk	11	11
10	▼	Suitability of Regulation	2	2

Source: CSFI, part of the London **Foundation** for Banking & Finance, 10th Banana Skins Survey – October 2025, 698 responses from 42 territories

EIOPA Risk Dashboard – October 2025

	Risks	Level	Trend (Past 3 Months)	Outlook (Next 12 Months)
1	Macro Risks	Medium	→	→
2	Credit Risks	Medium	→	→
3	Market Risks	High	→	→
4	Liquidity and Funding Risks	Medium	→	→
5	Profitability and Solvency	Medium	→	→
6	Interlinkages and Imbalances	Medium	→	→
7	Insurance (Underwriting) Risks	Medium	↓	→
8	Market Perceptions	Medium	↓	→
9	ESG Related Risks	Medium	↗	→
10	Digitalisation and Cyber Risks	Medium	→	↗

Source: EIOPA Risk Dashboard October 2025 (Q2-2025 Solvency II Data)

Key Takeaways – November 2024

Inflation	Climate Change	Artificial Intelligence
Will fade as a concern	Will continue to dominate the risk landscape	Will start to have a meaningful impact on the sector

Key Takeaways – November 2025

AI/Cyber/Technology	Climate Change	Geopolitics
Higher (highest?) priority in the shorter term	Will continue to dominate the risk landscape longer term	Impacts on inflation and growth are current wildcards

Q&A

Greg Carter
Managing Director, Analytics, EMEA & Asia Pacific

Use the QR code to submit questions to our speakers

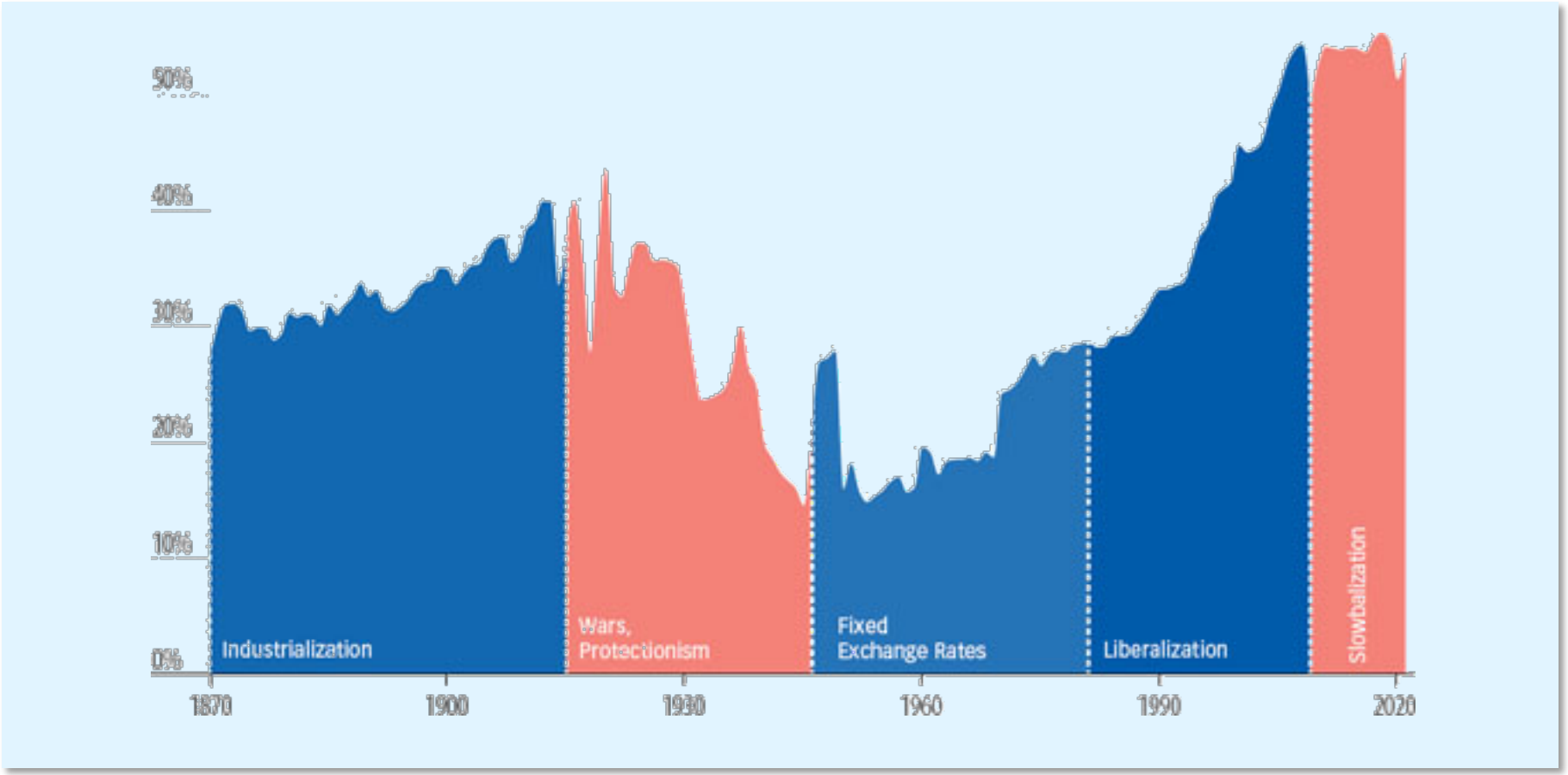
Globalisation vs. Protectionism

Dr Angela Yeo
Senior Director, Head of Analytics, Amsterdam

Mahesh Mistry
Senior Director, Head of Analytics, London

Where are we in the global cycle?

Sum of exports and imports as a share of GDP



Sources: Jorda-Schularick-Taylor Macrohistory Database; Penn World Data version 10.0; Peterson Institute for International Economics; World Bank; and IMF staff calculations

Trade Organisations – Foster Trade and Set Rules

Single Market Crisis – Formation of Offshore Centres

Diversification Important to Industry

Many markets were serviced by local insurers

Concentrated market profile – vulnerability of capital strength

Catastrophe events were a concern for the industry – even more so today

Fostered formation of offshore centres to assume risk

Government as a back-stop

Source: Headline from TIME Magazine cover 24 March, 1986.
Cover Credit: GUY BILLOUT

Interconnectivity of Risks 2025

Market Environment –

increasingly interconnected between risk categories, with a higher degree of contagion

Relative Influences – Edges

- High
- Medium
- Low

- Economic
- Environmental
- Geopolitical
- Societal
- Technological

Risk Influence – Nodes

- High
- Medium
- Low

Source: World Economic Forum - Global Risks Report 2025

Recent Events

Thousands in UK sue Johnson & Johnson over talcum powder cancer risks

UK's Jaguar Land Rover cyberattack shutdown to hit four weeks

Marks & Spencer Breach:
How A Ransomware Attack Crippled a UK Retail Giant
blackfog.com

Source: Reuters

$10 Billion PFAS Water Contamination Settlement Reached To Resolve Claims Brought by U.S. Cities

The first trial involving a Florida city has been delayed following reports of the potential PFAS water contamination settlement agreement.

June 05, 2023 By: Irvin Jackson Add Your Comments

'Just the start': The growing legal battle over PFAS in Europe

Companies in the USA that produce or use PFAS substances are losing a lot of money in court. In Europe, some major cases are already under way – and we can expect many more.

CrowdStrike IT outage affected 8.5 million Windows devices, Microsoft

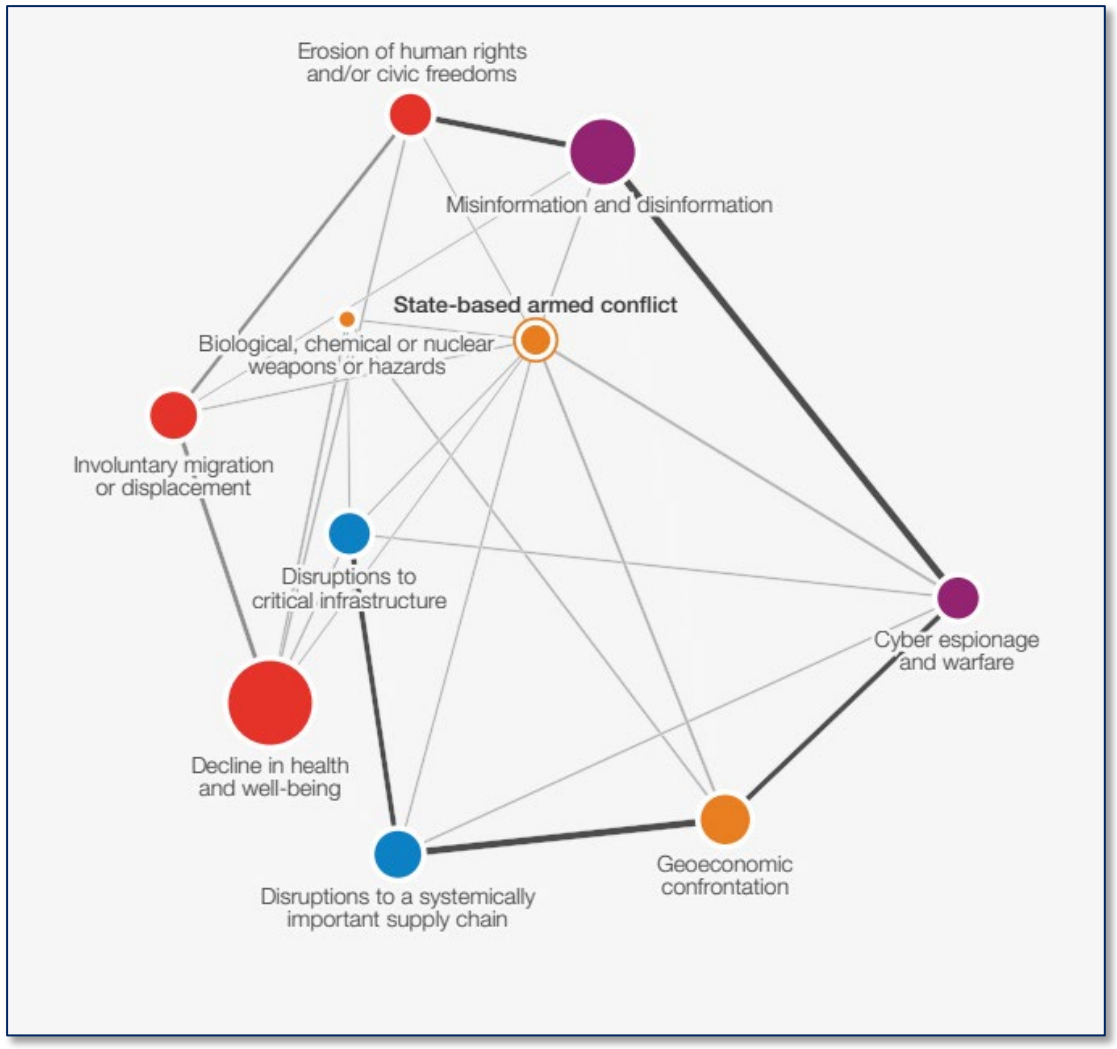
Amazon apologises to customers impacted by huge AWS outage

Heathrow Power Outage Sparks Scrutiny Over Resilience and Response

Power outage in Spain and Portugal 'first known blackout caused by excessive voltage'

Sources: BBC, Airport Industry, Reuters, Skynews

Political Landscape



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Source: World Economic Forum - Global Risks Report 2025

Protectionism in the (insurance) market

Market Access Restrictions	Regulatory Barriers	Operational Constraints
• Limit on licenses granted • Capping foreign ownership • Restricting LoBs offered from foreign insurers • Trade tariffs	• Local incorporation requirements • High capital or solvency requirements • Investment restrictions • Complex approval process	• Mandatory use of domestic RI • Controls on profit repatriation • Data localisation rules

=> Fragmentation => Risk Concentration => Higher Cost of doing Business

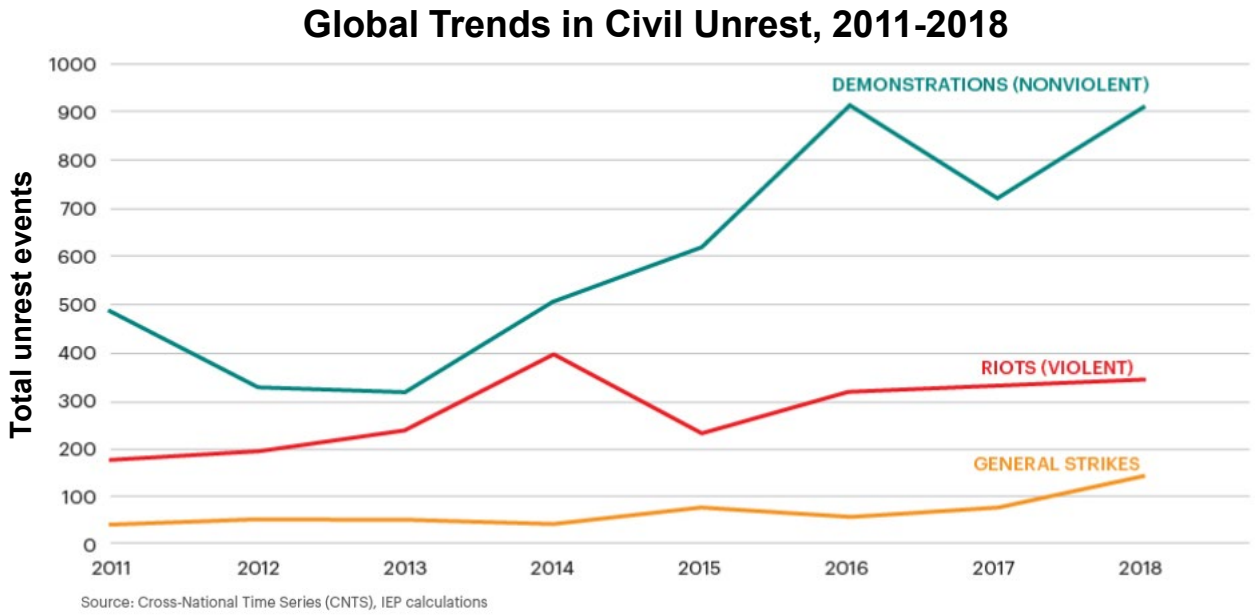
International trade for the insurance industry

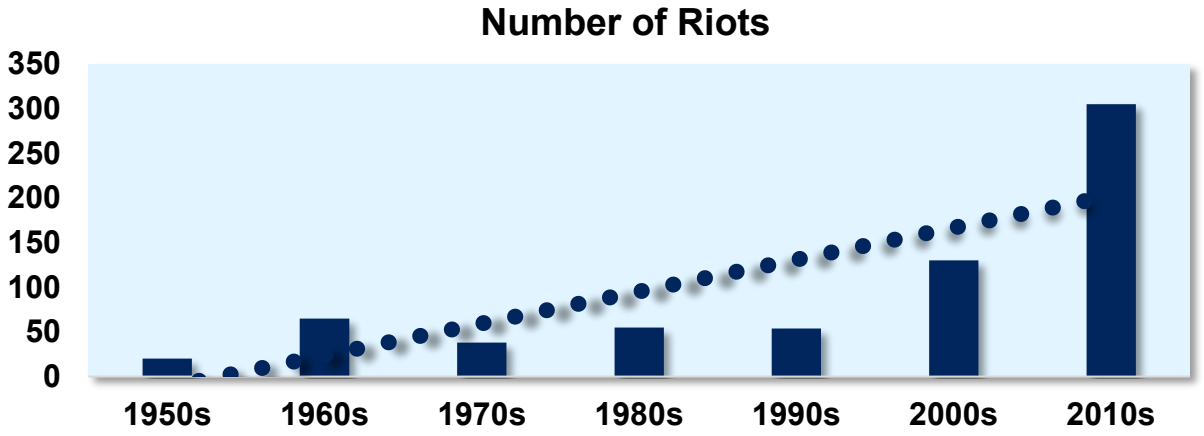
Opportunities
Growth, diversification and ease of access to business
Regulatory equivalence – level playing field
Service conglomerates; cross border products
Expand product offering; cater for demand
Embrace digital transformation and technology
Movement of people
Global research and development

Challenges
Increased competition
Navigating regulation
Non-standard terms; interpretation of policy wording
Understanding a country's need
Social engineering
Shortage of talent
Access to data

Key Global Risks

Geopolitical Tensions





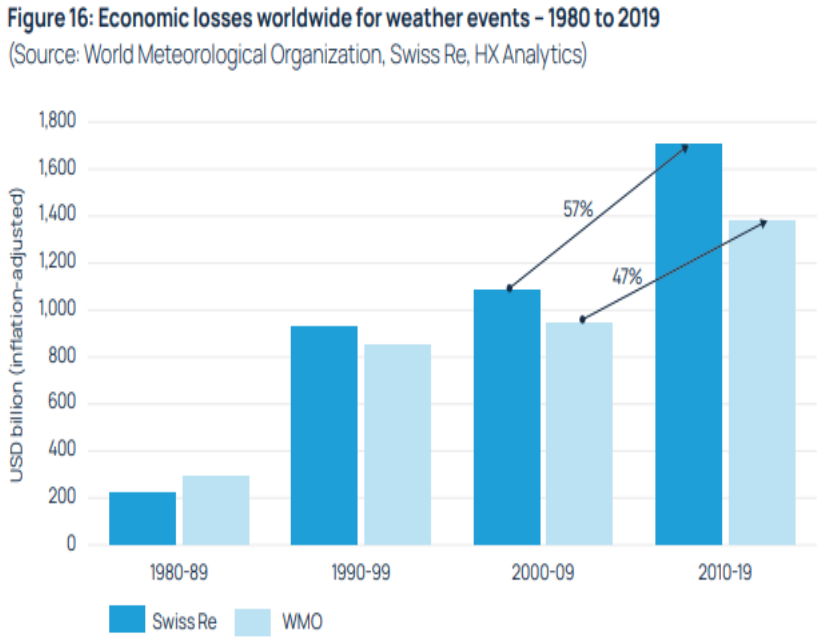
Regional Tensions – Potential to Destabilise World Economies

- Regional conflict can create shocks to global financial systems
- Disruption to key commodities, such as energy and food production – cost of living
- Spikes in inflation; currency depreciation
- Supply chain disruptions
- Increased cost of living
- Government back-stop?

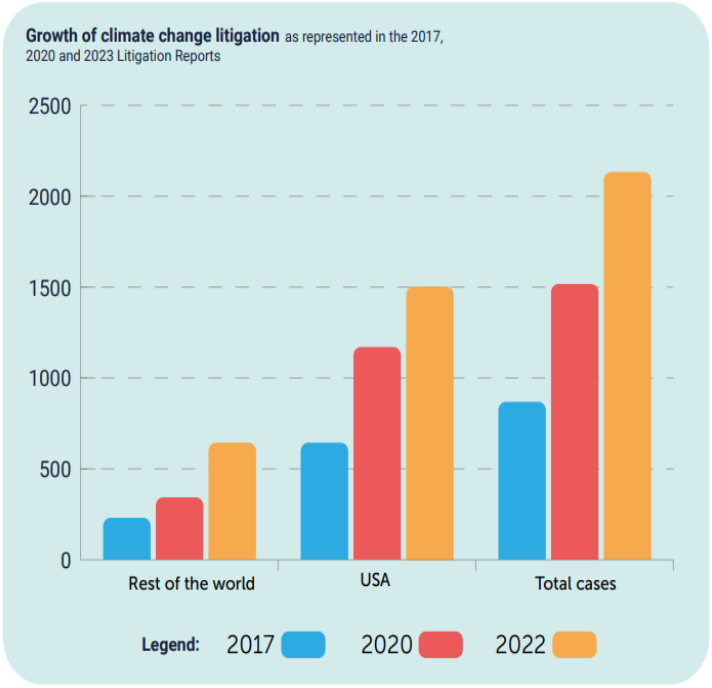
Source: Vision of Humanity, Munich Re

Climate Risk

Increased Frequency and Severity of Weather-Related Events

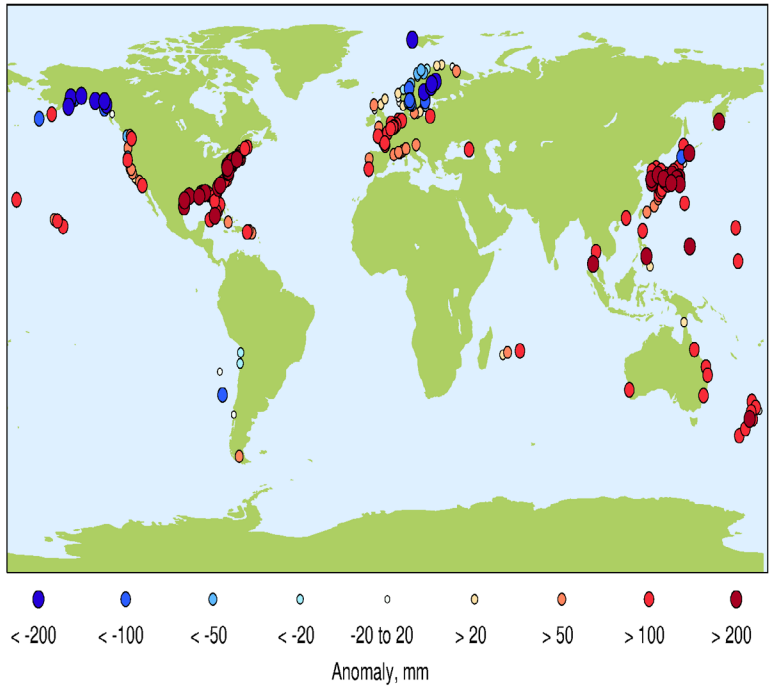


Climate Change Litigation



Changing Sea Levels – Social Migration

Level for 2021 relative to 1960-1990



Change in Regulation | **Impact on Agriculture** | **Loss of Biodiversity** | **Resistance to Infectious Disease**

Short Term ← → **Long Term**

Sources: Swiss Re, World Meteorological Organization, UN Environment Programme, National Oceanography Centre

Other Challenges…

Emerging Liability Risks

Social inflation themes increasing in non-US markets

PFAS case filings on the rise

Climate litigation cases also on the rise

Legal & Social Changes

Transmission of content faster within targeted groups

Focus on environmental, social and political issues

Digitalisation / AI

Changing operating landscape, bringing interconnectivity of risks

Technology creates process efficiencies, but can be used by bad actors

Energy consumption – greater risk from blackouts

Scientific Advancements

New scientific breakthroughs; longer term impact unknown

Cyber

Increasing trend of cyber threats in a digital world

Complexity of cyber attacks far reaching; across industry, sectors and financial systems

Higher threat of blackouts, downtime and litigation

Non-standard Currencies

Digital currencies, carbon credits, tokens

Final Remarks

Challenges Ahead

- Climate Risk
- Cyber Risk
- Political Conflicts
- Litigation
- Regulatory Risk
- Digitalisation – AI
- Cost of Doing Business

Frequency and Severity of Events –

Likely to increase

Macro-Economic Environment –

Remains uncertain and volatile

Main Takeaway – Enterprise Risk Management is key

Uncertainty Remains

Increased frequency and severity of events; higher levels of contagion and interconnectedness

Strong Balance Sheets

Shown resilience to market events, but needs absorb current and unforeseen events

Insurance Industry has Shown Resilience to Market Events

Effective and adaptable ERM remains key to manage unknown events

Uncertainty and Volatility also

Create opportunities

Q&A

Dr Angela Yeo
Senior Director, Head of Analytics - Amsterdam

Mahesh Mistry
Senior Director, Head of Analytics - London

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Keynote Presentation

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13:00 **Networking Lunch**

Reinsurance Market Highlights

Ghislain Le Cam
Senior Director, Analytics, London

Dr Mathilde Jakobsen
Senior Director, Analytics, Amsterdam

Reinsurance Market Highlights – Discussion Outline

Outlook: Positive –
Sustainable Results for Longer

Robust Operating Results –
Despite Heightened Cat Activity, Casualty Challenges

Available Capital –
Internal Capital Generation, ILS Growth Continues

Looking Ahead –
Challenges and Opportunities

Outlook – Positive
Sustainable Results for Longer

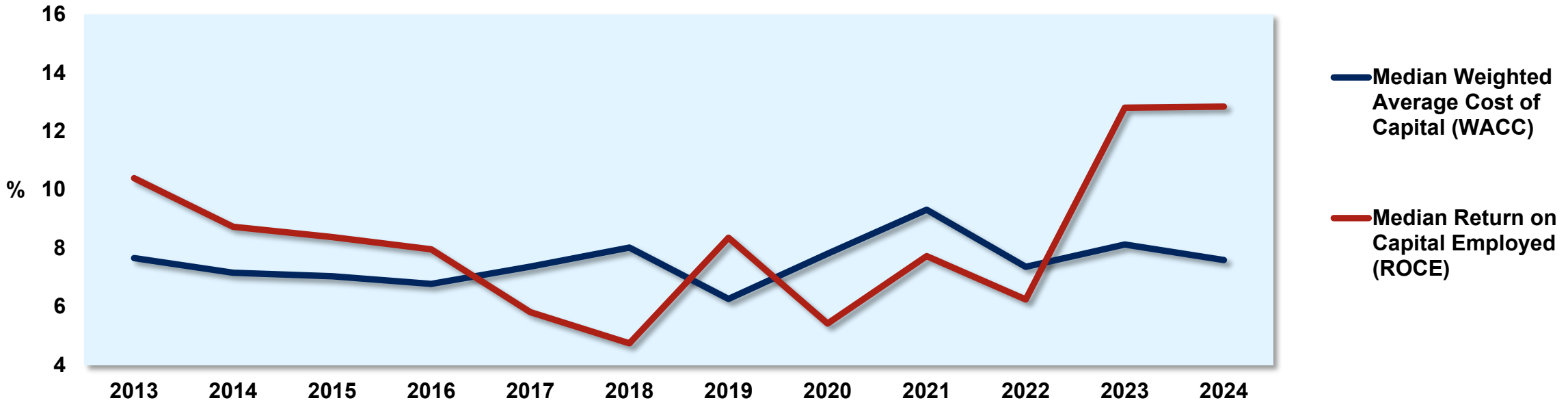
Global Reinsurance Market Outlook – Positive

Tailwinds
Although competitive conditions increased in property cat, pricing supports attractive margins
Reinsurers remained disciplined with terms and conditions and attachment points largely intact
Despite significant catastrophe and large man-made losses, segment set to report strong operating results
Segment remains well capitalized as evidenced by continued growth in dedicated capital
Demand for coverage remains strong
Life/Health reinsurance operations continue to act as a diversifying source of income and earnings
Interest rates remaining higher for longer

Headwinds
Elevated US casualty claims, reflecting the multi-year impact of social inflation, with adverse implications for underwriting and reserve margins
Increased frequency and severity of catastrophic loss activity, especially from secondary perils
Continued macroeconomic and geopolitical uncertainty

Robust Operating Results – Despite Heightened Catastrophe Activity, Casualty Challenges

Cost of Capital and Realignment of Risk



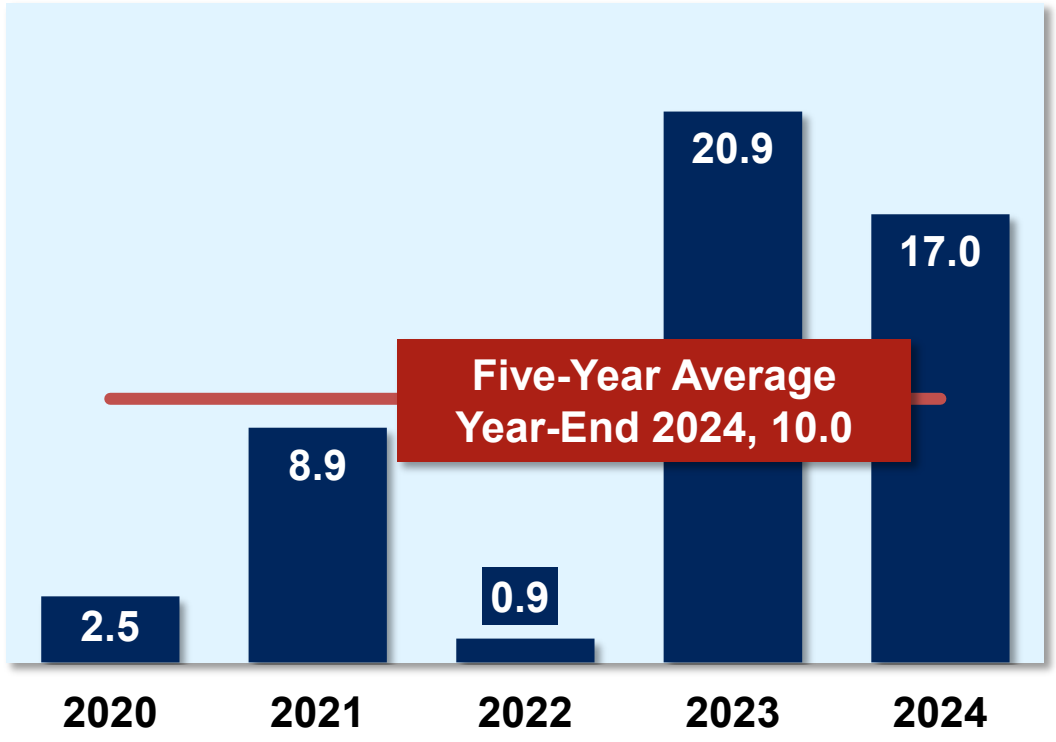
Reinsurers Meeting Cost of Capital

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

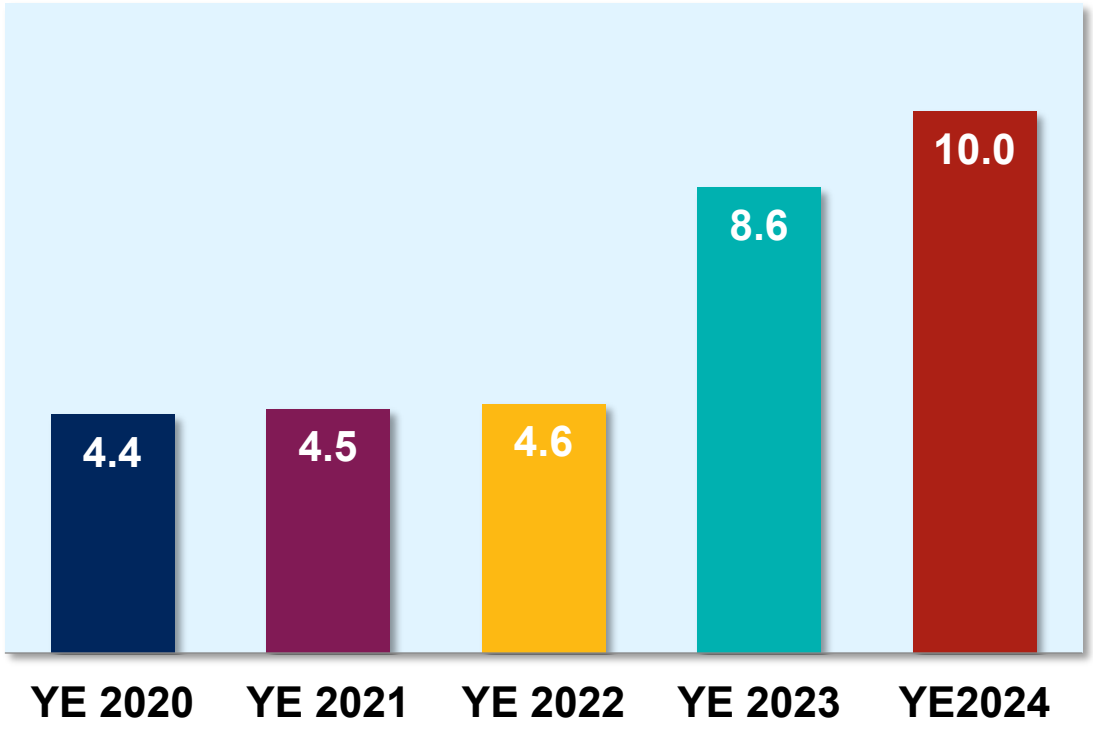
Source: Bloomberg

Global Reinsurance Market Performance

Return on Equity (%)



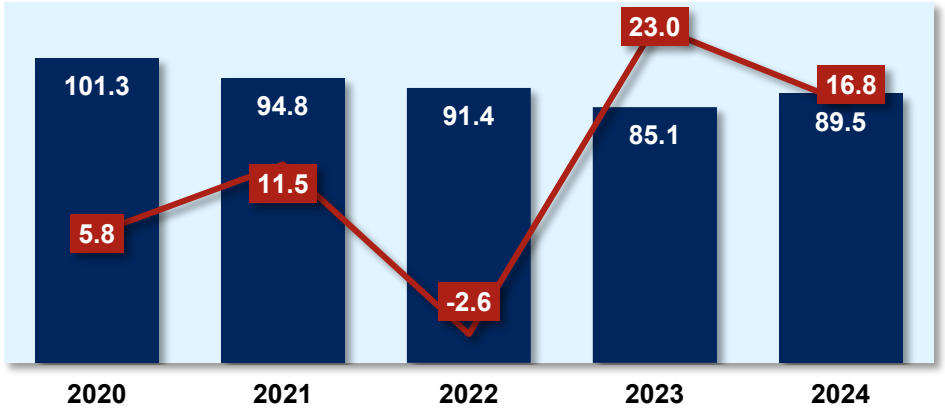
Global Reinsurance Market – Rolling Five-Year Average Return on Equity (%)



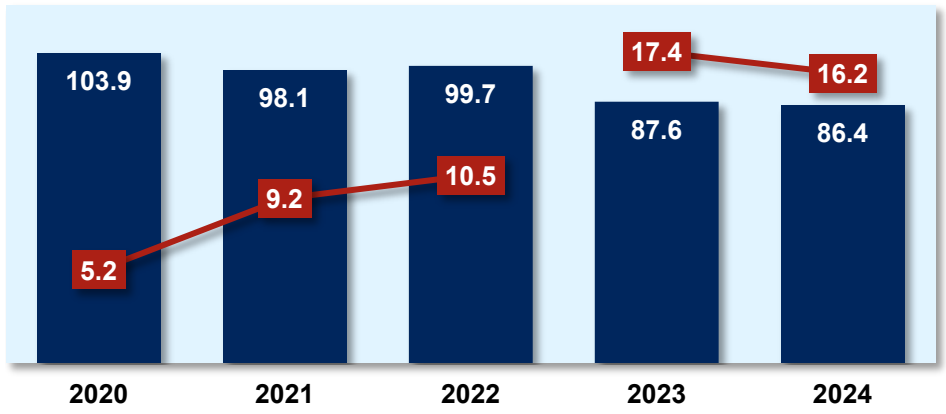
Source: AM Best data and research

Global Reinsurance Market Performance by Reinsurance Sector

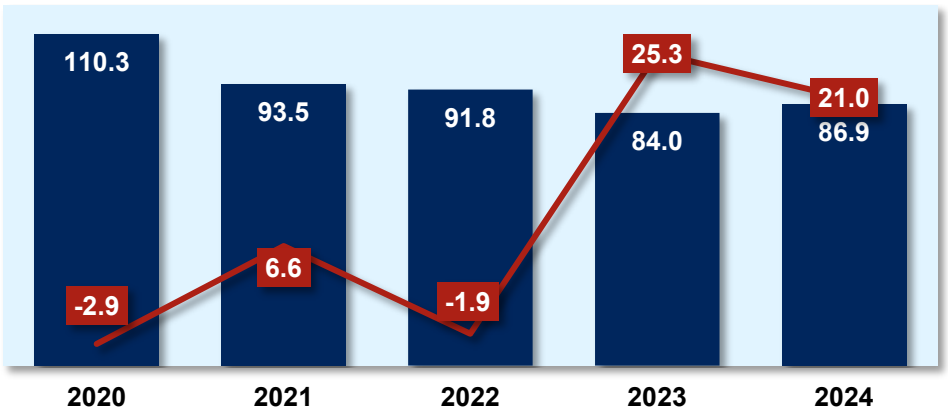
US & Bermuda



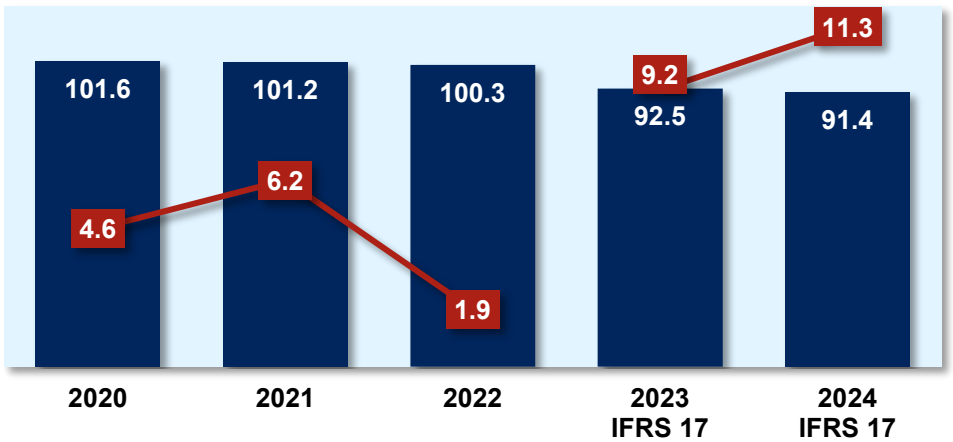
European "Big Four"



Lloyd's



Asia Pacific



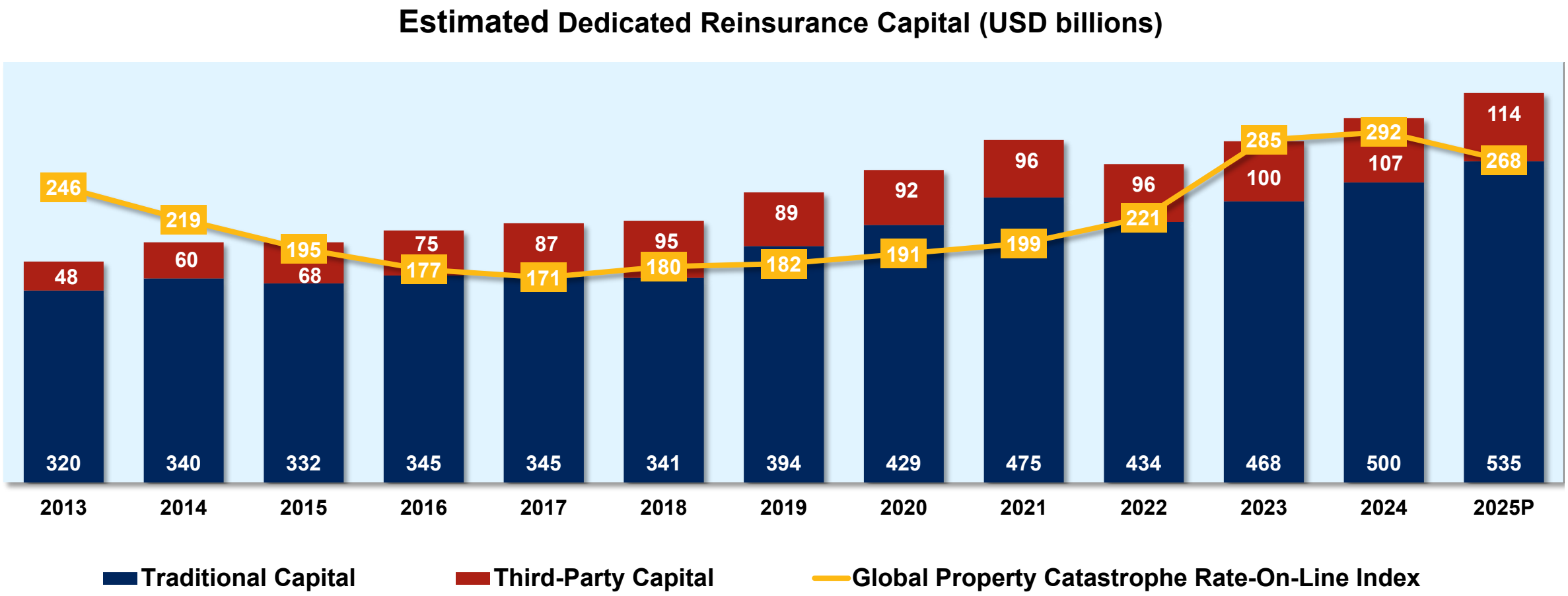
Combined Ratio

Return on Equity

Notes:
US & Bermuda includes Arch, Gen Re, Everest, Ren Re, Transatlantic Re, Odessey Re, Partner Re

Available Capital – Internal Capital Generation, ILS Growth Continues

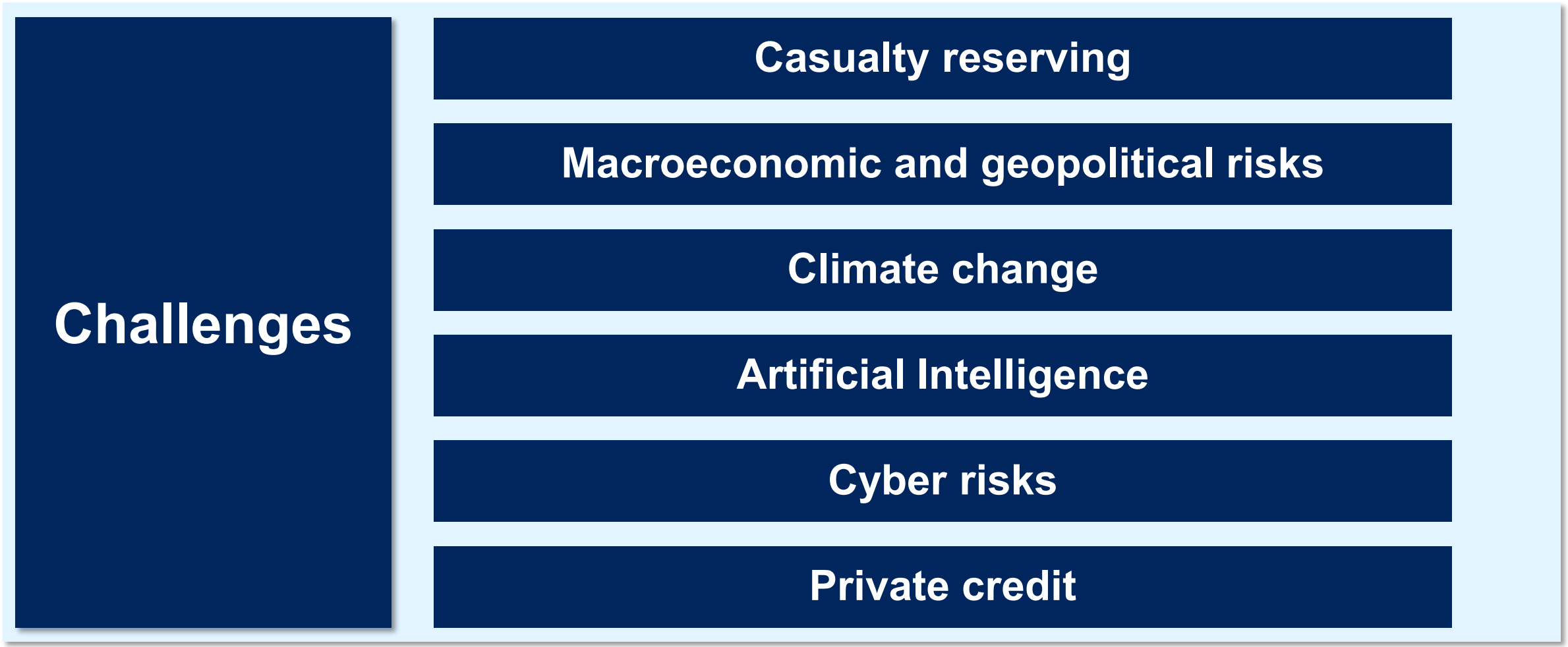
Global Reinsurance – Dedicated Capital



P: Projected.
Rate-On-Line Index base year: 1990.
Sources: AM Best data and research, Guy Carpenter

Looking Ahead – Challenges and Opportunities

Longer Term


Challenges
Casualty reserving
Macroeconomic and geopolitical risks
Climate change
Artificial Intelligence
Cyber risks
Private credit

Longer Term

Opportunities

- Ongoing capital efficiency through capital markets
- Addressing the protection gap
- Changing demographics
- Technology, Artificial Intelligence
- Cyber and other ‘new’ markets

AM Best's Market Segment Outlook – Global Reinsurance

What might change our outlook, and when?

- Broad and significant rate reductions
- Looser terms and conditions
- Lower attachment points, into 'working layers'
- Expected RoE over cost of capital margin
- Combination of the above

AM Best's Key Themes

Reinsurers remain disciplined

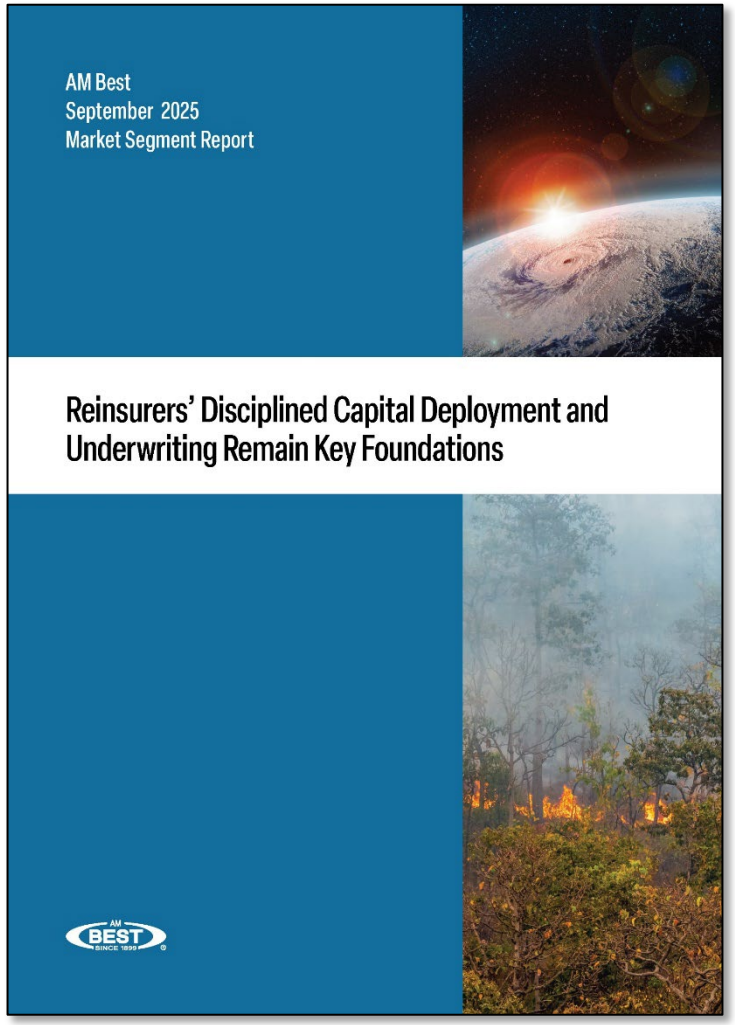
Payback to investors continues

Supply / demand equilibrium

Maintaining disciplined allocation

Positive outlook

Sustainable profitability



Q&A

Ghislain Le Cam
Senior Director, Analytics, London

Dr Mathilde Jakobsen
Senior Director, Analytics, Amsterdam

Use the QR code to submit questions to our speakers

Exploring Balance Sheet and Exposure Management Considerations

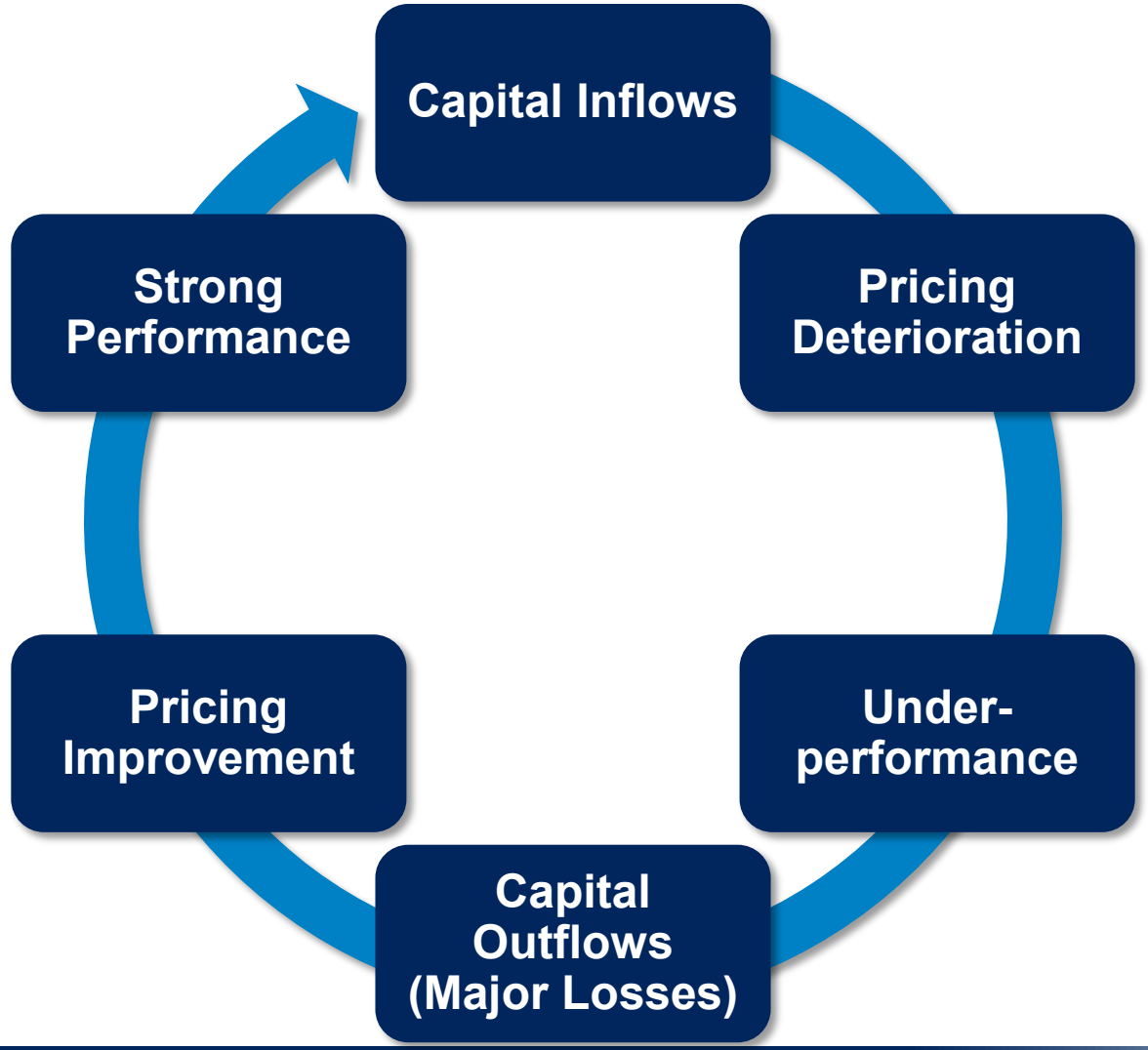
Timothy Prince
Director, Analytics, London

Eli Sanchez
Director, Analytics, Amsterdam

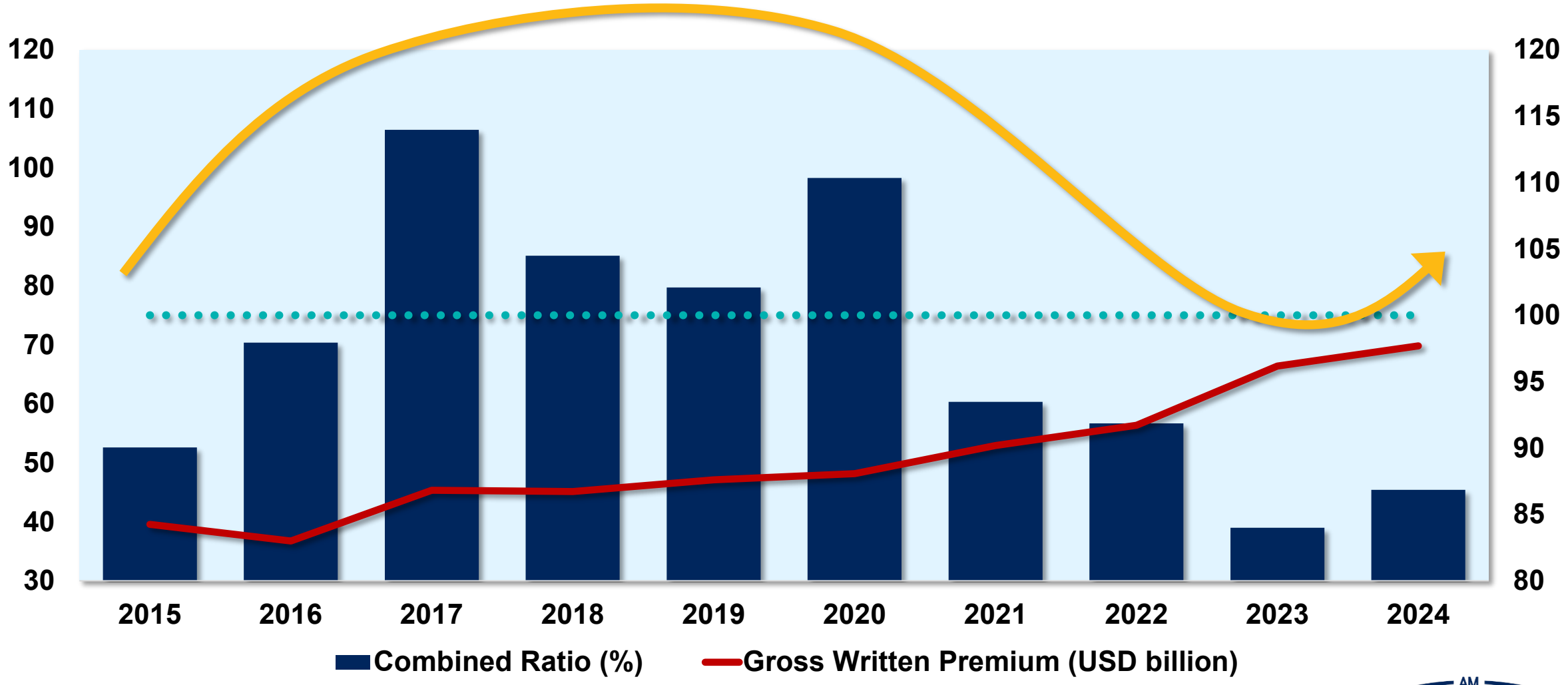
Capital Source

Traditional Sources	Insurance-Linked Securities
• Equity capital • Retained earnings • Debt • Reinsurance (including legacy)	• Catastrophe bonds • Collateralised reinsurance • Side-cars

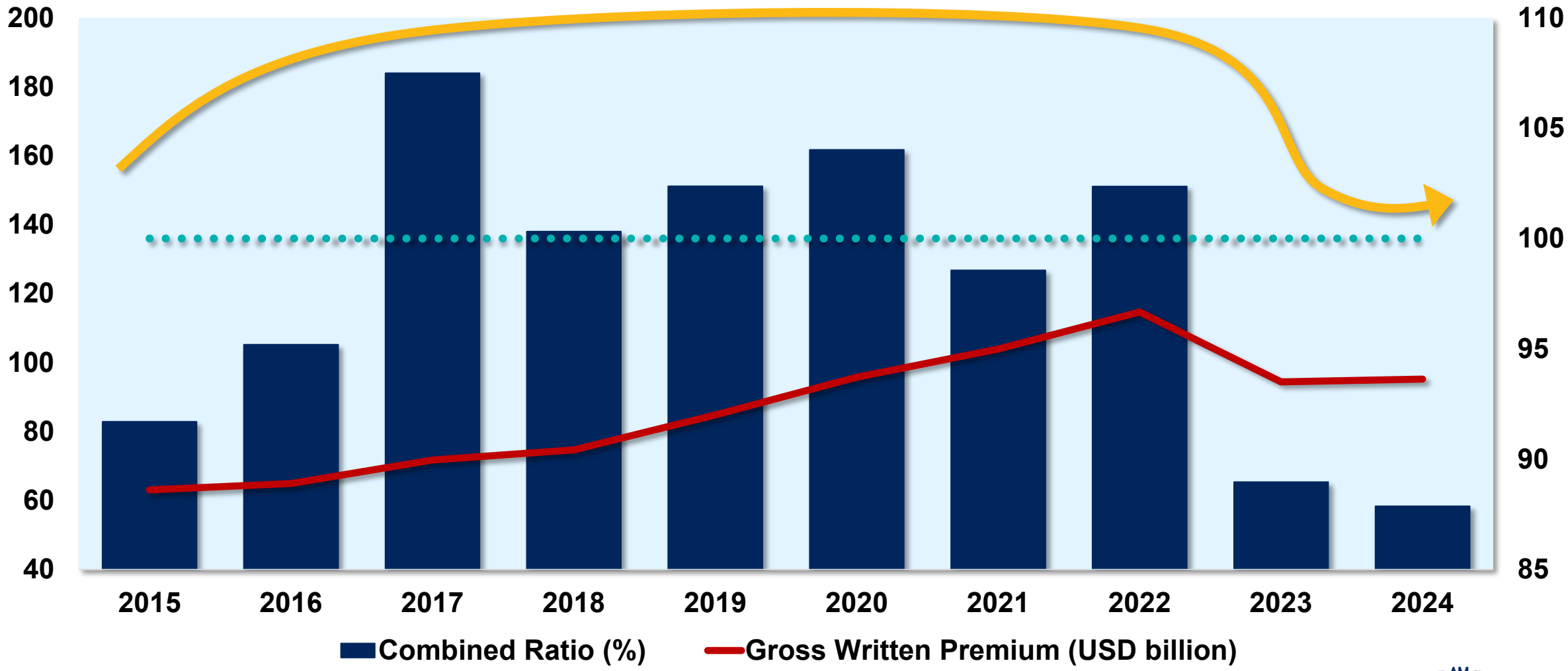
Traditional Insurance Market Cycle



Underwriting Cycle – Lloyd's Market 2015 - 2024

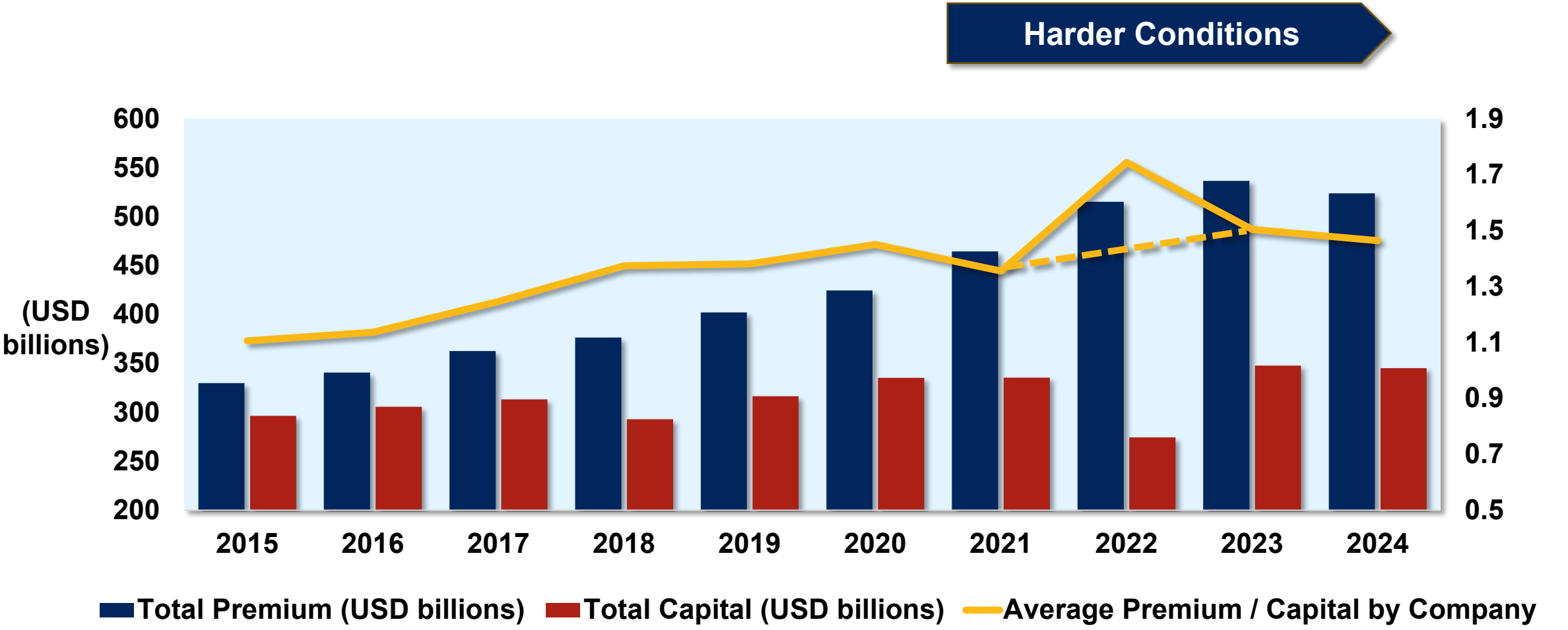


Underwriting Cycle – European "Big Four" Reinsurers

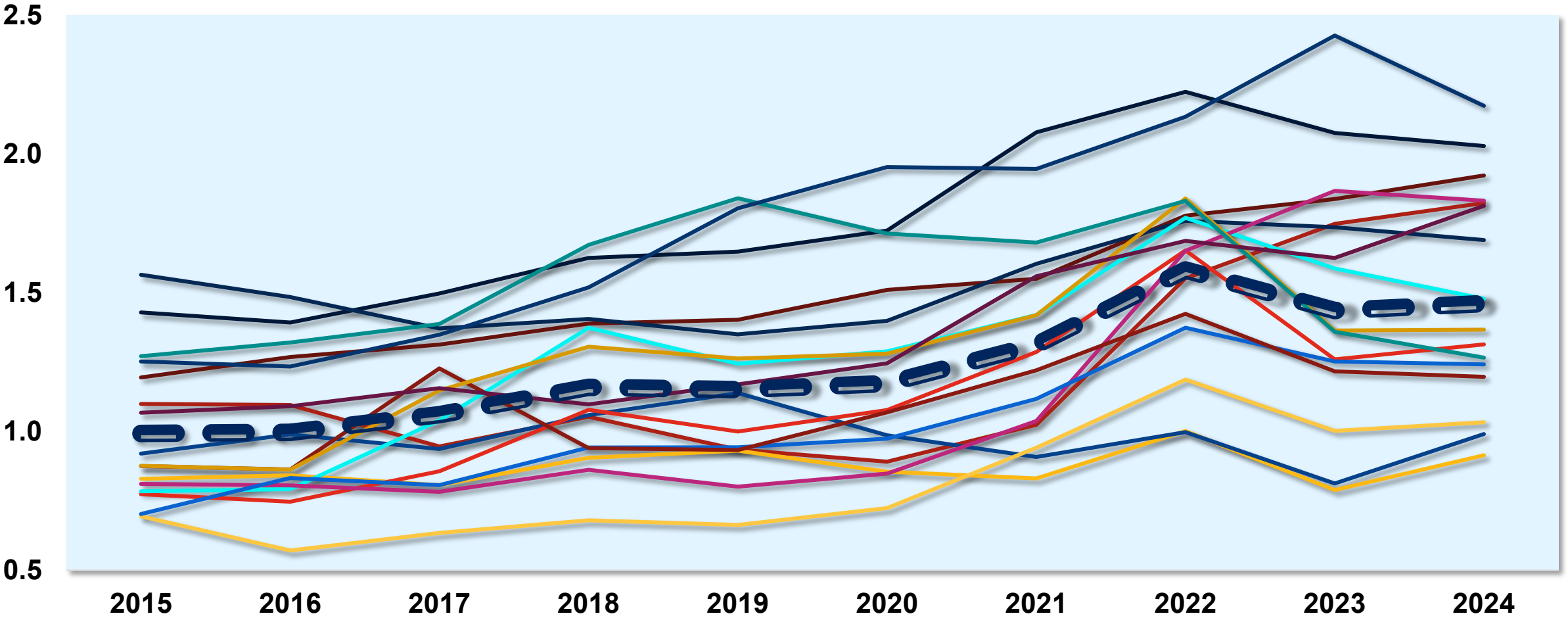


Note:
European "Big Four" Reinsurers are Hannover Re, Munich Re, SCOR and Swiss Re.

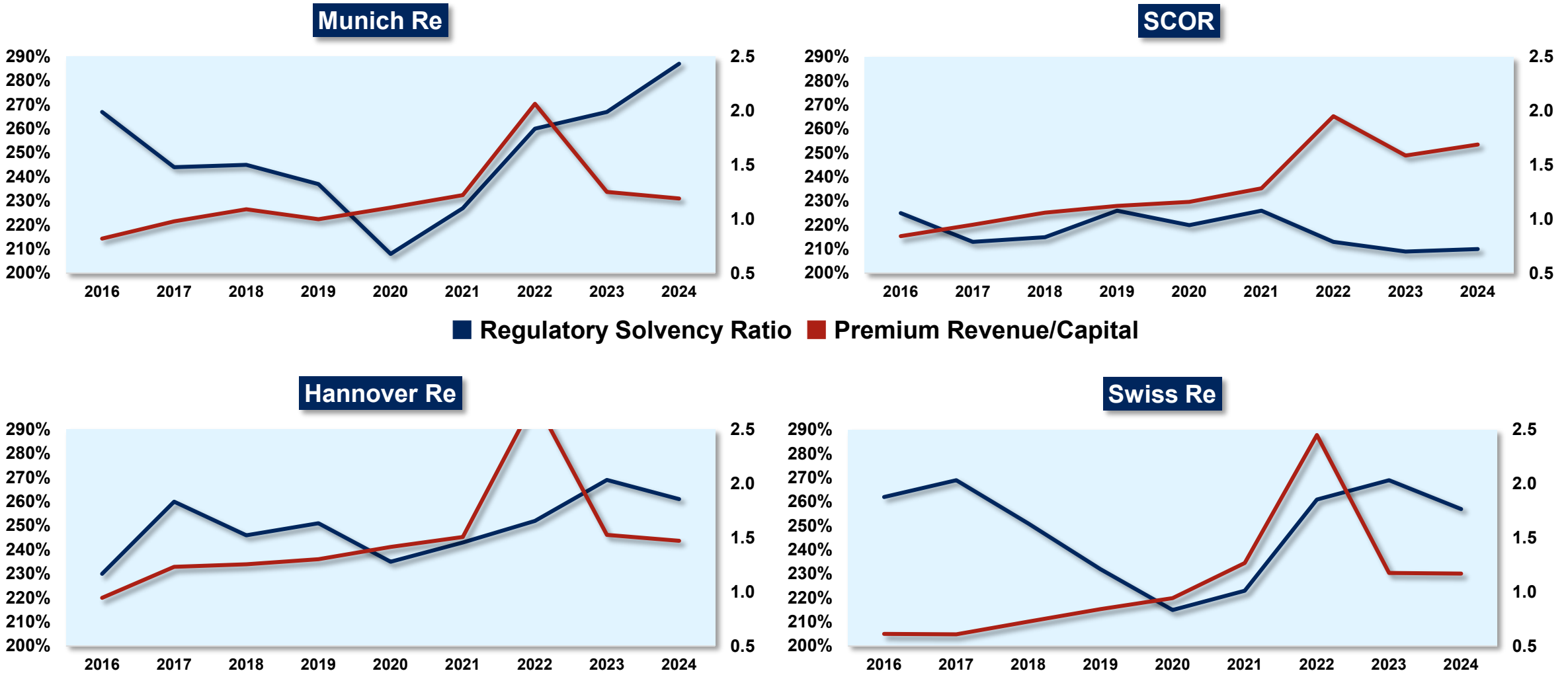
Underwriting Leverage Through the Cycle (Global Specialty Market)



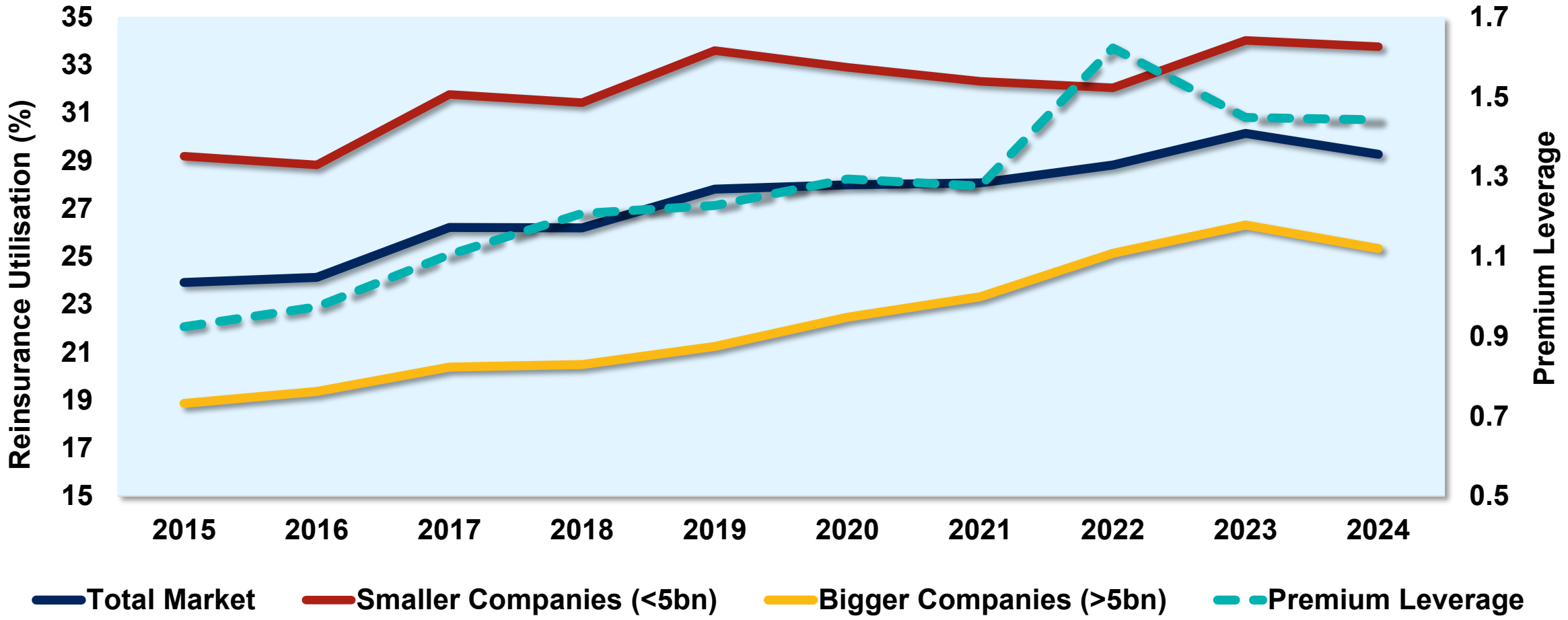
Underwriting Leverage Continued…



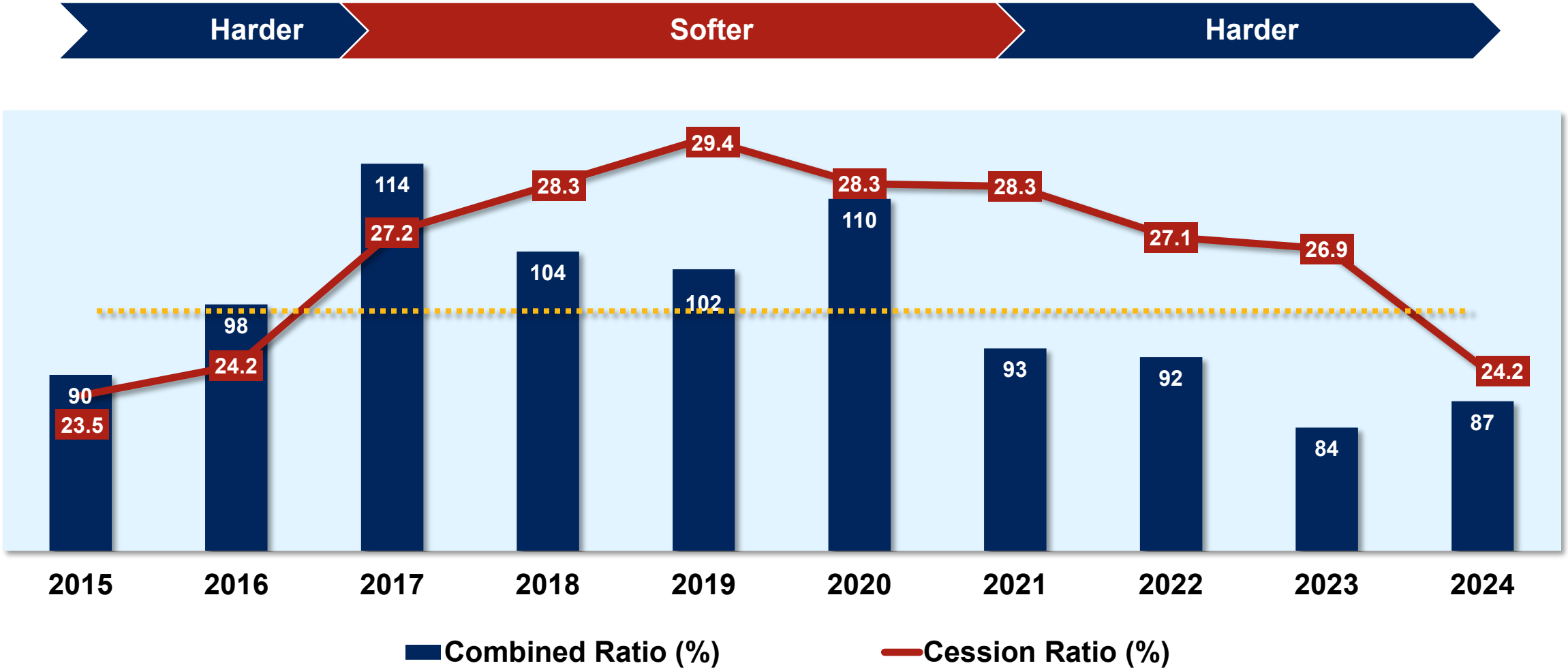
Underwriting Leverage Continued…



Reinsurance Utilisation – Global Specialty Market



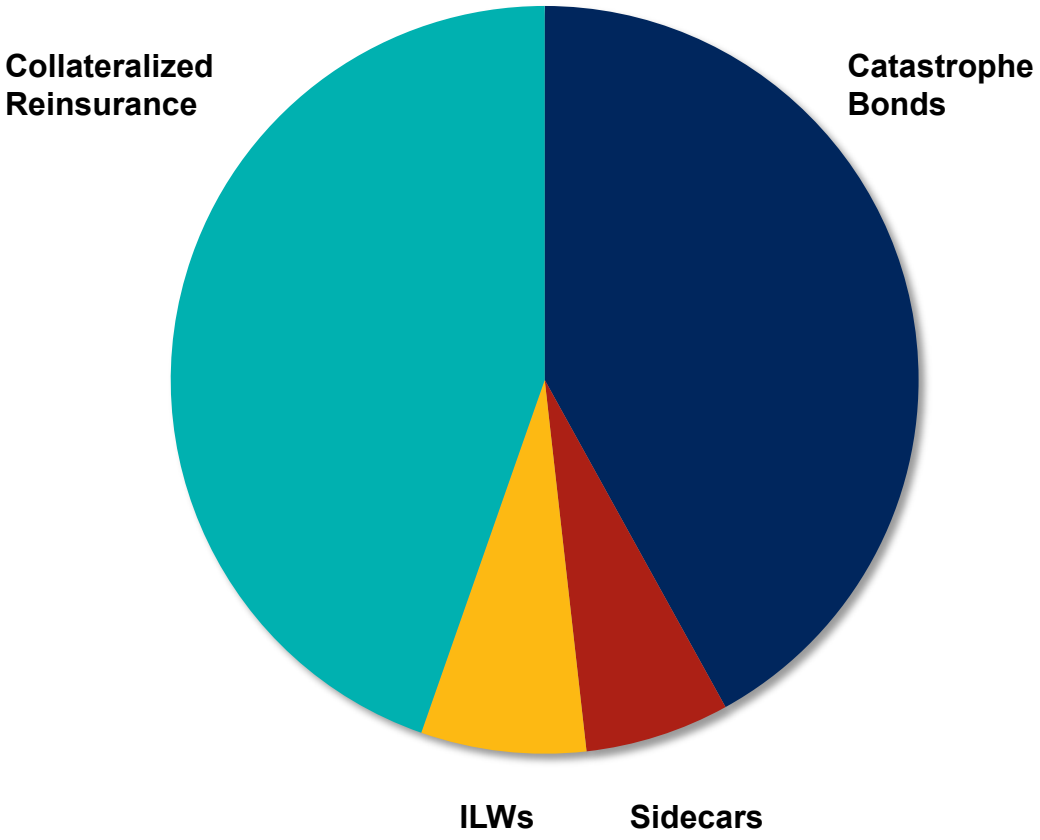
Reinsurance Utilisation – Lloyd's Market Reinsurance Cession



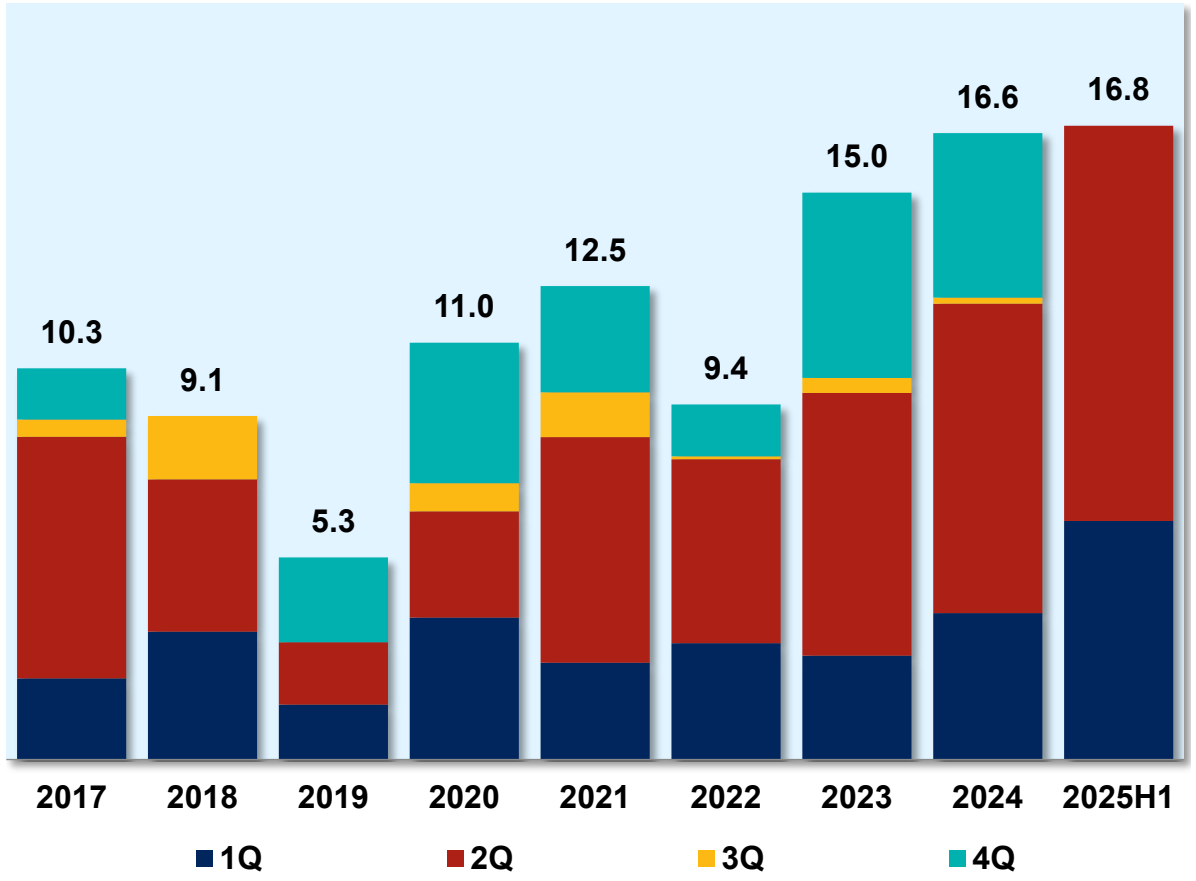
Notes:
Dashed line to smooth the impact if unrealised investment losses, which subsequently unwound.

ILS Trends

ILS Composition (Approximated 2024)

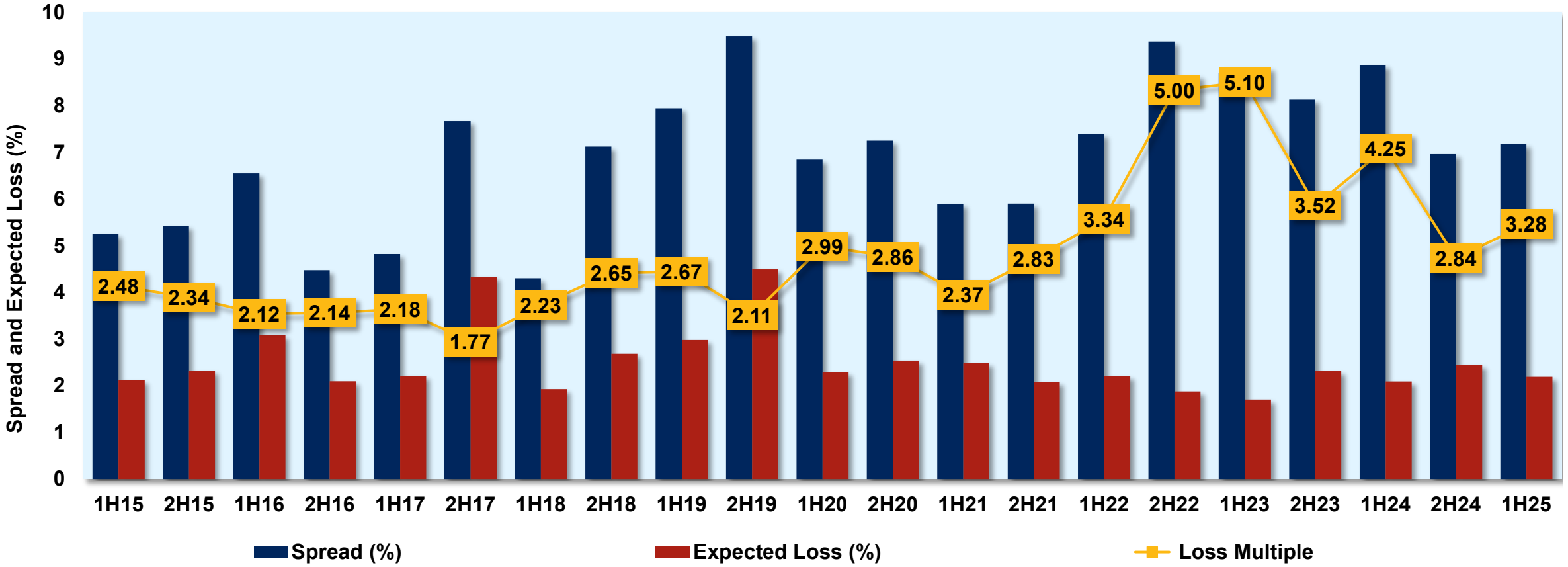


144A Property Cat Bond Issuance by Quarter – 2017-2025 H1 (USD billions)



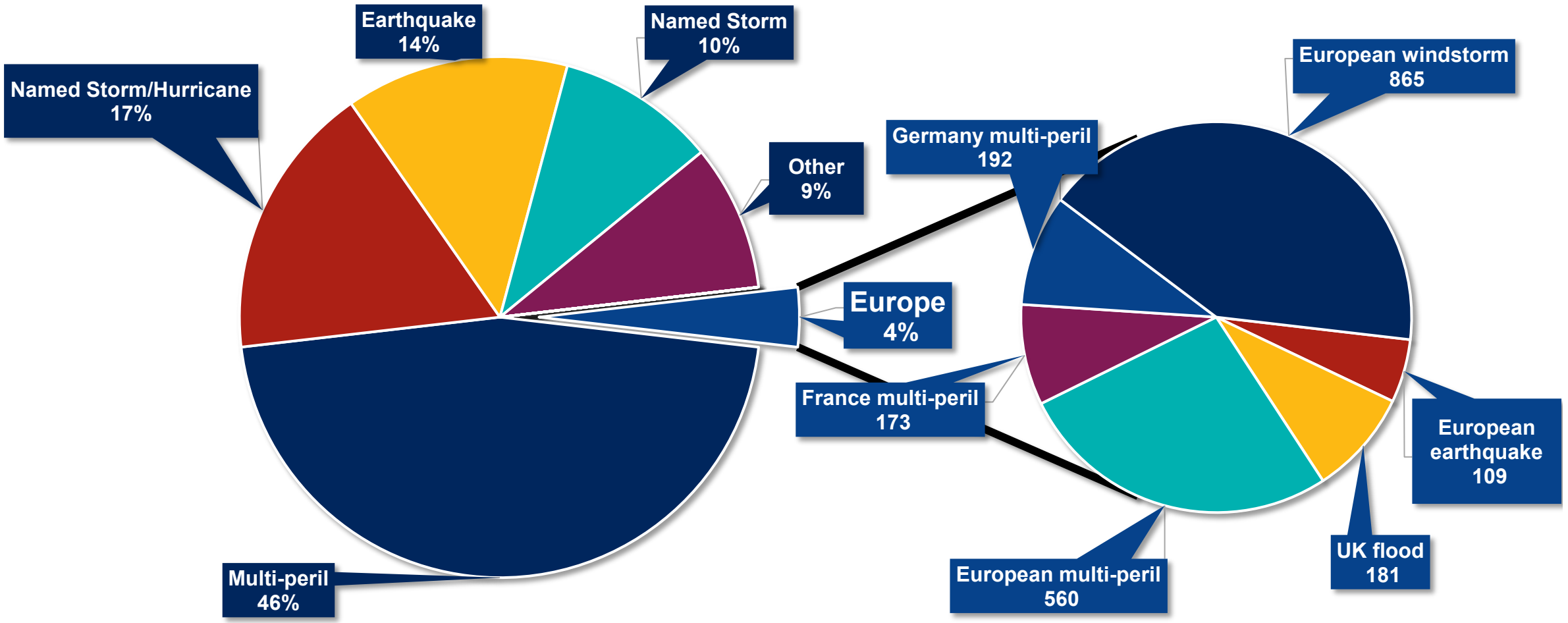
Sources: Artemis, AM Best data and research

Property Cat Bond Loss Multiple – 1H 2015 to 1H 2025



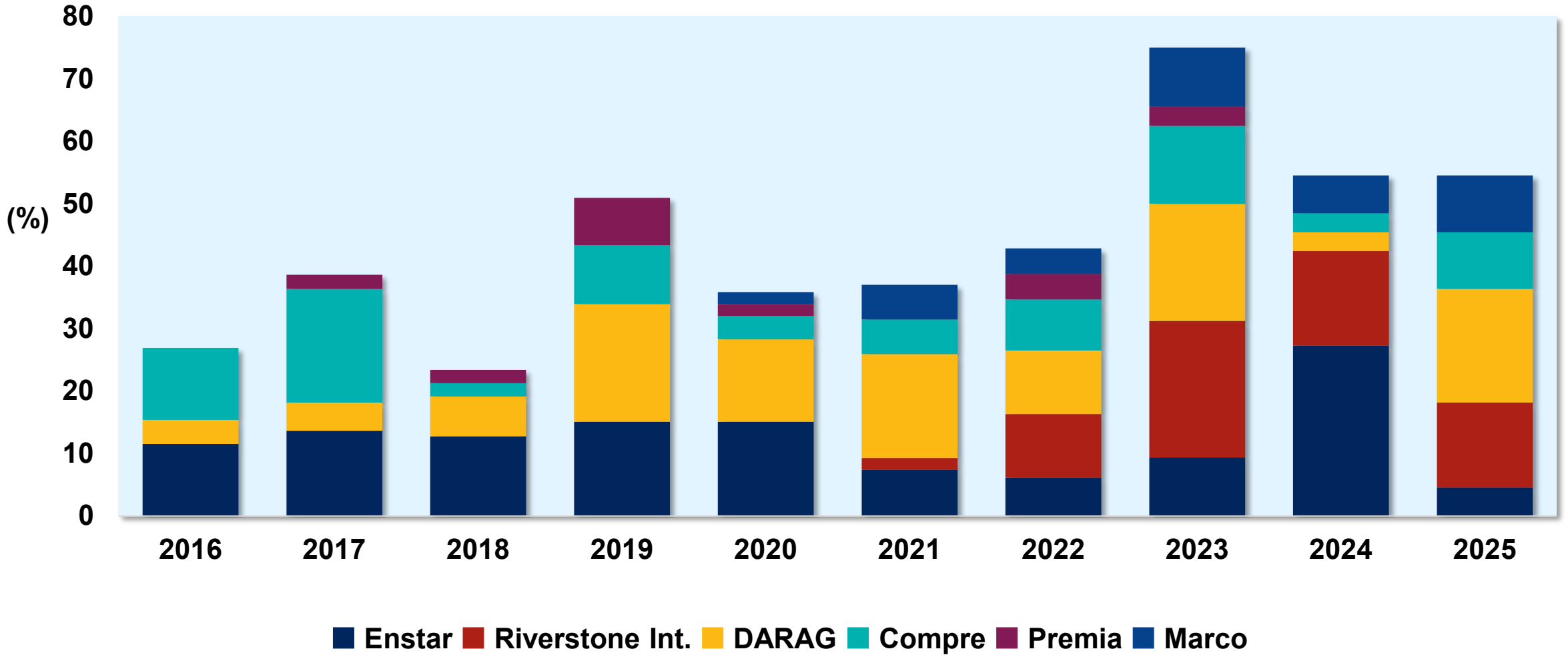
Sources: Artemis, AM Best data and research

Cat Bonds and IL Risk Capital Outstanding per Risk – 1H 2025



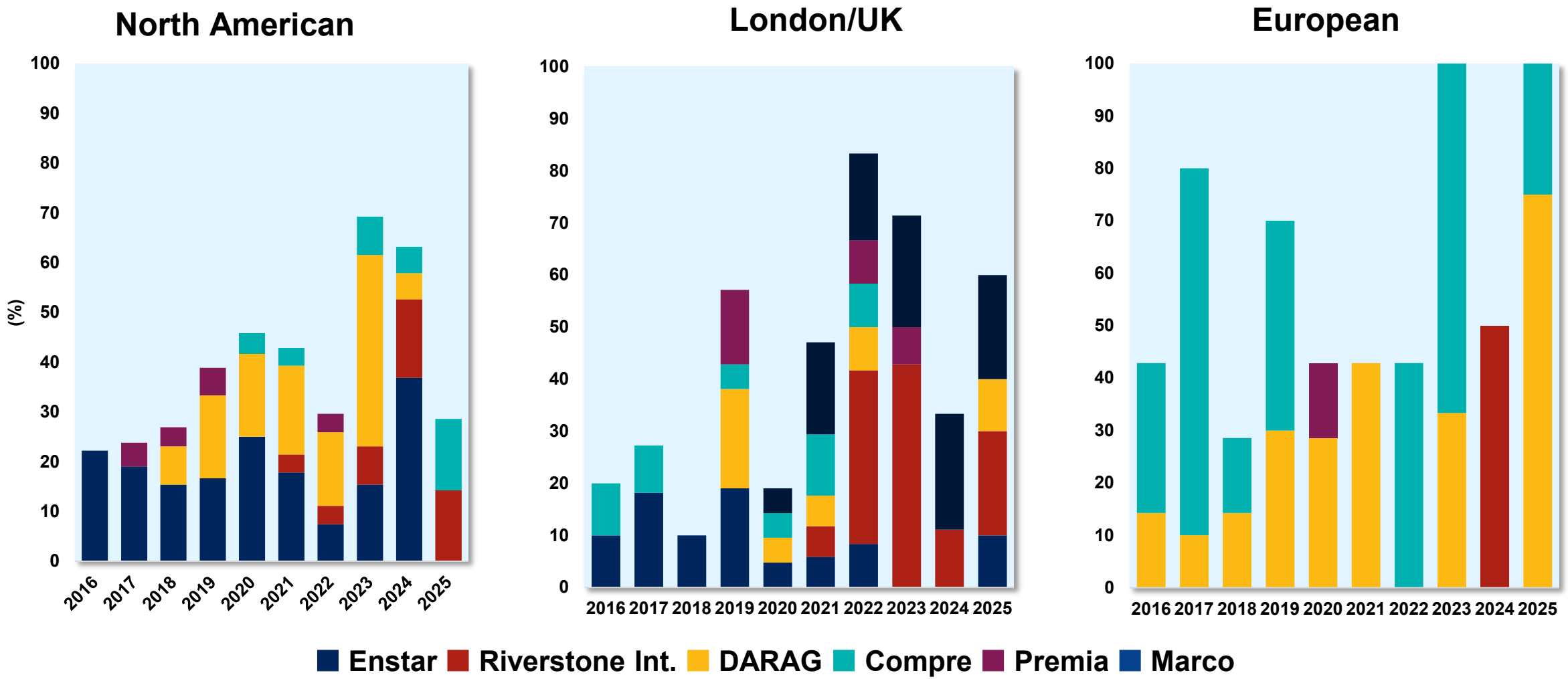
Notes:
Europe values in USD millions.

Total Non-Life Run-Off Transactions



Source: PwC Run-Off Deals Database 2025

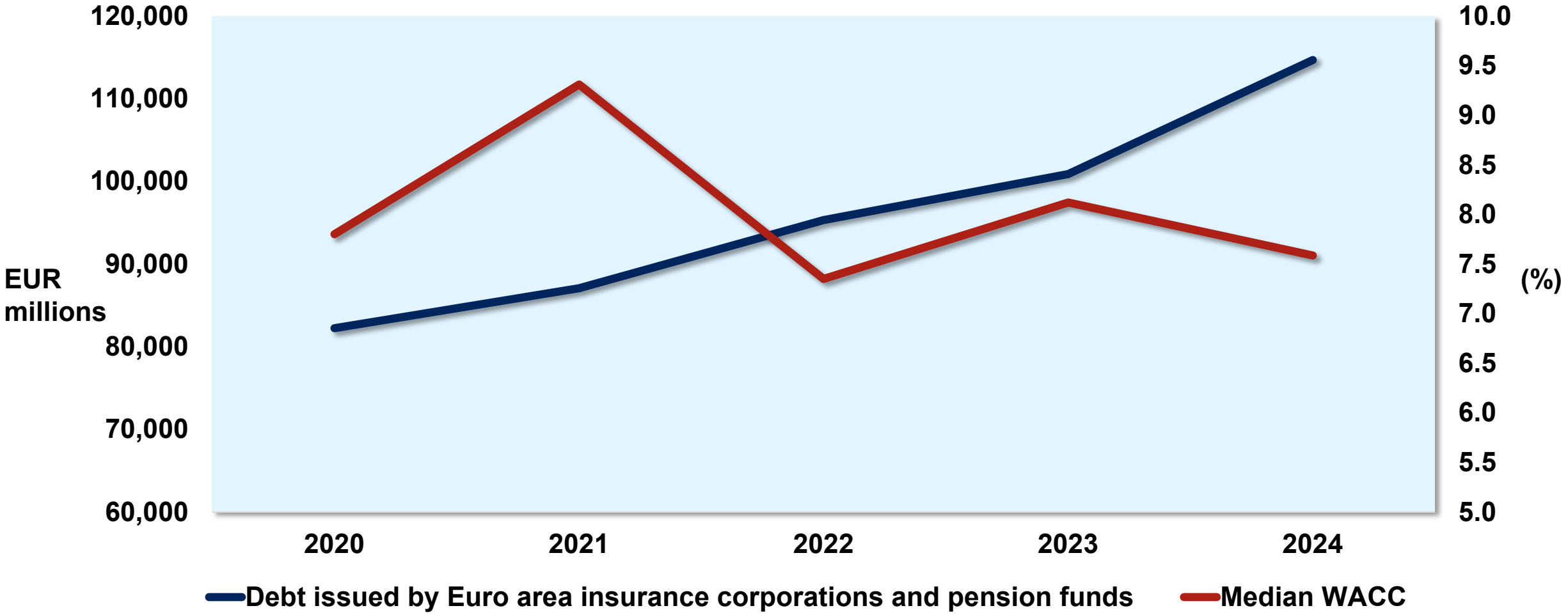
Run-Off Deals by Region



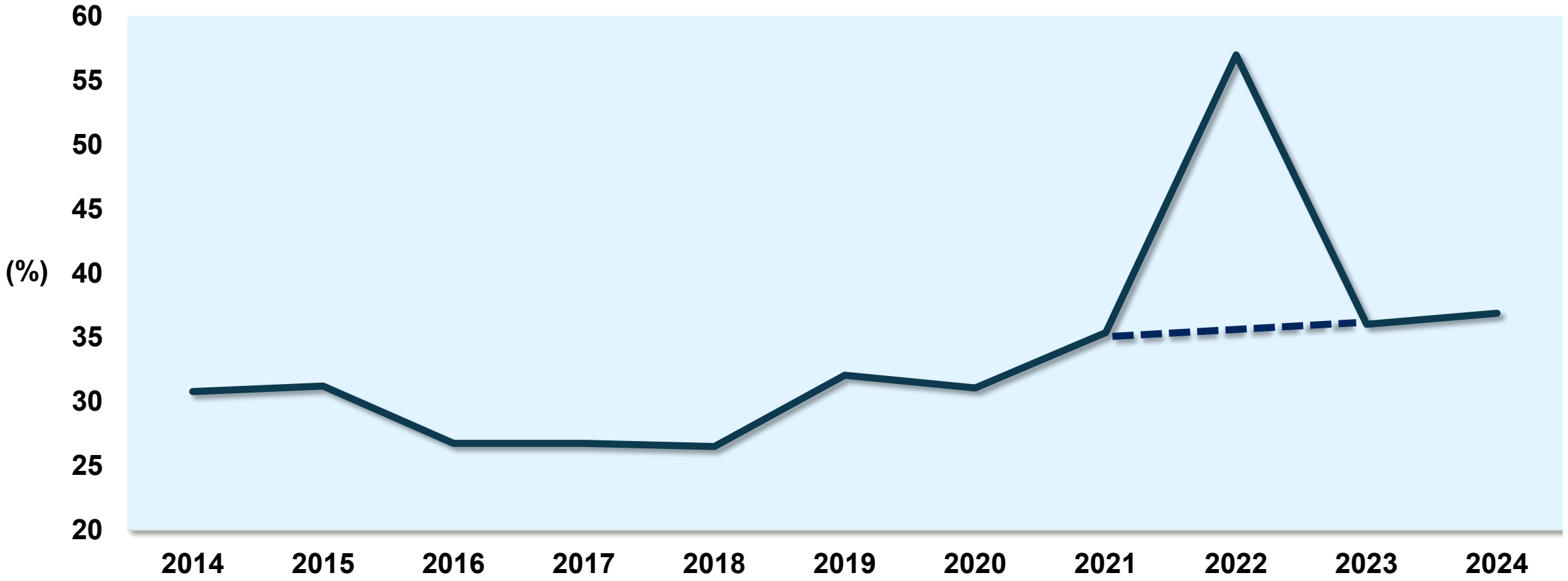
Source: PwC Run-Off Deals Database 2025

Financial Leverage

AMB Treatment – WACC vs Insurance Euro Debt Stock



Financial Leverage – European “Big Four” Reinsurers



Summary

Balance Sheets –
Increasingly sophisticated
Best time to raise capital –
Unlikely to be when most needed
Capital efficiency & funding growth –
Delicate line between them

Q&A

Timothy Prince
Director, Analytics - London

Eli Sanchez
Director, Analytics - Amsterdam

Use the QR code to submit questions to our speakers

Introducing Today's Panel

Moderator

Richard Banks
Global Editor, The Insurer

Reuters

Panellists:

Jessica Botelho-Young
Director, Analytics

AM Best

Alex Hindson
Partner, Head of Sustainability

Crowe UK

Amy Barnes
Head of Energy & Power, Head of Climate & Sustainability Strategy

Marsh

Domenico del Re
Director, Sustainability

PwC UK

Q&A

Richard Banks
Global Editor, The Insurer at Reuters

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Agenda – Methodology Review Seminar

14:15 Welcome and Introductory Comments
Myles Gould, Senior Director, Credit Rating Criteria Research & Analytics

14:20 Benchmarking EMEA Ratings
Dale Kirby, Senior Financial Analyst
Andrea Porta, Senior Financial Analyst

14:40 Revised Criteria: Rating Captives and Other Alternative Risk Transfer Entities
Kanika Thukral, Associate Director, Analytics
Konstantin Langowski, Associate Director, Credit Rating Criteria, Research & Analytics

15:00 Warning Signs: Examining Events Leading to Insurer Failure
Valeria Ermakova, Associate Director, Credit Rating Criteria Research & Analytics
Stanislav Stoev, Senior Financial Analyst

15:25 IFRS 17: Latest Observations
Ben Diaz-Clegg, Associate Director, Analytics
Todor Kitin, Associate Director, Analytics

15:50 Q&A

16:30 Close

Convene 200 Aldersgate, St.Paul's - London

AM Best's Europe Insurance Market Briefing & Methodology Review Seminar - London

06 November 2025