Aon: growth in fac business to continue

Co-President Eric Andersen talks about maximising facultative business, its new ‘blind auction’ model, and tracking weather risks for clients in real time.

Eric Andersen, Co-President of Aon, understands well the increasing value of the broker’s facultative reinsurance business – the growth of which he believes will continue to be a solid investment.

“It’s been an area where we’ve been investing heavily, and we’ve been able to make some really good progress on it,” he tells Reactions. “And I think that will continue. As you get into a market like this with a little bit of challenge to it, it can be a really opportunistic play to de-risk in very specific areas that you’re concerned about.”

Fac has been a double-digit growth business for Aon for over six years, he notes.

“It really tracks what happens in a couple of different markets. It tracks on the treaty business; as retentions go up – a couple of years ago people were buying sky-high deductibles, and on the ground people were nervous about individual risks. So they turned to the fac market. And then, as people began to face some of the challenges of the last two years, they were starting to de-risk some of their portfolios, for which they then turned to the fac market. And then some of the losses, man-made losses in particular that were coming into the market around energy, aviation and some of the financial lines businesses, people reacted to that, again, using the fac market.

“We’ve lined the [fac] teams up really closely with our treaty teams so that when we sit and talk to one of our clients, we can actually interplay the differences between them. We can show them that they have two solutions. Being able to talk to them in tandem, to be able to say, here’s a treaty strategy, here’s how you can use fac intermittently, depending on how you want to put retentions on your treaties – it has worked really well.”

Andersen is equally enthusiastic about Aon’s new reinsurance auction platform, which gives clients an alternative to traditional renewals in time for the 1/1 reinsurance placements.

The auction technology enables pricing options through blind bidding for both non-concurrent (where reinsurers receive different pricing based on the quotes provided) and concurrent placements (where the technology identifies a consensus bid, so each reinsurer receives the same price for the layer).

“Some of our clients expressed interest in the ‘blind auction’ model, where you state what you want to pay,” says Andersen. “We’d

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Schmid: Adverse loss trends driving more rational market

Although the industry has seen some improvement in 2019, the combination of abundant capital and declining profitability in some classes of business will continue to drive a mixed picture when it comes to renewal pricing, according to Edi Schmid, Group CUO at Swiss Re and chairman of the Swiss Re Institute.

Speaking to Reactions ahead of the Rendez-Vous gathering in Monte Carlo, he said the current upward moment was being driven by inadequate profitability rather than issues surrounding the supply of capital.

“It is a question of whether it is possible to achieve the necessary returns above the cost of capital, and in certain segments clearly that was no longer the case, also highlighted by some adverse loss trends that we see in certain parts of the business,” said Schmid.

The sustained low interest rate environment is another factor, particularly for casualty lines. “There was some hope for moderate interest rate increases, but it’s still fair to say that we didn’t see a major market distortion on the reinsurance side,” he added. “And it is clear that alternative capital is here to stay. It is an efficient form of capital to supplement what cannot be well diversified on a balance sheet like ours.”

Schmid said he expects to see more positive pricing momentum in the underlying businesses, citing a Swiss Re Institute sigma study published last year that found a significant profitability gap remains in global non-life insurance markets.

“Commercial business has not been performing well,” he said. “It has seen significant rate reductions for many years, which had started to improve last year but less than expected. In many segments of the commercial business the values are softening and then there have been some adverse loss trends, such as in U.S. liability, where there is now far more positive price momentum.”

Continuing major themes as the industry gathers in Monte Carlo will be the need to improve efficiencies within the re/insurance value chain and the role of technology. Schmid said it was imperative for insurers and reinsurers to take friction out of the system in order to make insurance more consumer-friendly and ultimately more affordable.

“It is clear that alternative capital is here to stay. It is an efficient form of capital to supplement what cannot be well diversified on a balance sheet like ours.”

*Edi Schmid, Swiss Re*
heard it enough that we took the opportunity to build out the ability to do the auction on our own placing system.”

Insurers will still have access to Aon’s brokers as part of the auction process, to guide and manage the entire placement without the additional expense of alternative distribution channels.

Trading partners will continue to access ABConnect Placements, the e-trading platform for Aon’s Reinsurance Solutions business, to participate in the auction. The move effectively provides a single platform for data and placement across a reinsurer’s entire portfolio, whether via an auction or traditional placement.

“It’s there for clients if they want it, mainly around property cat as you’re filling in the programs and around programs that are not a set price,” he adds. “I’ll be curious to see how many clients take us up on it.”

Aon also announced on Monday the launch of its Automated Event Response (AER), which enables insurers to view their portfolio risks from U.S. hurricane and European windstorm events. Aon’s Impact Forecasting team developed the modelling offering by amalgamating weather forecasts from several meteorological institutions, including the National Hurricane Center in the U.S., with data from an insurer’s portfolio.

The process is automated, with e-mail alerts forecasting losses and claims count sent to insurers every six hours once the losses go above an established threshold. The solution ties into the national and global weather services and allows users to model relative to their particular portfolio. As the storm tracks change, users get a sense of where their insured risk is, relative to the storm track.

“We started investing in Impact Forecasting many years back to try and build a modelling capability that we could use to help clients understand their own risk,” Andersen explains. “Each iteration of it has gotten better and better, both in terms of scope and what it can actually help us model but also speed of answer.”

Continued from page 1…

It’s certainly positive to see some of the increases coming through that we feel were necessary, but I believe there is some way to go until we can look at ourselves and say, yes, it is now officially a hard market. Let’s see how this is sustained over time.”

Matt Harris, Argo Group

“Partially, I’m a big believer that there is climate change and that it is affecting the frequency and severity of events. Frankly, it doesn’t matter whether this is just a short-term cycle or a long-term cycle – we’re in a period of heightened losses and we need to have better pricing.”

Albert Benchimol, AXIS Capital

“Sharing data is the lifeblood of our industry, but now re/insurers are figuring out which tools, platforms and people they need to invest in so they can differentiate their business.”

Ian Meadows, Director of Insurance, EY, Director, Insurwave
Profitability ‘fatigue’ driving rate uptick

Speaking to Reactions in Monte Carlo, Albert Benchimol, President and Chief Executive of AXIS Capital, and Steve Arora, Chief Executive of AXIS Re, explain why the price hardening seen over the past 12 months is long overdue.

Albert Benchimol: Today what we’re seeing in terms of corrections is not really related to capital at all. It’s related to a fatigue with underlying profitability or the lack thereof. People have seen too many years of disappointing results, with up to 10 years of pricing declines. We’ve seen loss trends go in the wrong direction, and we need to do something about that.

Steve Arora: We may not see the amplitude of changes that we saw historically or in the past, but I’m deeply convinced that rates will move up and down based on performance and also on supply-and-demand changes. It’s extremely clear there’s momentum in the market and there should be. We’ve been collecting fewer premiums per unit of risk over the last few years, with price declines, and more recently there’s been an inflection in the loss trends. They’ve accelerated. And when prices go down and losses go up that leads to a very unhealthy situation.

At the end of the day there is enough capacity in this market that there are not going to be unreasonable profits. But what you need to have is an adequate amount of premium collected by the market to pay for the claims. That is the hallmark of a healthy market.

Is last year’s performance review at Lloyd’s being felt more widely across the industry?

Albert Benchimol: It’s an indictment of the underwriting community that Lloyd’s had to tell syndicates to stop writing bad business. This refreshed look at the profitability of various lines of business is very healthy, and I expect this discipline will continue into next year and probably for a few more years.

Dorian didn’t cause serious damage in the continental U.S., but what impact could a major hurricane still have on the industry before year’s end?

Steve Arora: It’s a devastating situation for the citizens of the Bahamas. If you just look at the global landscape right now and the number of storms that either had made landfall or could make landfall, it’s just another reminder about the exposure that exists.

Albert Benchimol: Don’t forget we had the exact same situation with [Hurricane] Matthew. So it’s now the fourth year in a row where we either had huge threatening storms that missed, or huge threatening storms that hit. Personally, I’m a big believer that there is climate change and that it is affecting the frequency and severity of events. Frankly, it doesn’t matter whether this is just a short-term cycle or a long-term cycle – we’re in a period of heightened losses and we need to have better pricing.

The protection gap is growing in some markets. What can the industry do about it?

Albert Benchimol: There are a number of associations looking to address the protection gap and the Insurance Development Forum is one of those; it is aiming to provide the benefits of insurance to over 400 million people. It’s the only joint venture with the UN, the World Bank and the insurance industry. There are a number of factors we have to look at to address the protection gap. For insurance to work there has to be some data, analytics and modelling, because once you have models and understanding of the risk you can bring capital to that risk.

The other thing we can do is continue to have more product innovation in our business. When we talk about the protection gap, very often we talk about developing countries, but there’s a protection gap right now in commercial business. As the industry changes from being one of tangible assets to one of intangible assets you find that insurance has not responded as well as it should to the emergence of new risks related to intangible assets, reputation risks and supply chain issues.

Steve Arora: Unless the market finds the right balance between risk and reward and corrects the pricing issue we can only expect that the protection gap will grow. Second, commodity products are not good enough anymore and therefore for us to really solve the needs of our reinsurance clients, which face off with communities, we need to be able to listen, respond and customise solutions.
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The ILS market is “finally” going through a cycle after two brutal loss years in 2017 and 2018, which are thought to have cost cat bond holders billions, according to veteran investor Caleb Wong of Invesco. Wong, who has spent more than two decades as a “more traditional asset manager,” said that all asset classes go through cycles.

“Finally, ILS is going through a more traditional underwriting cycle,” he said at an event hosted by Munich Re in Monte Carlo. “It’s this kind of process that makes the market grow better for the future.

“Because one of the things that has changed in the last five years in this market – or maybe the last 10 years – is a greater willingness by third-party capital to be more involved in the traditional layers of exposure that insurers take on.”

Wong said that was quite different to the early days of ILS when the market mainly stuck to cat risk.

In 2017 and 2018 hurricanes, earthquakes, wildfires, typhoons and winter storms dealt around $1.25bn of losses to cat bond investors, according to broker Aon.

“Third-party capital is just starting to learn about what it means to go through an entire loss cycle,” Wong added.

But losses from Hurricane Irma (2017) and Typhoon Jebi (2018) left collateral trapped, unable to be returned to investors, as insurers and brokers struggled to quantify the total losses from those events.

“When we approach looking at a particular risk, we have access to models and the models tell us the stochastic footprint of what this risk is about,” said Wong. “One thing we all take into consideration is what’s behind the structures in the market that drive that stochastic footprint.

“If I take Florida as an example, I can get a nice stochastic view of what the potential loss outcomes might be, but what I don’t see behind the model is an understanding at the ground level of how those models are reported [and] how they develop,” he continued. “That’s the critical thing for ILS [investors]: understanding how losses are reported or any sort of structural issues at the ground level.”

He said in Florida it was the assignment-of-benefits crisis that surprised investors and trapped capital. Assignment of benefits is the process that directs payment to a third party at the insured’s request.

Meanwhile, in Japan, consolidation among a number of the big players had contributed to the slowdown of the loss reporting, Wong said.

“That’s just something that doesn’t show up in the model and these are the things, the extra steps that ILS managers have to take. In other words, becoming more like reinsurers and understanding how those particular sectors of the market behave down on the ground.”

Wong said the possibility of trapped capital has always been communicated to investors.

“When you go through the actual process of understanding loss creep and understanding how losses are reported, you start to understand truly how different segments of a market behave.

“There’s a difference between loss creep that’s coming from Florida and loss creep that’s coming from Japan,” he said.

But Wong noted that identifying those differences helps investors understand how each market is set up and how they want to allocate their capital in the future.

Marc Sordoni, CEO of UnipolRe, said: “The ILS sector is going more and more into the understanding of what reinsurance is.” He added that in the past ILS players were simply writing top layers, but now they have claims management and data quality teams.

But Sordoni said that a stochastic model is still missing for many places. “Five years ago there was quite a huge gap between the ILS vision and the reinsurance traditional vision,” he said, suggesting that the gap is narrowing.
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Tapping a bigger pool of terror capacity

The recent contraction of the retrocession market is not a concern for Julian Enoizi, chief executive of Pool Re, the UK’s state-backed terrorism insurance mutual.

“We have been successful in every year increasing the amount of players that we have on our programme and the amount of capacity that they’re willing to deploy, and I hope that continues at our next renewal,” he told Reactions in Monte Carlo.

The UK terrorism backstop issued its first catastrophe bond in February 2019, a £75m three-year bond issued through special purpose vehicle Baltic PCC Ltd. The decision to issue a catastrophe bond and tap the capital markets for capacity was an obvious one, Enoizi said.

Pool Re’s three-year £2.3bn retrocession programme is one of the largest reinsurance deals in the world, and the largest terrorism risk placement ever. The retrocession wraps around the bond to form a notional layer of £200m in excess of £500m.

“Sources of capital in the investment market are far bigger and we wanted to begin the process of bringing them into the picture so that we had a bigger pool of capital available,” Enoizi said.

As the terrorism threat landscape shifts and evolves, Pool Re is responding by offering products such as non-damage business interruption (NDBI) and cyber physical where there are potential gaps in coverage.

Xceedance teams up with Oasis

Catastrophe Modelling Services, using the Oasis Loss Modelling Framework (Oasis LMF).

The Xceedance offering comprises several global and regional catastrophe modelling companies that implement models on the Oasis platform. It says it delivers modelling services on-demand, with no annual licensing requirements from each modeller, no requirement to use proprietary platforms, and with the flexibility to choose peril models from different model providers.

Model providers currently include Ambiental, Applied Research Associates, CatRisk, COMBUS, CoreLogic, ERN/RED, Fathom, Impact Forecasting, and JBA Risk Management.

The community of model providers on Oasis LMF, in conjunction with the Xceedance catastrophe data/analytics services, make it faster and easier for insurance providers to gain refined and timely visibility into catastrophic risks, the companies said in their joint statement.

“On-Demand Catastrophe Modelling Services on the Oasis LMF opens up a new world of possibilities for re/insurers and brokers,” Dickie Whitaker, chief executive of Oasis LMF, said in the statement. “A service provider with the depth and knowledge of Xceedance adds a cost-effective and practical solution to accessing the expanding number of models available on the Oasis LMF platform.”

Julian Enoizi

Enoizi said there has been a shift from terrorists targeting buildings to civilians, with the threat going through a number of different phases. The source of the threat is changing as well: “Twenty-five years ago it was Irish Republicanism, 15 years ago it was Islamic fundamentalism and now you’re seeing the rise of the far right,” he said.

“We’ve gone from analogue explosives to use of aeroplanes to now cyber and drones and the potential for CBRN [chemical, biological, radiological and nuclear] devices,” he continued. “At the same time, low sophistication methods using motor vehicles and knives are giving rise to non-damage business Interruption losses, which are increasing in size and import.”

The Counter-Terrorism and Border Security Bill 2018, which was signed in February 2019, allows Pool Re to cover losses incurred if a business cannot trade or is prevented from accessing its premises in the wake of a terrorist attack that does not involve damage.

The £40m retro cover was placed by Guy Carpenter with Liberty Specialty Markets as the lead market. Other partners in Pool Re’s big property damage retro programme, including Munich Re and AXA XL, are also participating.

“What we’re doing is keeping pace with the threat landscape and providing the analytics as well as the actual disaster scenarios so that we can better advise customers,” said Enoizi. “But also allow the market to have the information so that they can assess that risk and price that risk.”

As the standalone commercial terrorism re/insurance market has grown, Pool Re has become reinsurer of last resort for spectacular or unconventional terrorism losses. But he thinks there will always be a place for Pool Re as long as covers such as CBRN are not available in the commercial insurance and reinsurance market.

“There will always be a place for a backstop – but the backstop will evolve. Going back 25 years the way Pool Re was set up was virtually from the ground-up, and five years ago it was about £5bn away from the loss.

“If you look at the combination of the things we have done in terms of raising insurer retentions, in terms of buying reinsurance and intensifying retrocession, it has meant that the Government is now £10bn away from the loss.”
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Reinsurers adapt to changing environment

Traditional reinsurers are reinventing themselves to meet tomorrow’s challenges, says Sven Althoff, member of Hannover Re’s executive board.

Is the reinsurance underwriting cycle still with us?
The reinsurance cycle is alive and well. Nevertheless, the cyclicality of reinsurance is changing as the world around changes. Take a look at the renewals in property & casualty reinsurance treaties this year. We achieved some long-overdue price improvements, especially in June and July. But as long as interest rates are ultralow or even negative, there will be ample capital competing for returns. No matter if real estate, stock markets or reinsurance are concerned, the hunt for yield will broadly dampen returns. However, in the end, we are business enterprises. We need decent returns in order to satisfy our shareholders. Therefore, we will continue to see traditional cycles.

So what are your expectations for the general direction of pricing at 1/1?
At the moment, the P&C reinsurance market has regained some ground from an underwriting and pricing perspective. While that helps reinsurers to continue writing the existing business at improved prices and conditions, margins are still not justifying a significant expansion in most areas.

Based on the most recent renewals and a market environment that has become even more challenging with the further drop in interest rates, we are expecting further improvements in prices and conditions for both insurers and reinsurers. Should the current year again see major catastrophe losses as was the case in both 2017 and 2018, then I am confident that prices in loss-affected businesses will improve accordingly.

Is the pressure easing on the industry’s traditional players?
The June and July renewals gave evidence of more rational behaviour in the reinsurance market. We all have minimum requirements for profitability measures such as return on equity, and the industry as a whole was performing below shareholders’ expectations over the last couple of years. We are currently observing positive momentum in terms and conditions in the insurance market, which is much broader in both regional and product scope compared to the reinsurance market.

That eased the pressure somewhat, but it is just a step in the right direction. The coming renewals have to prove that it is a more sustainable development. We have already observed a more disciplined underwriting approach in the latest reinsurance renewals, and the market environment has become even more challenging as interest rates hit new record lows in Europe and the U.S. That makes me optimistic that we will see better prices and conditions in January as well.

How can traditional re/insurers best address their cost base?
We have a lot of duplication of work in our industry. As one example, just look at the placement of a reinsurance contract during which the ceding company, one or more brokers and many reinsurers will work on the same data in their own environments. The establishment of more data standards and more automatic and digital means of transferring data would certainly help to gain efficiencies in this area.

Another example is the provision of services like for instance capital or exposure modelling, where brokers and reinsurers often competing to provide the same service to ceding companies. At Hannover Re we are working in most markets almost exclusively via brokers and we would only provide those services on demand as the value proposition of a broking house has changed towards those advisory and consultancy services.

Is it now essential to have an ILS offering if you want to continue to play in the property cat space?
It’s not essential, but for us ILS is definitely more friend than foe for our industry. We see our role as a transformer that helps to facilitate the transfer of insurance and reinsurance risks to capital markets in a catastrophe bond or other suitable form, no matter whether it is from the life & health space or from property & casualty. We collaborate with banks and brokers and strive to come up with the best possible transaction for our clients.

What trends do you see from a buying strategy perspective?
Some global trends like value concentration, protection gap, climate change and demographic change affect reinsurers and our clients alike. Cyber as well is an important topic for the insurance industry, as it is an emerging risk, which is data-driven and calls for new solutions to be insured.

Besides that, we see higher capital requirements as a result of regulatory changes and increasing risks in areas such as natural catastrophe coverage that could stimulate more reinsurance buying. Reinsurers can help primary insurers address all these challenges.
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Monte memories

We asked: “What are some of your most memorable moments of attending the Monte-Carlo Rendez-Vous, and how has the event helped inform your perspective on the market?”

Grahame Chilton, Chairman, Capsicum Re

The thing that I recall each time I arrive in Monaco for the Rendez-Vous is watching the tragic events of 9/11 unfold. I was in the Hotel de Paris Grill when my phone lit up with messages from many of my American friends: “Could we come to your suite to see the news?” Around 50 people eventually amassed to sadly watch the second plane hit the Twin Towers. Grown men & women shook and cried as events unfolded in front of us – we were horrified by what we witnessed. My lasting thought is of man’s inhumanity to man and the ongoing consequences of a lack of understanding of each other’s cultures and the sad inevitable consequence of a lack of open dialogue.

Over the next few weeks I was personally tasked by an industry leading figure to talk to certain global markets to try and get airlines flying again with emergency cover (the world’s airlines were grounded due to war cancellation clauses). During that time, I saw how we, as an industry, came together.

We should never forget with the navel-gazing of our industry that, to quote Pat Gallagher, “we are the oxygen of trade and industry” as without insurance nothing gets built, nothing gets moved and nothing gets traded; we all should be more proud to be part of this wonderful industry.

Mark Hvidsten, Deputy Chairman, Willis Re

I first attended the Rendez-Vous in 1983, when I was a broker with Minet’s South Africa office. Thirty-five years later, the character of Monte Carlo has changed a lot, in line with the evolution of the reinsurance sector.

That first Rendez-Vous seemed quite extraordinary to me. Minet had a beach tent – that was how companies marked their presence then – and everyone would spend all day hanging out on the beach with their wives (most of the partners were women back then). Clients would be there too, and usually we’d have lunch together. The Rendez-Vous was punctuated by afternoons of golf on the mountain – it was always a shame when mist prevented a round – but only the occasional meeting. We attended dinners every night. The highlight was always Thursday’s Gala Dinner, with its cabaret show, dancing, fireworks sponsored by the Principality, and maybe a thousand diners.

In those days Monte Carlo was much more about bonding with clients. We as brokers of course met with reinsurers and others from our sphere, but the event was much less business-oriented than today. It has been very much like it is now for the past 15 or 20 years, but it was a totally different thing in 1983. The focus then was on networking and renewing friendships. The transition into a more professional occasion of non-stop meetings happened gradually, as the reinsurance sector itself became less informal.

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Achieving growth in disruption

Failure to innovate is one of the greatest risks facing insurers, warns Andy Marcell, CEO of Reinsurance Solutions at Aon.

The past few years have seen great strides in several key areas of our industry: the types of products being offered to clients to help transfer risks, the tools built to help them either manage or retain risk, and the broadened scope of the various pools of capital to take-on risk. It really has been a time of change and advancement. While these developments have been important and necessary – and indeed have helped us to bring more value to our clients than at any other time in our history – a greater challenge endures: that from parties that are able to offer existing and new solutions at a lower cost.

The initial resistance and defensiveness to these new actors – which largely operate in the space that has become known as InsurTech – has given way to a growing recognition that it is vital that we form partnerships and collaborations with companies with the skills and expertise to assist us in our quest to reduce our own costs of operation, improve efficiencies, and bring value to clients.

At Aon, we track more than 1,200 start-ups in order to match clients with technologies and partners to help them reach their strategic objectives.

Failure to innovate, either through their own endeavours or through effective partnerships, is now one of the biggest risks to insurers, and companies should be actively seeking the talent needed to enable them to innovate at a faster pace while engaging in the innovation ecosystem to understand how risk is changing due to new technologies.

Need for faster product innovation

The broking community has one of the greatest roles to play in driving innovation and change. Through the use of effective data and analytic services, we can provide reinsurance and insurance companies with a way to formulate effective growth strategies; targeted and granular data and analytics can help reinsurers to invest in appropriate business areas, talent, and geographies, which ultimately provides the client with better products and more choice.

It can also present opportunities with products that have dropped out of the market in recent years, such as professional liabilities for financial institutions, and product liability for pharmaceuticals and automakers, where risk in these areas have moved back to the balance sheets of pharmaceuticals corporations, automakers and financial institutions to name but a few.

Opportunities for industry growth

To secure our future relevance, we need to make significant investments in developing new revenue streams that allow the industry to achieve continued growth.

In this regard, in 2018 Aon created its New Ventures Group specifically to help realise the full potential of the Aon United growth strategy and focus on the rapid incubation and delivery of new high-impact sources of value. The group is working on a variety of initiatives and now formally sponsors the firm’s Intellectual Property Solutions (IPS) to help manage clients’ intangible assets and expand the marketplace. Across many of the new breed of global giants, the value of their intangible assets far outweighs that of their physical assets. Firms therefore need assistance to both identify and manage risks surrounding business-crucial and proprietary data, and to develop and execute strategies for maximising shareholder value from their IP portfolios.

Another area receiving significant investment is weather risk, especially as investors are increasingly placing pressure on companies to outline their operational plans in respect of climate change. Advanced parametrics are at the heart of this offering, and by overlaying historical weather on clients’ operational data, customised solutions and wordings are created for each client to manage a specific peril’s impact on its revenue.

These are just two areas that are being developed in order to advance our mutual growth, but we as an industry need to look at further opportunities and enter new areas of risk. In this regard, brokers have a responsibility to drive innovation in what is a competitive and fractured landscape. We spend money, time, and resources on creating these solutions, and we should understand that this is all part of the bigger picture of remaining relevant and driving growth within our sector.

Embrace change

Collectively, we are leaders in risk. We are supposed to be experts at identifying, analysing and mitigating exposures. But the reality (and irony) is that we are all too risk adverse – we deal with the risks we have become comfortable with, but shy away from the known unknowns.

When I think about the industry from the outside in, I see huge opportunity to broaden and deepen our impact on the global economy and provide the type of risk financing and protection that allows clients to innovate and to take appropriate risks to create the growth our world desperately needs.

Ultimately, we need to embrace the changes in the world around us, adapt to those changes and also become part of those changes; run to risk, not away from risk.
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More than 25 years on from our founding, we know that change is here to stay. Our response is to combine an unflinching commitment to risk management with a unique approach to customers and capital.

After all, it's not how we view the risks we know well today that sets us apart. It's how we view the risks changing tomorrow.
Finding new business and routes to diversification isn’t easy for reinsurers today. But U.S. mortgage credit risk transfer is proving to be an attractive option for some. Arch Capital Group last year teamed up with Government Sponsored Enterprises (GSEs) in the U.S. to structure a new mortgage credit risk transfer programme. Freddie Mac’s new programme is branded as “IMAGIN” (Integrated Mortgage Insurance) and Fannie Mae’s programme is known as “EPMI” (Enterprise Paid Mortgage Insurance).

The government agencies’ plan was to attract a diversified and robust capital base to the U.S. housing market with an efficient structure that would support market stability throughout changing economic cycles.

Specifically, the IMAGIN and EPMI programmes bring capital to the low down-payment housing market (>80% Loan to Value).

Arch’s role is to supply insurance to Freddie Mac and Fannie Mae through separate captive cell companies that in turn transfers 100% of the risk out to a panel of reinsurers.

Danny Mamo, Senior Vice President, Structured Capital & Mortgage Reinsurance at Arch Capital Group, says the programme is working well for all participants. “There’s good demand from reinsurers to supply capacity and the GSEs are growing their lender partners as well, so it shows it is steadily gaining traction,” he told the Reactions.

Capsicum Re, the specialist reinsurance broker, works with Arch Capital Group on Arch MRT, supporting the IMAGIN and EPMI programmes. In conjunction with Arch, Capsicum’s head of mortgage reinsurance Steven Rance has assembled a panel of highly rated re/insurers that assume the risk from Arch MRT.

“Steven Rance has assembled a panel of highly rated re/insurers that assume the risk from Arch MRT.

“We’ve increased the reinsurance participation over the three transactions done so far. Every transaction has seen existing participants remain and more new participants have been added to the panel every time,” said Rance. “There’s never been a time like this for reinsurer appetite and capacity in the mortgage segment. It’s being driven by the GSE activity and the huge amounts of data they can now make available to reinsurers.”

Mamo says that Arch wants to source more capacity and that Monte Carlo is a good place to spread the message. “We talk to reinsurers on a global scale, explaining the risk. The reinsurance market has become more comfortable with taking U.S. housing risk,” he says.

“With the Arch MRT structure we’re introducing a new channel, from a risk-taking perspective, that wasn’t historically available to reinsurers.”

Rance agrees and says that the long-term MI reinsurance players know how the market has changed since the sub-prime crisis of 2008. Newcomers to the line are well briefed by Capsicum Re. “When it comes to reinsurers looking at the business for the first time, we see helping them fully understand the risks and the potential returns as a long-term process,” Rance said.

The IMAGIN and EPMI programmes are unique to the U.S. housing market, but Mamo reckons that the private mortgage reinsurance market can flourish in other regions.

“Arch is in a number of other markets outside the U.S. – in Australia for example, in Hong Kong and in Europe. The structure in the U.S. with the GSEs Freddie Mac and Fannie Mae is somewhat unique, but in terms of the captive cell type structure, it is used in other jurisdictions,” Mamo said.

Rance, who was involved in the first UK government backed guarantee scheme, NewBuy, back in 2012, sees opportunities in emerging housing markets as well. “Home ownership is growing in emerging economies, especially in Asia, and it will drive growth in these types of structures because they sustain lending and long-term home ownership. It’s an exciting time.”
When it comes to matching an address to your risk data, close is not close enough.

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Managing a change in the weather

Any discussions among re/insurers concerning natural catastrophes usually revolve around insured windstorms. But that’s changing as flooding, drought and secondary perils like wildfire become more commonplace, according to Junaid Seria, Global Head of Governance, R&D, at SCOR.

Which natural perils need closer attention from re/insurers right now, and why?
On average, flood accounts for about a third of economic losses from natural hazards globally. This ratio is forecasted to increase due to climate variability and the expansion of built environment along coastlines and into floodplains. Worse still, 90% of these economic losses are uninsured. This is due to a number of factors, including the fact that floods can be very expensive. In the past, flood has been a very difficult peril to model and quantify, characterised by very high spatial variability – a doorstep, for instance, can make a difference. If the market doesn’t understand a given peril, then there is higher reluctance to offer coverage. There are also very few flood models available in developing countries where the protection gap is highest, although the technology and data does exist to support these markets.

For this reason, SCOR has a Global Flood initiative focusing on developing modelling solutions to help us and our clients improve flood risk management.

Meanwhile, the California wildfires in 2017 and 2018 set multiple records for size, devastation and loss. A single year of high losses can bring some focus on a peril, but two brings a strong sense of urgency. In 2019, we see a lot of focus on wildfire and it’s wonderful to see the innovative ways that insurers are managing their exposure to account for what has been learnt about this peril.

At SCOR, following the recent wildfires, we’re updating our modelling tools and developing our capabilities to support our clients assess their wildfire risk. Wildfire losses will become more and more important to insurers, globally, as climate change leads to hotter and drier conditions in many parts of the world.

Although California receives a lot of focus due to the combination of high wildfire frequency and high property values, wildfire is equally important for other markets. At least three markets around the world (Canada, South Africa, Portugal) have recorded their largest Natural Catastrophe loss on record due to a wildfire in the last four years. In many European countries, we now find that regional insurers are assessing concentrations of risk within the wildland urban interface.

There’s an increased appetite for parametric covers, especially in the context of closing the protection gap. What’s behind that?
The first half of 2019 illustrates the devastating impact extreme weather has on the poor in developing countries. Cyclones Idai and Kenneth caused severe damage in Mozambique and cyclone Fani caused severe storm and flood damage in India and Bangladesh. These events illustrate how the protection gap is growing: as more people live in harm’s way, exposures grow and climate change brings more intense weather events.

However, governments are responding and we see more public-private engagement to tackle this problem at both local and national government levels. Parametric products offer an effective, simple and fast mechanism for accessing re/insurance coverage in under-served markets. With the deep expertise of our Agriculture and Alternative Solutions teams and sophisticated modelling tools, SCOR is well positioned to help cities and governments close this protection gap.

Drought conditions in some areas are putting a strain on water-management systems that were designed for a more stable climate. Can parametric solutions improve resilience in such cases?
Indeed, we saw this in the case of a number of large developed cities like Barcelona, Sao Paulo and Cape Town. Growing demand for water at a rate not met by supply reduces the city’s reserves. During prolonged droughts, made more frequent with climate change, dams are more likely to run dry unless we make the requisite investments in infrastructure and reduce CO2 emissions. We’ve seen in the media the devastating economic impacts of these water crises on tourism, food production (and hence inflation), revenue to the city from the provision of water, hydro energy production, etc.

SCOR’s Alternative Solutions team has provided a number of parametric solutions to mitigate the impact of these costs. These could include covers that indemnify loss of revenue to the water utility or that covers the additional costs to the city of dealing with the crisis (e.g., the cost of importing drinking water).

One positive consequence in the case of Cape Town’s recent water crisis is the change in habits to preserve water, demonstrating that we all have a role to play.
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Time for decisive action on weak business

S
ince taking the helm as head of international at Argo Group in January, Matt Harris has made some difficult decisions to divest the company of unprofitable business. Most recently, Argo announced its Lloyd’s Syndicate 1200 was withdrawing from Asia Pacific and exiting the marine hull class of business.

“We’ve taken significant steps to remediate poor-performing portfolios,” Harris told Reactions in Monte Carlo. “And I think we’ve taken some incredibly positive steps on our Syndicate business and our European and Bermuda business over the last of 18 to 24 months, which is really starting to pay off.

“We’re really trying to demonstrate that we’re prioritising areas in Syndicate 1200 that we know are sustainable and that have margin,” he added.

The Asian business and marine hull book constituted around 4% of the gross premium of the overall business, Harris stressed.

“It’s just challenging to get scale and the combined ratios weren’t what we needed them to be,” he explained. “So at least as far as hull is concerned we didn’t see that that was going to change anytime soon for us.

“We do know that Asia in the long term represents great potential for Argo, but just at this point in time we needed to take a pause and focus on other parts of the syndicate that we thought warranted more attention.

Harris agreed that recent rate hardening has been driven more by concern over profitability than any meaningful contraction in capacity. He thinks price improvement still has some way to go.

“My view is that ‘hardening’ is a debatable term,” he said. “I’ll echo something that our CEO said at the pre-forum address last week: if you look back five or six years to where property rates were, to say that we’ve hardened to where we were at is not really true over that timeframe.

“It’s certainly positive to see some of the increases coming through that we feel were necessary, but I believe there is some way to go until we can look at ourselves and say, yes, it is now officially a hard market. Let’s see how this is sustained over time.”

Harris is bullish about the outlook for his division’s future. “I’ve spent a lot of time since taking on the role assembling a really strong leadership team and continue to take tough decisions of portfolios that haven’t been giving the returns that we need,” he said.

“It’s all about prioritisation,” he adds. Gone are the days where as a carrier you can go out with dozens of products in lots of jurisdictions and just wait for a few of them to work. We are very targeted in how we define our geographic preferences, and certainly we only want to compete from a product perspective in areas where we know we bring expertise to the table and we’ve got some sort of differentiation.”

Nephila to open Lloyd’s agency

A
sta, the Lloyd’s third party managing agent, has announced that Nephila Capital, the specialist ILS re/insurer and investment manager, has received UK regulatory approval to establish its own Lloyd’s managing agency.

The independent entity, Nephila Syndicate Management Ltd (NSML), will operate from 11 October 2019.

Nephila’s Syndicate 2357 was launched under Asta’s management in 2013, creating a blueprint for future ILS vehicles entering the Lloyd’s market. The business has grown significantly and is set to meet the £400m stamp capacity planned for 2019.

The syndicate is now an important platform for Nephila’s funds and the launch of NSML is the natural next step in its strategy for creating future growth, Asta stated.

“We are excited about this new phase in the development of Nephila’s business at Lloyd’s and we’d like to thank Asta for their outstanding contribution in helping us to reach this important milestone,” Adam Beatty, CEO of NSML, said in a statement.

“From our launch in 2013, to the point where today we are ready for independence, their expertise and experience has been invaluable.”

Asta CEO Julian Tighe added: “There are always mixed emotions when a managed syndicate makes the move to independence. We’ve been proud to partner with Nephila on their journey from establishing the first ILS syndicate at Lloyd’s, to the successful launch of their own managing agency. It’s been a pleasure to work with the team at Nephila and we wish them every success in the future.”


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Market is tightening up: Hannover Re

Prices and conditions have taken a “more pleasing turn” in 2019, according to Hannover Re, although surplus capacities and historically low interest rates remain a challenge.

“In recent months we have been able to secure initial price increases across the board,” Chief Executive Officer Jean-Jacques Henchoz said during the reinsurer’s Monte Carlo press briefing Monday. “The renewed drop in interest rates remain a challenge.

The decline in rates in the years up to 2017 left its mark on the technical results posted by the entire industry, which came under added strain from further considerable large losses in 2018 and the need to set aside additional reserves for prior-year losses. As a counterpoint, there are clear signs now that underwriting discipline is tightening up in the primary market as well with a view to rehabilitating unprofitable portfolios, Henchoz said. This is reflected in rising prices for primary insurance, which benefits proportional reinsurance in particular, he added.

Particularly marked price increases were booked in programmes or regions that had suffered losses, Hannover Re said in its outlook. Rates have tended to stabilise for loss-free covers, although in some areas they even moved higher. The overall picture was one of rates broadly commensurate with the risks.

Commenting on conditions in Europe, Hannover Re expects to see further premium growth in the German property & casualty primary insurance market for 2019, the main driver being rate increases in the property line.

In the United Kingdom and Ireland there is some hardening of the market on the primary side. The review carried out at Lloyd’s has led to a shortage of supply for some coverages and caused the rate level to rise across all lines.

The market for motor business in the UK has seen slight price reductions in anticipation of an adjustment to the Ogden rate to minus 0.25%.

In North America rates are rising in all lines, except workers compensation, by at least single digits, with increases running into “comfortable” double digits in loss-impacted areas, Hannover Re said.

“However, despite the sometimes appreciable price adjustments seen for loss-affected programmes, it is proving difficult to fully place them in some instances,” Hannover Re added. “Rate increases can also increasingly be observed under programmes that have not suffered losses.”

Structured reinsurance is finding favour in all markets, and Hannover Re expects to see greater demand for tailor-made reinsurance solutions in the coming year.
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CCR: Executing the plan

Q&A with CEO Bertrand Labilloy

Are there still legal challenges to CCR’s natural disaster reinsurance scheme and the guarantee granted to it by the French State, following the European Commission’s 26 September decision on the matter?

This case is completely and definitively over. Last May, the EU Court ruled out a long-lasting recourse on competition law ground, confirming once and for all the legality of the French Natural Disasters scheme under European law regime. This followed similar cases which led to similar conclusions with respect to French law couple of years ago. At the end of the day, CCR is in the business to serve French cedants and beyond to support the French economy when it comes to facing the impact of natural disasters.

France faced a severe heat wave: how does CCR cope with that kind of sinistrality?

I must recognise that the 2016-2018 period contrasted with the [2005-2015] decade during which France experienced a relatively mild weather with relatively few natural disasters, and CCR posted large profits and strengthened its reserves. CCR could not do so during the last three years, which is not a concern per se. Rather, it is the reflection of our business model. In fact, at the end of last year, CCR’s equity was still very high at €5.3bn, enough to cover a one-in-40 years natural disaster in the French territories, and its intrinsic profitability has somewhat improved thanks to lowering management expenses. In that respect, 2019 could be a “normal” year despite this summer heatwave. In any case, claims expenses for the first half were particularly modest, down €260m year on year to €135m.

Since its inception in 2017, does CCR Re’s bottom line deliver compared to its strategic plan?

CCR Re’s bottom line has steadily improved since its inception: in fact, it has practically tripled for the last three years! This strong performance is driven by the new streamlined underwriting policy, as well as by the transformation of the company. The combination of both allows our combined ratio to be back in the market standards. It stood at 99.4% for 2018 and it stands at 98.2% for the first half. In view of this, the strong growth of our book – 17% last years, 16% during the current year renewals – sets a virtuous dynamic that is recognised by rating agencies. S&P changed our rating outlook from stable to positive, while AM Best upgraded CCR Re’s capital position assessment from “strong” to “very strong.”

In parallel, how has the company’s transformation materialised?

The company’s transformation has materialised via the setting up of a dedicated company and the change of the underwriting policy that sets more diversification in terms of countries and business mix. That said, the transformation goes well far beyond. During the last period, we reengineered internal processes with the view of being more agile and lean and we brought fresh blood to our underwriting team, so that it is now truly international and younger. While being still linked to CCR for the support functions, CCR Re's organisation was completed to offer a full-service, better experience to clients.

Our transformation is still ongoing; in particular, we are introducing innovative tools either to manage contracts, accountings (with AI techniques), or to finance our business development (with the creation of 157 Re, first sidecar operated under French law).

How does CCR Re position itself in a competitive landscape?

CCR Re is unique: given its size, it could be ranked among the regional reinsurers, which it is not since it operates in more than 60 markets all over the world. At the same time, we are not trying to copy what global reinsurers do, even if we benefit from our 70-years-long experience in the business and our recognised expertise in some specialties. We are focused on our current business lines, markets and clients. To put it simply, we are a multi-regional and multi-specialised reinsurer aiming at best serving our longstanding clients.

What are your plans for the years to come?

At the end of this year we will have reached all of our [2017-2020] business plan objectives. For the years to come, CCR Re aims at consolidating its position in the global market and improving further its profitability while keeping its DNA. We are robust and conservative by culture, but we are also keen to implement innovative tools to better serve our clients with a long-term commitment view. We do not only believe in our value proposition, but we also strongly believe in our corporate vision and capacity to attract new talent. ●
Data sharing is industry’s ‘lifeblood’

Collaboration, plug-and-play platforms, and data sharing will spark the next wave of innovation in the re/insurance industry, according to Ian Meadows, Director of Insurance at EY and director of blockchain-enabled insurance platform Insurwave.

Speaking to Reactions ahead of the Rendez-Vous de Septembre, Meadows said the industry had made the necessary cultural shift around sharing transactional data.

“We have changed over the last few years and we can see that in what’s coming out of Central Services at Lloyd’s, the way brokers are behaving now in their push toward facilities and what they’re prepared to do,” he said.

“Sharing data is the lifeblood of our industry, but now re/insurers are figuring out which tools, platforms and people they need to invest in so they can differentiate their business.”

Insurwave is a joint venture initiative developed by EY and tech firm Guardtime, working with marine giant Maersk, Microsoft and insurance industry leaders including Willis Towers Watson, XL Catlin, MS Amlin and ACORD.

Initially targeting the marine hull sector, it is already operational and estimates that between 30,000 and 40,000 automated ledger transactions will take place on the platform this year.

“We’re now at the point where we have a critical mass of brokers and re/insurers on the platform and we’re accelerating the on-boarding of many more shipping companies into the model,” Meadows explained.

As the platform gains momentum, it is becoming clear that the next phase of innovation in the specialty commercial insurance and reinsurance industry is coming, he said.

“I look at some of the investments the big reinsurers are making in Silicon Valley and there are some interesting ideas around how you partner with companies providing services, portals, drones, etc., and connecting them straight through to the reinsurance capital,” said Meadows. “So it’s about reinsurers providing services through their MGAs and back to the end client.”

Far from the concern over the potential for disruption by tech firms, it is increasingly apparent that all parties can benefit from working more closely, he added.

“Now the trend around all the different technologies is that we’re coming to a point of clarity about what they do, but also their ability to work with each other. That’s what’s going to potentially start the next wave of innovation for industry.”

“Hopefully it will become the norm that we provide data and automation and high levels of service. And one can then focus on underwriting and products and capital and differentiators.”

Among the recent analytics integrations are a tie-up with a third party that provides shipping data and a firm providing artificial intelligence-led insights.

“There’s a real community building amongst the InsurTechs anyway, because that’s just how they survive,” he continued. “We’ve found that we’ve become a natural home for other technologies to integrate into.”

With dozens of brokers and re/insurers plugging into the marine platform, the next phase is to roll it out to other types of business insurance for the marine cargo, global logistics, aviation and energy sectors.

Offshore wind risk profile arouses concerns

Offshore wind asset owners and investors are becoming exposed to technical and supply chain risks alongside natural catastrophe and extreme weather at the same time as the sector expands globally, prices fall, and technology evolves.

More sustainable approaches to risk management and insurance are required to ensure that this changing risk profile does not affect project-delivery timing and successful long-term operations, according to GCube Insurance, the renewable energy insurance provider.

GCube, which underwrites over 13.5GW of offshore wind capacity in markets including Europe, the USA, Taiwan and Japan, analysed claims data from the last year that reveals important risk profile trends. The findings include:

• A number of costly inter-array cable faults are caused by malfunction of fibre optics designed to monitor cable performance. Cabling losses account for 55% of total claims handled by GCube in the past 12 months;
• A rise in the frequency and severity of claims relating to foundations – particularly monopiles installed at deepwater sites. Foundation-related losses now account for 35% of total claims;
• Significant mechanical breakdown losses incurred at all but one of the floating wind installations currently in operation worldwide;
• Growing exposure to natural catastrophe in the Taiwanese and US offshore wind markets as well as losses involving extreme weather events that cause significant project damage but do not fall under conventional definitions of natural catastrophe;
• Issues related to contractor error as the industry drives to reduce the “levelised” cost of energy in established markets, putting pressure on the supply chain, and begins to work with inexperienced local teams in emerging markets.

Human error is involved in 70% of total claims over the past 12 months.
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Geocoding with pinpoint precision

Using hyper-accurate location data can save insurers millions in premium leakage, according to Jean Sullivan, Pitney Bowes Vice President, Insurance Software Sales, Americas

**Better geolocation data and geocoding benefits insurers and reinsurers because it leads to better risk selection. What advances is Pitney Bowes making in these areas?**

In geocoding the big advance recently has been using Big Data technologies to improve accuracy. There are a few datasets out there that can find a pinpoint location 50% – 90% of the time. At Pitney Bowes, we combine all of them together, and often get 95%+ point level accuracy. We have seen that “close enough is not good enough”, because less accurate can amount to millions of dollars in premium leakage across a carrier’s book of business. With the razor thin margins in our industry it’s therefore critical that carriers have not only accurate, but hyperaccurate location data.

**Mixed exposures, imprecise data and an inability to see aggregate views of risk in real time continue to impair underwriting. Is it time to rethink property underwriting in general?**

I do not think underwriting is fundamentally broken, however many carriers have not kept up with the technology that supports it. All of the capabilities we’re talking about today – Big Data, AI and operationalising the data – give us unprecedented insights about a location. But many carriers are still using processes that an underwriter from the 1980s would recognise. We recently worked with the Harvard Business Review on an article titled “Close, but Not Quite There”, which I think is a good way to describe the current state of P&C underwriting. It’s a mostly sound process, but very few carriers are fully exploiting the capabilities available to them.

**What trends are you seeing around aerial imagery, and how it can enhance the claims process?**

At Pitney Bowes we work with multiple aerial imagery companies to support use cases not only in claims, but underwriting as well. While claims damage assessment is still the most common usage for the imagery today, AI “feature extraction” for underwriting is one of the areas of biggest potential. We think aerial imagery is a dataset that will be used in multiple applications, so we’ve linked imagery datasets from multiple vendors to our master database of US locations. That will allow our clients to easily access imagery for any property, regardless of what department they work in.

**What exactly is the pbKey? How does it improve data consistency?**

The pbKey is a unique, persistent identifier for every addressable location in the country. “Unique” is important because it avoids many of the matching errors commonly found in address-based datasets, like people entering “Street” when it should be “Drive”, or dealing with 60+ streets in Atlanta all named “Peachtree”. The “Persistent” part is also critical because street names change, zip codes are reassigned, and parcels get joined and split. Using an address therefore loses the ability to track the location over time. Finally, a single ID is vastly more efficient for databases and machine learning models to deal with rather than parsing a full address and performing point-in-polygon operations every time the data is accessed.

**How does giving clients access to insight, and not just a score, help them make better decisions?**

We believe both are important. Many carriers want a number they can plug into their algorithms. They may not have wildfire experts on staff, for example. In that case you need the best score that technology can provide. Other carriers, however, really want to dig into the data and make their own determinations or apply their own methods and data to the detail so a “black box” score is not useful. We do not believe we have a monopoly on analytic know how, so we provide the scores where appropriate, but also always provide the underlying data for further analysis.

**Can you elaborate on why developing an elite data set is so important?**

I think that any insurer understands intuitively that the better the data they have on a property, the better decisions they can make. What people don’t always recognise is how granular the data needs to be in order to really optimise a decision. For example, we have a customer who bought our location data after a multi-million wildfire loss where they literally lost houses on one side of a street but not the other. Many carriers are still making critical decisions at the zip code level, when they really should be looking at each parcel individually.

**Are cat modellers doing enough to improve the accuracy of their geocoding?**

For a long time the attitude in cat modelling was that catastrophes affect areas hundreds of miles across, so precision was not important. In the last few years, however, we have found that cat modellers are keenly interested in improving the accuracy of their location data. This is partly due to the massive losses cat events have caused recently, but also because a basket of technologies like Big Data, Cloud Processing, and Machine Learning make precision models possible. We work with several of the largest cat modellers to provide hyper-accurate location data that becomes the baseline for all their modelling efforts.
Reinsurance Collateral Trusts

The limitations and costs associated with traditional collateral options such as Letters of Credit have dramatically fueled the growth of alternative risk transfer strategies amongst insurers, reinsurers, captives and corporations. Fluid regulatory, financial and risk management environments demand lower-cost collateral solutions – solutions that afford maximum flexibility with minimal effort to set-up and maintain.

It’s a need that has given tremendous traction to the insurance-linked securities (ILS) market and in particular the emergence of reinsurance collateral trusts.

The SunTrust advantage

SunTrust has a long history of escrow, trust and risk management excellence and expertise, with both domestic and international coverage. We work with large and small carriers alike to help mitigate risk for their insurance business needs.

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- A Dedicated Single Point of Contact – we steadfastly believe in the value of a dedicated client manager who knows the unique challenges of your business and quarterbacks your relationship with the bank.

- Rapid Response Times – while other banks can take weeks to respond, SunTrust can typically resolve covered loss requests in a matter of 24-48 hours; and because we’re a custodian for the collateral that secured the contract, insurers get paid immediately.

- Operational Efficiencies – from pre-arranged agreements with major insurance carriers to streamlined onboarding and KYC processes, our knowledge of the reinsurance trust business helps ensure that things are done right and done fast.

To find out more about how SunTrust can support and enhance your reinsurance business, please contact:

Donny Tong  
SVP, Business Development  
212.590.0976  
donny.tong@suntrust.com

Joseph Monaco  
VP, Client Management  
212.303.1746  
joseph.monaco@suntrust.com

Barbara Aubry  
SVP, Business Development  
212.303.4164  
barbara.aubry@suntrust.com

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