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MIAMI REINSURANCE WEEK TODAY

'Tougher decisions lie ahead' as new capacity faces Latin American market: Hannover Re

CAPACITY IS COMING BACK into Latin America, and that is about to test whether the underwriting discipline rebuilt over the past two years will actually hold.

This accounts for the tension running through conversations at Miami Reinsurance Week as reinsurers and cedants look ahead to the July 1 renewals – the most important date in the Latin American calendar.

After a period in which limited capacity helped restore pricing and terms, fresh interest

is emerging from markets traditionally focused on Europe and the US. New entrants are seeking diversification, options for cedants are widening and competitive pressure is returning.

Martin Heinz, managing director with responsibility for Latin America at Hannover Re, says this shift is already influencing how reinsurers think about pricing.

"I think it is safe to say there will be sufficient capacity for most lines of business, at least for the traditional lines," he told *Miami* 3 →



Martin Heinz

'COMPELLING OPPORTUNITIES' in Brazil – but caution remains



Karsten Steinmetz

"LATIN AMERICA, AND BRAZIL in particular, stands at the beginning of a new cycle. It will be defined by heightened interest by international investors, increased risk awareness and client sophistication."

That's the view of Karsten Steinmetz, chief executive officer of Munich Re do Brasil. And for him, that "new cycle" in Brazil is not about a swing in pricing. It is about a structural shift in how risk is perceived, regulated and managed.

Steinmetz says the Brazilian market

is moving beyond being primarily a price discussion. Instead, the focus is turning to catastrophe exposure, regulatory clarity, modelling discipline and the growing technical expectations of buyers.

"There are clearly some compelling opportunities across all our sectors," Steinmetz told *Miami Reinsurance Week Today*. "Recent flood events have materially increased demand for reinsurance cat protection. Life and specialty (cyber, agriculture) are expected to grow 4 →

INSIGHTS AND ANALYSIS FROM MORE LEADERS INSIDE



Lee Ellis



Marc Lipman



Priscilla Pazmino



Santiago Deluchi

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RENEWALS

'Tougher decisions ahead' as new capacity faces LatAm market

➔ *Reinsurance Week Today.* “On the back of favourable results over the last year, we also expect an influx of new capacity in this region as providers normally focused only on Europe and the US seek to diversify.”

He warns that this will affect behaviour and influence underwriting discipline. “New capacity often achieves success only through flexibility on prices and terms... where price adequacy has not been achieved, we will start taking tougher decisions.”

Those tougher decisions, rather than headline rate movements, are likely to define July.

Not one market

Understanding how those decisions play out requires recognising that Latin America cannot be treated as a single market. Economic conditions vary sharply by country, some suffering headwinds while others are enjoying

“Clients will expect savings in reinsurance prices, but not everyone will achieve them.”

tailwinds, directly shaping insurance growth and reinsurance demand.

“We are looking at economic development on a macro scale,” Heinz explained. “Insurance market growth and capacity needs will be closely correlated to these trends.”

Low insurance penetration continues to present structural growth opportunities, particularly in homeowners’, mortgage and specialist areas such as agricultural insurance, as economies develop. But even here, differences are significant.

“We see growth from many sides,” he said. “In agriculture, premiums often depend on government subsidies... in some countries the stability of production is lacking because there is no budget allocated for premium subsidies.”

KEY POINTS:

- **Low penetration drives growth potential**
- **MGA capacity raises alignment concerns**
- **‘Patience, continuity and discipline’ will matter**

Political and economic volatility in markets such as Argentina and Venezuela has tested many reinsurers’ commitment over the years. Heinz believes navigating through those cycles has become a differentiator.

“Our strength is our continuity. We have never left the market and have always supported our key partners through thick and thin.”

He added that clients value this reliability over opportunistic returns. “If you are only now returning to the market because of a swing in fortunes, you have to prove your reliability.”

As new capital enters Latin America, that track record carries weight.

Client expectations are also evolving in ways that go beyond traditional discussions of limits and pricing. In some markets, Heinz noted, the real access constraint is not to reinsurance capacity but to US dollars.

“In some countries, the problem is not capacity, rather access to US dollars. The underwriter has to be patient and wait for payments... not everyone does.”

At the other end of the spectrum, cedants are forming captives to centralise their reinsurance purchasing and seeking advice on risk management practices and accounting changes.

“And in other jurisdictions, cedants would like to hear about our experiences with changing accounting rules to IFRS 17. Hannover Re is in the unique position of being able to cater to all these needs across the whole spectrum and everything in between,” he said.

Managing new risks

Risk management itself is becoming more complex as secondary perils and social risks rise in importance.

“We are identifying near-real-time where wildfires are causing losses to our insureds’ portfolios and conducting sentiment analysis to identify possible riot hotspots. These secondary perils are increasingly relevant to us,

and we need to develop new tools in order to be able to offer coverage to our clients,” Heinz said.

But data quality remains uneven. “I think clients in many areas are already providing us with very good data; but it could always be better,” he said. “However, not all regions provide the same level of granularity and in some countries such as Mexico we are still looking for improved levels of information.”

Another discussion point in Miami will be the growth of local capacity, including that provided through MGAs. Heinz is cautious about how stable this trend might prove.

“Of course, the questions will centre around expectations for the July renewals. Clients will expect savings in reinsurance prices, but not everyone will achieve them. Reinsurers will first look at historic profitability, then at price adequacy in order to protect their P&L.

“If you are only now returning to the market because of a swing in fortunes, you have to prove your reliability.”

“We will also see discussions around local capacities, which have increased because of MGA-provided capacities, among other factors. Whether MGAs will prove to be a stable part of Latin American capacity remains to be seen, however our experience in the property sector is rather mixed because of a misalignment of interests.”

Looking further ahead, Heinz is clear on what will matter most: “Patience, continuity and discipline”.

“Our focus is on our low operating costs, which allow us to be more stable in our pricing approach and maintain a strong bottom-line focus,” he concluded. “Clients value this approach since it also gives them immediate access to decision makers, allowing for faster execution.” ●

BRAZIL

'Compelling opportunities' in Brazil – but caution remains

➔ supported by improving insurance penetration and stronger macroeconomic fundamentals.”

He also noted that reinsurance is becoming “increasingly attractive” as a capital management solution, particularly when insurers are growing.

But he is careful not to let optimism run unchecked. “There are areas that require particular prudence,” he cautioned. Regulatory uncertainty, particularly around the interpretation and implementation of the new insurance law that came into effect in December 2025, “could affect litigation exposure, claims inflation and pricing”.

That balance of growth potential alongside regulatory and technical complexity defines how Brazil is being discussed at this year’s Miami Reinsurance Week.

Catastrophe risk reshapes the agenda

Steinmetz expects three main topics to dominate discussions: catastrophe risks, capacity requirements and technology. For Brazil, catastrophe risk is clearly front and centre.

Severe flooding in Rio Grande do Sul has altered how insurers view flood exposure. Globally, insured losses have again exceeded \$100 billion, driven largely by non-peak perils such as floods, wildfires and severe convective storms. South America, he stressed, is not insulated from intensifying climate-driven volatility.

At the same time, exposures across the Andean Ring of Fire “warrant renewed focus” with recent multi-risk analyses highlighting the potential for correlated earthquake, tsunami and landslide cascades across Chile, Peru, Ecuador and Colombia. Even if Brazil’s direct exposure differs, the awareness of systemic catastrophe risk is influencing the entire region.

Climate variability adds further complexity. With La Niña expected to fade into ENSO-neutral conditions and the probability of El Niño increasing later in the year, Brazil might face hotter and drier conditions, while Argentina could see elevated heat stress. These shifts, he said, have “clear implications for agriculture, wildfire risk, hydro-dependent exposures and power pricing”.

KEY POINTS:

- Brazil faces new cycle, new demands
- Market moves beyond price
- Technical discipline key to growth

In response, catastrophe modelling is being reassessed. Exposure models must reflect evolving climate patterns and technical discussions between cedants and reinsurers have become more detailed and forward-looking.

Risk frameworks under review

Beyond catastrophe, Steinmetz said, reinsurers are rethinking broader risk frameworks.

Persistently high claims inflation remains a concern, particularly in motor, where underlying repair and labour costs remain elevated, even if headline inflation appears moderate. Underinsurance, he noted, “is a structural vulnerability that can create reputational challenges for insurers.”

“Regulatory uncertainty around the interpretation and implementation of the new insurance law could affect litigation exposure, claims inflation and pricing.”

Litigation and regulation are also under “heightened focus”. In Brazil, the new insurance law is already “influencing loss ratios, claims behaviour and policy wording interpretation”. Broader geopolitical developments, including US sanctions affecting individuals in the region, add further uncertainty.

All of this means pricing adequacy cannot be evaluated in isolation. Technical ratios vary widely across reinsurers, primary insurers and lines of business. “There is no single market-wide trend,” he explained. Certain segments, such as agriculture, are attracting new capital as reinsurers adjust their risk appetite.

For Munich Re, Steinmetz said, the response is rooted in long-term presence and technical discipline. The company’s approach is to sustain a “client-centric presence through its local office and claims responsiveness”.

“This provides peace of mind to our clients in turbulent times,” he added. “Upholding strong technical underwriting standards and advocating for a sustainable commercial approach across market cycles is key.”

Asked whether regulatory clarity has made Brazil more attractive for long-term reinsurance capital, Steinmetz was measured.

“A multi-year observation period will be required before definitive conclusions can be drawn.” While governance standards have improved, he said “residual uncertainty around the practical implementation of the new insurance law tempers this optimism”.

At the same time, the market structure is evolving. “Brazil operates as a hybrid market,” he said. “Local reinsurers retain significant presence but are gradually losing share to offshore players.”

“With new regulatory or fiscal incentives being absent, the shift toward greater international participation is likely to continue.”

More sophisticated buyers

Another defining feature of this cycle is the sophistication of Brazilian insurers. They are no longer simply buying capacity alone.

“Brazilian insurers now expect joint modelling exercises and portfolio deep dives, greater transparency in pricing discussions and early collaboration on regulatory adaptation and product design,” Steinmetz said. There is a growing recognition of the value reinsurers can provide beyond pure risk transfer.

Interest in alternative structures, particularly in parametric covers, reflects that maturity. “Demand is strongest in agricultural lines and government entities are increasingly exploring public-private partnerships to safeguard public assets and vulnerable populations.”

For Steinmetz, these developments point to a market that is becoming more technical, demanding and resilient. In that environment, the aim is to deepen collaboration and “grow especially in high-quality businesses across property, speciality and life”. ●

CAPITAL

Volatility drives capital rethink

Lee Ellis, of Augment Risk, explains why Latin American cedants are shifting focus to how different forms of capital work together to manage significant cat exposure and aggregation risk.



Across Latin America and the Caribbean, discussions are increasingly focused on how different forms of capital – from structured reinsurance and parametric solutions to insurance-linked securities (ILS) – can work alongside traditional reinsurance to manage aggregation and second-event risk better. That shift is also shaping discussions at Miami Reinsurance Week and influencing how strategies are being set for the year ahead.

For Lee Ellis, managing partner, capital solutions at Augment Risk, the change reflects a market that has become more disciplined about capital deployment.

“One of the strongest themes we identify from regional clients across Latin America and the Caribbean is the need for greater resilience and responsiveness in an uncertain environment,” Ellis told *Miami Reinsurance Week Today*. “Recent loss activity has reinforced the value of solutions that respond quickly and predictably.”

Miami has long been associated with Latin America and the Caribbean, but Ellis said its role has broadened as global capital has taken a closer interest in the region.

“Miami itself has become a global hub, attracting greater interest from global reinsurers and capital providers,” he said. “It is now an essential market in the global reinsurance ecosystem.”

For Augment Risk, the value of the week lies less in execution and more in perspective. “It is an opportunity to speak with our partners and link regional need with global appetite,” Ellis said. “It enables us to engage early in the year with a wide range of stakeholders on how risk is evolving regionally and ensure the capital solutions we create are aligned to reality.”

Rather than viewing different forms of capital as alternatives, Ellis said clients are increasingly focused on how they can be used together.

“Discussions are increasingly focused on how different forms of capital, such as structured reinsurance, parametric and ILS, can interplay with traditional reinsurance to better

KEY POINTS:

- Capital mix shifts to manage aggregation
- Parametric and ILS move centre-stage
- Cedants seek predictability, not just cover

manage aggregation and second-event risk,” he said.

That thinking reflects the operating environment many buyers face. Volatility remains a defining feature across LatAm and the Caribbean, driven by catastrophe exposure and broader economic uncertainty. In response, interest in more adaptable approaches to risk transfer is building.

Ellis said this includes “increased use of parametric solutions, structured reinsurance and ILS capacity”, with early momentum around

“Need for greater resilience and responsiveness in an uncertain environment are strongest themes across Latin America and the Caribbean.”

more domestically anchored ILS structures. The focus, he stressed, is not on innovation for its own sake.

“Our focus is on how these tools can be combined alongside traditional reinsurance to deliver speed, certainty and capital efficiency,” he said.

Ultimately, he added, what matters to clients is how those structures perform financially, “such as preserving covenant headroom, smoothing earnings volatility and protecting enterprise value”.

Miami’s value, Ellis said, lies in the quality

of dialogue it enables, to be able to have joined-up conversations with regional clients, global reinsurers and capital market participants in one place. “We use that time to listen and understand how recent events are influencing client priorities and how appetite is evolving across different sources of capital,” he said.

Those insights feed directly into Augment Risk’s advisory work, ensuring the capital solutions designed are informed by real regional experience and supported by capital aligned with clients’ longer-term objectives.

That approach reflects how the firm positions itself. “This very much aligns with our guiding principle of being a differentiated intermediary, designing capital solutions rather than competing on transactional metrics,” he added.

As markets adjust, Ellis said clients are increasingly prescriptive about what they want from their risk strategies.

“Clients are telling us very clearly they want certainty not just of coverage, but of financial outcomes,” he said. “They want to understand how their risk strategy supports earnings stability, capital efficiency and, ultimately, valuation.”

While alternative capital and new structures continue to attract interest, reliability under stress remains the key test. Clients, Ellis said, are focused on “how quickly it responds, how reliable it is under stress and how it performs across cycles”.

Looking ahead, Augment Risk is using Miami Reinsurance Week to deepen discussions around how those expectations translate into programme design – from structuring solutions that reduce balance sheet volatility to understanding how different sources of capital behave under real loss scenarios and how programmes can be built to remain effective across cycles, rather than just at renewal. ●

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GROWTH

'Not a competitor', Lloyd's is for growth

Lloyd's isn't your competitor. Instead, it's a platform that insurers can leverage to achieve what would be difficult, costly or slow to build on their own.

That's the key message from Marc Lipman, president of the Americas, as Lloyd's deepens its presence in Latin America through its Miami hub.

Lipman spends much of his time speaking to carriers across the US, Canada, Latin America and the Caribbean and finds some companies, particularly those outside the Lloyd's ecosystem, still see it as another market participant competing for share.

"They don't really understand Lloyd's yet," he says. "And some view Lloyd's as a competitor. I always try to engage in a conversation that Lloyd's shouldn't be viewed as a competitor, rather seen as a platform that all can use."

The distinction matters. Lloyd's is not a single insurance company; it is "a collection of underwriting businesses", he stressed. "You're never competing against all of Lloyd's to begin with."

Many global and regional insurers transact part of their business on the Lloyd's platform while retaining other lines on their own balance sheets. "Choose where it makes sense," he says.

The question, he argues, is not whether Lloyd's competes with them, but where the platform makes strategic sense.

That reframing is particularly relevant in the Americas, where Lloyd's ambitions have broadened significantly since launching its Miami hub in 2024. Lipman's remit has broadened, too, and part of his focus is ensuring that long-term profitable growth remains central. "There's always room for more," he said of leading underwriting businesses and capital providers. "There's not a fixed number of seats in the auditorium."

Lipman says for a domestic or regional carrier, becoming part of Lloyd's can offer something that would otherwise take years and come with a heavy cost and administrative burden: instant global licensing.

"Leveraging Lloyd's global network and the global platform is a way to take advantage," he explained, noting that Lloyd's provides direct licences in 80 countries and reinsurance

KEY POINTS:

- Miami hub gains strategic weight
- Innovation emerging from region
- Parametric interest growing

licences in almost 200 territories. Attempting to build that footprint independently would take years.

That logic applies equally to capital. Lloyd's is not only a distribution platform, he said, it is also an efficient capital marketplace.

Underwriting businesses looking to raise capital can access established legal and financial processes that provide clarity and

capital can move through the platform. For start-ups, the Lloyd's brand carries weight. A small insurer might struggle to gain traction alone, a Lloyd's syndicate benefits from global recognition and the oversight of the Corporation, he stressed. Credibility, in this context, becomes a strategic asset.

Why Miami matters

If Lloyd's is a global platform, Miami has become one of its most important regional connectors. Eight syndicates now have offices in Miami, accounting for roughly 40% of Lloyd's premium from the region. Of the approximately \$3.5 billion Lloyd's writes across Latin America and the Caribbean, around \$1.2 billion is generated by those physically located in Miami, Lipman told *Miami Reinsurance Week Today*.

"The numbers demonstrate the power of putting people on the ground where you are focused on growing your business," he said.

Underwriters immersed in the marketplace, he believes, identify trends earlier, build deeper relationships and develop sharper insight into local dynamics. Miami, he argues, has matured into a genuine reinsurance hub, not only for Latin America, but increasingly for the Caribbean as well.

That maturity has been reinforced by talent. As more global players establish themselves in the city, the talent pool deepens as well. "Miami has all of the right characteristics to become a central hub, and that's what it's done," Lipman said.

He is particularly enthusiastic about the quality of ideas emerging from the region. Start-ups are developing analytics tools and parametric products designed to address underpenetration and protection gaps, particularly in agriculture and climate-related risk. Lloyd's Lab has already seen companies from the region participate and Lipman says the ambition is to foster even greater engagement.

Ultimately, the message comes back to partnership. Lloyd's is not seeking to displace domestic carriers or dominate regional markets. It is offering infrastructure, licences, capital channels, expertise and brand that the Latin American players can plug into when it serves their strategic goals. ●



“Leveraging Lloyd's global network and the global platform is a way to take advantage.”

fiscal certainty. Capital providers, whether traditional reinsurers, private equity, hedge funds, pension funds or sovereign wealth funds, can deploy funds through structures already built into the market. "The plumbing is already in place," he said.

More than \$2 billion has been invested into underwriting businesses at Lloyd's via London Bridge 2, he noted, highlighting how efficiently

DIGITAL TRANSFORMATION

Data centre boom will change the game

As LatAm emerges as a global hub for data centres, the scale and speed of investment are creating complex construction and operational risks. Allianz Commercial leaders explain insurers' critical role in this process.



Priscilla Pazmino-Vitela

Ivan Coronado

Latin America is rapidly emerging as a major growth zone for global digital infrastructure, driven by demand for cloud services, artificial intelligence and e-commerce. But while the opportunity is clear, much of the region's legacy infrastructure was not designed for the energy and resilience demands of modern data centres.

For insurers and reinsurers, this combination of large, complex construction projects and evolving operational exposures presents both a challenge and a chance to add value.

"So we are seeing Latin America merge to become the next digital growth zone," said Priscilla Pazmino-Vitela, head of natural resources for the Americas at Allianz Commercial. She warned that the pace of development is placing pressure on energy and water resources.

"The challenge is building fast enough to capture that opportunity, but also to ensure the infrastructure is resilient and sustainable for the long term," she said.

Investing in the future

Thus energy planning has become central, with grids needing modernisation and resilience embedded from the outset.

Grid capacity varies widely across Latin America, she explained. In smaller markets, the gap between demand and capacity is even more pronounced. As a result, operators are increasingly turning to behind-the-meter solutions, including microgrids, solar and wind generation, battery storage and, potentially, small modular nuclear reactors in the future.

Water availability is another emerging risk factor. Climate change adds further complexity, with heatwaves, droughts, floods and wildfires all capable of disrupting operations.

Against this backdrop, construction risk is becoming more intricate. Ivan Coronado, executive underwriter for natural resources and construction at Allianz Commercial LatAm, said the construction industry is under significant pressure as developers attempt to deliver highly specialised facilities on compressed timelines.

KEY POINTS:

- LatAm emerges as data centre hub
- Energy requirements need investment
- Complex risks means underwriting challenge

"These are not typical construction buildings," Coronado said, pointing to the use of specialised equipment, multidisciplinary teams and increasingly aggressive delivery schedules. Projects that would traditionally take 24 to 30 months are now being pushed to completion in as little as 15 to 18 months, heightening the risk of delays, supply-chain bottlenecks and quality issues.

Evolving risks

The shift towards modular construction and off-site assembly is helping to accelerate delivery, but it also introduces new coordination and logistics

demand a more holistic approach. Coronado said insurers are increasingly being asked to provide integrated, multi-year programmes that span early works, construction and the first year of operation. This reflects the interconnected nature of data centre risks, where power, cooling, cyber exposure and business continuity are tightly linked.

The growth in data centre investment is being driven by geographic and policy factors. Mexico's proximity to the US is a draw, while Colombia and Brazil offer renewable energy access. Argentina is benefiting from improved financial stability and reform.

For insurers, the opportunity lies not just in providing capacity, but in partnering with developers, operators and contractors to improve outcomes. Coronado emphasised the importance of investing in training programmes to build the skilled workforce required for both construction and operation, as well as developing regional standards tailored to Latin American conditions.

"The global competition for digital infrastructure is not only about speed," he said. "It's also about doing it in an intelligent way."

As Latin America's digital transformation accelerates, insurers have a critical role in enabling sustainable growth by engaging early across the risk ecosystem. ●

“The global competition for digital infrastructure is not only about speed. It's also about doing it in an intelligent way.”

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challenges. Long lead-time equipment, complex transportation requirements and the integration of hardware and software systems all create potential points of failure.

One of the most vulnerable phases, Pazmino-Vitela added, is the transition from construction to operation. Energy systems must come online, cooling calibrated and full-load performance demonstrated, often while construction work is still ongoing. Delays in grid connection can leave completed facilities unable to operate for months, creating significant financial exposure.

From an underwriting perspective, these risks

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EXPANSION

Willis extends P&C placement hubs

Willis, part of WTW, has expanded its global property & casualty (P&C) placement hubs into Latin America and the Middle East, boosting its global footprint and cross-market collaboration.

Willis has added Dubai and Madrid as strategic hubs, aiming to give clients streamlined access to international insurance markets, the firm said. The expansion leverages its product, placement, analytics and claims expertise to secure competitive and creative cover, it announced.

Operating as a single global direct & facultative (D&F) team, the structure is expected to allow Willis to match risks with markets through brokers.

Its wholesale hubs now span London, Madrid, Bermuda, Miami, Singapore, Dubai, Hong Kong, and Shanghai, complemented by local facultative hubs in every region.

Garret Gaughan, global head of D&F at Willis, said: "We're delighted to announce the addition of two further global hubs. We



recognise that clients are increasingly seeking to complement traditional market access with the competitive advantages offered by emerging and established international marketplaces.

"Expanding our global hubs enables us to meet this demand, positioning us closer to the talent, expertise and cultural dynamics that define these local markets. Madrid naturally strengthens our connectivity with Latin America, while Dubai enhances our reach across the broader Middle East region. By deepening our global footprint and strengthening

cross-market collaboration, we ensure clients benefit from the most competitive, future-focused solutions available, wherever they are in the world."

Eleni Lykoudi, head of CEEMEA, said: "We are delighted to announce the new D&F property and casualty offering in Dubai. This reflects our commitment to strengthening our regional presence, enhancing service capabilities for our clients and supporting long-term growth. This matches the extensive opportunity we see across the CEEMEA region."

Ivan Sainz, head of Spain, added: "The expansion of the global hub in Madrid enables us to further support clients by drawing on insight and experience from across industries and geographies. Applying lessons learned in one market to challenges emerging in another strengthens our ability to respond to complex and evolving risk needs. This reflects the significance of the Madrid and broader Spanish marketplace and how it will be a critical international access point of the future." ●

PARAMETRIC

Trigger words: A column about parametric insurance by Mark Groenheide



FOR A LONG TIME, industry loss warranties (ILWs) occupied a very specific corner of the reinsurance market. They were practical instruments; simple by design and built to transfer tail risk efficiently rather than tell a story or solve for precision.

What became clear around the January 1 renewal is this definition no longer fits reality.

ILWs are no longer a single product category. They are increasingly a framework from which multiple forms of risk transfer are being engineered. The name remains familiar, but the way these structures are being constructed, priced and deployed has significantly changed.

From our vantage point, the most compelling innovation is happening at the intersection of ILWs, parametric design principles and disciplined underwriting. That point is producing risk transfer solutions that simply did not exist a decade ago.

We've entered a world of hybrid ILWs, which share the characteristics of parametric insurance with those of more traditional ILWs.

At January 1, we saw far greater diversity in how triggers were defined and applied. Loss indices, reporting methodologies, aggregation mechanics, geographic scope and payout timing were all being scrutinised and refined. Buyers were not just asking whether protection would respond, but how it would behave under pressure and how quickly certainty could be achieved.

Capital, for its part, is still active, but it is more intentional. Capacity is gravitating toward structures that offer clarity, transparency and predictable outcomes. Many of these transactions now borrow heavily from parametric logic while remaining firmly within an indemnity reinsurance framework.

The result is an evolution rather than a replacement.

ILWs are increasingly being structured as components within broader programmes.

They are layered, customised, blended and integrated alongside traditional treaties and other alternative solutions. In many cases, the end product looks very little like the standardised ILWs of the past.

January 1 highlighted something important. The market is not moving away from ILWs; it is redefining what they are capable of doing.

For reinsures, sponsors and sophisticated risk buyers, this matters. These structures are no longer purely tactical hedges. They are becoming strategic tools that influence capital efficiency, earnings stability and long-term risk management decisions.

January 1 was not just another renewal cycle. It was confirmation that the ILW market has entered a new phase, even if we have not yet fully updated the vocabulary we use to describe it. ●

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Mark Groenheide is the founder, CEO and president of LIRG

SOUTHERN LATIN AMERICA

Complex market in Southern LatAm

Complex market conditions are set to persist across Southern Latin America, driven by strong demand and recent secondary peril losses. MS Reinsurance's Santiago Deluchi explains where opportunity exists.



As Latin America's reinsurance market becomes more technically driven, the Southern Cone is increasingly standing out as a region where underwriting discipline is tightening, even as reinsurers continue to deploy capacity selectively.

Catastrophe-exposed portfolios across the region are being scrutinised more closely, with less tolerance for volatility and weaker performance. At the same time, underwriters are leaning into specialty lines as portfolios are recalibrated in 2026.

"Specialty lines, such as surety, agriculture, motor, life and health, are segments where we will continue playing an active role," Santiago Deluchi, lead underwriter at MS Reinsurance, told *Miami Reinsurance Week Today*. "They offer opportunities for selective growth, even as caution remains necessary across the broader market."

That balance – discipline on cat risk alongside targeted opportunity – is increasingly shaping underwriting strategy in southern Latin America. Rather than stepping back from the region, reinsurers are becoming more selective, tightening pricing and terms where cat exposure demands it, while focusing on lines that support diversification.

For MS Re, that approach reflects a continuity of their existing strategy. Deluchi said the reinsurer expects the "complex market to continue" in southern LatAm in 2026, driven by sustained demand, recent catastrophe losses and the need for discipline. The company will maintain a multi-line strategy focused on technical discipline and long-term client relationships, rather than short-term volume.

"Southern Latin America is a key region for us," he said. "It presents a more heterogeneous risk profile and business mix compared with the wider LatAm."

With most Southern Cone renewals concentrated in July, underwriting outcomes are already diverging. The market, Deluchi noted, is "no longer willing to dilute performance within broader Latin American portfolios, and pricing outcomes are increasingly driven by technical performance."

As a result, diversified portfolios with strong exposure data and stable loss experience are seeing

KEY POINTS:

- Non-modelled perils driving tighter pricing
- Specialty lines still attract appetite
- Brazil's new insurance law reshaping underwriting

more predictable renewals, while loss-impacted or volatile accounts are facing continued rate pressure and reduced flexibility.

Chile and Peru, both cat-exposed markets, are feeling pressure on the primary rates, while cedants are also requesting greater flexibility on terms and conditions.

Political and regulatory developments are also feeding into underwriting decisions across the region, though outcomes vary by market. Chile remains one of the more stable and technically developed insurance markets in the Southern Cone, supported by strong data quality and granular exposure information. Deluchi said he does not expect major underwriting shifts, but

“Southern LatAm presents a more heterogeneous risk profile and business mix compared to the wider LatAm region.”

sees improving economic activity translating into increased business volumes.

Bolivia, meanwhile, is showing early signs of a more positive trajectory, with large risks increasingly returning to the private market.

Regulation reshapes opportunity

Brazil's new insurance law is reshaping underwriting considerations, product structures and market opportunities.

"To navigate this path of uncertainty, maintaining open and transparent communication with clients will be critical, as will be choosing the right partner," said Deluchi.

A key requirement under the new framework

is clearer alignment between primary policy wordings and reinsurance contracts. With the new framework implemented, a reduction in coinsurance participation is anticipated, making proactive portfolio management increasingly important.

In addition to the new law, the Brazilian Federal Government has issued a decree increasing the Tax on Financial Transactions (IOF), which is expected to affect both the insurance and reinsurance markets.

At the same time, Deluchi sees opportunity emerging from the regulatory reset.

"The new law creates a more supportive environment for non-traditional and emerging risk products, such as parametric or index-based covers and other specialty lines," he said. "From a reinsurance standpoint, this opens opportunities for structured treaties and alternative risk transfer solutions."

In Argentina, recent catastrophe and non-catastrophe losses have reinforced the need for tighter discipline in risk selection and aggregate control, particularly given the country's fragmented coinsurance structure.

"A large-scale event in a major city is not required for losses to be significant," said Deluchi, pointing to the 2025 Bahia Blanca flood as a reminder that loss severity can emerge outside the largest accumulation centres.

As a result, pricing in Argentina remains firm and highly technical, with limited scope for normalisation. Capacity for coinsurance risks is expected to remain constrained, making allocation increasingly selective.

"Argentina remains a strategically important market," Deluchi said. "Risk selection, pricing discipline and controlled capacity deployment will continue to dominate underwriting decisions heading into 2026."

Looking ahead, Deluchi said clients and brokers can expect continuity from MS Re. "Our strategy is unchanged," he said. "We will continue to build our capabilities to serve our clients, with the same long-term approach we've followed since we entered the region more than 10 years ago." ●

Santiago Deluchi is lead underwriter at MS Reinsurance

RISKS

New perils set to test LatAm market

Climate change, cyber risk and novel perils are set to test Latin America's re/insurance sector, market participants believe ahead of this year's Miami Reinsurance Week.

According to *Miami Reinsurance Week Today's* survey of 27 participants, 56% expect rates to soften over the next 12 months, driven by excess capacity and heightened competition among global and regional players.

Exposures are shifting rapidly, survey results revealed. "It is evident that global development has led to an increase in natural catastrophe losses. Climate change – regardless of differing views on its causes – is a reality, and the shift in both the frequency and severity of natural disasters is undeniable," one respondent said. Hurricanes, floods, and droughts continue to threaten entire national insurance markets, underscoring the region's vulnerability.

Cyberattacks are also on the rise, affecting individuals as well as corporations, while specialty lines are expanding to provide tailored solutions across a growing range of exposures.

KEY POINTS:

- Climate, cyberattacks and novel perils rising
- Rates under pressure amid excess capacity
- Growth potential in life, health and specialty lines

Despite these emerging threats, insurers are still identifying significant growth potential. Traditional programmes are uncovering new protection gaps, particularly around pandemics, cyber and secondary perils. "New risks are emerging, new exposures are detected," one respondent noted. Meanwhile, low insurance penetration in the region points to long-term potential, with life and health lines outpacing non-life growth and reinsurance demand rising alongside volatility, another pointed out.

Yet the Latin American re/insurance market is far from straightforward. Rate dynamics

and terms and conditions emerged as the top challenge over the past 12 months, cited by 52% of respondents.

Geopolitical instability was almost as pressing, affecting 48% of participants, while inflation and climate change each concerned almost a fifth of the market.

Talent shortages and regulatory changes were also significant, each flagged as obstacles to growth and operational efficiency by 22% of respondents.

Other hurdles included new entrants into the LatAm market (30%), supply chain disruptions (11%) and limited access to capital (15%).

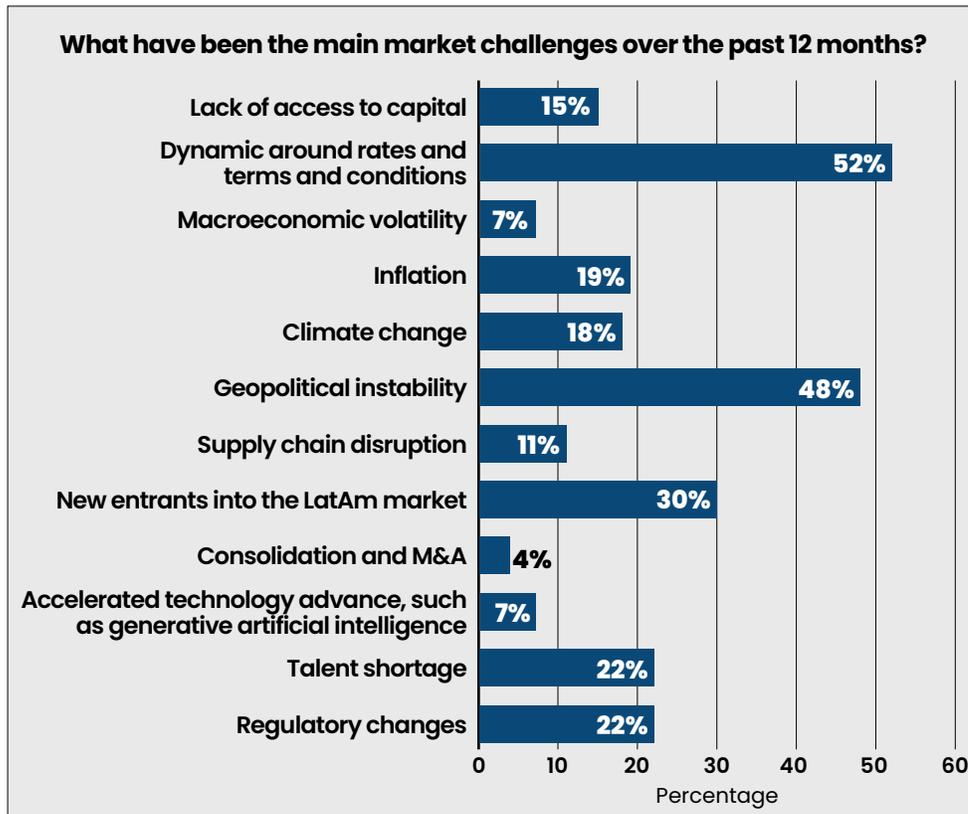
Consolidation and M&A were less of a focus, noted by only 4% of participants, while accelerated technological advances, such as generative artificial intelligence, were cited by 7%.

Notably, claimant litigation was not considered a challenge in the region.

Meanwhile, global insurers are approaching Latin America cautiously, the survey showed. Traditional Lloyd's underwriters are wary of expanding capacity amid heightened catastrophe risks, with participants noting that global players are increasingly focusing on larger markets. Nevertheless, Mexico, Brazil, and Colombia continue to attract attention due to lower penetration and rising exposures, a respondent noted.

Competition is intensifying, with new capacity pushing rates below technical margins in some lines. One survey participant observed: "The new capacities and appetite for premiums are lowering rates and creating conditions less technical than in previous years." While 2025 was generally profitable, market participants expect surplus capacity and fierce competition to continue applying downward pressure on pricing.

Moreover, brokers and carriers face a delicate balancing act between competitive pressures and technical discipline. "Brokers often prioritise the lowest price over value and innovation. The insurance industry could grow significantly by introducing new solutions that unlock distribution potential, increase insurance penetration and improve profitability for carriers in Latin America," one participant said. ●



TALENT

Managing risk, missing young talent

The insurance industry does not have a talent crisis because it is unattractive. It faces one because too few people think about it at all. That's the view of Andy Jeckells, co-founder of Miami-based I-RE.

Across major markets, the workforce is ageing rapidly. The US Bureau of Labor Statistics projected that roughly half of the current insurance workforce will retire within the next 15 years, meaning around 400,000 roles will need replacement. At the same time, less than a quarter of the industry is under 35. Various industry surveys show most carriers intend to maintain or increase headcount, yet more than half say they struggle to find suitably skilled applicants.

Swiss Re warned in a 2025 report that technological advances, including AI, are reshaping job profiles and skill needs across insurance. As entry level roles such as claims adjusting and underwriting become more automated, the industry risks hollowing out early career experience. Over time, that could reduce job-specific expertise, increase operational errors

and ultimately raise costs for insurers themselves. Recent data also indicates a decline in graduate vacancies, compounding concerns about the future pipeline.

For many school leavers and graduates, insurance simply does not appear on the radar. Technology, finance and consulting have clearer identities that insurance often does not. That

“For young people setting out on new careers, insurance is either invisible or it's unappealing.”

lack of visibility is becoming a structural risk in its own right.

Jeckells argues the industry needs to engage earlier. “We all know too few entrants are joining the profession at a time when it has a fast-ageing workforce,” he says. “From the outside, and

particularly for young people setting out on new careers, insurance is either invisible or unappealing. We all need to act, individually and collectively, to address this challenge.”

His comments reflect a broader debate taking place across reinsurance markets, including at the Miami Reinsurance Week. Firms have spent years discussing talent pipelines, diversity targets and graduate schemes. Less attention has been paid to awareness before university – how the industry presents itself to teenagers who may never have met an underwriter, actuary or claims specialist.

I-RE plans to begin engaging directly with schools this summer, starting in Bermuda, explaining what insurance roles involve and offering paid internships. Jeckells describes it as a “small step” rather than a grand solution. “Hopefully, in some small way, we'll be educating young people about what insurance can offer them when they're ready to choose a career path,” he says.

Whether such initiatives move the dial remains to be seen. But an industry built on managing long-term risk cannot ignore its own workforce risk. ●



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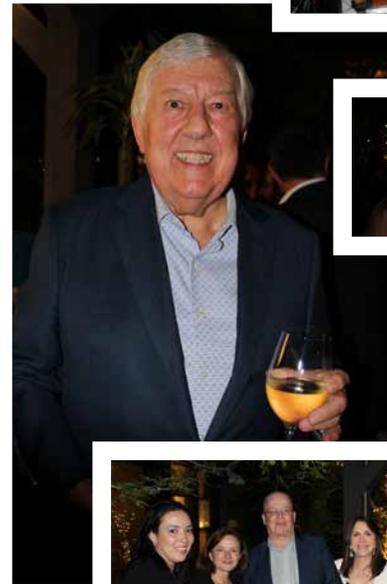
Lloyd's Meet the Market drew record attendance on day three of Miami Reinsurance Week 2026, welcoming more than 1,000 guests to its largest edition yet, with 27 boxholders present and strong local representation from syndicates and coverholders operating in Miami, before OneGlobal closed the evening with a cocktail reception.



Lloyd's Meet the Market



OneGlobal Broking cocktail



DIGITAL

Innovation to accelerate in LatAm

Innovation is moving faster than traditional insurance appetite. As Latin America's digital economy expands, some insurers are deliberately building themselves to underwrite that gap.

Miami-based Relm Insurance is one of them. Founded in 2019, its focus from the outset has been on emerging sectors, including digital assets, fintech and other technology-driven areas where regulatory frameworks are still evolving and traditional carriers often underwrite sparsely or not at all.

"If it's new and emerging, it's going to be a very difficult exposure for the rest of the market to really develop an appetite for," said chief executive Joseph Ziolkowski in an interview with *Miami Reinsurance Week Today*.

The issue is not that insurance capacity does not exist. It is that traditional carriers, by design, prefer established data sets, proven loss histories and regulatory clarity. Innovation rarely offers those.



“We need to be physically present where the innovation is happening.”

Over the past seven years, Relm has expanded from a Bermuda-domiciled carrier into a group that includes a collateralised reinsurance facility and a broader international footprint, including the UK and UAE, designed to support regulated reinsurance capacity for crypto and other emerging risks.

"We need to be physically present where the innovation is happening," said Ziolkowski. "The more we can be reliant on our own infrastructure and licences, the quicker we can get our products into market."

Latin America sits at the centre of that strategy. The region's digital economy is accelerating, driven by fintech adoption,

KEY POINTS:

- Digital assets drive demand
- Regulation creates opportunity
- Education before expansion

blockchain development, online gaming and the increasing use of digital assets. What matters from an insurance perspective is not just growth, but regulation.

Ziolkowski points to Brazil, Mexico and Colombia as examples where clearer regulatory frameworks around fintech and digital assets are beginning to crystallise. "Where regulation is evolving and crystallising, it typically comes with insurance requirements," he said.

That creates opportunity, particularly in professional liability, cyber and custody-related risks. But the region is not homogeneous.

Geopolitical shifts, currency volatility and uneven levels of risk management maturity complicate underwriting. Treating Latin America as a single exposure block, Ziolkowski argues, is a mistake.

"It's one landmass, but there is a wild amount of diversity from a risk perspective across that region," he said.

For reinsurers, that diversity affects portfolio construction and aggregation. For a specialist player, it creates room for selective, structured placements rather than broad-based capacity.

One of the less visible barriers to growth in the region is cultural rather than technical.

Ziolkowski described Latin America as "not as mature from a risk management perspective" as some other markets, stressing that this reflects different liability environments rather than a deficiency. As regulatory standards tighten and commercial contracts increasingly embed insurance requirements, businesses are being pushed to treat coverage as infrastructure, rather than optional spend.

"The educational front is explaining why these products are an enabling factor for their business, instead of just strictly a cost centre," he said.

That shift is particularly relevant in sectors such as digital assets, where operational and custody risk is central to credibility.

Ziolkowski expects digitalisation across the region to continue accelerating, and with it, innovation aimed at meeting new demand.

Stablecoins, in particular, might see increased adoption where populations seek currency stability. Insurance, in turn, must adapt to risks that are technical, cross-border and often poorly understood by traditional markets.

Relm's position in Latin America remains targeted. The company is not seeking broad regional dominance but Ziolkowski says events such as Miami Reinsurance Week are a "great opportunity to pull up to the table and hear where the challenges in the market are. And then determine how we can help". ●



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