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SIRC TODAY

Affordability gap is now the real crisis – not insurability – Munich Re warns Asia

CLIMATE LOSSES ARE RISING, and insurance isn't keeping up. The real question isn't whether risks are insurable – but whether societies can afford protection at all. That's the compelling argument of Munich Re's Roland Eckl, chief executive of Australasia, Greater China, MENA, Africa.

Munich Re rejects the growing narrative that climate change is making parts of the world "uninsurable". For Eckl, that misses the point.

"Systemic risks are uninsurable – but we do not see climate change as systemic," he told *SIRC Today*. "There is still diversification across regions and time. We are willing to take

more nat cat risk, but only at risk-adequate prices."

The real problem, he insists, is affordability. In parts of Australia, premiums for cyclone and flood cover have reached levels that households and small businesses can no longer bear.

"The price level is just reflecting the risk," he said. "The discussion should not be about insurability but about affordability."

That shifts the conversation from pricing to prevention. "The key lever to keep prices for insurance on an affordable level is risk mitigation," Eckl said.

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Roland Eckl

SPECIALTY TO POWER Asia's next growth wave: Beazley



Jessica Schappell

"WITH CHALLENGE COMES OPPORTUNITY"

– and Asia-Pacific is full of both. Jessica Schappell, who leads Beazley's business in the region, believes growth will not come from chasing volume or selling generic products, but from specialist expertise and solving the complex, interconnected risks clients face today.

Beazley's latest Risk and Resilience report shows that economic uncertainty, geopolitical tensions and fragile supply

chains are dampening confidence. As a result, resilience, not rapid expansion, is back at the top of boardroom agendas.

In Singapore, 86% of executives say political shifts will affect their ability to trade profitably, a 13% jump since earlier this year. Nearly 75% believe economic uncertainty will limit growth. Businesses, Schappell said, are pulling back from bold diversification and focusing on strong foundations.

"These macro risks are pushing

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INSIGHTS AND ANALYSIS FROM MORE LEADERS INSIDE



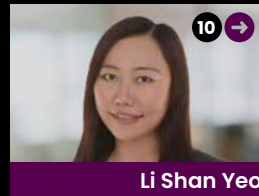
Ron Whyte



Victor Kuk



Sylvie Gleises



Li Shan Yeo



Paul Hertelendy



Reshape the landscape

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HOWDEN

COVER STORY

Talk about affordability, not insurability

KEY POINTS:

- Protection gap must become political
- Insurance needs to be 'less bureaucratic'
- No aggregate programmes masking losses

❶❷ Natural catastrophes are likely to become even more frequent and severe, but we can work on limiting their loss impact. "We need to shift our current approach, which can often be reactive, focusing on damage and repair to society after an event, rather than prevention and preparedness, towards a proactive approach, one that prioritises resilience and mitigation," he explained.

The economics are clear. "We know investments in prevention pay off. In Australia, studies show every A\$1 invested in disaster resilience saves up to A\$11 in recovery." Yet most systems still prioritise payout over prevention.

Protection gap is political

Nowhere is the affordability challenge more visible than in Asia and Africa. In 2024, Asia

“Munich Re has become, to a relevant extent, also an Asian company now.”

accounted for roughly a quarter of global cat losses, but only 15% of those losses were insured. Africa's protection gap is even wider.

"The consequences of such significant gaps go far beyond financial figures," Eckl warned. "It leaves communities more vulnerable and significantly slows the recovery after disasters strike."

"Under-insurance will only be tackled effectively if closing the protection gap becomes a political priority," he stated.

Munich Re is working with governments and multilateral institutions to develop public-private schemes, targeting parts of the population that traditional insurance does not reach. But Eckl says the system still needs better execution. "We are innovating product design and sales to make insurance simpler, less bureaucratic and faster – which will drive demand among those who have not previously purchased insurance cover."

Examples include agriculture pools, disaster micro-insurance and climate resilience bonds – but these require political will, not just private capital.

Discipline cannot slip

Despite pressure to support economies and ease pricing, Eckl is clear Munich Re won't compromise underwriting discipline to chase market share.

"I am very optimistic for the reinsurance markets as long as we act on the insights we have," he said. "But if we ignore our own models and insights and make capacity available at prices that are not risk-adequate in order to increase our market share, then the difficulties begin."

"This is why underwriting excellence is so paramount," he added. "We have the expertise to cover all non-systemic risks sustainably. All we need to do is to draw the conclusions from our expertise, and then we will be able to run our business profitably in the long term – and so will our clients."

On 1/1 renewals, he doesn't see a single global market cycle, but localised dynamics based on individual client behaviour.

"There is no single global reinsurance market or premium cycle," Eckl said. "Premium developments vary regionally and depend on the insured losses."

He sees overall "adequate" reinsurance premiums in the current market, but noted that, "if reinsurance premiums are not sustainable in the long run, meaning they do not adequately reflect the risk, we have to review or even reduce certain engagements."

This philosophy extends to aggregate covers. "They can be valid tools, but only under specific conditions," he said. "We will not support aggregate programmes that are used to mask unprofitable primary business."

While some insurers speak of retreat from high-risk locations, Eckl argues insurance should not back away, but push for better land-use planning and climate resilience.

He also dismisses the idea that cat bonds alone will solve emerging-market protection gaps. "Hopes that the cat bond market would help close the insurance gap in emerging markets are likely to disappoint," he said.

"Traditional reinsurance capital remains the backbone for nat cat risk transfer solutions. Munich Re alone has exceeded the entire cat bond market in both scale as well as growth in recent years.

"We have not seen that the cat bond market has any appetite for emerging markets, as they are interested in peak peril exposure and not smaller perils."

The cyber insurance gap

Beyond nat cat, Eckl also oversees Munich Re's cyber business in Asia, and sees it as a parallel challenge to climate; a growing, under-insured risk that could threaten entire economies.

Cyber is a stand-alone product for Munich Re. "We built specialised expertise over 15 years, and that decision has proven right."

The market is growing quickly, expected to double to more than \$30 billion by 2030, but most cyber risk globally is still uninsured.

"Whether inadvertently overlooked or over-confidently ignored, cyber risks can pose a threat to the very existence of an organisation," Eckl warned. In a digital economy, "the very real risk of not being able to recover from a security incident or cyber-attack should outweigh expenditure concerns by far."

“We will not support aggregate programmes that are used to mask unprofitable primary business.”

"Bridging the Cyber insurance gap will be the main task for the insurance market for years," he noted.

Eckl has been with Munich Re for 35 years – long enough to see the company become, in his words, "to a relevant extent, also an Asian company".

In former times, Munich Re conducted Asian business mainly from its head office. Eckl said: "This has changed dramatically. We have transferred our expertise to the region and, more recently, increasingly to the individual markets. Local expertise and client proximity with global expertise and diversification is a key factor of our success in Asia and Africa today.

"We are not here today and gone tomorrow," he concluded. "We want to grow together with our key clients over the cycle." ●

SPECIALTY

Specialty will drive Asia's next growth wave

KEY POINTS:

- Asia needs specialist solutions
- Cyber still biggest growth play
- Marine and property lines expanding

“Businesses to focus on resilience, and that's where a specialty insurer like us has a role to play in helping clients prepare and strengthen their resilience,” Schappell told *SIRC Today*.

Fast growth ahead

She believes the real growth in the region will not come from simply writing more traditional business but from specialist solutions built around how risks are now intertwined.

“We see real scope for growth in Asia-Pacific,” she said. “Not just in one class, but through cross-class specialist solutions.”

Industry estimates suggest the specialty insurance market could triple globally by

“Instead of viewing risks in isolation, we ask: what challenges is the client facing, and how can we address them holistically.”

2032, and Asia is expected to play a central role in that expansion.

“Instead of viewing risks in isolation, we ask: what challenges is the client facing, and how can we address them holistically?” she said.

That approach has led Beazley to develop blended products across disciplines, such as combined financial institutions/information security cover, and deadly weapons protection, a standalone policy for active assailant events, including property damage, liability, business interruption and crisis response. “It's about moving beyond pure risk transfer,” Schappell said. “Adding value outside of just the point of sale or a claim.”

“Risks are increasingly interconnected,” she added. “And that's exactly where we can partner with insurers and reinsurers to design practical answers and help them build resilience.”

Cyber remains Beazley's strongest growth pillar. Despite pricing stabilising after the correction of 2021–2022, demand is rising. “32% of Singapore executives plan to explore cyber insurance this year, and 52% say their trust in cyber insurance has increased,” Schappell noted. With cyber penetration still low in Asia, that represents “real opportunity”.

Pricing is broadly stable, and underwriting discipline is non-negotiable. “We're maintaining discipline and prioritising partners who want to build cyber resilience – improve controls, strengthen posture. That alignment sets up stronger, longer-term relationships,” she said.

Global expertise, local execution

A key differentiator for Beazley, Schappell said, is its ability to combine global insight with local delivery. “We don't just parachute in an overseas solution. We adapt it,” she said. One example is financial institutions cover. “One of our underwriters identified coverage gaps for multi-family offices – far more common in Singapore and Hong Kong than New York or London – so we built bespoke wording. That's the differentiator.”

Cyber is also delivered locally – not just technically, but culturally. Beazley now has multiple cyber underwriters and an incident response manager on the ground in Singapore as part of Beazley Security. “We speak to clients using Asian case studies – how policies responded here, not just in the US,” she said. “We've paid losses in the region. That builds trust.”

Relationships are central. “In Asia, it often takes longer to build partnerships, but once established, especially after working through a claim or a tough renewal, they're very strong,” she said.

Distribution is tailored market by market. Beazley operates as a direct insurer in Singapore and Hong Kong, but as a facultative and treaty reinsurer in the rest of Asia. “Sometimes we work directly with the client, sometimes via a local insurer, sometimes through a broker. The key is staying close to the market.”

Property, marine, talent

While cyber anchors the strategy, Beazley is also expanding on other fronts. Property and marine are now active growth lines.

“We now have a full property team

in Singapore – two underwriters and an assistant underwriter. Property is a long-term investment,” she said. Marine is evolving the same way. “We've hired a dedicated claims specialist, strengthening our position in areas like hull and war.”

But growth, she stresses, must remain disciplined. “Discipline is built into Beazley's underwriting DNA. It comes down to risk selection and really understanding the environments we operate in.”

Clients across Asia-Pacific are wrestling with layered risks – climate change, cyber, geopolitics, supply chains – and this is where specialist carriers can stand out.

“A cyber incident could shut down a refrigerated shipment, that's both a cyber and marine loss. Or take banks – cyber looks very different there than it does for a ship owner. Our underwriters increasingly think holistically. They collaborate across classes where it makes sense.”

“In Asia, it often takes longer to build partnerships, but once established, especially after working through a claim or a tough renewal, they're very strong.”

“Our focus is helping clients not just transfer risk, but recover faster and minimise disruption,” she said.

What Asia lacks, she said, is not risk or capital. “It's really the training and education of the market.”

“We need to build young talent. Singapore is a small market, it really matters that senior people spend time with juniors to train the next generation – go through wordings with them, explain why clauses exist. That's how you create bench strength.”

Looking ahead, her definition of success is clear. “Our mission is to be the most recognised sustainable specialist insurer,” she said. “Claims are the product at the end of the day. When things go wrong, the experience must reduce stress.”

MARKETS

New challenges, new thinking for APAC

Aon's regional CEOs tell *SIRC Today* how insurers across Asia-Pacific are confronting market challenges – from capacity and affordability to regulation.



Shailendra Sapra

John Carroll

Philippe Sommer

Søren Soltysiak

Qin Lu

Aon's regional CEOs share their perspectives on the biggest challenges facing insurers across Asia-Pacific with *SIRC Today* – from sourcing reinsurance capacity and managing affordability to navigating regulatory change. Data, analytics and capital efficiency sit at the centre of strategies designed to drive sustainable, profitable growth across diverse markets.

Shailendra Sapra, India CEO for Aon's Reinsurance Solutions

The biggest regional challenge for our clients is to source reinsurance capacity for emerging lines of business that are growing exponentially in India – which include cyber, surety, engineering/construction and marine hull. So we are using our unparalleled access to reinsurance and alternative capital globally to secure capacity for clients, while engaging our regional product leaders to develop and tailor appropriate solutions for the India market.

By taking a data-driven, analytical approach, we can generate portfolio scenarios that highlight the potential margins available on the business. For their part, if reinsurers become more agile and creative around the solutions they provide to Indian insurers, they will also gain access to profitable commercial business in the region.

The other challenge the industry will face is the advent of a risk-based capital (RBC) regime in the next two years, and so we are working with insurers to help them understand the impact of new governance structures around both RBC and IFRS17 – how it affects their profitability, and how reinsurance as a form of capital can be useful to improve their return on capital and also their book values.

John Carroll, Australia and New Zealand CEO for Aon's Reinsurance Solutions

The biggest regional challenge is insurance affordability. ANZ has an extremely mature insurance market with strong penetration, where the premise remains that the losses of the few are paid for by the premiums of the many. A run of relatively poor underwriting years has meant

KEY POINTS:

- Insurance affordability biggest challenge
- Premium growth slow in most markets
- Lower reinsurer appetite for risk in Japan

that premiums have increased materially across the board, creating broader concerns around insurance affordability. The industry is addressing these affordability concerns by increasing the focus on data granularity and address-level pricing, which may mitigate affordability issues for the broader population, but can put significant pressure on pricing levels – and even appetite to offer cover – for higher hazard exposures.

There is a potential concern that increasing the data sources and insights may therefore – regrettably – also increase the insurance protection gap for those most in need of protection. The upside of this scenario, however, is potential growth opportunities.

“Japanese insurers still face headwinds from reduced reinsurer appetite for risk and sharp price increases.”

Philippe Sommer

Philippe Sommer, Japan CEO for Aon's Reinsurance Solutions

Despite several benign catastrophe years, Japanese insurers still face headwinds from reduced reinsurer appetite for risk and sharp price increases. Regulatory changes to the domestic insurance agency system and the incoming economic solvency framework (ICS) further challenge established market practices and require agility.

Recognising Japan's still significant protection gap, Aon is investing in local, dedicated resources and innovation. We partner with clients and reinsurers to develop solutions for new and evolving risks – such as secondary catastrophe

perils, parametric covers, offshore wind, casualty and specialty lines or mortgage risk.

Through advanced data tools and advisory services, Aon enables better, more informed decision-making, the identification of profitable growth opportunities, and increases in capital efficiency.

Søren Soltysiak, Asia CEO for Aon's Reinsurance Solutions

Our clients across Asia are generally operating in highly competitive domestic markets and are facing additional challenges from increasing regulatory demand, economic uncertainty, and emerging risks.

Despite low insurance penetration rates, premium growth has slowed in most markets in recent years, so we work closely with our partners to address these challenges through a combination of advanced analytics, global market access and bespoke advisory services.

We encourage insurers to consider all available coverage options: targeted facultative reinsurance, the use of customised facilities, and advanced capital solutions enable the most effective leverage of their balance sheets, while retaining flexibility to react to a changing market landscape.

In our conversations, every reinsurer is looking to grow. Our demand of carrier partners is to take a broader view in building long-term relationships. Capacity is available in abundance, but differentiating the offering by providing creative solutions will be key to stronger partnerships.

Qin Lu, Greater China CEO for Aon's Reinsurance Solutions

Overall, we see strong reinsurer capacity, intense competition, and a drive for innovation and efficiency characterise the region. Softening rates are expected in property lines, while life and health faces structural challenges, but also new growth opportunities, especially in green energy and specialty products. Rising cost pressures and heightened client expectations will drive further differentiation and innovation among reinsurers in the coming year. ●

STRATEGY

Asia-Pac? That's not a thing

KEY POINTS:

- Growth in Asia needs patience and local talent
- Miller is focused on three core markets
- No more flags, strategy anchored in specialisms

One of the biggest mistakes international brokers make is treating Asia-Pacific as one cohesive market. “Asia-Pac is not a thing. It’s just a name,” says Ron Whyte, head of Asia at Miller. “Each country is very different – different nuances, stages of development, legislation. If you’ve been in one Asian country, you’ve been in one Asian country.”

It’s a crucial mindset that explains Miller’s expansion strategy in the region: selective, specialist-led, and designed for long-term relevance rather than rapid geographic sprawl.

Growth from three core markets

Miller today is focused on three core markets in Asia – Singapore, Japan and South Korea. All, Whyte said, are now showing results.

“Our investments in Singapore are bedding down and beginning to [generate] returns,” he told *SIRC Today*. “Our acquisition in Japan continues to produce excellent results. And Korea, which we launched at the beginning of this year, has got off to a fairly fast start.”

Each is at a different stage of maturity, Whyte said, but they operate under a common principle of bringing in the right people, giving them freedom, and removing barriers between them and clients.

Singapore has been Miller’s most successful growth story in 2024. Much has come from the power and infrastructure sector. “We’ve had some good wins in the power sector,” said Whyte. “That’s testimony to putting together a team of not just good traders but technical people, those that understand the power and infrastructure business.”

“That combination of engineering, sector expertise and deal-making has helped us punch above our weight and win accounts from much larger brokers,” he added.

Miller’s Korean operation is built entirely around specialty business. “We’ve built a business focused on the private equity



“Our investments in Singapore are bedding down and beginning to [generate] returns.”

sector,” said Whyte. “We have a team that works on real estate aligned to private equity investments, a team designing specialty affinity products like mobile phone cover, a new head of marine and a specialist in sports and entertainment.”

What ties it together is the broker’s operating philosophy. “We don’t burden our brokers with admin. Our brokers broker. Our producers produce. And our client people spend time with clients.”

This client-first approach, he said, has helped attract senior talent tired of bureaucracy elsewhere. “People want to spend time with their clients, not filling out forms or managing reports.”

“Don’t come to [Asia] expecting returns in two or three years. You’re building for the long term. Have patience.”

In Singapore, Miller has also built an Indonesian desk – an approach Whyte says has already paid off. “Indonesia is hugely exciting. Its growth, demographics and infrastructure needs are obvious, but it is incredibly complex to navigate,” he said. “Having an Indonesian in our Singapore team, someone respected in that market, made a night-and-day difference during the Indonesia Rendezvous in Bali.”

“It’s about technical knowledge, but also about cultural trust. Clients respond very differently when you speak their language,

understand their market and come from within it,” he stressed.

He links this to a broader power and infrastructure opportunity across Asia. Demand for electricity, from coal to renewables, is booming and large projects still require international capacity.

Whyte maintains capacity is broadly available across most risks, including placements now flowing into Middle Eastern markets and via a growing MGA ecosystem; the real differentiation lies in “the optimum structuring of that capacity”, which is where a sophisticated international “brokers’ skill comes into play”.

‘Patience and nuance’

Whyte’s main message to the market is simple: don’t expect uniformity or quick wins. “People can make the mistake of saying, ‘This is what worked in Europe or the US, so let’s do it in Asia.’ No. You have to allow for cultural differences and a different pace of adoption.

“Have patience. Don’t come in expecting returns in two or three years. You’re building for the long term. “You earn your place here. You don’t just arrive and get accepted. But if you get it right, the opportunity is enormous.”

He also sees parametric insurance gaining ground in Asia, first in Japan and Australia, then elsewhere, but warns against rushing. “Asia will catch up, but in its own way,” he said. “It’s incredibly exciting, but the answer is patience.”

As for what’s next, Whyte said 2025–26 will be less about new offices and more about deepening what’s already built. “We’re not spreading ourselves thin. It’s about going broader and deeper where we are, not just putting another flag on the map.” ●

RISKS

Asia needs holistic approach to risk

Addressing today's complex risk landscape requires a holistic approach, Swiss Re's Victor Kuk tells *SIRC Today*, as Asia's fragmented market demands prudent management and stronger public-private collaboration.



Across Asia-Pacific, re/insurers are grappling with overlapping shocks that defy traditional cycle-based thinking. Geopolitical fragmentation, intensifying weather extremes and shifting trade patterns have created a risk environment of unusual complexity. Business lines once moving in sync are now diverging – some stabilising, others still recalibrating after years of inflation and heavy losses.

That fragmentation, says Victor Kuk, head of P&C reinsurance for Southeast Asia, India, Korea, Hong Kong and Taiwan at Swiss Re, is forcing reinsurers to rethink how they manage volatility and support clients.

"What we're seeing ahead of renewals is not one single cycle but a very diverse landscape, where different lines of business are at different stages of the underwriting cycle," Kuk told *SIRC Today*.

Some economies are still absorbing inflation-driven loss costs, while others are stabilising for renewed growth. Against this uneven backdrop, Swiss Re is sticking to its fundamentals – risk-adequate underwriting, early and transparent dialogue and long-term partnerships to help clients grow sustainably through shifting cycles.

A shifting mix of risks

Reinsurance demand remains strong, fuelled by geopolitical tension, economic volatility and natural catastrophe losses that have now topped \$100 billion annually for five consecutive years. In 2024, global nat cat losses reached \$318 billion, of which only 46% were insured. In Asia, the protection gap stood at roughly 84%.

The pressure, Kuk said, differs across sectors. Marine insurance has been hit by "reduced global trade flows" and port disruptions, engineering by "rising construction costs", and credit and surety by "defaults and project cancellations".

Meanwhile, cyber has become one of the region's more strategically important lines. "Geopolitical fragmentation is increasing systemic cyber exposure," he noted. "That makes cyber insurance quite important." Demand for business-interruption and trade-disruption protection is also rising as companies seek greater resilience.

KEY POINTS:

- Strong demand for nat cat, specialty solutions
- Public-private partnerships help narrow the gap
- Data and dialogue key to resilience

Regional contrasts, local responses

Across Southeast Asia, India, Korea, Hong Kong and Taiwan, the market picture is mixed. "In Southeast Asia, recent events in Myanmar and Vietnam have underscored the growing frequency of secondary perils," Kuk said. "We're helping clients assess how these evolving risks can be better managed and incorporated into their protection strategies."

In Hong Kong, Taiwan and Korea, abundant capacity from "established peers and MGAs" keeps competition fierce. "However, new accounting regimes are encouraging cedants to retain more risk themselves – a healthy development overall," he added.

“We need reliable data and increased risk transparency across the insurance value chain.”

Swiss Re also sees opportunities in proportional programmes across property, casualty and specialty lines and in emerging risk pools such as pet insurance and scheme business. "Our strength lies in providing tailor-made reinsurance solutions aligned with each market's maturity," said Kuk.

The nat cat challenge

With roughly a third of global catastrophe events occurring in Asia, Kuk believes the region can no longer treat reinsurance purely as a shock absorber. "Addressing today's complex risk landscape requires a holistic approach... we need reliable data and increased

risk transparency across the insurance value chain," he said.

He pointed to Swiss Re's work with a mutual of councils in Australia to model extreme weather risk. "Using our global datasets and geospatial tools, we created a digital twin of key assets to visualise exposure and guide targeted resilience measures." Such initiatives, he said, show how adaptation and mitigation rely on shared data, investment and accountability between the public and private sectors.

That partnership model is also central to narrowing Asia's vast protection gap. In Indonesia, the Asuransi Barang Milik Negara (ABMN) programme protects more than 83,000 state assets worth \$12.7 billion against both natural and man-made perils.

In India, the Women's Climate Shock and Insurance and Livelihoods Initiative (WCS) offers parametric cover for women in the informal labour sector exposed to extreme heat. "When temperatures triggered payouts last year, 90% of women enrolled received claims," Kuk said. "It's a good example of how insurance innovation can advance both resilience and financial inclusion."

"These projects prove that narrowing the protection gap requires more than capacity," he added. "It takes coordination, reliable data and a long-term view."

Globally, the protection gap for natural catastrophes reached \$385 billion in premium equivalent terms in 2023, with Asia-Pacific accounting for nearly \$152 billion – a reflection of both rapid growth and inflationary pressures.

Looking ahead, Kuk expects demand for catastrophe, specialty and structured solutions to continue, though he warns cross-border barriers and social unrest could complicate capacity flows.

"Demand is likely to remain strong across Asia, given the region's significant underprotection, but several risks need to be managed carefully," he said.

"Strikes, riots and civil commotion risks are escalating globally," he said. "They're evolving from isolated shocks into frequency risks with severe tail potential, requiring prudent accumulation management." ●

SIRC

Geoeconomic fragmentation in Asia

KEY POINTS:

- Geoeconomic fragmentation impacts Asia
- Insurance and reinsurance adaptation
- Focus on talent, technology, partnerships

The implications of geoeconomic fragmentation for Asia was the topic of the first panel discussion of the second day of the 2025 SIRC conference.

The panel, moderated by Dr Michael Menhart, global chief economist at Munich Re, featured Joan Collar, chief commercial officer of Marsh McLennan Asia; Robert Kosova, chief executive and executive director of QBE Asia; and Gianfranco Lot, chief underwriting officer, P&C Reinsurance at Swiss Re.

Dr Menhart opened by situating geoeconomic fragmentation within a broader spectrum of global megatrends, including climate change, demographics and technological innovation. While geopolitics dominates media narratives, he cautioned against “serial alarmism”, noting multiple simultaneous trends influence economic structures.

Collar emphasised the client perspective across Asia’s diverse markets. She highlighted the dual challenges of rising healthcare and pension costs in ageing populations and



(L-R) Dr Michael Menhart, Joan Collar, Robert Kosova, Gianfranco Lot

the pressure on small and medium-sized enterprises (SMEs), which constitute around 90% of the Asian economy. Geopolitical shifts, she noted, complicate supply chain management, forcing firms to navigate tariffs, friend-shoring and energy transition demands.

Kosova echoed the importance of complexity as opportunity. He noted that geoeconomic tensions are raising compliance demands, constraining capital allocation and influencing investment strategies. He highlighted the increased need for insurers to offer value-added propositions beyond standard products, particularly in areas of cyber risk, political violence and supply chain volatility.

Lot framed fragmentation as both a challenge and an opportunity. He noted that the reinsurance sector has historically absorbed

shocks from geopolitical and economic upheavals, drawing on decades of institutional experience.

Lot identified four key areas impacted by fragmentation: geopolitical risk, economic tensions such as tariffs, climate-related risks and technological advances including AI and nuclear energy. He stressed that diversification remains a critical tool, enabling efficient capital allocation and mitigating systemic risk, though accumulation and concentration risks must be carefully monitored.

The discussion also highlighted evolving client needs and insurance products. Collar pointed to workforce sustainability and technological transformation, particularly AI adoption, as major concerns for corporate clients. Kosova emphasised the growing demand for solutions that integrate risk transfer with mitigation, leveraging data to prevent losses before they occur. Lot underscored the importance of closing the information gap between insurers and clients to align risk appetite and pricing.

Innovation, both in product design and business models, was a recurring theme. Collar lamented the slow evolution of traditional health policies despite rising costs, while Kosova described QBE’s strategic realignment in Asia, focusing on wholesale reinsurance, ecosystem-based solutions and the establishment of roles dedicated to product innovation. ●

OUTLOOK

Risks, talent, climate: reinsurers’ future challenges outlined

While the reinsurance industry has much to celebrate, including growing premiums and innovation, the sector faces unprecedented challenges.

That was the message from Chris Townsend, member of the board of management at Allianz, who opened the second day of the 2025 SIRC conference with his opening remarks.

Townsend reflected on the remarkable transformation of Singapore and the pivotal role of the insurance and reinsurance industry in underpinning global prosperity.

Highlighting Singapore’s journey from a resource-limited nation in 1965 to a global leader in GDP per capita, education, and life expectancy, Townsend emphasised that

success stems from foresight, innovation, calculated risk-taking and collaborative leadership – qualities mirrored in the reinsurance sector.

Risks today are complex, interconnected and exponential, yet the industry often relies on siloed, outdated approaches. Townsend argued that adapting to the 21st-century risk landscape requires leveraging three core strengths: talent, data and trust.

He urged the industry to attract and nurture skilled professionals, harness its vast, but fragmented, data through advanced tools such as AI, and maintain public trust by staying relevant in an increasingly polarised world.

Alternative capital emerged as both a challenge and opportunity. Townsend likened

its rise to the transformation of private credit markets, where traditional institutions have been overtaken by innovative capital managers. These players view risk not as a liability but as a source of income and are capable of structuring complex, high-capacity solutions. The implication is clear: reinsurance must adapt or risk ceding opportunities to alternative capital providers.

Finally, Townsend stressed talent development as critical. With an average employee age of 46, the industry must attract younger professionals and position itself at the intersection of underwriting, robotics, climatology and science. He highlighted Allianz’s AI training programme for 30,000 employees as a model for preparing the workforce for a digital future. ●

STRATEGY

Opportunity to reinvent in Asia: AXA XL

A softer market leaves less room for pricing power but more to innovate and modernise how re/insurers work, lead and deliver long-term value across Asia, says AXA XL's Sylvie Gleises.



Asia's softening market is testing discipline but also unlocking an opportunity to rethink — use the pressure to modernise how you underwrite, how you operate, and how you show up locally for clients. That's the message from Sylvie Gleises, regional chief executive officer, Asia at AXA XL.

"The market in Asia is going through a big softening cycle across lines," she told *SIRC Today*. "It started about 12 months ago after a couple of hard-market years. It will stay for a while — so we need to adapt. Agility is absolutely key."

Gleises oversees a vast and varied territory stretching from India and Greater China to Japan, Korea, and Southeast Asia. She describes it as "not just diverse, but heterogeneous", spanning mature markets such as Japan and fast-emerging economies like India— each with very different risk cultures and buying behaviours. "What drives business in Japan is a completely different conversation from Singapore, Thailand or India," she said. "You can't have one playbook for all."

Building local strength

To bridge that diversity, AXA XL has expanded its footprint across the region, with teams in Mumbai, Singapore, Hong Kong, Shanghai, Malaysia and beyond. The focus is proximity: local language, networks and cultural fluency, underpinned by technical strength.

"It's a people business," Gleises said. "There's a real scarcity of talent in technical roles such as underwriting, risk consulting and complex claims. We invest to attract, develop and keep the right people."

That means Asia-specific training rather than generic global modules, leadership development tailored for softer market conditions, and mobility across roles and borders to deepen expertise and maintain continuity. "We spend a lot of time and money investing in people because trust takes time to build, and in Asia, that matters," she said.

Listening, she added, is often more powerful than product-pushing. "If the client wants a cheeseburger and you sell a Big Mac, it won't

KEY POINTS:

- **Agility and local strength key in softer cycle**
- **Regional diversity demands local strategies**
- **Cyber and renewable energy key growth areas**

work," she joked. "Our people on the ground, 16 nationalities across the region, understand culture, language and claims expectations. You can't replicate that remotely."

Resilience begins before loss

For Gleises, the value of insurance shows long before a claim. Asia's rapid urbanisation, especially along coastlines, is reshaping exposure to wind, flood and secondary perils. "A site rated low-risk 10 or 15 years ago might look very different today," she said. AXA XL's risk-consulting and engineering experts help

“You can't have one playbook [to drive business in Asia].”

clients map exposures, benchmark sites and strengthen prevention. "I'd love to avoid the claim — resilience starts before loss."

When losses do occur, local claims presence makes the difference. "The problem isn't paying the premium; it's getting value for money when you have a claim," she said. "Local underwriters and claims teams bring speed, credibility and trust."

Growth in cyber and renewables

Cyber is another area high on the regional agenda. Asia accounts for roughly a third of global incidents, driven by AI adoption, ransomware and supply-chain interconnectivity. "Cyber risk is one of the top concerns in Asia," Gleises said. "It's not only about cover, it's about training staff, testing continuity plans and

hardening both IT and operational systems. People are the first line of defence."

Technology is also transforming AXA XL itself. With price competition intense, efficiency and service quality have become key differentiators. Automation, she said, is helping her teams refocus on value. "We've cut policy issuance from three days to a few hours through Python-based workflows. That frees people to spend time where it matters - on judgement, negotiation and problem-solving."

The same philosophy drives AXA XL's growing multinational programmes business. As clients in Asia mature, more global programmes are being led from the region rather than placed into it. A new Multinational Solutions portal gives clients a single view of premiums, policies and claims, "one source of truth" that strengthens control and loyalty.

One of AXA XL's biggest growth engines is renewable energy, from onshore and offshore wind to solar, battery storage and carbon capture. Asia is expected to deliver nearly half the world's new renewable capacity by 2030. "It's a huge opportunity, but also complex," Gleises said. "Actuaries love decades of data, but we don't have that for emerging technologies."

To close that gap, AXA XL has created a centre of excellence for energy transition, connecting developers, financiers and brokers to de-risk projects early. "We want to engage before shovels hit the ground," she said. "That's how we help Asia pursue its decarbonisation ambitions while keeping projects insurable and sustainable."

With renewals approaching, Gleises expects the soft market to persist and pricing pressure to continue. Her message is pragmatic but optimistic: invest, modernise, and stay close to clients.

"AXA XL is not driven by price or capacity alone," she said. "Our focus is on creating enduring partnerships and giving clients the confidence to navigate and grow through uncertainty." ●

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STRATEGY

Discipline over expansion as Asia softens

KEY POINTS:

- Sustainable growth over volume
- Growing interest in Lloyd's capacity in Asia
- Asia lacks robust, region-specific data

In a market where many carriers are seeking growth through scale, fresh capital and aggressive pricing, Antares is taking a different approach. It has doubled down on underwriting discipline, long-term relationships and a team that has barely changed in a decade. The Lloyd's syndicate's Singapore chief executive, Li Shan Yeo, spoke to *SIRC Today* to explain why.

Shan Yeo said Asia-Pacific has experienced relatively benign conditions in 2024 and 2025, helped by rate corrections between 2020 and 2022. Profitability returned in several lines, attracting capacity back into the market. Yet margins are being squeezed again by inflation in claims costs and operational expenses, alongside tariff movements, currency volatility and geopolitical strain.

In an environment like that, "discipline always outweighs growth", she said. "We focus on the bottom line, not top-line premium. Clients know we're in this for the long term – we'll still be here when they need us, even when the market turns."

Selective growth in a shifting market

Shan Yeo expects the 2026 renewals to reflect a more competitive environment in several lines due to new capacity. But stressed that conditions will differ across classes and countries. "Sentiment will vary significantly by line of business, geopolitical context and sector-specific dynamics," she said. Tensions in the South China Sea and the Taiwan Strait, together with economic uncertainty, will remain key influences.

In this setting, Antares' priority is close engagement with clients and brokers. Shan Yeo said the firm aims to "build on our strengths while being ready to seize opportunities as they emerge". Operational efficiency is a parallel goal. Antares runs lean, she said, but continues to explore technology that can speed up processes "while keeping quality intact".

This includes the use of AI to extract and compare data – for example, financials for D&O risks. But she maintained that



“Retention has been one of our biggest strengths. Most of my senior underwriters have been with me since 2016.”

underwriting judgment stays central. "Technology supports us; it doesn't replace the human judgment clients value."

Talent continuity, she added, is core to that model. "Retention has been one of our biggest strengths. Most of my senior underwriters have been with me since 2016," she said, calling it rare in today's market. Empowerment is part of that culture: Singapore underwriters hold the same authority levels as their peers in London. "Attracting talent is about environment and reputation. Driven, motivated people want to work alongside colleagues who share that mindset," she said.

"When candidates see the stability of our team and talk to underwriters who are clearly happy here, it makes joining us an easy decision, and why most are still here nearly 10 years later," she added.

Singapore key to Asia strategy

Singapore anchors Antares' Asia strategy. Shan Yeo cited its geographic position, regulatory stability, specialist talent and

role as home to Lloyd's Asia for more than 25 years. Most major brokers and reinsurers now operate from the city, alongside growing interest from private equity, MGAs and alternative capital providers.

"Lloyd's long-standing presence in Singapore and its reputation for specialty underwriting make it an attractive partner for insurers seeking to diversify or deepen their portfolios," she said.

She acknowledged constraints such as locally sourced capacity requirements for MGAs but said Singapore's strengths, including arbitration, insurance-linked securities and a strong actuarial and analytics education base, continued to attract business.

This environment is helping fuel interest in Lloyd's capacity from regional insurers. "There's a clear trend of increasing interest in Lloyd's capacity and specialty expertise," she said, noting that under-insurance across Asia and recent returns to profitability are driving demand for more nuanced products and risk transfer structures.

Antares has posted steady growth across all lines over the past five years. In 2025, energy and cargo were the "strongest" performers. The company is also expanding its terrorism and cyber portfolios, particularly from Singapore, where it is locally empowered to write marine and specialty business.

Regulation remains the organisation's biggest challenge. "Asia's regulatory landscape is fragmented," Shan Yeo said. "Each market has its own rules, which complicates expansion."

New capital has heightened competition, but she argued the opportunity remains significant. "Asia is still significantly under-insured," she said, pointing to economic development and investment in digital infrastructure and AI, which are creating new risk demands, especially in cyber and emerging technology.

"This is where Antares sees strong potential to expand and innovate," she said.

Yeo also warned that the region's growth will be limited without better local risk data. "One of the key challenges is the lack of robust, region-specific data, especially for exposures like flood, wind and cyber," she said. "Too many models still rely on US or European inputs." She called for greater investment in Asia-focused data and modelling. ●

BROKER STRATEGY

Recalibrate for success in a soft market

Asia's reinsurance market might be softening, but that's no reason for complacency. Phil Johnson, chief executive officer for Asia-Pacific at Price Forbes, says in this phase the real focus should be on recalibrating risk transfer programmes to ensure they're built to last.



Yes, it's a buyer's market – but one that rewards smart decisions, and where broker quality matters most. “Asia’s seeing the same macro conditions as the rest of the world – broader coverage, more capital and competition on price,” Johnson told *SIRC Today*. “But a buyer’s market is only a good thing for our clients if we use it properly.

“It’s an opportunity, not just to drive price, but to properly review your programme, find a broker that wants to innovate and make sure your coverage is really meeting your needs. This is the time to get that right,” he added.

He warns that the risks clients face today are already different from ten years ago, citing the speed of change driven by AI and technology. “If you’ve got the same old programme, you’re not winning in this market,” he said. “When the cycle hardens again, at least you’ll have the right structures and wordings in place to sustain you through.”

That mindset runs through Price Forbes’ regional strategy. Since Johnson took the helm, the specialty broker has expanded rapidly in Singapore, on-boarding new colleagues and building out 12 product lines across marine, employee benefits, corporate and specialty reinsurance.

“We’re on track against our five-year plan to become a top-five specialty broker in Singapore,” he said. “We’re doing it organically, with deliberate investment and due diligence to make sure new colleagues fit our culture and deliver what clients need.”

Johnson has long argued that Singapore needs a “challenger” broker to shake up a highly concentrated market. “It’s one of the most concentrated markets in the world,” he said. “By definition, that means clients get less choice. We’re changing that by investing steadily and sustainably.”

Expansion follows a defined “playbook”, Johnson said, backed by market mapping, business modelling and cultural screening.

KEY POINTS:

- Price Forbes expands its APAC offering
- AI can drive faster, smarter broking
- Singapore poised for MGA growth

“We don’t just hire opportunistically. We identify which product lines are growing fastest and where clients, on a multinational basis, need those skills in Singapore. Every hire has to align with our values: unity, integrity, accountability and quality,” he said.

Expanding depth across Asia

The broker’s expansion has targeted both core and emerging areas. “In 2024, our hires focused on the low-hanging fruit – lines

already,” he said. “It allows our colleagues to focus on the more high-value parts of the job like client engagement, reinsurer engagement, full programme reviews rather than data entry and repetitive tasks.”

Market dynamics and capital flow

Johnson noted that while capacity is ample, it’s not evenly spread. “Capital is flooding into areas with strong data and profitable track records – core P&C and financial lines – and that’s where pricing is falling fastest,” he said. “At the same time, some European insurers that pulled out of certain lines for ESG reasons are now coming back, and that’s changing the dynamics again.”

On regulation, he’s pragmatic. “Asia’s landscape is fragmented, and that’s not going to change soon. It could deter some people from investing, and that’s something our business takes seriously,” he said. “It’s that old adage – it’s not about casting a wide net, it’s about hitting the mark. You need to target where you want to go, have a clear plan and keep your costs low.”

He’s also encouraged by signs that Singapore’s regulator might soon be more open to MGA start-ups. “That would be a really good thing,” he said. “Bringing specialist capacity back into Singapore adds another layer of competitiveness.”

Asked what advice he would give to newcomers, Johnson said: “Be curious, be global and be digital,” he said. “Asia is the future of insurance, and Singapore is at its heart. The next generation of brokers will need to blend technical acumen with cultural intelligence and digital fluency. There’s never been a more exciting time to join – and the good news is, we’re hiring.” ●

Phil Johnson is chief executive officer for Asia-Pacific at Price Forbes. He can be contacted at: singapore@priceforbes.com

“If you’ve got the same old programme, you’re not winning in this market.”

where we already had clients in Asia but weren’t servicing them locally,” Johnson said. “Marine was a big one, we went from two to ten brokers, and also moved into Singapore corporates and employee benefits.”

This year, the firm has pushed further into specialty and affinity business. “We brought in a head of affinity in Asia to focus on things like extended warranties for electric vehicles and personal cyber,” he said. “That’s an important part of being more than just a P&C or reinsurance broker. Where insureds are asking for solutions, that’s where we want to play.”

Technology has become central to that strategy. “We’re investing heavily in AI and tech enablers, and we’re seeing benefits

PARAMETRICS

Parametric drives business continuity

Japan is not short of insurance capital. What it lacks is space on balance sheets for the country's most systemic risks. That is the opportunity Descartes Underwriting is targeting with its new parametric earthquake product – filed with the regulator and launched recently in partnership with HDI Japan – which its newly-minted head of Asia-Pacific Ben Qin says is “selling like hot cakes”.

Qin recently succeeded Rob Drysdale and, with a wider mandate, wants to show the market the practical value, flexibility and speed parametric solutions offer.

“It’s the first pure parametric earthquake product in Japan,” Qin told *SIRC Today*. “Japan is a big, sophisticated market with plenty of cash and balance sheet. But domestic carriers have accumulated decades of quake, flood and typhoon exposure. There’s a limit to how much they can keep on their books.”

“Parametric cover puts capacity back into a market that’s already full – without waiting for costly capital-markets structures,” he explained.

Unlike traditional indemnity insurance, parametric policies pay out when a predefined trigger is met. In Japan, the trigger is based on meteorological agency JMA’s Shindo seismic intensity scale, and payouts are automatic once that threshold is reached.

In Japan, where many buyers do not purchase business interruption or revenue cover, this speed matters. The product targets both large corporates and SMEs who increasingly view earthquake protection as part of business continuity.

“It becomes part of resilience and business continuity,” Qin said. “You get a quick cash injection after an event. That supports recovery and keeps operations moving.”

KEY POINTS:

- First parametric quake cover in Japan
- Adds capacity where balance sheets are full
- Descartes scaling beyond pilot phase

From pilot to scale

The launch also marks a turning point for Descartes in Asia. The company spent its first three to four years in the region educating the market and proving the concept. “We’ve tested the solutions and settled real claims. Clients are advocating for us,” Qin said.

“The next phase is scaling to big capacity holders, large corporates, public sector schemes and portfolios and even reinsuring insurers,” he added.



To support growth, Descartes has widened its capital base. From an initial panel of three reinsurers, it now works with around 20. It has also added a sidecar structure and an insurance-linked securities (ILS) partnership with Generali, Lumina and Twelve Capital.

The plumbing is in place, and the company is target is to more than double premium over five years. “The stage is set. We’ve got the

team, the capacity, the tech. Now it’s about execution,” said Qin.

Beyond Japan, demand is rising for typhoon, wind, flood and quake covers. “Half the world’s population lives in Asia. Floods alone will cost billions – not just in physical damage, but in economic loss,” he said.

Adoption and challenges

Market adoption has required mindset shifts. “People are used to insurers holding their hand through the claims process,” Qin said. “Parametric means the money comes first, and clients decide how to use it.”

Education, particularly with brokers, public agencies and lenders, has made a difference. So has the rise of hybrid structures, which combine indemnity for physical loss with parametric layers for income, access or rapid liquidity. “It’s horses for courses. A good intermediary knows how to put the two together.”

Descartes positions itself as a tech-led insurer. Its models draw on high-resolution satellite imagery, soil moisture data, surface displacement metrics and AI-powered pricing tools. “Our pricing engine uses AI plus computing power to make decisions faster,” Qin said.

The firm is also developing parametric cyber outage cover, now available in Europe. Asia will follow, though uptake will take time. “Cyber penetration is still low in many Asian markets. Japan and Australia will lead. But like parametric weather products, it will evolve.”

In the next five years, Qin believes only parametric carriers with diversification, data strength and pricing discipline will endure. “You can’t be a mono-region parametric carrier. You need scale, diversification and computing power.”

“We’re targeting big growth and big scale-up operations,” he concluded. ●

NEWS

Australian insurer QBE names long-serving executive as next CFO

Sydney-headquartered QBE Insurance group has appointed Chris Killourhy as group chief financial officer, effective January 1, 2026. He will succeed Inder Singh, who has served in the role since 2018.

Killourhy will oversee QBE’s global financial strategy, capital management and investor relations.

He had more than two decades of experience. Since joining QBE in 2015, he has held several senior roles including chief actuary for QBE Capital, chief actuarial officer and chief financial officer for QBE AUSPAC, chief financial officer for QBE International and, most recently, managing director of QBE Re.

Prior to QBE, Killourhy held leadership

roles in international insurance and consulting. QBE group CEO Andrew Horton said: “Chris consistently demonstrates collaborative leadership and a deep understanding of our business.”

“His appointment reflects our commitment to building a strong, resilient and forward-looking finance function that supports QBE’s global ambitions.” ●

REINSURANCE

Consistency key in a changing market

Stability and partnership are needed as competition and capacity return to the global reinsurance market, says Echo Re's CUO.



As capital returns and pricing pressures re-emerge across the global reinsurance market, this is a moment for clear heads and not quick reactions. Echo Re's chief underwriting officer, Paul Hertelendy, believes stability will come from long-term partnerships and an commitment to consistency.

"The hard market of the last three years is coming to its tail end," he told *SIRC Today*. "More capacity means more competition, and this puts pressure on terms and conditions."

Market dynamics are giving way to a more balanced phase and the challenge for reinsurers is to stay competitive and disciplined. Yet even as pricing softens, Hertelendy cautioned against complacency. "Although it has been a mild year, we have seen surprises here and there," he said, pointing to recent events such as the earthquake in Myanmar that affected Thailand and the recent powerful hurricane in Jamaica and the Caribbean.

"All this should remind us that although capacity is here and competition is here, discipline is key to provide long-term stability to our clients."

He believes this begins with partnership and described the company's approach as staying close to our clients and remaining consistent. Over its 17-year history, Echo Re has built a reputation for transparency and reliability, even through volatile cycles.

"Partnership to us is sharing responsibility. It's not just sharing premium, it's also sharing the risks together," Hertelendy explained. He added that Echo Re's consistent approach stood in contrast to "the opportunistic ones who jump on the bus late and are the first to jump off again".

This steady philosophy is reflected in the company's underwriting framework, and Hertelendy said they maintained a clear internal framework and referral process, supported by quantitative limits in its underwriting guidelines and policies. These

KEY POINTS:

- Capacity returns but discipline must hold
- Partnership and predictability define success
- Local insight and data sharpen risk view

measures ensure a consistent decision-making process across all markets.

For Hertelendy, discipline is not rigidity; it is the ability to adapt thoughtfully. "It means pragmatism and being client-focused," he said. "We actively seek constructive ways to provide value in discussions with our clients."

This mindset is reinforced by Echo Re's mutual ownership and capital strength. "Our underwriters don't feel pressure to chase volume," he said. "This gives us the freedom

“There are no bad risks – only bad structures, bad prices and wrong partners.”

and consistency to support clients and to provide value."

Hertelendy believes that such freedom allows the company to be both selective and supportive, maintaining underwriting quality while still meeting clients' evolving needs.

As climate risk intensifies, Echo Re's underwriting philosophy also reflects a fusion of local expertise and scientific rigour. The reinsurer operates in more than 80 countries, and its "underwriters are rooted in their markets and have many years of experience". With around 25 nationalities represented

across teams, "some say it's like the United Nations," Hertelendy said.

This local grounding is complemented by strong analytical capabilities. "Our pricing and modelling team bring in a scientific view in the assessment of the risks," Hertelendy explained. "We are constantly refining our view of risk and learning from what we experience." He believes this approach is key to managing the changing nature of natural catastrophe risk.

"There are no bad risks – only bad structures, bad prices and wrong partners," he added. "If we like the risk, we can provide capacity even for complex structures."

Looking ahead, Echo Re sees its main growth potential in property and specialty lines, particularly in Asia. "The growth in this area is driven by economic expansion and increased insurance penetration," Hertelendy said. Beyond traditional catastrophe business, Echo Re is supporting sectors such as renewable energy, infrastructure and agriculture "to make societies more resilient".

As the industry prepares for the January 2026 renewals, Hertelendy's message is one of calm consistency. "While rates may ease in some areas, the industry should avoid repeating the cycle of over-competition that undermines long-term stability," he stated.

"Terms and conditions achieved in recent renewals are reasonable, and they should remain so."

Asia's importance to Echo Re is clear. "Asia is 60% of Echo Re's portfolio," Hertelendy said. "SIRC is our most important market event, and we're coming with a big delegation."

"We're very much looking forward to seeing our clients and business partners, and to celebrate with them at our cocktail party on Tuesday." ●

Paul Hertelendy is chief underwriting officer at Echo Re. He can be reached at: paul.hertelendy@echore.com

EXPANSION

Rokstone eyes opportunities in APAC

KEY POINTS:

- Seeking talent to boost bench strength
- Focus on marine insurance in Asia
- 'Strong' local presence to expand footprint

International specialty re/insurance MGA Rokstone has officially launched its first Asian office in Singapore, marking a significant step in the company's global expansion.

Speaking to *SIRC Today* on the first day of the 2025 SIRC annual conference Rama Chandran, managing director and head of marine APAC at Rokstone, highlighted that the move aligns with both his personal ambitions and Rokstone's core philosophy.

"Rokstone is an employee-owned company," Chandran said. "The DNA of the business – accelerating growth, taking ownership and exploring new boundaries – resonates strongly with my own approach as a marine engineer."

Chandran emphasised the seamless collaboration between Rokstone and the Aventus Group since he joined, noting the internal synergy and shared commitment to "redefining risk". With more than a century of combined market experience, Chandran and his team, primarily drawn from QBE and other regional insurers, aim to establish a robust presence in Asia. The team is currently expanding, seeking additional talent to strengthen its capabilities.

“Consistently delivering service quality and engaging directly with clients allows us to anticipate emerging trends and promote best practices.”



Initially, Rokstone's focus in Asia will be on marine insurance, though Chandran indicated ambitions to explore other specialty lines and commercial and consumer products. "Technology is a major driver," he explained, citing the increasing use of AI and robotics in shipbuilding, particularly in Asia, which now dominates 97% of global ship construction.

These advancements, alongside shifts towards alternative fuels, electrification and climate-conscious operations, are reshaping the risk landscape.

Chandran stressed that understanding

regional nuances and cultivating trust with clients and producers are essential. "Asia is a mixed bag," he said. "Consistently delivering service quality and engaging directly with clients allows us to anticipate emerging trends and promote best practices."

With Rokstone's strategic entry into Singapore, Chandran believes the company is well positioned to navigate a rapidly evolving marine sector, leveraging technology, expertise and a strong local presence to expand its footprint across the Asia-Pacific region. ●

FLOOD MODELLING

Fathom addresses the rising tide of climate risk in ASEAN

As climate change intensifies, ASEAN nations face growing flood risks that threaten lives, infrastructure, and economies. According to Harry Vardigans, head of insurance at Fathom, a flood risk modelling company owned by Swiss Re, the key to resilience lies in better data and modelling.

Fathom was founded in 2013 by University of Bristol researchers following the devastating Thai floods that exposed serious gaps in insurers' understanding of regional flood exposure. "Entire industrial facilities were under water, yet the industry lacked models to quantify those risks," says Vardigans, who was speaking to *SIRC Today* at the opening day of the SIRC annual conference.

Fathom's mission is to provide a consistent, global view of flood risk. Its models assess both the hazard – the likelihood of flooding – and the loss, or financial damage if flooding occurs. Built on the physics of water movement, the models use high-resolution LiDAR (a detection system which works on the principle of radar, but uses light from a laser) and satellite data to simulate how rainfall, rivers and tides behave across different terrains.

Because LiDAR coverage in Asia is incomplete, Fathom enhances satellite imagery using AI to produce detailed digital terrain models. "If your terrain data is poor, your flood model is poor," Vardigans explains. The models also incorporate rainfall data, river flows, land use and flood defences, allowing insurers and

governments to assess risk with unprecedented accuracy.

Fathom's clients range from insurers and reinsurers to public agencies and engineering firms, with projects across Australia, Hong Kong, Singapore and Japan. The company's global framework allows local adaptation – insurers can input their own data on defences or building materials to create a competitive, context-specific risk view.

As ASEAN cities rapidly urbanise, flood risk grows. "A one-in-100-year flood in a dense city like Singapore has far greater consequences," says Vardigans. By embedding flood risk modelling into infrastructure, insurance and energy planning, ASEAN can build more resilient and sustainable economies. ●

FACULTATIVE

Next era of fac reinsurance has begun

Howden Re's international and Asia-Pacific facultative reinsurance leaders, Luigi Boglione and Cynthia Cui, joined a roundtable to discuss how facultative reinsurance is evolving into a strategic lever for clients worldwide.



Luigi Boglione

Cynthia Cui

What shifts are defining the current fac reinsurance market?

Boglione: The softening of direct rates is creating space for fac reinsurance to step in with greater focus and agility. In London, rates are easing but underwriting discipline remains firm, as reinsurers deploy capital selectively and prioritise technical execution over market share. Cui: In Asia-Pacific (APAC), the shift is subtler. Many large insurers have long relied on treaty programmes, often overlooking fac solutions. Yet, as risks grow in scale and complexity, from semiconductor investments in Mainland China to manufacturing clusters in Vietnam, offshore windfarms in Taiwan and mega-infrastructure projects in Japan, fac reinsurance is proving its power as a precision tool for managing exposures beyond treaty capacity.

In APAC, fac facilities are particularly transformative, enabling domestic insurers to access global expertise while reducing administrative burden and strengthening local underwriting capability. The focus is shifting from simply completing transactions to providing strategic value. Cedants increasingly seek solutions that support sustainable, long-term growth.

How is fac reinsurance being used differently by cedants today?

Boglione: International clients use fac reinsurance to optimise retention, manage earnings volatility and complement treaty programmes.

Cui: In many APAC markets, fac reinsurance has proven its important role as a complement to treaty capacity, particularly for "peak risks" like industrial complexes, high-value construction and catastrophe-exposed properties. Fac placements also serve as a valuable second opinion, offering market feedback that signals whether insurers' pricing and risk assumptions align with market reality.

Fac purchasing has become a strategic tool for navigating elevated risk environments and secondary perils. In APAC's rapidly urbanising cities, fac helps manage accumulation and preserve solvency when typhoons, floods or earthquakes strike.

KEY POINTS:

- Softening creates room for fac growth
- APAC seeing subtler but steady expansion
- Cedants seek sustainable, strategic solutions

Boglione: In this shifting environment, an integrated model – pairing fac, treaty, capital markets and analytics – is valuable for clients globally. This is especially effective in developing markets, where reinsurers deploy capital and transfer knowledge, strengthening local ecosystems.

What innovations are changing how fac reinsurance is structured and delivered?

Boglione: Pairing long-standing clients with non-traditional capacity enables the development of multi-line, multi-year

sustainably, offering reinsurers a predictable, well-vetted stream of business.

What role does local presence play in a market that's increasingly digital?

Boglione: Even as technology reshapes how we transact, the human element remains critical. Local presence is central to our model. We now operate in around 30 countries, with more than 200 fac specialists, including more than 100 internationally.

Cui: Proximity unlocks agility. Local brokers understand regulatory shifts, cultural nuances and emerging risks, creating a one-team model aligned with clients' operations. In APAC, this proximity is especially valuable, where diverse regulatory frameworks and business cultures demand on-the-ground expertise paired with global insight. This combination enables faster, more informed responses to rapidly evolving risks.

What factors will shape the fac market over the next few years?

Boglione: Three forces will shape the market: expanding facilities for speed, deeper partnerships for stability and rising competition on service quality beyond price. Pricing may soften, but underwriting discipline will remain tight.

At Howden, we see these shifts towards equilibrium as an opportunity to work more collaboratively across regions and disciplines. This enables us to help our clients use fac reinsurance as a catalyst for growth, shaping portfolios, managing volatility and unlocking new frontiers. This shared culture of empowerment and partnership sets us apart like no other.

Cui: The next phase will be led by those investing in people and tools to deliver innovative solutions. In APAC, fac reinsurance is becoming a strategic foundation, providing flexibility, expertise and stability to insurers navigating rapid economic growth and rising catastrophe exposure. By using fac placements to isolate volatile risks and preserve treaty capacity, regional insurers can protect results while pursuing opportunity. ●

“Three forces will shape the market: expanding facilities, deeper partnerships and rising competition.”

Luigi Boglione

programmes that blend fac and alternative capital for greater resilience.

Cui: Across APAC, similar innovation is emerging in renewable energy, cyber and liability lines tied to digital and ESG growth. Fac reinsurance enables insurers to engage confidently in these sectors, matching the unique risk profiles of billion-dollar infrastructure or energy projects.

At the smaller end, SME portfolio solutions are gaining traction. Facultative only becomes efficient at scale, and portfolio approaches deliver that efficiency. In APAC, these facilities help smaller insurers grow

CYBER

Bridging region's supply chain gap

KEY POINTS:

- Asia grappling with digital and physical supply chain risks
- Data theft and protection major concern
- CyberCube's new partnership in Philippines

While mature markets such as North America and Europe contend with well-established cyber threats, Asia-Pacific is increasingly grappling with the intersection of digital and physical supply chain risks, particularly in its manufacturing-heavy economies.

Speaking to *SIRC Today* at the 2025 SIRC Conference, Jonathan Choi, director of insurance risk consulting at CyberCube, highlighted the distinct evolution of cyber risks across global markets and the particular challenges emerging in the Asia-Pacific region.

According to Choi, cyber threats vary significantly between regions. In North America, ransomware, malware and double extortion attacks dominate, often halting production or services. In Europe and parts of Asia such as Korea, data theft and data protection are major concerns, driven



“If we're to truly tailor cyber insurance for [the Asia-Pacific] market, exclusions need to be part of the conversation.”

by stringent regulations such as GDPR. However, in Asia-Pacific, Choi noted a growing prevalence of network outages and their cascading effects on physical supply chains.

“What we're increasingly observing,” he explained, “is the intersection between digital supply chain risk and physical supply chain risk — a connection that's becoming more apparent as manufacturing remains a key economic pillar in many developing nations.” He referenced incidents such as Jaguar Land Rover's disruption caused by vendor vulnerabilities, illustrating how cyber incidents can paralyse physical operations.

Choi emphasised that current cyber insurance products often exclude physical damage or supply chain disruption, a gap that

needs addressing. “If we're to truly tailor cyber insurance for this market, those exclusions need to be part of the conversation,” he said.

The region's diversity also shapes its cyber risk landscape. Developed economies in Asia focus on services and technology, while developing nations remain manufacturing-heavy, thus more vulnerable due to limited digital sophistication.

Looking ahead, Choi sees a shift in the insurance industry's role; from simple indemnification to active risk advisory and resilience building. “Cyber insurance should incentivise better cyber hygiene and security practices,” he said. “Asia-Pacific has the opportunity to learn from mature markets and build a stronger cyber risk foundation adapted to each local market.” ●

NEWS

CyberCube expands into Asia with new broker partnership

CyberCube, a provider of cyber risk analytics for the insurance industry, has expanded across Asia with a new partnership in the Philippines. The company has signed a deal for its Broking Manager solution with Lacson & Lacson Insurance Brokers, an independent brokerage.

Broking Manager is an analytics platform designed specifically for insurance intermediaries. It enables brokers to communicate cyber risk to clients effectively and illustrates the financial exposure and benchmarking details needed to substantiate cyber insurance recommendations.

Lacson & Lacson is a member of the Worldwide Broker Network (WBN). Broking Manager will enable the broker to offer data-driven insights and demonstrate the financial impact of cyber threats. The partnership

empowers Lacson & Lacson to establish itself as a cyber risk expert in a rapidly evolving market.

Nate Brink, head of broker partnerships at CyberCube, said: “Cyber insurance adoption

proactive cyber risk management, Lacson & Lacson chose to license Broking Manager to educate clients better and differentiate its capabilities in the market.”

Nicolas Lacson, chief operating officer of Lacson & Lacson, said: “In a market where cyber insurance adoption is still developing, Broking Manager enables us to take a proactive stance. It helps us articulate the value of cyber coverage, differentiate our expertise, and build lasting trust with clients.”

CyberCube said the new partnership with Lacson & Lacson reinforces the company's growing footprint across Asia, underscoring its commitment to supporting the region's insurance markets as they navigate the challenges and opportunities of the digital era. ●

“Cyber insurance adoption in the Philippines remains at an early stage, with most placements still contract-driven.”

in the Philippines remains at an early stage, with most placements still contract-driven. Recognising the growing importance of

CLIMATE RISK

Climate resilience begins with data

As nat cat losses rise, Jane Koliševski from Sava Re explains how agility, discipline and data can define the path to resilience.



In an era of frequent and severe natural catastrophes, Sava Re is charting a course that balances opportunity with caution. Jane Koliševski, head of non-group reinsurance operations at Sava Re, says the company's position as a smaller, more agile reinsurer is an asset in today's unpredictable market.

"Although Sava Re has a strong presence across multiple markets worldwide, we are still a relatively small fish in the global reinsurance ocean," he told *SIRC Today*. "This enables us to act differently than our competition: we can react quicker and be more selective."

That agility is underpinned by discipline. Koliševski explained that Sava Re's strategy centres on a well-diversified portfolio, strong capitalisation and disciplined exposure management, supported by prudent retrocession and balanced growth across regions. These elements help maintain resilience while aligning underwriting with the company's long-term sustainability goals.

Even as catastrophe exposures increase, Sava Re is holding its nerve. "We are not afraid of cat losses," Koliševski stated. "Nat cat exposure is an important part of our book." That conviction does not mean complacency, however, and he pointed out that the reinsurer had reinforced underwriting discipline, set clearer exposure limits and placed stronger emphasis on data quality and transparency from cedants. The result is a portfolio built for consistency, not opportunism.

Technology and analytics play a growing role in that pursuit. Sava Re, Koliševski explained, "continues to refine its catastrophe modelling framework, combining established vendor models with in-house expertise, scientific datasets and bespoke analyses." This blend enables the company to strengthen accumulation control and refine its own view of risk.

Where cat models fall short, underwriters are expected to dig deeper. "We mandate our

KEY POINTS:

- Agility helps navigate market volatility
- Nat cat exposure remains core focus
- Collaboration strengthens client resilience

underwriters to push in some additional effort in order to gather better granulation of data," he says, ensuring decisions are grounded in evidence rather than assumption.

The influence of climate change is increasingly shaping Sava Re's long-term thinking and climate considerations are becoming more and more embedded in Sava Re's strategic and underwriting processes. This includes climate stress testing, monitoring exposure shifts in climate-sensitive regions and adjusting risk appetite accordingly.

“Addressing climate risk must be at the centre of our client relationships.”

Beyond risk management, Sava Re is also supporting projects that advance adaptation and resilience, reflecting its broader commitment to sustainable value creation.

"Addressing climate risk must be at the centre of our client relationships. It's a challenge we can only tackle together," Koliševski emphasised. Collaboration, in his view, is what keeps the industry moving forward.

"Collaboration is one of the biggest essentials. We see ourselves as a partner that contributes both capacity and technical expertise." By working closely with cedants, brokers and modelling partners, Sava Re seeks to enhance data quality and deepen

understanding of catastrophe dynamics across the value chain.

As SIRC 2025 gets under way, there's one focal point for the company. "Asia-Pacific remains an important and attractive region which we will continue to focus on," Koliševski said, adding how the region's diversity demanded both caution and insight.

"We see opportunities in markets where our technical expertise and disciplined approach can add value, but we recognise the need for selective participation and deep local understanding."

Looking ahead to renewals, Koliševski expects conversations to centre on portfolio quality, data transparency and structure optimisation. "Our focus is maintaining portfolio quality, ensuring that pricing reflects true risk, and deepening partnerships with key clients," he said. The task, as always, is balance: "We aim to strike a balance between supporting clients and safeguarding long-term profitability."

As the market faces renewed capital inflows and possible softening, Koliševski insists Sava Re will remain grounded in technical rigour. "When global markets are facing an abundance of capital, one of the most important tasks is to maintain a quality reinsurance portfolio," he observed. "We do not intend to follow any of the future opportunities without proper technical underwriting."

In an environment defined by volatility and complexity, that discipline may be Sava Re's greatest differentiator. "We aim to remain a stable, reliable and forward-looking partner across the globe," Koliševski concluded. "Our foundation in disciplined underwriting, strong capital and a culture of collaboration should enable us to navigate through market volatility with confidence." ●

Jane Koliševski is head of non-group reinsurance operations at Sava Re. He can be contacted at: Jane.Kolisevski@sava-re.si

GROWTH

The two engines driving Asia’s growth

India and China offer the strongest opportunities and are driving the Asia-Pacific re/insurance market’s growth narrative. That’s the collective view of 62% of respondents in *SIRC Today*’s latest survey.

China’s sophisticated insurance ecosystem and India’s rapid digital expansion are attracting both global and regional players alike, and one participant wrote: “Growth in Asia is being powered by scale, innovation and a hunger for protection,” while another said: “China and India represent the full spectrum from advanced analytics-led efficiency to grass-roots market penetration.”

Other markets such as Japan, Malaysia and Vietnam (around 23% each) are also gaining attention for diversification potential, while Singapore (15%) remains a strategic hub rather than a growth market. This tier of mid-sized economies provides stable platforms for expansion and innovation, complementing the region’s growth story.

Leading reinsurers are actively expanding in Asia to capture these opportunities. Last year, Miller strengthened its facultative team and Beazley grew its specialty footprint. This year, QBE Asia has pushed deeper into facultative reinsurance with a Guy Carpenter veteran, while Rokstone signed a Lloyd’s binder deal to bolster its property facultative

- KEY POINTS:
- China and India lead Asia’s growth story
 - Specialty, property cat and cyber lines surge
 - Parametric and facultative business gaining pace

portfolio, reflecting the region’s dynamic growth and competitive activity.

Survey respondents are mostly optimistic about property catastrophe and specialty lines, each cited by 46%, followed closely by cyber, parametric and facultative/treaty business at 38% each. These are segments where innovation and digital capabilities are critical differentiators.

Cyber, in particular, continues to evolve rapidly as corporations and governments confront escalating ransomware and systemic risk exposures. Parametric products are also gaining traction as efficient tools to close protection gaps in agriculture, nat cat and renewable energy sectors. “The appetite for new risk solutions is growing fast,” one participant observed. “Asia is moving beyond traditional lines to products that reflect how economies actually operate in a digital and climate-exposed world.”

The survey highlights a region defined not by uniformity but by contrast; mature

versus emerging markets, conventional versus parametric risk transfer and capital depth versus innovation agility.

Yet across all variations, one thread runs consistently: momentum. China and India remain the gravitational centres of Asia’s growth story, while specialty lines, cyber solutions and emerging facultative business ensure the region’s potential extends far beyond its largest economies.

“The opportunity in Asia isn’t just about where you deploy capital; it’s about how fast you can adapt to the way risks are changing,” a respondent concluded. ●

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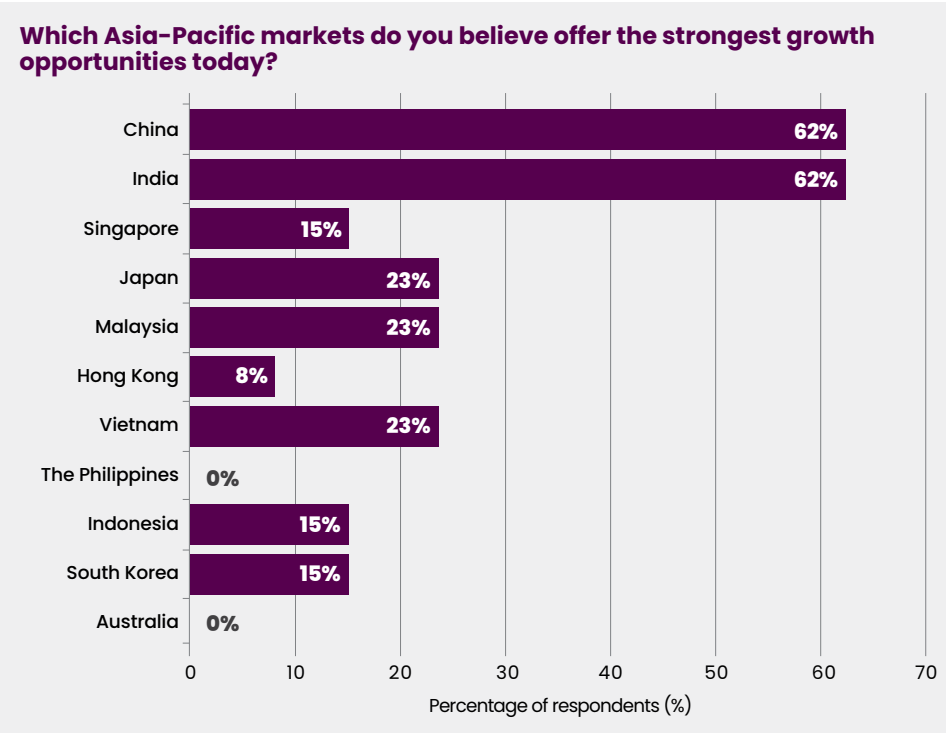
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