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EAIC TODAY

Narrowing protection gap will need insurers to innovate, be creative and forge partnerships

NARROWING THE GLOBAL PROTECTION

GAP will require “ambition, creativity, humility and partnership”, with insurers, governments and communities each playing a role in building resilience, Stephen Frank, president of the Global Federation of Insurance Associations (GFIA), told delegates at the 31st East Asian Insurance Congress (EAIC).

“It will require insurers to innovate, governments to create enabling conditions, and all of us to keep the needs of customers and communities at the centre of our work,” said Frank, addressing the Tokyo gathering remotely

from Canada. “The protection gap is a challenge measured in trillions of dollars, but its human significance is measured in security, dignity, opportunity and resilience,” he said.

GFIA estimates annual global protection gaps of about \$1 trillion for pensions, \$900 billion for cyber risk, \$800 billion for health and \$100 billion for natural catastrophes.

But Frank stressed that the issue goes beyond insurance. “These figures are not just abstract statistics,” he said, pointing to households without adequate retirement income, patients unable to access care, businesses exposed **3** →



Stephen Frank

KEEP THE TRUST, lose the friction across three markets



Sally Wan

THERE IS A PRINCIPLE IN JUDO that, rather than meet a force head-on, you turn and use its momentum. For Sally Wan, CEO of Axa Greater China and president of the EAIC, the differences between Mainland China, Hong Kong and Macau are less a headwind than an opportunity.

The Greater Bay Area is one of the most dynamic economic regions in the world, she says, albeit operating across three distinct regulatory frameworks. “Rather than viewing cross-border dynamics as ‘friction,’ we see an

evolving opportunity,” Wan told *EAIC Today*. Regulators across Chinese Mainland, Hong Kong and Macau are working closely together to provide clear guidance and facilitate cross-border collaboration, Wan explained.

A framework such as PIPL cross-border exemptions, alongside practical measures like the GBA Standard Contract, have streamlined data flows while maintaining high-level data privacy standards, she said.

Wan said: “Our role is to work constructively with regulators and **4** →

INSIGHTS AND ANALYSIS FROM MORE LEADERS INSIDE



Andy Souter



Yuriko Koike



Terence Williams



Toshiyuki Miyoshi

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PROTECTION GAP

Protection gap will require innovation

➡️ to cyber disruption and communities struggling to recover after disasters.

Frank also cautioned that innovation alone would not close protection gaps. “Technology is not a solution by itself. It must be designed around people, trusted by consumers, supported by appropriate safeguards, and integrated into the broader ecosystem,” he said. “When it’s done well, innovation can help narrow gaps. If it’s done poorly, it will create new ones.”

Beyond insurance capacity

The same concern ran through an earlier panel discussion at EAIC, where representatives from Bangkok, Jakarta, Macau and Manila argued that narrowing Asia’s natural catastrophe protection gap will require more than additional insurance capacity. Public-private partnerships, better data, pre-arranged financing and stronger incentives for prevention all emerged as recurring themes.

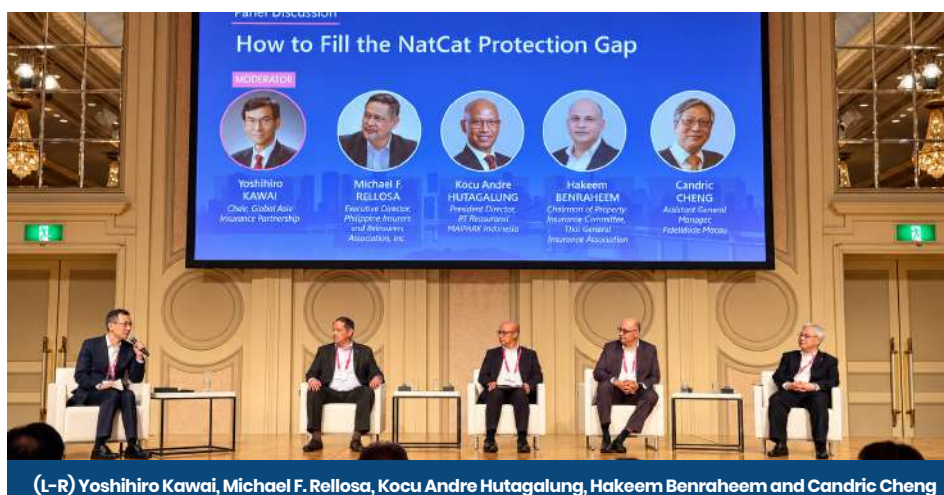
Moderating the discussion, Yoshihiro Kawai, chair of the Global Asia Insurance Partnership, said the recent earthquakes, typhoons and flooding across the region were a reminder that behind aggregate loss figures sit families and communities, often with the least financially resilient also among the least insured. “The role of insurance is to provide protection, financial protection, before something bad happens,” he said.

That question of what happens before disaster struck a chord across the panel.

No single solution

For the Philippines, Michael F. Rellosa, executive director of the Philippine Insurers and Reinsurers Association, argued against searching for a single sweeping solution. Instead, the country has been trying to build individual partnerships around specific risks, including a proposed public-private agricultural co-insurance pool involving government, the state crop insurer, private capacity and reinsurance. The harder part, he suggested, is often not designing the insurance mechanism but creating the governance needed to make it work.

He was equally blunt about pricing. Resistance to technically adequate catastrophe rates can become a protection problem in itself, Rellosa said. “Underpricing is not affordability; it is a deferred default on the policyholder, a promise you cannot fund.” Affordability should instead be addressed through pooling, product design and targeted support. His broader warning was that schemes also need staying power. “Continuity beats innovation. An instrument that tests



KEY POINTS:

- Protection gaps demand shared action
- Technology alone will not close gaps
- Prevention must start before losses

brilliantly once, then lapses, protects no one,” he said.

Indonesia faces a different scale of challenge but is moving in a similar direction. Kocu Andre Hutagalung, president director of PT Reasuransi MAIPARK Indonesia, pointed to the combination of earthquake and volcanic risk, growing climate-related exposures, low insurance penetration and economic concentration in major urban centres. He said nationwide programmes backed by government would be an important part of closing the gap.

Indonesia’s disaster-risk financing strategy includes a disaster pool and programmes covering state assets and emergency response financing for local governments. Hutagalung also highlighted MAIPARK’s role in providing catastrophe modelling and exposure tools that can give insurers and government a common view of risk. That visibility, he argued, is important not only for designing coverage but for building the transparency and accountability required when public money is involved.

In Thailand, Hakeem Benraheem, chairman of the Property Insurance Committee at the Thai General Insurance Association, focused on the practical obstacles that continue to hold protection back: fragmented data, affordability constraints, limited domestic capacity and weak incentives where households expect government relief after a disaster.

Thailand’s experience following the 2011 floods showed how public intervention could help

stabilise a distressed catastrophe market, while its crop insurance programme demonstrated the potential of government, insurers, banks and international capacity working together.

But Benraheem’s emphasis was increasingly on moving insurance upstream. Rather than functioning primarily as a post-event payer, the industry should be part of a broader disaster-financing ecosystem established before losses occur, supported by better mapping, satellite technology, AI and more accurate exposure data. “We should not only be post-event; we have to manage pre-event risk,” he said.

Technology broadens toolkit

For Candric Cheng, assistant general manager at Fidelidade Macau, the experience of a small, densely concentrated market illustrated another route. Following severe typhoons, Macau has combined government-supported insurance for SMEs with investment in infrastructure, drainage and early-warning systems. More recently, parametric elements have also been introduced, allowing payments to be triggered by defined storm conditions rather than waiting for traditional loss assessment.

Cheng also hailed the wider potential of parametric insurance, satellite monitoring and risk modelling across China. Extreme weather can’t be controlled, he said, but better data and technology can make risks easier to anticipate and finance.

Across four very different markets, the message was strikingly consistent – closing Asia’s protection gap will depend less on any single product than on building systems that connect insurance, government, data and risk prevention before the next catastrophe arrives. ●

MARKETS

Keep the trust, but lose the friction

“1 partners to simplify the cross-border experience, transforming complexity into a seamless, value-added proposition for individuals and businesses operating across the GBA.”

Three markets, different pressures

Operating across the Chinese mainland, Hong Kong and Macau positions Axa as serving as a bridge for its customers, she said.

“We see tremendous opportunities, particularly in reinsurance, as well as supporting Chinese mainland companies going overseas and expanding their international footprint.”

As to how Axa meets the needs of clients spanning three territories, Wan says the insurer leverages its global network, focusing on technical product innovation, disciplined underwriting and specialty insurance solutions tailored to complex risks.

That said, softening commercial P&C pricing across Hong Kong and mainland China reflects broader macroeconomic realities.

Amid geopolitical uncertainties and persistent economic headwinds, businesses are adopting a more conservative stance — prioritising cost discipline and capital preservation, said Wan.

For example, according to official Insurance Authority figures, non-construction employees’ compensation saw total policy volume grow steadily from 411,110 in 2024 to 416,066 in 2025. However, because companies are managing headcounts and payroll conservatively, growth in policy count has not necessarily translated into premium growth, Wan said.

At the same time, localised claims inflation in lines such as motor requires a more disciplined and cautious pricing approach to maintain portfolio health, she added.

Rather than view corporate conservatism purely as a market headwind, the upbeat Wan sees it as a strategic opportunity to deepen corporate partnerships.

A wider protection challenge

More important than any cross-border regulatory friction is the overarching worry of the climate protection gap across Asia-Pacific. Addressing the climate protection gap is a core priority for Axa and a responsibility it takes very seriously, said Wan. The increasing

KEY POINTS:

- Regulation can enable cross-border growth
- Complexity also creates opportunity
- Collaboration is key to systemic risks

“Rather than viewing cross-border dynamics as ‘friction,’ we see an evolving opportunity.”

frequency and severity of weather events pose challenges for the entire industry.

Wan, who is guest of honour at this year’s EAIC conference, has a simple message for attendees: “Addressing systemic risks like climate change and the protection gap requires bold, industry-wide collaboration. By combining disciplined underwriting with practical innovation, particularly AI, we can build a more resilient, sustainable and inclusive future for Asia-Pacific.”

When it comes to closing the protection gap, Axa has adopted a two-pronged approach — building resilience and innovating solutions.

First, it works with communities and businesses to promote awareness, risk prevention and adaptive measures. Second, it leverages its global experience in climate risk modeling, data science and advanced analytics to develop innovative and cost-effective insurance products, such as parametric solutions, which can quickly and efficiently respond to climate-related events.

“By combining cutting-edge technology with our deep underwriting expertise, we aim to bridge the protection gap where traditional

products may fall short, ensuring better coverage and enhanced resilience for our customers and society at large,” Wan said.

Data analytics and proactive risk prevention are key for insurers if they are to avoid prohibitive rate hikes for buyers in Southeast Asia. Regional data ecosystems are advancing rapidly, said Wan, who pointed to how the Insurance Authority in Hong Kong is collaborating with Hong Kong University of Science and Technology on climate data discovery and AI risk modeling to improve flood and storm forecasting.

Wan continued: “At Axa, we pair these public initiatives with our specialised Axa Climate capabilities. By utilising high-resolution weather analytics and parametric covers with pre-agreed triggers, we can assess local perils more effectively. Combined with practical risk mitigation advice for corporate clients, this approach keeps baseline risks down and ensures coverage remains fair, stable, and sustainable.”

AI as a ‘co-pilot’

When it comes to AI, Axa has adopted a humanistic approach, using the powerful technology to grind through the data but ultimately relying on human judgment.

“We focus on translating AI from hype into impact. AI is not about replacing underwriters; it’s about augmenting their expertise,” said Wan, who described the technology as a “co-pilot” which enhances their expertise, enabling smarter, faster and more precise risk decisions.

“The objective is not to replace human judgment, but to enhance it, combining the speed and efficiency of AI with human expertise and oversight,” she said. “This enables us to provide our partners with faster, more accurate responses while making it easier and more efficient to do business with us.”

For Wan, despite head-spinning technological advances, the fundamental for insurers remains the same, which is pooling risk and paying claims fairly when customers need it most. What the industry must leave behind is unnecessary complexity, she said — opaque products, jargon and lengthy processes.

“Keep the trust; lose the friction,” Wan said. “That is how we bridge our industry’s foundational values to a more responsive, human future.” ●

“Our role is to work constructively with regulators and partners to simplify the cross-border experience.”

MARKET

Step away from rate, rethink cover

APAC reinsurance is softening materially, particularly in facultative business. But the easing is not uniform, and Howden Re cautions the market may be approaching the point where further erosion becomes harder to sustain.

“On the facultative side, the market across Asia-Pacific remains soft. In the more traditional lines, including property, energy, casualty and terrorism, we continue to see meaningful rate reductions, with 15-20% commonly seen across the APAC market,” Cynthia Cui, managing director and head of APAC facultative reinsurance at Howden Re International, told *EAIC Today*.

The picture is less straightforward in specialty business.

“That said, pricing discipline remains stronger in certain specialty classes, particularly financial lines, credit risks, aviation and war, where capacity is more constrained and reinsurers continue to place greater emphasis on technical pricing and risk selection,” she said.

Softening has limits

Cui cautioned against assuming the current pace of easing can simply continue.

“The fac market has been softening for some time now, and there is naturally a limit to how far pricing and terms can continue to erode,” she said. “With Asia having experienced a relatively active period of natural catastrophe losses over the past 12-24 months, we expect the market to move towards greater stability in the not-too-distant future.”

The softer conditions are also beginning to affect more than price. Some cedants are revisiting attachment points that moved higher during the hard market.

Lower attachments return

“We are starting to see certain cedants seek lower attachment points, with reinsurers supportive of this,” Andy Souter, head of Asia Pacific at Howden Re International, said.

Souter said the frequency profile behind those lower attachment points now looks different from the period before the recent hard market because cedants have also been more disciplined on their original business.

“Portfolio quality has improved, and enhanced data and modelling have given both cedants and reinsurers a much better understanding of the frequency end of portfolios,” he said.

KEY POINTS:

- Broker demand strong across APAC
- AI could create a ‘paradigm shift’
- Howden sees APAC fac stabilising



Cynthia Cui

“More strategic reinsurers are open to discussing lower attachment points as part of the overall client relationship, while maintaining an orderly level of discipline,” Souter added.

For cedants, however, Howden Re argues that the opportunity in the softer market should go beyond another reduction in rate or retention.

Look beyond rate

Souter believes current conditions suit what Howden Re describes as a “break the glass” strategy, which means “stepping away from rate” and thinking more broadly about the protection being purchased.

“We believe this is an opportune moment for clients to think about securing the right form of protection, building strategic optionality and building resilience on the most favourable terms,” he said.

“Underpinning this approach is the balance between the current soft market but increasing



Andy Souter

risk premia globally arising from geopolitical stress, as well as macroeconomic and capital markets stress,” Souter said.

Asian insurers are also dealing with evolving regulatory capital and solvency regimes, pressure on return on equity, dividend payouts and book value, and expansion into emerging risks. Souter cited data centres as one example increasing the need for reinsurance advice and execution.

That, he said, is helping sustain demand for independent reinsurance broking and capital advisory across the region.

“Clients continue to need new ideas, innovation and different ways of building solutions that enable their businesses while navigating challenges, and there are still gaps in what the market currently offers,” he said.

Howden Re treats treaty and facultative as part of a single suite of solutions rather than separate conversations, with complex risks increasingly requiring a more flexible approach.

“We first seek to understand the risk and the challenge it presents, then formulate a plan for whether it should be fac, treaty, or a hybrid solution that draws on the capacity, terms and capabilities of both markets,” Souter said.

The tools used to understand those risks are changing too. Souter sees AI as a potential “paradigm shift” in how the industry handles information. “AI is an obvious factor behind a potential paradigm shift in how we ingest data, understand risks and opportunities, and deliver greater operational efficiency, ultimately benefiting reinsurance cedants and providing a better product for end customers,” he said.

Towards resilient financing

“Beyond AI, we need greater collaboration around big data to understand emerging risks, ensure the region stays resilient to natural and man-made perils.” That technological shift does not, in his view, diminish the importance of market relationships.

“Building relationships and trust between risk and capital is essential,” Souter said. “It’s a core characteristic that underpins our industry, making it a resilient form of financing, and it will remain essential for the long term.”

How each cedant uses the softer market will depend on its own portfolio and approach to the cycle. “The balance between terms, technical rate adequacy, and the client’s relationship with reinsurers is tailored to how each client views and manages the market cycle,” Souter said. “There is no one-size-fits-all approach.” ●

TOKYO

Back to origin, facing future risks

EAIC's return to Tokyo put resilience, underinsurance and regional cooperation at the centre of discussions as industry leaders deliberate on what insurance must deliver for Asia's next chapter.



31st EAIC executive board members at the opening ceremony

Asia's insurers need to make protection more accessible, strengthen resilience and work more closely across borders as climate risk, technology and underinsurance reshape the role of insurance across the region.

Calls for closer cooperation across Asian insurance markets and a renewed focus on the industry's role in society ran through the opening ceremony of EAIC 2026 in Tokyo.

The East Asian Insurance Congress has returned to the city where it began more than six decades ago, marking an occasion to look both at how the industry has developed and what will be required of it in the years ahead.

The 31st EAIC is being held under the theme "Back to the origin, a bridge to the future - Asia reunites at Tokyo". Tokyo hosted the first congress in 1962 and welcomed it again in 1982 and 2002. Its return in 2026 marks the fourth time the event has been held in the Japanese capital.

Hiroshi Shimizu, chairman of Nippon Life Insurance Company and vice president of EAIC, said the return to Tokyo had particular significance after more than six decades of shared history.

EAIC brings together insurance

KEY POINTS:

- Need for cooperation across markets
- Technology reshapes insurance
- Protection must be more accessible

professionals, regulators, experts and business leaders from across East Asia and beyond, he said, representing different markets and sectors but sharing a common purpose.

"We come from different markets and sectors, but we share the common purpose, which is helping individuals, businesses and communities face the future with confidence and shape a resilient and sustainable society in a rapidly changing world," Shimizu said. "This purpose has never been more important."

He said discussions at the congress would cover both long-standing and emerging challenges facing insurance, while stressing that its value extended beyond the formal sessions. "EAIC is about more than what is said on stage," he said. "It is also about the connections we build and the ideas we share."

Sally Wan, chief executive officer of AXA Greater China and president of EAIC, described the return to Tokyo as an

opportunity to consider what leadership now means for the industry. "Returning to Tokyo is therefore more than just a homecoming," Wan said. "It is a chance for all of us to reflect how far our industry has come, and to ask what leadership now requires from us."

"Climate risk is growing. Technology is changing our businesses and customers expect more from us," Wan said.

"At the same time, many families and businesses across Asia [are] under-protected. Closing that gap is both social responsibility and also a growth opportunity." She said insurers need to make protection "simpler, more accessible, more relevant to the changing needs of our communities".

Challenge that crosses borders

Wan also stressed that many of the issues facing the industry cannot be solved within national markets. "These challenges cross borders. No one market can meet them alone," she said. EAIC provides a trusted place to exchange experience, look for practical solutions and strengthen regional cooperation, she added.

That purpose goes back to the origins of the congress itself. The roots of EAIC go back



Sally Wan,
president, EAIC



Hiroshi Shimizu,
vice president, EAIC



Yuriko Koike,
Governor of Tokyo

to a chance meeting in New York in 1957. Japanese actuary Taizo Fukumuro, known as the architect of the EAIC conference, then with Dai-ichi Mutual Life Insurance Company, met two Filipino insurance professionals, E.S. Sevilla, of National Life and M.O. Hizon, of GSIS, while attending the International Congress of Actuaries.

Fukumuro later recalled that although they knew much about insurance markets in the US and Europe, they knew surprisingly little about insurance in neighbouring Asian countries. The discussion led to the idea of creating a forum through which insurance professionals in the region could learn more from one another.

Fukumuro subsequently travelled through Asia in 1959, meeting insurance professionals in Taipei, Manila, Hong Kong, Saigon, Bangkok and Singapore, and found broad support for the idea. Three years later, the first EAIC was held in Tokyo in October 1962, with fewer than 20 participants attending from outside Japan, according to EAIC's own account of its history.

The congress subsequently expanded and developed into a biennial gathering rotating among member markets. EAIC now comprises 19 cities and countries.

The scale might have changed considerably, but the emphasis on exchanging knowledge and building relationships remains central to the discussions taking place in Tokyo today.

The previous congress in Hong Kong in 2024 attracted more than 1,000 participants from around 30 countries and cities.

Resilience in focus

Tokyo Governor Yuriko Koike brought another major theme of the opening ceremony into focus, pointing to increasingly severe natural disasters and the importance of preparing cities and communities before losses occur.



She highlighted work under the Tokyo Resilience Project, including large-scale underground infrastructure designed to manage heavy rainfall and flooding.

Tokyo has also turned to financial markets to support that effort. The Tokyo Metropolitan Government issued the Tokyo Resilience Bond in 2025, which it described as the world's first resilience bond to receive certification under the expanded Climate Bonds Standard.

"In these uncertain times, providing peace of mind is the core mandate of the insurance industry, and it is also what Tokyo seeks to deliver," Koike said. "So let us work together to build a safer and more secure East Asia."

The role of insurance in giving people and businesses confidence to plan for the future was also a recurring theme of the opening discussion. "Insurance gives people security in uncertain times," Wan said. "It also gives business the confidence to invest, families the confidence to plan and society the confidence to move forward."

The ceremony also brought together senior figures from Japan's insurance industry, including Toshiaki Sumino, chairperson of The Life Insurance Association of Japan, and Koji Ishikawa, chairman of The General Insurance Association of Japan. Sumino is also president of Dai-ichi Life Insurance, while Ishikawa is president, representative director and chief executive officer of Sampo Japan Insurance.

The formal proceedings were followed by a traditional kagami biraki ceremony, with senior representatives on stage opening a sake cask with wooden mallets. The evening continued with the welcome reception and traditional Japanese cultural performances.

Yasuo Kiga, former managing director of Dai-ichi Life Insurance and former general secretary of EAIC, was also part of the welcome reception programme.

More than 60 years after the first congress, EAIC has returned to where it started with a very different set of risks on the agenda. But the central idea behind the organisation remains much the same. Markets that face common problems have more to gain by exchanging experience and working together than by tackling them alone. ●

TALENT

AI forces rethink of insurance careers

KEY POINTS:

- AI is reshaping early-career roles
- Judgment and empathy remain critical
- Insurers must rethink talent development

AI may strip out much of the routine work that once formed the first rung of an insurance career, but the industry will need to redesign how people build judgement, empathy and experience if it is to remain a “people business”, delegates at the 31st East Asian Insurance Congress (EAIC) in Tokyo heard.

Speaking in Tokyo on Tuesday September 15 during a panel titled ‘Talent, Trust and Transformation: Is Insurance Still a People Business?’, executives argued that AI should remove repetitive work without eroding the human capabilities insurance depends on.

The discussion was moderated by Selina Lau, chief executive of The Hong Kong Federation of Insurers, with Julie Chow, group chief human resources officer at FWD Group; Amelia Lim, acting head of Brunei branch at Tokio Marine Insurance Singapore Ltd; Terence Ho, chief risk officer at Tokio Marine Nawa Insurance Co., Ltd; and Yeow Hau Tan, executive lead, Integration Liaison (Nippon Life), Acenda Group and adviser to Nippon Life Insurance Company.

Chow framed the issue around the nature of insurance itself. “We are not just selling a product or a service. We are actually selling a promise that may take years to realise,” she said. Trust, she added, is “the foundation of our business”.

Technology could improve service, but Chow stressed that human judgement and empathy remain central. “You can use technology, but don’t outsource your judgement,” she said.

Redesigning the career ladder

Tan said AI should be treated as a tool, not a substitute for human responsibility. “The more important issue is judgement,” he said, asking whether users could assess the quality of AI-generated recommendations and decide what made sense in context.

“The key question is where we apply it in the value chain so that it strengthens, rather than weakens, the human connection with our customers,” he said.



(L-R) Selina Lau, Julie Chow, Terence Ho, Amelia Lim and Yeow Hau Tan

The more difficult question was what happens when AI removes the routine work through which generations of insurance professionals learned their craft.

Ho, an actuary by training, said much of his early career was spent cleansing data and analysing results, the kind of work he could “easily imagine” being replaced by AI. Similar changes would affect underwriting and claims, he said.

Rather than viewing that purely as a threat, Ho said it gave insurers an opportunity to “redesign or re-engineer business processes” and rethink how people are developed.

“Many of us followed a similar career path – start with technical work and the less glamorous tasks, become a technical specialist, and later become a manager,” he said. “For the next generation, we may need to create a different career path that is better suited to the next 10 or 20 years.”

Lim identified the same tension. “There is a big challenge here. If we automate all the junior work, how do they learn to become senior?” she asked.

The answer, she argued, is not simply to redesign jobs but to “redesign how people learn”, giving younger employees broader exposure while preserving the experiences needed to develop judgement.

She also urged leaders not to mistake Gen Z’s impatience for entitlement. “You can be impatient about learning, but you have to be patient when it comes to mastery,” she said.

Purpose still matters

For Chow, the arrival of Gen Alpha will sharpen the challenge. By the time they enter

the workforce, AI will be as ordinary as Wi-Fi or smartphones, she said. Employers will therefore have to compete on the quality and meaning of work, not access to technology.

Lim argued that insurers need to “make the work better, make careers broader and make the purpose more visible”.

“In insurance we tend to undersell what we do,” she said. “We describe our work through premiums, products and claims rather than the actual problems we are trying to solve.”

That human purpose also shaped the discussion of empathy. Tan said there was “no replacement for direct interaction”, arguing that young professionals need exposure to different cultures, disciplines and environments so they can see first-hand how insurance responds when families face difficult moments.

The panel also pointed to a role for industry bodies. Lau said the EAIC Executive Board had agreed that at future congresses each board member would bring a next-generation executive, creating what she described as a junior executive board.

Chow said such initiatives could help the sector explain its purpose and attract younger talent, while Tan said associations could develop talent at a wider scale than individual companies.

The panel closed with short advice to the next generation. Ho’s was “stay curious”; Chow’s, “be passionate”. Lim urged young professionals not to wait until they felt completely ready, while Tan advised them to build deep technical expertise without allowing their first discipline to confine them. ●

APAC

Industry, not geography defines APAC

Industry, not geography defines the Asia-Pacific insurance landscape with digital infrastructure and renewable energy taking the lead as the sectors that show the strongest potential for regional growth.

Alex Tarantino, principal officer and managing director of HDI Global Singapore, said the natural catastrophe profile of the region also played an important role in unique approaches to risk prevention and loss mitigation.

"There is strong potential in digital infrastructure, data centres, advanced manufacturing and the renewable energy transition, alongside increasingly complex supply chain issues driven by geopolitical conflict and the region's geography," Tarantino told *EAIC Today*.

"We're seeing insured values increase as technology and advanced manufacturing drive data centre expansion across the region, with a lot of expensive, high-value stock moving around Southeast Asia."

He said the global technical expertise and risk management capabilities of international players in the region are a valuable asset in understanding complexities associated with the wider environment into "what may look like a fairly straightforward risk when it hits an underwriter's desk".

Southeast Asia's renewal energy transition is an area HDI Global has identified where insurers can play a significant role in enabling growth within the sector. Tarantino said HDI was looking to use its global expertise to support the transition.

KEY POINTS:

- Growth in digital, renewal energy
- Singapore the regional hub
- Parametric not standalone



“The complexity is around defining the triggers and agreeing how they will be measured and reached.”

"There continues to be significant capital flowing into Southeast Asia's renewable energy transition. We have strong appetite in this area and already write and lead renewable wind, solar and battery storage projects," he said. However, while the pace of renewable energy adoption varied by country it was likely to "remain an important part of Southeast Asia's growth story".

With Singapore as the regional hub for decision-making and risk management,

Tarantino said HDI Global was seeing particularly strong investment and development in digital infrastructure, data centres and renewable energy across Malaysia, Indonesia, Thailand and Vietnam.

As these sectors scale up across the region, Tarantino emphasised the risk factors that come with geological, weather and climate volatility.

"For us, when we look at any piece of business, the key questions are: What is the risk management? What is the risk mitigation? What is the experience? And is there a solution or policy coverage that adequately addresses those risks?" he said.

Tarantino said parametric insurance is a valuable for expenses that are difficult to capture through traditional insurance "particularly in Southeast Asia, including emergency response, temporary relocation and supply chain disruption".

His view is that parametrics works best as a multi-layered placement with a focus on the financial loss covering the protection gap with immediate liquidity, and sufficient insurance coverage of the material damage.

"The complexity is around defining the triggers and agreeing how they will be measured and reached. In the event of a trigger, you don't want any delay in payment because that defeats the object of the parametric."

Fundamentally, for the Asia-Pacific insurance industry, Tarantino believes unlocking the growth opportunities is dependent on building long-term relationships based on trust. ●

REPORT

Fewer than 5% of Asia's small firms buy cyber cover

Asia remains one of the biggest growth opportunities for cyber insurance globally, yet fewer than 5% of small businesses in the region currently buy standalone cover, according to a new report from United Insurance Brokers and CyberCube.

Underinsurance extends well beyond smaller companies. Even businesses with multi-billion-dollar revenues often purchase only modest limits, sometimes in the single-digit millions of dollars, highlighting the scale of the protection gap and room for insurers to expand.

The report argues that brokers need to move beyond transactional premium discussions and

instead demonstrate the financial impact of cyber events and how different coverage limits could reduce that exposure.

Recent incidents are already sharpening boardroom attention. A ransomware attack affected Bank of China's Singapore branch in 2025, while Japanese brewer Asahi suffered a major production disruption. South Korean e-commerce group Coupang also experienced a cyber incident that exposed data belonging to millions of customers.

Growth prospects vary across the region. Vietnam ranks among the top 10 countries globally for ransomware growth, driven by

rapid digitalisation and increasingly connected manufacturing supply chains.

India is emerging as another important market, particularly among small and medium-sized businesses. CyberCube said requests for cyber insurance from small Indian manufacturers have jumped 400%, while financial services remains the leading sector for demand.

Hong Kong and Singapore are also showing growth, albeit from smaller bases.

Rising dependence on cloud and technology providers is meanwhile increasing aggregation risk across highly interconnected Asian economies. ●

OUTLOOK

APAC faces high-stakes balancing act

Asia-Pacific reinsurers remain profitable as abundant capacity and falling rates intensify competition, while AM Best's outlooks across the region point to a broader challenge of maintaining discipline as new concentrations of risk emerge.

Asia-Pacific reinsurers are entering a more competitive phase as capacity increases and rates fall across major markets, putting greater pressure on the underwriting discipline built during the recent hard market.

AM Best's Asia-Pacific P&C reinsurance composite recorded a 4.0% rise in net insurance service revenue in 2025, reversing a 4.1% decline in 2024. The composite combined ratio nevertheless edged up to 92.0% from 91.4%.

That shift became more visible during the 2026 renewal season, which AM Best described as buyer-friendly, with abundant capacity, falling rates and over-placement across the region.

Japan's April renewals saw another year of double-digit reductions in property excess-of-loss rates, while ceding commissions on proportional treaties rose by as much as five percentage points. South Korea also recorded double-digit reductions in traditional property reinsurance costs, while rates generally fell across Southeast Asia, India, Australia and New Zealand, except on loss-affected treaties.

AM Best said the deterioration remains differentiated rather than broad-based.

"Earnings continue to be driven largely by strong performance from overseas portfolios," said Christie Lee, senior director at AM Best.

Growing international participation is adding to competitive pressure, particularly in Southeast Asia and India. Lower retrocession costs have supported additional capacity deployment, while India's GIFT City continues to attract international reinsurers, with more than 20 International Financial Services Centre Insurance Offices established there.

Loss experience will provide an important test of current discipline. Singapore-domiciled reinsurers' offshore insurance fund underwriting profit fell to SGD455 million in 2025 from around SGD1.1 billion in 2024 following elevated catastrophe activity, including the March 2025 Myanmar earthquake.

South Korea's forthcoming renewals will provide another test after the Coupang Logistics Center fire, which is expected to rank among the country's largest insurance losses.

At the same time, stronger primary

KEY POINTS:

- Softer rates test underwriting discipline
- MSI-ADI merger can intensify competition
- Reinsurers seek growth beyond property

“The MSI-ADI consolidation will likely intensify competition among reinsurers, brokers and service providers looking to defend their positions.”

underwriting is improving the quality of business being ceded to reinsurers. Insurers across the region have tightened risk selection and raised rates after several years of more expensive reinsurance. AM Best pointed to regulatory and market changes in Vietnam, Indonesia and the Philippines as examples of improvements that are helping reinsurers distinguish more clearly between cedents.

MSI-ADI merger adds pressure

Japan also illustrates how buyers are adapting. Major insurers have strengthened capitalisation, diversified overseas and adopted more centralised approaches to reinsurance purchasing, leaving them better positioned to retain risk when pricing hardens again. Fire insurance profitability has also improved, with the industry's average combined ratio falling to around 85% in 2025 from above 100% in previous years.

The planned 2027 merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance could, however, reduce reinsurance demand.

"The MSI-ADI consolidation will likely intensify competition among reinsurers, brokers and service providers looking to defend their positions," Lee said.

Reinsurers are also showing greater appetite for casualty, specialty and other non-catastrophe lines as they seek more balanced portfolios.

For now, softer pricing has not translated

into a broad retreat from underwriting discipline. But growing capacity and future catastrophe losses will test how long that balance can hold.

Taiwan's AI exposure

In Taiwan, AM Best has maintained a stable outlook for the non-life insurance market, supported by steady premium growth, the transition to the Taiwan Insurance Solvency regime and IFRS 17, and insurers' resilience to market volatility.

But the technology boom supporting Taiwan's economy and commercial insurance growth is also creating greater concentration on both sides of insurers' balance sheets.

Demand for AI chips, servers and computing infrastructure is supporting activity in high-tech manufacturing, renewable energy and infrastructure. Larger sums insured are helping offset softer pricing amid abundant reinsurance capacity.

At the same time, insurers' domestic equity portfolios remain meaningfully exposed to Taiwan's technology sector. That means the same broad theme supporting commercial insurance growth is also contributing to investment volatility.

AM Best said the impact of stock market movements has so far remained manageable, helped by conservative investment portfolios and moderate equity exposure.

The transition to the TIS capital regime has also had only a limited impact on overall capitalisation, although market risk now carries greater weight in solvency capital requirements.

Regulatory changes are strengthening reserves elsewhere in the market. IFRS 17 lifted industry-wide reported shareholders' equity by roughly 10% at the end of 2025, according to AM Best, but the Financial Supervisory Commission required a significant portion of that gain to be transferred to special reserves.

That has accelerated catastrophe reserve accumulation, while the TIS framework has widened the catastrophe-risk perimeter to include pandemic and other systemic risks.

Across both reinsurance and primary markets, AM Best's assessments point to a region that remains financially strong but is managing a different set of pressures. Softer reinsurance pricing and abundant capacity are testing underwriting discipline, while in Taiwan the growth of AI and semiconductors is creating opportunities alongside greater concentration risk. ●

DATA CENTRES

Data centre risks test APAC insurers

Data centre developers across East Asia might still find plenty of insurance capacity, but securing the best terms is becoming harder as insurers look more closely at natural catastrophe exposure, power availability and the resilience of increasingly complex facilities.

The pressure is growing as investment pours into the sector. Cushman & Wakefield estimates that more than \$280 billion in data centre capital expenditure will be needed across APAC by 2030, with operational asset values expected to exceed \$950 billion.

Many of the fastest-growing hubs are also in areas exposed to earthquakes, typhoons, flooding and extreme heat. At the same time, AI workloads are increasing power consumption and cooling requirements, while grid constraints are becoming an issue in a number of markets.

Terence Williams, head of commercial risk APAC at Aon, said insurers are consequently looking well beyond price and limits when deciding how much capacity to deploy.

"In high-exposure corridors, insurer discussions have moved well beyond limit and price," Williams told *EAIC Today*. "For data centre clients across East Asia, our focus is on demonstrating resilience before negotiating capacity."

Property capacity remains broadly available, particularly for well-managed risks, but insurers are becoming more selective where catastrophe and business interruption exposures are concentrated.

Williams said that means clients need to provide detailed information on areas including catastrophe modelling, flood mapping, site elevation, fire protection, power redundancy and business continuity.

Capacity comes with scrutiny

One of the more difficult periods to insure is the move from construction into operation. Systems can be running while redundancy is still incomplete, and responsibility may be shifting between developers, contractors, operators, equipment manufacturers and utilities. That can create uncertainty over where one policy ends and another begins.

"As projects in East Asia become larger, more capital intensive and increasingly financed by global investors, reducing uncertainty during commissioning and phased handovers is becoming as important as transferring the underlying risk," Williams said.

KEY POINTS:

- Maritime safety a key priority
- Modern slavery risks policy updated
- Pollution is also on the radar



“The key is to match risk with capital.”

Delay in start-up exposures are also becoming more complicated as specialised equipment takes longer to source and grid connections become harder to secure.

Williams said transformers, switchgear, generators, procurement timelines and contractual revenue assumptions all need to be considered when assessing how a delayed opening might affect the project financially.

"The aim is not simply to buy more limit," he said. "It is to buy protection that reflects the true financial exposure if start-up is delayed."

The same level of scrutiny now extends well beyond the construction phase. AI workloads are increasing rack density and heat loads, making cooling resilience a more important business interruption exposure.

Underwriters increasingly want evidence that cooling, power and control systems have been tested under stress rather than simply designed to specification. That includes redundancy testing, maintenance records, thermal-load modelling, spare-parts availability and incident response procedures.

"Stronger terms are more likely when businesses can demonstrate that uptime is supported by tested, documented and governed resilience rather than relying on design specifications alone," Williams said.

Power availability is becoming one of the biggest constraints on data centre development across East Asia.

In some markets, Williams said access to reliable electricity rather than construction capability is determining where projects can be built and how quickly they can come online.

Multiple influences

That is becoming more acute as AI increases demand for energy. Insurers are therefore looking not just at the resilience of an individual facility, but at the infrastructure that supplies it.

Grid reliability, back-up duration, third-party dependencies and the use of batteries, hybrid systems or behind-the-meter generation can all influence business interruption and outage-related terms.

"For clients, the priority is to demonstrate energy resilience clearly," Williams said. "The stronger the evidence, the better the basis for negotiating business interruption and outage-related terms."

Concentration is another concern. Multiple high-value facilities might depend on the same power networks, water supplies, equipment suppliers or transport infrastructure. A disruption away from the data centre itself can therefore affect several sites at once.

Traditional insurance markets remain well capitalised, Williams said, although larger or more concentrated exposures might also require other forms of risk financing, including captives, parametric structures or alternative capital. "The key is to match risk with capital," he said.

For Williams, one of the biggest changes the industry needs to make is to become involved much earlier in the development process.

By the time a project reaches insurance placement, many of the decisions that determine its risk profile have already been made.

Site selection, design, power strategy, cooling systems, financing arrangements and construction choices can all affect how insurers ultimately view the risk.

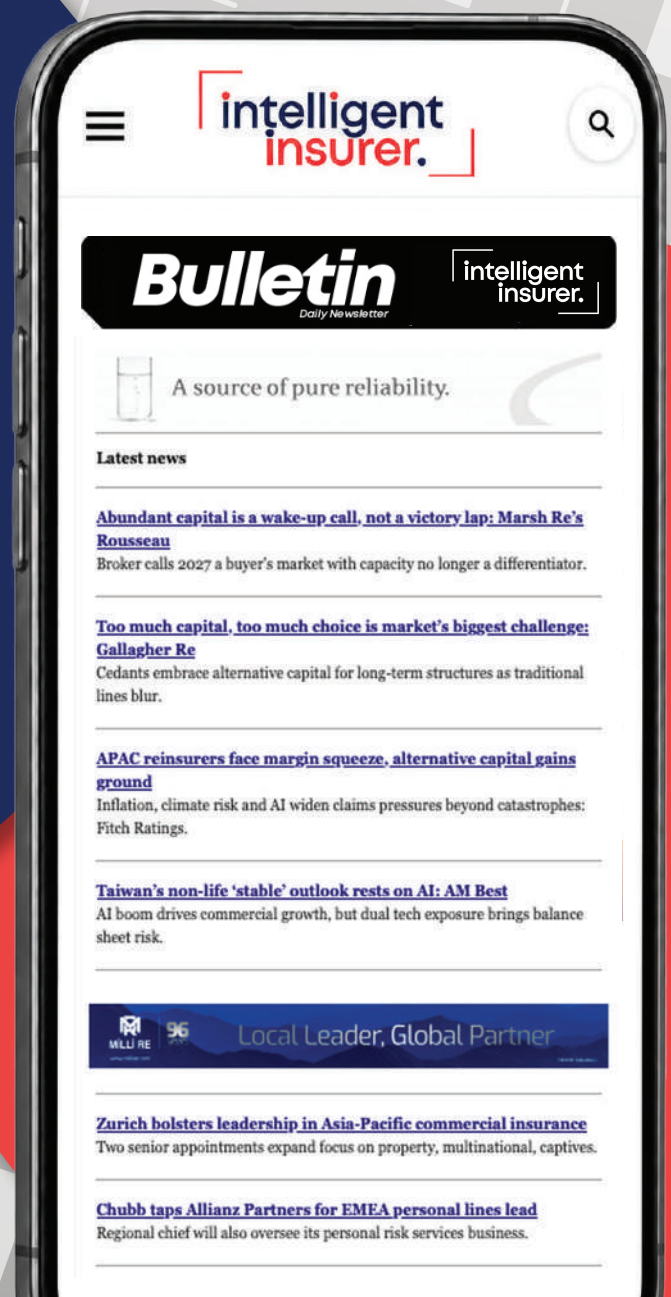
"If the industry waits until placement, it is often too late to address many of the most material issues," Williams said.

That is particularly important as cyber, power, climate and supply chain exposures become more closely connected. The underwriting fundamentals have not changed, Williams argued. Insurers still need to understand the risk and price it appropriately. What is changing is the amount and quality of information required to do that," he said. ●

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RISKS

Interconnected risks need cooperation

KEY POINTS:

- Asia faces diverse challenges
- AI brings opportunity and new risks
- Insurance resilience needs partnership

Interconnected risks are making international supervisory co-operation more important, not less, as insurers and regulators confront geopolitical uncertainty, AI, climate-related risks and structural shifts in financial markets, Toshiyuki Miyoshi, chair of the International Association of Insurance Supervisors (IAIS) has said.

Miyoshi, who is also vice chair of the IAIS Executive Committee and vice minister for international affairs at Japan's Financial Services Agency, told the 31st East Asian Insurance Congress in Tokyo on Tuesday, September 15 the challenge increasingly lies in how different risks interact rather than in any single threat.

"What makes this environment particularly challenging is not simply the number of risks; it is the way in which they increasingly interact," Miyoshi said, describing the current environment as a "polycrisis" characterised by interconnected shocks that can amplify one another across markets, sectors and borders.

For supervisors, he said, risks therefore need to be understood "not in isolation, but as part of a broader and rapidly evolving system".

This was particularly relevant in Asia, where some of the world's largest and most developed insurance markets sit alongside rapidly growing and emerging markets, while many jurisdictions also face significant natural catastrophe exposures and insurance protection gaps.

Miyoshi said the IAIS was responding through a reinforcing cycle of risk monitoring, standard setting, implementation support and assessment, centred on its holistic framework for assessing and mitigating systemic risk in the global insurance sector.

He pointed to the IAIS's annual global monitoring exercise as a key part of that framework. It draws on data from around 60 of the largest international insurance groups and more than 50 insurance supervisors, covering more than 90% of global written premiums.

This year, he said, the IAIS is looking into three areas: the impact of macroeconomic risks on life insurance balance sheets; transmission channels for geopolitical risk in non-life insurance; and the impact of advances in AI and technology on insurers' cyber resilience.



Increasing scrutiny

Miyoshi also highlighted structural shifts in the life insurance sector, particularly increased investment in alternative assets, including private credit and the growth of asset-intensive reinsurance.

He acknowledged the potential benefits, including higher yields, diversification and improved asset-liability matching, but pointed to risks around valuation uncertainty, illiquidity, complexity, leverage and information gaps.

While IAIS analysis suggests systemic risks remain limited at the global aggregate level, he said the rapid growth of alternative assets and cross-border asset-intensive reinsurance, together with concentrated exposures among some insurers, "warrant close monitoring".

Miyoshi said the IAIS was now enhancing its data collection and systemic-risk analysis of these structural shifts, while developing supervisory material on alternative assets and asset-intensive reinsurance and reviewing existing material for potential gaps.

AI presents a different challenge

"Our approach at the IAIS is not to discourage innovation; it is to ensure that innovation takes place within appropriate governance and risk-management frameworks," Miyoshi said.

As insurers move from lower-risk back-office uses of AI towards more complex and consumer-facing applications, he said supervisors were paying particular attention to algorithmic bias and unlawful discrimination, cyber security, data privacy, model risk, lack of explainability, third-party dependencies and weaknesses in operations and governance.

He noted that the IAIS published an

application paper on AI in July 2025, setting out a risk-based and proportionate approach to supervision, and followed it in February this year with a supervisory question bank on AI governance and risk management.

Protection gaps need shared action

Miyoshi also highlighted natural catastrophe risks and insurance protection gaps, describing closing those gaps as "fundamental to the societal purpose of insurance".

Where households and businesses remain uninsured or underinsured, he said, the consequences of major events can extend well beyond the insurance sector, affecting household balance sheets, businesses, banks and real estate markets while increasing demands on government finances.

Miyoshi said Japan's FSA raised the issue during Japan's G7 presidency in 2023, after which the IAIS issued 'a call to action' on the role of supervisors in addressing natural catastrophe protection gaps.

But he stressed that the problem cannot be solved by regulators or insurers alone. "Closing the gaps needs to be about improving insurability, which in turn requires concerted efforts around risk reduction," he said. That requires "collaborative, multi-stakeholder solutions" involving governments, supervisors, insurers, international organisations and other stakeholders, he added.

Miyoshi said the IAIS was now moving towards more concrete support, including development of a publicly available resource hub containing information on regional initiatives, approaches to assessing risk exposure, public-private insurance partnerships and IAIS case studies, in co-operation with partners including the World Bank.

The Insurance Capital Standard, adopted in December 2024 as the quantitative element of ComFrame, was an important example. Miyoshi described it as "a global minimum standard, a floor, not a ceiling".

Jurisdictions could take account of local market circumstances when implementing it, he said, but would do so within a common global framework intended to produce consistent and comparable supervisory outcomes.

"Global consistency does not require identical approaches," Miyoshi said. "As the challenges facing the insurance sector become more interconnected, the case for international cooperation remains as strong as ever." ●

UK

UK looks to EAIC for Asian insurers

KEY POINTS:

- Bridging barriers to UK entry
- Opportunity for Asian insurers
- London offers global growth

The UK is looking beyond Asia's biggest established insurers for the next generation of firms with international ambitions, as a new government-backed investment office uses EAIC to deepen its understanding of the region's insurance markets.

Kinga Huzarski, head of regulatory affairs (PRA) at the UK Office for Investment Financial Services (Ofi:FS) is attending EAIC for the first time, with much of the visit focused on meeting insurers already operating in the UK as well as those that might consider expanding there in future.

"For firms with which we already have relationships, because they operate in the UK, this is an opportunity to see the local management and better understand their long-term strategy," she told *EAIC Today*.

But Huzarski is also interested in firms beyond the region's largest international names, particularly local insurers that might be considering expanding outside their home markets.

"We know who the tier-one firms are. We're trying to understand who the tier-two firms are, which are more local," she said, pointing to conversations at the conference with representatives from markets including Cambodia, the Philippines and Thailand.

Some might be a long way from considering a UK presence, she acknowledged. But understanding how those markets are developing is part of building relationships early.

Ofi:FS became fully operational last year as a dedicated service for international financial services companies looking to establish or expand their UK operations. It brings together government, regulatory and industry expertise to help firms understand the market and navigate issues including regulation.

For Huzarski, the starting point for insurers is the depth of the UK insurance ecosystem.

"It's not difficult to sell London as the insurance capital of the world," she said. "It's not just the London Market. We have the actuaries, the lawyers, the auditors, the whole ecosystem that supports it, essentially in one place."



“The UK is open for business. We welcome Asian businesses to the UK.”

She also pointed to expertise outside London, including technology centres, university partnerships and specialist skills, alongside the international reach offered by the Lloyd's market.

For life insurers, Huzarski sees opportunities around pension risk transfer and the investment expertise that surrounds the sector. Asset management and long-term investment in areas including infrastructure, renewable energy and real estate can also form part of the conversation.

Climate, cyber, artificial intelligence and insurtech are among the other areas where she is seeing international interest.

Yet her visit is as much about hearing what does not work as selling what does.

"One of the things about this conference is to understand the barriers for insurers in the UK and how the government and regulators can work together to address them," she said.

For firms unfamiliar with the market, that can begin simply with understanding where the opportunities are. Ofi:FS can then connect prospective investors with industry bodies and the City of London Corporation, while helping them navigate the regulatory landscape and engage with the PRA and FCA.

Huzarski's message at EAIC is straightforward: "The UK is open for business. We welcome Asian businesses to the UK."

A successful trip, she added, would ultimately mean turning conversations in Tokyo into something more concrete, new relationships, future investment or, ideally, "a big delegation coming to the UK" to explore the opportunities for themselves. ●

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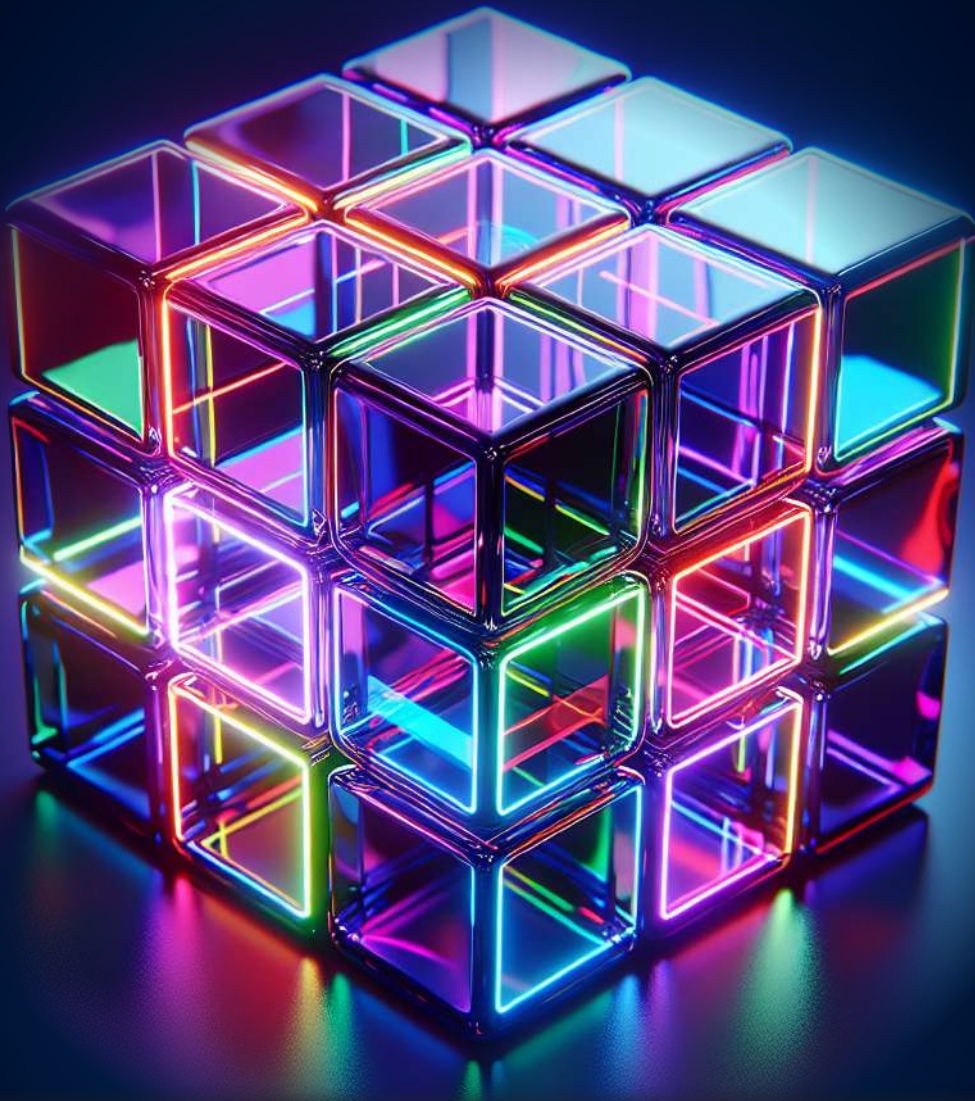
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