


Bermuda:Re+ILS

GLOBAL RE/INSURANCE AND ILS FROM A BERMUDA PERSPECTIVE

A black and white portrait of Scott Egan, a middle-aged man with short, graying hair, wearing a white shirt and a dark, patterned jacket. He is looking directly at the camera with a slight smile.

The 1% pursuit

Scott Egan on the
transformative culture
at SiriusPoint's core

THE MAN, THE MYTH, THE LEADER

The story and influence behind Brian Duperreault's legacy.

THE TRIO OF OPPORTUNITY

Price Forbes Re CEO Chris Bonard predicts an insurance boom.

RESILIENCE IN A STORM

Renaud Guidée, AXA XL's CEO, on why reinsurance has never been so relevant.

The Sirius Point logo, featuring the words "SIRIUS" and "POINT" in a sans-serif font, with a small red star above the "I" in "SIRIUS".

SIRIUS
POINT

A diagram consisting of three overlapping squares. The top square is labeled "HIGHER", the middle square is labeled "AIM", and the bottom square is empty.

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From records to resilience



Over the past year, Bermuda's re/insurance and ILS sectors have once again demonstrated resilience in the face of an increasingly complex and shifting risk landscape with global losses reaching all-time highs.

Despite elevated catastrophe activity, Bermuda-based reinsurers have maintained underwriting profitability throughout 2024, according to Fitch.

This was supported by strong capital positions, with AM Best reporting dedicated reinsurance capital of \$500 billion at year-end, of which Bermuda accounted for 15%. ('Momentum Remains for Dedicated Reinsurance Capital Beyond the Market Peak', August 2025). The island's market share reflects not only stability but robust growth, backed by disciplined underwriting and investor appetite for catastrophe risk.

Looking ahead, 2025 will not be without challenges. First-quarter California wildfire losses are expected to weigh in to results, but the overall outlook remains constructive. Demand for protection continues to grow amid macroeconomic volatility, climate concerns and increased capital market engagement.

Bermuda's ILS and catastrophe bond market also enters this renewal season with unprecedented momentum. According to Swiss Re, the first half of the year saw nearly \$17 billion in capacity raised across close to 60 transactions, putting issuance on pace to surpass prior annual records. (Insurance-Linked Securities Market Insights, 2025). This follows a record-setting 2024.

Investors' growing comfort with the asset class, reinforced by education and outreach, has been key to sustaining inflows. First-time sponsors continue to arrive, and global ILS capacity surpassed \$107 billion by late 2024.

Regulatory influence

Regulatory developments have also shaped the agenda. The introduction of Bermuda's first corporate income tax in January 2025 raised questions around competitiveness, but continued inflows suggest confidence in jurisdiction's adaptability. Bermuda's reputation for regulatory agility and innovation remains intact.

As the market moves into renewals, the debate is whether the market conditions are beginning to soften. Property catastrophe and select specialty lines are showing early signs of easing, while other casualty remain firm. Many reinsurers argue discipline is holding and that conditions are best described as stable, rather than soft.

A new chapter

This issue also marks my introduction as editor of *Bermuda:Re+ILS*. I look forward to working with our team to continue delivering timely insights and fresh perspectives on the developments shaping this market. Most importantly, I am eager to connect with our readers and highlight the ideas and people driving change across Bermuda and the global re/insurance landscape.

Enjoy the issue. ■

Faye Waters, editor, Bermuda:Re+ILS

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Contents

10 The 1% pursuit: culture at the core

Reflecting on SiriusPoint's transformative journey, Scott Egan, CEO, emphasises the power of culture and marginal gains in steering performance enhancement, encapsulated in his philosophy of "chasing the 1%".

14 The man, the myth, the leader: Brian Duperreault's legacy

A unique blend of authority and humility led Brian Duperreault to influence the shape and direction of the global re/insurance industry in a way that has few comparisons. Here, Duperreault discusses with *Bermuda:Re+ILS* what he believes set him apart – and how another industry legend, Hank Greenberg, inspired him and drove him to do better.

18 Collateral, confidence and the casualty surge: ILS amid a dynamic market

The evolving landscape of insurance-linked securities (ILS) is marked by an expansion into casualty risk, driven by increased investor interest and innovative capital strategies, according to Kathleen Faries, CEO, Artex Capital Solutions.

20 The trio of opportunity: Reinsurance, insurance and MGAs

Bermuda remains a steadfast reinsurance hub. Yet Chris Bonard, CEO of Price Forbes Re, sees change on the horizon as the insurance and MGA sectors evolve – making Bermuda more diverse than ever.



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Contents

24 Resilience in a storm: reinsurers bridge uncertainty and stability

As geopolitical upheaval, economic turbulence and climate extremes reshape the risk landscape, reinsurance leaders are sharpening their strategies. AXA XL Reinsurance's chief executive officer, Renaud Guidée, shares why the industry has "never been as relevant as today" and how Bermuda's market is uniquely positioned to lead.

28 Facing up to a new definition of protection gap

Uncertainty surrounding climate change, capital and collaboration gives reinsurers room to shine – but only if they can solve some of their own challenges first, says Matthew Britten, partner and risk assurance services leader at PwC Bermuda, who describes a new definition of protection gap.

33 Built on governance, driven by innovation: the Bermuda advantage

Bermuda's strategic governance and innovative ecosystem have positioned it as the unparalleled leader in the reinsurance market, capturing 85% of the cat bond sector and attracting major global players to its shores, says Brad Adderley, managing partner at Appleby.

34 US-Bermuda reinsurers poised to sustain solid performance despite pricing pressure

The latest analysis from AM Best reveals that US and Bermuda reinsurers have maintained strong underwriting profitability for the fourth consecutive year, despite facing increased catastrophe losses and pricing pressures across various segments. By Gregory Dickerson and Antonietta Iachetta.

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The 1% pursuit: culture at the core

Reflecting on SiriusPoint's transformative journey, Scott Egan, CEO, emphasises the power of culture and marginal gains in steering performance enhancement, encapsulated in his philosophy of "chasing the 1%".



Hanging on the wall of an otherwise-typical executive office befitting a re/insurance CEO on Waterloo Lane, Hamilton, hangs an item that does not, at first, seem to belong there. It is a hurley, a wooden stick used in the Gaelic (Irish) sports of hurling and camogie. It has also been signed.

It might, at first, seem out of place. But the object, in fact, carries a sentiment and ethos that has driven Egan's leadership strategy for decades. And the best example of the success of that has been the turnaround of SiriusPoint, which Egan presided over, to the company it is today. It is about "chasing the 1%" he says, somewhat cryptically.

Since stepping into the role of chief executive officer at SiriusPoint in September 2022, Egan – who has extensive experience across leading insurers, including roles with RSA Group, Aviva, Zurich Financial Services, Brit Insurance and Towergate Broking – has steered the Bermuda-based reinsurer's turnaround into a phase of disciplined, culture-driven performance improvement.

Under his leadership, the company rebounded from significant underwriting losses in 2022, executing tough strategies, including exiting volatile segments and streamlining its portfolio and distribution partnerships.

Today, SiriusPoint is out of crisis mode and in refinement mode, with a newfound emphasis on incremental progress – "chasing the 1%", as Egan puts it, that differentiates best-in-class firms, driven by people power as "companies are nothing without the people, the culture".

Chasing the 1%

He begins to explain the meaning of the 1% – and the hurley – starting with a look back. Speaking exclusively to Bermuda:Re+ILS in the lead-

up to conference season, Egan, when considering the past 12 months, said: "The truth is, nothing's changed and everything's changed."

While the past year has seen SiriusPoint improve in performance again, seeing an ROE above target at 15% for H1 2025 and an increased share price to \$19 (which started at \$4 back in September 2022), what hasn't changed for Egan is the consistency of his leadership approach.

"Chasing the 1% is a mindset. First, we had to get ourselves out of the tight spot the company was in. Then our ambition turned towards being a best-in-class underwriter. We certainly weren't there then, and we're not there yet, but ultimately, you have to have an ambition," Egan said.

Digging down into his fixation with marginal gains, Egan explained that: "If everyone can approach the day with the intention of making even a tiny improvement, that x500 employees adds up exponentially. That's what we're pushing for. Chasing the 1% is not necessarily about big things. It's about attention; it's the aggregation of all the little things that ultimately drive best-in-class performance.

And finally the explanation of the stick. "The history behind the phrase came from sharing the stage with an Irish sports manager of a hurling team in Ireland. We had both, in very different ways, described exactly the same thing, which was marginal gains. He later sent me a hurley on which he'd written 'keep chasing the 1%er's', and that hangs in my office in Bermuda."

The people behind the power

Change doesn't happen overnight, and Egan stepped into CEO shoes following the turbulent merger of Third Point Re and Sirius Group.



Faced with a mountain to climb, Egan explained he could see the potential right from the beginning:

“My job coming into the company was to work with the brilliant people we have here and unlock what I believed was huge potential.

“That belief has manifested itself now in terms of our improved performance, but it’s about more than that. It’s about people, our culture. Without the nucleus of good people, good attitudes, good engagement, good culture, nothing else happens.”

The pivotal role of culture

Workplace culture is the invisible framework that shapes how people think, behave and collaborate – it influences everything from employee engagement and retention to innovation and customer satisfaction.

Building such a culture requires more than posters of values or one-off team events; it takes consistent leadership behaviour, open and honest communication, recognition of contributions and a willingness to act on feedback.

It’s also about modelling desired values at every level, reinforcing them through everyday decisions and creating an environment where people feel respected, supported and challenged to grow. When done well, culture becomes a competitive advantage that’s hard for rivals to replicate.

Egan is focused on creating a culture that results in strength, but morale was low at the point of his joining: “I’ve been watching our culture transform over the last three years, people believe in themselves again. I think people had lost a bit of self-confidence, because obviously, the company’s results weren’t particularly

good. This comes back to chasing the 1%; we revisited every aspect of the company.

“We revisited our strategy. We had to make some really hard decisions in terms of markets and locations, and it feels like a long time ago now, but those were really tough moments in our journey because they impacted people.”

“The brilliant thing, and the thing I’m proudest of, is that every single person here took up the challenge of metaphorically joining hands. One SiriusPoint: let’s do it together. And I promise you, none of our improvements would have happened had we not done that. Seeing what people can actually do has been fantastic, a real leadership memory for me.”

This was something Egan humbly highlighted when congratulated about his Outstanding Contributor of the Year Award, saying: “The award is not about me. I picked it up on behalf of the company, and I’ve never been prouder because it was recognition of how far we’ve come in the last two to three years. For me, it wasn’t about my contribution; it was about the outstanding contribution of every single person here. It sits in the sunlight in my office in Bermuda, and every single day I look at it and I’m never prouder because that was a group of people who made that happen. And the great news is we’re not finished yet.”

Committing to action over words

Egan reflected on the transformative journey SiriusPoint has been on since his appointment, noting that the process has required a series of tough, but necessary, choices. These decisions, he said, were all made with a single, unifying ambition: to position SiriusPoint as a leading specialist re/insurer. “That means we can’t be all things to all



“One of the things I think sits behind the DNA of execution is a steely determination to never give up, stick your chin out and make sure that we deliver.”

people,” he remarked, making it clear that focus, not breadth, is the guiding principle.

Outlining this approach, Egan added: “On one level, our strategy is to be ruthlessly focused on the areas where we think we’ll get expertise that we can bring to our customers. That marriage between our areas of expertise and our customers’ needs is where the magic happens. We won Program Insurer of the Year this year, which is proof that what we’re doing for our customers matters and makes a difference.” The recognition, he suggested, was evidence that the company’s sharper focus was already paying off in tangible ways.

He described SiriusPoint’s specialisms as targeted strengths that define both its offerings and the way it goes to market. “Our specialisms are areas in which we bring real focus and capability to the table, whether that be lines of business or distribution channels. For example, we’re very aligned with the MGA distribution channel. Ultimately, the thesis behind this strategy is that focused companies with the right culture and behaviours can be market leading.”

Egan was equally clear that execution is now embedded in the company’s identity. “Delivery is fast becoming the DNA of SiriusPoint, and I’m grateful to say we are gaining respect for that. We say that ‘talk is cheap’, if you’re going to do something, do it. But if you need help, ask. The key thing for us is making sure that we keep our commitments and promises.” This emphasis on action over rhetoric has become a hallmark of the company’s culture.

Looking beyond strategy, he highlighted the firm’s unique positioning in the market. “On the other level, we have an incredibly strong business that blends insurance and reinsurance capabilities in a way I’ve not often seen in the industry. Quite often, these two functions operate as separate machines, but we work collaboratively together across these sectors to offer creative solutions to our clients. This comes back to... you guessed it... the mindset and culture at SiriusPoint.”

The shift towards focused partnerships

Egan recalled that when he first joined SiriusPoint, the company’s involvement in the managing general agent (MGA) sector was far from straightforward. “When I came here, the company had lots of investments in MGAs, some of them large investments, we own them 100%, and others were much smaller,” he said.

The challenge, he explained, was that these varied stakes sometimes blurred the lines between being a true distribution partner and acting as an owner or investor. “On the distribution side, we absolutely want to be a program MGA partner of choice. But what we don’t want is lots of equity stakes in MGAs. We don’t believe we need them to be a successful distribution partner, and ultimately, that’s why we’ve been divesting over the past few years.”

This decision, he stressed, wasn’t born from dissatisfaction with the businesses SiriusPoint had invested in, but from a belief that clarity and focus drive performance. “Do we invest in MGAs every single day in terms of hearts, minds, effort, blood, sweat, tears? 100% we do, in every single MGA relationship we have, but we don’t take new equity stakes in them. We are happy owners of those we have, but focused companies tend to perform better. When you’ve got lots of investments right across the industry, those take time and attention that we believe, ultimately, can be redirected so we can concentrate on being a fantastic distribution partner.”

That sharper focus has already shown results. “A large majority of our double-digit premium growth over the last five quarters has come from either existing development of MGA partnerships or new MGA partnerships. I think that’s because partners are attracted to our people, our creativity, and our capability in specialisms.” For Egan, it’s a clear signal that the market responds positively when a company knows exactly what it wants to be – and sticks to it.

Culture: the foundation of change

As the conversation drew to a close, Egan reflected on the values that underpin SiriusPoint’s transformation. “We have valued behaviours that we try to use every single day, and that doesn’t mean we get them right every day,” he admitted. “Everyone can have a bad day, but there’s still a set of beliefs that if we operate by and hold ourselves to account, will create the right environment.” For him, culture is less about perfection and more about consistency – showing up with intent, even when things aren’t easy.

That mindset has driven a noticeable shift inside the organisation. “If we look at SiriusPoint, the collaboration across the company wasn’t where it needed to be when I first came here. Now, there’s huge collaboration and respect across the company for what everyone is doing.” It’s a change that, in his view, has not only improved day-to-day working relationships but has also strengthened the company’s ability to deliver results.

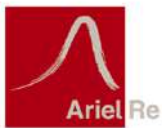
“One of the things I think sits behind the DNA of execution is a steely determination to never give up, stick your chin out and make sure that we deliver,” he said, his tone suggesting this is as much a life philosophy as a business one. “That’s a really precious ingredient in any company, in fact, in any walk of life.”

In Egan’s eyes, SiriusPoint’s revival is as much about culture as strategy. “We’re often judged on financial performances, but to be a best-in-class company, it’s about making sure you operate at high levels of performance year after year. This ultimately requires you to have a place where people want to come to work and help play a part in that journey.” ■



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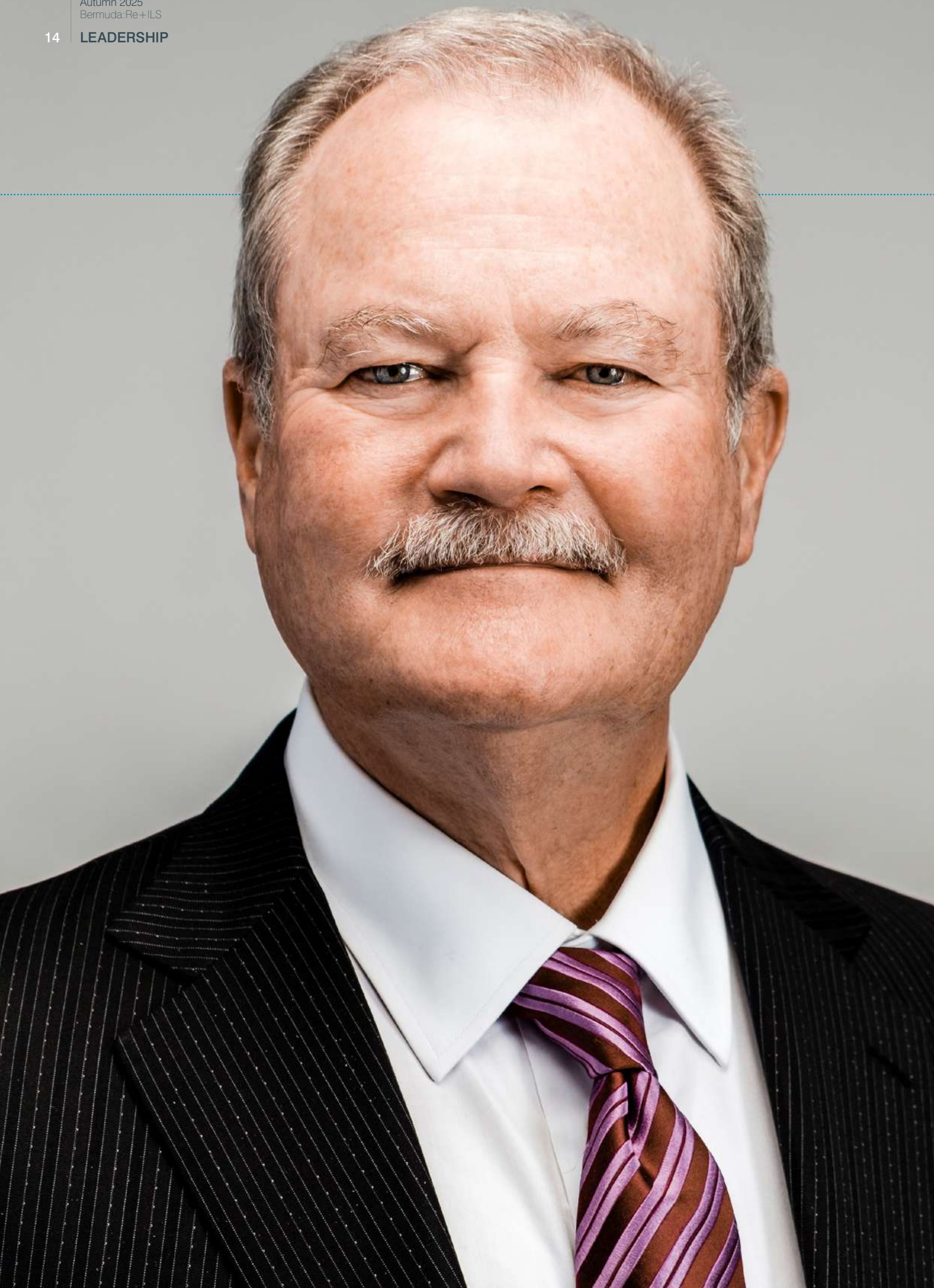
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The man, the myth, the leader: Brian Duperreault's legacy

A unique blend of authority and humility led Brian Duperreault to influence the shape and direction of the global reinsurance industry in a way that has few comparisons. Here, Duperreault discusses with Bermuda:Re+ILS what he believes set him apart – and how another industry legend, Hank Greenberg, inspired him and drove him to do better.

Brian Duperreault needs little introduction to the global, let alone Bermudan, re/insurance community; a seasoned professional famed for his reconstructive management of AIG on his return to the company that made him in 2017. This, of course, comes after transforming both a broker and a carrier and leading three companies to Fortune 500 status.

But for all his success in corporate life, his legacy has touched many on a personal level – and has created a model imprint of how leadership should be done. His is a story that needed to be told.

His leadership stance, alongside the backstory that made him, was published earlier this year in *Faith & Purpose: The Life & Vision of Insurance Icon Brian Duperreault*, by Wendy Davis Johnson.

Spanning his childhood, formative education, love story with beloved wife Nancy and his stints in the Army, the biography paints the backdrop to what made Duperreault the man he is: a leader.

It goes on to detail Duperreault's ascent through the insurance sector ranks, with influence imparted from pivotal figures, namely Maurice R. "Hank" Greenberg, former AIG CEO – a mentor for Duperreault, though dramatically different in character.

As a foreword, the biography presents Duperreault's 10 thoughts on leadership, informed by his reflection during the book's creation and from interviews with many people he has managed across his 50 years in the industry. Setting out the section, Davis Johnson states that Duperreault is "a powerful blend of authority and humility. He knows how to build great teams. He treats everyone with respect. He is courageous, bold and visionary."

A natural-born leader

Dissecting the intricacies of his development in the insurance industry, one clear throughline stands out as his story unfolds on the page: Duperreault is a natural-born leader.

Speaking exclusively to Bermuda:Re+ILS earlier this year, Duperreault described a little of his background in his own words, expressing surprise at how he found himself in leadership shoes.

"I had a tremendously beneficial upbringing. I was raised by a village with nuns and priests looking out for me at all times. I grew up

“If there were one question you didn’t want him [Greenberg] to ask, he would ask it; if there’s one thing you didn’t do that day, he’d know it.”

quicker; I was an adult before the others were, in a way, because I had to be. But I never felt deprived. I was the first child in our family to go to college, and I got a great education with great grounding. I feel I had it easy.

“I wasn’t motivated. Things kind of came naturally to me. I was a naturally good student; I could get by with a minimum, and I tried to find what that minimum was at all times! I was a good athlete, so I was put in positions of leadership early, more than I sought them out, like the captain of the football team.

“My coach chose me to be in a position of leadership, I guess he saw something in me. But was I motivated to be the leader? I wasn’t pressing for it. I was the student council president. Was I campaigning? No, I was nominated. I wasn’t motivated to go to college; it was just the thing to do.”

While at first glance this might not seem like a character set to inspire, when stepping back to see the magnitude of achievements Duperreault holds under his belt, it speaks to his humble and personable nature that has led him so far in his career. A nod to his second thought on leadership, “you’re in the service of others”.

Army wake-up call to AIG

While his drive to do better began as roots to his marriage, insurance seemed to be the turning point for Duperreault. He explained that: “My father-in-law wasn’t thrilled when Nancy brought me around because I had no thought about life. Things were too easy for me, honestly.

“And then I joined the Army. Holy cow, that woke me up! And my mum and Nancy – I think my whole family – thanked God I went into the Army. I’d been too full of myself, but the motivation came when I had obligations; clearly, I had to get a job, I had a wife and had to support us. That’s what focused me. Then I got to AIG, I thrived in that environment, and the motivation came with that; I worked crazy hours, did crazy things.”

His passion for insurance, as noted in the book, shines through as soon as Duperreault turns to the subject. This energy is infectious, and it is clear to understand, in his presence, why he was able to influence many. It also explains how he routinely managed to implement a further thought on leadership, “get your teams facing the same direction.”

Turning specifically to his insurance career, Duperreault explained his thought process behind the move that put him before one of the most pivotal figures of his career.

“If I were going to go to any insurance company, there was no better one for me than AIG at the time – it was just breaking all the rules, rewriting the roles of brokers and underwriters, and how insurance should be done. Greenberg was rewriting the story, and I was there for it.”

The Greenberg enigma

In much the same way, Greenberg’s legacy proceeds him, but in a very different way from Duperreault’s. With deep admiration, Duperreault drilled down into what made Greenberg to explain the influence this had on his own style that he carried forward beyond his time at AIG, at ACE, Marsh & McLennan, and Hamilton Insurance Group, before returning to AIG and now, most recently, in his new venture as executive chairman of Mereo Insurance.

He explained: “Greenberg is bigger than life, an enigma, because he had such an intimidating presence, even though he isn’t a big man. And yet, boy, everybody stood terrified of him. Was I terrified of him? Yeah, I had moments! There are very few people like him who have his intellect; that’s what makes him intimidating. It was this power of motivation and knowledge that came out of him.

“If there were one question you didn’t want him to ask, he would ask it; if there’s one thing you didn’t do that day, he’d know it. He had this remarkable way of knowing and asking, and it helped me in my ability to lead because I got in the habit of asking questions, too.

“Greenberg would make us do role-play to develop our skills. We’d always rehearse in advance. People would come to me saying, ‘I have a meeting, and you’ve got to help me!’ So I would be Greenberg.

“I’m not anything like Greenberg, but I would become him. I could see how actors love to do that! I would get into Greenberg mode, and Greenberg mode is asking questions. Since I knew what my colleague’s weak points were, I could go after them and get them prepared for what was to come. Naturally, he’d always find some other question I didn’t come up with.

“It was fun to do, but it helped me with the process of asking questions. If you’re naturally inquisitive, you’ll ask the question, and then you get a reputation for asking. People anticipate and answer the question they thought you were going to ask, whether you asked it or not. They’ll just spill the beans.

“So it’s funny; if you can develop that reputation, it carries a lot with it. A lot happens when someone thinks you’re going to ask them the right question. An assumption is built that you’re only asking questions that you know the answer to. I wouldn’t know what the answer was, I was just asking the question.”

Collaboration over fear

While whimsical, Duperreault's recount outlines early influence for two further thoughts on leadership: "be curious and ask questions" and "no such thing as too much communication". Communication, however, seems to be an area where Duperreault's and Greenberg's styles split.

Duperreault explained: "I didn't take the same leadership stance as Greenberg. I didn't want people to be terrified of me. You have to have an edge but not terrify them. I wanted to work collaboratively. If the person on the other side of the table is terrified, there's not a lot of give and take. I wanted people to be comfortable enough in the situation that they felt that they could talk without fear, that they could tell me what's really wrong. We never wanted to confess in front of Greenberg. I didn't want that environment. His style worked for him, but it wasn't for me.

"Greenberg was the leader, and his opinion mattered the most at all times. It worked because he was right most of the time. I didn't feel I was right most of the time, but I thought collectively, we could be. So I needed others to get to the truth. That's why my process was much more about getting a collaborative effort behind my leadership."

A pivotal moment in Duperreault's career was his decision to return to AIG in 2017. Following Greenberg's departure in 2005, AIG took a catastrophic downturn, which included improper accounting charges, and the 2008 financial crisis left AIG in complete disarray, requiring a \$182 billion US Federal Reserve bailout.

Taking every opportunity

The biography recounts that AIG had always been calling for him, so when the opportunity came knocking, Duperreault couldn't refuse. As his tenth thought on leadership dictates, "take every job opportunity – even lateral ones".

"Going back to AIG proved difficult; I was familiar with it; therefore, I had a lot of beliefs that weren't true any more. It was all a matter of discovery; it takes a while when you're fresh to something. The problems were really deep. That's how strong AIG really is; there were decades of unaddressed problems.

"I had to undo a lot of well-meaning processes, approaches, and dogma that didn't work in front of a lot of people who believed those were the right things to be done. The clean-up was harder than the clean-up at Marsh or at ACE, where there were some problems we had to fix, but they were nothing like the basic structural issues that needed addressing at AIG.

"We had a company that was controlled by the federal government because it was considered an incredibly risky business, therefore there needed to be controls to prevent risks becoming overwhelming. When I came in, the risks were overwhelming.

"How could that be? It's a contradiction. But the federal government was worried much more about the asset side, and insurance is all about the liability side; they had not been paying enough attention to liability.



Duperreault: "Greenberg (pictured) was rewriting the story, and I was there for it."

"Liability was out of control. I had to go in and get rid of a lot of premium. You then have to explain premium drops to your shareholders in quarterly results, and hope that they trust your strategy. It's pretty ugly; they have to believe it will be fixed. Most shareholders would say: 'you're a great guy, and I'm sure you'll get this fixed. When I'm sure that you're getting it fixed, I'll buy your stock back. But right now, I'm getting rid of it.'

"The stock market was telling me one thing, and I was doing the other in a way. It was hard. I couldn't have done it if I hadn't had the experience to know that what I was doing was the right thing to do. I needed that inner strength because everything was pushing against it. I used to say at that point, there were probably five guys in the world that could run AIG, and only one stupid enough to do it, and that was me!"

While Duperreault may have considered himself stupid, others consider him courageous. His work at AIG set the company back on the right path, a path that Duperreault believes current CEO Peter Zaffino is continuing well.

Many aspects of Duperreault's character stand out through the retelling of his story, but one thing is overwhelmingly clear: Duperreault is the insurance industry's man, myth, legend, leader. ■

Collateral, confidence and the casualty surge: ILS amid a dynamic market

The evolving landscape of insurance-linked securities (ILS) is marked by an expansion into casualty risk, driven by increased investor interest and innovative capital strategies, according to Kathleen Faries, CEO, Artex Capital Solutions.

As parts of the global insurance markets cycle through softening conditions, a remarkable shift has occurred – insurance-linked securities (ILS) are expanding beyond traditional property catastrophe lines into casualty risk.

Kathleen Faries, CEO of Artex Capital Solutions, offered compelling insight into this evolution while speaking exclusively to *Bermuda:Re+ILS*, underscoring how structural expertise, legal sophistication and investor sentiment are aligning to reshape the landscape.

The ascent of casualty ILS

Far from niche, casualty ILS is gaining traction. Faries said: “We have seen a significant increase in casualty discussions, interest and deals completed. Investor interest is coming primarily from private credit investors. Exit and exit terms, alongside the asset management of the cash flows, are two key areas of focus for investors.”

These themes – liquidity, structured exit and income generation – are key to transitioning from conversation to execution.

This momentum isn’t isolated. Private credit investors are major drivers behind the growth in casualty ILS, drawn by diversification and reduced volatility. The casualty ILS market now offers broader entry points for lower-correlated, asset-rich strategies, appealing to those seeking alternatives to traditional life or property ILS.

A softening market in some places, but not weak

Responding to the rumoured “softening” market, Faries described the casualty landscape as “broadly flat, with social inflation and litigation impacts continuing to be a factor”. She distinguished casualty from property risk, stating that: “There have been some risk-adjusted rate reductions for property, but it does not appear that the reinsurance market is being categorised as being in a soft market.” Indeed, capital is up around 5 to 6% year-over-year in the reinsurance space – a classic hallmark of a market cycle in play.

Cyclical, not structural

Faries is clear: “I would not characterise the current market conditions as anything other than typical market cycle shifts. Abundant balance sheet capital, growing alternative capital interest and competitive pressure to deploy capital are, once again, influencing a relaxation in terms and rates.” She acknowledges that while 2025’s wind season is still unfolding, “the wildfire losses in early 2025 are not staving off some property catastrophe softening”. This cyclical ebb and flow reflects a market balancing capital abundance with some opportunistic pricing.

Investor sentiment in the ILS space

Despite the current cycle, investor appetite remains strong – especially for collateralised structures. Faries points to the robust issuance of catastrophe bonds: “Longer term, sophisticated ILS investors still view collateralised structures in the property cat market as attractive. This is



“Exit and exit terms, alongside the asset management of the cash flows, are two key areas of focus for investors.”

different profiles. We continue to see additional capital focused on the property cat space, with at least five fund managers either having launched their first fund or preparing to do so in the coming quarter.”

This bifurcation reflects investor strategies: property cat remains a core offering, while casualty ILS represents a complementary, stabilising allocation – not a replacement.

Appetite for long-tail risk

Speaking on longer-tail exposures, Faries explains: “Appetite is coming from investors who are looking for lines of business that will give them a lower volatility investment profile. It’s a quite different investor from the traditional institutional ILS investor that is looking for short-duration, non-correlating investments with liquidity potential.”

Investors are therefore stratifying their ILS allocations; casualty ILS attracts those seeking income float and longer-term return profiles, whereas traditional ILS (such as short-duration cat bonds) remains favoured by the classic, liquidity-focused institutional investor.

Artex’s positioning amid change

How is Artex adapting? Faries asserted: “Investor interest in casualty comes with complexity. Artex is well placed by virtue of our legal expertise, actuarial and advisory team, to continue to provide the necessary expertise and tools to accommodate and support this trend. We have teams that are embedded in all the jurisdictions of choice to transform and manage property and casualty lines.”

Artex’s jurisdictional footprint and interdisciplinary capabilities – legal, actuarial and advisory – position it to lead casualty ILS productisation as investor demand accelerates.

A market at an ILS inflection point

The interplay between a softening re/insurance market and surging ILS activity – particularly in casualty – signals a true inflection point. Property catastrophe bonds continue their record-setting trajectory, while casualty ILS moves from experimental to investable, powered by private credit, MGAs, and advanced structuring.

Faries’s insights underscore that while cycles ebb and flow, the underlying foundations of the ILS expansion are structural: capital efficiency, investor demand for diversification and institutional capability to manage complexity. Whether this trend matures into long-term reallocation or remains a complementary adjunct depends on how well firms like Artex can sustain execution and underwriting discipline. For now, the casualty frontier is opening – and the ILS industry is poised to cross it. ■

demonstrated by the strong cat bond issuance in the first half of 2025, with over \$17 billion of new limit issued.”

Swiss Re, in ‘ILS market insights: July 2025’, reported that the issuance boom was across nearly 60 transactions, growth which it attributed to “collateral yields, a healthy maturity pipeline, and a growing appetite for diversified risk exposures – including higher-frequency and multi-event structures, as well as new sponsors and perils”.

Simultaneously, private collateralised transactions are gaining traction in both property cat and casualty lines. Faries noted growing activity in this private ILS segment – reflecting greater attention to flexibility, yield and tailored structures.

Sponsors adjusting their capital stack

In response to more favourable conditions, sponsors are increasingly deploying ILS in creative ways. Faries observes: “We have seen an increase in casualty sidecars, which gives sponsors another capital management tool. The increased investor interest in casualty is also supporting the growth in the MGA space as well.” Faries noted that casualty’s lower volatility and appealing income float make it particularly attractive to private credit funds.

Divergence in capital allocation

Interestingly, there’s no cannibalisation happening between casualty and property cat. Faries notes: “Investors view the two lines as very

The trio of opportunity:

Reinsurance, insurance and MGAs

Bermuda remains a steadfast reinsurance hub. Yet, Chris Bonard, CEO of Price Forbes Re, sees change on the horizon as the insurance and MGA sectors evolve – making Bermuda more diverse than ever.



Bermuda has long been synonymous with complex risk. It laid the groundwork for innovation in insurance-linked securities (ILS) and capital management, and today stands as the leading global hub for reinsurance. But according to Chris Bonard, CEO of Price Forbes Re, the tide is shifting, with growing expectations for the continued growth of property and casualty (P&C) insurance.

Speaking exclusively to *Bermuda:Re+ILS* ahead of the conference and renewals season, Bonard shared his perspective on Bermuda's enduring role as an industry anchor – and his vision for what lies ahead.

“Bermuda encompasses the full spectrum – from insurance to reinsurance, to capital and capital management. As long as it retains that breadth, it will always keep its place as an innovation hub. “Where I’m seeing the most dramatic change – and where I believe we’ve contributed – is on the insurance side, particularly in introducing more diversity of risk to the island.

“For the first time in a long time, we are seeing a far more expansive offering out of Bermuda than there ever was before. When we first arrived in 2019, the island still largely leaned toward major Reinsurance transactions – that hasn’t changed, but in our six years we’ve seen the island’s offering broadening – a trend which is accelerating rapidly”.

A shifting landscape

Looking at the impact of this uptake in insurance, Bonard explained that he sees a shift to more of an upper middle market accounts on the P&C side. This has “resulted in a big influx of large, independent distributors from the US coming to Bermuda, the likes of the major wholesalers and retailers outside of the main alphabet houses. And we are seeing a push to specialty business, which we weren’t seeing as much in the past.”

Historically, many of these major independent US retailers and wholesalers hadn’t accessed Bermuda in a meaningful way, despite being among the largest global risk distribution groups. That’s changing quickly. According to Bonard, their presence on the island is strategic, and they’re looking to engage through trusted international partners.

Commenting on the rise in specialty business, Bonard observed: “The truth is, everyone’s looking to diversify.” Lines seeing increased activity include marine and energy – though he acknowledged the limited size of those markets – as well as core property and casualty, and specialty professional lines such as directors and officers.

Looking ahead, Bonard anticipates structural changes that could reshape Bermuda’s capital flows in the coming years. Notably, he sees the island becoming more conducive to business models that have traditionally been less common there. “I think we’ll see more MGAs starting up in Bermuda. A few years ago, there was no regulation around MGAs – but now there is,” he explained, adding that this opens a new channel for market participants.

For Bonard, the implications are clear. These regulatory developments could attract more investors and diversify the types of capital entering Bermuda’s marketplace. “I think this will boost capital for the island



“We are preparing for this landscape shift with a lot of investment capabilities.”

because it can now come in through different vehicles,” he said. In his view, this diversification – both in business models and funding structures – will further reinforce Bermuda’s position as a competitive and adaptable global insurance hub.

A metamorphic market

Bonard took a moment to outline the shifts he’s observed in the industry, noting how the traditional boundaries between reinsurance and insurance have blurred in recent years. “Generally speaking,” Bonard explained, “what we’re seeing is carriers that had only ever written reinsurance now dabbling in insurance, and carriers that had always relied on the London market to write their insurance are now doing so on the Island.”

According to him, this isn’t a small or isolated change – it reflects a broader transformation in how companies are positioning themselves. “With this, we’re seeing a notable influx of carriers entering insurance classes they previously only wrote reinsurance for. At the same time, companies that were writing insurance are moving down the food chain into more middle market and specialty classes.”

Shifting the conversation toward his personal experience, Bonard reflected on how the market’s composition has evolved since he moved to Bermuda in 2019. He noted that his arrival coincided with a period of market concentration. “We now have a greater diversity of brokers in Bermuda,” he said. “We were early adopters in coming down here to build it out. Back then, 80% of the island’s revenue was dominated by the big three – that’s changed dramatically. Everyone’s represented here now.”

Looking ahead, Bonard suggested Bermuda’s market identity is undergoing a subtle but important shift. “Bermuda used to be what I would call a hard market safe harbour,” he observed, “but now I see it evolving to be more diversified.” For him, this points to a future where Bermuda won’t just react to market cycles but will maintain momentum across different conditions.

Time to adapt

Speaking about the company’s forward-looking strategy, Bonard emphasised that they are not standing still in the face of market change. “We are preparing for this landscape shift with a lot of investment capabilities,” he said, noting that adaptability will be key in the years ahead. While technology and capital are important, he was quick to point out that the industry still runs on human connection. “We are fundamentally still a relationship business. It’s about how we bring our tools to bear.”

For Bonard, this means spending significant time with clients to build a deep understanding of their needs. “We spend a lot of time with our customers, trying to understand what keeps them awake at night, what their business plans are, so we can adjust what we offer to them,” he

explained. That responsiveness goes beyond problem-solving – it’s also about helping clients seize new opportunities. “If a company wants to get into a new area, how do we help them get there? It might mean leveraging the Ardonagh Group to trade where they haven’t before, all the way through to raising capital for companies.”

Turning to recent trends, Bonard highlighted a notable shift in interest from across the Atlantic. “There is definitely interest from the US E&S market to have a bigger position in Bermuda than in the past,” he observed. This momentum is being driven by evolving structures and new market vehicles. “A lot of that is now coming through MGAs or bifurcated MGAs.”

His team has been actively shaping how these models take root on the island. “We’ve been working on bringing MGAs to Bermuda, wrapping them into reinsurance structures, bringing third-party capital using sidecars as risk vehicles,” Bonard said. In the past, such activity was rare. “You didn’t see much of that in the Bermuda market, bar a few carriers. We’re beginning to make that more mainstream.”

Will Bermuda stand strong?

When discussing Bermuda’s standing on the global stage, Bonard didn’t hesitate to underline its resilience. “Bermuda’s position in reinsurance is very, very strong,” he said.

For him, one of the island’s core strengths lies in its governance. “The key thing that works in Bermuda is the regulator – the BMA is strong, while still allowing things to be done at pace,” he explained. That balance between oversight and agility has helped Bermuda hold its ground against major global hubs. “Bermuda stands strong against other global hubs such as London and Singapore due to its regulations.”

Yet regulatory strength is only part of the equation. Geography has played its own quiet but decisive role in the island’s success. “Its geographical location has been a strategic label for a long time,” Bonard noted. “It’s referred to as a lily pond between London and the US. It’s just an hour from New York, close to Miami, and direct to London.” That ease of travel, he suggested, helps make Bermuda a natural meeting point for decision-makers from across continents.

But beyond the rules and the routes, there’s the human element – the community of industry leaders who have chosen to base themselves on the island. “More importantly, you’ve got access to decision-makers down here,” Bonard said. He recalled his early days in Bermuda: “When I moved here in 2019, it immediately felt like trading on the floor in Lloyd’s in my 30s – a good buzz of a marketplace.”

That atmosphere is no accident. It stems from the concentration of high-level talent and leadership on the island. “We’ve got huge C-suite capabilities – there are a lot of CEOs here – so you get very good access to decision-makers,” he added. And while there may be no physical trading pit like in London’s past, the energy is palpable. “There’s no actual central trading floor, but the island feels like one.” ■

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Resilience in a storm: reinsurers bridge uncertainty and stability

As geopolitical upheaval, economic turbulence and climate extremes reshape the risk landscape, reinsurance leaders are sharpening their strategies. AXA XL Reinsurance's chief executive officer, Renaud Guidée, shares why the industry has "never been as relevant as today" and how Bermuda's market is uniquely positioned to lead.

Volatility is as high as ever. Geopolitics, social unrest, economic and trade disruption and the impact of pandemics on global health have escalated uncertainty to an all-time high. But managing uncertainty is what the industry was built for. These challenges mean reinsurance is more critical than ever.

So says Renaud Guidée, chief executive officer, AXA XL Reinsurance. Speaking during an exclusive interview with *Bermuda:Re+ILS*, he stressed that he sees it as the reinsurance industry's purpose to bridge the gap between volatility and the certainty and stability that clients crave. And that means the reinsurance market is more relevant than ever. Bermuda's reinsurance market isn't just reacting – it's becoming more strategically vital than ever.

Guidée's message is clear: today's volatility is not a temporary storm to be weathered, but a structural reality requiring strategic adaptation. And for Bermuda, with its deep capital pools, sophisticated regulatory framework and culture of innovation, this is both a challenge and an opportunity. By combining robust balance sheets with cutting-edge analytics, disciplined underwriting and a commitment to client partnership, reinsurers like AXA XL can continue to turn uncertainty into opportunity.

"In a world that is being tested," Guidée concludes, "our role is to stand as a source of certainty and stability. That's what our clients expect – and that's what we will deliver."



Softening signals

Assessing the market line-by-line, Guidée describes the picture as consistent: heightened loss activity and increased claims potential.

Property lines have seen intense activity with significant wildfires, heatwaves, floods and severe convective storms this year. It's happening before our eyes, and we don't need to take a wider lens.

Loss trends in casualty lines, meanwhile, are only going one way: up. In many casualty lines, litigation funding, while under increasing scrutiny, continues to fuel the flames.

Nuclear verdicts remain a key contributor: Marathon Strategies' 'Corporate verdicts go thermonuclear 2025' report stated a 52%

increase year-on-year from 2023 to 2024 for nuclear verdicts against corporate defendants, seeing a total of 135 lawsuits, the most seen in a year since 2009. The sum total of these verdicts reached \$31 billion. "Thermonuclear verdicts" – greater than \$100 million – increased to a record high of 49 in 2024.

When it comes to specialty lines, there have been tragic aviation events across many parts of the globe, be it South Korea, India or the US, and other lines are seeing similar activity. Overall, loss activity has escalated. Demand for protection comes hand-in-hand.

Guidée emphasised the importance of having a robust, reliable, trustworthy and creditworthy reinsurer in times such as these.



"I would urge everyone to take a step back and look at the broad picture."

Too much complacency

While some industry voices suggest early signs of softening rates in certain property classes, Guidée cautioned against mistaking short-term cycles for long-term patterns.

Volatility is high. Guidée highlighted that everyone has a shared responsibility: reinsurers, insurers, insureds, governments, regulators and financial services alike, to address the current risk landscape.

Speaking to specific lines, Guidée said: "When it comes to property, I would urge everyone to take a step back and look at the broad picture; consider taking into account frequency and severity of perils over the past decade.

"The underlying reality we have to face, and which prompts indemnification, is that perils happen more often and with a greater impact."

For Bermuda's reinsurers, these trends underscore the importance of disciplined underwriting and a focus on sustainable pricing across the cycle.

Delivering for demand

While opportunities for growth seem abundant due to global instabilities, Guidée explained that, for AXA XL Reinsurance, strategy is all seated in what its clients need.

He said: "We are positioned as a trusted business partner to our clients, which enables us to understand their needs and where we can be most helpful and impactful to them. I wouldn't make a generic statement about where I see growth opportunities because, for us, it's about getting in the tent with our clients and working together to best address their needs."

What Guidée emphasised most was that the reinsurance market is now calculating price and rate for risks that were unthinkable just five years ago. Innovation is key to staying ahead of evolving risk.

Guidée identifies the key to innovation for AXA XL Reinsurance as gaining better knowledge, improving modelling and looking more deeply into emerging threats, all of which boil down to data. The more data available to reinsurers, the better equipped they can be to serve tailored solutions according to needs.

Risk diversification

He explained that risk diversification and a robust balance sheet are also key.

Guidée said: "We diversify across regions and across perils, working with best-in-class cedants to make sure that, regardless of intensity or severity, we will be one of the players standing and living up to our commitments to pay out claims to our clients".

For systemic threats, Guidée explained that their investment in knowledge, really digging in to understand the risk, is what guides their ability to provide the right cover at the right price. This is why, as well as investing in its own teams, AXA XL partners with academic institutions to study resilience and recovery.

A key finding from the Cambridge Centre for Risk Studies research in partnership with AXA XL Reinsurance is that the more insurance penetrates the economy and society, the faster the recovery post an event.

Guidée explained: "The research found that, when you divide property and casualty premiums by the gross domestic product of a given country, if that ratio increases by one percentage point, on average, the period required to recover from a major disaster goes down by one year.

"That can make a massive difference to the impacted communities. When schools are destroyed, a building burns down or hurricanes and flash flooding destroy homes, if you can rebuild in two years instead of three, or three years instead of four, it does make a difference, so that is added value insurance can provide to our communities."

For Bermuda, with its deep ties to catastrophe reinsurance and its growing role in parametric and innovative structures, such research reinforces the industry's broader societal value.

Culture eats strategy for breakfast

Speaking more broadly to his leadership experience across his career, in his current role as CEO of AXA XL Reinsurance and as group chief risk officer for the whole of AXA prior, and at Goldman Sachs as managing director before joining AXA, Guidée explained that, while strategic vision is the compass to point out where you are headed, how you get there is even more critical. Strategic vision stands as the first pillar, but "corporate culture eats strategy for breakfast", and is vital for concrete action.

Culture drives team motivation, and team spirit is another aspect that Guidée cites as a learning throughout his journey. The team turns the wheel that delivers the strategy.

"As a leader, I want to offer our teams and upcoming talent the opportunity to grow their potential. I always encourage skill expansion and investment in oneself. A large part of this comes down to culture, building an environment where ideas can be shared and tested within a supportive team. Valuable individual contributions better the collective outcome; that needs to be understood across the entire team," Guidée said.

Reinsurance touches every aspect of our lives and is the backstop of what happens in the economy and in society. It is an enabler of growth and innovation, protecting what matters most. Knowing that insurance is not just a way to earn a living, but a way to make a difference, is a key driver for many. ■

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Facing up to a new definition of protection gap



Uncertainty surrounding climate change, capital and collaboration gives reinsurers room to shine – but only if they can solve some of their own challenges first, says Matthew Britten, partner and risk assurance services leader at PwC Bermuda, who describes a new definition of protection gap.

In the context of growing risks, a push toward renewable energy sources and geopolitical turbulence, the risk-transfer industry faces both great challenges – and opportunities. But truly to maximise the latter, the industry must also face the reality of the true meaning of the phrase “protection gap”.

That is according to Matthew Britten, at PwC Bermuda. He spoke to *Bermuda:Re+ILS* and explained how the journey ahead demands patience, capital and plenty of partnership.

“If you think about the pace of climate and technological change, and you couple that with the really high level of uncertainty, whether economic or political, there’s a very strong argument to say this is a time in which reinsurers shine. Their value proposition is there to absorb losses and really help with stability,” Britten said.

And Britten is confident the underlying environment can offer the industry “a fantastic opportunity”. But he cautioned that the growth story had two distinct timelines. “With the pace of climate change and with the pace of technology change, there’s an enormous opportunity for growth. The required capital that’s going to be needed for the effects of climate is absolutely huge, and that will definitely drive premium growth in the future,” he said.

In the near term, however, macroeconomic forces might hold the industry back. “The impacts of tariffs and other factors may hamper economic growth, which in turn will put a dampener on the potential short-term growth for the reinsurance industry on the P&C side of the fence,” Britten added.

Equally, it must face some of the deeper challenges inherent in the industry now – which he terms a form of a protection gap.

Beyond the protection gap

The industry often talks about the protection gap in its literal meaning: the percentage of catastrophic losses not covered by insurance. But Britten urged a broader perspective. “The protection gap isn’t the only gap that’s out there and that should be cause for concern for reinsurers in the broader marketplace,” he stated.

For Britten, there are three others: “There’s also a resiliency gap, a talent gap and a funding gap.”

On resilience, Britten warned: “The risk mitigation measures we’ve had historically are just not going to support the changing environment and the risks that are emerging today and tomorrow.” He pointed to the need for stronger building standards and improved recovery measures after disasters.

“A lot of work needs to be done thinking through how we build back better as a result of wildfires and floods, but also how we build in those risk measures that are going to help us tackle the increasing level of sophistication of cybercrime,” he explained.

Talent, he said, was an ongoing pressure point. “The re/insurance is struggling to attract and retain frontline talent – and has a rapidly aging workforce. Obviously, the insurance industry’s future success will be dependent on talent. At the moment we’ve got fantastic talent, but it needs to continue.”

Regarding the funding gap, Britten returned to his earlier theme about capital demand. “There’s an enormous amount of capital needed to address expected exposure growth, but there’s also a need for funding into this new environment and investment in better resiliency standards for buildings, etc. How is that going to be funded? How are we going to help fund the transition?”

Britten sees addressing these four gaps: protection, resilience, talent and funding, as important as managing today’s underwriting and pricing. “Risks are really important, but thinking about those four gaps is equally important, as well as having reinsurers in the community think about how we support each of those into the future.”

Risk frameworks revised

Asked how Bermuda-based reinsurers were adapting their risk management frameworks to evolving threats, Britten was clear: “Any reinsurer who is going to be successful in the long term has to constantly be thinking about their risk management framework and how it evolves.”

That means recognising the limits of the industry’s own data. “We’re a data-rich environment, but it’s historic data. How am I taking that data and thinking about how I’m going to apply it to the emerging, changing risk environment I am in?”

He explained how many firms were focusing their investments in predictable areas: “They are investing on the technology side of the fence. They are investing in talent, focusing on the development of deep analytical skills, modelling skills and scenario planning.”

Technology is also changing the mechanics of risk oversight. “On the tech side, we see a lot of people moving towards automating their risk monitoring aspects,” Britten noted.

Some reinsurers have taken a more structural approach. “Over the past few years, we’ve seen an increased level of focus and time spent thinking about portfolio construction,” Britten said. “A number of



“A number of companies are almost re-underwriting their entire book.”

companies are almost re-underwriting their entire book, looking at their underlying book of business and asking themselves if this is in accordance with their risk appetite, their strategy and where they are looking to go on a forward basis.”

The partnership imperative

One notable shift in recent years has been a greater openness to collaboration, as Britten pointed out. “Reinsurers have, over the past few years, been expanding their thought process around partnerships.”

“A lot of companies have come to the conclusion that they know exactly what their expertise is and what they want to concentrate on, and they need to look to partners to help them in areas where they don’t have that level of expertise,” he added.

That could mean technological partners for AI capabilities, or MGAs to provide specialism in niche lines. “The partnership side of the fence is very broad ranging.

“Lots of reinsurers are much more open to partnering with outside parties,” Britten admitted, but he stressed the importance of governance to “make sure we’re getting our standards met by the partners we’re working with”.

Bermuda’s unique position

Britten is emphatic about Bermuda’s edge, saying: “It’s always good to be able to promote the strengths and uniqueness that Bermuda has to offer.”

The first of those strengths is collaboration. “The way the government, the regulator and business actually collaborate to come together to deliver products to the marketplace is very unique,” Britten explained.

The second is talent: “The breadth and depth of talent is phenomenal,” Britten continued. “The choice we have here in terms of brokers and companies has really added to that talent pool.”

Third is regulation, and Britten praised the island’s proactive stance. “Our regulator is very forward-thinking: they’ve created regulatory sandboxes where people can test out new products and services. They’re very quick to look at a business plan, try to get into it and understand it, and very quick to analyse large complex deals.”

All this, Britten summarised, makes Bermuda “a hub of innovation” in a market where risks are increasingly interconnected and exposures more complicated.

ESG: a careful balancing act

While ESG has been on reinsurers’ agendas for years, Britten has seen a shift in how it is applied. “ESG really is just a framework and presents how companies will achieve a goal of sustainability. That’s always been a central goal of reinsurers,” he said.

But he stressed that the environmental transition cannot be instantaneous. “The transition that’s required in the environment is not something that can be solved by the flick of a switch. We have to recognise that companies, whether they are energy producers or companies utilising energy, need to fund the transition to alternative energy.

“We can’t just turn off support for one part of the industry and move to another. We need to be able to support that transition, and that transition needs insurance and funding.”

The challenge, Britten explained, is incorporating ESG into underwriting and investment “with very careful consideration and balance, so that you are really helping move the transition forward”.

Strategic priorities and reinvention

Looking ahead, Britten said most reinsurers were acutely focused on “risk selection, pricing and capital management”, but stressed that they must also think more broadly about their strategic role in supporting growth, resilience and transition.

That includes participating in public-private partnerships to close gaps, and Britten is keen to see more collaboration. “How do I work in concert with others in the greater, broader community to solve some of these larger gaps around protection and around the resiliency gap?”

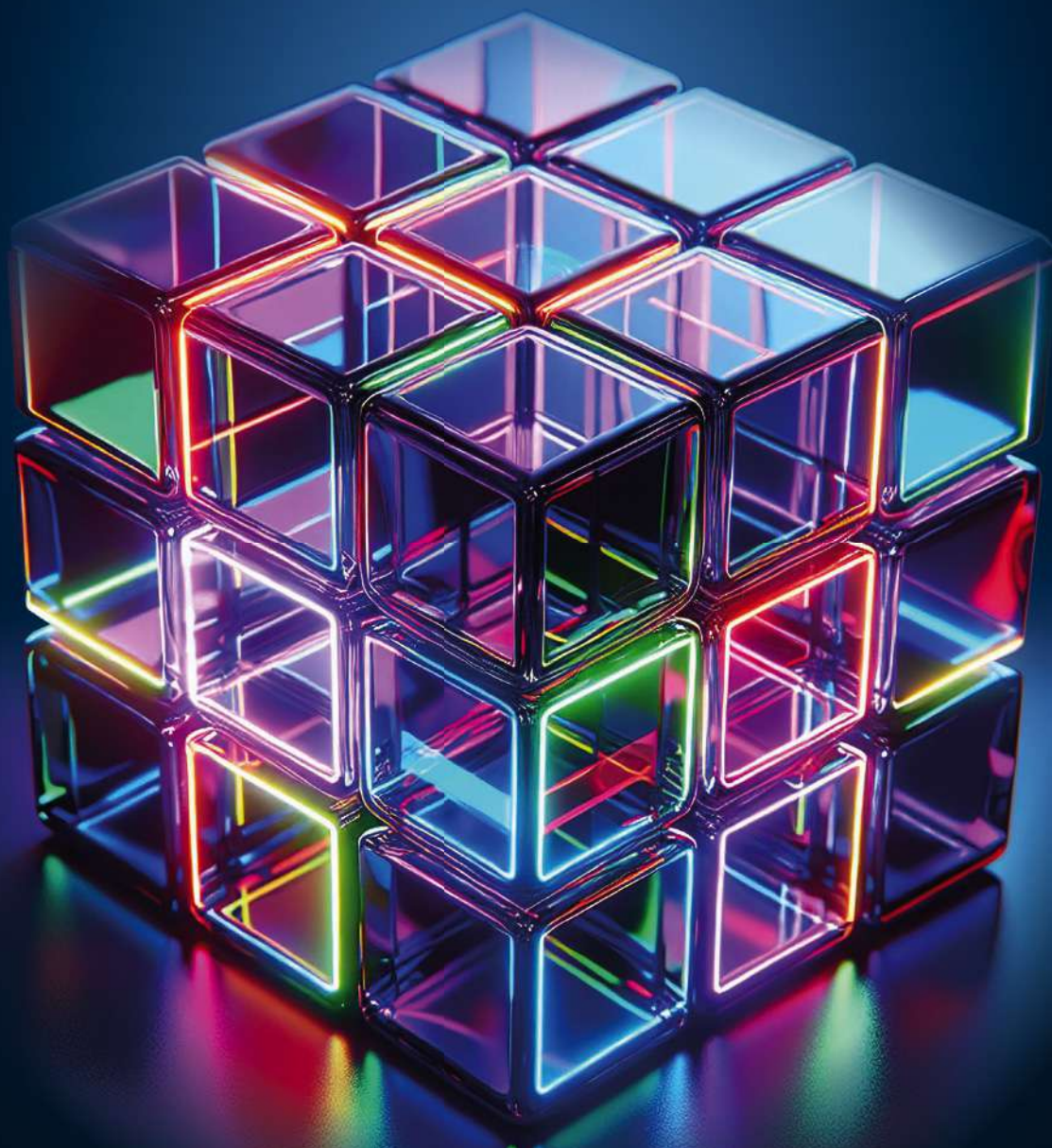
Severe weather, shifting customer demands and new risks are all pushing reinsurers toward what Britten called “business model reinvention”. He pointed to Bermuda’s expansion from property-only reinsurance into casualty and specialty lines as a case study in adaptation. “Customers want and need something different, and reinsurers have to evolve to that, including in the way they interact with customers, the distribution side and how capital is deployed.”

Capital alignment to risk will continue to evolve, Britten concluded, alongside new ways of delivering expertise. He sees one emerging theme being the convergence of financing and insurance. “One of the phrases we’re using a lot at the moment is ‘fund and insure’ to describe this part of the economy that’s driving the funding and insuring of businesses forward,” Britten said.

“We need the stability of insurance, but we need an enormous amount of investment to fund transition. So this idea of how we fund and insure is rising to the top of our vernacular.”

According to new PwC research, the redistribution of market share in financial services will be significant: it’s estimated that \$604 billion could change hands in 2025 as a result of reinvention moves by companies in the insurance, banking and capital markets and asset and wealth management sectors. ■

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Built on governance, driven by innovation: the Bermuda advantage

Bermuda's strategic governance and innovative ecosystem have positioned it as the unparalleled leader in the reinsurance market, capturing 85% of the cat bond sector and attracting major global players to its shores, says Brad Adderley, managing partner at Appleby.



“Almost every major player in the world has operations in Bermuda.”

“Reinsurance is global, but it doesn’t work without Bermuda.” For Brad Adderley, managing partner for Bermuda at law firm Appleby, there’s no ambiguity.

He has watched the island’s growth from the front row since 1996 and is resolute that Bermuda continues to dominate reinsurance with its innovation and sound infrastructure. Leading the way from niche captives in the 1970s to cat bonds and ILS in 2025, Bermuda’s evolution has indeed been relentless, and some would say that today it’s not just keeping up with the market; it’s setting the standard.

Although investors have grown more demanding and regulators are tightening their grip, the island’s sophisticated ecosystem has helped it become a global leader in both volume and depth of infrastructure. “Built on governance, driven by innovation – that’s the Bermuda advantage,” Adderley highlighted.

“It’s a marketplace,” Adderley emphasised. “There are so many brokers and reinsurers on-island; we can do deals with each other. Almost every major player in the world has operations in Bermuda.”

That density of expertise, capital and innovation makes the island unique. “Without Bermuda, the reinsurance market would be in serious trouble. Singapore is not a marketplace. Cayman is not a marketplace. Bermuda is,” he stated.

Nowhere is this more evident than in the cat bond market. Thanks to the growth of special purpose insurers (SPIs), Bermuda has seized dominance. “We’ve probably got 85% of the cat bond market, if not higher,” Adderley observed. “On the ILS side, we’ve got transformers, property and casualty sidecars and cat bonds.”

Appleby itself plays a central role, as Adderley explained. “We give birth, in that we help raise capital, structure documents, obtain BMA approvals and insurance licence, set up the office, all the way through to preparing companies ready to write business.”

As easy as breathing air

As global regulatory regimes sharpen and mature, Bermuda has remained at the forefront, thanks in part to the Bermuda Monetary Authority (BMA). “We are NAIC-approved, a reciprocal jurisdiction, Solvency II-equivalent,” Adderley noted. “The BMA is constantly making sure we stay at the forefront, and we remain here because of our reputation.”

That reputation is increasingly tied to transparency and ESG (environment, social and governance) alignment. “The BMA has been tackling ESG, compliance and transparency because we want to conform to international standards,” Adderley said. “We don’t want to ruin our reputation, and clients now want to be regulated. Otherwise, policyholders and investors just won’t do business with you.”

At Appleby, these expectations are part of the daily workflow. “Every policy we draft for review by the BMA covers transparency and compliance and ESG. It’s just like breathing air now.”

Yet Adderley is not complacent. He’s troubled by competing jurisdictions that lower the bar. “Some still attract companies with the idea of ‘less is more’: less capital, less governance and less staffing. That really concerns me, because how will that affect other offshore jurisdictions that are doing it correctly?”

But as competitors cut corners, Bermuda is doubling down on governance, capital and innovation, though Adderley noted that the make-up of Bermuda’s client base was shifting, particularly in the ILS space.

“The cat bond market is off the chart, and not just in North America any more. We’re seeing more from Europe and Asia, which can only be good for Bermuda.”

Terms, tech and talent

ILS platform providers are also thriving in Bermuda, enabling smaller and more frequent private cat bonds. “That means more sponsors, more investors and more deals. These platforms are providing more solutions, which means they have new clients.”

Even the types of risks and currencies are evolving. “There are tech companies writing new risks or using bitcoin or stablecoins. There are innovative products using tech to write all risks, old and new. We’re now dealing with tech people doing insurance and insurance people using tech.”

As Adderley looks toward Monte Carlo’s September gathering, several questions are at the top of his mind, predominantly concerning terms, pricing and whether a hurricane would occur before the event.

“Also, will there be another commercial reinsurer, and will they succeed?” he added. “Every year, we read about the same three or four. Out of those, only one, maybe two, ever makes it.”

For Adderley, ILS will always be a topic of discussion. “It’s become much more common,” he observed. In fact, ILS is now so routine for many firms, “a lot of private cat bonds don’t even use lawyers any more.”

But Monte Carlo is also about serendipity. “I was sitting outside the Buddha Bar when I had the very first conversation about doing a private cat bond,” he recalled. “That kind of experience can’t be replicated on Zoom. You never know which crazy idea might grow into something bigger and better.”

In the next one to two years, Bermuda’s largest challenges, Adderley believes, won’t have changed. “It’s always about talent; finding people with the right attitude, who care, and who want to move to Bermuda.” Adderley said. “And with AI, if once you needed 10 people before, maybe now you only need six, so what does that mean for staffing expectations and for the economy?”

Whatever the answer, Adderley is confident Bermuda is ready to adapt. “We’re all going to have to learn from each other,” he said. “But if there’s one place that’s proven it can evolve and lead, it’s Bermuda.” ■

US-Bermuda reinsurers

poised to sustain solid performance despite pricing pressure

The latest analysis from AM Best reveals that US and Bermuda reinsurers have maintained strong underwriting profitability for the fourth consecutive year, despite facing increased catastrophe losses and pricing pressures across various segments. Gregory Dickerson and Antonietta Iachetta examine the findings.

AM Best's composite of US and Bermuda reinsurers consists of these seven reinsurance groups domiciled either in the US or Bermuda, for which the reinsurance business accounts for the majority of their underwriting portfolios: Arch Capital Group; Everest Group; General Re Corporation; Odyssey Group Holdings; PartnerRe; RenaissanceRe Holdings and Transatlantic Holdings.

An AM Best composite of US and Bermuda-focused reinsurers continued its trend of favourable underwriting results while generating the group's fourth consecutive year of underwriting profitability. While the 2024 combined ratio of 89.5 represented a 4.4-point deterioration over the prior year (Exhibit 1), this underwriting margin still represents a substantial improvement over levels reported for several years preceding 2023.

Overall profitability declined in 2024 compared with stellar results posted in 2023, when the composite generated the strongest underwriting margins in years. Peak underwriting results in 2023 were further supplemented by higher net investment income, as well as significant realised and unrealised investment gains and the positive impact of the Bermuda Corporate Income Tax Act of 2023.

The composite's total net premiums written (NPW) grew 13.2% in 2024, up from 5.3% in 2023, when aggregate NPW growth for the companies was reduced by significantly higher reinsurance cessions from Transatlantic to Berkshire Hathaway affiliates.

Property and casualty (P&C) gross written premiums for the composite climbed by 12.3% in 2024, versus 10.5% in 2023 and 10.7% in 2022. The uptick in growth year-over-year largely reflects markedly higher premiums at RenRe, driven by the renewal of business acquired in the Validus acquisition. Excluding RenRe from both periods, the composite's P&C gross written premiums growth scaled back to 9.5% in 2024 from 12.9% in 2023.

This larger trend of decelerating top-line growth reflects the diminishing pace of rate improvement in several lines of business, particularly property exposures, where pricing has eased in 2025, following very good results in 2023 and 2024. Property reinsurance pricing nevertheless remains at more attractive levels than prior to 2023, when rates rose sharply in property-exposed lines at each of the key reinsurance renewal dates. Importantly, reinsurance terms and conditions have been largely unchanged.

AM Best expects premiums for the composite will increase in 2025 at a slower pace than in 2024, reflecting the high ongoing demand for reinsurance capacity, partially offset by moderate rate softening in several business lines, notably property catastrophe, directors and officers and cyber reinsurance.

Strong underwriting margins despite higher catastrophe losses; less favourable reserve development

Natural catastrophe activity continued at an elevated pace in 2024, with estimated global insured catastrophe losses totalling approximately \$140

billion, the third-highest year on record and exceeding \$100 billion for the fifth consecutive year. Catastrophe losses contributed 6.7 combined ratio points for the composite in 2024, up from 4.0 points in the prior year.

The most impactful events of 2024 occurred in the second half, when hurricanes Helene and Milton made landfall in the south-eastern US and contributed \$25 billion and \$16 billion of insured losses, respectively. In addition to hurricanes, severe thunderstorms (also known as severe convective storms) caused significant damage. North America reported the overall highest share of global natural catastrophe losses in 2024. Despite the high rate of natural catastrophe activity, the composite's 2024 accident year (excluding prior year reserve development) combined ratio of 89.8 was only a point higher than 88.8 in 2023 and still represents a marked improvement from the 94.4 accident year combined ratio posted in 2022. AM Best attributes this result to continuing rate increases in many non-catastrophe lines, as well as the enduring benefits of improved reinsurance terms and conditions that tightened significantly, starting from the January 1, 2023, renewal period.

Reported underwriting margins in 2024 included 0.3 points of favourable loss reserve development, compared to 3.7 points of favourable development in 2023. Five of the seven companies in the composite reported favourable net reserve development in 2024, whereas each of the seven companies reported favourable reserve development in 2023. In 2024, total net reserve development trends were impacted by Everest, which reported more than \$1.3 billion in net adverse development for the year, driven predominantly by US casualty business in its primary insurance portfolio. Everest's reinsurance business also reported unfavourable reserve development in US casualty lines, albeit to a lesser degree than its primary business. Excluding Everest from both periods, the composite's combined ratio benefited from 3.3 points of favourable reserve development in 2024 versus 5.0 points of favourable development in 2023.

The California wildfires put a significant dent in many of the reinsurers' 2025 CAT budgets before January was over, with total insured losses estimated to potentially exceed \$40 billion, with a substantial portion of that expected to be borne by reinsurers. Moreover, the National Oceanic and Atmospheric Administration and other widely respected weather forecasters have projected another active Atlantic hurricane season in 2025. If the season is as active as predicted, the US-Bermuda reinsurance composite could struggle to duplicate its strong underwriting performance of the past two years. However, AM Best believes the composite will generate an underwriting profit in 2025, unless catastrophe activity in the second half of the year far exceeds levels seen in 2023 and 2024. If that is the case, the softening trend could pause or reverse, depending on the magnitude of insured losses.

Strong investment performance augments underwriting income

For the second year, significant realised and unrealised investment gains and higher net investment income bolstered earnings in 2024. The composite posted a 16.8% return on equity in 2024 versus 23.0% in 2023, when substantial pre-tax realised/unrealised investment gains strongly rebounded from a negative performance in 2022.



“The California wildfires put a significant dent in many of the reinsurers’ 2025 CAT budgets before January was over.”

The composite’s 2023 ROE also benefited from one-time accounting gains related to the transition to a global minimum tax regime in Bermuda. The 2023 ROEs of the four Bermuda-based reinsurers in the composite improved between 5% and 8%, due to early recognition of the future tax benefits expected to be realised from operating tax loss carry-forwards (OTLCs). As a percentage of equity, deferred tax assets (DTAs) accounted for 6% to 9% for these four reinsurers as of year-end 2024.

While recognising DTAs are intangible assets that cannot be liquidated to pay claims, AM Best views DTA levels of less than 10% of total equity as manageable and expects these assets to be converted into tangible equity over time, as the OTLCs are used to offset taxes on future earnings.

Net investment income continues to benefit from significantly higher reinvestment rates on fixed income asset classes and has more than doubled in the past two years to almost \$8.8 billion in 2024 versus \$3.7 billion in 2022.

Underwriting and reserve leverage remain at manageable levels

The composite’s GAAP equity rose by 9.6% in 2024, slightly trailing increases in NPW and loss reserves. As a result, underwriting and reserve leverage rose slightly but remained at very manageable levels. The rise in equity in 2024 was driven primarily by underwriting profits and net investment income, partially offset by share repurchases and dividends paid. The group returned more capital to shareholders in 2024 than in 2023. Dividends and share re-purchases totalled over \$5.8

billion in 2024, compared to less than \$2.0 billion in 2023. AM Best views this trend as a prudent return of excess capital to shareholders following robust capital growth in 2023. AM Best expects that risk-adjusted capitalisation will remain sufficient to support organic growth opportunities into 2025.

New capital is not entering the market in a meaningful way

Despite the group’s very solid performance in 2023 and 2024, new company formation in the US-Bermuda reinsurance market has remained muted. In AM Best’s view, this trend reflects the abundance of capital as well as investors’ continued scepticism of whether reinsurers will be able consistently to meet or exceed their cost of capital. This hesitance among investors likely reflects ongoing challenges presented by climate risk and social inflation, as well as a higher hurdle rate for reinsurers to meet their cost of capital, given the elevated interest rate environment. AM Best expects capital flows to the reinsurance segment in the US and Bermuda market will continue to be driven by established franchises with strong track records, and opportunities for new company formations will remain limited. ■

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Exhibit 1: Global Reinsurance – US & Bermuda Market Financial Indicators (%)

	2020	2021	2022	2023	Q4 2024	Five-year Average
NPW (P/C only)	6.7	18.4	19.0	5.3	13.2	12.5
Net Earned Premiums (P/C only)	8.4	13.2	20.0	10.4	14.0	13.2
Reinsurance % of NPE	77.3	78.6	82.0	82.1	84.6	80.9
Shareholders’ Equity Growth (End of Period)	7.2	3.7	-11.3	33.7	9.6	8.6
Loss Ratio	72.4	65.6	63.9	56.4	61.4	63.9
Expense Ratio	29.0	29.2	27.5	28.7	28.1	28.5
Combined Ratio	101.3	94.8	91.4	85.1	89.5	92.4
Reserve Development – favourable / unfavourable (%)	-3.9	-10.0	-3.0	-3.7	-0.3	-4.2
Net Investment Ratio ¹	8.7	9.1	7.7	12.5	14.5	10.5
Operating Ratio	92.6	85.6	83.7	72.6	75.0	81.9
Return on Equity (%)	5.8	11.5	-2.6	23.0	16.8	10.9
Return on Revenue (%)	7.5	13.6	-3.3	22.9	17.5	11.6
NPW (P/C only) to Equity (End of Period)	58.0	67.0	89.0	70.0	73.0	71.0
Net Reserves to Equity (End of Period)	128.0	129.0	159.0	130.0	134.0	136.0
Gross Reserves to Equity (End of Period)	160.0	171.0	210.0	169.0	175.0	177.0

¹ Net investment ratio based on P/C NPE. Ratios may vary slightly due to rounding.

Source: AM Best data and research