



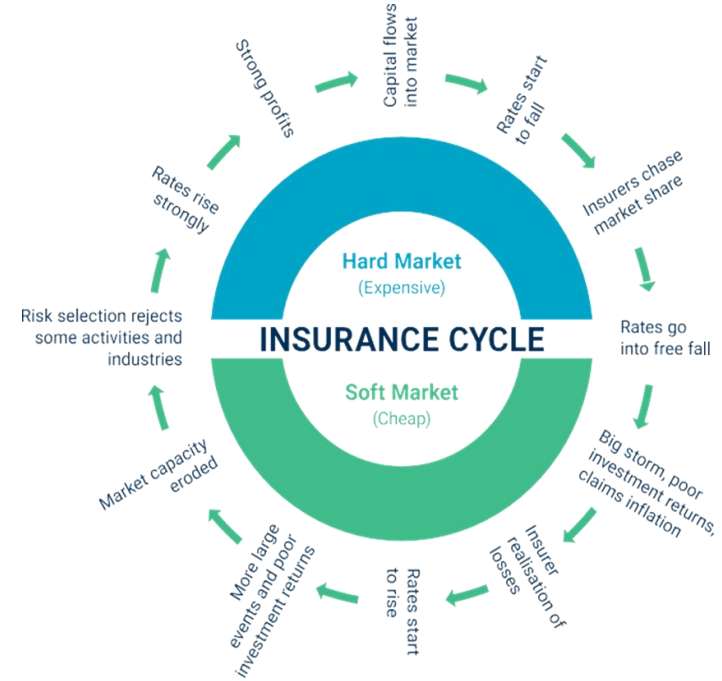
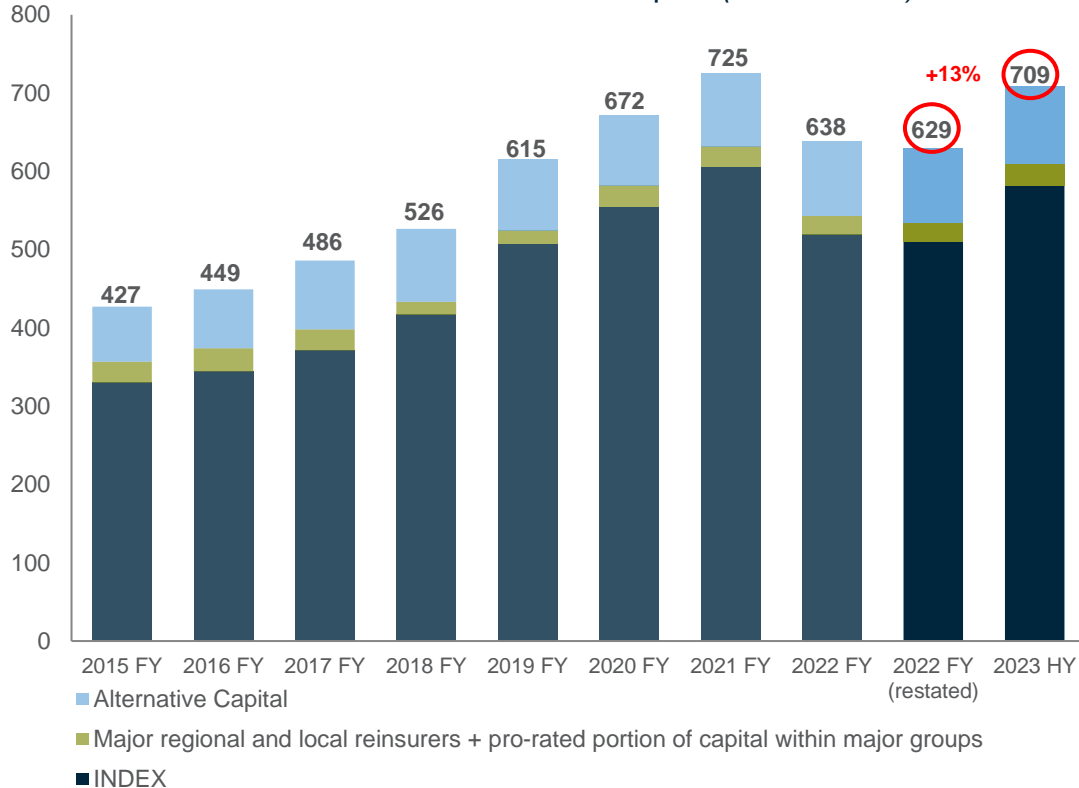
2024 ICNZ Conference – Reinsurance Panel Discussion

7 March 2024



Gallagher Re

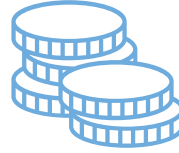
Total reinsurance dedicated capital (USD billions)



Market Losses in 2023

Number of individual billion-dollar
NAT CAT insured loss events

33
(~\$123B USD)



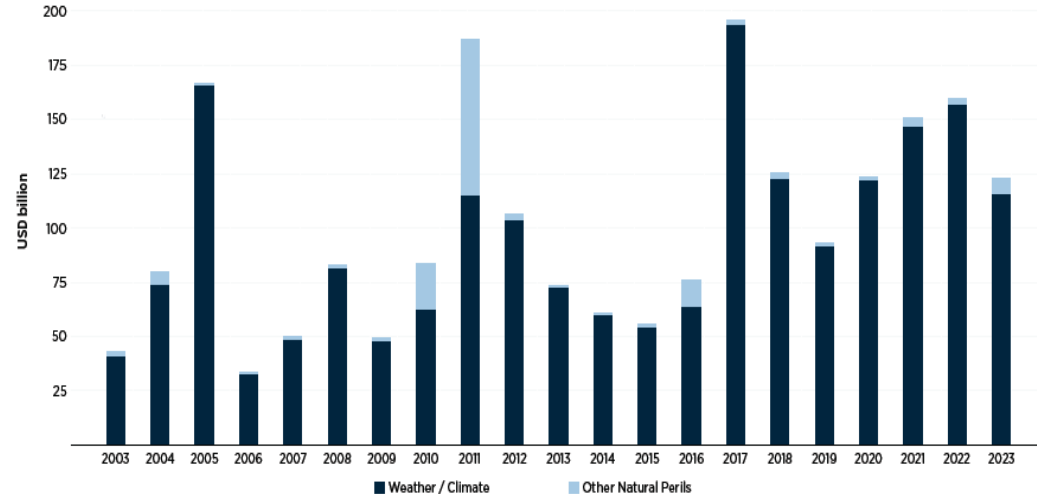
72%
(~\$58B USD)

of losses from NAT CAT events
(>\$1B) were retained by insurers

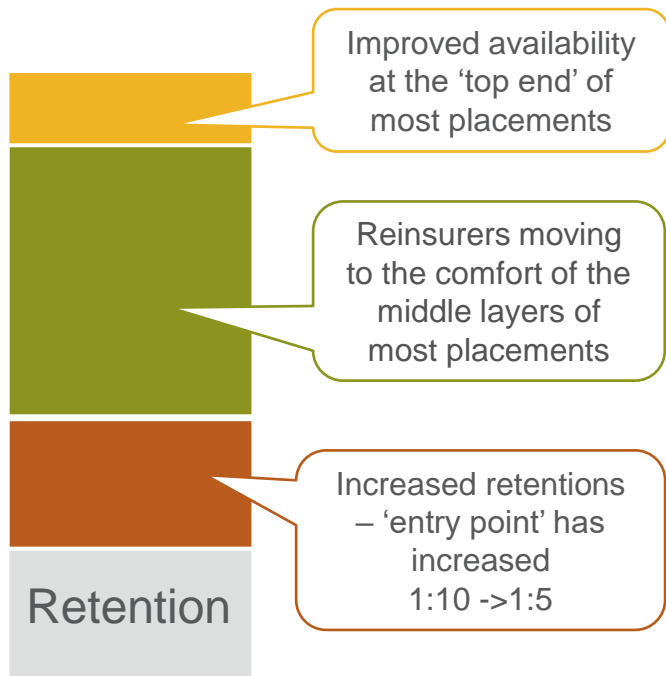
Largest cyclonic losses in 2023 by economic loss

| Event Name | Date | Region | Countries | Economic Loss (USD m) |
|--------------------------|-------------------|----------------|------------|-----------------------|
| Typhoon Doksuri | Jul. 24-31 | Asia | PH, TW, CN | \$18,460+ |
| Hurricane Otis | Oct. 24-26 | Latin America | MX | \$15,100+ |
| Cyclone Gabrielle | Feb. 11-17 | Oceania | NZ | \$3,770+ |
| Hurricane Idalia | Aug. 29-31 | US | CU, US | \$3,520+ |
| Cyclone Mocha | May13-15 | Asia | MM, BD, IN | \$2,240+ |

Global insured natural peril losses over time (\$USD)



Reinsurance Structure Challenges



Commissions under scrutiny due to:

- Result deterioration
- Post loss amplification



Aggregate Cover: reduced supply due to frequency of loss

Climate Change or something else?



2

weeks between NZ's two costliest weather disasters on record

2023

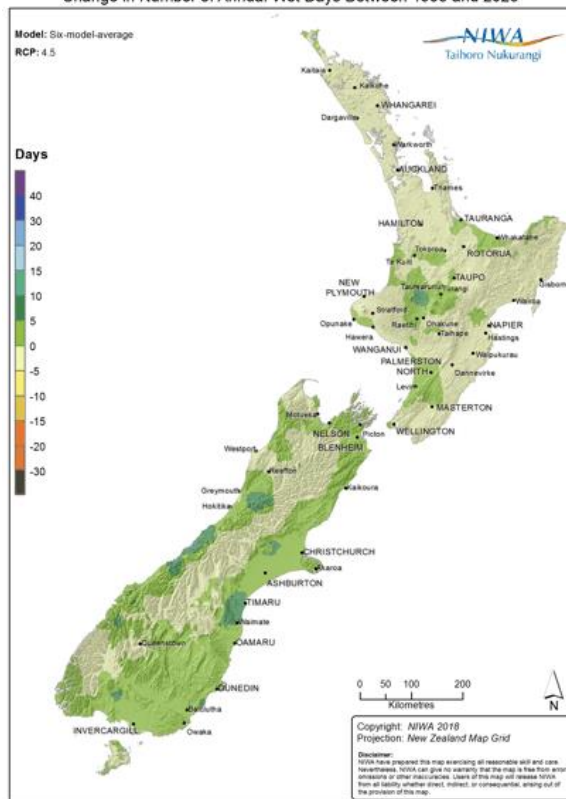
Hottest year on record



2,300+ Climate change litigation cases globally

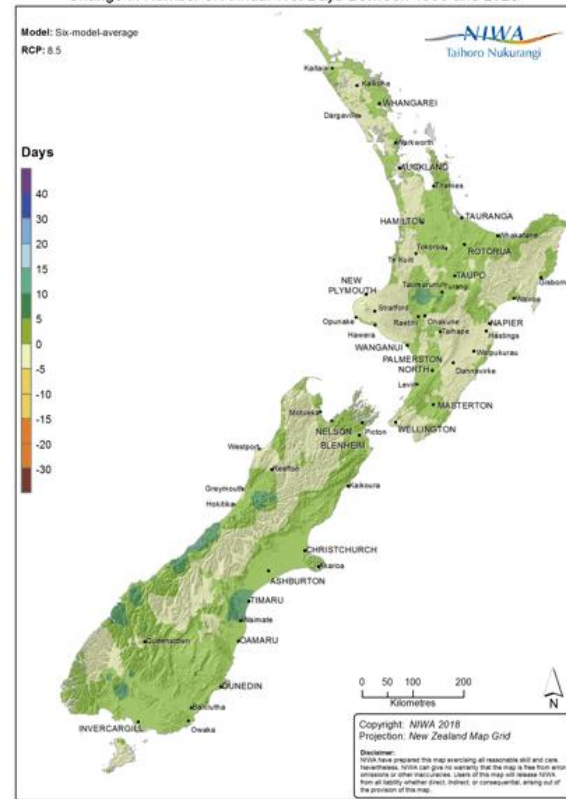
Moderate emissions scenario

Change in Number of Annual Wet Days Between 1995 and 2025

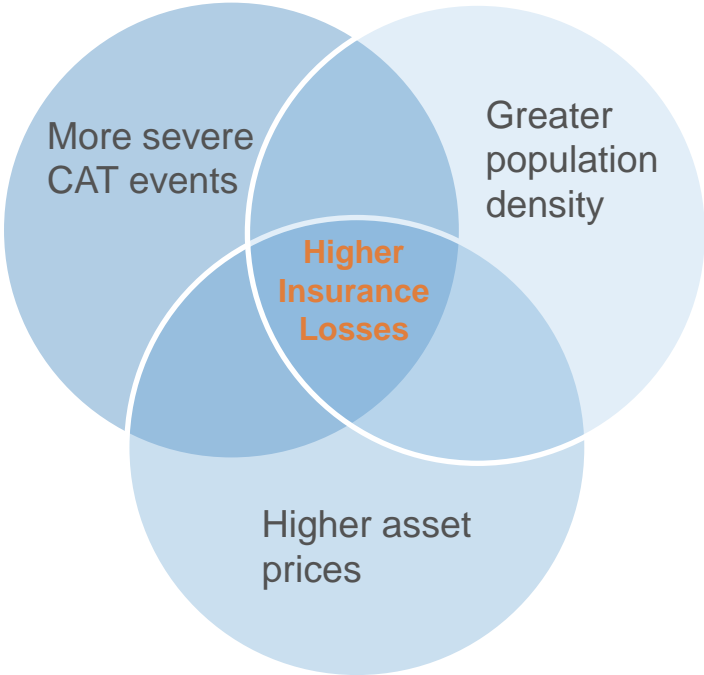


High emissions scenario

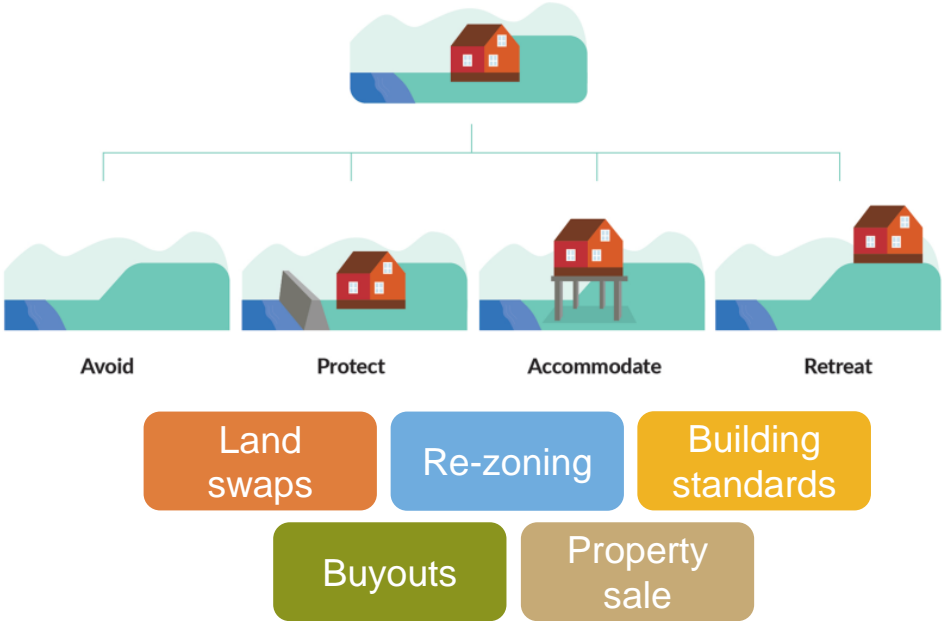
Change in Number of Annual Wet Days Between 1995 and 2025



Growing Insurance Exposures



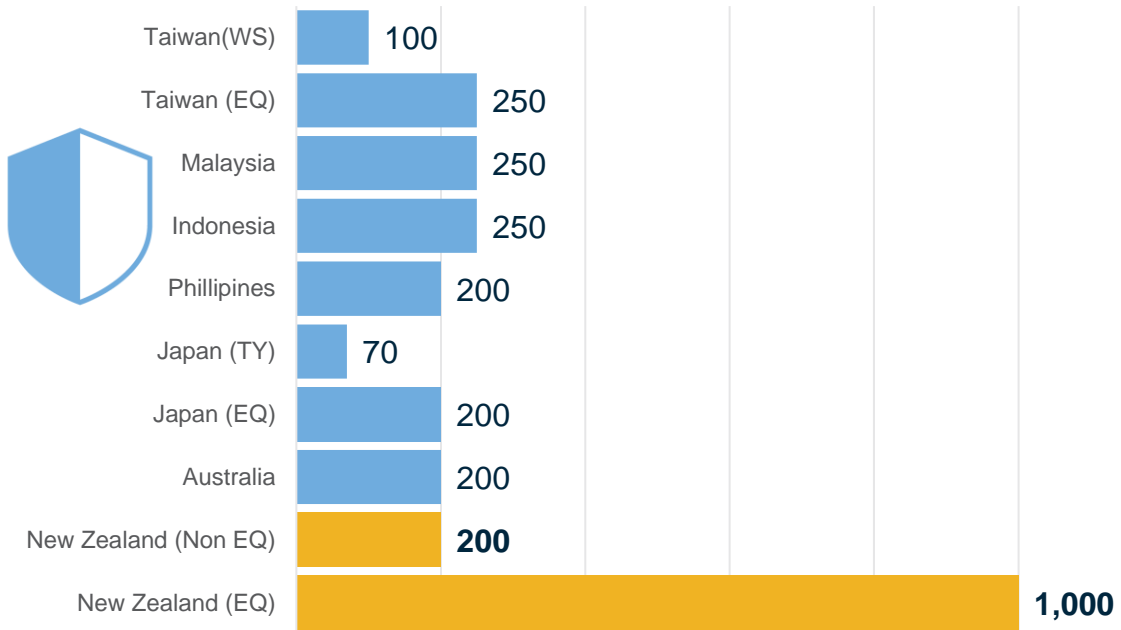
Managed Retreat



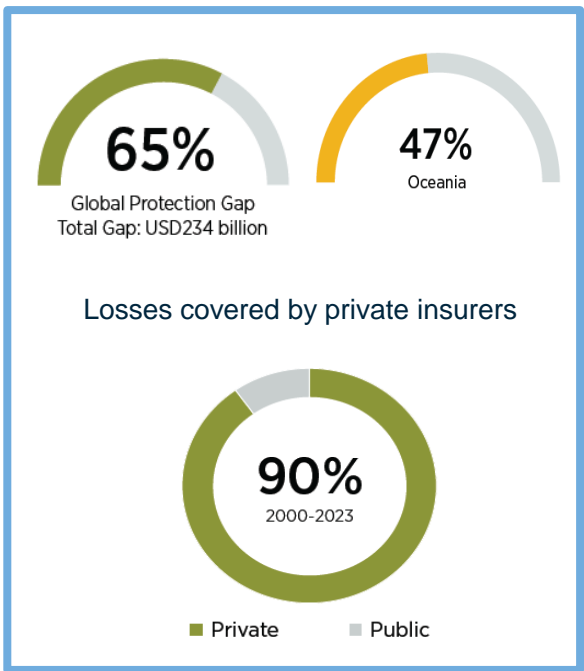
Regulation

Capital Requirements

Regional vertical CAT capital charges



Protection Gaps



Alternative Capital

Insurance Linked Securities: non-life CAT Bonds

\$15.4bn

Amount issued in 2023*

* Only underwritten and non-life



73

~+56% 2022

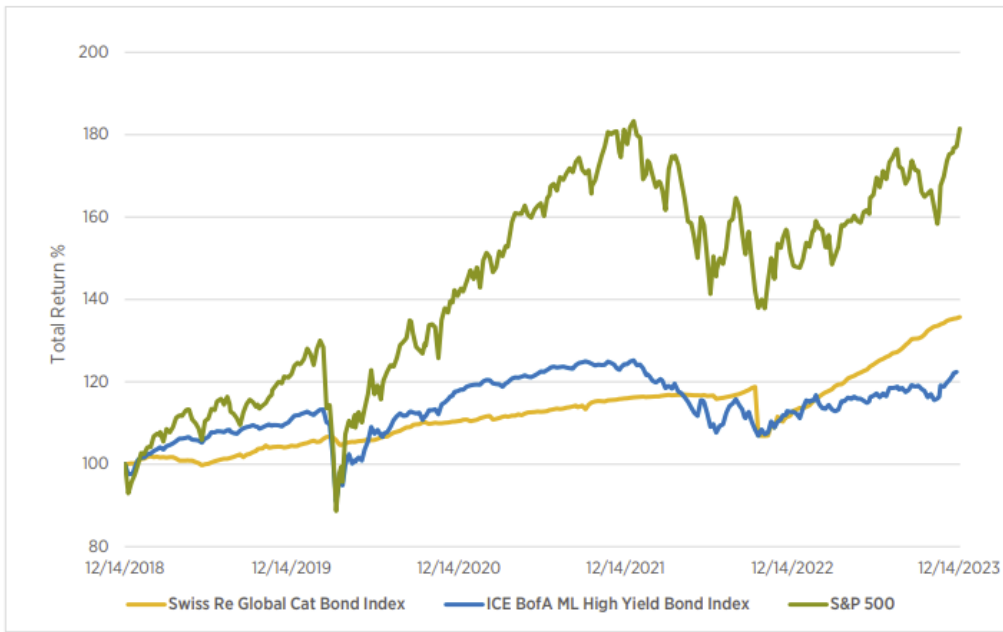
Number of Bonds in 2023

19.69%

Record-breaking total return in 2023



Comparable performance of Swiss Re's CAT Bond Index



Source: BofA Merrill Lynch US High Yield Bond Index, S&P 500 Index, and Swiss Re Global Cat Bond Total Return Index



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