

# ICMIF Virtual Reinsurance Meeting

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# Global Reinsurance Market Outlook – Stable

## Headwinds

**Uncertainty on potential COVID-19 related reinsurance losses**

**Low yield investment conditions and capital markets volatility**

**Less cushion in reserves exacerbated by social inflation & prop-cat reserve development**

**Global economic recessionary pressure & uncertainty of future demand for coverage**

**Uncertainty on Government intervention**

## Tailwinds

**Initial COVID-19 losses manageable with demand for improved terms and conditions - more exclusions**

**Accelerating pricing momentum at the primary insurance level**

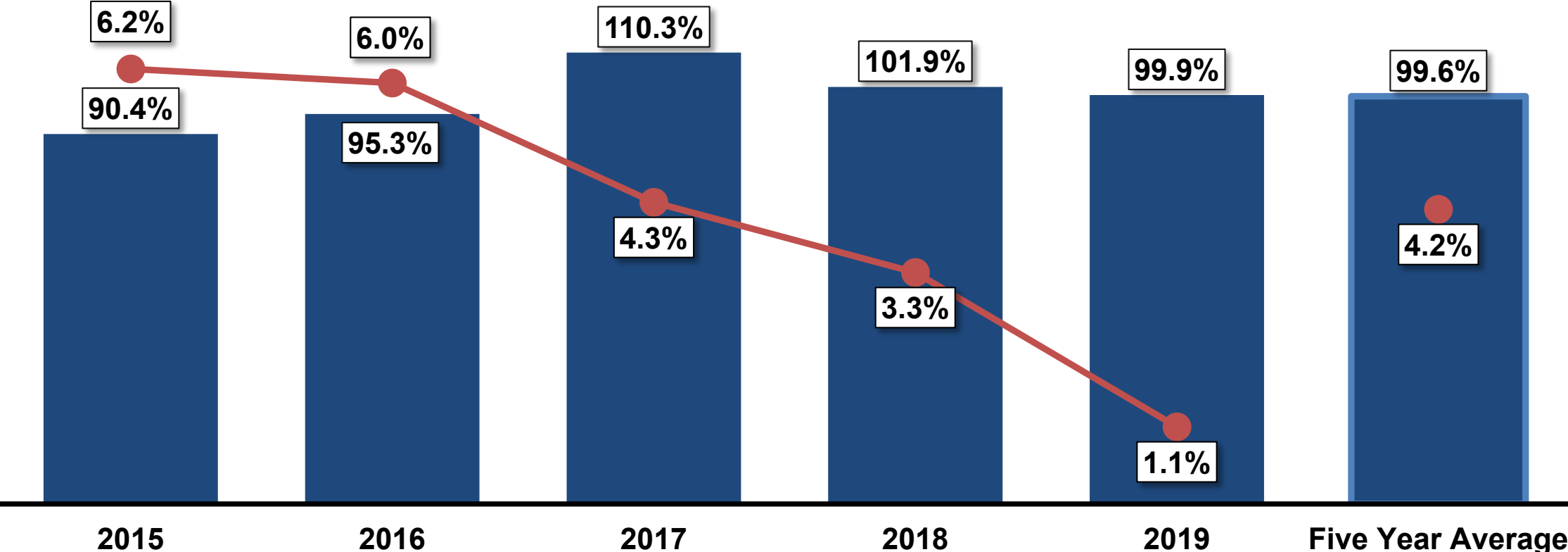
**Improving pricing across various reinsurance products**

**Flight to quality**

**Revised appetite from third-party capital and greater discipline from traditional reinsurers**

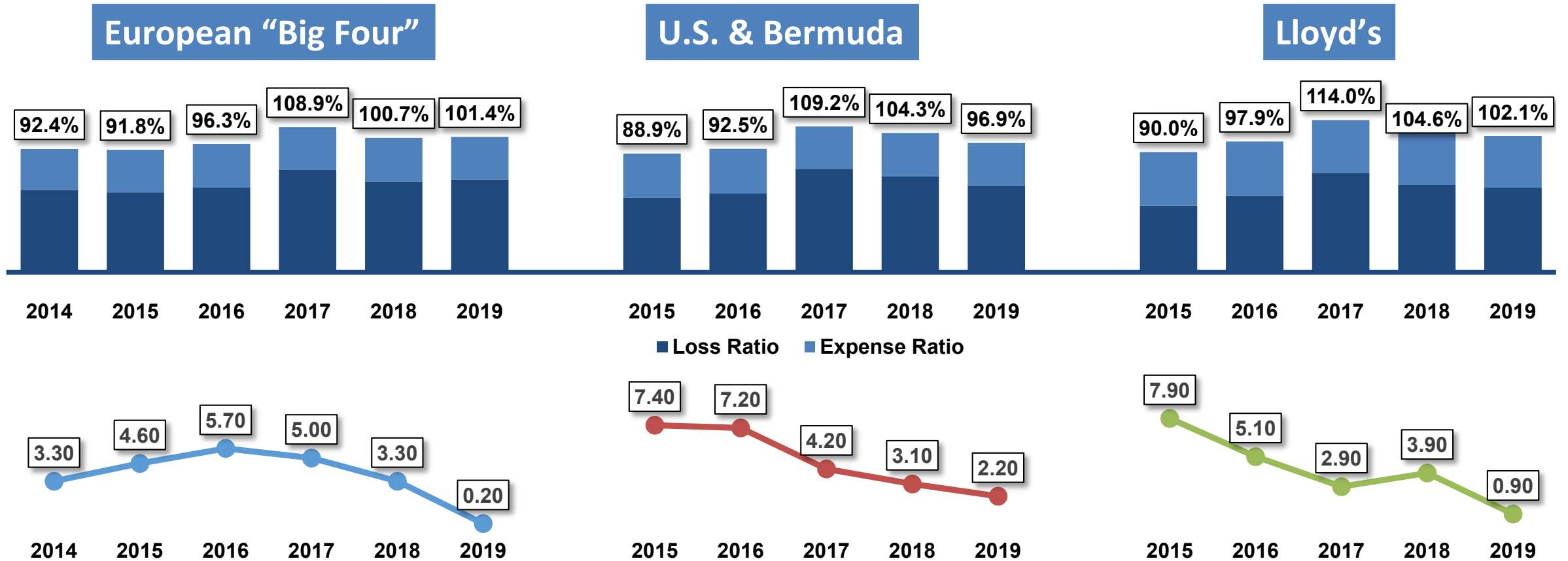
# Global Reinsurance Market Performance

Combined Ratio ■ and Positive Loss Reserve Development ●



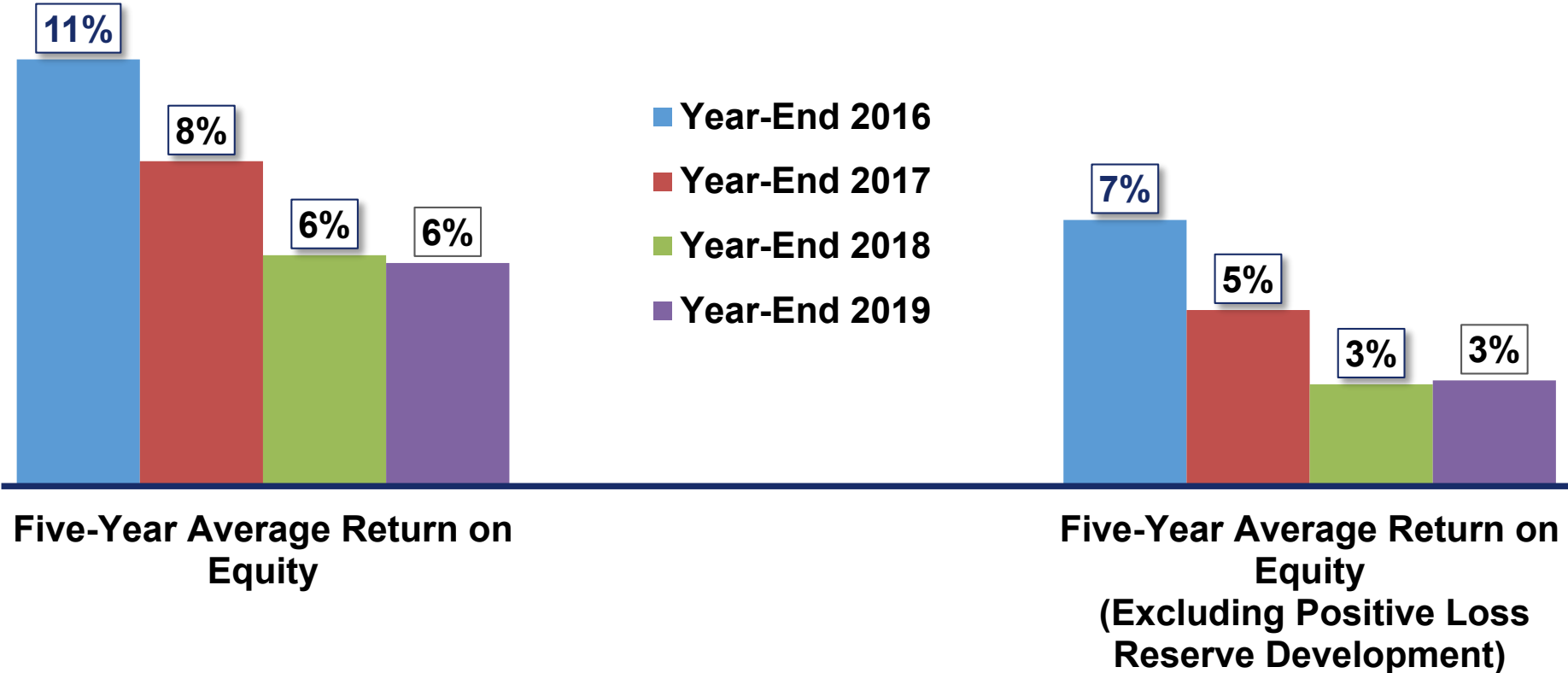
# Global Reinsurance Market Performance

## Combined Ratios and Positive Loss Reserve Development by Reinsurance Sector



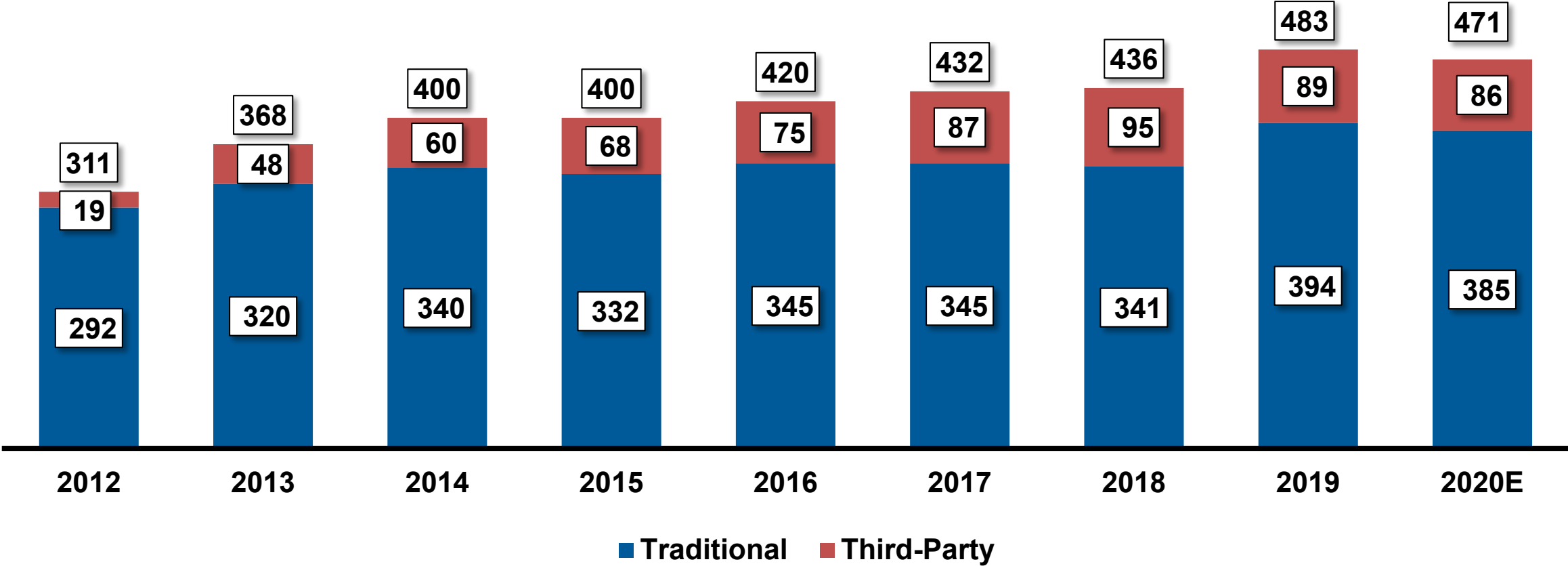
# Global Reinsurance Market Performance

## Global Reinsurance Market



# Global Reinsurance Market Capital

Estimate - Total Dedicated Reinsurance Capital (USD billions)



# COVID-19 – Still an Ongoing Event

Reported losses still behind initial estimates

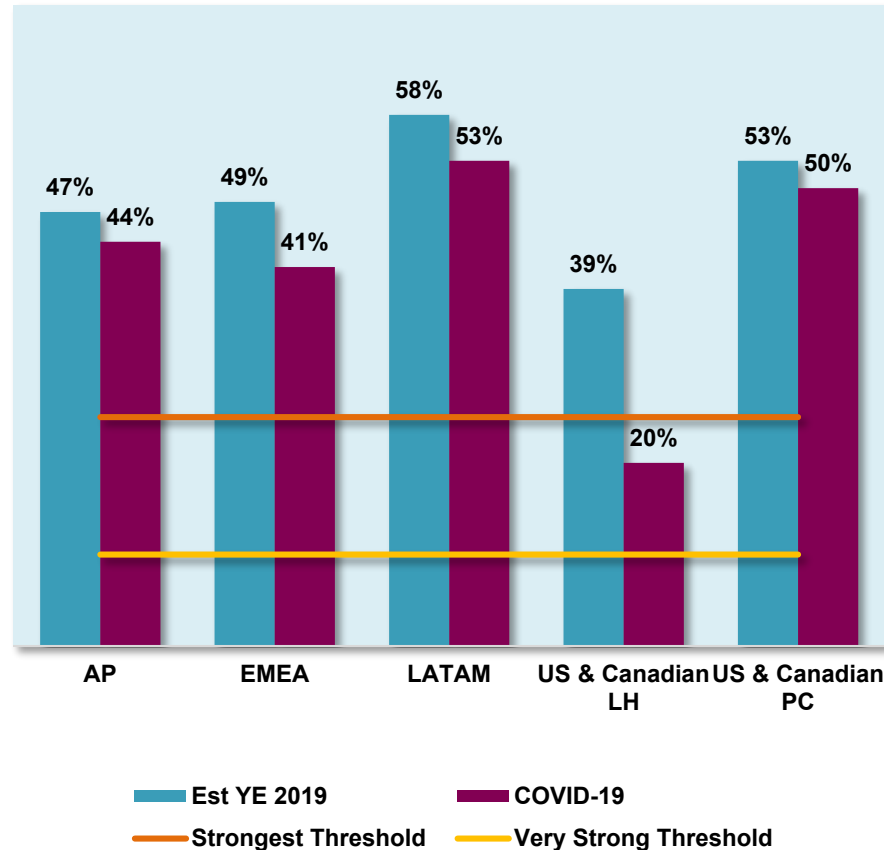
Wide range of impact on loss ratios  
(business mix and assumptions)

Economic impact added.  
Across all territories and product lines

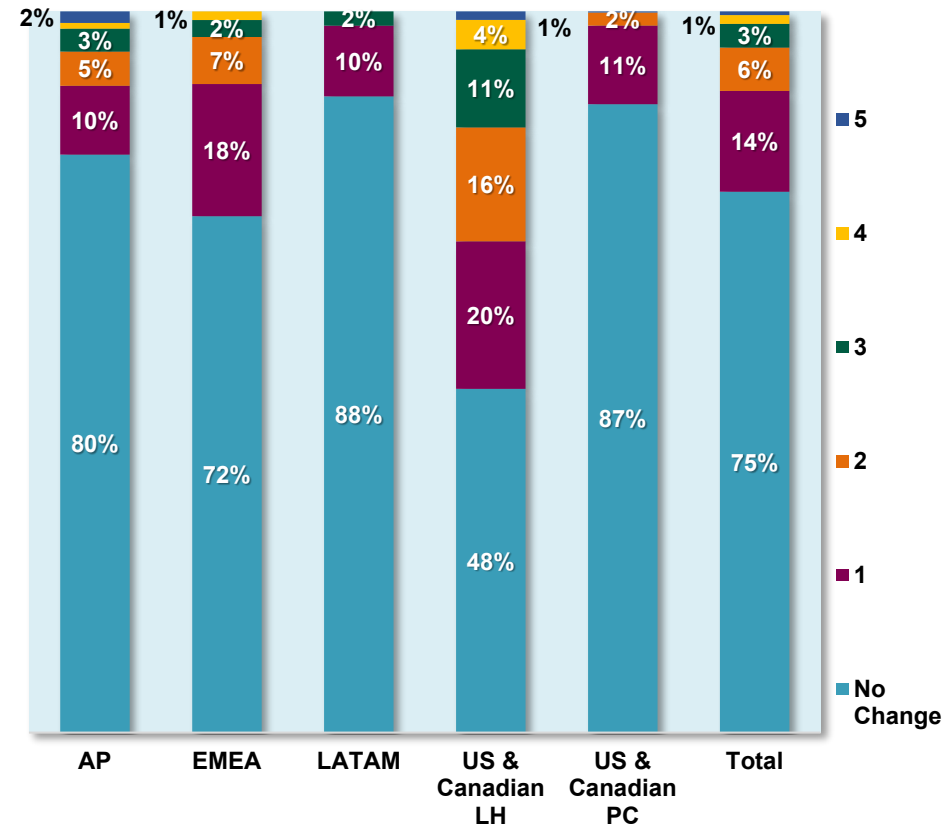
Affecting both life and P&C,  
on both sides of the balance sheet

# AM Best's COVID-19 Stress Testing – Segment Result: Global View

Median BCAR Score



Change in BCAR Assessment



**(Re)Insurance industry is well capitalized, and the rated insurers generally withstood the stress test**





The new *Best's Market Segment Report*, "Global Reinsurers Maintain Equilibrium Through COVID-19 Turbulence", is now available on AM Best's website:

[www.ambest.com](http://www.ambest.com)

or point your mobile device at the QR code below to go to AM Best's Industry Research page:



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