



ICMIF Resilience & Sustainability Summit

November 2025

Agenda

- 01 Introduction
- 02 The state of the market: a reinsurance perspective
- 03 The relationship between climate & sustainability
- 04 (Re)insurance opportunities in sustainability
- 05 Final thoughts

Climate & Sustainability at Gallagher Re

Who are we?

We are responsible for:

- **Developing** Gallagher Re's C&S client product and advisory offerings,
- **Event response commentaries**
- **Data-driven thought leadership,**
- **Helping** to support property initiatives globally.
- This work is done in close collaboration with other global and regional teams to align client delivery.

Our focus is on:

- **Ensuring** financial preparedness for clients seeking a resilient future.
- **We provide tailored solutions** for managing climate and sustainability risk and insights that help clients better handle the complex challenges they face.

Our approach:

- Links **Natural Catastrophe, Climate Change, and Sustainability analytics and advisory services** with Gallagher Re expertise.
- As well as **external partnerships** that ultimately link together our client product delivery and transactional solutions.



“The broad risks associated with climate change, the volatility of loss costs from extreme weather, and transitioning to more environmentally focused business strategies require innovative analytics solutions and advisory.”

Gallagher Re continues to make meaningful investments aimed to help our clients understand how to determine best-practice decisions to quantify and qualify current and emerging risks within their portfolios. We are committed to deliver useful and meaningful market-leading insight to our clients and beyond.” –

Steve Bowen, Chief Science Officer, Gallagher Re

Nat cat activity so far in 2025

KEY STATS: Q3

- Uncharacteristically quiet Q3 2025 for natural catastrophe losses
- Global insured losses: <\$15 billion; Lowest Q3 since 2016 (\$17 billion)
- Global Economic Losses: ~\$50 billion; First <\$100 billion Q3 since 2015

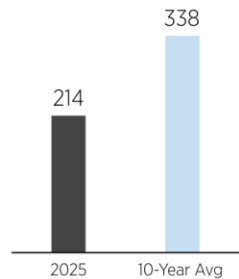
KEY STATS: YTD

- January US wildfires (\$40 billion) and US YTD SCS outbreaks (\$46 billion) account for 82% of YTD insured losses
- 16 billion-dollar insured loss events; Fewest YTD since 2017 (16)
- SCS: 48% of YTD global insured losses

KEY MESSAGE

Given robust available reinsurance market capital (~\$804 billion), Gallagher Re estimates it would require a single event (or series of large events) resulting in an insured loss of at least USD115 billion — above expected annual catastrophe losses — to meaningfully impact the industry / pricing

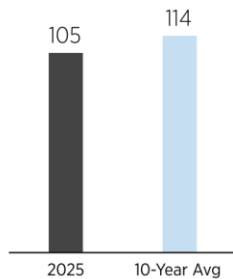
Economic Loss



-37%

Lower Than 10-Year Avg

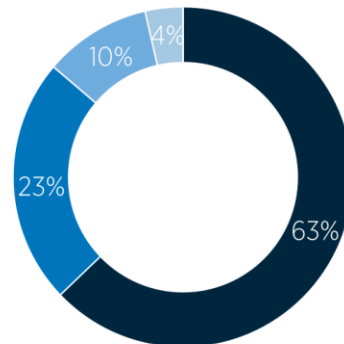
Insured Loss



-8%

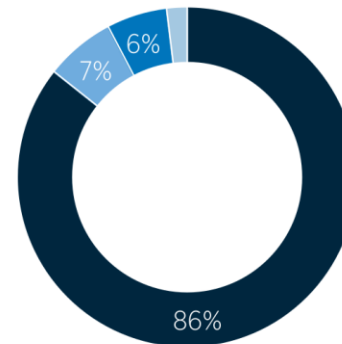
Lower Than 10-Year Avg

Economic Loss (Region)



■ United States
■ APAC

Insured Loss (Region)



■ EMEA
■ Americas (Non-US)

30

US SCS Events with >USD500 million Insured Loss

+1.46°C

Global Temperature Anomaly Above Pre-Industrial Baseline Copernicus: 2nd Warmest Q1-Q3

37

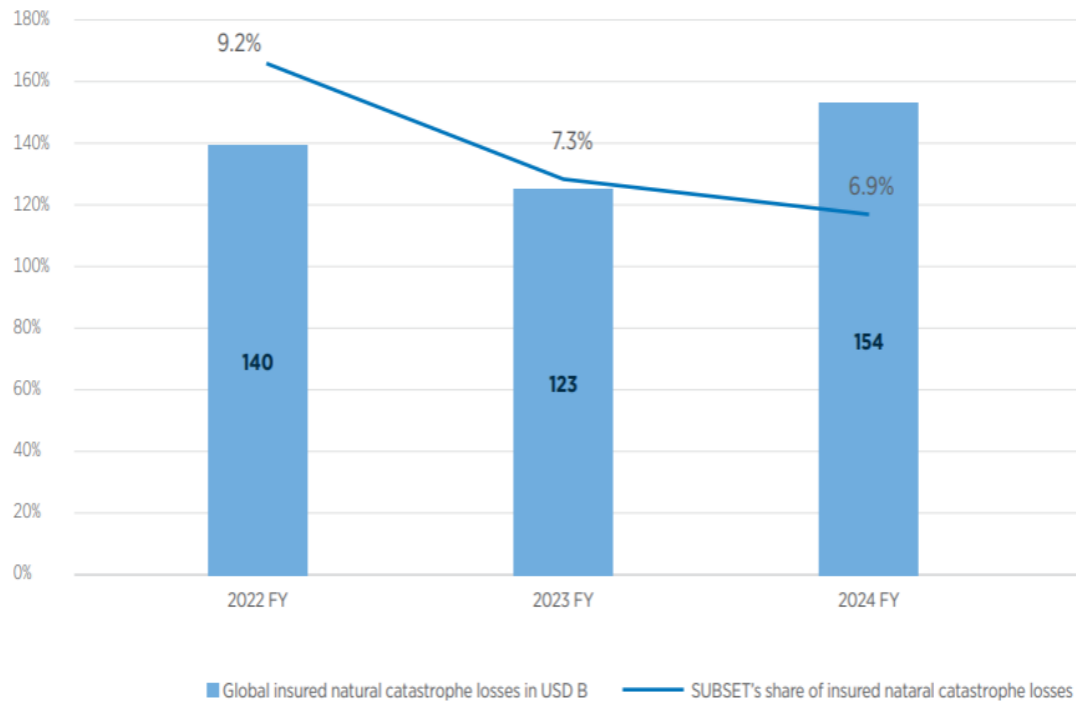
Global Billion-Dollar Economic Loss Events; Fewest Since 2015 (35)

109 billion

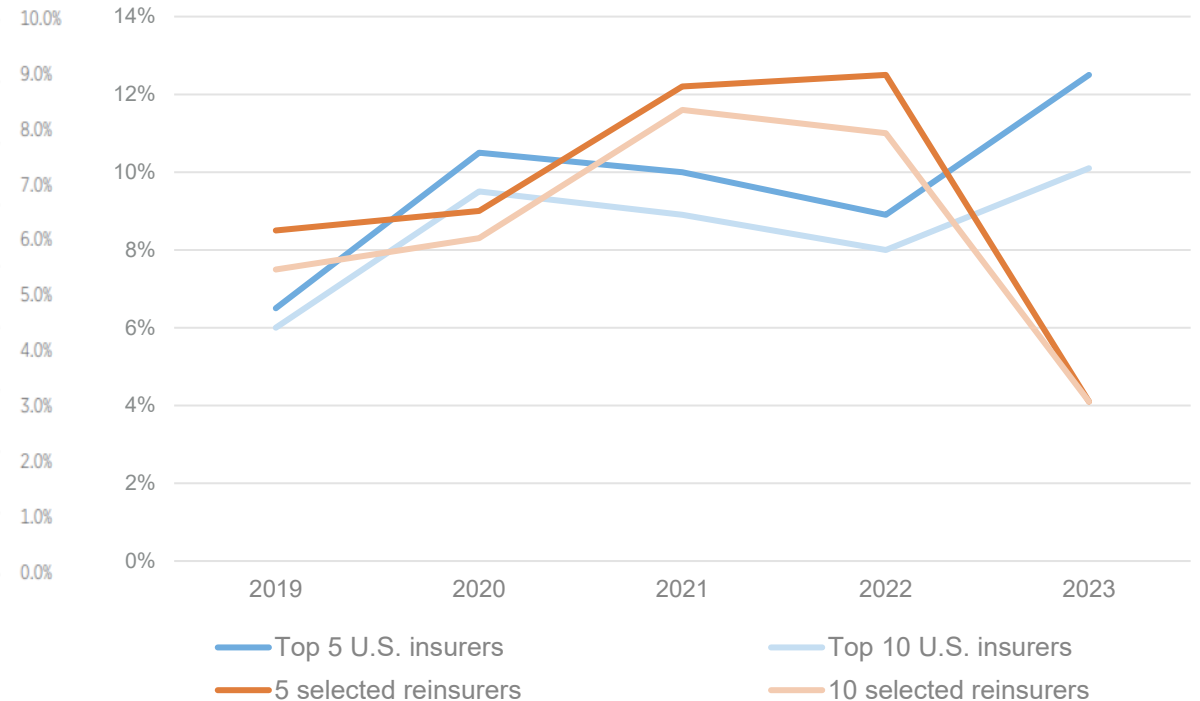
Global Protection Gap (USD); 49% of Event Losses Covered by Insurance (Gap: 51%)

Nat cat events impact insurers more than reinsurers

Trend reflects not only the higher attachment points but also the nature of nat cat losses



Global Insured Nat Cat losses and SUBSET's¹ share of insured Nat Cat losses



²Net natural catastrophe losses effect on the combined ratio

Climate change is resulting in more unexpected weather events

Growing frequency of “unexpected” weather / climate events in non-traditional areas

Dubai Floods

April 2024

Insured Loss: USD2.6 billion



Source: NASA

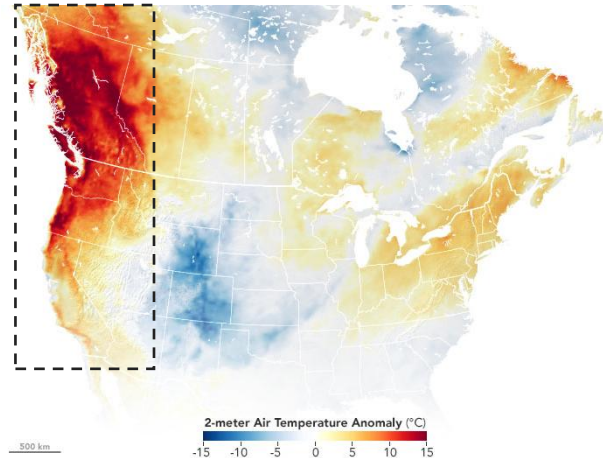
10.03 in / 254.8 mm

Record 24-Hour rainfall
overwhelmed desert infrastructure

North America Heat Dome

June / July 2021

Billions in Heat / Drought / Wildfire Losses



Source: NOAA

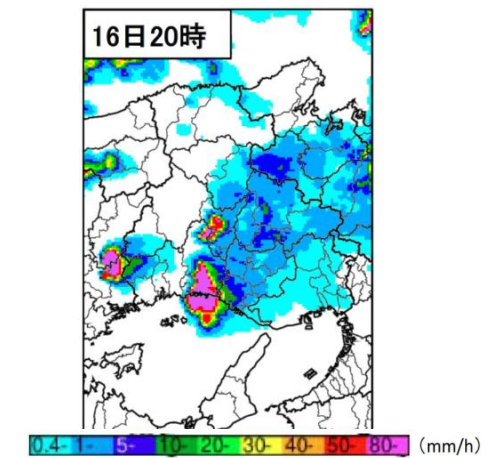
49.6°C Peak Temp

Extreme heat in areas with
limited air conditioning

Japan Hailstorms

2022-2025

Total Insured Loss: USD3.1 billion



Source: JMA

2.4 in / 6.0 cm

Maximum hail size during events in
Hyogo, Saitama, Tokyo, Gunma, Tokai

Climate change is driven by increasing global GHG emissions

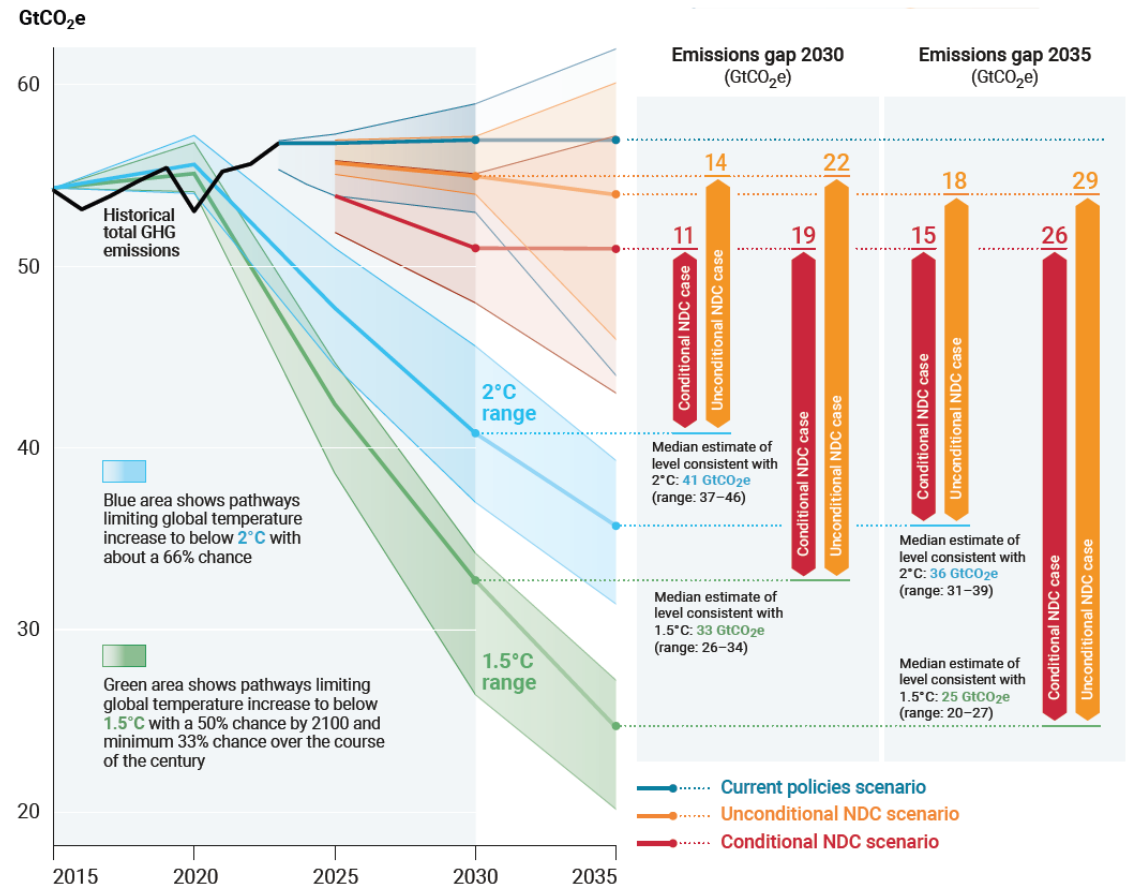
The global community is not meeting the climate change challenge

Climate change mitigation refers to any action taken to reduce or prevent greenhouse gas emissions, or the enhancement of carbon sinks to limit global warming

Climate & sustainability are interlinked, greater and more effective action to support the transition to net-zero ensures that the impacts of climate change are mitigated.

The UNEP argues that a 1.5°C goal is still possible but would require emissions reductions of 42% by 2030 and 57% by 2035.

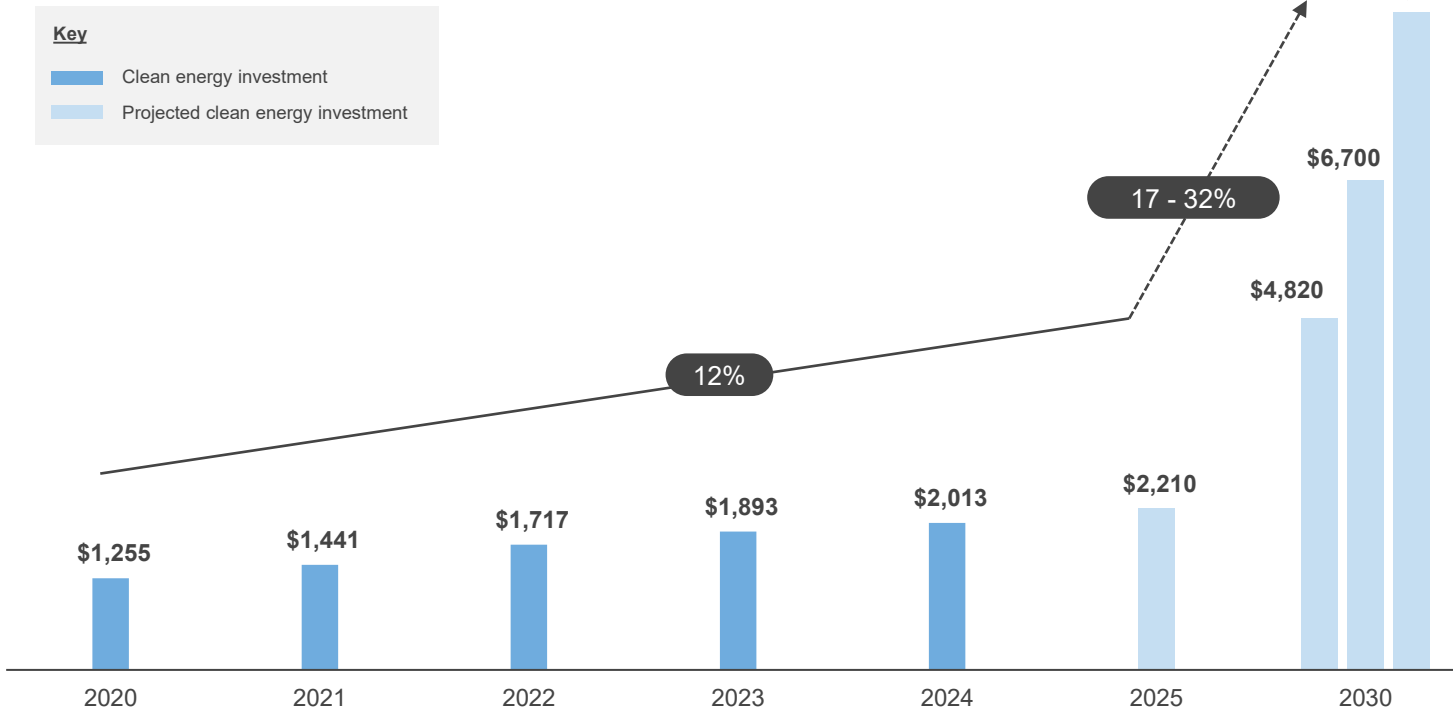
Global GHG emissions in different scenarios and the emissions gap in 2030 and 2035



There is significant investor interest in decarbonisation

This is the 2nd major energy transition in human history, following the Industrial Revolution

Global clean energy investment (\$, billions)



~70%
Increased spend in the energy transition is from net fossil fuel importers such as China, Europe, and India

2.2 trillion
Projected global investment in the green energy transition in 2025, likely to be twice as much as will be invested in coal, oil & gas.

10-15 billion
Estimated annual gross written premium (USD) by 2030 across green products

Source: IEA World Energy Investment 2025, LSEG: Investing in the green economy 2025

Notes: 2030 figures reflect range of estimates (1) IEA (2) BloombergNEF (3) McKinsey

Annual GWP based on \$2.2TR investment at 6.7% penetration GDP:GWP, 15% uplift for reinsurance and a 0.375% ROL assumed with varying CAGRs of 10%, 20%, 30% applied from 2025 to 2030 to provide the \$10-15 bn range

Sustainability & the (re)insurance industry

Examples from work with Gallagher Re clients



Carbon Credit Insurtech

Support on product development for carbon credit under delivery risk, model validation, and capacity building



Large Japanese Insurer

Strategic growth advisory on transition-related opportunities, assessing which technologies / areas to focus on



New Energy Risks

Performance / product guarantee to accelerate customer adoption and deployment by reducing cost of capital



Tax credit insurance

45Q and ITC and PTC to protect against financial insecurity on potential credit loss



Captive Solution

Arctic captive for indigenous communities focused on economic activity in the Global North due to climate change



Potential excess emissions product

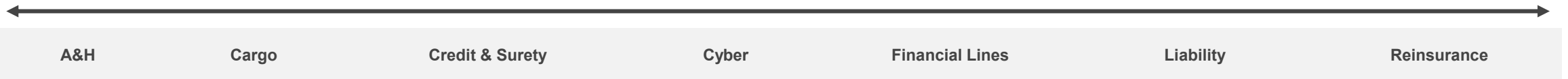
Regulatory advisory for captive on expansion of emissions trading scheme

Mapping opportunities in the transition space

There are immediate and long-term opportunities across multiple products

Property	Marine	Aviation	Renewable Energy	Energy	Other Specialty products
Mass-engineered timber	Excess emissions products	Carbon credits (CORSIA)	Green hydrogen	Battery Energy Storage Systems	Biochar
Pre-fabricated buildings	Green vessel construction	Excess emissions products	Hydropower	Blue hydrogen	Biodiversity credits
Sustainable building materials (concrete & steel)	Green vessel retrofit	Green aviation construction	Offshore wind	Carbon Capture Utilisation & Storage	Carbon credits
	Sustainable maritime fuel (infrastructure)	SAF price smoothers/hedges	Onshore wind	Geothermal	Climate-related parametric
		Sustainable aviation fuel (infrastructure)		Solar PV	Interconnectors
Existing product / go-to-market		Turbulence cover	Tidal	Nuclear	Distressed opportunistic products (coal, oil sands)
	New product / high development priority			Product/ performance guarantee	Nature-positive agriculture
	Emerging product / develop awareness			Sustainable fuels	

Opportunities are likely to span these classes of business



Key takeaways

Insurers have a unique opportunity to make a difference



Natural catastrophe risk is increasing as weather events increase in severity and frequency; expect a future with many unknowns



Insurers can leverage existing resources to underwrite sustainability-related opportunities; this will become BAU



Climate & sustainability are interlinked, if we can support the drive to decarbonise, we can limit the effects of climate change



Thank you!

Please reach out with any questions / queries.



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