

Global Reinsurance Market Perspectives

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AM Best's Briefing

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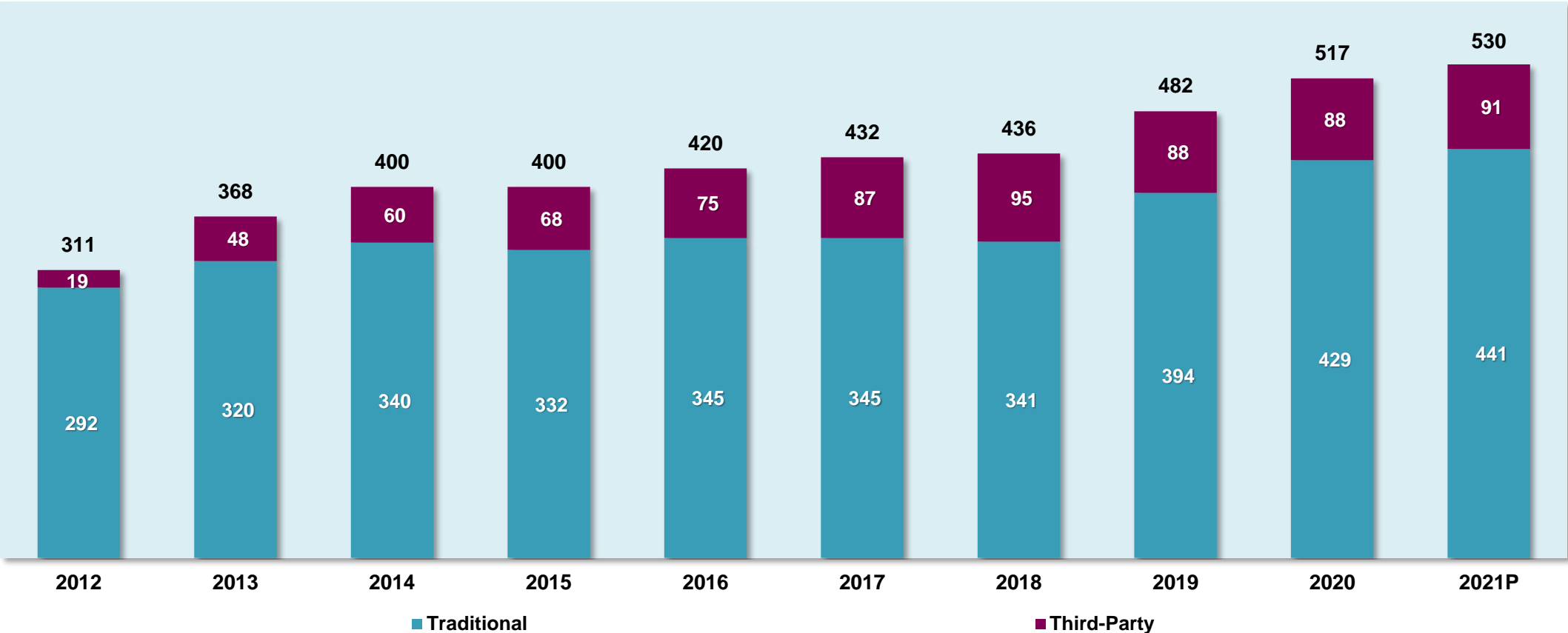
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Global Reinsurance Market Outlook – Stable

Headwinds	Tailwinds
Claims uncertainty: COVID-19, secondary perils, social inflation	Positive pricing trends; Focus on underwriting discipline
Risk modelling challenges; Emerging risks in a more interconnected world: e.g. cyber	Reinsurers seem to start to meet their cost of capital
New capital continues to enter the segment. Low interest rates	Disciplined, limited impact from new entrants
Limited investment alternatives	Segment remains well capitalized; Closer convergence with ILS markets
Risk of a smaller role for the (re)insurance segment in an evolving economy	Global reinsurance one of the most innovative segments

Global Reinsurance Market Capital

Estimate – Total Dedicated Reinsurance Capital (USD billions)

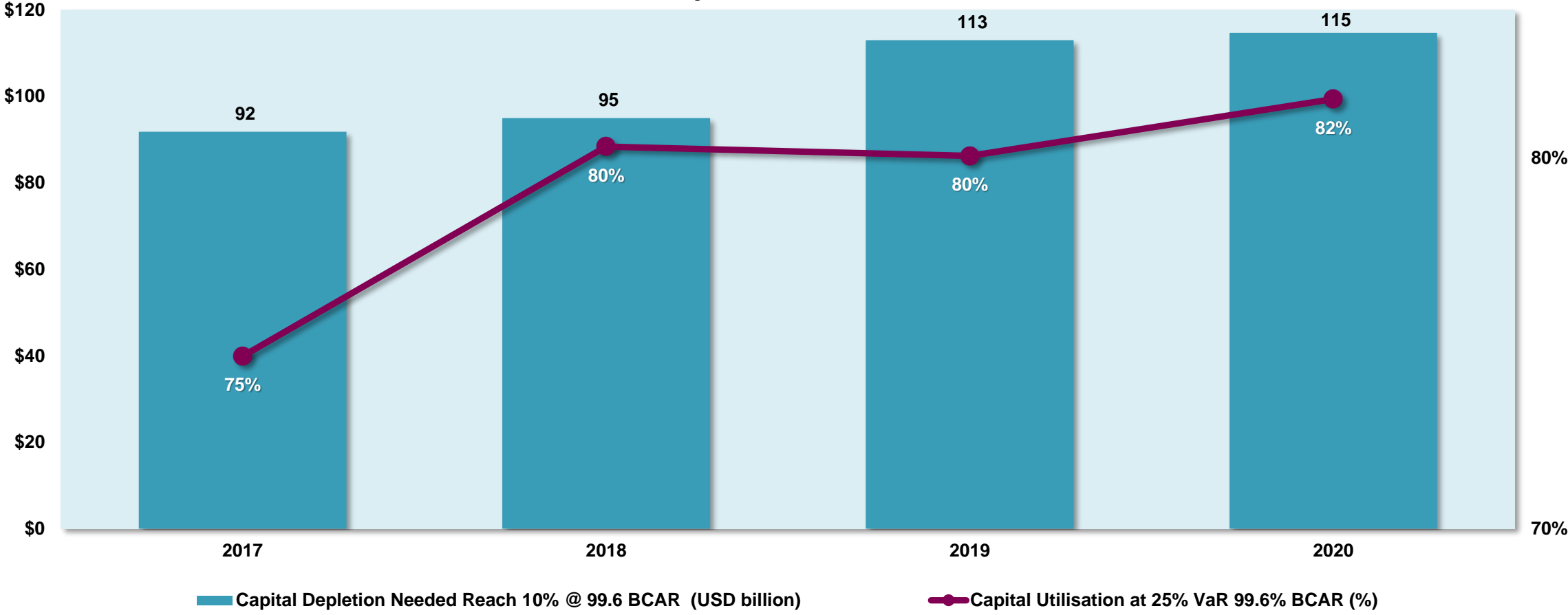


Notes and Sources: Estimates by Guy Carpenter and AM Best



Global Reinsurance Market Capital

Capital Utilisation



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