

# News release

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## **Baden-Baden Reinsurance Symposium explores how (re)insurance industry can rise to exposure challenge**

**London, October 23, 2022** – Guy Carpenter, a leading global risk and reinsurance specialist and a business of Marsh McLennan (NYSE: MMC), hosted the Baden-Baden Reinsurance Symposium on October 23, focusing on the theme of "Rising to the Exposure Challenge."

Senior industry leaders discussed how the (re)insurance industry can deliver the necessary capacity, scope of solutions, and capabilities to address the rapidly evolving exposure environment, ensuring clients can manage these challenges effectively, even within extreme conditions.

In his opening address, Guy Carpenter's Massimo Reina, CEO, Europe, highlighted the strong performance of the industry despite demanding market conditions and emphasised the need for the (re)insurance sector to work in unison to address this challenging environment.

"The European market continues to deliver strong results over the cycle, and to differentiate itself within the global (re)insurance landscape," he said. "With all parts of the industry working together, we can maintain the strength of existing relationships and reach the right solutions for cedants and reinsurers. At Guy Carpenter, we are confident that positive outcomes are achievable in today's environment."

While acknowledging the strains placed on the sector by macroeconomic factors such as upward inflation, Jean-Jacques Henchoz, Chairman of the Executive Board, Hannover Re, was clear that opportunities existed to enable (re)insurance companies to reaffirm their critical function.

"Demand for reinsurance is very strong and continues to increase," he said. "If we consider the long-term trends, climate change is a challenge for our industry, but also creates huge potential. If you look at emerging markets and in particular insurance penetration levels in some Asian markets, changes in technology, demographic shifts, urbanisation – these are all developments which are generating significant opportunities for our industry... the challenge for us is to push the frontiers of insurability."

Ann Haugh, CEO, Axis Re, outlined the multiple factors currently impacting the (re)insurance market, including property cat market volatility, a reduction in ILS and retro capacity, the increased frequency and severity of events, and the war on talent.

"In such a demanding marketplace, it is imperative that our industry works to leverage its strengths," she said. "We must look at how we can elevate our leadership positions in our chosen markets. We must be fully focused on serving our customers while maintaining a smart but disciplined underwriting approach. We must reserve prudently by reflecting appropriate loss costs in our pricing models. Finally, we must continue to invest in our talent and our unique organizational cultures to attract and retain the best people. At Axis Re, we see all these areas as critical to our long-term success."

In the final presentation of the Symposium, Thierry Derez, CEO, Covéa, said that while there are clearly multiple hurdles that organizations are facing, the (re)insurance industry must ensure it takes a lead position in delivering the solutions required to help clients overcome them.

“The current turmoil is challenging for everybody,” he said, “but our responsibility is to stop complaining. From a financial viewpoint, the rising interest rates create buffers in the long run. From a technical viewpoint, the material to be insured is growing. From a social viewpoint, there is appetite for protection.” However, he warned, “If the insurance and reinsurance industry is not able to respond to this extraordinary demand, then other industries will look to find the solutions.”

### **TAGS/KEYWORDS**

Guy Carpenter, Marsh McLennan, MMC, Baden-Baden, Thierry Derez, Ann Haugh, Jean-Jacques Henchoz, Massimo Reina, Axis Re, Covéa, Hannover Re

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