

News release

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Baden-Baden Reinsurance Symposium examines how market conditions are driving up interest in alternative solutions

London, October 23, 2023 – Guy Carpenter, a leading global risk and reinsurance specialist and a business of Marsh McLennan (NYSE: MMC), hosted the Reinsurance Symposium in Baden-Baden on October 22 which addressed the theme of "The rise in demand for alternative solutions".

Senior industry figures from the insurance, reinsurance and investment sectors assessed the dynamics of the reinsurance marketplace in the run-up to the January 1, 2024 renewals. Among the issues they covered included exploring how buyers are responding to challenging market conditions and how the continued upward trajectory in pricing is creating opportunities for the development of alternative structures to meet capacity needs and facilitate the inflow of new capital.

Symposium speakers included:

- Laurent Rousseau, CEO of Europe, Middle East & Africa and Global Capital Solutions, Guy Carpenter
- Thierry Léger, CEO, SCOR
- Eveline Takken-Somers, Lead Portfolio Manager ILI, PGGM
- Burkhard Keese, CFO, Lloyd's of London

In his opening address Mr. Rousseau provided a comprehensive overview of the reinsurance market, addressing the factors that led to the significant pivot in rates at January 1, 2023. Mr. Rousseau explored how current dynamics are reestablishing the core function of reinsurance as a mechanism for managing severity rather than frequency. Mr. Rousseau also highlighted how conditions are primed for an increase in the use of alternative capital and alternative reinsurance structures to meet clients' risk requirements.

In his concluding comments, Mr. Rousseau warned: "In today's world, it is imperative that we establish clear alignment between all market stakeholders. We must always ensure that we deliver value for insurers and their insureds."

In his presentation, Mr. Léger explained how alternative structures have become a core component of SCOR's strategic approach and highlighted their intrinsic value in facilitating more effective capital management solutions.

Mr. Léger said: “At SCOR, we tailor solutions to the needs of our clients to help them optimize their capital management in the most efficient way. We can build on decades of experience, data and client relationships. We also develop long-term risk partnerships with alternative capital providers in SCOR overall retrocession. Alternative solutions are an integral part of our new Strategic Plan Forward 2026.”

Ms. Takken-Somers provided the investor perspective on the investment potential afforded by the reinsurance market and outlined the company’s strategy in relation to Insurance Linked Investments.

Commenting on the importance of establishing clear alignment of interest between investors and reinsurers, Ms. Takken-Somers said: “Today, alternative capital is structurally embedded into the reinsurance industry. It has grown to a significant size and level of importance and will continue to grow if the following conditions are met. Firstly, there needs to be sufficient alignment with traditional capital so that investors are not having to take on risks that the industry is not willing to take on. Secondly, alternative capital needs to achieve sustainable returns. In recent years, like traditional capital, return objectives for alternative capital have not been met.”

In the final presentation of the Symposium, Mr. Keese outlined the success of the London Bridge 2 vehicle in enhancing the accessibility of the market to the investment community, highlighting its ability to match investor needs with underwriting needs effectively.

Addressing the way forward for the commercial insurance industry, Mr. Keese told delegates: “The commercial insurance market must continue its progress towards becoming a more transparent and efficient place to do business to deal with upcoming challenges, like the transition to net zero.”

About Guy Carpenter

[Guy Carpenter & Company, LLC](#) is a leading global risk and reinsurance specialist with 3,400 professionals in over 60 offices around the world. Guy Carpenter delivers a powerful combination of broking expertise, trusted strategic advisory services and industry-leading analytics to help clients adapt to emerging opportunities and achieve profitable growth. Guy Carpenter is a business of [Marsh McLennan](#) (NYSE: MMC), the world’s leading professional services firm in the areas of risk, strategy and people. The Company’s more than 85,000 colleagues advise clients in 130 countries. With annual revenue of over \$20 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses including Marsh, Mercer and Oliver Wyman. For more information, visit www.guycarp.com and follow us on [LinkedIn](#) and [Twitter](#).