Reinsurance News

Reinsurance News Monte Carlo Rendezvous Executive Roundtable

2026



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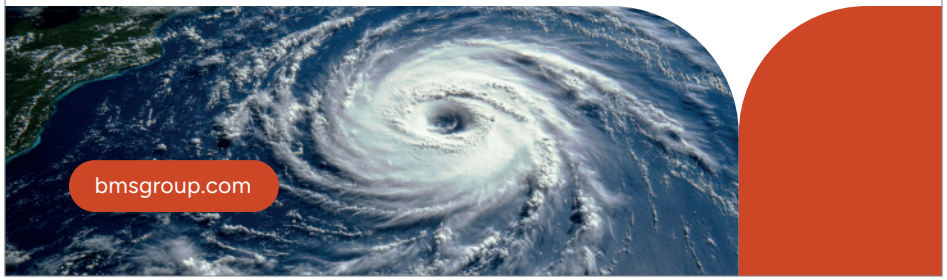
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FOREWORD

The Reinsurance News Monte Carlo Rendezvous Executive Roundtable took place during the 68th edition of RVS in September 2026, bringing together eight leaders from across the re/insurance industry to discuss key issues shaping the sector at a pivotal time for the market.

This roundtable report features extensive commentary from our roundtable participants, offering insights from leaders across global insurers and reinsurers, broking groups, and advisory and consulting firms.

The discussion opened with an assessment of current market conditions, with participants highlighting intense competition amid record levels of capacity, alongside growing demand driven by climate change, geopolitical risks, and technology.

Pricing, terms and conditions, and structures were also debated as the market looks ahead to the key January renewal season. However, participants emphasised that it's not one market, with some areas remaining attractive while others face less favourable conditions.

Beyond capacity and price, the roundtable explored what cedents increasingly expect from their reinsurance partners. Creativity, transparency, and greater optionality emerged as important themes.

The casualty reinsurance market heading into 2027 was another focus. While uncertainty persists amid ongoing pressures in the US from social inflation and litigation financing, participants highlighted regional differences.

The discussion also turned to what type or scale of loss event it might take to alter the market's current trajectory, prompting debate around natural catastrophes, cyber risks, and the growing interconnectedness of risk.

Technology, artificial intelligence and opportunities presented by data centres featured among the other key themes explored during this year's roundtable.

Luke Gallin
Production Editor, Reinsurance News



TOP ROW (left to right)
Christa Schwimmer, Munich Re
Chris Jarvis, IGI
Matt Britten, PwC Bermuda
Martin Boreham, Africa Specialty Risks
Philip Hough, Peak Re

BOTTOM ROW (left to right)
Luke Gallin, Reinsurance News
Richard Dudley, BMS Group
Ditte Deschars, Gallagher Re
David Govrin, SiriusPoint

Reinsurance News

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Chris Jarvis, Chief Underwriting Officer, **IGI**

Ditte Deschars, Chair, EMEA, **Gallagher Re**

Christa Schwimmer, Chief Executive, Specialty Reinsurance, Lloyd's & Bermuda, **Munich Re**

Philip Hough, Chief Underwriting Officer, **Peak Re**



LUKE GALLIN

Let's begin with broader reinsurance market conditions. How would you characterise the current environment, and what are the key trends shaping the market today?

DAVID GOVRIN

I would describe current conditions as competitive, but I personally don't like talking about the market as a whole because there are many markets and sub markets across most products. There are some markets and products that are attractive, some that are unattractive, some that are marginal. So, it really depends on what specific market and product we are talking about.

I think there is increased demand in the market, which is positive. And the increased demand is a result of three things: climate change, geopolitical risk, and technology change. But the industry has generated a lot of capital this year and the last couple of years. Does the demand keep pace with the deployment of capital? No, and that's fuelling competitive pressure in different areas.

MATT BRITTEN

It is difficult to give a broad brush overview of exactly what's happened because there are so many different markets. But obviously, very broadly, there is a softening happening, and to David's point, there are many reasons why it's happening. But the predominant one is we are in an excess capital situation, which, therefore, creates a lot of competition.

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I think that this poses an interesting challenge now to reinsurers, as to what do reinsurers do in this excess capital situation where we are maybe at a softening point? When I'm sitting on excess capital, do I deploy it into growth? Can I achieve the right balance between growth and profitability? Do I think about M&A or to buy back shares? Obviously, we had a record amount of stock buybacks last year at about 20 billion, so we expect that to happen next year because we do fully expect that the industry will continue to beat its cost of capital into next year, despite the pressure that's there.

RICHARD DUDLEY

I wouldn't disagree with anything I've heard. The only thing I would add is that as a risk-bearing entity, your perspective on that market depends on the type of capital you're using and the distribution chain that you're using to access the risk in the first place. And in many cases, for some of that capital, which is thinking about accepting portfolios of risk as opposed to a balance sheet carrier managing an ongoing portfolio, whether that's from a broker or an MGA, or a consortium or whatever it might be, some of them view the market quite differently. They don't necessarily see it as a soft market. They're viewing the natural diversification as the thing they're after, rather than the individual rates within the lines of business.

MARTIN BOREHAM

We're certainly seeing, particularly on the Lloyd's side, people being a lot smarter about moving capacity around their product lines. Where you are seeing softening markets, people are reducing in those areas and moving elsewhere. So, there's a smarter position that people are taking at that point.

We're also seeing on some of our business a disconnect between negative ROC on a treaty portfolio, and negative ROC on a facultative portfolio. And what we're seeing is some cedents actually try to protect their treaties a little bit where they're seeing markets soften, and try to fac out their business. You're definitely seeing price differentiating between treaty and fac, which is interesting because we haven't really seen that to this degree before.

CHRIS JARVIS

There certainly seems to be a lot of capital, third-party trade capital, non-trade capital, trying to enter the market. The market is finding ways of getting different capital into play, which again is boosting supply, creating that competitive tension.

DAVID GOVRIN

One thing I would add, we have several balance sheet companies represented here, and most have broad platforms. So, there's the product point that you made, but we and most of the others, have both insurance and reinsurance businesses. We're a buyer of reinsurance; we're a seller of reinsurance. We distribute product through our own operations and we access product through various partners. So, a lot of us have many choices of how to deploy capital, not just in the assumed reinsurance market. I think you're seeing that discipline of choosing where to allocate risk capital. I know we think a lot about that: where do we want to deploy our capital across product, across insurance versus reinsurance?

RICHARD DUDLEY

That links to my point on portfolios because you can quite often place them with either insurance or reinsurance capital. So, again, that makes a big difference.

LUKE GALLIN

Building on those views of the current market landscape, what are people's expectations for the January 2027 renewals?

DITTE DESCHARS

What we are hearing in conversations with clients is that this is a good marketplace for them, and clients are looking forward to seeing what they can get out of it. But we're trying to steer away from the discussions only around price. They've got so many options now, which is really good. The thing with human nature is you're so used to rolling over what you've had, that many clients are sitting on programmes and protections that might have been somewhat forced upon them in 2023. There's been small tweaks and turns, but their programme is not fully optimised for what their needs are now. Companies have got three-to-five-year plans, and today's market can give them options to future proof what they're buying to match their future plans.

We're going to see much more optionality being used by clients. They're going to look at what are the different sources of capital, and their risk landscape, and be braver and more inventive to match the two more closely than has been done in the past.

Ditte Deschars – **We're going to see much more optionality being used by clients**



MATT BRITTEN

At their RVS briefings, each of the rating agencies had an expectation that, especially around property, there was going to be more pressure on terms and conditions this renewal season. Is that where you're somewhat going with your commentary?

DITTE DESCHARS

There's going to be pressure on terms and conditions because it's natural when you have so much capacity available to you as a buyer. But I don't think it's only about T&C. Clients will likely seize the opportunity to look at buying slightly differently, perhaps buying broader than what they've been buying in the past. Many will look at protecting their earnings to a level that they weren't able to do in the last couple of years. But I don't think it is linked to expecting no underwriting discipline, I don't think we're there at all. We are in a well-informed marketplace, both buyers and sellers. So, I expect discipline in understanding exposures and pricing the risk, but more flexibility in providing solutions that fit clients' needs.

RICHARD DUDLEY

You will definitely see some expansion in terms of conditions. There's automatically going to be some expansion of terms and conditions because of the stage of the market. But to Ditte's point, it's certainly not the only thing.

CHRIS JARVIS

On the disconnect between the direct portfolios and the reinsurance portfolios, the reinsurance market will inevitably find ways of solving for their earnings. And will try and find ways of being relevant, providing something to the clients that's a little bit more comprehensive than some of those structures from 2022 and 2023. The reinsurance market needs to stay relevant as well.

DITTE DESCHARS

There are many reinsurers who are going to benefit from the market as buyers themselves; we just need to ensure that it's a healthy balance between what you can get, and what is on offer.

DAVID GOVRIN

At its core, the discussion starts with a simple question - why are you buying reinsurance? Whether you're a broker or a client, that's the first thing you need to understand. Why do you want to spend premium and expected profit? Then how much do you have to spend, and what's the optimal way to spend it given your financial objectives? And then we, as a market, must respond to that demand and client objectives.

Terms and conditions to me are just another way of pricing risk. The client demand could be broader coverage; it could be different structure; it could be different attachment or other terms and conditions, such as exclusionary language. Those differing needs don't mean there's no discipline. It means the client has a specific demand for something and you're asking the capital to price the risk and provide capacity. The client demand starts with what do they want to buy and why? Is it business segment management? Risk limit management? Earnings protection? Capital protection against accumulations?

CHRISTA SCHWIMMER

I would see further pressure on pricing; I agree on that. I would doubt that reinsurers would like to see history repeat as prior to 2023. At least I do hope we've learned a bit. We take great care of sharing lessons learned of things that weren't smart to do, and clearly, the frequency protection and events that you need to keep in order on the primary side, is nothing that should be passed on to reinsurance. We are there for the capital event, not necessarily for fixing inadequate risk rate return in the primary space. If we would go back to that, we'd have to do a correction, which had happened in 2023. I believe we're much more intelligent than last time, and therefore doubt we'll go back to that.

We do like to repeat learnings and therefore let's not pretend here that this is what we want to do. From a broking perspective, I do understand the beauty of it in comparison to prices going further down.

DITTE DESCHARS

What is quite interesting is that the view of risk is so different between markets. We often talk about the market, average risk-adjusted reductions, need for technical adequacy. But just arriving at an alignment on technical adequacy can be challenging. It depends on what models you're using, access to historical data, how you do predictions for the future. One person's view of technical adequacy might not be aligned with someone else's. That is also a part of the puzzle. And what reinsurers are willing to do is not market-wide, they will do different things for different individual clients and individual books that each have their own realities.

CHRISTA SCHWIMMER

It's more a market of differentiation. It's how you're aligned with the client, and how they transparently share data. So yes, it's not one broad brush, I totally agree.



Christa Schwimmer – **It's more a market of differentiation. It's how you're aligned with the client, and how they transparently share data**

PHILIP HOUGH

That's a big change. We talk now, of course, about pricing pressure, which is inevitable when capacity becomes readily available and there's the appetite to deploy it. But we also witness a greater push towards relationships, building and expanding partnerships working broadly across the reinsurance landscape. That is a key differential compared to the previous market softening back at the turn of the decade.

Despite the discussions on pricing, there is still discipline in the market. By and large, the portfolio quality is still a lot better than it was five/six years ago. That is partly the result of the sharp adjustment in the reinsurance space in 2023. As a result, cedents are focused on their portfolios, on producing the level of profitability that they need to be sustainable and to deliver returns to their shareholders.

We're in a chain here, and it's encouraging to see that the underwriting discipline is still evident throughout that chain. That is more relevant than the inevitable discussion on price.

And I think to your point, Ditte, everyone's portfolio is different, so what's diversifying and accretive for me might not be the same for someone else. This will always keep the market interesting and vibrant. But I'm still encouraged, because although there's a demand for frequency earnings protections, there's more discipline in those structures than we saw in some of those deals that were out in the marketplace five or six years ago.

LUKE GALLIN

Shifting to market resilience and loss activity, ahead of RVS, analysts suggested that even a $100 billion loss event might not be enough to trigger a meaningful change in market conditions. Do you agree with that assessment, and what would it take for the market to genuinely turn?

PHILIP HOUGH

I think an emerging risk suddenly manifesting itself into a major loss, whether it's a $50 billion or $100 billion loss, has the potential to change the perception. I'm still quite shocked when we come here to Monte Carlo and we discuss where CAT rates might be heading for the coming year. In fact, all the themes that drove the last hard market—geopolitical uncertainty, inflation and climate change—continue to present substantial risks. And, depending on where we live, we have all seen this year that climate change remains a very real risk.

Now, I think what keeps a lot of people awake at night is the AI boom and cyber risk. And yet, the current discussion doesn't seem to focus on that, but rather on the same old CAT pricing. But the exposure of AI and the capacity needed to cover that risk could change perception.

MARTIN BOREHAM

I don't think it's a $100 billion event anymore. I think it's multiple $50 billion events that are going to start causing problems for people, because people aren't modeling them and anticipating them in the same format.

CHRIS JARVIS

It will be an emerging event that's not modelled, or something that the industry hasn't really thought about.

CHRISTA SCHWIMMER

Let's be reminded: Hurricane Ian wasn't even a $50 billion event, and it completely changed the sentiment at the time and created a sense of urgency and scarcity, at least at some retro capacity. I wouldn't agree that it needs to be a $100 billion event.

CHRIS JARVIS

The quantum will vary between markets. If you look at what's happening in the Middle East currently with the PV losses and so on, market losses are probably three, four billion dollars, max. So, in terms of cat events, not material, yet they've had a material impact on capacity of PV in that region.

It will vary very much by line, and I think probably in cyber and some of the new classes, you won't see that big of an event having a significant impact on pricing and the market changing, but it could be an attritional type of loss rather than one big severity event.

CHRISTA SCHWIMMER

With cyber it would depend how close it is to how we model an event at the moment. Any kind of event, if it's completely off, I guess even a very small event could already get some reaction from the market.





DAVID GOVRIN

I think you must decouple industry capital adequacy and capital depletion with experience in any given class of business. We talk about a single $100 billion event, that will not damage the overall capital of the industry because of total earnings and investment income. But, it doesn't mean that an event of that size, or even smaller, won't cause a market change. If it's a $100 billion event from a Cat 4 into Miami, the market is going to say that's what we're pricing for and expecting.

David Govrin – **It doesn't mean that an event of that size, or even smaller, won't cause a market change**

To your point, if it's a $100 billion event from a Cat 1 into New England, that would move the market. A recent example is a $15 billion flood in Germany which moved the European catastrophe reinsurance market, and that was not a big overall market event. So, it really does depend on what the event is.

RICHARD DUDLEY

The loss is one thing, but Philip, you touched on geopolitical uncertainty, and I think that could make a difference if it genuinely turns into macroeconomic uncertainty at the same time, because obviously that's going to impact both the asset and the liability side of risk bearing capital in various different ways.

The most immediate concern we have in the distribution space is that we're navigating an incredibly complicated sanctions network, where different state actors are issuing different sanctions with different rules, and implying that you can't do business in different territories. That's becoming more than an irritation, but it hasn't really stimulated a major issue for us yet. But if we get genuine macroeconomic uncertainty, whether that's associated with the wars and conflicts we're seeing, or whether it's an explosion of challenges we have from the far right because of the immigration challenges we've got globally, and what that might do to the global economic scene, or something else, we'll see. But I can't see that having an impact by April or June next year. But it's definitely something we do think about, but we don't necessarily plan for, I don't think, as an industry.

DITTE DESCHARS

All of these events are making us better as an industry. After each event we learn and become more informed.

We have made huge steps forward as an industry in data collection, accumulation analysis, probabilistic modelling around flood, wildfires, SCS, etc. We have made leaps, even just over the last five years. They're tragic events, but we learn from them, and we become better and we price events more adequately, and then we protect it, which ultimately, we want to do.

LUKE GALLIN

Turning to casualty reinsurance. What are people's views on the market heading into 2027, and how are you seeing conditions evolve in terms of reserve development, pricing, and appetite?

MATT BRITTEN

Obviously, in the US, there was significant reserve strengthening across a few classes. Not all classes, but commercial auto, other liability occurrence. I think over the last couple of years, we've seen $17 billion in reserve strengthening in these lines. This was masked a bit because there was such an amount of favourable development coming through on other lines like workers' comp.

We do feel that most people have got ahead of it, but we are actually still expecting more reserve development on more recent years coming through in the last quarter. As people start doing September 30th studies, I think in the fourth quarter we're going to see a lot of people put up some additional reserve development.

The very recent year is a very difficult thing to determine. Is the rate increase that's been achieved sufficient? Because we still have all the underlying themes that we had before. There has been some level of reform in Florida, but litigation financing is still a big issue effectively for the U.S. overall.

Europe has some similar themes in a way, but there's a few differences, like on the D&O classes of business and where rates are going between the U.S. and Europe. But broadly, there's the same level of uncertainty about casualty.

Let me put it like this: Do we have the right loss pick in the current year? And with casualty, that's always difficult because it takes a number of years for you really to validate.

We would say that the position for casualty is much better than it was last year, so we're positive. But there's just an enormous amount of uncertainty that goes with that, that it doesn't mean it's solved.

CHRIS JARVIS

In 2021 and 2022, we were set at these events and said, 'well, we think that rates are adequate in casualty.' Now, what we're seeing is rate strength coming down the line. So, I'm never 100% sure we know where the adequate price is in such a dynamic environment.

MARTIN BOREHAM

Could part of that be driven by shareholder pressure? With long-tail business, management teams may face pressure for reserve releases after several years, while practitioners may prefer to maintain those reserves for longer.

CHRISTA SCHWIMMER

I don't think we put any of these reserves up to please someone. I think they are substantiated, and on a good level, so I would agree on that. But I'm not sure everyone's at the same level regarding US casualty reserves. If you look at how much business was written in the past years, and how reserves have gone up, there is a different ratio amongst us. Therefore, I think there is still something out there. The surprise for me in casualty would be if the market continued to basically underestimate the developments that I'm seeing.

DITTE DESCHARS

Looking at reinsurers' evolving risk appetite over the last years US casualty has been red or orange for most markets. No surprise. It's perhaps getting lighter orange at the moment, but there's still cautiousness around US casualty.



However, there is a lot of interest in writing casualty lines in the international space. So, supply is increasing, which puts pressure on T&C, but not to the same extent as property. Buyers are cautious about who to take onto their panel, as everybody knows that it's not about this year or next, it's about balance sheets being there in 15 years' time. Therefore, I expect less movements in panels and T&C compared to short-tail lines.

MARTIN BOREHAM

I think we're seeing that regionally, though. Today, whenever you see a startup in London, they want to write casualty in Canada or Australia. It's like everybody has printed the same business plan. I remember at a RIMS Canada event, probably 15 years ago, there were six syndicates. Whereas last year or the year before, there were 26 syndicates selling casualty there. So, there's clearly an appetite, and the price pressure coming off there, I think it is very regional.

DAVID GOVRIN

There are some real pressures in the reinsurance market, in particular on U.S. casualty. Interest rates are a tailwind, but they're also a headwind to underwriting profit, because you're generating more investment income, and that's something we are very mindful of. And then there's all the alternative capital pouring into U.S. casualty in particular. Everyone takes different views on it, but that definitely puts competitive pressure on pricing.

CHRISTA SCHWIMMER

That's an interesting point, what was just said about how long it takes to solve these long-term patterns. I think in the US we're still working on some asbestos claims or other losses from the 1970s. You need someone who's still going to be there. Therefore, I find it interesting when new companies start up and then want to go with casualty, but what is your proof point that you're still going to be around in 50, 60, 70, years? Because it's not done after a decade.

DAVID GOVRIN

We talked before about a $100 billion event, or whatever the number is, but casualty is never going to be driven by a single shock event, because it takes blocks of time to assess loss emergence, while rate change is something you can more quickly assess. You rarely have that one bad casualty event; due to the nature of the business. It aggregates over periods of time. It makes it a challenging class of business in any given year. It also makes structuring collateralized protection more difficult if the collateral is spread across multiple underwriting years.

MATT BRITTEN

One thing I would add to what everyone's been saying is the interesting thing this year is the continued interest of third-party capital into casualty. Obviously, we've seen a number of sidecars this year, but my understanding is there's a larger number of deals that have not yet been finalised, because they are very difficult, and take a long time to put together. But there's apparently a lot of capital interest behind the scenes, more than just what has been completed in the current year.

LUKE GALLIN

Moving on, and this was touched on earlier, but it would be good to further explore what cedents are looking for today from their reinsurance partners beyond just capacity and price.

PHILIP HOUGH

Again, cedents are interested in creating a sustainable relationship with reinsurers. I've seen a broad opening up of opportunities across different lines of business, as cedents seek a partnership approach rather than a transactional relationship. And with that comes the need to balance the good with the not so good, and the attractive with the not so attractive.

If I look at the marketplace now, the amount of business that is traded on a pure transactional basis is shrinking quite rapidly. There is always a partnership involved, and some form of exchange or business sitting behind every single partnership.

So, for a reinsurer like us, a mid-sized company, it is no longer sufficient to compete just on a traditional basis. We have to differentiate ourselves. And I think differentiation, as we talked about it earlier, in terms of how it shapes the market, it's a positive development – most definitely. But I think the survival of any reinsurer, going into the next period, will depend upon a clear differentiation relative to its peers. We know there's a lot of capacity out there. But fortunately, there's still a way of putting yourself in a more relevant position with your clients.

RICHARD DUDLEY

I think you're right, Philip. Showing value beyond the individual transaction is really important. For me, that mirrors precisely what's happening in the insurance space as well, particularly in wholesale markets such as London.



Richard Dudley – **Showing value beyond the individual transaction is really important**

We all know and hear of the major broker facilities, but that's only part of the story. There are some risks that come into London on the insurance space where the open market portion, the order is a single digit percentage, the rest of it is pre-placed. And most of those pre-placements are part of portfolio-to-portfolio transactions between those buyers and sellers. They're not about the individual transaction at all, and I can see that coming to reinsurance as well. So, I think your point is key because the traditional manual follow market syndication, whether that's in insurance or reinsurance, is unlikely to survive the next 15 years, in my opinion.

PHILIP HOUGH

When I entered this industry more than 30 years ago, there was always the stigma of reciprocity. That was a big word back in my early days. But then it seemed to die out and to disappear. People stopped talking about reciprocity, but it has really come back with a vengeance. In the last two to three years, you hear more about exchanging portfolios of risk, thereby creating diversification and strategic value. So, I would say reciprocity is definitely a buzzword again.

CHRISTA SCHWIMMER

It's coming back, and we have seen it before. So, it might be worth reminding ourselves why it stopped 25 years ago.

Coming back to what do clients expect of us, the latest client feedback we've got was more about consistency matters, and it matters much more than we would have ever thought to them. It's about consistency in communication, consistency in your risk appetite, having a consistent value proposition across the cycle, not changing here and there, it is about being around and reliable.

We would always hope it's the technical expertise and, the risk insight, the benchmarking we can provide. But if we're honest, it's the claims experiences that make sure every time that we have a claim to pay, we're speedy. We don't ask silly questions to delay the payment. But clearly, emphasise was put on consistency, and that's something you must have demonstrated over decades in order to get that value proposition out there.

MARTIN BOREHAM

There is still a premium for loyalty. As a buyer and a seller, when we're buying, certainly we pay a little more premium for the loyalty and the sustainability. Because to a point made earlier, I'm not going to need you tomorrow or the day after, but in 10 years' time, and I want to make sure you're there doing everything the same. We want consistency in our panel. We don't want to change it, despite people coming in trying to undercut the price. That's not important. So, maybe sometimes we mis-sell the message as the buyer, and we should be more clear on what we want and why we want it.

DITTE DESCHARS

Consistency is valued, but maybe even more so is empathetic listening and looking for solutions. Engaging in discussions with the cedent on what KPIs they are looking to meet. We say, 'ok, you've got a dividend payout target that you absolutely don't want to miss, let us see how we can try to structure

solutions around that,' or, 'you've got an SCR minimum that you don't want to miss, how can we structure solutions around that?'

This is where partnership comes into play. Transparency around buying rationale on the one hand and listening to the client's needs and designing long-term, sustainable solutions on the other. We see more successful outcomes, and finding of common ground, where transparency and rationale meet innovative thinking.

DAVID GOVRIN

I agree with everything that everyone else said. Creativity, responsiveness, and transparency really matter. I think the brokers and the clients value it. It's not just a 'no', it's a case of saying 'here is our assessment, here's how we thought about risk, here's our loss pick, here's our assumptions behind those loss picks.' So, then you can have a dialogue around assumptions and all parties can learn from that dialogue. I think that transparency is really important so you're not wasting time of all involved.

MARTIN BOREHAM

Back to your point, Richard, on the insurance side, in terms of transparency. We see risk sometimes in the wholesale market where say 15% is in the open market, and suddenly 85% has gone to a facility. Are you seeing clients actually questioning some of this behaviour? Because I see that we could be as a market actually back into Spitzer-type scenarios where there's hidden charges and remuneration that the clients aren't fully aware of that will come back and bite the various markets if we're not careful. And I just wondered if you're getting a sense that clients are asking the right questions?

RICHARD DUDLEY

The disclosure rules are far in excess of what they ever were back in the 1990s. We think about that all the time. We have to declare every different way that we get paid on every different transaction that we've got. So, I don't think that's quite the same issue that it was back then.

LUKE GALLIN

Another area of focus is artificial intelligence (AI), a topic increasingly discussed by leaders at global insurance and reinsurance companies. Where is your firm seeing the most benefit currently? What are the main challenges?

MATT BRITTEN

Most people agree that the potential benefits from AI are really huge, and it's going to be dramatic. It's a lot about timing of when that may come through.

PwC's recent AI performance study found just 20% of companies are capturing 74% of all AI-driven value.

You're not really seeing the benefit of AI come through in anyone's numbers as of yet. You're not seeing a bottom-line benefit, but that doesn't mean that there's not an enormous amount of investment and progress ongoing.

We've seen that reinsurers have been through their piloting and proof of concept stage, but the scaling of it has been a little bit more difficult than

anticipated, and I think there's a few main causes there. One, it's always the same thing when we talk about technology, data is often a bit of an issue, and you've got to think about common data and standards, etc. Another one is companies have found it's not as simple as just bolting on a piece of AI technology to your existing technology stack. And then the last one is processes, which people often say need a lot of reengineering. I think that many people who make decisions around AI don't actually understand the processes that they have and the challenges that underlie a process. And there's typically a lot of detail that needs to be understood to implement it properly.

So, the three of those, I think, have slowed down this expectation that AI was going to change the world within 12 months. I think it will, it's just going to take longer for the reinsurance industry because it is a complex environment. Data standards are not conformed across companies and markets, etc. And those things will take a bit of time to get resolved. But I do think they will get resolved because the investment is there.

A secondary challenge that companies are facing is Boards are asking, can you define the ROI for me? Because we put a lot of money into this so far. Can you tell me exactly what the ROI is? Can you explain to me what it's going to be? And it's something a lot of people are really struggling with.

Matt Britten – **PwC's recent AI performance study found just 20% of companies are capturing 74% of all AI-driven value**



That said, if I talk to most CEOs or CUOs, they're very excited often about the submissions process. If I can speed up the submissions process, if I can ingest the data quickly, if I can put an account package together more quickly, then I can analyse a greater number of submissions, create a better crafted portfolio, and reduce my cost of capital through diversification.

RICHARD DUDLEY

Your point on the process is really important because it's pointless throwing agentic AI at an inconsistent process or one that is flawed in the first place, which a lot of the processes in our industry have historically been. But that is forcing people to rethink those processes, which is a good thing in itself. It looks like a corollary benefit, but it's actually an important foundational stone.

The other thing we've spent quite a lot of time on is what's the framework, not just on the return on investment discussion, for AI, but also what's the governance framework we have for it within the firm, because there's so much danger associated with it. Whether that's everything from risking client data to allowing bad actors into the firm in a way that they couldn't do before, and everything in between.

So, we've spent quite a lot of time trying to make sure we get that governance framework right, because what we would love to do is to give as many of our people as possible the chance to play, to be creative, but to do it in an environment that is relatively safe, as far as the corporation is concerned. And that is an easy sentence, but a much harder thing to deliver, I think, based on our experience.

CHRIS JARVIS

Our market has always been pretty slow to adapt and change and take on new technologies. AI has huge potential, but I agree with Richard that it's fraught with challenges around governance and data, and how we manage data. Ultimately, the whole underwriting process, risk assessment, ingestion of risk directly into your systems, there's going to be an efficiency around processing that eventually will feed through into the balance sheets, and make us a very different industry.

The whole risk assessment piece, the ability for underwriters to sift through huge volumes of data on any one risk is going to change the landscape in the future. And then it'll create an environment for the new generation of talent to come through and underwrite in the future. It's still a very valuable job. It won't all be automated, but I think the underwriting role will change significantly once you have those tools at your fingertips.

MATT BRITTEN

I take a lot of comfort from the way that you're all speaking about AI, though, because for the auditor in me, validation is critical. We bring up governance all the time, and basically what you're all saying is we work in a prudent industry, and I want to make sure that the output that that AI model is giving me, I can actually validate, and I agree with it. And I think that's really an amazing strength of the industry.

CHRIS JARVIS

We have all used Copilot or similar, and you ask questions and it comes back with answers that may be plausible, but are somewhat divorced from reality. So, you need to have that human interface to make sure that there's still logic at the end of the process. But it does have great potential for the industry. I think a bit like COVID did, it will fast track the way we work and operate, and will change the pace of change in the industry.

DITTE DESCHARS

We make huge investments in this. AI is so powerful and can make us much more efficient. But, a challenge is, while you always need to have the trained eye to review the outcome and the result, we have to also acknowledge that in certain instances those that are the most proficient at utilising AI, have not always had the time to obtain the depth of knowledge of the product, the pricing, the analysis to be able to call out mistakes. We need safeguards to call out wrong conclusions and work processes where colleagues gain depth of knowledge, whilst still enjoying the huge efficiencies AI can bring.

DAVID GOVRIN

This is a data-rich, largely human process-driven industry. We can all sit here for the next three hours and come up with thousands and thousands of use cases. Decision making is different. And so, using the benefits to make decisions and knowing who makes those decisions versus informing decisions, I think, are very, very different. This isn't the first technology advancement that's helped people gather data, process data, and inform decision making. This is a big technological advancement that is undoubtedly going to change the world in terms of process, operations, and assessing data, but the human element, at least now, in terms of making decisions is critically important.

The more you push the decision making to people that don't really understand how to use AI, the riskier it is. We all use AI, and how many times has it come back and said, 'Oops, I made a mistake, my math was wrong', or whatever it is. The more you pass the decision making to people who don't understand those mistakes, the more dangerous it becomes using AI to make decisions.

CHRISTA SCHWIMMER

For the blockchain technology, different peers came together with the B3i initiative, and it was across Swiss Re, Hannover Re, SCOR, and Munich Re, when we tried out this investment in new technology to see if it was fit for purpose. After a while, one figured out it wasn't necessary because the basis of it is trust, and that's something we have as an industry. We didn't need that kind of expensive technology. AI could help us translate data and information into better risk insights. This is an area in which we see the greatest potential for AI as a reinsurer.

LUKE GALLIN

As AI drives a rapid build-out of data centre infrastructure, could data centres become one of the most important new growth opportunities for reinsurers?

PHILIP HOUGH

It's an opportunity, but it's also a significant challenge, not just in terms of managing very highly exposed risks – whether it's from a fire, business interruption or a natural peril - but also because of the interconnectivity risks related to data centres. You can look at it as a property risk. But you're going to have substantial liability exposure wrapped up within that risk and you have the cyber technology risk embedded as well. So, it's really bringing different risks together, and it's highly complex.

It's probably the first time we see an opportunity like this one, where actually there is no point in splitting this risk up line by line, product by product, but really you have to look at it as one risk.

This is an opportunity for our industry to step up and make a positive impact.

DAVID GOVRIN

The good news is there's a huge amount of capital investment. Data centres aren't new; there's just rapid growth and investment. Insurance serves the world in terms of capital and commerce, and we're good at providing product, and this is a very, very complex product that needs insurance. There's lots of different lines of insurance from casualty to cyber, credit, property. And this is exactly what the industry and the brokers should be doing. It's complex, it's complicated, the capacity needs are high, but demand is good, and solutions are good, and that's what we're here for.



Philip Hough – **This is an opportunity for our industry to step up and make a positive impact**

DITTE DESCHARS

To move forward in this area, I look at how our organisation is approaching it. We are collecting experts within all these different fields. You need to have depth of knowledge around all these lines of business and the interconnectivity between them. How do you manage the whole value chain from the construction of it to the end product? And how do you find the right capacity providers who understand the different forms of risk that come with it?



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