

*Events, developments, and opportunities in the international marketplace.*

### Europe



The costliest severe storm on record in Europe and historic heatwaves in North America top the list of severe weather events, leaving the insurance industry facing hefty claim payouts. Total aggregated insurance impacts from the June 17-30 severe convective storm outbreaks constitute the costliest stretch of severe weather in European history and the fifth most expensive globally. Preliminary estimates put the combined losses at USD 4.5 billion, surpassing the previous European record of USD 4.3 billion set by storm Andreas in 2013. Insurers in Austria, Switzerland and the Czech Republic recorded their costliest incidents of severe weather on record. In July Germany suffered the most devastating flooding in decades in the regions of North Rhine-Westphalia and Rhineland-Palatinate.

### China

China continues to take a growing share, reaching 10.5% of the global insurance market last year. The mainland Chinese non-life insurance market grew by 4.4% last year, dominating emerging market growth after a 15% expansion in medical insurance business, although Chinese motor premiums declined by 3% after de-tariffication of the market, alongside a recent decline in new car sales. The non-life insurance market will rebound to double-digit growth in 2022 (10.5%), driven by short-term health insurance fueled by consumers' rising risk awareness and strong policy support as the government seeks to expand access to healthcare.

China remains among top 3 global markets together with the USA and Japan who were again the world's top three insurance markets by size in 2020, together accounting for almost 58% of the global market, higher than one year ago (2019: 56%). The market share of the top 10 markets stood at 80.3% last year, marginally higher than 79.5% in 2019.



### Australia



The Australian Prudential Regulation Authority (APRA) will require several general insurers to review the soundness of their risk management frameworks in light of recent issues with business interruption (BI) insurance. Lockdowns and other restrictions associated with COVID-19 have triggered a spate of potential BI claims, with many insurers exposed through policy wordings that had not kept up-to-date with changing legislation. The resultant legal uncertainty, and significant financial exposure for insurers, has raised

concerns about the strength of insurers' risk management frameworks, APRA has written to a number of insurers asking them to undertake a self-assessment of their risk management frameworks in the context of BI, so as to prevent similar problems from occurring in the future. The review will also focus on cyber risk. However, APRA expects insurers to ensure their risk frameworks are robust across all product areas and potential exposures. The impact of the pandemic has raised clear concerns about how well some insurers are doing this. Although the legal disputes around BI cover for some COVID-19 claims have yet to be fully resolved, the fact that so many insurers were selling policies with outdated wording exposes clear deficiencies in risk management.

### Recent Success Stories

- **Placed a 3 year D&O run-off policy for a leading global provider of software services and commerce solutions acquiring a Canadian entity that did not currently carry coverage**
- **Bound local policies in Hong Kong for Property, General Liability and Employee Compensation as part of a controlled master program for a North American distributor of trading cards.**
- **Placed a Foreign Liability Package policy for a US recruiting and contract/temporary staffing firm with travel exposures in Canada.**
- **Conducted an assessment of Property, BI, and local statutory coverage for a mid-size US multinational with recent acquisitions in Peru, Colombia, and Brazil. Next step to construct a controlled master program.**

Contact us

Visit our website

