

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

### Global



Extreme weather events in 2021 - including a deep winter freeze, floods, severe thunderstorms, heatwaves, and a major hurricane - have resulted in annual insured losses from natural catastrophes estimated at \$105bn, the fourth-highest since 1970. Man-made disasters triggered another \$7bn of insured losses, resulting in estimated global insured losses of \$112bn in 2021. Insured losses from natural disasters again exceeded the previous ten-year average, continuing the trend of an annual 5–6% rise in losses seen in recent decades. The norm now

seems to be that at least one secondary peril event such as severe flooding, winter storm, or wildfire, each year results in losses of more than \$10bn. The two costliest natural disasters of the year were both recorded in the US. Hurricane Ida wreaked \$30–32bn in estimated insured damages, including flooding in New York, and winter storm Uri caused \$15bn in insured losses. The costliest event in Europe meanwhile was the July flooding in Germany, Belgium, and nearby countries, causing up to \$13bn in insured losses, in comparison with economic losses of above \$40bn. This indicates a still very large flood protection gap in Europe. Elsewhere in the world, there were severe flooding events in China's Henan province and British Columbia in Canada. The impact of the natural disasters experienced this year again highlights the need for significant investment in strengthening critical infrastructure to mitigate the impact of extreme weather conditions.

### China

China is set to scrap a cap on foreign ownership of insurance asset management companies under draft rules recently announced. The China Banking and Insurance Regulatory Commission (CBIRC) proposes removing a 25% foreign ownership cap for such companies, paving the way for foreign investors to raise their stakes to 100% and assume control. Insurance asset management companies invest assets of China's insurance companies, which were worth 18.7 trillion yuan (US\$2.9 trillion) as of the third quarter of this year, in bonds, stocks, or properties. The country's insurers have been allowed to set up such firms since 2004, and there were 31 of them as of the third quarter. Before the proposal was announced, such companies could only be owned by local insurance companies, with no less than a 75% stake. China Life Asset Management, part of state-owned China Life Insurance, is the largest player with 4.1 trillion yuan in assets under management as of last year. The asset management arm of Ping An Insurance, with 3.7 trillion yuan in assets under management, is the next largest. The relaxation is encouraging for foreign companies - particularly insurers with global operations - allowing them to bring in diverse knowledge and best practices around risk management and governance to mainland China. The announcement is being viewed as signaling a commitment to removing foreign ownership limits and comes amid a sweeping liberalization of the country's financial industry, which has seen the government ease ownership barriers for insurance companies, stockbroking, and asset management companies and banks over the past few years.



### Philippines



The rapid intensification that turned Typhoon Rai into the strongest storm to hit the Philippines this year surpassed all predictions, leaving nearly 400 people dead and almost a million displaced. Before undergoing a process of rapid intensification, forecasters warned of a storm that could bring "considerable damage," with winds of up to 103 mph, but Rai exceeded those expectations and turned into a category 5 super typhoon, with speeds similar to when a passenger airplane starts to lift off the

ground. Upon making landfall, winds of up to 130mph uprooted trees, ripped down electricity poles, and engulfed villages in floods. Residents were trapped on roofs in southern and central island provinces, where more than 300,000 villagers fled to safety before the onslaught. In the past three decades, the Philippines has recorded at least 205 tropical cyclones, the highest of any Asian country. Nearly each one of has taken lives and caused millions of dollars worth of damage. By comparison, China, the second-most affected country, has seen 139, and Bangladesh, also prone to storms, has seen 42.

### Recent Success Stories

- **Bound local Property coverage at short notice on behalf of a US company making an acquisition of a water-based industrial adhesives company in Quebec, Canada.**
- **Placed a site-specific Pollution Liability policy for a North American-based company engaged in the design and manufacture of precision blades.**
- **Bound Office Package and Umbrella policies on behalf of a client in Ireland needing to fulfill leasing requirements for office space in the World Trade Center, New York.**
- **Placed automobile and homeowners coverage for an oceanfront home in USVI on behalf of a US client.**

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