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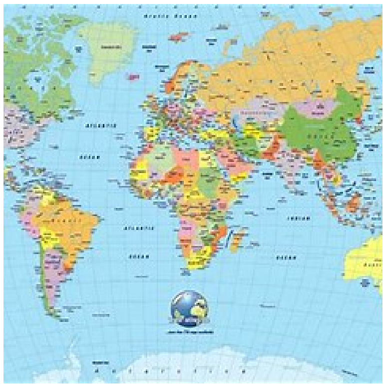
GLOBEX UPDATE
PROPERTY & CASUALTY

Events, developments, and opportunities in the international marketplace.

Recent Success Stories

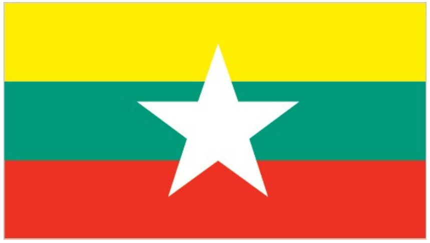
- **Placed Property, General Liability, Directors & Officers Liability & Marine Cargo policies as part of directed programs for a multinational company operating in 17 territories.**
- **Bound a standalone Directors & Officers Liability policy in Hong Kong.**
- **Placed a Release of Goods Prior to Payment (RPP) customs bond in Canada.**
- **Quoted General & Products Liability for a US based millwright tendering for a crane installation contract in the Bahamas.**

Global



A new survey reveals that uncertainty around long-term earnings sustainability, emerging risks and affordability pose new challenges for insurers through 2030. Protection gaps are expected to worsen across all lines of the insurance business through 2030 as insurers worldwide contend with rate-driven growth that is unsustainable. The challenges lie in matching price-to-risk profitably. This is due in part to changing risks such as the rise in natural disasters and cyberattacks, unaffordable property premiums, and the declining relevance of life insurance—especially among younger generations. Only one-quarter to one-third of the damage from natural disasters will be covered by insurance by 2030; for mortality, it could be less than half. While capital and balance sheets remain reasonably strong, profitability has come under pressure for many lines of the insurance business. Investors are skeptical about US insurers' prospects for future growth but are more bullish on life insurers in emerging markets. Valuations of US life players include negative "white space" from long-term earnings growth, suggesting either declining profitability or hidden losses yet to emerge from today's in-force blocks. P&C insurers face the same problem, albeit on a smaller scale, due to concerns around the sustainability of recent price increases alongside potentially increasing claims.

Myanmar



The powerful 7.7 magnitude earthquake which struck Myanmar has caused widespread devastation, triggering tremors as far as Bangkok, Thailand, leading to building collapses, significant loss of life, and prompting Myanmar to declare a state of emergency. Myanmar's state media reported that buildings collapsed in at least five cities and towns with public infrastructure - including roads, bridges and public buildings - also being damaged. In the wake of the disaster, a state of emergency was declared, with rescue teams mobilized to assist those affected. It is still too early to determine the exact number of fatalities, but thousands are feared dead. The country has very low insurance penetration meaning there will be a significant gap between total economic losses and insured damages, highlighting the continuing need to bring more insurance capital into emerging markets. This may hinder recovery efforts, exacerbating the humanitarian crisis and slowing the rebuilding of critical infrastructure. As a result, much of the financial burden will likely fall on individuals, businesses, and the government.

UK - Lloyd's

2024 was another strong year for Lloyd’s, with profit before tax of £9.6bn and a combined ratio of 86.9%, slightly up on the previous year’s 84% amid a higher major claims’ ratio due to significant events in the year. Premiums written were up 6.5% to £55.5 billion. Reinsurance and property were the primary drivers of premium growth with an increase of £1.4 billion and £1.1 billion, respectively, although most lines experienced growth in the year. The market’s underwriting result fell from £5.9 billion in 2023 to £5.3 billion in 2024. Lloyd’s highlights the continued benefits from the market’s strong underwriting action, partially offset by less favorable conditions in certain areas of casualty and aviation. Year on year, the combined ratio deteriorated by 2.9 points to 86.9% in 2024, as the major claims ratio increased to 7.8% from 3.5% due to significant events including Hurricanes Milton and Helene, and the Dali Baltimore Bridge collision. All in all, major losses totaled £3.17bn in 2024, up significantly on 2023’s major loss expenditure of £1.283 billion. Excluding major claims, the underlying combined ratio strengthened to 79.1% in 2024 from 80.5% in 2023, highlighting the market’s continued focus on consistent profitability.

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