



GLOBEX UPDATE PROPERTY & CASUALTY

Events, developments, and opportunities in the international marketplace.

Recent Success Stories

- **Placed General Liability, Workers Compensation and Automobile coverages for a school bus contract in Guam.**
- **Bound a Contractors Pollution Liability policy and an Intellectual Property policy for a company providing aircraft rescue and fire-fighting services under a government contract.**
- **Placed local General Liability policies In Europe and South America as part of a Controlled Master Program for one of the largest global non-profit organizations.**
- **Bound a 3-year Environmental Liability policy for a manufacturer of precision blades in Mexico.**

Global



Wildfire headlines just kept coming this summer - "Wildfires sweep Spain, Portugal and Greece during unrelenting heatwave"; "Wildfires in Canada are now burning where they never used to"; "2025 on track to beat UK record for wildfires" – and fire is no longer just a summer threat. Every season is now wildfire season, with fires in urban areas being a growing concern for communities, businesses and insurers alike. In Los Angeles, blazes fueled by strong Santa Ana winds in January, coupled with a period of low rainfall and extremely dry vegetation, claimed 30 lives, destroyed 16,251 structures and burnt more than 22,000 hectares. In March, a series of fires in South Korea killed 32 people and destroyed 5,000 properties, burning 104,000 hectares in a week. The combination of a warming world and changing land use is causing more frequent and severe fire losses, sometimes in areas that have had little or no prior exposure. The evolving threat has resulted in larger economic losses and higher insurance costs. Secondary impacts of wildfires can also be significant. In February and March, heavy rain in southern California caused flash flooding, mudslides and debris flows, triggering evacuation orders. Other secondary economic impacts include loss of tourism and hospitality business, and lengthy disruption for agricultural industries. Underwriters now use more technology and data points to underwrite the risk with some turning to third-party risk-scoring tools to assess, price and manage wildfire exposures.

Germany

Insured losses from natural hazards in Germany remained below average levels of previous years in the first half of 2025, according to the German Insurance Association. With around €1 billion (\$1.2 billion) insured damage from storms, hail, heavy rainfall and floods, this was lower than expected based on long-term averages. Property insurance claims –

including household contents, businesses and industrial operations - accounted for roughly €500 million from storms, hail, and lightning, with another €100 million caused by hazards such as flooding and heavy rain. Automobile insurance claims added a further €350 million. If losses in the second half of the year remain in line with the average, overall 2025 will be a below average year for natural hazard claims.

While general trends show a clear increase in extreme weather events and associated losses, without any severe storms in the rest of the year, total losses would be expected to reach around €4.5 billion, well below the €6.3 billion expected for a typical year.



Japan



Japan's reinsurance renewals showed further declines in property catastrophe rates. Reports indicate that Japanese property catastrophe excess-of-loss program saw risk-adjusted rate cuts of 10% to 15%, along with better contract terms. This was in part due to strong competition, with both new and existing reinsurers providing ample capacity. Large Japanese insurers have also built stronger balance sheets by posting solid profits and reducing domestic equity holdings. This

allowed them to keep more risk in-house, which, together with falling rates, has shrunk Japan's overall property-catastrophe premium pool. Reinsurers are now eager to grow their business, which could push prices down further into the January 2026 renewals - unless a major disaster changes the trend. Looking ahead, the planned 2027 merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance is expected to combine their reinsurance programs which will likely increase competition amongst reinsurers trying to secure a share of the larger business.

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