

## A la une

# ReInsurance BUSINESS

## *LA wildfires threaten billions in insurance losses: Moody's*

13/01/2025

*The recent wildfires in the Los Angeles area are expected to cost property and casualty (P&C) insurers billions of dollars due to extensive damage to residential and commercial properties.*

The ongoing fires, notably the uncontained Palisades and Eaton fires, have caused destruction and prompted mass evacuations, with the California Department of Forestry and Fire Protection actively engaged in containment efforts.

According to Moody's, the high-value homes and businesses in the affected areas suggest that insured losses will be among the most significant in California's history.

«We expect insured losses to run well into the billions of dollars,» Moody's said in a report.

State Farm, the largest homeowners insurer in California with \$2.75 billion in premiums written, could face significant exposure.

The situation is further complicated by elevated construction costs. Both material prices and labor costs have remained high since the pandemic, which could amplify the final insurance payouts.



**Tunisie : Croissance du PIB attendue à 1,5% en 2025 selon l'ONU**

P.03

**Algérie: Paiement électronique : Les Assurances Obligatoires concernées**

P.05

**Marrakech, 49e assemblée générale de la FANAF : Quels leviers pour un développement durable inclusif et durable de l'assurance en Afrique ?**

P.05

**ASR as first African-focused Lloyd's service company in Mauritius**

P.06

**MENA insurer completes Egypt merger**

P.08

**Global reinsurer profitability to remain strong in 2025 despite price reductions, says Fitch**

P.10

**Cyber Threats Lead Global Business Risks in 2025**

P.11

Insurers will also face additional living expense claims, typically capped at 30% of a dwelling's value, and business interruption losses for commercial properties.

P.10

## SOMMAIRE

Tunisie : Croissance du PIB attendue à %1,5 en 2025 selon l'ONU	03	Kenya : Car dealers oppose new directive to get local marine cargo insurance for all imports	07
Première édition du Forum « North Africa Oil & Gas : introduire la décarbonation pour un avenir durable	04	MENA insurer completes Egypt merger	08
BNA Assurances et Taraji Holding : les premières introductions en Bourse en 2025	04	Egypt:FRA sets the stage for implementing new law	08
Algérie Paiement électronique : Les Assurances Obligatoires concernées	05	Saudi Arabia:PIF announces completion of acquisition of %23.08 stake in Saudi Re	09
Partenariat entre l'UAR et l'ENSSEA	05	GCC meeting of civil retirement, social insurance agencies	09
Marrakech, 49e assemblée générale de la FANAF :Quels leviers pour un développement durable inclusif et durable de l'assurance en Afrique ?	05	LA wildfires threaten billions in insurance losses: Moody's	10
ASR as first African-focused Lloyd's service company in Mauritius	06	Global reinsurer profitability to remain strong in 2025 despite price reductions, says Fitch	10
Arsène Bebossiki nommé Directeur Général de NSIA Vie Assurances Togo	06	Cyber Threats Lead Global Business Risks in 2025	11
Jules Farlane Pieby, nouveau directeur général de SUNU Assurances Vie Gabon	07		

**Tunisie : Croissance du PIB attendue à %1,5 en 2025 selon l'ONU****14/01/2025**

**Un récent rapport des Nations Unies, intitulé « Situation et perspectives de l'économie mondiale 2025 », dresse un tableau des perspectives économiques pour la Tunisie, avec une croissance du Produit Intérieur Brut (PIB) attendue à 1,5 % en 2025, puis une légère progression à 1,9 % en 2026. Ces prévisions, bien qu'annonçant une reprise après une période économique difficile, soulignent une croissance qui reste modeste et inférieure aux attentes d'une relance plus vigoureuse, compte tenu des défis économiques persistants auxquels le pays est confronté**

**L'inflation en Tunisie : Une Baisse Progressive, mais des Pressions Toujours Présentes**

Le rapport des Nations Unies anticipe également une diminution progressive de l'inflation en Tunisie. Après un taux de 7,2 % en 2024, l'inflation devrait reculer à 6,9 % en 2025, puis à 6,6 % en 2026. Cette tendance à la baisse pourrait apporter un certain soulagement aux ménages et aux entreprises tunisiennes. Néanmoins, il est important de noter que les pressions économiques globales continuent de peser sur le pays. En effet, dans de nombreuses économies en développement, y compris la Tunisie, l'inflation demeure supérieure aux niveaux historiques récents, ce qui témoigne de défis persistants pour la stabilité économique à long terme.

**Contexte Économique Mondial: Une Croissance Stable, mais Inférieure aux Niveaux d'Avant la Pandémie**

À l'échelle mondiale, les prévisions indiquent une croissance économique stable à 2,8 % en 2025, un niveau similaire à celui de 2024. Cependant, cette performance reste inférieure à la moyenne pré-pandémique de 3,2 %. Cette stagnation est attribuée à des facteurs structurels profonds, tels que le manque d'investissements, une croissance de la productivité limitée et des niveaux d'endettement élevés dans plusieurs régions du monde.

Concernant l'inflation mondiale, une baisse est attendue, passant de 4 % en 2024 à 3,4 % en

2025. Cette diminution pourrait potentiellement alléger les contraintes financières pesant sur les ménages et les entreprises à l'échelle internationale

Politiques Monétaires et les Défis Spécifiques aux Pays en Développement

Le rapport met en lumière une tendance probable des principales banques centrales à réduire leurs taux d'intérêt en 2025, en raison de l'atténuation des pressions inflationnistes globales. Toutefois, cette tendance générale ne s'applique pas uniformément. De nombreux pays en développement devraient continuer à faire face à des taux d'inflation élevés, avec une proportion significative d'entre eux (un sur cinq) affichant une inflation à deux chiffres en 2025. Cette situation exacerbe les vulnérabilités économiques de ces pays, en particulier pour les nations à faibles revenus où une croissance fragile menace de compromettre la réalisation des Objectifs de Développement Durable (ODD).

**Les Incertitudes Géopolitiques et leurs Impacts sur les Perspectives Économiques Mondiales**

Le rapport des Nations Unies souligne également les nombreuses incertitudes qui pourraient influencer les perspectives économiques mondiales. Parmi les risques majeurs identifiés figurent les conflits géopolitiques persistants, les tensions commerciales croissantes entre les grandes puissances économiques et les coûts d'emprunt élevés. Ces facteurs exercent une pression considérable sur les économies mondiales, et leurs effets sont particulièrement ressentis par les économies les plus vulnérables, limitant leur capacité à stimuler la croissance et à assurer une reprise économique durable.

**Perspectives d'Avenir : Une Relance Modérée Conditionnée par la Résilience aux Risques.**

Malgré les défis et les incertitudes, la combinaison d'une baisse de l'inflation et d'un assouplissement des politiques monétaires pourrait potentiellement donner un léger coup de pouce à l'activité économique mondiale en 2025. Cependant, il est crucial de souligner que cette reprise reste conditionnée à la capacité des économies à résister aux chocs et aux risques externes. Pour des pays comme la Tunisie, ces évolutions économiques mondiales présentent à la fois des opportunités et des défis, soulignant l'importance cruciale de renforcer les bases structurelles de l'économie nationale afin de soutenir une croissance durable et inclusive à long terme.

## Première édition du Forum « North Africa Oil & Gas : introduire la décarbonation pour un avenir durable

**09/01/2025**

Inside ESG, premier cabinet tunisien de conseil en durabilité, responsabilité sociétale des organisations, Décarbonation, marketing et événementiel sociétal, organise le 22 janvier 2025 au siège de l'UTICA à TUNIS, avec le concours de la branche tunisienne de THE ROB ROCKEFELLER STANDARD CARBON, numéro un mondial de l'empreinte carbone, et en partenariat avec l'ÉTAP, l'ATPG et Tunisia Energy Society-TEN'S, la première édition du Forum "North Africa Oil & Gas: introduire la décarbonation pour un avenir durable".

Ce forum verra la participation d'experts de renom, d'entreprises de premier plan opérant dans les secteurs du pétrole et dérivés et du gaz, originaires de Tunisie, d'Algérie, de Libye et d'Égypte, outre des institutions financières (Banques et Assurances) intéressées particulièrement par le financement de la décarbonation et par "l'assurance-crédit carbone" qui sera une très bonne garantie pour les exportations vers l'espace européen (MACF) à l'horizon 2026 et les quotas carbone sur la bourse internationale du carbone.

Le Forum s'inscrit dans le droit fil des engagements énoncés dans la "Charte de décarbonation du pétrole et du gaz OGDC", adoptée en Décembre 2023 à Dubaï et accordera aussi une attention particulière au torchage, la récupération des émissions des flammes de pétrole et gaz et leurs valorisation en énergie électrique sur site de production. Cette charte concrétise une volonté mondiale de réduire significativement l'empreinte carbone, avec l'ambition d'atteindre la neutralité carbone (zéro émission) et de maintenir à 1,5° le seuil de réchauffement de la planète

## BNA Assurances et Taraji Holding : les premières introductions en Bourse en 2025

**15/01/2025**

**Après deux années marquées par l'absence d'introductions en Bourse, la Bourse de Tunis annonce avec optimisme le dépôt officiel de deux demandes d'introduction en Bourse pour l'année 2025 : celles de BNA Assurances (anciennement AMI Assurances) et de Taraji Holding.**

Ces deux entreprises, leaders dans leurs secteurs respectifs, pourraient bien redynamiser le marché boursier tunisien et offrir de nouvelles opportunités d'investissement.

En effet, contrairement à 2023 et 2024, où aucune nouvelle introduction en Bourse n'a été annoncée ni au niveau de la Bourse de Tunis, ni du Conseil du Marché Financier (CMF), ni par les intermédiaires en Bourse, 2025 s'annonce comme une année stratégique pour la place financière tunisienne.

"Ces deux introductions devraient dynamiser le marché en diversifiant les profils des entreprises cotées, tout en offrant des opportunités intéressantes pour les investisseurs à la recherche de performances solides et de perspectives de croissance", a indiqué Bilel Sahnoun, Directeur Général de la Bourse de Tunis, lors d'une conférence de presse tenue aujourd'hui au siège de la Bourse.

Cette dynamique s'inscrit aussi dans un projet plus large de modernisation et de diversification des sources de financement de la place financière tunisienne, avec pour objectif d'attirer davantage d'investissements locaux et internationaux.

À ce jour, deux dossiers d'introduction en Bourse ont été officiellement déposés pour 2025, et d'autres initiatives pourraient suivre dans les mois à venir.





## Algérie Paiement électronique : Les Assurances Obligatoires concernées

**14/01/2025**

En application de l'Article 207 de la Loi n° 08-24 du 22 novembre 2024, portant Loi de Finances 2025 et publiée dans le Journal Officiel n°84 du 26 décembre 2024, le paiement des primes d'Assurances obligatoires doit exclusivement se faire par des moyens autres que l'espèce (chèque, virement, etc.), par conséquent à travers les circuits bancaires et financiers. Cette mesure, valable dès l'entame de l'année 2025, vise à renforcer la transparence et la modernisation des circuits financiers, d'où l'interdiction d'utilisation de l'espèce pour ce genre de transactions (paiement des primes d'assurances obligatoires), tout comme c'est, désormais, le cas en ce qui concerne les transactions immobilières, qu'elles concernent des immeubles bâtis ou non bâtis, l'achat de véhicules et autres engins, ainsi que l'acquisition de certains biens de luxe comme les yachts et bateaux de plaisance.

Afin de garantir une mise en œuvre cohérente de cette nouvelle disposition par les Sociétés d'assurances, le Secrétariat Permanent du Conseil National des Assurances (CNA) a établi un répertoire détaillé des assurances concernées, réparties en quatre grandes catégories :

- Assurances couvrant les risques liés aux véhicules automobiles ;
- Assurances des risques liés aux transports ;
- Assurances couvrant les dommages aux biens ;
- Assurances de Responsabilité Civile ;

Les parties prenantes sont invitées à consulter cette liste, afin d'assurer leur pleine conformité avec les exigences légales

## Partenariat entre l'UAR et l'ENSSEA

**09/01/2025**

L'Union Algérienne des Sociétés d'Assurance et de Réassurance (UAR) a signé une convention de partenariat avec l'Ecole Nationale Supérieure de Statistique et d'Economie Appliquée (ENSSEA).

A travers cet accord, les deux parties visent à renforcer les compétences académiques et professionnelles des futurs cadres de l'assurance et améliorer la formation des étudiants grâce à des programmes adaptés aux besoins du secteur.

Ce partenariat permet de valoriser l'expertise en matière d'épargne et renforcer la formation dans les domaines techniques et actuariels.

**Financial Afrik**

## Marrakech, 49e assemblée générale de la FANAF : Quels leviers pour un développement durable inclusif et durable de l'assurance en Afrique

**09/01/2025**

En partenariat avec la Fédération Marocaine de l'Assurance, la Fédération des Sociétés d'Assurances de Droit National Africaines organise la 49ème édition de son Assemblée Générale annuelle au Maroc. Elle se tiendra du 22 au 26 Février 2025 à Marrakech sous le thème : « Quels Leviers pour un Développement Inclusif et Durable de l'Assurance en Afrique ? »

Parmi les intervenants attendus, Mohamed Hassan BENSALAH, président de la Fédération Marocaine de l'Assurance (FMA) et Directeur Général du groupe marocain HOLMARC.COM. Egalment attendus, Abderrahim CHAFFAI, Président de l'Autorité de Contrôle des Assurances et de la Prévoyance sociale (ACAPS), Tidjane THIAM, Président de Freedom Acquisition I Corp, Ouafae MRIOUAH et, entre autres, Directrice Générale SCR Maroc.

La Fédération des Sociétés d'Assurances de Droit National Africaines, la FANAF, est une organisation professionnelle internationale qui s'est fixée comme objectif de promouvoir le développement de l'assurance en Afrique. Forte d'environ 210 membres à travers l'Afrique, elle œuvre à faire du secteur de l'industrie des assurances un acteur majeur du développement économique et social.

## Afrique



### ASR as first African-focused Lloyd's service company in Mauritius

16/05/2025

**Africa Specialty Risks (ASR), a re/insurance group focused on Africa and the Middle East, has announced that Africa Specialty Risks Mauritius is now operating as a Lloyd's service company, enabling it to underwrite business in Mauritius on behalf of Syndicate 2454.**

This development makes ASR the first Lloyd's service company based in Mauritius, strengthening the country's growing reputation as a reinsurance hub for Africa. It is also the first Lloyd's syndicate dedicated to writing African business, which currently accounts for only 2% of all Lloyd's business. Syndicate 2454, which began operating at Lloyd's in April 2024, is projected to write £125 million in gross premiums in 2025, focusing on ASR's existing lines of business.

By leveraging ASR's expertise at its Mauritius hub, the ability to underwrite on Lloyd's paper expands the company's capacity to serve clients across the continent and helps close the insurance gap. This local approach strengthens the presence of both ASR and Lloyd's in Africa, enabling them to better address the region's needs directly.

Krishna Bheenick, Managing Director, ASR Mauritius, said, "It is incredibly exciting for us that Syndicate 2454, with its focus on Africa, is now able to offer Lloyd's solutions and robust security through our Lloyd's service company in Mauritius. We have built an exceptionally strong team of underwriters, and this milestone enables us to better serve all of our clients, increasing the specialist capacity that is available in Africa."

Amit Khilosia, Chief Distribution Officer, ASR, added, "This is a significant milestone for ASR, allowing us to service the industry in both Mauritius and Africa. ASR has actively supported the Mauritius International Financial Centre (MIFC) in its ambition to become a (re)insurance hub for the continent, and our growing relationship with Lloyd's enhances this objective."

Shiamdass Appannah, Lloyd's General Representative, Mauritius, commented, "Lloyd's is delighted to welcome ASR as the first African-focused Lloyd's service company in Mauritius, enhancing our ability to provide critical insurance capacity across Africa. ASR continues to play a

pivotal role in addressing the continent's unique risks, fostering sustainable development, and enabling businesses and communities to thrive in a dynamic global economy.



### Arsène Bebessiki nommé Directeur Général de NSIA Vie Assurances Togo

14/01/2025

NSIA Vie Assurances Togo vient d'annoncer la nomination d'Arsène Bebessiki au poste de Directeur Général. Il succède à Constant Djeket et prend les rênes de la compagnie dans un contexte de croissance du secteur des assurances au Togo.

Avant cette nomination, Arsène Bebessiki a occupé les fonctions de Directeur du Département Technique et de Directeur Commercial au sein de NSIA Vie Assurances Togo. Il aura pour mission de renforcer la position de l'entreprise sur un marché marqué par une faible pénétration des produits d'assurance, estimée à 1%.

En 2022, le marché togolais des assurances a généré un chiffre d'affaires de 87 milliards de FCFA, selon des données officielles disponibles.

NSIA Vie Assurances Togo occupe une position de premier plan sur le marché. En 2023, la compagnie revendique avoir versé 3,7 milliards de FCFA en prestations d'assurance vie et indemnisé plus de 3 000 sinistres.

En 2021, le groupe NSIA avait acquis Sanlam Assurances Vie Togo dans le cadre d'une opération stratégique destinée à élargir sa base de clients en Afrique de l'Ouest. La fusion, finalisée en 2022, a permis à NSIA Vie de renforcer sa part de marché, de diversifier son portefeuille et d'améliorer ses capacités opérationnelles.

Arsène Bebessiki devra intensifier la sensibilisation des populations à l'assurance vie, renforcer la confiance des clients en garantissant transparence et rapidité des prestations, et élargir la couverture géographique, notamment en zones rurales. L'innovation dans les produits et les services numériques sera nécessaire pour attirer de nouveaux clients face à une concurrence accrue de la part des leaders du marché, comme GTA Assurances Vie et SUNU Assurances Vie Togo

## Jules Farlane Pieby, nouveau directeur général de SUNU Assurances Vie Gabon

09/01/2025

Jules Farlane Pieby est promu directeur général de SUNU Assurances Vie Gabon.

Diplômé de l'Institut de Statistique de l'Université de Paris (ISUP) et de l'Université Pierre et Marie Curie, J. Pieby a débuté sa carrière professionnelle en France où il a notamment travaillé auprès du Crédit Agricole Assurances et du groupe BPCE.

En avril 2016, il intègre le groupe SUNU Assurances pour occuper plusieurs postes de direction au sein de sa filiale gabonaise.

## Kenya : Car dealers oppose new directive to get local marine cargo insurance for all imports

12/01/2025

**Car importers have opposed a government directive requiring all imports to be insured through locally licensed marine cargo insurance (MCI) providers starting February 14.**

The directive, issued jointly by the Insurance Regulatory Authority (IRA) and the Kenya Revenue Authority (KRA), requires that all goods imported through the port of Mombasa must have MCI coverage procured locally before customs clearance.

However, the Car Importers Association of Kenya (CIAK) said the measure infringes on the rights of importers and is inconsistent with international trade practices.

CIAK Chairman Peter Otieno argued that the directive contravenes international trade conventions and restricts importers' freedom of choice.

"Insurance should be left to importers to decide whether to take the cover or not. This should be a willing-seller-willing-buyer arrangement," Otieno said.

He noted that Kenya is a signatory to the Kyoto Convention which supports the principle of choice for importers regarding insurance coverage.

### At owner's risk

Otieno further explained that most car importers operate under cost and freight (C&F) agreements, where the cargo is transported at the owner's risk.

"Forcing importers to take local insurance is akin to infringing on rights guaranteed under the 2010 Constitution, similar to how individuals are free to choose whether or not to purchase health insurance," he said.

He added that such mandates impose additional levies for services that importers may not want or need.

The IRA and KRA defended the directive, saying it is aimed at boosting local insurance providers and contributing to Kenya's economic growth.

### Improve efficiency

In a joint announcement, the agencies stated that the new system, which includes a digitised insurance platform, would improve efficiency and transparency in MCI procurement.

A notice issued on January 7 emphasised that the requirement aligns with the Finance Act, 2017, and the Marine Insurance Act (CAP 390), which obligate individuals with an insurable interest in marine cargo to procure insurance from local providers licensed under the Insurance Act (CAP 487).

The government expects the move to strengthen the local insurance sector while providing added protection for importers' goods during transit.

The IRA argued that locally procured insurance would minimise risks associated with transportation and ensure regulatory compliance.

Under the new system, importers must secure an MCI certificate through the IRA's electronic platform and submit it to KRA's Integrated Customs Management System (iCMS) for verification.

Non-compliance will result in denied customs clearance certificates. Once the required details are submitted and premiums paid, the certificate will be digitally transmitted to KRA for approval, facilitating cargo clearance.



## MENA insurer completes Egypt merger

**09/01/2025**

Kuwait-listed Gulf Insurance Group has further consolidated its Egypt presence by officially merging with a former American International Group Egypt division.

Gulf Insurance Group (GIG) has concluded a merger with AIG Egypt, the former subsidiary of US-founded AIG, in what is claimed to be the first such transaction in the private-sector insurance market in Egypt.

Clyde & Co's Egypt associate firm Barakat, Maher & Partners provided legal advice to GIG on the transaction, which closed on 22 December last year.

Headquartered in Kuwait and listed on its stock exchange Boursa Kuwait, diversified insurance provider GIG traces its history back to 1962. It has since grown to nearly 4,000 employees, and operates across the Middle East and North Africa (MENA) region including in Algeria and Egypt.

It had previously acquired AIG's Giza-based Egypt insurance business in April 2023 in a EGP 189 million (USD 3.7 million) deal, with a view to full amalgamation of the target into its existing operations at a future date. Last month's merger further consolidates GIG's presence in the North African country and the business is hoping the deal brings further efficiencies and a raised profile for the brand.

In a statement, partner Sameh Dahroug who led the Barakat Maher team said: "This is the first merger in Egypt's private-sector insurance industry. As the first of its kind, the deal presented many structural and regulatory challenges, which our team navigated to ensure a successful closing."

The Barakat Maher team also included partner Mostafa Elsakaa, with assistance from associates Walid Enany and Omar Mahmoud.

Other recent developments in the region include Africa50's acquisition of a USD 15 million stake in an Egyptian tech company this month, a deal which included input from international law firm Herbert Smith Freehills and Baker McKenzie member firm

## Egypt:FRA sets the stage for implementing new law

**15/01/2025**

**Egypt's Financial Regulatory Authority adopts a package of measures to implement the new Unified Insurance Law with technology and modernisation of the sector being a top priority.**

Innovation, improving each customer's experience, pricing efficiency, and using modern technology are at the top of priorities to enhance the sector's efficiency said The Financial Regulatory Authority (FRA) chairman Dr Mohamed Farid during a meeting with leaders from the insurance market earlier this week, according to local media reports. The meeting comes as part of the FRA's preparations to introduce the measures it intends to take for implementing the new insurance law.

Dr Farid noted that the FRA will issue a package of decisions and regulations that contribute to expanding the base of insureds, in addition to creating new advanced products and coverages that meet the emerging needs of the business sector and various individuals. He also said that there are amendments and regulations that will be approved soon to allow private insurance funds to spread their services and include larger categories of different business sectors.

### **Technology is essential for development**

In the coming stage, the focus will be on the integration of modern technology into insurance companies' business models, which will contribute to accelerating the pace of marketing and making insurance products and services available, said Dr Farid.

He added that business models need to keep pace with all developments in terms of enhancing customer satisfaction and acceptance rates by raising the efficiency of operation systems in terms of communication, collection of premiums and paying claims.

Dr Farid pointed out that changing the citizens' awareness of the importance of insurance requires concerted efforts between the FRA, insurers and the Federation. He added that enhancing the customer experience and satisfaction rates will contribute significantly to improving insurance coverage and awareness in the coming period.

He revealed that the electronic link between the FRA and insurance companies is in its final stages, which will build a comprehensive database on the sector that enhances regulatory and supervisory capabilities.



The Unified Insurance Law was officially approved by the Egyptian government in May 2024 and signed by the president in July 2024. The new Law aims to modernise the regulatory business environment and enhance the insurance laws and regulations. Among the important new provisions of the new law is increasing the minimum capital requirements for (re)insurance providers, introducing new categories of compulsory covers, creating new channels of distribution, and allowing the establishment of specialised insurance providers with specific terms and conditions.



## Saudi Arabia: PIF announces completion of acquisition of 23.08% stake in Saudi Re

14/01/2025

**The Public Investment Fund (PIF) announced yesterday that it has acquired a 23.08% stake in Saudi Reinsurance Company (Saudi Re) by way of a capital increase and subscription to new shares, with the suspension of preemptive rights in accordance with Capital Market Authority regulations, the Fund said in a statement.**

PIF's capital investment aims to enhance Saudi Re's growth potential by adding to its financial capacity and further strengthen its credit rating. PIF's capital investment also supports local insurers by enabling Saudi Re to deliver high quality reinsurance, permitting Saudi insurance companies to manage risk more effectively. Insurers use reinsurance to provide adequate coverage to their policyholders and reduce earnings volatility. Saudi Re enables Saudi insurance firms to grow and innovate.

The statement added that the investment is expected to contribute to retaining more reinsurance premiums within Saudi Arabia while also growing the local reinsurance sector, and allowing better coverage for commercial activities for both insurance firms and companies in general, making the economy as a whole more financially resilient. "A better capitalised Saudi Re will be more able to meet rapid growth in demand, and devise new products, while having increased capacity to expand in domestic and global markets," said the PIF statement.

PIF head of financial institutions in MENA investments Sultan Alsheikh said, "By investing in Saudi Re, PIF is reinforcing a leading regional reinsurer and strengthening Saudi Arabia's insurance sector, which is an essential component of sustainable economic growth. This enhances

access to quality financial services for insurers and their policyholders, and strengthens the sector."

Saudi Re CEO Ahmed Al-Jabr said, "We are delighted to welcome PIF as a strategic investor and look forward to its role in enabling Saudi Re's strategy and reinforcing its position as a national reinsurer, while further strengthening its presence regionally and globally. This investment will provide us with multiple benefits, including boosting our financial position and unlocking opportunities for expansion and growth."

Saudi Re is a leading MENA reinsurance company and holds an A-minus rating from S&P Global and an A3 rating from Moody's. In the first nine months of 2024, Saudi Re's GWP reached SAR1.94bn (\$520m). It achieved a compound annual growth rate of 17% over the five years up to the end of the 2023 financial year. The transaction secured regulatory consents and was approved by Saudi Re's shareholders at an extraordinary general meeting.



## GCC meeting of civil retirement, social insurance agencies

15/01/2025

**The 60th meeting of the technical committee of civil retirement and social insurance agencies in the Gulf Cooperation Council (GCC) countries is currently on in Riyadh, Saudi Arabia. The meeting is being held from 13 to 15 January 2025.**

Being held with a focus on boosting cooperation among the GCC civil retirement and social insurance agencies, the meeting intends to achieve economic sustainability and social justice for the region's citizens, with the agenda encompassing the strategic action plan for the committee of heads of civil retirement and strategic social insurance agencies for the period 2026-2030.

Also, the deliberations are likely to highlight the retirement agencies' role in achieving shared strategic objectives, as well as updating the unified social insurance system and enhancing protection for GCC citizens working within member states.

The meeting will also deliberate on comparative studies of civil retirement and social insurance systems, statistical indicators and their development. The participants will also look at the electronic linkage initiative among the Gulf agencies, to expedite data exchange and optimise administrative efficiency across the GCC member states.

## Internationale

# ReInsurance BUSINESS

## LA wildfires threaten billions in insurance losses: Moody's

13/01/2025

### Los Angeles wildfires could become among California's costliest, threatening billions in insurance industry losses

The recent wildfires in the Los Angeles area are expected to cost property and casualty (P&C) insurers billions of dollars due to extensive damage to residential and commercial properties.

The ongoing fires, notably the uncontained Palisades and Eaton fires, have caused destruction and prompted mass evacuations, with the California Department of Forestry and Fire Protection actively engaged in containment efforts.

According to Moody's, the high-value homes and businesses in the affected areas suggest that insured losses will be among the most significant in California's history.

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The situation is further complicated by elevated construction costs. Both material prices and labor costs have remained high since the pandemic, which could amplify the final insurance payouts.

Insurers will also face additional living expense claims, typically capped at 30% of a dwelling's value, and business interruption losses for commercial properties.

For context, California's most expensive wildfire to date, the 2018 Camp Fire, resulted in insured losses of \$10 billion (\$12.5 billion in 2024 dollars). The Woolsey Fire, which previously hit Los Angeles and Ventura counties, caused \$4.2 billion in insured losses (\$5.3 billion in 2024 dollars).

The losses will impact a range of insurers, from those covering standard homeowners to those specializing in excess and surplus lines, with reinsurers also sharing in the costs.

California's insurance landscape has seen considerable shifts with major insurers non-renewing policies in high-risk areas and raising rates to manage rising rebuilding costs and persistent losses.

The state's FAIR Plan, a last-resort insurer, has seen increased uptake but comes with higher costs and limited coverage. This plan distributes losses among insurers based on market share, making the financial impact widespread across the industry.

Additionally, the California Department of Insurance has enacted legislation allowing insurers to factor in catastrophe-modeled losses and reinsurance costs. This aims to encourage coverage in high-risk areas but will require time to gauge its effectiveness.

Insurers are also facing claims for additional living expenses for evacuated or damaged homes, further straining their resources.

The full extent of damages will take weeks or months to assess, but the impact on the insurance industry and property owners is expected to be substantial, potentially reshaping the California insurance market's approach to wildfire risk.



## Global reinsurer profitability to remain strong in 2025 despite price reductions, says Fitch

15/01/2025

### Fitch Ratings, a provider of credit ratings, research, and risk analysis, has forecasted that global reinsurers' profitability will remain strong in 2025, despite lower risk-adjusted prices for most business lines during the January 1st reinsurance contract renewals.

These price reductions are attributed to an abundance of capital in the market and the reinsurance cycle passing its peak. However, Fitch asserts that market conditions will continue to support strong risk-adjusted returns for reinsurers.

The ratings agency anticipates combined ratios to remain around 90% in 2025, with the sector's return on equity expected to slightly decline to 17%, down from 19% in 2024. Despite this slight dip, Fitch's outlook for the sector remains neutral.

Reinsurers are entering 2025 in a strong position, thanks to capitalisation buffers and solid reserve adequacy bolstered by the record profits of the past two years.

This has been further supported by an influx of capital from traditional reinsurers and institutional investors, attracted by the strong underwriting returns in the sector.

Fitch believes that reinsurers' increasing risk appetite and desire for growth were factors contributing to the price reductions, though these were not accompanied by significant changes in contract terms and conditions. Most reinsurers have maintained the programme structure improvements they achieved in recent years. Despite the price declines, Fitch expects premium income for reinsurers to grow in 2025, driven by higher volumes.

Insured property catastrophe losses in 2024 amounted to around USD 140 billion, marking the fifth consecutive year of insured losses exceeding USD 100 billion.

The losses were primarily driven by hurricanes and severe convective storms, each causing about USD 50 billion in damages, along with medium-sized events such as flooding in Europe and the Middle East, accounting for USD 13 billion.

Fitch noted that the majority of these losses, around 85%-90%, were absorbed by primary insurers, due to higher attachment points. This trend is expected to persist in 2025, as reinsurers remain cautious regarding their exposure to secondary perils.

Nonetheless, natural catastrophe losses in 2024 generally stayed within reinsurers' budgets, which helped draw more capital into the sector and further pressured pricing. As a result, property reinsurance prices fell by 5%-15% for loss-free accounts, with the largest declines seen in remote, high-attaching layers. In contrast, prices in loss-affected regions increased by up to 20%.

In the specialty insurance market, renewal prices remained stable or slightly lower, while U.S. casualty rates were generally flat or saw slight increases, depending on cedents' loss experience, reserve development, and portfolio mix. Capacity in the casualty sector was more constrained than in the property and specialty segments, with ceding commissions remaining flat or slightly down.

Reinsurance capital has grown more than 20% since its low point in 2022, driven by improved earnings and higher asset values. The growth of alternative reinsurance capacity, which has benefited from the favourable pricing environment in property catastrophe risks, is expected to continue in 2025.

Fitch anticipates further expansion of alternative capacity, supported by cyber catastrophe bond issuances, which will add to the sector's capital base and help absorb earnings volatility.

Finally, the ongoing severe wildfires in the Los

Angeles area are expected to lead to insured losses exceeding past wildfire event highs. These losses will represent a significant portion of reinsurers' first-quarter 2025 natural catastrophe budgets. However, Fitch does not foresee any impact on reinsurer ratings in the immediate future.

The potential effect on pricing in subsequent reinsurance renewals will depend on the final level of reinsured losses and how distant the event is from catastrophe loss expectations.

## Cyber Threats Lead Global Business Risks in 2025

15/01/2025

**Global business risks intensify as cyber threats, climate change, and AI reshape corporate concerns in 2025, according to Allianz's Risk Barometer.**

The business world faces an increasingly interconnected risk landscape in 2025, with cyber threats, business interruption and climate-related challenges dominating corporate concerns, according to the 14th annual Allianz Risk Barometer, which draws insights from over 3,700 risk management experts across more than 100 countries and territories.

Cyber incidents have solidified their position as the primary concern for companies worldwide. For the fourth consecutive year, cyber threats have claimed the top spot, with 38% of respondents identifying it as a critical risk, the report found. This represents a shift from just a decade ago when cyber incidents ranked eighth, garnering only 12% of responses.

While cyber threats dominate the risk landscape, other perennial concerns continue to weigh heavily on business leaders' minds. Business interruption, cited by 31% of respondents, has maintained its position as the No. 2 risk concern for the past decade, underscoring its enduring importance to corporate operations.

In addition, natural catastrophes have also surged in prominence, rising to the third position with selection as a top risk by 29% of respondents. This elevation comes as no surprise, given that insured losses from natural disasters have consistently exceeded the \$100 billion mark for five consecutive years, according to Allianz.

A notable shift in this year's risk assessment is the unprecedented rise of climate change concerns. Climbing to the fifth position, its highest ranking ever, climate change has become a focal point for businesses across the globe, the report noted. Some 19% of respondents selected climate changes as a top risk, up from 18% in 2024.

Changes in legislation and regulation remain the No. 4 top concern for businesses globally, holding steady at the fourth position in global risk rankings. However, the focus of these regulatory shifts varies significantly by region, Allianz noted. In Europe, for example, sustainability reporting requirements have taken center stage, with companies scrambling to adapt to new disclosure standards. Meanwhile, the United States faces the potential of a "regulatory Wild West," particularly in the realms of cryptocurrency and artificial intelligence (AI), according to the report.

The interconnected nature of these risks presents a complex challenge for businesses, according to Michael Bruch, Global Head of Risk Advisory Services at Allianz Commercial: "What stands out in this year's Allianz Risk Barometer is the interconnectivity of the top risks. A change in one – or indeed a mitigating action – might have a knock-on effect on another, and another."

Beyond the top five risks, the rapid advancement of technology, particularly AI, has introduced new dimensions to the risk landscape.

For the first time, AI has entered the top 10 global risks, signaling its growing influence on business operations and strategy. However, perceptions of AI's impact remain divided, the report found. Half of the survey respondents view AI as more beneficial than risky, while only 15% perceive it as primarily a threat.

