

# IAC NEWSLETTER

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INSURANCE  
ASSOCIATION  
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## Save The Date

Caribbean Insurance  
Conference 2025 (CIC2025)  
The Westin Playa Bonita,  
Panama on June 1 - 3

### Conference 2024: *A Resounding Success*

The 42nd Annual Caribbean Insurance Conference was held from June 2 to 4, 2024, at the Grand Fiesta Americana, Coral Beach, Cancun, Mexico.

This year's conference attracted just under 500 delegates, 22 exhibitors, and 27 sponsors.

We would like to express our sincere thanks for your support of the 2024 Annual Caribbean Insurance Conference. We look forward to seeing you next year in the beautiful country of Panama.

Sincerest thanks to all the Speakers and Panelists who took the time from their busy

schedules to help us provide delegates with an engaging and exciting programme.

We extend our gratitude to our sponsors whose generous contributions helped make this year's conference a success. We hope this was a mutually beneficial partnership for you.

To our exhibitors, heartfelt thanks for choosing the CIC 2024 to showcase your products and services.

A special thank you goes out to all the advertisers who placed ads in this year's conference magazine, as well as those who booked meeting spaces.



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## DIAMOND SPONSOR



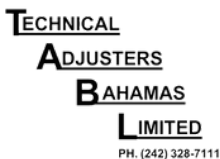
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# MEMBER NEWS

## *IAC WELCOMES NEW MEMBERS AON CAYMAN AND MDD*

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The AON logo consists of the letters 'AON' in a bold, red, sans-serif font.

Aon Cayman is a part of Aon, one of the world's largest insurance brokers. We offer Cayman residents access to Aon's global resources, delivered through a friendly, knowledgeable staff of local insurance specialists. This website provides only a brief overview of our available insurance products. We invite you to give us a call, get to know our staff and find out what we can do to assist you with your insurance needs.

<https://www.aoncayman.com/>

The MDD logo features a stylized graphic above the letters 'MDD'. The graphic consists of a black swoosh on the left and a red swoosh on the right, both curving upwards. Below the graphic, the letters 'MDD' are written in a bold, black, sans-serif font. Underneath 'MDD', the text 'A Davies Company' is written in a smaller, black, sans-serif font.

MDD is a leading international forensic accounting firm.

Every day, our global professionals provide objective economic damage quantification assessments for thousands of clients worldwide.

When needed, our highly trained and experienced specialists deliver expert witness testimony and expert reports and have qualified as experts in courts worldwide.

With more than 40 offices on 5 continents, MDD is proud of its exceptional dedication, singularly qualified experts and demonstrated results in this highly specialized area of accounting.

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# REGIONAL NEWS

## ***GRENADA TO RECEIVE US\$44 MILLION FROM CCRIF FOR BERYL DAMAGE***

Source: 11, July, 2024 – Jamaican Observer

GRAND CAYMAN, Cayman Islands (CMC) - The Caribbean Catastrophe Risk Insurance Facility (CCRIF) said Wednesday it will pay US\$44 million to Grenada as a result of the damage and destruction caused by the passage of Hurricane Beryl last Monday.

It will be the single-largest payout by CCRIF, a segregated portfolio company, owned, operated, and registered in the Caribbean.

The Category 4 storm left a trail of death and damage as it made its way through the Windward Islands on July 1, with the Grenadine islands of Carriacou and Petite Martinique and St Vincent and the Grenadines' Union island severely impacted.

CCRIF said that payout to Grenada will be made this week, adding that Hurricane Beryl totally devastated 90 per cent of all buildings on the islands of Carriacou and Petite Martinique.

It said that there was also significant damage to the agriculture sector as well as the natural environment, including mangrove ecosystems.

Electric utilities, mainly the transmission and distribution systems on both islands, also were significantly damaged.

The north of mainland Grenada was also not spared the wrath of Hurricane Beryl, with damage to houses, the agriculture and forestry sectors, and electric utility transmission and distribution, and water distribution systems.

In extending its "deepest condolences" to the Government and people of Grenada



CCRIF said it is well aware of the impacts on other CCRIF member countries in the region, including St Vincent and the Grenadines and Jamaica.

CCRIF's parametric insurance policies make payments based on the intensity of an event and the amount of loss calculated in a pre-agreed model caused by these events.

The payout to Grenada on its tropical cyclone (TC) policy is the single largest payout by CCRIF. Until now, Haiti had the single largest payout from CCRIF, having received just under US\$40 million, following the 2021 earthquake.

"These payouts represent Grenada's first payouts from CCRIF. I commend the Government of Grenada, which has always maintained that despite not receiving a payout, it understood the importance of financially protecting the economy in case a disaster strikes, as it would never want to see a repeat of Hurricane Ivan," said CCRIF Chief Executive Officer Isaac Anthony.

Countries ought to treat parametric insurance for natural hazards like they treat health insurance. We buy health insurance because it is important to help safeguard our lives. However, we hope we do not need it but when we do, we have the peace of mind that it could help us deal with a more serious illness than a common cold.

"Similarly, we do not want to be negatively impacted by natural hazards and be faced with natural disasters. However, in the case of CCRIF's parametric insurance, the moment we really need it, it is available within 14 days of a triggering event."

Anthony said CCRIF's parametric insurance must be seen as a key component in helping countries to build back better and stronger to withstand future natural hazards, especially within the context of climate change".

CCRIF said that Hurricane Beryl is reminiscent of Hurricane Ivan 20 years ago, which impacted nine Caribbean islands.

# INTERNATIONAL NEWS



## Lloyd's Insurer AEGIS London Launches Data Science and Analytics Team

Source: July 15, 2024 - Insurance Journal By: AEGIS London

AEGIS London, the London-based data scientists, managed by AI and data science expert, Dan Hirlea, and data analysts, managed by data visualisation expert and qualified actuary, and data-driven initiatives.

Led by Giuseppe D'Angelo, head of Data Analytics and Portfolio Underwriting, the newly formed team is comprised of highly skilled experts dedicated to unlocking the full potential of AEGIS London's vast data pool.

The team is composed of a group of

Balint Bone. Together, they bring a wealth of experience and knowledge to AEGIS.

London, enabling them to extract valuable insights, identify trends, and provide data-driven recommendations for underwriting and portfolio management strategies, the company said.

"Data Science and Analytics is an established field within general insurance and in recent years has become a specialism in the London market within high-performing syndicates. Skill sets are highly sought after so it's great that we have been able to put together two strong teams under Dan and Balint," commented D'Angelo.

"Day to day, the teams will be retrieving, manipulating, and visualising AEGIS London data, as well as helping put the power of analytics directly into the hands of business users, educating and collaborating with data champions across the business," he added.

"Maximising the potential of data is one of my key strategic priorities. So, with this team of experts we will turn our rich pool of data into the raw material for decisions, insights and product development," according to AEGIS London's CEO Alex Powell.

"We've been through a major transformation of our finance and operational systems, which has created the platform for advanced data-based decision-making. Over time, the team will collaborate with other teams within the business to help them better understand what data they have access to and what we can achieve with it," he continued.

Formed in 1999 and part of the long-established mutual insurance business, AEGIS Insurance Services Ltd., AEGIS London is a consistently profitable, top-quartile insurer in the Lloyd's market, underwriting a wide range of business classes through Syndicate 1225, the company said.

# INTERNATIONAL NEWS

## Insurers Face Business Interruption Claims After Global Tech Outage

Source: July 19, 2024 -  
Reuters: By Noor Zainab Hussain

Insurers could face a raft of business interruption claims after a worldwide tech outage crippled industries from travel to finance on Friday, insurance industry experts said.

A software update by global cybersecurity firm CrowdStrike (CRWD.O), appeared to have triggered systems problems that grounded flights, forced some broadcasters off air and left customers without access to services such as healthcare or banking.

"Insurers are bracing for hundreds, if not thousands, of claim notifications from organizations that are impacted by the CrowdStrike event," said Ryan Griffin, a partner focused on cyber at insurance broker McGill and Partners.

However, not all businesses would get insurance cover for their lost time and money.

A typical business interruption policy within a regular commercial insurance program would not provide coverage against losses

stemming from Friday's outage, said Marcos Alvarez, head of insurance at ratings agency DBRS Morningstar.

And not every cyber insurance policy likely has coverage for business interruption; such coverage would have to be bought separately at extra cost.

"Some cyber insurance policies exclude non-malicious events, and there are waiting periods and deductibles that businesses will have to consider before making a claim with their insurance carriers," said Nir Perry, CEO at CyberWrite, a cyber insurance risk platform.

Perry said economic damages could reach tens of billions of dollars in such events, and added the outage should be considered an example of an "event that can produce what could be defined as an insurance catastrophe."

The event could also bring with it legal claims for CrowdStrike and Microsoft (MSFT.O), opens new tab. A defective update by CrowdStrike, designed to protect Microsoft Windows systems, triggered the global IT outage.

CrowdStrike and Microsoft did not immediately respond to requests for comment.

"Airlines (and other industries) might have rights under their contracts that allow them financial or other remuneration based on the CrowdStrike outage," said Sam

Levine, senior vice president - professional and cyber solutions at specialty insurance broker CAC.

The outage caused major issues for travelers around the world - grounding planes for hours.

Travel insurer InsureMyTrip said it anticipates an increase in travel insurance claims, with the most from travel delay and missed connection policies. More than 1,600 customers may be impacted as they depart for or return from trips on Friday, it said.

Industry experts also said that force majeure would not apply for the event.

Force majeure clauses in contracts remove liability for unforeseeable and unavoidable catastrophes that prevent participants from fulfilling obligations.

"This is exactly what cyber insurance is meant to cover. ... This is not something that is outside of our control," said Meredith Schnur, U.S. and Canada cyber practice leader at broker Marsh.



# REINSURANCE NEWS

## ***19 INDIVIDUAL BILLION-DOLLAR INSURED CAT LOSS EVENTS IN H1'24: GALLAGHER RE***

Source: July 19, 2024 – Author: Jack Willard



According to reinsurance broker Gallagher Re, there were at least 19 individual billion-dollar insured natural catastrophe loss events in the first half of 2024, making it the second-highest H1 total on record, behind the 20 events seen in 2023 and 2022.

Of the 19 events, 12 resulted in a multi-billion dollar loss.

As well as this, 17 of the events were weather/climate related, which is two less from 2023 and 2022.

Gallagher Re recently released its H1 2024 Natural Catastrophe and Climate Report, which showcased that global insurance and reinsurance industry losses from natural catastrophes in H1 2024 reached at least \$61 billion.

The broker's report also revealed that US severe convective storm (SCS) activity continues to be the main driver of global insured losses from nat cats, accounting for at least \$37 billion, or 61% of total H1'24 insured losses.

Gallagher Re reveals that in total there were at least 32 individual billion-dollar economic loss events in H1, which was above the decadal average of 27 such events.

From what we understand, these events included 20 in the United States, 14 of which were from SCS outbreaks, while 6 were seen in Asia, 4 in Latin America, and 1 each in the Middle East and Europe.

Out of the 32 events, all but two were weather/ climate-related, which was above the 10-year average of 26.

Lingering influence from El Niño was reportedly a “driving force” for many of the weather/climate related disasters.

Gallagher Re noted how shifts in the jet stream led to periods of extreme precipitation or drought in parts of South America, Africa, Asia, and the Middle East, which ultimately led to costly results.

As well as this “exceptional flooding” seen in mid-April across the Middle East, notably in the United Arab Emirates, resulted in the region's costliest weather-related economic cost on record, topping USD8.5 billion.

Furthermore, similar flooding was seen in Brazil towards the end of April and leading into May, which led to more than USD8 billion in loss costs in the state of Rio Grande do Sul.

The broker also highlighted how “intense drought conditions” plagued parts of Mexico, South America, and Southeast Asia too.

# REINSURANCE NEWS

## AON REPORT REVEALS CYBER INSURANCE SHORTAGE AS AI RISKS INTENSIFY FOR EMEA COMPANIES

Source: August 12, 2024 – Author: Taylor Mixides

Aon, a global professional services firm, has released its 2024 Intangible versus Tangible Risks Comparison Report, underscoring the need for businesses across Europe, the Middle East, and Africa (EMEA) to reassess their cyber insurance and intellectual property (IP) protection strategies.

This addresses the growing risks linked to generative artificial intelligence (Gen AI) and the rising vulnerability to losses involving intellectual property and intangible assets.

The report presents a detailed analysis of the risks associated with intangible assets, revealing that these assets are significantly more susceptible to losses compared to tangible ones.

It finds that the average Probable Maximum Loss for intangible assets is nearly 43 percent greater than that for tangible assets.

In terms of insurance coverage, there is a contrast: while 60 percent of property, plant, and equipment (PP&E) is insured, only 17 percent of information assets receive similar protection. This insurance gap has remained unchanged over the past two years, despite the rising importance and value of intangible assets and the increasing frequency of major cyber breaches.

Insights from 596 respondents across EMEA underscore this discrepancy in insurance coverage. The survey also highlights that the probability of a major cyber event affecting intangible assets is three times higher than for PP&E.

Yet, despite these elevated risks, many companies are still underinsured for issues such as trade secret theft and intellectual property liability, which could lead to substantial financial exposure.

The report further indicates that 69 percent of businesses in the EMEA region are currently utilising or planning to implement AI products or services.

This widespread adoption of AI could amplify the risk of cyber incidents and present additional challenges related to regulatory compliance. New regulations, such as the European Union's AI Act, may unintentionally increase the likelihood of legal disputes with copyright holders.

David Molony, Head of Cyber Solutions EMEA at Aon, said: "Cyber insurance has rapidly evolved to address more effectively the key loss drivers associated with cyber events. It offers more favourable coverage and premium pricing for businesses that demonstrate strong cybersecurity practices.

"However, the increasing value of intangible assets, alongside the rise of generative AI, represents a paradigm shift in cyber risk, while the EU's new AI Act is only likely to introduce more regulatory complexity. Businesses must prepare for these evolving risks and potential liabilities."

The growing threat posed by generative AI is expected to intensify the scale and impact of cyber-attacks over the next two years.

Generative AI could refine and advance the techniques used by cybercriminals, making it easier for even inexperienced hackers to carry out successful attacks. This trend is anticipated to contribute to a global increase in ransomware threats.

The report notes that only 36 percent of respondents have cyber insurance policies that cover ransomware costs. This leaves a significant number of businesses financially vulnerable to the consequences of cyber incidents.

Molony continued: "The recent global IT outage served as a powerful reminder of the dynamic nature of cyber and technology risks and emphasised the importance of robust business continuity and incident response protocols. It also reiterated the need for a comprehensive cyber insurance policy to mitigate these risks.

"This evolving landscape presents major opportunities for global businesses to rethink their risk strategies, whether through conventional risk transfer mechanisms or by leveraging capabilities in alternative capital arrangements, such as captives and reinsurance markets."





# REINSURANCE NEWS

## RETENTIONS STILL HOLDING, CURRENT P&C MARKET SENTIMENT TO PERSIST: ALTHOFF, HANNOVER RE

Source: 12th August 2024 - Author: Luke Gallin



Sven Althoff, Member of the Executive Board for P&C at Hannover Re, said today that the global reinsurer is not expecting a change in P&C market sentiment despite another active period for catastrophe losses, notably from secondary perils.

This morning, reinsurer Hannover Re announced a very strong set of results for the first half of 2024, including P&C revenue growth of 9% to €9.1 billion, despite expenditure for large losses hitting €588 million, driven by flooding around the world and civil unrest in New Caledonia.

According to industry estimates, natural catastrophe losses again exceeded \$60 billion in the first half of this year, with secondary perils, notably severe convective storms and flooding, contributing heavily.

While insured losses from natural disasters continued to be elevated through the first half of 2024, reinsurers worked to secure tighter terms and conditions throughout 2023, and the now higher attachment points means that primary insurers are retaining a greater share of losses than in the past, particularly when they come from frequency type events.

It's clear from market commentary through Q2 and H1 2024 reporting that reinsurers have maintained discipline, which combined with the still favourable pricing environment, has resulted in strong P&C earnings for many.

In light of this, Hannover Re executives were questioned during a recently held analyst call on market sentiment, and whether there might be any changes in the space amid persistently high losses from secondary perils.

Althoff confirmed that Hannover Re is “not expecting a change in sentiment when it comes to technical price adequacy.”

“When you look at the main macro drivers, we are still in a challenging geopolitical environment, inflation, social inflation are still very meaningful topics, and you mentioned climate change in particular,” he continued.

Althoff went on to note that reflecting on the mid-year renewals, during which Hannover Re's renewed volume grew by 11.5% with an inflation and risk-adjusted price increase of 1.3%, it was clear that there was sufficient supply to cater for the increase in demand.

“And, in certain places, we have also seen a slight softening of terms and conditions, but this very much was at the upper end, the severity end of programmes. The result of the market was very strong when it comes to retention levels, and also pricing in the lower part of programmes, which of course, is where most of the losses related to climate change have materialised over the last three, four years,” said Althoff.

Regarding terms and conditions, Althoff confirmed that these are still holding.

Looking ahead, the consensus appears to be that reinsurers will remain disciplined through the rest of the year and into 2025, with firms eager to make the most of the current market conditions in order to make up for the challenges of the past.