IAC NEWSLETTER

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INSURANCE ASSOCIATION OF THE CARIBBEAN INC. 50 Years

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Welcome OUR NEW BOARD MEMBERS!

MR. PATRICK HINKSON
President & CEO
Sagicor General Insurance Inc
Barbados

MRS. EVON ROGERS-DREW
General Manager
TDC Insurance Company Ltd
St. Kitts

MS. UTHRA RAMNARINE-HILL
General Manager
Trinidad and Tobago Insurance Limited (TATIL)
Trinidad & Tobago

MR. RUBEN VEERASAMY
Senior Vice President
Equisoft Caribbean
Canada

The Insurance Association of the Caribbean (IAC) is delighted to welcome four new directors to our Board. We are confident that their experience and insight will be instrumental in guiding the Association's continued growth and success across the region.

MEET THE OTHER MEMBERS OF THE IAC BOARD OF DIRECTORS

MR. PATRICK G. W. WARD, MBA, FCIP
IAC President

MRS. CONSTANCE HOO
Vice President - Pension Administration
Guardian Life Limited Jamaica
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MR. ROGER BALKISSOON
Group Head of Producer Solutions
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MR. ABEL SIMPSON Sr. FSCP
Managing Director
Simpson's Insurance Agency Limited
Belize

MS. JANELLE THOMPSON
CEO and Executive Director
Insurance Association of the Caribbean Inc.
Barbados

CARIBBEAN LEADERS TAP AI FOR PARAMETRIC INSURANCE

Boats damaged by Hurricane Beryl wade in the water at the Bridgetown Fisheries, Barbados, in July 2024 (Photograph by Ricardo Mazalan/AP)

In a region increasingly battered by climate shocks, Caribbean leaders are turning to artificial intelligence to improve insurance coverage for the most vulnerable.

Speaking at the “AI and Human Development” panel at the Caribbean Regional Risk Conference last week in Barbados, Heather Timothy, regional programme co-ordinator for the Climate Risk Adaptation and Insurance in the Caribbean project, pointed out how AI-powered parametric insurance could be a game-changer for farmers, fisherfolk and informal workers in Bermuda and throughout the Caribbean.

Ms Timothy explained that AI can analyse vast amounts of data to design parametric products that trigger quick, automatic payouts after disasters. But gathering that data is crucial, she said.

“With more data and better data, we can reduce that whole basis risk element so where the model losses, the actual losses are closer, which again then brings trust in the system that you are actually getting a payout,” she said.

Since its launch in 2007, the Caribbean Catastrophe Risk Insurance Facility has had ties to Bermuda. Over the years, the CCRIF has expanded from its original hurricane and earthquake coverage to include excess rainfall, fisheries, utilities and loan portfolio protection. The island is both a member government and a donor through the facility’s multi-donor trust fund, helping to establish what became the world’s first regional catastrophe risk pool.

After Hurricane Dorian in 2019, the facility paid out more than $12 million to The Bahamas, while after Hurricane Beryl in 2024 it disbursed $84 million across several islands, including a record $55.6 million to Grenada.

“AI can help us understand one person's needs and target market needs, and how we can get the product out to them in a cost-effective manner,” Ms. Timothy said. She emphasised that making insurance “affordable, appropriate, accessible, responsive and simple” is crucial for reaching those most at risk from hurricanes and floods.

But, she added: “We need many stakeholders to bring around this microinsurance product. We need regulators. We need insurance companies. We need community engagements and all these [central statistics offices] because the target markets that we have, they probably have a lack of trust in traditional insurance.”

Source: September 9, 2025 by The Royal Gazette

Nationwide Survey: HOW STRONGER BUILDING CODES REDUCE RISK

As communities across the U.S. face increasingly frequent and severe weather events, the toll on property owners and insurers continues to grow. According to NOAA, between 2020 and 2024, the U.S. experienced 115 billion-dollar weather and climate disasters, totaling nearly $747 billion in losses. Yet despite this trend, 65% of U.S. counties, cities, and towns still lack modern building codes—leaving communities vulnerable to preventable damage.

What our 2025 survey tells us:
According to Nationwide's 2025 Survey, the concern around extreme weather is rising. Two-thirds of commercial property stakeholders say they're worried about the impact of severe weather on their buildings. In response, many have taken steps such as increasing policy limits (48%), expanding coverage (46%), or conducting building assessments (33%).

These actions reflect growing risk awareness—but they also highlight a critical opportunity. While coverage enhancements are important, there's still room to help clients take additional steps to reduce physical risk. Insurance agents play a key role in that effort, serving as trusted partners who can guide clients toward proactive protection and long-term resilience.

This survey data offers a clear takeaway: while risk awareness is high, many communities are missing the tools and resources needed to act.

That's where insurance professionals can step in—as trusted partners helping clients make informed decisions about risk mitigation and long-term protection.

Proof that stronger building codes work
Research from the Insurance Institute for Business & Home Safety (IBHS) and the Center for Risk and Insurance Research (CRIR) at the University of Alabama reinforces the value of resilient construction. A peer-reviewed study examining over 40,000 properties affected by Hurricane Sally found that homes built to IBHS FORTIFIED standards were significantly more resilient than those built to conventional codes:

- FORTIFIED Roof homes were 70% less likely to have an insurance claim, and when claims were filed, the average damage was 22% less severe.
- FORTIFIED Gold homes performed even better, with 76% fewer claims, 24% lower severity, and 67% lower total losses compared to traditional construction.
- The study estimated that if all affected homes had met the FORTIFIED Roof standard, total damage could have been reduced by more than $147 million—saving homeowners $42 million and insurers $105.6 million in losses.
- Notably, FORTIFIED designated homes outperformed homes built to similar codes by more than 50%, underscoring the value of the program's third-party documentation and verification process. This includes required inspections at key construction stages to ensure resilient standards are properly implemented—not just planned.

These findings offer compelling evidence that stronger building standards not only reduce damage but also deliver measurable financial benefits to both homeowners and insurers.

A Nationwide commitment to resilience
Nationwide continues to support efforts to modernize building codes across the country. As a founding member of IBHS, we contribute to research and public policy efforts aimed at advancing safer construction practices. We also support programs like FEMA's Building Resilient Infrastructure and Communities (BRIC) and offer innovative policy features like Better Roof Replacement®, helping homeowners rebuild stronger after storms.

For agents, these resources provide powerful proof points to lead client conversations. Showing how stronger building codes reduce risk—and backing it with credible research—can help clients make better decisions for the future.

Together, we can reduce losses, protect what matters most, and create communities that withstand tomorrow's challenges.

Source: August 11, 2025 By Agency Forward

MGA ENTERS SPECIALIST CYBER MARKET WITH ROBOTICS AND AUTONOMOUS FOCUS

Unmanned and electric aircraft, autonomous vehicles, automated factories, robotics, autonomous rail and many other advanced technologies have very specific, complex and technical cyber insurance requirements,' says Chairman.

Advanced Technology Assurance (ATA) has launched a cyber insurance proposition designed for emerging sectors such as robotics, autonomous vehicles and electric aviation.

The London-based MGA, which is backed by Tokio Marine Kiln (TMK), said its cover could be purchased as a standalone product or added to its wider advanced technology suite.

ATA chairman Michael Coles said: "Cyber is now a commoditised, generic insurance product bought by businesses from Main Street to Wall Street and what makes ATA's cyber insurance different is that our coverage is designed specifically for advanced technologies."

He added that ATA aimed to become "insurance brokers' first call" for risks linked to sectors such as unmanned aircraft, autonomous rail and automated manufacturing.

Alistair Blundy, lead underwriter at ATA, said the product was available worldwide, subject to Lloyd's licensing. He added that the financial security of TMK backed the MGA's ability to underwrite these risks.

Alongside its cyber launch, ATA also unveiled an intellectual property (IP) cover targeted at firms ranging from SMEs to large commercial businesses. The product protects against disputes relating to patents, trade marks, trade secrets, designs, domain names and copyright.

Ellie Webb, head of delegated cyber and IP at TMK, said: "As demand for specialist cyber and intellectual property insurance expertise continues to grow, TMK and ATA are on the front lines of providing the fit-for-purpose cyber and IP coverage required by the world's most innovative businesses shaping our future."

ATA, incorporated in England and Wales in 2023, underwrites on behalf of Convex Group entities and is an appointed representative of International Risk Solutions, which is regulated by the FCA.

Source: September 11, 2025 - By Harry McNeil Insurance Times

VERIZON: CAN PREDICTIVE TECHNOLOGY PROTECT US FROM FLOODING?

Verizon & start-up Hyfi have launched a real-time floodwater monitoring system using 5G networks to help Chicago emergency services prepare for flooding

Verizon's high-tech flood sensors should help the city of Chicago prepare for catastrophic weather events | Credit: Verizon

When a natural disaster strikes, every single minute counts for response teams.

In 2025, technology can afford the authorities more time than ever before as they prepare to defend against extreme weather.

Verizon is one tech leader that is helping to provide these sorts of technologies.

This month, the American telco giant has deployed around 50 floodwater sensors across Chicago, focusing on the areas of the city that are most vulnerable to flooding.

The Windy City is now the second US city to receive the telco giant's flood monitoring technology.
The sensors were developed by Michigan-based start-up Hyfi and they operate on Verizon's 5G network.

These pieces of hardware can provide city managers and emergency teams with real-time water level data, allowing them to prepare their responses accordingly.

"Flooding has been in the headlines more than ever, and the impact can be devastating," says Donna Epps, Chief Responsible Business Officer at Verizon.

The deployment follows a successful pilot programme in New Orleans last year, where the sensors provided crucial data during Hurricane Francine.

While Chicago isn't as vulnerable to hurricanes as a city like New Orleans, its old-fashioned sewage and drainage systems and its dearth of areas to soak up rainwater have made it particularly prone to flooding in recent years.

Chicago faces recurring flooding issues due to its combined sewer systems, which can overflow during heavy rainfall events.

These overflows lead to basement back-ups and street flooding, creating significant infrastructure and public safety challenges.

Hyfi's platform combines wireless, solar-powered sensors with a web-based application that creates real-time flood condition maps.

"Chicago is leading the way in using data to tackle urban flooding head-on," explains Brandon Wong, CEO of Hyfi. The system eliminates the need for manual sensor calibration during severe weather events, when field access becomes dangerous for emergency responders.

The project includes a community outreach component facilitated by the Center for Neighborhood Technology. Local organisations including The Greater Chatham Initiative, Grassroots Empowerment Mission and North River Commission are hosting community meetings to educate residents about the new monitoring system.

"Our research has found the problem is worse in places where people with fewer resources live," says Nina Idemudia, CEO of Center for Neighborhood Technology.

The sensor data will eventually be made available to local residents through the mobile application, allowing neighbourhoods to monitor flooding conditions independently.

This Chicago deployment represents the first phase of a coordinated multi-city flood warning system.

Verizon plans to roll out sensors in additional cities over the next year, though specific locations have not been announced.

The sensors can provide flood warnings up to an hour before water levels become critical, according to Brandon.

Hyfi has joined Verizon's Frontline Innovation Program, launched in 2024 to develop emergency response technologies.

The deployment addresses growing concerns about urban flooding as severe weather events increase in frequency and intensity.

Increased urban development has created more impervious surfaces, reducing the ground's natural water absorption capacity.

"We're focused on helping crews and communities get ahead of floods — up to an hour before a flood hits," Brandon says.

The low-cost sensor technology represents a shift towards proactive flood management rather than reactive emergency response.

The Chicago initiative demonstrates how telecommunications infrastructure can support municipal disaster preparedness efforts beyond traditional communication services.

Data from the sensors will help identify flooding hotspots and inform future infrastructure investment decisions across the city's vulnerable areas.

If the rollout is a success, this hardware could have a marked effect on the US's climate change response going forward.

"We're pleased to launch these flood sensors in Chicago," says Donna, "and we'll continue to invest and innovate to bring game-changing technologies to communities that need it most."

Source: August 18, 2025 By James Darley - Technology Magazine

// REINSURANCE NEWS

HURRICANE SEASON HAS LITTLE IMPACT ON EUROPEAN REINSURANCE SHARES: AUTONOMOUS REPORTS

Joseph Theuns, CFA at Autonomous, examines one of the most common assumptions in insurance investing: that the Atlantic hurricane season consistently weighs on reinsurer and London Market insurer share prices.

In a detailed examination of two decades of data, Theuns shows that hurricanes, even the most destructive, have rarely produced the sustained market weakness that investors often expect.

Instead, he finds that pricing cycles, diversification strategies, and broader sector dynamics hold far greater sway over long-term performance.

Theuns' analysis of 33 hurricane landfalls since 2005 highlights how limited the market impact has been.

On average, both reinsurers and London Market insurers outperformed broader benchmarks in the month following landfall.

Even catastrophic events such as Hurricanes Katrina, Rita and Wilma in 2005 or Hurricane Ian in 2022 generated sharp but short-lived sell-offs rather than persistent losses. For Autonomous, the data makes clear that the real driver of share prices is not the storm count, but the structural position of each company and the stage of the underwriting cycle.

Autonomous research also demonstrates that location matters more than storm strength, and even then, market effects quickly fade.

Company-level reactions vary but remain bounded within a narrow range, with no evidence of systemic drawdowns directly tied to hurricanes.

This conclusion is reinforced by broader catastrophe events: the Tohoku Earthquake in 2011 and Hurricane Sandy in 2012 triggered volatility but did not derail the sector's long-term returns.

Autonomous places far greater weight on the pricing cycle as the determinant of outcomes. Reinsurers consistently deliver their strongest results in hard markets, particularly the German players, while London Market insurers often defy expectations by thriving in soft cycles. Beazley, Hiscox, and Lancashire feature prominently in Theuns' work as examples of firms that have outperformed in years where pricing conditions were widely thought to be a headwind.

Seasonal trading patterns are also re-examined by the Autonomous team. The traditional "winter trade" following hurricane season, often cited by market participants, is shown to rest on a handful of exceptional years.

By contrast, a far more consistent pattern emerges in the second quarter, when outperformance has occurred in 14 of the past 15 years. They highlight this "spring trade" as a more reliable seasonal phenomenon than the much-discussed hurricane-related rebound.

Across all strands of his research, Theuns emphasises that investors overstate the link between hurricanes and equity performance. Headlines may amplify the drama of landfall events, but Autonomous data shows that the sector's resilience lies in capital strength, underwriting discipline, and cycle positioning rather than in luck with the weather.

Over the past fifteen years, reinsurers and London Market insurers have ranked among the most successful subsectors within European financials—despite multiple active storm seasons and record-breaking insured losses.

By anchoring analysis in evidence rather than assumption, Autonomous provides investors with a sharper framework: hurricane season may bring noise, but it is not the determinant of performance.

Pricing power, diversification, and disciplined underwriting—these are the forces that have repeatedly delivered returns, a point underlined by Autonomous' long-term tracking of the sector. For investors, the real risk is not the weather system on the horizon, but the habit of misjudging what truly moves the market.

Source: September 12, 2025 - By Taylor Mixides - Reinsurance News

REINSURANCE NEWS

MARINE AND ENERGY RE/INSURANCE BRACES FOR YEAR OF UNCERTAINTY – SWISS RE

The marine and energy re/insurance sector is facing a period marked by heightened unpredictability, according to Adam Watkins, head of marine and energy at Swiss Re.

Watkins described the outlook for the next 12 months as one where "the only certainty is uncertainty," highlighting the ongoing challenges for both governments and businesses as they navigate a rapidly shifting risk landscape.

Unresolved conflicts in Ukraine and Gaza, along with regional hotspots in Asia, the Middle East, and Africa, continue to generate geopolitical risks. The World Economic Forum's Global Risks Report 2025 found that 23% of respondents identified state-based armed conflict as the most likely risk to trigger a material global crisis in 2025, ranking it as the top concern.

Watkins noted that changes in US trade policy, international nuclear negotiations, and disputes over access to rare commodities are contributing to an environment where difficult questions about investment in oil and gas, and pricing strategies, are increasingly common.

The global marine insurance market is also experiencing a shift in pricing dynamics, particularly in the hull and machinery segment. In London, intensified competition among insurers for top-tier fleets has led to a softening phase, giving buyers more leverage.

However, some industry analysts caution that this trend could impact pricing stability if multiple carriers pursue growth simultaneously. While technical rating remains insufficient in certain areas, underwriters are striving to retain profitability while selectively expanding their portfolios.

Technology is emerging as both a tool and a risk factor. Watkins pointed out that advancements such as artificial intelligence and quantum computing are changing the competitive landscape, while also introducing new vulnerabilities.

"The impacts of emerging technologies on trade, both positive and negative, are increasingly apparent," he said. Innovations like shipping route optimization and IoT-based tracking are improving efficiency, but the sector is also contending with risks such as cyberattacks and systemic exposure.

Profitability in the hull and machinery line is further challenged by repair cost inflation. Rising prices for steel, labor, and shipyard capacity have led to increased claim severity, especially for machinery breakdowns. Without adequate premiums, there is a risk that the hull and machinery segment could become unprofitable, underscoring the importance of discipline underwriting and careful cost management.

Recent conflicts have also underscored the evolution of warfare, with the increased use of drones and remote-controlled operations broadening the range of potential actors. Attacks on shipping in the Red Sea, despite allied countermeasures, remain a concern.

Watkins observed that increased armaments production, sometimes through international cooperation, could prolong or intensify conflicts, raising questions about how risk should be assessed.

Trade policy developments are another source of uncertainty. The imposition of US tariffs on trading partners and the potential for reciprocal measures are expected to affect the marine re/insurance business.

Watkins noted that the weakening of the WTO framework and rising tariffs will increase product costs, which may be passed along the value chain. Early signs suggest an uptick in US consumer inflation, and forecasts from the Federal Reserve and Swiss Re's economists project substantial reductions in GDP for both the US and China. This raises questions about whether marine cargo premiums will rise with higher valuations or fall due to reduced demand.

Watkins emphasized the need for robust governance and proactive risk management as technology becomes more integral to business operations. He said organizations that view technology as both an enabler and a risk factor are better positioned to balance efficiency gains with the need for operational safety and integrity.

The sector is also seeing larger individual risk exposures, as evidenced by the size of modern vessels and offshore energy complexes. Insurance capacity has grown in response, but Watkins cautioned that as exposures and risks evolve, the industry must focus on capacity management, emerging risk identification, and product innovation.

He warned that relying on historical performance may not be sufficient, given new weather patterns and the growth of liability inflation in US courts.

Watkins noted that the industry must accept and prepare for greater uncertainty, whether from geopolitical shifts, technological change, or sustainability pressures.

Source: September 2, 2025 - By Kenneth Araullo - Insurance Business