



Press release

Date November 10, 2015

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From Katrina to convergence: 10 game changers as PwC & S&P Bermuda Reinsurance Conference celebrates 10 years

Hamilton, Bermuda – From Hurricane Katrina, to the financial crisis, convergence and consolidation, the reinsurance industry has been put to the test in a decade of game-changing events. A look at 10 of the most significant events is listed below.

Celebrating its tenth year, the **Bermuda Reinsurance 2015** Conference, sponsored by PwC Bermuda and Standard & Poor’s Ratings Services, will examine how transformative events are re-shaping the industry. The conference is taking place November 10 at the Hamilton Princess.

“Our theme ‘Reinsurance Reshaped’ reflects the game-changing nature of the events taking place in the industry,” says **Matthew Britten, PwC Bermuda managing director, Insurance**. “While the impact of alternative capital continues, a new chapter has been added by a wave of consolidation. With valuations high, this includes mergers of existing reinsurers, as well as the arrival of new business models, and buyers from outside the industry.”

More than 200 insurance industry leaders and professionals will be joined by senior credit analysts from Standard & Poor’s and leaders from PwC’s insurance practice for a number of interactive panel discussions.

Tuesday’s full agenda can be accessed by clicking here: [Bermuda Reinsurance](#)

***2005 to 2015
A decade of transformation in reinsurance – Top 10 events***

- ***2005 – Katrina, Rita and Wilma reshape reinsurers’ risk management approach***
Katrina is the costliest disaster in the history of the global insurance industry in the most active Atlantic hurricane season on record, producing 28 tropical storms and 15 hurricanes. Some \$70 billion in insured losses reshapes the industry’s approach to risk management and leads to the emergence of a new class of start-ups.



- **2006 – Perfect calm after the perfect storm**
Substantially improved pricing and strong earnings amid one of the lowest levels of insured losses in 20 years in an unusually mild hurricane season.
- **2007 – Global financial crisis**
The global financial crisis unfolds and the US enters recession, meanwhile, the reinsurance sector posts record earnings in 2007. The industry intensifies its focus on risk management amidst a revolution in European insurance company supervision with the Solvency II .
- **2008 – Storm losses, trading losses**
Reinsurers deal with hurricane losses and investment-related losses caused by financial markets turmoil including the Lehman Brothers bankruptcy. With Gustav and Ike, the 2008 hurricane season saw a major storm every month between July and November.
- **2009 – Out of recession, on to record profits**
The US Great Recession ends, as record profits for many in 2009 follow a period of benign loss activity and recovering investment markets. The Solvency II directive is adopted
- **2010 – A catastrophic year and major new legislation**
 - Catastrophe losses during the first half of 2010 reach a 10-year high with the year seeing the Haiti and Chilean earthquakes, Deepwater Horizon oil rig explosion and European floods and windstorm Xynthia. The Dodd-Frank Act is signed into law.
- **2011 – Tohoku starts a year of extreme weather events**
A new record is set for natural catastrophe losses after Japan’s Tohoku 9.0 magnitude earthquake and tsunami plus the New Zealand quake, Australian floods and US tornadoes.
- **2012 – Capital rockets, tragedies strike**
Superstorm Sandy, and the Costa Concordia disasters strike in a year that saw reinsurance capital levels at record highs.
- **2013 – Basel III and the search for profitable growth**
As Basel III implementation begins and with limited growth in traditional markets and a range of disruptive new threats on the horizon, reinsurers find they have to differentiate themselves to maintain their relevance and competitive advantage.
- **2014 – An ILS record and changing market dynamics**
Artemis.bm records \$8.8 billion of new catastrophe bond and insurance-linked securities issuance in 2014 - the highest level recorded in a single year since the cat bond and ILS market emerged in the mid-1990s.
- **2015 – Year of the megadeals**
The value of re/insurance targeted M&A surpasses \$80 billion in a record high for the first seven months of the year. TRIA is revived and renewed.

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