



Wish you were here: RSA and CNA Hardy the latest to head to Luxembourg

London 09.06.2017

RSA has picked Luxembourg as the location of its new EU headquarters.

RSA said: "Luxembourg is an ideal location with multi-national expertise, strategically located within RSA's existing EU branch network and has an experienced regulator.

"While Brexit is not a major issue for RSA, the move allows the sensible reconfiguration of

the branch network in light of the UK's exit [from the EU]."

RSA added today: "RSA's EU branches are a core element of the Global Risk Solutions segment of RSA's UK and international business. The new Luxembourg entity will fit into the existing UK and international governance structure and reporting lines."

CNA Hardy also announced



revideo: IAG strengthens reinsurance cover

Insurance Australia Group (ASX:IAG) has strengthened its reinsurance cover with the purchase of an additional \$1 billion of gross protection, which will kick in on 1 June 2017 and will expire on 31 December 2018.

video: finnewsnetwork.com

its intention to establish a new European subsidiary in Luxembourg.

David Brosnan, CEO of CNA Hardy said: "We are in the business of providing certainty for our customers, and in an increasingly uncertain political environment, we must ensure we act now to provide continuity to our employees, customers and brokers. Luxembourg is the optimum

jurisdiction for our European Union base due to its geographic location between three of our Continental European offices, its stable economic and political environment and the professional approach of the Luxembourg regulator. We will be recruiting a local management team to be based in Luxembourg, comprising risk, finance and compliance functions." >

Key appointments made at Ed

London 09.06.2017

Ed have appointed Mike Hernandez to the role of Chairman and Agustin de Freitas as CEO of Ed Broking LatAm.

Steve Hearn, CEO, said: "The opportunity in LatAm is clear. This is a dynamic region with a growing demand for products which genuinely reflect local requirements. Our strategy will facilitate rather than hinder the development of local expertise. We will not

compete with domestic brokers, but will partner with those intermediaries who share our aspirations for this region and provide access to global capital and international expertise. Mike and Agustin are the ideal people to spearhead this effort and I am certain that our LatAm business will continue to flourish under their leadership."

Ed also announced the appointment of Ian Wicks as chairman



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STEVE HEARN,
ED

of non-marine reinsurance. Mr Wicks will report to Kieran Angelini-Hurl, CEO of Ed's reinsurance division. Kieran Angelini-Hurl, said: "I am delighted to welcome Ian to our growing team. He is a true market grandee whose experience is second to none. We are building a

reinsurance offering defined by expertise and client service which act as a clear differentiator from our peers. Ian's exceptional insight and counsel will further enhance our proposition and I am certain that his influence will have an immediate positive effect." >

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Arch Capital to take \$38m Q2 profit

New York 09.06.2017 Arch Capital has revealed that its second-quarter profit will take a \$38 million hit from reinsurance losses.

The news prompted Arch shares to fall more than 2% in early trading on the Nasdaq Stock Exchange and follows filings that show chairman Dinos Iordanou sold nearly half of his personal stake in the company during the past three weeks.

In a SEC filing, Arch said \$38 million in losses emanated from its property

facultative reinsurance book of business.

“Such activity related to losses incurred on a small number of contracts across multiple underwriting years and represents an unusually high level of activity for the property facultative reinsurance unit,” the filing stated.

“Since its inception in 2007, the property facultative reinsurance unit has consistently produced significant underwriting profits for the company.” >



revideo: Trump proposal cuts \$28B from crop insurance

CNBC's Ylan Mui reports on crop insurance being cut from President Trump's proposal and how it could impact the industry.

video: cnbc.com

Trump win had a 'chilling effect' on M&A

New York 07.06.2017

John Purcell, an investment banker at JPMorgan Chase & Co. for the insurance industry, said it's become harder to put mergers and acquisitions together because companies that were thinking about deals have been confronting increased uncertainty since Donald Trump was elected president.

Mr Trump's win "had a chilling effect on deal activity," Mr Purcell said Wednesday at a conference held by S&P Global Ratings in New York. "Personally, I've had three M&A deals die since Trump was elected."

Mr Purcell didn't identify the companies that backed away from combinations. He said one potential transaction



would have been an inversion, or a type of deal in which a U.S. company takes on the headquarters of a non-U.S. firm where taxes are lower. Trump won support in the campaign with his promises to stand up for the country's taxpayers.

The other two involved non-U.S. buyers, Mr Purcell said, adding that there were "handshake" agreements on valuations before Mr Trump's November win. After the election, there was too much uncertainty, he said. >



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US hit by near \$3billion weather losses

London 09.06.2017

In its latest Recap Aon Benfield's Impact Forecasting has put US weather losses close to \$3billion for the month of May.

Several major outbreaks of severe weather once again swept across central and eastern sections of the United States during the month of May. The widespread intense nature of the storms caused extensive damage resulting from large hail, straight-line winds, tornadoes and isolated flash flooding. The most prolific event occurred in the greater Denver, Colorado metro

region, where up to softball-sized hail led to insurance payouts of more than \$1.4 billion in the state alone.

Elsewhere, significant damage from severe storms – including multiple extended linear thunderstorm complexes with damaging winds and large hail – was cited in parts of the Plains, Midwest, Southeast, and the Mid-Atlantic. Total aggregated economic losses from US severe weather in the month was poised to exceed \$4billion. Public and private insurers faced a combined payout cost approaching \$3billion. >



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Bottom of the reinsurance market still out of reach

Early indications suggest that the June 1st renewals of property catastrophe reinsurance have seen more of the same, a continuation of the downward trend in pricing.

In fact, the rate of decline seems to have increased, perhaps to as much as double that seen last year, as underwriters of core peak zone risks, such as in Florida, resumed the very competitive activity levels seen two or more years ago.

In 2016 it was thought that Florida pricing only declined by up to 5% max, and that was on the most competed for programs and layers.

At June 1st 2017 the market seems to feel that rates have declined by between 3% and 8% widely in Florida, with other regions of the U.S. seeing declines of anywhere in single digits.

The continued pressure on pricing may prove a little surprising to some, given the calls for the emergence of a market pricing floor began now a year ago.

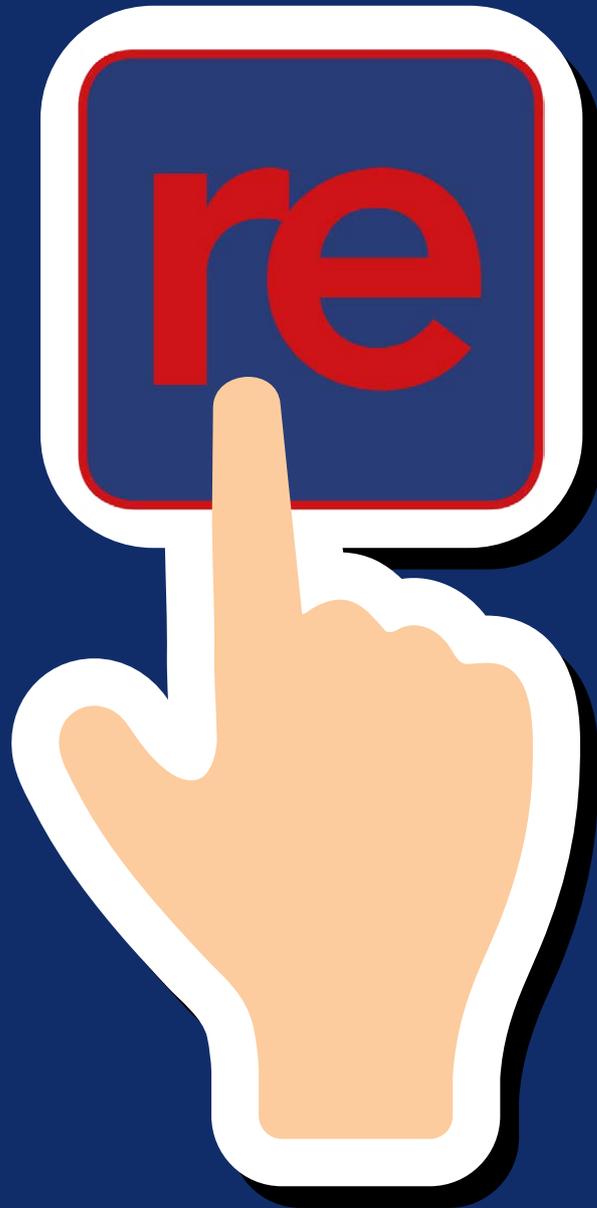
These calls were clearly too early and with ILS and cat bond investors continuing to support lower pricing, while large traditional reinsurers continue to discount for diversifications sake, this general slow decline in rates could well continue through the rest of this year. >

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FOR FURTHER INFO CONTACT
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Coming soon for
2017