EDWARD CONARD

TOP TEN
The New York Times
BESTSELLER

Macro Roundup Article

Headline: The Insurance Market Is Healing

Article Link: https://www.wsj.com/finance/the-insurance-market-is-healing-9a40cdcf

Author(s)	Telis Demos
Publication	Wall Street Journal
Publication Date	January 10, 2024

Tweet: Global reinsurers saw a return on equity of 21% in the first 9 months of 2023. The return is attracting capital leading some investors to project slowing pressure on insurance premiums.

Summary: As higher returns draw in more capital to reinsurance, it will likely take some pressure off the pricing of coverage. Already, a surge in returns for catastrophe bonds—or securities that pay premium interest rates, but can lose their principal in the event of a stated event or loss—helped spur issuance last year, which hit a record $15 billion. Overall, pricing for global property catastrophe reinsurance, as measured by Guy Carpenter’s Global Rate on Line Index, was up about 5% for the Jan. 1 renewals. That was down from a jump closer to 30% this time last year. Some of the capital coming back into the market is in the form of reinsurance for reinsurers. This is known as retrocession, or “retro.” The risk-adjusted prices for retro declined by as much as 15% for the January 1 renewals.

Related Articles: Buying Home and Auto Insurance Is Becoming Impossible and Parts of America are Becoming Uninsurable and Analyzing State Resilience to Weather and Climate Disasters

Primary Topic: Housing

Topics: GDP, Housing, News article, Politics

Permalink: https://www.edwardconard.com/macro-roundup/global-reinsurers-saw-a-return-on-equity-of-21-in-the-first-9-months-of-2023-the-return-is-attracting-capital-leading-some-investors-to-project-slowing-pressure-on-insurance-premiums?view=detail

Featured Image Link: https://www.edwardconard.com/wp-content/uploads/2024/01/Reinsurance-Image.png