

Transforming uncertainty into opportunities

RVS Monte Carlo 2025 | Media Conference

7 September 2025

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Munich RE 

Market forces and client imperatives

A world in flux demands
strong and reliable partners

01

Transforming uncertainty into opportunities

Certainty for today,
foresight for tomorrow

02

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(Re)insurance industry is challenged by many forces calling for thorough risk management

Economic uncertainty

Elevated political uncertainty is driving macroeconomic volatility; inflation trends in particular require close monitoring.



Geopolitical instability

Global conflicts and new trade order increase costs for international players.



Demographic changes

Ageing populations and shifting workforce dynamics are driving changes in product demand, risk profiles and pricing strategies.



Technological transformation

AI, automation and data analytics are reshaping underwriting, claims and customer engagement – and at the same time creating new exposures.



Cyber risks and digital threats

Evolving cyber risk landscape is pushing the industry to enhance models and develop new products.



Climate change/ natural catastrophes

Severe and unpredictable natural catastrophes are challenging traditional risk models and driving up insured losses.

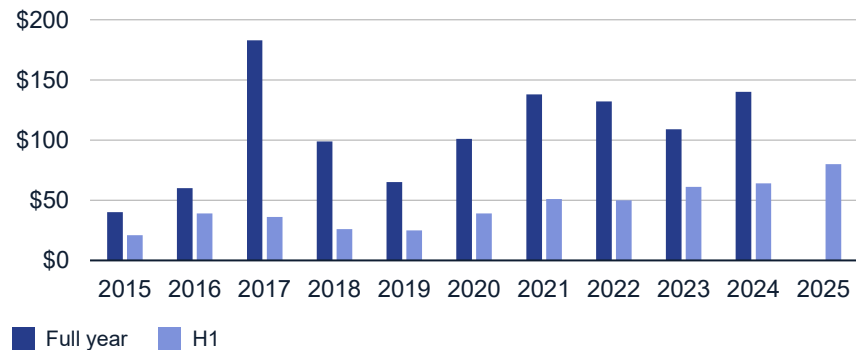


Elevated loss activity driven by nat cat events highlights the importance of a resilient (re)insurance sector

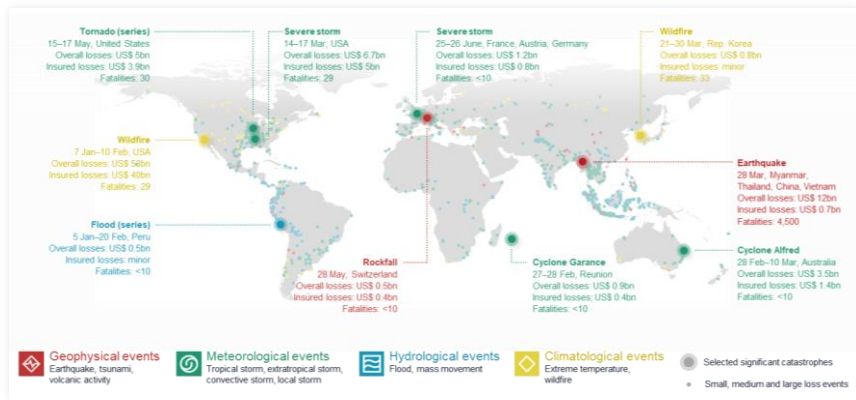
Global insured losses above US\$ 100bn as “new normal”...

Global insured losses

in US\$ bn (inflation-adjusted)



... with H1 2025 the second-costliest first half-year on record



**Global economic losses
US\$ 131bn**

Natural disaster
losses in H1 2025

>40% uninsured

**Highest overall loss
US\$ 53bn**

Wildfire (Palisades
fire, Eaton fire)

US\$ 40bn insured

**Severe convective storms
US\$ 34bn**

Losses in H1 2025
in USA alone

US\$ 26bn insured

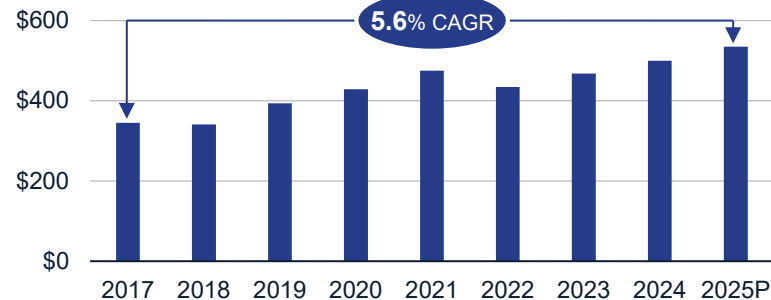
**The 2nd-hottest half-year
ever
~1.4°C**

Higher than
pre-industrial level

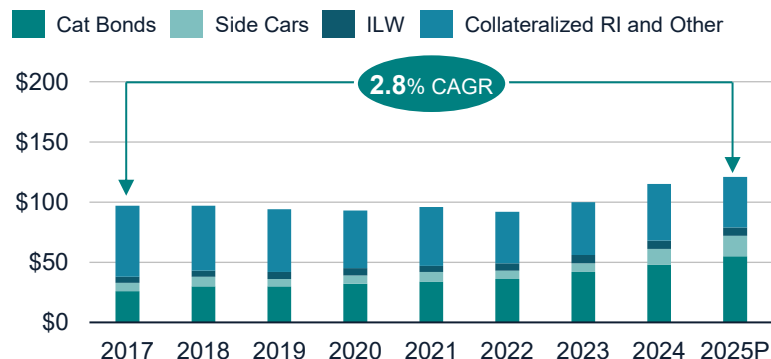
Reinsurance sector still robust and with reliable capital base



Dedicated reinsurance capital¹ (US\$ bn)



Alternative capital² (US\$ bn)



CAGRs

Reinsurance capital¹

5.6%

Alternative capital²

2.8%

Global insured nat cat losses³

~12%

Global nominal ceded premiums³

~7%

Trends

Robust and growing capital levels in reinsurance sector

- Providing clients with a reliable capital source matching inflation and exposure growth
- Capital growth mainly through existing players; no new material capital inflow observed
- Cat bond market with high growth rates
- Shift of investor appetite within alternative capital from collateralized re formats to cat bonds
- Overall sector demonstrates prevailing underwriting discipline

Market forces and client imperatives

A world in flux demands
strong and reliable partners

01

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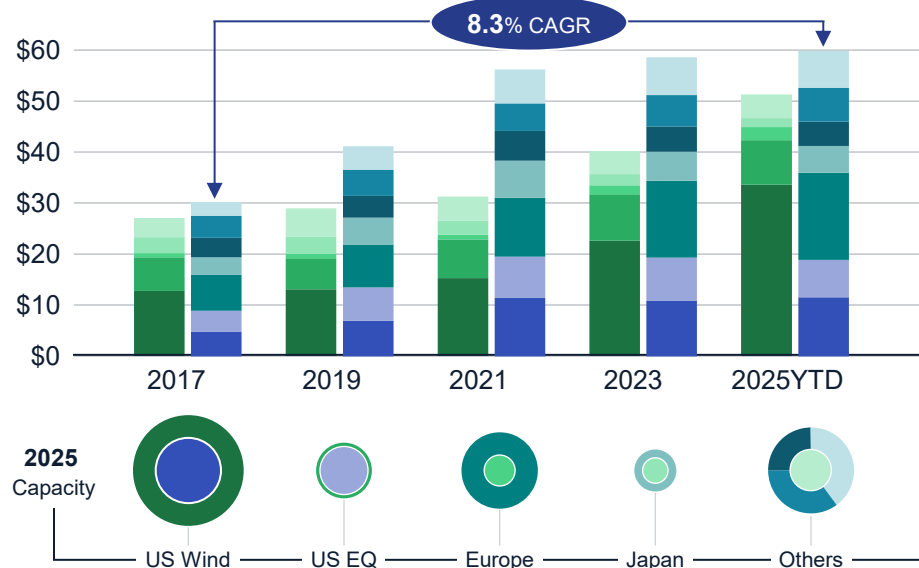
02

Munich Re Group nat cat net exposure¹ (US\$ bn)

US Wind US EQ Europe Japan ANZ Latin Am. Asia

Cat bond nat cat market volume² (US\$ bn)

US Wind US EQ Europe Japan Others



¹ Munich Re, net of retrocession – Sum of AggVaR: Return period 200 years, pre-tax.

² Source: Munich Re ILS Database

Traditional reinsurance capital remains the backbone for nat cat risk transfer solutions

- Munich Re alone has exceeded the entire cat bond market in both scale as well as growth over the last years

Cat bond market to fall short on non-peak risk transfer

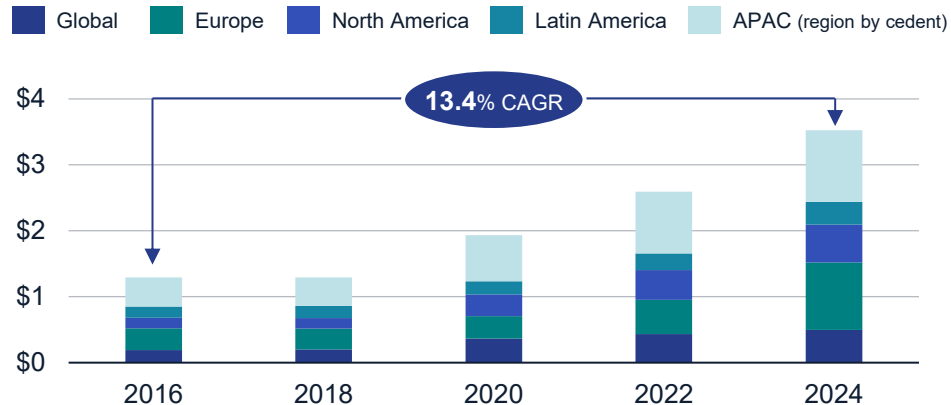
- Only 8% of cat bond capacity allocated to non-peak exposures and only 15% of cat bond capacity allocated outside US
- Thereby, the cat bond market/the alternative capital is an unlikely candidate to close the protection gap, which is most pronounced in Asia, Latin America and Africa

Cat bond market heavily focused on higher return period events

- In the absence of a >US\$ 100bn peak peril event, longevity and reliability of cat bond capacity still untested
- Munich Re clients can rely on unchanged capacities even after a mega event: Munich Re Solvency II ratio still well above the upper end (220%) of our target range after a 200y US hurricane

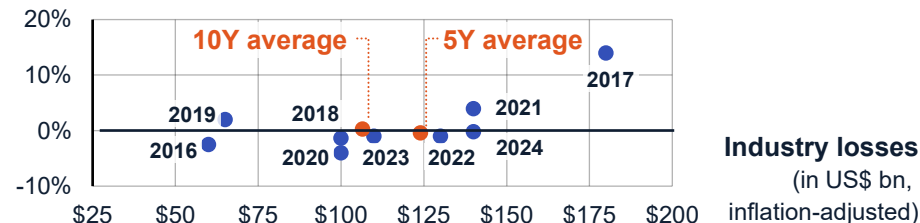
Nat cat – Delivering market leading reliable capacity

Munich Re P&C Re nat cat gross treaty XoL portfolio (GWP US\$ bn)



Munich Re Group nat cat loss ratio vs budget

(in %pts)



We are an underwriting company:

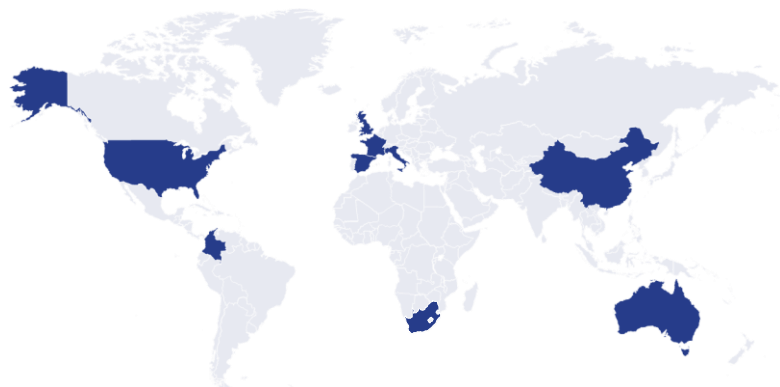
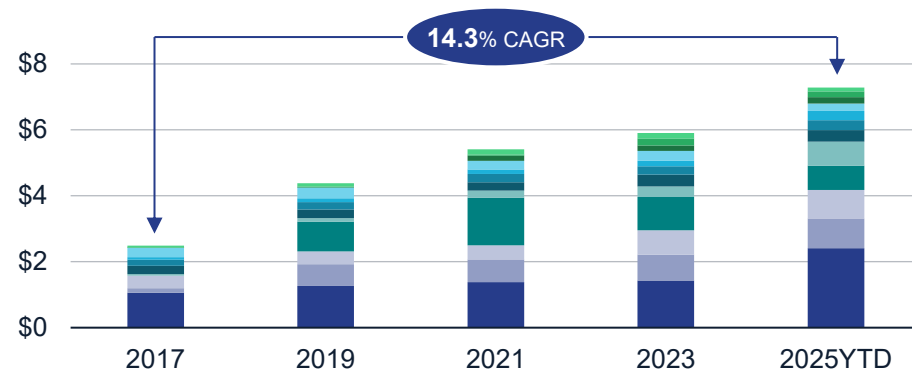
- Munich Re nat cat models continuously updated to reflect impact of climate change and other claims drivers
- Real-time accumulation management platform to steer portfolio composition and risk appetite
- Well-defined risk appetite ensuring alignment of interest with our clients
- Supporting clients across all regions, perils and return periods
- Best geographical diversification in the industry
- Gross-net risk appetite, i.e. we keep everything net and thereby Munich Re capacity and risk appetite do not depend on capacity or risk appetite of the retrocession market/third-party capital
- On average, Munich covered the strongly volatile nat cat losses quite precisely with the dedicated budget

Our promise

Remain the strong, preferred partner for absorbing our clients' volatility with predictable capacity and risk appetite

Capital Relief – Partnering with clients to enable mutual long-term profitable growth

Munich Re P&C Re – 12 largest capital-motivated transactions
(GWP US\$ bn)



Traditional reinsurance capital well-sought after to enable new business models and finance M&A

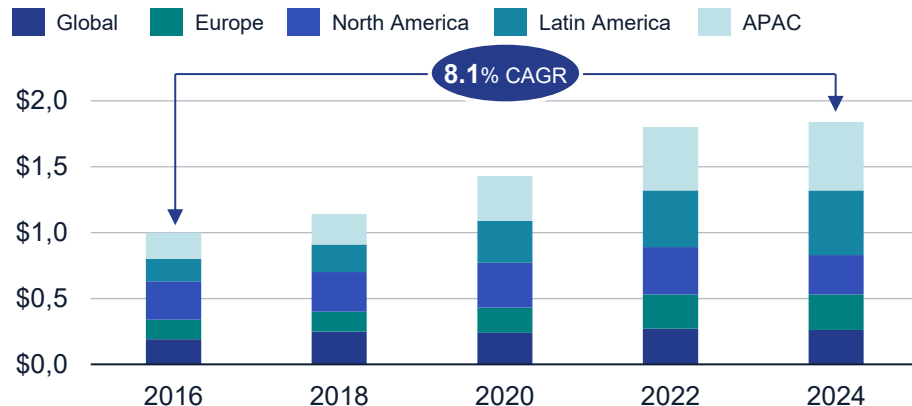
- Protecting balance sheets, optimising capital structures and easing temporary strain on capital enables clients to focus on profitable growth, sustainable expansion, and financing merger & acquisitions
- Enabling accelerated growth of capital light operations or InsurTech models facilitating product innovation and expanding customer options both in new and well-established markets

High relevance independent of region or segment

- Structured reinsurance solutions are an integral part of MR's local client management and underwriting teams, supported by a centralised centre of competence with structuring, actuarial, accounting and regulatory expertise to ensure the offering of tailored transactions that meet clients' demands
- Capital relief solutions are equally relevant to a variety of markets across the globe. Munich Re's biggest transactions support clients in Australia, China, Colombia, France, Italy, Spain, South Africa, the UK and the US

Facultative – Risk expertise, data analytics and client proximity pave the way to targeted growth

Munich Re P&C Re facultative portfolio (GWP US\$ bn)



Continuous growth supported by superior technical risk expertise, claims services and data insights

- Superior risk expertise and local market knowledge are the basis for strong client relationships and the provision of predictable and substantial capacities
- Technology and data analytics enable smarter underwriting, tailored (new) reinsurance solutions and additional ways to access Munich Re's capacity (e.g. automated underwriting platforms)
- Our portfolio includes the full range of facultative reinsurance solutions: from property to liability, from financial lines to cyber, from natural disasters to epidemics, from business interruption to new AI risks, and from performance guarantees to entrepreneurial risks

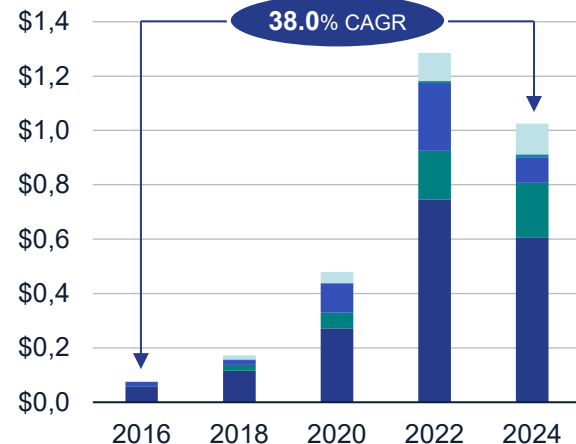
Client proximity and local markets expertise

- Delivering Munich Re's global technical expertise and value-adding services through regional teams with local market know-how, mandate to decide, and trusted personal client and broker relationships

Cyber – Disciplined and reliable approach driven by thought leadership, expertise and capacity

Munich Re P&C Re cyber portfolio (GWP US\$ bn¹)

Global Europe North America
Latin America APAC (region by cedent)



¹ Munich Re Group premium volume of US\$ 1.6bn in 2024

Sustainable capacity

- Adequate cyber security standards combined with appropriate premiums and deductibles
- Clearly defined risk appetite linked to underwriting discipline and rigorous risk management
- Transparency and clear wording

Risk understanding

- Ransomware, business interruption, privacy claims and AI-driven threats fuel evolving cyber risk landscape
- Address key challenges to clearly define scope of insurability (e.g. war)
- Advanced and fit-for-purpose accumulation modelling



Cyber expertise

- Investing heavily in models and cyber teams with deep domain expertise
- Fostering industry collaborations
- Understanding customers' risks and clients' needs and sharing experiences

Data analytics

- Enhancing quality and quantity of data on exposures, wordings, trends and losses
- Collaborating with clients to share data and insights on risks
- Building cyber resilience, i.e. through joint industry efforts



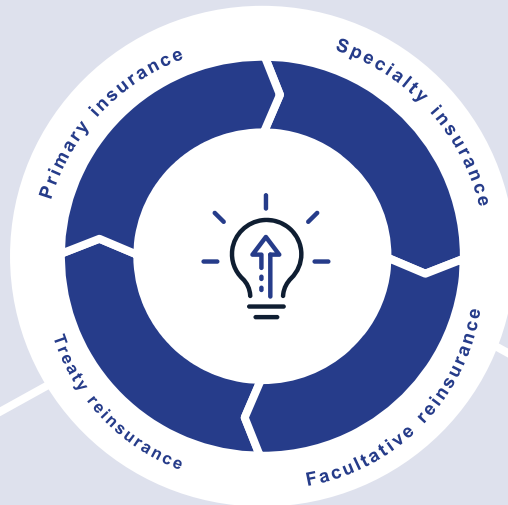
Munich Re is committed to facilitating a sustainable cyber insurance market together with our clients

Innovation – Pushing the boundaries of insurability through expertise, thought and solution leadership



AI insurance

By reducing the risks of applying new technologies, Munich Re smoothens the rapid digital transformation and safeguards its benefits, e.g. Alsure.



Renewable energy

Market-leading technical expertise supports the energy transition by providing a wide range of (re)insurance solutions from battery storage to geothermal energy.



Derivatives & parametric solutions

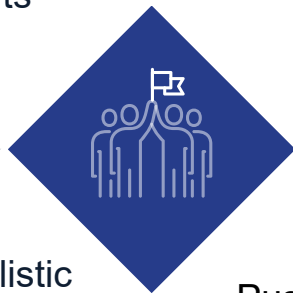
Tailored risk management solutions help companies mitigate risk by providing financial protection and streamlined claims through derivatives and parametric covers.

The outstanding consistent and trusted long-term **partner** for our clients

Strong financial position enables **predictable capacity** deployment over the cycle

Confidence through holistic and **expertise-based** risk assessment – under any market conditions

Pushing the boundaries of insurability with **thought leadership**



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Thank you.

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