



From Cinderella to the C-Suite: Life Reinsurance Finds Its Glass Slipper

A strategic tool for resilience and growth

GUY CARPENTER
A MARSH BUSINESS

The past

Relationship-led, oligopolistic,
manual processes, and...*

*proportional or XOL structures, lighter
analytics inputs, with limited external capital
and modest focus on product innovation.*

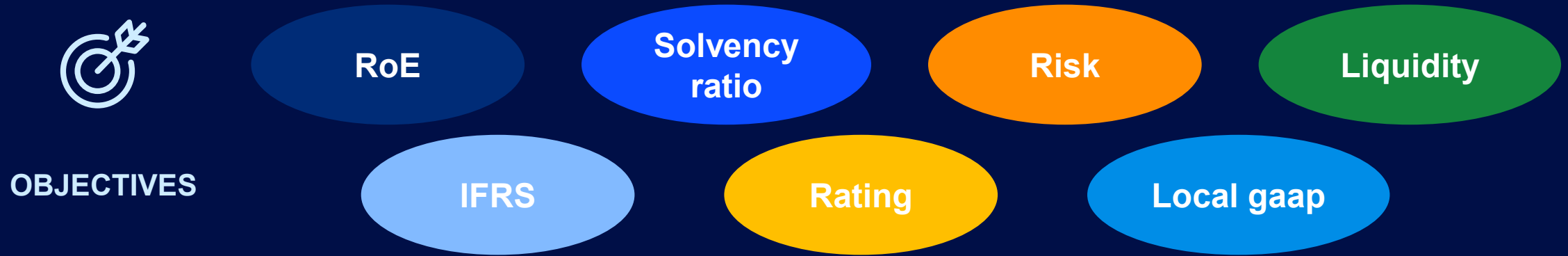
** McKinsey cit. - early 2000s the top 4 players had
c. 60% market share*



Image is AI generated

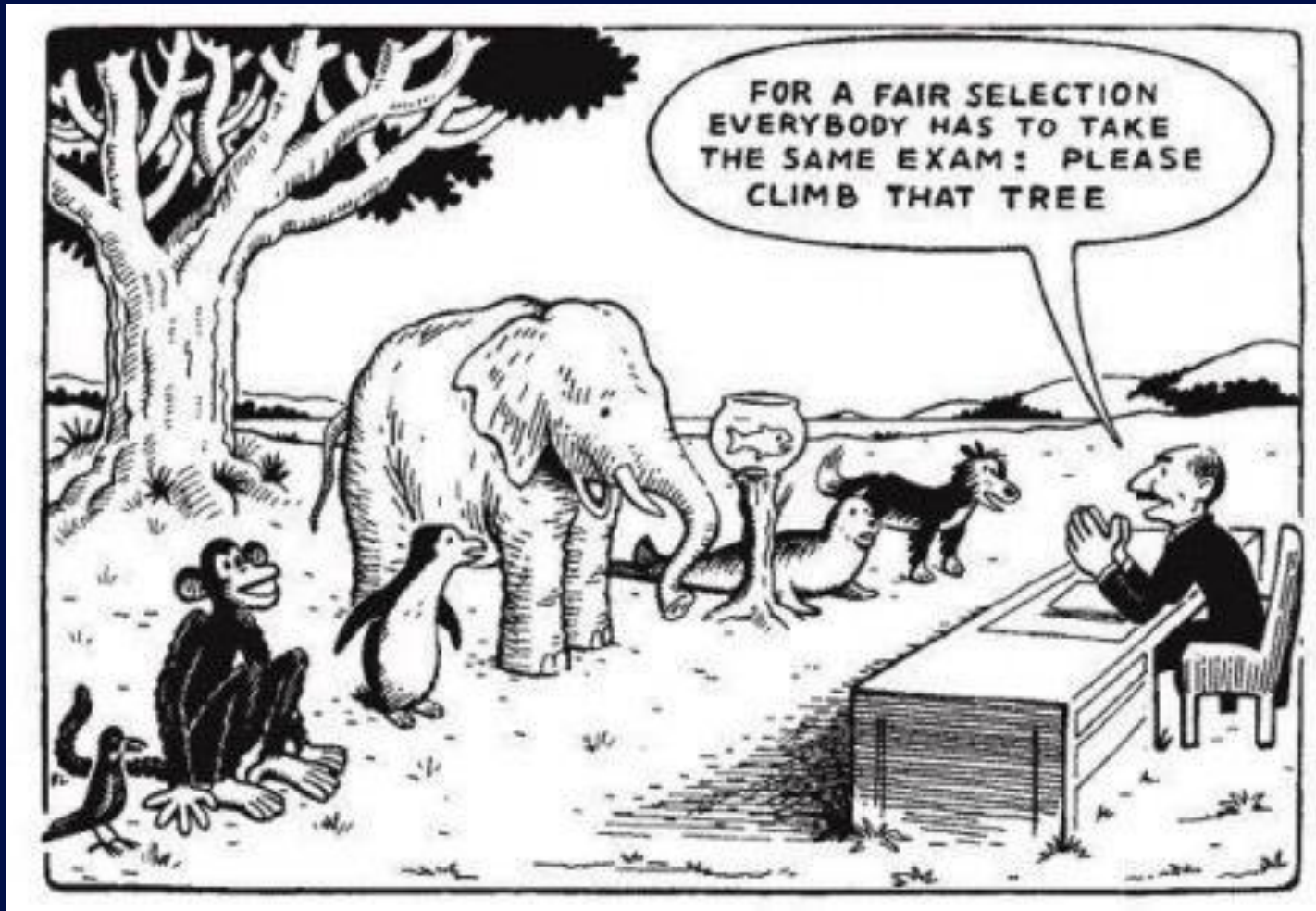
Today

The modern life reinsurer must balance more CEO and CFO priorities — with precision.



The right tool depends entirely on the objective.

One structure rarely solves multiple problems simultaneously — alignment is everything.



*One size does
NOT fit all...*

*and has
never
done so!*

Traditional Life

	Traditional Life
Subsets	Mortality, disability, medex, accident, life cat, etc
Recurrence	High
Skills required	(1) Capacity management (2) Flexible mindset (3) Analytics capabilities (4) Structuring capabilities

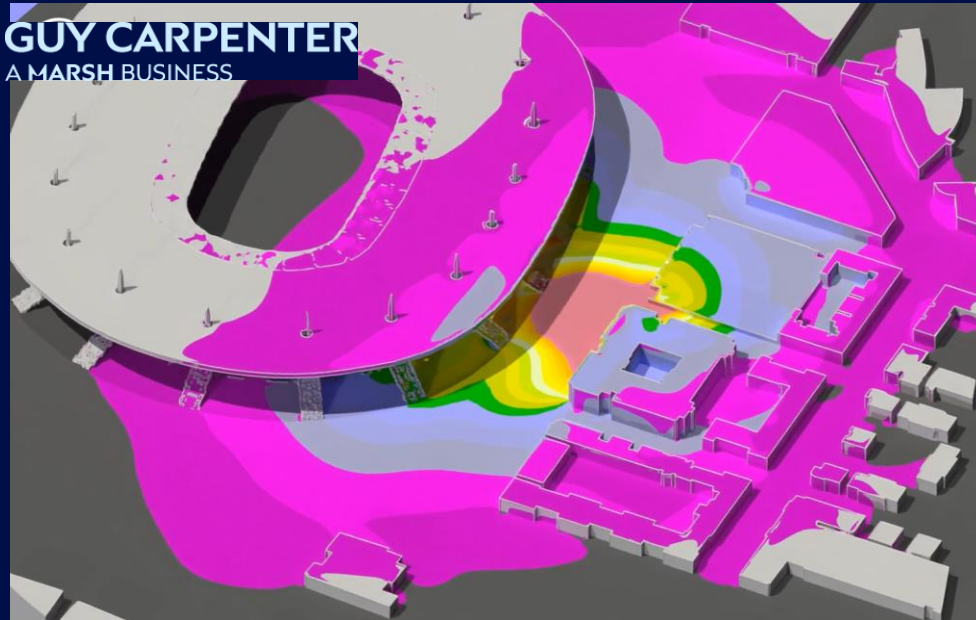
Additional reinsurance players

Far more analytics focused

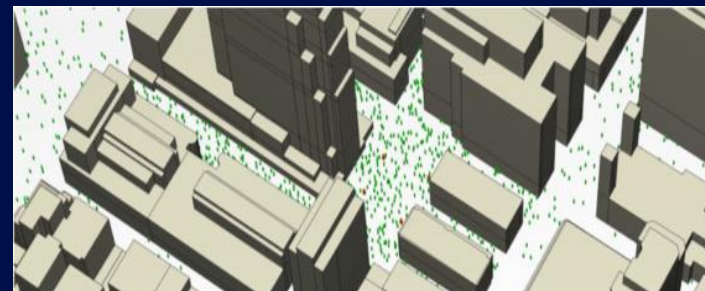
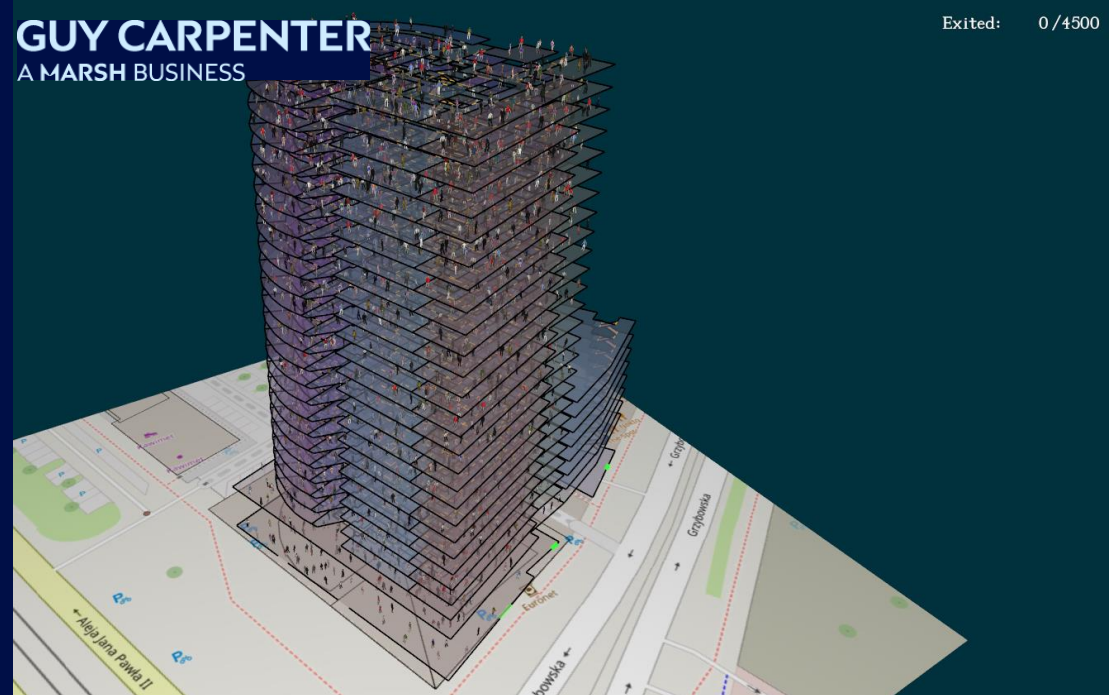
More institutional approach to counterparties management

Stronger structuring focus

Traditional Life – analytics focused



A lorry carrying a large quantity of explosives, equivalent 5,000kg of TNT, detonates on the road outside the building. Analytics included: direct blast load, glazing hazard, building debris and structural collapse.

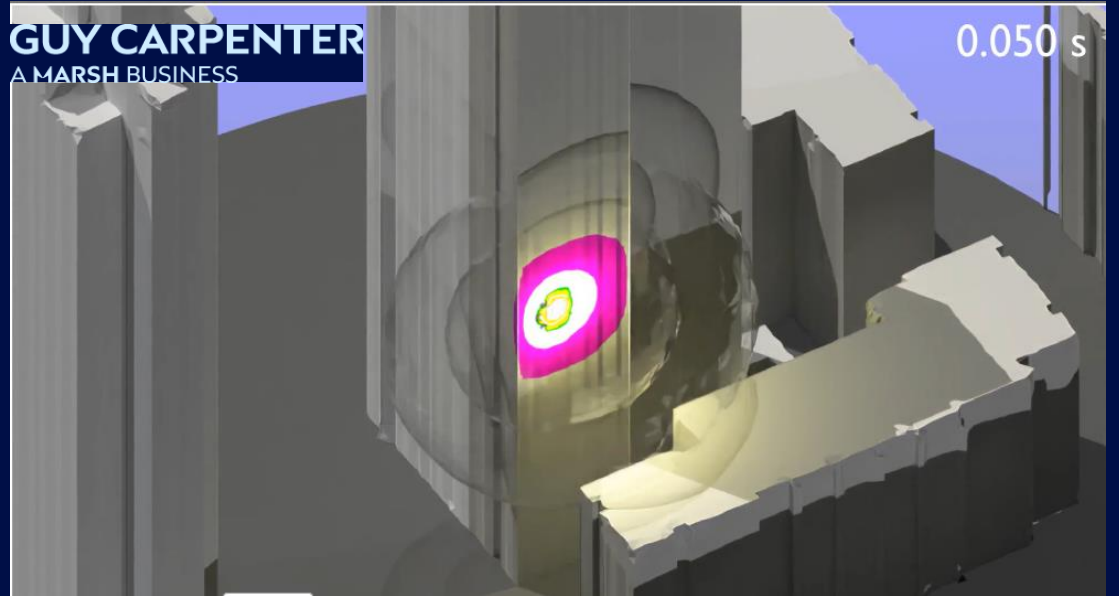


Lone Shooter with High Power Rifle – Internal and External

Traditional Life – analytics focused



The proposed scenario is the rupture of the Monteynard barrage (135 meters high and 275 million m³ of water), located close to Grenoble.



An Iranian-designed drone, similar to that used in Ukraine by Russia, detonates on impact at the 20th floor

Life solutions

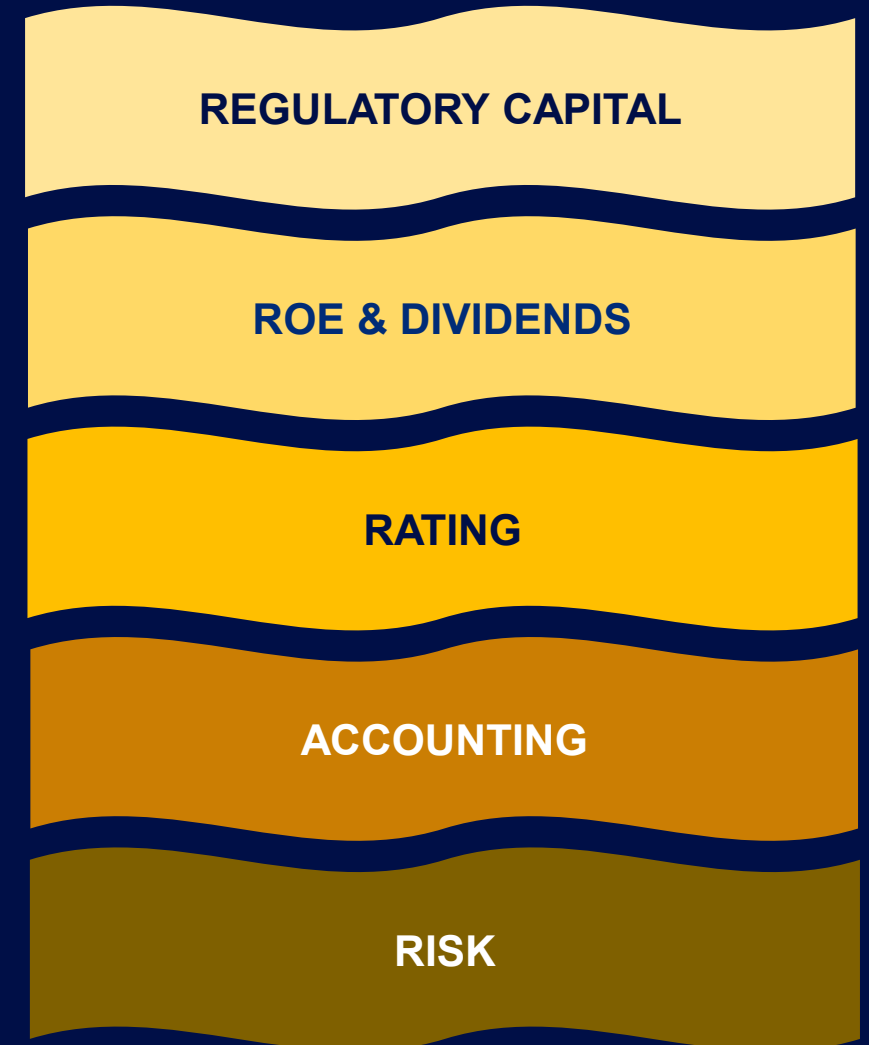
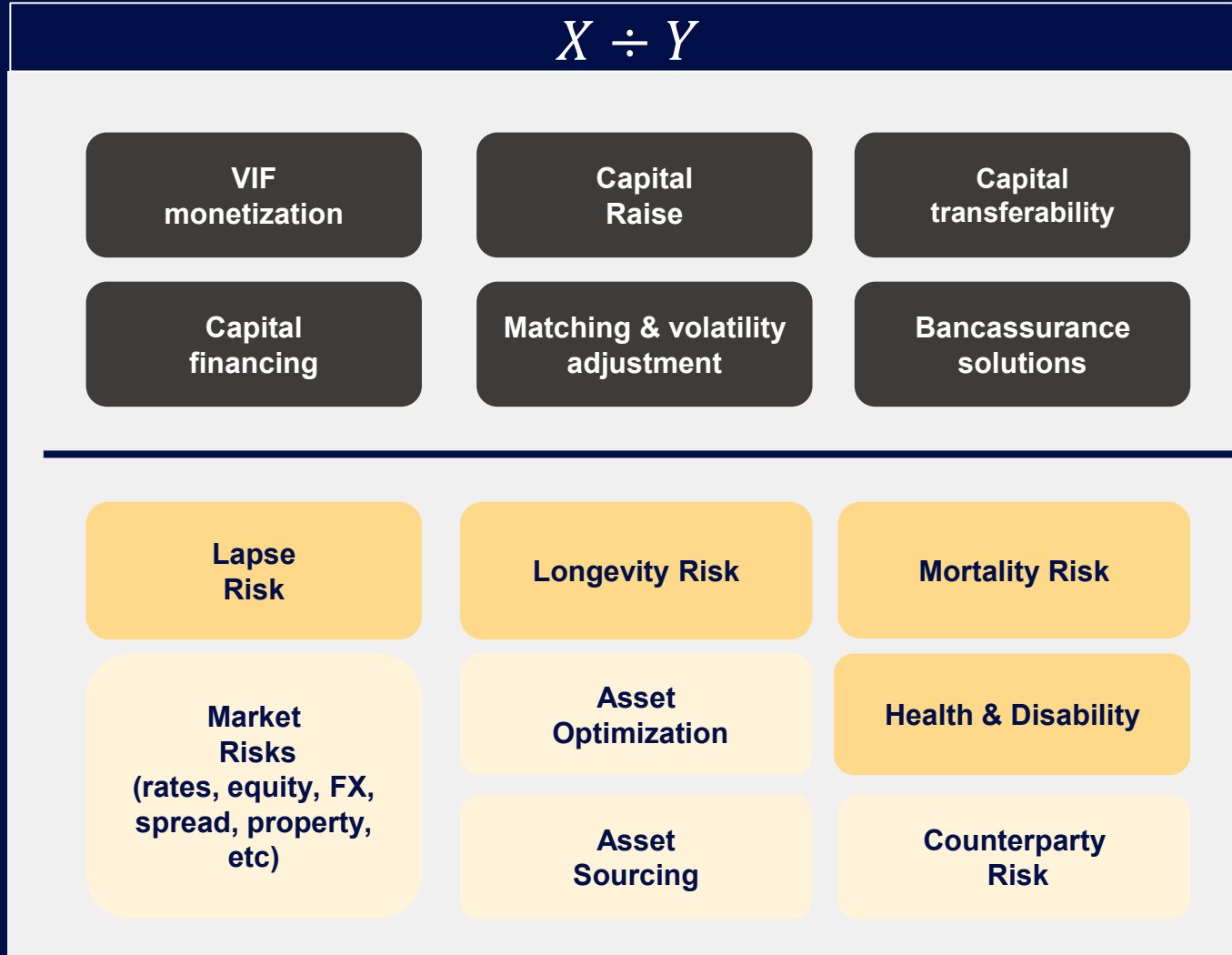
	Life solutions
Subsets	Lapse, volatility solutions, LTC, Longevity, capital triggers
Recurrence	Limited
Skills required	Previous... plus (3) Regulatory engagement (4) Accounting engagement

Capital optimization focused

Often different risk takers

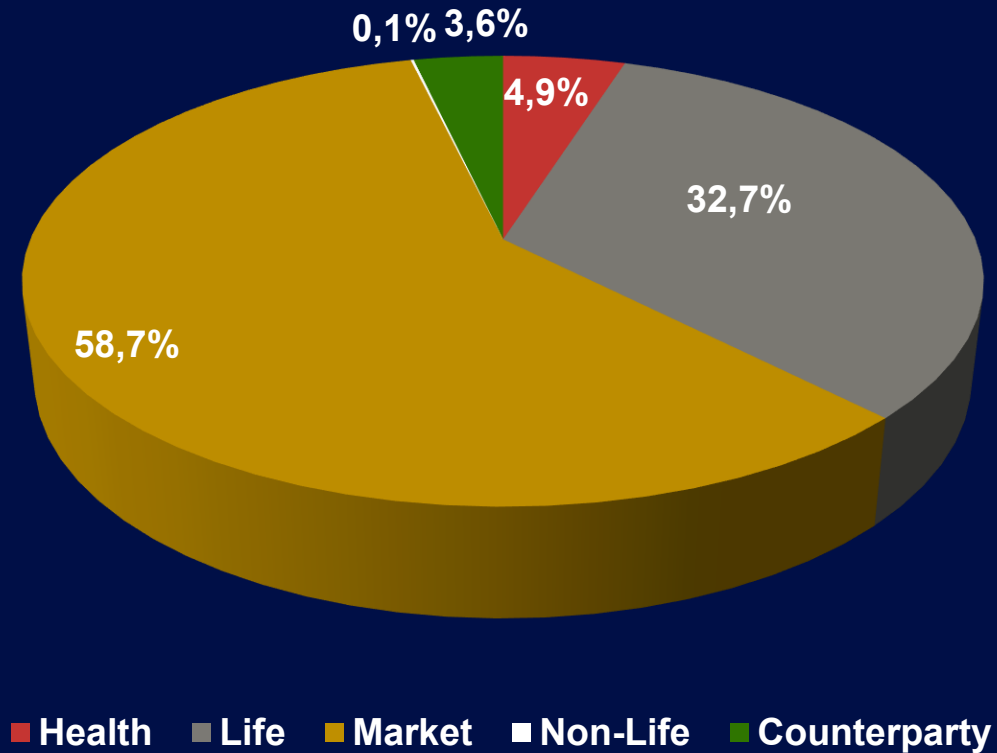
Credibility with regulators

Life solutions



Asset risk solutions

European Life Insurers SCR Split (EIOPA dashboard)



Asset solutions

	Asset solutions
Subsets	Asset driven reinsurance solutions
Recurrence	One offs
Skills required	Previous... plus (5) Market risk knowledge (6) Bank access

Market risk as a key driver

Different stakeholders

Global perspective

The future: when capital is not resilience

200%+

*Average Solvency II ratio
across Europe*

*"Fortress capital" is a comfort drug,
not a strategy.*



Depresses ROE

Excess capital crowds out return on equity and signals that volatility is trivial — it isn't.



Creates False Comfort

Regulators assume you can absorb more. Analysts treat stability as permanent. Neither is true.



Cheapest When Least Needed

Capital is free in calm times. It becomes infinitely expensive the moment markets stress.

Reinsuring where it matters

200%+ SCR

FREE ZONE

*Regulators relaxed. Optionality flows freely.
Dividends unrestricted.*

140–160% SCR

WATCH ZONE

*Supervisory dialogue intensifies. Model scrutiny.
Dividend restrictions emerge.*

120–140% SCR

INTERVENTION ZONE

*Proactive action: de-risking, capital injection,
portfolio adjustment.*

100% SCR

RECOVERY ZONE

*Hard recovery measures take control. Management
discretion is lost.*

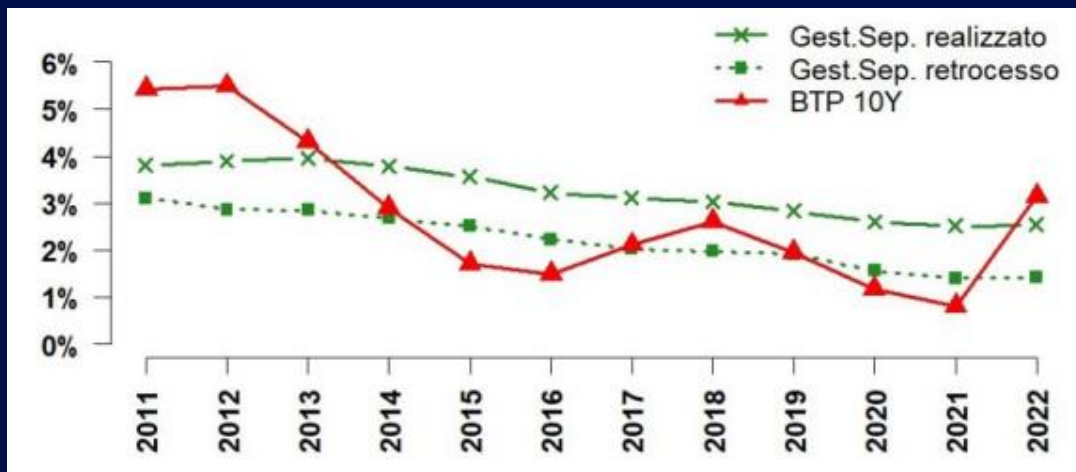
Let's buy reinsurance where it matters most!

For more details please see:

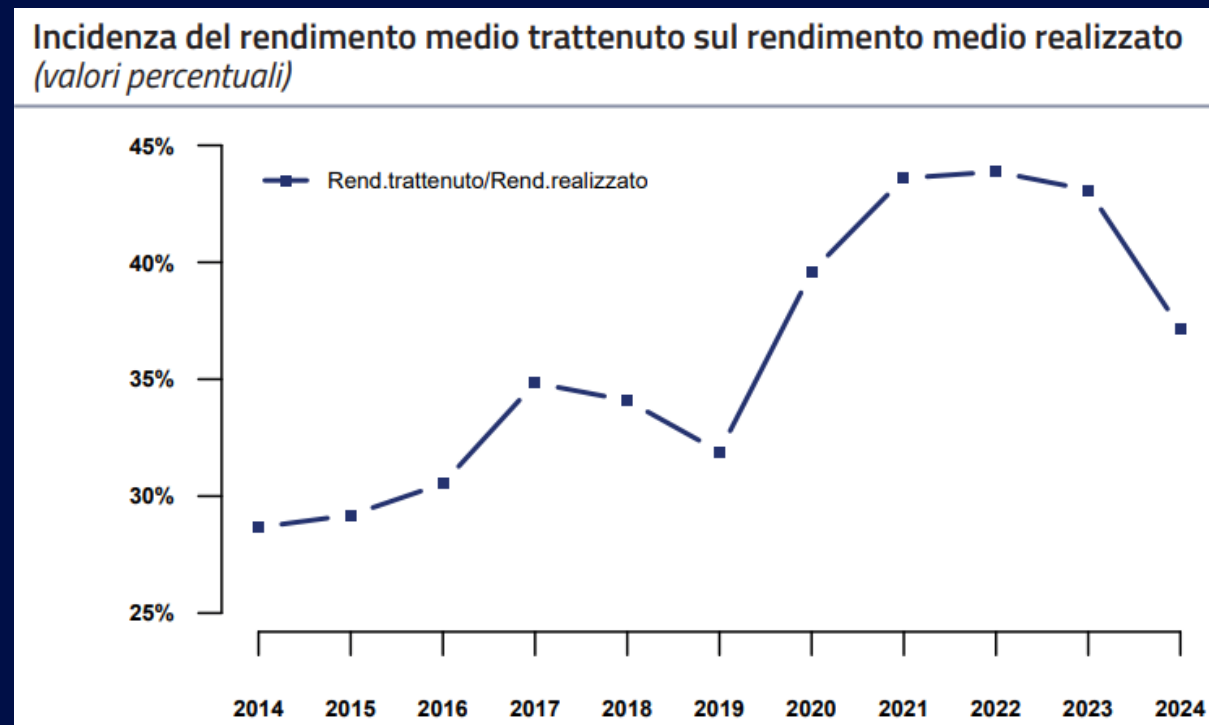
<https://www.insuranceerm.com/analysis/a-manifesto-on-capital-volatility-resilience-and-value-creation-part-one.html>

<https://www.insuranceerm.com/analysis/a-manifesto-on-capital-volatility-resilience-and-value-creation-part-two.html>

The future of saving products?



	Retrocesso	5 anni BTP (media)	10 anni BTP (media)
2022	1,4%	2,40%	3,15%
2023	1,5%	3,75%	4,28%
2024	1,7%	3,16%	3,70%



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