MOODY'S RATINGS

Insurance / EMEA

VVB Reinsurance Forum – 12 March 2026

The Rating Agency's View on the Reinsurance Market

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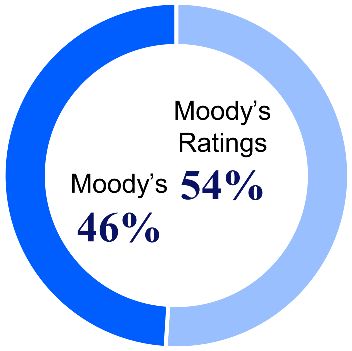
MOODY'S

- Provider of financial intelligence and analytical tools supporting customers' growth, efficiency and risk management objectives
- Solutions address customers' diverse needs

MOODY'S CORPORATION

Global integrated risk assessment firm providing credit rating opinions, analytical solutions, and insights that empower organizations to make better, faster decisions

Revenue of $7.1 billion



MOODY'S RATINGS

- Independent provider of credit rating opinions and related information for over 115 years
- Rigorous ratings and deeply experienced analysts

Note: Financial data for the trailing twelve months ended December 31, 2024.

Moody's Ratings – Insurance Franchise

Very strong presence in all regions

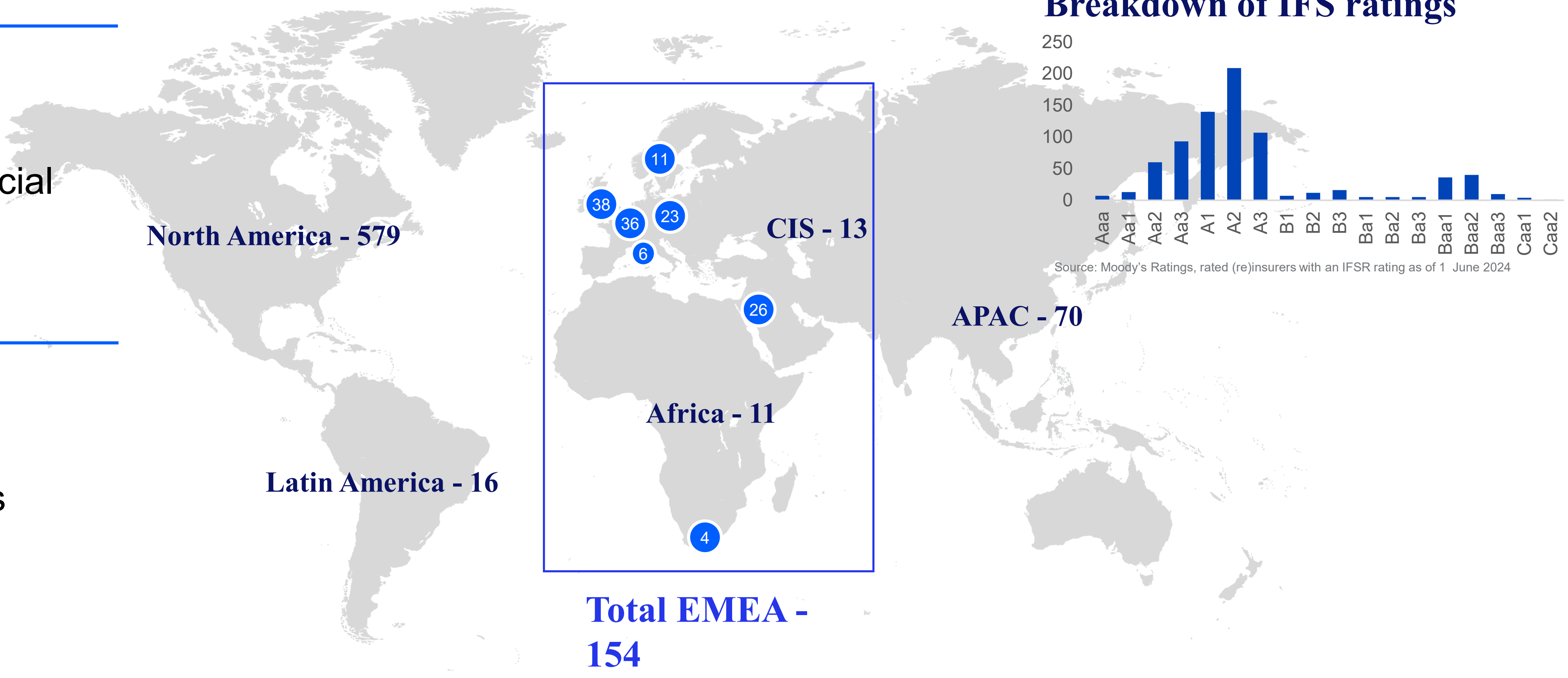
~770

insurance financial strength ratings (IFSR) globally

~70

rated reinsurers

Breakdown of IFS ratings



Source: Moody's Ratings, rated (re)insurers with an IFSR rating as of 1 June 2024

Stable outlook for global reinsurance

Outlook shifted to stable in September 2025 (from positive previously) as property pricing declines, casualty reserve risk lingers

Profitability will continue to be strong; balance sheets solid

→ Risk adjusted returns still attractive, despite declines in property pricing

→ Strong investment income as book yields continue to drift higher

→ Casualty pricing increasing, though reserve adequacy in US casualty a concern

→ Terms and conditions under pressure

→ Balance sheets are healthy

Severe weather is a long-term challenge

→ Weather-related catastrophe event frequency has increased significantly

→ Insured catastrophe losses trending higher at mid-single digit annual rate

→ Creates underwriting and risk management challenges

Alternative capital growing again

→ Alternative capital up 24% since year-end 2022, to $115 billion (16% of total reinsurance capital)

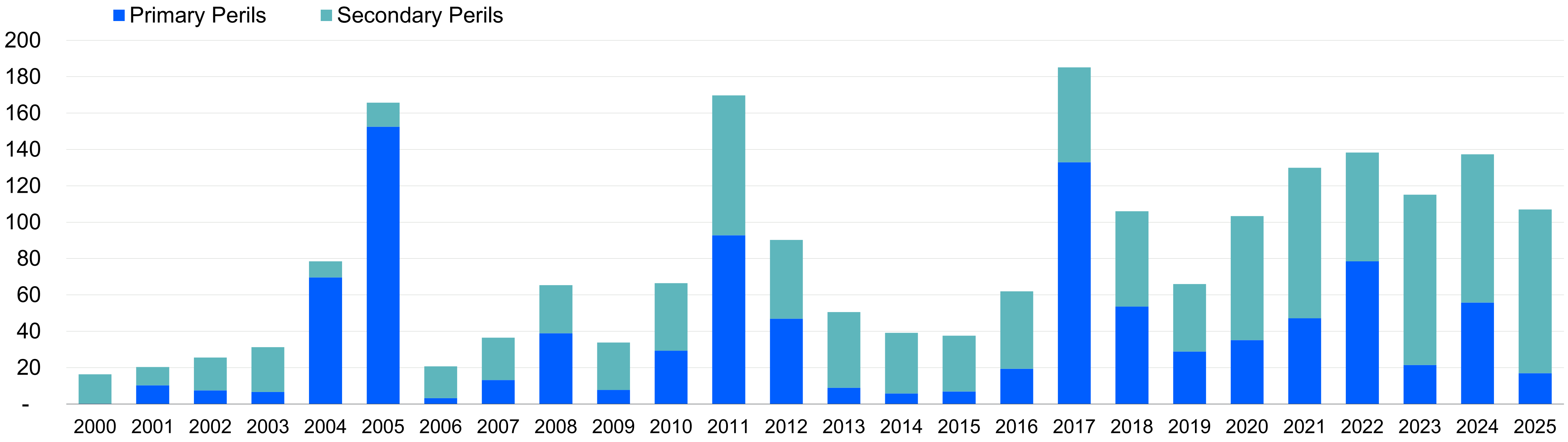
→ Growth led by catastrophe bonds, and to a lesser extent, sidecars

→ Serves as “swing capacity” and can quickly lead to an over-supply of capital; evident during 2025 and 1/1/26 renewals, may pressure pricing throughout 2026

Natural catastrophe claims environment is evolving

Secondary perils are on the rise

Global insured natural catastrophe losses have exceeded $100 billion for six consecutive years



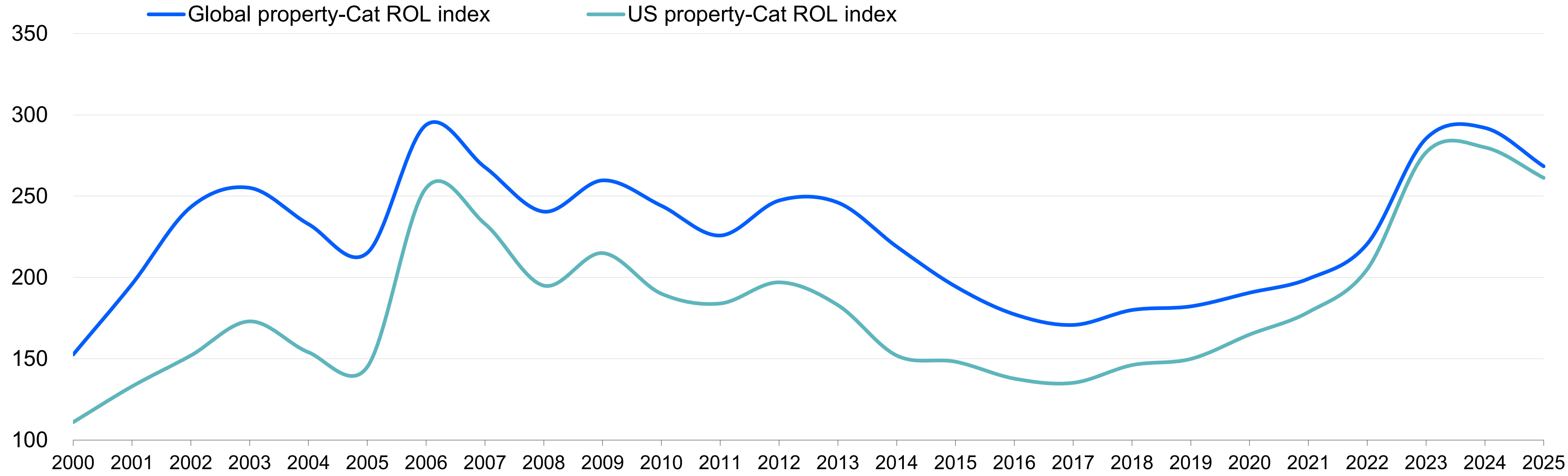
2025 split between primary and secondary perils is a rough estimate

Source: Swiss Re Sigma, Moody's Ratings

Prop-cat prices continue to fall

But pricing levels still adequate

Latest January 2026 renewals confirmed the downward trend



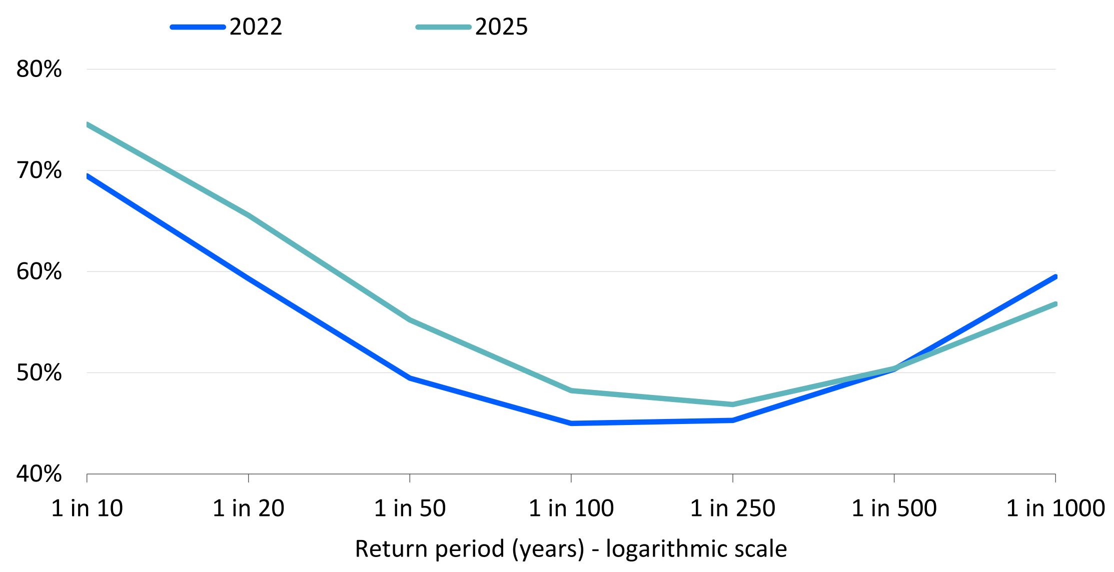
Guy Carpenter, Artemis.bm, Moody's Ratings

Terms and conditions still holding relatively firm

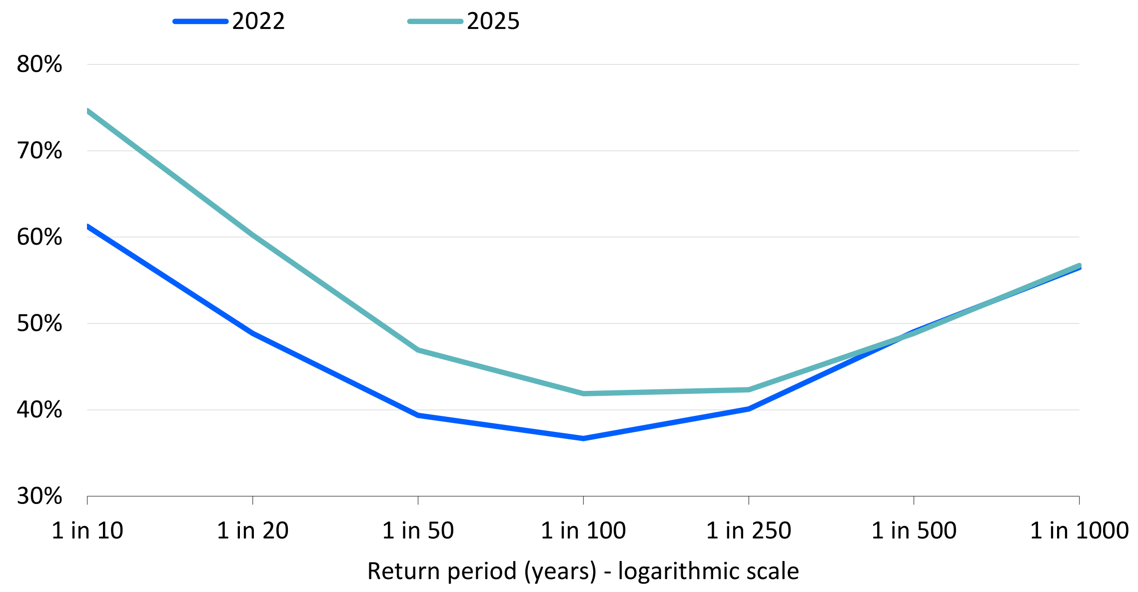
But pressure will likely increase further

Retention levels for frequency claims have increased meaningfully both in the US and Europe

Modeled net PMLs as % gross PMLs for representative group of US insurers



Modeled net PMLs as % gross PMLs for representative group of European insurers



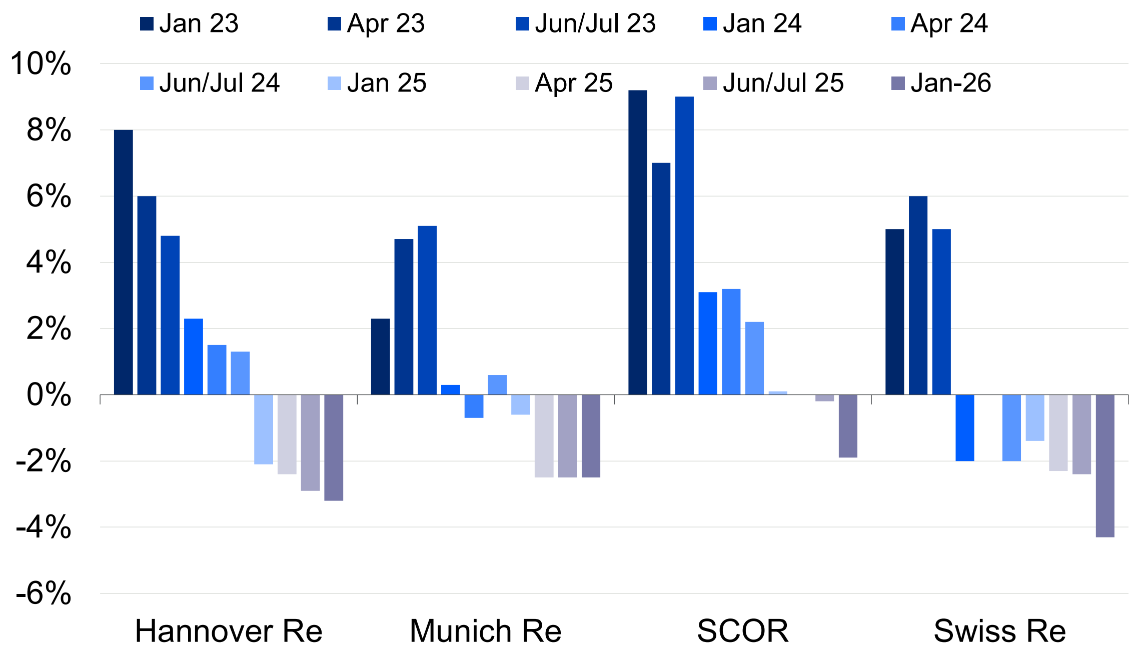
Gross PMLs are before reinsurance cessions while net PMLs are after reinsurance cessions; the curves reflect modeled annual aggregate losses from yearly catastrophe surveys completed by a group of rated P&C insurers

Source: Moody's Ratings catastrophe risk management surveys

Reduced pricing is resulting in lower premium volumes

Latest renewals saw some reinsurers reducing their exposure

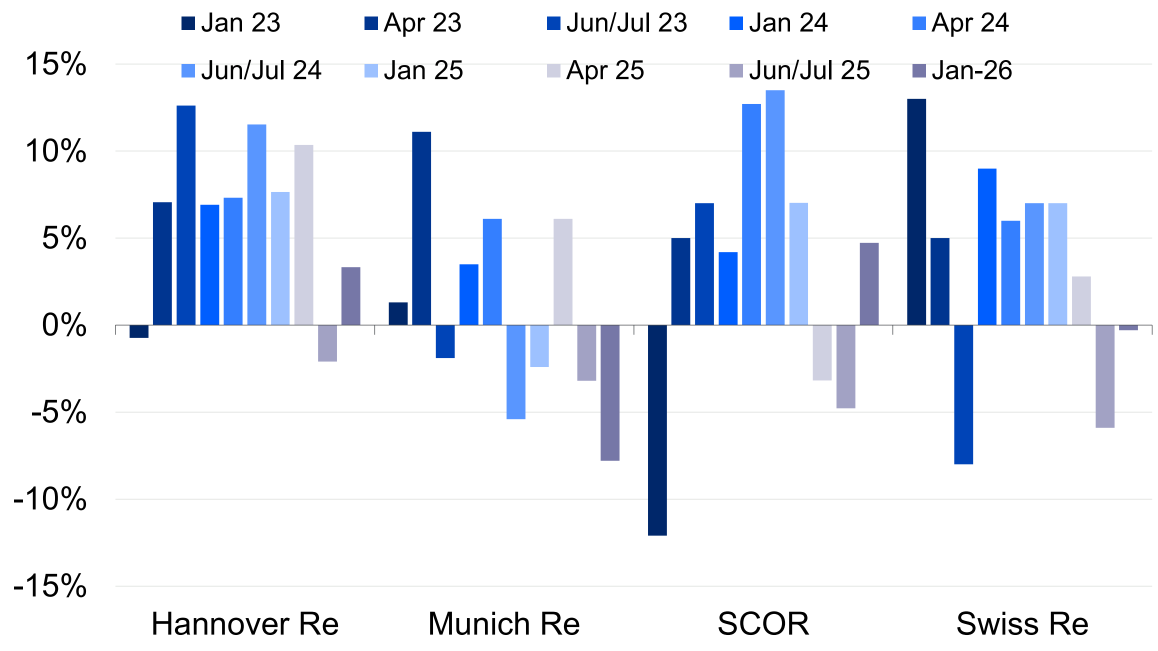
Reported price movements tend down



Price movements as reported by companies. As the calculation methods differ, they should not be compared across companies.

Source: Company Reports and Moody's Ratings

Recent renewals mostly result in lower premiums



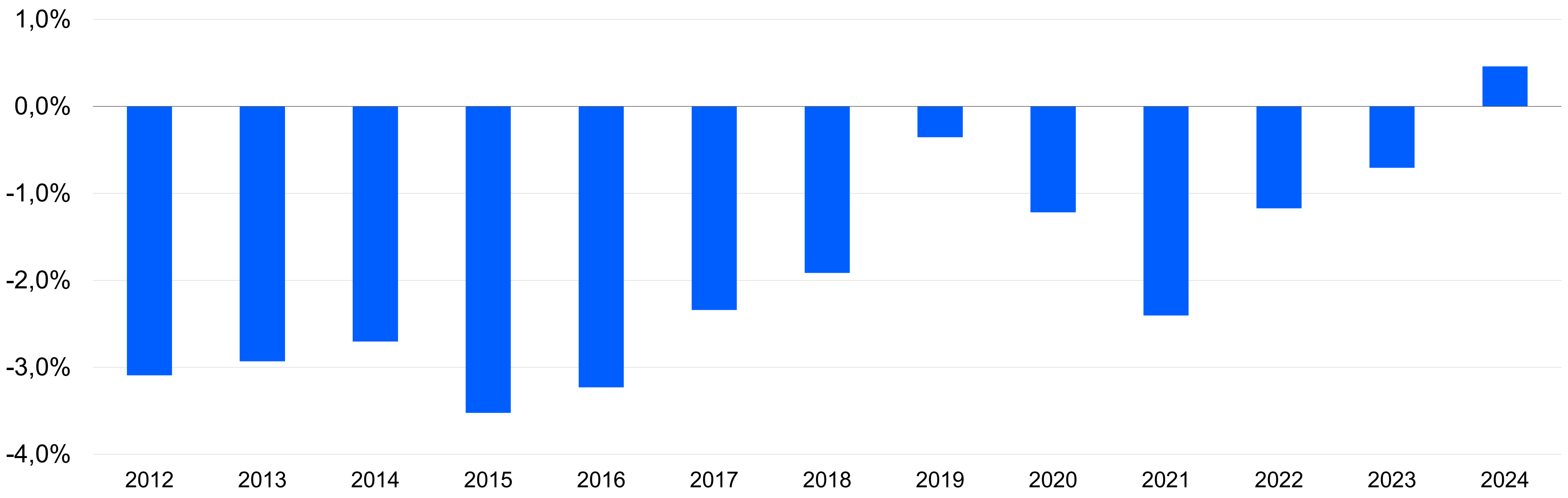
Source: Company Reports and Moody's Ratings

Casualty remains an area of focus

Reserve strengthening in this line is not over

Overall reserve development has weakened

Weighted average reserve development by year (negative number is favorable)



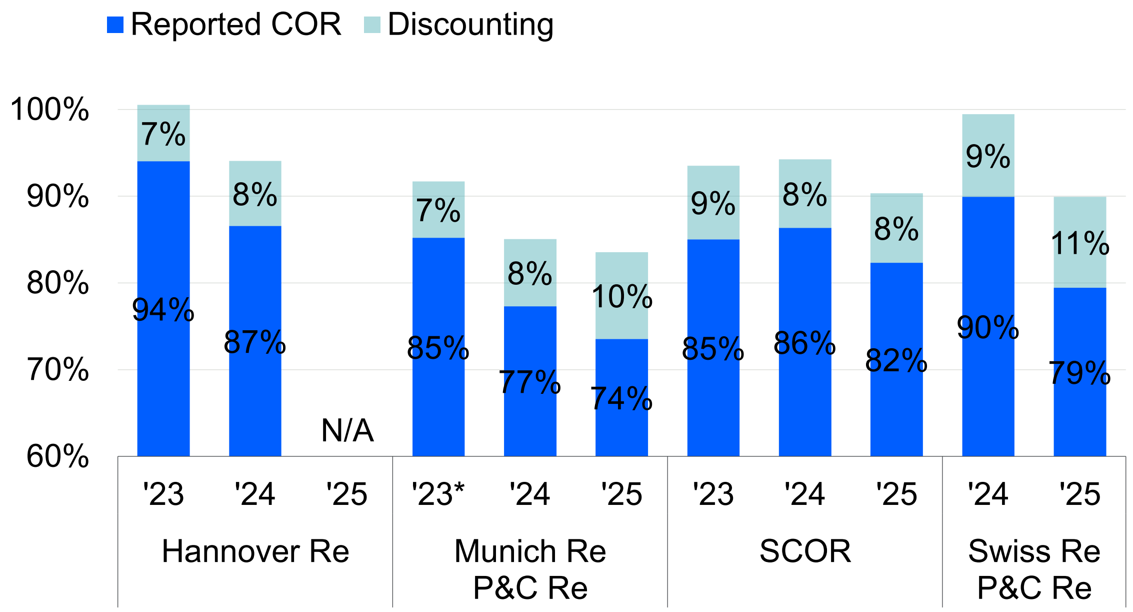
Source: Company reports and Moody's Ratings

P&C Re underwriting performance very strong

Reflecting structural changes as well as one-off tail winds

Combined ratios strong…

Reported P&C Reinsurance combined ratios and discounting

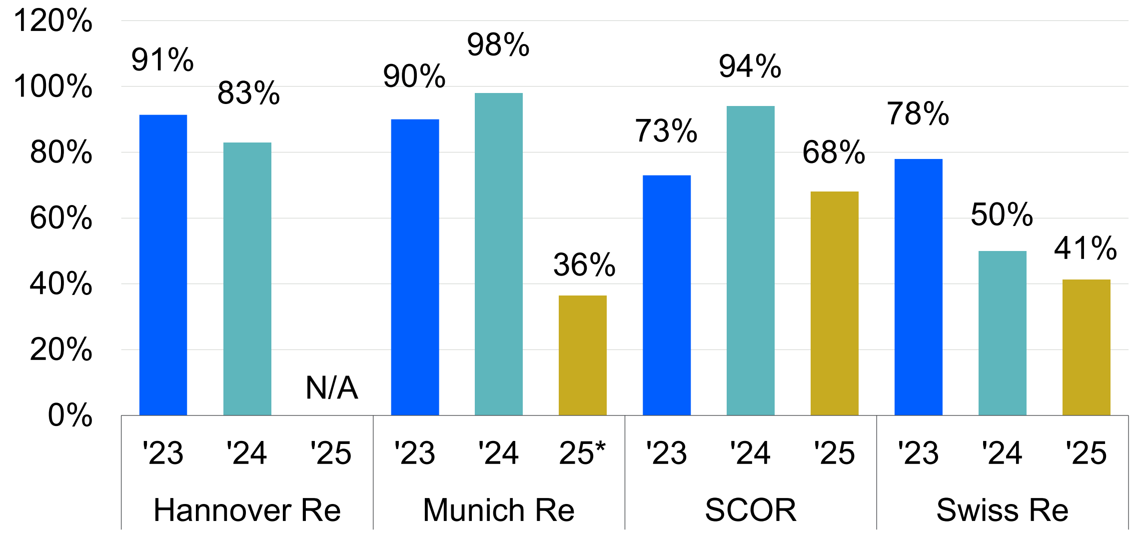


Note: Munich Re's 2023 combined ratio was based on a combination of P&C Re and GSI

Company reports and Moody's Ratings

…benefitting from very benign nat cat

Actual reported nat cat claims relative to budgets communicated at the beginning of the year



Note: Munich Re's 2025 cat consumption based on P&C Re only since GSI's cat exposure is not disclosed. Previous years are based on the combined P&C Re and GSI operations

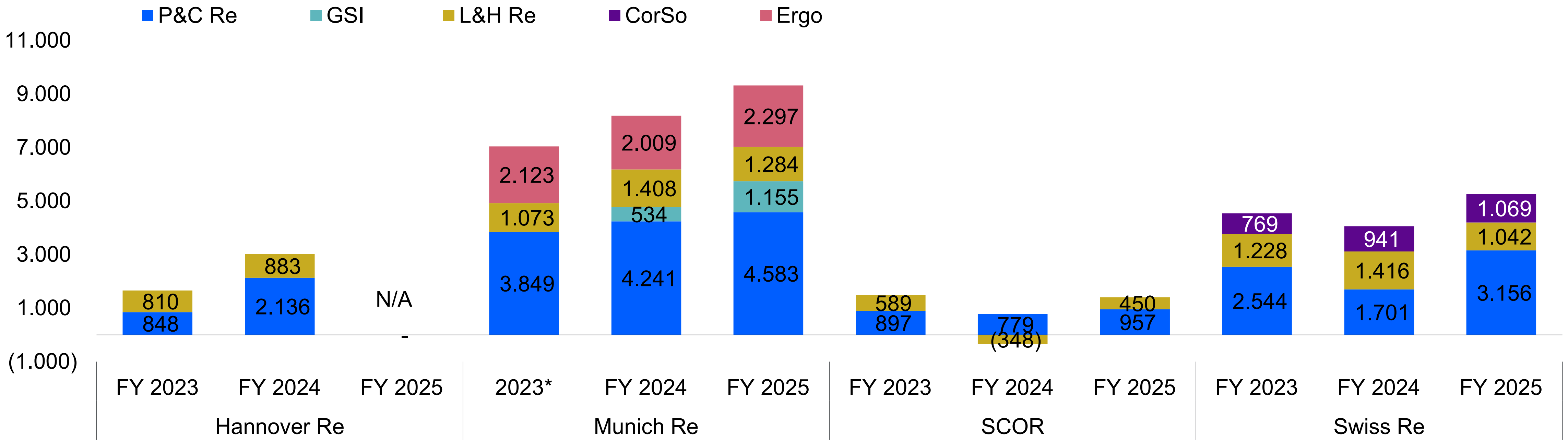
Company reports and Moody's Ratings

Diversification from other lines can be helpful

Earnings from less cyclical lines of business should bring stability

Relative weight of earnings from P&C reinsurance varies

Insurance service results by segment as reported by the companies



Note: Munich Re's P&C Re insurance revenue for 2023 comprises GSI since the group didn't disclose the split for that year

Company reports and Moody's Ratings

Specialty – the place to be?

Specialty lines continue to grow but are getting increasingly crowded as well

All major reinsurers aim to grow in specialty, as do many primary players

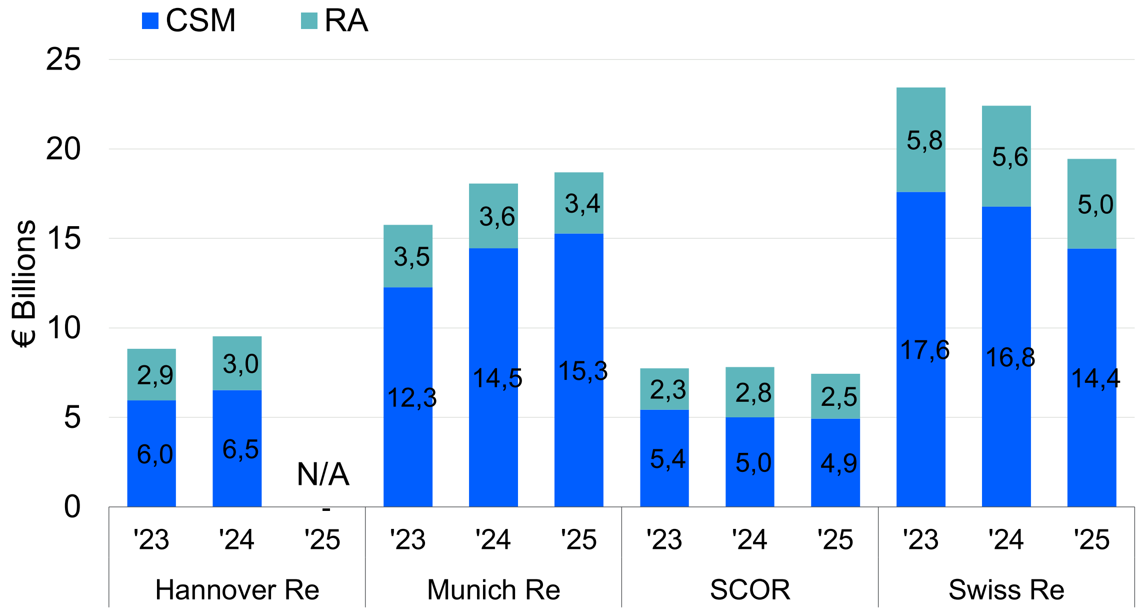
Reinsurer	Primary insurance specialty line focus
Hannover Re	HDI main primary insurer in the group
Munich Re	New segment GSI since 2024 (management and reporting)
SCOR	New reporting category SBS, but no separate segment reporting
Swiss Re	Long standing focus on primary risks via CorSo

Life Re - providing stability?

CSM makes earnings more predictable, but short-term volatility remains

CSM with not fully consistent trends

Contractual Service Margin and Risk Adjustment in Life Reinsurance



Company reports and Moody's Ratings

Some volatility in insurance service results

Insurance service result including the result from insurance-related financial instruments over net insurance revenue

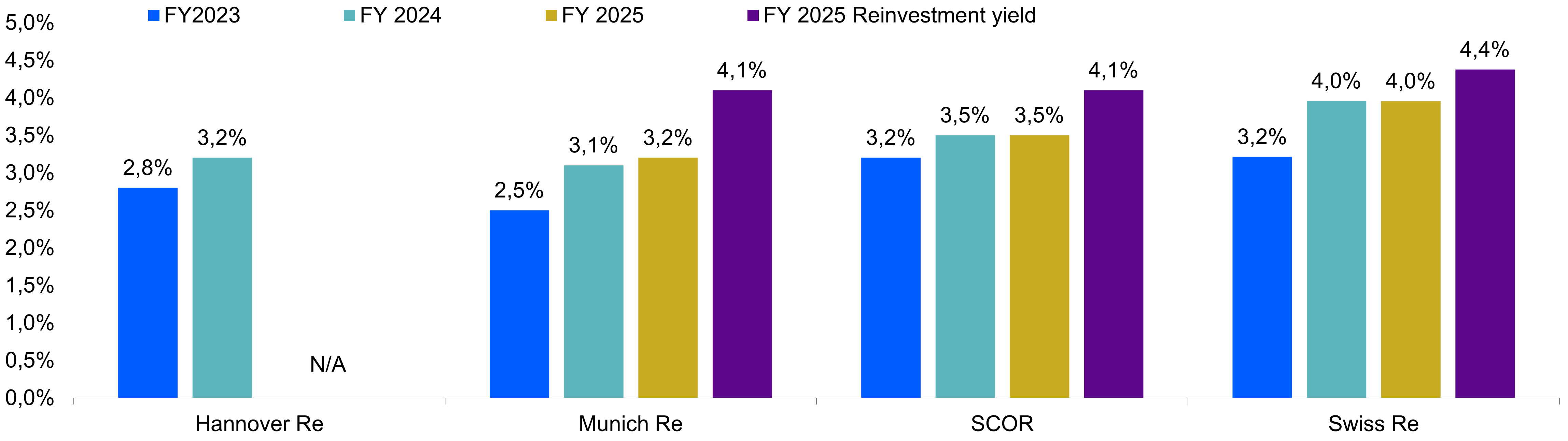
Company reports and Moody's Ratings

Investment results should improve further

Subject to no major financial market dislocations occurring

Investment returns have strengthened and reinvestment yields are still on healthy levels

Reported investment returns by year and reinvestment yields for 2025



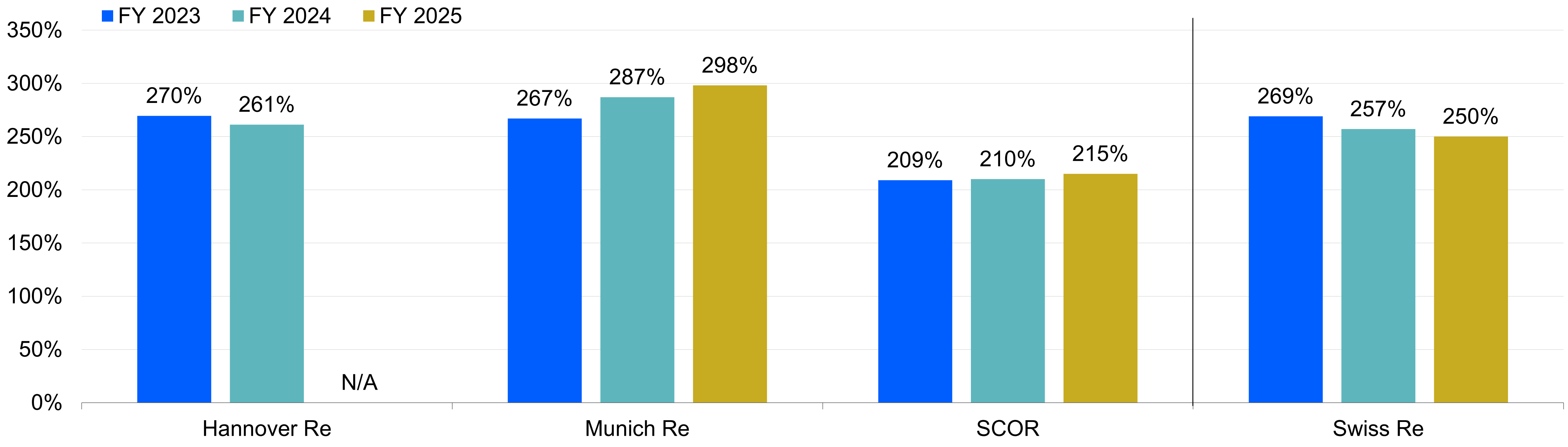
Company reports and Moody's Ratings

Capitalisation is very strong

Leading reinsurers should be able to withstand significant stress

Capital adequacy on very strong levels

Solvency II ratios for EU companies, Swiss Solvency Test for Swiss Re



Company reports and Moody's Ratings

Thank you.

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