Press Release – Renewals 2025

Zug, 29th January 2025

SI Re further builds and diversifies its strong book of business

- SI Re deepens its market position in the January 2025 renewals
- SI Re capitalises on ratings upgrade to further expand and diversify its footprint
- Profitability further strengthened
- Premium volume increased by roughly 10% to EUR 225 million

SIGNAL IDUNA Reinsurance Ltd (SI Re), a Swiss reinsurer based in Zug, has completed a successful January renewal, marked by significant diversification and expansion of its portfolio at robust profitability. The company increased its premium volume from EUR 205 million by roughly 10% to EUR 225 million, capitalising on carefully cultivated business opportunities, its strong standing with clients, and its recent Fitch ratings upgrade to "A". New business contributed a premium volume of about 20% to the business written in the January renewals, while SI Re further grew its client base, adding 9% in new clients.

"SI Re accomplished yet another highly successful renewal", says Bertrand R. Wollner, Chief Executive Officer of SI Re. "SI Re's prudent underwriting over the years enabled us to expand our portfolio during this hard market maintaining our focus on sustainable and long-term partnerships while not compromising on underwriting discipline. Thus, SI Re was able to further solidify its profitable book of business and its standing in the market. Also, the disciplining of the insurance value chain, which commenced in the retro-market in 2022 has reached the original markets, resulting in tighter terms and conditions and higher rates throughout the risk-transfer chain."

Robert Salzmann, Chief Underwriting Officer of SI Re, further explained: "Recognising our disciplined expansion in previous years, Fitch Ratings upgraded SI Re to 'A' stable last August. This milestone facilitated access to new business and clients who were previously less familiar with our longstanding mutual setup. This supports the growth of our book in markets and segments with an attractive return profile while further diversifying our existing book. In addition, we continued to reduce volatility in our book of business by carefully adjusting our exposure to control accumulations. Furthermore, through our complementary structured ILS portfolio we enable global diversification while our assumed reinsurance business remains focused on Europe."

Restructuring of insurance value chain reaches original markets

In the year-end negotiations, the reinsurance market experienced an orderly renewal. Although the macro-economic and geopolitical environment remained challenging in 2024, inflation calmed down while capital markets performed favourably. However, losses from natural catastrophes of around USD 150 billion remained at record level. Nonetheless, the restructuring efforts initiated by reinsurers within the insurance markets proved effective.

With inflation moderating, insurers were finally able to not just keep up with inflationary trends but strengthen their portfolios by enforcing adequate rates and sustainable conditions for their policyholders. Overall, this results in a strengthening of the markets' resilience and its ability to absorb and recover from losses more effectively and to manage insurers' retention levels that have moved up during the hard market. Investor confidence rebounded

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and with the strong performance of the ILS market, the retrocession market reopened. This recovery in risk capacity contributed to moderate price adjustments during this year's renewals, albeit under disciplined conditions. Thus, the tightening of the original markets has brought the disciplining of the insurance value chain, which started in 2022 with the dislocation of the retrocession market, to full circle.

Europe experienced another year of significant losses from natural catastrophes, namely flooding, heatwaves, wildfires and hailstorms. However, also in Europe, the recent restructuring of the original business and many of its proportional structures, along with the repricing under tighter conditions and a greater reliance on non-proportional covers, had a noticeable impact, resulting in lower volatility for the reinsurance sector. In Italy, the property business was still affected by the losses from 2023 compounded by a prolonged claims handling process thereafter. Central and Eastern Europe saw some upward adjustments of the attachment levels due to the heavy flooding in late summer while the floods in Southern Germany from June and July had only an impact on a limited number of programmes. Overall, capacity for lower risk layers was more readily available in this year's renewals. However, reinsurers maintained a focus on controlling attachment levels, demonstrating a preference for slightly softened rates over increased exposure.

SI Re further enforces its profitable growth by broadening its client franchise

In yet another strong renewal, SI Re expanded on its strategy to further diversify its book with new clients or business in markets where the company entered only recently. SI Re grew its book by roughly 10% to EUR 225 million, while a significant part of the existing business underwent restructuring. The share of non-proportional business increased by 3 percentage points to 34% of the total book. Sizeable new business was written in the UK, where the company only started underwriting in 2023. During the January 2025 renewals, SI Re successfully expanded in this market, positioning itself as a committed and reliable partner.

SI Re continued to strengthen the profitability of its book while simultaneously reducing volatility. As quota share programmes were further scaled back, the company grew its non-proportional book in turn, potentially writing less premium, but maintaining tight control on the business it wrote. Overall, SI Re wrote 6% less property business – a decline that was more than offset by the addition of new diversifying business. SI Re further reduced its exposure to natural catastrophe risk by resorting to higher layers and deploying more capacity to long-tail lines.

Geographically, SI Re expanded its business in the UK and further broadened its relationships with clients in Germany, France, and in Central and Eastern Europe. The company demonstrated its strong standing with clients by providing relevant capacity without stretching its CAT exposure limits. At the same time, SI Re diversified its portfolio through additional lines and risks with existing cedants, reflecting SI Re's strong reputation and recognition across Europe.

About SI Re

SIGNAL IDUNA Reinsurance Ltd (SI Re) was founded in 2003 in Zug, Switzerland. We focus on European markets and non-life lines of business.

We offer our cedants a reliable and long-term reinsurance alternative and use our longstanding experience and market expertise to support our clients in managing their business requirements.

SI Re has a strong capital base. It has an "A" financial strength rating from Fitch. You can find further information on SI Re at www.sire.ch