

Note of Keynote Speech by Moses Ojeisekhoba

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Moses Ojeisekhoba particularly covered the topics of the uncertainties that continue to challenge the industry in his captivating speech. The topics included inflation, geopolitical tension, war, and events that show strain in contract certainty, social inflation, nationalization, technology and data; ESG; and diversity in the industry. Below are the highlights of his fascinating speech.

- The state of the industry has brought to light the growing protection gap and how most risks are not insured (life as well as non-life) – scale of uninsured risks presents challenges but also opportunities as risks continue to grow.
- Inflation and supply chain disruptions drive higher replacement costs and are likely to remain elevated for some time.
- The impacts of climate change are being felt (for example, the UK recorded its hottest day ever: 40.2°; worst drought in central and southern Brazil in almost a century, and we are seeing increased hurricane and typhoon activity – Hurricane Ian, recent flooding in Pakistan and India).
- Challenges relating to Social Inflation; geopolitical tensions/war; also, technology and human behaviour contribute to compound cyber risks.
- Against this complex and challenging environment, it remains important that we bring our vision to life at Swiss Re – to 'Make the world more resilient'.
- Recent events like Covid and the Russia war in Ukraine highlight the importance of clarity in constructing contracts. We also need to ensure that there is an open and transparent discussion about coverage and exclusions with clients and brokers.
- Uncertainty around wordings is not good for the industry and certainly not good for policyholders – unforeseen losses translate into higher premiums that policyholders shoulder.
- The US remains the epicentre of social inflation, but social inflation trends are not unique to the US alone – the annual growth rate of securities class action filings outside the US averages at 15%, and the global litigation funding market is projected to reach \$18bn in 2025, and has even become an alternative asset class.
- The plaintiff bar is a highly coordinated network and third-party financing provides funds for prolonged litigation. While this is another challenging area for the industry, the ultimate negative impact continues to be borne by policyholders, i.e., the society at large.
- Global companies rely on the ability to diversify risks, and more walls are being put up in different countries to capture and trap capital and data – the trend to nationalize data and capital will inevitably make products more expensive for the end customer/policyholder
- Technology and digitalization have resulted in altering existing risks and emergence of new risk pools. Technology creates opportunities for the industry.
- Technology can help to address the protection gap by
 - (i) addressing affordability;
 - (ii) increasing access to risk and risk transfer;

(iii) assisting consumers in better understanding risk.

- The importance of maintaining consumer trust and strength of data governance cannot be overemphasized if digitalization is to achieve its full potential in closing protection gaps and making societies more resilient.
- The whole definition of ESG is not commonly understood and applications of diverging ESG-related regulations can create several risks; greenwashing presents multiple long-term risks for both businesses and society.
- As a co-founder of the UN-convened Net-Zero Asset Owner Alliance, Swiss Re is committed to achieving net-zero emissions on the asset and liability side by 2050 – achieving the Net Zero goal requires innovation; the build out of alternative sources of energy also requires a significant contribution of risk capacity.
- Extensive research confirms that diverse teams lead to better business outcomes – companies need to tap into new sources of talent to attract qualified employees. We believe an inclusive workplace will lead to greater engagement and hence better performance.
- Swiss Re pivoted the DEI strategy (Diversity, Equity, Inclusion) to an "inclusion-centric" approach – this recognizes that diversity is not about distinct groups - everyone is diverse in one way or another.
- There is much more to be done and further challenges lie ahead, and the state of the industry is strong even in the face of some headwinds. Ultimate success will depend on how well we "Get fit for an Unsettled Future".