

EC4 NEWS

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Editorial

In this edition of EC4 News, we present the most relevant and recent developments in the reinsurance sector: from strong financial results at Aon and Munich Re, to advanced technological innovations in modelling and contract optimization. We also cover regulatory adjustments, market trends and legacy market insights

Top News

Reinsurance Current Affairs



Aon posted 6% organic revenue growth in Reinsurance Solutions in Q2 2025 (USD 688M vs USD 635M in Q2 2024), driven by strong performance in ILS and facultative placements

Trends and Analysis



S&P Global Ratings upgraded Arch Capital Re's rating to 'AA-' (from A+), citing revenue diversity and strong capital, with a stable outlook. Convex group's rating was upgraded to 'A' (from A-) also with stable outlook, reflecting sustained growth since launching in 2019



Technology and Innovation

Researchers devised a reinsurance treaty optimization framework using multi-agent reinforcement learning (MARL), achieving up to 15% higher underwriting profit and 20% lower tail risk vs traditional actuarial methods

Market Indicators

Munich Re posted a preliminary net profit of €2.1 billion in Q2 2025, and €3.2 billion in H1 2025, benefiting from very low major-loss costs in P&C reinsurance



Local Outlooks

Hurricane Erick made landfall in Oaxaca as a Category 3 storm on June 19, 2025, with sustained winds up to 205 km/h, having intensified from Category 1 in less than 24 hours. Although it quickly weakened to a tropical storm and then a depression, Erick resulted in two fatalities (a child drowned in river currents and an adult electrocuted), damaged over 26,000 homes across Oaxaca and Guerrero, caused widespread power outages affecting about 277,000 households, interrupted services and damaged critical infrastructure and roads. AM Best anticipates insured losses to remain below USD 2 billion (less than those from Hurricane Otis in 2023), with the main impact expected from business interruption—due to outages, flooding and supply issues—while direct property losses are projected to be more limited



References

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<https://www.reinsurancene.ws/>

Thank you for reading. For technical inquiries or collaboration on large risk inspections, please contact us.