Baden-Baden 2025

Media Breakfast

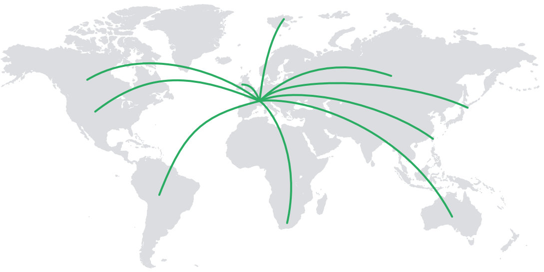
16 October 2025 | 9:30 CEST

Clarisse Kopff | Claudia Strametz

Munich RE

Risk landscape is evolving rapidly

Worldwide



Europe

Trends	Risk implication
Geopolitical uncertainty and trade tensions	Inflation is no longer a tail risk, impacting all LoBs
Urbanisation and climate change	More frequent/severe natural catastrophes
Technological transformation	Improved insurance processes, but potential for new exposures
Litigation funding and nuclear verdicts	Pressure on casualty LoBs
+ Limited leeway for public / private investments and slow GDP growth	Rising social tensions and riots

Trends have been accelerating – but this is nothing new for Munich Re.

We are consistently alongside our clients.

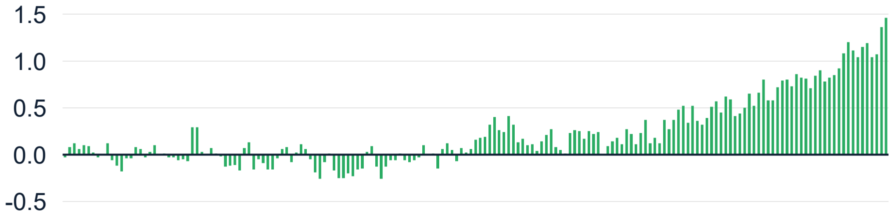
Source: Munich Re

The world is heating up and Europe is affected in its own ways

NatCat

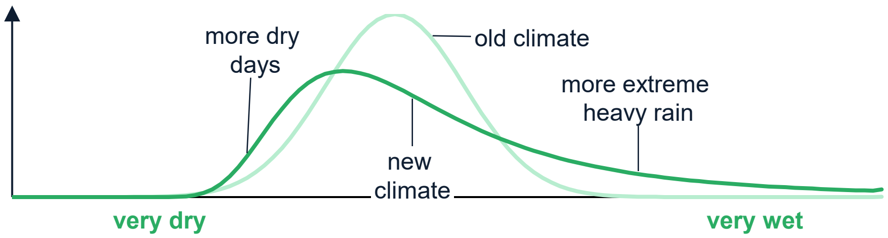
The last 11 years were the warmest on record

Global temperature anomalies compared to the 1850–1900 average[1] (°C)



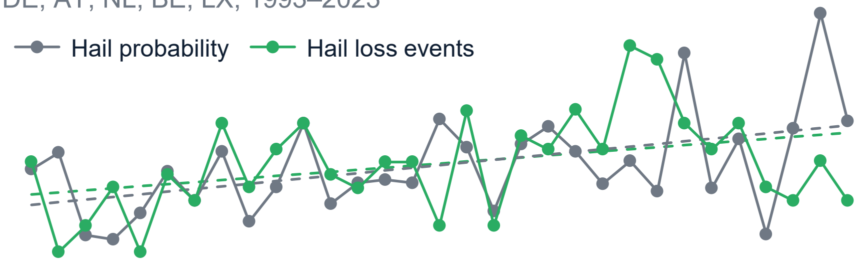
Increasing risk of drought and flash floods

Probability of weather extremes



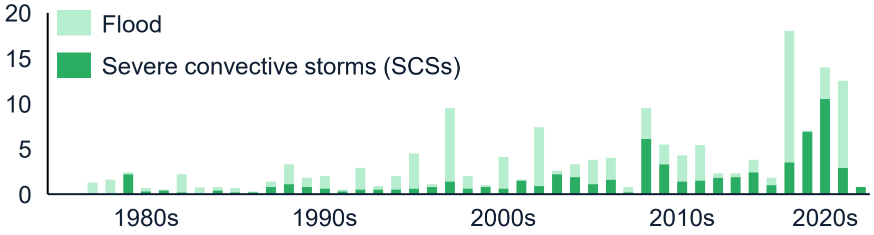
Increasing hail risk in Europe

DE, AT, NL, BE, LX; 1993–2023[3]



Increasing losses from flooding and SCSs

European inflation-adjusted insured market losses[2] (€bn)



Munich Re NatCat models are continuously updated to reflect impacts of climate change

Source: Munich Re; 1 Data source: NOAA, as at January 2025 2 Munich Re NatCatSERVICE 10/2025; 3: F. Battaglioli, M. Taszarek, P. Groenemeijer et al. Very Large Hail in a Warming Climate: Climatology, Trends and Losses, 30 April 2025, PREPRINT (Version 1) available at Research Square [https://doi.org/10.21203/rs.3.rs-6196143/v1];

Munich Re is delivering reliable, market-leading capacity

NatCat

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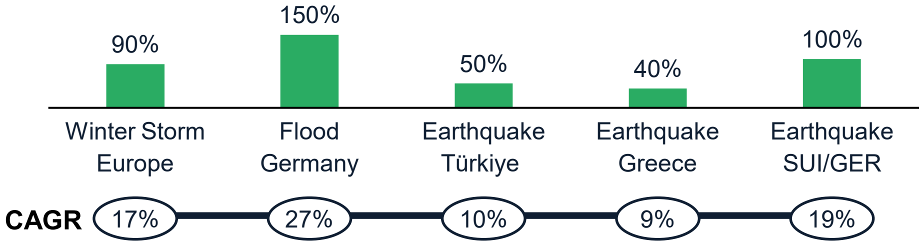
Munich Re Group NatCat net exposure

Relative increase 2020–2024[1] (%)



Munich Re Group NatCat net exposure

Absolute values in 2024[1] (€bn)

Munich Re is leading the way

- Even in challenging market situations and even after significant loss events: Munich Re increases capacity
- Munich Re retains nearly all risks – backed by strong capital and diversification
- Supporting clients across all regions, all perils, and all return periods
- Ensuring alignment of interest with our clients through well-defined risk appetite
- Supporting public-private partnerships to strengthen resilience and reduce the protection gap

Our pledge

- Remaining the strong and preferred partner for absorbing clients' volatility, with predictable capacity and risk appetite

Source: 1 Munich Re net of retrocession – Sum of AggVaR: Return period 200 years, pre-tax

Supporting clients and developing solutions for specific risks

Cyber

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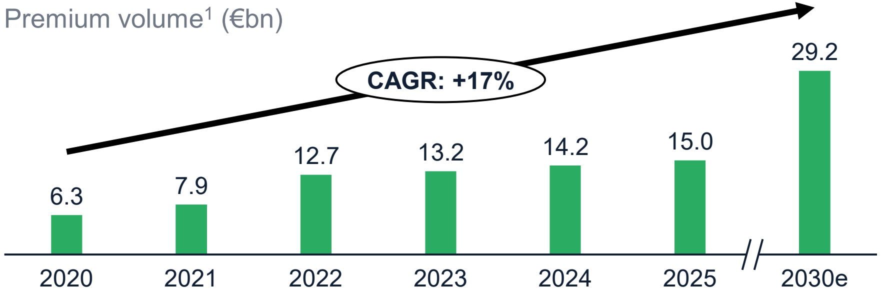
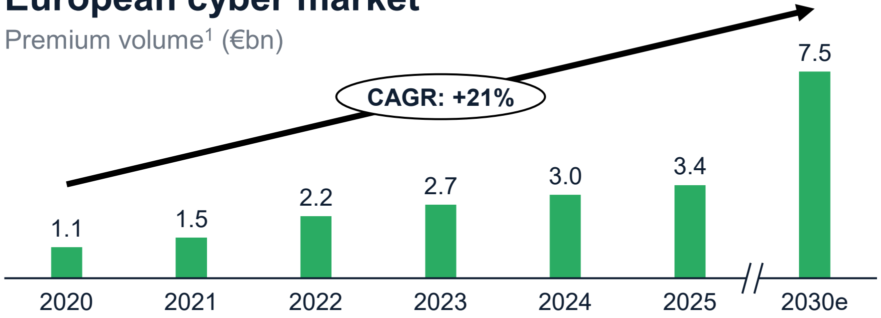
Global cyber market

Premium volume[1] (€bn)



European cyber market

Premium volume[1] (€bn)



Market potential

- Most cyber risks are not insured
- Global cyber insurance market is currently estimated at €15 bn, which is less than 1% of the total P&C market
- Cyber crime will cause economic losses amounting to around US$ 10 trillion worldwide in 2025[2]
- Significant protection gap is especially pronounced among small and medium-sized enterprises (SMEs)

Munich Re's offering

- Significant investments in models and specialised cyber teams with extensive expertise
- Strong commitment to enhancing cyber resilience by fostering industry collaboration, for instance
- Thorough understanding of customer risks and client needs, active sharing of insights and experience

Source: 1 Munich Re estimates (CAGR = compound annual growth rate); 2 Statista

Providing capital solutions and standing by our long-term partners throughout cycles

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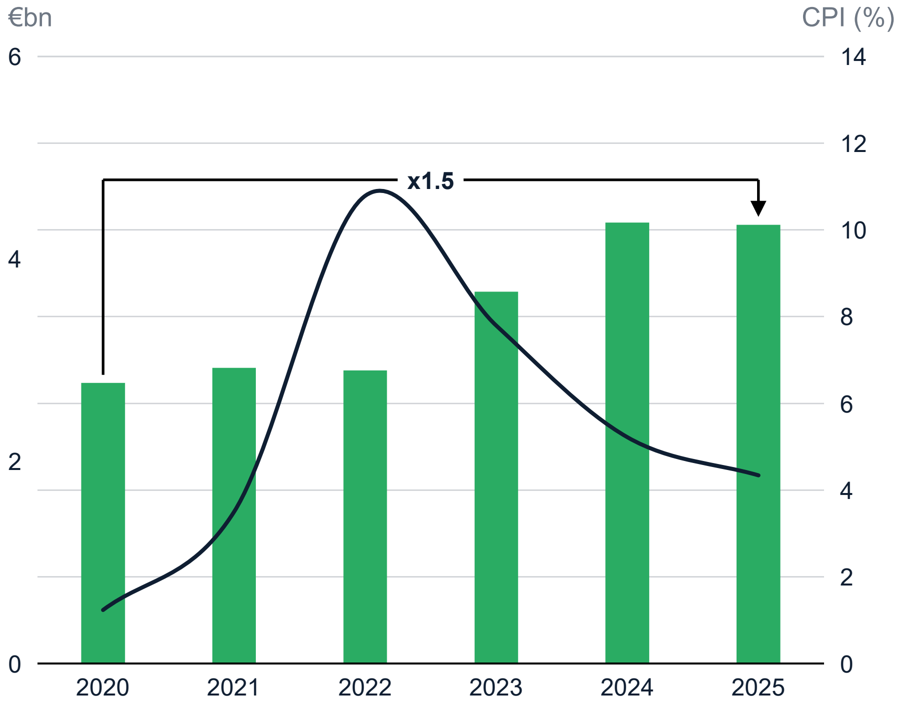
Motor

European motor reinsurance

Munich Re GWP (€bn); CPI in Europe (%)



Source: Munich Re

Reinsurance as a capital instrument

- Enabling capital-light business models, ultimately boosting financial performance.

Reinsurance as an expansion enabler

- Supporting new endeavours through holistic reinsurance covers

And beyond

- Consistent support and reliable capacity throughout the inflation cycle
- Selecting partners with superior motor-insurance underwriting

Helping to raise awareness and boost resilience

Example: U.S. exposures in international liability programs

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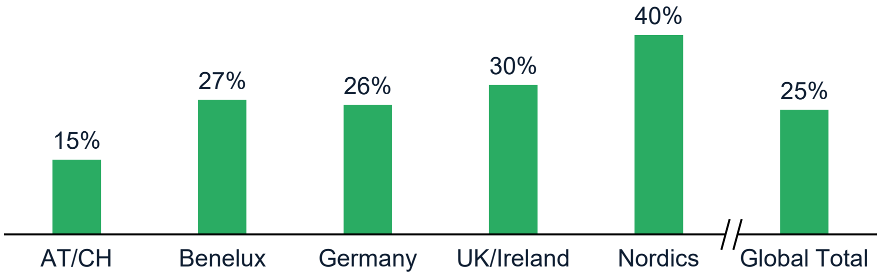
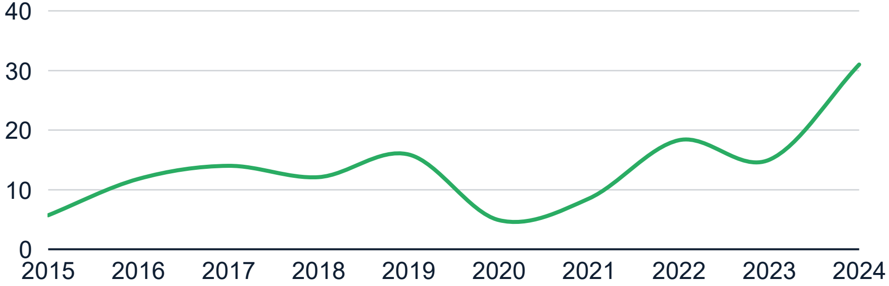
U.S. settled claims, international liability programs

Share of claims payments (>10m€) of insured corporates settled in the U.S.[1]



U.S. nuclear verdicts (>$10m)

Sum of corporate nuclear verdicts[2] ($bn)



Source: 1 Munich Re analysis - Improvex data; 2 Marathon Strategies

Why U.S. exposure matters in Europe

- European companies can be subject to U.S. litigation via international trade
- Incidental exposure can result in nuclear verdicts

Turning risks into controlled outcomes

- Complex U.S. exposures of European insurers are best addressed with our facultative offerings
- Munich Re's local claims teams deliver global technical know-how

Our pledge

- Bringing global expertise to our clients

Demand for reinsurance is expected to grow further

Munich Re ready to accommodate demand at appropriate pricing and T&Cs

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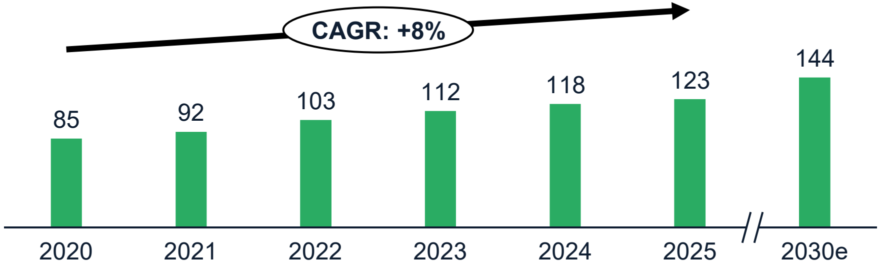
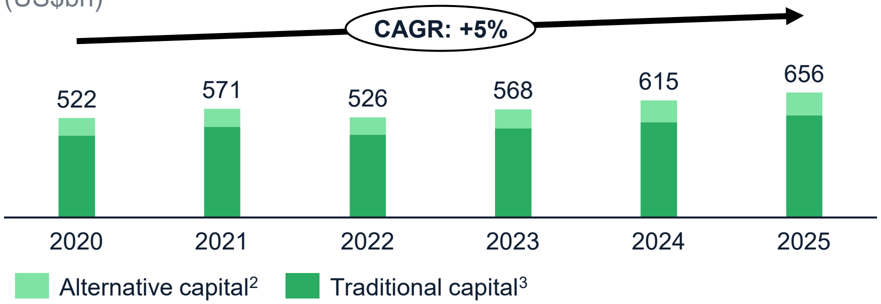
European ceded P&C premiums

(€bn)[1]



Reinsurance capital

(US$bn)



Demand is increasing

- Continued strong demand in all lines of business
- NatCat exposure growth is driven by concentration of values in exposed areas and by inflation
- Capital growth mainly through retained earnings of existing players

Munich Re perfectly positioned to serve markets

- Alternative capital increasing, but of low relevance in Europe given the nature of perils
- Thanks to its large balance sheet and strong capital position, Munich Re is well placed to serve growing demand

Source: 1 Munich Re research 2 AM Best, Guy Carpenter 3 Aon

Europe is a heterogeneous market: different markets and client demands call for bespoke approaches …

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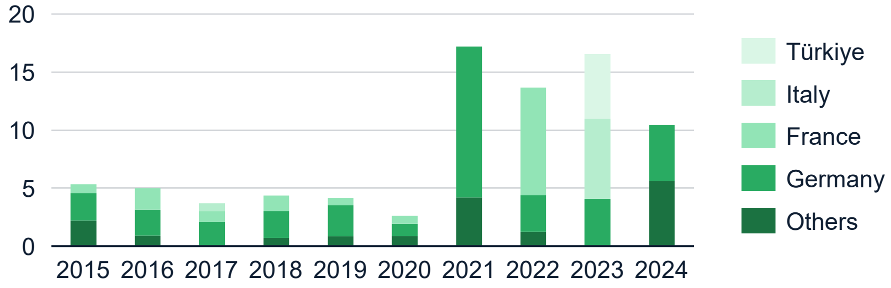
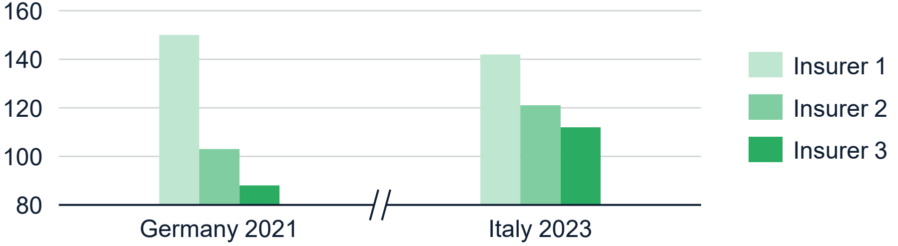
Every year another market is hit by NatCat

Inflation-adjusted insured market losses in various markets[1] (€bn)



Clients are affected differently

Gross loss ratio: property[2] (%)



Source: 1 Munich Re NatCatSERVICE 10/2025 2 GDV data; ANIA data

Lines of business and markets have each their own dynamics, and clients their own needs

- Non-peak perils have dominated in Europe, but countries have been impacted unevenly
- Post-pandemic inflation started at the same time, but national primary markets reacted at different paces and on different scales
- Size and potential for diversification differ among players, prompting different reinsurance needs and reinsurance-buying behaviours

Our solutions are tailored to individual situations

- Leading underwriting capability
- Local expertise and proximity

... but Munich Re's value proposition is universal and remains consistent across the cycle

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Client focus
Trusted long-term **partner**

Predictable capacity deployment over the cycle, backed by strong balance sheet and capital

Holistic and **expertise-based** risk assessments – under any market conditions

Thought leadership fosters pushing the boundaries of insurance

Transforming **uncertainty** into **opportunities**

Image: hanohiki / stock.adobe.com