

# A perfect match

Given the potential impact of a reinsurance program on an insurer's financial performance, both in terms of risk mitigation, premium costs and claims recoveries, the selection of a reinsurance partner is one of the more important decisions that an insurer needs to make.

It is therefore not surprising that ceding companies have been seeking greater diversification in their reinsurance panels than in the past. A more diverse panel of reinsurers helps to mitigate potential default risk on reinsurance receivables, especially important in our current financial environment, as well as receive broader and deeper expertise and insights from not having only one or two reinsurers.



To be successful in regional markets such as those in Asia, reinsurers need to adapt to the requirements of their cedants

Cedants are looking foremost for a reinsurance partner with adequate capacity coupled with financial strength. Given the long-tail nature of these arrangements particularly for casualty covers, cedants are also looking for sustainable partnerships – not opportunistic ones. In the international arena, cedants are also more likely to place a greater emphasis on multi-line capability and the willingness of a reinsurance partner to forge a relationship that looks holistically across all product lines to meet the overall needs of the reinsured.

## EUROPEAN AND ASIA PACIFIC MARKET EVOLUTION

In the European and Asia Pacific markets, we have seen a significant amount of merger activity that has removed capacity from the market. And although this capacity has been replaced, overall there has been a shift from multi-line and direct relationship players toward the broker market and reinsurers that are willing to write commodity or opportunistic transactions. This can cause an imbalance between supply and demand for those international companies seeking multi-line program capabilities.

In addition to the capacity changes, there are also significant developments on the demand side in both the European and Asia Pacific markets. There is a wide range of market maturity in Asia Pacific, spanning from well-developed markets in Japan and Australia to rapidly growing and evolving markets in China and India. A similar pattern can be observed in Europe, where markets such as Central Eastern Europe are developing significantly, with capabilities, local environments and business issues that are very different from the more mature western European market. To be successful, reinsurers need to adapt their approach to the specific requirements of the local cedants in each of these regional markets.

## A STRONG PARTNER

While some reinsurers focus primarily on property cat or other specialties, the most successful reinsurers will write across many lines within their cedants' portfolios as well as have teams of specialty underwriters who really know and understand the clients' businesses.

An attractive reinsurance partner offers capacity backed by sound financials, broad capability across multiple lines and values client relationships that are supported by in-depth knowledge of each other's goals.

As a reinsurer with a growing portfolio of business in the European and Asia Pacific markets, Endurance delivers on these attributes and is sought after by cedants looking to diversify their reinsurance panels. Headquartered in Bermuda with branch offices in Zurich and Singapore and a solid underwriting team in London, Endurance has the full commitment of the board of directors and our executive management team in support of our international expansion.

We have built a sustainable business model that well serves our stakeholders, internally and externally, with our clients at the forefront.

Endurance has the expertise in both mature and developing European and Asia Pacific markets and the backing of product specialists across our global organisation, and we offer capacity in various lines of business on a pro rata and excess of loss basis.

Our account focused approach and networked organisation drive our teams in Bermuda, London, Zurich and Singapore to deliver on what we promise.

It's one of the biggest decisions a cedant will ever make. So what should an insurer look for when seeking a strong reinsurance partner, asks **Hans-Joachim Guenther**



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He joined Endurance from Converium AG in February 2008, where he most recently held the position of Chief Underwriting Officer for Europe. Mr Guenther has previously held senior positions with German insurer Gerling.

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- Strong balance sheet with high quality assets and exceptional liquidity

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**Insurance:** Property • Casualty • Agriculture • Healthcare Liability Professional Lines

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