

# Seizing the opportunity

David Howden  
CEO Howden Group



# Three decades of mountain climbing

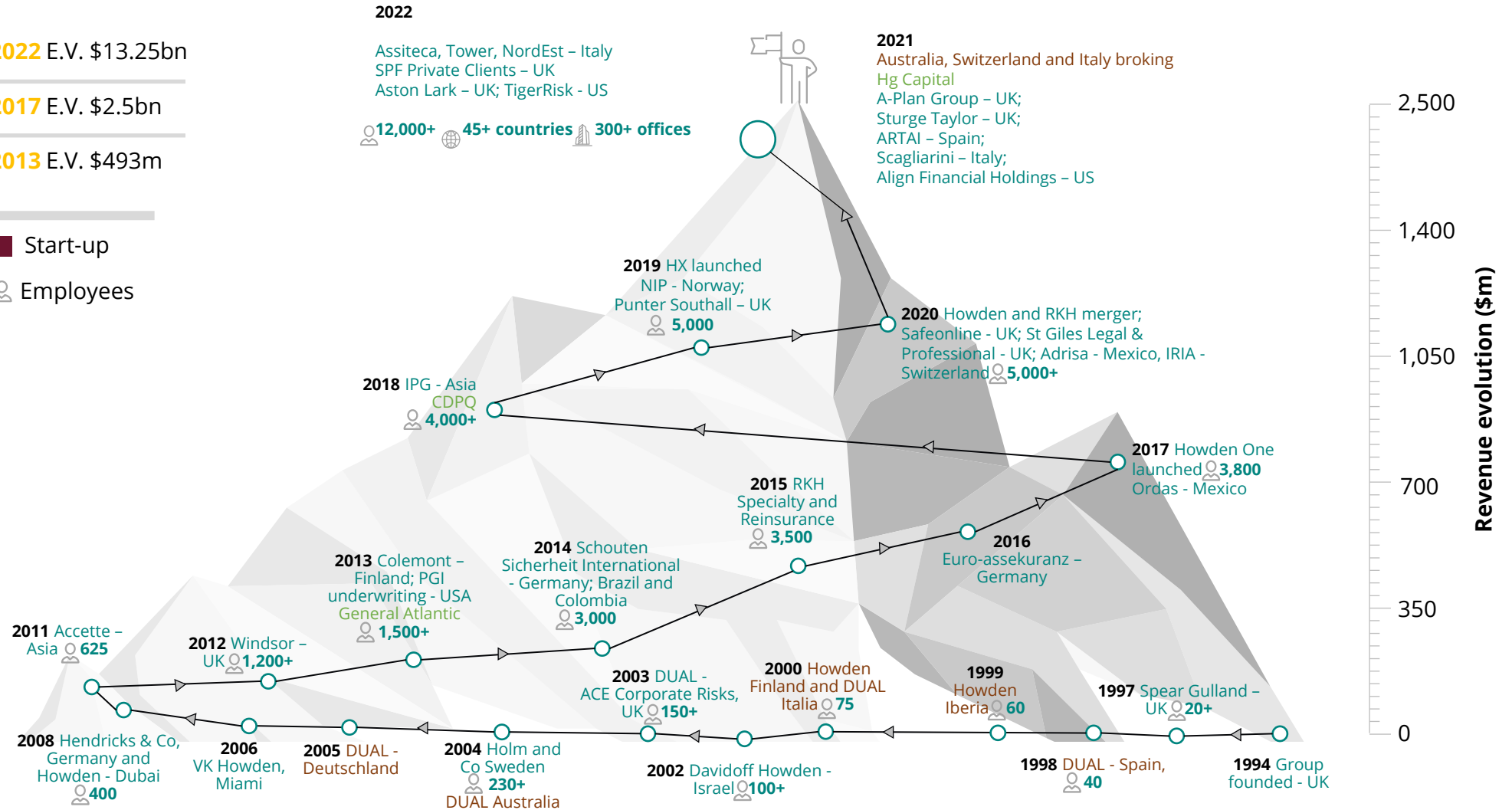
**EV CAGR  
40+%  
from  
2013**

**2022** E.V. \$13.25bn

**2017** E.V. \$2.5bn

**2013** E.V. \$493m

- Acquisition
- Start-up
- Investment
- 👤 Employees



Note: All financials pro forma Aston Lark, Assiteca and Tiger Risk; exchange GBP 1:1.25 USD

**\$30bn+**  
GWP

**12,000**  
employees

**45+**  
countries

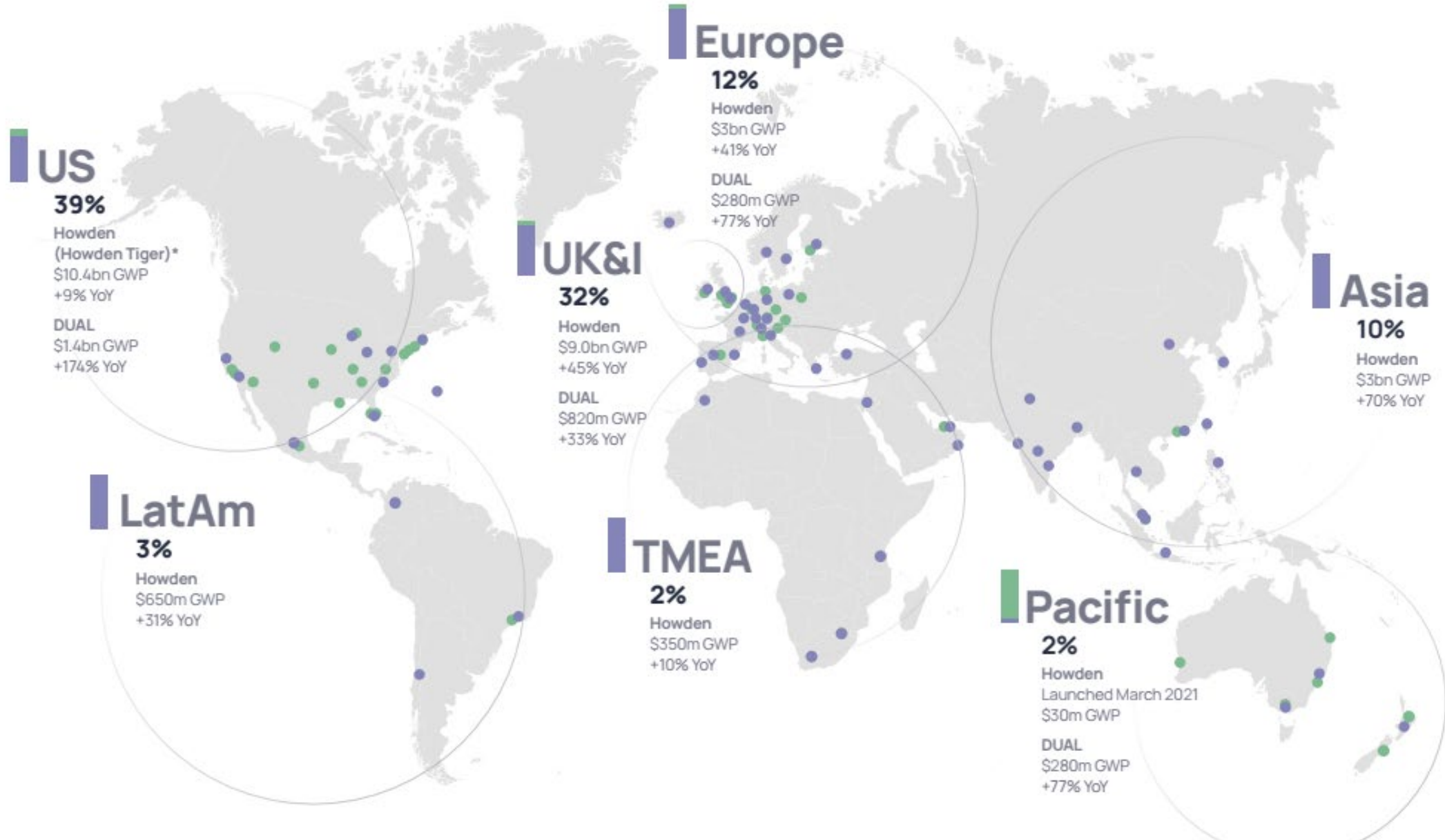
**#1**  
London market &  
specialty partner

**\$2.7bn**  
GA GWP

**#1**  
binding authority  
broker in Lloyd's

**90**  
capacity providers

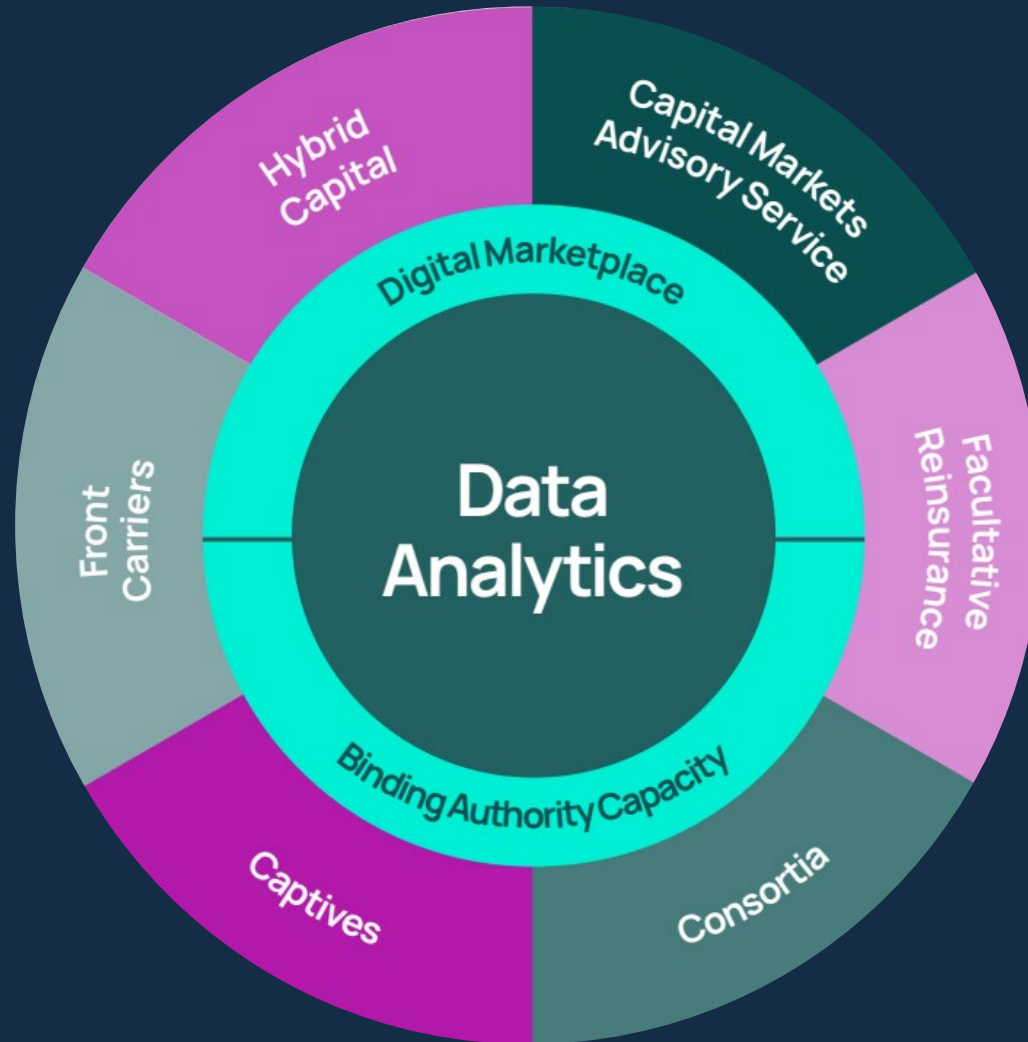
**11,000**  
broker partners





# Using all our tools for carriers and clients

**\$6bn** GWP  
in the GA sector



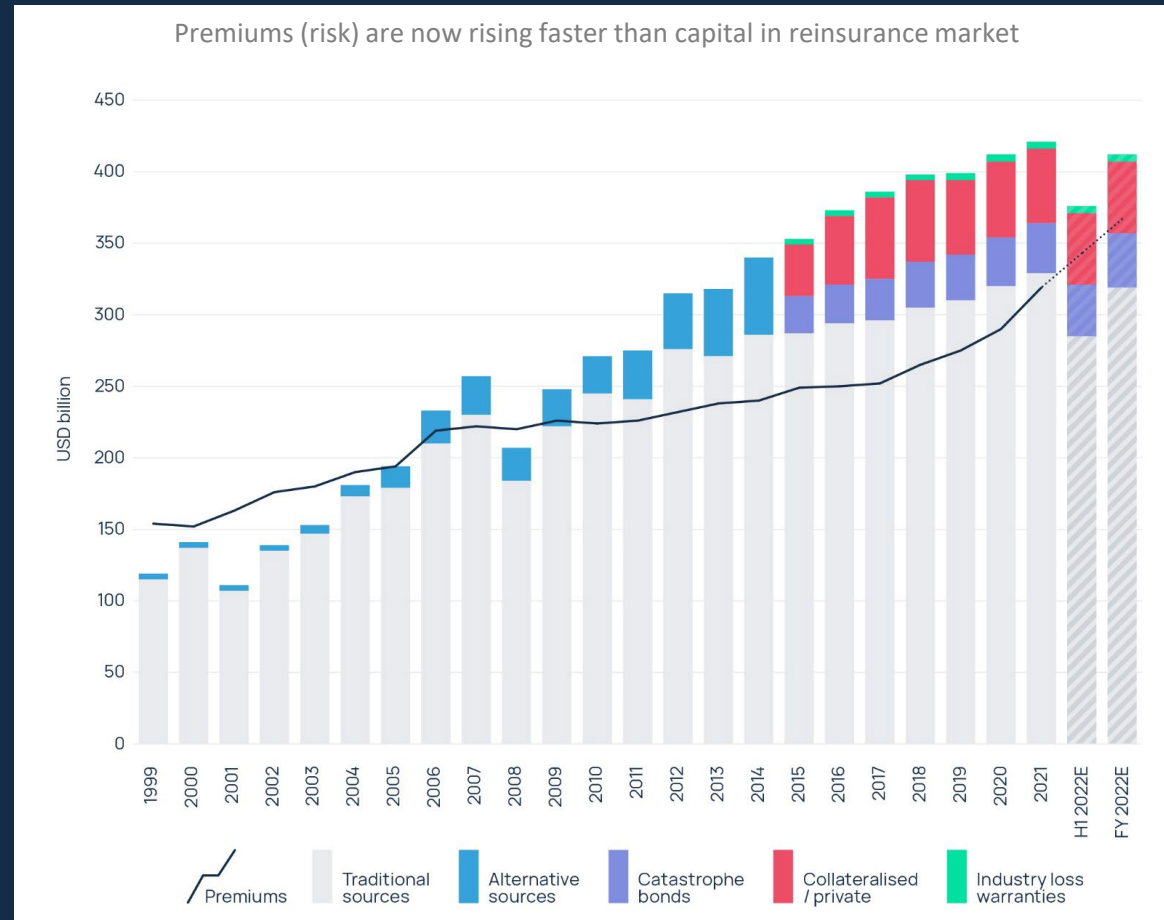
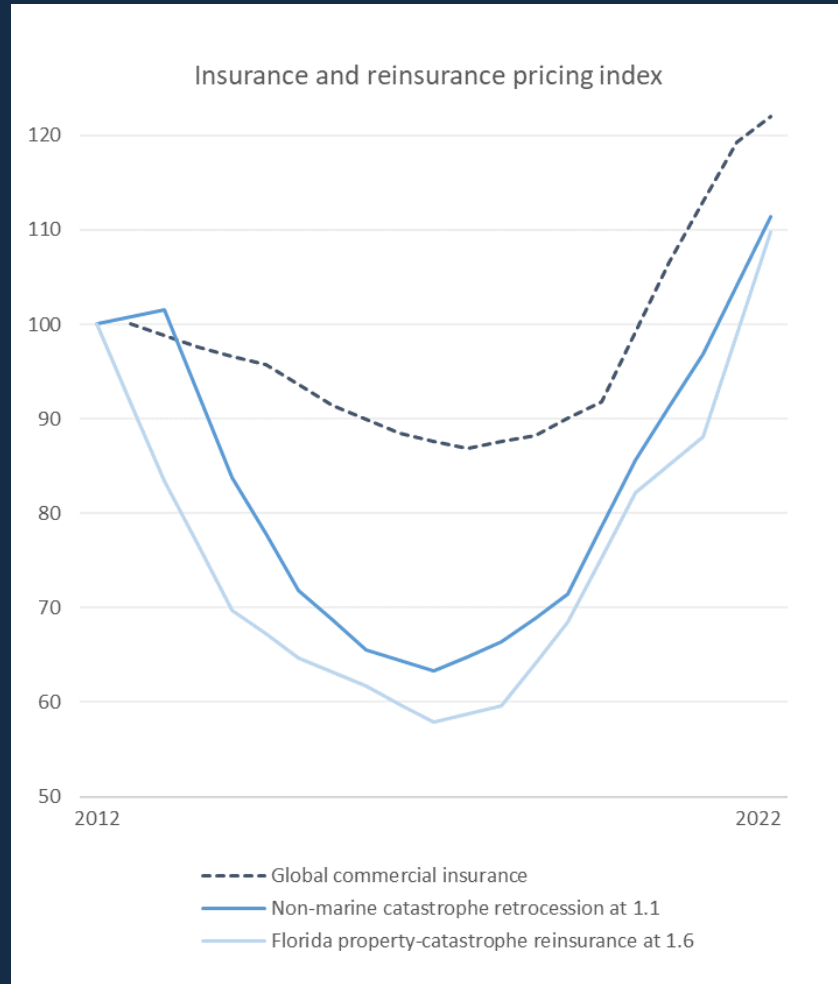


Rendez-Vous  
de Septembre

Monte Carlo

# Rebalancing of supply and demand

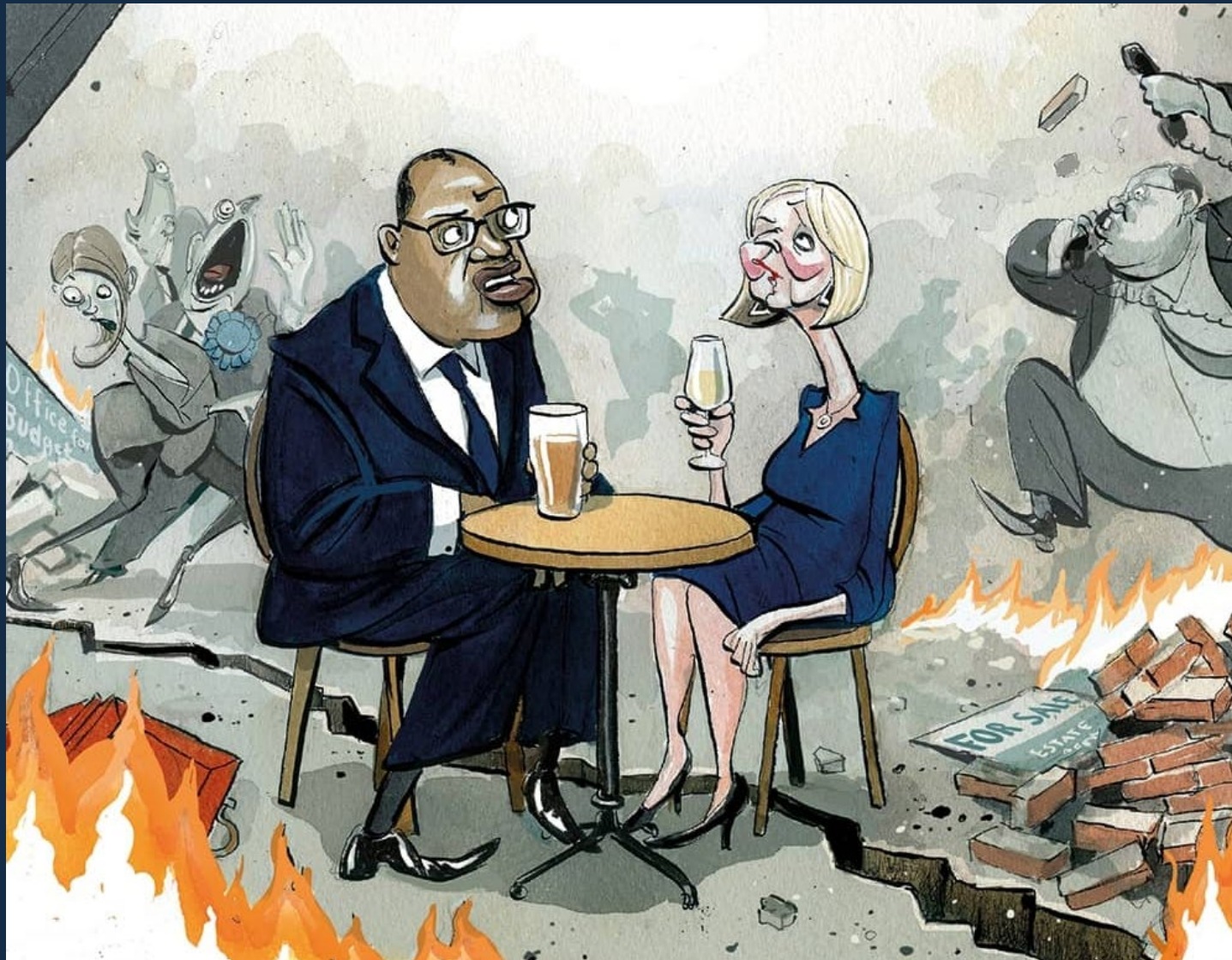
Capacity constraints are being felt across the (re)insurance value chain







Colorado Springs

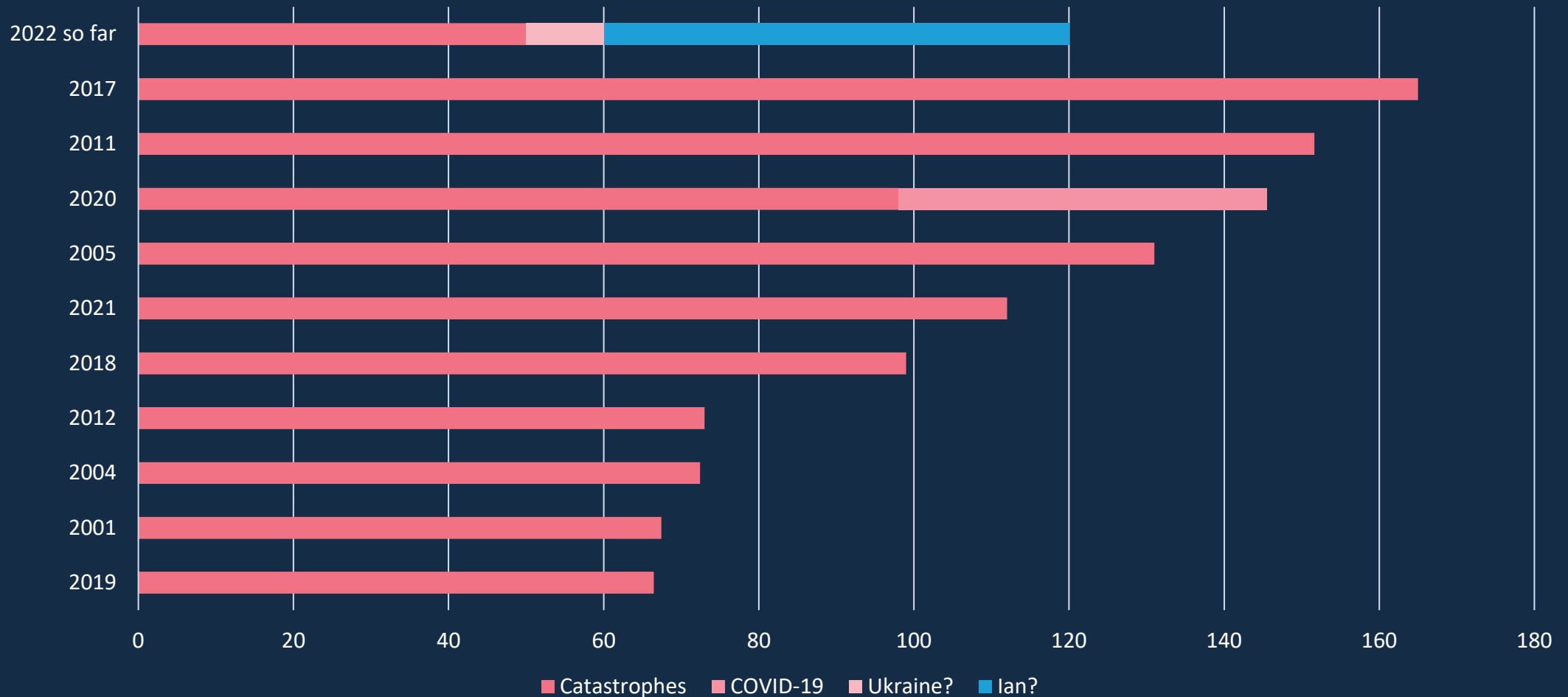


# The perfect storm



CIAB

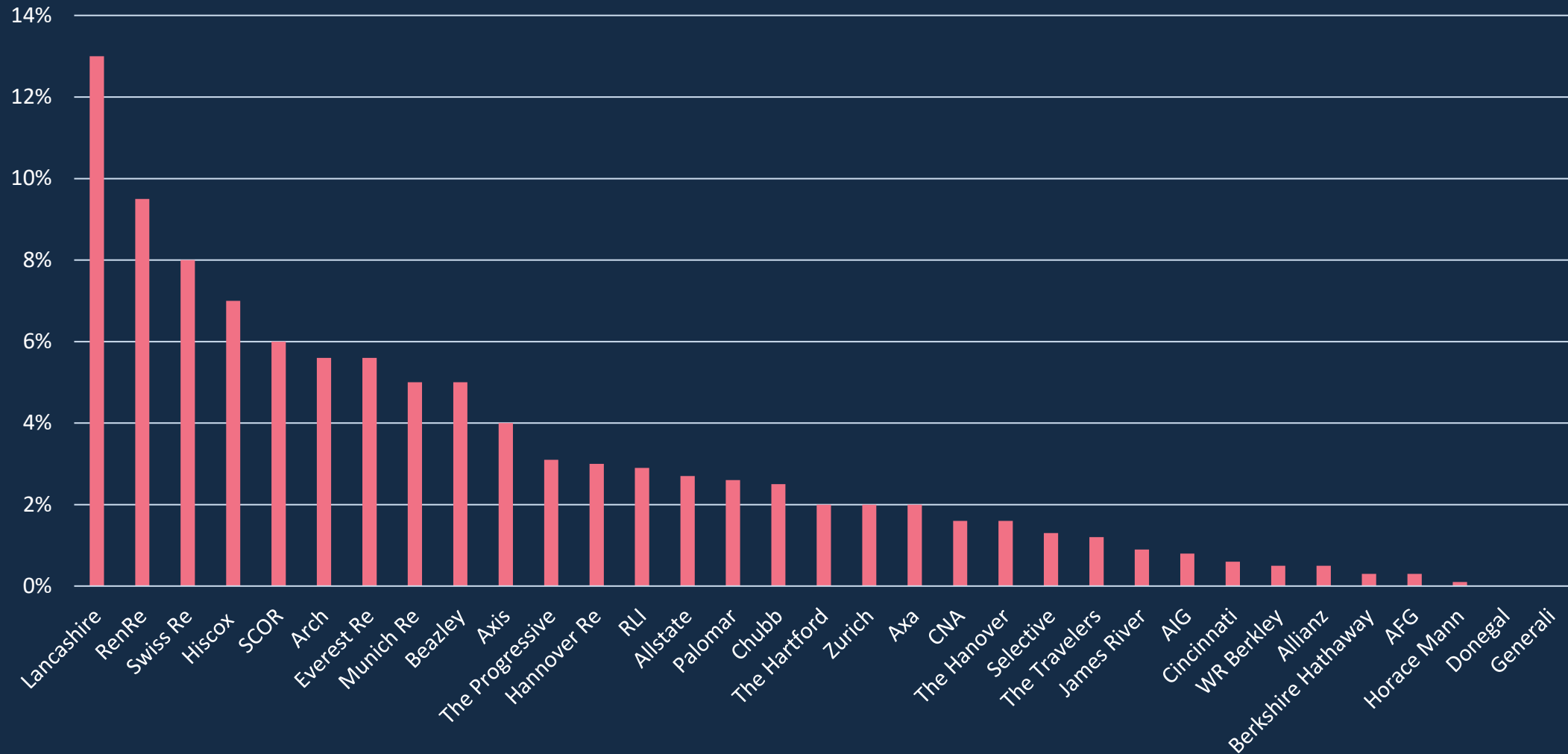
# Hurricane Ian: historical context (USD billions adjusted for inflation)



Source: Howden Analytics, Nova, Insurance Information Institute

# Hurricane Ian: estimated loss effect (quoted carriers)

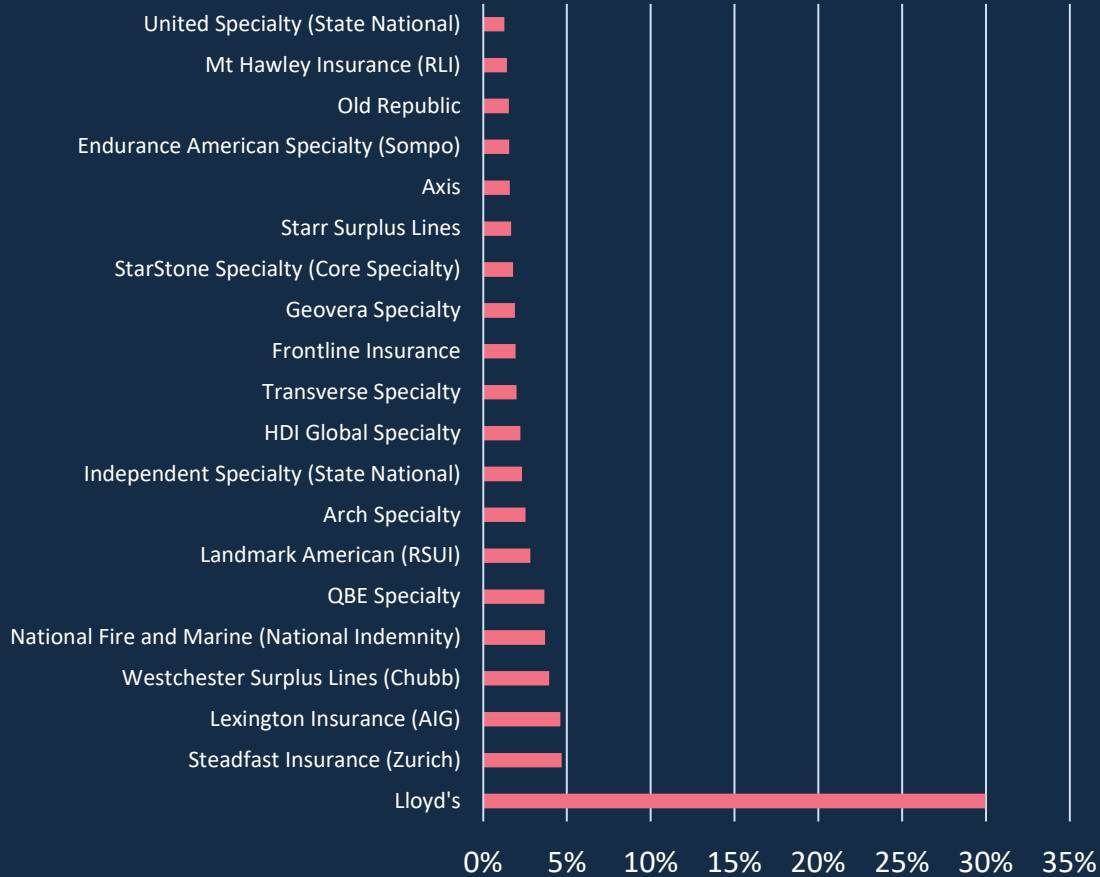
Estimated loss as a % of tangible equity



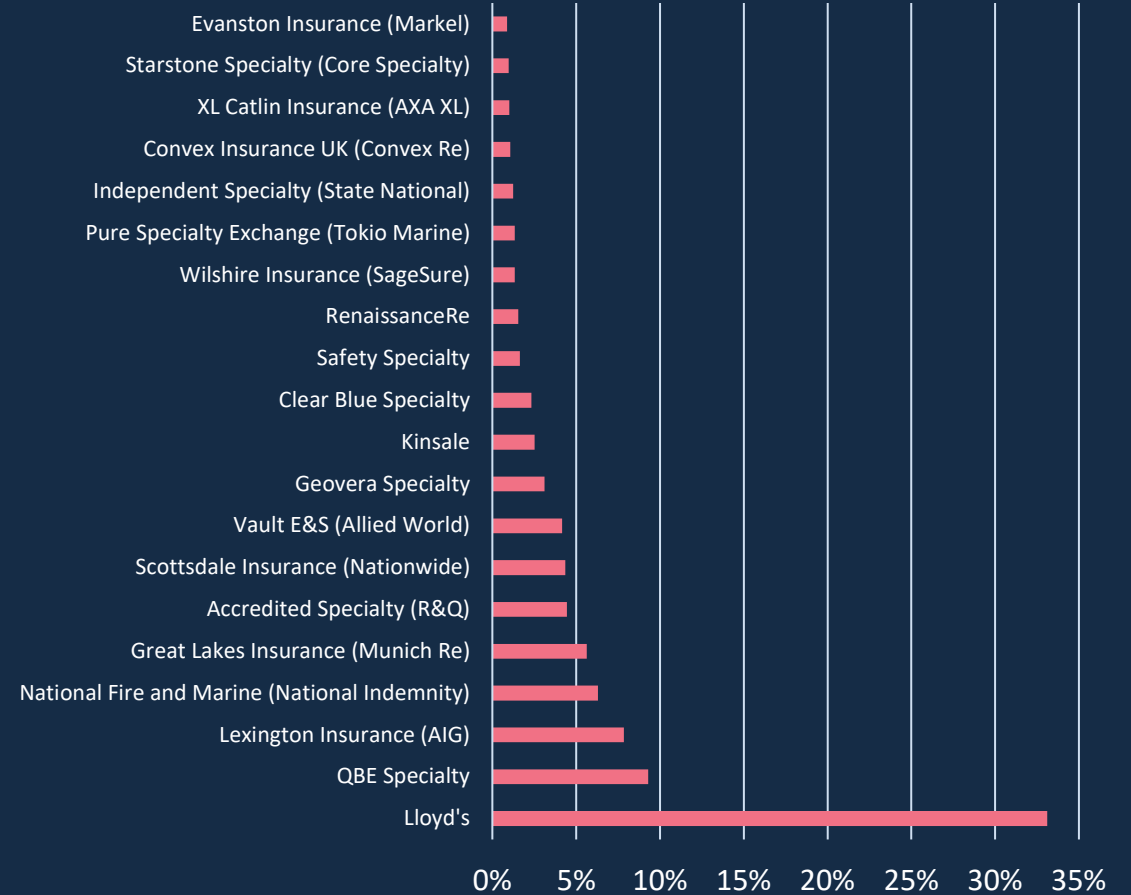
Source: KBW, Bloomberg data

# Hurricane Ian: Lloyd's E&S exposure

## Commercial

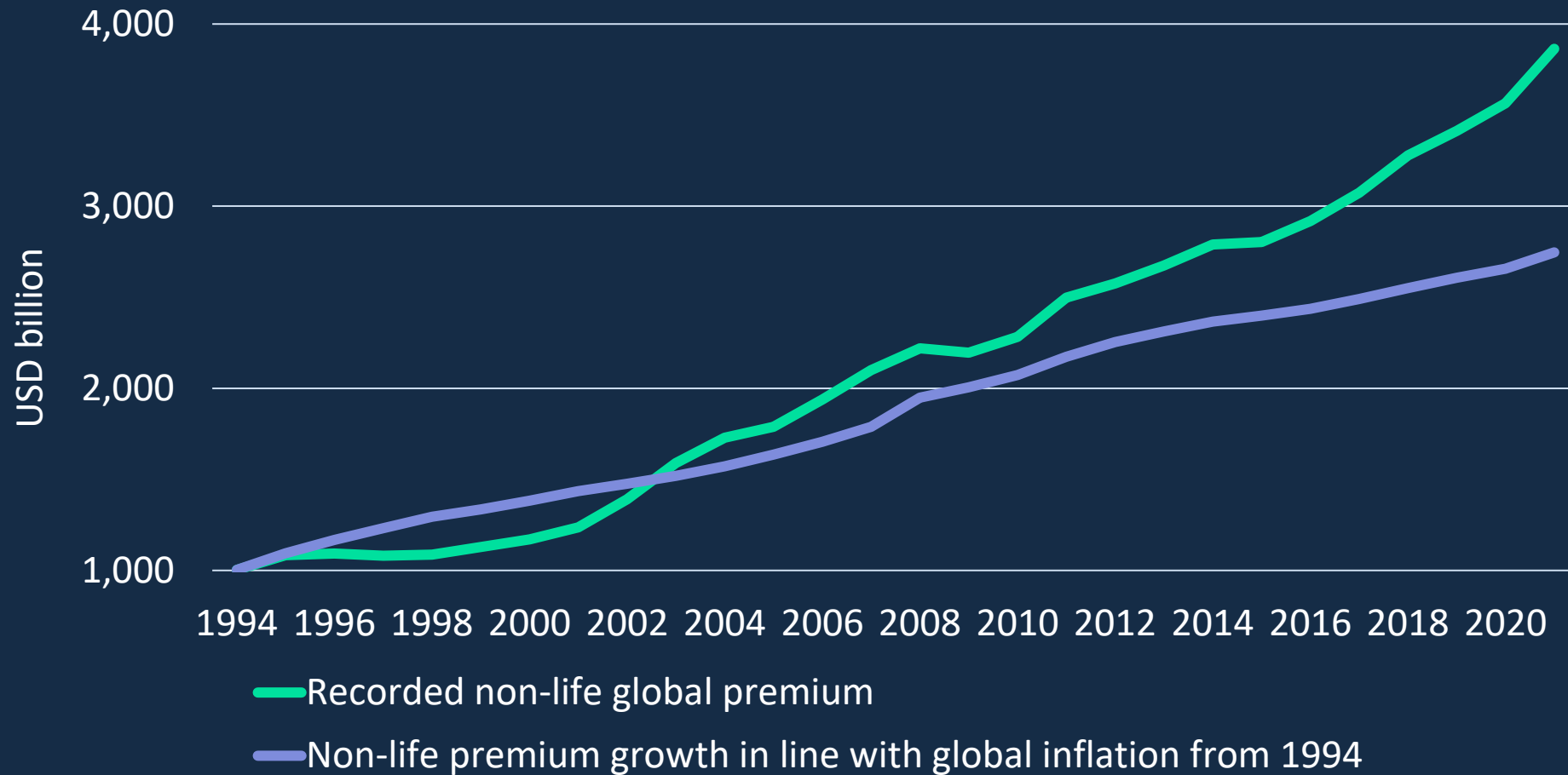


## Residential



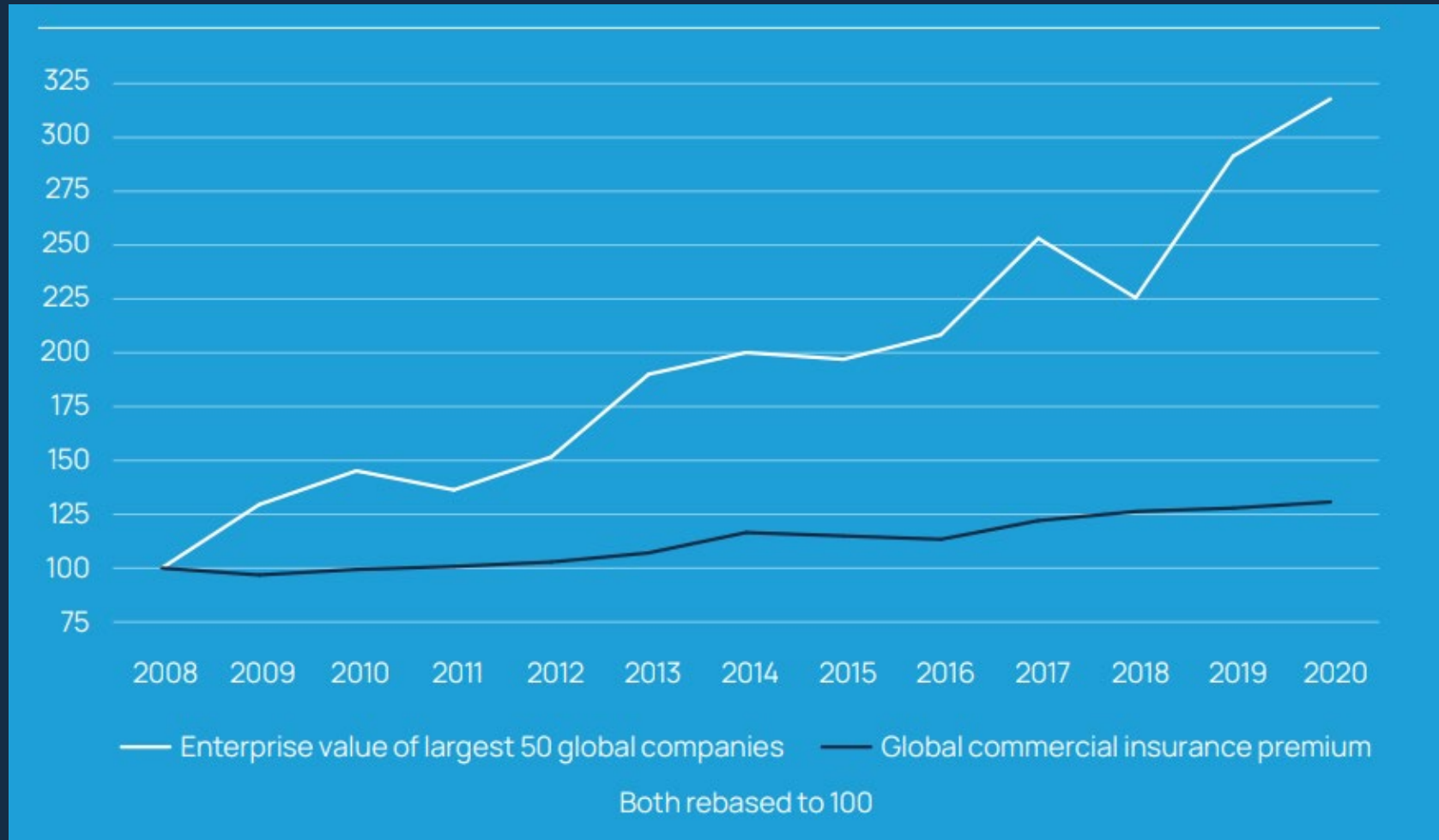
Source: Florida Surplus Lines Service Office (Lee, Charlotte, Collier, Hillsborough, Sarasota and Manatee counties)

# Sleepwalking into irrelevance?



# A shrinking market?

Enterprise value of top 50 global companies vs global commercial insurance premiums

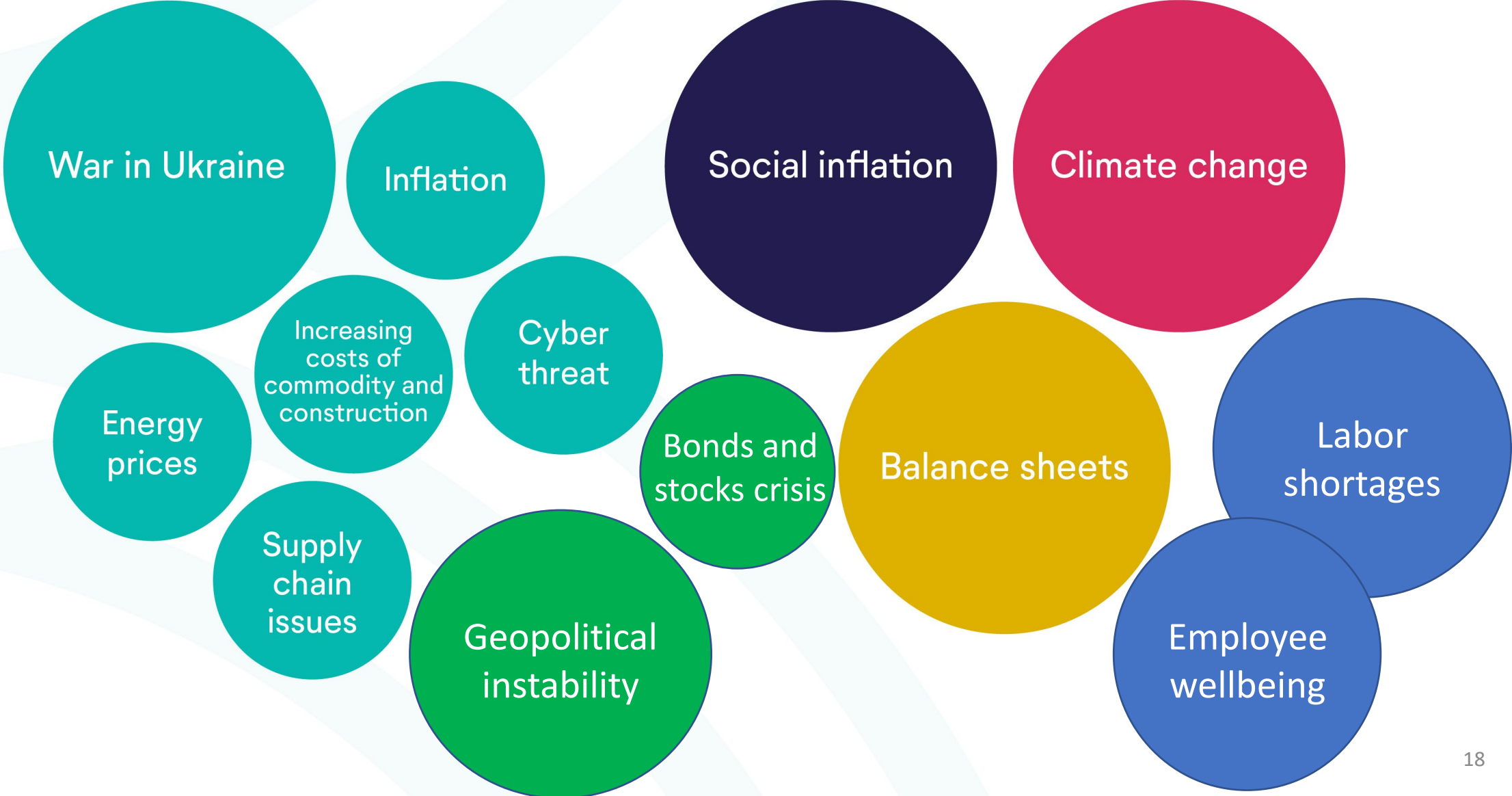




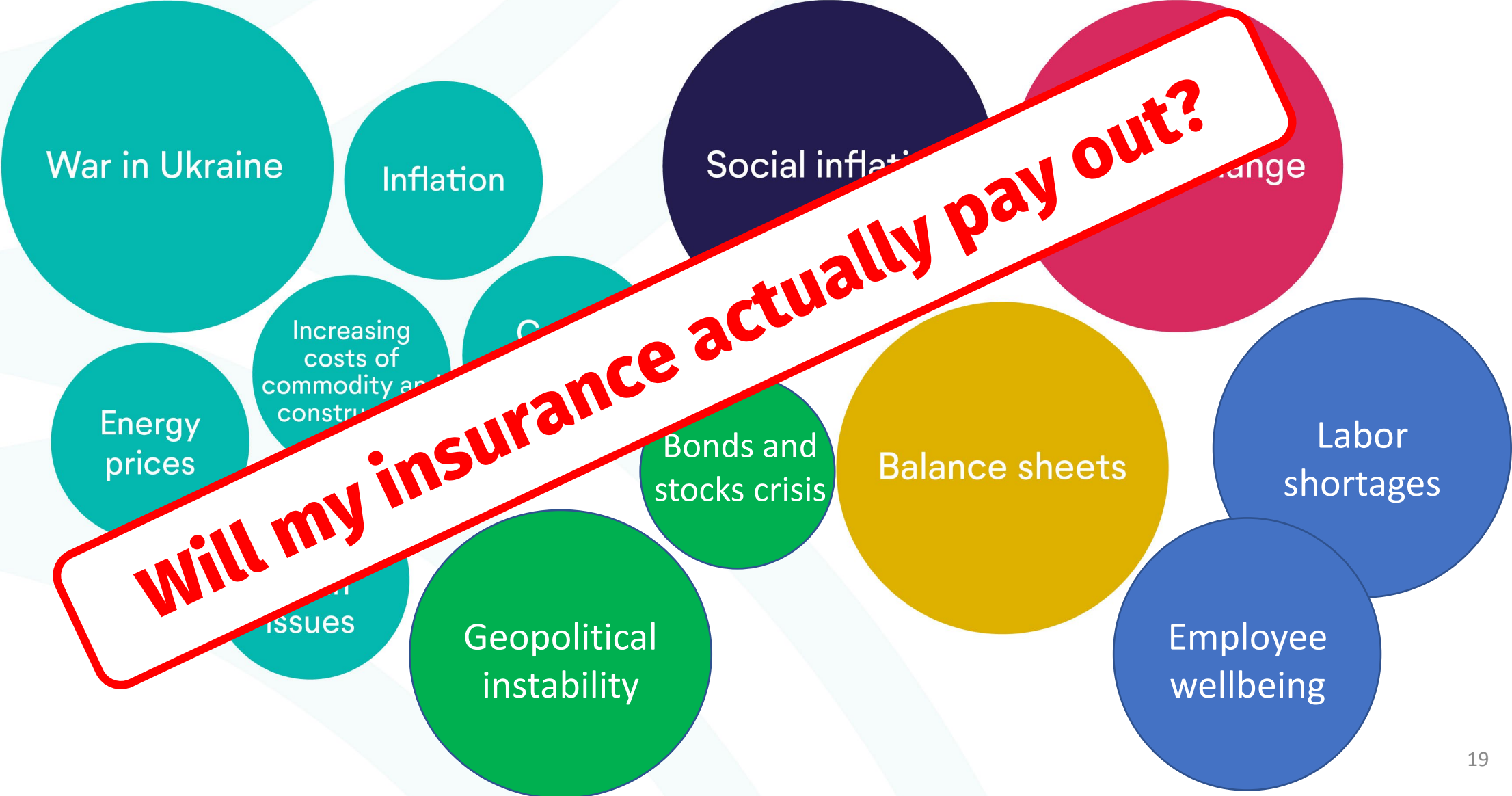


Copenhagen

# What are clients thinking about?



# What are clients thinking about?



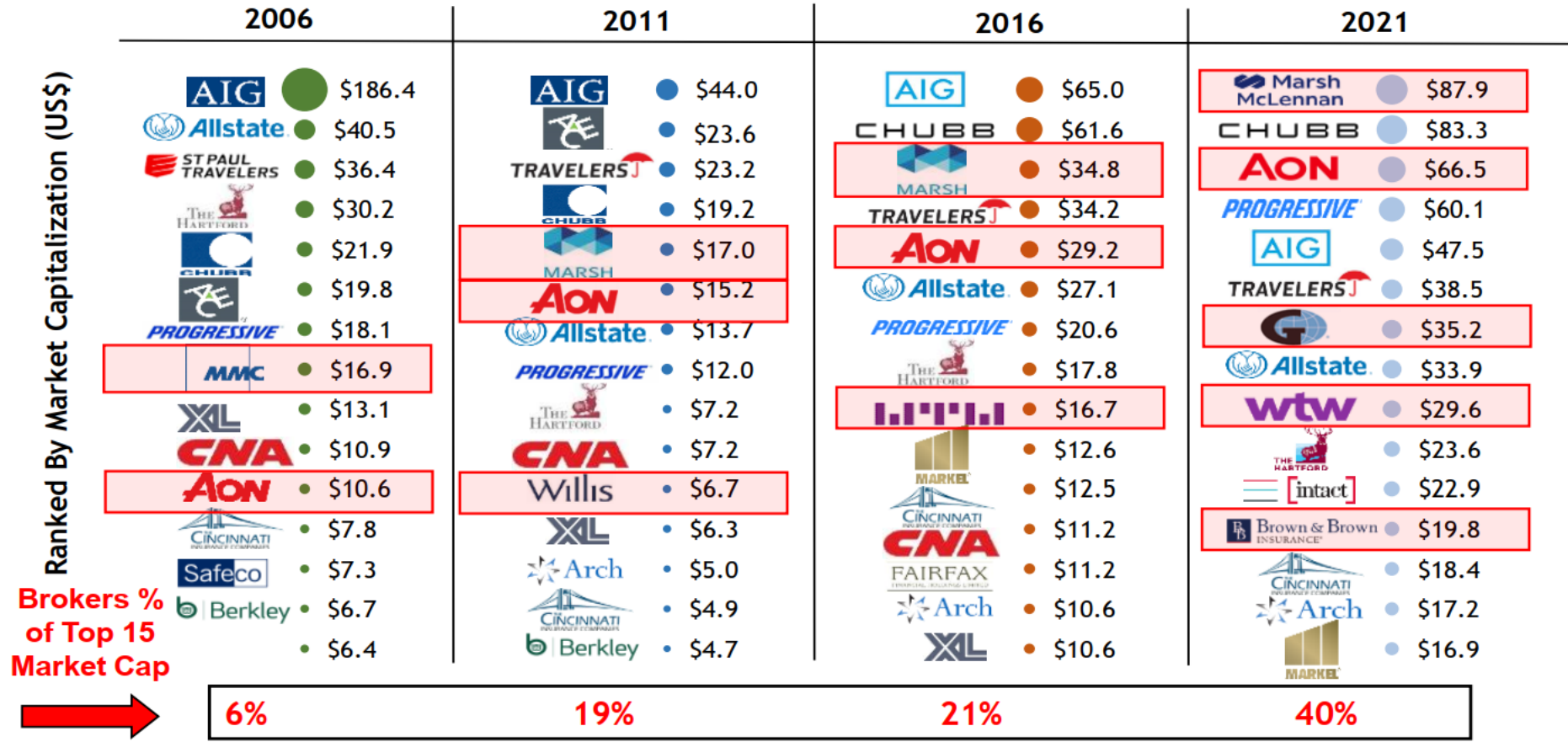
## **Airbus and Michelin among participants in new European cyber mutual**

Samuel Casey 10 October 2022



# The increasing dominance of intermediaries

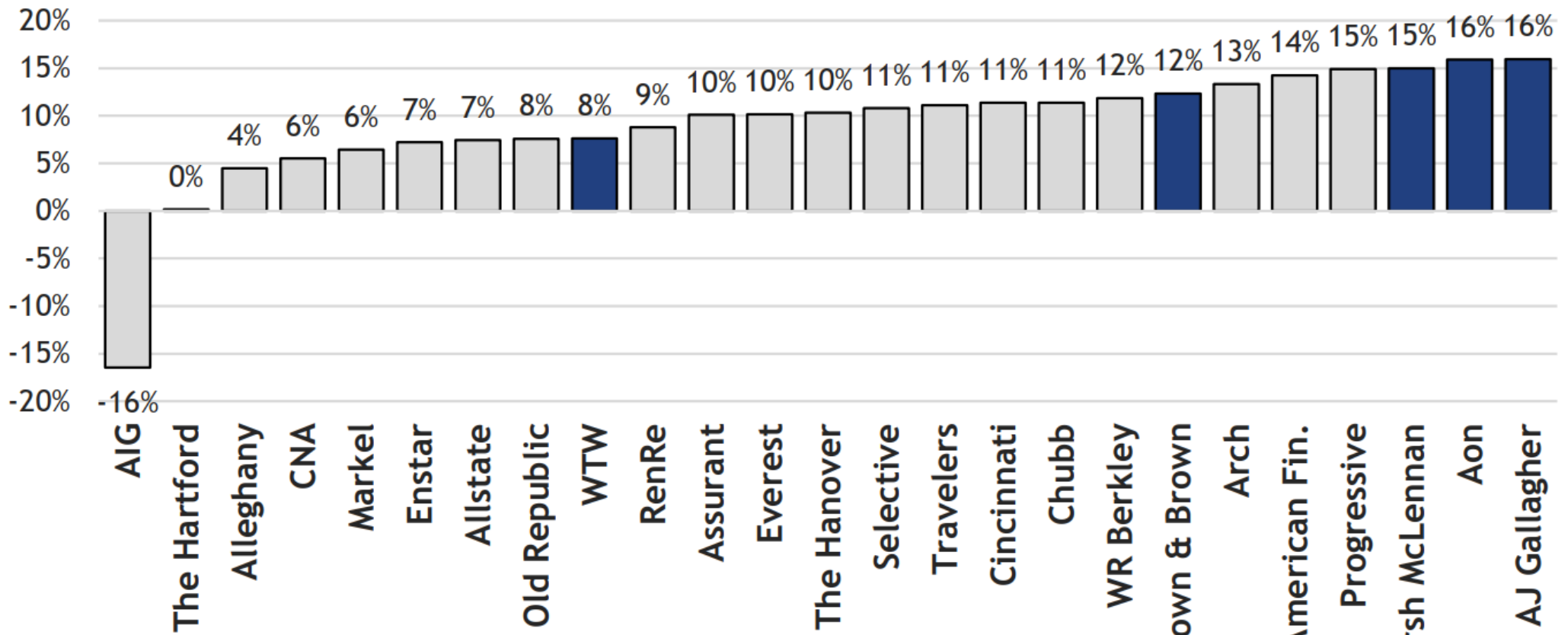
## TOP 15 U.S. P/C COMPANIES BY MARKET CAPITALIZATION EX BERKSHIRE



Source: FactSet (data as of YE); Hales Analysis, Excluding Berkshire Hathaway, Includes Fairfax & Intact

# Brokers have produced good returns for investors...

## 15-Year Total Return CAGR: Brokers Vs Current Top-15 Underwriters



Source: FactSet, Dowling Hales Analysis

Notes: Excludes Berkshire Hathaway; Legacy Ace used for Chubb; Legacy Willis used for WTW



Scottsdale

*“How are GAs relevant? You don’t carry risk on your balance sheet.”*

Editor, Insurance publication



# GAs are small but mighty

**\$12.5bn  
revenues and  
\$100bn  
premiums  
globally  
2020**

**Fronting  
market double-  
digit growth  
rate**

**US**

**2012: \$25bn**

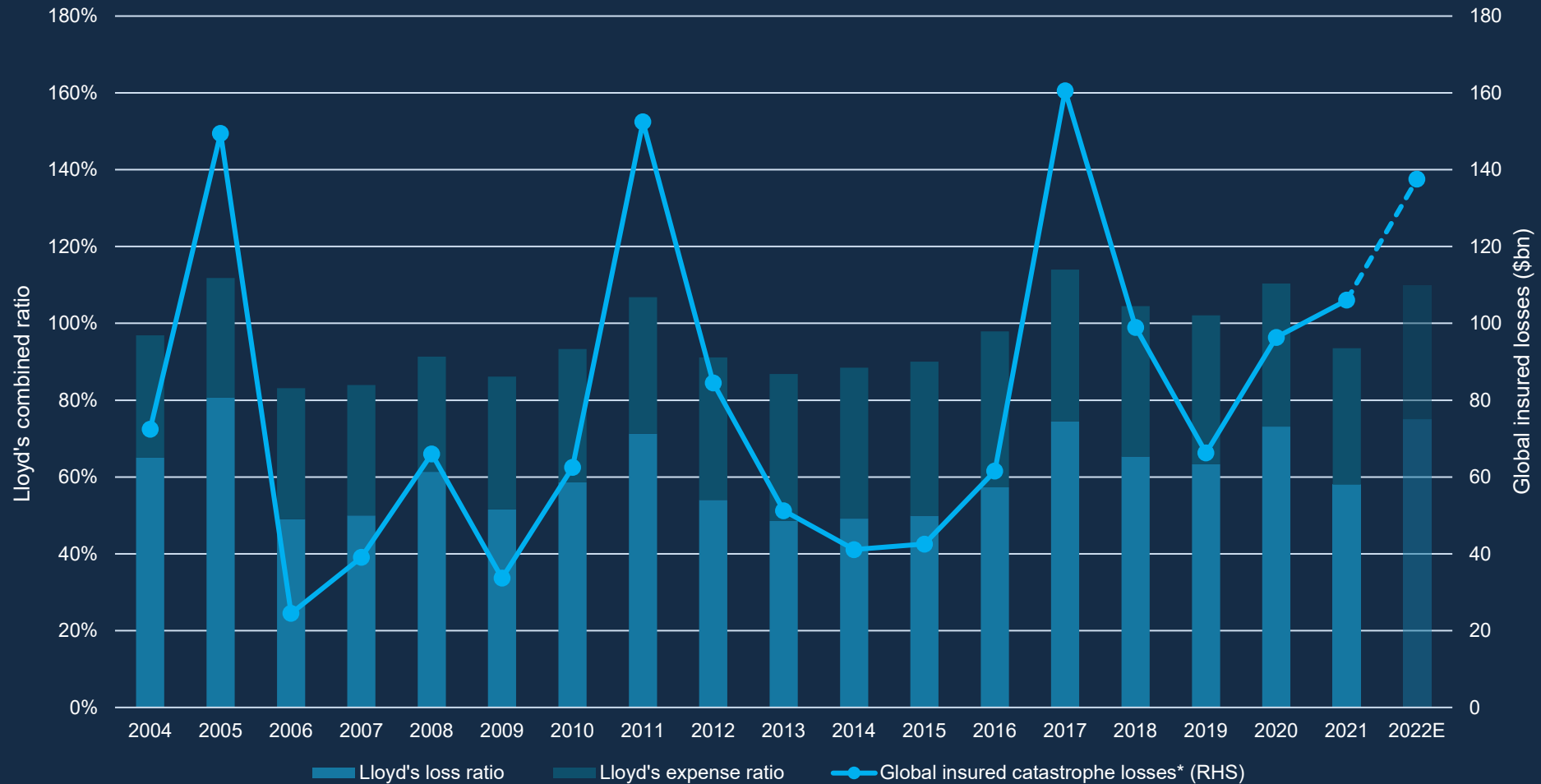
**2021: \$60bn**

**UK**

**33% of Lloyd's  
premium  
income  
delegated  
underwriting**

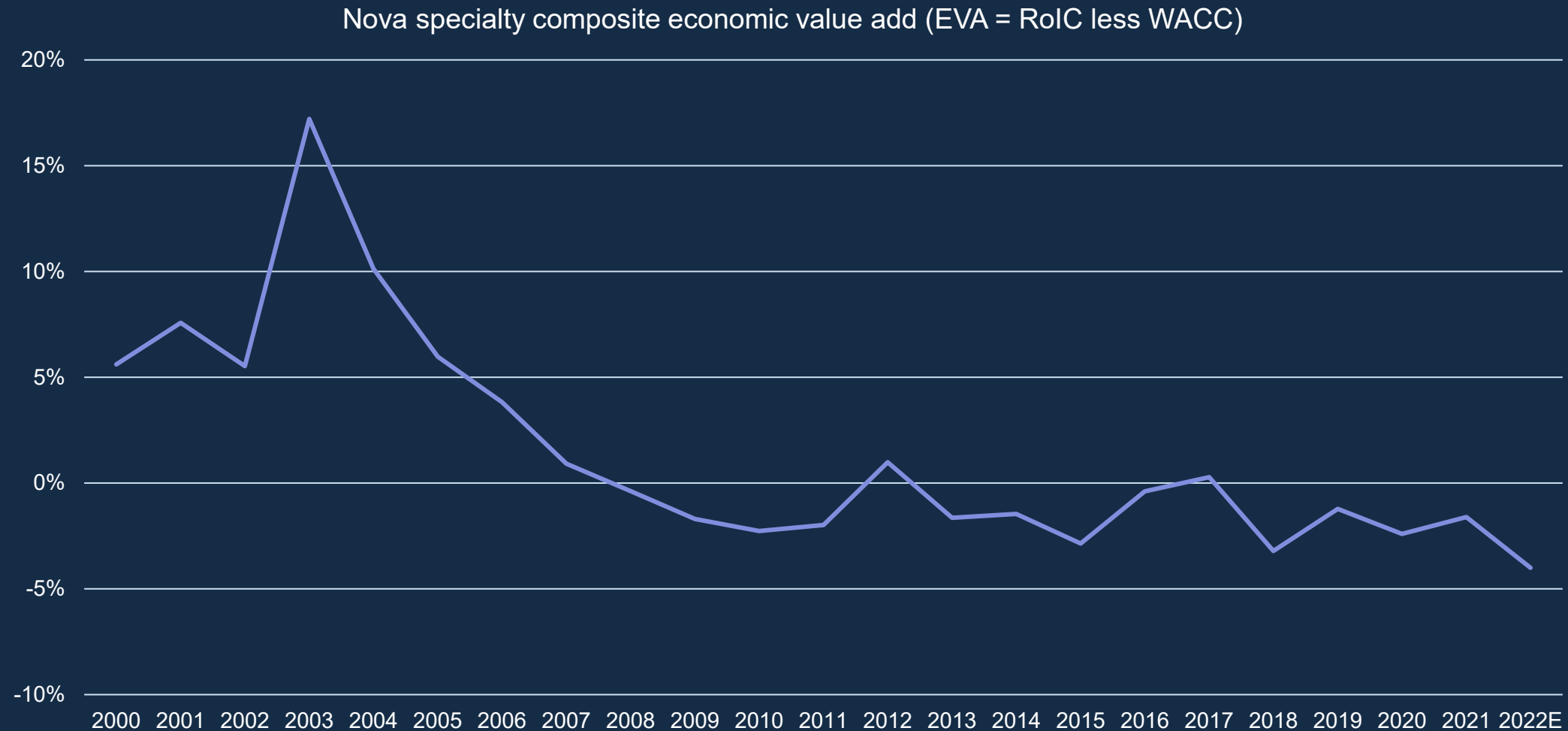
**10% of market**

# Lloyd's underwriting profits are under pressure



Source: Howden Analytics, company accounts

# Specialty carriers are not earning their cost of capital



Source: Nova, Bloomberg data, Howden Analytics

# Closing the relevance gap

A decorative graphic on the right side of the slide, consisting of several curved, overlapping bands in shades of blue and grey, creating a sense of motion or a stylized wave.

# The opportunity for GAs, for insurers, for brokers and for talent

1

Underwriting  
Credibility

2

Tech and data

3

Alignment model

4

To deliver profitable  
outcomes for our  
carrier partners and  
ourselves

5

Brokers – we listen!

6

Insurers – GAs are  
your safe space!

7

GAs can help keep  
you relevant to  
clients

8

Venture capital has  
the edge on the  
insurtech battle

# What does talent want?



## Fidelis to bifurcate into \$3bn-premium MGU and \$2bn balance sheet

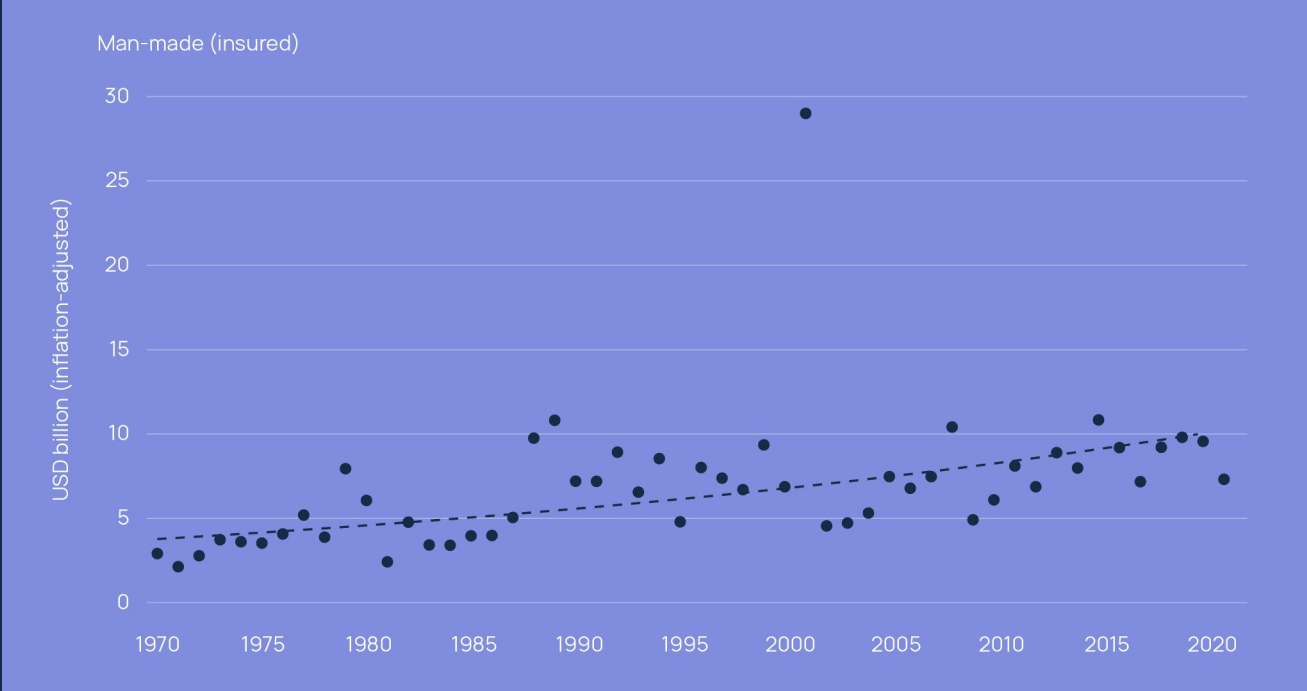
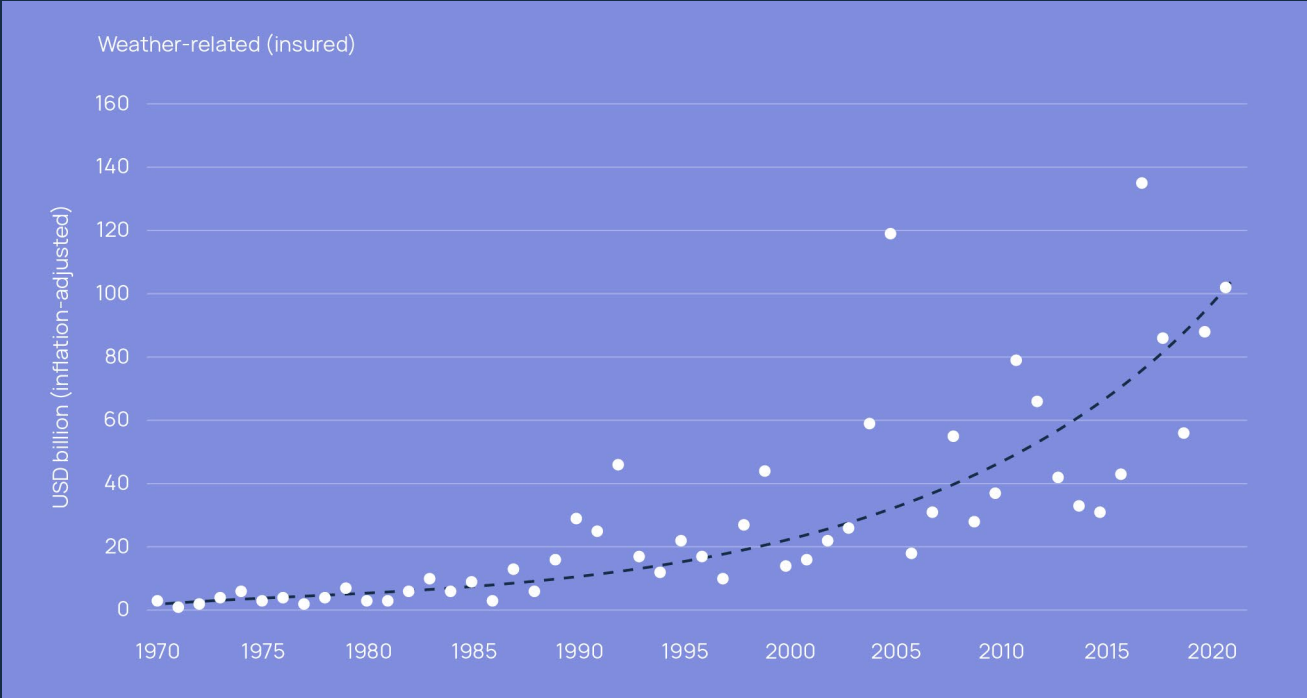
Adam McNestrie 25 July 2022



# Multi-carrier, disparate balance sheet model is key to innovation and relevance for clients *and* for carriers

- **D&O insurance**: Non-US D&O 1994 \$250m → 2022 \$13bn
- **Renewables**: born in the GA space now largely composite market  
\$750m in London; \$1.5bn+
- **Parametric insurance**: born in the 90s, mainstream in 2018-19, now a \$12bn market globally
- **M&A and Title insurance**: both 60%+ written by GAs  
M&A insurance 2010 \$330m → 2022 \$5.25bn
- **Cyber**: 2000 - \$100m → 2022 - \$10bn

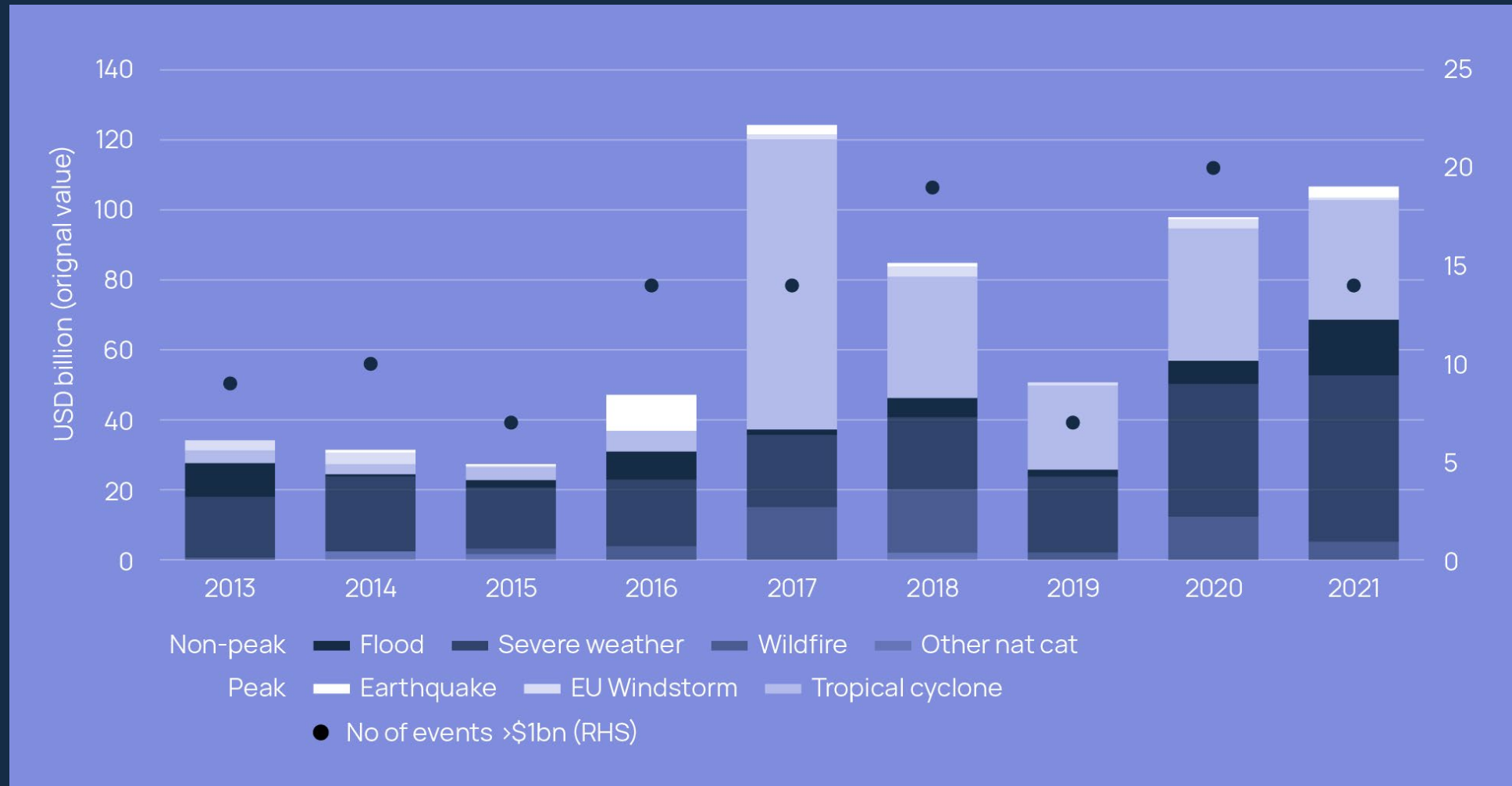
Whether you believe climate change or not, look at the claims.....



Source: Howden Analytics, Nova



# Climate change and increased catastrophe losses



Source: Howden Analytics, Nova

# \$125 trillion

of investment is required  
between **now and 2050**

to transform our economy and avoid the  
worst physical impacts of climate change

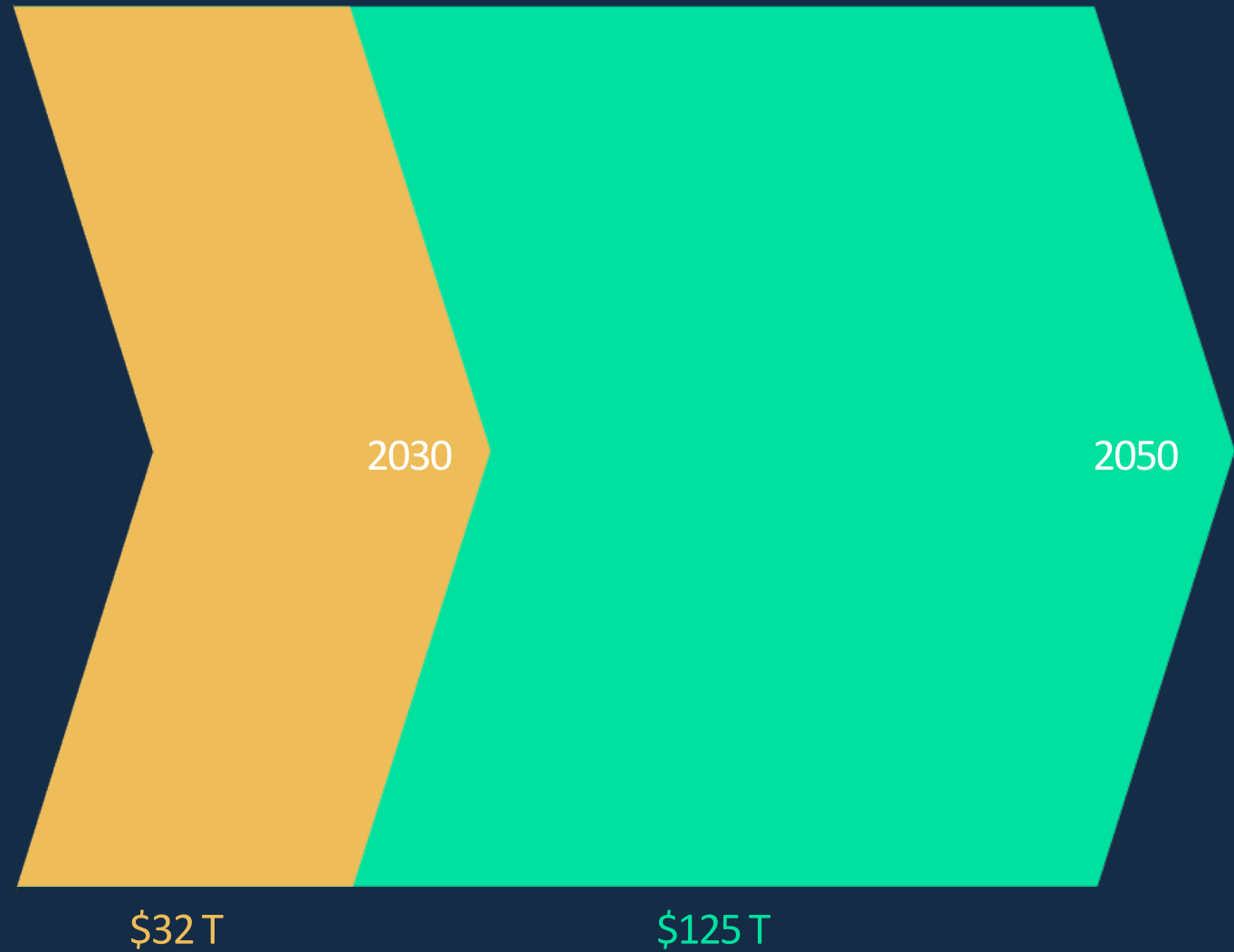


2050

\$125 T

**\$32**  
trillion

of investment is required  
**this decade.**



# 18%

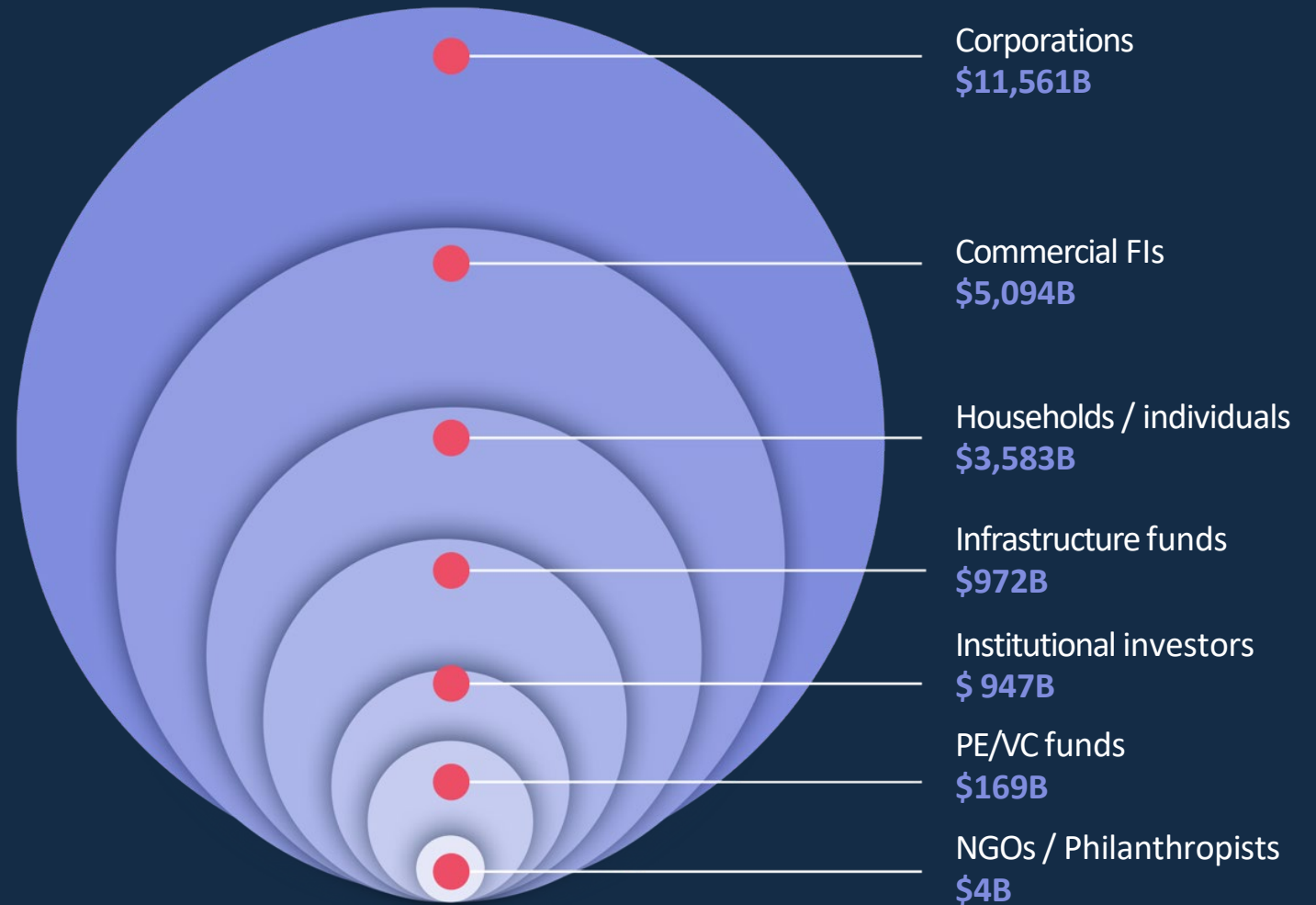
of this investment will be  
in North America

\$32 trillion



# 70%

of this \$125trn from  
**businesses and individuals**



# 6

main industry sectors

\$32 trillion



**How are you going to stay relevant?**

**Thank you**

