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International Association for the  
Study of Insurance Economics

## Press Release

**Geneva  
Association  
Information  
Newsletter**

**Geneva/ Switzerland, 4 June 2008**

### **40 Insurance and Reinsurance CEOs Surveyed on Strategic Industry Issues**

The Geneva Association, the think tank of the CEOs of the world's largest insurers and reinsurers, today announces the results of a unique survey among 40 industry leaders. It covers the insurance-specific ramifications of the credit crisis, developments in solvency regulation and financial reporting as well as the top corporate and industry risks in the 12 months ahead.

The poll was conducted during the course of the 35<sup>th</sup> General Assembly of The Geneva Association. This most prestigious annual event of the insurance industry took place in Hamilton, Bermuda, from 28 to 31 May 2008, and was hosted by XL Group, ACE, Partner Re and Axis. Among the companies represented by their CEOs were global leaders such as AIG, Aviva, AXA, Lloyd's, Prudential and Swiss Re as well as regional leaders from the emerging insurance world such as Sul America Seguros from Brazil, PZU from Poland and AKSigorta from Turkey. As every year, the members of the Association discussed in intensive sessions the strategic global issues facing the insurance industry. These debates lead to a series of background papers and comments that are later published by The Geneva Association in the *Geneva Papers on Risk and Insurance - Issues and Practice* of January 2009.

#### **No major impact of credit crisis expected**

Asked about the regulatory consequences of the credit crisis the vast majority of 87% of the participating CEOs expect a minor tightening of the respective frameworks, primarily as a "spill-over" from expected major changes to banking regulation. In respect of the insurance industry's overall reputation 52% of respondents see potentially minor damage arising from the credit crisis whereas 48% believe that there will be no impact whatsoever. Finally, as regards the convergence between insurance and capital markets, e.g. through the securitisation of insurance risks, 52% of the CEOs do not anticipate any impact. 20% expect the pace of convergence to slow, whereas 28% believe it will accelerate in the wake of the credit crisis.

## **Changes to solvency regulation welcomed**

Regarding current developments in solvency regulation, especially the forthcoming advent of the Solvency II regime, two thirds of the respondents expressed their overall satisfaction. In terms of the pace of change, however, 57% would be in favour of accelerating.

## **Developments in accounting standards viewed critically**

In respect of developments in financial reporting, especially in the context of International Financial Reporting Standards (IFRS), the CEOs gave a different assessment: Two thirds are either unsatisfied or very unsatisfied with the overall direction of reforms. In addition, 55% of the respondents think that the pace of introducing an appropriate future accounting framework should be faster.

## **Economic slowdown and financial market volatility top list of perceived risks**

The second part of the survey was devoted to the future landscape of corporate and industry risks. The participating industry leaders shared their views regarding key risks facing their respective organisations as well as the industry as a whole in the 12 months ahead. On top of the list of concerns is an economic slowdown as a result of the credit crisis, followed by continuing financial market volatility. The third most frequently mentioned risk is insurance regulators overreacting to the credit crisis. In addition, the CEOs are considering an acceleration of inflation as one of the top risks for the coming 12 months.

Patrick M. Liedtke, Secretary General and Managing Director of The Geneva Association, said: "Our General Assembly is a globally unique gathering of industry leaders in insurance. For the first time ever, we have leveraged this platform to survey the participating CEOs on topical issues of key strategic importance. Through this initiative we hope to contribute to an improved understanding of the priority issues facing the world's leading insurance and reinsurance companies."

Commenting on the specific results Patrick M. Liedtke added: "The survey clearly demonstrates the CEOs' dissatisfaction with the direction and pace of proposed accounting reforms. More efforts are needed to foster mutual understanding between all relevant stakeholders so as to facilitate solutions which reflect the economic importance as well as the peculiarities of the insurance industry."

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## **About The Geneva Association**

*The International Association for the Study of Insurance Economics ("The Geneva Association") is a unique global organisation formed by a maximum of 80 chief executive officers (CEOs) from the world's most important insurance companies. The Geneva Association's main goal is to research the growing importance of worldwide insurance activities for economic growth and societal progress.*

*The Geneva Association also acts as a forum for its members, providing a worldwide unique platform for the top insurance CEOs to exchange ideas and discuss key strategic issues. It also organises platforms for member companies' chief financial officers, chief risk officers, chief economists and chief communication officers. It is a non-profit organisation based in Geneva, Switzerland.*