

KIC Q1 NEWSLETTER

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CELEBRATIONS
20th
anniversary
2005-2025



International
Insurer & Reinsurer



CEO MESSAGE



SHAY RECHES

CEO & Director

Dear Partners,
Happy Easter!

In a world that continues to deliver daily surprises marked by rising uncertainty, climate extremes, and both natural and man-made disruptions this season of renewal and hope is a welcome reminder of the value of resilience and optimism.

As Klapton Insurance Company (KIC) closes the first quarter of 2025, I want to take a moment to thank you for your continued trust and partnership. Your support has enabled us to grow steadily and meaningfully.

Today, we are proud to serve clients in more than 70 countries a milestone that speaks volumes about the strength of our global collaborations.

Looking ahead, our focus sharpens on delivering measurable impact, elevating our performance, and deepening our commitment to excellence in service.

WE HAVE DEFINED FOUR STRATEGIC PRIORITIES TO GUIDE OUR EFFORTS THIS YEAR:

1. Driving Sustainable, Profitable Growth

We aim to build a well-diversified portfolio anchored in technical rigor, fair pricing, and prudent risk selection.

Our goal remains clear:

"to deliver long-term profitability across all markets we serve."

2. Deepening Market Engagement

We are enhancing our regional footprint to better understand and respond to the unique needs of each market.

Proximity, relevance, and lasting relationships will continue to define how we operate.

3. Strengthening Claims Responsiveness

Claims are the true test of our promise. We are committed to acting with transparency, urgency, and fairness ensuring that we provide real value when our clients need it most.

4. Enhancing Capital and Investment Stewardship

In a volatile global landscape, we will maintain a disciplined, forward-looking approach to capital deployment and investment management. This ensures our resilience and supports strong returns for our shareholders.

OUR VISION

"Excellence, Professionalism, Responsiveness,"

is the foundation of everything we do. It speaks to our unwavering pursuit of quality, our commitment to integrity in every engagement, and our readiness to respond when it matters most.

This is how we earn trust, create impact, and shape the future of reinsurance together with our partners.

I would like to warmly thank our team for their efforts and dedication. Our team is a crucial part of our success.

Thank you once again for being part of this journey.

We look forward to working closely with you throughout 2025.

Warm regards,

Shay Reches

Chief Executive Officer

Klapton Insurance Company Ltd

INDIA RENDEZVOUS SUMMARY



JENNIFER ESTROUGO, ADV.

Deputy CEO, Head of Claims & Director

NAVIGATING THE FUTURE OF INSURANCE: INSIGHTS FROM THE 18TH INDIA RENDEZVOUS 2025

India's vision of becoming a global economic powerhouse is marked by ambitious goals and transformative ideas.

By 2047, India envisions itself as a fully developed nation, celebrating 100 years of independence. The insurance industry, as a vital pillar of economic stability and growth, plays a crucial role in realizing this vision.

India's vision aims for inclusive growth, technological advancement, and enhanced resilience against economic and environmental challenges.

The insurance industry is at the forefront of this journey, tasked with safeguarding assets, lives, and businesses while fostering innovation and financial inclusion.

As the industry evolves, it must adapt to emerging risks, leverage cutting-edge technologies like artificial intelligence and blockchain, and develop products that cater to the diverse needs of India's vast population.

The 18th India Rendezvous 2025 provided an exceptional platform for industry leaders, insurers, and reinsurers to engage in insightful discussions, exchange ideas, and build meaningful partnerships. Held in the vibrant city of Mumbai, this annual gathering has become a cornerstone for the industry in Asia, reflecting the sector's resilience and adaptability in an ever-evolving risk landscape.

This year's theme, **"Insurance 2047: Achieving India's Vision"**, emphasized the role of insurance in propelling India's economic and infrastructural growth. As the nation progresses toward its ambitious vision for 2047, industry leaders highlighted the importance of innovation, technology adoption, and regulatory frameworks that support sustainable development.



One of the key discussions revolved around financial inclusion and bridging the protection gap, ensuring that insurance solutions reach underserved populations and businesses.

Microinsurance, parametric coverage, and technology-driven distribution channels were highlighted as pivotal strategies to enhance financial inclusion and resilience.

The impact of climate change and natural disasters on the insurance sector was also a major focal point.

With India and the region facing increasing climate risks, industry leaders explored innovative risk mitigation approaches, such as parametric insurance and sustainable underwriting practices. Strengthening resilience against natural disasters and extreme weather events remains a priority for the sector.

INDIA RENDEZVOUS SUMMARY

INDIA'S GROWING ROLE IN GLOBAL REINSURANCE

India's insurance market continues to be a focal point for global reinsurers. Regulatory developments, including increased foreign direct investment (FDI) limits and the push for domestic reinsurance capacity, have shaped a more competitive and diversified landscape. Many global players now view India not just as a risk market but also as a hub for innovative insurance solutions.

The rise of Surety Bonds and SME-focused solutions in India is also noteworthy. With infrastructure development being a priority for the government, there is a strong demand for surety and performance bonds, opening up new growth opportunities for reinsurers.

Discussions on specialty lines, including trade credit and microinsurance, emphasized the need for tailored products that address the unique risks faced by Indian businesses.



UNPARALLELED NETWORKING OPPORTUNITIES

As we always say, this is a people's business.

With over 700 delegates from across the globe, India Rendezvous 2025 was a testament to the industry's commitment to collaboration and growth. The event attracted key players, including insurers, reinsurers, brokers, regulators, and technology providers, fostering dynamic conversations on emerging trends and market developments.

The structured networking sessions, industry panels, and informal meetups provided ample opportunities to reconnect with existing partners and establish new alliances.

Meeting with international and regional stakeholders reinforced the importance of cross-border partnerships in addressing complex risks and KIC's commitment to the market.



INDIA RENDEZVOUS SUMMARY



LOOKING AHEAD

The 18th India Rendezvous reinforced the crucial role of collaboration and innovation in tackling global and regional challenges.

As we navigate an evolving risk landscape, staying ahead of market trends, embracing technology, and fostering partnerships will be key to ensuring sustainable growth in the reinsurance sector.

For KIC, the insights gained from this conference align closely with our vision for 2025 and beyond.

As we expand our footprint in specialty lines, cyber insurance, parametric covers, and surety solutions, our focus remains on leveraging data-driven underwriting, enhancing risk resilience, and fostering strategic partnerships.

The discussions on regulatory developments and emerging risks in Asia reinforce our commitment to providing innovative solutions that cater to diverse, emerging markets.

By embracing innovation and strengthening collaborations, KIC is poised to play a leading role in shaping the future of insurance and reinsurance, ensuring sustainable growth and long-term value for our clients and stakeholders.

Attending this event was an enriching experience, offering valuable insights into market dynamics, risk solutions, and future trends. The learnings from India Rendezvous 2025 will undoubtedly shape our strategic direction as we continue to adapt, innovate, and lead in this dynamic industry.



PARAMETRIC COVER FOR TYPHOONS IN ASEAN



SHAY RECHES

CEO & Director

A RESILIENT APPROACH TO DISASTER RISK MANAGEMENT

The ASEAN region is highly vulnerable to typhoons, with countries such as the Philippines, Vietnam, Thailand, and Indonesia frequently experiencing severe storms

These extreme weather events cause widespread destruction, disrupt economies, and displace communities. Traditional insurance solutions often fail to provide timely relief due to lengthy claims processes and complex loss assessments.

In response, parametric cover has emerged as a more efficient and scalable solution to mitigate financial losses and enhance disaster resilience.

WHAT IS PARAMETRIC COVER?

Unlike traditional indemnity-based insurance, parametric insurance provides payouts based on predefined triggers rather than assessments of actual damage.

These triggers are determined using measurable parameters, such as:

WIND SPEED THRESHOLDS

- Payouts may be triggered if sustained wind speeds exceed a set limit (e.g., 150 km/h).

CENTRAL PRESSURE LEVELS

- A storm's central pressure dropping below a specific threshold can activate the payout.

STORM TRAJECTORY

- If a typhoon passes through predefined geographic coordinates, the policyholder receives compensation.



Because payouts are triggered automatically based on objective meteorological data, claim processing is significantly faster, enabling immediate financial relief for affected businesses, governments, and communities.



PARAMETRIC COVER FOR TYPHOONS IN ASEAN

WHY ASEAN NEEDS

PARAMETRIC TYPHOON COVER

1. Rapid Payouts for Faster Recovery

One of the main challenges with traditional insurance is the time-consuming claims process, which can take months to finalize. Parametric insurance eliminates this delay, ensuring that funds are disbursed within days of a qualifying event. This is particularly critical for post-disaster recovery, allowing businesses and governments to rebuild infrastructure, restore livelihoods, and provide aid without financial bottlenecks.

2. Customizable and Scalable Coverage

Parametric insurance can be tailored to fit different risk profiles. Coastal cities prone to stronger typhoons can set higher payout triggers, while less exposed regions can opt for lower thresholds. This flexibility allows businesses and governments to design policies that align with their specific risk exposure and budget constraints.

3. Strengthening Financial Resilience

Typhoons cause billions of dollars in economic losses each year across ASEAN. Many small and medium-sized enterprises (SMEs), farmers, and local governments lack the financial capacity to recover quickly. Parametric insurance provides a reliable safety net, reducing economic shocks and enabling affected parties to resume normal operations faster.

4. Promoting Disaster Preparedness and Risk Reduction

Because parametric insurance relies on data-driven risk assessment, it encourages better disaster preparedness. Governments and businesses investing in this coverage are more likely to implement early warning systems, strengthen infrastructure, and adopt climate-resilient practices, ultimately reducing overall risk exposure.



CHALLENGES AND FUTURE PROSPECTS

While parametric insurance offers significant advantages, challenges remain. One key concern is **basis risk** the possibility that a policyholder suffers losses but does not receive a payout because the predefined trigger thresholds were not met.

To address this, insurers are refining models using advanced meteorological data, satellite monitoring, and AI-driven risk assessment. Additionally, **affordability** can be a barrier, especially for low-income communities. Governments and international organizations are exploring subsidies and public-private partnerships to make parametric insurance more accessible.

THE FUTURE OF PARAMETRIC INSURANCE IN ASEAN

As climate change intensifies typhoon activity in the region, parametric insurance is becoming an essential tool for disaster risk management. Governments, insurers, and businesses are increasingly integrating this model into their resilience strategies. With advancements in weather forecasting, big data analytics, and blockchain-enabled smart contracts, parametric cover is set to become more precise, transparent, and efficient.

By adopting parametric insurance, ASEAN nations can build stronger financial defenses against typhoons, ensuring faster recovery, economic stability, and improved resilience for vulnerable communities.



ESCALATION OF CYBER THREATS IN ASIA



SHELI BREMER-TCHAIG, ADV.

Head of Insurance

CYBER THREATS IN ASIA: INSIGHTS, RISKS, AND THE INSURANCE GAP

Cyberattacks across Asia are not just rising they're accelerating in frequency, scale, and sophistication, disrupting critical industries and exposing deep systemic vulnerabilities.

This growing threat landscape demands urgent attention from both cybersecurity leaders and the insurance industry alike.

THE SCALE OF THE THREAT:

According to Forescout, in 2023, over 420 million attacks on critical infrastructures were recorded globally, marking a 30% increase compared to 2022.

A substantial portion of these attacks occurred in Asia, particularly targeting sectors such as telecommunications, education, information technology, and energy infrastructures.

This regional trend aligns with global data, where 83% of organizations experienced more than one breach in 2023 alone (IBM, 2023).

THE SOARING COST OF CYBERATTACKS:

IBM's 2023 report indicates that the average cost of a data breach stands at \$4.45 million, reflecting a 2.3% rise from the previous year.

This statistic highlights the significant economic impact cyberattacks impose on organizations.

As IBM's 2023 report notes, the average cost of a data breach now stands at \$4.45 million a figure that highlights just how severe the financial toll can be.

While the financial impact of a single breach can be devastating, most organizations in Asia remain underinsured or entirely uninsured against such events.

THE WIDENING INSURANCE GAP:

Despite the increasing threats, the proportion of companies with cyber insurance in Asia remains relatively low. In countries like Japan and South Korea, approximately 35% of large companies hold cyber insurance policies, while in India and China, the rate is about 25%.

In Southeast Asian nations such as Indonesia, Malaysia, and the Philippines, the insured company rate is below 15%. Factors contributing to this include limited awareness of risks, policy costs, and a lack of understanding of the coverage offered.

COMPENSATION AMOUNTS IN CYBER INSURANCE CLAIMS:



Compensation amounts in cyber insurance claims vary depending on the severity of the incident and the company's size. On average, claims in Asia range between \$500,000 and \$3 M, with severe cases reaching \$10 M or more. These figures underscore the importance of cyber insurance as a financial safeguard against the economic consequences of attacks.



ESCALATION OF CYBER THREATS IN ASIA

WHO'S MOST AT RISK?:

Not all industries face the same level of cyber risk.



HEALTHCARE



EDUCATION



FINANCE



TECHNOLOGY



MANUFACTURING



RESEARCH

are particularly vulnerable due to the sensitive data they hold, the critical services they provide, and their growing reliance on digital and connected technologies.



EMERGING TRENDS AND FUTURE OUTLOOK:

Looking ahead, the cyber threat landscape in Asia is expected to evolve rapidly. We anticipate an increase in AI-powered attacks that are more adaptive and harder to detect, a rise in ransomware campaigns specifically targeting small and medium-sized enterprises (SMEs), and a regional push for stricter data protection regulations.

These shifts will require organizations to not only strengthen their cybersecurity strategies but also reassess their insurance coverage in light of emerging risks.

WHAT COMES NEXT?

The continuous rise in cyber threats in Asia, coupled with the high costs associated with attacks and low insurance coverage, underscores the urgent need to enhance awareness and invest in robust cybersecurity measures and appropriate insurance.

organizations in the region must seriously assess the risks and prepare accordingly to protect their digital and financial assets.



Moving forward, bridging the gap between rising cyber threats and insufficient insurance coverage will require coordinated efforts:

smarter risk assessments, broader awareness campaigns, and tailored insurance products. In an increasingly digital Asia, preparedness isn't optional — it's essential.

In today's threat landscape,
preparedness isn't just a strategy
it's a competitive advantage.





ATLANTIS, THE PALM
DUBAI



28TH - 30TH
APRIL 2025

MEET THE TEAM



SHAY RECHES
CEO & Director



ASSAF RECHES
CMO



YUVAL RECHES
Head of Reinsurance



LEON SHPERBERG
Producing Underwriter
(Inward Reinsurance)



DGANIT HACMON
Producing Underwriter
(Inward Reinsurance)

COMING TO
THE CONFERENCE?
OUR TEAM
WOULD LOVE
TO MEET YOU.

SET NOW

SCAN TO VISIT OUR WEBSITE



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