KIC Q2

NEWSLETTER

International
Insurer & Reinsurer

CEO MESSAGE

SHAY RECHES

CHIEF EXECUTIVE OFFICER

Dear Partners, Clients, and Colleagues,

The past few months have been a dynamic period across the global insurance and reinsurance landscape. From intensifying climate-related risks to increased demand for resilience-driven solutions, the sector continues to evolve rapidly. Amid this environment, Klapton Insurance Company (KIC) has remained steadfast in its mission to provide innovative, responsive, and forward-looking coverage solutions.

I am pleased to announce two key appointments that strengthen our global footprint:
our new Market Managers for India (Rajguru Kadge) and China (Justin Zhang). These appointments mark a significant step in deepening our engagement in two of the world's most critical and fast-growing markets.
Their expertise and regional insights will help KIC tailor our offerings and forge strong, locally relevant partnerships.

We are also proud to report meaningful progress in the development of our parametric insurance portfolio.
KIC is advancing several parametric products focused on agricultural drought risks, with pilots underway in Africa and Asia.
These solutions are vital for delivering swift and transparent payouts, especially in underserved and climate-vulnerable regions.

None of this progress would be possible without the outstanding dedication, talent, and teamwork of our staff across all offices. Their passion for excellence, adaptability, and commitment to our mission are the foundation of everything we achieve.

Looking ahead, KIC remains committed to innovation, strategic growth, and building resilience for our clients.
We thank you for your continued trust and support as we navigate this exciting chapter together.

Warm regards,

Shay Reches
Chief Executive Officer
KIC - Klapton Insurance Company Ltd

KIC AT DWIC 2025:
EXPANDING HORIZONS AND REIMAGINING REINSURANCE IN A DYNAMIC MARKET

YUVAL RECHES
Head of Reinsurance

Our participation in the Dubai World Insurance Congress (DWIC) 2025 marked another significant milestone in KIC's global journey. In a region characterized by rapid growth and evolving risk landscapes, we engaged with prominent industry figures, explored new opportunities, and strengthened partnerships that will shape the future of our insurance and reinsurance strategies.

KEY HIGHLIGHTS FROM OUR EXPERIENCE:

Reinsurance Innovation in Emerging Markets

DWIC spotlighted the expanding potential of reinsurance across emerging regions. We connected with brokers and insurers across the Middle East, Africa, and Asia, discussing how KIC's adaptable underwriting approach can meet unique local needs while aligning with global standards.

Infrastructure and Construction Focus

As regional development accelerates, the demand for sophisticated engineering and property covers is growing. DWIC allowed us to showcase our expertise in Construction All Risk (CAR), Engineering, and Agriculture, reinforcing KIC's role in supporting vital infrastructure projects with reliable capacity and technical knowledge.

BROKERS AS STRATEGIC PARTNERS

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LOOKING AHEAD

The insurance and reinsurance industry stands at a pivotal juncture, poised to navigate an era marked by rapid technological advancements, evolving risk landscapes, and shifting customer expectations. As we move forward, collaboration among insurers, reinsurers, brokers, and innovators will be paramount in developing resilient solutions that address emerging challenges. Embracing digital transformation, fostering sustainable practices, and prioritizing customer-centric approaches will not only drive growth but also redefine the industry's role in safeguarding communities and economies worldwide.

WHAT CAN WE LEARN FROM THE 2024 CYBER CLAIMS DATA?

SHELI BREMER-TCHAIG, ADV.
Head of Insurance

2024 was a transformative year for the cyber insurance market.

The increasing complexity of attacks, coupled with technological advances on the part of attackers, especially in the areas of AI and pattern recognition, made actuarial and strategic underwriting a real challenge.

But alongside the challenges, important insights also came.

Claims: Not just quantity, but also quality.

A BROAD REVIEW OF CLAIMS DATA FROM 2024
THREE MAIN CHANGES STAND OUT:

1. A decrease of approximately 18% in the number of claims for ransomware incidents, mainly thanks to improved backup systems and awareness of basic protection measures.

2. An increase of approximately 35% in third-party claims, mainly as a result of incidents in which customers or business partners sue the affected company, for privacy violations, data loss, or critical system downtime.

3. **Denied claims – Approximately 22% of claims were denied for reasons related to:**
   # Failure to comply with basic information security requirements
   # Reporting the incident too late
   # Exceptions related to activity outside the insured territory or an undeclared system type

WHAT WILL UNDERWRITING MEAN IN 2025?

The data dictates a change in thinking, from a model based on industry or company size, to a model based on digital maturity and risk management.

- Underwriting questionnaires will become more precise and in-depth. No longer general questions about Firew alls, but practical questions about DRP practices, identifying anomalies, and managing remote employee access.
- Third-party coverage will receive a renewed focus, with extensions tailored to supply chain and sensitive customers (healthcare, finance, government).
- Price weighting by compliance with proven standards, companies that demonstrate a high level of readiness (e.g., approval by an external cyber reviewer) will receive more competitive offers.

LIABILITY LIMITS AND SELF-PARTICIPATION:

The market shows a clear tendency to reduce liability limits for the following types of claims:

1. Third-party following a breach of privacy
2. Ransom in countries with regulatory restrictions
3. Repeat claims from the same insured or customer

On the other hand, we see a relative relief in **"clean"** events, those that were handled immediately, were well documented, and only caused direct damage.

IN CONCLUSION

2024 was not an ordinary year. It was a test year.

Those who sought a cyber policy as an **"insurance certificate"** discovered that the market is now examining not only the event, but also the conduct preceding it.

2025 will require underwriters and managers to think differently:

Not just what the risk is, but how mature the insured is to deal with it.

SURETIES IN AFRICA:
ENABLING CONSTRUCTION AND GREEN ENERGY AMBITIONS

STEFAN RITZEN
Head of Sureties

AFRICA'S DEVELOPMENT TRAJECTORY AND SURETY MARKET OUTLOOK

Africa is poised for significant progress over the coming decade, driven by its youthful and dynamic workforce, expanding urban consumer markets, increasing economic integration, vast clean energy potential, and abundant natural resource wealth. This inherent growth potential directly correlates with the promising outlook for the global surety market.

The global surety market is projected to expand from $19.62 billion in 2024 to $21 billion in 2025, representing a robust compound annual growth (CAGR) of 7%. This growth trajectory is expected to continue, with the market reaching an estimated $27.31 billion by 2029 at a CAGR of 6.8%. Another forecast anticipates the global surety market to reach $24.4 billion by 2031.

The primary drivers for this growth include increasing construction activities, heightened infrastructure development, growing private sector investments, real estate development, supportive government regulations, and the expansion of Small and Medium-sized Enterprises (SMEs).

Within this market, the contract surety bond segment held over one-third of the global surety market share in 2021 and is projected to maintain its dominant position. The strong growth forecasts for the global surety market, propelled by construction and infrastructure development, directly align with Africa's stated development trajectory.

Surety bonds, particularly contract surety bonds, are more than just a financial product; they serve as a critical enabler of large-scale projects by providing essential financial guarantees against contractor default. In a continent where infrastructure development is vital but often faces challenges such as project delays and completion risks, the role of surety becomes paramount.

This suggests that the expansion of the surety market in Africa will be intrinsically linked to the continent's capacity to attract and successfully execute major construction and energy projects, effectively acting as a de-risking mechanism for both investors and governments.

GREEN ENERGY PROJECTS AND SURETY'S ROLE

Africa possesses immense clean energy potential, a key factor in its future development. The "Mission 300 Africa Energy Summit" in January 2025 saw global partners pledge over USD 50 billion in support of increasing energy access across Africa, with 30 African leaders signing the Dar es Salaam Energy Declaration as a commitment to this goal.

Green bonds, fixed-income financial instruments used to fund projects that have positive environmental benefits, are emerging as a significant financing mechanism for sustainable development across the continent. For instance, the African Development Bank (AfDB) issued USD 900 million in green bonds and USD 4.1 billion in social bonds in 2024.

The AfDB's green bond portfolio has already yielded substantial environmental benefits, including the avoidance of 43.2 million tonnes of Greenhouse Gas (GHG) emissions and the production of 1.6 million MWh of renewable energy. Similarly, Access Bank's green bond contributed to a reduction of approximately 4,032 tonnes of CO2 emissions annually. While Africa's green bond market has grown at a 20% CAGR over the past decade, it remains relatively slower compared to other regions. It currently accounts for less than 1% of global issuances, indicating significant untapped potential for growth.

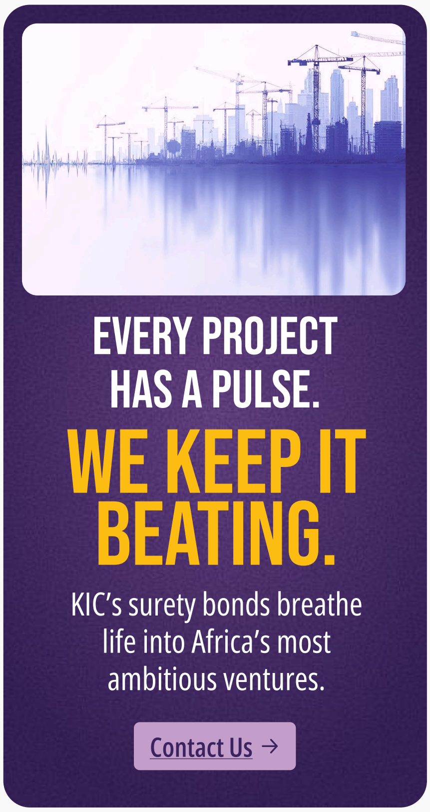
Surety bonds are regularly employed in the renewable energy sector to ensure that a contractor fulfils its obligations under various agreements, such as development contracts, interconnection agreements, or power purchase agreements.
Common types of surety bonds critical for these projects include performance bonds and advance payment guarantees, which guarantee the supply and installation of equipment like wind towers or solar panels; right-of-way bonds, required for work within public areas; and decommissioning bonds, which ensure the proper removal of facilities and land restoration at the end of a project's life.

Furthermore, surety bond providers play a crucial role in contractor pre-qualification. They conduct thorough vetting of contractors' financials, experience, and project backlogs, thereby minimizing the risk of financial loss or contractor default for project owners and investors.

Africa's substantial green energy potential and the significant financial commitments to its development highlight both immense opportunity and inherent risks in large-scale, long-term projects. While green bonds provide the necessary capital, they do not directly guarantee project completion or contractor performance.
This is precisely where surety bonds become indispensable.

The various types of surety bonds demonstrate their specific utility in mitigating risks unique to renewable energy infrastructure, such as ensuring proper equipment installation, operational continuity, and environmental restoration.

The surety's role in "contractor prequalification" offers an added layer of due diligence, making projects more attractive to investors by reducing the likelihood of default. This positions surety bonds as an indispensable tool for unlocking and safeguarding the vast green energy investments required for Africa's sustainable development.



PRACTICAL IMPLICATIONS

Surety bonds provide a robust financial guarantee that instils confidence among project owners, lenders, and investors, ensuring project completion and fostering financial stability, particularly in complex and capital-intensive construction and energy ventures. Their integral role in prequalifying contractors significantly mitigates project risk, a critical factor in emerging markets where contractor reliability can often be a concern.

The interplay between green bonds (financing) and surety bonds (risk transfer) in Africa's green energy sector illustrates a crucial synergistic relationship. Green bonds mobilize capital for sustainable projects, but these projects inherently carry construction and performance risks. Surety bonds then step in to mitigate these specific risks, making the green bond investments more secure and attractive.

This implies that for sustainable development goals to be met in Africa, a comprehensive financial ecosystem is required, where innovative financing instruments are complemented by robust risk transfer mechanisms. This presents a significant opportunity to expand surety offerings, focusing on the burgeoning green energy and infrastructure sectors in Africa, thereby supporting sustainable development while effectively managing associated risks.

NEW MARKETS
INDIA & CHINA

KIC WELCOMES RAJGURU KADGE
AS EXECUTIVE DIRECTOR, INDIAN MARKET

KIC is delighted to announce a significant strengthening of our strategic presence in the Indian market with the appointment of Rajguru Kadge as our new Executive Director, Indian Market.

This key leadership addition underscores KIC's deep commitment to the region and our focus on building tailored solutions that address its unique dynamics and opportunities. Rajguru brings valuable leadership to drive our initiatives and deepen our relationships within this crucial market.

His appointment is a testament to KIC's dedication to expanding our specialized expertise globally and ensuring we are optimally positioned to support our partners and clients with locally resonant strategies. We look forward to the innovative contributions he will bring as we continue to navigate complex risk landscapes

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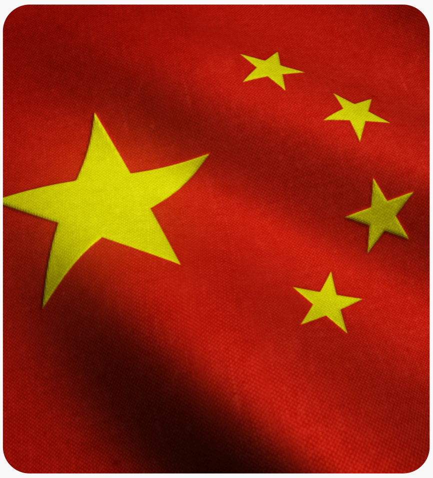
RAJGURU KADGE

KIC RECEIVES REGULATORY APPROVAL
TO PROVIDE REINSURANCE SOLUTIONS IN CHINA



Klapton Insurance Company Ltd (KIC) has received regulatory approval to offer facultative reinsurance solutions to insurance companies in China. This milestone enables KIC to support Chinese insurers directly or through reinsurance brokers, providing tailored solutions across general insurance, surety, credit, property, engineering, energy, and specialty risks.

This approval follows an extensive process with Chinese regulatory authorities and represents a key step in KIC's global expansion strategy. The company recently appointed a dedicated China market lead and plans to open a representative office in Shanghai in Q3 2025.

In parallel, KIC has entered into a cooperation agreement with African Risk Capacity (ARC Ltd), focusing on climate risk protection across Africa. The collaboration includes the joint development of insurance products designed to support vulnerable groups such as smallholder farmers and low-income families in recovering from climate-related losses. The first program under this initiative is scheduled to launch in Zambia in November 2025 and will focus on drought protection for grazing lands.

KLAPTON'S LEADERSHIP STATED:

"This regulatory recognition reflects our adherence to the high standards required by Chinese authorities in financial strength, risk management, and corporate governance. It is an important milestone in our commitment to serve the Asian market through partnerships with local insurers, brokers, and agencies."

GET TO KNOW
OUR PRODUCTS

CYBER UMBRELLA

Smart, Modular Protection for a Digital World

KIC's Cyber Insurance helps businesses proactively manage digital threats with modular coverage built for the complexities of the modern cyber landscape. From ransomware to third-party liability, our solutions support you before, during, and after an incident.

Proactive Risk Assessment
Know your vulnerabilities before attackers do

Modular Policy Structure
Tailored plans for every business size and sector

Immediate Incident Response
Expert support when it matters most

Comprehensive Coverage
From direct costs to legal liabilities and reputational recovery

Protect Your Business Now

Learn More →

CRANE OPERATOR PROTECTION

Tailored Accident Insurance for High-Risk Workers

KIC's Personal Accident Insurance for Crane Operators is purpose-built to safeguard those working in one of the most demanding and dangerous professions. Whether on-site or off-site, you and your family stay protected with dependable, profession-specific coverage.

Lump-Sum for Accidental Death
Financial support for your loved ones

Disability Benefits
Both permanent and temporary injury support

Medical Expense Reimbursement (Optional Extension)
Coverage for treatment and hospitalization

Suited for All Crane Operators
Construction, ports, and industrial sites

Get Covered Today

Learn More →

PERSONAL ACCIDENT INSURANCE

Financial Protection When You Need It Most

KIC's Personal Accident Insurance offers vital coverage for individuals facing injury, disability, or loss due to accidents. With a focus on quick response and broad protection, we help you recover physically and financially, with peace of mind built in.

Medical Expense Reimbursement (Optional Extension)
Coverage for Medical & Hospitalization Costs

Disability & Death Benefits
Financial security for you and your loved ones

Income Protection
Maintain stability while you recover

Rehabilitation Support
Helping you get back on your feet

Stay Safe. Stay Covered.

Learn More →

D&O LIABILITY INSURANCE

Protecting Leadership in a Litigious World

KIC's Directors & Officers Insurance provides essential legal and financial protection for your executives. As corporate governance grows more complex, our coverage ensures your leadership can act decisively, without fear of personal liability.

Empower Your Leadership

Learn More →

- **Legal Defense Coverage**
  Protection for individuals and the company
- **Personal & Corporate Liability**
  One policy, full protection
- **Decision-Making Confidence**
  Back your leaders with peace of mind
- **Regulatory Investigations**
  Protection during regulatory probes and compliance review

MOTORCYCLIST ACCIDENT INSURANCE

Tailored Protection for Life on Two Wheels

For those who live life in motion, our personal accident coverage rides with you. Only KIC combines expert claims support with tailor-made protection for every kind of rider — commuters, professionals, and weekend explorers. On or off the road, we've got your back when it matters most.

Ride Smart. Stay Protected.

Learn More →

- **Lump-Sum for Accidental Death**
  Security for your loved ones
- **Disability Benefits**
  Coverage for temporary or permanent injuries
- **Medical Expense Reimbursement (Optional Extension)**
  From emergency care to recovery
- **For Riders of All Types**
  Commuters, pros, and weekend adventurers

EXPLORE OUR FULL PORTFOLIO

Discover KIC's comprehensive range of solutions across all business lines. From tailored insurance products to global reinsurance capacity and trusted surety bonds, we've got you covered.

INSURANCE.	Ready-made or tailor-made insurance policies to fit your exact needs	Learn More →
REINSURANCE.	Enhancing the capabilities of insurers and reinsurers around the world.	Learn More →
SURETIES.	Reliable surety solutions to secure business commitments and protect financial assets.	Learn More →

WHY FAST ISN'T ALWAYS FAIR: WHAT REALLY MATTERS IN THE INSURANCE CLAIMS PROCESS

JENNIFER ESTROUGO, ADV.
Deputy CEO, Head of Claims & Director

In today's on-demand world, speed is often equated with quality. In many industries, the faster a service is delivered, the more successful it's perceived to be. But when it comes to insurance claims, faster isn't always fair, or effective.

There's no doubt that policyholders want prompt service in times of loss. A claim usually arises during distress — whether after an accident, a natural disaster, or a business interruption. The expectation of a quick resolution is natural. However, in insurance, fairness, accuracy, and transparency must come before speed. A good claims process is not defined by how fast a file is closed, but by how fairly and correctly it is handled.

THE DANGER OF "QUICK FIX" CLAIMS

When speed becomes the sole metric of success, mistakes happen. Rushing a claim can mean missing key documents, misinterpreting facts, or under-assessing a loss. Worse still, it can erode trust between the insured and the insurer.

This is particularly true in specialty and commercial lines, where claims can be large, complex, and nuanced. Settling too quickly may appear efficient, but it often leads to disputes or rework later. A delay to get things right is far better than a fast decision that is wrong or incomplete.

THE RIGHT PROCESS IS JUST AS IMPORTANT

Claims fairness depends not just on what the insurer does but also on what the insured does.
Following the correct process is crucial for an effective outcome:

Timely notification:
Reporting a claim quickly allows the insurer to respond appropriately, gather accurate information, and even mitigate further loss.

Full documentation:
Submitting the required documents — such as incident reports, photographs, repair estimates, medical records, or third-party correspondence — helps the insurer assess the situation accurately and fairly.

Ongoing cooperation:
The claims process is a two-way street. Delays often arise not from the insurer, but from lack of engagement by the policyholder. Responding promptly to queries, allowing site access for assessors, and being transparent about the circumstances can make a real difference.

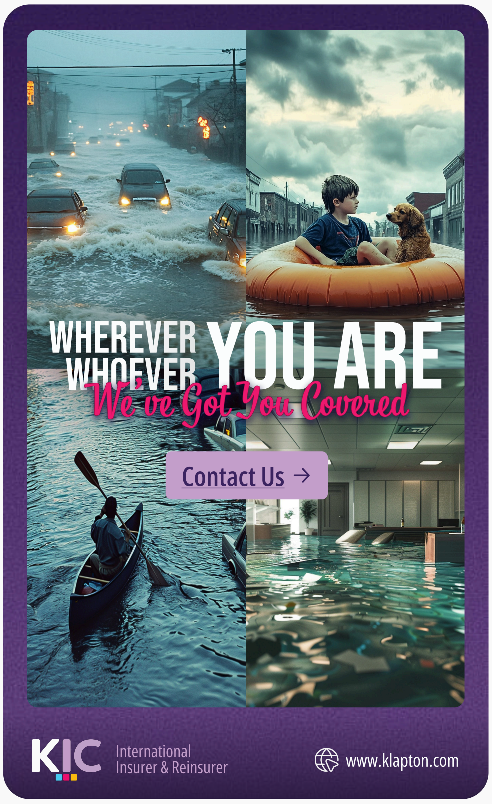
EMBRACING PARAMETRIC INSURANCE AND CAT BONDS FOR CLIMATE RESILIENCE

SHAY RECHES
CEO and Director

A SURGE IN CATASTROPHE BONDS AND ALTERNATIVE CAPITAL

Global insurers and reinsurers are increasingly turning to alternative risk transfer solutions as climate-related disasters intensify. Record issuance of catastrophe bonds in recent years highlights this trend. With traditional reinsurance capacity strained by consecutive years of heavy catastrophe losses, these capital market solutions are filling the gap. Parametric triggers – where payouts are tied to an event's measured severity rather than actual loss – are gaining ground as well. This growth signals a rising confidence in index-based coverage as a fast, transparent way to bolster resilience against disasters.

One driver of this surge is the firming reinsurance market: higher premiums and reduced traditional capacity have prompted (re)insurers to seek protection from capital markets. For investors, cat bonds and ILS offer attractive, diversified returns uncorrelated with broader financial markets. This creates a win-win: insurers secure needed coverage for peak risks like hurricanes and earthquakes, while investors gain yield and portfolio diversification. Although cat bonds still account for under 10% of total reinsurance market capacity, their role is expanding rapidly.



PARAMETRIC INSURANCE GOES MAINSTREAM

Once a niche concept, parametric insurance is now moving into mainstream usage for a variety of perils. Governments in particular are embracing parametric solutions to protect communities. A vivid example occurred when Hurricane Beryl struck the Caribbean. The Caribbean Catastrophe Risk Insurance Facility (CCRIF) quickly paid out a record amount to Grenada under a parametric policy, processing the claim within 14 days.

The speed and transparency of these payouts – based purely on trigger measurements (like storm intensity) – can greatly aid disaster response, proving their value in regions prone to natural catastrophes.

Parametric mechanisms are also expanding to non-traditional risks. Notably, the issuance of the first-ever parametric-triggered cyber catastrophe bond marked a milestone. Sponsored by a leading reinsurer, this innovative cat bond covers cloud service outages – showing that parametric triggers can be applied beyond weather and earthquakes, to areas like cyber risk that were previously difficult to insure. This marks a new frontier where insurers use parametric coverage to address emerging threats in our digital economy.

For insurers like KIC, which focus on specialty risks, the mainstreaming of parametric solutions presents an opportunity to develop innovative products. By design, parametric covers can complement traditional indemnity insurance rather than replace it. They are especially useful to plug holes in coverage programs – for example, filling in deductibles or covering risks that traditional policies exclude. Insurers must manage basis risk (the risk that the index trigger payout may not perfectly match the actual loss), but advances in data analytics are improving the correlation between triggers and losses. As data quality and modeling techniques improve, parametric insurance becomes more precise and attractive.

BUILDING RESILIENCE
IN EMERGING MARKETS

The rise of parametric insurance and cat bonds is particularly relevant for emerging markets, where protection gaps remain wide. Many countries in Africa, Asia, and Latin America face severe climate risks but have low insurance penetration. Here, parametric schemes and pooled risk facilities are game-changers. For instance, in Africa a new partnership between the African Risk Capacity (ARC) and Klapton Re (an affiliate of KIC) aims to broaden access to climate risk insurance for small farmers and communities. By pooling expertise – ARC's climate risk modelling and KIC's local market presence – such collaborations can bring affordable drought and flood coverage to those who need it most.

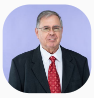
Parametric solutions align well with the needs of developing economies: payouts come quickly, providing immediate liquidity for relief and recovery, and the simplicity of triggers avoids lengthy claims processes. This helps governments and businesses rebuild faster after disasters. Additionally, multilateral efforts like the African Climate Risk Facility – a pledge by 85 African insurers to underwrite $14 billion in climate risk cover by 2030 – underline the commitment to innovative risk transfer in emerging markets. The transparent and efficient nature of parametric insurance will be crucial in meeting these ambitious climate protection goals.

KIC's strategy is closely tied to these trends. As a global insurer and reinsurer with a focus on Africa, the Middle East, and Asia, KIC leverages tools like catastrophe bonds, parametric covers, and specialty reinsurance to enhance resilience in these regions. By offering tailor-made solutions – for example, parametric drought insurance for agribusiness or cat bond-backed cover for infrastructure projects – KIC helps clients transfer risk in innovative ways.

THESE EMERGING SOLUTIONS
ILLUSTRATE A POSITIVE SHIFT IN THE INDUSTRY:

embracing agility and innovation to tackle the growing challenges of climate volatility. In partnership with governments, development agencies, and the capital markets, insurers are building a more resilient future where communities can recover faster and more fully from catastrophe impacts.

AGRICULTURE RISKS: INSURING GLOBAL FOOD SECURITY AMIDST CLIMATE CHANGE



SHAY RECHES
CEO and Director

CLIMATE IMPACT AND GLOBAL LOSSES

Agriculture, vital to millions worldwide, suffered 23% of global disaster-related losses from 2007–2022, with droughts causing 65% of these. Over the past 30 years, climate-induced agricultural and livestock losses reached $3.8 trillion.

The MENA region is particularly vulnerable, with temperatures rising twice the global average. In 2023, Morocco saw a 28% drop in rainfall and a 20% decline in agricultural output. Tunisia's cereal production fell 80%, and Algeria's by 12%. By 2030, climate risks could affect 118 million Africans through droughts and floods, pushing over 43 million into poverty.

Iraq exemplifies worsening conditions: 90% of rivers are polluted, and by 2035, water supply may cover only 15% of national needs. The country has already lost 61% of irrigated farmland, with 10,000 hectares desertified annually. In the Asia-Pacific, natural disasters have caused over 38 million hectares of crop losses annually in China since 2000.

These regional examples show that climate change is a systemic risk to global food security, threatening livelihoods and stability. Agricultural insurance is now a vital tool in national resilience and sustainable development strategies, especially in emerging markets that need climate-informed, locally adapted solutions.

GLOBAL INSURANCE TRENDS AND SOLUTIONS

The global crop insurance market is set to grow from $43.3 billion in 2024 to $66.5 billion by 2029, driven by extreme weather, government support, globalized agriculture, and rising use of IoT in farming. Innovation is booming, with DIY insurance platforms improving access and engagement.

In the U.S., Revenue Protection (RP) insurance remains central, while the Enhanced Coverage Option (ECO) is gaining popularity due to higher subsidies and lower deductibles. Premiums for crops like corn and soybeans are decreasing, enabling expanded coverage at lower cost. Government programs like ARC and PLC continue to provide essential support against price and yield volatility.

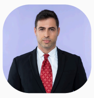
Future success in agricultural insurance will depend on partnerships between governments, tech providers, and insurers. Integrated solutions combining traditional coverage with tech-enabled, parametric models will be key to addressing complex, localized risks.

CHALLENGES AND OPPORTUNITIES

Insurance penetration remains low in developing countries only 16.3% of households in 126 studied nations had formal coverage.
High input costs and slim margins make risk transfer critical, yet issues of affordability, accessibility, and trust persist.

Opportunities lie in developing simple, affordable, culturally relevant products. Microinsurance, index-based solutions, and education campaigns can help bridge the protection gap. Tailoring products to local needs and engaging directly with communities can drive both business growth and meaningful impact.

CONCLUSION:
KIC'S STRATEGIC POSITION IN A TRANSFORMING INDUSTRY



ASSAF RECHES
CMO

The analysis of key trends across parametric insurance, regional reinsurance markets, sureties in Africa, cyber insurance for SMEs, agriculture risks, and claims management reveals an industry in dynamic flux.

A central theme is the pervasive impact of climate change, which continues to drive demand for innovative risk transfer solutions and necessitates a proactive approach to resilience building. Simultaneously, technological innovation, particularly in Artificial Intelligence, big data analytics, and Insurtech, is not merely optimizing operations but fundamentally reshaping business models and enhancing the value proposition across the entire insurance value chain.

The market dynamics of 2024-2025 underscore the importance of tailored solutions and strategic agility. From the rapid, data-driven payouts of parametric insurance addressing immediate post-catastrophe liquidity needs, to the nuanced growth drivers and regulatory evolutions in Asia and MENA reinsurance markets, and the critical role of surety bonds in de-risking Africa's burgeoning construction and green energy projects, the industry is adapting to new realities.

The significant protection gap observed in SME cyber insurance and agricultural risks highlights immense opportunities for growth, contingent on the ability to develop accessible, affordable, and value-driven products, often requiring a multi-stakeholder approach that integrates public policy with private innovation.

For Klapton Insurance Company (KIC), these trends present both challenges and compelling opportunities. By embracing advanced technologies, fostering strong collaborative relationships with cedants, brokers, and insureds, and developing specialized solutions that address emerging risks and underserved markets, KIC can reinforce its position as a forward-thinking leader.

Leveraging data and AI to enhance underwriting precision, streamline claims processing, and provide proactive risk mitigation services will be crucial.

Furthermore, actively contributing to sustainable development by facilitating investments in green energy and enhancing food security through innovative agricultural insurance will not only drive business growth but also strengthen KIC's societal impact in a rapidly evolving global risk landscape.

The future of insurance and reinsurance is defined by resilience, innovation, and a deep commitment to protecting and enabling progress in an increasingly interconnected world.

SCAN TO VISIT OUR WEBSITE

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