

RENEWAL REPORT 2026



UIB

**A review of the market following the
recent renewal period.**

1st January 2026

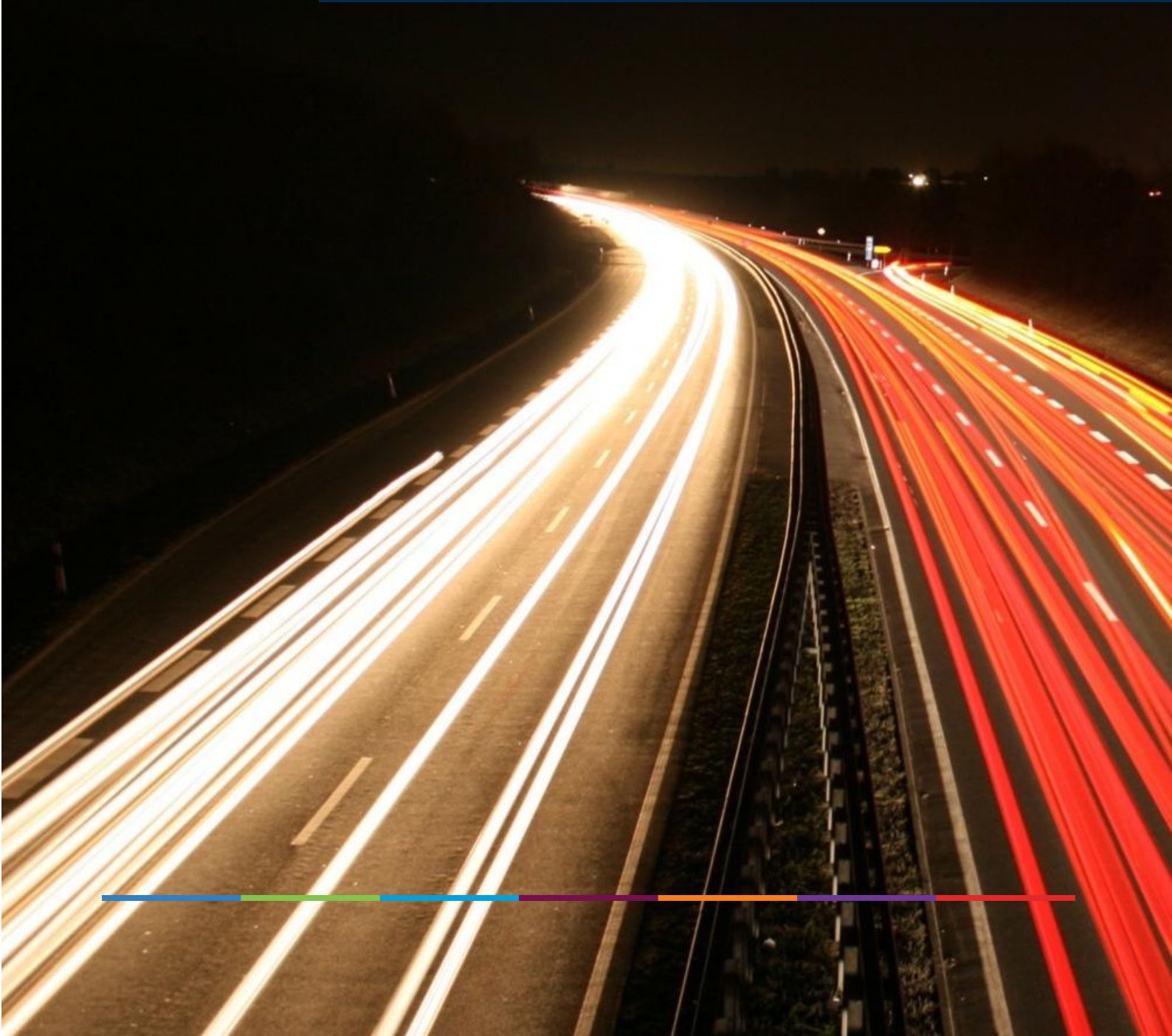


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INTRODUCTION FROM THE CHAIRMAN

Dear Clients & Business Partners,

We are pleased to provide our report on the outcome of the January 2026 reinsurance renewals, which we trust will serve as a valuable reference for your forthcoming renewal negotiations.

The year 2025 proved to be one of unprecedented challenges and transformative developments, with significant implications for the global insurance sector. Geopolitical tensions escalated as the war in Ukraine entered its fourth year, marked by intensified Russian strikes and shifting territorial control, while the return of Donald Trump to the U.S. presidency ushered in sweeping trade policies and tariffs, reshaping international economic relationships. Extreme weather events—including devastating wildfires in California, historic floods across Asia, and the grounding of the world's largest iceberg—underscored the growing impact of climate change, resulting in over \$105 billion in insured losses globally. Technological advancements, such as the release of OpenAI's ChatGPT-5 and the first commercial lunar landing, highlighted both new opportunities and emerging risks for insurers.

Through all this the insurance industry has remained resilient and in robust health with reinsurers continuing to report strong financial performance. We had anticipated that the January renewals would be conducted under conditions favourable to cedants, and so it was with reinsurers demonstrating an even more proactive stance to securing business as renewals progressed. The result has been renewals on terms more favourable to cedants than initially expected, with significant premium reductions and increases in ceding commissions, on broader contract terms.

Whilst it is still early to predict the outcome of April renewals, there appear to be few factors on the horizon that would materially affect the markets current trajectory. Accordingly, we believe that cedants may be well positioned to negotiate assertively, especially for treaties that have experienced limited loss activity in recent years. Furthermore, in relationships with reinsurers where long-standing and stable partnerships have been established, these relationships can serve as meaningful leverage at this time.

We hope the report provides a valuable insight and look forward to working with you closely



Bassem Kabban

Chairman and Chief Executive Officer
UIB Holdings (UK) Ltd. (UIB Group)

AVIATION

The aviation insurance market is split across three main sectors: **Airline, Aerospace, and General Aviation**, each showing differing dynamics as the market moves into 2026.

Airline Sector

The fourth quarter remains the busiest renewal period, with over 70% of the global airline fleet renewing, setting the tone for the year ahead. While capacity remains ample for most programmes, early signs of hardening are emerging.

- Lead rates are showing some upward pressure
- Growing pricing differentials between lead and following markets, partially offsetting increases
- US-domiciled carriers who show a significant share of the global premium, experiencing the strongest rate rises following a concentration of 2025 losses

Total nett airline hull and liability premium for 2025 is expected to reach approximately **USD 1.75bn**. 2025 calendar year airline hull and liability losses are estimated at around **USD 3.5bn** (including attritional losses), resulting in a loss-making year for many insurers.

Hull War

The Hull War market saw increased rate reductions through 2025 as premium levels attracted new capacity. However, this remains a highly loss-reactive class, and pricing could harden quickly following a major geopolitical event resulting in a major loss.

Aerospace Sector

The Aerospace market, with its main renewal period in Q3, became increasingly competitive through late 2025.

- Risks with good loss records achieved premium reductions of around **5%**
- Risks with weaker loss records generally saw flat renewals
- Increased lead/following differentials have benefited buyers

General Aviation

The General Aviation market remained competitive throughout 2025, with many programmes benefiting from premium reductions driven by increased capacity.

Outlook

These trends are expected to continue into 2026, although rising repair costs and increasing liability claim severity are placing pressure on insurers. Overall, the market remains finely balanced.

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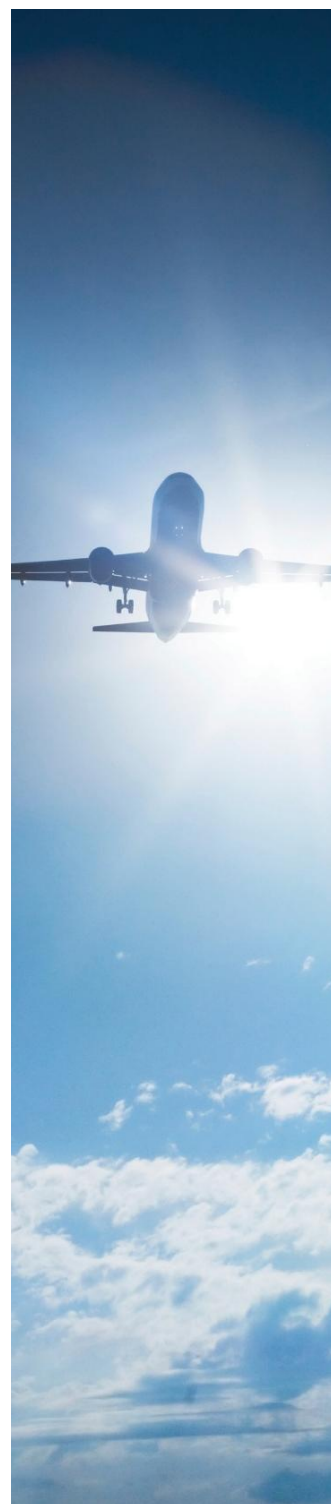
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CONSTRUCTION

The construction insurance market began to show early signs of softening on selected project specific risks in late 2024 / early 2025. Since then, the degree of softening has been inconsistent across territories, occupancies, and global insurance hubs. In several key markets, pricing has remained firm as insurers continue to prioritise profitability, whilst others have shown more willingness to compete on price.

Project Specific Dynamics

Softening is harder to evidence in project construction due to the market not having the same year-on-year risk data as annually renewing operating programmes, and the variation in nature and period of projects.

There is more competition for “safe” projects in “safe” territories, but less favourable projects in less favourable territories are seeing fewer lead markets willing to quote lead terms. These less favoured projects are seeing rate and coverage maintained at harder market levels particularly in respect of delay in start up (DSU) / advance loss of profit (ALOP).

As a result, preferential terms remain focused on well-structured projects with strong sponsors and Tier 1 contractors.

Geopolitical and Capacity Pressures

Geopolitical volatility continues to affect reinsurer appetite, particularly where delays and supply chain disruption increase DSU/ALOP exposure.

Current pressures include:

- Restricted access for surveys and loss adjustment
- Extended lead times for specialist plant and equipment
- Ongoing shipping and logistics disruption

While some capacity has returned to the London market, there has been no significant influx, allowing insurers to maintain pricing discipline.

Outlook

Rates are beginning to soften selectively for the right projects in favourable territories. However, competition remains focused on lower-risk opportunities, with harder pricing persisting for less attractive projects and DSU/ALOP cover. Looking ahead, competitive pressure will only increase, and we expect rates to soften further over the coming year.

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CRISIS MANAGEMENT

The **soft market** that began in mid-2025, bringing significant rate reductions across most territories, shows no signs of easing as we move into 2026. This trend persists despite ongoing losses in the Political Violence (PV) market and continuing geopolitical instability worldwide.

Political violence remains a critical risk, driven by:

- Fragmentation of conflicts and the persistence of long-running disputes
- Proliferation of armed groups operating across fragile states
- Escalation of drone and cyber-attacks that blur traditional boundaries of conflict
- Contested political transitions fuelling unrest and instability

Key hotspot regions include:

- The Middle East
- The Sahel
- The Red Sea corridor
- Ukraine
- Parts of Latin America and Asia

Market trends

- Capacity remains abundant, with new Lloyd's Syndicates and MGAs expected to enter the PV class in 2026.
- Existing markets are expanding capacity, further intensifying competition.
- Rate reductions are likely to continue unless a major event disrupts the current equilibrium.

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We anticipate a **highly dynamic and competitive market in 2026**, characterized by plentiful capacity and aggressive pricing. Only a significant geopolitical or catastrophic event would be capable of reversing the prevailing soft conditions.



CYBER, MEDIA & TECHNOLOGY RISKS

The January 2026 renewals have confirmed a continued softening of the cyber market. During 2025, rate reductions of 5–7% were typical across SME, mid-market and large corporate accounts. These reductions have since become more widespread as insureds increasingly recognise the softer market conditions.

Pricing and Capacity

Some carriers with heavy North American exposure have signalled an intention to slow further rate reductions in 2026, instead deploying additional capacity into more stable growth regions such as Europe and Asia-Pacific.

Despite a year of significant cyber losses across multiple industries and regions, the market has remained profitable. Loss activity has affected sectors including telecommunications, manufacturing, retail and healthcare. Had several large cyber events exceeded USD 300m in insured losses, capacity and limit appetite would likely have tightened into 2026.

Competition and Growth Dynamics

Growth across the cyber market is slowing due to reduced new business volumes and falling premium rates. This has intensified competition at renewal.

Key trends include:

- Slower pace of new client acquisition
- Acute competition on renewal business
- Many markets increasing deployed line sizes to up to USD 10m
- Increased participation on larger towers and whole primary placements for mid-market risks

Coverage and Sustainability Concerns

An emerging concern is the expansion of cyber wordings, particularly around business dependent and contingent interruption cover extending to non-IT vendors. In some cases, this broader cover is being used to attract business at renewal, raising questions around pricing adequacy and long-term sustainability.

Outlook

As cyber monitoring and exposure management tools continue to mature, underwriters and brokers are better equipped to assess and communicate risk. Underinsurance remains widespread, and encouraging clients to purchase appropriate limits could help expand the premium pool and absorb the additional USD 50m of capacity that entered the market in 2025, supporting ongoing market stability.



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ENERGY

DOWNSTREAM

The 1st of January renewals for downstream placements took place in a softening market, driven by increased capacity and strong competition for high-quality risks.

Loss-free renewals typically achieved rate reductions of between 15- 20%, with larger reductions available for modern or recently upgraded assets, strong risk engineering, and low natural catastrophe exposure.

Pricing & Market Conditions

Despite the softer pricing environment, underwriters remain disciplined on terms and conditions following heavy loss activity in 2025, where losses are estimated at between USD 6–7bn, including approximately USD 4bn from BI.

However, an abundance of capacity and favourable reinsurance treaty renewals — supported by strong 2024 loss performance — have continued to underpin improved pricing outcomes.

Risk Differentiation

Insurers are increasingly differentiating risks based on:

- Asset quality and age.
- Loss history.
- Engineering standards and survey outcomes.

Only poorly performing risks are seeing meaningful resistance to rate reductions.

To achieve the best outcomes:

1. Start the process early with your broker and ask them to benchmark with comparable risks
2. Investigate how policy coverages can be improved, such as sub-limits.
3. Ensure engineering surveys are up-to-date with recommendations closed out.
4. Commission asset valuations and review BI forecasts.
5. Prepare high quality risk presentations to differentiate your risk positively.



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ENERGY

UPSTREAM

The 1st of January 2026 renewals have seen a continued softening of the upstream market. Whereas in 2025 we saw steep rate reductions on tenders of large multi-million-dollar accounts, the rate reductions are now considerably more widespread as Insureds become wiser to the softening condition of the market.

2025 was an exceptionally benign year for losses with the largest reported loss being USD 130m for a control of well incident, and as a result the upstream market has remained profitable. This has resulted in capacity remaining at an all-time high with an estimated USD 10bn. Most of this capacity growth is coming from increased line sizes, but also new entrants are still joining the energy market due to the markets enduring profitability albeit marginal in some instances.

A notable withdrawal of capacity was Dale Underwriting that ceased to trade upstream in October.

Further contributing factors to this softening has included, and we believe will continue into 2026:

- Underwriters setting themselves overly ambitious growth targets.
- A negative feedback loop of softening rates leading to further competition as income shrivels.
- The pool of clients not growing, contributing to increased competition for existing business.

As a result, many renewals have seen decreases ranging from 5% to 15%, and in some instances more.

Liability coverages in upstream packages, often written by the casualty teams of the respective syndicate/company, have now also started showing signs of softening from the earlier hard market status.

We are not seeing any new standard clauses being introduced into upstream programmes, other than some adjustments to existing clauses, in particular JNR2022-23 with a new A version being introduced to explicitly exclude SRCC, and a recent review of the EED8/86 wording the results of which have yet to be implemented.

In 2026 we expect the upstream market to continue to soften with capacity levels remaining stable.

KEY CONTACT



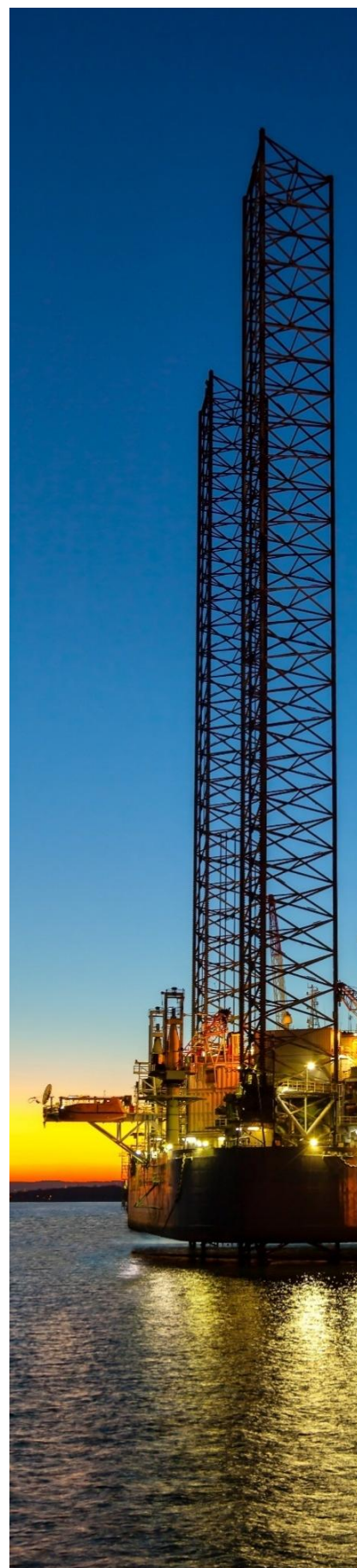
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ENERGY

POWER GENERATION

The traditional power generation market in 2025 transitioned firmly into a buyer's market, driven by an oversupply of capacity and increasingly aggressive competition among insurers. This shift closely mirrors broader onshore energy trends.

Pricing and Competition

Insurance buyers achieved notable rate reductions, particularly on clean and well-performing risks.

- Standard renewals typically achieved reductions of **10–15%**.
- Competitive tenders for high-quality risks saw reductions of up to **20–30%**.

Softening has been fuelled by new market entrants, including MGAs and insurers opening desks for conventional power business, despite a deterioration in underwriting results during 2025.

Loss Experience and Market Pressure

In 2025, underwriting results came under increased, primarily due to:

- Reducing rates;
- Increased operational loss activity;
- Loss severity being exacerbated by increasing lead times and supply chain constraints on orders for critical items;

These factors in particular have negatively impacted underwriters' bottom lines across the sector.

Capacity and 2026 Outlook

Looking ahead to 2026, conditions are expected to remain challenging due to:

- New participants such as Westfield, Chaucer, and Canopus are looking to build meaningful market share.
- New entrants not yet experiencing the same losses as incumbent markets.
- Continued capacity growth is likely to sustain downward pressure on rates.

Despite the loss experience, the absence of major natural catastrophe events has resulted in largely benign treaty renewals. Further rate reductions are expected in 2026, with early indications suggesting decreases of **7.5–12.5%** on expiring rates.

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ENERGY RENEWABLE



In 2026: Capital Is Plentiful, Certainty Is Not

The onshore renewables insurance market is not constrained by lack of capacity, but by how selectively that capacity is deployed.

Insurers continue to face pressure to grow with new capital driving renewal pricing generally lower, creating competitive conditions and negotiable terms for many buyers. At the same time consistent losses and repeated weather events have exposed meaningful performance differences across portfolios once considered broadly comparable, limiting rate reductions for those clients.

This tension is influencing insurer behaviour in several ways:

First, underwriting focus is shifting from price to quality.

Rather than applying uniform rate changes, insurers are using capacity, structure, and attachment points as key tools. Well-engineered assets with strong maintenance practices and transparent data are being rewarded. Battery energy storage systems are attractive as the technology matures, and loss experience improves. However, events such as the Waratah transformer failure in Australia highlight insurers' continued sensitivity to large, single-loss scenarios, reinforcing scrutiny of design, redundancy, and contractor selection across all technologies.

Second, catastrophe exposure is no longer viewed as episodic.

Wildfire, flood, severe convective storms, and hurricanes are increasingly treated as recurring conditions. This has elevated the importance of location-specific modelling, resilience measures, and response planning, particularly for portfolios concentrated in high-volatility regions.

Third, product innovation is quietly accelerating. Alternative structures, including faster-settlement mechanisms, parametric solutions, and longer-term agreements, are gaining traction as insurers seek balance between competitiveness and earnings stability.

Ultimately, 2026 will be defined less by market softness or hardness than by dispersion. Success will depend on credible risk differentiation, with discipline—not capacity—emerging as the scarcest commodity.

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INTERNATIONAL LIABILITY

At the start of 2025, the International Liability market was still experiencing rate increases on flat exposures. Over the past 12 months, this shifted to flat renewals and then rate reductions of up to 10%, with softening becoming more pronounced toward the end of 2025. The result has been a market increasingly favourable to buyers.

Market Drivers

The softening in rates has been driven primarily by a renewed influx of capacity, creating increased competition across key hubs.

Key developments include:

- New MGAs entering the market
- Existing syndicates and (re)insurers opening new desks
- Hiring of experienced liability underwriters to build new books
- Increased competition in London, Dubai, and internationally

Appetite and Capacity

Markets that previously reduced line sizes and sought greater use of quota share arrangements are now expanding their appetite and offering increased capacity and support.

Coverage and Terms

Some broadening of cover is available; however, Terms, Conditions and Exclusions are fairly stable. With key clauses / exclusions for Cyber, Communicable Disease, PFAS (Per- and Polyfluoroalkyl Substances), and Sanctioned Territories being applied and updated where applicable.

- Terms, conditions, and exclusions are broadly stable
- Key exclusions continue to apply, including:
 - Cyber
 - Communicable Disease
 - PFAS
 - Sanctioned Territories

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Outlook

Market conditions are expected to remain soft through 2026, with competition continuing to place downward pressure on rates.



MARINE

HULL & MACHINERY

During the first half of the year, market attention remained focused on the Middle East as ceasefire negotiations in Gaza progressed. While this marks an early step in a longer-term and delicate peace process, uncertainty remains high. As a result, the marine war insurance market has adopted a cautious approach, with elevated threat levels continuing to affect shipping across the Eastern Mediterranean, Red Sea, Gulf of Aden, and Arabian Gulf.

Pricing and Market Conditions

Global Hull premium increased by 3.5% year-on-year to USD 9.67bn, broadly aligned with a 4% increase in global Hull & Machinery fleet values to USD 1.54tn. This indicates that any softening in rates has been **modest rather than meaningful**.

The Hull & Machinery market has remained competitive into late 2025, particularly in London, as underwriters work to meet year-end growth targets. Competition has been driven by:

- Increased participation from MGAs.
- Ambitious growth strategies from established markets.
- Limited exits from the Hull sector.
- This points to a continued competitive environment into 2026.

Fleet Profile and Loss Experience

The average age of the global fleet now exceeds 22 years, driven by lower scrapping levels and the continued operation of older vessels, including those in the shadow/dark fleet. Ageing machinery, combined with inflationary pressures on steel, labour, and repair costs, remains a concern for underwriters. Several large losses have occurred this year, with fires and groundings the main contributors to severity.

Ancillary Classes

Ancillary covers such as Builder's Risks and War have provided some support to otherwise marginal Hull portfolios. However, both remain exposed to volatility:

- War risks face heightened loss potential in an unstable geopolitical environment.
- Builder's Risks remains profitable but carries the risk of large losses on complex, high-value projects.

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MARINE PROTECTION & INDEMNITY

The 2024/25 policy year proved challenging for the International Group of P&I Clubs, with results heavily influenced by high claims activity and an elevated number of pool claims. Technical performance was weak across the market, with combined ratios largely negative before investment income.

Investment returns helped offset underwriting pressure:

- Average investment return of **+5%**
- Average market combined ratio of **110%**
- IG free reserves increased by over **USD 270m**, approaching **USD 6bn**

Despite this, **Britannia**, **Steamship**, and **North Standard** recorded overall deficits.

2026 Renewal Outlook

For the 2026 renewal, Clubs are seeking premium increases for the **sixth consecutive year**, although headline rises are lower than in recent cycles.

- Expected general increases of **5–8%**, down from higher increases in previous renewals

Pool Claims Experience

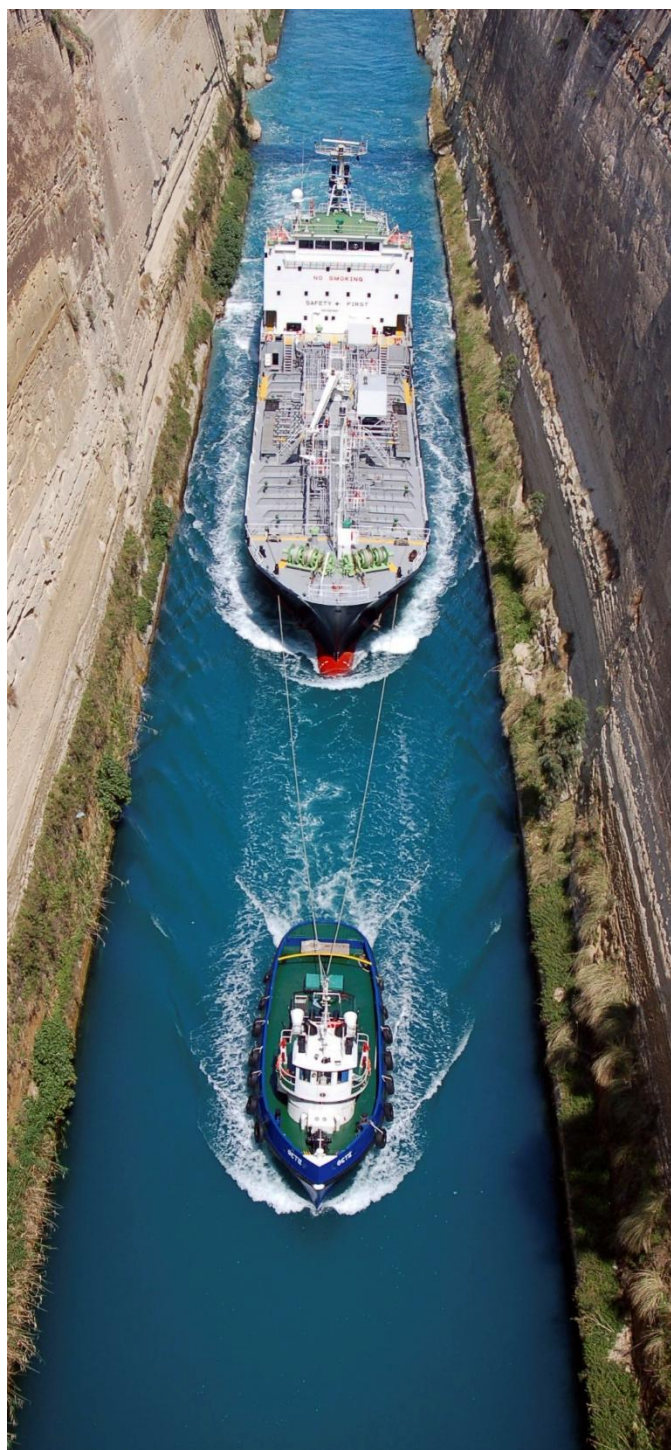
Pool claims in the 2024/25 policy year were exceptionally high and are expected to make it the costliest pool year on record.

- **23 pool claims** reported to date, with total values rising to approximately **USD 720m**
- Significant deterioration on previously reported claims, led by the **MV Dali** incident

At the halfway point of the 2025/26 policy year, **five pool claims** have been reported, compared with seven at the same stage last year.

Outlook

While investment income and strong reserve positions provide some stability, continued high pool claim severity supports the case for ongoing premium increases and market discipline.



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MARINE CARGO

2025 continued where 2024 left off, with increasing inflow of capacity resulting in record high levels estimated around USD 1,500,000,000. Increased capacity equated to increased competition for business resulting in a softer market where rate reductions were higher than anticipated and appetite for risk broadened. Geopolitics still played a significant role when it came to war risk coverage in the Black Sea and Red Sea.

Capacity continues to increase as new entrants and existing insurers expand their lines.

Pricing - excessive downward pressure on pricing with rate decreases on clean low loss ratio business commonly seeing 10% reductions but ranging to 20%

Coverage - broader wordings being applied, whether, as an example, being enhanced coverage for spoilage and deterioration or increased acceptance of retail store exposure or spontaneous combustion. These coverages are now more readily available.

Difficult Interests - Underwriters are more willing to consider interests, previously outside their appetite such as tobacco, perishables and soft commodities.

Geopolitics - Cargo market continues to be affected by the conflicts around the world. The two main issues continue to relate to Red Sea shipments as a result of the Gaza conflict, as well as the Black Sea relating to the war in Ukraine where there is increased risk to vessels there.

Additional considerations for 2026 relate to US actions in Venezuela as well as the potential for a major regional flashpoint relating to Iran – this could create elevated shipping risk around the Arabian / Persian Gulf.

2026 Summary Outlook

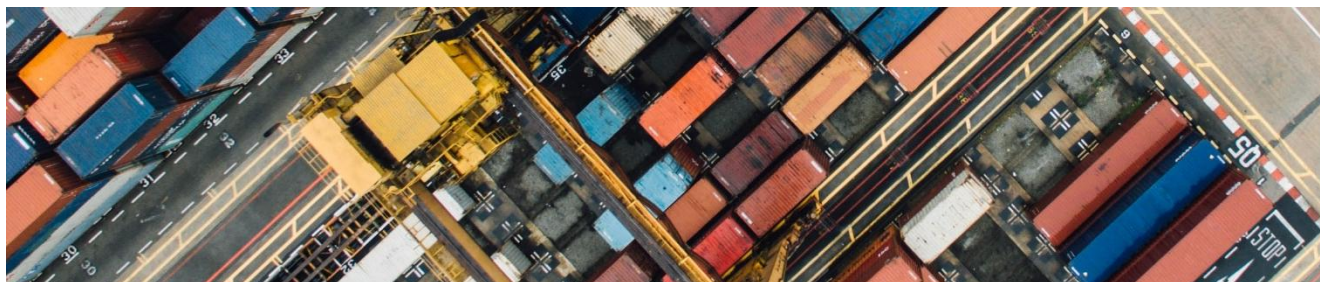
- Accelerated market softening for well performing business.
- Boarding of terms and conditions for buyers in some industry sectors.
- Continued geopolitical uncertainty is likely to cause disturbance to capacity and terms and conditions for risks in multiple regions despite the soft market
- Capacity growth to continue.
- “Curse of the incumbent” challenges for (re)insurers in balancing retention and pricing.

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PROPERTY

The global property insurance market enters 2026 following another year of elevated natural catastrophe losses and a clear shift in reinsurance market dynamics. While the 2025 hurricane season was relatively favourable, overall insured Nat Cat losses again exceeded USD 100bn, reinforcing the structural nature of loss severity in the sector.

Swiss Re Institute estimates total insured losses for 2025 at USD 107bn, a reduction from USD 141bn in 2024. However, this marks the sixth consecutive year of triple-digit losses, highlighting the ongoing volatility faced by property insurers and reinsurers.

Reinsurance Market Dynamics

Against this backdrop, the reinsurance market is showing its first meaningful signs of softening since the hard market cycle began in 2020–2021.

Contributing factors include:

- Improved reinsurer capital positions
- Strong investment returns
- Reduced hurricane-related losses in 2025

2026 Market Characteristics

As a result, 2026 is expected to be characterised by:

- Increased capacity deployment from global reinsurers
- More competitive terms and conditions
- Selective easing of attachment points and coverage restrictions
- Renewed appetite for growth in peak-zone exposures

Outlook

Overall, the 2026 property insurance landscape reflects high but more manageable catastrophe loss levels, softening reinsurance pricing, and a more favourable purchasing environment for cedants. However, disciplined risk selection and forward-looking climate resilience strategies remain essential.

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TREATY

MIDDLE EAST AND NORTH AFRICA (MENA)

The January 2026 renewals in the Middle East and North Africa (MENA) took place against a backdrop of record global reinsurance capital and strong sector profitability. However, the market experienced a more measured softening than most parts of the world.

For well-performing programmes, risk-adjusted rate changes tended to be flat to modestly reduced, with many risk excess of loss (XoL) treaties renewing at reductions of around 5% to 10%. Non-loss-hit catastrophe layers frequently achieved reductions of 10% to 15%, with particularly strong, well-modeled portfolios achieving reductions of up to 20% in some cases.

Market softening experience in MENA was milder, reflecting persistent geopolitical risks, macroeconomic uncertainty, and uneven data quality across markets. Reinsurers demonstrated healthy appetite for regional business. However, there remained an emphasis on quality and granularity of exposure data, inflation assumptions, and the modelling of CAT-exposed portfolios. Negotiations were notably more intense on lower-layer and frequency-exposed covers, such as per-risk treaties, as reinsurers pushed back on allowing pre-2017 loss dynamics.

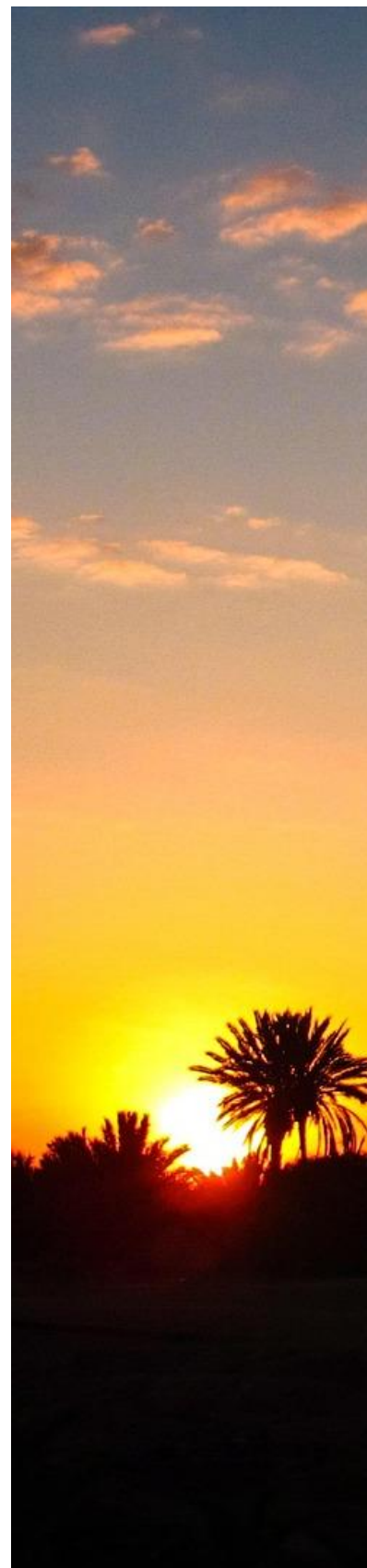
In terms of buying behavior and programme structures, cedants in the region typically prioritised rate relief and panel stability. Where performance and data permitted, some cedants used savings to:

- Modestly increase catastrophe limits, particularly on higher layers, rather than lowering attachment points
- Improve proportional treaty economics by reducing commissions and expenses.
- Tighten loss-participation and swing-rate mechanisms to reduce volatility on well-performing treaties.
- Improving terms and conditions for existing structures.

Despite these adjustments, the core programme architectures and retentions were largely maintained, with little evidence of systematic reductions in catastrophe limits or a shift back to lower attachments.

Across the Gulf

The reinsurance market continued to soften, with increased capacity supported by both existing and new local carriers as well as managing general agents (MGAs). In Saudi Arabia, key regulatory changes mandated that any foreign reinsurer underwriting or renewing risks connected to the Kingdom must register with the Insurance Authority's electronic platform by March 1, 2026.



In Egypt

Treaty renewals brought higher capacities, enabling insurers to underwrite larger risks or retain more business, while improved treaty terms supported growth and product innovation. The involvement of top-tier reinsurers reinforced market confidence and helped reduce both the cost of capital and overall volatility. Regulatory enhancements by the Egyptian Financial Regulatory Authority (FRA) also strengthened the negotiating position of Egyptian insurers, as reinsurers were required to meet strict global rating and solvency standards.

In Iraq

Proportional treaties were renewed with the same leader, Hannover Re, however, it also saw the return of Swiss Re to the market. Iraq's reinsurance landscape remains divided among the national reinsurer Iraq Re, state-owned companies, and the private sector, with Iraq Re increasing its market presence through domestic retrocession programs. New regulatory rules in Iraq now focus on enhanced transparency, disclosure, and retention limits for reinsurance operations.

In Africa

New regulations were also observed to increase local retention required in certain territories, while Nigeria introduced a 4% tax on foreign premium.



TREATY

EUROPE

At the January 2026 renewals, Europe emerged as one of the softest regions. Double-digit risk-adjusted decreases were commonplace for loss-free property-catastrophe programmes, particularly among large, well-diversified cedants in France, Italy, Switzerland, and the UK, where reductions frequently ranged from 10% to 20%. In markets such as Germany and across Central and Eastern Europe, rate decreases were more moderate, generally in the high single-digit to low teens, but nonetheless represented a clear softening from 2025.

This market dynamic was driven by abundant global and regional capacity, strong reinsurer earnings, and relatively benign catastrophe experience since 2023. Most recent losses had increased retentions in cedant towers due to earlier increases in attachment points.

Cedants used this favourable environment to:

- Secure significant rate reductions on core catastrophe and risk XoL layers
- Occasionally adding an additional 5% to 10% of catastrophe limit.
- Some also reintroduced aggregate (frequency) covers or reinstatement premium protection where justified by analytics.

Many programme panels sized were reduced and streamlined, as cedants began prioritising relationship-driven panels and improved term concurrency. Despite the price softening, retentions and attachment points largely maintained at the elevated levels established since early 2023, with selective addition of sub-layers or lower layers only when supported by favourable multi-year or analytical rationale.

Terms and conditions also eased gradually as many non-concurrencies and subjectivities introduced during the hard market were removed or reduced. Nevertheless, structural safeguards—such as tightened hours clauses, refined event definitions, and key exclusions—remained intact, highlighting that the softer pricing reflected a market rebalancing or correction rather than a return to pre-2017 standards.

Despite the market softening, underwriting behaviours varied more than in previous years, with some markets maintaining rigid technical pricing and structures, while others showed greater flexibility to defend or grow shares on key accounts.

Across MENA, Europe, the January 2026 renewals were characterized by record capital, strong reinsurer profitability, and broad rate reductions. Notwithstanding these favourable conditions, programme structures and terms continued to reflect the market discipline established during the recent hard market years.



TREATY

RETROCESSION

The retrocession market in January 2026 saw risk-adjusted reductions that were even deeper than those observed in the primary catastrophe treaty market.

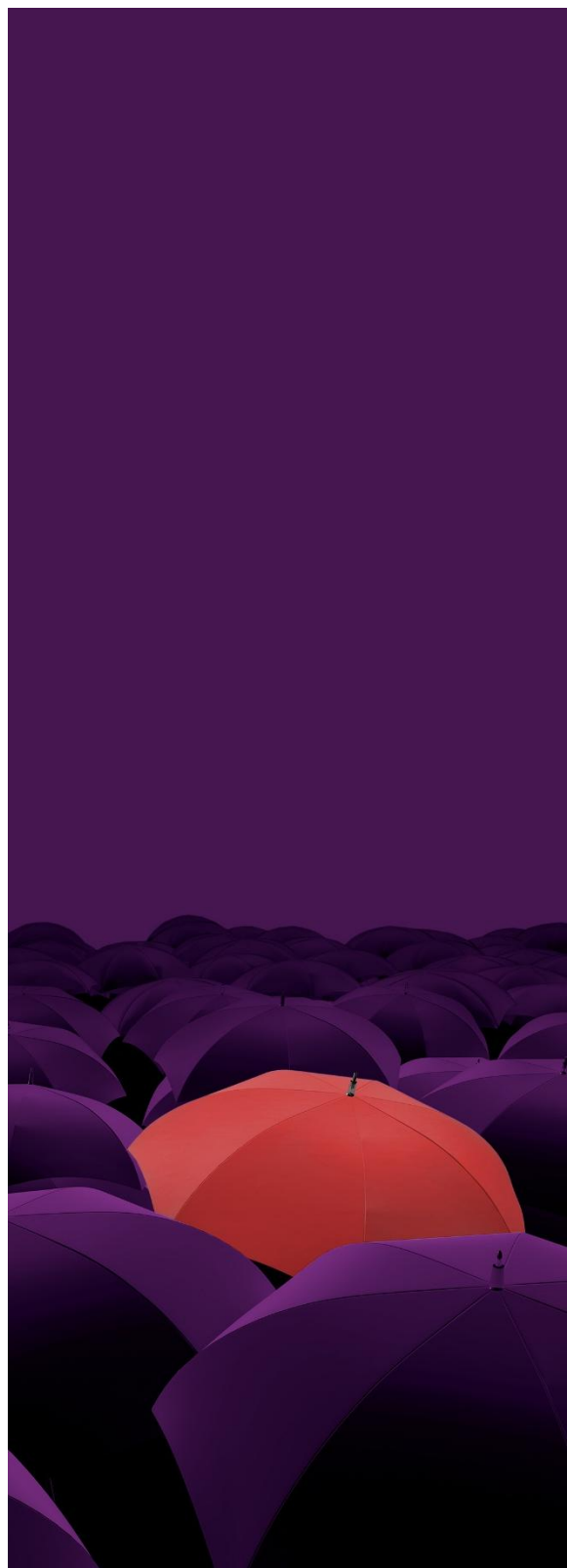
Non-loss-impacted occurrence covers were generally renewed at reductions of approximately 12.5% to 20%, with the largest decreases seen on remote layers and clean portfolios. Aggregate retrocession covers experienced meaningful softening as well, though slightly less than the most remote occurrence layers, reflecting their higher frequency risk profile.

These outcomes were driven by strong earnings among retrocessionaires, record levels of reinsurance and insurance-linked securities (ILS) capital, and a year in which major catastrophe losses remained concentrated within higher attachment layers, limiting the impact on retrocession towers. Many buyers took advantage of the softer market to both reduce rates and increase limits, particularly on occurrence and aggregate protections. Additional demand for retro occurrence and aggregate covers exceeded USD 1 billion, reflecting both underlying portfolio expansion and a desire to secure more efficient tail protection.

Non-loss-hit retro programmes faced strong competition, with some experiencing overplacements and delayed panel finalisation as buyers evaluated competing terms. Even loss-impacted towers were typically renewed at flat or modestly lower risk-adjusted pricing after assessments.

Despite the price softening, structural discipline was maintained across retrocession programmes. Coverage remained focused on natural catastrophe risks, with limited appetite for expansion into SRCC, terrorism, or broader non-catastrophe exposures. Event definitions, hours clauses, and aggregate structures continued to reflect the discipline established post-2023, rather than reverting to pre-hard-market standards.

Alternative capital, including catastrophe bonds and collateralized retro investors, was particularly active in the upper layers of programmes, with pricing multiples near post-2020 lows and increased appetite for secondary peril and aggregate features. Sidecars and other third-party capital structures also remained important, providing dedicated capacity while aligning interests through co-investment and structured commissions.



TREATY

SPACE REINSURANCE

Towards the end of 2025, the outlook for the Space reinsurance market became significantly more positive compared to the previous year.

This improved market sentiment was mainly attributed to:

- Improved results (increased rates and limited claims activity)
- Introduction of new products
- Renewed appetite from market participants

Consequently, the market was poised to achieve approximately USD 500 million in net profit, with loss ratios trending favourably. These strong 2025 results were expected to help offset the losses incurred in 2023 and 2024, thereby fostering a buoyant environment and raising expectations for a return to long-term profitability.

Simultaneously, capacity began to return to the market, marked by the entry of new MGA teams such as Phemis (ex-Hiscox) and Aesir Space (ex-Volante), both of which commenced underwriting activities in 2025. Furthermore, additional capacity is anticipated in 2026, as existing players increase their lines and new MGA entrants, including Whitecap Aerospace (USD 8 million) and Hive (USD 25.5 million), join the market from January 1st.

Nevertheless, the start of 2026 has been challenging, with two significant claims emerging in the first half of January.

On January 3rd, the SpainSat NG II military communications satellite suffered a loss estimated at EUR 350 million (USD 400 million) due to an impact by a "space particle" during its maneuver to final geostationary orbit. This event will have a substantial effect on the profit expectations established at the close of 2025. Shortly thereafter, on January 12th, the PSLV-C62 launch failure resulted in the loss of 16 satellite payloads during the third stage of launch, post-separation. While it is still too early to estimate the financial magnitude of this loss, it is expected to be considerably lower than the SpainSat claim, as many of the satellites were either small or uninsured.

As a result, some market participants now anticipate that rates will flatten or rise modestly. In-orbit rates may remain stable due to growing competition for these comparatively stable risks. At the same time, underwriters are signalling a potential tightening of coverage, particularly through the exclusion of orbital debris or by addressing the increasing reliance of satellites on complex software technologies—a notable factor given that several recent claims have arisen from anomalies during the post-separation phase of missions.

Reinsurers are closely monitoring how these developments will influence the market and primary rates. Although it is premature to predict the full impact on the reinsurance sector, another loss of similar scale in 2026 could prompt further market hardening, echoing the conditions observed in 2024 and 2025. Should additional large claims occur throughout the year, there is a risk that capacity may once again withdraw from the market during the final quarter of 2026.

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WESTWARD INTO RISK: TYPHOON FLOOD CASCADE ACROSS ASIA

Event report as at 17th November 2025

TYPHOON CORRIDOR FROM SEPTEMBER 2025

With 27 named tropical cyclones recorded in the Northwest Pacific in 2025, seasonal activity was slightly above but broadly consistent with the long-term basin average of 25.1 named tropical cyclones per year (1991–2020, RSMC Tokyo), indicating that the season was not an outlier in terms of overall storm count.

The more intense systems of the season clustered in close successions between September and November, notably Ragasa and Bualoi, Matmo, Kalmaegi, and Fung-wong. Most of the storms tracked westwards with intense rainfall fueled by increased convection brought by strong trade winds, a La Niña outlook as announced by NOAA. These storms affected Philippines and neighboring regions and resulted in economic losses exceeding USD 2 billion.



Figure 1 Typhoon Ragasa, Matmo, Bualoi, Kalmaegi & Fung-Wong tracks. Source: Japan Meteorological Agency (JMA) Best Track Data

Phase I: September Surge (Ragasa & Bualoi)

Late September 2025 featured two simultaneous major systems. **Typhoon Ragasa (Nando)** peaked as a Violent Typhoon (203 km/h) on Sep 22. After striking northern Cagayan, it bypassed Hong Kong and Macau to make a secondary landfall in Guangdong (157 km/h). **Typhoon Bualoi (Opong)** maintained typhoon intensity (139 km/h) through its Eastern Samar landfall (25 September 2025). It weakened over Bicol but restrengthened in the South China Sea, striking Northern Vietnam (28 September 2025) before dissipating over Laos.

Phase II: October Transition (Matmo)

Typhoon Matmo (Paolo) struck Luzon as a Severe Tropical Storm (111 km/h). Defying typical post-landfall weakening, it intensified into a Typhoon (130 km/h) over the Gulf of Tonkin, resulting in a double landfall in Guangdong and Guangxi on 5 October 2025.

Phase III: November Cumulative Damage (Kalmaegi & Fung-Wong)

Two "Very Strong" typhoons struck the same regions within 10 days, triggering a humanitarian crisis. **Typhoon Kalmaegi (Tino)** hit Southern Leyte (3 November 2025) and Central Vietnam (6 November 2025), damaging over 259,000 Philippine homes. **Typhoon Fung-Wong (Uwan)** followed a similar path, striking Central Luzon (9 November 2025) at 157 km/h before curving toward Taiwan.

METEOROLOGICAL OBSERVATIONS

Typhoon Duration	Typhoon	Landfall locations	10-minute sustained wind speeds (km/hr)	Est 1-minute sustained wind speeds (km/hr)	Est Saffir-Simpson Category
17 to 25 Sep	Ragasa	PHL: Babuyan Islands	203	~231	4
		CHN: Hailing Island, Yangjiang City, Guangdong Province	157	~179	3
22 to 29 Sep	Bualoi	PHL: San Policarpo, Eastern Samar	139	~158	2
		VNM: Quang Xuan, Quang Bing Province	120	~137	1
1 to 7 Oct	Matmo	PHL: Dinapigue, Luzon	111	~127	1
		CHN: Xuwen County, Guangdong Province	120	~137	1
		CHN: Fangchenggang City, Guangxi Province	130	~148	1
31 Oct to 7 Nov	Kalmaegi	PHL: Silago, Southern Leyte	139	~158	2
		VNM: Binh Dinh	167	~190	3
3 to 13 Nov	Fung-Wong	PHL: East Coast of Central Luzon	157	~179	3
		TWN: North of Checheng	83	~95	TS

Table 1 10-minute sustained wind speeds at landfall locations Source: JMA. UIB estimated 1-minute sustained windspeed

Ragasa

Cumulative rainfall amounts of over 300mm was reported due to Ragasa in regions northwest of Luzon. In Baguio City, 327mm of rain, which is equivalent to almost three weeks worth of rain, fell in 24 hours.

Parts of Hualien County recorded up to 700 mm of rainfall, while parts of southern and eastern Taiwan recorded 500–600 mm of precipitation. In Hong Kong, some areas were impacted by storm surge up to 3.8m or more above chart datum. Southern areas of the Guangdong and Guangxi Provinces recorded rainfall totals of 100 to 250mm in a 24-hour period between September 24 to 25.

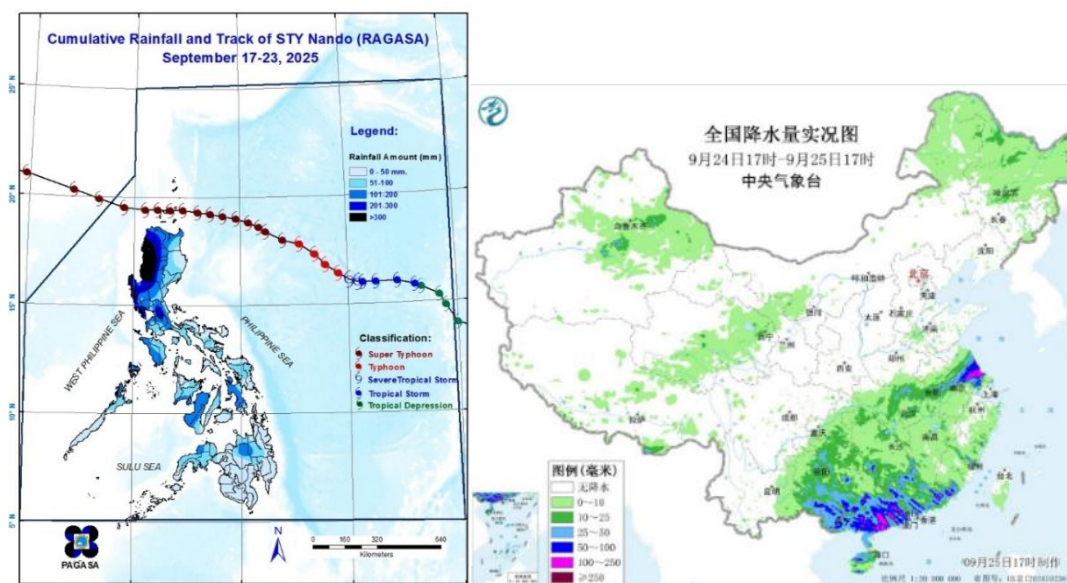


Figure 2 (Left) Cumulative rainfall and typhoon track of Ragasa from September 17 to 23 over Philippines. Source: PAGASA (Right) National Meteorological Center (NMC) 24-hour Cumulative Rainfall over China during Ragasa from September 24 to 25. Source: Moody's

Bualoi

Bualoi brought cumulative rainfall totals of up to 300mm around the Visayas region. Severe flooding was reported in Ormoc, Leyte Province. Some areas of the capital Manila were also flooded.

In northern and north-central Vietnam, over 300 mm of rain in 24 hours caused severe flooding and landslides. Nghe An, Hà Tĩnh, and Thanh Hóa were hardest hit, with rivers and reservoirs reaching critical levels. Storm surges flooded low-lying coastal areas, breaching embankments and prompting mass evacuations, while inland floods damaged crops and homes.

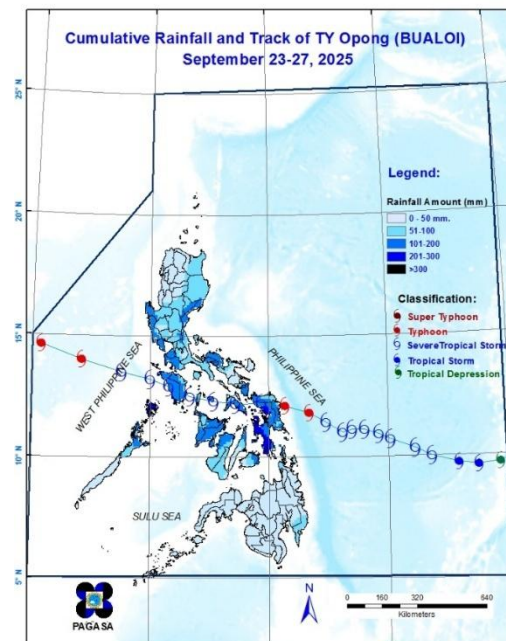


Figure 3 Cumulative rainfall and typhoon track of Bualoi from September 23 to 27 over Philippines.
Source: PAGASA

Matmo

The National Disaster Risk Reduction and Management Council (NDRRMC) reported 129 areas were flooded across the Ilocos, Central Luzon and Calabarzon regions. Areas across northern and central Luzon were impacted by heavy rainfall with some parts receiving over 300mm of rainfall between October 1 to 4.

In China, southern areas of the Guangdong and Guanxi provinces recorded rainfall totals of 100 to 250mm in 24 hours. In Vietnam, Matmo compounded the effects of Bualoi which was yet to recede. Many provinces and cities in Vietnam including the capital Hanoi was heavily impacted by devastating floods.

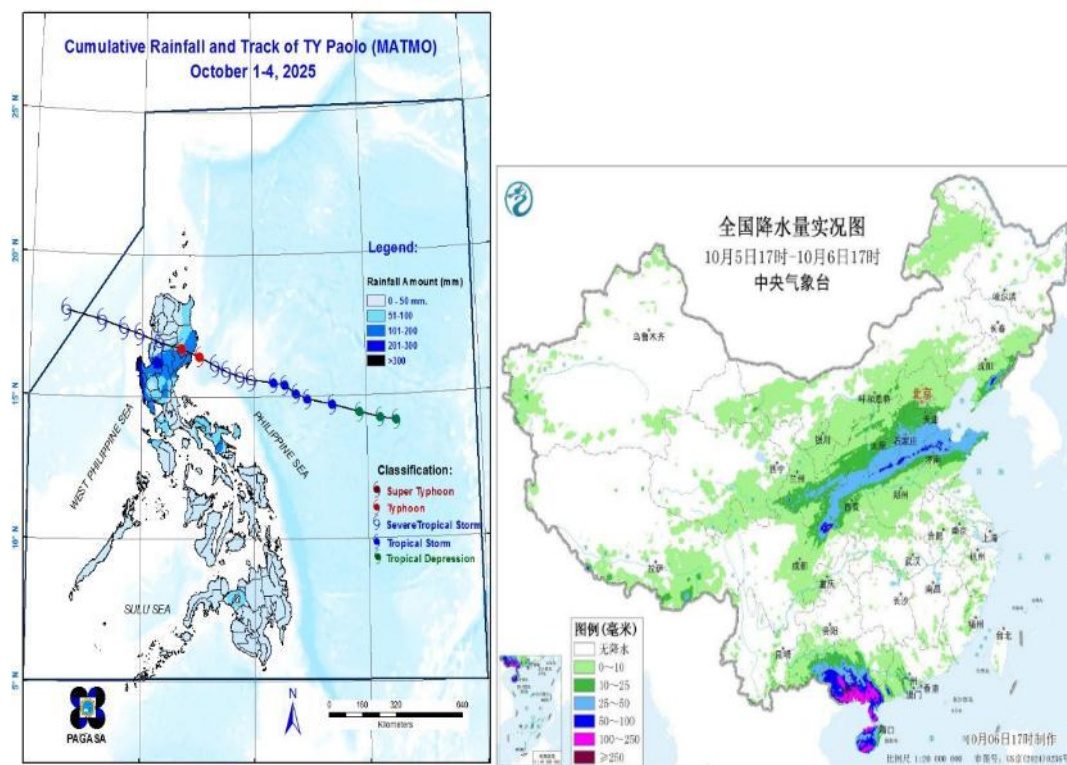


Figure 4 (Left) Cumulative rainfall and typhoon track of Matmo from October 1 to 4 2025 over Philippines. Source: PAGASA (Right) National Meteorological Center (NMC) 24-hour Cumulative Rainfall over China during Matmo from October 5 to 6. Source: Moody's

Kalmaegi

In the Philippines, the most extreme precipitation occurred between 2 to 5 November 2025, with Cebu City recording a staggering 183 mm of rain in a single 24-hour period leading up to the storm's passage surpassing its entire monthly average and triggering the worst flash floods in the city's history. These rains, combined with the storm's multiple landfalls, resulted in the damage of over 259,007 houses.

As the system transitioned to Vietnam, it delivered even higher accumulations from November 6 through November 9, with rainfall totals reaching 300 mm to 450 mm in the Central Highlands and South-Central Coast. This deluge caused major rivers like the Kon and Srepok to exceed critical flood stages, leading to the damage of over 26,470 houses and severe agricultural losses in Binh Dinh and Gia Lai Provinces.

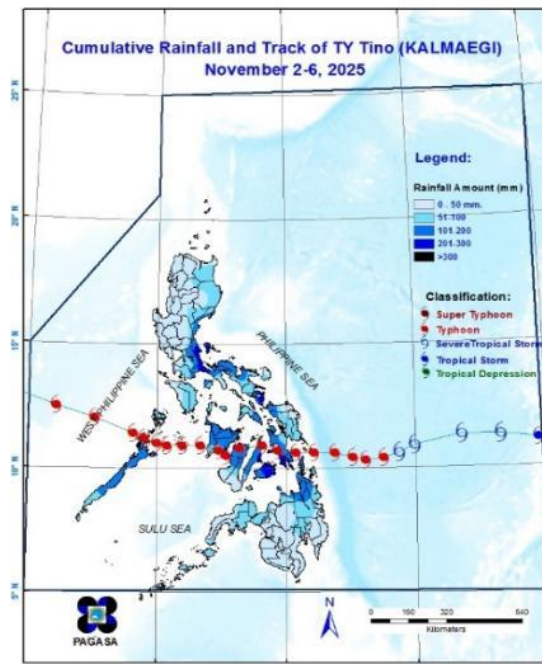


Figure 5 Cumulative rainfall and typhoon track of Kalmaegi from November 2 to 6 over Philippines. Source: PAGASA

Fung-Wong

In the Philippines, PAGASA's preliminary report shows peak multi-day rainfall totals reaching 445.2 mm (Baguio) and 392.6 mm (Virac, Catanduanes / La Trinidad, Benguet) from 7 to 12 November 2025. The most intense period of rainfall occurred on November 9, as the eye approached landfall. In Doña Remedios Trinidad, Bulacan, a staggering 273.0 mm fell within a single 24-hour window. This intense moisture discharge, combined with ground already saturated by Kalmaegi (which had struck just 5 days prior), led to the flooding and damage of over 265,000 homes across Northern Luzon.

In Taiwan, the flooding was acute in Yilan County, with over 1,000 homes inundated. Peak rainfall totalling 832mm between 10–13 November 2025 in Nan'ao Township, Yilan County. Other significant accumulations during this window included 817.5 mm in Dongshan Township and 733.5 mm in the Wanli District of New Taipei City, illustrating the intense nature of the storm's moisture discharge.

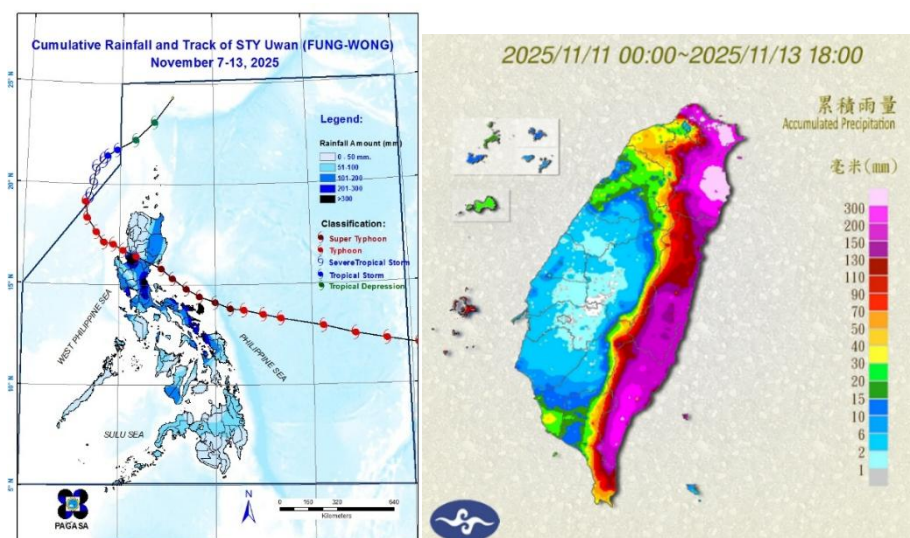


Figure 6 (Left) Cumulative rainfall and typhoon track Fung-Wong from November 7 to 13 over Philippines. Source: PAGASA (Right) Cumulative rainfall of Fung-Wong over Taiwan from November 11 to 13. Source: Central Weather Administration

DAMAGE & IMPACTS

The following table provides a consolidated cross-country impact of these events, categorizing the damage into key "impact buckets" to offer a comparative view of the scale of destruction across the Philippines, Vietnam, China, and neighboring territories as of November 2025.

Deadliest Event: Typhoon Kalmaegi in the Philippines, with over 214 confirmed fatalities and massive housing destruction (259,000+ homes).

Most Economically Disruptive (Agri): Typhoon Matmo in Vietnam, which wiped out nearly 700,000 head of poultry and 32,000 hectares of crops.

Mass Displacement: The Philippines saw the highest evacuation numbers, particularly during Typhoon Fung-wong, where over 1.5 million people were pre-emptively moved.

Infrastructure Failure: The collapse of the Bac Khe 1 dam in Vietnam during Matmo represents the most significant single-point infrastructure failure.

Country/ Typhoon	Homes Damaged / Destroyed	Infrastructure (Roads/Bridges/Dams)	Agri & Livestock	Human Casualties (D/I/M*)	Displaced / Evacuated	Others
PHILIPPINES						
Ragasa	2,892	41 infra; 211 roads, 34 bridges	-	13 D / 17 I / 2 M	22,220+	102 cities power out; 749 schools closed
Bualoi	16,911 (2,600 total loss)	158 infra; 287 roads, 55 bridges	Crop damage reported	27 D / 33 I / 16 M	400,000	225 cities power out; 1,049 schools closed
Matmo	59	10 infra; 111 roads, 35 bridges	-	-	6,651	61 cities power out; 332 schools closed
Kalmaegi	259,007	227 roads, 23 bridges	-	214 D / 502 I / 125 M	756,690	221 cities power out; 312 flights canceled
Fung-wong	265,675	1,585 infra; 785 roads, 74 bridges	-	26 D / 47 I	2,043,679	3,000 schools damaged; 386 flights canceled
VIETNAM						
Bualoi	Damaged houses	Roads flooded	-	8 D / 17 M	-	347,000 households power out; 4 airports shut
Matmo	1,714 damaged; 234k flooded	1 Hydro-dam collapse; 49 dike incidents	32k ha crops; 698k livestock/poultry	16 D / 10 I / 2 M	803 households	549,915 power outages; Rail/Air disruptions
Kalmaegi	26,470	Canals/Embankments eroded	-	5 D / 17 I / 3 M	537,000	1.6M households power out; 6 airports shut
CHINA (Including Hong Kong & Macau)						
Ragasa	Waterfront/Hotel damage	Landslides (4)	-	90 I (HK)	2,000,860	50,000+ trees downed; 56k power out; 600+ flights cancelled
Matmo	-	-	3,400 hectares	-	384,859	200+ flights cancelled (Hainan); Port closures
TAIWAN						
Ragasa	-	1 bridge destroyed	-	17 D / 38 I / 17 M	-	11,363 power outages; 160+ flights cancelled
Fung-wong	1,000+	Water shortages	-	51 I	8,000	Schools/Businesses closed in South
THAILAND						
Matmo	-	-	-	22 D	370,000 affected	Impacts across 19 provinces
LAOS						
Bualoi	254	-	-	-	28,500	-

Table 2 Summary impact & infrastructure damage by typhoon and country. Source: Moody's Event Response

*D = Deaths, I = Injuries, M = Missing

ESTIMATED LOSS

With the widespread damage and impact, it is estimated that these 5 storms cumulatively would have an economic loss exceeding US\$ 2bn across the region.

- Ragasa: ~US\$ 0.40–0.55bn
- Bualoi: ~US\$ 0.6bn (Vietnam)
- Matmo: ~US\$ 0.33bn (Vietnam)
- Kalmaegi: ~US\$ 0.3bn
- Fung-wong: ~US\$ 0.25bn

Despite multi-billion-dollar economic losses generated by the 2025 late-season typhoon cluster, the volume of insured loss remains low across the region. Post-event disclosures indicate that only limited portions of the damage were transferred to the insurance market for example, Vietnam's insurance regulator and market participants have cited roughly US\$ 63.6 million of expected claims from Typhoons Bualoi and Matmo combined, while crop-insurance payouts in the Philippines following Kalmaegi and Fung-wong totaled to only about US\$9.7 million.

For the most damaging event, Typhoon Ragasa, no official, regulator-endorsed insured-loss total has yet been published (public reporting focuses on economic impact), underscoring the persistent gap between economic damage and risk transfer in many Asian markets.



Figure 7 Khe Commune, Lang Son submerged in muddy floodwater impacted by Matmo. Source: Tuoi Tre

SOUTHEAST ASIA FLOODS: INFLUENCE OF LA NIÑA AND CYCLONE SENYAR

Event report as at January 2026

EVENT OVERVIEW & METEOROLOGICAL OBSERVATIONS

From mid-November until end of the month, Southeast Asia endured one of its most intense northeast monsoon seasons in recent years, marked by unprecedented rainfall leading to widespread flooding and landslides in parts of Indonesia, Thailand, Vietnam, and Malaysia.

Several typhoons that hit the Philippines, the rare Tropical Cyclone Senyar, and Cyclone Ditwah in the Indian Ocean fortified the intensity and duration of extreme rainfall that resulted in major flooding in several locations.

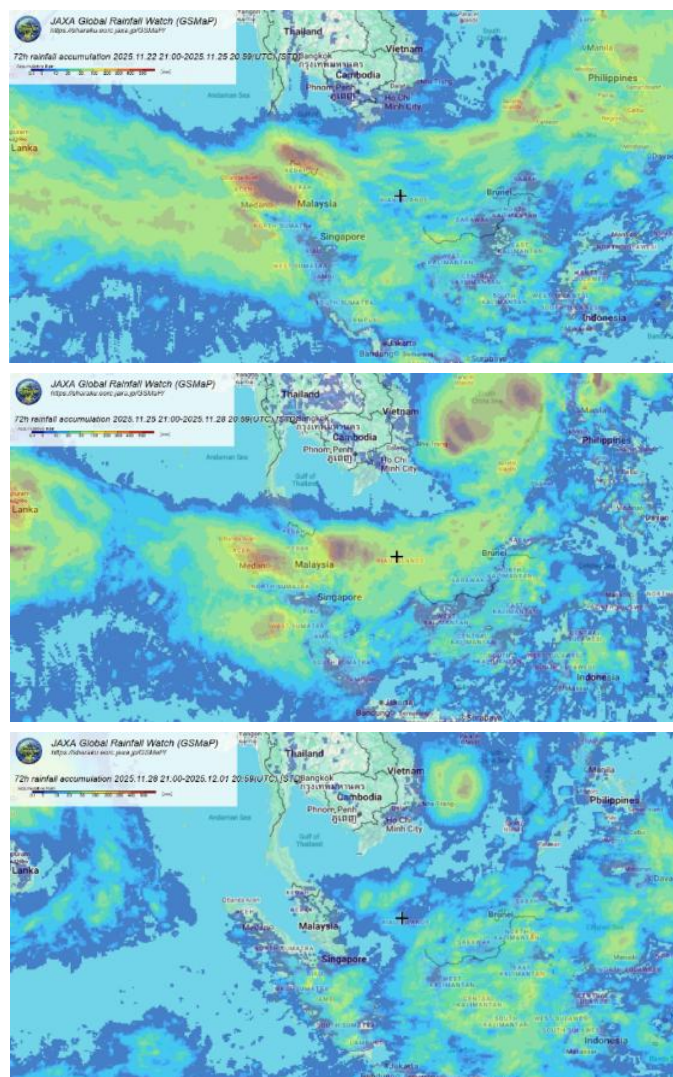


Figure 8 72 Hours Accumulated Rainfall (Top:22-25 Nov; Middle:25-28 Nov; Bottom: 28 Nov-1 Dec). Source: JAXA

Although heavy precipitation is common during this part of the year, this year’s season was worsened by two other overlapping climate systems that amplified monsoon downpours and spurred unusual tropical cyclones at low latitude.

La Niña elevated sea surface temperatures in the western Pacific Ocean and reduced temperatures in the eastern Pacific, which boosted winds carrying extra warmth and moisture towards Southeast Asia, leading to extreme heavy rainfall in the region. With reference to the below Figure, the National Oceanic and Atmospheric Administration (NOAA) National Centers for Environmental Prediction (NCEP) Climate Prediction Center (CPC) indicates a La Niña condition from Q4 2025 which is expected to continue until January 2026. Simultaneously, the Indian Ocean Dipole also experience negative phase which elevated sea surface temperatures near western Indonesia, amplifying regional downpours.

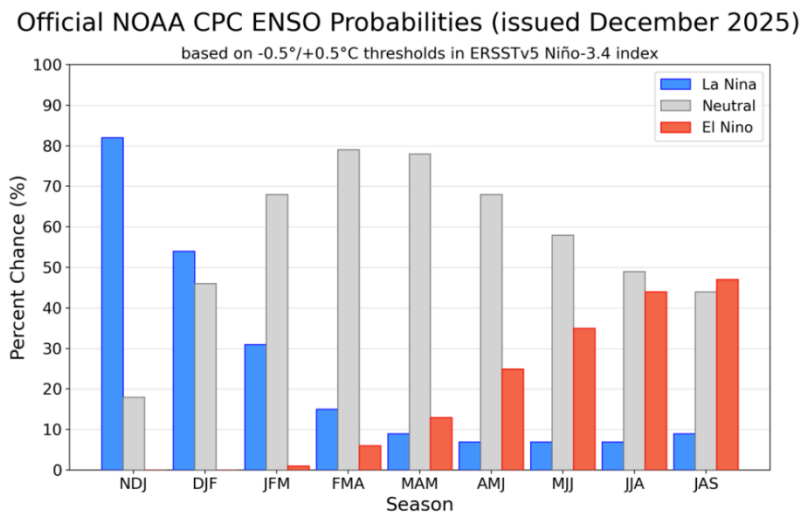


Figure 9 Probabilistic El Niño-Southern Oscillation (ENSO) Outlook. Source: NCEP CPC

Additionally, a rare low-latitude cyclone emerged in the Strait of Malacca, delivering floods to Indonesia and Malaysia. It is uncommon for tropical cyclones to develop in low latitudes because the Coriolis force near the equator that sustains the cyclone rotation diminish, yet Indonesia has been affected by multiple impactful ones over the last five years as depicted in the following Table.

Period	Name	Description
3-12 Apr 2021	Cyclone Seroja	Seroja was formed over the Savu sea in Eastern Indonesia, and over its course in Indonesia, was categorised in Cat 1 and 2 on the Saffir-Simpson scale. It produced torrential rainfall and devastating floods in parts of Indonesia (particularly West and East Nusa Tenggara provinces) and Timor Leste.
15-31 Jan 2024	Cyclone Anggrek	Anggrek formed in the Indian Ocean, southwest of Bengkulu, near Northern Australia. It brings intense rainfall triggering floods and landslides in Sumatra and Java. At its peak, it carried maximum sustained winds of 125 mph (Cat 3) on 28 Jan.
23 Nov-1 Dec 2024	Cyclone Robyn	Robyn formed southwest of Sumatra, categorised up to Tropical Storm on the Saffir-Simpson scale. It contributed towards heavy rains and flooding throughout Sumatra and Java.

Table 3 Significant Tropical Cyclones Affecting Indonesia Since 2020

Tropical Cyclone Senyar formed in the northern Strait of Malacca starting 21 November, fuelled by a powerful monsoon surge from these ocean influences and interaction with Typhoon Koto near the Philippines (23 November to 3 December), preserving its spin despite nearing the equator.

Proximity between the storms steered Senyar south eastward along the Strait of Malacca. The warm seawater sustained the system, with landfalls in Indonesia on 26 November and Malaysia on 27 November, marking the third recorded cyclone crossing Malaysia.

The first cyclone recorded was Tropical Storm Greg (December 1996) which hit northwest coast of Sabah and affected over 17,000 people with estimated economic loss around USD 280 million (unindexed). In 2001, Typhoon Vamei made landfall in southeastern Peninsular Malaysia on 27 December and caused MYR 13.7 million (unindexed) losses to property damage in Johor alone. Both events were categorised as Tropical Storm based on Saffir-Simpson Hurricane Wind Scale.

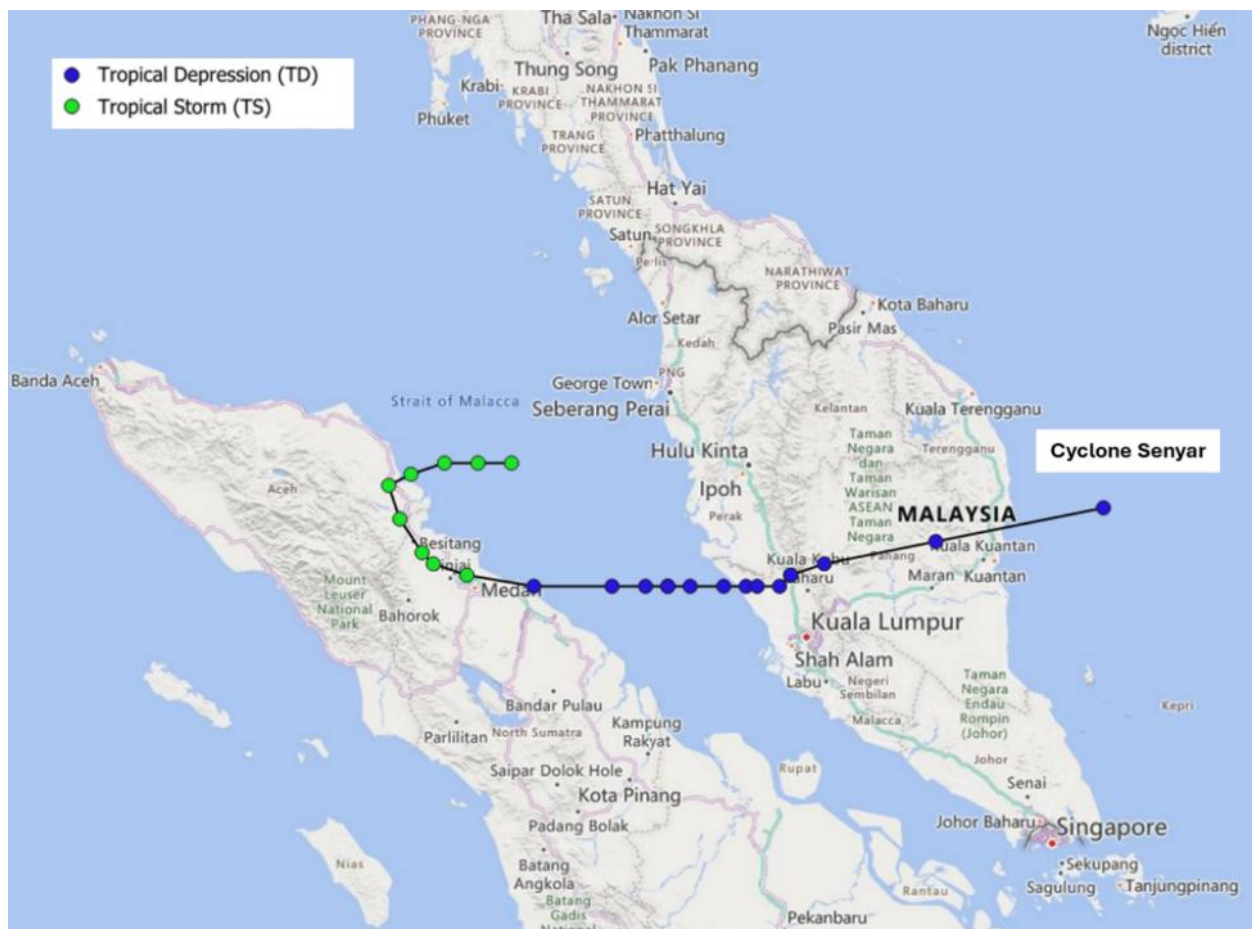


Figure 10 Tropical Cyclone Senyar Track. Source: NOAA's International Best Track Archive for Climate Stewardship (IBTrACS) Data

IMPACTS

Southeast Asia has a history of severe monsoon flooding, with the 2025 event following regional patterns. Thailand's 2010 Hat Yai flood saw 428mm rainfall over three days, while the 2011 flood was worsened by four tropical storms and La Niña. Malaysia's 2014 Kelantan flood recorded 1,295mm rainfall in the span of 3 days from 21-23 December; equivalent to the amount of rain typically seen for 64 days duration. Indonesia had its most extreme monsoon season in January 2020, while Cambodia, Laos, and Vietnam faced severe storms, heavy rain, and landslides in October 2020.

Nevertheless, the 2025 flooding is unique due to the rare tropical cyclone forming at low latitudes, occurring only a few times in recorded history. These events highlight recurring extreme monsoon risks in the region that demand mitigations.

Indonesia

As of 12 January 2026, National Disaster Management Agency (BNPB) reports 1,180 fatalities and 145 people still missing. Roughly 30% of the deaths occurred in Agam and Tapanuli Tengah districts. Nearly 175,050 homes were affected or completely destroyed. Overall, UN OCHA reported over 3.2 million people were affected throughout three Sumatra provinces: West Sumatra, North Sumatra, and Aceh.

The Jakarta-based Center of Economic and Law Studies projected losses exceeding USD 4 billion, equivalent to 0.29% of Indonesia's GDP, stemming from infrastructure destruction, income loss, and reduced agricultural output.

Deforestation across Sumatra worsened floods and landslides in adjacent villages. Without roots to anchor the soil together, bare soil loses its water-absorption capacity, increasing surface runoff and destabilising slopes. Furthermore, felled logs from logging and mining sites turned into large debris blockages along the flooded areas.

Thailand

Heavy rainfall has caused flooding across nine provinces in southern Thailand, particularly in Hat Yai district in Songkhla Province. More than 1.15 million houses have been affected across 12 provinces, including Prachuap Khiri Khan, Chumphon, Surat Thani, Krabi, Nakhon Si Thammarat, Trang, Phatthalung, Satun, Songkhla, Pattani, Narathiwat, and Yala. Extreme rainfall recorded includes a 300-year return period equivalent of 370.2mm in Hat Yai on 21 November, alongside 624.2mm in Narathiwat on 22 November, and 347.2mm in Yala on 23 November.

As at 3 December, Thailand's Department of Disaster Prevention and Mitigation noted that floods still affected about 1.7 million people in 52 South Thailand districts, impacting over 700,000 households outside Hat Yai.

By 4 December, at least 267 deaths were confirmed across 8 flooded provinces, with over half reported from Hat Yai. Tourism in this key destination suffered around 50 billion baht (USD 1.56 million) in losses from cancelled bookings and property damage, closing or impacting more than 300 hotels. Exports, especially of high-value goods, may potentially face up to USD 400 million monthly losses due to disrupted manufacturing.

Vietnam

According to Vietnam's National Centre for Hydro-Meteorological Forecasting, a lot of areas received 400–700 millimetres rainfall, with some locations exceeding 1 meter (such as Phu Yen Province which recorded >1.8 metres, Song Dinh, and Hoa My Tay).

Across Central Vietnam, rivers overflowed with level higher than past record, including the Dinh Ninh Hoa, which surpassed its 1986 flood peak. Impacts were evident in coastal provinces from Khanh Hoa to Quang Tri, together with the more inland, mountainous areas, such as Gia Lai, Lam Dong, and Dak Lak.

The flooding affected more than 235,000 people and recorded over 1,000 houses severely damaged or destroyed. Approximately 90 fatalities were reported, with countless others left homeless or displaced. Initial estimated economic damage is approximately VND 14,352 billion.

Malaysia

By 24 November, 90 evacuation centres have been set up, with over 15,000 people seeking refuge from the floods. During its peak, around 37,000 evacuees were housed in over 200 relief centres across eight states: Kelantan, Terengganu, Pahang, Perlis, Perak, Selangor, Penang, and Kedah. Kelantan suffered the most, with over 8,000 of the 11,000 impacted individuals reported there. Floodwaters inundated low-lying villages for several days, causing structural damage to homes and stranding families. In Kedah, ten rivers hit critical levels by 26 November, dramatically altering the terrain into expansive lakes. Sungai Padang Terap peaked at 4.55 meters, Sungai Perik at 14.53 meters, and Wang Tepus at 10.33 meters.

Report indicates 2 fatalities throughout the event, while total losses amounted to approximately USD 10.3 million, primarily from devastation to paddy fields.

ESTIMATED LOSS

During the same period of November 2025, another country in the region, Philippines, was also badly impacted by three typhoons, namely Kalmaegi, Fung-Wong, and Koto. The collective impact of these typhoons and amplified monsoon conditions has led to widespread damage and losses. Initial estimates for the devastating flood across Indonesia, Thailand, Vietnam, and Malaysia is likely to exceed USD 5 billion and still developing.

This projection far exceeds the normal USD 1-2 billion flood economic losses in Southeast Asia over the past 10 years, aside from the 2011 Thailand floods which were of a larger scale with USD 45 billion (unindexed) economic losses.

Based on current market intelligence and industry discussions, the estimated insured loss arising from the November floods in Thailand is expected to be in the range of THB 20–30 billion (approximately US\$0.56–0.84 billion). It is understood that around two-thirds of these insured losses relate to the Motor line of business, with the remainder primarily attributable to Property.

UIB ANALYTICS

With average annual NAT CAT insured loss crossing US\$ 100 billion in the past 6 years, it reminds us of the importance of capturing granular information for a more adequate CAT management of both primary as well as secondary perils.

Within UIB we have worked with clients locally and regionally in advising optimal reinsurance strategies with our brokers backed by Analytics in navigating the current market conditions.

Actuarial Dynamic Financial Analysis (DFA) — holistic analysis of insurer's portfolio and risks which covers the following:



Examining cost-effectiveness of various reinsurance and retrocession programme structures

Retention Analysis, Technical Pricing and Adequacy of reinstatements

Analysis of merger and acquisition opportunities and financial statement modelling

Quantification of risk-and-return trade-offs associated with different strategies

Impact of modelled reinsurance structures on Risk-Based Capital

Business planning, financial modelling, asset-liability matching & portfolio risk management

NAT CAT Modelling — assessment of optimal vertical reinsurance covers through probabilistic Earthquake, Tropical Cyclone and Flood modelling across Asia, Europe, Americas, Middle East & North Africa (MENA) region.



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