

Asia Capital Reinsurance

Asia Capital Reinsurance Group (ACR) was founded in 2006 with a vision of achieving a reinsurance platform to provide security and stability for the Asian insurance industry. ACR specifically wishes to address the capacity and knowledge gap arising from the on-going demands of the rapidly growing Asian economies. For that reason, ACR's unique business model is built through the offering of our leading expertise and underwriting discipline, supported by our strong financial strength. Our shareholders are reputable global institutions who are committed to the long-term sustainability of ACR and the Asian reinsurance landscape. Licensed as a composite reinsurer and with an A- rating from both A.M. Best and Standard & Poor's, ACR wishes to bring to our clients best-in-class expertise in large risk underwriting in aviation, casualty, group medical, motor, energy, engineering, marine and property.

Insurance needs for Asia's growing economies

ACR sees Asia having a promising bright future. There is ever greater intra-Asian trade from the expanding domestic markets resulting in substantial investments in infrastructural, commercial and industrial projects. This growing Asia's affluence further fuels the demand for asset protection across commercial and personal lines. In addition, companies globalising at an unprecedented scale face a complex set of enterprise risks arising from diverse operating environments. As Asia continues its economic transformation, the diversity and sophistication of risks will multiply and we will see an increased demand for expertise risk solutions to support these companies.

Transformational role for national reinsurance entities in Asia

While the impact of WTO has resulted in the gradual phasing out of compulsory cessions to national reinsurance entities, ACR continues to believe the national reinsurers as having a favourable position to move up the value chain by contributing to the market's efficiency and stability at the cedant, industry and national levels.

Within this new Asian insurance landscape, national reinsurers can transform themselves by offering local cedants a variety of strategic partnerships in ar-



reas such as risk management, specialised business lines development, reinsurance management, reinsurance optimisation and talent development. At the insurance industry level, national reinsurers can also play the role of a risk aggregator, a modulator of capacity and pricing, a knowledge manager through research & development and a talent producer by providing human capital development and training. Even at the highest national level, national reinsurers possess the standing to act as an advisor on domestic insurance development, an agent for change to the industry and a nation's insurer of last resort for exposures of catastrophic loss which could result in significant impact to the local government.

ACR believes that national reinsurers are capable of accelerating these developments by establishing collaborative mechanisms with regional-focused reinsurers that have an in-depth knowledge of the Asian risk landscape and international markets. We hope to assist aspiring national reinsurers through the pooling of regional capacities as well as sharing of technical expertise, thereby building a more robust and efficient Asian market for better linkage to the international market.

Strengthening insurance system in Asia

While the traditional reinsurance market has become more transparent over the years, the need to mitigate challenges such as cross-border exposures, different regulatory regimes and market practice dynamics remains. Nevertheless, this also provides an opportunity for ACR to work with local (re)insurers and national reinsurers to strengthen their respective insurance systems by achieving optimum pooling of risks, fairness of funding and rational distribution of losses and expenses. This will result in local (re)insurers and national reinsurers being more effective in spreading their risks, and improving on their risk selections, thresholds and gearings. This will reinforce their economic competitiveness and business models.

ACR is excited about this new era of strategic collaboration in Asia and look forward to co-operate with local (re)insurers and national reinsurers to bring innovations and better efficiencies to the local insurance system, and thus enhance the stability of the Asian economies.☺

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