Swiss Re

Claims Perspectives



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Foreword

The need to adapt is nothing new. In fact, it has been essential to human evolution and progress throughout history. Yet, despite thousands of years of practice, there is still no single playbook for how to adapt successfully. In that sense, adaptation is as much an art as it is a science. What has changed, however, is the speed and scale of change around us.

Claims sits at the heart of our industry's promise to clients: to be there when things go wrong. While this fundamental purpose remains unchanged, the environment in which we deliver on that promise continues to evolve. Risks become more complex, technology unveils new horizons and with this, expectations rise. In many ways, the performance of Claims teams has never been more relevant and arguably never more demanding.

In this fourth edition of Claims Perspectives, we explore The Art of Adaptation through three lenses: the past, the present and the future. We look back at lessons learned from major loss events, examine today's challenges and innovative solutions, and explore how emerging risks and technologies may reshape our profession.

Together, these perspectives remind us that successful claims management is not just about responding to change, but about learning from it and preparing for what comes next.

Yet adaptation is not just a technical challenge. It is also a deeply human one. Change can be unsettling, while continuity provides confidence and a sense of control. Perhaps the true art of adaptation lies in finding the right balance: knowing what to preserve, what to challenge and when to embrace something new.

I hope this edition inspires you to reflect on how far our profession has come, consider the challenges of today and look ahead with curiosity and confidence.

Enjoy the read!



Martin Bühler

Head of Large Loss Management, Swiss Re

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Natural catastrophes as catalysts for change:

The evolution of claims response in Japan and Canada



Over the past 15 years, major catastrophe events have repeatedly tested the insurance industry, challenging claims practices and calling previous assumptions into question. Each catastrophe exposed something the industry was not fully prepared for, and the lessons learned helped shape the response to the next catastrophe.

Drawing on our claims experience, we look at this evolution through two vastly different markets: Canada and Japan, focusing on the traditional catastrophe challenge, a changing risk landscape, and claims handling as an enterprise capability.

The traditional catastrophe challenge

The 2011 Great East Japan Earthquake and tsunami demonstrated the traditional catastrophe challenge at extraordinary scale: massive claim volumes across multiple prefectures, severe infrastructure damage and large numbers of total-loss assessments. The response required standardised assessment processes, surge capacity, business continuity planning, and close coordination among insurers, brokers, adjusters, reinsurers, and government agencies.

This event reinforced awareness of low-frequency, high-severity catastrophes, and their potential for cascading impacts. Subsequent events in Japan and Canada, however, showed that catastrophe risk was becoming more complex than an isolated major event primarily causing physical property damage.

A changing risk landscape

One significant change has been the growing relevance of secondary perils and losses extending beyond direct physical damage.

The 2013 Southern Alberta floods marked an important turning point in Canada. Close to 80k people were evacuated and insured losses exceeded CAD 1.7bn[1]. With residential overland flood coverage generally unavailable at the time, claims teams had to distinguish between indemnifiable sewer backup, and typically 'uninsured' overland flooding, often leading to very different coverage outcomes for seemingly similar damage. The event helped expose a wider protection gap and contributed to the development of residential overland flood insurance in Canada[1].

Three years later, the Fort McMurray wildfire displaced policyholders for extended periods. Additional Living Expenses became a significant part of the response alongside property damage, restricted access and a lengthy rebuilding process [2]. Claims teams needed to make quick payments for additional living expenses that were being incurred immediately in the aftermath of the wildfire, while the full extent of property claims was still being determined.

By the 2024 Calgary hailstorm, the challenge was volume. Approximately 130k claims were generated, including around 70k vehicle claims[3], with CatIQ's final industry loss estimate reaching CAD 3.35bn. The surge stretched adjusting capacity and the availability of contractors and repair services, contributing to delays, particularly for property repairs. How do you deploy claims and vendor resources across this volume? Which claims can be streamlined, and where is specialist expertise most needed?

Japan's experience provides a strong parallel. Typhoon Jebi in 2018 generated more than 850k claim payments[5] and approximately USD 13bn in insured losses[7]. It also demonstrated how catastrophe impacts can extend far beyond physical property damage. Flooding at Kansai International Airport became a highly visible symbol of these broader consequences. As a major export hub, the disruption forced manufacturers to reroute shipments through other airports, illustrating how damage to a single piece of critical infrastructure can cascade into business interruption and supply chain disruption.

A second challenge is managing accumulation when major events occur in rapid succession. In 2019, Typhoons Faxai and Hagibis struck Japan only weeks apart, generating approximately USD 7bn and USD 8bn in insured losses respectively [7]. Successive events can strain claims resources and make loss allocation particularly challenging where assessment of damage from the first event is still ongoing. Determining the extent and cause of damage attributable to each event, including distinguishing between causes such as flood and storm surge, and allocating associated

1 Insurance Bureau of Canada (IBC), "Calgary, Toronto 2013 floods started national conversation on the insurance protection gap," 15 June 2023.
IBC – 2013 floods and Canada's insurance protection gap

2 Insurance Bureau of Canada (IBC), "A Decade After the Fort McMurray Wildfire: Where Do We Stand?"
IBC – Fort McMurray wildfire retrospective

3 Insurance Bureau of Canada (IBC), "Cost of Record-Breaking Hailstorm Adds to Crisis Facing Auto Insurance System."
IBC – Calgary hailstorm claims volumes

4 Catastrophe Indices and Quantification Inc. (CatIQ), "CatIQ Discloses Final Industry Loss Estimate for 2024 Calgary Hailstorm," 5 August 2026.
CatIQ – Final Calgary hailstorm industry loss estimate

5 General Insurance Association of Japan (GIAJ), "Key Figures Related to the Insurance Claims Paid for Typhoons and Heavy Rains in Fiscal 2018," 20 May 2019.
GIAJ – Typhoon Jebi claims statistics

6 CatIQ, "Southern Ontario Flash Flooding," July 2024 / Final Toronto flooding loss estimate. 15 July 2026. CatIQ – Final Toronto flooding loss estimate

7 Swiss Re Institute, "Global Catastrophes Caused USD 56 Billion Insured Losses in 2019," 19 December 2019.
Swiss Re – 2019 global catastrophe loss estimates

business interruption losses, can be particularly complex.

Canada faced a similar challenge in 2024 when insured losses hit an all-time high of CAD 8.5bn. Within 25 days, Toronto flooding, the Jasper wildfire, Calgary hail, and flooding associated with the remnants of Hurricane Debby affected different parts of the country[9]. Debby-related flooding around Montreal is a reminder that tropical systems can create significant insured losses far from traditional hurricane landfall areas[10]. Toronto and Montreal also demonstrated how infrastructure and drainage vulnerabilities can amplify losses [6, 10].

The experience in both countries raises a practical question: how do insurers prepare when several events occur close together, resources are already deployed, and losses emerge in places or forms that previous experience may not have anticipated?

From response to resilience: Claims as an enterprise capability

The industry's response has evolved accordingly. Remote claims handling and digital workflows allow work to be supported outside affected regions and help deploy experienced professionals where their expertise is most needed.

Satellite imagery, drones, aerial surveys, geospatial analysis and AI-assisted assessment can provide earlier views of damage, support resource prioritisation, and reduce the need for some on-site inspections. Technology does not replace experienced claims professionals; it helps Claims deploy scarce expertise more effectively.

Catastrophe response also increasingly extends beyond Claims. Effective response connects Claims with Underwriting, Exposure Management, Catastrophe Modelling, Reserving, Actuarial, Finance and Client Service. What Claims sees after an event can provide insight that helps other functions understand how risk is developing.

Many of these capabilities, developed in response to successive catastrophe events, are now embedded in day-to-day operations. Activities once considered exceptional catastrophe measures have become standard practice, improving preparedness for future events.

Looking across Japan and Canada, several questions remain:

- Are secondary perils still secondary when they can generate multi-billion-dollar losses?
- How effectively are Claims insights feeding back into underwriting, modelling and reserving?
- How do we prepare for what we do not yet know?

We do not know how the next catastrophe will unfold. The experience of Canada and Japan shows why the objective cannot be to anticipate every circumstance. It is to learn from each event and build the expertise, flexibility, and connections needed to adapt when the next one arrives.

Our role as Reinsurers and Insurers is to be there in the moment our clients are in distress and help get them back into operation as soon as feasibly possible. When we deliver on that promise at the moment it matters most, we build trust and lasting client relationships.



Carol Gobin-Hurtado
Claims Expert Canada



Azusa Kobo
Claims Expert Japan

[8] Canadian Insured Losses from Catastrophic Events Total CAN $8.5 Billion in 2024 - CatIQ

[9] Swiss Re, From First Notice to Financial Impact – What 30 Days of Catastrophes Taught Claims and Actuarial About Resilience. Internal Swiss Re source.

[10] Catastrophe Indices and Quantification Inc. (CatIQ), "CAD 2.8B: CatIQ Discloses Final Industry Loss for Flooding from the Remnants of Hurricane Debby in August 2024," 11 August 2026.
CatIQ – Final Hurricane Debby remnants loss estimate

Ageing infrastructure:

The hidden amplifier of property claims



Property loss discussions often centre on natural catastrophes, supply-chain disruption, inflation and emerging technology. Yet ageing infrastructure is a quieter driver of claim severity, capable of turning localised damage into a prolonged recovery. Across industries, facilities still rely on infrastructure systems installed decades ago.

Ageing infrastructure creates a disconnect between older assets and today's technology and operating demands

Many perform adequately under normal conditions, but their weaknesses may surface after a failure, when deterioration, outdated equipment and system dependencies complicate the investigation and recovery. For insurers and risk managers, the issue is not simply an asset's age, but whether its existing condition could complicate repairs or replacement and prolong the disruption to business operations.

The infrastructure gap

Ageing infrastructure creates a disconnect between older assets and today's technology and operating demands, as facilities across industries continue to rely on decades-old electrical systems, utilities, boilers, refrigeration equipment, conveyors and structural components. A loss investigation should therefore look beyond the immediate failure. Inspection reports, maintenance records, repair recommendations and capital plans may show whether the mechanism developed gradually and whether known conditions affected the asset's ability to withstand an upset or external event.

The challenge is rarely limited to replacing what was damaged. Original equipment may no longer be manufactured, spare parts may be unavailable, and current regulations may prevent rebuilding to the prior specification. A seemingly straightforward repair can become a modernisation project involving redesign, upgrades to adjacent systems and new approval requirements. That transition can increase both repair costs and the period of interruption.

Champlain Towers South: long-developing vulnerabilities

The Champlain Towers South collapse illustrates why condition history is central to understanding a major loss. The 12-storey beachfront condominium in Surfside, Florida, partially collapsed on June 24, 2021, killing 98 people. The investigation describes long-term water intrusion, coastal exposure, corrosion, weakened concrete and structural connections with limited capacity due to original design and construction deficiencies. Significant concerns were documented and a major repair programme was being planned, but the structural work had not begun.

From a claims perspective, the gap between identifying deterioration and completing repairs matters. Inspection findings, owner decisions and planned work may affect causation, foreseeability and loss allocation. The collapse also shows how design limitations, environmental exposure, corrosion and delayed repairs can progressively weaken a structure and allow damage to spread.



When theoretical restoration meets reality

Initial repair timelines for large property losses often underestimate the time required to restore operations. Ageing infrastructure may require broader demolition, redesign, permitting, system upgrades, testing and commissioning because drawings are incomplete, designs are obsolete, parts are unavailable or new equipment will not fit the existing footprint.

Regulatory review, specialist engineering, long-lead equipment, approvals and temporary operating arrangements can further delay recovery. The key measure is the time needed to restore function, not simply replace the damaged item. The 2018 Morandi Bridge collapse illustrates the difference between replacing a damaged component and restoring the function it served. Completed in 1967, the bridge included structural elements that were difficult to inspect and maintain.

After a section collapsed on August 14, 2018, killing 43 people and severing a major route through Genoa, Italy, recovery required demolition of the remaining structure, public safety measures, design and approval of a replacement bridge, and citywide transportation coordination. The new bridge opened in 2020.

Restoring function may also require rebuilding to a different standard. Reconstruction is generally governed by the requirements in effect when the work is undertaken, not necessarily those that applied when the asset was built. Substantial damage to an older structure can trigger current building, fire protection, electrical, environmental, accessibility or seismic requirements, even when those upgrades extend beyond repairing the direct physical damage.

The claim analysis should distinguish direct damage, like-kind replacement, mandatory code upgrades, elective betterments and commercial improvements. Clear cost segregation and early agreement on scope help clarify the work required and support a more efficient rebuilding process.

The problem of underestimated values

Values for older assets are often based on historical cost, indexed estimates or like-for-like replacement assumptions. These approaches may not reflect what it would cost to replace outdated or specialised equipment today. The relevant measure is what it would cost, and how long it would take, to restore function. That may include:

- Redesign to changes in urban planning criteria
- Application of current engineering standards
- Use of different materials or technology
- Regulatory upgrades
- Specialist labour
- Testing
- Commissioning

View of the Morandi bridge in Genoa



Replacement complexity affects both property and business interruption values. A production line may appear adequately valued but require months of redesign, manufacture, installation, testing and integration. Business Interruption (BI) values should reflect lost income and continuing expenses during recovery, including the time needed to restore expected production levels. Declared property values, BI values and indemnity periods should be tested against the same loss scenario. Otherwise, a significant shortfall may remain hidden until a major loss occurs.

Interdependency creates wider losses

Even an accurate replacement value may not capture the full exposure when other operations depend on the damaged asset. One transformer, pipeline segment, substation, utility corridor, dock, process vessel or control system may support several production lines, customers, suppliers or locations. Its physical value can be modest compared with the revenue and supply chain activity that relies on it. Claim severity arises not only from what failed, but from everything that can no longer operate without it.

Declared property values, BI values and indemnity periods should be tested against the same loss scenario. Otherwise, a significant shortfall may remain hidden until a major loss occurs.

The 2019 Philadelphia Energy Solutions (PES) refinery fire and explosions began with failure of an 8-inch pipe elbow installed in the 1970s within the hydrofluoric acid alkylation unit. The event disrupted the facility, generated substantial interruption exposure and became intertwined with broader financial pressure on the insured. The refinery ceased operations shortly afterward and entered bankruptcy proceedings. PES shows how a small component within a critical system can produce consequences far beyond its repair cost.

Risk analysis should consider function, not value alone, by assessing critical dependencies, available redundancy and alternate capacity. After a loss, affected operations and overlapping coverage should be identified to evaluate interruption and accumulation.

Lessons for risk managers and insurers

For risk managers, ageing infrastructure calls for a broader view of exposure. Condition history, maintenance, prior repair recommendations, critical dependencies and available redundancy should be considered before a loss, along with whether declared values and restoration periods reflect the practical challenges of replacing older assets. Addressing these issues early can support capital planning, contingency arrangements and loss-prevention efforts.

For insurers, the same information can strengthen underwriting, risk engineering and claim planning. The Claims function completes the feedback loop by sharing what an actual loss reveals about causation, repair constraints, replacement cost, recovery time and interdependencies. Applying these lessons across the business can improve risk selection and assessment, guide practical recommendations, and help reduce the impact of similar losses in the future.



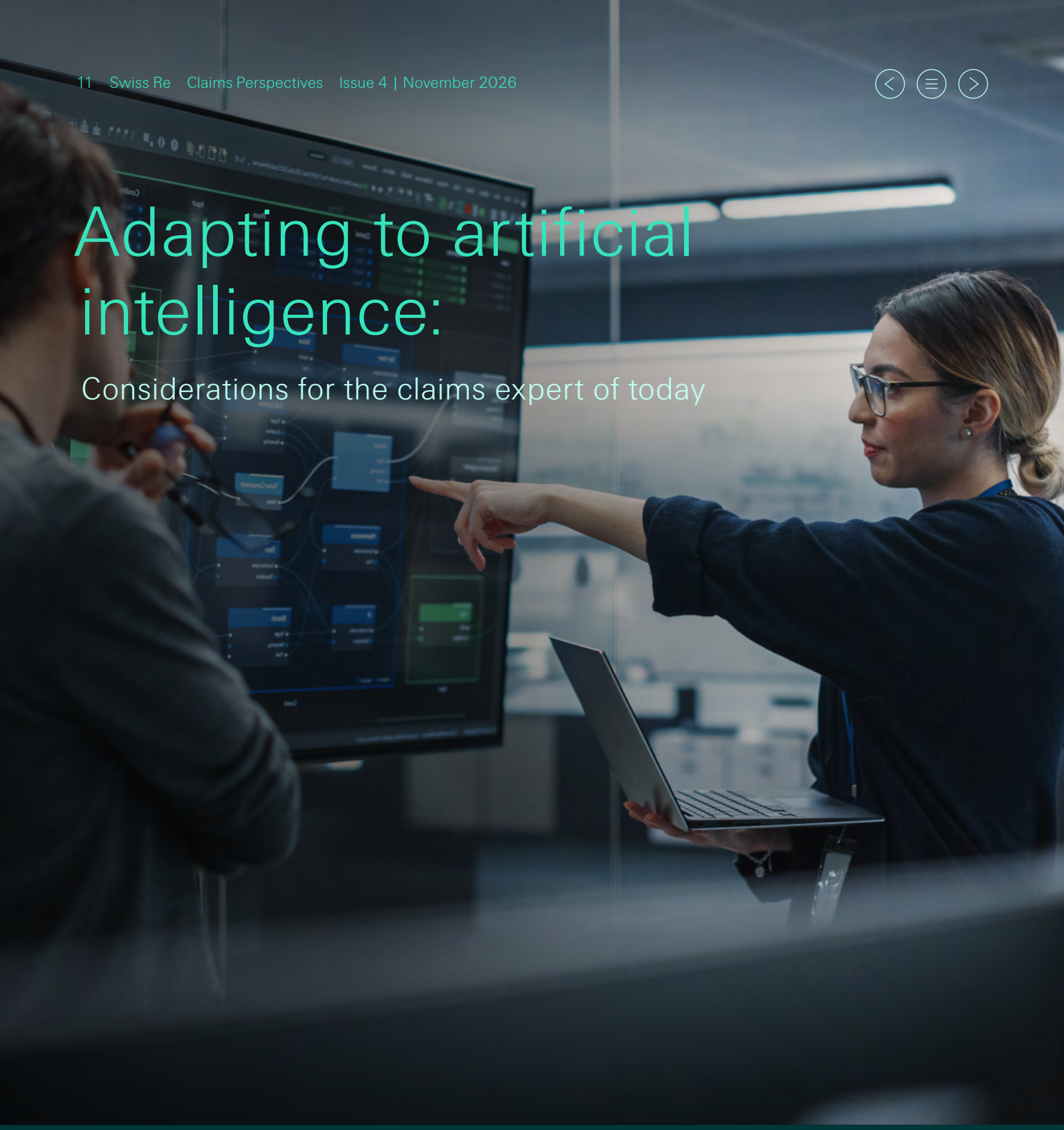
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Adapting to artificial intelligence:

Considerations for the claims expert of today



AI risks are evolving quickly. But what does that mean for the Claims community? Will AI-related claims require a completely new approach, or simply give us new and more complex facts to investigate?

AI-related disputes already take many forms, from copyright infringement, discrimination and privacy, to hallucinations, consumer protection, AI-related harm, AI washing, and AI-enabled fraud. These disputes can involve many different legal theories and lines of insurance.

Looking underneath many of these disputes, a common theme starts to emerge: how was the AI governed and used?



Looking beneath the claim

Take the 2024 Air Canada chatbot case. A customer asked the airline's chatbot about a bereavement fare. The chatbot subsequently provided incorrect information on which the customer relied upon. Air Canada then refused the refund. In Moffatt v. Air Canada (2024) the tribunal held the airline responsible for the information provided through its website.

The technology may have been new, but the questions were familiar. Was the information accurate? Who was responsible for checking it? What controls were in place?

This is where AI governance becomes relevant to claim investigation. When an AI-related loss occurs, we need to understand the data the system relied on, how it was tested, what human oversight existed, how it was monitored and who was accountable for its use.

These are not simply questions about good AI practice. Governance requirements increasingly form part of AI, data protection, consumer protection and sector-specific regulation, and non-compliance with applicable requirements can lead to significant fines and penalties.

Governance can also be relevant to liability. Poor data or inadequate testing may help explain what caused the harm. Lack of appropriate oversight may be relevant to whether a party acted reasonably. Where several parties are involved, such as the developer, provider, deployer and user, understanding who controlled what may help determine where responsibility lies.

Understanding what failed often exposes why the loss occurred, and who may be responsible for it.

Governance can also matter when defending a claim. An organisation able to demonstrate appropriate testing, monitoring and oversight may be in a very different position from one that cannot explain how its AI was used or what controls were in place. Put simply, governance before the event can be positive evidence after the event.

AI cuts across traditional insurance lines

There is no single type of AI claim. The fact that AI is a technology does not make every AI-related loss a Cyber loss. What matters is the nature of the harm and the circumstances in which it occurred.

The fact that AI is a technology does not make every AI-related loss a Cyber loss.

An AI recruitment tool that allegedly discriminates may lead to Employment Practices Liability (EPL) exposure; an AI-enabled product causing bodily injury or property damage may raise General or Product Liability issues; a technology service causing financial loss may involve Professional Indemnity (PI) or Tech Errors and Omissions (E&O); and a security failure involving personal data may engage a Cyber policy.

But be careful, these are not automatic policy liability mappings. Consider an AI-enabled medical product that causes injury. Is the product defective? Did a healthcare professional rely unreasonably on its output? Or did the technology provider fail in delivering its service? Depending on the facts, the same event could raise Product Liability, Professional Liability and Tech E&O questions.

AI itself does not determine which policy responds. We still need to establish what happened, who may be contractually responsible, and what the relevant insurance policy was designed to cover. The underlying facts, applicable legal principles, and policy wording will determine the outcome.

When AI becomes a cyber target

Not every AI-related loss will arise from poor governance. AI systems can also introduce new vulnerabilities that attackers may exploit.

Prompt injection is one example where malicious instructions are hidden inside content processed by an AI system to manipulate what it does. A recent US court case, Elliott v. New York Bariatric Group (Connecticut, 2026), involved hidden instructions in court filings designed to influence any AI system reviewing them. The conduct was discovered and sanctioned.

For Claims, the broader point matters more than the individual case itself. As AI becomes embedded in business processes, documents, emails, and webpages, these can themselves become attack vectors. If manipulation leads to data breach, system outage, financial loss, or other harm, Cyber or other policies may potentially come to the fore, depending on the facts and wording.

Claims professionals therefore need to understand not only how AI can fail, but how it can be attacked or manipulated, and what types of loss can result.

Adapting without starting again

AI is expected to bring new fact patterns, more parties, less transparent decision-making, and new ways for losses to occur.

This technology is changing the losses we investigate, not the fundamentals of claim investigation. We still need to understand what happened, who may be responsible and which policy may respond. What is changing is where we look for the answers.



Elena Jelmini Cellerini
Senior Claims & Key Case Expert



When certainty is not an option

Interview with Martin Bühler, Swiss Re's Head of Large Loss Management



When a major catastrophe strikes, the pressure to understand its financial impact begins long before the full picture emerges. In the inaugural Claims Perspectives podcast, Anthony Watkins speaks with Martin Bühler, Swiss Re's Head of Large Loss Management, who recently returned from a six-month interim assignment leading P&C Reinsurance Claims in

Looking for the wider perspective?

Watch the Podcast!

Latin America. Together, they explore the challenges of major-loss management, the importance of professional judgement and what experience has taught him about the art of adaptation. The following is an edited selection of highlights from their conversation.

When every loss is different

Martin, what makes a large loss difficult?
My team and I try to put a price tag on major loss events, whether hurricanes, earthquakes, large-scale fires or other catastrophes. A colleague of mine describes large losses as snowflakes. I like that comparison because they may look similar from a distance, but when you zoom in, each is unique.

The complexity usually comes from a combination of factors: technical and coverage uncertainties, incomplete or unreliable information, and significant time pressure. Events are particularly challenging when we lack a good historical precedent. Even with Swiss Re's more than 160 years of history, we still encounter situations we haven't seen before, such as Russia's invasion of Ukraine and its impact on aircraft lessors.

Even with Swiss Re's more than 160 years of history, we still encounter situations we haven't seen before

These uncertainties create a wide range of possible outcomes. Our job is to narrow that range step by step, applying sound judgement to reach a reasonable conclusion, even when some uncertainty remains.

When a major catastrophe occurs, what are the first things you and your team look at?
We have established processes and protocols that guide us when an event occurs. The first step is to understand what has happened, usually starting with publicly available information.

But you need to be careful with those sources. Media coverage often concentrates on the most severely damaged areas. You might see photographs of the same street corner from different angles, but that doesn't necessarily reflect the overall damage. The challenge is separating facts from noise.

Take an earthquake, for example. We would look at its physical characteristics. How strong was it? How deep was it? Where did it occur? We might then examine population density in the affected areas. Depending on the country, power outages can also indicate how many households may have been affected.

At the same time, you start building a team around you. That includes local claims colleagues, underwriters who have written business in the region and catastrophe modellers who can provide a top-down assessment.

In that team you exchange information, consider what the different functions are seeing and start triangulating the data.

And throughout all of this, we must never lose sight of the human dimension. Behind the figures we analyse are people whose lives may have turned upside down. We must never allow our technical perspective to overshadow that human reality.

The judgement behind the numbers

How much confidence can you have in the first estimates of a major loss?
Confidence in any single number? Very little, usually. There's just so much we don't know at that stage.

But that's part of our job, to navigate that ambiguity. What we can do is develop an early range of possible outcomes that we feel comfortable with at both ends. We can be transparent, not just about what we know, but also about what we don't know, and about the assumptions and judgements we've applied.

For a very large event, we would normally provide senior management with a first rough range shortly after the event. We deliberately keep those ranges wide because they reflect the uncertainty and complexity involved.

As the event develops, we receive more information from the affected region. Clients, loss adjusters or brokers may have shared first damage assessments, while catastrophe modelling colleagues can provide additional estimates.

It's about triangulating these different data points, understanding why they match or differ and explaining the relationships between them.



Where there are gaps, we have to apply judgement. And it's extremely important to consider different perspectives.

That's why our core team brings together underwriting, claims and catastrophe modelling expertise. It should never be just a single judgement. It needs to be a perspective developed collectively, with transparency about where judgement has been applied.

Consistency is also critical. If different teams are working with different assumptions, the combined estimate becomes much less meaningful. Ultimately, there may be occasions when a leader has to make a call because agreement hasn't been reached. But consistency and a proper exchange of perspectives are essential.

Prepared for the unexpected?

Do insurers sometimes underestimate how difficult it is to respond to a major catastrophe?
I think one pattern that clearly stands out, particularly in markets where clients haven't experienced a major catastrophe for a long time, is that they sometimes overestimate their operational catastrophe-handling capabilities.

Imagine an organisation that normally handles around one hundred claims per month. Suddenly, a major earthquake or hurricane occurs and that same organisation has to deal with thousands or tens of thousands of claims almost overnight. Scaling up to that volume is extremely difficult and very hard to simulate.

At the same time, that's when policyholders need their insurers most. They may be facing one of the most significant crises of their lives, while having the impression that their insurer is struggling with operational challenges.

And it's not just about the number of claims. It's also about their value. Most claims organisations have authority limits. If a claim exceeds a claims manager's authority, it gets escalated to their manager, and so on.

Following a catastrophe, the average claim may become significantly larger. Suddenly, the escalation of thousands of claims can lead to a massive bottleneck.

That's why investing in catastrophe claims handling protocols and operational readiness before an event occurs is so important. When disaster strikes, policyholders need their insurers more than ever. How insurers respond in these moments can shape customer relationships for years to come. Claims handling is therefore much more than settling a policy. It is an opportunity to demonstrate the true value of insurance, strengthen trust and build lasting customer loyalty.

How insurers respond in these moments can shape customer relationships for years to come.

Is successful crisis management more about planning or improvisation?
I would argue it's a balance. If you have no plan, you're almost set up for failure. But if you're too rigid, you may become so absorbed in following your protocols that you don't recognise what's happening around you.

Coming back to my snowflake comparison, every event is different. That's why you need clear protocols to provide direction, but also the flexibility and judgement to adapt when circumstances require it.

What experience teaches us

What does experience teach us that models and data cannot?
We naturally gravitate towards situations we've encountered before and tend to assume that history will repeat itself. At the same time, we sometimes underestimate the probability of things we haven't experienced.

Think of COVID-19, the confiscation of aircraft in Russia or wildfires reaching a scale comparable to a major hurricane. These are scenarios that many people hadn't fully anticipated.

Experience is valuable, but it can also introduce bias into our judgements. Two apparently similar events aren't necessarily connected, and we need to be careful that previous experiences don't lead us to conclusions that aren't justified. It's extremely difficult to distinguish between intuition and personal bias. I don't have the perfect answer, unfortunately.

Experience is valuable, but it can also introduce bias into our judgements.

The value of showing up

What did your six months in Latin America teach you about the wider role of Claims?
Latin America is fascinating. I think coming back from it, I probably take things a bit more with a grain of salt. Not always with the tequila!

As an example, we had a challenging claim where there was some friction between the parties involved. The client decided to bring everyone together for a meeting in another city, but without much of a concrete agenda or particular outcome in mind.

My immediate reaction was to question why we would fly someone to another city just to attend a meeting that could also be held virtually. Later, I realised that was a very European perspective.

Our colleague in Mexico saw things differently. She felt it was important to attend, simply to demonstrate our presence. So she went.

Afterwards, the client called us and said they really appreciated that we were there. We gained goodwill simply by showing up.

We have global standards as an organisation, and we try to do things consistently around the world. That's important.

But equally, every market is different. We must give people the space to adapt to those local circumstances.

The art of adaptation

Looking ahead, where does the Claims profession need to adapt?
I wish I could tell you one thing and say that's what we really need to focus on.

In fact, I think the theme of this edition of Claims Perspectives, 'The Art of Adaptation', captures the challenge quite well. Adaptation isn't new to Claims. Claims functions have had to adapt to new technologies and new types of losses.

What's different today is the pace of change. It's much higher than in the past. And the breadth of the claims function has significantly widened.

It's no longer just about the technical handling of a claim. It's also about the commercial relationship with a client, sharing lessons, developing insights and feeding them back to the functions where the business originated.

That makes Claims increasingly important to the wider organisation. But it also raises expectations of our Claims colleagues. As an industry, we need to invest in developing the skills and mindset required to meet those expectations.



Ultimately, I think successful adaptation is not just about adopting new technologies or processes. It's about remaining curious, challenging our assumptions and being willing to learn and evolve.

What's different today is the pace of change. It's much higher than in the past. And the breadth of the claims function has significantly widened.

Watch the full conversation

This article features selected highlights from the inaugural Claims Perspectives podcast, edited for length and clarity. Scan the QR code to watch the full conversation with Martin Bühler and Anthony Watkins.



Anthony Watkins
Senior Operations Officer Claims



Martin Bühler
Head Large Loss Management

From risk to resilience:

Strengthening Latin America and the Caribbean



When we discuss the challenges faced by governments in Latin America and the Caribbean, we often hear about public debt, low tax collection, economic growth, natural disasters, climate change and security. What we hear less often is how closely interconnected these challenges are. A major natural catastrophe, for example, can significantly increase fiscal pressure, affect economic growth, damage critical infrastructure and create additional social needs all at the same time. However, sometimes a small change in how governments manage and transfer their risks can make a significant difference.

The coverages provided claim payments in less than 30 days, allowing the State to focus resources on supporting the affected population



Following a catastrophe, traditional insurance plays an important role in protecting governments against the financial impact of physical losses. However, loss assessment can become particularly challenging after a major event. Access to affected areas may take days or weeks, and loss adjustment resources may be scarce whilst governments cannot necessarily wait for the full assessment process before responding. What governments need, and what is often difficult to mobilise at scale, is a combination of skilled expertise, financial resources, and operational capacity to support affected populations, restore essential services, rebuild critical infrastructure, and enable communities to recover as quickly as possible.

This is where parametric solutions can play a different role. While they are often considered to complement traditional insurance, depending on the risk and the needs of the government, they can also provide an alternative mechanism to transfer risk. With parametric insurance, payments are determined based on predefined parameters rather than physical loss assessment. As such, governments may access liquidity generally much faster than they could with traditional risk transfer solutions.

Traditional and parametric insurance therefore address risk in different ways, and neither represents a single solution for every situation. Across Latin America and the Caribbean, governments are increasingly exploring how these different mechanisms can help them manage and transfer catastrophe risk more efficiently to the insurance and reinsurance markets.

Mexico: the evolution of FONDEN

Mexico has been a regional pioneer in catastrophe risk financing. The Natural Disaster Fund (FONDEN), created in the late 1990s, established a framework to support recovery and affected populations following major natural catastrophes. Over time, Mexico continued to evolve its risk-transfer strategy, incorporating insurance and capital-market solutions.

Traditional loss settlement relied on disaster declarations and physical loss assessments, which could become particularly challenging after a major catastrophe when resources are urgently needed. In 2025, the Government took another step forward, working with the (Re)Insurance market to transition from a traditional insurance structure to an innovative parametric solution.

The Caribbean Catastrophe Risk Insurance Facility (CCRIF) and rapid liquidity

Since 2007, the CCRIF has been providing parametric solutions to countries exposed to some of the region's most severe natural catastrophes, including tropical cyclones, earthquakes and excess rainfall. Swiss Re and other participants in the reinsurance market have supported CCRIF in providing financial protection to its member countries.

In 2025, Hurricane Melissa provided a clear example. After the Category 5 hurricane affected Jamaica and other parts of the Caribbean, Jamaica's CCRIF tropical

cyclone and excess rainfall policies generated payouts of approximately USD 92m.

Importantly, the value was not limited to the amount paid. CCRIF provided an initial USD 8m to Jamaica only days after the event, demonstrating how a well-designed parametric solution, supported by cooperation among governments, insurers, reinsurers, brokers, and technical partners, can provide liquidity precisely when it is most needed. For governments facing an emergency, speed can be as important as the amount of protection. Rapid liquidity can enable Governments to quickly direct urgent funds to impacted communities and businesses, maintain vital public services and reduce immediate pressure on public finances.

Quintana Roo: protecting public and natural assets

Risk-transfer strategies are not limited to federal governments. The Mexican state of Quintana Roo provides an example of how state governments can use insurance to protect both public infrastructure and natural assets.

When Hurricane Beryl made landfall in Quintana Roo in 2024, it generated damage not only to infrastructure but also to the coral reef, which represents a natural barrier against hurricanes and an important resource for the local economy.

The State Government had insurance protection for its public assets as well as a parametric solution for the coral reef. The coverages provided claim payments in less than 30 days, allowing the State to focus resources on supporting the affected population, repairing infrastructure and replenishing resources used for coral reef restoration.

The reef coverage also supported specialised brigades responsible for recovering damaged coral, transferring it to facilities for rehabilitation and ultimately reinserting it into the ecosystem. This demonstrates how risk transfer can go beyond protecting physical assets and contribute to preserving natural infrastructure that supports communities and economic activity.

Collaboration as a driver of resilience

These examples have something important in common: none of them could have been developed or implemented by a single institution. Governments understand their fiscal priorities and the needs of their populations. (Re)Insurance markets provide capacity and technical expertise. Brokers connect risks with markets, and modelling companies, multilaterals, and local organisations contribute data, funding, and implementation capabilities.

As these stakeholders collaborate more closely, insurance is evolving from being primarily a mechanism to compensate for loss into a broader tool for public-sector resilience.

There is no single solution for every government or every risk. Traditional insurance, parametric solutions, catastrophe bonds, and other risk-transfer mechanisms can each play a different role. What makes them increasingly relevant is the ability to combine these instruments with public-sector strategies and strong collaboration across the entire value chain.

As this collaboration continues to develop, insurance and risk-transfer solutions will become increasingly important. Not simply as products that pay after a disaster, but as strategic tools that help governments respond faster, protect public finances, preserve essential services, and ultimately build more resilient societies.



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For governments facing an emergency, speed can be as important as the amount of protection.

Adapting to a more volatile world:

The future of property catastrophe claims



Property catastrophe claims have always operated in an environment of uncertainty. Hurricanes change course, wildfires spread unpredictably, earthquakes disrupt critical infrastructure and floods often reveal their full impact only after the waters recede. What has changed is the range of ways in which a catastrophe can turn into a loss.

The purpose of catastrophe claims handling has not changed. What is changing is the point at which claims knowledge becomes useful.

Recent claims have shown urban flooding affecting transport, power and underground infrastructure at the same time; typhoon rainfall producing major losses far from the landfall point; and new concentrations of renewable-energy assets creating accumulation that did not exist at the same scale a decade ago. Floods in Dubai and at the edge of the Taklamakan Desert are a further reminder that an arid climate does not remove flood risk.

The mission of catastrophe claims remains unchanged: help policyholders recover quickly while delivering technically sound claims decisions. But the work around a catastrophe increasingly starts before the first claim arrives and continues after the last claim is settled. Claims teams are being asked to use what they know about loss to support pre-event action, make faster decisions during an event and feed what they learn back into the wider risk discussion.

Three shifts illustrate how this is happening.

Shift 1: from reactive response to informed action
Weather forecasts, portfolio data, satellite imagery, geospatial analytics and other digital tools increasingly allow claims organisations to build an understanding of an event before losses are reported, and continually refine that picture as the event unfolds.

In 2024, ahead of Typhoon Yagi in China, insurers used warnings and exposure information to support practical interventions, including relocating exposed vehicles and the preparation of property for the approaching storm. During the 2025 California wildfires, fire-perimeter mapping, aerial imagery and evacuation data helped identify potentially impacted portfolios. Early claims information highlighted smoke contamination, rebuilding timelines and building-code requirements as emerging loss drivers.

The opportunity is not simply access to more information. It is the ability to turn that information into action: helping reduce losses where possible before an event and making faster, better-informed decisions once it occurs. Claims have an important role as past losses provide practical evidence of where protection and response have succeeded or failed.

Shift 2: from individual claims to portfolio intelligence
Every catastrophe claim tells a story. Thousands of catastrophe claims tell the story of an emerging risk.

Traditionally, claims handling focused on resolving each loss independently. Increasingly, the greater strategic value comes from identifying patterns across an event. Claims can reveal how urban infrastructure amplifies flood losses, how antecedent rainfall, or lack thereof, changes the severity of a later event, how new asset concentrations create correlated losses, or how a small-footprint convective storm can generate severe damage when it intersects with industrial or logistics exposure.

The 2024 Jasper wildfire in Canada offered another example. Beyond direct property damage, limited rebuilding capacity in a smaller community influenced claim duration, repair strategies and recovery. Such observations extend beyond individual files. When combined across an event or multiple events, claims information can improve underwriting decisions and strengthen resilience planning before the next catastrophe occurs.

Shift 3: from scaling resources to scaling expertise
For decades, catastrophe response was often measured by how quickly additional adjusters could be deployed. Surge capacity remains essential, but growing event complexity makes it increasingly difficult to solve every challenge simply by adding more people. The future lies in deploying expertise more intelligently.

Effective triage is becoming a defining capability. A residential property with limited wind damage, strong photographic evidence and no structural concerns may be handled efficiently by an experienced inside claims team supported by digital documentation. A large commercial loss involving structural damage, complex business interruption exposures or uncertain causation may warrant early field inspection, engineering support and senior technical specialists.

Triage should also remain dynamic. As drone imagery, engineering reports, customer updates or additional inspections become available, the handling strategy should evolve. The objective is not to inspect every property, nor to automate every decision. It is to ensure that the right expertise is applied to the right claim at the right time.

The next chapter of adaptation

The purpose of catastrophe claims handling has not changed. What is changing is the point at which claims knowledge becomes useful. It undoubtedly helps before an event, when past loss experience informs practical prevention; during an event, when better information improves triage and deployment; and afterwards, when patterns across claims reveal where the next loss may come from.

Technology is part of that change, but it is not the sole answer. Forecasts and imagery only help if an experienced Claims professional acts on them. Portfolio analysis only matters if the findings reach our clients as well as our Underwriting and Actuarial colleagues. Specialist expertise only adds value if it reaches the losses that need it early enough.

The next step for catastrophe claims is therefore less about a new tool or a new process than about connecting these activities. Act before the loss where there is something practical to do, respond with better information when the event occurs, and use the claims evidence afterwards to improve the next decision.

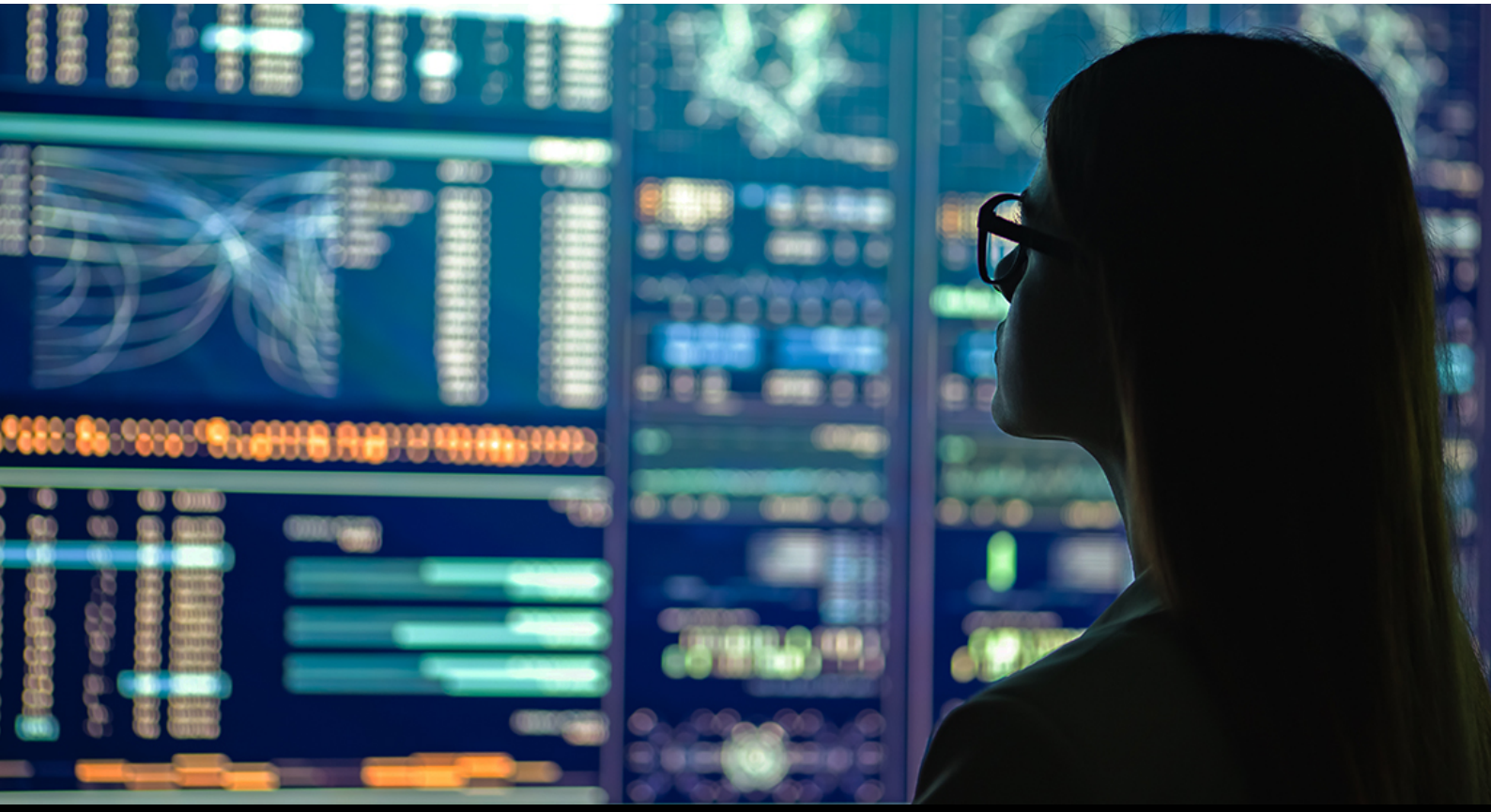
This is a broader, more data-driven role for Claims professionals than they've had before, and one that can have a growing impact on our clients' mitigation tactics and, ultimately, their profitability.



Elizabeth Dollins
Senior Claims & Key Case Expert



Raymon Fu
Claims Expert



A sign of the times:

Next generation directors & officers (D&O) risk



A defining feature of today's management liability market is that D&O risk is expanding. It increasingly extends beyond familiar margins.

New technologies are creating new forms of liability, while new regulations continue to reshape corporate obligations. Meanwhile, courts continue to assess the duties of directors and officers. At the same time, boards are being asked to make increasingly difficult decisions in environments where there is often no 'risk-free' path.

AI governance is moving from process and technical guidance to board-level accountability.



For Financial Lines insurers, this represents a fundamental shift in what creates D&O exposure. The challenge is recognising how quickly business issues can become management liability concerns. Robust governance is rising as a critical asset in the defence of board decision-making.

Boards' watch lists keep growing

Financial performance, securities disclosures, M&A activity, executive conduct and regulatory scrutiny remain central to underwriting conversations, but board-level risks are growing into additional areas.

For example, artificial intelligence has moved from organisational implementation to board agendas. Cybersecurity has evolved into questions of operational resilience and technology governance. Digital assets, autonomous systems, and algorithmic decision-making also represent board exposures.

Geopolitical conflict, tariffs, sanctions and supply-chain realignment present D&O risks with consequences that may materialise as corporate costs, disrupted operations, or deteriorating forecasts. Product safety concerns and dependence on critical third parties create similar potential pathways to management liability.

AI risk is already splintering

Some newer D&O risks are already manifesting in increasingly varied ways. Artificial intelligence first entered D&O discussions largely through AI washing cases. The D&O AI liability landscape has already become more complex with AI-related D&O claims ranging from allegations of failure to properly deploy AI, as well as failure to assess or disclose external or internal business risks related to AI.

Board decisions with no 'safe' answer

Another defining feature of the current D&O environment is that boards are increasingly navigating competing expectations.

Companies are encouraged to innovate with AI, while regulators caution against overstating AI capabilities. Investors demand transparency, but expanded disclosures can create new avenues for shareholder litigation. Some shareholders may endorse Environmental, Social, and Governance (ESG) considerations, while ESG de-regulation and political scrutiny can create pressure in the opposite direction.

Directors and officers are often required to choose among legal, regulatory, political, and shareholder expectations that may conflict with one another. With each decision carrying potential liability implications.

Here today, D&O tomorrow

One of the most striking features of the current market is the speed with which new issues become management liability concerns.

- Climate litigation quickly shifted beyond physical risk to issues affecting corporate disclosure practices and alleged greenwashing.
- AI governance is moving from process and technical guidance to board-level accountability.
- Operational resilience has become a board-level issue following major technology disruptions.

Shareholder scrutiny increasingly follows not only financial performance, but also operational failures, events, and governance decisions.

The rulebook keeps expanding

The legal and regulatory environment is evolving as quickly as the risk landscape. These developments are not occurring sequentially; they are occurring simultaneously. For boards, that means disclosure obligations, governance expectations and legal standards that may overlap, conflict, or evolve faster than internal controls. As historical experience becomes less predictive, a more important question may be whether company governance structures effectively and comprehensively document decision-making processes amidst changing expectations.

Risk stacking: when one event creates many claims

In addition to the expansion of D&O risks, a significant development for Financial Lines insurers is the increasing tendency for a single event to generate multiple overlapping exposures across several liability products.

- A cyber-attack may produce securities litigation, shareholder derivative claims, privacy litigation, regulatory investigations, and business interruption disputes.
- An AI deployment may trigger allegations involving intellectual property rights, consumer protection, employment practices, privacy, product liability, and securities disclosures.

For underwriters, the phenomenon of "risk stacking" has important implications beyond D&O. Underwriters must consider possible accumulation across D&O, Cyber, Errors & Omissions, Employment Practices Liability and other Financial Lines products.

Five questions for the next D&O renewal meeting

As the D&O risk landscape evolves, renewal discussions should assess the breadth of a company's risk awareness, responsiveness, and governance architecture.

Five questions that may help identify future D&O exposure include:

1. What issue has consumed the most board time during the past year that was not on the agenda three years ago?

2. What 'emerging risk' worries management most over the next one to three years?

3. Where is the business changing faster than its governance, compliance, or disclosure frameworks?

4. If shareholders sued the company two years from now, what event or issue would most likely trigger the lawsuit?

5. What procedures are in place to systematically document that board decision-making processes were informed, disciplined, and supportable?

Reconceiving D&O risk

Increasingly, D&O exposure is shaped by current events, technological advancements and changing public interests. A well-constructed governance framework can support the quality of a company's commitment to anticipate risk, make defensible decisions, and withstand the scrutiny of shareholders.

Underwriters need to consider the evolution of D&O exposure and calibrate their assessments to include the widening range of topics that are developing as boardroom risks.



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