



Measuring Resilience: The Role of Ratings

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General Manager

AIIF

Baku, 24/6/26

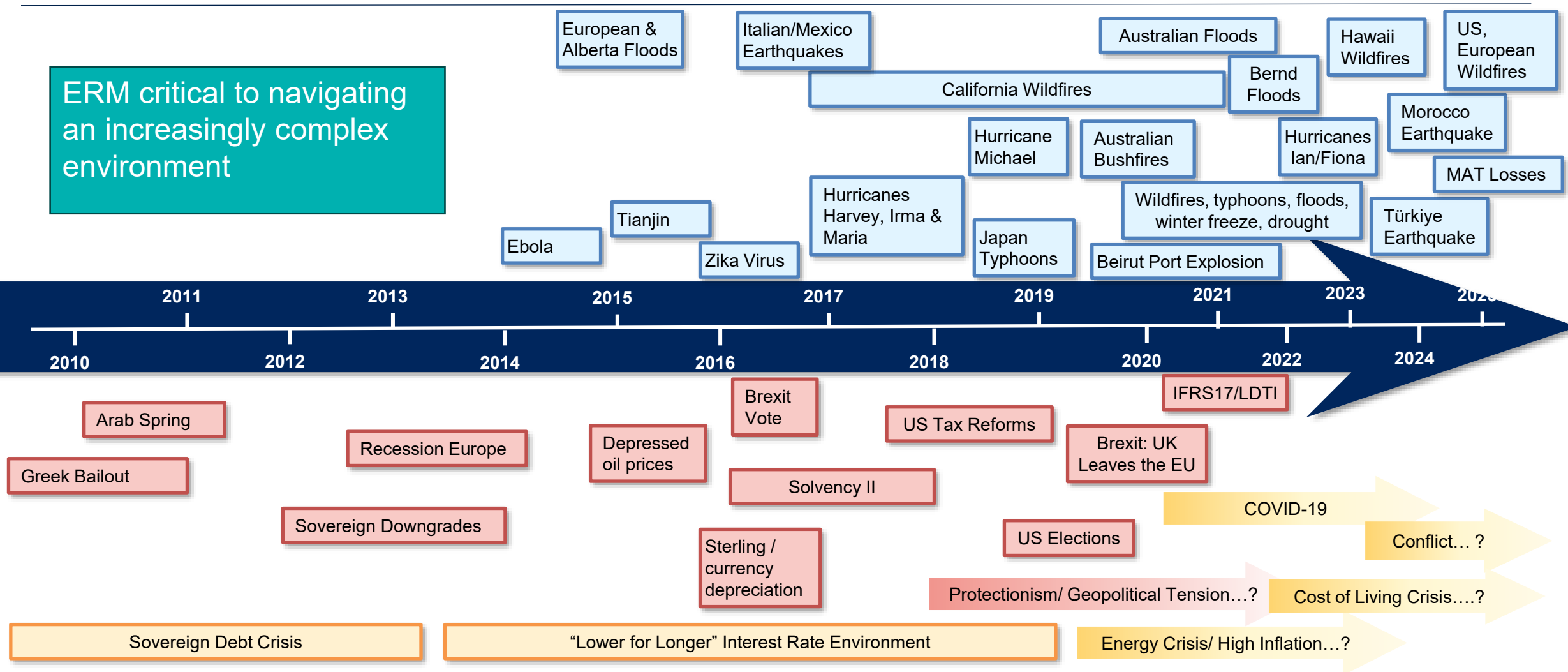
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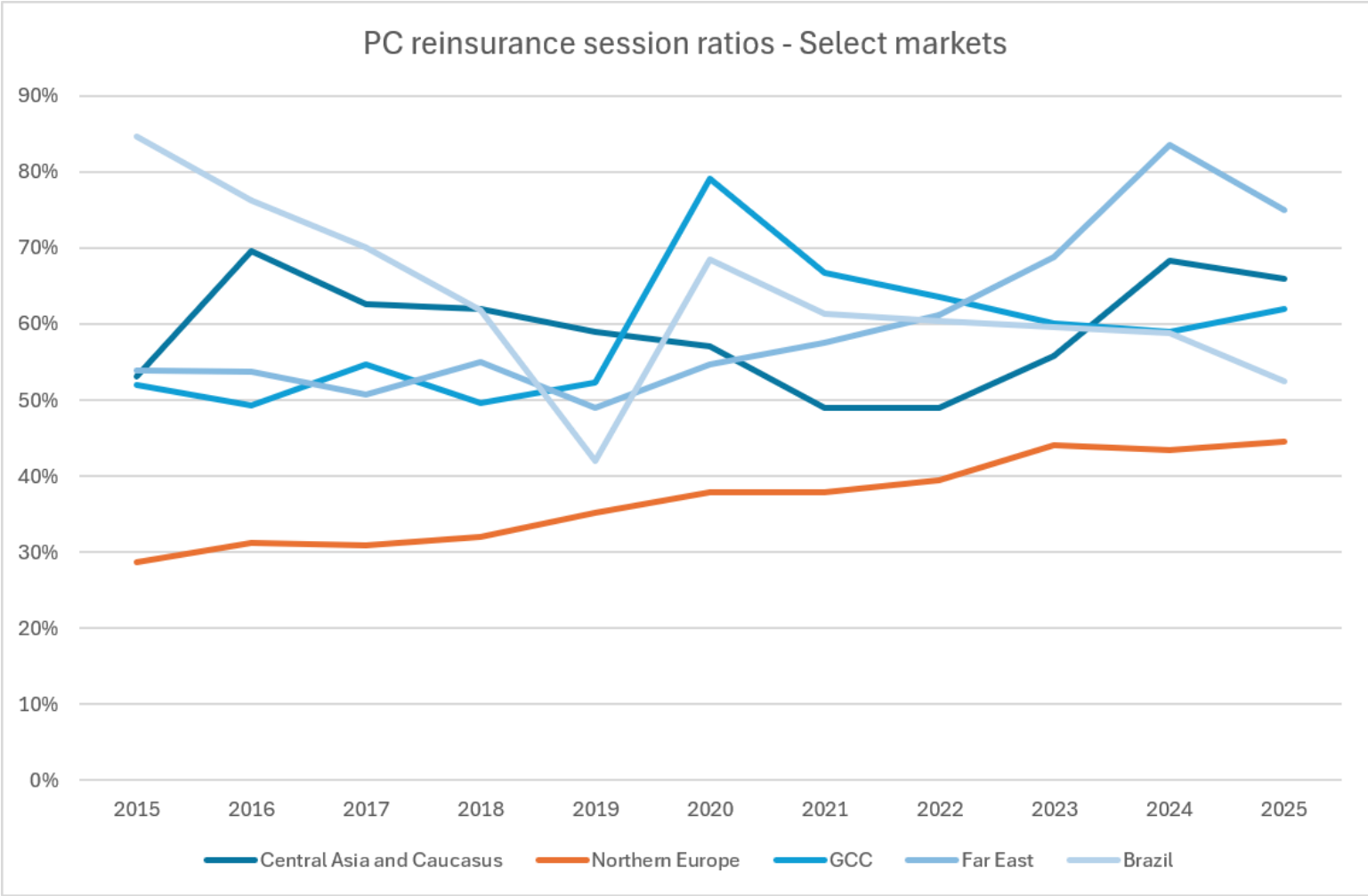
Regulated by the DFSA

Recent Market Events

ERM critical to navigating an increasingly complex environment



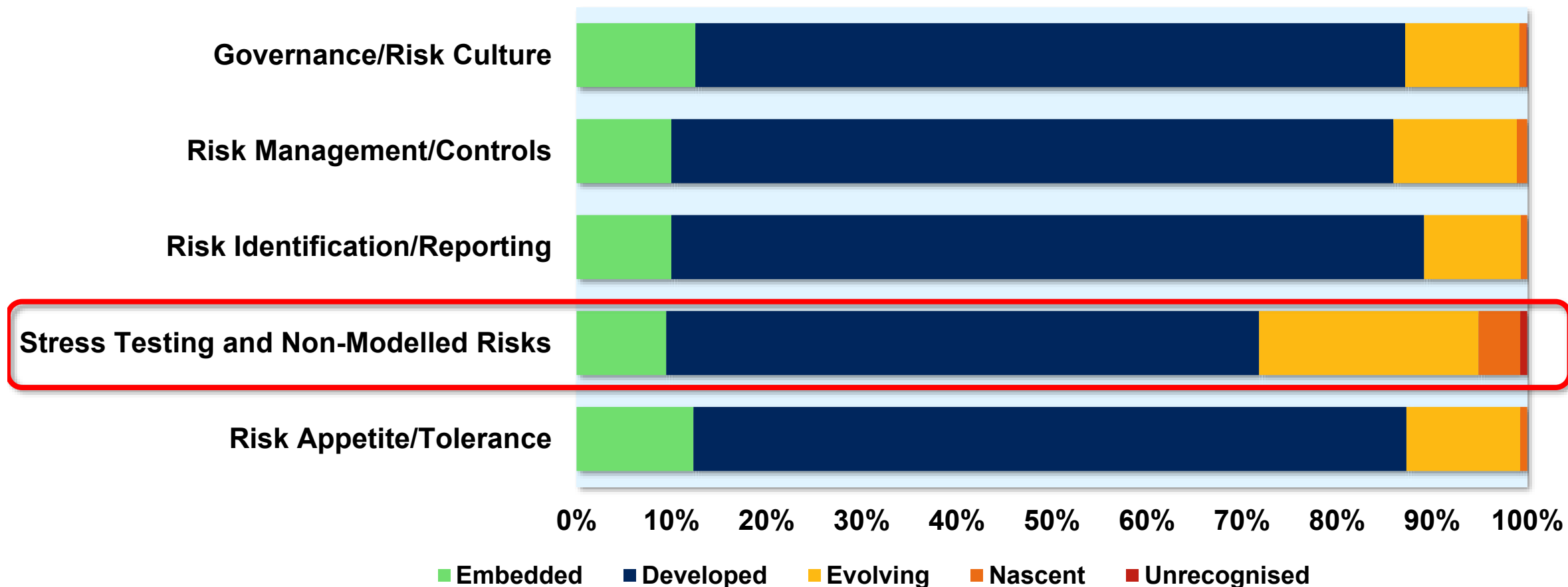
Higher dependence on reinsurance in emerging markets



Source: AM Best data and research

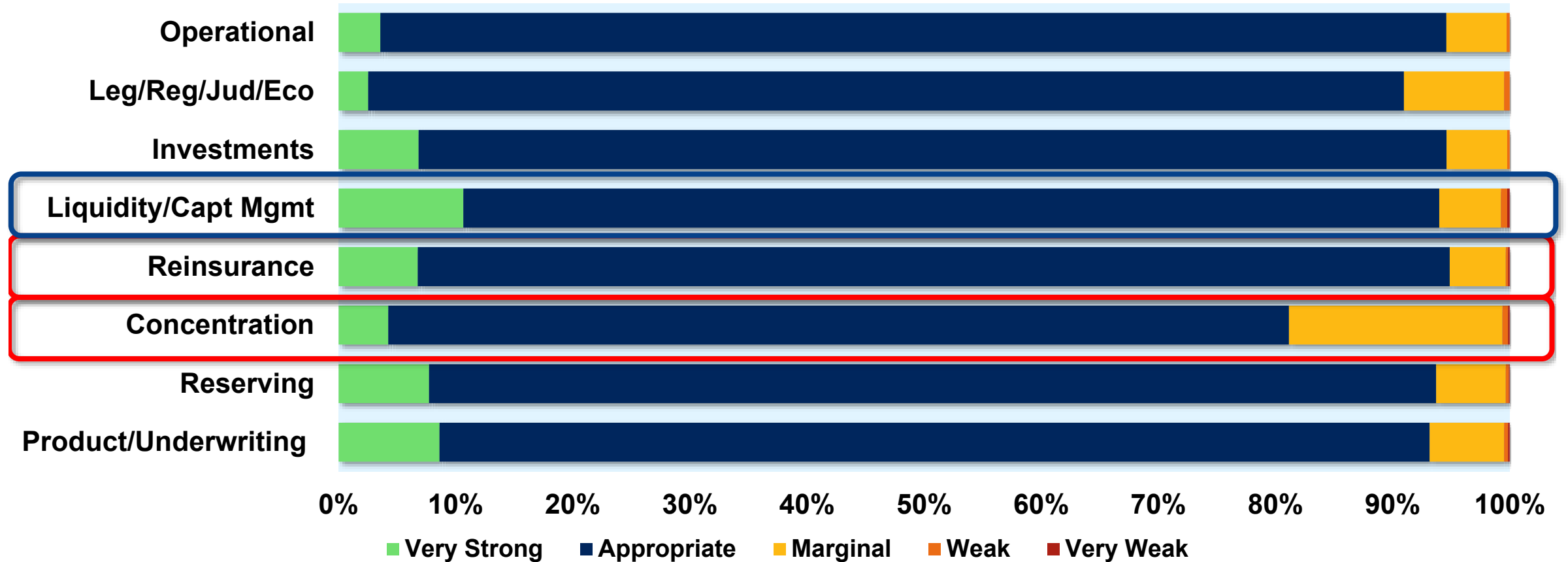
AM Best's ERM Assessment – Global Risk Framework Evaluation

Stress Testing – Weakest component of risk framework evaluation



AM Best's ERM Assessment – Global Risk Profile Evaluation

Concentration is present in different forms and viewed as a Key Risk



Examples of Causes of Failure

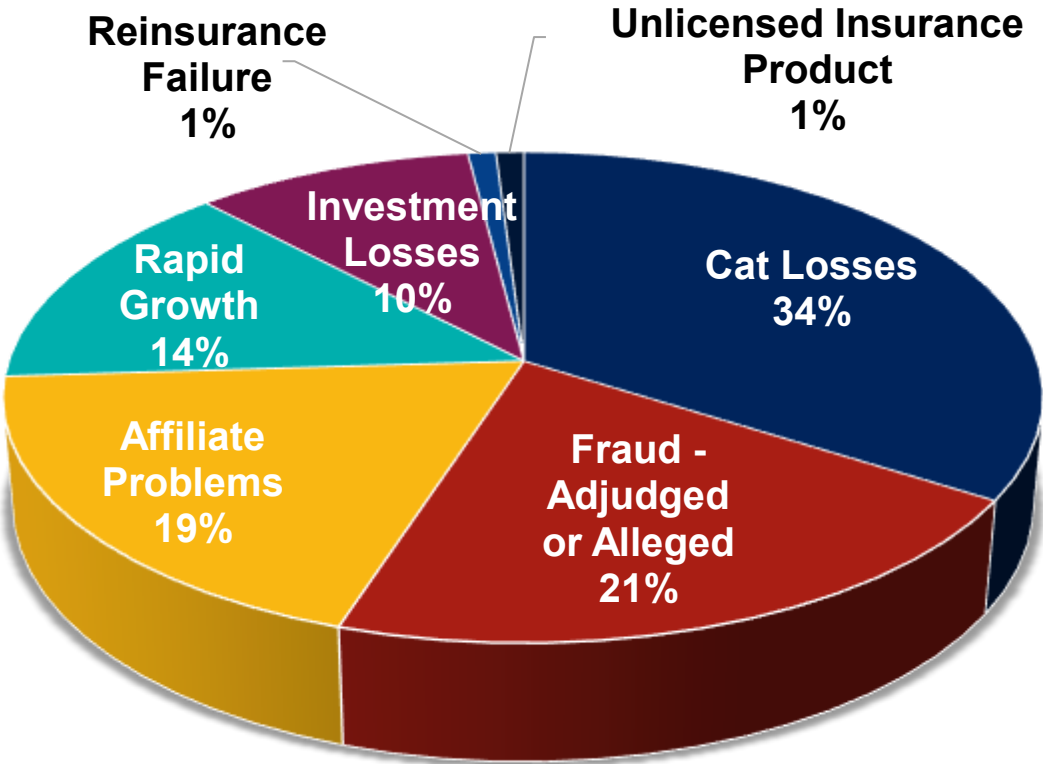


Observations – EIOPA

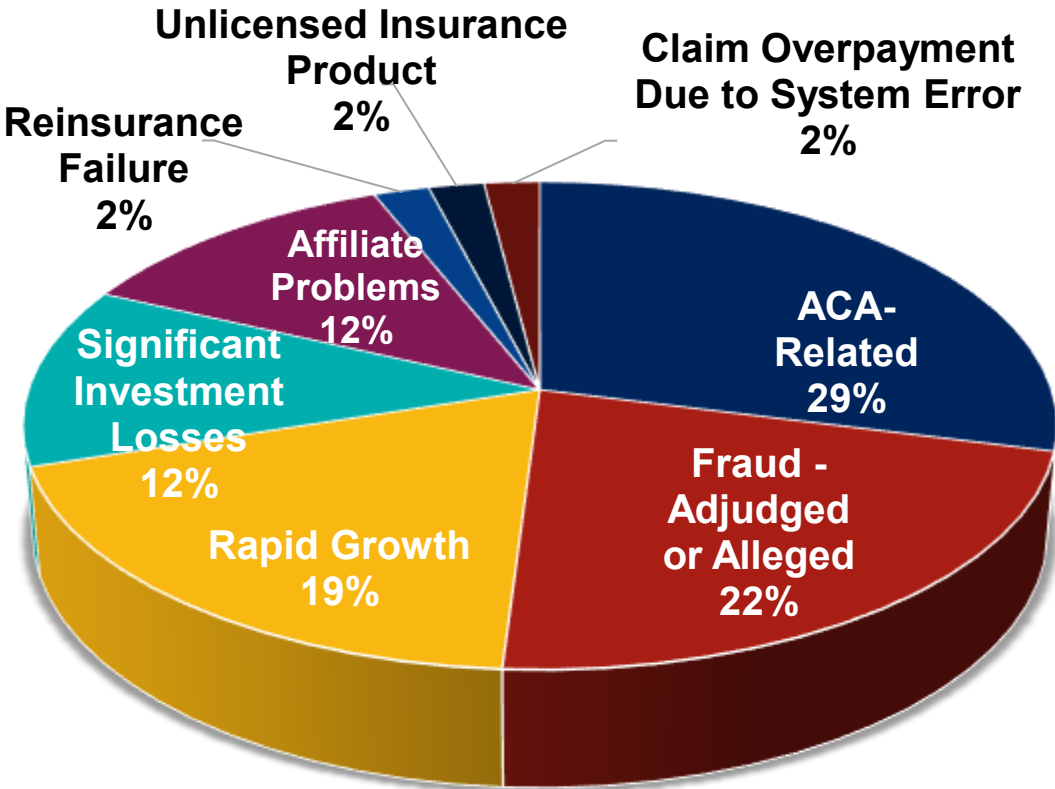
Life Non-Life	
Top 5 primary causes of failures and near misses (EU)	
Management & staff competence risk	Technical provisions – evaluation risk
Investments / ALM risk	Internal governance & control
Market risk	Management & staff competence risk
Technical provisions – evaluation risk	Underwriting risk
Economic cycle / condition risk	Accounting risk

Observations – AM Best

US Property/Casualty Impairments



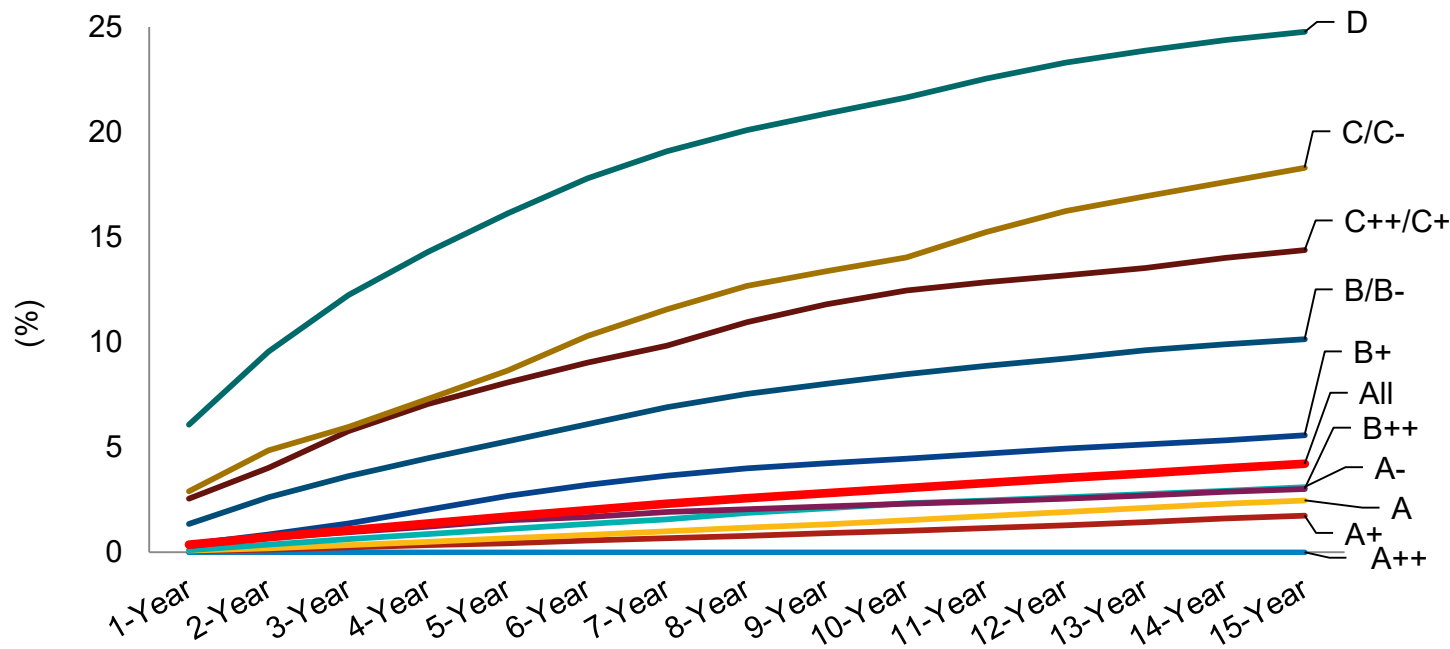
US Life/Health Impairments



2000-2023

Impairment rates by rating

Exhibit 4b
AM Best's Average Cumulative Impairment Rates (FSRs)
US Life/Health and Property/Casualty, 1977-2025



Source: AM Best data and research

