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EAIC 2026 opens in Tokyo with call for regional resilience

Sixty years after it first convened in Tokyo, EAIC returned to its roots with a pointed message for the region's insurers: protection gaps are widening even as the risks they cover grow more severe.

By Ahmad Zaki

The 31st East Asian Insurance Congress opened in Tokyo yesterday evening, returning the gathering to the city where it began in 1964 for a fourth time in more than six decades. The theme, "Back to the Origin, A Bridge to the Future," called to mind the region's insurance history, the Congress' storied past and the many relationships that were built throughout its 62 years.

EAIC Vice President and Tokyo's representative Hiroshi Shimizu welcomed delegates by noting the symbolism of the venue. "Tokyo is the birthplace" of the Congress, he said. The 31st EAIC is the city's fourth time hosting the event, with Mr Shimizu calling it "both a privilege and a very special responsibility." He urged attendees to look beyond the formal programme, saying the Congress "is about more than what is said on stage" and pointing to networking as central to its value.

During her own welcome remarks, Tokyo Governor Yuriko Koike linked the Congress theme to the city's own resilience agenda. Citing recent disasters, including flooding in Nepal, the Kumamoto earthquake, and heavy rains in Chiba and Nagoya, she described insurance as delivering the same outcome Tokyo is pursuing through infrastructure and finance.

Mr Hiroshi Shimizu

Ms Yuriko Koike

Ms Sally Wan

The city's Tokyo Resilience Project, which includes large-scale underground reservoirs, is being paired with financial instruments such as the world's first internationally certified resilience bond, she added.

"Providing peace of mind is the core value of the insurance industry," Ms Koike said. "And it is also what Tokyo seeks to deliver."

EAIC President Sally Wan then used her welcome remarks to highlight the industry's current challenges, tying it to the Congress' longstanding history of fostering fruitful partnerships between insurers across the region. She traced the Congress's origins to a small group of insurance leaders who convened in Tokyo more than 60 years ago "to exchange ideas, build relationships, and advance our industry". This, she said, was a mission that has since grown into one of Asia's most enduring insurance gatherings.

Ms Wan turned to the scale of underinsurance across the region, describing it as both a social responsibility and a commercial opportunity. "Many families and businesses across Asia [are] underprotected," she said, adding that closing the gap will require the industry to make protection "simpler, more accessible, more relevant" to changing needs. She argued that climate risk and technological change make regional cooperation essential, since "no one market can meet them alone."

She then formally declared EAIC 2026 open, telling delegates the Congress exists to give "people security in uncertain times" and businesses, families, and society the confidence to plan for what comes next.

Reinsurers face colliding risks

Geopolitical, complex cyber and AI are all risks that reinsurers must contend with in the modern business environment, alongside perennial issues such as poorly priced insurance products and Nat CAT risk, says **Huntington Partners**'s **Mr Gerard Pennefather**.

By Jake Dellosa

Mr Gerard Pennefather

The global reinsurance market is experiencing a combination of underpriced primary insurance, market consolidation, geopolitical tensions, Nat CAT risk and technological disruption.

This outlook on the global reinsurance industry comes from Huntington Partners LLP Managing Partner Gerard Pennefather. He told *Asia Insurance Review* that primary insurance pricing does not always adequately reflect the risks being assumed by insurers.

"When there's competition in the primary market, the primary market doesn't fully reflect the price of the insurance risk," he said.

Using motor insurance as an example, Mr Pennefather said that an insurer could offer cover for $1,000, only for a competitor to offer essentially the same product for $900. While such competition may benefit consumers, it can leave insurers carrying risks that are not properly reflected in premiums.

"If the primary market doesn't reflect the price of insurance risk, the insurer would have to reinsure," he said.

This problem is exacerbated during a major catastrophe event. Insurers charging lower premiums than their contemporaries could face larger losses following a storm or flood, forcing them to rely on reinsurance capacity. Doing so, however, could prove costly.

Mr Pennefather said that, as a result, insurers are forced to "reinsure it to a global reinsurer. But because natural catastrophes are increasing, the price of the reinsurance increases."

Dealing with concentration risk

Another issue that reinsurers faced was consolidation. Mr Pennefather said that as insurers combine, the number of individual cedants available to reinsurers can fall, potentially increasing concentration. A reinsurer that previously provided cover to 20 separate companies could find those companies consolidated into a single group, he explained.

These challenges come on top of an already unstable economic environment driven by geopolitical tensions, which are disrupting trade, increasing shipping costs and making insurance capacity more difficult or expensive to obtain. Together, these factors spell further challenges for the reinsurance landscape.

Chokepoints such as the Strait of Hormuz illustrate how geopolitical developments can quickly translate into insurance implications, he added. A conflict affecting major shipping routes could make marine cover extremely expensive or even unavailable.

Other emerging risks

Beyond geopolitical risks, Mr Pennefather identified climate change, increasingly complex cyber threats and artificial general intelligence (AGI) as major issues the industry must pay attention to.

"Cyber threats are becoming much more complex," he said, adding that "the advent of AGI is a significant emerging opportunity as well as threat."

For reinsurers, this means success will increasingly depend on how effectively they deploy AI. He said the appropriate response would depend on each company's structure and strategic objectives, but technological disruption will be an increasingly important consideration.

He was also critical of relying too heavily on existing catastrophe models. While models remain useful, he argued that many are fundamentally backward-looking.

"The problem with the models, the models are historical in nature and they're not predictive," he said.

He said insurers and reinsurers therefore need to be on the lookout for new modelling approaches as catastrophe patterns change.

Looking ahead, he argued that reinsurers need to be more adaptable. "The opportunities are you got to be nimble and you got to be quick," he said.

This includes managing infrastructure and distribution costs, diversifying portfolios, using AI for business processes and adopting "new modelling protocols".

"We tend to have a benign sort of cat environment, but that's changing," he said.

Despite the mounting risks, he cautioned against expecting reinsurers simply to retreat from risk-taking.

"Reinsurers are in the business of taking risk," he said. At the same time, he highlighted the scale of potential industry losses, noting that a major disaster in Japan could have an enormous impact on global reinsurance capital.

Climate risk puts new pressure on Asia-Pacific insurers

By Jake Dellosa

Climate change is projected to put greater pressure on insurers and businesses across Asia-Pacific amid rising temperatures and extreme rainfall events which spawn more complex and interconnected risks.

Tokyo offers a glimpse of what may lie ahead. According to a physical climate risk assessment of Ueno Park by HDI Risk Consulting (HRC), a wholly owned subsidiary of HDI Global, extreme heat and heavy rainfall lead to consequences extending beyond individual properties, affecting tourism, infrastructure, supply chains and business continuity.

The study found that, under a business-as-usual scenario, heatwaves in Tokyo could last around 20 days annually by 2050, compared with 7 days in 1970. Meanwhile, sudden torrential "guerrilla rainstorms" can place pressure on urban drainage systems, potentially disrupting transport, supply chains and businesses.

With this, HDI Risk Consulting Team Lead for Natural Hazards and Climate Risks Analysis Wiebke Cundill and HDI Global SE, Japan branch Managing Director and Legal Representative Hiro Yamasaki said looking beyond historical loss data is now vital for insurers when assessing commercial property risks.

"In a complex urban environment like Tokyo, climate change is increasingly influencing how commercial property insurance is assessed, underwritten, and priced," Mr Yamasaki said.

Rather than relying only on historical loss data, insurers are increasingly considering forward-looking information on flood exposure, heat stress, and rainfall frequency as well as intensity alongside traditional underwriting criteria.

"Together, these provide a more comprehensive understanding of a property's risk profile, helping insurers to make more informed decisions," he added.

This shift towards more granular, forward-looking analysis, the executives said, is becoming increasingly important across Asia Pacific, where densely populated cities and highly interconnected economies can amplify the impact of physical climate events.

Resilience becomes part of the insurance conversation

While climate risk exposure is becoming more important in underwriting, Ms Cundill stressed that exposure alone does not determine the outcome for a business.

"Importantly, climate-related exposure does not determine outcomes on its own," she said. "What matters is the individual risk profile, the quality of risk information and the resilience measures in place."

Because of this, there should be greater emphasis on prevention and adaptation. Businesses that understand their exposures and invest in resilience could be better positioned to secure sustainable insurance solutions as climate risks evolve.

"Our role as insurers is not only to transfer risk, but also to help clients better understand and manage it," Ms Cundill said that insurers should move beyond their traditional role of paying claims after an event, and move towards helping clients anticipate risks, strengthen resilience, and prevent losses before they occur.

As a result, insurers assess how individual climate hazards can affect and trigger wider disruption.

"Rather than being determined by industry alone, climate risk exposure increasingly depends on where a business operates, how its facilities are configured, and how reliant it is on interconnected supply chains, distribution networks, and critical infrastructure," she added.

Collaboration and better data

The executives added that maintaining accessible and sustainable insurance coverage as climate risks intensify will ultimately require closer collaboration between insurers, businesses and public authorities.

"Building climate resilience is a shared responsibility, and no single stakeholder can address their challenges alone," Mr Yamasaki said.

Technology and climate analytics will also play a growing role in this process. HDI Risk Consulting provides clients with climate risk services including Climate Risk Screening, Climate Risk Reporting and Climate Consulting, alongside the HDI ARGOS 4.0 platform, which supports the assessment of site-specific exposures.

"At HDI Global, we believe better data leads to better underwriting decisions," he said. By combining advanced climate risk analytics with local underwriting expertise, insurers can "differentiate risks more effectively" and have more meaningful discussions with clients about mitigation and business resilience.

Looking ahead, the challenge for Asia-Pacific's insurance market will be to translate increasingly sophisticated cliamte risk data into practical action. The experience of Ueno Park demonstrates that climate risk is no longer simply a question of protecting individual assets from individual events. It is increasingly about understanding how heat, flooding and other hazards interact with the wider urban and economic systems on which businesses depend.

Frequency of Nat CAT events in Asia in 2026

FLOODS & FLASH FLOODS

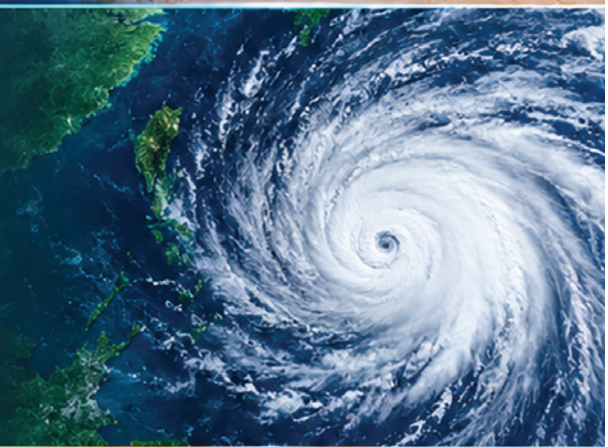
Driven by intense monsoons, rapid Himalayan glacial/snow melt, and shifting rain belts, severe flooding has repeatedly struck South, Southeast, and East Asia.

- **India** July & August
- **Pakistan** July, August & September
- **Bangladesh** July & August
- **Indonesia** January - May
- **China** May & August
- **Nepal** August

CYCLONES & TYPHOONS

Early-season typhoons in the Northwest Pacific exhibit rapid intensification, frequently triggering secondary coastal and inland flooding.

- **China** July & August
- **Japan** July
- **Vietnam** August



EARTHQUAKES

Active seismic belts in countries like Indonesia and Japan experience frequent moderateto-high magnitude (M5.0+) tremors, causing localised structural devastation and tsunami advisories.

- **Japan** April, June & July
- **Indonesia** April & August

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