



The COVID-19 Pandemic: Insights and Implications for Insurers

Hosted by the International Insurance Society
and The Institutes

Daniel Zimmerman, M.D.

Julianne Callaway

Tim Rozar

12 May 2020



A Look to the Future

Tim Rozar, FSA, CERA, MAAA
Senior Vice President, Chief of Staff to the CEO



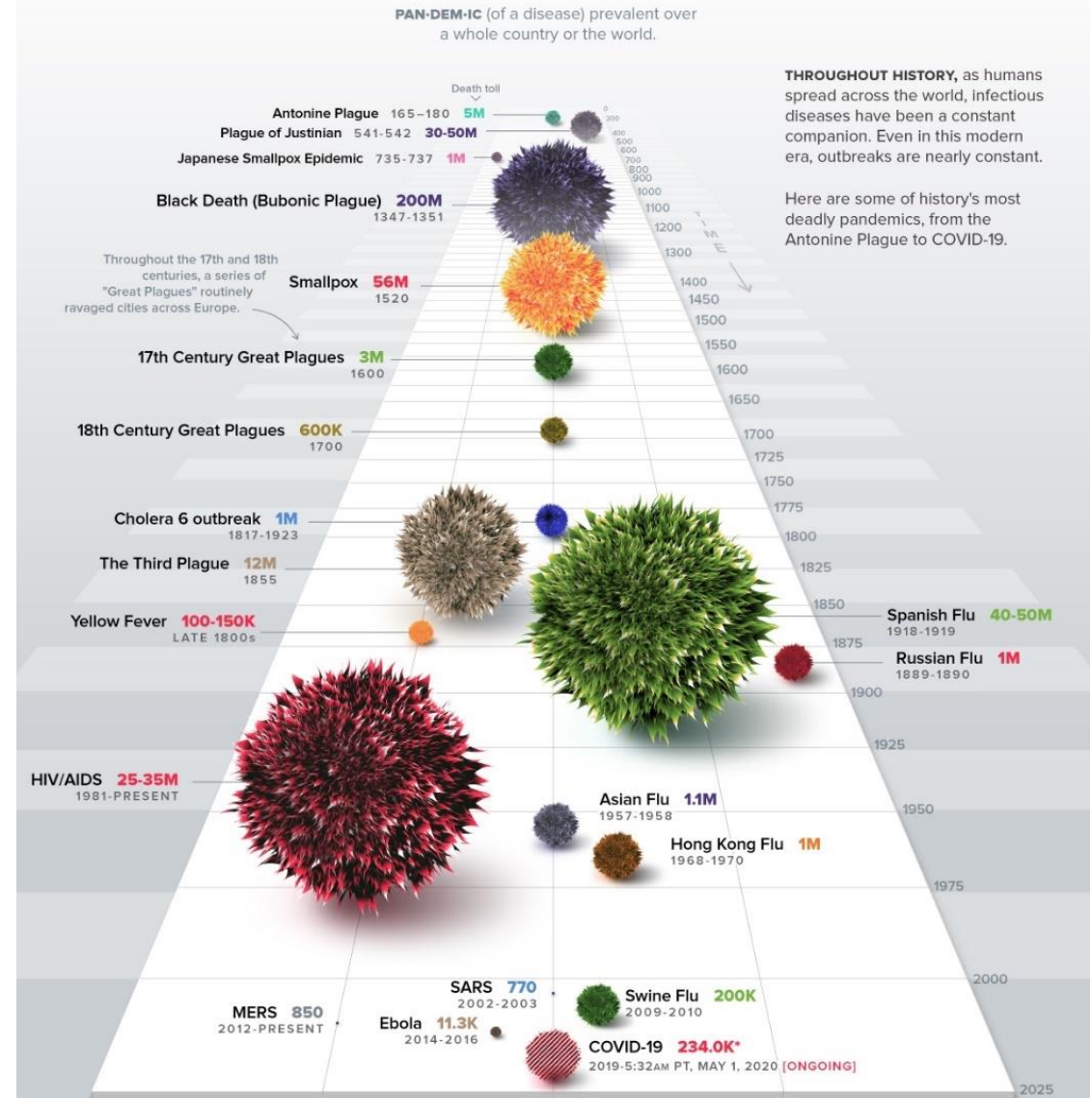
Looking Back to Look Forward

If you've seen one, you've seen...one

- Limited data points to analyze
- Every situation unique
 - Epidemiology
 - External influences
 - Response capabilities
- Must avoid complacency or overconfidence

<https://www.visualcapitalist.com/history-of-pandemics-deadliest/>

HISTORY OF PANDEMICS



WHO officially declared COVID-19 a pandemic on Mar 11, 2020.

It is hard to calculate and forecast the impact of COVID-19 because the disease is new to medicine, and data is still coming in.

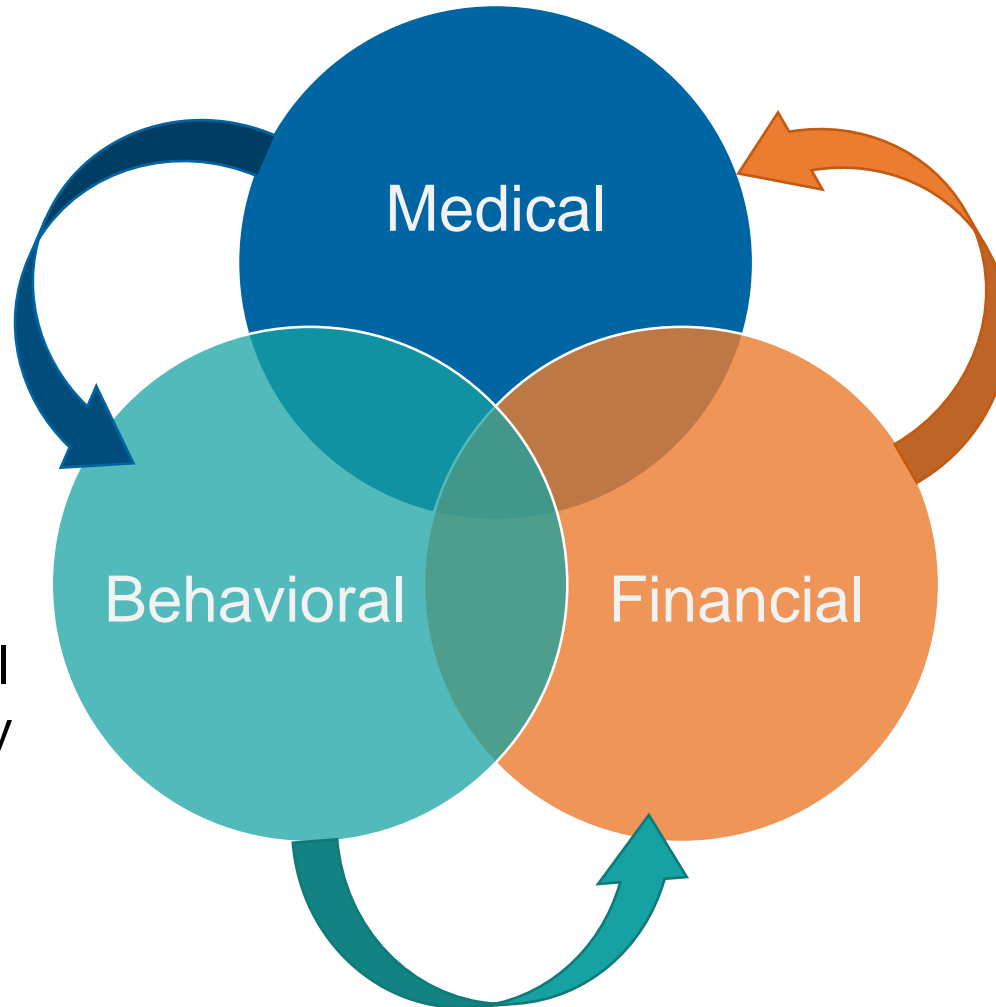
*Johns Hopkins University estimates

Primary Determinants of Impact

Behavioral



- Mitigation actions
- Consumer/intermediary trends
- Government, central bank, and regulatory actions
- Adverse selection



Medical



- Disease characteristics
- Healthcare delivery capacity
- Therapeutics
- Secondary ripple effects (often surprising, e.g. motor vehicle accidents)

Financial



- Impact of mitigation
- Balance sheet resilience
- Macro-economic conditions

Potential Long-Term Impact on Insurance Industry

More questions than answers...

Medical

- Long-term impact on COVID-19 survivors
- Mortality improvement trends
 - Short-term vs. longer-term
 - Research and medical advances
 - Behavioral changes
- Evolution of risk assessment
- Investment in expertise

Behavioral

- Demand dynamics
 - Perception of value of insurance/reinsurance
 - Distribution channels
 - Risk transfer by companies
- Optionality, adverse selection, and fraud
- Regulatory/ratings
 - Coverage requirements
 - Extended grace periods
 - Capital ratios
- Trust
 - Models, financial strength, social responsibility

Financial

- Balance sheet impacts
 - Asset portfolios
 - Recalibration of capital models
- Strategic business analysis
- Impact of stimulus efforts
 - Austerity, interest rates, inflation
- Consumer
 - Unemployment
 - Disability
 - Disposable income

RGA

©2020 RGA. All rights reserved.

No part of this publication may be reproduced in any form without the prior permission of RGA.

The information in this publication is for the exclusive, internal use of the recipient and may not be relied upon by any other party other than the recipient and its affiliates, or published, quoted or disseminated to any party other than the recipient without the prior written consent of RGA.