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IILA World Headquarters

New York, NY, USA

Email: info@iila.com

Our members are represented in these countries

Argentina	Italy	Singapore
Australia	Japan	Spain
Austria	Kenya	Thailand
Bahrain	Kuwait	Trinidad/ Tobago
Barbados	Lebanon	Turkey
Bolivia	Mexico	United Arab Emirates
Brazil	Namibia	United Kingdom
Canada	Netherlands	
Chile	New Zealand	
Colombia	Nigeria	United States
Ecuador	Paraguay	Uruguay
Ghana	Peru	Uzbekistan
Hong Kong	Portugal	Venezuela
India	Russia	

IILA 2026 ANUAL GENERAL MEETING



The 2026 IILA Annual General Meeting is to be held in London, England from October 18th – October 23, 2026 at the Sir Devonshire Square Hotel (a Marriott Property). The host hotel is located in the heart of the City of London offering our members and guests with all the conveniences this world class venue offers.

The conference and program chair is current IILA President Jerry Provencher who has put a first class cultural and education program for the Institute's 60th Anniversary for all attendees and industry guests. Early registrants thus far include M/M Provencher, M/M Nardulli, M/M Michalek, M/M Reilly and Pedro Munoz.

All details concerning the program and associated costs were previously submitted to the membership and all registration materials and costs can also be found on the Institute's website (www.iila.com).

Any questions concerning the details with the 60th Anniversary AGM, should be directed to the IILA President and Conference Chair Jerry Provencher (jprovencher@provencherclaims.com).



PRESIDENT'S MESSAGE

Mr. Jerry Provencher



To My Fellow Members,

As members of the Institute, each of us has a meaningful role to play in carrying forward the legacy of our organization. For sixty years, our strength has come from the commitment, fellowship, and shared purpose of people who believe in what we do and invited others to be part of it.

This October I warmly invite you to join us in London for the IILA's 60th Anniversary Annual General Meeting. This milestone meeting will be an opportunity to reconnect with your fellow members, reflect on the Institute's achievements as we look ahead with confidence and enthusiasm in our service to the industry.

In order for our organization to remain healthy and viable, I encourage every member to reach out to like minded industry colleagues to join our organization so we may continue to be relevant in the global claims environment. By extending that personal invitation, we honor those who built our organization and help insure it continues to thrive for generations to come.

In closing, I am honored to be the President of the Institute and hope you will make plans to attend and take part in celebrating this important anniversary and the life of our Institute.

Hope to see you in London!

Very truly yours,

Jerry Provencher,
President



International
Institute of
Loss Adjusters

2026 Mid-Year Meeting

The 2026 IILA Mid-Year Meeting was held on Wednesday March 18, 2026 in conjunction with the USA based National Association of Independent Insurance Adjusters Conference in Point Clear, Alabama, USA.



Marriott Grand Hotel, Point Clear, Alabama

The meeting was held at the Marriott Grand Hotel in Point Clear Alabama which is located on Mobile Bay adjacent to the City of Mobile, Alabama.

The meeting was well attended (in person) by USA members, where a thorough review of the IILA's operations was given by Secretary Reilly including dates and details for the IILA's 60th Anniversary AGM, being held in London, England.

North American Market Report

The 2026 North American property insurance market continues to be shifting from a prolonged "hard" market into a period of moderating

growth and increased competition.

While standard risks are seeing rates stabilization and lower pricing points, high hazard risk zones continue to find strict underwriting and significant cost pressure.

Commercial property rates dropped by an average of 12% in the second quarter as increased reinsurance capacity drove down renewal costs.

Some policy holders secured lower deductibles, increased sub limits and better wind or hail coverage.

Lastly, a mild catastrophe season thus far and structural tort reform in Florida & Texas helped regional insurers with profitable underwriting results.

Industry analysts are concerned about the affects the strengthening El Nino affect will have looking ahead for the balance of 2026,

industry analysts opine the industry performance is likely to remain stable, achieving a slightly lower underwriting profit with a combined ratio between 96-97%.

Fitch Ratings, the US based rating agency points out that this market will see increased competition, geopolitical uncertainty, along with a difficult legal environment, which could produce challenges for pricing discipline, reserve adequacy and claim management.

Latin America Market Report

Currently, the Latin American Insurance Market is moving into a softer part of the cycle but insurers are doing so from a relative position of strength after a two year repricing of risks and a more disciplined underwriting approach.

In Latin America, Brazil, Chile, Peru and Uruguay continued to carry neutral industry outlooks, supported by expectations that insurers will maintain solvency positions and healthy operating profitability despite current economic conditions.

Mexico, by contrast, remains on a deteriorating trend, pressured by higher claim costs linked to regulatory changes affecting VAT recovery, as well as lower yields on short term investment vehicles.

In Columbia, the outlook remains neutral, underpinned by robust capitalization, although political uncertainty related to the electoral cycle, and its potential effect on investment returns and claim costs remain an important factor to monitor, especially after the recent earthquake that county endured.

Beyond the current soft market cycle, the structural case for the sector remains unchanged, as Latin America is still under insured. Some markets support insurance

penetration and examples of which are in Columbia and Peru. Reinsurance remains one of the regions key supports. The US rating agency Fitch Ratings expects the global reinsurance market in LATAM to remain soft in 2026, particularly in the property catastrophe market, driven by ample capacity and intensifying competition.

The combination of positive margins, lower claims frequency, meaningful reinsurance protection, and conservative investment portfolios should maintain a reasonably strong financial position for insurers. If underwriting discipline is sustained, the next phase of the cycle will likely not be another decline in prices, but rather a clearer stabilization during the second half of the year and possibly modest rate adjustments in early 2027.

Bermuda Market Report

The US based rating firm Fitch Ratings has disclosed that non-life reinsurers reported improved underwriting profitability year over year in the first half of 2026, driven by lower catastrophe losses.

The rating agency notes that the global reinsurance sector is challenging, with abundant capacity, and intense competition, which is driving price declines

across most lines and looser policy terms and conditions. Despite this, reinsurers are expected to maintain favorable returns in 2026.

Bermuda based reinsurers that are tracked by Fitch disclosed a combined ratio of 86.1% in the first half of 2026 down from 92.7% in the first half 2025.

Lastly, the rating agency stated that the Bermuda Marketplace will continue to maintain very strong capitalization, even as capital management remains active with limited growth opportunities on the immediate horizon.

Asia-Pacific Market Report

According to the international insurance brokerage firm Marsh, the APAC market experienced rate reductions led by the property insurance market which declined 13% in the second quarter compared to 12% in the prior two quarters. The reasons for the decline the brokerage firm reports were as follows;

- Insurers Focused on Growth; Reduced Rates & Improved Coverage Were Available
- Clients Generally Secured Higher Policy Limits and Sub-Limits, Especially for Natural Catastrophe Risk, and in Some Cases Reduced Retentions

- Long-Term Agreements (LTAs) Were Generally Available

The US based rating agency, Fitch Ratings is forecasting a deteriorating outlook for Chinese & Taiwanese insurers while other APAC insurers maintain a stable outcome for the year.

The rating agency points to strong capital positions, disciplined underwriting and improved asset-liability and management despite ongoing economic and market pressures.

Insurers in South Korea and Indonesia are reporting higher losses in certain property segments while Australian insurers are facing elevated property damage repair costs.

Fitch also points out to the strengthening El Nino weather event which could lead to an increase in severe typhoons in certain areas of the Pacific Basin.

European & Africa Market Outlook

According to the international brokerage firm Marsh, the European property insurance market is experiencing soft pricing with rate reductions between 9%-12% driven by ample market capacity and strong carrier competition.

Industry analysts are projecting the market to grow to \$7.42 trillion US

at year end, up from \$6.8 trillion US in 2025.

Swiss Re is projecting real property premium growth across Europe to slow to 1.5% in 2026.

This region while having a relatively benign catastrophe start, underwriters remain hyper-focused on climate-related risks like wildfires, severe convective storms, and heat waves among others.

Lastly, insurers are starting to rely on AI-driven analytics to enhance risk-based pricing to enhance underwriting accuracy.

The African Property Insurance Market is also experiencing a softening of rates but not at levels experienced in more developed markets.

Currently, the marketplace is fragmented with low penetration and significant disparities. Some analysts are expecting the market to reach a market size of \$1.65 trillion (US) by 2034, growing at an approximate 11.7% rate.

Market drivers include rising urbanization and expansion of mobile financial services. The proliferation of mobile financial services has emerged as a transformative enabler for insurance across this continent. This infrastructure has allowed insurers to bypass traditional distribution bottlenecks and offer pay-as-you-go

micro insurance products via this platform.

South Africa remains the most dominant and mature property and casualty market in the region, while Northern Africa led by Egypt and Morocco show steady growth due to ongoing real estate and urban expansion.

Increasing demand for asset protection, stricter government regulations regarding property safety, are helping expand insurance penetration from traditionally low baselines.

Lastly, rising environmental risks, severe weather events (i.e., floods & wildfires) and localized crime rates are prompting insurers to adapt more sophisticated, location-based underwriting and risk-adjusted pricing.

The African market's projected growth bears watching as it offers opportunities both in the underwriting and loss adjustment side of the business.

Middle East & India Report

Industry analysts report that the property insurance market in the Middle East & India is still characterized by high-growth potential driven by infrastructure development and rapid digitalization.

India is set to be the fastest growing major market with a 6.9% annual growth rate projection through 2030 by some analysts.

While the Middle East will also see a strong expansion but not at the levels being experienced in India.

The international brokerage firm, Marsh reports that property insurance rates in India for the second quarter decreased some 19%. This is due to the following factors;

- Local Competition Levels and Capacity Generally Increase, Putting Pressure on Some Global Insurers
- Capacity in India Remained Available, Impacted by The Removal of Tariffs
- Downgrades for Political Violence Stabilized as New Markets Added Capacity

In the Middle East, Marsh reports moderate softening of rates in the property arena. However, Full Limit political violence and property losses were recorded with recent property losses estimated at \$2 billion US and political violence losses estimated to exceed \$3 billion US across the region.

This market due to the US-Iran conflict will continue to be volatile until a peace accord is reached.

Lloyd's/London Market Report

The US rating firm, AM Best has affirmed the Financial Strength Rating of A+ (superior) of Lloyd's as well as issuing Long Term Credit Ratings of "a" (excellent).

These ratings reflect Lloyd's balance sheet strength which AM Best assesses as very strong, as well as its strong operating performance, very favorable business profile and appropriate enterprise risk management.

The rating agency does note that the market's exposure to catastrophe risk is an offsetting factor. However, the requirements for members to replenish their funds at Lloyd's to meet their underwriting liabilities, together with the Corporation's enhanced oversight of the accumulation of risk, partly mitigates the potential for volatility in risk-adjusted capitalization due to operating losses.

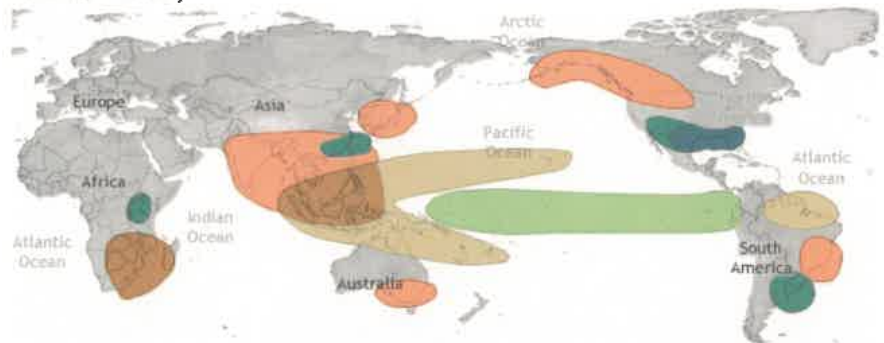
The rating agency did note lower pricing however so far this year there has been a global slowdown in catastrophe losses.

Super El Nino 2026/2027 Predictions

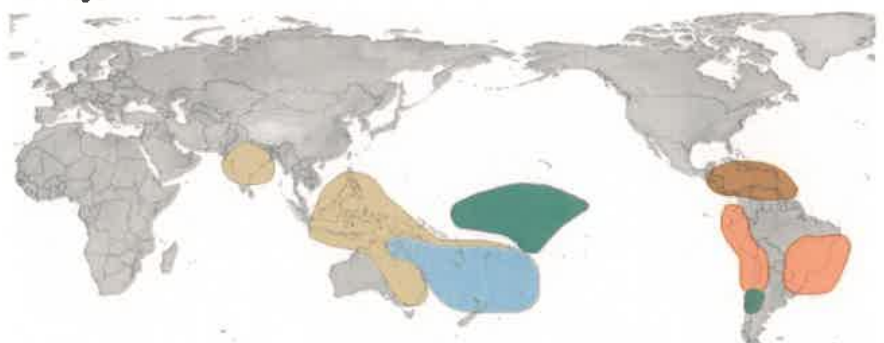
Weather forecasters estimate a greater than 90% chance that the

EL NIÑO CLIMATE IMPACTS

December-February



June-August



developing 2026-2027 El Nino will reach "Super" El Nino status, potentially becoming of the strongest weather events recorded since 1950.

The El Nino phenomenon is a change in the surface water temperatures in the Tropical Pacific. If the water is warmer than usual, that can trigger an El Nino affect. It is a naturally occurring climate pattern called the El Nino-Southern Oscillation. (ENSO). Normally, trade winds blow west along the earth's equator pushing warm water from South America toward Asia. When the trade winds weaken and warmer weather moves back toward South America, this results in warmer than

average ocean temperatures in the Eastern Tropical Pacific Ocean. This leads to significant changes in global weather patterns, causing milder winters in Northern North America and wetter conditions in Southern sections of North America. This weather phenomenon also affects weather patterns throughout the world.

A Super El Nino causes significant weather disruptions on nearly every continent. Australia, Africa and Indonesia experience droughts, dust storms and wildfires, while Peru and portions of South America saw some of the heaviest rainfall in reported history from this type of event.

The last very strong El Nino event occurred in 2015, when the Tropical

Pacific Ocean averaged 2.4 degrees centigrade higher than normal. That year, the Northern Pacific saw a record (16) tropical cyclones; a 500 year drought in the Caribbean with significant global surface temperatures occurring during that year.

The Super El Nino event could lead to a quieter than normal Atlantic Hurricane Season.

2026 Atlantic Hurricane Season

The 2026 Atlantic Hurricane Season officially began on June 1, 2026 and will end on November 30, 2026.

These dates, adapted by convention historically describe the period in each year when most subtropical or tropical cyclones occur in the Atlantic Ocean.



The forecasters from the United States National Oceanic Atmospheric Administration's (NOAA) Climate Prediction Center is calling for a lower than normal named storm events due in part

from the rising El Nino conditions in the Pacific Ocean. So far this season only three tropical storms have occurred (Arthur, Bertha & Cristobal) with the Arthur and Bertha Tropical Storms affecting Northern Mexico and the Gulf Coast of the United States.

2026 Marine Insurance Outlook

Tankers carrying Mid-East crude oil are being affected by the Geopolitical Conflict between Iran and the United States. Daily crossings through the Strait of Hormuz have all but dried up due to the war. For much of the war, some tankers carrying Saudi crude side stepped the Strait of Hormuz altogether by running via the Red Sea instead, between the Saudi Kingdom and Northeast Africa. Now, this route has its own problems with Houthi forces aligned with Iran who have commenced attacks on shipping there.

That development is compounding risk with underwriters war-risk exposure no longer concentrated in a single, well mapped strait but expanding regionally.

Does the Joint War Committee at Lloyd's move to widen or tighten its existing high-risk designation for the Persian Gulf, or extend a similar designation further into the Red Sea? In addition, do reinsurers start



pulling back capacity again after a period of cautious re-entry?

Given that approximately a fifth of the world's daily oil consumption still needs to pass the Strait Hormuz alone, the alternate Red Sea work around route now under attack will see increasing volatility in energy and freight rates in this region.

The sanctioned shadow-fleet oil tanker Caroline Bezengi suffered explosions off of Yemen in early June, and was left adrift after its crew abandoned ship and ran aground near Oman's Al-Qibliyyah Island, leaking hundreds of thousands of barrels of Russian crude into a protected marine reserve.

According to Lloyd's List a sanctioned Russian insurer, Alfa Strakhovanie, is understood to be funding the response to the stricken tanker, but only after sanctioned waivers were obtained to let salvors engage with a designated entity's funds.

Further, Lloyd's List reports that seven of the tankers (12) cargo tanks are now leaking and the involved

Lloyd's list reports that a waiver was needed before salvors could touch money traceable to Alfa Strakhovanie. Regulators such as the US Treasury's Office of Foreign Assets Control and the UK's Office of Financial Sanctions Implementation due grant licenses for humanitarian and environmental purposes.

The site of the grounding and ensuing spill is impacting Oman's marine reserve, home to one of the smallest and most endangered humpback whale populations on earth. Currently Oman is bearing the cost while things get settled.

For underwriters and reinsurers carrying tanker war-risk, pollution-liability or charters-liability exposure, this incident is causing increasing concern with marine underwriters. The US rating firm, S & P Global estimates the shadow fleet tanker tonnage at roughly 17% of the global oil tanker fleet, with some experts putting it closer to one in five vessels, which means renewal conversations on tanker risks increasingly need to check whether claimed P & I cover actually exists on the International Group's member list.

This bears watching as we enter the last two quarters of the year.

Global Economic Outlook

The International Monetary Fund is projecting a global growth rate of 3.1% for 2026 and 3.2% for 2027.

After withstanding higher trade barriers and elevated uncertainty last year, the global economy faces renewed tests as the war in the Middle East threatens to disrupt growth and disinflation.

Downside risks dominate the outlook. A longer and broader conflict, worsening geopolitical fragmentation, a reassessment of expectations surrounding artificial-intelligence-driven productivity, renewed trade tensions could significantly weaken growth and destabilize financial markets. Elevated public debt and eroding institutional credibility further heighten these vulnerabilities. On the positive side, economic activity could be lifted if productivity gains from A-I materialize more rapidly or trade tensions ease on a sustained basis.

These themes bear watching for the balance of this year and into next.

2026 Global Reinsurance Outlook

In a new report, the USA based rating agency, AM Best & Company highlights a record level of dedicated reinsurance capital, from both traditional and alternative sources has entered the market, strengthening the market's financial position.

Data from AM Best and Reinsurance Broker Guy Carpenter predicts that dedicated reinsurance capital will hit a new high of \$705 billion at year end, comprised of a record \$575 billion of traditional capital and a record of \$130 billion of alternative capital.

The rating agency finds that this growth in capital has occurred while the underlying risk profile of the market remains relatively stable.

The rating agency foresees continued strong operating performance due to a relatively quiet period of catastrophes and reinsurers sticking to underwriting discipline and pricing.



2026 FIFA World Cup

The 2026 FIFA World Cup event was by all description an historic football tournament.

This year's World Cup consisted of the largest field ever with (48) national teams of its member associations taking place in three host countries in (16) cities with (104) matches played across (39) days.

Europe, the Middle East and Latin America led the regions with the most teams qualifying for this event. FIFA broadcast partners were able to provide television and radio coverage for this event around the globe.

The FIFA prize money for this event totaled \$655 million (US) with each qualifying team receiving a guaranteed minimum of \$10.5 million (US) in prize money with the champions receiving a \$50 million (US) payout.

Spain defeated Argentina 1-0 in the final match during extra time to claim their second World Cup title. The Spanish team dictated play throughout the final limiting the powerful Argentine team led by legendary striker Lionel Messi to any meaningful scoring opportunities. England defeated France 6-4 in the third place match which was a highly contested affair.

Treasurer's Note

Our Treasurer, Tom Erhardt advises that the 2026 dues notices were sent out to the membership in January.

While the vast majority of members have paid their dues, a number of the membership have not as yet responded to the notice. Our treasurer happily points out that in order to keep the Institute properly funded, the membership needs to respond to its obligations in a timely fashion.

A round of dunning notices will be sent out shortly to those members who are delinquent.

Please check your records and if you have no record of a payment, please contact Tom Erhardt at;

terhardt@eacadjust.com or call 1-001-631-325-8390

To make the necessary arrangements to settle your account.

Editorial Note

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