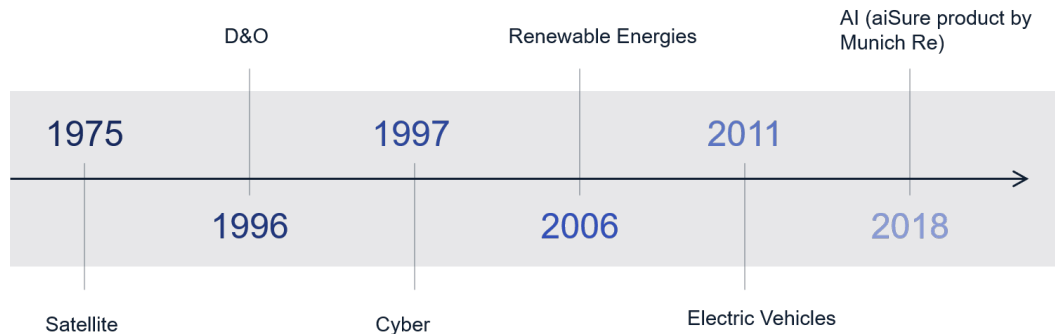


Keynote at GAIF 35 Conference

Sustaining Core Principles While Meeting the Demands of Digital Transformation

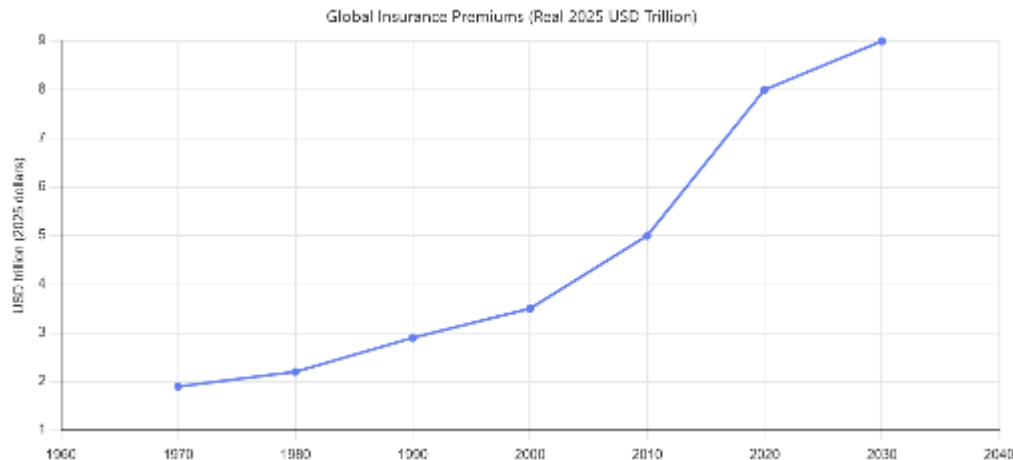
Hitesh Kotak – Chief Executive, Asia & Middle East (Non-Life) at Munich Re
05 Oct 2026

Insurance industry with impressive track record of making new risks insurable and continuous growth over decades



Globally, premiums expanded from roughly **\$250 billion in 1970** (\$1.9tn)¹ to approximately **\$8 trillion in 2025**, a more than 30-fold increase

¹ adjusted for inflation



...however, the insurance industry is facing multiple challenges simultaneously

Risks



- “Known” risks are changing faster than ever
- Emerging risks are on the rise
- Risks are becoming more interconnected

Operational/ Processes



- Digitalization of processes/high investment in infrastructure and IT
- Pressure to make AI deliver returns
- War for talent

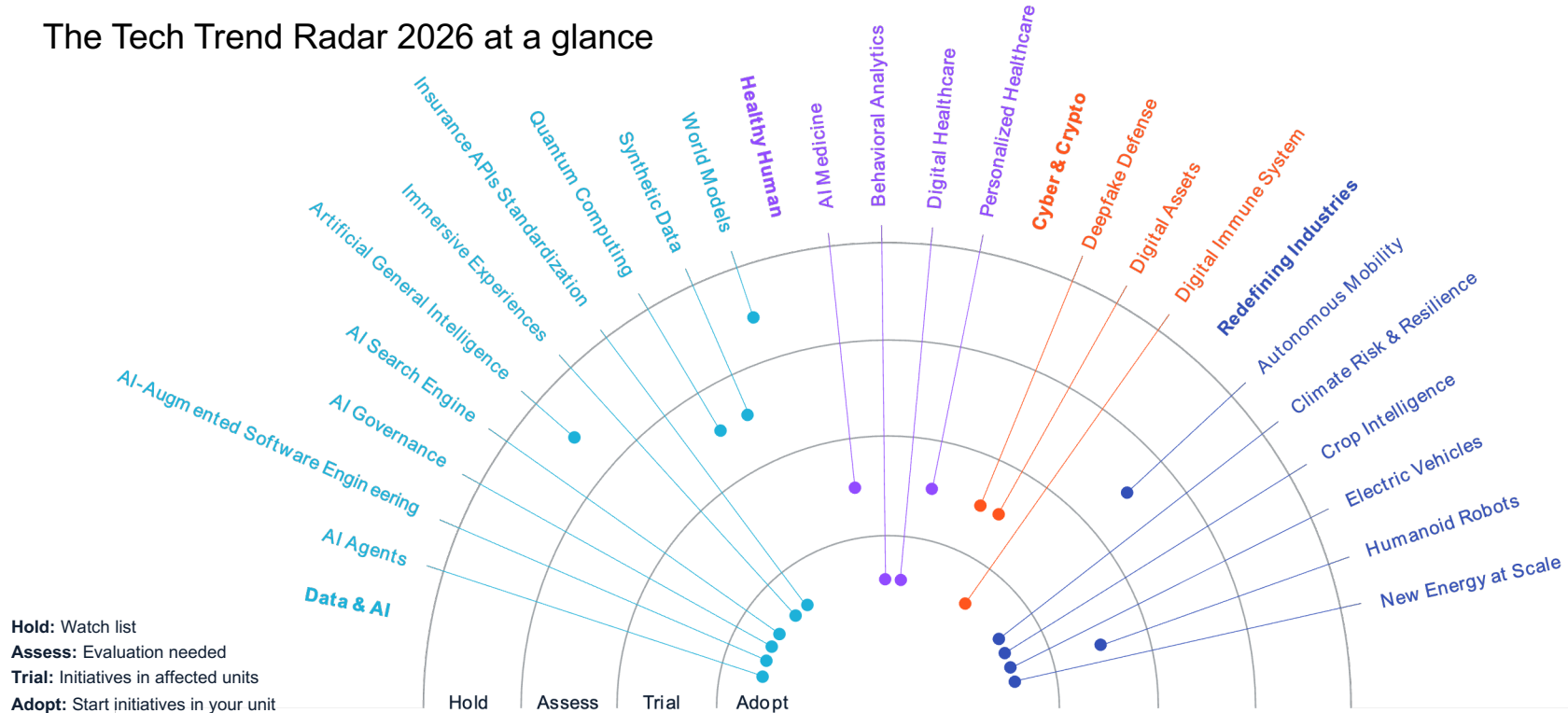
Distribution



- High acquisition costs
- Low awareness among (potential) clients/customers
- Affordability of products

Its important for us to keep abreast of few trends: Technological Trends - reshaping the global Economy

The Tech Trend Radar 2026 at a glance



Investment trends - five big themes

18 Arenas and 2040 estimated revenue (\$T), grouped by theme

 Semiconductors 1.7–2.4	 Cloud Services 1.6–3.4	 AI Software and Services 1.5–4.6
 E-commerce 14–20	 Robotics 0.2–0.9	 Electric Vehicles 2.5–3.2
 Digital Advertising 2.1–2.9	 Shared Autonomous Vehicles 0.6–2.3	 Batteries 0.8–1.1
 Streaming Video 0.5–1.0	 Space 1–1.6	 Nuclear Fission 0.1–0.2
 Video Games 0.5–0.9	 Future Air Mobility 0.1–0.3	 Non-medical Biotech 0.3–0.9
 Cybersecurity 0.6–1.2	 Modular Construction 0.5–1.1	 Obesity Drugs 0.1–0.3

AI Foundation
Digitization
Electrification
Hard tech
New Bio-frontiers

The insurance impact is significant

Arenas reshape the industry along four dimensions

Example Arenas with significant implications for insurers

1 New Risk Landscape

Robotics

Robot-human interaction in everyday life



Cyber-Security

Multiplied threat from AI-enabled attacks



Space

Daily launches into congested orbit



Semi-Conductors

Crucial bottleneck with vulnerable supply chain



2 Shifts in Claims Frequency and Severity

Cloud Services

\$ hotspot with power, outage, cyber risk



Shared AVs

Unlikely yet severe and correlated faults



Electric Vehicles



Thermal runaway and costly repairs

Batteries



3 Lower Expense Ratios

AI Software & Services

Autonomous workflows across insurer ops



Future Air Mobility

Quick inspections in difficult terrain



4 Rebased Life and Health Assumptions

Biotech

New nutrition, individualized therapies



Obesity Drugs

Paradigm shift in public health



The risk environment is becoming increasingly complex



Climate change and Natural Catastrophes in the Middle East

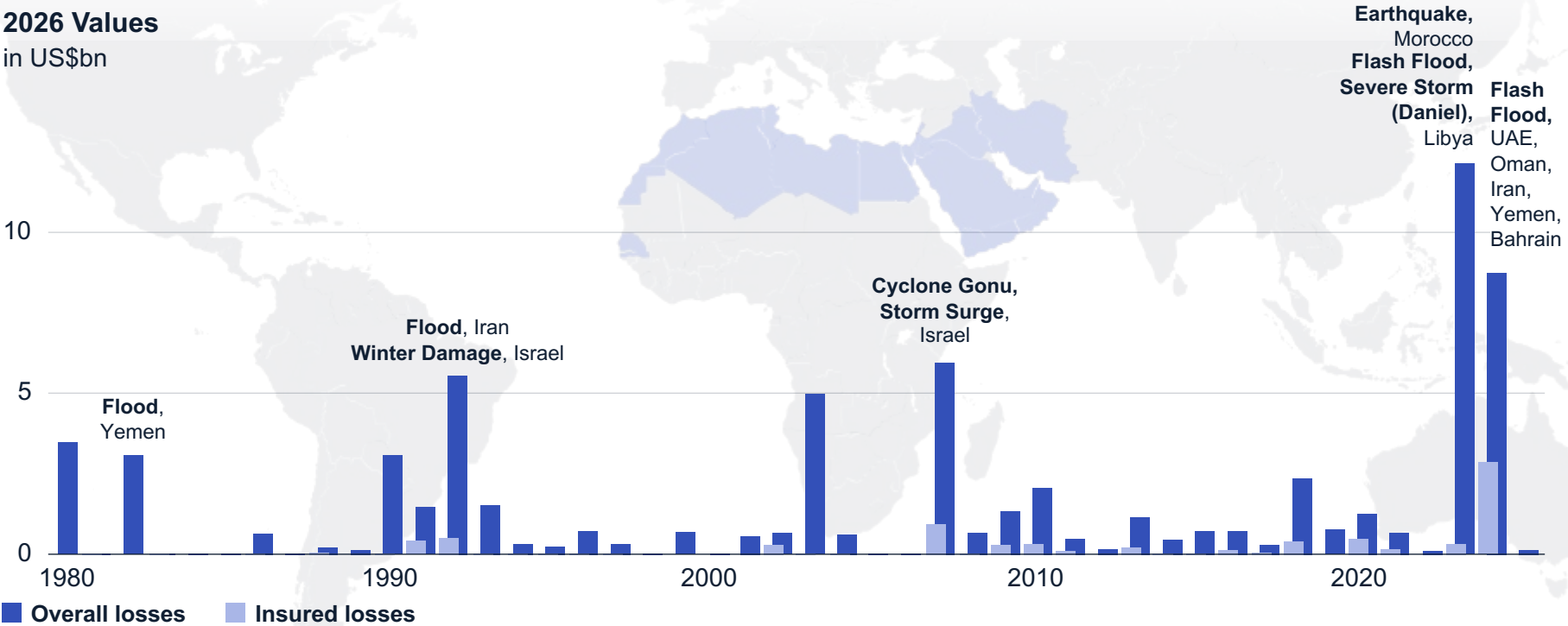
01



Losses from natural disasters across MENA 1980 – 2025

Overall and insured losses

2026 Values
in US\$bn



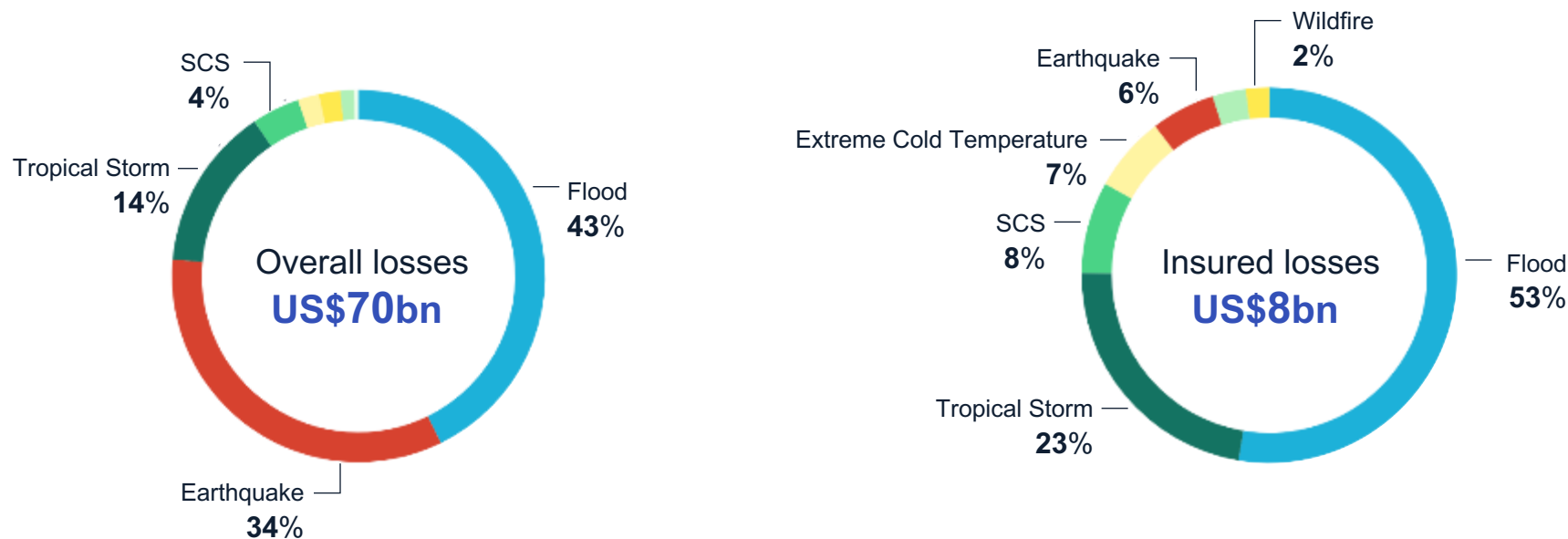
Losses inflation-adjusted via country-specific consumer price index and consideration of exchange rate fluctuations between local currency and US\$.

Source: Munich Re, NatCatSERVICE, April 2026
Munich Re's NatCatSERVICE is a global database containing loss data from 1980 onward for all types of natural disasters, excluding drought and heatwaves.

Losses from natural disasters across MENA 1980 – 2025

Percentage distribution

Between 1980-2025 the natural disaster protection gap in the MENA region was about 88%



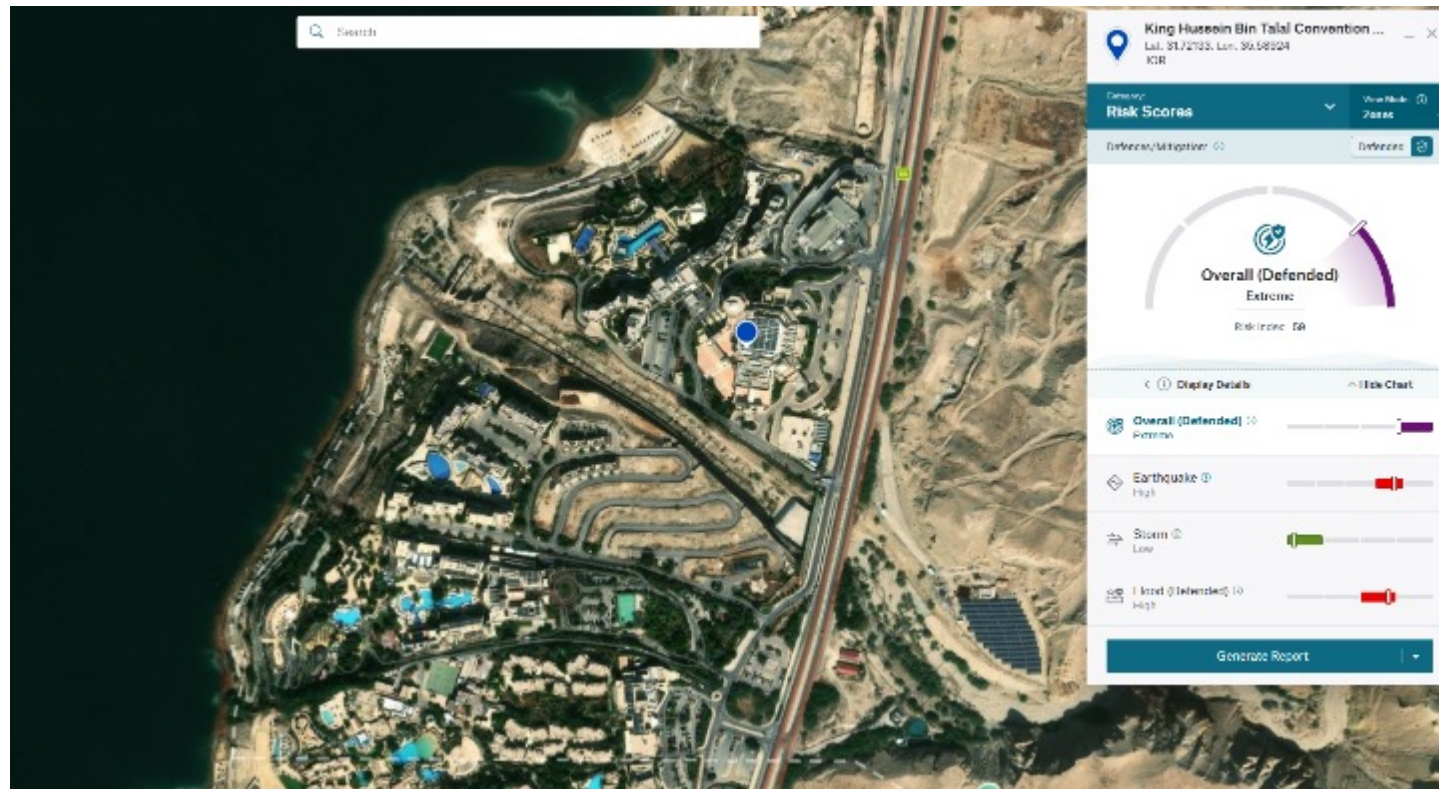
Losses inflation-adjusted via country-specific consumer price index and consideration of exchange rate fluctuations between local currency and US\$.

- **West Asia** has witnessed more frequent and **intensified dust storms** affecting Iran and Persian Gulf countries in recent decades
- **Highest levels of warming for extremely hot days are expected to occur in West** and Central Asia with increased dryness of land
- **Temperature rise will be strongest in winter in most regions, while it will be the strongest in summer in the northern part of West Asia**
- In West Asia, particularly in **Saudi Arabia and Yemen**, increasing **water scarcity** brought about by temperature rise is anticipated to have a severe impact on agriculture and food production that undermines food security
- **Precipitation is projected to decrease** over the northwest part of the Arabian Peninsula (medium confidence)
- Countries of the **Arabian Peninsula** are projected to experience significant **inland flooding as sea levels rise**
- **Climate change adds extra pressure to current energy infrastructures** (due to heatwaves, disruption of shipping of fuel supplies, floods and sandstorms)



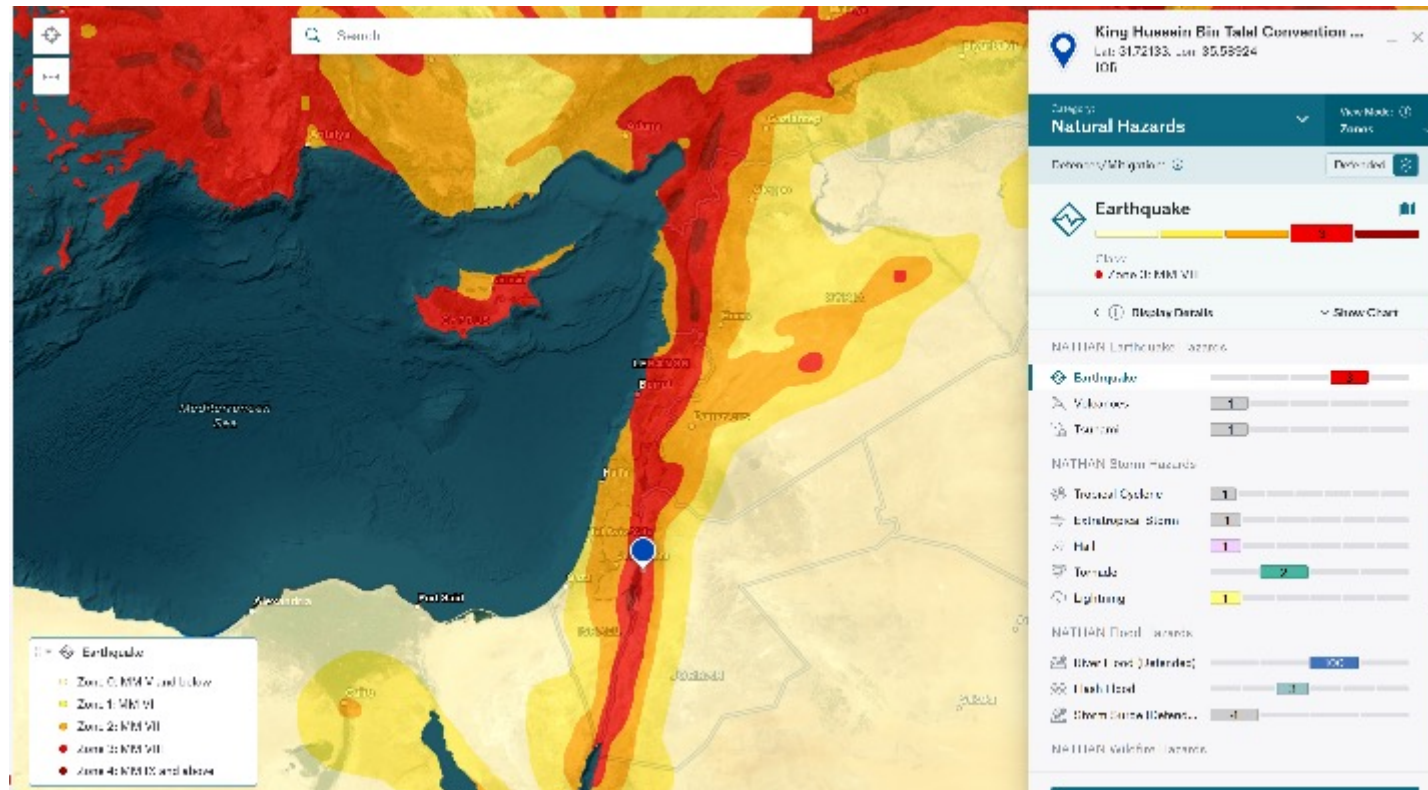
Superior risk intelligence allows for quality underwriting decisions

For example: This Convention Center with high-risk score

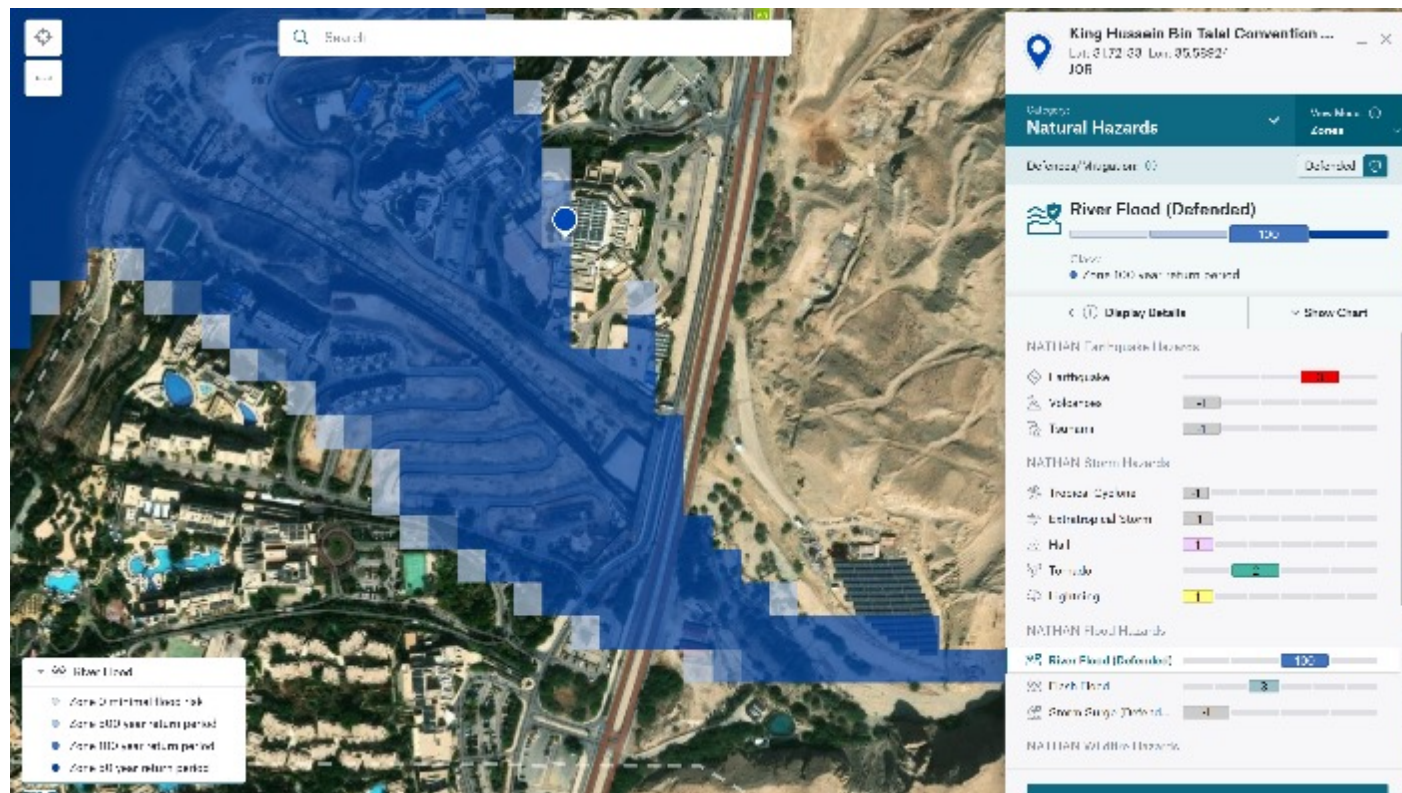


Superior risk intelligence allows for quality underwriting decisions

... as it has a high earthquake risk ...



Superior risk intelligence allows for quality underwriting decisions
... but also a high flood risk as it is partly located in a river flood zone



The potential for insurance against NatCat in Middle East is high

01

For six years in a row, NatCat have caused insured losses globally of over USD100bn.

02

Climate Change will continue to increase severity and frequency of weather-related events.

03

Concerningly low insurance penetration level in Middle East of 12%.

04

As a result, recovery after a NatCat event likely to take longer and be more cost-intensive for regional economies.

05

Closing the protection gap becomes more urgent as risks are increasing.

06

Rolling out climate-friendly technologies on a large scale also requires insurance and risk management solutions.

It's up to us

to unlock the growth potential for our industry by reducing the protection gap to a level achieved in other developed markets.



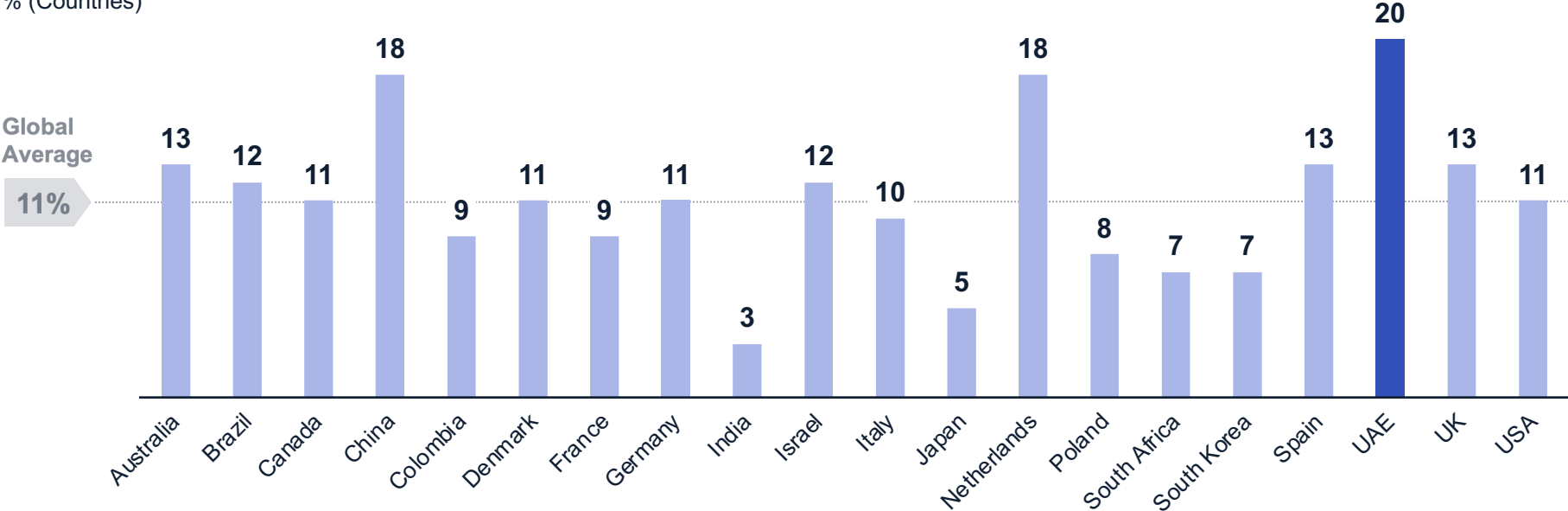
Commercial Cyber Insurance in the Middle East

02



Globally, C-Level respondents in the UAE are least concerned about a potential attack on their company

Not concerned
% (Countries)



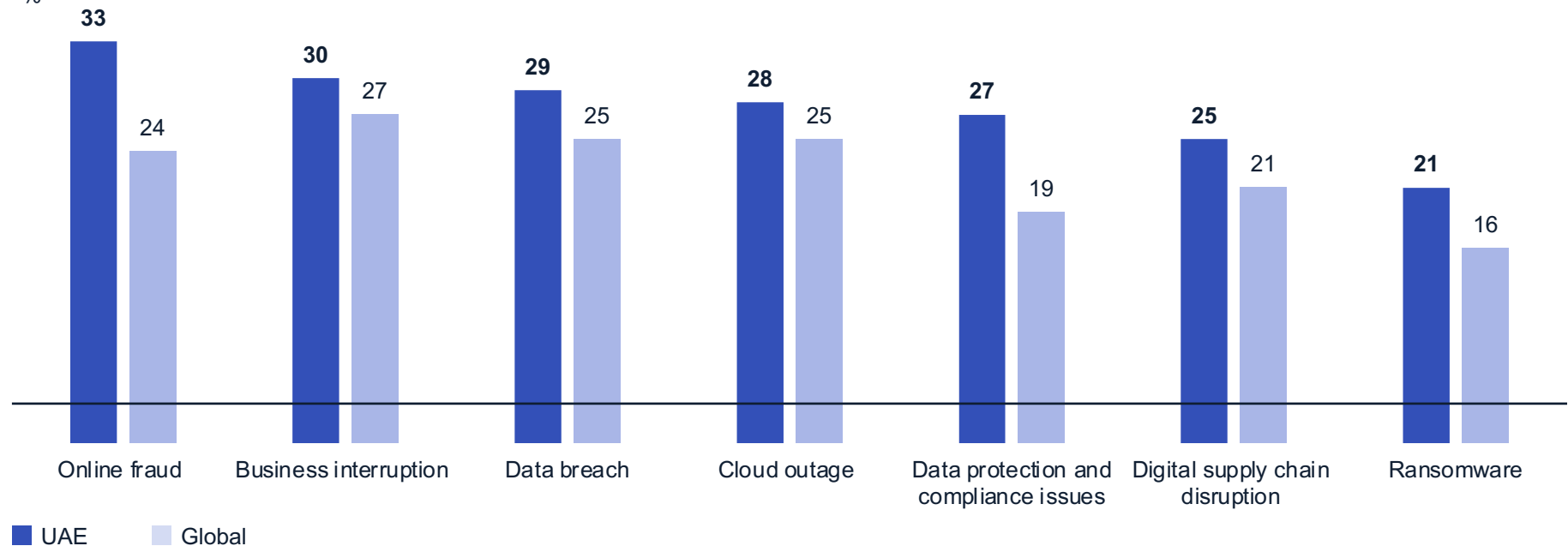
■ C-Level

Yet businesses in the UAE are more commonly affected by all types of cyber threats

Which of the following has your company been affected by?

C-Level

%

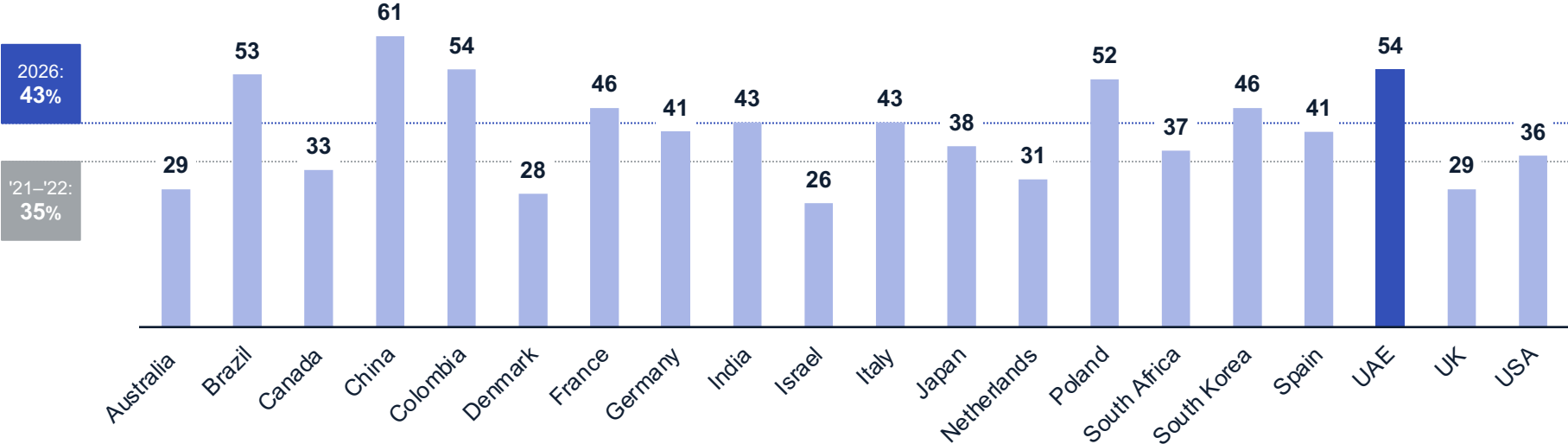


The good news: there is an above-average interest in Cyber insurance

“My company is considering taking out cyber insurance and will very likely buy”

Global C-Level

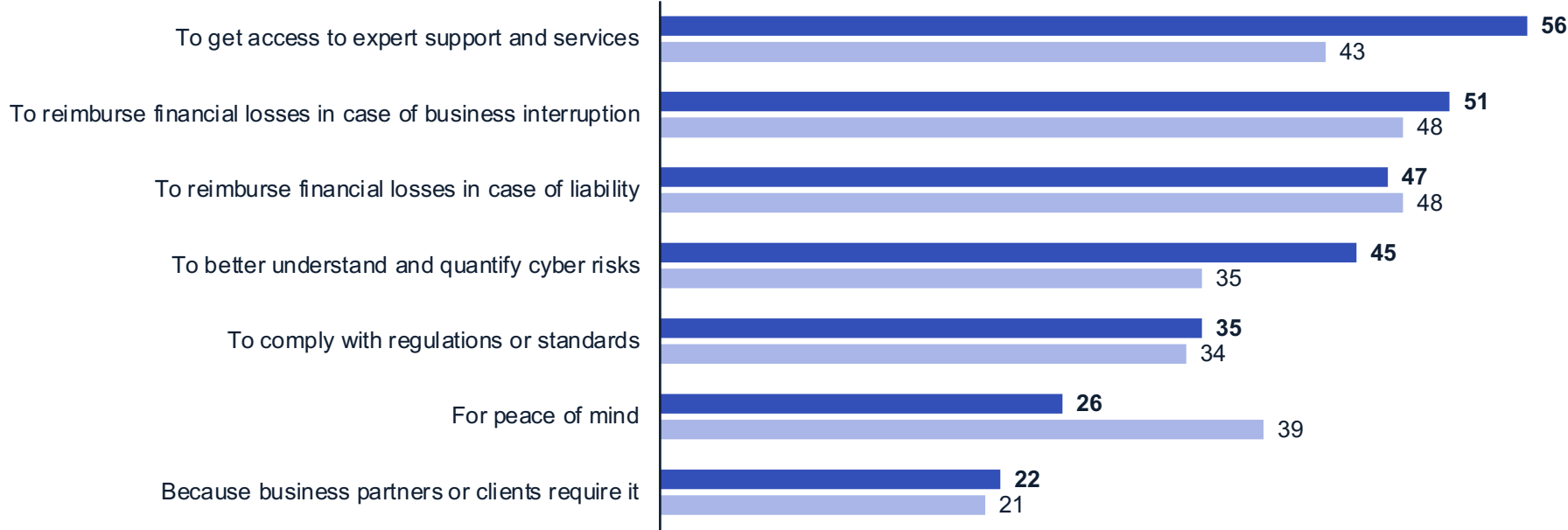
% (Countries)



Compelling reasons why C-Level executives believe their companies should have it

C-Level

%

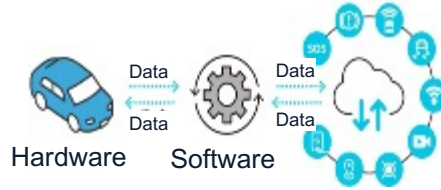


■ UAE ■ Global



Cyber Risk in OEM

- Office/Factories

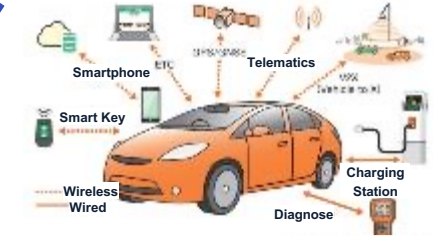


Cyber Risks in the Supply-Chain

- Suppliers suffering from cyberattacks



Connected car



Cyber Risks in vehicle (post-sale)

- Car OS
- Car App
- Mobility service

Cyberattack can strand 150,000+ vehicles

March 2026 Intoxalock incident | 46 U.S. states affected

What happened

Intoxalock incident | March 2026

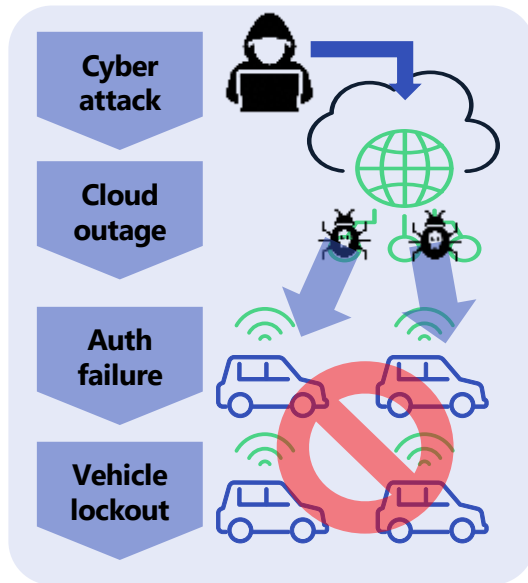
- Backend shutdown disrupted monitoring
- Authentication failures blocked vehicle starts



Where this risk can reappear

- Remote access • autonomy • smart keys • biometrics
- device and app authentication

How it spread



Why it matters

Impact on users

- Private: vehicle lockout and alternative transport
- Commercial: fleet business interruption

OEM & service impact

- Recovery, reconfiguration and customer support
- Brand and trust damage

Accumulation exposure

- Liability and incident-response costs across the ecosystem

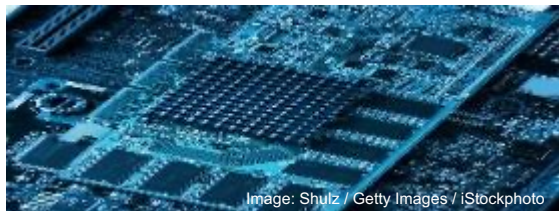
PML: USD 100m+

One compromised service can create fleet-scale accumulation loss

Six potential silent cyber scenarios in property

Property coverages can be concerned in multiple ways (1/2)

1 Cyber attack leading to BI due to data loss/damage



Key Points:

- Could pure data losses/damages trigger property coverages?
 - Is a physical damage provision in place?
 - What has to be considered using IT exclusions?
- "Key insured interest": BI (aft. non-PD event)

Examples:

- NotPetya (2017)
- Krauss Maffei (2018)
- WannaCry (2017)
- San Francisco Transp. (2016)

2 Cyber attack on industrial plant (ICS)



Key Points:

- "Hacked fire" scenario
- Threat of specifically targeted attacks on industrial control systems (ICS)
- Risk of attack on multiple plants by targeting ICS
- "Key insured interest": PD + BI

Examples:

- UAE solar power plant (2011)
- Triton (2017)
- University of Cambridge: Cyber-Induced Explosion in a Chemical Facility Scenario

3 Cyber-induced machinery breakdown



Key Points:

- New cyber environment features may increase machinery breakdown risks, leading to large business interruptions
- Attention regarding definitions and write-backs for MB required
- "Key insured interest": Machinery breakdown + (Contingent) BI

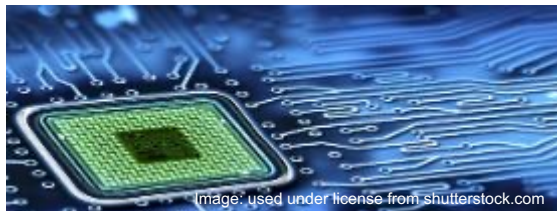
Examples:

- Cookie factory Canada (2015)
- Stuxnet/Iranian nuclear power plant (2010)
- Semiconductor Production Outage Scenario

Six potential silent cyber scenarios in property

Property coverages can be concerned in multiple ways (2/2)

4 Small PD leading to large BI (due to interconnectivity)



Key Points:

- Small property damages (even if not triggered by cyber incident) can lead to large scale BI due to interconnectivity and dependency on IT
- High relevance, even if possibly not silent cyber by definition
- “Key insured interest”: BI

Examples:

Delta airlines outage (2016)

5 Cyber attack on hydroelectric dam resulting in flood



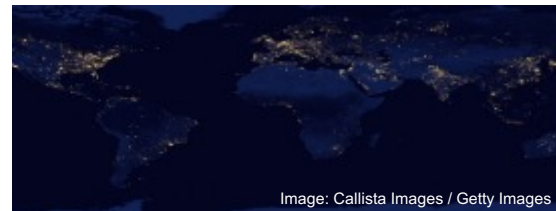
Key Points:

- Cat covers (e.g., for flood) could be triggered by a cyber event
- Write-backs have to be granted carefully – even for very unlikely risks
- “Key insured interest”: PD (e.g., due to flood)

Examples:

- Bowman Avenue Dam (2013)
- Excavation pit dewatering system (2015)
- AON: Opening the Flood Gates Scenario

6 Cyber-induced PD leading to energy-grid blackout



Key Points:

- Power supply, as a core infrastructure element to economies, is highly exposed to the impact of cyber threats
- Huge (C)BI loss potential via many triggered policies due to interruption of incoming electricity service
- “Key insured interest”: (Contingent) BI

Examples:

- Ukraine blackout (2015)¹
- University of Cambridge & Lloyd's: US Blackout Scenario

¹ The cyber-induced blackout was not triggered by a physical damage, nonetheless serves as a good example for the consequences.

Solution?

The Cyber “GAP” policy



Gap?

Real threat of cyber-attacks leading to physical damage

+

Cyber exclusions within property policies (LMA5400 & LMA5401) or PD exclusions in cyber policies

=

Currently no coverage for property damage because of a cyber attack

LMA54xx Cyber “Gap”



Proposed Coverage?

“Gap” cyber policy which indemnifies Insured due to operation of Cyber Risk Exclusions on controlling (Property) policies.

Characteristics:

- Covers the loss, damage, liability or expense arising out of a Cyber Attack (as defined in the exclusion)
- Utilizes the same retentions
- Attaches excess of sublimits in property policies



Exposure Assessment?

1

Paper Cyber Submissions for foundational understandings of IT & OT

2

UW Call / Discussions to understand the governance, initiatives and allow for Q&A

3

Coordination w/ Property to quantify the risk

4

On Site Walkthrough to understand the impacts of PD

The potential for cyber insurance in Middle East is high

01

Everybody believes in digitalisation and critical digital dependencies and systemic risks will further grow.

02

Risk awareness and level of concern within C-Level is high und will be further extended through frequency and severity of cyber attacks.

03

90% of C-Level do not consider their protection level adequate.

04

Need for action and improvement is obvious. Building up cyber resilience is a socio-economic issue.

05

The majority of C-Level is currently considering to buy a cyber insurance policy and also interest of private individuals is high.

06

By closing the protection gap this high potential for Cyber Insurance needs to be unlocked.

It's up to us

to further push for sales and awareness to establish cyber insurance as a major pillar of societal and economic resilience.

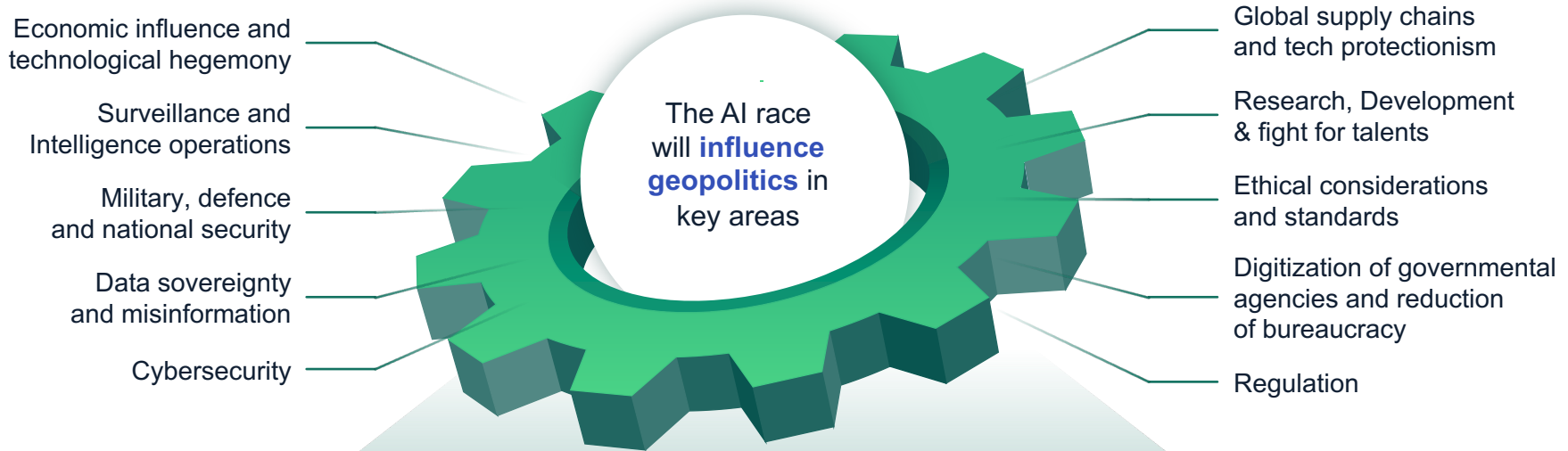


AI

03



Agentic AI: revolution, evolution or hype?



AI impacts & (dis)advantages are

Technological

Economic

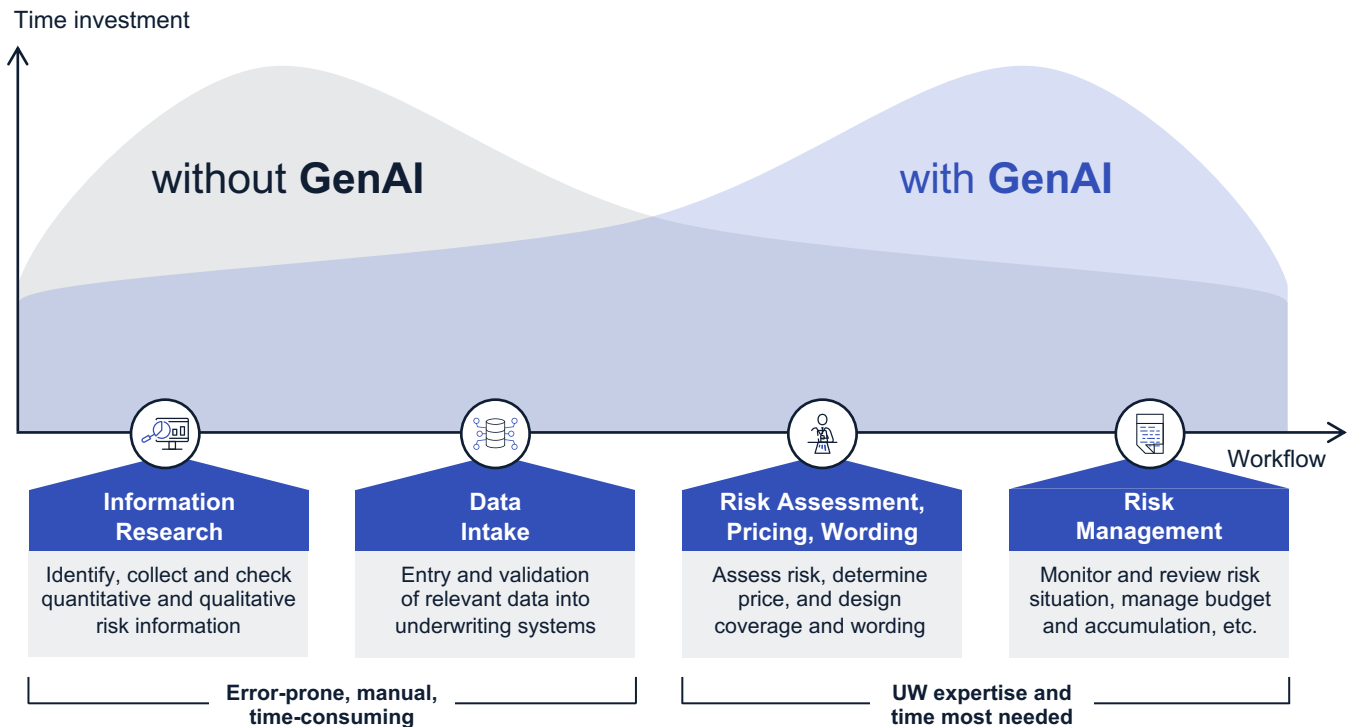
Social

Ethical

Political issues

AI can assist with manual, time-consuming tasks, freeing up time for activities for which underwriting expertise is needed

Illustrative example of a commercial UW workflow with and without GenAI



Key Takeaways

- Underwriters **spend 40% of their time on non-core activities**¹
- Much **time is spent on information research and data intake** instead of risk assessment, and some tenders are not processed at all due to lack of time
- GenAI** allows eliminating many repetitive tasks, leaving **more time for risk assessment, client engagement, and policy monitoring**

Most significant AI-related exposures

1st and 3rd party – highlighting System Failure, Privacy and Wrongful Collection

Exposure...

System Failure/ Outage

Non-Malicious



Model drift causing critical business systems to fail
AI-driven automation errors shutting down operations
Hallucinations feeding incorrect data into automated processes

... to, e.g., business interruption losses

AI Driven Privacy Events

Output of PII



AI may leak personal or confidential information

... to consumer privacy claims

Wrongful Collection

Input of PII



Unlawful collection of confidential, personal, or identifying information
Information gathered without proper consent, legal basis, or transparency about how the data will be used

...to, e.g., regulatory action

AI is or may be covered within three different buckets:

AI within Cyber Policies

- AI exposure and AI endorsements in coverages of "traditional" cyber policies

AI in traditional LoBs ("Silent AI")

- AI-related exposures within existing portfolios across all traditional LoBs outside cyber

AI-specific products (e.g. aiSure)

- Dedicated and new AI coverage offered (e.g., performance guarantees) within the existing new product process
- aiSure™ is a suite of comprehensive coverage for AI systems designed to address a wide area of AI-related risks for AI providers and corporate adopters caused by AI performance errors.
- Coverage includes contractual liabilities, own damages/financial losses, and legal liabilities.

Underwriting
tomorrow's risks

04



Closing the Protection Gap requires a range of measures

The Constraint is not supply. It is demand.





Risk Assessment

Utilizing advanced technologies like AI, satellite data, and predictive analytics to improve risk assessment models.



Underwriting

High underwriting expertise leading to superior risk selection and adequate pricing



Reinsurance Structure

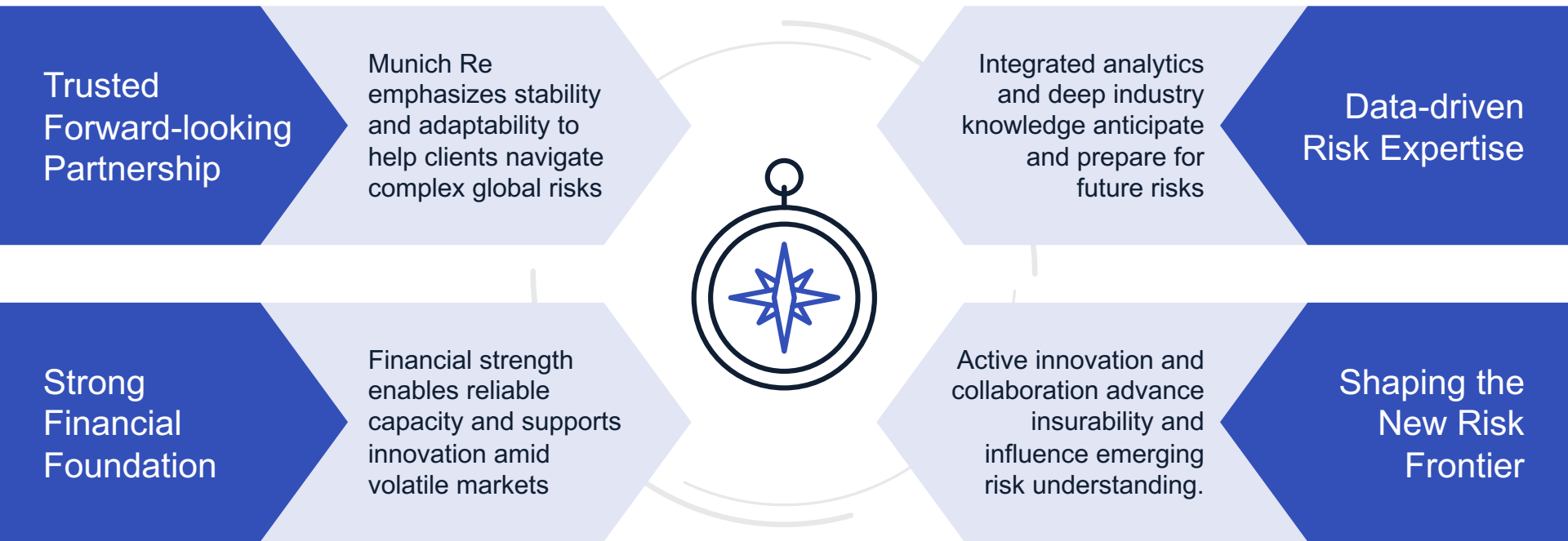
Not very low attachment points leading to alignment of interests (skin in the game).



Market Growth

In-market risk expertise and underwriting knowhow leading to sustainable market growth.

Munich Re is building resilience by anticipating, understanding and acting on emerging risks across the new frontier



The Client Survey 2026 confirms Munich Re's technical edge and core value drivers from direct client feedback



Clients continue to recognize Munich Re for its expertise, reliability, and deep understanding of their business. Strong ratings across key relationship criteria underline the trust placed in Munich Re as a long-term partner.

We look forward to meeting you
At “Petra 2” Room, Sea Floor

**Surbhi
Goel**



**Kunal
Verma**



**Martin
Haas**



**Alexander
Schroeder**



**Dirk
Lamminger**



**Andreas
Barowski**



**Christoph
Jung**



**Ihab
Alameh**



**Omar
Fayyad**



**Fadi
Makhlouta**



**Mohsin Ali
Khan**



**Dipan
Chandrani**



**Kenneth
Bollhardt**



**Amine
Smaili**



**Talha
Tanveer**



Thank you