MANDARIN RE

Inside Out Series

August 2026

Mandarin Re Insights

When capacity is abundant

What actually differentiates a reinsurer?

Beyond Capacity

Reinsurance markets are cyclical by nature. As capacity becomes more readily available and competition increases, cedants and brokers gain more choice, not only in terms of pricing and structure, but also in deciding which relationships they want to develop over the longer term.

This raises an important question. When several reinsurers are able to provide the required capacity, what makes one a better partner than another?

Financial strength and competitive terms remain fundamental, but they are only part of the answer. The quality of a reinsurance relationship is also shaped by underwriting expertise, consistency, responsiveness and a genuine understanding of the client's business.

> **"When capacity is abundant, the real differentiator is what a reinsurance partner brings beyond it."**

More choice makes the quality of the partnership more important, not less.

Capacity may secure a placement, but consistency builds confidence

Appetite changes. Pricing moves. New capacity enters the market and existing players adjust their portfolios. For cedants and brokers, this makes consistency particularly valuable.

Consistency does not mean taking the same position regardless of market conditions. A responsible reinsurer will adjust its appetite as exposures and market dynamics evolve. What matters is whether those decisions are made in a clear and considered way, and whether partners understand the reasoning behind them.

Good communication plays an important role here. When brokers and cedants know where a reinsurer wants to participate, receive clear feedback and have access to the people making the decisions, the relationship becomes easier to navigate. Over time, that creates confidence that cannot be replicated simply by offering more capacity.

Consistency creates confidence, particularly when markets change.

Technical expertise should lead to better decisions

Strong underwriting is about more than assessing and pricing an individual submission. It requires an understanding of how that risk fits within the wider portfolio and how changing conditions may affect the exposure over time.

That has become increasingly important as risks grow more interconnected. Climate volatility, infrastructure development, supply chain dependencies, technological change and evolving liability exposures are affecting different markets in very different ways. A solution that works in one territory or portfolio may not be appropriate in another.

For reinsurers, technical expertise therefore needs to be combined with market knowledge and an understanding of the cedant's objectives. This is where experienced underwriting teams can add real value, particularly when a risk requires a more considered structure rather than a standard response.

Good underwriting looks beyond the individual risk to understand the wider portfolio.

Responsive, Flexible and Disciplined

Responsiveness is part of good underwriting

Thorough underwriting takes time, but the process surrounding it should not create unnecessary delays. Brokers and cedants need clear communication, timely feedback and access to decision-makers, particularly when placements are complex or market conditions are moving quickly.

Better data and technology can help. Their value is not in replacing underwriting judgement, but in giving underwriters a clearer view of the information they need and reducing administrative friction around the decision-making process.

Flexibility works best when supported by discipline

No two cedants or portfolios are exactly alike, so flexibility remains an important part of reinsurance. There are situations where a different structure, an adjustment in participation or a closer look at the underlying exposure can create a better outcome for everyone involved.

This does not require compromising underwriting standards. A constructive reinsurance partner should be willing to explore alternatives when the initial structure does not work, while remaining clear about where the underwriting boundaries are.

Good underwriting balances responsiveness with discipline.

When clients have more choice, partnership matters more

When capacity is widely available, it is easy to focus on the immediate economics of a placement. Over time, however, the qualities that are harder to replicate tend to matter more: technical understanding, consistency, accessibility and trust.

This is the approach we continue to develop at Mandarin Re. As our international portfolio grows, we want our capacity to be supported by strong underwriting, responsive decision-making and relationships in which we understand the needs of the brokers and cedants we work with.

Capacity will always be essential to reinsurance, but it is only one part of what makes a relationship valuable. The strongest partnerships are those that continue to work as markets, risks and circumstances change.

What matters beyond capacity?

Technical expertise. Consistency. Responsiveness. Trust.

> "Beyond capacity, lasting value comes from partnership."