

Reinsurers' capital levels rise in first half of 2009

by *BusinessInsurance.com*

Reinsurers generally increased their level of capital the first half of this year, with some regaining more than half of what they lost as a result of last year's hurricanes and financial shocks, says Guy Carpenter & Co. L.L.C. in a new report.

“Financial market stability has opened several options unthinkable nine months ago, including share buybacks, dividends and even maintaining a bit of extra capital as a cushion” after all, it was the excess capital held at the beginning of last year that helped reinsurers withstand the effects of the financial crisis,” states the report by the New York-based reinsurance intermediary.

Largely because of a significant reduction in unrealized investment losses, reinsurers showed an increase of \$4.6 billion in net income for this year's first half, compared with an aggregate loss of \$3.5 billion for the comparable period a year ago, according to The Guy Carpenter Global Reinsurance Composite.

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