Reinsurer eyes APAC expansion anchored in strategic partnerships



As it looks to expand into Asia Pacific under its VIGRe28 strategy, **VIG Re**'s Chairman and CEO **Tobias Sonndorfer** stressed that the reinsurer's geographic expansion will not compromise its core underwriting principles risk philosophy. In fact, as he put it, all underwriting decisions, no matter the region, have nothing to do with geographic expansion.

By Sarah Si

In its 2025 annual report, as part of its strategic outlook, VIG Re stated that it was launching a strategy called 'VIGRe28: Strengthen. Expand. Accelerate.', starting in 2026. As part of the strategy, the reinsurer is "entering dynamic markets like China, India and Southeast Asia".

According to that strategy, VIG Re received regulatory approval for its Asia Pacific representative office in Singapore on 30 June 2026, from the Singaporean regulator, the Monetary Authority of Singapore, signalling its long-term commitment to the region.

Now, with boots on the ground, so to speak, *Asia Insurance Review* wanted to find out what is next for the reinsurer, as it continues to press forward with its VIGRe28 strategy.

Expansion goal: Provide value

Speaking with *Asia Insurance Review*, the first thing VIG Re Chairman and CEO Tobias Sonndorfer emphasised was that "the goal is not chasing volume" in regard to the reinsurer's expansion into Asia Pacific.

In fact, the goal is to "extend what we do well, and what has been proven in Europe into other markets in the Asia Pacific region, because we believe we can create meaningful value and build long-term partnerships", according to Mr Sonndorfer.

To elaborate in more detail, he backed his explanations with the three pillars of VIGRe28:

- **Strengthen**: We want to improve and continuously develop our proposition with existing client relationships, where we are known as a reinsurer and where we have a presence.
- **Expand**: Broaden our footprint in terms of new propositions, new geographies and new products.
- **Accelerate**: Acceleration sits on two major themes: data and technology, and the talent dimension.

According to Mr Sonndorfer, VIG Re's expansion into Asia Pacific comes in under 'Expand'.

"We have a proven track record, seen in our history in the Central and Eastern European regions, where we have dealt with emerging markets and a scattered landscape of countries," he said.

"And we believe we can do the same in Asia Pacific, by exporting our strength and creating value for our clients."

He said, "It complements our strong European platform, but at the same time, we plan to use the same disciplined approach in Asia Pacific, that we used in Europe."

Scaling operations

When asked how VIG Re planned to scale its operations into Asia Pacific and Singapore over the coming year, while maintaining its S&P rating of A+ with a positive outlook and disciplined underwriting, he said, "The expansion and the growth will not compromise our risk philosophy."

He said, "We opened a representative office in Singapore because we want to strengthen proximity and market understanding, with the same philosophy we followed in Europe when we expanded our European book.

"At the same time, our core underwriting principles and our risk appetites remain unchanged and stable to be predictable for our clients."

In fact, he stressed that all underwriting decisions would "continue to follow the same governance and risk management framework built on discipline,

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consistency and long-term relationships", and would have nothing to do with geographic expansion.

"That remains central to the strategy; this is the philosophy that made us successful in Europe, and this is what we would want to pursue in Asia Pacific," he said.

"If we follow through and bring value to our clients, we may consequently get the portfolio and scale up."

Capital base would also remain unchanged, he added.

The initial phase

When touching on VIG Re's initial phase of rollout in Asia Pacific, Mr Sonndorfer said, "We do not want to offer everything to everyone. We have a saying, which is 'We want to be relevant for relevant clients'.

"That relevance needs to be mutual, so we want to work with partners who are a strategic fit and who we share a common view with on how we want to move forward together."

That said, he indicated that VIG Re will start with non-life treaty business, which they are looking to enter "as a portfolio".

"Our portfolio is rather on the short-tail side compared to long-tail. We do write long-tail business, but we prefer short-tail to start with," he said.

From there, according to Mr Sonndorfer, it is "really about the questions of 'Where do we see partnerships?', 'Where do we see our expertise matching?' and 'Where does our underwriting philosophy create value?'".

This is because, he explained, the reinsurer wants to develop their presence internationally and sustainably, or, as he put it, "we are trying to be here for a long time, if not forever".

"Because of this, we have a deep conviction to be careful and conservative in developing the business, as we do not want to create disappointments if we rushed something, and would have to pull back later," he said.

Differentiation

Although Mr Sonndorfer stated that "there is no reinsurer we enter into competition with directly", as competition in the reinsurance segment tends to be a soft factor, he noted there are some ways VIG Re is planning to differentiate itself in the market.

"When a client comes to a decision, the reinsurer is usually not in the room," he said.

"That means reinsurers need to be able to design propositions that clients find appealing, but which are a combination of many things."

Some factors he listed included capital base, claims payment reliability, rating and underwriting expertise.

"Combining the human touch with solid underwriting and portfolio understanding in a seamless way, is the spot where we want to be," he said.

Tying his statement back to VIG Re's decision to open a representative office in Singapore, he said, "We want to create proximity and deploy carefully. We have all this experience that we used in developing ourselves into a leading reinsurer over the last 15 years.

"We also understand how much local context matters, because while clients may say the same thing, it means different things in different regions, countries and circumstances."

He said, "Adapting to this will be how we differentiate ourselves. It is also work-intense and highly engaging, so we cannot do it at scale broadly in each and every market."

What about Nat CAT and the softening market?

"We are in a cyclical market, and the market does seem to be softening, specifically in non-proportional Nat CAT," said Mr Sonndorfer.

"It was getting softer over the last renewal cycle, and we expect this to continue because of the current abundance of capacity to be deployed."

He also added that the company aims to be cycle independent.

"We adapt the pace of execution, because we do not want to grow in a soft market and onboard risks, which would not make sense from an underwriting standpoint," he said.

"The pace of development is something we will calibrate according to the market cycle."

But this leads VIG Re to a conundrum: overarching all this, is the rising complexity of risk, he said, "meaning we need to balance and navigate the market cycle and risk complexity, which is counterintuitive in itself".

"These are forces that do not go in the same direction. Climate-related events are increasing, and secondary perils are rising, he said.

"We see more new risks, upcoming non-physical risks, and the interconnection of exposures is increasing all the time."

As a result, according to Mr Sonndorfer, insurers today "look for not just capacity and the willingness to deploy it, but also a certain insight into the risk environment, and risk development, combined with expertise".

This, he added, ties into VIG Re's approach, as the reinsurer combines underwriting discipline and capital deployment together with insights and expertise, "to be able to bring more to the table than just capacity and combine it with the quality of the decisions that stand behind that capital".