VIG Re will 'trade through cycles', stand by good clients in Asia expansion



VIG Re's expansion into Asia will see the reinsurer trade through cycles and stand by good clients, but growth will not come at the expense of risk selection, APAC managing director Marc Haushofer said.

"We trade through cycles," he said. "I'm not overly concerned with the cycles, of course we all like hard rates. But I think, in a cycle, if I do have a good client, a good relationship, I will go with that company through the cycle."

The Prague-based reinsurer, part of Vienna Insurance Group, is approaching its Asia expansion under its VIGRe28 strategy. The company has established a Singapore representative office as its first physical presence in the region, with underwriting authority remaining in Prague.

"We are not departing from underwriting," he added. "We make bold decisions, but VIG Re will always be an underwriter. We will never blindly take anything in. And if I don't understand the deal which we have in front of us, I would rather let it go."

That discipline is especially important in Asia, where opportunity and complexity often arrive together.

"Asia is a good place to grow with caution," Haushofer said. "Because if you write everything right now, then you are in trouble."

In a market where abundant capacity can tempt reinsurers to relax terms, he argued that reputation matters more than winning business on price alone.

"If a company has a reputation for being a good underwriter, that's more important than maybe a slightly discounted price," he said.

Singapore hub

VIG Re's Singapore office, led by APAC chief representative Wilfrid Goh, is currently a liaison and market-intelligence hub rather than an underwriting centre.

"The Singapore office right now is not writing any business," Haushofer said. "It's just brand building."

The next step could be a full branch, and Haushofer said a decision on opening a branch could come as early as December, after which VIG Re would engage the Monetary Authority of Singapore and the Czech regulator.

Even then, establishment is likely to take until around the middle of next year.

"The Singapore office, the first one outside of Europe for VIG Re, has the full support of the group," he said. "And I'm pretty sure that the first step has been done in terms of that we have an office and the second one is a branch, which will likely be in 2027."

A two-speed region

VIG Re divides its Asia Pacific ambitions into two groups, with the first made up of Japan, South Korea and Taiwan, which are markets where the company already has established business.

The second covers China, India and parts of Southeast Asia, where the reinsurer is selectively building a presence, with the Singapore office being key to that expansion.

"In China, we started writing business," Haushofer said. "We write in Thailand and Indonesia."

The longer-term expansion also list includes Vietnam, the Philippines, Malaysia, and India.

Haushofer's preferred model is concentrated relationship-building rather than broad distribution.

In newer markets, VIG Re would rather develop three or four meaningful partnerships than accumulate a long list of shallow ones, he said.

"I rather prefer to have a bit fewer; I mean in particular also when it comes to the new markets, I rather prefer to have like three or four relationships in each market and expand on them." Marc Haushofer, VIG Re

The alternative, he argued, is a portfolio of relationships that offers neither influence nor mutual value.

"Before I'm ending up with, say, 20 relationships and which are meaningless and which don't allow us to sort of like put our, bring in our influence and what we know," he added.