

# **Introduction**

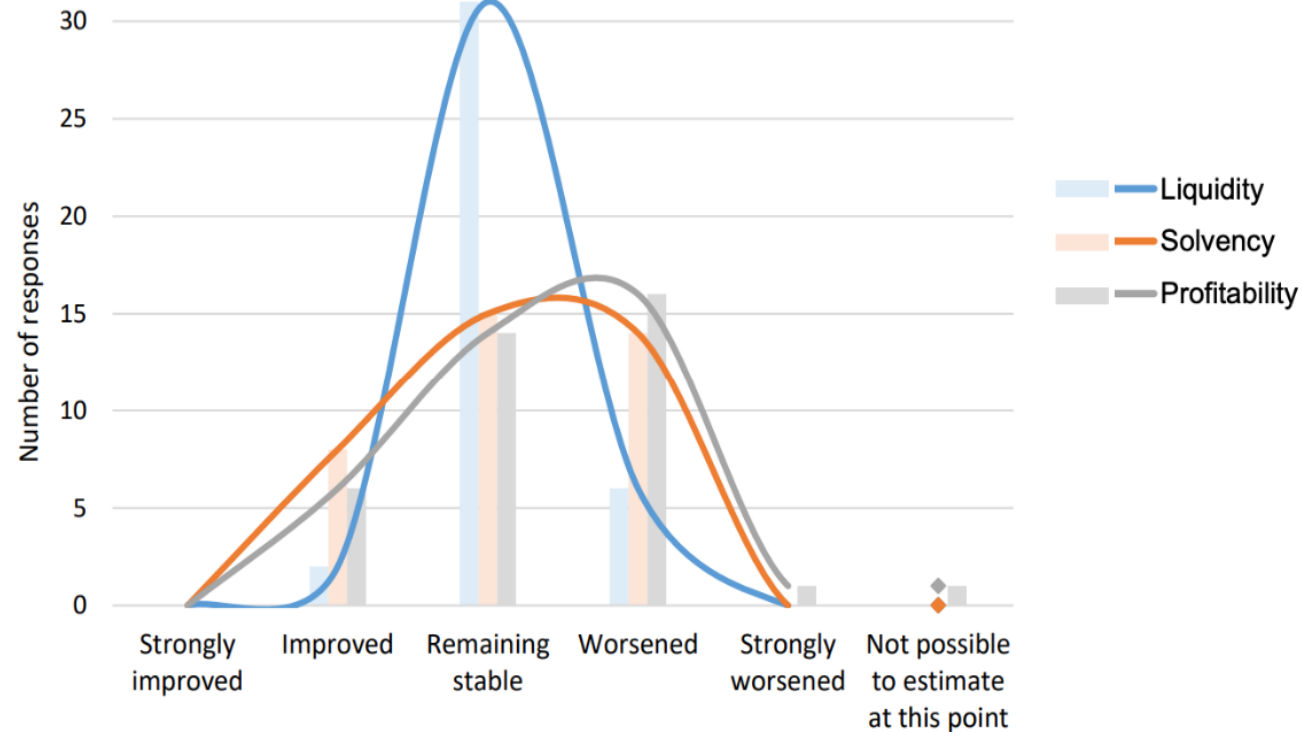
## **COVID-19 losses, PRICL & PICC**

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# COVID-19 as an Economic Challenge: Its Effect in Insurance and Reinsurance Markets

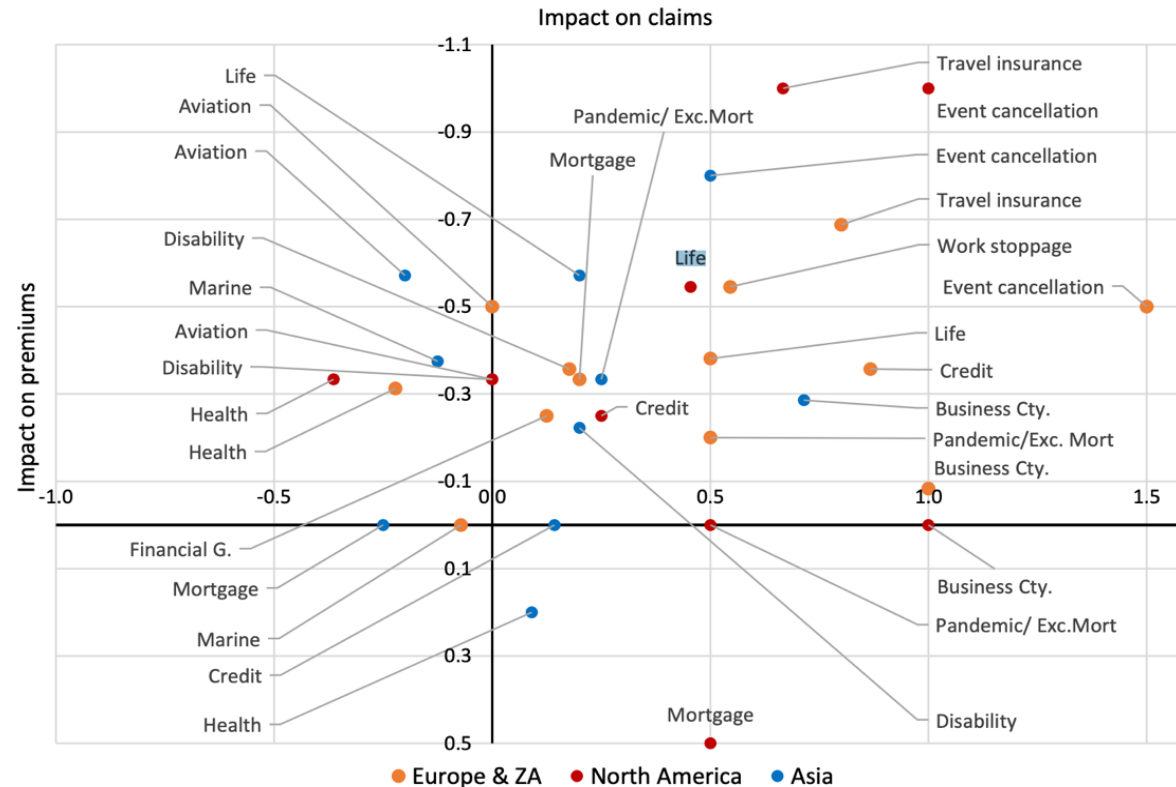
## Qualitative supervisory assessment of the impact of COVID-19



Source: IAIS SWM 2020 Q2 data, IAIS Global Insurance Market Report 2020

# COVID-19 as an Economic Challenge: Its Effect in Insurance and Reinsurance Markets

## Insurers' qualitative assessment of impact on insurance premiums and claims



Source: IAIS IIM 2020 Q2 data, IAIS Global Insurance Market Report 2020

- COVID-19 raises **complex** negotiations and arbitrations
- the days of «handshake mentality» are gone
- problems lie beyond the scope of «**contract** certainty»
- parties need «**legal** certainty»
- Legal certainty requires a «**background** law» which provides assistance in interpreting the reinsurance contract and filling gaps in the contract
- = purpose and function of the PRICL
  - gap filling
  - frame of reference for purposes of interpretation
- PRICL are drafted on the basis of the UNIDROIT PICC
  - together they provide for a fairly comprehensive reinsurance contract (soft) law