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***“The Contribution of Shadow Insurance to Systemic Risk”***

**Abstract.** The main aim of this paper is to evaluate the contribution of shadow insurance to systemic risk of the global insurance sector using a sample of 215 publicly traded insurers worldwide over the period 2002-2017. In addition, we use 745 banks to compute the interconnectedness between insurance and banking sectors. Using network analysis, we plot the tail risk structure of the global insurance sector and we show that there is a sharp increase in “risk spillover” following the 2008 financial crisis. Using the global systemic risk measures CoVaR (Adrian and Brunnermeier, 2016) and SRISK (Acharya et al., 2012), (Brownlees and Engle, 2016), we find that the practice of shadow insurance is a significant driver of systemic risk.