

sigma

World insurance:
strengthening global
resilience with
a new lease of life

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Executive summary

Stronger-than-expected economic growth and also high interest rates: a new operating environment for insurers.

The high interest rates have been transformative for life insurers, and we forecast strong 15% growth in sector profitability this year.

With the change in interest rate regime, the life insurance sector in advanced markets back in business.

In non-life, we see hard market conditions continuing this year, particularly in personal lines. In 2025, premium rates will ease as general inflation conditions soften.

We forecast return on equity to rise to around 10% this year from 6% in 2023. Stronger underwriting results and investment returns will drive improved sector profitability.

Global economic growth has remained resilient over the last year, and interest rates higher in the face of inflation persistence. In this environment, we estimate that global gross domestic product will increase by 2.7% in real terms in 2024. There is regional divergence with the US growing above trend and the euro area below, which we expect will narrow come 2025 as cyclical factors redirect growth rates back to trend. On the inflation front, while the worst of the post-pandemic global inflation crisis is over, upside risks remain, which could continue to put upward pressure on insurance claims. Central banks, meanwhile, will likely continue to prioritise inflation containment over growth. Another uncertainty is that when accounting for population changes due to immigration, real GDP per capita figures point to deeper underlying weaknesses in some advanced markets. This could accentuate social polarisation/tensions and widen protection gaps.

The prevailing economic backdrop is good news for insurers. The high interest rates have given life business a new lease of life, boosting demand for savings products in particular. We forecast that global life premiums will grow above-trend by 2.9% in real terms in 2024, up from 1.3% growth in 2023. We also see a strong 15% gain in life sector profitability this year, driven by a 14% increase in investment income, given the shift to a high-growth and high-returns environment, from low growth/returns. Increasing take up of savings products will help narrow retirement protection gaps. Further, high interest rates will attract new capital investment. This, in turn, will increase industry capacity to provide risk transfer solutions and strengthen societal resilience.

A key development on account of the higher interest rates will be a marked turnaround in life premium growth in advanced markets. We estimate that the advanced markets will contribute about half of all additional life premiums over the next 10 years, a significant improvement from the 9% in the low interest rate decade before the pandemic. The contribution of incremental life premiums (in absolute terms) from advanced Asia Pacific and western Europe to global premium volumes will turn strongly positive, having been negative. The contribution from fast-expanding economies in emerging Asia will also grow. This is supported by our analysis that certain markets, including India and China, are at the development stage where notable gains in insurance penetration can be expected in the coming decade.

In non-life business, global inflation pressures have driven premium rates higher, as insurers seek to offset rising claims costs, especially in property and motor lines. We expect hard market conditions to continue this year but to ease heading into 2025 as claims inflation softens. Non-life premiums grew by 3.9% in real terms in 2023, up from 0.8% in 2022, the improvement primarily driven by rate hardening. Rate increases in personal lines have exceeded those in commercial lines, which are easing after years of hard market conditions. Alongside social inflation pressures (mostly in the US), the persistence of services inflation could continue to impact casualty lines like motor and general liability, with still-high wage and healthcare costs in advanced economies feeding into persistent claims inflation. In some markets, wage growth has lagged premium rate increases. This could make coverage less affordable but so far, there has been little indication that insurance uptake rates have been compromised.

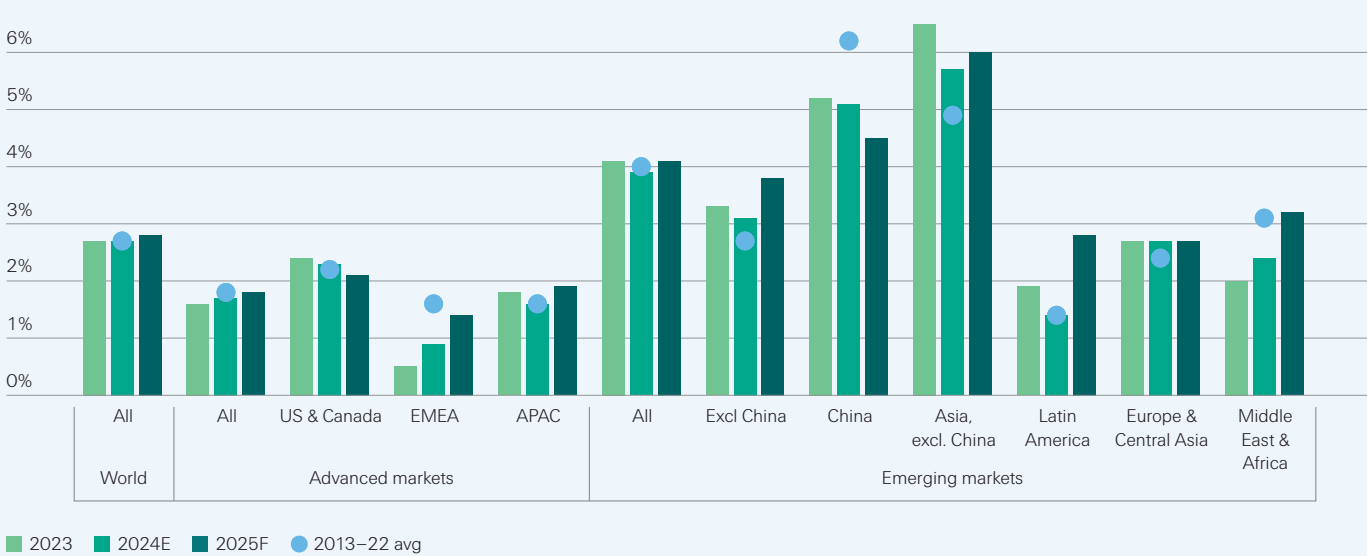
The profitability of non-life sector remains on an upward trend. After rising to 6% in 2023, we estimate that insurers' return on equity will improve to about 10% in 2024 and 10.7% in 2025, with progress on both the underwriting and investment fronts. We see underwriting results turning positive, supported by high premium rates, rising exposures and easing claims growth as inflation moderates. Investment returns will continue to benefit from the higher interest rates, while the cost of capital will remain broadly stable. Nevertheless, insurers should remain alert to potential new inflation shocks. For example, geopolitical conflicts that disrupt global supply chains can rekindle claims inflation. In addition, social inflation has been a key concern for liability insurers in the US since 2015. Of late, there have been signs of social inflation in Australia also.

Key takeaways

Growth resilience

Recession fears have faded, and the pace of global growth is not far off the 2.8% average of the past two decades. The last two years have proven more economically resilient than widely anticipated, providing a strong backdrop for continued growth in insurance premiums. Emerging Asia will lead world in growth for a third consecutive year.

7% Real GDP growth rates

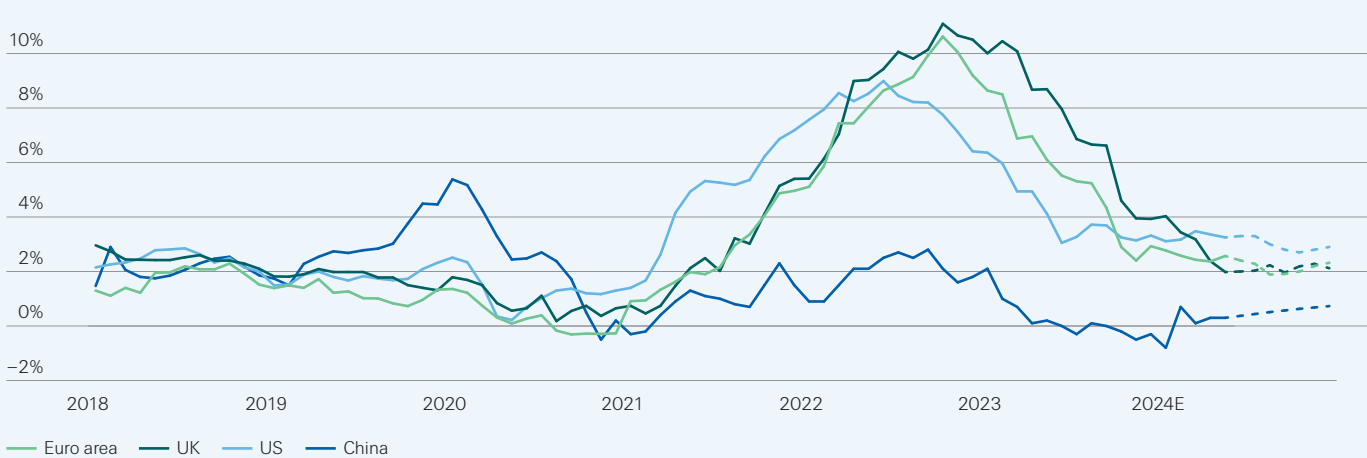


Source: Swiss Re Institute

Disinflation trend to prevail

We expect a disinflation trend to prevail through 2025, albeit bumpy. For insurers, softening inflation help ease upward pressure on claims costs. The prevalent inflation risks are exogenous in nature and additional structural drivers remain, such as an expensive and uncertain transition to decarbonisation, and a reorganisation of global supply chains.

12% CPI inflation rates, year-on-year



Source: Macrobond, Swiss Re Institute

Resilient macroeconomic environment is supporting insurance industry

The current macroeconomic environment is favourable for the insurance industry. Steady economic growth, strong labour markets, rising real incomes as inflation moderates, and higher interest rates are driving and will continue to drive insurance demand. And higher interest rates are supporting industry profitability.

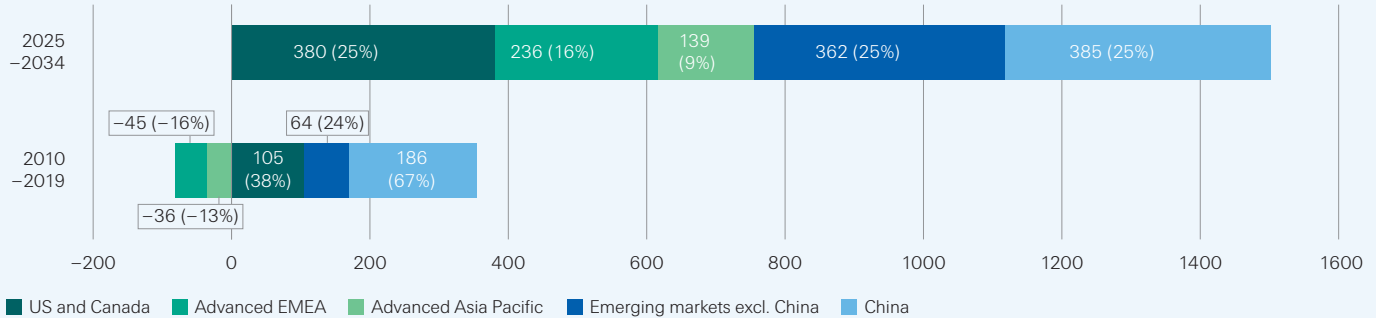
Macro indicators	Life insurance	Non-life insurance
Higher GDP growth	↑ <ul style="list-style-type: none"> Positive impact, as it results in higher income levels and in turn, potentially, increased demand for life products. Higher premiums contribute to improved underwriting results, assuming claims grow at a slower pace than premiums. 	↑ <ul style="list-style-type: none"> Higher economic activity increases demand for insurance, especially for commercial line covers. Higher income levels increases demand for personal lines such as motor and homeowners' insurance.
Lower headline inflation	→ <ul style="list-style-type: none"> Limited impact. Indirect positive impact, as lower inflation results in higher disposable income, which increases demand. 	↑ <ul style="list-style-type: none"> Lower inflation will result in lower claims cost, supporting underwriting profitability... ...but it might lead to rate softening in the following years.
Higher interest rates	↑ <ul style="list-style-type: none"> Increased demand for savings products, due to higher crediting rates. Higher investment income supports profitability. 	↑ <ul style="list-style-type: none"> Higher investment income supports profitability.
Resilient labour market	↑ <ul style="list-style-type: none"> Strong labour market and higher wages will increase demand, especially for savings products. 	↑ <ul style="list-style-type: none"> Strong labour market and higher wages will increase demand for personal lines like motor and homeowners' insurance.

Note: ↑ = positive impact; → = neutral impact
 Source: Swiss Re Institute

Back in business: advanced markets life insurance

We expect to see a significant bounce-back in life premium growth over the next 10 years. This rebound will be driven mostly by strong demand for annuities, with the interest rate reset making savings products more attractive. With higher interest rates, life insurers are able to provide the returns needed to attract demand for pensions solutions, and thereby contribute more to the narrowing of retirement protection gaps. In emerging markets, life insurance will continue to rise as a growing middle class adopts retirement planning and incomes increases.

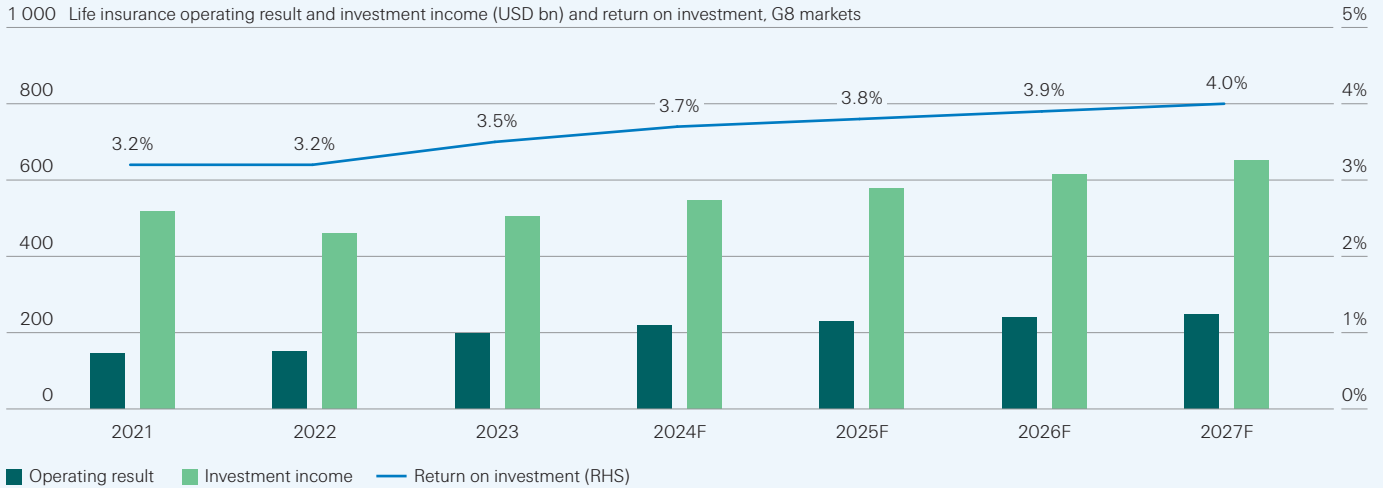
Life insurance business: contribution of additional premiums by region 2025–2034F, compared to pre-pandemic low interest rate environment, 2010–19 (USD billion)



Source: Swiss Re Institute

G8 life insurers' operating results and investment income on stronger footing

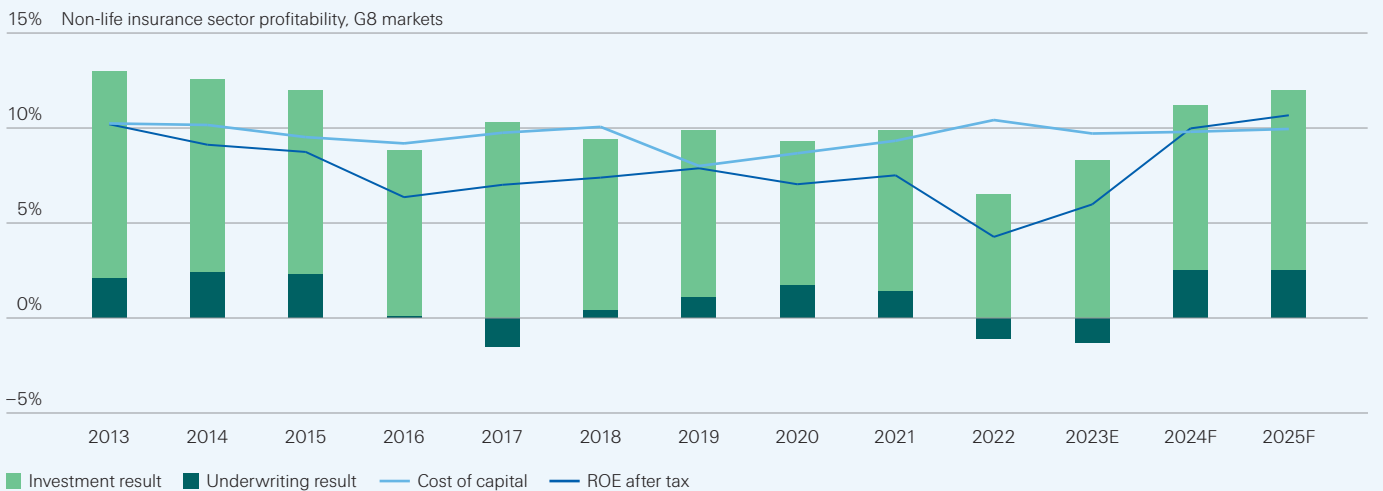
We project strong profitability performance in eight major life insurance markets to continue through 2024 and 2025. We estimate that the aggregate return on investment (ROI) in said markets will rise to 4% by 2027, due to higher yields on fixed-income investments and reinvestments. Higher interest rates have transformed the operating environment for life insurers, most notably for asset-intensive business, from low yield and low returns to one of higher yields and higher returns. Other than supporting sector profitability, high interest rates help sustain life insurance business by attracting new capital investment for sector growth. This, in turn, increases industry capacity to provide risk transfer solutions to strengthen overall societal resilience.



Source: Swiss Re Institute

Non-life profitability in G8 markets improves to further narrow the profitability gap

We expect a notable improvement in Property and Casualty (P&C) profitability in 2024, manifest in a rise in return on equity (ROE) to 10% from 6% in 2023. Profitability of newly underwritten business will be significantly higher than for legacy business as the full benefits of higher interest rates come through, especially for long-tail lines. Average investment returns will also improve, albeit more gradually. With an improving ROE and a stable cost of capital, the profitability gap for P&C insurers across most markets should narrow over the next two years. On a broader basis, improved financial health of the insurance industry means more risk transfer capacity for better loss mitigation and more stable growth.



Source: Swiss Re Institute

Macroeconomic environment for insurers

The macroeconomic environment has become increasingly favourable for insurers. We forecast global economic growth of 2.7% in 2024, a significant improvement over expectations a year ago. Growth has proved resilient, disinflation – although bumpy – is running its course, and interest rates have moved higher. This bodes well for stronger investment returns for insurers generally and easing claims costs in non-life. Inflation risks remain tilted to the upside, however, and we expect that central banks will continue to prioritise inflation containment. Further, geo-political risks are significant and on the rise, adding uncertainty to the outlook for economies and insurance markets.

A new operating environment

Recession fears have faded but risks to growth remain.

Resilient growth amid higher inflation and higher interest rates

The global economy is inching towards a higher average inflation and higher interest rates steady-state environment. We estimate that global gross domestic product (GDP) will grow by 2.7% in real terms in 2024, the same as last year. Recession fears have faded, and the pace of growth is not far off the 2.8% average of the past two decades. The last two years have proven more economically resilient than widely anticipated, providing a strong backdrop for continued growth for insurance premiums. Risks to the economic outlook remain skewed to the downside with 1) potential for monetary policy errors, given uncertainty around traction and lags in transmission to the real economy; 2) heightened geo-political risks, with the potential for a trade war between Europe and China,¹ as well as more frequent supply-side shocks with the world becoming increasingly multi-polar; and 3) post-pandemic below-trend growth in China amid weaker sentiment and structural economic shifts.

Table 1

Key forecasts for major markets

	Real GDP growth				Inflation				CB policy rate				10-year govt. yield			
	2024		2025		2024		2025		2024		2025		2024		2025	
	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus	SRI	Consensus
US	2.5%	2.4%	2.1%	1.8%	3.1%	3.2%	2.5%	2.4%	4.9%	4.9%	3.9%	3.9%	4.4%	4.2%	4.2%	3.9%
Euro area	0.7%	0.7%	1.0%	1.4%	2.3%	2.4%	2.0%	2.1%	3.3%	2.9%	2.3%	2.1%	2.2%	2.2%	2.0%	2.2%
China	5.1%	4.9%	4.5%	4.5%	0.5%	0.7%	1.5%	1.5%	1.7%		1.7%		2.3%	2.4%	2.4%	2.4%

Source: Swiss Re Institute

We expect advanced market growth divergence to narrow.

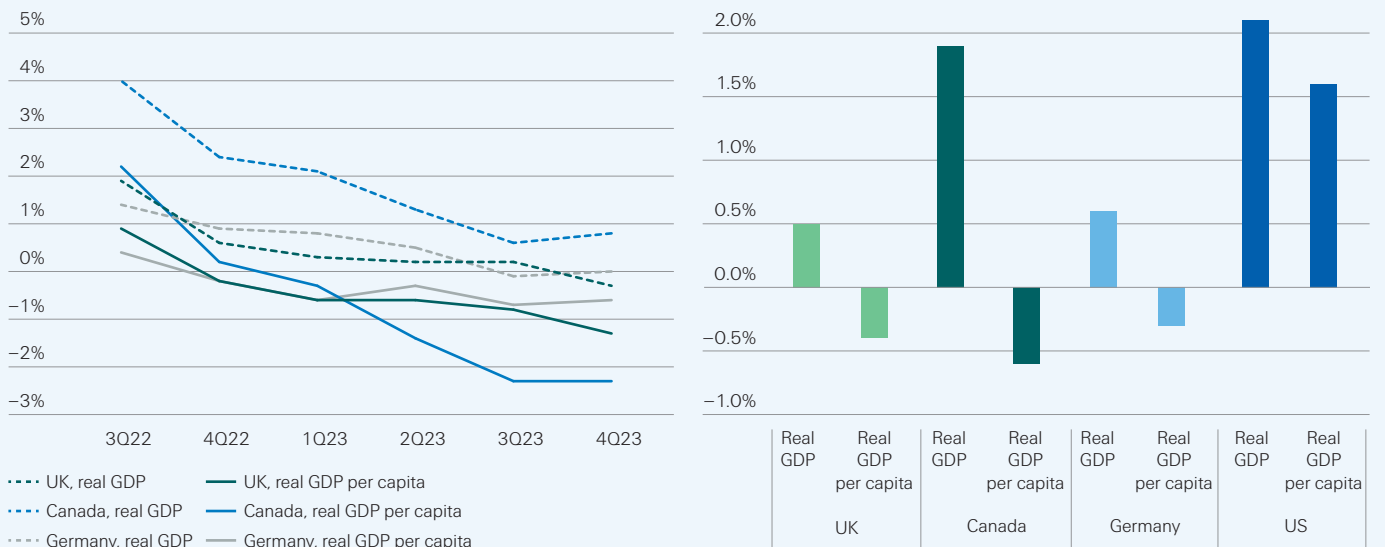
We see advanced markets growing by 1.7% this year, a decimal point higher than in 2023, with variations among the regions. We estimate economic growth of 2.3% in North America this year (down from 2.4% in 2023), 0.9% in advanced EMEA (up from 0.5%), and 1.6% in advanced Asia Pacific (down from 1.8%). Like last year, in 2024 the US economy will post stronger than expected and above-trend growth again, of 2.5%. As of the fourth quarter of 2023, the US economy had re-aligned with pre-pandemic trend level of real GDP. On the other hand, growth in Canada, the euro area and the UK is 4–6 percentage points (ppts) behind pre-pandemic trend levels.² There have been signs of more robust growth in the euro area of late, prompting us to raise our forecasts, but we still expect growth to fall short of 1% for a second year running. When accounting for population changes (eg, due to immigration), real GDP per capita figures for these markets put economic growth in contractionary territory for the past year and a half (see Figure 1), suggesting deeper underlying weaknesses and making the case that in certain markets, replenishing resilience remains paramount.

¹ Commission investigation provisionally concludes that electric vehicle value chains in China benefit from unfair subsidies. European Commission, 12 June 2024.

² Why is the US growing faster than other economies?, Federal Reserve, May 2024.

Figure 1

Real GDP and real GDP per capita growth third quarter 2022 to fourth quarter 2023, year-on-year growth (left) and average (right)



Source: Swiss Re Institute

Emerging Asia will be the highest contributing region to global growth in 2024 for a third year running.

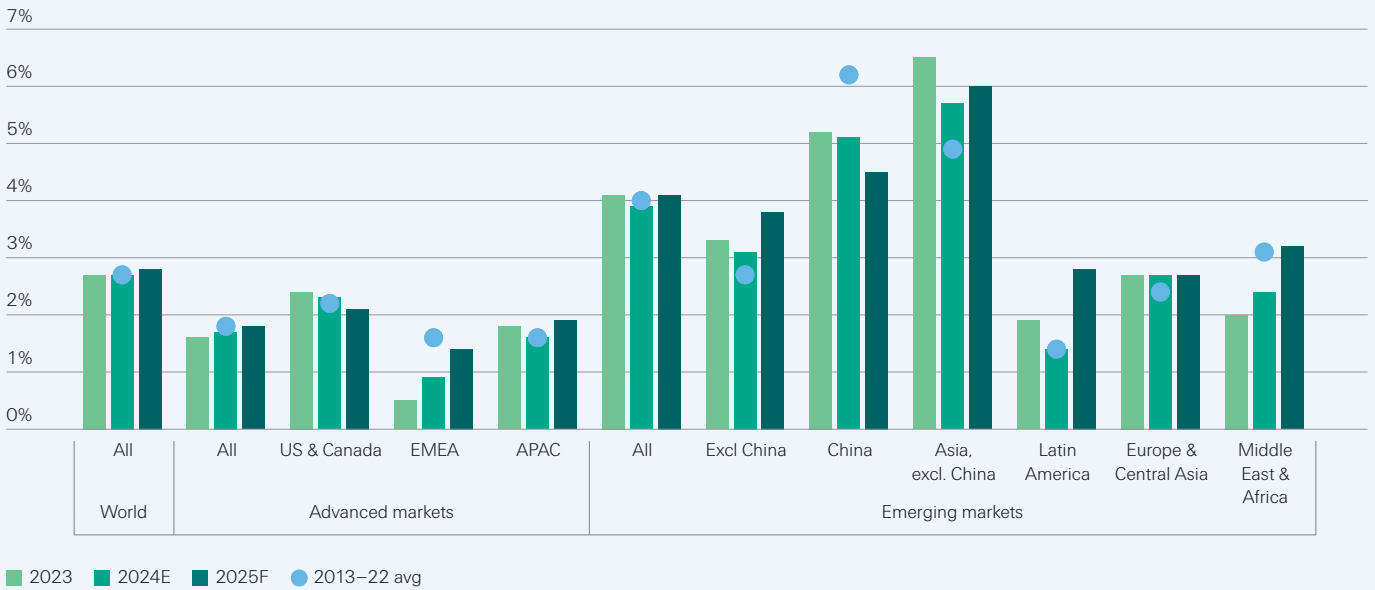
We estimate that real growth in the emerging markets will slow 2 decimal points to 3.9% this year, still more than double the rate in the advanced markets. There is growth heterogeneity among the emerging markets also, an after-effect of the varying degrees of exposure and policy support during the pandemic shock. After expanding by more than 6% for three years in a row, emerging Asia will once again be the top performing region with estimated growth of 5.7%. Though below trend, real growth of an estimated 5.1% in China this year should support regional demand. The moderate strengthening of domestic investment in China, and also consumption given policy support, has offset much of the drag from recent weakness in the domestic real estate market. That said, we expect growth to moderate to 4.5% in 2025 and to sub-4% later in the decade, with the country’s ageing population, diminishing returns on infrastructure investments and still limited contribution to GDP from from new high-tech related sectors.

Latin America will continue to struggle with the highest interest rates in the world.

Elsewhere in the region, Malaysia and Indonesia have returned to a pre-pandemic trend growth rate of 5%. And in Taiwan, notably strong growth in the semiconductor industry has pushed trend growth to above pre-pandemic rates. In Latin America meanwhile, despite interest rate cuts that started mid-2023, growth continues to struggle with what have been and are the highest rates in the world. Interest rates were set considerably high three years ago in a bold push to contain inflation and they remain well above what is considered to be their neutral.³

³ A step ahead: the success of monetary policymaking in Latin America, Swiss Re Institute, July 2023.

Figure 2
Real economic growth rates



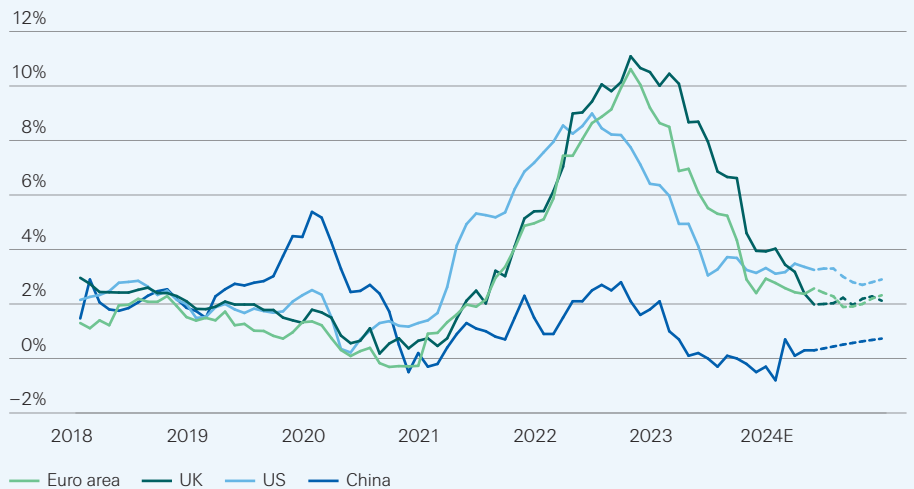
Source: Swiss Re Institute

We expect disinflation to remain bumpy, with exogenous forces slowing progress.

Risks to inflation persist but are secondary to the disinflationary trend

We expect the disinflation trend to prevail through 2025, which should help ease the pressures on claims costs in non-life insurance. Exogenous inflation risks remain, however. First, while a stronger dollar makes it cheaper for the US to buy imports and boost external demand in much of the world, it is a source of inflation as imports priced in US dollars become more expensive. Second, energy prices and geopolitical risks tend to move in tandem. Conflict escalation in the Middle East and/or in Ukraine-Russia would push prices higher if access to energy resources becomes more constrained. Third, extreme weather events, as those to be expected from above-normal hurricane activity this year, pose a risk for food prices via agricultural shocks.^{4,5}

Figure 3
CPI inflation, year-on-year



Source: Macrobond, Swiss Re Institute

⁴ NOAA predicts above-normal 2024 Atlantic hurricane season, National Oceanic and Atmospheric Administration, May 2024.

⁵ El Niño y La Niña in LatAm: when it rains, it pours, Swiss Re Institute, May 2024.

Structural inflation drivers lurk in the background.

Apart from these cyclical external shocks, global structural forces like the transition to a low-carbon economy and the reorganisation of global supply chains, both of which will likely unfold over a drawn-out period, could put additional pressure on average core inflation. That said, the worst of the post-pandemic global price rise crisis is over, and the focus is now shifting to finding an inflation “steady state”. This process will be shaped by country-specific factors. In the US, for example, we expect inflation to return to target in 2025 only, with factors like stubbornly higher than anticipated core services prices slowing progress in disinflation. Pandemic-era distortions are still contributing to upside surprises via persistence in transport and shelter inflation. Those prices are normalising unevenly and with long lags. In our view, however, motor insurance inflation was overstated in the first half of 2024. Official estimates placed vehicle insurance inflation at 22.6% as of April but by using industry rate filings, we estimated it at 14.5%. We calculate that the over-estimate in motor vehicle insurance caused a roughly 30 bp over-estimate in core consumer price inflation (CPI), explaining part of the gap with the personal consumption expenditure (PCE) price index and distorting inflation signals that the Federal Reserve (Fed) relies on.⁶

We expect inflation in the euro area to end the year at target.

In Europe, the disinflation process is playing out faster than in the US and inflation should be back to target levels by the end of this year. A rapid fall in energy prices through 2023 helped inflation normalisation, but most progress happened in the second half of the year, with softer readings on core prices amid weaker growth momentum. Furthermore, after strong nominal wage growth last year, an expected deceleration of labour compensation should help abate inflationary pressures. The more benign inflationary outlook has given the European Central Bank (ECB) the opportunity to ease policy before the Fed and the Bank of England (BOE).

Latin America remains exposed to spikes in food & energy prices on account of unusual weather patterns.

In Latin America, progress in disinflation continues after two inflation flare-up episodes since 2022 (one due to food prices and the other to wage pressures). Central banks in the region have inflation target ranges, giving policymakers more freedom when it comes to the inflation/GDP growth trade-off. We caution, however, that the region remains vulnerable to spikes in food and energy prices given a back-to-back El Niño and La Niña phenomenon in 2024. We estimate that a $\pm 1^\circ\text{C}$ anomaly in sea surface temperatures in the Pacific Ocean can add anywhere between 0.24 and 0.47 ppts of annualised headline inflation to the region.⁷

The inflation outlook in Asia is heterogeneous, with emerging markets faring better than advanced ones.

The picture in Asia is more heterogeneous. The region at large has benefited from early policy tightening and lower exposure to supply chain disruptions. Now inflation in advanced economies such as New Zealand, Australia and South Korea remains above target, emerging markets in Asia like India or Indonesia are at or near target, and inflation is too low in China and Thailand. In Japan meanwhile, robust wage growth is increasingly forming a feedback loop with higher CPI inflation. However, the rapid aging and shrinking population trends that began in 2008 when Japan’s population peaked at 128 million, will likely continue to hold down housing demand and exert structural downward pressure on inflation.⁸

Low inflation in China is a silver lining for trading partners that benefit from cheaper imports.

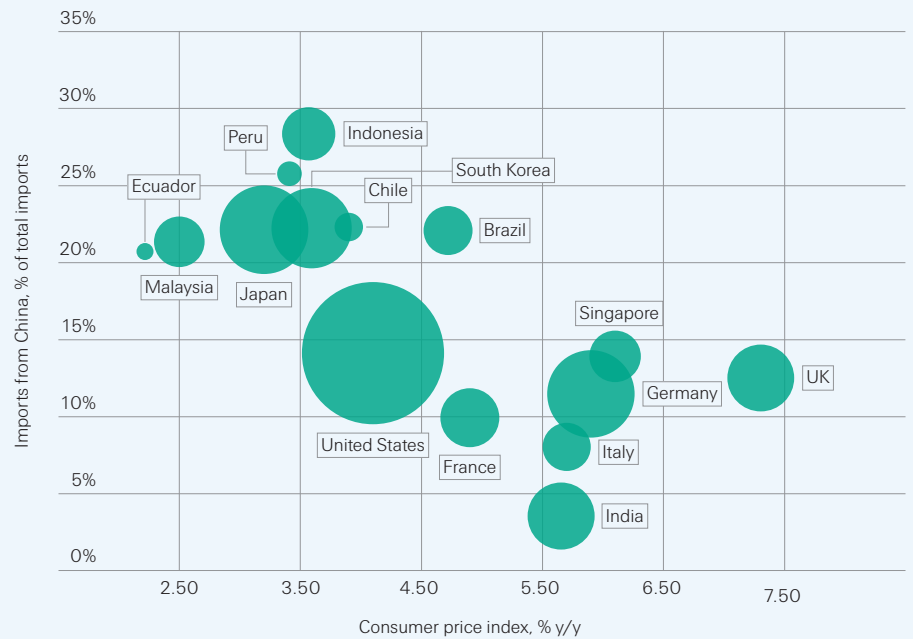
CPI inflation in China was soft in the first half of 2024 (0.1%), owing to property market corrections and consumer sentiment weakness. We forecast a slight acceleration to 0.5% on aggregate in 2024, led by higher food prices, stable core inflation and the impact of further policy stimulus. Low inflation/producer price index (PPI) deflation in China should contribute to global disinflation via lower export prices. Trade data show that markets in Latin American and Asia have benefited most given their higher share of imports from China (see Figure 4). However, soft inflation in Asia has had limited impact on inflation persistence in the west, which stems mostly from structural factors (labour market tightness), US dollar strength (imported inflation) and potential for new supply chain disruptions as geopolitical tensions remain high.

⁶ *Economic insights: US CPI inflation overestimating auto insurance prices, explaining 1/3 of the gap with PCE*, Swiss Re Institute, 30 April 2024.

⁷ *Economic insights: El Niño y La Niña in Latin America – when it rains, it pours*, Swiss Re Institute, 9 May 2024.

⁸ *Combating depopulation in Japan*, East Asia Forum, March 2024.

Figure 4
Share of imports from China of total imports vs inflation by country, 2023



Note: Bubble size indicates value of imports from China.
Source: Wind, CEIC, Swiss Re Institute

Developments in monetary and fiscal policy

Rate cuts this year will likely not yield significant growth gains.

Expectation on Fed policy are more restrictive than earlier this year, which has implications for interest rates elsewhere.

Long-term bond yields could remain high due to concerns over fiscal sustainability.

Monetary policy: the search for a new point of equilibrium

Even with dissimilar growth tracks across countries, the dominant direction of global monetary policy is one of easing. Central banks are either holding (much of Asia), expected to cut (the Fed and the BOE), or already cutting (Latin America, Canada, the ECB) interest rates. However, the magnitude and pace of cuts expected is so deliberate that they are unlikely to yield significant growth gains. Given the ongoing disinflation process, measuredly cutting interest rates equates to keeping the real policy rate (ie, adjusted for inflation) constant. On the other hand, overly erring on the side of caution and holding nominal interest rates unchanged for too long could tighten real financial conditions and become a deterrent for growth. For that reason, any potential cuts this year should not be perceived as the beginning of an easing cycle but as part of the search for a new equilibrium, a point that ultimately, we expect to sit higher than pre-pandemic.

In the US, the upward shift of interest rates is influencing both ends of the yield curve. On the front end, policy rates have remained close to their highest since the global financial crisis (GFC), in response to persistent inflation pressures. Market surveys had priced in as many as six 25 basis point (bp) cuts from the Fed earlier in the year, for a total of 150 bps. Today, we only expect 50 bps in the US by the year-end.⁹ More hawkish Fed policy can constrain other central banks, as a relatively more accommodative stance in those other countries could weaken their currencies and exacerbate imported inflationary pressures.

At the back end of the curve, debt sustainability concerns and elevated inflation expectations are contributing to higher long-term government bond yields. These provide an important backdrop for insurance industry profitability as many asset portfolios are in longer-maturity fixed income in order to match long-duration liabilities. Sovereign debt sustainability concerns have increased due to the ballooning of debt-to-GDP ratios during the pandemic and only minor consolidation since. The resumption of business-as-usual fiscal deficits will come with increased budgetary commitments to debt repayments and entitlement/social security programmes, creating spending constraints and an exacerbation of debt sustainability difficulties.

⁹ As of July 2024.

This summer will mark an inflection point for nominal interest rates in major advanced economies.

A strong US dollar, plus high energy and food prices, put pressure on emerging markets. However, the risk of a widespread debt crisis in emerging economies is low.

Emerging markets are further ahead in the interest rate cycle and are shifting to expansionary policies.

The policy easing cycle has been led by central banks other than the Fed this time: the Swiss National Bank moved earliest, in March, while the ECB lowered its policy rate in June, running the risk of entering a phase of policy rate divergence vis-à-vis the US. However, the potential risks for the euro area need not be over-emphasised: empirical estimations suggest that a 1% depreciation of the euro leads to a mere 12 bps increase in inflation.¹⁰ In contrast to central banks in other advanced markets, we expect the Bank of Japan to make another small step towards normalisation by raising its policy interest rate later this year.

In general, emerging markets are more exposed to interest rate divergence and currency depreciation, given their higher exchange rate pass-through to inflation via imports and greater exposure to USD-denominated debt. That said, in our view there is unlikely to be an emerging market currency or debt crisis this year. Growth recoveries amid a higher inflation environment has increased government tax revenues. On the expenditure side, temporary support measures continue to be phased out. Pockets of vulnerability remain such as when a high share of debt is held by non-residents and in foreign currency (eg, in Indonesia, the Philippines and Vietnam) and depreciation pressures reduce scope for interest rate cuts. At the same time, however, today there are more international emergency lending backstops to tap into if needed, such as the Fed's Foreign and International Monetary Authorities repurchase facility established in March 2020,¹¹ and bilateral central bank swap lines.

Economies in Asia and in Latin America are further ahead in the interest rate cutting cycle. China maintained an easing stance for years over the COVID-19 period and further lowered the long-term loan prime (LPR) rate in January 2024. Vietnam, meanwhile, started easing in March of 2023. However, in March and May this year, Taiwan and Indonesia, respectively, unexpectedly hiked rates. Meanwhile, Latin America is approaching a full year of rate cuts. However, interest rates remain above their neutral level (ie, the level at which monetary policy is neither expansionary nor contractionary). The cuts to date are yet to fuel growth and we expect more cuts to come, at slower pace. Over the past three years, some Latin American currencies have had spells of significant appreciation, particularly Mexico's peso. However, we expect such runs that remain ongoing to end soon as economies in the region are in greater need of stimulus than the rest of the world, and as more accommodative policies brings currency depreciation.

The long-run equilibrium of interest rates is undergoing structural change.

The equilibrium real short-term interest rate expected to prevail has shifted up since the pandemic.

Higher inflation expectations are also adding upward pressure to nominal interest rates.

Back to the future: re-adjusting to a world of higher nominal yields

In recent years, cyclical and structural developments have catalysed a reassessment of the long-run equilibrium level of nominal interest rates at a global level. This stems from evolving dynamics behind underlying drivers, namely 1) a rising level of "r*"; 2) the prospect of structurally higher inflation expectations; and 3) a rebuild of the term premium (see Figure 5).

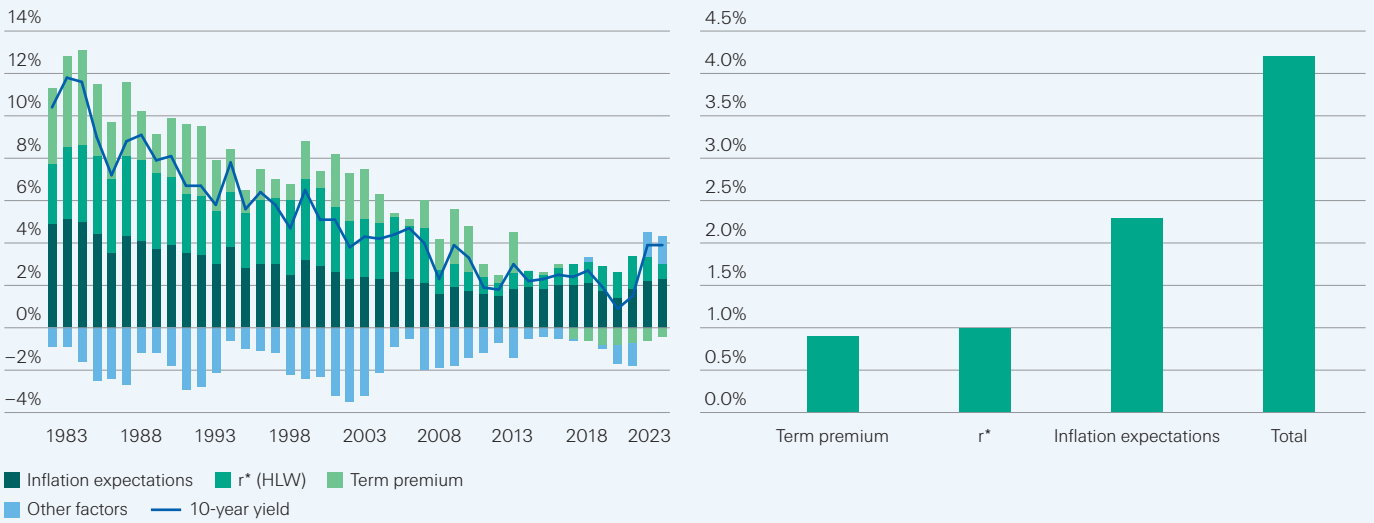
First, the level of the real short-term interest rates expected to prevail in an economy when it is growing at potential and inflation is stable, known as r^* (the neutral rate), has become increasingly uncertain. Estimations of r^* serve as guideposts for central banks to determine how restrictive or accommodative their policy stance is. However, the unobservable nature of r^* complicates estimates of where rates will settle. Assessments of r^* have moved higher post-pandemic amid signs of economic resilience in the face of aggressive monetary tightening between 2022 and 2023. Short-term interest rate sensitivity has been lower than presumed, suggesting that rates need to be higher for now relative to where the eventual equilibrium will settle.

Second, structurally higher price pressures imply inflation expectations may also settle higher, adding upward pressure to nominal rates. The need for capital-intensive investment to upgrade infrastructure, supply chain resilience and transition to a low-carbon economy all point to higher prices. Long-run market-based inflation expectations in the US, for example, have drifted higher as a result, rising above 2% across various measures relative to a 1.8% average during the post-GFC decade.

¹⁰ ECB challenged by inflation data, less so by the Fed, JP Morgan, May 2024.

¹¹ See *Foreign and International Monetary Authorities (FIMA) Repo Facility*, Board of the Governors of the Federal Reserve System.

Figure 5
10-year nominal yield decomposition (left); drivers of long-run 10-year yield (right)



Source: New York Fed, Cleveland Fed, US Treasury, Macrobond, Swiss Re Institute

Term premium is rebuilding as concerns over long-run fiscal sustainability grow.

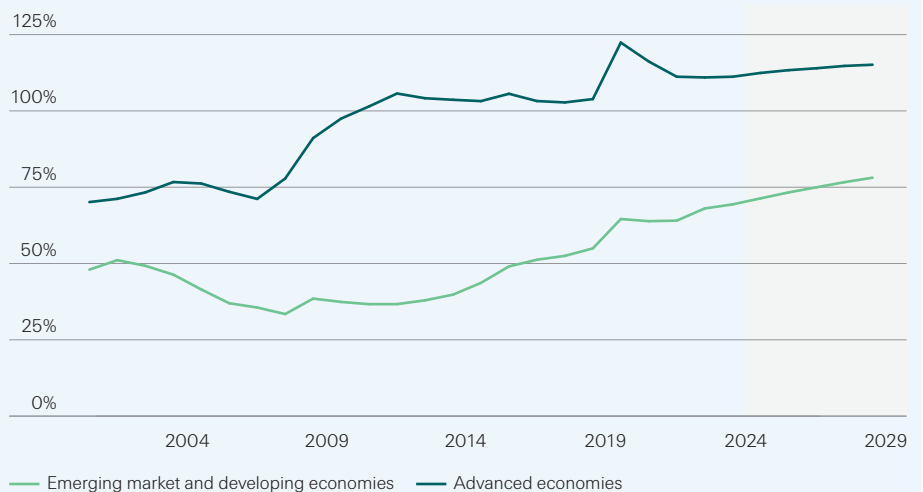
Finally, the term premium – the additional compensation required by investors to bear duration risk – is likely to rebuild as monetary policy returns to a neutral stance. Concerns over long-run fiscal sustainability have reignited in recent years. Pre-existing structural pressures on government finances related to growing entitlement spending amid aging demographics were accentuated by the massive spending during the pandemic, and now there is growing need for significant public sector investment in building green, economically sustainable infrastructure, and in supply chain resilience.

A reversal of the cost-to-service-debt and growth relationship poses a major challenge to fiscal sustainability.

Mounting debt with now higher costs: a straitjacket for government budgets

The ultra-accommodative monetary conditions in advanced economies during the 2010s decade created an environment in which the cost of public debt was lower than the pace of GDP growth ($r < g$). Even with persistent budget deficits, this relationship helped contain debt-to-GDP ratios (see Figure 6). Debt-servicing-costs in emerging markets, on the other hand, never fell as much, and their debt-to-GDP ratios increased from 37% to 55% over the same period. Now, higher interest rates are reversing the r to g relationship in advanced markets and making it worse in emerging ones, making it more expensive to run budget deficits.

Figure 6
General government gross debt as a share of GDP



Source: International Monetary Fund, World Economic Outlook Database April 2024

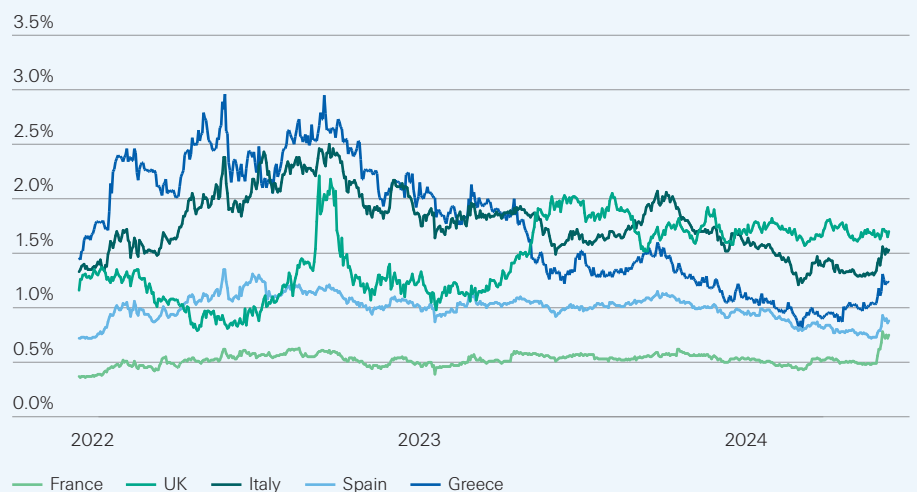
Worsening demographics and growing indebtedness are now structural issues for budgets.

Heightened populism and social polarisation could sway sovereign risk pricing in the UK and the euro area.

r to *g* aside, the root cause for rising debt-to-GDP ratios remains unsustainable budget deficits. Worsening demographics and growing indebtedness are becoming global structural issues that will continue to chip away at public sector spending capacity and compromise growth generally. For example, latest Congressional Budget Office projections in the US estimate federal budget deficits reaching as high as 8.5% of GDP by 2054 under continuation of current laws, with a debt-to-GDP ratio of 166%.¹² Federal outlays as a share of GDP are expected to grow each year starting in 2028 as net interest costs and healthcare programmes (particularly Medicare) crowd out spending on other items. This scenario would be a straitjacket for policy choices as the greater the debt burden, the more expensive it is to service.

The recent elections for the EU Parliament, and in the UK and France are reminders that heightened populism and social polarisation remain intractable trends, affecting policy priorities and, potentially, sovereign risk repricing. Bond markets tend to underprice sovereign risk in normal times, which does little to discipline fiscal policy. Domestic political risk is then too rapidly repriced, and when risk aversion spikes, previously sound government finances start to look risky. There was a “flight to quality” to German Bunds after the surprise announcement of a snap parliamentary election in France, but to a far lesser extent compared with the UK Gilt crisis triggered by the Truss/Kwarteng mini-budget in 2022. Hence in our view, while not posing a systemic risk, markets waking up and repricing risk sharply may cause mark-to-market liquidity strains for some insurers (like with Liability-Driven Investment strategies in the UK at the time of the 2022 crisis).

Figure 7
10-year Europe government bond yield spreads over German Bunds



Source: Macrobond, Swiss Re Institute

Delaying meaningful fiscal reform can create a feedback loop and exacerbate inflationary pressures.

Postponing fiscal consolidation can evolve into debt crisis episodes that make debt monetisation increasingly enticing. This is something emerging markets tend to be more susceptible to. History suggests monetising debt only exacerbates fiscal stress and amplifies inflationary pressures. This year Argentina, which has long been in severe debt crisis mode, implemented shock therapy to alleviate the burden with drastic austerity measures. As a result, Argentina was able to report a quarterly primary surplus for the first time in more than 15 years, same-year inflation expectations fell by 66 percentage points (ppts) to stand at 146% for 2024 at the time of writing, and government bonds appreciated 60%. However, all this was at the expense of a steeper contraction in GDP (worsening from 2.6% to a 3.8% drop).¹³ Measures of such drastic nature require plenty of political capital since large parts of the population are affected by reduced government services and can be precursors to social unrest.

¹² *The Long-Term Budget Outlook: 2024–2054*, Congressional Budget Office, March 2024.

¹³ *Relevamiento de Expectativas de Mercado*, Banco Central de la República Argentina. May 2024.

This year several jurisdictions have implement a concerted global minimum tax for corporate profits.

The initiative will help avoid a global race to the bottom on taxation.

Increasing revenues by taxing globalisation

Addressing budget deficits requires measured spending but also greater revenue collection. This year, many jurisdictions are implementing a new global minimum tax (GMT) rate of 15% on the profits of multi-nationals with turnover of more than EUR 750 million. The European Union (EU), the UK, Norway, Australia, South Korea, Japan and Canada all began to enact GMT in January. This OECD initiative was signed by 140 countries in 2021. The OECD estimates that governments currently lose between USD 100 billion to USD 240 billion of corporate profit tax revenue per year when multi-nationals book profits in low-tax jurisdictions other from where they were earned.¹⁴ The US and China are yet to introduce similar legislation.

GMT, an international cooperation effort to reshore tax revenue, would see small tax havens lose competitiveness and see investment outflows (or more moderate inflows) from multi-nationals, insurers included. Statutory and average effective tax rates in larger economies are typically above the 15% minimum, and they can attract capital because of other strengths (eg, skilled labour, access to large markets). Preventing a global race to the bottom on tax ultimately gives governments more room to increase tax collection domestically and therewith reduce fiscal deficits.

¹⁴ *What does the OECD global minimum tax mean for global cooperation?* World Economic Forum, 2024.

Trends in global insurance markets

Steady economic growth, strong labour markets, rising real incomes as inflation moderates and higher interest rates are driving rising demand for insurance. We estimate that total premiums (non-life and life) will grow by 3.2% in 2024, with higher interest rates boosting demand for life savings business, and still hard market conditions supporting non-life business, especially in personal lines. Higher interest rates will continue to feed into investment portfolios, improving the profitability of both life and non-life insurers. We anticipate turnaround in life business, particularly in advanced markets, which we estimate will contribute about half of additional global life premiums in absolute terms over the next 10 years.

Life returns to advanced markets

Global insurance premiums will grow by an estimated 3.2% this year.

The world economy continues to demonstrate resilience, inflation is falling and the interest rate environment is one of higher-for-longer: a confluence of factors that underlie a positive growth and profitability outlook for the insurance industry. We estimate that with continued robust premium growth in both the life and non-life markets, global premiums (life and non-life) will grow by 3.2% in real terms this year to USD 7.6 trillion, followed by some moderation to 2.6% growth in 2025.

Table 2

Impact of macroeconomic conditions on insurance markets

Macro indicators	Life insurance	Non-life insurance
Higher GDP growth	<ul style="list-style-type: none"> ↑ Positive impact as it results in higher income levels, this leading to higher demand for life products. Higher premiums contribute to improved underwriting results, assuming claims grow slower than premiums. 	<ul style="list-style-type: none"> ↑ Higher economic activity increases demand, especially for commercial insurance. Higher income levels increase demand for personal lines such as motor, homeowners' insurance.
Lower headline inflation	<ul style="list-style-type: none"> → Limited impact. Indirect positive impact, as lower inflation results in higher disposable incomes and, in turn, increased demand. 	<ul style="list-style-type: none"> ↑ Lower inflation will result in lower claims cost, supporting underwriting profitability... ...but it may also lead to rate softening in the following years.
Higher interest rates	<ul style="list-style-type: none"> ↑ Increases demand for savings products, due to higher crediting rates Higher investment income supports profitability. 	<ul style="list-style-type: none"> ↑ Higher investment income supports profitability.
Resilient labour market	<ul style="list-style-type: none"> ↑ Strong labour market and higher wages will increase demand, especially for savings products. 	<ul style="list-style-type: none"> ↑ Strong labour market and higher wages will increase demand for personal insurance (eg, motor and homeowners' covers)

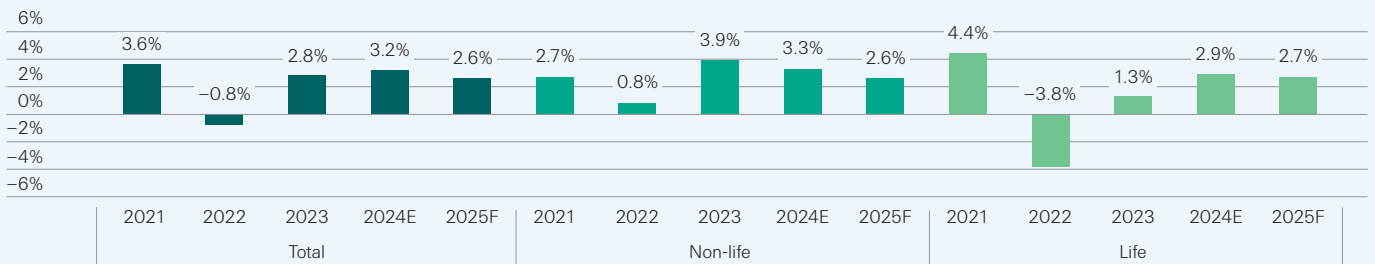
Note: ↑ = positive impact; → = neutral impact
Source: Swiss Re Institute

Life business boosted by higher interest rates: non-life business by still hard market conditions.

Last year, global premiums grew by 2.8%, in large part due to recovery in the life market, which had contracted sharply in 2022. This year, still strong labour markets and improving real wages will underpin demand, particularly in life insurance, while higher interest rates will fuel strong sales in fixed-rate savings business. In non-life, rate hardening, especially in personal lines, will drive growth. We expect to see profitability improvements in both sectors, in life mostly on account of higher interest rates and in non-life because of still hard market conditions. Both life and non-life benefit insurers from improved investment returns on account of higher interest rates.

Figure 8

Real premium growth, total, non-life and life, 2021–2025F



Source: Swiss Re Institute

Insurance market premium growth has derived predominantly from emerging markets for many years.

For many years, insurance markets in the emerging economies have been growing at a faster pace than in advanced markets. This outperformance has shown in both life and non-life insurance and holds true today. We estimate that life premiums in emerging markets will grow by 7.2% in real terms in 2024, with just 1.5% aggregate growth in advanced markets. In non-life, we estimate 4.9% premium growth in emerging markets and a 3.1% gain in advanced economies. This is part due to base effects, with premium volumes in emerging markets lower than in the advanced economies from the outset. It's also story of catch-up, reflecting stronger rates of economic growth in emerging markets than in the advanced and, due to structurally higher growth rates, a growing "consumer class" in emerging markets. For instance in 2024, it is estimated that Asia alone will contribute 91 million people to global consumer class (defined as those spending at least USD 12 per day in purchasing power parity terms) with 81% coming from China and India. Eleven other markets – Bangladesh, Brazil, Egypt, Indonesia, Nigeria, Pakistan, Thailand, Turkey and Vietnam – will each add 1 million more new consumers to the global shopping population.¹⁵

Our S-curve analysis identifies some key emerging markets where notable gains in insurance penetration can be expected over the next decade.

With growing wealth and spending power, the expanding consumer class in emerging markets is able to afford more insurance cover, leading to an increase in levels of insurance penetration (premiums as a percent of GDP). Our S-curve analysis indicates that markets including Brazil, China, Colombia, India, Malaysia, Peru, Thailand and South Africa are at that stage of economic development when notable progress on this front can be expected (see *Emerging markets: climbing up the S-curve*).

Insurance penetration in emerging markets has steadily increased over the past two decades.

Emerging markets: climbing up the S-curve

Insurance penetration in emerging markets has increased steadily from 2.2% in 2003 to 3.3% in 2023,¹⁶ but still remains well below the advanced market average (around 9.5% last year). The rise can in part be explained by the favourable stage of economic development that key emerging markets have been and continue to be in. Past research has found real GDP per capita to be a key determinant of insurance penetration, and that different levels of income are associated with different levels of demand elasticity: a relationship known as the S-curve.¹⁷ We have re-estimated the S-curve with updated data and find that it remains a good framework for thinking about if and by how much emerging market insurance markets will grow in the coming years.

¹⁵ *How the world consumer class will grow from 4 billion to 5 billion people by 2031*, Brookings Institution, 25 July 2023.

¹⁶ Defined as the ratio between direct premiums written and nominal GDP.

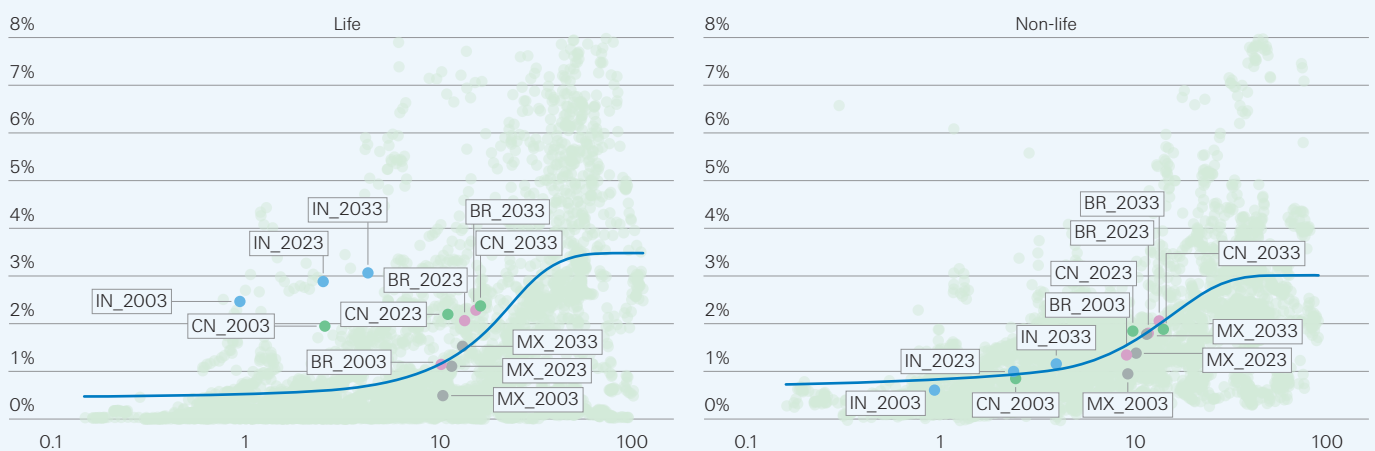
¹⁷ R. Enz, *The S-Curve Relation Between Per-Capita Income and Insurance Penetration*, The Geneva Papers on Risk and Insurance, vol. 25, no. 3, 2000.

Per capita incomes and insurance penetration have grown broadly as the S-curve predicted, with countries moving along the S-curve at different speeds.

The model is based on the idea that lower middle-income economies have a low elasticity of insurance penetration to GDP per capita, which gradually increases with development. Upper middle-income economies are characterised by a high elasticity (the steeper part of the S-curve) which declines (flattens) again at high levels of per capita income. As Figure 9 shows, between 2003 and 2023 China and India have moved more horizontally than vertically on the S-curve (ie, relatively larger increase in incomes than in insurance penetration, although their starting levels of insurance penetration were already relatively high compared to other emerging markets). Mexico and Brazil on the other hand, have moved more vertically due to a greater demand elasticity initially. There, insurance premium volume gains have outpaced economic growth over the past two decades. The slower economic growth stems mostly from productivity stagnation and adverse external developments.

Figure 9

S-curves 2003, 2023, 2033F: insurance penetration in % (y-axis) plotted against real GDP per capita in USD thousands (x-axis, log scale)



IN: India; CN: China; BR: Brazil; MX: Mexico. 2033 data points are forecasts. Source: Swiss Re Institute

Other socio-demographic and institutional factors help explain differences in penetration across countries.

Deviations from the S-curve relationship are also attributable to differences in socio-demographic and institutional factors such as propensity to save, financial sector and regulatory development, and levels of urbanisation. Idiosyncratic factors likely weigh more heavily on life than on non-life insurance penetration: for non-life countries show as more closely aligned to the actual S-curve trajectory. In the case of India for example, higher-than-modelled life insurance penetration over the past two decades (ie, where penetration is higher than the S-curve) may be due to government policy support to promote private insurance. Saving products have been particularly popular (account for 85% of total life premium) due to the tax benefits and the low reach of social security.¹⁸ In Asia, low-level benefits mean that social pensions, even those with in countries with high coverage, improve the welfare of older people modestly but old-age poverty remains a major issue. In India and China, universal pension benefits are just 2% of average per capital GDP.¹⁹ We believe this means insurance may play a larger role in the financing of retirement years, driving penetration in Asia higher. And while China's population growth turned negative in 2022, rapid aging and rising risk awareness have been factors driving demand for savings products, which should yield increases in insurance penetration. In Latin America meanwhile, many countries have old age social pension schemes, with more as a share of GDP spent on such safety nets, meaning that coverage is wider than in many emerging Asian economies

At current levels of income per capita, key emerging markets are ripe for stronger insurance penetration in the coming years.

Based on their current position on the S-curve, India and China are in the fast-expanding stage for both life and non-life insurance penetration in the coming decade. Other emerging markets are in or are about to enter the favourable stage of economic development for deeper insurance penetration include Malaysia, Thailand, Peru, Colombia and South Africa. Aside from suggesting a brighter outlook for sustained

¹⁸ For example, in Latin America, 75.4% of persons above statutory retirement age receive old-age pensions compared to 73.5% for Asia Pacific a whole and just 39% for South Asia. Source: *World Social Protection Report 2020–22*, ILO, 1 September 2021.

¹⁹ *Aging Well in Asia: Asian Development Policy Report*, Asian Development Bank, May 2024.

premium growth and penetration, a narrowing of protection gaps in emerging markets would indicate that households and businesses are better equipped financially to manage the fallout of and recover from the occurrence of a shock/disaster event.

New business volumes, however, will come mostly from the advanced markets over the next 10 years.

Back in business

In the coming years, emerging markets will continue to outperform the advanced in terms of premium growth. However, the story will take on a different nuance: the source of new business will shift, with advanced markets contributing a greater share of additional global premiums in absolute terms than emerging markets. This development will show most in life insurance, heralding the return of a sector that has gone through many years of low growth and weak earnings.

Life insurance

Resilient economic growth and higher interest rates are supporting life premiums growth and profitability.

We estimate that global life premiums will grow by 2.9% in real terms this year, above trend.

A main driver will be return to positive premium growth in western Europe and advanced Asia Pacific.

Higher interest rates: good news for sector growth and societal resilience

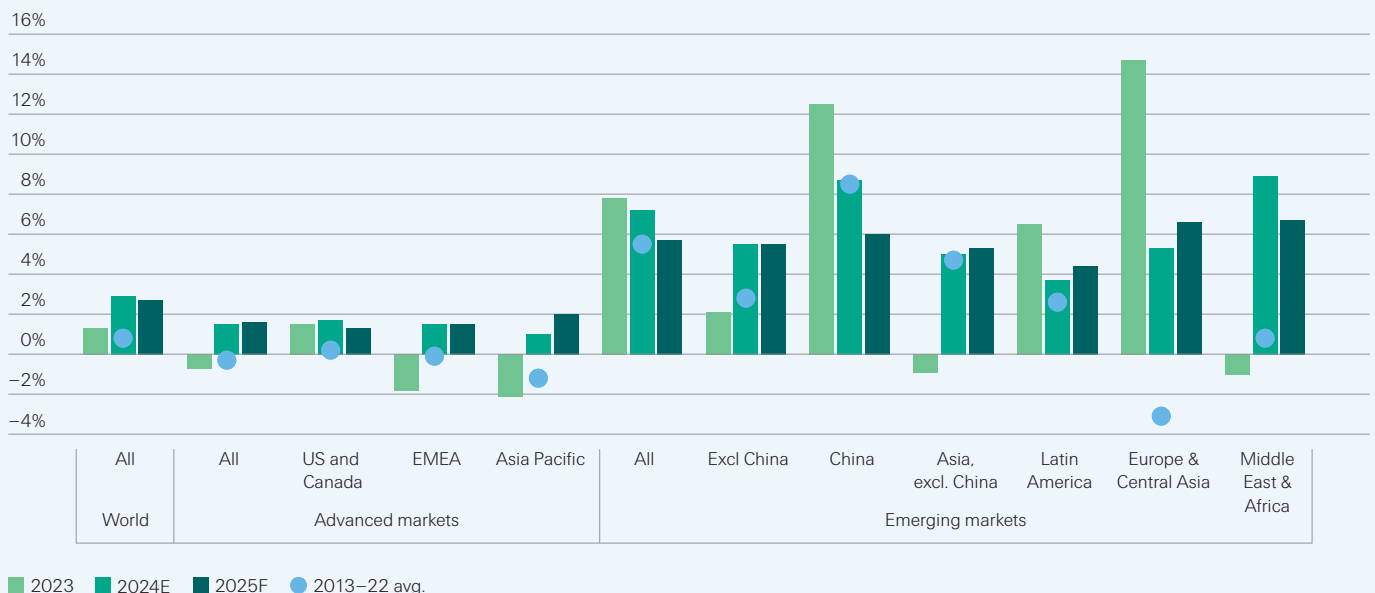
Current macroeconomic conditions, with stronger-than-expected growth and higher interest rates, are good news for life insurers. Higher interest rates are boosting demand for savings products in particular, and the profitability of both savings and protection business. The interest rate tightening cycle initiated in 2022 has transformed the operating environment for life insurers, most notably for asset-intensive business: from low growth and low returns to stronger growth and higher returns. Increased demand for life protection and savings products should help close retirement savings gaps and improve household financial resilience against mortality risks.

Further, we expect still-strong labour markets and improving real wages to support demand this year and next. We estimate that global life premiums will grow by an above-trend 2.9% in real terms in 2024 (2013–2022 CAGR: 0.8%), and by 2.7% in 2025. We see premiums rising to USD 3 trillion by the end of 2024, this after a 1.3% increase last year that was in large part driven by sales of saving business in the US and China.

Premiums in advanced economies will rise by an estimated annual average of 1.5% this year and next (2013–2022 CAGR: -0.3%), with notable turnaround in western Europe and advanced Asia Pacific. In the former, premium growth will recover to an estimated 1.5% in 2024 and 2025 after two years of contraction. Premium growth in advanced Asia Pacific will rebound to an estimated annual average of 1.5% in 2024 and 2025, after a decline of 2.1% in 2023. In Japan, growth will likely moderate from a high base in 2023 that was driven by a post-pandemic reopening boost. Of the other advanced regions, premium growth in North America should remain solid, although sales of individual annuities in the US will likely slow from the record highs of 2023 and 2022.

Figure 10

Life premium growth, by region, in real terms



Source: Swiss Re Institute

In emerging markets, life premiums will grow above trend.

We estimate that life premiums in emerging markets will grow by an above-trend 7.2% in 2024. We see strong sales in China, particularly of savings business, with total life premiums up an estimated 8.7%, reflecting improved insurance agent productivity and a fading negative impact from regulatory changes in 2023, such as new rules to regulate bancassurance commission fees.²⁰ Excluding China, life premiums in emerging Asia will

²⁰ Life insurers are required to report assumptions on commission fees, fee structures and commission rate caps to the regulator, which should not be higher than the actual commission rates, FitchRating, 22 May 2024.

grow by an estimated 5.5% in 2024, above historical average. In India, rising demand for term life covers should boost overall sector premium growth to an estimated 5%. In Latin America, we expect premium growth to slow to 3.7% this year after high interest rates drove strong sales in 2023.

Share of risk premiums to remain stable

The share of risk premiums of the global life market should remain stable at around 22% by 2027. We forecast that global savings premiums will grow by about 3% on average in 2024 and 2025, above the trend of the previous 10-years (2014–2023: 1.1%). Savings premiums in advanced markets will grow by an estimated 1.5% in 2024, after a decade of relatively flat growth. We project continued strong growth (8.3%) in savings premiums in emerging markets this year, with most momentum coming from Asia.

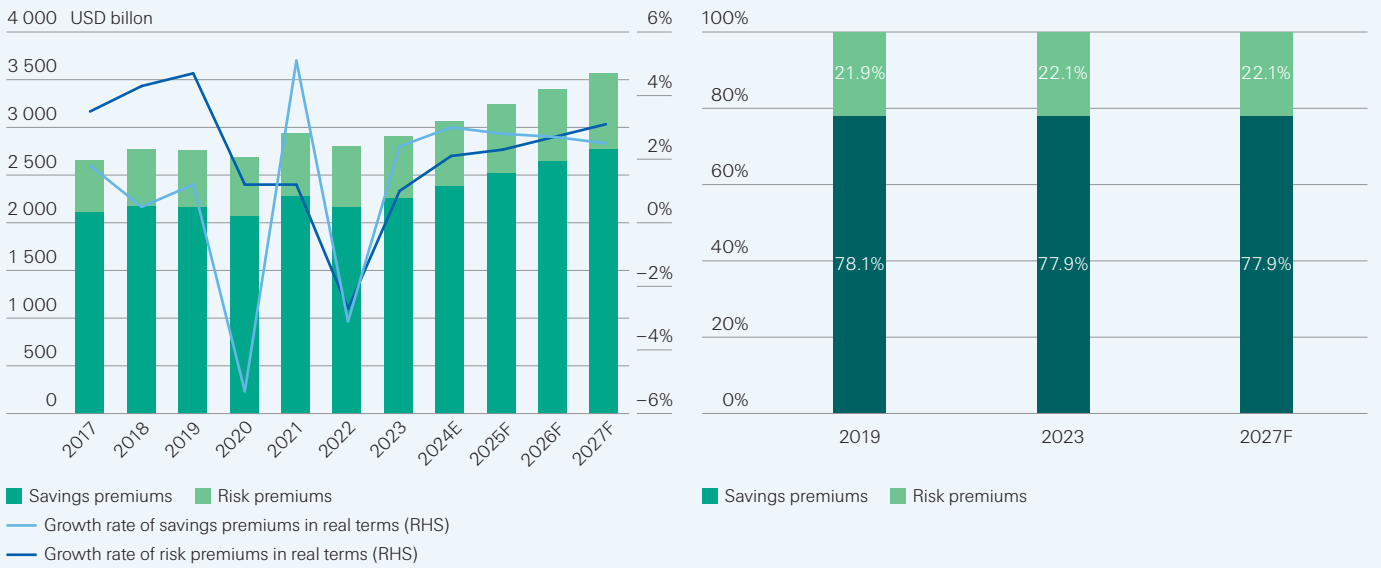
We forecast above-trend growth in savings premiums in 2024–25.

Global risk premiums to grow by around 2.2% in each of the next two years.

Global risk premiums will rise by an estimated 2.2% in 2024 and 2025, up from a 1% gain in 2023. This will be driven by a rebound in western Europe and improved growth in advanced Asia Pacific, where last year inflation eroded real growth and also disposable incomes. In emerging markets, we estimate 2.9% growth in protection business premiums. Above-average growth in most emerging regions will likely be offset by slowdown in China, where risk business peaked in 2022. We anticipate that the share of risk business in the global life insurance sector will remain steady at around 22% over the next five years (2023–27F).

Figure 11

Global L&H market by risk and savings products' premiums and growth (left), and shares of savings and risk premiums (right)



Source: Swiss Re Institute

We forecast significantly higher global life premiums in the coming decade, with advanced markets generating about 50% of new business premium volumes.

Longer-term industry outlook: advanced life markets back in business

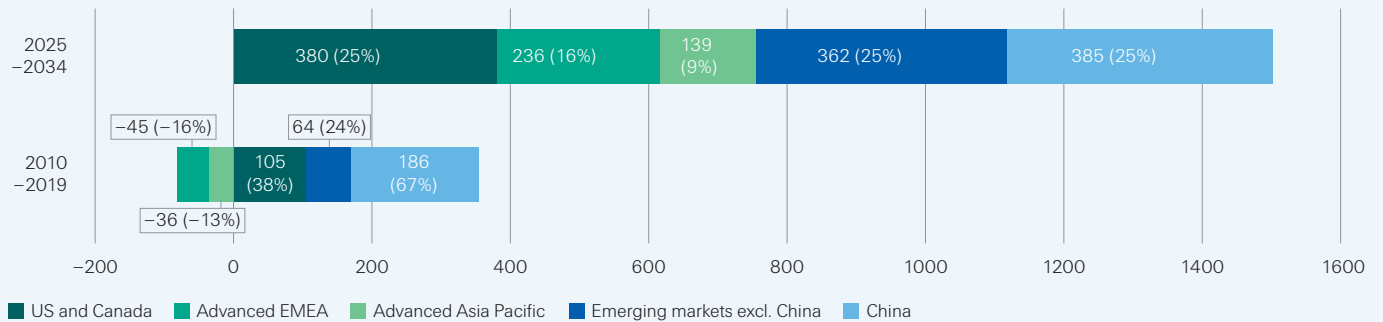
We expect significantly higher life insurance premium growth globally in the coming decade (2.5% average annual in real terms 2025–2034F), with upside potential. The notable trend change will be turnaround in the life insurance industry in advanced markets. We estimate that the advanced markets will contribute to about half of all additional life premiums in absolute terms over the next 10 years, this a significant improvement from the just 9% contribution made in the pre-pandemic decade. Life insurance business in the advanced markets has been in the doldrums on account of the very low interest rate environment that ran from the time of the global financial crisis (2008–09) until after 2021. Now the sector is back in business.

Global life premium will reach a forecast USD 4.7 trillion by 2034.

With our average annual growth forecast of 2.5%, we project that global life insurance premiums will reach USD 4.7 trillion by 2034, up from this year's estimated USD 3 trillion. In advanced markets, the growth will be propelled by savings business as the higher interest rate reset makes savings products more attractive. In emerging markets, life insurance penetration will continue to increase as the growing middle-income household class demand more retirement planning products.

Figure 12

Life insurance business: forecast additional premiums 2025–2034F compared to post-GFC decade 2010–19 (USD billion)



Source: Swiss Re Institute

The outlook for life insurers' profits is strong as higher interest rates support investment returns and margins on products.

Profitability outlook: positive

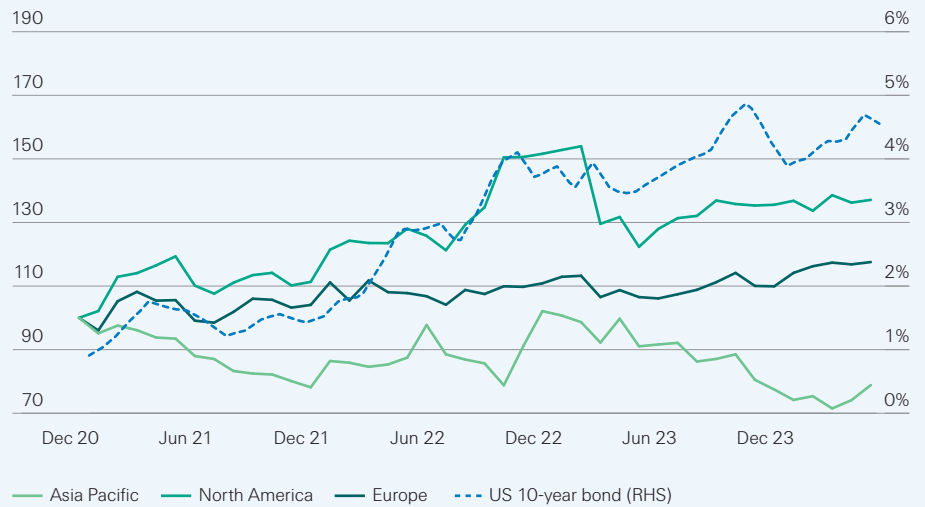
With respect to profitability, in our view the two-year outlook for primary life insurers is positive. This reflects in rising shareholder returns, a forward-looking proxy for profitability expectations, signalling anticipated strength in future earnings. The monetary policy tightening cycle initiated in 2022 has transformed the competitive and operational environment for life insurers, most notably for asset-intensive business, from low yield and low return to one of higher yields and higher returns. High yields boost demand for savings-related products and improve the profitability potential of both savings- and protection-related products. The impact is not immediately apparent in life insurers' return on equity (ROE) due to factors like asset-liability matching, variable headwinds to investment income, and the large proportion of legacy business in insurers' business mix.

Lower COVID-19-related losses aided the industry in 2023, but we are still cautious about Long Covid effects.

In 2023, lower COVID-19 related losses aided the industry. A reversion of mortality rates toward pre-pandemic trends should continue to support underwriting results in 2024–25. However, we remain cautious about long-term pandemic health risks. Not least as the reasons for higher incidence of cardiovascular-related deaths post-pandemic are puzzling even the experts. In the US, for example, the hypertensive-heart death rate is up 30% vs pre-pandemic times.²¹

²¹ A spike in heart disease deaths since COVID is puzzling scientists, Bloomberg, 26 February 2024.

Figure 13
Life insurance sector shareholder returns relative to broader market index (December 2020 = 100), and US 10-year Treasury yield



Note: indices: US = Dow Jones US Life Insurance Index, Europe = STOXX Europe Life Insurance Index, UK = FTSE 350 Life Insurance Index, APAC = BI APAC Life Insurance Valuation Peers.
Source: Bloomberg, Fred St. Louis Fed, Swiss Re Institute

Our estimates suggest that the peak lapse risk has now passed, but not fully minimised in the near-term.

Rising interest rates tend to raise policyholder lapse rates at the same time that asset prices come under pressure. For example, a rapid move in interest rates can lead to an increase in policyholder withdrawals as customers cash in old savings contracts to reinvest in new higher-yielding alternatives. In extreme scenarios this can cause liquidity or solvency issues for insurers. Lapse rates have increased in key markets since 2020, but our estimates suggest that peak lapse risk has passed.²² However, as interest rates come down, residual lapse risks could still materialise in the first 1–2 years after the peak in policy rates. Lapse sensitivity will be lowest when policy rates reach a neutral stance close to 2%. As we expect a drop in policy rates in the US and Europe in 2025, lapse sensitivity should decrease, but it likely will not be fully minimised in the near-term.

Higher interest rates lift investment yields for life insurers and...

Higher interest rates make life insurance more attractive

Since 2022, rising interest rates have reshaped the business environment for life insurers in advanced markets, with higher rates lifting investment yields, while making products more attractive to consumers. Low interest rates from 2008 until the inflation surge after 2021 put huge strain on the traditional life insurance business model of using balance sheet leverage and investment income to deliver contractual promises to policyholders. Shortcomings in product design became apparent as interest rates hovered near zero. For example, high minimum interest rate guarantees, which were commonly offered in the years when yields were higher, became unaffordable promises to policyholders.

...spark demand for annuity-type products.

Today, consumers are moving quickly to buy life products that will secure them higher retirement incomes. Consumers stand to receive most of the benefits through higher policy interest rates and guarantees. This notably sparked renewed interest in annuity-type products, so as to capitalise immediately on more attractive returns. In the US, for example, sales of individual fixed-rate annuity jumped up by 63% in 2022 and 36% in 2023, reaching USD 286 billion in sales last year according to LIMRA.²³

We also expect higher rates to gradually improve the pricing of protection business.

We expect that higher rates will also gradually improve pricing of protection business, even though demand for protection products is generally less sensitive to interest rate changes. This is because the assumed investment return embedded in pricing for a fixed rate annuity is more transparent to the consumer than the implicit impact of investment returns on the (slower to react) price of a protection product. Demand for protection products such as credit-related insurance is also impaired when higher interest rates lead to lower mortgage and loan issuance. This is more prevalent in markets where bancassurance dominates distribution networks.

²² sigma 2/2024: Life insurance in a higher interest rate era, Swiss Re Institute.
²³ Ibid.

Growth of protection business should positively impact the mortality resilience index.

Irrespective, growth of protection business should improve a country’s mortality resilience index.²⁴ In Brazil, for example, strong demand for protection products over the last five years has helped increase the share of life insurance over the protection need by almost 10%. In contrast, the prolonged period of low interest rates in the US made products less attractive, leading major life insurers to exit the market. The indirect result was a drop in mortality resilience index of over 11% from 2008–2023.

With large protection gaps and growing retirement income needs, we see various opportunities for growth of the life insurance industry.

With large protection gaps and growing retirement income needs, we see an opportunity for life insurers to develop new convertible life products that proactively anticipate consumers’ needs, and solutions that can be distributed through digital channels. Protection needs shift naturally through the lifecycle from mortality and income protection to health and long-term care.²⁵ Consumers would benefit from holistic life covers that shift automatically to the most relevant risk pool as they age. Low financial literacy can also hamper uptake of life insurance, and insurers could take steps to increase consumer knowledge of the value proposition of life protection, while promoting deeper capital markets in emerging economies. Finally, saving and investing preferences evolve, particularly among younger cohorts in Europe and Asia Pacific as do consumer expectations with respect to, for example, sustainability. Life insurers may benefit from aligning their offerings with new generational aspirations.

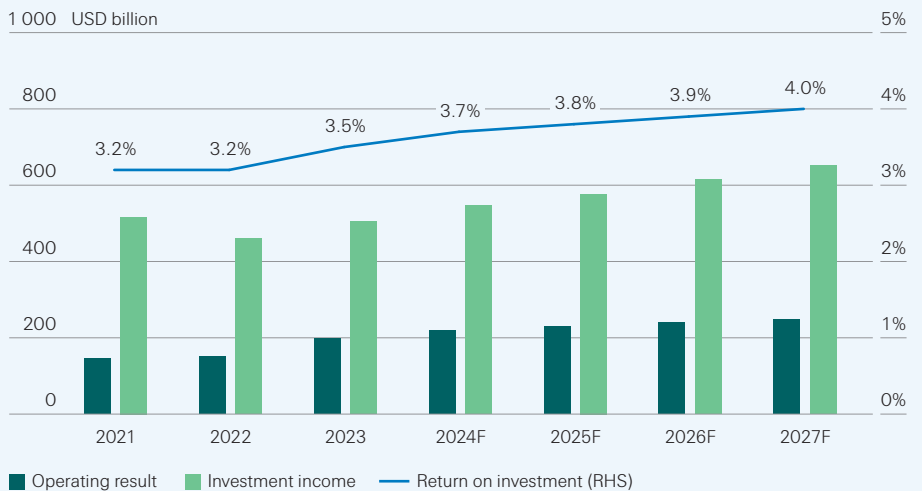
We estimate the aggregate ROI for primary life insurers in eight major markets will continue to rise in 2024–25...

Major life markets: improved profitability in 2024–25²⁶

We project that strong profitability performance in eight major life insurance markets will continue through 2024 and 2025. We expect the operating result for insurers in those markets to rise by more than 15% relative to 2023, driven by a 14% increase in investment income. The latter improved in 2023 after a drop in 2022, contributing to a 30 basis points (bps) increase in return on investment (ROI) to 3.5%. We estimate that the aggregate ROI in said markets will rise to 4% by 2027 due to higher yields on fixed-income investments and reinvestments (see Figure 14). Given the structure of the business, in life the impact of higher interest rates takes longer to show.

Figure 14

G8 markets’ aggregate life insurance operating result and investment income (left), and return on investment (right)



Source: Swiss Re Institute

...and that net spreads will widen further.

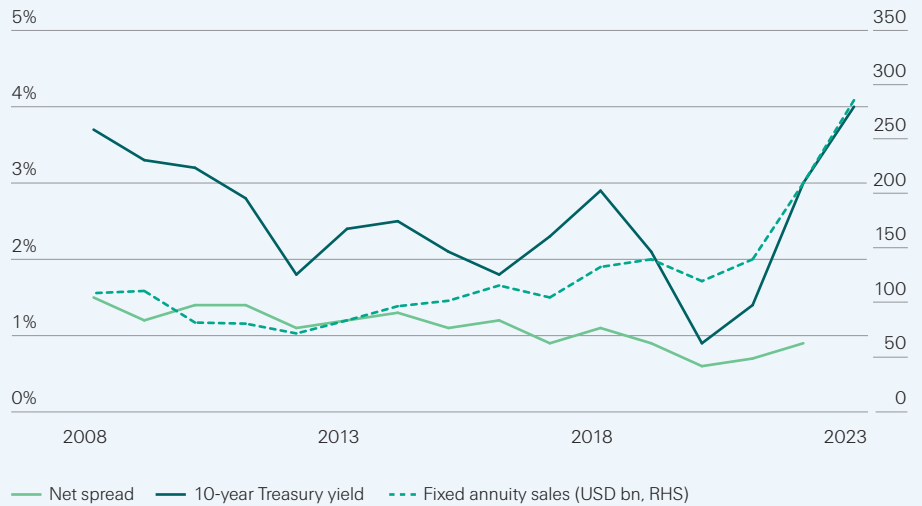
In fixed-rate business, which benefits most immediately from higher interest rates, net spreads have widened above guaranteed crediting rates post-pandemic. This is a reverse of a declining trend over most of the post-GFC period. We expect net spreads will widen

²⁴ sigma 2/2023 – Restoring resilience: the need to reload shock-absorbing capacity, Swiss Re Institute.
²⁵ A retirement lifeline. Capturing the insurance opportunity in the private savings market, Swiss Re Institute, October 2023.
²⁶ Based on the life profitability model developed by the Swiss Re Institute to forecast operating investment profitability trends. The eight major life insurance markets covered (US, Canada, UK, Germany, Italy, France, Japan, and Australia) are referred to as “Major life markets” in this report. Life insurance premiums written in these eight markets represents close to three-fifths of the global life premiums and around three-fourths of the life premiums in advanced markets.

further if rates remain high, a strong positive for industry profitability. For the US, for example, a simple regression of net spreads on 10-year Treasury yields indicates that a 100 bps increase in the 10-year yield is associated with a nearly 30 bps increase in net spreads. At a 10x leverage ratio, this suggests a 300 bps improvement in life insurers' ROE for every 100 bps increase in yields.

Figure 15

US fixed annuity sales, net spread (net portfolio yield less guaranteed interest rate) and 10-year Treasury yield



Source: Swiss Re Institute

North American insurers' profitability set to increase in 2024–25.

We estimate that profits for life insurers in North America improved in 2023, and expect further improvement in 2024–25 as higher interest rates increase portfolio yields and spreads. Additionally, strong sales of savings product have generated cash flows for faster portfolio yield improvement. At the same time, expectations of lower levels of excess mortality should slow the pace of increase in death benefit payments.

Overall, the profitability outlook in Europe is positive, but some markets face challenges.

The profitability outlook for key advanced markets in western Europe is promising, driven mainly by higher investment yields. In the UK, for instance, Contractual Service Margin (CSM) disclosures²⁷ point to positive life segment profitability in 2024–25. This will be supported by record-breaking transfers in the bulk annuity market, as well as longevity reserves releases after a revision down of Continuous Mortality Investigation's life expectancy assumptions post-retirement.²⁸ However, some markets face challenges from low premium income. We see flat profitability in Germany this year as weak premium growth, due to a drop in sales of savings products as consumer preferences turn to other liquid saving vehicles (eg, bank deposits), offsets investment income gains. Zinszusatzreserve²⁹ releases may indirectly support investment income if insurers use them to counter the accounting effect of realising losses on fixed-income sales, and reinvest proceeds at higher market yields. In France, meanwhile, we see just marginal improvement in life insurers' operating profits this year and next, with lower net inflows on unit-linked products and continued outflows on general account products (Fonds Euros) largely offsetting higher investment returns.

Life sector profitability in Japan to improve due to better underwriting and investment results.

After many "lost years", we expect operating profitability in Japan to improve in 2024 due to stronger underwriting results based on improvements in mortality and morbidity rates. Investment results should increase as interest rates rise and newly-issued bonds with higher yields replace maturing low-yielding bonds. As a headwind, investment income can be affected by high expenses from a weak yen (high hedging costs) and potential loss on foreign securities if sold. The lost years' experience of Japan presents

²⁷ CSM is a concept introduced by IFRS 17 that represents the unearned profit that an entity expects to earn as it provides services. See *The IFRS 17 Contractual Service Margin*, Institute and Faculty of Actuaries, accessed on 5 June 2024.

²⁸ Continuous Mortality Investigation (CMI) is an organisation run by the UK actuarial profession that carries out research into mortality and morbidity experience and produces mortality tables.

²⁹ Zinszusatzreserve is an additional interest rate reserve to ensure life insurers in Germany can meet the guaranteed interest payments to policyholders of long-term policies with guaranteed returns of up to 4%.

some important learnings for other markets, in particular China (see *How China's life insurance industry can avoid Japanification*).

In Australia, higher premiums and investment income should support sector profitability.

In Australia, meanwhile, profitability should be supported by higher premium growth as well as investment income. However, inflation may drag on demand for insurance, while raising awareness of mental health might lead to higher claims.³⁰

While Japan's life insurers finally see higher interest rates, China's life sector faces the same "negative spread" challenge Japan used to.

How China's life insurers can avoid Japanification

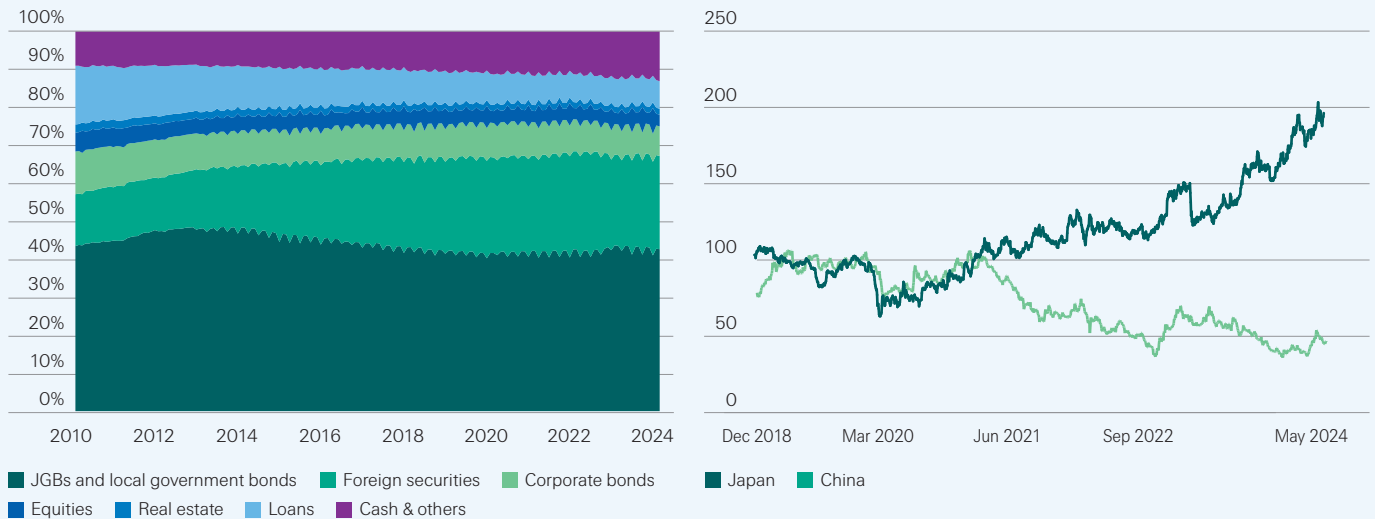
Japan's life insurance industry is on the cusp of a renaissance as the economy leaves its "lost decades" behind. The Bank of Japan's interest rate rise in March 2024 was small in size (from -0.1% to a range of 0-0.1%) but, as the first in 17 years, large in symbolism. While Japan's insurers look forward to growth in life savings and annuity products offering savers better returns, in China life insurers are experiencing a comparable fall in investment yields, down by over 300 basis points since 2020. We estimate life sector net profit fell 20% yoy in 2023.

Shifting to protection products while targeting gains in mortality and morbidity risk could give Chinese insurers a profitability buffer in a low-yield environment.

In terms of takeaways from the experience in Japan, insurers in China could be shifting product mix towards protection-type policies. Over many years, Japan's life insurers shifted their asset portfolio towards foreign securities in search of higher yields (see Figure 16 left). Depreciation of the yen (particularly against USD) also became a growth opportunity for foreign currency (especially USD) denominated products. However, China's life insurers have limited overseas investment channels and portfolio choices, and hence the suggested shift in product mix towards protection-type policies, a move that in Japan, was supported by deregulation. The products include, for instance, traditional life insurance and medical or long-term care insurance. These better meet the needs of an ageing population and hence can help narrow retirement protection gaps, and typically offer better margins than savings-type policies. Carefully managing mortality and morbidity risk can also give China's insurers a profitability buffer to offset narrowing interest rate margins.

Figure 16

Japanese life insurers' asset allocation (% share of total assets, left); FTSE life insurance sector equity price indices (December 2019=100, right)



Source: Life Insurance Association of Japan, FTSE, Swiss Re Institute

Still, China GDP growth should remain much higher than in Japan during its lost decades.

At the macroeconomic level, China is still an emerging market at an earlier stage of economic development than Japan in the 1980s, and it has sources of growth to offset the slack in its real estate sector (eg, productivity gains from increased digitalisation of the economy). China's potential GDP growth rate has fallen post-pandemic, but we expect it will remain higher than Japan's during the latter's lost decades. Further, life insurance penetration in China is much lower today than Japan in the 1980s, and new premium growth (offering lower guarantees) can still help insurers' top-line earnings.

³⁰ Insurance industry and country risk assessment: Australia life, S&P Global, 8 February 2024.

Non-life insurance: hard market still has legs

Global non-life insurance premiums will grow by an estimated 3.3% in 2024, boosted by still firm prices in advanced markets.

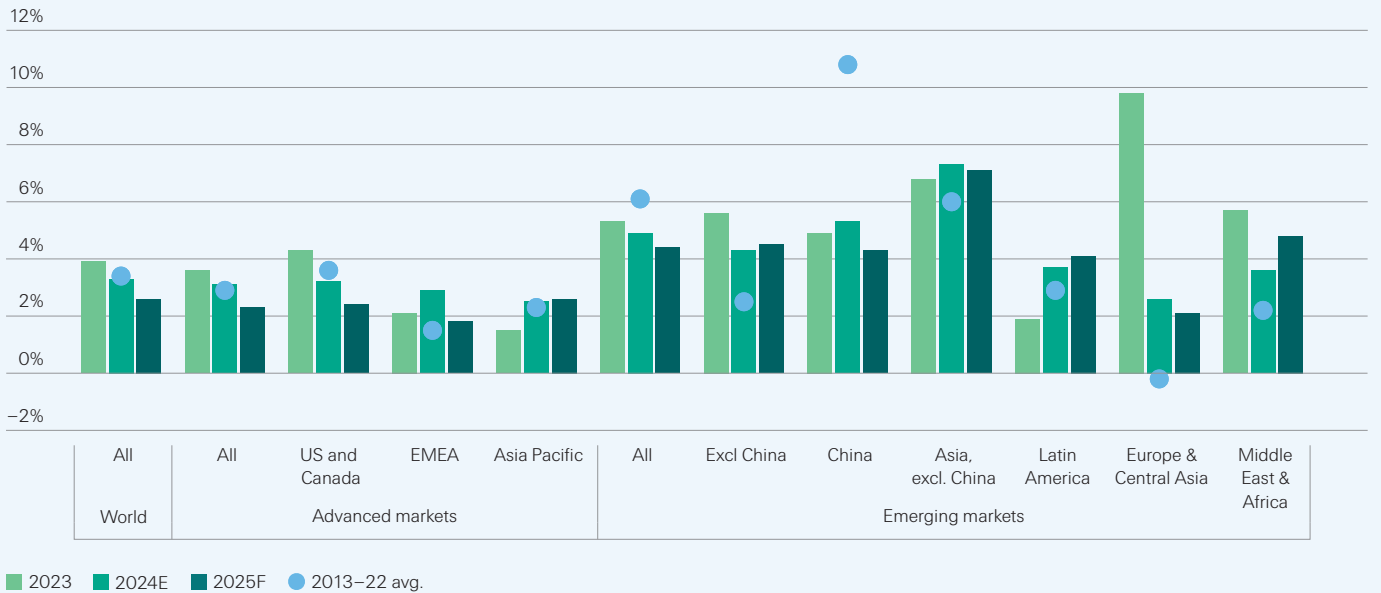
Emerging Asia excluding China will be the fastest growing region.

We estimate that global non-life insurance premiums will grow by 3.3% in real terms this year, driven mainly by a continuation of hard market conditions, especially in personal lines. Premiums grew by 3.9% in 2023, a notable improvement from 0.8% growth in 2022, and also in excess of the previous 10-year average of 3.4% (see Figure 17). The main driver was rate hardening in advanced markets, with insurers upping prices to cover rising claims. Rates will likely moderate as claims inflation eases, and we forecast a slight slowdown in premium growth to 2.6% next year.

In volume terms, we estimate that global non-life premiums will rise to USD 4.6 trillion in 2024 from USD 4.3 trillion in 2023. We expect the contribution from emerging markets to continue to increase, led by the fast-growing emerging Asia economies, excluding China. We project that premiums in these markets will grow by 7.3% in 2024 and 7.1% in 2025. For China, premiums will grow by an estimated 5.3% this year, given post-pandemic below-trend economic growth and muted rate growth during 2024 renewals.

Figure 17

Non-life premium growth, by region, in real terms



Source: Swiss Re Institute

Personal lines business has taken the lead in non-life sector growth, due to stronger rate increases than in commercial lines.

Getting personal

In 2023, growth in personal lines business was stronger than in commercial lines, reversing the norm of recent years. Personal line premiums rose by 6% in real terms, significantly outperforming the 2.4% gain in commercial premiums. The switch was mainly driven by stronger price increases in personal than commercial lines, which may extend into 2025 for some specific lines of business. We estimate that personal line premiums will increase by 5% in 2024, with growth easing to around 3% in 2025. After the recent years of hard market conditions, pricing in commercial insurance is turning softer (see *Commercial lines rate increases to moderate further*) and absent a shock loss, we project around 2% real premium growth in commercial insurance this year and next.

Though still positive, commercial insurance rate increases have decelerated, with more markets beginning to soften.

Commercial lines' rate increases to moderate further

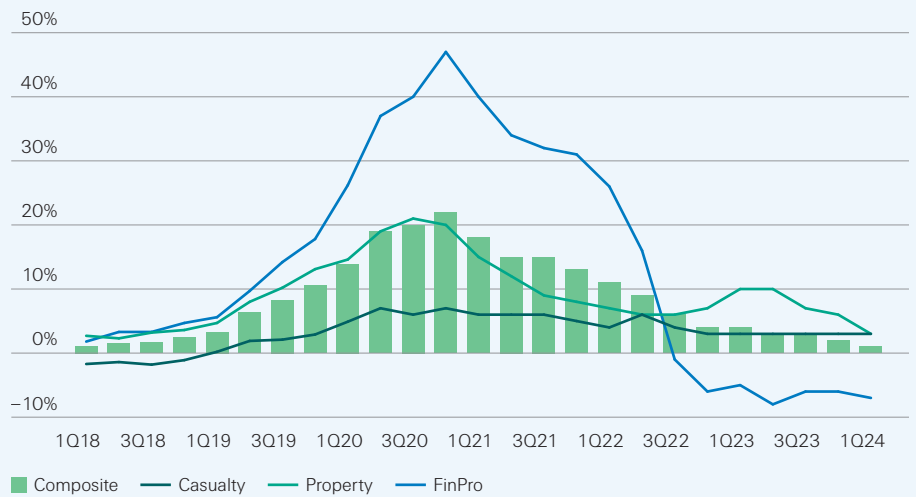
After a period of 5 years of hard market conditions, prices in commercial lines insurance are moderating. According to Marsh, global commercial insurance rates improved by just 1% on average in the first of quarter of 2024, with significant differences between lines of business and regions. Property rates in the US were up 8% in the first quarter of 2024 (after an 11-17% gain in 2023), and in continental Europe

Motor claims have driven rates in personal lines higher.

Figure 18
Global commercial insurance rate development

by 5% (after 7% in 2023). In the UK and Asia Pacific, property rates have already started falling.³¹ In Financial & Professional lines, meanwhile, rates are softer in all regions. Rates in casualty were moderately stronger in the first quarter, with US casualty (excluding workers' compensation) rates up 7%. Elsewhere, Japan and China have experienced lower inflation and have largely stayed out of the hard market cycle seen in other markets.

We expect price trends in P&C to continue to diverge this year and in 2025. Price gains in personal lines have lagged those in commercial lines over the last five years but are rising strong now, due mainly to significant claims increases in motor in western Europe and the US, which we see continuing into 2025.



Source: Marsh Global Insurance market index, Swiss Re Institute

High levels of inflation have pressured property and motor claims higher post pandemic. In US liability, social inflation has been a main driver of rising claims.

A number of factors influence the underwriting cycle and pricing in P&C. The main driver is changes in claims trends. In recent years, a post-COVID surge in property and motor claims was sparked first by supply-chain disruptions, and thereafter soaring energy prices when the Ukraine war started. In the US, there has also been a 12% annual gain in liability claims costs in the five years to 2023, driven in large part by social inflation.³²

Interest rates and large losses from natural catastrophe events can also influence the underwriting cycle.

Interest rates also influence the underwriting cycle. Higher interest rates boost investment returns and therewith insurance sector profitability. On the flipside, improved profitability in the non-life sector overall on account of higher interest rates can also lead to competitive pressure on underwriting income, with insurers lowering rates in order to attract new business. Another factor that can influence underwriting income is occurrence of natural catastrophes. Being unpredictable, these add uncertainty. To be better positioned to absorb the potentially very large economic loss impacts of disaster events and thereby strengthen societal resilience, the industry needs to continually adapt to changing risk landscapes, such as, for example, urbanisation and associated asset value accumulation, and also climate change effects.³³

³¹ US Insurance Market Rates, Marsh, first-quarter 2024.

³² SRI calculation based on S&P Global data.

³³ sigma 1/2024: Gearing up for today's and tomorrow's weather risks, Swiss Re Institute.

Table 3

Drivers of the underwriting cycle

Component	Current trend	Medium-term trend
Claims trends	Disinflation in property and motor while social inflation and war-related risks persist	Underwriting uncertainties continue
Natural catastrophe losses	Recalibration to higher trend, model uncertainty	Continued exposure growth at 5–7% CAGR
Underwriting profitability of new business	Improving after recent price increases	Adequate risk pricing after many years of underpricing
Re-investment yields	Up for new business, peak of cash yields	Re-set at higher level, positive term premium
Balance-sheet capital	Improving, still below year-end 2021 (as of Dec 2023)	Recovery, need to grow in line with risk

Source: Swiss Re Institute

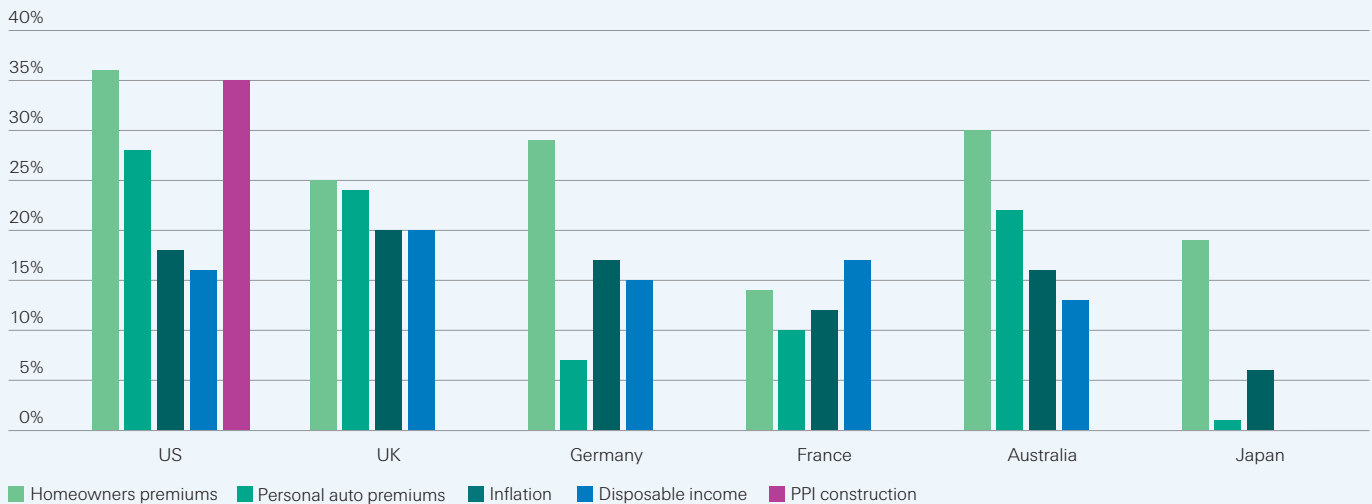
Price increases boost non-life premium growth, but also make insurance more expensive.

Higher premium rates = insurance less affordable?

We expect ongoing price increase in personal lines to drive non-life premium growth in the near-term. This has, however, the flipside of making insurance more expensive for households. Personal lines insurance premiums outgrew disposable income in several major markets between 2020 and 2023, implying a crowding out of other expenses or savings. For the US, UK and Australia, we note that personal property and motor insurance premium growth has significantly outpaced CPI inflation and disposable income growth over the past 3 years (see Figure 19). In Germany and Japan, property insurance premiums exceeded income and CPI inflation, while motor premiums grew more moderately.

Figure 19

Percentage change in personal line premiums, CPI inflation, PPI construction (US only) and disposable income between 2020 and 2023



Sources: Oxford Economics, Swiss Re Institute

To date, higher premium rates have not had a material negative impact on aggregate insurance take-up rates.

So far, there has been scant evidence that higher premium rates have reduced insurance uptake in these markets. For example, in the US, there have been signs that higher insurance rates have led to increased shopping around for lower-priced policies,³⁴ with some consumers indicating they may cancel their home or auto coverage altogether (20% for auto insurance and 16% for homeowners).³⁵ Even so, current data indicates

³⁴ LexisNexis Insurance Demand Meter: a quick look at auto insurance shopping trends, LexisNexis, 2023.

³⁵ Study: Home and auto insurance cost increases stretch Americans' budgets, Prudential Financial, 25 October 2025.

that so far, there has been no notable negative impact on aggregate insurance take-up rates. We attribute this to:

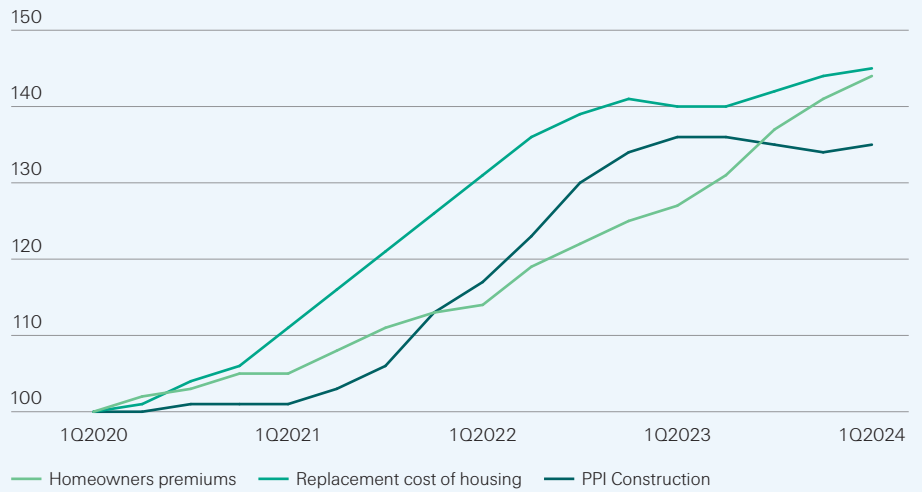
- Motor liability and for property insurance to protect collateral for properties with mortgage loans being mandatory.
- Inflation pushing up the replacement value of insured assets and thereby increasing the need/demand for insurance.
- Mitigating adjustments to the scope of coverage such as higher deductibles and reduction of voluntary parts of cover, such as for motor physical damage and accident.

The data points available may not show affordability issues in low income household and in high-risk regions.

Average data obfuscate pockets of more severe affordability issues for lower-income demographics and high-risk regions. Further, rising car insurance costs may present a risk to car ownership and mobility itself. According to the Bureau of Labor Statistics' weights in the CPI, US motor insurance premiums account for 27% of the total cost of vehicle ownership in 2024, up from just 15% in 2020.

Figure 20

US replacement cost of housing and homeowners' premiums index (1Q20 = 100)



Source: Bureau of Economic Analysis, Federal Reserve, NAIC, Macrobond, S&P Capital IQ, Swiss Re Institute

In the US homeowners' premiums have grown at similar pace as the replacement cost of housing.

Global and domestic factors have contributed to the faster-than-CPI increases of insurance costs in some key markets. High construction material inflation caused by pandemic-instigated supply disruptions have subsided and last three years' strong rate increases may have caught up with the inflation shock. In the US, for instance, by the first quarter of 2024, homeowners' premiums were up 44% from the first quarter of 2020, but the replacement cost of housing was up 45%, largely due to construction cost inflation. (see Figure 20). Construction cost inflation outgrew CPI inflation by 15 ppts in between 2020 and 2023. However, other more structural risk factors that pressure property insurance costs persist. These include, for example, that many countries face increased frequency and severity of natural disasters, leading to major insured losses and the need for insurers to reprice to reflect increased risk in future (see *Gearing up for today's and tomorrow's weather risks*).

The pace of global growth of insured losses from natural catastrophe exceeds the rate of economic growth.

Gearing up for today's and tomorrow's weather risks

Amid the fast-evolving natural catastrophe risk landscape, growth in global insured losses have outpaced the economic growth. Over the last 30 years, insured losses have grown at an average annual growth rate of 5.9% in real terms compared with the global real GDP growth of 2.7% during the same time period.³⁶ Annual insured losses of more than USD 100 billion (USD 108 billion in 2023) have become the norm with increasing frequency of medium-severity disasters such as severe convective storms (SCS). In particular, insured losses from SCS touched a record high of USD 64 billion in 2023, accounting for more than half of the global insured loss

³⁶ sigma 1/2024 op. cit.

total. These losses have been increasing faster than can be explained by inflation, increased exposure, and climate change. Other factors such as increasing insurance penetration as well as rising vulnerabilities such as ageing of roofs and growing number of solar power installations on roofs are also at play. Such installations are often the most vulnerable part of a building.

The industry needs to grow its resources to match the growing demand for financial protection against evolving natural catastrophe risks.

Looking ahead, we forecast that global insured losses from natural catastrophes will continue to rise at an average annual rate of 5–7% in real terms.³⁷ While there are opportunities for the industry, insurers also face challenges when losses from natural disasters grow at a faster rate than GDP. There are also implications for insurance affordability, with potentially larger protection gaps in many regions of the world. In 2023, nearly 62% of total catastrophe losses were uninsured. Narrowing protection gaps requires reducing expected losses and/or increasing insurance coverage. And reducing loss potential involves climate change mitigation, loss reduction, and prevention and adaptation actions to minimise exposure and vulnerability to hazards, both at societal level (eg, enforcing building codes) and at the individual asset level.

Insurance alone cannot do the job. Mitigation and adaptation measures are also needed.

Reducing loss potential will enable the insurance industry to continue to play its role in covering the risks that remain outstanding after mitigation and adaptation actions take effect. By reducing future vulnerabilities and increasing resilience, the cost of insurance coverage can be brought down, this enabling rising take-up of risk protection covers. Moreover, strengthening risk assessment and ensuring that premium rates are commensurate with rising exposures are key to safeguarding the economic sustainability of the industry.

Premium growth in emerging markets will outperform that in advanced markets in near term.

Premium growth outlook, by region

We estimate that insurance premiums in advanced markets will grow by 3.1% in real terms this year, supported by a continuation of hard market conditions in personal and, to a lesser degree, commercial insurance lines. For 2025 and beyond, non-life premium growth from the advanced markets is likely to slow to about 2% as current hard market conditions start to soften. Emerging market premiums will grow by an estimated 4.9% in real terms in 2024, down from 5.3% last year and the 5.9% average in the previous decade. The main drag is the slower growth in China, which accounts for half of total emerging market premiums. For this year, China's premium is forecast to grow by 5.3%, a slight improvement from the 4.9% growth in 2023. Demand for motor and agriculture insurance remains strong, the former boosted by the shift to the electric vehicles segment.³⁸ Meanwhile, China's government offers fiscal support to boost uptake of agricultural insurance. Nevertheless, the long-term premium growth outlook for China will remain well below the average annual growth rate of 10.8% between 2013–2022, in line with projected economic growth trajectory.

However, over the longer term, the advanced markets will remain the main source of premium-earning opportunity, in absolute terms.

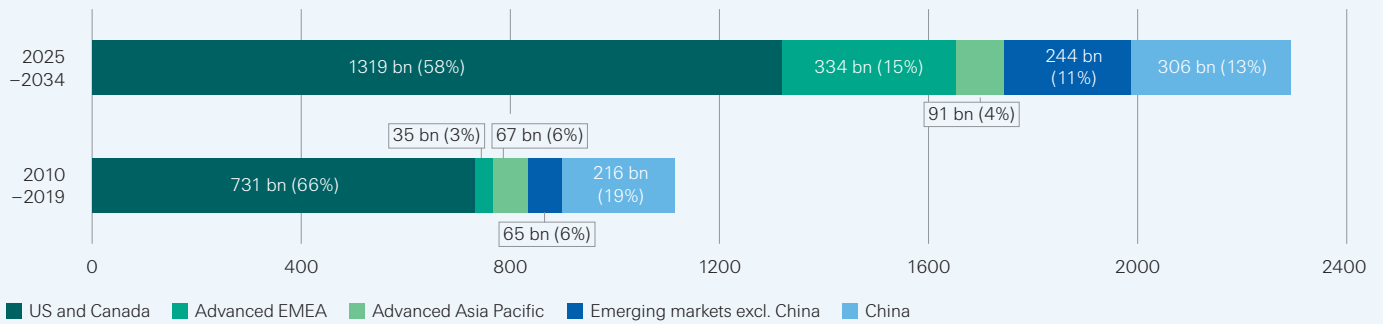
Longer term, advanced markets will still be the main presence in the global non-life insurance market, contributing 75% of the forecast USD 2.3 trillion expansion in premium volumes (in absolute terms) over the next 10 years (see Figure 21). The US will remain the largest market in the world and North America (US and Canada) will account for 57% of the additional annual premium volumes. The share of emerging markets excluding China will also grow, from 6% to 11%. The contribution of China to incremental global premium volumes will, however, shrink to 13% over the next decade compared the 19% contribution during the 10 years before the pandemic

³⁷ Ibid.

³⁸ *Insuring electric vehicles*, Swiss Re Institute, 31 May 2024.

Figure 21

Non-life insurance business: forecast additional premiums 2025–2034F compared to post GFC decade 2010-19 (USD billion)



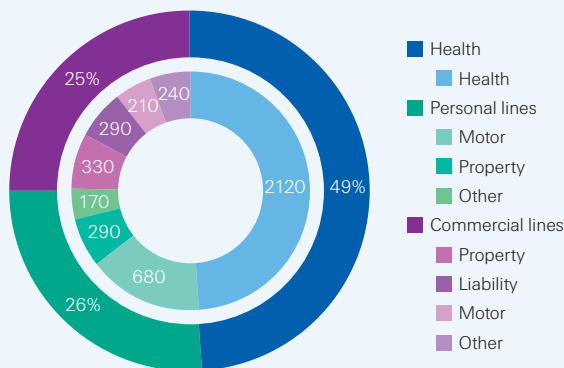
Source: Swiss Re Institute

Premium growth outlook, by line of business

- Health contributes close to half of global non-life insurance premiums (see Figure 22). We estimate 3% premium growth in real terms in 2024. With wages and healthcare expenses exceeding CPI inflation, health insurance pricing is likely to remain elevated.
- Motor insurance accounts for 21% of the global non-life sector, and we expect strong momentum to continue this year with above average premium growth of 4.7%. This after growth rebounded to 5.9% in 2023, ending three consecutive years of contraction. Rate hardening has been the main driver of the recovery. So too has release of pent-up demand for new cars as global supply chain disruptions ease and mobility normalises. In China, the fast-growing EV (electric vehicle) segment with higher insurance rates has become a new growth engine for the motor sector.³⁹
- We forecast that global property insurance (14%) premiums will grow by 4.7% this year on continuation of hard market conditions, following a 6.1% gain in 2023. A recovery in property values after a notable decline in 2022 underlies the above-trend outcomes, while in advanced markets, investment in new infrastructure and industrial policy initiatives, are generating demand for commercial property coverage.⁴⁰ In the medium to long term, the growing need for catastrophe covers will support demand.

Figure 22

Global non-life premiums market share and volumes by line of business, 2023 (USD billion)



Note: The allocation of lines of business is harmonised, to allow regional comparisons. Accident & health business is allocated to non-life insurance, independent of whether it is written by life, non-life or composite insurers. Source: Swiss Re Institute

³⁹ Ibid.

⁴⁰ sigma 6/2023: Risks on the rise as headwinds blow stronger: global economic and insurance market outlook 2024–25, Swiss Re Institute, 21 November 2023.

- After repricing in 2020–21, global liability insurance premium growth will likely remain subdued (1.2% real growth in 2024E). This line of business is not profiting from insurance rate hardening nor from higher exposure values. However, upside inflation risk could yield higher pricing if claims costs increase due to elevated wage and medical expenditure, and social inflation (particularly in the US, UK and Australia). Emerging Asia has been an exception to the global trend. Stronger economic expansion and strengthening regulatory and legal systems in this region have sustained demand. In China, the government has introduced schemes to promote uptake of liability covers. We project relatively stronger performance in China and emerging Asia this year (estimated premium growth of 5.5% and 6.4%, respectively).
- The outlook for specialty insurance is positive. With a global trade up-cycle starting at the end of last year, credit & surety and marine business should grow. Over the medium- to long term, industrial and infrastructure investments, and also changing supply chains, should benefit lines such as credit & surety and engineering. In China, India and Brazil, there is strong demand for agriculture insurance with government support.

Profitability

P&C ROE is expected to reach 10% as both underwriting and investment results improve.

We expect a notable improvement in profitability of Property and Casualty (P&C) business in 2024, manifest in a rise in return on equity (ROE) to 10% from 6% in 2023, and on to 10.7% in 2025⁴¹ (see Figure 24). We see significant improvements in underwriting results. Specifically, the profitability of newly underwritten business is much higher than legacy across most lines of business. This is due to the full benefits of higher interest rates coming through, especially for long-tail lines. Average investment returns (including legacy assets) will also improve, albeit more gradually. With our expectation that long-term interest rates will remain high and stable, we forecast that P&C insurers' investment yield will rise to 3.6% in 2024 and 3.9% in 2025 as bond portfolio mixes move away from pre-pandemic composition.

Underwriting results will benefit from higher rates as well easing claims inflation.

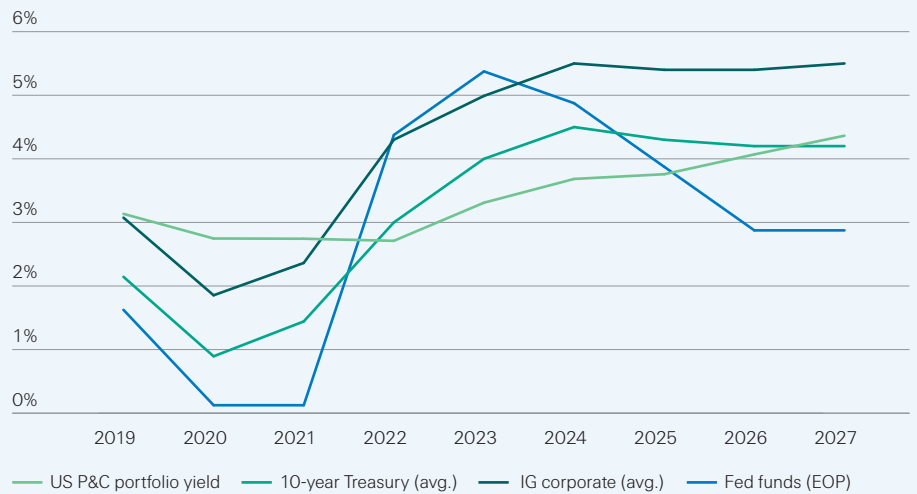
For the underwriting results, key contributing factors this year are rising insurance rates (mainly motor) and exposures, and easing claims growth as inflation moderates. Goods inflation has already slowed significantly from the highs seen in 2022 and 2023, and this should ease pressure on claims inflation in property and motor. Nevertheless, more persistent wage and healthcare expenditure prices, as well as rising social inflation pressures in some markets call for further underwriting discipline in casualty. In 2024 and 2025, we estimate that P&C underwriting profits will improve materially to a below-98% net combined ratio, after two years of losses.

Higher interest rates continue to feed into insurers' portfolios, albeit at a gradual pace.

Improvements in the investment results were the key driver for improved profitability in 2023, with returns taking a large step up during the aggressive interest rate hiking cycle of the previous two years. The impact of higher interest rates will continue to feed into insurers' portfolios, albeit at a more gradual pace. While further incremental upside to investment results is likely more limited, yields will not come down in line with central bank policy rates in the next 2–3 years since the majority of fixed-income assets are longer-dated (average maturity ~6 years). We estimate that P&C investment results will improve by about 0.5 ppts to 8.7% of net premiums earned in 2024, and then to 9.5% in 2025.

⁴¹ This is based on a sample of eight large, advanced economies (Australia, Canada, France, Germany, Italy, Japan, UK and US). Realised investment results are considered in the modelled income statement but unrealised ones only appear in the balance sheet.

Figure 23
Yield on US P&C insurer portfolios vs market yields for cash, corporate and 10-year Treasuries

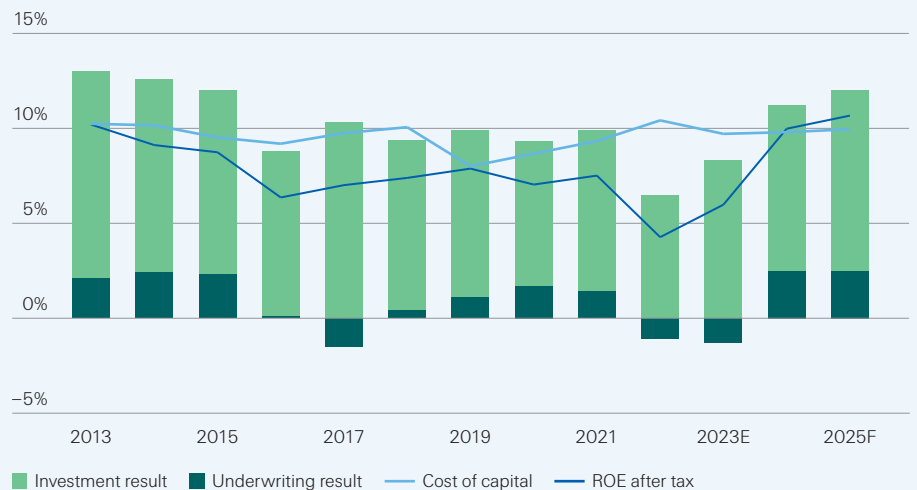


Source: AM Best, Barclays, Swiss Re Institute

We estimate that the profitability gap for P&C insurers will narrow in the next two years.

The improvement in investment yields last year was accompanied by parallel increases in insurers’ cost of capital (CoC), as investors desired higher returns amid rising interest rates. But with the US Fed and other major central banks expected to cut policy rates in the second half of 2024, cost of capital is unlikely to rise much further, and we expect broadly stable outcomes in 2024 and 2025. With an improving ROE and a stable cost of capital, the profitability gap for P&C insurers across most markets should narrow further over the next two years.

Figure 24
Profitability of eight major non-life markets



Note: Aggregate of eight major advanced markets (Australia, Canada, France, Germany, Italy, Japan, the UK and the US). Underwriting and investment results are in % of net premiums earned; RoE and CoC are in % of equity. Source: Swiss Re Institute

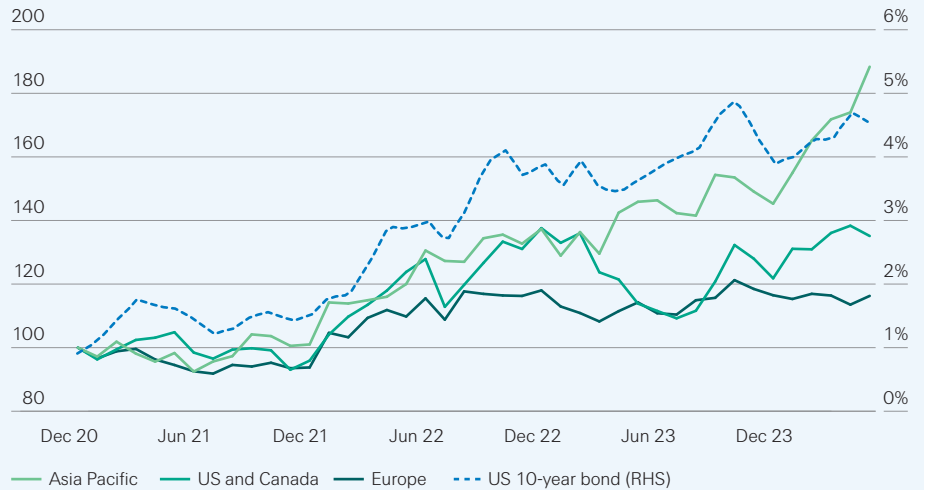
Profitability will improve most in the US.

Total shareholder returns have improved markedly since late 2022. Regionally, we estimate a significant 4.5 ppt increase in US insurers’ ROE to around 10% in 2024, driven mainly by better underwriting results. In France, Germany, Italy and the UK, after challenging years in 2021–23 on account of natural catastrophes and elevated inflation, insurers should also see notable ROE improvement to an aggregate of 11% this year from around 7% in 2023. In Japan, sector profitability will likely remain stable, since neither insurance pricing nor interest rate movements have adjusted as much as seen in other markets. In Canada and Australia, which had outperformed other markets in the past few years, profitability levels are likely to revert back to historical average. In China, we estimate that underwriting results declined in 2023 due to natural catastrophe losses

and higher claims in motor and liability that came with the normalisation of economic activity post pandemic. Low investment returns also weighed, and we expect this to remain that case in 2024.

Figure 25

Non-life insurance total shareholder returns relative to market index (Dec 2020 = 100) and US 10-year yield (end of period)



Note: Total return indices based on weighted average of the reporting companies by market. Source: Bloomberg, Swiss Re Institute

Investors see the US P&C sector as an attractive proposition.

Stock market performance confirms that investors see the P&C sector as an attractive value proposition. Relative to the broader market, total shareholder returns have risen markedly since late 2022 (see Figure 25). Markets in Asia have been outperforming others as of last year on the back of an improving economic outlook. Performance wise, markets in the US and Europe have held steady.

Inflation pressures are easing meaningfully in this year, especially for property lines.

Inflation risk shifting to casualty lines

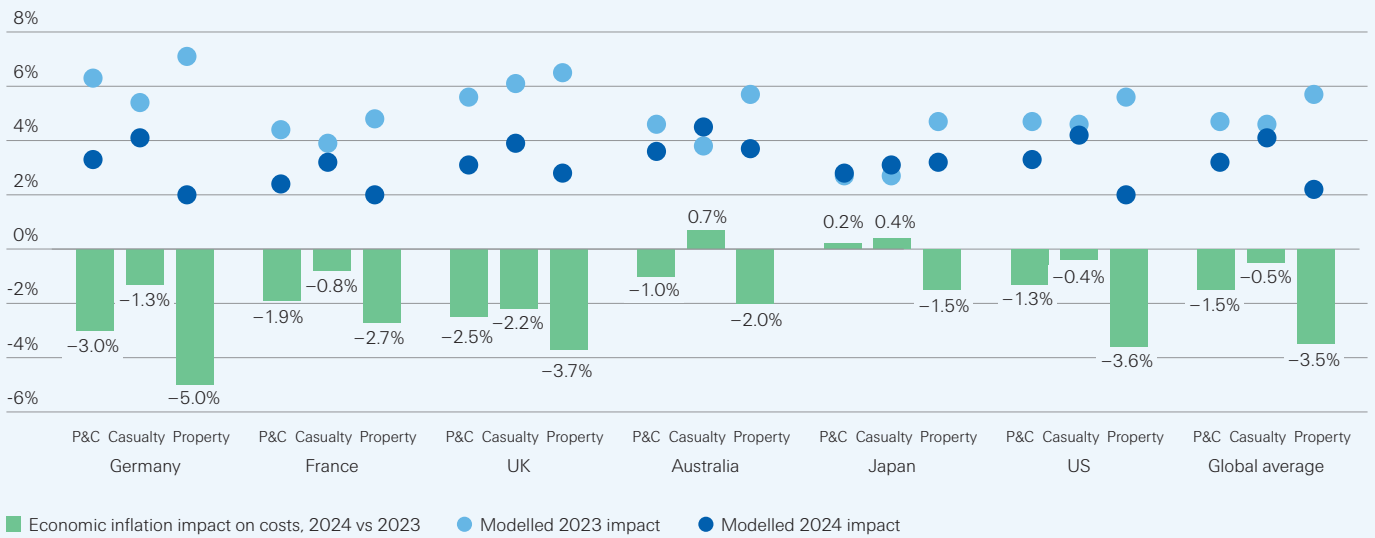
Economic inflation pressures are easing. Compared to last year, insurers’ overall cost inflation rate is expected to moderate by 1.5 ppts (from 4.7% to 3.2%, see Figure 26). Disinflation progress in construction and car repair costs should slow the surge in property claims this year and next. Globally, we model property line cost inflation to decline by a notable 3.5 ppts on average, from 5.7% last year to 2.2% in 2024. Insurers should nevertheless be alert to potential new inflation shocks (eg, geopolitical conflicts that disrupt global supply chains) as profitability in property remains vulnerable to even a moderate increase in claims.

Attention is shifting to casualty lines, where the key drivers for claims severity (i.e., wage and healthcare expenditure) is more persistent.

At a broader level, the impact of inflation has been shifting into casualty lines (general liability, motor liability and accident), with overall P&C claims and costs inflation this year driven more by casualty than property lines. This is because wage and healthcare expense inflation, key drivers of claims severity in casualty business, are proving more persistent than goods inflation. We model a 4.1% average global costs inflation for casualty lines in 2024, only marginally lower by 0.5 ppts than in 2023. Notably, in Japan and Australia, further increases in casualty cost inflation are likely, as wage and healthcare expenditure inflation have yet to reach peak levels.

Figure 26

Modelled impact of economic inflation on insurers' overall costs, difference between 2023 and 2024, by line of business



Note: Modelled inflation impacts include both claims payouts, which are impacted by the different inflation sub-components, and operational costs driven by wages. Social inflation is not covered. A negative number means the impact of inflation is expected to decline in 2024 compared to 2023.
Source: Swiss Re Institute

Social inflation is a key concern for US and Australia liability insurance.

In addition, social inflation, has played a dominant role in rising claims severity in US liability insurance since 2015.⁴² And in Australia, factors driving social inflation, such as an increase in class action filings point to potential increases in liability claims. Social inflation is difficult to measure let alone predict. It can disproportionately affect the longest-tail lines.

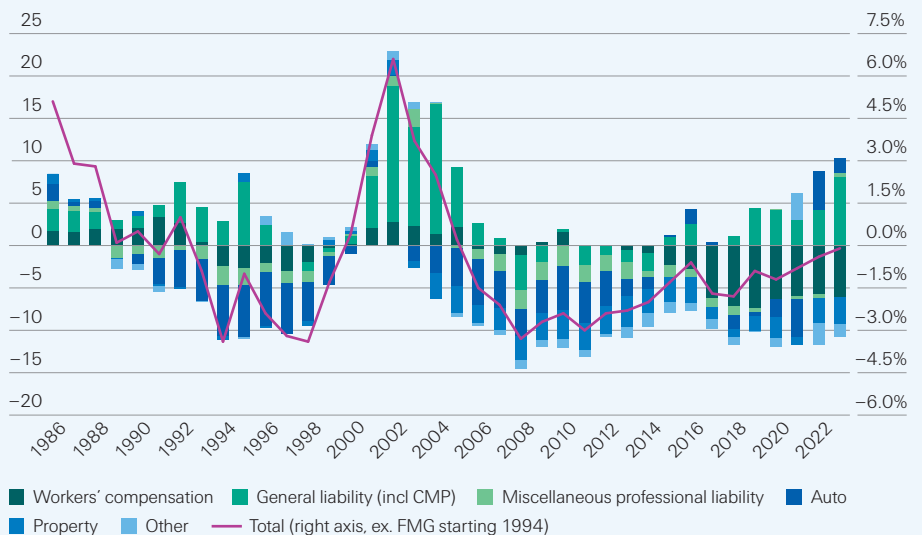
The potential for unfavourable reserve development remains a headwind for insurers in the US.

US P&C reserve development

Reserve adequacy remains a risk for insurers. To date, overall reserve development has stayed flat to slightly favourable, but only when also accounting for material reserve releases in the workers' compensation line of business. Excluding this, US industry reserve development has been unfavourable during 2021–2023. Social inflation adds another layer of complexity to the assessment of reserve adequacy. Lines such as general liability and commercial motor, which are most vulnerable to outsized jury verdicts driving up claims costs, tend also to have longer-tailed claims payment patterns, adding uncertainty to the assessment of reserve adequacy.

Figure 27

Changes in US P&C insurance sector reserves (positive implies strengthening, left), and total sector reserves development (right)



Source: Swiss Re Institute

⁴² US liability claims: the shadow of social inflation still looms, Swiss Re Institute, 28 September 2023.

Appendix I

Global insurance market rankings

The US and China remain, respectively, the first and second largest insurance markets in the world. With total premiums of USD 3.2 trillion in 2023, the US market is almost 4.5 times bigger than the Chinese, according to *sigma* data (see Table 4). Its market share rose to 45% last year driven by strong premium growth (8.0% in nominal terms) and US dollar appreciation. With total premiums of USD 724 billion, China has a 10% market share. Strong premium growth saw the UK claim third place ranking (premiums of USD 375 billion, including from Lloyd's) in 2023, overtaking Japan. The other Top 10 countries maintained their rankings. We expect India, currently at number 10, will be the fastest growing market of the G20 over the next five years.

Table 5

The world's 20 largest insurance markets by nominal premium volumes, 2023 vs 2022

Rank	Market	Total premium volumes (USD bn)			Global market share	
		2023	2022	% change	2023	2022
1	United States	3 227	2 988	8.0%	44.9%	44.1%
2	China	724	698	3.7%	10.1%	10.3%
3	United Kingdom	375	337	11.3%	5.2%	5.0%
4	Japan	363	361	0.6%	5.0%	5.3%
5	France	283	259	9.3%	3.9%	3.8%
6	Germany	245	237	3.6%	3.4%	3.5%
7	South Korea	186	192	-3.2%	2.6%	2.8%
8	Canada	171	166	2.8%	2.4%	2.4%
9	Italy	159	155	3.2%	2.2%	2.3%
10	India	136	130	4.8%	1.9%	1.9%
11	Netherlands	93	84	11.1%	1.3%	1.2%
12	Brazil	84	75	13.1%	1.2%	1.1%
13	Spain	83	68	22.1%	1.2%	1.0%
14	Taiwan	78	86	-8.9%	1.1%	1.3%
15	Australia	74	72	2.6%	1.0%	1.1%
16	Hong Kong	66	66	-1.2%	0.9%	1.0%
17	Switzerland	61	57	8.3%	0.9%	0.8%
18	Mexico	45	34	31.6%	0.6%	0.5%
19	Denmark	44	41	7.3%	0.6%	0.6%
20	Sweden	44	46	-3.3%	0.6%	0.7%
Top 20 markets		6 541	6 150	6.4%	91.0%	90.8%
World		7 186	6 773	6.1%		

Source: Swiss Re Institute

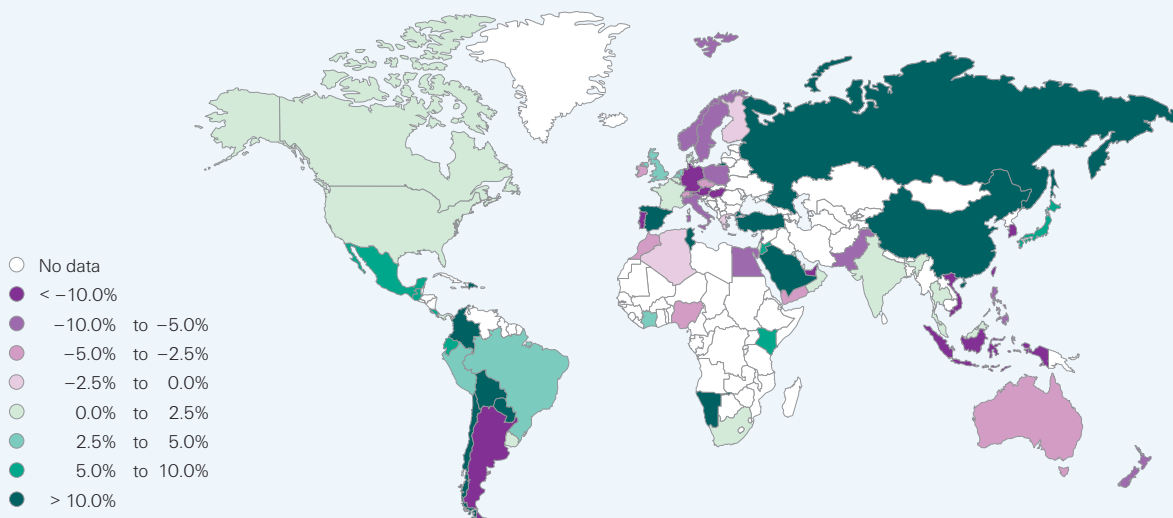
Life insurance sector growth in 2023

Life premiums in **advanced markets** continued to fall in 2023 (–0.7% in real terms), but less than in previous year (–5.2%). This was due to declines in both **advanced Asia Pacific** and **western Europe**, as high inflation eroded real growth and reduced disposable incomes. In markets such as Germany, Australia and Singapore, saving premiums have declined with high interest rates making other saving alternatives more attractive. In the UK, however, growth in pension de-risking remained strong, supporting solid premium performance. In **North America** growth continued to improve (+1.5% vs 1.2% in 2022), driven by higher fixed annuity sales.

Life premiums grew above trend in **emerging markets** at 7.8% in 2023, mostly driven by China, where premium growth recovered to 12.5%, from 2.0% in 2022 on the back of strong sales in saving products. Regulatory changes had some one-off effect for strong sales of savings products.⁴³ Excluding China, life premiums in **emerging Asia** contracted by 0.9% in 2023 mainly due to a sharp contraction in Indonesia and Vietnam, after growing by 2% in 2022. **India**, one of the key emerging Asian markets, saw considerable slowdown in 2023, with fading risk awareness and a change in tax norms for high-ticket policies weighing on new business. In **Latin America**, life premiums increased by 6.5% last year, with high interest rates supporting strong demand.

Figure 28

Life real premium growth, 2023



Source: Swiss Re Institute

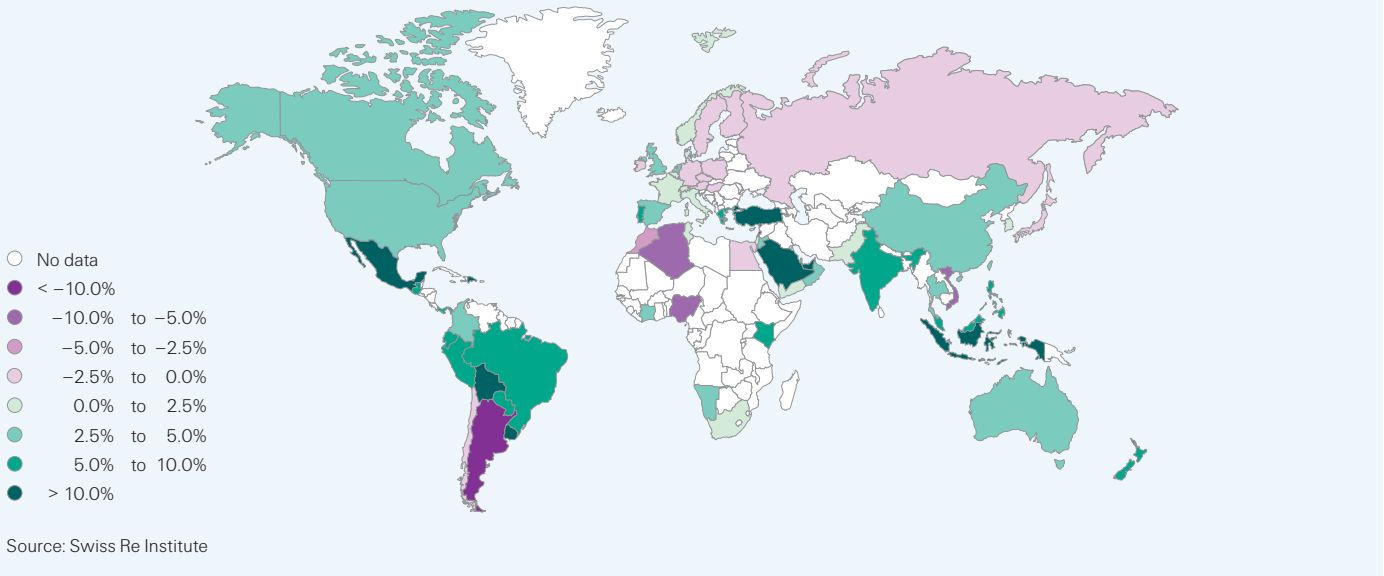
⁴³ The assumed interest rate on regular life products shifting from 3.5% to 3% since July 2023, guided by Chinese regulator given lower market rate.

Non-life insurance sector growth in 2023

Real premium growth of **advanced markets** reached an above-trend 3.6% in 2023, boosted by price increases in personal and, to a lesser degree, commercial insurance lines. **North America**, benefiting from its relative economic strength and strong personal lines rate hardening, outperformed the other advanced markets with 4.3% growth in 2023. For this year, we expect moderate, yet still resilience 3.2% growth. In **western Europe**, we expect premium growth of 2.8%, up from 2.1% in 2023. The improvement will be mainly driven by rising insurance prices, especially in personal lines. **Advanced Asia** grew by 1.5% in 2023, relatively slower than other regions, partly due to less severe inflation and therefore more muted insurance pricing dynamics.

Premiums from **emerging economies** grew 5.3% in 2023, slightly below the 6.1% average level seen in the previous decade. The below-trend economic growth in **China** (accounts for half of emerging markets’ total premiums) was the main drag⁴⁴, bringing premium growth of the country down to 4.9%, well below the 10.8% average level between 2013–2022. Meanwhile, there is strong economic and insurance demand in other **emerging Asia economies**, in which non-life insurance premiums grew by 6.8% in 2023, up from the average 6% growth of the past decade. But non-life insurance demand in **Latin America** has been constrained. Premiums grew by 1.9% in the region in 2023, as overall economic activities slowed due to the higher-for-longer interest rates environment.

Figure 29
Non-life real premium growth, 2023



⁴⁴ GDP growth path in China over past few years was more volatile than historical years, which was mainly affected by the stringent controlling policies to address COVID shock. Although China’s GDP rebounded to 5.2% in 2023, the economic activities and business sentiment was not yet recovered as the average real GDP growth was 4.1% for 2022–2023, which is even below COVID period, i.e., 5.3% for 2020–2021.

Appendix II

Methodology and data

This study looks at insurance premium volumes data from 147 countries.

This *sigma* study is based on the direct premium volumes of insurance companies, regardless of whether they are privately or state owned, for example, Premiums paid to state social are not included. Life and non-life premium volume in 147 countries is examined. Detailed information on the largest 88 countries in terms of total insurance premium volume can be found in the statistical appendix. Additional country information is available online at www.sigma-explorer.com. Where not indicated, figures and chart information in this report are all sourced from Swiss Re Institute.

All quoted growth rates are in real terms, ie adjusted for local inflation to facilitate international comparison.

Unless otherwise stated, premium growth rates indicate changes in real terms. These real growth rates are calculated using premiums in local currencies and are adjusted for inflation using the consumer price index for each country. The statistical appendix also provides the nominal change in growth for each country. Regional aggregated growth rates are calculated using the previous year's premium volumes and converted into US dollars at market exchange rates. The same procedure applies to the economic aggregates of Table X, where the previous year's nominal GDP figures in US dollars are used as weights. Real growth rates are used to cancel out exchange rate movements while facilitating international comparisons particularly between high and low inflation countries.

Figures are converted into US dollars at running annual average market exchange rates.

Using the average exchange rate for the financial year, premium volumes are converted into US dollars to facilitate comparisons between markets and regions. Where no premium data is available (indicated by "na." for the local currency value in the tables), the premium income in US dollars is estimated assuming a constant ratio of insurance premiums to GDP. Regional growth rates are calculated using a weighted average of the real growth rates of the individual countries. The weighting is based on the relevant premiums of the previous year in USD.

Country classifications generally follow IMF conventions.

The designation of the economies in this *sigma* as "advanced" or "emerging" is generally in keeping with the conventions of the International Monetary Fund (IMF). Advanced economies include the US, Canada, Western Europe (excluding Turkey), Israel, Oceania, Japan and the other advanced Asian economies (Hong Kong, Singapore, South Korea and Taiwan). All other countries are classified as "emerging" and generally correspond to the IMF's "emerging and developing" economies.

Data sources

The insurance data and estimates contained in the study originate primarily from national supervisory authorities and, in some cases, from insurance associations. Macroeconomic data was sourced from the International Financial Statistics of the IMF, Oxford Economics and IHS Markit.

Definition of premium income

This report is based on information concerning the premiums written for direct business by all registered insurers. This means:

1. Direct insurance premiums, including commissions and other charges, are considered prior to cession to a reinsurance company.
2. Domestic insurers – regardless of their ownership – and domestic branches of foreign insurers are regarded as domestically domiciled business units. By contrast, business undertaken by the foreign branches of domestic insurers is not regarded as domestic business.
3. Business that has been written in the domestic market includes premiums for cover of domestic risks as well as those covering foreign risks, as long as they are written by domestic insurers (cross-border business).

Health insurance is allocated to non-life business.	Life and non-life business areas in this <i>sigma</i> study are categorised according to standard EU and OECD conventions: health insurance is allocated to non-life insurance, even if it is classified differently in the individual countries.
Density and penetration do not include cross-border business.	Only premium income from domestic risks is used to calculate insurance penetration and density. Cross-border business is not included. This has a significant effect in Belgium, France, Liechtenstein, Luxembourg, Ireland, Malta, Norway, Singapore or the UK.
Statistical appendix	The statistical appendix contains additional calculations and the macroeconomic data used for currency conversions.
Acknowledgements	The <i>sigma</i> editorial team would like to thank the supervisory authorities, associations and companies that helped with data compilation.

Statistical appendix

- + provisional
- * estimated
- ** estimated USD value assuming constant insurance penetration.
- 1 Excluding cross-border business
- 2 Insurance penetration (premiums as a percentage of GDP) and density (premiums per capita) include cross-border business
- 3 US and Canada, Advanced EMEA, Advanced-Asia Pacific
- 4 Latin America and Caribbean, Emerging Europe and Central Asia, Emerging Middle East, Africa, Emerging Asia
- 5 34 member countries
- 6 The US, Canada, the UK, Germany, France, Italy, Japan
- 7 The US, Canada, Mexico
- 8 Singapore, Malaysia, Thailand, Indonesia, the Philippines, Vietnam. The four remaining member countries – Brunei, Cambodia, Laos and Myanmar – are not included.
- 9 Life insurance: premiums are supplemented by estimated premiums for group pension business, which has not been included in the statistics for some regions since 2001. Non-life insurance includes state funds.
- 10 Life insurance: net premiums
- 11 Non-life insurance: gross premiums, including reinsurance premiums
- 12 Financial year 1 April 2023 – 31 March 2024
- 13 Financial year 21 March 2023 – 20 March 2024
- 14 Financial year 1 July 2022 – 30 June 2023, and for property and casualty business in New Zealand, financial year 1 October 2022 - 30 September 2023
- 15 Inflation-adjusted premium growth rates in local currency, see Tables II, IV and VI

Table I

Premium volume by region and organisation in 2023

	Premium volume (in millions of USD)		Change (in %) inflation-adjusted		Share of world market (in %)	Premiums ¹ in % of GDP	Premiums ¹ per capita (in USD)
	2023	2022	2023	2022			
Total business	2023	2022	2023	2022	2023	2023	2023
America	3 591 922	3 323 140	3.7	1.2	50.0	10.1	3 470
US and Canada	3 397 205	3 153 784	3.7	1.1	47.3	11.6	9 067
Latin America and Caribbean	194 717	169 356	3.9	3.8	2.7	3.1	295
Europe, Middle East and Africa (EMEA)	1 832 637	1 708 824	0.7	-6.0	25.5	5.7	598
Advanced EMEA	1 624 932	1 514 346	-0.1	-7.8	22.6	7.1	3 421
Emerging Europe and Central Asia	101 725	88 529	10.3	-2.5	1.4	2.3	207
Middle East and Africa	105 980	105 949	3.3	21.4	1.5	2.3	54
Emerging Middle East	42 416	38 631	8.5	71.7	0.6	1.5	77
Africa	63 563	67 317	0.3	-2.5	0.9	3.5	46
Asia-Pacific	1 761 615	1 740 790	3.3	1.3	24.5	5.1	436
Advanced Asia-Pacific	818 955	830 199	-0.8	-0.1	11.4	8.7	3 204
Emerging Asia	942 661	910 591	7.1	2.8	13.1	3.7	249
China	723 664	697 806	8.9	2.6	10.1	3.9	508
Emerging Asia, excl China	218 996	212 784	1.1	3.5	3.0	3.3	93
World (2)	7 186 174	6 772 753	2.8	-0.8	100.0	7.0	889
Advanced markets (3)	5 841 092	5 498 329	2.0	-1.9	81.3	9.5	5 339
Emerging markets (4)	1 345 082	1 274 424	6.6	4.1	18.7	3.3	195
Emerging Markets excl China	621 418	576 618	3.8	6.0	8.6	2.8	114
OECD (5)	5 756 219	5 381 312	2.4	-1.3	80.1	8.9	4 266
G7 (6)	4 822 564	4 501 495	2.8	-1.0	67.1	10.2	6 111
Eurozone	1 055 874	986 739	-0.9	-8.2	14.7	6.4	2 872
EU	1 197 988	1 120 518	-1.1	-8.3	16.7	6.2	2 516
NAFTA (7)	3 442 267	3 188 014	3.7	1.0	47.9	11.1	6 842
Life business	2023	2022	2023	2022	2023	2023	2023
America	873 557	820 735	1.9	1.4	30.2	2.5	844
US and Canada	785 178	745 760	1.5	1.2	27.2	2.7	2 096
Latin America and Caribbean	88 380	74 975	6.5	2.7	3.1	1.4	134
Europe, Middle East and Africa (EMEA)	953 298	907 919	-1.3	-12.2	33.0	3.1	323
Advanced EMEA	880 815	835 635	-1.8	-12.5	30.5	4.0	1 936
Emerging Europe and Central Asia	24 694	21 364	14.7	-14.3	0.9	0.6	50
Middle East and Africa	47 789	50 920	-1.0	-5.0	1.7	1.0	25
Emerging Middle East	4 814	5 360	-9.4	-9.7	0.2	0.2	9
Africa	42 975	45 560	0.0	-4.5	1.5	2.4	31
Asia-Pacific	1 062 143	1 051 756	3.1	0.7	36.8	3.1	265
Advanced Asia-Pacific	519 592	536 129	-2.1	-0.4	18.0	5.6	2 053
Emerging Asia	542 551	515 626	8.6	2.0	18.8	2.2	144
China	390 400	364 359	12.5	2.0	13.5	2.1	274
Emerging Asia, excl China	152 151	151 268	-0.9	2.0	5.3	2.3	66
World (2)	2 888 998	2 780 409	1.3	-3.8	100.0	2.9	361
Advanced markets (3)	2 185 584	2 117 524	-0.7	-5.2	75.7	3.6	2 020
Emerging markets (4)	703 414	662 885	7.8	0.9	24.3	1.7	103
Emerging Markets excl China	313 014	298 526	2.1	-0.4	10.8	1.4	58
OECD (5)	2 079 162	1 991 904	0.1	-4.0	72.0	3.3	1 553
G7 (6)	1 673 289	1 593 390	1.0	-3.6	57.9	3.6	2 145
Eurozone	527 434	505 421	-3.4	-12.7	18.3	3.3	1 456
EU	606 196	582 486	-3.5	-12.8	21.0	3.2	1 291
NAFTA (7)	804 957	760 831	1.6	1.1	27.9	2.6	1 600
Non-life business	2023	2022	2023	2022	2023	2023	2023
America	2 718 364	2 502 405	4.2	1.1	63.3	7.6	2 626
US and Canada	2 612 027	2 408 024	4.3	1.0	60.8	8.9	6 971
Latin America and Caribbean	106 337	94 381	1.9	4.4	2.5	1.7	161
Europe, Middle East and Africa (EMEA)	879 339	800 905	3.0	-1.2	20.5	2.6	275
Advanced EMEA	744 117	678 711	2.1	-1.3	17.3	3.1	1 484
Emerging Europe and Central Asia	77 031	67 165	9.8	-4.6	1.8	1.7	156
Middle East and Africa	58 191	55 029	5.7	5.3	1.4	1.3	30
Emerging Middle East	37 602	33 271	11.5	11.4	0.9	1.4	68
Africa	20 588	21 758	-3.2	-2.5	0.5	1.1	15
Asia-Pacific	699 472	689 034	3.6	2.2	16.3	2.0	171
Advanced Asia-Pacific	299 363	294 070	1.5	0.3	7.0	3.1	1 151
Emerging Asia	400 109	394 964	5.2	3.8	9.3	1.6	105
China	333 264	333 448	4.9	3.2	7.8	1.8	234
Emerging Asia, excl China	66 845	61 516	6.8	7.1	1.6	1.0	27
World (2)	4 297 176	3 992 344	3.9	0.8	100.0	4.2	528
Advanced markets (3)	3 655 508	3 380 805	3.6	0.4	85.1	5.9	3 320
Emerging markets (4)	641 668	611 539	5.3	3.0	14.9	1.6	93
Emerging Markets excl China	308 404	278 092	5.6	2.8	7.2	1.4	56
OECD (5)	3 677 057	3 389 408	3.8	0.5	85.6	5.7	2 713
G7 (6)	3 149 275	2 908 105	3.8	0.6	73.3	6.6	3 966
Eurozone	528 439	481 318	1.8	-2.8	12.3	3.2	1 416
EU	591 792	538 032	1.6	-2.8	13.8	3.0	1 225
NAFTA (7)	2 637 310	2 427 183	4.4	1.0	61.4	8.5	5 242

Table II

Total premium volume in local currency in 2023

Country	Currency	Premium volume (in millions of local currency)			Change (in %) nominal		Change (in %) inflation-adjusted	
		2023	2022	2021	2023	2022	2023	2022
United States (9)	USD	3 226 684 *	2 987 988	2 733 861	8.0	9.3	3.7	1.2
Canada (10)	CAD	230 116 +	215 822	204 810	6.6	5.4	2.6	-1.3
US and Canada	Total						0.6	3.4
Brazil	BRL	422 007 *	385 537	334 622	9.5	15.2	4.7	5.4
Mexico	MXN	799 360	688 529	644 337	16.1	6.9	10.0	-1.0
Colombia	COP	57 644 110	47 291 870	35 344 000	21.9	33.8	9.1	21.4
Chile	CLP	11 166 900	9 823 522	8 624 661	13.7	13.9	5.9	2.0
Argentina	ARS	2 917 080	1 714 609	1 035 019	70.1	65.7	-27.1	-3.9
Peru	PEN	20 938	18 746	17 695	11.7	5.9	5.1	-1.8
Uruguay	UYU	88 079	72 009	69 689	22.3	3.3	15.5	-5.3
Ecuador	USD	2 203	2 005	1 944	9.9	3.1	7.5	-0.3
Dominican Republic	DOP	115 356	96 360	86 021	19.7	12.0	14.1	2.9
Costa Rica	CRC	1 036 034	1 024 806	900 209	1.1	13.8	0.6	5.1
Panama	PAB	1 865	1 702	1 611	9.5	5.6	7.9	2.7
Guatemala	GTQ	11 266	9 968	8 804	13.0	13.2	6.5	5.9
Bolivia	BOB	5 734	4 844	4 234	18.4	14.4	15.4	12.4
Paraguay	PAB	3 475 773	3 093 966	2 791 262	12.3	10.8	7.4	1.0
Latin America and Caribbean	Total						3.9	3.8
United Kingdom	GBP	301 480 *	272 189 *	271 422 *	11	0	3.2	-8.0
France	EUR	261 535 *	245 721	247 305	6.4	-0.6	1.5	-5.6
Germany	EUR	227 007 *	224 957	227 942	1	-1	-4.7	-7.7
Italy	EUR	147 453 *	146 721	162 177	0.5	-9.5	-4.9	-16.4
Netherlands	EUR	86 145 *	79 619	78 105	8.2	1.9	4.2	-7.3
Spain	EUR	77 168 *	64 856	61 920	19.0	4.7	14.9	-3.4
Switzerland	CHF	54 976 +	53 969	52 946	1.9	1.9	-0.3	-0.9
Denmark	DKK	305 721 *	292 651	286 000	4.5	2.3	1.1	-5.0
Sweden	SEK	468 914	462 299	509 838	1.4	-9.3	-6.6	-16.3
Belgium	EUR	36 273 *	34 369	33 576	5.5	2.4	1.4	-6.6
Luxembourg	EUR	35 435 *	39 728	41 386	-10.8	-4.0	-14.0	-9.7
Finland	EUR	27 643 *	26 586	26 084	4.0	1.9	-2.1	-4.9
Ireland	EUR	27 330 *	26 229	25 169	4.2	4.2	-2.0	-3.4
Norway	NOK	247 866 *	241 033	224 737	2.8	7.3	-2.5	1.4
Austria	EUR	20 339	19 421	18 647	4.7	4.2	-2.9	-4.0
Israel	ILS	78 620 *	73 773	69 524	6.6	6.1	2.3	1.6
Portugal	EUR	11 823 *	12 057	13 350	-1.9	-9.7	-6.0	-16.2
Greece	EUR	5 334 *	4 988	4 771	7.0	4.5	3.4	-4.7
Advanced EMEA	Total						-0.1	-7.8
South Africa	ZAR	800 626 *	750 347 *	735 284 *	6.7	2.0	0.7	-4.5
Russia	RUB	1 900 005	1 613 926	1 592 352	17.7	1.4	11.2	-10.9
Turkey	TRY	455 518	218 293	96 607	108.7	126.0	35.6	31.1
Poland	PLN	75 111 *	68 940	65 887	9.0	4.6	-2.2	-8.5
Saudi Arabia	SAR	65 459	53 356	42 030	22.7	26.9	19.9	23.9
United Arab Emirates (11)	AED	53 500 *	47 513	43 552	12.6	9.1	9.0	4.1
Czech Republic	CZK	215 279 *	199 485	179 158	7.9	11.3	-2.4	-3.3
Morocco	MAD	55 927	54 501	49 816	2.6	9.4	-3.3	2.6
Hungary	HUF	1 493 062 *	1 416 433	1 318 980	5.4	7.4	-10.0	-6.4
Pakistan	PKR	720 462 *	579 000	435 000	24.4	33.1	-4.8	11.0
Egypt (14)	EGP	65 852 *	54 843	47 381	20.1	15.7	-3.5	6.7
Kenya	KES	348 384 *	306 584	270 468	13.6	13.4	5.5	5.3
Qatar	QAR	8 123 *	6 994 *	6 319	16.1	10.7	12.7	5.4
Kuwait	KWD	514 *	492 *	440 *	4.4	11.8	0.7	7.5
Oman	OMR	565 *	541	480	4.3	12.8	3.3	10.1
Nigeria	NGN	845 313 *	719 166 *	631 416 *	17.5	13.9	-5.7	-4.2
Algeria	DZD	161 822	157 035	146 851	3.0	6.9	-5.7	-2.5
Tunisia	TND	3 614 *	3 122	2 834	15.8	10.2	5.9	1.7
Jordan	JOD	745 +	706	634	5.6	11.3	3.4	6.8
Namibia	NAD	17 973 *	15 085	14 687	19.1	2.7	12.5	-3.2
Bahrain	BHD	290	279	276	3.6	1.3	3.6	-2.3
Cote d'Ivoire	XOF	457 794 *	424 179 *	384 273	7.9	10.4	3.3	4.9
Yemen	YER	77 556	62 658	57 029	23.8	9.9	1.9	-22.6
Lebanon	LBP	3 598 227 *	2 479 061	2 573 064	45.1	-3.7	-54.8	-64.5
Emerging EMEA	Total						6.5	10.4
Japan (12)	JPY	52 475 890 *	48 880 870	44 720 900	7.4	9.3	4.1	5.9
South Korea	KRW	245 258 800 *	251 453 000	225 758 000	-2.5	11.4	-5.5	5.8
Taiwan	TWD	2 432 710	2 555 574	3 178 544	-4.8	-19.6	-7.1	-21.9
Australia	AUD	110 947 *	103 568	96 665	7.1	7.1	1.4	0.5
Hong Kong	HKD	514 269 +	520 662	566 032	-1.2	-8.0	-3.3	-9.7
Singapore	SGD	57 965 *	61 426	60 745	-5.6	1.1	-10.0	-4.7
New Zealand (14)	NZD	14 658 *	13 166 *	15 719	11.3	-16.2	5.3	-21.8
Advanced Asia-Pacific	Total						-0.8	-0.1
China	CNY	5 124 670	4 695 718	4 490 017	9.1	4.6	8.9	2.6
India (12)	INR	11 256 300 *	10 428 320	9 166 160	7.9	13.8	2.4	6.7
Thailand	THB	918 067 *	885 333	876 640	3.7	1.0	2.4	-4.8
Malaysia	MYR	93 976	89 526	83 412	5.0	7.3	3.0	3.5
Indonesia	IDR	279 670 800 *	275 855 700	280 264 400	1.4	-1.6	-2.2	-5.5
Vietnam	VND	225 002 200 *	248 989 000	219 413 000	-9.6	13.5	-12.5	10.0
Philippines	PHP	431 561 +	417 105	407 936	3.3	22.1	-2.3	17.5
Emerging Asia	Total						7.1	2.8
World	World						2.8	-0.8

Table III

Total premium volume in USD in 2023

	Ranking		Country	Premium volume (in millions of local currency)		Change (in % 2023)		Share of world market 2023 (in%)
	2023	2022		2023	2022	nominal (in USD)	inflation-adjusted ¹⁵	
	1	1	United States (9)	3 226 684 *	2 987 988	8.0	3.7	44.9
	8	8	Canada (10)	170 520 +	165 796	2.8	2.6	2.4
US and Canada			Total	3 397 205	3 153 784	7.7	3.7	47.2
	12	13	Brazil	84 489 *	74 687	13.1	4.7	1.2
	18	24	Mexico	45 062	34 230	31.6	10.0	0.6
	38	42	Colombia	13 325	11 111	19.9	9.1	0.2
	39	40	Chile	13 297	11 250	18.2	5.9	0.2
	41	37	Argentina	10 315	13 135	-21.5	-27.1	0.1
	47	48	Peru	5 594	4 887	14.5	5.1	0.1
	53	55	Uruguay	2 269	1 749	29.7	15.5	0.0
	55	53	Ecuador	2 203	2 005	9.9	7.5	0.0
	56	56	Dominican Republic	2 065	1 748	18.2	14.1	0.0
	57	61	Costa Rica	1 916	1 592	20.3	0.6	0.0
	58	57	Panama	1 865	1 702	9.5	7.9	0.0
	61	63	Guatemala	1 434	1 286	11.5	6.5	0.0
	67	69	Bolivia	830	701	18.4	15.4	0.0
	70	71	Paraguay	477	443	7.7	7.4	0.0
			Other countries	9 576	8 829			
Latin America and Caribbean			Total	194 717	169 356	15.0	3.9	2.7
	3	4	United Kingdom	374 936 *	336 767 *	11.3	3.2	5.2
	5	5	France	282 800 *	258 856	9.2	1.5	3.9
	6	6	Germany	245 464 *	236 981	3.6	-4.7	3.4
	9	9	Italy	159 442 *	154 564	3.2	-4.9	2.2
	11	12	Netherlands	93 149 *	83 875	11.1	4.2	1.3
	13	15	Spain	83 442 *	68 323	22.1	14.9	1.2
	17	17	Switzerland	61 187 +	56 521	8.3	-0.3	0.9
	19	22	Denmark	44 374 *	41 357	7.3	1.1	0.6
	20	19	Sweden	44 201	45 692	-3.3	-6.6	0.6
	23	23	Belgium	39 222 *	36 206	8.3	1.4	0.5
	24	21	Luxembourg	38 316 *	41 852	-8.4	-14.0	0.5
	25	25	Finland	29 891 *	28 007	6.7	-2.1	0.4
	26	26	Ireland	29 552 *	27 632	6.9	-2.0	0.4
	28	28	Norway	23 447 *	25 060	-6.4	-2.5	0.3
	30	31	Austria	21 993	20 459	7.5	-2.9	0.3
	31	30	Israel	21 308 *	21 971	-3.0	2.3	0.3
	40	39	Portugal	12 784 *	12 702	0.6	-6.0	0.2
	46	47	Greece	5 768 *	5 254	9.8	3.4	0.1
			Other countries	13 659	12 267			
Advanced EMEA			Total	1 624 932	1 514 346	7.3	-0.1	22.6
	21	18	South Africa	43 354 *	45 832 *	-5.4	0.7	0.6
	29	29	Russia	22 310	23 566.4	-5.3	11	0
	33	36	Turkey	19 216	13 172	45.9	35.6	0.3
	35	34	Poland	17 879 *	15 468	15.6	-2.2	0.2
	36	35	Saudi Arabia	17 456	14 228	22.7	19.9	0.2
	37	38	United Arab Emirates (11)	14 568 *	12 938	12.6	9.0	0.2
	42	43	Czech Republic	9 698 *	8 541	13.6	-2.4	0.1
	48	46	Morocco	5 519	5 364	2.9	-3.3	0.1
	49	49	Hungary	4 229 *	3 802	11.2	-10.0	0.1
	50	51	Pakistan	2 566 *	2 826	-9.2	-4.8	0.0
	51	50	Egypt (14)	2 550 *	3 321	-23.2	-3.5	0.0
	52	52	Kenya	2 489 *	2 600	-4.3	5.5	0.0
	54	54	Qatar	2 231 *	1 921 *	16.1	12.7	0.0
	59	60	Kuwait	1 674 *	1 608 *	4.1	0.7	0.0
	60	62	Oman	1 488 *	1 408	4.3	3.3	0.0
	62	58	Nigeria	1 306 *	1 688 *	-22.6	-5.7	0.0
	64	64	Algeria	1 190 *	1 105	7.7	-5.7	0.0
	64	65	Tunisia	1 164 *	1 006	15.7	5.9	0.0
	65	66	Jordan	1 049 +	994	5.6	3.4	0.0
	66	67	Namibia	973 *	921	5.6	12.5	0.0
	68	68	Bahrain	770	743	3.6	3.6	0.0
	69	70	Cote d'Ivoire	755 *	680 *	11.0	3.3	0.0
	71	72	Yemen	310	250	23.8	1.9	0.0
	72	59	Lebanon	259 *	1 644	-84.2	-54.8	0.0
			Other countries	32 721	28 830			
Emerging EMEA			Total	207 705	194 477	6.8	6.5	2.9
	4	3	Japan (12)	362 719 *	360 543	0.6	4.1	5.0
	7	7	South Korea	185 917 *	192 099	-3.2	-5.5	2.6
	14	11	Taiwan	78 077	85 737	-8.9	-7.1	1.1
	15	14	Australia	73 652 *	71 793	2.6	1.4	1.0
	16	16	Hong Kong	65 692 +	66 493	-1.2	-3.3	0.9
	22	20	Singapore	43 168 *	44 555	-3.1	-10.0	0.6
	44	44	New Zealand (14)	8 998 *	8 355 *	7.7	5.3	0.1
			Other countries	731	623			
Advanced Asia-Pacific			Total	818 955	830 199	-1.4	-0.8	11.4
	2	2	China	723 664	697 806	3.7	8.9	10.1
	10	10	India (12)	135 958 *	129 765	4.8	2.4	1.9
	27	27	Thailand	26 380 *	25 251	4.5	2.4	0.4
	32	32	Malaysia	20 237	20 115	0.6	3.0	0.3
	34	33	Indonesia	18 353 *	18 574	-1.2	-2.2	0.3
	43	42	Vietnam	9 447 *	10 649	-11.3	-12.5	0.1
	45	45	Philippines	7 758 +	7 656	1.3	-2.4	0.1
			Other countries	864	774			
Emerging Asia			Total	942 661	910 591	3.5	7.1	13.1
World			World	7 186 174	6 772 753	6.1	2.8	100.0

Table IV

Life insurance premium volume in local currency in 2023

Country	Currency	Premium volume (in millions of local currency)			Change (in %) nominal		Change (in %) inflation-adjusted	
		2023	2022	2021	2023	2022	2023	2022
United States (9)	USD	714 859 *	677 269	615 363	5.6	10.1	1.4	1.9
Canada (10)	CAD	94 895 +	89 157	87 657	6.4	1.7	2.5	-4.8
US and Canada	Total						1.5	1.2
Brazil	BRL	223 720 *	204 988	184 797	9.1	10.9	4.3	1.5
Mexico	MXN	350 860	303 147	300 119	15.7	1.0	9.7	-6.4
Chile	CLP	6 090 841	5 045 602	4 201 210	20.7	20.1	12.5	7.6
Colombia	COP	23 501 630	17 940 250	10 760 150	31.0	66.7	17.2	51.3
Peru	PEN	10 802	9 741	9 217	10.9	5.7	4.4	-2.0
Argentina	ARS	458 307	222 312	134 224	106.2	65.6	-11.7	-3.9
Uruguay	UYU	42 618	39 372	32 680	8.2	20.5	2.2	10.4
Ecuador	USD	673	600	451	12.2	33.0	9.8	28.6
Panama	PAB	433	419	410	3.3	2.1	1.7	-0.7
Costa Rica	CRC	207 041	188 764	147 816	9.7	27.7	9.1	17.9
Guatemala	GTQ	2 779	2 447	2 069	13.6	18.3	7.0	10.6
Bolivia	BOB	2 377	2 092	1 782	13.6	17.4	10.8	15.4
Dominican Republic	DOP	18 743	15 573	13 039	20.4	19.4	14.8	9.8
Paraguay	PAB	601 780	501 438	443 134	20.0	13.2	14.7	3.1
Latin America and Caribbean	Total						6.5	2.7
United Kingdom	GBP	190 520 *	172 879 *	184 417 *	10.2	-6.3	2.7	-14.0
France	EUR	157 308 *	148 353	153 676	6.0	-3.5	1.1	-8.3
Italy	EUR	102 237 *	104 858	122 703	-2.5	-14.5	-7.7	-21.0
Germany	EUR	86 308 *	91 048	97 785	-5.2	-6.9	-10.5	-12.9
Spain	EUR	36 931	27 212	26 238	35.7	3.7	31.1	-4.3
Sweden	SEK	358 792	358 616	409 645	0.0	-12.5	-7.8	-19.2
Denmark	DKK	227 278 *	217 997	213 882	4.3	1.9	0.9	-5.4
Switzerland	CHF	22 795 +	22 941	23 084	-0.6	-0.6	-2.7	-3.4
Finland	EUR	22 477 *	21 641	21 294	3.9	1.6	-2.2	-5.1
Luxembourg	EUR	19 002 *	24 680	28 166	-23.0	-12.4	-25.8	-17.6
Ireland	EUR	18 339 *	17 739	17 150	3.4	3.4	-2.7	-4.1
Belgium	EUR	17 041 *	16 242	16 393	4.9	-0.9	0.8	-9.6
Norway	NOK	140 503 *	141 460	132 685	-0.7	6.6	-5.9	0.8
Netherlands	EUR	11 954 *	11 058	11 862	8.1	-6.8	4.1	-15.3
Israel	ILS	39 640 *	37 203	36 332	6.6	2.4	2.2	-1.9
Austria	EUR	5 135	5 374	5 431	-4.4	-1.0	-11.4	-8.8
Portugal	EUR	5 159 *	6 020	7 728	-14.3	-22.1	-17.8	-27.8
Greece	EUR	2 466 *	2 429	2 372	1.5	2.4	-1.9	-6.6
Advanced EMEA	Total						-1.8	-12.5
South Africa	ZAR	643 276 *	603 511 *	598 412 *	6.6	0.9	0.6	-5.6
Russia	RUB	695 491	464 882	441 515	49.6	5.3	41.3	-7.4
Poland	PLN	14 595	13 983	15 028	4.4	-7.0	-6.3	-18.6
Czech Republic	CZK	57 171 *	53 721	51 141	6.4	5.0	-3.8	-8.7
Morocco	MAD	25 853	25 395	22 942	1.8	10.7	-4.0	3.8
Turkey	TRY	54 487	30 164	17 331	80.6	74.1	17.4	1.0
United Arab Emirates (11)	AED	6 700 *	7 688	8 970	-12.8	-14.3	-15.7	-18.2
Pakistan	PKR	446 625 *	374 000	293 000	19.4	27.6	-8.7	6.5
Hungary	HUF	557 360 *	599 605	595 232	-7.0	0.7	-20.6	-12.2
Egypt (14)	EGP	32 164 *	27 572	23 976	16.7	15.0	-6.2	6.0
Kenya	KES	159 747 *	140 845	123 687	13.4	13.9	5.3	5.8
Namibia	NAD	13 538 *	11 013	10 945	22.9	0.6	16.1	-5.1
Nigeria	NGN	398 396 *	330 951 *	265 619 *	20.4	24.6	-3.4	4.8
Saudi Arabia	SAR	2 566	1 874	1 707	36.9	9.7	33.8	7.1
Cote d'Ivoire	XOF	252 781 *	232 914 *	205 300	8.5	13.5	3.9	7.8
Tunisia	TND	1 033 *	810	722	27.5	12.2	16.6	3.6
Jordan	JOD	139 +	128	110	8.6	16.4	6.4	11.6
Oman	OMR	69 *	67	57	2.7	17.4	1.8	14.5
Kuwait	KWD	42 *	41 *	36 *	4.4	12.1	0.7	7.8
Algeria	DZD	17 618	16 454	13 478	7.1	22.1	-2.0	11.3
Bahrain	BHD	36	36	53	0.0	-32.6	-0.1	-35.0
Lebanon	LBP	385 921 *	417 672	524 676	-7.6	-20.4	-71.2	-70.6
Yemen	YER	3 510	3 010	2 577	16.6	16.8	-4.0	-17.7
Qatar	QAR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Emerging EMEA	Total						3.6	-7.8
Japan (12)	JPY	40 103 280 *	36 750 860	32 606 450	9.1	12.7	5.8	9.2
South Korea	KRW	111 292 500 *	123 835 400	110 790 000	-10.1	11.8	-12.9	6.2
Hong Kong	HKD	444 192 +	452 943	499 742	-1.9	-9.4	-4.0	-11.1
Taiwan	TWD	1 681 153	1 846 511	2 495 772	-9.0	-26.0	-11.2	-28.1
Singapore	SGD	40 337 *	45 698	46 543	-11.7	-1.8	-15.8	-7.5
Australia	AUD	23 504 *	22 852	21 358	2.9	7.0	-2.6	0.4
New Zealand	NZD	1 725 *	1 790 *	1 739	-3.6	3.0	-8.9	-3.9
Advanced Asia-Pacific	Total						-2.1	-0.4
China	CNY	2 764 641	2 451 863	2 357 185	12.8	4.0	12.5	2.0
India (12)	INR	8 294 542 *	7 825 040	6 926 142	6.0	13.0	0.6	5.9
Malaysia	MYR	67 641	65 455	61 914	3.3	5.7	1.4	1.9
Thailand	THB	499 393 *	484 600	496 009	3.1	-2.3	1.8	-7.9
Indonesia	IDR	161 152 100 *	174 030 300	192 041 100	-7.4	-9.4	-10.7	-13.0
Vietnam	VND	156 036 100 *	178 327 000	159 326 000	-12.5	11.9	-15.3	8.5
Philippines	PHP	293 577 +	294 928	297 012	-0.5	-0.7	-6.1	-6.2
Emerging Asia	Total						8.6	2.0
World	World						1.3	-3.8

Table V

Life premium volume in USD in 2023

	Ranking		Country	Premium volume (in millions of USD)		Change (in %) 2023		Share of total business 2023 (in %)	Share of world market 2023 (in %)
	2023	2022		2023	2022	nominal (in USD)	inflation-adjusted ¹⁵		
	1	1	United States (9)	714 859 *	677 269 **	5.6	1.4	22.2	24.7
	10	10	Canada (10)	70 319 +	68 491 **	2.7	2.5	41.2	2.4
US and Canada			Total						
	13	13	Brazil	44 790 *	39 710	12.8	4.3	53.0	1.5
	23	25	Mexico	19 779	15 071	31.2	9.7	43.9	0.7
	33	35	Chile	7 253	5 778	25.5	12.5	54.5	0.3
	37	38	Colombia	5 433	4 215	28.9	17.2	40.8	0.2
	40	41	Peru	2 886	2 539	13.6	4.4	51.6	0.1
	46	47	Argentina	1 621	1 703	-4.8	-11.7	15.7	0.1
	51	52	Uruguay	1 098	956	14.8	2.2	48.4	0.0
	55	55	Ecuador	673	600	12.2	9.8	30.6	0.0
	57	57	Panama	433	419	3.3	1.7	23.2	0.0
	59	61	Costa Rica	383	293	30.6	9.1	20.0	0.0
	60	59	Guatemala	354	316	12.0	7.0	24.7	0.0
	61	60	Bolivia	344	303	13.6	10.8	41.4	0.0
	62	62	Dominican Republic	336	282	18.8	14.8	16.2	0.0
	69	70	Paraguay	83	72	15.0	14.7	17.3	0.0
			Other countries	2 917	2 716				
Latin America and Caribbean			Total	88 380	74 975	17.9	6.5	45.4	3.1
	4	4	United Kingdom	236 941 *	213 896 *	10.8	2.7	63.2	8.2
	5	5	France	170 098 *	156 283	8.8	1.1	60.1	5.9
	6	6	Italy	110 549 *	110 463	0.1	-7.7	69.3	3.8
	8	8	Germany	93 325 *	95 915	-2.7	-10.5	38.0	3.2
	14	18	Spain	39 933	28 667	39.3	31.1	47.9	1.4
	16	15	Sweden	33 821	35 444	-4.6	-7.8	76.5	1.2
	17	17	Denmark	32 988 *	30 807	7.1	0.9	74.3	1.1
	19	20	Switzerland	25 370 +	24 026	5.6	-2.7	41.5	0.9
	20	21	Finland	24 305 *	22 798	6.6	-2.2	81.3	0.8
	21	19	Luxembourg	20 547 *	25 999	-21.0	-25.8	53.6	0.7
	22	22	Ireland	19 830 *	18 687	6.1	-2.7	67.1	0.7
	24	23	Belgium	18 427 *	17 110	7.7	0.8	47.0	0.6
	28	26	Norway	13 291 *	14 708	-9.6	-5.9	56.7	0.5
	29	30	Netherlands	12 926 *	11 649	11.0	4.1	13.9	0.4
	30	31	Israel	10 743 *	11 080	-3.0	2.2	50.4	0.4
	35	34	Portugal	5 579 *	6 342	-12.0	-17.8	43.6	0.2
	36	36	Austria	5 553	5 661	-1.9	-11.4	25.2	0.2
	41	40	Greece	2 666 *	2 558	4.2	-1.9	46.2	0.1
			Other countries	3 924	3 542				
Advanced EMEA			Total	880 815	835 635	5.4	-1.8	54.2	30.5
	15	14	South Africa	34 833 *	36 863 *	-5.5	0.6	80.3	1.2
	32	33	Russia	8 167	6 788	20.3	41.3	36.6	0.3
	39	39	Poland	3 474	3 137	10.7	-6.3	19.4	0.1
	42	43	Czech Republic	2 575 *	2 300	12.0	-3.8	26.6	0.1
	43	42	Morocco	2 551	2 499	2.1	-4.0	46.2	0.1
	44	46	Turkey	2 299	1 820	26.3	17.4	12.0	0.1
	45	44	United Arab Emirates (11)	1 824 *	2 093	-12.8	-15.7	12.5	0.1
	47	45	Pakistan	1 590 *	1 825	-12.9	-8.7	62.0	0.1
	48	49	Hungary	1 579 *	1 609	-1.9	-20.6	37.3	0.1
	49	48	Egypt (14)	1 246 *	1 670	-25.4	-6.2	48.8	0.0
	50	50	Kenya	1 141 *	1 194	-4.4	5.3	45.9	0.0
	53	54	Namibia	733 *	673	9.0	16.1	75.3	0.0
	54	56	Saudi Arabia	684	500	36.9	33.8	3.9	0.0
	56	53	Nigeria	616 *	777 *	-20.8	-3.4	47.1	0.0
	58	58	Cote d'Ivoire	417 *	373 *	11.6	3.9	55.2	0.0
	63	64	Tunisia	333 *	261	27.5	16.6	28.6	0.0
	64	65	Jordan	195 +	180	8.6	6.4	18.6	0.0
	65	66	Oman	180 *	175	2.7	1.8	12.2	0.0
	66	67	Kuwait	138 *	132 *	4.1	0.7	8.2	0.0
	67	68	Algeria	130	116	11.9	-2.0	10.9	0.0
	68	69	Bahrain	95	95	0.0	-0.1	12.3	0.0
	70	63	Lebanon	28	277	-90.0	-71.2	10.7	0.0
	71	71	Yemen	14	12	16.6	-4.0	4.5	0.0
			Qatar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
			Other countries	7 641	6 883				
Emerging EMEA			Total	72 483	72 283	0.3	3.6	34.9	2.5
	3	3	Japan (12)	277 198 *	271 073	2.3	5.8	76.4	9.6
	9	9	South Korea	84 364 *	94 605	-10.8	-12.9	45.4	2.9
	11	12	Hong Kong	56 740 +	57 845	-1.9	-4.0	86.4	2.0
	12	11	Taiwan	53 956	61 949	-12.9	-11.2	69.1	1.9
	18	16	Singapore	30 040 *	33 146	-9.4	-15.8	69.6	1.0
	25	24	Australia	15 603 *	15 841	-1.5	-2.6	21.2	0.5
	52	51	New Zealand	1 059 *	1 136 *	-6.8	-8.9	11.8	0.0
			Other countries	630	534				
Advanced Asia-Pacific			Total	519 592	536 129	-3.1	-2.1	63.4	17.9
	2	2	China	390 400	364 359	7.1	12.5	53.9	13.5
	7	7	India (12)	100 185 *	97 371	2.9	0.6	73.7	3.5
	26	27	Malaysia	14 566	14 707	-1.0	1.4	72.0	0.5
	27	28	Thailand	14 349 *	13 821	3.8	1.8	54.4	0.5
	31	29	Indonesia	10 576 *	11 718	-9.7	-10.7	57.6	0.4
	34	32	Vietnam	6 551 *	7 627	-14.1	-15.3	69.3	0.2
	38	37	Philippines	5 277 +	5 414	-2.5	-6.1	68.0	0.2
			Other countries	647	610				
Emerging Asia			Total	542 551	515 626	5.2	8.6	57.6	18.8
World			World	2 888 998	2 780 409	3.9	1.3	40.2	100.0

Table VI

Non-life insurance premium volume in local currency in 2023

Country	Currency	Premium volume (in millions of local currency)			Change (in %) nominal		Change (in %) inflation-adjusted	
		2023	2022	2021	2023	2022	2023	2022
United States (9)	USD	2 511 826 *	2 310 719	2 118 498	8.7	9.1	4.4	1.0
Canada (10)	CAD	135 221 +	126 665	117 153	6.8	8.1	2.8	1.2
US and Canada	Total						0.4	3.2
Brazil	BRL	198 287 *	180 549	149 825	9.8	20.5	5.0	10.3
Mexico	MXN	448 500	385 382	344 217	16.4	12.0	10.3	3.8
Argentina	ARS	2 458 773	1 492 297	900 795	64.8	65.7	-29.4	-3.9
Colombia	COP	34 142 480	29 351 620	24 583 850	16.3	19.4	4.1	8.4
Chile	CLP	5 076 061	4 777 920	4 423 451	6.2	8.0	-1.0	-3.3
Peru	PEN	10 137	9 005	8 478	12.6	6.2	5.9	-1.5
Dominican Republic	DOP	96 613	80 786	72 982	19.6	10.7	14.0	1.7
Costa Rica	CRC	828 993	836 042	752 393	-0.8	11.1	-1.4	2.6
Ecuador	USD	1 530	1 405	1 493	8.9	-5.9	6.5	-9.0
Panama	PAB	1 432	1 283	1 201	11.6	6.8	10.0	3.9
Uruguay	UYU	45 461	32 637	37 009	39.3	-11.8	31.6	-19.2
Guatemala	GTQ	8 488	7 521	6 735	12.9	11.7	6.3	4.5
Bolivia	BOB	3 357	2 752	2 452	22.0	12.2	18.9	10.3
Paraguay	PAB	2 873 993	2 592 528	2 348 128	10.9	10.4	5.9	0.6
Latin America and Caribbean	Total						1.9	4.4
Germany	EUR	140 699 *	133 908	130 157	5.1	2.9	-0.8	-3.7
United Kingdom	GBP	110 960 *	99 309	87 005	11.7	14.1	4.1	4.7
France	EUR	104 227 *	97 368	93 629	7.0	4.0	2.1	-1.2
Netherlands	EUR	74 191 +	68 561	66 243	8.2	3.5	4.2	-5.9
Italy	EUR	45 216 +	41 863	39 474	8.0	6.1	2.3	-2.0
Spain	EUR	40 237 *	37 644	35 682	6.9	5.5	3.2	-2.7
Switzerland	CHF	32 181 +	31 027	29 862	3.7	3.9	1.5	1.0
Belgium	EUR	19 232 *	18 127	17 183	6.1	5.5	2.0	-3.7
Luxembourg	EUR	16 433 *	15 049	13 220	9.2	13.8	5.3	7.0
Austria	EUR	15 204	14 047	13 216	8.2	6.3	0.4	-2.1
Denmark	DKK	78 443 *	74 654	72 118	5.1	3.5	1.7	-3.9
Israel	ILS	38 980 *	36 570	33 192	6.6	10.2	2.3	5.5
Sweden	SEK	110 122	103 683	100 193	6.2	3.5	-2.2	-4.5
Norway	NOK	107 364 *	99 574	92 052	7.8	8.2	2.2	2.3
Ireland	EUR	8 991 *	8 491	8 019	5.9	5.9	-0.4	-1.8
Portugal	EUR	6 664 *	6 038	5 622	10.4	7.4	5.8	-0.4
Finland	EUR	5 166 *	4 946	4 790	4.5	3.2	-1.7	-3.6
Greece	EUR	2 869 *	2 559	2 399	12.1	6.7	8.3	-2.7
Advanced EMEA	Total						2.1	-1.3
Turkey	TRY	401 031	188 128	79 276	113.2	137.3	38.5	37.7
Saudi Arabia	SAR	62 893	51 483	40 323	22.2	27.7	19.4	24.6
Poland	PLN	60 516 *	54 957	50 858	10.1	8.1	-1.2	-5.5
Russia	RUB	1 204 514	1 149 044	1 150 837	4.8	-0.2	-1.0	-12.2
United Arab Emirates (11)	AED	46 800 *	39 826	34 582	17.5	15.2	13.7	9.9
South Africa	ZAR	157 349 *	146 836 *	136 872 *	7.2	7.3	1.2	0.4
Czech Republic	CZK	158 108 *	145 764	128 017	8.5	13.9	-1.9	-1.1
Morocco	MAD	30 074	29 106	26 874	3.3	8.3	-2.6	1.5
Hungary	HUF	935 701 *	816 828	723 748	14.6	12.9	-2.2	-1.6
Qatar	QAR	8 123 *	6 994 *	6 319	16.1	10.7	12.7	5.4
Kuwait	KWD	472 *	452	404	4.4	11.8	0.7	7.5
Kenya	KES	188 636 *	165 740	146 781	13.8	12.9	5.7	4.9
Egypt (14)	EGP	33 689 *	27 271	23 406	23.5	16.5	-0.7	7.4
Oman	OMR	495 *	474	423	4.5	12.2	3.5	9.4
Algeria	DZD	144 205	140 581	133 373	2.6	5.4	-6.1	-3.9
Pakistan	PKR	273 838 *	205 000	142 000	33.6	44.4	2.2	20.4
Jordan	JOD	606 +	578	524	4.9	10.2	2.7	5.8
Tunisia	TND	2 580 *	2 311	2 112	11.6	9.4	2.1	1.0
Nigeria	NGN	446 917 *	388 215 +	365 797 +	15.1	6.1	-7.6	-10.7
Bahrain	BHD	254	244	223	4.2	9.3	4.1	5.5
Cote d'Ivoire	XOF	205 014 *	191 265 *	178 973	7.2	6.9	2.6	1.5
Yemen	YER	74 046	59 648	54 452	24.1	9.5	2.2	-22.8
Namibia	NAD	4 435 *	4 071	3 741	8.9	8.8	2.9	2.6
Lebanon	LBP	3 212 306 *	2 061 389	2 048 388	55.8	0.6	-51.5	-62.9
Emerging EMEA	Total						7.9	-0.4
South Korea	KRW	133 966 300 *	127 617 600	114 968 100	5.0	11.0	1.7	5.5
Japan (12)	JPY	12 372 610 *	12 130 010	12 114 450	2.0	0.1	-1.1	-3.0
Australia	AUD	87 443 *	80 716	75 307	8.3	7.2	2.6	0.5
Taiwan	TWD	751 556	709 063	682 772	6.0	3.9	3.4	0.9
Singapore	SGD	17 628 *	15 728	14 203	12.1	10.7	6.9	4.4
Hong Kong	HKD	70 077 +	67 719	66 290	3.5	2.2	1.3	0.3
New Zealand (14)	NZD	12 933 *	11 376 *	13 980	13.7	-18.6	7.5	-24.1
Advanced Asia-Pacific	Total						1.5	0.3
China	CNY	2 360 029	2 243 855	2 132 832	5.2	5.2	4.9	3.2
India (12)	INR	2 961 758 *	2 603 278	2 240 019	13.8	16.2	7.9	9.0
Thailand	THB	418 674 *	400 733	380 632	4.5	5.3	3.2	-0.8
Indonesia	IDR	118 518 700 *	101 825 400	88 223 310	16.4	15.4	12.2	10.8
Malaysia	MYR	26 335	24 070	21 499	9.4	12.0	7.3	8.0
Vietnam	VND	68 966 110 *	70 662 000	60 087 000	-2.4	17.6	-5.5	14.0
Philippines	PHP	137 984 +	122 177	110 924	12.9	10.1	6.6	4.1
Emerging Asia	Total						5.2	3.8
World	World						7.6	3.9

Table VII

Non-life premium volume in USD in 2023

	Ranking		Country	Premium volume (in millions of USD)		Change (in %) 2023		Share of total business 2023 (in %)	Share of world market 2023 (in %)
	2023	2022		2023	2022	nominal (in USD)	inflation-adjusted ¹⁵		
	1	1	United States (9)	2 511 826 *	2 310 719	8.7	4.4	77.8	58.5
	7	7	Canada (10)	100 201 +	97 305	3.0	2.8	58.8	2.3
US and Canada			Total	2 612 027	2 408 024	8.5	4.3	0.0	60.8
	13	13	Brazil	39 698 *	34 976	13.5	5.0	47.0	0.9
	16	17	Mexico	25 283	19 159	32.0	10.3	56.1	0.6
	34	24	Argentina	8 695	11 432	-23.9	-29.4	84.3	0.2
	37	37	Colombia	7 892	6 896	14.4	4.1	59.2	0.2
	41	41	Chile	6 044	5 472	10.5	-1.0	45.5	0.1
	47	47	Peru	2 708	2 348	15.3	5.9	48.4	0.1
	51	53	Dominican Republic	1 730	1 465	18.1	14.0	83.8	0.0
	53	57	Costa Rica	1 533	1 299	18.0	-1.4	80.0	0.0
	54	55	Ecuador	1 530	1 405	8.9	6.5	69.4	0.0
	55	58	Panama	1 432	1 283	11.6	10.0	76.8	0.0
	59	65	Uruguay	1 171	793	47.7	31.6	51.6	0.0
	60	62	Guatemala	1 080	971	11.3	6.3	75.3	0.0
	67	68	Bolivia	486	398	22.0	18.9	58.6	0.0
	68	69	Paraguay	394	371	6.2	5.9	82.7	0.0
			Other countries	6 660	6 113			67.8	0.1
Latin America and Caribbean			Total	106 337	94 381	12.7	1.9	54.6	2.5
	3	3	Germany	152 139 *	141 066	7.8	-0.8	62.0	3.5
	4	4	United Kingdom	137 995 *	122 871	12.3	4.1	36.8	3.2
	5	5	France	112 702 *	102 573	9.9	2.1	39.9	2.6
	9	9	Netherlands	80 223 +	72 225	11.1	4.2	86.1	1.9
	11	11	Italy	48 892 +	44 100	10.9	2.3	30.7	1.1
	12	12	Spain	43 509 *	39 656	9.7	3.2	52.1	1.0
	14	14	Switzerland	35 817 +	32 495	10.2	1.5	58.5	0.8
	18	18	Belgium	20 796 *	19 096	8.9	2.0	53.0	0.5
	19	20	Luxembourg	17 769 *	15 853	12.1	5.3	46.4	0.4
	22	21	Austria	16 440	14 798	11.1	0.4	74.8	0.4
	28	30	Denmark	11 386 *	10 550	7.9	1.7	25.7	0.3
	29	28	Israel	10 564 *	10 891	-3.0	2.3	49.6	0.2
	30	32	Sweden	10 380	10 248	1.3	-2.2	23.5	0.2
	31	31	Norway	10 156 *	10 353	-1.9	2.2	43.3	0.2
	32	34	Ireland	9 722 *	8 945	8.7	-0.4	32.9	0.2
	39	39	Portugal	7 205 *	6 360	13.3	5.8	56.4	0.2
	43	43	Finland	5 586 *	5 210	7.2	-1.7	18.7	0.1
	44	46	Greece	3 102 *	2 696	15.1	8.3	53.8	0.1
			Other countries	9 735	8 725			91.0	0.0
Advanced EMEA			Total	744 117	678 711	9.6	2.1	45.8	17.3
	20	27	Turkey	16 917	11 352	49.0	38.5	88.0	0.4
	21	22	Saudi Arabia	16 772	13 729	22.2	19.4	96.1	0.4
	23	23	Poland	14 405 *	12 331	16.8	-1.2	80.6	0.3
	24	19	Russia	14 144	16 778	-15.7	-1.0	63.4	0.3
	26	29	United Arab Emirates (11)	12 743 *	10 844	17.5	13.7	87.5	0.3
	35	33	South Africa	8 520 *	8 969 *	-5.0	1.2	19.7	0.2
	40	40	Czech Republic	7 123 *	6 241	14.1	-1.9	73.4	0.2
	45	45	Morocco	2 968	2 865	3.6	-2.6	53.8	0.1
	48	49	Hungary	2 650 *	2 192	20.9	-2.2	62.7	0.1
	50	50	Qatar	2 231 *	1 921 *	16.1	12.7	97.2	0.1
	52	52	Kuwait	1 536 *	1 476	4.1	0.7	91.8	0.0
	56	54	Kenya	1 348 *	1 405	-4.1	5.7	54.1	0.0
	57	51	Egypt (14)	1 305 *	1 652	-21.0	-0.7	51.2	0.0
	58	59	Oman	1 288 *	1 233	4.5	3.5	87.8	0.0
	61	61	Algeria	1 061	989	7.2	-6.1	89.1	0.0
	62	60	Pakistan	975 *	1 000	-2.5	2.2	38.0	0.0
	63	64	Jordan	854 +	814	4.9	2.7	81.4	0.0
	64	66	Tunisia	831 *	745	11.6	2.1	71.4	0.0
	65	63	Nigeria	691 *	911 +	-24.2	-7.6	52.9	0.0
	66	67	Bahrain	675	648	4.2	4.1	87.7	0.0
	69	70	Cote d'Ivoire	338 *	307 *	10.2	2.6	44.8	0.0
	70	72	Yemen	296	238	24.1	2.2	95.5	0.0
	71	71	Namibia	240 *	249	-3.4	2.9	24.7	0.0
	72	56	Lebanon	232 *	1 367	-83.1	-51.5	89.3	0.0
			Other countries	25 079	21 947			71.9	0.2
Emerging EMEA			Total	135 222	122 194	10.7	7.9	65.1	3.1
	6	6	South Korea	101 552 *	97 494	4.2	1.7	54.6	2.4
	8	8	Japan (12)	85 521 *	89 470	-4.4	-1.1	23.6	2.0
	10	10	Australia	58 049 *	55 952	3.7	2.6	78.8	1.4
	17	16	Taiwan	24 121	23 788	1.4	3.4	30.9	0.6
	25	26	Singapore	13 128 *	11 408	15.1	6.9	30.4	0.3
	33	35	Hong Kong	8 951 +	8 648	3.5	1.3	13.6	0.2
	36	36	New Zealand (14)	7 939 *	7 219 *	10.0	7.5	88.2	0.2
			Other countries	101	89			14.3	0.0
Advanced Asia-Pacific			Total	299 363	294 070	1.8	1.5	36.6	7.0
	2	2	China	333 264	333 448	-0.1	4.9	46.1	7.8
	15	15	India (12)	35 773 *	32 394	10.4	7.9	26.3	0.8
	27	25	Thailand	12 030 *	11 429	5.3	3.2	45.6	0.3
	38	38	Indonesia	7 778 *	6 856	13.4	12.2	42.4	0.2
	42	42	Malaysia	5 671	5 408	4.9	7.3	28.0	0.1
	46	44	Vietnam	2 896 *	3 022	-4.2	-5.5	30.7	0.1
	49	48	Philippines	2 480 +	2 243	10.6	6.6	32.0	0.1
			Other countries	217	164			54.1	0.0
Emerging Asia			Total	400 109	394 964	1.3	5.2	42.4	9.3
World			World	4 297 176	3 992 344	7.6	3.9	59.8	100.0

Table VIII

 Insurance density: premiums¹ per capita in USD in 2023

		Total business	Life business	Non-life business
Ranking	Country			
1	United States (9)	9 640 *	2 136 *	7 504 *
11	Canada (10)	4 267 +	1 759 +	2 507 +
US and Canada		9 067	2 096	6 971
31	Chile	668	364	304
32	Uruguay	663	321	342
40	Panama	417	97	320
41	Brazil	390 *	207 *	183 *
45	Costa Rica	368	73	294
46	Mexico	351	154	197
48	Colombia	256	104	152
49	Argentina	225	35	190
51	Dominican Republic	182	30	153
52	Peru	163	84	79
55	Ecuador	121	37	84
60	Guatemala	79	20	60
62	Paraguay	70	12	57
63	Bolivia	67	28	39
Latin America and Caribbean		258	112	146
4	Denmark	7 485 *	5 565 *	1 921 *
5	Switzerland	6 830 +	2 832 +	3 998 +
6	Ireland	5 672 *	3 806 *	1 866 *
7	Finland	5 364 *	4 362 *	1 003 *
8	Netherlands	5 216 *	724 *	4 492 +
9	United Kingdom	4 759 *	3 466 *	1 294 *
10	Luxembourg	4 644 *	1 997 *	2 647 *
12	Sweden	4 185 *	3 202 *	983
13	France	3 867 *	2 431 *	1 435 *
14	Norway	3 859 *	2 412 *	1 447 *
17	Belgium	2 978 *	1 557 *	1 420 *
19	Germany	2 910 *	1 106 *	1 804 *
21	Italy	2 708 *	1 878 *	830 +
22	Austria	2 418 *	610	1 807 *
23	Israel	2 322 *	1 171 *	1 152 *
24	Spain	1 744 *	835	909 *
27	Portugal	1 126 *	505 *	620 *
34	Greece	555 *	256 *	298 *
Advanced EMEA		3 421	1 936	1 484
26	United Arab Emirates (11)	1 531 *	192 *	1 339 *
28	Czech Republic	881 *	234 *	647 *
29	Qatar	740 *	n.a.	740 *
30	South Africa	718 *	577 *	141 *
36	Bahrain	489	60	429
37	Saudi Arabia	472	19	454
38	Poland	464 *	90	374 *
39	Hungary	437 *	163 *	274 *
42	Kuwait	388 *	32 *	356 *
44	Namibia	374 *	282 *	92 *
47	Oman	283 *	35 *	249 *
50	Turkey	224	27	197
53	Russia	155	57	98
54	Morocco	146	67	78
58	Tunisia	93 *	27 *	67 *
59	Jordan	93 +	17 +	75 +
65	Lebanon	48 *	5 *	43 *
66	Kenya	45 *	21 *	24 *
67	Cote d'Ivoire	26 *	14 *	12 *
68	Algeria	26	3	23
69	Egypt (14)	23 *	11 *	12 *
70	Pakistan	11 *	7 *	4 *
71	Yemen	9	0	9
72	Nigeria	6 *	3 *	3 *
Emerging EMEA		85	30	55
2	Hong Kong	8 769 +	7 574 +	1 195 +
3	Singapore	7 799 *	6 264 *	1 536 *
15	South Korea	3 603 *	1 635 *	1 968 *
16	Taiwan	3 307	2 285	1 022
18	Japan (12)	2 938 *	2 245 *	693 *
20	Australia	2 759 *	584 *	2 174 *
25	New Zealand	1 738 *	205 *	1 533 *
Advanced Asia-Pacific		3 204	2 053	1 151
33	Malaysia	590	425	165
35	China	508	274	234
43	Thailand	384 *	244 *	140 *
56	Vietnam	100 *	69 *	31 *
57	India (12)	95 *	70 *	25 *
63	Indonesia	66 *	38 *	28 *
64	Philippines	66 +	45 +	21 +
Emerging Asia		249	144	105
World		889	361	528

Table IX

 Insurance penetration: premiums¹ in % of GDP in 2023

		Total business	Life business	Non-life business
Ranking	Country			
2	United States (9)	11.9 *	2.6 *	9.3 *
13	Canada (10)	8.0 +	3.3 +	4.7 +
US and Canada		11.6	2.7	8.9
29	Chile	4.0	2.2	1.8
32	Brazil	3.9 *	2.1 *	1.8 *
34	Colombia	3.7	1.5	2.2
37	Uruguay	2.9	1.4	1.5
40	Mexico	2.5	1.1	1.4
44	Panama	2.2	0.5	1.7
47	Costa Rica	2.2	0.4	1.8
48	Peru	2.1	1.1	1.0
51	Ecuador	1.9	0.6	1.3
53	Bolivia	1.7	0.7	1.0
56	Dominican Republic	1.7	0.3	1.4
58	Argentina	1.5	0.2	1.3
60	Guatemala	1.4	0.3	1.1
63	Paraguay	1.1	0.2	0.9
Latin America and Caribbean		3.1	1.4	1.7
4	Denmark	11.0 *	8.2 *	2.8 *
7	Finland	10.0 *	8.1 *	1.9 *
8	United Kingdom	9.7 *	7.1 *	2.6 *
11	France	8.7 *	5.5 *	3.2 *
12	Netherlands	8.3 *	1.2 *	7.2 +
15	Sweden	7.4	5.7	1.7
16	Italy	7.1 *	4.9 *	2.2 +
17	Switzerland	6.9 +	2.9 +	4.0 +
18	Belgium	5.5 *	2.9 *	2.6 *
19	Germany	5.5 *	2.1 *	3.4 *
20	Ireland	5.4 *	3.6 *	1.8 *
22	Spain	5.3 *	2.5	2.8 *
25	Austria	4.3	1.1	3.2
25	Norway	4.4 *	2.7 *	1.6 *
26	Israel	4.2 *	2.1 *	2.1 *
28	Portugal	4.1 *	1.8 *	2.2 *
36	Luxembourg	3.6 *	1.6 *	2.1 *
41	Greece	2.4 *	1.1 *	1.3 *
Advanced EMEA		7.1	4.0	3.1
3	South Africa	11.5 *	9.2 *	2.3 *
14	Namibia	7.9 *	5.9 *	1.9 *
30	Morocco	3.9	1.8	2.1
38	Czech Republic	2.9 *	0.8 *	2.2 *
39	United Arab Emirates (11)	2.9 *	0.4 *	2.5 *
42	Kenya	2.4 *	1.1 *	1.3 *
45	Tunisia	2.2 *	0.6 *	1.6 *
46	Poland	2.2 *	0.4	1.8 *
49	Jordan	2.1 +	0.4 +	1.7 +
50	Hungary	2.0 *	0.7 *	1.2 *
54	Bahrain	1.7	0.2	1.5
55	Turkey	1.7	0.2	1.5
57	Saudi Arabia	1.6	0.1	1.6
60	Oman	1.3 *	0.2 *	1.2 *
62	Russia	1.1	0.4	0.7
64	Kuwait	1.0 *	0.1 *	0.9 *
65	Qatar	1.0 *	n.a.	1.0 *
66	Cote d'Ivoire	1.0 *	0.5 *	0.4 *
67	Pakistan	0.7 *	0.5 *	0.3 *
68	Egypt (14)	0.6 *	0.3 *	0.3 *
69	Algeria	0.5	0.1	0.5
70	Yemen	0.4	0.0	0.4
71	Nigeria	0.4 *	0.2 *	0.2 *
72	Lebanon	0.2 *	0.0 *	0.1 *
Emerging EMEA		2.3	0.8	1.5
1	Hong Kong	17.2 +	14.8 +	2.3 +
5	South Korea	11.0 *	5.0 *	6.0 *
6	Taiwan	10.3	7.1	3.2
9	Singapore	9.2 *	7.4 *	1.8 *
10	Japan (12)	8.9 *	6.8 *	2.1 *
27	Australia	4.2 *	0.9 *	3.3 *
35	New Zealand	3.6 *	0.4 *	3.2 *
Advanced Asia-Pacific		8.7	5.6	3.1
21	Thailand	5.3 *	3.4 *	1.9 *
23	Malaysia	5.2	3.7	1.4
31	China	3.9	2.1	1.8
33	India (12)	3.7 *	2.8 *	1.0 *
43	Vietnam	2.3 *	1.6 *	0.7 *
52	Philippines	1.8 +	1.2 +	0.6 +
61	Indonesia	1.3 *	0.8 *	0.6 *
Emerging Asia		3.7	2.2	1.6
World		7.0	2.9	4.2

Table X

Macroeconomic indicators in 2023

Ranking	Country	Population (millions)	Gross domestic product			Inflation rate (in %)		Exchange rate local currency per USD		
			USDbn	Real change (in %)		2023	2022	2023	2022	Change (in %)
		2023	2023	2023	2022	2023	2022	2023	2022	Change (in %)
1	United States	335	27 143	2.5	2.0	4.1	8.0	1.0	1.0	0.0
10	Canada	40	2 141	1.1	3.8	3.9	6.8	1.3	1.3	3.7
US and Canada	Total	375	29 284	2.4	2.1					
9	Brazil	216	2 173	2.9	3.1	4.6	9.3	5.0	5.2	-3.2
12	Mexico	128	1 791	3.2	3.9	5.5	7.9	17.7	20.1	-11.8
23	Argentina (17)	46	671	-1.5	5.0	133.5	72.4	282.8	130.5	116.6
40	Colombia	52	364	0.6	7.3	11.7	10.2	4326.0	4256.2	1.6
43	Chile	20	336	0.3	2.2	7.3	11.6	839.8	873.2	-3.8
47	Peru	34	268	-0.6	2.7	6.3	7.9	3.7	3.8	-2.4
56	Dominican Republic	11	122	2.3	4.9	4.9	8.8	55.9	55.1	1.3
57	Ecuador	18	119	2.4	6.2	2.2	3.5	1.0	1.0	0.0
60	Guatemala	18	101	3.5	4.2	6.2	6.9	7.9	7.7	1.4
61	Costa Rica	5	87	5.1	4.6	0.5	8.3	540.7	643.7	-16.0
63	Panama	4	84	7.3	10.8	1.5	2.9	1.0	1.0	0.0
65	Uruguay	3	77	0.4	4.7	5.9	9.1	38.8	41.2	-5.7
69	Bolivia	12	48	2.2	3.7	2.6	1.7	6.9	6.9	0.0
71	Paraguay	7	43	4.7	0.2	4.6	9.8	7286.8	6982.8	4.4
Latin America and Caribbean	Total (16)	661	6 283	2.1	4.0					
3	Germany	84	4 457	0.0	1.9	5.9	6.9	0.9	0.9	-2.6
6	United Kingdom	68	3 342	0.1	4.5	7.3	9.1	0.8	0.8	-0.5
7	France	68	3 035	0.9	2.6	4.9	5.2	0.9	0.9	-2.6
8	Italy	59	2 258	1.0	4.2	5.6	8.2	0.9	0.9	-2.6
15	Spain	48	1 581	2.5	5.8	3.5	8.4	0.9	0.9	-2.6
17	Netherlands	18	1 119	0.2	4.4	3.8	10.0	0.9	0.9	-2.6
20	Switzerland	9	885	0.8	2.7	2.1	2.8	0.9	1.0	-5.9
24	Belgium	12	631	1.4	3.0	4.0	9.6	0.9	0.9	-2.6
25	Sweden	11	593	0.0	2.8	8.5	8.4	10.6	10.1	4.9
26	Ireland	5	545	-3.2	9.6	6.3	7.8	0.9	0.9	-2.6
27	Austria	9	516	-0.7	4.9	7.8	8.5	0.9	0.9	-2.6
30	Israel	9	506	1.8	6.5	4.2	4.4	3.7	3.4	9.9
32	Norway	6	486	0.8	3.0	5.5	5.8	10.6	9.6	9.9
36	Denmark	6	404	1.9	2.8	3.3	7.7	6.9	7.1	-2.6
45	Finland	6	300	-1.0	1.4	6.3	7.1	0.9	0.9	-2.6
46	Portugal	10	287	2.3	6.9	4.3	7.8	0.9	0.9	-2.6
49	Greece	10	238	2.0	5.7	3.5	9.6	0.9	0.9	-2.6
62	Luxembourg	1	86	-1.1	1.4	3.7	6.3	0.9	0.9	-2.6
Advanced EMEA	Total	442	21 270	0.5	3.7					
11	Russia	144	2 021	3.5	-1.1	5.9	13.8	85.2	68.5	24.4
18	Turkey	86	1 108	4.5	5.7	53.9	72.3	23.7	16.6	43.0
19	Saudi Arabia	37	1 068	-0.8	7.5	2.3	2.5	3.8	3.8	0.0
21	Poland	39	809	0.1	6.0	11.4	14.4	4.2	4.5	-5.7
29	United Arab Emirates	10	508	3.3	7.9	3.3	4.8	3.7	3.7	0.0
33	Egypt	113	463	2.9	4.3	24.4	8.5	25.8	16.5	56.4
39	South Africa	60	377	0.6	1.9	5.9	6.9	18.5	16.4	12.8
41	Nigeria	224	361	2.8	3.3	24.7	18.8	647.1	426.0	51.9
42	Pakistan	240	343	-0.1	4.3	30.8	19.9	280.8	204.9	37.0
44	Czech Republic	11	331	-0.2	2.4	10.6	15.1	22.2	23.4	-5.0
50	Algeria	46	223	2.7	3.2	9.3	9.7	136.0	142.1	-4.3
51	Qatar	3	218	1.1	4.2	3.0	5.0	3.6	3.6	0.0
52	Hungary	10	213	-0.8	4.7	17.1	14.7	353.1	372.6	-5.2
53	Kuwait	4	163	-2.8	6.1	3.6	4.0	0.3	0.3	0.3
55	Morocco	38	140	3.2	1.3	6.1	6.7	10.1	10.2	-0.3
58	Oman	5	109	1.3	9.6	0.9	6.7	0.4	0.4	0.0
59	Kenya	55	106	5.5	4.9	7.7	2.5	140.0	117.9	18.7
64	Cote d'Ivoire	29	79	7.0	6.7	4.4	7.7	606.7	623.8	-2.7
66	Yemen	34	72	1.4	1.5	21.5	5.3	250.5	250.5	0.0
67	Tunisia	12	53	0.4	2.6	9.3	42.0	3.1	3.1	0.0
68	Jordan	11	50	2.6	2.4	2.1	8.3	0.7	0.7	0.0
70	Bahrain	2	44	1.7	4.9	0.1	4.2	0.4	0.4	0.0
72	Namibia	3	12	4.2	5.4	5.9	3.6	18.5	16.4	12.8
Emerging EMEA	Total	2 437	9 035	1.9	3.5					
4	Japan	123	4 092	1.9	0.9	3.1	3.2	144.7	135.6	6.7
13	Australia	27	1 752	2.1	3.8	5.6	6.6	1.5	1.4	4.4
14	South Korea	52	1 695	1.3	2.6	3.2	5.3	1319.2	1309.0	0.8
22	Taiwan	24	756	1.3	2.7	2.5	2.9	31.2	29.8	4.5
31	Singapore	6	501	1.1	3.9	4.8	6.1	1.3	1.4	-2.6
38	Hong Kong	7	382	3.2	-3.6	2.1	1.9	7.8	7.8	0.0
48	New Zealand	5	249	0.7	2.3	5.7	7.2	1.6	1.6	3.4
Advanced Asia-Pacific	Total	257	9 468	1.8	1.8					
2	China	1 426	18 462	5.2	3.0	0.2	2.0	7.1	6.7	5.2
5	India	1 433	3 636	8.2	7.0	5.4	6.7	82.8	80.4	3.0
16	Indonesia	278	1 371	5.0	5.3	3.7	4.1	15238.1	14851.5	2.6
28	Thailand	72	515	1.9	2.5	1.2	6.1	34.8	35.1	-0.7
34	Philippines	117	437	5.6	7.6	6.0	5.8	55.6	54.5	2.1
35	Vietnam	99	429	5.0	8.2	3.3	3.2	23817.5	23380.5	1.9
37	Malaysia	34	392	3.7	8.7	2.0	3.7	4.6	4.5	4.3
Emerging Asia	Total	3 796	25 243	5.5	3.9					
World	World	7 967	100 676	2.7	3.1					

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