Swiss Re

We make the world more resilient

Swiss Re
Press conference

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We make the world more resilient

Your speakers today

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Swiss Re

We make the world more resilient

The global risk landscape is increasingly interconnected and moving faster

Capital

USD 664bn in reinsurance capital in 2025

Inflation

3.9% global inflation expected in 2026

Society

>5× more demonstrations than a decade ago

Weather

USD 220bn in economic losses caused by natural catastrophes in 2025

AI

USD 1tn invested in global data centres in 2026

Energy

USD 3.4tn invested in energy infrastructure in 2026

Source: Swiss Re Institute, ACLED, International Energy Agency

Global tensions drive recurring supply shocks

Type of supply shock		Growth	Inflation	Capex	Fragmentation
Geopolitics	Military conflict	⬇	⬆		⬆
	Re-shoring/friend-shoring		⬆	⬆	⬆
	Energy/commodities	⬇	⬆		
	State/industrial policy	⬇	⬆		⬆
Tech/AI	Technology	⬆	⬆	⬆	⬆
	Cyber			⬆	⬆
Peak risks	Pandemics	⬇	⬆	⬆	
	Natural catastrophes	⬇		⬆	

(Growth, Inflation, Capex and Fragmentation are grouped under: Macro implications)

Inflationary pressure remains elevated as supply shocks raise costs

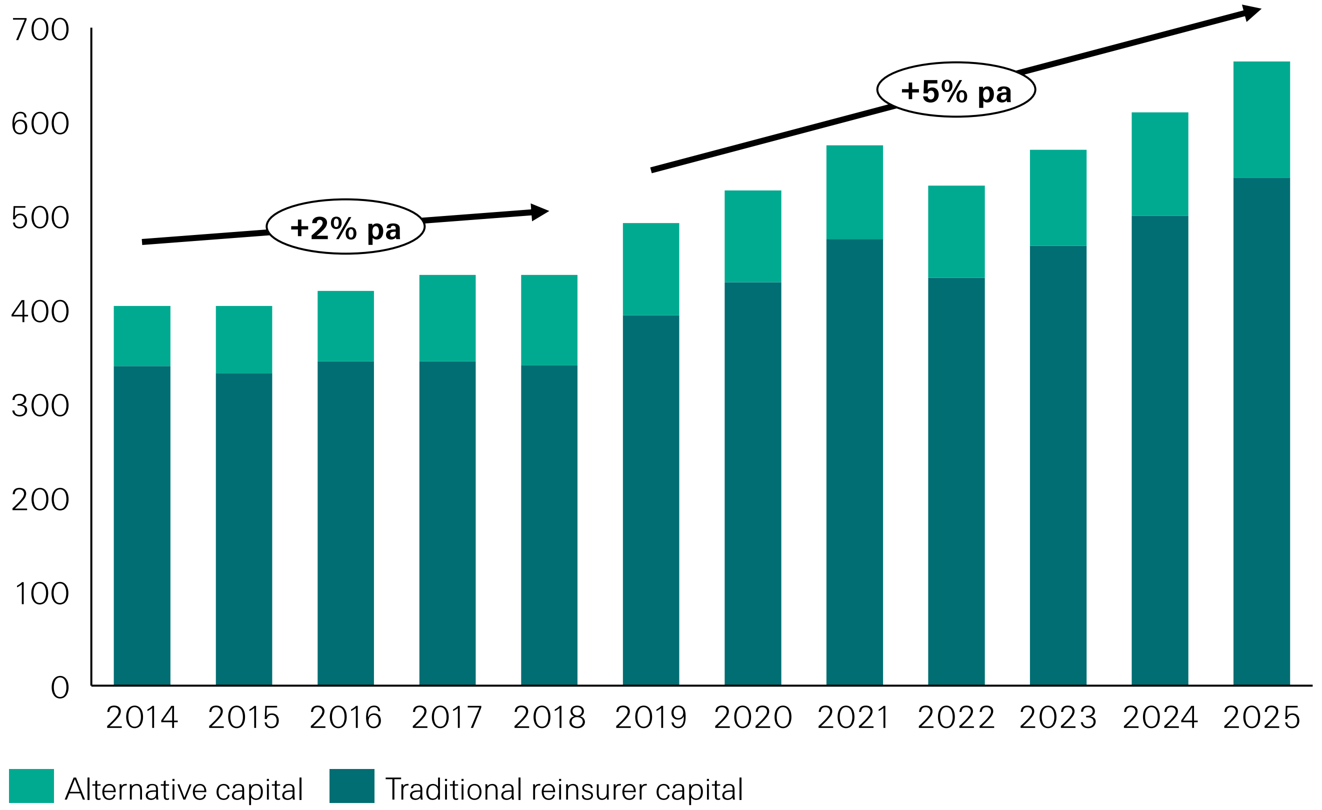
Growth becomes more volatile as conflicts and disruptions weigh on economic activity

Economic fragmentation increases as trade, technology and supply chains become more regionalised

Investment needs rise substantially across technology, energy and resilience

Record reinsurance capital backing record exposures

Global reinsurer capital (USD bn, nominal)

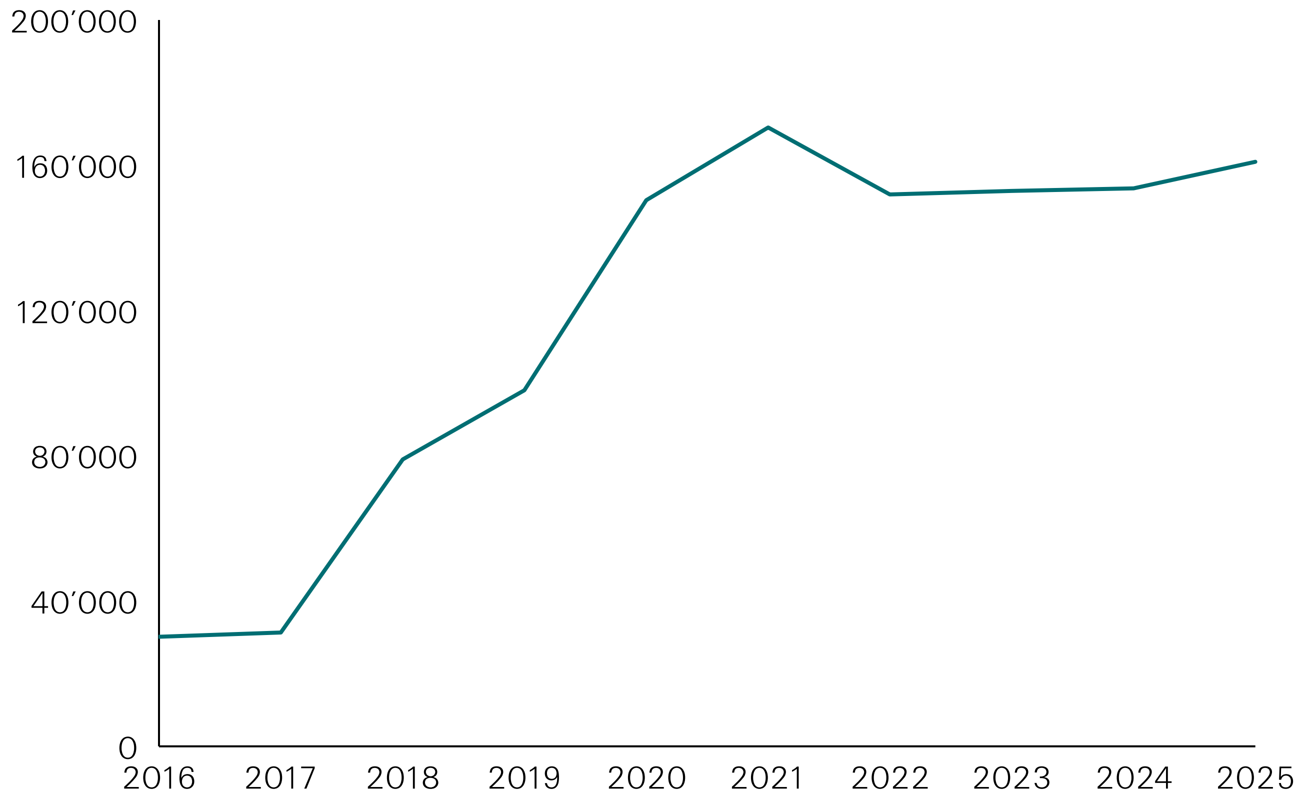


- **Growing demand for reinsurance** as economic growth, higher asset values and emerging risks **expand global exposures**
- **Reinsurance aggregated capital** reached a record **USD 664bn** in 2025
- **Clients currently benefit from sufficient reinsurance capacity,** enabling larger and more complex risk transfer solutions
- **Competitive market conditions** reinforce the importance of **risk-adequate rates** across the value chain

Source: Swiss Re Institute, AM Best, Insurance Insider

Social tensions remain high

Number of demonstrations worldwide, 2016–2026



Populist movements remain widespread, reflecting persistent political and social tensions

Globally, 57% of people feel a sense of moderate or high grievance towards business, government and the economic system[1]

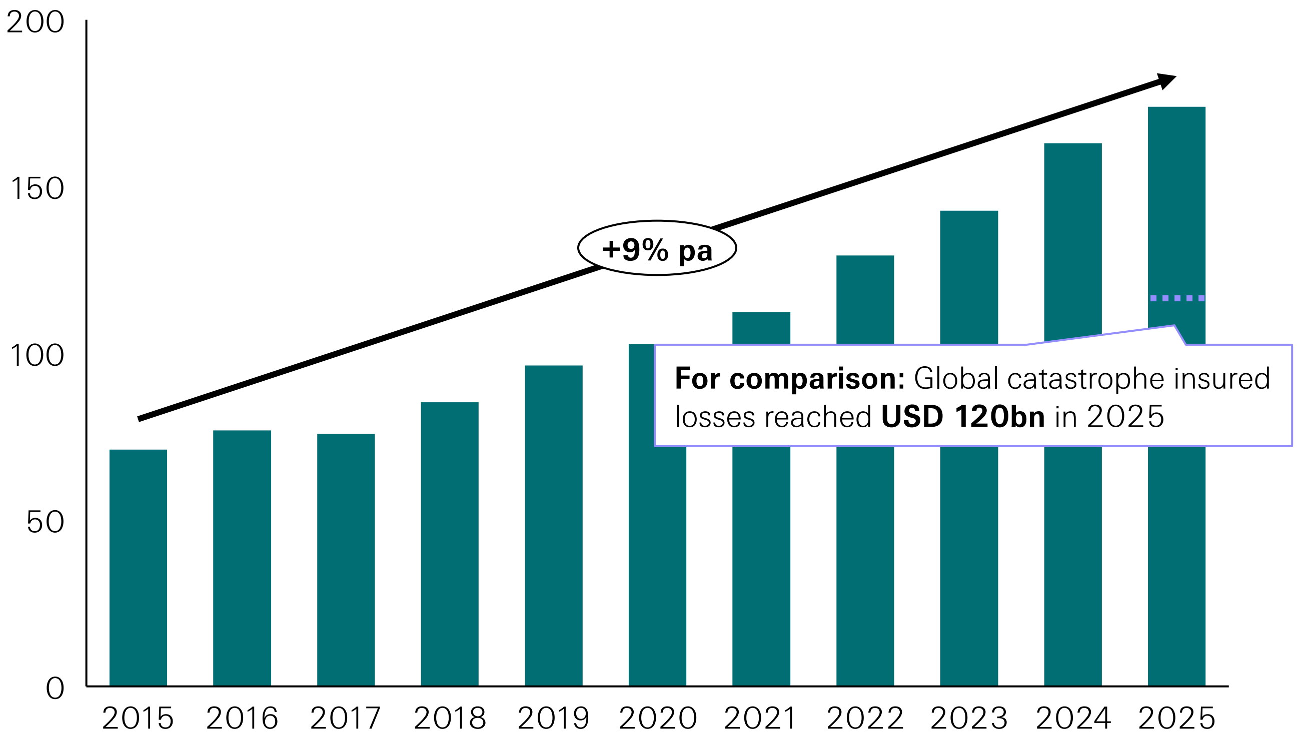
Protests are occurring in **densely populated business districts,** where significant concentrations of wealth and assets are located

Elevated SRCC[2] risk can lead to significant loss accumulation, particularly in areas with high concentrations of insured assets

Source: ACLED
[1] 2026 Edelman Trust Barometer, global survey conducted across 26 countries.
[2] Strikes, riots and civil commotion.

Legal system abuse continues to escalate

US commercial liability industry losses by financial year[1] (USD bn, nominal)



Commercial liability losses continue to rise, reaching **USD 174bn** in 2025 in the US

190 elevated verdicts of USD 10m or more in 2025 – a record in the US and up 41% year-over-year

Underlying drivers of legal system abuse: anti-corporate sentiment, pro-litigation attitudes, AI enablement, third-party litigation funding

Emerging liability risks include AI and social media, climate litigation, microplastics and ultra-processed foods

Source: Marathon Strategies, S&P Capital IQ

[1] Statutory filings, comprising statutory lines, other liability, product liability, medical professional liability and commercial auto liability.

AI is becoming a strategic enabler for re/insurance – while driving interconnected risk

Transforming the re/insurance organisation

Transform core processes	**Enhanced processes** across underwriting, claims and portfolio management
Make better decisions	**Improved underwriting and claims decisions** through AI-augmented risk insights
Create more value	**Higher responsiveness** and enhanced client experience

AI

Influencing the risk landscape

Critical infrastructure	Strong growth in complex **data centre and energy needs**
Concentration & accumulation	**Growing dependence** on a few cloud and AI providers, with data centres concentrated in nat cat-exposed locations
Interconnected exposures	**Amplified risks across lines** – eg cyber, infrastructure, liability, and privacy and IP

Source: Swiss Re Institute

Natural catastrophe losses are increasing

Global insured nat cat losses, 1996–2026 (USD bn, 2025 prices)

Impact of past events if they were to happen today[2]

Hurricane Andrew (1992) caused USD 36bn in insured losses – **today, they could reach close to USD 100bn**

Hurricane Katrina (2005) caused **USD 108bn** in insured losses – **today, it would cause roughly the same amount**

The Great East Japan earthquake incl. tsunami (2011) caused around 50bn in insured losses – **today, it would cause up to USD 80bn**

A cluster of hurricanes, such as Harvey, Irma and Maria (2017), could push annual insured losses **above USD 120bn today,** even without a single record-breaking event

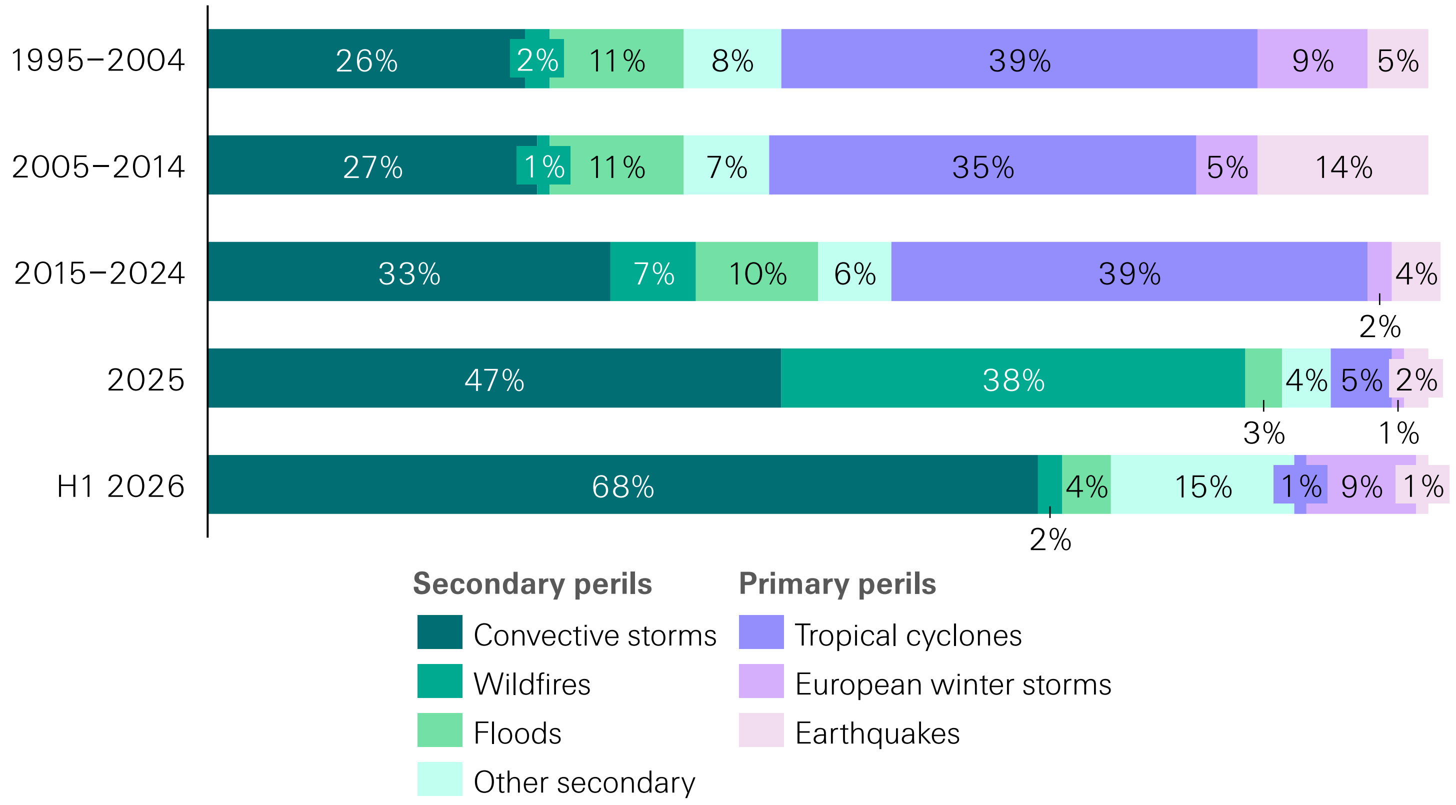
Source: Swiss Re Institute

[1] A year in which the insured loss exceeds trend by at least one standard deviation. Based on proprietary risk models, Swiss Re Institute estimates that an annual loss of this magnitude has a 10% chance of occurrence.

[2] Adjusted for changes in risk exposure, all losses and loss estimates in 2025 prices.

Significant insured natural catastrophe losses despite no peak peril event in 2025

Global insured losses from natural catastrophes by peril, in H1 2026, 2025 and decadal averages (in %)



Global nat cat insured losses reached **USD 42bn in H1 2026,** well below long-term trend

Wildfires set a new loss record in 2025 (USD 40bn), and **severe convective storms[1]** remained elevated (USD 51 bn)

Secondary perils drove 92% of global insured losses in 2025, reflecting the absence of a major hurricane landfall in the US

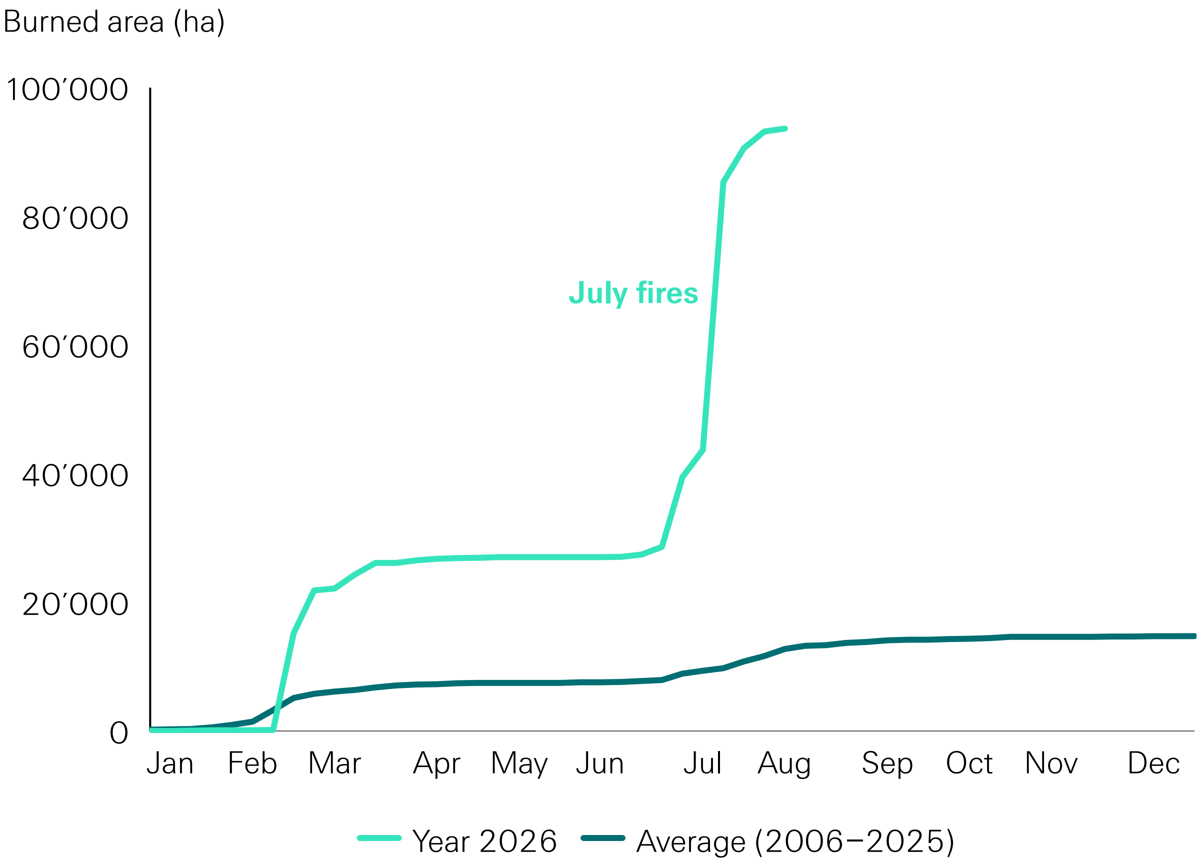
Persistent secondary perils **reinforce the need for reinsurance** even in years without major peak events

Source: Swiss Re Institute

[1] Severe convective storms: Umbrella term for a range of hazards including tornadic and straight-line winds, and large hailstones.

Wildfire risk is intensifying across Europe

Wildfire activity in France, 2006–2025 and 2026 YTD

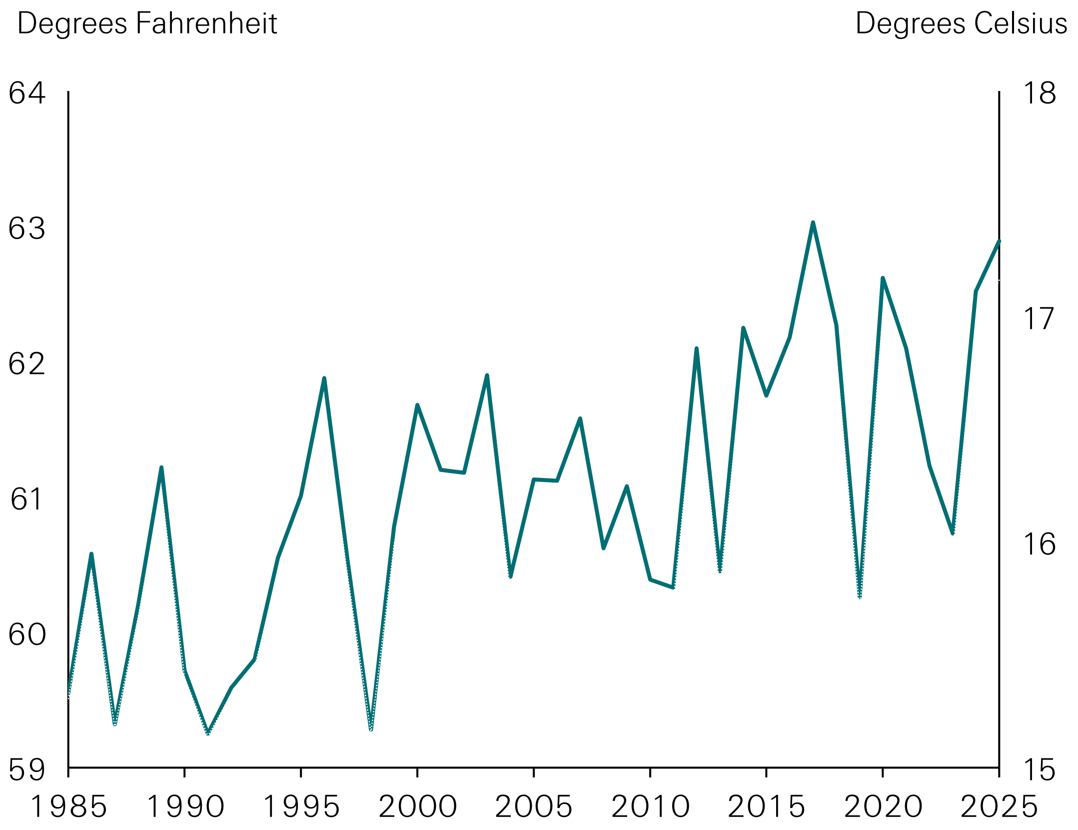


- **Wildfire is the fastest-growing weather peril,** with insured wildfire losses in Europe rising 8–11% per year since 1970
- **Record heat and persistent dry conditions** in Europe set the stage for an active wildfire season
- **France’s burned area in 2026** has already exceeded any annual total recorded over the past 20 years
- **Wildfires are inherently difficult to model,** requiring continued investment
- **Up to 96% of EU wildfire ignitions are caused by human activity**

Source: EFFIS Statistics Portal/Copernicus, European Commission, Swiss Re Institute

Public-private partnerships strengthen resilience – use case with extreme heat

Average annual temperature Arizona, 1985–2025



Extreme heat is a growing challenge, putting people, infrastructure and public services under pressure

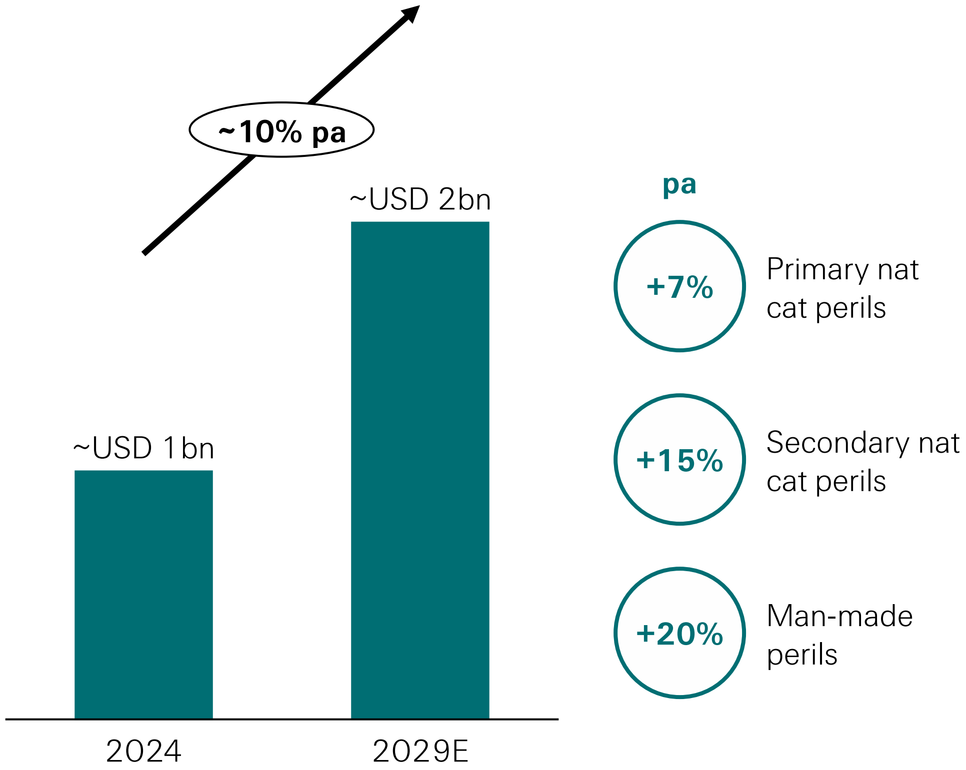
Public-private partnerships can strengthen resilience, combining mitigation, adaptation and risk transfer

One city in Arizona puts this into practice:

- The city's **heat framework** supports preparedness, including access to cooling and hydration
- As the **first US public entity to purchase extreme heat insurance,** they secured parametric cover via Swiss Re
- Triggered in August 2026, **the cover paid out within the month,** providing rapid funding for community services

Evolving catastrophe risks require better data models and analytics

Global market for catastrophe models and software, total and by peril, revenue, 2024–2029



Decision intelligence becomes a competitive advantage as catastrophe risks grow more complex and analytics advance

Advanced models and risk insights are essential for re/insurers to understand the evolving risks, identify profitable growth and steer portfolios

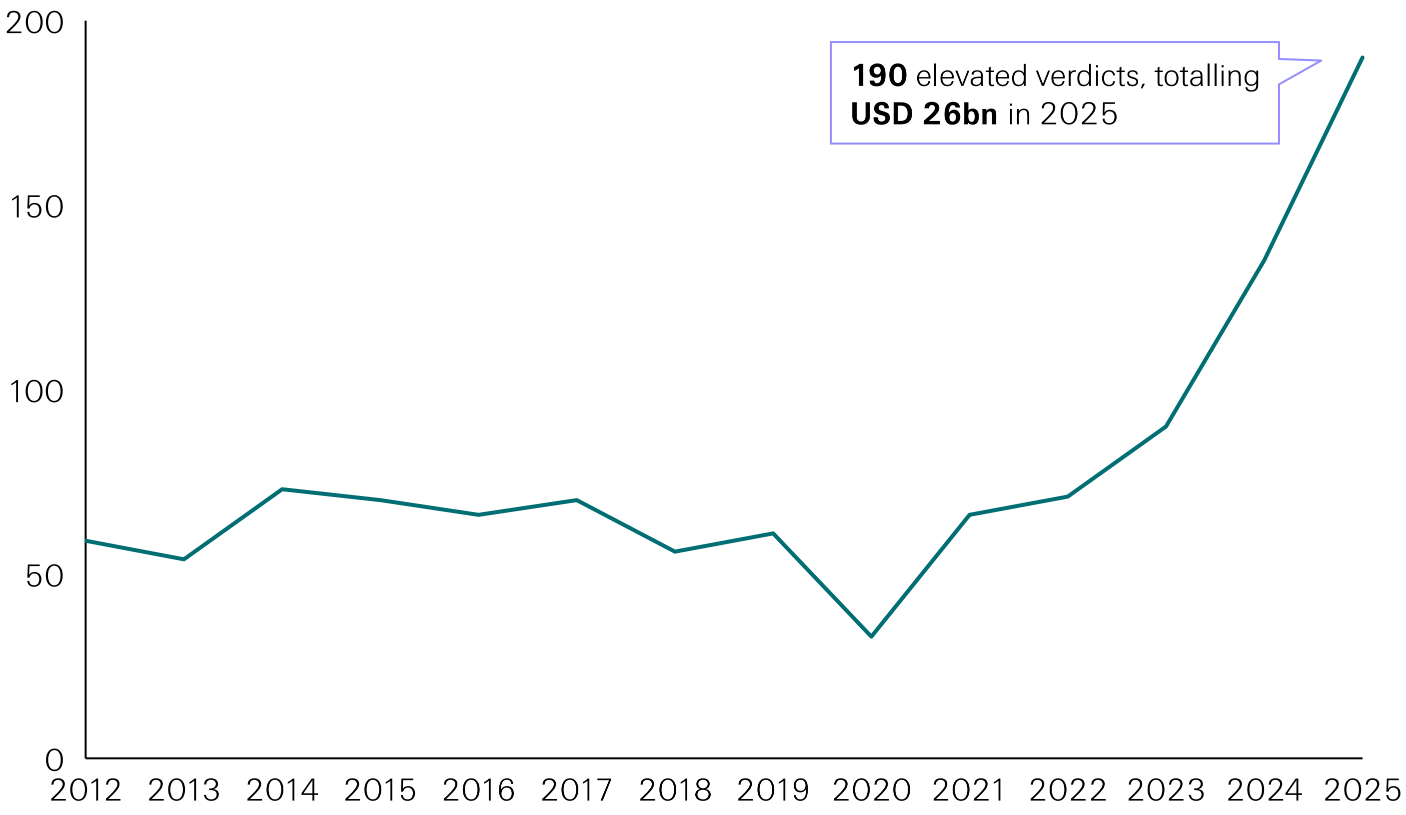
Swiss Re Risk Data & Solutions (RDS) serves insurers, corporates and the public sector. Selected client examples show the value of advanced analytics:

- **Wildfire accumulation management (US):** Automated RDS accumulation analysis at point of quote enabled 100% portfolio growth with flat probable maximum loss
- **Flood modelling (US):** Combined RDS models with clients' claims data, targeting 12 percentage points lower loss ratio

Source: Swiss Re RDS, based on market participant interviews and secondary research

Structural changes in litigation are reshaping liability risk

Number of elevated verdicts of USD 10m or more in the US



Litigation risk is broadening: 68 US industries faced elevated verdicts[1] in 2025, vs 48 in 2023

Litigation is increasingly investable, with third-party funding and securitisation broadening access to capital

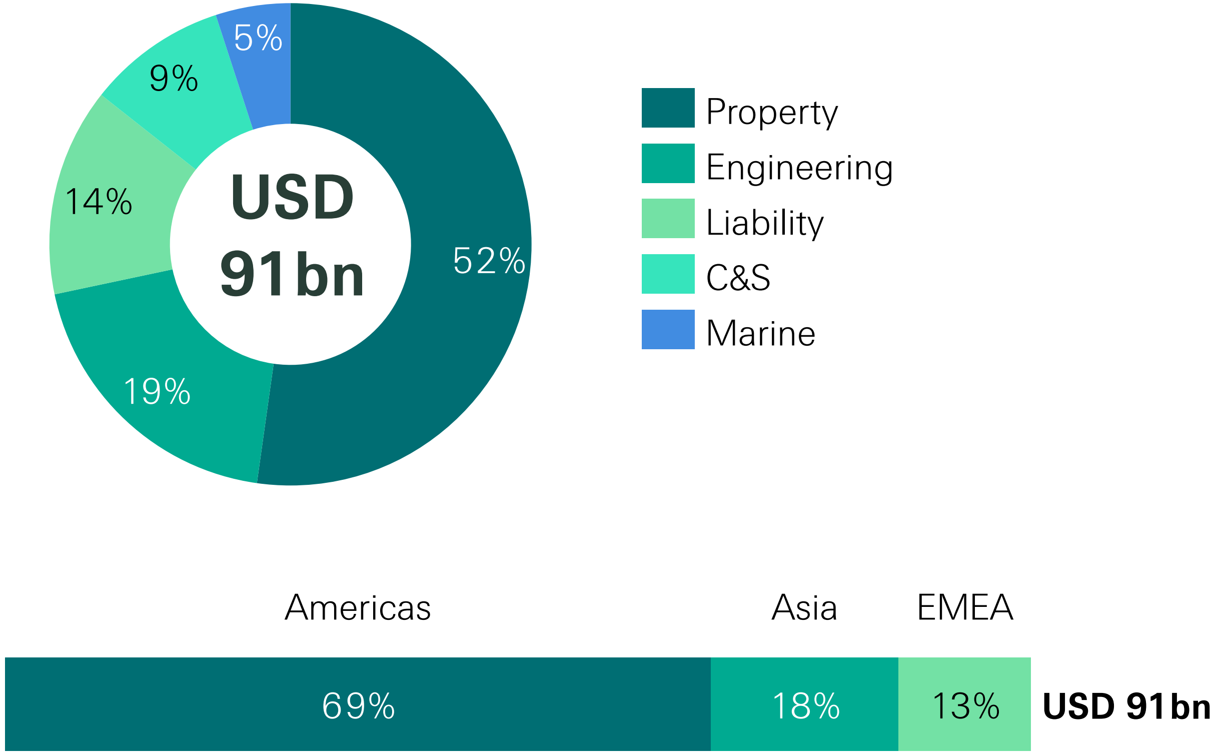
USD 2.8bn new funding committed to US litigation transactions during 2025, +23% year-over-year

Liability can extend beyond the original occurrence, increasing uncertainty around ultimate losses

[1] Defined as verdicts of USD 10m or more.
Source: Swiss Re Institute, Marathon Strategies, Westfleet Advisors

Rapid growth of data centres drives insurance demand and single risk aggregation

Global data centre insurance premiums by 2030 (cumulative)



>USD 6tn global data centre-related cumulative capex expected by 2030, driven by digital economy and push for AI

Top 10 hyperscalers account for more than 50% of capex

USD 91 bn global data centre insurance **premium opportunity** expected by 2030

Complex energy transition: ~40% of additional data centre demand by 2030 still relies on fossil fuels

Reinsurance plays a vital role in the insurability of data centres

Source: Swiss Re, Dell'Oro Group, International Energy Agency (IEA)

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