Swiss Re Institute

Time to build

Insuring the capex super-cycle

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sigma 3/2026

Your speakers today

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Swiss Re
Institute

Key figures

>2× | 20+ | ~200

The **physical economy** is back, creating larger, higher-value assets

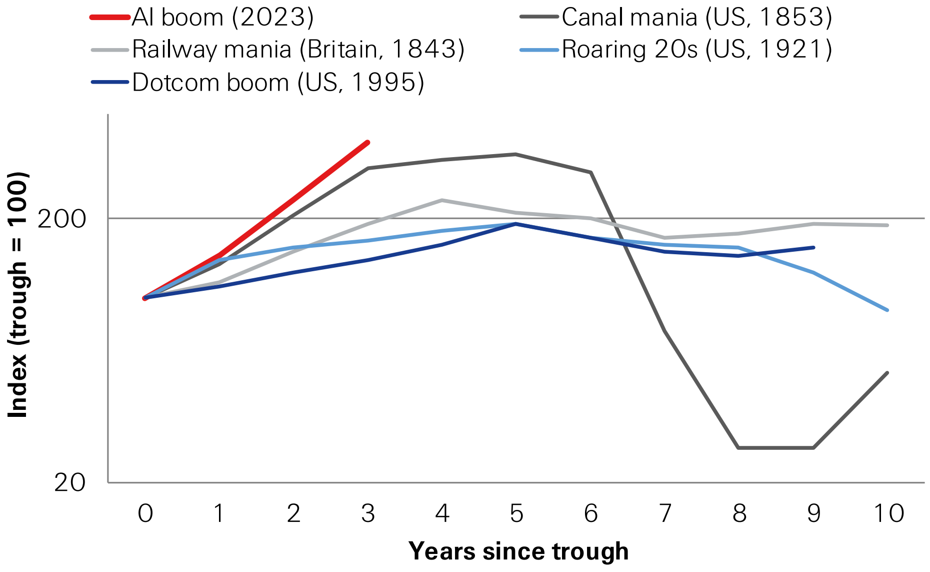
- Today's investment boom is unusually **physical** and **capital intensive.** Capital is flowing into energy, AI infrastructure and strategic manufacturing, creating **larger, higher-value assets.**
- For insurers, more capex means **more exposure,** but also a **different risk architecture.** Larger assets, geographic clustering and shared infrastructure increase diversification challenges but set up a major insurance growth opportunity.

Today's capex cycle creates structurally different risks

Dimension	Digitalisation wave (2000-2020)	Capex super-cycle (2020s+)
Primary growth driver	Software, services, platforms	Energy, compute, industry, defence
Capital intensity	Low	High
Physical asset dependence	Low	High
Exposure concentration	Low-medium	High
Supply chain complexity	Moderate	High
Replacement times	Short	Long
Insured value per site	Lower	Higher

Source: Swiss Re Institute

The AI boom is leading past major infrastructure cycles

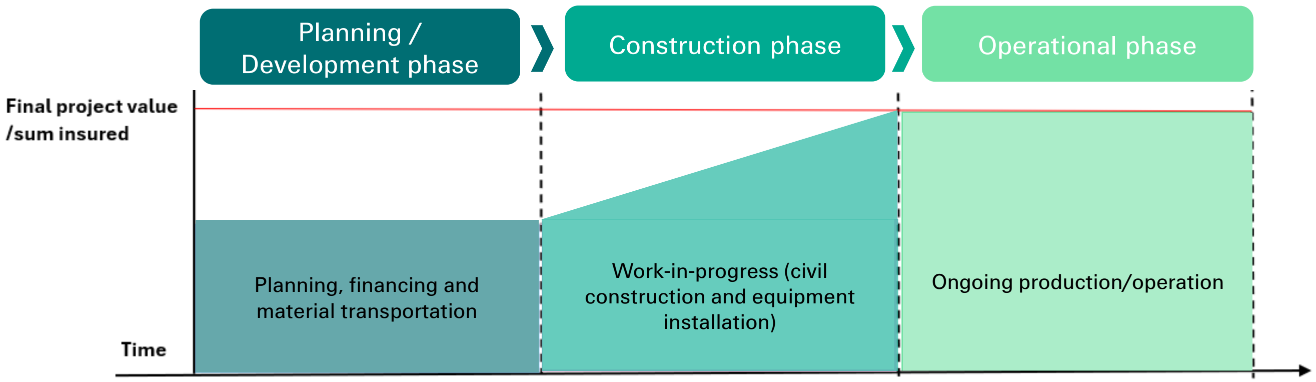


Source: BIS, Swiss Re Institute

Insurance opportunities change through the life cycle and are now getting longer lasting with construction moving to operation phase

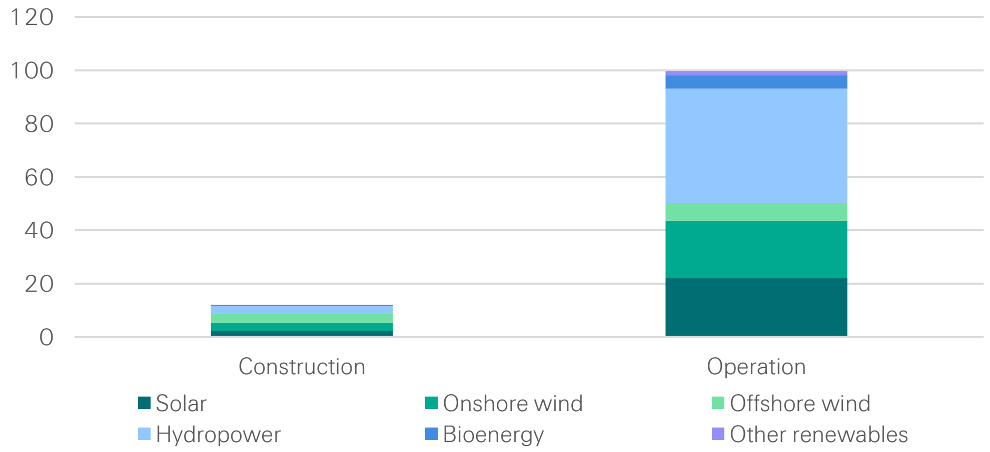
- ~USD 200bn cumulated by 2030 for AI datacentres (USD 91 bn) and renewable energy (USD 111 bn) alone, spanning **most commercial lines of business** across the asset lifecycle.
- **Regionally,** data centre opportunities are larger in the US, while for renewable energy assets, **Europe (31%) and Asia (27%) should generate more premiums** in 2030.

Insurance product relevance during a project cycle for large assets



Note: The project lifecycle and related LoB usage applies not only to large AI data centres but also to other large assets created by the capex boom, such as windfarms, solar energy farms, semiconductor fabrics etc.
Source: Swiss Re Institute

New premiums generation from renewable energy between 2026–30, by category (USD bn)



Source: Swiss Re Institute

Channels of risk accumulation create correlation beyond just geography, and can structurally challenge insurability of new risks

Single-risk severity

Large values in single site or data center campus.

More strained limits necessitating higher retentions and more complex structures.

Geography

Assets cluster based on access to resources.

Accumulation of **exposures to NatCat and man-made** risks across lines.

Supply-chain interdependencies

Dependency on a few **key suppliers or inputs**.

Increasing **business interruption** risk and macroeconomic shock exposure.

Networks

Losses propagate through shared infrastructure.

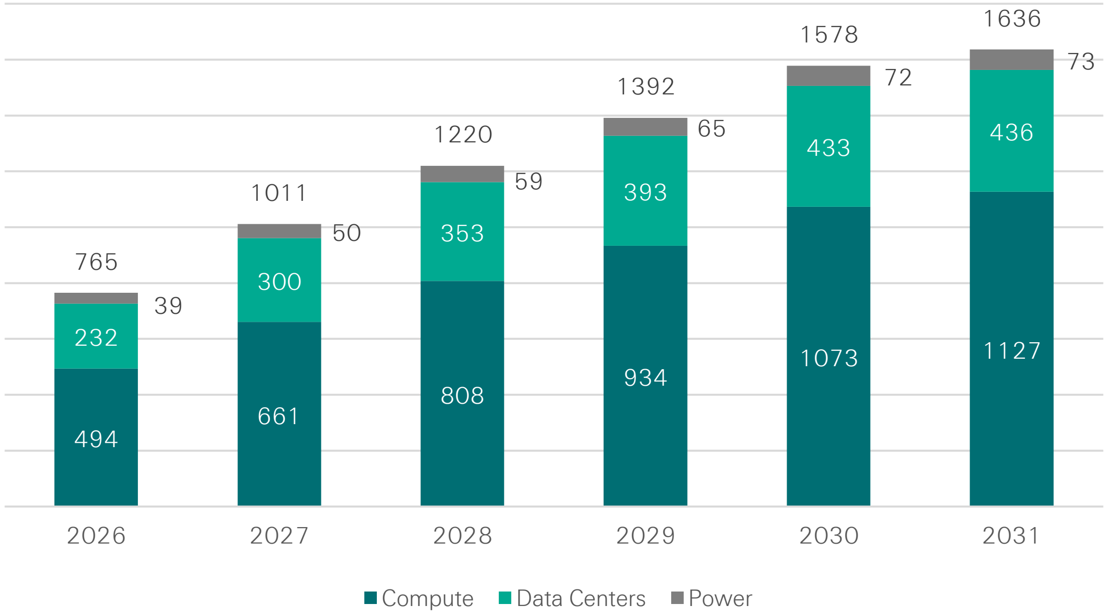
Correlated losses across geography, insureds and lines of business.

Better modelling is not enough. Shared electricity, telecom and cloud networks can connect otherwise unrelated insureds, requiring active management of how much correlated risk is assumed.

Location, location, location: Where you build matters even if it is only one dimension of accumulation

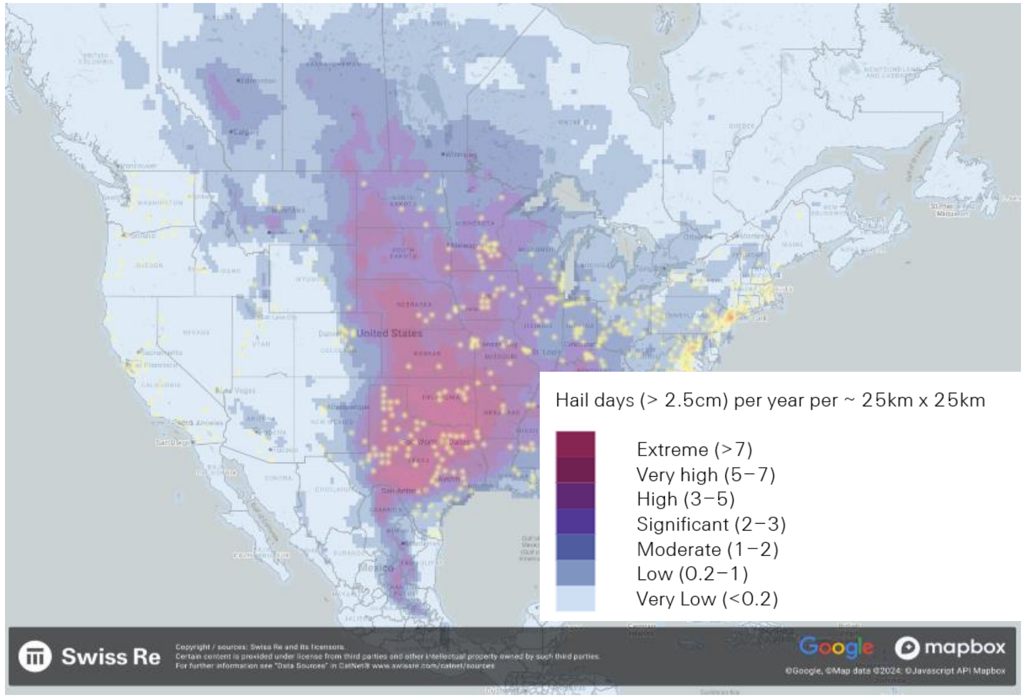
Cumulative AI data center infra capex is projected ~7.6 USD trillion between 2026 and 2031

(Annual AI capex in USD billion)



Source: Goldman Sachs Global Institute, Goldman Sachs Global Investment Research NVIDIA projections (as of March 3, 2026)

Weather-related perils: 40% of US data centers in higher-risk locations for tornado, and 25% for hail



Sources: U.S. Department of Energy (DOE)/NLR/ALLIANCE, Swiss Re CatNet

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Insurability, not capital, is the challenge – with temporary and structural constraints requiring different responses

Constraint	Nature	Primary response	Strategic implications
Parameter uncertainty	**Temporary**	**Understand** Engineering-led underwriting	***Better data improves pricing over time.***
Asset-specific risks	**Temporary/mixed**	**Mitigate** Risk mitigation & product innovation	***Creates fit-for-purpose coverage*** *before standard products emerge.*
Maximum loss	**Structural**	**Limit and Distribute** Capacity expansion & syndication	*USD 20+ bn projects need* ***syndicated and layered capacity.***
Accumulation	**Structural**	**Limit and Distribute** Clear triggers, PMLs, exposure limits and portfolio steering	*Geographic, cyber and cloud concentration require* ***underwriting discipline.***

Takeaways

The physical economy is back: energy transition, AI infrastructure and strategic manufacturing are creating a capital-intensive investment boom

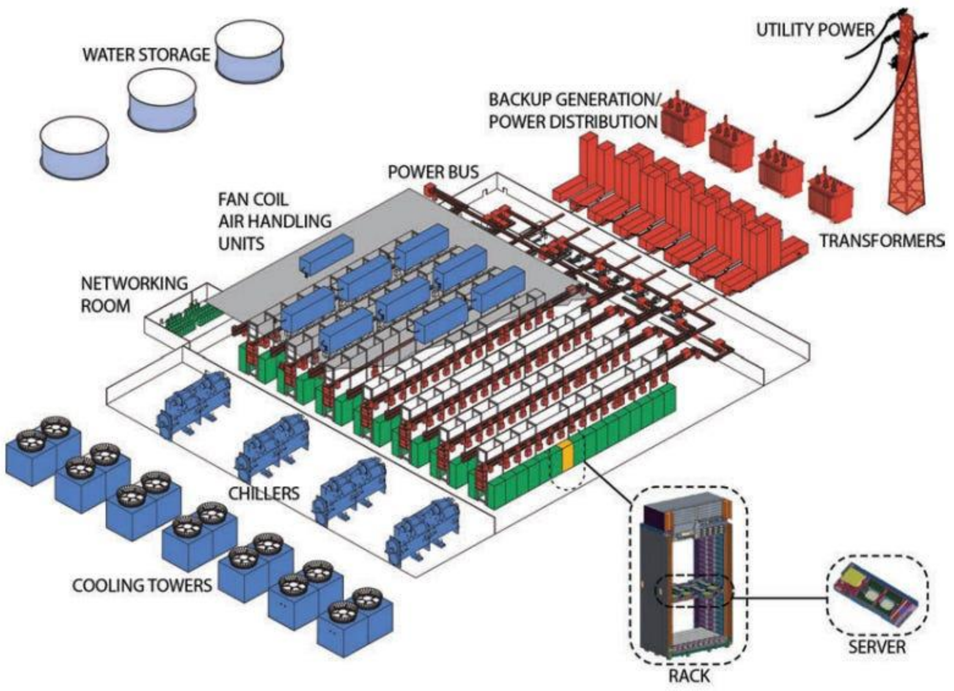
Major insurance opportunities with around USD200bn from AI data centres and renewables alone and their operations extending the opportunity for decades

Risk accumulation is being rewired. Geography still matters, but shared supplies and physical and digital networks create new accumulation risks as well

The key constraint is insurability, not capital. We see the private market as capable of meeting the demand. Structural accumulation must be understood, mitigated, limited and distributed

The AI revolution is moving from the virtual world **into physical infrastructure**

Real assets behind the virtual construct



US leadership: the largest data centre market, with hyperscalers creating accumulating exposures

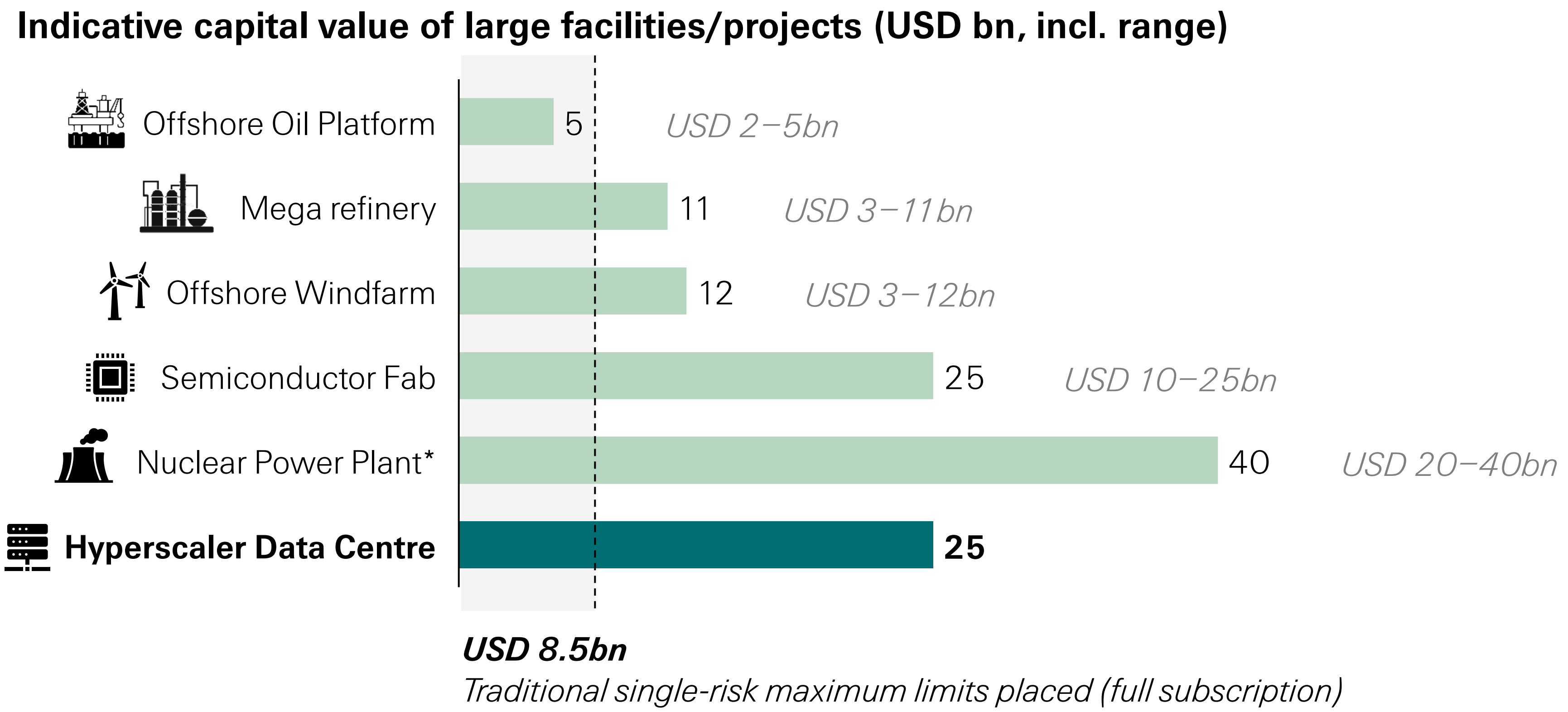
Scale: projects have moved from USD >0.1 bn to USD 1–2bn, with the largest exceeding USD 20bn

Energy: substantial increase in computing demand drives significant infrastructure investments

Real-world problems: demand for chips is causing shortages that impact both data centre build-up as well as traditional manufactures

AI is creating a new generation of hard assets. Swiss Re brings **decades of Engineering experience** to help understand, structure and insure this infrastructure build-out.

Hyperscaler data centre constructions rank amongst the most capital intensive and complex large construction risks



Scale brings complexity, concentration and interconnectedness of insurance risks.

* 2 reactor Nuclear Power Plant assumed here.
Source: Swiss Re

Large, concentrated and interconnected risks require specialist underwriting

Design & Planning ❯ **Construction** ❯ **Equipment & Commissioning** ❯ **Operation & Services**

Insurance coverage across the value chain

- Marine / Cargo
- Surety / Project Finance
- Construction / EAR / CAR and Delay in Start-Up
- Property and Business Interruption
- Liability and Cyber

Key exposures across the value chain

- Nat Cat
- Fire / Water
- Equipment failure
- Power
- Supply chain
- Cyber
- Terrorism

Physical risk does not respect insurance product boundaries. Connecting Engineering, risk engineering, Property, Energy, Nat Cat, Cyber and portfolio expertise is essential to **manage accumulation and structure sustainable capacity.**

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