Swiss Re Institute



Media Dialogue

Global economic and insurance market outlook 2027/28

London, 17 November 2026

Swiss Re Institute

Your speakers today



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Swiss Re Institute

Searching for resilience

sigma 5/2026: Global economic and insurance market outlook

Dr Jérôme Haegeli, Group Chief Economist & Head Swiss Re Institute

Media Dialogue, London, 17 November 2026

What is key



Global economic growth is strengthening, but on narrow foundations and at a higher cost

Growth: GDP growth strengthens in 2027, but its engines remain concentrated

Inflation: Headline inflation should ease, but underlying cost pressures will remain elevated

Interest rates: Central bank policy rates should normalise gradually, while long-term yields are expected to remain above 2010s levels

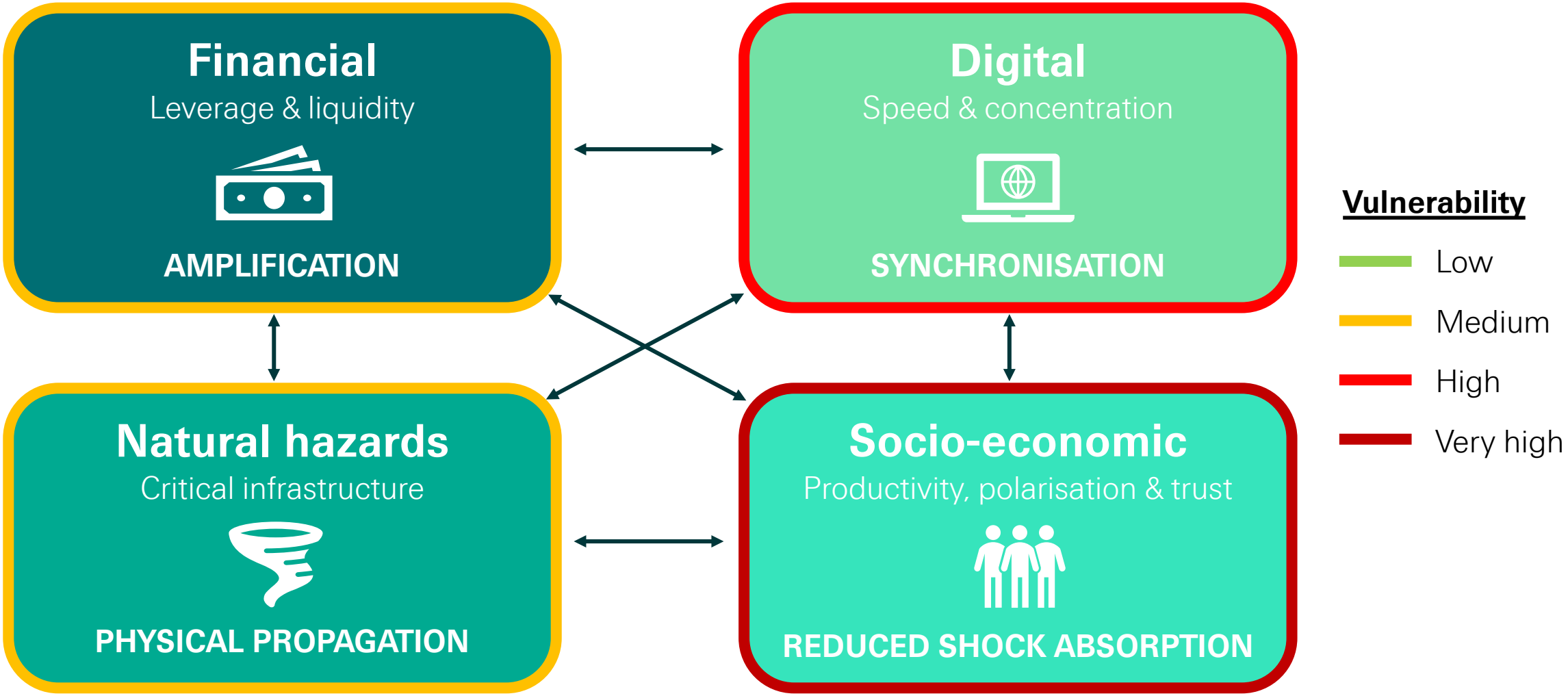
Bottom line: The accumulation of several headwinds (geopolitics, social tensions, higher interest rates) presents downside risks to our global outlook

SRI vs Consensus key regional forecasts

		Swiss Re Institute			Consensus		
	2025	**2026**	**2027**	**2028**	**2026**	**2027**	**2028**
Real GDP (% change)							
Global	*2.9*	2.6	2.8	2.6	2.4	2.8	n/a
US	*2.1*	2.4	2.4	2.0	2.3	2.2	2.2
Euro area	*1.3*	1.0	1.3	1.4	1.0	1.3	1.3
UK	*1.2*	1.5	1.3	1.3	1.3	1.2	1.5
China	*5.0*	4.6	4.3	4.0	4.6	4.4	4.3
CPI (% change)							
Global	*3.4*	4.0	3.9	2.8	4.7	4.1	3.5
US	*2.7*	3.3	2.4	2.2	3.5	2.5	2.2
Euro area	*2.1*	3.1	2.8	2.2	3.0	2.7	2.0
UK	*3.4*	3.2	3.5	2.2	3.2	3.2	2.0
China	*0.0*	0.9	0.7	1.1	1.0	1.1	1.2
Central bank rate (%)							
US	*3.6*	4.1	4.1	3.6	4.3	4.2	3.7
Euro area	*2.0*	2.8	2.8	2.3	2.5	2.3	n/a
UK	*3.8*	4.0	4.3	3.3	4.0	4.0	3.5
China	*1.3*	1.3	1.3	1.4	-	-	-
10y Gov. Bond Yield (%)							
US	*4.2*	4.9	4.7	4.5	3.4	3.2	3.0
Euro area	*2.9*	3.4	3.2	3.1	5.0	4.8	4.5
UK	*4.5*	5.1	4.9	4.7	5.2	4.8	4.4
China	*1.9*	1.7	1.8	2.0	1.7	1.7	1.7

Consensus figures as of 9th November. Global consensus figures refer to IMF forecasts (FX-weighted for GDP, PPP-weighted for CPI). SRI's global figures are FX-weighted. For China, the central bank policy rate corresponds to the overnight reverse repo rate. Source: Bloomberg, IMF, Swiss Re Institute

Shifting transmission channels and stronger interconnections:
risk interconnections identified by companies have risen by 24% since 2019



Source: *The age of interconnected risks: how interdependencies are shaping the next generation of systemic crises*, 25 September 2026, Swiss Re Institute

Global primary premium growth expected to rebound after 2026 driven by exposure growth in P&C and steady Life insurance growth

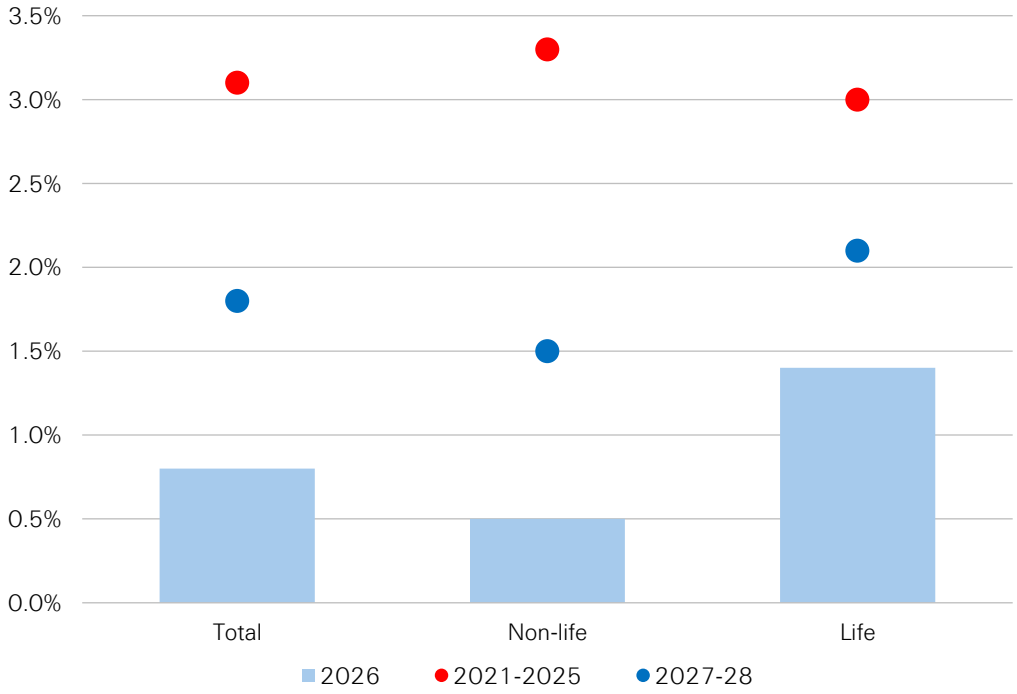
Non-life premium growth bottoms out:

- **Growth constrained** by price softening, **recovery expected over 2027–28**, led by exposure growth from **AI related capex**
- **More complex and interconnected P&C risks** making pricing and diversification difficult, despite abundant capital

Life insurance expected to expand steadily over 2027–28:

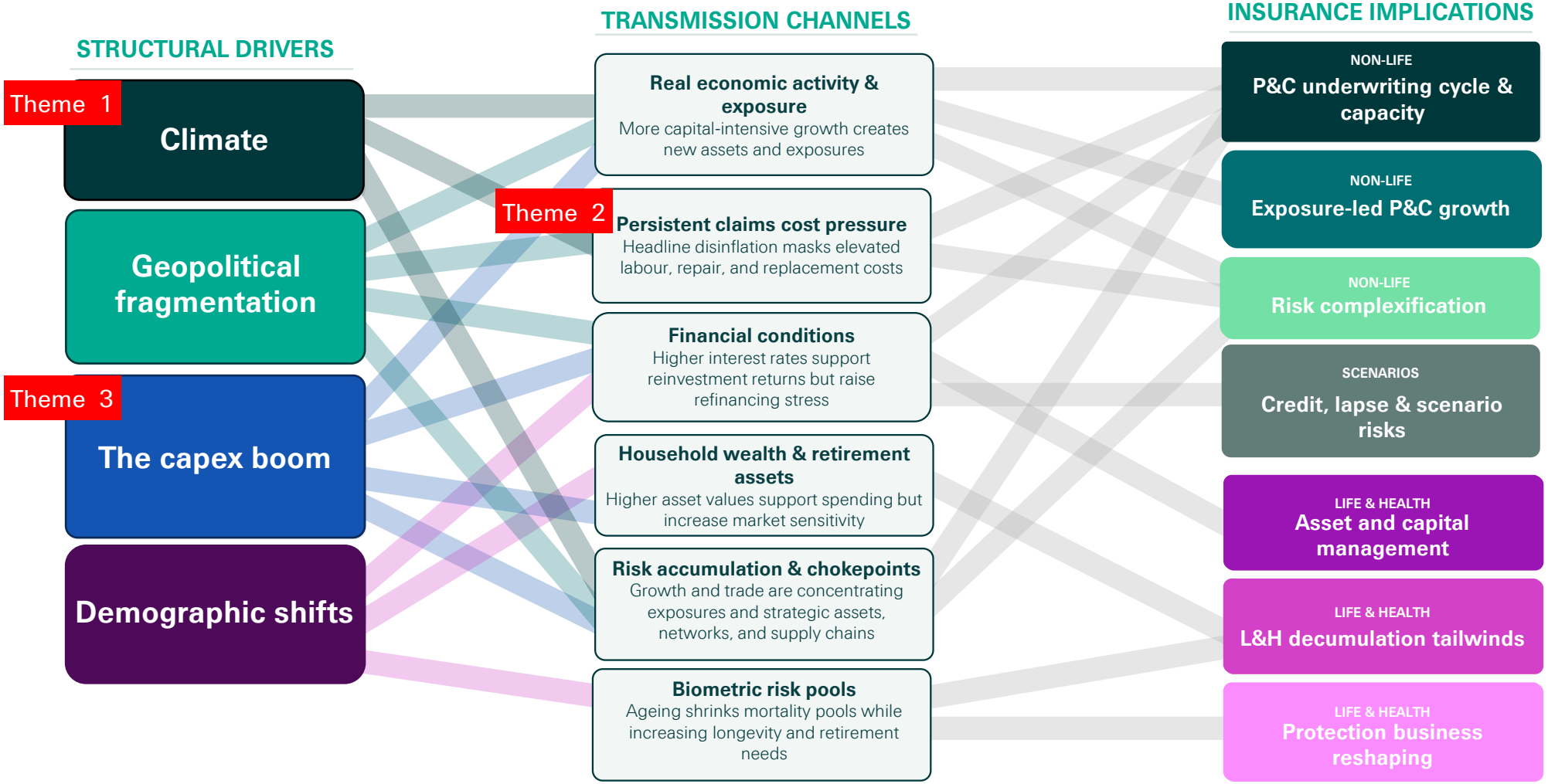
- **Savings and annuities** are the main growth drivers, supported by **attractive yields** and **accumulated retirement wealth**
- **Traditional protection** growth is **constrained by demographic shifts** in mature markets

Premium growth expected to improve in both life and non-life over 2027-28



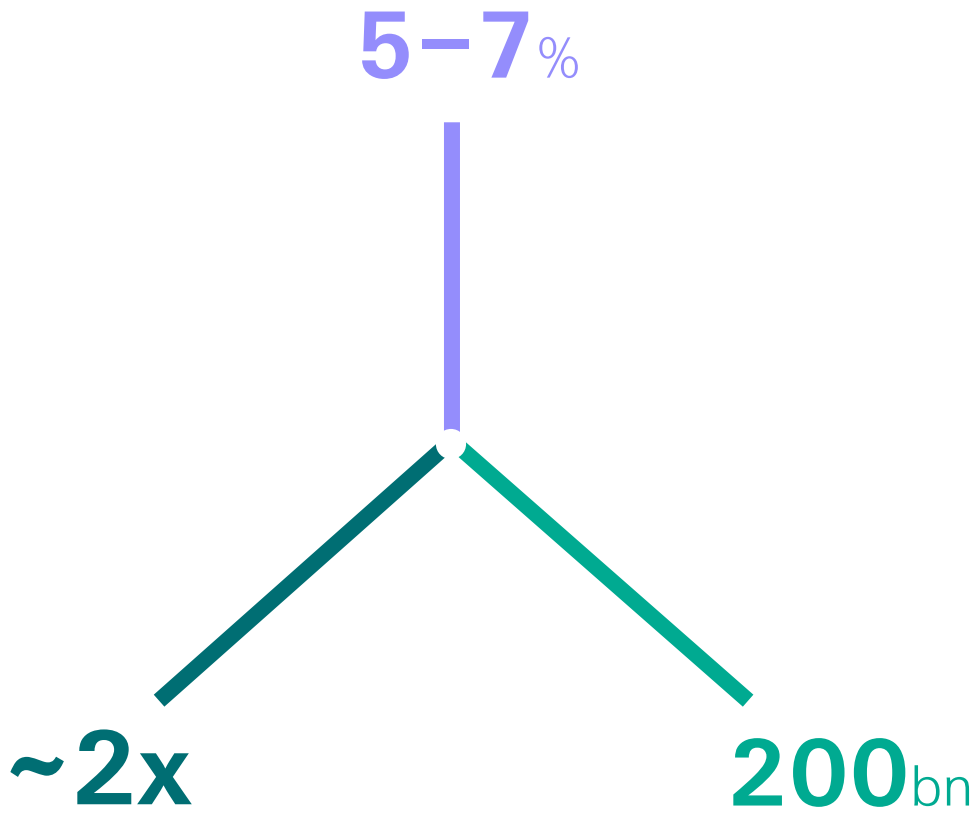
Source: Swiss Re Institute

Four structural drivers shape the external business environment outlook



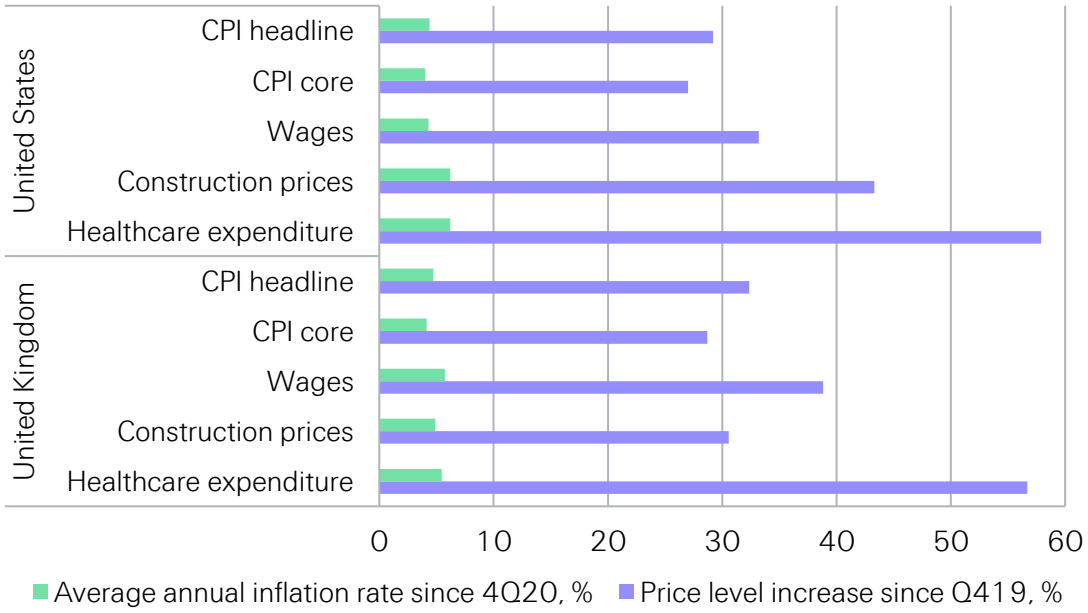
Note: Coloured lines trace structural drivers into transmission channels. Grey lines show how these channels feed into insurance outcomes, which may be shaped by several channels simultaneously.
Source: Swiss Re Institute

Theme 1 – Evolving climate risks interact with physical asset buildout, increasing risks and claim costs



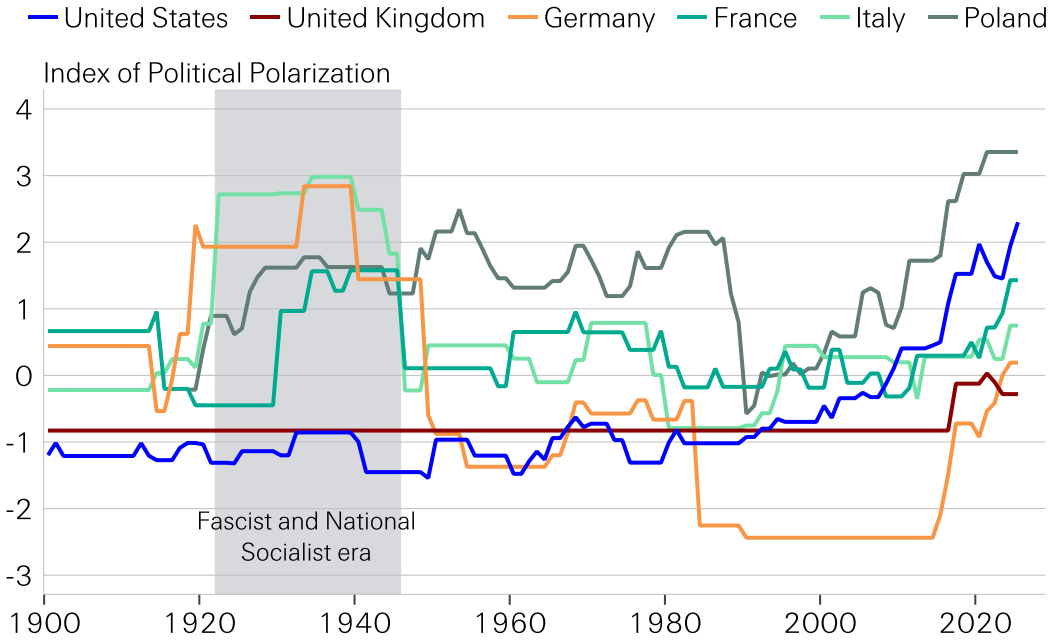
Theme 2 – Insurance claim costs remain elevated as past inflation has made repairs and replacements more expensive, while households struggle with the cost of living

Disinflation does not undo past cost increases, keeping insurers' claim costs elevated



Price increases and average inflation rates are calculated through the latest available observation (either 2Q26 or 3Q26) for all variables except healthcare expenditure, for which partly estimated annual data through 2025 is used. Source: BLS, DESTATIS, Macrobond, Swiss Re Institute

Political polarisation has intensified amid persistent cost-of-living pressures



The indicator measures the extent to which society is divided into hostile political camps, and differences undermine social interaction. Source: V-Dem, Macrobond, Swiss Re Institute

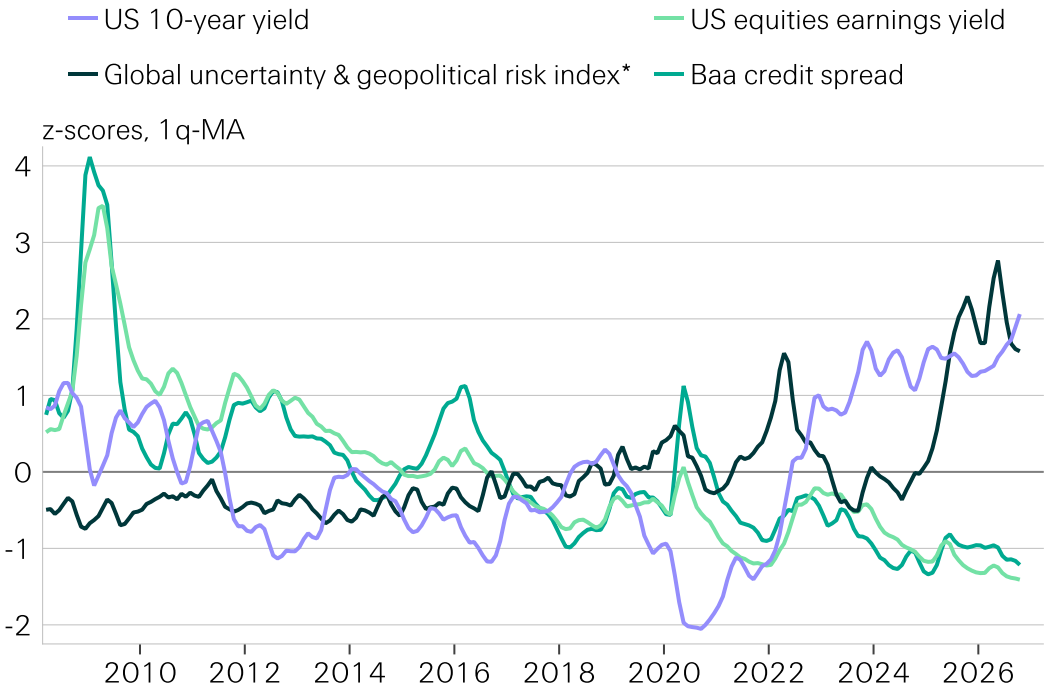
Theme 3 – The capex boom will continue to shape economic cycles and insurers' opportunities

AI and other strategic investment is expected to support the global expansion, but labour incomes are going to trail



G7 growth rates and contributions are calculated as GDP-weighted averages across members. 2026–29 figures are forecasts. Source: Oxford Economics, Macrobond, Swiss Re Institute

Market pricing appears misaligned with underlying risks



* is the average of: World Uncertainty Index, World Trade Uncertainty Index, Geopolitical Risk Index, Global Supply Chain Pressure Index. Source: EPU, NYFed, M. Iacovello, Macrobond, Swiss Re Institute

Key takeaways



Macro: The global economy, while steadily expanding, is ***'searching for resilience'*** amid increasingly **narrow and expensive** foundations.



Non-life: The **capex cycle** supports recovery in premiums growth. The **changing risk environment** could lead to **tighter capacity deployment.**



Life: Retirement savings drive growth and **demographics** reshape protection needs. Asset and capital management drive future profitability.

Key themes shaping non-life insurance market

1



Exposure-led growth opportunities

Premiums growth shift from pricing to exposure. Capex, emerging markets and a volatile risk backdrop create demand for insurance.

2



Competitive market environment

With **conditions varying significantly** across geographies, lines of business and individual risks**.**

3



More challenging risk environment

Risks (NatCat, liability, geopolitics…) **are becoming more interconnected and harder to model.**

Large, concentrated and interconnected risks require specialist underwriting



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

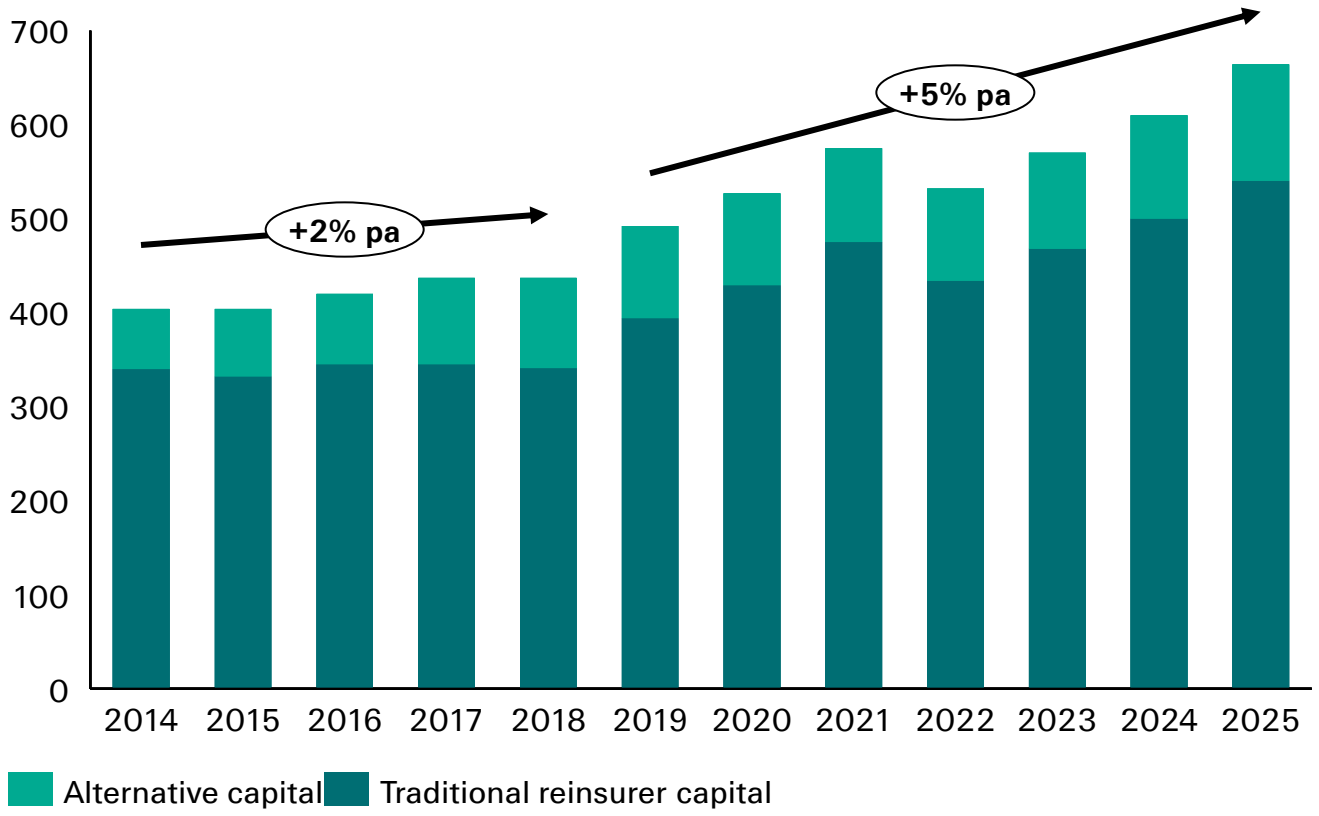
Physical risk does not respect insurance product boundaries. Connecting engineering, risk engineering, property, energy, nat cat, cyber and portfolio expertise is essential to **manage accumulation and structure sustainable**

Swiss Re Institute

Source: Swiss Re Institute

With more abundant capital, underwriting and risk expertise become more valuable

Global reinsurer capital (USD bn, nominal)



Underwriting expertise
Originate, select and price risks to make informed underwriting decisions

Data and claims knowledge
Leverage decades of claims experience to understand how liabilities develop over time

Portfolio management
Identify accumulations and manage diversification across risks

Structuring capabilities
Design tailored risk-transfer solutions to match risks with the right capital

Swiss Re Institute

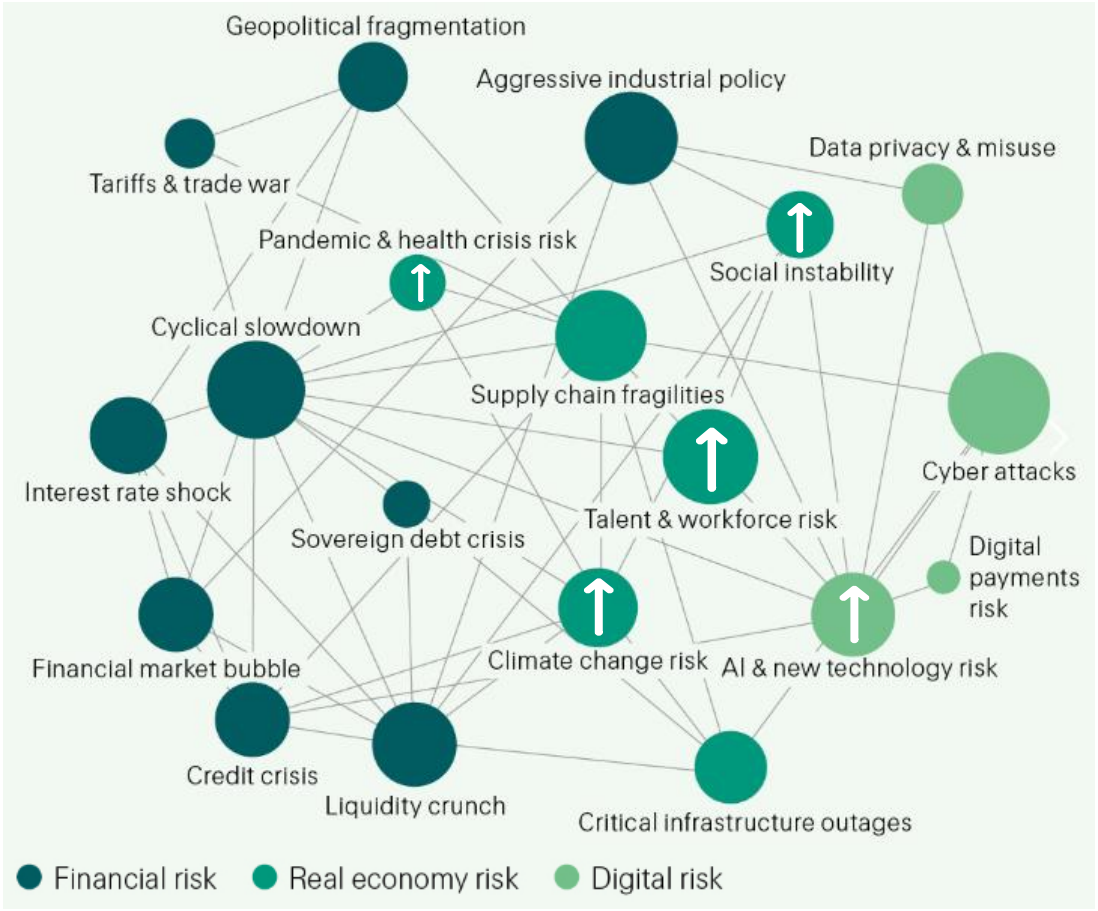
Source: Swiss Re Institute, AM Best, Insurance Insider

Risk interconnections identified by companies have risen by 24% since 2019

Interconnected risks can amplify systemic shocks

- Risks are increasingly interconnected across financial, digital, natural and socio-economic systems.
- Vulnerabilities are elevated across multiple domains, increasing the potential for risks to interact and amplify each other.
- The severity of a crisis can depend not only on the initial shock, but increasingly on how it spreads through interconnected systems.
- New capital provides additional capacity, but growing and more systemic risks continue to require significant capital alongside expertise, data and tailored solutions.

2026 Risk Interconnections



Source: Swiss Re Institute

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Q&A

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to ask a question.



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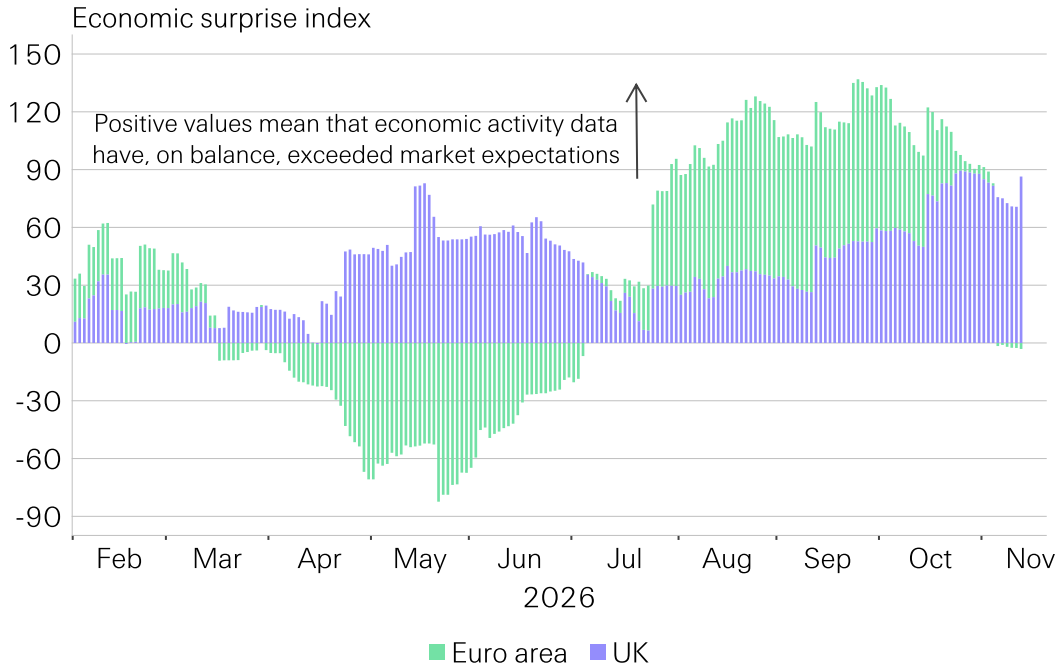
Appendix

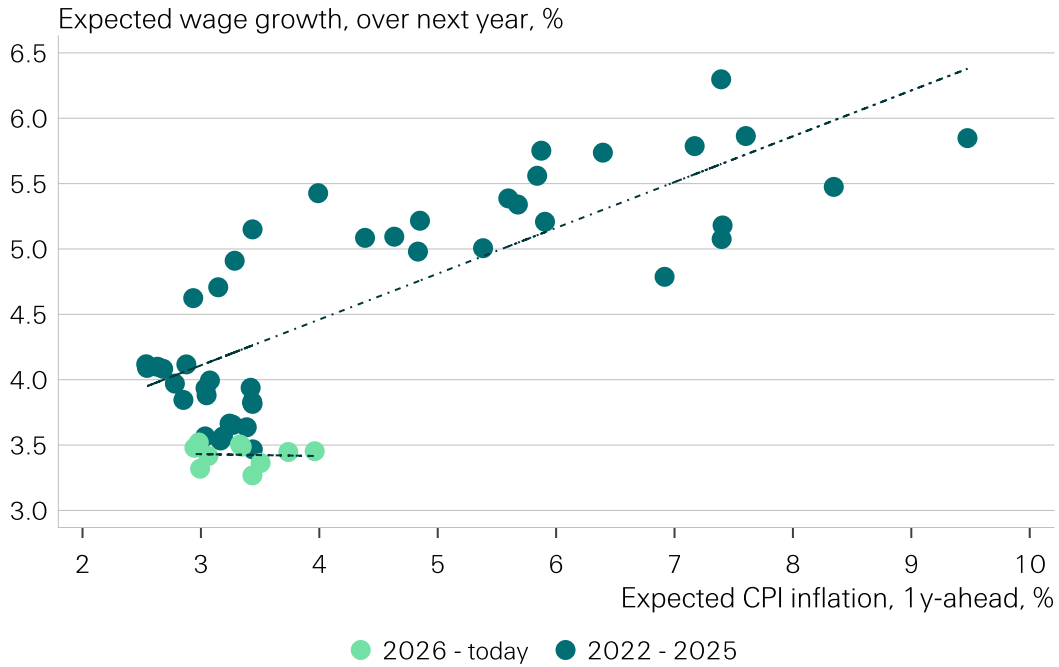
UK economic outlook: activity has **surprised to the upside** over the last year, but most of the **inflation drag on households' real incomes** and consumption is **still to come**

The UK has beaten expectations every day since February, partly supported by AI-related services



Source: Citi, Macrobond, Swiss Re Institute

The soft labour market is containing second round wage effects so far, but inflation has still to peak

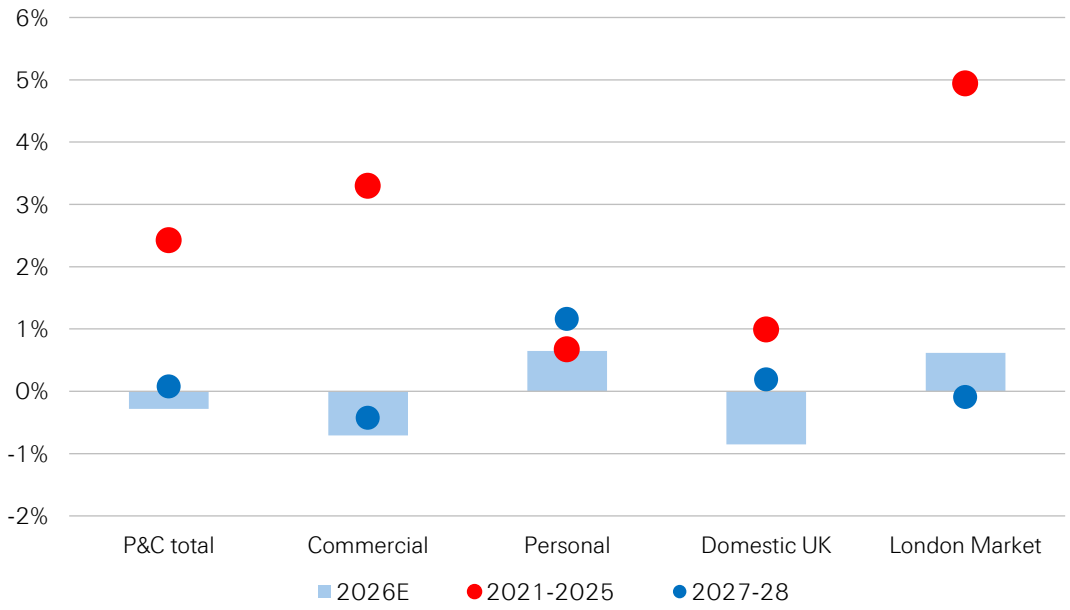


Source: BoE, Macrobond, Swiss Re Institute

UK non-life outlook: Relatively weak premiums growth across the board as underwriting margins soften

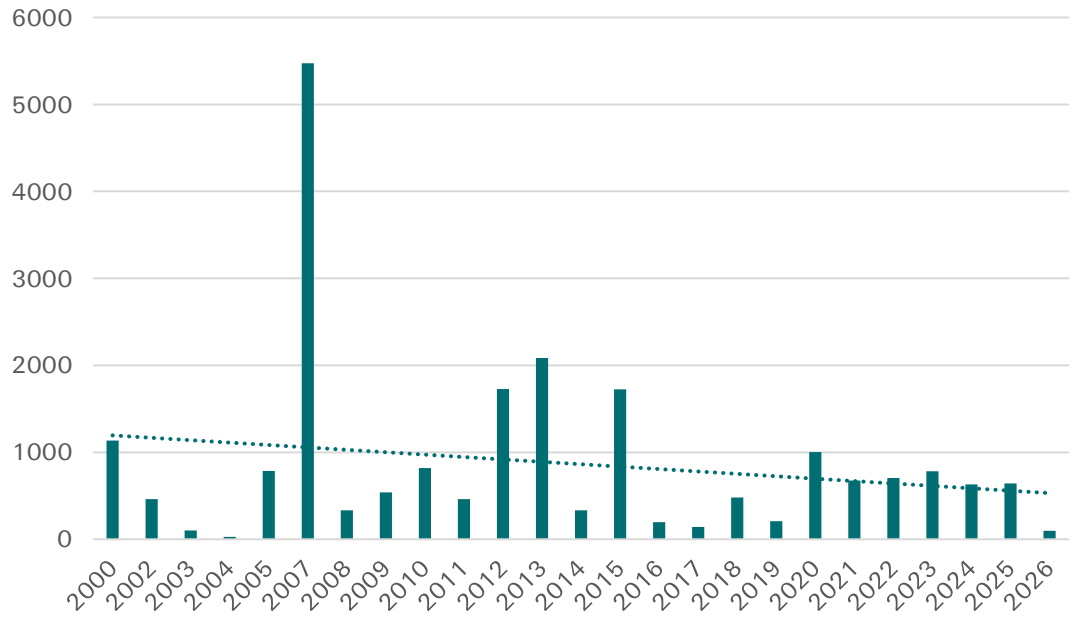
- Real P&C **premiums growth rebounds** from -2.8% in 2025 but **remains close to zero**. Despite recent windstorms, NatCat **insured losses have trended sideways** in recent years. **Profitability is likely to ease** from current high levels, but RoE should remain above CoC in the medium-term

UK real premiums growth forecast close to 0% in 2027-28



Source: Swiss Re Institute

No upside trend in UK natcat insured losses (nominal m USD)

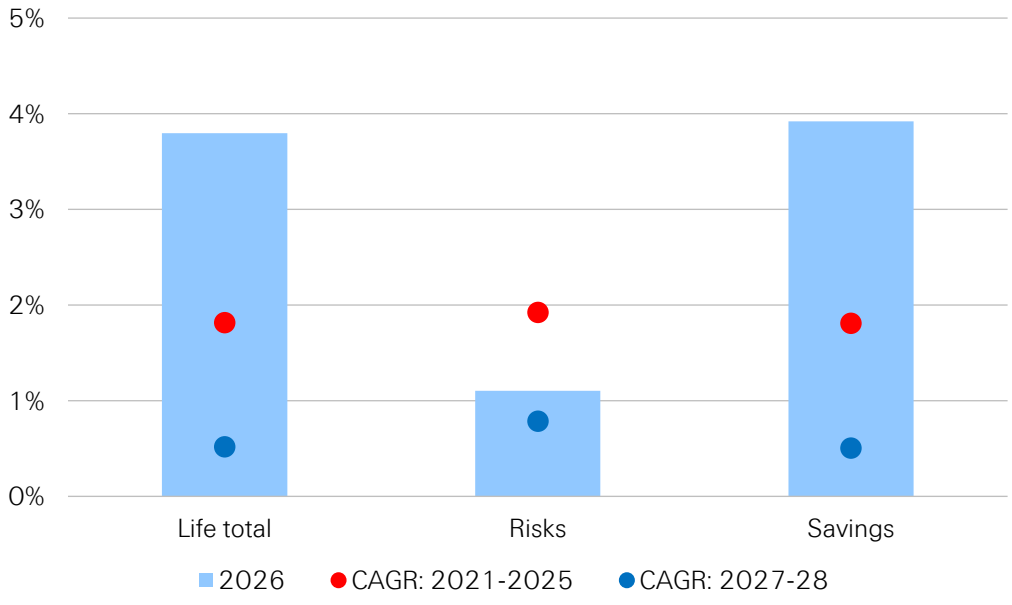


Source: Swiss Re Institute

UK life outlook: Positive although moderating growth outlook for UK Life insurance

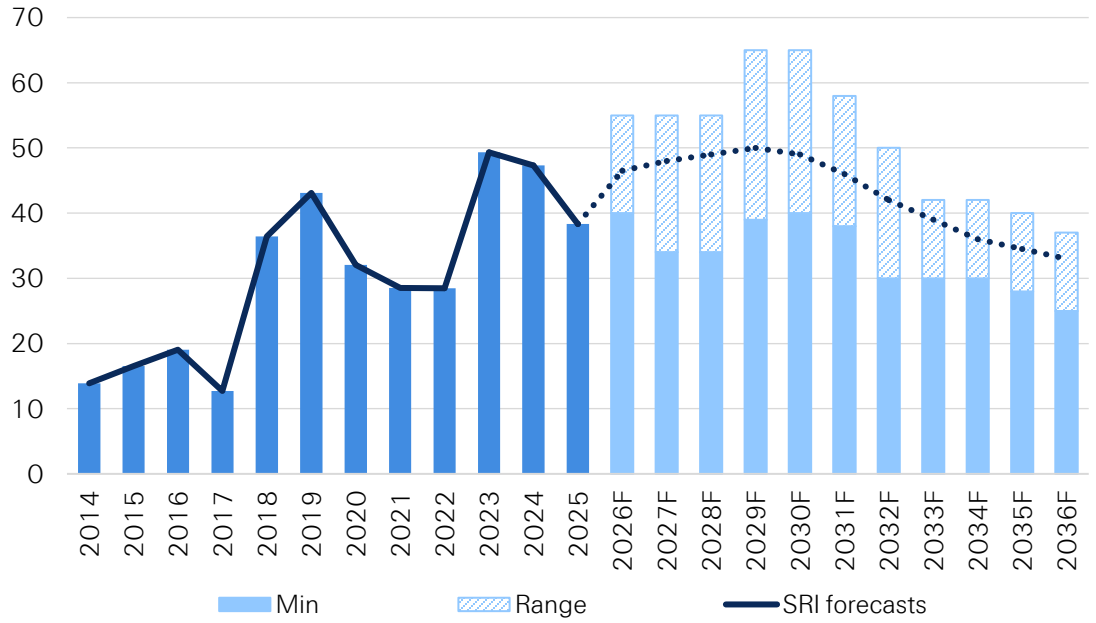
- **Real life premium growth of 0.5%** over 2027-28, led by **structural growth in pensions, annuities and investment savings**. Protection growth remains more moderate amid **affordability pressures**, with growth tailwinds in term sales, WoL and income protection.

UK real premiums growth forecast



Source: Swiss Re Institute

UK annual DB pension de-risking volumes



Source: LCP, Autonomous, Swiss Re Institute



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