Media Dialogue

World insurance in 2026: Shock absorbers in a fragmenting world

Swiss Re

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Swiss Re

What is key

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Global economic outlook: recurring supply shocks keep inflation and interest rates elevated, while GDP growth is more resilient and supported by the AI buildout

Key points: Persistent (geo-)political uncertainty keeps risks to the downside

Global GDP growth is expected to hold up but around 0.3-pts lower with inflation 1.0%-pt higher than pre-crisis due to the energy shock. Real insurance premium growth to slow to 1.3%, with **life exceeding non-life**

The AI buildout is a positive macro cross-current, but it is also **adding near-term inflation pressure** and keeping interest rates high

The **global race for natural, AI and financial resources is shaping the new risk regime**, characterized by **more frequent supply shocks** and tail risks, **expanding demand for insurance**

Bottom line: In a world facing more frequent and persistent supply shocks, **re/insurance will continue to play an increasingly important role in protecting and enabling the economic transition**

Key Swiss Re Institute macro forecasts

		Swiss Re Institute Forecasts*		Consensus	
	2025	2026	2027	2026	2027
Real GDP (% change)					
US	2.1	**2.2**	**2.1**	2.1	2.0
Euro area	1.5	**0.4**	**1.3**	0.8	1.2
Japan	1.2	**0.5**	**0.8**	0.6	0.8
China	5.0	**4.7**	**4.3**	4.6	4.4
CPI (% change)					
US	2.7	**3.3**	**2.8**	3.5	2.4
Euro area	2.1	**3.1**	**2.6**	2.9	2.2
Japan	3.3	**2.4**	**2.1**	2.0	2.1
China	0.0	**0.9**	**1.0**	1.1	1.1
Central bank rate (%)					
US	3.6	**3.6**	**3.1**	3.5	3.2
Euro area	2.0	**2.3**	**2.3**	2.5	2.1
Japan	0.8	**1.3**	**1.5**	1.2	1.4
China	1.4	**1.2**	**1.3**	-	-
10-year gov. bond yield (%)					
US	4.2	**4.4**	**4.2**	4.3	4.2
Euro area	2.8	**3.2**	**3.1**	3.0	2.9
Japan	2.1	**2.7**	**2.8**	2.7	2.8
China	1.9	**1.9**	**2.1**	1.7	1.8

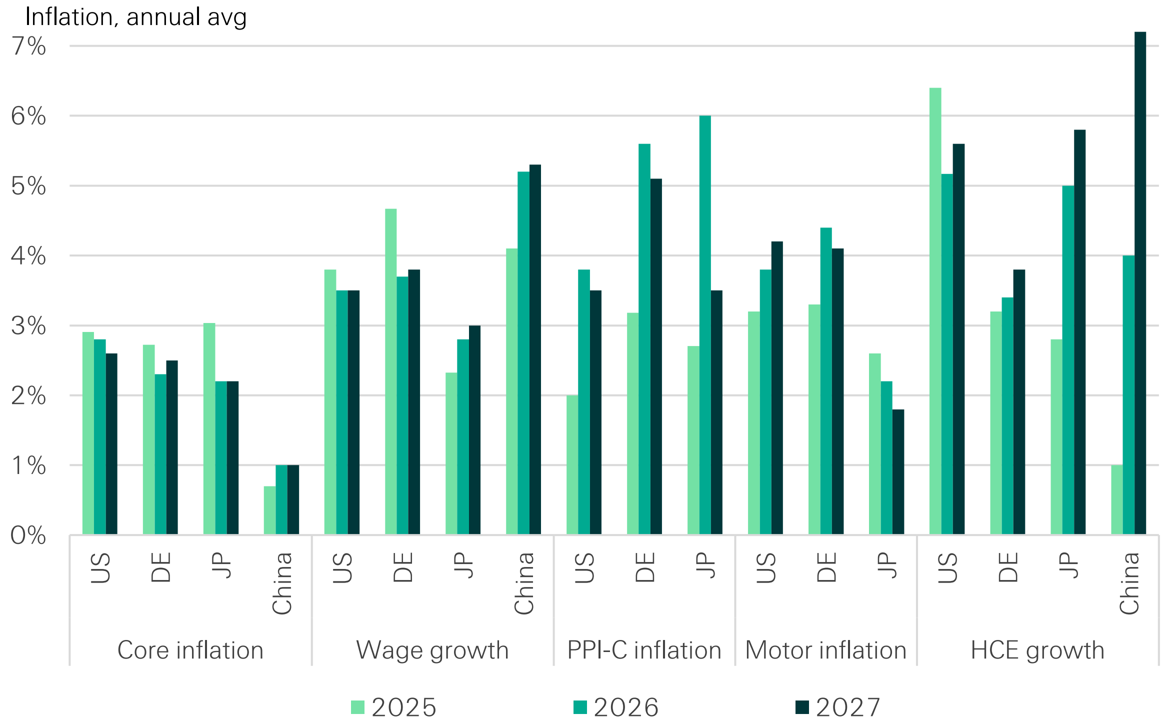
GDP and CPI are annual averages. 10-year and central bank rates are end-of-year forecasts.

*SRI baseline forecasts assume an average Brent price of 78 USD/bbl in H226 and 70 USD/bbl in 2027

Source: Bloomberg, Swiss Re Institute

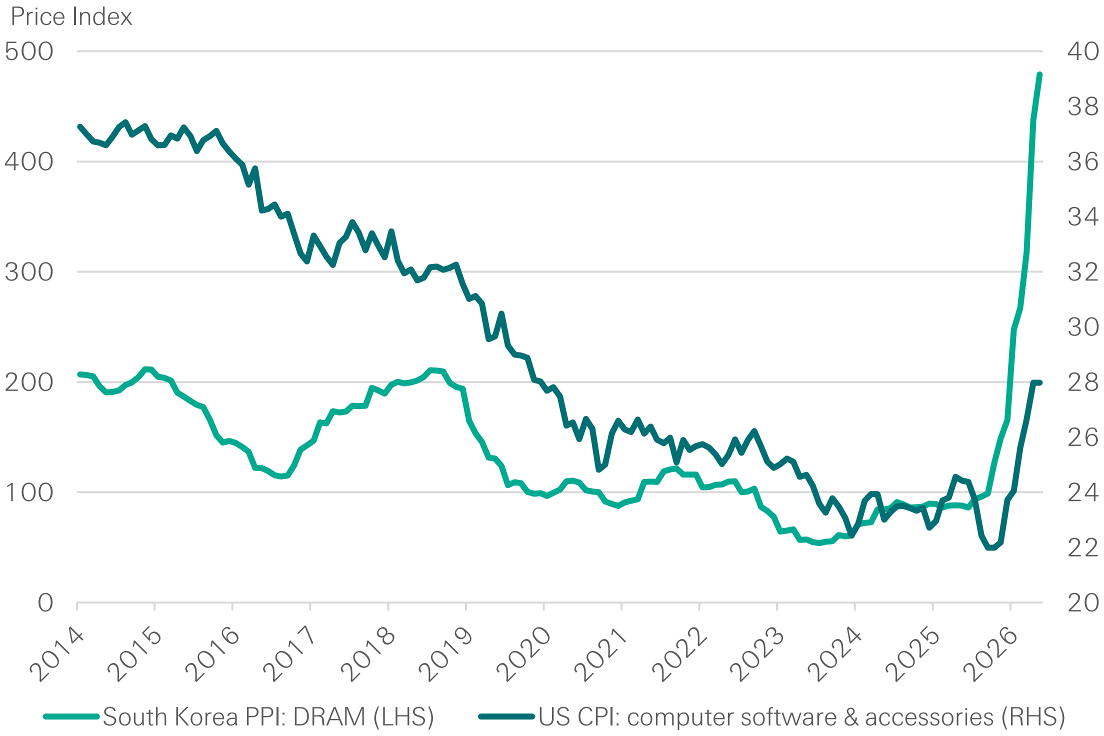
Near-term price pressure, driven by energy disruptions and AI demand, is not trigger runaway inflation, but expected to push insurance claims higher

Supply disruptions expected to have a sizeable impact on claims inflation



Note: SRI forecasts for 2026 and 2027. Source: National statistical offices, Swiss Re Institute.

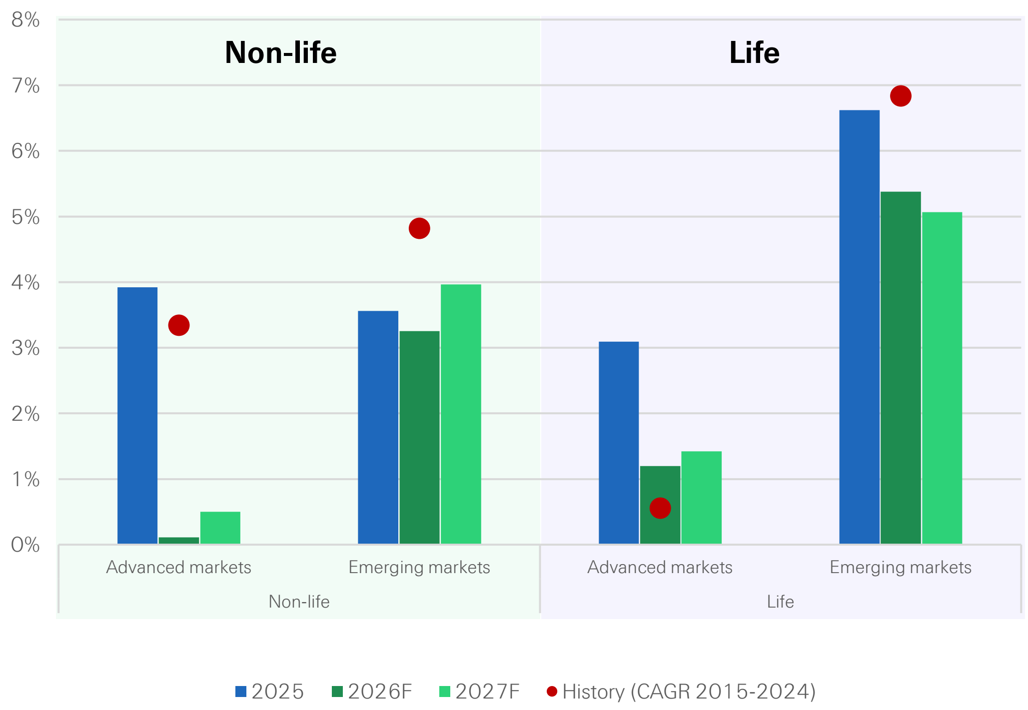
AI capex demand is abruptly reversing the long deflationary trend in computer hardware and software prices



Source: Macrobond, Swiss Re Institute.

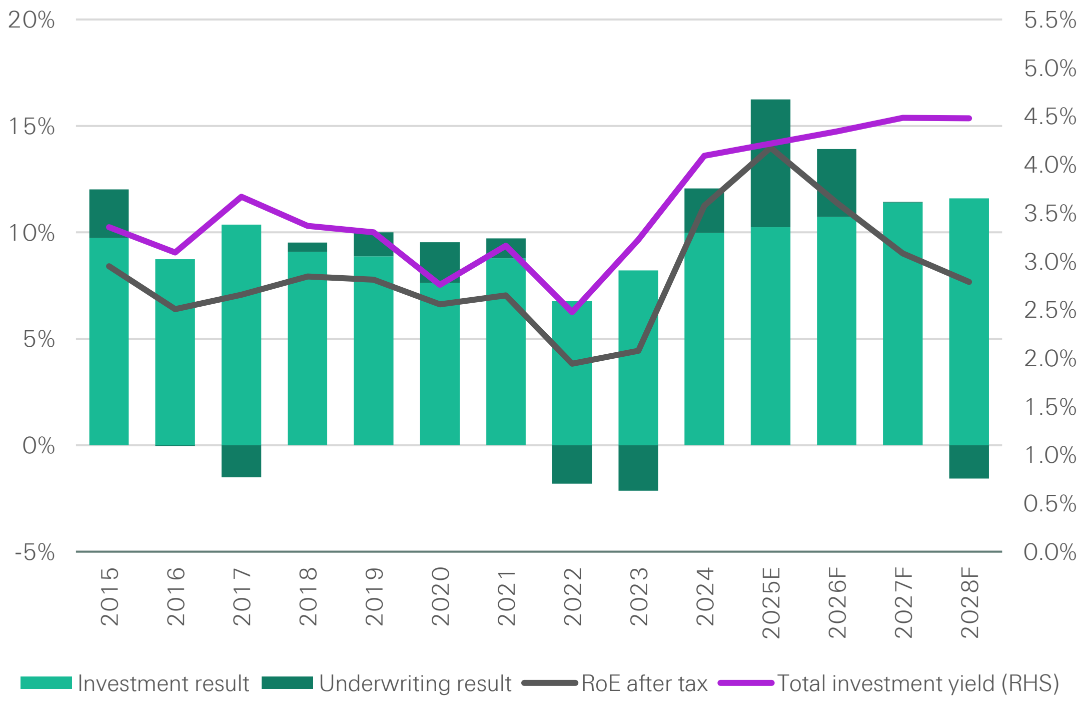
Non-life premium growth cyclically at low, while life remains resilient & overall profitability is robust supported by still-elevated investment returns

Non-life premium growth is expected to bottom out in 2026, life remains resilient



Source: Swiss Re Institute.

Non-life profitability stays above the cost of capital



Source: Swiss Re Institute.

Theme 1: Supply shocks not going away, with geoeconomics creating risks and opportunities

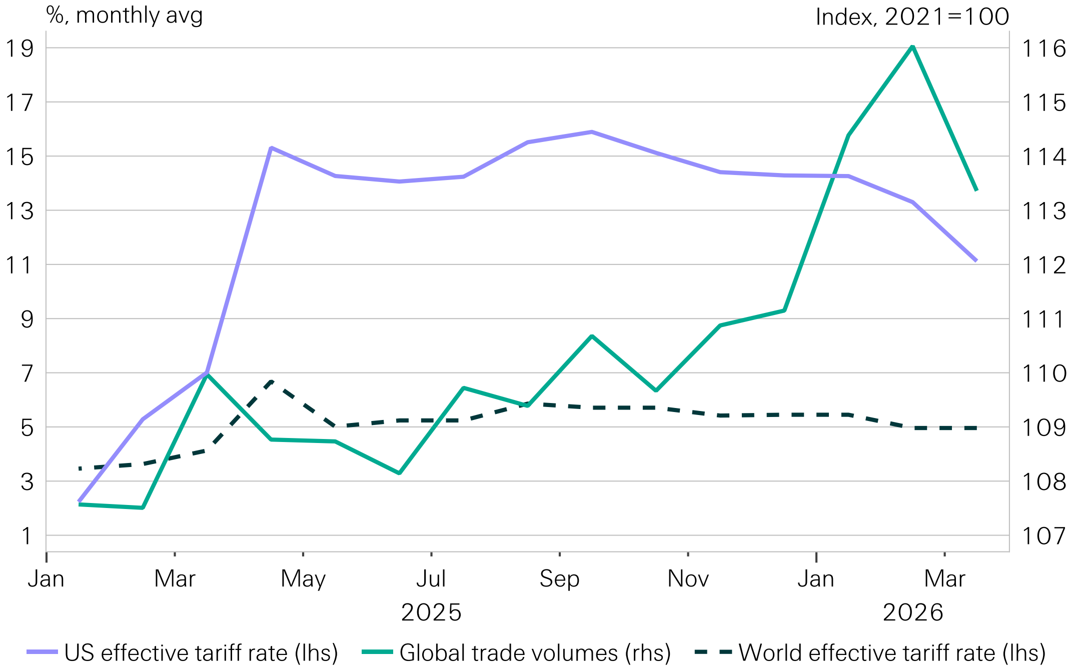
Type of shock		Macro implications: Growth	Inflation	Capex	Fragmentation
(Geo-) politics	Military conflict	↓	↑		↑
	Re-shoring / friend-shoring		↑	↑	↑
	Energy / commodities	↓	↑		
	State / industrial policy	↓	↑		↑
Tech / AI	Technology	↑	↑	↑	↑
	Cyber			↑	↑
Peak risks	Pandemics	↓	↑	↑	
	Natural catastrophes	↓		↑	

Insurance implications

- **Higher inflation** due to increased input costs to repair/rebuild
- **New and complex risks** increase demand for insurance
- **Accumulation risk** and extreme uncertainty leading to re-look at contract wording and clauses
- **Increased frequency and severity of claims**, investments in risk mitigation/adaptation (eg nat cat)

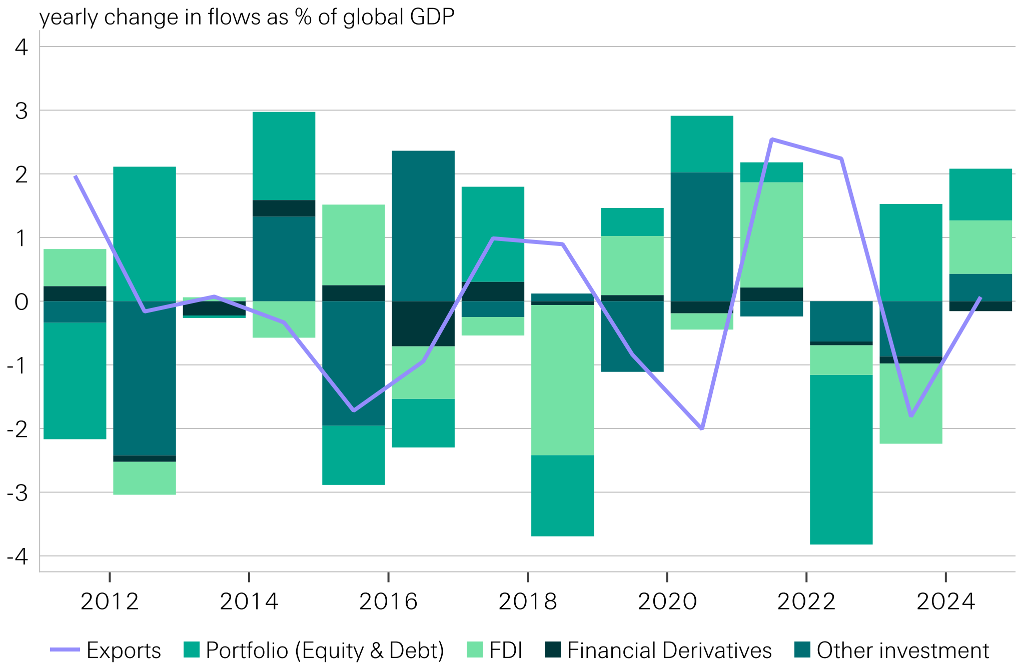
Theme 2: **Fragmentation in capital markets** is greater risk to the economy and insurance markets than the trading in goods

Trade has proven resilient despite century-high US tariffs



World effective tariff rate calculated as the imports-weighted average of effective tariff rates from US, CN, IN, MX, CA, GB, CH. Source: CPB, IMF/WTO, Macrobond, Swiss Re Institute

Financial account flows are more volatile than merchandise trade flows

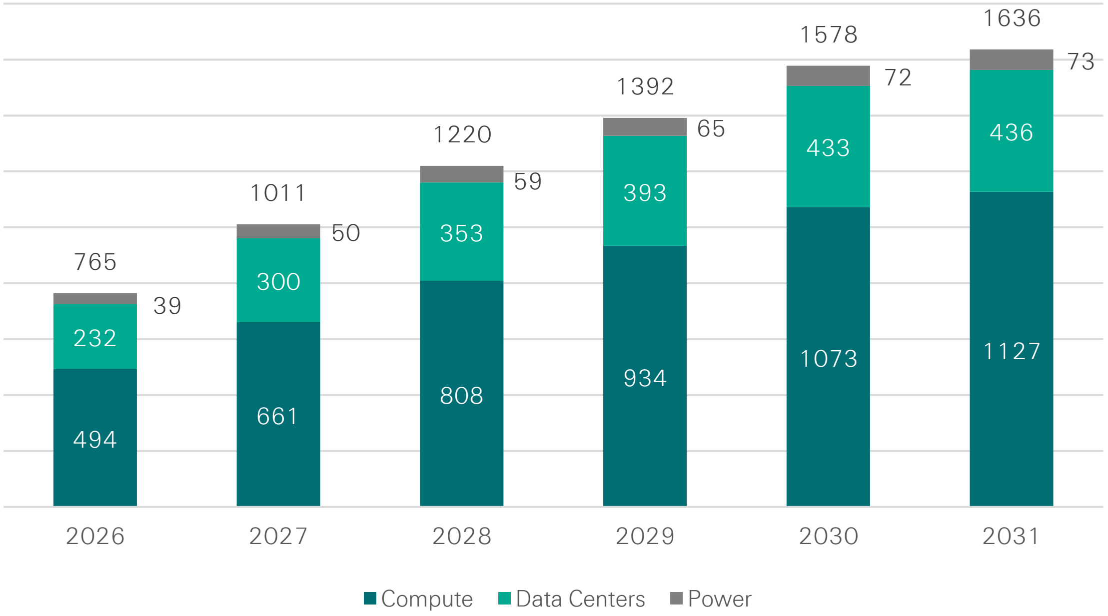


Source: IMF, Macrobond, Swiss Re Institute

Theme 3: AI-driven infrastructure creates opportunities and also challenges for insurers with ~40% of US data center capacity likely to sit in significant-to-very-high tornado-day zones, and around a quarter in large-hail day zones

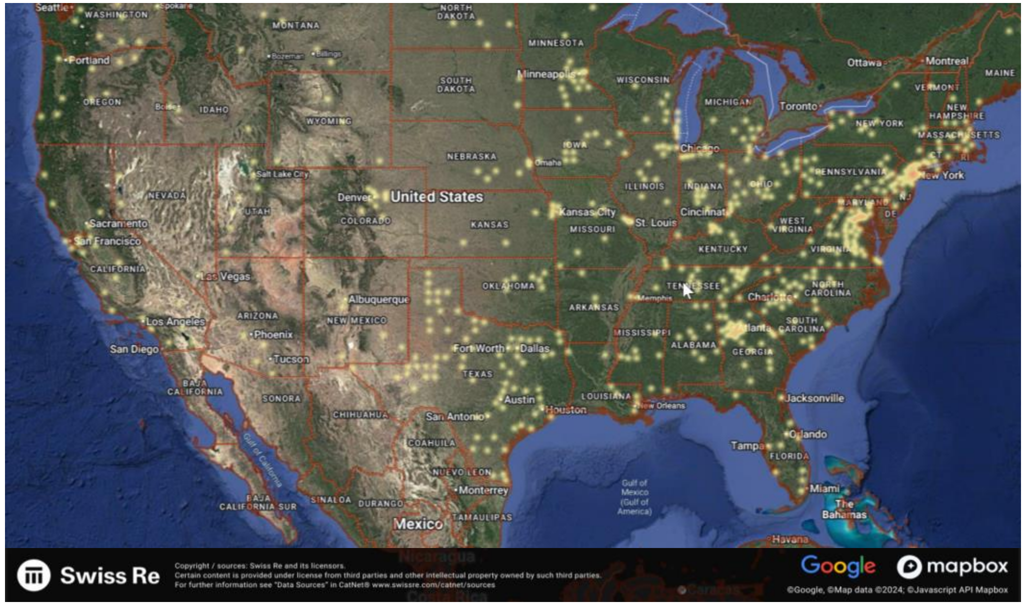
Cumulative AI capex is projected at ~7.6 USD trillion between 2026 and 2031

(Annual AI capex in USD billion)



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

Data centers in the US are concentrated in high-risk locations for weather-related perils



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

Key takeaways

Global fragmentation is creating economic cross-currents: Recurring negative supply shocks **keep inflation elevated**, while the AI build-out supports **resilient growth**

Global insurance industry is navigating a cyclical slowdown, especially non-life. while life remains resilient. **Profitability is holding up,** supported by still-elevated investment returns

Re/insurance will play an increasingly important role in protecting and enabling the economic transition in a world facing more frequent and persistent supply shocks

Ivan Gonzalez

Chief Executive Officer
Swiss Re Corporate Solutions

Swiss Re

Interconnected risks require a new resilience mindset

Complex risk interactions

Interconnected risks such as extreme weather, geopolitical fragmentation and AI infrastructures increasingly amplify impacts for the global economy.

Supply chain vulnerabilities

Disruptions in infrastructure and transport cause cascading effects on production and financial performance.

Integrated risk management

Organisations need holistic, integrated approaches to identify intersecting vulnerabilities and manage risk clusters.

Resilience through partnerships

To address these interconnected risks, we need strong collaboration between corporates, brokers, re/insurers, technology providers and the public sector.

Data centres: Potentially huge insurance opportunity with complex risks

Global data centre insurance premiums 2024-2030 (cumulative)*

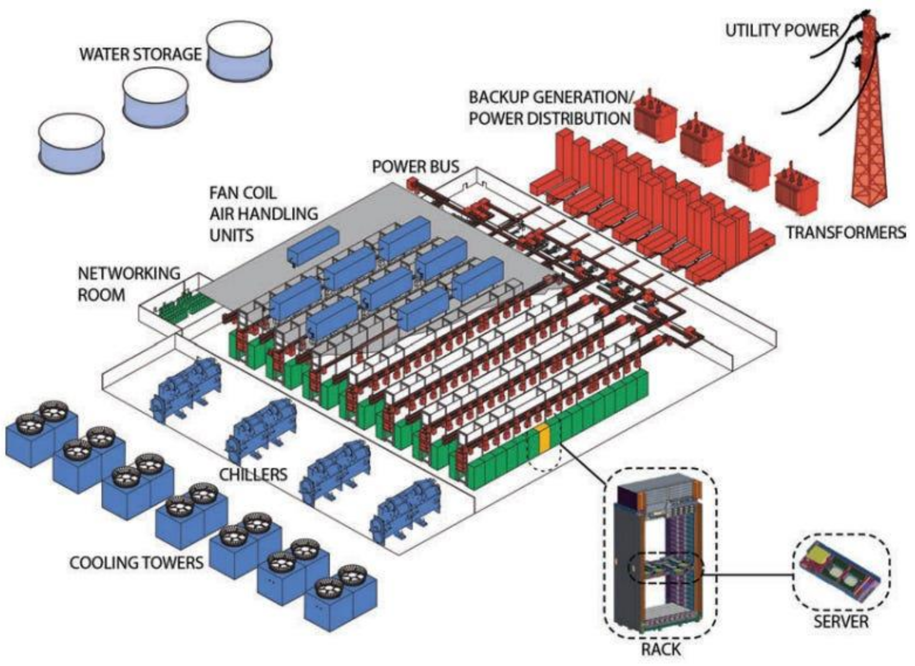
Highest estimate*
USD 105bn

USD 90bn

USD 80bn
Lowest estimate*

Lines of business	Insurance premiums (USD)*
Property	49bn
Engineering	18bn
Liability	10bn
Credit & Surety	9bn
Marine	5bn

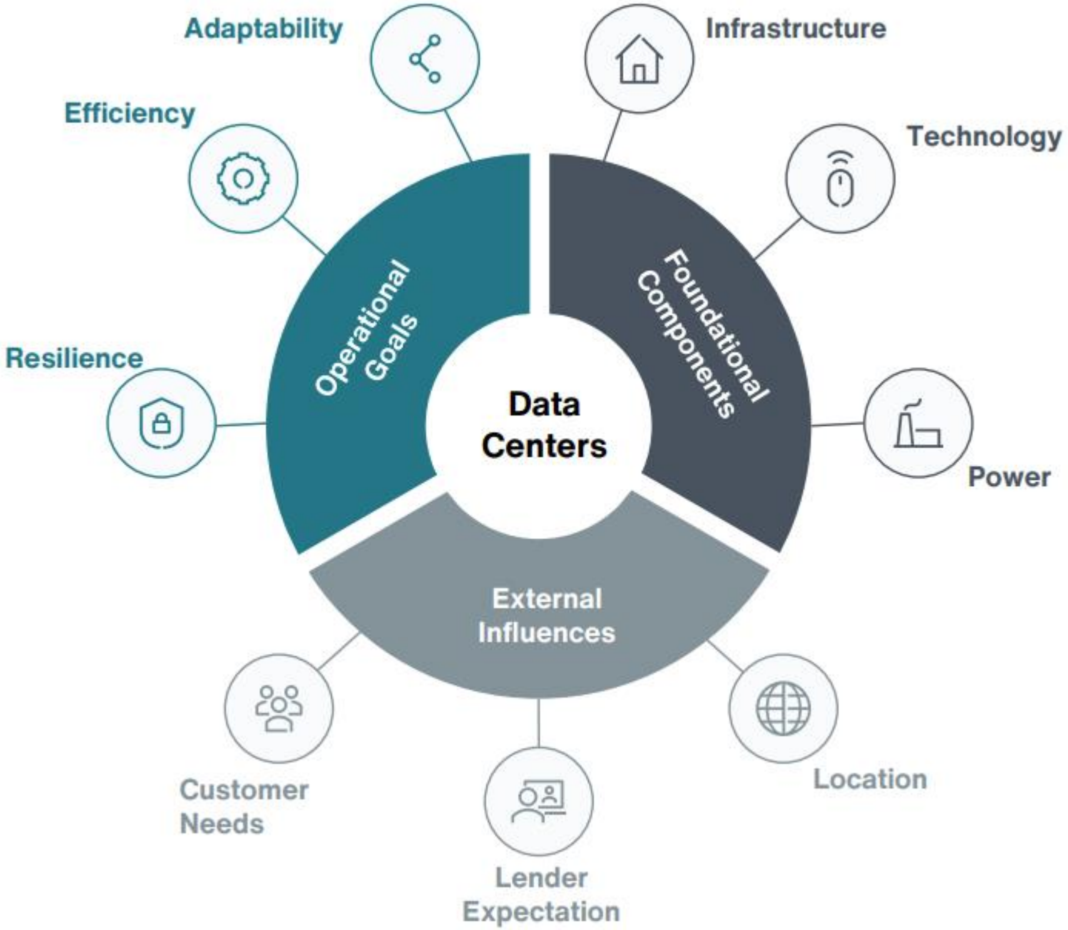
Schematic illustration of a data centre



*Swiss Re estimates based on current insurance premiums and projected AI capex.

Source: Synthesis Lectures on Computer Architecture.

What is driving the risk profile of a data centre project?



Source: Aon.

Single site man-made losses
Fire, electric failure, explosion, water damage

Natural catastrophes
Cluster risk in dense regions, e.g. severe convective storms, tornadoes, earthquakes

Power dependency
Business interruption, clash loss from physical loss at shared power supply

Cyber
Growing internet connectivity of operational technologies could increase vulnerability

Accumulation risk is a major consideration when analysing risk profiles and underwriting data centres

Risk prevention with the 3W Model – Watts, Water, Waiting Time

	Key question	Risk engineering focus	Insurance relevance
Watts Power & energy chain	Where does the power come from, and how securely is it distributed?	Protect the power infrastructure: redundancy, isolation, protection relays, commissioning, controls, battery protection.	Property damage, maximum probable loss, machinery breakdown, business interruption, delay in start-up.
Water Cooling & hydraulics	Where does water or coolant flow, and what happens if there is a leak?	Control fire and water damage: early detection, segregation, leak detection, cooling monitoring, controlled testing.	Water damage, contamination, corrosion, restart, business interruption
Waiting Time Schedule & supply chain	What takes the longest if something has to be replaced or newly tested?	Manage delay in start-up and resilience: critical procurement, schedule contingency, robust commissioning, disaster recovery, business continuity.	Delay in start-up, critical path, supply chain, accumulation risk.

Framework developed by Swiss Re Corporate Solutions.

Scale and complexity call for solutions that go beyond traditional insurance

Risk Engineering

Reduce technical and operational vulnerabilities through early risk identification.

Strengthen resilience with engineering expertise and loss prevention measures.

Support better decision-making across the asset lifecycle.

Alternative Risk Transfer

Expand risk financing options beyond traditional insurance.

Address hard-to-insure exposures with parametric solutions.

Optimise capital through captive and multi-line risk transfer structures.

Credit & Surety

Enable complex infrastructure projects through financial security solutions.

Support long-term contractual and financing arrangements.

Enhance confidence to trade despite heightened supply chain risks.

No single solution can address all interconnected risks –
true resilience comes from combining re/insurance, prevention, mitigation and innovative risk financing.

Thank you!

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