# Allianz Global Insurance Report 2025: Rising demand for protection

27 May 2025

Allianz Research

# Content

# Executive Summary


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- The global insurance industry grew by an estimated +8.6% in 2024, surpassing the previous year's record growth of +8.2% and adding a massive EUR557bn to the global premium pool. In total, insurers worldwide collected EUR7.0trn in life, P&C and health insurance premiums.

- Insurance penetration (premiums as a percentage of GDP) also rose from 7.1% in 2022 to 7.4% in 2024. However, this is roughly the same level as ten years ago. While health insurance has increased its relevance over the past decade and P&C has managed to defend its turf, life insurance has fallen quite sharply, and is still recovering from the period of ultra-low interest rates.

- The global P&C segment grew by +7.7% last year, slightly less than the previous year (+8.3%). More remarkably, growth was mainly driven by the largest market, North America, where premium income increased by +8.2%. While premium income in Western Europe increased by +6.0%, the Asian P&C market was less dynamic, growing by only +4.0%. As a result, it is still smaller than its Western European counterpart, despite the fact that more than six times as many people live in this region as in Western Europe. This is true even if Japan and China are included. The term „growth markets" loses its luster when North America easily outstrips Asia.

- The life segment grew by +10.4% in 2024, faster than the other two segments and also faster than in 2023 (+8.2%). The main driver was once again North America, which grew by an astonishing 14.4%: As interest rates reached new highs, many US households rushed to lock in these rates for their annuities. Higher interest rates also lifted premium income in Western Europe (+7.1%). In Asia most markets posted strong gains, led by China with a growth rate of +15.4%.

- In the health segment, US dominance is very pronounced: The US market accounts for around two-thirds of global premium income, which increased by +7.0% in 2024. Demand for health insurance remains very strong in Asia, with growth of +12.6% in 2024. This also reflects the still low penetration in the region, which is below 1% in all markets except Taiwan. Even more than in life insurance, demand is mainly driven by the status of the social security system, i.e. the coverage and quality of the public healthcare system.

- In 2025, global GDP growth is expected to slump to a mere +2.3%, the lowest level since the Covid-19 pandemic. The main culprit is the US trade war, driving the level of global uncertainty as high as it was during the pandemic. Moreover, inflation dynamics will diverge between the US (picking up due to tariffs hikes) and the Eurozone (further receding inflation pressures).

- The capital market narrative has reversed sharply since „Liberation Day": Investors appear to have turned away from US assets, with the dollar depreciating, several US equity indices in correction or even bear market territory and US interest rates rising. The recent turmoil can be seen as a further step in the erosion of the US dollar's role as an international reserve currency, leading to more fragmented and less efficient global financial systems.

- Geopolitical uncertainties and trade tensions may weigh on insurance volumes through weaker economic growth, trade slowing down and higher credit and market risks. On the other hand, a protection effect could also be visible as companies demand more risk management solutions in this uncertain and crisis-ridden environment. In the longer term, financial fragmentation and weakening international cooperation including on climate, cyber or pandemic preparedness could increase the cost of insuring these risks.

- Our outlook for Europe is more optimistic this year, especially for the P&C business. There are two reasons for this: First, the expected boom in defense and infrastructure investment should have a positive impact on the insurance business, too. Second, an increase in the number of natural catastrophes will lead to higher premiums. So far, European households and businesses spend relatively little on insurance protection, with insurance penetration at 2.5%; the comparable figure for the US is 4.4%. This will (have to) change in the coming years; we expect an increase by at least + 0.3pp in the coming years, resulting in annual premium growth of +4.2%.

- Overall, we expect the P&C segment to grow by +4.5% per year until 2035. The segment will post solid growth rates in almost all markets, as the need for more protection is a global phenomenon. We also remain constructive on life insurance, which should grow at a CAGR of +5.0% over the next decade, benefiting from higher interest rates. This should boost demand in developed markets such as Western and North America. However, Asia and China will remain the growth engines for the global life business, as pension systems continue to be developed against the backdrop of accelerating demographic change. The smallest segment, health, is expected to remain the most dynamic at +6.7% p.a. There is still a lot of pent-up demand, especially in Asia.

- In absolute terms, the global premium pool will grow by EUR5,319bn over the next ten years. Most of this growth will be in the life segment (EUR2,055bn). More than half of this additional premium pool will be generated in Asia (including China, EUR1,071bn), more than in North America (EUR416bn) and Europe (EUR351bn) combined. In P&C, around 40% of the additional premium of EUR1,522bn will come from North America. In health, we expect additional premiums of EUR1,743bn, the majority of which will come from the US market.

- Insurance has a strong impact on the UN Sustainable Development Goals (SDGs). This calls for concerted action from both policymakers and industry leaders to capitalize on the insurance sector's untapped potential to support the SDGs. Policymakers can incentivize insurers to invest in sustainable projects through regulatory frameworks, tax incentives or public-private partnerships. For the insurance industry, adopting a more proactive approach by integrating resilience-building measures and ESG principles across their operations could enhance long-term profitability and societal impact.

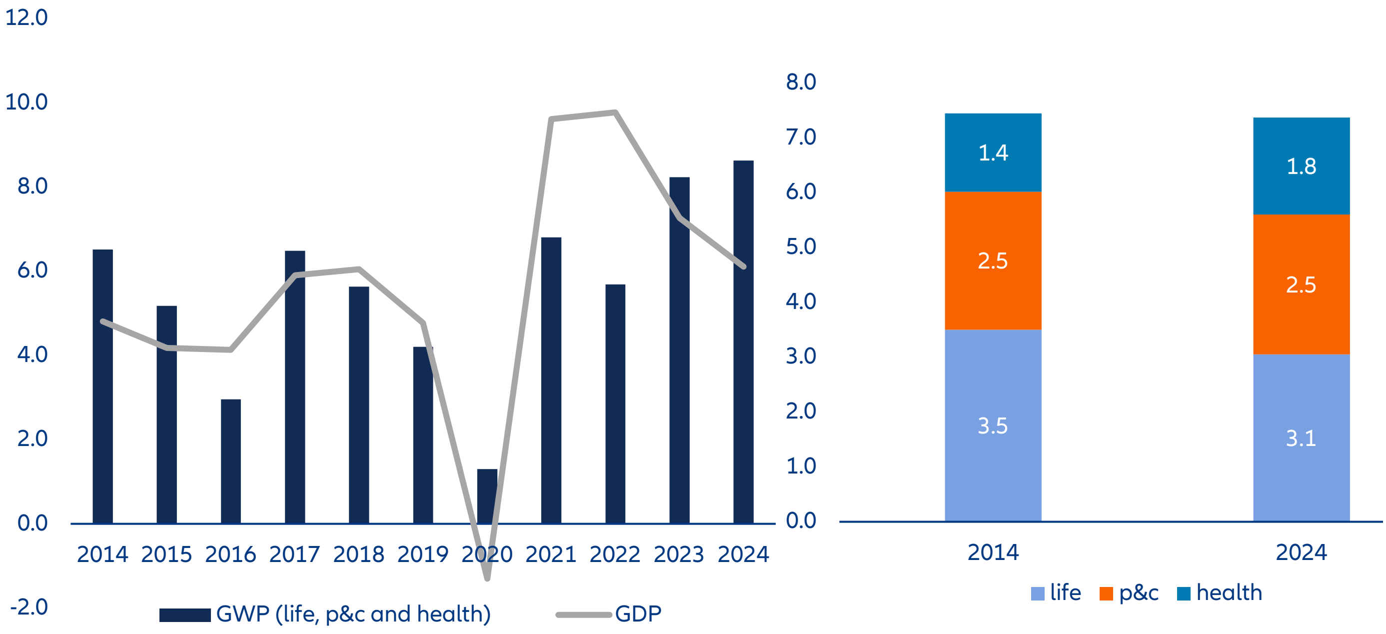
# Looking back: Stellar growth

The global insurance industry grew by an estimated +8.6% in 2024, surpassing the previous year's record growth of +8.2% and adding a massive EUR557bn to the global premium pool. The industry has not grown as fast since the years before the Global Financial Crisis (GFC). In total, insurers worldwide collected EUR7.0trn in life, P&C and health insurance premiums. The life segment remained the largest (EUR2,902bn; +EUR273bn in 2024), followed by P&C (EUR2,424bn; +EUR173bn) and health (EUR1,682bn; +EUR111bn).

Last year's stellar growth is all the more remarkable given that global inflation fell from 6.1% (2023) to 5.4% (2024). Premiums react to inflation with a time lag. In 2022, when global inflation surged above 8%, premium growth lagged far behind; last year, however, premiums grew much faster than inflation and also outpaced nominal GDP growth (Figure 1). However, the wedge between nominal and real growth remains considerable: While the combined growth in 2023 and 2024 will be +17.6% in nominal terms, real growth will be +5.2%. (See also the box on the relation of general and insurance inflation at the end of the chapter.)

Insurance penetration (premiums as a percentage of GDP) has also risen, from 7.1% in 2022 to 7.4% in 2024, though roughly the same level as ten years ago. But this continuation masks major differences between the segments: While health insurance has increased its relevance over the past decade (albeit from a low base) and P&C has managed to defend its turf (not surprisingly, as many P&C products are compulsory), life insurance has fallen quite sharply. The life insurance industry is still recovering from the period of ultra-low interest rates (Figure 1). Looking further back, the dramatic loss of relevance becomes even clearer: 20 years ago, global penetration in the life segment was above 4%.

**Figure 1:** Outgrowing GDP
Global gross written premiums* and nominal GDP growth* (y/y, in %) and global gross written premiums* as % of GDP by segments

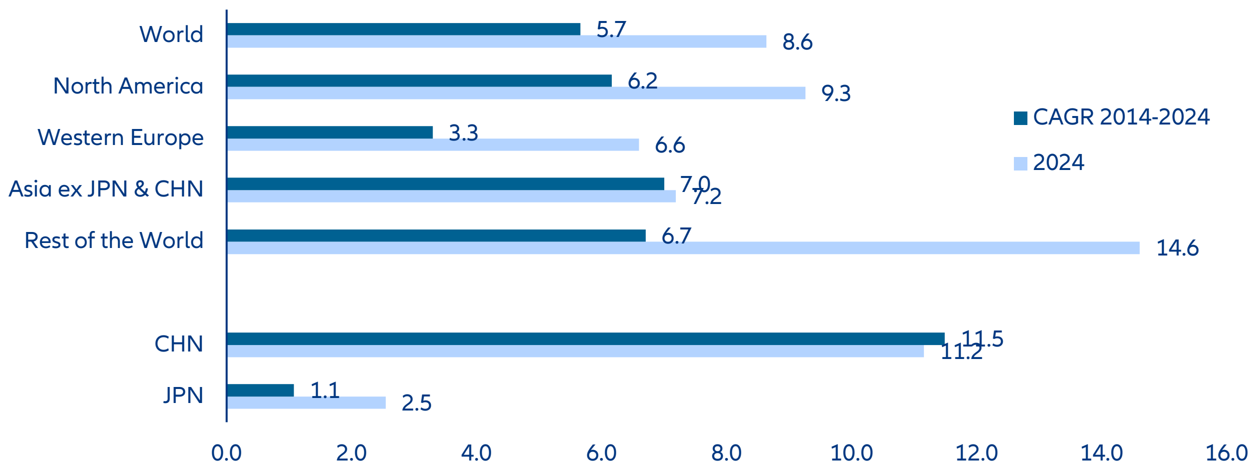



*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

Comparing the average growth rate of the last decade with the performance in 2024 underlines the exceptional nature of the last year: The global CAGR[1] 2014-2024 is around 3pps lower than 2024 growth; in Western Europe, 2024 growth is twice as fast as the average of the last decade. The only exceptions are Asia (excluding Japan and China)[2] and China. Here, the long-term average and last year's premium growth are about the same. In China, at least, this is more a function of past excellence than weak growth: at +11.2% in 2024, it is anything but weak. However, the different patterns between Asia and the advanced markets of Europe and North America suggest some convergence: while (nominal) growth in the latter is being driven by high inflation, in the former it is being sapped by rising trade tensions. The era in which Asia grew much faster than any other market seems to be coming to an end. The term „growth markets" has lost its luster when North America easily outstrips Asia. Looking at the growth rate of the remaining markets (rest of the world) seems to contradict this conclusion. However, much of the high growth in these markets can be explained by turbocharged nominal growth in high inflation markets in Eastern Europe and Latin America such as Türkiye and Argentina.

[1] Compound Annual Growth Rate.
[2] In the following, Asia always refers to the region excluding China and Japan. If both countries are included, we talk about wider Asia.

**Figure 2:** Well above the long-term average
Gross written premium growth*, 2024 and CAGR 2014-2024 by region in %




*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

The global P&C segment grew by +7.7% last year, slightly less than the previous year (+8.3%). More remarkably, growth was mainly driven by the largest market, North America[3], where premium income increased by +8.2%, in line with the previous year's performance, as US inflation proved to be sticky. (Figure 3)

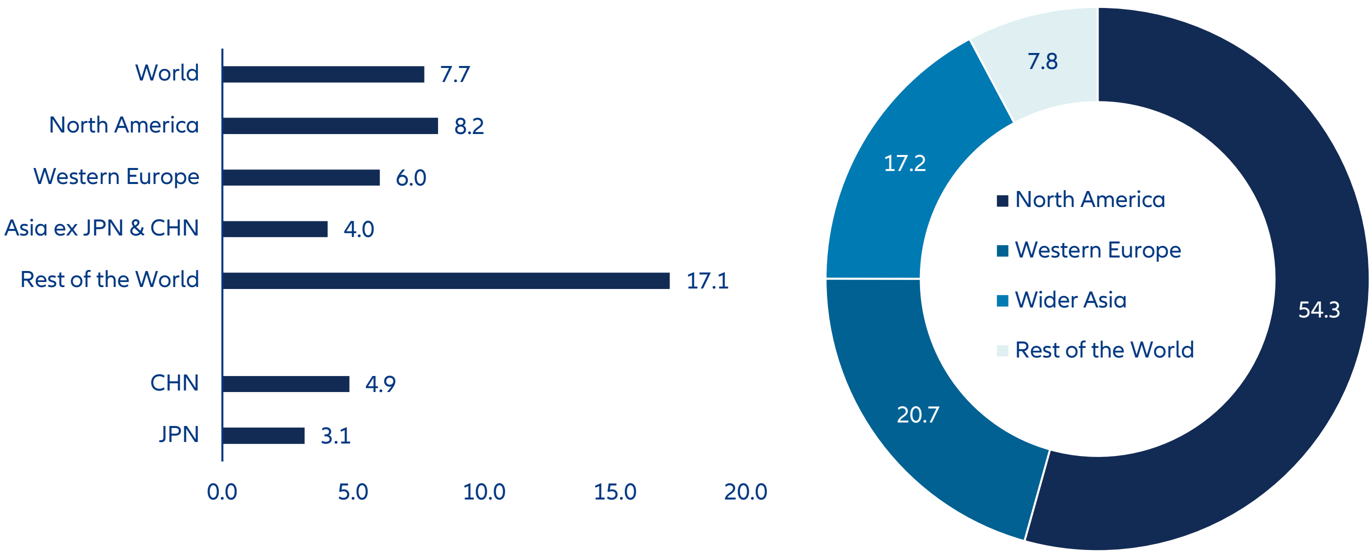
Western Europe, the second largest market, also showed strong growth of +6.0%. However, this was significantly lower than in 2023 (+8.9%) as inflation eased significantly. In addition, the performance of European markets was rather uneven: while some markets in the south of the continent performed strongly and achieved almost double-digit growth, the Scandinavian markets and Switzerland showed more modest growth of around +2% to +3%. The largest markets were in between, growing by +5.4% (UK), +7.0% (France) and +7.8% (Germany).

The Asian P&C market was less dynamic, growing by only +4.0%. As a result, it is still smaller than its Western European counterpart, despite the fact that more than six times as many people live in this region as in Western Europe. This is true even if Japan and China are included (Figure 3). This is also reflected in insurance penetration: It is only 1.4% in Asia (1.1% in China), but 2.5% in Western Europe – and an even higher 4.3% in North America. While Americans spend an average of EUR3,700 on P&C insurance, the comparable figure in Western Europe is EUR1,190 – and only EUR63 in Asia (China: EUR142).

China is by far the largest market in the wider region, accounting for almost every second euro written. At +4.9%, it recorded one of the weaker growth rates in recent years – in fact, premium growth was lower only during the Covid-19 pandemic, reflecting the deflationary environment in China. All other insurance markets (rest of the world) recorded growth of +17.1% in the P&C segment, driven by strong (largely inflationary) increases of around +24% in Eastern Europe and Latin America.

[3] 96% of P&C premiums in North America are written in the US; the rest is attributable to Canada.

**Figure 3:** North America powering ahead
P&C gross written premium growth* and market share by region, 2024 in %



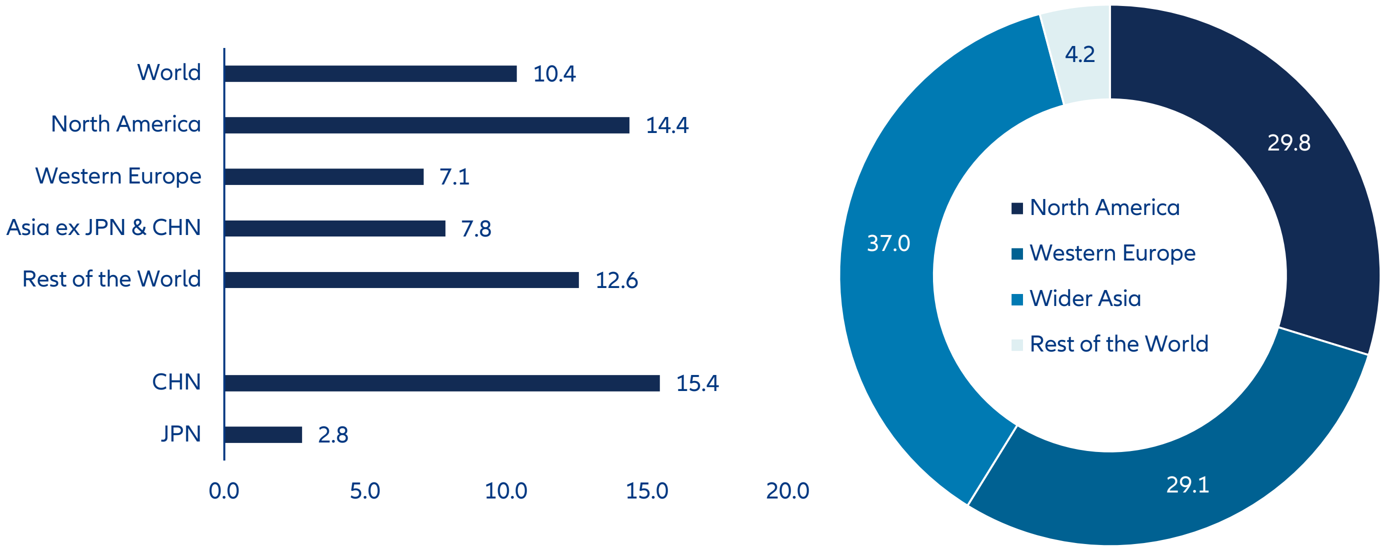

*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

The life segment grew by +10.4% in 2024, faster than the other two segments and also faster than in 2023 (+8.2%). The main driver is once again North America, which grew by an astonishing +14.4%. The reason for this life boom? As interest rates reached new highs, many US households rushed to lock in these rates for their annuities – before the Federal Reserve cut rates again (Figure 4).

But Western Europe also saw a healthy increase in life insurance premiums of +7.1% (2023: +6.1%). Higher interest rates have been a boon for the savings business around the world. But not all European markets benefited. While some, such as France, Italy and Sweden, made a strong recovery and grew at double-digit rates in 2024, others, such as Switzerland, remained in the doldrums; at least Germany managed to return to positive growth. Asia, on the other hand, experienced „only“ +7.8% growth in 2024, well below the expansion of the previous year. However, this is mainly due to the (technical) volatility of the South Korean market. Most of the other markets posted strong gains, led by China with a growth rate of +15.4%.

As a result, Asia as a whole remains the largest life insurance market, well ahead of North America and Europe (Figure 4). This is also reflected in insurance penetration, which stands at 4.3% in Asia, driven by the popularity of life products in the advanced Asian markets such as South Korea, Taiwan and Singapore. But China (2.4%) and India (2.7%) also have decent penetration rates, only slightly lower than North America (2.8%) and not far off Western Europe (4.2%). These relatively high figures reflect less developed social security systems, which force Asian households to save more individually for retirement. On the other hand, the relatively low figures in North America – despite the recent pension boom – can be explained by the widespread use of 401k programs for retirement savings.

**Figure 4:** Asia keeps its edge
Life gross written premium growth* and market share by region, 2024 in %

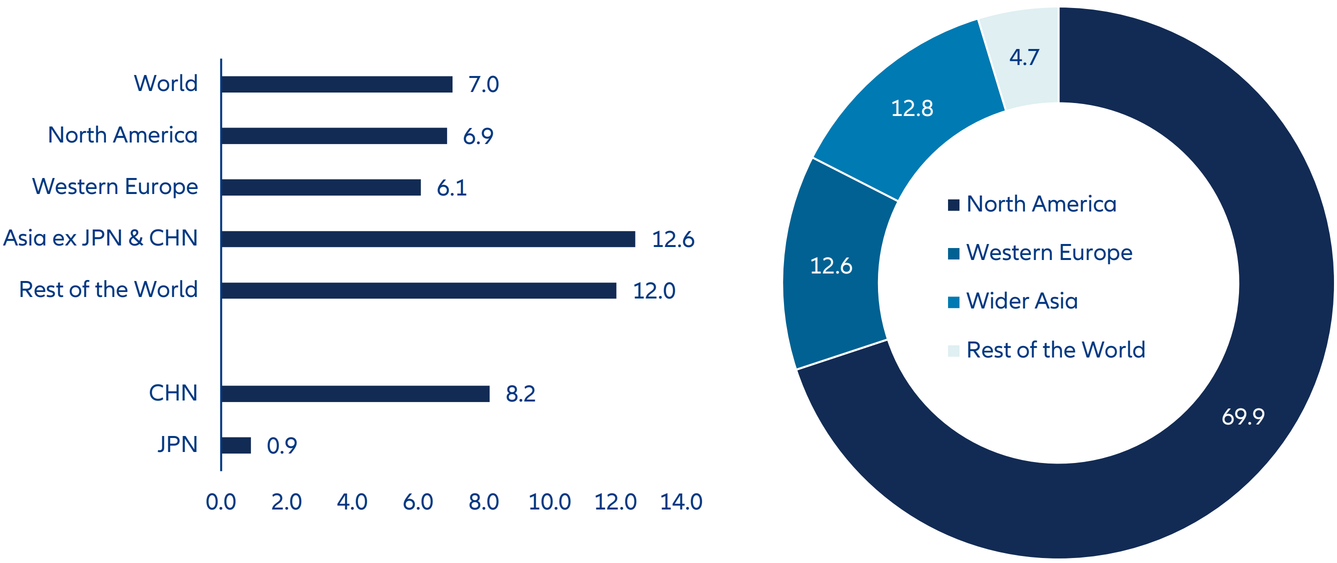



*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

In the health segment[4], US dominance is very pronounced: The US market accounts for around two-thirds of global premium income (Figure 5). In many other markets, private health insurance is still a niche segment, albeit a very dynamic one: global premium growth averaged +8.3% p.a. over the last decade. Last year's slower growth (+7.0%) can be seen as a normalization after record years in which Covid-19 boosted demand for additional health protection. However, demand for health insurance remains very strong in Asia, with growth of +12.6% in 2024. This also reflects the still low penetration in the region, which is below 1% in all markets except Taiwan. Even more than in life insurance, demand is mainly driven by the status of the social security system, i.e. the coverage and quality of the public healthcare system. This explains why even in some developed markets, such as the Scandinavian markets, private health insurance is almost non-existent.

[4] In general, data visibility of health insurance premiums is still rather low. Often, health premiums are included in other segments as health coverage is seen as part of other products and not separately reported; in Japan, for instance, health is treated as "third sector products" within life.

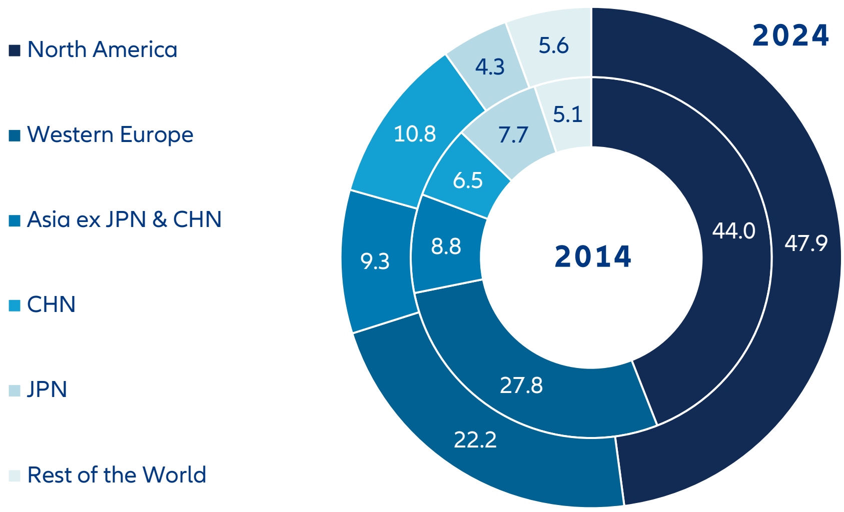
**Figure 5:** Post Covid-19 normalization
Health gross written premium growth* and market share by region, 2024 in %




*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

Unlike many other industries where traditional markets are losing importance to new emerging markets, the global insurance industry is still dominated by the US. In fact, over the past decade, the North American insurance market has increased its global market share from 44.0% to 47.9%. In other words, almost every second euro written in insurance is written in North America. On the other hand, other „old" markets such as Western Europe (-5.6pps) and Japan (-3.4pps) behaved more or less as expected, losing market share mainly to China, which almost doubled its global share to 10.8%. However, the gap with the US market is still huge: while the Chinese market is already the clear number two in terms of premium income (EUR754 bn in 2024), it is dwarfed by the US market, which generates more than four times as much premium income (EUR3,210 bn). Given this huge discrepancy, it does not look like the US dominance in global insurance will end any time soon (Figure 6).

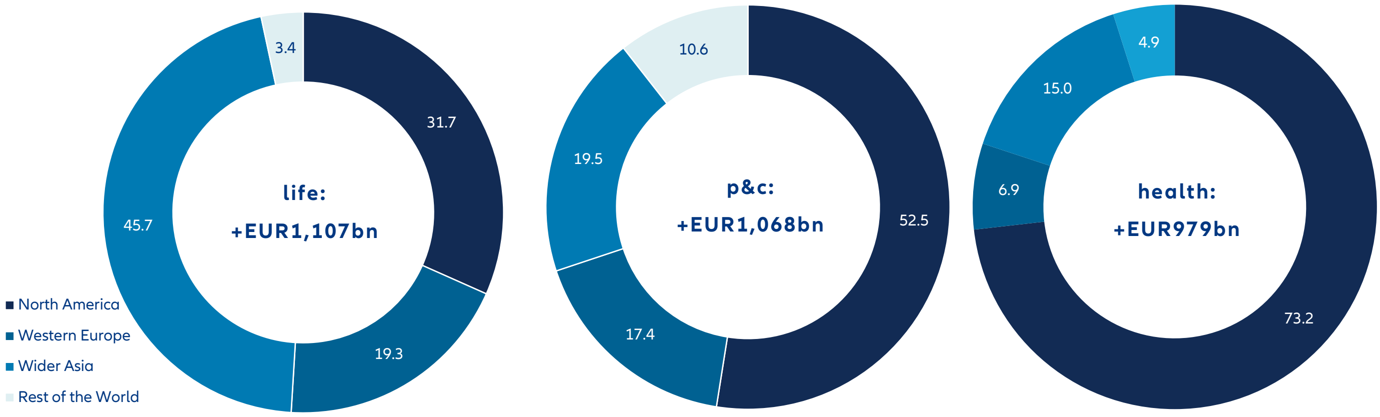
**Figure 6:** US dominance
Total gross written premiums*, 2014 and 2024 by region in %




*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

However, when looking at premium growth over the last decade, the picture is more nuanced. While there is a clear dominance of North America in P&C and Health, accounting for 55% and 72% of additional premiums respectively, the US lags behind in Life, despite the recent growth spurt: Less than a third of the additional premium income was generated in North America, with wider Asia taking by far the largest slice of the cake. Western Europe, on the other hand, is losing relevance across the board. It is not only unable to keep pace with the US market, but also with wider Asia. Another observation: Although the market segments are still very different in absolute size – life (EUR2,902 bn) is much bigger than P&C (EUR2,424 bn) and almost twice as big as health (EUR 1,682 bn) – the absolute increases are in a similar range. While growth in life insurance has until recently been held back by low interest rates, health insurance has benefited from the traumatic experience of the Covid-19 pandemic, which raised risk awareness and highlighted the need for health protection (Figure 7).

**Figure 7:** Western Europe is losing relevance
Share of absolute premium growth* by region, 2014 - 2024 in %

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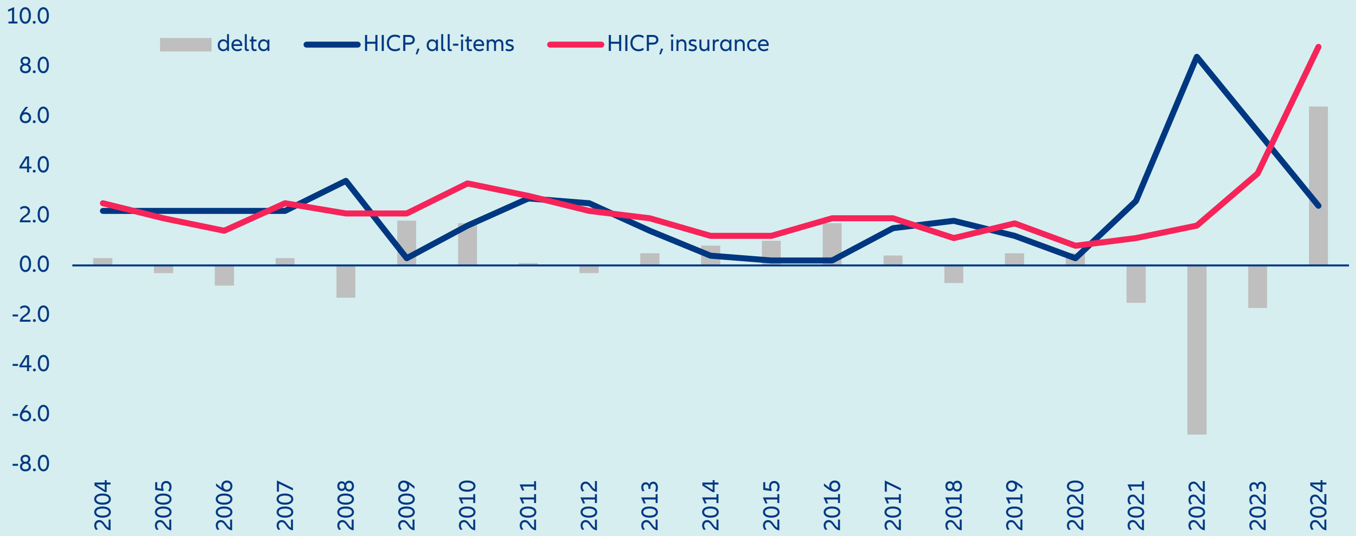
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

## General and insurance inflation: a parting of ways

Insurance underwriting is the art of predicting future price increases. As long as inflation was subdued, this was relatively easy, although not in all areas. Medical inflation, for example, created headaches for years as healthcare costs regularly rise faster than the general price level, thanks to medical progress. Another challenge was so-called "social inflation", which is usually used to describe the phenomenon that compensation payments of all kinds have been set much more generously in recent years (especially in the US); this affects a number of insurance lines, e.g. MTPL or D&O. Especially in the latter, this can lead to premiums having to be (sharply) increased and limits reduced. But besides these specific segments, the long-term trend shows that the price increases in insurance moved more or less in sync with general price increases – and both were low. However, after years of deflationary risks, the situation changed in the summer of 2021 (Figure 8).

**Figure 8:** Insurance vs overall inflation in the Eurozone 2004-2024, annual rate of change, in %



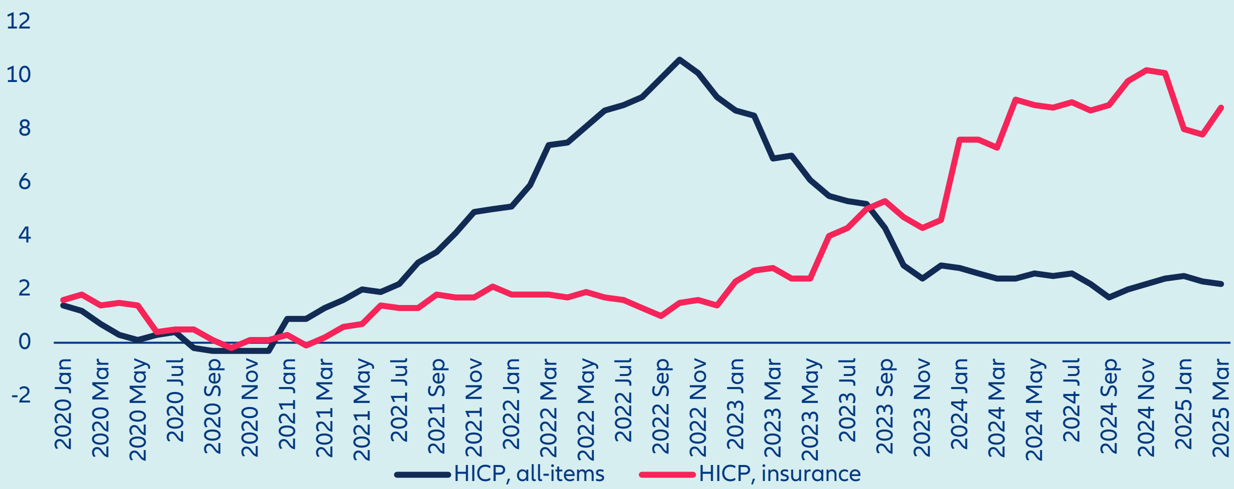

Sources: Eurostat, Allianz Research.

The global economy recovered surprisingly quickly from the Covid-19 shock and inflation in the Eurozone rose back above the 2% mark (keyword: supply-chain bottlenecks). Then, the situation worsened dramatically with Russia's invasion of Ukraine, which caused prices to skyrocket. The insurance industry was not the only one caught on the wrong foot. This means that premium planning quickly became obsolete. The consequence was a widening gap between insurance and general inflation, and a significant deterioration in the combined ratio. In 2022, for example, EEA non-life insurers experienced a decline in underwriting profitability compared to 2021 as claims rose +11.3%, while premiums only saw an increase of +6.4%.[5] In Germany, the combined ratio in motor insurance reached 111% in 2023.

[5] "Impact of Inflation on the Insurance Sector", EIOPA-BoS-23/360, 05 October 2023.

Insurers have to return to profitability and premium increases are inevitable because only a profitable insurance business can provide sustainable and reliable risk protection in the long term. While the general inflation rate began to fall at the end of 2022, prices for insurance products rose significantly shortly afterwards (Figure 9). The resulting annual increase of +3.7% in 2023 was more than twice as high as in 2022. Insurance inflation surpassed general inflation in September 2023 and has continued to do so since then. In 2024, the rate more than doubled again compared to the previous year, reaching an average of 8.8%. Although it has fallen significantly since its peak in November 2024 (+10.2%), a slight acceleration to +8.8% in March 2025 has been observed – while general inflation actually fell by 10bps to 2.2%. The lead over general inflation is likely to last until profitability is restored, i.e. the combined ratio drops below 100% again. Developments in the German motor insurance market, for example, are moving in the right direction, with the combined ratio already falling by 5.3pps to 106% in 2024.

**Figure 9:** Insurance vs overall inflation in the Eurozone since January 2020, annual rate of change, in %




Sources: Eurostat, Allianz Research.

From the customer's point of view, however, one advantage remains: because inflation came as such a surprise, the adjustments were (and will be) made late(r). During the acute phase of the cost-of-living crisis, buying insurance cover was one of the few things that remained affordable. The salient feature of the insurance concept thus also proves its worth in times of inflation: in the collective, financial burdens can not only be shared but also smoothed out over time. The insurance industry cannot undo inflation for its customers; but it can act as a kind of buffer, creating valuable time for adjustment.

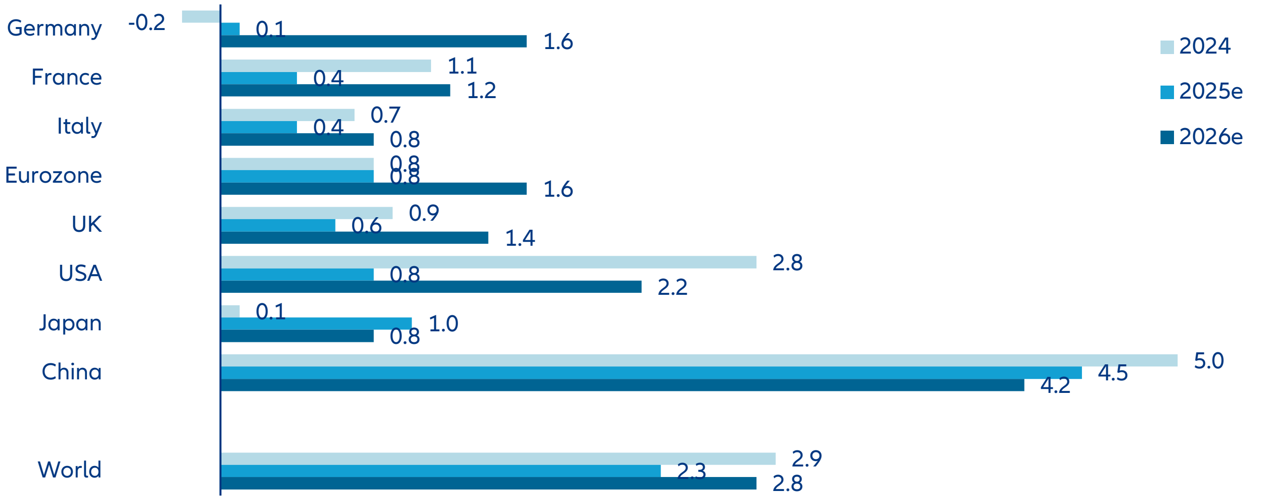
# The changing risk landscape

## Economic and capital market outlook

In 2025, global GDP growth will slump to a mere +2.3%, the lowest level since the Covid-19 pandemic. The main culprit is the US trade war, driving the level of global uncertainty as high as it was during the pandemic. The US will enter a mild recession (cumulative decline of -0.5% Q1-Q3), with a weak +0.8% growth in 2025, due to ongoing policy disruptions, import tariff hikes and retaliatory tariffs from China. Europe will not escape lower growth due to higher trade restrictions and a weaker US economy, despite the German fiscal stimulus and higher defense spending: growth is likely to be at +0.8% in 2025 and +1.5% in 2026. Increasingly worried households are likely to increase precautionary savings, dampening consumer demand (Figure 10).

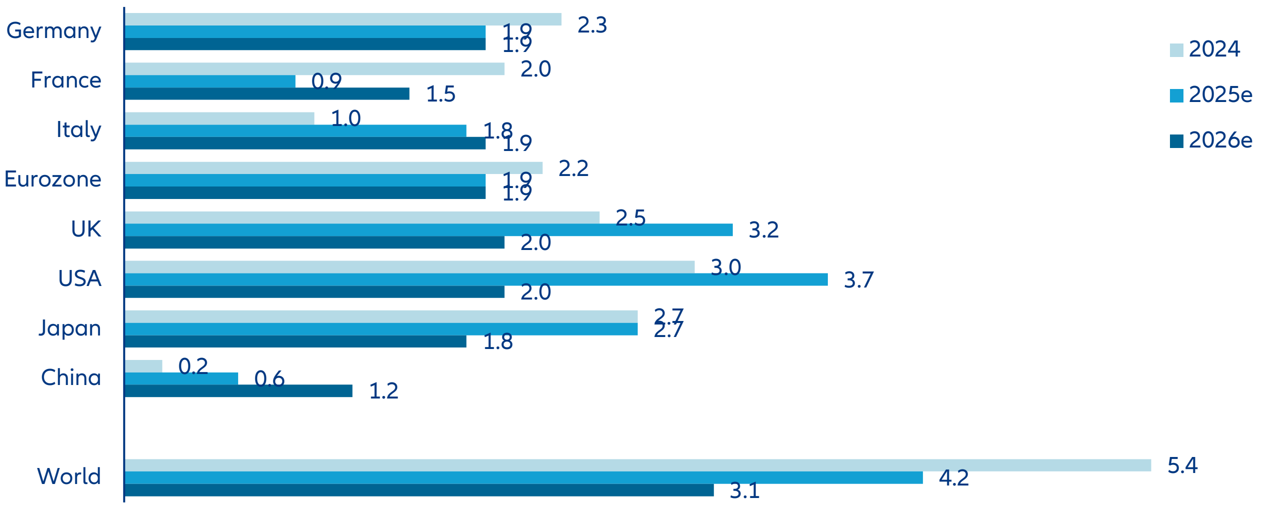
Inflation dynamics will further diverge between the US and the Eurozone. In the US, inflation has proven stickier than in the Eurozone and is expected to pick up further in both countries for most of 2025. In the US, strong economic growth has prevented an easing of inflation towards the Fed's target. For 2025, steep tariff hikes will push the economy into a recession but push up prices as most of the import duties will be passed on to consumers. CPI inflation should peak at around +4.2% in Q3 2025, from +3.0% in Q1, before easing as prolonged weak activity starts to bear down on price pressures. In contrast, Eurozone inflationary pressures have largely receded – despite divergence between countries – and the ECB's 2% inflation target could be undershot in 2025, given lower energy prices and imported deflation from global overcapacities amid the trade war. Retaliatory tariffs should have a relatively limited impact on prices and will be largely offset by stronger headwinds to growth, a stronger euro and lower prices in China amid increasing over-capacity. However, any supply-chain disruptions arising from the trade war could pose an upside risk to inflation (Figure 11).

**Figure 10:** The cost of the trade war I
Real economic growth in %




Source: Allianz Research.

**Figure 11:** The cost of the trade war II
Inflation rates in %




Source: Allianz Research.

The divergence in inflation will also lead to divergent monetary policies. To preserve its credibility, the Fed is likely to prioritize its fight against inflation over support to economic activity. There are signs that the private sector, notably households, is starting to question the Fed's capacity to bring inflation back to target, especially as tariffs are set to increase (goods and food) prices further. Short-term (12 months) inflation expectations have shot up across all surveys. Therefore, the Fed will remain on the sidelines for most of 2025, meaning that it is ready to accept a period of weak activity to bring inflation back under control. The first small rate cuts might come not until the end of the year, cautiously shifting the Fed's focus away from inflation towards support to the economy. This would be followed by more robust action in early 2026.

On the other hand, the ECB will already cut rates forcefully in 2025. As inflation is expected to fall below the ECB's target by mid-2025, and the economy will continue to show a negative output gap amid headwinds from the global trade war, the ECB is very likely to move monetary policy from still slightly restrictive territory to accommodative. ECB staff have estimated the neutral nominal rate at 1.75%-2.25%. However, given the additional economic headwinds, the ECB might continue cutting the policy rate down to 1.5% by September 2025. Moreover, the ECB retains considerable leeway to contain widening Eurozone spreads in the event of financial stress. The most likely first response would be a halt to quantitative tightening, which would lower the net-net issuance of Eurozone government bonds by around EUR480bn annually – far exceeding the currently debated increase in defense spending (EUR140bn annually, which would raise EU-wide defense spending from 2.2% to 3% of GDP).

As a consequence, government bond yields will experience divergent trends in 2025, too. US yields are likely to remain at current levels which reflect opposing forces: rising inflation expectations and economic growth headwinds from more aggressive policy measures (tariffs, migration) largely neutralize each other in 2025. Additionally, anticipated fiscal slippage due to tax cuts in 2026 is offset by expected central bank easing. Overall, we see US rates approaching 4.0% in 2026. In Europe, lower Bund yields are the most likely outcome. Headwinds from trade restrictions will push yields down towards 2.20% in 2026. This dynamic should be supported by more ECB cuts than currently priced by the market and increased global investor demand for bunds amid escalating uncertainty from US political developments.

The expectation of lower interest rates in Europe could become even more pronounced if sentiment towards US assets in particular deteriorates further. While the initial market reaction in the immediate aftermath of the US presidential election was a classic risk-on rally – equities rallied, credit spreads tightened, yields rose and the dollar strengthened – the market narrative has reversed sharply since „Liberation Day": Investors now face a risk-off market environment, with the dollar depreciating, several US equity indices in correction or even bear market territory and interest rates rising as even bond investors appear to have turned away from US assets. The road ahead looks anything but straightforward, with geopolitical risks on the rise and confidence in the US administration declining rapidly.

On the international stage, global governance is falling apart. At the heart of the fragmenting world is a global leadership deficit as the US seeks to free itself from international rules – and is thus no longer willing to act as a disciplining force. The consequences are new and growing power vacuums, emboldened rogue actors and an increased likelihood of accidents, miscalculations and conflict. At the same time, the global economy is undergoing significant changes that are challenging old economic models and exposing their unsustainability, while viable alternatives are still emerging, leading to growing divergence and fundamental uncertainty. This is fueling increased political polarization and democratic erosion. Growing pressure on public finances is likely to intensify debates on spending priorities. Different policy needs will compete for limited budgetary resources amid unpredictable shocks from geopolitical, financial, defense, health or climate-related events. The risks to the 2025 outlook are clearly on the downside.

# The impact of trade wars on insurance

So far, the insurance industry has not been a target of US tariff policy, with the administration more focused on the trade deficits in goods, not services. This is hardly surprising: the US has a large surplus in services. It is impossible to predict at this point whether services will be drawn into the trade war if the situation escalates further. But even if no direct measures have yet been imposed on insurers, this does not mean that insurers will not be affected by the trade war.

The impact is most obvious on the asset side. The recent wild market swings – even in supposedly super-safe assets such as US Treasuries – are obviously leaving their mark on insurers' balance sheets. Overall, however, long-term asset owners such as insurers are well positioned to weather market volatility and the short-term volatility often creates attractive entry opportunities. This is particularly true in the event of rising interest rates, as was the case following the new German government's announcement that it would lift the debt brake and set up a EUR500bn infrastructure fund.

However, the high level of uncertainty about future market developments also makes investment decisions more difficult for insurers. There is also a structural aspect: the recent turmoil can also be seen as a further step in the erosion of the US dollar's role as an international reserve currency. Since the financial sanctions against Russia and the confiscation of the assets of the Russian central bank, the search for an alternative to the US dollar has become more urgent for many market participants, especially in the global south. By increasingly weaponizing the dollar, the US is undermining its own leading role in the global financial system.

This was already evident before President Trump took office in the ever-rising price of gold: many central banks in the global south are trying to reduce their dollar reserves. After „Liberation Day", this trend has gained further momentum. The problem is that there is no currency that could take over the role of the US dollar in the global financial system.

China will probably succeed in settling (even) more trade directly in its own currency; it is not out of the question that a yuan bloc will emerge in Asia, similar to the development in Europe. But without liberalizing the yuan and creating open and deep financial markets, this will not lead to an international reserve currency. The euro is better positioned in this respect. Since its inception, it has been a contender for a greater international role – at least in theory. In practice, all attempts to create a truly unified European capital market – the precondition for creating safe and attractive euro assets on a scale sufficient to satisfy international investors – have so far failed. A continued, albeit declining, dominance of the US dollar is therefore likely, leading to more regional currency blocs and less interconnected financial markets. Such fragmented financial markets would be less efficient, significantly raising the cost of international financial transactions. This is all the more true as similar fragmentation is looming in another area that has hitherto been subject to truly unified international rules: banking regulation under the Basel regime.

On the liability side, the impact of trade wars is not as direct and immediate, but second-round effects pose challenges. Weaker economic growth, less trade and higher credit risks all weigh on the insurance business. A company that does not build a factory does not need property insurance; a company that does not ship goods does not need transport or credit insurance. However, there is also a countervailing effect: companies that continue to do business in the face of increased uncertainty are likely to demand more risk protection. As outlined above, the (final) end of a rules-based order leads to more conflicts at the international and national levels. Wars and social unrest will increase. In such a situation, the need for prevention and protection increases. It is difficult to predict which effect will ultimately prevail – the volume effect of reduced activity or the protection effect of increased uncertainty.

The same applies to life insurance. Weak economic growth with lower incomes is bad for business per se. On the other hand, many households tend to save more in uncertain times – a higher savings rate is potentially good for business. However, the outcome for insurers depends on their ability to meet the increased demand for security. This in turn depends largely on product design. For example, unit-linked products, which are often heavily dependent on stock market performance, are likely to struggle in an environment where stable, safe investments are in high demand.

For both life and property/casualty insurance, whether and to what extent the economic turmoil caused by the trade wars will ultimately affect insurance business depends largely on the response of insurers themselves. Key to this is their ability to respond appropriately to changing customer needs, with new, innovative products.

However, it will be more difficult to respond to longer-term effects. These include inflation, for example. Tariffs force companies to create less efficient supply chains, which will lead to structurally higher claims costs (e.g. car parts). In times of trade wars, supply shocks – due to tariffs or export bans – are also more likely. Inflation will therefore not only be higher overall than in the past, but also much more volatile. This poses new reserving challenges for insurers. Other challenges arise in the area of risk management. In a fragmented global economy, international risk diversification is likely to become more difficult as regulatory and legal frameworks are likely to diverge. This also places an operational burden on internationally active companies.

Moreover, endemic global instability due to a lack of mutual trust automatically leads to less international cooperation. As a result, insurers are more exposed to the risk of inadequate provision of global public goods, be it climate policy, cyber security or pandemic prevention. These consequences are, of course, difficult to quantify but they are also difficult to deny: With the (renewed) withdrawal of the US from the Paris climate agreement, there is no doubt that the likelihood of (significantly) missing the targets set out in the agreement has increased – with disastrous consequences for the global economy and also for the insurance industry: The insurability of natural catastrophes is increasingly in question in a world facing three degrees of global warming. Insurers would no longer be able to offer protection against these risks because the expected losses could not be financed by affordable premiums. All the more reason for the insurance industry to redouble its efforts in this area. This includes not only increased investment in sustainable and adaptive technologies, but also an adjustment of the business model. Insurers need to broaden their value proposition: away from a simple product logic fixated on financial compensation, towards comprehensive solutions for risk reduction and avoidance (risk consultancy), supporting clients' adaptation, mitigation and resilience measures.

# Looking ahead: The rising need for protection

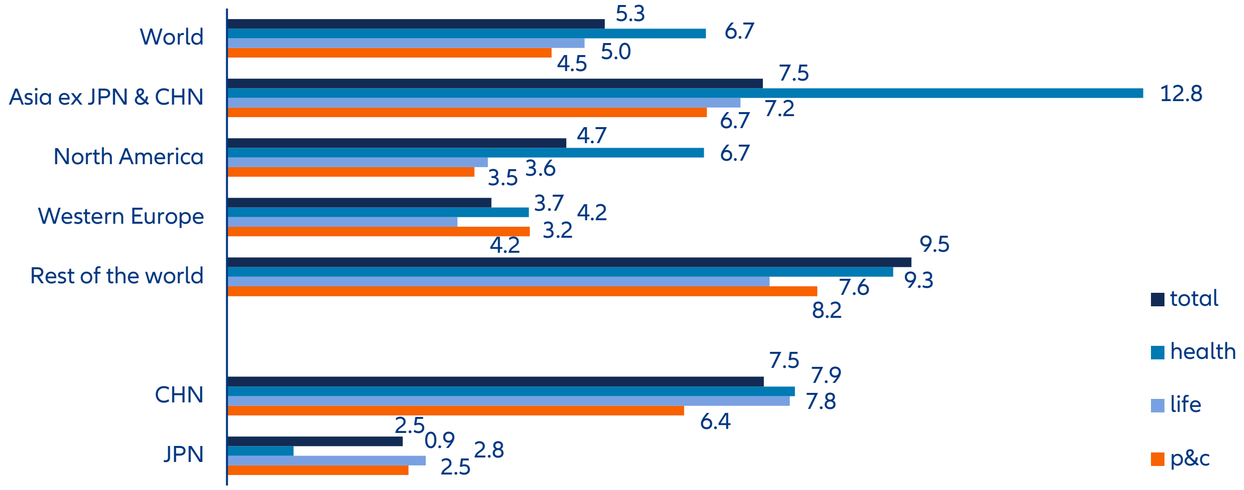
Over the next ten years, the global insurance market is expected to grow at an annual rate of +5.3%. Compared with last year, we have therefore only slightly reduced our long-term growth potential (-0.2pp). Given the current economic turmoil, this may not seem like much. However, there have been some shifts in growth estimates between regions.

Our outlook for Europe is more optimistic this year, especially for P&C business. There are two reasons for this: first, the expected boom in defense and infrastructure investment should have a positive impact on the insurance business, too. Second, an increase in the number of natural catastrophes will lead to higher premiums. So far, European households and businesses spend relatively little on insurance protection, with insurance penetration at 2.5%. This will (have to) change in the coming years; we expect an increase by + 0.3pp in the coming years. (See also the box at the end of this chapter).

We therefore expect the European P&C market to grow faster than the US over the next decade (4.2% vs. 3.5%). Previously, we had assumed the opposite. Of course, our more negative view of the US market this year also plays a role. The Trump administration's unorthodox economic policies and the general weakening of political, social and legal institutions are primarily damaging the US economy itself. As a result, the US is likely to become less attractive to capital and talent from around the world in the coming years, with negative implications for growth potential. Europe could be the main beneficiary of this development. We also expect P&C growth in Asia to slow slightly compared with last year's assumptions, as a result of trade wars and the restructuring of global supply chains. However, at +6.7% in Asia and +6.4% in China, it remains higher than in Europe and North America.

Overall, we expect the P&C segment to grow by +4.5% per year until 2035. The segment will post solid growth rates in almost all markets as the need for more protection is a global phenomenon. We also remain constructive on life insurance, which should grow at a CAGR of +5.0% over the next decade, benefiting from higher interest rates. This should boost demand in developed markets such as Western and North America. However, Asia and China will remain the growth engines for the global life business as pension systems continue to be developed against the backdrop of accelerating demographic change. The smallest segment, health, is expected to remain the most dynamic at +6.7% p.a. There is still a lot of pent-up demand, especially in Asia. (Figure 12)

**Figure 12:** Solid growth
Gross written premium* growth, CAGR 2025 -2035 by region and segment in %



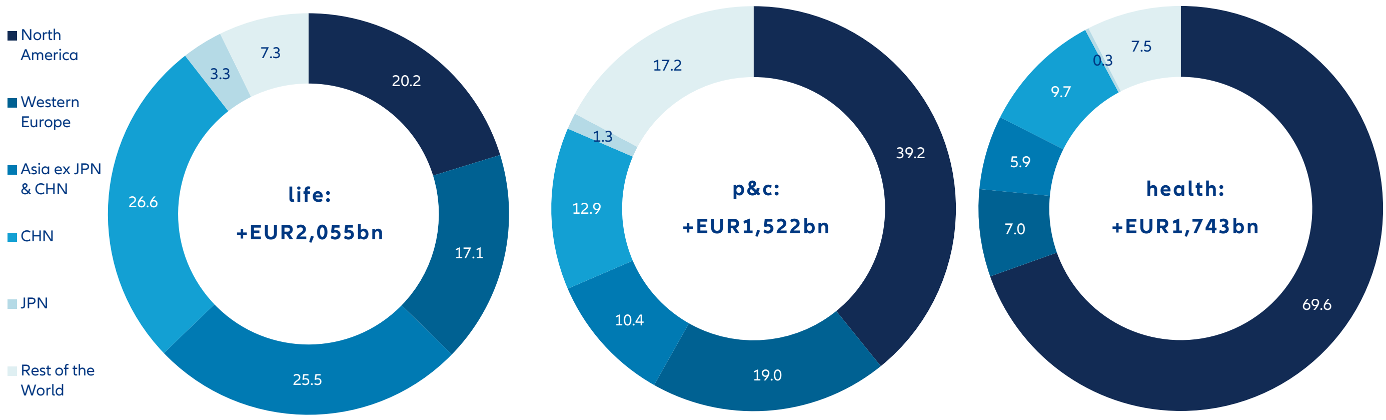

*The conversion into EUR is based on 2024 exchange rates.
Source: Allianz Research.

Overall, the global premium pool will increase by EUR5,319bn (Figure 13). Most of this growth will be in the life segment (EUR2,055 bn). More than half of this additional premium pool will be generated in Asia (including China, EUR1,071 bn), more than in North America (EUR416 bn) and Europe (EUR351bn) combined. While China (+7.8% p.a.) will continue to dominate the region in absolute terms, the real growth champion over the next decade is likely to be India (+10.5% p.a.). As a result, the Indian life insurance market will overtake Japan to become the second largest in the region.

While North America accounted for more than half of the absolute premium growth in the last decade, only about two fifths of the additional EUR1,522bn in P&C premiums will come from North America over the next ten years. Nonetheless, the US P&C market will continue to dominate the world: in 2035, it will generate more than EUR1,800bn of total premiums, more than four times as much as the second largest market, China, and more than twice as much as Europe. In health, the US dominance is even more pronounced, with more than two-thirds of the expected growth of EUR1,743bn expected to come from the US market.

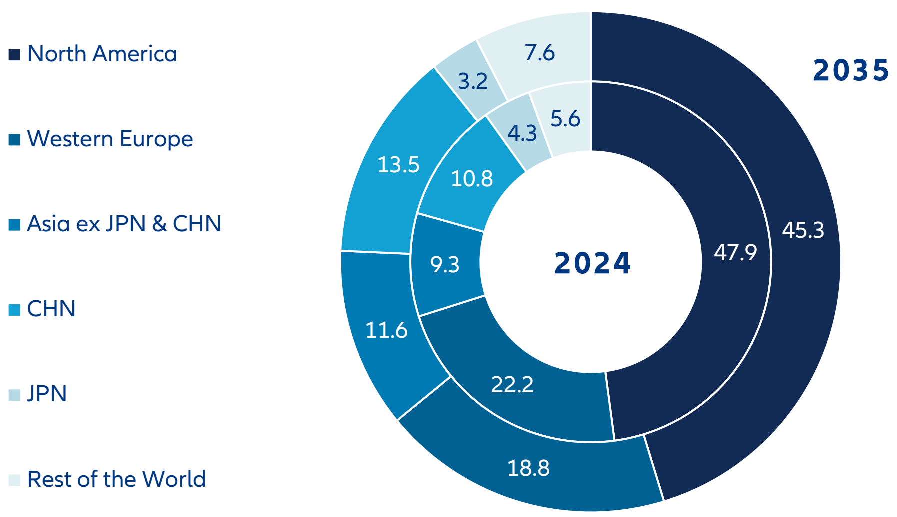
These developments in individual segments will lead to shifts in the global insurance map. Despite our more sober assessment of the North American market, the region will remain by far the largest insurance market, with a global market share of 45%. While the rise of Asia and China will continue, adding 5pps of global market share, the role of Western Europe will continue to decline. A glimmer of hope for the Old Continent: while it lost 5.6pps of market share in the last decade, it may lose „only“ 3.4pps in the next decade. Although Europe’s future looks a little brighter, it still has a long way to go before it can really compete with the rest of the world (Figure 14).

**Figure 13:** Life remains on top
Share of additional gross written premiums* by 2035, by region in %




*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

**Figure 14:** North America, a slightly smaller giant
Total gross written premiums*, 2024 and 2035 by region in %



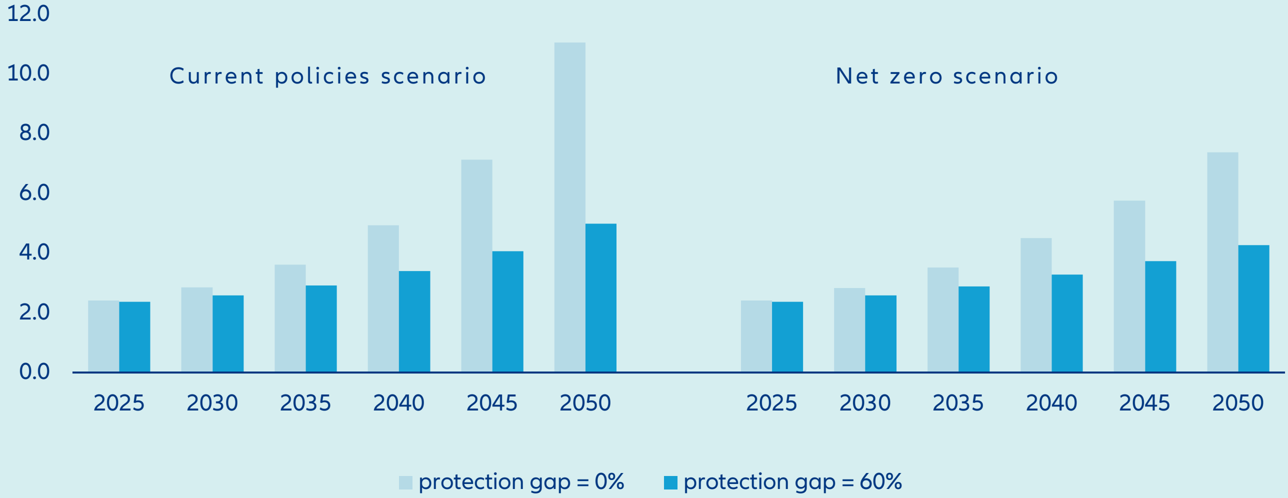

*The conversion into EUR is based on 2024 exchange rates.
Sources: National financial supervisory authorities, insurance associations and statistical offices, Axco, LSEG Datastream, Allianz Research.

# The EUR380bn Atlantic divide

Advancing climate change will lead to a significant increase in environmental disasters in the coming years. Even under the optimistic "net zero" scenario – in which net CO2 emissions are reduced to zero by the middle of the century – CO2 concentrations in the atmosphere and temperatures will continue to rise for the time being. The result will be more extreme weather events. This is also likely to drive up claims. A simple extrapolation – excluding other cost factors such as cyber attacks or inflation – shows that climate change alone could cause claims in Europe to rise by a factor of 4.5 by 2050 – to the staggering sum of EUR1.4trn. Under a less optimistic (more realistic?) scenario, in which efforts to tackle the climate crisis remain at current levels (the "current policy" scenario), claims could break through the EUR2trn threshold.

This development will also cause premiums to rise. In the base case, i.e., the existing protection gap of around 60% in Europe is not closed, premiums (as a percentage of GNI) are likely to climb to 4.3% ("net-zero" scenario) or 5.0% ("current policy" scenario). If the protection gap is also closed, the corresponding figures would be 7.4% and 11.1%, respectively (Figure 15).

**Figure 15:** Climate change costs
P&C premiums in % of GNI under different scenarios




Source: Allianz Research calculations based on NGFS v5. Premiums are extrapolated on expected GDP and nat cat developments, based on a stable loss ratio of around 70%, i.e., profitable insurance business..

How realistic is such a development? A look across the Atlantic may provide some insight. In the US, households and businesses already spend 4.4% of their income on P&C insurance; in Europe, the average is only 2.5%. This large discrepancy certainly reflects the fact that the US has always been regularly affected by major natural disasters such as hurricanes. This is still a relatively new experience for Europeans. If European households and businesses spent as much as their American counterparts on P&C insurance, premium income would be EUR380bn higher in 2024.

A rapid convergence in insurance spending is certainly not to be expected. However, it does not seem unrealistic that Europeans will also (have to) spend significantly more of their income on insurance by the middle of the century, as shown in the simulations above. In our premium projections for the next decade, we therefore expect insurance penetration in the P&C sector in Europe to increase significantly to 2.8%.

Further conclusions can be drawn from these calculations. On the one hand, it is unlikely that the protection gap can be closed solely through higher insurance coverage. The premium levels that would then be necessary, which could lead to a burden of over 10% of income, seem hardly affordable. Conversely, this means that efforts to mitigate climate change and, above all, to adapt to it must be massively increased. The trend toward ever-higher damage costs must be broken. This will require additional investments of over EUR300bn per year to strengthen resilience to natural disasters in the long term.

[6] 2025-04-15-climate-adaptation.pdf

# The next frontier: Advancing SDGs

Given their critical role in risk management, insurers have both a responsibility and a business imperative to advance the UN Sustainable Development Goals (SDGs).[7] However, insurance is only directly mentioned in one SDG target (SDG 8.10 on financial access). This gross understatement does no justice to its potential role as the industry has the potential to impact many of the 17 other goals through innovative approaches and strategic investment. Holliday et al. (2021)[8] propose three ways in which insurance can positively impact the SDGs: risk management and underwriting; investment and asset management and corporate citizenship and social responsibility.

*Risk management and underwriting*
Insurers play a fundamental role in managing risk, particularly in high-impact areas like natural disaster response, health crises and financial stability. Through innovative underwriting policies, insurers can mitigate the effects of climate change, pandemics and other crises, thus supporting resilience-building efforts that align with multiple SDGs.

- Climate resilience: Insurance policies can promote climate adaptation by incentivizing clients to invest in resilient infrastructure, especially in regions prone to natural disasters.
- Healthcare and economic stability: By insuring health- and income-related risks, insurance can reduce out-of-pocket expenses for individuals and stabilize communities, aligning with SDGs 3 (Good Health and Well-being) and 8 (Decent Work and Economic Growth). Risk transfer mechanisms for low-income populations help protect vulnerable groups, directly supporting SDG 10 (Reduced Inequalities).

*Investment and asset management*
Insurers are powerful institutional investors, managing billions of dollars in assets worldwide. By integrating environmental, social and governance (ESG) criteria into investment decisions, the insurance industry can direct substantial capital flows into sustainable initiatives, from renewable energy projects to green infrastructure.

[7] In 2015, under the banner of the 2030 Agenda for Sustainable Development, the United Nations launched the SDGs. Comprising 17 interlinked goals, this agenda serves as a comprehensive plan to tackle a broad spectrum of global challenges, including severe issues such as poverty, inequality, climate change, environmental degradation, peace and justice.
[8] Holliday, S., Remizova, I., & Stewart, F. (2021). The insurance sector contribution to the SDGs. World Bank.

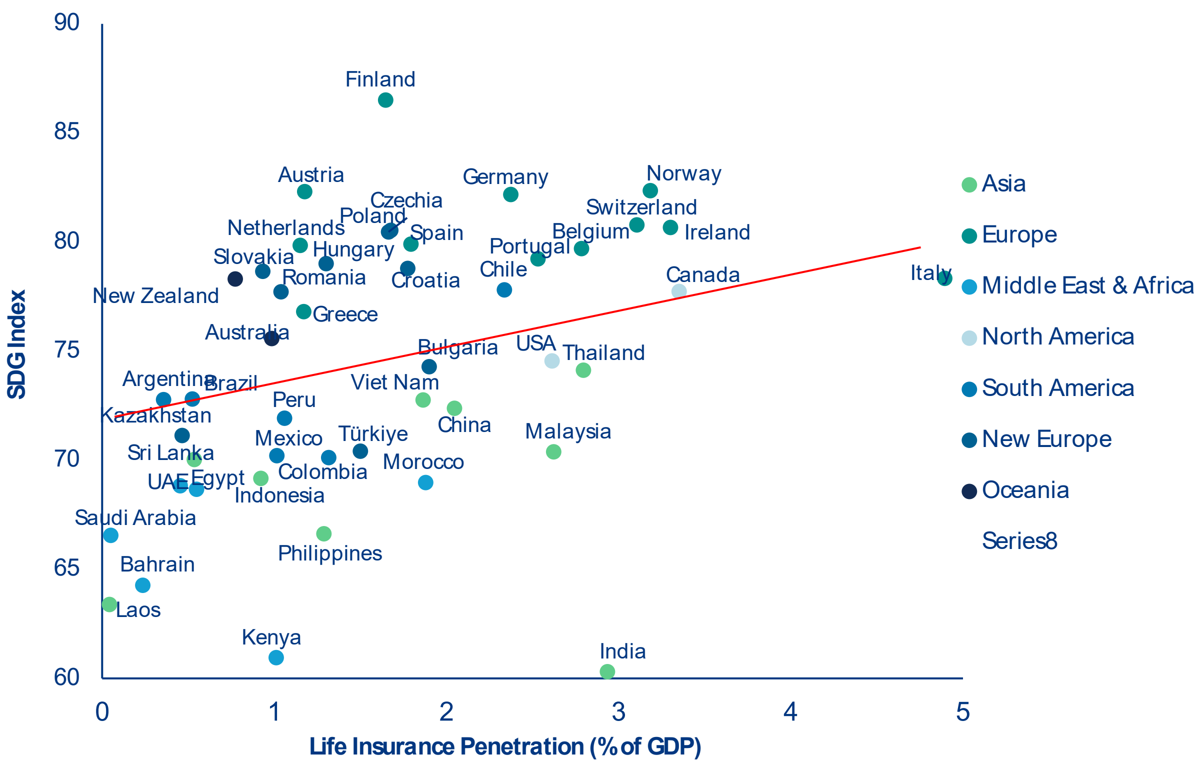
- Accelerating the energy transition: Insurers can invest in renewable energy projects, contributing to SDG 7 (Affordable and Clean Energy) and SDG 9 (Industry, Innovation, and Infrastructure). By financing clean energy solutions, insurers help reduce reliance on fossil fuels and foster sustainable economic growth.
- Green bond investments and impact funds: The insurance industry's substantial assets can be channeled into green bonds and impact funds, which finance projects that generate positive social and environmental outcomes. Such investment strategies reinforce insurers' commitment to long-term sustainability, supporting SDG 11 (Sustainable Cities and Communities) and SDG 15 (Life on Land).

*Corporate citizenship and social responsibility*
Insurers can contribute significantly to the SDGs through corporate social responsibility (CSR) initiatives that address local and global challenges. By promoting sustainable practices within their organizations and communities, insurers demonstrate leadership in advancing social and environmental goals.

- Community Resilience and Education: CSR initiatives can include community resilience programs, such as disaster preparedness training and financial literacy education. These efforts empower communities to better manage risks and make informed financial decisions, advancing SDGs 4 (Quality Education) and 16 (Peace, Justice, and Strong Institutions).
- Promoting social equality: Insurance companies can create inclusive policies that extend coverage to marginalized groups, supporting SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities). By ensuring equitable access to insurance, the industry strengthens societal resilience against economic shocks and personal crises.

These are not only theoretical considerations but hard empirical facts. There is a stable, positive relationship between insurance penetration and the SDG Index[9], as shown by Figures 16 and 17 which plot the SDG index (y axis) over insurance penetration (x axis).

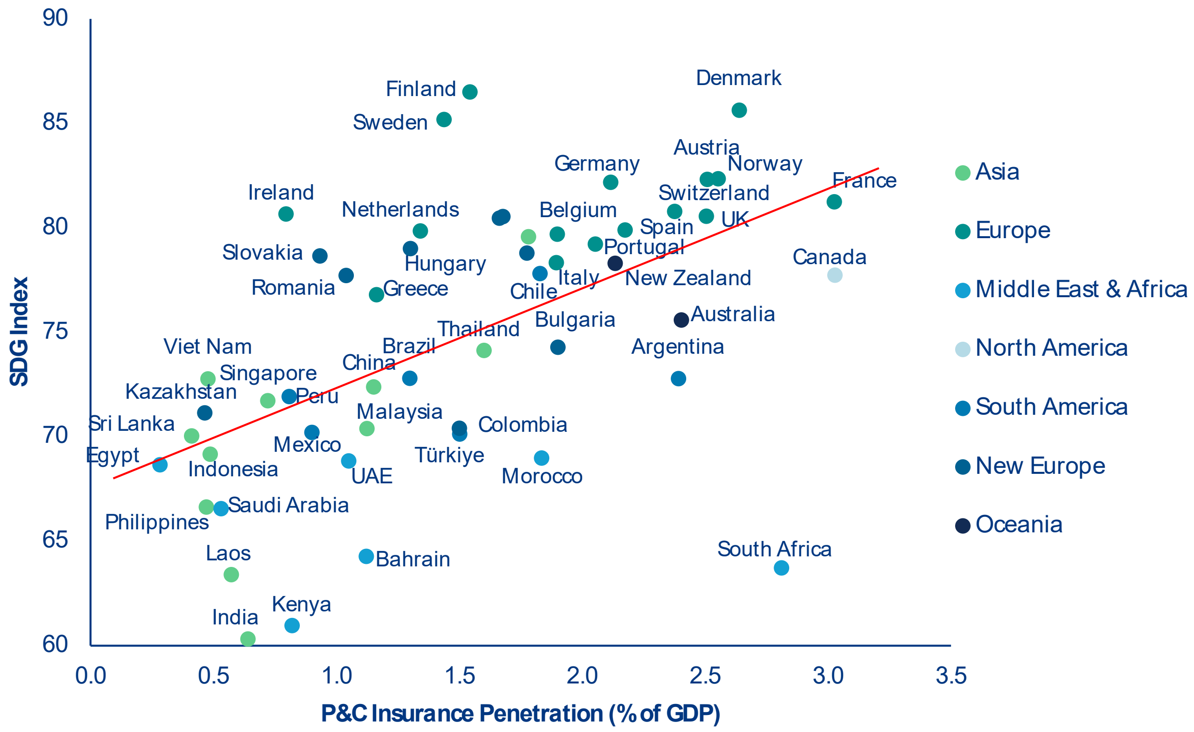
**Figure 16:** Life insurance penetration and the SDGs, without outliers ($R^2$ = 0.09)



Source: Sachs et al. (2022), Allianz Research.

[9] For the dataset and methodology see Sachs, J., Lafortune, G., Kroll, C., Fuller, G., & Woelm, F. (2022). From crisis to sustainable development. Sustainable Development Report 2022. Cambridge: Cambridge University Press.

**Figure 17:** P&C insurance penetration and the SDGs, without outliers ($R^2 = 0.38$)




Source: Sachs et al. (2022), Allianz Research.

Life insurance penetration: The correlation coefficient with the SDG Index was found to be r = 0.3, (p = 0.061), indicating a moderate positive relationship. For every 1% increase in life insurance penetration, countries move on average 1.7% closer to SDG achievement (the SDG Index increases by an average of 1.7 points)[10]. This suggests that countries with higher life insurance penetration tend to have better SDG Index scores, although the relationship is not very strong.

P&C insurance penetration: The R score for P&C insurance penetration was 0.62 ($p < 0.001$), demonstrating a strong positive correlation with the SDG Index. For every 1% increase in P & C insurance penetration, countries move on average 5.8% closer to SDG achievement (the SDG Index increases by an average of 5.8 points). This indicates that countries with higher P&C insurance penetration are more likely to achieve higher SDG Index scores, suggesting a close connection of P&C insurance in sustainable development.

This strong impact of insurance on SDGs calls for concerted action from both policymakers and industry leaders to capitalize on the insurance sector's untapped potential to support the SDGs. Policymakers can incentivize insurers to invest in sustainable projects through regulatory frameworks, tax incentives or public-private partnerships. For example, regulators should provide frameworks that make sustainability a competitive advantage in the insurance industry, by implementing firm caps on insured and financed carbon emissions to support the achievement of net-zero goals.

For the insurance industry, adopting a more proactive approach by integrating resilience-building measures and ESG principles across their operations could enhance long-term profitability and societal impact. Here are four key recommendations for aligning insurance practices with sustainability goals.

[10] While positive correlations suggest a link between higher insurance coverage and improved SDG outcomes, correlation alone cannot establish a causal relationship. This limitation indicates a need for further research that employs causal inference methods, such as longitudinal studies or quasi-experimental designs, to explore how specific insurance practices contribute directly to sustainable development.

First, insurers should develop resilience-focused products that actively promote climate adaptation and social resilience. Insurers should explore innovative products like index-based insurance for agriculture, which pays out based on environmental indices (such as rainfall levels or temperature extremes) rather than direct damage assessment. Investment in digital and data-driven solutions, such as remote sensing and AI, can enhance insurers' ability to assess and mitigate risks. This approach is particularly valuable for smallholder farmers who might face crop failures due to drought or flooding. Similarly, insurance products that incorporate climate resilience, such as flood insurance tied to resilient infrastructure investments, can create positive spillover effects for both insurers and communities.

Second, expanding access and inclusion within insurance offerings is essential for addressing social and economic disparities. Many underserved communities, especially in developing regions, lack access to basic financial protection, leaving them vulnerable to sudden shocks like natural disasters, health crises or economic downturns. Insurers can design accessible, affordable products that cater specifically to these populations, aligning with goals to reduce inequality and promote inclusive economic growth. Microinsurance, for example, is a growing field that provides low-cost coverage tailored to the needs of low-income individuals, offering them financial protection they otherwise might not afford.

Third, insurers should continue to integrate ESG criteria into the core of insurance business practices, moving beyond past commitments. Insurers can embed ESG considerations in investment and underwriting decisions, which allows them to directly influence the sustainability of the assets they support. For instance, insurers could prioritize investments in companies with strong environmental and social practices, creating a financial incentive for sustainable behavior in the broader economy. Additionally, by incorporating ESG into underwriting criteria, insurers could limit coverage for high-risk environmental sectors while rewarding businesses that actively mitigate their carbon footprints.

Fourth, it is crucial to enhance measurement and reporting standards across the insurance industry. Transparent reporting allows stakeholders to accurately assess insurers' contributions to the SDGs and provides a safeguard against greenwashing – a growing concern as insurers increasingly market themselves as sustainability-focused. Standardized metrics and benchmarks are necessary to validate claims of sustainable impact and to compare achievements across the industry (see appendix).

In summary, the insurance industry can greatly amplify its contribution to sustainability by prioritizing resilience-focused products, fully integrating ESG criteria, strengthening measurement and reporting standards and promoting inclusive access to financial protection. Each of these strategies not only strengthens the sector's alignment with global sustainability goals but also reinforces insurers' long-term value proposition as essential partners in building a resilient and equitable future.

# Appendix

## Appendix A

| Insurance markets 2024 KPIs | Total premium income (in EUR bn)[1] | | | Penetration (as % of GDP) | | | Density (per capita, in EUR)[1] | | |
|---|---|---|---|---|---|---|---|---|---|
| | p&c | life | health | p&c | life | health | p&c | life | health |
| Argentina | 14.4 | 1.9 | 0.04 | 2.5 | 0.3 | 0.0 | 314 | 41 | 0.8 |
| Australia | 40.7 | 15.0 | 18.1 | 2.6 | 1.0 | 1.2 | 1,524 | 563 | 679.7 |
| Austria | 14.9 | 5.5 | 3.2 | 2.9 | 1.1 | 0.6 | 1,655 | 608 | 353.0 |
| Bahrain | 0.5 | 0.1 | 0.3 | 1.3 | 0.1 | 0.6 | 353 | 41 | 169.0 |
| Belgium | 11.9 | 17.2 | 2.3 | 1.9 | 2.8 | 0.4 | 1,014 | 1,465 | 200.3 |
| Brazil | 22.4 | 9.7 | 12.4 | 1.3 | 0.6 | 0.7 | 103 | 45 | 56.9 |
| Bulgaria | 1.9 | 0.3 | 0.2 | 2.1 | 0.4 | 0.2 | 286 | 52 | 24.4 |
| Canada | 52.4 | 67.6 | 26.2 | 2.6 | 3.4 | 1.3 | 1,339 | 1,729 | 669.7 |
| Chile | 5.2 | 7.6 | 1.1 | 1.9 | 2.7 | 0.4 | 263 | 386 | 54.2 |
| China | 202.1 | 422.3 | 129.3 | 1.1 | 2.4 | 0.7 | 142 | 296 | 90.7 |
| Colombia | 5.4 | 6.0 | 0.9 | 1.5 | 1.7 | 0.3 | 103 | 115 | 17.2 |
| Croatia | 1.4 | 0.3 | 0.1 | 1.7 | 0.4 | 0.1 | 344 | 87 | 27.7 |
| Czech Republic | 6.3 | 1.9 | 0.6 | 1.9 | 0.6 | 0.2 | 596 | 181 | 54.6 |
| Denmark | 9.0 | 24.7 | 0.5 | 2.2 | 6.1 | 0.1 | 1,509 | 4,162 | 81.4 |
| Egypt | 0.6 | 1.1 | 0.3 | 0.2 | 0.4 | 0.1 | 5 | 10 | 2.5 |
| Finland | 4.6 | 5.5 | 0.7 | 1.6 | 1.9 | 0.3 | 830 | 989 | 128.6 |
| France | 91.5 | 173.3 | 45.2 | 3.2 | 6.0 | 1.6 | 1,411 | 2,671 | 696.8 |
| Germany | 94.2 | 89.9 | 51.4 | 2.3 | 2.2 | 1.2 | 1,131 | 1,079 | 616.9 |
| Greece | 2.4 | 2.7 | 0.5 | 1.1 | 1.2 | 0.2 | 237 | 265 | 50.2 |
| Hong Kong | 3.8 | 67.6 | 2.4 | 1.0 | 17.4 | 0.6 | 502 | 9,016 | 326.7 |
| Hungary | 2.5 | 1.5 | 0.1 | 1.4 | 0.8 | 0.0 | 255 | 150 | 7.2 |
| India | 22.6 | 102.8 | 14.8 | 0.6 | 2.7 | 0.4 | 16 | 71 | 10.3 |
| Indonesia | 7.1 | 9.8 | 1.3 | 0.5 | 0.8 | 0.1 | 25 | 35 | 4.5 |
| Ireland | 4.2 | 22.0 | 3.4 | 0.8 | 4.2 | 0.6 | 830 | 4,321 | 660.2 |
| Italy | 43.7 | 113.1 | 4.7 | 2.0 | 5.1 | 0.2 | 745 | 1,926 | 80.6 |
| Japan | 62.7 | 192.2 | 48.3 | 1.7 | 5.1 | 1.3 | 512 | 1,568 | 394.2 |
| Kazakhstan | 1.1 | 1.3 | 0.1 | 0.5 | 0.5 | 0.1 | 54 | 64 | 6.8 |
| Kenya | 1.0 | 1.6 | 0.6 | 0.8 | 1.3 | 0.4 | 17 | 29 | 9.9 |
| Laos | 0.1 | 0.0 | n/a | 0.5 | 0.0 | n/a | 13 | 1 | n/a |
| Malaysia | 4.7 | 10.6 | 0.2 | 1.1 | 2.6 | 0.1 | 136 | 306 | 7.2 |
| Mexico | 16.4 | 19.3 | 7.3 | 1.0 | 1.2 | 0.5 | 127 | 149 | 56.8 |
| Morocco | 2.6 | 2.6 | 0.5 | 1.8 | 1.7 | 0.3 | 69 | 68 | 12.0 |
| Netherlands | 15.4 | 13.0 | 61.8 | 1.4 | 1.2 | 5.8 | 871 | 738 | 3,497.3 |
| Nigeria | 0.6 | 0.4 | n/a | 0.2 | 0.1 | n/a | 3 | 2 | n/a |
| New Zealand | 5.3 | 1.8 | n/a | 2.3 | 0.8 | n/a | 1,013 | 335 | n/a |
| Norway | 8.5 | 14.5 | 0.4 | 2.1 | 3.6 | 0.1 | 1,533 | 2,625 | 78.0 |
| Pakistan | 1.8 | 1.3 | n/a | 0.5 | 0.4 | n/a | 7 | 5 | n/a |
| Peru | 2.2 | 3.1 | 0.4 | 0.8 | 1.2 | 0.2 | 63 | 89 | 12.1 |
| Philippines | 2.2 | 5.6 | 0.4 | 0.5 | 1.2 | 0.1 | 18 | 47 | 3.3 |
| Poland | 14.5 | 3.4 | 1.0 | 1.7 | 0.4 | 0.1 | 360 | 85 | 25.9 |
| Portugal | 5.8 | 7.0 | 1.5 | 2.2 | 2.6 | 0.6 | 565 | 681 | 150.9 |
| Romania | 3.1 | 0.7 | 0.2 | 1.0 | 0.2 | 0.1 | 157 | 33 | 10.6 |
| Saudi Arabia | 6.3 | 0.5 | 11.5 | 0.6 | 0.0 | 1.1 | 168 | 13 | 307.9 |
| Singapore | 3.6 | 32.5 | 0.7 | 0.7 | 6.6 | 0.1 | 594 | 5,373 | 112.2 |
| Slovakia | 1.3 | 0.6 | 0.2 | 0.9 | 0.5 | 0.1 | 221 | 107 | 29.7 |
| South Africa | 11.2 | 35.9 | 12.3 | 3.0 | 9.7 | 3.3 | 184 | 588 | 201.5 |
| South Korea | 83.5 | 148.8 | n/a | 5.2 | 9.2 | n/a | 1,614 | 2,876 | n/a |
| Spain | 34.3 | 28.5 | 12.1 | 2.2 | 1.8 | 0.8 | 722 | 601 | 255.5 |
| Sri Lanka | 0.4 | 0.6 | 0.1 | 0.4 | 0.6 | 0.1 | 18 | 28 | 3.5 |
| Sweden | 9.6 | 36.1 | n/a | 1.7 | 6.2 | n/a | 904 | 3,385 | n/a |
| Switzerland | 21.2 | 24.0 | 13.9 | 2.4 | 2.7 | 1.6 | 2,395 | 2,714 | 1,565.6 |
| Taiwan | 10.1 | 56.1 | 13.6 | 1.4 | 7.6 | 1.9 | 424 | 2,343 | 568.2 |
| Thailand | 8.3 | 14.5 | 3.9 | 1.6 | 2.8 | 0.7 | 116 | 202 | 53.8 |
| Türkiye | 16.4 | 2.7 | 3.6 | 2.0 | 0.3 | 0.4 | 191 | 32 | 42.3 |
| United Arab Emirates | 5.7 | 1.9 | 7.4 | 1.1 | 0.4 | 1.5 | 595 | 195 | 771.4 |
| United Kingdom | 130.3 | 266.5 | 10.0 | 3.8 | 7.7 | 0.3 | 1,917 | 3,922 | 146.5 |
| United States | 1264.8 | 795.8 | 1149.8 | 4.4 | 2.8 | 4.0 | 3,700 | 2,328 | 3,363.7 |
| Vietnam | 3.6 | 9.3 | n/a | 0.8 | 2.1 | n/a | 36 | 93 | n/a |

[1] 2024 exchange rates.

## Appendix B

| Insurance markets Long-term development | CAGR 2014-2024 (in %) | | | CAGR 2025-2035 (in %) | | | Total premium income 2035 (in EUR bn)[1] | | |
|---|---|---|---|---|---|---|---|---|---|
| | p&c | life | health | p&c | life | health | p&c | life | health |
| Argentina | 61.8 | 55.4 | 60.8 | 17.6 | 21.5 | 30.6 | 85.6 | 16.1 | 0.7 |
| Australia | 6.1 | -5.7 | 4.5 | 4.4 | 3.0 | 4.4 | 65.4 | 20.9 | 29.1 |
| Austria | 5.4 | -1.5 | 5.1 | 2.6 | 2.0 | 5.0 | 19.8 | 6.8 | 5.4 |
| Bahrain | 2.7 | -8.4 | 8.4 | 3.1 | 3.6 | 6.4 | 0.7 | 0.1 | 0.5 |
| Belgium | 2.9 | 0.5 | 4.8 | 2.0 | 4.9 | 5.4 | 14.7 | 29.1 | 4.2 |
| Brazil | 7.7 | 11.5 | 12.0 | 7.4 | 11.1 | 9.8 | 49.0 | 31.0 | 34.7 |
| Bulgaria | 9.4 | 8.6 | 18.4 | 5.9 | 8.6 | 18.0 | 3.6 | 0.9 | 1.0 |
| Canada | 0.7 | 5.7 | 4.8 | 3.7 | 4.2 | 4.8 | 77.7 | 106.3 | 44.1 |
| Chile | 9.3 | 7.7 | 11.1 | 9.9 | 6.9 | 11.1 | 14.6 | 15.7 | 3.4 |
| China | 7.8 | 11.7 | 21.7 | 6.4 | 7.8 | 7.9 | 398.8 | 969.5 | 299.0 |
| Colombia | 6.4 | 8.1 | 9.3 | 5.7 | 9.7 | 9.2 | 9.9 | 16.7 | 2.4 |
| Croatia | 4.6 | 0.3 | 11.6 | 3.6 | 2.2 | 6.5 | 2.0 | 0.4 | 0.2 |
| Czech Republic | 6.1 | -3.2 | 7.9 | 4.7 | 2.7 | 7.7 | 10.4 | 2.5 | 1.3 |
| Denmark | 1.4 | 5.2 | 6.4 | 2.3 | 5.4 | 6.1 | 11.5 | 44.0 | 0.9 |
| Egypt | 16.3 | 21.4 | 31.4 | 11.6 | 9.5 | 20.7 | 2.1 | 3.0 | 2.2 |
| Finland | 2.0 | 0.2 | 9.0 | 3.8 | 4.4 | 8.8 | 6.9 | 8.8 | 1.8 |
| France | 4.0 | 3.5 | 2.4 | 5.1 | 3.2 | 3.2 | 158.7 | 244.0 | 64.0 |
| Germany | 3.9 | 0.3 | 3.3 | 6.2 | 2.6 | 4.1 | 182.8 | 118.7 | 79.6 |
| Greece | 0.5 | 5.2 | 16.4 | 3.9 | 3.9 | 14.1 | 3.7 | 4.2 | 2.2 |
| Hong Kong | 2.7 | 7.1 | 7.0 | 3.1 | 6.4 | 7.2 | 5.3 | 133.6 | 5.3 |
| Hungary | 10.1 | 3.2 | 11.8 | 6.3 | 3.4 | 12.1 | 5.0 | 2.2 | 0.3 |
| India | 11.2 | 10.2 | 19.9 | 9.5 | 10.5 | 18.5 | 61.4 | 309.1 | 95.4 |
| Indonesia | 6.3 | 4.3 | 10.2 | 7.5 | 4.7 | 10.8 | 15.6 | 16.2 | 3.9 |
| Ireland | 4.6 | 7.0 | 3.7 | 5.8 | 3.5 | 4.6 | 7.9 | 32.3 | 5.5 |
| Italy | 2.4 | 2.6 | 7.8 | 3.8 | 3.1 | 7.6 | 65.9 | 157.5 | 10.6 |
| Japan | 1.7 | -1.1 | 1.9 | 2.5 | 2.8 | 0.9 | 82.6 | 259.7 | 53.5 |
| Kazakhstan | 10.1 | 25.6 | 13.0 | 5.8 | 11.7 | 17.2 | 2.0 | 4.3 | 0.8 |
| Kenya | 6.3 | 15.5 | 12.4 | 7.5 | 12.4 | 13.0 | 2.1 | 5.8 | 2.1 |
| Laos | 13.3 | 27.8 | n/a | 21.6 | 19.2 | n/a | 0.9 | 0.0 | n/a |
| Malaysia | 3.8 | 6.4 | 2.1 | 5.3 | 7.1 | 6.5 | 8.3 | 22.6 | 0.5 |
| Mexico | 8.3 | 9.2 | 12.0 | 9.2 | 7.2 | 11.8 | 43.1 | 41.3 | 25.2 |
| Morocco | 5.6 | 10.9 | 5.0 | 6.7 | 6.9 | 6.4 | 5.4 | 5.4 | 0.9 |
| Netherlands | 1.1 | -2.6 | 3.7 | 2.6 | 2.0 | 4.2 | 20.5 | 16.2 | 96.9 |
| Nigeria | 16.4 | 20.0 | n/a | 12.7 | 18.2 | n/a | 2.2 | 2.3 | n/a |
| New Zealand | 6.5 | 4.4 | n/a | 3.5 | 3.5 | n/a | 7.8 | 2.6 | n/a |
| Norway | 5.3 | 6.9 | 13.3 | 3.9 | 4.0 | 9.0 | 12.9 | 22.3 | 1.1 |
| Pakistan | 24.3 | 12.0 | n/a | 14.5 | 16.9 | n/a | 7.8 | 7.2 | n/a |
| Peru | 5.9 | 10.9 | 8.3 | 5.9 | 9.1 | 6.7 | 4.1 | 8.1 | 0.9 |
| Philippines | 7.2 | 6.5 | n/a | 8.3 | 9.5 | n/a | 5.2 | 15.1 | n/a |
| Poland | 7.0 | -5.2 | 19.8 | 3.9 | 2.8 | 8.0 | 22.0 | 4.7 | 2.4 |
| Portugal | 5.3 | -2.6 | 10.0 | 3.5 | 3.4 | 7.8 | 8.4 | 10.1 | 3.5 |
| Romania | 8.2 | 7.5 | 26.8 | 2.5 | 3.1 | 22.6 | 4.0 | 0.9 | 2.0 |
| Saudi Arabia | 7.1 | 7.8 | 12.0 | 6.1 | 5.1 | 10.9 | 12.1 | 0.9 | 36.1 |
| Singapore | 3.6 | 9.0 | 11.1 | 5.9 | 5.2 | 9.6 | 6.8 | 56.8 | 1.9 |
| Slovakia | 3.0 | -5.7 | 48.6 | 4.0 | 3.7 | 12.6 | 1.9 | 0.9 | 0.6 |
| South Africa | 7.2 | 5.0 | 6.3 | 7.4 | 6.4 | 7.4 | 24.7 | 71.0 | 26.9 |
| South Korea | 8.3 | 9.9 | n/a | 5.7 | 4.5 | n/a | 154.3 | 242.4 | n/a |
| Spain | 3.5 | 1.0 | 5.2 | 3.2 | 3.4 | 5.8 | 48.6 | 41.3 | 22.6 |
| Sri Lanka | 8.0 | 14.5 | 11.0 | 9.5 | 12.9 | 8.3 | 1.0 | 2.3 | 0.2 |
| Sweden | 4.7 | 6.8 | n/a | 2.8 | 3.9 | n/a | 13.1 | 55.0 | n/a |
| Switzerland | 1.7 | -3.3 | 2.7 | 3.5 | 2.3 | 3.7 | 30.8 | 30.9 | 20.7 |
| Taiwan | 5.9 | -1.4 | 4.3 | 4.0 | 5.4 | 5.0 | 15.7 | 100.5 | 23.2 |
| Thailand | 2.5 | 1.5 | 9.9 | 4.6 | 4.7 | 7.8 | 13.6 | 24.0 | 8.8 |
| Türkiye | 37.3 | 36.0 | 44.2 | 12.9 | 12.0 | 17.8 | 62.4 | 9.5 | 22.1 |
| United Arab Emirates | 5.1 | 0.1 | 10.0 | 4.2 | 5.2 | 6.4 | 9.0 | 3.3 | 14.7 |
| United Kingdom | 7.5 | 4.0 | 4.1 | 3.2 | 3.1 | 3.2 | 184.4 | 373.3 | 14.1 |
| United States | 5.4 | 4.8 | 9.0 | 3.4 | 3.6 | 6.7 | 1,835.6 | 1,173.2 | 2,344.2 |
| Vietnam | 15.5 | 23.8 | n/a | 12.7 | 17.2 | n/a | 13.4 | 53.3 | n/a |

[1] 2024 exchange rates.

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