

IAIS Global Insurance Market Report 2025 highlights growth of investments in private credit, geoeconomic fragmentation and AI adoption as key supervisory priorities

- IAIS Global Insurance Market Report (GIMAR) 2025 underscores the resilience of the global insurance sector, supported by strong solvency, liquidity and profitability, alongside a slight decline in aggregate systemic risk.
- The report delves into increasing investments in private credit, deepening geoeconomic fragmentation and rising artificial intelligence (AI) adoption as key sector-wide themes requiring supervisory attention.
- It also highlights the need for enhanced supervisory focus on emerging risks, including climate-related exposures and cyber risks.

Basel, Switzerland – The International Association of Insurance Supervisors (IAIS) today released its annual [Global Insurance Market Report \(GIMAR\) for 2025](#). The report provides insights from this year's Global Monitoring Exercise (GME), the IAIS' risk assessment framework designed to monitor global insurance sector trends and detect the potential build-up of systemic risk. This year's GIMAR highlights global macrofinancial developments and key sector-wide themes influencing insurers' risk profiles, business models and supervisory priorities.

Toshiyuki Miyoshi, Chair of the IAIS Executive Committee: "The 2025 GIMAR highlights the resilience of the global insurance sector amidst significant structural shifts. As insurers navigate the rapid expansion of private credit, manage risks from geoeconomic fragmentation, and embrace the evolving role of AI, supervisors must ensure that governance, risk management, and monitoring frameworks are strengthened to address these changes."

Jonathan Dixon, Secretary General of the IAIS, added: "This year's report reaffirms the IAIS' commitment to identifying emerging risks and supporting supervisors globally in addressing these challenges. By enhancing our monitoring and supervisory frameworks, we aim to ensure the continued stability and resilience of the global insurance sector."

Solvency, profitability and liquidity

The sector's solvency position remains strong globally, supported by solid capital buffers and disciplined risk management. Liquidity positions remain adequate, with supervisors closely monitoring exposures to less-liquid assets. Insurers reported strong profitability in 2024, supported by underwriting discipline and stable investment income. Non-life insurers saw improved combined ratios across several regions, while life insurers benefited from favourable market conditions and improved spreads. Despite ongoing macroeconomic and geopolitical uncertainties, the outlook for the insurance sector in 2026 remains stable.

Systemic risk

Data from large international insurance groups indicate a slight decline in systemic risk profile at the global aggregate level. On a cross-sectoral basis, systemic risk scores for the insurance sector remain significantly lower than those of the banking sector, indicating a comparatively lower systemic risk footprint.

In 2025, the IAIS completed its regular [triennial review](#) of the individual insurer monitoring (IIM) assessment methodology, further strengthening its framework for assessing systemic risk. Additionally, the Financial Stability Board (FSB) reaffirmed its [decision to use the IAIS Holistic Framework](#) for the assessment and mitigation of systemic risk in the insurance sector to inform its consideration of systemic risk in insurance.

Private credit: heightened supervisory focus

The GIMAR's dedicated chapter on private credit highlights its growing significance in life insurers' investment strategies. Although aggregate exposures remain moderate, the report notes the rapid growth of private credit allocations across several jurisdictions. This asset class offers advantages such as liability-matching benefits and illiquidity premiums; however, it also presents distinct risks, including valuation uncertainty, liquidity challenges, borrower credit quality concerns and structural complexity.

The GIMAR links these findings to the [IAIS Issues Paper on structural shifts in the life insurance sector](#), published in November. The Issues Paper explores the increasing allocation to alternative assets, including private credit, and rising use of cross-border asset-intensive reinsurance. Both the GIMAR and the Issues Paper emphasise the need for strengthened monitoring, deeper systemic risk analysis and the development of future supervisory guidance to address these trends.

Geoeconomic fragmentation: impacting insurers' management of assets and liabilities

The report highlights that trade tensions, sanctions, divergent monetary policies and market fragmentation are contributing to financial market volatility, affecting currencies and interest-rates, and leading to greater uncertainty in asset valuations and more complex asset-liability management for internationally active insurance groups. Supervisors globally are responding by strengthening scenario analysis, data collection and fostering cross-border supervisory coordination.

Adoption and governance of AI: opportunities and risks

The use of AI and generative AI is expanding in underwriting, pricing and claims management. While insurers report significant operational benefits, the GIMAR also highlights supervisory concerns regarding model governance and transparency, cyber and operational risks, potential for data bias and third-party concentration risks. The [IAIS Application Paper on the supervision of AI](#), published in July, provides further guidance to supervisors and insurers on addressing these risks and ensuring responsible AI adoption.

Climate-related risks

Insurers' investment exposures to climate-related risks have remained relatively stable over recent years. In terms of insurers' underwriting portfolios, the GIMAR highlights evolving patterns in natural catastrophe (NatCat) risk coverage and reinsurance levels over time. In response, both insurers and supervisors are increasingly implementing climate scenario analysis, despite data and methodological challenges. The IAIS will continue to enhance its climate-risk assessment, as demonstrated by the publication of a [GIMAR special topic edition on natural catastrophe protection gaps](#) published in November.

Global reinsurance market

Reinsurers remained well-capitalised in 2024, with underwriting results stabilising after elevated natural catastrophe losses in previous years. Premiums continued to grow, retention ratios rose modestly and investment portfolios remained conservatively managed.

Next steps

In line with the IAIS' 2026-2027 work programme and the next steps set out in the Issues Paper on structural shifts in the life insurance sector, the IAIS will expand monitoring of alternative assets including private credit, explore more in-depth systemic-risk analysis, develop supervisory guidance for structural shifts in life insurance, and continue to refine climate risk and NatCat protection gap assessments.

The Global Insurance Market Report 2025 is available [here](#).

About the GIMAR

The Global Insurance Market Report (GIMAR) reports on the outcomes of the IAIS' Global Monitoring Exercise (GME). The GME is the IAIS' framework for monitoring risks and trends in the global insurance sector and assessing the possible build-up of systemic risk. It draws on data from 57 of the largest international insurance groups and aggregate market-wide data from supervisors across the globe, representing more than 90% of global gross written premiums.

About the IAIS

The IAIS is a global standard-setting body whose objectives are to promote effective and globally consistent supervision of the insurance industry to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to the maintenance of global financial stability. Its membership includes insurance supervisors from more than 200 jurisdictions. Learn more at www.iais.org. Follow us on LinkedIn: [IAIS – International Association of Insurance Supervisors](#).

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