

Global Insurance Market Report (GIMAR)

MID-YEAR UPDATE

July 2026



About the IAIS

The International Association of Insurance Supervisors (IAIS) is a voluntary membership organisation of insurance supervisors and regulators from more than 200 jurisdictions. The mission of the IAIS is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

Established in 1994, the IAIS is the international standard-setting body responsible for developing principles, standards and other supporting material for the supervision of the insurance sector and assisting in their implementation. The IAIS also provides a forum for members to share their experiences and understanding of insurance supervision and insurance markets.

The IAIS coordinates its work with other international financial policymakers and associations of supervisors or regulators and assists in shaping financial systems

globally. In particular, the IAIS is a member of the Financial Stability Board (FSB), member of the Standards Advisory Council of the International Accounting Standards Board (IASB), and partner in the Access to Insurance Initiative (A2ii). In recognition of its collective expertise, the IAIS also is routinely called upon by the G20 leaders and other international standard-setting bodies for input on insurance issues as well as on issues related to the regulation and supervision of the global financial sector.

For more information, please visit www.iais.org and follow us on [LinkedIn](#).

International Association of Insurance Supervisors
c/o Bank for International Settlements
CH-4002 Basel
Switzerland
Tel: +41 61 280 8090

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. This is the mid-year update for the 2026 GIMAR.

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Contents

1 INTRODUCTION	1
2 GLOBAL MACRO-FINANCIAL DEVELOPMENTS	2
3 SOLVENCY, LIQUIDITY AND PROFITABILITY	4
4 AGGREGATE SYSTEMIC RISK SCORES	6
5 SECTOR-WIDE THEMES IN THE 2026 GME	8
5.1 The impact of macroeconomic risks on life insurers' balance sheets	8
5.2 Transmission channels of geopolitical risk in non-life insurance	9
5.3 The impact of advancements in AI and technology on insurers' cyber resilience	11
6 OTHER AREAS OF FOCUS	12
6.1 AI underwriting and digital assets	12
6.2 Climate-related risks	12
7 NEXT STEPS	14

1. Introduction

The mid-year Global Insurance Market Report (GIMAR) presents the interim outcomes of the IAIS' 2026 Global Monitoring Exercise (GME) ahead of the year-end GIMAR publication.

This report offers a preliminary analysis of the impact of global macro-financial trends, as well as insights into solvency, liquidity and profitability developments within the global insurance sector. It also provides aggregate systemic risk scores and highlights key focus areas of the 2026 GME. Against a backdrop of ongoing uncertainty in the global macro-financial environment, the IAIS is maintaining a strong focus on assessing trends and addressing the build-up of risks in the insurance sector. Sector-wide themes of the 2026 GME include:

1. The impact of macroeconomic risks on life insurers' balance sheets;
2. Transmission channels of geopolitical risk in non-life insurance; and
3. The impact of advancements in artificial intelligence (AI) and technology on insurers' cyber resilience.

Additional areas of focus are AI underwriting and digital assets, and climate-related risks.

This mid-year update is based on preliminary GME 2026 data collected up to June 2026.¹ The charts and results are subject to change in view of the 2026 year-end GIMAR. The dataset includes the 2026 individual insurer monitoring (IIM) data, applicable to insurance groups meeting the Insurer Pool criteria² – consisting of 56 of the largest international insurance groups from 18 jurisdictions – and the qualitative sector-wide monitoring (SWM) data, covering aggregate insurance market data collected from IAIS members and comprising more than 90% of global gross written premiums. Quantitative SWM data will feature in the year-end GIMAR.

While not a focus of this year's GIMAR, work on structural shifts in the life insurance sector continues as per the [IAIS Roadmap 2026-2027](#), building on the [IAIS Issues Paper](#). This includes enhanced data collection through the GME to strengthen systemic risk analysis, and a review of IAIS supervisory and supporting material.

¹ The quantitative GME 2026 data has year-end 2025 as a reference date (except for one jurisdiction with a financial year ending in March instead of December). The qualitative GME 2026 component also has a forward-looking perspective, focusing on expected developments in 2026 and 2027.

² The Insurer Pool criteria are outlined in the [GME document](#).

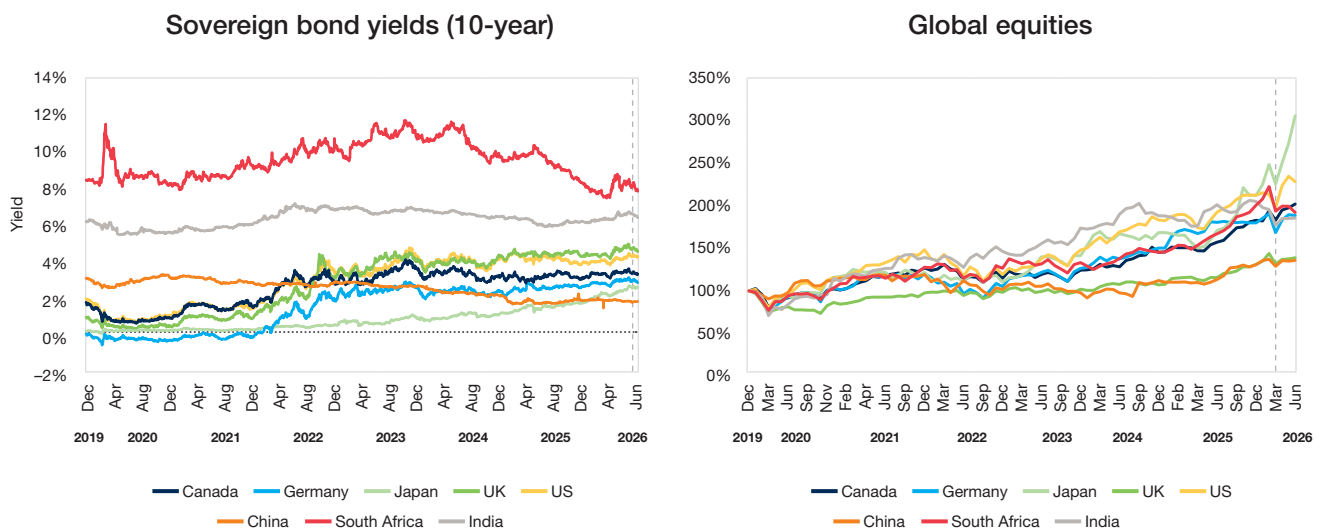
2. Global macro-financial developments

The global economic outlook points to heightened uncertainty and volatility, coupled with slower growth.

Global macro-financial conditions in 2025 were marked by slower economic growth, moderating inflation, rising uncertainty, increased protectionism, geopolitical tensions and fiscal vulnerabilities.³ Despite these challenges, insurers continue to demonstrate resilience with solvency, liquidity and profitability remaining stable.

As 2026 unfolded, the macro-financial environment grew increasingly uncertain. The first half of the year has been marked by rising geopolitical conflicts, which triggered heightened volatility in energy prices, shipping costs and financial markets. Amid these developments, sovereign bond yields, in general, remain elevated, putting pressure on sovereign balance sheets (Figure 1).

FIGURE 1



³ International Monetary Fund. World Economic Outlook. October 2025.

Equity markets experienced periodic corrections; however, valuations in several major markets remained elevated. Sustained high valuations could lead to a potential repricing, particularly if macroeconomic conditions deteriorate. Credit default swap spreads intermittently widened during episodes of heightened risk aversion. These trends underscore the fragile balance between stability and uncertainty as global markets navigate a complex and evolving landscape.

In July 2026, the International Monetary Fund (IMF) projected global economic growth to slow down to 3.0% in 2026 and 3.4% in 2027,⁴ largely reflecting the disruptions associated with geopolitical conflicts, although the impact is expected to be partly offset by stronger demand in the global technology cycle because of a rise in the adoption of AI. Inflation, which stood at 4.1% in 2025, is projected to rise to 4.7% in 2026 before declining to 3.9% in 2027.

The IMF noted that the risk of renewed geopolitical conflict remains significant, potentially amplifying commodity price instability, further disrupting supply chains, driving up costs, and adding strain to financial conditions.

For insurers, the macro-financial environment presents a mixed outlook. Higher interest rates could support investment income and improve reinvestment yields. However, persistent volatility in bond and credit markets poses risks to fixed-income portfolios. Additionally, if inflationary pressures remain elevated, claims costs across various lines of non-life insurance business could rise, further straining profitability.

Geopolitical developments could add another layer of complexity, heightening underwriting risks in areas such as aviation, cyber, marine and trade credit insurance. Disruptions to maritime routes and energy markets have introduced uncertainty to claims processes, while issues such as war exclusions and cyber attribution risks⁵ continue to demand attention from insurers and supervisors.

Despite the resilience demonstrated by the insurance sector in recent years, the 2026 outlook underscores heightened macro-financial and geopolitical risks. These challenges may pressure insurers' balance sheets, impact underwriting performance and test the sector's overall financial stability. As insurers navigate these uncertainties, a focus on risk management, diversification and the adaptability of business models in response to changing economic, market and regulatory conditions will be critical to maintaining financial stability.

Geopolitical tensions, energy market disruptions and rising macro-financial uncertainty are challenging global economic growth.

⁴ International Monetary Fund. World Economic Outlook Update. July 2026.

⁵ Cyber attribution risks are primarily relevant to cyber insurance policies and refer to the difficulties in determining the origin and intent of a cyber-attack, which can affect insurance coverage, liability and the resolution of claims.

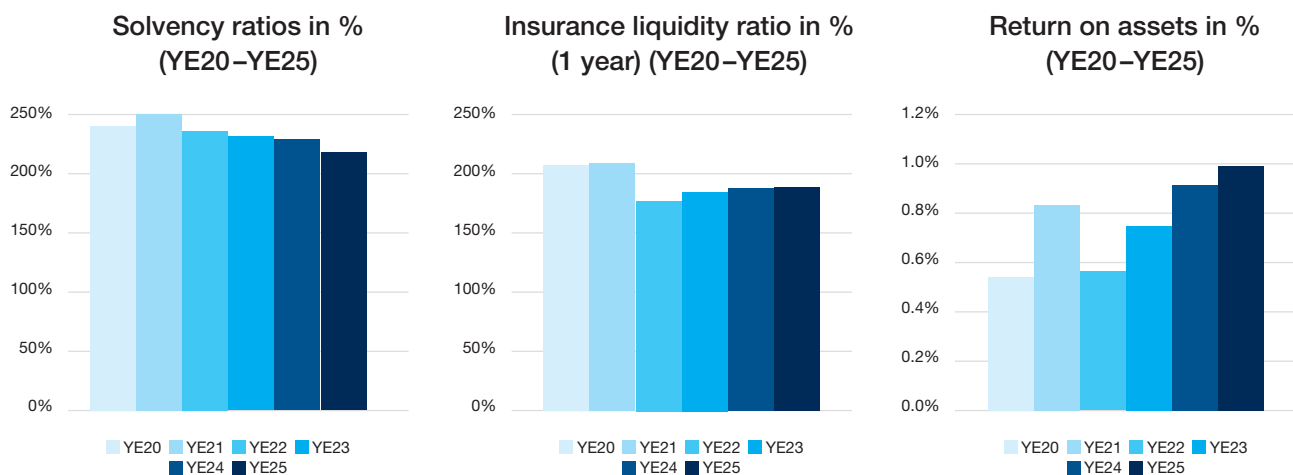
3. Solvency, liquidity and profitability

Aggregate participating insurers' solvency, liquidity and profitability positions were relatively stable in 2025.

This analysis is based on interim outcomes of the 2026 GME. Figure 2 highlights relatively stable outcomes for solvency, liquidity and profitability positions among participating insurers in 2025, underscoring the sector's resilience. The aggregate solvency ratio declined slightly but remained well above regulatory requirements. Participating insurers indicated that the decline was partly driven by interest rate volatility and adverse

market movements affecting investment and business activity, although operating profitability helped offset these pressures. Insurers' solvency was also negatively impacted by share buybacks, dividend declarations, debt redemptions, and merger and acquisition activities, while benefiting from effective risk diversification across asset classes and geographies. As in previous years, performance varied across the different business types in the sector.

FIGURE 2



Source: IIM 2026 – interim result

In 2025, the insurance sector's aggregate liquidity position, as measured by the insurance liquidity ratio,⁶ remained stable, indicating that the sector maintained a strong capacity to manage liquidity needs and meet policyholder obligations as they fall due. Participants attributed the stable liquidity position to positive operating cash flows, debt issuance proceeds and investment portfolio adjustments towards more liquid assets in response to heightened geopolitical uncertainty. These liquidity gains were largely offset by dividend payments, share buybacks, higher allocations to illiquid assets, debt repayments and market volatility.

The insurance sector's aggregate return on assets also increased. Participating insurers indicated that the increase is driven by positive asset

portfolio returns, improved underwriting margins, strong operating performance, greater asset and insurance portfolio diversification and cost management initiatives. Nevertheless, some insurers faced pressures from market volatility, widening spreads and reduced asset balances resulting from dividend payments and share buybacks. Overall, participants indicated that their effective risk management practices contributed to maintaining stability in their assets and associated returns.

The 2026 year-end GIMAR plans to offer deeper insights into the evolving solvency, liquidity and profitability of insurers, factoring in macroeconomic and geopolitical developments that could influence their financial performance.

In 2025, insurers showed resilience, maintaining stable solvency, liquidity and profitability despite volatile market conditions.

⁶ The insurance liquidity ratio is defined in the liquidity metrics as an ancillary indicator.

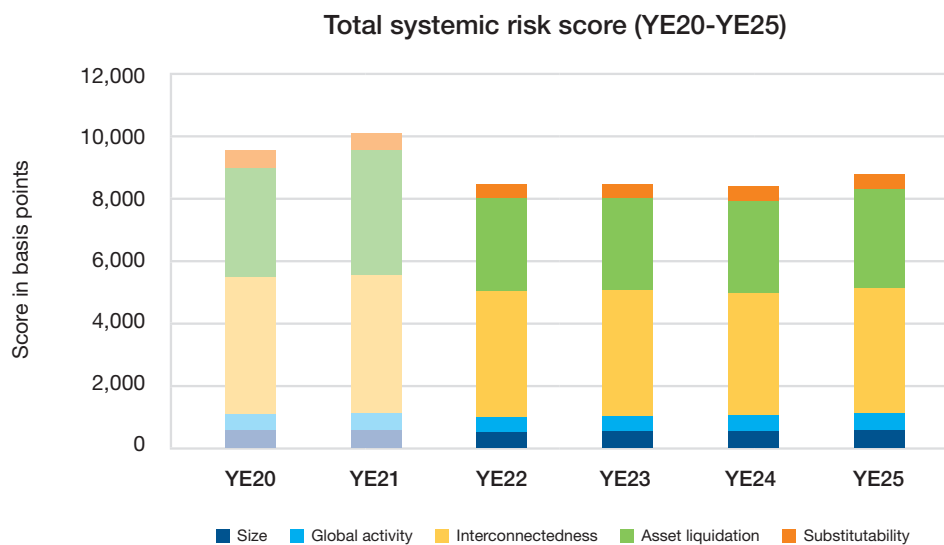
4. Aggregate systemic risk scores

IIM systemic risk scores increased slightly at year-end 2025.

The IIM systemic risk scores are part of the [IAIS Holistic Framework](#), which aims to assess and mitigate the potential build-up of systemic risk in the global insurance sector. The scores are calculated using an indicator-based assessment methodology and are based on data collected across five systemic risk categories: size,

global activity, interconnectedness, asset liquidation and substitutability, which together consist of 13 indicators. The methodology was revised in 2025⁷ and is designed to support a comprehensive assessment of build-up of potential systemic risk at the level of relevant individual insurance groups at a global level.

FIGURE 3⁸



Source: IIM 2026 – interim result

⁷ For more information about the revised IIM assessment methodology, please refer to [IAIS publishes updated Global Monitoring Exercise \(GME\) document](#).

⁸ Results from year-end 2022 to year-end 2025 were calculated using the revised assessment methodology, while the old methodology was used for the prior years.

Figure 3 displays the aggregate systemic risk score of insurers participating in the IIM data collection over time.⁹ Overall, the aggregate scores increased slightly in 2025, with the largest increases recorded in asset liquidation and interconnectedness.

The year-end GIMAR expects to provide more detail on the underlying drivers of changes in systemic risk indicators and share a cross-sectoral perspective comparing these developments to those observed in the banking sector.

Systemic scores for global insurance groups edged higher at year-end 2025, driven by asset liquidation categories and interconnectedness.

⁹ The methodological changes have resulted in lower aggregate scores compared with the old methodology.

5. Sector-wide themes in the 2026 GME

The 2026 GME analysis will focus on the following sector-wide themes as top priorities for insurers and supervisors, recognising their interconnections and potential non-linear effects.

5.1 THE IMPACT OF MACROECONOMIC RISKS ON LIFE INSURERS' BALANCE SHEETS

For insurers, notably life insurers, macroeconomic shocks directly affect investment portfolios, solvency ratios and overall balance sheet resilience. These pressures are particularly acute for life insurers given their exposure to long-duration liabilities and the sensitivity of their asset-liability positions to shifts in the interest rate environment.

Key areas of focus under this theme are:

■ Market and investment risks

Rising interest rates and widening credit spreads can place downward pressure on the market value of fixed-income portfolios. Insurers with significant exposures to lower-rated sovereign or corporate debt, commercial real estate, infrastructure finance and structured credit may be particularly impacted.

■ Liquidity pressures

Insurers could encounter heightened liquidity risks due to higher collateral and margin calls on derivative hedging programmes, increased policyholder surrender activity and declining liquidity in private asset and corporate bond markets during periods of volatility. These pressures are testing insurers' liquidity management frameworks, particularly those with significant exposure to illiquid investments.

Private credit exposures are becoming increasingly relevant in the financial ecosystem, with the Financial Stability Board estimating total global private credit assets at approximately \$2.0 trillion at the end of 2024.¹⁰ Insurers, as major institutional investors in private credit markets, face growing risks from valuation uncertainty, concentration risks and potential losses under stressed conditions, highlighting the importance of asset diversification and sound asset-liability matching.

¹⁰ Financial Stability Board. Report on Vulnerabilities in Private Credit. May 2026.

■ Sovereign risks

Higher fuel and food prices, weaker currencies and tighter financial conditions are increasing sovereign borrowing costs and reducing domestic market liquidity. Insurers with high refinancing needs or foreign exchange mismatches face greater risks, particularly if they hold significant lower-rated sovereign debt.

■ Interconnectedness with non-bank financial intermediaries (NBFIs)

Insurers' growing links to NBFIs¹¹ and banks through shared exposures to common assets and derivatives are amplifying systemic risk transmission channels. These interconnected vulnerabilities could increase the potential for cross-sector contagion during periods of financial stress.

■ Capital and asset-liability management pressures

Persistent macroeconomic volatility may lead to a strain on insurers' capital positions and complicates their asset-liability management strategies. Rising interest rates, volatile bond yields and inflation-driven claims costs could increase the difficulty of maintaining solvency and implementing long-term capital planning.

The IAIS plans to continue the monitoring of these developments and will provide further insights in the year-end GIMAR.

Geopolitical tensions and energy market disruptions are amplifying underwriting risks, particularly in marine, aviation and trade credit insurance.

5.2 TRANSMISSION CHANNELS OF GEOPOLITICAL RISK IN NON-LIFE INSURANCE

The second theme focuses on the distinct ways in which geopolitical risk transmits through to non-life insurers' operations and balance sheets.

Geopolitical conflicts are creating challenges for the global insurance sector by disrupting energy markets, driving inflation and amplifying underwriting risks. According to the IMF,¹² escalating geopolitical tensions and disruptions to energy supply chains have increased the risk of renewed energy price volatility, which could feed through to inflation and raise claims costs across non-life insurance lines such as motor, property and business interruption. Additionally, disruptions to maritime shipping and aviation are heightening risks for marine and aviation insurers, with claims related to war risk, cargo losses, rerouting costs and rising jet fuel prices.

Cyber risks, driven by geopolitical tensions and advancements in AI, could further amplify pressures on insurers by generating correlated losses across multiple business lines such as cyber, property and liability insurance. Meanwhile, modern conflicts involving cyber operations, sanctions and proxy attacks are complicating the enforcement of war exclusions and coverage for indirect losses. Insurers are responding by conducting stress tests and strengthening capital and liquidity buffers. However, challenges persist due to fragmented legal environments, lack of standardised definitions and increasing financial market volatility.

¹¹ NBFIs include asset managers, pension funds, hedge funds and other financial intermediaries.

¹² International Monetary Fund. World Economic Outlook. April 2026.

Key areas of focus under this theme are:

■ Inflation, energy prices and claims costs

Elevated inflation and rising commodity prices, particularly the surge in oil and gas prices, are a key transmission channel for non-life insurance. High energy costs are driving up claims across multiple insurance lines, particularly non-life segments such as motor, property and liability insurance. Long-tail lines, such as liability and workers' compensation, are especially vulnerable, as inflation risks depleting reserves and weakening profitability and solvency. Insurers are facing difficulties in keeping premium repricing aligned with rising claims costs, while increasing replacement costs and reserve pressures could add to the strain on financial performance.

■ Maritime, shipping and aviation risks

Marine and aviation insurers are encountering elevated risks due to disruptions in shipping routes and airspace. These include war-risk incidents, cargo losses, piracy, vessel rerouting and contingent business interruption claims. Rising freight costs, energy prices and jet fuel prices, which have nearly tripled in some cases, are exacerbating pressures on underwriting margins and increasing exposure to operational risks.

■ War exclusions and cyber risks

Conflicts involving cyber operations, sanctions and proxy attacks are complicating the enforcement of war exclusions and creating uncertainty around claims outcomes. Insurers are increasingly relying on restrictive clauses and adjustments to policy wording to manage these uncertainties. Additionally, cyber incidents could pose risks across multiple insurance lines, including cyber, marine, property and liability insurance. However, the insurance industry has made good progress in reducing silent cyber exposure, with cyber risks increasingly being explicitly covered under standalone policies. While the cyber insurance market remains relatively small, insurers are actively managing risks through measures such as setting coverage limits and exclusions. These evolving dynamics highlight the growing need for robust risk management frameworks and operational resilience.

The 2026 year-end GIMAR expects to provide valuable insights into how insurers are responding to these challenges posed by geopolitical risks.

Insurers are mitigating silent cyber exposure by increasingly providing explicit coverage through standalone policies.

5.3 THE IMPACT OF ADVANCEMENTS IN AI AND TECHNOLOGY ON INSURERS' CYBER RESILIENCE

As technological advancements, such as AI, digital assets and increased complexity of IT systems continue to reshape the global economy, the IAIS remains committed to monitoring their impact on insurers. This includes assessing how these developments may heighten risks, influence investment strategies and affect underwriting activities, as well as evaluating their implications for financial stability and policyholder protection.

Cyber risks continue to evolve, with more frequent and sophisticated attacks, including new risks posed by frontier AI models. Insurers are exposed both as underwriters and as potential victims of operational disruption. This is a fast-moving area where supervisors have noted that these developments underscore

the importance of effective operational resilience frameworks including robust cyber hygiene, effective patching of information and communication technology (ICT) vulnerabilities and possibly the use of defensive AI capabilities. With frontier AI models reducing the time to both identify vulnerabilities and mount cyber-attacks, the setting up of effective operational resilience frameworks will become even more important. The year-end GIMAR plans to consider how the IAIS' work on operational resilience supports responses to growing risks, including AI-enabled cyber-attacks.

Cyber risks are advancing rapidly, with emerging technologies accelerating vulnerability identification and enabling sophisticated cyber-attacks.

6. Other areas of focus

AI underwriting and digital assets, and climate-related risks are also considered high-priority areas and will be closely monitored by the IAIS as part of the scope of the GME 2026.

6.1 AI UNDERWRITING AND DIGITAL ASSETS

As legal frameworks relating to AI continue to develop, there are implications for insurers underwriting commercial liability risks. The year-end GIMAR will discuss whether increased AI use by commercial policyholders is impacting the underwriting of AI liabilities (including through accumulation risk). The IAIS will consider how supervisors are engaging with insurers to understand how these risks are being managed.

This year, the GME and an IAIS member survey intend to gather insights from insurers and supervisors on the underwriting of liabilities and investment activities related to digital assets. These contributions will shape the year-end GIMAR's overview of emerging trends in this focus area.

6.2 CLIMATE-RELATED RISKS

The IAIS has consistently prioritised the assessment of climate-related risks. This analysis was first highlighted in the 2021 GIMAR special topic edition and has since been included as a dedicated chapter in every subsequent annual GIMAR. This focus will continue, with a chapter on climate-related risks planned for inclusion in the 2026 year-end GIMAR.

Physical climate risks manifest in two ways. First, through the increasing frequency and severity of extreme weather events, which have led to rising claims pressures on insurers. Although catastrophe modelling capabilities are improving, significant challenges persist, particularly in addressing data gaps and uncertainties related to tail risks. Second, physical risks may manifest through chronic physical risk drivers (for example, sea level rise, drought and heat stress), which may also cause material direct or indirect impacts on insurers over time, particularly on their investments.

Many jurisdictions continue to characterise the near-term impact of climate-related risks on insurers as manageable. However, this often coexists with notable gaps in data availability, challenges in risk quantification and limitations in supervisory frameworks. The depth and quality of responses also vary significantly across jurisdictions.

While progress is being made in addressing climate-related risks, overcoming these challenges will require a concerted effort to enhance data quality, improve modelling capabilities and strengthen supervisory frameworks. These steps will be essential to ensuring insurers are well-equipped to manage these risks effectively, both in the near term and over the long term.

**Supervisory frameworks
must evolve to close
gaps in data availability
and improve modelling
capabilities for climate-
related risks.**



7. Next steps

The 2026 year-end GIMAR, scheduled for publication in December, plans to elaborate on key potential systemic risk developments in the insurance sector, compare these with those in the banking sector, and provide a more detailed analysis of solvency, liquidity and profitability positions in the global insurance sector. It will also include an analysis of the themes and risks outlined in sections 5 and 6.

The year-end GIMAR 2026 intends to examine systemic risk trends in insurance, and compare them with those in banking, and assess solvency, liquidity and profitability positions.



International Association of Insurance Supervisors

c/o Bank for International Settlements

Centralbahnplatz 2

CH-4002 Basel

Switzerland

Tel: +41 61 280 80 90

E-mail: info@iais.org

Web: www.iais.org