

# **Building a better world through insurance: The power of research and foresight in uncertain times**

## **Annual Meeting of the Swiss Actuarial Association**

30 August 2025, Geneva

Dr. Kai-Uwe Schanz

Senior Advisor to the Geneva Association

Managing Director and Co-Founder, Purpose for Insurance AG

# Agenda



- **About the Geneva Association**
- Insurance for a better world: Facts and figures
- Challenges and industry responses
- The relevance of our research: Recent examples
- A topical deep dive: Geo-economic fragmentation
- Conclusions

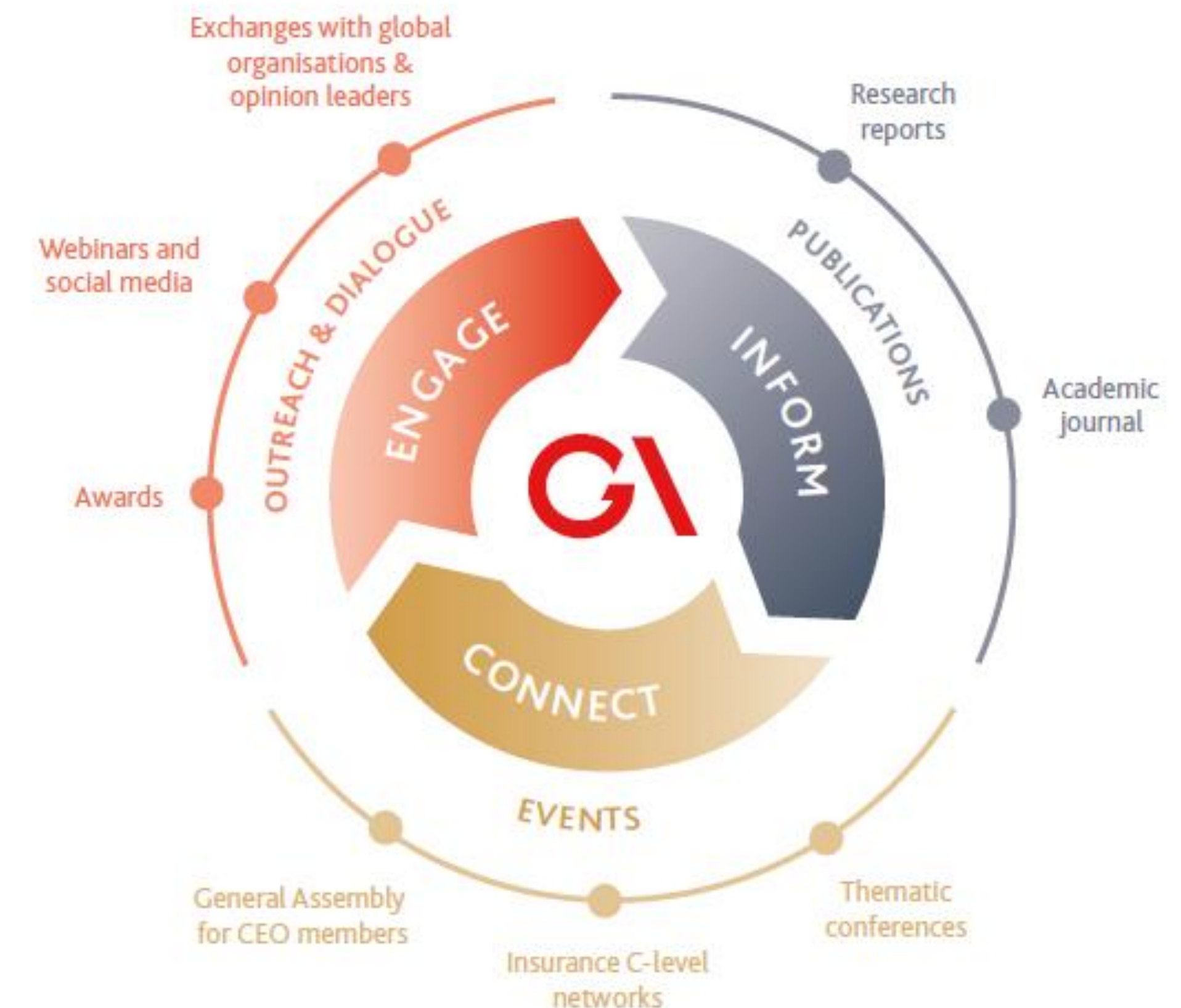
# The Geneva Association in a nutshell



Founded in 1973, we are the only global association of insurance and reinsurance Chief Executive Officers (CEOs).

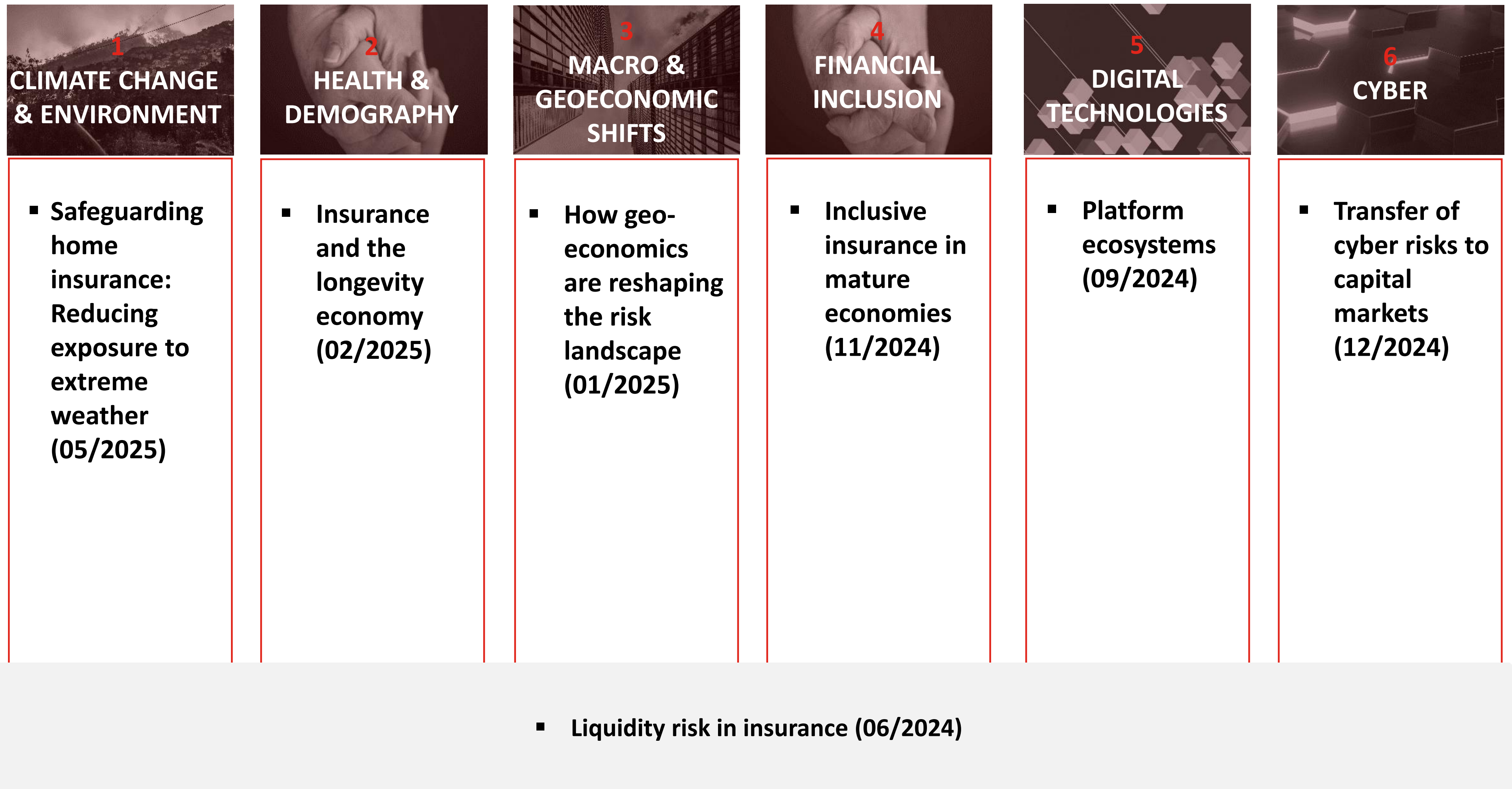
Our missions are to:

- **Identify and investigate key trends and risks** that shape or impact the insurance industry and develop corresponding recommendations.
- **Provide a dialogue platform** for our members, policymakers, academics, multilateral and non-governmental organisations (NGOs).
- **Highlight the positive contributions of insurance** to more resilient and prosperous economies and societies.





# Our research architecture and most recent research reports



# Our thematic conferences



*Regular top stakeholder events aligning with our research work streams and reports*

## Digital Technologies Conference

(19–20 March 2024, Milan)

This conference examined the opportunities arising from new technologies and data for insurers, and their impact on the insurance industry and society.

## Programme on Regulation and Supervision (PROGRES) Seminar

(16–17 September 2024, Washington, D.C.)

Representatives of the insurance industry, regulatory and standard-setting bodies and academia gathered to discuss key policy and regulatory issues facing the insurance industry.

## Climate Technology Conference

(15–16 April 2024, Zurich)

Building on our recent research, the conference examined how insurers, as investors and risk management experts, can play a key role in overcoming hurdles to deploying new climate tech at scale.

## Climate Change & Environment Conference

(15–16 October 2024, Boston)

Our climate conference explored evolving climate and environmental risks and how insurers can help build resilience through their underwriting, investment and risk modelling capabilities.

## Cyber Conference

(11–12 November 2024, New York City)

The conference shed light on the changing anatomy of cyber threat and the role of cyber insurance in building resilience.

## Evolving Liability Conference

(24–25 March 2025, London)

The conference gathered experts from the re/insurance industry, academia and the legal world to discuss the dynamics of liability law and underwriting.

## Health & Demography Conference

(26–27 February 2025, Munich)

The conference convened academics and industry representatives to discuss insurance solutions to ageing societies and other public health issues.



# Our C-suite networks



The Geneva Association's C-level events provide opportunities for the executives of member companies to network and engage in high-level discussions on strategic issues.

## Chief Investment Officers

The Chief Investment Officer (CIO) Forum gathers CIOs to discuss issues and trends that impact insurance asset management and the implementation of investment strategies.

## Chief Economists and Strategy Officers

The Economic Forum explores the macro-economic environment for re/insurers and key insurance economics issues.

## Chief Communications Officers

The Chief Communications Officer (CCO) Meeting is a platform for insurance communications leaders to discuss comms trends and share experiences in an off-the-record setting.



# Our academic footprint



The Geneva Papers on Risk and Insurance is a quarterly, peer-reviewed journal published by the Geneva Association since 1976.

- InsurTech (January 2025)
- Longevity (June 2024) – [Summary](#)
- Emerging risks & (liability) insurance in the time of pandemics (Jul 2023) – [Summary](#)
- Cyber risks (Apr 2023) – [Summary](#)
- Emerging health risks (Jan 2023) – [Summary](#)
- New technologies & data (Jul 2022) – [Summary](#)
- Climate risks (Jan 2022) – [Summary](#)
- Trust in insurance (Oct 2021) – [Summary](#)
- Microinsurance (Jul 2021) – [Summary](#)

## **The Geneva Association Ernst Meyer Prize**

Geneva Association awards the Ernst Meyer Prize annually for university research work in the form of a doctoral thesis which makes a significant and original contribution to the study of risk and insurance economics.



# Our Board of Directors



## Executive Committee Members

### Chairman



**LEE Yuan Siong**  
AIA

### Vice Chair



**Lard FRIESE**  
Aegon

### Treasurer



**Joachim WENNING**  
Munich Re



**Oliver BÄTE**  
Allianz



**Pauline LECLERC-GLORIEUX**  
BNP Paribas Cardif

## Board Members



**Andreas BERGER**  
Swiss Re



**Charles BRINDAMOUR**  
Intact



**Thomas BUBERL**  
AXA



**Philippe DONNET**  
Generali



**Antonio HUERTAS MEJIAS**  
MAPFRE



**Michel KHALAF**  
MetLife



**Satoru KOMIYA**  
Tokio Marine



**Hiroshi SHIMIZU**  
Nippon Life



**Alejandro SIMÓN**  
Grupo Sancor Seguros



**Andrew SULLIVAN**  
Prudential Financial



**Bianca TETTEROO**  
Achmea

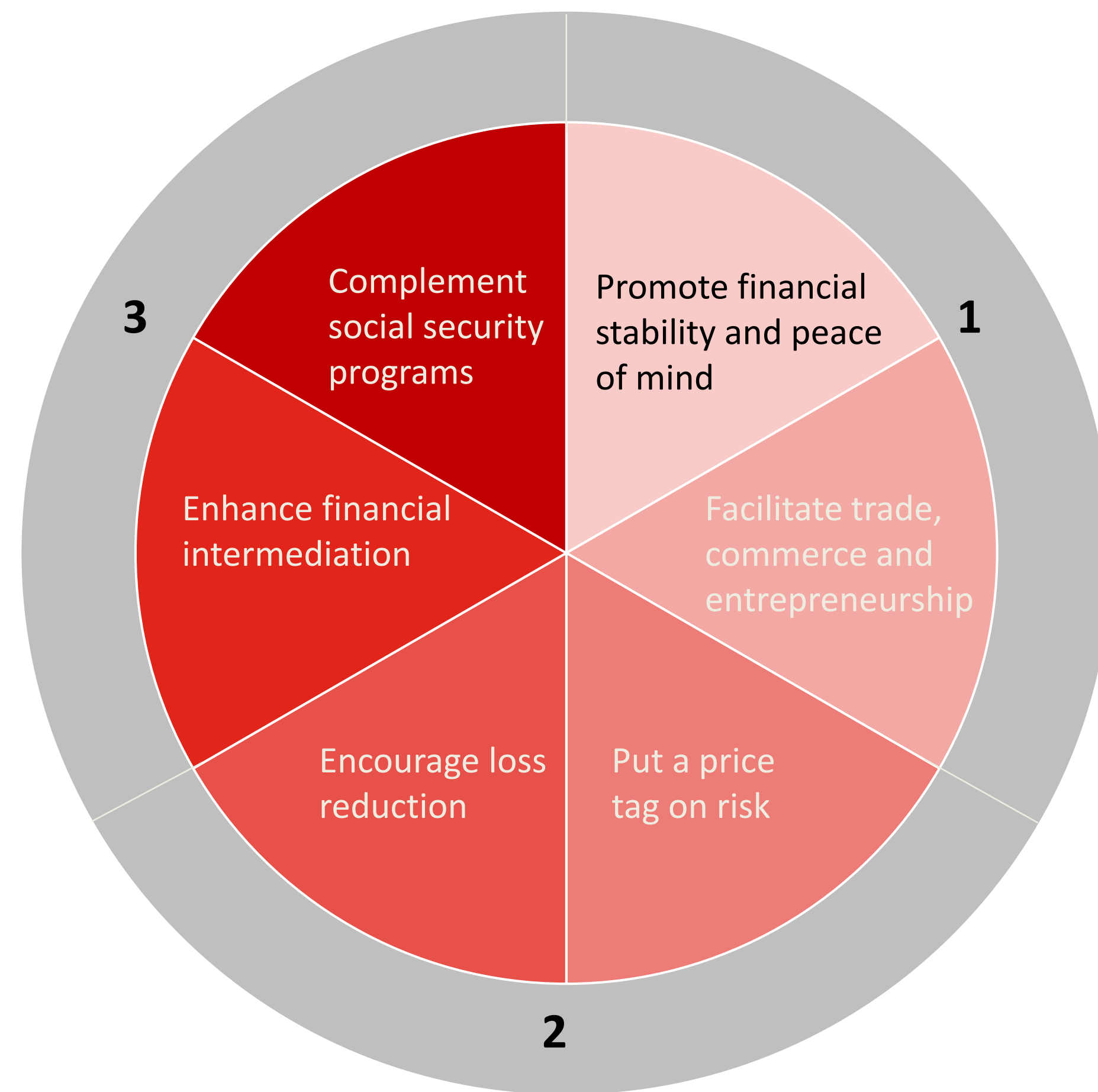


# Agenda



- About the Geneva Association
- **Insurance for a better world: Facts and figures**
- Challenges and industry responses
- The relevance of our research: Recent examples
- A topical deep dive: Geo-economic fragmentation
- Conclusions

# The socio-economic purpose of insurance...



1. Enabling risk taking
2. Preventing and mitigating risk
3. Facilitating savings and investments



# ...expressed in trillions of dollars

Global annual pay-outs and AuM

■ Life insurance claims and benefits	\$2.2 trn
■ Health insurance claims	\$1.8 trn
■ Property & casualty insurance claims	\$1.5 trn
■ Total assets managed by the global insurance industry	\$42 trn

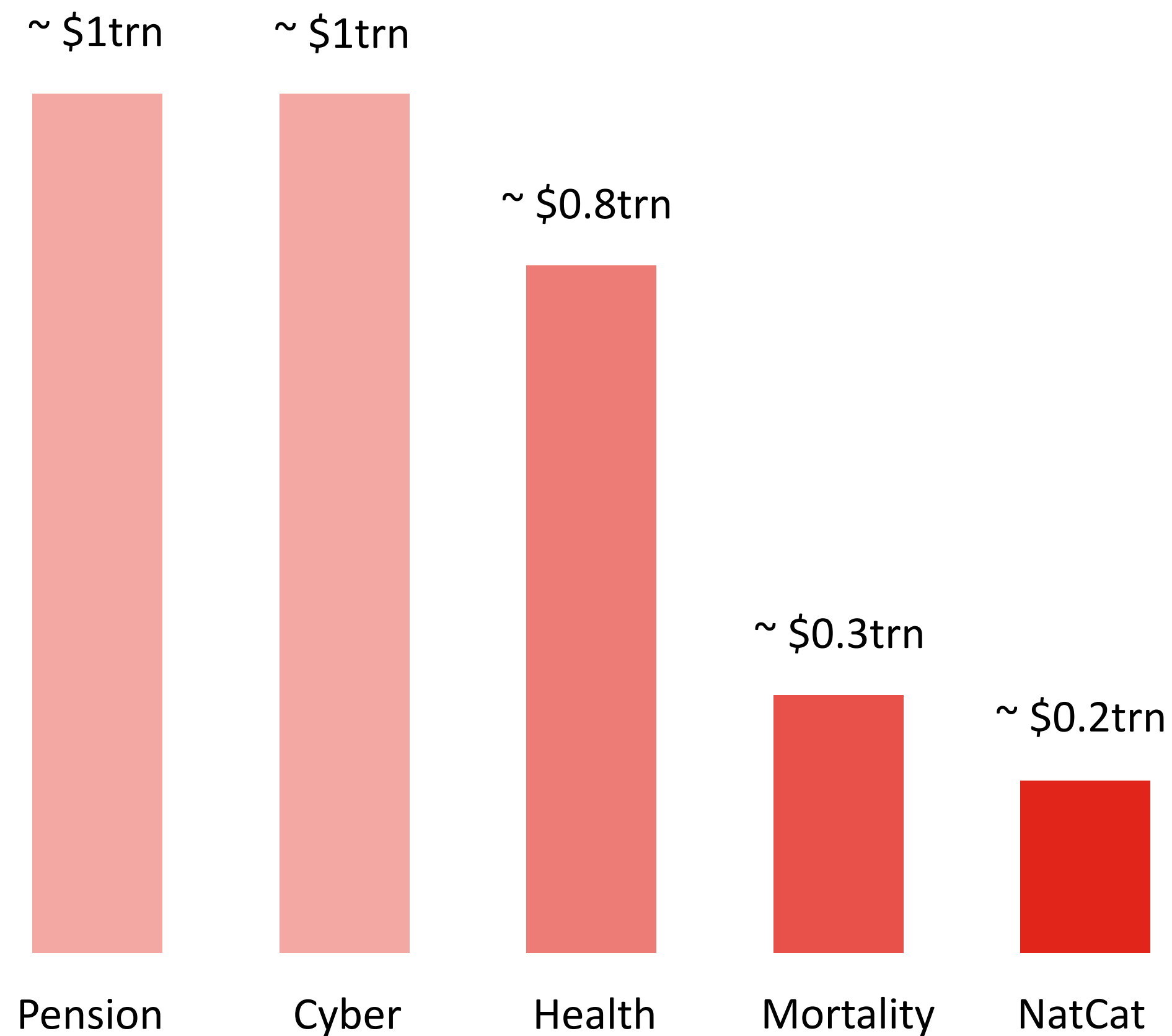
# Agenda



- About the Geneva Association
- Insurance for a better world: Facts and figures
- **Challenges and industry responses**
- The relevance of our research: Recent examples
- A topical deep dive: Geo-economic fragmentation
- Conclusions

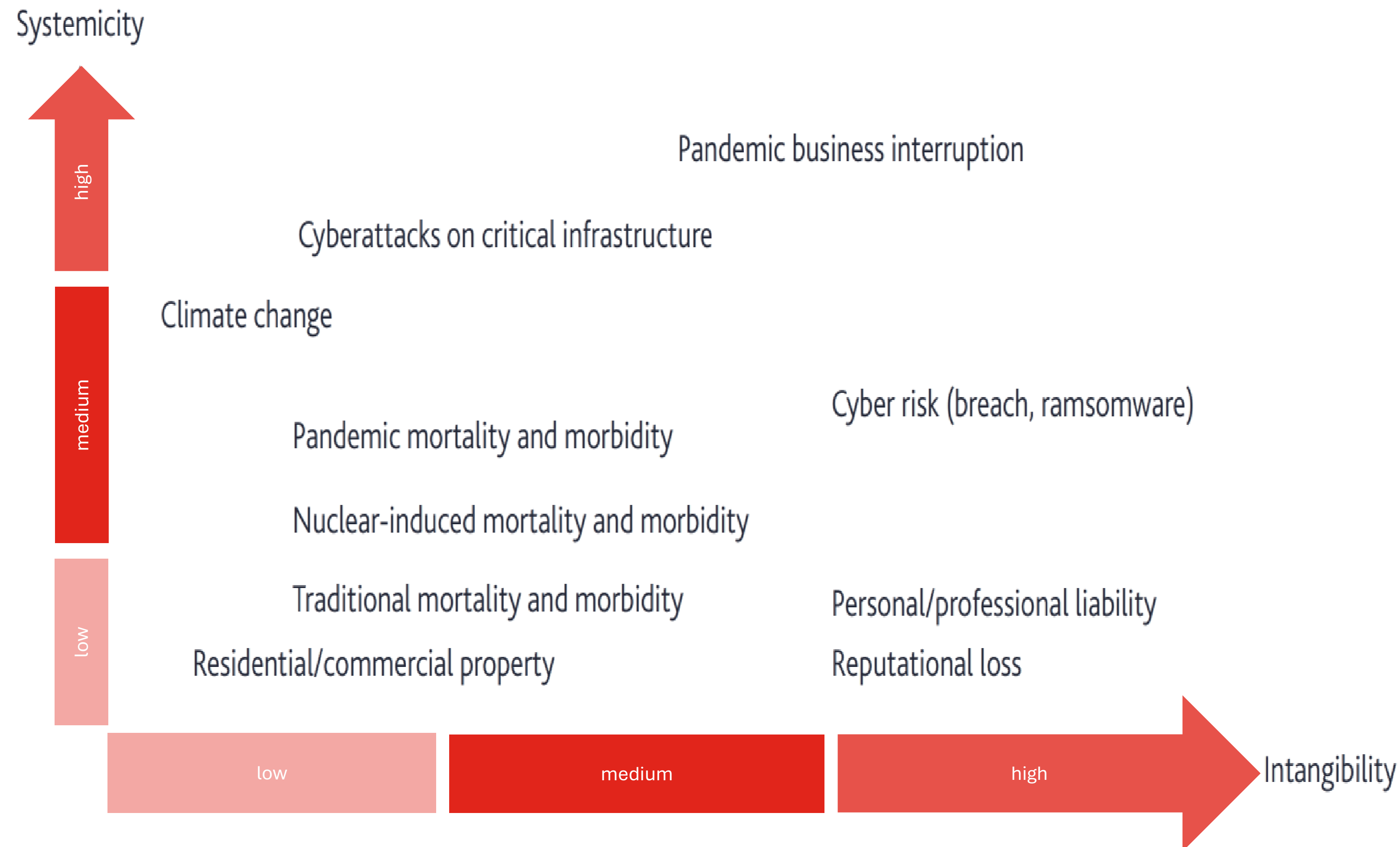


# Massive protection gaps are a major pain point...



- **Pension:** Global annual shortfall in savings needed to achieve a 65% level of income replacement
- **Cyber:** Global annual uninsured losses (about 99% of economic losses from cyber incidents)
- **Health:** Global annual financially stressful out-of-pocket health expenditure
- **Mortality:** Household income losses in the event the main breadwinner dies
- **NatCat:** Global annual uninsured losses (about two thirds of economic losses)

# ... partially reflecting profound changes to the risk landscape ...





# ...which present challenges to insurability

Correlation and scale of loss exposures as potential game-stoppers

Emerging Risks Criteria	Pandemic risk to human lives and health	Pandemic risk to business continuity	Climate risks	Cyber attacks on critical infrastructure	Common cyber risks (breaches, ransomware)	Geopolitical and geo-economic risks	Loss of reputation/brand
Randomness and independence of loss occurrence	▲	●	▲	●	●	●	▲
Maximum possible loss	▲	●	●	●	■	▲	▲
Average loss per event (severity)	■	●	●	●	■	▲	■
Number of exposure units	▲	●	▲	▲	■	▲	■
Information asymmetries	▲	▲	■	▲	▲	■	●
Insurance premiums	▲	●	▲	●	▲	▲	▲
Cover limits	■	●	●	●	▲	▲	▲
Public policy	■	■	■	■	■	▲	■
Legal restrictions	■	■	▲	■	■	▲	■

Notes: ● = Highly Problematic, ▲ = Potentially Problematic, ■ = Unproblematic

# How insurers respond: Harnessing technology...



Technology / Analytics	Affordability	Accessibility	Appeal (Relevance & Usefulness)
<b>Telematics &amp; IoT</b>	Reduces admin/claims costs via real-time data	Enables remote risk monitoring	Convenient usage-based models; faster, accurate claims
<b>AI &amp; ML</b>	Automates underwriting and claims	Enables scalable and remote service (e.g., chatbots, robo-advisors)	Delivers personalized recommendations and pricing; improves user experience
<b>Big Data Analytics</b>	Improves pricing accuracy and reduces adverse selection	Supports entry into underserved markets with limited historical data	Enables creation of tailored products and risk models based on customer behaviour and environments
<b>Digital Distribution Platforms</b>	Lowers distribution costs	Reaches remote, underserved populations	Instant quotes, digital onboarding, easy payments and claims filing
<b>Blockchain &amp; Smart Contracts</b>	Automates claims payouts	Transparent systems useful in low-trust or emerging markets	Parametric triggers for rapid, objective and dispute-free settlements



## ... and risk services



Risk assessment	Risk prediction	Risk prevention	Risk mitigation	Risk assistance
Climate and cyber risk assessment for customers' scenario analyses	Frequency and severity prediction models for accurate pricing	Promotion of healthier lifestyles and safer behaviours through wellness initiatives	Supporting customers in designing and implementing emergency responses, also for uninsurable/ difficult-to-insure risks (e.g. pandemic business interruption)	Less post-event stress and enhanced peace of mind for customers
Business interruption risk assessment for customers' exposure and safety management	Health prediction services for foreseeing worsening health conditions	Reduction of hospitalisation risk through telematics-based insurance	Supporting customers in developing business continuity plans	Promotion of improved customer risk management through post-event risk consultancy
	<b>Risk education</b>  Improved risk mitigation as a result of financial and insurance literacy initiatives  More effective utilisation of healthcare and preventive services and overall claims reduction on the back of improved risk literacy			

# Agenda



- About the Geneva Association
- Insurance for a better world: Facts and figures
- Challenges and industry responses
- **The relevance of our research: Recent examples**
- A topical deep dive: Geo-economic fragmentation
- Conclusions



# The relevance of our research: Recent examples (1/3)



- As extreme weather risks escalate and related insured losses grow in magnitude, the availability and affordability of home insurance is coming under increasing pressure in certain regions
- Focusing on the housing sectors in Australia, Canada, the EU, Japan, the UK, and the US, this report presents a two-tier approach to safeguarding home insurance: Scaling up local resilience measures and implementing structural reforms to align financial systems with real risk



- Health systems are increasingly strained, and people's financial security is at risk as savings must stretch over a longer period
- Life and health insurers play a crucial role in helping people manage financial and health risks. But traditional insurance products and services must now evolve to ensure that health spans and wealth spans align better with increasing life spans
- This report explores the socioeconomic impacts and public perception of longevity, based on the findings of a global survey of over 15,000 people



# The relevance of our research: Recent examples (2/3)



- Geoeconomic fragmentation has profound impacts for insurers: it threatens multilateral collaboration on global risks such as climate change; it reduces scope for international risk diversification; it raises operational challenges
- At the same time, it opens opportunities in areas such as political risk and trade credit insurance
- This report lays out three potential scenarios – mild, moderate and extreme geoeconomic fragmentation – and presents strategies to help insurers maintain resilience and adapt to evolving risks



- Income and wealth inequality are increasing in most advanced economies. At the same time, social safety nets are eroding
- These trends can create inclusion gaps, where certain socio-economic or socio-demographic groups have inadequate protection against financial risk
- This report explores inclusion gaps for six demographic groups in advanced economies – the elderly, Gen Z, self-employed workers, low-income earners, migrants and the chronically ill, based on a survey of over 28,000 households in France, Germany, Italy, Japan, Spain, the U.K. and the U.S.



# The relevance of our research: Recent examples (3/3)



- Digital platform ecosystems are making it easier for insurers to reach customers at lower cost and increase customer engagement
- Policyholders benefit from more convenient access to insurance, embedding of coverage into other products and services such as travel services, and more personalised offerings
- To better understand how insurers are using digital platform ecosystems, the Geneva Association conducted a survey of its member companies. The responses reveal that over 80% of insurers are already working with tech companies to build a digital insurance platform



- Maintaining the pace of cyber insurance market expansion will require attracting additional capital
- This report examines the potential of alternative risk transfer (ART) solutions, including insurance-linked securities (ILS), to facilitate broader distribution of these risks to financial markets
- Participation in the cyber ILS market is increasing, but the uncertainties surrounding large-scale cyber exposures, variations in insurance policy language and diversification concerns currently hinder investor appetite

# Agenda



- About the Geneva Association
- Insurance for a better world: Facts and figures
- Challenges and industry responses
- The relevance of our research: Recent examples
- **A topical deep dive: Geo-economic fragmentation**
- Conclusions

# A world in flux: Crumbling certitudes and assumptions



## Politics

- New 'transactional' approach to foreign policy, determined by national interests
- Eroding notion of 'geopolitical proximity'
- Post-war transatlantic world order at risk

## Business and economics

- Structural uncertainty as the new normal
- Long-term growth is losing momentum
- Stagflation threatens the US
- Supply-chain resilience faces a severe test



# History in the making

Average weighted tariffs on U.S. imports, 1900-2025



- U.S. import tariffs have returned to levels last seen in the early 1930s

Source: The Budget Lab at Yale

# A holistic risk and insurance approach to fragmentation

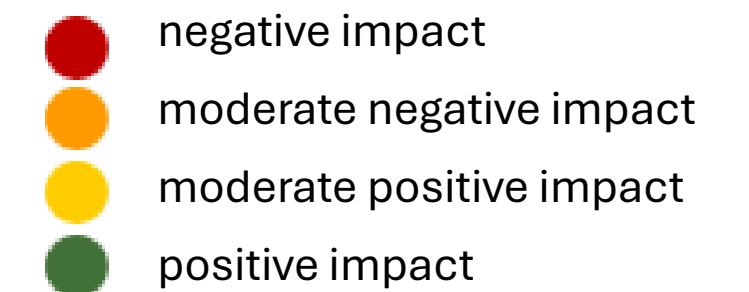


# An illustrative assessment of insurance implications by LoB



A mixed bag

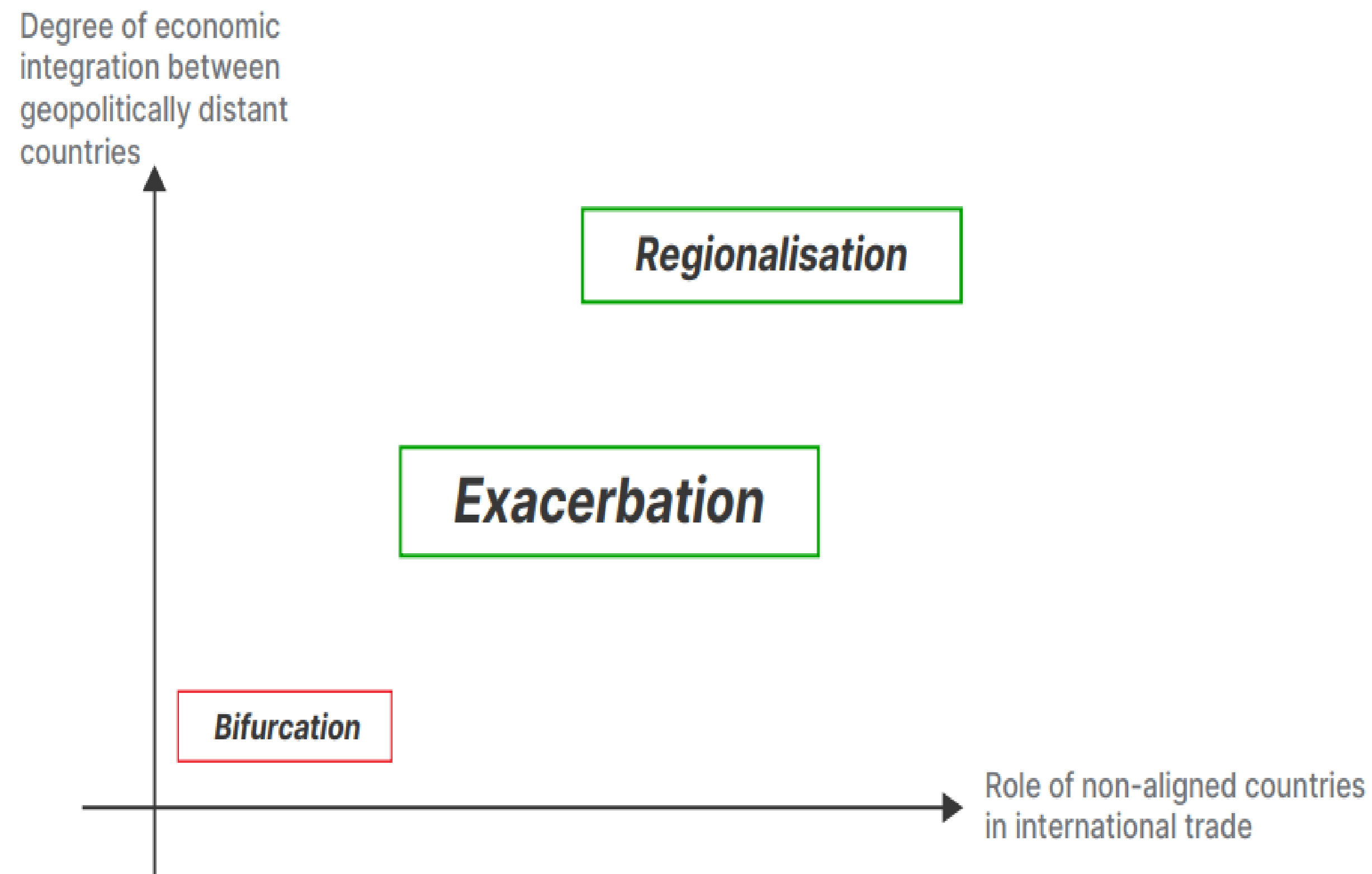
	U.S.		Rest of world	
	GWP	UW <u>results</u>	GWP	UW <u>results</u>
Property	●	●	●	●
Motor	●	●	●	●
Marine	●	●	●	●
Engineering	●	●	●	●
Trade <u>Credit</u>	●	●	●	●
Political Risk	●	●	●	●
<u>Cyber</u>	●	●	●	●
D&O	●	●	●	●



## Key drivers

- Inflation
- GDP growth
- Supply chain and trade reconfiguration

# A fractured future: Three scenarios we developed in 2024



Note: The size of the boxes indicates the probability of each scenario.

## **Regionalisation**

- Continuation of the trend that started in 2018
- Strengthening ties with and within the Global South

## **Exacerbation**

- Nations increasingly engage in reciprocal trade measures, resulting in escalating trade conflicts
- Nations prioritise domestic industries and economic sovereignty

## **Bifurcation**

- The world divides into two antagonistic geopolitical blocs, with drastically diminishing economic ties
- Could be prompted by a major geopolitical conflict and subsequent large-scale economic sanctions
- Compels countries and companies to pick sides



# Strategic industry responses along the value chain



Regionalization	Exacerbation	Bifurcation
<ul style="list-style-type: none"><li>• Adjust product offerings</li><li>• Incorporate real-time geopolitical intelligence and predictive analytics in underwriting</li><li>• Integrate geopolitical scenarios and stress testing in risk management</li><li>• Reconsider international footprint</li><li>• Capture opportunities in capital and asset management</li></ul>	<ul style="list-style-type: none"><li>• Cater to specific needs of domestic industries benefiting from fragmentation</li><li>• Adopt a dynamic approach to underwriting in the face of increased unpredictability</li><li>• Reduce exposure to more vulnerable global supply chains</li><li>• Develop contingency plans for operations abroad</li><li>• Adopt more defensive investment strategies</li></ul>	<ul style="list-style-type: none"><li>• Adopt a more granular approach to underwriting to account for heightened risk concentration and correlation within blocs</li><li>• Recalibrate capital and asset management towards government-supported initiatives</li></ul>

# Agenda



- About the Geneva Association
- Insurance for a better world: Facts and figures
- Challenges and industry responses
- The relevance of our research: Recent examples
- A topical deep dive: Geo-economic fragmentation
- **Conclusions**

# Key takeaways



- The insurance industry serves a vital socio-economic purpose
- However, this narrative is weakened by significant protection gaps, which reflect fundamental shifts in the risk landscape and growing challenges to insurability
- In response, the industry is leveraging technology and developing service-oriented propositions
- The new geo-economic paradigm does not pose fundamental obstacles to insurability
- Research by the Geneva Association is instrumental in understanding these evolving risks and guiding strategic responses