As growing risks such as climate change impact insurance affordability, customers look to insurers to help prevent losses, reveals Geneva Association survey

ZURICH, 21 November 2023 – The world has experienced significant turbulence over the past few years. The COVID-19 pandemic, Russia-Ukraine war and global economic slowdown in quick succession have highlighted the fragility of our world order and the hazards inherent in an increasingly interconnected world.

Such volatility is expected to persist into the coming decades as geopolitical uncertainties grow, climate risks intensify and technology continues to advance rapidly. These trends are driving up systemic risk, challenging the traditional insurance business model of risk pooling and redistribution and, as we are already witnessing in some regions with climate risks, making insurance prohibitively expensive or – even worse – unavailable.

Findings from a global customer survey published in a new Geneva Association report, The Value of Insurance in a Changing Risk Landscape, show that customers across the world’s six largest insurance markets (the U.S., China, Japan, U.K., France and Germany) are concerned about future insurability – particularly for natural catastrophes, longevity and cyber risk: over 50% of respondents expect it will become more difficult or impossible to get insurance.

The report advises that by providing services that go beyond traditional risk transfer – such as risk prevention services – and collaborating with governments to address the most severe risks, insurers can continue to safeguard societies in the face of a more complex and challenging risk landscape. The survey findings provide strong support for these approaches, with more than 80% of customers expressing interest in non-traditional risk services.

Jad Ariss, Managing Director of The Geneva Association, said: “The increasing intensity and impact of risks today, from climate to cyber, are creating testing conditions for insurers. Yet the case for the continued value of insurance is clear. By leveraging their expertise to offer services that help to mitigate risk and drive positive change among their customers, insurers can maintain, and even strengthen, their societal relevance.”

Kai-Uwe Schanz, Director Socio-economic Resilience at The Geneva Association and author of the report, said: “Our theoretical analysis found that climate and cyber risks in particular present major obstacles to insurability. Interestingly, they were also two of the top risks cited by customers when it comes to concerns around the unavailability and unaffordability of insurance. Encouragingly, our survey results also reveal considerable appetite among customers for additional risk services – such as prediction and prevention services – indicating a clear opportunity for insurers to expand their offerings.”

The Geneva Association is the only global association of insurance companies; its members are insurance and reinsurance CEOs. Based on rigorous research conducted in collaboration with its
members, academic institutions and multilateral organisations, The Geneva Association investigates key risk areas that are likely to impact the insurance industry, develops recommendations and provides a platform for stakeholders to discuss them. In total, the companies of Geneva Association members are headquartered in 26 countries around the world; manage USD 21 trillion in assets; employ more than 2.5 million people; and protect 2.6 billion people.


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