# RISK RADAR

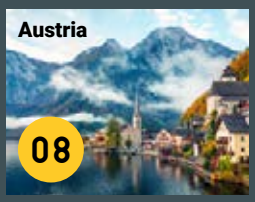
JUNE 2026

GLOBAL INSURANCE LAW CONNECT

# IN THIS EDITION

Argentina 04

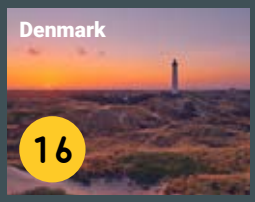
Australia 06


Austria 08

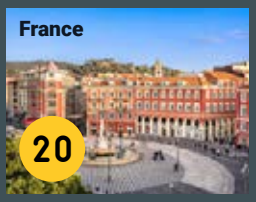
Brazil 10

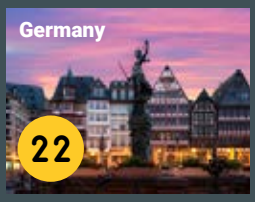
Chile 12

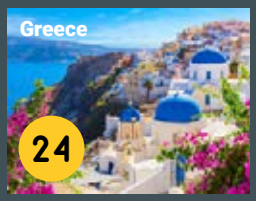
China 14

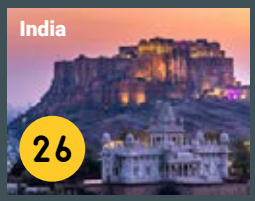

Denmark 16

Finland 18


France 20


Germany 22


Greece 24

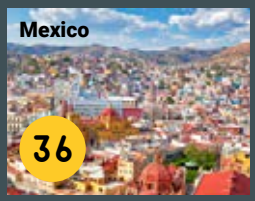

India 26

Ireland 28

Italy 30

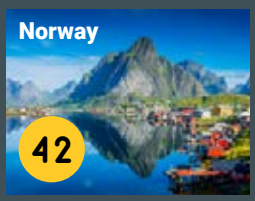
Luxembourg 32

Malta 34

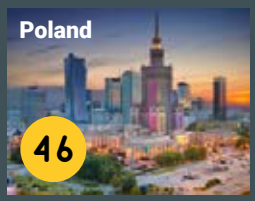

Mexico 36

Netherlands 38

New Zealand 40

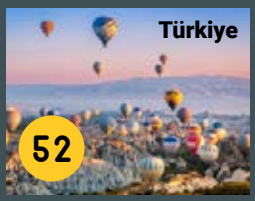

Norway 42

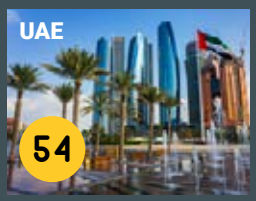
Panama 44


Poland 46

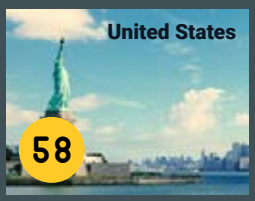
Spain 48

Switzerland 50


Türkiye 52


UAE 54

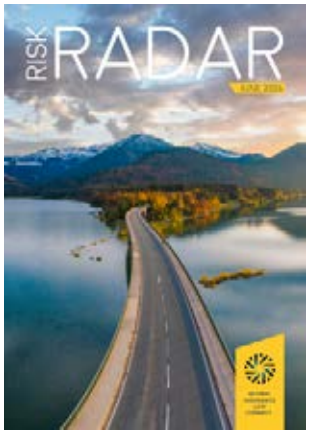
United Kingdom 56


United States 58

Contacts 60

RISK RADAR

JUNE 2026

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# Dear clients

Welcome to the eighth edition of Global Insurance Law Connect's Risk Radar report. This year's edition brings together contributions from 26 member firms across five continents and 28 jurisdictions, offering a global view of the issues most likely to shape the insurance sector in 2026.

Drawing on perspectives from insurance markets across Europe, Latin America, Asia-Pacific and beyond, the Risk Radar provides a comparative picture of the regulatory, economic and claims trends influencing insurers around the world. While each jurisdiction faces its own distinct challenges, several common themes emerge clearly.

Insurers are operating in a more demanding compliance landscape. Across multiple jurisdictions, regulatory scrutiny is intensifying and expectations are rising around operational resilience, governance, conduct, customer protection and supervisory evidence. In many markets, 2026 will be defined not just by the arrival of new rules, but also by regulators' insistence that insurers can demonstrate practical implementation in real time.

Climate risk is also moving decisively from a long-term concern to a day-to-day underwriting, pricing and claims challenge. Flood, storm, wildfire and other catastrophe exposures are increasing pressure on affordability, reinsurance, product design and the long-term insurability of vulnerable risks, while also accelerating interest in parametric and public–private solutions.

At the same time, digital transformation continues to reshape the market at speed. Artificial intelligence, cyber risk, automation and new distribution models are creating clear opportunities to improve underwriting, fraud detection and claims handling, but they are also introducing fresh concerns around governance, data quality, bias, outsourcing and security.

Alongside these broad themes, local market developments such as tax reform, consolidation, foreign investment liberalisation, infrastructure growth, legislative overhaul and geopolitical tensions are creating important local pressure points, which we explore in the country-by-country section that follows this introduction.

We hope this report continues to be a valuable resource for our clients and partners, wherever they operate around the world.

Best wishes,

**Gillian Davidson**
Chair
Global Insurance Law Connect

## KEY ISSUES:

Deregulation & simplification of regulatory proceedings

Tight solvency regulations & Supervisor's enforcement

Draft of a new Insurance law under debate

## ABELEDO GOTTHEIL ABOGADOS

# ARGENTINA

Argentina is the third-largest insurance market in Latin America, behind Brazil and Mexico. By the end of the 2025 fiscal year, its 188 authorised insurers had written ARS 12.09 trillion in premiums (around USD 8.2 billion), up 43% nominally and about 9% in real terms year on year. With insurance penetration still below 3% of Gross Domestic Product (GDP), the market has considerable scope for further growth.

Under President Milei's leadership, the Superintendency of Insurance (SSN) has introduced several rules to eliminate administrative bureaucracy and simplify proceedings while maintaining effective oversight of insurers' solvency and compliance.

The core regulatory framework remains in the Insurance Contract Law (1967), Insurance Entities Law (1973) and Insurance Intermediaries Law (1982). The National Congress is considering a project for a comprehensive modernisation of that framework, through an initiative introduced in the Chamber of Deputies proposing a structural reform of the whole Argentine insurance system.

*Buenos Aires, Argentina*

**REGISTERED FIRMS**

**188**

**VALUE OF PREMIA**

**USD$8.2 BILLION**

## DRAFT OF A NEW INSURANCE LAW UNDER DEBATE

For the first time in five decades, Argentina has opened a formal legislative debate on the comprehensive modernisation of its insurance regulatory framework.

A technical draft was prepared by José M. Urdiroz (former Technical Manager of the SSN) and his team, and a formal declaration of interest was issued by members of the Chamber of Deputies regarding the convenience to have a single law replace the three foundational insurance laws (Laws 17,418, 20,091, and 22,400) with a single unified statute updated to respond to modern market trends.

Among its most relevant features, the draft would introduce risk-based supervision aligned with IAIS standards; freedom to contract insurance abroad; full recognition of digital contracting and innovative products; an independent actuarial function; streamlined claims settlement procedures; and admission of arbitration clauses.

> "DISCUSSION IS WELCOMED AND NEEDED FOR ARGENTINA TO HAVE A NEW MODERN LAW FOR ITS INSURANCE MARKET IN ORDER FOR THE SUPERVISOR TO CONTINUE DEVELOPING THE RESPECTIVE REGULATIONS IN LINE WITH INTERNATIONAL STANDARDS."
>
> MATÍAS PONFERRADA, PARTNER, ABELEDO GOTTHEIL

## DEREGULATION & SIMPLIFICATION OF REGULATORY PROCEEDINGS

In July 2025, the SSN issued Resolution 384/2025. The measure modernises the regulatory framework for the authorisation of insurance lines and the filing of insurance plans, building on the Plan Deposit System introduced in 2024.

Key changes include automatic authorisation of plans for Surety, Credit, and Agricultural and Forestry Risk lines upon compliance with established technical and contractual guidelines; and the introduction of microinsurance guidelines.

The resolution also introduced changes for Large Risks policies – policies with insured amounts exceeding 3.5 million UVAs (approximately USD 4.8 million), excluding personal insurance lines – subsequently complemented and streamlined by Resolution 471/2025 of September 2025. Documentation filing requirements were substantially reduced.

> "THESE RULES ARE IN LINE WITH OTHERS PREVIOUSLY ADOPTED BY THE SUPERVISOR TO SIMPLIFY AND REDUCE RED TAPE AND TIMING OF ADMINISTRATIVE PROCEDURES IMPLEMENTED UNDER SUPERINTENDENT GUILLERMO PLATE'S LEADERSHIP."
>
> MATÍAS PONFERRADA, PARTNER, ABELEDO GOTTHEIL

## TIGHT SOLVENCY REGULATIONS & SUPERVISOR'S ENFORCEMENT

In March 2026, the SSN comprehensively amended point 50 of the General Regulation of Insurance Activity, introducing significantly stricter requirements for the voluntary liquidation of insurance entities.

Under the previous regime, the process lacked detailed documentation requirements, valuation criteria, and ongoing oversight mechanisms. The new framework requires mandatory notification to the SSN within 48 hours of the dissolution decision; submission of an audited liquidation balance sheet demonstrating minimum capital surplus; and a detailed Projected Management Report covering assets, liabilities, pending claims, litigation, and cash flow.

Quarterly audited financial statements and monthly external auditor reports are now mandatory throughout the process. The filing of dissolution automatically triggers revocation of the operating licence and freezing of investments.

> "ALTHOUGH THE SSN HAS INTRODUCED RULES TO ELIMINATE ADMINISTRATIVE BUREAUCRACY AND SIMPLIFY PROCEEDINGS, IT ALSO SUPPORTS STRENGTHENING EFFECTIVE CONTROLS ON THE INSURERS COMPLIANCE WITH SOLVENCY RULES."
>
> MATÍAS PONFERRADA, PARTNER, ABELEDO GOTTHEIL

## KEY ISSUES:

Australian insurance regulatory landscape in 2026

Climate change

Impact of cyber risk & AI

## SPARKE HELMORE LAWYERS

# AUSTRALIA

The Australian insurance market in 2026 is navigating sustained cost pressures, shifting regulatory expectations and a rapidly evolving risk landscape. Insurers continue to manage inflation-driven claims costs, capacity constraints and escalating weather-related losses, all of which are reshaping pricing and portfolio strategy.

Regulators are signalling a stronger focus on governance, transparency and data-driven oversight, particularly as mandatory climate-related financial disclosures come into force and require more sophisticated risk modelling and reporting.

Cyber has emerged as one of the most volatile and scrutinised lines, with ransomware frequency, supply chain vulnerabilities and regulatory enforcement driving heightened underwriting discipline and sharper risk selection. At the same time, insurers are accelerating the adoption of AI-enabled claims, underwriting and fraud detection, seeking efficiency gains and more consistent customer outcomes.

The market remains resilient but under pressure – defined by rising complexity, tighter capital and an industry-wide push toward innovation and operational maturity.

*Australia landscape, Australia*

**REGISTERED FIRMS**

**129**

**VALUE OF PREMIA**

**AUD 71.3 BILLION**

gross written premiums (2024: AUD 68.3b)

## AUSTRALIAN INSURANCE REGULATORY LANDSCAPE IN 2026

The balance between the cost and benefit of regulatory reform remains a central theme in the Australian insurance market in 2026.

The ICA's November 2025 report quantified compliance costs at $2.5–$3.5 billion annually, or 4–6% of gross written premium, with over 30,000 obligations enforced by 25 authorities. While APRA and ASIC identified more than 400 deregulation initiatives (including 150 new actions), material reforms – including CPS 230 operational resilience, the Financial Accountability Regime (FAR), and new climate-related disclosures – continue to drive heavy compliance demands.

Regulators are also raising AI governance expectations as adoption outpaces oversight. Consequently, the deregulation agenda is unlikely to materially reduce the compliance burden in the short term. Enforcement continues to focus on claims handling, pricing and individual accountability under FAR.

> **"CONTINUED REFORM ACROSS OPERATIONAL RESILIENCE, INDIVIDUAL ACCOUNTABILITY AND AI GOVERNANCE APPEAR LIKELY TO HAMPER INITIATIVES TO EASE THE REGULATORY BURDEN ON THE INSURANCE MARKET, AT LEAST IN THE SHORT TERM."**
>
> MATT ELLIS, PARTNER, SPARKE HELMORE

## IMPACT OF CYBER RISK & AI

In 2026, cyber incidents and AI-amplified threats represent the top risks for Australian businesses, driving a shift toward 'active insurance' models and stricter security demands. Unsurprisingly, ransomware persists as the leading threat vector with 70% of attacks in 2026 involving double extortion.

In response, insurers are developing specialised, 'affirmative' policies to specifically address AI-driven risks such as model drift.

Naturally, to counter increasing risks, Australian businesses are strengthening their resilience by adopting proactive, active insurance solutions, with widespread adoption of AI-driven claims management by 2026 leading to faster, more effective resolutions and reduced financial impact.

> **"INSURERS ARE EVOLVING TO BECOME 'ACTIVE' PARTNERS AND DEMANDING MANDATORY CONTROLS LIKE MFA AND EDR TO MITIGATE AI-DRIVEN THREATS, ENSURING RESILIENCE IN A VOLATILE DIGITAL LANDSCAPE."**
>
> JEHAN MATA, PARTNER, SPARKE HELMORE

## CLIMATE CHANGE

Australia is facing escalating climate-driven losses, with severe storms, cyclones, hail and flooding generating sharp increases in claims volumes and costs. Recent events in South East Queensland illustrate the operational strain on insurers, with large numbers of home, contents and motor claims requiring rapid assessment, complex repairs and sustained on-the-ground support.

Updated Insurance Council of Australia data shows extreme weather losses surging, alongside higher average claim costs and significant pressure on supply chains. Climate risk is now a core financial and governance issue, influencing disclosure practices, pricing, portfolio management and ESG oversight.

As regulators intensify scrutiny of environmental claims and climate-related representations, insurers must ensure their risk frameworks, transition strategies and customer communications remain accurate, defensible and resilient in a more volatile claims environment.

> **"CLIMATE PRESSURES ARE RESHAPING AUSTRALIA'S RISK LANDSCAPE, DRIVING HEAVIER LOSSES AND PLACING UNPRECEDENTED SCRUTINY ON INSURERS' DISCLOSURES, GOVERNANCE AND SUSTAINABILITY COMMITMENTS."**
>
> KILEY HODGES, PARTNER, SPARKE HELMORE

## KEY ISSUES:

Regulatory & compliance burden (DORA, AI Act, IRRD)

Climate risk, natural catastrophe exposure & ESG

Digitalisation, cyber risk & insurtech disruption

## VÖLKL RECHTSANWÄLTE

# AUSTRIA

The Austrian insurance market is mature, profitable and well-capitalised, supervised by the Financial Market Authority (FMA) under the Solvency II framework. Insurance companies maintain an average Solvency Capital Ratio (SCR) of about 254%, which is more than double the amount required even in the event of a dramatic deterioration of economic conditions.

The market is moderately concentrated: the top five insurance groups generate approximately 71% of gross written premiums, with the two largest contributing around 44%. VIG was the largest Austrian insurance group in 2024 with a total premium volume of EUR 13.5 billion, followed by UNIQA with EUR 7.5 billion. Property & Casualty and health insurance have been the primary growth engines, while life insurance continues its structural decline.

The regulatory agenda for 2026 is shaped by DORA, the EU AI Act, and intensifying natural catastrophe risk, while the FMA continues its focus on resilience, digitalisation and consumer protection.

*Hallstatt lake, Salzkammergut region, Austria*

**REGISTERED FIRMS**

**78**

**VALUE OF PREMIA**

**€22-23 BILLION ANNUALLY**

## REGULATORY & COMPLIANCE BURDEN (DORA, AI ACT, IRRD)

Austrian insurers are operating in one of the most demanding regulatory climates in recent times. Since taking effect on 17 January 2025, the Digital Operational Resilience Act (DORA) has required insurers to implement comprehensive ICT risk management, incident reporting, resilience testing, and third-party oversight frameworks. In November 2025, the European Supervisory Authorities identified critical ICT third-party providers, an important milestone in putting DORA's oversight framework into effect.

The EU AI Act adds another compliance layer, classifying AI systems used for risk assessment and pricing in life and health insurance as high risk (from 2 August 2026). European Insurance and Occupational Pensions Authority (EIOPA) has raised concerns about overlap and has proposed excluding generalised linear models from the high-risk classification to avoid unnecessary compliance burdens.

The European Commission's Digital Omnibus proposal (November 2025) aims to simplify and harmonise the overlapping frameworks of the AI Act, DORA, GDPR, and NIS2.

> **"AUSTRIAN INSURERS FACE AN UNPRECEDENTED WAVE OF EU REGULATION IN 2026: DORA, THE AI ACT, AND NEW RESOLUTION RULES DEMAND IMMEDIATE STRATEGIC ATTENTION."**
>
> CLEMENS VÖLKL, LAWYER, VÖLKL RECHTSANWÄLTE

## CLIMATE RISK, NATURAL CATASTROPHE EXPOSURE & ESG

Austria was hit by exceptionally high catastrophe losses in 2024, setting a new record of EUR 1.7 billion in insured damages from natural disasters. On average, insured losses from natural disasters in Austria now exceed EUR 1 billion annually, and the trend is accelerating.

The 2024 Central European floods produced EUR 550–650 million in domestic losses and pushed the federal disaster fund to EUR 1 billion. The FMA's climate stress tests have shown that a strong increase in carbon prices has a significant impact on insurers' portfolios, with the climate-related assets accounting for around one-fifth of total investments. A mandatory natural catastrophe insurance scheme remains under political discussion but has not yet been legislated.

> **"RECORD NATCAT LOSSES ARE FORCING AUSTRIA TO REASSESS RISK MODELS AND RENEW THE DEBATE ON MANDATORY CATASTROPHE COVERAGE."**
>
> CLEMENS VÖLKL, LAWYER, VÖLKL RECHTSANWÄLTE

## DIGITALISATION, CYBER RISK & INSURTECH DISRUPTION

Digital transformation continues to reshape the Austrian insurance landscape, with the FMA having conducted an analysis of the Austrian Digital Finance Landscape in 2024 as part of its supervisory priorities on digitalisation. DORA requires financial entities, including insurers, to maintain comprehensive registers of all ICT third-party service providers and introduces a direct oversight framework for 'critical ICT third-party service providers' designated by the European Supervisory Authorities.

Austria enacted the Sanktionengesetz 2024, extending sanctions checks to insurers from January 2026, adding further compliance complexity. The EU AI Act introduces enhanced transparency and human oversight requirements for AI systems used in insurance from August 2026, while EIOPA actively supports the Commission's work to ensure coordinated implementation across the sector. Cyber insurance remains one of the most dynamic growth segments, driven by rising ransomware attacks and the expanded obligations under NIS2 for Austrian businesses.

> **"AI AND DIGITALISATION ARE TRANSFORMING AUSTRIAN INSURANCE, BUT DORA, THE AI ACT AND RISING CYBER THREATS CREATE UNPRECEDENTED COMPLIANCE DEMANDS."**
>
> CLEMENS VÖLKL, LAWYER, VÖLKL RECHTSANWÄLTE

## KEY ISSUES:

Digital transformation & customer experience

Reinsurance regulation

Claims control challenges in the Brazilian context

## SANTOS BEVILAQUA ADVOGADOS

# BRAZIL

Although the insurance sector has shown resilience since the pandemic, the outlook for 2026 remains challenging. This reflects both the difficult global and Brazilian economic environment and the impact of the New Insurance Law, which came into force in December 2025. The law governs insurance contracts and introduces changes that reduce contractual autonomy, create atypical rules for reinsurance and claims handling, and expand the potential for long-tail liabilities arising from ordinary risks. It also requires a broader regulatory review.

The effects of this transformation are still uncertain, especially in terms of Brazil's relationship with global markets. The trend points to a more interventionist regulatory approach, affecting not only domestic insurers but also forcing reinsurers to significantly adjust their strategies. In light of these new legal requirements, the market must proceed with caution and closely monitor how this restructuring will be absorbed.

*Estaiada Bridge, Sao Paulo, Brazil*

### REGISTERED FIRMS

Approx.

**150**

insurance companies; around 90 economic groups

### VALUE OF PREMIA

**BRL 233.6 BILLION**

in 2025
(approx USD 45,59 bn)

## REINSURANCE REGULATION

Reinsurance regulation is currently under review as part of a broader shift in government policy and the implementation of the New Insurance Law.

Against this backdrop, policymakers are considering measures to support the development of the local market. At the same time, the Insurance Supervisor appears to interpret the New Insurance Law as prohibiting claims control and claims cooperation clauses.

The key challenge will be to prevent well-intentioned but misguided measures from producing undesirable practical consequences for Brazil's insurance and reinsurance markets.

As the insurance market – whose structure is quite heterogeneous – works to adapt contracts and procedures to the New Insurance Law, it should also consider how best to engage with the Insurance Supervisor in the ongoing regulatory discussions.

> "OUR KEY CHALLENGE WILL BE TO PREVENT MISGUIDED INTERVENTIONIST REGULATION FROM PRODUCING UNDESIRABLE PRACTICAL CONSEQUENCES FOR BRAZIL'S INSURANCE AND REINSURANCE MARKETS."
>
> JOÃO MARCELO SANTOS, FOUNDING PARTNER OF SANTOS BEVILAQUA AND MEMBER OF THE GILC BOARD

## DIGITAL TRANSFORMATION & CUSTOMER EXPERIENCE

Digital transformation is reshaping Brazil's insurance market, driven by the Brazilian Superintendence of Private Insurance (SUSEP) initiatives and insurers' increasing adoption of digital tools. The sector is improving operational efficiency and the customer experience through artificial intelligence, process automation and digital distribution channels.

Technological and regulatory innovation is accelerating, with data playing a central role across the insurance value chain, including underwriting and claims management. The market is being supported by rising investment in technology and innovation to strengthen competitiveness and develop new products.

Digitalisation is already lowering costs, shortening processing times and reducing operational errors, which improves efficiency across the sector. In this environment, digital insurers can build a lasting competitive advantage.

Even so, important challenges remain, particularly legacy systems and cybersecurity risks.

> "NEW AI TRENDS HAVE GAINED TRACTION IN THE BRAZILIAN INSURANCE MARKET, PARTICULARLY FOR THEIR ABILITY TO PROCESS MASSIVE DATASETS AND SUPPORT ADVANCED STATISTICAL ANALYTICS. THIS WELL-ESTABLISHED TREND CONTINUES TO ACCELERATE, DRIVEN BY INSURTECH AND MAJOR PLAYERS."
>
> ANA PAULA COSTA, PARTNER, SANTOS BEVILAQUA

## CLAIMS CONTROL CHALLENGES IN THE BRAZILIAN CONTEXT

Law 15.040/2024 and the new National Council of Private Insurance (CNSP)/SUSEP guidelines have significantly reshaped Brazil's regulatory framework, triggering broad debate across the market. Insurers and reinsurers must also prepare for higher operational risk, particularly given the ban on judicial innovation in claims adjustment, tighter limits on document requests, and stricter claims-handling deadlines.

The Brazilian Courts will have to review their precedents too.

In reinsurance, Public Consultation 14/2025 adds to this uncertainty by prohibiting claims cooperation and claims control clauses, which are standard in international markets. These proposed changes show how institutional policy can shape market practice and may affect both alignment with global standards and the handling of complex claims. The topic remains at the centre of industry debate, with several entities submitting formal recommendations while the final ruling is pending.

> "THE NEW LEGAL SCENARIO CREATES AN UNCERTAIN ENVIRONMENT REGARDING RISKS FOR REINSURANCE AND COMPLEX CLAIMS HANDLING WITHIN THE CNSP/SUSEP REGULATORY REGIME."
>
> JOÃO MARCELO SANTOS, FOUNDING PARTNER OF SANTOS BEVILAQUA AND MEMBER OF THE GILC BOARD

## KEY ISSUES:

Data Protection Law implementation

Surety & credit insurance

Business technology

# PRIETO ABOGADOS

# CHILE

The Chilean insurance market closed 2025 with significant growth in sales, profits and financial strength, although prospects for 2026 are more moderate. According to the Chilean Insurance Association, the industry is expected to maintain positive growth, driven mainly by life insurance, particularly annuities, disability and survivorship insurance, health insurance and savings-linked products.

Direct premiums grew by 9.3% in real terms during 2025, and companies generally showed adequate solvency levels. Annual reports also reflect a strong focus on digital transformation, automation, AI and improving customer experience.

For 2026, companies forecast moderate growth, with an emphasis on operational efficiency and the expansion of personalised products, health insurance, retirement savings solutions and new digital distribution channels. Insurance companies will also face significant challenges, including adapting to the new Personal Data Protection Law, covering the public works plan recently announced by the government, and continuing the implementation of technology across the insurance landscape.

## REGISTERED FIRMS

**33**

Life

**32**

P&C

## VALUE OF PREMIA

**USD 12.215 BILLION**

Life

**USD 5.522 BILLION**

P&C

*Torres Del Paine National Park, Chile*

## DATA PROTECTION LAW IMPLEMENTATION

In December 2026, a new Personal Data Protection Law will come into force. Inspired by legislation in the EU, it will radically reshape the current regulatory framework, increasing both liability and the level of sanctions. The law differs in some respects from European legislation, which also creates uncertainty around future administrative and judicial interpretation as there may often be no clear standards to follow.

The greatest difficulties are expected to arise in the processing of health data, as well as from restrictions affecting risk assessment and pricing. Insurers are also likely to face stricter consent and transparency requirements, along with greater challenges in sharing data with third parties.

At the same time, the new framework is expected to increase cybersecurity and data breach risks, restrict the use of AI, raise regulatory compliance costs, and lead to more disputes and litigation.

> "THE NEW REGULATION REPRESENTS A MAJOR COMPLIANCE CHALLENGE, ESPECIALLY GIVEN LEGAL UNCERTAINTY, STRICTER OBLIGATIONS, AND GROWING OPERATIONAL RISKS FOR COMPANIES."
>
> PATRICIO PRIETO, PARTNER, PRIETO ABOGADOS

## SURETY & CREDIT INSURANCE

By the end of 2025, the Chilean surety and credit insurance market had approximately 16 companies operating in surety and seven in credit insurance. Combined direct written premiums reached approximately USD 175 million. The main coverages include performance bonds, bid bonds, financial guarantees, domestic credit insurance and export credit insurance.

In recent years, the market has come under pressure in the real estate and construction sectors because of bankruptcies, project delays and the weakening financial position of developers and contractors. This has led to higher loss ratios and tighter reinsurance terms. In response, insurers have tightened underwriting standards and reduced their exposure to these sectors.

For 2026, the market is expected to grow moderately by around 4%, supported by mining, energy projects and greater business digitalisation. However, the government's public works plan is likely to push growth above these initial forecasts.

> "MARKET DEMAND WILL CLEARLY EXCEED THE UNDERWRITING CAPACITY CURRENTLY AVAILABLE, ESPECIALLY CONSIDERING THE PUBLIC INFRASTRUCTURE CONSTRUCTION PLAN ANNOUNCED BY PRESIDENT KAST'S GOVERNMENT."
>
> PATRICIO PRIETO, PARTNER, PRIETO ABOGADOS

## BUSINESS TECHNOLOGY

The 2025 annual reports of insurance companies in Chile show that technology has become a strategic pillar for improving efficiency, customer experience and risk management. Insurers highlighted investments in digitalisation, automation and the strengthening of digital channels.

Among the main technological applications mentioned are the use of data analytics for pricing and fraud detection, the automation of underwriting and claims settlement processes, and self-service platforms and omnichannel customer support.

The reports also reflect growing concern about cybersecurity, data protection and operational resilience.

For 2026, companies plan to further expand the use of AI, predictive models and personalised digital insurance products, with the aim of achieving more agile processes, better customer insight and greater operational efficiency in an increasingly competitive and digitalised market.

> "THE INSURANCE SECTOR IS ADAPTING WELL TO TECHNOLOGICAL CHANGE, BUT IT STILL FACES SIGNIFICANT CHALLENGES IN EFFICIENCY, SECURITY AND DIGITAL PERSONALISATION."
>
> PATRICIO PRIETO, PARTNER, PRIETO ABOGADOS

## KEY ISSUES:

Mandatory ESG disclosure

NEV insurance reform

Solvency & ALM in low-interest cycles

BUREN

# CHINA

The Chinese insurance market continues its dynamic evolution, marked by robust growth and regulatory shifts. In 2025, the industry recorded a primary insurance premium income of RMB 6.1 trillion, reflecting a steady expansion despite global economic uncertainties. The National Financial Regulatory Administration (NFRA) plays an increasingly central role, consolidating oversight across the banking and insurance sectors. This regulatory approach is characterised by intensified efforts in risk management, digital transformation and the integration of sustainability principles.

As the market matures, insurers are navigating a landscape shaped by mandatory Environmental, Social & Governance (ESG) disclosure, sweeping reforms in new energy vehicle (NEV) insurance, and strengthened solvency and asset liability management (ALM) rules. These developments underscore a strategic pivot towards greater transparency, resilience and alignment with international practices, while creating new legal, operational and strategic requirements for market participants.

*Guangzhou, Guangdong Province, China*

## REGISTERED FIRMS

**238**

(up to June 2025)

## VALUE OF PREMIA

**CNY 6.1 TRILLION**[1]

1. NFRA: Supervisory Statistics of the Banking and Insurance Sectors - 2025 Q4

## SOLVENCY & ALM IN LOW-INTEREST CYCLES

China is tightening its solvency and asset liability management (ALM) framework. With the China Risk Oriented Solvency System (C-ROSS) II transitional period having ended at the close of 2025, insurers now operate under stricter capital requirements.

In December 2025, NFRA adjusted risk factors for selected equity investments and released draft *Administrative Measures for the Asset-Liability Management of Insurance Companies*, introducing regulatory thresholds for duration, cost and liquidity matching. These reforms directly target interest-rate spread risk and seek to strengthen industry-wide solvency resilience.

Insurers are being forced to overhaul ALM strategies, enhance internal modelling and rebalance investment portfolios to meet heightened regulatory expectations and preserve capital adequacy.

> "CHINA'S STRICTER CAPITAL REQUIREMENTS COMPEL INSURERS TO RESTRUCTURE THEIR INVESTMENT PORTFOLIOS AGAINST INTEREST-RATE SPREAD RISKS."
>
> YVETTE JIANG, ADVISOR, BUREN N.V.

## MANDATORY ESG DISCLOSURE

This year marks the first year of mandatory ESG disclosure in China. Listed insurers and insurance groups included in major indices must publish sustainability reports by 30 April 2026 covering 2025 data.

At the same time, regulators have introduced the Green Insurance Statistical System, requiring insurers to accurately identify green insurance products, policyholders and insured assets. These developments significantly increase legal and operational risks relating to data quality, anti-greenwashing controls and governance accountability.

ESG is no longer a voluntary branding exercise but a core compliance obligation that influences underwriting, investment decisions and enterprise-wide disclosure practices. Insurers must establish robust governance frameworks and reliable data systems to meet increasingly stringent regulatory expectations.

> "MANDATORY ESG DISCLOSURE RULES ARE DRIVING THE CHINESE GREEN INSURANCE MARKET TOWARD STRICT QUANTITATIVE COMPLIANCE."
>
> JAN HOLTHUIS, PARTNER, BUREN N.V.

## NEV INSURANCE REFORM

China's new energy vehicle (NEV) insurance market is undergoing regulatory reform. In January 2025, NFRA together with other ministries issued the *Guiding Opinions on Deepening Reform and Strengthening Supervision to Promote the High-Quality Development of NEV Insurance*, which introduced measures to address affordability and insurability concerns.

Pricing flexibility has increased through an expanded self-pricing coefficient range, while regulators are supporting dedicated products for intelligent connected vehicles. Reforms also promote insurance solutions for battery-as-a-service models and extend coverage to charging facilities.

These changes are reshaping the entire pricing, underwriting and claims value chain, requiring insurers to strengthen product innovation, actuarial sophistication, risk control capabilities and compliance with data privacy laws when accessing real-time driving behaviour data.

> "STRICT PRICING REGULATIONS AND ADVANCED TECHNOLOGIES OPTIMISE THE STRUCTURAL EFFICIENCY OF CHINESE NEV INSURANCE MARKET."
>
> YONGMEI (EVERS) CAI, PARTNER, BUREN N.V.

## KEY ISSUES:

Supreme Court decision regarding Workers' Comp insurance

New entrants to the MGA market at a time of consolidation

Climate change and the building insurance market

## ARK LAW

# DENMARK

The Danish insurance market has consolidated in recent years through major mergers, including If with Topdanmark and Alm. Brand with Codan. As a result, the three largest insurers – If, Alm. Brand Group and Tryg – now account for more than two-thirds of the non-life market. At the same time, customer-owned insurers, particularly LB and GF, have continued to expand and gain share in the consumer segment. New foreign entrants are also steadily moving into Denmark, especially through MGA structures in the commercial market.

Further, new foreign players are steadily entering the market, especially in MGA setups, in the non-consumer market.

*Danish dunes, Lyngvig fyr, Denmark*

### REGISTERED FIRMS

**40**

Local insurers

### VALUE OF PREMIA

**DKK 75 BILLION**

(€10 bn)

## SUPREME COURT DECISION REGARDING WORKERS COMP INSURANCE

A Danish Supreme Court judgment handed down on 28 April 2026 could have major financial consequences for both current and former workers' compensation insurers. The decision overturns a 48-year interpretation of the Danish Workers' Compensation Act by ruling that a permanent loss of earning capacity arises where an injured person suffers a lasting 5% loss of income, rather than the 15% threshold that had long been applied. This means anyone able to demonstrate a permanent 5% loss of income within the 30-year statutory limitation period may now be entitled to have their case reopened and to claim compensation calculated on a 15% loss of income basis. Authorities estimate the ruling could lead to the reassessment of at least 11,000 cases, with total costs ranging from DKK 10 billion to DKK 30 billion.

> "THE SUPREME COURT'S DECISION WAS NOT UNEXPECTED BUT STILL FEARED BY THE INSURANCE INDUSTRY. IT WILL HAVE TO BE SEEN, IF THE AUTHORITIES WORST-CASE SCENARIO HOLDS UP."
>
> JESPER RAVN, MANAGING PARTNER, ARK LAW

## NEW ENTRANTS TO THE MGA MARKET AT A TIME OF CONSOLIDATION

As major Danish and Scandinavian insurers increasingly concentrate on the mid-market, larger Danish manufacturers and other large businesses are turning to international insurers. This shift is driving the emergence of new MGA models in Denmark, increasing competition across the market. Even though large international insurers (AIG, Chubb, Axa, Zurich, Allianz, QBE etc.) have a significant presence in the market with direct representation in Denmark, the MGA insurers are increasingly introducing new international insurers in a market that just a decade ago was dominated by national insurers.

> "THE RISE OF THE MGAS IN THE DANISH MARKET COULD BE A GAMECHANGER, AND IF NOTHING ELSE IT IS POSITIVE FOR THE COMPETITION."
>
> JESPER RAVN, MANAGING PARTNER, ARK LAW

## CLIMATE CHANGE AND THE BUILDING INSURANCE MARKET

Climate change continues to be a major issue for Danish property insurers, who increasingly and publicly pushes for more and direct political involvement in the prevention of especially flood-related damages. The industry is warning more and more clearly that hundreds of thousands of properties will be basically uninsurable (or tariffed with a premium that is unpayable) and thereby unsellable.

> "THERE SEEMS TO BE A SLOWLY EMERGING UNDERSTANDING OF THE NEED FOR THE PUBLIC SECTOR TO (ALSO) TAKE RESPONSIBILITY FOR PREVENTING MAJOR PROPERTY DAMAGE DUE TO CLIMATE CHANGE."
>
> JESPER RAVN, MANAGING PARTNER, ARK LAW

## KEY ISSUES:

Modernisation of the resolution of commercial disputes

Insurers' processing of health data clarified

Climate risk modelling is becoming operational in Finnish P&C insurance

## JUSTUS K ATTORNEYS

# FINLAND

The Finnish insurance market remains highly concentrated and structurally stable, with a strong emphasis on statutory insurance lines that underpin much of the sector's volume and profitability. A limited number of large insurers dominate both the non-life and life segments, with competition concentrated primarily among established players.

In recent years, the operating environment has become more complex. Regulatory developments, rising expectations around data use, and continued digitalisation are reshaping how insurers manage risk, deliver services, and interact with customers. At the same time, Finland's advanced digital and data-driven environment brings both opportunities and heightened vulnerability, particularly in relation to operational resilience and the use of personal data.

While the sector remains financially sound, insurers are increasingly required to adapt to evolving supervisory expectations, legal reforms, and external economic uncertainty.

*Ruissalo island, Finland*

### REGISTERED FIRMS

**70**

### VALUE OF PREMIA

**€28.9 MILLION**

## MODERNISATION OF THE RESOLUTION OF COMMERCIAL DISPUTES

Finland is undertaking two parallel and potentially far-reaching reforms affecting the resolution of commercial disputes. In conjunction with a comprehensive overhaul of the Arbitration Act, the government is also advancing a major reform of civil procedure before the state courts. These initiatives are expected to reshape important aspects of Finnish dispute resolution.

The arbitration reform aims to modernise the legislative framework and align Finland more closely with the UNCITRAL Model Law on International Commercial Arbitration, thereby strengthening the country's position as an international seat of arbitration. The proposed changes include clearer rules on arbitral jurisdiction, interim measures, confidentiality, multi-party proceedings, and the setting aside of arbitral awards.

The court procedure reform also seeks to streamline civil litigation through active case management, use of digital tools, and tighter control of evidence and costs. One significant change is that oral evidence would no longer be reheard in the courts of appeal to the same extent as in the current system. Overall, the reforms aim to make dispute resolution in Finland faster, more predictable and better suited to complex commercial disputes.

"THE NEW REGULATION WILL FURTHER ENHANCE THE ABILITY TO RESOLVE EVEN COMPLEX INTERNATIONAL INSURANCE DISPUTES EFFICIENTLY WITHIN THE FINNISH LEGAL SYSTEM."

XXX

## INSURERS' PROCESSING OF HEALTH DATA CLARIFIED

At the end of 2025, Finland's Supreme Administrative Court issued an important ruling clarifying insurers' rights to process health data in voluntary personal insurance. The decision confirmed that, under the current Data Protection Act, the concept of an insured person may also include insurance applicants and individuals whose illness, injury, or death is the subject of the requested insurance cover.

The ruling is significant in Finland, where extensive national health registries coexist with strict data-protection requirements. For insurers, the key issue remains whether the health data processed is genuinely necessary for underwriting or claims-handling purposes. The decision does not create a broad right to request extensive medical information.

The issue is expected to be clarified further through the ongoing reform of the Data Protection Act. Proposed amendments would define more explicitly when insurers may process health data and introduce additional safeguards concerning necessity, data collection, case-specific assessment, and the deletion of data once it is no longer needed.

"DATA PROTECTION ISSUES IN THE INSURANCE CONTEXT CAN BE PARTICULARLY DIFFICULT AND COMPLEX. CLARIFYING THEM AT BOTH EU AND NATIONAL LEVEL IS THEREFORE IMPORTANT."

JUSTUS KÖNKKÖLÄ, PARTNER, JUSTUS K ATTORNEYS

## CLIMATE RISK MODELLING IS BECOMING OPERATIONAL IN FINNISH P&C INSURANCE

Finnish non-life insurers are moving rapidly from high-level ESG reporting towards operational climate risk integration in underwriting, solvency assessment, and claims modelling. Recent supervisory focus on climate scenario analysis within ORSA processes reflects a broader European shift towards forward-looking resilience testing rather than purely historical risk assessment.

Finland is attracting international attention because it offers a distinctive northern climate risk environment in which insurers must assess issues such as forest-related losses, freeze-thaw infrastructure damage, flooding, and weather-related disruption to energy and logistics systems. These risks are particularly relevant in a country with geographically dispersed assets, extensive critical infrastructure, and large forestry and energy sectors.

## KEY ISSUES:

- Greenwashing
- Construction insurance
- Cat Nat reform

## BYRD & ASSOCIATES

# FRANCE

In 2026, the French insurance industry remains one of Europe's largest markets, with stable performance and strong premium income, largely supported by life insurance. However, claims pressures persist, particularly from cyber threats and climate-related risks. The key issues include, tighter scrutiny of greenwashing linked to climate change, developments in the mandatory CAT NAT insurance scheme, and ongoing challenges in the construction insurance sector.

*Place Massena square, Nice, France*

**REGISTERED FIRMS**

**660**

**VALUE OF PREMIA**

**€283 BILLION**

## GREENWASHING

France has been taking a strict position on 'greenwashing' marketing claims as shown by a recent decision rendered by the Paris Judicial Court on 23 October 2025. This decision was founded on French consumer protection rules, which have been expanded since the 2021 law on Climate and Resilience (*Climat et Résilience*) to include misleading environmental claims.

In March 2022, a number of environmental groups filed a lawsuit against TotalEnergies, accusing the company of greenwashing by emphasising carbon neutrality while continuing to produce and sell oil and gas. The lawsuit targeted around 40 'false advertisements'.

In the 23 October 2025 ruling, the Paris court found that TotalEnergies had made environmental claims that misled consumers into believing that it could achieve carbon neutrality by 2050 while increasing oil and gas production.

The court ruling ordered TotalEnergies to remove its advertising claims concerning carbon neutrality and energy transition and ordered TotalEnergies to publish the decision. This case has been touted by climate activists as an 'historic win against greenwashing' and even setting some legal precedent for sanctioning misleading environmental claims made by corporations.

> **"A RECENT FRENCH COURT DECISION SHOWS THAT MISLEADING GREENWASHING MARKETING CLAIMS WILL BE SANCTIONED IN FRANCE."**
>
> ROBERT BYRD, OF COUNSEL, BYRD & ASSOCIATES

## CONSTRUCTION INSURANCE

Under French law, builders are liable for 10 years from completion for defects that affect a structure's integrity or make it unfit for its intended use. This liability is covered by mandatory 10-year insurance (*assurance décennale*), or structural warranty insurance, throughout that decade.

Many projects also require compulsory work damage guarantee (*garantie dommage-ouvrage*), taken out by the project owner. This construction defect insurance funds repairs upfront while liability claims against the builder are resolved.

At present, this fixed 10-year period cannot be suspended or interrupted, unlike other limitation periods, which may be paused during judicial expert appraisal or interrupted by legal action. However, in its 2025 annual report, the French Cour de Cassation recommended adding a new Article 1792–8 to the Civil Code so that the 10-year liability period could also be suspended or interrupted.If adopted, the change would make the end of the coverage period less certain and expose 10-year warranty and construction defect insurers to greater claims uncertainty.

> **"IF LEGISLATION IS PASSED PROVIDING THAT THE 10-YEAR LIABILITY PERIOD FOR CONSTRUCTION CLAIMS MAY BE INTERRUPTED OR SUSPENDED … IT WILL CREATE UNCERTAINTY FOR THE CONSTRUCTION DEFECT OR 10-YEAR WARRANTY INSURERS REGARDING THE COVERAGE PERIOD."**
>
> ELOÏSE MARINOS, PARTNER, BYRD & ASSOCIATES

## CAT NAT REFORM

France's Natural Disasters scheme (*Cat Nat – Catastrophe naturelle*), which is funded through a combination of national solidarity (a mandatory extra-premium on all property insurance policies and government contributions via the Caisse Centrale de Réassurance), is constantly evolving in response to the increasing frequency and intensity of climate-related hazards.

According to the French Federation of Insurance (*France Assureurs*), the cumulative cost of claims related to natural hazards could reach €143 billion between 2020 and 2050.

A bill was passed by the National Assembly on 8 April 2026 aimed at introducing a 'resilient' reconstruction approach that allows policyholders to receive compensation exceeding the property's value when the work enhances its resistance to hazards. This law will also authorise insurers to freely set the extra-premium rate for certain categories of property (secondary homes and commercial properties with an insured value exceeding €20 million) in order to ensure the financial sustainability of the Cat Nat scheme.

Indeed, the Cour des Comptes – France's highest audit institution, which regulates government and public spending – warned this year that the natural disaster compensation system is becoming increasingly vulnerable due to more frequent and intense weather events, and forecasts that the cost of natural disasters will rise by between 47% and 85% by 2050.

> **"THE PRINCIPLE OF 'BUILD BACK BETTER' – USING POST-DISASTER RECONSTRUCTION TO STRENGTHEN PREVENTION MEASURES – WOULD MAKE THE NATURAL DISASTER INSURANCE SYSTEM MORE ROBUST."**
>
> SOPHIE WILLAUME, PARTNER, BYRD & ASSOCIATES

## KEY ISSUES:

BaFin confirms the permissibility of ransom insurance

Legislative changes in the consumer insurance sector

The Strait of Hormuz & its impact on German marine insurance

## REGISTERED FIRMS

**522**
primary insurers

**28**
reinsurers

## VALUE OF PREMIA

**€250 BILLION**

## ARNECKE SIBETH DABELSTEIN

# GERMANY

The German insurance market continues to be shaped by broker consolidations. In 2025, there were 73 (publicly reported) acquisitions. At the same time, however, the commercial insurance market has softened, making it difficult for financial investors – amid falling premiums – to find investors for their funds, and leading them to question whether the returns originally projected for their broker investments can still be achieved.

Insurers are reporting fewer claims related to natural disasters this year. According to preliminary figures from the industry association GDV, claims are down by about €3 billion compared to 2024 and this trend has continued into the first quarter of 2026. However, insurers emphasise that climate-related extreme weather events are on the rise overall.

BaFin's new circular confirms that ransom insurance remains permitted for cyber insurance in a bundled package under certain conditions, .

An amendment to the Insurance Contract Act with implications for consumer insurance contracts, which has already been passed but has not yet taken effect, is imminent.

*Frankfurt Old town square, Frankfurt, Germany*

## BAFIN CONFIRMS THE PERMISSIBILITY OF RANSOM INSURANCE

Ransom insurance has been the subject of critical debate with the main counterargument being a violation of public order. Nevertheless, in 1998, BaFin ruled that such insurance should be permitted, but only if offered as a standalone policy.

Since 2017, BaFin has permitted this insurance to be offered in a bundled package with cyber insurance. This issue has now been re-examined by BaFin and in its latest Circular of April 2026, maintains its position and confirmed: Ransom insurance is still permissible if certain criteria are met, but may not be advertised.

Bundling remains permissible only with cyber insurance. The policy term may not exceed one year and the policyholder must be subject to a duty of confidentiality.

**"THIS CIRCULAR WAS EAGERLY AWAITED. A BAN ON RANSOM INSURANCE WOULD HAVE PUT GERMAN INSURERS AT A COMPETITIVE DISADVANTAGE."**

DR. CAROLIN SCHILLING-SCHULZ, PARTNER, ARNECKE SIBETH DABELSTEIN

## LEGISLATIVE CHANGES IN THE CONSUMER INSURANCE SECTOR

To implement several EU directives, Germany has passed a new law affecting insurance, particularly consumer rights around withdrawal and rescission. It takes effect on 19 June 2026.

The two most significant changes are: first, insurers that allow policies to be taken out online will have to provide a simple, clearly visible electronic cancellation option, known as a 'cancellation button'; second, the longstanding 'perpetual right of withdrawal' will be curtailed.

Until now, if cancellation instructions were missing or even slightly inaccurate, policyholders in Germany could cancel years later because the withdrawal period never began to run. In those cases, consumers could also reclaim premiums already paid. That will no longer apply to contracts entered into on or after 19 June 2026.

**"FROM JUNE ON, THE PERPETUAL RIGHT OF WITHDRAWAL FOR INSURANCE CONTRACTS IN GERMANY WILL BE SIGNIFICANTLY RESTRICTED, WHICH PROVIDES GREATER LEGAL CERTAINTY."**

DR. CAROLIN SCHILLING-SCHULZ, PARTNER, ARNECKE SIBETH DABELSTEIN

## THE STRAIT OF HORMUZ & ITS IMPACT ON GERMAN MARINE INSURANCE

German shipping through the Strait of Hormuz remains insurable, but under significantly heightened war-risk conditions. German insurers and the Lloyd's market continue to provide hull, cargo and P&I cover, although war-risk premiums have risen sharply and policy terms are stricter.

The main concerns are no longer insurance availability alone, but crew safety, operational security, sanctions compliance and commercial viability. German shipowners are demanding stronger international security guarantees before normal traffic can resume. Additional complications arise from possible Iranian transit fees, which may expose operators and insurers to U.S. sanctions risks.

Overall, the situation represents a severe war-risk and compliance challenge rather than a collapse of marine insurance capacity, with voyage decisions now heavily dependent on security assessments and premium costs.

**"DESPITE CONTRADICTING NEWS IN THE MEDIA, MARINE INSURANCE CAPACITY IS AVAILABLE FOR SHIPS IN THE STRAIT OF HORMUZ. IT IS A MATTER OF PREMIUM AND RISK ASSESSMENT."**

DR. JAN DREYER, PARTNER, ARNECKE SIBETH DABELSTEIN

## KEY ISSUES:

Climate-risk & catastrophe insurance

Consolidation & bancassurance

Consumer protection, cross-border activity & digital resilience

## KG LAW FIRM

# GREECE

During 2025, the Greek insurance market continued its shift from post-crisis recovery towards broader structural transformation. The sector has increasingly been shaped by climate-related risks, enhanced prudential and conduct regulation, digital resilience requirements and deeper integration with the wider financial system. As of September 2025, 34 insurance businesses operated in Greece, while activity remained resilient across both life and non-life lines. Premium growth was particularly strong in non-life insurance, including property and health-related cover, while investment-linked life products continued to expand.

At the same time, market concentration and evolving distribution models, particularly through bancassurance arrangements, continued to reshape the competitive landscape. Supervisory focus on governance, conduct and consumer protection also intensified, in line with wider European and domestic regulatory priorities.

*Santorini island, Greece*

### REGISTERED FIRMS

**34**

### VALUE OF PREMIA

Approx.

**€4.23 BILLION**[1]

1. According to data concerning the period January 2025 to September 2025 as published in the annual report of the Governor of the Bank of Greece.

## CLIMATE-RISK & CATASTROPHE INSURANCE

Climate-related insurance has moved to the centre of insurance policy and market debate in Greece. Following successive wildfires, floods and severe weather events, the framework introduced by Law 5116/2024 on natural catastrophe insurance has assumed greater importance.

Key issues include the interaction between private insurance and state compensation mechanisms, questions of insurability and affordability in high-risk regions, and increased reliance on catastrophe modelling and reinsurance.

Market trends further highlight the growing importance of property insurance, with fire cover remaining a major segment of non-life business and showing strong premium growth in 2025. For insurers, this has sharpened focus on underwriting discipline, pricing and climate-related governance.

> "CLIMATE-RELATED INSURANCE HAS BECOME CENTRAL TO GREEK INSURANCE POLICY, RESHAPING UNDERWRITING, RESILIENCE EXPECTATIONS AND CATASTROPHE-RISK MANAGEMENT."
>
> KONSTANTINOS ISSAIAS, PARTNER, KG LAW FIRM

## CONSOLIDATION & BANCASSURANCE

Consolidation and bancassurance have become defining features of the Greek insurance market. The acquisition of Ethniki Insurance by Piraeus Bank highlighted the strategic importance of insurance within broader financial groups and reinforced the closer integration of banking and insurance activities.

Market data also point to evolving product and distribution dynamics. Life insurance business increasingly incorporates investment-linked products, reflecting closer interaction between insurance and financial services and underlining the expanding role of banking distribution networks. Investment-linked policies represented almost half of life insurance premiums in 2025.

At the same time, market concentration places mounting pressure on smaller undertakings facing rising compliance, capital and technology costs. These developments raise important legal and regulatory questions around competition, conflicts of interest, transparency and product suitability, ensuring that distribution and market concentration remain central themes in 2026.

> "CONSOLIDATION AND BANCASSURANCE CONTINUE TO RESHAPE THE GREEK INSURANCE MARKET, INTENSIFYING REGULATORY FOCUS ON DISTRIBUTION, TRANSPARENCY AND COMPETITION."
>
> KONSTANTINOS ISSAIAS, PARTNER, KG LAW FIRM

## CONSUMER PROTECTION, CROSS-BORDER ACTIVITY & DIGITAL RESILIENCE

Consumer protection and supervisory scrutiny remain central regulatory priorities for the Greek insurance market. Cross-border insurance activity under Freedom of Services and Freedom of Establishment regimes continues to attract regulatory attention, particularly in relation to claims handling, operational resilience and policyholder protection.

At the same time, supervisory expectations relating to governance and conduct continue to develop. During 2025, the Bank of Greece introduced amendments to insurers' governance frameworks and further strengthened conduct supervision, including mystery-shopping practices and enhanced reporting mechanisms. Digitalisation and operational resilience are also significant. Online distribution, remuneration transparency and suitability assessments continue to develop, while the DORA is exerting greater influence on insurers' governance and risk-management frameworks. These developments place renewed emphasis on cyber resilience, internal controls and distribution practices.

> "CONSUMER PROTECTION, DIGITAL RESILIENCE AND CONDUCT SUPERVISION REMAIN CENTRAL REGULATORY PRIORITIES FOR THE GREEK INSURANCE MARKET."
>
> KONSTANTINOS ISSAIAS, PARTNER , KG LAW FIRM

## KEY ISSUES:

100% FDI cap in the insurance sector

Distribution reform: tackling mis-selling

Creation of the Bharat Maritime Insurance Pool

## JSA ADVOCATES & SOLICITORS

# INDIA

India's insurance sector recorded a total premium income of approximately USD 140 billion in financial year 2025, with assets under management of approximately USD 738 billion. That said, insurance penetration has remained flat at 3.7% of gross domestic product, as per the Insurance Regulatory and Development Authority of India's (IRDAI) annual report of 2024–25.

Three issues dominate the 2026 agenda: (a) 100% foreign direct investment (FDI), which opens the insurance sector to full foreign ownership; (b) a regulatory push to address mis-selling and rationalise distribution costs; and (c) India's response to rising geopolitical risks through the creation of the Bharat Maritime Insurance Pool.

*The Jaswant Thada and Mehrangarh Fort, Jodhpur*

**REGISTERED FIRMS**

**75**

**VALUE OF PREMIA**

**INR 11.93 TRILLION**

2024-2025

## 100% FDI CAP IN THE INSURANCE SECTOR

India's insurance sector has long permitted foreign investment, albeit subject to caps on ownership. This position has now changed. The FDI cap for Indian insurance companies has been raised to 100%, and foreign players can now set up and own an insurance company in India without a mandatory Indian partner. They retain the choice to partner for distribution or capital requirements, but it is now a business decision rather than a regulatory mandate. This creates flexibility for foreign insurers to acquire control of existing insurance joint ventures, buy out Indian partners, or establish wholly owned greenfield insurance platforms in India. Recent market activity suggests that this flexibility is already shaping transaction discussions, with control, governance and strategic considerations becoming key for foreign shareholders. At the same time, Indian partners may continue to remain relevant where they provide distribution strength, local market access or brand value, meaning that the decision to partner is now driven by commercial considerations rather than a regulatory ownership requirement.

As foreign capital, expertise and innovative products enter the market, this reform is expected to drive greater competition, affordable products and expand consumer choice, supporting India's objective of achieving 'Insurance for All by 2047'.

> "100% FDI IN INSURANCE WILL BENEFIT CONSUMERS THROUGH INCREASED COMPETITION AND GLOBAL EXPERTISE, IMPROVING COVERAGE AND PRICING ACROSS ALL SEGMENTS."
>
> SIDHARRTH SHANKAR, PARTNER, JSA

## DISTRIBUTION REFORM: TACKLING MIS-SELLING

Mis-selling of insurance products has emerged as a key concern for the Indian insurance market. The Reserve Bank of India has issued draft regulations for the oversight of bancassurance arrangements to prevent mis-selling of insurance products; similarly, the IRDAI has announced its own issuance of preventative measures.

A government response to a question in the Rajya Sabha (Upper House of the Indian Parliament) indicated a 14% rise in complaints of unfair business practices including mis-selling, rising to 26,667 in FY2025 from 23,335 in FY2024. As part of this reform, IRDAI is also reportedly proposing to link commission payouts across insurance distribution channels to the time and effort needed for each sale.

> "ADDRESSING MIS-SELLING AND DISTRIBUTION COSTS IN TANDEM REFLECTS A MATURING REGULATORY APPROACH THAT PUTS THE POLICYHOLDER'S INTEREST AT THE CENTRE."
>
> SIDHARRTH SHANKAR, PARTNER, JSA

## CREATION OF THE BHARAT MARITIME INSURANCE POOL

Increased geopolitical tensions in West Asia and rising maritime risk in key global shipping corridors have brought India's dependence on international maritime insurance capacity into focus.

India's maritime trade is significant both by volume and value, yet insurance coverage has largely been placed with overseas markets, creating vulnerability when global insurers increase premiums or withdraw coverage during periods of geopolitical stress.

Consistent with India's broader Atmanirbhar Bharat (self-reliance) agenda, the Union Cabinet approved the creation of the Bharat Maritime Insurance Pool on 18 April 2026, backed by a sovereign guarantee of approximately USD 1.4 billion. The pool will cover various maritime risks including hull and machinery, cargo, P&I, and war risk for Indian flagged or controlled vessels and vessels carrying cargo to or from India, including through volatile maritime corridors. The stated rationale is to strengthen self-reliance, build sanctions resilience and ensure greater sovereign control.

> "GEOPOLITICAL TENSIONS AND MARITIME DISRUPTIONS ARE ACCELERATING INDIA'S SHIFT TOWARDS SOVEREIGN INSURANCE CAPACITY TO SECURE TRADE AND MITIGATE EXTERNAL VULNERABILITIES."
>
> SHIVANGI SHARMA TALWAR, PARTNER, JSA

## KEY ISSUES:

Political developments in the Middle East

Climate change and parametric insurance

Artificial Intelligence

## BEALE & CO

# IRELAND

The Irish insurance market operates within an open economy and is heavily influenced by international political, environmental and technological developments. Although recent legal and regulatory reforms have sought to stabilise domestic conditions, insurers and reinsurers who are authorised in Ireland remain exposed to global systemic risk through internationally written business, reinsurance programmes and investment portfolios.

Geopolitical instability is indirectly affecting Irish insurers through increased war-risk exposure, heightened sanctions compliance obligations and cost pressures arising from reinsurance volatility. Irish insurers face increasing pressure to adapt risk models, address protection gaps and ensure regulatory compliance.

Climate change is increasing the frequency and severity of extreme weather events, prompting insurers to explore parametric insurance to address protection gaps and catastrophic risk. At the same time, the growing use of AI across underwriting, claims and pricing is transforming insurance operations, while the EU Artificial Intelligence Act imposes significant new governance and compliance obligations. It is designed to be implemented on a phased basis over the next few years.

*St. Colman's Cathedral, Cobh, Ireland*

**REGISTERED FIRMS**

**154**

**VALUE OF PREMIA**

**€85.3 BILLION**

## POLITICAL DEVELOPMENTS IN THE MIDDLE EAST

Heightened geopolitical tensions involving Iran, including regional conflict and sanctions risks, are contributing to a more complex global risk environment for insurers.

For Irish insurers, the conflict presents indirect exposure through disruption to energy supplies, shipping routes and global trade. Losses arising from supply chain delays, higher fuel costs, project disruption and cancelled events may not fall clearly within standard policy wordings, increasing the potential for coverage disputes. Marine and aviation insurers are particularly affected, facing increased war-risk exposure and rising premiums.

For reinsurers operating from Ireland, the conflict has also intensified scrutiny of aggregation risk, policy exclusions and ongoing compliance with international sanctions regimes.

> "INSURERS AND REINSURERS BASED IN IRELAND ARE, AND WILL CONTINUE TO BE, AFFECTED BY THE UNCERTAINTY ARISING OUT OF POLITICAL TENSIONS GLOBALLY."
>
> SARAH CONROY, PARTNER, BEALE & CO

## ARTIFICIAL INTELLIGENCE

Many Irish-regulated insurers and reinsurers are integrating AI tools to improve efficiency, manage large datasets and enhance risk selection, often as part of group-wide digital strategies.

A Central Bank of Ireland survey in February 2025, indicates that, within three years, 94% of insurance firms in the country are expected to use AI, particularly in claims management, pricing, underwriting and customer service.

Insurers must comply with Central Bank of Ireland expectations on governance, outsourcing, model risk management and consumer protection, alongside new obligations under the EU AI Act, to be implemented domestically by the Regulation of Artificial Intelligence Bill 2026.

Key risks include biased or opaque decision-making, data-quality issues, cyber exposure and potential disputes arising from automated claims or pricing outcomes. The Bill is designed to be implemented on a phased basis over the next few years.

> "THE INTEGRATION OF AI TOOLS BY INSURERS AND REINSURERS TO IMPROVE EFFICIENCY, MANAGE LARGE DATASETS AND ENHANCE RISK SELECTION, OFTEN AS PART OF GROUP-WIDE DIGITAL STRATEGIES, WILL CONTINUE TO BE A FEATURE OF THE LANDSCAPE IN IRELAND OVER THE NEXT FEW YEARS."
>
> SARAH CONROY, PARTNER, BEALE & CO

## CLIMATE CHANGE AND PARAMETRIC INSURANCE

Climate related flooding and storms are an increasing risk for the Irish insurance market, driving higher claims volatility and exposing limits in traditional cover. Events like Storm Éowyn, in January 2025, showed the insurance market's vulnerability for massive losses as insurance claims in Ireland reached over €240 million, mostly from commercial properties.

Parametric insurance (also called index-based insurance) is a non-traditional insurance product that offers pre-specified payouts based upon a trigger event. Trigger events depend on the nature of the parametric policy and can include environmental triggers such as wind speed and rainfall measurements, business-related triggers such as foot traffic, and more.

It is emerging as a targeted response, offering automatic payouts when agreed triggers are met. This provides speed, certainty and reduced claims friction. In Ireland, corporates in agriculture, renewable energy, construction and tourism are early adopters of this type of cover, using it for flood, drought and storm exposure. Parametric insurance offers an innovative means of managing national catastrophic weather risks.

> "PARAMETRIC INSURANCE IS EMERGING AS A TARGETED RESPONSE TO EVENTS SUCH AS CLIMATE-RELATED FLOODING AND STORMS, WHICH ARE AN INCREASING RISK FOR THE IRISH INSURANCE MARKET."
>
> SARAH CONROY, PARTNER, BEALE & CO

## KEY ISSUES:

Natural catastrophe exposure & climate resilience

Digital transformation & insurtech disruption

Cyber risk & DORA regulatory compliance

## BTG LEGAL

# ITALY

Italy's insurance market is the fourth largest in Europe, with total premium income of approximately €160 billion in 2025. The life segment continues to dominate, accounting for roughly 65% of total premiums, while non-life lines – particularly motor and property – drive growth in the retail and SME sectors.

IVASS, the national supervisory authority, has intensified its oversight following post-pandemic claims volatility and rising natural catastrophe exposures. The country faces persistent structural challenges, including low household insurance penetration rates compared to Northern European peers, and a fragmented distribution landscape still reliant on traditional agency networks.

However, ongoing digital transformation, the entry of insurtech players, and EU-level regulatory harmonisation under DORA and IDD are reshaping competitive dynamics. Against a backdrop of macroeconomic uncertainty, elevated climate-related losses, and evolving cyber threats, Italian insurers face a pivotal year in 2026.

*Portofino, Liguria, Italy*

## REGISTERED FIRMS

Approx.

**120**

## VALUE OF PREMIA

**€160 BILLION**

## NATURAL CATASTROPHE EXPOSURE & CLIMATE RESILIENCE

Italy is acutely exposed to natural catastrophes, including earthquakes, floods and severe storms. The 2023 Emilia–Romagna floods and repeated seismic events in central Italy have underscored the scale of underinsured losses borne by individuals and the state.

Despite governmental efforts, household insurance penetration for nat cat perils remains below 5%, far lower than Northern European benchmarks. The Italian government's 2024 legislation mandating business interruption and property cat coverage for SMEs marks a structural turning point, compelling insurers to develop scalable parametric and traditional products for this segment.

Reinsurance capacity for Italian nat cat risks is tightening globally, pushing primary insurers to innovate in risk modelling, portfolio management, and customer pricing. IVASS has signalled closer scrutiny of solvency buffers as climate-related volatility increases. In 2026, building resilient nat cat frameworks will be the sector's most pressing strategic priority.

> "MANDATORY CAT COVERAGE FOR SMES IS A STRUCTURAL TURNING POINT: CLOSING ITALY'S PROTECTION GAP IS NOW BOTH A LEGAL IMPERATIVE AND A MARKET OPPORTUNITY."
>
> ALBERTO BATINI, PARTNER, BTG LEGAL

## DIGITAL TRANSFORMATION & INSURTECH DISRUPTION

Italy's insurance distribution landscape is undergoing a generational shift. Traditional tied-agent networks, which still account for over 70% of non-life distribution, are under competitive pressure from direct digital channels, aggregator platforms, and embedded insurance models. Insurtech startups – notably in motor telematics, health and SME property lines – are attracting significant venture capital and forging partnerships with incumbent carriers.

The penetration of Usage-Based Insurance (UBI) in motor, where Italy leads Europe with over 7 million policies, demonstrates the appetite for data-driven products. Legacy IT infrastructure remains a constraint for many mid-size insurers seeking to modernise core systems and adopt cloud-based architectures. Distribution regulation under the Insurance Distribution Directive (IDD) is tightening disclosure and suitability requirements, raising compliance costs for both incumbents and new entrants.

In 2026, the competitive edge will belong to those who can blend digital efficiency with trusted human advisory at the point of sale.

> "ITALY'S INSURTECH MOMENTUM IS REAL, BUT SUSTAINABLE GROWTH WILL REQUIRE REGULATORY CLARITY AND ROBUST CONTRACTUAL FRAMEWORKS TO UNDERPIN DIGITAL DISTRIBUTION MODELS."
>
> GIORGIO GRASSO, PARTNER, BTG LEGAL

## CYBER RISK & DORA REGULATORY COMPLIANCE

Cyber risk has emerged as one of the fastest-growing exposure classes for Italian businesses, with ransomware attacks on SMEs and critical infrastructure rising sharply in 2024–2025. Italian insurers face a dual challenge: building profitable standalone cyber portfolios while simultaneously complying with the EU's Digital Operational Resilience Act (DORA), which mandates strict ICT risk management and third-party oversight frameworks across financial services. For insurers, DORA compliance requires significant investment in IT governance, incident reporting infrastructure, and vendor due diligence – particularly for smaller and mid-size carriers. On the underwriting side, the aggregation risk of systemic cyber events remains a central concern, prompting reassessment of policy wordings, sub-limits and exclusions.

The gap between cyber insurance demand from Italian corporates and available capacity is widening. Innovative risk-transfer mechanisms, including public–private partnerships modelled on the Caisse Centrale de Réassurance in France, are under active discussion with Italian regulators and industry bodies in 2026.

> "DORA RAISES THE BAR FOR THE ENTIRE FINANCIAL SECTOR: INSURERS THAT TREAT COMPLIANCE AS A GOVERNANCE OPPORTUNITY RATHER THAN A BURDEN WILL EMERGE STRONGEST IN 2026."
>
> OTTAVIA PIZZO, PARTNER, BTG LEGAL

## KEY ISSUES:

Circular Letter 26/1 & the future of Internal Collective Funds

Luxembourg insurers face the value-for-money test

MiCA in the regulatory radar

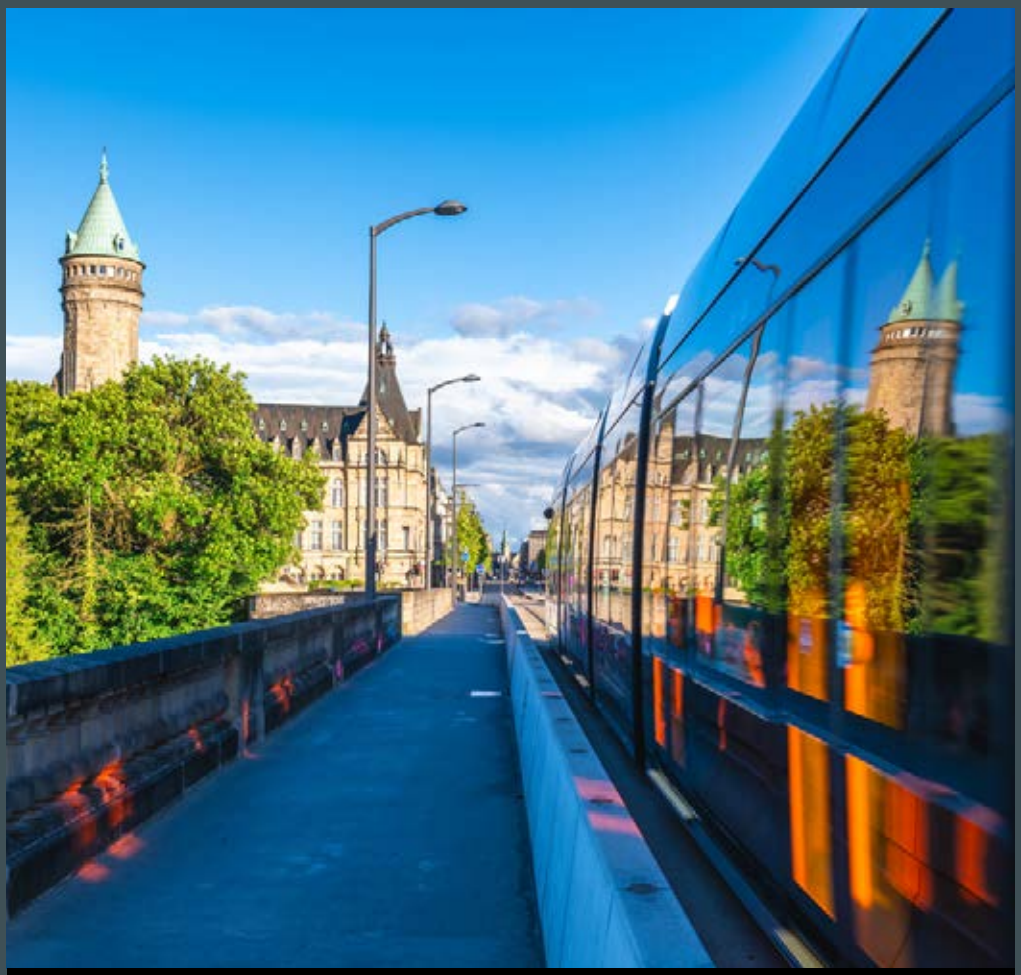
MOLITOR

# LUXEMBOURG

Luxembourg remains one of Europe's leading cross-border insurance hubs, supported by a stable legal environment, an experienced supervisory framework and the depth of its financial centre.

The market entered 2026 with renewed commercial momentum, particularly in life insurance and unit-linked business, while also facing an important regulatory agenda. The Circular Letter 26/1 updated the investment framework for unit-linked life insurance. In parallel, MiCA-related guidance from the Luxembourg regulator brought crypto-asset classification and related compliance controls into sharper focus, while the direct use of crypto-assets as underlying assets for life insurance contracts remains constrained.

Together, these developments highlight both the resilience of the Luxembourg market and the need for insurers to continue refining their product structuring, governance and disclosure practices.



*Adolphe bridge, Luxembourg city, Luxembourg*

**REGISTERED FIRMS**

**662**

**VALUE OF PREMIA**

**€64 BILLION**

## LUXEMBOURG INSURERS FACE THE VALUE-FOR-MONEY TEST

Recent developments on value for money in the insurance sector mainly reflect the growing supervisory attention given at European level to the relationship between costs, performance and customer outcomes in insurance-based investment products.

In this context, the CAA published Information Note 26/1, referring to EIOPA's benchmark methodology for assessing value for money on the basis of cost and performance data reported by insurers.

In addition, Circular Letter 26/1 introduces a more targeted value-for-money requirement for unit-linked life insurance products: where reductions in yield disclosed in the Key Information Document are materially affected by performance fees at the level of certain underlying assets, insurers must carry out an explicit value-for-money analysis.

This analysis should consider, among other elements, expected annual return, volatility, historical performance and cost back-testing, as well as the statistical distribution of returns.

Overall, these developments require insurers to better evidence that costs and charges remain justified by the expected benefits for policyholders.

> "VALUE FOR MONEY IS A CHALLENGING CONCEPT FOR INSURERS, AS THEY MUST DEMONSTRATE THAT THE BENEFITS EXPECTED BY POLICYHOLDERS REMAIN PROPORTIONATE TO THE COSTS THEY BEAR AND CONSISTENT WITH THE RISKS EMBEDDED IN THE INSURANCE PRODUCT."
>
> JENY CREMER, SENIOR ASSOCIATE, MOLITOR

## MICA IN THE REGULATORY RADAR

Through Circular Letter 25/10, the Luxembourg insurance regulator has brought MiCA-related classification requirements onto the radar of insurance and reinsurance undertakings, by requiring them to take the necessary steps to comply with the joint ESA Guidelines on templates, explanations, legal opinions and the standardised test for crypto-assets under Article 97(1) of Regulation (EU) 2023/1114.

For insurers, however, the real question is not only regulatory monitoring – it is product design. Circular Letter 26/1 should be read in that light. Its Annex 3 expressly states that "virtual currencies" such as Bitcoin, Ripple and Ether are digital representations of value, are not legal tender and are not considered financial instruments. This means that crypto-assets should not be approached as direct financial-instrument underlying unit-linked life insurance contracts.

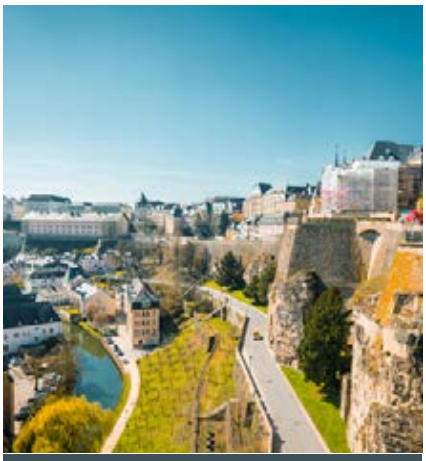
The opportunity lies elsewhere: in carefully structured, indirect and compliant crypto exposure, where asset classification, policyholder disclosures, AML/CFT controls and suitability assessments are properly documented from the outset.

> "THE CHALLENGE WILL BE TO DISTINGUISH BETWEEN WHAT CANNOT BE HELD DIRECTLY, WHAT MAY BE ACCESSED INDIRECTLY, AND HOW SUCH EXPOSURE CAN BE STRUCTURED IN A COMPLIANT, TRANSPARENT AND POLICYHOLDER-FRIENDLY MANNER."
>
> MICHEL MOLITOR, MANAGING PARTNER, MOLITOR

## CIRCULAR LETTER 26/1 & THE FUTURE OF INTERNAL COLLECTIVE FUNDS

CAA (supervisory body) Circular Letter 26/1 marks an important step in the evolution of Luxembourg life insurance products linked to investment funds. In particular, it adapts the definition and practical use of Category A, B, C and D Internal Collective Funds, which may now be linked to a single insurance contract and no longer needs to be open to a multitude of policyholders. These funds may also benefit from certain operational advantages traditionally associated with Dedicated Internal Funds, including the absence of prior notification to the CAA and the possibility to appoint a depositary outside the European Economic Area.

This more flexible framework is expected to make Internal Collective Funds a more versatile and competitive structuring tool within Luxembourg life insurance products.



> "THE KEY QUESTION FOR THE LUXEMBOURG INSURANCE SECTOR IS NOT NECESSARILY WHETHER INTERNAL COLLECTIVE FUNDS WILL REPLACE DEDICATED INTERNAL FUNDS, BUT RATHER TO WHAT EXTENT THEY MAY EMERGE AS A RELEVANT ALTERNATIVE FOR CERTAIN UNIT-LINKED LIFE INSURANCE STRUCTURES."
>
> ARIANE WOURWOUKAS, COUNSEL, MOLITOR

## KEY ISSUES:

Implementation of the Solvency II Review Package & the IRRD

Digital Operational Resilience (DORA) Compliance & ICT Third-Party Risk

MFSA Outcomes-Based Supervision & Conduct of Business Standards

## MAMO TVC ADVOCATES

# MALTA

Malta's insurance sector has undergone significant growth over the past two decades, expanding from a small domestic market to a well-regulated EU hub with over 70 licensed undertakings generating approximately €8.2 billion in gross written premiums. The sector employs around 1,400 people and produces profits before tax of approximately €700 million.

Malta's strategic position within the EU single market, supported by its passporting regime, means the majority of Maltese-licensed insurers can operate on a cross-border basis across the bloc. The Malta Financial Services Authority (MFSA), as the single regulator for financial services, continues to prioritise proactive, outcomes-based supervision, robust governance standards, and alignment with evolving EU regulatory frameworks.

This year presents a demanding regulatory landscape, driven by the transposition of Solvency II Review package and the Insurance Recovery and Resolution Directive (IRRD), the bedding-in of new digital resilience requirements, and heightened supervisory scrutiny of conduct and distribution standards across the market.

*Vittoriosa, Valletta, Malta*

**REGISTERED FIRMS**

**70**

**VALUE OF PREMIA**

**€8.2 BILLION**

## MFSA OUTCOMES-BASED SUPERVISION & CONDUCT OF BUSINESS STANDARDS

The MFSA has intensified its conduct-focused supervisory activities in 2025–2026 through its Outcomes-Based Supervision programme. The body issued a Dear CEO letter summarising findings from a thematic review of 31 corporate tied insurance intermediaries (TIIs) selling long-term life insurance products, examining sales practices, disclosure standards, governance, remuneration and principal oversight.

Key findings included shortcomings in record-keeping, inadequate justification for additional client fees, and problematic cold-calling and home-visit practices at 26% and 23% of firms respectively.

Separately, the MFSA published outcomes from a review on complaints handling across banking, insurance and investment sectors.

It has also established a new Public–Private Partnership to combat financial fraud, bringing together the MFSA, Malta Police Force, Financial Intelligence Analysis Unit, and Central Bank of Malta. The reviewed intermediaries have until end-2026 to close identified gaps.

The impact is medium-to-high: all intermediaries are expected to treat the findings as market-wide guidance and proactively strengthen practices, procedures and governance arrangements.

> "CONDUCT SUPERVISION IN MALTA IS MATURING RAPIDLY: INSURERS AND DISTRIBUTORS MUST MOVE BEYOND COMPLIANCE CHECKLISTS TO DEMONSTRATE GENUINE CONSUMER-CENTRIC OUTCOMES."
>
> EDMOND ZAMMIT LAFERLA, PARTNER, MAMO TVC ADVOCATES

## DIGITAL OPERATIONAL RESILIENCE (DORA) COMPLIANCE & ICT THIRD-PARTY RISK

DORA became directly applicable across all EU Member States, including Malta, on 17 January 2025. It imposes uniform requirements on insurers for ICT risk management, incident reporting, digital operational resilience testing, and third-party ICT provider oversight.

The MFSA is designated as the competent authority for DORA in Malta. Malta was among 13 Member States subject to European Commission infringement proceedings in March 2025 for incomplete transposition of the DORA Directive.

For Malta's predominantly cross-border insurance market, compliance is complex given reliance on international ICT providers and ICT outsourcing arrangements. This is also relevant for a large number of fully managed captives.

The impact is high: boards bear direct accountability for ICT-risk frameworks, resilience-testing programmes and vendor oversight. Insurers should prioritise gap analyses, formalise internal ICT policies and incident-reporting workflows, and ensure contractual arrangements with providers meet DORA standards.

> "DIGITAL OPERATIONAL RESILIENCE IS NOW A PRUDENTIAL IMPERATIVE. INSURERS WHO TREAT DORA AS A TICK-BOX EXERCISE RISK REGULATORY ACTION AND SYSTEMIC VULNERABILITY."
>
> EDMOND ZAMMIT LAFERLA, PARTNER, MAMO TVC ADVOCATES

## IMPLEMENTATION OF THE SOLVENCY II REVIEW PACKAGE & THE IRRD

The Solvency II Review Package represents the most significant prudential regulatory development facing Malta's (re)insurance sector in 2026.

The revised framework refines capital requirements, recalibrates the risk margin, strengthens cross-border supervisory cooperation, and formally introduces the category of Small and Non-Complex Undertakings (SNCUs) with lighter governance and financial reporting obligations.

Concurrently, the IRRD, which must be transposed by January 2027, introduces a harmonised recovery and resolution regime for (re)insurers, requiring pre-emptive recovery planning, resolution authority toolkits, and industry-funded financing arrangements.

The MFSA has indicated Malta will adopt a hybrid funding model linked to gross written premiums. The impact is likely to be high: all (re)insurers must reassess governance, liquidity planning and reporting frameworks well ahead of the January 2027 application date.

> "THE SOLVENCY II REVIEW AND IRRD WILL SIGNIFICANTLY IMPACT MALTA'S INSURANCE SECTOR AND WILL REQUIRE CLOSER COLLABORATION BETWEEN HOME AND HOST SUPERVISORS IN CASE OF CROSS-BORDER BUSINESS."
>
> EDMOND ZAMMIT LAFERLA, PARTNER, MAMO TVC ADVOCATES

## KEY ISSUES:

VAT (IVA) reform on motor & major medical expenses insurance

Catastrophic & hydrometeorological risks

Digitalisation, AI & cyber

## OCAMPO 1890

# MEXICO

Mexico's insurance market is the second largest in Latin America and is supervised by the national insurance and bonding commission *Comisión Nacional de Seguros y Fianzas* (CNSF) under a Solvency II-style framework (LISF).

Approximately 110 authorised insurance and surety institutions operate locally; 99% of premia is concentrated in members of the Mexican association for insurance institutions, Asociación Mexicana de Instituciones de Seguros (AMIS).

Between January and September 2025, the industry wrote MXN 770,212 million (USD 44.5bn) in direct premia, an 8% real annual growth, driven by life, auto and major medical expenses. Penetration remains low (about 2.5% of GDP), leaving significant room for growth, but profitability fell 12.7% in 2025 and the sector now faces a challenging 2026 marked by tax reform, an active hydrometeorological season, accelerated digitalisation and rising motor-claim fraud.

*Guanajuato, Mexico*

### REGISTERED FIRMS

Approx

**110**

### VALUE OF PREMIA

**MXN 770.212 MILLION (USD 44.5BN)**

## VAT (IVA) REFORM ON MOTOR & MAJOR MEDICAL EXPENSES INSURANCE

Mexico's 2026 tax package amended articles 4 and 5 of the VAT Law, removing insurers' ability to credit the VAT they pay on goods and services used to indemnify policyholders, mainly motor and major medical expenses claims. Until 2025 carriers credited that input VAT against the output VAT charged on premia; from 2026 the tax becomes a real cost.

AMIS estimates an aggregate impact above MXN $20 billion (US$1.15bn) per year and an across-the-board premium increase of 8–15% in motor and 5–10% in major medical expenses. The reform also incentivises vertical integration (insurers acquiring repair workshops, hospitals or pharmacies) and triggers contractual review of facultative reinsurance, fronting and coinsurance arrangements. Litigation over transitional rules and the constitutionality of the change is already foreseeable in 2026.

> **"THE END OF VAT CREDITING ON MOTOR AND MEDICAL CLAIMS WILL RESHAPE PRICING, VERTICAL INTEGRATION AND REINSURANCE DESIGN IN MEXICO."**
>
> ARTURO CABALLERO, INSURANCE LITIGATION ASSOCIATE, OCAMPO 1890

## CATASTROPHIC & HYDROMETEOROLOGICAL RISKS

Mexico endured an active 2025 hydrometeorological season (Hurricanes Erick and John, sustained tropical storms). AMIS reports paid claims of approximately MXN $11.3 billion (USD 652m) for hydrometeorological risks, a 70% rise versus the recent average.

The picture is aggravated by the dismantling of the FONDEN federal disaster fund and by lower public reinsurance, which has shifted exposure to the private market and to Mexican states. Catastrophe reinsurance capacity is tightening and prices rising, particularly for property and engineering.

In response, AMIS and the CNSF are promoting parametric covers (rainfall, wind speed, earthquake) for SMEs, agriculture and subnational governments. In 2026, we expect new parametric and inclusive products, IFRS 17 reserve recalibration and litigation around adjustment, deductibles, exclusions and underinsurance in commercial and residential portfolios.

> **"PARAMETRIC AND CATASTROPHE REINSURANCE DESIGN WILL BE THE DEFINING BATTLEGROUND FOR MEXICAN CARRIERS AND STATES IN THE POST-FONDEN ERA."**
>
> ALDO OCAMPO, MANAGING PARTNER, OCAMPO 1890

## DIGITALISATION, AI & CYBER

Digital transformation is reshaping the Mexican market across the entire value chain. Insurtech and embedded insurance distribution is growing through e-commerce, fintech and mobility platforms; carriers are deploying AI for underwriting, fraud detection and claims handling, while AMIS reports a sustained increase in motor-claim fraud, especially in CDMX, Estado de Mexico, Jalisco and Nuevo Leon.

The CNSF has issued additional cybersecurity, outsourcing and operational-risk guidance, and the new federal data-protection authority is taking a stricter enforcement approach to client onboarding and biometrics. Mandatory adoption of IFRS 17, plus expected secondary regulation on AI governance, parametric distribution and open insurance, will require carriers to revisit their compliance programmes, contracts with insurtech intermediaries and reinsurance treaty wordings throughout 2026.

> **"AI, EMBEDDED DISTRIBUTION AND STRICTER DATA-PROTECTION ENFORCEMENT WILL REDEFINE COMPLIANCE AND PRICING FOR EVERY MEXICAN CARRIER IN 2026."**
>
> MARÍA ANA SILIS, COVERAGE ANALYSIS ASSOCIATE, OCAMPO 1890

## KEY ISSUES:

Artificial Intelligence & technological transformation

Climate change

Socio-economic security & resilience

## WIJ ADVOCATEN

# NETHERLANDS

In 2026, the Dutch insurance sector continues to focus on the theme Samen voor solidariteit (Together for Solidarity), derived from the strategic roadmap of the same name presented by the Dutch Association of Insurers (Verbond van Verzekeraars) for 2025–2027.

The sector's main focus is on maintaining insurability in a rapidly changing world. This overarching theme can be broken down into solidarity-related issues across several connected areas, including climate change, technological innovation and geopolitical developments.

*Dutch windmill along a canal, Netherlands*

### REGISTERED FIRMS

**250**

2025

### VALUE OF PREMIA

**€37.6 BILLION**

2024

## ARTIFICIAL INTELLIGENCE & TECHNOLOGICAL TRANSFORMATION

Artificial Intelligence is many things for insurers. It is moving from innovation to implementation in insurers' operations, has become a dual factor in claims processing, and poses challenges for underwriting. AI is used for fraud detection, faster claims processing and more accurate underwriting, with data analysis enabling insurers to tailor premiums and conditions to individual behaviour and specific risk profiles.

These developments offer unrivalled opportunities to improve business processes. Insurers will need to ensure that AI is used responsibly, in line with their corporate social role and applicable European legislation. AI also presents challenges. It can be used to detect fraud, but it is also increasingly being used to commit insurance fraud.

While AI helps process claims more quickly, insurers are also finding that it is contributing to an increase in the number of liability claims being filed. And while AI allows insurers to tailor contracts more closely to users, it also raises questions around the insurability of insureds' use of AI in their day-to-day activities.

> "AI IS RESHAPING THE DUTCH INSURANCE MARKET – IT UNLOCKS UNRIVALLED OPPORTUNITIES, WHILE ALSO POSING INSURERS WITH MULTIPLE CHALLENGES, AND ONE OF THE KEY CHALLENGES MIGHT BE TO ENSURE THAT EFFICIENCY DOES NOT COMPROMISE RESPONSIBILITY."
>
> MARIJKE LOHMAN, PARTNER, WIJ ADVOCATEN

## CLIMATE CHANGE

In 2026, climate change remains an urgent risk for the Dutch insurance sector. Under the Dutch Association of Insurers' 2025–2027 Together for Solidarity roadmap, insurers are seeking to move beyond simply paying claims and to play a more active role in helping society adapt, reflecting a growing recognition that post-loss compensation alone is no longer sufficient.

In the Dutch market, insurers are actively advocating for stricter building codes, construction sites that are climate-robust from the outset, and greater awareness of the current lack of climate resilience, particularly as there is no commercial cover for primary water barrier failures. When damage does occur, the *Sustainable Damage Repair Manifesto* is gaining wider adoption in 2026, prioritising sustainable materials and energy-efficient repairs over simple replacement.

> "BEYOND COMPENSATION, TOWARDS ADAPTATION: IN A WORLD OF RISING TIDES, THE DUTCH INSURANCE SECTOR IS LOOKING BEYOND COMPENSATION TOWARDS CLIMATE RESILIENCE."
>
> HARRIËT DELHAAS, LAWYER & PARTNER, WIJ ADVOCATEN

## SOCIO-ECONOMIC SECURITY & RESILIENCE

In 2026, safety is no longer only about fire or theft; it is also about protecting the systems that keep society running. The Dutch insurance sector is acutely aware of this and has an important role in ensuring that essential financial safety nets remain accessible to all parts of society.

The current geopolitical climate, marked by heightened tensions, unpredictability, and military conflicts and operations in the Middle East and Ukraine, has increased risk factors. Two are particularly significant for the insurance market: a growing cyber threat and disruption to global supply chains.

In response, the Dutch insurance market, together with the Dutch government and other organisations, has set itself the goal for 2025–2027 of strengthening the resilience of Dutch insureds and society as a whole.

> "DRIVEN BY HEIGHTENED GEOPOLITICAL RISKS AND DIGITAL THREATS, THE DUTCH INSURANCE SECTOR HAS A CRUCIAL POSITION IN CONTRIBUTING TO SAFEGUARDING ESSENTIAL FINANCIAL SAFETY NETS."
>
> SUZANNE BORDEWIJK, LAWYER & PARTNER, WIJ ADVOCATEN

## KEY ISSUES:

Withstanding economic challenges, for now

AI's impact on the cybersecurity landscape

Natural Hazard & climate risks reshaping the property insurance market

## DUNCAN COTTERILL

# NEW ZEALAND

In common with much of the world, the current geopolitical crisis and global fuel constraints means that New Zealand's economy remains fragile, with subdued growth, cautious households, and easing but persistent inflation. While insurance affordability remains an issue for many, the market has broadly softened and pricing is competitive across a range of sectors.

New Zealand's General Election will be held later this year and the make-up of the next Government is expected to be determined by minor parties and the coalitions that can be formed. In the interim, this will result in further uncertainty for both businesses and households.

Although all political parties are approaching climate change differently, one thing that should come from the next Government is an update to New Zealand's environmental law legislation, which should include decisions about how to deal with locations that are regularly being affected by natural hazards.

*Auckland, New Zealand*

### REGISTERED FIRMS

**81**

### VALUE OF PREMIA

**$10.547 MILLION**

(year end 2025)

## WITHSTANDING ECONOMIC CHALLENGES. FOR NOW

The New Zealand insurance market has experienced a broad softening with mixed performance across sectors. General insurers have enjoyed good profitability due to substantial increases in premiums, and a reduction in the number and value of claims in recent years. That has been supported by favourable conditions in the global reinsurance markets. Health insurers have experienced more difficult conditions due to a significant increase in claims and utilisation.

For households, inflation in premium costs for insurance of residential dwellings, contents and motor vehicles has reduced from around 20% in 2024 to almost 0% at present. Despite this, insurance affordability has put pressure on householders and businesses alike as New Zealand continues a fragile domestic recovery after a contraction in 2024.

Geopolitical tensions and rising energy prices have impacted that recovery but they are unlikely to be directly affected by those events.

> "WITH FRAGILE ECONOMIC CONDITIONS AND GEOPOLITICAL UNCERTAINTY, INSURERS HAVE EXPERIENCED MIXED PROFITABILITY."
>
> SEAN BRENNAN, SENIOR ASSOCIATE, GILC ACADEMY GRADUATE 2026

## NATURAL HAZARD AND CLIMATE RISKS RESHAPING THE PROPERTY INSURANCE MARKET

Natural hazard and climate-related risks remain central drivers of underwriting, pricing and cover availability in the insurance market. Insurers (and insureds) are facing more frequent severe weather events with storm, flood and wind losses occurring year-round. This has materially increased claims frequency. Earthquake and pockets of volcanic risk remain ever-present features of New Zealand's overall risk profile.

While reinsurance markets remain favourable, these trends mean global reinsurers continue to closely assess New Zealand's risk profile, with flow-through to more site-specific underwriting. There is now greater differentiation between risks faced by individual properties, particularly for coastal and geotechnically vulnerable properties.

The Natural Hazards Commission (NHC) continues to play a critical role by providing core natural hazard coverage for residential property, supporting first-loss protection and post-event recovery. While this insurance coverage remains high, insurance retreat from some flood-prone areas and affordability pressures persist in high-risk locations.

> "CLIMATE HAZARD RISKS ARE BEGINNING TO TIGHTEN UNDERWRITING, DRIVING HIGHER PREMIUMS, REDUCED AVAILABILITY, AND INTENSIFYING AFFORDABILITY PRESSURES ACROSS THE INSURANCE MARKET."
>
> SEAN BRENNAN, SENIOR ASSOCIATE, GILC ACADEMY DELEGATE 2026

## AI'S IMPACT ON THE CYBERSECURITY LANDSCAPE

AI tools are reshaping cyber risk by lowering the technical barriers to an attack. Tools that rapidly analyse code make it far easier to identify weaknesses, even for users with limited programming experience. Attacks that once required specialist skills or significant investments in time and technology can now be performed quickly, by almost anyone.

At the same time, advances in large language models have made social engineering more effective. Attackers can generate realistic and targeted messages with minimal effort, closely mimicking legitimate internal communications, reducing or removing the warning signs we have relied on to identify phishing.

Together these represent a shift in the risk profile for organisations, resulting in a reduced margin for error. Weaknesses can be identified and acted on before organisations are even aware they exist, highlighting the need for continuous monitoring and adaptation rather than periodic compliance and reviews.

> "AI TOOLS ARE INCREASING THE CAPABILITIES AND REACH OF LONE THREAT ACTORS, AND DEMAND RAPID RESPONSE FROM SECURITY PROFESSIONALS."
>
> DION MORLEY, SENIOR ASSOCIATE, GILC ACADEMY GRADUATE 2025

## KEY ISSUES:

Extension of the definition of occupational injury

Growing international interest

Weather-related and natural damages payments

## REGISTERED FIRMS

**29**

## VALUE OF PREMIA

**NOK 107.3 MILLION**

## RIISA

# NORWAY

The Norwegian insurance market has long been characterised by the dominance of four major players, who together account for between 75–80% of the premium volume, while the smaller firms compete for the remaining 25%.

Although the market is not strictly speaking a 'hard market', insurance premiums in private insurance have risen significantly in recent years, far outpacing general inflation. At the same time, company profits are increasing. There is growing dissatisfaction among brokers that premiums are too high, and calls for the Competition Authority to intervene, as competition in the market does not appear to be functioning as intended.

*Reine village, Lofoten Islands, Norway*

## EXTENSION OF THE DEFINITION OF OCCUPATIONAL INJURY

In Proposal 93 L (2025–2026), the Ministry of Labour and Social Inclusion proposes widening the definition of a workplace accident and the scope of occupational injury cover, which is likely to bring more cases within the scheme. The Ministry expects a rise in claims, costs and disputes, with much of the burden falling on employers and insurers through occupational injury insurance and the RTV levy.

On financial impact, the Ministry notes that employers fund the occupational injury scheme through insurance premiums. Expenditure under the National Insurance Scheme is financed through the reimbursement mechanism known as the RTV licence fee, which is set at 120% of each workers' compensation award. The proposal may prompt debate over the RTV fee and whether the National Insurance Scheme should bear a greater share of the cost.

"EXPANDED OCCUPATIONAL INJURY COVER WILL NO DOUBT CARRY A CLEAR FINANCIAL COST FOR BOTH INSURERS AND EMPLOYERS."

YNGVE SKOGRAND, PARTNER, RIISA

## GROWING INTERNATIONAL INTEREST

Although the Norwegian insurance market is characterised by competition for the remaining 25% of the market, we are seeing increased interest from foreign players who are attempting to enter the market in various ways. This is happening either through direct establishment (e.g. Liberty), agencies (Dual, Binder, Volante) or through an increased presence and marketing towards the distribution channels.

Despite lower premium levels compared with the continental European or London markets, the Norwegian brokered market is regarded as attractive due to the generally high standard of insured properties, a focus on health, safety and the environment (HSE) and loss prevention, and a pragmatic claims settlement environment with comparatively acceptable claims handling costs.

Unlike the private insurance market, where premiums have risen sharply, the brokered non-life market has generally seen flat or lower renewal premiums over the past three years due to stronger competition and excess capacity. This is particularly true in financial lines.

"A HIGH-QUALITY, STABLE MARKET IS ATTRACTING NEW ENTRANTS WHILE INCREASED COMPETITION CONTINUES TO SUPPRESS PREMIUMS IN THE BROKERED MARKET."

JOACHIM MIKKELBORG SKJELSBÆK, PARTNER, RIISA

## WEATHER-RELATED AND NATURAL DAMAGES PAYMENTS

Insurance companies have paid over NOK 40 billion in claims for climate damage to buildings and contents over the past 10 years, according to Finance Norway's recently published Climate Report 2026. As stated, the claim and cost from climate-related damages are increasing, but funding for prevention has not followed the same trend.

Almost 100 insurance customers are affected daily by damages related to heavy rainfall, with water entering homes and basements, or backflow through drain systems. The municipalities, responsible for water delivery, are strictly liable for the supply of water, but have been able to waive responsibility through standard terms and conditions of subscription.

Recently, the Supreme Court admitted an appeal from Norway's largest insurance company for a hearing later this year, where the legal validity of municipalities' standard terms and conditions will be assessed.

"CLIMATE-RELATED LOSSES ARE SURGING, WHILE PREVENTIVE FUNDING LAGS."

JOACHIM MIKKELBORG SKJELSBÆK, PARTNER & LAWYER (H), RIISA

## KEY ISSUES:

IFRS 17, solvency, corporate governance & risk-based supervision

Infrastructure, Canal projects & insurance developments

Climate risk, ESG & parametric insurance products

## REGISTERED FIRMS

**22**

## VALUE OF PREMIA

**USD2.105 BILLION**

## LAC LEGAL

# PANAMA

Panama's insurance market entered 2026 in a phase of expansion and regulatory modernisation. In 2025, the industry exceeded USD 2.1 billion in written premiums for the first time, with 22 insurers, 2.41 million policies in force and 7.1% year-on-year growth; the loss ratio remained around 50% and technical profit close to 3.5%.

By March 2026, the Superintendence of Insurance and Reinsurance of the Republic of Panama (SSRP) reported USD 537.3 million in direct insurance premiums, almost evenly split between life and general lines, confirming traction in health, life, motor, fire/surety and corporate business. The macroeconomic context remains favourable, supported by services, logistics and Canal-related works, although fiscal pressure, climate risk, price competition and capital requirements persist.

The 2026 agenda therefore combines growth, regulatory execution, product innovation and technical discipline in underwriting, data and reinsurance, with greater attention to the average Panamanian insurance consumer.

*Panama City, Panama*

## IFRS 17, SOLVENCY, CORPORATE GOVERNANCE & RISK-BASED SUPERVISION

Panama is moving from regulatory design to regulatory execution. For insurers, 2026 will be shaped by practical implementation of IFRS 17, new actuarial methodologies, stronger traceability of technical reserves, solvency testing and enhanced corporate governance.

The SSRP has also issued recent agreements on risk-based supervision, AML/CFT/PADM compliance, personal data, health premium adjustments and registration of foreign reinsurers. This creates a more technical supervisory environment in which financial reporting, actuarial judgement, reinsurance documentation, board oversight and compliance evidence will be tested together.

The challenge for insurers is not only to comply with new rules, but to demonstrate that systems, governance and data can support regulatory scrutiny in real time.

> "IN 2026, INSURERS MUST TRANSLATE REGULATORY REFORM INTO AUDITABLE GOVERNANCE, SOLVENCY DISCIPLINE AND RELIABLE COMPLIANCE EVIDENCE ACROSS THE ENTERPRISE EFFECTIVELY."
>
> DIEGO LACAYO KRUPNIK, MANAGING PARTNER, LAC LEGAL

## INFRASTRUCTURE, CANAL PROJECTS & INSURANCE DEVELOPMENTS

Major infrastructure and Canal-related projects should support demand for surety, construction all risks, civil liability, transport, energy and complex facultative reinsurance. Canal, port, pipeline, logistics corridor, road and potential rail developments may generate significant insurance opportunities, particularly where public procurement, contractors and lenders require performance guarantees and technically robust coverage.

The Panama Canal Authority has opened processes for ports and a gas pipeline exceeding USD 6 billion, highlighting the scale of potential risk transfer needs. However, this growth also brings pressure on capacity, wording discipline, accumulation control and reinsurer appetite. Insurers able to combine local licensing, technical underwriting and international facultative support will be best placed to capture this opportunity.

> "CANAL AND INFRASTRUCTURE PROJECTS CREATE MAJOR INSURANCE OPPORTUNITIES, BUT ONLY DISCIPLINED CARRIERS WITH STRONG REINSURANCE SUPPORT WILL CAPTURE THEM SUSTAINABLY."
>
> DIEGO LACAYO KRUPNIK, MANAGING PARTNER, LAC LEGAL

## CLIMATE RISK, ESG & PARAMETRIC INSURANCE PRODUCTS

Climate risk is now a board-level insurance issue in Panama. Drought, extreme rainfall and the Canal's water sustainability challenges raise concerns over catastrophe exposure, accumulation, business interruption and public sector resilience. Parametric insurance is becoming a practical response rather than a theoretical product. Panama has already received B/.26.7 million (USD 26.7m) under a parametric insurance policy triggered by exceptional rainfall, validating this type of coverage for government, agriculture, infrastructure and SMEs.

In 2026, insurers and reinsurers should expect greater interest in products that pay quickly, rely on transparent triggers and complement traditional indemnity cover. The opportunity lies in adapting climate and ESG-linked solutions to local risk data and affordability constraints.

> "CLIMATE VOLATILITY IS PUSHING PANAMA BEYOND CATASTROPHE THINKING TOWARDS FASTER, DATA-DRIVEN AND PARAMETRIC INSURANCE SOLUTIONS FOR PUBLIC AND PRIVATE RISKS."
>
> DIEGO LACAYO KRUPNIK, MANAGING PARTNER, LAC LEGAL

## KEY ISSUES:

Upcoming PFSA recommendations regarding insurance distribution

All-risk home insurances under scrutiny after flood

The renaissance of private health insurance

## REGISTERED FIRMS

**20**
Life

**27**
Non-life

## VALUE OF PREMIA

**PLN 24.8 BILLION**
Life

**PLN 65.8 BILLION**
Non-life

## WKB LAWYERS

# POLAND

The Polish insurance market remains stable. The Polish Financial Supervision Authority (PFSA) continues to strengthen its influence and is willing to introduce solutions that are innovative even by EU standards.

A persistent legal challenge for insurers and distributors in Poland is the active role of consumer protection authorities. Another ongoing difficulty is the length of court proceedings, which often produce uncertain outcomes.

Despite this, the market remains well established, with a strong presence of multinational insurance groups. New global players are also entering Poland through branch offices, such as Zurich Versicherungs AG from Austria.

Bancassurance has also rebounded strongly. By the end of 2025, gross written premium in this channel had risen 92.5% year on year to PLN 5.9 billion.

*Warsaw, Poland*

## UPCOMING PFSA RECOMMENDATIONS REGARDING INSURANCE DISTRIBUTION

In 2026, the Polish Financial Supervision Authority (PFSA) is expected to complete its work on recommendations for insurers covering insurance distribution. The final version is likely to be published in 2026 and to come into force in mid-2027.

The current draft is the result of a market-wide dialogue between the PFSA and industry representatives, including insurers represented by the Polish Insurance Association (PIU).

Several of the proposed recommendations could significantly affect all insurers operating in Poland, including foreign firms. Most notably, the PFSA has extended the 30% loss-ratio requirement to almost all insurance products as a test of whether they deliver value for money. This requirement was first introduced for credit protection insurance (CPI) sold through the bancassurance channel.

> "UPCOMING DISTRIBUTION RECOMMENDATIONS DEVELOPED BY THE PFSA WILL HAVE AN IMPACT ON INSURANCE COMPANIES IN POLAND, INCLUDING FOREIGN INSURERS ACTING IN POLAND THROUGH BRANCH OFFICES OR UNDER THE FREEDOM OF SERVICES PRINCIPLE."
>
> JAKUB POKRZYWNIAK, PARTNER, WKB LAWYERS

## THE RENAISSANCE OF PRIVATE HEALTH INSURANCE

The revival of private health insurance is one of the most notable developments in the Polish market. Available data shows that the average wait for a specialist consultation or diagnostic test under the National Healthcare Fund (NFZ) consistently exceeds four months. As a result, consumers are increasingly paying for faster access, with private policies typically securing specialist appointments within days.

Although individual policy sales are rising, the market still depends heavily on employer-funded group cover. Poland is moving towards a position in which nearly six million people receive private healthcare financed or co-financed by the corporate sector.

Against this backdrop, the PIU is lobbying the Ministry of Finance to introduce tax incentives, such as making health insurance premiums tax-deductible or fully exempt from personal income tax.

> "WHILE THE GROWTH PROSPECTS FOR PRIVATE HEALTH INSURANCE MARKET REMAIN EXCEPTIONALLY STRONG, UNLOCKING ITS POTENTIAL TO STRUCTURALLY RELIEVE THE PUBLIC SYSTEM HINGES ON THE INTRODUCTION OF TARGETED LEGISLATIVE SOLUTIONS."
>
> MAREK PRĘTKI, MANAGING ASSOCIATE, WKB LAWYERS

## ALL-RISK HOME INSURANCE UNDER SCRUTINY AFTER FLOOD

The recent flood in Poland was a major test for the insurance market, generating claims of more than PLN 2.1 billion. Insurers appear to have responded well, with compensation paid quickly in most cases.

Even so, the consumer protection authority, the President of the Office of Competition and Consumer Protection, has launched investigations into the quality of flood cover offered to consumers. So far, however, no charges have been brought against any insurer, which points to the market's maturity.

> "THE CONSUMER PROTECTION AUTHORITY INITIATED INVESTIGATIONS INTO THE QUALITY OF INSURANCE COVERAGE OFFERED TO CONSUMERS IN THE EVENT OF FLOODING, BUT THESE HAVE NOT YET RESULTED IN CHARGES AGAINST ANY INSURER, WHICH INDICATES THE MATURITY OF THE MARKET."
>
> JAKUB POKRZYWNIAK, PARTNER, WKB LAWYERS

## KEY ISSUES:

Regulation & supervisory execution

Climate risk & catastrophe claims

Digitalisation, AI & distribution

## B&A BLANCO Y ASOCIADOS ABOGADOS

# SPAIN

Spain's insurance market entered 2026 with solid momentum, though not without pressure. Premium income reached a new high in 2025, supported by a recovery in life insurance and continued demand for health, motor and multi-risk cover. At the same time, the market is gradually consolidating, as regulatory burdens, technology investment and capital requirements favour larger insurers.

Spain also has an unusual institutional feature: the Spanish Insurance Consortium (*Consorcio de Compensacion de Seguros*), whose role became especially visible after the Valencia DANA, one of the most significant recent catastrophe events for the sector. Against that backdrop, insurers are having to modernise while protecting margins.

In addition to climate volatility, claims inflation, cyber exposure, customer protection rules and AI-enabled distribution are all shaping board agendas. The result is a market that remains mature and profitable, but one in which operational resilience, data quality and product clarity are becoming as important as underwriting capacity over the coming year.

*Costa Brava, Catalonia, Spain*

## REGISTERED FIRMS

**176**

## VALUE OF PREMIA

**€85.9 MILLION**

## REGULATION & SUPERVISORY EXECUTION

Regulation is likely to be the most immediate pressure point in 2026 because it cuts across governance, technology, outsourcing and customer treatment. DORA is already in force, so insurers can no longer treat operational resilience as a technical workstream; boards need evidence that cyber risk, ICT incidents, testing and third-party providers are being properly controlled.

In parallel, AI rules will require closer scrutiny of pricing, fraud detection, underwriting and claims tools, particularly where automated decisions affect customers. The forthcoming Solvency II and recovery and resolution changes will add further demands around capital planning, reporting and crisis preparedness.

In Spain, the proposed Financial Customer Protection Authority may also make complaints handling more exposed, faster and less forgiving. Compliance will therefore need to be practical, well documented and commercially aware.

> "REGULATION IN 2026 INCREASES PRESSURE ON INSURERS THROUGH RESILIENCE REQUIREMENTS, AI OVERSIGHT, CAPITAL PLANNING, AND CUSTOMER PROTECTION ENFORCEMENT DEMANDS."
>
> FERNANDO BLANCO GIRALDO, SENIOR PARTNER, BLANCO Y ASOCIADOS

## CLIMATE RISK & CATASTROPHE CLAIMS

Climate risk is becoming a day-to-day underwriting and claims issue rather than a remote catastrophe topic. The Valencia DANA showed how a single major weather event can produce very large volumes of property, motor and business interruption claims, while also testing loss-adjusting capacity, policy wording and public communication.

The Spanish Insurance Consortium absorbs extraordinary risks, but private insurers still face significant exposure through ordinary covers, customer expectations and follow-on disputes.

In 2026, the focus should be on better catastrophe modelling, accumulation controls, prevention incentives and faster claims protocols. Pricing may become more granular in areas facing repeated flood, storm or wildfire exposure. Insurers will also need clearer explanations of what is covered privately, what falls to the Consorcio and how customers should act after a severe event.

> "CLIMATE RISK IS RESHAPING INSURANCE UNDERWRITING AND CLAIMS IN SPAIN, DEMANDING BETTER MODELLING, FASTER RESPONSES AND CLEARER COVERAGE COMMUNICATION OVERALL."
>
> FERNANDO BLANCO GAMELLA, PARTNER, BLANCO Y ASOCIADOS

## DIGITALISATION, AI & DISTRIBUTION

Digitalisation is moving from a customer-service project to a core strategic issue. Spanish insurers are investing in data platforms, automated document review, AI-assisted claims triage, fraud detection, dynamic pricing and cyber resilience, but many still operate with legacy systems that make integration slow and costly.

Distribution is also changing. Brokers and agents remain central to the Spanish market, yet customers increasingly expect digital onboarding, immediate service and more embedded products. The opportunity is clear: faster claims, better risk selection and more tailored products. The risk is equally clear: opaque decisions, biased data, weak outsourcing controls or cyber incidents can quickly damage trust.

In 2026, successful insurers will be those that modernise the operating model, not just the website, customer portals or mobile application.

> "DIGITALISATION IS TRANSFORMING SPANISH INSURANCE INTO A STRATEGIC SHIFT, MODERNISING SYSTEMS, IMPROVING CLAIMS, AND RESHAPING DISTRIBUTION AND CUSTOMER EXPECTATIONS."
>
> ADRIÁN MARTÍNEZ DE VELASCO, PARTNER, B&A BLANCO Y ASOCIADOS

## KEY ISSUES:

Post-reform distribution & intermediary supervision

Cyber, ICT & outsourcing resilience

Climate, natural catastrophe risk & insurability

## GBF ATTORNEYS-AT-LAW LTD

# SWITZERLAND

Switzerland remains one of Europe's most sophisticated insurance and reinsurance markets, combining high insurance penetration, a strong domestic non-life sector and internationally important reinsurance capacity.

In 2026, 188 private insurers, reinsurers and captives compete across the Swiss market and aggregate gross premium volume reach about CHF 150 billion, with growth driven primarily by non-life insurance and reinsurance. The market is well capitalised, but the environment for the year will be more demanding and more closely supervised.

Since the revised Insurance Supervision Act and Insurance Supervision Ordinance came into force on 1 January 2024, insurers and intermediaries have moved into supervisory scrutiny. At the same time, the Swiss Financial Market Supervisory Authority (FINMA) is focused on operational resilience, cyber and ICT risks, critical outsourcing, sanctions exposure, climate-related financial risks and transparent distribution. Commercially, insurers face continuing claims inflation, nat cat volatility, digital distribution pressure and demand for innovative cover, including cyber and parametric solutions.

*Bern, Switzerland*

**REGISTERED FIRMS**

**188**

**VALUE OF PREMIA**

Approx.

**CHF150 BILLION**

## POST-REFORM DISTRIBUTION & INTERMEDIARY SUPERVISION

The implementation phase of the revised Insurance Supervision Act (ISA) and Insurance Supervision Ordinance is giving way to supervisory testing. In 2026, FINMA is expected to focus less on formal transition and more on whether insurers have embedded the new rules in governance, distribution controls and audit-ready documentation.

The most sensitive area is insurance intermediation. Untied intermediaries are directly supervised and must be registered with FINMA; tied intermediaries are attributed to insurers, which must select, instruct and monitor them. This raises practical questions for delegated distribution models, MGA setups, affinity platforms, embedded insurance, foreign brokers and digital sales journeys.

Insurers will need clear responsibility maps, risk-based onboarding files, training evidence and monitoring processes, especially where distribution is outsourced, automated or performed cross-border in practice.

> "DISTRIBUTION COMPLIANCE IS MOVING FROM REGISTRATION MECHANICS TO EVIDENCE: INSURERS MUST PROVE INTERMEDIARY GOVERNANCE ACTUALLY WORKS ACROSS ALL SALES CHANNELS."
>
> DOMINIK SKROBALA, PARTNER, GBF ATTORNEYS-AT-LAW LTD

## CYBER, ICT & OUTSOURCING RESILIENCE

Cyber, ICT and outsourcing risk have become board-level insurance issues. FINMA's recent risk monitoring identifies technological and geopolitical risk as increasing, and it expects stronger controls around critical outsourcing.

For insurers, the issue is twofold: they are exposed both as operational targets and as underwriters of cyber risk. Cloud migration, group-wide IT platforms, claims outsourcing, AI-supported underwriting and reliance on third-party administrators can create concentration risks that are not always visible in traditional outsourcing inventories.

In 2026, insurers should expect closer scrutiny of incident reporting, business continuity management, supplier oversight, access controls, data localisation and exit planning. The contractual documentation must be matched by operational evidence: testing, escalation paths, board reporting, incident exercises and demonstrable control over subcontracting chains.

> "CYBER RESILIENCE IS NO LONGER AN IT APPENDIX: IT IS NOW A SUPERVISORY, UNDERWRITING AND BOARD ACCOUNTABILITY ISSUE FOR INSURERS."
>
> DOMINIK SKROBALA, PARTNER, GBF ATTORNEYS-AT-LAW LTD

## CLIMATE, NATURAL CATASTROPHE RISK & INSURABILITY

Climate-related and natural catastrophe risks remain a major concern for Swiss insurers in 2026. Switzerland benefits from comparatively high insurance penetration and a mature elemental perils framework, but physical risk, claims inflation and changing hazard patterns are placing pressure on pricing, accumulation management and product design.

FINMA now integrates climate-risk reporting into its risk-monitoring work and expects financial institutions to treat climate change as a driver of existing risk categories rather than as a separate public relations topic.

Globally, natural catastrophe losses remain elevated and increasingly driven by secondary perils such as hail, flood, wildfire and severe convective storms. Swiss insurers will therefore need better exposure data, disciplined underwriting, prevention incentives and, where appropriate, parametric or public–private solutions to preserve insurability for vulnerable clients.

> "CLIMATE RISK IS BECOMING AN UNDERWRITING DISCIPLINE: BETTER DATA, PREVENTION AND PRODUCT INNOVATION WILL INCREASINGLY DEFINE FUTURE INSURABILITY IN SWITZERLAND."
>
> DOMINIK SKROBALA, PARTNER, GBF ATTORNEYS-AT-LAW LTD

## KEY ISSUES:

Climate risk, earthquake exposure & catastrophe resilience

Inflation, claims costs & profitability pressure

Digital transformation, cyber risk & AI-driven insurance solutions

## REGISTERED FIRMS

**70**

## VALUE OF PREMIA

**TRY 838.5 BILLION**

gross written premiums (2024)

## PIA LEGAL

# TÜRKIYE

Türkiye's insurance market continues to grow rapidly despite ongoing economic volatility, inflationary pressures and geopolitical uncertainty. The sector has shown strong premium growth, driven by increased awareness of catastrophe risks following the 2023 earthquakes, expansion in private health insurance, and wider digital adoption across distribution and claims management. Regulatory activity by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) remains intensive, particularly regarding solvency, compulsory insurance products, and consumer protection.

The Turkish market is also experiencing structural transformation through insurtech investments, AI-supported underwriting and claims processes, and greater use of embedded insurance models. Climate-related losses, earthquake exposure and cyber risks are reshaping underwriting appetite and reinsurance strategies. At the same time, affordability concerns and inflation-linked claims costs continue to pressure profitability in motor and health lines.

In 2026, insurers in Türkiye are expected to focus on resilience, digitalisation, regulatory adaptation and sustainable long-term growth.

*Cappadocia, Türkiye*

## CLIMATE RISK, EARTHQUAKE EXPOSURE & CATASTROPHE RESILIENCE

Türkiye remains highly exposed to earthquake and natural catastrophe risks, making catastrophe resilience one of the insurance market's defining issues for 2026. Following the devastating earthquakes of 2023, regulators and insurers continue to strengthen compulsory disaster insurance frameworks, risk modelling and reinsurance programmes.

Climate change is also increasing the frequency and severity of floods, wildfires and extreme weather events, creating pressure on underwriting standards and pricing.

Insurers are expected to invest further in catastrophe analytics, parametric products and public–private cooperation mechanisms. Reinsurance capacity and pricing remain key concerns, particularly for property and commercial risks. Businesses and consumers are becoming more aware of insurance protection gaps, creating opportunities for product innovation and greater market penetration.

> "TÜRKIYE'S INSURANCE SECTOR MUST PRIORITISE CATASTROPHE RESILIENCE, SUSTAINABLE UNDERWRITING AND INNOVATIVE RISK-TRANSFER MECHANISMS TO ADDRESS INCREASING CLIMATE-RELATED EXPOSURES."
>
> İLKE AKÇAY BOZBURUN, PARTNER, PIA LEGAL

## INFLATION, CLAIMS COSTS & PROFITABILITY PRESSURE

Persistent inflation and currency volatility continue to challenge insurers operating in Türkiye. Rising repair, healthcare and replacement costs are significantly affecting claims severity, particularly in motor and health insurance lines. While premium production has increased substantially, insurers remain focused on maintaining technical profitability and adequate reserving.

Regulatory interventions in compulsory motor insurance pricing and consumer protection measures may further affect underwriting margins in 2026. At the same time, policyholders are becoming increasingly price-sensitive, which may reduce penetration in voluntary insurance products.

Insurers are responding by revising pricing models more frequently, improving claims management efficiency and strengthening fraud detection systems. The balance between affordability, profitability and regulatory expectations will remain a major strategic challenge for the sector.

> "MANAGING INFLATION-DRIVEN CLAIMS COSTS WHILE MAINTAINING AFFORDABILITY AND PROFITABILITY WILL REMAIN A CENTRAL CHALLENGE FOR TURKISH INSURERS IN 2026."
>
> PINAR ERÇETIN ALKAN, PARTNER, PIA LEGAL

## DIGITAL TRANSFORMATION, CYBER RISK & AI-DRIVEN INSURANCE SOLUTIONS

Digital transformation is accelerating across Türkiye's insurance market as insurers invest in AI-supported underwriting, digital distribution platforms and automated claims-handling systems. Consumers increasingly expect faster and more personalised insurance services, encouraging insurers to modernise legacy systems and improve customer experience.

At the same time, cyber risk is emerging as a major concern for businesses and insurers alike. Cyber insurance awareness has also increased considerably in recent years. In particular, banks and financial institutions have started to impose contractual cyber insurance requirements on outsourced IT and cybersecurity service providers. This trend is contributing to the broader adoption of cyber insurance across Türkiye and is expected to further support market growth in the coming years.

Insurers that successfully combine technological innovation with effective governance and cyber resilience are likely to gain competitive advantage. Embedded insurance, digital ecosystems and data-driven pricing models are expected to expand further in 2026.

> "AI, DIGITALISATION AND CYBER RESILIENCE WILL REDEFINE COMPETITION IN TÜRKIYE'S INSURANCE MARKET AND CREATE NEW REGULATORY AND OPERATIONAL CHALLENGES."
>
> İLKE AKÇAY BOZBURUN, PARTNER, PIA LEGAL

## KEY ISSUES:

Geopolitical instability & regional conflict risk

Climate risk & mega-project exposure

Digital transformation, AI & cyber risk

## BEALE & CO

# UAE

The GCC insurance market continues to grow steadily, supported by strong economic fundamentals, regulatory reform and mandatory insurance schemes, particularly in health and motor lines.

The region remains relatively underpenetrated compared to global averages, but premiums are rising consistently, driven by population growth, infrastructure investment and diversification away from hydrocarbons.

Saudi Arabia and the UAE dominate the market, accounting for the majority of premiums, with both jurisdictions undergoing regulatory transformation and consolidation.

Digitalisation, including AI-driven underwriting and claims, is expanding rapidly, while the development of mega-projects across the region is increasing demand for complex commercial insurance and reinsurance solutions.

At the same time, geopolitical instability, climate exposure and evolving legal frameworks are creating new risks and potential disputes. Insurers in the GCC are therefore operating in a market characterised by growth opportunities alongside increasing complexity in risk modelling, policy wording and claims management.

*Abu Dhabi, UAE*

**REGISTERED FIRMS**

**180-220**

**VALUE OF PREMIA**

**USD 40-45 BILLION**

(2025 estimate)

## GEOPOLITICAL INSTABILITY & REGIONAL CONFLICT RISK

Heightened geopolitical tensions across the Middle East continue to influence the GCC insurance market, particularly through indirect exposures such as supply chain disruption, energy price volatility and shipping risks.

Marine, aviation and political risk insurance lines are particularly affected, with insurers reassessing war risk exclusions and pricing adequacy.

Regional instability also increases sanctions compliance risks, especially for insurers and reinsurers operating across multiple jurisdictions. For large infrastructure and energy projects, political risk remains a key underwriting consideration, particularly where cross-border investment and financing are involved.

Coverage disputes may arise where losses stem from events that sit at the intersection of political risk, force majeure and traditional insured perils. As a result, insurers are placing greater focus on policy clarity, aggregation risk and reinsurance protections in an increasingly uncertain geopolitical environment.

> "GEOPOLITICAL VOLATILITY CONTINUES TO DRIVE COMPLEX CLAIMS AND COVERAGE DISPUTES, REQUIRING CLEARER POLICY DRAFTING AND CAREFUL RISK ALLOCATION ACROSS GCC MARKETS."
>
> LYNDON RICHARDS, PARTNER, BEALE & CO.

## CLIMATE RISK & MEGA-PROJECT EXPOSURE

Climate related risks, including extreme heat, flooding and severe weather events, are increasingly affecting the GCC, despite the region's historically lower catastrophe profile.

At the same time, the scale of construction and infrastructure projects, such as "giga projects" in Saudi Arabia and major developments in the UAE and Qatar, has created significant insured exposures.

These projects often involve complex supply chains, multiple contractors and advanced engineering risks, increasing the likelihood of large, multiparty claims. Climate risk is also influencing underwriting assumptions, particularly in property, construction and energy lines.

Insurers are exploring alternative risk transfer solutions, including parametric insurance, to address gaps in traditional coverage.

However, disputes can arise around causation, delay and policy triggers, particularly in projects impacted by both environmental and operational factors.

> "THE INTERSECTION OF CLIMATE RISK AND LARGE-SCALE INFRASTRUCTURE IS RESHAPING CLAIMS EXPOSURE AND DRIVING DEMAND FOR INNOVATIVE INSURANCE SOLUTIONS ACROSS THE GCC."
>
> LYNDON RICHARDS, PARTNER, BEALE & CO.

## DIGITAL TRANSFORMATION, AI & CYBER RISK

Digital transformation is accelerating across the GCC insurance sector, with insurers adopting AI in underwriting, pricing, fraud detection and claims management. This shift is improving efficiency but also introducing new operational and liability risks.

Cyber threats are increasing in both frequency and sophistication, with insurers exposed not only as risk carriers but also as targets of cyberattacks.

The use of AI raises additional concerns around data governance, algorithmic bias and transparency, particularly where automated decision making impacts claims outcomes.

Regulators across the GCC are beginning to address these issues, but regulatory frameworks remain fragmented and evolving. This creates uncertainty for insurers operating across multiple jurisdictions and increases the potential for disputes relating to data use, cyber incidents and AI-driven decisions.

> "AI ADOPTION IS TRANSFORMING GCC INSURERS BUT INTRODUCES NEW LEGAL, REGULATORY AND CYBER RISKS THAT WILL REQUIRE CAREFUL GOVERNANCE AND OVERSIGHT."
>
> LYNDON RICHARDS, PARTNER, BEALE & CO.

## KEY ISSUES:

Artificial Intelligence & digital transformation

ESG

Regulatory & legislative pressures

## BEALE & CO

# UNITED KINGDOM

The UK insurance market remains one of the largest and most influential globally, with London serving as a leading hub for international insurance. Entering 2026, the market is characterised by abundant capacity and broadly soft conditions, delivering competitive pricing but raising renewed concerns around sustainability. Despite this, exposure related to large, correlated losses, particularly across financial and professional lines, continues to grow.

Regulatory pressure is continually increasing. The Financial Conduct Authority's (FCA) Consumer Duty, expanded on non-financial conduct expectations and its enhanced enforcement activity increases the scope of personal and corporate liability, while sustainability disclosure and anti-greenwashing rules are sharpening scrutiny of governance and reporting. At the same time, digital transformation and the embedding of AI across underwriting, claims and professional services are reshaping risk profiles, creating new exposures around data governance, automation bias, cyber security and professional negligence.

While innovation and competition support growth, insurers are increasingly focused on refined wordings, technical expertise and robust risk controls to navigate a more complex, highly regulated and connected market environment.

*The City of London, England*

## REGISTERED FIRMS

**415**

## VALUE OF PREMIA

**€462 BILLION**

## ARTIFICIAL INTELLIGENCE & DIGITAL TRANSFORMATION

AI and digital transformation are materially reshaping risk profiles while simultaneously lowering the barrier to entry for cyber crime. AI-enabled threats, including deepfakes, AI-powered phishing and audio and video fraud, are becoming more sophisticated and costly, as highlighted by recent high-value social engineering losses.

The integration of AI tools also increases systemic vulnerability, as interconnected platforms and expanded digital ecosystems create additional entry points for attack. At the same time, unauthorised employee use of generative AI exposes organisations to data protection breaches, intellectual property infringement, misinformation and bias driven decision making.

Many AI-related risks, such as hallucinated outputs, model manipulation and AI washing, remain only partially addressed in policy wordings. Insurers are therefore placing increasing emphasis on documented AI governance, cyber resilience, third-party risk management and clearer contractual allocation of emerging liabilities.

> **"STRIKING THE RIGHT BALANCE BETWEEN WHEN TO USE HUMAN JUDGMENT AND WHEN TO MANAGE THE RISKS OF LEAVING AI ON AUTOPILOT WILL BE CRITICAL."**
>
> ROSS BAKER, FINANCIAL & SPECIALTY RISKS, BEALE & CO LONDON

## ESG

ESG risk continues to intensify as regulatory enforcement, litigation and shareholder scrutiny accelerate. The FCA's anti greenwashing rule has been in force since May 2024, with sustainability labelling and disclosure requirements phasing in through 2025–26.

For insurers, the key exposures lie in enforcement action and shareholder claims where ESG statements prove misleading or inadequately evidenced. This risk is compounded by the Competition and Markets Authority's (CMA) enhanced powers under the Green Claims Code, including the ability to impose fines of up to 10% of global turnover. Climate and ESG related litigation, while evolving unevenly across jurisdictions, remains a growing pressure point, particularly for directors and officers.

Scrutiny of boards' climate strategies, transition plans and sustainability narratives shows no sign of abating, reinforcing the need for robust governance, data integrity and careful oversight of public disclosures as ESG moves decisively into the core risk landscape.

> **"COMPANIES IN THE UK MUST BE ABLE TO SHOW THAT THEY CAN PROVE, GOVERN, EVIDENCE AND DEFEND ESG-RELATED STATEMENTS AND DECISIONS CONTINUOUSLY."**
>
> ROSS BAKER, FINANCIAL & SPECIALTY RISKS, BEALE & CO LONDON

## REGULATORY & LEGISLATIVE PRESSURES

Regulatory and legislative scrutiny continues to intensify, reshaping risk and liability expectations. Boards face heightened accountability under the updated Corporate Governance Code, which requires reporting on the effectiveness of all material controls, including non financial and ESG related risks.

At the same time, the FCA's Sustainability Disclosure Requirements and anti greenwashing rule are raising the bar for the accuracy, clarity and evidential basis of sustainability claims made by insurers and intermediaries. Parallel enforcement by the CMA, backed by direct fining powers of up to 10% of global turnover, further increases exposure for misleading claims. Supervisory expectations from the PRA continue to evolve, with greater emphasis on forward looking risk assessment, climate governance and board oversight.

New legislation – including the 'failure to prevent fraud' offence in the Economic Crime and Corporate Transparency Act 2023 (September 2025) coupled with the Crime and Policing Act 2026 extending corporate liability for criminal offences committed by senior managers beyond fraud offences – is driving demand for robust compliance frameworks, clearer disclosures, proactive responses and structured insurance cover.

> **"PROACTIVE PREPARATION, CLEAR ACCOUNTABILITY AND DEFENSIBLE DECISION MAKING WILL BE CRITICAL TO NAVIGATING THE FAST PACE OF REGULATORY CHANGE IN THE UK."**
>
> ROSS BAKER, FINANCIAL & SPECIALTY RISKS, BEALE & CO LONDON

## KEY ISSUES:

Climate, catastrophe & property loss

AI, cybersecurity & data-driven claims & underwriting risk

Captives & alternative risk transfer

FORAN GLENNON

# UNITED STATES

The US insurance market enters 2026 under continuing external pressures, but the picture is not uniformly negative. While property and specialty carriers are still facing catastrophic losses, climate-related volatility and litigation risk, there are also signs of stabilisation and renewed competition in better-performing segments.

For example, in Florida, California and Texas (which, combined, account for approximately 30% of the US population), recent reforms and market adjustments appear to have reduced some property-insurance litigation and helped ease rate pressure in selected segments, although these states remain catastrophe-exposed, litigation-intensive, and closely watched by regulators and policymakers.

At the same time, insurers are devoting increasing attention to AI use, governance, cybersecurity, data controls and operational resilience, while insureds continue to explore captive and alternative risk structures to manage volatility and gaps in traditional markets.

*New York, United States*

### REGISTERED FIRMS

Approx

**236,000**

licensed insurance business entities operate in the US, including around 5,000 licensed insurance companies.

### VALUE OF PREMIA

**USD 2 TRILLION**

per year in total direct written premiums across US life, health, and property-casualty lines. Of that, approximately USD 1.1 trillion per year is from P&C lines.

## CLIMATE, CATASTROPHE & PROPERTY LOSS

Climate and catastrophe-related losses remain a defining issue for the US market, but the 2026 picture is more complex than a simple narrative suggests.

Capacity and competition are returning for some risks, while catastrophe-exposed property and construction accounts continue to face close underwriting scrutiny. Construction defect disputes remain active, especially where the line between defective work, resulting damage and covered loss is contested. Across major catastrophe- and litigation-exposed states, including Florida, procedural regimes for construction and defect disputes, comparative fault rules, and continuing reform-related litigation all remain important parts of the practical claims landscape, even as broader market indicators show some signs of stabilisation.

The result is a market in which pricing may be easing in places, but technical property and construction coverage disputes remain front and centre.

> "PROPERTY AND CONSTRUCTION CLAIMS MAY BE STABILISING IN SOME SEGMENTS, BUT DEFECT, ALLOCATION AND CAUSATION DISPUTES REMAIN DEEPLY CONTESTED."
>
> CHARLES ROCCO, SHAREHOLDER, FORAN GLENNON

## AI, CYBERSECURITY & DATA-DRIVEN CLAIMS & UNDERWRITING RISK

AI, automation and data-driven tools are now embedded in underwriting, fraud detection and claims handling across the insurance sector. A very real concern in 2026 is how insurers document and justify use, manage bias, protect data and respond when technology-assisted decisions are challenged.

Cybersecurity remains closely tied to this issue because operational failures, ransomware and AI-enabled attacks can trigger both first-party and third-party exposure, as well as disputes over exclusions, security obligations and claims handling.

These risks are especially important in casualty and professional lines, where claims decisions, settlement evaluation and documentation practices may later be scrutinised in bad-faith, negligence or regulatory proceedings.

> "AS INSURERS RELY MORE HEAVILY ON AI AND DIGITAL TOOLS, GOVERNANCE AND DOCUMENTATION ARE BECOMING AS IMPORTANT AS THE TECHNOLOGY ITSELF."
>
> SEAN P. RAVENEL, SHAREHOLDER, FORAN GLENNON

## CAPTIVES & ALTERNATIVE RISK TRANSFER

Captives and other alternative risk structures remain highly relevant in 2026, even as parts of the traditional commercial market show signs of stabilisation.

For insureds facing persistent volatility in property, casualty, cyber or specialty lines, captives continue to offer flexibility where traditional markets might remain expensive, limited or inconsistent.

At the same time, a less uniformly distressed market means organisations are taking a more deliberate look at how captives interact with fronting carriers, reinsurance and commercial towers. This creates new space for disputes over allocation, trigger, wording, governance and cross-border structure, particularly when bespoke programs are tested by major losses or long-tail liabilities.

In practice, the issue is no longer whether captives are niche, it is how they are integrated into a broader risk-financing strategy without creating avoidable friction when claims arise.

> "CAPTIVES ARE NOW A MAINSTREAM RESPONSE TO VOLATILITY, BUT CAREFUL STRUCTURE AND DISCIPLINED WORDING STILL DETERMINE WHETHER THEY WORK."
>
> JOHN EGGUM, SHAREHOLDER, FORAN GLENNON

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