July 2026

Annual Insurance Performance Index

Benchmarking Scale, Efficiency, and Risk Discipline Across Listed Insurers

Global insurers improved profitability in 2025 through strong underwriting discipline, cost efficiency, and sustained reinsurance utilization despite moderating premium growth

Executive Summary

Global performance assessment of listed insurers across Property & Casualty, Life & Health, and Multi-line businesses

Global GWP
$573.2 Bn
+7.0% YoY

Net Claims Paid
$298.4 Bn
+6.9% YoY

Reinsurance Ceding
$160.3 Bn
+6.4% YoY

Dominant Segment
Property & Casualty
88.6% share

Insurance Industry Performance

Premium Growth
GWP recorded a 9.2% CAGR (2021–25)

Risk Transfer
$160Bn ceded to reinsurance
10% CAGR (2017–25)

Profitability
Avg. Combined Ratio improved from 101% (2017) to 97% (2025)

DOMINANT SECTOR

Property & Casualty

Largest segment by GWP – 88.6% of industry total

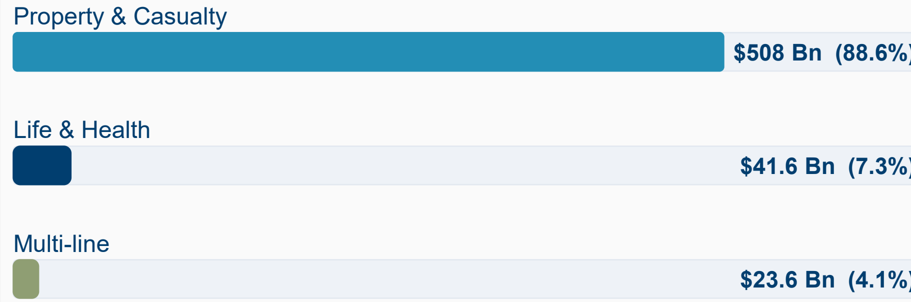
98%
Combined Ratio
↓ from 117.7% (2018)

~30%
Reinsurance Ceding
Sustained post 2021-peak

$260 Bn
Claims Paid (2025)

~15%
Acq. Cost / GWP

GWP by Insurance Sector (2025)



Key Highlights

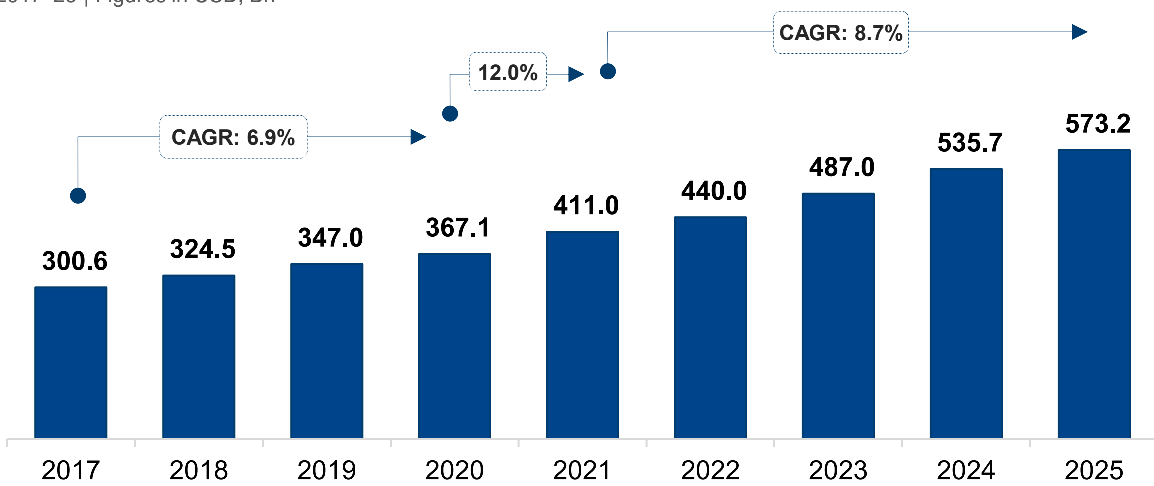
- Growth has been primarily pricing-led, displacing volume expansion
- Combined ratios improved across major insurance lines
- Reinsurance remained elevated as a balance sheet protection tool
- Cost efficiency increasingly differentiates insurer performance

***2026 Outlook**: Pricing-led growth • Underwriting discipline • Cost efficiency • Reinsurance-led capital protection*

Global insurance premium growth peaked in 2021 before stabilizing in subsequent years, reflecting normalization after the COVID-19 pandemic-driven expansion

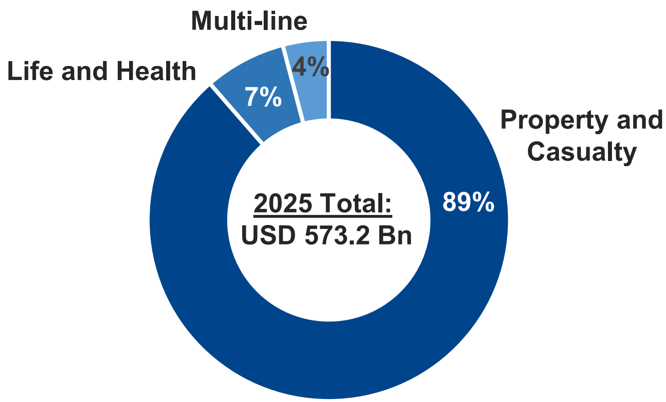
Global Gross Written Premiums (GWP)

2017–25 | Figures in USD, Bn



Global GWP By Insurance Lines

2025 | Figures in Percentages



Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Global insurance GWP recorded a CAGR of ~9% to USD 573.2 Bn from USD 300 Bn during 2017–25. Growth accelerated sharply in 2021 as the industry rebounded post-pandemic, supported by heightened risk awareness, stronger demand for protection products, premium rate hardening, and recovery in economic activity.
- Growth moderated slightly in 2022 amid macroeconomic uncertainty, inflationary pressures, and weaker discretionary spending, which impacted policy purchases and renewals across certain segments.
- Momentum recovered during 2023–25, driven by sustained pricing discipline, higher insured asset values, rising demand for catastrophe-related coverage, and improving insurance penetration globally.
- Property and Casualty accounted for the majority of global GWP in 2025, driven by strong demand across motor, property, and commercial risk insurance, supported by higher exposure values and stricter underwriting conditions.

Property and Casualty Insurance

$508 Bn

Gross Written Premiums in 2025

$260 Bn

Claims Paid in 2025

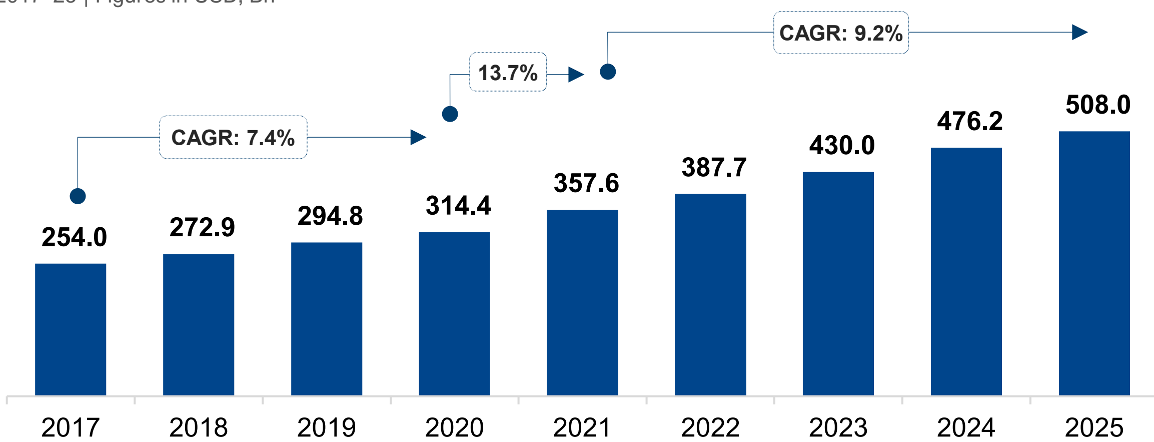
$153 Bn

Premiums Ceded to Reinsurance in 2025

P&C insurers sustained premium growth through pricing discipline and underwriting focus despite moderating market conditions after 2021

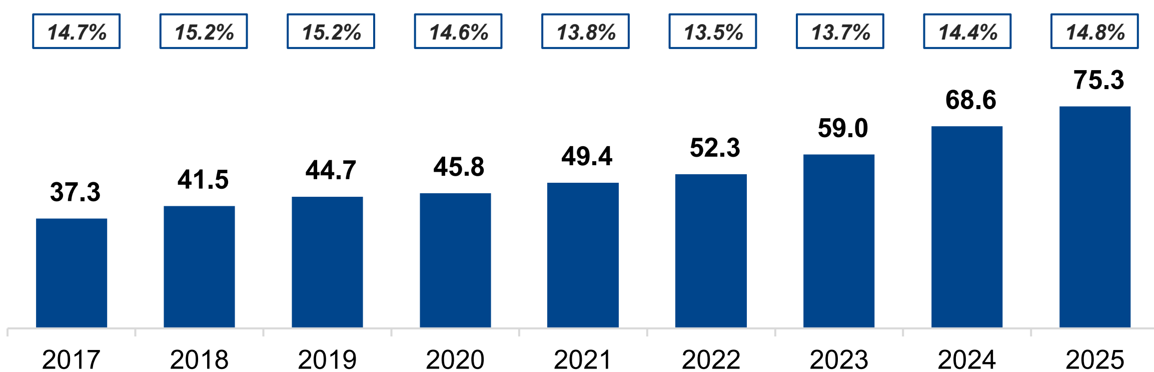
Global Gross Written Premiums (GWP)

2017–25 | Figures in USD, Bn



Policy Acquisition and Underwriting Costs

2017–25 | Figures in USD, Bn



Indicates policy acquisition costs as a % of GWP

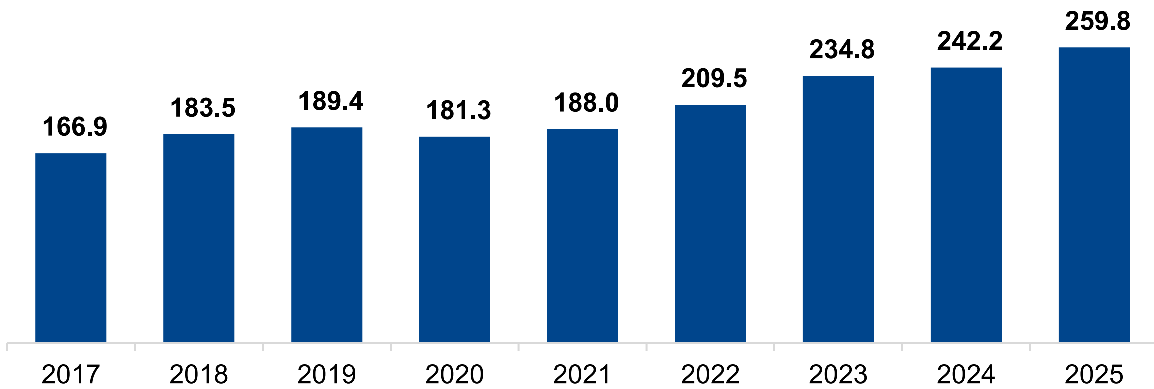
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- P&C insurance GWP recorded a 9.2% CAGR during 2021–25, following a 7.4% CAGR during 2017–20. The sharp expansion in 2021 was primarily driven by premium rate hardening across commercial lines; higher insured asset values; and elevated demand for catastrophe, motor, and liability coverages.
- Growth moderated during 2022–23 due to stricter underwriting, rising claims severity, higher reinsurance costs, and elevated catastrophe losses. However, premium growth remained resilient, supported by a continued focus on profitability over volume-led growth.
- Policy acquisition and underwriting costs broadly tracked premium growth as insurers expanded distribution capabilities, strengthened broker networks, and invested in underwriting and risk assessment functions to manage increasingly complex risk exposures.
- Acquisition costs as a percentage of GWP declined from 15.2% in 2018 to 13.5% in 2022 as insurers prioritized profitability and underwriting efficiency before gradually increasing to ~15% in 2025 amid improving market conditions and growth investments.

P&C insurers navigated rising claims severity and cost pressures through tighter underwriting, portfolio repricing, and gradual operating performance stabilization

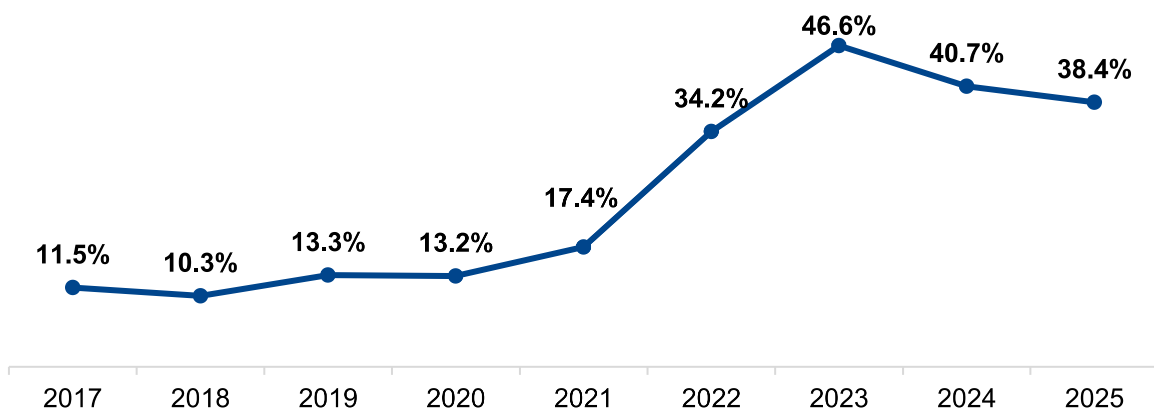
Net Claims Paid

2017–25 | Figures in USD, Bn



Administrative Ratio

2017–25 | Figures in Percentages



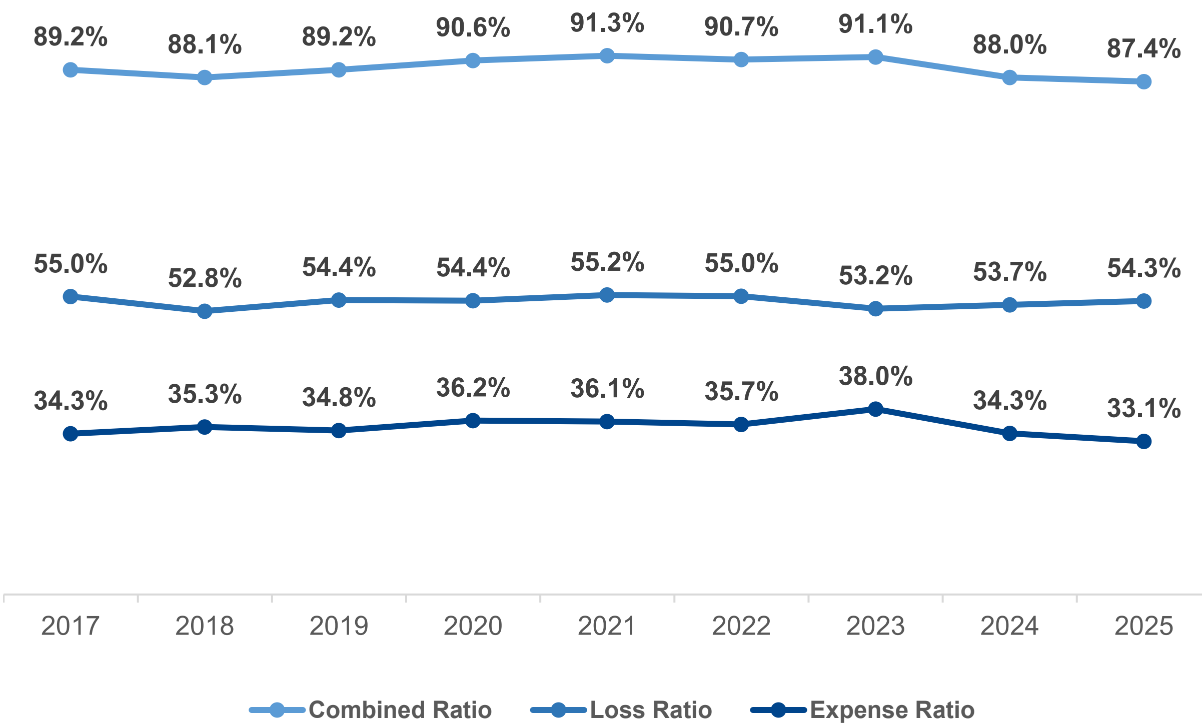
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Net claims paid in the P&C segment increased from ~USD 167 Bn in 2017 to ~USD 260 Bn in 2025, due to elevated catastrophe activity, pandemic-related disruptions, and higher motor and property claim severity amid inflation in repair, medical, and construction costs.
- Tighter underwriting standards, portfolio repricing, and greater reinsurance usage helped contain claims growth relative to premium expansion.
- Administrative ratios remained below 15% during 2017–20 before rising sharply to 34% in 2022 and peaking at ~47% in 2023, driven by higher catastrophe-related claims handling costs, rising reinsurance spending, and increased compliance and risk management costs.
- The increase was further amplified by operating deleverage, as portfolio restructuring and tighter underwriting reduced insurers’ ability to absorb fixed operating costs across the premium base.
- Administrative ratios moderated to 38.4% by 2025, indicating gradual normalization in cost structures as premium growth stabilized and insurers adjusted operating models, supporting improved underwriting discipline and expense efficiency.

P&C insurers recorded improvements in profitability ratios, driven by operating efficiency and underwriting discipline over premium growth

Loss, Expense, and Combined Ratios

2017–25 | Figures in Percentages



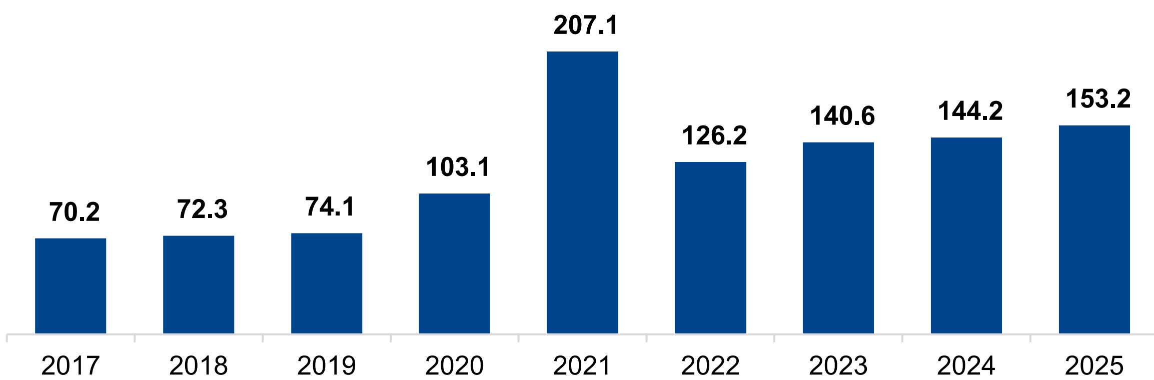
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- P&C combined ratios remained elevated during 2017–21, peaking at 117.7% in 2018 amid heavy catastrophe losses and elevated claims severity across motor and property lines. They improved to 98% by 2025 as insurers strengthened underwriting discipline, repriced high-risk portfolios, and expanded reinsurance usage.
- Combined ratios temporarily deteriorated during 2021–23 due to continued catastrophe losses and inflation-driven repair costs. However, subsequent improvement indicates premium repricing and tighter risk selection helped restore underwriting profitability.
- Loss ratios remained relatively stable at 53–55% during 2017–25, reflecting insurers' ability to manage claims exposure through portfolio repricing, stricter underwriting, and reduced exposure to loss-making segments.
- Expense ratios, too, remained broadly stable at 33–38%, highlighting continued control over commissions, distribution, and administrative costs. Profitability gains were driven by underwriting discipline and operating efficiency rather than premium volume growth.

Since 2020, P&C insurers increased reinsurance usage, prioritizing capital protection, earnings stability, and stronger risk management

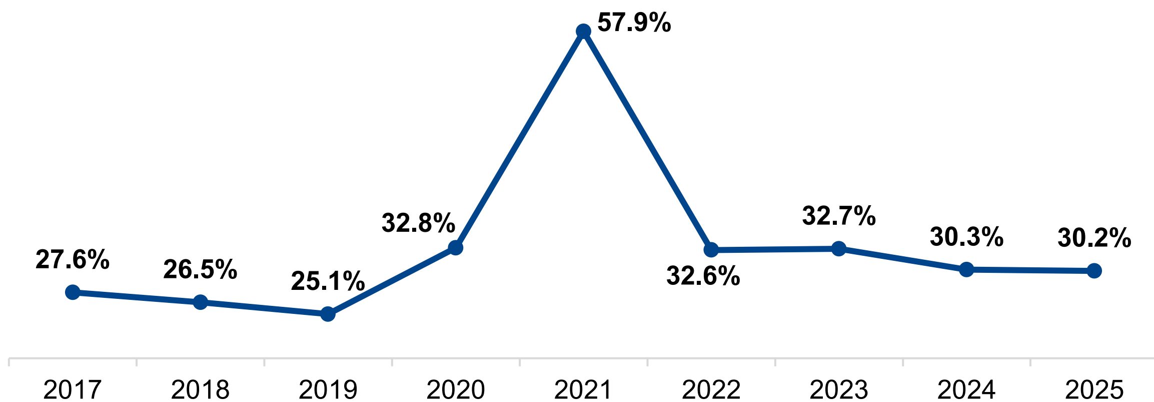
Premiums Ceded to Reinsurance

2017–25 | Figures in USD, Bn



Reinsurance Ceding Ratio

2017–25 | Figures in Percentages



Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Premiums ceded to reinsurers increased from USD 70 Bn in 2017 to USD 153 Bn in 2025. There was a sharp rise during 2020–21 as P&C insurers increased risk transfer amid elevated catastrophe losses, COVID-19 pandemic-related uncertainty, and rising claims volatility across motor, property, and commercial lines.
- Reinsurance ceding ratios increased from 27.6% in 2017 to a peak of 57.9% in 2021, reflecting a shift toward capital protection and earnings stabilization during heightened underwriting uncertainty and reserve pressure.
- Although ceding ratios moderated after 2021, they remained elevated at ~30% through 2025, indicating that insurers continued to prioritize balance sheet resilience, catastrophe risk mitigation, and capital efficiency despite improving underwriting conditions.
- Sustained reinsurance utilization also supported tighter underwriting discipline and profitability recovery by reducing net retained exposure to high-severity risks, particularly in catastrophe-prone property and commercial insurance portfolios.

Life and Health Insurance

$41.6 Bn

Gross Written Premiums in 2025

$36.6 Bn

Claims Paid in 2025

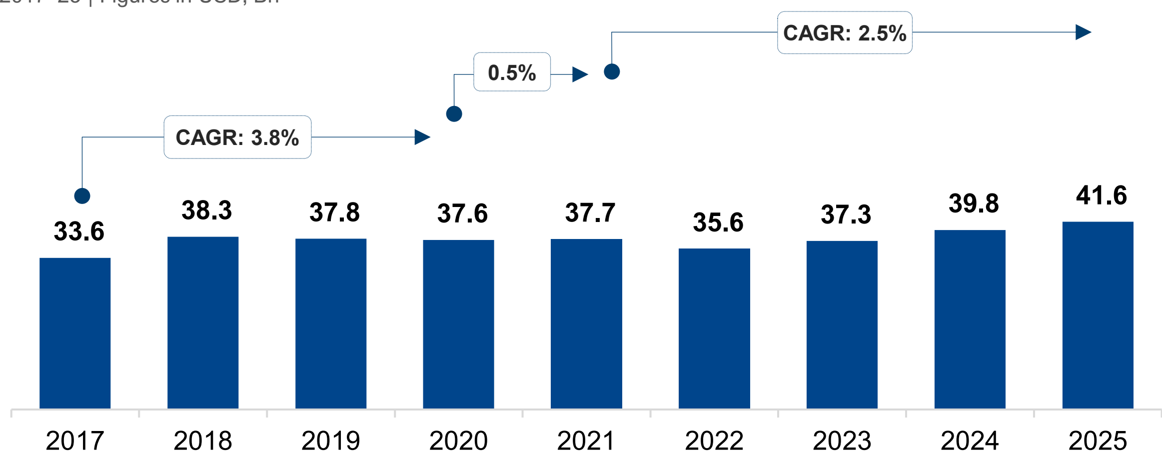
$2.4 Bn

Premiums Ceded to Reinsurance in 2025

Rising distribution and customer acquisition investments drove a gradual increase in acquisition costs despite stable premium growth

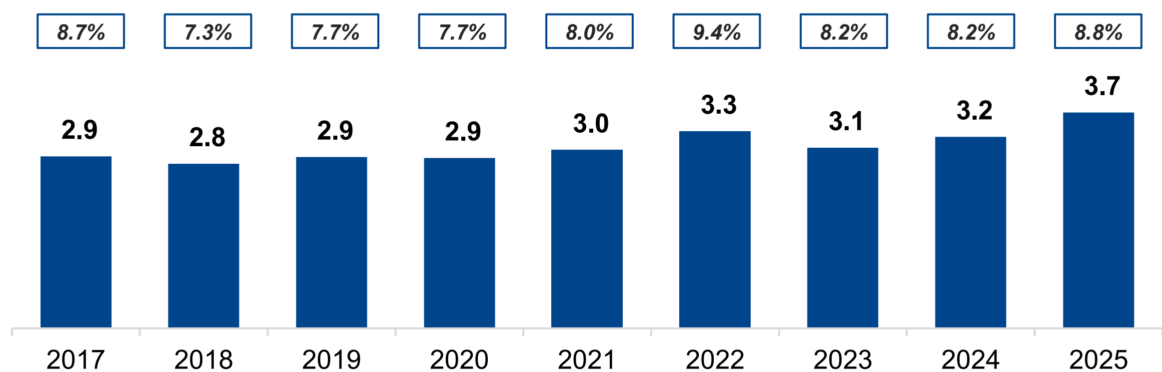
Global Gross Written Premiums (GWP)

2017–25 | Figures in USD, Bn



Policy Acquisition and Underwriting Costs

2017–25 | Figures in USD, Bn



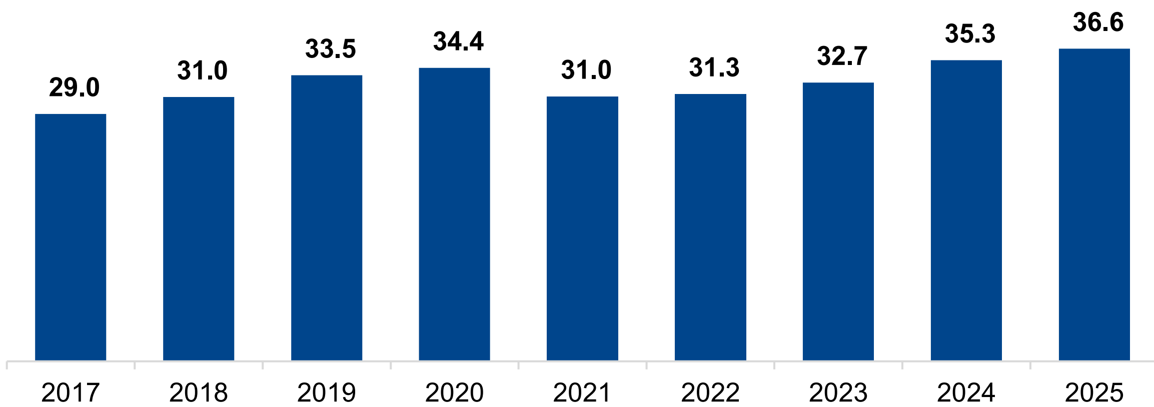
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Life and Health insurance premium growth moderated to 2.5% CAGR during 2021–25 following a 3.8% CAGR growth during 2017–20. This reflects slower expansion in savings-oriented life products amid changing interest-rate conditions and weaker consumer demand for long-tenure investment-linked policies.
- Premium volumes declined in 2022 as insurers faced fewer new policy purchases and stricter underwriting. However, recovery from 2023 onward was driven by rising healthcare awareness, ageing demographics, and growing demand for retirement products.
- Policy acquisition and underwriting costs increased broadly in line with premium recovery as insurers expanded digital distribution, strengthened bancassurance partnerships, and invested in analytics-led underwriting and claims management to improve customer retention and risk selection.
- Acquisition costs remained stable at 7–8% of GWP before rising to 8.8% by 2025 due to higher investments in customer acquisition, distribution expansion, and health ecosystem partnerships.

Life and Health insurers managed rising medical and servicing cost pressures through tighter claims management, product repricing, and operational efficiency initiatives

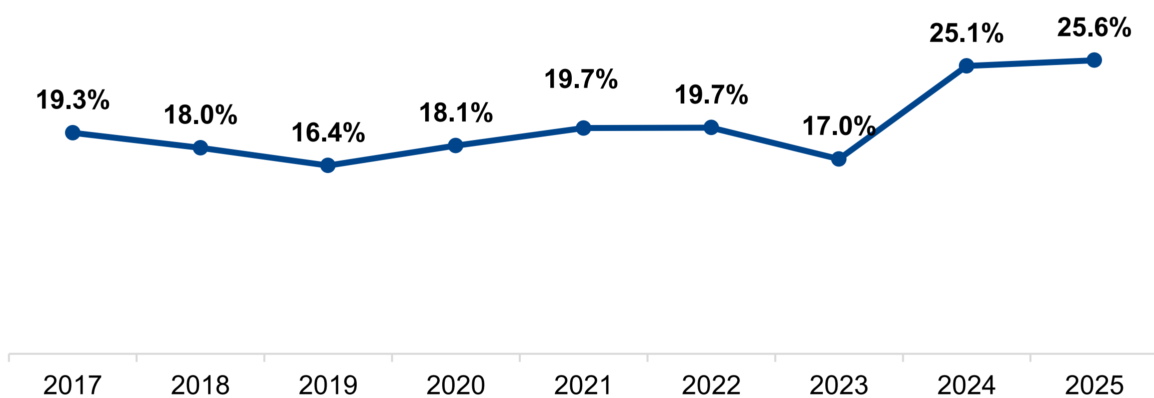
Net Claims Paid

2017–25 | Figures in USD, Bn



Administrative Ratio

2017–25 | Figures in Percentages



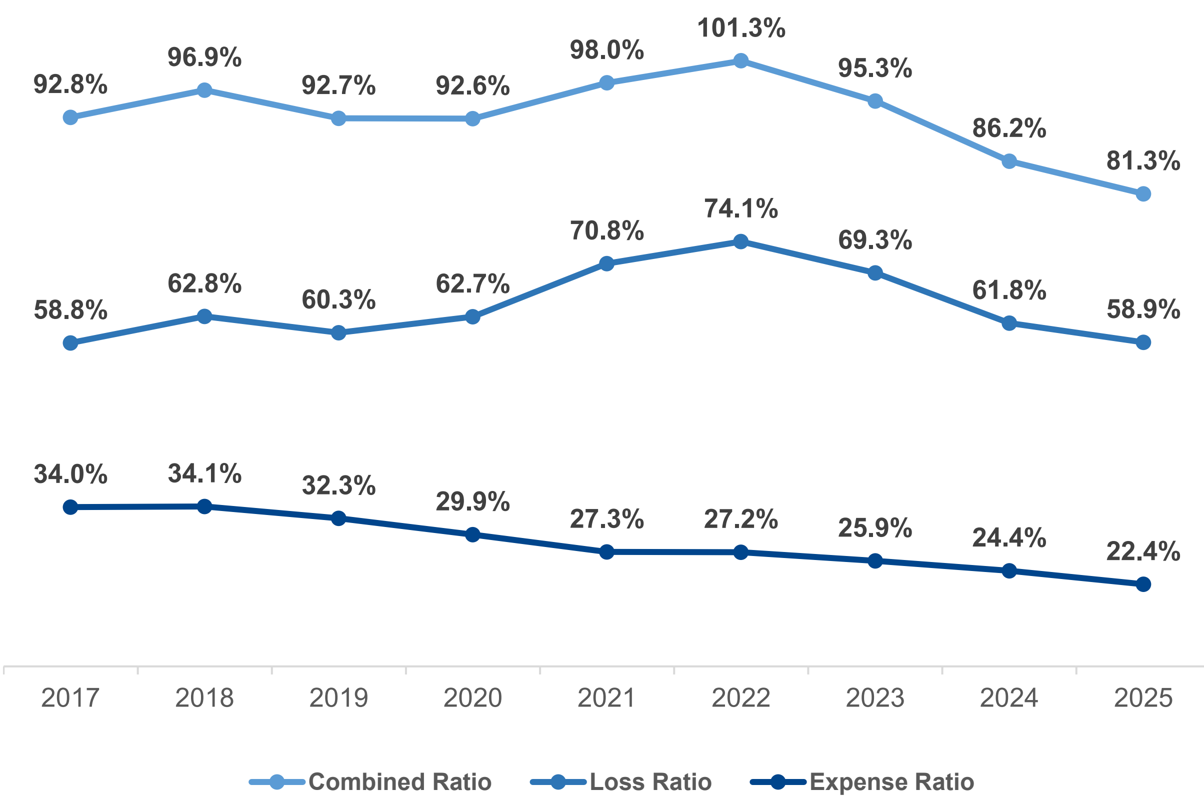
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Net claims paid in the Life and Health segment increased from USD 29 Bn in 2017 to ~USD 37 Bn by 2025, driven by rising healthcare utilization, higher medical treatment costs, ageing demographics, and elevated claims incidence following the pandemic, particularly across hospitalization and chronic disease-related products.
- Claims growth moderated during 2021–23 despite elevated medical inflation, as insurers tightened claims assessment processes, repriced health products, and revised policy terms. Increased focus on protection-oriented products also improved risk-adjusted profitability.
- Administrative ratios remained relatively stable through 2023 as insurers benefited from digital servicing, automated policy administration, and scale efficiencies across agency and other channels. This helped offset rising claims management and compliance costs.
- Administrative ratios increased to 25–26% by 2024–25 as rising medical claims complexity, higher regulatory compliance requirements, and increased servicing needs across health and retirement products elevated operating cost pressures for insurers.

Life and Health insurers strengthened profitability through disciplined product repricing, tighter claims controls, and operating efficiencies amid elevated healthcare cost pressures

Loss, Expense, and Combined Ratios

2017–25 | Figures in Percentages



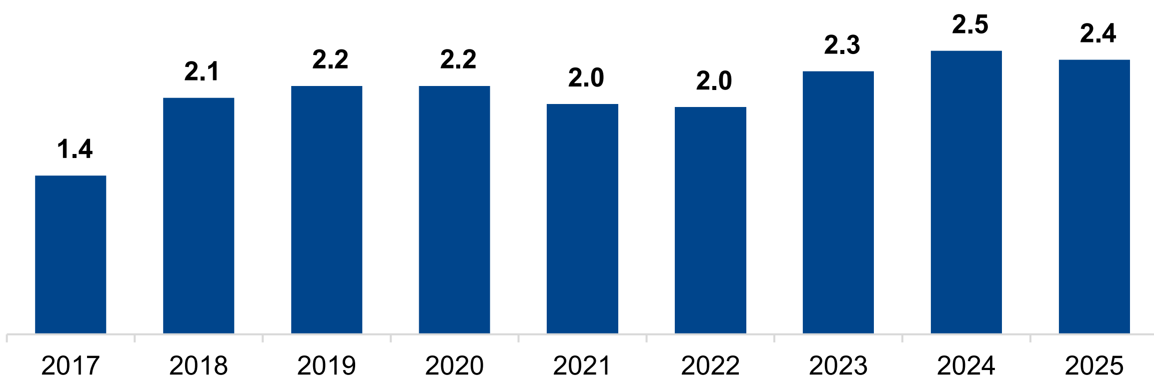
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Combined ratios in the Life and Health segment improved from 101% in 2022 to 81% by 2025, supported by normalized claims experience, health product repricing, and a shift toward protection-focused portfolios.
- Combined ratios declined in 2020 due to lower non-COVID-19 medical utilization and improved investment spreads before temporarily deteriorating in 2022 amid elevated hospitalization costs and normalized healthcare utilization post-pandemic.
- Loss ratios increased during 2020–22 due to elevated mortality and health-related claims, particularly across hospitalization and critical illness products before moderating from 2023 onward as insurers strengthened underwriting standards, revised pricing structures, and improved claims management practices.
- Expense ratios declined from 34% in 2017 to 22.4% by 2025, supported by higher digital adoption, automation in policy servicing and claims processing, and improved operating leverage across agency, bancassurance, and direct distribution channels.

Life and Health insurers increased reinsurance utilization to strengthen capital resilience and manage rising mortality, healthcare, and longevity-related risks

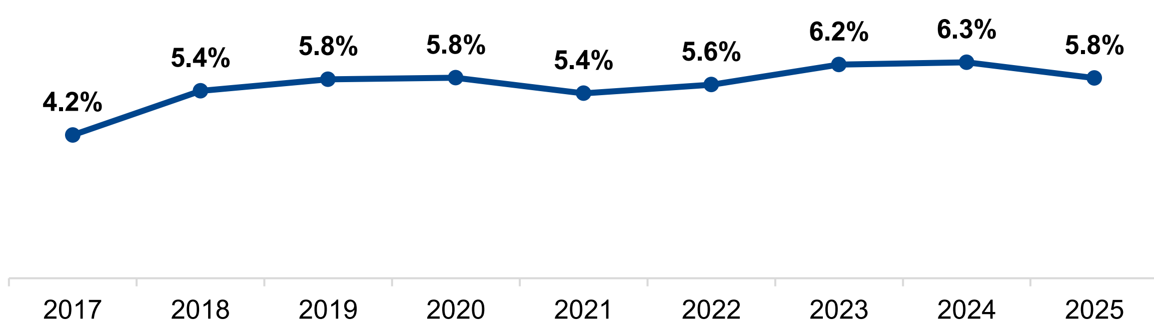
Premiums Ceded to Reinsurance

2017–25 | Figures in USD, Bn



Reinsurance Ceding Ratio

2017–25 | Figures in Percentages



Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Premiums ceded to reinsurers in the Life and Health segment increased from USD 1.4 Bn in 2017 to USD 2.4 Bn by 2025, due to higher mortality and health-related risk transfers, driven by the pandemic and rising exposure to chronic illness and ageing populations.
- Reinsurance ceding ratios increased from 4.2% in 2017 and reached 5.8% in 2025 as insurers expanded the use of quota share and excess-of-loss arrangements to manage capital strain, stabilize earnings, and protect solvency against elevated health and mortality claims volatility.
- Elevated reinsurance utilization also supported product expansion across protection, medical, and retirement segments by improving insurers' capacity to underwrite higher-risk and longer-duration liabilities while maintaining capital efficiency.
- Although ceding ratios moderated slightly in 2025, they remained above pre-pandemic levels, indicating continued focus on balance sheet resilience, risk diversification, and claims volatility management amid rising healthcare and longevity-related risks.

Multi-Line Insurance

$23.6 Bn

Gross Written Premiums in 2025

$2.0 Bn

Claims Paid in 2025

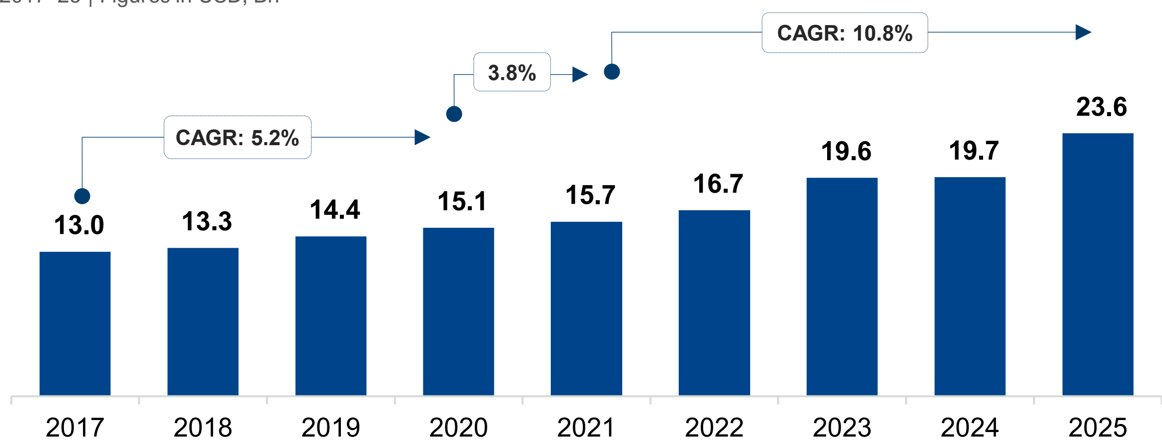
$2.4 Bn

Premiums Ceded to Reinsurance in 2025

Multi-line insurers sustained resilient growth through diversified portfolios and pricing discipline while scale efficiencies kept acquisition costs broadly stable

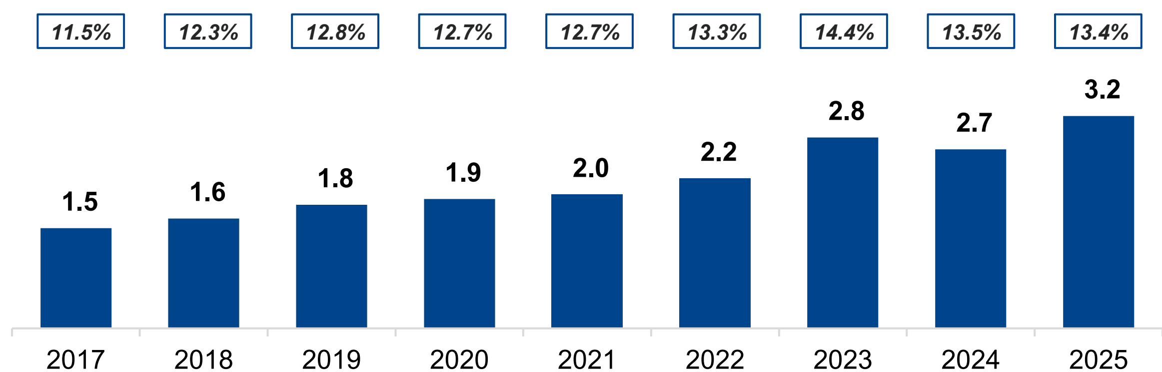
Global Gross Written Premiums (GWP)

2017–25 | Figures in USD, Bn



Policy Acquisition and Underwriting Costs

2017–25 | Figures in USD, Bn



Indicates policy acquisition costs as a % of GWP

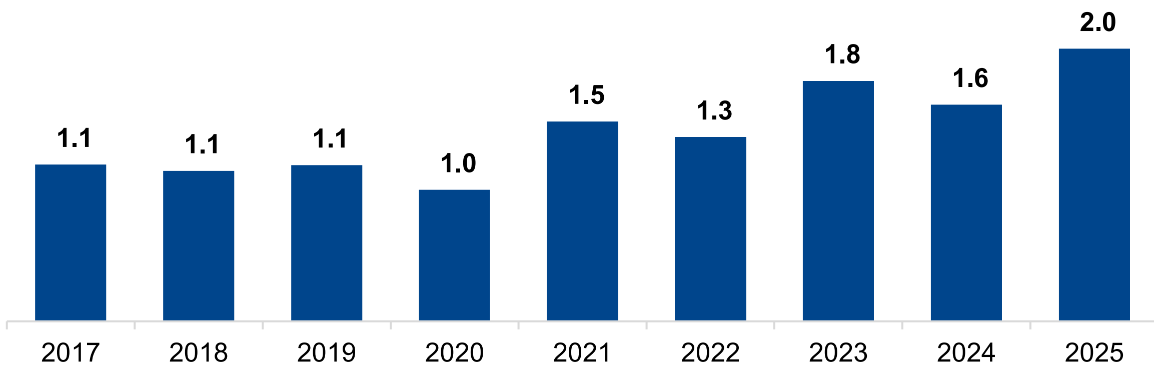
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Multi-line insurers sustained strong premium growth through 2021–25, supported by diversified product portfolios, cross-selling capabilities, and continued demand for bundled protection solutions across commercial and personal lines.
- Diversified exposure across multiple insurance lines enabled insurers to maintain resilient topline performance despite higher claim volumes, catastrophe losses, and tighter underwriting conditions. Elevated inflation also supported premium expansion as insurers adjusted rates to restore pricing adequacy.
- Policy acquisition and underwriting costs were broadly in line with premium growth as insurers expanded digital distribution, enhanced customer retention capabilities, and invested in integrated underwriting platforms to manage complex multi-line portfolios.
- Acquisition costs remained relatively stable at 13–14% of GWP after 2021, reflecting improving operating leverage and scale efficiencies from shared distribution, underwriting, and servicing infrastructure across product lines.

Diversified multi-line insurers balanced rising claims pressure with integrated servicing capabilities, diversified portfolios, and scale-driven operational efficiencies

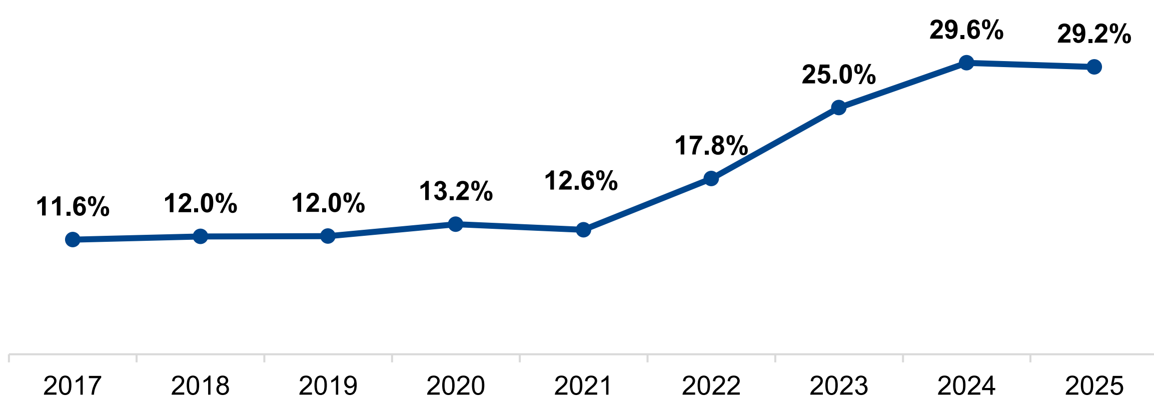
Gross Claims Paid

2017–25 | Figures in USD, Bn



Administrative Ratio

2017–25 | Figures in Percentages



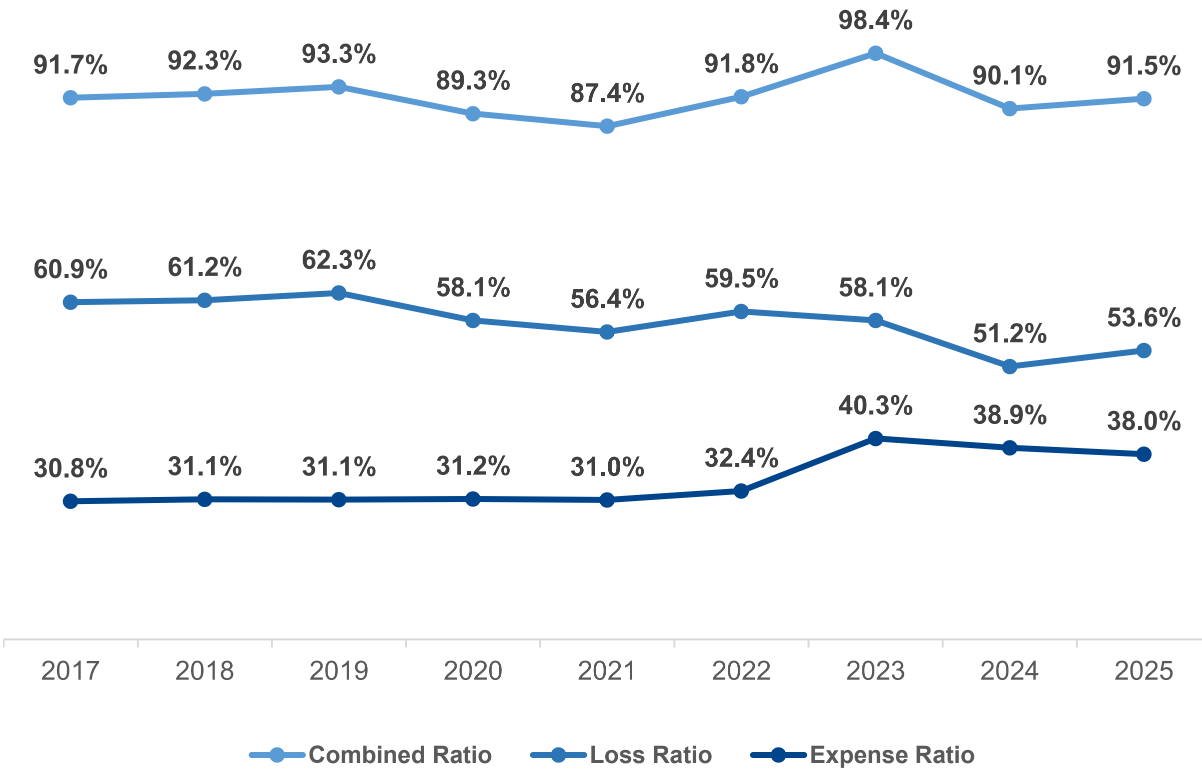
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Gross claims paid by multi-line insurers increased steadily during 2021–25, driven by higher claims frequency across diversified portfolios, rising catastrophe-related losses, and inflationary pressure on repair, healthcare, and property replacement costs across multiple insurance lines.
- Despite elevated claims outflows, diversified exposure across multiple insurance lines helped insurers partially offset volatility in specific segments, supporting more stable overall claims performance relative to single-line carriers. Portfolio repricing and tighter risk selection further helped contain claims growth relative to premium expansion.
- Administrative ratios increased materially after 2021 as multi-line insurers invested in claims processing capabilities, digital servicing platforms, compliance functions, and centralized risk management infrastructure to manage increasingly complex cross-line operations.
- The moderation in administrative ratios by 2025 indicates improving operational leverage as insurers streamlined shared service functions, expanded automation across underwriting and claims workflows, and benefited from scale efficiencies across integrated multi-line platforms.

Multi-line insurers maintained sub-100% combined ratios, supported by diversification and scale despite claims and servicing cost pressure

Loss, Expense, and Combined Ratios

2017–25 | Figures in Percentages



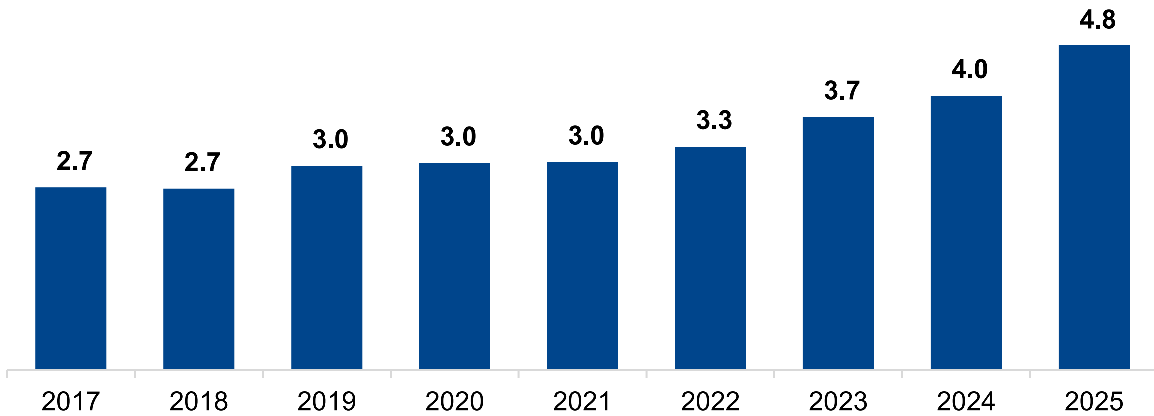
Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Combined ratios for multi-line insurers remained below 100% during 2017–25, reflecting the benefits of diversified exposure across insurance lines, disciplined portfolio management, and balanced earnings from commercial and personal segments.
- The increase in combined ratios during 2022–23 indicates profitability pressure from elevated catastrophe losses, claims inflation, and higher servicing costs across complex multi-line portfolios, despite continued repricing and tighter underwriting actions.
- Loss ratios fluctuated within a relatively narrow range during the period, highlighting insurers' ability to manage claims volatility through diversified risk exposure, tighter risk selection, and portfolio repricing across multiple insurance lines.
- Expense ratios increased materially in 2023 as insurers invested in digital infrastructure, centralized servicing capabilities, and integrated operating platforms for cross-line portfolios. The moderation after 2023 reflects emerging benefits from automation, operating scale, and shared infrastructure efficiencies.

Multi-line insurers used targeted reinsurance strategies to balance capital protection and earnings stability while managing rising cross-line claims volatility

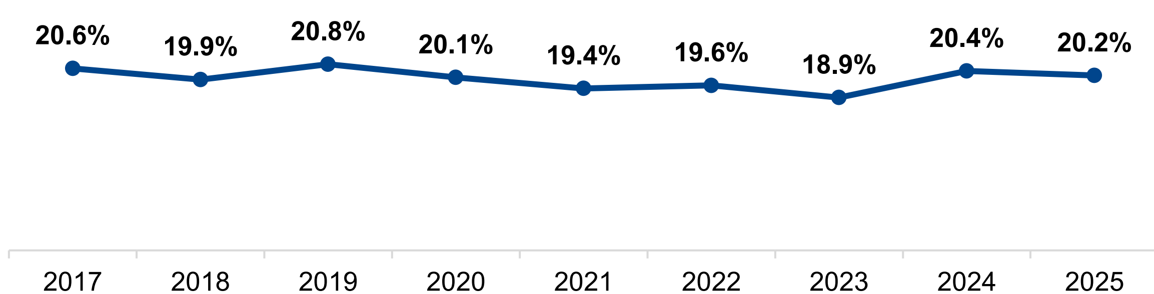
Premiums Ceded to Reinsurance

2017–25 | Figures in USD, Bn



Reinsurance Ceding Ratio

2017–25 | Figures in Percentages



Sources: *Desk Research, Commercial Databases, Aranca Analysis*

- Premiums ceded by multi-line insurers increased steadily during 2021–25 as carriers expanded reinsurance usage to manage diversified exposure across property, casualty, health, and specialty insurance lines amid rising catastrophe and claims volatility.
- Reinsurance ceding ratios remained relatively stable within the 19–20% range, indicating that multi-line insurers balanced risk transfer requirements with retention strategies to preserve profitability and optimize capital utilization across broader product portfolios.
- Higher reinsurance utilization during 2023–24 reflects insurers' focus on protecting earnings and balance sheet stability against elevated catastrophe losses and inflation-driven claims severity, particularly in commercial and property-heavy portfolios.
- The moderation in ceding levels by 2025 suggests improving confidence in underwriting quality and portfolio resilience, supported by repricing actions, tighter risk selection, and stronger operating performance across integrated multi-line businesses.

Insurers are moving from post-pandemic recovery toward a more disciplined cycle, with performance increasingly shaped by pricing adequacy, underwriting control, cost efficiency, and risk transfer

Insurance Sector Outlook: Discipline and Efficiency to Define the Next Cycle

Insurance Sector Outlook

1. Growth is likely to remain pricing-led rather than volume-led

- Premium growth is expected to be supported by rate increases, higher insured asset values, and continued demand for protection products, but insurers are likely to prioritize profitable growth over volume expansion.

2. Underwriting discipline will remain central to profitability

- Tighter risk selection, portfolio repricing, and reduced exposure to underperforming segments will remain key levers for protecting margins amid claims inflation and catastrophe volatility.

3. Cost efficiency will become a bigger differentiator

- Insurers with stronger automation, digital servicing, and scalable operating models should be better positioned to manage elevated claims handling, compliance, and administrative costs.

4. Reinsurance will remain a key tool for balance sheet protection

- Reinsurance will remain important for managing catastrophe exposure, claims volatility, earnings stability, and balance sheet protection.

Source: *Aranca Analysis*

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