



# Reinsurers Are Having a Good Run. Will It Last?

**The 2025 Insurance Value  
Creators Report**

**SEPTEMBER 2025**







# Reinsurance takeaways

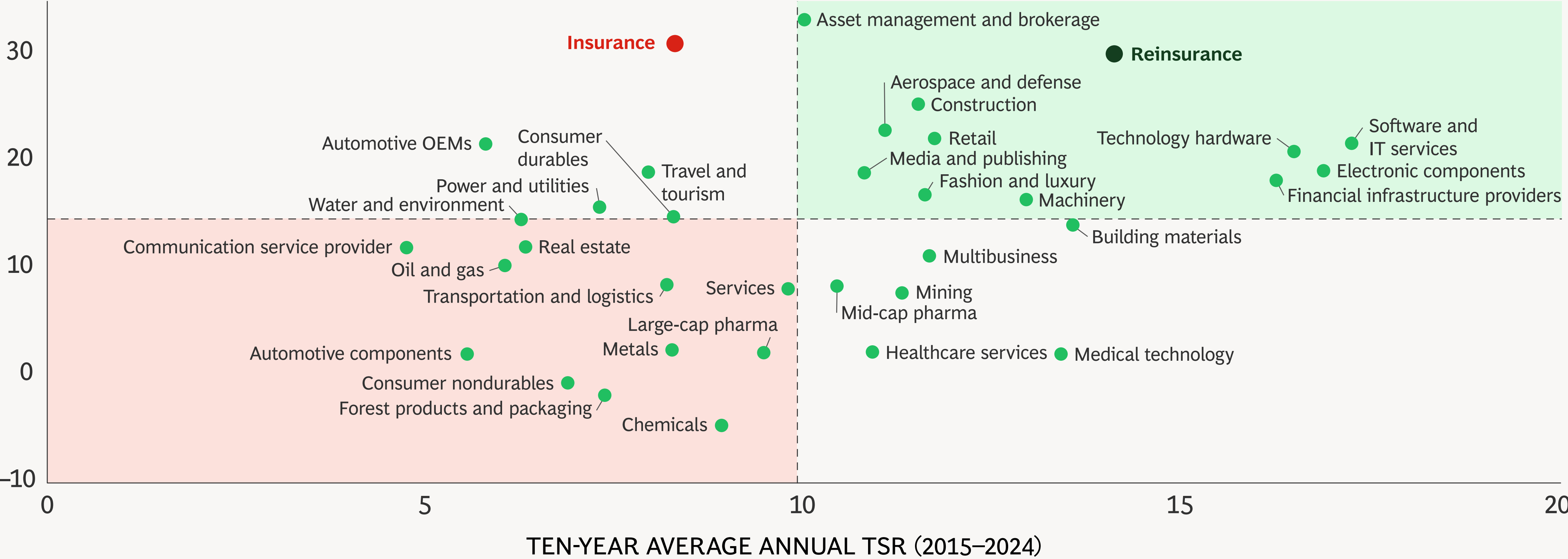
- 1 Reinsurers have outperformed both the primary insurance industry and most other industries over a ten-year timeframe on the back of a strong pricing market.
- 2 Total shareholder return (TSR) has been driven substantially by dividends and share buybacks for the ten-year horizon. For the five-year horizon, TSR is split equally across all three drivers. Reinsurers' growth in TBV still lags the property and casualty segment on both horizons.
- 3 The reinsurance pricing market correlates with rising TSR over the last several years. While primary insurers' profitability has remained at about the same level, reinsurers' profitability has increased.
- 4 Not all reinsurers have operated at or above their cost of equity, however. Reinsurers report lower RoTEs than primary insurers.
- 5 Size helps the biggest reinsurers deliver the best risk-return performance and the highest shareholder returns.
- 6 As the hard pricing cycle comes to an end, reinsurers will need to work even more diligently and think more creatively to sustain their current high TSR levels.

**Source:** Boston Consulting Group

**Note:** TBV = tangible book value of equity;  
RoTE = return on tangible equity.

# Reinsurance and insurance have excelled in TSR performance over a ten-year horizon

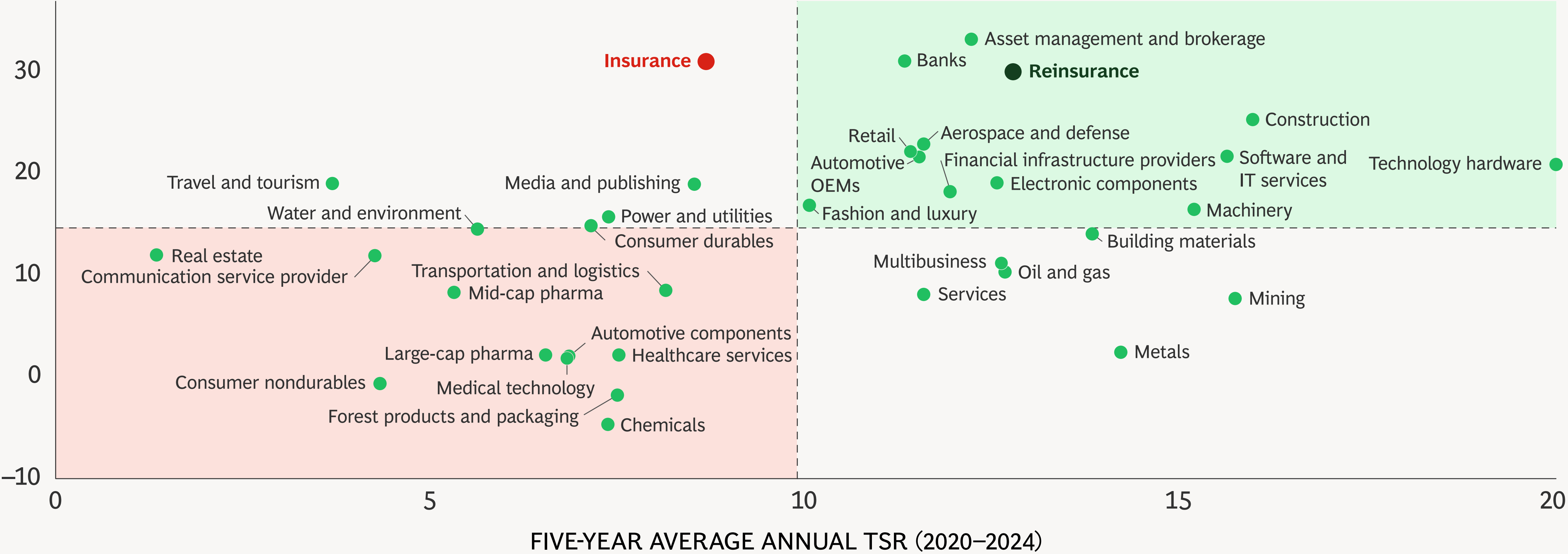
ONE-YEAR TSR (2024)



**Sources:** S&P Capital IQ; BCG Value Creators database 2025; BCG ValueScience® Center.  
**Note:** TSR are based on calendar year data and represent average value per respective industry sample; n=2345. Russian companies were omitted due to suspended trading and collapse of share prices. Argentinian and Turkish firms were omitted due to these countries' hyperinflationary environments.

# Reinsurance and insurance have delivered solid TSRs over the last five years as well

ONE-YEAR TSR (2024)

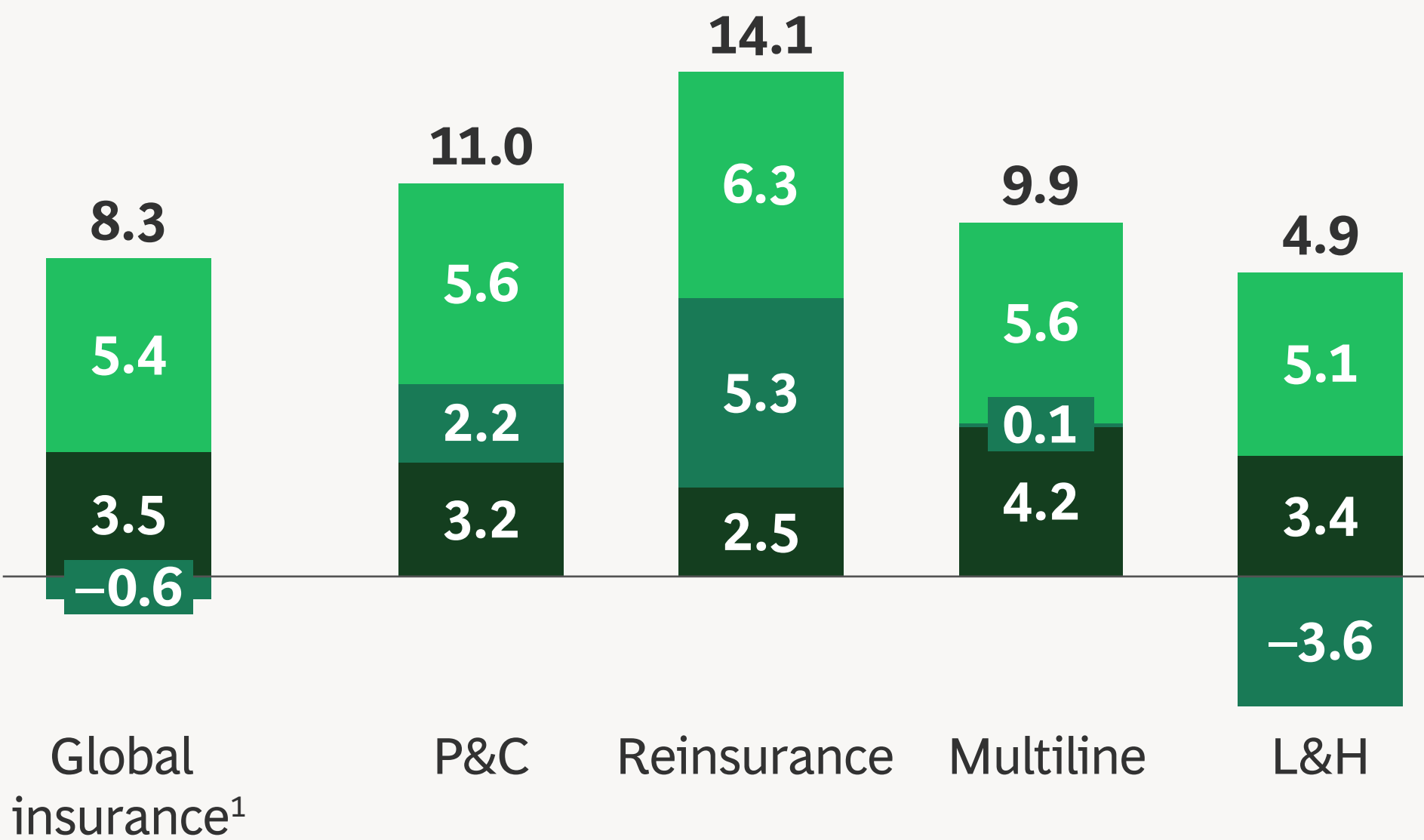


**Sources:** S&P Capital IQ; BCG Value Creators database 2025; BCG ValueScience® Center.  
**Note:** TSR are based on calendar year data and represent average value per respective industry sample; n=2345. Russian companies were omitted due to suspended trading and collapse of share prices. Argentinian and Turkish firms were omitted due to these countries' hyperinflationary environments.

# Reinsurers' TSR was driven primarily by cash flow contribution over ten years, with more balanced contributions over the last five years

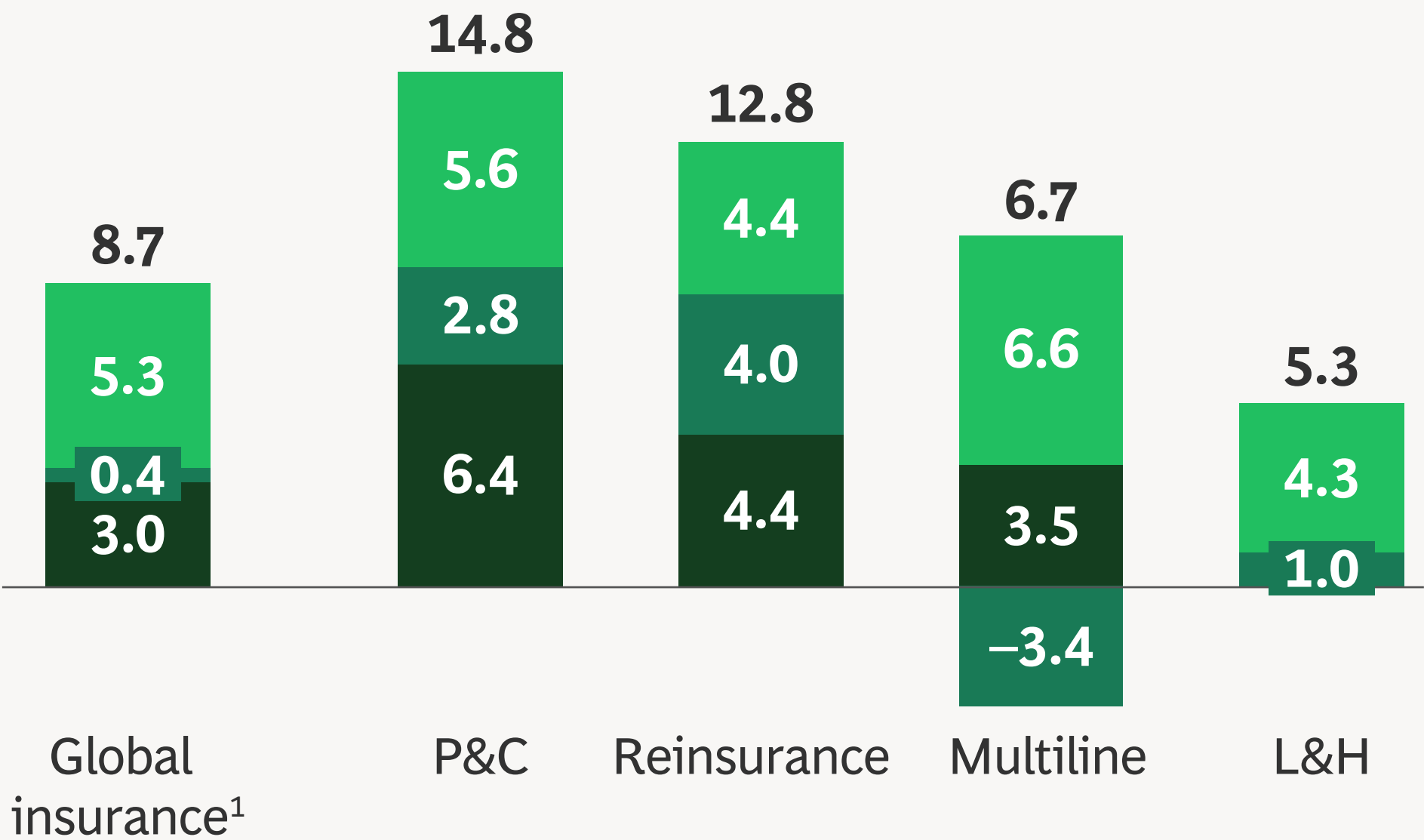
## Ten years

TSR DRIVERS' CONTRIBUTION TO AVERAGE ANNUAL TSR, 2015–2024 (%)



## Five years

TSR DRIVERS' CONTRIBUTION TO AVERAGE ANNUAL TSR, 2020–2024 (%)



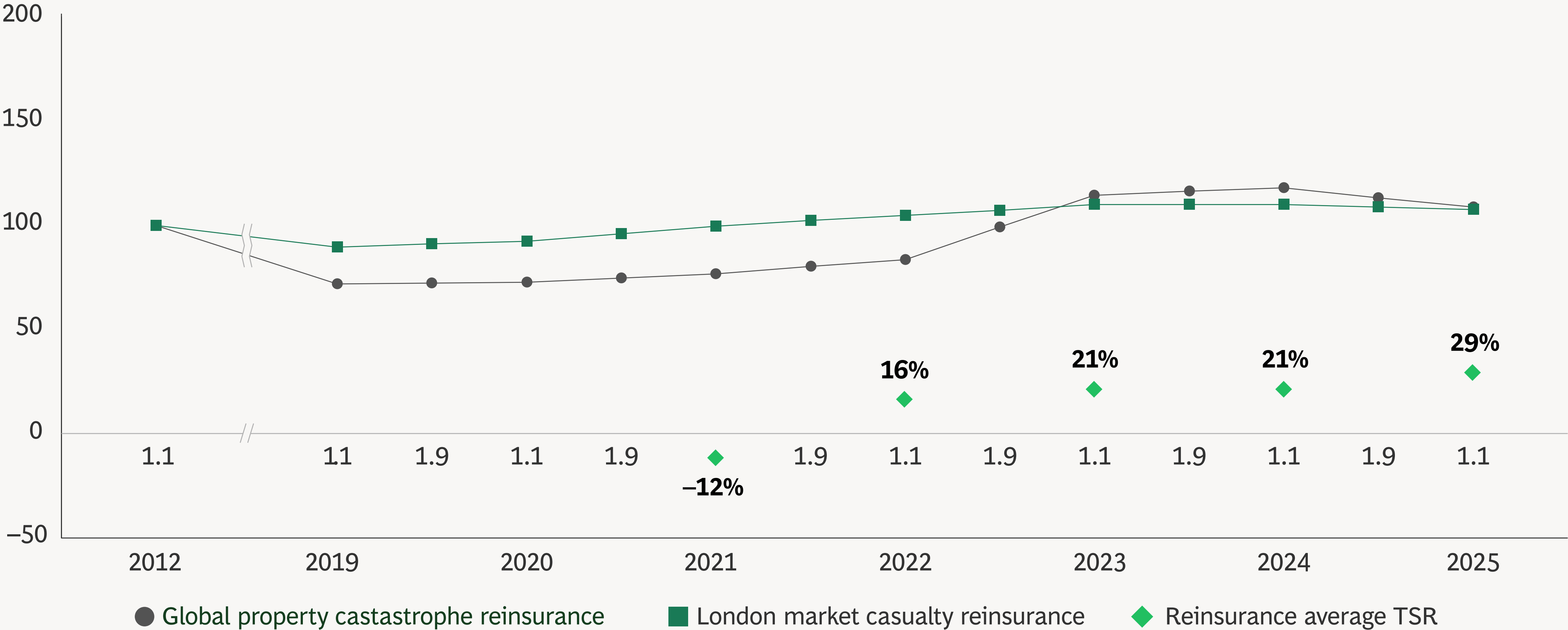
■ Growth of TBV    ■ Change in P/TBV multiple    ■ Cash flow contribution<sup>2</sup>

**Sources:** S&P Capital IQ; LSEG Workspace; BCG ValueScience® Center.  
**Note:** BCG's TSR methodology is explained on the last slide of this presentation. Components of TSR are multiplicative but converted and shown here as additive, with remainders assigned to the multiple change field. Aggregation based on market cap weights at the start of the year. TSR is calculated in each company's reporting currency. TBV = tangible book value of equity less other comprehensive income; P/TBV = price to TBV; P&C = property and casualty; L&H = life and health.  
<sup>1</sup>Total industry sample = 99. The ten-year analysis uses the 91 companies from the sample with the highest market capitalization as of December 31, 2024, that were stock-listed on January 1, 2015.  
<sup>2</sup>Includes dividend contribution and share count change.

# A solid reinsurance pricing cycle helped drive TSR

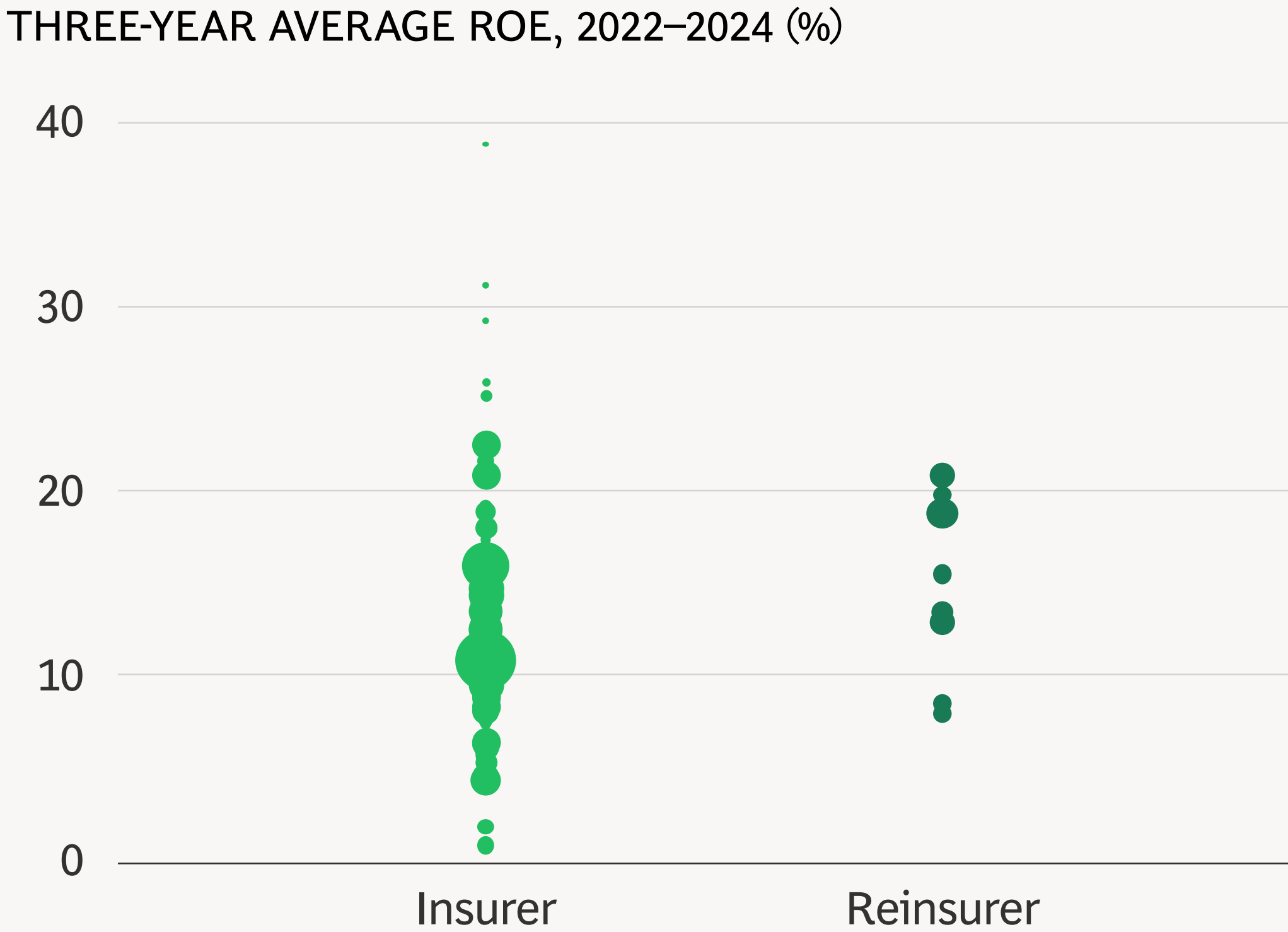
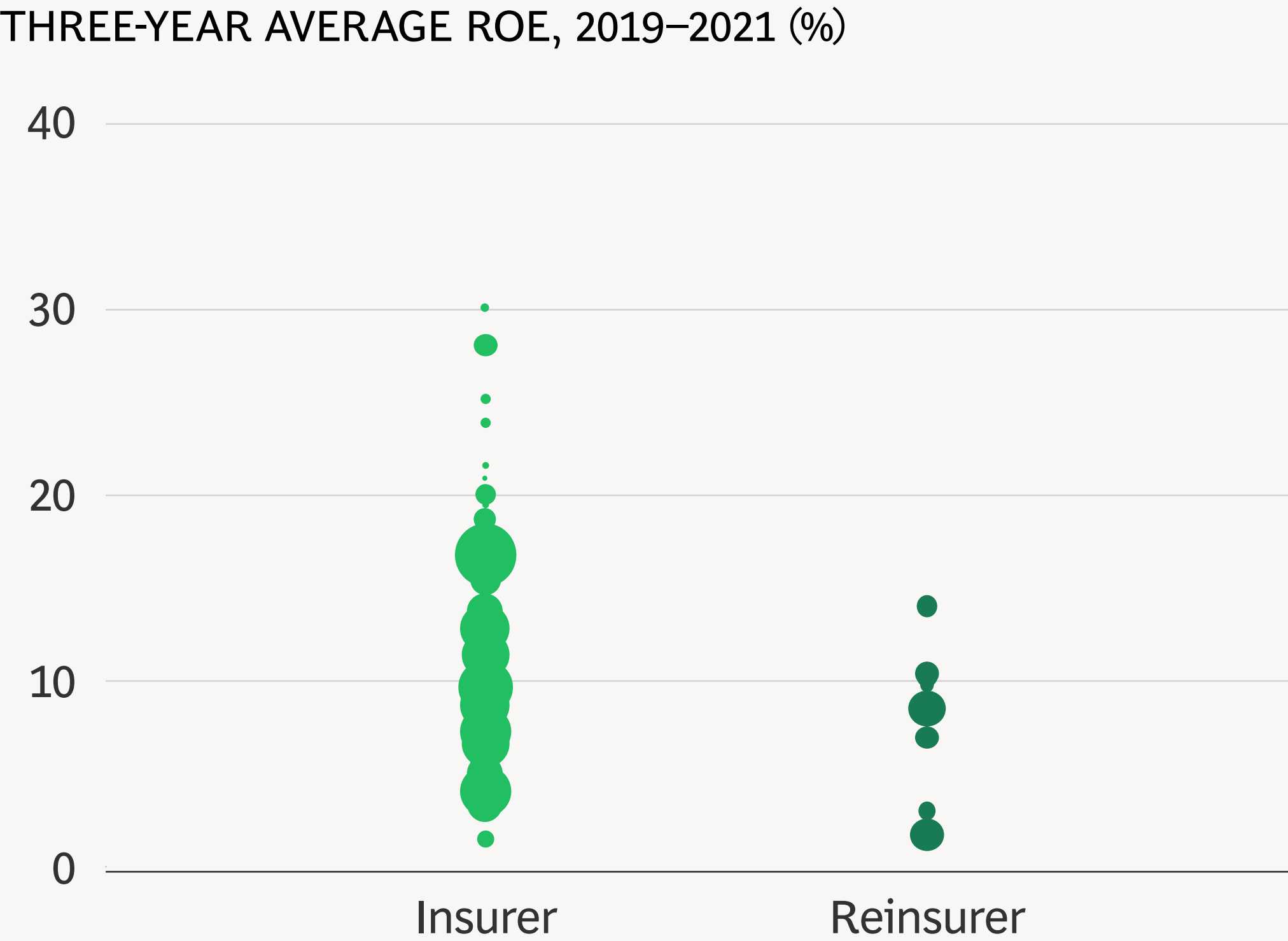
## Global reinsurance pricing index

PRICING INDEX (2012 = 100)



Sources: Howden; NOVA; Moody's; AM Best; S&P Capital IQ; BCG.

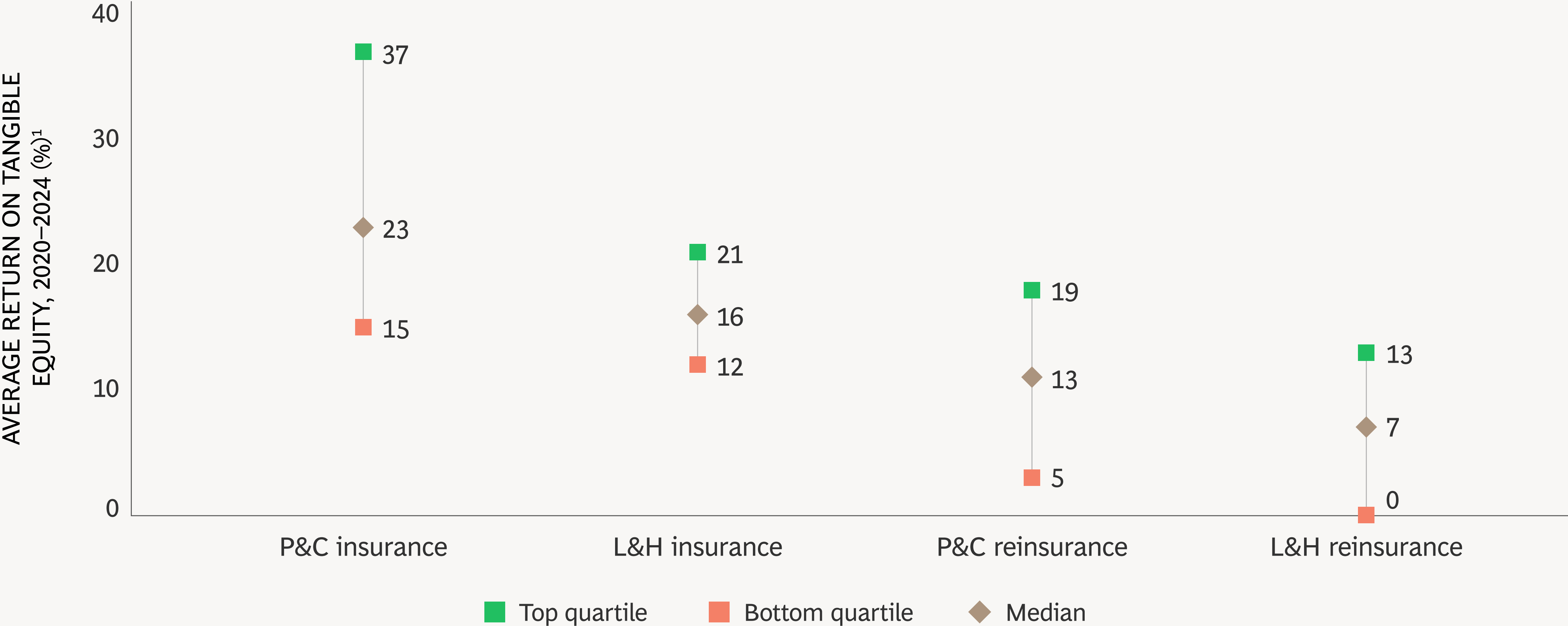
# Reinsurers' profitability has increased over the past three years, while primary insurers' profitability has remained level



Sources: S&P Capital IQ; BCG analysis.  
Note: Sample of 99 largest stock listed insurers globally; size of bubble = tangible book value of equity at start of period.



# Reinsurers have lower RoTEs than primary insurers on average



**Sources:** BCG insurance RoTE benchmarking database.

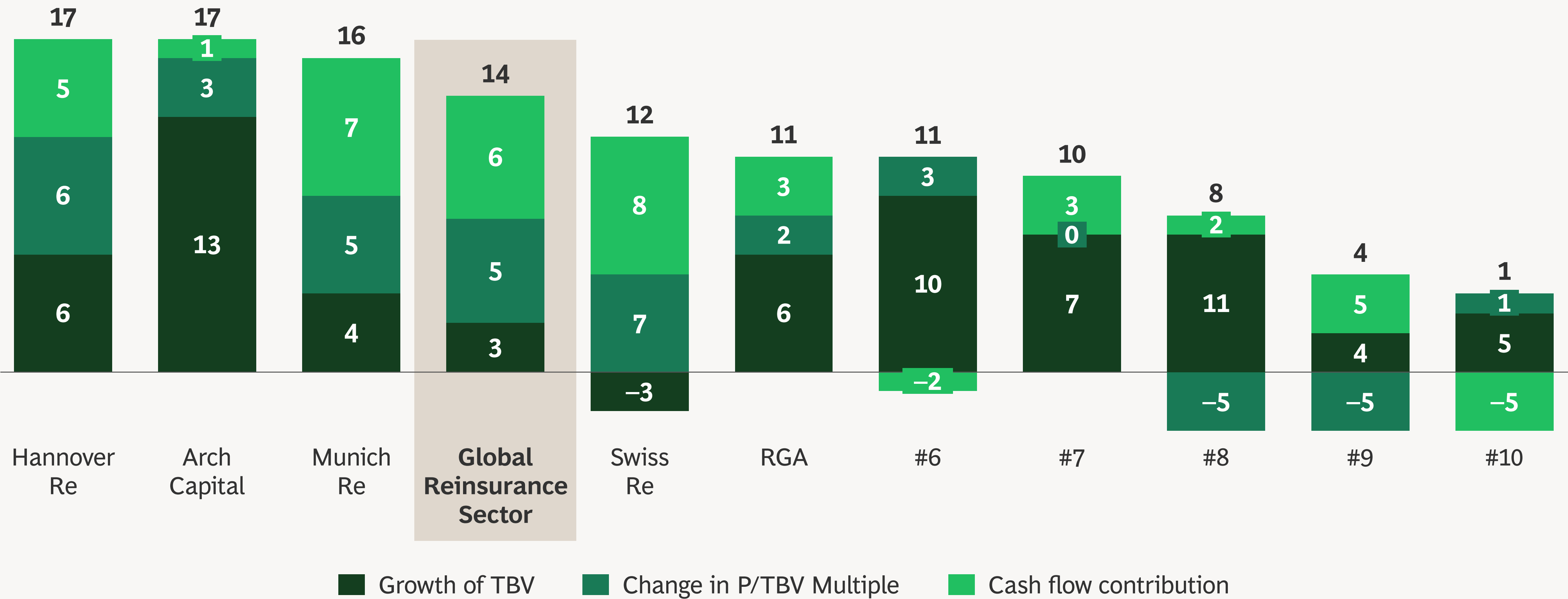
**Note:** The reinsurance sample in this analysis is n=26, including non stock-listed reinsurers, whereas the main TSR analyses include 7 reinsurers in the Insurance Value Creators sample of the 99 largest stock-listed insurers. L&H = life and health; P&C = property and casualty; RoTE = return on tangible equity.

<sup>1</sup>Operating profit before tax divided by tangible book value of equity allocated to each segment; average of median RoTEs, 2020–2024.



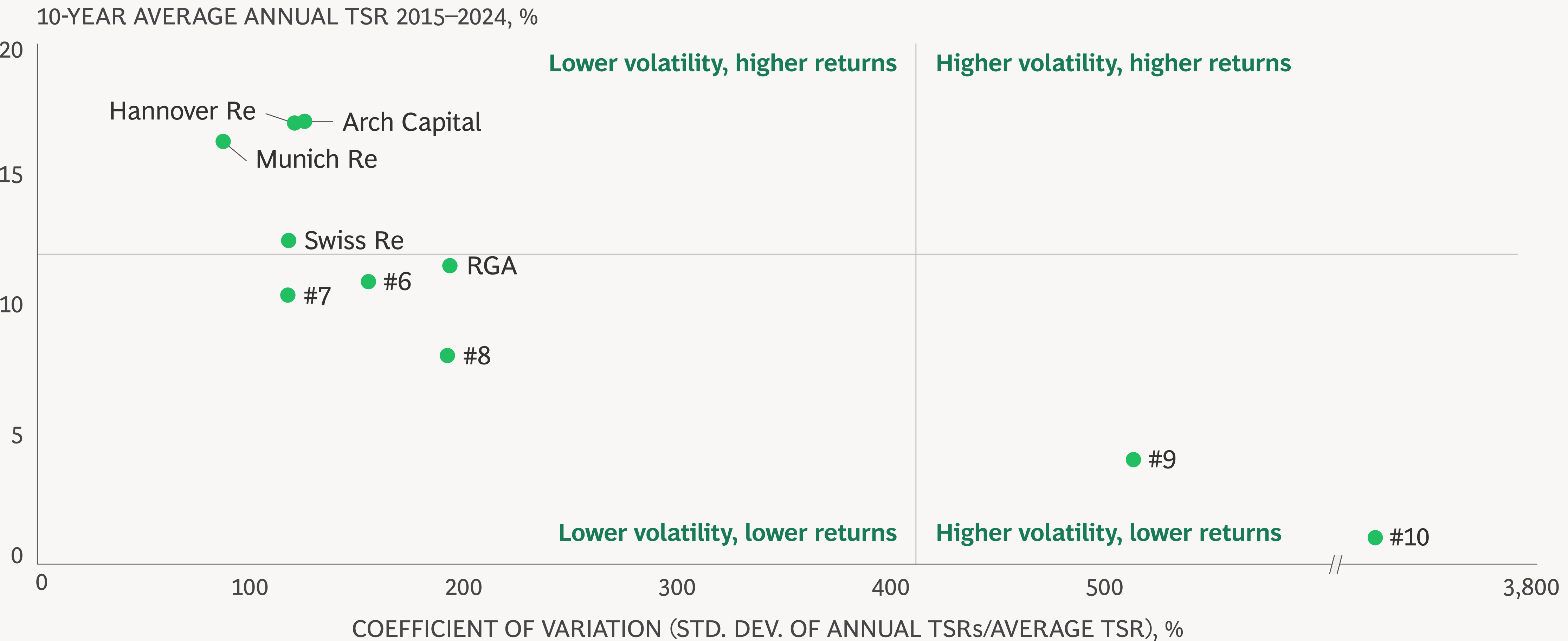
# The largest reinsurers have led the segment on TSR over ten years

CONTRIBUTION TO AVERAGE ANNUAL TEN-YEAR TSR, 2015–2024 (%)



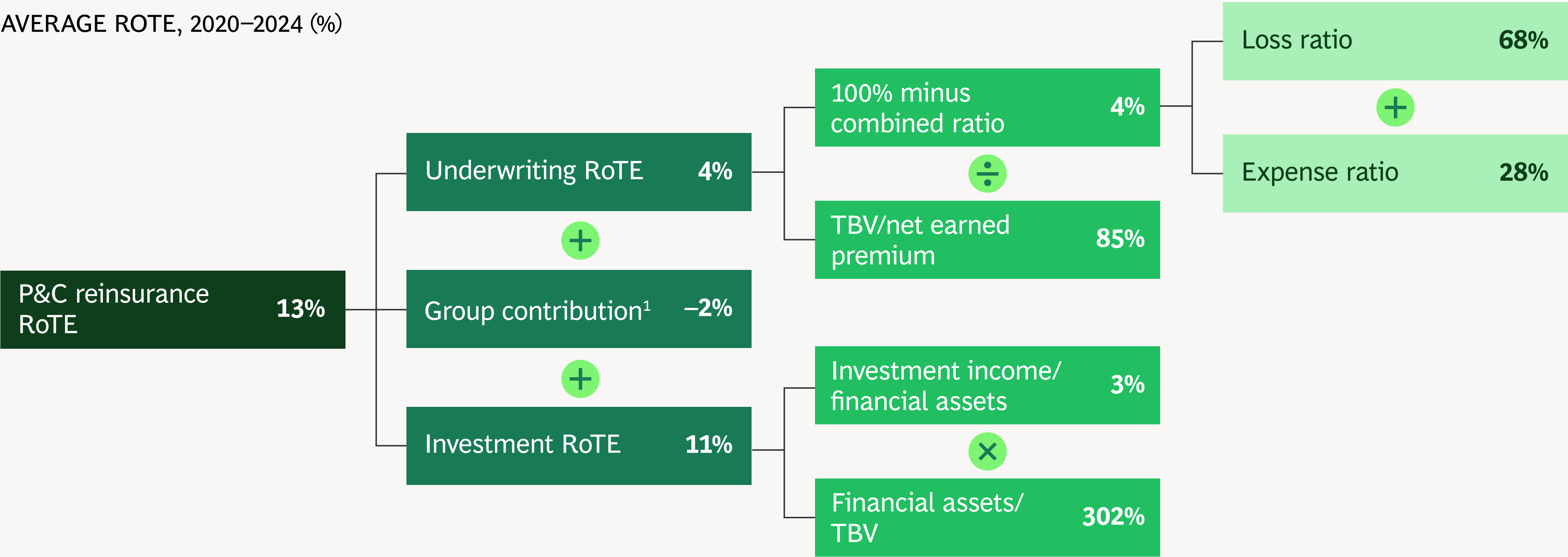
**Sources:** S&P Capital IQ; BCG ValueScience® Center.  
**Note:** TSR on group level was measured from January 1, 2015, through December 31, 2024. Dividend contribution to cash return includes investment of dividends and special dividends, compounded daily. Components of TSR are multiplicative but converted and shown here as additive, with remainders assigned to the margin and multiple change fields. TBV = tangible book value of equity less other comprehensive income; P/TBV = price to TBV.

# Munich Re, Arch Capital, and Hannover Re have delivered the best risk-return performances over ten years



Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.  
Note: Ten-year annual TSR was measured from January 1, 2015, through December 31, 2024.

# Low underwriting margins and high capital intensity are the underlying factors driving property and casualty reinsurers' relatively low RoTE

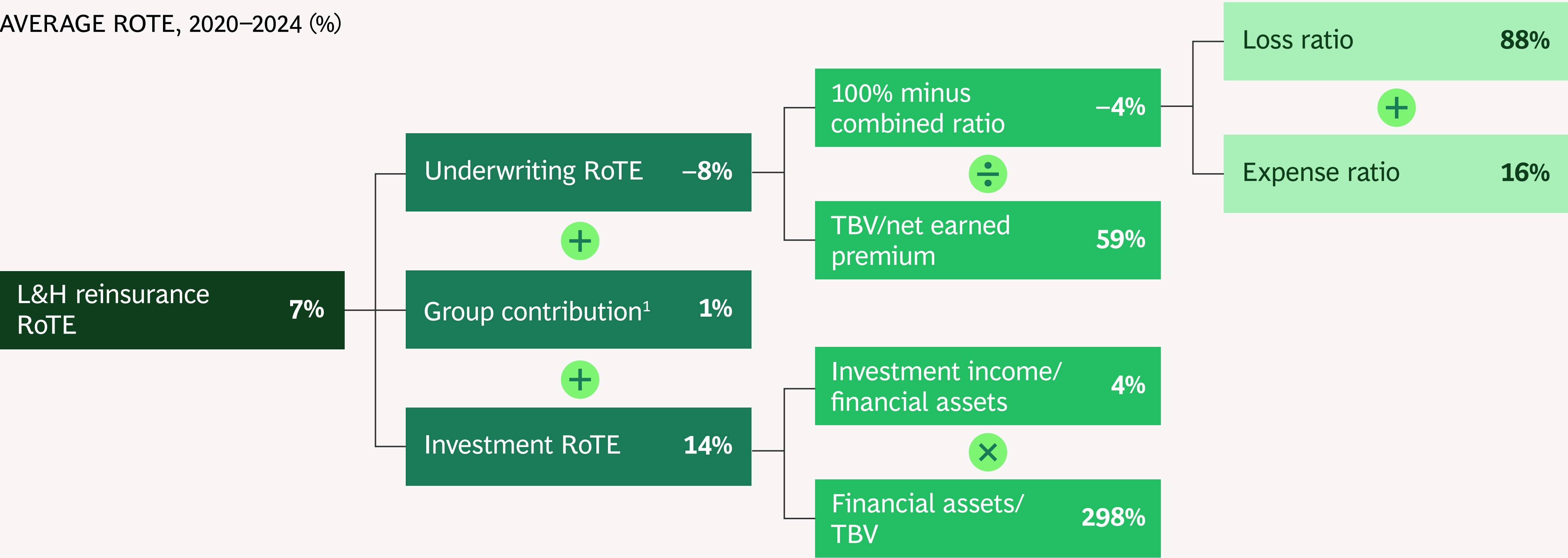


**Sources:** BCG insurance RoTE benchmarking database.

**Note:** The reinsurance sample in this analysis is n=26, including non stock-listed reinsurers, whereas the main TSR analyses include 7 reinsurers in the Insurance Value Creators sample of the 99 largest stock-listed insurers. P&C = property and casualty; RoTE = return on tangible book value of equity; TBV = tangible book value of equity.

<sup>1</sup>P&C reinsurance share of centrally allocated buckets (for example, group functions, noncore business, and eliminations).

# For life and health reinsurance, negative underwriting margins—mainly driven by loss ratios—undermine RoTE



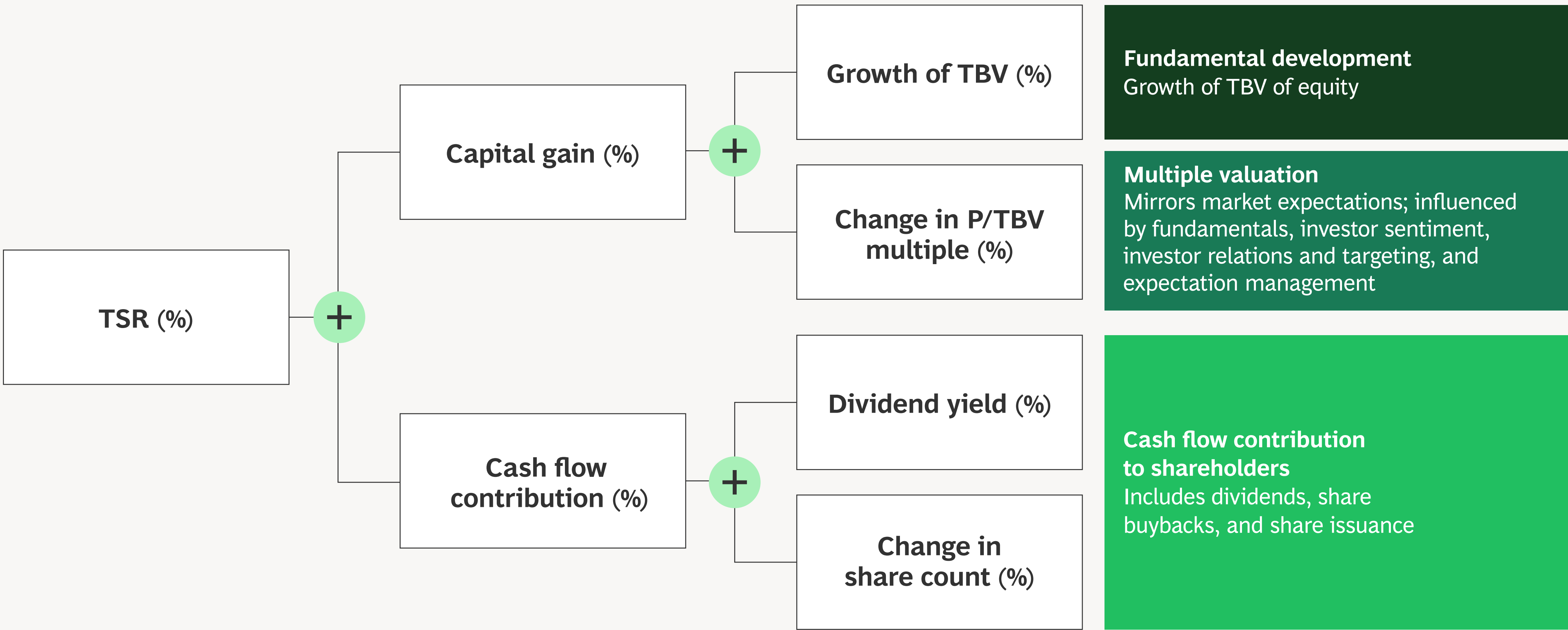
**Sources:** BCG insurance RoTE benchmarking database.

**Note:** The reinsurance sample in this analysis is n=26, including non stock-listed reinsurers, whereas the main TSR analyses include 7 reinsurers in the Insurance Value Creators sample of the 99 largest stock-listed insurers. L&H = life and health; RoTE = return on tangible book value of equity; TBV = tangible book value of equity.

<sup>1</sup>L&H reinsurance share of centrally allocated buckets (for example, group functions, noncore business, and eliminations).



# BCG's methodology to determine TSR: The key metric for value creation



Source: BCG analysis.  
Note: TBV = tangible book value of equity; P/TBV = price to TBV.