



An Early Look at Returns

**The 2026 Insurance Value
Creators Report**

GLOBAL EDITION | APRIL 2026





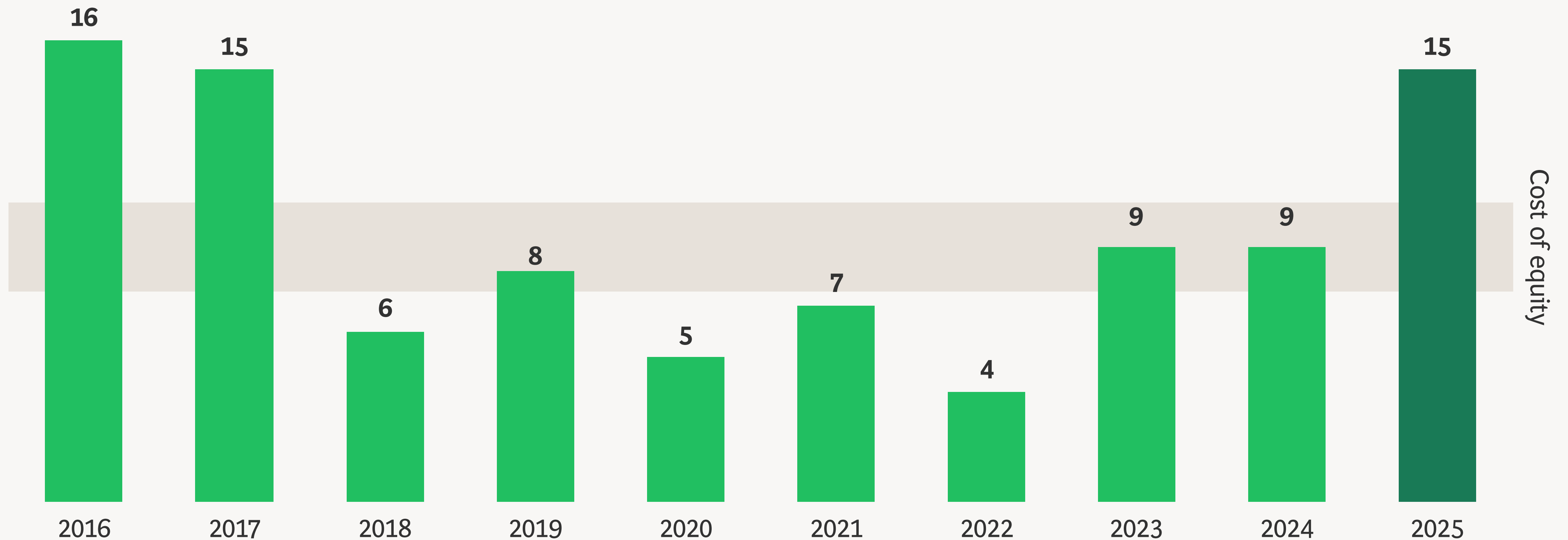
Insurance sector takeaways

Source: BCG analysis.

- 1 Performance appears to be shifting.** Although all insurance segments recorded double-digit total shareholder returns (TSRs) in 2025, life and health (L&H) and multiline far outpaced property and casualty (P&C) and reinsurance last year, reversing a multiyear trend.
- 2 Europe and Asia-Pacific also outperformed in 2025.** TSRs in these markets rose significantly, while those in the Americas declined. This may be due to macro and equity market uncertainty in the US and concerns that P&C stocks are overexposed to US commercial market cycles.
- 3 P&C rate momentum is moderating.** P&C is experiencing price softening across many lines, particularly property and US personal auto. This is likely to temper return on tangible equity (ROTE) and TSR momentum going forward.
- 4 L&H is being buoyed by investment income tailwinds.** Over the past year, elevated net investment income and supportive product dynamics have strengthened earnings and contributed to improvement in TSRs.

Insurance TSR exceeded the cost of equity for the first time since 2017

AVERAGE ANNUAL TSR FOR FIVE-YEAR TIME FRAME ENDING IN EACH YEAR (%)

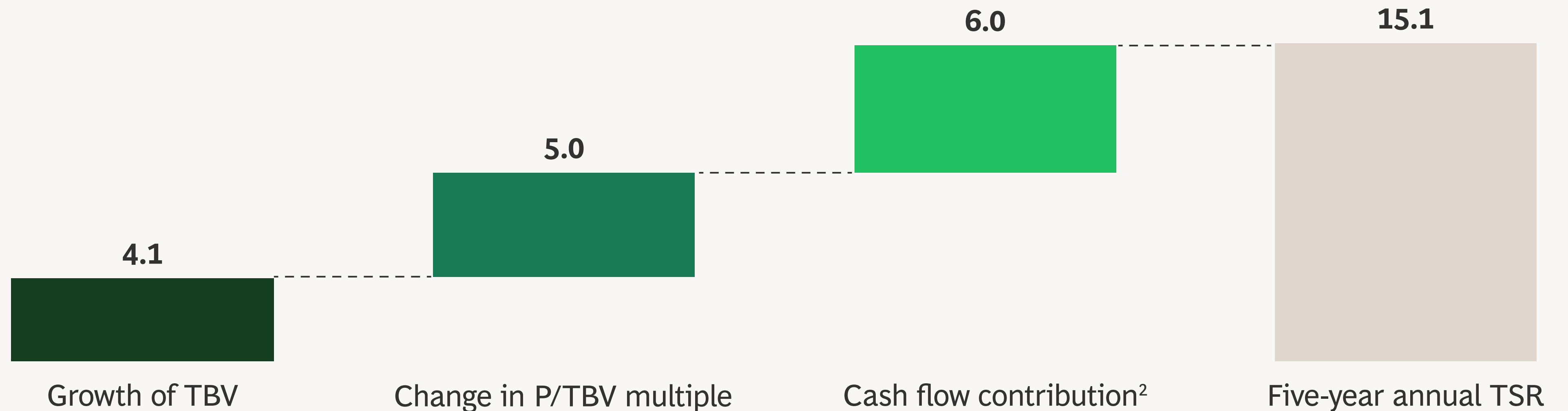


Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.

Note: The sample is comprised of the 98 largest stock exchange-listed insurers globally as of December 31, 2025.

Cash flow contribution and multiple expansion mainly drove industry TSR over the past five years

CONTRIBUTION TO AVERAGE ANNUAL TSR, 2021–2025 (PP)¹



2024 REPORT
(2020–2024)

3.0

0.4

5.3

8.7

Preliminary analysis is based on the most recent reported data available.

Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.

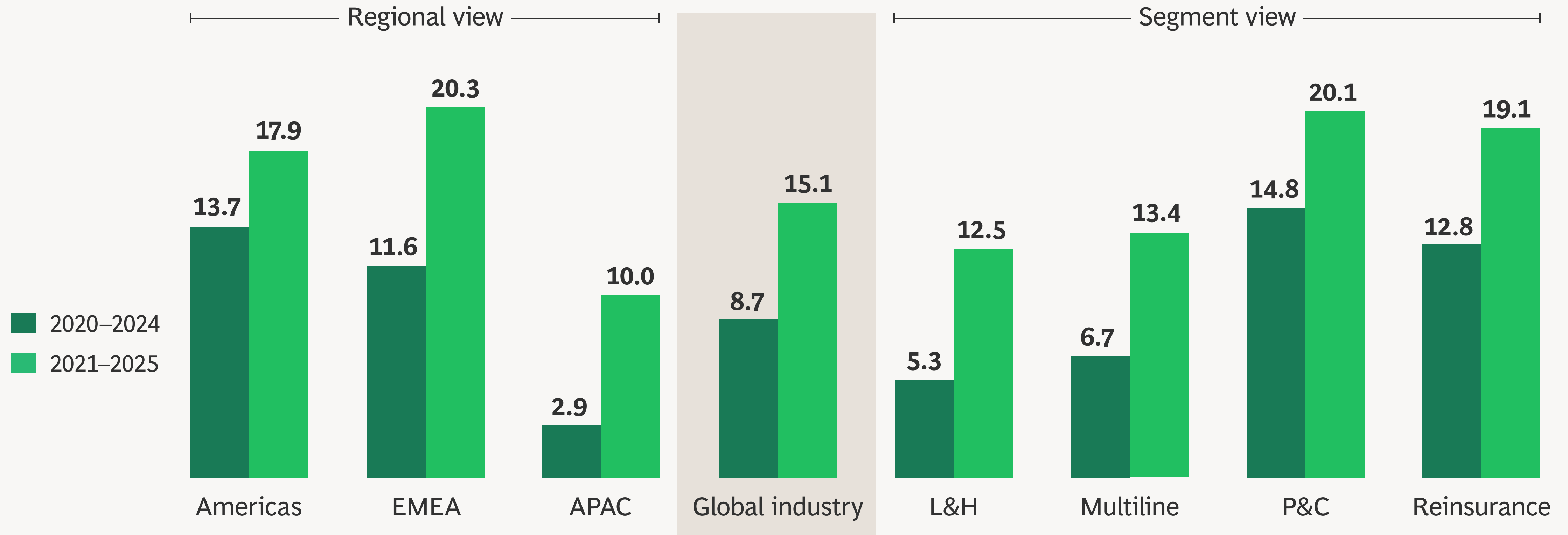
Note: Components of TSR are multiplicative but converted and shown here as additive, with remainders assigned to the multiple change field. Aggregation is based on market capitalization weights at the start of the period. TSR is calculated in each company's reporting currency. TBV = tangible book value of equity without other comprehensive income. P/TBV = price to TBV.

¹TSR was measured from January 1, 2021, to December 31, 2025.

²Includes dividend contribution and share count change.

Five-year TSRs have strengthened as the pandemic years recede and more recent results have improved

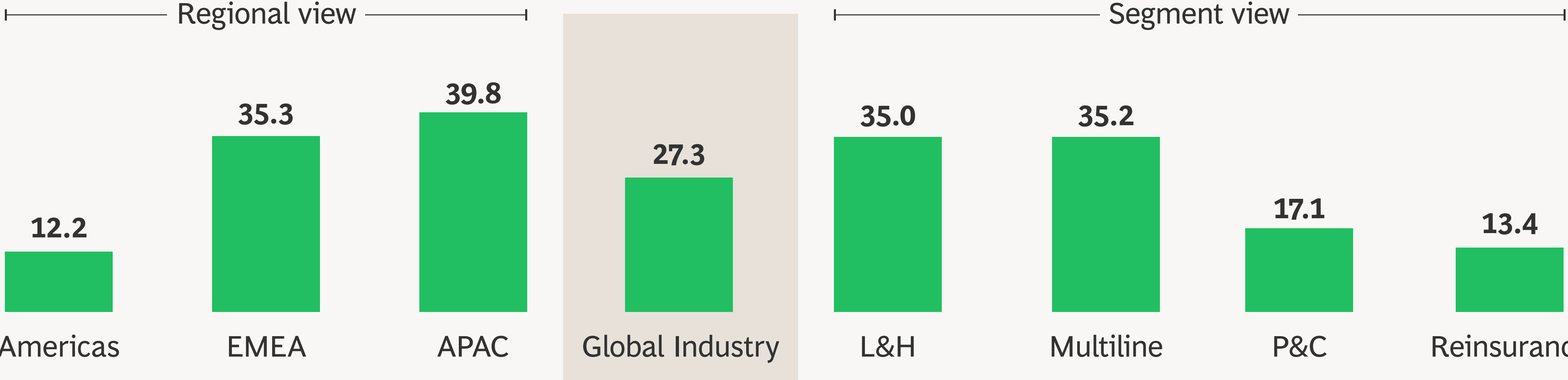
FIVE-YEAR AVERAGE ANNUAL TSR, 2021–2025 (%)



Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.
Note: EMEA = Europe, Middle East, and Africa. APAC = Asia-Pacific.

Over the past year, L&H and multiline TSRs outperformed those of P&C and reinsurance

2025 ONE-YEAR TSR (%)



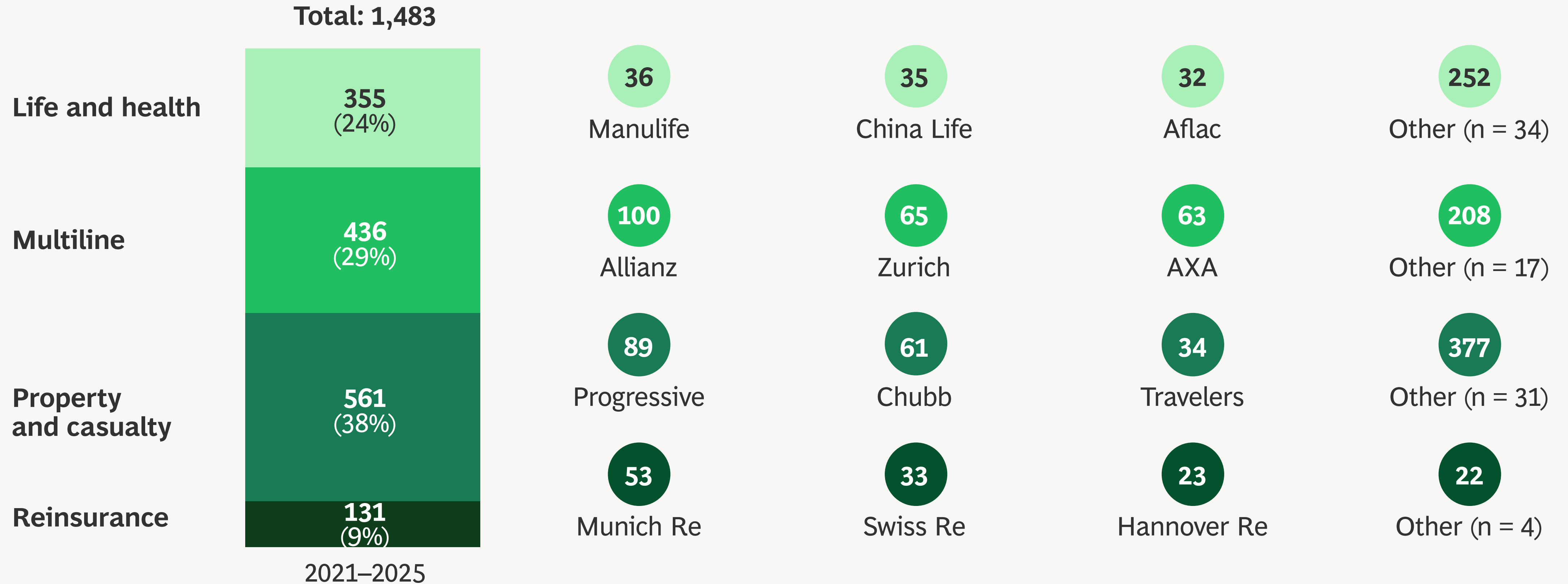
2024
TSR (%)



Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.
Note: EMEA = Europe, Middle East, and Africa. APAC = Asia-Pacific.

A limited number of companies created much of the value in each segment

VALUE CREATED (\$BILLIONS)
(% OF TOTAL MARKET)



Preliminary analysis is based on the most recent reported data available.

Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.

Note: Value creation is determined based on market cap change and total dividends payout.

Key near-term trends (1–3 years) for P&C insurers

TREND	DESCRIPTION
Increasing competition in personal auto	<ul style="list-style-type: none">• Carriers shift from defense to offense as they begin to compete more aggressively for growth.• Scale and sophistication drive a wider gap between mutuals (such as State Farm, Liberty, and Farmers) and other insurers.• Claims frequency normalizes and severity increases, driving up loss ratios, particularly for large incumbents.
New strategies for winning in homeowners	<ul style="list-style-type: none">• Although markets have generally absorbed catastrophic events (such as fires in California), losses from severe convective storms are on the rise.• Detail-focused underwriting and policy forms become more critical to profitability while scale and marketing remain key factors in auto.
Commercial lines pricing bifurcation	<ul style="list-style-type: none">• Commercial property pricing softens as capacity returns and catastrophe experience remains relatively benign.• Casualty pricing remains firm as social inflation, “nuclear verdicts,” and uncertainty around reserve adequacy continue to affect the market.• Improving profitability begins to drive increased competition in shorter-tail and excess and surplus lines.
Lower reinsurance pricing at new year renewals	<ul style="list-style-type: none">• Primary insurers benefit from lower rates (in the 15% to 20% range) at renewal, better terms and conditions, and lower attach points.• Short-term “cat memory” contributes to more excess capacity from third-party capital.• ROTEs expected to normalize compared with recent peak years.

Key medium- and long-term trends (3+ years) for P&C insurers

TREND	DESCRIPTION
Structural risks for casualty lines	<ul style="list-style-type: none">• Long-tail casualty in the US is affected by litigation costs, “nuclear verdicts,” higher attorney involvement, and medical cost inflation.• This creates ongoing uncertainty around reserve adequacy, reinforces a cautious underwriting posture, and encourages diversification and a shift to shorter-tail exposures.
Evolving macroeconomic environment and trade flows	<ul style="list-style-type: none">• Geopolitical tensions are likely to drive increased demand for political risk, trade credit, and marine, aviation, and transport lines.• Large-scale energy, defense, reshoring, and data center buildouts drive capital-intensive construction and complex property exposures.• Changing macroeconomic conditions favor some lines over others (workers’ compensation and group benefits underperform in a downturn, for example).
M&A back in focus	<ul style="list-style-type: none">• M&A is expected to increase as insurers look to deploy excess surplus in a softening market environment.• Cross-border M&A (for example, Japanese and Korean insurers looking to invest in the US and UK) and large transactions (such as the Zurich-Beazley merger) may become more commonplace.• Political uncertainty and regulation may limit successful execution of cross-border M&A.

Key near-term trends (1–3 years) for L&H and all insurers

TREND	DESCRIPTION
L&H	<p>Consumer preference for guaranteed protection</p> <ul style="list-style-type: none"> • Market volatility and rate uncertainty drive more risk-averse behavior in consumers, increasing demand for security over return. • Capital-intensive guarantee products necessitate a shift to hybrid offerings with a reduced guarantee or investment component. • Consumer needs evolve toward simpler, clearer, "easy-to-understand" products with streamlined riders (rather than complex 10- to 20-page riders).
	<p>Demand for hybrid products</p> <ul style="list-style-type: none"> • Growing consumer interest in life insurance that combines traditional protection with additional living benefits (such as critical illness and income protection) causes carriers to expand hybrid offerings that address multiple financial risks in a single policy.
All	<p>Increased impact from AI</p> <ul style="list-style-type: none"> • Companies automate high-friction workflows (such as research augmentation, triage, first notice of loss, and claims adjudication) to reduce manual effort, shorten cycle times, and free workers to focus on higher-value decisions. • Advanced models synthesize structured and unstructured data to generate deeper risk insights, improving loss ratios, reducing claims payment "leakage," and enabling more differentiated pricing strategies. • Expanded integration of third-party, medical, and behavioral data supports straight-through processing and near-instant underwriting decisions, materially improving broker and the customer experience. • Commercial P&C carriers, which are often constrained by complexity and lower automation, stand to capture outsized value as GenAI helps standardize processes and close the sophistication gap with personal lines.

Key medium- and long-term trends (3+ years) for L&H and all insurers

TREND	DESCRIPTION	
L&H	Shift in distribution and sales landscape	<ul style="list-style-type: none"> • Consumer preference for omnichannel purchasing experience increases; agent interactions are supplemented with information and quotes online. • AI offerings (such as Tuio and Insurify) present an alternative channel for sourcing customers. • In some markets, independent advisors and brokers replace captive agents because they can offer stronger technology, lead generation, marketing, and agent support.
	Structural role of private capital	<ul style="list-style-type: none"> • Asset managers use insurance platforms to secure long-duration capital and expand private credit origination. • Life carriers benefit from broader investment capabilities and more diversified earnings streams. • Private equity and asset manager appetite increases for closed-book insurance blocks to back private credit strategies and capital optimization for cedants.
	Demographic shifts driving demand	<ul style="list-style-type: none"> • Growth in 65+ population heightens demand for life insurance (consumers seek income protection) and increased assets under management in retirement products. • Longer life expectancies increase financial uncertainty and the need for guaranteed income and insurance-based assets that are easy to understand.
	Persistent life coverage gap	<ul style="list-style-type: none"> • Large share of adults (roughly 80%) do not acknowledge the need for insurance; perceived cost and complexity are primary barriers, not insurability. • Investment in clarity and education around life insurance is needed to reduce the gap.
All	Major workforce changes	<ul style="list-style-type: none"> • Aging technical workforce in skilled roles leads to talent shortage. • Senior experts retiring in the next 10 to 20 years could cause a loss of institutional knowledge. • AI drives a shifts in work, workers, and workforce, including new roles and skills required to fill them. • AI may be unable to solve a capability gap where human judgement is needed (such as with claims adjusters, for example) or required by law (such as when underwriters are needed to bind coverage).