REINSURANCE VALUE CREATION

For Reinsurers, Disciplined Growth Takes Center Stage

The 2026 Insurance Value Creators

September 2026

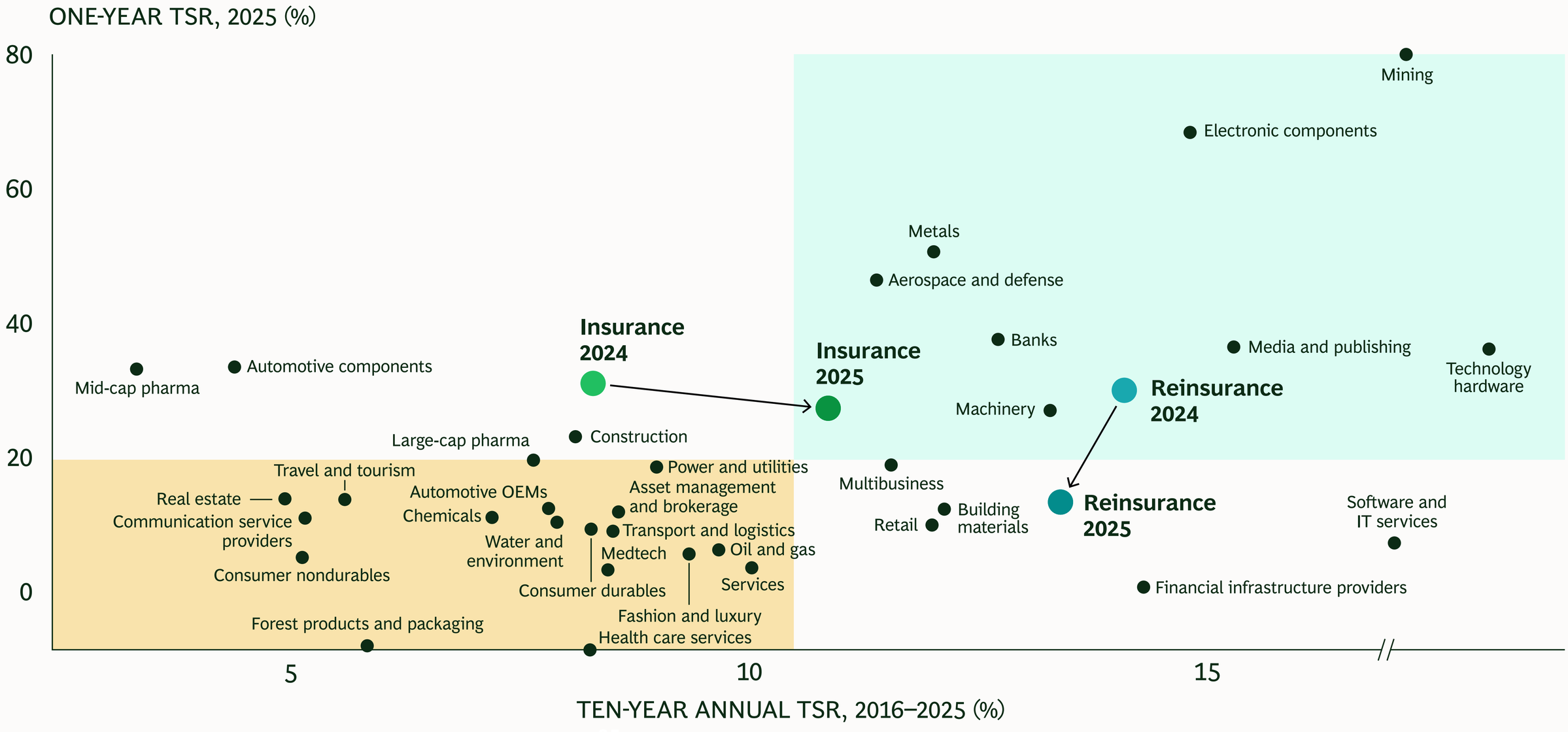


Six Essential Reinsurance Takeaways

1. For the five years through 2025, reinsurance generated annual total shareholder returns (TSR) of 19.1%, but one-year TSR decelerated sharply in 2025.
2. Reinsurance remains a strong long-term value creator, with tangible book value increasing from $119 billion in 2022 to $162 billion in 2025—an 11% annual growth rate.
3. The next phase for reinsurers will depend more on underwriting discipline, capital allocation, operating efficiency, portfolio flexibility, and quality of earnings rather than on a favorable pricing environment.
4. When capital is abundant, success often depends not simply on identifying which business to write, but also on deciding which business not to write.
5. Munich Re, Arch Capital, and Hannover Re stand out in our ten-year analysis for combining relatively high average annual TSR with comparatively low volatility of annual shareholder returns.
6. There are five actions reinsurance CEOs should focus on over the next three to five years to remain attractive to investors, and top among them is maintaining underwriting discipline as pricing normalizes.

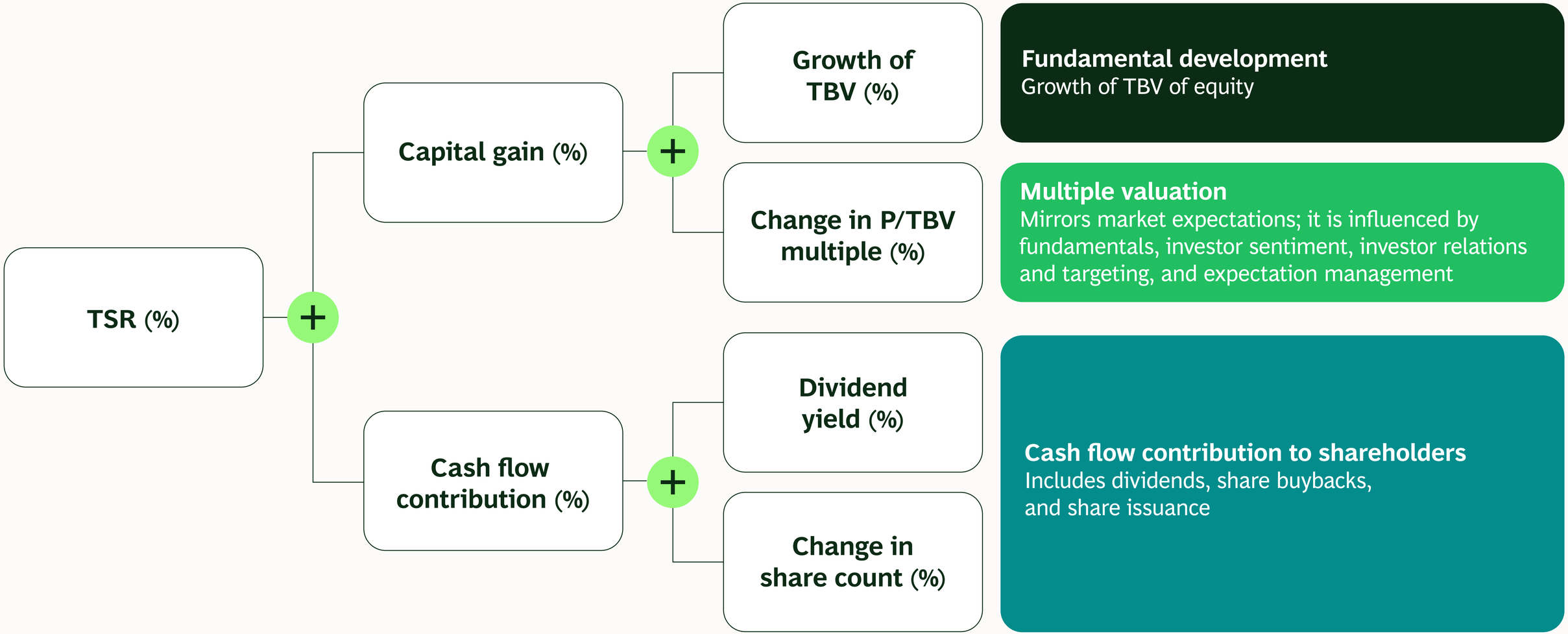
Source: BCG analysis.

After a strong run, the reinsurance sector lost TSR momentum in 2025



Sources: S&P Capital IQ; BCG Value Creators database 2026; BCG ValueScience® Center; BCG analysis.
Note: TSRs are based on calendar year data and represent weighted average value using starting year market cap per respective industry sample; n=2368. Russian companies were omitted due to suspended trading and collapse of share prices. Argentinian and Turkish firms were omitted due to hyperinflationary environments.

BCG's methodology focuses on TSR because it is a key metric for value creation

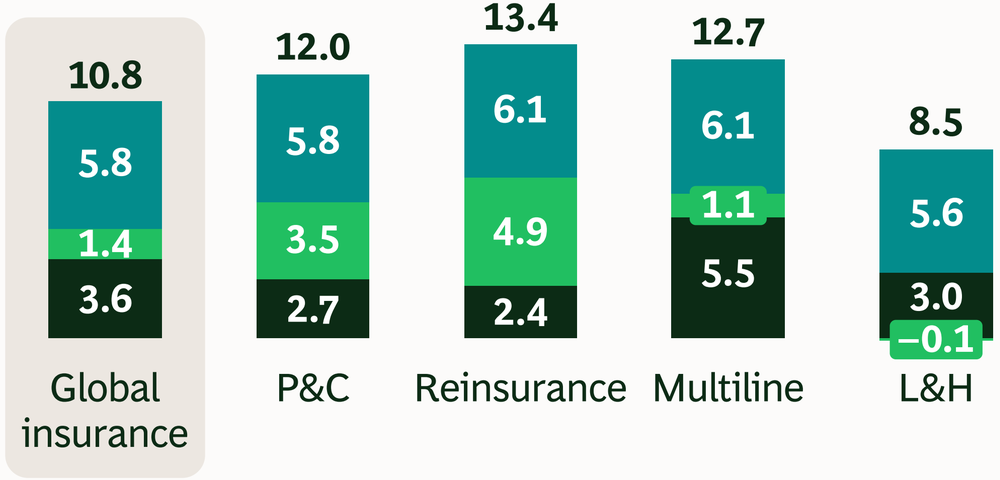


Source: BCG analysis.
Note: TBV = tangible book value of equity; P/TBV = price to TBV.

TSRs have strengthened across all insurance segments over the past five years compared to the ten-year average

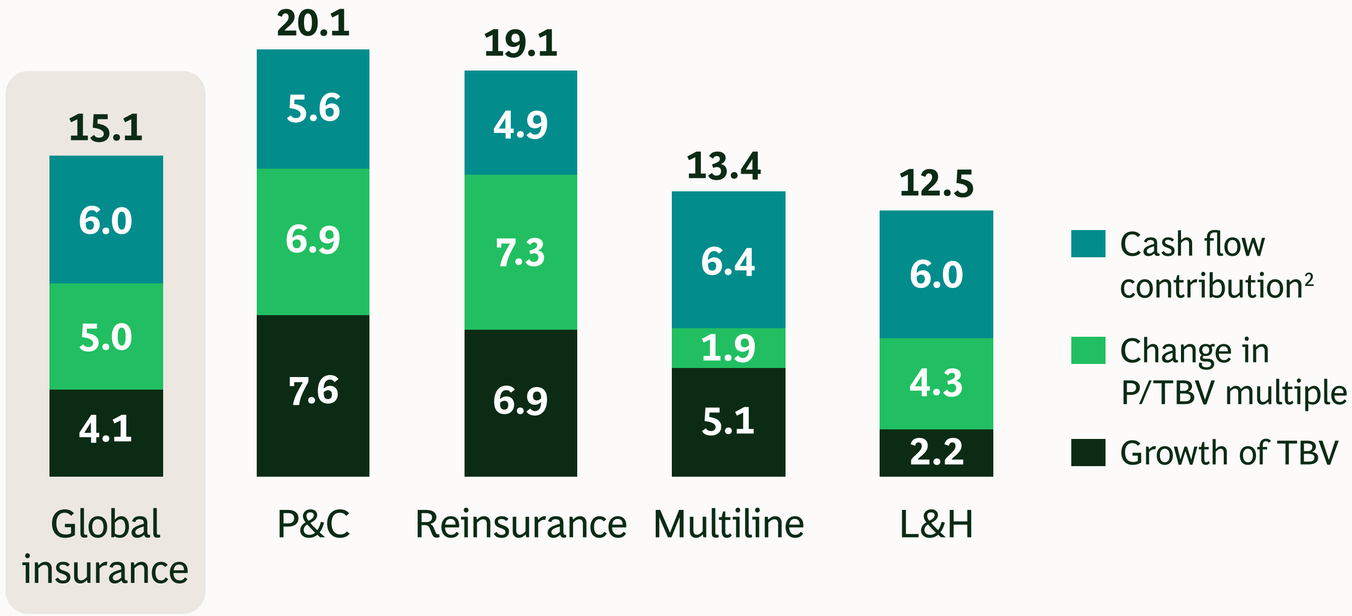
Ten years

TSR DRIVERS' CONTRIBUTION TO AVERAGE ANNUAL TSR, 2016–2025 (%)



Five years

TSR DRIVERS' CONTRIBUTION TO AVERAGE ANNUAL TSR, 2021–2025 (%)

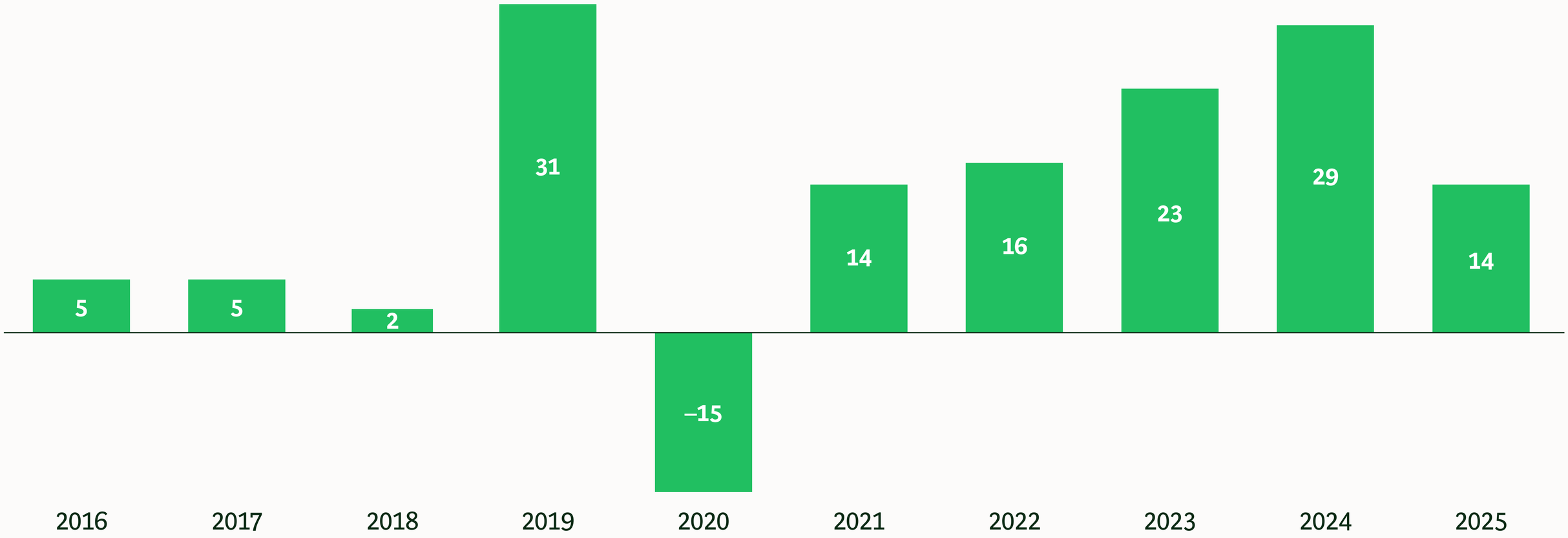


Reinsurers' TSR was driven primarily by cash flow contribution over ten years, with more balanced contributions over the last five years

Sources: S&P Capital IQ; Refinitiv; 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 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.
[1]Total industry sample N = 98, (7 are reinsurers). The ten-year analysis uses the 91 companies from the sample with the highest market capitalization as of December 31, 2025, that were stock-listed on January 1, 2016. [2]Includes dividend contribution and share count change.

Among reinsurers, one-year TSR accelerated in 2021–2024 but dropped off sharply in 2025

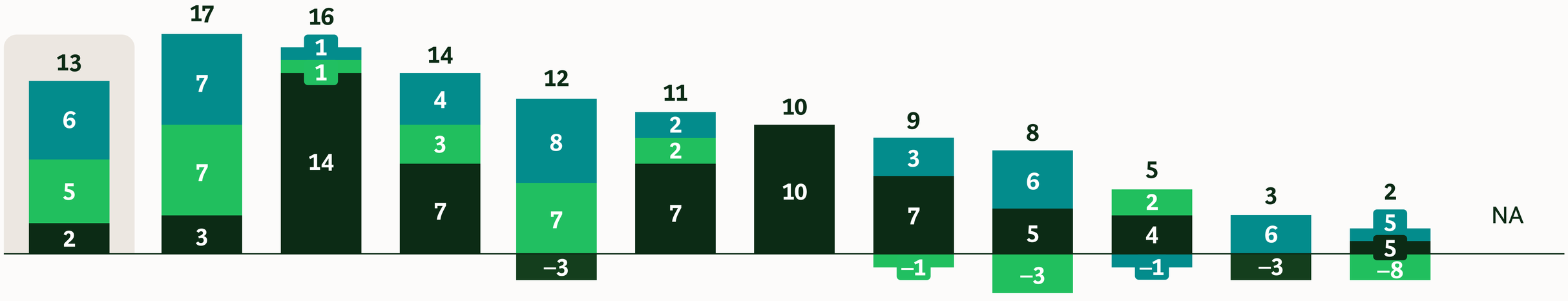
ONE-YEAR TSR FOR REINSURANCE (%)



Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.
Note: Extended BCG reinsurer sample of 12 companies.

The largest reinsurers have performed particularly well over 10 years

CONTRIBUTION TO AVERAGE ANNUAL TEN-YEAR TSR, 2016–2025 (%)

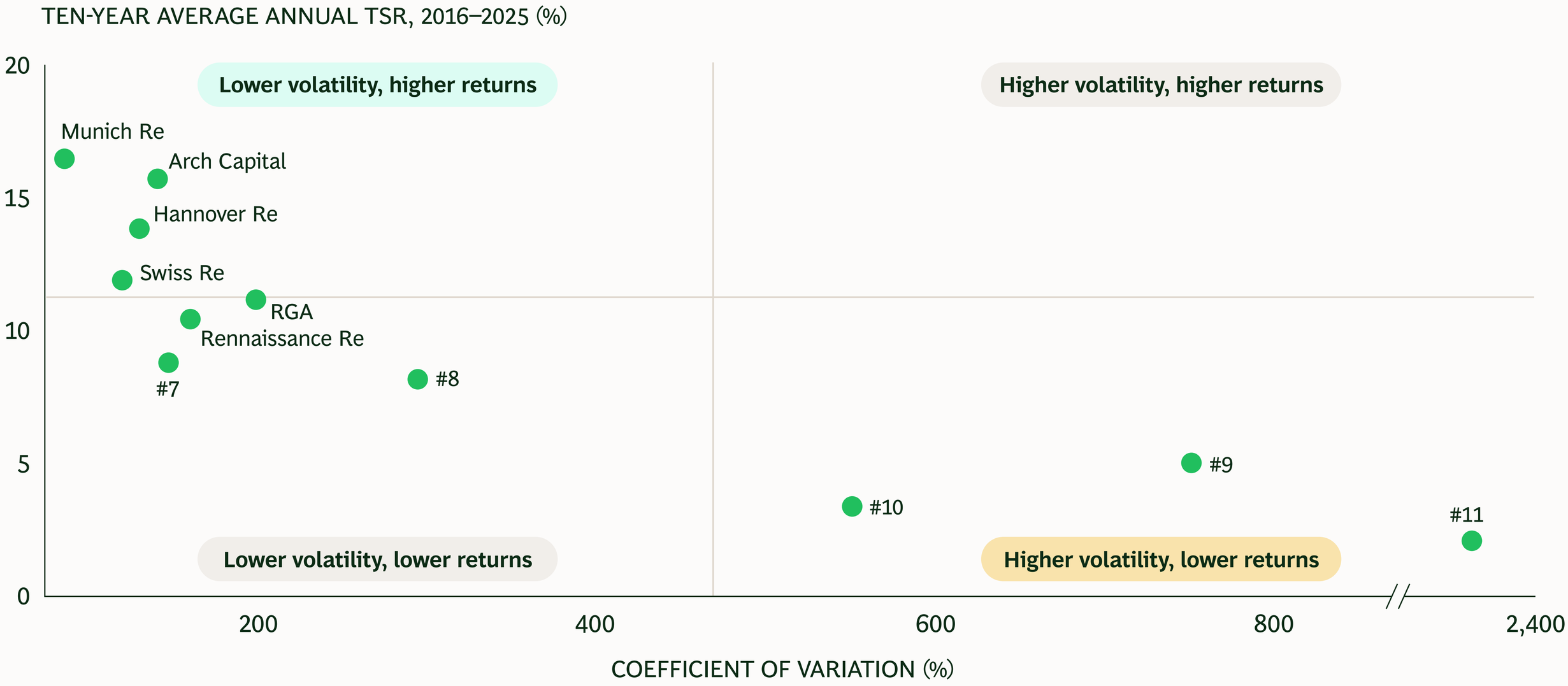


	Global Reinsurance Sector	Munich Re	Arch Capital	Hannover Re	Swiss Re	RGA	Renaissance Re	#7	#8	#9	#10	#11	GIC[1]
10-YEAR TSR RANKING	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	—	
5-YEAR TSR RANKING	#4 ↓	#5 ↓	#6 ↓	#7 ↓	#9 ↓	#10 ↓	#11 ↓	#1 ↑	#8 ↑	#12 ↓	#3 ↑	#2	

Growth of TBV Change in P/TBV multiple Cash flow contribution[2]

Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.
Note: TSR on group level was measured from January 1, 2016, through December 31, 2025. 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.
[1]No 10-year history yet.

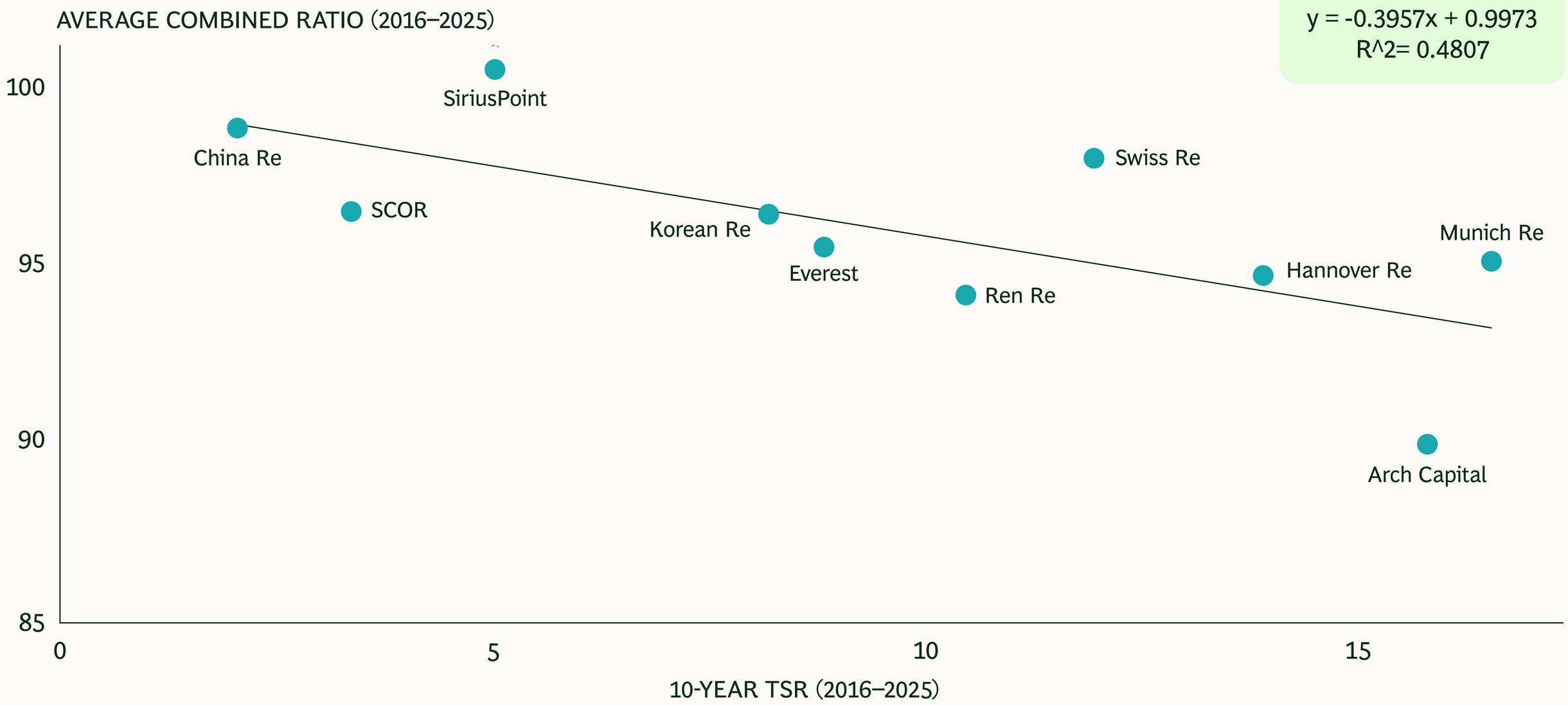
Munich Re, Arch Capital, and Hannover Re have delivered the best risk-return performance over 10 years



Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.
Note: Ten-year annual TSR was measured from January 1, 2016, through December 31, 2025. Coefficient of variation = standard deviation of annuals TSRs/average TSR.

Reinsurance leaders have used combined ratio excellence to drive TSR

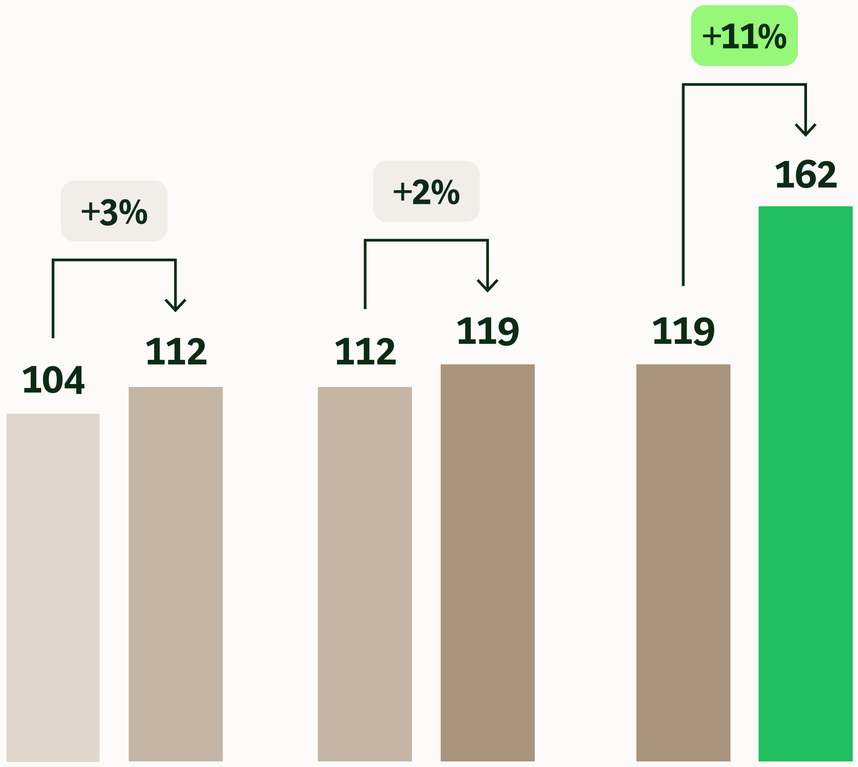
Ten-year view (average 2016–2025)



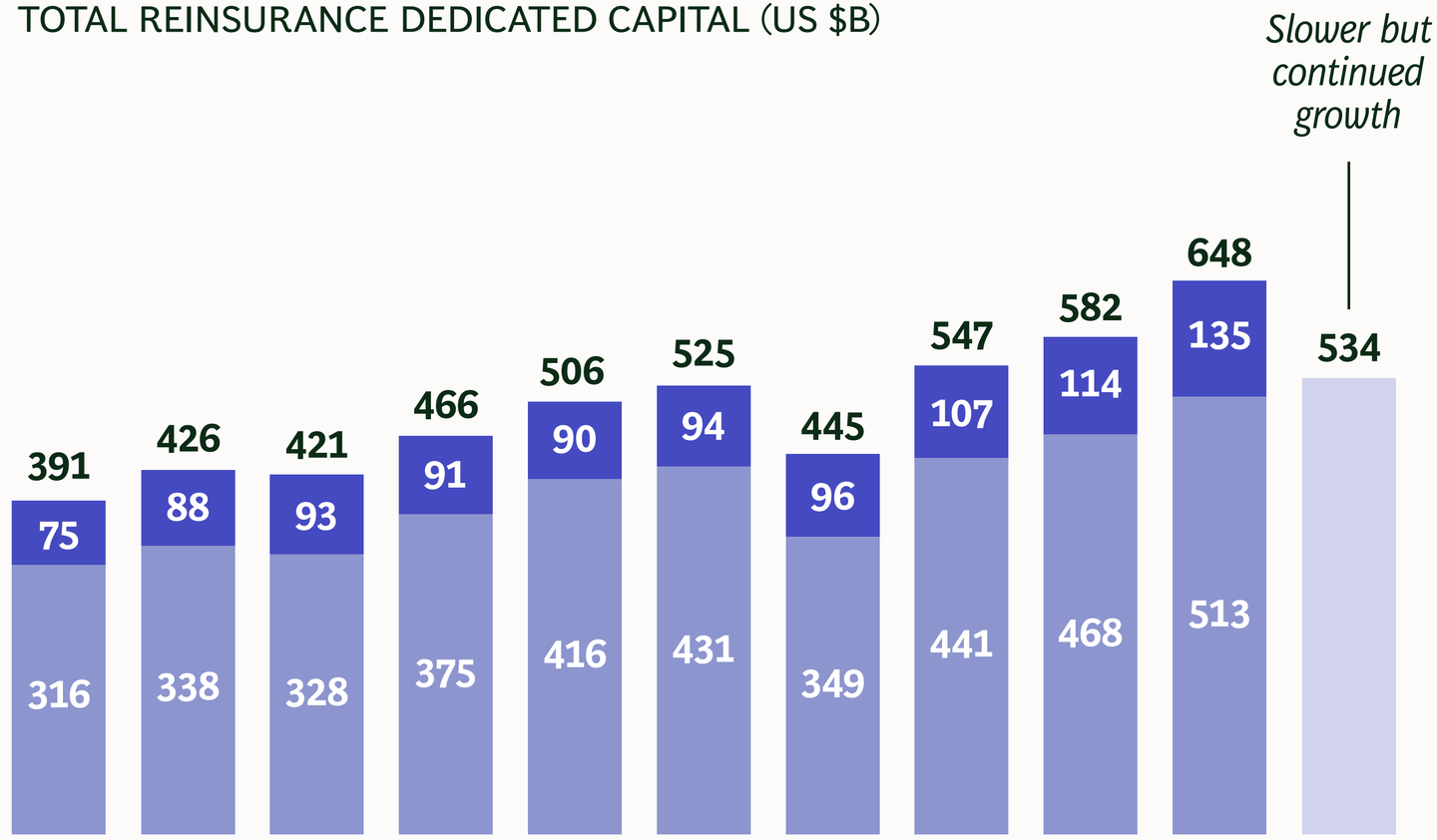
Sources: S&P Capital IQ; BCG ValueScience® Center; BCG analysis.

As TSR and tangible book value improved, reinsurers rebuilt capital rapidly, reaching new heights in 2025

TANGIBLE BOOK VALUE OF REINSURERS (US $B)



TOTAL REINSURANCE DEDICATED CAPITAL (US $B)



Alternative capital | Traditional reinsurance capital | Traditional reinsurance capital (estimate)

Sources: S&P Capital IQ; Gallagher Re Reinsurance Market Report 2026, BCG ValueScience® Center; BCG analysis.
Note: Number shows tangible book value of equity less other comprehensive income for the extended BCG sample of 12 reinsurers.

Five priorities for reinsurance CEOs over the next three to five years to remain attractive to investors

Source: BCG analysis.



Maintain underwriting discipline as pricing normalizes



Allocate capital dynamically across products, geographies, and different forms of capital



Demonstrate quality and sustainability of earnings, not simply headline returns



Pursue growth where risk-adjusted returns justify it, rather than growing simply to meet a premium target

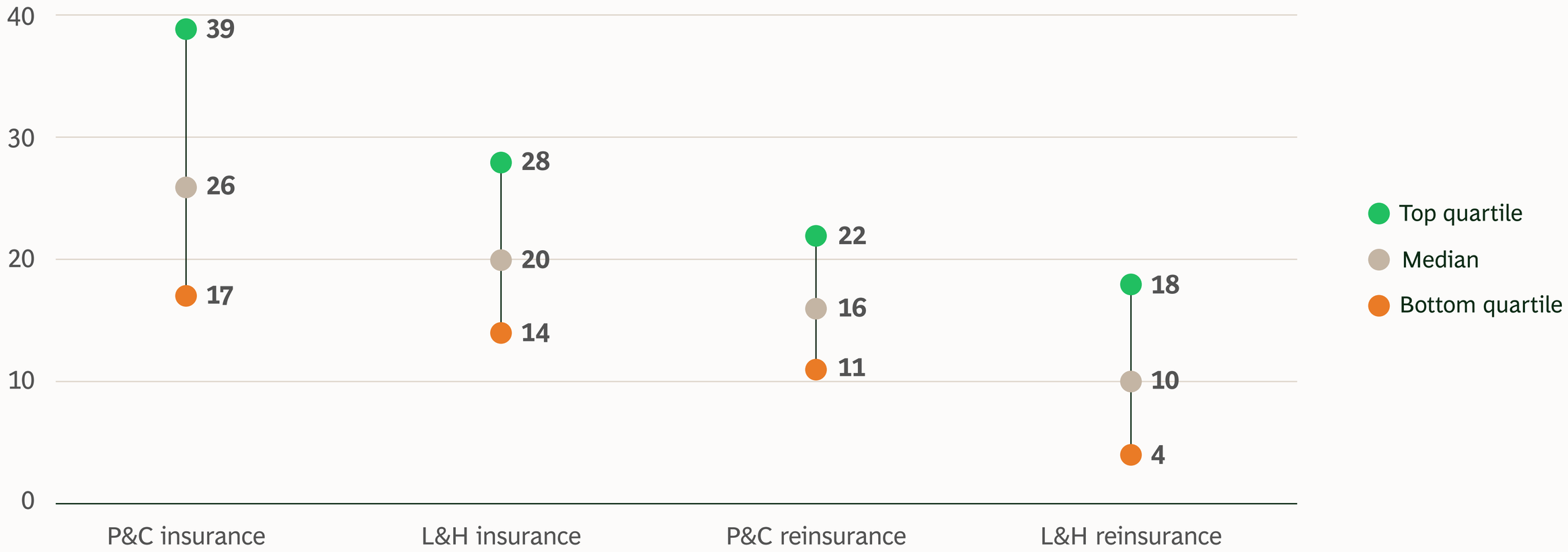


Return capital when attractive deployment opportunities are insufficient

Appendix

While TSR, tangible book value, and dedicated capital have all improved, on average reinsurers still have a lower RoTE than primary insurers

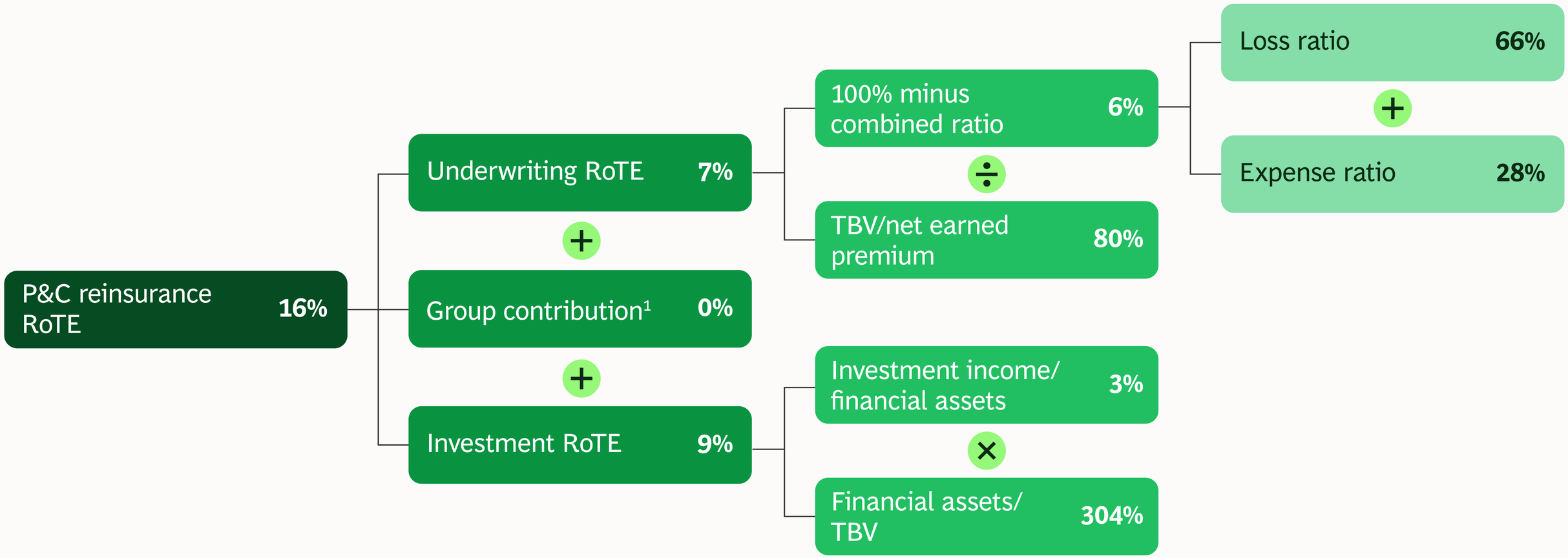
AVERAGE RETURN ON TANGIBLE EQUITY, 2021–2025 (%)[1]



Sources: BCG insurance RoTE benchmarking database, BCG analysis.
Note: Reinsurance sample N=24, also including non stock-listed reinsurers. L&H = life and health; P&C = property and casualty; RoTE = return on tangible equity.
[1]Operating profit before tax divided by tangible book value of equity allocated to each segment; average of median RoTEs, 2021–2025.

For property and casualty reinsurers, low underwriting margins and high capital intensity have driven relatively low RoTE

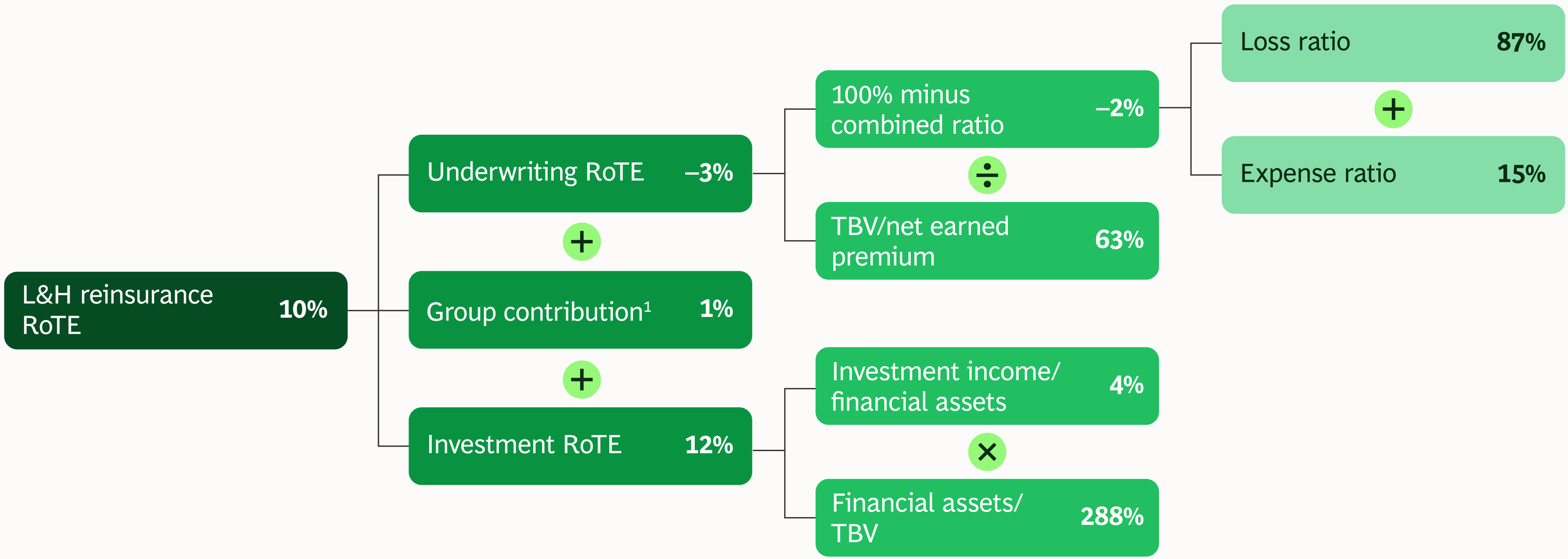
AVERAGE ROTE, 2021–2025 (%)



Sources: BCG insurance RoTE benchmarking database, BCG analysis.
Note: Reinsurance sample in this analysis is N=24, including non stock-listed reinsurers. P&C = property and casualty; RoTE = return on tangible book value of equity; TBV = tangible book value of equity.
[1]P&C reinsurance share of centrally allocated buckets (e.g., group functions, noncore business, and eliminations).

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

AVERAGE ROTE, 2021–2025 (%)



Sources: BCG insurance RoTE benchmarking database; BCG analysis.
Note: Reinsurance sample in this analysis is N=24, including non stock-listed reinsurers. L&H = life and health; RoTE = return on tangible book value of equity; TBV = tangible book value of equity.
[1]L&H reinsurance share of centrally allocated buckets (e.g., group functions, noncore business, and eliminations).