

Media Release: Allianz Global Insurance Report 2024: Transformative years

- **Exceptionally strong growth:** The global premium pool grew by +7.5% in 2023 – clocking the fastest increase since 2006, the year before the GFC
- **Malaysia: Solid growth at 5.8%**
- **Insurability gets into the focus:** Preventive measures, new technologies and smart partnerships can shift the limits of insurability – but they cannot remove them
- **Closing the gap:** Premiums are set to increase by 5.5% p.a. over the next decade – in sync with economic growth
- **The next frontier:** The adoption of GenAI is a game-changer – it has the potential to leapfrog stages of cost savings and efficiency gains

Munich, May 23, 2024

Today, Allianz published its latest “Global Insurance Report”, which analyzes the development of insurance markets worldwide¹.

Exceptionally strong growth

According to the report, the global insurance industry grew by an estimated 7.5% in 2023, clocking the fastest growth since 2006, the year before the GFC. In all, insurers worldwide collected EUR6.2trn in life (EUR2,620bn), p&c (EUR2,153bn) and health (EUR1,427bn) insurance premiums. Over the last three years alone, global premium income increased by a whopping EUR1.1trn or 21.5%. However, the robust development must be seen against the backdrop of high inflation. In real terms, therefore, the picture is becoming less impressive. Real premiums almost stagnated, advancing only by 0.7% since 2020.

In contrast to 2022, when the global premium increase was primarily driven by the p&c segment, growth in 2023 was more balanced. All three segments recorded rather similar increases, with life at 8.4%, p&c at 7.0% and health at 6.6%. The recovery of the life segment – which grew at only 3.1% in 2022 – is mainly driven by Asia (w/o Japan) which rose by 16.2% and is now the biggest life market in the world, ahead of Western Europe, with a global market share of 30.0%. In p&c, North America (+7.1%) remained by far the largest market (global

¹ All figures are based on 2023 exchange rates.

market share: 54.2%). Premiums in Asia (w/o Japan) increased by 6.6%; the region's global market share remained at 15.5%.

While in many other industries traditional markets are losing relevance vis-à-vis new, emerging markets, the global insurance industry is still dominated by the US. In fact, over the last decade, the US insurance market could even raise its global market share, from already impressive 41.3% to whopping 44.2%. However, other "old" markets like Western Europe (-6.7pp) and Japan (-2.8pp) developed more or less as expected, losing market share, first and foremost to China which could almost double its global share to 10.6%.

Malaysia: Solid growth at 5.8%

The Malaysian insurance market saw solid growth in 2023: premium income increased by 5.8% to EUR13.4bn. Both segments contributed to this development, with life at 5.0% and p&c at 7.5%. The most dynamic segment, however, was health, increasing by 12.9% in 2023. But with a market share of less than 2% in total premiums, health remains a niche market. For the next decade, we expect the Malaysian market to continue its solid development, clocking growth of 5.9% p.a.

Insurability gets into the focus

As risks are rising worldwide, the limits of insurability get into the focus. Preventive measures, new technologies and smart partnerships can shift the limits of insurability but they cannot remove them. Uninsurability should be respected. The pretense of insurability – by artificially low and not risk-adequate prices – leads to excessive risk exposure and ever higher loss amounts. The trade-offs between affordability and insurability – or, more generally, between our current and sustainable lifestyles – can still be solved; but the necessary compromises won't be pain or costless. "Ultimately, mastering the climate crisis is not only a question of politics and money but of individual responsibility," said Ludovic Subran, chief economist of Allianz. "An uninsurable world would be not only a world that failed to cope with climate change but also a metaphor for a collective ethical failure where each individual dodges their moral obligation to reduce carbon emissions."

Closing the gap

Over the next decade, the global insurance market is expected to grow by an annual rate of 5.5%, i.e., with exact the same rate as the global GDP; in the previous decades, insurance growth trailed behind economic growth. The weights of the three segments will shift. The p&c segment will grow by 4.7% per year, after 5.0% p.a. in the previous ten years, as the inflation-related price increases will peter out. The health segment, too, is expected to grow a little slower – but at 7.3% p.a., the increase remains elevated. In contrast, the life segment might grow by 5.1% p.a. (up from 3.5% p.a.), benefitting from higher interest rates. In all, the global premium pool is set to increase by almost EUR5trn.

Most of this growth will be in the life segment (EUR1.887bn) with Asia (w/o Japan) remaining the growth engine for global life business (+7.3% p.a.). The region should account for half of absolute premium growth (EUR928bn), more than North America (EUR377bn) and Europe

(EUR323bn) combined. While China (+7.7% p.a.) will still dominate the region in absolute terms, the true growth champion over the next decade is likely to be India (+13.6% p.a.).

In the p&c segment, additional premiums will amount to EUR1.427bn by 2034. Despite decisively higher growth in Asia (w/o Japan: 7.1% p.a.) than in North America (3.8% p.a.), in absolute terms, the latter region will clearly dominate: EUR584bn additional premiums in North America vs EUR376bn in Asia (w/o Japan) and EUR184bn in Western Europe.

“The good premium outlook should not lead to complacency in the industry.”, said Arne Holzhausen, co-author of the report. “The biggest challenge for the industry is defending its relevance against an ever more intrusive state. Increasing polarization and inequality threaten to undermine the social fabric. How to navigate these challenges, maintaining its social relevance as a force for equality and unity, is the central task of the insurance industry in the coming years.”

The next frontier

Artificial Intelligence (AI) stands to disrupt industries on fundamental levels – from business model to value chain. However, few industries rely on AI’s foundation – data – as profoundly as the insurance industry, making AI mastery a key competitive differentiator in the future. In the past, the insurance industry was not exactly at the forefront of productivity growth. The adoption of GenAI has the potential to leapfrog stages of cost savings and efficiency gains. “AI is not a magic bullet to solve all problems.”, said Patricia Pelayo Romero, co-author of the report. “But it has significant potential to help reduce protection gaps by improving the availability, affordability, and accessibility of insurance thanks to increased personalization and improved cost-efficiency.”

Insurance premiums*

	Euro bn			CAGR**
	2022	2023	2034	2024-34 (%)
W Europe	1,338	1,390	2,002	3.4
N America	2,710	2,886	5,016	5.2
Japan	278	300	388	2.4
Asia w/o Japan	1,130	1,268	2,816	7.5
<i>China</i>	<i>599</i>	<i>654</i>	<i>1,472</i>	<i>7.7</i>
<i>Malaysia</i>	<i>12.6</i>	<i>13.4</i>	<i>25.1</i>	<i>5.9</i>
Rest of the world	311	355	951	9.4
World	5,767	6,200	11,173	5.5

*based on 2023 exchange rates

**Compound annual growth rate

The interactive “Allianz Global Insurance Map” can be found on our homepage:
https://www.allianz.com/en/economic_research/research-data/global-insurance-map.html

You can find the study here:
https://www.allianz.com/en/economic_research.html

For further information please contact:

Lorenz Weimann

Tel. +49 89 3800 16891

e-mail: lorenz.weimann@allianz.com



ALLIANZ SE GROUP COMMUNICATIONS

About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with around 125 million* private and corporate customers in nearly 70 countries. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 746 billion euros** on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage about 1.8 trillion euros** of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we are among the leaders in the insurance industry in the Dow Jones Sustainability Index. In 2023, over 157,000 employees achieved total business volume of 161.7 billion euros and an operating profit of 14.7 billion euros for the group.

* Including non-consolidated entities with Allianz customers.

**As of March 31, 2024

These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions including and related integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

Allianz assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

Privacy Note

Allianz SE is committed to protecting your personal data. Find out more in our [privacy statement](#)