

Swiss Re Institute, sigma and the group in 2025

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Among the assets that Swiss Re has built in Zurich, one is intellectual. The economics department established in 1968 developed into the publisher of *sigma*, a series of studies on insurance markets and risk that is read far beyond the company's clients. Its annual reports on world insurance markets and on natural catastrophes and man-made disasters are cited by supervisors, central banks, journalists and academic researchers, often as the only consistent long-term data series available. Swiss Re's research activities are today organised as the Swiss Re Institute, whose declared mission is to "originate actionable insights to support profitable risk taking for Swiss Re and its clients". Its work covers macroeconomic and insurance research, forecasting, scenarios and emerging risks. The Institute has recently made its data, forecasts and archive of publications available to clients through a portal called *sigma explorer*.¹ The Institute was created in 2017. When presenting the 2016 results in February 2017, chief executive Christian Mumenthaler announced a new research division that would also work on behavioural economics and the digitalisation of insurance.²

The *sigma* study on natural catastrophes in 2025, published in 2026, gives an idea of the scale of the risks with which reinsurers deal. Global insured losses from natural catastrophes amounted to 107 billion dollars from 190 events, against total economic losses of 220 billion. The wildfires in and around Los Angeles in January 2025 alone caused insured losses of about 40 billion dollars, making them the costliest wildfire event on record. Severe convective storms, above all hail and thunderstorms in the United States, exceeded 50 billion dollars in insured losses for the third consecutive year. The authors observe that so-called secondary perils, meaning wildfires, storms and floods, accounted for a record 92 per cent of global insured losses, and that about half of the economic losses remained uninsured.³ The uninsured share, which the industry calls the protection gap, has become a central theme of Swiss Re's public research, because it

measures the business that has not yet been written as well as the burden that falls on households and governments.

The *sigma* reports have a function in Zurich's financial centre that goes beyond their content. They give the city a place in the global production of knowledge about risk, alongside the actuarial science of the ETH and the University of Zurich and the insurance economics of the University of St. Gallen. Asset managers who invest in insurance-linked securities, banks that structure catastrophe-exposed loans and public authorities that plan disaster financing all draw on the same data. The Centre for Global Dialogue in Rüschlikon, a conference venue run by the Institute on the shore of Lake Zurich, serves as a meeting place for these communities.⁴

The financial position of the group in 2025 may be summarised from the results published on 27 February 2026. Swiss Re reported a net income of 4.8 billion dollars, the highest in its history, compared with 3.2 billion in 2024. The return on equity reached 19.6 per cent. Insurance revenue under IFRS 17 amounted to 43.1 billion dollars, of which 18.7 billion came from property and casualty reinsurance, 16.5 billion from life and health reinsurance and 7.7 billion from Corporate Solutions, the unit that insures large companies directly. The combined ratio of property and casualty reinsurance stood at 79.4 per cent, well below the target of 85 per cent, and that of Corporate Solutions at 86.5 per cent. Shareholders' equity amounted to 25.1 billion dollars. With the group's Swiss Solvency Test ratio estimated at 250 per cent as of 1 January 2026, the board proposed a dividend of eight dollars per share together with a share buyback of up to 1.5 billion dollars.⁵ Large natural catastrophe claims cost the property and casualty reinsurance business 813 million dollars in 2025 and Corporate Solutions a further 148 million, moderate figures in a year whose global insured catastrophe losses, according to Swiss Re's own research, remained below what the long-term trend would have implied.

For 2026 Swiss Re set a target of 4.5 billion dollars in net income. The strategy presented in December 2025 emphasises concentration on core markets, the use of data and artificial intelligence in underwriting and claims, and a reduction of operating expenses by 300 million dollars by 2027. In life and health reinsurance, the group reviewed underperforming portfolios in Australia, Israel and South Korea, at a cost of about 250 million dollars before tax in the fourth quarter of 2025. In August 2026 the company reported a net income of 2.8 billion dollars for the first half of 2026, an increase of nine per cent on the previous year.⁶

International rankings of reinsurers need to be read with care. The HLS reports that in 2024 Swiss Re overtook Munich Re as the largest reinsurer

in the world by gross premium income, with 15,021 employees, more than half of them in Europe. AM Best's ranking published in August 2026, based on 2025 figures, placed Munich Re first and Swiss Re second among the reinsurers that report under IFRS 17, followed by Hannover Re, SCOR and China Re. The change was largely the effect of exchange rates, since the euro strengthened by 12.9 per cent against the dollar in 2025. Among the reinsurers that do not report under IFRS 17, the same ranking placed Lloyd's first, ahead of Berkshire Hathaway. Whatever the exact order in a given year, the two largest reinsurers in the world are based in Munich and in Zurich, as they have been for most of the past century.⁷

1 Notes

1. Swiss Re Institute, "About us", <https://www.swissre.com/institute/about-us.html>; Swiss Re Institute, home page, <https://www.swissre.com/institute/>. Jérôme Haegeli is Group Chief Economist and head of the Institute. ↩
2. "Swiss Re refocuses risk management", Insurance Business, 27 February 2017, <https://www.insurancebusinessmag.com/us/news/breaking-news/swiss-re-refocuses-risk-management-61138.aspx>. ↩
3. Swiss Re Institute, "Global natural catastrophe losses in 2025", sigma 1/2026, <https://www.swissre.com/institute/research/sigma-research/sigma-2026-01-natcat-2025-wildfire-storm-risk/global-natcat-losses-2025.html>. ↩
4. Swiss Re Institute, home page, <https://www.swissre.com/institute/>. ↩
5. Swiss Re, "Swiss Re delivers record Group net income of USD 4.8 billion in 2025", press release, 27 February 2026, <https://www.swissre.com/media/press-release/pr-20260227-fy-2025-press-release.html>; Swiss Re, Annual Report 2025, <https://www.swissre.com/investors/annual-report-2025.html>. ↩
6. Swiss Re, "Swiss Re targets a net income of USD 4.5 billion in 2026; refreshed strategy to strengthen core business", press release, 5 December 2025, <https://www.swissre.com/media/press-release/pr-20251205-swiss-re-targets-2026.html>. Swiss Re, "Swiss Re delivers 9% increase in net income to USD 2.8 billion for the first half of 2026", press release title, <https://www.swissre.com/media/press-release/pr-20260806-hy-2026-press-release.html>. ↩

7. Feldmann, “Schweizerische Rückversicherungs-Gesellschaft”, HLS, <https://hls-dhs-dss.ch/articles/041818/2025-09-23/>. “Munich Re, Lloyd’s Top List of 50 Largest Global Reinsurers: AM Best”, Carrier Management, 19 August 2026, <https://www.carriermanagement.com/news/2026/08/19/291177.htm>. ↩

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