Verisk Maplecroft

Beyond the storm: How geopolitics could reshape insurance by 2030

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Executive summary

The insurance industry faces a critical inflection point. Rising geopolitical volatility is not just creating isolated shocks — it is fundamentally reshaping the global risk landscape, as well as threatening traditional alliances and business models.

Reinforcing this, geopolitical volatility has climbed 9 places to become the 5th top 10 future risk in AON's Global Risk Management Survey in late 2025. For insurers, it means widening protection gaps, surging claims costs, and increasingly complex regulatory environments that demand an immediate strategic response.

Scenario analysis provides a structured way to navigate this complexity, enabling insurers to stress-test strategies and anticipate how current dynamics may evolve. Scenarios help insurers to assess how lines of business may evolve under each scenario — whether through rising SRCC claims in urban property, shifting liability exposures from climate litigation, or expanding demand for political risk cover — and to identify new markets where protection gaps are set to widen.

Drawing on its proprietary country risk data and its team of geopolitical experts, Verisk Maplecroft has developed three geopolitical scenarios plotting out potential pathways for how the world might develop and what this means for insurers between 2025–2030:

- ***Drift* (most likely):** A continuation of the current trajectory, where geopolitical competition, fragmenting alliances and uncertainty around trade drive persistent volatility for global business. For insurers, this means widening protection gaps as economic instability undermines the demand for coverage, while wars, grey-zone conflicts and climate disasters steadily increase claims frequency.
- ***Fracture* (worst case):** Multilateral system collapses, triggering an explosive growth in political violence, terrorism and conflict-related claims, while regulatory fragmentation forces costly portfolio restructuring and potential market exits.
- ***Adaptation* (best case):** Stabilisation of the international system creates new market opportunities but increases compliance costs as enhanced climate and regulatory frameworks demand significant operational investment.

While distinct, each scenario is grounded in signposts that are already visible today, such as the fallout from war in the Middle East, the weakening of the WTO and UN, record-breaking climate losses and the uneven adoption of AI. As such, the scenarios provide distinct trajectories for international stability, security, economic cooperation, and institutional effectiveness.

> “Uncertainty is here to stay, but commercial advantage isn’t. Insurers who embrace scenario planning will define resilience in the decade ahead

The cost of inaction is measurable. According to Insurance Insider, political violence and terrorism (PVT) claims from the war in the Middle East are estimated to be approaching USD2 billion, well in excess of the USD750 million in PVT claims from the Ukraine war. Political risk is also escalating across most developed markets — including the core customer bases of insurers, such as energy financial services, and technology firms. Traditional reactive risk management will no longer suffice when protection gaps widen and claims patterns shift unpredictably.

Competitive advantage lies in preparation, not prediction. Organisations that embed scenario planning into strategic decision-making now will capture market share as competitors struggle with reactive responses.

By accurately measuring political, conflict, terrorism, and SRCC risks, insurers can understand which pathway the world is moving towards and align capital, pricing, and exposure management accordingly. Drawing on Verisk Maplecroft’s Country Risk Data and models — including Political Risk, Conflict, Civil Unrest, SRCC, Political Violence, Resource Nationalism, Terrorism, Climate and Environmental Risk, Human Rights, and Regulatory indices — insurers gain a uniquely granular view of emerging threats and opportunities.

This intelligence enables firms to stress-test portfolios against systemic shocks, anticipate protection gaps, and adapt underwriting strategies to shifting geopolitical, climate, and governance conditions, turning uncertainty into a source of resilience and competitive advantage.

The question is not whether risks will intensify; it is whether your organisation will be positioned to profitably navigate and capitalise on the transformation ahead.

Where the world stands now

Political risk on the rise

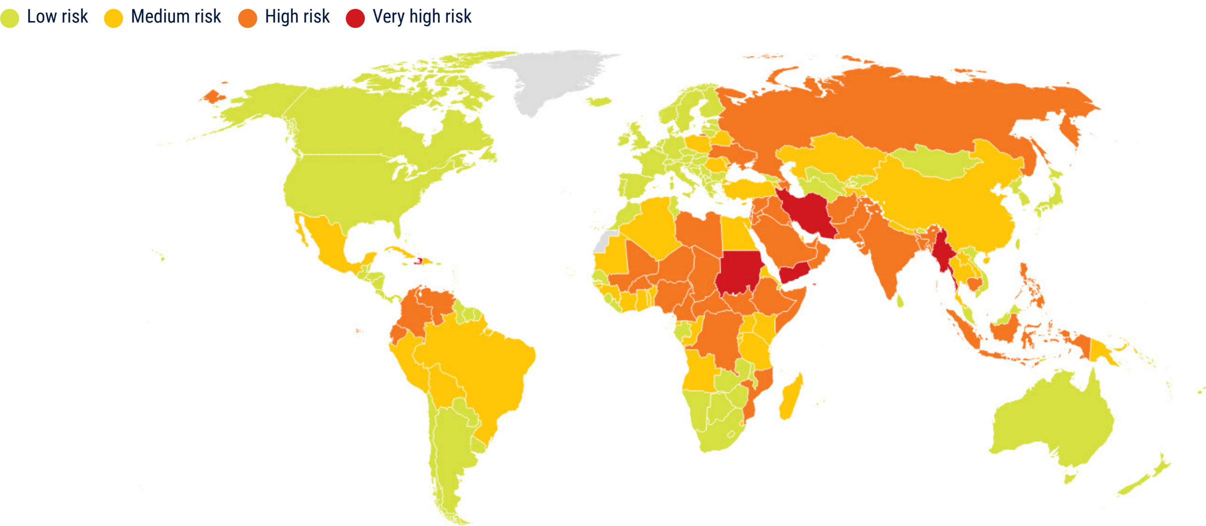
Key insurance implications:

- Rising political risk across liberal democracies increases the potential for supply chain disruptions, business interruption claims, and compliance risks.
- Economic nationalism and trade tensions, particularly between the US and China, heighten the risk of tariff volatility and subsidy disputes. This dynamic directly impacts trade credit, political risk, marine cargo, supply chain interruption, and directors' and officers' liability lines, as corporates face greater defaults, disputes, and litigation exposures.
- China's growing influence and the erosion of US relations with traditional allies create shifting exposures in marine, cargo, and trade credit lines.
- Intensifying global conflicts and the rise of alternative institutions challenge the rules-based international order, elevating risks across property, casualty, trade, and financial lines.

During 2026, traditional alliances and geopolitical battlegrounds are evolving and driving uncertainty for global business. From geopolitics and conflict to trade and tech, the international system continues to heat up, creating a new risk baseline for the insurance industry worldwide.

Figures 1 and 2 show absolute political risk exposure and the 5-year trend in Verisk Maplecroft's data. The key takeaway is that political risk is escalating across most liberal democracies — a critical factor for assessing the potential evolution of the current landscape.

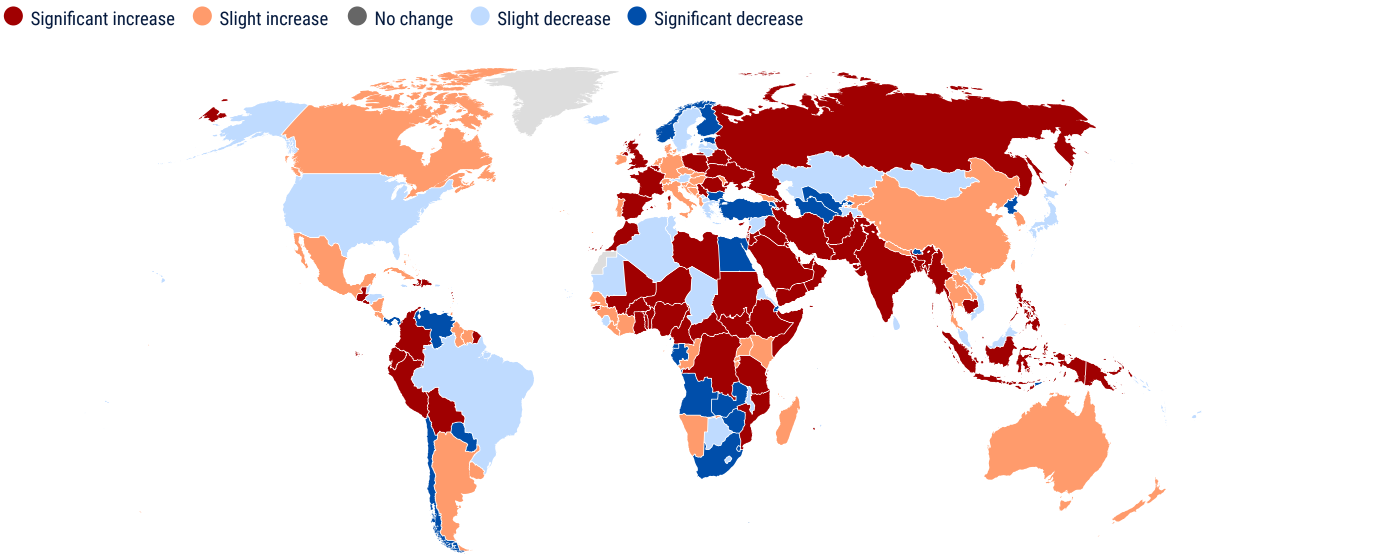
Figure 1: Political risk, country risk categories, 2026-Q2



The political risk data shown in this map is a composite of our Conflict Intensity, Challenges to Government Authority, Civil Unrest (historic), Exposure to Regional Conflict and Democratic Governance indices.

Source: Verisk Maplecroft

Figure 2: Political risk, change by country, 2021-Q2 to 2026-Q2



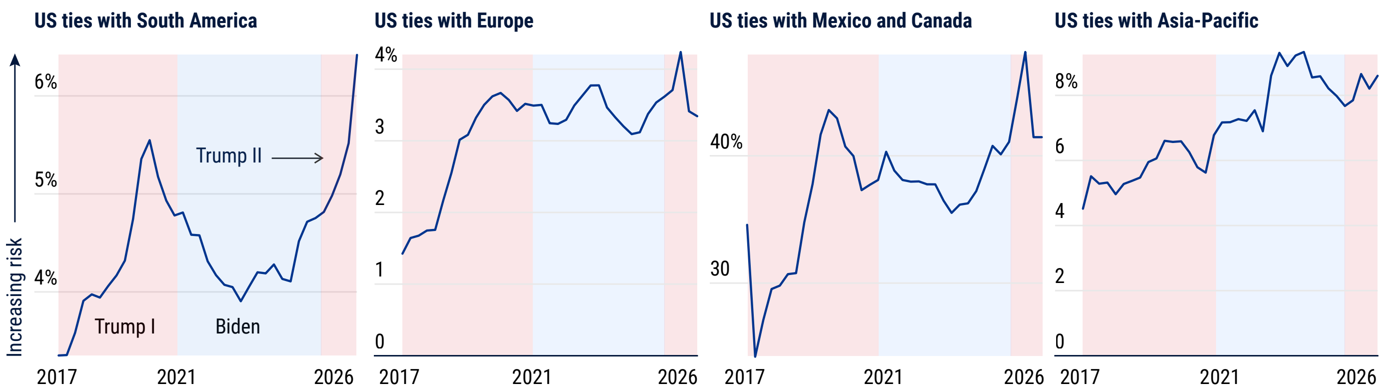
The political risk data shown in this map is a composite of our Conflict Intensity, Challenges to Government Authority, Civil Unrest (historic), Exposure to Regional Conflict and Democratic Governance indices. A score change of +/- 0.5 is considered signficiant.

Source: Verisk Maplecroft

Another defining feature is that US economic nationalism has hardened into bipartisan policy, embedding trade tensions and strategic competition into the baseline of all scenarios. While this trajectory is familiar, its implications intensify with the passage of time and as tensions accumulate.

More significant, however, is the erosion of US relations with traditional allies, as shown by the increase in risk on our Interstate Tensions Model (see Figure 3), which measures the trajectory of bilateral relationships. Economic nationalism is straining trade and security partnerships, evident in North American trade disputes, European criticism of US subsidies, and ongoing debates within NATO about burden-sharing. These fissures undermine trust, weakening crisis response and predictable trading relationships.

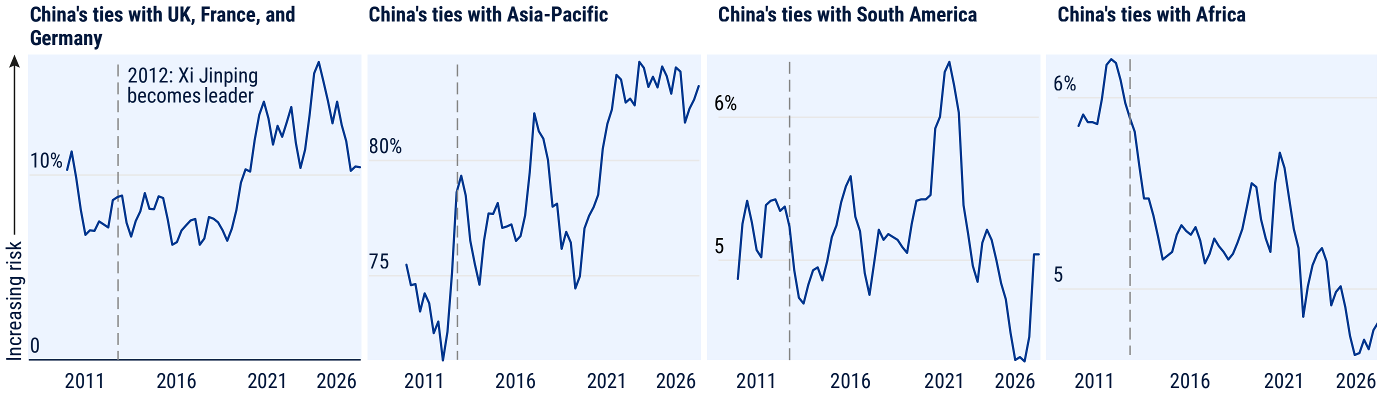
Figure 3: Interstate Tensions Model, risk of a diplomatic dispute resulting in the threat or use of force, 2017-2026



The Interstate Tensions Model is a statistical model that uses a probability between 0 and 1 that two countries will engage in a diplomatic dispute that results in the threat or use of force during the next calendar year. US ties with South America represent an average of the bilateral pairings of the US with all 12 South America sovereign states. US ties with Europe represent an average of the bilateral pairings of the US with EU member states and the UK. US ties with Asia-Pacific represent an average of the bilateral pairings of the US with Australia, Japan, New Zealand, the Philippines, South Korea, Taiwan and Thailand.

Source: Verisk Maplecroft

Figure 4: Interstate Tensions Model, risk of a diplomatic dispute resulting in the threat or use of force, 2017-2026



The Interstate Tensions Model is a statistical model that uses a probability between 0 and 1 that two countries will engage in a diplomatic dispute that results in the threat or use of force during the next calendar year. China's ties with South America represent an average of the bilateral pairings of China with all 12 sovereign states in South America. China's ties with Asia-Pacific represent an average of the bilateral pairings of China with Australia, Japan, the Philippines, South Korea, Taiwan, and Vietnam. China's ties with Africa represent an average of the bilateral pairings of China with all 54 sovereign states in Africa.

Source: Verisk Maplecroft

China steps into the leadership vacuum

“As alliances fray and trade conflicts deepen, geopolitical tensions have become central to business continuity and financial stability

China has capitalised on gaps created by strained traditional partnerships and a weakening multilateral order. Expanding trade ties across South America and Africa, Beijing has converted economic engagement into diplomatic leverage, deepening political alignment through infrastructure investment and commodity agreements. This is reflected in a fall in risk on our Interstate Tensions Model (see figure 4) between China and other key regions outside the US.

In Europe and the Asia-Pacific region, US–China competition has forced countries into difficult choices. Some states have reinforced defence and security partnerships with Washington; others have hedged their bets, seeking economic benefit from China while maintaining political and security ties to the US. This fragmentation is producing a more transactional global system, where alignment is shaped as much by economic necessity as security commitments.

For insurers, China's growing influence has multifaceted implications. Trade realignments create shifting exposures in marine, cargo, and trade credit lines as clients diversify supply chains or pivot toward Chinese-backed infrastructure. And countries balancing between the two superpowers face regulatory uncertainty, sanctions exposure, and heightened volatility in financial lines.

Figure 5: Total trade CAGR (compound annual growth rate), 2020-2024

Source: UNCTAD

Geoeconomic fracturing and escalating global conflict

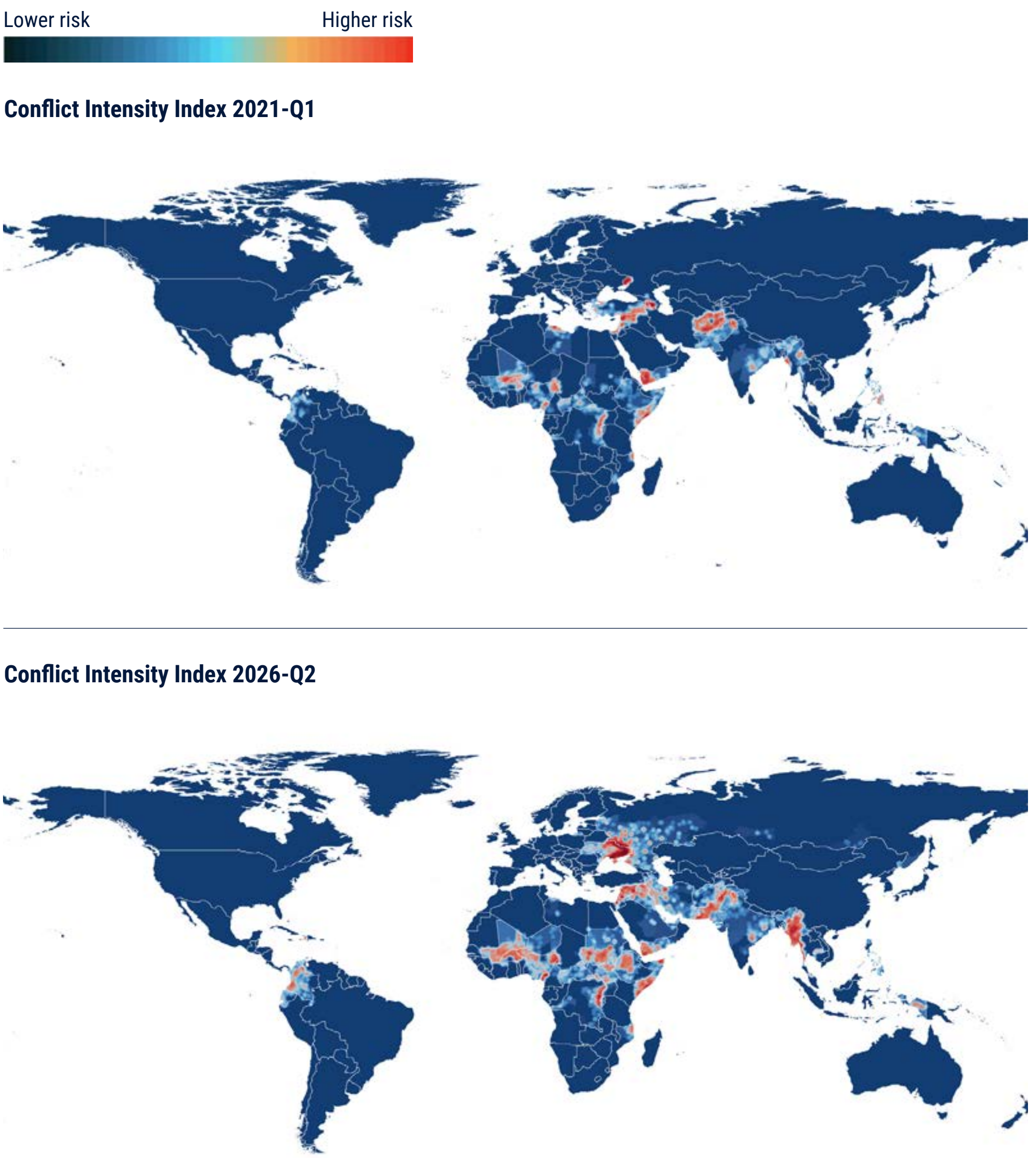
As part of this process, emerging markets and blocs such as the BRICS have captured growing shares of global commerce (see Figure 5). In other words, while developing regions integrate rapidly, OECD economies slow down. This has enabled alternative institutions, including BRICS and the Shanghai Cooperation Organization, to increasingly challenge the rules-based international order.

Meanwhile, global conflicts have intensified. Long-running wars in Mali, Burkina Faso, Niger, and Ukraine have escalated, while new conflicts in the Middle East, Myanmar and Sudan, and between Israel and Hamas, have erupted. Verisk Maplecroft's Conflict Intensity Index shows that the extent of global landmass affected by conflict has more than doubled in the last five years, from 2.8% in early 2021 to 6.1% now.

76%

expansion of global landmass affected by conflict in the last five years

Figure 6: Conflict Intensity Index, 2021-Q1 and 2026-Q2



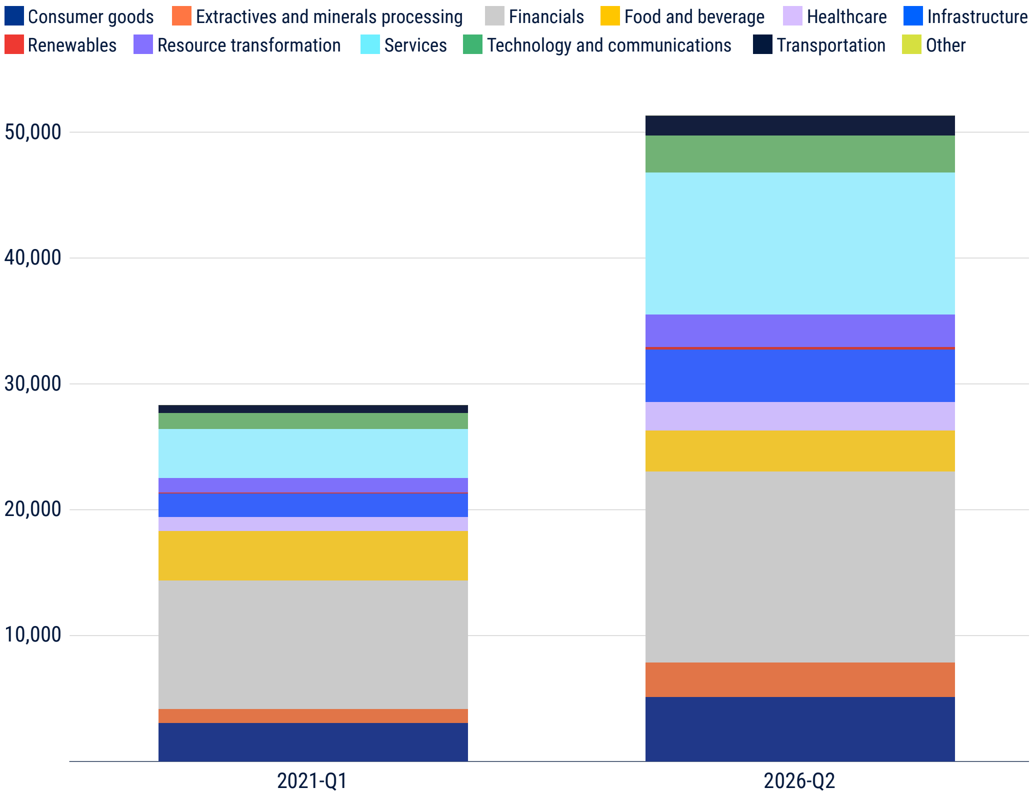
Source: Verisk Maplecroft

82%

increase since 2021

in number of listed companies' assets located in conflict-affected areas

Figure 7: The number of corporate assets located in conflict-affected areas has grown by 82%



Source: Verisk Maplecroft *© Verisk Maplecroft 2026*

This volatility has direct implications for the private sector. Using our Asset Risk Exposure Analytics (AREA) we estimate that the number of listed companies' assets located in conflict-affected areas has grown by 82% since 2021.

Mapping out the geopolitical future

Three pathways to 2030

> “Geopolitical fragmentation is accelerating. Scenario analysis equips firms to anticipate competition, weakened institutions, and economic nationalism, and to adapt to volatility, conflict, and climate shocks

In the current volatile risk environment, embedding scenario analysis will enable firms to anticipate exposure, stress-test portfolios, and make strategic decisions in a world defined by accelerating geopolitical and geoeconomic fracturing, and intensifying conflict. Crucially, the three scenarios are not mutually exclusive: one can evolve into another, underscoring the importance of monitoring signposts to track shifts in trajectory and adapt strategies accordingly.

Our three scenarios — ***Drift, Fracture***, and ***Adaptation*** — are structured explorations of how the global order could evolve through 2030. Each captures a distinct trajectory, yet all are anchored in common signposts already visible today:

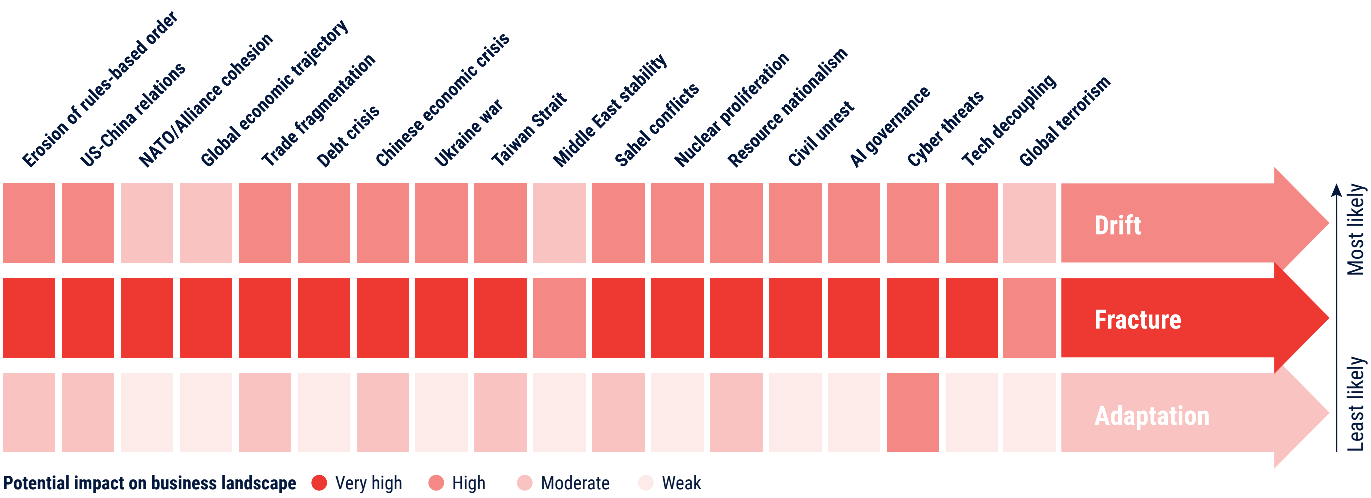
- intensifying conflict and geopolitical competition
- the weakening of global institutions
- the entrenchment of economic nationalism
- the steady rise of climate- and society-driven shocks

What all the scenarios have in common is a world defined by volatility rather than certainty. Political risk is elevated across advanced and emerging economies alike, while conflict and political violence risks remain persistent, spilling over into supply chains, investment flows, and operational environments.

Economic nationalism increasingly dictates trade and industrial policy, reshaping cross-border exposures. Meanwhile, climate-related catastrophes add further stress to economies, communities, and insurance portfolios.

Whether the system drifts without reform, fractures into competing blocs, or adapts through pragmatic cooperation, the insurance industry will face heightened challenges in underwriting, claims management, and capital allocation.

Figure 1: Beyond prediction: Exploring three pathways for geopolitical risk through 2030



Source: Verisk Maplecroft

Drift (2025–2030): Peace at home, storm abroad

Key insurance implications:

- Chronic fragmentation and gradual erosion of global institutions increase the frequency of SRCC events and climate-driven catastrophe losses, widening protection gaps.
- Economic nationalism and regulatory divergence complicate cross-border operations and increase operational complexity, particularly in emerging markets.
- AI continues to advance under ***Drift***, helping insurers to streamline operations, improve efficiency, and optimise underwriting and claims management in a world of persistent, incremental pressures.

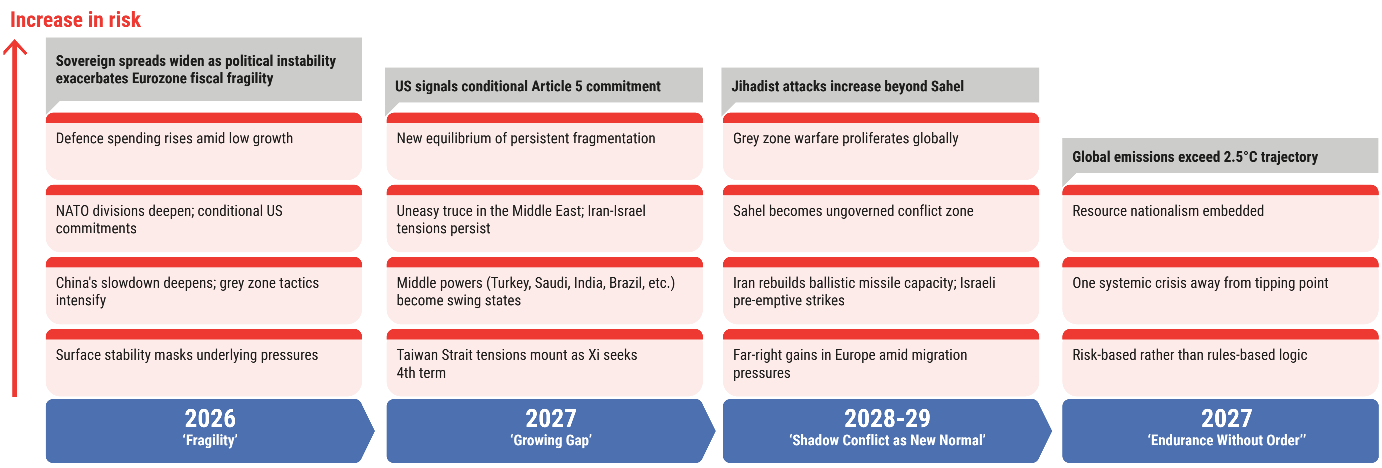
> “In ***Drift***, persistent fragmentation and weakening institutions heighten SRCC and climate risks, widening protection gaps and complicating cross-border operations

In ***Drift***, the scenario we see as most likely, the global system has not collapsed by 2030, but it has settled into a state of chronic fragmentation and gradual erosion. Formal institutions persist, yet they are increasingly bypassed in favour of bilateral deals, transactional diplomacy, and personality-driven engagement. Governments are increasingly inward-looking, prioritising domestic political and economic stability over stewardship of the global order. International engagement has become tactical and is often designed to reinforce domestic legitimacy, leaving the broader system adrift amid persistent strategic ambiguity.

Economic nationalism has consolidated its grip, particularly in the US, where trade policy remains interventionist and deeply embedded across political lines. The US is prioritising ad hoc bilateral arrangements, hollowing out the multilateral frameworks that once underpinned global trade.

At the same time, US–China relations remain adversarial but calibrated: partial decoupling persists in strategic sectors such as semiconductors, AI, and critical minerals, while deep integration in consumer goods and manufacturing continues to anchor interdependence.

Figure 2: Domestic calm masks a gradual erosion of global institutions in a hollowing world order



Source: Verisk Maplecroft

The weakening of global coordination compounds these challenges. Institutions such as the WTO and UN endure, but their practical relevance diminishes as declining political commitment across states translates into significant defunding. WTO dispute settlements decline sharply, and the UN Security Council remains paralysed by veto politics, leaving collective responses to global shocks, from cyber incidents to pandemics, slow and fragmented.

Bilateral and regional agreements fill some gaps, but inefficiencies and mistrust persist. Diverging UN voting patterns and unresolved disputes between investors and sovereign states highlight the erosion of multilateral trust.

Yet, should G20 coordination emerge around debt relief, financial stability, or climate initiatives, these developments would provide tentative signposts of ***Adaptation***, offering partial stability within an otherwise fragmented system.

Conflict remains widespread but contained. The US and Iran agree to a lasting truce, with Tehran agreeing to restrictions on its nuclear programme in return for sanctions relief, while the energy supply shock unleashed by the war discourages a re-run of direct US-Iran conflict. However, Israel-Iran tensions persist, threatening renewed war and disruptions to the Strait of Hormuz.

By the end of the decade, war in Ukraine could freeze into a tense stalemate, though cyber operations and sabotage sustain instability. In the Sahel, jihadist groups will expand their influence despite international aid and peacekeeping efforts.

Grey-zone tactics, including drones, cable cutting, GPS jamming of planes, cyberattacks, and disinformation campaigns, become the default instruments of state and non-state actors.

But even here, pockets of our best-case scenario, ***Adaptation***, are visible: successful peace settlements in eastern Africa or the creation of incremental regional security frameworks could create limited zones of stability, hinting at pathways toward a more coordinated system without fundamentally altering the fragmented international order that would still be prevalent.

In the ***Drift*** scenario, resource nationalism and techno-nationalism further complicate the landscape. Critical minerals can be weaponised as instruments of power, and regulatory divergence in AI and data governance imposes new burdens on business and cross-border activity.

Climate ambition falters, with fiscal and political pressures prioritising industrial subsidies and rearmament over green investment. Lack of meaningful progress on emissions reductions would fuel public frustration and litigation risk.

Still, targeted green industrial policies or collaborative initiatives on sustainable technologies could provide the earliest glimmers of a potential shift toward ***Adaptation***, showing that even in a ***Drift*** scenario, incremental cooperation remains possible.

For insurers, ***Drift*** presents a world of persistent, incremental pressures. SRCC events rise in frequency, often affecting infrastructure and cyber assets, while climate-driven catastrophe losses widen protection gaps. Markets tilt toward emerging economies, such as India, Brazil, and Mexico, yet regulatory divergence and localisation requirements increase operational complexity.

Drift is a world of chronic volatility, fragmented markets, and rising claims — a baseline of slow erosion where resilience depends on recognising early signals of ***Adaptation*** and responding strategically to incremental change.

Fracture (2025–2030): a geopolitical and social earthquake

Key insurance implications:

- Extreme exposure to kinetic conflict, terrorism, and unchecked climate risks creates demand for robust coverage, but also requires careful pricing, capital management, and stress-testing to manage accumulation, protection gaps, and operational or reputational risk.
- Regulatory divergence and localisation pressures disrupt cross-border operations, requiring insurers to fragment portfolios into regional clusters.
- Despite the challenges, early reforms in digital and environmental governance present opportunities for insurers to recalibrate exposure and rebuild resilience.

> “In ***Fracture***, rising geopolitical, climate, and regulatory risks force insurers to rethink coverage and pricing

By 2030, in ***Fracture***, our worst-case scenario, the global geopolitical system has cracked under the weight of chronic and systemic shocks. Volatility, polarisation, and disorder dominate, with trust in international institutions eroded and the post-World War II safeguards largely ineffective. Unlike ***Drift***, ***Fracture*** represents rupture: global norms collapse, alliances splinter, and competition becomes zero-sum.

Economic and trade fragmentation accelerate sharply. Punitive US tariffs trigger retaliatory measures from the EU, China and other large emerging markets, while multilateral dispute mechanisms at the WTO become functionally obsolete. A sharp economic downturn in Asia's largest economies would amplify market volatility and tensions in the South China Sea. The result would be spiralling uncertainty across supply chains, capital flows, and global markets.

This could accelerate conflict intensity globally. The US-Iran conflict persists, driving continued disruption to supply chains linked to the Strait of Hormuz. Russia deepens military operations in Ukraine and tests NATO in the Baltics, while unrest surges across democracies, driven by economic stress and political polarisation. Stagflation and debt crises would compound instability.

Simultaneously, climate policy falters, environmental degradation intensifies, and fragmented digital governance fuels cyber disruption across critical infrastructure.

For insurers, ***Fracture*** is a world of extreme exposure. Kinetic conflict and terrorism risks rise sharply, driving demand for terrorism and SRCC coverage. Climate risk intensifies unchecked, while regulatory divergence and localisation pressures disrupt cross-border operations. Portfolios fragment into regional clusters, and high-deductible or risk-limited products become standard.

But not all is lost in ***Fracture***. The deep shock to the system could force a re-alignment toward our best-case scenario, ***Adaptation***, with multilateral cooperation showing signs of revival. In other words, multiple deep crises could trigger more meaningful progress in climate diplomacy, renewed global cyber norms, or coordinated debt relief as global leaders scramble to stabilise markets.

Early reforms in digital and environmental governance, or localised conflict de-escalation, would signal that even in a fractured world, incremental adaptation is possible, creating entry points for insurers to recalibrate exposure and rebuild resilience.

Adaptation (2025–2030)

Key insurance implications:

- Stabilisation and pragmatic engagement create opportunities for insurers to reassess exposures in previously volatile markets, supporting re-entry with enhanced data and scenario-based planning.
- Economic stabilisation and AI-driven productivity gains ease debt pressures and reduce public unrest, creating a more predictable market environment.
- Insurers can position themselves as strategic partners in long-term resilience by underwriting risk thoughtfully, enabling capital flows, and developing solutions that anticipate both chronic pressures and acute shocks.

In ***Adaptation***, our least likely scenario, the global system would begin to shift toward stabilisation from 2026 onwards. The withdrawal of unilateral US leadership would allow regional powers to assert influence, resolving long-standing geopolitical tensions and creating space for managed divergence and gradual recovery. This period does not provide for a fully coordinated global order, but rather a time of transition characterised by pragmatic engagement and incremental stabilisation.

> “In ***Adaptation***, stabilising markets offer insurers the chance to turn risk into strategic advantage

Regional blocs and coalitions would grow in competence and coordination, advancing peace processes in previously frozen conflicts. Turkey and China, for example, could broker a long-term ceasefire in Ukraine. A comprehensive US-Iran nuclear deal, in which Tehran accepts restrictions both on its nuclear and ballistic missile programmes in return for sanctions relief, mollifies Israel and sets the stage for a breakthrough on the Gaza peace plan. Israel's subsequent normalisation of relations with Saudi Arabia unlocks a broader integration of the former into the wider Middle East.

Such developments would increase the predictability of political risk and create opportunities for insurers to reassess exposures in markets that were previously volatile.

Economic stabilisation would support this trend. AI-driven productivity gains could bolster global GDP growth, while emerging markets benefit from more diversified supply chains. This economic landscape eases debt pressures, and public unrest related to inflation would begin to decline.

Pragmatic engagement could extend to digital and climate governance. Regional development banks increasingly supplement traditional Bretton Woods institutions, and local governance models strengthen resilience.

In this environment, SRCC and terrorism risks would return to historical norms, markets become more predictable, and regulatory alignment eases operational complexity. Insurers can re-enter previously high-risk regions with enhanced data, scenario-based planning, and strengthened public-private collaboration, positioning the sector as both a risk manager and strategic partner in long-term resilience.

From risk to resilience: insurance will support stability in turbulent times

“Insurers turn risk into resilience, safeguarding communities and economies in uncertain times

Across ***Drift***, ***Fracture***, and ***Adaptation***, it is clear the second half of this decade will be defined by uncertainty, systemic risks, and shifting patterns of geopolitical and economic influence. For insurers, this environment presents both challenges and opportunities.

While exposure to political violence, SRCC, climate-driven catastrophes, and regulatory divergence may increase, these same dynamics highlight the critical role that insurers can play in supporting societal and economic resilience. By underwriting risk thoughtfully, enabling capital flows into emerging and frontier markets, and developing solutions that anticipate both chronic pressures and acute shocks, the insurance sector can help to stabilise communities, supply chains, and economies in ways that extend far beyond balance sheets.

Navigating such a complex landscape requires a nuanced understanding of how risks interconnect and evolve. Verisk Maplecroft’s proprietary data, combined with our scenario-based analysis, provides insurers with the tools to anticipate potential futures, test strategic options, and embed foresight into decision-making.

By integrating these insights into underwriting, portfolio strategy, and operational planning, insurers are better positioned not only to manage risk, but to seize opportunities to contribute to broader resilience, supporting societies and economies as they adapt to a rapidly changing world.

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