

Paris, March 25, 2026

Insurance in 2025: protecting today to build tomorrow

- **Insurance is a driving factor of the real economy.**
- **Insurance plays a major role in the French social model.**
- **Insurance provides a safety net for everyday risks.**

In 2025, the world order shifted profoundly. The year was marked by intensifying conflicts between major powers and a weakening of multilateral regulatory mechanisms. We are witnessing the widespread emergence of hybrid warfare combining cyberattacks and AI-driven disinformation. In this context, an ELABE survey for France Assureurs (March 2026) reveals that 80% of French people are worried about their country, both in the short and long term. They are also concerned about the risks they face personally, including cybercrime and their financial situation. Most risks are now perceived as imminent. Although insurers share these short-term concerns, their 10-year outlook appears more positive, as shown by the 9th risk map published last January by France Assureurs. By distinguishing between short-term turbulence and strong fundamentals, the insurance sector is able to provide a dual response: addressing immediate challenges while preparing for long-term structural change.

Insurance is a driving factor of the real economy

In this uncertain environment, French households are saving more than ever. In 2025, the savings rate reached 18.3%, representing €347 billion, including €174 billion invested in real estate. Of the remaining €185 billion, the largest share (€81 billion) was allocated to life insurance, which delivered an average net return of 3.3%, well above inflation.

By the end of 2025, the total outstanding amount of life insurance amounted to €2,107 billion. Unit-linked investments now account for 32% of this total, compared with 19% in 2005. In total, French insurers' investments totalled €2,774 billion, up 6.3%, a figure that has more than doubled over the past twenty years. This amount corresponds to 93% of France's GDP.

These investments, 81% of which are made in the euro area, help drive the entire economy: the share used to finance businesses has grown from 53% in 2005 to 64% today. Insurers are thus major investors in France's real economy. They also help finance public administrations with a total of €642 billion, including €317 billion in French government bonds and Treasury bills. This represents 10% of the national debt, or more than 22% of the share held by residents.

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Insurance plays a major role in the French social model

Supplementary health insurers are playing an ever-greater part in financing France's healthcare system, now covering 13.8% of total expenditure, an increase of 1.1 points in five years. They remain the leading contributors to spending on optical, hearing, and dental care, which has grown by 30% over the last decade, while households' out-of-pocket expenses have fallen by 7 points since 2015, largely covered by these supplementary funds. Between 2020 and 2024, health insurance payouts rose by 23.6%, growing faster than premiums (+21.7%) and putting more pressure on supplementary insurers.

Meanwhile, taxes and levies on the insurance sector and policyholders reached €36.4 billion. The tax increases recently announced by the public authorities will impact the purchasing power of the French, given that almost everyone is insured. The priority must be mastering expenditures instead of imposing additional taxes. Insurers have put forward several concrete and effective proposals in this regard to regulate healthcare expenditures, such as reforming the "responsible contract" or enhancing anti-fraud efforts through a forthcoming law.

Additionally, French pensions still rely on mandatory schemes for 72% of their funding, whose financial balance remains precarious despite numerous reforms undertaken in recent years. In this context, the French insurance pension savings plan (PER) is expanding steadily: in six years, it has attracted over almost 8 million policyholders and recorded net inflows exceeding €11 billion in 2025, reaching a total outstanding amount of nearly €112 billion as of December 31, 2025.

To make pension savings accessible to everyone without burdening public finances or increasing labour costs, insurers suggest, among other measures, redirecting some profit-sharing and participation payouts toward the PER, and generalizing its implementation in all companies with more than 10 employees, without any mandatory contributions.

Climate change is deeply reshaping the lives of the French people

Climate change has now become a tangible reality. On a global scale, the year 2025 was the third hottest year ever recorded, with a global average temperature of 14.97°C, following 2024 and 2023. For the sixth-year running, insured losses from climate catastrophes have exceeded 100 billion USD.

France experienced contrasting climatic conditions: few extreme events aside from Cyclone Garance striking Réunion in February 2025, which cost nearly €400 million, but a summer that ranked third hottest year, after 2003 and 2022. The 105 hail days recorded in 2025, including 68 with hailstones bigger than 2 cm, explain the €2.2 billion bill, making it the second most expensive year since tracking started in 1984, following 2022 (€5.1 billion). In addition, the lack of rain combined with one of the hottest summers and very high temperatures in June dried out the surface soils. Nationally, this drought episode can be considered average for recent years, with a total cost approaching €1 billion according to CCR.

Overall, the cost of natural events reached €5.2 billion in France in 2025. The cost of climate hazards covered under the natural disasters scheme has remained steady at approximately €1.6 billion over the last three years. Meanwhile, hail damages, managed exclusively by private insurers, accounts for 43% of 2025's overall climate-related expenses. Finally, as of March 5, 2026, the cost of damages from storms Nils and Pedro is estimated at €1.1 billion.

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Insurance provides a safety net for everyday risks

Insurers process 13 million new claims every year, equivalent to nearly 36,000 per day.

In home insurance, the frequency of fire claims has been declining since the early 2010s, yet this fails to counterbalance the sharp increase in their average cost: +118% over 20 years, particularly since 2020 (+49.7%). Average costs climbed another 12% in 2025. In total, fire-related compensations have increased by 57% in 20 years. Over the same period, compensations related to water damage surged 88%, driven by cumulative increases in both claim frequency and average cost.

In motor insurance, the frequency of material damage claims has fallen by 2% after a near-stagnation in 2024. However, over the same period, the average cost of material damage claims continued to rise in 2025 (+5.3%, after +6.7% in 2024). Since 2020, it has increased by 39%. Over the past 20 years, this cost has grown 2.2 times faster than inflation (+86% compared with +38%).

In 2025, claims in professional and commercial insurance remained at a high level, 25% above the ten-year average, making it the second costliest year of the past two decades. The cost of major claims decreased compared to 2024, which had been marked by events in New Caledonia that accounted for one-third of the total cost. Nevertheless, at €935 million, 2025 remains the third most costly year of the past twelve years for the sector, excluding urban events. For instance, the fire at a waste reprocessing plant in Paris on April 7, 2025, resulted in estimated losses of more than €50 million. Insurers are stepping up efforts to enhance prevention in businesses by financing full-scale tests to better understand how fires start, spread and can be extinguished, especially those involving lithium-ion batteries, now widely present in everyday environments.

Finally, pure cyber policies grew by 11% in 2025 and now account for 93% of a total market estimated at €326 million in premiums.

At the same time, cyber insurance premiums fell by 8%, reflecting improved prevention among insured companies. According to the Federation of European Risk Management Associations (FERMA), cyber claims remain high but are now better understood, better anticipated and better absorbed by the market.

As Europe's top performer, French insurance supports French society

Insurance operates as a local service: its distribution network covers the entire territory, with 97% of the French population living within 5 kilometres of an insurance provider. The network is supported by 300,000 employees and independent intermediaries in the sector. Employment within the insurance sector keeps rising (+10% since 2019, +0.6% in 2026), while salaried employment across the private sector as a whole is slowing (−0.3% in 2025). The sector offers favourable working conditions: 93% of employees are on permanent contracts (CDI), 71% work remotely, and 55% of them earn more than twice the minimum wage (SMIC), compared to one third across the private sector as a whole.

France therefore needs insurance, as coverage remains essential for protection. The sector's soundness is evidenced by its high solvency ratios (282% in non-life insurance and 231% in life and endowment insurance), far exceeding regulatory requirements.

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Mrs Florence Lustman, President of France Assureurs: *"Our daily mission as insurers is to repair the real world, whether it is hail battering your roof, a car crash, or when illness strikes. In doing so, we empower individuals to envision their future, invest confidently, and shape their path ahead. Insurance acts as a stabilising force. In times of uncertainty, we stand ready. When risks draw near, we anticipate them. When the future causes concern, we help prepare for it. France needs insurance both in the short and long term, with insurers fully committed to addressing French citizens' needs tackling the major challenges of our time alongside them."*

Find here the [2025 review - Protecting today to build tomorrow](#).

About France Assureurs

France Assureurs is the used name of the Fédération Française de l'Assurance, that gathers 254 insurance and reinsurance companies representing 99% of the market for companies regulated under the French Insurance Code.

Insurance is central to many societal challenges. For this reason, France Assureurs is committed to playing an active role in public debates. It is the preferred interlocutor of public authorities, administrations and media on insurance-related matters both in France and abroad, encompassing prevention, protection, investment or employment issues. The statistical data it centralises and its expertise enable France Assureurs to assist its members in navigating changes within the sector. France Assureurs relies on a network of correspondents throughout the entire French territory to assist local leaders during major events, to promote careers in insurance or to relay the sector's positions.

"Mobilising all the resources of insurance to move society forward confidently" is the purpose of France Assureurs.

France Assureurs—Move society forward confidently—is a brand of the Fédération Française de l'Assurance.

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