DAC BEACHCROFT

Geopolitics
Predictions 2027



England and Wales

Bermuda Market

Repercussions of geopolitical conflicts will impact Bermuda

Bermudian insurers and reinsurers will be closely monitoring geopolitical conflicts, especially in the Middle East, with several portfolios carrying multiple exposures. Missile and drone strikes cause physical damage to vessels, energy installations and other infrastructure, giving rise to large property claims alongside goods-in-transit, business interruption and contingent business interruption claims. Therefore, some portfolios may face correlated exposures across marine, energy, aviation, political risk and political violence insurance portfolios. Quantifying and reserving for these multiple exposures will be a priority.

Interconnected risks will test aggregation wordings

Reinsurers are expected to focus once more on aggregation issues, following some recent interesting decisions in the COVID-19 business interruption cases, which provided guidance on when widespread losses can be treated as arising from a single event or catastrophe for (re)insurance purposes. Those same issues are now beginning to play out in the context of the latest geopolitical developments, particularly conflicts in Ukraine and the Middle East, a trend which is likely to continue. For Bermudian reinsurers, the challenge will be to devise wordings which take account of the most recent court decisions while identifying and modelling interconnected risks with the potential to generate simultaneous losses across multiple portfolios.

D&O and Financial Institutions

Geopolitical risk will remain a defining boardroom challenge in 2027

Greater scrutiny of board decision-making, supply chain governance and corporate disclosures will be evident in the coming year. Tariffs, sanctions, regional conflicts, energy security concerns and shifting trade relationships continue to test supply chains, forcing UK businesses to reassess sourcing strategies, contingency planning and operational resilience. For directors, these issues are no longer viewed as purely commercial risks. Investors, regulators and other stakeholders increasingly expect boards to identify geopolitical vulnerabilities, stress-test supply chains and demonstrate active oversight of resilience planning. Where businesses suffer significant disruption, questions may follow as to whether risks were adequately anticipated, managed and disclosed. Businesses that rely on complex international supply chains, critical commodities or politically sensitive markets may be particularly exposed. For D&O insurers, this could translate into a growing risk of shareholder claims, regulatory investigations and governance-related disputes arising from allegations of inadequate risk management in an increasingly volatile global environment.

Data, Privacy and Cyber

Cyber risk in the supply chain will remain a board-level concern

Cyber risk in the supply chain will remain a board-level concern as firms become increasingly dependent on complex networks of technology providers, outsourced services and data partners. Recent years have demonstrated that organisations are often only as resilient as their weakest supplier. As the sector continues to adopt cloud services, AI solutions and digital platforms, the potential for operational disruption, cyber incidents and data breaches originating within the supply chain will continue to grow. We expect increased regulatory scrutiny of supplier oversight, contractual risk allocation and incident management arrangements. Firms will be expected not only to understand their critical dependencies, but also to demonstrate that appropriate governance, due diligence and ongoing monitoring processes are in place throughout the supply chain.

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Insurance Advisory

Third-party risk moves to the top of the resilience agenda

Third-party dependencies will drive the next phase of operational resilience, as regulators increase their scrutiny of operational incidents, material third-party arrangements and concentration risk across the insurance sector. The Prudential Regulation Authority and Financial Conduct Authority are introducing new reporting requirements for operational incidents and material third-party arrangements, reflecting growing concern about firms' reliance on a relatively small number of critical service providers. For the sector, the focus will extend beyond traditional outsourcing arrangements to cloud infrastructure, technology platforms and other critical services that underpin key business operations. As dependence on global technology providers grows, firms will be expected to demonstrate a clear understanding of their critical dependencies, robust oversight of third-party risk and effective contingency planning. Operational resilience will increasingly be judged not only by how firms manage their own systems, but by how well they manage their external dependencies.

Captives will move into the mainstream

The UK's proposed captive regime will accelerate the move of captives from specialist risk-management tools to an established feature of mainstream operational strategy. As the Prudential Regulation Authority and Financial Conduct Authority develop a more proportionate regulatory framework for captives, organisations will have a stronger domestic option for risks that are difficult to insure, costly to place or better retained within the organisation. Persistent inflation and pressure on balance sheets are already prompting insureds to reassess how their insurance spend is deployed, while global conflicts, supply-chain disruption and climate volatility are exposing coverage gaps that traditional products may not solve alone. Captives will not replace the traditional insurance market, but will increasingly sit alongside it, giving organisations greater choice and control over risk management, capital allocation and resilience planning.

Marine, Energy and Transport

Geopolitical disruption will reshape marine risks and claims

Geopolitical tensions will continue to reshape global trade and expose maritime assets to increasingly hybrid forms of state-backed disruption. Sabotage below the threshold of conventional armed conflict, illustrated by the Nord Stream case, will make it harder to distinguish war risks from ordinary marine perils and to attribute responsibility where perpetrators remain unidentified. At the same time, disruption in a variety of locations, compounded by sanctions and tariffs, will redirect established trade routes and produce uneven cargo flows. Stockpiling and changing voyage patterns are likely to increase claims involving cargo damage, misdeclaration and misappropriation. Exposure will be concentrated in vessels, ports and storage locations. Marine insurers should expect closer scrutiny of causation, attribution and the scope of war exclusions, alongside greater aggregation and accumulation losses. Clearer policy wording will be needed as geopolitical risk becomes harder to contain within traditional coverage boundaries.

Detention disputes will come to define marine war risks this decade

The crisis in the Persian Gulf has resulted in more complex issues around restraint and detention than the market has previously seen. The next wave of major marine war risk disputes will focus on restraint and associated loss-of-hire claims rather than physical damage to insured vessels. As claims begin to mature, courts and arbitral tribunals will increasingly be asked to determine the limits of non-physical war risk, against the backdrop of one of the most dynamic geopolitical situations in history. Familiar wordings and concepts, such as 'blocking and trapping', will be tested to their limits, posing questions about future underwriting approaches to such risks.

Energy security needs will boost oil and gas premiums

Energy security will increasingly take priority over net zero policies in government thinking, bringing premium income back to those insuring oil and gas risks. Governments around the world are expected to continue to water down or defer net zero and decarbonisation policies as national security increasingly defines energy policy. Although renewables will not be forgotten and will continue to attract investment, oil and gas exploration and production activity will continue its resurgence. With the market refocusing on hydrocarbon exploration and production (E&P) risks, claims activity is likely to increase, particularly in relation to operations in marginal or technically challenging fields.



Political Risk, Trade Credit and Political Violence

Critical infrastructure will become a political violence priority

Energy, telecommunications and transport infrastructure will attract enhanced underwriting scrutiny across political violence portfolios. Critical infrastructure has become a focal point for both state-sponsored and non-state actors seeking to maximise economic and political disruption. Energy networks, submarine cables, ports, logistics facilities and communications infrastructure are increasingly viewed as strategic assets and therefore potential targets. In many jurisdictions these risks extend well beyond active conflict zones. Political violence insurers are likely to demand more granular information regarding security arrangements, supply chain resilience and business continuity planning. Premiums and capacity may increasingly reflect the strategic importance of an insured asset rather than simply its geographic location.

Event disruption risks will drive convergence between contingency and political violence cover

The distinction between contingency cover and political violence cover will continue to blur. Large sporting events, entertainment venues, conferences and public gatherings face an increasingly complex threat landscape. Organisers must contend with risks including terrorism, activist disruption, cyber incidents, drone activity and major public disorder. As a result, event-related insurance programmes are likely to require greater integration between contingency, cyber and political violence products. Underwriters will increasingly rely upon sophisticated security assessments, intelligence analysis and real-time monitoring to assess exposure. Hybrid insurance solutions that address multiple causes of disruption within a single programme are likely to become more prevalent.

Grey-zone conflict will become the defining political violence exposure

Political violence insurers will face increasing claims arising from grey-zone conflict that falls short of conventional war. States are increasingly pursuing strategic objectives through cyber operations, sabotage, proxy actors, disinformation campaigns and covert attacks rather than formally declared armed conflict. These activities often create significant physical and economic damage while generating uncertainty regarding the application of war exclusions and political violence wordings. Recent years have demonstrated the vulnerability of locations including energy infrastructure, telecommunications networks, logistics hubs and transport systems. Over the next year, insureds and insurers will increasingly focus on whether policy wordings adequately address state-linked but deniable acts. Coverage disputes concerning attribution and causation are likely to become more common as geopolitical competition intensifies.

The next Middle East exposure will be contractual, not physical

Political risk and trade credit insurers will see a potentially significant uptick in contract frustration claims in 2027. With insurers and actuaries busy considering the impact of war exposures across a plethora of states and industries arising from the Middle East conflict, a second significant hit may be about to surface. Contract frustration insurance (insurance against a failure to comply with contractual delivery, payment or repayment obligations in the event of non-delivery) plays a significant role in the risk mitigation strategies of oil and commodities traders. The issues associated with Middle East energy production, infrastructure and travel through the Strait of Hormuz mean that a significant volume of pre-existing contracts have not been fulfilled. While force majeure (extraordinary events beyond a party's control) provisions have undoubtedly been relied upon by contractual counterparties, these clauses can contain time limits, meaning that contracts unravel at the expiry of a specified period. Similarly, contract frustration policies contain relatively long waiting periods. All of the above mean that 2027 could be the year when contract frustration exposures, as opposed to direct war exposures, keep businesses awake at night.

Sovereign debt defaults will return to the trade credit agenda

Global inflation and an economic recession will expose trade credit insurers to sovereign debt default. Export credit agencies (ECAs) and the trade credit insurance market have long represented an important pillar in the provision of finance to developing countries. Insurance against the non-repayment of loans drawn down for specific projects in these countries often runs into many millions and, as the wars in the Middle East and Ukraine continue with no obvious signs of off-ramps, global economic recession looms larger by the day. During the economic fallout from COVID-19, many developing nations encountered significant difficulties in repaying debt to private banks which, in turn, often relied on either ECAs or the insurance market for repayment under their insurance arrangements. 2027 could well see similar reliance on insurance protections as global conflicts continue, with losses falling to the trade credit market.



Reinsurance

Data centre risks will become a major reinsurance accumulation risk

The rapid growth of data centres, driven by the ever-accelerating adoption of AI, will pose challenges to the sector. The potential exposures are significant. Data centres are expensive to build, operate and maintain, while the expansion of the sector has led to shortages of vital parts, especially semiconductors, making repairs more expensive and prone to delay, with the potential for substantial business interruption losses. The tendency to cluster data centres geographically also increases the risk of multibillion-dollar claims. It is estimated that 40% of data centres in the United States are located in areas at high risk of tornadoes, raising the prospect of a single weather event affecting multiple facilities simultaneously. Significant fire risks also arise from their reliance on large-scale lithium-ion battery systems. Adding to this increasingly complex risk profile, property reinsurers are being asked to provide cover for war and terrorism exposures alongside more traditional property risks.

Sports and Entertainment

Mega-event cyber incidents will drive a rethink of contingency coverage

Cyber disruption will become one of the most significant drivers of contingency claims for major sporting and entertainment events. The increasing digitisation of major events has created a risk landscape that extends far beyond the physical venue. Ticketing systems, broadcasting infrastructure, payment platforms, venue operations and fan engagement tools all present attractive targets for cybercriminals and state-sponsored actors. Analysis undertaken in relation to the 2026 FIFA World Cup has highlighted credible concerns relating to ransomware, phishing campaigns, AI-enabled fraud, disinformation and attacks targeting critical infrastructure. As a result, insurers are likely to introduce increasingly granular underwriting requirements and seek clearer delineation between cyber and contingency coverage. The market may also witness the emergence of integrated products designed specifically for large-scale events, reflecting the growing convergence between operational disruption and cyber risk.

Geopolitical fragmentation will become a material sports risk

Geopolitical tensions will increasingly disrupt sporting competitions, driving demand for specialist insurance solutions. Sport has historically provided a platform for international co-operation, but governing bodies, event organisers and broadcasters are increasingly being required to navigate geopolitical tensions. Conflicts, sanctions regimes, visa restrictions, diplomatic disputes and politically motivated protests are already affecting the staging of tournaments and participation by athletes and teams. Insurers are likely to see increasing demand for coverage addressing event disruption, abandonment, relocation and reputational harm arising from geopolitical events. Underwriters may also place increased emphasis on host nation risk assessments, security planning and contingency arrangements, particularly as international competitions continue to expand into politically sensitive regions. The commercial consequences of geopolitical disruption are likely to extend beyond the host venue and affect sponsors, broadcasters and event organisers across the sporting ecosystem.

Athlete and performer activism will become routine in risk assessment

As political, social and environmental issues continue to be at the forefront of public debate, athletes and performers will increasingly use sporting and entertainment events as a platform to voice their views. While such engagement may strengthen connections with some audiences, it also has the potential to amplify public discourse and lead to reduced ticket sales, sponsorship concerns, reputational disputes and, in some cases, the cancellation of performances or events by artists, venues, municipalities or producers. The recent controversy surrounding Ed Sheeran's United States tour illustrated this risk. Public positions taken by athletes and performers may also lead to physical or hybrid threats including protests, boycotts or other forms of civil unrest, creating additional operational and security challenges. As activism continues to shape security planning and corporate protection strategies, underwriters, risk managers and brokers should remain alert to the heightened risk profile.



Transactional Liability

Geopolitical and macroeconomic volatility to fuel transactional liability disputes

Geopolitical instability and shifting monetary policy are set to become increasingly important drivers of transactional liability notifications. The Middle East conflict involving Israel, Iran and the United States has disrupted shipping routes, increased energy prices and raised input costs across a range of sectors, placing pressure on deal assumptions and post-acquisition performance. At the same time, the higher interest rate environment is increasing the cost of capital, reducing financial flexibility and challenging valuations agreed in more favourable market conditions. As these pressures feed through, we expect buyers to scrutinise more closely whether risks affecting profitability, growth projections and deal rationale were adequately disclosed during the transaction process. Claims may focus less on historical issues and more on whether businesses were presented to buyers on the basis of assumptions that later proved unsustainable in a markedly different economic environment.

Ireland

Ireland stays at the centre of European Big Tech regulation

As AI, data governance and digital regulation evolve, Ireland is expected to remain at the centre of Europe's most significant regulatory investigations and technology disputes. Ireland's Data Protection Commission (DPC) has imposed €4 billion in fines on major technology companies based in Ireland, underlining its central role in enforcing European data protection laws. Most recently, the DPC issued a €403 million fine to Google over its handling of location data. Many of those decisions remain subject to appeal, meaning only a small proportion of the headline fines (some €20 million) has so far been collected. Because many global technology companies maintain their European headquarters in Ireland, the DPC is likely to remain one of the continent's most influential regulators, exerting a significant impact on those companies' operations, with several major investigations continuing into 2027.

France

Political violence will become a permanent feature of French property programmes

Political violence and civil unrest will move from exceptional-event contingency planning into the regular structuring of French property insurance programmes. France's new mandatory riot insurance mechanism and the associated pooling arrangements will increase the interaction between private insurers, public reinsurance and insureds. Insurers will need to distinguish carefully between riots, terrorism, sabotage, war and ordinary criminal damage, particularly where events are coordinated through digital networks or connected with international political developments. Disputes are likely to concern the scope of compulsory cover, deductibles, business interruption and the allocation of losses falling partly inside and partly outside the statutory mechanism. Reinsurers will also place greater emphasis on accumulation management, particularly where coordinated events give rise to losses across multiple locations and insureds.

Germany

Germany's W&I market enters a more selective growth phase

The German Warranty & Indemnity (W&I) market is expected to grow in 2027, but claims trends rather than capacity will increasingly drive underwriting decisions. Insurers are expected to place greater emphasis on policy wording and due diligence, as European transaction volumes prove resilient, despite the war in Iran and the energy shock triggered by disruption in the Strait of Hormuz. German deal activity is expected to further recover, supported by SME succession planning, private equity exits and investment in AI and energy projects. However, tight financing conditions and inflationary pressures are likely to keep SME transaction activity uneven. Ultimately, higher transaction volumes are likely to support demand for W&I insurance, as this product has now become firmly established in Germany. The market is expected to remain highly competitive, but rising claims frequency and falling premiums should reinforce underwriting discipline. Premium reductions are therefore likely to be modest, with insurers relying on stricter exclusions and careful drafting to protect profitability.



Economic conditions will drive a spike in D&O claims in Germany

Directors and officers in Germany will face growing scrutiny as regulatory expectations and economic pressures converge. Weak economic growth and persistent geopolitical uncertainty are expected to increase both the frequency and severity of D&O claims. The fragmentation of the global economy will require management boards to make difficult strategic and operational decisions. Adjustments to supply chains and investment decisions will increase the risk that commercially unsuccessful decisions later become the subject of D&O claims. The gap between current favourable market conditions (for insureds) and the underlying risk environment is likely to widen in 2027. This does not necessarily mean an immediate return to a broad-based hard market. More likely, insurers will differentiate more sharply between risks, applying greater scrutiny and a more cautious approach to companies perceived as particularly exposed.

Italy

Political violence and civil unrest to remain a concern in Italy

Civil unrest and political violence risks will receive increased attention from insurers and insureds in Italy following a number of public incidents in 2026. Political and social tensions associated with government policies, cost-of-living pressures and environmental concerns surrounding the Milano-Cortina Winter Olympics highlighted the potential for property damage and business interruption losses arising from civil unrest. Demand for political violence and civil unrest cover is likely to increase, together with claims activity. Italy does not operate a terrorism insurance pool, and many property policies contain terrorism exclusions or sub-limits. Similar limitations often apply to civil unrest risks, likely prompting greater scrutiny of policy wording, exclusions and the scope of available insurance protection for terrorism and civil unrest risks.

United Arab Emirates

Missile interception losses to test the limits of property war exclusions in UAE

The 2026 conflict between the United States and Iran brought property war exclusions into sharp focus across the Middle East, with coverage litigation expected to follow in 2027. Despite most missiles and drones being intercepted, debris fell on residential and commercial areas, including prominent Dubai locations. Whether losses are presented under property or political risk policies remains uncertain. For property insurers, the key issue is whether damage from interception debris was "caused by war". UAE Federal courts generally focus on the relevant cause of loss rather than applying the common law doctrine of proximate cause. Outcomes will depend on the exclusion wording, governing law and evidence linking the damage to the interception or underlying hostile military activity. Insurers should preserve evidence of the incident and causal sequence and assess exclusions against the facts. On balance, UAE Federal courts may treat the missile launch and interception as a single chain of war-related events, giving insurers strong grounds to apply a properly incorporated war exclusion. These claims are also likely to drive closer scrutiny of causal language at future renewals.

2027 renewals to expose gaps between terrorism and war cover across Middle East

2027 renewals are expected to drive demand for broader war cover, revised aggregates and sub-limits, and clearer wording for missiles, drones and interception debris risks. The political violence market came under significant pressure in 2026. Marsh Re estimates that Middle East war, terrorism and political violence losses will exceed $2 billion against annual premiums of about $2.5 billion, putting the class on course for its first loss-making year. Premiums have already risen across parts of the region. Recent conflict has underlined the practical distinction between terrorism cover and full war cover. Many businesses in the region have historically purchased terrorism and sabotage cover without extending protection to war risks. As a result, whether an incident is classified as terrorism or war may determine whether a major claim is paid or declined. Coverage may also be tested where losses arise from airspace closures, supply chain disruption or interrupted trade routes, as such losses may not satisfy the physical damage requirements of traditional political violence policies. Insurers and brokers should ensure customers clearly understand where terrorism cover ends and war cover begins.



Geopolitical tensions will reprice Gulf risk

The UAE is expected to continue attracting investment, talent and international businesses in 2027, reinforcing its position as a leading commercial and financial hub. However, rising regional tensions and the risk of further escalation involving Iran are expected to prompt businesses, investors and insurers to reassess the geopolitical assumptions underlying cross-border trade and investment in the Gulf. As companies use the UAE as a platform for transactions and operations across the wider region, concerns about disruption to shipping routes, energy infrastructure, supply chains and payment flows are expected to drive increased demand for trade credit and political risk insurance. Underwriters are likely to place greater emphasis on accumulation risk, geopolitical exposure and scenario planning, while insureds seek broader protection against contract frustration, payment default and political interference. The result is likely to be a repricing of Gulf risk, not because the region is becoming less attractive, but because its growing economic importance increases the potential impact of geopolitical shocks.

The UAE's aviation bridge to Africa grows stronger

Aviation operators are likely to continue navigating a period of geopolitical uncertainty during 2027. Paradoxically, continued disruption across parts of the Middle East may reinforce the strategic importance of the United Arab Emirates as a global aviation and logistics hub. The UAE's geographic position, substantial airport infrastructure and established airline networks leave it uniquely placed to facilitate passenger and cargo flows between Europe, Asia and Africa. As trade and investment links between the Gulf and Africa continue to expand, Dubai and Abu Dhabi are likely to strengthen their role as gateways connecting African markets with Europe, Asia and the wider global economy. That trend may be reinforced by the strong long-term outlook for African aviation, with industry forecasts suggesting passenger traffic growth averaging approximately 5.8% per annum over the next two decades. For insurers, airlines and airport operators, the challenge will be ensuring that growing dependence on Gulf connectivity is matched by operational resilience and effective contingency planning. As passenger and cargo flows between Africa, Asia and Europe continue to grow, disruption at key regional hubs may have increasingly far-reaching consequences. In an uncertain operating environment, the ability to connect three continents efficiently may prove one of the UAE's greatest competitive advantages.

United States

Supreme Court ruling may reshape US climate litigation

Climate change litigation in the United States brought by states against fossil fuel companies may find a significant roadblock following an expected Supreme Court decision in 2027. For years, state and municipal governments have been seeking to hold fossil fuel companies accountable for their alleged contribution to climate change. These claims are typically brought under state law. Some state and federal courts have held that such claims are pre-empted by federal law. However, the Colorado Supreme Court reached the opposite conclusion, and that decision is now before the United States Supreme Court, which heard arguments on the issue in October 2026. If the Court reaches the merits of the case, it may conclude that efforts to hold fossil fuel companies liable under state law are pre-empted by federal law.

Latin America

Resilience takes centre stage in Latin American aviation

Operational resilience is likely to become a defining issue for the Latin American aviation sector in 2027. Cyber incidents, power outages and geopolitical developments have the potential to disrupt aviation operations well beyond the location in which they originate. Recent concerns regarding GPS interference, airspace restrictions and the protection of critical infrastructure, illustrate how aviation risks are becoming more interconnected and less geographically confined. As governments across the region continue to strengthen cybersecurity and critical infrastructure frameworks, airlines, airports and other aviation stakeholders are expected to place greater emphasis on operational resilience and business continuity in an increasingly complex risk environment. The sector's ability to anticipate, withstand and recover from disruption may increasingly become a key measure of operational performance and risk management.



Argentina

EU-Mercosur trade growth to drive demand for multinational risk solutions

The expansion of trade relations between the European Union and Mercosur, the South American trade bloc and customs union, is expected to increase the flow of goods, services and capital across the region. As supply chains become more complex and businesses expand across borders, operational, logistical, marine, cargo and liability exposures will grow. This increase in cross-border risk will drive demand for sophisticated (re)insurance solutions capable of addressing multinational risks. Insurers and reinsurers with regional expertise will be well placed to capitalise on these opportunities.

Brazil

New Brazilian reinsurance rules will reshape cross-border capacity

Effective from January 2027, Brazil's revised regulatory rules on reinsurance, retrocession and coinsurance will begin to reshape cross-border placements. The new framework aligns market rules with the Insurance Act and the legal regime introduced for cooperatives and mutual protection arrangements, while updating provisions on contract formation, claims adjustment and insurance placed abroad. Cedants, brokers and reinsurers will need to adapt their documentation and operating models to the revised framework, including its shorter timetable for formalising reinsurance contracts (reduced from 180 to 90 days). The changes may improve legal certainty and broaden structuring options, but implementation could also create friction where global programme terms do not fit Brazilian requirements. Market participants that align documentation and governance early will be better placed to access international capacity and avoid disputes over the effectiveness of risk transfer.

Chile

Chile to maintain strategic pragmatism in a changing world

Chile will maintain a pragmatic foreign policy, balancing strategic relations with the United States, China and regional partners while leveraging its position in lithium, copper, rare earths and green hydrogen. This will reinforce Chile's position as one of Latin America's most stable and strategically significant democracies. Domestic priorities such as growth, public security, migration and energy investment will continue to shape diplomatic decisions. Recent tensions with Argentina, including sovereignty-related comments concerning the Strait of Magellan and earlier border incidents, may prompt a more vigilant approach to territorial and strategic affairs, even as both countries remain committed to resolving disputes through established diplomatic channels and treaties. Chile will seek a greater role in Antarctic governance, Southern Ocean affairs and critical mineral supply chains.

Colombia

Policy reforms to reignite Colombia's project pipeline

Changes in Colombia's economic and infrastructure policy will reopen the country's gas pipeline project and revive demand for project-related insurance in 2027. The new administration is expected to focus on energy security and regional infrastructure, supported by multilateral financing and creating opportunities across transport, energy and other strategic sectors. As projects progress from announcement to financial close and construction, demand will grow for Construction All Risks, liability, professional indemnity and environmental cover. The opportunity will not be automatic: fiscal constraints, licensing, community engagement, security concerns and execution capacity may still delay projects. Insurers and reinsurers will need to distinguish genuinely bankable projects from those that remain politically attractive but operationally uncertain.

Ecuador

Ecuadorian security losses will cross policy boundaries

Security losses in Ecuador will blur the lines between political violence, cargo and kidnap-and-ransom cover during 2027. A June 2026 presidential decree again recognised an internal armed conflict, while conflict-monitoring data identifies illegal gold mining, extortion and drug trafficking among the criminal economies driving violence. We expect underwriting to focus more closely on routes, workforce movements and access to specialist crisis response. A single incident may involve stolen cargo, detained personnel and interrupted operations, requiring distinct coverage and notification analyses. State classifications will need to be assessed alongside policy definitions and the facts. Sequencing notifications and appointing crisis responders across multiple policies will determine how quickly the loss is contained.



Mexico

Mexico's ports will test the boundaries of maritime risk transfer

Mexico's port and logistics infrastructure will face heightened business interruption (BI) exposure in 2027. Shifting trade routes, geopolitical tensions and changing logistics requirements may increase congestion, leading to delays and contractual performance issues. These losses could raise difficult questions of causation and aggregation, testing the boundaries between marine, cargo, political risk and BI cover. Policy language may be tested where disruption involves several jurisdictions, multiple insured interests or a combination of physical and non-physical triggers. For insurers and reinsurers, Mexico will remain a key market in which local regulatory interpretation must be reconciled with global programmes and international reinsurance arrangements. Clear, consistent drafting and effective coordination between local and overseas markets will be essential. Insurers should also examine accumulation risks around major ports and transport corridors, where a single disruption could affect interconnected supply chains and generate losses across multiple classes of business.

Trade realignment and tariff volatility will complicate cross-border exposures

In 2027, shifting trade relationships and tariff volatility will create both opportunities and more complex risk exposures in Mexico. Nearshoring and closer integration with United States supply networks will create demand for transport, marine, construction, infrastructure and liability cover. However, exporters and manufacturers will remain exposed to trade disputes and regulatory divergence affecting the cost and availability of goods and components. Claims may become harder to resolve where contractual obligations and competing legal regimes overlap. The relocation of production and logistics could concentrate exposures in emerging industrial hubs while placing pressure on supporting infrastructure. Insurers and reinsurers should reassess accumulations and policy responses across trade credit, political violence, cargo and business interruption portfolios. Particular attention will be required where tariffs or regulatory intervention contribute to domestic or wider supply-chain disruption.

Mainland China

Trade realignment will reshape China's maritime risk profile

With geopolitical tensions set to affect shipping and trade well into 2027, Chinese traders are likely to place increasing emphasis on alternative markets and shipping corridors. As exporters seek new trading partners in an increasingly fragmented global economy, established shipping patterns will evolve. At the same time, China's dominant position in global shipbuilding, coupled with a strong order book, is expected to result in significant investment in both conventional and next-generation vessels. Together, these developments may create new opportunities across cargo, marine and trade credit lines. For insurers, changing trade flows and shifting sector priorities will generate demand for new forms of cover and innovative risk solutions. Those able to adapt to this evolving landscape will be best placed to capture growth opportunities across the maritime sector.

Singapore and Southeast Asia

Indonesia to strengthen its role in international aviation governance

Indonesia's aviation sector is likely to attract increasing international attention during 2027 as the country seeks to strengthen its influence within global aviation governance. That ambition is reflected in its candidature for election to the International Civil Aviation Organization (ICAO) Council and its growing focus on aviation safety, security, sustainability and technological innovation. In September 2026, Indonesia announced that it had exceeded the global average under ICAO's Universal Safety Oversight Audit Programme. Its candidature has also been accompanied by commitments relating to sustainable aviation fuel, workplace safety initiatives and the development of regulatory frameworks for emerging aviation technologies, including cargo and passenger drones. Indonesia is expected to play a more active role in the development of international aviation policy and standards. As a result, governance, regulatory credibility and operational resilience will assume greater significance. With the country's aviation market continuing to expand, its approach to safety oversight, international standards and emerging aviation technologies is likely to attract closer attention from airlines, manufacturers, insurers and investors.

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