The value of commercial insurance

Enabling growth, innovation and resilience

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The ABI
Together Driving Change

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About us

The ABI is the definitive voice of the UK's world-leading insurance and long-term savings industry, which is the largest sector in Europe and the third largest in the world.

We represent more than 300 firms within our membership including most household names and specialist providers, providing peace of mind to customers across the UK.

Our sector is productive, inclusive and essential to the UK economy and together, we are driving change to protect and build a thriving society.

Find out more at **abi.org.uk**

Executive Summary

Commercial insurance can be a cornerstone of the UK's vision for financial services. The sector plays a vital role across the economy by protecting businesses from financial losses, supporting major infrastructure and technology projects, and strengthening the resilience of businesses and communities.

Commercial insurance helps businesses and organisations manage financial and operational risks. It includes protection against a wide range of threats, from property damage, liability claims, and cyber incidents to the complex risks associated with the construction and operation of major infrastructure, energy, and technology projects. It can also provide risk management expertise, helping organisations invest, innovate, and grow with confidence.

Given the UK's position as a world-leading commercial insurance market and the need the strengthen UK resilience, policymakers should adopt a more strategic partnership to working with the sector to respond to these challenges. This report seeks to help policymakers do this by showing the contribution that commercial insurance makes.

Drawing on real-world case studies from ABI members, the paper highlights how commercial insurance:

- Manages complex risks and enables national priorities by derisking major infrastructure projects and safeguarding critical assets.
- Supports innovation and the transition to net zero through tailored risk management for emerging technologies and climate-resilient infrastructure, while supporting cutting-edge science and technology.
- Builds business resilience, helping firms of all sizes withstand shocks – from cyber-attacks to supply-chain disruptions.
- Underpins cultural and societal value, insuring major events and national heritage.

These case studies demonstrate that insurers do far more than absorb risk – they actively enable investment, business continuity, and innovation. Without commercial insurance, many of the projects and activities highlighted would face greater delay, higher cost, or might not proceed at all, with risks ultimately falling on businesses, households, or the public purse.

This paper sets out a series of recommendations to help government fully realise these benefits. These include; strengthening public–private collaboration, improving resilience, enabling innovation, and ensuring the policy environment supports investment, competitiveness, and long-term economic security. These recommendations call on government to embed early and systematic engagement with insurers in policy and project design, maintain a proportionate and internationally competitive regulatory framework, and deploy public-private risk-sharing only where genuine market failure exists. The ABI and our members stand ready to partner with government to advance these aims.

Introduction

We have entered an era defined by volatility. The UK is navigating an uncertain landscape while shifting global priorities complicate decisions that will shape the future of our climate, our relationship with technology, and our connections to societies across the world. These forces are converging to create a complex environment that demands resilience, adaptability, and principled leadership from government and businesses alike.

The insurance sector is an industry that understands risk. Against this backdrop, there is a need to better articulate and evidence the role commercial insurance plays as a foundational enabler of resilience, investment, innovation, and economic transition across the UK economy.

The UK government has set an ambitious vision for the next decade: to position the UK as the global destination of choice for financial services investment, innovation, and growth. Within this vision, insurance is identified as a sector of priority growth.

To achieve this vision, we need a growth plan that looks beyond short-term reform and considers how commercial insurance can support investment, resilience, and productivity across the economy over the long term. Harnessing the full capability of the UK's world-leading commercial insurance market and embedding it more explicitly within the financial services growth agenda, will be essential to maintaining global leadership and ensuring these opportunities are secured for the UK economy.

Commercial insurance is far more than a mechanism for risk transfer – it is a strategic enabler of growth, resilience, and innovation. It supports a wide range of national objectives – by providing businesses with protection against financial losses, the industry allows firms to operate with confidence, invest in new ventures, and pursue opportunities that might otherwise be too risky. This risk management function is fundamental to economic dynamism, as it helps businesses recover from setbacks and maintain continuity, particularly for SMEs that form the backbone of the UK's economy.

By derisking major infrastructure projects, ranging from energy and transport to digital and green investments, it helps attract private capital, and deliver on the government's growth ambitions. To sustain this role, insurers require a stable, predictable and proportionate regulatory framework that recognises the specific characteristics of the market. Legal certainty is critical, as retrospective or late-stage policy changes can undermine confidence, increase investment risk and reduce the sector's capacity to support long-term growth and competitiveness.

Moreover, the industry is at the forefront of supporting the transition to net zero and the adoption of new technologies – a role that will be particularly important with the challenges and opportunities presented by AI. By enabling developers to manage uncertainty at each stage, insurance helps renewable energy projects proceed at scale, supports climate-resilient infrastructure, and accelerates the safe deployment of emerging technologies. This not only supports government priorities but also ensures that the UK remains resilient, investable, and forward-looking in the face of evolving challenges.

The sector's contribution is also evident in its support for employment, tax revenues, and financial market development. The ABI's recent total tax contribution survey, produced by PwC shows that our members contributed £18.5 billion to the UK's public finances in 2024. As the largest insurance market in Europe and one of the largest markets globally, the UK industry provides high-quality jobs and generates significant fiscal benefits. The broader UK insurance market adds around £29 billion annually to the UK economy and supports over 300,000 skilled jobs across the UK, with around two-thirds of roles located outside London, highlighting its nationwide economic impact and reinforcing the country's position as a financial services powerhouse.

In addition to this direct contribution, the London Market, which is at the heart of the UK's commercial and specialty insurance sector, has a wider economic impact of around £61 billion with indirect and supply-chain effects, and supports over 60,000 jobs, while holding approximately 45% of the global speciality insurance market and exceeding the size of its five closest international competitors combined[1]. This global leadership enables the UK to attract international capital, export expertise, and support businesses worldwide in managing complex and emerging risks.

Another key pillar of this global leadership is Lloyd's of London, which operates as a unique insurance marketplace bringing together insurers and investors to underwrite complex risks collectively. Its distinctive Chain of Security capital model combines syndicate-level funds, member capital, and a central fund, providing strong protection for policyholders while enabling efficient deployment of capital. This structure allows the market to take on large-scale, complex and emerging risks. From climate and cyber to energy transition, where capacity is often limited elsewhere, and is a defining strength of the UK's commercial insurance offering.

The government has set an ambitious vision to increase growth and opportunity across the UK. It will need to do this in an ever more volatile world which puts a premium on economic resilience. Through managing risk, unlocking investment, and enabling innovation – the UK's commercial insurance sector is ideally placed to provide this. **To fully leverage this potential, policymakers should adopt a more strategic approach to working with the commercial insurance sector.**

[1] London Market Group (2026*) Why London Matters*. Available at: https://lmg.london

Impact of commercial insurance – ABI member case studies

To demonstrate the tangible impact of commercial insurance on the UK economy, we have worked closely with our members to gather a series of case studies. These examples have been organised into four thematic areas:

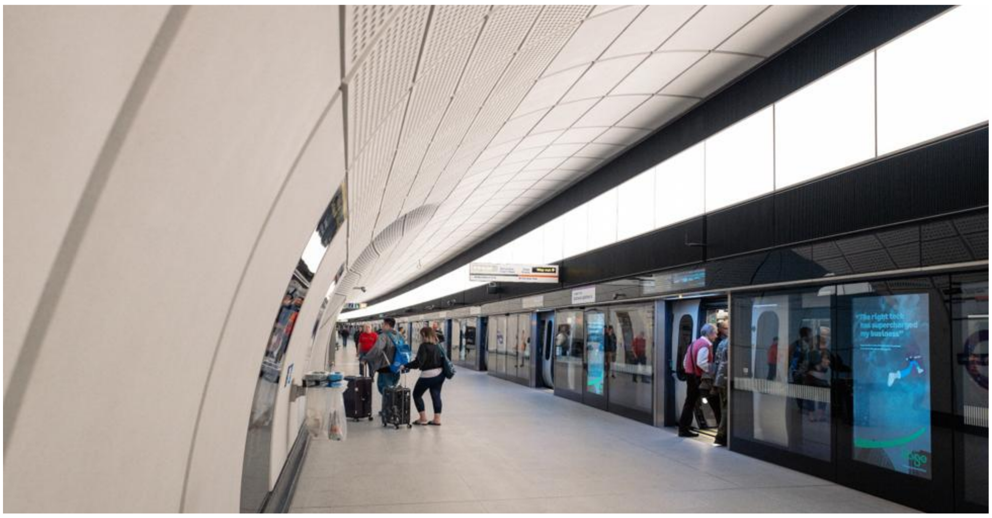
- managing complex risks and enabling national priorities
- supporting business resilience and growth
- facilitating innovation, research and development, and the transition to net zero
- promoting and protecting culture and society

1. Managing complex risk and enabling national priorities

Commercial insurance plays a pivotal role in enabling the UK to deliver on its national priorities by providing essential risk management solutions for large-scale infrastructure projects, safeguarding critical assets, and ensuring the continuity of vital services. The case studies gathered from our members illustrate how the sector's expertise and innovation underpin the successful delivery of complex ventures that are central to the country's economic growth and resilience.

CASE STUDY – ELIZABETH LINE

Since opening in 2022, the Elizabeth Line has rapidly become the UK’s busiest single-operator railway, carrying more than 546 million journeys and linking 41 stations across a 100-kilometre corridor from Reading and Heathrow to Shenfield and Abbey Wood. This enhanced connectivity has delivered major economic and social returns – from 9 million minutes in journey-time savings to supporting over 378,000 jobs and enabling tens of thousands of new homes along the route. The line now regularly facilitates around 800,000 journeys a day and has boosted the wider UK economy by an estimated £42 million, demonstrating how insurance-enabled infrastructure unlocks long-term national value. The risks associated with a project of this scale would have been harder to finance and manage without a comprehensive construction and liability insurance – increasing the likelihood of delay, higher overall costs, or greater exposure for the public purse.



Delivering national infrastructure

The Elizabeth Line (London Crossrail project) benefited from Swiss Re Corporate Solutions’ leadership in risk management, construction insurance, and third-party liability cover, demonstrating how insurers make ambitious infrastructure projects viable and secure.

In another example of insurance connecting the country, there is a long-standing partnership between Intact Insurance and Network Rail, where this protection has evolved alongside changing government policy, geopolitical risks and growing reliance on mass transit. Intact Insurance manages their entire insurance programme, covering all major train stations, refurbishment works, and 20,000 miles of rail tracks in the UK. It enables the continued safe operation and resilience of critical national infrastructure, supporting connectivity, economic activity and public use over the long term.

Aviva’s Global Corporation & Specialty division has further strengthened the market’s capacity to support national priorities by launching a unified Real Estate & Construction practice, insuring major transport hubs and roads, and expanding into sustainable construction through its Mass Timber proposition.

Protecting critical services

Beyond infrastructure, commercial insurance is also crucial in helping organisations manage day-to-day risks that could stop essential services from operating. A good example is Zurich Resilience Solutions' partnership with a leading surgery centre, where insurers used AI-driven monitoring to track the performance of critical equipment. What insurance brings here is not just a payout after something goes wrong. Insurers identify risks early, help organisations prevent future failures, and make sure they can keep providing services safely. In the case of the surgery centre, the insurer's risk management support meant equipment faults could be spotted before they caused disruption – protecting patients, avoiding cancelled procedures, and preventing financial losses. This illustrates how insurers help keep essential services running by combining technical expertise, prevention tools, and financial protection.

Public-private partnerships and collaboration between insurers

There are some areas where systemic, hard-to-insure, or legacy risks cannot be addressed by the private market alone. In these cases, carefully designed public-private partnerships (PPPs) play an indispensable role in maintaining insurability, protecting communities, and supporting wider national priorities.

Collaboration between insurers is also vital, as seen in the Fire Safety Reinsurance Facility led by Swiss Re, which enables cover for buildings with combustible cladding and fire-safety challenges, supported by a consortium of leading insurers. The Facility fills a critical protection gap for higher-risk buildings while remediation programmes continue, ensuring residents and building owners can access cover that would otherwise be unavailable or unaffordable.

CASE STUDY – FIRE SAFETY REINSURANCE FACILITY

The Fire Safety Reinsurance Facility, launched on 1 April 2024 and supported by Allianz, Aviva, AXA, and Zurich, provides another example of government-industry partnership in practice. The Facility is designed to help improve the availability of insurance for higher-risk residential buildings awaiting work to fix fire safety issues, in response to the Grenfell Tower tragedy. The ABI played an essential role in establishing the Facility, working closely with McGill and Partners, and with support from the British Insurance Brokers' Association (BIBA), to bring industry participants together. Following a successful first year, the Facility has been expanded so that participating firms can now cover losses up to £75 million. With examples of buildings securing insurance when they would otherwise not have had cover, and some evidence of reduced premiums, the Facility is working as intended to increase capacity in the multi-occupancy buildings insurance market for buildings with fire safety issues.

Government-backed schemes further highlight the sector's commitment to national resilience. Pool Re ensures terrorism cover is available for commercial properties nationwide, and provides protection for landmarks across London, such as The Shard. This shows how risk-sharing between government and industry can keep essential markets functioning during periods of acute stress.

These examples demonstrate that while the private insurance market is able to support most risks, targeted public-private collaboration is indispensable where systemic challenges arise. By making complex projects possible, protecting essential infrastructure, and filling temporary protection gaps, commercial insurance, together with well-designed partnerships, supports the UK's ambitions for growth, resilience, and long-term competitiveness.

2. Supporting business resilience and growth

Responding to business disruption

A recent example of the value of commercial insurance can be seen in the 2025 cyber-attack on Marks & Spencer (M&S). The incident caused significant operational disruption across the retailer's online and in-store systems, with analysts estimating losses of more than £40 million per week during the outage. However, M&S held a substantial cyber insurance policy, with a number of market participants involved.

This insurance cover provided critical financial protection, enabling the company to stabilise operations, avoid job cuts or slowing its investment programme, and maintain customer confidence. The event illustrates how insurance acts as a shock absorber, protecting not only the affected business, but also the suppliers, staff, and partners who rely on its continued operation.

Building SME resilience

Despite these risks, underinsurance remains a persistent challenge among UK small and medium-sized enterprises. SMEs are the backbone of the UK economy, accounting for over 99% of all businesses and contributing more than half of national GDP. Collectively, their resilience and ability to recover from unexpected events are vital to the country's long-term growth and prosperity. Yet, many business owners underestimate their exposure, opt for minimal cover, or misunderstand policy terms, leaving them unprotected against major losses. Recent ABI reports 'Small Business, Big Risk: Tackling SME Underinsurance', and 'Cyber Resilience for SMEs: The Insurance Gap Explored' show that insurance take-up among SMEs remains very low across all product lines and can leave them dangerously exposed.

But insurance can go beyond financial protection. For cyber insurers, risk management is part and parcel. Most cyber insurance policies include a significant service component to help organisations identify, mitigate, and respond to cyber risk. For example, cyber insurers can work with companies to conduct penetration testing, train staff to recognise risks, and develop an incident response plan to get the organisation back up and running. This is especially valuable to helping small businesses that may not have the resource or expertise to do this themselves. The more that SMEs can build this cyber resilience from the ground up, the closer we can get to "herd immunity" for the UK's economy and mitigate against even some of the biggest shocks.

Enabling business growth

Similarly, trade credit insurance can play a critical role in supporting business resilience at key moments, enabling firms not only to survive payment shocks but to grow into major contributors to the UK economy. For example, DCS Group, now the UK's leading distributor of household and personal care brands, has relied on trade credit insurance policy from Coface, to protect against customer payment defaults as it scaled its operations. Over more than a decade, credit insurance support helped DCS avoid potentially damaging bad debts, including through the payment of insured losses where customers failed to pay, while giving the business the confidence to continue trading and expanding. Today, DCS supplies hundreds of customers across the UK, operates manufacturing facilities, and employs a large workforce, illustrating how trade credit insurance can underpin long-term growth and enable businesses to make a sustained contribution to economic activity, jobs and supply-chain resilience.

Insurance is also adapting in step with changing business models across the SME economy, supporting the government's ambition to foster business growth, innovation and high street regeneration, set out through the Small Business Strategy. For example, a growing segment of UK SMEs is operating in new, experience-led leisure formats, including e-sports venues, padel and pickleball courts, and immersive gaming or competitive socialising spaces. These businesses reflect evolving consumer demand, but can be difficult to insure as they sit outside traditional underwriting categories and combine property, liability and operational risks. By proactively recognising these as distinct and understood trades, insurers such as Hiscox have been able to offer tailored cover aligned to how these businesses operate in practice, including public liability, property and business interruption protection. This enables SMEs to access insurance at an earlier stage of development, supporting investment, premises expansion and job creation, while helping unlock the regeneration of high streets and urban spaces by making innovative concepts viable and insurable.

Commercial insurance is therefore essential for businesses of all sizes – not only as a financial safety net, but as a strategic tool for risk management, business continuity, and growth. A resilient SME today can become a major employer tomorrow. Across the UK, many businesses that suffered significant setbacks, whether from a fire, flood, machinery breakdown, or cyber incident, were able to survive because insurance payouts arrived quickly enough to keep staff employed, maintain orders, and preserve customer relationships. Over time, some have grown into nationally recognised brands, demonstrating how adequate insurance can be the difference between collapse and long-term success.

3. Facilitating transition to net zero, innovation and research and development

Commercial insurance can also play a key role in facilitating innovation and driving the UK's transition to net zero, providing the risk management expertise and tailored solutions that enable businesses to embrace new technologies and sustainable practices. It also underpins research and development activities in emerging technologies, scientific innovation, and high-growth sectors such as space, life sciences, robotics, and medical engineering.

Insurers provide tailored solutions at every stage of a project's lifecycle, from early-stage planning and design, through construction and testing, to long-term operation and maintenance. This includes specialist cover for renewable energy construction risks, performance guarantees for new technologies, weather-related and natural catastrophe protection, engineering inspections, supply-chain resilience assessments, and data-driven risk modelling for climate adaptation.

Climate resilience and adaptation

The sector's impact is evident in its support for climate resilience initiatives, such as Zurich Resilience Solutions' partnership with Maersk, where advanced climate risk assessments and data modelling are helping to safeguard critical port infrastructure against escalating climate threats. By integrating these insights into operational planning, Maersk is strengthening its supply chain resilience and ensuring long-term continuity in the face of environmental challenges.

The transition to net zero is further supported through collaborations like Zurich's partnership with Holcim, a global leader in building materials. Here, Zurich's bespoke risk management and insurance solutions are enabling Holcim to innovate with circular construction, renewable energy, and sustainable technologies, helping to manage emerging risks and seize opportunities as the industry decarbonises. Zurich's ambition to engage hundreds of major customers in real-world decarbonisation by 2030 exemplifies the sector's proactive approach to climate action.

Innovation in insurance products is also transforming how local authorities and businesses manage natural catastrophe risks. Swiss Re's "FLOW" parametric water-level cover and the parametric "Red

Weather Warning" policy with WTW offer rapid, data-driven payouts when severe weather events occur, reducing post-disaster losses and improving financial resilience. Parametric insurance works by paying out automatically when a predefined trigger, such as a river reaching a certain height or the Met Office issuing a red weather warning, is met. Unlike traditional indemnity policies, it does not require an assessment of the actual damage, which means funds are released quickly and predictably at the moment they are needed most. These solutions complement traditional insurance, providing local governments with the liquidity needed for swift recovery and adaptation.

Powering the net zero transition

A further example of insurance supporting innovation and the transition to net zero is our members' work on carbon capture and storage (CCS). The CCS Risk Transfer Solution, developed for the co-insurance of two government-supported projects (Northern Endurance Partnership and HyNet North West), demonstrates how public–private collaboration can unlock investment in new infrastructure.

In 2024, the UK Government committed £21.7 billion over 25 years to support these projects. In response, Aon and a panel of insurers including QBE, Convex and Berkley Specialty London developed a groundbreaking insurance solution to transfer key risks to the insurance market. The policy is a global first and was made possible through cross-sector collaboration between insurers, brokers, and industry partners.

By addressing uncertainties in CO_2 transportation and storage, this pioneering insurance solution builds confidence among investors and supports the financing of complex, capital-intensive infrastructure. The projects are expected to capture up to 100 million tonnes of CO_2 over their lifetime and support significant job creation. This includes 25,000 jobs annually in Teesside from 2030 onwards, and up to 50,000 jobs created by HyNet into the 2030s in the Liverpool Bay area.

Building on this, QBE also supports the delivery of large-scale renewable energy infrastructure through its work with SSE. SSE is playing a central role in supporting delivery of the UK's Clean Power 2030 ambition through sustained investment and construction across electricity infrastructure. In particular, it has set out a five-year, £33 billion investment plan to 2030, primarily focused on strengthening the electricity network in the north of Scotland. Delivering at this scale depends on the ability to manage and transfer complex risks.

Through consistent, high-quality engagement with the insurance market, including its partnership with QBE as lead liability underwriter, SSE is able to access the specialist capacity required to support these investments. This enables capital to be deployed with confidence, supports innovation across its portfolio and ensures critical infrastructure can be delivered with resilience. In this context, commercial insurance acts not simply as a financial protection mechanism, but as a strategic enabler of large-scale investment, innovation and energy security.

Similarly, Aviva's commitment to the energy transition is demonstrated through its underwriting of high-voltage sub-sea renewable power cables, which connect Scotland's renewable energy sources to the grid in England – vital infrastructure for achieving the UK's ambitious offshore wind targets.

CASE STUDY – EASTERN GREEN LINK AND DRAX

Sub-sea cables are engineering feats laid across hundreds of kilometres of challenging seabed conditions, carrying enormous electrical loads, and require precision manufacturing and years of planning. Major projects include the Eastern Green Link 2 (EGL2), a 505km connection between Peterhead in the north-east of Scotland and Drax on the east coast of England. As the UK's longest HVDC subsea cable and its single largest electricity transmission project, EGL2 will deliver enough renewable power for two million homes and is the largest single investment in the UK transmission system at over £4.3 billion. The UK aims for 50 GW of offshore wind capacity by 2030, making insurance for the construction, operation and long-term resilience of projects critical to achieving national net zero targets. Given the technical complexity and scale of investment, insufficient insurance capacity would have increased financing risk and uncertainty, potentially delaying delivery of critical grid infrastructure needed to meet net zero targets

The Rock Rail Partnership, supported by Aviva and the National Wealth Fund, is accelerating the decarbonisation of bus networks, while Aviva's expanded offshore renewable energy capacity and bespoke battery storage policies are enabling the rollout of clean energy technologies and electric vehicle infrastructure.

AIG's appetite for cutting-edge technologies is reflected in its support for carbon capture storage, battery energy systems, hydrogen plants, and energy-from-waste facilities. Over the past seven years, AIG has underwritten a wide range of renewable energy projects, covering both construction and operational risks, and helping to drive the growth and development of the UK's clean energy sector.

Enabling science, technology and innovation

Alongside innovation and net zero, commercial insurers are increasingly essential partners in advancing the UK's research and development ambitions, particularly in industries prioritised by government. The UK aerospace sector, a key strategic priority, relies on specialist insurance markets to drive growth and confidence in high-risk innovation. Lloyd's has supported the "orbital economy" since 1965, insuring satellites from build to launch to in-orbit operation, while AXA XL's space and specialty division provides tailored coverage for pre-launch R&D, early orbit testing, novel payloads, and new mission designs. These products support UK manufacturers, operators, and research institutions working on scientific missions and emerging space technologies, reducing financial barriers to experimentation and technological progress.

Insurers also enable breakthroughs across biotech, medical technologies, robotics, and clinical research – sectors that are foundational to the UK's ambitions as a science and technology superpower. Firms such as Markel UK and CFC Underwriting offer bespoke cover for robotics in healthcare, advanced medical devices, clinical-trial technologies, and engineering-driven biotech tools. These policies protect innovators undertaking high-risk R&D, covering areas such as product liability, errors and omissions, specialised machinery, and clinical trial insurance. By doing so, insurers help accelerate the safe development, testing, and deployment of life-changing technologies, from assistive medical robots to next generation pharmaceutical platforms.

Insurers are also supporting research and deployment of next-generation mobility technologies. Partnerships such as Admiral's work with UK automated vehicle (AV) developer Wayve demonstrate how insurance facilitates controlled, on-road trials, helping to generate the data needed to understand emerging risks and build confidence among regulators and the public. This model is reflected more widely through collaborations between AV developers, mobility operators and insurers, where insurance is embedded early in pilot deployments to support commercial testing and help establish how liability, risk sharing and claims processes work in practice.

Together, these case studies illustrate how commercial insurance is not only managing risk but actively enabling innovation and the transition to net zero. By partnering with industry leaders, developing new products, and investing in sustainable infrastructure, the sector is helping the UK to build a resilient, low-carbon economy and realise its climate ambitions.

4. Promoting and protecting culture and society

Protecting heritage and landmarks

Commercial insurance plays a powerful, often invisible role in sustaining the UK's cultural life, protecting national heritage, and enabling the creative, sporting, and entertainment sectors to thrive. For example, Chubb insures the London Eye, Aviva protects National Trust properties, and Travelers contributed major coverage for the construction of The Shard, the tallest building in London. These examples show how insurance underpins the UK's architectural heritage and its most ambitious landmarks, absorbing risk and enabling investment.

Insurers such as Intact Insurance play a longstanding role in protecting and sustaining some of the UK's most culturally and historically significant public assets. Through long-term insurance partnerships, Intact Insurance has supported landmark structures such the Monument to the Great Fire of London. With over 230,000 visitors annually, the Monument is the oldest ticketed attraction in London. Today, Intact Insurance continues to insure this historic site preserving a tangible link to the company's origins. It represents the early role insurers played in fire prevention, risk management, and building London's resilience.

Beyond protection, insurers contribute to enhancing resilience and safety in historic environments. For example, Intact Insurance's work with the City of London Corporation supported the review and modernisation of fire protection systems at the Tower Bridge. They replaced an ageing sprinkler system with a solution that both respects the structure's historic fabric and meets modern safety standards. This technical and risk management input has helped enhance the long-term protection of the bridge, safeguarding its structure, assets and the millions of visitors it receives each year.

Supporting major events and culture

Insurance also enables world-leading entertainment and sporting events to proceed with confidence. Providers such as Allianz, AXA, and Intact Insurance play integral roles in insuring major cultural moments, from Glastonbury Festival to the UEFA Women's Euro 2025 Championship and the Olympic Games, where Allianz now serves as the Worldwide Insurance Partner through 2032. These partnerships support not only live events and visitor experiences but also long-term social legacies, such as transforming the London 2012 Olympic Village into a vibrant mixed-use district comprising independent shops, green spaces, homes, community amenities and education facilities, including UCL East. In these contexts, insurance helps organisers manage complex, large-scale risk and protect participants, spectators and public assets, while enabling events to take place that generate significant economic and social value.

Allianz's investment in Allianz Stadium Twickenham, the official home of England Rugby, and its global partnership with the historic golf links at St Andrews, further highlight how the sector supports both elite sport and grassroots participation, enriching the UK's cultural and societal landscape.

Global events such as the FIFA World Cup, further illustrate the scale and complexity of risks involved, with millions of attendees, multiple venues and international stakeholders requiring sophisticated, layered insurance arrangements. These span a wide range of interconnected risks, including public liability, event cancellation, cyber-attacks, infrastructure disruption, security threats and supply chain issues, all of which must be carefully managed to ensure events can proceed safely and successfully.

These examples all demonstrate that commercial insurance is not merely a safety net. It is an essential enabler of the UK's scientific advancement, creative expression, community resilience, and societal progress. From protecting centuries-old heritage to derisking the breakthroughs shaping tomorrow's economy, the sector plays a uniquely broad role in supporting the UK's identity, global influence, and long-term competitiveness.

CASE STUDY – GLASTONBURY FESTIVAL

Glastonbury Festival generates around £168 million of income for UK businesses annually. This reflects a combination of direct spending by organisers (around £62 million paid to over 900 suppliers spanning infrastructure, construction, logistics, catering and technical services), as well as wider economic activity driven by visitors, local accommodation, and supply chains. Festivalgoers, staff and volunteers also contribute to the local economy through spending on accommodation, retail and services, while the event supports over 1,100 jobs across the UK. It also engages thousands of volunteers who collectively contribute significant time to support more than 200 charitable and non-profit organisations. Through stewardship and volunteering schemes, these groups also raise substantial funds for charitable causes, reinforcing the Festival's wider social and community impact.

Recommendations

This report shows the value of commercial insurance in supporting economic resilience and growth. Set against a more volatile backdrop, this role is evermore necessary. To fully realise the protective potential of commercial insurance, policymakers should adopt a more strategic partnership approach to working with the sector to respond to these challenges.

To achieve this, we have set out several recommendations for government and regulators.

1. Embed early engagement with insurers in government policy and project development

As an immediate priority, government should consider how it can involve commercial insurers at the earliest appropriate stages of planning major infrastructure, climate resilience, digital, and industrial strategy projects. Early engagement allows insurers to identify risk, support mitigation measures, and help shape more resilient project design, reducing long-term costs, improving investability, and increasing delivery certainty. This is particularly important for large national infrastructure, emerging technologies, and public–private partnership models.

To support government ambitions in net zero, space, life sciences, technology, the government should also recognise insurance as a key enabler of R&D investment and commercial scaling, and work with insurers to ensure new technologies are accompanied by appropriate risk frameworks.

To put this into practice, government should establish a standing Government-Commercial Insurance Forum, providing a clear mechanism for early and structured engagement between insurers and policymakers on major policies, programmes and projects. This would strengthen alignment on systemic risks, infrastructure delivery, net zero and innovation, and reduce the need for reactive or late-stage interventions.

This should also include strengthening how insurance and risk-transfer considerations are reflected in the advice provided by the National Infrastructure and Service Transformation Authority (NISTA), ensuring insurance expertise is embedded systematically in the assessment, design and delivery of major government projects.

The Financial Conduct Authority's (FCA) Regulatory Priorities also demonstrate that regulators are increasingly looking to work alongside industry at early stages, particularly on innovation, captives, and improving SME cyber resilience, further underscoring the value of structured early engagement.

2. Improve business resilience through targeted support and risk education

Given businesses' vulnerability to disruption, and the significant cost of cyber incidents to the UK economy every year, improving business resilience should be a near-term focus for government action. Weak resilience among firms can quickly cascade through supply chains, amplify economic shocks and undermine growth and productivity.

Government should therefore work with insurers to:

- Raise awareness among businesses of key risks, including cyber, business interruption and other risks, and issue direct calls to action for businesses of all sizes to identify and address the main risks they face.
- Support uptake of risk mitigation advice, resilience tools including various forms of commercial insurance and cyber hygiene standards, such as Cyber Essentials.
- Consider major society-wide awareness raising campaigns on cyber risks and hygiene, including fundamental controls such as anti-phishing education, multi-factor authentication and backups.
- Embed insurance and resilience considerations more systematically across government-led business support and digital services, including the DBT's Business Growth Service.

3. Prioritise a regulatory environment that supports competitiveness and innovation

To capitalise on the role of commercial insurance in bolstering UK resilience, productivity and economic transition, the government must take a more strategic and active approach to supporting the sector. A proportionate, predictable and internationally competitive regulatory framework, as envisaged in the Growth and Competitiveness Strategy, remains essential but urgency is now required to ensure regulation enables the sector to respond at pace to the challenges and opportunities facing the UK economy. Moreover, the overall compliance cost for the industry hinders investment and innovation and more must be done to ensure that financial services regulation can meet the government's target to reduce the administrative burden of regulation by 25%.

Recent initiatives to improve the regulatory environment for financial services and support innovation represent positive steps towards a more competitive market. However, further action is needed to ensure the sector can fully support investment, resilience and economic growth. We therefore recommend that government and regulators prioritise:

- reducing regulatory duplication across multiple bodies to enable faster decision-making and more efficient deployment of capital.
- accelerating reforms to support innovation (e.g., parametric products, captives, net-zero technologies), including making effective use of regulatory sandboxes to safely test new models.
- ensuring regulation encourages responsible risk-taking, capital mobilisation, and investment in the UK.
- supporting access to alternative capital, including through enabling innovative mechanisms such as insurance-linked securities, which allow insurers to transfer risk to capital markets and expand overall underwriting capacity.
- applying the secondary objective of supporting growth and international competitiveness more consistently across existing and new regulatory proposals, recognising how regulatory design and

implementation affect growth, competitiveness and the capacity of sectors such as commercial insurance to support investment and resilience.

Taken together, these reforms would better equip insurers to deploy capacity, unlock private investment and support the structural shifts the UK needs to make – from adapting to climate risk, to strengthening supply-chain resilience, while maintaining the UK's global competitiveness as a centre for commercial insurance.

Alongside regulatory reform, long-term policy stability is critical. Commercial insurers make decisions over long horizons, shaping investment in infrastructure, housing, renewable energy and emerging technologies. Clear and consistent policy signals, including long-term visibility on net-zero pathways, predictable frameworks for major infrastructure and planning, and greater clarity on government ambitions in key growth sectors are essential to enabling insurers to mobilise capital at scale.

The FCA's recent Regulatory Priorities reinforce this direction of travel. Its focus on supporting innovation, improving the regulatory environment for captives, and working with industry on initiatives such as our cyber safety tool for SMEs demonstrates how targeted regulatory action could help close protection gaps, increase insurance uptake and strengthen economic resilience. Building on this momentum will be critical if the UK is to fully harness the enabling role of commercial insurance in delivering growth, resilience and long-term competitiveness.

4. Support investment in national and local resilience

Smart investments in resilience can pay dividends by reducing future costs. To that end, government should scale up investment in resilience to tackle the growing costs of climate and cyber risks. The government could:

- increase funding for climate adaptation and resilience (e.g., flood defences, property protection, local authority climate planning)
- ensure that building and planning regulation supports a built environment designed for resilience, and to consider the future climate and the perils that will be exacerbated by climate change
- collaborate with insurers on risk-mitigation standards for buildings, public infrastructure, and supply chains
- strengthen resilience initiatives across planning, building regulation, and environmental policy to reduce losses, protect communities, and lower long-term public spending, while enabling insurers to continue offering affordable cover.

5. Strengthen innovative solutions for complex risks

Schemes such as Pool Re demonstrate that public-private partnerships can be effective in specific circumstances where risks are systemic or impossible for the market to absorb alone. However, the UK insurance industry already has the capacity, expertise and appetite to cover the vast majority of commercial risks without government intervention.

Government should therefore focus on:

- Understanding where the insurance industry already has the expertise, capacity and appetite to manage emerging and complex risks, and exploring innovative partnerships to improve risk management, resilience and access to cover where appropriate.

- Identifying where true market failure exists, and only in those limited circumstances considering whether targeted risk-sharing mechanisms or public-private partnerships are required (e.g., certain extreme weather perils or highly systemic supply-chain exposures)
- Clarifying the decision-making framework for when public involvement is appropriate as a last resort, ensuring such measures do not displace well-functioning private markets.
- Recognising that most risks can and should continue to be managed by the insurance market, supported by innovation, improved data, and risk-mitigation measures rather than new public-private structures.

Conclusion

Commercial insurance is fundamental to the strength, resilience, and competitiveness of the UK economy. The sector's value extends far beyond the traditional conception of insurance as a mechanism for risk transfer. It is a strategic enabler of national priorities, for unlocking investment, fostering innovation, and supporting the infrastructure, businesses, and communities that underpin the UK's long-term prosperity. Through its ability to manage complex risks, insurance gives organisations the confidence to invest, grow, and innovate, helping to secure a more dynamic and competitive economy.

Across the thematic areas explored, the evidence clearly shows that commercial insurance is woven into the UK's economic and social fabric. It derisks large national infrastructure projects, attracts private capital into sectors critical to growth, and helps businesses navigate an increasingly complex risk environment. It is also central to the UK's ambitions in emerging sectors such as renewable energy, space, life sciences, and advanced science and technology, providing specialist coverage that makes experimentation, research, and commercialisation possible. In doing so, the industry plays a direct role in advancing the UK's position as a global leader in innovation and high-growth industries.

Equally, commercial insurance supports the everyday resilience of the UK economy. Businesses from SMEs to multinationals depend on insurance to withstand shocks, maintain continuity, and recover after disruptive events. The case study of the JLR cyber-attack demonstrates the systemic consequences that can follow when risk is not adequately managed and highlights the essential role of insurance in supporting supply chains, safeguarding jobs, and protecting productivity. This is not only a matter of commercial necessity but of national economic security.

The sector also contributes deeply to the cultural and societal fabric of the nation. From protecting historic landmarks, enabling major festivals and sporting events, to supporting world-class scientific and cultural institutions. These roles often operate behind the scenes, yet they are essential to the preservation of national heritage, the vibrancy of the cultural life, and the growth of sectors that generate economic and social value across the country.

Looking ahead, the insurance industry stands ready to work with government to strengthen the policy environment, support innovation, and build national resilience. The sector is committed to advancing smarter regulation, investing in resilience-building measures, and supporting the UK's transition to a low-carbon, high-growth future. With the right partnership, commercial insurance will continue to be a powerful force for economic stability, societal wellbeing, and long-term competitiveness – helping the UK harness opportunities, meet emerging challenges, and secure a prosperous future for businesses, communities, and the public alike.

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