A new threat landscape for Danish businesses

The world is constantly changing, and Willis' Market Report 2025 provides insight into how these changes are affecting the business climate and the insurance market.

By Martin Wex

Wars and conflicts have changed the security policy landscape, new tariffs are affecting international trade, and the emergence of artificial intelligence (AI) has created new opportunities not only for businesses but also for criminals.

In its Market Report 2025, Willis, a WTW company, outlines the risk landscape facing Danish businesses today – a landscape that is significantly different from just a few years ago.

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»Unpredictability, change and a modified risk landscape with several entirely new risks have become part of a new normal, and this naturally affects our many clients in the Danish business community and the public sector,« says Camilla Elverdal, CEO and Head of Corporate Risk & Broking at Willis.

Four key factors

The changed threat landscape is also affecting the insurance market – and thus the terms, conditions, and premiums offered to Danish companies. Willis has identified four key factors that will have a decisive impact on premium levels in 2026.

1. Climate change and natural disasters

Storm surges, forest fires, and cloudbursts have changed in frequency, geography, and scope. Experience from major international reinsurers – such as Swiss Re and Munich Re – indicates that cloudbursts, forest fires, and hailstorms, which were previously considered secondary natural hazards, now completely overshadow the historically primary causes such as hurricanes and earthquakes. The climate has changed – and it is permanent.

2. Price increases for materials and labour

Rising prices for concrete, wood, steel, roofing materials, and other items have increased the cost of repairing building damage, while longer delivery times have caused higher business interruption claims. In the motor insurance sector, there have been price increases for car body parts, electronics, and batteries for electric cars – and wage costs have risen because the advanced electronics in newer cars require specialized labour.

3. Cyber insurance

Approximately half of all Danish companies have no cyber insurance or are inadequately insured. Munich Re expects global premiums to double from USD 15 billion today to around USD 30 billion in 2030, because more companies will take out insurance with increasing sums, but also because losses – and thus premiums – will continue to rise.

4. Capital and solvency requirements

Insurance companies are facing increasing requirements from the Danish Financial Supervisory Authority, the EU, and the European Insurance and Occupational Pensions Authority (EIOPA). These include new requirements for capital calculations for properties in coastal areas, stricter rules for reinsurance, and requirements for more analyses, stress tests, and reporting. The costs associated with this affect insurance companies' pricing and selectivity.

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»In recent years, we have seen even market-leading insurance companies completely reject certain types of risks that they or their reinsurance providers perceive as undesirable. At the same time, some companies can expect to be faced with higher premiums if, in the insurance company's assessment, they present a particularly high risk – for example, due to the company's physical location or because the company does not invest enough in prevention,« says Chief Broking Officer Jesper Danvad from Willis.

The four key factors all point to price increases, but according to Jesper Danvad, the market is generally soft because the Nordic market is particularly attractive, the number of insurance companies is increasing, and so is competition between them. This is pushing prices down.

Customized insurance solutions

The largest Danish non-life insurance companies are not suffering either. In 2024, Tryg, Topdanmark, Gjensidige, and Alm. Brand Group delivered a combined pre-tax profit of DKK 12 billion and had an average combined ratio – the ratio between premium income on the one hand and claims expenses and administrative costs on the other – of approximately 85 percent.

»Danish insurance companies are thriving, and this shows that there is something to be gained when we negotiate on behalf of our clients. We develop and use customized tools, analyses, and models that provide accurate insight into the client's risk profile and create the basis for optimal insurance procurement – whether it takes place in the open market, through EU tenders, or through our pre-negotiated, favourable framework terms,« says Jesper Danvad.

Willis expects prices to remain unchanged in most of the insurance areas analyzed, with slightly rising prices for workers' compensation, transport, and expatriation. Cyber is the only area where prices are expected to fall. Find out more in Market Report 2025 and get a detailed insight into Willis's expectations for the insurance market in 2025-2026.

> Market Report 2025