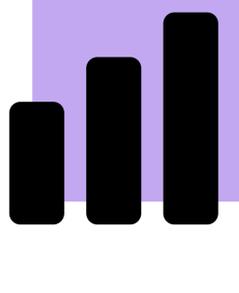
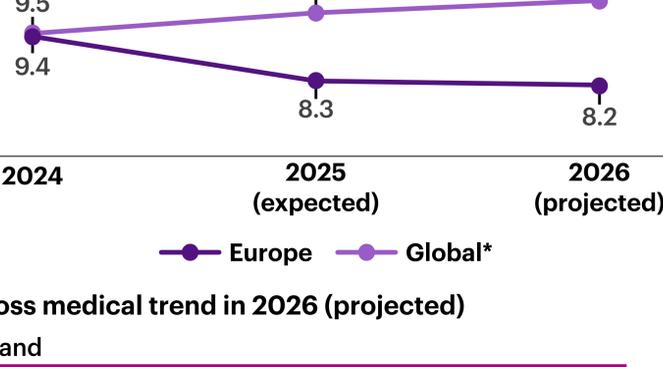


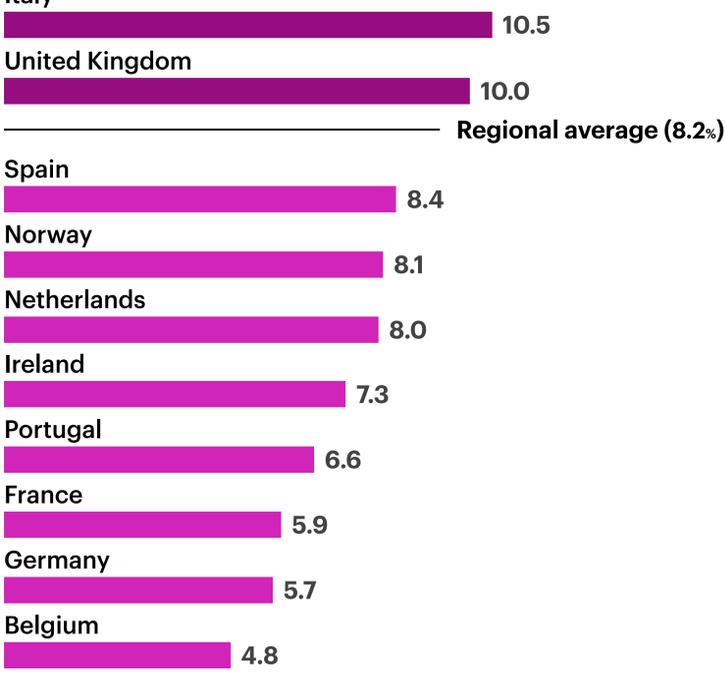
# Europe's medical inflation sees modest growth in 2026



Gross medical trend



## Gross medical trend in 2026 (projected)



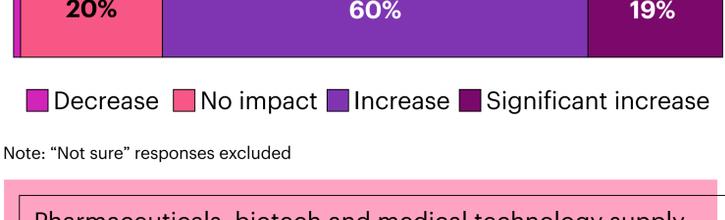
58% of European insurers predict medical trend growth over the next three years will be higher than in the past three years.

## What is driving costs?



Decline in Public Healthcare systems in Europe continues to be a compression factor. Drivers of this decline include a severe health workforce crisis, aging populations and historical underinvestment and budget constraints.

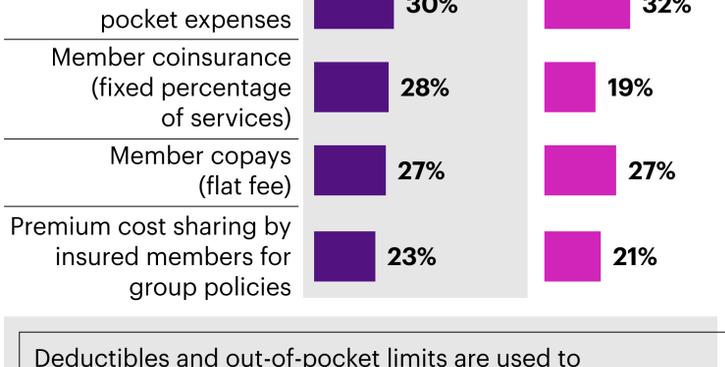
## Tariffs and trade policies are expected to impact healthcare costs



Note: "Not sure" responses excluded

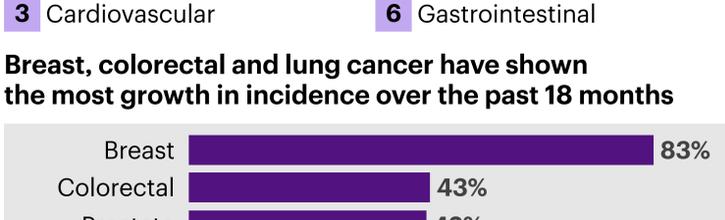
Pharmaceuticals, biotech and medical technology supply chains are being affected by new tariffs and trade policies. This may reduce access to affordable care and put additional pressure on occupational health benefits.

## Deductibles and out-of-pocket limits are the most common cost sharing approach in Europe

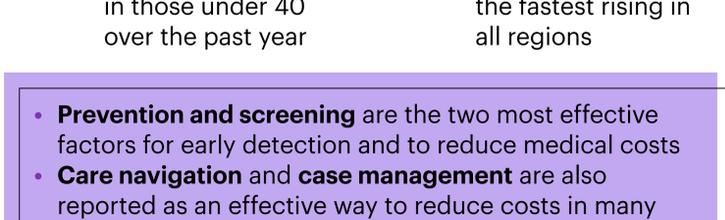
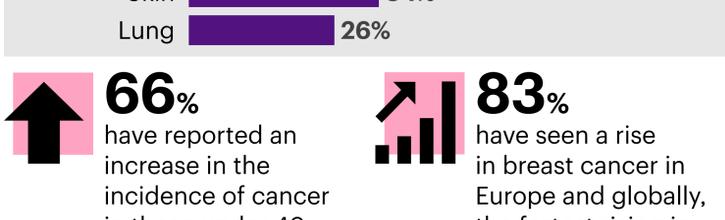


Deductibles and out-of-pocket limits are used to control premiums and reduce claims in Europe. However **economic pressures** and **regulatory changes** are pushing employers to adjust these plans and explore **more flexible or targeted** options.

## Cancer is the fastest growing condition causing the highest cost of claims



### Breast, colorectal and lung cancer have shown the most growth in incidence over the past 18 months



- Prevention and screening are the two most effective factors for early detection and to reduce medical costs
- Care navigation and case management are also reported as an effective way to reduce costs in many markets, but the current take-up in Europe is low (30%)

## Use of GLP-1s is expected to increase across the region

GLP-1 receptor agonists, originally approved as a medication for diabetes, are now being used more widely in the United States to treat obesity.

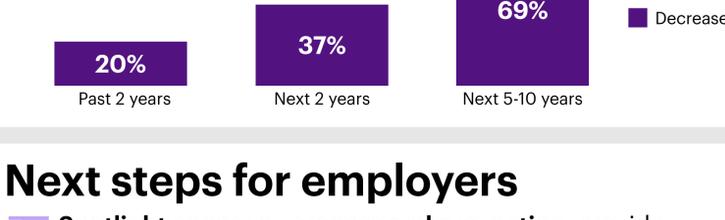
77% say use of GLP-1s to treat obesity will increase in Europe, especially where use is currently low

67% of policies currently exclude GLP-1s for obesity, with coverage varying across markets

64% of insurers believe GLP-1s will increase medical costs

Insurers expect GLP-1 costs to rise due to high prices, increasing uptake, and potential long-term use. Although early research suggests possible health and cost benefits over time, evidence on overall cost impact is still evolving.

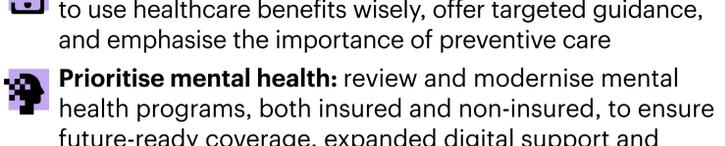
## Use of AI in healthcare programs is expected to more than double in Europe



Note: Percentages indicate "to a very great extent" or "to a large extent".

Current use of AI in Europe is focused on plan administration and operations, and communication.

### AI is expected to reduce future healthcare cost trends in Europe



## Next steps for employers

- Spotlight cancer awareness and prevention:** provide screenings and preventive services to employees and drive educational campaigns
- Consider employee cost share:** introduce co-pay or co-insurance design to incentivise more thoughtful medical spending and discourage excessive claiming
- Invest in education and prevention:** empower employees to use healthcare benefits wisely, offer targeted guidance, and emphasise the importance of preventive care
- Prioritise mental health:** review and modernise mental health programs, both insured and non-insured, to ensure future-ready coverage, expanded digital support and optimised employee services
- Introduce flexibility where possible:** enable employees to utilise the benefits they need

\*Global, Latin America, Europe and Middle East and Africa numbers exclude Argentina, Turkey, Egypt, Nigeria and Zimbabwe as outliers due to inflationary pressures. Sources: 2026 Global Medical Trends Survey Copyright © 2026 WTW. All rights reserved.