

18th Annual Survey of Emerging Risks: Mid-Year Flash Report

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18th Annual Survey of Emerging Risks

Mid-Year Flash Report

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Introduction

The 18th Annual Survey of Emerging Risks¹, sponsored jointly by the Casualty Actuarial Society (CAS) and the Society of Actuaries (SOA) Research Institute, takes an annual snapshot to identify the current thinking of risk managers. As the pace of change and challenges to risk managers appears to be increasing, the data collected in November 2024 has been supplemented by a flash survey conducted in May 2025. Questions for this short survey were quantitative and designed for a quick response.

The primary survey focused on three ways of considering risk:

- Top current risk (participants vote for one);
- Top five emerging risks (vote for five); and
- Top emerging risk (vote for one).

The 23 risks, which included the future risk of climate change, cyber/network, and war, were presented to the participants, shown with definitions in Appendix A of the full report,² and they had the option to add an alternative risk. These risks are grouped into five categories: economic, environmental, geopolitical, societal, and technological. The survey shows relative results, so an increase in one risk is offset by a decrease in another risk. Results are trended from 2008. A user's guide was produced with the 15th survey that walked the reader through the data and showed how it could be used to incorporate foresight into risk analysis.³ The flash survey also asked a two-part question about specific scenarios that risk managers are concerned about.

The May 2025 flash survey included 150 participants. Demographic information shows 47% have been actuaries and/or risk managers for more than 10 years, 14% between 3 and 10 years, and 9% less than 3 years. The remaining 30% cited that their work was outside of day-to-day risk management responsibilities. Regarding area of practice, 37% of respondents are working in Life insurance, 19% in Property & Casualty (P&C) insurance, 15% in Health insurance, 13% in pensions, and 8% in risk management.

Surveys are tied to their specific time and circumstances, with recency bias⁴ always present. Except for the very first survey, conducted in the spring of 2008, all the other full surveys were completed in the fall. For instance, it appears that the time of year impacts environmental risks, likely due to the Atlantic hurricane season occurring in the late summer and early fall.

The May 2025 flash survey collected data five months into the second administration of U.S. President Donald J. Trump, where changes in policies have led to volatility in financial markets. These policies include immigration enforcement, cost-cutting efforts in the U.S. Federal budget, and the announcement of new strategies on reciprocal tariffs. Meanwhile, persistent Russian/Ukraine and Hamas/Israel conflicts have continued. These policies have been viewed as amplifiers of risk, with financial markets being significantly impacted with heightened volatility.

¹ <https://www.soa.org/resources/research-reports/2025/18th-survey-emerging-risks/>

² Ibid.

³ Rudolph, Max J., 15th Emerging Risk Survey. August 2022. <https://www.soa.org/resources/research-reports/2022/15th-survey-emerging-risks/>

⁴ Recency bias is a cognitive bias that overemphasizes the importance of recent events over older ones.



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Key Finding 1: Top Current Risks

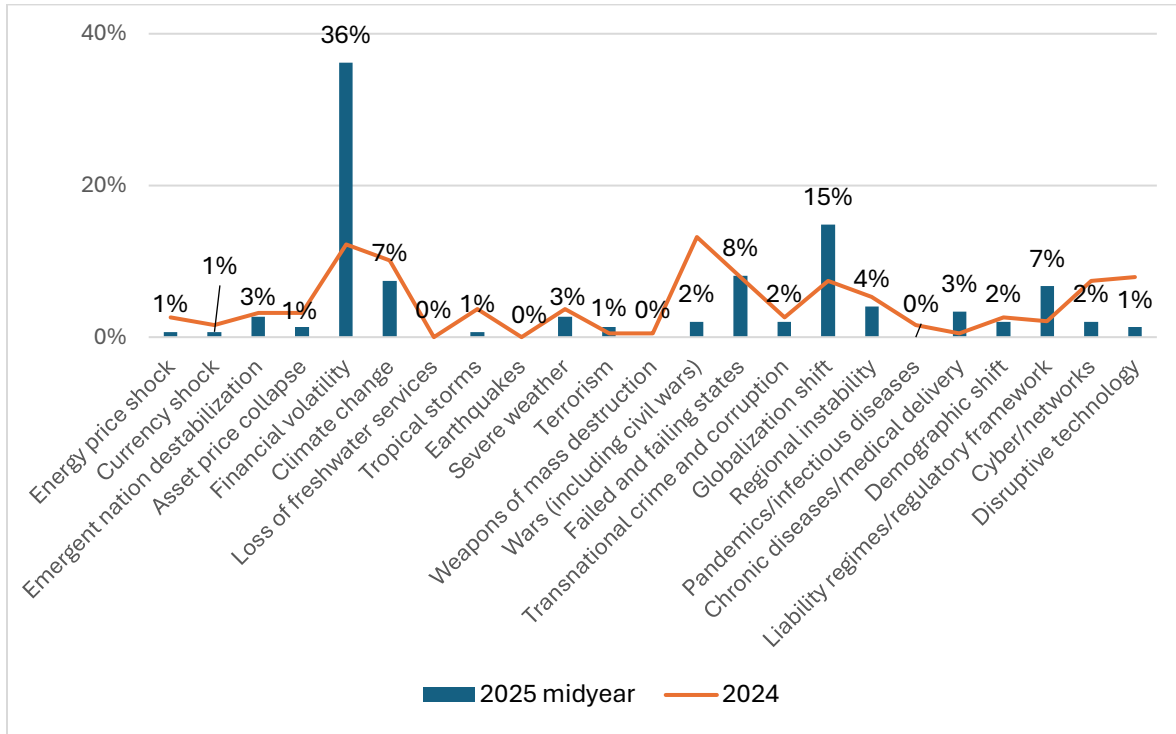
Recent changes in import tariffs between countries have shifted the balances of global trade. This was reflected by the risk managers' choices, with a significant jump in corresponding risks: *Financial volatility*, *Globalization shift*, and *Liability regime and Regulatory framework*. Technology risks dropped significantly to make way for other risks, while *Climate change* is giving ground but remains in the top five current risks. Interestingly, the risk *Wars (including civil wars)* dropped significantly as well, even in the absence of breakthroughs in current conflicts, perhaps driven by the upswing of other risks.

Risks listed in the table below indicate the most prominent selections by respondents or recorded the largest variation from the 2024 full survey.

Table 1
FIVE LARGEST CURRENT RISKS AND FIVE LARGEST VARIATIONS

Rank	Var	Risk	2024 Rate	Mid-year 2025 Rate	Variations
1	#1	Financial volatility	12.2%	36.2%	+24.1%
2	#3	Globalization shift	7.4%	14.8%	+7.4%
3		Failed and failing states	7.9%	8.1%	+0.1%
4		Climate change	10.1%	7.4%	-2.7%
5		Liability regimes & regulatory framework	2.1%	6.7%	+4.6%
	#2	Wars (including civil wars)	13.2%	2.0%	-11.2%
	#4	Disruptive technologies	7.9%	1.3%	-6.6%
	#5	Cyber/networks	7.4%	2.0%	-5.4%

Figure 1
YEAR-OVER-YEAR TOP CURRENT RISKS, 2024-2025 MID-YEAR

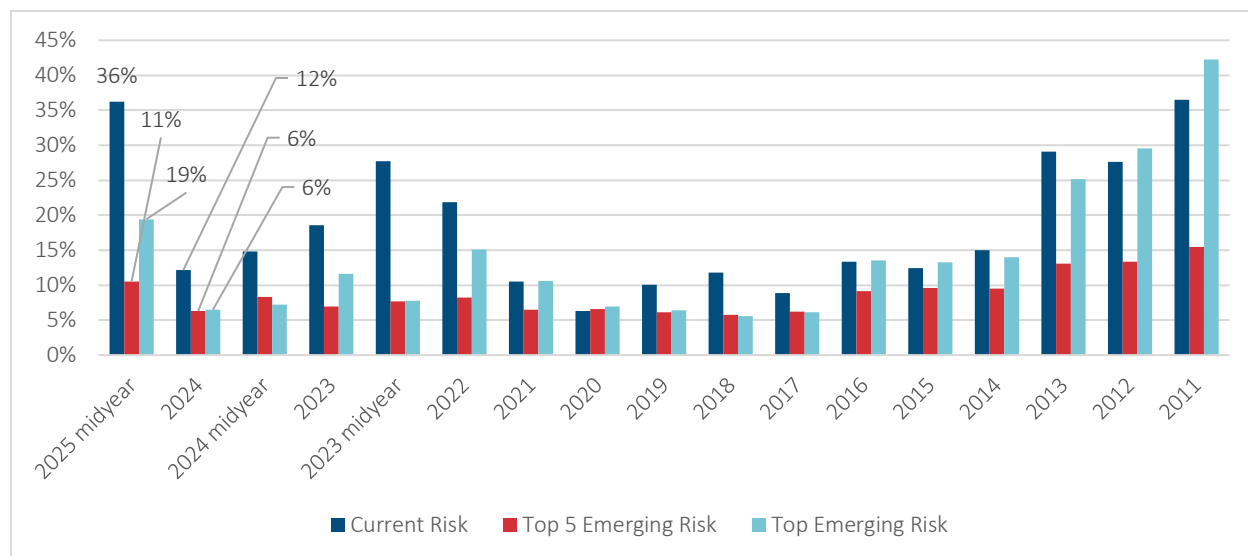


Key Finding 2: Revival of Financial Volatility

As indicated in Figure 1 (above), *Financial Volatility* risk significantly increased, both in absolute and relative terms and as Current and Emerging risks. Figure 2 shows the current risk follow the news cycle with the stress of the Great Recession during 2011 to 2013, more recently the inflation peak of late 2022, the Silicon Valley Bank failing in early 2023, and the slow resolution of the economical strains. The top five and top emerging risk curves are also being reevaluated upward since the November survey. As noted in Key Finding 1, the impact of the current U.S. administration policies is the likely driver of the selection of the participants.

Figure 2

FINANCIAL VOLATILITY – HISTORICAL RESULTS, 2011–2025 MID-YEAR



Key Finding 3: Top Five Emerging Risks

While the current risk picture has significantly changed in the last few months, emerging risks remain relatively stable.

The two risks entering and exiting this table have symmetric fates: *Wars (including civil wars)* declined by 3.9% from the top position to seventh, while the *Financial volatility* risk rose by 4.2% from sixth in 2024 to second. Part of this change could be interpreted as mean reversion, with the risk moving closer to its historical average.

The analysis could suggest respondents are becoming immune to wars being waged in countries distant from North America and are focused more on economic uncertainty in line with recently bias. But the relative stability of Table 2 (below) may illustrate the maturity of risk managers, seeing through the current cycle and assessing a mid-term picture of emerging risk.

Table 2

HIGHEST RANKED WHEN CHOOSING TOP FIVE EMERGING RISKS, 2021–2025

	2025m	2024		2024m	2023	2023m	2022	2021
1	Disruptive technology	War (including civil wars)	Climate change	Disruptive technology	Climate change	Disruptive technology	Climate change	Climate change
2	Financial volatility			Cyber/ networks	Wars (including civil wars)	Climate change	Wars (including civil wars)	Cyber/ networks
3	Climate change	Disruptive technology		Wars (including civil wars)	Disruptive technology	Cyber/ networks	Cyber/ networks	Pandemics/ infectious diseases
4	Cyber/ networks	Cyber/networks		Climate change	Demographic shift	Wars (including civil wars)	Financial volatility	Disruptive technology
5	Demographic shift	Demographic shift		Financial volatility	Cyber/ networks	Financial volatility	Demographic shift	Financial volatility

Table 3 shows the leading responses for the top emerging risks and large variations from the full survey. The figure shows a comparison between the results for the top emerging risks in the 2024 survey and the 2025 mid-year flash survey.

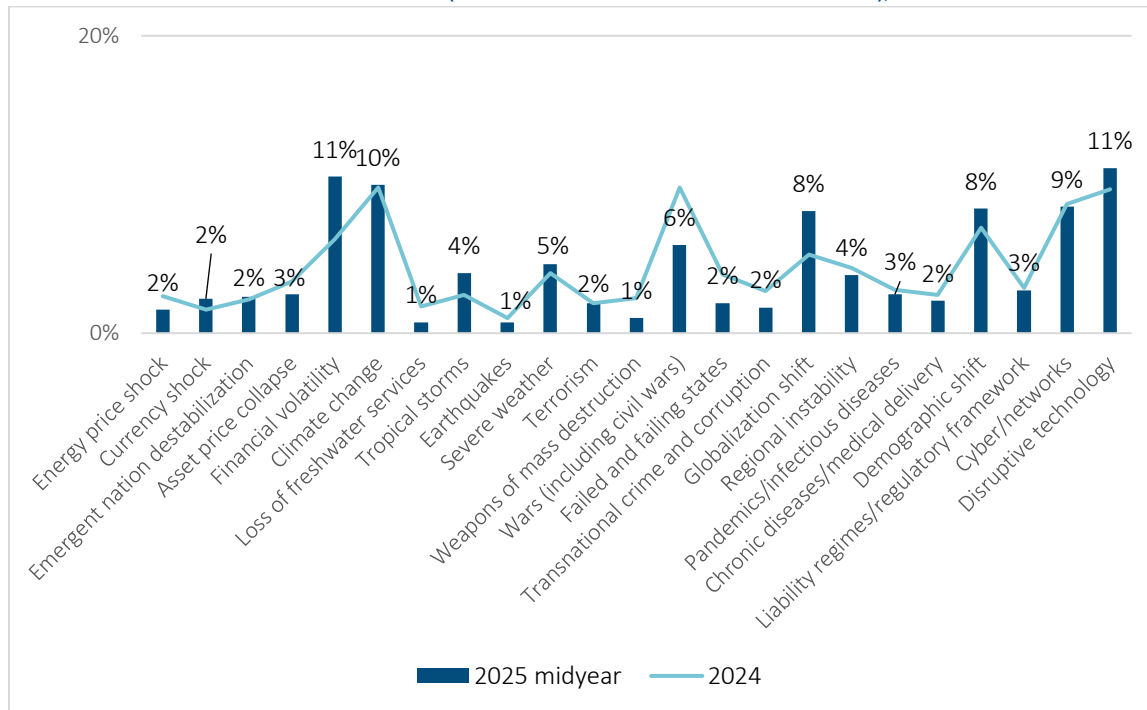
Table 3

FIVE LARGEST EMERGING RISKS (UP TO FIVE RISKS CHOSEN PER SURVEY) AND FIVE LARGEST VARIATIONS

Rank	Var	Risk	2024 Rate	Mid-year 2025 Rate	Variations
1		Disruptive technology	9.7%	11.1%	1.4%
2	#1	Financial volatility	6.3%	10.5%	4.2%
3		Climate change	9.8%	10.0%	0.2%
4		Cyber/networks	8.7%	8.5%	-0.2%
5		Demographic shift	7.1%	8.4%	1.3%
	#2	Wars (including civil wars)	5.9%	9.8%	-3.9%
	#3	Globalization shift	5.3%	8.2%	2.9%
	#4	Failed and failing states	3.9%	2.0%	1.9%
	#5	Tropical storms	2.6%	4.0%	1.5%

Figure 4

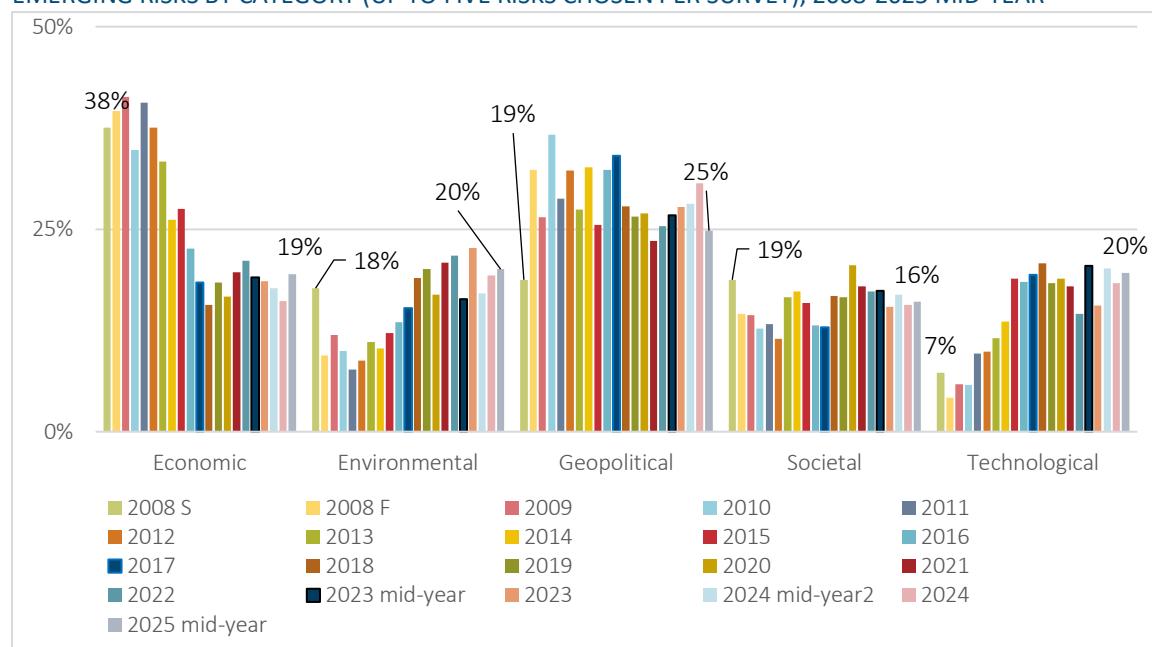
YEAR-OVER-YEAR TOP EMERGING RISKS (UP TO FIVE RISKS CHOSEN PER SURVEY), 2024-2025 MID-YEAR



From the full year survey, geopolitical is the only category dropping in a sizable way (down 5.8%). All other categories are shifting upward, with the largest move captured by the economic category (up 3.4%), followed by the technological category (up 1.3%), the environmental category (up 0.8%) and the societal category (up 0.4%).⁵ Geopolitical remains the leading risk category with 24.8%, but the remaining four categories were in a tight range from 16.0%-20.1%.

Figure 5

EMERGING RISKS BY CATEGORY (UP TO FIVE RISKS CHOSEN PER SURVEY), 2008-2025 MID-YEAR



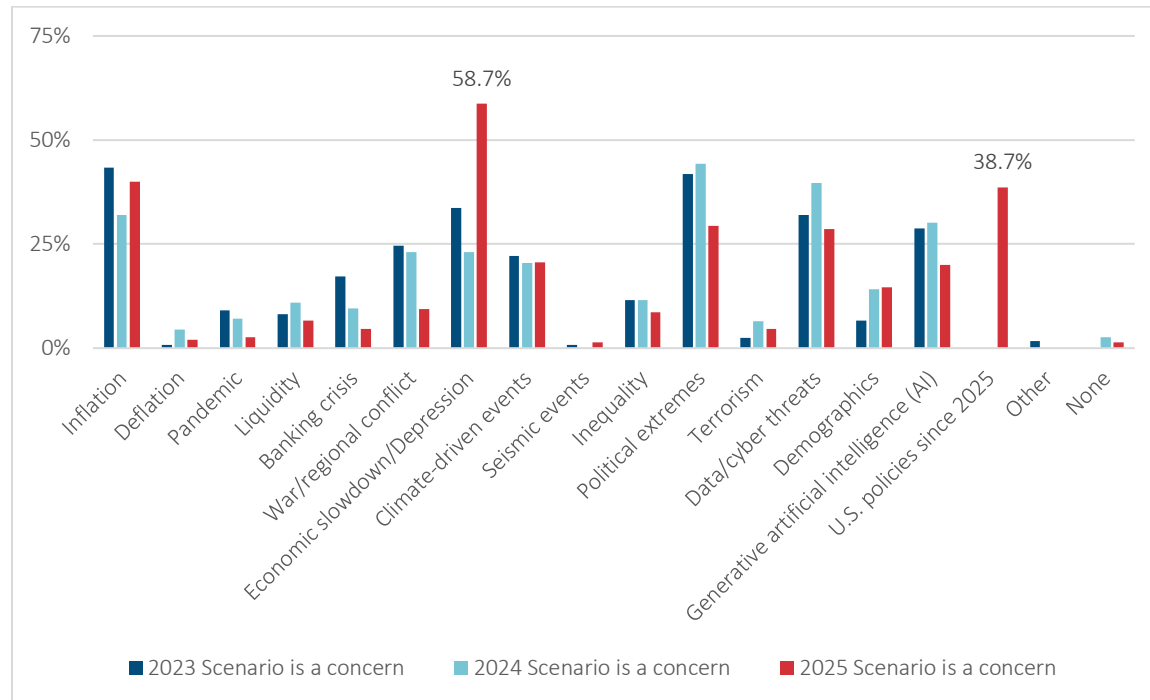
⁵ The current survey is a follow-up to the 17th iteration of the survey. The survey was completed twice in 2008 (spring, fall) and then annually, with flash surveys completed starting in 2023.

Key Finding 4: Scenario Concerns and Stress Testing

For each of the two flash surveys, a set of questions asked what scenarios the respondents most worried about in the current environment.

Economic slowdown is a concern for most respondents, which is a significant change from the previous years. Inflation remains a concern at a level identical to previous years, recouping ground lost last year. U.S. policies since 2025 is a new scenario in this survey and was selected by almost 40% of the respondents. It is also interesting to note that the Political extremes risk is receding, but some of this may be captured by the newly introduced scenario. This picture is quite different than the one based on the November 2024 data where the economic outlook for the following year was the second best on record.

Figure 6
SCENARIO CONCERNS



The table ranks the scenarios by those of greatest concern for respondents and shows the largest variations. The War/regional conflict (other than cyber) scenario dropping from the top five is consistent with the risk, *Wars (including civil wars)*, dropping in ranking for Emerging risk and Current risk. This table highlights the same finding as the graph above, with significant shifts noted for the largest four.

Table 4

FIVE LARGEST CONCERN SCENARIOS AND FIVE LARGEST VARIATIONS

Rank	Var	Risk	Mid-year 2024 Rate	Mid-year 2025 Rate	Variations
1	#2	Economic slowdown/Depression	21.1%	58.7%	37.6%
2	#5	Inflation	29.2%	40.0%	10.8%
3	#1	U.S. policies since 2025	N/A	38.7%	38.7%
4	#4	Political extremes	40.4%	29.3%	-11.0%
5		Data/Cyber threats	36.3%	28.7%	-7.6%
	#3	War/regional conflict (other than cyber)	21.1%	9.3%	-11.7%



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Acknowledgments

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About the Casualty Actuarial Society

The Casualty Actuarial Society (CAS) is a leading international organization for credentialing and professional education. Founded in 1914, the CAS is the world's only actuarial organization focused exclusively on property and casualty risks and serves over 9,100 members worldwide. CAS members are experts in property and casualty insurance, reinsurance, finance, risk management and enterprise risk management. Professionals educated by the CAS empower business and government to make well-informed strategic, financial, and operational decisions.

The purposes of the Casualty Actuarial Society are:

- To advance the body of knowledge of actuarial science applied to general insurance, including property, casualty and similar risk exposures
- To expand the application of actuarial science to enterprise risks and systemic risks
- To establish and maintain standards of qualification for membership
- To promote and maintain high standards of conduct and competence
- To increase the awareness of actuarial science
- To contribute to the well-being of society as a whole

In principle and in practice, the CAS values and seeks diverse participation within the property/casualty actuarial profession. In support of those values, the CAS encourages an inclusive community where differences are celebrated and all have the opportunity to participate to their fullest potential in its success. The CAS commits time and resources to accomplish this objective.

Actuaries are required to adhere to the high standards of conduct, practice and qualifications of the actuarial profession, thereby supporting the actuarial profession in fulfilling its responsibility to the public.

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About The Society of Actuaries Research Institute

Serving as the research arm of the Society of Actuaries (SOA), the SOA Research Institute provides objective, data-driven research bringing together tried and true practices and future-focused approaches to address societal challenges and your business needs. The Institute provides trusted knowledge, extensive experience and new technologies to help effectively identify, predict and manage risks.

Representing the thousands of actuaries who help conduct critical research, the SOA Research Institute provides clarity and solutions on risks and societal challenges. The Institute connects actuaries, academics, employers, the insurance industry, regulators, research partners, foundations and research institutions, sponsors and non-governmental organizations, building an effective network which provides support, knowledge and expertise regarding the management of risk to benefit the industry and the public.

Managed by experienced actuaries and research experts from a broad range of industries, the SOA Research Institute creates, funds, develops and distributes research to elevate actuaries as leaders in measuring and managing risk. These efforts include studies, essay collections, webcasts, research papers, survey reports, and original research on topics impacting society.

Harnessing its peer-reviewed research, leading-edge technologies, new data tools and innovative practices, the Institute seeks to understand the underlying causes of risk and the possible outcomes. The Institute develops objective research spanning a variety of topics with its [strategic research programs](#): aging and retirement; actuarial innovation and technology; mortality and longevity; diversity, equity and inclusion; health care cost trends; and catastrophe and climate risk. The Institute has a large volume of [topical research available](#), including an expanding collection of international and market-specific research, experience studies, models and timely research.

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