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Spotlight on Geopolitical & Economic Uncertainty 2026

Why adaptability matters more than scale



Executive summary

The era of predictable globalisation is fading, replaced by an unpredictable world where politics, security concerns and national priorities shape access to supply chains, technology, data, capital and critical infrastructure.

In this environment of competing powers, success is no longer defined by scale or market dominance. It is about staying in the game, with rapid adaptability becoming a more valuable competitive advantage than size itself.

When critical infrastructure becomes a critical weakness

Dependence on cloud infrastructure, payment networks, satellites, undersea cables and positioning systems such as GPS is creating new forms of concentration risk. Disruption to any one of these systems can cascade through supply chains, communications, logistics and financial transactions, paralysing the functioning of modern business and society.

The cautious optimism earlier in the year that came with easing inflation and interest rate cuts has disappeared. As geopolitical volatility unfolded, conflict, tariffs, trade tensions, marine chokepoints, energy market volatility and intensifying competition for technology and strategic resources have converged and compounded, ushering in a new era of geopolitical and economic instability and a maelstrom of risks.

Decades-old assumptions of economic durability and Western alliances are weakening, and businesses are feeling the impact.

In our latest Risk & Resilience survey undertaken in July, 90% of executives agree that geopolitical tensions and economic uncertainty are limiting their growth plans, while more than 4 in 5 agree that political change is affecting their ability to trade profitably. This represents a sharp rise from previous survey results and shows how quickly geopolitics is shifting business sentiment.

The impact of geopolitics on business optimism

Today's geopolitical tensions are limiting growth



Political change impacting profitable trading



● January 2025 ● January 2026 ● July 2026

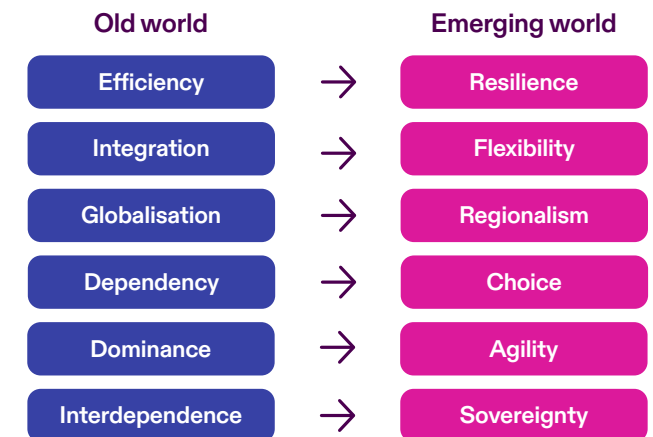
The percentage of global executives who agreed with these statements in Beazley's 2025 and 2026 Risk & Resilience surveys.

Access: The new competitive advantage

The reality of sudden tariffs, sanctions and restricted market access is reaching deep into boardrooms, altering procurement and investment plans with little or no warning.

At the same time, managing economic cycles and market fluctuations is no longer enough for business stability. Intensifying national sovereignty is making securing vital supplies, energy and capital a new competitive advantage.

With digital services, cloud infrastructure and data flows now increasingly tied to national security, businesses face more geopolitical interference. Success requires reducing external dependencies and vulnerabilities, securing reliable resource channels and maintaining the agility to shift operations and protect continuity when systems come under pressure.



From hyper efficiency to structural survival

Decades of business strategy that prioritised efficiency, minimising inventory via just-in-time supply chains and integrating technology for stable, low-cost production may no longer be sufficient on their own.

Today's world is a complex web of overlapping relationships, dependencies and partnerships, making resilience as vital as efficiency. Corporate priorities need to shift from purely lowering costs to remaining operational during crises. Building true resilience today requires creating organisational agility, eliminating single points of failure and maintaining the financial strength to withstand sudden disruption.

Connected risks: One spark, multiple fires

A key lesson of 2026 is that disruption rarely arrives alone. Cyber, physical, regulatory and financial pressures can strike simultaneously. Individually manageable, these interconnected shocks reinforce each other, amplifying losses and eroding margins, making traditional forecasting unreliable.

Adaptability beats dominance

Success is now shaped by more than just a business's established market share, international scale and brand strength. Those best positioned to succeed are the organisations that embed horizon scanning, financial resilience and specialist risk expertise into their business models to help plan for changing conditions and colliding risks.

Playing the long game

Insurance is an enabler of resilience, helping organisations to absorb shocks, recover quickly and invest with confidence as they redesign their supply chains and technology ecosystems whilst expanding into new markets.

In an era of constant disruption, trusted insurance partners with deep expertise, proven claims capabilities and a strong understanding of the business are more valuable than ever.

Together, these capabilities enable specialty insurance to provide the financial foundation that helps firms to anticipate, withstand and recover from emerging risks.

The challenge

Geopolitical, economic and technological change will continue to reshape the operating environment for the foreseeable future. The organisations that thrive will not be those that predict every disruption, but those with the ability to adapt when conditions change.

Long-term success depends on staying in the game while the pieces are moving, maintaining the resilience, visibility and strategic flexibility needed to navigate uncertainty and seize new opportunities.



Paul Bantick
Chief Underwriting Officer
Beazley



Bowler Broadcast

Emily Benson, Head of Strategy at Minerva Technology Futures and member of Beazley's Geopolitical Council, and Mark Geoghegan, Editor of The Voice of Insurance, discuss how firms can build resilience and improve supply chain flexibility in today's uncertain times.

Key takeaways



For insurance brokers

1

Help clients understand critical dependencies

With 82% of surveyed executives agreeing that geopolitical uncertainty is affecting profitable trade, clients need to understand where their concentrations of risk sit beyond their direct suppliers – across technology, capital, infrastructure and the systems that their businesses depend on – and what these exposures mean for their business.

2

When the business changes, insurance must follow

Changing suppliers, trade routes, markets or technology partners can alter a client's exposure and create potential coverage gaps. As clients adapt their operating models, brokers should consider whether existing cover still reflects where and how they operate.

3

Use insurance to give clients room to adapt

Risk intelligence, scenario planning and specialty insurance can give clients greater financial flexibility when disruption occurs, helping to absorb shocks, change course and continue investing and trading through geopolitical and economic uncertainty.



For business leaders

1

Build optionality before disruption strikes

With 77% of organisations planning changes to their suppliers or supply chains, businesses should reduce reliance on single suppliers and find alternatives across supply chains, technology and markets to strengthen operational resilience for when disruption occurs.

2

Understand critical dependencies

Map the depth of hidden dependence on the systems and resources that underpin organisational growth, including suppliers, data, cloud infrastructure, payment networks, technology partners and key resources, to understand how sudden disruption would affect operational resilience.

3

Turn resilience into competitive advantage

With 90% of executives agreeing geopolitical tensions are limiting growth, organisations should work with their insurance partners to horizon scan, risk model and plan the financial resilience required to adapt quickly, invest confidently and seize future opportunities.

Key findings at a glance – 3,500 global business leaders' views

**Economic uncertainty tops
the risk agenda**

41%

rank economic slowdown, inflation, recession and sovereign debt among their top three risks, up from 34% in January 2026.

**Political change is hitting
the bottom line**

82%

agree changes in the political landscape will affect their ability to trade profitably, up from 76% at the start of 2026.

**Geopolitical tensions are
constraining growth**

90%

agree that geopolitical tensions and economic uncertainty will limit their business's growth plans, up from 68% in January 2025 and 78% in January 2026.

**Supply chains continue
to shift**

77%

agree that due to rising geopolitical tension their business will make changes to their suppliers and supply chains over the next 12 months.

**Rising concern over
employee-related risks**

91%

agree that risks such as recruiting talent, employee retention and mental health challenges are a concern for their business, up from 76% in January 2026.

**Cybersecurity and system outage
concerns rise**

44%

selected cybersecurity, encompassing systemic cyber attack, mandatory reporting and third-party infrastructure attacks and resulting system outages, as a top three risk concern, up from 37% in January.

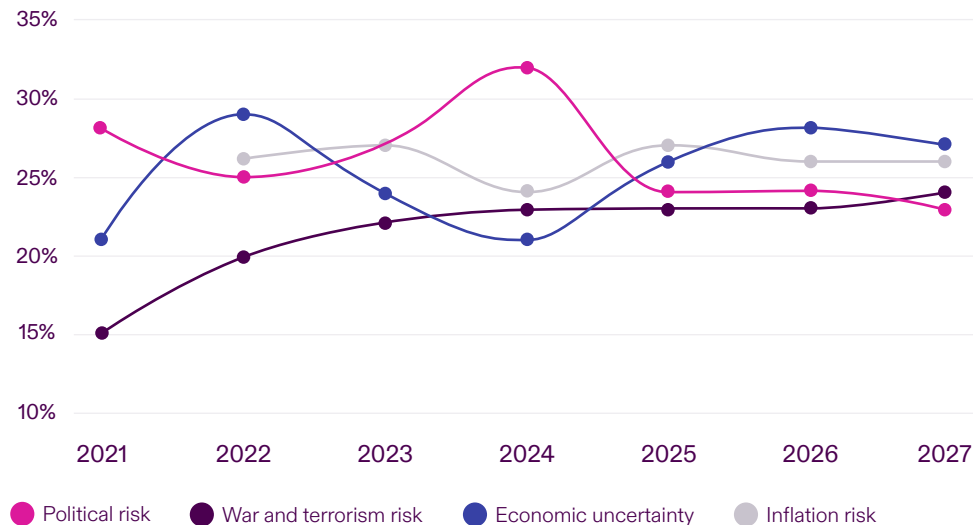
Beazley's Risk & Resilience surveys undertaken in January 2025, 2026 and July 2026.

What the statistics reveal

Risk

With today's geopolitical and economic environment being defined by sustained volatility rather than isolated shocks, it is notable that, according to our survey results, political risk concern has eased from its 2024 peak, while economic uncertainty, inflation and war-related risks remain elevated. For executives, the message is clear: disruption is becoming a permanent feature of the operating landscape, demanding resilience, agility and long-term strategic planning.

Risk over time

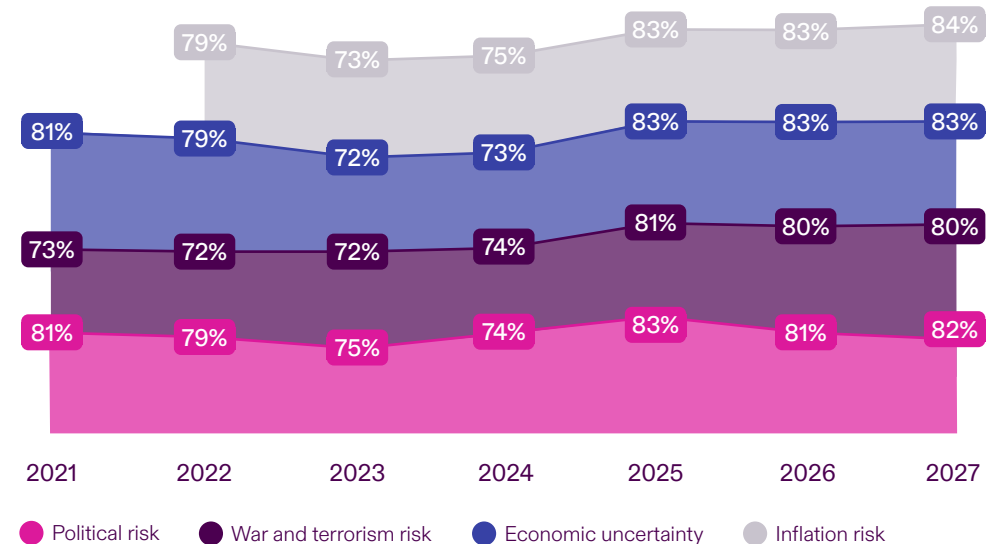


Percentages show the proportion of global executives ranking these as top risks. Resilience combines 'very' and 'moderately' prepared responses. Source: Beazley's Risk & Resilience surveys, 2021–2026. *2027 figures are predictions from January 2026.

Resilience

Despite the risk landscape, executive confidence in managing these risks has strengthened since 2023. Perceived resilience has rebounded across every category, particularly for war, terrorism and inflation. The contrast is notable: while risks remain elevated, organisations increasingly believe they can withstand and adapt to disruption. However, confidence itself can become a vulnerability if it leads firms to underestimate the scale, interconnected nature and potential severity of the risks they face. In today's volatile environment, resilience must be tested, not assumed.

Preparedness over time

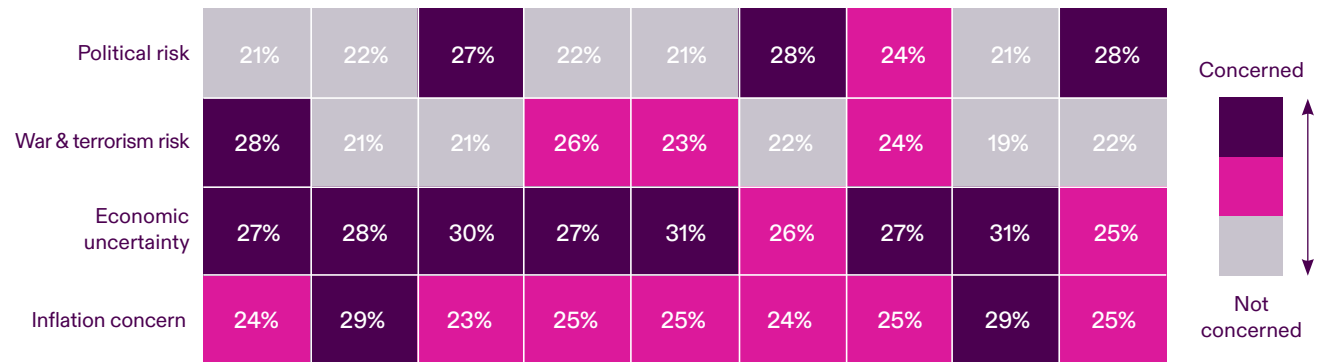


Risk and resilience by industry

Risk

Economic uncertainty dominates most sectors, peaking in financial institutions and professional services, commercial property, real estate and construction, and tech, media and telecoms, while inflation remains a concern for more consumer-facing industries. Political risk weighs heavily on logistics and energy organisations, whereas healthcare is most concerned about the impact of conflict-related disruption.

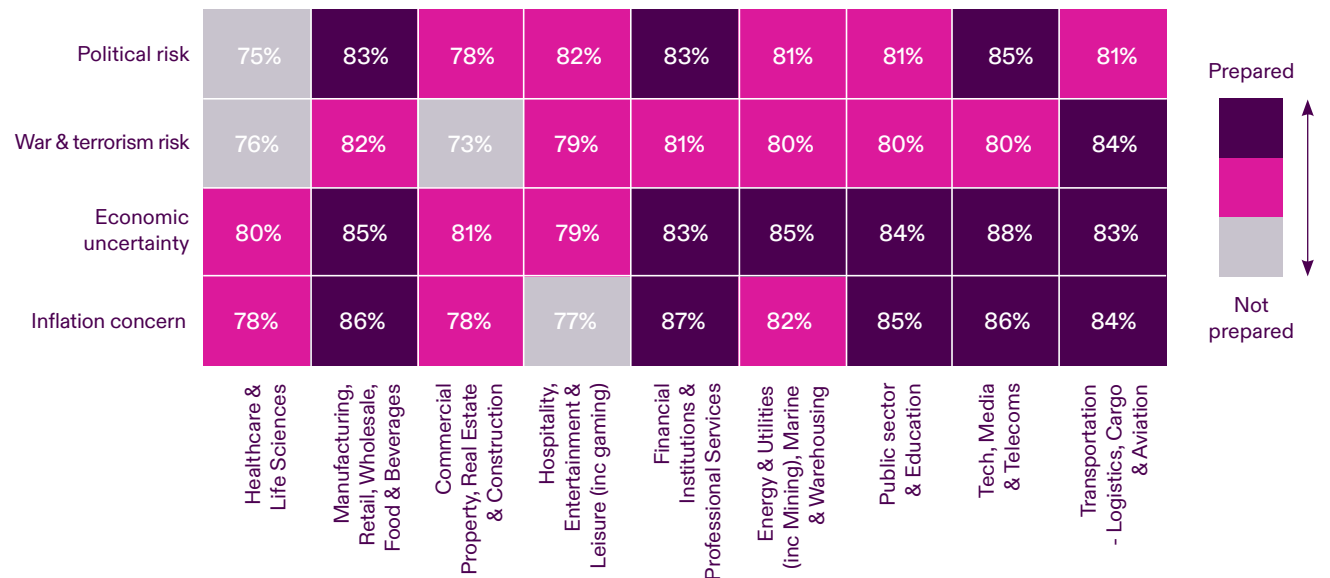
Risk concerns by industry



Resilience

Preparedness levels remain surprisingly strong despite elevated geopolitical and economic concerns. Technology, financial services and manufacturing executives report the highest confidence, while healthcare executives are notably less confident compared to other industry peers, particularly around political and conflict-related risks, highlighting uneven perceived preparedness for these risks across sectors facing an increasingly volatile operating environment.

Perceived preparedness by industry



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Securing sovereignty

Global assets are now instruments of power

Governments are asserting control over technology, data, energy and resources, turning commercial dependencies into strategic assets and geopolitical leverage.

The hidden domino effect within supply chains

Shared reliance on cloud platforms, payment networks, undersea cables, satellites and supply chains means one disruption can trigger widespread cascading losses.

Trading one dependency for another

Reshoring, sovereign cloud strategies and the energy transition reduce some exposures but often create new dependencies and risk concentrations elsewhere.



The new sovereignty playbook

The systems and assets underpinning global commerce are no longer neutral infrastructure. They are strategic assets and levers of power.

The decades-long era of frictionless, efficiency-driven global networks is yielding to geopolitical conflict. Nation-states now leverage commercial dependencies as a political tool, with governments asserting control over energy, raw materials, data, technology, intellectual property, payment systems and manufacturing capacity.

Consequently, multinational corporations face a fragmented landscape impacted by government intervention, competing regulations and shifting strategic alliances.

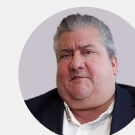
Risk is rarely removed, only relocated

Moving data does not eliminate reliance on cloud infrastructure, reshoring does not end supply chain exposure, and the energy transition replaces dependence on fossil fuels with reliance on critical minerals, grids and water.

These shifts can also concentrate risk in new ways. With organisations relying on the same digital and physical infrastructure, a single disruption can trigger cascading losses across multiple sectors, significantly increasing accumulation risk for both businesses and insurers.

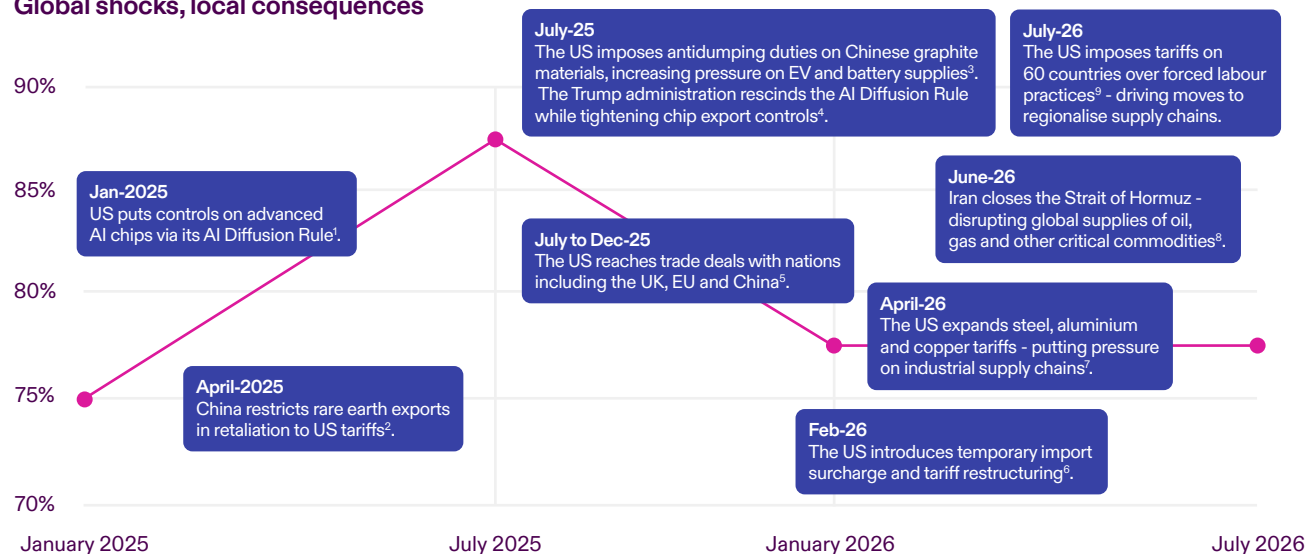
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Geopolitical events can create consequences far beyond the immediate point of conflict. The challenge for organisations is understanding how disruption travels through the networks and dependencies they rely on.”



Alex Hill
Claims Focus Group Leader –
Political and Terrorism Claims, Beazley

Global shocks, local consequences



The percentage of global executives agreeing that due to geopolitical tensions their businesses will make changes to their suppliers and supply chains. Beazley's Risk & Resilience surveys, January and July 2025 and 2026.

Cloud, chips and AI: the new political battlegrounds

As tech and geopolitics converge, the US and China lead the AI race, and India is emerging as a third force¹⁰. AI has become a primary instrument of statecraft, driving national defence and infrastructure. Fearing foreign restrictions, espionage or remote interference, nations are scrutinising the ownership and security of data, chips and cloud architecture across three connected technological layers: hardware, data and architecture.

The hardware layer: Semiconductor production¹¹ and advanced lithography¹² are concentrated among a small number of countries and manufacturing facilities. Disruption at one critical point can impact technology production across multiple industries.

How states are responding: The US CHIPS and Science Act¹³, European Union's proposed Chips Act 2.0¹⁴, as well as programmes across India¹⁵, Japan¹⁶, South Korea¹⁷ and China¹⁸ are designed to boost semiconductor investment and chip manufacturing independence.

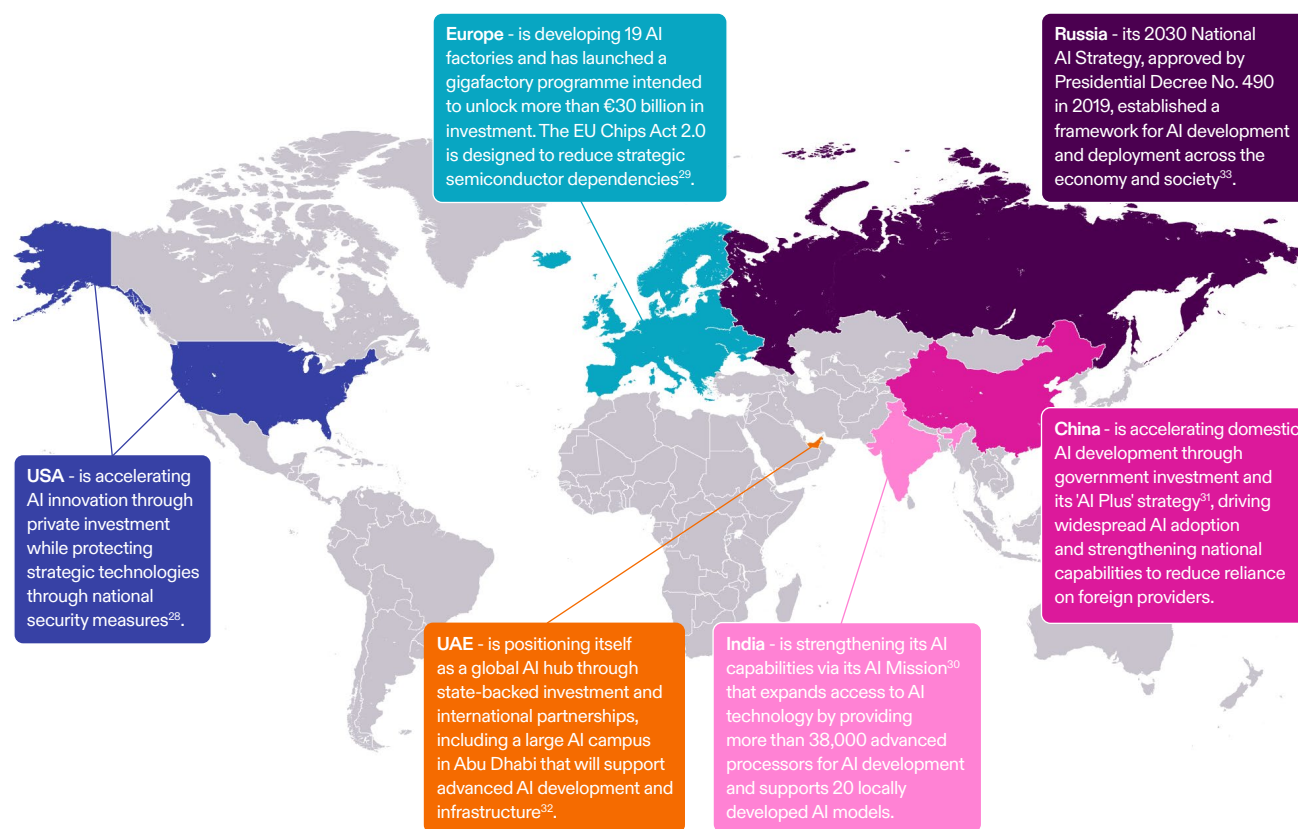
The data layer: Sovereign cloud requirements and data localisation laws give governments greater control over how nationally or commercially sensitive information is stored and accessed¹⁹.

How states are responding: Digital boundaries around critical information have emerged. The US CLOUD Act²⁰ compels US-based cloud providers to provide requested data even if it is stored outside the US, which can create compliance tensions with EU GDPR rules and requirements, depending on the circumstances. Germany²¹ and France²² have developed sovereign cloud infrastructures to secure data sovereignty.

The architectural layer: Dependence on foreign-owned foundational AI models is increasingly viewed as a strategic vulnerability, prompting governments to support domestic models and computing capacity²³.

How states are responding: Nations are investing in domestic AI infrastructure and computing capacity. The EU is funding AI Factories²⁴ and AI Gigafactories²⁵, the US introduced its AI Action Plan²⁶, while the UK's Compute Roadmap²⁷ aims to build national capability and AI leadership.

The global race for AI sovereignty



The cost of fragmentation

Fragmentation in regulations and market access is making global operating models difficult to sustain, forcing multinational businesses to maintain distinct tech, data and compliance arrangements per market.

This friction increases costs, complicates oversight and creates insurance policy gaps. Cyber, technology, property, political risk and business interruption exposures may converge when access to critical digital infrastructure is lost, and businesses should map the underlying providers, locations and components their systems depend on.

When digital lifelines become liabilities

The modern global economy relies on a hidden web of dependencies across GPS and other satellite systems, undersea cables, and payment networks that support telecommunications, logistics, precision agriculture, defence operations, cross-border payments and global trade.

Financial infrastructure is a particularly overlooked vulnerability; if payment flows stop, commercial activity freezes regardless of a company's physical resilience.

As governments now treat these payment platforms as strategic infrastructure, financial connectivity introduces geopolitical exposure.

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We are currently navigating a knowledge gap confronting individuals and organisations regarding the dependence of satellite-driven infrastructure, such as GPS. With the push for more secure or sovereign technology, it's important to understand how access could be disrupted or limited by an accidental or intentional outage.”



Denis Bensoussan
Head of Space, Beazley

New power, new risks

Global volatility has turned energy security into an operational necessity for factories, data centres and other critical operations³⁴. Multinational companies are mitigating this risk via local energy resilience, including microgrids and domestic power purchase agreements (PPAs). In response, the UK's 2026 Energy Resilience Strategy³⁵ accelerates the shift toward decentralised clean energy to reduce exposure to volatile global energy routes and markets.

Green energy infrastructure can create mineral dependencies, while data centres, technology and power facilities face operational and revenue risks from water scarcity and growing local concerns and political pressures over energy and water use.

Hungary's experience this summer highlights the challenge. Low water levels in the Danube threatened the shutdown of the country's only nuclear plant³⁶. Such pressures can heighten community tensions while increasing property, construction, business interruption and liability risks.

“

As AI infrastructure expands, data centres and renewable energy facilities risk becoming symbols of wider social and economic tensions. Where communities feel overlooked and their lifestyles threatened, local opposition can quickly escalate into disruption, protest and civil unrest.”



Chris Parker
Head of Terrorism and
Deadly Weapons Protection, Beazley

The insurance sector is also experiencing a shift in risk profiles. Adapting to unfamiliar technologies and new operating models requires a comprehensive reassessment of assets, hidden supply vulnerabilities and potential systemic losses.

A single chokepoint can disrupt multiple industries

Maritime corridor disruptions, like those in the Strait of Hormuz, have exposed the risks of just-in-time supply chains³⁷, causing cascading logistics failures and costly insurance claims.

To mitigate this risk, businesses are building flexibility through extra inventory, alternative suppliers, multi-port entry strategies and utilising digital supply chain monitoring and routing tools to chart their course. While rerouting avoids chokepoints, it increases transit times, fuel usage and shipping costs. Companies must also ensure that these altered routes, storage locations and supplier changes comply with existing insurance terms and risk disclosures.

Control over minerals equals geopolitical power

As NATO member countries accelerate defence investment, concern is growing over China's dominance of critical raw materials essential to modern military systems. Meeting long-term defence spending commitments and maintaining military readiness depends on secure access to strategic minerals and rare earth elements. The prospect of export restrictions or supply chain disruption has become a major strategic vulnerability for Western defence industries³⁸.

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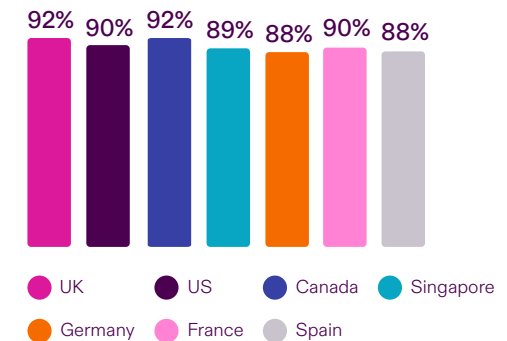
As geopolitics and economics become increasingly intertwined, governments are moving to secure greater control over the resources and technologies that underpin national resilience. Access is becoming a vital question, not simply a commercial one.”



Emily Benson
Head of Strategy,
Minerva Technology Futures, and
Beazley Geopolitical Council Member

The impact of geopolitics and economic uncertainty on growth

Rising geopolitical tensions and economic uncertainty will limit my business' growth plans.



Beazley's Risk & Resilience survey, conducted in July 2026 among 500 executives in each region.

The pursuit of industrial autonomy

Decades of offshoring have left Western economies heavily reliant on foreign manufacturing, exposing firms to export restrictions. Governments are using active industrial policy, including the EU's Economic Security Doctrine³⁹ and US Department of Defense equity stakes in domestic rare earth producers⁴⁰, to protect domestic capabilities.

While relocating production reduces foreign dependence, it introduces new risks regarding construction, unfamiliar regulations and workforce shortages. Insurance plays a crucial role in these transitions, offering risk engineering and loss prevention while absorbing the financial impacts of unforeseen disruptions as new operations mature.

Case study

The power of control: Control the minerals, shape the future

Behind every AI model sits a vast physical infrastructure of data centres, semiconductors, energy systems and networks. All depend on access to critical minerals such as copper, cobalt, graphite and other rare-earth elements⁴¹.

As investment in AI, clean energy and advanced manufacturing grows, control of these resources is becoming a source of economic and geopolitical power.

While organisations and nations race to develop the most advanced technology, these technologies cannot be built or scaled without a stable supply of the critical materials required to build them.

Strategic leverage

China holds a dominant position in several stages of critical-mineral supply chains. It is estimated to control around 70% of the world's critical mineral processing capacity⁴², following more than a decade of sustained strategic investment across the ecosystem⁴³.

Its dominance has been reinforced by export controls introduced in April 2025 and expanded under China's Export Control Law later that year⁴⁴. These restrictions on certain heavy rare-earth exports disrupted manufacturers worldwide, highlighting the breadth of China's power, and showed how access to critical minerals increasingly underpins economic innovation, technological leadership and military capability.

As **Emily Benson, Head of Strategy at Minerva Technology Futures**, explains:

"Governments recognise that supply chain interdependence creates a great tool of leverage for exacting certain political outcomes. The result is a growing focus on technological sovereignty, trusted suppliers and domestic resilience."

Export controls on advanced semiconductors, competition for mineral assets and greater scrutiny of foreign technology are now part of a wider effort to reduce strategic dependence on rival nations.

Governments and investors are also pursuing alternatives, not only by diversifying suppliers, but by developing new materials. One example is CuspAI, a UK-based company that recently launched its AI Materials Foundry, a platform that brings together a global network of data, labs, compute and scientific expertise for the design of new materials for semiconductors, clean energy and advanced manufacturing⁴⁵.

From geopolitics to business risk

What begins as a geopolitical contest over resources can quickly become a business challenge, extending deep into supply chains and exposing organisations to cascading operational and financial shocks.

Restrictions on critical minerals, export controls, sanctions or disruption at key processing hubs could cascade through global value chains affecting everything from production timelines and investment decisions to access to AI and other advanced technologies that nations and organisations increasingly depend on.

As **Emily Benson** notes:

"The challenge is compounded by 'stacked crises', where geopolitical competition, climate pressures, resource constraints and technological transformation occur simultaneously. The concern is that many businesses may not fully understand where critical inputs originate, which suppliers represent concentration risks, or how quickly operations could recover from a disruption."

The resilience challenge

As Henry Kissinger once argued, "Absolute security for one nation means absolute insecurity for all nations." As nations vie for this security, businesses find themselves in the crossfire, courting insecurity through gritted teeth, forced to rebuild their operational defences.

To build greater resilience, businesses need a clearer understanding of their vulnerabilities and dependencies, alongside efforts to diversify suppliers and sourcing routes. This includes the new vulnerabilities and dependencies that come with these efforts.

In a world where access to critical resources increasingly translates into geopolitical and economic influence, resilience may prove just as important as efficiency. Control, ultimately, has become one of the world's most valuable strategic assets.

The global security shift

Beyond cost and efficiency

Cost and efficiency are no longer the sole drivers of business strategy, as security, trade policy and geopolitical rivalry increasingly influence how firms operate, invest and grow.

One bottleneck. Global impact

The closure of a critical maritime corridor has shown how one supply chain chokepoint has cascading consequences across healthcare, technology, energy, manufacturing and food supplies.

Workforce stress creates risk

Employee wellbeing concerns are rising sharply as geopolitical and economic uncertainty place greater strain on workers, increasing the risk of burnout, errors and mental health issues.

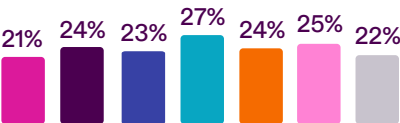
How geopolitical shocks impact supply chains

The assumptions that shaped globalisation for decades are being rewritten. Decisions once governed by cost and efficiency are increasingly shaped by national security priorities, trade policies and strategic rivalry.

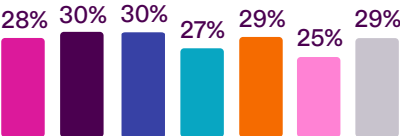
To remain resilient, organisations must identify critical dependencies, understand their exposure to disruption and build the flexibility to respond.

Concern about political risk and economic uncertainty in a multi-polarised world

Political risk



Economic uncertainty



Beazley's Risk & Resilience survey, January 2026.

A chokepoint with global consequences

The issues with the Strait of Hormuz amid escalating US-Iran tensions have exposed the world's reliance on this maritime trade corridor.

The knock-on impact of hidden dependencies

The disruption to critical commodities quickly revealed hidden dependencies across global industries⁴⁶:

Technology, healthcare and defence supply chains	Iran's March 2026 naval blockade and attacks on helium plants, and the resulting production disruption removed approximately one-third of global helium supply in a single day ⁴⁷ , affecting industries ranging from semiconductor and AI chip manufacturing ⁴⁸ to healthcare ⁴⁹ .
Food and agricultural systems	Reduced availability of Middle Eastern exports of urea ⁵⁰ and ammonia ⁵¹ resulted in fertiliser costs increasing, putting strain on agricultural output and potentially inflating food prices.
Energy and industrial production	Naphtha and LNG shortages raised costs across energy intensive industries, disrupting downstream manufacturing of plastics, chemicals and electronics ⁵² .
Advanced manufacturing and clean energy supply chains	Sulphur and aluminium shortages ⁵³ exposed dependencies in industrial chemicals ⁵⁴ , aerospace ⁵⁵ and automotive production ⁵⁶ , raising costs across multiple sectors.
Consumer goods and chemical manufacturing	Methanol and monoethylene glycol (MEG) supply restrictions disrupted global chemical manufacturing ⁵⁷ and retail ⁵⁸ supply chains worldwide.

Digital services have physical dependencies

Both technology products and services often depend on the movement of physical resources. When critical commodities are disrupted, even the most advanced industries can find their operations constrained.

Executives must ensure clear visibility into upstream material dependencies, as geopolitical shocks can freeze production regardless of downstream demand.

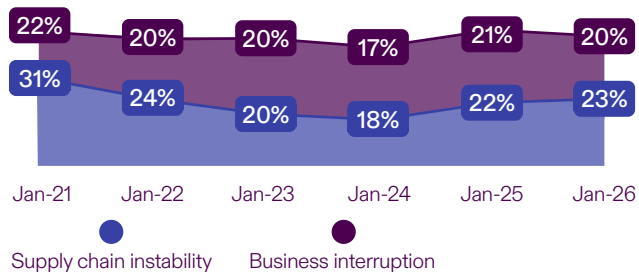
Trading efficiency for flexibility

The traditional supply chain formula of cost, speed and consistency is giving way to a greater focus on optionality, with businesses seeking to diversify:

- Suppliers
- Markets
- Manufacturing locations
- Trade routes

The goal must be to ensure that the failure of one route, region or supplier does not halt an entire operation or economy.

Supply chain instability and business interruption risk concern over time



Beazley's Risk & Resilience surveys, 2021-2026.

“

Supply chain disruption can't be treated as a standalone operational issue. With sanctions and tariffs being used as political leverage, the requirements can change with minimal warning. For manufacturers reliant on global supply, a single policy decision can impact sourcing, compliance, costs and operational continuity.”



Gerard Bloom

Co-Lead Specialty Risks, Beazley

Diversification does not eliminate risk; it moves it

Reliance on the same infrastructure creates concentration risk, even as supply chains are becoming more diverse.

- **Energy markets:** Alternative export routes offer flexibility, but few can replace maritime chokepoints that are critical to oil and gas transportation.
- **Critical minerals:** Mining, refining and manufacturing span different regions. Finding alternative supply offers limited protection if processing remains dependent on one location or country.

- **Manufacturing:** Manufacturers favour geographical diversification over total market withdrawal, as seen in the rise of the 'China+1' strategy⁵⁹, but dependencies will persist; China remains a bottleneck across key production stages and new options bring new challenges.

A disruption affecting any of these dependencies can impact thousands of organisations, generating losses across sectors, regions and insurance classes.

“

Decoupling doesn't necessarily reduce dependency risk; it changes where that risk sits. Businesses must look beyond the immediate supplier and ask what access they would lose if a political event disrupted part of the chain, how long they could continue and whether they have a viable, tested alternative.”



Dr Ahana Datta Fasel

Geopolitical, Technology and Systemic Risk Adviser, and Beazley Geopolitical Council Member

Resilience comes at a cost

Organisations may lengthen supply chains, increase inventory holdings, use multiple suppliers or reroute shipments to reduce reliance on a single region.

While these measures improve continuity, they create operational complexity, additional cost and change an organisation's risk profile.

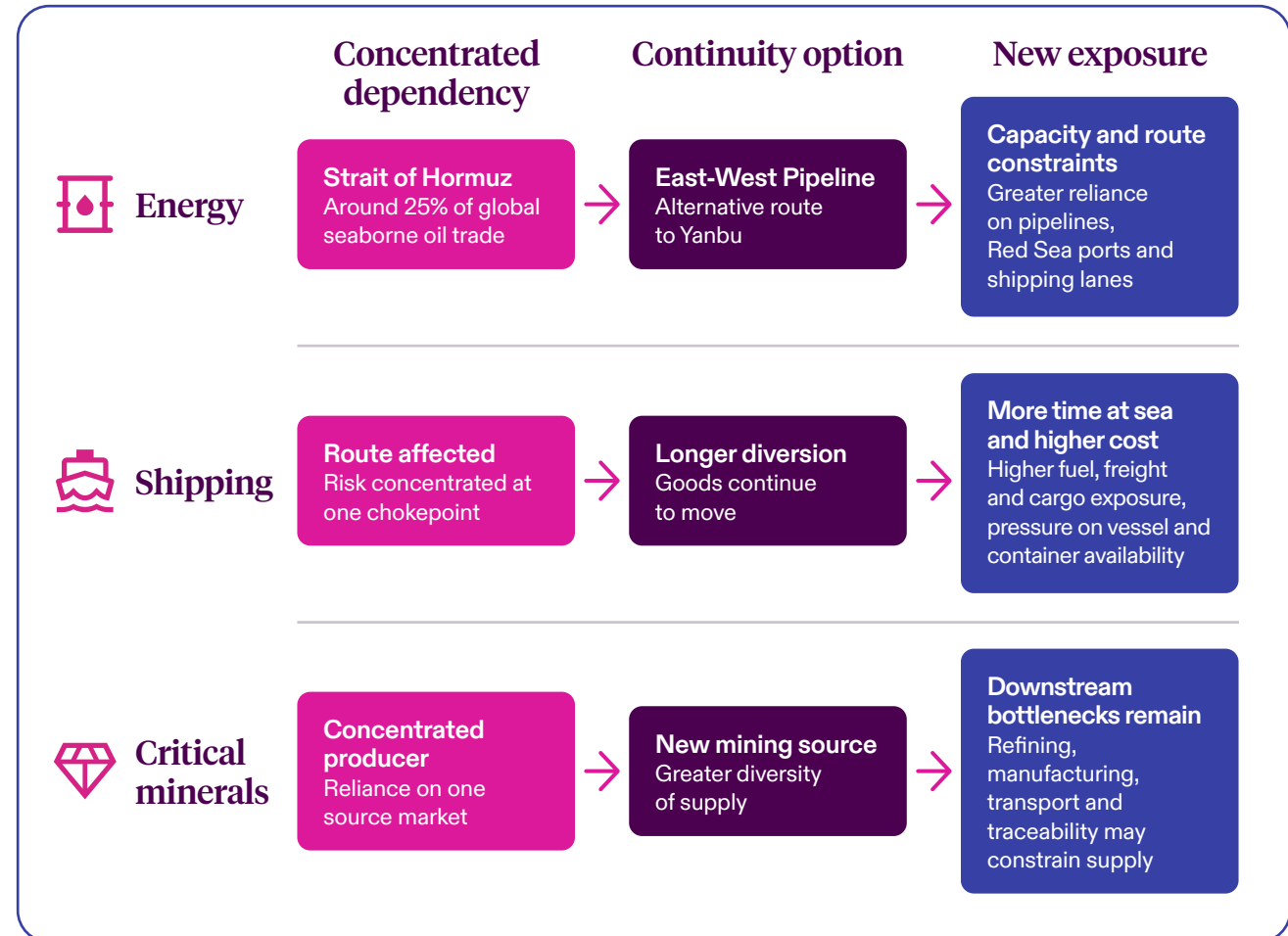
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For marine insurers, a change in route can be as important as a change in the cargo itself. Longer voyages, higher values in transit and new accumulation points can materially alter the exposure. Cover therefore needs to be reviewed as supply chains change, rather than only at renewal.”



Sundeep Khara
Head of Marine, Beazley

Risk is rarely removed, only relocated



Aligning insurance with supply chains

The traditional supply chain formula of cost, speed and consistency is giving way to a greater focus on optionality, with businesses seeking to diversify:

- **Marine cargo cover** must factor in longer transit times, new storage hubs, and changing cargo accumulation limits.
- **Trade credit and political risk insurance** could be needed to protect against supplier default or government expropriation, licence cancellation or embargoes.
- **Sanctions violations** can instantly freeze payments or shipments, while emergency rerouting can accidentally push cargo into uninsured, high-risk territories.
- **Executive liability risk** grows in times of uncertainty, as directors face scrutiny over strategic decisions, risk oversight and organisational resilience, increasing the potential of directors' and officers' liability (D&O) claims.
- **Workforce liability risk** increases, as mental strain and expertise gaps among employees on the front lines of disruption heighten the potential for human error.



▶ Bowler Broadcast

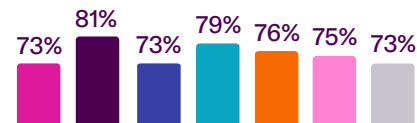
Emily Benson and Mark Geoghegan explore the impact of instability on wellbeing and business resilience.

The workforce effects of persistent disruption

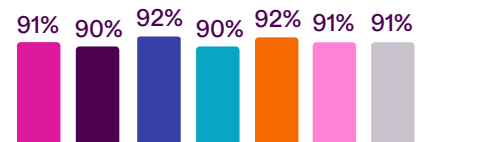
The impact of disruption does not stop at supply chains and critical infrastructure. As organisations adapt to this shifting world, sustained operational pressure, skills shortages and complex decision-making environments can increase the likelihood of human error, liability exposures and workforce-related claims.

Employee concern is increasing across all regions

January 2026



July 2026



Percentage of executives agreeing with this statement.
Beazley's Risk & Resilience surveys, January and July 2026.

From crisis to control

Disruption is now a dogged feature of today's operating environment that businesses are learning to manage at pace. This is reflected in 77% of our surveyed executives planning supplier and supply chain changes over the next 12 months. As their operating models evolve across routes, suppliers and inventory, businesses should regularly reassess their changing risk profiles.

While insurance cannot absorb all direct commercial impacts, it can help manage resulting exposures like cargo losses, business interruption and trade credit and political risk exposures.

Organisations that keep sight of their changing dependencies, test alternative operating models and align their insurance with shifting exposures will be better positioned to survive and adapt when volatility tests their resilience.

“

Most organisations don't have complete visibility of their supply chains. It often takes a major crisis to reveal how deeply connected suppliers, partners and dependencies really are.”

Emily Benson

Head of Strategy, Minerva Technology Futures

Case study

Sitting ducks: Navigating geopolitical risks at sea

When geopolitical tensions rise, so too does the risk to vessels, cargo and crews. Amid mounting geopolitical unpredictability, unfamiliar risks are surfacing beyond the traditional seafaring exposures.

Evolving risks: High-tech warfare on the high seas

For shipping companies, operating in geopolitical hotspots now involves much more than the traditional risks of bad weather, collisions and piracy. Missile strikes, drone attacks, GPS interference and cyber-enabled disruption have become entrenched in the maritime threat landscape. In some cases, vessels have been left unable to proceed safely and with no viable alternatives, effectively becoming sitting ducks.

In response, some vessels are deliberately choosing to switch off their Automatic Identification System (AIS) transponders and 'go dark' to avoid detection. A striking example from August 2026 saw 80% of traffic through the Strait of Hormuz conducting 'dark transits' before reappearing on the other side⁶⁰.

While this strategy of retreating into the shadows may reduce exposure in some situations, it trades visibility for a new set of challenges. Shipowners, cargo owners and insurers can lose sight and tracking of the vessel's movements and location precisely at the time danger and uncertainty are at their highest, making assets harder to monitor, protect and support in the face of disruption.

From data theft to operational sabotage

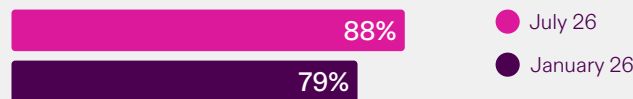
A recent cyber attack on a commercial tanker highlights a troubling evolution in maritime risk. Rather than targeting data, attackers disrupted the vessel's operational technology, triggering a communications blackout and compromising critical onboard systems. By interfering with networks and engine controls, they placed the ship, its cargo and crew in jeopardy. The incident marks a worrying shift in tactics, from information theft to operational sabotage, exposing the vulnerability of ships in international waters to remote, cyber-enabled disruption.

The human toll of maritime strain

The financial consequences of disruption are undeniably significant. Voyages take longer, fuel costs rise and supply chains come under pressure. However, behind the financial impact or damaged assets are the crews on board who are directly exposed to the threats.

Employee concerns rise in transportation firms

Difficulty in accessing talent, retention issues and mental health challenges are a concern for my business.



Percentage of transportation organisations (logistics, cargo and aviation) that agreed this represented a risk concern in Beazley's Risk & Resilience surveys, January and July 2026.

When crew welfare becomes operational risk

Seafarers operating in conflict zones may live with the threat of attack over prolonged periods, seen in the Strait of Hormuz, where some crew members have found themselves stranded on board vessels for months, unable to disembark or continue their journeys⁶¹.

The implications extend beyond employee wellbeing. Stress, fatigue and anxiety can affect judgement and decision-making, increasing operational risks at a time when vessels are navigating highly complex situations. Crew welfare is therefore becoming a risk management issue as much as a people issue.

“Every time there’s a geopolitical incident, for the crew onboard, these situations can be psychologically traumatising. If this is not addressed, the likelihood of human error will increase.”

Sundeep Khera, Head of Marine, Beazley

At the same time, casualty responders attempting to assist crews and vessels also face security threats, making rescue and recovery operations slower, more dangerous and more complex.

As critical waterways become increasingly contested, safeguarding the people who operate in them may prove just as important as the assets themselves.

Visibility and intelligence are as important as physical protection

As geopolitical uncertainty becomes a more permanent feature of global trade, maritime organisations are investing heavily in the kind of resilience that can withstand this type of localised grey-zone conflict⁶².

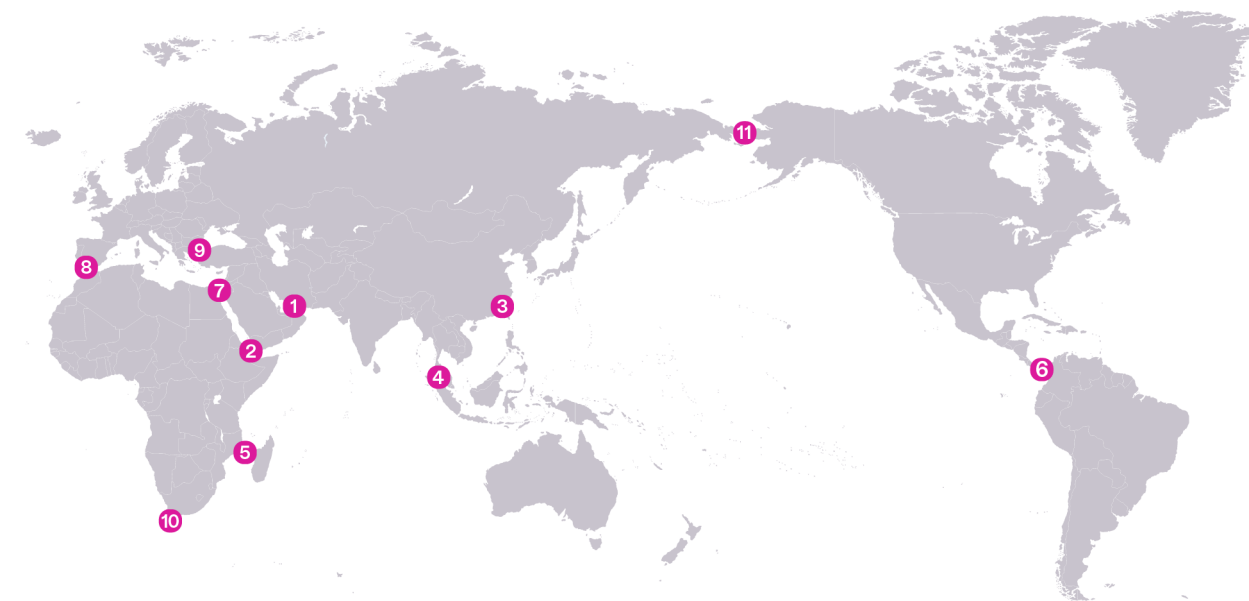
Access to real-time intelligence is becoming increasingly important, particularly amid growing concerns about electronic interference, GPS spoofing and the need to 'go dark'. Shipowners and insurers are seeking better visibility of vessel movements, emerging threats and changing geopolitical conditions to support faster decision-making and safer operations.

One emerging innovation uses satellite-based analysis to identify and track vessels through unique vibration signatures, helping organisations maintain visibility even when conventional⁶³ tracking systems have been switched off.

At the same time, shipowners are increasing investment in crisis-response training and emergency response programmes, recognising that resilience depends as much on people as technology.

Ultimately, maritime organisations must now contend with a new generation of risks that are as much about human judgement and decision-making as they are about emerging technologies and geopolitical threats. Taken together, these measures reflect a fundamental shift in how the maritime sector must manage risk in an increasingly contested operating environment.

Global maritime chokepoints



1. Strait of Hormuz

A critical route for global energy supplies between the Persian Gulf and the Arabian Sea.

2. Bab el-Mandab Strait, the Red Sea

Links the Mediterranean and Indian Oceans and is a key route for global oil, gas and commercial shipping.

3. Taiwan Straits

A strategically critical shipping corridor that carries one-fifth of the world's maritime cargo, in particular semiconductor supply chain materials.

4. Strait of Malacca

A busy and narrow maritime chokepoint, critical to trade between China, India and Southeast Asia.

5. Mozambique Channel

Carries nearly 30% of tanker traffic and a vital alternative route to avoid the Red Sea.

6. Panama Canal

A shortcut between the Atlantic and Pacific Oceans for freight.

7. Suez Canal

Links Europe and Asia, saving cargo ships a week-long diversion around Africa.

8. Strait of Gibraltar

A gateway between the Atlantic Ocean and the Mediterranean Sea for global trade, energy shipments and naval traffic between Europe, Africa and the rest of the world.

9. Turkish Strait

Connects the Black Sea to the Mediterranean, and is key for international trade, energy exports and regional security.

10. The Cape of Good Hope

A crucial alternative to the Suez Canal and other maritime chokepoints when they face disruption.

11. The Northern Sea Route

A new route that could halve the Ningbo–Felixstowe voyage, but introduces ice, infrastructure, environmental and geopolitical risks.

Staying in the game

Challenge assumptions

The rules are being rewritten, strategic assumptions are under strain, and adapting quickly to changing conditions will help keep firms in the game.

Invest when competitors pull back

Resilient organisations do more than absorb shocks. They maintain financial strength, have deep insight into their concentration of risk, and have strategies to invest, trade and grow through uncertainty.

You can't manage what you don't know

Boards need to know which dependencies matter most, how vulnerable they are and how quickly they could be replaced or restored if disruption strikes.



Flexibility to navigate uncertainty and grow

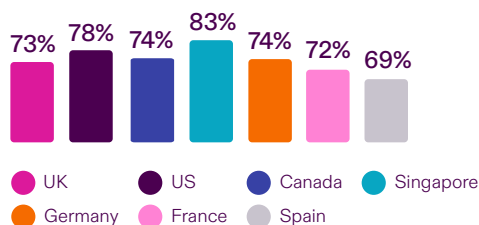
The rules are changing. Long-standing alliances are shifting, new economic and political blocs are emerging, and access to markets, technology, capital, energy and critical resources is being influenced by geopolitical priorities.

At the same time, climate change, AI and cyber threats are continuing to intensify, and regulators are responding with divergent approaches.

Risks that might once have remained isolated can now cascade across operations, financial systems and digital infrastructure. Disruption is no longer an occasional challenge. For many organisations, uncertainty has become their normal operating condition.

Global regulations increase business risk

Regulatory risk concern



The percentage of executives based in these regions agreeing that global regulation complexity and diversity are creating risk for their business, in Beazley's Risk & Resilience survey, January 2026.

Adapt faster, recover faster

Firms need to be able to spot threats earlier, test how disruptions could affect their operations, activate contingency plans quickly and adjust strategy as conditions change. Resilience is becoming less about protection alone and more about maintaining the adaptability to pursue growth despite uncertainty.

Specialist insurers can support these efforts, helping organisations to better understand emerging risks, strengthen preparedness and recover more quickly when disruption occurs.

How can businesses keep moving when everything is changing?

So how can businesses stay in the game when everything around them is changing all at once?

Four developments are shaping this new reality:

- 1. The world is becoming more fragmented:** Globalisation is not reversing but evolving into a more complex and fragmented model that requires organisations to navigate a growing range of operating environments and risks.
- 2. Dependencies are becoming strategic vulnerabilities:** The systems businesses rely on, including energy supplies, cloud infrastructure, payment networks, GPS systems and global shipping routes, are exposed to geopolitical, economic and environmental pressures. What were once efficient business practices can now be a source of disruption and uncertainty when conditions change.

3. Change is accelerating: Technology, energy sources, the climatic conditions, geopolitical treaties and historical alliances are all changing faster than most economies and organisations can adapt to. Long-term planning remains important, but success today increasingly depends on a firm's ability to pivot as and when circumstances alter.

4. Financial fortification is now a competitive advantage: In a more volatile world, organisations need the ability to absorb shocks, invest in supply chain diversification, adopt new technologies and respond quickly to changing conditions. Insurance provides vital financial protection, supporting recovery and giving companies the confidence to invest through uncertainty.

Spot emerging risks before they become disruptions

Organisations can use real-time threat intelligence, trade data and asset tracking to identify emerging risks, from policy changes and supply chain bottlenecks to cyber threats. Embedding this visibility into day-to-day operations enables earlier intervention and faster decision-making.

Plan for disruption, not just continuity

Contingency plans should move beyond broad continuity objectives and provide clear operational responses for specific disruption scenarios, such as the closure of a major shipping route or an export restriction. By identifying alternative suppliers, communications channels and funding arrangements in advance, organisations can respond faster when disruption occurs.

The hidden risks buried across the business

Businesses cannot adapt to what they cannot see. Many organisations still lack a complete picture of the dependencies that underpin their operations. Critical information often sits in silos across procurement, finance, logistics, technology and operational teams, making it hard to understand where concentrations of risk exist.

Bringing these perspectives together enables organisations to better map critical dependencies, identify risks and determine where supply chain disruption would have the greatest operational impact.

Questions every board should ask

When assessing critical dependencies, three questions matter most:

- How important is this dependency to our business operations?
- How vulnerable is it to disruption?
- How quickly could it be restored or replaced if it failed?

The answers to these questions help to prioritise investment, insurance programmes, diversification, contingency planning, procurement, inventory management and business continuity.



Emily Benson and Mark Geoghegan discuss the role of insurance in helping businesses navigate geopolitical uncertainty.

 **Bowler Broadcast**

“

Boards should be asking whether their assumptions still hold. Where are the vulnerabilities across their operations and supply chains? How could AI reshape their business, customers and suppliers? And are they prepared for regulatory requirements and geopolitical conditions that could change rapidly?”

Gerard Bloom

Co-Lead Specialty Risks, Beazley

Insurance: From absorbing shocks to creating advantage

Insurance also provides a vital financial backstop when mitigation measures and contingency plans cannot fully absorb a shock.

Standard commercial policies may exclude losses arising from conflict or state-backed disruption, so organisations should consider targeted specialty cover such as trade credit and political violence insurance. Embedding these policies within a business's continuity planning helps to protect cash flow and provide access to capital needed for recovery when disruption impacts key operations, supplies or investments.

“

Periods of uncertainty shape trade and investment. The organisations that use the tools and advice to succeed are those with the confidence to continue making decisions when conditions become less certain. Political risk and trade credit insurance, for example, help provide the financial stability needed to navigate those moments.”



Roddy Barnett

Head of Political Risk and Trade Credit, Beazley

The challenge

The organisations that succeed in the years ahead will not be those that predict every disruption. They will be those that understand their dependencies, challenge their assumptions and build the flexibility to adapt when disruption occurs.

Insurance cannot eliminate uncertainty, but it can provide the financial confidence to keep investing, trading and growing when conditions change. In a world where disruption has become a feature of business, staying in the game is becoming the ultimate competitive advantage.

Methodology

About the survey

In January and July 2026, we partnered with research firm Opinion Matters to survey 3,500 business leaders and insurance buyers from internationally operating companies based in the UK, US, Canada, Singapore, France, Germany and Spain. The main survey was conducted between 5 and 13 January 2026, and the geopolitical dip survey was conducted between 23 and 30 July 2026.

Participants shared their views on insurers and insurance, as well as their perceptions of risk and resilience across four key categories:

- **Geopolitical & Economic Risks:** Strikes, civil unrest, regulatory changes, economic uncertainty, inflation, war and terrorism.
- **Environmental Risks:** Climate change, catastrophic events, environmental damage, emissions, pandemics and energy transition.
- **Business Risks:** Supply chain instability, business interruption, boardroom risk, crime, reputation, employer liability and ESG compliance.
- **Cyber & Technology Risks:** Disruption threats, technological lag, cybersecurity threats and intellectual property risks

Respondents represented a range of company sizes, from US\$/CA\$/SG\$/£/€ 250,000 to 1 billion or more in annual revenue (currency equivalents), across all surveyed markets.

Each country included a minimum of 50 respondents per industry sector, covering:

- Healthcare & Life Sciences
- Manufacturing, Retail, Wholesale & Food & Beverage
- Real Estate, Commercial Property & Construction
- Hospitality, Entertainment & Leisure (incl. Gaming)
- Financial Institutions & Professional Services
- Energy, Utilities, Mining, Marine & Warehousing
- Public Sector & Education
- Technology, Media & Telecoms
- Transportation, Logistics, Cargo & Aviation

This annual Risk & Resilience survey began in 2021 with 1,000 respondents from the UK and US. It expanded to 2,000 from 2022–2023 with the addition of Canada and Singapore, and then to 3,500 in 2024–2026 with the inclusion of France, Germany and Spain.

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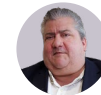
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