

Research and Strategic Foresight

February 4, 2025



Emerging risks: Digital technology and the environment The focus of our concerns

A constantly changing world

The proliferation of inter-connected crises is causing upheaval to our landscape and making risk management more complex. Studying emerging risks is therefore needed if we are to anticipate and better prepare for the future.

CNP Assurances' role as a public insurer comes with its position as a major public financial institution. As such, the company's job is to support our customers in managing their risks and to contribute to the protection of society more broadly.

Each year, CNP Assurances identifies the risks most likely to materialise in the next 10 years. This research is based on:

- Intelligence gathering, forecasting and strategic analyses,
- Discussions with our in-house experts,
- Surveys of a group of specialists.

Improving our understanding of this complexity

There are three key criteria for assessing emerging risks:

- The likelihood of occurrence,
- The scale of potential impact,
- The company's level of preparedness for the risk in question.

This approach makes it possible to prioritise risks and define priorities for action. The research shows all the challenges facing CNP Assurances. It stresses the importance of developing innovative solutions to adapt to an uncertain future. By anticipating risks, we can take appropriate prevention and protection measures, individually and collectively. We are making insurance even more accessible.

What is an emerging risk for CNP Assurances?

Emerging risks include:

- New unknown risks,
- Risks that are already known but changing.

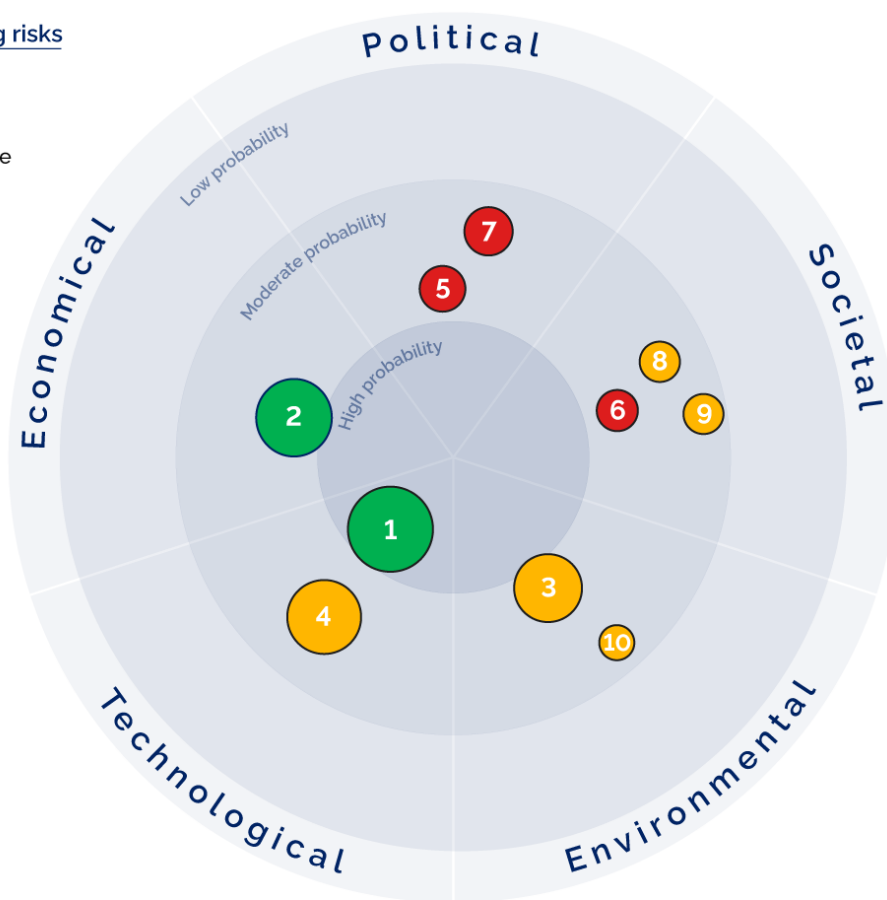
They are characterised by great uncertainty and difficulty in quantifying them, and can lead to significant losses.

2025 trends: key takeaways

Our experts are continuously monitoring emerging risks through forward-looking intelligence gathering. Each year, these risks are classified according to their potential impact and their likelihood of occurrence. For 2025, the overview of identified risks provides a global picture of the challenges that lie ahead.

List of the main emerging risks

1. Digital risk (cyber attacks and AI algorithms)
2. Risk of deterioration in the economic environment
3. Exceptional natural disasters
4. Vulnerability risk for strategic infrastructure
5. International political risk and trust in institutions
6. Risk of inequality and reduced security (in employment, infrastructure)
7. French political risk
8. Risk of deteriorating mental and physical health
9. Health crisis (pandemic, epidemic, tropical virus)
10. Climate transition risk



Legend

Potential impact



Degree of preparedness

low moderate high

Likelihood of occurrence

low high

Digital risk (cyber attacks and artificial intelligence algorithms) remains in first place¹²³.

Strict regulations are being drafted to reduce some of this risk. They aim to regulate the use of algorithms and artificial intelligence (AI) in data management. For example, the AI Act in Europe⁴ and SB 1047 in California⁵ are major initiatives in this area.

However, it is estimated that ransomware costs will exceed \$265 billion by 2031⁶.

In 2024, significant political and geopolitical events raised concerns about their impact on the economy. The **risk of deterioration in the economic environment** was ranked second among emerging risks. Fears of deterioration in financial aspects, directly affecting companies in the sector, are pervasive. This situation worsens given the interdependence with other risks, such as inequality and lower economic security. These factors could make access to insurance services more difficult and increase the risk of fraud.

The risk of exceptional natural disasters remains in third place, as was the case last year.

Climate events continue to seriously affect our planet: the cyclone season has devastated North America and Asia, and Europe has suffered numerous floods, particularly in Germany, France and Spain.

These phenomena illustrate the growing impact of global warming on the intensity and frequency of natural disasters, driving insurers to adapt.

The examination of emerging risks is based on monitoring relevant documents and cross-disciplinary analyses. This process involves teams from the Group Risk Department and the Strategic Research and Outlook Department. They collect and cross-check risk trends from all company departments.

The 2025 ranking was established by a representative group of experts from various company departments and CNP Assurances executives. They selected and assessed 17 emerging risks according to three criteria on a scale of 1 to 5:

- The likelihood of occurrence within 5 to 10 years,
- The scale of potential impact,
- The company's level of preparedness.

¹ ["IA Act : comment se conformer à la nouvelle loi européenne sur l'IA ?"](#), Big média, 02/10/2024

² Corine Lesnes, ["En Californie, bataille sur la réglementation de l'IA"](#), Le Monde, 17/11/2024

³ Calif Sausalito, ["Global Ransomware Damage Costs Predicted To Exceed \\$265 Billion By 2031"](#), Cybercrime Magazine, 07/07/2023

⁴ ["IA Act : comment se conformer à la nouvelle loi européenne sur l'IA ?"](#), Big média, 02/10/2024

⁵ Corine Lesnes, ["En Californie, bataille sur la réglementation de l'IA"](#), Le Monde, 17/11/2024

⁶ Calif Sausalito, ["Global Ransomware Damage Costs Predicted To Exceed \\$265 Billion By 2031"](#), Cybercrime Magazine, 07/07/2023

In the second part, our detailed analysis focuses on five risks: three emerging risks in the top 5 for 2024, and two risks that are gaining momentum.

After defining them, we study their projected changes over 5-10 years and their impacts on the company and on CNP Assurances.

Lastly, we specify the main measures put in place by the company to anticipate and limit the impacts of these risks.

Digital risk: cyber attacks and AI algorithms

Digital risk takes the form of attacks on and malfunctions in IT systems. It also creates ethical issues related to the use of AI.

Cyber attacks can cripple computer systems and cost affected businesses billions of dollars.⁷ According to a Cisco survey⁸, 9% of companies in Europe believe they are ready to deal with cybersecurity risk. Similarly, around the world, only 15% of companies consider themselves mature in this area⁹.

AI systems increase this risk. In addition, their environmental footprint is significant, owing in particular to electricity¹⁰ and water¹¹ consumed and the electronic waste generated¹². These technologies can put lives at risk, cause accidents, lead to discrimination, and affect mental health¹³.

The development of technological infrastructures is working in favour of integrating digital technology into uses. Digital risks will increase in the next 5 to 10 years with this trend towards the digitalisation of society.

At the same time, emerging technologies, such as quantum computing and AI, will create new threats to the security of systems, including financial systems. Geopolitical tensions could also fuel this development by strengthening the digital arsenal.

The main impacts on CNP Assurances

Firstly, an increase in claims and payouts could be seen, in particular for the cybersecurity insurance offered by CNP Assurances.

Moreover, cyber attacks can disrupt the company's operations and undermine its proper functioning. For example, they can:

- Cause loss of revenue if systems fail,
- Harm the company's image,
- Lead to regulatory sanctions including in the event of attacks targeting customer data or data on the use of results. Such attacks could adversely affect the company's earnings, solvency and investment portfolio.

Measures and initiatives implemented by CNP Assurances

Data protection lies at the heart of IT security strategy. The Group has implemented an IT security policy, combining technical, human and organisational measures. Each year, preventive measures are taken to strengthen our protection against digital risk, such as:

- Mandatory training,
- Awareness campaigns,
- Phishing tests to measure individual progress,
- Anonymization of data,
- Improving workstation security,
- Strengthening the access controls for protected networks.

Group cybersecurity governance oversees the strategy and management of cybersecurity risks. CNP Assurances' risk management policy includes information systems risk, monitored at the highest level.

In 2020, the Group defined AI guidelines and governance to manage the associated operational and ethical risks. This governance places people and ethical conduct at the heart of every AI project. CNP Assurances has an AI ethics policy that protects policyholders' data and privacy by guaranteeing the trustworthiness of algorithms and their impacts. In 2023, it obtained the ADEL-AI Act label (from GoodAlgo) for the ethical quality of its AI service platforms.

⁷ Fabio Natalucci, Mahvash S. Qureshi, Felix Suntheim, ["Rising Cyber Threats Pose Serious Concerns for Financial Stability"](#), IMF, 09/04/2024

⁸ US IT company specialising in network hardware and servers

⁹ ["Les entreprises européennes ne sont pas préparées à se défendre contre les cybermenaces"](#), Euronews, 28/04/2023

¹⁰ ["Gartner Predicts Power Shortages Will Restrict 40% of AI Data Centers By 2027"](#), Gartner, 12/11/2024.

¹¹ Kevin Okemwa, ["OpenAI CEO Sam Altman admitted GPT-4 'kind of sucks,' and now we learn the AI model consumes up to 3 water bottles to generate just 100 words"](#), Windows Central, 20/10/2024

¹² Russell McLendon, ["Scientists Predict AI to Generate Millions of Tons of E-Waste"](#), 08/11/2024

¹³ David M. Douglas, Justine Lacey, David Howard, ["Ethical risk for AI"](#)

Risk of exceptional natural disasters: a growing issue

Background and changes in climate risks

The larger number of extreme weather events, such as hurricanes and floods, is increasing the associated risks. In response, insurers have had to comply with stricter regulations on climate risk coverage, and reinsurance costs for natural disasters have also increased.

Summer 2024 was the warmest on record, with an average temperature 1.5°C above the threshold set by the Paris Agreement¹⁴. In California, this led to prolonged droughts and an increased fire risk, one that in fact materialised in early 2025. The ferocity of the fires killed more than 20 people and forced 100,000 residents to move¹⁵, prompting insurers to withdraw from the area¹⁶. Within 5 to 10 years, such extreme heat episodes will multiply with several years likely to exceed the threshold of +1.5°C.

The main impacts on CNP Assurances

The IPCC¹ has identified eight health risks amplified by global warming, including an increase in unusual disasters and extreme heat. A higher average temperature would lead to more frequent and intense heat waves that could cause fatalities, and increase the vulnerability of people in Europe and in overseas territories where CNP Assurance operates. CNP Assurances is directly affected by these risks, as it covers people through borrower insurance, and life and income protection insurance.

Rising temperatures also result in increased rainfall intensity, causing exceptional flooding. These floods can cause significant loss of life and damage to buildings and businesses. High levels of urban development and utilities networks are making such damage worse. The most exposed populations are often the most vulnerable, poorly prepared and uninsured. This is the case of Mayotte, which was hit by Cyclone Chido, which caused 39 reported deaths and more than 5,600 injured¹⁷.

The increased frequency and intensity of natural disasters could weaken CNP Assurances' financial health, including through financial investments made in companies that would be directly affected.

Measures and initiatives implemented by CNP Assurances

The risk management policies of CNP Assurances and those of its subsidiaries incorporate the risk of exceptional natural disasters. This risk is covered by technical, operational and sustainability risks, including those relating to physical climate risks.

These risks are mapped and assessed across different scopes and following different approaches:

- Analysis of the effects of future climate events on real estate investments and companies,
- Climate stress test simulating the effect of natural disasters on internal operations, the insurance business, and investments, using adjusted climate indices,
- Regular audits of the loss ratio in the risk management system.

Actions have been taken to reduce the impact of these events on the Group. This includes plans to adapt the real estate assets held, and reinsurance programmes against the risks of excess mortality and natural disasters. CNP Assurances also benefits from the natural disaster compensation scheme in France.

CNP Assurances assesses the physical climate risk strategies of the companies in which it invests and enters dialogue with those that lack sufficient measures. Lastly, business continuity plans ensure that the Group's operations are maintained in the event of exceptional natural events.

¹⁴ Audrey Garric, *"L'été 2024 est le plus chaud jamais enregistré dans le monde"*, Le Monde, 06/09/2024

¹⁵ Corine Lesnes, *"A Los Angeles, « tout sens de la normalité a disparu » avec les incendies"*, Le Monde, 13/01/2025

¹⁶ Arnaud Leparmentier, *"Incendies à Los Angeles : comment la Californie est devenue inassurable"*, Le Monde, 13/01/2025

¹⁷ Anne Le Gall, *"Trois semaines après le passage du cyclone, quel bilan environnemental des dégâts à Mayotte ?"*, Le Monde, 07/01/2025

International political risk and crisis of confidence in institutions

International political risk can destabilise a country's political situation. It can also reduce citizens' trust in national institutions or international organisations such as NATO and the UN.

Political instability in 2024 manifested itself in several ways:

- The large number of national elections meant that 40% of the world's population were voting¹⁸, which destabilises the apparatus of state.
- Armed conflicts, such as the war in Ukraine and armed conflicts in the Middle East¹⁹,
- Rising trade tensions between the US, China and Europe,
- The dissolution of governments, as in France and Germany,
- The collapse of governments, such as in Syria.

These tensions come in addition to other crises, such as Covid pandemics, the economic crisis, inflation, and rising inequality. They intensify the polarisation of society, with the rise of extremist politics in Europe²⁰, the US²¹ and India²². Trust in institutions continues to decline²³, threatening the stability of nation states and the effectiveness of their actions. Recent election results, including in the United States and France, are fuelling uncertainty about international politics and institutions.

The main impacts on CNP Assurances

This situation may affect CNP Assurances' investment portfolio in a number of ways:

- Lower growth prospects.
- Capital destruction in the event of significant social tension.
- A higher risk premium on European market assets and bonds, including as a result of political uncertainties (such as the rise in extremist politics).

Political risks can also:

- Cause sharp declines in asset values,
- Aggravate credit, currency, liquidity and redemption risks.

Lastly, CNP Assurances has an international presence and a business model based on partnerships. Instability in the countries where it operates and loss of trust are consequently a direct threat to its activities. This makes it difficult to achieve its objectives and to engage with its global partners.

Measures and initiatives implemented by CNP Assurances

Credit, foreign exchange, liquidity and redemption risks are identified in the Group's risk management process. They undergo sensitivity analyses and stress tests to assess their impact on the Group's solvency. The unfavourable contingency factors taken into account combine to add stress to the main financial, technical and operational risk factors to which the Group is exposed.

To avoid investment exposure to the most unstable countries, the investment policy sets a framework for countries, limits based on their economic health, and our assessments of the long-term risk. In this regard, it stipulates the exclusion of more than 170 countries for reasons of fiscal opacity, corruption, or failure to respect democracy and freedom.

The Group's subsidiaries in France and internationally apply a risk management system that is consistent with the Group's strategic guidelines. Regular reports and specific committees serve to monitor and manage the subsidiaries' risks. CNP Assurances also assesses the level of risk associated with each country by making use of external ratings.

¹⁸ ["Political Risk Report"](#), Marsh, 2024

¹⁹ Siri Aas Rustad, ["Conflict Trends: A Global Overview, 1946–2023"](#) PRIO Paper, 2024

²⁰ Georgios Samaras, ["What a second Trump presidency would mean for the far-right European"](#), King's College London, 31/10/2024

²¹ [Quantifying the rise of America's far right](#), The Economist, 25/04/2024

²² Mukul Kesavan, ["India is witnessing the slow-motion rise of fascism"](#), The Guardian, 08/09/2024

²³ ["OECD Survey on Drivers of Trust in Public Institutions – 2024 Results"](#), OECD, 10/07/2024

Risk of deteriorating mental and physical health

Health is a holistic physical, mental and social well-being that does not simply amount to the absence of disease²⁴. Factors harming health can have a direct effect on the economy. For example, an increase in absence rates, which is mainly a result of musculoskeletal disorders, common illnesses, and mental health issues, will directly impact the companies concerned. Between 2020 and 2023²⁵, long-term sick leave increased by 18%. This trend has persisted after the Covid crisis, when mental health in France deteriorated²⁶.

Environmental risks are having an increasing impact on health. They become decisive factors, even overtaking behavioural factors such as lifestyle, and biological factors such as ageing. These risks include:

- Pollution,
- Global warming,
- Food-related risks, and growing anxiety about the aggregate effect of these risks.

Over the next 5-10 years, environmental factors will continue to exacerbate health problems²⁷.

The main impacts on CNP Assurances

The risk of deteriorating physical and mental health could increase claims, such as sick leave allowances and reimbursement of healthcare costs, which would affect the company's bottom line.

Health problems could result in significant healthcare costs that would reduce payments or limit policy enrolments owing to the reduced purchasing power of those customers affected.

The company could be directly affected by an increase in the absence rate of its own employees, which would adversely affect performance of routine activities and would have an impact on its profits.

Measures and initiatives implemented by CNP Assurances

As a responsible insurer, CNP Assurances is committed to offering protection solutions accessible to all, including the most vulnerable populations. Innovative solutions are proposed to push back the boundaries of insurability, such as the "right to be forgotten" for women who have had breast cancer. CNP Assurances offers micro-insurance products in Latin America for vulnerable populations.

For its own employees, CNP Assurances has signed a three-year agreement on quality of life and working conditions, and has set up an independent occupational health and safety department. This department manages medical emergencies for employees and participates in the management of physical and psychosocial risks. It may make use of occupational psychologists as part of its prevention role.

The corporate foundation run by CNP Assurances has created partnerships to improve the health of young people. For example:

- Working with the Coop-Addict programme to help young people manage addictions,
- The partnership with the Ecolhuma non-profit, which aims to help teachers prevent stress in secondary school students,
- Support for community grocery stores for students in difficulty, as well as specific actions aimed at improving student well-being, e.g. first aid for mental health, or sports and health breaks.

²⁴ ["Prendre en compte la santé des mineurs/jeunes majeurs dans le cadre des établissements/services de la protection de l'enfance et/ou mettant en oeuvre des mesures éducatives"](#), Haute Autorité de Santé, 2018

²⁵ ["Baromètre Absentéisme 2023"](#), le Comptoir Malakoff Humanis,

²⁶ ["Santé mentale et psychiatrie : Mise en oeuvre de la feuille de route"](#), French Ministry of Labour, Health and Solidarity, 2024

²⁷ Quentin Bisalli, François Bourse, Marie Ségur, ["Forum prospectif Santé 2040"](#), Futuribles, 2024

Risks of energy and raw materials shortages

The risk of energy and raw material shortages is reflected in limits on the quantities available or increases in their prices.

This risk threatens the development of society and the economy at all levels: for countries, industries, companies, non-profits, individuals, etc.

The ecological transition²⁸ and increasing digitalisation, particularly with AI²⁹, will increase energy and raw material consumption³⁰, aggravating this already-present risk. To meet demand, France needs to double its renewable electricity generation by 2035³¹ and maintain the use of nuclear power.

Shortages can have a significant impact on:

- Energy prices,
- Raw materials prices,
- Supply chains for economic stakeholders.

This will affect industry competitiveness, as seen by German companies whose bills have doubled since the war in Ukraine³². Moreover, nearly 100 million households worldwide are at risk of falling into extreme poverty³³.

Over the next 5-10 years, demand for energy and raw materials will increase, but supply will remain limited. Firstly, monopolies artificially restrict supply: for example, Europe depends entirely on China for the rare earth elements³⁴ used in the electronics and automotive industries. Secondly, depletion of mineral deposits makes extraction more expensive and increases the environmental impact³⁵. These phenomena create the risk of scarcity of resources essential to the economy and the ecological transition³⁶.

The main impacts on CNP Assurances

Organisations' and individuals' financial ability to take out insurance policies will be affected. Shortages could also increase the likelihood of claims in vulnerable sectors and lead to higher prices for businesses and consumers. For example, lay-offs at companies affected by shortages could increase the cost of borrower insurance. Reconstruction costs could also be higher if materials are more expensive or experiencing a shortage.

Rising raw material and energy prices will impact companies. They could reduce the profitability of CNP Assurances' investments and increase their volatility. More marginally, higher prices could impact the company's own operations, or its physical and digital infrastructure.

Measures and initiatives implemented by CNP Assurances

CNP Assurances has implemented an energy efficiency policy within its operations. Its head office, in a building that complies with the latest environmental standards, makes it possible to minimise energy consumption. The building has 2,000 m² of photovoltaic panels for self-consumption, and uses the eco-district's heating and cooling networks.

On the IT equipment side, all new workstations are Energy Star³⁷ certified and EPEAT³⁸ registered. Virtualisation of servers, storage systems and networks increases the information system's efficiency and makes lower resource consumption possible. The environmental impact is taken into account directly when designing and using AI tools, and the Group measures the carbon footprint of its AI services in conjunction with the start-up Fruggr.

In its investments, CNP Assurances is reducing its dependency on fossil fuels. Investments in companies with significant business dealings in coal, oil or fossil gas are excluded, whether conventional or otherwise. Conversely, investments in the

²⁸ Perrine Mouterde, *"Comment nous devons transformer radicalement notre système énergétique"*, Le Monde, 22/11/2024

²⁹ *"Gartner Predicts Power Shortages Will Restrict 40% of AI Data Centers By 2027"*, Gartner, 12/11/2024.

³⁰ *"Métaux et terres rares : la face cachée de la transition énergétique"*, Techniques de l'ingénieur, January 2018

³¹ Sharon Wajsbrot, *"Electricité : des besoins bien plus massifs que prévu"*, 07/06/2023

³² Carlo Martuscelli, Victor Jack, Lucia Mackenzie, *"Europe's new normal: High energy bills, fading industry and one chance to fix it"*

³³ *(Burden of the global energy price crisis on households, 2023)*

³⁴ Nathalie Pajon-Perrault, *"Les Terres rares"*, Institut Français de l'Éducation, 21/06/2024

³⁵ Servane Duquenois, *"Métaux rares : On ment aux jeunes générations"*, L'ADN, 25/07/2022

³⁶ *"Stratégie Nationale Bas-Carbone sous contrainte de ressources"*, Institut National de l'Économie Circulaire, 2024

³⁷ <https://www.energystar.gov/>

³⁸ <https://www.epeat.net/>

most sustainable companies are given priority, including in terms of resource management and their contribution to the energy transition.

Lastly, CNP Assurances has committed to reach €30 billion in green investments by the end of 2025 to support the energy transition.

Protect the environment. Only print this document if necessary

Photo credit first page : Getty Images / Maskot