

Parametric Insurance Market to Hit USD 7.64B by 2031 as Satellite and IoT Integration Grows, Says Mordor Intelligence

Global Parametric Insurance Market is projected to grow at a 13.69% CAGR from 2026 to 2031, with Asia-Pacific holding the largest market share in 2025.

HYDERABAD, TELANGANA, INDIA, August 12, 2026 /EINPresswire.com/ -- According to Mordor Intelligence, the [parametric insurance market size](#) is expected to grow from USD 3.48 billion in 2025 to USD 4.02 billion in 2026, reaching USD 7.64 billion by 2031 at a 13.69% CAGR during 2026–2031. Rising demand for quick and predictable financial support after predefined events is strengthening the use of parametric coverage. The growing integration of satellite data, IoT sensors, and remote sensing is improving the measurement of weather and climate-related triggers, helping insurers design more precise policies and automate payouts. These technologies are also supporting the expansion of parametric solutions across agriculture, natural catastrophe, infrastructure, and other risk-sensitive applications.

Parametric Insurance Market Growth Drivers

Faster Access to Funds Strengthens Corporate Demand

Corporate buyers are increasingly looking for insurance solutions that provide quick and predictable financial support after a predefined event occurs. Unlike traditional claims processes, parametric coverage can release funds once an agreed trigger is verified, helping businesses manage liquidity needs with greater certainty. This focus on payout speed, financial flexibility, and easier risk management is encouraging more companies to consider parametric insurance as part of their broader risk-financing strategies.

Increasing Climate-Related Risks Support Market Growth

The rising frequency and severity of climate-related events are creating stronger demand for parametric insurance solutions. Floods, wildfires, storms, and other natural hazards can leave businesses and communities facing significant financial pressure, while traditional claims processes may take time to assess losses. Parametric insurance offers an alternative by providing pre-agreed payouts when specific event triggers are reached, helping policyholders access funds more quickly. As climate risks become harder to predict and coverage gaps remain a concern, insurers are increasingly using parametric structures to address liquidity needs across

different regions and perils.

Growing Use of Index-Based Agricultural Coverage

Agriculture remains an important area for the growth of parametric insurance, particularly in markets where smallholder farmers have limited access to traditional insurance services. Index-based products can use indicators such as rainfall, soil moisture, vegetation conditions, and crop yields to determine payouts, reducing the need for lengthy field assessments. The use of remote data also makes it easier to design standardized coverage across farming regions. As regulators and insurers increasingly support these solutions, agricultural parametric insurance is creating new opportunities to expand protection among underserved farming communities.

Parametric Insurance Market Recent Industry Developments

June 2026: Liberty Mutual Reinsurance and ICEYE launched a parametric wildfire insurance solution using high-resolution satellite data. The product is designed to provide faster payouts when predefined wildfire conditions are met, highlighting the growing role of satellite-based data in parametric insurance.

June 2026, Swiss Re announced the establishment of a Parametric Centre within its reinsurance business. The centre is intended to provide a dedicated entry point for discussions around parametric structures across different markets and perils, indicating a stronger institutional focus on parametric reinsurance.

Parametric Insurance Market Segmentation Analysis

By Parametric Trigger

Weather & Climate Index

Catastrophe / NatCat Index

Other Index-Based Triggers

By Distribution Channel

Direct Sales

Brokers & Intermediaries

Digital / Online Platforms & Aggregators

Other Channels

By Industry Vertical

Agriculture, Livestock & Fisheries

Energy & Utilities

Construction, Infrastructure & Real Estate

Manufacturing & Supply Chain / Logistics

Transportation & Aviation

Government & Public Services

Other Industry Verticals

“Parametric insurance is gaining relevance as businesses seek faster, more predictable risk financing. Mordor Intelligence supports this view through structured market analysis, consistent data review, and established research practices that provide a dependable basis for evaluating market developments.” Says, Jayveer V, Senior Research Manager, Mordor Intelligence.

Parametric Insurance Market Regional Insights

North America and Europe continue to be important markets, driven by corporate demand for faster financial protection against wildfires, hurricanes, floods, and other catastrophe risks. Greater regulatory clarity, expanding reinsurance capacity, and increasing participation from insurers and brokers are supporting the development of new parametric products.

Asia-Pacific remains a key region in the parametric insurance market, supported by high exposure to natural disasters, large agricultural communities, and growing government support for index-based insurance. Expanding applications across agriculture, weather, and catastrophe risks are creating opportunities for insurers to extend coverage across underserved markets.

The Middle East and Africa are emerging as attractive growth markets as protection gaps, sovereign risk programs, and developing insurance infrastructure create demand for alternative risk-transfer solutions. Meanwhile, South America is gradually gaining traction through

regulatory progress and growing applications in agriculture, climate risks, and other areas where traditional insurance coverage remains limited.

The Parametric Insurance Market report is also available in the following languages:

Japanese: https://www.mordorintelligence.com/ja/industry-reports/parametric-insurance-market?utm_source=einpr

French: https://www.mordorintelligence.com/fr/industry-reports/parametric-insurance-market?utm_source=einpr

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Portuguese: https://www.mordorintelligence.com/pt/industry-reports/parametric-insurance-market?utm_source=einpr

Parametric Insurance Industry Competitive Landscape

The report describes the competitive landscape of the parametric insurance market as fragmented, with global reinsurers, major brokers, Lloyd's syndicates, and specialist insurtech firms competing across different areas. While large players provide capacity and distribution strength, specialist firms are differentiating through data capabilities, product design, and customized trigger structures.

Parametric Insurance Market Key Companies:

Allianz SE

AXA SA

Berkshire Hathaway Inc.

Chubb Limited

Munich Reinsurance Company

Swiss Reinsurance Company Ltd.

Zurich Insurance Group Ltd.

Hannover Rück SE

SCOR SE

QBE Insurance Group Limited

Discover the latest trends, growth opportunities, and competitive developments in the Parametric Insurance Market: https://www.mordorintelligence.com/industry-reports/parametric-insurance-market?utm_source=einpr

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Reinsurance Market Size: The Reinsurance Market is projected to expand from USD 477.69 billion in 2025 to USD 508.02 billion in 2026, reaching USD 691.13 billion by 2031 at a 6.35% CAGR during 2026–2031. Rising catastrophe-related risks and favorable pricing conditions are increasing demand for reinsurance capacity, as primary insurers seek stronger financial protection and risk-sharing solutions across established and emerging markets.

Microinsurance Market Share: The Global Microinsurance Market is segmented by model type (Partner-Agent Model and Full-Service Model), product type (Life, Health & Hospital Cash, Property & Crop, and others), distribution channel (Direct Sales, Financial Institutions & MFIs, and Digital), provider (Commercial, Cooperative & Mutual Insurers, and Aid-/Government-supported Schemes), and geography. Market forecasts are presented in value terms (USD).

https://www.mordorintelligence.com/industry-reports/micro-insurance-market?utm_source=einpr

Insurtech Market Growth: The Insurtech Market features a moderately fragmented competitive landscape, with leading players holding a relatively limited combined share. Competition spans three main groups: established insurers modernizing legacy systems, digital-first insurers focused on rapid product development, and technology providers offering cloud, SaaS, and AI solutions to support insurance transformation.

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Mordor Intelligence is a trusted partner for businesses seeking comprehensive and actionable market intelligence. Our global reach, expert team, and tailored solutions empower organizations and individuals to make informed decisions, navigate complex markets, and achieve their strategic goals.□□

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With a team of over 550 domain experts and on-ground specialists spanning 150+ countries, Mordor Intelligence possesses a unique understanding of the global business landscape. This

expertise translates into comprehensive syndicated and custom research reports covering a wide spectrum of industries, including aerospace & defense, agriculture, animal nutrition and wellness, automation, automotive, chemicals & materials, consumer goods & services, electronics, energy & power, financial services, food & beverages, healthcare, hospitality & tourism, information & communications technology, investment opportunities, and logistics.□

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