KEY POINTS

The Coming GLP-1 Shift A Two-Speed Transformation for Global Health Insurers

The expiry of semaglutide patents across emerging markets in 2026 marks the start of a global shift in access to in demand obesity and diabetes treatments. The impact is already being felt at scale in India, while Canada has become an early developed-market exception following approval of generic semaglutide. This is the first phase of a broader transformation that will reach most other developed markets in the early 2030s.

For insurers, this creates a two-speed dynamic rather than a simple emerging-versus-developed divide. Rapid expansion in access and utilisation is underway in emerging markets and Canada, while most other developed markets remain insulated. When patents expire across Europe, the United States and Australasia in the early 2030s, insurers are likely to face a step change in demand, utilisation and cost exposure.

What is changing globally

Patent expiry in India, China and Brazil, together with generic approvals in Canada, will enable lower-cost semaglutide production and wider access. Demand could be substantial because GLP-1 therapies target obesity and type 2 diabetes, both highly prevalent and historically under-treated conditions.

Most developed markets remain protected in the near term by patents and local approval requirements. Canada is a notable exception. The United States has announced tariffs on imported generic medicines of 100% from August 2028 and 200% from August 2029. Although not semaglutide-specific, these could add a further barrier if generic products are approved for import. No comparable recent measures have been identified elsewhere, where pharmaceutical tariffs are generally low or zero. Access and utilisation will therefore diverge for several years.

This creates a fragmented market moving towards wider access through different patent, regulatory and trade-policy pathways.

Implications for health insurers in emerging markets

Rapid expansion in utilisation
Lower-cost generics will drive a sharp increase in uptake. Insurers will see a rapid expansion in treated populations, including many patients previously priced out of access.

Short-term cost pressure
Higher utilisation will increase pharmaceutical spend as new patients begin treatment. This is likely to create immediate pressure on claims costs.

Long-term outcomes uncertain
Improved management of obesity and diabetes may reduce complications over time. However, benefits are uncertain and depend on sustained adherence and effective care pathways.

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Clinical and regulatory risk

Faster access increases risks around misuse, inappropriate prescribing and inconsistent monitoring. Variation in manufacturing standards may also raise quality concerns. Overall, insurers face a more volatile and complex claims environment.

Implications for health insurers in developed markets

Limited short-term impact

Most developed-market insurers will see little immediate benefit from falling global prices. Patent and regulatory barriers will continue to limit access to generic therapies and maintain current cost pressures. Canada may offer an early view of how a developed insurance market responds to lower-cost semaglutide.

Earlier-access markets as a forward signal

Developments in emerging markets and Canada provide a real-time view of future demand, including how utilisation scales and patients engage with treatment. This acts as a live test environment for future cost and demand patterns.

Risk of a demand shock

When patents expire in the early 2030s, lower prices and high unmet need could drive rapid and widespread uptake, particularly for obesity treatment. Demand may extend beyond traditional clinical groups into broader preventative use, creating a structural increase in utilisation.

Upward pressure on claims costs

Even with lower unit costs, widespread uptake could significantly increase total spend. In the short to medium term, insurers are likely to face higher overall claims costs. Long-term savings remain uncertain and may be offset by ongoing or lifelong treatment.

Shifting risk assumptions

As obesity becomes more treatable, wider access could reshape how insurers assess and price risk.

Strategic considerations for health insurers

Across both emerging and developed markets, several priorities stand out:

- Managing a two-speed environment with country-specific exceptions.
- Strengthening scenario modelling for non-linear growth in demand.
- Monitoring trade policy and supply-chain responses, particularly in the United States.
- Reviewing benefit design, eligibility, duration and reimbursement.
- Using earlier-access market data to inform pricing and forecasting.
- Supporting appropriate prescribing through provider engagement.
- Adapting underwriting and product design to changing risk profiles.

Conclusion

Semaglutide patent expiry in emerging markets, alongside early approvals in Canada, is the first phase of a broader global transformation. The immediate impact is uneven, with rapid change in earlier-access markets, delayed effects elsewhere and additional US trade-policy uncertainty.

These dynamics will converge, but not uniformly. As access expands, insurers should expect a step change in utilisation, cost and risk. The challenge is to manage current volatility and policy barriers while preparing for a larger shift ahead.

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