



US PROPERTY MARKET ENVIRONMENT

Q1 2025

US MARKET OVERVIEW

As we progress through 2025, we are pleased to report that clients with excellent loss experiences are benefiting from more favorable terms during their renewals. This positive trend is supported by an abundance of capacity in both the US domestic and London and international marketplaces. The strong underwriting performances for both 2023 and 2024 have contributed to a property rating environment that currently remains technically adequate within the industry.

Insurers who renewed their treaties at the beginning of the year experienced rate reductions and some improvements in coverage terms, although their retentions have remained unchanged.

While the recent devastating wildfires in California could result in losses of around USD40 billion, the primary impact is expected to mainly affect high-net-worth personal lines insurers and treaty reinsurers underwriting large regional programs. April 1 renewals largely continued the positive momentum seen at 1.1, with outcomes shaped by individual loss experience and program structure, rather than a significant market-wide shift. The overall market impact of these events will unfold over time, and we will continue to monitor developments closely.



KEY FACTORS

- Reinsurers generally maintained high attachment points on Cat Excess of Loss (XOL) programs, and with rate reductions at the start of the year many programs purchase higher limits. The renewal climate for the 1 April treaty reinsurance renewals was likely influenced by the estimated USD40 billion California wildfire events.
- There is increased Excess & Surplus lines (E&S) capacity for both cat and non-cat business. Insurers are looking to grow their top line and increase line sizes, with more internal capital allocated to primary property insurance following excellent results in 2023 and 2024.
- We are seeing further expansion of facility/consortium arrangements, including market tracking facilities and algorithmic follow syndicates.
- There is a minor inflationary impact on reported insured values.
- We anticipate an increase in business from California to the London and E&S marketplace post-wildfire events, as impacted carriers reassess their underwriting strategies.

In summary, the increased capacity in 2025 is helping to leverage favorable market reductions for our clients. We are optimistic about the opportunities this presents and are committed to securing the best possible outcomes for you.

We greatly value your continued support over the years and look forward to strengthening our trading relationship in 2025.



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