



## Navigating the Property and Casualty Landscape: Q2 2025 Market Update

Symphony Risk Solutions remains committed to guiding our clients through the ever-evolving insurance market. As we move further into the second quarter of 2025, the Property and Casualty insurance sector – especially within the Excess and Surplus market – is demonstrating notable shifts. This report explores current trends, challenges, and actionable strategies to help you stay ahead.

### P&C Market Intelligence and Strategic Insights

#### E&S Market Acceleration

**Premiums Surge:** In 2024, E&S premiums surpassed \$81 billion, reflecting substantial growth that continues to outpace the broader P&C market. As admitted insurers restrict appetite, brokers increasingly rely on the flexibility and customization of E&S markets.

**Strategic Takeaway:** E&S is no longer a niche solution – it's a mainstream strategy. Now is the time to deepen partnerships with non-admitted insurers and explore bespoke solutions for hard-to-place risks.

#### Weather Volatility and Catastrophic Exposure

**Hurricane Forecasts Rise:** Meteorologists anticipate a more active storm season, driving potential rate hikes in property lines, particularly if early-season events materialize.

**Wildfire Fallout:** Recent wildfires in Southern California have reshaped underwriting standards across the country. Insurers are responding with narrowed terms and heightened scrutiny – especially for properties in high-risk areas.

**Strategic Takeaway:** Proactive communication around weather exposure and loss mitigation is critical. Clients should be encouraged to harden assets against climate-related risks to preserve insurability and control premium costs.

## Market Dynamics and Sector-Specific Nuance

### Mixed Conditions by Line:

- **Softening:** Directors and Officers and Cyber liability.
- **Hardening:** Elder Care, Liquor Liability, and specialty casualty sectors.

### Inflation, Tariffs and Accurate Valuations

**Cost Pressure:** Supply chain friction and inflation continue to drive construction and repair costs, increasing the risk of underinsurance.

**Strategic Takeaway:** Regularly reassess property valuations. Underinsurance can result in coinsurance penalties or denied claims.

### Capacity, Insurer and Program Structure

**Capacity Trends:** While overall market capacity remains robust, large risks often require layered or multi-insurer placements – particularly in CAT-exposed or high-value properties.

**Strategic Takeaway:** Creative structuring, including stretch layers and participation from E&S markets, can help maintain broad coverage and optimize cost-efficiency.

## Recommended Strategies for Q2 2025

### 1. Invest in Risk Mitigation

Encourage property hardening measures -- such as fire-resistant materials, leak detection systems, and security enhancements -- to qualify for broader coverage terms and more favorable pricing.

### 2. Capitalize on E&S Innovation

Leverage the flexibility of E&S insurers to design custom deductibles, secure wildfire and wind buybacks, and access coverage options that may be unavailable through admitted markets.

### 3. Stay Current on Technology and Underwriting Trends

Emerging technologies -- including satellite imagery, AI-driven risk scoring, and social data analytics -- are playing a growing role in underwriting decisions. Prepare for deeper scrutiny and more data-driven assessments during renewal and placement.

### 4. Prioritize Education on Exclusions and Sublimits

Policyholders must understand the fine print. Exclusions, sublimits, and deductible structures can significantly impact claims outcomes. Stay informed to avoid surprises during loss events.

## Client Education Spotlight

### Claims Trends and Post-CAT Preparedness

Insurers are applying greater scrutiny to claims, with longer resolution timelines and intensified post-catastrophe loss control. Prepare by developing clear documentation practices and response protocols in advance.

### Cyber Risk in “Low-Tech” Sectors

Real estate and construction are facing rising cyber exposures due to increased reliance on IoT, remote property management platforms, and digital payments. Even as cyber premiums soften, maintain vigilance and prioritize cyber coverage as a core part of your risk portfolio.

## Conclusion

The P&C marketplace in Q2 2025 demands both adaptability and foresight. With continued growth in the E&S market, mounting environmental risks, and variable line-specific conditions, brokers must guide clients with precision and confidence.

Symphony Risk Solutions stands ready to help you leverage market trends, protect our clients, and navigate complexity with clarity and strategy.

## Next Steps

Contact Symphony Risk Solutions to:

- Customize E&S placement strategies
- Evaluate risk mitigation upgrades
- Review layering options and valuations
- Prepare for hurricane and wildfire seasons

## Let us Play for You!

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