

Property & Casualty Insurance Industry

OVERVIEW

The U.S. Property & Casualty (P&C) industry’s underwriting income jumped by over \$40 billion compared to last year due to a combination of strong premium growth and lower incurred losses, driven by a meaningful reduction in catastrophe losses, primarily in the second half of the year.

The underwriting gain was partially offset by lower investment income, driven by a significant drop in realized investment gains, resulting in a 10% decline in net income compared to last year. Net income and unrealized investment gains drove an increase in policyholders’ surplus to a new high of \$1.27 trillion at December 31, 2025.

Despite the positive results in 2025, the industry faces several headwinds in 2026. Slower premium growth could begin to tighten profit margins, challenges with social inflation continue to impact reserve adequacy within commercial liability lines, and continued losses from severe convective storms remain a volatile challenge for property underwriters.

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U.S. Property and Casualty Insurance Industry Results

(in millions, except for percent)

For the year ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Premiums Written	976,779	938,658	863,435	781,730	719,913	658,910	642,980	621,786	561,952	537,926
Net Premiums Earned	958,726	908,913	826,707	752,673	693,763	646,010	630,772	603,188	549,958	533,236
Net Losses Incurred	551,755	561,265	548,873	499,622	432,595	383,306	378,581	366,258	353,954	323,195
Loss Expenses Incurred	86,003	85,704	81,885	75,463	70,652	69,885	69,242	64,658	65,218	61,829
Underwriting Expenses	252,164	237,103	215,016	200,670	189,521	179,963	173,054	168,228	151,672	148,692
Underwriting Gain (Loss)	68,742	25,269	(19,678)	(24,745)	(112)	12,103	8,374	2,907	(22,459)	(1,700)
Net Loss Ratio	66.5%	71.2%	76.3%	76.4%	72.5%	70.2%	71.0%	71.4%	76.2%	72.2%
Expense Ratio	25.8%	25.3%	24.9%	25.7%	26.3%	27.3%	26.9%	27.1%	27.0%	27.6%
Combined Ratio	92.9%	96.9%	101.7%	102.5%	99.6%	98.7%	98.7%	99.1%	103.9%	100.5%
1yr Rsrv Devlp/PY PHS	(1.8%)	(0.3%)	(0.2%)	(0.5%)	(0.7%)	(0.8%)	(0.8%)	(1.6%)	(1.4%)	(0.7%)
Net Invmt. Inc. Earned ¹	88,898	85,295	70,312	69,466	52,935	51,595	55,132	53,287	48,978	45,539
Net Realized Gains (Loss)	22,657	79,784	50,505	1,598	18,203	11,064	11,259	10,885	19,833	8,747
Net Invmt. Gain (Loss)	111,554	165,078	120,817	71,064	71,138	62,659	66,391	64,172	68,812	54,286
Investment Yield	3.56%	3.65%	3.20%	3.23%	2.58%	2.75%	3.02%	3.06%	3.08%	3.01%
Total Other Income	1,557	1,284	5	1,979	3,514	1,034	1,284	1,530	(4,687)	950
Net Income ¹	150,551	167,217	87,292	38,745	60,452	59,198	62,233	57,565	38,717	42,860
Return on Revenue	14.1%	15.6%	9.2%	4.7%	7.9%	8.4%	8.9%	8.6%	6.3%	7.3%
December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Policyholders' Surplus ²	1,266,112	1,131,618	1,062,988	1,000,893	1,077,866	955,136	891,214	779,921	786,016	734,026
Return on Surplus	12.6%	15.2%	8.5%	3.7%	5.9%	6.4%	7.4%	7.4%	5.1%	6.0%

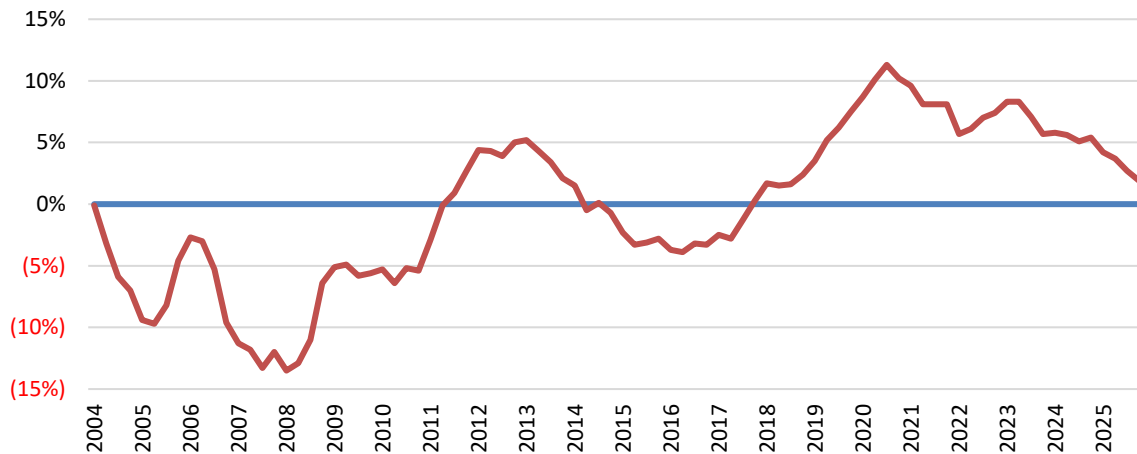
1. Excludes investment income from affiliates. 2. Adjusted to eliminate stacking

MARKET CONDITIONS

The U.S. P&C insurance industry is beginning to shift into a unique market cycle where property lines are entering soft market territory, particularly commercial property, evidenced by rapid deceleration of premium growth and improving loss ratios. Conversely, casualty lines remain firm due to social inflation and nuclear verdicts which continue to drive loss costs. As seen in the chart below, overall commercial rate increases have been easing. According to The Council of Insurance Agents & Brokers (CIAB) Q4 Market Survey, commercial premiums increased by an average of 1.9% across all lines in the fourth quarter of 2025, down from 5.4% in the fourth quarter of 2024.

Average Commercial Premium Pricing by Quarter (All Lines)

Source: The Council of Insurance Agents & Brokers

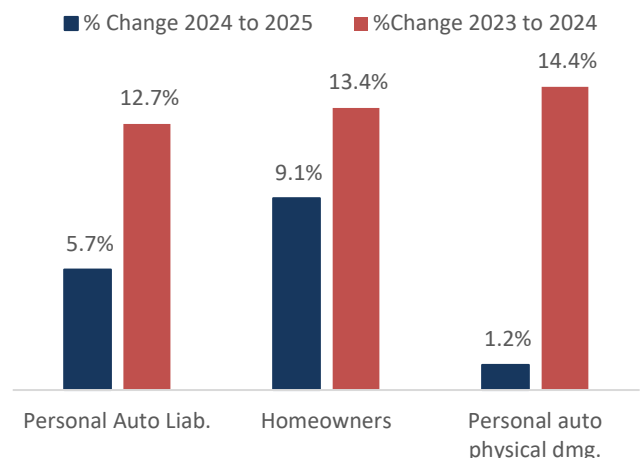


The CIAB survey noted increased claim frequency and severity in commercial auto, which is driving a decrease in capacity and premium increases which have continued each quarter for fifteen straight years. In Q4 2025, premiums increased 6.6%, the highest of all lines by a notable margin. However, nine lines of business recorded decreases in premiums, accounting for more than half of the lines tracked by the survey. Commercial property premium increases were lower in the first quarter of 2025 and rates started decreasing in 3Q and decreased 0.7% in 4Q 2025.

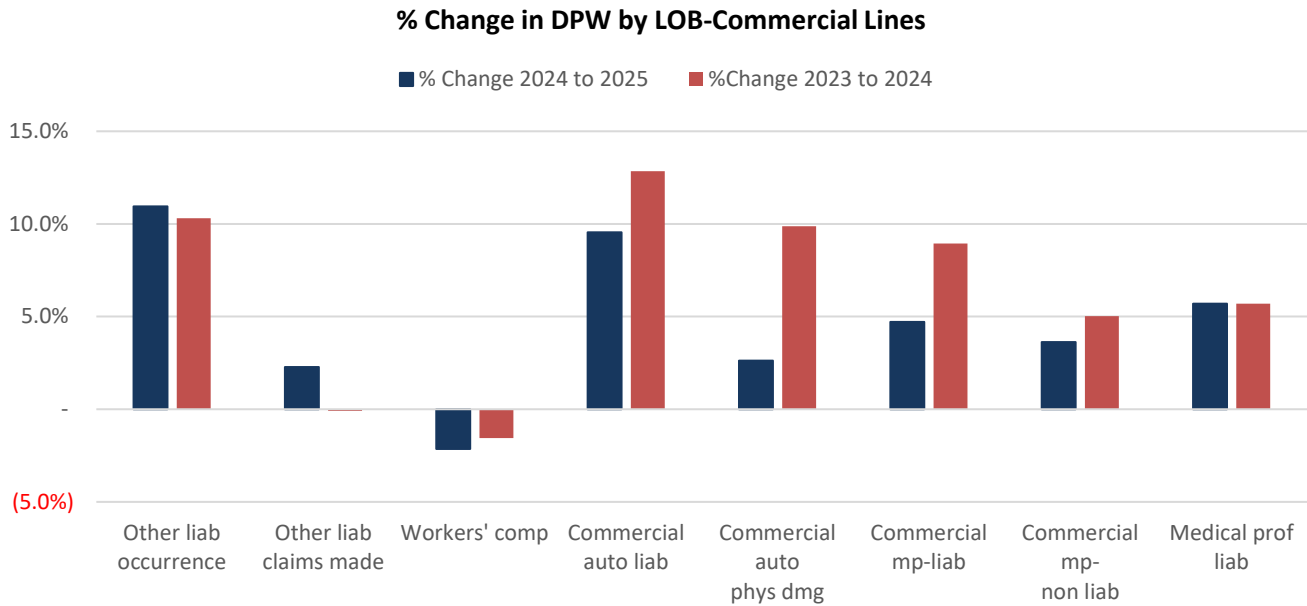
PREMIUM

Premium growth in the P&C industry slowed from an approximate 8-10% YoY growth rate over the last four years to a 4.6% increase in direct premiums written (DPW) in 2025 to \$1.1 trillion. Insurers have been taking aggressive rate increases in recent years to combat economic inflation and an increase in frequency and severity of natural catastrophes. However, 2024 and 2025 saw no significant hurricanes in the continental U.S., lowering insured losses related to natural disasters. This helped boost insurer revenue and increased competition, primarily within property lines, resulting in lower rate increases overall. The personal lines of business comprise roughly half of all DPW and saw a lower rate of growth in premium in both auto and homeowners compared to last year, as seen in the adjacent chart.

% Change in DPW by LOB - Personal Lines

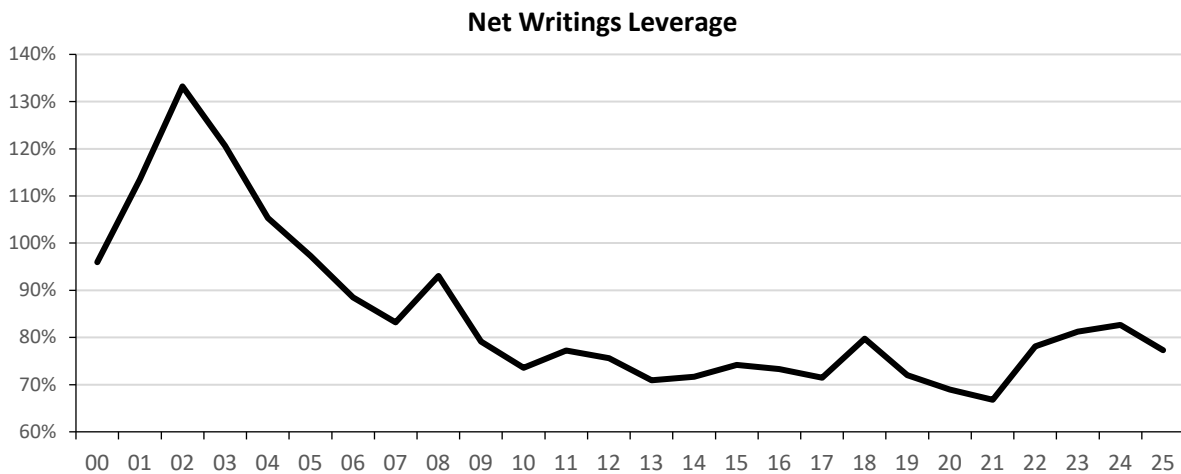


Commercial lines experienced the same trend, primarily in property lines while DPW in liability lines continued to increase due to premium rate increases as mentioned on page 2.



Assumed premiums written increased 5.3% YoY to \$897.8 billion, of which 88.9% consisted of affiliated assumptions. U.S. intercompany pooling agreements comprised 58.9% of reinsured business, followed by 28.3% affiliated non-pooled business. Ceded premiums written amounted to \$1.0 trillion, a 5.3% increase compared to last year. Overall, net premiums written (NPW) increased 4.6% to \$976.8 billion.

The lower growth in net premiums compared to last year combined with the growth in surplus resulted in an improvement in the net writings leverage ratio to 77.3%. Net writings leverage has been near or below 80% for over fifteen years, leaving P&C insurers well positioned for growth.



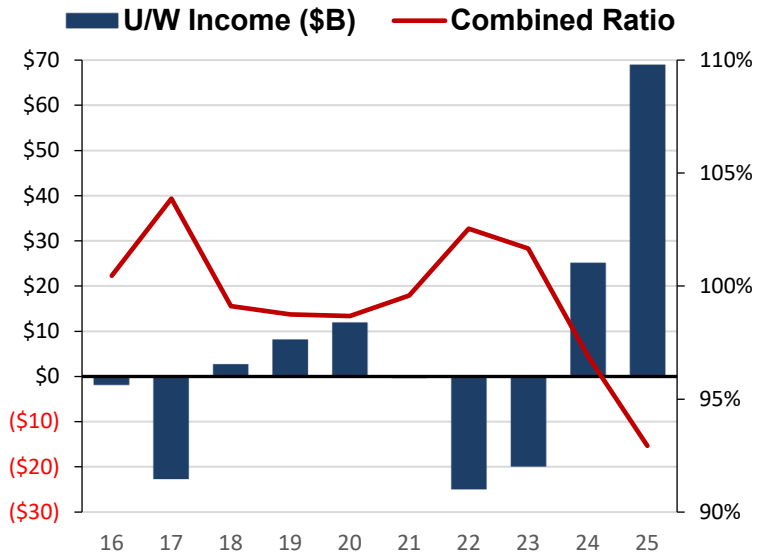
The table on the following page shows DPW by state and territory along with the pure direct loss ratio (PDLR). DPW increased in nearly every continental U.S. state, however, none saw a double-digit increase compared to 19 states last year. All but 12 states and territories saw improved PDLR's compared to last year.

Direct Writings & Profitability by State and Territory (in Thousands except for percent)

State	Direct Premiums Written			Pure Direct Loss Ratio			Losses Incurred		Premiums Earned	
	Change	2025	2024	Change	2025	2024	2025	2024	2025	2024
AL	3.5%	14,755,566	14,252,695	(1.9) pts	53.3%	55.2%	7,731,612	7,646,732	14,495,789	13,843,781
AK	4.7%	2,253,677	2,153,409	0.8 pts	47.6%	46.8%	1,043,634	982,679	2,191,900	2,098,853
AR	5.1%	20,968,279	19,956,913	(0.9) pts	56.8%	57.8%	11,669,013	11,103,705	20,531,900	19,226,081
AR	5.2%	9,378,211	8,916,623	(10.9) pts	59.4%	70.3%	5,470,153	5,995,163	9,209,183	8,522,956
CA	7.7%	133,853,900	124,284,187	16.4 pts	77.9%	61.5%	100,782,573	73,243,953	129,431,242	119,138,638
CO	6.1%	24,073,309	22,687,265	(15.0) pts	46.3%	61.3%	10,878,534	13,437,306	23,495,466	21,903,025
CT	6.0%	13,504,264	12,745,353	(3.0) pts	58.7%	61.7%	7,758,634	7,557,512	13,222,366	12,253,512
DE	6.0%	4,454,297	4,200,283	5.7 pts	61.5%	55.8%	2,641,233	2,266,837	4,293,550	4,059,896
DC	7.4%	3,033,839	2,824,398	(2.4) pts	47.5%	49.8%	1,393,757	1,378,417	2,936,515	2,765,584
FL	(1.2%)	94,438,373	95,622,144	(23.3) pts	39.1%	62.4%	36,874,991	58,176,043	94,269,753	93,187,513
GA	5.9%	37,736,278	35,648,342	(20.0) pts	57.4%	77.4%	21,148,883	26,627,828	36,860,276	34,418,923
HI	6.1%	4,217,455	3,974,466	(13.4) pts	34.7%	48.1%	1,431,384	1,790,660	4,126,371	3,725,069
ID	5.6%	5,580,347	5,282,288	(6.0) pts	50.6%	56.6%	2,740,639	2,852,211	5,418,294	5,040,832
IL	3.3%	40,554,176	39,265,181	(2.7) pts	60.0%	62.8%	24,000,316	23,746,096	39,973,684	37,825,664
IN	5.4%	18,708,166	17,741,403	(6.1) pts	55.6%	61.7%	10,176,895	10,549,685	18,315,830	17,100,118
IA	5.6%	11,204,692	10,614,474	(14.0) pts	42.2%	56.2%	4,643,009	5,755,463	11,007,112	10,246,392
KS	5.7%	10,806,747	10,228,125	(7.8) pts	57.2%	65.1%	6,062,290	6,442,395	10,591,154	9,899,681
KY	6.3%	11,837,800	11,132,739	12.9 pts	71.0%	58.1%	8,230,696	6,248,891	11,584,698	10,751,498
LA	(0.0%)	17,875,447	17,877,430	(6.1) pts	45.1%	51.2%	7,990,057	8,990,361	17,712,879	17,546,417
ME	5.9%	3,816,326	3,603,568	(1.1) pts	48.1%	49.3%	1,799,201	1,716,510	3,738,851	3,483,775
MD	3.9%	18,455,489	17,760,372	(5.1) pts	52.0%	57.1%	9,446,959	9,810,268	18,173,828	17,193,119
MA	4.9%	24,221,666	23,086,817	(1.4) pts	47.4%	48.8%	11,237,645	10,959,561	23,692,902	22,438,979
MI	5.6%	28,403,105	26,899,581	(3.4) pts	59.5%	62.8%	16,468,094	16,364,375	27,694,893	26,051,869
MN	6.3%	20,091,878	18,906,625	(8.5) pts	50.5%	59.0%	9,919,017	10,688,720	19,625,118	18,102,857
MS	(4.7%)	7,780,088	8,166,161	(2.2) pts	50.7%	52.9%	3,878,836	4,196,408	7,658,072	7,934,541
MO	5.0%	19,638,039	18,703,069	1.8 pts	71.1%	69.3%	13,692,516	12,548,078	19,263,993	18,107,793
MT	5.5%	4,370,326	4,140,881	1.5 pts	58.0%	56.5%	2,480,746	2,251,015	4,280,739	3,985,583
NE	6.8%	8,787,886	8,224,894	(33.2) pts	48.2%	81.5%	4,168,844	6,470,255	8,644,823	7,942,753
NV	8.0%	10,366,221	9,600,843	(5.0) pts	68.1%	73.1%	6,842,059	6,761,378	10,041,068	9,248,862
NH	5.6%	3,877,415	3,673,409	(4.3) pts	47.7%	51.9%	1,806,043	1,839,651	3,788,493	3,542,800
NJ	8.0%	34,193,655	31,664,386	(6.5) pts	56.9%	63.4%	18,873,205	19,335,683	33,155,170	30,490,942
NM	3.2%	5,698,308	5,524,157	(21.5) pts	51.9%	73.4%	2,928,269	3,896,254	5,645,614	5,311,151
NY	4.6%	72,303,199	69,113,656	(2.3) pts	62.2%	64.5%	44,023,550	43,283,350	70,767,446	67,083,733
NC	6.3%	28,063,801	26,408,439	(16.1) pts	50.3%	66.3%	13,646,517	16,933,976	27,142,552	25,530,417
ND	5.1%	4,032,342	3,834,856	7.1 pts	55.1%	48.0%	2,200,016	1,784,108	3,993,586	3,718,938
OH	5.3%	26,857,953	25,494,910	(4.1) pts	53.8%	57.9%	14,170,509	14,307,862	26,342,979	24,708,562
OK	5.0%	12,897,195	12,284,211	(8.5) pts	55.0%	63.5%	6,968,431	7,595,917	12,669,124	11,966,931
OR	4.2%	11,972,267	11,489,077	(10.0) pts	52.9%	62.9%	6,237,162	7,008,255	11,792,403	11,145,107
PA	3.9%	36,703,553	35,321,396	1.3 pts	60.2%	59.0%	21,677,492	20,196,218	35,984,094	34,246,480
RI	7.2%	3,969,622	3,702,515	(0.3) pts	52.9%	53.2%	2,035,852	1,906,242	3,850,597	3,582,054
SC	5.6%	17,859,692	16,908,051	(23.3) pts	48.3%	71.5%	8,429,679	11,627,177	17,468,856	16,258,774
SD	8.7%	4,429,162	4,075,664	(8.8) pts	42.4%	51.2%	1,844,114	2,018,979	4,350,588	3,946,883
TN	4.2%	20,155,995	19,338,788	(6.7) pts	51.3%	58.0%	10,166,210	10,812,404	19,799,839	18,633,604
TX	2.3%	105,225,383	102,821,621	(7.3) pts	57.7%	64.9%	59,721,720	64,463,245	103,577,424	99,309,152
UT	5.0%	9,435,629	8,983,136	(4.3) pts	53.0%	57.4%	4,909,423	4,949,464	9,254,677	8,624,932
VT	4.2%	1,883,926	1,807,874	(4.7) pts	46.7%	51.4%	862,876	894,167	1,848,361	1,739,882
VA	5.3%	23,459,030	22,281,338	(4.3) pts	51.0%	55.3%	11,710,502	11,924,180	22,944,559	21,565,273
WA	6.2%	22,191,318	20,896,191	(8.8) pts	60.4%	69.2%	13,071,665	13,761,822	21,653,784	19,889,376
WV	2.8%	4,030,337	3,919,990	8.8 pts	63.8%	55.0%	2,545,090	2,091,380	3,990,192	3,805,317
WI	5.2%	16,750,231	15,927,074	5.6 pts	63.4%	57.8%	10,382,016	8,904,031	16,372,935	15,410,993
WY	1.2%	2,035,512	2,010,445	13.8 pts	61.8%	48.0%	1,239,722	924,508	2,005,140	1,924,759
AS	(44.3%)	32	57	(487.2) pts	104.9%	592.1%	45	444	43	75
GU	(32.0%)	246,887	362,872	(9.3) pts	27.8%	37.1%	65,535	125,223	236,102	337,687
PR	(66.8%)	1,156,933	3,486,832	(1.7) pts	28.7%	30.4%	335,945	1,021,619	1,170,817	3,356,824
VI	(42.2%)	73,416	127,028	98.2 pts	132.3%	34.1%	88,449	44,330	66,840	129,877
MP	(28.1%)	14,395	20,019	(26.9) pts	14.8%	41.7%	2,104	7,493	14,177	17,971
Totals	4.2%	1,105,304,891	1,060,526,706	(4.7) pts	57.0%	61.8%	617,646,684	633,209,876	1,082,671,849	1,024,892,689

UNDERWRITING OPERATIONS

The U.S. P&C industry produced its strongest underwriting performance in over two decades, thanks to improved pricing and lower claims costs on property lines. Premiums grew 8-10% annually over the last four years and while premiums increased at a lesser pace this year, lower insured losses from natural disasters and favorable prior year reserve development helped boost underwriting profits. Overall, net premiums earned increased 5.5% while net losses and LAE decreased 1.4%, the first decrease in well over a decade, leading to a 4.7-point improvement in the net loss ratio to 66.5%. The expense ratio remained nearly flat at 25.8% as the 4.1% increase in net premiums written was outpaced by a 6.4% increase in other underwriting expenses incurred. Overall, the combined ratio improved 4.0-points to 92.9%.



Natural Catastrophes

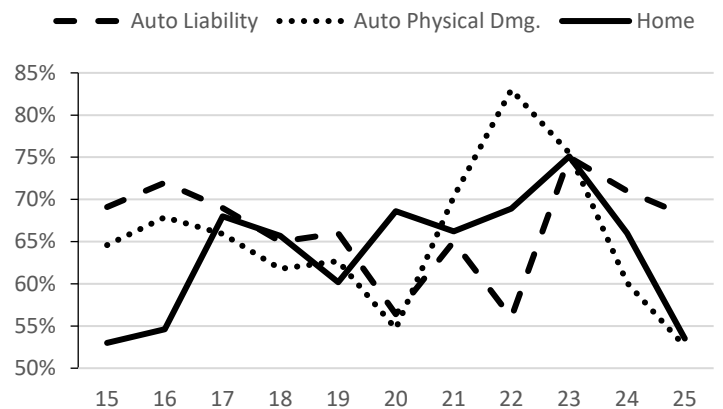
Insured losses from natural disasters in the U.S amounted to roughly \$100 billion, slightly lower than last year’s total. What makes 2025 different than prior years is that losses were driven by wildfires and severe storms rather than tropical cyclone activity as no hurricanes made landfall in the U.S. The Palisades and Eaton Wildfires in California which occurred in the first quarter were the costliest wildfires in world history and accounted for nearly half of insured losses. Insured losses from severe convective storms totaled roughly \$50 billion for the third year in a row, becoming the most common and destructive natural catastrophe in the U.S.

Personal Lines

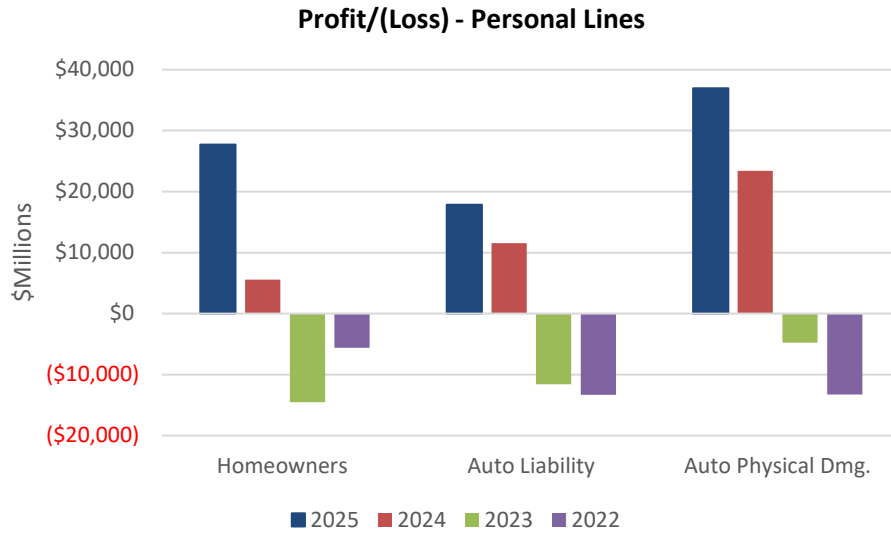
Lower premium growth was offset by lower net losses incurred, primarily within property lines. The combined ratio for the personal lines market improved to 89.1% from 96.0% last year.

While losses from natural disasters were not substantially lower, nearly half were concentrated in the state of California, giving some relief to southern and Gulf Coast states property loss ratios. Net premiums earned in the homeowners line increased nearly 12% while net losses incurred decreased 10%, resulting in a 12.5-point improvement in the pure net loss ratio (PNLR) to 53.5%, marking the second consecutive year of substantial improvement. The personal auto physical damage line has experienced a favorable trend in its loss ratio since the economic inflation driven spike in 2022, improving nearly 30-points due to lower loss costs. Net losses incurred were 8% lower YoY leading to a PNLR of 52.6%. Personal auto liability didn’t experience such a sharp improvement as losses incurred increased despite favorable prior year reserve development. Premiums earned, however, increased at a greater pace leading to a 2.7-point improvement in the PNLR to 68.1%.

Personal Lines Pure Net Loss Ratios

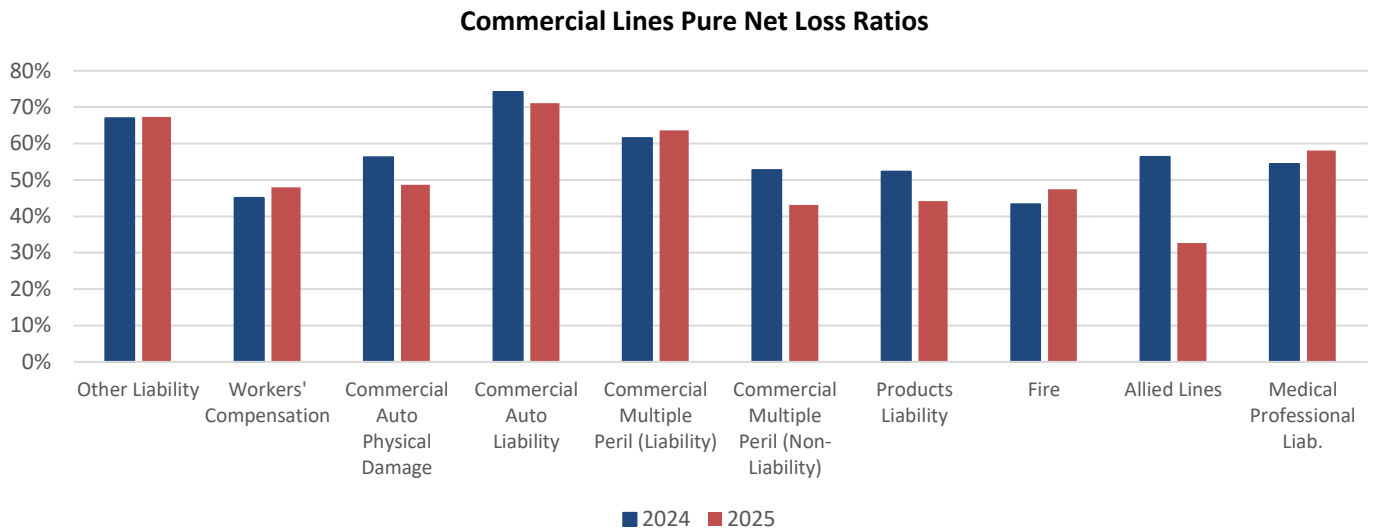


The chart below shows the overall profit or loss for the personal lines of business over the last four years.



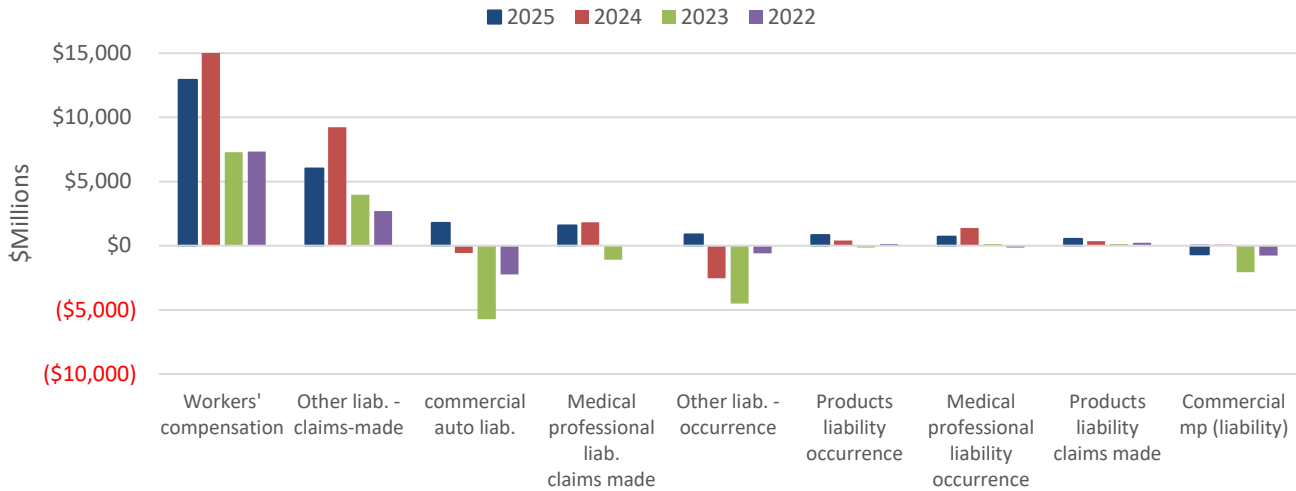
Commercial Lines

Underwriting results for commercial lines were largely unchanged overall. There were improvements in commercial property lines due to lower incurred losses, while liability lines continued to experience profitability issues stemming from social inflation. Losses incurred in the other liability – occurrence line increased \$3.1 billion, or 6%, however, premiums earned increased at a greater pace due to rate increases resulting in a slight improvement in the PNLR to 67%. Commercial multiple peril – non liability losses incurred decreased 11% while premiums earned increased 9%, resulting in a 9.6-point improvement in the PNLR to 43%. The following chart shows the loss ratios for 2024 and 2025 for the primary commercial lines of business.



The commercial auto liability PNLR improved 3.0-points to 71% due to continued rate increases driven by higher claims costs stemming from social inflation. The workers' compensation PNLR worsened slightly to 48% but remained one of the most profitable commercial lines. The chart on the following page shows an overall profit/(loss) comparison for the primary commercial lines of business over the last four years. The property lines experienced notable YoY improvements while most liability lines worsened or showed little change.

Profit/(Loss) - Primary Commercial Lines

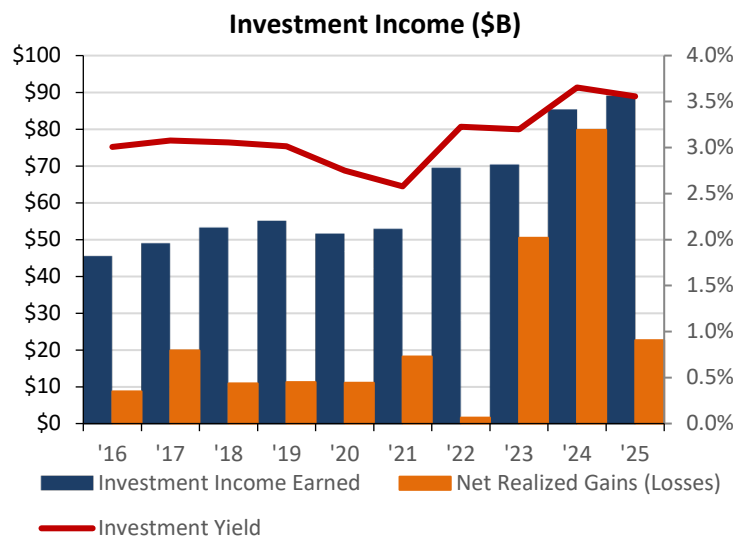


Social Inflation

Social inflation is a term used to describe rising insurance claim costs above economic inflation resulting from increased litigation, broader definitions of liability, more plaintiff-friendly legal decisions, and larger compensatory jury awards. This phenomenon has led to billions in underwriting losses, higher insurance premiums for businesses, and reduced coverage availability, particularly in commercial auto, commercial liability, and medical professional liability lines. The key drivers of social inflation are shifting social attitudes toward anti-corporate sentiment, an increase in nuclear verdicts (jury awards of \$10 million or more that exceed a plaintiff’s documented economic losses), third party litigation financing, whereby third party capital is utilized to finance the pursuit of class-action and mass tort lawsuits, acting as an investment for hedge fund managers and other investors, and legal system challenges, or reforms that ease limits on punitive or non-economic damages that have contributed to higher payouts. Some states have passed laws to combat the effects of litigation financing by requiring disclosure of the funders’ identities and financial interests. Insurers are also investing in process improvements to identify patterns of abuse, such as closer analysis of frequently used law firms and early resolution practices to shorten claim times and avoid escalation.

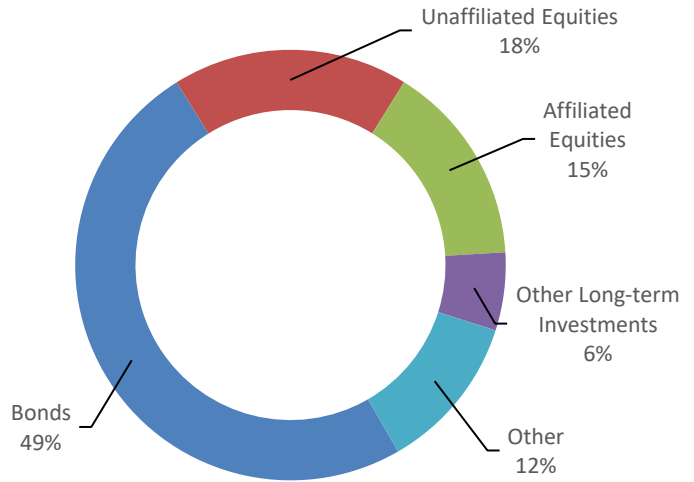
INVESTMENT OPERATIONS

Net investment income decreased 32.4% compared to last year to \$111.6 billion. Net investment income earned was 4.2% higher than last year at \$88.9 billion. Investment income earned was primarily derived from bonds at 58.3% of the total, or \$63.4 billion, while stocks comprised 18.6%, and other invested assets 7.4%. Realized capital gains were 71.6% lower than last year at \$22.7 billion. Realized capital gains have been heavily influenced by one large insurer the last two years, offloading a significant amount of equities and Schedule BA assets. The higher interest rate environment continued to impact bond prices resulting in realized losses on bonds for the fourth consecutive year, driven by losses on unaffiliated bonds. The investment yield was 0.1-points lower at 3.7% due to higher cash and invested assets.



P&C insurance investment portfolios are conservatively managed, focusing on high quality fixed income securities to provide liquidity for claim payments. As such, half of all invested assets consisted of bonds at December 31, 2025, nearly all investment grade. Insurers began supplementing their portfolios with increased concentration in equities and other long-term invested assets in response to the lower interest rate environment following the 2008 financial downturn. At that time, bonds comprised 63.0% of cash and invested assets. The Federal Reserve (Fed) lowered the federal funds rate to 4.5% in December 2024, and three more times in 2025, bringing the federal funds target range down to 3.50% to 3.75% by December 10, 2025. The Fed held rates steady at its April 2026 meeting citing persistent inflation above its 2% target.

Cash & Invested Assets at Dec. 31, 2025

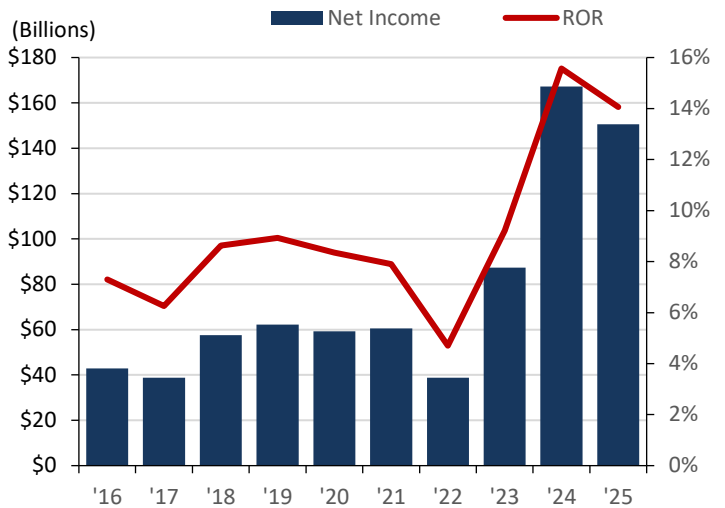


NET INCOME

Net income was 10.0% lower than last year at \$150.6 billion. Despite the increase in underwriting income, investment income was lower due to the previously mentioned reduction in realized gains.

Return on revenue—a measure of net income to net premiums earned, net investment income earned, and realized capital gains (losses)—was 1.5-points lower at 14.1%.

Profitability

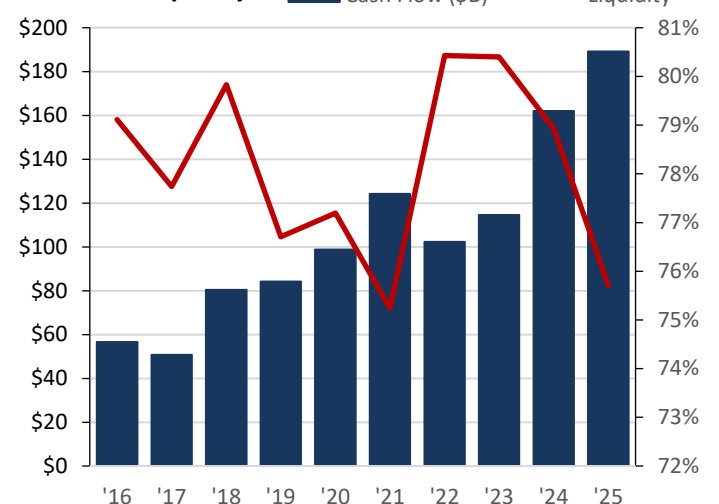


CASH & LIQUIDITY

Net cash provided by operating activities increased 16.8% to \$189.2 billion. Operating cash inflows increased 4.0% due to a 4.3% increase in premiums collected net of reinsurance to \$972.4 billion, and a 3.4% increase in net investment income (adjusted for affiliates) to \$87.2 billion. Partially offsetting the increase in cash inflows was a 1.4% increase in cash outflows driven by a 6.3% increase in commissions and expenses paid, and a 0.4% increase in benefit and loss payments.

The industry liquidity ratio improved 3.2-points to 75.7%. Liquid assets increased 7.7% due to growth in cash and invested assets, driven by a 7.0%, or \$98.5 billion increase in bond holdings and an 11.3%, or \$101.2 billion increase in common stocks. Adjusted liabilities grew at a lesser pace of 3.3%.

Cash and Liquidity



POLICYHOLDERS’ SURPLUS

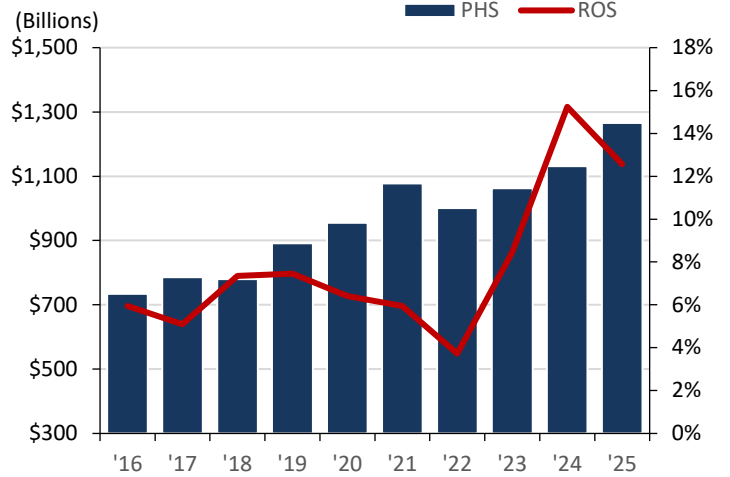
Industry aggregated policyholders’ surplus (adjusted to eliminate stacking) increased 11.9% from the prior year-end to a new all-time high of \$1.27 trillion at December 31, 2025. The net profit of \$150.6 billion and \$47.5 billion in unrealized investment gains were partially offset by \$5.7 billion in policyholder dividends. Return on surplus—a measure of net income to average policyholders’ surplus—decreased 2.6-points to 12.6%.

LOSS & LAE RESERVES

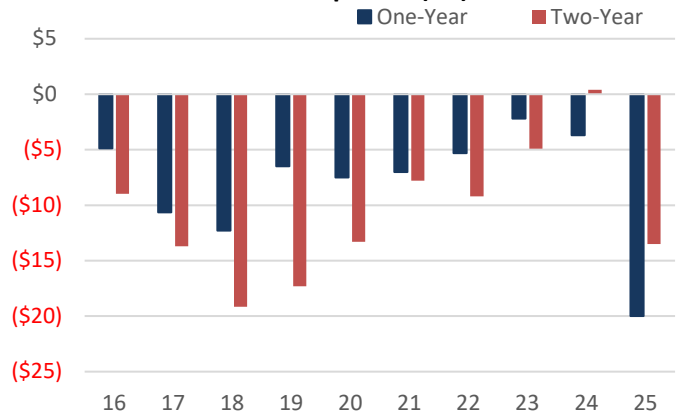
Total Loss and LAE reserves increased 5.1% to \$1.03 trillion and was comprised of \$869.2 billion unpaid losses and \$162.9 billion unpaid LAE. Reserve leverage improved 4.8-points to 81.5% due to the increase in policyholders’ surplus.

The industry benefited significantly from prior-year reserve releases as seen on the chart on the right. There was a one-year redundancy of \$20.0 billion, and a two-year redundancy of \$13.5 billion. This followed several years of diminishing prior year reserve releases which stemmed primarily from adverse development in the commercial liability lines, driven by economic and social inflation. Workers’ compensation reserves continued to develop favorably, however, the turnaround can be attributed to the personal lines of business which, together accounted for \$15.9 billion in favorable development. The chart below shows prior year reserve development for the primary lines of business.

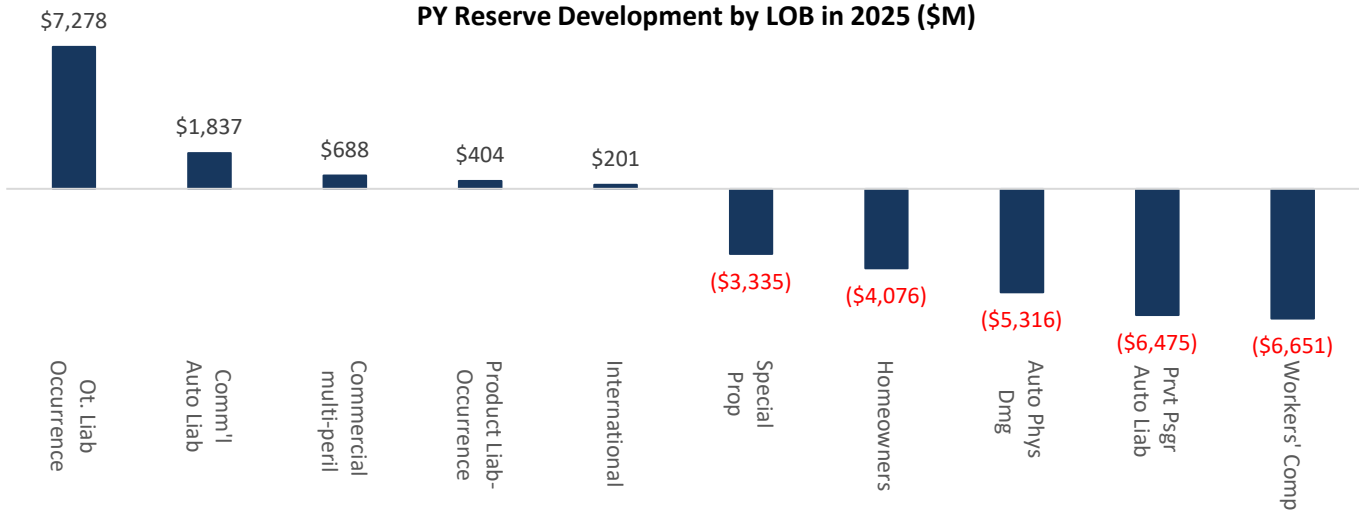
Policyholders' Surplus



Prior Year Reserve Development (\$B)



PY Reserve Development by LOB in 2025 (\$M)



LOOKING AHEAD

While underwriting income more than doubled, it was made possible largely due to the lack of any large-scale natural catastrophes outside of the California wildfires in the first quarter of the year. Severe convective storm activity has continued into the first few months of 2026, and an active hurricane season could pressure underwriting results in property lines. Social inflation and litigation financing by third parties will continue to challenge commercial auto and general liability lines of business without any major reform. Further, rate and pricing trends have softened in some lines of business which will put pressure underwriting results in 2026. Despite these headwinds, policyholders' surplus is at an all-time high, positioning P&C insurers for continued growth.

Professional Reinsurance Market

The following section captures the industry's professional reinsurers - insurers in which reinsurance is their primary business, particularly through unaffiliated assumptions. This section represents the aggregated results of 21 reinsurers that are considered professional reinsurers. The same group of reinsurers is used for all five years of data.

Financial Snapshot *(in millions, except for percent)*

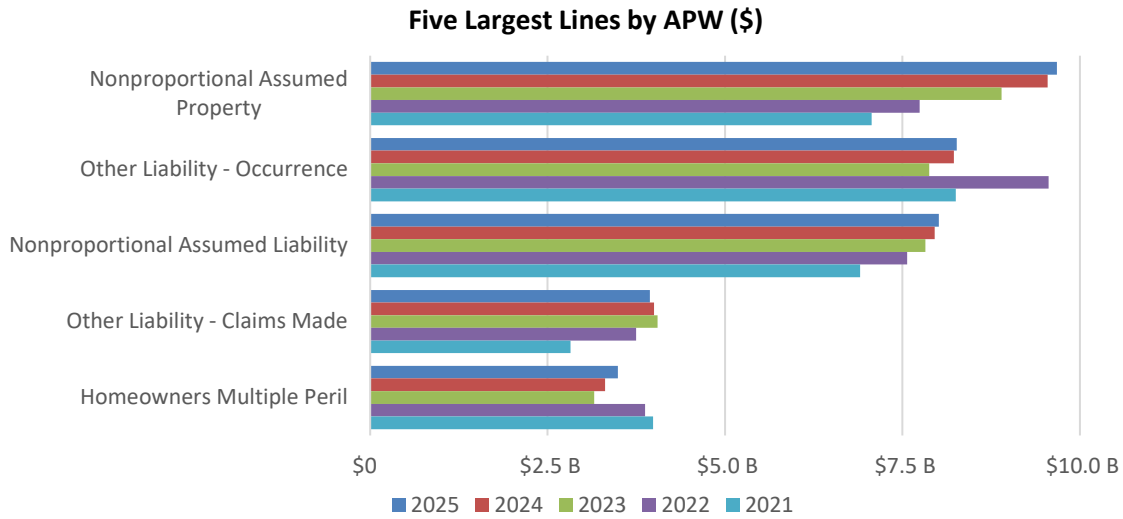
For the Year Ended December 31,	YoY Chg	2025	2024	2023	2022	2021
Unaffiliated Assumed Premiums Written	(0.4%)	51,453	51,636	47,212	48,133	46,054
Net Premiums Written	(4.0%)	43,606	45,444	36,907	43,908	46,493
Net Premiums Earned	(0.9%)	43,627	44,019	36,891	43,047	43,658
Net Losses Incurred	(6.5%)	26,060	27,870	20,295	27,356	29,042
Loss Expenses Incurred	(14.4%)	2,418	2,827	2,292	2,263	2,692
Underwriting Expenses	0.6%	14,122	14,040	12,504	13,437	13,154
Underwriting Gain (Loss)	NM	1,021	(749)	1,722	(49)	(1,258)
Net Loss Ratio	(4.5)-pts	65.3%	69.7%	61.2%	68.8%	72.7%
Expense Ratio	1.5-pts	32.4%	30.9%	33.9%	30.6%	28.3%
Combined Ratio	(3.0)-pts	97.7%	100.6%	95.1%	99.4%	101.0%
Net Investment Income Earned	20.9%	6,302	5,214	4,349	3,218	2,470
Net Realized Gains (Loss)	NM	(697)	62	(276)	(940)	578
Net Investment Gain (Loss)	6.2%	5,606	5,276	4,073	2,278	3,048
Investment Profit Ratio	0.9-pts	12.8%	12.0%	11.0%	5.3%	7.0%
Net Income	43.0%	5,066	3,542	4,474	2,216	1,087
Return on Revenue	3.1-pts	10.3%	7.2%	10.9%	4.9%	2.3%

NM = Not Meaningful

PREMIUM ANALYSIS

Unaffiliated assumed premiums written (APW) decreased 0.4% compared to 2024 to \$51.5 billion. This was about a 12% increase compared to five years ago. Insurers classified as professional reinsurers accounted for approximately 51.5% of total unaffiliated APW in the U.S. property and casualty industry.

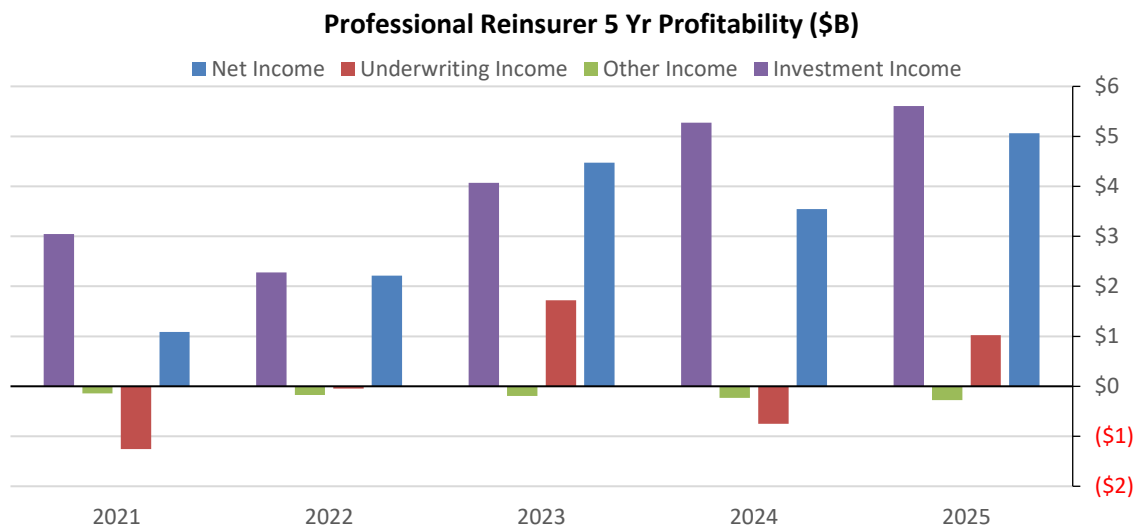
In 2025, the top five largest lines by unaffiliated APW were as follows: nonproportional assumed property (18.8%), other liability – occurrence (16.1%), nonproportional assumed liability (15.6%), other liability – claims made (7.7%), and homeowners multiple peril (6.8%). These have been the top five lines for the last five years, though not always in the same order. This year, unaffiliated APW increased for four out of the top five lines.



Total assumptions (affiliated and unaffiliated) decreased 0.2% compared to 2024 to \$66.9 billion, of which unaffiliated assumptions accounted for about 77%. Gross premiums written (GPW) totaled \$68.9 billion (a 0.2% increase). APW to GPW has consistently been in the upper 90% range and was 97.1% for the current year. Net premiums written (NPW) decreased 4.0% compared to 2024 to \$43.6 million. NPW to GPW decreased 2.8 points to 63.3%.

PROFITABILITY

Net income totaled \$5.1 billion; a 43% increase compared to 2024. This was the seventh consecutive year that the professional reinsurance market reported net income. The strong performance in the current year was driven by a \$1.0 billion underwriting gain, a sharp reversal from a \$749.0 million underwriting loss in 2024. The turnaround came despite a small decrease in premiums earned and a slight increase in underwriting expenses incurred, as net losses and LAE incurred both decreased. Other income remained fairly consistent over the years, totaling \$(276.0) million in 2025. Investment income increased 6.2% year-over-year (YoY) to \$5.6 billion.

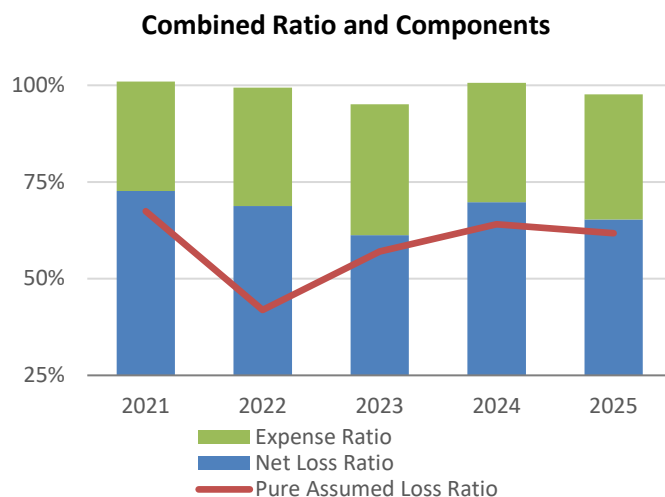


The professional reinsurance market recorded a pure assumed loss ratio (PALR) of 61.8% in 2025, which improved 2.3 points compared to 2024. Assumed losses incurred decreased 0.3% to \$41.3 billion while assumed premiums earned increased 3.4% to \$66.9 billion.

The combined ratio improved 3.0 points to 97.7% in 2025 and was comprised of a net loss ratio of 65.3% (improved 4.5 points YoY) and an expense ratio of 32.4% (worsened 1.5 points YoY).

Compared to the overall property and casualty industry, the 2025 professional reinsurance market combined ratio and expense ratio were 4.8 points and 6.6 points worse, respectively, while the net loss ratio was 1.2 points better.

Four of the top five lines had combined ratios worse than the overall industry, three of which were over 100%: other liability – occurrence (122.3%), other liability – claims made (107.0%), nonproportional assumed property (102.4%), and homeowners multiple peril (98.8%). Nonproportional assumed liability was better than the overall industry at 53.3%. Of the 45 lines of business with net premiums written in 2024, 23 had combined ratios above the industry average, and 20 exceeded 100%.



POLICYHOLDERS’ SURPLUS

Consolidated policyholders’ surplus increased 8.7%, or \$5.3 billion, from the prior year-end to \$66.5 billion. This followed an 8.6% increase in 2024. Additionally, return on surplus increased 1.9 points YoY to 7.9%.

Net income and a 43.5% increase in net unrealized gains to \$2.3 billion were the primary factors that drove the surplus growth in 2025, among other lesser factors, which collectively outweighed \$3.1 billion in dividends to stockholders, among other lesser losses to surplus.

CASH AND LIQUIDITY

Net cash from operations totaled \$9.9 billion, a 14.9% decrease compared to 2024. Cash inflows decreased 0.4% to \$50.2 billion and primarily consisted of premiums collected net of reinsurance, which decreased 1.2% to \$44.7 billion. Additionally, net investment income increased 14.9% to \$5.7 billion and miscellaneous income decreased 308.6% to \$(257.8) million. Cash outflows increased 4.0% to \$40.3 billion due to a 3.4% increase in benefit and loss related payments to \$22.0 billion, and a 5.8% increase in commissions, expenses paid and aggregate write-ins for deductions to \$17.2 billion.

Net cash from investments was \$(6.7) billion as total investments acquired of \$53.6 billion (up 8.3% compared to 2024) outpaced total investment proceeds of \$46.9 billion (up 6.9% compared to 2024). Net cash from financing and miscellaneous sources was \$(4.5) billion, an 88.1% decrease compared to 2024. Net cash, cash equivalents, and short-term investments decreased by \$1.4 billion to \$22.5 billion.

Liquid assets increased 3.9% to \$125.4 billion while adjusted liabilities increased 3.7% to \$115.9 billion, leading to a 0.2-point decrease of the liquidity ratio to 92.5%.

Title Insurance Industry

U.S. Title Insurance Industry Results

(in millions, except for percent)

For the year ended December 31,	YoY Chg	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Direct Premiums Written	13.5%	\$18,571	\$16,366	\$15,227	\$22,109	\$26,364	\$19,399	\$15,787	\$14,766	\$14,632	\$14,133
Direct Ops.	25.6%	\$2,306	\$1,836	\$1,581	\$2,379	\$2,806	\$2,047	\$1,962	\$1,865	\$1,735	\$1,517
Non-Aff. Agency Ops.	12.2%	\$11,640	\$10,372	\$9,779	\$14,563	\$16,977	\$12,223	\$9,752	\$9,178	\$9,187	\$8,808
Aff. Agency Ops.	11.2%	\$4,625	\$4,159	\$3,867	\$5,167	\$6,581	\$5,129	\$4,073	\$3,722	\$3,711	\$3,838
Net Premiums Written	13.5%	\$18,522	\$16,322	\$15,183	\$22,064	\$26,311	\$19,353	\$15,752	\$14,731	\$14,617	\$14,133
Title Premiums Earned	13.2%	\$18,568	\$16,408	\$15,388	\$21,815	\$25,602	\$19,054	\$15,599	\$14,678	\$14,461	\$13,976
Loss & LAE Incurred	(4.9%)	\$808	\$850	\$724	\$687	\$578	\$562	\$605	\$644	\$629	\$687
Operating Exp. Incurred	12.9%	\$18,239	\$16,156	\$15,090	\$20,879	\$24,366	\$18,310	\$15,090	\$14,137	\$14,089	\$13,357
Net Operating Gain/(Loss)	51.1%	\$992	\$657	\$716	\$1,798	\$2,677	\$1,804	\$1,224	\$1,103	\$885	\$871
Net Loss Ratio	(0.8) pts	4.4%	5.2%	4.7%	3.1%	2.3%	2.9%	3.9%	4.4%	4.3%	4.9%
Expense Ratio	(0.5) pts	98.5%	99.0%	99.4%	94.6%	92.6%	94.6%	95.6%	96.0%	96.4%	94.6%
Combined Ratio	(1.3) pts	102.8%	104.2%	104.1%	97.8%	94.9%	97.6%	99.5%	100.4%	100.8%	99.5%
Net Invmt. Inc. Earned	13.9%	\$603	\$530	\$575	\$527	\$330	\$385	\$435	\$360	\$348	\$276
Net Realized Gains (Loss)	NM	\$(58)	\$144	\$11	\$(58)	\$91	\$(40)	\$75	\$(75)	\$142	\$162
Net Invmt. Gain (Loss)	(19.1%)	\$545	\$674	\$586	\$469	\$422	\$345	\$510	\$285	\$489	\$437
Net Income	18.9%	\$1,304	\$1,097	\$1,054	\$1,805	\$2,474	\$1,713	\$1,391	\$1,230	\$1,016	\$961
Net Cash From Ops	28.4%	\$1,503	\$1,171	\$882	\$2,024	\$3,285	\$2,145	\$1,560	\$1,441	\$1,193	\$1,081
Liquidity Ratio	(0.9) pts	69.5%	70.4%	70.4%	70.6%	65.0%	67.1%	68.9%	66.9%	67.9%	70.6%
December 31,	YoY Chg	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Policyholders' Surplus	(3.2%)	\$5,784	\$5,978	\$5,816	\$6,001	\$7,134	\$6,229	\$5,664	\$4,818	\$4,800	\$4,357

NM = Not Meaningful

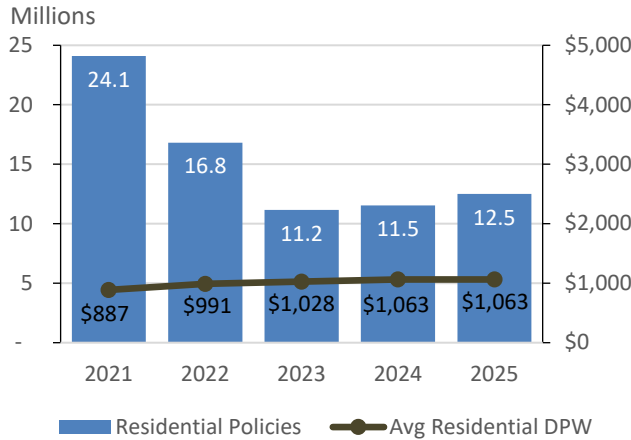
PREMIUM

Title industry direct premiums written (DPW) accounted for over 99% of gross premiums and increased 13.5% compared to 2024 to \$18.6 billion. DPW is distributed through both direct and agency operations. Non-affiliated agency operations continued to account for the majority of direct writings with 62.7% of total DPW. According to Fitch Ratings, the rise in title insurance premiums was primarily fueled by commercial real estate activity and an increase in residential refinances. After mortgage rates, which hovered above 7% the last two years, dropped to around 6.5% in September 2025, many homeowners who took out mortgages during the highs of 2023 and 2024 jumped at the chance to refinance. The small amount of cessions in the industry increased 4.0% compared to the prior year to \$84.8 thousand. Net premiums written totaled \$18.5 billion and net retention was unchanged at 99.5%.

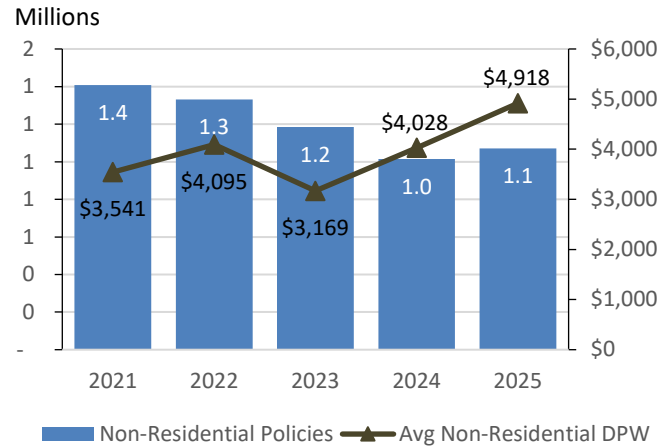
The U.S. Census Bureau and the U.S. Department of Housing and Urban Development March 2026 report indicated that there were 1.4 million new housing starts (not seasonally adjusted) during 2025, which was a 0.8% decrease compared to 2024. Regionally, the Northeast and Midwest regions recorded increases in new housing starts, while the South and West regions recorded decreases. Additionally, new housing permits decreased 3.5% and completions decreased 8.5% in 2025 (both not seasonally adjusted). However, seasonally adjusted new housing starts were up 10.8% in March 2026 compared to March 2025, which indicates the premium growth in the title industry could continue through 2026.

The top five largest states by DPW (TX, FL, CA, NY, and PA) remained unchanged from the prior year. The top five states accounted for 45.7% of total DPW in 2025, which was pretty consistent with the prior year (0.7-point decrease). The average YoY change in DPW by state was 20.1% compared to 6.7% last year. Nearly every state and territory reported YoY premium growth. Only four states or territories reported decreases.

Policy Count and Average DPW / Policy
Residential Policies



Policy Count and Average DPW / Policy
Non-Residential Policies



Along with the growth in premium volume, total policies issued increased 8.0% compared to the prior year to 13.6 million. Residential policies increased 8.3% to 12.5 million and non-residential increased 5.3% to 1.1 million. Residential policies continued to account for the vast majority of policies in 2025 with 92.1% of total policies and was \$13.3 million, or 71.6% of total DPW. This was an average of \$1,063 per residential policy (unchanged from 2024). Non-residential policies averaged \$4,918 per policy, up 22.1% compared to 2024.

\$ amounts per policy

	# Policies	Net Premiums Earned	Direct Losses Paid	Direct Allocated LAE Paid	Direct Losses and LAE Incurred	Direct Known Claim Reserves
Direct						
2025	839,081	\$2,766	\$91	\$55	\$133	\$155
2024	944,341	\$1,990	\$90	\$53	\$161	\$153
Non-affiliated Agents						
2025	8,145,398	\$1,429	\$30	\$18	\$51	\$56
2024	7,407,353	\$1,401	\$35	\$19	\$60	\$58
Affiliated Agents						
2025	4,591,685	\$999	\$23	\$15	\$42	\$35
2024	4,213,428	\$983	\$24	\$16	\$41	\$33
Overall						
2025	13,576,164	\$1,367	\$32	\$19	\$53	\$55
2024	12,565,122	\$1,306	\$35	\$20	\$61	\$57

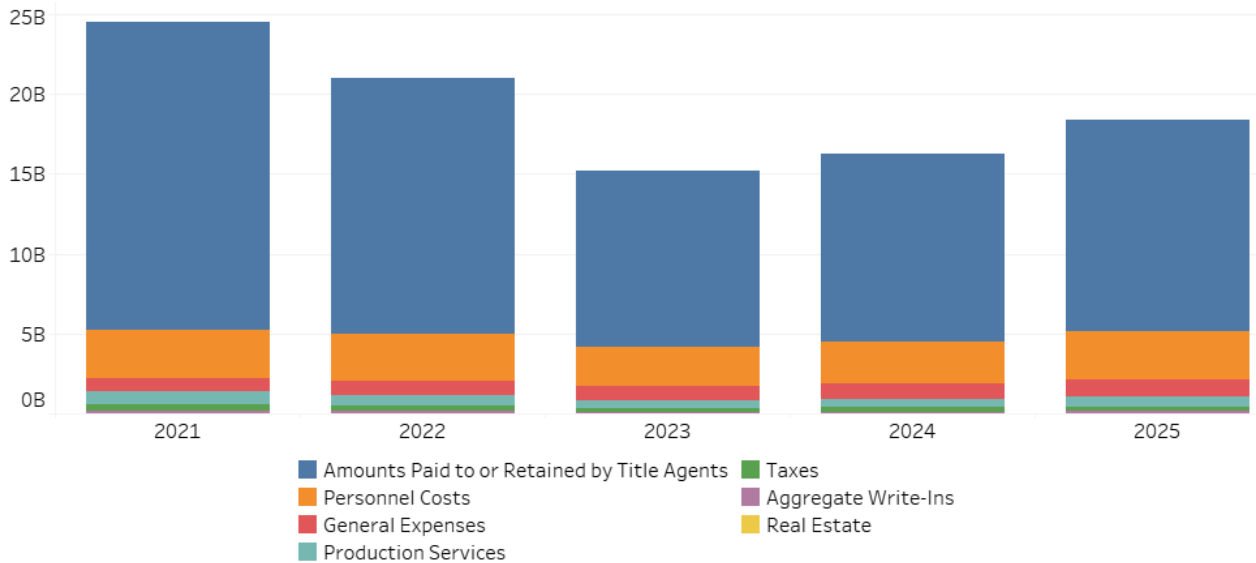
As seen in the table above, non-affiliated agents and affiliated agents policies issued increased 10.0% and 9.0%, respectively, while direct policies decreased 11.1%. Average net premiums earned per policy increased across each distribution channel and 4.7% overall. Direct losses and LAE paid decreased 7.5% to a collective \$51 per policy and direct losses and LAE incurred decreased 13.1% to \$53 per policy.

PROFITABILITY

Operating income increased 13.3% compared to last year to \$20.0 billion, primarily due to increased premiums earned. Net premiums earned increased 13.0% to \$18.6 billion and accounted for the vast majority of total operating income.

Total operating expenses increased 11.9% to \$19.0 billion, primarily driven by operating expenses incurred which increased 12.8% to \$18.2 billion. As seen below, amounts paid to or retained by title agents accounted for the majority of total operating expenses incurred in the current year with 72.6%, followed by personnel costs with 16.1% (primarily related to salaries). Broken down by operational segment, non-affiliated agency operations accounted for 60.8% of the total, followed by affiliated agency operations at 22.5% and direct operations at 16.7%.

Total Operating Expenses Incurred (\$B)

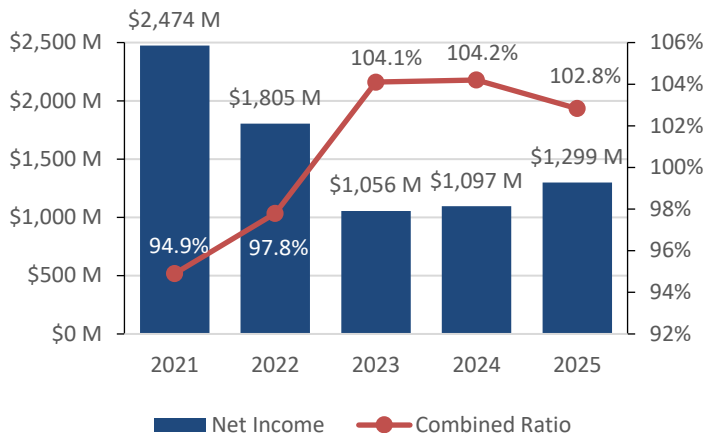


In addition, losses and LAE incurred decreased 17.4% and totaled \$807.7 million. Net operating gains increased 50.5% compared to 2024 to \$991.3 million.

The combined ratio improved 1.3 points to 102.8%. The net loss ratio improved 0.8 points to 4.4% and the expense ratio improved 0.5 points to 98.5%. This marked the third consecutive year that the industry combined ratio exceeded 100%.

Net investment gains decreased 18.5% to \$544.5 million as a \$(58.4) million net realized capital loss (compared to \$143.9 million gain in 2024) offset a 15.0% increase in net investment income earned to \$602.9 million.

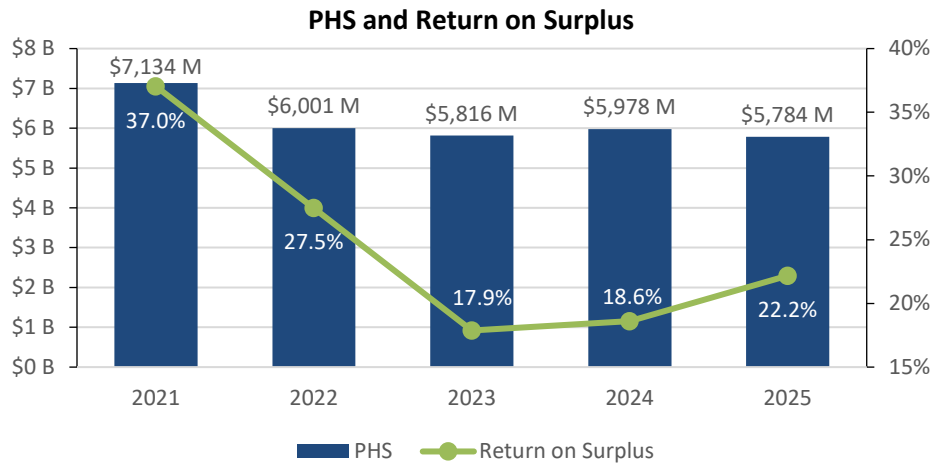
Net Income (\$M) and the Combined Ratio



Overall, the increase in net operating gains outpaced the decrease in net investment gains, resulting in an 18.8% increase in net profits compared to last year to \$1.3 billion. Fitch Ratings cited commercial transactions as being a key driver of improved operating results for the current year.

POLICYHOLDERS’ SURPLUS

Despite the increase in net profits, policyholders’ surplus (PHS) decreased 2.8% this year to \$5.8 billion, primarily due to a 55.3% increase in dividends to stockholders to \$1.4 billion. Return on surplus increased 3.5 points to 22.2%.



CASH AND LIQUIDITY

Cash inflows totaling \$20.6 billion (up 13.6%) outpaced cash outflows of \$19.1 billion (up 12.6%), leading to a 28.0% increase in net cash from operations compared to 2024 to \$1.5 billion. Net cash from investments decreased 41.7% compared to last year to \$52.4 million. Net cash from financing and miscellaneous sources decreased 74.0% to \$(1.6) billion. Overall, the net change in cash, cash equivalents, and short-term investments was \$(7.0) million to \$2.0 billion as of December 31, 2025.

The industry’s liquidity ratio worsened 5.2 points to 74.7%. Liquid assets decreased 6.0% to \$9.1 billion while adjusted liabilities increased 1.1% to \$6.8 billion.

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