# U.S. Property/Casualty Insurance Sector View 2025

Grappling With Natural Catastrophes And Rising Claims Costs

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North America P/C Insurance Rating

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S&P Global Ratings

*This report does not constitute a rating action*

# Contents

# Key Trends

## What we saw in 2024…

- Near or record earnings, including net investment income; industry delivered solid results in the first nine months in 2024 (and likely for the year).
- Sharp recovery in personal lines' underwriting results as cumulative rate increase and other underwriting actions implemented from previous years take effect.
- Elevated natural catastrophe losses and reinsurance protection is more expensive, but insurers have mitigated the impact on underwriting results through disciplined pricing and exposure management.
- The favorable pricing trend subsided, but profit margins remained strong for commercial lines.
- Diminished reserve releases, as long-tail lines confront claims inflationary pressure.
- Robust capital position attributed to strong retained earnings, with investments having largely reversed the deterioration stemming from rising interest rates in 2022.
- We have more companies on positive (12%) than negative (6%) outlooks, though the number of rating changes is expected to be relatively modest.

## What we expect in 2025…

- Personal auto underwriting profits to normalize as insurers pivot to policies-in-force growth with flat to lower rate increases.
- Significant wildfire losses in the first two weeks could create earnings pressure later, especially if 2025 proves to be above average for natural catastrophes.
- Margin compression in commercial lines as pricing eases, but insurers remain disciplined in risk selections and exposure management.
- Persistent social inflation pressure leading to higher cost of claims and cast uncertainties on reserves. Commercial auto, excess casualty, and professional liability remain vulnerable to adverse reserve development.
- We expect industry capitalization to remain robust with ample loss-absorbing capacity attributed to stable underwriting margin and strong investment income.
- Ongoing geopolitical tensions and proposed trade policy could weigh on market sentiment, leading to economic uncertainty and higher interest rates impacting earnings growth, investment asset valuation, and balance sheet shareholders' equity.
- Accelerating digital technology adoption challenging talent acquisition, while giving rise to cyberattacks; insurers lacking well-tested cybersecurity playbooks are more vulnerable.

# U.S. P/C Insurance Sector View Is Stable

## Headwinds

- Severe natural catastrophe losses are becoming more prevalent, depressing underwriting results.
- Rising jury awards and legal costs weigh on claims cost, impacting profitability and reserve adequacy.
- Rising geopolitical tensions and proposed trade policy could lead to market uncertainty affecting earnings growth, investment valuation, and balance sheet equity.
- Accelerating digital technology adoption challenging talent acquisition, while giving rise to cyberattacks threatening operations.

## Tailwinds

- Disciplined exposure management and risk selections to maintain adequate underwriting margins.
- Robust capital position with ample loss-absorbing capacity.
- Investment of new money at higher bond yields will benefit net investment income.
- Proposed changes by the Trump administration to lower corporate tax rates would benefit reported net income.

| Strong ratings | Resilient outlook | Capital adequacy |
|---|---|---|
| About 97% insurer are rated 'A- or higher' | About 82% of rated insurers have a stable outlook | 94% of rated insurers at or above the '99.80%' confidence level |

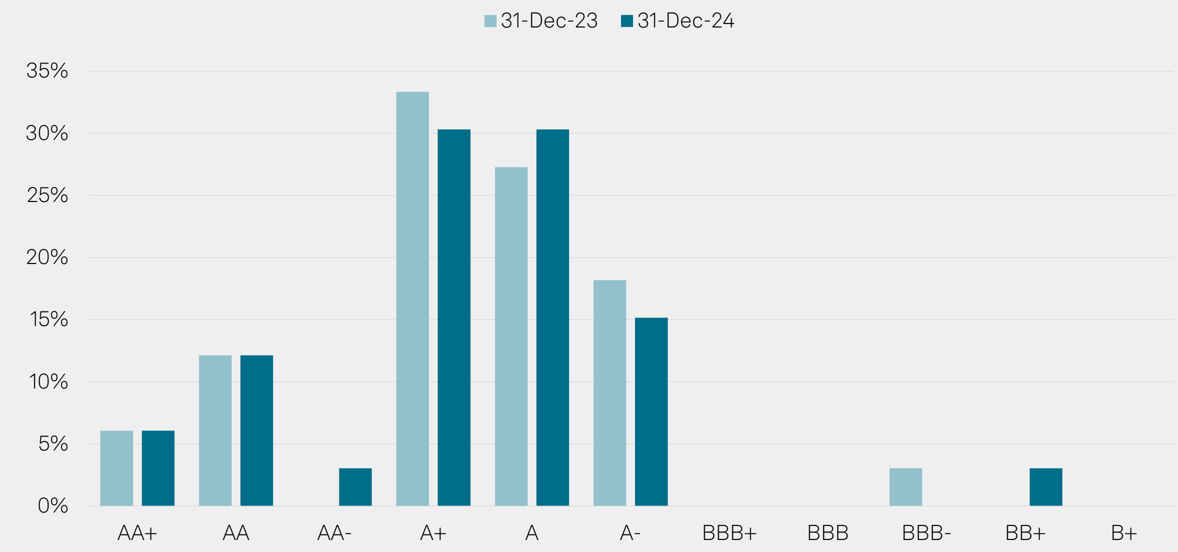
| (%) | 2021a | 2022a | 2023a | 2024f | 2025f |
|---|---|---|---|---|---|
| Premium growth | 9.4 | 9.8 | 10.5 | 8-9 | 8-9 |
| Combined ratio | 99.7 | 102.7 | 101.8 | 98-99 | 98-100 |
| CAT ratio | 8.2 | 8.0 | 9.1 | 10-11 | 10-12 |
| ROR | 7.9 | 6.5 | 6.0 | 9-10 | 8-9 |

a—Actual. f—Forecast. Source: S&P Market Intelligence, ISO for CATs. F– S&P Global Ratings' forecast (base case).

# U.S. P/C Insurance Sector | Ratings And Outlook Distribution

- The median rating for U.S. P/C insurers is ‘A+’; 21% are in the ‘AA’ category and 75% are in the ‘A’ category.
- In 2024, distribution of rating outlooks improved thanks to strong recovery in underwriting performance in personal lines and improved capital under the revised capital adequacy framework. Negative outlooks are mainly due to company specific reasons (USAA and Acuity Mutual).
- Positive outlooks (AIG, WR Berkley, Accident Fund, and Hartford Financial Services) mainly reflect higher capital buffers under the revised framework, along with improved underwriting performance.
- One downgrade (American Steamship) and two upgrades (AEGIS and Factory Mutual) for commercial lines writers in 2024.

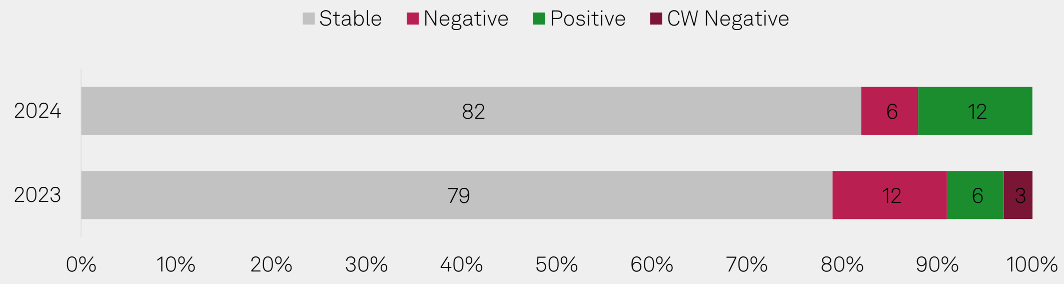
Financial strength rating distribution




Source: S&P Global Ratings.

| 2024 rating changes | | 2024 outlook changes | |
|---|---|---|---|
| Up | Down | Up | Down |
| 2 | 1 | 8 | 2 |

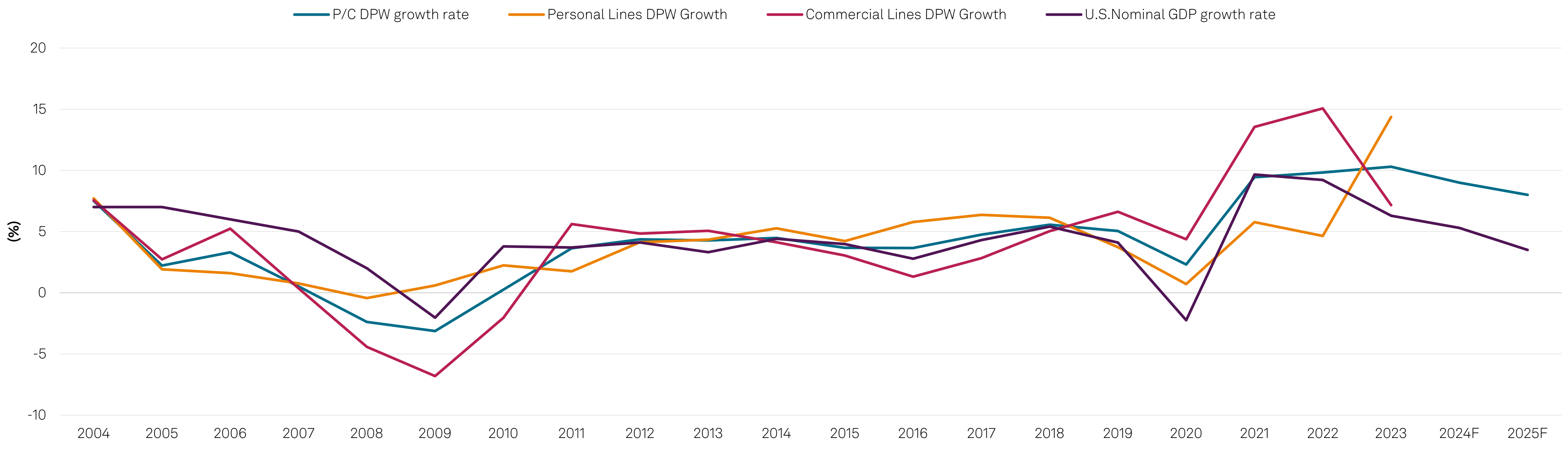
Year-end outlook distribution (%)



# Underwriting Results

# U.S. P/C Industry | Personal Lines Versus Commercial Lines Premium Growth

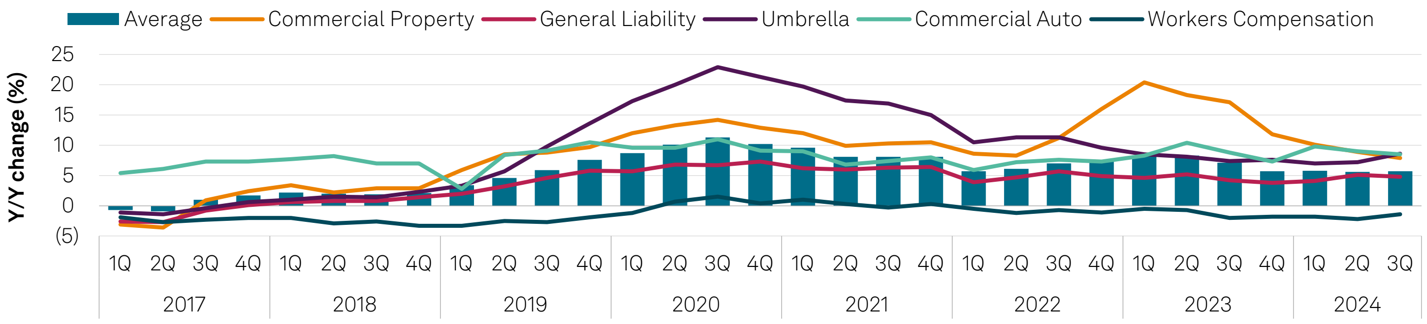
- P/C premium growth typically tracks economic growth but has diverged recently in response to the spike in loss cost inflation.
- After higher premium growth in 2019-2022, commercial lines' premium growth in 2023 slowed, reflecting moderate rate increase. On contrary, the growth rate of personal lines in 2023 was greater than that of the industry premium, reflecting higher rate increases.
- We expect net premiums in 2024 and 2025 will grow at 8%-9%, higher than nominal GDP growth expectation, as insurers respond to elevated claims costs with rate increases. However, this is slightly lower than in 2021-2023, reflecting moderation in rate increases.



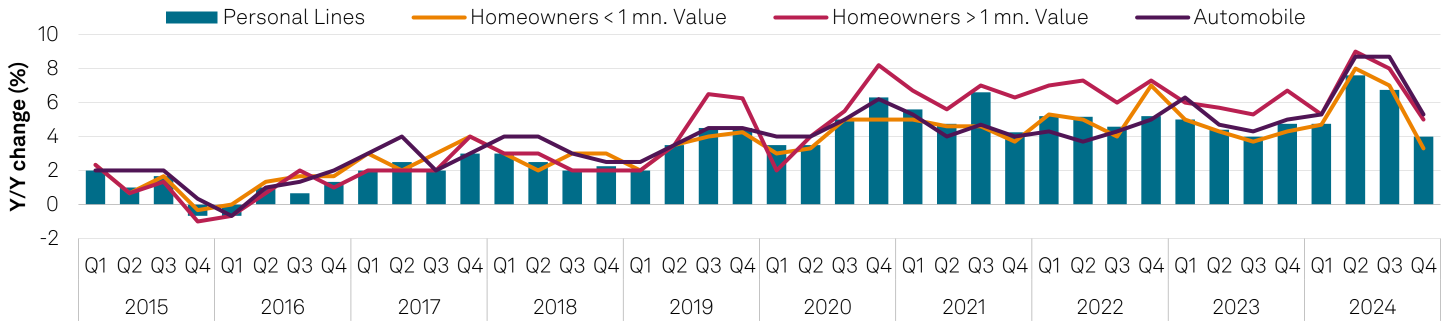

F—Forecast. Nominal GDP forecast from S&P Global Ratings Economics. Source: Direct premiums written (DPW) from S&P Global Market Intelligence.

# U.S. P/C Industry | Sector Pricing Trends

## Commercial line pricing trends




## Personal line pricing trends

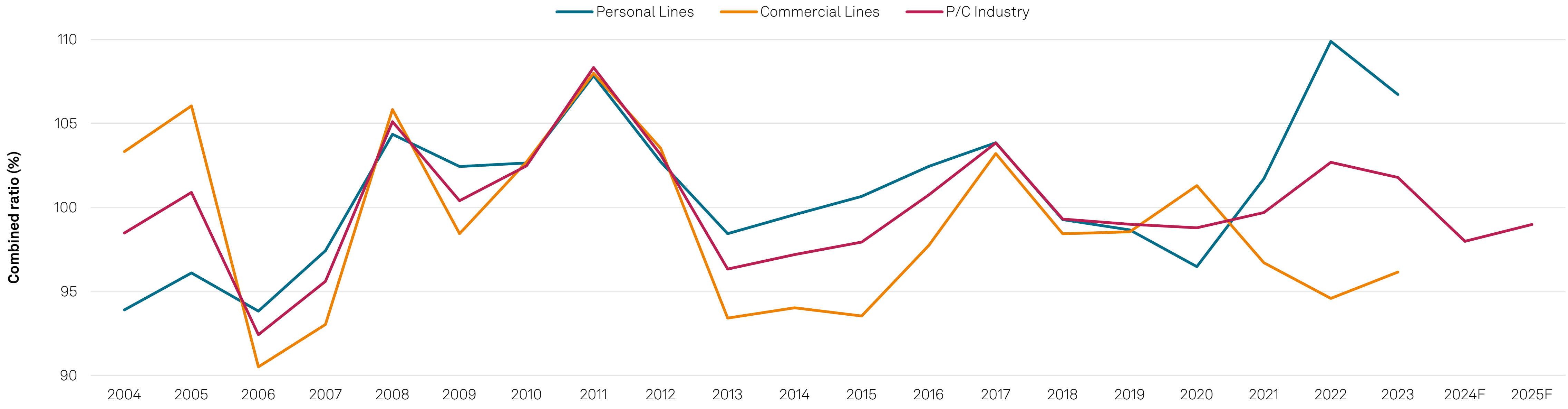



Source: Commercial line pricing--CIAB Pricing Survey. Personal line pricing--MarketScout.

- Strong rate increases in standard commercial lines since 2019 have allowed commercial lines insurers to stay ahead of loss cost trends and maintain their underwriting margins. However, the rates have moderated since Q1 2023.
- Cumulative rate increase of 22%-23% in personal lines since Q1 2021 are finally bearing results, with personal line writers posting underwriting profits.
- Overall, we expect the rates to moderate for both commercial lines and personal lines, as insurers will now focus on maintaining underwriting margins and growing policies-in-force.

# U.S. P/C Industry | Improvement In Underwriting Results

- Industry combined ratio improved in 2023 relative to 2022. However, it was above 100%, reflecting underwriting losses. This was due to the improvement in personal lines' underwriting performance, offset by higher catastrophe losses and adverse reserve development in commercial lines. In 2023, the combined ratio for personal lines improved to 106.7% from 109.9% in 2022, while it deteriorated for commercial lines to 96.2% from 94.6%.
- The combined ratio for the first nine months of 2024 improved to 97.8% from 103.5% for the same period in 2023. We expect the full year 2024-2025 to be 98%-100%, driven by stronger underwriting performance in personal auto, partially offset by increased catastrophe losses and diminishing reserve releases.




Statutory financial data. F--S&P Global Ratings Forecast. Source: S&P Global Market Intelligence.

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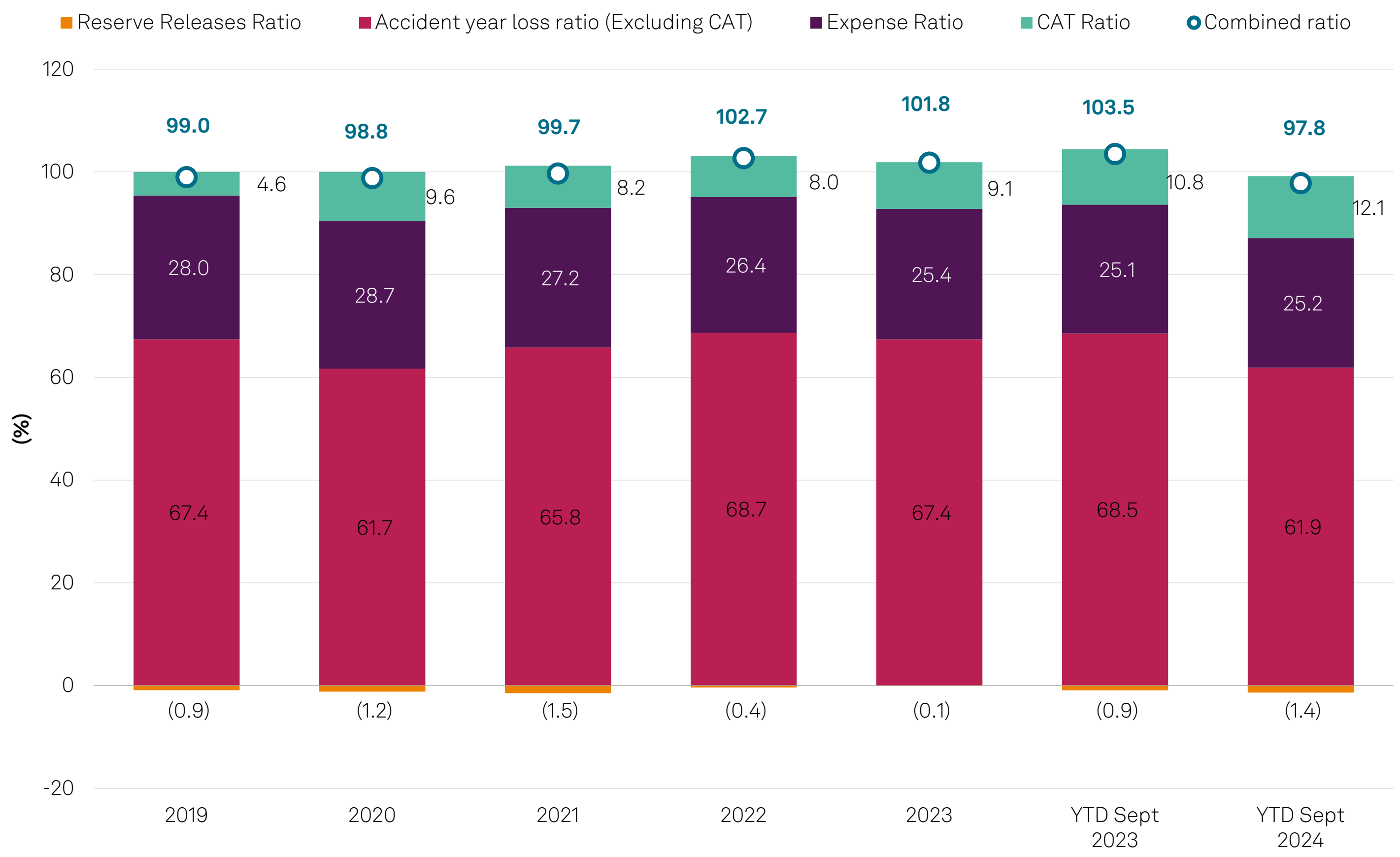
# U.S. P/C Industry | Combined Ratio Components

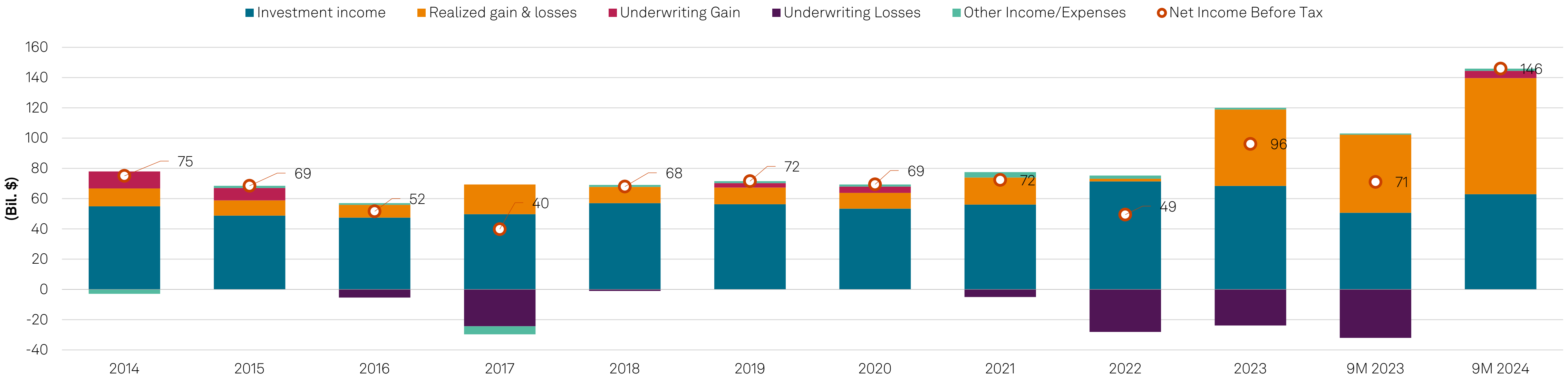



Annual catastrophe losses used to derive the CAT Ratio from Insurance Services Office (Verisk). CAT losses data for the nine months in 2023 and for the nine months in 2024 from Aon Report. Source: S&P Global Market Intelligence.

- After deterioration in the underlying losses in 2021 and 2022, the industry experienced improvement in this ratio in 2023 and the first nine months of 2024. This was the combined impact of the rate increases, and the underwriting actions taken by the insurers.
- Strong rate increases in commercial lines and personal lines have boosted net premium written and lowered the expense ratio.
- We expect the 2024 CAT loss impact of 10-11 points, given the catastrophe losses from Hurricanes Helene and Milton in the second half of 2024.
- During the past 10 years, the prior-year reserve development ratio benefited the combined ratio on average by 1.2% (2014-2023). However, it has diminished in the past two years. Therefore, we expect a negligible impact in 2024.

# U.S. P/C Industry | Investment Income Continues To Support Net Earnings

- Investment income comprises a major part of industry net earnings (pre-tax), more than offsetting underwriting losses, allowing the industry to report positive earnings over the last 10 years (2014-2023). On average for this period, investment income accounted for around 75% of net earnings, ranging from 70% to 140%.
- Net earnings in 2023 and the first nine months of 2024 were at record levels, mainly due to realized capital gains. This is mainly attributable to BRK, which transferred ownership of its railroad subsidiary BNSF to the ultimate holding company (at fair value) in 2023 and the sale of a large equity position in Apple Inc. in 2024.
- We expect net investment income to continue to support industry net earnings, along with an improvement in underwriting performance.

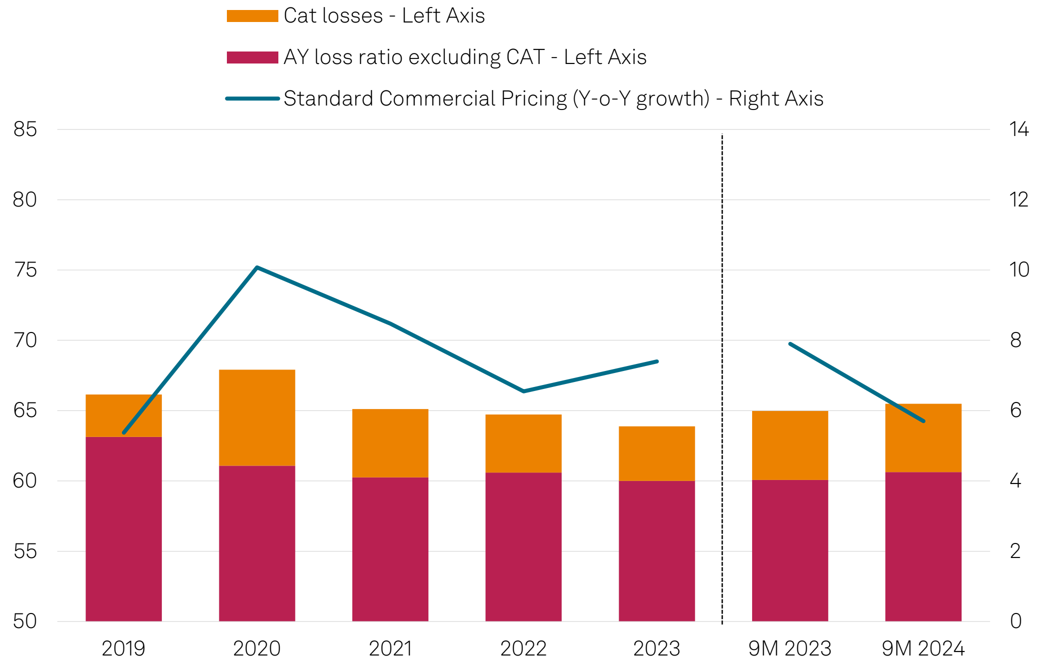



Statutory financial data. Underwriting gain and underwriting losses = NPE – loss incurred – operating expenses – policyholder dividends. BRK--Berkshire Hathaway Inc.
Source: S&P Global Market Intelligence.

# U.S. P/C Insurers | The Loss Ratio Trend

## Select commercial lines insurers

- A sharp increase in commercial lines pricing since 2019 has reduced the underlying loss ratio for commercial lines writers from 63% to 60%, where it has remained as insurers adjusted rates to match or exceed the loss cost trends.
- Catastrophe losses have caused relatively modest earnings volatility, in contrast to personal lines writers.



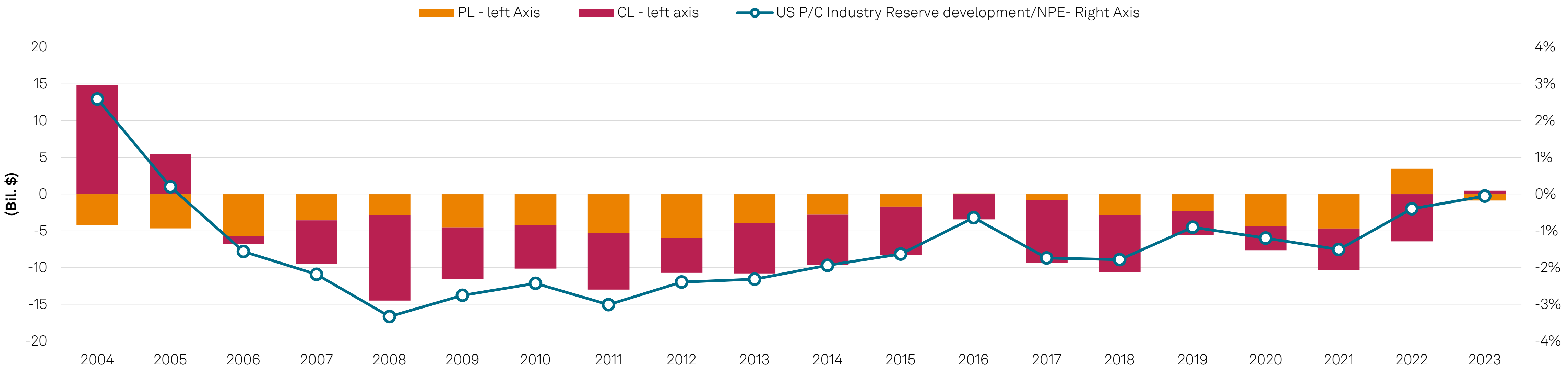

## Select personal lines insurers

- The underlying loss ratio rose sharply in 2021 (post Covid) due to inflationary pressure on auto and home repair costs, and it has remained elevated.
- Implementation of cumulative rate increase reduced the underlying loss ratio in the first nine months of 2024 for select personal lines insurers to 65% from 72% in prior-year period.


Methodology: Aggregate metrics calculated using simple average. Commercial lines companies: AFG, AIG, CB, CNA, HIG, MKL, RLI, WRB, SIGI, CINF, ORI (excluding Title), and Berkshire Hathaway Insurance Group (only Primary Group). Personal lines companies: ALL, KMPR, TRV, THG, LMIG, PGR, and GEICO. Source: SEC filings, CIAB Pricing Survey, and MarketScout Barometer.

# U.S. P/C Industry | Reserve Development Reflects Disciplined Underwriting

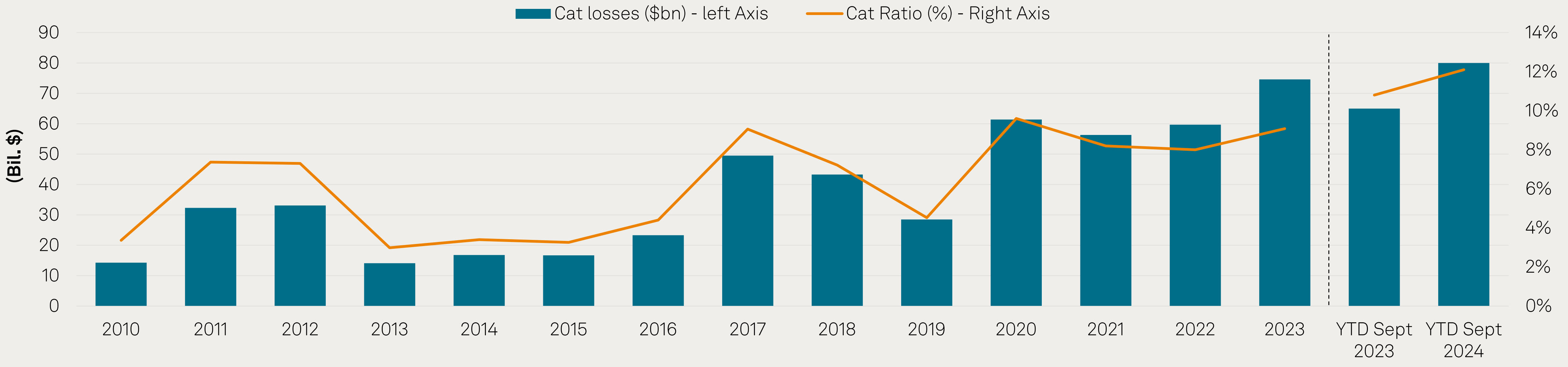
- The industry had favorable prior-year reserve development over the past 18 years, demonstrating a commitment to reserve adequacy. Although we expect this trend to continue in 2024 and 2025, it will be at a lesser degree.
- In 2023, U.S. P/C insurers reported reserve releases of $400 million (the loss ratio impact since 2006). This reflects reserve strengthening in commercial lines of $500 million, mainly for commercial auto and other liability lines, offsetting reserve releases in workers' compensation and short tail lines. The impact of social inflation on casualty reserves remains a concern, but it has not materially impacted the overall reserve development to date.
- After significant adverse reserve development in personal auto of $5 billion in 2022, the industry reported lower reserve strengthening of $1 billion in 2023 in this line. This led to total reserve releases of $900 million in 2023 in personal lines, compared with reserve strengthening of $3.4 billion in 2022.




PL--Personal lines. CL--Commercial lines. Source: S&P Global Market Intelligence.

# U.S. P/C Industry | Catastrophe Losses Having Bigger Impact

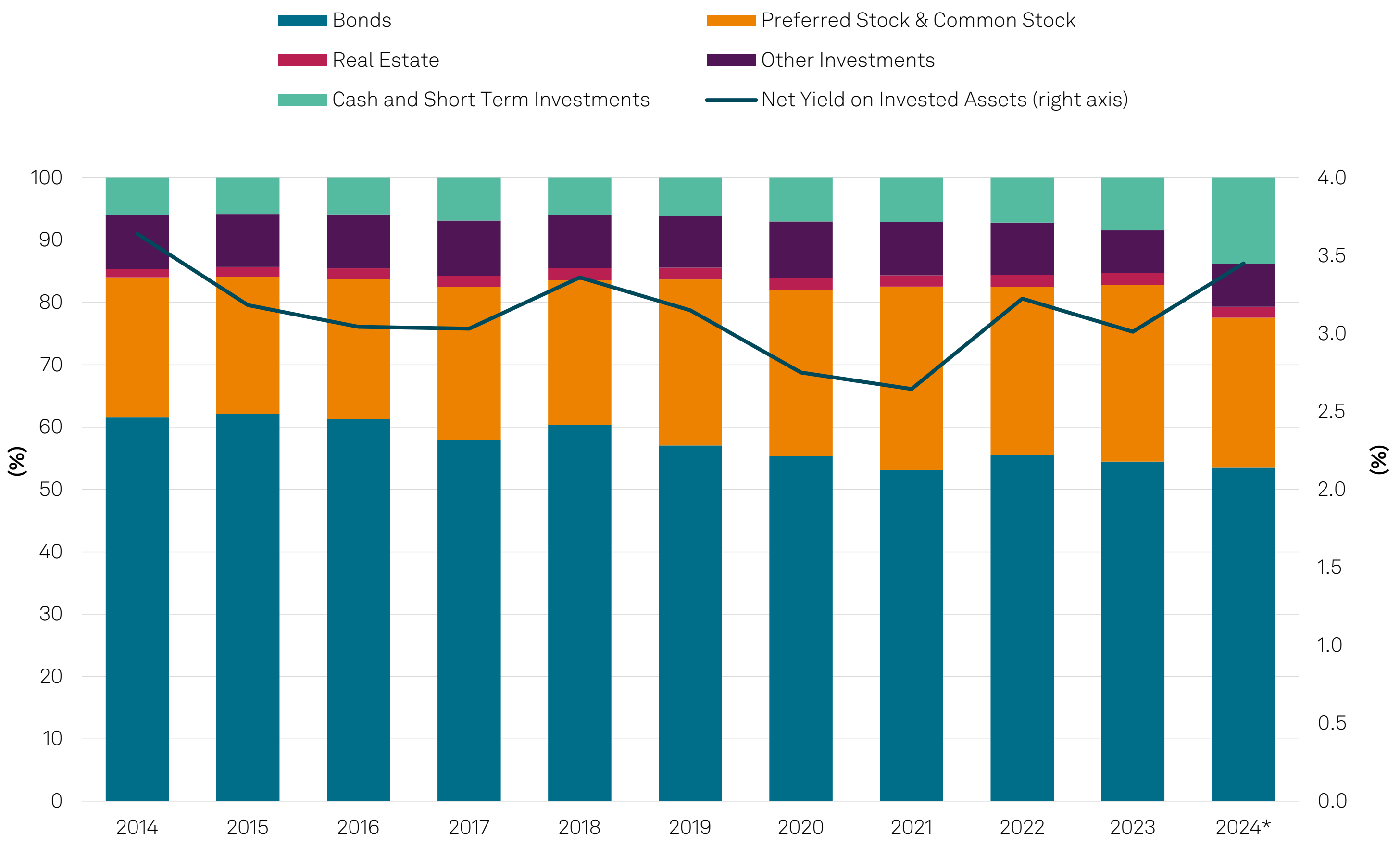
- Elevated catastrophe losses continue to hamper the industry's underwriting performance, adding about 8 points on average to the industry loss ratio in 2017-2023. Insured catastrophe losses have exceeded $40 billion in six of the last seven years, driven in large part by an increase in the number of severe convective storms in the Midwest.
- Catastrophe losses were slightly higher for the first nine months of 2024 than in the prior-year period. Hurricane Milton, along with the other adverse weather events, will add to full-year losses.
- Reinsurers have moderated down on average, reflecting a desire to grow; loss-free programs see a single-digit decreases on average, compared with single-digit increases in 2024. However, loss-impacted programs, experienced a wider range of outcomes (increases in low teens), compared with +35% to +40% in 2024.




NPE used for CAT ratio from S&P Market Intelligence and for YTD nine months of 2023 & 2024 Cat losses is from Aon reports. Source: Catastrophe losses from Insurance Services Office (Verisk).

# Asset Quality

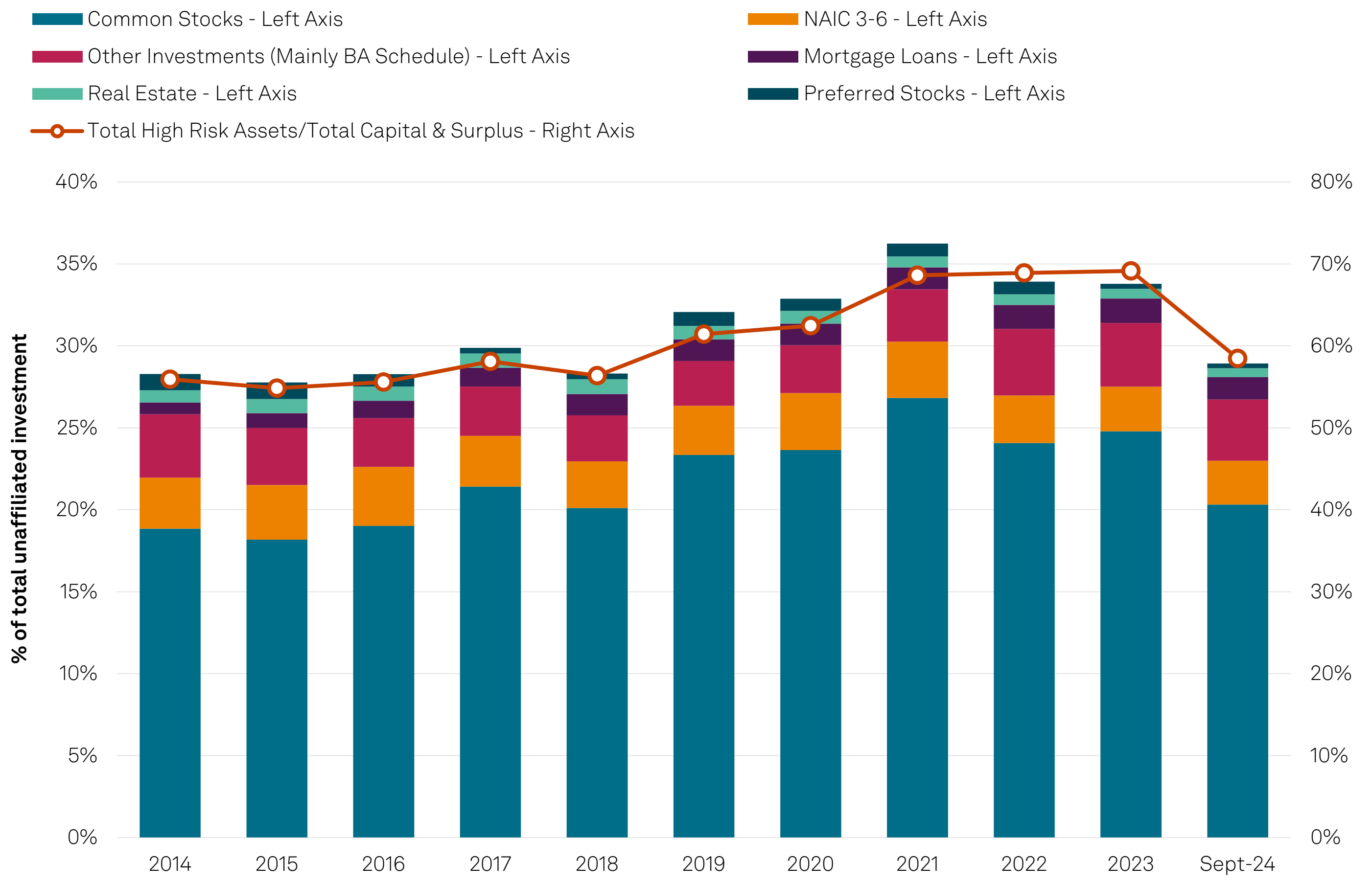
# U.S. P/C Industry | Generally Conservative Investment Mix




Statutory financial data. *Annualized yield as of September 30. Source: S&P Global Market Intelligence.

- Investment portfolios continue to be dominated by investment-grade fixed-income securities. However, in the past 10 years, the allocation to bonds has declined by 7 percentage points, largely offset by a 6-point increase in equities.
- The industry's equity allocation is skewed by two insurance groups--Berkshire Hathaway (BRK) and State Farm--that together account for around 70% of total equity holdings.
- In 2024, BRK sold nearly half of its stakes in Apple Inc., leading to a decline in the equity allocation and higher cash and short-term investments.
- The net investment yield has declined in 2023, as income from Schedule BA assets declined to a more normal level following an exceptional 2022. However, in 2024, there was an uptick in the yield due to the higher interest income earned on new money invested at higher interest rates. We expect some moderation in the yield in 2025, reflecting the Fed's recent rate cuts.

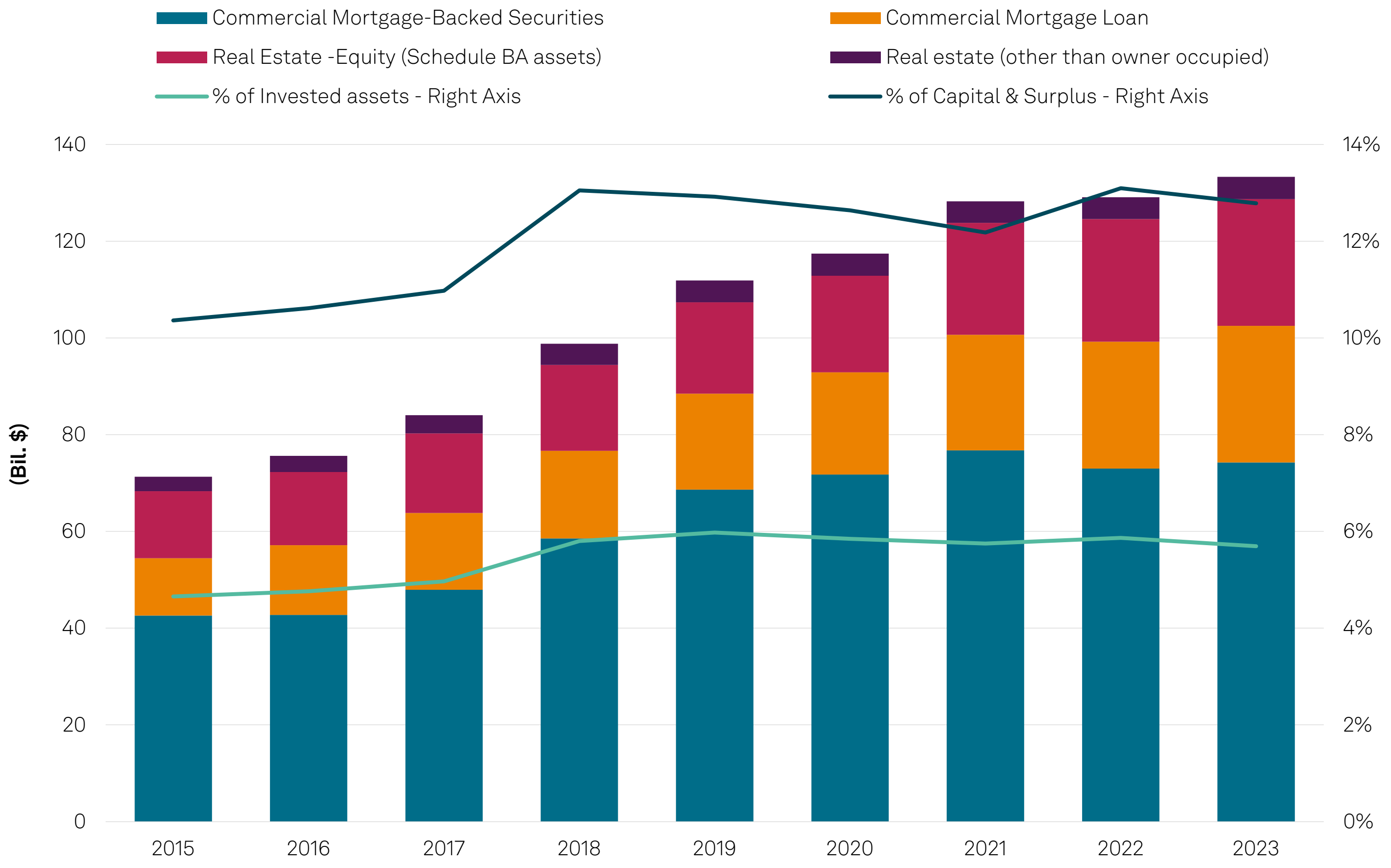
# U.S. P/C Industry | Reduction In Exposure To Higher Risk Assets




Source: S&P Global Market Intelligence.

- High-risk assets (HRA), as a percent of total unaffiliated investments, have increased in 2014-2023 from 28% to near 34%, driven by common stock appreciation and allocations to less liquid alternative assets. The long-term decline in interest rates during this period made these asset classes more attractive.
- Over the past 10 years, HRA as a percentage of capital and surplus (C&S) increased from 56% to 69%.
- However, in the first nine months of 2024, the ratio of HRA to unaffiliated investments and to C&S declined to 29% and 59% respectively, driven by BRK's sale of a large holding of Apple Inc.'s common shares.
- We believe insurers will maintain their allocations to these less liquid/more volatile asset classes, as interest rates are expected to decline over the next two years, per S&P Global Ratings' base-case economic forecast. Lower yields should make new purchases of HRA securities somewhat less attractive.

# U.S. P/C Industry | Modest Commercial Real Estate Exposure

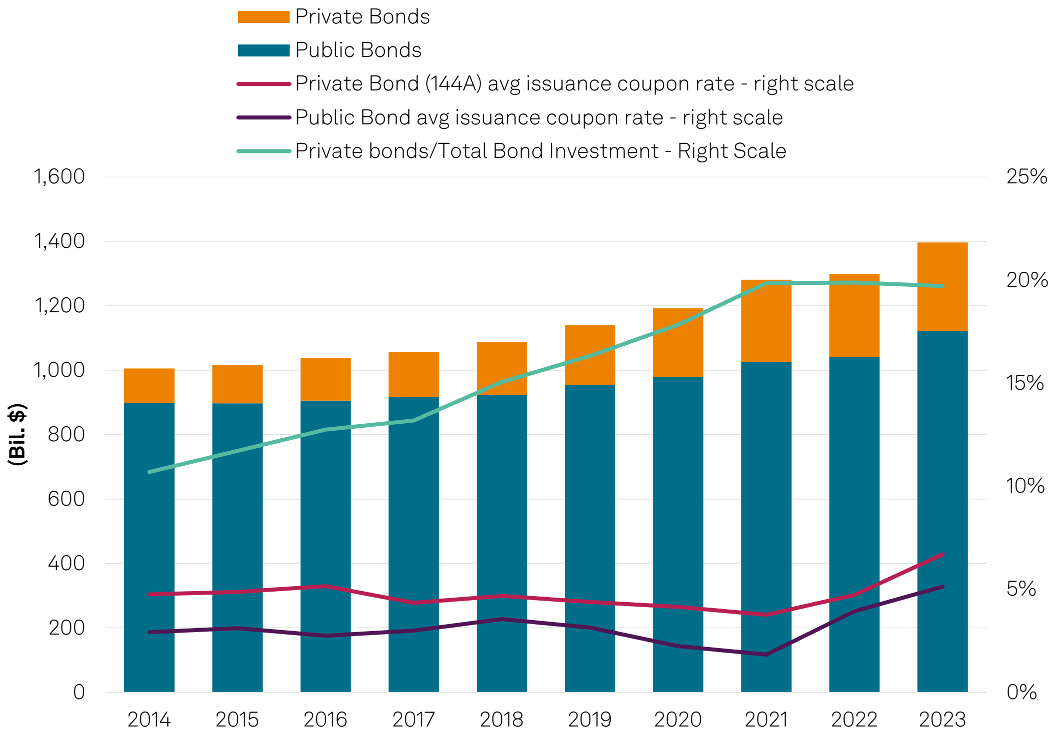


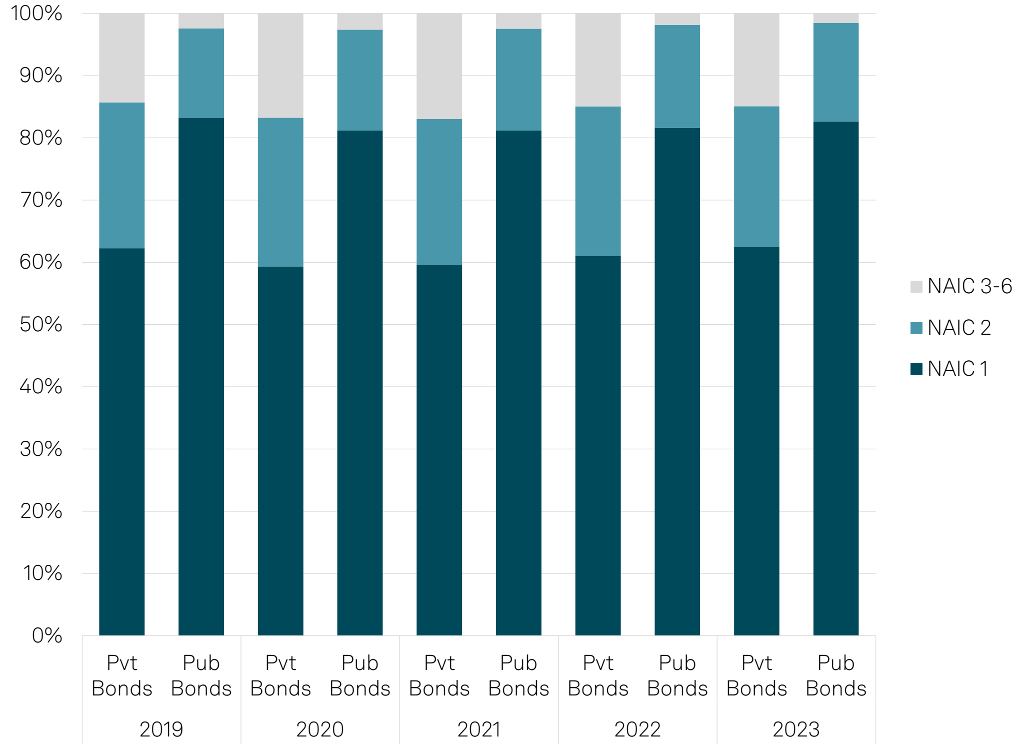

Source: S&P Global Market Intelligence.

- Commercial real estate (CRE) exposure for the P/C industry is relatively low, gradually increasing in 2014-2019 from 4% to 6% of total invested assets. But afterward, it has been flat to slightly lower.
- Over 50% of CRE exposure consists of commercial mortgage-backed securities (CMBS), which are typically higher rated senior tranches.
- Nearly 99% of commercial mortgage loans were in good standing as of the end of 2023.
- We expect no major change in CRE exposure over the next two years.

# U.S. P/C Insurers | Increasing Exposure To Privately Issued Bonds

- In 2014-2021, P/C insurers increased their exposure to privately placed bonds from 10.7% of bond investments to 20%, but it has been flat afterward. The increase in these investments is mainly due to higher yields compared to public bonds, reflecting the less liquid and lower credit quality characteristics of these bonds. Over the past 10 years, the difference in the coupon rate has been 150-200 bps.
- Privately placed bonds include a higher proportion of speculative-grade securities, with 15% rated NAIC 3-6, compared with 1.5% for public bonds. We expect that insurers will continue to invest in these bonds to earn a higher yield.




Source: S&P Market Intelligence.

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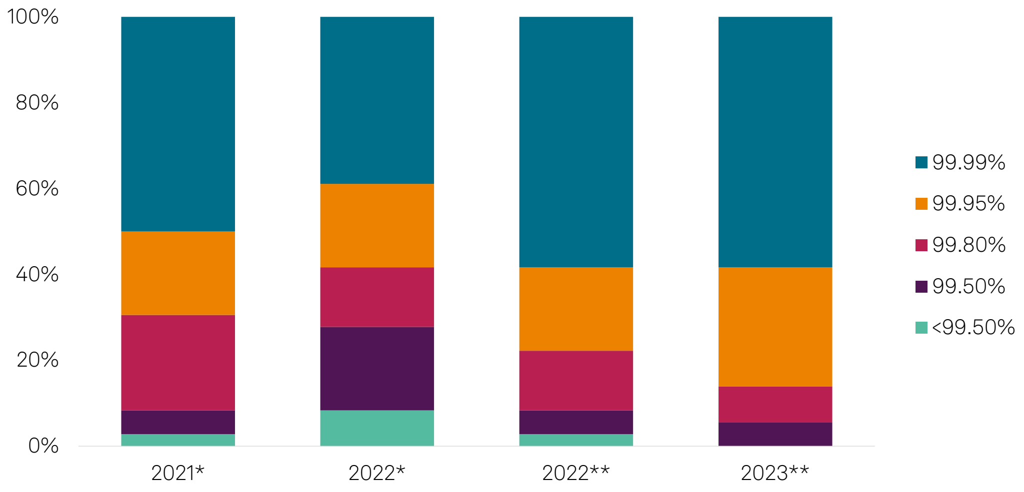
# Capital

# U.S. P/C Insurers | Improved Capital Adequacy Under Revised Criteria

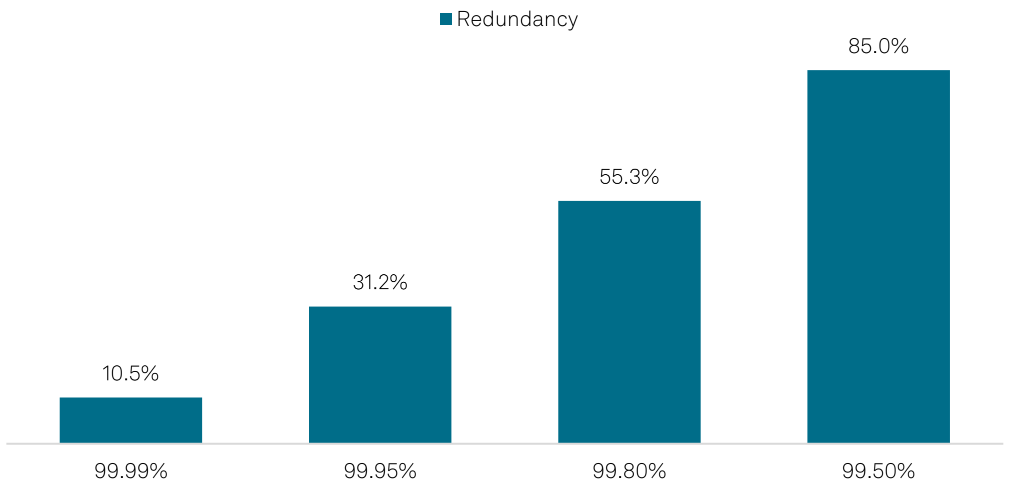
- Aggregate capital adequacy for the rated U.S. P/C insurers under our new capital model improved. This is due to higher diversification credit, non-life DAC inclusion, and higher non-life technical reserve discount benefit. This is slightly offset by higher risk charges stemming from higher confidence levels, a decline in debt/hybrid eligibility as capital, and a haircut on the holding company invested assets.
- Capitalization in 2023 improved compared with 2022, reflecting the reversal of unrealized losses on bond holdings, strong equity market performance, a modest improvement in underwriting results, and lower share repurchase activity.
- We expect capitalization to remain robust in 2024, reflecting strong earnings, the reversal of unrealized bond losses, and higher market-to-market invested asset valuation.

## 94% of rated insurers have strong or higher capital



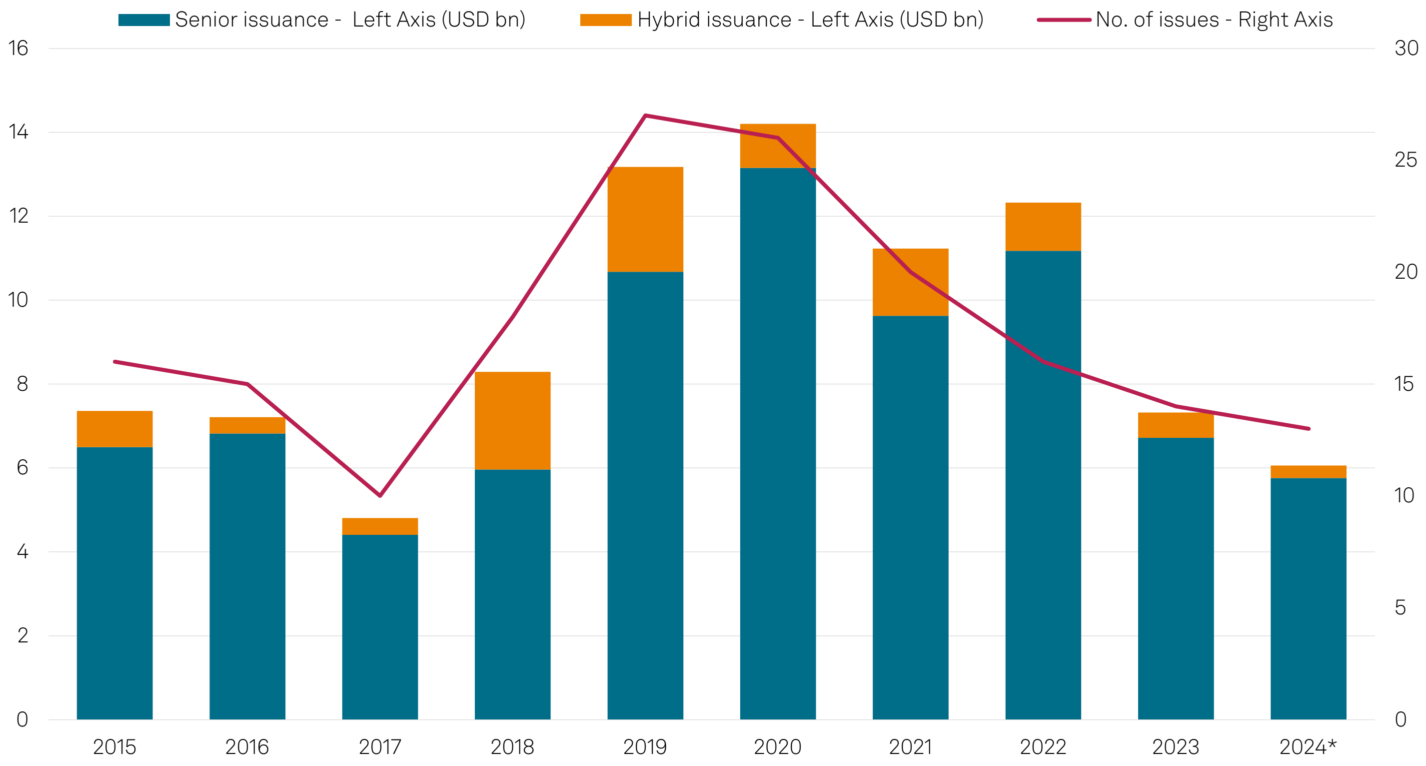

*Data reflects capital adequacy under the previous capital adequacy criteria. **Revised capital adequacy framework.
Source: S&P Global Ratings.

## Rated U.S. non-life insurers' capital adequacy at the end of 2023



# U.S. P/C Industry | Higher Rates Reduce Debt Issuance

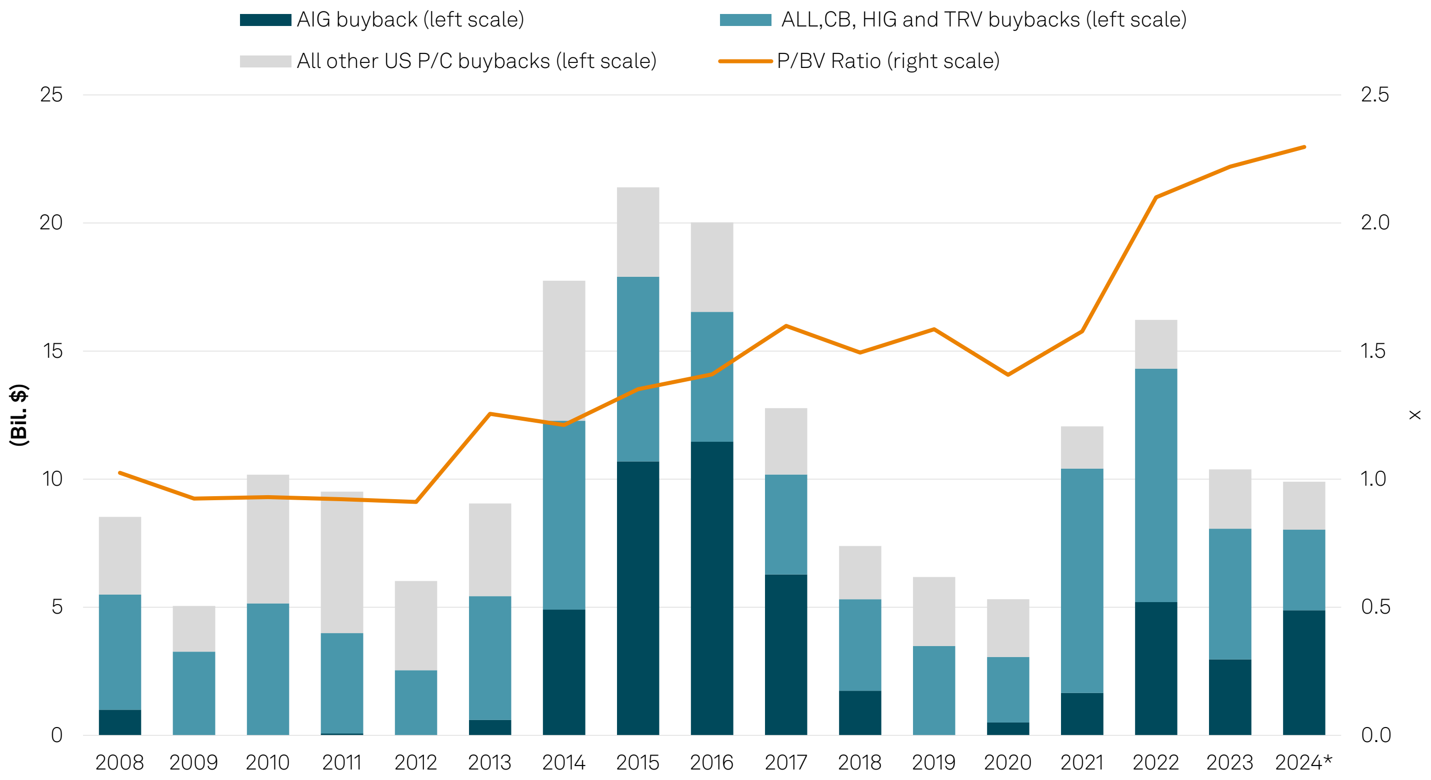
## S&P rated issuance




*Rated issuance through Dec. 31, 2024. 2022 includes $6.5 billion of senior debt and $1 billion of hybrid issued by AIG's life subsidiary Corebridge Financial Inc. 2023 includes $845 million of senior debt issued by FNF's life subsidiary F&G Annuities & Life Inc. and $750 million of senior debt issued by AIG life subsidiary Corebridge Financial Inc. Source: S&P Global Ratings.

- In 2021-2023, the rise in interest rates across all maturities resulted in fewer rated debt/hybrid issuances, a trend that has continued in 2024.
- Issuances in 2024 were mainly to refinance upcoming debt maturities.
- The rise in interest rates has increased financing costs—the average coupon rate for issuance rose to 6% in 2023 and 5.7% for 2024 from 4.3% in 2021 and 3.2% in 2022.
- We expect some increase in debt issuance in 2025 as insurers take advantage of a projected decline in interest rates, driven by the Fed's expected rate cuts.

# U.S. P/C Industry | More Cautious Capital Management




*For the first nine months of 2024. Based upon cash flows from financing activities--Treasury stock acquired—Share repurchase authorization.

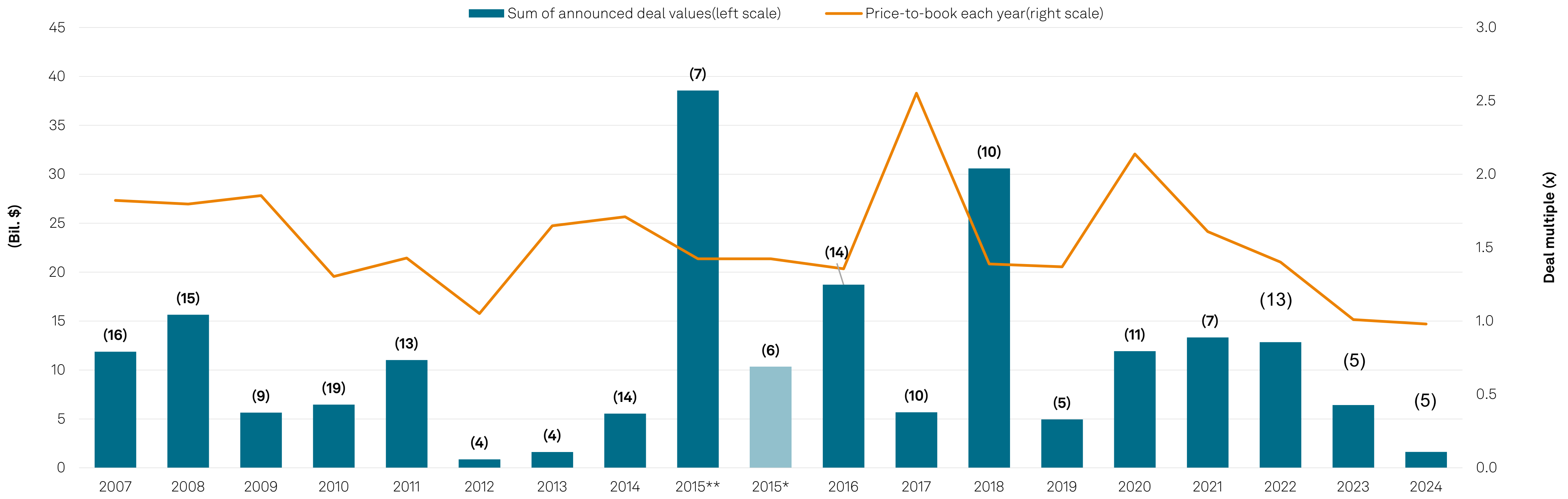
The following companies are covered in the analysis: ORI, ALL, CB, ACE, MKL, SIGI, XL (prior to AXA acquisition), WTM, PGR, PRA, RLI, NAVG (prior to Hartford acquisition), TRV, AFG, AIG, CINF, CNA, THG, HIG, HCC (prior to Tokio Marine acquisition), HMN, IPCC (prior to KMPR acquisition), WRB, KMPR, and AIZ.

Excludes AIG's repurchase of shares held by the U.S.Treasury worth $13 billion in 2012. Source: SEC company filings and S&P Market Intelligence.

- After a decline in 2023, share repurchases were on an upward trend in the first nine months of 2024. This was due to an increase in share buybacks by AIG funded with the proceeds from the sale of its Corbridge stake and Validus Re. Allstate halted share buybacks in 2024 to rebuild its capital.
- We expect similar or higher share repurchases in 2025, given our expectation of improved underwriting results and investment income.

# U.S. P/C Industry | Subdued M&A Activity

- M&A activity has been muted in 2023 and 2024.
- Two major transactions in the past two years:
  - The acquisition of Argo Group Inc. by Brookfield Re for $1.1 billion; and
  - The acquisition of AIG's reinsurance operations (Validus Re) by Renaissance Re for $3.0 billion.




Note: The numbers in parentheses are deals for each respective year. *Excluding ACE-CB deal. **Including ACE-CB deal.
#2020 data excludes the acquisition of RSA Insurance Group PLC by Intact Financial Corp; and Tryg A/S ($9.3 billion). Source: S&P Global Market Intelligence.

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# Appendix

# U.S. P/C Sector | 2024 Rating And Outlook Changes

UCO related rating actions

| Month | Company | From | To | Reasons |
|---|---|---|---|---|
| January 2024 | Associated Electric & Gas Insurance Service Ltd. | A-/Positive | A/Stable | Improved capital under new capital model criteria |
| February 2024 | American Steamship Owners Mutual P&I Assoc. Inc. | BBB-/Negative | BB+/Stable | Continuous weakening of capital |
| February 2024 | Accident Fund Insurance Co. of America | A-/Stable | A-/Positive | Improved capital under new capital model criteria |
| February 2024 | W.R. Berkley Corp. | A+/Stable | A+/Positive | Improved capital under new capital model criteria |
| February 2024 | American International Group | A+/Stable | A+/Positive | Improved capital under new capital model criteria |
| February 2024 | Liberty Mutual Group Inc. | A/Negative | A/Stable | Improved capital under new capital model criteria |
| February 2024 | Farmers Insurance Exchange | A/Negative | A/Stable | Improved capital under new capital model criteria |
| February 2024 | American Family Mutual Insurance Group | A-/Negative | A-/Stable | Improved capital under new capital model criteria |

Other rating actions

| Month | Company | From | To | Reasons |
|---|---|---|---|---|
| May 2024 | Argo Group International Holding | A-/Watch Neg | A-/Stable | Completion of acquisition by Brookfield and the MSI group status |
| May 2024 | United Service Automobile Association | AA+/Stable | AA+/Negative | Deterioration in operating performance for the group |
| June 2024 | Hartford Financial Service Group Inc. | A+/Stable | A+/Positive | Improved operating performance |
| October 2024 | Factory Mutual Insurance Co. | A+/Positive | AA-/Stable | Sustainably improved its underwriting performance, compares favorably relative to ‘AA’ rated peers |
| October 2024 | Acuity A Mutual Insurance Co. | A+/Stable | A+/Negative | Pressure on the operating performance |

Source: S&P Global Ratings.

# U.S. P/C Insurers | Rating Scores Snapshot--Strongest To Weakest

| Org name / Sponsor | Business risk profile | Competitive position | IICRA | Financial risk profile | Capital and earnings | Risk exposure | Funding structure | Anchor | Governance | Liquidity | CRA | Financial strength rating | Outlook/ CreditWatch |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Berkshire Hathaway Insurance Group | Very strong | Excellent | Intermediate risk | Very strong | Excellent | Moderately high | Neutral | aa | Neutral | Exceptional | 1 | AA+ | Stable |
| United Services Automobile Association | Very strong | Excellent | Intermediate risk | Very strong | Excellent | Moderately high | Neutral | aa | Neutral | Exceptional | 1 | AA+ | Negative |
| Chubb Ltd. | Very strong | Excellent | Intermediate risk | Very strong | Very strong | Moderately low | Neutral | aa | Neutral | Exceptional | 0 | AA | Stable |
| Progressive Corp. | Very strong | Very strong | Intermediate risk | Excellent | Excellent | Moderately low | Neutral | aa | Neutral | Adequate | 0 | AA | Stable |
| State Farm Mutual Automobile Ins Co. | Very strong | Excellent | Intermediate risk | Excellent | Excellent | Moderately low | Neutral | aa | Neutral | Exceptional | 0 | AA | Stable |
| The Travelers Cos. Inc. | Very strong | Excellent | Intermediate risk | Excellent | Excellent | Moderately low | Neutral | aa | Neutral | Exceptional | 0 | AA | Stable |
| Factory Mutual Insurance Co. | Very strong | Very strong | Intermediate risk | Strong | Excellent | High | Neutral | aa- | Neutral | Adequate | 0 | AA- | Stable |
| ACUITY a Mutual Insurance Co. | Strong | Strong | Intermediate risk | Very strong | Excellent | Moderately high | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Negative |
| Allstate Corp. | Very strong | Very strong | Intermediate risk | Satisfactory | Strong | Moderately high | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Stable |
| American Financial Group Inc. | Strong | Strong | Intermediate risk | Very strong | Very strong | Moderately low | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Stable |
| American International Group Inc. | Very strong | Very strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Positive |
| Cincinnati Financial | Strong | Strong | Intermediate risk | Very strong | Excellent | Moderately high | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Stable |
| CNA Financial Corp. | Strong | Strong | Intermediate risk | Very strong | Excellent | Moderately high | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Stable |
| Hartford Financial Services Group Inc. | Very strong | Very strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Positive |
| Nationwide Mutual Insurance Co. | Very strong | Very strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a+ | Neutral | Adequate | 0 | A+ | Stable |
| Old Republic International Corp. | Strong | Strong | Intermediate risk | Very strong | Excellent | Moderately high | Neutral | a+ | Neutral | Exceptional | 0 | A+ | Stable |
| Berkley (W.R.) Corp. | Strong | Strong | Intermediate risk | Very strong | Very strong | Moderately low | Neutral | a+ | Neutral | Adequate | 0 | A+ | Positive |

IICRA - Insurance Industry and Country Risk Assessment. CRA – Comparable Rating Adjustment. Ratings as of Dec. 31, 2024.

# U.S. P/C Insurers | Rating Scores Snapshot--Strongest To Weakest

| Org name / Sponsor | Business risk profile | Competitive position | IICRA | Financial risk profile | Capital and earnings | Risk exposure | Funding structure | Anchor | Governance | Liquidity | CRA | Financial strength rating | Outlook/ CreditWatch |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Associated Electric & Gas Insurance Services Ltd. | Strong | Strong | Intermediate risk | Very strong | Excellent | Moderately high | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Assurant Inc. | Strong | Strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Everen Ltd. | Satisfactory | Satisfactory | Intermediate risk | Excellent | Excellent | Moderately low | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Farmers Insurance Exchange* | Strong | Strong | Intermediate risk | Fair | Satisfactory | Moderately high | Neutral | bbb | Neutral | Adequate | 0 | A | Stable |
| Hanover Insurance Group Inc. (The) | Strong | Strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Horace Mann Educators Corp. | Strong | Strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Liberty Mutual Insurance Co. | Very strong | Very strong | Intermediate risk | Satisfactory | Strong | Moderately high | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Markel Corp. | Strong | Strong | Intermediate risk | Strong | Strong | Moderately low | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| RLI Corp. | Strong | Strong | Intermediate risk | Strong | Strong | Moderately low | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Selective Insurance Group Inc. | Strong | Strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a | Neutral | Exceptional | 0 | A | Stable |
| Accident Fund Insurance Co. of America | Strong | Strong | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a- | Neutral | Exceptional | 0 | A- | Positive |
| American Family Mutual Insurance Group | Strong | Strong | Intermediate risk | Satisfactory | Strong | Moderately high | Neutral | a- | Neutral | Adequate | 0 | A- | Stable |
| Argo Group International Holdings Ltd.* | Satisfactory | Satisfactory | Intermediate risk | Strong | Very strong | Moderately high | Neutral | bbb+ | Neutral | Adequate | 0 | A- | Stable |
| Greater New York Mutual Insurance Co. | Satisfactory | Satisfactory | Intermediate risk | Strong | Very strong | Moderately high | Neutral | a- | Neutral | Exceptional | 0 | A- | Stable |
| Kemper Corp. | Satisfactory | Satisfactory | Intermediate risk | Very strong | Very strong | Moderately low | Neutral | a- | Neutral | Adequate | 0 | A- | Stable |
| R.V.I. Guaranty Co. Ltd. | Satisfactory | Satisfactory | Intermediate risk | Very strong | Very strong | Moderately low | Neutral | a- | Neutral | Adequate | -1 | BBB+ | Stable |
| American Steamship Owners Mutual P&I Assoc. Inc. | Satisfactory | Satisfactory | Intermediate risk | Marginal | Fair | Moderately high | Neutral | bb+ | Neutral | Adequate | 0 | BB+ | Stable |

IICRA - Insurance Industry and Country Risk Assessment. CRA – Comparable Rating Adjustment. *Farmers get a three-notch group support on the SACP for the final rating, and Argo gets a one-notch support. Ratings as of Dec. 31, 2024.

# Related Criteria/Research

- The Impact Of The Los Angeles Wildfires On California's Property Insurance, Housing Finance, And State Creditworthiness, Jan. 23, 2025
- Insurers Can Absorb Losses Amid Escalating Los Angeles Wildfires, Jan. 9, 2025
- Credit Conditions North America Q1 2025 : Policy Shifts, Rising Tensions, Dec. 12, 2024
- Economic Outlook U.S. Q1 2025: Steady Growth, Significant Policy Uncertainty, Nov. 26, 2024
- U.S. Property/Casualty Insurance Sector View Improves On Stronger Earnings And Capitalization, Nov. 21, 2024
- U.S. Private Mortgage Insurance Sector View, Oct. 9, 2024
- Record Weather-Related Losses Hit U.S. Homeowners Insurers and Pose Challenges in Estimating Catastrophe Risk Charges, Sept. 3, 2024
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