Facing tomorrow starts today.

NAVIGATING

Q3

Top Commercial Insurance Trends



INTRODUCTION

Four Commercial Insurance Trends for Q3 2025

Gallagher's global team of insurance professionals is closely monitoring renewal impacts based on uncertainty in the global economy, a transitioning market with pockets of opportunities and challenges, and continued adoption of artificial intelligence (AI). We're watching as these trends evolve throughout 2025, providing you with the latest information and actions to stay ahead of the market and your next renewal.

Here are four trends Gallagher retail brokerage experts are watching in Q3 2025:



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Casualty Renewal Readiness in a Challenged Market

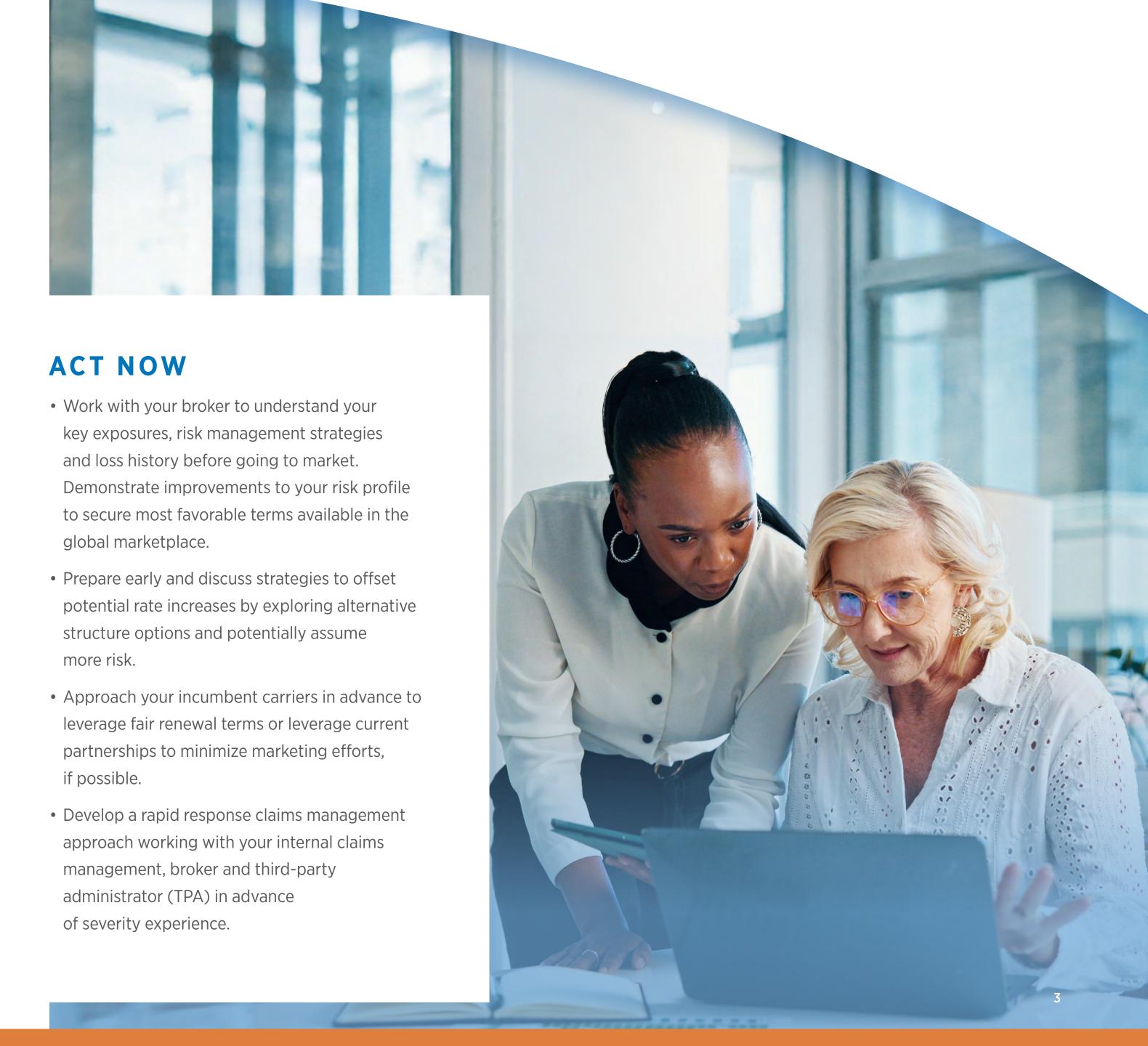
The casualty insurance market is navigating significant challenges driven by rising claims costs and the prevalence of nuclear and thermonuclear verdicts. Extended litigation timelines and the surge of interest in litigation funding have further disrupted the industry. These shifts are creating uncertainty and pressure within the market, so we encourage organizations to get a jump start on preparation for potential increases ahead of renewals.

Buyers should view their current structure as a foundation and be prepared to modify it for optimal risk management and cost efficiency. This modification may include strategies such as increasing self-insured retentions on primary policies, securing buffer layers and adjusting attachment points within their umbrella/excess tower. Additional tactics include efficiently leveraging protected cell or single-parent captives and strategically taking on additional risk on a ventilated basis. We're also seeing a growing need for Excess and Surplus (E&S), as evidenced by continued premium growth and heightened submission activity.

Given the reductions in umbrella/excess capacity over the last five years, most programs require additional insurance carriers to fill towers. This shift heightens the importance of close communication and collaboration between each carrier's defense counsel on more severe/catastrophic claims to ensure the best outcome.

Hope Eberhardt

Regional Vice President, Casualty Practice Leader, Gallagher



Property Stable, For Now

Despite severe flooding in multiple regions and the California wildfires, the property insurance market remains stable, with carriers eager to expand and offer rate reductions, and competition increasing.

We're seeing earlier quotes from carriers, which offers clients a strategic advantage, yet concerns about market volatility and severe weather claims persist. This concern is echoed in Gallagher's 2025 Business Owner survey, which reports that 91% of business owners are concerned that natural disasters will adversely affect their business. The survey also shows flood and fireproofing emerging as top risk mitigation priorities for those who filed claims in the past year.

A new area we're watching is potential gaps in cyber-physical coverage. With growing reliance on automation and interconnected systems, the risk of cyber incidents causing physical damage is increasing. This shift requires reevaluating traditional insurance policies, which may not fully cover these emerging risks, potentially leaving businesses exposed to financial and operational challenges.

Martha Bane

Managing Director, Property Practice, Gallagher



• Read Gallagher's recent guide, *Cyber-Physical*

Risks: Addressing Coverage Gaps.

Cyber Risk and Deepfakes Get a Boost From Al

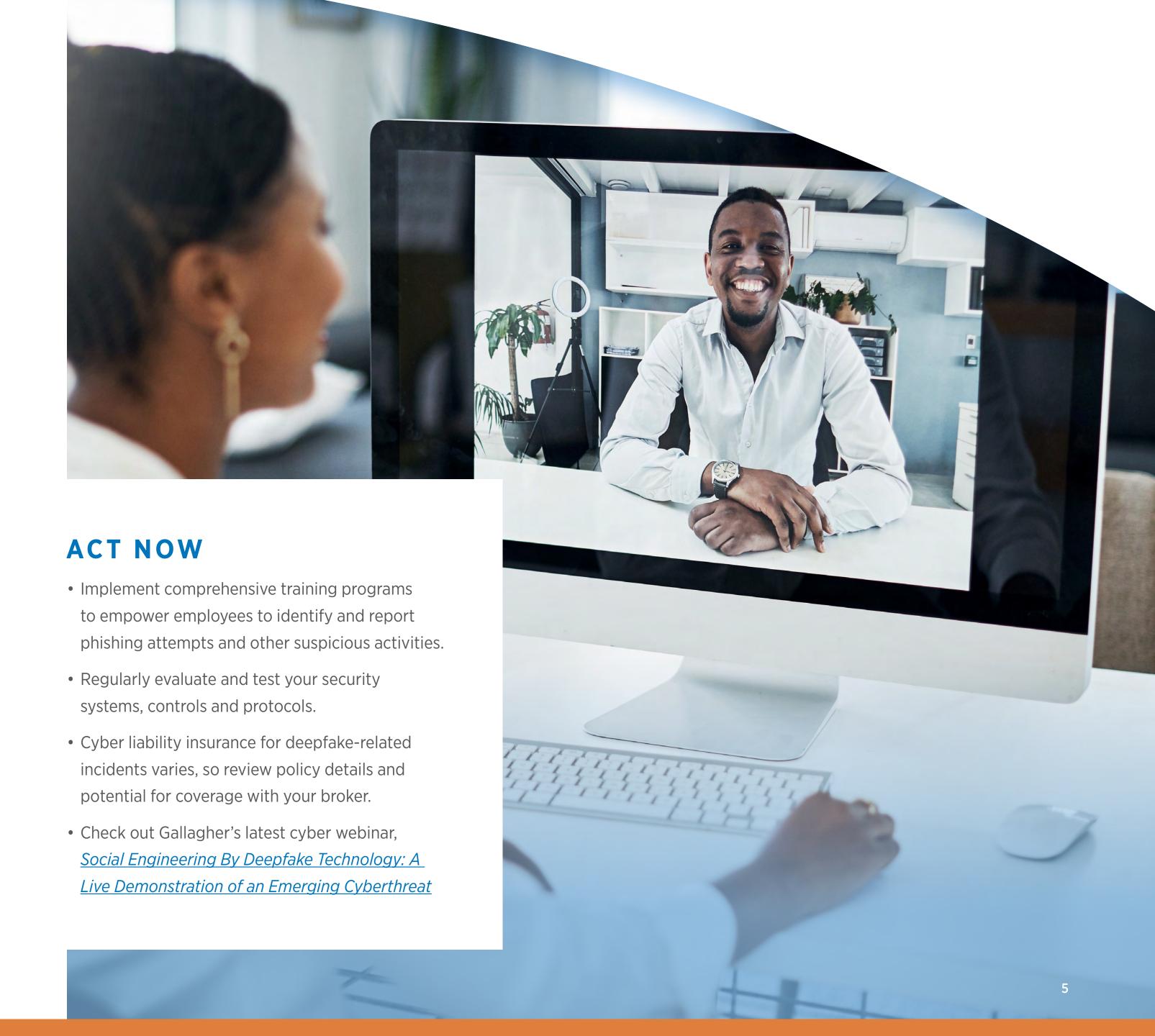
Cyber remains a top risk for organizations in 2025, with Gallagher's 2025 Business Owner Survey showing that 72% of business owners are concerned that a cyber attack could impact their business, up from 69% in 2024.

Within this space, we continue to monitor deepfake-based social engineering scams as an evolving and sophisticated threat. Deepfakes — manipulated images, text, audio and videos — falsely portray individuals in actions or statements they never made. Deepfakes pose significant insurance challenges, increasing risks related to fraud, misinformation and liability claims.

The technical prowess of deepfakes fueled by AI is advancing at speed, with tools becoming more accessible and user-friendly. We're also monitoring recent regulations and legislative proposals that are pushing for swift action to combat these risks and potentially criminalize certain deepfake activities.

John Farley

Managing Director, Cyber Practice, Gallagher



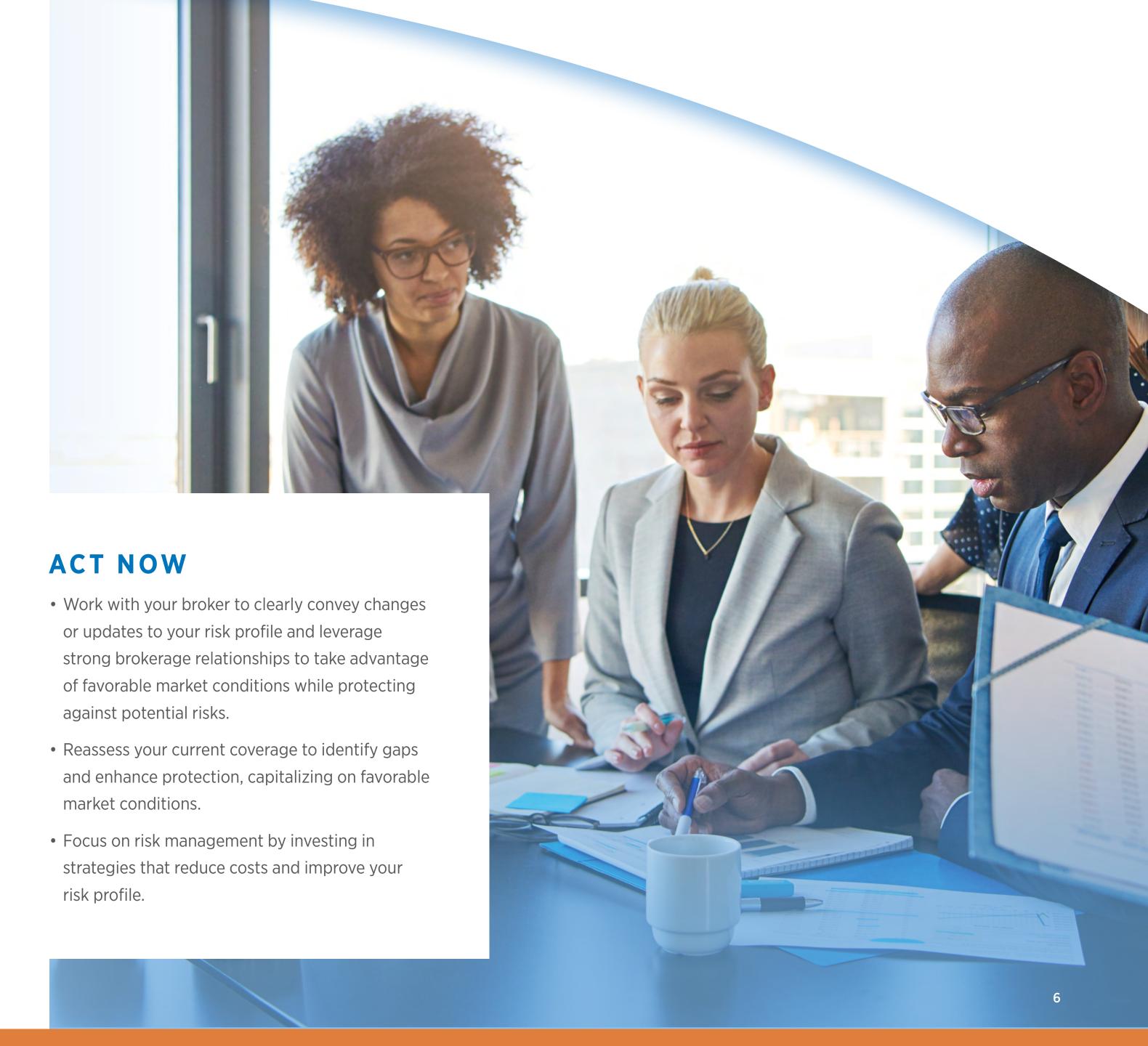
Increased Uncertainty in a Buyer's Market

The current commercial insurance landscape is marked by a striking contrast. On the one hand, macroeconomic uncertainty persists across the globe. This uncertainty leaves some business leaders feeling less confident about making strategic shifts and hesitant about taking on new growth ventures across their enterprise.

On the other hand, the market remains largely favorable for insurance buyers, with competitive pricing and more advantageous terms in certain lines. With capacity rebounding and eagerness to capture market share, carrier appetites are growing.

In the face of these crosswinds, resilience remains a competitive advantage.

Organizations are seizing the opportunity to prioritize strategies that boost their ability to adapt and grow amid economic challenges.



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