

Facing tomorrow **starts today.**

# NAVIGATING

**Q3**

Top Commercial  
Insurance Trends

# NOW





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:



**Casualty Renewal Readiness in a Challenged Market**  
Page 3



**Property Stable, For Now**  
Page 4



**Cyber Risk and Deepfakes Get a Boost From AI**  
Page 5



**Increased Uncertainty in a Buyer’s Market**  
Page 6



## KEY TREND #1

# 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

## ACT NOW

- Work with your broker to understand your key exposures, risk management strategies and loss history before going to market. Demonstrate improvements to your risk profile to secure most favorable terms available in the global marketplace.
- Prepare early and discuss strategies to offset potential rate increases by exploring alternative structure options and potentially assume more risk.
- Approach your incumbent carriers in advance to leverage fair renewal terms or leverage current partnerships to minimize marketing efforts, if possible.
- Develop a rapid response claims management approach working with your internal claims management, broker and third-party administrator (TPA) in advance of severity experience.



## KEY TREND #2

# 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

## ACT NOW

- Stay vigilant about the market and collaborate with your broker to challenge the status quo by innovating both structures and strategies, extending efforts beyond traditional risk transfer and improvement methods.
- Think and act now about your risk mitigation plans for catastrophic (CAT) events and work with your broker to understand your risk using data and CAT modeling technology.
- Watch Gallagher's recent FutureCast event, [\*Are You Ready To Navigate CATs of the Future? Your Guide to Data, Technology and Risk Management Strategies.\*](#)
- Read Gallagher's recent guide, [\*Cyber-Physical Risks: Addressing Coverage Gaps.\*](#)





### KEY TREND #3

## Cyber Risk and Deepfakes Get a Boost From AI

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

### ACT NOW

- Implement comprehensive training programs to empower employees to identify and report phishing attempts and other suspicious activities.
- Regularly evaluate and test your security systems, controls and protocols.
- Cyber liability insurance for deepfake-related incidents varies, so review policy details and potential for coverage with your broker.
- Check out Gallagher's latest cyber webinar, [\*Social Engineering By Deepfake Technology: A Live Demonstration of an Emerging Cyberthreat\*](#)





#### KEY TREND #4

## 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.

### ACT NOW

- Work with your broker to clearly convey changes or updates to your risk profile and leverage strong brokerage relationships to take advantage of favorable market conditions while protecting against potential risks.
- Reassess your current coverage to identify gaps and enhance protection, capitalizing on favorable market conditions.
- Focus on risk management by investing in strategies that reduce costs and improve your risk profile.





**AJG.com**    **The Gallagher Way.** Since 1927.

Gallagher provides insurance, risk management and consultation services for our clients in response to both known and unknown risk exposures. When providing analysis and recommendations regarding potential insurance coverage, potential claims and/or operational strategy in response to national emergencies (including health crises), we do so from an insurance/risk management perspective, and offer broad information about risk mitigation, loss control strategy and potential claim exposures. We have prepared this commentary and other news alerts for general informational purposes only and the material is not intended to be, nor should it be interpreted as, legal or client-specific risk management advice. General insurance descriptions contained herein do not include complete insurance policy definitions, terms and/or conditions, and should not be relied on for coverage interpretation. The information may not include current governmental or insurance developments, is provided without knowledge of the individual recipient's industry or specific business or coverage circumstances, and in no way reflects or promises to provide insurance coverage outcomes that only insurance carriers control.

Gallagher publications may contain links to non-Gallagher websites that are created and controlled by other organizations. We claim no responsibility for the content of any linked website, or any link contained therein. The inclusion of any link does not imply endorsement by Gallagher, as we have no responsibility for information referenced in material owned and controlled by other parties. Gallagher strongly encourages you to review any separate terms of use and privacy policies governing use of these third party websites and resources.

Insurance brokerage and related services provided by Arthur J. Gallagher Risk Management Services, LLC License Nos. IL 100292093 / CA 0D69293

© 2025 Arthur J. Gallagher & Co., and affiliates & subsidiaries | GGBUS102895