

Howden Re

# Finding the opportunity

The role of expertise and risk selection  
in US Casualty & Financial Lines

1 July 2026  
Casualty and  
Financial Lines  
Renewals

**HOWDEN**

## Finding the opportunity



As property pricing softens and fresh capital continues to flow into the P&C market, the US Casualty and Financial Lines market is grappling with the question of how to grow with sustainable returns in a business that is increasingly defined by performance dispersion.

Over the past few years, the headlines around US Casualty and Financial Lines have become pessimistic. Adverse development, social inflation, nuclear verdicts, and declining Financial Lines rates have dominated industry conversations. However, for those willing to look past the noise and into the data, there is a compelling case for profitable growth.

Performance is not uniform; the dispersion between the high performing and challenged operators is wide, and broad generalizations obscure more than they reveal. Howden Re's analysis points to a clear conclusion that sustainable returns depend on where carriers are writing business, and on the depth of their underwriting expertise in those segments.

## A market defined by dispersion

Howden Re analyzed the top 50 US carriers writing Other Liability, both occurrence and claims-made, and the calendar year loss ratios from 2021 to 2025 indicate a loss ratio of 59% for top quintile writers against a 102% for the bottom quintile. That 43-point gap

is an opportunity which reflects differences in underwriting philosophy and risk selection. For the carriers that identify the right segments of the market, there can be a story of selective growth instead of managed retreat.



What the data shows is that outperformance in this market is the result of deliberate initiatives around portfolio construction, deep specialization, and an ability to adapt as the market evolves. The carriers who are succeeding are making educated decisions about where the returns are

Carrie Byler, Managing Director, Head of US General Casualty, Howden Re

## Where the market is performing

Howden Re also conducted a separate study using the \$50 billion of Casualty and Financial Lines premium from their proprietary data lake. The pattern there remains consistent: carriers with concentrations in small and mid-sized business, and Umbrella/Excess carriers more heavily weighted to E&S, have outperformed.

Within Umbrella/Excess Casualty, E&S outperformed admitted by approximately 10 loss ratio points on a five-year basis. The E&S Casualty market itself has grown to roughly \$65 billion in total direct written premium, double its size five years ago, and although growth is decelerating as competition and specialty-focused capital increase, the

underwriting advantages of E&S remain. Carriers in the space who avoided large entity concentration and who have limited auto exposure, have also outperformed the broader market.

D&O and the broader Financial Lines market present a different dynamic but a similar conclusion. Following the hard market of 2019 to 2021, which drove US D&O premiums to peak levels, competitive pressure and the unwinding of the SPAC cycle have driven rates down. But even here, the opportunity exists. Disciplined attachment points, careful management of excess layers, and carriers who maintained underwriting rigor through the soft period are the distinguishing factors.



The opportunity in Casualty and Financial Lines remains significant, and actionable insights are critical. Our analytics are giving us, and our clients, a clearer map of where value is being created and where it is being eroded. We are partnering with clients every day to help enable their growth strategies

Alice Andrews, Managing Director, Head of Strategic Advisory NA, Howden Re

## The 1 July Renewal

In the face of this market dynamic, the 1 July Casualty and Financial Lines reinsurance renewals completed in an orderly fashion. Ceding commissions came in flat overall, with some upward movement for programmes starting from lower bases. Reinsurer appetite was present and disciplined, reflecting the quality and composition of individual cedent portfolios.

As expected, reinsurer scrutiny at this renewal was focused, with reinsurers rewarding portfolios that had stronger underlying performance and applying greater pressure where loss trends had deteriorated. Engagement with claims teams was a critical component of the renewal, with reinsurers seeking to understand go-forward mitigation strategies directly from the carriers.

## What to watch going forward

With the 1 July renewals complete, attention turns to the variables that will shape the market through to 1 January 2027. Reinsurers will continue to focus on underlying profitability, and proactive claims management.

The focus will also be on where and how carriers are able to grow, as they look to execute on their strategic plans as there continues to be an influx of capital into the market.

# Meet the experts



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