

PRIVATE CLIENT

HUB 2025

# Outlook

Mid-Year  
Rate Report

Navigating Risk and Resilience in  
High-Net-Worth Insurance



Risk & Insurance

**The high-net-worth insurance market has been defined by volatility throughout the first half of 2025 as climate-related disasters, rising claims costs and economic pressures have strained private client insurance portfolios.**

**Carriers continue to review their property exposures in catastrophe prone areas like California, resulting in stricter underwriting requirements and the reduction of coverage options across key asset classes including luxury residences, fine art, yachts and collectibles. Proactive risk mitigation and strategic insurance planning are essential for clients seeking to preserve insurability and financial protection.**

**However, in previously difficult insurance markets like Florida, some competition is returning, which is helping to stabilize rates. While large catastrophes are still impacting the market, carriers are willing to consider certain risks for a higher premium. It's a good time for insureds to work with a trusted advisor to ensure they have the right coverage for their assets and discuss what steps they can take to improve their insurability.**

# Catastrophe Losses Tighten Capacity and Expand Underwriting Scrutiny

Weather-related catastrophes set the tone early in the year, particularly the devastating wildfires in California, which damaged more than 16,000 structures totaling more than \$30 billion in losses.<sup>1</sup>

Rebuilding after large-scale catastrophes is becoming more difficult and expensive, and tariffs could continue to inflate the costs of construction materials. Labor shortages and supply chain constraints continue to delay restoration timelines and add to rebuilding costs. Clients must now contend not only with the challenge of obtaining coverage but also with navigating complex, protracted recovery efforts in the aftermath of a loss.

Many insurers remain in a holding pattern in challenging regions like California as they wait to see if regulators will allow significant rate increase requests to offset mounting industry losses and ease rebuilding codes to help accelerate post-disaster recovery. In the interim, carriers have either scaled back available limits or shifted exposure into the excess and surplus (E&S) markets, where pricing is less regulated and more reflective of real-time risk exposure.

As carriers try to reduce their overall exposure to these risks, underwriting has become more holistic and data-driven. Carriers now assess not only the primary residence, but also ancillary assets such as high-end automobiles, fine art collections, yachts and vacation homes. Garaging locations for vehicles, elevation relative to flood risk and fireproof construction methods are all heavily scrutinized on new business and renewals. This has led to more limited coverage options for certain risks and locations.

1. Insurance Business America, "[Insured losses due to California wildfires to exceed \\$30 billion -- report](#)," April 8, 2025

# Risk Mitigation and Alternative Coverage Options

Clients with proactive risk management strategies are being rewarded with more favorable pricing and improved access to coverage. This includes investments in hardened exteriors, fire-resistant landscaping and elevated garaging for high-value vehicles. Carriers also look favorably on properties with compliant building codes and recent upgrades.

Many clients are choosing to assume more risk through higher deductibles. Rather than pocketing the premium savings, they are reinvesting in home improvements that reduce overall exposure. These measures not only improve insurability but also contribute to long-term resilience and loss prevention.

As the traditional markets continue to contract, particularly in areas with repetitive CAT exposure, more clients are also exploring alternative risk solutions like parametric policies or partial self-insurance to fill coverage gaps. While excess and surplus markets offer needed capacity, they do so with fewer policyholder protections and less predictable pricing. Clients should work closely with their risk advisor to understand the implications of these solutions.

# Preparing for the Remainder of 2025

Despite the ongoing challenges, there are signs of optimism for the second half of the year. Capacity to place coverage is gradually returning to previously hard-to-place markets like Florida and the Carolinas, aided by improving reinsurance conditions and legislative reforms. The long-term impact of climate volatility and social inflation will continue to shape underwriting decisions, however, particularly for high-exposure properties and portfolios with layered asset types.

To navigate this environment effectively, clients must:

- Partner with a specialist broker who understands high-net-worth complexity.
- Re-evaluate coverage limits, particularly around rebuilding costs and asset valuations.
- Consider adjusting deductibles to fund property upgrades and better align with market expectations.
- Implement risk mitigation measures wherever possible — clear brush around properties, install fire-resistant materials and water control systems.
- Anticipate expanded underwriting across all luxury assets, not just primary homes, and begin renewal process early to ensure no coverage lapses.

With the right guidance, affluent families can move from reactive risk management to a position of control — prepared for both today's challenges and tomorrow's uncertainties.

# Rate Report

HUB International's rate guidance comprises an analysis of proprietary national survey data and interviews with HUB personal insurance brokers and risk services consultants specializing in serving personal lines business.

On average, we are experiencing rate increases for nearly all coverages as carriers need additional premiums to support increased losses and expenses. Below are projections of rate increases that we anticipate in 2025. It's important to discuss your unique exposure with your insurance broker and understand what to expect well in advance of your next renewal.

Coverage	U.S. Rate Guidance	Insights
<b>Personal Auto</b>	+5% to +10%	Liability losses, fueled by an increase in bodily injury claims and larger settlements, remain the primary driver of most rising insurance costs.
<b>Homeowners</b>	+10% to +12%	<p>After three years of steep increases, the homeowners market is finally stabilizing. While supply chain issues have eased, new tariffs could drive up reconstruction and supplies costs and renew rate pressure in 2026.</p> <p>Homeowners can help offset rising premiums by investing in risk mitigation tools, such as water shut-off valves, electrical monitoring or roof replacements, which may earn 5% to 10% in annual premium credits.</p>
<b>Personal Umbrella</b>	+10% to +15%	Although steep rate hikes in this line are beginning to ease, continued increases are likely as large settlements and jury verdicts remain problematic. Third-party litigation and surging healthcare costs remain key drivers. However, new legislation in states like Georgia to cap settlements may positively impact the personal umbrella market over time.
<b>Catastrophic Perils</b>	+5% to +10%	Reinsurance costs for catastrophic perils are stabilizing, with more insurance options now available for clients in coastal CAT-exposed areas than in previous years. However, properties exposed to wildfires face higher rates, as reinsurance costs for wildfire risk continue to climb. Clients can offset some of these increases through proactive risk mitigation and by opting for higher deductibles or retention limits.
<b>Specialty: Motorcycle, RVs, Watercraft</b>	+5% to +7%	Specialty coverages, such as those for motorcycles, RVs and watercraft, will see rate increases, though less significant compared to personal auto. Inflation in auto parts remains a key driver, and higher repair costs for older boats and RVs will also influence rate adjustments.

**NOTE:** *Rate* is typically defined as the amount of money necessary to cover losses and expenses, as well as provide an insurance company with a profit for a unit of exposure. *Exposure* refers to a business' or an individual's susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.



# HUB Private Client

When you partner with HUB Private Client, you're at the center of a vast network of experts who will help you reach your goals and remain resilient into the future. For more information on how to manage your insurance costs and reduce your risk, talk to a HUB Private Client Risk Advisor. We're here to help.

**\$1B+**

in personal lines premium brokered by HUB Private Client

**48,000+**

Private Client accounts

**500+**

Private Client Risk Advisors

## Stay up to date

Subscribe to receive risk, insurance and benefits insights, event invitations and rate forecasts throughout 2025.

[Subscribe](#)

The information in this piece is solely for general information purposes and is not intended as tax or legal advice. We do not warrant the accuracy, completeness or usefulness of the information. We disclaim all liability and responsibility arising from any reliance placed on the information by you or anyone else who may be informed of any of its contents. This information may include content provided by other parties. All statements and/or opinions expressed in these materials, other than the content provided by HUB, are solely the opinions and the responsibility of those other parties and do not necessarily reflect the opinion of HUB. We are not responsible or liable for the content or accuracy of any materials provided by any other parties.