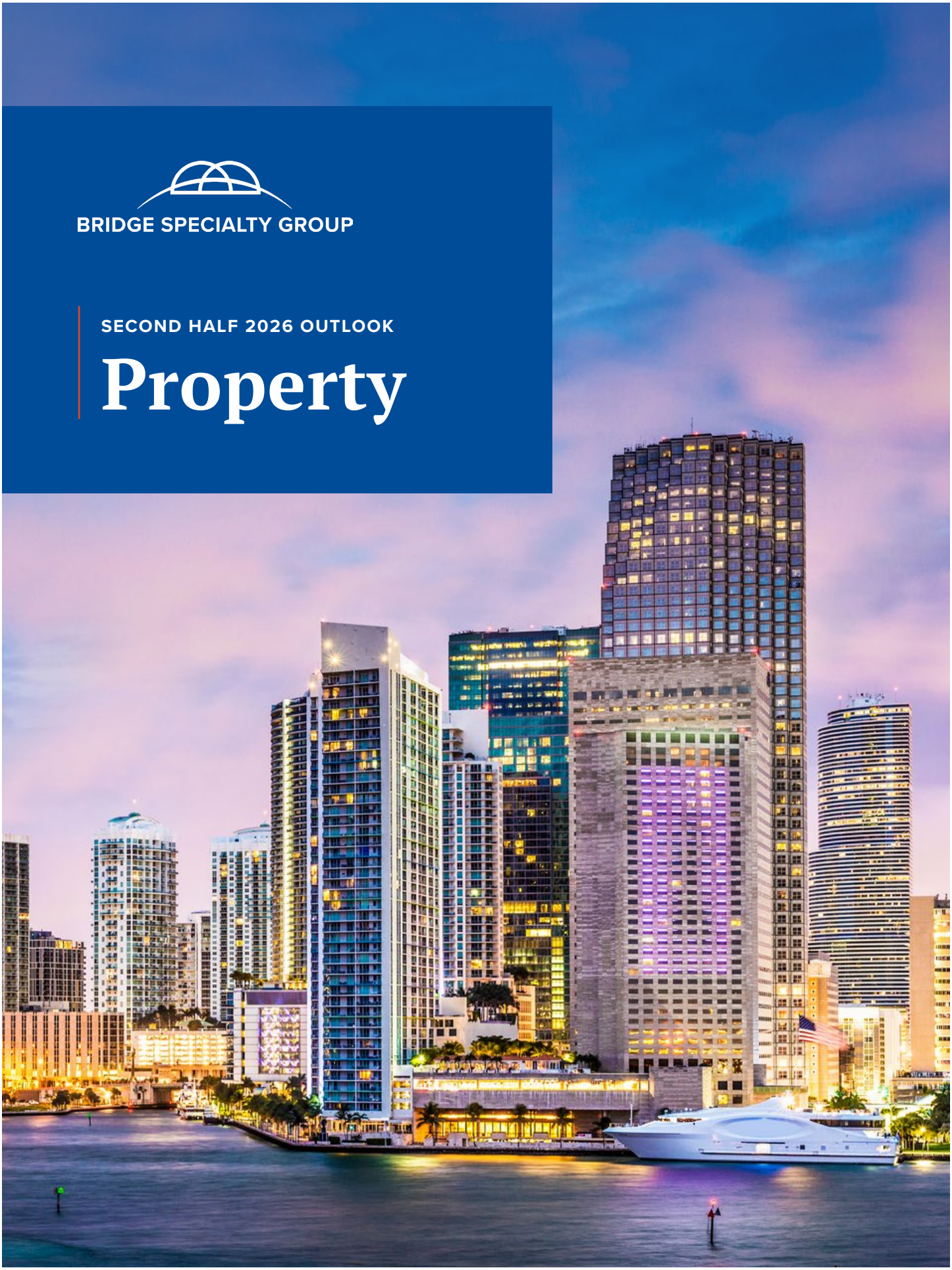
BRIDGE SPECIALTY GROUP

SECOND HALF 2026 OUTLOOK

Property



Overview

The property market is firmly in a buyer favorable period, underpinned by sustained rate decreases, abundant carrier capacity and muted losses across 2025 and early 2026. This outlook provides an overview of the forces shaping the property market in the second half of 2026 and highlights how our retail partners can create meaningful value for their clients by optimizing programs effectively through the balance of the year.

Summary

- The moderate loss experience seen in 2025 is continuing into early 2026 with Q1 losses below the 10-year average, driven by a delayed start to the convective storm season.
- Looking to the second half of the year, losses are expected to be below average as well, with early hurricane predictions showing lower than usual activity compared to the 1991-2020 average due to an El Niño that is expected to form this summer.
- Property rates continue to decline with Q1 marking over 10 consecutive quarters of rate reductions and declines expected to continue through the remainder of 2026, barring a major CAT event.
- Falling rates have been driven by abundant capacity in the market from new and existing insurers alike, supported by favorable reinsurance conditions and a sustained period of strong underwriting results.
- Brokers have been able to achieve rate reductions ranging from -10% to -30% with certain accounts reaching -50%, based on account characteristics.
- Carriers are also offering coverage improvements such as lower deductibles and expanded sublimits for certain perils, among others.
- In this market, retailers have an opportunity to deliver meaningful value to their clients, but capturing that value requires the broad market relationships, specialized expertise and product access provided by a trusted wholesale partner.

Loss & Peril Outlook

Losses across 2025 and early 2026 have been relatively manageable compared to recent years. Total insured losses in 2025 were below the 5-year average, despite major events like the LA wildfires and elevated convective storm activity. This was largely due to the absence of U.S. hurricanes making landfall for the first time in a decade. As a result, hurricanes accounted for just 5% of 2025 losses, versus the typical 35–39% range. Secondary perils drove the majority of losses for the year; wildfire and convective storms comprised 85% of total losses, over double the 10-year average. While much of this increase was driven by the impact of the LA wildfires, which accounted for ~$40B in losses, convective storm activity was also up double-digits over historical averages.

This subdued loss experience of 2025 has continued into early 2026, with Q1 losses below the 10-year Q1 average driven by a delayed start to the convective storm season. As we look ahead to the second half of the year, the relatively benign loss experience is expected to continue with regards to major storms. The 2026 hurricane season is predicted to exhibit below-normal activity compared to the 1991-2020 average, according to early predictions from three of the most recognized early-forecasting sources: Tropical Storm Risk, The Weather Company and Colorado State University. These predictions are all within the range of National Oceanic and Atmospheric Administration's (NOAA) outlook as well – NOAA assigned a 55% probability that the season will be below-normal (versus 35% near-normal and 10% above-normal) and predicts there will be 8-14 total storms, 3-6 hurricanes, and 1-3 CAT 3+ storms. The predicted below-average activity is largely attributed to an El Niño, a recurring climate pattern that weakens hurricane frequency and severity, which is expected to form this summer and, potentially, turn into a "super" El Niño by the fall. Some of these sources note that there are competing factors that could support a more active hurricane season such as warmer than usual ocean temperatures and weaker trade winds, but all predict a below-normal season nonetheless. That said, these early predictions could be revised with more accurate figures as we enter Q3 and we will continue to monitor storm updates as they are published.

It is also worth noting that while these early predictions show moderate storm activity, a single major storm making landfall could reverse the overall loss trend we have seen as of late. If these predictions hold true, however, the industry enters the second half of the year in a position of relative strength, reinforcing and extending the current rate and placement dynamics we are seeing in the property market through the rest of the year.

Rate & Placement Dynamics

Following a prolonged hard market cycle, the property segment has now posted rate decreases for over 10 consecutive quarters through Q1 2026, marking one of the most pronounced softening trends the line has seen in over a decade. The soft market is being driven by abundant capacity from new and existing insurers alike; this influx reflects favorable reinsurance conditions and a sustained period of strong underwriting results across the property segment, supported by a stretch of relatively benign CAT activity and disciplined risk selection during the prior hard market.

We expect desirable, loss-free accounts to achieve -10% to −30% rate reductions through the end of the year, with select accounts approaching −50% based on account characteristics. CAT-exposed and loss-challenged accounts will remain subject to scrutiny, but even those segments will benefit from the increased capacity and competition.

RATE OUTLOOK

Coastal	↓	**-15%**	to	**-35%**
Multi-Family, Non-Coastal	↓	**-10%**	to	**-35%**
Builder's Risk	↓	**-20%**	to	**-30%**
Agriculture	↓	**-15%**	to	**-25%**
Midwest	↓	**-10%**	to	**-20%**
Convective Storm Exposed	↓	**-10%**	to	**-15%**
West Coast / Wildfire Exposed	↓	**0%**	to	**-10%**

For non-CAT accounts, we are seeing a notable shift toward sole-carrier placements, with insurers willing to put up larger lines to take an account in full. This dynamic has reshaped traditional layer specialization; markets historically anchored in mid- and high-excess positions are now competing for primary participation, and in some cases ground-up writings, to maintain relevance and grow premium.

As carriers continue to pursue growth, they are not only offering rate reductions, but also meaningful coverage improvements to win and retain the best accounts. We are seeing lower deductibles, expanding sublimits for wind, flood and earthquake, and the rollback of protective safeguards (e.g., exclusions, restrictive endorsements) that became standard fixtures during the previous hard market.

Placement Considerations

As property accounts renew through the remainder of 2026, retailers have a genuine opportunity to deliver meaningful value to their clients. Capturing that value, however, requires support from a trusted wholesale partner with broad market relationships, specialized expertise, and access to the right products.

The market is broadly favorable, with abundant capacity, aggressive competition and double-digit rate reductions available for well-positioned accounts. However, the best outcomes won't happen without the right approach. Retailers who engage early, craft thorough submissions with account narratives, and leverage a wholesale partner with a robust international platform will consistently outperform those who take a more passive approach. Beyond price, the current environment presents a rare window to restructure programs, restore limits, improve terms and eliminate hard-market concessions; improvements that will provide lasting protection long after this soft cycle ends.

Actionable Takeaways

- Actively pursue coverage improvements alongside rate reductions, prioritizing your loss-free accounts for the most aggressive negotiations, and keep your high-risk accounts focused on long-term risk-control improvements.
- Restore limits reduced during the hard market; attempt to restore adequate coverage, where possible, before capacity tightens and the cost to do so increases.
- Assess admitted and E&S options alike; in many segments, E&S pricing and coverage terms have converged with those of admitted markets. Placement decisions should be driven by the best combination of economics, coverage form and underwriting support.
- Improve underwriter engagement and terms by documenting mitigation efforts, tying improvements to specific hazards and presenting a clear before-and-after story following any loss.

BRIDGE SPECIALTY GROUP

Property Practice Group

Our Property Practice Group connects brokers with broad, flexible coverage for CAT-exposed and specialty property risks, including flood, earthquake, wind and terrorism. With direct access to over 200 top-rated carriers, we bring the tools, underwriting insight and market reach needed to respond quickly and structure programs with flexibility across admitted and non-admitted carriers.

LEVERAGE OUR STRENGTHS

- Experience structuring property placements with TIVs of $1B+
- Highest earthquake and DIC limits in the industry
- Access to AIR and RMS modeling tools
- In-house policy manuscript review and binding / brokerage capabilities
- Exclusive and semi-exclusive carrier programs
- Global market access with deep carrier relationships

KEY COVERAGES

- Builder's Risk and Renovations
- Catastrophe-Exposed Property
- Contractor's Equipment
- Deductible Buy-Back
- Earthquake / Earth Movement
- Equipment Breakdown
- Flood, Wind and Hail
- Terrorism
- Vacant Buildings
- Inventory, Cargo and Stock
- Layered and Ground-Up Property

EXCLUSIVE PRODUCT HIGHLIGHTS

- Excess Flood
- Florida Property for Best-in-Class Condos
- Quake and DIC with Highest Limits in Industry
- Full Limits E&S Commercial Property for General Property Occupancies
- Shared & Layered for National and Regional Schedules, including Coastal
- Excess of Loss Property with $10M of Limit

INSIGHTS CONTRIBUTED BY

Liz White — *National Director Property Group*

Amie Meschi — *EVP, Property*

Jace Tennant — *EVP, Property*

Brandi Holmes — *EVP, Property*

Ryan Welch — *EVP, Property*

CONTACT US

property@bridgespecialty.com

The above content is designed for professional insurance advisors and for informational purposes only. It is not legal, tax or compliance advice and may be outdated as we will not be updating it to maintain accuracy.