

# News release

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## **Strong reinsurer appetite drives excess property catastrophe capacity at January 1 Additional data helped to optimize renewals in challenging casualty market**

New York, December 30, 2024 – According to Guy Carpenter, a leading global risk and reinsurance specialist and a business of Marsh McLennan (NYSE: MMC), non-loss-impacted property catastrophe renewals saw notable risk-adjusted reinsurance rate reductions of 5% to 15% at January 1. However, there was a range of pricing outcomes that varied by region, attachment point and reinsurer views of price adequacy.

Property catastrophe renewals were consistently oversubscribed as reinsurer appetite increased by 10% to 15%, while we estimate demand only increased by approximately 5%. Rate reductions and additional capacity reflect strong reinsurer appetite driven by:

- Another profitable year in 2024, featuring projected average reinsurer returns on equity of 17.3%<sup>1</sup>,
- Total dedicated reinsurance capital<sup>2</sup> increasing by 6.9% to \$607 billion,
- Continued reinsurer discipline around property catastrophe program attachment points and pricing, and
- Meaningful cedent actions to improve underlying portfolio profitability (rate improvement, limit management and disciplined risk selection).

“It is critical that reinsurers take a long-term view and are constructive partners for our clients,” said Dean Klisura, President & CEO of Guy Carpenter. “Renewal outcomes at year-end reflect reinsurers’ positive property experience over the last two years and casualty portfolios that are well-positioned for future profitability.”

Attachment points have significantly affected reinsurer results. In 2024, global industry catastrophe losses reached nearly \$130 billion, with the estimated reinsured share of these losses falling to 14%, down from the pre-2023 average of 20%. Given the increased catastrophe attachment points of recent renewals, supplemental purchases, such as frequency protection and other retention buydown options, play an important role in bringing balance to the market and ensuring reinsurance is impactful on cedent capital and volatility management.

In contrast to the broader property catastrophe market, loss-impacted layers saw adequate capacity with risk-adjusted rates from flat to 30% increases in regions such as the US, Europe and Canada.

Activity in the 144A catastrophe bond market remained robust at year end, with 67 different catastrophe bonds brought to the market for approximately \$17 billion in limit placed in 2024.

Although casualty reinsurance programs were an area of market concern, year-end renewals were completed with varying outcomes. Proportional casualty structures generally experienced ceding commissions that were flat to slightly down. However, excess of loss general liability and excess/umbrella placements continued to face pressure on treaty terms. Like with property catastrophe programs, cedents considered the value of casualty reinsurance by weighing cost and structure options.

Clients provided additional claims, rate, and exposure data. This increased transparency helped distinguish client portfolios and allowed reinsurers to gain comfort with treaty terms.

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<sup>1</sup> Based on Guy Carpenter’s proprietary reinsurer composite calculation

<sup>2</sup> Guy Carpenter analysis in partnership with AM Best

The cyber reinsurance market remained dynamic and innovative, with buyers exploring a range of blended solutions, from pro rata to event excess of loss and aggregate stop loss structures.

Overall, cedants continue to manage reinsurer partnerships holistically – trading across product lines and treaties. This is critical in the current environment where market conditions vary across property and casualty lines.

Reinsurance market data charts are available on Guy Carpenter's [Renewal Resource Center](#).

**About Guy Carpenter**

[Guy Carpenter](#), a business of [Marsh McLennan](#) (NYSE: MMC), is a leading global risk advisory and reinsurance specialist and broker. Marsh McLennan is a global leader in risk, strategy and people, advising clients in 130 countries across four businesses: [Marsh](#), [Guy Carpenter](#), [Mercer](#) and [Oliver Wyman](#). With annual revenue of \$23 billion and more than 85,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective. For more information, visit [guycarp.com](http://guycarp.com), or follow on [LinkedIn](#) and [X](#).