

Insurance Market Trends for 2025



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The insurance market is constantly evolving, and our experts are always staying on top of the latest trends as we strive to provide the best service to our clients.

Below, our advisors have summarized the recent [Chubb Insurance](#) 2025 Market Trends report, stating key findings, implications for the average policyholder, and how we can best support our high-net-worth clients.

1. Homes

- In 2014, just 2% of homes were considered luxury homes (homes valued more than \$1 million). Values continue to climb – as of 2024, 8.5% of U.S. homes are now \$1M+.
- The housing market conditions for year-over-year growth have seen unprecedented growth, especially in new construction. This trend is due to the “mortgage rate lock-in effect.” Where the inventory of existing homes has remained low due to people being reluctant to sell their homes because of having historically low mortgage rates, buyers are forced to look at new construction.
- Skilled labor shortages and stricter codes mean homes take longer (15+ months) and cost more to rebuild. In one example, in Florida, it took 41 months to rebuild a home. The permitting process alone took over a year to obtain!
- Wildfires and natural disasters may further increase material costs (e.g., lumber +25–40%). It's important to consider how the concentration of homes being rebuilt in a single community affects local labor, material availability, and the permitting process.

2. Autos

- Modern cars are highly complex (1,400+ semiconductors each), making repairs slower and more expensive. Electric cars have twice as many chips as traditional gas engines.
- Labor shortages add to costs – average repair hours and wages are rising.
- Bodily injury claim severity is up more than 50% since 2018, with fatalities still elevated.

3. Liability

- “Social inflation” is pushing jury awards higher, often against high-net-worth individuals.
- 9 in 10 affluent individuals worry about lawsuits, but only 28% carry excess liability coverage.
- This gap poses a serious financial risk.

4. Weather & Climate

- U.S. saw \$27 billion-dollar climate disasters in 2024, costing \$183B. 2024 recorded the second-highest number of billion-dollar disaster events and the fourth-highest total losses on record.
- Historically, catastrophic weather events were most often associated with coastal states like California and Florida. While these regions still experience significant volatility, the past twenty-five years have shown a clear shift, with severe weather increasingly impacting inland areas.
- Tropical storms now strike along the entire East Coast, winter storms extend well beyond the northern states, and Tornado Alley has shifted eastward to include parts of the Mississippi Valley and southeastern states such as Missouri, Arkansas, Kentucky, and Alabama. Today, no region can be considered completely safe.
- Flooding is the most common natural disaster, yet fewer than 10% of households have flood insurance.
- Flash flood emergencies hit record highs in 2024.

5. Passions & Lifestyle

- Collectibles (art, jewelry, watches, wine, sports memorabilia) are growing – especially among Millennials & Gen Z.
- Jewelry thefts and stolen watches (\$1.6B in value) are on the rise.
- The recreational marine market is projected to grow from \$50B to \$87B by 2034, with electric boats gaining momentum.

What You Can Do to Protect Your Clients

- Rising property values and climate risks = a need for strong property coverage.
- Auto and liability exposures are increasing – consider higher limits and excess liability policies.
- Review insurance for collections and passions to reflect today's risks and tomorrow's growth.

Life is complex. Risks are rising. The right protection matters more than ever. We recommend connecting with your insurance providers and financial advisors on an annual basis or as you experience significant life changes.

If you have questions about your plan or the trends we've discussed, don't hesitate to [reach out to your Dean Dorton advisor](#).