

News release

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Reinsurance market conditions put cedents in strong position

New York, September 3, 2025 – Despite an extended period of elevated natural catastrophe losses and ongoing geopolitical and macroeconomic uncertainty, the global reinsurance sector remains resilient and profitable, according to Guy Carpenter, a leading global risk and reinsurance specialist and a business of Marsh McLennan (NYSE: MMC).

As the industry prepares for the Rendez-Vous de Septembre in Monte Carlo, strong reinsurer earnings, expanding capital, plentiful capacity, and a shift toward more sustainable risk-taking continue to define the market. This sets the stage for cedents to approach the 2026 renewal period with opportunities to secure tailored, high-quality coverage.

Dean Klisura, President & CEO, Guy Carpenter, said: “The reinsurance market is strong, seen in record levels of capital and reinsurer returns. Reinsurers’ appetite for growth creates an opportunity for innovative solutions that help cedents manage in a volatile world and protect against the increasingly complex range of risks they face.”

Dedicated reinsurance capital is projected to reach approximately \$650 billion by year-end 2025. With supply outpacing demand, increased competition is driving reinsurers to look for profitable ways to deploy excess capital. Despite an average of \$130 billion in annual insured natural catastrophe losses from 2021 to 2024, reinsurer profitability remains solid. Guy Carpenter estimates reinsurers could absorb up to \$80 billion in catastrophe-related losses before meaningfully impacting capital positions.

The market’s financial strength is largely due to broader economic conditions and shifts away from covering higher-frequency, lower-severity natural catastrophe losses, including severe convective storms. This has increased volatility for cedents, many of which have raised their retentions and are now seeking alternative coverage solutions. With strong investment income and being farther removed from loss and volatility, reinsurers have continued to report profitable results. As retained earnings increase capital for reinsurers, there is a greater appetite for assumed reinsurance growth. Greater supply of reinsurance capacity (especially for property) is likely to create more favorable terms for cedents.

“At Guy Carpenter, we are working closely with our clients to promote their unique strengths and advocate for tailored solutions,” added Mr. Klisura. “Through our advanced analytics and strategic advice, we help clients secure cover that reflects their performance, positioning, and risk appetite.”

January 1, 2026 renewals will be impacted by any further 2025 catastrophe activity as well as geoeconomic and geopolitical factors. Barring significant change for those risks, Guy Carpenter anticipates market conditions seen in 2025 to broadly continue. Cedents are generally well-positioned to structure programs that deliver long-term value, though it is dependent on individual company loss performance. Differentiation is always critical to renewal negotiations. Reinsurers are placing increasing emphasis on data quality and underwriting discipline.

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 over \$24 billion and more than 90,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective. For more information, visit marshmclennan.com, follow us on [LinkedIn](#) and [X](#).