AMWINS®

Highs and Lows of the Public Entity Property Market

The property public entity market has experienced notable relief throughout 2024. However, ongoing large catastrophic events and the need for new entrants in the high excess space have created an uneven playing field. Staying up to date on data collection capabilities and emerging trends among new entrants will be crucial for making informed decisions in this market.

CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

Emerging trends

In 2024, the public entity property sector has continued to reap the benefits of an improved property landscape overall, characterized by increased competition and rate decreases for well-managed, loss-free accounts. This shift is particularly evident in primary and lower excess layers, where market competition has driven down rates.

We are also seeing an increase in requests for higher limits, enhanced coverage and lower deductibles. When budgets allow, public entities are opting to strengthen their financial protection by securing additional insurance. Policy terms have also been successfully adjusted, including lifting or increasing the age requirement for Roof Valuation Endorsements—particularly important for ISDs in North Texas—and raising Margin Clause percentages, all working to offer more consistent coverage terms overall.

Despite some relief, however, large catastrophic events remain a significant challenge and underscore the importance of data collection and model improvements. These new systems and models have become even more important as storm activity increases year after year. RMS 23 has slowly been embraced throughout 2024 and using it in conjunction with RMS 21 offers an advantage to better understand potential impacts.

Looking ahead

While rates in primary and lower excess layers are decreasing and becoming overlined, high excess layers continue to be less affected by this trend. The reinsurance market has had some success in mitigating these constraints compared to previous years and new entrants into the space have provided some relief. However, additional capacity is still needed to achieve rate reductions in these higher excess layers.

We expect public entities can anticipate smoother treaty renewals with minimal rate increases, assuming no major loss activity. To navigate the remainder of the year effectively, it will be important to employ specialized strategies, such as reconfiguring insurance programs, engaging new markets and maintaining strong relationships with underwriters.

Creating a good submission

A strong submission can significantly improve the overall attractiveness and effectiveness of the insured. To help ensure that your client's submission is as strong as possible, consider these key elements.

Schedule renewal meetings early to allow enough time to craft a compelling, positive narrative about the entity's performance. This helps set a favorable tone with underwriters.

Encourage markets to submit their quotes early in the process to secure their capacity, especially as we see layers becoming overlined. Consider introducing new markets to enhance pricing opportunities while still allowing long-standing incumbents—especially those with a history of claims—a chance for final review.

Focus on adjustments to key terms and conditions, such as deductibles, endorsements and limitations, as well as pricing.

At Amwins, we don't believe in one-size-fits-all public entity insurance. We understand that a strong submission – combined with the latest market information – helps you navigate the risks that demand a more nuanced approach, and our solutions are as unique as your clients' businesses.

Collaborate with Amwins and our in-house teams dedicated to providing the most accurate data possible. We can find the best path forward for you and your insureds.

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