sedgwick

State of the Line

2025 YEAR-END

Property loss adjusting

Today's property claims environment is shaped less by isolated catastrophe events and more by how risk behaves over time, across geographies and by peril. Success is defined by scaling smoothly, controlling severity and delivering consistent outcomes as conditions evolve.

Dive deeper into the stats with the full report here

Implications of today's property environment for claims operations:

Risk is shifting, not declining.

Losses are increasingly driven by event frequency, geographic dispersion and cumulative impact, rather than a limited number of peak catastrophe events.

The peril mix is changing.

Non-hurricane events now account for a growing share of claim activity, expanding exposure beyond traditional high-risk definitions and spreading losses across more regions and seasons.

Claim volume does not equal financial exposure.

Even when new claim intake moderates, **severity pressures remain elevated**, driven by labor constraints, materials cost volatility, coverage dynamics and post-loss friction.

Technology and expertise together drive outcomes.

Digital and AI-enabled capabilities support speed, visibility and consistency, while experienced judgment remains essential for complex and high-severity losses.

What this means for insurers and risk managers:

Plan for year-round volatility.

Prepare for clustered activity and localized surges, not just traditional peak catastrophe seasons.

Actively manage severity.

Align governance, escalation paths and expert resources to high-complexity and total-loss claims, where outcomes are most sensitive.

Build flexible capacity.

Use scalable operating and partner models that can expand quickly while maintaining control, consistency and customer experience.

Use technology to enable, not replace, decisions.

Apply automation and AI to improve segmentation, visibility and cycle time, while preserving expert judgment.